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The Board of Directors  
Commercial Bank of Ceylon PLC  
Commercial House  
No 21, Sir Razik Fareed Mawatha  
P.O. Box 856  
Colombo 1

30 May 2024

Dear Sirs

**ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF COMMERCIAL BANK OF CEYLON PLC ("THE BANK")**

This report has been prepared for the inclusion in the Prospectus issued in connection with the Public Offer to issue **100,000,000 Basel III compliant – Tier 2 Listed Rated Unsecured Subordinated Redeemable Debentures with a Non-Viability conversion feature, of Rs. 100/= each amounting to Rs. 10 Billion, for tenures of 5 years, 7 years, and 10 years, with an option to issue up to a further 50,000,000 debentures amounting to a further Rs. 5 Billion, at the discretion of the Bank, in the event of an oversubscription of the initial issue and with the further option to issue up to a further 50,000,000 debentures amounting to a further Rs. 5 Billion, at the discretion of the Bank, in the event of an oversubscription of the initial issue and the second tranche.**

We have examined the financial statements included in the annual reports of Commercial Bank of Ceylon PLC ("Bank") for the financial years ended 31 December 2019 to 2023. Extracts of these financial statements have been included in the prospectus and report as follows;

**1. INCORPORATION**

Commercial Bank of Ceylon PLC (the "Bank") is a public quoted company incorporated on 25 June 1969 with limited liability and domiciled in Sri Lanka. The Bank was re-registered under the Companies Act No. 07 of 2007. The registered office of the Bank is situated at "Commercial House", No. 21, Sir Razik Fareed Mawatha, Colombo 01. The shares of the Bank have a primary listing on the Colombo Stock Exchange. The unsecured subordinated debentures of the Bank are also listed on the Colombo Stock Exchange.

The Bank does not have an identifiable parent of its own. The Commercial Bank of Ceylon PLC is the ultimate parent of the Group.

The Bank is licensed by the Central Bank of Sri Lanka to conduct banking and related activities and regulated under the Banking Act No. 30 of 1988 and amendments thereto. The principal activities of the Bank are banking and related activities such as deposit acceptance, corporate and retail banking, personal financial services, off shore banking, foreign currency operations, trade services, investment banking, development banking, rural finance, project finance, leasing, issuing of local and international debit and credit cards, internet banking, mobile banking, money remittance facilities, dealing in government securities and treasury-related products, export and domestic factoring, pawning, margin trading, digital banking services, bancassurance and Islamic banking products and services etc.

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A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. FR Ziyad FCMA (UK), FCIT K. Somasundaram ACMA(UK)



## 2. FINANCIAL STATEMENTS

### 2.1 Five years summary of financial statements

A summary of Statement of Profit or Loss, Statement of Financial Position, of the Bank for the years ended 31 December 2019 to 2023, based on the audited financial statements of the Bank are set out in Annexure I.

Summaries presented for Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31 December 2019 to 2023 are based on the financial statements prepared in accordance with SLFRSs and LKASs, effective from 01 January 2012 applied from the date of transition of 01 January 2011 and the amendments there to, which were applicable up to the financial year ended 31 December 2023.

### 2.2 Audit reports

The financial statements of the Bank for the financial years ended 31 December 2019 to 2023 have been audited by the predecessor auditor. Unqualified audit opinions have been issued for the said financial years by the predecessor auditor.

### 2.3 Application of accounting standards and accounting policies

The financial statements of the Bank for the financial years ended 31 December 2019 to 2023 complied with and prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/"LKAS") laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007,

The accounting policies of the Bank are stated in detail in the audited financial statements of the Bank for the year ended 31 December 2023. The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Bank from financial years ended 31 December 2019 to 2023 are given below.

Financial year	Adoption of revised Accounting Standards, and related changes in Accounting Policies
31 December 2019	<p>The Bank has applied SLFRS 16, which is effective for the annual reporting periods beginning on or after January 1, 2019. The Bank did not early adopt any other accounting standard, interpretation or amendment that had been issued but not effective as at 1 January 2019.</p> <p>SLFRS 16 issued in 2019, superseded LKAS 17, IFRIC 4 on "Determining whether an arrangement contains a Lease", SIC-15 on "Operating Leases – Incentives" and SIC-27 on "Evaluating the substance of transactions involving the legal form of a lease". SLFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to recognize most leases on the SOFP.</p> <p>The Bank adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application being January 1, 2019. Under this method, the standard was applied retrospectively with the cumulative effect of initially applying the standard at the date of initial application. Due to the adoption of SLFRS 16, deferred tax asset created under LKAS 17 on the liability of straight lining of lease rentals was transferred directly to equity as of January 1, 2019.</p>



	<p>The Bank recognizes a lease liability at the date of initial application for leases previously classified as operating leases applying LKAS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's IBR at the date of initial application.</p> <p>The Bank recognizes as right-of-use asset at the date of initial application for leases previously classified as operating leases applying LKAS 17. The Bank opted to measure the right-of-use asset at an amount equal to the lease liability, on a lease-by-lease basis, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the SOFP immediately before the date of initial application.</p>
31 December 2020	<p>The Bank applied following amendments to Accounting Standards, which are effective for annual periods beginning on or after January 1, 2020.</p> <p><b>Amendments to SLFRS 3: Definition of a Business</b></p> <p>In November 2018, CA Sri Lanka issued amendments to the definition of a business in SLFRS 3 on "Business Combinations" (SLFRS 3) to help entities determine whether an acquired set of activities and assets is a business or not. These amendments clarified the minimum requirements for a business, removed the assessment of whether market participants are capable of replacing any missing elements and added guidance to help entities assess whether an acquired process is substantive, narrowed the definitions of a business and of outputs, and introduced an optional fair value concentration test.</p> <p>These amendments had no impact on the Financial Statements of the Bank but may impact future periods should the Bank enter into any business combinations.</p> <p><b>Amendments to LKAS 1 and LKAS 8: Definition of Material</b></p> <p>In November 2018, CA Sri Lanka issued amendments to LKAS 1 and Sri Lanka Accounting Standard – LKAS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors" to align the definition of 'material' across the standards and to clarify certain aspects of the term 'definition'. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity.'</p> <p>These amendments had no impact on the Financial Statements of, nor and not expected to have any future impact to, the Bank.</p> <p><b>Amendments to the conceptual framework for financial reporting</b></p> <p>CA Sri Lanka issued a revised Conceptual Framework which included some new concepts, updated definitions and recognition criteria for assets and liabilities and clarified some important concepts.</p> <p>These amendments had no impact on the financial statements of the Bank.</p>

31 December  
2021

**Amendments to SLFRS 16 Leases: COVID-19-Related Rent Concessions beyond June 30, 2021**

On December 04, 2020, CA Sri Lanka issued COVID-19-Related Rent Concessions - amendment to SLFRS 16 Leases. The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SLFRS 16, if the change was not a lease modification.

The amendment was intended to be applied until June 30, 2021, but as the impact of the COVID-19 pandemic is continuing, on June 28, 2021, CA Sri Lanka extended the period of application of the practical expedient up to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 01, 2021.

**Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2) – (“IBOR reform”)**

Working Groups in different jurisdictions have recommended robust, alternative Risk-free rates (RFRs) to transition away from existing interbank offered rates (IBORs). The RFR benchmarks are overnight whereas current use of IBOR is largely in term rates.

**IBOR reforms Phase 1**

On January 15, 2021, CA Sri Lanka issued amendments to SLFRS 9, LKAS 39 and SLFRS 7 due to IBOR reform (Phase 1). A summary of factors considered in Phase 1 amendments are as follows:

- Highly Probable Requirement
- Prospective assessments
- LKAS 39 retrospective assessment
- Separately identifiable risk components

**IBOR reform Phase 2**

In addition to Phase 1 amendments, CA Sri Lanka also issued amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 due to IBOR Reform. The Phase 2 amendments provide temporary reliefs which address the financial reporting effects when an IBOR is replaced with an alternative RFR.

Although the effective date of both IBOR reform Phase 1 and Phase 2 amendments was for annual reporting periods beginning on or after January 01, 2021, in the Sri Lankan context, the regulatory authorities and public and private sector working groups in several jurisdictions have been discussing the alternatives to IBORs.



	<p>There was no adjustment made in the financial statements of the Bank as at reporting date.</p>
31 December 2022	<p>The Bank applied the following amendments to Accounting Standards, which are effective for annual periods beginning on or after January 1, 2022.</p> <p><b>Amendments to LKAS 37: Onerous Contracts – Costs of Fulfilling a Contract</b></p> <p>The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.</p> <p><b>Amendments to SLFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities</b></p> <p>The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.</p> <p>These amendments had no impact on the financial statements of the Bank as there were no modifications of the Bank's financial liabilities during the year.</p> <p><b>Amendments to LKAS 16: Property, Plant and Equipment - Proceeds before intended use.</b></p> <p>The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.</p> <p>These amendments had no impact on the financial statements of the Bank.</p> <p><b>Amendments to SLFRS 3: Reference to the Conceptual Framework</b></p> <p>The amendments add an exception to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21, if incurred separately. The exception requires entities to apply the criteria in LKAS 37 or IFRIC 21, respectively, instead of the conceptual framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to SLFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.</p> <p>These amendments had no impact on the financial statements of the Bank as there were no acquisitions took place during the reporting period.</p>

**Amendments to SLFRS 1: Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply paragraph D16(a) of SLFRS 1 to measure cumulative translation differences for all foreign operations using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to SLFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of SLFRS 1.

These amendments had no impact on the financial statements of the Bank as it was not a first-time adopter.

**Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortized Cost**

During the year, the Bank re-classified bulk of its treasury bond portfolio, Majority of Sri Lanka Development Bonds (SLDB) and entire the sovereign bond portfolio in FVOCI category to amortized cost category, with effect from April 01, 2022, as a result of changes to the business model of managing the assets due to unprecedented changes in the macro-economic conditions in line with the guidelines issued by the CA Sri Lanka in the form of Statement of Alternative Treatment (SOAT) on Re-classification of Debt Portfolio as a one off option.

**Surcharge tax**

As per the Surcharge tax Act No. 14 of 2002, surcharge tax is pertaining to the year of assessment 2020/21. According to the said Act, surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment 2020/21. Since the Act superseded the requirements of Sri Lanka Accounting standards, the surcharge tax expense was accounted for as recommended by the Statement of Alternative Treatment (SOAT) on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka.

The liability arising from the Surcharge Tax Act No. 14 of 2022 has been accounted for recommended by the Statement of Alternative Treatment (SOAT) issued by the Institute of Chartered Accountants of Sri Lanka.

Accordingly, the Bank recognized the total liability to the surcharge tax as an adjustment to the opening retained earnings as at 01 January 2022.



31 December  
2023

In these Financial Statements, the Bank applied the following amendments to Accounting Standards, which are effective for annual periods beginning on or after January 1, 2023.

**Amendments to “Accounting Policies, Changes in Accounting Estimates and Errors” (LKAS 8): Definition of Accounting Estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

**Amendments to “Income Taxes” (LKAS 12): Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements or to the related asset component. This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

**Amendments to “Presentation of Financial Statements” (LKAS 1): Disclosure of Accounting Policies**

Amendments to LKAS 1, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Bank has revisited its accounting policy information disclosures to ensure consistency with the amended requirements.



## 2. Events after reporting date

There were no significant events occurred after the last audit report date other than mentioned below.

### • Proposed dividends

The Directors recommended a final dividend of Rs. 6.50 per share which consist of a cash dividend of Rs. 4.50 and a scrip dividend of Rs. 2.00 on both voting and non-voting shares of the Bank which will be applicable to financial year ended 31 December 2023. In accordance with Sri Lanka Accounting Standard – LKAS 10 on “Events after the reporting period”, the final dividend has not been recognized as a liability as at 31 December 2023.

The final dividend was approved by the shareholders at the Annual General Meeting held on 28<sup>th</sup> March 2024.

### • Proposed Rights Issue

The Board of Directors of the Bank at the meeting held on 28<sup>th</sup> May 2024 has resolved to recommend shareholders a Rights Issue for approval of the shareholders of the Bank. The proposed Rights Issue is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares and obtaining shareholder approval at an Extraordinary General Meeting on a date to be decided in due course. If Employee Share Option Plan ("ESOP") options are exercised by employees, the number of Ordinary Voting Shares mentioned below will be increased, accordingly.

Details of the proposed Rights Issue are as follows:

- Issue of 252,082,449 Voting Shares in the ratio 1 for 5 at a price of 85.00
- Issue of 15,847,696 Non-Voting Shares in the ratio 1 for 5 at an issue price of 69.00
- The Bank expects to raise LKR 21,427,008,165 through the Right Issue of Voting Shares and LKR 1,093,491,024 through the Right Issue of Non-Voting shares

## 3. Dividends

The Bank had declared the following dividends in respect of ordinary shares for the years ended 31 December 2019 to 31 December 2023.

Year ended. 31 December	Dividend Per Share Rs.
2019	6.50*
2020	6.50**
2021	7.50***
2022	4.50****
2023	6.50*****

\* Rs. 4.50/= by way of cash dividend and Rs. 2.00/= by way of a scrip dividend.

\*\* Rs. 4.50/= by way of cash dividend and Rs. 2.00/= by way of a scrip dividend.

\*\*\* Rs. 4.50/= by way of a cash dividend/ Rs. 3.00/= by way of a scrip dividend.

\*\*\*\* Rs. 4.50/= by way of a scrip dividend.

\*\*\*\*\* Rs. 4.50/= by way of a cash dividend/ Rs. 2.00/= by way of a scrip dividend.



#### 4. Restriction on Use

This Report is made solely for the purpose to be used by the Board of Directors of Commercial Bank of Ceylon PLC in the application for the purpose of issuance of Listed, Rated, BASEL III compliant, Tier II, Unsecured Subordinated Redeemable Debentures with a feature for Non-viability Conversion which said debenture issue comprises to issue **100,000,000 Basel III compliant – Tier 2 Listed Rated Unsecured Subordinated Redeemable Debentures with a Non-Viability conversion feature, of Rs. 100/= each amounting to Rs. 10 Billion, for tenures of 5 years, 7 years, and 10 years, with an option to issue up to a further 50,000,000 debentures amounting to a further Rs. 5 Billion, at the discretion of the Bank, in the event of an oversubscription of the initial issue and with the further option to issue up to a further 50,000,000 debentures amounting to a further Rs. 5 Billion, at the discretion of the Bank, in the event of an oversubscription of the initial issue and the second tranche.**

This Report should not be used for any other purpose than mentioned above and should not be distributed to or used by parties other than the Bank, as a separate Report. Our Report is not modified in respect of this matter.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'K. P. M. G.', written over a horizontal line.

**Chartered Accountants**  
Colombo

**COMMERCIAL BANK OF CEYLON PLC**  
**Income Statement**

Annexure I

Bank

For the year ended 31st December	2019	2020	2021	2022	2023
	Rs 000				
Gross income	148,706,284	149,711,481	160,885,882	275,443,682	335,770,196
Interest income	127,779,540	122,330,386	130,443,030	218,326,576	292,618,360
Less : Interest expense	80,571,268	72,759,045	65,832,418	136,582,546	209,514,795
Net interest income	47,208,272	49,571,341	64,610,612	81,744,030	83,103,565
Fee and commission income	12,406,584	11,268,543	15,410,402	25,463,976	29,704,104
Less: Fee and commission expense	2,117,072	2,012,138	3,658,939	5,972,708	8,145,910
Net fee & commission income	10,289,512	9,256,405	11,751,463	19,491,268	21,558,194
Net gains/(losses) from trading	1,360,858	1,878,086	1,936,007	35,297,450	(12,481,613)
Net gains/(losses) from derecognition of financial assets	1,135,711	6,390,197	3,001,574	276,884	5,060,242
Net other operating income	6,023,591	7,844,269	10,094,869	(3,921,204)	20,869,103
Total operating income	66,017,944	74,940,298	91,394,525	132,888,428	118,109,491
Less: Impairment charges and other losses	11,061,466	21,483,698	24,692,343	71,461,622	38,623,739
Net operating income	54,956,478	53,456,600	66,702,182	61,426,806	79,485,752
Less: Expenses					
Personnel expenses	14,082,659	14,563,999	16,321,317	19,112,546	21,971,734
Depreciation and amortisation	2,754,521	2,989,031	3,178,628	3,563,476	4,283,566
Other operating expenses	8,588,456	7,886,936	9,391,810	12,260,183	16,388,900
Total operating expenses	25,425,636	25,439,966	28,891,755	34,936,205	42,644,200
Operating profit before taxes on financial services	29,530,842	28,016,634	37,810,427	26,490,601	36,841,552
Less: Taxes on financial services	7,191,737	4,505,322	5,809,224	3,892,216	4,961,392
Operating profit before tax & after taxes on financial services	22,339,105	23,511,312	32,001,203	22,598,385	31,880,160
Less : Income tax expense/(reversal)	5,314,138	7,137,823	8,395,152	(371,406)	11,419,198
Profit for the year	17,024,967	16,373,489	23,606,051	22,969,791	20,460,962



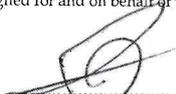
**COMMERCIAL BANK OF CEYLON PLC**  
**Statement of Financial Position**

Annexure I

As at 31st December	2019	2020	2021	2022	Bal 202
	Rs 000				
<b>Assets</b>					
Cash and cash equivalents	52,534,730	50,250,627	68,078,076	149,393,611	157,819,287
Balances with Central Banks	39,461,127	110,971,105	52,897,908	66,493,499	52,817,502
Placements with banks	24,527,241	15,938,982	11,584,952	95,899,645	81,344,696
Securities purchased under resale agreements	13,147,534	-	3,000,490	1,517,308	31,148,729
Derivative financial assets	1,830,927	2,636,717	3,245,120	8,345,091	7,226,484
Financial assets recognised through profit or loss - measured at fair value	21,468,033	35,189,471	23,436,123	24,873,057	29,449,653
Financial assets at amortised cost - Loans and advances to banks	757,787	779,705	-	-	-
Financial assets at amortised cost - Loans and advances to other customers	884,645,744	896,845,453	1,014,618,580	1,130,442,579	1,176,359,971
Financial assets at amortised cost - Debt and other financial instruments	101,144,819	292,727,566	369,417,889	725,935,299	649,740,408
Financial assets measured at fair value through other comprehensive income	197,568,330	278,461,369	335,463,338	117,056,240	287,023,009
Investments in subsidiaries	5,011,284	5,808,429	5,808,429	5,808,429	5,808,429
Investments in associate	44,331	44,331	44,331	44,331	44,331
Property, plant and equipment and right-of-use assets	20,507,203	23,212,394	23,075,467	25,425,452	26,257,902
Intangible assets	1,080,010	1,232,863	1,724,864	3,563,120	3,736,504
Deferred tax assets	294,059	2,499,860	9,793,129	30,301,203	34,076,526
Other assets	23,322,247	19,619,149	27,024,475	40,699,168	37,474,448
<b>Total Assets</b>	<b>1,387,345,406</b>	<b>1,736,218,021</b>	<b>1,949,213,171</b>	<b>2,425,798,032</b>	<b>2,580,327,879</b>
<b>Liabilities</b>					
Due to banks	51,505,694	87,451,306	73,777,420	65,130,061	47,274,361
Derivative financial liabilities	1,495,317	1,501,262	2,092,198	2,880,667	2,319,209
Securities sold under repurchase agreements	51,220,023	91,437,612	151,911,842	97,726,435	111,198,516
Financial liabilities at amortised cost - due to depositors	1,053,307,660	1,265,965,918	1,443,093,453	1,914,359,494	2,085,046,149
Financial liabilities at amortised cost - other borrowings	23,248,893	54,555,933	32,587,051	16,150,356	12,756,021
Current tax liabilities	4,967,644	6,777,992	9,294,180	24,475,319	14,951,984
Other liabilities	30,496,709	33,037,669	33,210,883	39,860,573	55,050,477
Due to subsidiaries	54,292	97,015	48,699	115,484	317,221
Subordinated liabilities	37,886,789	38,247,138	38,303,466	61,400,967	36,482,939
<b>Total Liabilities</b>	<b>1,254,183,021</b>	<b>1,579,071,845</b>	<b>1,784,319,192</b>	<b>2,222,099,356</b>	<b>2,365,396,877</b>
<b>Equity</b>					
Stated capital	40,916,958	52,187,747	54,566,957	58,149,621	62,948,003
Reserves					
Statutory reserves	8,205,391	9,024,065	10,204,368	11,352,858	12,375,906
Retained Earnings	5,144,433	7,596,260	9,028,265	5,592,121	8,558,385
Other reserves	78,895,603	88,338,104	91,094,389	128,604,076	131,048,708
<b>Total equity attributable to equity holders of the Bank</b>	<b>133,162,385</b>	<b>157,146,176</b>	<b>164,893,979</b>	<b>203,698,676</b>	<b>214,931,002</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,387,345,406</b>	<b>1,736,218,021</b>	<b>1,949,213,171</b>	<b>2,425,798,032</b>	<b>2,580,327,879</b>
<b>Contingent liabilities and commitments</b>	<b>579,999,273</b>	<b>728,711,698</b>	<b>682,399,783</b>	<b>549,421,699</b>	<b>668,875,778</b>

The above Income Statements and Statements of Financial Position of the Bank have been extracted from the Audited Financial Statements published in the Annual Reports of the Bank.

Signed for and on behalf of the Management by,

  
.....  
L. W. P. Indrajith  
Deputy General Manager (Finance)



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

