

**INTERIM FINANCIAL STATEMENTS**  
**For the year ended December 31, 2016**

# INCOME STATEMENT - GROUP

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	For the year ended			For the quarter ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited)	( Audited)				
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Gross income</b>	<b>93,725,535</b>	<b>78,225,397</b>	<b>19.81</b>	<b>26,442,484</b>	<b>21,304,719</b>	<b>24.12</b>
Interest income	81,314,607	66,339,317	22.57	22,751,087	17,518,581	29.87
Less : Interest expenses	48,186,331	35,771,967	34.70	14,085,218	9,507,098	48.15
<b>Net interest income</b>	<b>33,128,276</b>	<b>30,567,350</b>	<b>8.38</b>	<b>8,665,869</b>	<b>8,011,483</b>	<b>8.17</b>
Fees and commission income	8,230,131	6,329,900	30.02	2,516,475	1,859,646	35.32
Less: Fees and commission expenses	1,140,954	919,590	24.07	211,341	262,327	(19.44)
<b>Net fees and commission income</b>	<b>7,089,177</b>	<b>5,410,310</b>	<b>31.03</b>	<b>2,305,134</b>	<b>1,597,319</b>	<b>44.31</b>
Net gains/(losses) from trading	(1,466,711)	813,376	(280.32)	(357,221)	286,682	(224.61)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	110,759	693,987	(84.04)	(3,614)	438,736	(100.82)
Other income (net)	5,536,749	4,048,817	36.75	1,535,757	1,201,074	27.87
<b>Total operating income</b>	<b>44,398,250</b>	<b>41,533,840</b>	<b>6.90</b>	<b>12,145,925</b>	<b>11,535,294</b>	<b>5.29</b>
Less :Impairment charges for loans and other losses	1,583,326	4,099,738	(61.38)	(237,482)	914,879	(125.96)
Individual impairment	3,439,879	1,386,477	148.10	648,661	987,703	(34.33)
Collective impairment	(1,859,806)	2,710,834	(168.61)	(885,841)	(73,380)	(1,107.20)
Others	3,253	2,427	34.03	(302)	556	(154.32)
<b>Net operating income</b>	<b>42,814,924</b>	<b>37,434,102</b>	<b>14.37</b>	<b>12,383,407</b>	<b>10,620,415</b>	<b>16.60</b>
<b>Less: Expenses</b>	<b>18,990,853</b>	<b>17,421,405</b>	<b>9.01</b>	<b>5,078,795</b>	<b>4,878,630</b>	<b>4.10</b>
Personnel expenses	10,913,088	10,260,750	6.36	2,797,778	2,906,382	(3.74)
Depreciation and amortisation	1,268,330	1,206,172	5.15	338,229	314,768	7.45
Other expenses	6,809,435	5,954,483	14.36	1,942,788	1,657,480	17.21
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>23,824,071</b>	<b>20,012,697</b>	<b>19.04</b>	<b>7,304,612</b>	<b>5,741,785</b>	<b>27.22</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	3,715,941	2,890,224	28.57	1,196,955	844,553	41.73
<b>Operating profit after Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>20,108,130</b>	<b>17,122,473</b>	<b>17.44</b>	<b>6,107,657</b>	<b>4,897,232</b>	<b>24.72</b>
Add: Share of profits/(losses) of associates, net of tax	6,454	13,638	(52.68)	701	3,738	(81.25)
<b>Profit before income tax</b>	<b>20,114,584</b>	<b>17,136,111</b>	<b>17.38</b>	<b>6,108,358</b>	<b>4,900,970</b>	<b>24.64</b>
Less : Income tax expense	5,648,160	5,276,851	7.04	1,836,909	1,476,436	24.42
<b>Profit for the year</b>	<b>14,466,424</b>	<b>11,859,260</b>	<b>21.98</b>	<b>4,271,449</b>	<b>3,424,534</b>	<b>24.73</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	14,510,333	11,855,172	22.40	4,306,747	3,423,781	25.79
Non-controlling interest	(43,909)	4,088	(1,174.09)	(35,298)	753	(4,787.65)
<b>Profit for the year</b>	<b>14,466,424</b>	<b>11,859,260</b>	<b>21.98</b>	<b>4,271,449</b>	<b>3,424,534</b>	<b>24.73</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	16.30	13.34	22.19	4.84	3.91	23.79
Diluted earnings per ordinary share (Rs.)	16.27	13.32	22.15	4.83	3.90	23.85

	For the year ended			For the quarter ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited) Rs.'000	( Audited) Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit for the year</b>	<b>14,466,424</b>	<b>11,859,260</b>	<b>21.98</b>	<b>4,271,449</b>	<b>3,424,534</b>	<b>24.73</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net actuarial gains/(losses) on defined benefit plans	140,826	(62,272)	326.15	140,826	(62,272)	326.15
Remeasurement of defined benefit liability/(asset)	164,225	(65,150)	352.07	164,225	(65,150)	352.07
Less : Deferred tax charge/(reversal) on actuarial gains/(losses)	23,399	(2,878)	913.03	23,399	(2,878)	913.03
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the financial statements of the foreign operations	438,565	886,677	(50.54)	205,090	196,873	4.17
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	(3,253,429)	(6,690,945)	51.38	(874,651)	(219,329)	(298.78)
Government Securities	(3,263,598)	(6,733,881)	51.53	(865,359)	(244,283)	(254.24)
Fair value gains/(losses) that arose during the year, net of tax	(3,479,504)	(6,625,162)	47.48	(870,071)	(204,487)	(325.49)
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	(27,425)	(108,719)	74.77	(13,360)	(39,796)	66.43
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	243,331	-	-	18,072	-	-
Equity Securities	10,169	42,936	(76.32)	(9,292)	24,954	(137.24)
Fair value gains/(losses) that arose during the year, net of tax	10,169	42,936	(76.32)	(9,292)	24,954	(137.24)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal , net of tax	-	-	-	-	-	-
Share of other comprehensive income of associates, net of tax	3,807	(8,689)	143.81	3,214	(699)	559.80
<b>Other comprehensive income for the year, net of tax</b>	<b>(2,670,231)</b>	<b>(5,875,229)</b>	<b>54.55</b>	<b>(525,521)</b>	<b>(85,427)</b>	<b>(515.17)</b>
<b>Total comprehensive income for the year</b>	<b>11,796,193</b>	<b>5,984,031</b>	<b>97.13</b>	<b>3,745,928</b>	<b>3,339,107</b>	<b>12.18</b>
<b>Attributable to:</b>						
Equity holders of the Bank	11,829,508	5,979,574	97.83	3,773,619	3,337,985	13.05
Non-controlling interest	(33,315)	4,457	(847.48)	(27,691)	1,122	(2,568.00)
<b>Total comprehensive income for the year</b>	<b>11,796,193</b>	<b>5,984,031</b>	<b>97.13</b>	<b>3,745,928</b>	<b>3,339,107</b>	<b>12.18</b>

# INCOME STATEMENT - BANK

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	For the year ended			For the quarter ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited) Rs. '000	( Audited) Rs. '000	%	Rs. '000	Rs. '000	%
<b>Gross income</b>	<b>93,142,610</b>	<b>77,867,952</b>	<b>19.62</b>	<b>26,274,847</b>	<b>21,173,819</b>	<b>24.09</b>
Interest income	80,738,176	66,030,456	22.27	22,546,985	17,425,829	29.39
Less : Interest expenses	47,914,573	35,685,172	34.27	13,978,461	9,478,292	47.48
<b>Net interest income</b>	<b>32,823,603</b>	<b>30,345,284</b>	<b>8.17</b>	<b>8,568,524</b>	<b>7,947,537</b>	<b>7.81</b>
Fees and commission income	8,143,041	6,275,276	29.76	2,446,430	1,810,773	35.10
Less: Fees and commission expenses	1,127,536	901,190	25.12	197,923	243,927	(18.86)
<b>Net fees and commission income</b>	<b>7,015,505</b>	<b>5,374,086</b>	<b>30.54</b>	<b>2,248,507</b>	<b>1,566,846</b>	<b>43.51</b>
Net gains/(losses) from trading	(1,466,711)	813,376	(280.32)	(357,221)	286,682	(224.61)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	110,701	693,933	(84.05)	(3,672)	438,736	(100.84)
Other income (net)	5,617,403	4,054,911	38.53	1,642,325	1,211,799	35.53
<b>Total operating income</b>	<b>44,100,501</b>	<b>41,281,590</b>	<b>6.83</b>	<b>12,098,463</b>	<b>11,451,600</b>	<b>5.65</b>
Less :Impairment charges for loans and other losses	1,529,814	3,943,196	(61.20)	(273,814)	827,964	(133.07)
Individual impairment	3,439,879	1,386,477	148.10	648,661	987,703	(34.33)
Collective impairment	(1,931,932)	2,516,044	(176.78)	(924,378)	(179,535)	(414.87)
Others	21,867	40,675	(46.24)	1,903	19,796	(90.39)
<b>Net operating income</b>	<b>42,570,687</b>	<b>37,338,394</b>	<b>14.01</b>	<b>12,372,277</b>	<b>10,623,636</b>	<b>16.46</b>
<b>Less: Expenses</b>	<b>18,816,145</b>	<b>17,305,429</b>	<b>8.73</b>	<b>5,015,664</b>	<b>4,825,860</b>	<b>3.93</b>
Personnel expenses	10,794,307	10,180,537	6.03	2,758,460	2,885,229	(4.39)
Depreciation and amortisation	1,189,493	1,141,804	4.18	310,380	297,978	4.16
Other expenses	6,832,345	5,983,088	14.19	1,946,824	1,642,653	18.52
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>23,754,542</b>	<b>20,032,965</b>	<b>18.58</b>	<b>7,356,613</b>	<b>5,797,776</b>	<b>26.89</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	3,703,359	2,889,355	28.17	1,192,536	844,553	41.20
<b>Profit before income tax</b>	<b>20,051,183</b>	<b>17,143,610</b>	<b>16.96</b>	<b>6,164,077</b>	<b>4,953,223</b>	<b>24.45</b>
Less : Income tax expense	5,538,672	5,240,386	5.69	1,802,919	1,475,853	22.16
<b>Profit for the year</b>	<b>14,512,511</b>	<b>11,903,224</b>	<b>21.92</b>	<b>4,361,158</b>	<b>3,477,370</b>	<b>25.42</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	16.31	13.39	21.81	4.90	3.97	23.43
Diluted earnings per ordinary share (Rs.)	16.27	13.37	21.69	4.89	3.96	23.48

	For the year ended			For the quarter ended		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited)	( Audited)				
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit for the year</b>	<b>14,512,511</b>	<b>11,903,224</b>	<b>21.92</b>	<b>4,361,158</b>	<b>3,477,370</b>	<b>25.42</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net actuarial gains/(losses) on defined benefit plans	139,763	(68,714)	303.40	139,763	(68,714)	303.40
Remeasurement of defined benefit liability/(asset)	162,748	(74,097)	319.64	162,748	(74,097)	319.64
Less : Deferred tax charge/(reversal) on actuarial gains/(losses)	22,985	(5,383)	526.99	22,985	(5,383)	526.99
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the financial statements of the foreign operations	414,578	888,844	(53.36)	189,814	198,346	(4.30)
Net fair value gains/(losses) on re-measuring financial investments available-for-sale	(3,253,429)	(6,690,945)	51.38	(874,651)	(219,329)	(298.78)
Government Securities	(3,263,598)	(6,733,881)	51.53	(865,359)	(244,283)	(254.24)
Fair value gains/(losses) that arose during the year, net of tax	(3,479,504)	(6,625,162)	47.48	(870,071)	(204,487)	(325.49)
Fair value gains/(losses) realised to the Income Statement on disposal , net of tax	(27,425)	(108,719)	74.77	(13,360)	(39,796)	66.43
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	243,331	-	-	18,072	-	-
Equity Securities	10,169	42,936	(76.32)	(9,292)	24,954	(137.24)
Fair value gains/(losses) that arose during the year, net of tax	10,169	42,936	(76.32)	(9,292)	24,954	(137.24)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal , net of tax	-	-	-	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>(2,699,088)</b>	<b>(5,870,815)</b>	<b>54.03</b>	<b>(545,074)</b>	<b>(89,697)</b>	<b>(507.68)</b>
<b>Total comprehensive income for the year</b>	<b>11,813,423</b>	<b>6,032,409</b>	<b>95.83</b>	<b>3,816,084</b>	<b>3,387,673</b>	<b>12.65</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited ) Rs.'000	( Audited ) Rs.'000	%	( Audited ) Rs.'000	( Audited ) Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	32,924,227	20,107,076	63.74	30,193,589	20,043,512	50.64
Balances with Central Banks	43,935,258	28,221,017	55.68	43,873,205	28,221,017	55.46
Placements with banks	11,718,499	17,193,539	(31.84)	11,718,499	17,193,539	(31.84)
Securities purchased under resale agreements	-	8,002,100	-	-	8,002,100	-
Derivative financial assets	1,052,829	4,118,169	(74.43)	1,052,829	4,118,169	(74.43)
Other financial instruments - Held-for-trading	4,987,798	7,656,349	(34.85)	4,987,798	7,656,349	(34.85)
Loans and receivables to banks	624,458	601,106	3.88	624,458	601,106	3.88
Loans and receivables to other customers	620,129,488	509,923,128	21.61	616,018,228	508,115,127	21.24
Financial investments - Available-for-sale	160,092,522	204,261,934	(21.62)	160,023,471	204,244,289	(21.65)
Financial investments - Held-to-maturity	63,626,598	-	-	60,981,298	-	-
Financial investments - Loans and receivables	51,824,026	57,724,369	(10.22)	51,824,026	57,724,369	(10.22)
Investments in subsidiaries	-	-	-	2,435,392	1,237,146	96.86
Investments in associates	108,859	104,503	4.17	44,331	44,331	-
Property, plant & equipment	11,569,666	11,181,433	3.47	10,307,825	9,968,985	3.40
Intangible assets	1,132,669	884,034	28.13	640,645	465,960	37.49
Leasehold property	105,968	107,420	(1.35)	73,536	74,478	(1.26)
Deferred tax assets	668,150	-	-	963,935	-	-
Other assets	16,482,559	12,097,017	36.25	16,438,166	12,094,591	35.91
<b>Total Assets</b>	<b>1,020,983,574</b>	<b>882,183,194</b>	<b>15.73</b>	<b>1,012,201,231</b>	<b>879,805,068</b>	<b>15.05</b>
<b>LIABILITIES</b>						
Due to banks	71,098,391	31,789,396	123.65	67,608,811	30,319,119	122.99
Derivative financial liabilities	1,515,035	1,890,770	(19.87)	1,515,035	1,890,770	(19.87)
Securities sold under repurchase agreements	69,628,961	112,249,703	(37.97)	69,867,469	112,384,812	(37.83)
Other financial liabilities - Held-for-trading	-	-	-	-	-	-
Due to other customers/deposits from customers	743,310,613	624,021,217	19.12	739,563,494	624,101,810	18.50
Other borrowings	9,270,154	9,985,637	(7.17)	9,270,154	9,985,637	(7.17)
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	3,464,682	3,025,662	14.51	3,440,736	3,001,984	14.62
Deferred tax liabilities	-	467,632	-	-	230,615	-
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	18,028,902	15,749,184	14.48	17,710,394	15,548,159	13.91
Due to subsidiaries	-	-	-	20,061	26,212	(23.47)
Subordinated liabilities	24,849,539	11,988,272	107.28	24,849,539	11,973,272	107.54
<b>Total Liabilities</b>	<b>941,168,151</b>	<b>811,169,347</b>	<b>16.03</b>	<b>933,847,567</b>	<b>809,464,264</b>	<b>15.37</b>

# STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2016	31.12.2015	Change	31.12.2016	31.12.2015	Change
	( Audited ) Rs.'000	( Audited ) Rs.'000	%	( Audited ) Rs.'000	( Audited ) Rs.'000	%
<b>EQUITY</b>						
Stated capital	24,978,003	23,254,605	7.41	24,978,003	23,254,605	7.41
Statutory reserves	5,647,993	4,922,367	14.74	5,647,890	4,922,264	14.74
Retained earnings	4,553,778	4,467,807	1.92	4,464,077	4,388,867	1.71
Other reserves	43,812,536	38,318,860	14.34	43,263,694	37,775,068	14.53
<b>Total equity attributable to equity holders of the Bank</b>	<b>78,992,310</b>	<b>70,963,639</b>	<b>11.31</b>	<b>78,353,664</b>	<b>70,340,804</b>	<b>11.39</b>
<b>Non-controlling Interest</b>	<b>823,113</b>	<b>50,208</b>	<b>1,539.41</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>79,815,423</b>	<b>71,013,847</b>	<b>12.39</b>	<b>78,353,664</b>	<b>70,340,804</b>	<b>11.39</b>
<b>Total liabilities and equity</b>	<b>1,020,983,574</b>	<b>882,183,194</b>	<b>15.73</b>	<b>1,012,201,231</b>	<b>879,805,068</b>	<b>15.05</b>
<b>Contingent liabilities and commitments</b>	<b>498,568,500</b>	<b>521,232,320</b>	<b>(4.35)</b>	<b>498,304,527</b>	<b>521,232,320</b>	<b>(4.40)</b>
<b>Net assets value per ordinary share (Rs.)</b>	<b>88.68</b>	<b>80.93</b>	<b>9.58</b>	<b>87.97</b>	<b>80.22</b>	<b>9.66</b>
<b>Memorandum Information</b>						
Number of Employees				4,987	4,951	
Number of Customer Service Centers				274	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 audited Financial Statements of the Group & the Bank.

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

Chairman

February 22, 2017

Colombo

(Sgd.) J.Durairatnam

Managing Director/Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital	Statutory Reserve	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 January 01, 2015</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 for the year of assesment 2013/2014			(2,608,469)						(2,608,469)	(1,503)	(2,609,972)
<b>Balance as at January 01, 2015 - Adjusted</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 year 2015</b>											
Profit for the year	-	-	11,855,172	-	-	-	-	-	11,855,172	4,088	11,859,260
Other comprehensive income, net of tax	-	-	(71,330)	-	(6,690,945)	886,677	-	-	(5,875,598)	369	(5,875,229)
Net actuarial gains/(losses) on defined benefit plans			(62,641)						(62,641)	369	(62,272)
Share of other comprehensive income of associates, net of tax			(8,689)						(8,689)		(8,689)
Net fair value gains/(losses) on re-measuring financial invetments available-for-sale					(6,690,945)				(6,690,945)		(6,690,945)
Net gains/(losses) arising from translating the Financial Statements of foreign operations						886,677			886,677		886,677
<b>Total comprehensive income for the year 2015</b>	-	-	11,783,842	-	(6,690,945)	886,677	-	-	5,979,574	4,457	5,984,031
<b>Transactions with owners, recognised directly in equity, contributions and distributions to owners</b>											
Issue of Ordinary shares under Employee Share Option Plan	237,304	-	-	-	-	-	-	-	237,304	-	237,304
Dividends to equity holders	1,559,800		(5,647,414)						(4,087,614)	(3,270)	(4,090,884)
Second interim dividend for 2014	-	-	(865,943)	-	-	-	-	-	(865,943)	-	(865,943)
Final cash dividend for 2014	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	(1,962)	(1,735,072)
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)
First interim dividend for 2015	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)	(1,308)	(1,316,559)
Deferred tax effect on pre-acquisition reserves	-	-	-	-	-	-	-	223,330	223,330	-	223,330
Re-statement of deferred tax on revaluation gains	-	-	-	13,710	-	-	-	-	13,710	585	14,295
Profit due to change in equity	-	-	2,344	-	-	-	-	-	2,344	-	2,344
Movement due to change in equity	-	-	(644)	(1,731)	-	-	-	-	(2,375)	2,375	-
Transfers during the year	-	595,264	(3,480,264)	-	-	-	2,885,000	-	-	-	-
<b>Total transactions with equity holders</b>	1,797,104	595,264	(9,125,978)	11,979	-	-	2,885,000	223,330	(3,613,301)	(310)	(3,613,611)
<b>Balance as at January 01, 2016</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 year 2016</b>											
Profit for the year	-	-	14,510,333	-	-	-	-	-	14,510,333	(43,909)	14,466,424
Other comprehensive income, net of tax	-	-	144,591	-	(3,253,429)	428,013	-	-	(2,680,825)	10,594	(2,670,231)
Net actuarial gains/(losses) on defined benefit plans			140,784						140,784	42	140,826
Share of other comprehensive income of associates, net of tax			3,807						3,807	-	3,807
Net fair value gains/(losses) on re-measuring financial invetments available-for-sale					(3,253,429)				(3,253,429)		(3,253,429)
Net gains/(losses) arising from translating the Financial Statements of foreign operations						428,013			428,013	10,552	438,565
<b>Total comprehensive income for the year 2016</b>	-	-	14,654,924	-	(3,253,429)	428,013	-	-	11,829,508	(33,315)	11,796,193



## STATEMENT OF CHANGES IN EQUITY - GROUP

9

	Stated Capital	Statutory Reserve	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
Transactions with owners, recognised directly in equity, contributions and distributions to owners											
Issue of Ordinary shares under Employee Share Option Plan	144,804	-	-	-	-	-	-	-	144,804	-	144,804
Dividends to equity holders	1,578,594		(5,720,913)						(4,142,319)	(3,432)	(4,145,751)
Final cash dividend for 2015	-	-	(2,630,991)	-	-	-	-	-	(2,630,991)	(2,059)	(2,633,050)
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)
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	(1,335,928)	(1,373)	(1,337,301)
Share-based Payment transactions	-	-	-	-	-	-	-	196,952	196,952	-	196,952
Write back of dividend payable	-	-	624	-	-	-	-	-	624	38	662
De-recognition of revaluation reserve to the retained earnings	-	-	5,628	(5,628)	-	-	-	-	-	-	-
Profit due to change in equity	-	-	3,047	-	-	-	-	-	3,047	-	3,047
Movement due to change in equity	-	-	(1,188)	(2,757)	-	-	-	-	(3,945)	3,945	-
Acquisition of subsidiary with Non-Controlling Interest	-	-	-	-	-	-	-	-	-	805,669	805,669
Transfers during the year	-	725,626	(8,856,151)	-	-	-	8,130,525	-	-	-	-
Total transactions with equity holders	1,723,398	725,626	(14,568,953)	(8,385)	-	-	8,130,525	196,952	(3,800,837)	806,220	(2,994,617)
Balance as at December 31, 2016	24,978,003	5,647,993	4,553,778	6,250,554	(7,208,805)	860,502	43,490,003	420,282	78,992,310	823,113	79,815,423

## STATEMENT OF CHANGES IN EQUITY - BANK

10

	Stated Capital	Statutory Reserve	Retained Earnings	Other Reserves					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
Balance as at January 01, 2015	21,457,501	4,327,103	4,258,287	5,722,859	2,735,578	(464,076)	32,474,478	-	70,511,730
Super Gain Tax for the year of assesment 2013/2014			(2,576,355)						(2,576,355)
Balance as at January 01, 2015 - Adjusted	21,457,501	4,327,103	1,681,932	5,722,859	2,735,578	(464,076)	32,474,478	-	67,935,375
<b>Total comprehensive income for the year 2015</b>									
Profit for the year	-	-	11,903,224	-	-	-	-	-	11,903,224
Other comprehensive income, net of tax	-	-	(68,714)	-	(6,690,945)	888,844	-	-	(5,870,815)
Net actuarial gains/(losses) on defined benefit plans			(68,714)						(68,714)
Net change in revaluation surplus				-					-
Net fair value gains/(losses) on re-measuring financial invetments available-for-sale					(6,690,945)				(6,690,945)
Net gains/(losses) arising from translating the Financial Statements of the foreign operation						888,844			888,844
<b>Total comprehensive income for the year 2015</b>	-	-	11,834,510	-	(6,690,945)	888,844	-	-	6,032,409
<b>Transactions with owners, recognised directly in equity, contributions and distributions to owners</b>									
Issue of Ordinary shares under Employee Share Option Plan	237,304	-	-	-	-	-	-	-	237,304
Dividends to equity holders	1,559,800		(5,647,414)						(4,087,614)
Second interim dividend for 2014	-	-	(865,943)	-	-	-	-	-	(865,943)
Final cash dividend for 2014	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)
Final dividend for 2014 satisfied in the form of issue and allotment of new shares	1,559,800	-	(1,733,110)	-	-	-	-	-	(173,310)
First interim dividend for 2015	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)
Share-based Payment transactions	-	-	-	-	-	-	-	223,330	223,330
Transfers during the year	-	595,161	(3,480,161)	-			2,885,000	-	-
<b>Total transactions with equity holders</b>	1,797,104	595,161	(9,127,575)	-	-	-	2,885,000	223,330	(3,626,980)
Balance as at January 01, 2016	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
<b>Total comprehensive income for the year 2016</b>									
Profit for the year	-	-	14,512,511	-	-	-	-	-	14,512,511
Other comprehensive income, net of tax	-	-	139,763	-	(3,253,429)	414,578	-	-	(2,699,088)
Net actuarial gains/(losses) on defined benefit plans			139,763						139,763
Net fair value gains/(losses) on re-measuring financial invetments available-for-sale					(3,253,429)				(3,253,429)
Net gains/(losses) arising from translating the Financial Statements of the foreign operation						414,578			414,578
<b>Total comprehensive income for the year 2016</b>	-	-	14,652,274	-	(3,253,429)	414,578	-	-	11,813,423

## STATEMENT OF CHANGES IN EQUITY - BANK

11

	Stated Capital	Statutory Reserve	Retained Earnings	Other Reserves					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
Transactions with owners, recognised directly in equity, contributions and distributions to owners									
Issue of Ordinary shares under Employee Share Option Plan	144,804	-	-	-	-	-	-	-	144,804
Dividends to equity holders	1,578,594		(5,720,913)						(4,142,319)
Final cash dividend for 2015	-	-	(2,630,991)	-	-	-	-	-	(2,630,991)
Final dividend for 2015 satisfied in the form of issue and allotment of new shares	1,578,594	-	(1,753,994)	-	-	-	-	-	(175,400)
First interim dividend for 2016	-	-	(1,335,928)	-	-	-	-	-	(1,335,928)
Share-based Payment transactions	-	-	-	-	-	-	-	196,952	196,952
Transfers during the year	-	725,626	(8,856,151)	-	-	-	8,130,525	-	-
<b>Total transactions with equity holders</b>	<b>1,723,398</b>	<b>725,626</b>	<b>(14,577,064)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,130,525</b>	<b>196,952</b>	<b>(3,800,563)</b>
<b>Balance as at December 31, 2016</b>	<b>24,978,003</b>	<b>5,647,890</b>	<b>4,464,077</b>	<b>5,722,859</b>	<b>(7,208,796)</b>	<b>839,346</b>	<b>43,490,003</b>	<b>420,282</b>	<b>78,353,664</b>

For the year ended December 31,	Group			Bank
	2016	2015	2016	2015
	( Audited )	( Audited )	( Audited )	( Audited )
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash flows from Operating Activities</b>				
Profit before income tax	20,114,584	17,136,111	20,051,183	17,143,610
Adjustments for:				
Non-cash items included in profits before tax	2,778,203	5,995,738	2,612,274	5,769,102
Change in operating assets	(131,942,484)	(96,111,981)	(126,769,659)	(95,226,021)
Change in operating liabilities	117,122,451	85,616,406	111,259,187	84,528,957
Gains/(losses) on sale of property, plant & equipment	(10,395)	1,334	(1,705)	6,505
Share of profits in associates, net of tax	(6,454)	(13,638)	-	-
Dividend income from subsidiaries and associates	-	-	(85,579)	(87,830)
Interest expense on subordinated liabilities	1,535,349	823,267	1,533,934	786,953
Net unrealized gains arising from translating the financial statements of foreign operations	438,565	886,677	414,578	888,844
Profit due to change in ownership	-	-	(3,047)	(2,344)
Benefits paid on defined benefit plans	(110,800)	(95,682)	(109,329)	(92,505)
Income tax paid	(4,014,741)	(3,376,261)	(3,966,831)	(3,271,753)
Super gain taxes paid	-	(2,609,972)	-	(2,576,355)
<b>Net cash from operating activities</b>	<b>5,904,278</b>	<b>8,251,999</b>	<b>4,935,006</b>	<b>7,867,163</b>
<b>Cash Flows from Investing Activities</b>				
Net purchase of property, plant & equipment	(1,501,070)	(1,086,405)	(1,369,729)	(986,735)
Proceeds from sale of property, plant & equipment	32,168	20,377	11,958	9,206
Purchase of financial investments	(523,846)	(4,169,313)	(523,846)	(4,169,313)
Proceeds from sale and maturity of financial investments	1,628,487	1,530,306	1,628,487	1,530,306
Net purchase of intangible assets	(422,175)	(208,168)	(340,351)	(205,811)
Proceeds due to change in ownership	4,294	3,127	4,294	3,127
Net cash flow from investment in subsidiaries and associates	-	-	(1,184,707)	(63,152)
Dividends received from investments in subsidiaries and associates	5,807	6,733	85,579	87,830
<b>Net cash from investing activities</b>	<b>(776,335)</b>	<b>(3,903,343)</b>	<b>(1,688,315)</b>	<b>(3,794,542)</b>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from issue of ordinary voting shares	135,582	237,304	135,582	237,304
Proceeds from issue of subordinated liabilities	13,179,430	-	13,179,430	-
Redemption of subordinated liabilities	(987,660)	(200,000)	(972,660)	-
Interest paid on subordinated liabilities	(1,298,062)	(809,778)	(1,296,647)	(770,666)
Dividend paid to non-controlling interest	(3,432)	(3,270)	-	-
Capital contribution from non-controlling interest of a newly incorporated subsidiary	805,669	-	-	-
Dividend paid to shareholders of the Bank	(4,142,319)	(4,087,614)	(4,142,319)	(4,087,614)
<b>Net cash from financing activities</b>	<b>7,689,208</b>	<b>(4,863,358)</b>	<b>6,903,386</b>	<b>(4,620,976)</b>
Net increase/(decrease) in cash and cash equivalents	12,817,151	(514,702)	10,150,077	(548,355)
Cash and cash equivalents as at January 01,	20,107,076	20,621,778	20,043,512	20,591,867
<b>Cash and cash equivalents as at December 31,</b>	<b>32,924,227</b>	<b>20,107,076</b>	<b>30,193,589</b>	<b>20,043,512</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			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 resale 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
<b>Total financial assets</b>	<b>6,040,627</b>	<b>63,626,598</b>	<b>761,155,956</b>	<b>160,092,522</b>	<b>-</b>	<b>990,915,703</b>
<b>FINANCIAL LIABILITIES</b>						
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
<b>Total financial liabilities</b>	<b>1,515,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>918,157,658</b>	<b>919,672,693</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 resale 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			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 resale 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
<b>Total financial assets</b>	<b>6,040,627</b>	<b>60,981,298</b>	<b>754,252,005</b>	<b>160,023,471</b>	<b>-</b>	<b>981,297,401</b>
<b>FINANCIAL LIABILITIES</b>						
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
<b>Total financial liabilities</b>	<b>1,515,035</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911,159,467</b>	<b>912,674,502</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 resale 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 31.12.2016 (Audited)	As at 31.12.2015 (Audited)	As at 31.12.2016 (Audited)	As at 31.12.2015 (Audited)
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier I Capital ) - Rs. '000	75,206,867	64,842,450	76,605,502	64,914,870
Total Capital Base - Rs. '000	103,373,535	79,687,973	105,837,614	80,218,416
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets ( Minimum Requirement, 5% )	11.56%	11.60%	11.59%	11.55%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets ( Minimum Requirement, 10% )	15.90%	14.26%	16.01%	14.28%
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio ( Net of Interest in Suspense )	2.18%	2.74%		
Net Non-Performing Advances Ratio ( Net of Interest in Suspense and Provisions )	1.09%	1.41%		
<b>Profitability</b>				
Interest Margin	3.47%	3.62%		
Return on Assets ( before tax )	2.12%	2.05%		
Return on Equity	19.52%	16.90%		
<b>Debt Security Related Ratios</b>				
Debt Equity Ratio	33.33%	23.20%		
Interest Cover (Times)	14.83	22.78		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	194,654,662	155,180,420		
Off-Shore Banking Unit	17,885,242	18,660,938		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20% )				
Domestic Banking Unit	27.19%	26.24%		
Off-Shore Banking Unit	30.19%	49.13%		

OPERATING SEGMENTS

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	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Total/Consolidated	
For the year ended December 31,	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>External Operating income :</b>												
Net interest income	26,871,624	21,229,112	6,162,338	6,038,268	2,215,091	3,035,880	995,142	591,019	(3,115,919)	(326,929)	33,128,276	30,567,350
Foreign exchange profit	198,679	84,085	822,894	1,270,664	509,081	518,116	-	-	795,504	1,004,405	2,326,158	2,877,270
Net fees and commission income	4,867,603	3,317,748	1,594,813	1,543,735	609,430	524,103	13,350	20,600	3,981	4,124	7,089,177	5,410,310
Other income	779,594	1,381,067	353,668	161,456	190,003	62,360	8,984	40,296	64,252	575,242	1,396,501	2,220,421
<b>Eliminations/unallocated</b>											458,138	458,489
<b>Total Operating income</b>	<b>32,717,500</b>	<b>26,012,012</b>	<b>8,933,713</b>	<b>9,014,123</b>	<b>3,523,605</b>	<b>4,140,459</b>	<b>1,017,476</b>	<b>651,915</b>	<b>(2,252,182)</b>	<b>1,256,842</b>	<b>44,398,250</b>	<b>41,533,840</b>
Credit loss expenses	(454,094)	(3,266,263)	(1,069,839)	(478,732)	(59,393)	(354,743)	-	-	-	-	(1,583,326)	(4,099,738)
<b>Net Operating income</b>	<b>32,263,406</b>	<b>22,745,749</b>	<b>7,863,874</b>	<b>8,535,391</b>	<b>3,464,212</b>	<b>3,785,716</b>	<b>1,017,476</b>	<b>651,915</b>	<b>(2,252,182)</b>	<b>1,256,842</b>	<b>42,814,924</b>	<b>37,434,102</b>
<b>Segment result</b>	<b>11,080,653</b>	<b>8,591,633</b>	<b>5,206,162</b>	<b>5,166,707</b>	<b>3,157,044</b>	<b>2,544,328</b>	<b>601,513</b>	<b>345,419</b>	<b>62,758</b>	<b>474,386</b>	<b>20,108,130</b>	<b>17,122,473</b>
Profit from operations											20,108,130	17,122,473
Share of profit of Associates, net of tax											6,454	13,638
Income tax expense											(5,648,160)	(5,276,851)
Non Controlling Interest											43,909	(4,088)
<b>Net profit for the year, attributable to Equity holders of the parent</b>											<b>14,510,333</b>	<b>11,855,172</b>
<b>As at December 31,</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other information</b>												
Segment assets	365,201,300	279,706,505	229,759,156	193,881,080	115,853,038	93,138,952	12,335,263	13,406,914	236,639,991	261,627,206	959,788,748	841,760,657
Investment in associates	-	-	-	-	-	-	108,859	104,503	-	-	108,859	104,503
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	61,085,967	40,318,034
<b>Total assets</b>	<b>365,201,300</b>	<b>279,706,505</b>	<b>229,759,156</b>	<b>193,881,080</b>	<b>115,853,038</b>	<b>93,138,952</b>	<b>12,444,122</b>	<b>13,511,417</b>	<b>236,639,991</b>	<b>261,627,206</b>	<b>1,020,983,574</b>	<b>882,183,194</b>
Segment liabilities	607,209,718	496,764,815	173,177,333	131,484,574	58,107,713	48,979,303	12,444,122	13,511,417	86,764,583	116,935,944	937,703,469	807,676,053
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	3,464,682	3,493,294
<b>Total liabilities</b>	<b>607,209,718</b>	<b>496,764,815</b>	<b>173,177,333</b>	<b>131,484,574</b>	<b>58,107,713</b>	<b>48,979,303</b>	<b>12,444,122</b>	<b>13,511,417</b>	<b>86,764,583</b>	<b>116,935,944</b>	<b>941,168,151</b>	<b>811,169,347</b>
<b>For the year ended December 31,</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Information on cash flows</b>												
Cash flows from operating activities	47,606,403	5,511,885	(20,478,860)	(4,636,226)	(130,566)	(2,818,494)	(30,906)	(202,095)	(21,061,793)	10,396,929	5,904,278	8,251,999
Cash flows from investing activities	-	-	-	-	-	-	1,114,742	(2,629,147)	-	-	1,114,742	(2,629,147)
Cash flows from financing activities	-	-	-	-	-	-	-	-	10,893,708	(1,009,778)	10,893,708	(1,009,778)
Capital expenditure												
Property, Plant & Equipment											(1,468,902)	(1,066,028)
Intangible assets											(422,175)	(208,168)
Eliminations/unallocated											(3,204,500)	(3,853,580)
<b>Net cash flow generated during the year</b>											<b>12,817,151</b>	<b>(514,702)</b>

## Twenty largest voting shareholders as at December 31, 2016

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	122,747,994	14.73
Mr.Y.S. H. I. Silva	82,635,230	9.91
Employees Provident Fund	80,741,135	9.69
Sri Lanka Insurance Corporation Ltd. - Life Fund	41,854,996	5.02
CB NY S/A International Finance Corporation	37,206,040	4.46
Sri Lanka Insurance Corporation Ltd. - General Fund	35,989,537	4.32
Melstacorp Limited	28,295,305	3.39
Mrs. L. E. M. Yaseen	16,603,339	1.99
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	14,791,566	1.77
HSBC Intl. Nominees Ltd. - SNFENT Asian Discovery Master Fund	13,929,632	1.67
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
Employees Trust Fund Board	10,723,987	1.29
Mercantile Investments and Finance PLC	10,661,077	1.28
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	9,368,066	1.12
HSBC Intl. Nominees Ltd. - SSBT-First State Investments ICVC - Stewart Investors Indian Subcontinent Fund	8,886,230	1.07
HSBC Intl. Nominees Ltd. - SSBT - BMO Investments 11 (Ireland) Public Limited Company	8,522,701	1.02
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,399,814	1.01
HSBC Intl. Nominees Ltd. - BP2S London-Aberdeen Asia Smaller Companies Investment Fund	6,944,006	0.83
Sub total	575,203,763	69.01
Other Shareholders	258,318,124	30.99
<b>Total</b>	<b>833,521,887</b>	<b>100.00</b>

Percentage of public holdingas at December 31, 2016 - 99.73%  
Number of shareholders representing public holdingas at December 31, 2016 - 9,578

## Twenty largest non-voting shareholders as at December 31, 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	3,228,072	5.64
CB NY S/A Salient International Dividend Signal Fund	1,802,572	3.15
GF Capital Global Limited	1,591,203	2.78
BNYMSANV Re - 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
Saboar Chatoor (Pvt) Ltd	781,100	1.37
Beta Holdings Limited	765,030	1.34
Mrs. L. V. C. Samarasinha	650,000	1.14
Union Assurance PLC/No - 01 A/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	485,284	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
Mr. T.W.A. Wickramasinghe	436,759	0.76
Alpex Marine (Pvt) Ltd	430,605	0.75
Sub total	24,544,947	42.90
Other Shareholders	32,667,706	57.10
<b>Total</b>	<b>57,212,653</b>	<b>100.00</b>

Percentage of public holdingas at December 31, 2016 - 99.79%  
Number of shareholders representing public holdingas at December 31, 2016 - 4,182

## Directors' holding in shares as at December 31, 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	470,770	-
Mr.S. Renganathan - Chief Operating Officer	197,647	10,488
Mr.S. Swarnajothi	-	8,738
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-
Mr. L.D. Niyangoda	-	-
Ms. N.T.M.S. Cooray	-	-
Mr. G.S. Jadeja	-	-

	2016 Rs.	2015 Rs.
<b>Market price of an ordinary share of the Bank as at December 31,</b>		
Voting	145.00	140.20
Non-Voting	115.00	123.00
<b>Highest price during the quarter ended December 31,</b>		
Voting	151.90	162.50
Non-Voting	120.00	135.00
<b>Lowest price during the quarter ended December 31,</b>		
Voting	138.50	139.90
Non-Voting	113.50	122.10

  

	2016	2015
<b>Number of ordinary shares issued ended December 31,</b>		
Voting	833,521,887	820,567,115
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 except for the receipt of Rs. 7 Bn. raised through Debentures in October 2016. The details of debentures issued by the Bank are given in the note on "Information on Debentures - Bank".
- 3 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 4 The Bank declared and paid a second interim dividend of Rs. 3.00 per share for both voting & non-voting shareholders for the year ended December 31, 2016 on February 17, 2017.  
In accordance with the Sri Lanka Accounting Standard - LKAS 10 on 'Events After the Reporting Period', this proposed final dividend has not been recognised as a liability as at December 31, 2016. Under the Inland Revenue Act No 10 of 2006, a withholding tax of 10% has been imposed on dividends declared.
- 5 There were no material events that took place since December 31, 2016, that require disclosure in these Interim Financial Statements other than those disclosed above.

**INFORMATION ON DEBENTURES - BANK**
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Debenture categories	CSE Listing	Interest payable frequency	Balance as at December 31, 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>											
March 2016/March 2021 10.75% p.a.	Listed	Semi Annually	4,430,340	Not traded during the current period			10.75	11.04	12.05	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	12.45	Not traded during the current period	
October 2016/October 2021 12.00% p.a.	Listed	Semi Annually	5,071,800	Not traded during the current period			12.00	12.36	12.15	Not traded during the current period	
October 2016/October 2026 12.25% p.a.	Listed	Semi Annually	1,928,200	Not traded during the current period			12.25	12.63	12.50	Not traded during the current period	
<b>Total Debentures</b>			<b>13,179,430</b>								

(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 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000
Gross loans and receivables	637,982,536	528,382,921	633,390,907	526,166,681
Less: Allowance for Individual impairment	8,453,457	5,369,960	8,453,457	5,369,960
Allowance for Collective impairment	9,399,591	13,089,833	8,919,222	12,681,594
<b>Net loans and receivables</b>	<b>620,129,488</b>	<b>509,923,128</b>	<b>616,018,228</b>	<b>508,115,127</b>

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	92,303,270	72,893,176	92,302,859	73,366,133
Trade finance	30,586,333	33,765,914	30,586,333	33,765,914
Lease rental receivable	38,716,234	36,972,019	35,669,232	34,152,036
Credit cards	6,609,683	4,772,821	6,609,683	4,772,821
Pawning	1,239,785	1,870,881	1,239,785	1,870,881
Staff loans	7,168,444	6,017,275	7,166,313	6,015,236
Housing loans	45,305,127	38,911,297	45,305,127	38,911,297
Personal loans	25,715,061	26,011,339	25,624,920	25,991,701
Term loans				
Short-term	39,233,352	20,741,978	37,862,568	20,741,978
Long-term	219,025,740	183,261,262	219,026,377	183,413,725
Bills of Exchange	215,932	2,440,538	215,932	2,440,538
<b>Gross loans and receivables</b>	<b>506,118,961</b>	<b>427,658,500</b>	<b>501,609,129</b>	<b>425,442,260</b>

	Group		Bank	
	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	8,681,962	8,599,895	8,600,165	8,599,895
Trade finance	12,501,764	12,040,069	12,501,764	12,040,069
Lease rental receivable	324,732	320,617	324,732	320,617
Credit cards	69,376	57,608	69,376	57,608
Pawning	-	-	-	-
Staff loans	107,841	100,426	107,841	100,426
Housing loans	1,970,335	1,416,590	1,970,335	1,416,590
Personal loans	281,135	279,043	281,135	279,043
Term loans				
Short-term	33,356,732	23,302,277	33,356,732	23,302,277
Long-term	62,302,664	45,694,151	62,302,664	45,694,151
Bills of Exchange	12,267,034	8,913,745	12,267,034	8,913,745
<b>Gross loans and receivables</b>	<b>131,863,575</b>	<b>100,724,421</b>	<b>131,781,778</b>	<b>100,724,421</b>
<b>Total of gross loans and receivables</b>	<b>637,982,536</b>	<b>528,382,921</b>	<b>633,390,907</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	3,439,879	1,386,477	3,439,879	1,386,477
Net write-off/(recoveries) during the year	(287,226)	(490,046)	(287,226)	(490,046)
Exchange rate variance on foreign currency provisions	51,080	90,680	51,080	90,680
Interest accrued / (reversals) on impaired loans & advances	(533,528)	(265,344)	(533,528)	(265,344)
Other movements	413,292	313,606	413,292	313,606
<b>Balance as at December 31,</b>	<b>8,453,457</b>	<b>5,369,960</b>	<b>8,453,457</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
Charge/(write back) to the Income statement	(1,859,806)	2,710,834	(1,931,932)	2,516,044
Net write-off/(recoveries) during the year	(1,835,798)	(2,465,797)	(1,835,798)	(2,465,797)
Exchange rate variance on foreign currency provisions	5,362	9,360	5,358	9,360
Other movements	-	-	-	-
<b>Balance as at December 31,</b>	<b>9,399,591</b>	<b>13,089,833</b>	<b>8,919,222</b>	<b>12,681,594</b>
<b>Total of Individual and Collective Impairment December 31,</b>	<b>17,853,048</b>	<b>18,459,793</b>	<b>17,372,679</b>	<b>18,051,554</b>

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 31.12.2016 Rs.'000	As at 31.12.2015 Rs.'000
<b>By product - Domestic Currency</b>				
Current account deposits	38,151,058	38,689,812	38,152,646	38,692,706
Savings deposits	197,136,502	196,605,341	197,244,642	196,631,547
Time deposits	328,382,343	219,882,652	328,430,210	219,934,145
Certificate of deposits	366,945	552,171	366,945	552,171
<b>Sub Total</b>	<b>564,036,848</b>	<b>455,729,976</b>	<b>564,194,443</b>	<b>455,810,569</b>
<b>By product - Foreign Currency</b>				
Current account deposits	19,516,806	14,699,065	17,908,311	14,699,065
Savings deposits	56,388,046	60,128,349	54,845,666	60,128,349
Time deposits	103,368,913	93,463,827	102,615,074	93,463,827
Certificate of deposits	-	-	-	-
<b>Sub Total</b>	<b>179,273,765</b>	<b>168,291,241</b>	<b>175,369,051</b>	<b>168,291,241</b>
<b>Total</b>	<b>743,310,613</b>	<b>624,021,217</b>	<b>739,563,494</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 January 2017.

**Bangladesh Operation**

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

**COMPANY REGISTRATION NUMBER**

PQ116

**COMPLIANCE OFFICER**

Mr. C.J.Wijetillake

Assistant General Manager - Compliance

**STOCK EXCHANGE LISTING****Shares**

833,521,887 Ordinary voting shares and  
57,212,653 Ordinary non-voting shares

**Debentures**

50,718,000 Listed Unsecured Subordinated Redeemable Fixed Rate  
Debentures of Rs. 100/- each - 2016 Oct / 2021 Oct

19,282,000 Listed Unsecured Subordinated Redeemable Fixed Rate  
Debentures of Rs. 100/- each - 2016 Oct / 2026 Oct

44,303,400 Listed Unsecured Subordinated Redeemable Fixed Rate  
Debentures of Rs. 100/- each - 2016 Mar / 2021 Mar

17,490,900 Listed Unsecured Subordinated Redeemable Fixed Rate  
Debentures of Rs. 100/- each - 2016 Mar / 2026 Mar

**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. 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

**ACCOUNTING YEAR**

December 31