

INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2018

INCOME STATEMENT

2

For the three months ended March 31,	GROUP			BANK		
	2018	2017	Change	2018	2017	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	32,451,718	27,243,099	19.12	32,096,302	26,965,152	19.03
Interest income	28,836,267	23,931,177	20.50	28,567,496	23,690,289	20.59
Less : Interest expense	17,107,823	15,144,424	12.96	16,999,993	15,028,901	13.12
Net interest income	11,728,444	8,786,753	33.48	11,567,503	8,661,388	33.55
Fee and commission income	2,900,411	2,466,103	17.61	2,796,444	2,426,408	15.25
Less: Fee and commission expense	454,024	405,232	12.04	454,024	405,232	12.04
Net fee and commission income	2,446,387	2,060,871	18.71	2,342,420	2,021,176	15.89
Net gains/(losses) from trading	221,498	789,108	(71.93)	221,498	789,108	(71.93)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	33,665	(28,144)	219.62	33,665	(28,144)	219.62
Other income (net)	459,877	84,855	441.96	477,199	87,491	445.43
Total operating income	14,889,871	11,693,443	27.34	14,642,285	11,531,019	26.98
Less :Impairment charges for loans and other losses	1,622,165	251,879	544.03	1,463,635	241,678	505.61
Individual impairment	427,648	99,708	328.90	427,648	99,708	328.90
Collective impairment	1,194,367	203,646	486.49	1,035,837	184,236	462.23
Others	150	(51,475)	100.29	150	(42,266)	100.35
Net operating income	13,267,706	11,441,564	15.96	13,178,650	11,289,341	16.74
Less: Expenses	5,598,241	5,009,500	11.75	5,502,004	4,948,742	11.18
Personnel expenses	3,175,708	2,727,154	16.45	3,138,521	2,692,392	16.57
Depreciation and amortisation	374,469	329,807	13.54	344,901	303,495	13.64
Other expenses	2,048,064	1,952,539	4.89	2,018,582	1,952,855	3.37
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	7,669,465	6,432,064	19.24	7,676,646	6,340,599	21.07
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,339,563	1,127,508	18.81	1,339,563	1,118,822	19.73
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	6,329,902	5,304,556	19.33	6,337,083	5,221,777	21.36
Add: Share of profits/(losses) of associates, net of tax	1,616	2,237	(27.76)	-	-	-
Profit before income tax	6,331,518	5,306,793	19.31	6,337,083	5,221,777	21.36
Less : Income tax expense	1,965,792	1,493,057	31.66	1,955,996	1,446,385	35.23
Profit for the period	4,365,726	3,813,736	14.47	4,381,087	3,775,392	16.04
Profit attributable to:						
Equity holders of the Bank	4,340,927	3,819,907	13.64	4,381,087	3,775,392	16.04
Non-controlling interest	24,799	(6,171)	501.86	-	-	-
Profit for the period	4,365,726	3,813,736	14.47	4,381,087	3,775,392	16.04
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	4.32	4.15	4.10	4.34	4.10	5.85
Diluted earnings per ordinary share (Rs.)	4.32	4.14	4.35	4.34	4.10	5.85

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3

For the three months ended March 31,	GROUP			BANK		
	2018	2017	Change	2018	2017	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Profit for the Period	4,365,726	3,813,736	14.47	4,381,087	3,775,392	16.04
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	155,679	(98,571)	257.94	141,132	(107,076)	231.81
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	(131,984)	332,645	(139.68)	(131,984)	332,645	(139.68)
Government Securities	(154,829)	300,802	(151.47)	(154,829)	300,802	(151.47)
Fair value gains/(losses) arose during the period, net of tax	(191,866)	280,268	(168.46)	(191,866)	280,268	(168.46)
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(23,574)	25,955	(190.83)	(23,574)	25,955	(190.83)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	60,611	(5,421)	1,218.08	60,611	(5,421)	1,218.08
Equity Securities	22,845	31,843	(28.26)	22,845	31,843	(28.26)
Fair value gains/(losses) arose during the period	22,845	31,843	(28.26)	22,845	31,843	(28.26)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Cash flow hedges - effective portion of changes in fair value, net of tax	33,409	(7,352)	554.42	33,409	(7,352)	554.42
Share of other comprehensive income/(expense) of associates, net of tax	(1,511)	(413)	(265.86)	-	-	-
Other comprehensive income/(expense) for the period, net of taxes	55,593	226,309	(75.43)	42,557	218,217	(80.50)
Total comprehensive income for the period	4,421,319	4,040,045	9.44	4,423,644	3,993,609	10.77
Attributable to:						
Equity holders of the Bank	4,391,067	4,041,380	8.65	4,423,644	3,993,609	10.77
Non-controlling interest	30,252	(1,335)	2,366.07	-	-	-
Total comprehensive income for the period	4,421,319	4,040,045	9.44	4,423,644	3,993,609	10.77

STATEMENT OF FINANCIAL POSITION

4

As at	Group			Bank		
	31.03.2018	31.12.2017	Change	31.03.2018	31.12.2017	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
ASSETS						
Cash and cash equivalents	53,879,303	34,673,424	55.39	52,043,922	33,224,619	56.64
Balances with Central Banks	49,971,990	45,546,349	9.72	49,174,180	44,801,446	9.76
Placements with banks	5,831,754	17,633,269	(66.93)	5,831,754	17,633,269	(66.93)
Securities purchased under re-sale agreements	6,042,033	-	-	6,042,033	-	-
Derivative financial assets	2,301,690	2,334,536	(1.41)	2,301,690	2,334,536	(1.41)
Other financial instruments - Held-for-trading	4,653,855	4,410,913	5.51	4,653,855	4,410,913	5.51
Loans and receivables to banks	650,103	640,512	1.50	650,103	640,512	1.50
Loans and receivables to other customers	784,976,048	742,444,130	5.73	779,615,283	737,446,567	5.72
Financial investments - Available-for-sale	140,771,111	154,913,643	(9.13)	140,576,594	154,714,132	(9.14)
Financial investments - Held-to-maturity	73,859,192	69,365,796	6.48	68,658,162	63,562,752	8.02
Financial investments - Loans and receivables	69,474,482	48,712,477	42.62	69,474,482	48,712,477	42.62
Investments in subsidiaries	-	-	-	3,081,857	3,065,935	0.52
Investments in associates	108,089	109,844	(1.60)	44,331	44,331	-
Property, plant & equipment	16,249,842	16,317,044	(0.41)	14,585,348	14,634,710	(0.34)
Intangible assets	1,248,310	1,251,226	(0.23)	766,140	776,810	(1.37)
Leasehold property	104,157	104,516	(0.34)	72,363	72,594	(0.32)
Other assets	20,599,871	17,362,977	18.64	20,503,432	17,298,162	18.53
Total Assets	1,230,721,830	1,155,820,656	6.48	1,218,075,529	1,143,373,765	6.53
LIABILITIES						
Due to banks	49,388,076	60,244,892	(18.02)	46,513,272	57,120,991	(18.57)
Derivative financial liabilities	1,970,672	3,678,494	(46.43)	1,970,672	3,678,494	(46.43)
Securities sold under repurchase agreements	75,886,269	49,532,385	53.21	76,030,848	49,676,767	53.05
Due to other customers/deposits from customers	913,144,030	857,269,981	6.52	905,633,678	850,127,511	6.53
Other borrowings	24,301,153	23,786,094	2.17	24,301,153	23,786,094	2.17
Current tax liabilities	4,722,488	4,202,850	12.36	4,624,854	4,143,911	11.61
Deferred tax liabilities	3,458,398	3,565,215	(3.00)	3,192,493	3,274,826	(2.51)
Other liabilities	21,987,015	19,508,115	12.71	21,687,211	19,225,364	12.81
Due to subsidiaries	-	-	-	20,109	74,523	(73.02)
Subordinated liabilities	25,600,771	25,165,924	1.73	25,600,771	25,165,924	1.73
Total Liabilities	1,120,458,872	1,046,953,950	7.02	1,109,575,061	1,036,274,405	7.07

STATEMENT OF FINANCIAL POSITION

5

As at	Group			Bank		
	31.03.2018	31.12.2017	Change	31.03.2018	31.12.2017	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	39,086,211	37,143,541	5.23	39,086,211	37,143,541	5.23
Statutory reserves	6,492,778	6,492,552	0.00	6,476,952	6,476,952	-
Retained earnings	4,441,436	5,086,609	(12.68)	4,384,170	4,987,446	(12.10)
Other reserves	59,342,906	59,272,098	0.12	58,553,135	58,491,421	0.11
Total equity attributable to equity holders of the Group/Bank	109,363,331	107,994,800	1.27	108,500,468	107,099,360	1.31
Non-controlling Interest	899,627	871,906	3.18	-	-	-
Total Equity	110,262,958	108,866,706	1.28	108,500,468	107,099,360	1.31
Total Liabilities and Equity	1,230,721,830	1,155,820,656	6.48	1,218,075,529	1,143,373,765	6.53
Contingent Liabilities and Commitments	552,478,758	565,277,821	(2.26)	552,215,683	564,794,885	(2.23)
Net Assets Value per Ordinary Share (Rs.)	108.26	108.44	(0.17)	107.40	107.54	(0.13)
Memorandum Information						
Number of Employees				5,021	4,982	
Number of Customer Service Centers				280	280	

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

May 14, 2018

Colombo

(Sgd.) J. Durairatnam

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

6

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2017 - Audited	24,978,003	5,647,993	4,553,778	6,250,554	(7,208,805)	860,502	-	420,282	43,490,003	78,992,310	823,113	79,815,423
Total comprehensive income for the three months ended 31.03.2017												
Profit for the three months ended 31.03.2017	-	-	3,819,907	-	-	-	-	-	-	3,819,907	(6,171)	3,813,736
Other comprehensive income for the three months ended 31.03.2017	-	-	(413)	-	332,645	(103,407)	(7,352)	-	-	221,473	4,836	226,309
Total comprehensive income for the three months ended 31.03.2017	-	-	3,819,494	-	332,645	(103,407)	(7,352)	-	-	4,041,380	(1,335)	4,040,045
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	221,491	-	-	-	-	-	-	-	-	221,491	-	221,491
Dividends to equity holders												
Second Interim dividend for 2016	-	-	(2,674,799)	-	-	-	-	-	-	(2,674,799)	(1,845)	(2,676,644)
Final dividend for 2016 satisfied in the form of issue and allotment of new shares	1,606,548	-	(1,785,054)	-	-	-	-	-	-	(178,506)	-	(178,506)
Share-based Payment transactions	-	-	-	-	-	-	-	27,492	-	27,492	-	27,492
Total transactions with equity holders	1,828,039	-	(4,459,853)	-	-	-	-	27,492	-	(2,604,322)	(1,845)	(2,606,167)
Balance as at 31.03.2017	26,806,042	5,647,993	3,913,419	6,250,554	(6,876,160)	757,095	(7,352)	447,774	43,490,003	80,429,368	819,933	81,249,301
Total comprehensive income for the nine months ended 31.12.2017												
Profit for the nine months ended 31.12.2017	-	-	12,786,056	-	-	-	-	-	-	12,786,056	26,715	12,812,771
Other comprehensive income for the nine months ended 31.12.2017	-	-	(532,177)	1,622,567	5,168,674	(408,122)	4,140	-	-	5,855,082	17,119	5,872,201
Total comprehensive income for the nine months ended 31.12.2017	-	-	12,253,879	1,622,567	5,168,674	(408,122)	4,140	-	-	18,641,138	43,834	18,684,972
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Proceeds from Rights Issue of Ordinary shares	10,143,873	-	-	-	-	-	-	-	-	10,143,873	-	10,143,873
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	193,626	-	-	-	-	-	-	-	-	193,626	-	193,626
Dividends to equity holders												
Final cash dividend for 2016	-	-	-	-	-	-	-	-	-	-	(369)	(369)
First interim dividend for 2017	-	-	(1,493,719)	-	-	-	-	-	-	(1,493,719)	(1,476)	(1,495,195)
Dividend paid in respect of previous years	-	-	(2,279)	-	-	-	-	-	-	(2,279)	-	(2,279)
Share-based Payment transactions	-	-	-	-	-	-	-	82,043	-	82,043	-	82,043
Profit due to change in ownership	-	-	5,262	-	-	-	-	-	-	5,262	-	5,262
Movement due to change in ownership	-	-	(2,334)	(7,650)	-	-	-	-	-	(9,984)	9,984	-
Revaluation gain on disposal of Freehold Land & Building	-	-	36,940	(31,468)	-	-	-	-	-	5,472	-	5,472
Transfers during the period	-	844,559	(9,624,559)	-	-	-	-	-	8,780,000	-	-	-
Total transactions with equity holders	10,337,499	844,559	(11,080,689)	(39,118)	-	-	-	82,043	8,780,000	8,924,294	8,139	8,932,433
Balance as at 31.12.2017 - Audited	37,143,541	6,492,552	5,086,609	7,834,003	(1,707,486)	348,973	(3,212)	529,817	52,270,003	107,994,800	871,906	108,866,706
Total comprehensive income for the three months ended 31.03.2018												
Profit for the three months ended 31.03.2018	-	-	4,340,927	-	-	-	-	-	-	4,340,927	24,799	4,365,726
Other comprehensive income for the three months ended 31.03.2018	-	-	(1,511)	-	(131,984)	150,226	33,409	-	-	50,140	5,453	55,593
Total comprehensive income for the three months ended 31.03.2018	-	-	4,339,416	-	(131,984)	150,226	33,409	-	-	4,391,067	30,252	4,421,319
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	147,826	-	-	-	-	-	-	-	-	147,826	-	147,826
Dividends to equity holders												
Second Interim dividend for 2017	-	-	(2,989,996)	-	-	-	-	-	-	(2,989,996)	(2,531)	(2,992,527)
Final dividend for 2017 satisfied in the form of issue and allotment of new shares	1,794,844	-	(1,994,271)	-	-	-	-	-	-	(199,427)	-	(199,427)
Dividend paid in respect of previous years	-	-	(96)	-	-	-	-	-	-	(96)	-	(96)
Share-based Payment transactions	-	-	-	-	-	-	-	19,157	-	19,157	-	19,157
Transfers during the year	-	226	(226)	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	1,942,670	226	(4,984,589)	-	-	-	-	19,157	-	(3,022,536)	(2,531)	(3,025,067)
Balance as at 31.03.2018	39,086,211	6,492,778	4,441,436	7,834,003	(1,839,470)	499,199	30,197	548,974	52,270,003	109,363,331	899,627	110,262,958

STATEMENT OF CHANGES IN EQUITY - BANK

7

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2017 - Audited	24,978,003	5,647,890	4,464,077	5,722,859	(7,208,796)	839,346	-	420,282	43,490,003	78,353,664
Total comprehensive income for the three months ended 31.03.2017										
Profit for the three months ended 31.03.2017	-	-	3,775,392	-	-	-	-	-	-	3,775,392
Other comprehensive income for the three months ended 31.03.2017	-	-	-	-	332,645	(107,076)	(7,352)	-	-	218,217
Total comprehensive income for the three months ended 31.03.2017	-	-	3,775,392	-	332,645	(107,076)	(7,352)	-	-	3,993,609
Transactions with owners recognized directly in equity, contributions by and distributions to owners										
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	221,491	-	-	-	-	-	-	-	-	221,491
Dividends to equity holders										
Second interim dividend for 2016	-	-	(2,674,799)	-	-	-	-	-	-	(2,674,799)
Final dividend for 2016 satisfied in the form of issue and allotment of new shares	1,606,548	-	(1,785,054)	-	-	-	-	-	-	(178,506)
Share-based Payment transactions	-	-	-	-	-	-	-	27,492	-	27,492
Total transactions with equity holders	1,828,039	-	(4,459,853)	-	-	-	-	27,492	-	(2,604,322)
Balance as at 31.03.2017	26,806,042	5,647,890	3,779,616	5,722,859	(6,876,151)	732,270	(7,352)	447,774	43,490,003	79,742,951
Total comprehensive income for the nine months ended 31.12.2017										
Profit for the nine months ended 31.12.2017	-	-	12,805,852	-	-	-	-	-	-	12,805,852
Other comprehensive income for the nine months ended 31.12.2017	-	-	(529,902)	1,396,663	5,168,657	(418,017)	4,140	-	-	5,621,541
Total comprehensive income for the nine months ended 31.12.2017	-	-	12,275,950	1,396,663	5,168,657	(418,017)	4,140	-	-	18,427,393
Transactions with owners recognized directly in equity, contributions by and distributions to owners										
Proceeds from Rights Issue of Ordinary shares	10,143,873	-	-	-	-	-	-	-	-	10,143,873
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	193,626	-	-	-	-	-	-	-	-	193,626
Dividends to equity holders										
First interim dividend for 2017	-	-	(1,493,719)	-	-	-	-	-	-	(1,493,719)
Dividend paid in respect of previous years	-	-	(2,279)	-	-	-	-	-	-	(2,279)
Share-based Payment transactions	-	-	-	-	-	-	-	82,043	-	82,043
Revaluation gain on disposal of Freehold Land & Building	-	-	36,940	(31,468)	-	-	-	-	-	5,472
Transfers during the year	-	829,062	(9,609,062)	-	-	-	-	-	8,780,000	-
Total transactions with equity holders	10,337,499	829,062	(11,068,120)	(31,468)	-	-	-	82,043	8,780,000	8,929,016
Balance as at 31.12.2017 - Audited	37,143,541	6,476,952	4,987,446	7,088,054	(1,707,494)	314,253	(3,212)	529,817	52,270,003	107,099,360
Total comprehensive income for the three months ended 31.03.2018										
Profit for the three months ended 31.03.2018	-	-	4,381,087	-	-	-	-	-	-	4,381,087
Other comprehensive income for the three months ended 31.03.2018	-	-	-	-	(131,984)	141,132	33,409	-	-	42,557
Total comprehensive income for the three months ended 31.03.2018	-	-	4,381,087	-	(131,984)	141,132	33,409	-	-	4,423,644
Transactions with owners recognized directly in equity, contributions by and distributions to owners										
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	147,826	-	-	-	-	-	-	-	-	147,826
Dividends to equity holders										
Second interim dividend for 2017	-	-	(2,989,996)	-	-	-	-	-	-	(2,989,996)
Final dividend for 2017 satisfied in the form of issue and allotment of new shares	1,794,844	-	(1,994,271)	-	-	-	-	-	-	(199,427)
Dividend paid in respect of previous years	-	-	(96)	-	-	-	-	-	-	(96)
Share-based Payment transactions	-	-	-	-	-	-	-	19,157	-	19,157
Total transactions with equity holders	1,942,670	-	(4,984,363)	-	-	-	-	19,157	-	(3,022,536)
Balance as at 31.03.2018	39,086,211	6,476,952	4,384,170	7,088,054	(1,839,478)	455,385	30,197	548,974	52,270,003	108,500,468

STATEMENT OF CASH FLOWS

8

For the three months ended March 31,	Group			Bank
	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	6,331,518	5,306,793	6,337,083	5,221,777
Adjustment for:				
Non-cash items included in profits before tax	1,940,998	534,770	1,736,474	483,139
Change in operating assets	(57,559,997)	(39,171,433)	(57,560,742)	(37,894,105)
Change in operating liabilities	72,399,302	34,562,961	72,196,379	34,251,321
Net (gains)/losses from disposal of assets	237	(2,360)	-	(110)
Share of profits from associates, net of tax	(1,616)	(2,237)	-	-
Dividend income from subsidiaries and associates	-	-	(33,391)	(32,183)
Interest expense on subordinated liabilities	597,091	579,293	597,091	579,293
Net (gains)/losses from disposal of financial investments	(4,215)	-	(4,215)	-
Benefits paid on defined benefit plans	(16,937)	(18,274)	(16,937)	(18,274)
Net unrealized gain from translation of Financial Statements of foreign operations	155,679	(98,571)	141,132	(107,076)
Income taxes paid	(1,175,773)	(927,357)	(1,168,549)	(926,328)
				-
Net cash from/(used in) operating activities	22,666,287	763,585	22,224,325	1,557,454
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(254,153)	(309,697)	(247,595)	(296,661)
Proceeds from the sale of property, plant and equipment	-	3,330	-	285
Purchase of financial investments	(22,350)	(52,648)	(22,350)	(52,648)
Proceeds from the sale and matured financial investments	49,037	710,272	49,037	710,272
Net purchase of intangible assets	(49,949)	(54,910)	(37,043)	(43,890)
Dividends received from investments in subsidiaries and associates	-	-	33,391	32,183
Net cash from/(used in) investing activities	(277,415)	296,347	(224,560)	349,541
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	144,374	210,885	144,374	210,885
Interest paid on subordinated liabilities	(334,744)	(324,199)	(334,744)	(324,199)
Dividend paid to shareholders of the Bank	(2,990,092)	(2,674,799)	(2,990,092)	(2,674,799)
Dividend paid to non-controlling interest	(2,531)	(1,845)	-	-
Net cash from /(used in) financing activities	(3,182,993)	(2,789,958)	(3,180,462)	(2,788,113)
Net increase/(decrease) in cash & cash equivalents	19,205,879	(1,730,026)	18,819,303	(881,118)
Cash and cash equivalents at beginning of the period	34,673,424	32,924,227	33,224,619	30,193,589
Cash and cash equivalents at end of the period	53,879,303	31,194,201	52,043,922	29,312,471

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			53,879,303			53,879,303
Balances with Central Banks			49,971,990			49,971,990
Placements with banks			5,831,754			5,831,754
Securities purchased under re-sale agreements			6,042,033			6,042,033
Derivative financial assets	2,301,690					2,301,690
Other financial instruments - Held-for-trading	4,653,855					4,653,855
Loans and receivables to banks			650,103			650,103
Loans and receivables to other customers			784,976,048			784,976,048
Financial investments - Available-for-sale				140,771,111		140,771,111
Financial investments - Held-to-maturity		73,859,192				73,859,192
Financial investments - Loans and receivables			69,474,482			69,474,482
Total financial assets	6,955,545	73,859,192	970,825,713	140,771,111	-	1,192,411,561
FINANCIAL LIABILITIES						
Due to banks					49,388,076	49,388,076
Derivative financial liabilities				1,970,672		1,970,672
Securities sold under repurchase agreements					75,886,269	75,886,269
Due to other customers/deposits from customers					913,144,030	913,144,030
Other borrowings					24,301,153	24,301,153
Subordinated liabilities					25,600,771	25,600,771
Total financial liabilities				1,970,672	1,088,320,299	1,090,290,971

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			34,673,424			34,673,424
Balances with Central Banks			45,546,349			45,546,349
Placements with banks			17,633,269			17,633,269
Securities purchased under re-sale agreements			-			-
Derivative financial assets	2,334,536					2,334,536
Other financial instruments - Held-for-trading	4,410,913					4,410,913
Loans and receivables to banks			640,512			640,512
Loans and receivables to other customers			742,444,130			742,444,130
Financial investments - Available-for-sale				154,913,643		154,913,643
Financial investments - Held-to-maturity		69,365,796				69,365,796
Financial investments - Loans and receivables			48,712,477			48,712,477
Total financial assets	6,745,449	69,365,796	889,650,161	154,913,643	-	1,120,675,049
FINANCIAL LIABILITIES						
Due to banks					60,244,892	60,244,892
Derivative financial liabilities				3,678,494		3,678,494
Securities sold under repurchase agreements					49,532,385	49,532,385
Due to other customers/deposits from customers					857,269,981	857,269,981
Other borrowings					23,786,094	23,786,094
Subordinated liabilities					25,165,924	25,165,924
Total financial liabilities				3,678,494	1,015,999,276	1,019,677,770

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			52,043,922			52,043,922
Balances with Central Banks			49,174,180			49,174,180
Placements with banks			5,831,754			5,831,754
Securities purchased under re-sale agreements			6,042,033			6,042,033
Derivative financial assets	2,301,690					2,301,690
Other financial instruments - Held-for-trading	4,653,855					4,653,855
Loans and receivables to banks			650,103			650,103
Loans and receivables to other customers			779,615,283			779,615,283
Financial investments - Available-for-sale				140,576,594		140,576,594
Financial investments - Held-to-maturity		68,658,162				68,658,162
Financial investments - Loans and receivables			69,474,482			69,474,482
Total financial assets	6,955,545	68,658,162	962,831,757	140,576,594	-	1,179,022,058
FINANCIAL LIABILITIES						
Due to banks					46,513,272	46,513,272
Derivative financial liabilities				1,970,672		1,970,672
Securities sold under repurchase agreements					76,030,848	76,030,848
Due to other customers/deposits from customers					905,633,678	905,633,678
Other borrowings					24,301,153	24,301,153
Subordinated liabilities					25,600,771	25,600,771
Total financial liabilities				1,970,672	1,078,079,722	1,080,050,394

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS						
Cash and cash equivalents			33,224,619			33,224,619
Balances with Central Banks			44,801,446			44,801,446
Placements with banks			17,633,269			17,633,269
Securities purchased under re-sale agreements			-			-
Derivative financial assets	2,334,536					2,334,536
Other financial instruments - Held-for-trading	4,410,913					4,410,913
Loans and receivables to banks			640,512			640,512
Loans and receivables to other customers			737,446,567			737,446,567
Financial investments - Available-for-sale				154,714,132		154,714,132
Financial investments - Held-to-maturity		63,562,752				63,562,752
Financial investments - Loans and receivables			48,712,477			48,712,477
Total financial assets	6,745,449	63,562,752	882,458,890	154,714,132	-	1,107,481,223
FINANCIAL LIABILITIES						
Due to banks					57,120,991	57,120,991
Derivative financial liabilities				3,678,494		3,678,494
Securities sold under repurchase agreements					49,676,767	49,676,767
Due to other customers/deposits from customers					850,127,511	850,127,511
Other borrowings					23,786,094	23,786,094
Subordinated liabilities					25,165,924	25,165,924
Total financial liabilities				3,678,494	1,005,877,287	1,009,555,781

	Bank		Group	
	As at 31.03.2018	As at 31.12.2017 (Audited)	As at 31.03.2018	As at 31.12.2017 (Audited)
Regulatory Capital - Rs. '000				
Common Equity Tier I	94,162,800	94,151,253	95,728,584	95,725,306
Tier I Capital	94,162,800	94,151,253	95,728,584	95,725,306
Total Capital	122,985,243	122,415,882	124,551,027	123,989,935
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 2018 - 7.375%, 2017 - 6.250%)	11.31%	12.11%	11.32%	12.12%
Tier I Capital Ratio (Minimum Requirement - 2018 - 8.875%, 2017 - 7.750%)	11.31%	12.11%	11.32%	12.12%
Total Capital Ratio (Minimum Requirement - 2018 - 12.875%, 2017 - 11.750%)	14.77%	15.75%	14.73%	15.70%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	2.20%	1.88%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	1.24%	0.92%		
Profitability				
Interest Margin	3.97%	3.62%		
Return on Assets (before tax)	2.18%	2.15%		
Return on Equity	16.48%	17.88%		
Debt Security Related Ratios				
Debt Equity Ratio	38.58%	38.61%		
Interest Cover (Times)	11.50	11.56		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	232,910,364	225,430,587		
Off-Shore Banking Unit	20,789,265	18,105,907		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	26.66%	27.28%		
Off-Shore Banking Unit	30.60%	30.95%		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2018 - 90%, 2017 - 80%)	251.72%	272.15%		
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2018- 90%, 2017 - 80%)	178.48%	209.17%		

OPERATING SEGMENTS

14

	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Unallocated/Eliminations		Total/Consolidated	
<i>For the three months ended March 31,</i>	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
External Operating income :														
Net interest income	7,026,318	6,208,061	1,899,463	1,370,151	1,233,087	796,419	101,978	156,218	531,016	(187,931)	936,582	443,835	11,728,444	8,786,753
Foreign exchange profit	85,281	34,769	332,307	293,005	261,201	161,107	-	-	(337,411)	(16,615)	-	-	341,378	472,266
Net fees and commission income	1,601,860	1,369,187	518,425	449,480	316,735	216,285	7,968	22,673	1,399	3,246	-	-	2,446,387	2,060,871
Other income	196,777	262,259	29,664	18,457	8,247	9,676	(739)	(9,162)	32,954	(35,318)	106,759	127,641	373,662	373,553
Total Operating income	8,910,236	7,874,276	2,779,859	2,131,093	1,819,270	1,183,487	109,207	169,729	227,958	(236,618)	1,043,341	571,476	14,889,871	11,693,443
Credit loss expenses	(1,531,069)	(571,959)	(25,783)	194,059	(65,313)	126,021	-	-	-	-	-	-	(1,622,165)	(251,879)
Net Operating income	7,379,167	7,302,317	2,754,076	2,325,152	1,753,957	1,309,508	109,207	169,729	227,958	(236,618)	1,043,341	571,476	13,267,706	11,441,564
Segment result	3,046,766	4,214,388	2,025,285	833,942	1,248,339	837,572	250,234	91,111	133,618	(181,278)	(374,340)	(491,179)	6,329,902	5,304,556
Profit from operations													6,329,902	5,304,556
Share of profit of Associates, net of tax													1,616	2,237
Income tax expense													(1,965,792)	(1,493,057)
Non Controlling Interest													(24,799)	6,171
Net profit for the period, attributable to Equity holders of the Bank													4,340,927	3,819,907
<i>As at March 31,</i>	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other information														
Segment assets	468,754,765	359,504,749	261,614,946	249,109,964	136,262,542	114,355,298	8,674,431	11,162,550	284,735,196	263,867,912	70,571,861	59,872,584	1,230,613,741	1,057,873,057
Investment in associates	-	-	-	-	-	-	-	-	-	-	108,089	104,983	108,089	104,983
Total assets	468,754,765	359,504,749	261,614,946	249,109,964	136,262,542	114,355,298	8,674,431	11,162,550	284,735,196	263,867,912	70,679,950	59,977,567	1,230,721,830	1,057,978,040
Segment liabilities	757,795,647	630,793,286	158,096,339	157,009,094	102,561,255	88,174,031	8,782,520	11,267,533	85,042,225	85,679,698	8,180,886	3,805,097	1,120,458,872	976,728,739
Total liabilities	757,795,647	630,793,286	158,096,339	157,009,094	102,561,255	88,174,031	8,782,520	11,267,533	85,042,225	85,679,698	8,180,886	3,805,097	1,120,458,872	976,728,739
<i>For the three months ended March 31,</i>	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Information on cash flows														
Cash flows from operating activities	31,396,087	21,299,946	(18,136,526)	(10,085,102)	527,067	8,152,559	345,011	655,892	8,534,648	(19,259,710)	-	-	22,666,287	763,585
Cash flows from investing activities	-	-	-	-	-	-	26,687	657,624	-	-	-	-	26,687	657,624
Cash flows from financing activities	-	-	-	-	-	-	-	-	(334,744)	(324,199)	(2,848,249)	(2,465,759)	(3,182,993)	(2,789,958)
Capital expenditure -														
Property, Plant & Equipment													(254,153)	(306,367)
Intangible assets													(49,949)	(54,910)
Net cash flow generated during the period													19,205,879	(1,730,026)

Twenty largest voting shareholders as at March 31, 2018

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	128,325,142	13.58
Employees Provident Fund	91,090,278	9.64
Mr.Y.S. H. I. Silva	76,373,675	8.08
Deutsche Bank AG Singapore - DSS A/C Ntasian Discovery Master Fund	53,948,136	5.71
Sri Lanka Insurance Corporation Ltd. - Life Fund	42,927,124	4.54
Melstacorp PLC	42,050,677	4.45
CB NY S/A International Finance Corporation	41,974,991	4.44
Sri Lanka Insurance Corporation Ltd. - General Fund	36,911,420	3.91
Mrs. L. E. M. Yaseen	17,228,184	1.82
BNYMSANV RE-CF Ruffer Absolute Return Fund	16,625,393	1.76
Employees Trust Fund Board	16,355,397	1.73
HSBC Intl. Nominees Ltd. - JPMCB - T Rowe New Asia Fund	15,183,362	1.61
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	14,897,586	1.58
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	14,364,156	1.52
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	12,853,825	1.36
BNYMSANV RE - First State Investments ICVC - Stewart Investors Indian Subcontinent Fund	11,012,969	1.17
HSBC Intl. Nominees Ltd. - SSBT - BMO Investments II (Ireland) Public Limited Company	9,989,558	1.06
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	9,566,382	1.01
HSBC Intl. Nominees Ltd. - JPMLU-T Rowe Price Funds SICAV	9,103,566	0.96
CITY Bank Newyork S/A Norges Bank Account 02	7,841,749	0.83
Sub total	668,623,570	70.74
Other Shareholders	276,582,857	29.26
Total	945,206,427	100.00

Percentage of public holding as at March 31, 2018 - 99.70%

Number of shareholders representing public holding as at March 31, 2018 - 9,933

Twenty largest non-voting shareholders as at March 31, 2018

Name of the Shareholder	No. of Shares	%
CITY Bank Newyork S/A Norges Bank Account 02	9,990,652	15.37
Employees Trust Fund Board	4,846,985	7.46
Akbar Brothers (Pvt) Ltd. A/C No.01	1,740,783	2.68
GF Capital Global Limited	1,655,603	2.55
BNYMSANV RE-Butterfield Trust (Bermuda) Limited	1,466,494	2.26
CB NY S/A Salient International Dividend Signal Fund	1,345,606	2.07
M.J.F.Exports (Pvt) Ltd	1,112,164	1.71
Northern Trust Company S/A Polar Capital Funds PLC	1,095,618	1.69
Mr. M. F. Hashim	920,197	1.42
Saboor Chatoor (Pvt) Ltd	887,621	1.37
Mrs. L. V. C. Samarasinha	813,584	1.25
Union Assurance PLC/No - 01A/C	661,016	1.02
Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	626,669	0.96
Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	626,668	0.96
Mr. T.W.A. Wickramasinghe	549,169	0.84
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	545,175	0.84
Mr. A.L. Gooneratne	437,717	0.67
Bank of Ceylon A/C Ceybank Century Growth Fund	424,010	0.65
Mr. J. G. de Mel	410,817	0.63
Mr. K.B. de Vos	382,893	0.59
Sub total	30,539,441	46.97
Other Shareholders	34,473,733	53.03
Total	65,013,174	100.00

Percentage of public holding as at March 31, 2018 - 84.34%

Number of shareholders representing public holding as at March 31, 2018 - 4,345

Directors' holding in shares as at March 31, 2018

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	23,870	-
Mr.M.P. Jayawardane - Deputy Chairman	-	-
Mr.J. Durairatnam - Managing Director/Chief Executive Officer	624,730	-
Mr.S. Renganathan - Chief Operating Officer	323,903	11,916
Mr.S. Swarnajothi	-	10,944
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-
Mr. L.D. Niyangoda	-	-
Ms. N.T.M.S. Cooray	-	50,575
Mr. G.S. Jadeja	-	-
Mr. T.L.B. Hurulle	-	-
Justice K. Sripavan	-	-

	2018 Rs.	2017 Rs.
Market price of an ordinary share of the Bank as at March 31,		
Voting	135.80	130.40
Non-Voting	104.00	103.10
Highest price during the quarter ended March 31,		
Voting	142.50	148.50
Non-Voting	110.00	117.50
Lowest price during the quarter ended March 31,		
Voting	133.00	128.50
Non-Voting	102.00	102.30

	2018	2017
Number of ordinary shares as at March 31,		
Voting	945,206,427	845,836,038
Non-Voting	65,013,174	58,116,010

EXPLANATORY NOTES

- There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2017. These Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- The Bank has announced a debenture issue in January 2018 to issue 50,000,000 listed unsecured rated redeemable subordinated Basel III compliant debentures of Rs. 100/- each with a non-viability conversion feature amounting to Rs 5 Bn. with an option to issue up to a further 50,000,000 debentures amounting to Rs. 5 Bn. in the event of oversubscription, subject to obtaining all necessary approvals and other conditions acceptable to the Bank.
- Sri Lanka Accounting Standard - SLFRS 9 on "Financial Instruments"**

The Sri Lanka Accounting Standard - SLFRS 9 on "Financial Instruments", which replaces the existing guidance on LKAS 39 on "Financial Instruments: Recognition and Measurement" has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the "Incurred Loss Model" in LKAS 39 with forward looking "Expected Loss Model ("ECL") which requires considerable judgement over how changes in economic factors affect ECL, which in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the Bank has prepared the Interim Financial Statements for the quarter ended March 31, 2018 based on LKAS 39.

Impact on Statement of Comprehensive Income and Net Assets

Based on the assessments undertaken to date which is yet to be audited, the total estimated additional loan loss provision as at December 31, 2017 on adoption of SLFRS 9 is expected to be in the range of 25% to 35% compared to the total impairment provision determined as per LKAS 39. The impact of the new classification and measurement approach for financial assets is not expected to be material.

Accordingly, the increase in impairment provision based on ECL model under SLFRS 9, had it been effective as at December 31, 2017, would have reduced the Group's/ Bank's net assets by approximately 4% to 5% and the Total Capital Adequacy ratio by 50 to 70 basis points. The Bank is in the process of validating the impact of migration to SLFRS 9 as at March 31, 2018.

- During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities.
- All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since March 31, 2018, that require disclosure in these Interim Financial Statements other than those disclosed above.

INFORMATION ON DEBENTURES - BANK

17

Debenture categories	CSE Listing	Interest payable frequency	Balance as at March 31, 2018 Rs.'000	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Period End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
March 2016/March 2021 10.75% p.a.	Listed	Semi Annually	4,430,340	Not traded during the current period			10.75	11.04	10.00	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	10.20	Not traded during the current period	
October 2016/October 2021 12.00% p.a.*	Listed	Semi Annually	5,071,800	99.96	99.96	99.96	12.00	12.36	10.00	12.00	12.01
October 2016/October 2026 12.25% p.a.	Listed	Semi Annually	1,928,200	Not traded during the current period			12.25	12.63	10.50	Not traded during the current period	
Total Debentures			13,179,430								

* Last traded date was February 26, 2018.

(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 31.03.2018	As at 31.12.2017	As at 31.03.2018	As at 31.12.2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and receivables	804,351,065	760,453,937	798,083,254	754,707,977
Less: Allowance for Individual impairment	8,213,247	7,853,654	8,213,247	7,853,654
Allowance for Collective impairment	11,161,770	10,156,153	10,254,724	9,407,756
Net loans and receivables	784,976,048	742,444,130	779,615,283	737,446,567

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.03.2018	As at 31.12.2017	As at 31.03.2018	As at 31.12.2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	112,277,504	107,668,330	112,294,840	107,668,330
Trade finance	45,227,186	42,087,800	45,227,186	42,087,800
Lease rental receivable	42,796,609	40,205,415	37,760,225	37,304,183
Credit cards	10,023,792	9,579,986	10,023,792	9,579,986
Pawning	1,425,088	1,339,259	1,425,088	1,339,259
Staff loans	8,134,844	7,859,934	8,128,794	7,853,190
Housing loans	51,932,321	50,347,880	51,932,321	50,347,880
Personal loans	29,145,994	27,957,462	29,145,994	27,880,374
Term loans				
Short-term	59,879,724	51,711,809	59,869,390	50,665,521
Long-term	272,050,519	260,928,084	272,804,735	260,646,705
Bills of Exchange	490,902	372,090	490,902	372,090
Gross loans and receivables	633,384,483	600,058,049	629,103,267	595,745,318

	Group		Bank	
	As at 31.03.2018	As at 31.12.2017	As at 31.03.2018	As at 31.12.2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	10,354,142	10,403,986	9,683,120	9,693,700
Trade finance	20,284,002	16,203,388	20,149,611	16,188,165
Lease rental receivable	606,828	561,000	606,828	561,000
Credit cards	98,727	59,060	98,727	59,060
Pawning	-	-	-	-
Staff loans	116,037	120,495	116,037	120,495
Housing loans	3,738,164	3,280,765	3,738,164	3,280,765
Personal loans	490,922	444,367	428,140	392,295
Term loans				
Short-term	37,478,887	36,956,807	37,478,887	36,935,287
Long-term	80,019,198	75,631,013	78,940,535	74,996,885
Bills of Exchange	17,779,675	16,735,007	17,739,938	16,735,007
Gross loans and receivables	170,966,582	160,395,888	168,979,987	158,962,659
Total of gross loans and receivables	804,351,065	760,453,937	798,083,254	754,707,977

(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	
	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Movement in Allowance for Individual Impairment				
Balance as at January 01,	7,853,654	8,453,457	7,853,654	8,453,457
Charge/(write back) to the Income statement	427,648	401,716	427,648	401,716
Net write-off/(recoveries) during the year	37,707	(695,023)	37,707	(695,023)
Exchange rate variance on foreign currency provisions	26,907	30,057	26,907	30,057
Interest accrued / (reversals) on impaired loans & advances	(335,559)	(861,057)	(335,559)	(861,057)
Other movements	202,890	524,504	202,890	524,504
Balance as at March 31/December 31,	8,213,247	7,853,654	8,213,247	7,853,654
Movement in Allowance for Collective Impairment				
Balance as at January 01,	10,156,153	9,399,591	9,407,756	8,919,222
Charge/(write back) to the Income statement	1,194,367	1,823,522	1,035,837	1,554,333
Net write-off/(recoveries) during the year	(191,435)	(1,060,768)	(191,435)	(1,060,768)
Exchange rate variance on foreign currency provisions	2,685	(6,192)	2,566	(5,031)
Other movements	-	-	-	-
Balance as at March 31/December 31,	11,161,770	10,156,153	10,254,724	9,407,756
Total of Individual and Collective Impairment March 31/December 31,	19,375,017	18,009,807	18,467,971	17,261,410

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.03.2018 Rs.'000	As at 31.12.2017 Rs.'000	As at 31.03.2018 Rs.'000	As at 31.12.2017 Rs.'000
By product - Domestic Currency				
Current account deposits	52,337,782	42,488,222	52,339,699	42,497,439
Savings deposits	228,093,159	212,687,511	228,137,711	213,055,712
Time deposits	420,873,968	394,357,770	420,873,968	394,431,924
Certificate of deposits	160,745	176,355	160,745	176,355
Sub Total	701,465,654	649,709,858	701,512,123	650,161,430
By product - Foreign Currency				
Current account deposits	23,554,733	23,401,770	19,356,013	18,954,618
Savings deposits	61,334,587	60,355,737	60,035,371	59,001,649
Time deposits	126,789,056	123,802,616	124,730,171	122,009,814
Certificate of deposits	-	-	-	-
Sub Total	211,678,376	207,560,123	204,121,555	199,966,081
Total	913,144,030	857,269,981	905,633,678	850,127,511

NAME OF COMPANY

Commercial Bank of Ceylon PLC

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

LEGAL FORM

A public limited liability company incorporated in Sri Lanka on June 25, 1969 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1970. The Company was re-registered under the Companies Act No.7 of 2007. A licensed Commercial Bank under Banking Act No.30 of 1988.

CREDIT RATING**Sri Lanka Operation**

AA (lka) was re-affirmed by Fitch Ratings Lanka Ltd. in August 2017.

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2017.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

Mr. Selva Rajassoriyar
Assistant General Manager - Compliance

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable fixed interest rate Debentures March 2016/March 2021 series, March 2016/March 2026 series, October 2016/October 2021 series and October 2016/october 2026 series of the Company are listed on the Colombo Stock Exchange.

LAWYERS

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

REGISTERED OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mawatha,
P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone : 2430420, 2336700
2445010-15 ,2486000, 4792000
Tele-Banking :2336633-5
Telex :21520 COMEX CE
Facsimile : 2449889
SWIFT Code-Sri Lanka : CCEYLKXL
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

AUDITORS

Ernst & Young
Chartered Accountants,
No. 201, De Saram Place,
Colombo 10, Sri Lanka.

REGISTRARS

S S P Corporate Services (Private) Limited,
No. 101, Inner Flower Road,
Colombo 3, Sri Lanka.
Telephone: 2573894, 2576871
Facsimile: 2573609
E-mail: sspsec@sltnet.lk

COMPANY SECRETARY

Mrs. J.R. Gamage

HEAD OFFICE

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

BOARD OF DIRECTORS

Mr. K.G.D.D. Dheerasinghe - Chairman
Mr. M.P. Jayawardane - Deputy Chairman
Mr. J. Durairatnam - Managing Director/Chief Executive Officer
Mr. S. Renganathan - Chief Operating Officer
Mr. S. Swarnajothi
Prof. A.K.W. Jayawardane
Mr. K. Dharmasiri
Mr. L.D. Niyangoda
Ms. N.T.M.S. Cooray
Mr. G.S. Jadeja
Mr. T.L.B. Hurulle
Justice K. Sripavan

ACCOUNTING YEAR

December 31