

INTERIM FINANCIAL STATEMENT
For the nine months ended September 30, 2014

	For the nine months ended			For the quarter ended		
	30.09.2014	30.09.2013	Change	30.09.2014	30.09.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	54,705,407	53,499,768	2.25	19,300,589	18,769,711	2.83
Interest income	45,743,360	46,138,415	(0.86)	15,310,323	15,975,765	(4.17)
Less : Interest expenses	25,917,209	27,499,204	(5.75)	8,625,596	9,274,216	(6.99)
Net interest income	19,826,151	18,639,211	6.37	6,684,727	6,701,549	(0.25)
Fees and commission income	4,057,208	3,621,287	12.04	1,486,321	1,394,048	6.62
Less: Fees and commission expenses	563,059	474,154	18.75	187,832	168,824	11.26
Net fees and commission income	3,494,149	3,147,133	11.03	1,298,489	1,225,224	5.98
Net gains/(losses) from trading	(27,967)	(762,328)	96.33	(846,016)	(26,738)	(3,064.10)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	1,499,663	2,572	58,207.27	1,321,013	1,593	82,826.11
Other income (net)	3,433,143	4,499,822	(23.70)	2,028,948	1,425,043	42.38
Total operating income	28,225,139	25,526,410	10.57	10,487,161	9,326,671	12.44
Less :Impairment charges for loans and other losses	3,424,044	2,997,588	14.23	965,316	1,266,276	(23.77)
Individual impairment	1,935,076	1,234,245	56.78	482,674	504,123	(4.25)
Collective impairment	1,462,381	1,740,564	(15.98)	479,445	741,028	(35.30)
Others	26,587	22,779	16.72	3,197	21,125	(84.87)
Net operating income	24,801,095	22,528,822	10.09	9,521,845	8,060,395	18.13
Less: Expenses	11,603,526	10,603,182	9.43	3,971,689	3,616,235	9.83
Personnel expenses	6,655,392	6,040,639	10.18	2,333,816	2,079,256	12.24
Depreciation and amortisation	906,073	745,100	21.60	299,120	255,856	16.91
Other expenses	4,042,061	3,817,443	5.88	1,338,753	1,281,123	4.50
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	13,197,569	11,925,640	10.67	5,550,156	4,444,160	24.89
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,906,419	1,481,387	28.69	793,636	545,319	45.54
Operating profit after Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	11,291,150	10,444,253	8.11	4,756,520	3,898,841	22.00
Add: Share of profits/(losses) of associates	8,155	4,975	63.92	1,022	2,042	(49.95)
Profit before income tax	11,299,305	10,449,228	8.14	4,757,542	3,900,883	21.96
Less : Income tax expense	3,447,971	3,202,707	7.66	1,425,923	1,144,299	24.61
Profit for the period	7,851,334	7,246,521	8.35	3,331,619	2,756,584	20.86
Profit attributable to:						
Equity holders of the Bank	7,848,114	7,244,073	8.34	3,330,631	2,755,967	20.85
Non-controlling interest	3,220	2,448	31.54	988	617	60.13
Profit for the period	7,851,334	7,246,521	8.35	3,331,619	2,756,584	20.86
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	9.14	8.54	7.03	3.88	3.25	19.38
Diluted earnings per ordinary share (Rs.)	9.10	8.53	6.68	3.86	3.24	19.14

	For the nine months ended			For the quarter ended		
	30.09.2014	30.09.2013	Change	30.09.2014	30.09.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	7,851,334	7,246,521	8.35	3,331,619	2,756,584	20.86
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Net change in revaluation surplus	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operations	17,583	387,632	(95.46)	44,028	58,407	(24.62)
Net gains/(losses) on re-measuring Available-For-Sale financial assets	3,336,261	202,934	1,544.01	2,914,699	(91,994)	3,268.36
Sri Lanka Government Securities	3,339,748	202,940	1,545.68	2,914,411	(91,577)	3,282.47
Equity Securities	(3,487)	(6)	(58,016.67)	288	(417)	169.06
Add/(Less): Share of other comprehensive income of associates	21,782	(2,207)	1,086.95	22,369	(1,825)	1,325.70
Other comprehensive income for the period, net of taxes	3,375,626	588,359	473.74	2,981,096	(35,412)	8,518.32
Total comprehensive income for the period	11,226,960	7,834,880	43.29	6,312,715	2,721,172	131.99
Attributable to:						
Equity holders of the Bank	11,223,740	7,832,432	43.30	6,311,727	2,720,555	132.00
Non-controlling interest	3,220	2,448	31.54	988	617	60.13
Total comprehensive income for the period	11,226,960	7,834,880	43.29	6,312,715	2,721,172	131.99

	For the nine months ended			For the quarter ended		
	30.09.2014	30.09.2013	Change	30.09.2014	30.09.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	54,644,574	53,498,105	2.14	19,270,446	18,778,529	2.62
Interest income	45,715,592	46,145,522	(0.93)	15,281,630	15,977,197	(4.35)
Less : Interest expenses	25,926,258	27,517,055	(5.78)	8,625,021	9,280,604	(7.06)
Net interest income	19,789,334	18,628,467	6.23	6,656,609	6,696,593	(0.60)
Fees and commission income	4,053,865	3,618,753	12.02	1,485,220	1,392,993	6.62
Less: Fees and commission expenses	563,059	474,154	18.75	187,832	168,824	11.26
Net fees and commission income	3,490,806	3,144,599	11.01	1,297,388	1,224,169	5.98
Net gains/(losses) from trading	(27,967)	(762,328)	96.33	(846,016)	(26,738)	(3,064.10)
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	1,499,663	2,572	58,207.27	1,321,013	1,593	82,826.11
Other income (net)	3,403,421	4,493,586	(24.26)	2,028,599	1,433,484	41.52
Total operating income	28,155,257	25,506,896	10.38	10,457,593	9,329,101	12.10
Less :Impairment charges for loans and other losses	3,442,600	3,018,730	14.04	957,402	1,275,091	(24.92)
Individual impairment	1,935,076	1,234,245	56.78	482,674	504,123	(4.25)
Collective impairment	1,452,822	1,740,564	(16.53)	469,886	741,028	(36.59)
Others	54,702	43,921	24.55	4,842	29,940	(83.83)
Net operating income	24,712,657	22,488,166	9.89	9,500,191	8,054,010	17.96
Less: Expenses	11,593,914	10,602,714	9.35	3,968,381	3,612,389	9.85
Personnel expenses	6,596,671	5,982,921	10.26	2,311,305	2,059,014	12.25
Depreciation and amortisation	859,413	696,382	23.41	287,740	240,478	19.65
Other expenses	4,137,830	3,923,411	5.47	1,369,336	1,312,897	4.30
Operating profit before Value Added Tax (VAT) & Nation Building Tax (NBT) on Financial Services	13,118,743	11,885,452	10.38	5,531,810	4,441,621	24.54
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	1,905,890	1,481,387	28.66	793,107	545,319	45.44
Profit before income tax	11,212,853	10,404,065	7.77	4,738,703	3,896,302	21.62
Less : Income tax expense	3,408,000	3,170,128	7.50	1,413,004	1,134,024	24.60
Profit for the period	7,804,853	7,233,937	7.89	3,325,699	2,762,278	20.40
Profit attributable to:						
Equity holders of the Bank	7,804,853	7,233,937	7.89	3,325,699	2,762,278	20.40
Non-controlling interest	-	-	-	-	-	-
Profit for the period	7,804,853	7,233,937	7.89	3,325,699	2,762,278	20.40
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	9.08	8.53	6.45	3.87	3.26	18.71
Diluted earnings per ordinary share (Rs.)	9.05	8.51	6.35	3.86	3.25	18.77

	For the nine months ended			For the quarter ended		
	30.09.2014	30.09.2013	Change	30.09.2014	30.09.2013	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	7,804,853	7,233,937	7.89	3,325,699	2,762,278	20.40
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Net change in revaluation surplus	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operations	20,028	377,786	(94.70)	44,694	57,013	(21.61)
Net gains/(losses) on re-measuring Available-For-Sale financial assets	3,336,261	202,934	1,544.01	2,914,699	(91,994)	3,268.36
Sri Lanka Government Securities	3,339,748	202,940	1,545.68	2,914,411	(91,577)	3,282.47
Equity Securities	(3,487)	(6)	(58,016.67)	288	(417)	169.06
Other comprehensive income for the period, net of taxes	3,356,289	580,720	477.95	2,959,393	(34,981)	8,560.00
Total comprehensive income for the period	11,161,142	7,814,657	42.82	6,285,092	2,727,297	130.45
Attributable to:						
Equity holders of the Bank	11,161,142	7,814,657	42.82	6,285,092	2,727,297	130.45
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the period	11,161,142	7,814,657	42.82	6,285,092	2,727,297	130.45

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2014	31.12.2013	Change	30.09.2014	31.12.2013	Change
		(Audited)			(Audited)	
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
ASSETS						
Cash and cash equivalents	15,789,138	14,263,533	10.70	15,732,439	14,261,549	10.31
Balances with central banks	21,091,017	18,431,936	14.43	21,091,017	18,431,936	14.43
Placements with banks	4,774,839	4,131,814	15.56	4,774,839	4,131,814	15.56
Derivative financial instruments	620,142	837,694	(25.97)	620,142	837,694	(25.97)
Other financial assets held for trading	9,834,406	6,379,058	54.17	9,834,406	6,379,058	54.17
Loans and receivables to banks	545,436	546,270	(0.15)	545,436	546,270	(0.15)
Loans and receivables to other customers	483,391,749	418,944,215	15.38	482,395,002	418,959,675	15.14
Financial investments - Available for sale	189,901,907	123,748,290	53.46	189,885,504	123,748,290	53.44
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	1,219,042	288,946	321.89
Investments in Associates	122,335	94,173	29.90	44,331	44,331	-
Property, plant & equipment	9,380,015	9,175,225	2.23	8,415,482	8,387,344	0.34
Intangible assets	827,278	477,728	73.17	436,630	467,593	(6.62)
Leasehold property	109,237	110,324	(0.99)	75,658	76,362	(0.92)
Deferred tax assets	606,082	515,323	17.61	605,210	507,078	19.35
Other assets	11,653,671	9,536,683	22.20	11,614,409	9,539,165	21.75
Total Assets	748,647,252	607,192,266	23.30	747,289,547	606,607,105	23.19
LIABILITIES						
Due to Banks	26,791,034	14,194,219	88.75	26,423,789	14,194,219	86.16
Derivative financial instruments	1,658,202	1,411,916	17.44	1,658,202	1,411,916	17.44
Other financial liabilities held for trading	-	-	-	-	-	-
Due to other customers	504,103,160	451,098,946	11.75	504,161,227	451,152,923	11.75
Other borrowings	114,042,710	53,997,503	111.20	114,228,063	54,173,175	110.86
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	2,412,925	1,780,867	35.49	2,380,812	1,758,574	35.38
Deferred tax liabilities	4,020,404	2,814,673	42.84	3,774,047	2,606,084	44.82
Other provisions	1,874	2,409	(22.21)	1,874	2,409	(22.21)
Other liabilities	14,553,434	9,885,816	47.22	14,382,498	9,827,209	46.35
Due to Subsidiaries	-	-	-	38,840	15,686	147.61
Subordinated liabilities	11,374,220	11,056,847	2.87	11,156,423	11,056,847	0.90
Total Liabilities	678,957,963	546,243,196	24.30	678,205,775	546,199,042	24.17

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2014	31.12.2013	Change	30.09.2014	31.12.2013	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	21,350,364	19,586,813	9.00	21,350,364	19,586,813	9.00
Statutory reserves	3,768,094	4,034,614	(6.61)	3,768,094	4,034,614	(6.61)
Retained earnings	7,671,348	4,359,632	75.96	7,501,819	4,233,364	77.21
Other reserves	36,858,793	32,929,233	11.93	36,463,495	32,553,272	12.01
Total equity attributable to equity holders of the Bank	69,648,599	60,910,292	14.35	69,083,772	60,408,063	14.36
Non-controlling Interest	40,690	38,778	4.93	-	-	-
Total Equity	69,689,289	60,949,070	14.34	69,083,772	60,408,063	14.36
Total Liabilities and Equity	748,647,252	607,192,266	23.30	747,289,547	606,607,105	23.19
Contingent Liabilities and Commitments	337,788,880	295,451,955	14.33	337,788,880	295,451,955	14.33
Net Assets Value per Ordinary Share (Rs.)	80.53	72.37	11.28	79.87	71.78	11.27

Memorandum Information

Number of Employees	4,809	4,730
Number of Customer Service Centers	256	253

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

November 13, 2014

Colombo

(Sgd.) J.Durairatnam

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
Balance as at 01.01.2013 - Audited	18,008,796	3,245,818	187,577	4,172,814	4,737,125	343,157	(755,101)	2,846,935	20,048,989	52,836,110	32,141	52,868,251
Total comprehensive income for the nine months ended 30.09.2013												
Profit for the nine months ended 30.09.2013	-	-	-	7,244,073	-	-	-	-	-	7,244,073	2,448	7,246,521
Other comprehensive income for the nine months ended 30.09.2013	-	-	-	(2,207)	-	202,934	387,632	-	-	588,359	-	588,359
Total comprehensive income for the nine months ended 30.09.2013	-	-	-	7,241,866	-	202,934	387,632	-	-	7,832,432	2,448	7,834,880
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	52,323	-	-	-	-	-	-	-	-	52,323	-	52,323
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
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)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	(1,308)	(1,670,134)
Transfers during the period	-	-	-	(1,512,256)	-	-	-	1,512,256	-	-	-	-
Total transactions with equity holders	1,554,266	-	-	(5,683,517)	-	-	-	1,512,256	-	(2,616,995)	(1,308)	(2,618,303)
Balance as at 30.09.2013	19,563,062	3,245,818	187,577	5,731,163	4,737,125	546,091	(367,469)	4,359,191	20,048,989	58,051,547	33,281	58,084,828
Total comprehensive income for the three months ended 31.12.2013												
Profit for the three months ended 31.12.2013	-	-	-	3,319,305	-	-	-	-	-	3,319,305	7,631	3,326,936
Other comprehensive income for the three months ended 31.12.2013	-	-	-	(19,214)	(121,178)	970,408	(26,289)	-	-	803,727	12	803,739
Total comprehensive income for the three months ended 31.12.2013	-	-	-	3,300,091	(121,178)	970,408	(26,289)	-	-	4,123,032	7,643	4,130,675
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	23,751	-	-	-	-	-	-	-	-	23,751	-	23,751
Dividends to equity holders												
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)
Re-classification of retained earnings to Available -For-Sale reserve	-	-	-	28,967	-	(28,967)	-	-	-	-	-	-
Transfers during the period	-	522,276	78,943	(3,412,551)	-	-	-	479,502	2,331,830	-	-	-
Total transactions with equity holders	23,751	522,276	78,943	(4,671,622)	-	(28,967)	-	479,502	2,331,830	(1,264,287)	(2,146)	(1,266,433)
Balance as at 31.12.2013 - Audited	19,586,813	3,768,094	266,520	4,359,632	4,615,947	1,487,532	(393,758)	4,838,693	22,380,819	60,910,292	38,778	60,949,070
Total comprehensive income for the nine months ended 30.09.2014												
Profit for the nine months ended 30.09.2014	-	-	-	7,848,114	-	-	-	-	-	7,848,114	3,220	7,851,334
Other comprehensive income for the nine months ended 30.09.2014	-	-	-	-	-	3,358,043	17,583	-	-	3,375,626	-	3,375,626
Total comprehensive income for the nine months ended 30.09.2014	-	-	-	7,848,114	-	3,358,043	17,583	-	-	11,223,740	3,220	11,226,960
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	233,625	-	-	-	-	-	-	-	-	233,625	-	233,625
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,149)	-	-	-	-	-	(849,149)	-	(849,149)
Final dividend for 2013 satisfied in the form of issue and allotment of new shares	1,529,925	-	-	(1,699,917)	-	-	-	-	-	(169,992)	-	(169,992)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	(1,308)	(1,701,225)
Transfers during the period	-	-	(266,520)	(287,415)	-	-	-	287,415	266,520	-	-	-
Total transactions with equity holders	1,763,550	-	(266,520)	(4,536,398)	-	-	-	287,415	266,520	(2,485,433)	(1,308)	(2,486,741)
Balance as at 30.09.2014	21,350,363	3,768,094	-	7,671,348	4,615,947	4,845,575	(376,175)	5,126,108	22,647,339	69,648,599	40,690	69,689,289

	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 01.01.2013 - Audited	18,008,796	3,245,818	187,577	4,178,080	4,343,232	343,157	(757,894)	2,846,935	20,048,989	52,444,690	-	52,444,690
Total comprehensive income for the nine months ended 30.09.2013												
Profit for the nine months ended 30.09.2013	-	-	-	7,233,937	-	-	-	-	-	7,233,937	-	7,233,937
Other comprehensive income for the nine months ended 30.09.2013	-	-	-	-	-	202,934	377,786	-	-	580,720	-	580,720
Total comprehensive income for the nine months ended 30.09.2013	-	-	-	7,233,937	-	202,934	377,786	-	-	7,814,657	-	7,814,657
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	52,323	-	-	-	-	-	-	-	-	52,323	-	52,323
Dividends to equity holders												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
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)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
Transfers during the period	-	-	-	(1,512,256)	-	-	-	1,512,256	-	-	-	-
Total transactions with equity holders	1,554,266	-	-	(5,683,517)	-	-	-	1,512,256	-	(2,616,995)	-	(2,616,995)
Balance as at 30.09.2013	19,563,062	3,245,818	187,577	5,728,500	4,343,232	546,091	(380,108)	4,359,191	20,048,989	57,642,352	-	57,642,352
Total comprehensive income for the three months ended 31.12.2013												
Profit for the three months ended 31.12.2013	-	-	-	3,211,574	-	-	-	-	-	3,211,574	-	3,211,574
Other comprehensive income for the three months ended 31.12.2013	-	-	-	(20,668)	(121,178)	972,540	(26,817)	-	-	803,877	-	803,877
Total comprehensive income for the three months ended 31.12.2013	-	-	-	3,190,906	(121,178)	972,540	(26,817)	-	-	4,015,451	-	4,015,451
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	23,751	-	-	-	-	-	-	-	-	23,751	-	23,751
Dividends to equity holders												
First interim dividend for 2013	-	-	-	(1,273,491)	-	-	-	-	-	(1,273,491)	-	(1,273,491)
Transfers during the period	-	522,276	78,943	(3,412,551)	-	-	-	479,502	2,331,830	-	-	-
Total transactions with equity holders	23,751	522,276	78,943	(4,686,042)	-	-	-	479,502	2,331,830	(1,249,740)	-	(1,249,740)
Balance as at 31.12.2013 - Audited	19,586,813	3,768,094	266,520	4,233,364	4,222,054	1,518,631	(406,925)	4,838,693	22,380,819	60,408,063	-	60,408,063
Total comprehensive income for the nine months ended 30.09.2014												
Profit for the nine months ended 30.09.2014	-	-	-	7,804,853	-	-	-	-	-	7,804,853	-	7,804,853
Other comprehensive income for the nine months ended 30.09.2014	-	-	-	-	-	3,336,261	20,028	-	-	3,356,289	-	3,356,289
Total comprehensive income for the nine months ended 30.09.2014	-	-	-	7,804,853	-	3,336,261	20,028	-	-	11,161,142	-	11,161,142
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	233,625	-	-	-	-	-	-	-	-	233,625	-	233,625
Dividends to equity holders												
Second interim dividend for 2013	-	-	-	(849,149)	-	-	-	-	-	(849,149)	-	(849,149)
Final dividend for 2013 satisfied in the form of issue and allotment of new shares	1,529,925	-	-	(1,699,917)	-	-	-	-	-	(169,992)	-	(169,992)
Final cash dividend for 2013	-	-	-	(1,699,917)	-	-	-	-	-	(1,699,917)	-	(1,699,917)
Transfers during the period	-	-	(266,520)	(287,415)	-	-	-	287,415	266,520	-	-	-
Total transactions with equity holders	1,763,550	-	(266,520)	(4,536,398)	-	-	-	287,415	266,520	(2,485,433)	-	(2,485,433)
Balance as at 30.09.2014	21,350,363	3,768,094	-	7,501,819	4,222,054	4,854,892	(386,897)	5,126,108	22,647,339	69,083,772	-	69,083,772

For the nine months ended September 30,	Group		Bank	
	2014	2013	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	11,299,305	10,449,228	11,212,853	10,404,065
Adjustment for:				
Non-cash items included in profits before tax	4,790,882	4,173,959	4,762,776	4,146,384
Change in operating assets	(133,665,123)	(88,970,665)	(133,442,427)	(88,976,092)
Change in operating liabilities	129,418,787	65,000,730	130,116,956	65,071,047
Net (gains)/losses from disposal of assets	(1,273)	(15,642)	(230)	(4,759)
Share of profit from associates	(8,155)	(4,975)	-	-
Dividend income from subsidiaries and associates	-	-	(47,691)	(49,565)
Interest expense on subordinated liabilities	554,491	435,789	551,027	435,789
Benefits paid on defined benefit plans	(460,764)	(431,272)	(460,764)	(431,272)
Net unrealized gain from translation of Financial Statements of Foreign Operations	17,583	387,632	20,028	377,786
Tax paid	(1,752,341)	(3,847,677)	(1,715,931)	(3,819,245)
Net cash from/(used in) operating activities	10,193,392	(12,822,893)	10,996,597	(12,845,862)
Cash Flows from Investing Activities				
Net additions to property, plant and equipment	(782,757)	(671,052)	(756,137)	(686,964)
Proceeds from the sale of property, plant and equipment	8,854	6,562	4,814	6,562
Purchase of financial investments	(4,872,757)	(2,449,311)	(5,788,803)	(2,449,311)
Proceeds from the sale and maturity of financial investments	912,739	1,646,250	912,739	1,646,250
Net additions to intangible assets	(103,538)	(110,017)	(104,331)	(109,555)
Net cash flow from acquisition of investment in subsidiaries and associates	-	-	(904,797)	-
Acquisition of a subsidiary (net of cash)	(891,470)	-	-	-
Dividends received from investments in subsidiaries and associates	-	-	47,691	49,565
Net cash from/(used in) in investing activities	(5,728,929)	(1,577,568)	(6,588,824)	(1,543,453)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary shares	233,626	52,323	233,626	52,323
Net receipts from subordinated liabilities	-	9,892,500	-	9,892,500
Interest paid on subordinated liabilities	(452,118)	(184,169)	(451,451)	(184,169)
Dividend paid to shareholders of the parent company	(2,719,058)	(2,669,318)	(2,719,058)	(2,669,318)
Dividend paid to non-controlling interest	(1,308)	(1,308)	-	-
Net cash from /(used in) financing activities	(2,938,858)	7,090,028	(2,936,883)	7,091,336
Net increase/(decrease) in cash & cash equivalents	1,525,605	(7,310,433)	1,470,890	(7,297,979)
Cash and cash equivalents at beginning of the year	14,263,533	19,752,205	14,261,549	19,732,834
Cash and cash equivalents at end of the period	15,789,138	12,441,772	15,732,439	12,434,855

	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		15,789,138			15,789,138
Balances with central banks		21,091,017			21,091,017
Placements with banks		4,774,839			4,774,839
Derivative financial instruments	620,142				620,142
Other financial assets held for trading	9,834,406				9,834,406
Loans and receivables to banks		545,436			545,436
Loans and receivables to other customers		483,391,749			483,391,749
Financial investments - Available for sale			189,901,907		189,901,907
Total financial assets	10,454,548	525,592,179	189,901,907	-	725,948,634
Investments in subsidiaries				-	-
Investments in associates				122,335	122,335
Property, plant & equipment				9,380,015	9,380,015
Intangible assets				827,278	827,278
Leasehold property				109,237	109,237
Deferred tax assets				606,082	606,082
Other assets				11,653,671	11,653,671
	-	-	-	22,698,618	22,698,618
Total assets	10,454,548	525,592,179	189,901,907	22,698,618	748,647,252
LIABILITIES					
Due to banks			26,791,034		26,791,034
Derivative financial instruments		1,658,202	-		1,658,202
Other financial liabilities held for trading			-		-
Due to other customers			504,103,160		504,103,160
Other borrowings			114,042,710		114,042,710
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			11,374,220		11,374,220
Total financial liabilities	-	1,658,202	656,311,124	-	657,969,326
Current tax liabilities				2,412,925	2,412,925
Deferred tax liabilities				4,020,404	4,020,404
Other provisions				1,874	1,874
Other liabilities				14,553,434	14,553,434
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	20,988,637	20,988,637
Total liabilities	-	1,658,202	656,311,124	20,988,637	678,957,963

	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 assets 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	
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				2,814,673	2,814,673
Other provisions				2,409	2,409
Other liabilities				9,885,816	9,885,816
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	14,483,765	14,483,765
Total liabilities	-	1,411,916	530,347,515	14,483,765	546,243,196

	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		15,732,439			15,732,439
Balances with central banks		21,091,017			21,091,017
Placements with banks		4,774,839			4,774,839
Derivative financial instruments	620,142				620,142
Other financial assets held for trading	9,834,406				9,834,406
Loans and receivables to banks		545,436			545,436
Loans and receivables to other customers		482,395,002			482,395,002
Financial investments - Available for sale			189,885,504		189,885,504
Total financial assets	10,454,548	524,538,733	189,885,504	-	724,878,785
Investments in subsidiaries				1,219,042	1,219,042
Investments in associates				44,331	44,331
Property, plant & equipment				8,415,482	8,415,482
Intangible assets				436,630	436,630
Leasehold property				75,658	75,658
Deferred tax assets				605,210	605,210
Other assets				11,614,409	11,614,409
	-	-	-	22,410,762	22,410,762
Total assets	10,454,548	524,538,733	189,885,504	22,410,762	747,289,547
LIABILITIES					
Due to banks			26,423,789		26,423,789
Derivative financial instruments		1,658,202	-		1,658,202
Other financial liabilities held for trading			-		-
Due to other customers			504,161,227		504,161,227
Other borrowings			114,228,063		114,228,063
Debt securities issued			-		-
Other liabilities			-		-
Subordinated liabilities			11,156,423		11,156,423
Total financial liabilities	-	1,658,202	655,969,502	-	657,627,704
Current tax liabilities				2,380,812	2,380,812
Deferred tax liabilities				3,774,047	3,774,047
Other provisions				1,874	1,874
Other liabilities				14,382,498	14,382,498
Due to Subsidiaries				38,840	38,840
Total non-financial liabilities	-	-	-	20,578,071	20,578,071
Total liabilities	-	1,658,202	655,969,502	20,578,071	678,205,775

	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		14,261,549			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 assets 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
LIABILITIES					
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000
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	530,577,164	-	531,989,080
Current tax liabilities				1,758,574	1,758,574
Deferred tax liabilities				2,606,084	2,606,084
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	-	-	-	14,209,962	14,209,962
Total liabilities	-	1,411,916	530,577,164	14,209,962	546,199,042

	Bank		Group	
	As at 30.09.2014	As at 31.12.2013 (Audited)	As at 30.09.2014	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	55,740,521	51,480,986	55,986,109	51,649,064
Total Capital Base - Rs. '000	69,346,358	65,579,876	70,049,969	65,747,955
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	12.97%	13.27%	12.97%	13.30%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	16.13%	16.91%	16.23%	16.93%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	3.84%	3.88%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.10%	2.12%		
Profitability				
Interest Margin	3.91%	4.53%		
Return on Assets (before tax)	2.21%	2.59%		
Return on Equity	16.12%	18.40%		
Debt Security Related Ratios				
Debt Equity Ratio	27.77%	32.51%		
Interest Cover (Times)	20.17	21.71		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	170,894,516	146,690,969		
Off-Shore Banking Unit	8,857,384	8,092,612		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	33.72%	33.66%		
Off-Shore Banking Unit	31.04%	29.38%		

SEGMENTAL ANALYSIS - GROUP
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	Banking		Leasing		Dealing / Treasury		Investments		Total/Consolidated	
<i>For the nine months ended September 30,</i>	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
External Operating income :										
Net interest income	18,853,980	17,753,667	670,984	436,653	(130,270)	99,073	431,457	349,818	19,826,151	18,639,211
Foreign exchange profit	103,978	515,783	-	-	710,162	1,484,205	-	-	814,140	1,999,988
Net fees and commission income	3,488,605	3,140,532	-	-	5,544	6,601	-	-	3,494,149	3,147,133
Other income	1,441,582	1,288,111	554,178	112,548	1,758,054	73,327	115,512	14,401	3,869,326	1,488,387
(Unallocated)	-	-	-	-	-	-	-	-	221,373	251,691
Total operating income	23,888,145	22,698,093	1,225,162	549,201	2,343,490	1,663,206	546,969	364,219	28,225,139	25,526,410
Impairment charges for loans and other losses	(2,824,877)	(2,680,524)	(599,167)	(317,064)	-	-	-	-	(3,424,044)	(2,997,588)
Net Operating income	21,063,268	20,017,569	625,995	232,137	2,343,490	1,663,206	546,969	364,219	24,801,095	22,528,822
Segment result	13,209,452	12,908,488	549,118	207,265	624,051	125,614	479,798	325,195	14,862,419	13,566,562
Unallocated operating expenses									(3,571,269)	(3,122,309)
Profit from operations									11,291,150	10,444,253
Share of profit of Associates									8,155	4,975
Income tax expense									(3,447,971)	(3,202,707)
Non-controlling interest									(3,220)	(2,448)
Net profit attributable to Equity holders of the parent company									7,848,114	7,244,073

<i>As at September 30,</i>	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
Other information										
Segment assets	415,528,984	369,183,599	20,767,439	21,160,212	281,074,550	173,877,112	8,577,661	5,190,797	725,948,634	569,411,720
Investment in associates							122,335	93,966	122,335	93,966
Unallocated Assets									22,576,283	22,404,977
Total assets									748,647,252	591,910,663
Segment liabilities	361,982,649	329,330,884	20,767,439	21,160,212	281,074,550	173,877,112	8,699,996	5,284,763	672,524,634	529,652,971
Unallocated liabilities									6,433,329	3,967,214
Total liabilities									678,957,963	533,620,185

<i>For the nine months ended September 30,</i>	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
Information on cash flows										
Cash flows from operating activities	15,695,622	(23,638,901)	167,335	2,999,460	(2,214,217)	11,775,950	(3,455,348)	(3,959,402)	10,193,392	(12,822,893)
Cash flows from investing activities	-	-	-	-	-	-	(4,842,634)	(796,499)	(4,842,634)	(796,499)
Cash flows from financing activities	-	9,892,500	-	-	(452,118)	(184,169)	-	-	(452,118)	9,708,331
Capital expenditure										
Property, Plant & Equipment									(782,757)	(671,052)
Intangible assets									(103,538)	(110,017)
(Unallocated)/Eliminations									(2,486,740)	(2,618,303)
Net Cash Flow generated									1,525,605	(7,310,433)

Twenty largest voting shareholders as at September 30, 2014

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	119,806,122	14.80
Employees Provident Fund	78,806,032	9.74
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	47,984,547	5.93
Mr.Y.S. H. I. Silva	44,692,522	5.52
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,851,867	5.05
CB NY S/A International Finance Corporation	40,381,198	4.99
Sri Lanka Insurance Corporation Ltd. - General Fund	35,126,985	4.34
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	18,065,799	2.23
Distilleries Company of Sri Lanka PLC	17,621,541	2.18
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	16,680,882	2.06
Mrs. L. E. M. Yaseen	14,000,030	1.73
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,905,077	1.35
Northern Trust Company S/A Harding Loevner Frontier Emerging Markets Portfolio	10,750,000	1.33
HSBC Intl. Nominees Ltd. - JPMLU - Schroder International Selection Fund	10,486,866	1.30
Mercantile Investments and Finance PLC	10,405,566	1.29
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	10,143,699	1.25
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	8,339,156	1.03
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,198,498	1.01
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,794,111	0.96
HSBC Intl. Nominees Ltd. - BPSS London-Aberdeen Asia Smaller Companies Investment Trust	6,777,581	0.84
Sub total	557,818,079	68.92
Other Shareholders	251,521,707	31.08
Total	809,339,786	100.00

Percentage of public holding as at September 30, 2014 - 99.55%
Number of shareholders representing public holding as at September 30, 2014 - 805,658,107

Twenty largest non-voting shareholders as at September 30, 2014

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,215,179	5.77
CITY Bank NY S/A Forward International Dividend Fund	1,926,649	3.47
CITY Bank NY S/A Forward Select EM Dividend Fund	1,723,446	3.10
GF Capital Global Limited	1,545,795	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,379,083	2.48
Northern Trust Global Services Luxembourg S/A Ashmore Sicav Indian Small - Cap Equity Fund	1,368,277	2.46
Mr. J. D. Bandaranayake	1,098,285	1.98
Waldock Mackenzie Ltd / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,000,000	1.80
M.J.F.Exports Ltd.	950,795	1.71
Northern Trust Company S/A Polar Capital Funds PLC	781,031	1.41
Saboor Chatoor (Pvt) Ltd	751,000	1.35
Mr. M. F. Hashim	746,733	1.34
Beta Holdings Limited	680,000	1.22
Mrs. L. V. C. Samarasingha	600,000	1.08
Akbar Brothers (Pvt) Ltd. A/C No.01	516,676	0.93
Asian Alliance Insurance PLC - A/C 02 (Life Fund)	504,482	0.91
Dr. A. K. A. Jayawardene	490,623	0.88
Mr. J. G. De Mel	450,000	0.81
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	446,527	0.80
Mr.W.R.H.Perera	439,152	0.79
Sub total	20,613,733	37.08
Other Shareholders	34,966,213	62.92
Total	55,579,946	100.00

Percentage of public holding as at September 30, 2014 - 99.77%
Number of shareholders representing public holding as at September 30, 2014 - 55,451,142

Directors' holding in shares as at September 30, 2014

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D Dheerasinghe - Chairman	20,653	-
Mr.M.P Jayawardena - Deputy Chairman	-	-
Mr.J.Durairatnam - Managing Director/Chief Executive Officer	379,087	-
Mr.S.Renganathan	190,034	10,190
Prof.U.P.Liyanage	-	-
Mr.L.Hulugalle	-	-
Mr.S.Swarnajothi	-	8,490
Mr.H.J Wilson	-	-
Mr. K.M.M.Siriwardana (Appointed with effect from 28th August 2014)	-	-

	2014 Rs.	2013 Rs.
Market price of an ordinary share of the Bank as at September 30,		
Voting	155.90	117.60
Non-Voting	113.90	91.30
Highest price during the quarter ended September 30,		
Voting	164.80	120.90
Non-Voting	117.10	98.00
Lowest price during the quarter ended September 30,		
Voting	139.00	112.00
Non-Voting	100.00	87.20
Number of ordinary shares issued as at September 30,		
Voting	809,339,786	794,177,884
Non-Voting	55,579,946	54,543,222

EXPLANATORY NOTES

- 1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2013. 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 On August 31, 2014, the Bank acquired 100% ownership of Indra Finance Company Ltd. (IFL), a Licensed Finance company registered with the Central Bank of Sri Lanka with a total purchase consideration of Rs. 916.047 Mn. Bank obtained all relevant regulatory approvals prior to acquisition of the Company. The Statement of Comprehensive Income and Financial Position of the IFL is consolidated in the Group's Statement Comprehensive Income and Financial Position.
- 3 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures, except for the changes that arose due to the transaction referred to 2 above.
- 4 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 5 There were no material events that took place since September 30, 2014, that require disclosure in these Interim Financial Statements, other than those disclosed above.

INFORMATION ON DEBENTURES - BANK

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Debenture categories	CSE Listing	Interest payable frequency	Balance as at September 30, 2014 Rs.'000	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505,000	-	-	-	13.25	13.25	6.25	Not applicable	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467,260	-	-	-	13.25	13.25	11.10	Not applicable	
				Not traded during the current period			14.00	14.00	6.25	Not traded during the current period	
				Not traded during the current period			14.00	14.00	11.20	Not traded during the current period	
Floating rate											
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	400	Not traded during the current period			10.21	10.21	7.50	Not traded during the current period	
				Not traded during the current period			13.99	13.99	12.85	Not traded during the current period	
Total Debentures			972,660								

(Comparative information for 2013 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 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000	As at 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000
Gross loans and receivables	500,753,347	434,731,383	499,575,138	434,746,843
Less: Allowance for Individual impairment	4,144,725	4,204,654	4,144,725	4,204,654
Allowance for Collective impairment	13,216,873	11,582,514	13,035,411	11,582,514
Net loans and receivables	483,391,749	418,944,215	482,395,002	418,959,675

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000	As at 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	62,668,084	64,263,957	62,698,810	64,263,957
Trade finance	33,964,363	32,341,285	33,964,363	32,341,285
Lease rental receivable	21,796,515	21,561,529	19,953,101	21,578,494
Credit cards	4,309,051	3,956,214	4,309,051	3,956,214
Pawning	2,607,105	6,995,603	2,607,105	6,995,603
Staff loans	4,563,371	3,773,611	4,562,100	3,772,106
Housing loans	28,986,347	27,248,649	28,986,347	27,248,649
Personal loans	19,165,144	16,237,144	19,165,144	16,237,144
Term loans				
Short-term	17,505,921	21,749,968	17,504,771	21,749,968
Long-term	128,853,347	102,726,045	129,490,247	102,726,045
Bills of Exchange	3,375,001	2,187,828	3,375,001	2,187,828
Securities purchased under resale agreements	38,033,586	6,618,100	38,033,586	6,618,100
Sub total	365,827,835	309,659,933	364,649,626	309,675,393
Others				
Government Securities	714,682	645,610	714,682	645,610
Investments	7,345,961	4,302,475	7,345,961	4,302,475
Sub total	8,060,643	4,948,085	8,060,643	4,948,085
Gross loans and receivables	373,888,478	314,608,018	372,710,269	314,623,478

	Group		Bank	
	As at 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000	As at 30.09.2014 Rs.'000	As at 31.12.2013 Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	8,777,707	8,156,718	8,777,707	8,156,718
Trade finance	13,048,360	15,615,852	13,048,360	15,615,852
Lease rental receivable	205,324	217,216	205,324	217,216
Credit cards	46,968	43,405	46,968	43,405
Pawning	-	-	-	-
Staff loans	96,242	113,805	96,242	113,805
Housing loans	858,443	481,304	858,443	481,304
Personal loans	240,423	280,199	240,423	280,199
Term loans				
Short-term	15,464,779	8,886,299	15,464,779	8,886,299
Long-term	37,066,481	30,598,473	37,066,481	30,598,473
Bills of Exchange	2,207,865	2,855,831	2,207,865	2,855,831
Securities purchased under resale agreements	-	2,328,399	-	2,328,399
Sub total	78,012,592	69,577,501	78,012,592	69,577,501
Others				
Government Securities	48,849,624	50,471,323	48,849,624	50,471,323
Investments	2,653	74,541	2,653	74,541
Sub total	48,852,277	50,545,864	48,852,277	50,545,864
Gross loans and receivables	126,864,869	120,123,365	126,864,869	120,123,365
Total of gross loans and receivables	500,753,347	434,731,383	499,575,138	434,746,843

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

3 MOVEMENT IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 30.09.2014	As at 31.12.2013	As at 30.09.2014	As at 31.12.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement in Allowance for Individual Impairment				
Opening balance	4,204,654	3,402,168	4,204,654	3,402,168
Charge/(Write back) to the Income Statement	1,935,076	3,021,394	1,935,076	3,021,394
Net write-off/(Recoveries) during the period	(2,161,239)	(2,320,881)	(2,161,239)	(2,320,881)
Exchange rate variance on foreign currency provisions	(1,433)	18,792	(1,433)	18,792
Interest accrued on impaired loans & advances	(176,618)	(304,712)	(176,618)	(304,712)
Other movements	344,285	387,893	344,285	387,893
Closing balance	4,144,725	4,204,654	4,144,725	4,204,654
Movement in Allowance for Collective Impairment				
Opening balance	11,582,514	10,099,059	11,582,514	10,099,059
Charge/(Write back) to the Income Statement	1,634,284	1,479,914	1,452,822	1,479,914
Exchange rate variance on foreign currency provisions	75	3,541	75	3,541
Other movements	-	-	-	-
Closing balance	13,216,873	11,582,514	13,035,411	11,582,514
Total of Individual and Collective Impairment	17,361,598	15,787,168	17,180,136	15,787,168

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2014	As at 31.12.2013	As at 30.09.2014	As at 31.12.2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Current account deposits	32,666,991	27,775,664	32,667,016	27,775,704
Savings deposits	151,216,239	119,827,302	151,245,360	119,827,302
Time deposits	206,031,022	191,597,280	206,059,943	191,651,217
Certificates of deposits	976,383	3,566,003	976,383	3,566,003
Sub Total	390,890,635	342,766,249	390,948,702	342,820,226
By product - Foreign Currency				
Current account deposits	10,868,516	9,111,749	10,868,516	9,111,749
Savings deposits	39,453,572	39,594,656	39,453,572	39,594,656
Time deposits	62,890,437	59,626,292	62,890,437	59,626,292
Certificates of deposits	-	-	-	-
Sub Total	113,212,525	108,332,697	113,212,525	108,332,697
Total	504,103,160	451,098,946	504,161,227	451,152,923

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 2014.
- 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 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 ,2486000, 4792000
Tele-Banking :2336633-5
Telex :21520 COMEX CE
Facsimile : 941-112449889
SWIFT Code-Sri Lanka : CCEYLKLX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

AUDITORS

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

REGISTRARS

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

COMPANY SECRETARY

Mrs. J.R Gamage

HEAD OFFICE

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

BOARD OF DIRECTORS

Mr.K.G.D.D Dheerasinghe - Chairman
Mr.M.P Jayawardena - Deputy Chairman
Mr.J.Durairatnam - Managing Director/Chief Executive Officer
Prof.U.P.Liyanage
Mr.L.Hulugalle
Mr.S.Swarnajothi
Mr.H.J Wilson
Mr.S.Renganathan
Mr.K.M.M Siriwardana (Appointed with effect from 28th August 2014)

ACCOUNTING YEAR

December 31