

INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2019

INCOME STATEMENT - GROUP

2

	For the six months ended			For the quarter ended		
	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change
	Rs.'000	(Restated) Rs.'000	%	Rs.'000	(Restated) Rs.'000	%
Gross income	73,586,944	64,943,544	13.31	38,085,469	33,486,196	13.73
Interest income	64,622,447	57,237,490	12.90	32,645,243	29,155,404	11.97
Less : Interest expense	40,476,911	34,870,543	16.08	20,619,527	17,762,720	16.08
Net interest income	24,145,536	22,366,947	7.95	12,025,716	11,392,684	5.56
Fee and commission income	5,830,930	5,880,613	(0.84)	2,857,199	2,980,202	(4.13)
Less: Fee and commission expense	992,480	888,563	11.69	466,589	434,539	7.38
Net fee and commission income	4,838,450	4,992,050	(3.08)	2,390,610	2,545,663	(6.09)
Net gains/(losses) from trading	1,103,073	(1,155,989)	195.42	362,225	(1,399,539)	125.88
Net gains/(losses) from derecognition of financial assets	355,693	145,064	145.20	247,190	113,916	116.99
Net other operating income	1,674,801	2,836,366	(40.95)	1,973,612	2,636,213	(25.13)
Total operating income	32,117,553	29,184,438	10.05	16,999,353	15,288,937	11.19
Less : Impairment charges and other losses	5,526,814	3,366,526	64.17	3,630,501	2,240,276	62.06
Net operating income	26,590,739	25,817,912	2.99	13,368,852	13,048,661	2.45
Less: Expenses	12,641,883	11,390,931	10.98	6,224,250	5,792,690	7.45
Personnel expenses	7,055,080	6,403,892	10.17	3,444,105	3,228,184	6.69
Depreciation and amortisation	875,995	766,968	14.22	444,836	392,499	13.33
Other expenses	4,710,808	4,220,071	11.63	2,335,309	2,172,007	7.52
Operating profit before taxes on financial services	13,948,856	14,426,981	(3.31)	7,144,602	7,255,971	(1.53)
Less: Taxes on financial services	3,604,296	2,583,357	39.52	1,817,336	1,305,247	39.23
Value Added Tax (VAT)	2,149,328	2,275,974	(5.56)	1,081,231	1,148,230	(5.83)
Nation Building Tax (NBT)	286,577	307,383	(6.77)	144,164	157,017	(8.19)
Debt Repayment Levy (DRL)	1,168,391	-	-	591,941	-	-
Operating profit after taxes on financial services	10,344,560	11,843,624	(12.66)	5,327,266	5,950,724	(10.48)
Add: Share of profits/(losses) of associates, net of tax	5,872	5,180	13.36	4,529	3,564	27.08
Profit before income tax	10,350,432	11,848,804	(12.65)	5,331,795	5,954,288	(10.45)
Less : Income tax expense	3,677,831	3,823,656	(3.81)	1,850,007	2,067,671	(10.53)
Profit for the period	6,672,601	8,025,148	(16.85)	3,481,788	3,886,617	(10.42)
Profit attributable to:						
Equity holders of the Bank	6,580,562	7,978,974	(17.53)	3,450,645	3,865,242	(10.73)
Non-controlling interest	92,039	46,174	99.33	31,143	21,375	45.70
Profit for the period	6,672,601	8,025,148	(16.85)	3,481,788	3,886,617	(10.42)
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	6.40	7.90	(18.99)	3.36	3.83	(12.27)
Diluted earnings per ordinary share (Rs.)	6.40	7.90	(18.99)	3.36	3.83	(12.27)

	For the six months ended			For the quarter ended		
	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change
	Rs.'000	(Restated) Rs.'000	%	Rs.'000	(Restated) Rs.'000	%
Profit for the Period	6,672,601	8,025,148	(16.85)	3,481,788	3,886,617	(10.42)
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net change in revaluation surplus	-	(10,010)	-	-	(10,010)	-
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Less: Deferred tax charge/(reversal) on revaluation surplus	-	(10,010)	-	-	(10,010)	-
Net change in fair value on investments in equity	(28,113)	(10,870)	(158.63)	(11,283)	(11,663)	3.26
Change in fair value on investments in equity at fair value through other comprehensive income	(28,113)	(10,870)	(158.63)	(11,283)	(11,663)	3.26
Less: Deferred tax charge/(reversal) on change in fair value on investments in equity	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(891,557)	348,197	(356.05)	80,445	192,518	(58.21)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	3,478,142	118,341	2,839.08	1,434,293	(330)	434,734.24
Fair value gains/(losses) that arose during the period, net of tax	3,597,731	207,846	1,630.96	1,494,074	165,538	802.56
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(289,292)	(200,376)	(44.37)	(210,178)	(171,803)	(22.34)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	-	-	-	-	-	-
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	169,703	110,871	53.06	150,397	5,935	2,434.07
Cash flow hedges - effective portion of changes in fair value, net of tax	(58,059)	51,166	(213.47)	(36,881)	17,757	(307.70)
Share of other comprehensive income/(expense) of associates, net of tax	(3,032)	(5,496)	44.83	(1,030)	(3,985)	74.15
Other comprehensive income/(expense) for the period, net of taxes	2,497,381	491,328	408.29	1,465,544	184,287	695.25
Total comprehensive income for the period	9,169,982	8,516,476	7.67	4,947,332	4,070,904	21.53
Attributable to:						
Equity holders of the Bank	9,117,095	8,458,563	7.79	4,908,975	4,043,243	21.41
Non-controlling interest	52,887	57,913	(8.68)	38,357	27,661	38.67
Total comprehensive income for the period	9,169,982	8,516,476	7.67	4,947,332	4,070,904	21.53

INCOME STATEMENT - BANK

4

	For the six months ended			For the quarter ended		
	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change
	(Audited)	(Audited)			(Restated)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	72,604,737	64,154,632	13.17	37,656,872	33,052,700	13.93
Interest income	63,908,860	56,703,255	12.71	32,280,313	28,889,940	11.74
Less : Interest expense	40,269,710	34,657,661	16.19	20,522,234	17,657,668	16.22
Net interest income	23,639,150	22,045,594	7.23	11,758,079	11,232,272	4.68
Fee and commission income	5,662,221	5,668,322	(0.11)	2,802,945	2,871,878	(2.40)
Less: Fee and commission expense	988,901	888,563	11.29	464,968	434,539	7.00
Net fee and commission income	4,673,320	4,779,759	(2.23)	2,337,977	2,437,339	(4.08)
Net gains/(losses) from trading	1,103,073	(1,155,989)	195.42	362,225	(1,399,539)	125.88
Net gains/(losses) from derecognition of financial assets	355,693	145,064	145.20	247,190	113,916	116.99
Net other operating income	1,574,890	2,793,980	(43.63)	1,964,199	2,576,505	(23.76)
Total operating income	31,346,126	28,608,408	9.57	16,669,670	14,960,493	11.42
Less :Impairment charges for loans and other losses	5,367,411	2,973,607	80.50	3,515,041	2,005,887	75.24
Net operating income	25,978,715	25,634,801	1.34	13,154,629	12,954,606	1.54
Less: Expenses	12,355,532	11,163,687	10.68	6,072,949	5,661,683	7.26
Personnel expenses	6,928,605	6,310,910	9.79	3,370,615	3,172,389	6.25
Depreciation and amortisation	797,303	705,020	13.09	405,207	360,119	12.52
Other expenses	4,629,624	4,147,757	11.62	2,297,127	2,129,175	7.89
Operating profit before taxes on financial services	13,623,183	14,471,114	(5.86)	7,081,680	7,292,923	(2.90)
Less: Taxes on financial services	3,576,875	2,583,357	38.46	1,809,746	1,305,247	38.65
Value Added Tax (VAT)	2,129,937	2,275,974	(6.42)	1,077,657	1,148,230	(6.15)
Nation Building Tax (NBT)	283,992	307,383	(7.61)	143,688	157,017	(8.49)
Debt Repayment Levy (DRL)	1,162,946	-	-	588,401	-	-
Profit before income tax	10,046,308	11,887,757	(15.49)	5,271,934	5,987,676	(11.95)
Less : Income tax expense	3,579,925	3,821,725	(6.33)	1,828,428	2,075,536	(11.91)
Profit for the period	6,466,383	8,066,032	(19.83)	3,443,506	3,912,140	(11.98)
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	6.29	7.99	(21.28)	3.35	3.87	(13.44)
Diluted earnings per ordinary share (Rs.)	6.29	7.98	(21.18)	3.35	3.87	(13.44)

	For the six months ended			For the quarter ended		
	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change
	(Audited)	(Audited)			(Restated)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	6,466,383	8,066,032	(19.83)	3,443,506	3,912,140	(11.98)
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net change in fair value on investments in equity						
Equity Securities	(28,113)	(10,870)	(158.63)	(11,283)	(11,663)	3.26
Fair value gains/(losses) arose during the period	(28,113)	(10,870)	(158.63)	(11,283)	(11,663)	3.26
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(798,546)	322,884	(347.32)	62,137	181,752	(65.81)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	3,478,142	118,341	2,839.08	1,434,293	(330)	434,734.24
Fair value gains/(losses) that arose during the period, net of tax	3,597,731	207,846	1,630.96	1,494,074	165,538	802.56
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(289,292)	(200,376)	(44.37)	(210,178)	(171,803)	(22.34)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	-	-	-	-	-	-
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	169,703	110,871	53.06	150,397	5,935	2,434.07
Cash flow hedges - effective portion of changes in fair value, net of tax	(58,059)	51,166	(213.47)	(36,881)	17,757	(307.70)
Other comprehensive income/(expense) for the period, net of taxes	2,593,424	481,521	438.59	1,448,266	187,516	672.34
Total comprehensive income for the period	9,059,807	8,547,553	5.99	4,891,772	4,099,656	19.32

STATEMENT OF FINANCIAL POSITION

6

As at	Group			Bank		
	30.06.2019	31.12.2018	Change	30.06.2019	31.12.2018	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
ASSETS						
Cash and cash equivalents	53,188,327	44,355,962	19.91	44,719,754	39,534,476	13.12
Balances with Central Banks	45,126,978	55,406,535	(18.55)	43,450,379	54,384,590	(20.11)
Placements with banks	24,883,478	19,898,515	25.05	24,386,003	19,898,515	22.55
Securities purchased under resale agreements	18,497,618	9,513,512	94.44	18,497,618	9,513,512	94.44
Derivative financial assets	3,253,835	7,909,962	(58.86)	3,253,835	7,909,962	(58.86)
Financial assets recognised through profit or loss - measured at fair value	12,252,492	5,520,167	121.96	12,252,492	5,520,167	121.96
Financial assets at amortised cost - Loans and advances to banks	736,299	763,074	(3.51)	736,299	763,074	(3.51)
Financial assets at amortised cost - Loans and advances to other customers	854,238,500	867,611,976	(1.54)	847,364,012	861,100,315	(1.60)
Financial assets at amortised cost - Debt and other financial instruments	98,761,011	89,274,413	10.63	93,363,847	83,855,436	11.34
Financial assets measured at fair value through other comprehensive income	208,698,513	176,760,611	18.07	208,459,018	176,506,729	18.10
Investments in subsidiaries	-	-	-	4,303,814	4,263,631	0.94
Investments in associates	105,388	105,320	0.06	44,331	44,331	-
Property, plant & equipment	16,882,420	17,015,236	(0.78)	15,185,135	15,301,246	(0.76)
Intangible assets	1,505,196	1,433,931	4.97	999,066	906,112	10.26
Leasehold property	102,343	103,064	(0.70)	71,186	71,652	(0.65)
Deferred tax assets	180,225	188,487	(4.38)	-	-	-
Other assets	27,674,083	24,051,472	15.06	27,545,229	23,911,122	15.20
Total Assets	1,366,086,706	1,319,912,237	3.50	1,344,632,018	1,303,484,870	3.16
LIABILITIES						
Due to banks	62,009,934	52,362,052	18.43	59,867,706	50,101,081	19.49
Derivative financial liabilities	2,411,810	8,021,783	(69.93)	2,411,810	8,021,783	(69.93)
Securities sold under repurchase agreements	40,649,376	48,951,394	(16.96)	40,747,726	49,104,462	(17.02)
Financial liabilities at amortised cost - due to depositors	1,037,150,823	994,370,875	4.30	1,020,918,723	983,037,314	3.85
Financial liabilities at amortised cost - other borrowings	24,188,447	25,361,912	(4.63)	24,188,447	25,361,912	(4.63)
Current tax liabilities	7,480,547	6,735,997	11.05	7,232,866	6,566,358	10.15
Deferred tax liabilities	1,031,229	971,424	6.16	702,188	646,248	8.66
Other liabilities	27,250,407	24,547,513	11.01	26,895,743	24,206,351	11.11
Due to subsidiaries	-	-	-	50,544	40,955	23.41
Subordinated liabilities	37,494,509	37,992,457	(1.31)	37,494,509	37,992,457	(1.31)
Total Liabilities	1,239,667,082	1,199,315,407	3.36	1,220,510,262	1,185,078,921	2.99

STATEMENT OF FINANCIAL POSITION

7

As at	Group			Bank		
	30.06.2019	31.12.2018	Change	30.06.2019	31.12.2018	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
EQUITY						
Stated capital	40,916,957	39,147,882	4.52	40,916,957	39,147,882	4.52
Statutory reserves	7,445,163	7,444,178	0.01	7,354,143	7,354,143	-
Retained earnings	6,416,457	4,949,955	29.63	6,416,384	5,063,076	26.73
Other reserves	70,392,367	67,855,834	3.74	69,434,272	66,840,848	3.88
Total equity attributable to equity holders of the Group/Bank	125,170,944	119,397,849	4.84	124,121,756	118,405,949	4.83
Non-controlling Interest	1,248,680	1,198,981	4.15	-	-	-
Total Equity	126,419,624	120,596,830	4.83	124,121,756	118,405,949	4.83
Total Liabilities and Equity	1,366,086,706	1,319,912,237	3.50	1,344,632,018	1,303,484,870	3.16
Contingent Liabilities and Commitments	585,207,963	658,860,264	(11.18)	584,832,875	658,721,983	(11.22)
Net Assets Value per Ordinary Share (Rs.)	121.82	118.13	3.12	120.80	117.15	3.12
Memorandum Information						
Number of Employees				5,111	5,027	
Number of Customer Service Centers				285	285	

CERTIFICATION :

These Financial Statements have been prepared in compliance with requirements of the Companies Act No. 07 of 2007.

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director/Chief Executive Officer of the Commercial Bank of Ceylon PLC, certify jointly that:

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

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

Chairman

August 13, 2019

Colombo

(Sgd.) S. Renganathan

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

8

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves							Shareholders' Funds	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value 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	Rs.'000
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
Impact of adoption of SLFRS 09													
Recognition of SLFRS 9 ECLs including those measured at FVOCI			(5,749,369)			194,256					(5,555,113)		(5,555,113)
Deferred tax on transitional adjustments			1,855,263			(47,775)					1,807,488		1,807,488
Transfer of AFS reserve build o/a reclassification of AFS portfolio to HTM portfolio, net of tax			(1,587,069)		1,587,069	-					-		-
Impact of reclassifying financial investment from AFS to FVTPL			340,182		(340,182)	-					-		-
Remeasurement impact of reclassifying financial investment from L&R to FVOCI						(11,294)					(11,294)		(11,294)
Transfer of AFS reserve to fair value reserve					460,599	(460,599)					-	-	-
Balance as at 01.01.2018 - Audited	37,143,541	6,492,552	(54,384)	7,834,003	-	(325,412)	348,973	(3,212)	529,817	52,270,003	104,235,881	871,906	105,107,787
Total comprehensive income for the six months ended 30.06.2018													
Profit for the six months ended 30.06.2018	-	-	7,978,974	-	-		-	-	-	-	7,978,974	46,174	8,025,148
Other comprehensive income for the six months ended 30.06.2018	-	-	(5,496)	(10,010)	-	107,471	336,458	51,166	-	-	479,589	11,739	491,328
Total comprehensive income for the six months ended 30.06.2018	-	-	7,973,478	(10,010)	-	107,471	336,458	51,166	-	-	8,458,563	57,913	8,516,476
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	199,874	-	-	-	-		-	-	-	-	199,874	-	199,874
Transfer o/a Share-based Payment transactions	5,875	-	-	-	-		-	-	(5,875)	-	-	-	-
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)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-		1,207								1,207		1,207
Share-based Payment transactions	-		-	-	-		-	-	45,470	-	45,470	-	45,470
Transfers during the period		226	(226)								-	-	-
Total transactions with equity holders	2,000,593	226	(4,983,286)	-	-	-	-	-	39,595	-	(2,942,872)	(2,531)	(2,945,403)
Balance as at 30.06.2018	39,144,134	6,492,778	2,935,808	7,823,993	-	(217,941)	685,431	47,954	569,412	52,270,003	109,751,572	927,288	110,678,860
Total comprehensive income for the six months ended 31.12.2018													
Profit for the six months ended 31.12.2018	-	-	9,755,732	-	-		-	-	-	-	9,755,732	81,951	9,837,683
Other comprehensive income for the six months ended 31.12.2018	-	-	104,742	-	-	(1,168,414)	2,471,621	(23,935)	-	-	1,384,014	183,946	1,567,960
Total comprehensive income for the six months ended 31.12.2018	-	-	9,860,474	-	-	(1,168,414)	2,471,621	(23,935)	-	-	11,139,746	265,897	11,405,643
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	3,209	-	-	-	-		-	-	-	-	3,209	-	3,209
Transfer o/a Share-based Payment transactions	539	-	-	-	-		-	-	(539)	-	-	-	-
Dividends to equity holders													
First interim dividend for 2018	-	-	(1,516,084)	-	-		-	-	-	-	(1,516,084)	(1,687)	(1,517,771)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years			397								397	37	434
Share-based Payment transactions	-	-	-	-	-		-	-	23,111	-	23,111	-	23,111
Profit due to change in ownership	-	-	3,344	-	-		-	-	-	-	3,344	-	3,344
Movement due to change in ownership	-	-	(2,584)	(4,862)	-		-	-	-	-	(7,446)	7,446	-
Transfers during the period		951,400	(6,331,400)							5,380,000	-	-	-
Total transactions with equity holders	3,748	951,400	(7,846,327)	(4,862)	-	-	-	-	22,572	5,380,000	(1,493,469)	5,796	(1,487,673)
Balance as at 31.12.2018 - Audited	39,147,882	7,444,178	4,949,955	7,819,131	-	(1,386,355)	3,157,052	24,019	591,984	57,650,003	119,397,849	1,198,981	120,596,830
Impact of adoption of SLFRS 16													
Reversal of deferred tax asset created on liability o/a straight lining of lease rentals			(57,627)								(57,627)	-	(57,627)
Balance as at 01.01.2019	39,147,882	7,444,178	4,892,328	7,819,131	-	(1,386,355)	3,157,052	24,019	591,984	57,650,003	119,340,222	1,198,981	120,539,203

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	Non-Controlling Interest	Total Equity	
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value 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	
Total comprehensive income for the six months ended 30.06.2019													
Profit for the six months ended 30.06.2019	-	-	6,580,562	-	-		-	-	-	-	6,580,562	92,039	6,672,601
Other comprehensive income for the six months ended 30.06.2019	-	-	-	-	-	3,446,997	(852,405)	(58,059)	-	-	2,536,533	(39,152)	2,497,381
Total comprehensive income for the six months ended 30.06.2019	-	-	6,580,562	-	-	3,446,997	(852,405)	(58,059)	-	-	9,117,095	52,887	9,169,982
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	30,128	-	-	-	-		-	-	-	-	30,128	-	30,128
Dividends to equity holders													
Second interim dividend for 2018	-	-	(3,032,869)	-	-		-	-	-	-	(3,032,869)	-	(3,032,869)
Final dividend for 2018 satisfied in the form of issue and allotment of new shares	1,738,947	-	(2,022,032)	-	-		-	-	-	-	(283,085)	-	(283,085)
Final cash dividend for 2018	-	-	-	-	-		-	-	-	-	-	(3,188)	(3,188)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(547)	-	-		-	-	-	-	(547)	-	(547)
Transfers during the period	-	985	(985)	-	-		-	-	-	-	-	-	-
Total transactions with equity holders	1,769,075	985	(5,056,433)	-	-	-	-	-	-	-	(3,286,373)	(3,188)	(3,289,561)
Balance as at 30.06.2019	40,916,957	7,445,163	6,416,457	7,819,131	-	2,060,642	2,304,647	(34,040)	591,984	57,650,003	125,170,944	1,248,680	126,419,624

STATEMENT OF CHANGES IN EQUITY - BANK

9

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves							Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value 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
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
Impact of adoption of SLFRS 09											-
Recognition of SLFRS 9 ECLs including those measured at FVOCI			(5,305,558)			194,256					(5,111,302)
Deferred tax on transitional adjustments			1,730,356			(47,775)					1,682,581
Transfer of AFS reserve build o/a reclassification of AFS portfolio to HTM portfolio, net of tax			(1,587,069)		1,587,069	-					-
Impact of reclassifying financial investment from AFS to FVTPL			340,182		(340,182)	-					-
Remeasurement impact of reclassifying financial investment from L&R to FVOCI						(11,294)					(11,294)
Transfer of AFS reserve to fair value reserve					460,607	(460,607)					-
Balance as at 01.01.2018 - Audited	37,143,541	6,476,952	165,357	7,088,054	-	(325,420)	314,253	(3,212)	529,817	52,270,003	103,659,345
Total comprehensive income for the six months ended 30.06.2018											
Profit for the six months ended 30.06.2018	-	-	8,066,032	-	-	-	-	-	-	-	8,066,032
Other comprehensive income for the six months ended 30.06.2018	-	-	-	-	-	107,471	322,884	51,166	-	-	481,521
Total comprehensive income for the six months ended 30.06.2018	-	-	8,066,032	-	-	107,471	322,884	51,166	-	-	8,547,553
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	199,874	-	-	-	-	-	-	-	-	-	199,874
Transfer o/a Share-based Payment transactions	5,875	-	-	-	-	-	-	-	(5,875)	-	-
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)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	1,207	-	-	-	-	-	-	-	1,207
Share-based Payment transactions	-	-	-	-	-	-	-	-	45,470	-	45,470
Total transactions with equity holders	2,000,593	-	(4,983,060)	-	-	-	-	-	39,595	-	(2,942,872)
Balance as at 30.06.2018 - Audited	39,144,134	6,476,952	3,248,329	7,088,054	-	(217,949)	637,137	47,954	569,412	52,270,003	109,264,026
Total comprehensive income for the six months ended 31.12.2018											
Profit for the six months ended 31.12.2018	-	-	9,477,796	-	-	-	-	-	-	-	9,477,796
Other comprehensive income for the six months ended 31.12.2018	-	-	110,285	-	-	(1,167,033)	2,234,633	(23,935)	-	-	1,153,950
Total comprehensive income for the six months ended 31.12.2018	-	-	9,588,081	-	-	(1,167,033)	2,234,633	(23,935)	-	-	10,631,746
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	3,209	-	-	-	-	-	-	-	-	-	3,209
Transfer o/a Share-based Payment transactions	539	-	-	-	-	-	-	-	(539)	-	-
Dividends to equity holders											
First interim dividend for 2018	-	-	(1,516,084)	-	-	-	-	-	-	-	(1,516,084)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(59)	-	-	-	-	-	-	-	(59)
Share-based Payment transactions	-	-	-	-	-	-	-	-	23,111	-	23,111
Transfers during the period	-	877,191	(6,257,191)	-	-	-	-	-	-	5,380,000	-
Total transactions with equity holders	3,748	877,191	(7,773,334)	-	-	-	-	-	22,572	5,380,000	(1,489,823)
Balance as at 31.12.2018 - Audited	39,147,882	7,354,143	5,063,076	7,088,054	-	(1,384,982)	2,871,770	24,019	591,984	57,650,003	118,405,949

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves							Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value 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	
Impact of adoption of SLFRS 16											
Reversal of deferred tax asset created on liability o/a straight lining of lease rentals			(57,627)								(57,627)
Balance as at 01.01.2019	39,147,882	7,354,143	5,005,449	7,088,054	-	(1,384,982)	2,871,770	24,019	591,984	57,650,003	118,348,322
Total comprehensive income for the six months ended 30.06.2019											
Profit for the six months ended 30.06.2019	-	-	6,466,383	-	-		-	-	-	-	6,466,383
Other comprehensive income for the six months ended 30.06.2019	-	-	-	-	-	3,450,029	(798,546)	(58,059)	-	-	2,593,424
Total comprehensive income for the six months ended 30.06.2019	-	-	6,466,383	-	-	3,450,029	(798,546)	(58,059)	-	-	9,059,807
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	30,128	-	-	-	-		-	-	-	-	30,128
Dividends to equity holders											
Second interim dividend for 2018			(3,032,869)								(3,032,869)
Final dividend for 2018 satisfied in the form of issue and allotment of new shares	1,738,947	-	(2,022,032)	-	-		-	-	-	-	(283,085)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years		-	(547)	-	-		-	-	-	-	(547)
Share-based Payment transactions	-	-	-	-	-		-	-	-	-	-
Total transactions with equity holders	1,769,075	-	(5,055,448)	-	-	-	-	-	-	-	(3,286,373)
Balance as at 30.06.2019 - Audited	40,916,957	7,354,143	6,416,384	7,088,054	-	2,065,047	2,073,224	(34,040)	591,984	57,650,003	124,121,756

STATEMENT OF CASH FLOWS

10

	Group		Bank	
<i>For the six months ended June 30,</i>	2019	2018	2019	2018
		(Restated)		(Restated)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	10,350,432	11,848,804	10,046,308	11,887,757
Adjustment for:				
Non-cash items included in profit before tax	6,146,049	6,233,636	5,907,954	5,742,484
Change in operating assets	(39,821,233)	(66,460,665)	(38,194,570)	(67,267,028)
Change in operating liabilities	39,845,477	49,634,900	34,983,879	48,283,984
Net (gains)/losses from disposal of assets	(2,223)	509	(2,251)	272
Share of profits from associates, net of tax	(5,872)	(5,180)	-	-
Dividend income from subsidiaries and associates	-	-	(38,796)	(33,391)
Interest expense on subordinated liabilities	1,903,027	1,218,244	1,903,027	1,218,244
Net (gains)/losses from disposal of financial investments	(555)	(6,153)	(555)	(6,153)
Benefits paid on defined benefit plans	(38,346)	(33,976)	(38,346)	(33,976)
Net unrealized gain from translation of Financial Statements of foreign operations	(891,557)	348,197	(798,546)	322,884
Income taxes paid	(3,861,898)	(2,708,766)	(3,833,495)	(2,676,967)
				-
Net cash from/(used in) operating activities	13,623,301	69,550	9,934,609	(2,561,890)
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(609,679)	(637,594)	(565,703)	(606,344)
Proceeds from the sale of property, plant and equipment	3,125	250	3,125	250
Purchase of financial investments	-	(52,257)	-	(52,257)
Proceeds from sale and maturity of financial investments	1,232,023	1,312,486	1,232,023	1,312,486
Net purchase of intangible assets	(204,945)	(129,484)	(208,850)	(100,625)
Net cash flow from investment in subsidiaries and associates	-	-	(40,450)	(455,800)
Dividends received from investments in subsidiaries and associates	-	-	38,796	33,391
Net cash from/(used in) investing activities	420,524	493,401	458,941	131,101
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	30,128	199,874	30,128	199,874
Interest paid on subordinated liabilities	(1,920,975)	(1,186,429)	(1,920,975)	(1,186,429)
Dividend paid to shareholders of the Bank	(3,316,501)	(3,188,216)	(3,316,501)	(3,188,216)
Dividend paid to non-controlling interest	(3,188)	(2,531)	-	-
Net cash from /(used in) financing activities	(5,210,536)	(4,177,302)	(5,207,348)	(4,174,771)
Net increase/(decrease) in cash & cash equivalents	8,833,289	(3,614,351)	5,186,202	(6,605,560)
Cash and cash equivalents at beginning of the period as per Statement of Financial Position	44,355,962	34,673,424	39,534,476	33,224,619
Cash and cash equivalents at end of the period	53,189,251	31,059,073	44,720,678	26,619,059
Less: Impairment charges	(924)	-	(924)	-
Cash and cash equivalents as per Statement of Financial Position	53,188,327	31,059,073	44,719,754	26,619,059

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		53,188,327		53,188,327
Balances with Central Banks		45,126,978		45,126,978
Placements with banks		24,883,478		24,883,478
Securities purchased under resale agreements		18,497,618		18,497,618
Derivative financial assets	3,253,835			3,253,835
Financial assets recognised through profit or loss - measured at fair value	12,252,492			12,252,492
Financial assets at amortised cost - Loans and advances to banks		736,299		736,299
Financial assets at amortised cost - Loans and advances to other customers		854,238,500		854,238,500
Financial assets at amortised cost - Debt and other financial instruments		98,761,011		98,761,011
Financial assets measured at fair value through other comprehensive income			208,698,513	208,698,513
Total financial assets	15,506,327	1,095,432,211	208,698,513	1,319,637,051
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		62,009,934		62,009,934
Derivative financial liabilities	2,411,810			2,411,810
Securities sold under repurchase agreements		40,649,376		40,649,376
Financial liabilities at amortised cost - due to depositors		1,037,150,823		1,037,150,823
Financial liabilities at amortised cost - other borrowings		24,188,447		24,188,447
Subordinated liabilities		37,494,509		37,494,509
Total financial liabilities	2,411,810	1,201,493,089	-	1,203,904,899

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		44,355,962		44,355,962
Balances with Central Banks		55,406,535		55,406,535
Placements with banks		19,898,515		19,898,515
Securities purchased under resale agreements		9,513,512		9,513,512
Derivative financial assets	7,909,962			7,909,962
Financial assets recognised through profit or loss - measured at fair value	5,520,167			5,520,167
Financial assets at amortised cost - Loans and advances to banks		763,074		763,074
Financial assets at amortised cost - Loans and advances to other customers		867,611,976		867,611,976
Financial assets at amortised cost - Debt and other financial instruments		89,274,413		89,274,413
Financial assets measured at fair value through other comprehensive income			176,760,611	176,760,611
Total financial assets	13,430,129	1,086,823,987	176,760,611	1,277,014,727

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		52,362,052		52,362,052
Derivative financial liabilities	8,021,783			8,021,783
Securities sold under repurchase agreements		48,951,394		48,951,394
Financial liabilities at amortised cost - due to depositors		994,370,875		994,370,875
Financial liabilities at amortised cost - other borrowings		25,361,912		25,361,912
Subordinated liabilities		37,992,457		37,992,457
Total financial liabilities	8,021,783	1,159,038,690		1,167,060,473

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		44,719,754		44,719,754
Balances with Central Banks		43,450,379		43,450,379
Placements with banks		24,386,003		24,386,003
Securities purchased under resale agreements		18,497,618		18,497,618
Derivative financial assets	3,253,835			3,253,835
Financial assets recognised through profit or loss - measured at fair value	12,252,492			12,252,492
Financial assets at amortised cost - Loans and advances to banks		736,299		736,299
Financial assets at amortised cost - Loans and advances to other customers		847,364,012		847,364,012
Financial assets at amortised cost - Debt and other financial instruments		93,363,847		93,363,847
Financial assets measured at fair value through other comprehensive income			208,459,018	208,459,018
Total financial assets	15,506,327	1,072,517,912	208,459,018	1,296,483,257

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		59,867,706		59,867,706
Derivative financial liabilities	2,411,810			2,411,810
Securities sold under repurchase agreements		40,747,726		40,747,726
Financial liabilities at amortised cost - due to depositors		1,020,918,723		1,020,918,723
Financial liabilities at amortised cost - other borrowings		24,188,447		24,188,447
Subordinated liabilities		37,494,509		37,494,509
Total financial liabilities	2,411,810	1,183,217,111	-	1,185,628,921

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		39,534,476		39,534,476
Balances with Central Banks		54,384,590		54,384,590
Placements with banks		19,898,515		19,898,515
Securities purchased under resale agreements		9,513,512		9,513,512
Derivative financial assets	7,909,962			7,909,962
Financial assets recognised through profit or loss - measured at fair value	5,520,167			5,520,167
Financial assets at amortised cost - Loans and advances to banks		763,074		763,074
Financial assets at amortised cost - Loans and advances to other customers		861,100,315		861,100,315
Financial assets at amortised cost - Debt and other financial instruments		83,855,436		83,855,436
Financial assets measured at fair value through other comprehensive income			176,506,729	176,506,729
Total financial assets	13,430,129	1,069,049,918	176,506,729	1,258,986,776

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		50,101,081		50,101,081
Derivative financial liabilities	8,021,783			8,021,783
Securities sold under repurchase agreements		49,104,462		49,104,462
Financial liabilities at amortised cost - due to depositors		983,037,314		983,037,314
Financial liabilities at amortised cost - other borrowings		25,361,912		25,361,912
Subordinated liabilities		37,992,457		37,992,457
Total financial liabilities	8,021,783	1,145,597,226		1,153,619,009

	Bank		Group	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
Regulatory Capital - Rs. '000				
Common Equity Tier I	115,694,953	107,110,518	118,666,970	109,879,697
Tier I Capital	115,694,953	107,110,518	118,666,970	109,879,697
Total Capital	153,849,886	147,398,341	156,821,903	150,167,520
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 2019 - 8.500%, 2018 - 7.375%)	12.467%	11.338%	12.496%	11.431%
Tier I Capital Ratio (Minimum Requirement - 2019 - 10.000%, 2018 - 8.875%)	12.467%	11.338%	12.496%	11.431%
Total Capital Ratio (Minimum Requirement - 2019 - 14.000%, 2018 - 12.875%)	16.578%	15.603%	16.514%	15.623%
Leverage Ratio (Minimum Requirement - 2019 - 3%)	6.43%	N/A	6.51%	N/A
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	312,555,468	235,866,816		
Off-Shore Banking Unit	18,594,037	21,463,887		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	30.87%	24.47%		
Off-Shore Banking Unit	26.63%	30.20%		
Total Stock of High Quality Liquid Assets - Rs. '000	204,531,720	153,018,792		
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2019 - 100%, 2018 - 90%)	229.96%	236.20%		
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2019- 100%, 2018 - 90%)	229.99%	238.69%		
Net Stable Funding Ratio (%) - (Minimum Requirement - 2019 - 90%)	142.65%	N/A		
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.86%	3.24%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.96%	1.71%		
Profitability				
Interest Margin	3.60%	3.67%		
Return on Assets (before tax)	1.53%	2.09%		
Return on Equity	10.75%	15.56%		
Debt Security Related Ratios				
Debt Equity Ratio	42.48%	45.39%		
Interest Cover (Times)	8.13	10.00		

OPERATING SEGMENTS - GROUP

16

	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Unallocated/Eliminations		Total/Consolidated	
<i>For the six months ended June 30,</i>	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	14,983,672	13,570,655	3,760,751	3,975,836	3,365,314	2,463,859	115,526	156,786	139,214	874,425	1,781,059	1,325,386	24,145,536	22,366,947
Foreign exchange profit	161,457	100,514	(287,813)	120,917	995,845	605,810	-	-	2,137,414	1,048	(510,638)	618,815	2,496,265	1,447,104
Net fees and commission income	3,166,419	3,258,343	955,587	1,026,273	697,556	691,178	16,612	14,090	2,276	2,166	-	-	4,838,450	4,992,050
Other income	113,539	114,706	1,070	25,460	20,111	5,903	(37,253)	(3,096)	385,788	143,551	154,047	91,813	637,302	378,337
Total Operating income	18,425,087	17,044,218	4,429,595	5,148,486	5,078,826	3,766,750	94,885	167,780	2,664,692	1,021,190	1,424,468	2,036,014	32,117,553	29,184,438
Credit loss expenses	(3,477,864)	(2,131,686)	(1,831,276)	(959,108)	109,360	(134,035)	(148,602)	1,840	(178,432)	(143,537)	-	-	(5,526,814)	(3,366,526)
Net Operating income	14,947,223	14,912,532	2,598,319	4,189,378	5,188,186	3,632,715	(53,717)	169,620	2,486,260	877,653	1,424,468	2,036,014	26,590,739	25,817,912
Segment result	5,064,241	5,814,414	1,581,211	3,560,256	3,445,765	2,437,856	(92,448)	124,898	2,023,678	679,468	(1,677,887)	(773,268)	10,344,560	11,843,624
Profit from operations													10,344,560	11,843,624
Share of profit of Associates, net of tax													5,872	5,180
Income tax expense													(3,677,831)	(3,823,656)
Non Controlling Interest													(92,039)	(46,174)
Net profit for the period, attributable to Equity holders of the Bank													6,580,562	7,978,974
<i>As at June 30,</i>	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	459,123,943	442,229,407	333,280,302	299,291,714	137,677,100	144,489,158	6,117,084	7,499,235	356,801,603	247,826,566	72,981,286	72,039,589	1,365,981,318	1,213,375,669
Investment in associates	-	-	-	-	-	-	-	-	-	-	105,388	107,669	105,388	107,669
Total assets	459,123,943	442,229,407	333,280,302	299,291,714	137,677,100	144,489,158	6,117,084	7,499,235	356,801,603	247,826,566	73,086,674	72,147,258	1,366,086,706	1,213,483,338
Segment liabilities	820,333,123	739,907,496	207,606,853	166,296,225	129,544,433	112,882,793	6,222,472	7,606,904	67,448,425	62,839,567	8,511,776	8,805,119	1,239,667,082	1,098,338,104
Total liabilities	820,333,123	739,907,496	207,606,853	166,296,225	129,544,433	112,882,793	6,222,472	7,606,904	67,448,425	62,839,567	8,511,776	8,805,119	1,239,667,082	1,098,338,104
<i>For the six months ended June 30,</i>	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	28,917,293	22,262,366	17,001,151	(53,048,888)	7,615,868	2,414,692	423,651	287,085	(40,334,662)	28,154,295	-	-	13,623,301	69,550
Cash flows from investing activities	-	-	-	-	-	-	1,232,023	1,260,229	-	-	-	-	1,232,023	1,260,229
Cash flows from financing activities	-	-	-	-	-	-	-	-	(1,920,975)	(1,186,429)	(3,289,561)	(2,990,873)	(5,210,536)	(4,177,302)
Capital expenditure -														
Property, Plant & Equipment													(606,554)	(637,344)
Intangible assets													(204,945)	(129,484)
Net cash flow generated during the period													8,833,289	(3,614,351)

Twenty largest voting shareholders as at June 30, 2019

Name of the Shareholder	No. of Shares	%
Employees Provident Fund	92,558,649	9.63
DFCC Bank PLC A/C 1	82,560,377	8.59
Mr.Y. S. H. I. Silva	77,604,815	8.07
Deutsche Bank AG Singapore - DSS A/C Ntasia Discovery Master Fund	54,817,777	5.70
DFCC Bank PLC A/C No.02	47,672,102	4.96
Melstacorp PLC	44,444,324	4.62
Sri Lanka Insurance Corporation Ltd. - Life Fund	43,619,107	4.54
CB NY S/A International Finance Corporation	42,651,626	4.44
Sri Lanka Insurance Corporation Ltd. - General Fund	37,506,430	3.90
Citibank Newyork S/A Norges Bank Account 2	20,634,474	2.15
Employees Trust Fund Board	17,054,174	1.77
BNYMSANV RE - LF Ruffer Absolute Return Fund	16,893,393	1.76
Mrs. L. E. M. Yaseen	16,257,919	1.69
JPMCB - T Rowe New Asia Fund	15,163,496	1.58
BNYMSANV RE - First State Investments ICVC - Stewart Investors Indian Subcontinent Sustainability Fund	14,184,363	1.48
BPSS LUX - Aberdeen Standard SICAV I - Asia Pacific Equity Fund	9,720,591	1.01
BNYMSANV RE - First State Investments ICVC - Stewart Investors Global Emerging Markets Fund	9,702,161	1.01
Renuka Hotels PLC	9,666,942	1.01
Mr. M. J. Fernando	9,181,964	0.96
SSBT - BMO Investments II (Ireland) Public Limited Company	8,611,878	0.90
Sub total	670,506,562	69.75
Other Shareholders	290,745,755	30.25
Total	961,252,317	100.00

Percentage of public holding as at June 30, 2019 - 99.76% (99.68% as at June 30, 2018)

Number of shareholders representing public holding as at June 30, 2019 - 11,186 (10,148 as at June 30, 2018)

Twenty largest non-voting shareholders as at June 30, 2019

Name of the Shareholder	No. of Shares	%
Citibank Newyork S/A Norges Bank Account 2	10,181,372	15.37
Employees Trust Fund Board	5,154,149	7.78
Akbar Brothers (Pvt) Ltd. A/C No 1	2,704,739	4.08
GF Capital Global Limited	1,712,928	2.59
BNYM RE - Butterfield Trust (Bermuda) Limited	1,494,489	2.26
M.J.F.Exports (Pvt) Ltd	1,133,395	1.71
Mr. M. F. Hashim	1,081,579	1.63
Saboor Chatoor (Pvt) Ltd	904,646	1.37
Mrs. L. V. C. Samarasingha	891,208	1.35
Mr. M. J. Fernando	730,734	1.10
Mr. T.W.A. Wickramasinghe	697,549	1.05
Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	629,935	0.95
Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	627,619	0.95
Mr. R. Gautam	609,919	0.92
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	555,582	0.84
Mr. K.S.M. De Silva	532,106	0.80
Mr. J.G. De Mel	500,902	0.76
Mr. A.P. Somasiri	463,685	0.70
Mr. A.L. Gooneratne	446,072	0.67
Mr. E. Chatoor	434,381	0.66
Sub total	31,486,989	47.52
Other Shareholders	34,767,280	52.48
Total	66,254,269	100.00

Percentage of public holding as at June 30, 2019 - 84.41% (84.34% as at June 30, 2018)

Number of shareholders representing public holding as at June 30, 2019 - 4,448 (4,393 as at June 30, 2018)

Directors' holding in shares as at June 30, 2019

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	24,254	-
Mr.M.P. Jayawardena - Deputy Chairman	-	-
Mr.S. Renganathan - Managing Director/Chief Executive Officer	353,736	12,143
Mr.S.C.U. Manatunge - Chief Operating Officer	69,778	-
Mr.S. Swarnajothi	-	11,152
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-
Mr. L.D. Niyangoda	-	-
Ms. N.T.M.S. Cooray	193,062	51,540
Mr. T.L.B. Hurulle	-	-
Justice K. Sripavan	-	-

	2019 Rs.	2018 Rs.
Market price of an ordinary share as at June 30,		
Voting	91.90	123.00
Non-Voting	82.00	94.00
Highest price during the quarter ended June 30,		
Voting	103.00	138.50
Non-Voting	90.00	108.90
Lowest price during the quarter ended June 30,		
Voting	88.60	122.90
Non-Voting	74.00	94.00
	2019 Rs.000	2018 Rs.000
Float adjusted market capitalization - Compliant under Option 1	92,712,943	121,100,719
	2019	2018
Number of ordinary shares as at June 30,		
Voting	961,252,317	945,680,655
Non-Voting	66,254,269	65,013,174

EXPLANATORY NOTES

- There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2018, except for the Accounting Policies and methods of computation adopted to be in compliance with the requirements of the Sri Lanka Accounting Standard SLFRS - 16 on Leases, which became effective for Annual Financial periods from January 01, 2019.
- 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.
Interim Financial Statements for the six months ended June 30, 2018 has been restated by incorporating the impact on adopting SLFRS 9 which became effective from January 01, 2018. The Bank has previously prepared Interim Financial Statements for the six months ended June 30, 2018 based on "LKAS 39 - Financial Instruments: Recognition and Measurement" as permitted by the Statement of Alternative Treatment (SoAT) on the 'Figures in the Interim Financial Statements' issued by The Institute of Chartered Accountants of Sri Lanka.
- Comparative figures for the six months ended June 30, 2018 - Group and Bank**
Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation. The following line items of the Interim Financial Statements for the six months ended June 30, 2018 have been restated due to the adoption of SLFRS 9 and the Circular No. 02 of 2019 dated January 18, 2019 issued by the Bank Supervision Department of the Central Bank of Sri Lanka.

For the six months ended June 30, 2018 - Bank

Income Statement

	Restated	As Reported Previously
	Rs. '000	Rs. '000
Gross income	64,154,632	65,992,475
Interest income	56,703,255	58,207,100
Net interest income	34,657,661	34,657,661
Net gains/(losses) from trading	(1,155,989)	(1,223,582)
Net gains/(losses) from derecognition of financial assets	145,064	148,428
Net other operating income	2,793,980	3,192,207
Total operating income	28,608,408	30,446,251
Impairment charges and other losses	2,973,607	3,635,473
Net operating income	25,634,801	26,810,778
Operating profit before taxes on financial services	14,471,114	15,647,091
Value Added Tax (VAT)	2,275,974	2,421,758
Nation Building Tax (NBT)	307,383	327,072
Profit before income tax	11,887,757	12,897,261
Income tax expense	3,821,725	4,252,042
Profit for the period	8,066,032	8,646,219

Statement of profit or loss and Other Comprehensive Income

Net change in fair value on investments in equity	(10,870)	56,723
Change in fair value on investments in equity at fair value through other comprehensive income	(10,870)	56,723
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	118,341	178,016
Fair value gains/(losses) that arose during the period, net of tax	207,846	101,620
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(200,376)	(44,113)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	-	120,509
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	110,871	-
Other comprehensive income/(expense) for the period, net of taxes	481,521	608,789
Total comprehensive income for the period	8,547,553	9,255,008

Group Interim Financial Statements for the six month ended June 30, 2018 also have been restated accordingly.

- 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.
- The Board of Directors of the Bank resolved to acquire 40% stake in Commercial Insurance Brokers (Private) Limited for a purchase consideration of Rupees Two Hundred and Fifty Million (Rs. 250,000,000/-) and entered in to a share sale and purchase agreement with Chemanex PLC on May 31, 2019.
Accordingly, this transaction was concluded on August 05, 2019 with a transfer of Two Hundred and Thirty Nine Thousand Nine Hundred and Ninety Nine Shares (239,999) representing 40% stake that the Chemanex PLC had in Commercial Insurance Brokers (Private) Limited to the Bank.
As the Bank's subsidiary, Commercial Development Co. PLC too has a stake of 20% in Commercial Insurance Brokers (Private) Limited, which makes the group's stake in Commercial Insurance Brokers (Private) Limited to be 58.40% as at August 05, 2019.
- There were no material events that took place since June 30, 2019, that require disclosure in these Interim Financial Statements other than those disclosed above.

Auditors' Opinion on the Financial Statements of the Bank as at June 30, 2019 and for the six months period then ended

The figures relating to the Bank have been extracted from the Financial Statements that had been audited by M/s Ernst & Young, the External Auditors of the Bank. The Auditors expressed an unqualified opinion on the said Financial Statements prepared as at June 30, 2019 and for the six months period then ended.

INFORMATION ON DEBENTURES - BANK

19

Type of Issue	Public	Public	Public	Public	Public	Public
Debenture Type	Type "A"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"
CSE Listing	Listed	Listed	Listed	Listed	Listed	Listed
Issue Date	March 9, 2016	March 9, 2016	Oct 28, 2016	Oct 28, 2016	Jul 23, 2018	Jul 23, 2018
Maturity Date	March 8, 2021	March 8, 2026	Oct 27, 2021	Oct 27, 2026	July 22, 2023	July 22, 2028
Interest Payable Frequency (Fixed Interest Rate)	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually
Offered Interest Rate	10.75% p.a.	11.25% p.a.	12.00% p.a.	12.25% p.a.	12.00% p.a.	12.50% p.a.
Amount (Rs.'000)	4,430,340	1,749,090	5,071,800	1,928,200	8,393,840	1,606,160

Market Values

- Highest (Rs.)	90.00	100.00	90.00	Not traded during the year	Not traded during the year	Not traded during the year
- Lowest (Rs.)	90.00	100.00	90.00			
- Year-end (Rs.)	* 90.00	*** 100.00	** 90.00			

Interest Rates

- Coupon Rate (%)	10.75	11.25	12.00	12.25	12.00	12.50
- Effective Annual Yield (%)	11.04	11.57	12.36	12.63	12.36	12.89
Interest rate of comparable Government Security	9.10	10.15	9.30	10.15	9.80	10.35

Other Ratios as at date of last trade

- Interest Yield (%)	16.57	11.24	16.86	- N/A -	- N/A -	- N/A -
- Yield to Maturity (%)	16.32	11.25	16.64	- N/A -	- N/A -	- N/A -

* Last traded date was January 30, 2019.

** Last traded date was March 13, 2019.

*** Last traded date was June 27, 2019.

ANALYSIS OF LOANS AND ADVANCES TO OTHER CUSTOMERS AND IMPAIRMENT

20

	Group		Bank	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and advances to other customers	888,922,636	897,955,796	880,965,166	890,229,368
Less: Accumulated impairment under stage 1	2,771,918	2,814,943	2,625,137	2,659,185
: Accumulated impairment under stage 2	5,239,524	5,984,306	5,141,325	5,873,226
: Accumulated impairment under stage 3	26,672,694	21,544,571	25,834,692	20,596,642
Net value of loans and advances to other customers	854,238,500	867,611,976	847,364,012	861,100,315
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	116,072,590	125,698,662	116,072,590	125,698,662
Trade finance	56,778,042	56,987,971	56,778,042	56,987,971
Lease rental receivable	42,667,897	40,336,066	35,630,023	37,737,201
Credit cards	13,563,396	12,866,454	13,563,396	12,866,454
Pawning	1,806,285	1,577,472	1,806,285	1,577,472
Staff loans	9,353,567	9,137,897	9,353,567	9,129,558
Housing loans	57,601,001	57,319,225	57,601,001	57,319,225
Personal loans	36,398,421	36,199,390	36,398,421	34,289,641
Term loans	341,020,330	351,940,397	343,587,128	351,779,655
Bills of Exchange	279,529	584,950	279,529	584,950
Sub total	675,541,058	692,648,484	671,069,982	687,970,789
By product - Foreign Currency				
Overdrafts	18,463,156	16,295,323	17,166,740	15,267,860
Trade finance	20,084,649	20,692,527	19,993,715	20,611,079
Lease rental receivable	919,576	897,835	919,204	897,835
Credit cards	128,098	109,063	128,098	109,063
Staff loans	183,096	173,136	183,096	171,191
Housing loans	5,418,647	5,215,642	5,418,647	5,068,940
Personal loans	880,678	769,201	578,797	543,105
Term loans	143,862,395	136,995,191	142,065,604	135,455,779
Bills of Exchange	23,441,283	24,159,394	23,441,283	24,133,727
Sub total	213,381,578	205,307,312	209,895,184	202,258,579
Gross loans and advances to other customers	888,922,636	897,955,796	880,965,166	890,229,368

	Group		Bank	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	2,814,943	3,126,167	2,659,185	3,041,886
Charge/(write back) to the Income Statement	(40,092)	(324,074)	(31,115)	(393,953)
Net write-off/(recoveries) during the year	-	(800)	-	(800)
Exchange rate variance on foreign currency provisions	(2,933)	13,650	(2,933)	12,052
Balance as at June 30/December 31,	2,771,918	2,814,943	2,625,137	2,659,185
Under Stage 2				
Balance as at January 1,	5,984,306	4,348,188	5,873,226	4,165,027
Charge/(write back) to the Income Statement	(743,256)	1,632,467	(730,375)	1,704,548
Net write-off/(recoveries) during the year	-	(819)	-	(819)
Exchange rate variance on foreign currency provisions	(1,526)	4,470	(1,526)	4,470
Balance as at June 30/December 31,	5,239,524	5,984,306	5,141,325	5,873,226
Under Stage 3				
Balance as at January 1,	21,544,571	15,136,256	20,596,642	14,211,504
Charge/(write back) to the Income Statement	5,428,309	7,071,147	5,538,236	6,812,653
Net write-off/(recoveries) during the year	358,452	(590,601)	358,452	(355,284)
Exchange rate variance on foreign currency provisions	(59,437)	278,179	(59,437)	278,179
Interest accrued / (reversals) on impaired loans and advances	(661,967)	(360,876)	(661,967)	(360,876)
Other movements	62,766	10,466	62,766	10,466
Balance as at June 30/December 31,	26,672,694	21,544,571	25,834,692	20,596,642
Total Impairment				
Balance as at January 1,	30,343,820	22,610,611	29,129,053	21,418,417
Charge/(write back) to the Income Statement	4,644,961	8,379,540	4,776,746	8,123,248
Net write-off/(recoveries) during the year	358,452	(592,220)	358,452	(356,903)
Exchange rate variance on foreign currency provisions	(63,896)	296,299	(63,896)	294,701
Interest accrued / (reversals) on impaired loans and advances	(661,967)	(360,876)	(661,967)	(360,876)
Other movements	62,766	10,466	62,766	10,466
Balance as at June 30/December 31,	34,684,136	30,343,820	33,601,154	29,129,053

	Group		Bank	
	As at 30.06.2019 Rs.'000	As at 31.12.2018 Rs.'000	As at 30.06.2019 Rs.'000	As at 31.12.2018 Rs.'000
Gross commitments and contingencies	585,207,963	658,860,264	584,832,875	658,721,983
Impairment on commitments and contingencies				
Accumulated impairment under stage 1	683,895	528,932	683,895	528,932
Accumulated impairment under stage 2	156,650	89,177	156,650	89,177
Accumulated impairment under stage 3	151,557	108,531	151,557	108,531
Total Impairment	992,102	726,640	992,102	726,640
Gross commitments and contingencies				
By product - Domestic currency				
Contingencies	51,630,098	48,779,383	51,630,098	48,779,383
Guarantees	35,156,698	32,036,013	35,156,698	32,036,013
Bonds	14,970,556	14,941,012	14,970,556	14,941,012
Documentary Credits	737,803	1,199,201	737,803	1,199,201
Acceptances	120,861	251,512	120,861	251,512
Bills for collection	644,180	351,645	644,180	351,645
Commitments	84,482,628	73,705,674	84,482,628	73,705,674
Undrawn commitments	84,024,208	73,247,254	84,024,208	73,247,254
Capital commitments	458,420	458,420	458,420	458,420
Sub Total	136,112,726	122,485,057	136,112,726	122,485,057
By product - Foreign Currency				
Contingencies	385,900,211	448,560,362	385,525,123	448,422,081
Guarantees	11,669,772	16,430,567	11,355,489	16,376,138
Bonds	21,034,778	30,174,699	21,034,778	30,171,139
Documentary Credits	43,887,186	48,279,363	43,857,571	48,199,071
Forward exchange and Currency Swaps	250,792,088	281,906,678	250,792,088	281,906,678
Acceptances	32,589,635	41,680,045	32,583,911	41,680,045
Bills for collection	24,402,423	28,848,783	24,376,957	28,848,783
Stock of Travelers' Cheques	1,514,123	1,230,582	1,514,123	1,230,582
Bullion on consignment	10,206	9,645	10,206	9,645
Commitments	63,195,026	87,814,845	63,195,026	87,814,845
Undrawn commitments	63,195,026	87,814,845	63,195,026	87,814,845
Capital commitments	-	-	-	-
Sub Total	449,095,237	536,375,207	448,720,149	536,236,926
Total	585,207,963	658,860,264	584,832,875	658,721,983

ANALYSIS OF COMMITMENT AND CONTINGENCIES AND IMPAIRMENT

23

	Group			Bank
	2019	2018	2019	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	528,932	656,764	528,932	656,764
Charge/(write back) to the Income Statement	155,667	(130,732)	155,667	(130,732)
Exchange rate variance on foreign currency provisions	(704)	2,900	(704)	2,900
Balance as at June 30/December 31,	683,895	528,932	683,895	528,932
Under Stage 2				
Balance as at January 1,	89,177	111,946	89,177	111,946
Charge/(write back) to the Income Statement	67,473	(22,769)	67,473	(22,769)
Balance as at June 30/December 31,	156,650	89,177	156,650	89,177
Under Stage 3				
Balance as at January 1,	108,531	78,949	108,531	78,949
Charge/(write back) to the Income Statement	43,026	29,582	43,026	29,582
Balance as at June 30/December 31,	151,557	108,531	151,557	108,531
Total Impairment				
Balance as at January 1,	726,640	847,659	726,640	847,659
Charge/(write back) to the Income Statement	266,166	(123,919)	266,166	(123,919)
Exchange rate variance on foreign currency provisions	(704)	2,900	(704)	2,900
Balance as at June 30/December 31,	992,102	726,640	992,102	726,640

ANALYSIS OF DEPOSITS

	Group			Bank
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Current account deposits	41,782,304	45,166,224	41,783,780	45,177,113
Savings deposits	238,274,147	227,412,160	238,391,607	227,493,335
Time deposits	498,386,613	475,290,328	498,506,259	475,389,390
Certificate of deposits	66,548	83,053	66,548	83,053
Sub Total	778,509,612	747,951,765	778,748,194	748,142,891
By product - Foreign Currency				
Current account deposits	36,863,929	32,286,978	26,100,332	26,476,915
Savings deposits	76,561,801	72,501,383	73,667,008	69,972,029
Time deposits	145,215,481	141,630,749	142,403,189	138,445,479
Certificate of deposits	-	-	-	-
Sub Total	258,641,211	246,419,110	242,170,529	234,894,423
Total	1,037,150,823	994,370,875	1,020,918,723	983,037,314

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 September 2018.

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in May 2019.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

Mr. V.S. Rajasooriyar
Assistant General Manager - Compliance

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of the Bank 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
Telex :21520 COMEX CE
Facsimile : 2449889
SWIFT Code-Sri Lanka : CCEYLK LX
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

HEAD OFFICE

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

ACCOUNTING YEAR

December 31

COMPANY SECRETARY

Mr. R.A.P. Rajapaksha

BOARD OF DIRECTORS

Mr. K.G.D.D. Dheerasinghe - Chairman
Mr. M.P. Jayawardena - Deputy Chairman
Mr.S. Renganathan - Managing Director/Chief Executive Officer
Mr.S.C.U. Manatunge - 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. T.L.B. Hurulle
Justice K. Sripavan