

INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2020

Financial Review for the three months ended March 31, 2020

ComBank makes steady start to 2020 with pre-COVID-19 gains

- Impairment charges for Q1 surge to Rs 6.54 bn.
- Deposits grew by Rs 51.33 bn. to Rs 1.10 Tn.
- Advances grew by Rs. 28.74 bn. to Rs. 949.2 bn.

Healthy growth in business volumes and an extraordinary contribution from other income, before the slowdown attributed to the COVID-19 pandemic, have enabled the Commercial Bank of Ceylon PLC to make a steady start to 2020, despite the continuing increase in impairment charges quarter-on-quarter.

Sri Lanka's benchmark private sector bank has reported a gross income of Rs 39.444 billion for the three months ending 31st March 2020, recording a growth of 12.87%. Interest income growth remained predictably flat, up just 0.83% to Rs 31.892 billion, but the Bank's interest expenses, at Rs 19.466 billion, reflected an achievement of a 1.43% reduction during the quarter reviewed, attributable to timely re-pricing of liabilities as well as an improvement in its CASA ratio. This enabled the Bank to generate net interest income of Rs 12.426 billion, an improvement of 4.59%.

A 4.34% depreciation of the Sri Lanka Rupee against the US Dollar in the three months reviewed as against an appreciation of 4.27% recorded in the first quarter of 2019, coupled with a revaluation of the Bank's foreign currency assets and liabilities, resulted in the Bank posting an exchange profit of Rs 6.514 billion, which helped convert a net loss of Rs 389.309 million in other operating income in Q1 2019 to net income of Rs 6.587 billion in the three months under review. At the same time, a loss of Rs 2.348 billion was recorded from trading in the quarter reviewed due to unrealised losses on forward foreign exchange contracts entered into by the Bank. Consequently, the Bank's total other income grew ten-fold from Rs 460 million reported for the first quarter of 2019 to Rs 4.600 billion for the quarter under review.

The continuing necessity to make substantially higher provisions for impairment charges in response to the trend common to the industry of increasing NPLs, saw the Bank making a provision of Rs 6.545 billion in respect of the reviewed quarter. In the preceding three quarters, the Bank made provisions of Rs 2.738 billion, Rs 2.956 billion and Rs 3.515 billion, respectively for impairment charges and other losses.

As a result of the higher impairment charges, the Bank's net operating income declined by a marginal 0.38% to Rs 12.775 billion, despite the fact that total operating income had grown by a robust 31.64% to Rs 19.320 billion.

Continuous focus on containing controllable expenditure enabled the Bank to keep total expenditure for the three months to Rs 6.536 billion, an increase of mere Rs 254 million or 4.04% over the corresponding quarter of last year.

Operating profit before taxes at Rs 6.239 billion reflected a decline of 4.63%, but with taxes on financial services reducing by 42.83% to Rs 1.010 billion for the quarter under review due to the abolition of Nation Building Tax (NBT) from December 2019 and Debt Repayment Levy (DRL) from January 2020, the Bank posted a profit before income tax of Rs 5.229 billion for the three months, an increase of 9.51%.

Profit after tax grew by 22.62% to Rs 3.707 billion, with the increase in the tax-exempt component of income being higher in the reviewed quarter in comparison with Q1 of 2019.

Total assets of the Bank increased by Rs 63.919 billion or 4.61% at a monthly average of Rs 21.3 billion to Rs 1.451 Trillion as at 31st March 2020. Asset growth over the preceding 12 months was Rs 132.665 billion or 10.06% YoY.

Gross loans and advances grew by Rs 28.744 billion or 3.12% since end 2019 to Rs 949.201 billion at the end of the three months under review. The growth of the loan book over the preceding year was Rs 64.562 billion reflecting YoY growth of 7.30%.

Total deposits recorded a growth of 4.87% or Rs 51.326 billion over the three months to reach Rs 1.105 Trillion as at 31st March 2020, reflecting average monthly growth of over Rs 17 billion. Deposit growth since 31st March 2019 was Rs 98.557 billion or 9.80% at a monthly average of Rs 8.2 billion.

In other key indicators, the Bank's gross NPL ratio increased to 5.27% from 4.95% at end 2019 and 4.14% at end of first quarter 2019, while its net NPL ratio increased similarly to 3.24% from 3.0% at the start of the quarter. The net NPL ratio at the end of the corresponding quarter of 2019 was 2.47%.

The Bank's Total Tier 1 capital ratio stood at 11.495% as at 31st March 2020, comfortably above the revised minimum requirement of 9% imposed by the regulator consequent to the COVID-19

pandemic, while the Total Capital Ratio of 15.298% was also well above the revised requirement of 13%.

The Bank's interest margin improved marginally to 3.52% for the quarter from 3.51% at end December 2019 but was lower than the 3.68% reported for the corresponding quarter of the previous year. Return on assets (before tax) and return on equity reduced to 1.48% and 11.16% respectively from 1.66% and 13.54% at the end of 2019. The Bank's net assets value per share stood at Rs 130.35 at the end of 1Q 2020, with an improvement of 0.58% since the end of 2019.

As a group, Commercial Bank of Ceylon PLC, its subsidiaries and associate reported profit before tax of Rs 5.438 billion, an improvement of 8.35% and profit after tax of Rs 3.814 billion, reflecting growth of 19.54%.

The first Sri Lankan Bank to be listed among the Top 1000 Banks of the World and the only Sri Lankan bank to be so listed for nine years consecutively, Commercial Bank is celebrating its 100th anniversary this year. The Bank, which won more than 50 international and local awards in 2019, operates a network of 268 branches and 865 ATMs in Sri Lanka.

Commercial Bank's overseas operations encompass Bangladesh, where the Bank operates 19 outlets; Myanmar, where it has a Representative Office in Yangon and a Microfinance company in Nay Pyi Taw; and the Maldives, where the Bank has a fully-fledged Tier I Bank with a majority stake.

INCOME STATEMENT

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For the three months ended March 31,	GROUP			BANK		
	2020 Rs.'000	2019 Rs.'000	Change %	2020 Rs.'000	2019 Rs.'000	Change %
Gross income	40,080,455	35,501,475	12.90	39,444,378	34,947,865	12.87
Interest income	32,354,800	31,977,204	1.18	31,891,660	31,628,547	0.83
Less : Interest expense	19,572,140	19,857,384	(1.44)	19,465,707	19,747,476	(1.43)
Net interest income	12,782,660	12,119,820	5.47	12,425,953	11,881,071	4.59
Fee and commission income	3,107,603	2,973,731	4.50	2,952,277	2,859,276	3.25
Less: Fee and commission expense	660,542	525,891	25.60	659,104	523,933	25.80
Net fee and commission income	2,447,061	2,447,840	(0.03)	2,293,173	2,335,343	(1.81)
Net gains/(losses) from trading	(2,348,004)	740,848	(416.93)	(2,348,004)	740,848	(416.93)
Net gains/(losses) from derecognition of financial assets	361,666	108,503	233.32	361,666	108,503	233.32
Net other operating income	6,604,390	(298,811)	2,310.22	6,586,779	(389,309)	1,791.92
Total operating income	19,847,773	15,118,200	31.28	19,319,567	14,676,456	31.64
Less : Impairment charges and other losses	6,653,253	1,896,313	250.85	6,544,696	1,852,370	253.31
Net operating income	13,194,520	13,221,887	(0.21)	12,774,871	12,824,086	(0.38)
Less: Expenses	6,746,640	6,417,633	5.13	6,536,091	6,282,583	4.04
Personnel expenses	3,840,968	3,610,975	6.37	3,741,701	3,557,990	5.16
Depreciation and amortisation	668,819	699,012	(4.32)	649,307	659,949	(1.61)
Other expenses	2,236,853	2,107,646	6.13	2,145,083	2,064,644	3.90
Operating profit before taxes on financial services	6,447,880	6,804,254	(5.24)	6,238,780	6,541,503	(4.63)
Less: Taxes on financial services	1,009,272	1,786,960	(43.52)	1,010,223	1,767,129	(42.83)
Value Added Tax (VAT)	1,009,272	1,068,097	(5.51)	1,010,223	1,052,280	(4.00)
Nation Building Tax (NBT)	-	142,413	-	-	140,304	-
Debt Repayment Levy (DRL)	-	576,450	-	-	574,545	-
Operating profit after taxes on financial services	5,438,608	5,017,294	8.40	5,228,557	4,774,374	9.51
Add: Share of profits/(losses) of associates, net of tax	(914)	1,343	(168.06)	-	-	-
Profit before income tax	5,437,694	5,018,637	8.35	5,228,557	4,774,374	9.51
Less : Income tax expense	1,623,311	1,827,824	(11.19)	1,521,991	1,751,497	(13.10)
Profit for the period	3,814,383	3,190,813	19.54	3,706,566	3,022,877	22.62
Profit attributable to:						
Equity holders of the Bank	3,764,709	3,129,917	20.28	3,706,566	3,022,877	22.62
Non-controlling interest	49,674	60,896	(18.43)	-	-	-
Profit for the period	3,814,383	3,190,813	19.54	3,706,566	3,022,877	22.62
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	3.66	3.05	20.00	3.61	2.94	22.79
Diluted earnings per ordinary share (Rs.)	3.66	3.05	20.00	3.61	2.94	22.79

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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For the three months ended March 31,	GROUP			BANK		
	2020 Rs.'000	2019 Rs.'000	Change %	2020 Rs.'000	2019 Rs.'000	Change %
Profit for the Period	3,814,383	3,190,813	19.54	3,706,566	3,022,877	22.62
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	(53,931)	(16,830)	(220.45)	(53,931)	(16,830)	(220.45)
Change in fair value on investments in equity at fair value through other comprehensive income	(53,931)	(16,830)	(220.45)	(53,931)	(16,830)	(220.45)
Less: Deferred tax charge/(reversal) on change in fair value on investments in equity	-	-	-	-	-	-
Share of other comprehensive income/(expense) of associates, net of tax	-	(2,002)	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	1,162,550	(972,002)	219.60	984,719	(860,683)	214.41
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	(707,556)	2,043,849	(134.62)	(707,556)	2,043,849	(134.62)
Fair value gains/(losses) that arose during the period, net of tax	(478,061)	2,103,657	(122.73)	(478,061)	2,103,657	(122.73)
Fair value (gains)/losses realised to the Income Statement on disposal, net of tax	(260,400)	(79,114)	(229.15)	(260,400)	(79,114)	(229.15)
Fair value (gains)/losses recycled to the Income Statement as impairment, net of tax	30,905	19,306	60.08	30,905	19,306	60.08
Cash flow hedges - effective portion of changes in fair value, net of tax	(71,924)	(21,178)	(239.62)	(71,924)	(21,178)	(239.62)
Other comprehensive income/(expense) for the period, net of taxes	329,139	1,031,837	(68.10)	151,308	1,145,158	(86.79)
Total comprehensive income for the period	4,143,522	4,222,650	(1.87)	3,857,874	4,168,035	(7.44)
Attributable to:						
Equity holders of the Bank	4,035,595	4,208,120	(4.10)	3,857,874	4,168,035	(7.44)
Non-controlling interest	107,927	14,530	642.79	-	-	-
Total comprehensive income for the period	4,143,522	4,222,650	(1.87)	3,857,874	4,168,035	(7.44)

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.03.2020	31.12.2019	Change	31.03.2020	31.12.2019	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
ASSETS						
Cash and cash equivalents	69,291,420	53,681,118	29.08	67,909,585	52,534,730	29.27
Balances with Central Banks	38,459,820	46,101,232	(16.58)	32,656,696	39,461,127	(17.24)
Placements with banks	28,862,006	24,903,809	15.89	28,287,644	24,527,241	15.33
Securities purchased under resale agreements	10,448,494	13,147,534	(20.53)	10,448,494	13,147,534	(20.53)
Derivative financial assets	2,140,505	1,830,927	16.91	2,140,505	1,830,927	16.91
Financial assets recognised through profit or loss - measured at fair value	25,660,517	21,468,033	19.53	25,660,517	21,468,033	19.53
Financial assets at amortised cost - Loans and advances to banks	792,189	757,787	4.54	792,189	757,787	4.54
Financial assets at amortised cost - Loans and advances to other customers	917,442,418	893,919,311	2.63	907,415,058	884,645,744	2.57
Financial assets at amortised cost - Debt and other financial instruments	116,242,352	107,059,021	8.58	110,201,662	101,144,819	8.95
Financial assets measured at fair value through other comprehensive income	212,994,354	197,825,017	7.67	212,748,101	197,568,330	7.68
Investments in subsidiaries	-	-	-	5,011,284	5,011,284	-
Investments in associates	55,907	56,821	(1.61)	44,331	44,331	-
Property, plant & equipment	22,051,532	22,423,046	(1.66)	20,053,178	20,436,493	(1.88)
Investment properties	46,350	46,350	-	-	-	-
Intangible assets	1,641,425	1,645,714	(0.26)	1,076,363	1,080,010	(0.34)
Leasehold property	101,251	101,612	(0.36)	70,477	70,710	(0.33)
Deferred tax assets	1,291,100	530,165	143.53	1,100,255	294,059	274.16
Other assets	25,749,941	23,443,869	9.84	25,647,724	23,322,247	9.97
Total Assets	1,473,271,581	1,408,941,366	4.57	1,451,264,063	1,387,345,406	4.61
LIABILITIES						
Due to banks	76,515,510	53,807,425	42.20	74,075,132	51,505,694	43.82
Derivative financial liabilities	2,987,717	1,495,317	99.80	2,987,717	1,495,317	99.80
Securities sold under repurchase agreements	42,014,953	51,117,342	(17.81)	42,159,141	51,220,023	(17.69)
Financial liabilities at amortised cost - due to depositors	1,120,368,799	1,068,982,587	4.81	1,104,634,005	1,053,307,660	4.87
Financial liabilities at amortised cost - other borrowings	23,473,191	23,248,893	0.96	23,473,191	23,248,893	0.96
Current tax liabilities	5,324,474	5,197,188	2.45	5,053,931	4,967,644	1.74
Deferred tax liabilities	417,779	416,458	0.32	-	-	-
Other liabilities	26,541,214	30,775,884	(13.76)	26,300,217	30,496,709	(13.76)
Due to subsidiaries	-	-	-	80,711	54,292	48.66
Subordinated liabilities	38,562,279	37,886,789	1.78	38,562,279	37,886,789	1.78
Total Liabilities	1,336,205,916	1,272,927,883	4.97	1,317,326,324	1,254,183,021	5.03

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.03.2020	31.12.2019	Change	31.03.2020	31.12.2019	Change
	(Audited)	(Audited)		(Audited)	(Audited)	
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
EQUITY						
Stated capital	40,916,958	40,916,958	-	40,916,958	40,916,958	-
Statutory reserves	8,387,701	8,387,701	-	8,205,391	8,205,391	-
Retained earnings	5,864,374	5,182,185	13.16	5,768,479	5,144,433	12.13
Other reserves	80,208,291	79,937,405	0.34	79,046,911	78,895,603	0.19
Total equity attributable to equity holders of the Group/Bank	135,377,324	134,424,249	0.71	133,937,739	133,162,385	0.58
Non-controlling Interest	1,688,341	1,589,234	6.24	-	-	-
Total Equity	137,065,665	136,013,483	0.77	133,937,739	133,162,385	0.58
Total Liabilities and Equity	1,473,271,581	1,408,941,366	4.57	1,451,264,063	1,387,345,406	4.61
Contingent Liabilities and Commitments	622,815,977	580,961,807	7.20	620,610,185	579,999,273	7.00
Net Assets Value per Ordinary Share (Rs.)	131.75	130.83	0.70	130.35	129.60	0.58
Memorandum Information						
Number of Employees				5,081	5,062	
Number of Customer Service Centers				287	287	

CERTIFICATION :

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

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

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

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

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

Chairman

May 13, 2020

Colombo

(Sgd.) S. Renganathan

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	Non-Controlling Interest	Total Equity
				Revaluation 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
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 - Audited	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
Total comprehensive income for the three months ended 31.03.2019												
Profit for the three months ended 31.03.2019	-	-	3,129,917	-	-	-	-	-	-	3,129,917	60,896	3,190,813
Other comprehensive income for the three months ended 31.03.2019	-	-	(2,002)	-	2,027,019	(925,636)	(21,178)	-	-	1,078,203	(46,366)	1,031,837
Total comprehensive income for the three months ended 31.03.2019	-	-	3,127,915	-	2,027,019	(925,636)	(21,178)	-	-	4,208,120	14,530	4,222,650
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	1,738,948	-	(2,022,032)	-	-	-	-	-	-	(283,084)	-	(283,084)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(132)	-	-	-	-	-	-	(132)	-	(132)
Total transactions with equity holders	1,769,076	-	(5,055,033)	-	-	-	-	-	-	(3,285,957)	-	(3,285,957)
Balance as at 31.03.2019	40,916,958	7,444,178	2,965,210	7,819,131	640,664	2,231,416	2,841	591,984	57,650,003	120,262,385	1,213,511	121,475,896
Total comprehensive income for the nine months ended 31.12.2019												
Profit for the nine months ended 31.12.2019	-	-	14,133,342	-	-	-	-	-	-	14,133,342	96,241	14,229,583
Other comprehensive income for the nine months ended 31.12.2019	-	-	(55,398)	39,575	1,142,839	534,576	(41,213)	-	-	1,620,379	41,289	1,661,668
Total comprehensive income for the nine months ended 31.12.2019	-	-	14,077,944	39,575	1,142,839	534,576	(41,213)	-	-	15,753,721	137,530	15,891,251
Transactions with owners, recognized directly in equity, contributions by and distributions to owners												
Transfer of value of expired ESOP	-	-	88,913	-	-	-	-	(123,490)	-	(34,577)	-	(34,577)
Dividends to equity holders												
Final cash dividend for 2018	-	-	-	-	-	-	-	-	-	-	(3,188)	(3,188)
First interim dividend for 2019	-	-	(1,541,260)	-	-	-	-	-	-	(1,541,260)	(1,822)	(1,543,082)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(218)	-	-	-	-	-	-	(218)	22	(196)
Profit due to change in ownership	-	-	14,498	-	-	-	-	-	-	14,498	-	14,498
Movement due to change in ownership	-	-	(9,379)	(20,921)	-	-	-	-	-	(30,300)	30,300	-
Acquisition of a subsidiary with non-controlling interest	-	-	-	-	-	-	-	-	-	-	212,881	212,881
Transfers during the period	-	943,523	(10,413,523)	-	-	-	-	-	9,470,000	-	-	-
Total transactions with equity holders	-	943,523	(11,860,969)	(20,921)	-	-	-	(123,490)	9,470,000	(1,591,857)	238,193	(1,353,664)
Balance as at 31.12.2019 - Audited	40,916,958	8,387,701	5,182,185	7,837,785	1,783,503	2,765,992	(38,372)	468,494	67,120,003	134,424,249	1,589,234	136,013,483
Total comprehensive income for the three months ended 31.03.2020												
Profit for the three months ended 31.03.2020	-	-	3,764,709	-	-	-	-	-	-	3,764,709	49,674	3,814,383
Other comprehensive income for the three months ended 31.03.2020	-	-	-	-	(761,487)	1,104,297	(71,924)	-	-	270,886	58,253	329,139
Total comprehensive income for the three months ended 31.03.2020	-	-	3,764,709	-	(761,487)	1,104,297	(71,924)	-	-	4,035,595	107,927	4,143,522
Transactions with owners, recognized directly in equity, contributions by and distributions to owners												
Dividends to equity holders												
Second interim dividend for 2019	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)	-	(3,082,520)
Final cash dividend for 2019	-	-	-	-	-	-	-	-	-	-	(8,820)	(8,820)
Total transactions with equity holders	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)	(8,820)	(3,091,340)
Balance as at 31.03.2020	40,916,958	8,387,701	5,864,374	7,837,785	1,022,016	3,870,289	(110,296)	468,494	67,120,003	135,377,324	1,688,341	137,065,665

STATEMENT OF CHANGES IN EQUITY - BANK

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	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity
				Revaluation 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
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
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 - Audited	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 three months ended 31.03.2019										
Profit for the three months ended 31.03.2019	-	-	3,022,877	-	-	-	-	-	-	3,022,877
Other comprehensive income for the three months ended 31.03.2019	-	-	-	-	2,027,019	(860,683)	(21,178)	-	-	1,145,158
Total comprehensive income for the three months ended 31.03.2019	-	-	3,022,877	-	2,027,019	(860,683)	(21,178)	-	-	4,168,035
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	1,738,948	-	(2,022,032)	-	-	-	-	-	-	(283,084)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(132)	-	-	-	-	-	-	(132)
Total transactions with equity holders	1,769,076	-	(5,055,033)	-	-	-	-	-	-	(3,285,957)
Balance as at 31.03.2019	40,916,958	7,354,143	2,973,293	7,088,054	642,037	2,011,087	2,841	591,984	57,650,003	119,230,400
Total comprehensive income for the nine months ended 31.12.2019										
Profit for the nine months ended 31.12.2019	-	-	14,002,090	-	-	-	-	-	-	14,002,090
Other comprehensive income for the nine months ended 31.12.2019	-	-	(56,940)	-	1,143,404	460,896	(41,213)	-	-	1,506,147
Total comprehensive income for the nine months ended 31.12.2019	-	-	13,945,150	-	1,143,404	460,896	(41,213)	-	-	15,508,237
Transactions with owners, recognized directly in equity, contributions by and distributions to owners										
Transfer of value of expired ESOP	-	-	88,913	-	-	-	-	(123,490)	-	(34,577)
Dividends to equity holders										
First interim dividend for 2019	-	-	(1,541,260)	-	-	-	-	-	-	(1,541,260)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(415)	-	-	-	-	-	-	(415)
Transfers during the period	-	851,248	(10,321,248)	-	-	-	-	-	9,470,000	-
Total transactions with equity holders	-	851,248	(11,774,010)	-	-	-	-	(123,490)	9,470,000	(1,576,252)
Balance as at 31.12.2019 - Audited	40,916,958	8,205,391	5,144,433	7,088,054	1,785,441	2,471,983	(38,372)	468,494	67,120,003	133,162,385
Total comprehensive income for the three months ended 31.03.2020										
Profit for the three months ended 31.03.2020	-	-	3,706,566	-	-	-	-	-	-	3,706,566
Other comprehensive income for the three months ended 31.03.2020	-	-	-	-	(761,487)	984,719	(71,924)	-	-	151,308
Total comprehensive income for the three months ended 31.03.2020	-	-	3,706,566	-	(761,487)	984,719	(71,924)	-	-	3,857,874
Transactions with owners, recognized directly in equity, contributions by and distributions to owners										
Dividends to equity holders										
Second interim dividend for 2019	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)
Total transactions with equity holders	-	-	(3,082,520)	-	-	-	-	-	-	(3,082,520)
Balance as at 31.03.2020	40,916,958	8,205,391	5,768,479	7,088,054	1,023,954	3,456,702	(110,296)	468,494	67,120,003	133,937,739

STATEMENT OF CASH FLOWS

8

	Group		Bank	
<i>For the three months ended March 31,</i>	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	5,437,694	5,018,637	5,228,557	4,774,374
Adjustment for:				
Non-cash items included in profit before tax	8,149,739	2,234,990	8,021,404	2,152,113
Change in operating assets	(56,857,201)	(12,258,305)	(56,537,389)	(9,688,972)
Change in operating liabilities	62,422,811	17,688,626	62,372,311	9,455,883
Net (gains)/losses from disposal of assets	(63)	(1,567)	(9)	(1,594)
Share of profits from associates, net of tax	914	(1,343)	-	-
Dividend income from subsidiaries and associates	-	-	(8,400)	-
Interest expense on subordinated liabilities	968,173	940,896	968,173	940,896
Net (gains)/losses from disposal of financial investments	-	(104)	-	(104)
Benefits paid on defined benefit plans	(21,257)	(20,080)	(21,257)	(20,080)
Net unrealized gain from translation of Financial Statements of foreign operations	1,162,550	(972,002)	984,719	(860,683)
Income taxes paid	(1,942,571)	(1,936,159)	(1,923,497)	(1,923,093)
Net cash from/(used in) operating activities	19,320,789	10,693,589	19,084,612	4,828,740
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(205,346)	(355,339)	(197,277)	(307,534)
Proceeds from the sale of property, plant and equipment	9	26,153	9	2,684
Proceeds from sale and maturity of financial investments	831,283	855,284	831,283	855,284
Net purchase of intangible assets	(75,152)	(104,900)	(64,835)	(109,449)
Net cash flow from investment in subsidiaries and associates	-	-	-	(40,450)
Dividends received from investments in subsidiaries and associates	-	-	8,400	-
Net cash from/(used in) investing activities	550,794	421,198	577,580	400,535
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	-	30,128	-	30,128
Interest paid on subordinated liabilities	(911,433)	(926,015)	(911,433)	(926,015)
Repayment of principal portion of lease liabilities	(252,461)	(339,563)	(287,337)	(339,563)
Dividend paid to shareholders of the Bank	(3,082,520)	(3,033,001)	(3,082,520)	(3,033,001)
Dividend paid to non-controlling interest	(8,820)	-	-	-
Net cash from /(used in) financing activities	(4,255,234)	(4,268,451)	(4,281,290)	(4,268,451)
Net increase/(decrease) in cash & cash equivalents	15,616,349	6,846,336	15,380,902	960,824
Cash and cash equivalents at beginning of the period as per the Statement of Financial Position	53,681,118	44,355,962	52,534,730	39,534,476
Cash and cash equivalents at end of the period	69,297,467	51,202,298	67,915,632	40,495,300
Less: Impairment charges	(6,047)	(4,499)	(6,047)	(4,499)
Cash and cash equivalents as per Statement of Financial Position	69,291,420	51,197,799	67,909,585	40,490,801

	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		69,291,420		69,291,420
Balances with Central Banks		38,459,820		38,459,820
Placements with banks		28,862,006		28,862,006
Securities purchased under resale agreements		10,448,494		10,448,494
Derivative financial assets	2,140,505			2,140,505
Financial assets recognised through profit or loss - measured at fair value	25,660,517			25,660,517
Financial assets at amortised cost - Loans and advances to banks		792,189		792,189
Financial assets at amortised cost - Loans and advances to other customers		917,442,418		917,442,418
Financial assets at amortised cost - Debt and other financial instruments		116,242,352		116,242,352
Financial assets measured at fair value through other comprehensive income			212,994,354	212,994,354
Total financial assets	27,801,022	1,181,538,699	212,994,354	1,422,334,075
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks			76,515,510	76,515,510
Derivative financial liabilities		2,987,717		2,987,717
Securities sold under repurchase agreements			42,014,953	42,014,953
Financial liabilities at amortised cost - due to depositors			1,120,368,799	1,120,368,799
Financial liabilities at amortised cost - other borrowings			23,473,191	23,473,191
Subordinated liabilities			38,562,279	38,562,279
Total financial liabilities		2,987,717	1,300,934,732	1,303,922,449

	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		53,681,118		53,681,118
Balances with Central Banks		46,101,232		46,101,232
Placements with banks		24,903,809		24,903,809
Securities purchased under resale agreements		13,147,534		13,147,534
Derivative financial assets	1,830,927			1,830,927
Financial assets recognised through profit or loss - measured at fair value	21,468,033			21,468,033
Financial assets at amortised cost - Loans and advances to banks		757,787		757,787
Financial assets at amortised cost - Loans and advances to other customers		893,919,311		893,919,311
Financial assets at amortised cost - Debt and other financial instruments		107,059,021		107,059,021
Financial assets measured at fair value through other comprehensive income			197,825,017	197,825,017
Total financial assets	23,298,960	1,139,569,812	197,825,017	1,360,693,789
FINANCIAL LIABILITIES				
		Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
		Rs.'000	Rs.'000	Rs.'000
Due to banks			53,807,425	53,807,425
Derivative financial liabilities		1,495,317		1,495,317
Securities sold under repurchase agreements			51,117,342	51,117,342
Financial liabilities at amortised cost - due to depositors			1,068,982,587	1,068,982,587
Financial liabilities at amortised cost - other borrowings			23,248,893	23,248,893
Subordinated liabilities			37,886,789	37,886,789
Total financial liabilities		1,495,317	1,235,043,036	1,236,538,353

	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		67,909,585		67,909,585
Balances with Central Banks		32,656,696		32,656,696
Placements with banks		28,287,644		28,287,644
Securities purchased under resale agreements		10,448,494		10,448,494
Derivative financial assets	2,140,505			2,140,505
Financial assets recognised through profit or loss - measured at fair value	25,660,517			25,660,517
Financial assets at amortised cost - Loans and advances to banks		792,189		792,189
Financial assets at amortised cost - Loans and advances to other customers		907,415,058		907,415,058
Financial assets at amortised cost - Debt and other financial instruments		110,201,662		110,201,662
Financial assets measured at fair value through other comprehensive income			212,748,101	212,748,101
Total financial assets	27,801,022	1,157,711,328	212,748,101	1,398,260,451

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
	Rs. '000	Rs. '000	Rs. '000
FINANCIAL LIABILITIES			
Due to banks		74,075,132	74,075,132
Derivative financial liabilities	2,987,717		2,987,717
Securities sold under repurchase agreements		42,159,141	42,159,141
Financial liabilities at amortised cost - due to depositors		1,104,634,005	1,104,634,005
Financial liabilities at amortised cost - other borrowings		23,473,191	23,473,191
Subordinated liabilities		38,562,279	38,562,279
Total financial liabilities	2,987,717	1,282,903,748	1,285,891,465

	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		52,534,730		52,534,730
Balances with Central Banks		39,461,127		39,461,127
Placements with banks		24,527,241		24,527,241
Securities purchased under resale agreements		13,147,534		13,147,534
Derivative financial assets	1,830,927			1,830,927
Financial assets recognised through profit or loss - measured at fair value	21,468,033			21,468,033
Financial assets at amortised cost - Loans and advances to banks		757,787		757,787
Financial assets at amortised cost - Loans and advances to other customers		884,645,744		884,645,744
Financial assets at amortised cost - Debt and other financial instruments		101,144,819		101,144,819
Financial assets measured at fair value through other comprehensive income			197,568,330	197,568,330
Total financial assets	23,298,960	1,116,218,982	197,568,330	1,337,086,272

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Total
	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES			
Due to banks		51,505,694	51,505,694
Derivative financial liabilities	1,495,317		1,495,317
Securities sold under repurchase agreements		51,220,023	51,220,023
Financial liabilities at amortised cost - due to depositors		1,053,307,660	1,053,307,660
Financial liabilities at amortised cost - other borrowings		23,248,893	23,248,893
Subordinated liabilities		37,886,789	37,886,789
Total financial liabilities	1,495,317	1,217,169,059	1,218,664,376

	Bank		Group	
	As at 31.03.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2019
Regulatory Capital - Rs. '000				
Common Equity Tier I	119,553,183	119,622,141	123,077,616	123,239,984
Tier I Capital	119,553,183	119,622,141	123,077,616	123,239,984
Total Capital	159,104,890	157,045,547	162,808,742	160,842,808
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 2020 - 7.500%, 2019 - 8.500%)	11.495%	12.298%	11.598%	12.399%
Tier I Capital Ratio (Minimum Requirement - 2020 - 9.000%, 2019 - 10.000%)	11.495%	12.298%	11.598%	12.399%
Total Capital Ratio (Minimum Requirement - 2020 - 13.000%, 2019 - 14.000%)	15.298%	16.146%	15.342%	16.182%
Leverage Ratio (Minimum Requirement - 3%)	6.18%	6.45%	6.28%	6.55%
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	344,877,504	312,024,836		
Off-Shore Banking Unit	19,771,970	18,706,801		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	32.75%	30.42%		
Off-Shore Banking Unit	25.48%	25.25%		
Total Stock of High Quality Liquid Assets - Rs. '000	242,892,138	193,108,535		
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)				
Liquidity Coverage Ratio (%) - Rupee	185.07%	158.79%		
Liquidity Coverage Ratio (%) - All Currency	203.08%	224.74%		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	149.91%	137.05%		
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	5.27%	4.95%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	3.24%	3.00%		
Profitability				
Interest Margin	3.52%	3.51%		
Return on Assets (before tax)	1.48%	1.66%		
Return on Equity	11.16%	13.54%		
Debt Security Related Ratios				
Debt Equity Ratio	38.16%	38.97%		
Interest Cover (Times)	7.87	8.54		

OPERATING SEGMENTS - GROUP

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	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Unallocated/Eliminations		Total/Consolidated	
For the three months ended March 31,	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
External Operating income :														
Net interest income	7,672,079	7,356,139	1,866,623	2,230,209	1,910,269	1,528,202	63,722	46,261	(49,707)	64,062	1,319,674	894,947	12,782,660	12,119,820
Foreign exchange profit	66,407	91,059	(34,561)	(340,261)	432,457	555,510	-	-	2,311,771	677,687	1,443,476	(673,617)	4,219,550	310,378
Net fees and commission income	1,386,824	1,582,878	475,249	476,455	418,453	384,239	5,672	2,810	(453)	1,458	161,316	-	2,447,061	2,447,840
Other income	50,587	20,832	165	94	18,358	-	(90,346)	31,157	465,547	126,653	(45,809)	61,426	398,502	240,162
Total Operating income	9,175,897	9,050,908	2,307,476	2,366,497	2,779,537	2,467,951	(20,952)	80,228	2,727,158	869,860	2,878,657	282,756	19,847,773	15,118,200
Credit loss expenses	(3,922,453)	(1,207,304)	(2,530,142)	(730,216)	(109,690)	50,476	65	196	(91,033)	(9,465)	-	-	(6,653,253)	(1,896,313)
Net Operating income	5,253,444	7,843,604	(222,666)	1,636,281	2,669,847	2,518,427	(20,887)	80,424	2,636,125	860,395	2,878,657	282,756	13,194,520	13,221,887
Segment result	1,491,690	2,715,879	(598,712)	1,203,391	1,871,284	1,705,440	(30,927)	18,881	2,041,042	836,519	664,231	(1,462,816)	5,438,608	5,017,294
Profit from operations													5,438,608	5,017,294
Share of profit of Associates, net of tax													(914)	1,343
Income tax expense													(1,623,311)	(1,827,824)
Non Controlling Interest													(49,674)	(60,896)
Net profit for the period, attributable to Equity holders of the Bank													3,764,709	3,129,917
As at March 31,	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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	461,332,819	468,552,638	321,849,315	305,078,280	226,294,630	165,660,304	9,611,620	5,507,248	395,865,823	316,115,253	58,261,467	82,361,466	1,473,215,674	1,343,275,189
Investment in associates	-	-	-	-	-	-	-	-	-	-	55,907	101,888	55,907	101,888
Total assets	461,332,819	468,552,638	321,849,315	305,078,280	226,294,630	165,660,304	9,611,620	5,507,248	395,865,823	316,115,253	58,317,374	82,463,354	1,473,271,581	1,343,377,077
Segment liabilities	826,501,481	836,536,353	188,763,707	179,838,005	176,807,747	132,477,640	9,667,527	5,609,136	90,160,922	59,386,791	44,304,532	8,053,257	1,336,205,916	1,221,901,182
Total liabilities	826,501,481	836,536,353	188,763,707	179,838,005	176,807,747	132,477,640	9,667,527	5,609,136	90,160,922	59,386,791	44,304,532	8,053,257	1,336,205,916	1,221,901,182
For the three months ended March 31,	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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	39,094,751	(4,994,285)	(7,631,687)	12,464,451	1,568,782	(2,553,361)	440,671	281,593	(14,151,728)	5,495,191	-	-	19,320,789	10,693,589
Cash flows from investing activities	-	-	-	-	-	-	831,283	855,284	-	-	-	-	831,283	855,284
Cash flows from financing activities	(216,252)	(262,648)	-	-	(36,209)	(76,915)	-	-	-	-	(4,002,773)	(3,928,888)	(4,255,234)	(4,268,451)
Capital expenditure -														
Property, Plant & Equipment													(205,337)	(329,186)
Intangible assets													(75,152)	(104,900)
Net cash flow generated during the period													15,616,349	6,846,336

Twenty largest voting shareholders as at March 31, 2020

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
Sri Lanka Insurance Corporation Ltd. - Life Fund	56,058,879	5.83
DFCC Bank PLC A/C No.02	47,628,006	4.95
Melstacorp PLC	44,444,324	4.62
CB NY S/A International Finance Corporation	42,651,626	4.44
Sri Lanka Insurance Corporation Ltd. - General Fund	37,506,430	3.90
Deutsche Bank AG Singapore - DSS A/C Ntasian Discovery Master Fund	37,000,000	3.85
Citibank Newyork S/A Norges Bank Account 2	22,592,449	2.35
Employees Trust Fund Board	18,145,355	1.89
Mrs. L. E. M. Yaseen	16,550,000	1.72
JPMCB - T Rowe New Asia Fund	14,718,454	1.53
BNYMSANV RE - First State Investments ICVC - Stewart Investors Indian Subcontinent Sustainability Fund	13,205,754	1.37
BPSS LUX - Aberdeen Standard SICAV I - Asia Pacific Equity Fund	9,720,591	1.01
Renuka Hotels PLC	9,666,942	1.01
Mr. M. J. Fernando	9,181,964	0.96
Renuka Consultants & Services Limited	8,414,742	0.88
BNYMSANV RE - LF Ruffer Investment Funds : LF Ruffer Pacific and Emerging Markets Fund	7,054,298	0.73
Hallsville Trading Group INC.	6,316,942	0.66
Sub total	653,580,597	67.99
Other Shareholders	307,671,720	32.01
Total	961,252,317	100.00

Percentage of public holding as at March 31, 2020 - 99.74% (99.76% as at March 31, 2019)

Number of shareholders representing public holding as at March 31, 2020 - 13,039 (10,959 as at March 31, 2019)

Twenty largest non-voting shareholders as at March 31, 2020

Name of the Shareholder	No. of Shares	%
Citibank Newyork S/A Norges Bank Account 2	7,828,048	11.82
Employees Trust Fund Board	5,154,149	7.78
Akbar Brothers (Pvt) Ltd. A/C No 1	2,766,839	4.18
GF Capital Global Limited	1,712,928	2.59
Serendip Investments Limited	1,494,489	2.26
Mr. M. F. Hashim	1,152,415	1.74
M.J.F.Exports (Pvt) Ltd	1,133,395	1.71
Saboor Chatoor (Pvt) Ltd	912,146	1.38
Mrs. L. V. C. Samarasingha	891,208	1.35
Mr. T.W.A. Wickramasinghe	750,000	1.13
Mr. M. J. Fernando	730,734	1.10
Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	648,153	0.98
Mr. R. Gautam	647,419	0.98
Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	627,619	0.95
Mr. A.H. Munasinghe	609,448	0.92
Mr. K.S.M. De Silva	570,798	0.86
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	555,582	0.84
Mr. J.G. De Mel	540,021	0.82
Mr. A.P. Somasiri	463,685	0.70
Mr. A.L. Gooneratne	446,072	0.67
Sub total	29,635,148	44.73
Other Shareholders	36,619,121	55.27
Total	66,254,269	100.00

Percentage of public holding as at March 31, 2020 - 87.94% (84.41% as at March 31, 2019)

Number of shareholders representing public holding as at March 31, 2020 - 4,787 (4,463 as at March 31, 2019)

Directors' holding in shares as at March 31, 2020

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	334,638	51,540
Mr. T.L.B. Hurulle	-	-
Justice K. Sripavan	-	-

	2020 Rs.	2019 Rs.
Market price of an ordinary share as at March 31, (*)		
Voting	60.10	98.70
Non-Voting	58.50	84.00
Highest price during the quarter ended March 31,		
Voting	96.00	115.90
Non-Voting	87.20	99.40
Lowest price during the quarter ended March 31,		
Voting	59.60	97.00
Non-Voting	57.00	84.00
	2020 Rs.000	2019 Rs.000
Float adjusted market capitalization - Compliant under Option 1	61,029,503	99,345,621
	2020	2019
Number of ordinary shares as at March 31,		
Voting	961,252,317	961,252,317
Non-Voting	66,254,269	66,254,269

(*) Last traded date was March 20, 2020, as Colombo Stock Exchange (CSE) was closed during the quarter ended March 31, 2020, from March 20, 2020 due to COVID - 19 pandemic.

- 1 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, 2019.
- 2 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.
- 3 **Final Dividend - 2019**
 As disclosed in Annual Report 2019, the Board of Directors of the Bank had recommended the payment of a final dividend of Rs. 2.00 per share which will be satisfied in the form of issue and allotment of new shares for both the voting and non-voting shareholders of the Bank for the year ended December 31, 2019 and which was to be approved at the Annual General Meeting (AGM) scheduled to be held on March 30, 2020. However, the Board of Directors of the Bank resolved to postpone the AGM considering the prevailing situation of the country with the spread of COVID-19 and an announcement to that effect was made to the Colombo Stock Exchange (CSE) on March 20, 2020.
 In accordance with the Sri Lanka Accounting Standard - LKAS 10 on "Events after the reporting period", this proposed final dividend has not been recognized as a liability as at March 31, 2020.
 The new date, venue and time for the rescheduled AGM will be subjected to further announcement to the CSE along with the final dividend date.
- 4 **Amendments to the Income Tax Law Announced by the Government**
 As per notice dated April 08, 2020 issued by the Inland Revenue Department on "Implementation of Proposed Changes to the Inland Revenue Act No. 24 of 2017", effective from January 01, 2020;
 - Corporate Income Tax rate was revised from 28% to 24%. However, such revisions were not considered in computing the income tax liabilities, pending legal enactment and formal amendments to the Inland Revenue Act.
 If the above proposal was considered, the impact to the Income Statement for the quarter ended March 31, 2020 would be an Income Tax expense of Rs.235.970 Mn.(reversal of Rs. 191.999 Mn from Income Tax payable and a Deferred Tax expense of Rs. 427.969 Mn)
 Further, the impact to the Statement of Profit or Loss and Other Comprehensive Income would be a Deferred tax reversal of Rs. 318.847 Mn.
 - Exemption announced as per the aforementioned notice on interest income from Sri Lanka Development Bonds, effective from April 01, 2018 was availed by the Bank. However, other exemptions eligible to be claimed effective from January 01, 2020, were not considered in computing the income tax liability as at March 31, 2020, pending legal enactment and formal amendments to the Inland Revenue Act.
- 5 **Impact due to the COVID - 19**
 The outbreak of COVID 19 has caused disruption to business and economic activities, and uncertainty to the global and local economy. Subsequent to the outbreak of COVID 19 in Sri Lanka, the Bank has strictly adhered to the guidelines and directions issued by both Government and Central Bank of Sri Lanka (CBSL) when conducting its business operations. Accordingly, the Bank is currently in the process of providing relief for the affected businesses and individuals in line with the directions issued by the CBSL. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest to eligible loan products and waiving off certain fees and charges.
 The Bank is continuously assessing possible disruptions to its operations in Sri Lanka and overseas operations, due to COVID 19 pandemic. However, the Bank is of the view that, it is too early to quantify the impact considering the fact that COVID-19 crisis is far from over and the Bank is still receiving applications for reliefs due to the extensions of the deadlines for submitting the same.
- 6 **Fair Valuation of Foreign Currency Denominated Government Bonds**
 The Bank carries foreign currency denominated government bonds (Sri Lanka Development and Sovereign Bonds) amounting to Rs 118.002 Bn which are classified under fair value through OCI. However, due to the volatility in the financial markets and significant decrease in the value and level of activities since March 2020, the Bank is of the view that the prices observed as at March 31, 2020, do not reflect fair value as at March 31, 2020. Accordingly, the Bank considered the prices prevailed as at end February 2020, for the fair valuation of foreign currency denominated government bonds.
- 7 **Impairment Provision**
 The Bank considered the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) computed as at December 31, 2019, in order to estimate the Expected Credit Loss (ECL) as at March 31, 2020, as there were no sufficient information available to make any adjustments to capture the impact of COVID 19. However, the Bank increased weightage assigned for worst case scenario by 10% from base case scenario when assessing the probability weighted forward looking macro-economic indicators. Further, Bank considered the staging as at March 31, 2020 based on Days Past Due(DPD) prevailed as at that date.
- 8 During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities.
- 9 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 10 There were no material events that took place since March 31, 2020, that require disclosure in these Interim Financial Statements other than those disclosed above.

INFORMATION ON DEBENTURES - BANK

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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.)
- Lowest (Rs.)
- Period end (Rs.)

100.00	100.00	Not traded during the year	Not traded during the year	Not traded during the year	Not traded during the year
100.00	95.00				
* 100.00	** 95.00				

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	8.00	9.60	8.45	9.70	9.20	9.80

Other Ratios as at date of last trade

- Interest Yield (%)	10.74	12.43	- N/A -	- N/A -	- N/A -	- N/A -
- Yield to Maturity (%)	10.75	12.37	- N/A -	- N/A -	- N/A -	- N/A -

* Last traded date was February 17, 2020.

** Last traded date was January 21, 2020.

ANALYSIS OF LOANS AND ADVANCES TO OTHER CUSTOMERS AND IMPAIRMENT

19

	Group		Bank	
	As at 31.03.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and advances to other customers	960,343,578	930,737,391	949,201,269	920,457,235
Less: Accumulated impairment under stage 1	3,025,316	2,702,070	2,930,606	2,613,480
: Accumulated impairment under stage 2	10,704,642	8,494,001	10,532,145	8,318,831
: Accumulated impairment under stage 3	29,171,202	25,622,009	28,323,460	24,879,180
Net value of loans and advances to other customers	917,442,418	893,919,311	907,415,058	884,645,744
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	124,326,975	119,085,803	124,326,975	119,190,591
Trade finance	53,041,621	49,353,315	53,041,621	49,353,316
Lease rental receivable	34,783,931	35,228,945	32,909,877	33,250,399
Credit cards	14,734,926	14,826,447	14,734,926	14,826,447
Pawning	4,224,534	2,973,662	4,224,534	2,973,662
Staff loans	10,733,706	10,445,210	10,717,509	10,429,734
Housing loans	57,432,758	57,546,164	57,432,758	57,546,164
Personal loans	40,977,957	38,857,645	40,915,792	38,799,381
Term loans	377,270,655	365,491,282	373,927,223	362,799,866
Bills of Exchange	865,300	579,198	865,300	579,198
Sub total	718,392,363	694,387,671	713,096,515	689,748,758
By product - Foreign Currency				
Overdrafts	21,096,653	18,558,014	19,423,295	16,527,204
Trade finance	27,426,648	22,840,984	26,930,444	22,376,296
Lease rental receivable	1,006,340	918,884	1,006,340	918,884
Credit cards	153,325	149,455	153,325	149,455
Staff loans	192,021	178,989	184,922	172,906
Housing loans	6,584,473	6,022,930	6,364,045	6,022,930
Personal loans	1,104,737	884,403	597,358	596,362
Term loans	155,519,081	155,897,536	152,593,634	153,045,915
Bills of Exchange	28,867,937	30,898,525	28,851,391	30,898,525
Sub total	241,951,215	236,349,720	236,104,754	230,708,477
Gross loans and advances to other customers	960,343,578	930,737,391	949,201,269	920,457,235

	Group		Bank	
	2020	2019	2020	2019
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	2,702,070	2,814,943	2,613,480	2,659,185
Charge/(write back) to the Income Statement	319,493	(108,915)	314,574	(41,669)
Write-off during the period	-	(2,396)	-	(2,396)
Exchange rate variance on foreign currency provisions	3,753	(1,562)	2,552	(1,640)
Balance as at March 31/December 31,	3,025,316	2,702,070	2,930,606	2,613,480
Under Stage 2				
Balance as at January 1,	8,494,001	5,984,306	8,318,831	5,873,226
Charge/(write back) to the Income Statement	2,207,354	2,511,088	2,210,822	2,447,313
Write-off during the period	-	(1,150)	-	(1,118)
Exchange rate variance on foreign currency provisions	3,287	(243)	2,492	(590)
Balance as at March 31/December 31,	10,704,642	8,494,001	10,532,145	8,318,831
Under Stage 3				
Balance as at January 1,	25,622,009	21,544,571	24,879,180	20,596,642
Charge/(write back) to the Income Statement	3,929,362	7,907,684	3,825,068	7,637,999
Write-off during the period	109,854	(2,596,520)	109,880	(2,121,615)
Exchange rate variance on foreign currency provisions	10,308	6,035	9,663	5,915
Interest accrued / (reversals) on impaired loans and advances	(630,656)	(1,258,339)	(630,656)	(1,258,339)
Other movements	130,325	18,578	130,325	18,578
Balance as at March 31/December 31,	29,171,202	25,622,009	28,323,460	24,879,180
Total Impairment				
Balance as at January 1,	36,818,080	22,610,611	35,811,491	21,418,417
Charge/(write back) to the Income Statement	6,456,209	10,309,857	6,350,464	10,043,643
Write-off during the period	109,854	(2,600,066)	109,880	(2,125,129)
Exchange rate variance on foreign currency provisions	17,348	4,230	14,707	3,685
Interest accrued / (reversals) on impaired loans and advances	(630,656)	(1,258,339)	(630,656)	(1,258,339)
Other movements	130,325	18,578	130,325	18,578
Balance as at March 31/December 31,	42,901,160	36,818,080	41,786,211	35,811,491

	Group		Bank	
	As at 31.03.2020 Rs.'000	As at 31.12.2019 Rs.'000	As at 31.03.2020 Rs.'000	As at 31.12.2019 Rs.'000
Gross commitments and contingencies	622,815,977	580,961,807	620,610,185	579,999,273
Impairment on commitments and contingencies				
Accumulated impairment under stage 1	879,363	768,100	873,936	764,857
Accumulated impairment under stage 2	270,927	187,237	270,927	187,237
Accumulated impairment under stage 3	272,069	364,743	272,069	364,743
Total Impairment	1,422,359	1,320,080	1,416,932	1,316,837
Gross commitments and contingencies				
By product - Domestic currency				
Contingencies	60,024,690	53,819,582	60,024,690	53,819,582
Guarantees	42,273,033	35,965,149	42,273,033	35,965,149
Bonds	14,275,277	14,982,010	14,275,277	14,982,010
Documentary Credits	1,995,542	1,450,184	1,995,542	1,450,184
Acceptances	294,155	505,130	294,155	505,130
Bills for collection	1,186,683	917,109	1,186,683	917,109
Commitments	83,472,249	84,367,895	83,472,249	84,367,895
Undrawn commitments	83,144,181	84,039,827	83,144,181	84,039,827
Capital commitments	328,068	328,068	328,068	328,068
Sub Total	143,496,939	138,187,477	143,496,939	138,187,477
By product - Foreign Currency				
Contingencies	456,255,177	417,116,282	455,294,437	416,805,102
Guarantees	24,587,842	22,654,559	23,953,756	22,498,571
Bonds	29,770,209	23,722,626	29,538,073	23,624,877
Documentary Credits	68,077,200	50,911,486	68,022,396	50,867,623
Forward exchange and Currency Swaps	260,750,802	246,399,958	260,750,802	246,399,958
Acceptances	42,024,246	43,513,040	42,010,839	43,502,686
Bills for collection	29,414,590	28,355,879	29,388,283	28,352,653
Bullion on consignment	12,657	11,344	12,657	11,344
Other Contingencies	1,617,631	1,547,390	1,617,631	1,547,390
Commitments	23,063,861	25,658,048	21,818,809	25,006,694
Undrawn commitments	22,400,341	25,636,281	21,818,809	25,006,694
Capital commitments	663,520	21,767	-	-
Sub Total	479,319,038	442,774,330	477,113,246	441,811,796
Total	622,815,977	580,961,807	620,610,185	579,999,273

ANALYSIS OF COMMITMENT AND CONTINGENCIES AND IMPAIRMENT

22

	Group			Bank
	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	768,100	528,932	764,857	528,932
Charge/(write back) to the Income Statement	109,886	239,399	107,909	236,209
Exchange rate variance on foreign currency provisions	1,377	(231)	1,170	(284)
Balance as at March 31/December 31,	879,363	768,100	873,936	764,857
Under Stage 2				
Balance as at January 1,	187,237	89,177	187,237	89,177
Charge/(write back) to the Income Statement	83,690	98,060	83,690	98,060
Balance as at March 31/December 31,	270,927	187,237	270,927	187,237
Under Stage 3				
Balance as at January 1,	364,743	108,531	364,743	108,531
Charge/(write back) to the Income Statement	(92,674)	256,212	(92,674)	256,212
Balance as at March 31/December 31,	272,069	364,743	272,069	364,743
Total Impairment				
Balance as at January 1,	1,320,080	726,640	1,316,837	726,640
Charge/(write back) to the Income Statement	100,902	593,671	98,925	590,481
Exchange rate variance on foreign currency provisions	1,377	(231)	1,170	(284)
Balance as at March 31/December 31,	1,422,359	1,320,080	1,416,932	1,316,837

ANALYSIS OF DEPOSITS

	Group			Bank
	As at 31.03.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Current account deposits	52,025,685	43,981,795	52,027,010	44,009,507
Savings deposits	272,362,939	248,903,630	272,553,193	249,181,306
Time deposits	515,234,961	507,284,805	515,193,607	507,443,380
Certificate of deposits	49,068	54,047	49,068	54,047
Sub Total	839,672,653	800,224,277	839,822,878	800,688,240
By product - Foreign Currency				
Current account deposits	37,666,284	31,851,740	30,142,343	23,694,078
Savings deposits	88,425,840	77,548,427	85,050,695	73,941,830
Time deposits	154,604,022	159,358,143	149,618,089	154,983,512
Sub Total	280,696,146	268,758,310	264,811,127	252,619,420
Total	1,120,368,799	1,068,982,587	1,104,634,005	1,053,307,660

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 affirmed by Fitch Ratings Lanka Ltd. with negative outlook in January 2020.

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 : CCEYLKX
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.

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

ACCOUNTING YEAR

December 31