

**INTERIM FINANCIAL STATEMENT**  
**For the six months ended June 30, 2015**

## INCOME STATEMENT - GROUP

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	For the six months ended			For the quarter ended		
	30.06.2015	30.06.2014	Change	30.06.2015	30.06.2014	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Gross income</b>	<b>37,175,809</b>	<b>35,957,428</b>	<b>3.39</b>	<b>18,794,917</b>	<b>18,178,715</b>	<b>3.39</b>
Interest income	31,939,319	30,985,647	3.08	16,238,132	15,738,870	3.17
Less : Interest expenses	17,064,455	17,291,613	(1.31)	8,649,233	8,620,695	0.33
<b>Net interest income</b>	<b>14,874,864</b>	<b>13,694,034</b>	<b>8.62</b>	<b>7,588,899</b>	<b>7,118,175</b>	<b>6.61</b>
Fees and commission income	2,907,902	2,621,463	10.93	1,441,376	1,357,308	6.19
Less: Fees and commission expenses	430,336	375,227	14.69	221,904	186,302	19.11
<b>Net fees and commission income</b>	<b>2,477,566</b>	<b>2,246,236</b>	<b>10.30</b>	<b>1,219,472</b>	<b>1,171,006</b>	<b>4.14</b>
Net gains/(losses) from trading	(399,622)	818,049	(148.85)	248,063	342,943	(27.67)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	96,785	178,650	(45.82)	62,990	55,193	14.13
Other income (net)	2,631,425	1,353,619	94.40	804,356	684,401	17.53
<b>Total operating income</b>	<b>19,681,018</b>	<b>18,290,588</b>	<b>7.60</b>	<b>9,923,780</b>	<b>9,371,718</b>	<b>5.89</b>
Less :Impairment charges for loans and other losses	2,676,191	3,011,338	(11.13)	1,341,969	1,866,585	(28.11)
Individual impairment	621,570	237,111	162.14	411,117	129,157	218.31
Collective impairment	2,054,258	2,750,837	(25.32)	930,573	1,721,421	(45.94)
Others	363	23,390	(98.45)	279	16,007	(98.26)
<b>Net operating income</b>	<b>17,004,827</b>	<b>15,279,250</b>	<b>11.29</b>	<b>8,581,811</b>	<b>7,505,133</b>	<b>14.35</b>
<b>Less: Expenses</b>	<b>8,219,720</b>	<b>7,631,837</b>	<b>7.70</b>	<b>4,053,070</b>	<b>3,787,691</b>	<b>7.01</b>
Personnel expenses	4,855,444	4,321,576	12.35	2,390,411	2,153,039	11.02
Depreciation and amortisation	590,142	606,953	(2.77)	302,408	311,748	(3.00)
Other expenses	2,774,134	2,703,308	2.62	1,360,251	1,322,904	2.82
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>8,785,107</b>	<b>7,647,413</b>	<b>14.88</b>	<b>4,528,741</b>	<b>3,717,442</b>	<b>21.82</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,297,360	1,112,783	16.59	671,222	506,436	32.54
<b>Operating profit after Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>7,487,747</b>	<b>6,534,630</b>	<b>14.59</b>	<b>3,857,519</b>	<b>3,211,006</b>	<b>20.13</b>
Add: Share of profits/(losses) of associates, net of tax	5,125	7,133	(28.15)	2,864	6,242	(54.12)
<b>Profit before income tax</b>	<b>7,492,872</b>	<b>6,541,763</b>	<b>14.54</b>	<b>3,860,383</b>	<b>3,217,248</b>	<b>19.99</b>
Less : Income tax expense	2,309,036	2,022,048	14.19	1,213,339	999,481	21.40
<b>Profit for the period</b>	<b>5,183,836</b>	<b>4,519,715</b>	<b>14.69</b>	<b>2,647,044</b>	<b>2,217,767</b>	<b>19.36</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	5,181,867	4,517,483	14.71	2,646,098	2,216,414	19.39
Non-controlling interest	1,969	2,232	(11.78)	946	1,353	(30.08)
<b>Profit for the period</b>	<b>5,183,836</b>	<b>4,519,715</b>	<b>14.69</b>	<b>2,647,044</b>	<b>2,217,767</b>	<b>19.36</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	5.92	5.28	12.12	3.02	2.59	16.60
Diluted earnings per ordinary share (Rs.)	5.90	5.26	12.17	3.01	2.58	16.67

	For the six months ended			For the quarter ended		
	30.06.2015	30.06.2014	Change	30.06.2015	30.06.2014	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit for the period</b>	<b>5,183,836</b>	4,519,715	14.69	<b>2,647,044</b>	2,217,767	19.36
<b>Other comprehensive income, net of tax</b>						
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of Foreign Operations	216,934	(26,445)	920.32	(12,190)	(25,377)	51.96
Net fair value gains/(losses) on re-measuring Financial investments - Available-for-sale	(3,019,223)	421,562	(816.20)	1,714,461	301,905	467.88
Government Securities	(3,019,717)	425,337	(809.96)	1,709,947	301,396	467.34
Fair value gains/(losses) arose during the period, net of tax	(2,978,053)	571,542	(621.06)	1,735,318	326,244	431.91
Fair value gains/(losses) realised and recycled to the Income Statement on disposal, net of tax	(41,664)	(146,205)	71.50	(25,371)	(24,848)	(2.10)
Equity Securities	494	(3,775)	113.09	4,514	509	786.84
Fair value gains/(losses) arose during the period	494	(3,775)	113.09	4,514	509	786.84
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Share of other comprehensive income/(expense) of associates, net of tax	(4,473)	(587)	(662.01)	(659)	(599)	(10.02)
Other comprehensive income/(expense) for the period, net of taxes	(2,806,762)	394,530	(811.42)	1,701,612	275,929	516.68
<b>Total comprehensive income for the period</b>	<b>2,377,074</b>	4,914,245	(51.63)	<b>4,348,656</b>	2,493,696	74.39
<b>Attributable to:</b>						
Equity holders of the Bank	2,375,105	4,912,013	(51.65)	4,347,710	2,492,343	74.44
Non-controlling interest	1,969	2,232	(11.78)	946	1,353	(30.08)
<b>Total comprehensive income for the period</b>	<b>2,377,074</b>	4,914,245	(51.63)	<b>4,348,656</b>	2,493,696	74.39

## INCOME STATEMENT - BANK

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	For the six months ended			For the quarter ended		
	30.06.2015	30.06.2014	Change	30.06.2015	30.06.2014	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
<b>Gross income</b>	<b>37,016,878</b>	35,926,738	3.03	<b>18,724,997</b>	18,166,577	3.07
Interest income	31,788,473	30,986,572	2.59	16,154,035	15,739,187	2.64
Less : Interest expenses	17,020,895	17,301,237	(1.62)	8,619,144	8,625,228	(0.07)
<b>Net interest income</b>	<b>14,767,578</b>	13,685,335	7.91	<b>7,534,891</b>	7,113,959	5.92
Fees and commission income	2,904,322	2,619,221	10.88	1,439,452	1,356,161	6.14
Less: Fees and commission expenses	430,336	375,227	14.69	221,904	186,302	19.11
<b>Net fees and commission income</b>	<b>2,473,986</b>	2,243,994	10.25	<b>1,217,548</b>	1,169,859	4.08
Net gains/(losses) from trading	(399,622)	818,049	(148.85)	248,063	342,943	(27.67)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	96,731	178,650	(45.85)	62,936	55,193	14.03
Other income (net)	2,626,974	1,324,246	98.38	820,511	673,093	21.90
<b>Total operating income</b>	<b>19,565,647</b>	18,250,274	7.21	<b>9,883,949</b>	9,355,047	5.65
Less :Impairment charges for loans and other losses	2,647,912	3,037,808	(12.83)	1,318,220	1,886,640	(30.13)
Individual impairment	621,570	237,111	162.14	411,117	129,157	218.31
Collective impairment	2,014,964	2,750,837	(26.75)	898,410	1,721,421	(47.81)
Others	11,378	49,860	(77.18)	8,693	36,062	(75.89)
<b>Net operating income</b>	<b>16,917,735</b>	15,212,466	11.21	<b>8,565,729</b>	7,468,407	14.69
<b>Less: Expenses</b>	<b>8,178,633</b>	7,625,533	7.25	<b>4,030,668</b>	3,778,342	6.68
Personnel expenses	4,815,192	4,285,366	12.36	2,370,441	2,135,689	10.99
Depreciation and amortisation	557,940	571,673	(2.40)	286,766	288,151	(0.48)
Other expenses	2,805,501	2,768,494	1.34	1,373,461	1,354,502	1.40
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>8,739,102</b>	7,586,933	15.19	<b>4,535,061</b>	3,690,065	22.90
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,296,003	1,112,783	16.47	671,120	506,436	32.52
<b>Profit before income tax</b>	<b>7,443,099</b>	6,474,150	14.97	<b>3,863,941</b>	3,183,629	21.37
Less : Income tax expense	2,275,122	1,994,996	14.04	1,204,646	983,064	22.54
<b>Profit for the period</b>	<b>5,167,977</b>	4,479,154	15.38	<b>2,659,295</b>	2,200,565	20.85
<b>Profit attributable to:</b>						
Equity holders of the Bank	5,167,977	4,479,154	15.38	2,659,295	2,200,565	20.85
Non-controlling interest	-	-	-	-	-	-
<b>Profit for the period</b>	<b>5,167,977</b>	4,479,154	15.38	<b>2,659,295</b>	2,200,565	20.85
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	5.90	5.23	12.81	3.04	2.57	18.29
Diluted earnings per ordinary share (Rs.)	5.89	5.21	13.05	3.03	2.56	18.36

	For the six months ended			For the quarter ended		
	30.06.2015	30.06.2014	Change	30.06.2015	30.06.2014	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	5,167,977	4,479,154	15.38	2,659,295	2,200,565	20.85
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	218,690	(24,666)	986.61	(12,750)	(23,904)	46.66
Net fair value gains/(losses) on re-measuring Financial investments - Available-for-sale	(3,019,223)	421,562	(816.20)	1,714,461	301,905	467.88
Government Securities	(3,019,717)	425,337	(809.96)	1,709,947	301,396	467.34
Fair value gains/(losses) arose during the period, net of tax	(2,978,053)	571,542	(621.06)	1,735,318	326,244	431.91
Fair value gains/(losses) realised and recycled to the Income Statement on disposal, net of tax	(41,664)	(146,205)	71.50	(25,371)	(24,848)	(2.10)
Equity Securities	494	(3,775)	113.09	4,514	509	786.84
Fair value gains/(losses) arose during the period	494	(3,775)	113.09	4,514	509	786.84
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Other comprehensive income/(expense) for the period, net of taxes	(2,800,533)	396,896	(805.61)	1,701,711	278,001	512.12
<b>Total comprehensive income for the period</b>	<b>2,367,444</b>	<b>4,876,050</b>	<b>(51.45)</b>	<b>4,361,006</b>	<b>2,478,566</b>	<b>75.95</b>
Attributable to:						
Equity holders of the Bank	2,367,444	4,876,050	(51.45)	4,361,006	2,478,566	75.95
Non-controlling interest	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,367,444</b>	<b>4,876,050</b>	<b>(51.45)</b>	<b>4,361,006</b>	<b>2,478,566</b>	<b>75.95</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2015	31.12.2014	Change	30.06.2015	31.12.2014	Change
	( Audited )	( Audited )		( Audited )	( Audited )	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	26,117,754	20,621,778	26.65	26,097,680	20,591,867	26.74
Balances with Central Banks	21,764,569	19,633,746	10.85	21,764,569	19,633,746	10.85
Placements with banks	6,149,525	14,507,861	(57.61)	6,149,525	14,507,861	(57.61)
Derivative financial assets	654,267	459,510	42.38	654,267	459,510	42.38
Other financial instruments - Held-for-trading	12,391,984	6,326,636	95.87	12,391,984	6,326,636	95.87
Loans and receivables to banks	557,946	551,066	1.25	557,946	551,066	1.25
Loans and receivables to other customers	513,042,654	498,165,419	2.99	511,557,696	497,065,787	2.92
Financial investments - Available-for-sale	206,166,056	214,225,017	(3.76)	206,149,073	214,208,370	(3.76)
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	1,200,965	1,211,000	(0.83)
Investments in associates	102,475	106,287	(3.59)	44,331	44,331	-
Property, plant & equipment	11,100,186	11,134,861	(0.31)	9,883,834	9,953,091	(0.70)
Intangible assets	898,788	856,230	4.97	481,234	439,128	9.59
Leasehold property	108,150	108,872	(0.66)	74,953	75,420	(0.62)
Other assets	16,852,729	10,560,430	59.58	16,832,925	10,541,817	59.68
<b>Total Assets</b>	<b>815,907,083</b>	<b>797,257,713</b>	<b>2.34</b>	<b>813,840,982</b>	<b>795,609,630</b>	<b>2.29</b>
<b>LIABILITIES</b>						
Due to banks	16,008,339	25,669,025	(37.64)	15,174,068	25,260,976	(39.93)
Derivative financial liabilities	864,766	1,193,139	(27.52)	864,766	1,193,139	(27.52)
Due to other customers/Deposits from customers	568,954,254	529,266,588	7.50	569,082,112	529,361,484	7.50
Other borrowings	129,655,478	136,027,625	(4.68)	129,784,129	136,201,082	(4.71)
Current tax liabilities	2,526,445	2,037,388	24.00	2,449,816	1,997,990	22.61
Deferred tax liabilities	1,638,417	2,876,199	(43.04)	1,385,732	2,573,760	(46.16)
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	13,911,893	17,669,903	(21.27)	13,694,972	17,443,531	(21.49)
Due to subsidiaries	-	-	-	35,567	19,289	84.39
Subordinated liabilities	11,324,063	11,262,573	0.55	11,106,266	11,044,775	0.56
<b>Total Liabilities</b>	<b>744,885,529</b>	<b>726,004,314</b>	<b>2.60</b>	<b>743,579,302</b>	<b>725,097,900</b>	<b>2.55</b>

# STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2015	31.12.2014	Change	30.06.2015	31.12.2014	Change
	Rs.'000	( Audited ) Rs.'000	%	(Audited) Rs.'000	( Audited ) Rs.'000	%
<b>EQUITY</b>						
Stated capital	23,172,171	21,457,501	7.99	23,172,171	21,457,501	7.99
Statutory reserves	4,327,206	4,327,103	0.00	4,327,103	4,327,103	-
Retained earnings	5,263,540	4,418,412	19.13	5,094,101	4,258,287	19.63
Other reserves	38,210,492	41,002,819	(6.81)	37,668,305	40,468,839	(6.92)
<b>Total equity attributable to equity holders of the Bank</b>	<b>70,973,409</b>	<b>71,205,835</b>	<b>(0.33)</b>	<b>70,261,680</b>	<b>70,511,730</b>	<b>(0.35)</b>
<b>Non-controlling Interest</b>	<b>48,145</b>	<b>47,564</b>	<b>1.22</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>71,021,554</b>	<b>71,253,399</b>	<b>(0.33)</b>	<b>70,261,680</b>	<b>70,511,730</b>	<b>(0.35)</b>
<b>Total Liabilities and Equity</b>	<b>815,907,083</b>	<b>797,257,713</b>	<b>2.34</b>	<b>813,840,982</b>	<b>795,609,630</b>	<b>2.29</b>
<b>Contingent Liabilities and Commitments</b>	<b>434,747,745</b>	<b>352,453,452</b>	<b>23.35</b>	<b>434,747,745</b>	<b>352,453,452</b>	<b>23.35</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>81.00</b>	<b>82.24</b>	<b>(1.51)</b>	<b>80.19</b>	<b>81.44</b>	<b>(1.53)</b>

## Memorandum Information

Number of Employees	4,962	4,910
Number of Customer Service Centers	261	257

## 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*

*August 12, 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	Rs.'000
Balance as at 01.01.2014 - Audited	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 six months ended 30.06.2014												
Profit for the six months ended 30.06.2014	-	-	-	4,517,483	-	-	-	-	-	4,517,483	2,232	4,519,715
Other comprehensive income for the six months ended 30.06.2014	-	-	-	-	-	420,975	(26,445)	-	-	394,530	-	394,530
Total comprehensive income for the six months ended 30.06.2014	-	-	-	4,517,483	-	420,975	(26,445)	-	-	4,912,013	2,232	4,914,245
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	147,567	-	-	-	-	-	-	-	-	147,567	-	147,567
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,149)	-	-	-	-	-	(849,149)	-	(849,149)
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)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	(1,308)	(1,701,225)
Re-classification of Available -For-Sale reserve to retained earnings	-	-	-	12	-	(12)	-	-	-	-	-	-
Transfers during the period	-	-	(266,520)	(388,446)	-	-	-	388,446	266,520	-	-	-
Total transactions with equity holders	1,677,492	-	(266,520)	(4,637,417)	-	(12)	-	388,446	266,520	(2,571,491)	(1,308)	(2,572,799)
Balance as at 30.06.2014	21,264,305	3,768,094	-	4,239,698	4,615,947	2,444,431	(420,203)	5,227,139	22,647,339	63,786,750	39,702	63,826,452
Total comprehensive income for the six months ended 31.12.2014												
Profit for the six months ended 31.12.2014	-	-	-	6,721,410	-	-	-	-	-	6,721,410	1,669	6,723,079
Other comprehensive income for the six months ended 31.12.2014	-	-	-	(54,422)	1,631,013	260,027	(33,985)	-	-	1,802,633	7,501	1,810,134
Total comprehensive income for the six months ended 31.12.2014	-	-	-	6,666,988	1,631,013	260,027	(33,985)	-	-	8,524,043	9,170	8,533,213
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	193,196	-	-	-	-	-	-	-	-	193,196	-	193,196
Dividends to equity holders												
First interim dividend for 2014	-	-	-	(1,298,154)	-	-	-	-	-	(1,298,154)	(1,308)	(1,299,462)
Re-classification of Available -For-Sale reserve to retained earnings	-	-	-	(31,111)	-	31,111	-	-	-	-	-	-
Transfers during the period	-	559,009	-	(5,159,009)	-	-	-	-	4,600,000	-	-	-
Transfers to general reserve	-	-	-	-	-	-	-	(5,227,139)	5,227,139	-	-	-
Total transactions with equity holders	193,196	559,009	-	(6,488,274)	-	31,111	-	(5,227,139)	9,827,139	(1,104,958)	(1,308)	(1,106,266)
Balance as at 31.12.2014 - Audited	21,457,501	4,327,103	-	4,418,412	6,246,960	2,735,569	(454,188)	-	32,474,478	71,205,835	47,564	71,253,399
Total comprehensive income for the six months ended 30.06.2015												
Profit for the six months ended 30.06.2015	-	-	-	5,181,867	-	-	-	-	-	5,181,867	1,969	5,183,836
Other comprehensive income for the six months ended 30.06.2015	-	-	-	(4,473)	-	(3,019,223)	216,934	-	-	(2,806,762)	-	(2,806,762)
Total comprehensive income for the six months ended 30.06.2015	-	-	-	5,177,394	-	(3,019,223)	216,934	-	-	2,375,105	1,969	2,377,074
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	154,870	-	-	-	-	-	-	-	-	154,870	-	154,870
Dividends to equity holders												
Second interim dividend for 2014	-	-	-	(865,943)	-	-	-	-	-	(865,943)	-	(865,943)
Final dividend for 2014 satisfied in the form of issue and allotment of new shares	1,559,799	-	-	(1,733,110)	-	-	-	-	-	(173,311)	-	(173,311)
Final cash dividend for 2014	-	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	(1,962)	(1,735,072)
Re-restatement of deferred tax on revaluation gains	-	-	-	-	9,963	-	-	-	-	9,963	574	10,537
Transfers during the period	-	103	-	(103)	-	-	-	-	-	-	-	-
Total transactions with equity holders	1,714,669	103	-	(4,332,266)	9,963	-	-	-	-	(2,607,531)	(1,388)	(2,608,919)
Balance as at 30.06.2015	23,172,170	4,327,206	-	5,263,540	6,256,923	(283,654)	(237,254)	-	32,474,478	70,973,409	48,145	71,021,554



	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 01.01.2014 - Audited	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 six months ended 30.06.2014												
Profit for the six months ended 30.06.2014	-	-	-	4,479,154	-	-	-	-	-	4,479,154	-	4,479,154
Other comprehensive income for the six months ended 30.06.2014	-	-	-	-	-	421,562	(24,666)	-	-	396,896	-	396,896
Total comprehensive income for the six months ended 30.06.2014	-	-	-	4,479,154	-	421,562	(24,666)	-	-	4,876,050	-	4,876,050
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	147,567	-	-	-	-	-	-	-	-	147,567	-	147,567
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,149)	-	-	-	-	-	(849,149)	-	(849,149)
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)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	-	(1,699,917)
Transfers during the period	-	-	(266,520)	(388,446)	-	-	-	388,446	266,520	-	-	-
Total transactions with equity holders	1,677,492	-	(266,520)	(4,637,429)	-	-	-	388,446	266,520	(2,571,491)	-	(2,571,491)
Balance as at 30.06.2014 - Audited	21,264,305	3,768,094	-	4,075,089	4,222,054	2,476,129	(431,591)	5,227,139	22,647,339	63,248,558	-	63,248,558
Total comprehensive income for the six months ended 31.12.2014												
Profit for the six months ended 31.12.2014	-	-	-	6,701,028	-	-	-	-	-	6,701,028	-	6,701,028
Other comprehensive income for the six months ended 31.12.2014	-	-	-	(60,667)	1,500,805	259,449	(32,485)	-	-	1,667,102	-	1,667,102
Total comprehensive income for the six months ended 31.12.2014	-	-	-	6,640,361	1,500,805	259,449	(32,485)	-	-	8,368,130	-	8,368,130
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	193,196	-	-	-	-	-	-	-	-	193,196	-	193,196
Dividends to equity holders												
First interim dividend for 2014	-	-	-	(1,298,154)	-	-	-	-	-	(1,298,154)	-	(1,298,154)
Transfers during the period	-	559,009	-	(5,159,009)	-	-	-	-	4,600,000	-	-	-
Transfers to general reserve	-	-	-	-	-	-	-	(5,227,139)	5,227,139	-	-	-
Total transactions with equity holders	193,196	559,009	-	(6,457,163)	-	-	-	(5,227,139)	9,827,139	(1,104,958)	-	(1,104,958)
Balance as at 31.12.2014 - Audited	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
Total comprehensive income for the six months ended 30.06.2015												
Profit for the six months ended 30.06.2015	-	-	-	5,167,977	-	-	-	-	-	5,167,977	-	5,167,977
Other comprehensive income for the six months ended 30.06.2015	-	-	-	-	-	(3,019,223)	218,690	-	-	(2,800,533)	-	(2,800,533)
Total comprehensive income for the six months ended 30.06.2015	-	-	-	5,167,977	-	(3,019,223)	218,690	-	-	2,367,444	-	2,367,444
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	154,870	-	-	-	-	-	-	-	-	154,870	-	154,870
Dividends to equity holders												
Second interim dividend for 2014	-	-	-	(865,943)	-	-	-	-	-	(865,943)	-	(865,943)
Final dividend for 2014 satisfied in the form of issue and allotment of new shares	1,559,799	-	-	(1,733,110)	-	-	-	-	-	(173,311)	-	(173,311)
Final cash dividend for 2014	-	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	-	(1,733,110)
Transfers during the period	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	1,714,669	-	-	(4,332,163)	-	-	-	-	-	(2,617,494)	-	(2,617,494)
Balance as at 30.06.2015 - Audited	23,172,170	4,327,103	-	5,094,101	5,722,859	(283,645)	(245,386)	-	32,474,478	70,261,680	-	70,261,680

## STATEMENT OF CASH FLOWS

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For the six months ended June 30,	Group		Bank	
	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	7,492,872	6,541,763	7,443,099	6,474,150
Adjustment for:				
Non-cash items included in profits before tax	3,031,763	2,581,984	2,971,283	2,571,595
Change in operating assets	(18,314,712)	(77,097,049)	(17,889,544)	(77,099,085)
Change in operating liabilities	19,472,051	74,884,578	19,059,714	74,924,342
Net (gains)/losses from disposal of assets	(1,553)	(8,267)	(41)	(824)
Share of profit from associates, net of tax	(5,125)	(7,133)	-	-
Dividend income from subsidiaries and associates	-	-	(38,148)	(22,691)
Interest expense on subordinated liabilities	399,581	366,133	379,869	366,133
Benefits paid on defined benefit plans	(17,817)	(14,186)	(17,817)	(14,186)
Net unrealized gain from translation of Financial Statements of foreign operations	216,934	(26,445)	218,690	(24,666)
Tax paid	(1,514,676)	(1,626,978)	(1,468,239)	(1,613,294)
<b>Net cash from/(used in) operating activities</b>	<b>10,759,318</b>	<b>5,594,400</b>	<b>10,658,866</b>	<b>5,561,474</b>
<b>Cash Flows from Investing Activities</b>				
Net additions to property, plant and equipment	(465,838)	(455,281)	(397,856)	(437,402)
Proceeds from the sale of property, plant and equipment	3,608	7,899	61	3,859
Purchase of financial investments	(2,425,300)	(1,553,707)	(2,425,300)	(1,553,707)
Proceeds from the sale and maturity of financial investments	824,003	608,685	824,003	608,685
Net additions to intangible assets	(133,519)	(75,371)	(132,486)	(75,531)
Net cash flow of investment in subsidiaries and associates	-	-	-	(18,095)
Dividends received from investments in subsidiaries and associates	-	-	38,148	22,691
<b>Net cash from/(used in) in investing activities</b>	<b>(2,197,046)</b>	<b>(1,467,775)</b>	<b>(2,093,430)</b>	<b>(1,449,500)</b>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from the issue of ordinary shares	154,869	147,567	154,869	147,567
Interest paid on subordinated liabilities	(446,839)	(485,201)	(442,128)	(485,201)
Dividend paid to shareholders of the parent company	(2,772,364)	(2,719,058)	(2,772,364)	(2,719,058)
Dividend paid to non-controlling interest	(1,962)	(1,308)	-	-
<b>Net cash from /(used in) financing activities</b>	<b>(3,066,296)</b>	<b>(3,058,000)</b>	<b>(3,059,623)</b>	<b>(3,056,692)</b>
Net increase/(decrease) in cash & cash equivalents	5,495,976	1,068,625	5,505,813	1,055,282
Cash and cash equivalents at beginning of the period	20,621,778	14,263,533	20,591,867	14,261,549
<b>Cash and cash equivalents at end of the period</b>	<b>26,117,754</b>	<b>15,332,158</b>	<b>26,097,680</b>	<b>15,316,831</b>

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>					
Cash and cash equivalents		26,117,754			26,117,754
Balances with central banks		21,764,569			21,764,569
Placements with banks		6,149,525			6,149,525
Derivative financial instruments	654,267				654,267
Other financial assets held for trading	12,391,984				12,391,984
Loans and receivables to banks		557,946			557,946
Loans and receivables to other customers		513,042,654			513,042,654
Financial investments - Available for sale			206,166,056		206,166,056
<b>Total financial assets</b>	<b>13,046,251</b>	<b>567,632,448</b>	<b>206,166,056</b>	<b>-</b>	<b>786,844,755</b>

	Held for Trading (HFT)	Amortised Cost	Other Amortised Cost	Total	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
LIABILITIES					
Due to banks		16,008,339		16,008,339	
Derivative financial instruments	864,766	-		864,766	
Other financial liabilities held for trading		-		-	
Due to other customers		568,954,254		568,954,254	
Other borrowings		129,655,478		129,655,478	
Debt securities issued		-		-	
Other liabilities		-		-	
Subordinated liabilities		11,324,063		11,324,063	
Total financial liabilities	-	864,766	725,942,134	-	726,806,900

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>					
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	459,510				459,510
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
<b>Total financial assets</b>	<b>6,786,146</b>	<b>553,479,870</b>	<b>214,225,017</b>	<b>-</b>	<b>774,491,033</b>

	Held for Trading (HFT)	Amortised Cost	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	
<b>LIABILITIES</b>				
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
Subordinated liabilities		11,262,573		11,262,573
<b>Total financial liabilities</b>	<b>-</b>	<b>1,193,139</b>	<b>702,225,811</b>	<b>-</b>

	Held for Trading (HFT) Rs.'000	Loans & Receivables (L & R) Rs.'000	Available for Sale (AFS) Rs.'000	Other Amortised Cost Rs.'000	Total Rs.'000
<b>ASSETS</b>					
Cash and cash equivalents		26,097,680			26,097,680
Balances with central banks		21,764,569			21,764,569
Placements with banks		6,149,525			6,149,525
Derivative financial instruments	654,267				654,267
Other financial assets held for trading	12,391,984				12,391,984
Loans and receivables to banks		557,946			557,946
Loans and receivables to other customers		511,557,696			511,557,696
Financial investments - Available for sale			206,149,073		206,149,073
<b>Total financial assets</b>	<b>13,046,251</b>	<b>566,127,416</b>	<b>206,149,073</b>	<b>-</b>	<b>785,322,740</b>

	Held for Trading (HFT)	Amortised Cost	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES				
Due to banks		15,174,068		15,174,068
Derivative financial instruments	864,766	-		864,766
Other financial liabilities held for trading		-		-
Due to other customers		569,082,112		569,082,112
Other borrowings		129,784,129		129,784,129
Debt securities issued		-		-
Other liabilities		-		-
Subordinated liabilities		11,106,266		11,106,266
<b>Total financial liabilities</b>	-	864,766	725,146,575	-
				726,011,341

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>					
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	459,510				459,510
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
<b>Total financial assets</b>	<b>6,786,146</b>	<b>552,350,327</b>	<b>214,208,370</b>	<b>-</b>	<b>773,344,843</b>

	Held for Trading (HFT)	Amortised Cost	Other Amortised Cost	Total	
	Rs.'000	Rs.'000	Rs.'000	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

	Bank		Group	
	As at 30.06.2015 (Audited)	As at 31.12.2014 (Audited)	As at 30.06.2015	As at 31.12.2014 (Audited)
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier I Capital ) - Rs. '000	63,963,522	58,465,269	64,159,924	58,662,124
Total Capital Base - Rs. '000	77,846,103	72,177,447	78,500,528	72,832,325
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets ( Minimum Requirement, 5% )	12.70%	12.93%	12.67%	13.07%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets ( Minimum Requirement, 10% )	15.45%	15.97%	15.50%	16.22%
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio ( Net of Interest in Suspense )	3.15%	3.47%		
Net Non-Performing Advances Ratio ( Net of Interest in Suspense and Provisions )	1.70%	1.86%		
<b>Profitability</b>				
Interest Margin	3.70%	3.88%		
Return on Assets ( before tax )	1.87%	2.25%		
Return on Equity	14.81%	17.01%		
<b>Debt Security Related Ratios</b>				
Debt Equity Ratio	23.99%	25.83%		
Interest Cover (Times)	20.77	21.40		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	153,547,836	167,846,959		
Off-Shore Banking Unit	19,185,582	10,344,834		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20% )				
Domestic Banking Unit	27.75%	33.15%		
Off-Shore Banking Unit	50.37%	31.43%		

**SEGMENTAL ANALYSIS - GROUP**
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For the six months ended June 30,	Retail Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Total/Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>External Operating income :</b>												
Net interest income	11,362,709	10,892,741	2,439,000	2,436,385	834,927	461,005	273,793	144,181	(35,565)	(240,278)	14,874,864	13,694,034
Foreign exchange profit	204,590	(56,879)	86,670	70,474	222,804	223,649	-	-	214,969	303,893	729,033	541,137
Net fees and commission income	1,533,499	1,331,264	685,714	660,772	248,007	248,670	7,514	1,802	2,832	3,728	2,477,566	2,246,236
Other income	1,211,119	1,088,220	65,834	128,820	39,762	24,638	25,242	45,670	93,814	362,579	1,435,771	1,649,927
<b>Eliminations/unallocated</b>											163,784	159,254
<b>Total Operating income</b>	<b>14,311,917</b>	<b>13,255,346</b>	<b>3,277,218</b>	<b>3,296,451</b>	<b>1,345,500</b>	<b>957,962</b>	<b>306,549</b>	<b>191,653</b>	<b>276,050</b>	<b>429,922</b>	<b>19,681,018</b>	<b>18,290,588</b>
Credit loss expenses	(2,424,627)	(2,732,231)	(86,715)	(40,714)	(164,849)	(238,393)	-	-	-	-	(2,676,191)	(3,011,338)
Net Operating income	11,887,290	10,523,115	3,190,503	3,255,737	1,180,651	719,569	306,549	191,653	276,050	429,922	17,004,827	15,279,250
<b>Segment result</b>	<b>5,395,627</b>	<b>4,291,010</b>	<b>3,050,800</b>	<b>2,879,638</b>	<b>1,324,570</b>	<b>1,340,405</b>	<b>276,708</b>	<b>168,117</b>	<b>(126,482)</b>	<b>247,095</b>	<b>9,921,223</b>	<b>8,926,265</b>
Unallocated operating expenses											(2,433,476)	(2,391,635)
Profit from operations											7,487,747	6,534,630
Share of profit of Associates, net of tax											5,125	7,133
Income tax expense											(2,309,036)	(2,022,048)
Non Controlling Interest											(1,969)	(2,232)
<b>Net profit for the period,attributable to Equity holders of the parent</b>											<b>5,181,867</b>	<b>4,517,483</b>

As at June 30,	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other information</b>												
Segment assets	225,903,007	197,125,523	208,568,985	161,503,029	51,740,399	46,906,565	13,284,373	5,317,531	277,690,546	249,615,012	777,187,310	660,467,660
Investment in associates	-	-	-	-	-	-	102,475	99,142	-	-	102,475	99,142
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	38,617,298	23,601,405
<b>Total assets</b>	<b>225,903,007</b>	<b>197,125,523</b>	<b>208,568,985</b>	<b>161,503,029</b>	<b>51,740,399</b>	<b>46,906,565</b>	<b>13,386,848</b>	<b>5,416,673</b>	<b>277,690,546</b>	<b>249,615,012</b>	<b>815,907,083</b>	<b>684,168,207</b>
Segment liabilities	296,122,522	230,365,890	111,308,167	91,929,133	42,212,584	39,159,199	13,386,848	5,416,673	277,690,546	249,615,012	740,720,667	616,485,907
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	4,164,862	4,391,786
<b>Total liabilities</b>	<b>296,122,522</b>	<b>230,365,890</b>	<b>111,308,167</b>	<b>91,929,133</b>	<b>42,212,584</b>	<b>39,159,199</b>	<b>13,386,848</b>	<b>5,416,673</b>	<b>277,690,546</b>	<b>249,615,012</b>	<b>744,885,529</b>	<b>620,877,693</b>

For the six months ended June 30,	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Information on cash flows</b>												
Cash flows from operating activities	16,225,949	53,385,925	(13,832,589)	(15,987,399)	827,978	8,226,103	359,803	524,529	7,178,177	(40,554,758)	10,759,318	5,594,400
Cash flows from investing activities	-	-	-	-	-	-	(1,601,297)	(945,022)	-	-	(1,601,297)	(945,022)
Cash flows from financing activities	-	-	-	-	-	-	-	-	(446,839)	(485,201)	(446,839)	(485,201)
Capital expenditure -											-	-
Property,Plant & Equipment											(462,230)	(447,382)
Intangible assets											(133,519)	(75,371)
<b>Eliminations/unallocated</b>											(2,619,457)	(2,572,799)
<b>Net cash flow generated during the period</b>											<b>5,495,976</b>	<b>1,068,625</b>



## Twenty largest voting shareholders as at June 30, 2015

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	121,005,515	14.76
Employees Provident Fund	79,594,968	9.71
Mr.Y.S. H. I. Silva	63,807,960	7.78
Sri Lanka Insurance Corporation Ltd. - Life Fund	41,260,840	5.03
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	36,843,309	4.49
CB NY S/A International Finance Corporation	36,677,879	4.47
Sri Lanka Insurance Corporation Ltd. - General Fund	35,478,645	4.33
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	20,087,183	2.45
Melstacorp Limited	19,179,375	2.34
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	14,319,466	1.75
Mrs. L. E. M. Yaseen	14,200,001	1.73
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	12,909,787	1.57
HSBC Intl. Nominees Ltd. - JPMLU - Schroder International Selection Fund	12,132,623	1.48
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	11,014,249	1.34
Mercantile Investments and Finance PLC	10,509,737	1.28
The Bank of New York Mellon SA/NY-CF Ruffer Total Return Fund	8,280,574	1.01
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	8,116,933	0.99
Northern Trust Company S/A Harding Loevner Frontier Emerging Markets Portfolio	8,100,000	0.99
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	8,043,638	0.98
HSBC Intl. Nominees Ltd. - BPSS London-Aberdeen Asia Smaller Companies Investment Trust	6,845,432	0.83
Sub total	568,408,114	69.33
Other Shareholders	251,468,809	30.67
Total	819,876,923	100.00

Percentage of public holding as at June 30, 2015 - 99.55%

Number of shareholders representing public holding as at June 30, 2015 - 8,766

## Twenty largest non-voting shareholders as at June 30, 2015

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,256,814	5.78
Mr.Y.S. H. I. Silva	2,615,752	4.65
CITY Bank NY S/A Forward International Dividend Fund	1,951,598	3.47
GF Capital Global Limited	1,565,812	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,396,941	2.48
Mr. J. D. Bandaranayake	1,112,507	1.98
CITY Bank NY S/A Forward Select EM Dividend Fund	1,029,608	1.83
Waldock Mackenzie Ltd / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,000,000	1.78
M.J.F.Exports Ltd.	963,107	1.71
Employees Trust Fund Board	893,604	1.59
Saboor Chatoor (Pvt) Ltd	761,000	1.35
Mr. M. F. Hashim	756,402	1.34
Beta Holdings Limited	720,869	1.28
Mrs. L. V. C. Samarasingha	607,769	1.08
Union Assurance PLC - A/C 01A/C	572,424	1.02
Akbar Brothers (Pvt) Ltd. A/C No.01	567,605	1.01
Northern Trust Company S/A Polar Capital Funds PLC	557,478	0.99
Asian Alliance Insurance PLC - A/C 02 (Life Fund)	511,014	0.91
Dr. A. K. A. Jayawardene	496,976	0.88
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	452,309	0.80
Sub total	21,789,589	38.70
Other Shareholders	34,510,097	61.30
Total	56,299,686	100.00

Percentage of public holding as at June 30, 2015 - 99.79%

Number of shareholders representing public holding as at June 30, 2015 - 4,168

## Directors' holding in shares as at June 30, 2015

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D Dheerasinghe - Chairman	20,859	-
Mr.M.P Jayawardena - Deputy Chairman	-	-
Mr.J.Durairatnam - Managing Director/Chief Executive Officer	412,056	-
Mr.S.Renganathan	191,936	10,321
Mr.S.Swarnajothi	-	8,599
Mr.H.J Wilson	-	-
Prof. A.K.W.Jayawardane	-	-

	2015 Rs.	2014 Rs.
<b>Market price of an ordinary share of the Bank as at June 30,</b>		
Voting	160.50	140.60
Non-Voting	132.00	105.40
<b>Highest price during the quarter ended June 30,</b>		
Voting	175.00	141.00
Non-Voting	141.00	107.00
<b>Lowest price during the quarter ended June 30,</b>		
Voting	160.00	118.00
Non-Voting	126.60	91.30

  

	2015	2014
<b>Number of ordinary shares issued at June 30, 2015</b>		
Voting	819,876,923	808,601,709
Non-Voting	56,299,686	55,579,946

## EXPLANATORY NOTES

- 1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2014. 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.
- 2 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 3 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 4 There were no material events that took place since June 30, 2015, that require disclosure in these Interim Financial Statements.

### Auditors Opinion on the Financial Statements of the Bank as at June 30, 2015

The figures relating to the Bank have been extracted from the Financial Statements that had been audited by the External Auditors.

The Auditors expressed an unqualified opinion on the said Financial Statements prepared as at June 30, 2015 and for the period then ended.

INFORMATION ON DEBENTURES - BANK

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Debenture categories	CSE Listing	Interest payable frequency	Balance as at June 30, 2015 Rs.'000	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
<b>Fixed rate</b>											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505,000	-	-	-	13.25	13.25	6.40	Not applicable	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467,260	-	-	-	13.25	13.25	7.25	Not applicable	
				Not traded during the current period			14.00	14.00	6.80	Not traded during the current period	
				Not traded during the current period			14.00	14.00	7.50	Not traded during the current period	
<b>Floating rate</b>											
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	400	Not traded during the current period			7.68	7.68	8.00	Not traded during the current period	
				Not traded during the current period			10.21	10.21	8.75	Not traded during the current period	
<b>Total Debentures</b>			<b>972,660</b>								

(Comparative information for 2014 have been Highlighted )

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 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000
Gross loans and receivables	530,967,453	515,335,442	529,217,185	514,022,361
Less: Allowance for Individual impairment	4,578,648	4,334,587	4,578,648	4,334,587
Allowance for Collective impairment	13,346,151	12,835,436	13,080,841	12,621,987
<b>Net loans and receivables</b>	<b>513,042,654</b>	<b>498,165,419</b>	<b>511,557,696</b>	<b>497,065,787</b>

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000
<b>By product - Domestic Currency</b>				
Loans and advances				
Overdrafts	66,113,022	60,945,777	66,135,354	60,945,777
Trade finance	34,291,188	29,720,488	34,291,188	29,720,488
Lease rental receivable	29,987,678	24,526,495	27,730,023	22,780,900
Credit cards	4,333,698	4,167,818	4,333,698	4,167,818
Pawning	2,000,806	2,315,884	2,000,806	2,315,884
Staff loans	5,481,980	4,928,668	5,480,927	4,928,211
Housing loans	34,451,361	30,424,369	34,451,361	30,424,369
Personal loans	24,063,549	21,670,018	24,063,549	21,669,446
Term loans				
Short-term	19,909,167	17,375,263	19,908,436	17,962,063
Long-term	167,946,137	145,434,135	168,432,976	145,280,878
Bills of Exchange	3,276,473	3,379,171	3,276,473	3,379,171
Securities purchased under resale agreements	6,000,989	36,471,301	6,000,989	36,471,301
<b>Sub total</b>	<b>397,856,048</b>	<b>381,359,387</b>	<b>396,105,780</b>	<b>380,046,306</b>
<b>Others</b>				
Government Securities	605,674	605,859	605,674	605,859
Investments	11,720,808	9,585,015	11,720,808	9,585,015
<b>Sub total</b>	<b>12,326,482</b>	<b>10,190,874</b>	<b>12,326,482</b>	<b>10,190,874</b>
<b>Gross loans and receivables</b>	<b>410,182,530</b>	<b>391,550,261</b>	<b>408,432,262</b>	<b>390,237,180</b>

	Group		Bank	
	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000
<b>By product - Foreign Currency</b>				
Loans and advances				
Overdrafts	7,791,950	9,204,100	7,791,950	9,204,100
Trade finance	11,222,752	12,244,510	11,222,752	12,244,510
Lease rental receivable	285,543	287,683	285,543	287,683
Credit cards	53,657	53,548	53,657	53,548
Pawning	-	-	-	-
Staff loans	89,588	94,711	89,588	94,711
Housing loans	1,137,084	978,489	1,137,084	978,489
Personal loans	262,004	273,570	262,004	273,570
Term loans				
Short-term	13,222,808	14,012,604	13,222,808	14,012,604
Long-term	42,204,543	37,658,818	42,204,543	37,658,818
Bills of Exchange	6,157,319	4,004,991	6,157,319	4,004,991
Securities purchased under resale agreements	-	4,726,965	-	4,726,965
<b>Sub total</b>	<b>82,427,248</b>	<b>83,539,989</b>	<b>82,427,248</b>	<b>83,539,989</b>
<b>Others</b>				
Government Securities	37,095,972	40,244,152	37,095,972	40,244,152
Investments	1,261,703	1,040	1,261,703	1,040
<b>Sub total</b>	<b>38,357,675</b>	<b>40,245,192</b>	<b>38,357,675</b>	<b>40,245,192</b>
<b>Gross loans and receivables</b>	<b>120,784,923</b>	<b>123,785,181</b>	<b>120,784,923</b>	<b>123,785,181</b>
<b>Total of gross loans and receivables</b>	<b>530,967,453</b>	<b>515,335,442</b>	<b>529,217,185</b>	<b>514,022,361</b>

(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 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000
<b>Movement in Allowance for Individual Impairment</b>				
Opening balance	4,334,587	4,204,654	4,334,587	4,204,654
Charge/(write back) to the Income statement	621,569	390,003	621,569	390,003
Net write-off/(recoveries) during the year	(453,296)	(403,411)	(453,296)	(403,411)
Exchange rate variance on foreign currency provisions	11,672	6,765	11,672	6,765
Interest accrued / (reversals) on impaired loans & advances	(139,410)	(278,878)	(139,410)	(278,878)
Other movements	203,526	415,454	203,526	415,454
<b>Closing balance</b>	<b>4,578,648</b>	<b>4,334,587</b>	<b>4,578,648</b>	<b>4,334,587</b>
<b>Movement in Allowance for Collective Impairment</b>				
Opening balance	12,835,436	11,582,515	12,621,987	11,582,514
Balance assumed on business combination	-	194,805	-	-
Charge/(Write back) to the Income Statement	2,066,825	4,480,932	2,014,964	4,462,289
Net write-off/(recoveries) during the year	(1,558,150)	(3,422,651)	(1,558,150)	(3,422,651)
Exchange rate variance on foreign currency provisions	2,040	(165)	2,040	(165)
Other movements	-	-	-	-
<b>Closing balance</b>	<b>13,346,151</b>	<b>12,835,436</b>	<b>13,080,841</b>	<b>12,621,987</b>
<b>Total of Individual and Collective Impairment</b>	<b>17,924,799</b>	<b>17,170,023</b>	<b>17,659,489</b>	<b>16,956,574</b>

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000	As at 30.06.2015 Rs.'000	As at 31.12.2014 Rs.'000
<b>By product - Domestic Currency</b>				
Current account deposits	35,058,992	34,311,477	35,058,992	34,317,565
Savings deposits	182,520,288	164,462,225	182,618,054	164,521,655
Time deposits	210,449,668	202,162,715	210,479,760	202,192,093
Certificate of deposits	810,724	935,784	810,724	935,784
<b>Sub Total</b>	<b>428,839,672</b>	<b>401,872,201</b>	<b>428,967,530</b>	<b>401,967,097</b>
<b>By product - Foreign Currency</b>				
Current account deposits	11,585,268	10,809,389	11,585,268	10,809,389
Savings deposits	49,879,815	46,467,745	49,879,815	46,467,745
Time deposits	78,649,499	70,117,253	78,649,499	70,117,253
Certificate of deposits	-	-	-	-
<b>Sub Total</b>	<b>140,114,582</b>	<b>127,394,387</b>	<b>140,114,582</b>	<b>127,394,387</b>
<b>Total</b>	<b>568,954,254</b>	<b>529,266,588</b>	<b>569,082,112</b>	<b>529,361,484</b>

**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.

**Bangladesh Operation**

AAA was re-affirmed by Credit Rating Information Services Ltd. in 2014.

**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 &amp; 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

Mr.S.Swarnajothi

Mr.S.Renganathan

Mr.H. J.Wilson

Prof. A.K.W.Jayawardane

Mr.K Dharmasiri ( Appointed with effect from July 21, 2015 )

**ACCOUNTING YEAR**

December 31