



together to prosperity

Interim Financial Statement
- For the three months ended March 31, 2014

 COMMERCIAL BANK

INCOME STATEMENT

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For the three months ended March 31,

	GROUP			BANK		
	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)
Gross Income	17,778,296	16,787,805	5.90	17,759,744	16,770,940	5.90
Interest Income	15,246,360	14,483,354	5.27	15,246,968	14,486,975	5.25
Less : Interest Expenses	8,670,918	8,867,946	(2.22)	8,676,009	8,874,190	(2.23)
Net Interest Income	6,575,442	5,615,408	17.10	6,570,959	5,612,785	17.07
Fees and Commission Income	1,236,584	1,060,410	16.61	1,235,489	1,059,521	16.61
Less: Fees and Commission Expenses	188,925	151,370	24.81	188,925	151,370	24.81
Net Fees and Commission Income	1,047,659	909,040	15.25	1,046,564	908,151	15.24
Net Gain/(Loss) from Trading	475,106	98,019	384.71	475,106	98,019	384.71
Net Gain/(Loss) from Financial Instruments Designated at Fair Value Through Profit or Loss	-	-	-	-	-	-
Net Gain/(Loss) from Financial Investments	123,457	41	301,014.63	123,457	41	301,014.63
Other Income (Net)	696,789	1,145,981	(39.20)	678,724	1,126,384	(39.74)
Total Operating Income	8,918,453	7,768,489	14.80	8,894,810	7,745,380	14.84
Less : Impairment Charges for Loans and Other Losses	1,144,336	511,020	123.93	1,150,751	516,925	122.61
Individual Impairment	940,425	(100,654)	1,034.31	940,425	(100,654)	1,034.31
Collective Impairment	196,528	610,639	(67.82)	196,528	610,639	(67.82)
Others	7,383	1,035	613.33	13,798	6,940	98.82
Net Operating Income	7,774,117	7,257,469	7.12	7,744,059	7,228,455	7.13
Less: Expenses	3,844,146	3,513,267	9.42	3,847,191	3,507,704	9.68
Personnel Expenses	2,168,537	2,037,695	6.42	2,149,677	2,020,440	6.40
Depreciation and Amortisation	295,205	241,577	22.20	283,522	224,359	26.37
Other Expenses	1,380,404	1,233,995	11.86	1,413,992	1,262,905	11.96
Operating Profit Before Value Added Tax (VAT) and Nation Building Tax (NBT)	3,929,971	3,744,202	4.96	3,896,868	3,720,751	4.73
Less: Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	606,347	490,868	23.53	606,347	490,868	23.53
Operating Profit After Value Added Tax (VAT) and Nation Building Tax (NBT)	3,323,624	3,253,334	2.16	3,290,521	3,229,883	1.88
Add : Share of Profits/(Losses) of Associates	891	1,835	(51.44)	-	-	-
Profit Before Income Tax	3,324,515	3,255,169	2.13	3,290,521	3,229,883	1.88
Less: Income Tax Expense	1,022,567	998,405	2.42	1,011,932	989,003	2.32
Profit for the Period	2,301,948	2,256,764	2.00	2,278,589	2,240,880	1.68
Profit Attributable to:						
Equity Holders of the Bank	2,301,069	2,256,054	2.00	2,278,589	2,240,880	1.68
Non-Controlling Interest	879	710	23.80	-	-	-
Profit for the Period	2,301,948	2,256,764	2.00	2,278,589	2,240,880	1.68
Earnings per Share						
Basic Earnings per Share (Rs.)	2.71	2.66	1.88	2.68	2.64	1.52
Diluted Earnings per Share (Rs.)	2.71	2.66	1.88	2.68	2.64	1.52

STATEMENT OF COMPREHENSIVE INCOME

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<i>For the three months ended March 31,</i>	GROUP			BANK		
	2014 Rs. '000	2013 Rs. '000	Change (%)	2014 Rs. '000	2013 Rs. '000	Change (%)
Profit for the Period	2,301,948	2,256,764	2.00	2,278,589	2,240,880	1.68
Other Comprehensive Income, Net of Tax						
Items that will never be Reclassified to Profit or Loss						
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	-	-	-	-
Net Change in Revaluation Surplus	-	-	-	-	-	-
Items that are or may be Reclassified to Profit or Loss						
Net Gains/(Losses) Arising from Translating the Financial Statements of the Foreign Operations	(1,068)	151,767	(100.70)	(762)	145,046	(100.53)
Net Gains and Losses on Re-measuring Available-for-Sale Financial Assets	119,657	221,316	(45.93)	119,657	221,316	(45.93)
Sri Lanka Government Securities	123,941	220,775	(43.86)	123,941	220,775	(43.86)
Equity Securities - Quoted	(4,284)	541	(891.87)	(4,284)	541	(891.87)
Add/(Less): Share of Other Comprehensive Income of Associates	12	(9,634)	100.12	-	-	-
Other Comprehensive Income for the Period, Net of Taxes	118,601	363,449	(67.37)	118,895	366,362	(67.55)
Total Comprehensive Income for the Period	2,420,549	2,620,213	(7.62)	2,397,484	2,607,242	(8.05)
Attributable to:						
Equity Holders of the Bank	2,419,670	2,619,503	(7.63)	2,397,484	2,607,242	(8.05)
Non-Controlling Interest	879	710	23.80	-	-	-
Total Comprehensive Income for the Period	2,420,549	2,620,213	(7.62)	2,397,484	2,607,242	(8.05)

STATEMENT OF FINANCIAL POSITION

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As at	GROUP			BANK		
	31.03.2014	31.12.2013 (Audited)	Change	31.03.2014	31.12.2013 (Audited)	Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
Assets						
Cash and Cash Equivalents	18,537,957	14,263,533	29.97	18,521,806	14,261,549	29.87
Balances with Central Banks	17,981,119	18,431,936	(2.45)	17,981,119	18,431,936	(2.45)
Placements with Banks	7,190,817	4,131,814	74.04	7,190,817	4,131,814	74.04
Derivative Financial Instruments	884,739	837,694	5.62	884,739	837,694	5.62
Other Financial Assets Held-for-Trading	15,241,713	6,379,058	138.93	15,241,713	6,379,058	138.93
Loans and Receivables to Banks	545,019	546,270	(0.23)	545,019	546,270	(0.23)
Loans and Receivables to Other Customers	417,929,491	418,944,215	(0.24)	417,937,980	418,959,675	(0.24)
Financial Investments - Available-for-Sale	148,107,320	123,748,290	19.68	148,107,320	123,748,290	19.68
Financial Investments - Held-to-Maturity	—	—	—	—	—	—
Investments in Subsidiaries	—	—	—	302,972	288,946	4.85
Investments in Associates	93,946	94,173	(0.24)	44,331	44,331	—
Property, Plant & Equipment	9,196,376	9,175,225	0.23	8,418,644	8,387,344	0.37
Intangible Assets	474,529	477,728	(0.67)	464,485	467,593	(0.66)
Leasehold Property	113,662	110,324	3.03	76,130	76,362	(0.30)
Deferred Tax Assets	530,931	515,323	3.03	530,059	507,078	4.53
Other Assets	11,776,074	9,536,683	23.48	11,775,864	9,539,165	23.45
Total Assets	648,603,693	607,192,266	6.82	648,022,998	606,607,105	6.83
Liabilities						
Due to Banks	9,165,353	14,194,219	(35.43)	9,165,353	14,194,219	(35.43)
Derivative Financial Instruments	601,747	1,411,916	(57.38)	601,747	1,411,916	(57.38)
Other Financial Liabilities Held-for- Trading	—	—	—	—	—	—
Due to Other Customers	472,175,185	451,098,946	4.67	472,244,617	451,152,923	4.68
Other Borrowings	74,947,990	53,997,503	38.80	75,125,885	54,173,175	38.68
Debt Securities Issued	—	—	—	—	—	—
Current Tax Liabilities	1,834,050	1,780,867	2.99	1,807,632	1,758,574	2.79
Deferred Tax Liabilities	2,242,074	2,278,737	(1.61)	2,040,335	2,070,148	(1.44)
Other Provisions	1,874	2,409	(22.21)	1,874	2,409	(22.21)
Other Liabilities	15,287,973	9,885,816	54.65	15,236,489	9,827,209	55.04
Due to Subsidiaries	—	—	—	15,691	15,686	0.03
Subordinated Liabilities	11,084,127	11,056,847	0.25	11,084,127	11,056,847	0.25
Total Liabilities	587,340,373	545,707,260	7.63	587,323,750	545,663,106	7.63

STATEMENT OF FINANCIAL POSITION

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<i>As at</i>	GROUP			BANK		
	31.03.2014	31.12.2013 (Audited)	Change	31.03.2014	31.12.2013 (Audited)	Change
	Rs. '000	Rs. '000	(%)	Rs. '000	Rs. '000	(%)
Equity						
Stated Capital	21,193,562	19,586,813	8.20	21,193,562	19,586,813	8.20
Statutory Reserves	3,768,094	4,034,614	(6.61)	3,768,094	4,034,614	(6.61)
Retained Earnings	2,159,947	4,359,632	(50.46)	2,011,199	4,233,364	(52.49)
Other Reserves	34,102,060	33,465,169	1.90	33,726,393	33,089,208	1.93
Total Equity Attributable to Equity Holders of the Bank	61,223,663	61,446,228	(0.36)	60,699,248	60,943,999	(0.40)
Non-Controlling Interest	39,657	38,778	2.27	-	-	-
Total Equity	61,263,320	61,485,006	(0.36)	60,699,248	60,943,999	(0.40)
Total Liabilities and Equity	648,603,693	607,192,266	6.82	648,022,998	606,607,105	6.83
Contingent Liabilities and Commitments	301,024,719	295,451,955	1.89	301,024,719	295,451,955	1.89
Net Assets Value per Ordinary Share (Rs.)	70.90	72.37	(2.03)	70.29	71.78	(2.08)
Memorandum Information						
Number of Employees				4,710	4,730	
Number of Customer Service Centres				253	253	

CERTIFICATION:

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

(Sgd.)

K.D.N. Buddhipala

Chief Financial Officer

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

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

(Sgd.)

D.S. Weerakkody

Chairman

(Sgd.)

W.M.R.S. Dias

Managing Director/Chief Executive Officer

May 9, 2014

Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital		Statutory Reserves		Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Rs. '000	Rs. '000	Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve			
Group											
Balance as at 01.01.2013 - Audited	18,008,796	3,245,818	187,577	4,172,814	4,737,125	475,467	(755,101)	2,846,935	20,048,989	52,968,420	53,000,561
Total Comprehensive Income for the Three Months Ended 31.03.2013											
Profit for the Three Months Ended 31.03.2013	-	-	-	2,256,054	-	-	-	-	-	2,256,054	2,256,764
Other Comprehensive Income for the Three Months Ended 31.03.2013	-	-	-	(9,634)	-	221,316	151,767	-	-	363,449	363,449
Total Comprehensive Income for the Three Months Ended 31.03.2013											
	-	-	-	2,246,420	-	221,316	151,767	-	-	2,619,503	2,620,213
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners											
Issue of Ordinary Shares Under Employee Share Option Plans	43,384	-	-	-	-	-	-	-	-	43,384	43,384
Dividends to Equity Holders	-	-	-	(833,609)	-	-	-	-	-	(833,609)	(833,609)
Second Interim Dividend for 2012	-	-	-	-	-	-	-	-	-	-	-
Final Dividend for 2012 Satisfied in the form of Issue and Allotment of New Shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	(166,883)
Final Cash Dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	(1,670,134)
Transfers During the Period	-	-	-	(411,387)	-	-	-	411,387	-	-	-
Total Transactions with Equity Holders	1,545,327	-	-	(4,582,648)	-	-	-	411,387	-	(2,625,934)	(2,627,242)
Balance as at 31.03.2013	19,554,123	3,245,818	187,577	1,836,586	4,737,125	696,783	(603,334)	3,258,322	20,048,989	52,961,989	52,993,532
Total Comprehensive Income for the Nine Months Ended 31.12.2013											
Profit for the Nine Months Ended 31.12.2013	-	-	-	8,307,324	-	-	-	-	-	8,307,324	8,316,693
Other Comprehensive Income for the Nine Months Ended 31.12.2013	-	-	-	(11,787)	(121,178)	1,355,652	209,576	-	-	1,432,263	1,432,275
Total Comprehensive Income for the Nine Months Ended 31.12.2013											
	-	-	-	8,295,537	(121,178)	1,355,652	209,576	-	-	9,739,587	9,381,974

STATEMENT OF CHANGES IN EQUITY - GROUP

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	Stated Capital		Statutory Reserves		Retained Earnings		Other Reserves				Total		Non-Controlling Interest		Total Equity		
	Rs. '000	Rs. '000	Statutory Reserve Fund	Primary Dealer Special Risk Reserve	Rs. '000	Rs. '000	Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners																	
Issue of Ordinary Shares Under Employee Share Option Plans	32,690	-	-	-	-	-	-	-	-	-	-	32,690	-	-	-	-	32,690
Dividends to Equity Holders	-	-	-	-	(1,273,491)	-	-	-	-	-	-	(1,273,491)	-	(1,308)	-	(1,308)	(1,274,799)
Deferred Tax Effect on Pre-acquisition Reserves	-	-	-	-	(14,547)	-	-	-	-	-	-	(14,547)	-	(838)	-	(838)	(15,385)
Re-classification of Retained Earnings to Available-for-Sale Reserve	-	-	-	-	28,967	-	(28,967)	-	-	-	-	-	-	-	-	-	-
Transfers During the Period	-	522,276	-	78,943	(4,513,420)	-	-	-	1,580,371	2,331,830	-	-	-	-	-	-	-
Total Transactions with Equity Holders	32,690	522,276	78,943	78,943	(5,772,491)	-	(28,967)	-	1,580,371	2,331,830	-	(1,255,348)	-	(2,146)	-	(2,146)	(1,257,494)
Balance as at 31.12.2013 - Audited	19,566,813	3,768,094	266,520	266,520	4,359,632	4,615,947	2,023,468	(393,758)	4,838,693	22,380,819	61,448,228	38,778	-	-	-	38,778	61,488,006
Total Comprehensive Income for the Three Months Ended 31.03.2014																	
Profit for the Three Months Ended 31.03.2014	-	-	-	-	2,301,069	-	-	-	-	-	-	2,301,069	-	879	-	879	2,301,948
Other Comprehensive Income for the Three Months Ended 31.03.2014	-	-	-	-	-	-	119,669	(1,068)	-	-	-	118,601	-	-	-	-	118,601
Total Comprehensive Income for the Three Months Ended 31.03.2014	-	-	-	-	2,301,069	-	119,669	(1,068)	-	-	-	2,419,670	879	-	-	879	2,420,549
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners																	
Issue of Ordinary Shares Under Employee Share Option Plans	76,823	-	-	-	-	-	-	-	-	-	-	76,823	-	-	-	-	76,823
Dividends to Equity Holders	-	-	-	-	(849,149)	-	-	-	-	-	-	(849,149)	-	-	-	-	(849,149)
Second Interim Dividend for 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Dividend for 2013 Satisfied in the form of Issue and Allotment of New Shares	1,529,925	-	-	-	(1,699,917)	-	-	-	-	-	-	(169,992)	-	-	-	-	(169,992)
Final Cash Dividend for 2013	-	-	-	-	(1,699,917)	-	-	-	-	-	-	(1,699,917)	-	-	-	-	(1,699,917)
Transfers During the Period	-	-	-	(266,520)	(251,771)	-	-	-	-	251,771	266,520	-	-	-	-	-	-
Total Transactions with Equity Holders	1,606,748	-	(266,520)	-	(4,500,754)	-	-	-	251,771	266,520	(2,642,235)	-	-	-	-	(2,642,235)	(2,642,235)
Balance as at 31.03.2014	21,193,561	3,768,094	-	-	2,159,947	4,615,947	2,143,137	(394,826)	5,090,464	22,647,339	61,223,663	39,657	-	-	39,657	61,263,320	

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated Capital		Statutory Reserves		Retained Earnings	Other Reserves				Total	Non-Controlling Interest	Total Equity
	Rs. '000	Rs. '000	Statutory Reserve Fund	Primary Dealer Special Risk Reserve		Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Account			
					Rs. '000					Rs. '000	Rs. '000	Rs. '000
Bank												
Balance as at 01.01.2013 - Audited	18,008,796	3,245,818	187,577	4,178,080	4,343,232	475,467	(757,894)	2,846,935	20,048,989	52,577,000	-	52,577,000
Total Comprehensive Income for the Three Months Ended 31.03.2013	-	-	-	2,240,880	-	-	-	-	-	2,240,880	-	2,240,880
Profit for the Three Months Ended 31.03.2013	-	-	-	-	-	221,316	145,046	-	-	366,362	-	366,362
Other Comprehensive Income for the Three Months Ended 31.03.2013	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the Three Months Ended 31.03.2013	-	-	-	2,240,880	-	221,316	145,046	-	-	2,607,242	-	2,607,242
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners												
Issue of Ordinary Shares Under Employee Share Option Plans	43,384	-	-	-	-	-	-	-	-	43,384	-	43,384
Dividends to Equity Holders	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Second Interim Dividend for 2012	-	-	-	-	-	-	-	-	-	-	-	-
Final Dividend for 2012 Satisfied in the form of Issue and Allotment of New Shares	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
Final Cash Dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
Transfers During the Period	-	-	-	(411,387)	-	-	-	411,387	-	-	-	-
Total Transactions with Equity Holders	1,545,327	-	-	(4,562,648)	-	-	-	411,387	-	(2,625,934)	-	(2,625,934)
Balance as at 31.03.2013	19,554,123	3,245,818	187,577	1,836,312	4,343,232	696,783	(612,848)	3,258,322	20,048,989	52,558,308	-	52,558,308
Total Comprehensive Income for the Nine Months Ended 31.12.2013												
Profit for the Nine Months Ended 31.12.2013	-	-	-	8,204,631	-	-	-	-	-	8,204,631	-	8,204,631
Other Comprehensive Income for the Nine Months Ended 31.12.2013	-	-	-	(20,668)	(121,178)	1,357,784	205,923	-	-	1,421,861	-	1,421,861
Total Comprehensive Income for the Nine Months Ended 31.12.2013	-	-	-	8,183,963	(121,178)	1,357,784	205,923	-	-	9,625,492	-	9,625,492

STATEMENT OF CHANGES IN EQUITY - BANK

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	Stated Capital		Statutory Reserves			Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity	
	Rs. '000	Rs. '000	Statutory Reserve Fund	Primary Dealer Special Reserve	Earnings	Revaluation Reserve	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Investment Fund Account	General Reserve	Rs. '000	Rs. '000	Rs. '000
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners													
Issue of Ordinary Shares Under Employee Share Option Plans	32,690	-	-	-	-	-	-	-	-	-	-	32,690	-
Dividends to Equity Holders	-	-	-	-	(1,273,491)	-	-	-	-	-	-	(1,273,491)	-
First Interim Dividend for 2013	-	-	-	78,943	(4,513,420)	-	-	-	1,560,371	2,331,830	-	-	-
Transfers During the Period	-	522,276	-	-	-	-	-	-	-	-	-	-	-
Total Transactions with Equity Holders	32,690	522,276	78,943	(5,786,911)	-	-	-	1,580,371	2,331,830	(1,240,801)	-	(1,240,801)	-
Balance as at 31.12.2013 - Audited	19,586,813	3,768,094	266,520	4,233,364	4,222,054	2,054,567	(406,925)	4,838,693	22,380,819	60,943,999	-	60,943,999	-
Total Comprehensive Income for the Three Months Ended 31.03.2014													
Profit for the Three Months Ended 31.03.2014	-	-	-	-	2,278,589	-	-	-	-	-	-	2,278,589	-
Other Comprehensive Income for the Three Months Ended 31.03.2014	-	-	-	-	-	-	119,657	(762)	-	-	-	118,895	-
Total Comprehensive Income for the Three Months Ended 31.03.2014	-	-	-	-	2,278,589	-	119,657	(762)	-	-	-	2,397,484	-
Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners													
Issue of Ordinary Shares Under Employee Share Option Plans	76,823	-	-	-	-	-	-	-	-	-	-	76,823	-
Dividends to Equity Holders	-	-	-	-	(849,149)	-	-	-	-	-	-	(849,149)	-
Second Interim Dividend for 2013	-	-	-	-	-	-	-	-	-	-	-	-	-
Final dividend for 2013 satisfied in the form of issue and allotment of new shares	1,529,925	-	-	-	(1,699,917)	-	-	-	-	-	-	(169,992)	-
Final Cash Dividend for 2013	-	-	-	-	(1,699,917)	-	-	-	-	-	-	(1,699,917)	-
Transfers During the Period	-	-	(266,520)	(251,771)	-	-	-	251,771	266,520	-	-	-	-
Total Transactions with Equity Holders	1,606,748	(266,520)	-	(4,500,754)	-	-	-	251,771	266,520	(2,642,235)	-	(2,642,235)	-
Balance as at 31.03.2014	21,193,561	3,768,094	-	2,011,199	4,222,054	2,174,224	(407,687)	5,090,464	22,647,339	60,699,248	-	60,699,248	-

STATEMENT OF CASH FLOWS

10

For the three months ended March 31,

	Group		Bank	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Cash Flows from Operating Activities				
Profit Before Taxation	3,323,624	3,255,169	3,290,521	3,229,883
Adjustment For:				
Non-Cash Items Included in Profit Before Tax	1,439,542	900,500	1,434,274	878,697
Change in Operating Assets	(37,638,979)	(27,766,536)	(37,633,323)	(27,804,780)
Change in Operating Liabilities	39,877,138	15,501,387	39,901,944	15,637,750
Net (Gains)/Losses from Investing Activities	1,883	(137)	355	(137)
Share of Profit of Associates	(891)	(1,835)	-	-
Interest Expense on Subordinated Liabilities	182,165	32,299	182,165	32,299
Benefits Paid on Defined Benefit Plans	(157,734)	(146,148)	(157,734)	(146,148)
Tax Paid	(1,021,655)	(782,971)	(1,015,668)	(781,031)
Net unrealised Gain from Translation of Financial Statements of Foreign Operations	(1,068)	151,767	(762)	145,046
Net Cash Generated from/(Used in) Operating Activities	6,004,025	(8,856,505)	6,001,772	(8,808,421)
Cash Flows from Investing Activities				
Net additions of Property, Plant and Equipment	(318,034)	(128,527)	(307,752)	(132,915)
Proceeds From the Sale of Property, Plant and Equipment	4,128	-	88	-
Purchase of Financial Investments	(888,998)	(501,774)	(888,998)	(501,774)
Proceeds from the Sale and Maturity of Financial Investments	404,627	350,508	404,627	350,508
Net additions of Intangible Assets	(4,113)	(42,143)	(4,174)	(42,525)
Net Cash Flow from Acquisition of Investment in Subsidiaries and Associates	-	-	(18,095)	-
Net Cash Generated/(Used in) Investing Activities	(802,390)	(321,936)	(814,304)	(326,706)
Cash Flows from Financing Activities				
Net Proceeds from the Issue of Ordinary Share Capital	76,823	43,384	76,823	43,384
Net Proceeds from the Issue of Subordinated liabilities	-	9,506,250	-	9,506,250
Interest Paid on Subordinated liabilities	(154,885)	(132,443)	(154,885)	(132,443)
Dividend Paid to Non-Controlling Interest	-	(1,308)	-	-
Dividend Paid to Shareholders of the Parent Company	(849,149)	(2,669,318)	(849,149)	(2,669,318)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Net Cash from Generated/(Used in) Financing Activities	(927,211)	6,746,565	(927,211)	6,747,873
Net Increase/(Decrease) in Cash & Cash Equivalents	4,274,424	(2,431,876)	4,260,257	(2,387,254)
Cash and Cash Equivalents at the Beginning of the Year	14,263,533	19,752,205	14,261,549	19,732,834
Cash and Cash Equivalents at the End of the Period	18,537,957	17,320,329	18,521,806	17,345,580

(a) Group - (As at 31.03.2014)

	Held for Trading (HFT)	Loans and Receivables (L and R)	Available-for- Sale (AFS)	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and Cash Equivalents		18,537,957			18,537,957
Balances with Central Banks		17,981,119			17,981,119
Placements with Banks		7,190,817			7,190,817
Derivative Financial Instruments	884,739				884,739
Other Financial Assets Held-for-Trading	15,241,713				15,241,713
Loans and Receivables to Banks		545,019			545,019
Loans and Receivables to Other Customers		417,929,491			417,929,491
Financial Investments - Available-for-Sale			148,107,320		148,107,320
Total Financial Assets	16,126,452	462,184,403	148,107,320	-	626,418,175
Investments in Subsidiaries				-	-
Investments in Associates				93,946	93,946
Property, Plant & Equipment				9,196,376	9,196,376
Intangible Assets				474,529	474,529
Leasehold Property				113,662	113,662
Deferred Tax Assets				530,931	530,931
Other Assets				11,776,074	11,776,074
Total Non-Financial Assets	-	-	-	22,185,518	22,185,518
Total Assets	16,126,452	462,184,403	148,107,320	22,185,518	648,603,693

	Held for Trading (HFT)	Amortised Cost	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
LIABILITIES				
Due to Banks		9,165,353		9,165,353
Derivative Financial Instruments	601,747	-		601,747
Other Financial Liabilities Held-for-Trading		-		-
Due to Other Customers		472,175,185		472,175,185
Other Borrowings		74,947,990		74,947,990
Debt Securities Issued		-		-
Other Liabilities		-		-
Subordinated Liabilities		11,084,127		11,084,127
Total Financial Liabilities	601,747	567,372,655	-	567,974,402
Current Tax Liabilities			1,834,050	1,834,050
Deferred Tax Liabilities			2,242,074	2,242,074
Other Provisions			1,874	1,874
Other Liabilities			15,287,973	15,287,973
Due to Subsidiaries			-	-
Total Non-Financial Liabilities	-	-	19,365,971	19,365,971
Total Liabilities	601,747	567,372,655	19,365,971	587,340,373

(b) Group - (As at 31.12.2013) - Audited

	Held for Trading (HFT)	Loans and Receivables (L and R)	Available-for- Sale (AFS)	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and Cash Equivalents		14,263,533			14,263,533
Balances with Central Banks		18,431,936			18,431,936
Placements with Banks		4,131,814			4,131,814
Derivative Financial Instruments	837,694				837,694
Other Financial Assets Held-for-Trading	6,379,058				6,379,058
Loans and Receivables to Banks		546,270			546,270
Loans and Receivables to Other Customers		418,944,215			418,944,215
Financial Investments - Available-for-Sale			123,748,290		123,748,290
Total Financial Assets	7,216,752	456,317,768	123,748,290	-	587,282,810
Investments in Subsidiaries				-	-
Investments in Associates				94,173	94,173
Property, Plant & Equipment				9,175,225	9,175,225
Intangible Assets				477,728	477,728
Leasehold Property				110,324	110,324
Deferred Tax Assets				515,323	515,323
Other Assets				9,536,683	9,536,683
Total Non-Financial Assets	-	-	-	19,909,456	19,909,456
Total Assets	7,216,752	456,317,768	123,748,290	19,909,456	607,192,266

	Held for Trading (HFT)	Amortised Cost	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
LIABILITIES				
Due to Banks		14,194,219		14,194,219
Derivative Financial Instruments	1,411,916	-		1,411,916
Other Financial Liabilities Held-for-Trading		-		-
Due to Other Customers		451,098,946		451,098,946
Other Borrowings		53,997,503		53,997,503
Debt Securities Issued		-		-
Other Liabilities		-		-
Subordinated Liabilities		11,056,847		11,056,847
Total Financial Liabilities	1,411,916	530,347,515	-	531,759,431
Current Tax Liabilities			1,780,867	1,780,867
Deferred Tax Liabilities			2,278,737	2,278,737
Other Provisions			2,409	2,409
Other Liabilities			9,885,816	9,885,816
Due to Subsidiaries			-	-
Total Non-Financial Liabilities	-	-	13,947,829	13,947,829
Total Liabilities	1,411,916	530,347,515	13,947,829	545,707,260

(a) Bank - (As at 31.03.2014)

	Held for Trading (HFT)	Loans and Receivables (L and R)	Available-for- Sale (AFS)	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and Cash Equivalents		18,521,806			18,521,806
Balances with Central Banks		17,981,119			17,981,119
Placements with Banks		7,190,817			7,190,817
Derivative Financial Instruments	884,739				884,739
Other Financial Assets Held-for-Trading	15,241,713				15,241,713
Loans and Receivables to Banks		545,019			545,019
Loans and Receivables to Other Customers		417,937,980			417,937,980
Financial Investments - Available-for-Sale			148,107,320		148,107,320
Total Financial Assets	16,126,452	462,176,741	148,107,320	-	626,410,513
Investments in Subsidiaries				302,972	302,972
Investments in Associates				44,331	44,331
Property, Plant & Equipment				8,418,644	8,418,644
Intangible Assets				464,485	464,485
Leasehold Property				76,130	76,130
Deferred Tax Assets				530,059	530,059
Other Assets				11,775,864	11,775,864
Total Non-Financial Assets	-	-	-	21,612,485	21,612,485
Total Assets	16,126,452	462,176,741	148,107,320	21,612,485	648,022,998

	Held for Trading (HFT)	Amortised Cost	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
LIABILITIES				
Due to Banks		9,165,353		9,165,353
Derivative Financial Instruments	601,747	-		601,747
Other Financial Liabilities Held-for-Trading		-		-
Due to Other Customers		472,244,617		472,244,617
Other Borrowings		75,125,885		75,125,885
Debt Securities Issued		-		-
Other Liabilities		-		-
Subordinated Liabilities		11,084,127		11,084,127
Total Financial Liabilities	601,747	567,619,982	-	568,221,729
Current Tax Liabilities			1,807,632	1,807,632
Deferred Tax Liabilities			2,040,335	2,040,335
Other Provisions			1,874	1,874
Other Liabilities			15,236,489	15,236,489
Due to Subsidiaries			15,691	15,691
Total Non-Financial Liabilities	-	-	19,102,021	19,102,021
Total Liabilities	601,747	567,619,982	19,102,021	587,323,750

(b) Bank - (As at 31.12.2013) - Audited

	Held for Trading (HFT)	Loans and Receivables (L and R)	Available-for-Sale (AFS)	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Cash and Cash Equivalents		14,261,549			14,261,549
Balances with Central Banks		18,431,936			18,431,936
Placements with Banks		4,131,814			4,131,814
Derivative Financial Instruments	837,694				837,694
Other Financial Assets Held-for-Trading	6,379,058				6,379,058
Loans and Receivables to Banks		546,270			546,270
Loans and Receivables to Other Customers		418,959,675			418,959,675
Financial Investments - Available-for-Sale			123,748,290		123,748,290
Total Financial Assets	7,216,752	456,331,244	123,748,290	–	587,296,286
Investments in Subsidiaries				288,946	288,946
Investments in Associates				44,331	44,331
Property, Plant & Equipment				8,387,344	8,387,344
Intangible Assets				467,593	467,593
Leasehold Property				76,362	76,362
Deferred Tax Assets				507,078	507,078
Other Assets				9,539,165	9,539,165
Total Non-Financial Assets	–	–	–	19,310,819	19,310,819
Total Assets	7,216,752	456,331,244	123,748,290	19,310,819	606,607,105

	Held for Trading (HFT)	Amortised Cost	Others	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
LIABILITIES				
Due to Banks		14,194,219		14,194,219
Derivative Financial Instruments	1,411,916	–		1,411,916
Other Financial Liabilities Held-for-Trading		–		–
Due to Other Customers		451,152,923		451,152,923
Other Borrowings		54,173,175		54,173,175
Debt Securities Issued		–		–
Other Liabilities		–		–
Subordinated Liabilities		11,056,847		11,056,847
Total Financial Liabilities	1,411,916	530,577,164	–	531,989,080
Current Tax Liabilities			1,758,574	1,758,574
Deferred Tax Liabilities			2,070,148	2,070,148
Other Provisions			2,409	2,409
Other Liabilities			9,827,209	9,827,209
Due to Subsidiaries			15,686	15,686
Total Non-Financial Liabilities	–	–	13,674,026	13,674,026
Total Liabilities	1,411,916	530,577,164	13,674,026	545,663,106

SELECTED PERFORMANCE INDICATORS (As per the Regulatory Reporting) 15

	Bank		Group	
	As at 31.03.2014	As at 31.12.2013 (Audited)	As at 31.03.2014	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	51,559,233	51,480,986	51,727,401	51,649,064
Total Capital Base - Rs. '000	65,610,170	65,579,876	65,778,338	65,747,955
Core Capital Adequacy Ratio - Core Capital as a % of Risk-Weighted Assets (Minimum Requirement, 5%)	12.84%	13.27%	12.87%	13.30%
Total Capital Adequacy Ratio - Total Capital as a % of Risk-Weighted Assets (Minimum Requirement, 10%)	16.34%	16.91%	16.37%	16.93%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.40%	3.88%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.54%	2.12%		
Profitability				
Interest Margin	4.25%	4.53%		
Return on Assets (before Tax)	2.13%	2.59%		
Return on Equity	15.19%	18.40%		
Debt Security-Related Ratios				
Debt Equity Ratio	33.50%	32.51%		
Interest Cover (Times)	18.55	25.90		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	162,660,317	146,690,969		
Off-Shore Banking Unit	7,515,571	8,092,612		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	36.35%	33.66%		
Off-Shore Banking Unit	32.02%	29.38%		

For the three months ended March 31,

	Banking		Leasing		Dealing/Treasury		Investments		Total/Consolidated	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000						
External Operating Income:										
Net Interest Income	5,861,060	4,954,915	228,176	251,960	355,077	311,613	131,129	96,920	6,575,442	5,615,408
Foreign Exchange Profit	20,216	655,537	—	—	386,968	131,394	—	—	407,184	786,931
Net Fees and Commission Income	1,045,106	906,885	—	—	2,563	2,155	—	—	1,047,659	909,040
Other Income	302,675	230,249	282,271	80,195	80,597	60,031	135,289	12,513	800,832	382,988
Eliminations/Unallocated	—	—	—	—	—	—	—	—	87,336	74,121
Total Operating Income	7,229,057	6,747,587	510,447	332,155	825,195	505,193	266,418	109,433	8,918,453	7,768,489
Impairment Charges for Loans and Other Losses	(843,845)	(487,860)	(300,491)	(13,160)	—	—	—	—	(1,144,336)	(511,020)
Net Operating Income	6,385,212	6,249,727	209,956	318,995	825,195	505,193	266,418	109,433	7,774,117	7,257,469
Segment Result	3,878,565	3,752,777	187,461	318,994	221,816	210,823	237,873	97,708	3,554,295	4,380,302
Unallocated Operating Expenses	—	—	—	—	—	—	—	—	(1,202,091)	(1,128,968)
Profit from Operations	—	—	—	—	—	—	—	—	3,323,624	3,253,334
Share of Profit of Associates	—	—	—	—	—	—	—	—	891	1,835
Income Tax Expense	—	—	—	—	—	—	—	—	(1,022,567)	(998,405)
Non-Controlling Interest	—	—	—	—	—	—	—	—	(879)	(710)
Net Profit, Attributable to Equity Holders of the Parent Company	2,301,069	2,256,054								

As at March 31,

	Banking		Leasing		Dealing/Treasury		Investments		Total/Consolidated	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Other Information										
Segment Assets	376,733,803	292,742,540	19,758,437	23,133,607	224,529,183	157,881,102	5,396,792	4,503,718	626,418,175	478,260,967
Investment in Associates	—	—	—	—	—	—	93,946	85,316	93,946	85,316
Unallocated Assets	—	—	—	—	—	—	—	—	22,091,572	58,891,282
Total Assets	376,733,803	292,742,540	19,758,437	23,133,607	224,529,183	157,881,102	5,396,792	4,503,718	648,603,693	537,237,565
Segment Liabilities	333,485,931	356,023,348	19,758,437	23,133,607	224,529,183	95,669,625	5,490,698	4,589,034	583,264,249	479,415,614
Unallocated Liabilities	—	—	—	—	—	—	—	—	4,076,124	4,827,039
Total Liabilities	333,485,931	356,023,348	19,758,437	23,133,607	224,529,183	95,669,625	5,490,698	4,589,034	587,340,373	484,242,653

For the three months ended March 31,

	Banking		Leasing		Dealing/Treasury		Investments		Total/Consolidated	
	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
Information on Cash Flows										
Cash Flows from Operating Activities	16,123,757	12,332,874	1,176,338	995,085	(2,433,415)	(5,716,483)	(8,862,655)	(16,467,981)	6,004,025	(8,856,505)
Cash Flows from Investing Activities	—	—	—	—	—	—	(480,243)	(151,266)	(480,243)	(151,266)
Cash Flows from Financing Activities	—	9,506,250	—	—	(154,885)	(132,443)	—	—	(154,885)	9,375,807
Capital Expenditure:										
Property, Plant & Equipment	—	—	—	—	—	—	—	—	(318,034)	(128,527)
Intangible Assets	—	—	—	—	—	—	—	—	(4,113)	(42,143)
Eliminations/Unallocated	—	—	—	—	—	—	—	—	(772,326)	(2,627,242)
Net Cash Flow Generated	16,123,757	21,839,124	1,176,338	995,085	(2,433,415)	(5,716,483)	(8,862,655)	(16,467,981)	4,274,424	(2,431,876)

Twenty Largest Voting Shareholders as at March 31, 2014

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	119,806,122	14.83
Employees Provident Fund	78,806,032	9.75
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	52,349,247	6.48
Mr. Y.S.H.I. Silva	44,692,522	5.53
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,851,867	5.06
CB NY S/A International Finance Corporation	40,381,198	5.00
Sri Lanka Insurance Corporation Ltd. - General Fund	35,126,985	4.35
HSBC Intl. Nominees Ltd. - BPSS LUX - Aberdeen Global - Asian Smaller Companies Fund	18,065,799	2.24
Distilleries Company of Sri Lanka PLC	17,621,541	2.18
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	15,374,430	1.90
Mrs. L.E.M. Yaseen	12,422,132	1.54
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,905,077	1.35
Mercantile Investments and Finance PLC	10,405,566	1.29
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,198,498	1.01
HSBC Intl. Nominees Ltd. - BPSS LUX - Aberdeen Global - Emerging Markets Smaller Companies Fund	8,173,451	1.01
Northern Trust Company S/A Harding Loevner Emerging Markets Portfolio	7,871,834	0.97
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds, LLC	7,807,156	0.97
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,515,307	0.93
HSBC Intl. Nominees Ltd. - BP2S -London Aberdeen Asia Smaller Companies Investment Trust	6,777,581	0.84
The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return Fund	6,184,832	0.77
Sub Total	549,337,177	67.99
Other Shareholders	258,582,384	32.01
Total	807,919,561	100.00

Percentage of public holdings as at March 31, 2014 - 99.52%.

Twenty Largest Non-Voting Shareholders as at March 31,2014

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,215,179	5.78
CITY Bank NY S/A Forward International Dividend Fund	1,834,960	3.30
GF Capital Global Ltd.	1,545,795	2.78
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,379,083	2.48
Northern Trust Company S/A The Ashmoreemm Umbrella Trust Fund	1,328,111	2.39
Mr. J.D. Bandaranayake	1,098,285	1.98
Waldock Mackenzie Lts/Mr. S.N.P. Paliheha and Mrs. A.S. Paliheha	1,019,007	1.83
M.J.F. Exports Ltd.	950,795	1.71
MAS Capital (Pvt) Ltd.	816,856	1.47
Employees Provident Fund	764,255	1.38
Mr. M.F. Hashim	746,733	1.34
Saboor Chatoor (Pvt) Ltd.	723,495	1.30
Northern Trust Company S/A Polar Capital Funds PLC	664,006	1.19
CITY Bank NY S/A Forward Select EM Dividend Fund	630,031	1.13
Mr. J.G. De Mel	541,024	0.97
Asian Alliance Insurance PLC - A/C 02 (Life Fund)	504,482	0.91
Akbar Brothers (Pvt) Ltd. A/C No.01	497,214	0.89
Dr. A.K.A. Jayawardene	490,623	0.88
Mrs. L.V.C. Samarasinha	465,833	0.84
Mr. G.A. Mallawaarachy & Mrs. B.G.P. Mallawaarachy (Joint)	442,126	0.80
Sub-Total	19,657,893	35.37
Other Shareholders	35,922,053	64.63
Total	55,579,946	100.00

Percentage of public holding as at March 31, 2014 - 99.82%.

Directors' Holding in Shares as at March 31, 2014

Name of Director	No. of Ordinary Shares	
	Voting	Non-Voting
Mr. D.S. Weerakkody - <i>Chairman</i>	26,867	12,452
Mr. K.G.D.D. Dheerasinghe - <i>Deputy Chairman</i>	20,653	-
Mr. W.M.R.S. Dias - <i>Managing Director/Chief Executive Officer</i>	740,708	-
Prof. U.P. Liyanage	-	-
Mr. L. Hulugalle	-	-
Mr. M.P. Jayawardena	-	-
Mr. S. Swarnajothi	-	8,490
Mr. J. Durairatnam	379,087	-

	2014 Rs.	2013 Rs.
Market Price of an Ordinary Share of the Bank as at March 31,		
Voting	123.00	113.00
Non-Voting	97.00	96.90
Highest Price during the Quarter ended March 31,		
Voting	131.50	114.50
Non-Voting	100.00	99.90
Lowest Price during the Quarter ended March 31,		
Voting	113.50	103.20
Non-Voting	93.50	89.60
Number of Ordinary Shares issued as at March 31,		
Voting	807,919,561	780,939,063
Non-Voting	55,579,946	53,473,748

1. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2013. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform with the current presentation.
2. There were no material events that took place since March 31, 2014, that require disclosure in these Interim Financial Statements.
3. The Bank paid the second interim dividend of Rs.1.00 per share on January 27, 2014, to both voting and non-voting ordinary shareholders of the Bank for the year ended December 31, 2013. The final dividend of Rs 4.00 per share (which consists of Rs 2.00 in the form of cash and Rs 2.00 in the form of shares) for both voting and non-voting shares of the Bank for the year ended December 31, 2013 was paid on April 09, 2014.
4. During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
5. All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

Debenture Categories	CSE Listing	Interest Payable Frequency	Balance as at March 31, 2014 Rs. Mn.	Market Values			Interest Rates		Interest Rate of Comparable Government Security %	Other Ratios as at Date of Last Trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield to Maturity %
Fixed Rate May 2006/May 2016 - 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	7.60	-	-
				-	-	-	13.25	13.25	11.20	-	-
Dec. 2006/Dec. 2016 - 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	8.10	Not traded during the current period	
				Not traded during the current period			14.00	14.00	11.20	Not traded during the current period	
Floating Rate Dec. 2006/Dec. 2016 - 12 Months TB Rate (Gross) + 1% p.a.	Listed	Annually	0.4	Not traded during the current period			13.99	13.99	8.85	Not traded during the current period	
				Not traded during the current period			13.91	13.91	13.60	Not traded during the current period	
Total Debentures			972.7								

(Comparative information for 2013 have been highlighted).

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

(As per the Circular No. 02/17/900/0001/004 dated on October 11, 2013 issued by The Central Bank of Sri Lanka)

	Group		Bank	
	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000
	1. Loans and Receivables to Other Customers			
Gross Loans and Receivables	434,260,332	434,731,383	434,268,821	434,746,843
Less: Allowance for Individual Impairment	4,551,869	4,204,654	4,551,869	4,204,654
Allowance for Collective Impairment	11,778,972	11,582,514	11,778,972	11,582,514
Net Loans and Receivables	417,929,491	418,944,215	417,937,980	418,959,675

	Group		Bank	
	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000
	2. Loans and Receivables to Other Customers - By Product			
Domestic Currency				
Loans And Advances				
Overdrafts	66,358,934	64,263,957	66,358,547	64,263,957
Trade Finance	31,439,395	32,341,285	31,439,395	32,341,285
Lease Rental Receivable	20,767,282	21,561,529	20,777,600	21,578,494
Credit Cards	4,060,106	3,956,214	4,060,106	3,956,214
Pawning	4,924,612	6,995,603	4,924,612	6,995,603
Staff Loans	3,910,523	3,773,611	3,909,081	3,772,106
Housing Loans	27,642,567	27,248,649	27,642,567	27,248,649
Personal Loans	16,373,639	16,237,144	16,373,639	16,237,144
Term Loans				
Short-Term	16,737,590	21,749,968	16,737,590	21,749,968
Long-Term	109,637,792	102,726,045	109,637,792	102,726,045
Bills of Exchange	2,511,652	2,187,828	2,511,652	2,187,828
Securities Purchased Under Resale Agreements	12,994,579	6,618,100	12,994,579	6,618,100
Sub Total	317,358,671	309,659,933	317,367,160	309,675,393
Others				
Government Securities	660,015	645,610	660,015	645,610
Investments	3,968,893	4,302,475	3,968,893	4,302,475
Sub Total	4,628,908	4,948,085	4,628,908	4,948,085
Gross Loans and Receivables	321,987,579	314,608,018	321,996,068	314,623,478

(As per the Circular No. 02/17/900/0001/004 dated on October 11, 2013 issued by The Central Bank of Sri Lanka)

	Group		Bank	
	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000
	Foreign Currency			
Loans And Advances				
Overdrafts	7,396,352	8,156,718	7,396,352	8,156,718
Trade Finance	11,983,616	15,615,852	11,983,616	15,615,852
Lease Rental Receivable	218,347	217,216	218,347	217,216
Credit Cards	46,551	43,405	46,551	43,405
Pawning	-	-	-	-
Staff Loans	104,842	113,805	104,842	113,805
Housing Loans	633,118	481,304	633,118	481,304
Personal Loans	254,954	280,199	254,954	280,199
Term Loans				
Short-Term	4,793,108	8,886,299	4,793,108	8,886,299
Long-Term	30,696,343	30,598,473	30,696,343	30,598,473
Bills of Exchange	3,605,600	2,855,831	3,605,600	2,855,831
Securities Purchased Under Resale Agreements	4,047,310	2,328,399	4,047,310	2,328,399
Sub Total	63,780,141	69,577,501	63,780,141	69,577,501
Others				
Government Securities	48,423,552	50,471,323	48,423,552	50,471,323
Investments	69,060	74,541	69,060	74,541
Sub Total	48,492,612	50,545,864	48,492,612	50,545,864
Gross Loans and Receivables	112,272,753	120,123,365	112,272,753	120,123,365
	434,260,332	434,731,383	434,268,821	434,746,843

	Group		Bank	
	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000
	3. Movement in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers			
Movement in Allowance for Individual Impairment				
Opening Balance	4,204,654	3,402,168	4,204,654	3,402,168
Charge/(Write Back) to the Income Statement	940,425	3,021,394	940,425	3,021,394
Net Write-Off/(Recoveries) during the Period	(622,323)	(2,320,881)	(622,323)	(2,320,881)
Exchange Rate Variance on Foreign Currency Provisions	(2,268)	18,792	(2,268)	18,792
Interest Accrued on Impaired Loans & Advances	(83,388)	(304,712)	(83,388)	(304,712)
Other Movements	114,769	387,893	114,769	387,893
Closing Balance	4,551,869	4,204,654	4,551,869	4,204,654
Movement in Allowance for Collective Impairment				
Opening Balance	11,582,514	10,099,059	11,582,514	10,099,059
Charge/(Write Back) to the Income Statement	196,528	1,479,914	196,528	1,479,914
Exchange Rate Variance on Foreign Currency Provisions	(70)	3,541	(70)	3,541
Other Movements	-	-	-	-
Closing Balance	11,778,972	11,582,514	11,778,972	11,582,514
Total of Individual and Collective Impairment	16,330,841	15,787,168	16,330,841	15,787,168

(As per the Circular No. 02/17/900/0001/004 dated on October 11, 2013 issued by The Central Bank of Sri Lanka)

	Group		Bank	
	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000	As at 31.03.2014 Rs. '000	As at 31.12.2013 Rs. '000
	4. Due to Other Customers - By Product			
Domestic Currency				
Current Account Deposits	29,829,808	27,775,664	29,829,848	27,775,704
Savings Deposits	129,651,345	119,827,302	129,693,003	119,827,302
Time Deposits	198,046,582	191,597,280	198,074,316	191,651,217
Certificates of Deposits	1,893,419	3,566,003	1,893,419	3,566,003
Sub Total	359,421,154	342,766,249	359,490,586	342,820,226
Foreign Currency				
Current Account Deposits	11,087,752	9,111,749	11,087,752	9,111,749
Savings Deposits	40,869,736	39,594,656	40,869,736	39,594,656
Time Deposits	60,796,543	59,626,292	60,796,543	59,626,292
Certificates of Deposits	-	-	-	-
Sub Total	112,754,031	108,332,697	112,754,031	108,332,697
Total	472,175,185	451,098,946	472,244,617	451,152,923

Despite the challenges of narrowing margins and slow growth in loans and advances faced by the banking industry, the Bank was able to record a growth of 17.07% and reach Rs. 6.571 Bn., in net interest income for the three months period ended March 31, 2014, compared to Rs. 5.613 Bn., recorded in the corresponding period last year.

This growth was facilitated by higher levels of interest income and also a drop recorded in interest expenses.

Total deposits of the Bank recorded a growth of 3.45% or Rs. 16.062 Bn. during the first three months of the year. However, loans and receivables of the Bank recorded a slight drop of 0.24% or Rs. 1.0 Bn. during this period.

The gross income of the Bank during the first quarter of 2014 reached Rs. 17.760 Bn., reflecting a growth of Rs. 0.989 Bn., or 5.90% compared to Rs. 16.771 Bn., recorded during the same period last year. This was mainly facilitated by a growth of 5.25% recorded in interest income of the Bank. Similarly, fees and commission income as well as net gains from financial investments also recorded substantial improvements during the period under review.

As a result of these factors, the net operating income of the Bank which comprises of both fund and fee based operations reached Rs. 7.744 Bn., as against Rs. 7.228 Bn., reported during the first quarter of the last year and this reflected an increase of Rs. 0.516 Bn., or 7.13%. Total impairment charges which comprise of individual and collective impairment for the first three months of the year amounted to Rs. 1.151 Bn., an increase of Rs. 633 Mn. when compared to the same period of the last year.

The total expenses which include personnel expenses, depreciation and amortisation and other expenses amounted to Rs. 3.847 Bn., and this reflected an increase of Rs. 0.339 Bn., or 9.68% compared to Rs. 3.508 Bn., reported in the corresponding period last year.

Consequently, the pre-tax profit of the Bank reached Rs. 3.897 Bn., a growth of 4.73% compared to Rs. 3.721 Bn. recorded in first quarter of 2013. The Bank provided the Nation Building Tax on financial services, a new tax introduced through Government Budget effective from January 01, 2014. As a result, VAT & NBT reached Rs. 606.347 Mn., an increase of 23.53% compared to Rs. 490.868 Mn., last year. Post tax profit of the Bank reached Rs. 2.279 Bn., a growth of 1.68% compared to Rs. 2.241 Bn., reported for the corresponding period last year.

Total assets of the Bank stood at Rs. 648.0 Bn., as at March 31, 2014 reflecting a growth of 6.83%, compared to Rs. 606.6 Bn., recorded as at December 31, 2013.

The Commercial Bank Group recorded a pre-tax profit of Rs. 3.325 Bn. for the first three months of 2014, compared to Rs. 3.255 Bn., reported for the corresponding period in 2013. The Group recorded a post tax profit of Rs. 2.302 Bn., during the period under review compared to the post tax profit of Rs. 2.257 Bn. recorded during the corresponding period in 2013.

NAME OF COMPANY

Commercial Bank of Ceylon PLC

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. 07 of 2007. A licensed Commercial Bank under the Banking Act No. 30 of 1988.

COMPANY REGISTRATION NUMBER

PQ 116

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mawatha,
P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone: 2430420, 2336700,
2445010-15, 2486000, 4792000
Tele-Banking: 2336633-5
Telex: 21520 COMEX CE
Facsimile: 9411-2449889
SWIFT Code: Sri Lanka: CCEYLK LX
SWIFT Code: Bangladesh: CCEYBDDH
E-mail: email@combank.net
Website: www.combank.net

HEAD OFFICE

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

ACCOUNTING YEAR

December 31

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

CREDIT RATING**Sri Lanka Operation**

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

Bangladesh Operation

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

COMPLIANCE OFFICER

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

LAWYERS

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

AUDITORS

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

REGISTRARS

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

COMPANY SECRETARY

Mrs. J.R. Gamage

BOARD OF DIRECTORS

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

Vision

To be the most technologically advanced, Innovative and customer friendly financial services organisation in Sri Lanka, poised for further expansion in South Asia.

Mission

Providing reliable, innovative, customer friendly financial services, utilising cutting edge technology and focusing continuously on productivity improvement whilst developing our staff and acquiring necessary expertise to expand locally and regionally.

Best Bank in Sri Lanka
Global Finance, USA

**The only Sri Lankan Bank Amongst the Top 1000
Banks in the World for the 3rd Successive Year**
The Banker, UK

Best Trade Bank in Sri Lanka
Trade Finance, UK
