



## 2.2 Audited Financial Statements for the Year Ended 31 December 2021

Audit report on the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its Subsidiaries for the year ended 31 December 2021 together with such Financial Statements comprising the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow along with the accounting policies and notes thereon is available on the websites of CSE, [www.cse.lk](http://www.cse.lk), where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

## 2.3 Audit Reports

Messrs. KPMG have audited the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2017 and unmodified audit opinion has been issued for the said financial year by their report dated 23 February 2018.

Further, we, Messrs. Ernst & Young have audited the Financial Statements of the Company for the years ended 31 December 2018 to 31 December 2021. Unmodified audit opinions have been issued for the said financial years by our reports dated 22 February 2019, 20 February 2020, 24 February 2021 and 25 February 2022 respectively.

## 2.4 Accounting Policies

The Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2017 to 31 December 2021 comply with Sri Lanka Accounting Standards.

The accounting policies of the Bank and its Subsidiaries are stated in detail in the audited Financial Statements of Commercial Bank of Ceylon PLC for the year ended 31 December 2021.

## 2.5 Dividends

Bank has paid dividend during the years ended 31 December 2017 to 31 December 2021 as follows.

Year	Dividend Per Share (Rs.)
2017	6.50
2018	6.50
2019	6.50
2020	6.50
2021	7.50

## 2.6 Events after Reporting Date

There were no significant events occurred after the last audit report date.



### 3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Commercial Bank of Ceylon PLC in usage in the application for the purpose of issuance the issuance of Rupees Five Billion (LKR 5,000,000,000/-) from Qualified Investors by an initial Issue of up to Fifty Million (50,000,000) Debentures, each with a par value of Rupees One Hundred (LKR 100/-) with the option to raise a further sum of Rupees Five Billion (LKR 5,000,000,000/-) by issuing a further Fifty Million (50,000,000) Debentures, in the event of an over subscription of the initial Issue. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for this report we have formed. This report should not to be used, circulated, quoted or otherwise referred to for any other purpose.

Yours faithfully,



## Statement of Profit or Loss

Bank

For the year ended 31st December	2017	2018	2019	2020	2021
	Rs 000				
<b>Gross income</b>	<b>114,357,349</b>	<b>138,049,307</b>	<b>148,706,284</b>	<b>149,711,481</b>	<b>160,885,882</b>
Interest income	103,034,386	117,465,670	127,779,540	122,330,386	130,443,030
Less : Interest expense	64,010,991	72,523,912	80,571,268	72,759,045	65,832,418
<b>Net interest income</b>	<b>39,023,395</b>	<b>44,941,758</b>	<b>47,208,272</b>	<b>49,571,341</b>	<b>64,610,612</b>
Fee and commission income	10,169,211	11,988,070	12,406,584	11,268,543	15,410,402
Less: Fee and commission expense	1,566,851	1,837,900	2,117,072	2,012,138	3,658,939
<b>Net fee &amp; commission income</b>	<b>8,602,360</b>	<b>10,150,170</b>	<b>10,289,512</b>	<b>9,256,405</b>	<b>11,751,463</b>
Net gains/(losses) from trading	233,956	(3,033,236)	1,360,858	1,878,086	1,936,007
Net gains/(losses) from derecognition of financial assets	91,272	272,004	1,135,711	6,390,197	3,001,574
Net other operating income	828,524	11,356,799	6,023,591	7,844,269	10,094,869
<b>Total operating income</b>	<b>48,779,507</b>	<b>63,687,495</b>	<b>66,017,944</b>	<b>74,940,298</b>	<b>91,394,525</b>
Less: Impairment charges and other losses	677,642	8,575,199	11,061,466	21,483,698	24,692,343
<b>Net operating income</b>	<b>48,101,865</b>	<b>55,112,296</b>	<b>54,956,478</b>	<b>53,456,600</b>	<b>66,702,182</b>
<b>Less: Expenses</b>					
Personnel expenses	11,268,016	13,070,939	14,082,659	14,563,999	16,321,317
Other operating expenses	8,769,768	10,398,288	11,342,977	10,875,967	12,570,438
<b>Total operating expenses</b>	<b>20,037,784</b>	<b>23,469,227</b>	<b>25,425,636</b>	<b>25,439,966</b>	<b>28,891,755</b>
<b>Operating profit before taxes on financial services</b>	<b>28,064,081</b>	<b>31,643,069</b>	<b>29,530,842</b>	<b>28,016,634</b>	<b>37,810,427</b>
Less: Taxes on financial services	4,881,137	6,051,861	7,191,737	4,505,322	5,809,224
<b>Operating profit before tax &amp; after taxes on financial services</b>	<b>23,182,944</b>	<b>25,591,208</b>	<b>22,339,105</b>	<b>23,511,312</b>	<b>32,001,203</b>
Less : Income tax expense	6,601,700	8,047,380	5,314,138	7,137,823	8,395,152
<b>Profit for the year</b>	<b>16,581,244</b>	<b>17,543,828</b>	<b>17,024,967</b>	<b>16,373,489</b>	<b>23,606,051</b>
<b>Profit attributable to:</b>					
Equity holders of the Bank	16,581,244	17,543,828	17,024,967	16,373,489	23,606,051
Non - controlling interest	-	-	-	-	-
<b>Profit for the year</b>	<b>16,581,244</b>	<b>17,543,828</b>	<b>17,024,967</b>	<b>16,373,489</b>	<b>23,606,051</b>

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by:

S. C. U. Manatunge

Managing Director/Chief Executive Officer

K.D.N. Buddhigala

Chief Financial Officer



COMMERCIAL BANK OF CEYLON PLC - FINANCIAL INFORMATION

Annexure

Statement of Profit or Loss

Group

For the year ended 31st December	2017	2018	2019	2020	2021
	Rs 000				
<b>Gross income</b>	<b>115,605,156</b>	<b>139,657,195</b>	<b>150,741,129</b>	<b>151,966,413</b>	<b>163,675,312</b>
Interest income	104,049,102	118,551,239	129,287,743	124,087,713	132,818,178
Less: Interest expense	64,481,804	72,933,030	80,931,352	73,218,911	66,401,846
<b>Net interest income</b>	<b>39,567,298</b>	<b>45,618,209</b>	<b>48,356,391</b>	<b>50,868,802</b>	<b>66,416,332</b>
Fee and commission income	10,510,800	12,494,090	12,874,966	11,839,689	15,917,337
Less: Fee and commission expense	1,586,334	1,859,698	2,123,128	2,018,014	3,675,143
<b>Net fee &amp; commission income</b>	<b>8,924,466</b>	<b>10,634,392</b>	<b>10,751,838</b>	<b>9,821,675</b>	<b>12,242,194</b>
Net gains/(losses) from trading	233,956	(3,033,236)	1,360,833	1,878,060	1,936,007
Net gains/(losses) from derecognition of financial assets	91,272	272,004	1,135,711	6,390,197	3,001,574
Net other operating income	720,026	11,373,098	6,081,876	7,770,754	10,002,216
<b>Total operating income</b>	<b>49,537,018</b>	<b>64,864,467</b>	<b>67,686,649</b>	<b>76,729,488</b>	<b>93,598,323</b>
Less: Impairment charges and other losses	989,315	8,833,362	11,331,523	21,419,532	25,139,926
<b>Net operating income</b>	<b>48,547,703</b>	<b>56,031,105</b>	<b>56,355,126</b>	<b>55,309,956</b>	<b>68,458,397</b>
<b>Less: Expenses</b>					
Personnel expenses	11,338,517	13,289,668	14,408,914	14,992,748	16,799,212
Other operating expenses	9,035,920	10,597,076	11,716,580	11,269,865	12,858,527
<b>Total operating expenses</b>	<b>20,374,437</b>	<b>23,886,744</b>	<b>26,125,494</b>	<b>26,262,613</b>	<b>29,657,739</b>
<b>Operating profit before taxes on financial services</b>	<b>28,173,266</b>	<b>32,144,361</b>	<b>30,229,632</b>	<b>29,047,343</b>	<b>38,800,658</b>
Less: Taxes on financial services	4,896,620	6,051,861	7,255,728	4,531,381	5,845,230
<b>Operating profit after taxes on financial services</b>	<b>23,276,646</b>	<b>26,092,500</b>	<b>22,973,904</b>	<b>24,515,962</b>	<b>32,955,428</b>
Share of profits of associates, net of tax	3,678	6,048	9,992	3,898	1,896
<b>Profit before tax</b>	<b>23,280,324</b>	<b>26,098,548</b>	<b>22,983,896</b>	<b>24,519,860</b>	<b>32,957,324</b>
Less: Income tax expense	6,653,817	8,235,717	5,563,500	7,433,063	8,667,036
<b>Profit for the year</b>	<b>16,626,507</b>	<b>17,862,831</b>	<b>17,420,396</b>	<b>17,086,797</b>	<b>24,290,288</b>
<b>Profit attributable to:</b>					
Equity holders of the Bank	16,605,963	17,734,706	17,263,259	16,939,950	24,062,469
Non - controlling interest	20,544	128,125	157,137	146,847	227,819
<b>Profit for the year</b>	<b>16,626,507</b>	<b>17,862,831</b>	<b>17,420,396</b>	<b>17,086,797</b>	<b>24,290,288</b>

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,

S. C. U. Manatunge

Managing Director/Chief Executive Officer

K.D.N. Buddhipala

Chief Financial Officer



## Statement of Financial Position

As at 31st December	2017	2018	2019	2020	Bank 2021
	Rs 000				
<b>Assets</b>					
Cash and cash equivalents	33,224,619	39,534,476	52,534,730	50,250,627	68,078,076
Balances with central banks	44,801,446	54,384,590	39,461,127	110,971,105	52,897,908
Placements with banks	17,633,269	19,898,515	24,527,241	15,938,982	11,584,952
Securities purchased under resale agreements	-	9,513,512	13,147,534	-	3,000,490
Derivative financial assets	2,334,536	7,909,962	1,830,927	2,636,717	3,245,120
Financial assets recognised through profit or loss - measured at fair value	4,410,913	5,520,167	21,468,033	35,189,471	23,436,123
Financial assets at amortised cost - Loans and advances to banks	640,512	763,074	757,787	779,705	-
Financial assets at amortised cost - Loans and advances to other customers	737,446,567	861,100,315	884,645,744	896,845,453	1,014,618,580
Financial assets at amortised cost - Debt and other financial instruments	112,275,229	83,855,436	101,144,819	292,727,566	369,417,889
Financial assets measured at fair value through other comprehensive income	154,714,132	176,506,729	197,568,330	278,461,369	335,463,338
Investment in subsidiaries	3,065,935	4,263,631	5,011,284	5,808,429	5,808,429
Investments in associates	44,331	44,331	44,331	44,331	44,331
Property, plant and equipment and right-of-use assets	14,634,710	15,301,246	20,507,203	23,212,394	23,075,467
Intangible assets	776,810	906,112	1,080,010	1,232,863	1,724,864
Leasehold property	72,594	71,652	-	-	-
Deferred tax assets	-	-	294,059	2,499,860	9,793,129
Other assets	17,298,162	23,911,122	23,322,247	19,619,149	27,024,475
<b>Total Assets</b>	<b>1,143,373,765</b>	<b>1,303,484,870</b>	<b>1,387,345,406</b>	<b>1,736,218,021</b>	<b>1,949,213,171</b>
<b>Liabilities</b>					
Due to banks	57,120,991	50,101,081	51,505,694	87,451,306	73,777,420
Derivative financial liabilities	3,678,494	8,021,783	1,495,317	1,501,262	2,092,198
Securities sold under repurchase agreements	49,676,767	49,104,462	51,220,023	91,437,612	151,911,842
Financial liabilities at amortised cost - due to depositors	850,127,511	983,037,314	1,053,307,660	1,265,965,918	1,443,093,453
Financial liabilities at amortised cost - other borrowings	23,786,094	25,361,912	23,248,893	54,555,933	32,587,051
Current tax liabilities	4,143,911	6,566,358	4,967,644	6,777,992	9,294,180
Deferred tax liabilities	3,274,826	646,248	-	-	-
Other liabilities	19,225,364	24,206,351	30,496,709	33,037,669	33,210,883
Due to subsidiaries	74,523	40,955	54,292	97,015	48,699
Subordinated liabilities	25,165,924	37,992,457	37,886,789	38,247,138	38,303,466
<b>Total Liabilities</b>	<b>1,036,274,405</b>	<b>1,185,078,921</b>	<b>1,254,183,021</b>	<b>1,579,071,845</b>	<b>1,784,319,192</b>
<b>Equity</b>					
Stated capital	37,143,541	39,147,882	40,916,958	52,187,747	54,566,957
Reserves					
Statutory reserves	6,476,952	7,354,143	8,205,391	9,024,065	10,204,368
Retained Profit	4,987,446	5,063,076	5,144,433	7,596,260	9,028,265
Other reserves	58,491,421	66,840,848	78,895,603	88,338,104	91,094,389
<b>Total equity attributable to equity holders of the Bank</b>	<b>107,099,360</b>	<b>118,405,949</b>	<b>133,162,385</b>	<b>157,146,176</b>	<b>164,893,979</b>
Non-controlling interest	-	-	-	-	-
<b>Total Equity</b>	<b>107,099,360</b>	<b>118,405,949</b>	<b>133,162,385</b>	<b>157,146,176</b>	<b>164,893,979</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,143,373,765</b>	<b>1,303,484,870</b>	<b>1,387,345,406</b>	<b>1,736,218,021</b>	<b>1,949,213,171</b>
<b>Contingent liabilities and commitments</b>	<b>564,794,885</b>	<b>603,883,119</b>	<b>579,999,273</b>	<b>728,711,698</b>	<b>682,399,783</b>

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,

S. C. U. Mananige  
Managing Director/Chief Executive Officer

K.D.N. Buddhipala  
Chief Financial Officer



COMMERCIAL BANK OF CEYLON PLC - FINANCIAL INFORMATION  
Statement of Financial Position

Annexure

As at 31st December	2017	2018	2019	2020	Group 2021
	Rs 000				
<b>Assets</b>					
Cash and cash equivalents	34,673,424	44,355,962	53,681,118	51,255,030	69,335,379
Balances with central banks	45,546,349	55,406,535	46,101,232	115,358,732	56,777,465
Placements with banks	17,633,269	19,898,515	24,903,809	16,421,867	12,498,709
Securities purchased under resale agreements	-	9,513,512	13,147,534	-	3,000,490
Derivative financial assets	2,334,536	7,909,962	1,830,927	2,636,717	3,245,120
Financial assets recognised through profit or loss - measured at fair value	4,410,913	5,520,167	21,468,033	35,189,471	23,436,123
Financial assets at amortised cost - Loans and advances to banks	640,512	763,074	757,787	779,705	-
Financial assets at amortised cost - Loans and advances to other customers	742,444,130	867,611,976	893,919,311	909,829,172	1,029,584,075
Financial assets at amortised cost - Debt and other financial instruments	118,078,273	89,274,413	107,059,021	302,059,529	385,390,598
Financial assets measured at fair value through other comprehensive income	154,913,643	176,760,611	197,825,017	278,716,794	335,953,802
Investments in associates	109,844	105,320	56,821	64,155	60,428
Property, plant and equipment and right-of-use assets	16,317,044	17,015,236	22,524,658	25,386,630	24,744,634
Investment properties	-	-	46,350	67,116	72,400
Intangible assets	1,251,226	1,433,931	1,645,714	1,800,516	2,272,639
Leasehold property	104,516	103,064	-	-	-
Deferred tax assets	-	188,487	530,165	2,735,566	10,036,105
Other assets	17,362,977	24,051,472	23,443,869	20,195,153	27,083,177
<b>Total Assets</b>	<b>1,155,820,656</b>	<b>1,319,912,237</b>	<b>1,408,941,366</b>	<b>1,762,496,153</b>	<b>1,983,491,144</b>
<b>Liabilities</b>					
Due to banks	60,244,892	52,362,052	53,807,425	88,248,056	73,801,195
Derivative financial liabilities	3,678,494	8,021,783	1,495,317	1,501,262	2,092,198
Securities sold under repurchase agreements	49,532,385	48,951,394	51,117,342	91,411,522	151,424,854
Financial liabilities at amortised cost - due to depositors	857,269,981	994,370,875	1,068,982,587	1,286,616,399	1,472,640,456
Financial liabilities at amortised cost - other borrowings	23,786,094	25,361,912	23,248,893	54,555,933	32,587,051
Current tax liabilities	4,202,850	6,735,997	5,197,188	6,991,005	9,486,772
Deferred tax liabilities	3,565,215	971,424	416,458	403,846	349,106
Other liabilities	19,508,115	24,547,513	30,775,884	33,572,283	33,253,518
Subordinated liabilities	25,165,924	37,992,457	37,886,789	38,247,138	38,303,466
<b>Total Liabilities</b>	<b>1,046,953,950</b>	<b>1,199,315,407</b>	<b>1,272,927,883</b>	<b>1,601,547,444</b>	<b>1,813,938,616</b>
<b>Equity</b>					
Stated capital	37,143,541	39,147,882	40,916,958	52,187,747	54,566,957
Reserves					
Statutory reserves	6,492,552	7,444,178	8,387,701	9,285,233	10,590,338
Retained Profit	5,086,609	4,949,955	5,182,185	8,124,261	9,890,762
Other reserves	59,272,098	67,855,834	79,937,405	89,595,571	92,426,660
<b>Total equity attributable to equity holders of the Bank</b>	<b>107,994,800</b>	<b>119,397,849</b>	<b>134,424,249</b>	<b>159,192,812</b>	<b>167,474,717</b>
Non-controlling interest	871,906	1,198,981	1,589,234	1,755,897	2,077,811
<b>Total Equity</b>	<b>108,866,706</b>	<b>120,596,830</b>	<b>136,013,483</b>	<b>160,948,709</b>	<b>169,552,528</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,155,820,656</b>	<b>1,319,912,237</b>	<b>1,408,941,366</b>	<b>1,762,496,153</b>	<b>1,983,491,144</b>
Contingent liabilities and commitments	565,277,821	604,021,400	580,961,807	730,561,685	685,379,028

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by:

  
S. C. U. Mananige  
Managing Director/Chief Executive Officer

  
K.D.N. Buddhipala  
Chief Financial Officer

