

INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2017

INCOME STATEMENT - GROUP

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	For the six months ended			For the quarter ended		
	30.06.2017	30.06.2016	Change	30.06.2017	30.06.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	55,938,093	43,176,523	29.56	28,694,994	21,850,228	31.33
Interest income	49,466,361	37,669,160	31.32	25,535,184	19,528,013	30.76
Less : Interest expense	31,376,625	21,430,315	46.41	16,232,201	11,462,447	41.61
Net interest income	18,089,736	16,238,845	11.40	9,302,983	8,065,566	15.34
Fee and commission income	4,859,671	3,581,616	35.68	2,393,568	1,825,524	31.12
Less: Fee and commission expense	777,261	603,052	28.89	372,029	309,943	20.03
Net fee and commission income	4,082,410	2,978,564	37.06	2,021,539	1,515,581	33.38
Net gains/(losses) from trading	1,271,114	(871,112)	245.92	482,006	(1,889,770)	125.51
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	(14,975)	99,622	(115.03)	13,169	49,374	(73.33)
Other income (net)	355,922	2,697,237	(86.80)	271,067	2,337,087	(88.40)
Total operating income	23,784,207	21,143,156	12.49	12,090,764	10,077,838	19.97
Less :Impairment charges for loans and other losses	960,573	1,568,020	(38.74)	708,694	567,679	24.84
Individual impairment	160,266	3,095,486	(94.82)	60,558	3,238,249	(98.13)
Collective impairment	851,722	(1,530,821)	155.64	648,076	(2,670,621)	124.27
Others	(51,415)	3,355	(1,632.49)	60	51	17.65
Net operating income	22,823,634	19,575,136	16.60	11,382,070	9,510,159	19.68
Less: Expenses	9,937,631	9,100,970	9.19	4,928,131	4,472,518	10.19
Personnel expenses	5,488,192	5,332,405	2.92	2,761,038	2,603,569	6.05
Depreciation and amortisation	690,052	611,971	12.76	360,245	309,109	16.54
Other expenses	3,759,387	3,156,594	19.10	1,806,848	1,559,840	15.84
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	12,886,003	10,474,166	23.03	6,453,939	5,037,641	28.11
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	2,281,291	1,499,483	52.14	1,153,783	702,220	64.31
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	10,604,712	8,974,683	18.16	5,300,156	4,335,421	22.25
Add: Share of profits/(losses) of associates, net of tax	4,391	5,856	(25.02)	2,154	5,106	(57.81)
Profit before income tax	10,609,103	8,980,539	18.13	5,302,310	4,340,527	22.16
Less : Income tax expense	2,954,835	2,459,751	20.13	1,461,778	1,083,339	34.93
Profit for the period	7,654,268	6,520,788	17.38	3,840,532	3,257,188	17.91
Profit attributable to:						
Equity holders of the Bank	7,657,744	6,518,662	17.47	3,837,837	3,256,177	17.86
Non-controlling interest	(3,476)	2,126	(263.50)	2,695	1,011	166.57
Profit for the period	7,654,268	6,520,788	17.38	3,840,532	3,257,188	17.91
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	8.27	7.19	15.02	4.15	3.59	15.60
Diluted earnings per ordinary share (Rs.)	8.26	7.19	14.88	4.14	3.59	15.32

	For the six months ended			For the quarter ended		
	30.06.2017	30.06.2016	Change	30.06.2017	30.06.2016	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the Period	7,654,268	6,520,788	17.38	3,840,532	3,257,188	17.91
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net change in revaluation surplus	12,897	-	-	12,897	-	-
Changes in revaluation surplus/(deficit)	17,725	-	-	17,725	-	-
Less : Deferred tax charge/(reversal) on revaluation surplus	4,828	-	-	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	(91,198)	235,003	(138.81)	7,373	(38,048)	119.38
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	2,662,611	(4,309,328)	161.79	2,329,966	1,924,971	21.04
Government Securities	2,597,248	(4,300,625)	160.39	2,296,446	1,933,231	18.79
Fair value gains/(losses) arose during the period, net of tax	2,576,015	(4,424,184)	158.23	2,295,747	1,827,527	25.62
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	18,188	(8,241)	320.70	(7,767)	(11)	(70,509.09)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	3,045	131,800	(97.69)	8,466	105,715	(91.99)
Equity Securities	65,363	(8,703)	851.04	33,520	(8,260)	505.81
Fair value gains/(losses) arose during the period	65,363	(8,703)	851.04	33,520	(8,260)	505.81
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	(23,650)	-	-	(16,298)	-	-
Share of other comprehensive income/(expense) of associates, net of tax	307	(4,473)	106.86	720	(3,408)	121.13
Other comprehensive income/(expense) for the period, net of taxes	2,560,967	(4,078,798)	162.79	2,334,658	1,883,515	23.95
Total comprehensive income for the period	10,215,235	2,441,990	318.32	6,175,190	5,140,703	20.12
Attributable to:						
Equity holders of the Bank	10,210,641	2,439,864	318.49	6,169,261	5,139,692	20.03
Non-controlling interest	4,594	2,126	116.09	5,929	1,011	486.45
Total comprehensive income for the period	10,215,235	2,441,990	318.32	6,175,190	5,140,703	20.12

INCOME STATEMENT - BANK

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	For the six months ended			For the quarter ended		
	30.06.2017	30.06.2016	Change	30.06.2017	30.06.2016	Change
	(Audited) Rs. '000	(Audited) Rs. '000	%	Rs. '000	Rs. '000	%
Gross income	55,318,657	42,935,305	28.84	28,353,505	21,726,902	30.50
Interest income	48,958,894	37,461,053	30.69	25,268,605	19,411,370	30.17
Less : Interest expense	31,137,668	21,350,229	45.84	16,108,767	11,413,471	41.14
Net interest income	17,821,226	16,110,824	10.62	9,159,838	7,997,899	14.53
Fee and commission income	4,754,626	3,571,910	33.11	2,328,218	1,818,892	28.00
Less: Fee and commission expense	777,261	603,052	28.89	372,029	309,943	20.03
Net fee and commission income	3,977,365	2,968,858	33.97	1,956,189	1,508,949	29.64
Net gains/(losses) from trading	1,271,114	(871,112)	245.92	482,006	(1,889,770)	125.51
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	(14,975)	99,622	(115.03)	13,169	49,374	(73.33)
Other income (net)	348,998	2,673,832	(86.95)	261,507	2,337,036	(88.81)
Total operating income	23,403,728	20,982,024	11.54	11,872,709	10,003,488	18.69
Less :Impairment charges for loans and other losses	936,983	1,546,252	(39.40)	695,305	551,177	26.15
Individual impairment	160,266	3,095,486	(94.82)	60,558	3,238,249	(98.13)
Collective impairment	818,923	(1,564,561)	152.34	634,687	(2,689,994)	123.59
Others	(42,206)	15,327	(375.37)	60	2,922	(97.95)
Net operating income	22,466,745	19,435,772	15.59	11,177,404	9,452,311	18.25
Less: Expenses	9,779,826	9,044,473	8.13	4,831,084	4,437,748	8.86
Personnel expenses	5,403,308	5,282,669	2.28	2,710,916	2,577,794	5.16
Depreciation and amortisation	637,726	578,234	10.29	334,231	291,963	14.48
Other expenses	3,738,792	3,183,570	17.44	1,785,937	1,567,991	13.90
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	12,686,919	10,391,299	22.09	6,346,320	5,014,563	26.56
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	2,261,987	1,495,914	51.21	1,143,165	698,651	63.62
Profit before income tax	10,424,932	8,895,385	17.19	5,203,155	4,315,912	20.56
Less : Income tax expense	2,885,013	2,407,266	19.85	1,438,628	1,062,108	35.45
Profit for the period	7,539,919	6,488,119	16.21	3,764,527	3,253,804	15.70
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	8.15	7.16	13.83	4.07	3.59	13.37
Diluted earnings per ordinary share (Rs.)	8.14	7.15	13.85	4.06	3.59	13.09

	For the six months ended			For the quarter ended		
	30.06.2017	30.06.2016	Change	30.06.2017	30.06.2016	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	7,539,919	6,488,119	16.21	3,764,527	3,253,804	15.70
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	(113,238)	233,261	(148.55)	(6,162)	(37,011)	83.35
Net fair value gains/(losses) on re-measuring Financial investments - Available-for-sale	2,662,611	(4,309,328)	161.79	2,329,966	1,924,971	21.04
Government Securities	2,597,248	(4,300,625)	160.39	2,296,446	1,933,231	18.79
Fair value gains/(losses) arose during the period, net of tax	2,576,015	(4,424,184)	158.23	2,295,747	1,827,527	25.62
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	18,188	(8,241)	320.70	(7,767)	(11)	(70,509.09)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	3,045	131,800	(97.69)	8,466	105,715	(91.99)
Equity Securities	65,363	(8,703)	851.04	33,520	(8,260)	505.81
Fair value gains/(losses) arose during the period	65,363	(8,703)	851.04	33,520	(8,260)	505.81
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	(23,650)	-	-	(16,298)	-	-
Other comprehensive income/(expense) for the period, net of taxes	2,525,723	(4,076,067)	161.96	2,307,506	1,887,960	22.22
Total comprehensive income for the period	10,065,642	2,412,052	317.31	6,072,033	5,141,764	18.09

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2017	31.12.2016	Change	30.06.2017	31.12.2016	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
ASSETS						
Cash and cash equivalents	38,761,033	32,924,227	17.73	36,755,464	30,193,589	21.73
Balances with Central Banks	50,209,891	43,935,258	14.28	49,730,684	43,873,205	13.35
Placements with banks	9,332,835	11,718,499	(20.36)	9,332,835	11,718,499	(20.36)
Securities purchased under re-sale agreements	42,347	-	-	42,347	-	-
Derivative financial assets	1,396,462	1,052,829	32.64	1,396,462	1,052,829	32.64
Other financial instruments - Held-for-trading	6,283,890	4,987,798	25.99	6,283,890	4,987,798	25.99
Loans and receivables to banks	640,095	624,458	2.50	640,095	624,458	2.50
Loans and receivables to other customers	673,250,030	620,129,488	8.57	668,687,456	616,018,228	8.55
Financial investments - Available-for-sale	162,538,592	160,092,522	1.53	162,343,890	160,023,471	1.45
Financial investments - Held-to-maturity	66,779,041	63,626,598	4.95	63,317,084	60,981,298	3.83
Financial investments - Loans and receivables	55,418,367	51,824,026	6.94	55,418,367	51,824,026	6.94
Investments in subsidiaries	-	-	-	2,503,288	2,435,392	2.79
Investments in associates	107,756	108,859	(1.01)	44,331	44,331	-
Property, plant & equipment	11,757,347	11,569,666	1.62	10,456,084	10,307,825	1.44
Intangible assets	1,093,766	1,132,669	(3.43)	609,249	640,645	(4.90)
Leasehold property	105,247	105,968	(0.68)	73,070	73,536	(0.63)
Deferred tax assets	-	668,150	-	136,455	963,935	(85.84)
Other assets	17,407,574	16,482,559	5.61	17,347,704	16,438,166	5.53
Total Assets	1,095,124,273	1,020,983,574	7.26	1,085,118,755	1,012,201,231	7.20
LIABILITIES						
Due to banks	58,502,839	71,098,391	(17.72)	54,875,730	67,608,811	(18.83)
Derivative financial liabilities	975,050	1,515,035	(35.64)	975,050	1,515,035	(35.64)
Securities sold under repurchase agreements	77,902,330	69,628,961	11.88	78,121,287	69,867,469	11.81
Due to other customers/deposits from customers	804,554,480	743,310,613	8.24	799,902,363	739,563,494	8.16
Other borrowings	8,936,230	9,270,154	(3.60)	8,936,230	9,270,154	(3.60)
Current tax liabilities	3,746,992	3,464,682	8.15	3,695,836	3,440,736	7.41
Deferred tax liabilities	116,769	-	-	-	-	-
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	17,562,790	18,028,902	(2.59)	17,366,026	17,710,394	(1.94)
Due to subsidiaries	-	-	-	28,578	20,061	42.46
Subordinated liabilities	25,142,076	24,849,539	1.18	25,142,076	24,849,539	1.18
Total Liabilities	997,441,430	941,168,151	5.98	989,045,050	933,847,567	5.91

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2017	31.12.2016	Change	30.06.2017	31.12.2016	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
EQUITY						
Stated capital	37,033,025	24,978,003	48.26	37,033,025	24,978,003	48.26
Statutory reserves	5,654,365	5,647,993	-	5,647,890	5,647,890	-
Retained earnings	7,759,012	4,553,778	70.39	7,557,551	4,464,077	69.30
Other reserves	46,410,948	43,812,536	5.93	45,835,239	43,263,694	5.94
Total equity attributable to equity holders of the Group/Bank	96,857,350	78,992,310	22.62	96,073,705	78,353,664	22.62
Non-controlling Interest	825,493	823,113	0.29	-	-	-
Total Equity	97,682,843	79,815,423	22.39	96,073,705	78,353,664	22.62
Total Liabilities and Equity	1,095,124,273	1,020,983,574	7.26	1,085,118,755	1,012,201,231	7.20
Contingent Liabilities and Commitments	527,617,508	498,568,500	5.83	527,617,508	498,304,527	5.88
Net Assets Value per Ordinary Share (Rs.)	97.34	88.68	9.77	96.55	87.97	9.75
Memorandum Information						
Number of Employees				5,002	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

August 11, 2017

Colombo

(Sgd.) J. Durairatnam

Managing Director/Chief Executive Officer

	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 six months ended 30.06.2016												
Profit for the six months ended 30.06.2016	-	-	6,518,662	-	-	-	-	-	-	6,518,662	2,126	6,520,788
Other comprehensive income for the six months ended 30.06.2016	-	-	(4,473)	-	(4,309,328)	235,003	-	-	-	(4,078,798)	-	(4,078,798)
Total comprehensive income for the six months ended 30.06.2016	-	-	6,514,189	-	(4,309,328)	235,003	-	-	-	2,439,864	2,126	2,441,990
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	46,442	-	-	-	-	-	-	-	-	46,442	-	46,442
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)	-	(2,630,991)
Share-based Payment transactions	-	-	-	-	-	-	-	98,483	-	-	-	98,483
Total transactions with equity holders	1,625,036	-	(4,384,985)	-	-	-	-	98,483	-	(2,661,466)	-	(2,661,466)
Balance as at 30.06.2016	24,879,641	4,922,367	6,597,011	6,258,939	(8,264,704)	667,492	-	321,813	35,359,478	70,742,037	52,334	70,794,371
Total comprehensive income for the six months ended 31.12.2016												
Profit for the six months ended 31.12.2016	-	-	7,991,671	-	-	-	-	-	-	7,991,671	(46,035)	7,945,636
Other comprehensive income for the six months ended 31.12.2016	-	-	149,064	-	1,055,899	193,010	-	-	-	1,397,973	10,594	1,408,567
Total comprehensive income for the six months ended 31.12.2016	-	-	8,140,735	-	1,055,899	193,010	-	-	-	9,389,644	(35,441)	9,354,203
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	98,362	-	-	-	-	-	-	-	-	98,362	-	98,362
Dividends to equity holders												
Final cash dividend for 2015	-	-	-	-	-	-	-	-	-	-	(2,059)	(2,059)
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	-	(1,335,928)	(1,373)	(1,337,301)
Share-based Payment transactions	-	-	-	-	-	-	-	98,469	-	98,469	-	98,469
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	-
Incorporation of a subsidiary with Non-controlling interest	-	-	-	-	-	-	-	-	-	-	805,669	805,669
Transfers during the period	-	725,626	(8,856,151)	-	-	-	-	-	8,130,525	-	-	-
Total transactions with equity holders	98,362	725,626	(10,183,968)	(8,385)	-	-	-	98,469	8,130,525	(1,139,371)	806,220	(333,151)
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 six months ended 30.06.2017												
Profit for the six months ended 30.06.2017	-	-	7,657,744	-	-	-	-	-	-	7,657,744	(3,476)	7,654,268
Other comprehensive income for the six months ended 30.06.2017	-	-	307	12,897	2,662,611	(99,268)	(23,650)	-	-	2,552,897	8,070	2,560,967
Total comprehensive income for the six months ended 30.06.2017	-	-	7,658,051	12,897	2,662,611	(99,268)	(23,650)	-	-	10,210,641	4,594	10,215,235
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]	304,601	-	-	-	-	-	-	-	-	304,601	-	304,601
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)
Final dividend for 2016	-	-	-	-	-	-	-	-	-	-	(369)	(369)
Share-based Payment transactions	-	-	-	-	-	-	-	59,230	-	59,230	-	59,230
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	12,055,022	6,372	(4,452,817)	(13,408)	-	-	-	59,230	-	7,654,399	(2,214)	7,652,185
Balance as at 30.06.2017	37,033,025	5,654,365	7,759,012	6,250,043	(4,546,194)	761,234	(23,650)	479,512	43,490,003	96,857,350	825,493	97,682,843

	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	General Reserve	
	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	4,922,264	4,388,867	5,722,859	(3,955,367)	424,768	-	223,330	35,359,478	70,340,804
Total comprehensive income for the six months ended 30.06.2016										
Profit for the six months ended 30.06.2016	-	-	6,488,119	-	-	-	-	-	-	6,488,119
Other comprehensive income for the six months ended 30.06.2016	-	-	-	-	(4,309,328)	233,261	-	-	-	(4,076,067)
Total comprehensive income for the six months ended 30.06.2016	-	-	6,488,119	-	(4,309,328)	233,261	-	-	-	2,412,052
Transactions with owners recognized directly in equity, contributions by and distributions to owners										
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	46,442	-	-	-	-	-	-	-	-	46,442
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	-	-	-	-	-	-	-	98,483	-	98,483
Total transactions with equity holders	1,625,036	-	(4,384,985)	-	-	-	-	98,483	-	(2,661,466)
Balance as at 30.06.2016 - Audited	24,879,641	4,922,264	6,492,001	5,722,859	(8,264,695)	658,029	-	321,813	35,359,478	70,091,390
Total comprehensive income for the six months ended 31.12.2016										
Profit for the six months ended 31.12.2016	-	-	8,024,392	-	-	-	-	-	-	8,024,392
Other comprehensive income for the six months ended 31.12.2016	-	-	139,763	-	1,055,899	181,317	-	-	-	1,376,979
Total comprehensive income for the six months ended 31.12.2016	-	-	8,164,155	-	1,055,899	181,317	-	-	-	9,401,371
Transactions with owners recognized directly in equity, contributions by and distributions to owners										
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	98,362	-	-	-	-	-	-	-	-	98,362
Dividends to equity holders										
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	-	(1,335,928)
Share-based Payment transactions	-	-	-	-	-	-	-	98,469	-	98,469
Transfers during the period	-	725,626	(8,856,151)	-	-	-	-	-	8,130,525	-
Total transactions with equity holders	98,362	725,626	(10,192,079)	-	-	-	-	98,469	8,130,525	(1,139,097)
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	78,353,664
Total comprehensive income for the six months ended 30.06.2017										
Profit for the six months ended 30.06.2017	-	-	7,539,919	-	-	-	-	-	-	7,539,919
Other comprehensive income for the six months ended 30.06.2017	-	-	-	-	2,662,611	(113,238)	(23,650)	-	-	2,525,723
Total comprehensive income for the six months ended 30.06.2017	-	-	7,539,919	-	2,662,611	(113,238)	(23,650)	-	-	10,065,642
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]	304,601	-	-	-	-	-	-	-	-	304,601
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)
Share-based Payment transactions	-	-	-	-	-	-	-	59,230	-	59,230
Revaluation gain on disposal of Freehold Land & Building	-	-	13,408	(13,408)	-	-	-	-	-	-
Total transactions with equity holders	12,055,022	-	(4,446,445)	(13,408)	-	-	-	59,230	-	7,654,399
Balance as at 30.06.2017 - Audited	37,033,025	5,647,890	7,557,551	5,709,451	(4,546,185)	726,108	(23,650)	479,512	43,490,003	96,073,705

STATEMENT OF CASH FLOWS

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<i>For the six months ended June 30,</i>	Group		Bank	
	2017	2016	2017	2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	10,609,103	8,980,539	10,424,932	8,895,385
Adjustment for:				
Non-cash items included in profits before tax	1,495,698	2,218,739	1,394,623	2,163,489
Change in operating assets	(67,175,947)	(43,727,202)	(65,322,405)	(42,450,137)
Change in operating liabilities	55,447,261	45,294,744	54,515,444	44,350,154
Net (gains)/losses from disposal of assets	4,112	(1,716)	6,362	1,310
Share of profits from associates, net of tax	(4,391)	(5,856)	-	-
Dividend income from subsidiaries and associates	-	-	(37,766)	(33,940)
Interest expense on subordinated liabilities	1,172,620	626,730	1,172,620	625,669
Benefits paid on defined benefit plans	(36,552)	(25,316)	(36,552)	(25,316)
Net unrealized gain from translation of Financial Statements of foreign operations	(91,198)	235,003	(113,238)	233,261
Income taxes paid	(2,188,436)	(1,715,823)	(2,150,418)	(1,702,466)
Net cash from/(used in) operating activities	(767,730)	11,879,842	(146,398)	12,057,409
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(777,963)	(697,325)	(714,509)	(671,572)
Proceeds from the sale of property, plant and equipment	32,378	3,426	30,128	381
Purchase of financial investments	(211,741)	(713,929)	(211,741)	(713,929)
Proceeds from the sale and matured of financial investments	1,226,284	635,192	1,226,284	635,192
Net purchase of intangible assets	(78,656)	(117,590)	(76,103)	(124,945)
Net cash flow of investment in subsidiaries and associates	-	-	-	(200,000)
Dividends received from investments in subsidiaries and associates	-	-	37,766	33,940
Net cash from/(used in) in investing activities	190,302	(890,226)	291,825	(1,040,933)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	287,212	46,441	287,212	46,441
Proceeds from Right Issue of Ordinary shares	10,143,873	-	10,143,873	-
Net receipts from subordinated liabilities	-	5,674,430	-	5,674,430
Interest paid on subordinated liabilities	(1,161,333)	(507,789)	(1,161,333)	(506,834)
Dividend paid to shareholders of the Bank	(2,853,304)	(2,798,901)	(2,853,304)	(2,798,901)
Dividend paid to non-controlling interest	(2,214)	-	-	-
Net cash from /(used in) financing activities	6,414,234	2,414,181	6,416,448	2,415,136
Net increase/(decrease) in cash & cash equivalents	5,836,806	13,403,797	6,561,875	13,431,612
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	38,761,033	33,510,873	36,755,464	33,475,124

	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			38,761,033			38,761,033
Balances with Central Banks			50,209,891			50,209,891
Placements with banks			9,332,835			9,332,835
Securities purchased under re-sale agreements			42,347			42,347
Derivative financial assets	1,396,462					1,396,462
Other financial instruments - Held-for-trading	6,283,890					6,283,890
Loans and receivables to banks			640,095			640,095
Loans and receivables to other customers			673,250,030			673,250,030
Financial investments - Available-for-sale				162,538,592		162,538,592
Financial investments - Held-to-maturity		66,779,041				66,779,041
Financial investments - Loans and receivables			55,418,367			55,418,367
Total financial assets	7,680,352	66,779,041	827,654,598	162,538,592	-	1,064,652,583
FINANCIAL LIABILITIES						
Due to banks					58,502,839	58,502,839
Derivative financial liabilities	975,050					975,050
Securities sold under repurchase agreements					77,902,330	77,902,330
Due to other customers/deposits from customers					804,554,480	804,554,480
Other borrowings					8,936,230	8,936,230
Subordinated liabilities					25,142,076	25,142,076
Total financial liabilities	975,050	-	-	-	975,037,955	976,013,005

	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			36,755,464			36,755,464
Balances with Central Banks			49,730,684			49,730,684
Placements with banks			9,332,835			9,332,835
Securities purchased under re-sale agreements			42,347			42,347
Derivative financial assets	1,396,462					1,396,462
Other financial instruments - Held-for-trading	6,283,890					6,283,890
Loans and receivables to banks			640,095			640,095
Loans and receivables to other customers			668,687,456			668,687,456
Financial investments - Available-for-sale				162,343,890		162,343,890
Financial investments - Held-to-maturity		63,317,084				63,317,084
Financial investments - Loans and receivables			55,418,367			55,418,367
Total financial assets	7,680,352	63,317,084	820,607,248	162,343,890	-	1,053,948,574
FINANCIAL LIABILITIES						
Due to banks					54,875,730	54,875,730
Derivative financial liabilities	975,050					975,050
Securities sold under repurchase agreements					78,121,287	78,121,287
Due to other customers/deposits from customers					799,902,363	799,902,363
Other borrowings					8,936,230	8,936,230
Subordinated liabilities					25,142,076	25,142,076
Total financial liabilities	975,050	-	-	-	966,977,686	967,952,736

	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 30.06.2017 (Audited)	As at 31.12.2016 (Audited)	As at 30.06.2017	As at 31.12.2016 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	93,288,504	75,206,867	94,707,351	76,605,502
Total Capital Base - Rs. '000	121,073,004	103,373,535	123,570,002	105,837,614
Core Capital Adequacy Ratio - Core capital as a % of				
Risk Weighted Assets (Minimum Requirement, 5%)	13.28%	11.56%	13.25%	11.59%
Total Capital Adequacy Ratio - Total capital as a % of				
Risk Weighted Assets (Minimum Requirement, 10%)	17.23%	15.90%	17.29%	16.01%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio				
(Net of Interest in Suspense)	2.12%	2.18%		
Net Non-Performing Advances Ratio				
(Net of Interest in Suspense and Provisions)	1.05%	1.09%		
Profitability				
Interest Margin	3.43%	3.47%		
Return on Assets (before tax)	2.00%	2.12%		
Return on Equity	17.43%	19.52%		
Debt Security Related Ratios				
Debt Equity Ratio	27.84%	33.33%		
Interest Cover (Times)	11.15	14.83		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	204,828,045	194,654,662		
Off-Shore Banking Unit	19,158,335	17,885,242		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	25.95%	27.19%		
Off-Shore Banking Unit	31.71%	30.19%		

OPERATING SEGMENTS

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	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Total/Consolidated	
<i>For the six months ended June 30,</i>	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
External Operating income :												
Net interest income	11,239,416	11,570,914	3,957,187	3,044,549	1,284,855	1,336,944	287,919	224,000	1,320,359	62,438	18,089,736	16,238,845
Foreign exchange profit	85,631	126,851	546,306	333,428	426,034	252,555	-	-	(353,799)	375,862	704,172	1,088,696
Net fees and commission income	2,753,868	1,937,201	841,509	739,422	449,459	288,383	32,013	11,109	5,561	2,449	4,082,410	2,978,564
Other income	464,145	377,981	91,841	157,877	52,214	164,446	32,725	(22,148)	32,844	(9,857)	673,769	668,299
Eliminations/unallocated											234,120	168,752
Total Operating income	14,543,060	14,012,947	5,436,843	4,275,276	2,212,562	2,042,328	352,657	212,961	1,004,965	430,892	23,784,207	21,143,156
Credit loss expenses	(1,259,072)	(1,274,814)	371,376	(471,343)	(72,877)	178,137	-	-	-	-	(960,573)	(1,568,020)
Net Operating income	13,283,988	12,738,133	5,808,219	3,803,933	2,139,685	2,220,465	352,657	212,961	1,004,965	430,892	22,823,634	19,575,136
Segment result	6,830,590	5,663,323	2,030,259	1,845,958	1,868,503	1,528,762	190,407	113,127	(315,047)	(176,487)	10,604,712	8,974,683
Profit from operations											10,604,712	8,974,683
Share of profit of Associates, net of tax											4,391	5,856
Income tax expense											(2,954,835)	(2,459,751)
Non Controlling Interest											3,476	(2,126)
Net profit for the period, attributable to Equity holders of the Bank											7,657,744	6,518,662
<i>As at June 30,</i>	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
Other information												
Segment assets	376,715,811	296,661,577	255,899,693	230,846,622	120,645,179	90,199,057	11,162,550	12,689,041	262,975,819	255,638,950	1,027,399,052	886,035,247
Investment in associates	-	-	-	-	-	-	107,756	105,987	-	-	107,756	105,987
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	67,617,465	47,353,247
Total assets	376,715,811	296,661,577	255,899,693	230,846,622	120,645,179	90,199,057	11,270,306	12,795,028	262,975,819	255,638,950	1,095,124,273	933,494,481
Segment liabilities	637,773,528	534,591,728	152,477,103	132,799,977	96,875,097	72,520,856	11,270,306	12,795,028	95,181,635	106,393,729	993,577,669	859,101,318
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	3,863,761	3,598,792
Total liabilities	637,773,528	534,591,728	152,477,103	132,799,977	96,875,097	72,520,856	11,270,306	12,795,028	95,181,635	106,393,729	997,441,430	862,700,110
<i>For the six months ended June 30,</i>	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
Information on cash flows												
Cash flows from operating activities	30,881,232	19,943,405	(16,421,103)	1,145,813	3,866,647	2,302,040	298,973	855,326	(19,393,479)	(12,366,742)	(767,730)	11,879,842
Cash flows from investing activities	-	-	-	-	-	-	1,014,543	(78,737)	-	-	1,014,543	(78,737)
Cash flows from financing activities	-	-	-	-	-	-	-	-	(1,161,333)	5,166,641	(1,161,333)	5,166,641
Capital expenditure -												
Property, Plant & Equipment											(745,585)	(693,899)
Intangible assets											(78,656)	(117,590)
Eliminations/unallocated											7,575,567	(2,752,460)
Net cash flow generated during the period											5,836,806	13,403,797

Twenty largest voting shareholders as at June 30, 2017

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	127,696,192	13.71
Employees Provident Fund	89,933,984	9.66
Mr.Y.S. H. I. Silva	73,332,392	7.88
Sri Lanka Insurance Corporation Ltd. - Life Fund	46,620,431	5.01
Melstacorp Limited	41,516,889	4.46
CB NY S/A International Finance Corporation	41,442,164	4.45
Sri Lanka Insurance Corporation Ltd. - General Fund	40,087,155	4.31
HSBC Intl. Nominees Ltd. - SNFE- Ntasian Discovery Mater Fund	39,195,948	4.21
Mrs. L. E. M. Yaseen	17,007,050	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
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
Employees Trust Fund Board	12,010,275	1.29
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	10,434,674	1.12
HSBC Intl. Nominees Ltd. - SSBT-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	9,656,796	1.04
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	647,745,142	69.56
Other Shareholders	283,398,982	30.44
Total	931,144,124	100.00

Percentage of public holding as at June 30, 2017 - 99.70%

Number of shareholders representing public holding as at June 30, 2017 - 9,735

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

Name of the Shareholder	No. of Shares	%
CITY Bank Newyork S/A Norges Bank Account No.02	5,846,886	9.15
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 Ltd.	1,093,594	1.71
Mr. M. F. Hashim	904,832	1.42
Saboor Chatoor (Pvt) Ltd	872,776	1.37
Mrs. L. V. C. Samarasingha	726,289	1.14
Northern Trust Company S/A Polar Capital Funds PLC	718,286	1.12
Union Assurance PLC/No - 01A/C	649,979	1.02
Akbar Brothers (Pvt) Ltd. A/C No.01	644,509	1.01
Dr. A. K. A. Jayawardene	576,396	0.90
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	536,072	0.84
Mr. R. Gautam	482,200	0.75
Aplex Marine (Pvt) Ltd	481,144	0.75
Mr. T.W.A. Wickramasinghe	473,442	0.74
Mr. K.S.M. De Silva	442,474	0.69
Sub total	28,597,345	44.73
Other Shareholders	35,330,266	55.27
Total	63,927,611	100.00

Percentage of public holding as at June 30, 2017 - 99.79%

Number of shareholders representing public holding as at June 30, 2017 - 4,264

Directors' holding in shares as at June 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	-	-
Mr. G.S. Jadeja	-	-
Mr. T.L.B. Hurulle	-	-
Mr. K. Sripawan	-	-

	2017 Rs.	2016 Rs.
Market price of an ordinary share of the Bank as at June 30,		
Voting	139.20	121.70
Non-Voting	106.80	110.00
Highest price during the quarter ended June 30,		
Voting	149.00	136.00
Non-Voting	118.50	116.00
Lowest price during the quarter ended June 30,		
Voting	130.50	121.00
Non-Voting	103.10	107.00

	2017	2016
Number of ordinary shares as at June 30,		
Voting	931,144,124	832,757,534
Non-Voting	63,927,611	57,212,653

EXPLANATORY NOTES

- 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.
- The Bank raised Rs. 10.144 Bn via Right Issue of ordinary shares in June 2017 and these funds will be utilised to finance the lending portfolio of the Bank. The position of the funds raised through the aforesaid Right Issue 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	% of 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%	-	-	Will be utilised before June 19, 2018
2	Strengthening the Tier I Capital base	10.144	Immediate	10.144	100%	10.144	100%	-

- During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities.
- All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since June 30, 2017, that require disclosure in these Interim Financial Statements other than those disclosed above.

Auditors' Opinion on the Financial Statements of the Bank as at June 30, 2017 and for the six months period then ended

The figures relating to the Bank have been extracted from the Financial Statements that had been audited by M/s KPMG, the External Auditors of the Bank.

The Auditors expressed an unqualified opinion on the said Financial Statements prepared as at June 30, 2017 and for the six months period then ended.

INFORMATION ON DEBENTURES - BANK
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Debenture categories	CSE Listing	Interest payable frequency	Balance as at June 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	85.33	85.33	10.75	11.04	11.30	15.77	15.48%
March 2016/March 2026 11.25% p.a.	Listed	Semi Annually	1,749,090	Not traded during the current period			11.25	11.57	11.70	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	11.40	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	11.55	Not traded during the current period	
Total Debentures			13,179,430								

* Last traded date was February 09, 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 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and receivables	691,120,667	637,982,536	686,044,895	633,390,907
Less: Allowance for Individual impairment	8,130,295	8,453,457	8,130,295	8,453,457
Allowance for Collective impairment	9,740,342	9,399,591	9,227,144	8,919,222
Net loans and receivables	673,250,030	620,129,488	668,687,456	616,018,228

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	100,803,256	92,303,270	100,826,334	92,302,859
Trade finance	35,996,230	30,586,333	35,996,230	30,586,333
Lease rental receivable	41,844,533	38,716,234	36,245,842	35,669,232
Credit cards	7,935,802	6,609,683	7,935,802	6,609,683
Pawning	1,271,373	1,239,785	1,271,373	1,239,785
Staff loans	7,496,385	7,168,444	7,495,026	7,166,313
Housing loans	47,845,275	45,305,127	47,845,275	45,305,127
Personal loans	26,017,709	25,715,061	26,017,709	25,624,920
Term loans				
Short-term	46,996,913	39,233,352	46,989,042	37,862,568
Long-term	233,543,607	219,025,740	234,554,347	219,026,377
Bills of Exchange	462,888	215,932	462,888	215,932
Gross loans and receivables	550,213,971	506,118,961	545,639,868	501,609,129

	Group		Bank	
	As at 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	8,341,491	8,681,962	7,839,822	8,600,165
Trade finance	15,530,855	12,501,764	15,530,855	12,501,764
Lease rental receivable	394,126	324,732	394,126	324,732
Credit cards	78,643	69,376	78,643	69,376
Pawning	-	-	-	-
Staff loans	129,735	107,841	129,735	107,841
Housing loans	2,512,254	1,970,335	2,512,254	1,970,335
Personal loans	341,072	281,135	341,072	281,135
Term loans				
Short-term	31,328,578	33,356,732	31,328,578	33,356,732
Long-term	67,449,617	62,302,664	67,449,617	62,302,664
Bills of Exchange	14,800,325	12,267,034	14,800,325	12,267,034
Gross loans and receivables	140,906,696	131,863,575	140,405,027	131,781,778
Total of gross loans and receivables	691,120,667	637,982,536	686,044,895	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	160,266	3,439,879	160,266	3,439,879
Net write-off/(recoveries) during the year	(318,106)	(287,226)	(318,106)	(287,226)
Exchange rate variance on foreign currency provisions	31,312	51,080	31,312	51,080
Interest accrued / (reversals) on impaired loans & advances	(509,029)	(533,528)	(509,029)	(533,528)
Other movements	312,395	413,292	312,395	413,292
Balance as at June 30/December 31,	8,130,295	8,453,457	8,130,295	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	851,722	(1,859,806)	818,923	(1,931,932)
Net write-off/(recoveries) during the year	(510,805)	(1,835,798)	(510,805)	(1,835,798)
Exchange rate variance on foreign currency provisions	(166)	5,362	(196)	5,358
Other movements	-	-	-	-
Balance as at June 30/December 31,	9,740,342	9,399,591	9,227,144	8,919,222
Total of Individual and Collective Impairment June 30/December 31,	17,870,637	17,853,048	17,357,439	17,372,679

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2017 Rs.'000	As at 31.12.2016 Rs.'000	As at 30.06.2017 Rs.'000	As at 31.12.2016 Rs.'000
By product - Domestic Currency				
Current account deposits	39,371,713	38,151,058	39,373,181	38,152,646
Savings deposits	208,543,785	197,136,502	208,582,522	197,244,642
Time deposits	358,779,087	328,382,343	358,779,087	328,430,210
Certificate of deposits	328,968	366,945	328,968	366,945
Sub Total	607,023,553	564,036,848	607,063,758	564,194,443
By product - Foreign Currency				
Current account deposits	23,257,362	19,516,806	20,273,151	17,908,311
Savings deposits	53,768,470	56,388,046	53,060,335	54,845,666
Time deposits	120,505,095	103,368,913	119,505,119	102,615,074
Certificate of deposits	-	-	-	-
Sub Total	197,530,927	179,273,765	192,838,605	175,369,051
Total	804,554,480	743,310,613	799,902,363	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 (Ika) 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 : CCEYLKLX
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. Sripawan

ACCOUNTING YEAR

December 31