

INTERIM FINANCIAL STATEMENT
For the twelve months ended December 31, 2014

	For the twelve months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	74,421,515	73,678,064	1.01	19,543,773	19,420,403	0.64
Interest income	61,935,316	62,754,147	(1.30)	16,019,621	15,857,839	1.02
Less : Interest expenses	34,612,606	36,855,204	(6.08)	8,695,397	9,356,000	(7.06)
Net interest income	27,322,710	25,898,943	5.50	7,324,224	6,501,839	12.65
Fees and commission income	5,613,684	4,880,093	15.03	1,556,476	1,258,806	23.65
Less: Fees and commission expenses	761,527	627,235	21.41	198,468	153,081	29.65
Net fees and commission income	4,852,157	4,252,858	14.09	1,358,008	1,105,725	22.82
Net gains/(losses) from trading	(305,492)	(1,625,926)	81.21	(277,525)	(863,598)	67.86
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	2,272,575	1,349,517	68.40	772,912	1,346,945	(42.62)
Other income (net)	4,905,432	6,320,233	(22.39)	1,472,289	1,820,411	(19.12)
Total operating income	39,047,382	36,195,625	7.88	10,649,908	9,911,322	7.45
Less :Impairment charges for loans and other losses	4,898,249	5,177,019	(5.38)	1,301,870	1,421,538	(8.42)
Individual impairment	390,003	1,070,253	(63.56)	87,165	302,501	(71.19)
Collective impairment	4,480,932	4,007,742	11.81	1,213,978	1,042,792	16.42
Others	27,314	99,024	(72.42)	727	76,245	(99.05)
Net operating income	34,149,133	31,018,606	10.09	9,348,038	8,489,784	10.11
Less: Expenses	15,607,228	14,364,019	8.66	4,003,702	3,760,837	6.46
Personnel expenses	8,956,323	8,266,005	8.35	2,300,931	2,225,366	3.40
Depreciation and amortisation	1,262,000	868,382	45.33	355,927	123,282	188.71
Other operating expenses	5,388,905	5,229,632	3.05	1,346,844	1,412,189	(4.63)
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	18,541,905	16,654,587	11.33	5,344,336	4,728,947	13.01
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	2,688,551	1,968,954	36.55	782,132	487,567	60.42
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	15,853,354	14,685,633	7.95	4,562,204	4,241,380	7.56
Add: Share of profits/(losses) of associates net of tax	6,563	5,285	24.18	(1,592)	310	(613.55)
Profit before income tax	15,859,917	14,690,918	7.96	4,560,612	4,241,690	7.52
Less : Income tax expense	4,617,124	4,117,461	12.14	1,169,153	914,754	27.81
Profit for the period	11,242,793	10,573,457	6.33	3,391,459	3,326,936	1.94
Profit attributable to:						
Equity holders of the Bank	11,238,892	10,563,378	6.39	3,390,778	3,319,305	2.15
Non-controlling interest	3,901	10,079	(61.30)	681	7,631	(91.08)
Profit for the period	11,242,793	10,573,457	6.33	3,391,459	3,326,936	1.94
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	13.01	12.24	6.29	3.92	3.92	-
Diluted earnings per ordinary share (Rs.)	12.95	12.22	5.97	3.91	3.91	-

	For the twelve months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	11,242,793	10,573,457	6.33	3,391,459	3,326,936	1.94
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(60,828)	(21,409)	(184.12)	(60,828)	(21,409)	(184.12)
Remeasurement of defined benefit liability/(asset)	(84,484)	(29,088)	(190.44)	(84,484)	(29,088)	(190.44)
Deferred tax charge/(reversal) on actuarial gains/(losses)	(23,656)	(7,679)	(208.06)	(23,656)	(7,679)	(208.06)
Net change in revaluation surplus	1,638,518	(121,178)	1,452.16	1,638,518	(121,178)	1,452.16
Changes in revaluation surplus/(deficit)	1,812,757	-	-	1,812,757	-	-
Deferred tax charge/(reversal) on revaluation surplus	174,239	121,178	43.79	174,239	121,178	43.79
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operations	(60,430)	361,343	(116.72)	(78,013)	(26,289)	(196.75)
Net gains/(losses) on re-measuring Available-For-Sale financial assets	681,002	1,579,100	(56.87)	(3,860,004)	1,302,826	(396.28)
Sri Lanka Government Securities	640,437	1,437,346	(55.44)	(3,904,056)	1,161,066	(436.25)
Equity Securities	40,565	141,754	(71.38)	44,052	141,760	(68.92)
Add/(Less): Share of other comprehensive income of associates	6,401	(2,132)	400.23	(15,381)	75	(20,608.00)
Other comprehensive income for the period, net of tax	2,204,663	1,795,724	1,494.67	(2,375,708)	1,134,025	(19,933.00)
Total comprehensive income for the period	13,447,456	12,369,181	1,501.00	1,015,751	4,460,961	(19,931.06)
Attributable to:						
Equity holders of the Bank	13,436,054	12,359,090	8.71	1,007,569	4,453,318	(77.37)
Non-controlling interest	11,402	10,091	12.99	8,182	7,643	7.05
Total comprehensive income for the period	13,447,456	12,369,181	8.72	1,015,751	4,460,961	(77.23)

	For the twelve months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	74,441,840	73,736,267	0.96	19,624,931	19,480,269	0.74
Interest income	61,832,018	62,763,644	(1.48)	15,944,091	15,860,229	0.53
Less : Interest expenses	34,610,179	36,878,755	(6.15)	8,683,921	9,361,700	(7.24)
Net interest income	27,221,839	25,884,889	5.16	7,260,170	6,498,529	11.72
Fees and commission income	5,592,744	4,876,517	14.69	1,538,879	1,257,764	22.35
Less: Fees and commission expenses	761,527	627,235	21.41	198,468	153,081	29.65
Net fees and commission income	4,831,217	4,249,282	13.69	1,340,411	1,104,683	21.34
Net gains/(losses) from trading	(305,492)	(1,625,926)	81.21	(277,525)	(863,598)	67.86
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	2,272,575	1,349,517	68.40	772,912	1,346,945	(42.62)
Other income (net)	5,049,995	6,372,515	(20.75)	1,646,574	1,878,929	(12.37)
Total operating income	39,070,134	36,230,277	7.84	10,742,542	9,965,488	7.80
Less :Impairment charges for loans and other losses	4,918,755	5,204,012	(5.48)	1,303,820	1,427,389	(8.66)
Individual impairment	390,003	1,070,253	(63.56)	87,165	302,501	(71.19)
Collective impairment	4,462,289	4,007,742	11.34	1,204,894	1,042,792	15.54
Others	66,463	126,017	(47.26)	11,761	82,096	(85.67)
Net operating income	34,151,379	31,026,265	10.07	9,438,722	8,538,099	10.55
Less: Expenses	15,726,172	14,546,792	8.11	4,132,258	3,944,078	4.77
Personnel expenses	8,903,048	8,186,205	8.76	2,306,377	2,203,284	4.68
Depreciation and amortisation	1,200,546	936,257	28.23	341,133	239,875	42.21
Other operating expenses	5,622,578	5,424,330	3.65	1,484,748	1,500,919	(1.08)
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	18,425,207	16,479,473	11.81	5,306,464	4,594,021	15.51
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	2,688,991	1,968,954	36.57	783,101	487,567	60.61
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	15,736,216	14,510,519	8.45	4,523,363	4,106,454	10.15
Less : Income tax expense	4,556,035	4,065,008	12.08	1,148,035	894,880	28.29
Profit for the period	11,180,181	10,445,511	7.03	3,375,328	3,211,574	5.10
Profit attributable to:						
Equity holders of the Bank	11,180,181	10,445,511	7.03	3,375,328	3,211,574	5.10
Non-controlling interest	-	-	-	-	-	-
Profit for the period	11,180,181	10,445,511	7.03	3,375,328	3,211,574	5.10
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	12.94	12.10	6.94	3.91	3.78	3.44
Diluted earnings per ordinary share (Rs.)	12.88	12.09	6.53	3.89	3.78	2.91

	For the twelve months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	11,180,181	10,445,511	7.03	3,375,328	3,211,574	5.10
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	(60,667)	(20,668)	(193.53)	(60,667)	(20,668)	(193.53)
Remeasurement of defined benefit liability/(asset)	(84,259)	(28,705)	(193.53)	(84,259)	(28,705)	(193.53)
Deferred tax charge/(reversal) on actuarial gains/(losses)	(23,592)	(8,037)	(193.54)	(23,592)	(8,037)	(193.54)
Items that will never be reclassified to profit or loss						
Net change in revaluation surplus	1,500,805	(121,178)	1,338.51	1,500,805	(121,178)	1,338.51
Changes in revaluation surplus/(deficit)	1,621,489	-	-	1,621,489	-	-
Deferred tax charge/(reversal) on revaluation surplus	120,684	121,178	(0.41)	120,684	121,178	(0.41)
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operations	(57,151)	350,969	(116.28)	(77,179)	(26,817)	(187.80)
Net gains/(losses) on re-measuring Available-For-Sale financial assets	681,011	1,579,100	(56.87)	(3,859,995)	1,302,826	(396.28)
Sri Lanka Government Securities	640,446	1,437,346	(55.44)	(3,904,047)	1,161,066	(436.25)
Equity Securities	40,565	141,754	(71.38)	44,052	141,760	(68.92)
Other comprehensive income for the period, net of taxes	2,063,998	1,788,223	971.82	(2,497,036)	1,134,163	560.90
Total comprehensive income for the period	13,244,179	12,233,734	8.26	878,292	4,345,737	(79.79)
Attributable to:						
Equity holders of the Bank	13,244,179	12,233,734	8.26	878,292	4,345,737	(79.79)
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the period	13,244,179	12,233,734	8.26	878,292	4,345,737	(79.79)

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
ASSETS						
Cash and cash equivalents	20,621,778	14,263,533	44.58	20,591,867	14,261,549	44.39
Balances with Central Banks	19,633,746	18,431,936	6.52	19,633,746	18,431,936	6.52
Placements with banks	14,507,861	4,131,814	251.13	14,507,861	4,131,814	251.13
Derivative financial assets	459,509	837,694	(45.15)	459,509	837,694	(45.15)
Other financial instruments held for trading	6,326,636	6,379,058	(0.82)	6,326,636	6,379,058	(0.82)
Loans and receivables to banks	551,066	546,270	0.88	551,066	546,270	0.88
Loans and receivables to other customers	498,165,419	410,975,730	21.22	497,065,787	410,991,191	20.94
Financial investments - Available-for-sale	214,225,017	131,716,774	62.64	214,208,370	131,716,774	62.63
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	1,211,000	288,946	319.11
Investments in associates	106,287	94,173	12.86	44,331	44,331	-
Property, plant & equipment	11,134,935	9,175,225	21.36	9,953,091	8,387,344	18.67
Intangible assets	856,230	477,728	79.23	439,128	467,593	(6.09)
Leasehold property	108,872	110,324	(1.32)	75,420	76,362	(1.23)
Other assets	10,560,430	9,424,248	12.06	10,541,817	9,426,730	11.83
Total Assets	797,257,786	606,564,507	31.44	795,609,629	605,987,592	31.29
LIABILITIES						
Due to banks	25,669,025	14,194,219	80.84	25,260,976	14,194,219	77.97
Derivative financial liabilities	1,193,139	1,411,916	(15.50)	1,193,139	1,411,916	(15.50)
Other financial liabilities held-for-trading	-	-	-	-	-	-
Due to other customers/Deposits from customers	529,266,588	451,098,946	17.33	529,361,484	451,152,923	17.34
Other borrowings	136,027,625	53,997,503	151.91	136,201,082	54,173,175	151.42
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	2,037,388	1,780,867	14.40	1,997,990	1,758,574	13.61
Deferred tax liabilities	2,876,199	1,763,414	63.10	2,573,760	1,563,070	64.66
Other provisions	1,874	2,409	(22.21)	1,874	2,409	(22.21)
Other liabilities	17,669,977	9,885,815	78.74	17,443,530	9,827,209	77.50
Due to subsidiaries	-	-	-	19,289	15,686	22.97
Subordinated liabilities	11,262,573	10,944,412	2.91	11,044,775	10,944,412	0.92
Total Liabilities	726,004,388	545,079,501	33.19	725,097,899	545,043,593	33.03

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
EQUITY						
Stated capital	21,457,501	19,586,813	9.55	21,457,501	19,586,813	9.55
Statutory reserves	4,327,103	4,034,614	7.25	4,327,103	4,034,614	7.25
Retained earnings	4,443,109	4,359,632	1.91	4,258,287	4,233,364	0.59
Other reserves	40,978,121	33,465,169	22.45	40,468,839	33,089,208	22.30
Total equity attributable to equity holders of the Bank	71,205,834	61,446,228	15.88	70,511,730	60,943,999	15.70
Non-controlling Interest	47,564	38,778	22.66	-	-	-
Total Equity	71,253,398	61,485,006	15.89	70,511,730	60,943,999	15.70
Total Liabilities and Equity	797,257,786	606,564,507	31.44	795,609,629	605,987,592	31.29
Contingent Liabilities and Commitments	352,453,452	295,451,955	19.29	352,453,452	295,451,955	19.29
Net Assets Value per Ordinary Share (Rs.)	82.24	72.37	13.64	81.44	71.78	13.46

Memorandum Information

Number of Employees

4,851

4,730

Number of Customer Service Centers

257

253

CERTIFICATION :

These Financial Statements have been prepared in compliance with requirements of the Companies Act No.07 of 2007.

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director/Chief Executive Officer of the Commercial Bank of Ceylon PLC, certify jointly that:

(a) the above financial statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka,

(b) the information contained in these financial statements have been extracted from the audited Financial Statements of the Group & the Bank.

(Sgd.) K.G.D.D Dheerasinghe

Chairman

February 23, 2015

Colombo

(Sgd.) J.Durairatnam

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve			
	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2013	18,008,796	3,245,818	187,577	4,172,814	4,737,125	475,467	(755,101)	2,846,935	20,048,989	52,968,420	32,141	53,000,561
Total comprehensive income for the year 2013												
Profit for the year	-	-	-	10,563,378	-	-	-	-	-	10,563,378	10,079	10,573,457
Other comprehensive income, net of tax	-	-	-	(21,421)	(121,178)	1,576,968	361,343	-	-	1,795,712	12	1,795,724
Net actuarial gains/(losses) on defined benefit plans				(21,421)						(21,421)	12	(21,409)
Net change in revaluation surplus					(121,178)					(121,178)		(121,178)
Net fair value gains/(losses) on re-measuring available-for-sale financial assets						1,576,968				1,576,968		1,576,968
Net gains/(losses) arising from translating the financial statements of the foreign operation							361,343			361,343		361,343
Total comprehensive income for the year 2013	-	-	-	10,541,957	(121,178)	1,576,968	361,343	-	-	12,359,090	10,091	12,369,181
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Issue of Ordinary shares under Employee Share Option Plans	76,074	-	-	-	-	-	-	-	-	76,074	-	76,074
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final dividend for 2012 satisfied in the form of issue and allotment of new shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	(1,308)	(168,191)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
First interim dividend for 2013	-	-	-	(1,273,491)	-	-	-	-	-	(1,273,491)	(1,308)	(1,274,799)
Deferred tax effect on pre-acquisition reserves	-	-	-	(14,547)	-	-	-	-	-	(14,547)	(838)	(15,385)
Re-classification of retained earnings to available-for-sale reserve	-	-	-	28,967	-	(28,967)	-	-	-	-	-	-
Transfers during the year	-	522,276	78,943	(4,924,807)	-	-	-	1,991,758	2,331,830	-	-	-
Total transactions with equity holders	1,578,017	522,276	78,943	(10,355,139)	-	(28,967)	-	1,991,758	2,331,830	(3,881,282)	(3,454)	(3,884,736)
Balance as at 31.12.2013	19,586,813	3,768,094	266,520	4,359,632	4,615,947	2,023,468	(393,758)	4,838,693	22,380,819	61,446,228	38,778	61,485,006
Total comprehensive income for the year 2014												
Profit for the year	-	-	-	11,238,892	-	-	-	-	-	11,238,892	3,901	11,242,793
Other comprehensive income, net of tax	-	-	-	(60,824)	1,631,013	687,403	(60,430)	-	-	2,197,162	7,501	2,204,663
Net actuarial gains/(losses) on defined benefit plans				(60,824)						(60,824)	(4)	(60,828)
Net change in revaluation surplus					1,631,013					1,631,013	7,505	1,638,518
Net fair value gains/(losses) on re-measuring available-for-sale financial assets						687,403				687,403		687,403
Net gains/(losses) arising from translating the financial statements of the foreign operation							(60,430)			(60,430)		(60,430)
Total comprehensive income for the year 2014	-	-	-	11,178,068	1,631,013	687,403	(60,430)	-	-	13,436,054	11,402	13,447,456
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Issue of Ordinary shares under Employee Share Option Plans	340,763	-	-	-	-	-	-	-	-	340,763	-	340,763
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,148)	-	-	-	-	-	(849,148)	-	(849,148)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	(1,308)	(1,701,225)
Final dividend for 2013 satisfied in the form of issue and allotment of new shares	1,529,925	-	-	(1,699,917)	-	-	-	-	-	(169,992)	-	(169,992)
First interim dividend for 2014	-	-	-	(1,298,154)	-	-	-	-	-	(1,298,154)	(1,308)	(1,299,462)
Transfers during the year	-	559,009	-	(5,547,455)	-	-	-	388,446	4,600,000	-	-	-
Transfers to general reserve	-	-	(266,520)	-	-	-	-	(5,227,139)	5,493,659	-	-	-
Total transactions with equity holders	1,870,688	559,009	(266,520)	(11,094,591)	-	-	-	(4,838,693)	10,093,659	(3,676,448)	(2,616)	(3,679,064)
Balance as at 31.12.2014	21,457,501	4,327,103	-	4,443,109	6,246,960	2,710,871	(454,188)	-	32,474,478	71,205,834	47,564	71,253,398

STATEMENT OF CHANGES IN EQUITY - BANK

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	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2013	18,008,796	3,245,818	187,577	4,178,080	4,343,232	475,467	(757,894)	2,846,935	20,048,989	52,577,000	-	52,577,000
Total comprehensive income for the year 2013												
Profit for the year	-	-	-	10,445,511	-	-	-	-	-	10,445,511	-	10,445,511
Other comprehensive income, net of tax	-	-	-	(20,668)	(121,178)	1,579,100	350,969	-	-	1,788,223	-	1,788,223
Net actuarial gains/(losses) on defined benefit plans				(20,668)						(20,668)		(20,668)
Net change in revaluation surplus					(121,178)					(121,178)		(121,178)
Net fair value gains/(losses) on re-measuring available-for-sale financial assets						1,579,100				1,579,100		1,579,100
Net gains/(losses) arising from translating the financial statements of the foreign operation							350,969			350,969		350,969
Total comprehensive income for the year 2013	-	-	-	10,424,843	(121,178)	1,579,100	350,969	-	-	12,233,734	-	12,233,734
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Issue of Ordinary shares under Employee Share Option Plans	76,074	-	-	-	-	-	-	-	-	76,074	-	76,074
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final dividend for 2012 satisfied in the form of issue and allotment of new shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
First interim dividend for 2013	-	-	-	(1,273,491)	-	-	-	-	-	(1,273,491)	-	(1,273,491)
Transfers during the year	-	522,276	78,943	(4,924,807)	-	-	-	1,991,758	2,331,830	-	-	-
Total transactions with equity holders	1,578,017	522,276	78,943	(10,369,559)	-	-	-	1,991,758	2,331,830	(3,866,735)	-	(3,866,735)
Balance as at 31.12.2013	19,586,813	3,768,094	266,520	4,233,364	4,222,054	2,054,567	(406,925)	4,838,693	22,380,819	60,943,999	-	60,943,999
Total comprehensive income for the year 2014												
Profit for the year	-	-	-	11,180,181	-	-	-	-	-	11,180,181	-	11,180,181
Other comprehensive income, net of tax	-	-	-	(60,667)	1,500,805	681,011	(57,151)	-	-	2,063,998	-	2,063,998
Net actuarial gains/(losses) on defined benefit plans				(60,667)						(60,667)		(60,667)
Net change in revaluation surplus					1,500,805					1,500,805		1,500,805
Net fair value gains/(losses) on re-measuring available-for-sale financial assets						681,011				681,011		681,011
Net gains/(losses) arising from translating the financial statements of the foreign operation							(57,151)			(57,151)		(57,151)
Total comprehensive income for the year 2014	-	-	-	11,119,514	1,500,805	681,011	(57,151)	-	-	13,244,179	-	13,244,179
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Issue of Ordinary shares under Employee Share Option Plans	340,763	-	-	-	-	-	-	-	-	340,763	-	340,763
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,148)	-	-	-	-	-	(849,148)	-	(849,148)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	-	(1,699,917)
Final dividend for 2013 satisfied in the form of issue and allotment of new shares	1,529,925	-	-	(1,699,917)	-	-	-	-	-	(169,992)	-	(169,992)
First interim dividend for 2014	-	-	-	(1,298,154)	-	-	-	-	-	(1,298,154)	-	(1,298,154)
Transfers during the year	-	559,009	-	(5,547,455)	-	-	-	388,446	4,600,000	-	-	-
Transfers to general reserve	-	-	(266,520)		-	-	-	(5,227,139)	5,493,659	-	-	-
Total transactions with equity holders	1,870,688	559,009	(266,520)	(11,094,591)	-	-	-	(4,838,693)	10,093,659	(3,676,448)	-	(3,676,448)
Balance as at 31.12.2014	21,457,501	4,327,103	-	4,258,287	5,722,859	2,735,578	(464,076)	-	32,474,478	70,511,730	-	70,511,730

	Group		Bank	
For the year ended December 31,	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from Operating activities				
Profit before income tax	15,859,917	14,690,918	15,736,216	14,510,519
Adjustments for:				
Non-cash items included in profits before tax	6,468,450	6,712,525	6,418,243	6,803,813
Change in operating assets	(177,812,667)	(102,776,236)	(178,345,775)	(102,740,182)
Change in operating liabilities	177,867,696	76,882,830	178,481,083	76,915,896
Gains/(losses) on sale of property, plant and equipment	2,144	(11,115)	4,916	(233)
Share of profits in associates, net of tax	(6,563)	(5,285)	-	-
Dividend income from subsidiaries and associates	851	2,691	(70,383)	(72,530)
Interest expense on subordinated liabilities	766,102	619,126	752,782	619,126
Benefits paid on defined benefit plans	(74,497)	(47,891)	(73,675)	(46,147)
Income taxes paid	(4,245,616)	(4,952,063)	(4,195,738)	(4,903,912)
Net unrealized gain from translation of financial statements of foreign operation	(60,430)	361,343	(57,151)	350,969
Net cash from/ (used in) operating activities	18,765,387	(8,523,157)	18,650,518	(8,562,681)
Cash flows from Investing activities				
Net purchase of property, plant and equipment	(1,072,196)	(957,152)	(989,864)	(956,337)
Proceeds from sale of property, plant and equipment	33,266	31,431	13,649	11,927
Purchase of financial investments	(6,868,493)	(2,749,888)	(6,868,493)	(2,749,888)
Proceeds from sale and maturity of financial investments	964,499	1,723,893	964,499	1,723,893
Net purchase of intangible assets	(144,494)	(119,903)	(144,417)	(119,449)
Net cash flow from investment in subsidiaries and associates	-	-	(34,795)	-
Acquisition of a subsidiary, net of cash acquired	(891,470)	-	(916,046)	-
Dividends received from investment in subsidiaries and associates	-	-	70,383	72,530
Net cash from (used in) investing activities	(7,978,888)	(2,071,619)	(7,905,084)	(2,017,324)
Cash Flows from Financing activities				
Net proceeds from issue of ordinary share capital	340,763	76,074	340,763	76,074
Net proceeds from subordinated liabilities	-	9,468,750	-	9,468,750
Repayment of subordinated liabilities	-	(550)	-	(550)
Interest paid on subordinated liabilities	(749,190)	(492,745)	(738,668)	(492,745)
Dividend paid to non-controlling interests	(2,616)	(2,616)	-	-
Dividend paid to shareholders of the parent company	(4,017,211)	(3,942,809)	(4,017,211)	(3,942,809)
Net cash from / (used in) financing activities	(4,428,254)	5,106,104	(4,415,116)	5,108,720
Net increase/(decrease) in cash & cash equivalents	6,358,245	(5,488,672)	6,330,318	(5,471,285)
Cash and cash equivalents at beginning of the year	14,263,533	19,752,205	14,261,549	19,732,834
Cash and cash equivalents at end of the year	20,621,778	14,263,533	20,591,867	14,261,549

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and cash equivalents		20,621,778			20,621,778
Balances with central banks		19,633,746			19,633,746
Placements with banks		14,507,861			14,507,861
Derivative financial instruments	459,509				459,509
Other financial assets held for trading	6,326,636				6,326,636
Loans and receivables to banks		551,066			551,066
Loans and receivables to other customers		498,165,419			498,165,419
Financial investments - Available for sale			214,225,017		214,225,017
Total financial assets	6,786,145	553,479,870	214,225,017	-	774,491,032
Investments in subsidiaries				-	-
Investments in associates				106,287	106,287
Property, plant & equipment				11,134,935	11,134,935
Intangible assets				856,230	856,230
Leasehold property				108,872	108,872
Other assets				10,560,430	10,560,430
	-	-	-	22,766,754	22,766,754
Total assets	6,786,145	553,479,870	214,225,017	22,766,754	797,257,786
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
LIABILITIES					
Due to banks			25,669,025		25,669,025
Derivative financial instruments		1,193,139	-		1,193,139
Other financial liabilities held for trading			-		-
Due to other customers			529,266,588		529,266,588
Other borrowings			136,027,625		136,027,625
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			11,262,573		11,262,573
Total financial liabilities	-	1,193,139	702,225,811	-	703,418,950
Current tax liabilities				2,037,388	2,037,388
Deferred tax liabilities				2,876,199	2,876,199
Other provisions				1,874	1,874
Other liabilities				17,669,977	17,669,977
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	22,585,438	22,585,438
Total liabilities	-	1,193,139	702,225,811	22,585,438	726,004,388

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		14,263,533			14,263,533
Balances with central banks		18,431,936			18,431,936
Placements with banks		4,131,814			4,131,814
Derivative financial instruments	837,694				837,694
Other financial assets held for trading	6,379,058				6,379,058
Loans and receivables to banks		546,270			546,270
Loans and receivables to other customers		410,975,730			410,975,730
Financial investments - Available for sale			131,716,774		131,716,774
Total financial assets	7,216,752	448,349,283	131,716,774	-	587,282,809
Investments in subsidiaries				-	-
Investments in associates				94,173	94,173
Property, plant & equipment				9,175,225	9,175,225
Intangible assets				477,728	477,728
Leasehold property				110,324	110,324
Other assets				9,424,248	9,424,248
Total non-financial assets	-	-	-	19,281,698	19,281,698
Total assets	7,216,752	448,349,283	131,716,774	19,281,698	606,564,507
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	
LIABILITIES					
Due to banks			14,194,219		14,194,219
Derivative financial instruments		1,411,916	-		1,411,916
Other financial liabilities held for trading			-		-
Due to other customers			451,098,946		451,098,946
Other borrowings			53,997,503		53,997,503
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			10,944,412		10,944,412
Total financial liabilities	-	1,411,916	530,235,080	-	531,646,996
Current tax liabilities				1,780,867	1,780,867
Deferred tax liabilities				1,763,414	1,763,414
Other provisions				2,409	2,409
Other liabilities				9,885,815	9,885,815
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	13,432,505	13,432,505
Total liabilities	-	1,411,916	530,235,080	13,432,505	545,079,501

	Held for Trading (HFT) Rs.'000	Loans & Receivables (L & R) Rs.'000	Available for Sale (AFS) Rs.'000	Others Rs.'000	Total Rs.'000
ASSETS					
Cash and cash equivalents		20,591,867			20,591,867
Balances with central banks		19,633,746			19,633,746
Placements with banks		14,507,861			14,507,861
Derivative financial instruments	459,509				459,509
Other financial assets held for trading	6,326,636				6,326,636
Loans and receivables to banks		551,066			551,066
Loans and receivables to other customers		497,065,787			497,065,787
Financial investments - Available for sale			214,208,370		214,208,370
Total financial assets	6,786,145	552,350,327	214,208,370	-	773,344,842
Investments in subsidiaries				1,211,000	1,211,000
Investments in associates				44,331	44,331
Property, plant & equipment				9,953,091	9,953,091
Intangible assets				439,128	439,128
Leasehold property				75,420	75,420
Other assets				10,541,817	10,541,817
	-	-	-	22,264,787	22,264,787
Total assets	6,786,145	552,350,327	214,208,370	22,264,787	795,609,629
		Held for Trading (HFT) Rs.'000	Amortised Cost Rs.'000	Others Rs.'000	Total Rs.'000
LIABILITIES					
Due to banks			25,260,976		25,260,976
Derivative financial instruments		1,193,139	-		1,193,139
Other financial liabilities held for trading			-		-
Due to other customers			529,361,484		529,361,484
Other borrowings			136,201,082		136,201,082
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			11,044,775		11,044,775
Total financial liabilities	-	1,193,139	701,868,317	-	703,061,456
Current tax liabilities				1,997,990	1,997,990
Deferred tax liabilities				2,573,760	2,573,760
Other provisions				1,874	1,874
Other liabilities				17,443,530	17,443,530
Due to Subsidiaries				19,289	19,289
Total non-financial liabilities	-	-	-	22,036,443	22,036,443
Total liabilities	-	1,193,139	701,868,317	22,036,443	725,097,899

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		14,261,549			14,261,549
Balances with central banks		18,431,936			18,431,936
Placements with banks		4,131,814			4,131,814
Derivative financial instruments	837,694				837,694
Other financial assets held for trading	6,379,058				6,379,058
Loans and receivables to banks		546,270			546,270
Loans and receivables to other customers		410,991,191			410,991,191
Financial investments - Available for sale			131,716,774		131,716,774
Total financial assets	7,216,752	448,362,760	131,716,774	-	587,296,286
Investments in subsidiaries				288,946	288,946
Investments in associates				44,331	44,331
Property, plant & equipment				8,387,344	8,387,344
Intangible assets				467,593	467,593
Leasehold property				76,362	76,362
Other assets				9,426,730	9,426,730
Total non-financial assets	-	-	-	18,691,306	18,691,306
Total assets	7,216,752	448,362,760	131,716,774	18,691,306	605,987,592
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES					
Due to banks			14,194,219		14,194,219
Derivative financial instruments		1,411,916	-		1,411,916
Other financial liabilities held for trading			-		-
Due to other customers			451,152,923		451,152,923
Other borrowings			54,173,175		54,173,175
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			10,944,412		10,944,412
Total financial liabilities	-	1,411,916	530,464,729	-	531,876,645
Current tax liabilities				1,758,574	1,758,574
Deferred tax liabilities				1,563,070	1,563,070
Other provisions				2,409	2,409
Other liabilities				9,827,209	9,827,209
Due to Subsidiaries				15,686	15,686
Total non-financial liabilities	-	-	-	13,166,948	13,166,948
Total liabilities	-	1,411,916	530,464,729	13,166,948	545,043,593

	Bank		Group	
	As at 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	58,465,269	51,480,986	58,662,124	51,649,064
Total Capital Base - Rs. '000	72,177,447	65,579,876	72,832,325	65,747,955
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	12.93%	13.27%	13.07%	13.30%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	15.97%	16.91%	16.22%	16.93%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	3.47%	3.88%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	1.86%	2.12%		
Profitability				
Interest Margin	3.88%	4.53%		
Return on Assets (before tax)	2.25%	2.59%		
Return on Equity	17.01%	18.40%		
Debt Security Related Ratios				
Debt Equity Ratio	25.83%	32.51%		
Interest Cover (Times)	21.40	21.71		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	167,846,959	146,690,969		
Off-Shore Banking Unit	10,344,834	8,092,612		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	33.15%	33.66%		
Off-Shore Banking Unit	31.43%	29.38%		

SEGMENTAL ANALYSIS - GROUP
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	Retail Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Total/Consolidated	
<i>For the year ended December 31,</i>	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
External Operating income :												
Net interest income	21,445,397	20,197,758	4,850,688	4,820,251	1,678,943	1,452,620	301,842	231,542	(954,160)	(803,228)	27,322,710	25,898,943
Foreign exchange profit	186,537	319,911	169,464	145,046	452,274	455,442	-	-	672,898	1,075,217	1,481,173	1,995,616
Net fees and commission income	2,900,553	2,490,385	1,423,382	1,281,801	522,241	471,843	-	-	5,981	8,829	4,852,157	4,252,858
Other income	2,140,402	1,809,346	217,483	233,536	88,717	72,619	152,487	830,318	2,523,845	759,659	5,122,934	3,705,478
Eliminations/unallocated											268,408	342,731
Total Operating income	26,672,889	24,817,400	6,661,017	6,480,634	2,742,175	2,452,524	454,329	1,061,860	2,248,564	1,040,477	39,047,382	36,195,626
Credit loss expenses	(3,447,804)	(4,048,513)	(1,111,385)	(1,093,363)	(339,060)	(35,143)	-	-	-	-	(4,898,249)	(5,177,019)
Net Operating income	23,225,085	20,768,887	5,549,632	5,387,271	2,403,115	2,417,381	454,329	1,061,860	2,248,564	1,040,477	34,149,134	31,018,607
Segment result	11,372,329	10,073,230	5,829,292	5,606,741	2,457,544	1,911,800	398,534	948,090	920,663	495,852		
Unallocated operating expenses											(5,125,008)	(4,350,080)
Profit from operations											15,853,354	14,685,633
Share of profit of Associates - (before tax)											6,563	5,285
Income tax expense											(4,617,124)	(4,117,461)
Non Controlling Interest											(3,901)	(10,079)
Net profit for the year,attributable to Equity holders of the parent											11,238,892	10,563,378
<i>As at December 31,</i>	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other information												
Segment assets	207,502,953	177,610,718	186,678,826	156,756,567	51,555,583	46,175,311	10,184,101	4,902,005	311,035,860	192,541,792	766,957,323	577,986,393
Investment in associates	-	-	-	-	-	-	106,287	94,173	-	-	106,287	94,173
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	30,194,176	28,483,941
Total assets	207,502,953	177,610,718	186,678,826	156,756,567	51,555,583	46,175,311	10,290,388	4,996,178			797,257,786	606,564,507
Segment liabilities	254,588,388	219,338,258	102,815,075	87,885,244	42,361,090	36,258,425	10,290,388	4,996,178	311,035,860	192,541,792	721,090,801	541,019,897
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	4,913,587	4,059,604
Total liabilities	254,588,388	219,338,258	102,815,075	87,885,244	42,361,090	36,258,425	10,290,388	4,996,178			726,004,388	545,079,501
<i>For the year ended December 31,</i>	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Information on cash flows												
Cash flows from operating activities	111,174,632	66,345,141	(6,853,886)	(10,528,327)	2,459,720	1,421,827	887,815	(623,719)	(88,902,894)	(65,138,079)	18,765,387	(8,523,157)
Cash flows from investing activities	-	-	-	-	-	-	(6,795,464)	(1,025,995)			(6,795,464)	(1,025,995)
Cash flows from financing activities	(618,493)	9,108,100	-	-	-	-	-	-	(130,697)	(132,645)	(749,190)	8,975,455
Capital expenditure -											-	-
Property, Plant & Equipment											(1,038,930)	(925,721)
Intangible assets											(144,494)	(119,903)
Eliminations/unallocated											(3,679,064)	(3,869,351)
Net cash flow generated during the year											6,358,245	(5,488,672)

Twenty largest voting shareholders as at December 31, 2014

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	119,806,122	14.79
Employees Provident Fund	78,806,032	9.73
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	47,984,547	5.92
Mr.Y.S. H. I. Silva	47,355,714	5.84
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,851,867	5.04
CB NY S/A International Finance Corporation	40,381,198	4.98
Sri Lanka Insurance Corporation Ltd. - General Fund	35,126,985	4.34
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	20,383,126	2.52
Melstacorp Limited	18,989,272	2.34
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	15,177,533	1.87
Mrs. L. E. M. Yaseen	14,000,030	1.73
HSBC Intl. Nominees Ltd. - JPMLU - Schroder International Selection Fund	12,012,366	1.48
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	11,295,245	1.39
Northern Trust Company S/A Harding Loevner Frontier Emerging Markets Portfolio	11,250,000	1.39
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,905,077	1.35
Mercantile Investments and Finance PLC	10,405,566	1.28
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,198,498	1.01
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	8,094,018	1.00
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	7,769,156	0.96
HSBC Intl. Nominees Ltd. - BPSS London-Aberdeen Asia Smaller Companies Investment Trust	6,777,581	0.84
Sub total	565,569,933	69.80
Other Shareholders	244,707,796	30.20
Total	810,277,729	100.00

Percentage of public holding as at December 31, 2014 - 99.57%

Number of shareholders representing public holding as at December 31, 2014 - 8,349

Twenty largest non-voting shareholders as at December 31, 2014

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,215,179	5.78
Mr.Y.S. H. I. Silva	2,360,842	4.25
CITY Bank NY S/A Forward International Dividend Fund	1,926,649	3.47
GF Capital Global Limited	1,545,795	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,379,083	2.48
Mr. J. D. Bandaranayake	1,098,285	1.98
CITY Bank NY S/A Forward Select EM Dividend Fund	1,016,446	1.83
Waldock Mackenzie Ltd / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,000,000	1.80
M.J.F.Exports Ltd.	950,795	1.71
Northern Trust Company S/A Polar Capital Funds PLC	919,031	1.65
Employees Trust Fund Board	882,181	1.59
Saboor Chatoor (Pvt) Ltd	751,000	1.35
Mr. M. F. Hashim	746,733	1.34
Beta Holdings Limited	698,000	1.26
Mrs. L. V. C. Samarasinha	600,000	1.08
Union Assurance PLC / No-01 A/C	565,107	1.02
Akbar Brothers (Pvt) Ltd. A/C No.01	560,349	1.01
Asian Alliance Insurance PLC - A/C 02 (Life Fund)	504,482	0.91
Dr. A. K. A. Jayawardene	490,623	0.88
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	446,527	0.80
Sub total	21,657,107	38.97
Other Shareholders	33,922,839	61.03
Total	55,579,946	100.00

Percentage of public holding as at December 31, 2014 - 99.79%

Number of shareholders representing public holding as at December 31, 2014 - 4,131

Directors' holding in shares as at December 31, 2014

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D Dheerasinghe - Chairman	20,653	-
Mr.M.P Jayawardena - Deputy Chairman	-	-
Mr.J.Durairatnam - Managing Director/Chief Executive Officer	379,087	-
Prof.U.P.Liyanage	-	-
Mr.L.Hulugalle	-	-
Mr.S.Swarnajothi	-	8,490
Mr.H.J Wilson	-	-
Mr.S.Renganathan	190,034	10,190
Mr. K.M.M.Siriwardana	-	-

	2014 Rs.	2013 Rs.
Market price of an ordinary share of the Bank as at December 31,		
Voting	171.00	117.60
Non-Voting	125.10	91.30
Highest price during the quarter ended as at December 31,		
Voting	179.90	120.90
Non-Voting	125.50	98.00
Lowest price during the quarter ended as at December 31,		
Voting	155.00	112.00
Non-Voting	112.00	87.20
Number of ordinary shares issued as at December 31,		
Voting	810,277,729	794,177,884
Non-Voting	55,579,946	54,543,222

EXPLANATORY NOTES

- There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2013. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- On August 31, 2014, the Bank acquired 100% ownership of Indra Finance Company Ltd. (IFL), a Licensed Finance company registered with the Central Bank of Sri Lanka with a total purchase consideration of Rs. 916.046 Mn. Bank obtained all relevant regulatory approvals prior to acquisition of the Company. The Statement of Comprehensive Income and Financial Position of the IFL is consolidated in the Group's Statement of Comprehensive Income and Financial Position.
- The Government of Sri Lanka, in its Interim Budget for 2015 presented to the Parliament on January 29, 2015, intimated that companies or individuals who have recorded a profit in excess of Rs.2,000 Mn during the year of assessment 2013/14 would be liable to a one-off Super Gains Tax of 25%. The law enacting this proposal is currently being drafted and the basis of computing the liability is yet to be certified by the relevant authorities. In the absence of a measurement criteria for the computation of the Super Gains Tax which is enacted or substantially enacted at the time of issue of these Interim Financial Statements, the Bank is not in a position to estimate the potential impact of the said one off tax on the financial statement for the year ended December 31, 2014 and therefore no provision has been made on account of the said tax in these Interim Financial Statements. The Bank will account for and meet the above tax liability as required by law once the required legislation is introduced and administered with the measurement criteria.
- During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since December 31, 2014, that require disclosure in these Interim Financial Statements.

INFORMATION ON SUBORDINATED LIABILITIES - BANK

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Categories	Colombo Stock Exchange listing	Interest payable frequency	Allotment date	Maturity date	Interest rate on comparable Government securities	Effective annual yield		Value as at	
						2014	2013	31.12.2014	31.12.2013
								Rs. '000	Rs. '000
Bank									
Fixed rate Debentures									
2006/2016 - 13.25% p.a.	Not listed	Annually	16.05.2006	16.05.2016	6.35%	13.25%	13.25%	505,000	505,000
2006/2016 - 14.00% p.a.	Listed	Annually	18.12.2006	18.12.2016	6.70%	14.00%	14.00%	467,260	467,260
								972,260	972,260
Floating rate Debentures									
2006/2016 - 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	18.12.2006	18.12.2016	7.70%	10.21%	13.99%	400	400
								400	400
Borrowings from International Finance Corporation (IFC)		Bi-annually	13.03.2013	14.03.2023	5.75% + LIBOR	5.75% + LIBOR		9,468,750	9,468,750
Exchange rate variance								356,250	-
								9,825,000	9,468,750
Total								10,797,660	10,441,410

12 Months TB rate (Gross) - Twelve months Treasury Bill rate before deducting 10% Withholding Tax as published by the Central Bank of Sri Lanka immediately prior to the commencement of each interest period.

(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and receivables	515,335,442	426,762,899	514,022,361	426,778,359
Less: Allowance for Individual impairment	4,334,587	4,204,654	4,334,587	4,204,654
Allowance for Collective impairment	12,835,436	11,582,515	12,621,987	11,582,514
Net loans and receivables	498,165,419	410,975,730	497,065,787	410,991,191

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	60,945,777	64,263,957	60,945,777	64,263,957
Trade finance	29,720,488	32,341,285	29,720,488	32,341,285
Lease rental receivable	24,526,495	21,561,526	22,780,900	21,578,494
Credit cards	4,167,818	3,956,214	4,167,818	3,956,214
Pawning	2,315,884	6,995,603	2,315,884	6,995,603
Staff loans	4,928,668	3,772,106	4,928,211	3,772,106
Housing loans	30,424,369	27,248,649	30,424,369	27,248,649
Personal loans	21,670,018	16,237,144	21,669,446	16,237,144
Term loans				
Short-term	17,375,263	21,749,968	17,962,063	21,749,968
Long-term	140,879,715	99,207,143	140,726,458	99,205,635
Loans granted from Investment Fund Reserve (IFA)	4,554,420	3,520,411	4,554,420	3,520,411
Bills of Exchange	3,379,171	2,187,828	3,379,171	2,187,828
Securities purchased under resale agreements	36,471,301	6,618,100	36,471,301	6,618,100
Sub total	381,359,387	309,659,934	380,046,306	309,675,394
Others				
Government Securities	605,859	645,610	605,859	645,610
Investments	9,585,015	4,302,475	9,585,015	4,302,475
Sub total	10,190,874	4,948,085	10,190,874	4,948,085
Gross loans and receivables	391,550,261	314,608,019	390,237,180	314,623,479

	Group		Bank	
	As at 31.12.2014	As at 31.12.2013	As at 31.12.2014	As at 31.12.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	9,204,100	8,156,718	9,204,100	8,156,718
Trade finance	12,244,510	15,615,852	12,244,510	15,615,852
Lease rental receivable	287,683	217,216	287,683	217,216
Credit cards	53,548	43,405	53,548	43,405
Pawning	-	-	-	-
Staff loans	94,711	113,805	94,711	113,805
Housing loans	978,489	481,304	978,489	481,304
Personal loans	273,570	280,199	273,570	280,199
Term loans				
Short-term	14,012,604	8,886,299	14,012,604	8,886,299
Long-term	37,658,818	30,598,473	37,658,818	30,598,473
Loans granted from Investment Fund Reserve (IFA)				
Bills of Exchange	4,004,991	2,855,831	4,004,991	2,855,831
Securities purchased under resale agreements	4,726,965	2,328,399	4,726,965	2,328,399
Sub total	83,539,989	69,577,501	83,539,989	69,577,501
Others				
Government Securities	40,244,152	42,502,838	40,244,152	42,502,838
Investments	1,040	74,541	1,040	74,541
Sub total	40,245,192	42,577,379	40,245,192	42,577,379
Gross loans and receivables	123,785,181	112,154,880	123,785,181	112,154,880
Total of gross loans and receivables	515,335,442	426,762,899	514,022,361	426,778,359

(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

3 MOVEMENT IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 31.12.2014 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2014 Rs.'000	As at 31.12.2013 Rs.'000
Movement in Allowance for Individual Impairment				
Balance as at January 01,	4,204,654	3,402,168	4,204,654	3,402,168
Charge/(write back) to the Income statement	390,003	1,070,253	390,003	1,070,253
Net write-off/(recoveries) during the year	(403,411)	(369,740)	(403,411)	(369,740)
Exchange rate variance on foreign currency provisions	6,765	18,792	6,765	18,792
Interest accrued / (reversals) on impaired loans & advances	(278,878)	(304,712)	(278,878)	(304,712)
Other movements	415,454	387,893	415,454	387,893
Closing balance	4,334,587	4,204,654	4,334,587	4,204,654
Movement in Allowance for Collective Impairment				
Balance as at January 01,	11,582,515	10,099,059	11,582,514	10,099,059
Balance assumed on business combination	194,805	-	-	-
Charge/(write back) to the Income statement	4,480,932	4,007,742	4,462,289	4,007,742
Net write-off/(recoveries) during the year	(3,422,651)	(2,527,827)	(3,422,651)	(2,527,828)
Exchange rate variance on foreign currency provisions	(165)	3,541	(165)	3,541
Other movements	-	-	-	-
Closing balance	12,835,436	11,582,515	12,621,987	11,582,514
Total of Individual and Collective Impairment	17,170,023	15,787,169	16,956,574	15,787,168

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2014 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2014 Rs.'000	As at 31.12.2013 Rs.'000
By product - Domestic Currency				
Current account deposits	34,311,477	27,775,664	34,317,565	27,775,704
Savings deposits	164,462,225	119,800,612	164,521,655	119,827,302
Time deposits	202,162,715	191,623,970	202,192,093	191,651,216
Certificates of deposits	935,784	3,566,003	935,784	3,566,003
Sub Total	401,872,201	342,766,249	401,967,097	342,820,225
By product - Foreign Currency				
Current account deposits	10,809,389	9,111,749	10,809,389	9,111,749
Savings deposits	46,467,745	39,594,656	46,467,745	39,594,657
Time deposits	70,117,253	59,626,292	70,117,253	59,626,292
Certificates of deposits	-	-	-	-
Sub Total	127,394,387	108,332,697	127,394,387	108,332,698
Total	529,266,588	451,098,946	529,361,484	451,152,923

NAME OF COMPANY

Commercial Bank of Ceylon PLC

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

LEGAL FORM

A public limited liability company incorporated in Sri Lanka on June 25, 1969 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1970. The Company was re-registered under the Companies Act No.7 of 2007. A licensed Commercial Bank under Banking Act No.30 of 1988.

CREDIT RATING**Sri Lanka Operation**

- AA (lka) was re-affirmed by Fitch Ratings Lanka Ltd. in August 2014.
- AA+ was upgraded to AAA by Lanka Rating Agency (formerly Ram Rating)

Bangladesh Operation

- AAA was re-affirmed by Credit Rating Information Services Ltd. in 2013.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

Mr. S.M.R.J.Rodrigo
Assistant General Manager - Plan Implementation

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures December 2006/December 2016 series, both fixed and floating interest rates of the Company are listed on the Colombo Stock Exchange.

LAWYERS

Julius & Creasy,
No. 41, Janadhipathi Mawatha,
Colombo 1.

REGISTERED OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mw.
P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone : 2430420, 2336700
2445010-15 ,2486000, 4792000
Tele-Banking :2336633-5
Telex :21520 COMEX CE
Facsimile : 941-112449889
SWIFT Code-Sri Lanka : CCEYLK LX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

AUDITORS

KPMG
Chartered Accountants,
32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

REGISTRARS

S S P Corporate Services (Private) Limited,
No. 101, Inner Flower Road,
Colombo 3, Sri Lanka.
Telephone: 2573894, 2576871
Facsimile: 9411-2573609
E-mail: sspsec@sltnet.lk

COMPANY SECRETARY

Mrs. J.R Gamage

HEAD OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mw.
P.O. Box 856,
Colombo 1, Sri Lanka.

BOARD OF DIRECTORS

Mr.K.G.D.D Dheerasinghe - Chairman
Mr.M.P Jayawardena - Deputy Chairman
Mr.J.Durairatnam - Managing Director/Chief Executive Officer
Prof.U.P.Liyanage
Mr.L.Hulugalle
Mr.S.Swarnajothi
Mr.H.J Wilson
Mr.S.Renganathan
Mr.K.M.M Siriwardana

ACCOUNTING YEAR

December 31