

INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2017

INCOME STATEMENT - GROUP

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	For the nine months ended			For the quarter ended		
	30.09.2017	30.09.2016	Change	30.09.2017	30.09.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	85,476,633	67,283,051	27.04	29,538,540	24,106,528	22.53
Interest income	76,424,541	58,563,520	30.50	26,958,180	20,894,360	29.02
Less : Interest expense	47,780,885	34,101,113	40.12	16,404,260	12,670,798	29.47
Net interest income	28,643,656	24,462,407	17.09	10,553,920	8,223,562	28.34
Fee and commission income	7,496,694	5,713,656	31.21	2,637,023	2,132,040	23.69
Less: Fee and commission expense	1,178,744	929,613	26.80	401,483	326,561	22.94
Net fee and commission income	6,317,950	4,784,043	32.06	2,235,540	1,805,479	23.82
Net gains/(losses) from trading	350,857	(1,109,490)	131.62	(920,257)	(238,378)	(286.05)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	86,296	114,373	(24.55)	101,271	14,751	586.54
Other income (net)	1,118,245	4,000,992	(72.05)	762,323	1,303,755	(41.53)
Total operating income	36,517,004	32,252,325	13.22	12,732,797	11,109,169	14.62
Less :Impairment charges for loans and other losses	1,619,044	1,820,808	(11.08)	658,471	252,788	160.48
Individual impairment	257,554	2,791,218	(90.77)	97,288	(304,268)	131.97
Collective impairment	1,412,692	(973,965)	245.05	560,970	556,856	0.74
Others	(51,202)	3,555	(1,540.28)	213	200	6.50
Net operating income	34,897,960	30,431,517	14.68	12,074,326	10,856,381	11.22
Less: Expenses	14,993,808	13,912,058	7.78	5,056,177	4,811,088	5.09
Personnel expenses	8,380,408	8,115,310	3.27	2,892,216	2,782,905	3.93
Depreciation and amortisation	1,044,044	930,101	12.25	353,992	318,130	11.27
Other expenses	5,569,356	4,866,647	14.44	1,809,969	1,710,053	5.84
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	19,904,152	16,519,459	20.49	7,018,149	6,045,293	16.09
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	3,502,876	2,518,986	39.06	1,221,585	1,019,503	19.82
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	16,401,276	14,000,473	17.15	5,796,564	5,025,790	15.34
Add: Share of profits/(losses) of associates, net of tax	4,806	5,753	(16.46)	415	3,776	(89.01)
Profit before income tax	16,406,082	14,006,226	17.13	5,796,979	5,029,566	15.26
Less : Income tax expense	4,632,201	3,811,251	21.54	1,677,366	1,351,500	24.11
Profit for the period	11,773,881	10,194,975	15.49	4,119,613	3,678,066	12.00
Profit attributable to:						
Equity holders of the Bank	11,769,309	10,203,586	15.34	4,111,565	3,688,803	11.46
Non-controlling interest	4,572	(8,611)	153.09	8,048	(10,737)	174.96
Profit for the period	11,773,881	10,194,975	15.49	4,119,613	3,678,066	12.00
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	12.41	11.25	10.31	4.34	4.06	6.90
Diluted earnings per ordinary share (Rs.)	12.39	11.23	10.33	4.34	4.05	7.16

	For the nine months ended			For the quarter ended		
	30.09.2017	30.09.2016	Change	30.09.2017	30.09.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the Period	11,773,881	10,194,975	15.49	4,119,613	3,678,066	12.00
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net change in revaluation surplus	12,897	-	-	-	-	-
Changes in revaluation surplus/(deficit)	17,725	-	-	-	-	-
Less : Deferred tax charge/(reversal) on revaluation surplus	4,828	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(266,422)	233,475	(214.11)	(175,224)	(1,528)	(11,367.54)
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	5,103,285	(2,378,778)	314.53	2,440,674	1,930,550	26.42
Government Securities	5,024,682	(2,398,239)	309.52	2,427,434	1,902,386	27.60
Fair value gains/(losses) arose during the period, net of tax	5,059,020	(2,609,433)	293.87	2,483,005	1,814,751	36.82
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	(46,168)	(14,065)	(228.25)	(64,356)	(5,824)	(1,005.01)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	11,830	225,259	(94.75)	8,785	93,459	(90.60)
Equity Securities	78,603	19,461	303.90	13,240	28,164	(52.99)
Fair value gains/(losses) arose during the period	78,603	19,461	303.90	13,240	28,164	(52.99)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value, net of tax	(23,865)	-	-	(215)	-	-
Share of other comprehensive income/(expense) of associates, net of tax	285	593	(51.94)	(22)	1,348	(101.63)
Other comprehensive income/(expense) for the period, net of taxes	4,826,180	(2,144,710)	325.03	2,265,213	1,930,370	17.35
Total comprehensive income for the period	16,600,061	8,050,265	106.21	6,384,826	5,608,436	13.84
Attributable to:						
Equity holders of the Bank	16,588,225	8,055,889	105.91	6,377,584	5,616,186	13.56
Non-controlling interest	11,836	(5,624)	310.46	7,242	(7,750)	193.45
Total comprehensive income for the period	16,600,061	8,050,265	106.21	6,384,826	5,608,436	13.84

INCOME STATEMENT - BANK

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	For the nine months ended			For the quarter ended		
	30.09.2017	30.09.2016	Change	30.09.2017	30.09.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	84,567,599	66,867,763	26.47	29,248,942	23,932,458	22.21
Interest income	75,668,870	58,191,191	30.03	26,709,976	20,730,138	28.85
Less : Interest expense	47,427,046	33,936,112	39.75	16,289,378	12,585,883	29.43
Net interest income	28,241,824	24,255,079	16.44	10,420,598	8,144,255	27.95
Fee and commission income	7,329,777	5,696,611	28.67	2,575,151	2,124,701	21.20
Less: Fee and commission expense	1,178,744	929,613	26.80	401,483	326,561	22.94
Net fee and commission income	6,151,033	4,766,998	29.03	2,173,668	1,798,140	20.88
Net gains/(losses) from trading	350,857	(1,109,490)	131.62	(920,257)	(238,378)	(286.05)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	86,116	114,373	(24.71)	101,091	14,751	585.32
Other income (net)	1,131,979	3,975,078	(71.52)	782,981	1,301,246	(39.83)
Total operating income	35,961,809	32,002,038	12.37	12,558,081	11,020,014	13.96
Less :Impairment charges for loans and other losses	1,494,468	1,803,628	(17.14)	557,485	257,376	116.60
Individual impairment	257,554	2,791,218	(90.77)	97,288	(304,268)	131.97
Collective impairment	1,278,907	(1,007,554)	226.93	459,984	557,007	(17.42)
Others	(41,993)	19,964	(310.34)	213	4,637	(95.41)
Net operating income	34,467,341	30,198,410	14.14	12,000,596	10,762,638	11.50
Less: Expenses	14,749,595	13,800,481	6.88	4,969,769	4,756,008	4.49
Personnel expenses	8,246,819	8,035,847	2.63	2,843,511	2,753,178	3.28
Depreciation and amortisation	964,546	879,113	9.72	326,820	300,879	8.62
Other expenses	5,538,230	4,885,521	13.36	1,799,438	1,701,951	5.73
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	19,717,746	16,397,929	20.25	7,030,827	6,006,630	17.05
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	3,485,841	2,510,823	38.83	1,223,854	1,014,909	20.59
Profit before income tax	16,231,905	13,887,106	16.88	5,806,973	4,991,721	16.33
Less : Income tax expense	4,557,218	3,735,753	21.99	1,672,205	1,328,487	25.87
Profit for the period	11,674,687	10,151,353	15.01	4,134,768	3,663,234	12.87
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	12.30	11.20	9.82	4.36	4.04	7.92
Diluted earnings per ordinary share (Rs.)	12.29	11.18	9.93	4.35	4.03	7.94

	For the nine months ended			For the quarter ended		
	30.09.2017	30.09.2016	Change	30.09.2017	30.09.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	11,674,687	10,151,353	15.01	4,134,768	3,663,234	12.87
Other comprehensive income, net of tax						
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of Foreign Operations	(289,018)	224,764	(228.59)	(175,780)	(8,497)	(1,968.73)
Net fair value gains/(losses) on re-measuring Financial investments - Available-for-sale	5,103,285	(2,378,778)	314.53	2,440,674	1,930,550	26.42
Government Securities	5,024,682	(2,398,239)	309.52	2,427,434	1,902,386	27.60
Fair value gains/(losses) arose during the period, net of tax	5,059,020	(2,609,433)	293.87	2,483,005	1,814,751	36.82
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	(46,168)	(14,065)	(228.25)	(64,356)	(5,824)	(1,005.01)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	11,830	225,259	(94.75)	8,785	93,459	(90.60)
Equity Securities	78,603	19,461	303.90	13,240	28,164	(52.99)
Fair value gains/(losses) arose during the period	78,603	19,461	303.90	13,240	28,164	(52.99)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value, net of tax	(23,865)	-	-	(215)	-	-
Other comprehensive income/(expense) for the period, net of taxes	4,790,402	(2,154,014)	322.39	2,264,679	1,922,053	17.83
Total comprehensive income for the period	16,465,089	7,997,339	105.88	6,399,447	5,585,287	14.58

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2017	31.12.2016	Change	30.09.2017	31.12.2016	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
ASSETS						
Cash and cash equivalents	27,738,157	32,924,227	(15.75)	25,896,049	30,193,589	(14.23)
Balances with Central Banks	46,747,190	43,935,258	6.40	46,164,247	43,873,205	5.22
Placements with banks	12,378,863	11,718,499	5.64	12,378,863	11,718,499	5.64
Securities purchased under re-sale agreements	-	-	-	-	-	-
Derivative financial assets	2,363,141	1,052,829	124.46	2,363,141	1,052,829	124.46
Other financial instruments - Held-for-trading	5,246,327	4,987,798	5.18	5,246,327	4,987,798	5.18
Loans and receivables to banks	638,427	624,458	2.24	638,427	624,458	2.24
Loans and receivables to other customers	712,065,994	620,129,488	14.83	707,431,178	616,018,228	14.84
Financial investments - Available-for-sale	156,345,943	160,092,522	(2.34)	156,151,241	160,023,471	(2.42)
Financial investments - Held-to-maturity	68,368,306	63,626,598	7.45	63,567,170	60,981,298	4.24
Financial investments - Loans and receivables	48,205,468	51,824,026	(6.98)	48,205,468	51,824,026	(6.98)
Investments in subsidiaries	-	-	-	2,564,879	2,435,392	5.32
Investments in associates	108,150	108,859	(0.65)	44,331	44,331	-
Property, plant & equipment	11,948,151	11,569,666	3.27	10,627,515	10,307,825	3.10
Intangible assets	1,059,659	1,132,669	(6.45)	579,963	640,645	(9.47)
Leasehold property	104,881	105,968	(1.03)	72,832	73,536	(0.96)
Deferred tax assets	-	668,150	-	-	963,935	-
Other assets	17,135,290	16,482,559	3.96	17,054,110	16,438,166	3.75
Total Assets	1,110,453,947	1,020,983,574	8.76	1,098,985,741	1,012,201,231	8.57
LIABILITIES						
Due to banks	45,185,227	71,098,391	(36.45)	41,847,322	67,608,811	(38.10)
Derivative financial liabilities	3,489,848	1,515,035	130.35	3,489,848	1,515,035	130.35
Securities sold under repurchase agreements	59,990,369	69,628,961	(13.84)	60,212,617	69,867,469	(13.82)
Due to other customers/deposits from customers	824,859,913	743,310,613	10.97	818,564,433	739,563,494	10.68
Other borrowings	24,423,731	9,270,154	163.47	24,423,731	9,270,154	163.47
Current tax liabilities	3,733,464	3,464,682	7.76	3,676,796	3,440,736	6.86
Deferred tax liabilities	1,157,204	-	-	920,553	-	-
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	18,128,246	18,028,902	0.55	17,923,742	17,710,394	1.20
Due to subsidiaries	-	-	-	35,271	20,061	75.82
Subordinated liabilities	25,370,604	24,849,539	2.10	25,370,604	24,849,539	2.10
Total Liabilities	1,006,340,480	941,168,151	6.92	996,466,791	933,847,567	6.71

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2017	31.12.2016	Change	30.09.2017	31.12.2016	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	37,042,046	24,978,003	48.30	37,042,046	24,978,003	48.30
Statutory reserves	5,654,365	5,647,993	-	5,647,890	5,647,890	-
Retained earnings	11,870,010	4,553,778	160.66	11,691,774	4,464,077	161.91
Other reserves	48,714,311	43,812,536	11.19	48,137,240	43,263,694	11.26
Total equity attributable to equity holders of the Group/Bank	103,280,732	78,992,310	30.75	102,518,950	78,353,664	30.84
Non-controlling Interest	832,735	823,113	1.17	-	-	-
Total Equity	104,113,467	79,815,423	30.44	102,518,950	78,353,664	30.84
Total Liabilities and Equity	1,110,453,947	1,020,983,574	8.76	1,098,985,741	1,012,201,231	8.57
Contingent Liabilities and Commitments	562,482,289	498,568,500	12.82	562,482,289	498,304,527	12.88
Net Assets Value per Ordinary Share (Rs.)	103.79	88.68	17.04	103.02	87.97	17.11
Memorandum Information						
Number of Employees				4,953	4,987	
Number of Customer Service Centers				275	274	

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 unaudited Financial Statements of the Group & the Bank, unless indicated as audited.

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

Chairman

November 10, 2017

Colombo

(Sgd.) J. Durairatnam

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	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 01.01.2016 - Audited	23,254,605	4,922,367	4,467,807	6,258,939	(3,955,376)	432,489	-	223,330	35,359,478	70,963,639	50,208	71,013,847
Total comprehensive income for the nine months ended 30.09.2016												
Profit for the nine months ended 30.09.2016	-	-	10,203,586	-	-	-	-	-	-	10,203,586	(8,611)	10,194,975
Other comprehensive income for the nine months ended 30.09.2016	-	-	593	-	(2,378,778)	230,488	-	-	-	(2,147,697)	2,987	(2,144,710)
Total comprehensive income for the nine months ended 30.09.2016	-	-	10,204,179	-	(2,378,778)	230,488	-	-	-	8,055,889	(5,624)	8,050,265
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	64,432	-	-	-	-	-	-	-	-	64,432	-	64,432
Dividends to equity holders												
Final dividend for 2015 satisfied in the form of issue and allotment of new shares	1,578,594	-	(1,753,994)	-	-	-	-	-	-	(175,400)	-	(175,400)
Final cash dividend for 2015	-	-	(2,630,991)	-	-	-	-	-	-	(2,630,991)	(2,059)	(2,633,050)
Share-based Payment transactions	-	-	-	-	-	-	-	167,229	-	167,229	-	167,229
Incorporation of a subsidiary with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	805,669	805,669
Total transactions with equity holders	1,643,026	-	(4,384,985)	-	-	-	-	167,229	-	(2,574,730)	803,610	(1,771,120)
Balance as at 30.09.2016	24,897,631	4,922,367	10,287,001	6,258,939	(6,334,154)	662,977	-	390,559	35,359,478	76,444,798	848,194	77,292,992
Total comprehensive income for the three months ended 31.12.2016												
Profit for the three months ended 31.12.2016	-	-	4,306,747	-	-	-	-	-	-	4,306,747	(35,298)	4,271,449
Other comprehensive income for the three months ended 31.12.2016	-	-	143,998	-	(874,651)	197,525	-	-	-	(533,128)	7,607	(525,521)
Total comprehensive income for the three months ended 31.12.2016	-	-	4,450,745	-	(874,651)	197,525	-	-	-	3,773,619	(27,691)	3,745,928
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	80,372	-	-	-	-	-	-	-	-	80,372	-	80,372
Dividends to equity holders												
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	-	(1,335,928)	(1,373)	(1,337,301)
Share-based Payment transactions	-	-	-	-	-	-	-	29,723	-	29,723	-	29,723
Write back of dividend payable	-	-	624	-	-	-	-	-	-	624	38	662
Derecognition of revaluation reserve to the retained earnings	-	-	5,628	(5,628)	-	-	-	-	-	-	-	-
Profit due to change in ownership	-	-	3,047	-	-	-	-	-	-	3,047	-	3,047
Movement due to change in ownership	-	-	(1,188)	(2,757)	-	-	-	-	-	(3,945)	3,945	-
Transfers during the period	-	725,626	(8,856,151)	-	-	-	-	-	8,130,525	-	-	-
Total transactions with equity holders	80,372	725,626	(10,183,968)	(8,385)	-	-	-	29,723	8,130,525	(1,226,107)	2,610	(1,223,497)
Balance as at 31.12.2016 - Audited	24,978,003	5,647,993	4,553,778	6,250,554	(7,208,805)	860,502	-	420,282	43,490,003	78,992,310	823,113	79,815,423
Total comprehensive income for the nine months ended 30.09.2017												
Profit for the nine months ended 30.09.2017	-	-	11,769,309	-	-	-	-	-	-	11,769,309	4,572	11,773,881
Other comprehensive income for the nine months ended 30.09.2017	-	-	285	12,897	5,103,285	(273,686)	(23,865)	-	-	4,818,916	7,264	4,826,180
Total comprehensive income for the nine months ended 30.09.2017	-	-	11,769,594	12,897	5,103,285	(273,686)	(23,865)	-	-	16,588,225	11,836	16,600,061
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Proceeds from Right Issue of Ordinary shares	10,143,873	-	-	-	-	-	-	-	-	10,143,873	-	10,143,873
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	313,622	-	-	-	-	-	-	-	-	313,622	-	313,622
Dividends to equity holders												
Second interim dividend for 2016	-	-	(2,674,799)	-	-	-	-	-	-	(2,674,799)	(1,845)	(2,676,644)
Final dividend for 2016 satisfied in the form of issue and allotment of new shares	1,606,548	-	(1,785,054)	-	-	-	-	-	-	(178,506)	-	(178,506)
Dividend paid in respect of previous years	-	-	(545)	-	-	-	-	-	-	(545)	-	(545)
Final dividend for 2016	-	-	-	-	-	-	-	-	-	-	(369)	(369)
Share-based Payment transactions	-	-	-	-	-	-	-	96,552	-	96,552	-	96,552
Revaluation gain on disposal of Freehold Land & Building	-	-	13,408	(13,408)	-	-	-	-	-	-	-	-
Transfers during the period	-	6,372	(6,372)	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	12,064,043	6,372	(4,453,362)	(13,408)	-	-	-	96,552	-	7,700,197	(2,214)	7,697,983
Balance as at 30.09.2017	37,042,046	5,654,365	11,870,010	6,250,043	(2,105,520)	586,816	(23,865)	516,834	43,490,003	103,280,732	832,735	104,113,467

STATEMENT OF CHANGES IN EQUITY - BANK

9

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves					Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2016 - Audited	23,254,605	4,922,264	4,388,867	5,722,859	(3,955,367)	424,768	-	223,330	35,359,478
Total comprehensive income for the nine months ended 30.09.2016									
Profit for the nine months ended 30.09.2016	-	-	10,151,353	-	-	-	-	-	10,151,353
Other comprehensive income for the nine months ended 30.09.2016	-	-	-	-	(2,378,778)	224,764	-	-	(2,154,014)
Total comprehensive income for the nine months ended 30.09.2016	-	-	10,151,353	-	(2,378,778)	224,764	-	-	7,997,339
Transactions with owners recognized directly in equity, contributions by and distributions to owners									
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	64,432	-	-	-	-	-	-	-	64,432
Dividends to equity holders									
Final dividend for 2015 satisfied in the form of issue and allotment of new shares	1,578,594	-	(1,753,994)	-	-	-	-	-	(175,400)
Final cash dividend for 2015	-	-	(2,630,991)	-	-	-	-	-	(2,630,991)
Share-based Payment transactions	-	-	-	-	-	-	-	167,229	167,229
Total transactions with equity holders	1,643,026	-	(4,384,985)	-	-	-	-	167,229	(2,574,730)
Balance as at 30.09.2016	24,897,631	4,922,264	10,155,235	5,722,859	(6,334,145)	649,532	-	390,559	35,359,478
Total comprehensive income for the three months ended 31.12.2016									
Profit for the three months ended 31.12.2016	-	-	4,361,158	-	-	-	-	-	4,361,158
Other comprehensive income for the three months ended 31.12.2016	-	-	139,763	-	(874,651)	189,814	-	-	(545,074)
Total comprehensive income for the three months ended 31.12.2016	-	-	4,500,921	-	(874,651)	189,814	-	-	3,816,084
Transactions with owners recognized directly in equity, contributions by and distributions to owners									
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	80,372	-	-	-	-	-	-	-	80,372
Dividends to equity holders									
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	(1,335,928)
Share-based Payment transactions	-	-	-	-	-	-	-	29,723	29,723
Transfers during the period	-	725,626	(8,856,151)	-	-	-	-	-	8,130,525
Total transactions with equity holders	80,372	725,626	(10,192,079)	-	-	-	-	29,723	(1,225,833)
Balance as at 31.12.2016 - Audited	24,978,003	5,647,890	4,464,077	5,722,859	(7,208,796)	839,346	-	420,282	43,490,003
Total comprehensive income for the nine months ended 30.09.2017									
Profit for the nine months ended 30.09.2017	-	-	11,674,687	-	-	-	-	-	11,674,687
Other comprehensive income for the nine months ended 30.09.2017	-	-	-	-	5,103,285	(289,018)	(23,865)	-	4,790,402
Total comprehensive income for the nine months ended 30.09.2017	-	-	11,674,687	-	5,103,285	(289,018)	(23,865)	-	16,465,089
Transactions with owners recognized directly in equity, contributions by and distributions to owners									
Proceeds from Right Issue of Ordinary shares	10,143,873	-	-	-	-	-	-	-	10,143,873
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	313,622	-	-	-	-	-	-	-	313,622
Dividends to equity holders									
Second Interim dividend for 2016	-	-	(2,674,799)	-	-	-	-	-	(2,674,799)
Final dividend for 2016 satisfied in the form of issue and allotment of new shares	1,606,548	-	(1,785,054)	-	-	-	-	-	(178,506)
Dividend paid in respect of previous years	-	-	(545)	-	-	-	-	-	(545)
Share-based Payment transactions	-	-	-	-	-	-	-	96,552	96,552
Revaluation gain on disposal of Freehold Land & Building	-	-	13,408	(13,408)	-	-	-	-	-
Total transactions with equity holders	12,064,043	-	(4,446,990)	(13,408)	-	-	-	96,552	7,700,197
Balance as at 30.09.2017	37,042,046	5,647,890	11,691,774	5,709,451	(2,105,511)	550,328	(23,865)	516,834	102,518,950

STATEMENT OF CASH FLOWS

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	Group		Bank	
	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	16,406,082	14,006,226	16,231,905	13,887,106
Adjustment for:				
Non-cash items included in profits before tax	2,260,677	2,717,382	2,034,269	2,649,598
Change in operating assets	(92,908,768)	(72,603,489)	(89,417,575)	(70,682,792)
Change in operating liabilities	63,042,653	63,427,880	60,758,921	61,926,191
Net (gains)/losses from disposal of assets	2,996	(4,655)	11,265	1,327
Share of profits from associates, net of tax	(4,806)	(5,753)	-	-
Dividend income from subsidiaries and associates	-	-	(78,130)	(63,051)
Interest expense on subordinated liabilities	1,758,833	998,194	1,758,833	996,779
Benefits paid on defined benefit plans	(57,625)	(44,472)	(57,625)	(44,472)
Net unrealized gain from translation of Financial Statements of foreign operations	(266,422)	233,475	(289,018)	224,764
Income taxes paid	(3,460,975)	(3,256,835)	(3,406,931)	(3,231,728)
Net cash from/(used in) operating activities	(13,227,355)	5,467,953	(12,454,086)	5,663,722
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(1,269,588)	(1,078,226)	(1,165,081)	(997,222)
Proceeds from the sale of property, plant and equipment	38,742	7,735	30,473	4,690
Purchase of financial investments	(186,189)	(1,731,094)	(186,189)	(1,731,094)
Proceeds from the sale and matured financial investments	3,467,394	947,319	3,467,394	947,319
Net purchase of intangible assets	(102,477)	(271,977)	(99,508)	(244,084)
Net cash flow of investment in subsidiaries and associates	-	-	(64,290)	(1,192,817)
Dividends received from investments in subsidiaries and associates	-	-	78,130	63,051
Net cash from/(used in) in investing activities	1,947,882	(2,126,243)	2,060,929	(3,150,157)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	294,611	64,432	294,611	64,432
Proceeds from Right Issue of Ordinary shares	10,143,873	-	10,143,873	-
Capital contribution from non-controlling interest of a newly incorporated subsidiary	-	796,660	-	-
Net receipts from subordinated liabilities	-	5,674,430	-	5,674,430
Interest paid on subordinated liabilities	(1,489,018)	(843,108)	(1,489,018)	(841,675)
Dividend paid to shareholders of the Bank	(2,853,849)	(2,806,390)	(2,853,849)	(2,806,390)
Dividend paid to non-controlling interest	(2,214)	(2,059)	-	-
Net cash from /(used in) financing activities	6,093,403	2,883,965	6,095,617	2,090,797
Net increase/(decrease) in cash & cash equivalents	(5,186,070)	6,225,675	(4,297,540)	4,604,362
Cash and cash equivalents at beginning of the period	32,924,227	20,107,076	30,193,589	20,043,512
Cash and cash equivalents at end of the period	27,738,157	26,332,751	25,896,049	24,647,874

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			27,738,157			27,738,157
Balances with Central Banks			46,747,190			46,747,190
Placements with banks			12,378,863			12,378,863
Securities purchased under re-sale agreements			-			-
Derivative financial assets	2,363,141					2,363,141
Other financial instruments - Held-for-trading	5,246,327					5,246,327
Loans and receivables to banks			638,427			638,427
Loans and receivables to other customers			712,065,994			712,065,994
Financial investments - Available-for-sale				156,345,943		156,345,943
Financial investments - Held-to-maturity		68,368,306				68,368,306
Financial investments - Loans and receivables			48,205,468			48,205,468
Total financial assets	7,609,468	68,368,306	847,774,099	156,345,943	-	1,080,097,816
FINANCIAL LIABILITIES						
Due to banks					45,185,227	45,185,227
Derivative financial liabilities	3,489,848					3,489,848
Securities sold under repurchase agreements					59,990,369	59,990,369
Due to other customers/deposits from customers					824,859,913	824,859,913
Other borrowings					24,423,731	24,423,731
Subordinated liabilities					25,370,604	25,370,604
Total financial liabilities	3,489,848	-	-	-	979,829,844	983,319,692

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			32,924,227			32,924,227
Balances with Central Banks			43,935,258			43,935,258
Placements with banks			11,718,499			11,718,499
Securities purchased under re-sale agreements			-			-
Derivative financial assets	1,052,829					1,052,829
Other financial instruments - Held-for-trading	4,987,798					4,987,798
Loans and receivables to banks			624,458			624,458
Loans and receivables to other customers			620,129,488			620,129,488
Financial investments - Available-for-sale				160,092,522		160,092,522
Financial investments - Held-to-maturity		63,626,598				63,626,598
Financial investments - Loans and receivables			51,824,026			51,824,026
Total financial assets	6,040,627	63,626,598	761,155,956	160,092,522	-	990,915,703
FINANCIAL LIABILITIES						
Due to banks					71,098,391	71,098,391
Derivative financial liabilities	1,515,035					1,515,035
Securities sold under repurchase agreements					69,628,961	69,628,961
Due to other customers/deposits from customers					743,310,613	743,310,613
Other borrowings					9,270,154	9,270,154
Subordinated liabilities					24,849,539	24,849,539
Total financial liabilities	1,515,035	-	-	-	918,157,658	919,672,693

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			25,896,049			25,896,049
Balances with Central Banks			46,164,247			46,164,247
Placements with banks			12,378,863			12,378,863
Securities purchased under re-sale agreements			-			-
Derivative financial assets	2,363,141					2,363,141
Other financial instruments - Held-for-trading	5,246,327					5,246,327
Loans and receivables to banks			638,427			638,427
Loans and receivables to other customers			707,431,178			707,431,178
Financial investments - Available-for-sale				156,151,241		156,151,241
Financial investments - Held-to-maturity		63,567,170				63,567,170
Financial investments - Loans and receivables			48,205,468			48,205,468
Total financial assets	7,609,468	63,567,170	840,714,232	156,151,241	-	1,068,042,111
FINANCIAL LIABILITIES						
Due to banks					41,847,322	41,847,322
Derivative financial liabilities	3,489,848					3,489,848
Securities sold under repurchase agreements					60,212,617	60,212,617
Due to other customers/deposits from customers					818,564,433	818,564,433
Other borrowings					24,423,731	24,423,731
Subordinated liabilities					25,370,604	25,370,604
Total financial liabilities	3,489,848	-	-	-	970,418,707	973,908,555

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			30,193,589			30,193,589
Balances with Central Banks			43,873,205			43,873,205
Placements with banks			11,718,499			11,718,499
Securities purchased under re-sale agreements			-			-
Derivative financial assets	1,052,829					1,052,829
Other financial instruments - Held-for-trading	4,987,798					4,987,798
Loans and receivables to banks			624,458			624,458
Loans and receivables to other customers			616,018,228			616,018,228
Financial investments - Available-for-sale				160,023,471		160,023,471
Financial investments - Held-to-maturity		60,981,298				60,981,298
Financial investments - Loans and receivables			51,824,026			51,824,026
Total financial assets	6,040,627	60,981,298	754,252,005	160,023,471	-	981,297,401
FINANCIAL LIABILITIES						
Due to banks					67,608,811	67,608,811
Derivative financial liabilities	1,515,035					1,515,035
Securities sold under repurchase agreements					69,867,469	69,867,469
Due to other customers/deposits from customers					739,563,494	739,563,494
Other borrowings					9,270,154	9,270,154
Subordinated liabilities					24,849,539	24,849,539
Total financial liabilities	1,515,035	-	-	-	911,159,467	912,674,502

	Bank		Group	
	As at 30.09.2017	As at 31.12.2016 (Audited)	As at 30.09.2017	As at 31.12.2016 (Audited)
Regulatory Capital - Rs. '000				
Common Equity Tier I (Basel III)	90,644,654	N/A	91,682,073	N/A
Tier I Capital / Core Capital (Basel III / Basel II)	90,644,654	75,206,867	91,682,073	76,605,502
Total Capital / Total Capital Base (Basel III / Basel II)	119,671,398	103,373,535	120,708,817	105,837,614
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement as per Basel III - 6.25%)	12.30%	N/A	12.26%	N/A
Tier I Capital Ratio (Minimum Requirement as per Basel III - 7.75%)	12.30%	N/A	12.26%	N/A
(Minimum Requirement as per Basel II - 5%)	N/A	11.56%	N/A	11.59%
Total Capital Ratio (Minimum Requirement as per Basel III - 11.75%)	16.24%	N/A	16.14%	N/A
(Minimum Requirement as per Basel II - 10%)	N/A	15.90%	N/A	16.01%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio				
(Net of Interest in Suspense)	2.02%	2.18%		
Net Non-Performing Advances Ratio				
(Net of Interest in Suspense and Provisions)	1.00%	1.09%		
Profitability				
Interest Margin	3.58%	3.47%		
Return on Assets (before tax)	2.06%	2.12%		
Return on Equity	17.26%	19.52%		
Debt Security Related Ratios				
Debt Equity Ratio	41.66%	33.33%		
Interest Cover (Times)	11.29	14.83		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	213,594,125	194,654,662		
Off-Shore Banking Unit	18,567,203	17,885,242		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	26.65%	27.19%		
Off-Shore Banking Unit	32.45%	30.19%		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2017- 80%, 2016 - 70%)	237.92%	196.34%*		
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2017- 80%, 2016 - 70%)	182.95%	150.45%*		

* Unaudited

OPERATING SEGMENTS

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	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Unallocated/Eliminations		Total/Consolidated	
<i>For the nine months ended September 30,</i>	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	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	18,341,918	16,558,272	4,738,472	4,008,309	2,997,058	2,547,324	275,285	336,021	813,202	(132,864)	1,477,721	1,145,345	28,643,656	24,462,407
Foreign exchange profit	151,404	145,679	580,480	410,536	673,088	361,561	-	-	(1,292,329)	649,229	-	-	112,643	1,567,005
Net fees and commission income	4,303,151	3,286,227	1,312,669	1,080,523	662,225	402,620	35,157	11,109	4,748	3,564	-	-	6,317,950	4,784,043
Other income	652,934	656,689	159,501	295,583	79,001	166,042	16,592	4,378	177,667	55,711	357,060	260,467	1,442,755	1,438,870
Total Operating income	23,449,407	20,646,867	6,791,122	5,794,951	4,411,372	3,477,547	327,034	351,508	(296,712)	575,640	1,834,781	1,405,812	36,517,004	32,252,325
Credit loss expenses	(1,827,839)	(1,508,757)	371,822	(469,462)	(163,027)	157,411	-	-	-	-	-	-	(1,619,044)	(1,820,808)
Net Operating income	21,621,568	19,138,110	7,162,944	5,325,489	4,248,345	3,634,958	327,034	351,508	(296,712)	575,640	1,834,781	1,405,812	34,897,960	30,431,517
Segment result	11,091,152	9,427,691	4,936,562	4,319,971	3,027,996	2,111,325	250,234	311,070	(583,666)	(100,097)	(2,321,002)	(2,069,487)	16,401,276	14,000,473
Profit from operations													16,401,276	14,000,473
Share of profit of Associates, net of tax													4,806	5,753
Income tax expense													(4,632,201)	(3,811,251)
Non Controlling Interest													(4,572)	8,611
Net profit for the period, attributable to Equity holders of the Bank													11,769,309	10,203,586

<i>As at September 30,</i>	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	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	391,670,664	320,795,890	268,063,369	233,532,698	121,560,541	90,917,860	11,162,550	12,422,584	254,006,193	247,648,308	63,882,480	52,369,898	1,110,345,797	957,687,238
Investment in associates	-	-	-	-	-	-	-	-	-	-	108,150	105,141	108,150	105,141
Total assets	391,670,664	320,795,890	268,063,369	233,532,698	121,560,541	90,917,860	11,162,550	12,422,584	254,006,193	247,648,308	63,990,630	52,475,039	1,110,453,947	957,792,379
Segment liabilities	670,473,770	565,086,941	155,407,530	141,987,509	90,441,549	70,945,749	11,270,700	12,527,725	73,856,263	86,764,583	4,890,668	3,186,880	1,006,340,480	880,499,387
Total liabilities	670,473,770	565,086,941	155,407,530	141,987,509	90,441,549	70,945,749	11,270,700	12,527,725	73,856,263	86,764,583	4,890,668	3,186,880	1,006,340,480	880,499,387

<i>For the nine months ended September 30,</i>	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.'000	Rs.'000	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	46,993,608	14,696,670	(37,508,637)	8,919	(1,082,539)	1,849,422	(1,967,689)	1,844,005	(19,662,098)	(12,931,063)	-	-	(13,227,355)	5,467,953
Cash flows from investing activities	-	-	-	-	-	-	3,281,205	(783,775)	-	-	-	-	3,281,205	(783,775)
Cash flows from financing activities	-	-	-	-	-	796,660	-	-	(1,489,018)	4,831,322	7,582,421	(2,744,017)	6,093,403	2,883,965
Capital expenditure -														
Property, Plant & Equipment													(1,230,846)	(1,070,491)
Intangible assets													(102,477)	(271,977)
Net cash flow generated during the period													(5,186,070)	6,225,675

Twenty largest voting shareholders as at September 30, 2017

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	126,930,224	13.63
Employees Provident Fund	89,933,984	9.66
Mr.Y.S. H. I. Silva	73,534,681	7.90
Sri Lanka Insurance Corporation Ltd. - Life Fund	46,620,431	5.01
Melstacorp PLC	41,516,889	4.46
CB NY S/A International Finance Corporation	41,442,164	4.45
Deutsche Bank AG Singapore - DSS A/C Ntasian Discovery Master Fund	40,990,948	4.40
Sri Lanka Insurance Corporation Ltd. - General Fund	40,087,155	4.30
Mrs. L. E. M. Yaseen	17,008,550	1.83
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	16,599,478	1.78
HSBC Intl. Nominees Ltd. - JPMCB - T Rowe New Asia Fund	14,990,626	1.61
Employees Trust Fund Board	14,889,833	1.60
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	14,181,819	1.52
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	13,605,543	1.46
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	12,444,947	1.34
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	10,434,674	1.12
BNYMSANV RE - First State Investments ICVC - Stewart Investors Indian Subcontinent Fund	9,897,978	1.06
HSBC Intl. Nominees Ltd. - SSBT - BMO Investments II (Ireland) Public Limited Company	9,862,752	1.06
BNYMSANV RE-CF Ruffer Total Return Fund	9,356,180	1.00
HSBC Intl. Nominees Ltd. - BP2S London-Aberdeen Asia Smaller Companies Investment Trust	7,734,621	0.83
Sub total	652,063,477	70.02
Other Shareholders	279,142,844	29.98
Total	931,206,321	100.00

Percentage of public holding as at September 30, 2017 - 99.72%

Number of shareholders representing public holding as at September 30, 2017 - 9,627

Twenty largest non-voting shareholders as at September 30, 2017

Name of the Shareholder	No. of Shares	%
CITY Bank Newyork S/A Norges Bank Account No.02	5,997,636	9.38
Employees Trust Fund Board	4,656,784	7.28
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,866,166	6.05
GF Capital Global Limited	1,627,959	2.55
BNYMSANV RE-Butterfield Trust (Bermuda) Limited	1,442,008	2.26
CB NY S/A Salient International Dividend Signal Fund	1,323,138	2.07
Mr. J. D. Bandaranayake	1,232,411	1.93
M.J.F.Exports (Pvt) Ltd	1,093,594	1.71
Mr. M. F. Hashim	904,832	1.42
Saboor Chatoor (Pvt) Ltd	872,800	1.37
Mrs. L. V. C. Samarasinha	750,000	1.17
Northern Trust Company S/A Polar Capital Funds PLC	718,286	1.12
Akbar Brothers (Pvt) Ltd. A/C No.01	664,509	1.04
Union Assurance PLC/No - 01A/C	649,979	1.02
Mr. G. R. Mallawaarachthy & Mrs. B. G. P. Mallawaarachthy (Joint)	536,072	0.84
Dr. A. K. A. Jayawardene	516,396	0.81
Mr. T.W.A. Wickramasinghe	500,000	0.78
Mr. R. Gautam	487,980	0.76
Mr. K.S.M. De Silva	442,974	0.69
Mr. A.L. Gooneratne	430,409	0.67
Sub total	28,713,933	44.92
Other Shareholders	35,213,678	55.08
Total	63,927,611	100.00

Percentage of public holding as at September 30, 2017 - 99.71%

Number of shareholders representing public holding as at September 30, 2017 - 4,247

Directors' holding in shares as at September 30, 2017

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	23,567	-
Mr.M.P. Jayawardane - Deputy Chairman	-	-
Mr.J. Durairatnam - Managing Director/Chief Executive Officer	561,286	-
Mr.S. Renganathan - Chief Operating Officer	272,189	11,718
Mr.S. Swarnajothi	-	10,762
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-
Mr. L.D. Niyangoda	-	-
Ms. N.T.M.S. Cooray	-	49,731
Mr. G.S. Jadeja	-	-
Mr. T.L.B. Hurulle	-	-
Mr. K. Sripavan	-	-

	2017 Rs.	2016 Rs.
Market price of an ordinary share of the Bank as at September 30,		
Voting	138.50	144.00
Non-Voting	107.70	117.00
Highest price during the quarter ended September 30,		
Voting	141.00	144.50
Non-Voting	109.00	119.00
Lowest price during the quarter ended September 30,		
Voting	134.60	120.10
Non-Voting	103.90	108.60

	2017	2016
Number of ordinary shares as at September 30,		
Voting	931,206,321	832,923,427
Non-Voting	63,927,611	57,212,653

EXPLANATORY NOTES

1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2016, except application of hedge accounting principles for an Interest Rate Swap entered by the Bank in March 2017. These Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

2 The Bank raised Rs. 10.144 Bn via Right Issue of ordinary shares in June 2017 and these funds were utilised to finance the lending portfolio of the Bank. The position of the funds raised through the aforesaid Right Issue of ordinary shares is as follows:

Objective Number	Objective as per Circular	Amount allocated as per Circular (Rs.Bn.)	Proposed date of utilisation as per Circular	Amount allocated from proceeds (Rs.Bn.) A	% of total proceeds	Amount utilised (Rs.Bn.) B	% utilised against allocation (B/A)	Clarification, if not fully utilised
1	Funding the expansion of the loan portfolio	10.144	Before June 19, 2018	10.144	100%	10.144	100%	-
2	Strengthening the Common Equity Tier I Capital	10.144	Immediate	10.144	100%	10.144	100%	-

3 During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities.

4 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

5 There were no material events that took place since September 30, 2017, that require disclosure in these Interim Financial Statements other than those disclosed above.

INFORMATION ON DEBENTURES - BANK

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Debenture categories	CSE Listing	Interest payable frequency	Balance as at September 30, 2017 Rs.'000	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Period End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
March 2016/March 2021 10.75% p.a.*	Listed	Semi Annually	4,430,340	85.33	81.40	81.40	10.75	11.04	9.80	17.96	17.52%
March 2016/March 2026 11.25% p.a.	Listed	Semi Annually	1,749,090	Not traded during the current period			11.25	11.57	10.20	Not traded during the current period	
October 2016/October 2021 12.00% p.a.**	Listed	Semi Annually	5,071,800	96.00	87.17	87.17	12.00	12.36	9.95	15.98	15.74%
October 2016/October 2026 12.25% p.a.	Listed	Semi Annually	1,928,200	Not traded during the current period			12.25	12.63	10.25	Not traded during the current period	
Total Debentures			13,179,430								

* Last traded date was July 27, 2017

** Last traded date was February 16, 2017

(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 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000
Gross loans and receivables	730,079,797	637,982,536	724,830,799	633,390,907
Less: Allowance for Individual impairment	7,993,503	8,453,457	7,993,503	8,453,457
Allowance for Collective impairment	10,020,300	9,399,591	9,406,118	8,919,222
Net loans and receivables	712,065,994	620,129,488	707,431,178	616,018,228

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	103,170,039	92,303,270	103,178,708	92,302,859
Trade finance	40,169,269	30,586,333	40,169,269	30,586,333
Lease rental receivable	41,534,277	38,716,234	36,288,095	35,669,232
Credit cards	8,566,744	6,609,683	8,566,744	6,609,683
Pawning	1,282,210	1,239,785	1,282,210	1,239,785
Staff loans	7,678,260	7,168,444	7,676,352	7,166,313
Housing loans	49,308,637	45,305,127	49,308,637	45,305,127
Personal loans	26,840,553	25,715,061	26,840,553	25,624,920
Term loans				
Short-term	52,039,303	39,233,352	52,031,933	37,862,568
Long-term	246,826,860	219,025,740	247,752,155	219,026,377
Bills of Exchange	438,095	215,932	438,095	215,932
Gross loans and receivables	577,854,247	506,118,961	573,532,751	501,609,129

	Group		Bank	
	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	9,090,991	8,681,962	8,163,489	8,600,165
Trade finance	16,204,071	12,501,764	16,204,071	12,501,764
Lease rental receivable	485,180	324,732	485,180	324,732
Credit cards	85,442	69,376	85,442	69,376
Pawning	-	-	-	-
Staff loans	127,912	107,841	127,912	107,841
Housing loans	2,985,696	1,970,335	2,985,696	1,970,335
Personal loans	367,044	281,135	367,044	281,135
Term loans				
Short-term	34,474,390	33,356,732	34,474,390	33,356,732
Long-term	73,074,708	62,302,664	73,074,708	62,302,664
Bills of Exchange	15,330,116	12,267,034	15,330,116	12,267,034
Gross loans and receivables	152,225,550	131,863,575	151,298,048	131,781,778
Total of gross loans and receivables	730,079,797	637,982,536	724,830,799	633,390,907

(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	
	2017 Rs.'000	2016 Rs.'000	2017 Rs.'000	2016 Rs.'000
Movement in Allowance for Individual Impairment				
Balance as at January 01,	8,453,457	5,369,960	8,453,457	5,369,960
Charge/(write back) to the Income statement	257,554	3,439,879	257,554	3,439,879
Net write-off/(recoveries) during the year	(353,841)	(287,226)	(353,841)	(287,226)
Exchange rate variance on foreign currency provisions	28,919	51,080	28,919	51,080
Interest accrued / (reversals) on impaired loans & advances	(845,335)	(533,528)	(845,335)	(533,528)
Other movements	452,749	413,292	452,749	413,292
Balance as at September 30/December 31,	7,993,503	8,453,457	7,993,503	8,453,457
Movement in Allowance for Collective Impairment				
Balance as at January 01,	9,399,591	13,089,833	8,919,222	12,681,594
Charge/(write back) to the Income statement	1,412,692	(1,859,806)	1,278,907	(1,931,932)
Net write-off/(recoveries) during the year	(789,887)	(1,835,798)	(789,887)	(1,835,798)
Exchange rate variance on foreign currency provisions	(2,096)	5,362	(2,124)	5,358
Other movements	-	-	-	-
Balance as at September 30/December 31,	10,020,300	9,399,591	9,406,118	8,919,222
Total of Individual and Collective Impairment September 30/ December 31,	18,013,803	17,853,048	17,399,621	17,372,679

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000	As at 30.09.2017 Rs.'000	As at 31.12.2016 Rs.'000
By product - Domestic Currency				
Current account deposits	40,474,230	38,151,058	40,475,926	38,152,646
Savings deposits	209,078,756	197,136,502	209,100,054	197,244,642
Time deposits	375,129,573	328,382,343	375,129,573	328,430,210
Certificate of deposits	267,042	366,945	267,042	366,945
Sub Total	624,949,601	564,036,848	624,972,595	564,194,443
By product - Foreign Currency				
Current account deposits	22,582,445	19,516,806	18,886,779	17,908,311
Savings deposits	56,804,646	56,388,046	55,572,962	54,845,666
Time deposits	120,523,221	103,368,913	119,132,097	102,615,074
Certificate of deposits	-	-	-	-
Sub Total	199,910,312	179,273,765	193,591,838	175,369,051
Total	824,859,913	743,310,613	818,564,433	739,563,494

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 January 2017.

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2017.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

Mr. Selva Rajassoriyar

Assistant General Manager - Compliance

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable fixed interest rate Debentures March 2016/March 2021 series, March 2016/March 2026 series, October 2016/October 2021 series and October 2016/october 2026 series of the Company are listed on the Colombo Stock Exchange.

LAWYERS

Julius & Creasy,

No. 41, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

REGISTERED OFFICE

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

Telephone : 2430420, 2336700

2445010-15 ,2486000, 4792000

Tele-Banking :2336633-5

Telex :21520 COMEX CE

Facsimile : 2449889

SWIFT Code-Sri Lanka : CCEYLKXL

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, Sri Lanka.

REGISTRARS

S S P Corporate Services (Private) Limited,

No. 101, Inner Flower Road,

Colombo 3, Sri Lanka.

Telephone: 2573894, 2576871

Facsimile: 2573609

E-mail: sspsec@sltnet.lk

COMPANY SECRETARY

Mrs. J.R. Gamage

HEAD OFFICE

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

BOARD OF DIRECTORS

Mr. K.G.D.D. Dheerasinghe - Chairman

Mr. M.P. Jayawardane - Deputy Chairman

Mr. J. Durairatnam - Managing Director/Chief Executive Officer

Mr. S. Renganathan - Chief Operating Officer

Mr. S. Swarnajothi

Prof. A.K.W. Jayawardane

Mr. K. Dharmasiri

Mr. L.D. Niyangoda

Ms. N.T.M.S. Cooray

Mr. G.S. Jadeja

Mr. T.L.B. Hurulle

Mr. K. Sripavan

ACCOUNTING YEAR

December 31