

**INTERIM FINANCIAL STATEMENTS**  
**For the three months ended March 31, 2016**

## INCOME STATEMENT

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For the three months ended March 31,	GROUP			BANK		
	2016	2015	Change	2016	2015	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
<b>Gross income</b>	<b>21,326,295</b>	<b>18,380,892</b>	<b>16.02</b>	<b>21,208,403</b>	<b>18,291,881</b>	<b>15.94</b>
Interest income	18,141,147	15,701,187	15.54	18,049,683	15,634,438	15.45
Less : Interest expenses	9,967,868	8,415,222	18.45	9,936,758	8,401,751	18.27
<b>Net interest income</b>	<b>8,173,279</b>	<b>7,285,965</b>	<b>12.18</b>	<b>8,112,925</b>	<b>7,232,687</b>	<b>12.17</b>
Fees and commission income	1,756,092	1,466,526	19.75	1,753,018	1,464,870	19.67
Less: Fees and commission expenses	293,109	208,432	40.63	293,109	208,432	40.63
<b>Net fees and commission income</b>	<b>1,462,983</b>	<b>1,258,094</b>	<b>16.29</b>	<b>1,459,909</b>	<b>1,256,438</b>	<b>16.19</b>
Net gains/(losses) from trading	1,018,658	(647,685)	257.28	1,018,658	(647,685)	257.28
Net gains/(losses) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gains/(losses) from financial investments	50,248	33,795	48.68	50,248	33,795	48.68
Other income (net)	360,150	1,827,069	(80.29)	336,796	1,806,463	(81.36)
<b>Total operating income</b>	<b>11,065,318</b>	<b>9,757,238</b>	<b>13.41</b>	<b>10,978,536</b>	<b>9,681,698</b>	<b>13.39</b>
Less :Impairment charges for loans and other losses	1,000,341	1,334,222	(25.02)	995,075	1,329,692	(25.17)
Individual impairment	(142,763)	210,453	(167.84)	(142,763)	210,453	(167.84)
Collective impairment	1,139,800	1,123,685	1.43	1,125,433	1,116,554	0.80
Others	3,304	84	3,833.33	12,405	2,685	362.01
<b>Net operating income</b>	<b>10,064,977</b>	<b>8,423,016</b>	<b>19.49</b>	<b>9,983,461</b>	<b>8,352,006</b>	<b>19.53</b>
<b>Less: Expenses</b>	<b>4,628,452</b>	<b>4,166,650</b>	<b>11.08</b>	<b>4,606,725</b>	<b>4,147,965</b>	<b>11.06</b>
Personnel expenses	2,728,836	2,465,033	10.70	2,704,875	2,444,751	10.64
Depreciation and amortisation	302,862	287,734	5.26	286,271	271,174	5.57
Other expenses	1,596,754	1,413,883	12.93	1,615,579	1,432,040	12.82
<b>Operating profit before Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>5,436,525</b>	<b>4,256,366</b>	<b>27.73</b>	<b>5,376,736</b>	<b>4,204,041</b>	<b>27.89</b>
Less: Value Added Tax (VAT) & Nation Building Tax (NBT) on financial services	797,263	626,138	27.33	797,263	624,883	27.59
<b>Operating profit after Value Added Tax (VAT) &amp; Nation Building Tax (NBT) on Financial Services</b>	<b>4,639,262</b>	<b>3,630,228</b>	<b>27.80</b>	<b>4,579,473</b>	<b>3,579,158</b>	<b>27.95</b>
Add: Share of profits/(losses) of associates, net of tax	750	2,261	(66.83)	-	-	-
<b>Profit before income tax</b>	<b>4,640,012</b>	<b>3,632,489</b>	<b>27.74</b>	<b>4,579,473</b>	<b>3,579,158</b>	<b>27.95</b>
Less : Income tax expense	1,376,412	1,095,697	25.62	1,345,158	1,070,476	25.66
<b>Profit for the period</b>	<b>3,263,600</b>	<b>2,536,792</b>	<b>28.65</b>	<b>3,234,315</b>	<b>2,508,682</b>	<b>28.92</b>
<b>Profit attributable to:</b>						
Equity holders of the Bank	3,262,485	2,535,769	28.66	3,234,315	2,508,682	28.92
Non-controlling interest	1,115	1,023	8.99	-	-	-
<b>Profit for the period</b>	<b>3,263,600</b>	<b>2,536,792</b>	<b>28.65</b>	<b>3,234,315</b>	<b>2,508,682</b>	<b>28.92</b>
<b>Earnings per share (EPS)</b>						
Basic earnings per ordinary share (Rs.)	3.72	2.90	28.28	3.69	2.87	28.57
Diluted earnings per ordinary share (Rs.)	3.72	2.89	28.72	3.69	2.86	29.02

For the three months ended March 31,	GROUP			BANK		
	2016	2015	Change	2016	2015	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
<b>Profit for the Period</b>	<b>3,263,600</b>	<b>2,536,792</b>	<b>28.65</b>	<b>3,234,315</b>	<b>2,508,682</b>	<b>28.92</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that are or may be reclassified to profit or loss</b>						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	273,051	229,124	19.17	270,272	231,440	16.78
Net fair value gains/(losses) on re-measuring financial investments - available-for-sale	(6,234,299)	(4,733,684)	(31.70)	(6,234,299)	(4,733,684)	(31.70)
Government Securities	(6,233,856)	(4,729,664)	(31.80)	(6,233,856)	(4,729,664)	(31.80)
Fair value gains/(losses) arose during the period, net of tax	(6,251,711)	(4,713,370)	(32.64)	(6,251,711)	(4,713,370)	(32.64)
Fair value gains/(losses) realised and recycled to the Income Statement on disposal, net of tax	17,855	(16,294)	209.58	17,855	(16,294)	209.58
Equity Securities	(443)	(4,020)	88.98	(443)	(4,020)	88.98
Fair value gains/(losses) arose during the period	(443)	(4,020)	88.98	(443)	(4,020)	88.98
Fair value gains/(losses) realised and recycled to the Income Statement on disposal	-	-	-	-	-	-
Share of other comprehensive income/(expense) of associates, net of tax	(1,065)	(3,814)	72.08	-	-	-
Other comprehensive income/(expense) for the period, net of taxes	(5,962,313)	(4,508,374)	(32.25)	(5,964,027)	(4,502,244)	(32.47)
<b>Total comprehensive income for the period</b>	<b>(2,698,713)</b>	<b>(1,971,582)</b>	<b>(36.88)</b>	<b>(2,729,712)</b>	<b>(1,993,562)</b>	<b>(36.93)</b>
<b>Attributable to:</b>						
Equity holders of the Bank	(2,699,828)	(1,972,605)	(36.87)	(2,729,712)	(1,993,562)	(36.93)
Non-controlling interest	1,115	1,023	8.99	-	-	-
<b>Total comprehensive income for the period</b>	<b>(2,698,713)</b>	<b>(1,971,582)</b>	<b>(36.88)</b>	<b>(2,729,712)</b>	<b>(1,993,562)</b>	<b>(36.93)</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.03.2016	31.12.2015	Change	31.03.2016	31.12.2015	Change
	Rs.'000	( Audited ) Rs.'000	%	Rs.'000	( Audited ) Rs.'000	%
<b>ASSETS</b>						
Cash and cash equivalents	26,041,765	20,107,076	29.52	25,995,060	20,043,512	29.69
Balances with Central Banks	33,441,046	28,221,017	18.50	33,441,046	28,221,017	18.50
Placements with banks	4,301,253	17,193,539	(74.98)	4,301,253	17,193,539	(74.98)
Securities purchased under re-sale agreements	9,001,959	8,002,100	12.49	9,001,959	8,002,100	12.49
Derivative financial assets	4,432,370	4,118,169	7.63	4,432,370	4,118,169	7.63
Other financial instruments - Held-for-trading	10,539,633	7,656,349	37.66	10,539,633	7,656,349	37.66
Loans and receivables to banks	615,075	601,106	2.32	615,075	601,106	2.32
Loans and receivables to other customers	539,291,704	509,923,128	5.76	536,858,269	508,115,127	5.66
Financial investments - Available-for-sale	168,306,470	204,261,934	(17.60)	168,288,539	204,244,289	(17.60)
Financial investments - Held-to-maturity	35,911,056	-	-	35,911,056	-	-
Financial investments - Loans and receivables	66,464,187	57,724,369	15.14	66,464,187	57,724,369	15.14
Investments in subsidiaries	-	-	-	1,429,113	1,237,146	15.52
Investments in associates	102,589	104,503	(1.83)	44,331	44,331	-
Property, plant & equipment	11,282,339	11,181,433	0.90	10,083,022	9,968,985	1.14
Intangible assets	873,292	884,034	(1.22)	454,253	465,960	(2.51)
Leasehold property	107,058	107,420	(0.34)	74,244	74,478	(0.31)
Deferred tax assets	2,080,488	-	-	2,346,072	-	-
Other assets	14,322,636	12,097,017	18.40	14,295,113	12,094,591	18.19
<b>Total Assets</b>	<b>927,114,920</b>	<b>882,183,194</b>	<b>5.09</b>	<b>924,574,595</b>	<b>879,805,068</b>	<b>5.09</b>
<b>LIABILITIES</b>						
Due to banks	39,095,229	31,789,396	22.98	37,185,239	30,319,119	22.65
Derivative financial liabilities	1,989,662	1,890,770	5.23	1,989,662	1,890,770	5.23
Securities sold under repurchase agreements	115,628,022	112,249,703	3.01	115,831,091	112,384,812	3.07
Due to other customers/deposits from customers	652,934,515	624,021,217	4.63	653,039,544	624,101,810	4.64
Other borrowings	9,881,939	9,985,637	(1.04)	9,881,939	9,985,637	(1.04)
Current tax liabilities	3,540,297	3,025,662	17.01	3,514,148	3,001,984	17.06
Deferred tax liabilities	-	467,632	-	-	230,615	-
Other provisions	1,874	1,874	-	1,874	1,874	-
Other liabilities	19,943,618	15,749,184	26.63	19,716,238	15,548,159	26.81
Due to subsidiaries	-	-	-	34,138	26,212	30.24
Subordinated liabilities	18,541,043	11,988,272	54.66	18,526,043	11,973,272	54.73
<b>Total Liabilities</b>	<b>861,556,199</b>	<b>811,169,347</b>	<b>6.21</b>	<b>859,719,916</b>	<b>809,464,264</b>	<b>6.21</b>

## STATEMENT OF FINANCIAL POSITION

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As at	Group			Bank		
	31.03.2016	31.12.2015	Change	31.03.2016	31.12.2015	Change
	Rs.'000	( Audited ) Rs.'000	%	Rs.'000	( Audited ) Rs.'000	%
<b>EQUITY</b>						
Stated capital	24,848,775	23,254,605	6.86	24,848,775	23,254,605	6.86
Statutory reserves	4,922,368	4,922,367	-	4,922,265	4,922,264	0.00
Retained earnings	3,344,242	4,467,807	(25.15)	3,238,197	4,388,867	(26.22)
Other reserves	32,392,013	38,318,860	(15.47)	31,845,442	37,775,068	(15.70)
<b>Total equity attributable to equity holders of the Group/Bank</b>	<b>65,507,398</b>	<b>70,963,639</b>	<b>(7.69)</b>	<b>64,854,679</b>	<b>70,340,804</b>	<b>(7.80)</b>
Non-controlling Interest	51,323	50,208	2.22	-	-	-
<b>Total Equity</b>	<b>65,558,721</b>	<b>71,013,847</b>	<b>(7.68)</b>	<b>64,854,679</b>	<b>70,340,804</b>	<b>(7.80)</b>
<b>Total Liabilities and Equity</b>	<b>927,114,920</b>	<b>882,183,194</b>	<b>5.09</b>	<b>924,574,595</b>	<b>879,805,068</b>	<b>5.09</b>
<b>Contingent Liabilities and Commitments</b>	<b>494,580,467</b>	<b>521,232,320</b>	<b>(5.11)</b>	<b>494,580,467</b>	<b>521,232,320</b>	<b>(5.11)</b>
<b>Net Assets Value per Ordinary Share (Rs.)</b>	<b>73.63</b>	<b>80.93</b>	<b>(9.02)</b>	<b>72.89</b>	<b>80.22</b>	<b>(9.14)</b>
<b>Memorandum Information</b>						
Number of Employees				4,937	4,951	
Number of Customer Service Centers				269	264	

**CERTIFICATION :**

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

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

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

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

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

Chairman

May 11, 2016

Colombo

(Sgd.) J.Durairatnam

Managing Director/Chief Executive Officer

	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	General Reserve	Employee Share Option Reserve			
		Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
<b>Balance as at 01.01.2015 - Audited</b>	21,457,501	4,327,103	-	4,418,412	6,246,960	2,735,569	(454,188)	32,474,478	-	71,205,835	47,564	71,253,399
Super Gain Tax on profit of the year of assessment 2013/2014	-	-	-	(2,608,469)	-	-	-	-	-	(2,608,469)	(1,503)	(2,609,972)
<b>Adjusted Balance as at 01.01.2015 -Audited</b>	21,457,501	4,327,103	-	1,809,943	6,246,960	2,735,569	(454,188)	32,474,478	-	68,597,366	46,061	68,643,427
<b>Total comprehensive income for the three months ended 31.03.2015</b>												
Profit for the three months ended 31.03.2015	-	-	-	2,535,769	-	-	-	-	-	2,535,769	1,023	2,536,792
Other comprehensive income for the three months ended 31.03.2015	-	-	-	(3,814)	-	(4,733,684)	229,124	-	-	(4,508,374)	-	(4,508,374)
<b>Total comprehensive income for the three months ended 31.03.2015</b>	-	-	-	2,531,955	-	(4,733,684)	229,124	-	-	(1,972,605)	1,023	(1,971,582)
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	70,078	-	-	-	-	-	-	-	-	70,078	-	70,078
Dividends to equity holders												
Second interim dividend for 2014	-	-	-	(865,943)	-	-	-	-	-	(865,943)	-	(865,943)
Final dividend for 2014 satisfied in the form of issue and allotment of new shares	1,559,800	-	-	(1,733,110)	-	-	-	-	-	(173,310)	-	(173,310)
Final cash dividend for 2014	-	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	-	(1,733,110)
<b>Total transactions with equity holders</b>	1,629,878	-	-	(4,332,163)	-	-	-	-	-	(2,702,285)	-	(2,702,285)
<b>Balance as at 31.03.2015</b>	23,087,379	4,327,103	-	9,735	6,246,960	(1,998,115)	(225,064)	32,474,478	-	63,922,476	47,084	63,969,560
<b>Total comprehensive income for the nine months ended 31.12.2015</b>												
Profit for the nine months ended 31.12.2015	-	-	-	9,319,403	-	-	-	-	-	9,319,403	3,065	9,322,468
Other comprehensive income for the nine months ended 31.12.2015	-	-	-	(67,516)	-	(1,957,261)	657,553	-	-	(1,367,224)	369	(1,366,855)
<b>Total comprehensive income for the nine months ended 31.12.2015</b>	-	-	-	9,251,887	-	(1,957,261)	657,553	-	-	7,952,179	3,434	7,955,613
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	167,226	-	-	-	-	-	-	-	-	167,226	-	167,226
Dividends to equity holders												
Final cash dividend for 2014	-	-	-	-	-	-	-	-	-	-	(1,962)	(1,962)
First interim dividend for 2015	-	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)	(1,308)	(1,316,559)
Share-based Payment transactions	-	-	-	-	-	-	-	-	223,330	223,330	-	223,330
Re-statement of deferred tax on revaluation gains on fixed assets	-	-	-	-	13,710	-	-	-	-	13,710	585	14,295
Profit due to change in ownership	-	-	-	2,344	-	-	-	-	-	2,344	-	2,344
Movement due to change in ownership	-	-	-	(644)	(1,731)	-	-	-	-	(2,375)	2,375	-
Transfers during the period	-	595,264	-	(3,480,264)	-	-	-	2,885,000	-	-	-	-
<b>Total transactions with equity holders</b>	167,226	595,264	-	(4,793,815)	11,979	-	-	2,885,000	223,330	(911,016)	(310)	(911,326)
<b>Balance as at 31.12.2015 - Audited</b>	23,254,605	4,922,367	-	4,467,807	6,258,939	(3,955,376)	432,489	35,359,478	223,330	70,963,639	50,208	71,013,847
<b>Total comprehensive income for the three months ended 31.03.2016</b>												
Profit for the three months ended 31.03.2016	-	-	-	3,262,485	-	-	-	-	-	3,262,485	1,115	3,263,600
Other comprehensive income for the three months ended 31.03.2016	-	-	-	(1,065)	-	(6,234,299)	273,051	-	-	(5,962,313)	-	(5,962,313)
<b>Total comprehensive income for the three months ended 31.03.2016</b>	-	-	-	3,261,420	-	(6,234,299)	273,051	-	-	(2,699,828)	1,115	(2,698,713)
<b>Transactions with owners recognized directly in equity, contributions by and distributions to owners</b>												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	15,576	-	-	-	-	-	-	-	-	15,576	-	15,576
Dividends to equity holders												
Final dividend for 2015 satisfied in the form of issue and allotment of new shares	1,578,594	-	-	(1,753,994)	-	-	-	-	-	(175,400)	-	(175,400)
Final cash dividend for 2015	-	-	-	(2,630,991)	-	-	-	-	-	(2,630,991)	-	(2,630,991)
Share-based Payment transactions	-	-	-	-	-	-	-	-	34,402	34,402	-	34,402
<b>Total transactions with equity holders</b>	1,594,170	-	-	(4,384,985)	-	-	-	-	34,402	(2,756,413)	-	(2,756,413)
<b>Balance as at 31.03.2016</b>	24,848,775	4,922,367	-	3,344,242	6,258,939	(10,189,675)	705,540	35,359,478	257,732	65,507,398	51,323	65,558,721

## STATEMENT OF CHANGES IN EQUITY - BANK

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	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Shareholders' Funds	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	General Reserve	Employee Share Option 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 01.01.2015 - Audited	21,457,501	4,327,103	-	4,258,287	5,722,859	2,735,578	(464,076)	32,474,478	-	70,511,730	-	70,511,730
Super Gain Tax on profit of the year of assessment 2013/2014				(2,576,355)						(2,576,355)		(2,576,355)
Balance as at 01.01.2015 - Audited	21,457,501	4,327,103	-	1,681,932	5,722,859	2,735,578	(464,076)	32,474,478	-	67,935,375	-	67,935,375
Total comprehensive income for the three months ended 31.03.2015												
Profit for the three months ended 31.03.2015	-	-	-	2,508,682	-	-	-	-	-	2,508,682	-	2,508,682
Other comprehensive income for the three months ended 31.03.2015	-	-	-	-	-	(4,733,684)	231,440	-	-	(4,502,244)	-	(4,502,244)
Total comprehensive income for the three months ended 31.03.2015	-	-	-	2,508,682	-	(4,733,684)	231,440	-	-	(1,993,562)	-	(1,993,562)
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	70,078	-	-	-	-	-	-	-	-	70,078	-	70,078
Dividends to equity holders												
Second interim dividend for 2014	-	-	-	(865,943)	-	-	-	-	-	(865,943)	-	(865,943)
Final dividend for 2014 satisfied in the form of issue and allotment of new shares	1,559,800	-	-	(1,733,110)	-	-	-	-	-	(173,310)	-	(173,310)
Final cash dividend for 2014	-	-	-	(1,733,110)	-	-	-	-	-	(1,733,110)	-	(1,733,110)
Transfers during the period												
Total transactions with equity holders	1,629,878	-	-	(4,332,163)	-	-	-	-	-	(2,702,285)	-	(2,702,285)
Balance as at 31.03.2015	23,087,379	4,327,103	-	(141,549)	5,722,859	(1,998,106)	(232,636)	32,474,478	-	63,239,528	-	63,239,528
Total comprehensive income for the nine months ended 31.12.2015												
Profit for the nine months ended 31.12.2015	-	-	-	9,394,542	-	-	-	-	-	9,394,542	-	9,394,542
Other comprehensive income for the nine months ended 31.12.2015	-	-	-	(68,714)	-	(1,957,261)	657,404	-	-	(1,368,571)	-	(1,368,571)
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	9,325,828	-	(1,957,261)	657,404	-	-	8,025,971	-	8,025,971
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	167,226	-	-	-	-	-	-	-	-	167,226	-	167,226
Dividends to equity holders												
First interim dividend for 2015	-	-	-	(1,315,251)	-	-	-	-	-	(1,315,251)	-	(1,315,251)
Share-based Payment transactions	-	-	-	-	-	-	-	-	223,330	223,330	-	223,330
Transfers during the period		595,161	-	(3,480,161)	-	-	-	2,885,000	-	-	-	-
Total transactions with equity holders	167,226	595,161	-	(4,795,412)	-	-	-	2,885,000	223,330	(924,695)	-	(924,695)
Balance as at 31.12.2015 - Audited	23,254,605	4,922,264	-	4,388,867	5,722,859	(3,955,367)	424,768	35,359,478	223,330	70,340,804	-	70,340,804
Total comprehensive income for the three months ended 31.03.2016												
Profit for the three months ended 31.03.2016	-	-	-	3,234,315	-	-	-	-	-	3,234,315	-	3,234,315
Other comprehensive income for the three months ended 31.03.2016	-	-	-	-	-	(6,234,299)	270,272	-	-	(5,964,027)	-	(5,964,027)
Total comprehensive income for the three months ended 31.03.2016	-	-	-	3,234,315	-	(6,234,299)	270,272	-	-	(2,729,712)	-	(2,729,712)
Transactions with owners recognized directly in equity, contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans [ ESOP's ]	15,576	-	-	-	-	-	-	-	-	15,576	-	15,576
Dividends to equity holders												
Final dividend for 2015 satisfied in the form of issue and allotment of new shares	1,578,594	-	-	(1,753,994)	-	-	-	-	-	(175,400)	-	(175,400)
Final cash dividend for 2015	-	-	-	(2,630,991)	-	-	-	-	-	(2,630,991)	-	(2,630,991)
Share-based Payment transactions									34,402	34,402	-	34,402
Total transactions with equity holders	1,594,170	-	-	(4,384,985)	-	-	-	-	34,402	(2,756,413)	-	(2,756,413)
Balance as at 31.03.2016	24,848,775	4,922,264	-	3,238,197	5,722,859	(10,189,666)	695,040	35,359,478	257,732	64,854,679	-	64,854,679

## STATEMENT OF CASH FLOWS

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For the three months ended March 31,	Group		Bank	
	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	4,640,012	3,632,489	4,579,473	3,579,158
Adjustment for:				
Non-cash items included in profits before tax	1,454,459	1,895,051	1,432,729	1,873,960
Change in operating assets	(46,004,323)	(14,423,505)	(45,341,753)	(14,440,934)
Change in operating liabilities	40,904,878	16,099,406	40,539,132	16,162,796
Net (gains)/losses from disposal of assets	1,128	(3,660)	1,310	(80)
Share of profits from associates, net of tax	(750)	(2,261)	-	-
Dividend income from subsidiaries and associates	-	-	-	(4,111)
Interest expense on subordinated liabilities	254,983	197,191	254,452	187,336
Benefits paid on defined benefit plans	(13,393)	(17,853)	(13,393)	(17,853)
Net unrealized gain from translation of Financial Statements of foreign operations	273,051	229,124	270,272	231,440
Income taxes paid	(773,350)	(462,843)	(773,134)	(452,565)
<b>Net cash from/(used in) operating activities</b>	<b>736,695</b>	<b>7,143,139</b>	<b>949,088</b>	<b>7,119,147</b>
<b>Cash Flows from Investing Activities</b>				
Net purchase of property, plant and equipment	(371,744)	(175,157)	(365,474)	(159,059)
Proceeds from the sale of property, plant and equipment	3,928	3,608	381	61
Purchase of financial investments	(879,025)	(1,469,965)	(879,025)	(1,469,965)
Proceeds from the sale and matured of financial investments	408,517	526,539	408,517	526,539
Net purchase of intangible assets	(25,849)	(44,609)	(24,584)	(44,046)
Net cash flow of investment in subsidiaries and associates	-	-	(200,000)	-
Dividends received from investments in subsidiaries and associates	-	-	-	4,111
<b>Net cash from/(used in) in investing activities</b>	<b>(864,173)</b>	<b>(1,159,584)</b>	<b>(1,060,185)</b>	<b>(1,142,359)</b>
<b>Cash Flows from Financing Activities</b>				
Net proceeds from the issue of ordinary voting shares under ESOP's	15,576	70,077	15,576	70,077
Net receipts from subordinated liabilities	6,179,430	-	6,179,430	-
Interest paid on subordinated liabilities	(132,839)	(141,240)	(132,361)	(132,370)
Dividend paid to shareholders of the Bank	-	(865,943)	-	(865,943)
<b>Net cash from /(used in) financing activities</b>	<b>6,062,167</b>	<b>(937,106)</b>	<b>6,062,645</b>	<b>(928,236)</b>
Net increase/(decrease) in cash & cash equivalents	5,934,689	5,046,449	5,951,548	5,048,552
Cash and cash equivalents at beginning of the year	20,107,076	20,621,778	20,043,512	20,591,867
<b>Cash and cash equivalents at end of the period</b>	<b>26,041,765</b>	<b>25,668,227</b>	<b>25,995,060</b>	<b>25,640,419</b>

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			26,041,765			26,041,765
Balances with Central Banks			33,441,046			33,441,046
Placements with banks			4,301,253			4,301,253
Securities purchased under re-sale agreements			9,001,959			9,001,959
Derivative financial assets	4,432,370					4,432,370
Other financial instruments - Held-for-trading	10,539,633					10,539,633
Loans and receivables to banks			615,075			615,075
Loans and receivables to other customers			539,291,704			539,291,704
Financial investments - Available-for-sale				168,306,470		168,306,470
Financial investments - Held-to-maturity		35,911,056				35,911,056
Financial investments - Loans and receivables			66,464,187			66,464,187
<b>Total financial assets</b>	<b>14,972,003</b>	<b>35,911,056</b>	<b>679,156,989</b>	<b>168,306,470</b>	<b>-</b>	<b>898,346,518</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					39,095,229	39,095,229
Derivative financial liabilities	1,989,662					1,989,662
Securities sold under repurchase agreements					115,628,022	115,628,022
Due to other customers/deposits from customers					652,934,515	652,934,515
Other borrowings					9,881,939	9,881,939
Subordinated liabilities					18,541,043	18,541,043
<b>Total financial liabilities</b>	<b>1,989,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>836,080,748</b>	<b>838,070,410</b>

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			20,107,076			20,107,076
Balances with Central Banks			28,221,017			28,221,017
Placements with banks			17,193,539			17,193,539
Securities purchased under re-sale agreements			8,002,100			8,002,100
Derivative financial assets	4,118,169					4,118,169
Other financial instruments - Held-for-trading	7,656,349					7,656,349
Loans and receivables to banks			601,106			601,106
Loans and receivables to other customers			509,923,128			509,923,128
Financial investments - Available-for-sale				204,261,934		204,261,934
Financial investments - Held-to-maturity			-			-
Financial investments - Loans and receivables			57,724,369			57,724,369
<b>Total financial assets</b>	<b>11,774,518</b>	<b>-</b>	<b>641,772,335</b>	<b>204,261,934</b>	<b>-</b>	<b>857,808,787</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					31,789,396	31,789,396
Derivative financial liabilities	1,890,770					1,890,770
Securities sold under repurchase agreements					112,249,703	112,249,703
Due to other customers/deposits from customers					624,021,217	624,021,217
Other borrowings					9,985,637	9,985,637
Subordinated liabilities					11,988,272	11,988,272
<b>Total financial liabilities</b>	<b>1,890,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>790,034,225</b>	<b>791,924,995</b>

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			25,995,060			25,995,060
Balances with Central Banks			33,441,046			33,441,046
Placements with banks			4,301,253			4,301,253
Securities purchased under re-sale agreements			9,001,959			9,001,959
Derivative financial assets	4,432,370					4,432,370
Other financial instruments - Held-for-trading	10,539,633					10,539,633
Loans and receivables to banks			615,075			615,075
Loans and receivables to other customers			536,858,269			536,858,269
Financial investments - Available-for-sale				168,288,539		168,288,539
Financial investments - Held-to-maturity		35,911,056				35,911,056
Financial investments - Loans and receivables			66,464,187			66,464,187
<b>Total financial assets</b>	<b>14,972,003</b>	<b>35,911,056</b>	<b>676,676,849</b>	<b>168,288,539</b>	<b>-</b>	<b>895,848,447</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					37,185,239	37,185,239
Derivative financial liabilities	1,989,662					1,989,662
Securities sold under repurchase agreements					115,831,091	115,831,091
Due to other customers/deposits from customers					653,039,544	653,039,544
Other borrowings					9,881,939	9,881,939
Subordinated liabilities					18,526,043	18,526,043
<b>Total financial liabilities</b>	<b>1,989,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>834,463,856</b>	<b>836,453,518</b>

	Held for Trading (HFT)	Held to Maturity (HTM)	Loans & Receivables (L & R)	Available for Sale (AFS)	Other Amortised Cost	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents			20,043,512			20,043,512
Balances with Central Banks			28,221,017			28,221,017
Placements with banks			17,193,539			17,193,539
Securities purchased under re-sale agreements			8,002,100			8,002,100
Derivative financial assets	4,118,169					4,118,169
Other financial instruments - Held-for-trading	7,656,349					7,656,349
Loans and receivables to banks			601,106			601,106
Loans and receivables to other customers			508,115,127			508,115,127
Financial investments - Available-for-sale				204,244,289		204,244,289
Financial investments - Held-to-maturity			-			-
Financial investments - Loans and receivables			57,724,369			57,724,369
<b>Total financial assets</b>	<b>11,774,518</b>	<b>-</b>	<b>639,900,770</b>	<b>204,244,289</b>	<b>-</b>	<b>855,919,577</b>
<b>FINANCIAL LIABILITIES</b>						
Due to banks					30,319,119	30,319,119
Derivative financial liabilities	1,890,770					1,890,770
Securities sold under repurchase agreements					112,384,812	112,384,812
Due to other customers/deposits from customers					624,101,810	624,101,810
Other borrowings					9,985,637	9,985,637
Subordinated liabilities					11,973,272	11,973,272
<b>Total financial liabilities</b>	<b>1,890,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788,764,650</b>	<b>790,655,420</b>

	Bank		Group	
	As at 31.03.2016	As at 31.12.2015 (Audited)	As at 31.03.2016	As at 31.12.2015 (Audited)
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier I Capital ) - Rs. '000	64,753,187	64,842,450	64,969,070	64,914,870
Total Capital Base - Rs. '000	86,033,140	79,687,973	86,807,046	80,218,416
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets ( Minimum Requirement, 5% )	11.12%	11.60%	11.09%	11.55%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets ( Minimum Requirement, 10% )	14.77%	14.26%	14.81%	14.28%
<b>Asset Quality (Quality of Loan Portfolio)</b>				
Gross Non-Performing Advances Ratio ( Net of Interest in Suspense )	2.64%	2.74%		
Net Non-Performing Advances Ratio ( Net of Interest in Suspense and Provisions )	1.38%	1.41%		
<b>Profitability</b>				
Interest Margin	3.62%	3.62%		
Return on Assets ( before tax )	2.04%	2.05%		
Return on Equity	19.24%	16.90%		
<b>Debt Security Related Ratios</b>				
Debt Equity Ratio	31.62%	23.20%		
Interest Cover (Times)	20.50	27.87		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	157,983,729	155,180,420		
Off-Shore Banking Unit	18,732,434	18,660,938		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20% )				
Domestic Banking Unit	25.73%	26.24%		
Off-Shore Banking Unit	44.03%	49.13%		

## OPERATING SEGMENTS

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For the three months ended March 31,	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Total/Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>External Operating income :</b>												
Net interest income	5,705,640	5,276,544	1,447,033	1,384,637	800,429	702,558	115,717	81,050	104,460	(158,824)	8,173,279	7,285,965
Foreign exchange profit	82,550	15,571	385,859	184,753	112,144	113,693	-	-	573,099	162,015	1,153,652	476,032
Net fees and commission income	963,218	758,602	370,375	356,312	127,624	137,243	250	3,600	1,516	2,337	1,462,983	1,258,094
Other income	245,516	585,624	35,530	33,220	29,496	29,047	(43,395)	(6,348)	(74,345)	14,526	192,802	656,069
<b>Eliminations/unallocated</b>											<b>82,602</b>	<b>81,078</b>
<b>Total Operating income</b>	<b>6,996,924</b>	<b>6,636,341</b>	<b>2,238,797</b>	<b>1,958,922</b>	<b>1,069,693</b>	<b>982,541</b>	<b>72,572</b>	<b>78,302</b>	<b>604,730</b>	<b>20,054</b>	<b>11,065,318</b>	<b>9,757,238</b>
Credit loss expenses	(908,334)	(1,197,729)	(43,758)	(56,838)	(48,249)	(79,655)	-	-	-	-	(1,000,341)	(1,334,222)
<b>Net Operating income</b>	<b>6,088,590</b>	<b>5,438,612</b>	<b>2,195,039</b>	<b>1,902,084</b>	<b>1,021,444</b>	<b>902,886</b>	<b>72,572</b>	<b>78,302</b>	<b>604,730</b>	<b>20,054</b>	<b>10,064,977</b>	<b>8,423,016</b>
<b>Segment result</b>	<b>2,732,319</b>	<b>2,073,011</b>	<b>955,377</b>	<b>950,682</b>	<b>796,578</b>	<b>676,811</b>	<b>40,352</b>	<b>37,512</b>	<b>114,636</b>	<b>(107,788)</b>	<b>4,639,262</b>	<b>3,630,228</b>
Profit from operations											4,639,262	3,630,228
Share of profit of Associates, net of tax											750	2,261
Income tax expense											(1,376,412)	(1,095,697)
Non Controlling Interest											(1,115)	(1,023)
<b>Net profit for the period, attributable to Equity holders of the Bank</b>											<b>3,262,485</b>	<b>2,535,769</b>
<b>As at March 31,</b>												
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other information</b>												
Segment assets	302,741,726	238,533,952	223,126,822	184,139,549	86,057,432	73,742,302	13,150,939	11,384,978	252,091,564	269,031,136	877,168,483	776,831,917
Investment in associates	-	-	-	-	-	-	102,584	99,130	-	-	102,584	99,130
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	49,843,853	32,542,502
<b>Total assets</b>	<b>302,741,726</b>	<b>238,533,952</b>	<b>223,126,822</b>	<b>184,139,549</b>	<b>86,057,432</b>	<b>73,742,302</b>	<b>13,253,523</b>	<b>11,484,108</b>	<b>252,091,564</b>	<b>269,031,136</b>	<b>927,114,920</b>	<b>809,473,549</b>
Segment liabilities	526,215,833	443,561,817	120,799,317	92,516,176	75,943,166	65,157,992	13,253,523	11,484,108	121,804,063	126,686,753	858,015,902	739,406,846
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	3,540,297	3,487,172
<b>Total liabilities</b>	<b>526,215,833</b>	<b>443,561,817</b>	<b>120,799,317</b>	<b>92,516,176</b>	<b>75,943,166</b>	<b>65,157,992</b>	<b>13,253,523</b>	<b>11,484,108</b>	<b>121,804,063</b>	<b>126,686,753</b>	<b>861,556,199</b>	<b>742,894,018</b>
<b>For the three months ended March 31,</b>												
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Information on cash flows</b>												
Cash flows from operating activities	12,680,283	14,291,529	1,733,988	(71,620)	(387,508)	(2,245,717)	772,656	363,146	(14,062,724)	(5,194,199)	736,695	7,143,139
Cash flows from investing activities	-	-	-	-	-	-	(470,508)	(943,426)	-	-	(470,508)	(943,426)
Cash flows from financing activities	-	-	-	-	-	-	-	-	6,046,591	(141,240)	6,046,591	(141,240)
Capital expenditure -												
Property, Plant & Equipment											(367,816)	(171,549)
Intangible assets											(25,849)	(44,609)
Eliminations/unallocated											15,576	(795,866)
<b>Net cash flow generated during the period</b>											<b>5,934,689</b>	<b>5,046,449</b>

## Twenty largest voting shareholders as at March 31, 2016

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	122,747,994	14.74
Mr.Y.S. H. I. Silva	82,560,993	9.92
Employees Provident Fund	80,741,135	9.70
Sri Lanka Insurance Corporation Ltd. - Life Fund	41,854,996	5.03
CB NY S/A International Finance Corporation	37,206,040	4.47
Sri Lanka Insurance Corporation Ltd. - General Fund	35,989,537	4.32
Melstacorp Limited	24,895,305	2.99
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	23,525,866	2.83
Mrs. L. E. M. Yaseen	15,603,339	1.87
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio	13,627,634	1.64
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	12,565,008	1.51
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	11,172,854	1.34
Mercantile Investments and Finance PLC	10,661,077	1.28
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	10,468,066	1.26
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,399,814	1.01
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	8,368,934	1.01
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	8,300,242	1.00
HSBC Intl. Nominees Ltd. - SSBT-National Westminster Bank Plc as Depository of First State Indian Subcontinent	7,931,655	0.95
Employees Trust Fund Board	7,814,254	0.94
HSBC Intl. Nominees Ltd. - BPSS - BMO Investments 11 (Ireland) Public Limited Company	7,312,763	0.88
Sub total	571,747,506	68.68
Other Shareholders	260,767,753	31.32
<b>Total</b>	<b>832,515,259</b>	<b>100.00</b>

Percentage of public holding as at March 31, 2016 - 99.63%

Number of shareholders representing public holding as at March 31, 2016 - 9,768

## Twenty largest non-voting shareholders as at March 31, 2016

Name of the Shareholder	No. of Shares	%
Employees Trust Fund Board	4,167,636	7.28
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,309,627	5.78
CITY Bank NY S/A Forward International Dividend Fund	1,802,572	3.15
GF Capital Global Limited	1,591,203	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,419,594	2.48
CITY Bank Newyork S/A Norges Bank Account No.02	1,286,146	2.25
Mr. J. D. Bandaranayake	1,102,959	1.93
Waldock Mackenzie Ltd / Mr. S.N.P. Palihena and Mrs. A.S. Palihena	1,016,216	1.78
M.J.F.Exports Ltd.	978,724	1.71
Mr. M. F. Hashim	800,417	1.40
Saboor Chatoor (Pvt) Ltd	780,454	1.36
Beta Holdings Limited	740,792	1.29
Mrs. L. V. C. Samarasingha	617,624	1.08
Union Assurance PLC - A/C 01AC	581,706	1.02
Akbar Brothers (Pvt) Ltd. A/C No.01	576,809	1.01
Dr. A. K. A. Jayawardena	505,035	0.88
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	479,764	0.84
Mr. J. G. de Mel	467,539	0.82
Mr. W.R.H. Perera	452,051	0.79
Alpex Marine (Pvt) Ltd	430,605	0.75
Sub total	23,107,473	40.39
Other Shareholders	34,105,180	59.61
<b>Total</b>	<b>57,212,653</b>	<b>100.00</b>

Percentage of public holding as at March 31, 2016 - 99.79%

Number of shareholders representing public holding as at March 31, 2016 - 4,223

## Directors' holding in shares as at March 31, 2016

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	21,159	-
Mr.M.P. Jayawardena - Deputy Chairman	-	-
Mr.J. Durairatnam - Managing Director/Chief Executive Officer	417,989	-
Mr.S. Renganathan	194,699	10,488
Mr.S. Swarnajothi	-	8,738
Mr.H.J. Wilson	-	-
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-

	2016 Rs.	2015 Rs.
<b>Market price of an ordinary share of the Bank as at March 31,</b>		
Voting	125.50	165.40
Non-Voting	113.00	131.20
<b>Highest price during the quarter ended March 31,</b>		
Voting	142.00	194.00
Non-Voting	123.00	149.00
<b>Lowest price during the quarter ended March 31,</b>		
Voting	115.00	158.10
Non-Voting	101.50	122.80
<b>Number of ordinary shares issued ended March 31,</b>	<b>2016</b>	<b>2015</b>
Voting	832,515,259	819,094,075
Non-Voting	57,212,653	56,299,686

EXPLANATORY NOTES

- 1 There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2015. These Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- 2 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities except for the receipt of Rs. 6.179 Bn. raised through Debentures in March 2016. The details of debentures issued by the Bank are given in the note on "Information on Debentures - Bank".
- 3 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- 4 There were no material events that took place since March 31, 2016, that require disclosure in these Interim Financial Statements other than those disclosed above.

**INFORMATION ON DEBENTURES - BANK**

Debenture categories	CSE Listing	Interest payable frequency	Balance as at at March 31, 2016 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 %
<b>Fixed rate</b>											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505,000	Not applicable			13.25	13.25	8.55	Not applicable	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467,260	Not traded during the current period			14.00	14.00	10.05	Not traded during the current period	
March 2016/March 2021 10.75% p.a.	Listed	Semi Annually	4,430,340	Not traded during the current period			14.00	14.00	7.60	Not traded during the current period	
March 2016/March 2026 11.25% p.a.	Listed	Semi Annually	1,749,090	Not traded during the current period			10.75	11.04	12.50	Not traded during the current period	
				Not traded during the current period			11.25	11.57	12.95	Not traded during the current period	
<b>Floating rate</b>											
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	400	Not traded during the current period			9.11	9.11	12.80	Not traded during the current period	
				Not traded during the current period			7.68	7.68	9.10	Not traded during the current period	
<b>Total Debentures</b>			<b>7,152,090</b>								

(Comparative information for 2015 have been highlighted )

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

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

1 LOANS AND RECEIVABLES TO OTHER CUSTOMERS

	Group		Bank	
	As at 31.03.2016	As at 31.12.2015	As at 31.03.2016	As at 31.12.2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and receivables	558,340,947	528,382,921	555,483,957	526,166,681
Less: Allowance for Individual impairment	5,008,521	5,369,960	5,008,521	5,369,960
Allowance for Collective impairment	14,040,722	13,089,833	13,617,167	12,681,594
<b>Net loans and receivables</b>	<b>539,291,704</b>	<b>509,923,128</b>	<b>536,858,269</b>	<b>508,115,127</b>

2 LOANS AND RECEIVABLES TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.03.2016	As at 31.12.2015	As at 31.03.2016	As at 31.12.2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Loans and advances				
Overdrafts	80,282,996	72,893,176	80,502,749	73,366,133
Trade finance	25,451,367	33,765,914	25,451,367	33,765,914
Lease rental receivable	38,464,144	36,972,019	35,053,464	34,152,036
Credit cards	4,946,596	4,772,821	4,946,596	4,772,821
Pawning	1,689,135	1,870,881	1,689,135	1,870,881
Staff loans	6,151,110	6,017,275	6,149,696	6,015,236
Housing loans	41,202,920	38,911,297	41,202,920	38,911,297
Personal loans	25,763,451	26,011,339	25,763,451	25,991,701
Term loans				
Short-term	34,945,325	20,741,978	34,944,376	20,741,978
Long-term	192,813,638	183,261,262	193,149,938	183,413,725
Bills of Exchange	2,667,112	2,440,538	2,667,112	2,440,538
<b>Gross loans and receivables</b>	<b>454,377,794</b>	<b>427,658,500</b>	<b>451,520,804</b>	<b>425,442,260</b>

	Group		Bank	
	As at 31.03.2016	As at 31.12.2015	As at 31.03.2016	As at 31.12.2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Foreign Currency				
Loans and advances				
Overdrafts	7,903,311	8,599,895	7,903,311	8,599,895
Trade finance	11,470,736	12,040,069	11,470,736	12,040,069
Lease rental receivable	304,306	320,617	304,306	320,617
Credit cards	61,427	57,608	61,427	57,608
Pawning	-	-	-	-
Staff loans	99,550	100,426	99,550	100,426
Housing loans	1,540,049	1,416,590	1,540,049	1,416,590
Personal loans	272,437	279,043	272,437	279,043
Term loans				
Short-term	23,595,089	23,302,277	23,595,089	23,302,277
Long-term	49,679,781	45,694,151	49,679,781	45,694,151
Bills of Exchange	9,036,467	8,913,745	9,036,467	8,913,745
<b>Gross loans and receivables</b>	<b>103,963,153</b>	<b>100,724,421</b>	<b>103,963,153</b>	<b>100,724,421</b>
<b>Total of gross loans and receivables</b>	<b>558,340,947</b>	<b>528,382,921</b>	<b>555,483,957</b>	<b>526,166,681</b>

(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	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Movement in Allowance for Individual Impairment</b>				
Balance as at January 01,	5,369,960	4,334,587	5,369,960	4,334,587
Charge/(write back) to the Income statement	(142,763)	1,386,477	(142,763)	1,386,477
Net write-off/(recoveries) during the year	(242,929)	(490,046)	(242,929)	(490,046)
Exchange rate variance on foreign currency provisions	33,065	90,680	33,065	90,680
Interest accrued / (reversals) on impaired loans & advances	(153,633)	(265,344)	(153,633)	(265,344)
Other movements	144,821	313,606	144,821	313,606
<b>Balance as at March 31/December 31,</b>	<b>5,008,521</b>	<b>5,369,960</b>	<b>5,008,521</b>	<b>5,369,960</b>
<b>Movement in Allowance for Collective Impairment</b>				
Balance as at January 01,	13,089,833	12,835,436	12,681,594	12,621,987
Balance assumed on business combination	-	-	-	-
Charge/(write back) to the Income statement	1,139,800	2,710,834	1,125,433	2,516,044
Net write-off/(recoveries) during the year	(191,742)	(2,465,797)	(192,691)	(2,465,797)
Exchange rate variance on foreign currency provisions	2,831	9,360	2,831	9,360
Other movements	-	-	-	-
<b>Balance as at March 31/December 31,</b>	<b>14,040,722</b>	<b>13,089,833</b>	<b>13,617,167</b>	<b>12,681,594</b>
<b>Total of Individual and Collective Impairment March 31/ December 31,</b>	<b>19,049,243</b>	<b>18,459,793</b>	<b>18,625,688</b>	<b>18,051,554</b>

4 DUE TO OTHER CUSTOMERS - BY PRODUCT

	Group		Bank	
	As at 31.03.2016 Rs.'000	As at 31.12.2015 Rs.'000	As at 31.03.2016 Rs.'000	As at 31.12.2015 Rs.'000
<b>By product - Domestic Currency</b>				
Current account deposits	40,914,529	38,689,812	40,914,529	38,692,706
Savings deposits	201,141,513	196,605,341	201,201,263	196,631,547
Time deposits	239,529,542	219,882,652	239,574,821	219,934,145
Certificate of deposits	539,482	552,171	539,482	552,171
<b>Sub Total</b>	<b>482,125,066</b>	<b>455,729,976</b>	<b>482,230,095</b>	<b>455,810,569</b>
<b>By product - Foreign Currency</b>				
Current account deposits	14,570,083	14,699,065	14,570,083	14,699,065
Savings deposits	50,511,552	60,128,349	50,511,552	60,128,349
Time deposits	105,727,814	93,463,827	105,727,814	93,463,827
Certificate of deposits	-	-	-	-
<b>Sub Total</b>	<b>170,809,449</b>	<b>168,291,241</b>	<b>170,809,449</b>	<b>168,291,241</b>
<b>Total</b>	<b>652,934,515</b>	<b>624,021,217</b>	<b>653,039,544</b>	<b>624,101,810</b>

**NAME OF COMPANY**

Commercial Bank of Ceylon PLC

**TAX PAYER IDENTIFICATION NUMBER (TIN)**

124006007

**LEGAL FORM**

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

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

AA (Ika) was re-affirmed by Fitch Ratings Lanka Ltd. in July 2015.

**Bangladesh Operation**

AAA was re-affirmed by Credit Rating Information & Services Limited. in June 2015.

**COMPANY REGISTRATION NUMBER**

PQ116

**COMPLIANCE OFFICER**

Mr. C.J.Wijetillake

Assistant General Manager - Compliance

**STOCK EXCHANGE LISTING**

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures December 2006/December 2016 series, March 2016/March 2021 series and March 2016/March 2026 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 : CCEYLKX

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@slt.net.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

Mr.S. Swarnajothi

Mr.S. Renganathan

Mr.H.J. Wilson

Prof. A.K.W. Jayawardane

Mr.K. Dharmasiri

**ACCOUNTING YEAR**

December 31