

INTERIM FINANCIAL STATEMENT
For the nine months ended September 30, 2013

	For the nine months ended			For the quarter ended		
	30.09.2013 Rs.'000	30.09.2012 Rs.'000	Change %	30.09.2013 Rs.'000	30.09.2012 Rs.'000	Change %
Gross income	53,499,768	46,400,813	15.30	18,769,711	15,423,569	21.69
Interest income	46,138,415	38,263,460	20.58	15,975,765	13,666,194	16.90
Less : Interest expenses	27,499,204	21,192,843	29.76	9,274,216	7,819,621	18.60
Net interest income	18,639,211	17,070,617	9.19	6,701,549	5,846,573	14.62
Fees and commission income	3,621,287	2,992,825	21.00	1,394,048	1,031,257	35.18
Less: Fees and commission expenses	474,154	401,754	18.02	168,824	136,361	23.81
Net fees and commission income	3,147,133	2,591,071	21.46	1,225,224	894,896	36.91
Net gain/(loss) from trading	(762,328)	2,417,524	(131.53)	(26,738)	829,889	(103.22)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	2,572	15,082	(82.95)	1,593	1,364	16.79
Other operating income (net)	4,499,822	2,711,922	65.93	1,425,043	(105,135)	1,455.44
Total operating income	25,526,410	24,806,216	2.90	9,326,671	7,467,587	24.90
Less :Impairment charges for loans and other losses	2,997,588	2,889,444	3.74	1,266,276	723,245	75.08
Individual impairment	1,234,245	869,999	41.87	504,123	(41,266)	1,321.64
Collective impairment	1,740,564	2,015,126	(13.63)	741,028	762,762	(2.85)
Others	22,779	4,319	427.41	21,125	1,749	1,107.83
Net operating income	22,528,822	21,916,772	2.79	8,060,395	6,744,342	19.51
Less: Expenses	10,603,182	9,786,556	8.34	3,616,235	3,167,992	14.15
Personnel expenses	6,040,639	5,541,541	9.01	2,079,256	1,883,105	10.42
Depreciation and amortisation	745,100	861,887	(13.55)	255,856	239,815	6.69
Other expenses	3,817,443	3,383,128	12.84	1,281,123	1,045,072	22.59
Operating profit before value added tax (VAT)	11,925,640	12,130,216	(1.69)	4,444,160	3,576,350	24.27
Less: Value added tax (VAT) on financial services	1,481,387	1,479,410	0.13	545,319	436,146	25.03
Operating profit after value added tax (VAT)	10,444,253	10,650,806	(1.94)	3,898,841	3,140,204	24.16
Add: Share of profits/(losses) of associates	4,975	12,971	(61.65)	2,042	1,755	16.35
Profit before income tax	10,449,228	10,663,777	(2.01)	3,900,883	3,141,959	24.15
Less : Income tax expense	3,202,707	3,237,325	(1.07)	1,144,299	877,944	30.34
Profit for the period	7,246,521	7,426,452	(2.42)	2,756,584	2,264,015	21.76
Profit attributable to:						
Equity holders of the Bank	7,244,073	7,425,569	(2.44)	2,755,967	2,263,738	21.74
Non-controlling interest	2,448	883	177.24	617	277	122.74
Profit for the period	7,246,521	7,426,452	(2.42)	2,756,584	2,264,015	21.76
Earnings per share						
Basic earnings per share (Rs.)	8.54	8.92	(4.26)	3.25	2.72	19.49
Diluted earnings per share (Rs.)	8.53	8.91	(4.26)	3.24	2.71	19.56

	For the nine months ended			For the quarter ended		
	30.09.2013 Rs.'000	30.09.2012 Rs.'000	Change %	30.09.2013 Rs.'000	30.09.2012 Rs.'000	Change %
Gross income	53,498,105	46,400,918	15.30	18,778,529	15,427,836	21.72
Interest income	46,145,522	38,281,289	20.54	15,977,197	13,670,280	16.88
Less : Interest expenses	27,517,055	21,203,229	29.78	9,280,604	7,823,283	18.63
Net interest income	18,628,467	17,078,060	9.08	6,696,593	5,846,997	14.53
Fees and commission income	3,618,753	2,992,864	20.91	1,392,993	1,031,266	35.08
Less: Fees and commission expenses	474,154	401,754	18.02	168,824	136,361	23.81
Net fees and commission income	3,144,599	2,591,110	21.36	1,224,169	894,905	36.79
Net gain/(loss) from trading	(762,328)	2,417,524	(131.53)	(26,738)	829,889	(103.22)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	2,572	15,082	(82.95)	1,593	1,364	16.79
Other operating income (net)	4,493,586	2,694,159	66.79	1,433,484	(104,963)	1,465.70
Total operating income	25,506,896	24,795,935	2.87	9,329,101	7,468,192	24.92
Less :Impairment charges for loans and other losses	3,018,730	2,889,444	4.47	1,275,091	723,245	76.30
Individual impairment	1,234,245	869,999	41.87	504,123	(41,266)	1,321.64
Collective impairment	1,740,564	2,015,126	(13.63)	741,028	762,762	(2.85)
Others	43,921	4,319	916.93	29,940	1,749	1,611.84
Net operating income	22,488,166	21,906,491	2.66	8,054,010	6,744,947	19.41
Less: Expenses	10,602,714	9,767,283	8.55	3,612,389	3,156,179	14.45
Personnel expenses	5,982,921	5,491,938	8.94	2,059,014	1,865,227	10.39
Depreciation and amortisation	696,382	797,974	(12.73)	240,478	219,425	9.59
Other expenses	3,923,411	3,477,371	12.83	1,312,897	1,071,527	22.53
Operating profit before value added tax (VAT)	11,885,452	12,139,208	(2.09)	4,441,621	3,588,768	23.76
Less: Value added tax (VAT) on financial services	1,481,387	1,479,410	0.13	545,319	436,146	25.03
Profit before income tax	10,404,065	10,659,798	(2.40)	3,896,302	3,152,622	23.59
Less : Income tax expense	3,170,128	3,203,903	(1.05)	1,134,024	869,499	30.42
Profit for the period	7,233,937	7,455,895	(2.98)	2,762,278	2,283,123	20.99
Profit attributable to:						
Equity holders of the Bank	7,233,937	7,455,895	(2.98)	2,762,278	2,283,123	20.99
Non-controlling interest	-	-	-	-	-	-
Profit for the period	7,233,937	7,455,895	(2.98)	2,762,278	2,283,123	20.99
Earnings per share						
Basic earnings per share (Rs.)	8.53	8.96	(4.80)	3.26	2.74	18.98
Diluted earnings per share (Rs.)	8.51	8.94	(4.81)	3.25	2.74	18.61

STATEMENT OF COMPREHENSIVE INCOME - GROUP

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	For the nine months ended			For the quarter ended		
	30.09.2013	30.09.2012	Change	30.09.2013	30.09.2012	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	7,246,521	7,426,452	(2.42)	2,756,584	2,264,015	21.76
Other comprehensive income, net of tax						
Changes in revaluation surplus	-	-	-	-	-	-
Deferred tax effect on revaluation surplus	-	(69,546)	-	-	-	-
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	387,632	422,644	(8.28)	58,407	(89,149)	165.52
Net gains and losses on re-measuring Available-For-Sale financial assets	276,274	223,141	23.81	(133,188)	560,801	(123.75)
Sri Lanka Government Securities	276,280	222,744	24.03	(132,771)	560,009	(123.71)
Equity Securities - Quoted	(6)	397	(101.51)	(417)	792	(152.65)
Add/(Less): Share of other comprehensive income of associates	(2,207)	(26,194)	91.57	(1,825)	3,285	(155.56)
Other comprehensive income for the period, net of taxes	661,699	550,045	20.30	(76,606)	474,937	(116.13)
Total comprehensive income for the period	7,908,220	7,976,497	(0.86)	2,679,978	2,738,952	(2.15)
Attributable to:						
Equity holders of the Bank	7,905,772	7,975,614	(0.88)	2,679,361	2,738,675	(2.17)
Non-controlling interest	2,448	883	177.24	617	277	122.74
Total comprehensive income for the period	7,908,220	7,976,497	(0.86)	2,679,978	2,738,952	(2.15)

	For the nine months ended			For the quarter ended		
	30.09.2013	30.09.2012	Change	30.09.2013	30.09.2012	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Profit for the period	7,233,937	7,455,895	(2.98)	2,762,278	2,283,123	20.99
Other comprehensive income, net of tax						
Changes in revaluation surplus	-	-	-	-	-	-
Deferred tax effect on revaluation surplus	-	-	-	-	-	-
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	377,786	417,000	(9.40)	57,013	(88,810)	164.20
Net gains and losses on re-measuring Available-For-Sale financial assets	276,274	223,141	23.81	(133,188)	560,821	(123.75)
Sri Lanka Government Securities	276,280	222,744	24.03	(132,771)	560,029	(123.71)
Equity Securities - Quoted	(6)	397	(101.51)	(417)	792	(152.65)
Other comprehensive income for the period, net of taxes	654,060	640,141	2.17	(76,175)	472,011	(116.14)
Total comprehensive income for the period	7,887,997	8,096,036	(2.57)	2,686,103	2,755,134	(2.51)
Attributable to:						
Equity holders of the Bank	7,887,997	8,096,036	(2.57)	2,686,103	2,755,134	(2.51)
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the period	7,887,997	8,096,036	(2.57)	2,686,103	2,755,134	(2.51)

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2013	31.12.2012	Change	30.09.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
ASSETS						
Cash and cash equivalents	12,441,772	19,752,205	(37.01)	12,434,855	19,732,834	(36.98)
Balances with central banks	18,272,293	18,168,039	0.57	18,272,293	18,168,039	0.57
Placements with banks	4,949,303	16,162,970	(69.38)	4,949,303	16,162,970	(69.38)
Derivative financial instruments	981,501	1,351,095	(27.36)	981,501	1,351,095	(27.36)
Other financial assets held for trading	10,000,512	6,041,110	65.54	10,000,512	6,041,110	65.54
Loans and receivables to banks	550,023	628,760	(12.52)	550,023	628,760	(12.52)
Loans and receivables to other customers	399,609,051	372,857,337	7.17	399,632,879	372,915,081	7.16
Financial investments - Available for sale	122,607,265	57,963,192	111.53	122,607,265	57,963,192	111.53
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	292,644	303,130	(3.46)
Investments in Associates	93,966	93,712	0.27	44,331	44,331	-
Property, plant & equipment	8,984,360	8,946,881	0.42	8,315,368	8,221,118	1.15
Intangible assets	511,376	506,161	1.03	501,826	497,038	0.96
Leasehold property	114,132	111,776	2.11	76,600	77,304	(0.91)
Deferred tax assets	431,824	458,258	(5.77)	431,824	448,500	(3.72)
Other assets	12,363,285	9,179,144	34.69	12,398,520	9,188,206	34.94
Total Assets	591,910,663	512,220,640	15.56	591,489,744	511,742,708	15.58
LIABILITIES						
Due to Banks	13,473,976	4,763,565	182.85	13,473,976	4,763,565	182.85
Derivative financial instruments	521,496	84,291	518.69	521,496	84,291	518.69
Other financial liabilities held for trading	-	-	-	-	-	-
Due to other customers	435,394,039	390,568,682	11.48	435,469,255	390,611,548	11.48
Other borrowings	54,684,465	47,565,945	14.97	54,867,157	47,713,199	14.99
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	1,881,167	2,821,975	(33.34)	1,860,491	2,801,541	(33.59)
Deferred tax liabilities	2,086,047	1,889,983	10.37	1,899,984	1,698,067	11.89
Other provisions	2,409	2,409	-	2,409	2,409	-
Other liabilities	14,326,450	10,417,213	37.53	14,245,562	10,362,808	37.47
Due to Subsidiaries	-	-	-	51,276	22,264	130.31
Subordinated term debts	11,250,136	1,106,016	917.18	11,250,136	1,106,016	917.18
Total Liabilities	533,620,185	459,220,079	16.20	533,641,742	459,165,708	16.22

STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	30.09.2013	31.12.2012	Change	30.09.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	19,563,062	18,008,796	8.63	19,563,062	18,008,796	8.63
Statutory reserves	3,433,395	3,433,395	-	3,433,395	3,433,395	-
Retained earnings	5,733,370	4,172,814	37.40	5,728,500	4,178,080	37.11
Other reserves	29,527,370	27,353,415	7.95	29,123,045	26,956,729	8.04
Total equity attributable to equity holders of the Bank	58,257,197	52,968,420	9.98	57,848,002	52,577,000	10.03
Non-controlling Interest	33,281	32,141	3.55	-	-	-
Total Equity	58,290,478	53,000,561	9.98	57,848,002	52,577,000	10.03
Total Liabilities and Equity	591,910,663	512,220,640	15.56	591,489,744	511,742,708	15.58
Contingent Liabilities and Commitments	263,080,717	279,593,112	(5.91)	263,080,717	279,593,112	(5.91)
Net Assets Value per Ordinary Share (Rs.)				68.16	63.08	8.05

Memorandum Information

Number of Employees

4,699

4,602

Number of Customer Service Centers

250

244

CERTIFICATION :

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

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

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

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka,

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

(Sgd.) D.S. Weerakkody

Chairman

November 12, 2013

Colombo

(Sgd.) W.M.R.S. Dias

Managing Director/Chief Executive Officer

	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Total	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,588,194	4,550,836	(143,969)	(1,303,646)	1,194,328	17,889,471	44,139,380	29,589	44,168,969
Total comprehensive income for the nine months ended 30.09.2012												
Profit for the nine months ended 30.09.2012	-	-	-	7,425,569	-	-	-	-	-	7,425,569	883	7,426,452
Other comprehensive income for the nine months ended 30.09.2012	-	-	-	(26,194)	(69,546)	223,141	422,644	-	-	550,045	-	550,045
Total comprehensive income for the nine months ended 30.09.2012	-	-	-	7,399,375	(69,546)	223,141	422,644	-	-	7,975,614	883	7,976,497
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	25,923	-	-	-	-	-	-	-	-	25,923	-	25,923
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	(1,308)	(1,227,969)
Scrip dividend for 2011	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Transfers during the period	-	-	-	(344,483)	-	-	-	344,483	-	-	-	-
Total transactions with equity holders	1,497,916	-	-	(3,206,692)	-	-	-	344,483	-	(1,364,293)	(1,308)	(1,365,601)
Balance as at 30.09.2012	17,971,777	2,740,901	149,404	6,780,877	4,481,290	79,172	(881,002)	1,538,811	17,889,471	50,750,701	29,164	50,779,865
Total comprehensive income for the three months ended 31.12.2012												
Profit for the three months ended 31.12.2012	-	-	-	2,654,260	-	-	-	-	-	2,654,260	455	2,654,715
Other comprehensive income for the three months ended 31.12.2012	-	-	-	(2,773)	255,835	396,295	125,901	-	-	775,258	3,753	779,011
Total comprehensive income for the three months ended 31.12.2012	-	-	-	2,651,487	255,835	396,295	125,901	-	-	3,429,518	4,208	3,433,726
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	37,019	-	-	-	-	-	-	-	-	37,019	-	37,019
Dividends to equity holders												
First interim dividend for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	(1,308)	(1,251,469)
Write back of dividend payable	-	-	-	1,343	-	-	-	-	-	1,343	77	1,420
Transfers during the period	-	504,917	38,173	(4,010,732)	-	-	-	1,308,124	2,159,518	-	-	-
Total transactions with equity holders	37,019	504,917	38,173	(5,259,550)	-	-	-	1,308,124	2,159,518	(1,211,799)	(1,231)	(1,213,030)
Balance as at 31.12.2012 - Audited	18,008,796	3,245,818	187,577	4,172,814	4,737,125	475,467	(755,101)	2,846,935	20,048,989	52,968,420	32,141	53,000,561
Total comprehensive income for the 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	-	-	-	-	-	274,067	387,632	-	-	661,699	-	661,699
Total comprehensive income for the nine months ended 30.09.2013	-	-	-	7,244,073	-	274,067	387,632	-	-	7,905,772	2,448	7,908,220
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 cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	(1,308)	(1,670,134)
Scrip dividend for 2012	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
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	5,733,370	4,737,125	749,534	(367,469)	4,359,191	20,048,989	58,257,197	33,281	58,290,478

	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Total	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,547,336	4,222,054	(143,969)	(1,308,721)	1,194,328	17,889,471	43,764,665	-	43,764,665
Total comprehensive income for the nine months ended 30.09.2012												
Profit for the nine months ended 30.09.2012	-	-	-	7,455,895	-	-	-	-	-	7,455,895	-	7,455,895
Other comprehensive income for the nine months ended 30.09.2012	-	-	-	-	-	223,141	417,000	-	-	640,141	-	640,141
Total comprehensive income for the nine months ended 30.09.2012	-	-	-	7,455,895	-	223,141	417,000	-	-	8,096,036	-	8,096,036
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	25,923	-	-	-	-	-	-	-	-	25,923	-	25,923
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	-	(1,226,661)
Scrip dividend for 2011	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Transfers during the period	-	-	-	(344,483)	-	-	-	344,483	-	-	-	-
Total transactions with equity holders	1,497,916	-	-	(3,206,692)	-	-	-	344,483	-	(1,364,293)	-	(1,364,293)
Balance as at 30.09.2012	17,971,777	2,740,901	149,404	6,796,539	4,222,054	79,172	(891,721)	1,538,811	17,889,471	50,496,408	-	50,496,408
Total comprehensive income for the three months ended 31.12.2012												
Profit for the three months ended 31.12.2012	-	-	-	2,642,434	-	-	-	-	-	2,642,434	-	2,642,434
Other comprehensive income for the three months ended 31.12.2012	-	-	-	-	121,178	396,295	133,827	-	-	651,300	-	651,300
Total comprehensive income for the three months ended 31.12.2012	-	-	-	2,642,434	121,178	396,295	133,827	-	-	3,293,734	-	3,293,734
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	37,019	-	-	-	-	-	-	-	-	37,019	-	37,019
Dividends to equity holders												
First interim dividend for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	-	(1,250,161)
Transfers during the period	-	504,917	38,173	(4,010,732)	-	-	-	1,308,124	2,159,518	-	-	-
Total transactions with equity holders	37,019	504,917	38,173	(5,260,893)	-	-	-	1,308,124	2,159,518	(1,213,142)	-	(1,213,142)
Balance as at 31.12.2012 - Audited	18,008,796	3,245,818	187,577	4,178,080	4,343,232	475,467	(757,894)	2,846,935	20,048,989	52,577,000	-	52,577,000
Total comprehensive income for the 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	-	-	-	-	-	276,274	377,786	-	-	654,060	-	654,060
Total comprehensive income for the nine months ended 30.09.2013	-	-	-	7,233,937	-	276,274	377,786	-	-	7,887,997	-	7,887,997
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 cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
Scrip dividend for 2012	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
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	751,741	(380,108)	4,359,191	20,048,989	57,848,002	-	57,848,002

For the nine months ended September 30,	Group		Bank	
	2013	2012	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	10,444,253	10,650,806	10,404,065	10,659,798
Adjustment for:				
Non-cash items included in profits before tax	3,742,688	3,751,331	3,715,112	3,687,418
Change in operating assets	(89,704,979)	(57,873,791)	(89,705,813)	(57,786,736)
Change in operating liabilities	64,569,459	48,545,966	64,639,776	48,547,162
Share of profits in associates	4,975	12,971	-	-
Dividend income from subsidiaries and associates	-	-	(44,857)	(47,879)
Interest expense on subordinated debt	435,789	99,423	435,789	99,423
Contribution paid to defined benefit plans	431,271	422,994	431,271	422,994
Tax paid	(3,921,017)	(1,709,469)	(3,892,585)	(1,705,011)
Net cash generated from/(used in) Operating Activities	(13,997,561)	3,900,232	(14,017,242)	3,877,169
Cash Flows from Investing Activities				
Net additions to property, plant and equipment	(680,516)	(1,127,612)	(685,161)	(1,106,275)
Net purchase of intangible assets	(110,017)	(46,157)	(109,555)	(45,111)
Dividends received from investment in subsidiaries and associates	-	-	44,857	47,879
Net unrealised gain from translation of Financial Statements of Foreign Operation	387,632	422,644	377,786	417,000
Net cash generated from/(used in) Investing Activities	(402,901)	(751,125)	(372,073)	(686,507)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary shares	52,323	25,923	52,323	25,923
Net proceeds from the issue of subordinated debt	9,892,500	-	9,892,500	-
Interest paid on subordinated debt	(184,169)	(132,429)	(184,169)	(132,429)
Dividend paid to non-controlling interest	(1,308)	(1,308)	-	-
Dividend paid to shareholders of the parent company	(2,669,318)	(1,375,661)	(2,669,318)	(1,375,661)
Net cash generated from/(used in) Financing Activities	7,090,028	(1,483,475)	7,091,336	(1,482,167)
Net increase/(decrease) in cash & cash equivalents	(7,310,433)	1,665,632	(7,297,979)	1,708,495
Cash and cash equivalents at beginning of the year	19,752,205	12,934,995	19,732,834	12,910,989
Cash and cash equivalents at the end of the period	12,441,772	14,600,627	12,434,855	14,619,484

	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		12,441,772			12,441,772
Balances with central banks		18,272,293			18,272,293
Placements with banks		4,949,303			4,949,303
Derivative financial instruments	981,501				981,501
Other financial assets held for trading	10,000,512				10,000,512
Loans and receivables to banks		550,023			550,023
Loans and receivables to other customers		399,609,051			399,609,051
Financial investments - Available for sale			122,607,265		122,607,265
Total financial assets	10,982,013	435,822,442	122,607,265	-	569,411,720
Investments in subsidiaries				-	-
Investments in associates				93,966	93,966
Property, plant & equipment				8,984,360	8,984,360
Intangible assets				511,376	511,376
Leasehold property				114,132	114,132
Deferred tax assets				431,824	431,824
Other assets				12,363,285	12,363,285
Total non-financial assets	-	-	-	22,498,943	22,498,943
Total assets	10,982,013	435,822,442	122,607,265	22,498,943	591,910,663
LIABILITIES					
Due to banks			13,473,976		13,473,976
Derivative financial instruments		521,496	-		521,496
Other financial liabilities held for trading			-		-
Due to other customers			435,394,039		435,394,039
Other borrowings			54,684,465		54,684,465
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			11,250,136		11,250,136
Total financial liabilities	-	521,496	514,802,616	-	515,324,112
Current tax liabilities				1,881,167	1,881,167
Deferred tax liabilities				2,086,047	2,086,047
Other provisions				2,409	2,409
Other liabilities				14,326,450	14,326,450
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	18,296,073	18,296,073
Total liabilities	-	521,496	514,802,616	18,296,073	533,620,185

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		19,752,205			19,752,205
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial assets held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,857,337			372,857,337
Financial investments - Available for sale			57,963,192		57,963,192
Total financial assets	7,392,205	427,569,311	57,963,192	-	492,924,708
Investments in subsidiaries				-	-
Investments in associates				93,712	93,712
Property, plant & equipment				8,946,881	8,946,881
Intangible assets				506,161	506,161
Leasehold property				111,776	111,776
Deferred tax assets				458,258	458,258
Other assets				9,179,144	9,179,144
Total non-financial assets	-	-	-	19,295,932	19,295,932
Total assets	7,392,205	427,569,311	57,963,192	19,295,932	512,220,640
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	
LIABILITIES					
Due to banks			4,763,565		4,763,565
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,568,682		390,568,682
Other borrowings			47,565,945		47,565,945
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			1,106,016		1,106,016
Total financial liabilities	-	84,291	444,004,208	-	444,088,499
Current tax liabilities				2,821,975	2,821,975
Deferred tax liabilities				1,889,983	1,889,983
Other provisions				2,409	2,409
Other liabilities				10,417,213	10,417,213
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	15,131,580	15,131,580
Total liabilities	-	84,291	444,004,208	15,131,580	459,220,079

	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		12,434,855			12,434,855
Balances with central banks		18,272,293			18,272,293
Placements with banks		4,949,303			4,949,303
Derivative financial instruments	981,501				981,501
Other financial assets held for trading	10,000,512				10,000,512
Loans and receivables to banks		550,023			550,023
Loans and receivables to other customers		399,632,879			399,632,879
Financial investments - Available for sale			122,607,265		122,607,265
Total financial assets	10,982,013	435,839,353	122,607,265	-	569,428,631
Investments in subsidiaries				292,644	292,644
Investments in associates				44,331	44,331
Property, plant & equipment				8,315,368	8,315,368
Intangible assets				501,826	501,826
Leasehold property				76,600	76,600
Deferred tax assets				431,824	431,824
Other assets				12,398,520	12,398,520
Total non-financial assets	-	-	-	22,061,113	22,061,113
Total assets	10,982,013	435,839,353	122,607,265	22,061,113	591,489,744

	Held for Trading (HFT) Rs.'000	Amortised Cost Rs.'000	Others Rs.'000	Total Rs.'000
LIABILITIES				
Due to banks		13,473,976		13,473,976
Derivative financial instruments	521,496	-		521,496
Other financial liabilities held for trading		-		-
Due to other customers		435,469,255		435,469,255
Other borrowings		54,867,157		54,867,157
Debt securities issued		-		-
Other liabilities		-		-
Subordinated term debts		11,250,136		11,250,136
Total financial liabilities	-	521,496	-	515,582,020
Current tax liabilities			1,860,491	1,860,491
Deferred tax liabilities			1,899,984	1,899,984
Other provisions			2,409	2,409
Other liabilities			14,245,562	14,245,562
Due to Subsidiaries			51,276	51,276
Total non-financial liabilities	-	-	18,059,722	18,059,722
Total liabilities	-	521,496	18,059,722	533,641,742

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		19,732,834			19,732,834
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial assets held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,915,081			372,915,081
Financial investments - Available for sale			57,963,192		57,963,192
Total financial assets	7,392,205	427,607,684	57,963,192	-	492,963,081
Investments in subsidiaries				303,130	303,130
Investments in associates				44,331	44,331
Property, plant & equipment				8,221,118	8,221,118
Intangible assets				497,038	497,038
Leasehold property				77,304	77,304
Deferred tax assets				448,500	448,500
Other assets				9,188,206	9,188,206
Total non-financial assets	-	-	-	18,779,627	18,779,627
Total assets	7,392,205	427,607,684	57,963,192	18,779,627	511,742,708
		Held for Trading (HFT)	Amortised Cost	Others	Total
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
LIABILITIES					
Due to banks			4,763,565		4,763,565
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,611,548		390,611,548
Other borrowings			47,713,199		47,713,199
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			1,106,016		1,106,016
Total financial liabilities	-	84,291	444,194,328	-	444,278,619
Current tax liabilities				2,801,541	2,801,541
Deferred tax liabilities				1,698,067	1,698,067
Other provisions				2,409	2,409
Other liabilities				10,362,808	10,362,808
Due to Subsidiaries				22,264	22,264
Total non-financial liabilities	-	-	-	14,887,089	14,887,089
Total liabilities	-	84,291	444,194,328	14,887,089	459,165,708

	Bank		Group	
	As at 30.09.2013	As at 31.12.2012 Audited	As at 30.09.2013	As at 31.12.2012 Audited
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	49,588,214	45,067,232	49,608,332	45,087,778
Total Capital Base - Rs. '000	63,772,646	49,379,397	63,792,765	49,399,944
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	13.11%	12.64%	13.11%	12.63%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	16.87%	13.85%	16.86%	13.84%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.20%	3.37%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.46%	1.84%		
Profitability				
Interest Margin	4.52%	4.85%		
Return on Assets (before tax)	2.52%	3.54%		
Return on Equity	17.52%	25.34%		
Debt Security Related Ratios				
Debt Equity Ratio	33.95%	17.32%		
Interest Cover (Times)	21.02	53.16		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	145,021,704	95,002,327		
Off-Shore Banking Unit	6,762,841	6,463,887		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	34.34%	25.40%		
Off-Shore Banking Unit	31.36%	34.16%		

SEGMENTAL ANALYSIS - GROUP
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For the nine months ended September 30,	Banking		Leasing		Dealing / Treasury		Investments		Total/Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	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	17,753,667	15,793,428	436,653	683,583	99,073	258,268	349,818	335,338	18,639,211	17,070,617
Foreign exchange profit	515,783	1,548,877	-	-	1,484,205	2,547,709	-	-	1,999,988	4,096,586
Net Fees and Commission income	3,140,532	2,585,162	-	-	6,601	5,909	-	-	3,147,133	2,591,071
Other income	1,288,111	664,476	112,548	57,653	73,327	74,555	14,401	42,446	1,488,387	839,130
Eliminations/Unallocated	-	-	-	-	-	-	-	-	251,691	208,812
Total Operating income	22,698,093	20,591,943	549,201	741,236	1,663,206	2,886,441	364,219	377,784	25,526,410	24,806,216
Impairment charges for loans and other losses	(2,680,524)	(2,640,229)	(317,064)	(249,215)	-	-	-	-	(2,997,588)	(2,889,444)
Net Operating income	20,017,569	17,951,714	232,137	492,021	1,663,206	2,886,441	364,219	377,784	22,528,822	21,916,772
Segment result	12,908,488	11,565,294	207,265	492,021	125,614	1,211,120	325,195	337,308	13,566,562	13,605,743
Unallocated operating expenses									(3,122,309)	(2,954,937)
Profit from operations									10,444,253	10,650,806
Share of profit of Associates									4,975	12,971
Income tax expense									(3,202,707)	(3,237,325)
Non - Controlling Interest									(2,448)	(883)
Net profit attributable to Equity holders of the parent									7,244,073	7,425,569

As at September 30,	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Other information										
Segment assets	369,183,599	315,654,555	21,160,212	24,818,291	173,877,112	135,921,289	5,190,797	3,933,458	569,411,720	480,327,593
Investment in associates							93,966	101,295	93,966	101,295
Unallocated Assets									22,404,977	18,070,815
Total assets									591,910,663	498,499,703
Segment liabilities	329,330,884	278,643,703	21,160,212	24,818,291	173,877,112	135,921,289	5,284,763	4,034,753	529,652,971	443,418,036
Unallocated liabilities									3,967,214	4,287,247
Total liabilities									533,620,185	447,705,283

For the nine months ended September 30,	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	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	(24,642,240)	15,052,436	2,999,460	(667,050)	11,604,621	(9,748,618)	(3,959,402)	(736,537)	(13,997,561)	3,900,231
Cash flows from investing activities	387,633	422,645	-	-	-	-	-	-	387,633	422,645
Cash flows from financing activities	9,892,500	-	-	-	(184,169)	(132,429)	-	-	9,708,331	(132,429)
Capital expenditure										
Property, Plant & Equipment									(680,516)	(1,127,612)
Intangible assets									(110,017)	(46,157)
Eliminations/Unallocated									(2,618,303)	(1,351,046)
Net Cash Flow generated									(7,310,433)	1,665,632

Twenty largest voting shareholders as at September 30, 2013

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	117,951,857	14.85
Employees Provident Fund	75,890,973	9.56
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	57,224,769	7.21
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,219,594	5.06
CB NY S/A International Finance Corporation	39,756,210	5.01
Sri Lanka Insurance Corporation Ltd. - General Fund	34,583,318	4.35
Mr. S. H. I. Silva	32,746,713	4.12
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	18,546,949	2.34
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	17,786,191	2.24
Distilleries Company of Sri Lanka PLC	17,348,809	2.18
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	15,136,477	1.91
Mrs. L. E. M. Yaseen	11,500,001	1.45
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,736,297	1.35
Mercantile Investments and Finance Plc	10,244,517	1.29
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,071,609	1.02
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,398,991	0.93
Goldman Sachs & Co S/A Artha Master Fund Ltd	7,181,838	0.90
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	6,960,323	0.88
HSBC Intl. Nominees Ltd. - BP2S -London Aberdeen Asia Smaller Companies Investment Trust	6,672,683	0.84
The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return Fund	6,089,109	0.77
Sub total	542,047,228	68.25
Other Shareholders	252,130,656	31.75
Total	794,177,884	100.00

Percentage of public holding as at September 30,2013 - 85.00%

Twenty largest non-voting shareholders as at September 30,2013

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,286,705	6.03
CITY Bank NY S/A Forward International Dividend Fund	1,800,733	3.30
GF Capital Global Limited	1,516,962	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,353,360	2.48
Northern Trust Company S/A The Ashmoreemm Umbrella Fund Trust	1,303,338	2.39
Northern Trust Company S/A Polar Capital Funds Plc	1,236,780	2.27
Mr. J. D. Bandaranayake	1,077,799	1.98
Waldock Mackenzie Lts / Mr. S.N.P. Paliheha and Mrs. A.S. Paliheha	1,000,000	1.83
M.J.F.Exports Ltd.	933,060	1.71
MAS Capital (Pvt) Ltd	801,620	1.47
Mr. M. F. Hashim	689,800	1.26
Saboor Chatoor (Pvt) Ltd	687,000	1.26
Mr. M. A . Yaseen	625,016	1.15
CITY Bank NY S/A Forward Select EM Dividend Fund	618,000	1.13
Asian Alliance Insurance Plc - A/C 02 (Life Fund)	495,072	0.91
Dr. A. K. A. Jayawardene	481,472	0.88
Akbar Brothers (Pvt) Ltd. A/C No.01	466,900	0.86
Mrs. L. V. C. Samarasinha	457,144	0.84
Mr. G. A. Mallawaarachthy & Mrs. B. G. P. Mallawaarachthy (Joint)	433,880	0.80
Union Assuarncce PLC/NO-01A/C	429,739	0.79
Sub total	19,694,380	36.11
Other Shareholders	34,848,842	63.89
Total	54,543,222	100.00

Percentage of public holding as at September 30,2013 - 99.96%

Directors' holding in shares as at September 30,2013

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

	2013 Rs.	2012 Rs.
Market price of an ordinary share of the Bank as at September 30, 2013		
Voting	117.60	116.00
Non-Voting	91.30	94.00
Highest price during the quarter ended September 30,		
Voting	120.90	119.50
Non-Voting	98.00	99.50
Lowest price during the quarter ended September 30,		
Voting	112.00	96.80
Non-Voting	87.20	73.00
Number of Ordinary Shares Issued as at September 30,		
Voting	794,177,884	779,225,073
Non-Voting	54,543,222	53,473,748

EXPLANATORY NOTES

- 1 These Interim Financial Statement of the Bank and the Group have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2012. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- 2 There were no material events that took place since September 30, 2013, that require disclosure in these Interim Financial Statements.
- 3 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 4 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

INFORMATION ON DEBENTURES - BANK
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Debenture categories	CSE Listing	Interest payable frequency	Balance as at September 30, 2013 Rs. Mn.	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	11.10		
				-	-	-	13.25	13.25	13.35	-	-
Dec 2006/Dec 2013 13.75% p.a.	Listed	Annually	0.3	Not traded during the current period			13.75	13.75	9.40	Not traded during the current period	
				Not traded during the current period			13.75	13.75	12.60	Not traded during the current period	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	11.10	Not traded during the current period	
				Not traded during the current period			14.00	14.00	13.30	Not traded during the current period	
Floating rate											
Dec 2006/Dec 2013 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.3	Not traded during the current period			13.99	13.99	12.75	Not traded during the current period	
				Not traded during the current period			11.34	11.34	15.40	Not traded during the current period	
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.4	Not traded during the current period			13.99	13.99	12.75	Not traded during the current period	
				Not traded during the current period			11.34	11.34	15.40	Not traded during the current period	
Total Debentures			973.2								

(Comparative information for 2012 have been Highlighted)

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

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

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 30.09.2013	As at 31.12.2012	As at 30.09.2013	As at 31.12.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and receivables	414,674,208	386,358,564	414,698,037	386,416,308
Less: Allowance for Individual impairment	3,221,596	3,402,168	3,221,596	3,402,168
Allowance for Collective impairment	11,843,562	10,099,059	11,843,562	10,099,059
Net loans and receivables	399,609,051	372,857,337	399,632,879	372,915,081

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2013	As at 31.12.2012	As at 30.09.2013	As at 31.12.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	59,234,044	61,563,178	59,234,044	61,563,178
Trade finance	27,056,256	26,942,064	27,056,256	26,942,064
Lease rental receivable	22,097,296	24,937,594	22,122,820	24,995,338
Credit cards	3,766,737	2,736,883	3,766,737	2,736,883
Pawning	9,406,634	10,947,448	9,406,634	10,947,448
Staff loans	3,583,857	3,042,378	3,583,857	3,042,378
Housing Loans	26,218,463	25,405,376	26,216,768	25,405,376
Personal Loans	15,840,859	17,724,820	15,840,859	17,724,820
Term loans				
Short-term	27,281,223	17,642,865	27,281,223	17,642,865
Long-term	94,436,231	84,825,431	94,436,231	84,825,431
Bills of Exchange	3,260,235	839,841	3,260,235	839,841
Securities purchased under resale agreements	3,878,543	3,697,682	3,878,543	3,697,682
Sub total	296,060,378	280,305,560	296,084,207	280,363,304
Others				
Government Securities	659,567	622,859	659,567	622,859
Investments	2,908,680	3,335,291	2,908,680	3,335,291
Sub total	3,568,247	3,958,150	3,568,247	3,958,150
Gross loans and receivables	299,628,625	284,263,710	299,652,454	284,321,454

	Group		Bank	
	As at 30.09.2013	As at 31.12.2012	As at 30.09.2013	As at 31.12.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	9,162,186	7,914,064	9,162,186	7,914,064
Trade finance	12,695,709	12,063,992	12,695,709	12,063,992
Lease rental receivable	194,934	250,311	194,934	250,311
Credit cards	47,077	42,492	47,077	42,492
Pawning	-	-	-	-
Staff loans	162,837	133,575	162,837	133,575
Housing Loans	360,841	61,128	360,841	61,128
Personal Loans	313,215	291,189	313,215	291,189
Term loans				
Short-term	10,962,679	11,501,394	10,962,679	11,501,394
Long-term	28,775,566	26,329,608	28,775,566	26,329,608
Bills of Exchange	2,507,628	4,846,024	2,507,628	4,846,024
Securities purchased under resale agreements	-	-	-	-
Sub total	65,182,673	63,433,777	65,182,673	63,433,777
Others				
Government Securities	49,862,909	38,661,077	49,862,909	38,661,077
Investments	-	-	-	-
Sub total	49,862,909	38,661,077	49,862,909	38,661,077
Gross loans and receivables	115,045,582	102,094,854	115,045,582	102,094,854
Total of Gross loans and receivables	414,674,208	386,358,564	414,698,037	386,416,308

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

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

	Group		Bank	
	As at 30.09.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 30.09.2013 Rs.'000	As at 31.12.2012 Rs.'000
Movement in Allowance for Individual Impairment				
Opening balance	3,402,168	3,363,859	3,402,168	3,363,859
Charge/(Write back) to the Income Statement	1,234,245	1,296,697	1,234,245	1,296,697
Net write-off/(Recoveries) during the period	(1,495,415)	(1,491,247)	(1,495,415)	(1,491,247)
Exchange rate variance on foreign currency provisions	23,207	14,807	23,207	14,807
Interest accrued on impaired loans & advances	(222,661)	(249,760)	(222,661)	(249,760)
Other movements	280,051	467,812	280,051	467,812
Closing balance	3,221,596	3,402,168	3,221,596	3,402,168
Movement in Allowance for Collective Impairment				
Opening balance	10,099,059	8,237,033	10,099,059	8,237,033
Charge/(Write back) to the Income Statement	1,740,564	1,856,688	1,740,564	1,856,688
Exchange rate variance on foreign currency provisions	3,939	5,338	3,939	5,338
Other movements	-	-	-	-
Closing balance	11,843,562	10,099,059	11,843,562	10,099,059
Total of Individual and Collective Impairment	15,065,158	13,501,227	15,065,158	13,501,227

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 30.09.2013 Rs.'000	As at 31.12.2012 Rs.'000	As at 30.09.2013 Rs.'000	As at 31.12.2012 Rs.'000
By product - Domestic Currency				
Current account deposits	25,230,277	23,584,711	25,230,277	23,584,711
Savings deposits	114,957,288	104,759,861	114,957,288	104,759,861
Time deposits	183,133,104	155,173,914	183,208,320	155,216,780
Certificates of deposits	5,091,461	8,585,694	5,091,461	8,585,694
Sub Total	328,412,130	292,104,179	328,487,346	292,147,045
By product - Foreign Currency				
Current account deposits	8,550,164	8,491,823	8,550,164	8,491,823
Savings deposits	39,460,432	37,080,145	39,460,432	37,080,145
Time deposits	58,971,313	52,892,534	58,971,313	52,892,534
Certificates of deposits	-	-	-	-
Sub Total	106,981,909	98,464,503	106,981,909	98,464,503
Total	435,394,039	390,568,682	435,469,255	390,611,548

Despite challenges, the Bank was able to record a growth of 9.08% in its net interest income to reach Rs. 18.628 Bn., for the nine month period ended September 30, 2013, compared to Rs. 17.068 Bn., recorded in the corresponding period of last year. It is noteworthy to mention that the Bank recorded a growth of 14.53% in its net interest income during the third quarter of the year.

The growth in net interest income was mainly facilitated by the increase recorded in fund based operations of the Bank. Total loans and advances portfolio of the Bank surpassed the Rs. 400 Bn., mark and stood at Rs. 400.2 Bn. as at end of September recording a growth of 7.13%. Total deposits of the Bank recorded a growth of 13.55% or Rs. 53.568 Bn., to reach Rs. 448.943 Bn. as at September 30, 2013 compared to Rs.395.375 Bn., recorded as at December 31, 2012.

The Bank's gross income for the first nine months of 2013 reached Rs.53.498 Bn., reflecting a growth of Rs. 7.097 Bn., or 15.30% compared to Rs. 46.401 Bn., recorded during the same period last year. This was mainly facilitated by the growth of 20.6% recorded in interest income of the Bank. Interest expenses recorded an increase of 29.8% during the period under review.

The fee based operations of the Bank which mainly comprises of fees and commission income, gains from trading and other operating income recorded a drop of 11% mainly due to comparatively lower gains reported in trading activities. Nevertheless the Bank recorded significant growth of 21.4% and 66.8% in its fees and commission income and other operating income respectively during the period under review.

Led by the above factors, the net operating income of the Bank which comprises of both fund and fee based operations reached Rs. 22.488 Bn., as against Rs. 21.906 Bn., reported for the first nine months of 2012 and this reflected an increase of Rs. 0.582 Bn., or 2.66%.

Total impairment charges amounted to Rs. 3.019 Bn., compared to Rs. 2.889 Bn., recorded for the same period in the last year and this reflected an increase of 4.47%.

The pre & post tax profit of the Bank for the nine month period ended September 30, reached Rs. 10.404 Bn., and Rs. 7.234 Bn., respectively as against pre & post tax profit of Rs. 10.660 Bn., and Rs. 7.456 Bn., respectively reported for the corresponding period last year.

Total assets of the Bank stood at Rs. 591.5 Bn., as at September 30, 2013 reflecting a growth of 15.58%, compared to Rs. 511.7 Bn., recorded as at December 31, 2012.

The Commercial Bank Group recorded pre & post tax profit of Rs. 10.449 Bn., and Rs. 7.247 Bn., respectively the nine month period ended September 30, 2013, compared to pre & post tax profit of Rs. 10.664 Bn., and Rs. 7.426 Bn., respectively reported for the corresponding period last year.

NAME OF COMPANY

Commercial Bank of Ceylon PLC

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

LEGAL FORM

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

CREDIT RATING**Sri Lanka Operation**

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

Bangladesh Operation

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

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

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

STOCK EXCHANGE LISTING

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

LAWYERS

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

REGISTERED OFFICE

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

AUDITORS

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

REGISTRARS

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

COMPANY SECRETARY

Mrs. R.R. Dunuwille

HEAD OFFICE

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

ACCOUNTING YEAR

December 31

BOARD OF DIRECTORS

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