

INTERIM FINANCIAL STATEMENTS
For the year ended December 31, 2012

	For the year ended			For the quarter ended		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
Income	63,167.6	45,483.4	38.88	17,558.0	12,579.6	39.58
Interest Income	51,838.5	37,639.2	37.72	14,622.8	10,090.6	44.92
Interest Income on Loans and Advances	41,710.7	28,697.3	45.35	11,778.0	8,108.4	45.26
Interest Income on Other Interest Earning Assets	10,127.8	8,941.9	13.26	2,844.8	1,982.2	43.52
Less : Interest Expenses	29,918.7	19,643.0	52.31	8,716.0	5,513.9	58.07
Interest Expenses on Deposits	25,320.4	15,416.2	64.25	7,471.6	4,420.1	69.04
Interest Expenses on Other Interest Bearing Liabilities	4,598.3	4,226.8	8.79	1,244.4	1,093.8	13.77
Net Interest Income	21,919.8	17,996.2	21.80	5,906.8	4,576.7	29.06
Non-Interest Income	9,729.0	6,590.6	47.62	2,051.7	2,089.6	(1.81)
Foreign Exchange Income	4,752.1	2,321.6	104.69	655.5	861.6	(23.92)
Other Income	4,976.9	4,269.0	16.58	1,396.2	1,228.0	13.70
Net Income	31,648.8	24,586.8	28.72	7,958.5	6,666.3	19.38
Less : Non-Interest Expenses	13,858.3	11,841.3	17.03	3,853.5	3,355.0	14.86
Personnel Costs	6,810.2	5,680.2	19.89	1,947.0	1,516.6	28.38
Provision for Staff Retirement Benefits	647.9	396.7	63.32	224.9	104.0	116.25
Premises, Equipment & Establishment Expenses	3,225.7	2,763.9	16.71	809.5	727.6	11.26
Loss on Trading/Investment Securities	87.0	14.5	500.00	43.8	7.8	461.54
Amortization of Intangible Assets	169.7	94.0	80.53	41.0	36.1	13.57
Other Operating Expenses	2,917.8	2,892.0	0.89	787.3	962.9	(18.24)
Less : Provision for Bad and Doubtful Debts and Loans Written Off	1,496.4	235.2	536.22	245.9	715.9	(65.65)
Provisions - General	228.6	(499.5)	145.77	57.2	(137.6)	141.57
Provisions - Specific	2,738.1	1,979.3	38.34	903.5	1,256.5	(28.09)
Recoveries (-)	(1,687.1)	(1,268.1)	(33.04)	(927.3)	(407.2)	(127.73)
Loans Written Off	216.8	23.5	822.55	212.5	4.2	4,959.52
Operating Profit on Ordinary Activities Before Taxes	16,294.1	12,510.3	30.25	3,859.1	2,595.4	48.69
Less : Value Added Tax on Financial Services	1,982.5	1,523.0	30.17	485.8	325.0	49.48
Operating Profit on Ordinary Activities Before Corporate Tax	14,311.6	10,987.3	30.26	3,373.3	2,270.4	48.58
Less : Tax on Profits on Ordinary Activities	4,239.9	2,939.6	44.23	947.7	319.5	196.62
Operating Profit for the Period	10,071.7	8,047.7	25.15	2,425.6	1,950.9	24.33
Basic Earnings per Ordinary Share - (Rs.)	12.10	10.04	20.52	2.91	2.43	19.75
Diluted Earnings per Ordinary Share - (Rs.)	12.08	10.02	20.56	2.91	2.43	19.75

	For the year ended			For the quarter ended		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
Income	63,154.6	45,465.4	38.91	17,543.4	12,564.3	39.63
Interest Income	51,818.7	37,599.7	37.82	14,619.2	10,082.1	45.00
Interest Income on Loans and Advances	41,690.5	28,657.7	45.48	11,774.7	8,099.9	45.37
Interest Income on Other Interest Earning Assets	10,128.2	8,942.0	13.27	2,844.5	1,982.2	43.50
Less : Interest Expenses	29,899.6	19,627.9	52.33	8,709.0	5,508.7	58.10
Interest Expenses on Deposits	25,314.9	15,411.9	64.26	7,470.2	4,418.6	69.06
Interest Expenses on Other Interest Bearing Liabilities	4,584.7	4,216.0	8.75	1,238.8	1,090.1	13.64
Net Interest Income	21,919.1	17,971.8	21.96	5,910.2	4,573.4	29.23
Non-Interest Income	9,735.8	6,612.1	47.24	2,040.7	2,082.8	(2.02)
Foreign Exchange Income	4,752.1	2,321.6	104.69	655.5	861.6	(23.92)
Other Income	4,983.7	4,290.5	16.16	1,385.2	1,221.2	13.43
Net Income	31,654.9	24,583.9	28.76	7,950.9	6,656.2	19.45
Less : Non-Interest Expenses	13,856.3	11,766.3	17.76	3,829.0	3,301.2	15.99
Personnel Costs	6,872.9	5,734.0	19.86	1,961.0	1,531.4	28.05
Provision for Staff Retirement Benefits	652.5	399.6	63.29	228.7	106.3	115.15
Premises, Equipment & Establishment Expenses	3,266.1	2,789.7	17.08	816.4	737.2	10.74
Loss on Trading/Investment Securities	87.0	14.5	500.00	43.8	7.8	461.54
Amortization of Intangible Assets	169.7	94.0	80.53	41.0	36.1	13.57
Other Operating Expenses	2,808.1	2,734.5	2.69	738.1	882.4	(16.35)
Less : Provision for Bad and Doubtful Debts and Loans Written Off	1,496.4	235.2	536.22	245.9	715.9	(65.65)
Provisions - General	228.6	(499.5)	145.77	57.2	(137.6)	141.57
Provisions - Specific	2,738.1	1,979.3	38.34	903.5	1,256.5	(28.09)
Recoveries (-)	(1,687.1)	(1,268.1)	(33.04)	(927.3)	(407.2)	(127.73)
Loans Written Off	216.8	23.5	822.55	212.5	4.2	4,959.52
Operating Profit on Ordinary Activities Before Taxes	16,302.2	12,582.4	29.56	3,876.0	2,639.1	46.87
Less : Value Added Tax on Financial Services	1,982.5	1,523.0	30.17	485.8	325.0	49.48
Operating Profit on Ordinary Activities Before Corporate Taxes	14,319.7	11,059.4	29.48	3,390.2	2,314.1	46.50
Add/(Less) : Share of Profit/(Loss) before tax of Associate Companies	11.7	8.7	34.48	(1.1)	(0.7)	(57.14)
Operating Profit Before Corporate Tax	14,331.4	11,068.1	29.48	3,389.1	2,313.4	46.50
Less : Tax on Profits on Ordinary Activities	4,273.9	2,973.1	43.75	955.7	325.8	193.34
Operating Profit for the Period	10,057.5	8,095.0	24.24	2,433.4	1,987.6	22.43
Attributable to:						
Equity holders of the parent	10,055.8	8,094.7	24.23	2,433.0	1,989.0	22.32
Minority interest	1.7	0.3	466.67	0.4	(1.4)	128.57
	10,057.5	8,095.0	24.24	2,433.4	1,987.6	22.43
Basic Earnings per Ordinary Share - (Rs.)	12.08	10.09	19.72	2.92	2.48	17.74
Diluted Earnings per Ordinary Share - (Rs.)	12.06	10.08	19.64	2.92	2.47	18.22

As at	Bank			Group		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn.	Audited Rs. Mn.	%	Rs. Mn.	Audited Rs. Mn.	%
On-Balance Sheet Assets						
Cash on Hand	11,074.8	8,514.8	30.07	11,097.7	8,538.9	29.97
Balances with Central Bank of Sri Lanka / Other Central Banks	18,168.0	17,343.0	4.76	18,168.0	17,343.0	4.76
Due from Banks and Other Financial Institutions	29,474.5	18,038.4	63.40	29,474.5	18,038.4	63.40
Investments - Trading Account	10,770.4	11,997.1	(10.22)	10,770.4	11,997.1	(10.22)
Government Securities	10,354.8	11,675.8	(11.31)	10,354.8	11,675.8	(11.31)
Other Securities	415.6	321.3	29.35	415.6	321.3	29.35
Investments - Held-to-Maturity	94,397.7	91,945.8	2.67	94,397.7	91,945.8	2.67
Government Securities	91,969.8	88,438.7	3.99	91,969.8	88,438.7	3.99
Other Securities	2,427.9	3,507.1	(30.77)	2,427.9	3,507.1	(30.77)
Investments in Associates and Subsidiaries	347.4	337.0	3.09	88.8	85.1	4.35
Investments in Associates	44.3	44.3	-	88.8	85.1	4.35
Investments in Subsidiaries	303.1	292.7	3.55	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances	320,958.4	272,134.8	17.94	320,900.7	271,975.4	17.99
Bills of Exchange	5,630.0	7,587.8	(25.80)	5,630.0	7,587.8	(25.80)
Overdrafts	65,744.8	57,171.6	15.00	65,744.5	57,168.7	15.00
Lease Rentals Receivable	24,201.6	20,965.9	15.43	24,144.2	20,809.4	16.03
Other Loans	225,382.0	186,409.5	20.91	225,382.0	186,409.5	20.91
Total Non-Performing Loans and Advances	17,885.1	15,828.6	12.99	17,885.1	15,828.6	12.99
Bills of Exchange	47.9	56.8	(15.67)	47.9	56.8	(15.67)
Overdrafts	2,653.6	2,314.6	14.65	2,653.6	2,314.6	14.65
Lease Rentals Receivable	635.4	383.4	65.73	635.4	383.4	65.73
Other Loans	9,515.1	8,453.9	12.55	9,515.1	8,453.9	12.55
Interest Receivable	5,033.1	4,619.9	8.94	5,033.1	4,619.9	8.94
Total Gross Loans and Advances	338,843.5	287,963.4	17.67	338,785.8	287,804.0	17.71
Less :						
Interest in Suspense	6,963.3	6,548.3	6.34	6,963.3	6,548.3	6.34
Specific Loan Loss Provisions	5,077.7	3,818.7	32.97	5,077.7	3,818.7	32.97
General Loan Loss Provisions	1,435.9	1,202.0	19.46	1,435.9	1,202.0	19.46
Net Loans and Advances	325,366.6	276,394.4	17.72	325,308.9	276,235.0	17.77
Other Assets	12,356.5	8,076.6	52.99	12,352.8	8,059.3	53.27
Property, Plant & Equipment	8,221.1	7,907.0	3.97	8,946.9	8,503.2	5.22
Lease Hold Property	77.3	78.2	(1.15)	111.8	113.2	(1.24)
Intangible Assets	497.0	467.0	6.42	506.2	475.0	6.57
Total On-Balance Sheet Assets	510,751.3	441,099.3	15.79	511,223.7	441,334.0	15.84

BALANCE SHEET

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As at	Bank			Group		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn.	Audited Rs. Mn.	%	Rs. Mn.	Audited Rs. Mn.	%
On-Balance Sheet Liabilities						
Total Deposits	382,723.6	318,461.3	20.18	382,684.6	318,404.2	20.19
Demand Deposits	28,674.7	26,866.1	6.73	28,673.5	26,866.1	6.73
Savings Deposits	141,736.0	135,997.8	4.22	141,711.9	135,988.7	4.21
Time Deposits	208,911.1	151,544.5	37.85	208,897.4	151,496.5	37.89
Margin Deposits	1,813.1	2,183.8	(16.97)	1,813.1	2,183.8	(16.97)
Other Deposits	1,588.7	1,869.1	(15.00)	1,588.7	1,869.1	(15.00)
Total Borrowings	53,429.3	62,105.7	(13.97)	53,287.1	61,961.8	(14.00)
Borrowings from Central Bank of Sri Lanka	124.0	219.4	(43.48)	124.0	219.4	(43.48)
Borrowings from Banks and Financial Institutions in Sri Lanka	7,553.5	10,886.7	(30.62)	7,553.5	10,886.7	(30.62)
Borrowings from Banks and Financial Institutions Abroad	13,019.0	8,791.0	48.09	13,019.0	8,791.0	48.09
Securities Sold Under Re-Purchase Agreements	31,759.6	41,235.4	(22.98)	31,617.4	41,091.5	(23.06)
Subordinated Term Debt	973.2	973.2	-	973.2	973.2	-
Other Liabilities	18,186.0	13,840.5	31.40	18,218.8	13,861.9	31.43
Current Taxation	2,658.5	1,137.5	133.71	2,676.5	1,139.2	134.95
Deferred Taxation	1,360.7	1,327.6	2.49	1,488.9	1,369.6	8.71
Total On-Balance Sheet Liabilities	458,358.1	396,872.6	15.49	458,355.9	396,736.7	15.53
Shareholders' Funds and Minority Interest						
Shareholders' Funds	52,393.2	44,226.7	18.47	52,832.7	44,567.7	18.54
Stated Capital	18,008.8	16,473.9	9.32	18,008.8	16,473.9	9.32
Statutory Reserve Fund	2,740.9	2,740.9	-	2,740.9	2,740.9	-
Total Other Reserves	31,643.5	25,011.9	26.51	32,083.0	25,352.9	26.55
Minority Interest				35.1	29.6	18.58
Total Shareholders' Funds and Minority Interest	52,393.2	44,226.7	18.47	52,867.8	44,597.3	18.54
Total On-Balance Sheet Liabilities, Shareholders' Funds and Minority Interest	510,751.3	441,099.3	15.79	511,223.7	441,334.0	15.84
Off-Balance Sheet Items and Contra Accounts	280,584.3	234,551.2	19.63	280,584.3	234,551.2	19.63
Contingencies	216,555.3	172,925.8	25.23	216,555.3	172,925.8	25.23
Commitments and Contra Accounts	64,029.0	61,625.4	3.90	64,029.0	61,625.4	3.90
Net Assets Value per Ordinary Share (Rs.)	62.86	54.10	16.19	63.39	54.52	16.27
Memorandum Information						
Number of Employees	4,602	4,524				
Number of Customer Service Centers	244	230				

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 of the Commercial Bank of Ceylon PLC, certify jointly that:-

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka, and
(b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

(Sgd.) D.S.Weerakkody
Chairman
Colombo.

February 27, 2013

(Sgd.) W.M.R.S Dias
Managing Director
Colombo.

February 27, 2013

STATEMENT OF CHANGES IN EQUITY

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	Stated Capital Rs. Mn.	Statutory Reserve Fund Rs. Mn.	Other Reserves						Total Rs. Mn.	Minority Interest Rs. Mn.	Total Equity Rs. Mn.
			Primary Dealer Special Risk Reserve Rs. Mn.	Revaluation Reserve Rs. Mn.	Foreign Currency Translation Reserve Rs. Mn.	Investment Fund Account Rs. Mn.	General Reserve Rs. Mn.	Unappropriated Profit/(Loss) carried forward Rs. Mn.			
BANK											
Balance as at 31.12.2010 - Audited	10,811.2	2,338.5	133.3	2,696.2	(554.3)	-	16,361.2	1,515.9	33,302.0	-	33,302.0
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(756.8)	(756.8)	-	(756.8)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(756.8)	(75.7)	-	(75.7)
Issue of Ordinary Shares under Employee Share Option Plans	121.9	-	-	-	-	-	-	-	121.9	-	121.9
Proceeds on Right Issue of Ordinary shares	4,859.7	-	-	-	-	-	-	-	4,859.7	-	4,859.7
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	(754.5)	-	-	-	(754.5)	-	(754.5)
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	1,654.4	-	-	-	-	1,654.4	-	1,654.4
Deferred Tax Effect on Revaluation Surplus on Freehold Buildings	-	-	-	(128.4)	-	-	-	-	(128.4)	-	(128.4)
Net Profit for 2011	-	-	-	-	-	-	-	8,047.7	8,047.7	-	8,047.7
Interim Dividends for 2011	-	-	-	-	-	-	-	(2,043.6)	(2,043.6)	-	(2,043.6)
Transfers during the period	-	402.4	16.1	-	-	1,194.3	1,528.3	(3,141.1)	-	-	-
Balance as at 31.12.2011 - Audited	16,473.9	2,740.9	149.4	4,222.2	(1,308.8)	1,194.3	17,889.5	2,865.3	44,226.7	-	44,226.7
Final Cash Dividend for 2011	-	-	-	-	-	-	-	(1,226.7)	(1,226.7)	-	(1,226.7)
Scrip Dividend for 2011	1,471.9	-	-	-	-	-	-	(1,635.5)	(163.6)	-	(163.6)
Issue of Ordinary Shares under Employee Share Option Plans	62.9	-	-	-	-	-	-	-	62.9	-	62.9
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	551.2	-	-	-	551.2	-	551.2
Deferred Tax on re-classification of revaluation surplus	-	-	-	121.2	-	-	-	-	121.2	-	121.2
Interim Dividends for 2012	-	-	-	-	-	-	-	(1,250.2)	(1,250.2)	-	(1,250.2)
Net Profit for 2012	-	-	-	-	-	-	-	10,071.7	10,071.7	-	10,071.7
Transfers during the period	-	-	-	-	-	1,652.6	-	(1,652.6)	-	-	-
Balance as at 31.12.2012	18,008.7	2,740.9	149.4	4,343.4	(757.6)	2,846.9	17,889.5	7,172.0	52,393.2	-	52,393.2
GROUP											
Balance as at 31.12.2010 - Audited	10,811.2	2,338.5	133.3	2,943.2	(549.7)	-	16,361.2	1,474.8	33,512.5	26.6	33,539.1
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(756.8)	(756.8)	(0.7)	(757.5)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(756.8)	(75.7)	-	(75.7)
Issue of Ordinary Shares under Employee Share Option Plans	121.9	-	-	-	-	-	-	-	121.9	-	121.9
Proceeds on Right Issue of Ordinary shares	4,859.7	-	-	-	-	-	-	-	4,859.7	-	4,859.7
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	(752.7)	-	-	-	(752.7)	-	(752.7)
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	1,668.4	-	-	-	-	1,668.4	0.8	1,669.2
Deferred Tax Effect on Revaluation Surplus on Freehold Buildings	-	-	-	(60.7)	-	-	-	-	(60.7)	3.9	(56.8)
Net Profit for 2011	-	-	-	-	-	-	-	8,094.7	8,094.7	0.3	8,095.0
Interim Dividends for 2011	-	-	-	-	-	-	-	(2,043.6)	(2,043.6)	(1.3)	(2,044.9)
Transfers during the period	-	402.4	16.1	-	-	1,194.3	1,528.3	(3,141.1)	-	-	-
Balance as at 31.12.2011 - Audited	16,473.9	2,740.9	149.4	4,550.9	(1,302.4)	1,194.3	17,889.5	2,871.2	44,567.7	29.6	44,597.3
Final Cash Dividend for 2011	-	-	-	-	-	-	-	(1,226.7)	(1,226.7)	(1.3)	(1,228.0)
Scrip Dividend for 2011	1,471.9	-	-	-	-	-	-	(1,635.5)	(163.6)	-	(163.6)
Issue of Ordinary Shares under Employee Share Option Plans	62.9	-	-	-	-	-	-	-	62.9	-	62.9
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	558.9	-	-	-	558.9	-	558.9
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	181.8	-	-	-	-	181.8	10.5	192.3
Deferred Tax Effect on Revaluation Surplus on Freehold Buildings	-	-	-	46.1	-	-	-	-	46.1	(4.2)	41.9
Interim Dividends for 2012	-	-	-	-	-	-	-	(1,250.2)	(1,250.2)	(1.2)	(1,251.4)
Net Profit for 2012	-	-	-	-	-	-	-	10,055.8	10,055.8	1.7	10,057.5
Transfers during the period	-	-	-	-	-	1,652.6	-	(1,652.6)	-	-	-
Balance as at 31.12.2012	18,008.7	2,740.9	149.4	4,778.8	(743.5)	2,846.9	17,889.5	7,162.0	52,832.7	35.1	52,867.8

<i>For the year ended December 31,</i>	Bank		Group	
	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.
Cash Flows from Operating Activities				
Interest and commission receipts	54,195.6	40,422.0	54,175.8	40,380.7
Interest payments	(32,343.6)	(17,736.3)	(32,324.5)	(17,721.3)
Recoveries on loans previously provided/written-off	1,687.1	1,268.1	1,687.1	1,268.1
Foreign exchange profit and other income	4,886.9	2,530.8	4,950.4	2,585.2
Cash payments to employees and suppliers	(14,718.8)	(12,602.0)	(14,728.1)	(12,513.6)
Operating profit before changes in operating assets and Liabilities	13,707.2	13,882.6	13,760.7	13,999.1
(Increase)/Decrease in Operating Assets				
Balances with Central Banks	(825.0)	(5,154.2)	(825.0)	(5,154.2)
Funds advanced to customers	(52,155.6)	(60,859.1)	(52,257.3)	(60,923.3)
Other operating assets	(4,279.9)	(1,885.2)	(4,293.5)	(1,876.2)
Increase/(Decrease) in Operating Liabilities				
Deposits from customers	64,262.3	58,682.4	64,280.4	58,659.6
Net cash from operating activities before income tax	20,709.0	4,666.5	20,665.3	4,705.0
Income tax paid	(2,216.5)	(3,585.8)	(2,226.2)	(3,608.9)
Net cash inflow/(outflow) from operating activities	18,492.5	1,080.7	18,439.1	1,096.1
Cash Flows from Investing Activities				
Dividends and interest received	514.7	381.3	443.8	343.6
Net change in Government Treasury Bills & Bonds	(2,121.4)	14,284.2	(2,121.4)	14,284.2
Net change in Due from Banks and Other Financial Institutions	(11,436.1)	(13,549.7)	(11,436.1)	(13,549.7)
Net change in Securities sold under re-purchase agreements	(9,475.8)	(4,539.1)	(9,474.1)	(4,567.4)
Proceeds from sale of /matured investments /(Additions to investments)	994.3	(1,145.4)	1,012.7	(1,203.4)
Proceeds from sale of Property, Plant & Equipment/(Additions to Property, Plant & Equipment)	(1,382.0)	(1,091.6)	(1,294.5)	(1,024.0)
Net cash inflow/(outflow) from investing activities	(22,906.3)	(5,660.3)	(22,869.6)	(5,716.7)
Cash Flows from Financing Activities				
Dividends paid to minority shareholders	-	-	(2.5)	(2.0)
Proceeds from issue of ordinary shares under ESOPs	48.4	121.8	48.4	121.8
Redemption of Debentures	-	(1,153.8)	-	(1,153.8)
Proceeds from Right issue	-	4,859.7	-	4,859.7
Interest paid on Debentures	(132.8)	(328.3)	(132.8)	(328.3)
Net change in other borrowings	9,684.0	6,334.3	9,702.0	6,354.2
Dividends paid to shareholders	(2,625.8)	(2,876.1)	(2,625.8)	(2,876.1)
Net cash inflow/(outflow) from financing activities	6,973.8	6,957.6	6,989.3	6,975.5
Net increase in cash and cash equivalents	2,560.0	2,378.0	2,558.8	2,354.9
Cash and cash equivalents at beginning of the period	8,514.8	6,136.8	8,538.9	6,184.0
Cash and cash equivalents at end of the period	11,074.8	8,514.8	11,097.7	8,538.9

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As at December 31, 2012

For the year ended December 31, 2012

[illegible]

- 1) The Interim Financial Statement of the Bank/Group have been prepared on the basis of same accounting policies and methods applied for the year ended December 31, 2011 and are in compliance with Sri Lanka Accounting Standard 35 - 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

The Institute of Chartered Accountants of Sri Lanka had issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after January 01, 2012. New Sri Lanka Accounting Standards comprise of Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS).

The Bank is required to prepare its Interim Financial Statements in accordance with LKAS 34 - 'Interim Financial Reporting'. However, The Institute of Chartered Accountants of Sri Lanka has decided to allow Companies to prepare Interim Financial Statements during the first financial year commencing on or after January 01, 2012 in accordance with the Sri Lanka Accounting Standards existed immediately prior to the said date (SLASs) with disclosures on impact to the Statement of Comprehensive Income for the period and to the Net Assets based on SLFRS/LKAS. If determination of that impact is impracticable, the Companies are required to disclose such fact.

The Bank has quantified the impact to the Statement of Comprehensive Income for the period (before taxes) and to the Net Assets based on the new/revised Sri Lanka Accounting Standards and such impact is detailed below.

Impact (before taxes) on Application of New/Revised Sri Lanka Accounting Standards (SLFRS/LKAS)

Area of impact	Description	Profit for the period as per the Statement of comprehensive income for the year ended December 31, 2012 (Rs Mn.)	Other comprehensive income for the period as per the Statement of Comprehensive Income for the year ended December 31, 2012 (Rs Mn.)	Net Assets as at December 31, 2012 (Rs Mn.)	Net Assets as at December 31, 2011 (Rs Mn.)
Impairment of financial assets					
Loans and Advances	Time-based CBSL provision is replaced with collective and individual impairment. All individually significant loans and advances with objective evidences are individually tested while other loans and advances are tested collectively for impairment. For the purpose of SLFRS Reporting, suspension of interest is no longer applicable and the interest is continued to recognise on the impaired loan balances based on the Effective Interest Rate method (EIR method).	No significant impact	No Impact	No significant impact	Increase by 118.946
Other financial assets	Other financial assets with objective evidences are tested for impairment and impairment loss, if any is recognised in Profit or Loss.	No significant impact	No Impact	No significant impact	No significant impact
Measurement of staff loans at fair value (Day 1 Difference)	All staff loans are recognised initially at fair value. Subsequent interest recognition is based on EIR method. Day 1 difference (ie. the difference between the transaction amount and the fair value is determined based on market interest rate) is treated as pre-paid staff cost and is amortised.	No impact	No Impact	No Impact	No Impact
Measurement of investments					
Available for Sale Financial Assets	Subsequent measurement of Investments classified as Available for Sale (AFS) is at fair value and the corresponding changes in fair value is recognised in Other Comprehensive Income.	No impact	Increase by 619.436	Increase by 475.466	Decrease by 143.970
Loans and receivable	Subsequent measurement of Investments classified as Loans and Receivable (L&R) is at amortised cost based on EIR method.	No significant impact	No Impact	No significant impact	No significant impact
Financial Assets at Fair Value through Profit or Loss	Subsequent measurement of Investments classified as Fair Value through Profit or Loss (FVTPL) is at fair value and the corresponding changes in fair value is adjusted in Profit or Loss.	No significant impact	No Impact	No significant impact	No significant impact
Measurement of deposits at Effective Interest Rate	Interest expense is recognised based on EIR method and not based on straight line method as done under previously applicable SLASs.	No significant impact	No Impact	No significant impact	Increase by 240.706
Fair valuation of derivative assets and liabilities	All derivatives are fair valued and brought on to the Statement of Financial Position.	No significant impact	No Impact	No significant impact	No significant impact

- 2) There were no material events that took place since December 31, 2012 , that require disclosure in these financial statements ,except the following:
- a) The Bank declared a second interim dividend of Rs.1.00 per share (for both Voting and Non-voting ordinary shares) for the year ended December 31, 2012.This dividend was paid on February 18, 2013.
 - b) The Bank signed an agreement with with IFC, a member of the World Bank group in February 2013, under which the IFC will be investing US \$ 75.0 Mn. in the Bank.This investment will be a ten year subordinated loan and will qualify as tier 1 capital in the Bank's capital base.These funds are expected to utilize in expanding the Bank's operations and in providing finance for small and medium enterprises (SME's).
- 3) During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 4) All known expenses including management fees and similar expenses have been provided for in these financial statements.
- 5) The Bank's External Auditors, M/s KPMG carried out an interim audit for the six months period ended June 30, 2012 and expressed an unqualified opinion on the financial statements of the Bank as at June 30, 2012.

SELECTED PERFORMANCE INDICATORS

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	Bank		Group	
	As at 31.12.2012	As at 31.12.2011 Audited	As at 31.12.2012	As at 31.12.2011 Audited
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. Mn.	43,518.7	38,145.5	43,501.6	38,138.5
Total Capital Base - Rs. Mn.	47,830.8	40,971.0	47,822.8	40,964.0
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	11.84%	12.11%	11.84%	12.11%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	13.02%	13.01%	13.01%	13.01%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	3.37%	3.43%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	1.84%	2.08%		
Profitability				
Interest Margin	4.59%	4.44%		
Return on Assets (before tax)	3.00%	2.71%		
Return on Equity	20.79%	20.76%		
Debt Security Related Ratios				
Debt Equity Ratio	17.74%	2.35%		
Interest Cover (Times)	48.64	49.07		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. Mn.				
Domestic Banking Unit	95,002.3	77,532.8		
Off-Shore Banking Unit	6,463.9	5,522.5		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	25.40%	25.70%		
Off-Shore Banking Unit	34.16%	27.77%		

INFORMATION ON ORDINARY SHARES OF THE BANK

	2012 Rs.	2011 Rs.
Market price of an ordinary share of the Bank as at December 31,		
Voting	103.00	100.00
Non-Voting	91.10	74.50
Highest price during the quarter ended December 31,		
Voting	116.00	115.00
Non-Voting	95.00	80.00
Lowest price during the quarter ended December 31,		
Voting	99.00	97.00
Non-Voting	87.00	69.10
Number of Ordinary Shares Issued as at December 31,		
Voting	780,014,232	765,085,320
Non-Voting	53,473,748	52,364,846

INFORMATION ON DEBENTURES - BANK
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Debenture categories	CSE Listing	Interest payable frequency	Balance as at December 31, 2012 Rs. Mn.	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 %
Fixed rate											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	11.70		
				-	-	-	13.25	13.25	8.40	-	-
Dec 2006/Dec 2013 13.75% p.a.	Listed	Annually	0.3	Not traded during the current period			13.75	13.75	11.40	Not traded during the current period	
				Not traded during the current period			13.75	13.75	8.00	Not traded during the current period	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	11.50	Not traded during the current period	
				Not traded during the current period			14.00	14.00	8.50	Not traded during the current period	
Floating rate											
Dec 2006/Dec 2013 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.3	Not traded during the current period			11.34	11.66	13.65	Not traded during the current period	
				Not traded during the current period			9.15	9.15	9.15	Not traded during the current period	
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.4	Not traded during the current period			11.34	11.66	13.65	Not traded during the current period	
				Not traded during the current period			9.15	9.15	9.15	Not traded during the current period	
Total Debentures			973.2								

(Comparative information for 2011 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

Twenty largest voting shareholders as at December 31,2012

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	116,009,375	14.87
Employees Provident Fund	74,641,168	9.57
CB NY S/A International Finance Corporation	47,476,548	6.09
Sri Lanka Insurance Corporation Ltd. - Life Fund	39,557,241	5.07
Sri Lanka Insurance Corporation Ltd. - General Fund	34,013,785	4.36
SBI Ven Holdings PTE Ltd	28,900,925	3.71
HSBC Intl. Nominees Ltd. - SSBT -Janus Overseas Fund	27,827,360	3.57
Mr.Y. S. H. I. K. Silva	17,876,644	2.29
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	17,493,281	2.24
Distilleries Company of Sri Lanka PLC	17,063,102	2.19
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	15,827,650	2.03
HSBC Intl. Nominees Ltd. - SSBT -Janus Aspen Series Overseas Portfolio	12,617,508	1.62
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	12,560,004	1.61
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,559,487	1.35
Mrs. L. E. M. Yaseen	10,257,456	1.32
Mercantile Investments and Finance Plc	10,075,806	1.29
Goldman Sachs & Co S/A Artha Master Fund Ltd	9,943,837	1.27
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	7,938,683	1.02
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,729,057	0.99
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	7,584,878	0.97
Sub total	525,953,795	67.43
Other Shareholders	254,060,437	32.57
Total	780,014,232	100.00

Percentage of public holding as at December 31,2012 - 84.99%

Twenty largest non-voting shareholders as at December 31,2012

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,222,260	6.03
GF Capital Global Limited	1,413,199	2.64
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,326,824	2.48
HSBC Intl. Nominees Ltd. - SSBT - The Ashmoreemm Umbrella Trust Fund	1,277,783	2.39
CITY Bank NYSA Forward International Dividend Fund	1,250,000	2.34
Mr. J. D. Bandaranayake	1,054,215	1.97
Waldock Mackenzie Lts / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,000,000	1.87
M.J.F.Exports Ltd.	914,765	1.71
CITY Bank NYSA Forward International EM Dividend Fund	900,000	1.68
MAS Capital (Pvt) Ltd	785,902	1.47
Northern Trust Company S/A Polar Capital Funds Plc	715,676	1.34
Mr. M. F. Hashim	653,749	1.22
Saboor Chatoor (Pvt) Ltd	620,000	1.16
Mr. M.A. Yaseen	612,761	1.15
Mr J. G. De Mel	561,300	1.05
Mr.M.J.C. Amarasuriya	538,151	1.01
Deutsche Bank AG - National Equity Fund	487,456	0.91
Asian Alliance Insurance Plc - A/C 02 (Life Fund)	485,365	0.91
Dr. A. K. A. Jayawardene	472,032	0.88
Akbar Brothers (Pvt) Ltd. A/C No.01	448,628	0.84
Sub total	18,740,066	35.05
Other Shareholders	34,733,682	64.95
Total	53,473,748	100.00

Percentage of public holding as at December 31,2012 - 99.96%

Directors' holding in shares as at December 31,2012

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.D.S.Weerakkody - Chairman	26,017	11,981
Mr.K.G.D.D Dheerasinghe - Deputy Chairman	20,000	-
Mr.W.M.R.S.Dias - MD/CEO	685,123	-
Prof.U.P.Liyanage	-	-
Mr.L.Hulugalle	-	-
Mr.M.P Jayawardena	-	-
Mr.S.Swarnajothi	-	8,169
Mr.J.Durairatnam	309,782	-

NAME OF COMPANY

Commercial Bank of Ceylon PLC

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.

COMPANY REGISTRATION NUMBER

PQ116

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of December 2006/December 2013 and December 2006/December 2016 series, both fixed and floating interest rates of the Company are listed on the Colombo Stock Exchange.

REGISTERED OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mw.
P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone : 2430420, 2336700
2445010-15 ,24860000, 4792000
Tele-Banking :2336633-5
Telex :21520 COMEX CE
Facsimile : 941-112449889
SWIFT Code-Sri Lanka : CCEYLKLX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

HEAD OFFICE

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

ACCOUNTING YEAR

December 31

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

CREDIT RATING**Sri Lanka Operation**

- AA (lka) was re-affirmed by Fitch Ratings Lanka Ltd. In 2012.
- AA+ was re-affirmed by Ram Ratings Lanka Ltd. In 2012.

Bangladesh Operation

- Upgraded to AAA from AA+ by Credit Rating Information Services Ltd. In 2011.

COMPLIANCE OFFICER

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

LAWYERS

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

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. R.R. Dunuwille

BOARD OF DIRECTORS

Mr.D.S.Weerakkody - Chairman
Mr.K.G.D.D.Dheerasinghe - Deputy Chairman
Mr.W.M.R.S.Dias - MD/CEO
Prof.U.P.Liyanage
Mr.L.Hulugalle
Mr.M.P.Jayawardena
Mr.S.Swarnajothi
Mr.J. Durairatnam