

**INTERIM FINANCIAL STATEMENT**  
**For the twelve months ended December 31, 2013**

	For the twelve months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
<b>Gross income</b>	<b>73,101,378</b>	<b>63,373,753</b>	<b>15.35</b>	<b>19,601,610</b>	<b>16,972,940</b>	<b>15.49</b>
Interest income	62,177,461	52,662,964	18.07	16,039,046	14,399,504	11.39
Less : Interest expenses	36,855,204	29,811,305	23.63	9,356,000	8,618,462	8.56
<b>Net interest income</b>	<b>25,322,257</b>	<b>22,851,659</b>	<b>10.81</b>	<b>6,683,046</b>	<b>5,781,042</b>	<b>15.60</b>
Fees and commission income	4,880,093	4,146,878	17.68	1,258,806	1,154,053	9.08
Less: Fees and commission expenses	627,235	548,560	14.34	153,081	146,806	4.27
<b>Net fees and commission income</b>	<b>4,252,858</b>	<b>3,598,318</b>	<b>18.19</b>	<b>1,105,725</b>	<b>1,007,247</b>	<b>9.78</b>
Net gain/(loss) from trading	(1,625,926)	2,494,298	(165.19)	(863,598)	76,774	(1,224.86)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	1,349,517	31,533	4,179.70	1,346,945	16,451	8,087.62
Other income (net)	6,320,233	4,038,080	56.52	1,820,411	1,326,158	37.27
<b>Total operating income</b>	<b>35,618,939</b>	<b>33,013,888</b>	<b>7.89</b>	<b>10,092,529</b>	<b>8,207,672</b>	<b>22.96</b>
Less :Impairment charges for loans and other losses	4,600,332	3,158,291	45.66	1,602,744	268,847	496.15
Individual impairment	3,021,394	1,296,697	133.01	1,787,149	426,698	318.83
Collective impairment	1,479,914	1,856,688	(20.29)	(260,650)	(158,438)	(64.51)
Others	99,024	4,906	1,918.43	76,245	587	12,888.93
<b>Net operating income</b>	<b>31,018,607</b>	<b>29,855,597</b>	<b>3.90</b>	<b>8,489,785</b>	<b>7,938,825</b>	<b>6.94</b>
<b>Less: Expenses</b>	<b>14,364,020</b>	<b>13,567,730</b>	<b>5.87</b>	<b>3,760,838</b>	<b>3,781,174</b>	<b>(0.54)</b>
Personnel expenses	8,266,005	7,837,144	5.47	2,225,366	2,295,603	(3.06)
Depreciation and amortisation	868,381	1,118,321	(22.35)	123,281	256,434	(51.92)
Other expenses	5,229,634	4,612,265	13.39	1,412,191	1,229,137	14.89
<b>Operating profit before value added tax (VAT)</b>	<b>16,654,587</b>	<b>16,287,867</b>	<b>2.25</b>	<b>4,728,947</b>	<b>4,157,651</b>	<b>13.74</b>
Less: Value added tax (VAT) on financial services	1,968,954	1,987,313	(0.92)	487,567	507,903	(4.00)
<b>Operating profit after value added tax (VAT)</b>	<b>14,685,633</b>	<b>14,300,554</b>	<b>2.69</b>	<b>4,241,380</b>	<b>3,649,748</b>	<b>16.21</b>
Add: Share of profits/(losses) of associates	7,118	12,360	(42.41)	2,143	(611)	450.74
<b>Profit before income tax</b>	<b>14,692,751</b>	<b>14,312,914</b>	<b>2.65</b>	<b>4,243,523</b>	<b>3,649,137</b>	<b>16.29</b>
Less : Income tax expense	4,119,294	4,231,747	(2.66)	916,587	994,422	(7.83)
<b>Profit for the period</b>	<b>10,573,457</b>	<b>10,081,167</b>	<b>4.88</b>	<b>3,326,936</b>	<b>2,654,715</b>	<b>25.32</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	10,563,378	10,079,829	4.80	3,319,305	2,654,260	25.06
Non-controlling interests	10,079	1,338	653.29	7,631	455	1,577.14
<b>Profit for the period</b>	<b>10,573,457</b>	<b>10,081,167</b>	<b>4.88</b>	<b>3,326,936</b>	<b>2,654,715</b>	<b>25.32</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	12.45	12.11	2.81	3.92	3.19	22.88
Diluted earnings per share (Rs.)	12.43	12.09	2.81	3.91	3.18	22.96

	For the twelve months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
<b>Gross income</b>	<b>73,159,580</b>	63,395,047	15.40	<b>19,661,475</b>	16,994,129	15.70
Interest income	62,186,957	52,685,427	18.03	16,041,435	14,404,138	11.37
Less : Interest expenses	36,878,755	29,830,397	23.63	9,361,700	8,627,168	8.51
<b>Net interest income</b>	<b>25,308,202</b>	22,855,030	10.73	<b>6,679,735</b>	5,776,970	15.63
Fees and commission income	4,876,517	4,146,525	17.60	1,257,764	1,153,661	9.02
Less: Fees and commission expenses	627,235	548,560	14.34	153,081	146,806	4.27
<b>Net fees and commission income</b>	<b>4,249,282</b>	3,597,965	18.10	<b>1,104,683</b>	1,006,855	9.72
Net gain/(loss) from trading	(1,625,926)	2,494,298	(165.19)	(863,598)	76,774	(1,224.86)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	1,349,517	31,533	4,179.70	1,346,945	16,451	8,087.62
Other income (net)	6,372,515	4,037,264	57.84	1,878,929	1,343,105	39.89
<b>Total operating income</b>	<b>35,653,590</b>	33,016,090	7.99	<b>10,146,694</b>	8,220,155	23.44
Less :Impairment charges for loans and other losses	4,627,325	3,196,760	44.75	1,608,595	307,316	423.43
Individual impairment	3,021,394	1,296,697	133.01	1,787,149	426,698	318.83
Collective impairment	1,479,914	1,856,688	(20.29)	(260,650)	(158,438)	(64.51)
Others	126,017	43,375	190.53	82,096	39,056	110.20
<b>Net operating income</b>	<b>31,026,265</b>	29,819,330	4.05	<b>8,538,099</b>	7,912,839	7.90
<b>Less: Expenses</b>	<b>14,546,792</b>	13,536,684	7.46	<b>3,944,078</b>	3,769,401	4.63
Personnel expenses	8,186,205	7,769,788	5.36	2,203,284	2,277,850	(3.27)
Depreciation and amortisation	936,257	1,034,672	(9.51)	239,875	236,698	1.34
Other expenses	5,424,330	4,732,224	14.63	1,500,919	1,254,853	19.61
<b>Operating profit before value added tax (VAT)</b>	<b>16,479,473</b>	16,282,646	1.21	<b>4,594,021</b>	4,143,438	10.87
Less: Value added tax (VAT) on financial services	1,968,954	1,987,313	(0.92)	487,567	507,903	(4.00)
<b>Profit before income tax</b>	<b>14,510,519</b>	14,295,333	1.51	<b>4,106,454</b>	3,635,535	12.95
Less : Income tax expense	4,065,008	4,197,004	(3.15)	894,880	993,101	(9.89)
<b>Profit for the period</b>	<b>10,445,511</b>	10,098,329	3.44	<b>3,211,574</b>	2,642,434	21.54
<b>Profit attributable to:</b>						
Equity holders of the Bank	10,445,511	10,098,329	3.44	3,211,574	2,642,434	21.54
Non-controlling interests	-	-	-	-	-	-
<b>Profit for the period</b>	<b>10,445,511</b>	10,098,329	3.44	<b>3,211,574</b>	2,642,434	21.54
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	12.31	12.13	1.48	3.78	3.17	19.24
Diluted earnings per share (Rs.)	12.29	12.11	1.49	3.78	3.17	19.24

	For the twelve months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
Profit for the period	10,573,457	10,081,167	4.88	3,326,936	2,654,715	25.32
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
<i>Net actuarial gains/(losses) on defined benefit plans</i>	(21,409)	-		(21,409)	-	
Remeasurement of defined benefit liability/(asset)	(29,088)	-	-	(29,088)	-	-
Deferred tax charge/(reversal) on actuarial gains/(losses)	(7,679)	-	-	(7,679)	-	-
<i>Net change in revaluation surplus</i>	(121,178)	190,042		(121,178)	120,496	
Changes in revaluation surplus/(deficit)	-	192,237	-	-	192,237	-
Deferred tax charge/(reversal) on revaluation surplus	121,178	2,195	5,420.64	121,178	71,741	68.91
Items that will never be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	361,343	548,545	(34.13)	(26,289)	125,901	(120.88)
Net gains and losses on re-measuring Available-For-Sale financial assets	1,579,100	619,436	154.93	1,302,826	396,295	228.75
Sri Lanka Government Securities	1,437,346	619,421	132.05	1,161,066	396,677	192.70
Equity Securities - Quoted	141,754	15	944,926.67	141,760	(382)	37,209.95
Add/(Less): Share of other comprehensive income of associates	(2,132)	(28,967)	92.64	75	(2,773)	102.70
Other comprehensive income for the period, net of taxes	1,795,724	1,329,056	35.11	1,134,025	639,919	77.21
<b>Total comprehensive income for the period</b>	<b>12,369,181</b>	<b>11,410,223</b>	<b>8.40</b>	<b>4,460,961</b>	<b>3,294,634</b>	<b>35.40</b>
Attributable to:						
Equity holders of the Bank	12,359,090	11,405,132	8.36	4,453,318	3,290,426	35.34
Non-controlling interests	10,091	5,091	98.21	7,643	4,208	81.63
<b>Total comprehensive income for the period</b>	<b>12,369,181</b>	<b>11,410,223</b>	<b>8.40</b>	<b>4,460,961</b>	<b>3,294,634</b>	<b>35.40</b>

	For the twelve months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
<b>Profit for the period</b>	<b>10,445,511</b>	<b>10,098,329</b>	<b>3.44</b>	<b>3,211,574</b>	<b>2,642,434</b>	<b>21.54</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that will never be reclassified to profit or loss</b>						
<i>Net actuarial gains/(losses) on defined benefit plans</i>	(20,668)	-	-	(20,668)	-	-
Remeasurement of defined benefit liability/(asset)	(28,705)	-	-	(28,705)	-	-
Deferred tax charge/(reversal) on actuarial gains/(losses)	(8,037)	-	-	(8,037)	-	-
<i>Net change in revaluation surplus</i>	(121,178)	121,178	(200.00)	(121,178)	121,178	(200.00)
Changes in revaluation surplus/(deficit)	-	-	-	-	-	-
Deferred tax charge/(reversal) on revaluation surplus	121,178	(121,178)	200.00	121,178	(121,178)	200.00
<b>Items that will never be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	350,969	550,827	(36.28)	(26,817)	133,827	(120.04)
Net gains and losses on re-measuring Available-For-Sale financial assets	1,579,100	619,436	154.93	1,302,826	396,295	228.75
Sri Lanka Government Securities	1,437,346	619,421	132.05	1,161,066	396,677	192.70
Equity Securities - Quoted	141,754	15	944,926.67	141,760	(382)	37,209.95
<b>Other comprehensive income for the period, net of taxes</b>	<b>1,788,223</b>	<b>1,291,441</b>	<b>38.47</b>	<b>1,134,163</b>	<b>651,300</b>	<b>74.14</b>
<b>Total comprehensive income for the period</b>	<b>12,233,734</b>	<b>11,389,770</b>	<b>7.41</b>	<b>4,345,737</b>	<b>3,293,734</b>	<b>31.94</b>
<b>Attributable to:</b>						
Equity holders of the Bank	12,233,734	11,389,770	7.41	4,345,737	3,293,734	31.94
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>12,233,734</b>	<b>11,389,770</b>	<b>7.41</b>	<b>4,345,737</b>	<b>3,293,734</b>	<b>31.94</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	14,263,533	19,752,205	(27.79)	14,261,549	19,732,834	(27.73)
Balances with central banks	18,431,936	18,168,039	1.45	18,431,936	18,168,039	1.45
Placements with banks	4,131,814	16,162,970	(74.44)	4,131,814	16,162,970	(74.44)
Derivative financial instruments	837,694	1,351,095	(38.00)	837,694	1,351,095	(38.00)
Other financial instruments held for trading	6,379,058	6,041,110	5.59	6,379,058	6,041,110	5.59
Loans and receivables to banks	546,270	628,760	(13.12)	546,270	628,760	(13.12)
Loans and receivables to other customers	418,944,215	372,857,337	12.36	418,959,675	372,915,081	12.35
Financial investments - Available for sale	123,748,290	57,963,192	113.49	123,748,290	57,963,192	113.49
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	288,946	303,130	(4.68)
Investments in associates	94,173	93,712	0.49	44,331	44,331	-
Property, plant & equipment	9,175,225	8,946,881	2.55	8,387,344	8,221,118	2.02
Intangible assets	477,728	506,161	(5.62)	467,593	497,038	(5.92)
Leasehold property	110,324	111,776	(1.30)	76,362	77,304	(1.22)
Deferred tax assets	515,323	458,258	12.45	507,078	448,500	13.06
Other assets	9,536,683	9,179,144	3.90	9,539,165	9,188,206	3.82
<b>Total Assets</b>	<b>607,192,266</b>	<b>512,220,640</b>	<b>18.54</b>	<b>606,607,105</b>	<b>511,742,708</b>	<b>18.54</b>
<b>LIABILITIES</b>						
Due to banks	14,194,219	4,893,945	190.04	14,194,219	4,893,945	190.04
Derivative financial instruments	1,411,916	84,291	1,575.05	1,411,916	84,291	1,575.05
Other financial liabilities held for trading	-	-	-	-	-	-
Due to other customers	451,098,946	390,568,682	15.50	451,152,923	390,611,548	15.50
Other borrowings	53,997,503	47,435,565	13.83	54,173,175	47,582,819	13.85
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	1,780,867	2,821,975	(36.89)	1,758,574	2,801,541	(37.23)
Deferred tax liabilities	2,278,737	1,889,983	20.57	2,070,148	1,698,067	21.91
Other provisions	2,409	2,409	-	2,409	2,409	-
Other liabilities	9,885,816	10,417,213	(5.10)	9,827,209	10,362,808	(5.17)
Due to subsidiaries	-	-	-	15,686	22,264	(29.55)
Subordinated liabilities	11,056,847	1,106,016	899.70	11,056,847	1,106,016	899.70
<b>Total Liabilities</b>	<b>545,707,260</b>	<b>459,220,079</b>	<b>18.83</b>	<b>545,663,106</b>	<b>459,165,708</b>	<b>18.84</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
<b>EQUITY</b>						
Stated capital	19,586,813	18,008,796	8.76	19,586,813	18,008,796	8.76
Statutory reserves	4,034,614	3,433,395	17.51	4,034,614	3,433,395	17.51
Retained earnings	4,359,632	4,172,814	4.48	4,233,364	4,178,080	1.32
Other reserves	33,465,169	27,353,415	22.34	33,089,208	26,956,729	22.75
<b>Total equity attributable to equity holders of the Bank</b>	<b>61,446,228</b>	<b>52,968,420</b>	<b>16.01</b>	<b>60,943,999</b>	<b>52,577,000</b>	<b>15.91</b>
<b>Non-controlling Interests</b>	<b>38,778</b>	<b>32,141</b>	<b>20.65</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>61,485,006</b>	<b>53,000,561</b>	<b>16.01</b>	<b>60,943,999</b>	<b>52,577,000</b>	<b>15.91</b>
<b>Total Liabilities and Equity</b>	<b>607,192,266</b>	<b>512,220,640</b>	<b>18.54</b>	<b>606,607,105</b>	<b>511,742,708</b>	<b>18.54</b>
<b>Contingent Liabilities and Commitments</b>	<b>295,451,955</b>	<b>279,593,112</b>	<b>5.67</b>	<b>295,451,955</b>	<b>279,593,112</b>	<b>5.67</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>72.37</b>	<b>63.55</b>		<b>71.78</b>	<b>63.08</b>	<b>13.79</b>

## Memorandum Information

Number of Employees

4,730

4,602

Number of Customer Service Centers

253

244

## 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 statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka,

(b) the information contained in these statements have been extracted from the unaudited Financial Statements of the Group & the Bank unless indicated as audited.

(Sgd.) D.S. Weerakkody  
Chairman

February 24, 2014  
Colombo

(Sgd.) W.M.R.S. Dias  
Managing Director/Chief Executive Officer

## STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	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 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,588,194	4,550,836	(143,969)	(1,303,646)	1,194,328	17,889,471	44,139,380	29,589	44,168,969
Total comprehensive income for the year 2012												
Profit for the year	-	-	-	10,079,829	-	-	-	-	-	10,079,829	1,338	10,081,167
Other comprehensive income, net of tax	-	-	-	(28,967)	186,289	619,436	548,545	-	-	1,325,303	3,753	1,329,056
Total comprehensive income for the year 2012	-	-	-	10,050,862	186,289	619,436	548,545	-	-	11,405,132	5,091	11,410,223
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Proceeds from Right issue of Ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Ordinary shares under Employee Share Option Plans	62,942	-	-	-	-	-	-	-	-	62,942	-	62,942
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	(1,308)	(1,227,969)
Final dividend for 2011 satisfied in the form of issue and allotment of new shares	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Interim Dividends for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	(1,308)	(1,251,469)
Write-back of dividend payable	-	-	-	1,343	-	-	-	-	-	1,343	77	1,420
Transfers during the year	-	504,917	38,173	(4,355,215)	-	-	-	1,652,607	2,159,518	-	-	-
Total transactions with equity holders	1,534,935	504,917	38,173	(8,466,242)	-	-	-	1,652,607	2,159,518	(2,576,092)	(2,539)	(2,578,631)
Balance as at 31.12.2012 - Audited	18,008,796	3,245,818	187,577	4,172,814	4,737,125	475,467	(755,101)	2,846,935	20,048,989	52,968,420	32,141	53,000,561
Total comprehensive income for the year 2013												
Profit for the year	-	-	-	10,563,378	-	-	-	-	-	10,563,378	10,079	10,573,457
Other comprehensive income, net of tax	-	-	-	(21,421)	(121,178)	1,576,968	361,343	-	-	1,795,712	12	1,795,724
Total comprehensive income for the year 2013	-	-	-	10,541,957	(121,178)	1,576,968	361,343	-	-	12,359,090	10,091	12,369,181
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Proceeds from Right issue of Ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Ordinary shares under Employee Share Option Plans	76,074	-	-	-	-	-	-	-	-	76,074	-	76,074
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	(1,308)	(1,670,134)
Final dividend for 2012 satisfied in the form of issue and allotment of new shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
First interim dividend for 2013	-	-	-	(1,273,491)	-	-	-	-	-	(1,273,491)	(1,308)	(1,274,799)
Deferred tax effect on pre-acquisition reserves	-	-	-	(14,547)	-	-	-	-	-	(14,547)	(838)	(15,385)
Transfer to Available for sale reserve	-	-	-	28,967	-	(28,967)	-	-	-	-	-	-
Transfers during the year	-	522,276	78,943	(4,924,807)	-	-	-	1,991,758	2,331,830	-	-	-
Total transactions with equity holders	1,578,017	522,276	78,943	(10,355,139)	-	(28,967)	-	1,991,758	2,331,830	(3,881,282)	(3,454)	(3,884,736)
Balance as at 31.12.2013	19,586,813	3,768,094	266,520	4,359,632	4,615,947	2,023,468	(393,758)	4,838,693	22,380,819	61,446,228	38,778	61,485,006



## STATEMENT OF CHANGES IN EQUITY - BANK

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	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	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 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,547,336	4,222,054	(143,969)	(1,308,721)	1,194,328	17,889,471	43,764,665	-	43,764,665
Total comprehensive income for the year 2012												
Profit for the year	-	-	-	10,098,329	-	-	-	-	-	10,098,329	-	10,098,329
Other comprehensive income, net of tax	-	-	-	-	121,178	619,436	550,827	-	-	1,291,441	-	1,291,441
Total comprehensive income for the year 2012	-	-	-	10,098,329	121,178	619,436	550,827	-	-	11,389,770	-	11,389,770
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Proceeds from Right issue of Ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Ordinary shares under Employee Share Option Plans	62,942	-	-	-	-	-	-	-	-	62,942	-	62,942
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	-	(1,226,661)
Final dividend for 2011 satisfied in the form of issue and allotment of new shares	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Interim Dividends for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	-	(1,250,161)
Transfers during the year	-	504,917	38,173	(4,355,215)	-	-	-	1,652,607	2,159,518	-	-	-
Total transactions with equity holders	1,534,935	504,917	38,173	(8,467,585)	-	-	-	1,652,607	2,159,518	(2,577,435)	-	(2,577,435)
Balance as at 31.12.2012 - Audited	18,008,796	3,245,818	187,577	4,178,080	4,343,232	475,467	(757,894)	2,846,935	20,048,989	52,577,000	-	52,577,000
Total comprehensive income for the year 2013												
Profit for the year	-	-	-	10,445,511	-	-	-	-	-	10,445,511	-	10,445,511
Other comprehensive income, net of tax	-	-	-	(20,668)	(121,178)	1,579,100	350,969	-	-	1,788,223	-	1,788,223
Total comprehensive income for the year 2013	-	-	-	10,424,843	(121,178)	1,579,100	350,969	-	-	12,233,734	-	12,233,734
Transactions with owners, recorded directly in equity contributions and distributions to owners												
Proceeds from Right issue of Ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Ordinary shares under Employee Share Option Plans	76,074	-	-	-	-	-	-	-	-	76,074	-	76,074
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
Final dividend for 2012 satisfied in the form of issue and allotment of new shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
First interim dividend for 2013	-	-	-	(1,273,491)	-	-	-	-	-	(1,273,491)	-	(1,273,491)
Transfers during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfers during the year	-	522,276	78,943	(4,924,807)	-	-	-	1,991,758	2,331,830	-	-	-
Total transactions with equity holders	1,578,017	522,276	78,943	(10,369,559)	-	-	-	1,991,758	2,331,830	(3,866,735)	-	(3,866,735)
Balance as at 31.12.2013	19,586,813	3,768,094	266,520	4,233,364	4,222,054	2,054,567	(406,925)	4,838,693	22,380,819	60,943,999	-	60,943,999

For the twelve months ended December 31,	Group		Bank	
	2013	2012	2013	2012
	(Audited)	(Audited)	(Audited)	(Audited)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	14,692,751	14,312,914	14,510,519	14,295,333
Adjustment for:				
Non-cash items included in profits before tax	5,631,697	4,485,422	5,722,985	4,439,746
Change in operating assets	(102,199,550)	(66,274,558)	(102,163,495)	(66,187,706)
Change in operating liabilities	77,034,423	59,823,290	77,067,488	59,799,214
Net (gains)/losses from investing activities	(11,115)	(10,385)	(233)	3,866
Share of profits in associates	(7,118)	(12,360)	-	-
Dividend income from subsidiaries and associates	2,691	8,615	(72,530)	(78,430)
Interest expense on subordinated liabilities	619,126	132,806	619,126	132,806
Benefits paid during the year	(47,891)	(34,588)	(46,147)	(32,845)
Net unrealized gain from translation of Financial Statements of Foreign Operation	361,343	548,545	350,969	550,827
Tax paid	(4,955,764)	(2,562,366)	(4,907,613)	(2,564,629)
<b>Net cash from operating activities</b>	<b>(8,879,407)</b>	<b>10,417,335</b>	<b>(8,918,931)</b>	<b>10,358,182</b>
<b>Cash Flows from Investing Activities</b>				
Net additions to property, plant and equipment	(957,152)	(1,227,853)	(956,337)	(1,165,413)
Proceeds from the sale of property, plant and equipment	31,431	70,715	11,927	11,722
Purchase of financial investments	(2,749,888)	(618,517)	(2,749,888)	(618,517)
Proceeds from the sale and maturity of financial investments	1,723,893	1,090,366	1,723,893	1,090,366
Net purchase of intangible assets	(119,903)	(202,433)	(119,449)	(202,433)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	-	(20,628)
Dividends received from investment in subsidiaries and associates	-	-	72,530	78,430
<b>Net cash used in investing activities</b>	<b>(2,071,619)</b>	<b>(887,722)</b>	<b>(2,017,324)</b>	<b>(826,473)</b>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from the issue of ordinary shares	76,074	62,942	76,074	62,942
Net proceeds from issue of subordinated liabilities	9,825,000	-	9,825,000	-
Repayment of subordinated liabilities	(550)	-	(550)	-
Interest paid on subordinated liabilities	(492,745)	(132,429)	(492,745)	(132,429)
Dividend paid to non-controlling interests	(2,616)	(2,539)	-	-
Dividend paid to shareholders of the parent company	(3,942,809)	(2,640,377)	(3,942,809)	(2,640,377)
<b>Net cash from / (used in) financing activities</b>	<b>5,462,354</b>	<b>(2,712,403)</b>	<b>5,464,970</b>	<b>(2,709,864)</b>
Net increase/(decrease) in cash & cash equivalents	(5,488,672)	6,817,210	(5,471,285)	6,821,845
Cash and cash equivalents at beginning of the year	19,752,205	12,934,995	19,732,834	12,910,989
<b>Cash and cash equivalents at end of the year</b>	<b>14,263,533</b>	<b>19,752,205</b>	<b>14,261,549</b>	<b>19,732,834</b>

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		14,263,533			14,263,533
Balances with central banks		18,431,936			18,431,936
Placements with banks		4,131,814			4,131,814
Derivative financial instruments	837,694				837,694
Other financial instruments held for trading	6,379,058				6,379,058
Loans and receivables to banks		546,270			546,270
Loans and receivables to other customers		418,944,215			418,944,215
Financial investments - Available for sale			123,748,290		123,748,290
Total financial assets	7,216,752	456,317,768	123,748,290	-	587,282,810
Investments in subsidiaries					
				-	-
Investments in associates				94,173	94,173
Property, plant & equipment				9,175,225	9,175,225
Intangible assets				477,728	477,728
Leasehold property				110,324	110,324
Deferred tax assets				515,323	515,323
Other assets				9,536,683	9,536,683
Total non-financial assets	-	-	-	19,909,456	19,909,456
Total assets	7,216,752	456,317,768	123,748,290	19,909,456	607,192,266
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES					
Due to banks			14,194,219		14,194,219
Derivative financial instruments		1,411,916	-		1,411,916
Other financial liabilities held for trading			-		-
Due to other customers			451,098,946		451,098,946
Other borrowings			53,997,503		53,997,503
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			11,056,847		11,056,847
Total financial liabilities	-	1,411,916	530,347,515	-	531,759,431
Current tax liabilities				1,780,867	1,780,867
Deferred tax liabilities				2,278,737	2,278,737
Other provisions				2,409	2,409
Other liabilities				9,885,816	9,885,816
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	13,947,829	13,947,829
Total liabilities	-	1,411,916	530,347,515	13,947,829	545,707,266

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>					
Cash and cash equivalents		19,752,205			19,752,205
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial instruments held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,857,337			372,857,337
Financial investments - Available for sale			57,963,192		57,963,192
<b>Total financial assets</b>	<b>7,392,205</b>	<b>427,569,311</b>	<b>57,963,192</b>	<b>-</b>	<b>492,924,708</b>
Investments in subsidiaries				-	-
Investments in associates				93,712	93,712
Property, plant & equipment				8,946,881	8,946,881
Intangible assets				506,161	506,161
Leasehold property				111,776	111,776
Deferred tax assets				458,258	458,258
Other assets				9,179,144	9,179,144
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,295,932</b>	<b>19,295,932</b>
<b>Total assets</b>	<b>7,392,205</b>	<b>427,569,311</b>	<b>57,963,192</b>	<b>19,295,932</b>	<b>512,220,640</b>
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	
<b>LIABILITIES</b>					
Due to banks			4,893,945		4,893,945
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,568,682		390,568,682
Other borrowings			47,435,565		47,435,565
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			1,106,016		1,106,016
<b>Total financial liabilities</b>	<b>-</b>	<b>84,291</b>	<b>444,004,208</b>	<b>-</b>	<b>444,088,499</b>
Current tax liabilities				2,821,975	2,821,975
Deferred tax liabilities				1,889,983	1,889,983
Other provisions				2,409	2,409
Other liabilities				10,417,213	10,417,213
Due to Subsidiaries				-	-
<b>Total non-financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,131,580</b>	<b>15,131,580</b>
<b>Total liabilities</b>	<b>-</b>	<b>84,291</b>	<b>444,004,208</b>	<b>15,131,580</b>	<b>459,220,079</b>

	Held for Trading (HFT) Rs.'000	Loans & Receivables (L & R) Rs.'000	Available for Sale (AFS) Rs.'000	Others Rs.'000	Total Rs.'000
ASSETS					
Cash and cash equivalents		14,261,549			14,261,549
Balances with central banks		18,431,936			18,431,936
Placements with banks		4,131,814			4,131,814
Derivative financial instruments	837,694				837,694
Other financial instruments held for trading	6,379,058				6,379,058
Loans and receivables to banks		546,270			546,270
Loans and receivables to other customers		418,959,675			418,959,675
Financial investments - Available for sale			123,748,290		123,748,290
Total financial assets	7,216,752	456,331,244	123,748,290	-	587,296,286
Investments in subsidiaries				288,946	288,946
Investments in associates				44,331	44,331
Property, plant & equipment				8,387,344	8,387,344
Intangible assets				467,593	467,593
Leasehold property				76,362	76,362
Deferred tax assets				507,078	507,078
Other assets				9,539,165	9,539,165
Total non-financial assets	-	-	-	19,310,819	19,310,819
Total assets	7,216,752	456,331,244	123,748,290	19,310,819	606,607,105

	Held for Trading (HFT) Rs.'000	Amortised Cost Rs.'000	Others Rs.'000	Total Rs.'000
LIABILITIES				
Due to banks		14,194,219		14,194,219
Derivative financial instruments	1,411,916	-		1,411,916
Other financial liabilities held for trading		-		-
Due to other customers		451,152,923		451,152,923
Other borrowings		54,173,175		54,173,175
Debt securities issued		-		-
Other liabilities		-		-
Subordinated liabilities		11,056,847		11,056,847
Total financial liabilities	-	1,411,916	-	531,989,080
Current tax liabilities			1,758,574	1,758,574
Deferred tax liabilities			2,070,148	2,070,148
Other provisions			2,409	2,409
Other liabilities			9,827,209	9,827,209
Due to Subsidiaries			15,686	15,686
Total non-financial liabilities	-	-	13,674,026	13,674,026
Total liabilities	-	1,411,916	530,577,164	545,663,106

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		19,732,834			19,732,834
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial instruments held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,915,081			372,915,081
Financial investments - Available for sale			57,963,192		57,963,192
Total financial assets	7,392,205	427,607,684	57,963,192	-	492,963,081
Investments in subsidiaries				303,130	303,130
Investments in associates				44,331	44,331
Property, plant & equipment				8,221,118	8,221,118
Intangible assets				497,038	497,038
Leasehold property				77,304	77,304
Deferred tax assets				448,500	448,500
Other assets				9,188,206	9,188,206
Total non-financial assets	-	-	-	18,779,627	18,779,627
Total assets	7,392,205	427,607,684	57,963,192	18,779,627	511,742,708
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES					
Due to banks			4,893,945		4,893,945
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,611,548		390,611,548
Other borrowings			47,582,819		47,582,819
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			1,106,016		1,106,016
Total financial liabilities	-	84,291	444,194,328	-	444,278,619
Current tax liabilities				2,801,541	2,801,541
Deferred tax liabilities				1,698,067	1,698,067
Other provisions				2,409	2,409
Other liabilities				10,362,808	10,362,808
Due to Subsidiaries				22,264	22,264
Total non-financial liabilities	-	-	-	14,887,089	14,887,089
Total liabilities	-	84,291	444,194,328	14,887,089	459,165,708

	Bank		Group	
	As at	As at	As at	As at
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier I Capital ) - Rs. '000	51,480,986	45,067,232	51,661,339	45,087,778
Total Capital Base - Rs. '000	65,579,876	49,379,397	65,760,230	49,399,944
Core Capital Adequacy Ratio - Core capital as a % of				
Risk Weighted Assets ( Minimum Requirement, 5% )	13.27%	12.64%	13.30%	12.63%
Total Capital Adequacy Ratio - Total capital as a % of				
Risk Weighted Assets ( Minimum Requirement, 10% )	16.91%	13.85%	16.93%	13.84%
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio				
( Net of Interest in Suspense )	3.88%	3.37%		
Net Non-Performing Advances Ratio				
( Net of Interest in Suspense and Provisions )	2.12%	1.84%		
<b>Profitability</b>				
Interest Margin	4.53%	4.80%		
Return on Assets ( before tax )	2.59%	3.00%		
Return on Equity	18.40%	20.96%		
<b>Debt Security Related Ratios</b>				
Debt Equity Ratio	32.51%	18.25%		
Interest Cover (Times)	25.90	48.61		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	146,690,969	95,002,327		
Off-Shore Banking Unit	8,092,612	6,463,887		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20% )				
Domestic Banking Unit	33.66%	25.40%		
Off-Shore Banking Unit	29.38%	34.16%		

**SEGMENTAL ANALYSIS - GROUP**
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	Banking		Leasing		Dealing / Treasury		Investments		Total/Consolidated	
<i>For the twelve months ended December 31,</i>	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000
<b>External Operating income :</b>										
Net interest income	22,240,114	21,385,560	944,807	911,261	1,648,811	111,621	488,525	443,217	25,322,257	22,851,659
Foreign exchange profit	3,715,933	2,091,074	-	-	(1,720,316)	2,595,937	-	-	1,995,617	4,687,011
Net Fees and Commission income	4,244,029	3,590,315	-	-	8,829	8,003	-	-	4,252,858	3,598,318
Other income	610,789	110,871	2,049,614	1,308,323	214,756	131,168	42,955	60,369	2,918,114	1,610,731
Eliminations/Unallocated	-	-	-	-	-	-	-	-	1,130,093	266,169
<b>Total Operating income</b>	<b>30,810,865</b>	<b>27,177,820</b>	<b>2,994,421</b>	<b>2,219,584</b>	<b>152,080</b>	<b>2,846,729</b>	<b>531,480</b>	<b>503,586</b>	<b>35,618,939</b>	<b>33,013,888</b>
Impairment charges for loans and other losses	(4,274,451)	(3,083,820)	(325,881)	(74,471)	-	-	-	-	(4,600,332)	(3,158,291)
Net Operating income	26,536,414	24,094,000	2,668,540	2,145,113	152,080	2,846,729	531,480	503,586	31,018,607	29,855,597
Segment result	14,141,130	14,453,263	2,668,540	2,145,113	1,751,483	1,617,091	474,559	449,652	19,035,712	18,665,119
Unallocated operating expenses									(4,350,079)	(4,364,565)
Profit from operations									14,685,633	14,300,554
Share of profit of Associates									7,118	12,360
Income tax expense									(4,119,294)	(4,231,747)
Non-controlling Interests									(10,079)	(1,338)
Net profit attributable to Equity holders of the parent									10,563,378	10,079,829

<i>As at December 31,</i>	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000
<b>Other information</b>										
Segment assets	335,270,625	291,972,329	21,778,745	25,043,149	192,541,792	132,898,416	4,996,180	3,836,916	554,587,342	453,750,810
Investment in associates							94,173	93,712	94,173	93,712
Unallocated Assets									52,510,751	58,376,118
Total assets									607,192,266	512,220,640
Segment liabilities	322,236,766	292,636,055	21,778,745	25,043,149	192,541,792	132,898,416	5,090,353	3,930,628	541,647,656	454,508,248
Unallocated liabilities									4,059,604	4,711,831
Total liabilities									545,707,260	459,220,079

<i>For the twelve months ended December 31,</i>	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000
<b>Information on cash flows</b>										
Cash flows from operating activities	51,449,579	10,402,702	3,409,503	(3,660,659)	805,457	(301,398)	(64,543,946)	3,976,690	(8,879,407)	10,417,335
Cash flows from investing activities	-	-	-	-	-	-	(1,025,995)	471,849	(1,025,995)	471,849
Cash flows from financing activities	9,464,350	-	-	-	(132,645)	(132,429)	-	-	9,331,705	(132,429)
Capital expenditure										
Property, Plant & Equipment									(925,721)	(1,157,138)
Intangible assets									(119,903)	(202,433)
Eliminations/Unallocated									(3,869,351)	(2,579,974)
<b>Net Cash Flow generated</b>									(5,488,672)	6,817,210



## Twenty largest voting shareholders as at December 31,2013

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	117,951,857	14.85
Employees Provident Fund	77,586,335	9.76
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	57,224,769	7.20
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,219,594	5.06
CB NY S/A International Finance Corporation	39,756,210	5.00
Mr.Y. S. H. I. Silva	36,000,446	4.53
Sri Lanka Insurance Corporation Ltd. - General Fund	34,583,318	4.35
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	18,546,949	2.33
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	17,786,191	2.24
Distilleries Company of Sri Lanka PLC	17,348,809	2.18
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	15,136,477	1.91
Mrs. L. E. M. Yaseen	11,675,901	1.47
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,736,297	1.35
Mercantile Investments and Finance Plc	10,244,517	1.29
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,071,609	1.02
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,398,991	0.93
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	6,960,323	0.88
Northern Trust Company S/A Harding Loevner Emerging Markets Portfolio	6,850,000	0.86
HSBC Intl. Nominees Ltd. - BP2S -London Aberdeen Asia Smaller Companies Investment Trust	6,672,683	0.84
The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return Fund	6,089,109	0.77
Sub total	546,840,385	68.83
Other Shareholders	247,695,434	31.17
Total	794,535,819	100.00

Percentage of public holding as at December 31,2013 - 85.01%

## Twenty largest non-voting shareholders as at December 31,2013

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,286,705	6.03
CITY Bank NY S/A Forward International Dividend Fund	1,800,733	3.30
GF Capital Global Limited	1,516,962	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,353,360	2.48
Northern Trust Company S/A The Ashmoreemm Umbrella Fund Trust	1,303,338	2.39
Mr. J. D. Bandaranayake	1,077,799	1.98
Waldock Mackenzie Lts / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,000,000	1.83
M.J.F.Exports Ltd.	933,060	1.71
MAS Capital (Pvt) Ltd	801,620	1.47
Northern Trust Company S/A Polar Capital Funds Plc	778,280	1.43
Mr. M. F. Hashim	689,800	1.26
Saboor Chatoor (Pvt) Ltd	687,000	1.26
Mr. M. A . Yaseen	625,016	1.15
CITY Bank NY S/A Forward Select EM Dividend Fund	618,000	1.13
Asian Alliance Insurance Plc - A/C 02 (Life Fund)	495,072	0.91
Akbar Brothers (Pvt) Ltd. A/C No.01	487,940	0.89
Dr. A. K. A. Jayawardene	481,472	0.88
Mrs. L. V. C. Samarasinha	457,144	0.84
Mr. G. R. Mallawaarachthy & Mrs. B. G. P. Mallawaarachthy (Joint)	433,880	0.80
Mr. W.R.H. Perera	430,961	0.79
Sub total	19,258,142	35.31
Other Shareholders	35,285,080	64.69
Total	54,543,222	100.00

Percentage of public holding as at December 31,2013 - 99.94%

## Directors' holding in shares as at December 31,2013

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.D.S.Weerakkody - Chairman	26,452	12,220
Mr.K.G.D.D Dheerasinghe - Deputy Chairman	20,334	-
Mr.W.M.R.S.Dias - Managing Director/Chief Executive Officer	696,594	-
Prof.U.P.Liyanage	-	-
Mr.L.Hulugalle	-	-
Mr.M.P Jayawardena	-	-
Mr.S.Swarnajothi	-	8,332
Mr.J.Durairatnam	344,336	-

	2013 Rs.	2012 Rs.
<b>Market price of an ordinary share of the Bank as at December 31, 2013</b>		
Voting	120.40	103.00
Non-Voting	93.00	91.10
<b>Highest price during the quarter ended December 31,</b>		
Voting	122.50	116.00
Non-Voting	94.00	95.00
<b>Lowest price during the quarter ended December 31,</b>		
Voting	112.00	99.00
Non-Voting	87.00	87.00
<b>Number of Ordinary Shares Issued as at December 31,</b>		
Voting	794,535,819	780,014,232
Non-Voting	54,543,222	53,473,748

## EXPLANATORY NOTES

- 1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2012. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- 2 There were no material events that took place since December 31, 2013, that require disclosure in these Interim Financial Statements.
- 3 The Bank paid the second interim dividend of Rs.1.00 per share on January 27, 2014 to both voting and non-voting ordinary shareholders of the Bank. (The second interim dividend for the year 2012 was Rs.1.00 per share and was paid on February 18, 2013).
- 4 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 5 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

INFORMATION ON DEBENTURES - BANK

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Debenture categories	CSE Listing	Interest payable frequency	Balance as at December 31, 2013 Rs. Mn.	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	8.85		
				-	-	-	13.25	13.25	11.70	-	-
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	9.10	Not traded during the current period	
				Not traded during the current period			14.00	14.00	11.50	Not traded during the current pe	
Floating rate											
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.4	Not traded during the current period			13.99	13.99	10.20	Not traded during the current period	
				Not traded during the current period			11.34	11.34	13.65	Not traded during the current pe	
Total Debentures			972.7								

(Comparative information for 2012 have been Highlighted )

12 Months TB rate (Gross) - Twelve months Treasury Bill rate before deducting 10% Withholding Tax as published by the Central Bank of Sri Lanka immediately prior to the commencement of each interest period

(AS PER THE CIRCULAR NO.02/17/900/0001/004 DATED ON OCTOBER 11, 2013 ISSUED BY THE CENTRAL BANK OF SRI LANKA)

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000
Gross loans and receivables	434,731,383	386,358,564	434,746,843	386,416,308
Less: Allowance for Individual impairment	4,204,654	3,402,168	4,204,654	3,402,168
Allowance for Collective impairment	11,582,514	10,099,059	11,582,514	10,099,059
<b>Net loans and receivables</b>	<b>418,944,215</b>	<b>372,857,337</b>	<b>418,959,675</b>	<b>372,915,081</b>

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000
<b>By product - Domestic Currency</b>				
Loans and advances				
Overdrafts	64,263,957	61,563,178	64,263,957	61,563,178
Trade finance	32,341,285	26,942,064	32,341,285	26,942,064
Lease rental receivable	21,561,529	24,937,594	21,578,494	24,995,338
Credit cards	3,956,214	2,736,883	3,956,214	2,736,883
Pawning	6,995,603	10,947,448	6,995,603	10,947,448
Staff loans	3,773,611	3,042,378	3,772,106	3,042,378
Housing Loans	27,248,649	25,405,376	27,248,649	25,405,376
Personal Loans	16,237,144	17,724,820	16,237,144	17,724,820
Term loans				
Short-term	21,749,968	17,642,865	21,749,968	17,642,865
Long-term	102,726,045	84,825,431	102,726,045	84,825,431
Bills of Exchange	2,187,828	839,841	2,187,828	839,841
Securities purchased under resale agreements	6,618,100	2,529,177	6,618,100	2,529,177
<b>Sub total</b>	<b>309,659,933</b>	<b>279,137,055</b>	<b>309,675,393</b>	<b>279,194,799</b>
<b>Others</b>				
Government Securities	645,610	622,859	645,610	622,859
Investments	4,302,475	3,231,138	4,302,475	3,231,138
<b>Sub total</b>	<b>4,948,085</b>	<b>3,853,997</b>	<b>4,948,085</b>	<b>3,853,997</b>
<b>Gross loans and receivables</b>	<b>314,608,018</b>	<b>282,991,052</b>	<b>314,623,478</b>	<b>283,048,796</b>

	Group		Bank	
	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000
<b>By product - Foreign Currency</b>				
Loans and advances				
Overdrafts	8,156,718	7,914,064	8,156,718	7,914,064
Trade finance	15,615,852	12,063,992	15,615,852	12,063,992
Lease rental receivable	217,216	250,311	217,216	250,311
Credit cards	43,405	42,492	43,405	42,492
Pawning	-	-	-	-
Staff loans	113,805	133,575	113,805	133,575
Housing Loans	481,304	61,128	481,304	61,128
Personal Loans	280,199	291,189	280,199	291,189
Term loans				
Short-term	8,886,299	11,501,394	8,886,299	11,501,394
Long-term	30,598,473	26,329,608	30,598,473	26,329,608
Bills of Exchange	2,855,831	4,846,024	2,855,831	4,846,024
Securities purchased under resale agreements	2,328,399	1,168,505	2,328,399	1,168,505
<b>Sub total</b>	<b>69,577,501</b>	<b>64,602,282</b>	<b>69,577,501</b>	<b>64,602,282</b>
<b>Others</b>				
Government Securities	50,471,323	38,661,077	50,471,323	38,661,077
Investments	74,541	104,153	74,541	104,153
<b>Sub total</b>	<b>50,545,864</b>	<b>38,765,230</b>	<b>50,545,864</b>	<b>38,765,230</b>
<b>Gross loans and receivables</b>	<b>120,123,365</b>	<b>103,367,512</b>	<b>120,123,365</b>	<b>103,367,512</b>
<b>Total of Gross loans and receivables</b>	<b>434,731,383</b>	<b>386,358,564</b>	<b>434,746,843</b>	<b>386,416,308</b>

(AS PER THE CIRCULER 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	
	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000
<b>Movement in Allowance for Individual Impairment</b>				
Opening balance	3,402,168	3,363,859	3,402,168	3,363,859
Charge/(Write back) to the Income Statement	3,021,394	1,296,697	3,021,394	1,296,697
Net write-off/(Recoveries) during the period	(2,320,881)	(1,491,247)	(2,320,881)	(1,491,247)
Exchange rate variance on foreign currency provisions	18,792	14,807	18,792	14,807
Interest accrued on impaired loans & advances	(304,712)	(249,760)	(304,712)	(249,760)
Other movements	387,893	467,812	387,893	467,812
<b>Closing balance</b>	<b>4,204,654</b>	<b>3,402,168</b>	<b>4,204,654</b>	<b>3,402,168</b>
<b>Movement in Allowance for Collective Impairment</b>				
Opening balance	10,099,059	8,237,033	10,099,059	8,237,033
Charge/(Write back) to the Income Statement	1,479,914	1,856,688	1,479,914	1,856,688
Exchange rate variance on foreign currency provisions	3,541	5,338	3,541	5,338
Other movements	-	-	-	-
<b>Closing balance</b>	<b>11,582,514</b>	<b>10,099,059</b>	<b>11,582,514</b>	<b>10,099,059</b>
<b>Total of Individual and Collective Impairment</b>	<b>15,787,168</b>	<b>13,501,227</b>	<b>15,787,168</b>	<b>13,501,227</b>

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2013 Rs.'000	As at 31.12.2012 Rs.'000
<b>By product - Domestic Currency</b>				
Current account deposits	27,775,664	23,584,711	27,775,704	23,584,711
Savings deposits	119,827,302	104,759,862	119,827,302	104,759,861
Time deposits	191,597,280	155,173,914	191,651,217	155,216,780
Certificates of deposits	3,566,003	8,585,694	3,566,003	8,585,694
<b>Sub Total</b>	<b>342,766,249</b>	<b>292,104,181</b>	<b>342,820,226</b>	<b>292,147,046</b>
<b>By product - Foreign Currency</b>				
Current account deposits	9,111,749	8,491,823	9,111,749	8,491,823
Savings deposits	39,594,656	37,080,144	39,594,656	37,080,145
Time deposits	59,626,292	52,892,534	59,626,292	52,892,534
Certificates of deposits	-	-	-	-
<b>Sub Total</b>	<b>108,332,697</b>	<b>98,464,501</b>	<b>108,332,697</b>	<b>98,464,502</b>
<b>Total</b>	<b>451,098,946</b>	<b>390,568,682</b>	<b>451,152,923</b>	<b>390,611,548</b>

**NAME OF COMPANY**

Commercial Bank of Ceylon PLC

**TAX PAYER IDENTIFICATION NUMBER (TIN)**

124006007

**LEGAL FORM**

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

**CREDIT RATING****Sri Lanka Operation**

- AA (lka) was re-affirmed by Fitch Ratings Lanka Ltd. in August 2013.
- AA+ was re-affirmed by Ram Ratings Lanka Ltd. in August 2013.

**Bangladesh Operation**

- AAA was re-affirmed by Credit Rating Information Services Ltd. in 2013.

**COMPANY REGISTRATION NUMBER**

PQ116

**COMPLIANCE OFFICER**

Mr. S.M.R.J.Rodrigo  
Assistant General Manager - Plan Implementation

**STOCK EXCHANGE LISTING**

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of December 2006/December 2013 and December 2006/December 2016 series, both fixed and floating interest rates of the Company are listed on the Colombo Stock Exchange.

**LAWYERS**

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

**REGISTERED OFFICE**

"Commercial House",  
No. 21, Sir Razik Fareed Mw.  
P.O. Box 856,  
Colombo 1, Sri Lanka.  
Telephone : 2430420, 2336700  
2445010-15 ,24860000, 4792000  
Tele-Banking :2336633-5  
Telex :21520 COMEX CE  
Facsimile : 941-112449889  
SWIFT Code-Sri Lanka : CCEYLKLX  
SWIFT Code-Bangladesh : CCEYBDDH  
E-mail : email@combank.net  
Website : www.combank.net

**AUDITORS**

KPMG  
Chartered Accountants,  
32A, Sir Mohamed Macan Markar Mawatha,  
Colombo 3.

**REGISTRARS**

S S P Corporate Services (Private) Limited,  
No. 101, Inner Flower Road,  
Colombo 3, Sri Lanka.  
Telephone: 2573894, 2576871  
Facsimile: 9411-2573609  
E-mail: sspsec@stlnet.lk

**COMPANY SECRETARY**

Mrs. R.R. Dunuwille

**HEAD OFFICE**

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

**ACCOUNTING YEAR**

December 31

**BOARD OF DIRECTORS**

Mr.D.S.Weerakkody - Chairman  
Mr.K.G.D.D.Dheerasinghe - Deputy Chairman  
Mr.W.M.R.S.Dias - Managing Director/Chief Executive Officer  
Prof.U.P.Liyanage  
Mr.L.Hulugalle  
Mr.M.P.Jayawardena  
Mr.S.Swarnajothi  
Mr.J. Durairatnam