

**INTERIM FINANCIAL STATEMENTS**  
**For the six months ended June 30, 2016**

# INCOME STATEMENT - GROUP

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	For the six months ended			For the quarter ended		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Gross income</b>	<b>43,176,523</b>	<b>36,403,274</b>	<b>18.61</b>	<b>21,850,228</b>	<b>18,566,144</b>	<b>17.69</b>
Interest income	37,669,160	31,939,319	17.94	19,528,013	16,238,132	20.26
Less : Interest expenses	21,430,315	17,064,455	25.58	11,462,447	8,649,233	32.53
<b>Net interest income</b>	<b>16,238,845</b>	<b>14,874,864</b>	<b>9.17</b>	<b>8,065,566</b>	<b>7,588,899</b>	<b>6.28</b>
Fees and commission income	3,581,616	2,907,902	23.17	1,825,524	1,441,376	26.65
Less: Fees and commission expenses	603,052	430,336	40.14	309,943	221,904	39.67
<b>Net fees and commission income</b>	<b>2,978,564</b>	<b>2,477,566</b>	<b>20.22</b>	<b>1,515,581</b>	<b>1,219,472</b>	<b>24.28</b>
Net gains/(losses) from trading	(871,112)	(399,622)	(117.98)	(1,889,770)	248,063	(861.81)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	99,622	96,785	2.93	49,374	62,990	(21.62)
Other income (net)	2,697,237	1,858,890	45.10	2,337,087	575,583	306.04
<b>Total operating income</b>	<b>21,143,156</b>	<b>18,908,483</b>	<b>11.82</b>	<b>10,077,838</b>	<b>9,695,007</b>	<b>3.95</b>
Less :Impairment charges for loans and other losses	1,568,020	1,903,656	(17.63)	567,679	1,113,196	(49.00)
Individual impairment	3,095,486	593,232	421.80	3,238,249	399,357	710.87
Collective impairment	(1,530,821)	1,310,061	(216.85)	(2,670,621)	713,560	(474.27)
Others	3,355	363	824.24	51	279	(81.72)
<b>Net operating income</b>	<b>19,575,136</b>	<b>17,004,827</b>	<b>15.12</b>	<b>9,510,159</b>	<b>8,581,811</b>	<b>10.82</b>
<b>Less: Expenses</b>	<b>9,100,970</b>	<b>8,219,720</b>	<b>10.72</b>	<b>4,472,518</b>	<b>4,053,070</b>	<b>10.35</b>
Personnel expenses	5,332,405	4,855,444	9.82	2,603,569	2,390,411	8.92
Depreciation and amortisation	611,971	590,142	3.70	309,109	302,408	2.22
Other expenses	3,156,594	2,774,134	13.79	1,559,840	1,360,251	14.67
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>10,474,166</b>	<b>8,785,107</b>	<b>19.23</b>	<b>5,037,641</b>	<b>4,528,741</b>	<b>11.24</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,499,483	1,297,360	15.58	702,220	671,222	4.62
<b>Operating profit after Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>8,974,683</b>	<b>7,487,747</b>	<b>19.86</b>	<b>4,335,421</b>	<b>3,857,519</b>	<b>12.39</b>
Add: Share of profits/(losses) of associates, net of tax	5,856	5,125	14.26	5,106	2,864	78.28
<b>Profit before income tax</b>	<b>8,980,539</b>	<b>7,492,872</b>	<b>19.85</b>	<b>4,340,527</b>	<b>3,860,383</b>	<b>12.44</b>
Less : Income tax expense	2,459,751	2,309,036	6.53	1,083,339	1,213,339	(10.71)
<b>Profit for the period</b>	<b>6,520,788</b>	<b>5,183,836</b>	<b>25.79</b>	<b>3,257,188</b>	<b>2,647,044</b>	<b>23.05</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	6,518,662	5,181,867	25.80	3,256,177	2,646,098	23.06
Non-controlling interest	2,126	1,969	7.97	1,011	946	6.87
<b>Profit for the period</b>	<b>6,520,788</b>	<b>5,183,836</b>	<b>25.79</b>	<b>3,257,188</b>	<b>2,647,044</b>	<b>23.05</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	7.33	5.92	23.82	3.66	3.02	21.19
Diluted earnings per ordinary share (Rs.)	7.32	5.90	24.07	3.66	3.01	21.59

	For the six months ended			For the quarter ended		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit for the Period</b>	<b>6,520,788</b>	5,183,836	25.79	<b>3,257,188</b>	2,647,044	23.05
<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	235,003	216,934	8.33	(38,048)	(12,190)	(212.12)
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	(4,309,328)	(3,019,223)	(42.73)	1,924,971	1,714,461	12.28
Government Securities	(4,300,625)	(3,019,717)	(42.42)	1,933,231	1,709,947	13.06
Fair value gains/(losses) arose during the period, net of tax	(4,424,184)	(2,978,053)	(48.56)	1,827,527	1,735,318	5.31
Fair value gains/(losses) realised and recycled to the Income Statement on disposal and reclassification, net of tax	123,559	(41,664)	396.56	105,704	(25,371)	516.63
Equity Securities	(8,703)	494	(1,861.74)	(8,260)	4,514	(282.99)
Fair value gains/(losses) arose during the period	(8,703)	494	(1,861.74)	(8,260)	4,514	(282.99)
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)	(4,473)	-	(3,408)	(659)	(417.15)
Other comprehensive income/(expense) for the period, net of taxes	(4,078,798)	(2,806,762)	(45.32)	1,883,515	1,701,612	10.69
<b>Total comprehensive income for the period</b>	<b>2,441,990</b>	2,377,074	2.73	<b>5,140,703</b>	4,348,656	18.21
<b>Attributable to:</b>						
Equity holders of the Bank	2,439,864	2,375,105	2.73	5,139,692	4,347,710	18.22
Non-controlling interest	2,126	1,969	7.97	1,011	946	6.87
<b>Total comprehensive income for the period</b>	<b>2,441,990</b>	2,377,074	2.73	<b>5,140,703</b>	4,348,656	18.21

# INCOME STATEMENT - BANK

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	For the six months ended			For the quarter ended		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
	(Audited) Rs. '000	(Audited) Rs. '000	%	Rs. '000	Rs. '000	%
<b>Gross income</b>	<b>42,935,305</b>	<b>36,244,343</b>	<b>18.46</b>	<b>21,726,902</b>	<b>18,496,224</b>	<b>17.47</b>
Interest income	37,461,053	31,788,473	17.84	19,411,370	16,154,035	20.16
Less : Interest expenses	21,350,229	17,020,895	25.44	11,413,471	8,619,144	32.42
<b>Net interest income</b>	<b>16,110,824</b>	<b>14,767,578</b>	<b>9.10</b>	<b>7,997,899</b>	<b>7,534,891</b>	<b>6.14</b>
Fees and commission income	3,571,910	2,904,322	22.99	1,818,892	1,439,452	26.36
Less: Fees and commission expenses	603,052	430,336	40.14	309,943	221,904	39.67
<b>Net fees and commission income</b>	<b>2,968,858</b>	<b>2,473,986</b>	<b>20.00</b>	<b>1,508,949</b>	<b>1,217,548</b>	<b>23.93</b>
Net gains/(losses) from trading	(871,112)	(399,622)	(117.98)	(1,889,770)	248,063	(861.81)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	99,622	96,731	2.99	49,374	62,936	(21.55)
Other income (net)	2,673,832	1,854,439	44.19	2,337,036	591,738	294.94
<b>Total operating income</b>	<b>20,982,024</b>	<b>18,793,112</b>	<b>11.65</b>	<b>10,003,488</b>	<b>9,655,176</b>	<b>3.61</b>
Less :Impairment charges for loans and other losses	1,546,252	1,875,377	(17.55)	551,177	1,089,447	(49.41)
Individual impairment	3,095,486	593,232	421.80	3,238,249	399,357	710.87
Collective impairment	(1,564,561)	1,270,767	(223.12)	(2,689,994)	681,397	(494.78)
Others	15,327	11,378	34.71	2,922	8,693	(66.39)
<b>Net operating income</b>	<b>19,435,772</b>	<b>16,917,735</b>	<b>14.88</b>	<b>9,452,311</b>	<b>8,565,729</b>	<b>10.35</b>
<b>Less: Expenses</b>	<b>9,044,473</b>	<b>8,178,633</b>	<b>10.59</b>	<b>4,437,748</b>	<b>4,030,668</b>	<b>10.10</b>
Personnel expenses	5,282,669	4,815,192	9.71	2,577,794	2,370,441	8.75
Depreciation and amortisation	578,234	557,940	3.64	291,963	286,766	1.81
Other expenses	3,183,570	2,805,501	13.48	1,567,991	1,373,461	14.16
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>10,391,299</b>	<b>8,739,102</b>	<b>18.91</b>	<b>5,014,563</b>	<b>4,535,061</b>	<b>10.57</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,495,914	1,296,003	15.43	698,651	671,120	4.10
<b>Profit before income tax</b>	<b>8,895,385</b>	<b>7,443,099</b>	<b>19.51</b>	<b>4,315,912</b>	<b>3,863,941</b>	<b>11.70</b>
Less : Income tax expense	2,407,266	2,275,122	5.81	1,062,108	1,204,646	(11.83)
<b>Profit for the period</b>	<b>6,488,119</b>	<b>5,167,977</b>	<b>25.54</b>	<b>3,253,804</b>	<b>2,659,295</b>	<b>22.36</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	6,488,119	5,167,977	25.54	3,253,804	2,659,295	22.36
Non-controlling interest	-	-	-	-	-	-
<b>Profit for the period</b>	<b>6,488,119</b>	<b>5,167,977</b>	<b>25.54</b>	<b>3,253,804</b>	<b>2,659,295</b>	<b>22.36</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	7.29	5.90	23.56	3.66	3.04	20.39
Diluted earnings per ordinary share (Rs.)	7.29	5.89	23.77	3.65	3.03	20.46

	For the six months ended			For the quarter ended		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	6,488,119	5,167,977	25.54	3,253,804	2,659,295	22.36
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	233,261	218,690	6.66	(37,011)	(12,750)	(190.28)
Net fair value gains/(losses) on re-measuring Financial investments - Available-for-sale	(4,309,328)	(3,019,223)	(42.73)	1,924,971	1,714,461	12.28
Government Securities	(4,300,625)	(3,019,717)	(42.42)	1,933,231	1,709,947	13.06
Fair value gains/(losses) arose during the period, net of tax	(4,424,184)	(2,978,053)	(48.56)	1,827,527	1,735,318	5.31
Fair value gains/(losses) realised and recycled to the Income Statement on disposal and reclassification, net of tax	123,559	(41,664)	396.56	105,704	(25,371)	516.63
Equity Securities	(8,703)	494	(1,861.74)	(8,260)	4,514	(282.99)
Fair value gains/(losses) arose during the period	(8,703)	494	(1,861.74)	(8,260)	4,514	(282.99)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Other comprehensive income/(expense) for the period, net of taxes	(4,076,067)	(2,800,533)	(45.55)	1,887,960	1,701,711	10.94
Total comprehensive income for the period	2,412,052	2,367,444	1.88	5,141,764	4,361,006	17.90
Attributable to:						
Equity holders of the Bank	2,412,052	2,367,444	1.88	5,141,764	4,361,006	17.90
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the period	2,412,052	2,367,444	1.88	5,141,764	4,361,006	17.90

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2016	31.12.2015	Change	30.06.2016	31.12.2015	Change
	(Rs.'000)	(Rs.'000)	(%)	(Rs.'000)	(Rs.'000)	(%)
<b>ASSETS</b>						
Cash and cash equivalents	33,510,873	20,107,076	66.66	33,475,124	20,043,512	67.01
Balances with Central Banks	31,138,831	28,221,017	10.34	31,138,831	28,221,017	10.34
Placements with banks	8,426,794	17,193,539	(50.99)	8,426,794	17,193,539	(50.99)
Securities purchased under re-sale agreements	80,020	8,002,100	(99.00)	80,020	8,002,100	(99.00)
Derivative financial assets	1,416,808	4,118,169	(65.60)	1,416,808	4,118,169	(65.60)
Other financial instruments - Held-for-trading	8,670,549	7,656,349	13.25	8,670,549	7,656,349	13.25
Loans and receivables to banks	610,905	601,106	1.63	610,905	601,106	1.63
Loans and receivables to other customers	554,267,707	509,923,128	8.70	551,280,808	508,115,127	8.50
Financial investments - Available-for-sale	168,810,746	204,261,934	(17.36)	168,741,452	204,244,289	(17.38)
Financial investments - Held-to-maturity	36,124,700	-	-	36,124,700	-	-
Financial investments - Loans and receivables	61,741,769	57,724,369	6.96	61,741,769	57,724,369	6.96
Investments in subsidiaries	-	-	-	1,426,242	1,237,146	15.28
Investments in associates	105,987	104,503	1.42	44,331	44,331	-
Property, plant & equipment	11,345,411	11,181,433	1.47	10,139,828	9,968,985	1.71
Intangible assets	922,268	884,034	4.32	512,177	465,960	9.92
Leasehold property	106,697	107,420	(0.67)	74,010	74,478	(0.63)
Deferred tax assets	1,369,859	-	-	1,641,464	-	-
Other assets	14,844,557	12,097,017	22.71	14,828,492	12,094,591	22.60
<b>Total Assets</b>	<b>933,494,481</b>	<b>882,183,194</b>	<b>5.82</b>	<b>930,374,304</b>	<b>879,805,068</b>	<b>5.75</b>
<b>LIABILITIES</b>						
Due to banks	36,937,396	31,789,396	16.19	34,401,008	30,319,119	13.46
Derivative financial liabilities	1,233,152	1,890,770	(34.78)	1,233,152	1,890,770	(34.78)
Securities sold under repurchase agreements	95,083,400	112,249,703	(15.29)	95,287,992	112,384,812	(15.21)
Due to other customers/deposits from customers	679,948,190	624,021,217	8.96	680,057,457	624,101,810	8.97
Other borrowings	9,603,937	9,985,637	(3.82)	9,603,937	9,985,637	(3.82)
Current tax liabilities	3,598,792	3,025,662	18.94	3,570,574	3,001,984	18.94
Deferred tax liabilities	-	467,632	-	-	230,615	-
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	18,335,582	15,749,184	16.42	18,162,775	15,548,159	16.82
Due to subsidiaries	-	-	-	21,358	26,212	(18.52)
Subordinated liabilities	17,957,787	11,988,272	49.79	17,942,787	11,973,272	49.86
<b>Total Liabilities</b>	<b>862,700,110</b>	<b>811,169,347</b>	<b>6.35</b>	<b>860,282,914</b>	<b>809,464,264</b>	<b>6.28</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.06.2016	31.12.2015	Change	30.06.2016	31.12.2015	Change
	Rs.'000	( Audited ) Rs.'000	%	(Audited) Rs.'000	( Audited ) Rs.'000	%
<b>EQUITY</b>						
Stated capital	24,879,641	23,254,605	6.99	24,879,641	23,254,605	6.99
Statutory reserves	4,922,367	4,922,367	-	4,922,264	4,922,264	-
Retained earnings	6,597,011	4,467,807	47.66	6,492,001	4,388,867	47.92
Other reserves	34,343,018	38,318,860	(10.38)	33,797,484	37,775,068	(10.53)
<b>Total equity attributable to equity holders of the Group/Bank</b>	<b>70,742,037</b>	<b>70,963,639</b>	<b>(0.31)</b>	<b>70,091,390</b>	<b>70,340,804</b>	<b>(0.35)</b>
<b>Non-controlling Interest</b>	<b>52,334</b>	<b>50,208</b>	<b>4.23</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>70,794,371</b>	<b>71,013,847</b>	<b>(0.31)</b>	<b>70,091,390</b>	<b>70,340,804</b>	<b>(0.35)</b>
<b>Total Liabilities and Equity</b>	<b>933,494,481</b>	<b>882,183,194</b>	<b>5.82</b>	<b>930,374,304</b>	<b>879,805,068</b>	<b>5.75</b>
<b>Contingent Liabilities and Commitments</b>	<b>471,061,415</b>	<b>521,232,320</b>	<b>(9.63)</b>	<b>471,061,415</b>	<b>521,232,320</b>	<b>(9.63)</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>79.49</b>	<b>80.93</b>	<b>(1.78)</b>	<b>78.76</b>	<b>80.22</b>	<b>(1.82)</b>

## Memorandum Information

Number of Employees

4,982

4,951

Number of Customer Service Centers

269

264

## 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, 2016

Colombo

(Sgd.) J.Durairatnam

Managing Director/Chief Executive Officer

	Stated Capital	Statutory Reserves	Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	General Reserve	Employee Share Option Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Balance as at 01.01.2015 - Audited</b>	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
Super Gain Tax on profit of the year of assessment 2013/2014	-	-	(2,608,469)	-	-	-	-	-	(2,608,469)	(1,503)	(2,609,972)
<b>Adjusted Balance as at 01.01.2015 - Audited</b>	21,457,501	4,327,103	1,809,943	6,246,960	2,735,569	(454,188)	32,474,478	-	68,597,366	46,061	68,643,427
<b>Total comprehensive income for the six months ended 30.06.2015</b>											
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	-	-	(3,814)	-	(3,019,882)	216,934	-	-	(2,806,762)	-	(2,806,762)
<b>Total comprehensive income for the six months ended 30.06.2015</b>	-	-	5,178,053	-	(3,019,882)	216,934	-	-	2,375,105	1,969	2,377,074
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>											
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	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	1,559,800	-	(1,733,110)	-	-	-	-	-	(173,310)	-	(173,310)
Final cash dividend for 2014	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	-	(1,733,110)
<b>Total transactions with equity holders</b>	1,714,670	-	(4,332,163)	-	-	-	-	-	(2,617,493)	-	(2,617,493)
<b>Balance as at 30.06.2015</b>	23,172,171	4,327,103	2,655,833	6,246,960	(284,313)	(237,254)	32,474,478	-	68,354,978	48,030	68,403,008
<b>Total comprehensive income for the six months ended 31.12.2015</b>											
Profit for the six months ended 31.12.2015	-	-	6,673,305	-	-	-	-	-	6,673,305	2,119	6,675,424
Other comprehensive income for the six months ended 31.12.2015	-	-	(67,516)	-	(3,671,063)	669,743	-	-	(3,068,836)	369	(3,068,467)
<b>Total comprehensive income for the six months ended 31.12.2015</b>	-	-	6,605,789	-	(3,671,063)	669,743	-	-	3,604,469	2,488	3,606,957
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>											
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	82,434	-	-	-	-	-	-	-	82,434	-	82,434
Dividends to equity holders											
Final cash dividend for 2014	-	-	-	-	-	-	-	-	-	(1,962)	(1,962)
First interim dividend for 2015	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)	(1,308)	(1,316,559)
Share-based Payment transactions	-	-	-	-	-	-	-	223,330	223,330	-	223,330
Re-statement of deferred tax on revaluation gains on fixed assets	-	-	-	13,710	-	-	-	-	13,710	585	14,295
Profit due to change in ownership	-	-	2,344	-	-	-	-	-	2,344	-	2,344
Movement due to change in ownership	-	-	(644)	(1,731)	-	-	-	-	(2,375)	2,375	-
Transfers during the period	-	595,264	(3,480,264)	-	-	-	2,885,000	-	-	-	-
<b>Total transactions with equity holders</b>	82,434	595,264	(4,793,815)	11,979	-	-	2,885,000	223,330	(995,808)	(310)	(996,118)
<b>Balance as at 31.12.2015 - Audited</b>	23,254,605	4,922,367	4,467,807	6,258,939	(3,955,376)	432,489	35,359,478	223,330	70,963,639	50,208	71,013,847
<b>Total comprehensive income for the six months ended 30.06.2016</b>											
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)
<b>Total comprehensive income for the six months ended 30.06.2016</b>	-	-	6,514,189	-	(4,309,328)	235,003	-	-	2,439,864	2,126	2,441,990
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>											
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	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	-	98,483
<b>Total transactions with equity holders</b>	1,625,036	-	(4,384,985)	-	-	-	-	98,483	(2,661,466)	-	(2,661,466)
<b>Balance as at 30.06.2016</b>	24,879,641	4,922,367	6,597,011	6,258,939	(8,264,704)	667,492	35,359,478	321,813	70,742,037	52,334	70,794,371



	Stated Capital	Statutory Reserves	Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	General Reserve	Employee Share Option Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2015 - 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
Super Gain Tax on profit of the year of assessment 2013/2014			(2,576,355)						(2,576,355)		(2,576,355)
Balance as at 01.01.2015 - Audited	21,457,501	4,327,103	1,681,932	5,722,859	2,735,578	(464,076)	32,474,478	-	67,935,375	-	67,935,375
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 recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	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	1,559,800	-	(1,733,110)	-	-	-	-	-	(173,310)	-	(173,310)
Final cash dividend for 2014	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	-	(1,733,110)
Transfers during the period	-	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	1,714,670	-	(4,332,163)	-	-	-	-	-	(2,617,493)	-	(2,617,493)
Balance as at 30.06.2015 - Audited	23,172,171	4,327,103	2,517,746	5,722,859	(283,645)	(245,386)	32,474,478	-	67,685,326	-	67,685,326
Total comprehensive income for the six months ended 31.12.2015											
Profit for the six months ended 31.12.2015	-	-	6,735,247	-	-	-	-	-	6,735,247	-	6,735,247
Other comprehensive income for the six months ended 31.12.2015	-	-	(68,714)	-	(3,671,722)	670,154	-	-	(3,070,282)	-	(3,070,282)
Total comprehensive income for the six months ended 31.12.2015	-	-	6,666,533	-	(3,671,722)	670,154	-	-	3,664,965	-	3,664,965
Transactions with owners recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	82,434	-	-	-	-	-	-	-	82,434	-	82,434
Dividends to equity holders											
First interim dividend for 2015	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)	-	(1,315,251)
Share-based Payment transactions	-	-	-	-	-	-	-	223,330	223,330	-	223,330
Transfers during the period	-	595,161	(3,480,161)	-	-	-	2,885,000	-	-	-	-
Total transactions with equity holders	82,434	595,161	(4,795,412)	-	-	-	2,885,000	223,330	(1,009,487)	-	(1,009,487)
Balance as at 31.12.2015 - Audited	23,254,605	4,922,264	4,388,867	5,722,859	(3,955,367)	424,768	35,359,478	223,330	70,340,804	-	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	-	6,488,119
Other comprehensive income for the six months ended 30.06.2016	-	-	-	-	(4,309,328)	233,261	-	-	(4,076,067)	-	(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	-	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 [ ESOP's ]	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	-	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 - Audited	24,879,641	4,922,264	6,492,001	5,722,859	(8,264,695)	658,029	35,359,478	321,813	70,091,390	-	70,091,390

## STATEMENT OF CASH FLOWS

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	Group		Bank	
<i>For the six months ended June 30,</i>	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	8,980,539	7,492,872	8,895,385	7,443,099
Adjustment for:				
Non-cash items included in profits before tax	2,218,739	2,259,228	2,163,489	2,198,748
Change in operating assets	(43,727,202)	(17,542,177)	(42,450,137)	(17,117,009)
Change in operating liabilities	45,294,744	19,472,051	44,350,154	19,059,714
Net (gains)/losses from disposal of assets	(1,716)	(1,553)	1,310	(41)
Share of profits from associates, net of tax	(5,856)	(5,125)	-	-
Dividend income from subsidiaries and associates	-	-	(33,940)	(38,148)
Interest expense on subordinated liabilities	626,730	399,581	625,669	379,869
Benefits paid on defined benefit plans	(25,316)	(17,817)	(25,316)	(17,817)
Net unrealized gain from translation of Financial Statements of foreign operations	235,003	216,934	233,261	218,690
Income taxes paid	(1,715,823)	(1,514,676)	(1,702,466)	(1,468,239)
<b>Net cash from/(used in) operating activities</b>	<b>11,879,842</b>	<b>10,759,318</b>	<b>12,057,409</b>	<b>10,658,866</b>
<b>Cash Flows from Investing Activities</b>				
Net purchase of property, plant and equipment	(697,325)	(465,838)	(671,572)	(397,856)
Proceeds from the sale of property, plant and equipment	3,426	3,608	381	61
Purchase of financial investments	(713,929)	(2,425,300)	(713,929)	(2,425,300)
Proceeds from the sale and matured of financial investments	635,192	824,003	635,192	824,003
Net purchase of intangible assets	(117,590)	(133,519)	(124,945)	(132,486)
Net cash flow of investment in subsidiaries and associates	-	-	(200,000)	-
Dividends received from investments in subsidiaries and associates	-	-	33,940	38,148
<b>Net cash from/(used in) in investing activities</b>	<b>(890,226)</b>	<b>(2,197,046)</b>	<b>(1,040,933)</b>	<b>(2,093,430)</b>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from the issue of ordinary voting shares under ESOP's	46,441	154,869	46,441	154,869
Net receipts from subordinated liabilities	5,674,430	-	5,674,430	-
Interest paid on subordinated liabilities	(507,789)	(446,839)	(506,834)	(442,128)
Dividend paid to shareholders of the Bank	(2,798,901)	(2,774,326)	(2,798,901)	(2,772,364)
<b>Net cash from /(used in) financing activities</b>	<b>2,414,181</b>	<b>(3,066,296)</b>	<b>2,415,136</b>	<b>(3,059,623)</b>
Net increase/(decrease) in cash & cash equivalents	13,403,797	5,495,976	13,431,612	5,505,813
Cash and cash equivalents at beginning of the period/year	20,107,076	20,621,778	20,043,512	20,591,867
<b>Cash and cash equivalents at end of the period</b>	<b>33,510,873</b>	<b>26,117,754</b>	<b>33,475,124</b>	<b>26,097,680</b>

	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
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			33,510,873			33,510,873
Balances with Central Banks			31,138,831			31,138,831
Placements with banks			8,426,794			8,426,794
Securities purchased under re-sale agreements			80,020			80,020
Derivative financial assets	1,416,808					1,416,808
Other financial instruments - Held-for-trading	8,670,549					8,670,549
Loans and receivables to banks			610,905			610,905
Loans and receivables to other customers			554,267,707			554,267,707
Financial investments - Available-for-sale				168,810,746		168,810,746
Financial investments - Held-to-maturity		36,124,700				36,124,700
Financial investments - Loans and receivables			61,741,769			61,741,769
<b>Total financial assets</b>	<b>10,087,357</b>	<b>36,124,700</b>	<b>689,776,899</b>	<b>168,810,746</b>	<b>-</b>	<b>904,799,702</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					36,937,396	36,937,396
Derivative financial liabilities	1,233,152					1,233,152
Securities sold under repurchase agreements					95,083,400	95,083,400
Due to other customers/deposits from customers					679,948,190	679,948,190
Other borrowings					9,603,937	9,603,937
Subordinated liabilities					17,957,787	17,957,787
<b>Total financial liabilities</b>	<b>1,233,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>839,530,710</b>	<b>840,763,862</b>

	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
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			20,107,076			20,107,076
Balances with Central Banks			28,221,017			28,221,017
Placements with banks			17,193,539			17,193,539
Securities purchased under re-sale agreements			8,002,100			8,002,100
Derivative financial assets	4,118,169					4,118,169
Other financial instruments - Held-for-trading	7,656,349					7,656,349
Loans and receivables to banks			601,106			601,106
Loans and receivables to other customers			509,923,128			509,923,128
Financial investments - Available-for-sale				204,261,934		204,261,934
Financial investments - Held-to-maturity			-			-
Financial investments - Loans and receivables			57,724,369			57,724,369
<b>Total financial assets</b>	<b>11,774,518</b>	<b>-</b>	<b>641,772,335</b>	<b>204,261,934</b>	<b>-</b>	<b>857,808,787</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					31,789,396	31,789,396
Derivative financial liabilities	1,890,770					1,890,770
Securities sold under repurchase agreements					112,249,703	112,249,703
Due to other customers/deposits from customers					624,021,217	624,021,217
Other borrowings					9,985,637	9,985,637
Subordinated liabilities					11,988,272	11,988,272
<b>Total financial liabilities</b>	<b>1,890,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>790,034,225</b>	<b>791,924,995</b>

	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
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			33,475,124			33,475,124
Balances with Central Banks			31,138,831			31,138,831
Placements with banks			8,426,794			8,426,794
Securities purchased under re-sale agreements			80,020			80,020
Derivative financial assets	1,416,808					1,416,808
Other financial instruments - Held-for-trading	8,670,549					8,670,549
Loans and receivables to banks			610,905			610,905
Loans and receivables to other customers			551,280,808			551,280,808
Financial investments - Available-for-sale				168,741,452		168,741,452
Financial investments - Held-to-maturity		36,124,700				36,124,700
Financial investments - Loans and receivables			61,741,769			61,741,769
<b>Total financial assets</b>	<b>10,087,357</b>	<b>36,124,700</b>	<b>686,754,251</b>	<b>168,741,452</b>	<b>-</b>	<b>901,707,760</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					34,401,008	34,401,008
Derivative financial liabilities	1,233,152					1,233,152
Securities sold under repurchase agreements					95,287,992	95,287,992
Due to other customers/deposits from customers					680,057,457	680,057,457
Other borrowings					9,603,937	9,603,937
Subordinated liabilities					17,942,787	17,942,787
<b>Total financial liabilities</b>	<b>1,233,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837,293,181</b>	<b>838,526,333</b>

	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
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			20,043,512			20,043,512
Balances with Central Banks			28,221,017			28,221,017
Placements with banks			17,193,539			17,193,539
Securities purchased under re-sale agreements			8,002,100			8,002,100
Derivative financial assets	4,118,169					4,118,169
Other financial instruments - Held-for-trading	7,656,349					7,656,349
Loans and receivables to banks			601,106			601,106
Loans and receivables to other customers			508,115,127			508,115,127
Financial investments - Available-for-sale				204,244,289		204,244,289
Financial investments - Held-to-maturity			-			-
Financial investments - Loans and receivables			57,724,369			57,724,369
<b>Total financial assets</b>	<b>11,774,518</b>	<b>-</b>	<b>639,900,770</b>	<b>204,244,289</b>	<b>-</b>	<b>855,919,577</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					30,319,119	30,319,119
Derivative financial liabilities	1,890,770					1,890,770
Securities sold under repurchase agreements					112,384,812	112,384,812
Due to other customers/deposits from customers					624,101,810	624,101,810
Other borrowings					9,985,637	9,985,637
Subordinated liabilities					11,973,272	11,973,272
<b>Total financial liabilities</b>	<b>1,890,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788,764,650</b>	<b>790,655,420</b>

	Bank		Group	
	As at 30.06.2016 (Audited)	As at 31.12.2015 (Audited)	As at 30.06.2016	As at 31.12.2015 (Audited)
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier I Capital ) - Rs. '000	71,562,240	64,842,450	71,787,071	64,914,870
Total Capital Base - Rs. '000	92,751,298	79,687,973	93,534,152	80,218,416
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets ( Minimum Requirement, 5% )	11.91%	11.60%	11.86%	11.55%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets ( Minimum Requirement, 10% )	15.43%	14.26%	15.45%	14.28%
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio ( Net of Interest in Suspense )	2.64%	2.74%		
Net Non-Performing Advances Ratio ( Net of Interest in Suspense and Provisions )	1.37%	1.41%		
<b>Profitability</b>				
Interest Margin	3.58%	3.62%		
Return on Assets ( before tax )	1.98%	2.05%		
Return on Equity	18.58%	16.90%		
<b>Debt Security Related Ratios</b>				
Debt Equity Ratio	28.47%	23.20%		
Interest Cover (Times)	15.98	22.78		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	155,442,784	155,180,420		
Off-Shore Banking Unit	17,567,987	18,660,938		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20% )				
Domestic Banking Unit	23.88%	26.24%		
Off-Shore Banking Unit	31.65%	49.13%		

**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>	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>External Operating income :</b>												
Net interest income	11,570,914	10,450,969	3,044,549	3,001,153	1,336,944	1,238,922	224,000	274,901	62,438	(91,081)	16,238,845	14,874,864
Foreign exchange profit	126,851	28,285	333,428	262,976	252,555	222,804	-	-	375,862	214,969	1,088,696	729,034
Net fees and commission income	1,937,201	1,589,961	739,422	632,708	288,383	246,215	11,109	5,850	2,449	2,832	2,978,564	2,477,566
Other income	377,981	457,844	157,877	35,528	164,446	29,047	(22,148)	27,936	(9,857)	112,882	668,299	663,237
<b>Eliminations/unallocated</b>											<b>168,752</b>	<b>163,782</b>
<b>Total Operating income</b>	<b>14,012,947</b>	<b>12,527,059</b>	<b>4,275,276</b>	<b>3,932,365</b>	<b>2,042,328</b>	<b>1,736,988</b>	<b>212,961</b>	<b>308,687</b>	<b>430,892</b>	<b>239,602</b>	<b>21,143,156</b>	<b>18,908,483</b>
Credit loss expenses	(1,274,814)	(1,634,541)	(471,343)	(96,090)	178,137	(173,025)	-	-	-	-	(1,568,020)	(1,903,656)
<b>Net Operating income</b>	<b>12,738,133</b>	<b>10,892,518</b>	<b>3,803,933</b>	<b>3,836,275</b>	<b>2,220,465</b>	<b>1,563,963</b>	<b>212,961</b>	<b>308,687</b>	<b>430,892</b>	<b>239,602</b>	<b>19,575,136</b>	<b>17,004,827</b>
<b>Segment result</b>	<b>5,663,323</b>	<b>4,147,528</b>	<b>1,845,958</b>	<b>1,980,974</b>	<b>1,528,762</b>	<b>1,324,570</b>	<b>113,127</b>	<b>163,185</b>	<b>(176,487)</b>	<b>(128,510)</b>	<b>8,974,683</b>	<b>7,487,747</b>
Profit from operations											<b>8,974,683</b>	<b>7,487,747</b>
Share of profit of Associates, net of tax											<b>5,856</b>	<b>5,125</b>
Income tax expense											<b>(2,459,751)</b>	<b>(2,309,036)</b>
Non Controlling Interest											<b>(2,126)</b>	<b>(1,969)</b>
<b>Net profit for the period, attributable to Equity holders of the Bank</b>											<b>6,518,662</b>	<b>5,181,867</b>

<i>As at June 30,</i>	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Other information</b>												
Segment assets	296,661,577	250,131,756	230,846,622	182,860,107	90,199,057	75,216,130	12,689,041	13,053,340	255,638,950	255,925,977	886,035,247	777,187,310
Investment in associates	-	-	-	-	-	-	105,987	102,475	-	-	105,987	102,475
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	47,353,247	38,617,298
<b>Total assets</b>	<b>296,661,577</b>	<b>250,131,756</b>	<b>230,846,622</b>	<b>182,860,107</b>	<b>90,199,057</b>	<b>75,216,130</b>	<b>12,795,028</b>	<b>13,155,815</b>	<b>255,638,950</b>	<b>255,925,977</b>	<b>933,494,481</b>	<b>815,907,083</b>
<b>Segment liabilities</b>	<b>534,591,728</b>	<b>460,288,847</b>	<b>132,799,977</b>	<b>84,445,873</b>	<b>72,520,856</b>	<b>68,796,408</b>	<b>12,795,028</b>	<b>13,155,815</b>	<b>106,393,729</b>	<b>114,033,724</b>	<b>859,101,318</b>	<b>740,720,667</b>
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	3,598,792	4,164,862
<b>Total liabilities</b>	<b>534,591,728</b>	<b>460,288,847</b>	<b>132,799,977</b>	<b>84,445,873</b>	<b>72,520,856</b>	<b>68,796,408</b>	<b>12,795,028</b>	<b>13,155,815</b>	<b>106,393,729</b>	<b>114,033,724</b>	<b>862,700,110</b>	<b>744,885,529</b>

<i>For the six months ended June 30,</i>	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Information on cash flows</b>												
Cash flows from operating activities	19,943,405	13,464,028	1,145,813	(9,465,772)	2,302,040	466,634	855,326	(881,721)	(12,366,742)	7,176,149	11,879,842	10,759,318
Cash flows from investing activities	-	-	-	-	-	-	(78,737)	(1,601,297)	-	-	(78,737)	(1,601,297)
Cash flows from financing activities	-	-	-	-	-	-	-	-	5,166,641	(446,839)	5,166,641	(446,839)
Capital expenditure -												
Property, Plant & Equipment											<b>(693,899)</b>	<b>(462,230)</b>
Intangible assets											<b>(117,590)</b>	<b>(133,519)</b>
Eliminations/unallocated											<b>(2,752,460)</b>	<b>(2,619,457)</b>
<b>Net cash flow generated during the period</b>											<b>13,403,797</b>	<b>5,495,976</b>



## Twenty largest voting shareholders as at June 30, 2016

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	122,747,994	14.74
Mr.Y.S. H. I. Silva	82,560,993	9.91
Employees Provident Fund	80,741,135	9.70
Sri Lanka Insurance Corporation Ltd. - Life Fund	41,854,996	5.03
CB NY S/A International Finance Corporation	37,206,040	4.47
Sri Lanka Insurance Corporation Ltd. - General Fund	35,989,537	4.32
Melstacorp Limited	28,295,305	3.40
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	17,363,252	2.09
Mrs. L. E. M. Yaseen	16,603,339	1.99
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	12,998,068	1.56
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	12,732,186	1.53
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	11,172,854	1.34
Mercantile Investments and Finance PLC	10,661,077	1.28
Employees Trust Fund Board	10,527,290	1.26
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	10,468,066	1.26
HSBC Intl. Nominees Ltd. - SSBT-National Westminster Bank Plc as Depositary of First State Indian Subcontinent	8,886,230	1.07
HSBC Intl. Nominees Ltd. - SSBT - BMO Investments 11 (Ireland) Public Limited Company	8,502,812	1.02
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,399,814	1.01
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	8,368,934	1.00
HSBC Intl. Nominees Ltd. - BP2S London-Aberdeen Asia Smaller Companies Investment Fund	6,944,006	0.83
Sub total	573,023,928	68.81
Other Shareholders	259,733,606	31.19
<b>Total</b>	<b>832,757,534</b>	<b>100.00</b>

Percentage of public holding as at June 30, 2016 - 99.73%

Number of shareholders representing public holding as at June 30, 2016 - 9,979

## Twenty largest non-voting shareholders as at June 30, 2016

Name of the Shareholder	No. of Shares	%
Employees Trust Fund Board	4,167,636	7.28
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,309,627	5.78
CITY Bank Newyork S/A Norges Bank Account No.02	2,692,561	4.71
CITY Bank NY S/A Forward International Dividend Fund	1,802,572	3.15
GF Capital Global Limited	1,591,203	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,419,594	2.48
Mr. J. D. Bandaranayake	1,102,959	1.93
M.J.F.Exports Ltd.	978,724	1.71
Mr. M. F. Hashim	800,417	1.40
Saboor Chatoor (Pvt) Ltd	780,473	1.36
Beta Holdings Limited	757,030	1.32
Mrs. L. V. C. Samarasingha	617,624	1.08
Union Assurance PLC/No - 01A/C	581,706	1.02
Akbar Brothers (Pvt) Ltd. A/C No.01	576,809	1.01
Dr. A. K. A. Jayawardena	505,035	0.88
Mr. J. G. de Mel	486,500	0.85
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	479,764	0.84
Mr. W.R.H. Perera	452,051	0.79
Alpex Marine (Pvt) Ltd	430,605	0.75
Mr. T.W.A. Wickramasinghe	400,000	0.70
Sub total	23,932,890	41.83
Other Shareholders	33,279,763	58.17
<b>Total</b>	<b>57,212,653</b>	<b>100.00</b>

Percentage of public holding as at June 30, 2016 - 99.79%

Number of shareholders representing public holding as at June 30, 2016 - 4,229

## Directors' holding in shares as at June 30, 2016

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	21,159	-
Mr.M.P. Jayawardena - Deputy Chairman	-	-
Mr.J. Durairatnam - Managing Director/Chief Executive Officer	444,379	-
Mr.S. Renganathan	217,647	10,488
Mr.S. Swarnajothi	-	8,738
Mr.H.J. Wilson	-	-
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-

	2016 Rs.	2015 Rs.
<b>Market price of an ordinary share of the Bank as at June 30,</b>		
Voting	121.70	160.50
Non-Voting	110.00	132.00
<b>Highest price during the quarter ended June 30,</b>		
Voting	136.00	175.00
Non-Voting	116.00	141.00
<b>Lowest price during the quarter ended June 30,</b>		
Voting	121.00	160.00
Non-Voting	107.00	126.60

  

	2016	2015
<b>Number of ordinary shares issued ended June 30,</b>		
Voting	832,757,534	819,876,923
Non-Voting	57,212,653	56,299,686

## EXPLANATORY NOTES

- 1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2015. These Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- 2 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities.
- 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, 2016, 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, 2016

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, 2016 and for the period then ended.

**INFORMATION ON DEBENTURES - BANK**
**19**

Debenture categories	CSE Listing	Interest payable frequency	Balance as at June 30, 2016 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>											
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467,260	Not traded during the current period			14.00	14.00	9.85	Not traded during the current period	
March 2016/March 2021 10.75% p.a.	Listed	Semi Annually	4,430,340	Not traded during the current period			10.75	11.04	11.80	Not traded during the current period	
March 2016/March 2026 11.25% p.a.	Listed	Semi Annually	1,749,090	Not traded during the current period			11.25	11.57	12.35	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			9.11	9.11	12.70	Not traded during the current period	
				Not traded during the current period			7.68	7.68	9.10	Not traded during the current period	
<b>Total Debentures</b>			<b>6,647,090</b>								

(Comparative information for 2015 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 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000
Gross loans and receivables	573,342,985	528,382,921	569,913,158	526,166,681
Less: Allowance for Individual impairment	8,234,932	5,369,960	8,234,932	5,369,960
Allowance for Collective impairment	10,840,346	13,089,833	10,397,418	12,681,594
<b>Net loans and receivables</b>	<b>554,267,707</b>	<b>509,923,128</b>	<b>551,280,808</b>	<b>508,115,127</b>

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	86,999,600	72,893,176	87,044,184	73,366,133
Trade finance	26,788,516	33,765,914	26,788,516	33,765,914
Lease rental receivable	39,572,235	36,972,019	34,753,231	34,152,036
Credit cards	5,223,558	4,772,821	5,223,558	4,772,821
Pawning	1,423,010	1,870,881	1,423,010	1,870,881
Staff loans	6,541,818	6,017,275	6,540,131	6,015,236
Housing loans	42,403,923	38,911,297	42,403,923	38,911,297
Personal loans	25,543,528	26,011,339	25,543,528	25,991,701
Term loans				
Short-term	32,481,993	20,741,978	33,523,516	20,741,978
Long-term	198,207,680	183,261,262	198,512,437	183,413,725
Bills of Exchange	449,003	2,440,538	449,003	2,440,538
<b>Gross loans and receivables</b>	<b>465,634,864</b>	<b>427,658,500</b>	<b>462,205,037</b>	<b>425,442,260</b>

	Group		Bank	
	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	8,314,591	8,599,895	8,314,591	8,599,895
Trade finance	12,087,463	12,040,069	12,087,463	12,040,069
Lease rental receivable	239,831	320,617	239,831	320,617
Credit cards	59,509	57,608	59,509	57,608
Pawning	-	-	-	-
Staff loans	106,392	100,426	106,392	100,426
Housing loans	1,630,412	1,416,590	1,630,412	1,416,590
Personal loans	286,672	279,043	286,672	279,043
Term loans				
Short-term	24,009,992	23,302,277	24,009,992	23,302,277
Long-term	51,477,215	45,694,151	51,477,215	45,694,151
Bills of Exchange	9,496,044	8,913,745	9,496,044	8,913,745
<b>Gross loans and receivables</b>	<b>107,708,121</b>	<b>100,724,421</b>	<b>107,708,121</b>	<b>100,724,421</b>
<b>Total of gross loans and receivables</b>	<b>573,342,985</b>	<b>528,382,921</b>	<b>569,913,158</b>	<b>526,166,681</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	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Movement in Allowance for Individual Impairment</b>				
Balance as at January 01,	5,369,960	4,334,587	5,369,960	4,334,587
Charge/(write back) to the Income statement	3,095,486	1,386,477	3,095,486	1,386,477
Net write-off/(recoveries) during the year	(295,859)	(490,046)	(295,859)	(490,046)
Exchange rate variance on foreign currency provisions	21,646	90,680	21,646	90,680
Interest accrued / (reversals) on impaired loans & advances	(223,653)	(265,344)	(223,653)	(265,344)
Other movements	267,352	313,606	267,352	313,606
<b>Balance as at June 30/December 31,</b>	<b>8,234,932</b>	<b>5,369,960</b>	<b>8,234,932</b>	<b>5,369,960</b>
<b>Movement in Allowance for Collective Impairment</b>				
Balance as at January 01,	13,089,833	12,835,436	12,681,594	12,621,987
Balance assumed on business combination	-	-	-	-
Charge/(write back) to the Income statement	(1,530,821)	2,710,834	(1,564,561)	2,516,044
Net write-off/(recoveries) during the year	(721,279)	(2,465,797)	(722,228)	(2,465,797)
Exchange rate variance on foreign currency provisions	2,613	9,360	2,613	9,360
Other movements	-	-	-	-
<b>Balance as at June 30/December 31,</b>	<b>10,840,346</b>	<b>13,089,833</b>	<b>10,397,418</b>	<b>12,681,594</b>
<b>Total of Individual and Collective Impairment June 30/December 31,</b>	<b>19,075,278</b>	<b>18,459,793</b>	<b>18,632,350</b>	<b>18,051,554</b>

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 30.06.2016 Rs.'000	As at 31.12.2015 Rs.'000
<b>By product - Domestic Currency</b>				
Current account deposits	36,773,116	38,689,812	36,773,141	38,692,706
Savings deposits	198,389,146	196,605,341	198,427,249	196,631,547
Time deposits	265,409,734	219,882,652	265,480,873	219,934,145
Certificate of deposits	479,429	552,171	479,429	552,171
<b>Sub Total</b>	<b>501,051,425</b>	<b>455,729,976</b>	<b>501,160,692</b>	<b>455,810,569</b>
<b>By product - Foreign Currency</b>				
Current account deposits	17,094,439	14,699,065	17,094,439	14,699,065
Savings deposits	61,095,178	60,128,349	61,095,178	60,128,349
Time deposits	100,707,148	93,463,827	100,707,148	93,463,827
Certificate of deposits	-	-	-	-
<b>Sub Total</b>	<b>178,896,765</b>	<b>168,291,241</b>	<b>178,896,765</b>	<b>168,291,241</b>
<b>Total</b>	<b>679,948,190</b>	<b>624,021,217</b>	<b>680,057,457</b>	<b>624,101,810</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 June 2016.

**Bangladesh Operation**

AAA was re-affirmed by Credit Rating Information & Services Limited. in June 2016.

**COMPANY REGISTRATION NUMBER**

PQ116

**COMPLIANCE OFFICER**

Mr. C.J.Wijetillake

Assistant General Manager - Compliance

**STOCK EXCHANGE LISTING**

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures December 2006/December 2016 series, March 2016/March 2021 series and March 2016/March 2026 series, both fixed and floating interest rates of the Company are listed on the Colombo Stock Exchange.

**LAWYERS**

Julius & Creasy,

No. 41, Janadhipathi Mawatha,  
Colombo 1.

**REGISTERED OFFICE**

"Commercial House",

No. 21, Sir Razik Fareed Mw.

P.O. Box 856,

Colombo 1, Sri Lanka.

Telephone : 2430420, 2336700

2445010-15 ,2486000, 4792000

Tele-Banking :2336633-5

Telex :21520 COMEX CE

Facsimile : 941-112449889

SWIFT Code-Sri Lanka : 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.

**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

**ACCOUNTING YEAR**

December 31