



together to prosperity

Interim Financial Statement
- For the six months ended June 30, 2014

 **COMMERCIAL BANK**

INCOME STATEMENT - GROUP

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| | For the six months ended | | | For the quarter ended | | |
|--|--------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) |
| Gross Income | 35,404,818 | 34,730,057 | 1.94 | 17,626,522 | 17,942,252 | (1.76) |
| Interest Income | 30,433,037 | 30,162,650 | 0.90 | 15,186,677 | 15,679,296 | (3.14) |
| Less: Interest Expenses | 17,291,613 | 18,224,988 | (5.12) | 8,620,695 | 9,357,042 | (7.87) |
| Net Interest Income | 13,141,424 | 11,937,662 | 10.08 | 6,565,982 | 6,322,254 | 3.86 |
| Fees and Commission Income | 2,570,887 | 2,227,239 | 15.43 | 1,334,303 | 1,166,829 | 14.35 |
| Less: Fees and Commission Expenses | 375,227 | 305,330 | 22.89 | 186,302 | 153,960 | 21.01 |
| Net Fees and Commission Income | 2,195,660 | 1,921,909 | 14.24 | 1,148,001 | 1,012,869 | 13.34 |
| Net Gains/(Losses) from Trading | 818,049 | (735,590) | 211.21 | 342,943 | (833,609) | 141.14 |
| Net Gains/(Losses) from Financial Instruments Designated at Fair Value Through Profit or Loss | - | - | - | - | - | - |
| Net Gains/(Losses) from Financial Investments | 178,650 | 979 | 18,148.21 | 55,193 | 938 | 5,784.12 |
| Other Income (Net) | 1,404,195 | 3,074,779 | (54.33) | 707,406 | 1,928,798 | (63.32) |
| Total Operating Income | 17,737,978 | 16,199,739 | 9.50 | 8,819,525 | 8,431,250 | 4.61 |
| Less: Impairment Charges for Loans and Other Losses | 2,458,728 | 1,731,312 | 42.02 | 1,314,392 | 1,220,292 | 7.71 |
| Individual Impairment | 1,452,402 | 730,122 | 98.93 | 511,977 | 830,776 | (38.37) |
| Collective Impairment | 982,936 | 999,536 | (1.66) | 786,408 | 388,897 | 102.21 |
| Others | 23,390 | 1,654 | 1,314.15 | 16,007 | 619 | 2,485.95 |
| Net Operating Income | 15,279,250 | 14,468,427 | 5.60 | 7,505,133 | 7,210,958 | 4.08 |
| Less: Expenses | 7,631,837 | 6,986,947 | 9.23 | 3,787,691 | 3,473,680 | 9.04 |
| Personnel Expenses | 4,321,576 | 3,961,383 | 9.09 | 2,153,039 | 1,923,688 | 11.92 |
| Depreciation and Amortisation | 606,953 | 489,244 | 24.06 | 311,748 | 247,667 | 25.87 |
| Other Expenses | 2,703,308 | 2,536,320 | 6.58 | 1,322,904 | 1,302,325 | 1.58 |
| Operating Profit Before Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 7,647,413 | 7,481,480 | 2.22 | 3,717,442 | 3,737,278 | (0.53) |
| Less: Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 1,112,783 | 936,068 | 18.88 | 506,436 | 445,200 | 13.75 |
| Operating Profit After Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 6,534,630 | 6,545,412 | (0.16) | 3,211,006 | 3,292,078 | (2.46) |
| Add: Share of Profits/(Losses) of Associates | 7,133 | 2,933 | 143.20 | 6,242 | 1,098 | 468.49 |
| Profit Before Income Tax | 6,541,763 | 6,548,345 | (0.10) | 3,217,248 | 3,293,176 | (2.31) |
| Less: Income Tax Expense | 2,022,048 | 2,058,408 | (1.77) | 999,481 | 1,060,003 | (5.71) |
| Profit for the Period | 4,519,715 | 4,489,937 | 0.66 | 2,217,767 | 2,233,173 | (0.69) |
| Profit Attributable to: | | | | | | |
| Equity Holders of the Bank | 4,517,483 | 4,488,106 | 0.65 | 2,216,414 | 2,232,052 | (0.70) |
| Non-Controlling Interest | 2,232 | 1,831 | 21.90 | 1,353 | 1,121 | 20.70 |
| Profit for the Period | 4,519,715 | 4,489,937 | 0.66 | 2,217,767 | 2,233,173 | (0.69) |
| Earnings per Share (EPS) | | | | | | |
| Basic Earnings per Ordinary Share (Rs.) | 5.28 | 5.29 | (0.19) | 2.59 | 2.63 | (1.52) |
| Diluted Earnings per Ordinary Share (Rs.) | 5.26 | 5.29 | (0.57) | 2.58 | 2.63 | (1.90) |

| | For the six months ended | | | For the quarter ended | | |
|--|-------------------------------------|-------------------------------------|---------------|------------------------|------------------------|---------------|
| | 30.06.2014 (Audited) Rs. '000 | 30.06.2013 (Audited) Rs. '000 | Change (%) | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) |
| | Gross Income | 35,374,128 | 34,719,576 | 1.89 | 17,614,384 | 17,948,636 |
| Interest Income | 30,433,962 | 30,168,325 | 0.88 | 15,186,994 | 15,681,350 | (3.15) |
| Less: Interest Expenses | 17,301,237 | 18,236,451 | (5.13) | 8,625,228 | 9,362,261 | (7.87) |
| Net Interest Income | 13,132,725 | 11,931,874 | 10.06 | 6,561,766 | 6,319,089 | 3.84 |
| Fees and Commission Income | 2,568,645 | 2,225,760 | 15.41 | 1,333,156 | 1,166,239 | 14.31 |
| Less: Fees and Commission Expenses | 375,227 | 305,330 | 22.89 | 186,302 | 153,960 | 21.01 |
| Net Fees and Commission Income | 2,193,418 | 1,920,430 | 14.21 | 1,146,854 | 1,012,279 | 13.29 |
| Net Gains/(Losses) from Trading | 818,049 | (735,590) | 211.21 | 342,943 | (833,609) | 141.14 |
| Net Gains/(Losses) from Financial Instruments Designated at Fair Value Through Profit or Loss | - | - | - | - | - | - |
| Net Gains/(Losses) from Financial Investments | 178,650 | 979 | 18,148.21 | 55,193 | 938 | 5,784.12 |
| Other Income (Net) | 1,374,822 | 3,060,102 | (55.07) | 696,098 | 1,933,718 | (64.00) |
| Total Operating Income | 17,697,664 | 16,177,795 | 9.39 | 8,802,854 | 8,432,415 | 4.39 |
| Less: Impairment Charges for Loans and Other Losses | 2,485,198 | 1,743,639 | 42.53 | 1,334,447 | 1,226,714 | 8.78 |
| Individual Impairment | 1,452,402 | 730,122 | 98.93 | 511,977 | 830,776 | (38.37) |
| Collective Impairment | 982,936 | 999,536 | (1.66) | 786,408 | 388,897 | 102.21 |
| Others | 49,860 | 13,981 | 256.63 | 36,062 | 7,041 | 412.17 |
| Net Operating Income | 15,212,466 | 14,434,156 | 5.39 | 7,468,407 | 7,205,701 | 3.65 |
| Less: Expenses | 7,625,533 | 6,990,325 | 9.09 | 3,778,342 | 3,482,621 | 8.49 |
| Personnel Expenses | 4,285,366 | 3,923,907 | 9.21 | 2,135,689 | 1,903,467 | 12.20 |
| Depreciation and Amortisation | 571,673 | 455,904 | 25.39 | 288,151 | 231,545 | 24.45 |
| Other Expenses | 2,768,494 | 2,610,514 | 6.05 | 1,354,502 | 1,347,609 | 0.51 |
| Operating Profit Before Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 7,586,933 | 7,443,831 | 1.92 | 3,690,065 | 3,723,080 | (0.89) |
| Less: Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 1,112,783 | 936,068 | 18.88 | 506,436 | 445,200 | 13.75 |
| Profit Before Income Tax | 6,474,150 | 6,507,763 | (0.52) | 3,183,629 | 3,277,880 | (2.88) |
| Less: Income Tax Expense | 1,994,996 | 2,036,104 | (2.02) | 983,064 | 1,047,101 | (6.12) |
| Profit for the Period | 4,479,154 | 4,471,659 | 0.17 | 2,200,565 | 2,230,779 | (1.35) |
| Profit Attributable to: | | | | | | |
| Equity Holders of the Bank | 4,479,154 | 4,471,659 | 0.17 | 2,200,565 | 2,230,779 | (1.35) |
| Non-Controlling Interest | - | - | - | - | - | - |
| Profit for the Period | 4,479,154 | 4,471,659 | 0.17 | 2,200,565 | 2,230,779 | (1.35) |
| Earnings per Share (EPS) | | | | | | |
| Basic Earnings per Ordinary Share (Rs.) | 5.23 | 5.27 | (0.76) | 2.57 | 2.63 | (2.28) |
| Diluted Earnings per Ordinary Share (Rs.) | 5.21 | 5.27 | (1.14) | 2.56 | 2.63 | (2.66) |

STATEMENT OF COMPREHENSIVE INCOME - GROUP
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| | For the six months ended | | | For the quarter ended | | |
|--|--------------------------|------------------------|---------------|------------------------|------------------------|---------------|
| | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) |
| Profit for the Period | 4,519,715 | 4,489,937 | 0.66 | 2,217,767 | 2,233,173 | (0.69) |
| 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 | (26,445) | 329,225 | (108.03) | (25,377) | 177,458 | (114.30) |
| Net Gains/(Losses) on Re-measuring Available-for-Sale Financial Assets | 421,562 | 294,928 | 42.94 | 301,905 | 73,612 | 310.13 |
| Sri Lanka Government Securities | 425,337 | 294,517 | 44.42 | 301,396 | 73,742 | 308.72 |
| Equity Securities | (3,775) | 411 | (1,018.49) | 509 | (130) | 491.54 |
| Add/(Less): Share of Other Comprehensive Income of Associates | (587) | (382) | (53.66) | (599) | 9,252 | (106.47) |
| Other Comprehensive Income for the Period, Net of Taxes | 394,530 | 623,771 | (36.75) | 275,929 | 260,322 | 6.00 |
| Total Comprehensive Income for the Period | 4,914,245 | 5,113,708 | (3.90) | 2,493,696 | 2,493,495 | 0.01 |
| Attributable to: | | | | | | |
| Equity Holders of the Bank | 4,912,013 | 5,111,877 | (3.91) | 2,492,343 | 2,492,374 | (0.00) |
| Non-Controlling Interest | 2,232 | 1,831 | 21.90 | 1,353 | 1,121 | 20.70 |
| Total Comprehensive Income for the Period | 4,914,245 | 5,113,708 | (3.90) | 2,493,696 | 2,493,495 | 0.01 |

STATEMENT OF COMPREHENSIVE INCOME - BANK

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| | For the six months ended | | | For the quarter ended | | |
|--|-------------------------------------|-------------------------------------|---------------|------------------------|------------------------|---------------|
| | 30.06.2014 (Audited) Rs. '000 | 30.06.2013 (Audited) Rs. '000 | Change (%) | 30.06.2014 Rs. '000 | 30.06.2013 Rs. '000 | Change (%) |
| Profit for the Period | 4,479,154 | 4,471,659 | 0.17 | 2,200,565 | 2,230,779 | (1.35) |
| 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 | (24,666) | 320,773 | (107.69) | (23,904) | 175,727 | (113.60) |
| Net Gains/(Losses) on Re-measuring Available-for-Sale Financial Assets | 421,562 | 294,928 | 42.94 | 301,905 | 73,612 | 310.13 |
| Sri Lanka Government Securities | 425,337 | 294,517 | 44.42 | 301,396 | 73,742 | 308.72 |
| Equity Securities | (3,775) | 411 | (1,018.49) | 509 | (130) | 491.54 |
| Other Comprehensive Income for the Period, Net of Taxes | 396,896 | 615,701 | (35.54) | 278,001 | 249,339 | 11.50 |
| Total Comprehensive Income for the Period | 4,876,050 | 5,087,360 | (4.15) | 2,478,566 | 2,480,118 | (0.06) |
| Attributable to: | | | | | | |
| Equity Holders of the Bank | 4,876,050 | 5,087,360 | (4.15) | 2,478,566 | 2,480,118 | (0.06) |
| Non-Controlling Interest | - | - | - | - | - | - |
| Total Comprehensive Income for the Period | 4,876,050 | 5,087,360 | (4.15) | 2,478,566 | 2,480,118 | (0.06) |

STATEMENT OF FINANCIAL POSITION

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| As at | GROUP | | | BANK | | |
|---|--------------------|-------------------------|--------------|-------------------------|-------------------------|--------------|
| | 30.06.2014 | 31.12.2013 (Audited) | Change | 30.06.2014 (Audited) | 31.12.2013 (Audited) | Change |
| | Rs. '000 | Rs. '000 | (%) | Rs. '000 | Rs. '000 | (%) |
| Assets | | | | | | |
| Cash and Cash Equivalents | 15,332,158 | 14,263,533 | 7.49 | 15,316,831 | 14,261,549 | 7.40 |
| Balances with Central Banks | 19,001,180 | 18,431,936 | 3.09 | 19,001,180 | 18,431,936 | 3.09 |
| Placements with Banks | 4,981,455 | 4,131,814 | 20.56 | 4,981,455 | 4,131,814 | 20.56 |
| Derivative Financial Instruments | 648,531 | 837,694 | (22.58) | 648,531 | 837,694 | (22.58) |
| Other Financial Assets Held-for-Trading | 14,941,174 | 6,379,058 | 134.22 | 14,941,174 | 6,379,058 | 134.22 |
| Loans and Receivables to Banks | 543,560 | 546,270 | (0.50) | 543,560 | 546,270 | (0.50) |
| Loans and Receivables to Other Customers | 437,660,602 | 418,944,215 | 4.47 | 437,665,828 | 418,959,675 | 4.46 |
| Financial Investments - Available-for-Sale | 167,359,002 | 123,748,290 | 35.24 | 167,359,002 | 123,748,290 | 35.24 |
| Financial Investments - Held-to-Maturity | - | - | - | - | - | - |
| Investments in Subsidiaries | - | - | - | 285,613 | 288,946 | (1.15) |
| Investments in Associates | 99,142 | 94,173 | 5.28 | 44,331 | 44,331 | - |
| Property, Plant & Equipment | 9,115,280 | 9,175,225 | (0.65) | 8,341,060 | 8,387,344 | (0.55) |
| Intangible Assets | 462,461 | 477,728 | (3.20) | 452,569 | 467,593 | (3.21) |
| Leasehold Property | 109,602 | 110,324 | (0.65) | 75,895 | 76,362 | (0.61) |
| Deferred Tax Assets | 548,440 | 515,323 | 6.43 | 547,568 | 507,078 | 7.98 |
| Other Assets | 13,365,622 | 9,536,683 | 40.15 | 13,375,333 | 9,539,165 | 40.21 |
| Total Assets | 684,168,209 | 607,192,266 | 12.68 | 683,579,930 | 606,607,105 | 12.69 |
| Liabilities | | | | | | |
| Due to Banks | 15,964,117 | 14,194,219 | 12.47 | 15,964,117 | 14,194,219 | 12.47 |
| Derivative Financial Instruments | 864,910 | 1,411,916 | (38.74) | 864,910 | 1,411,916 | (38.74) |
| Other Financial Liabilities Held-for-Trading | - | - | - | - | - | - |
| Due to Other Customers | 487,506,198 | 451,098,946 | 8.07 | 487,598,777 | 451,152,923 | 8.08 |
| Other Borrowings | 85,329,279 | 53,997,503 | 58.02 | 85,507,316 | 54,173,175 | 57.84 |
| Debt Securities Issued | - | - | - | - | - | - |
| Current Tax Liabilities | 1,581,513 | 1,780,867 | (11.19) | 1,547,424 | 1,758,574 | (12.01) |
| Deferred Tax Liabilities | 2,810,273 | 2,814,673 | (0.16) | 2,607,485 | 2,606,084 | 0.05 |
| Other Provisions | 1,874 | 2,409 | (22.21) | 1,874 | 2,409 | (22.21) |
| Other Liabilities | 15,881,750 | 9,885,816 | 60.65 | 15,824,327 | 9,827,209 | 61.03 |
| Due to Subsidiaries | - | - | - | 13,299 | 15,686 | (15.22) |
| Subordinated Liabilities | 10,937,779 | 11,056,847 | (1.08) | 10,937,779 | 11,056,847 | (1.08) |
| Total Liabilities | 620,877,693 | 546,243,196 | 13.66 | 620,867,308 | 546,199,042 | 13.67 |

STATEMENT OF FINANCIAL POSITION

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| <i>As at</i> | GROUP | | | BANK | | |
|--|--------------------|-------------------------|--------------|-------------------------|-------------------------|--------------|
| | 30.06.2014 | 31.12.2013 (Audited) | Change | 30.06.2014 (Audited) | 31.12.2013 (Audited) | Change |
| | Rs. '000 | Rs. '000 | (%) | Rs. '000 | Rs. '000 | (%) |
| Equity | | | | | | |
| Stated Capital | 21,264,305 | 19,586,813 | 8.56 | 21,264,305 | 19,586,813 | 8.56 |
| Statutory Reserves | 3,768,094 | 4,034,614 | (6.61) | 3,768,094 | 4,034,614 | (6.61) |
| Retained Earnings | 4,239,686 | 4,359,632 | (2.75) | 4,075,089 | 4,233,364 | (3.74) |
| Other Reserves | 33,978,729 | 32,929,233 | 3.19 | 33,605,134 | 32,553,272 | 3.23 |
| Total Equity Attributable to Equity Holders of the Bank | 63,250,814 | 60,910,292 | 3.84 | 62,712,622 | 60,408,063 | 3.81 |
| Non-Controlling Interest | 39,702 | 38,778 | 2.38 | - | - | - |
| Total Equity | 63,290,516 | 60,949,070 | 3.84 | 62,712,622 | 60,408,063 | 3.81 |
| Total Liabilities and Equity | 684,168,209 | 607,192,266 | 12.68 | 683,579,930 | 606,607,105 | 12.69 |
| Contingent Liabilities and Commitments | 304,599,982 | 295,451,955 | 3.10 | 304,599,982 | 295,451,955 | 3.10 |
| Net Assets Value per Ordinary Share (Rs.) | 73.19 | 72.37 | 1.13 | 72.57 | 71.78 | 1.10 |
| Memorandum Information | | | | | | |
| Number of Employees | | | | 4,774 | 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.)

K.G.D.D Dheerasinghe

Chairman

(Sgd.)

J.Durairatnam

Managing Director/Chief Executive Officer

August 14, 2014
Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

| | Statutory Capital | | Statutory Reserves | | Retained Earnings | | Other Reserves | | | Shareholders' Funds | | Non-Controlling Interest | | Total Equity | |
|---|-------------------|------------------|--------------------|--------------------|-------------------|----------------|---------------------|----------------------------|--------------------------------------|-------------------------|-----------------|--------------------------|-------------|--------------|----------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | 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 |
| Balance as at 01.01.2013 - Audited | 18,008,796 | 3,245,818 | 187,577 | 4,172,814 | 4,737,125 | 343,157 | (755,101) | 2,845,935 | 20,048,989 | 52,836,110 | 32,141 | 52,868,251 | | | |
| Total Comprehensive Income for the Six Months Ended 30.06.2013 | | | | | | | | | | | | | | | |
| - Profit for the Six Months Ended 30.06.2013 | - | - | - | 4,488,106 | - | - | - | - | - | - | 4,488,106 | 1,831 | 4,489,937 | | |
| - Other Comprehensive Income for the Six Months Ended 30.06.2013 | - | - | - | (382) | - | 294,928 | 329,225 | - | - | - | 623,771 | - | 623,771 | | |
| Total Comprehensive Income for the Six Months Ended 30.06.2013 | - | - | - | 4,487,724 | - | 294,928 | 329,225 | - | - | 5,111,877 | 1,831 | 5,113,708 | | | |
| Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners | | | | | | | | | | | | | | | |
| Issue of Ordinary Shares Under Employee Share Option Plans | 46,649 | - | - | - | - | - | - | - | - | - | 46,649 | - | 46,649 | | |
| 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) | (1,308) | (1,670,134) | | |
| Transfers During the Period | - | - | - | (830,929) | - | - | - | 830,929 | - | - | - | - | - | | |
| Total Transactions with Equity Holders | 1,548,592 | - | - | (5,002,190) | - | - | - | 830,929 | - | (2,622,669) | (1,308) | (2,623,977) | | | |
| Balance as at 30.06.2013 | 19,557,388 | 3,245,818 | 187,577 | 3,658,348 | 4,737,125 | 638,085 | (425,876) | 3,677,864 | 20,048,989 | 55,325,318 | 32,664 | 55,357,982 | | | |
| Total Comprehensive Income for the Six Months Ended 31.12.2013 | | | | | | | | | | | | | | | |
| Profit for the Six Months Ended 31.12.2013 | - | - | - | 6,075,272 | - | - | - | - | - | - | 6,075,272 | 8,248 | 6,083,520 | | |
| Other Comprehensive Income for the Six Months Ended 31.12.2013 | - | - | - | (21,039) | (121,178) | 878,412 | 32,120 | - | - | - | 768,315 | 12 | 768,327 | | |
| Total Comprehensive Income for the Six Months Ended 31.12.2013 | - | - | - | 6,054,233 | (121,178) | 878,412 | 32,120 | - | - | 6,843,587 | 8,260 | 6,851,847 | | | |

STATEMENT OF CHANGES IN EQUITY - GROUP

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| | Stated Capital | | Statutory Reserves | | Retained Earnings | Other Reserves | | | Shareholders' Funds | | Non-Controlling Interest | Total Equity |
|---|-------------------|------------------|------------------------|------------------------|-------------------|---------------------|----------------------------|--------------------------------------|-------------------------|-------------------|--------------------------|-------------------|
| | Rs. '000 | Rs. '000 | Statutory Reserve Fund | Primary Dealer Reserve | | Revaluation Reserve | Available-for-Sale Reserve | Foreign Currency Translation Reserve | Investment Fund Account | General Reserve | | |
| Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners | | | | | | | | | | | | |
| Issue of Ordinary Shares Under Employee Share Option Plans | 29,425 | - | - | - | - | - | - | - | - | - | 29,425 | 29,425 |
| Dividends to Equity Holders | - | - | - | - | (1,273,491) | - | - | - | - | (1,273,491) | (1,308) | (1,274,799) |
| First Interim Dividend for 2013 | - | - | - | - | (14,547) | - | - | - | - | (14,547) | (838) | (15,385) |
| Deferred Tax Effect on Pre-acquisition Reserves | - | - | - | - | 28,967 | - | (28,967) | - | - | - | - | - |
| Re-classification of Retained Earnings to Available-for-sale Reserve | - | 522,276 | - | 78,943 | (4,093,878) | - | - | 1,160,829 | 2,331,830 | - | - | - |
| Transfers During the Period | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Transactions with Equity Holders | 29,425 | 522,276 | 78,943 | (5,352,949) | - | (28,967) | 1,160,829 | 2,331,830 | (1,258,613) | (2,146) | (1,260,759) | |
| Balance as at 31.12.2013 - Audited | 19,586,813 | 3,768,094 | 266,520 | 4,359,632 | 4,615,947 | 1,487,530 | (393,756) | 4,838,693 | 22,380,819 | 60,910,292 | 38,778 | 60,949,070 |
| Total Comprehensive Income for the Six Months Ended 30.06.2014 | | | | | | | | | | | | |
| - Profit for the Six Months Ended 30.06.2014 | - | - | - | 4,517,483 | - | - | - | - | - | 4,517,483 | 2,232 | 4,519,715 |
| - Other Comprehensive Income for the Six Months Ended 30.06.2014 | - | - | - | - | - | 420,975 | (26,445) | - | - | 394,530 | - | 394,530 |
| Total Comprehensive Income for the Six Months Ended 30.06.2014 | - | - | - | 4,517,483 | - | 420,975 | (26,445) | - | 4,912,013 | 2,232 | 4,914,245 | |
| Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners | | | | | | | | | | | | |
| Issue of Ordinary Shares Under Employee Share Option Plans | 147,567 | - | - | - | - | - | - | - | - | 147,567 | - | 147,567 |
| 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) | (1,308) | (1,701,225) |
| Transfers During the Period | - | - | (286,520) | (388,446) | - | - | 388,446 | 266,520 | - | - | - | - |
| Total Transactions with Equity Holders | 1,677,492 | (266,520) | (4,637,429) | - | - | - | 388,446 | 266,520 | (2,571,491) | (1,308) | (2,572,799) | |
| Balance as at 30.06.2014 | 21,264,305 | 3,768,094 | - | 4,239,686 | 4,615,947 | 1,908,505 | (420,201) | 5,227,139 | 22,647,339 | 63,250,814 | 39,702 | 63,290,516 |

| | Stated Capital | | Statutory Reserves | | Retained Earnings | Other Reserves | | | | Shareholders' Funds | | Non-Controlling Interest | Total Equity |
|---|-------------------|------------------|------------------------|----------------------|--------------------|---------------------|----------------------------|--------------------------------------|-------------------------|---------------------|--------------------|--------------------------|--------------------|
| | Rs. '000 | Rs. '000 | Statutory Reserve Fund | Special Risk Reserve | | Revaluation Reserve | Available-for-Sale Reserve | Foreign Currency Translation Reserve | Investment Fund Account | General Reserve | Rs. '000 | | |
| Balance as at 01.01.2013 - Audited | 18,008,796 | 3,245,818 | 187,577 | 187,577 | 4,178,080 | 4,343,232 | 343,157 | (757,894) | 2,846,935 | 20,048,989 | 52,444,690 | - | 52,444,690 |
| Total Comprehensive Income for the Six Months Ended 30.06.2013 | | | | | | | | | | | | | |
| -Profit for the Six Months Ended 30.06.2013 | - | - | - | - | 4,471,659 | - | - | - | - | - | 4,471,659 | - | 4,471,659 |
| -Other Comprehensive Income for the Six Months Ended 30.06.2013 | - | - | - | - | - | - | 294,928 | 320,773 | - | - | 615,701 | - | 615,701 |
| Total Comprehensive Income for the Six Months Ended 30.06.2013 | - | - | - | - | 4,471,659 | - | 294,928 | 320,773 | - | - | 5,087,360 | - | 5,087,360 |
| Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners | | | | | | | | | | | | | |
| Issue of Ordinary Shares Under Employee Share Option Plans | 46,649 | - | - | - | - | - | - | - | - | - | 46,649 | - | 46,649 |
| 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 | - | - | - | - | (830,929) | - | - | - | 830,929 | - | - | - | - |
| Total Transactions with Equity Holders | 1,548,592 | - | - | - | (5,002,190) | - | - | - | 830,929 | - | (2,622,669) | - | (2,622,669) |
| Balance as at 30.06.2013 - Audited | 19,557,388 | 3,245,818 | 187,577 | 187,577 | 3,647,549 | 4,343,232 | 638,085 | (437,121) | 3,677,864 | 20,048,989 | 54,909,381 | - | 54,909,381 |
| Total Comprehensive Income for the Six Months Ended 31.12.2013 | | | | | | | | | | | | | |
| Profit for the Six Months Ended 31.12.2013 | - | - | - | - | 5,973,852 | - | - | - | - | - | 5,973,852 | - | 5,973,852 |
| Other Comprehensive Income for the Six Months Ended 31.12.2013 | - | - | - | - | (20,668) | (121,176) | 880,544 | 30,198 | - | - | 768,896 | - | 768,896 |
| Total Comprehensive Income for the Six Months Ended 31.12.2013 | - | - | - | - | 5,953,184 | (121,176) | 880,544 | 30,198 | - | - | 6,742,748 | - | 6,742,748 |

STATEMENT OF CHANGES IN EQUITY - BANK

11

| | Stated Capital | | Statutory Reserves | | Retained Earnings | Other Reserves | | | Shareholders' Funds | | Non-Controlling Interest | Total Equity | |
|---|-------------------|------------------|------------------------|--------------------------------|--------------------|---------------------|----------------------------|--------------------------------------|-------------------------|-------------------|--------------------------|--------------|--------------------|
| | Rs. '000 | Rs. '000 | Statutory Reserve Fund | Primary Dealer Special Reserve | Rs. '000 | 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 | 29,425 | - | - | - | - | - | - | - | - | - | 29,425 | - | 29,425 |
| Dividends to Equity Holders | - | - | - | - | (1,273,491) | - | - | - | - | - | (1,273,491) | - | (1,273,491) |
| First Interim Dividend for 2013 | - | - | - | 78,943 | (4,093,878) | - | - | - | 1,160,829 | 2,331,830 | - | - | - |
| Transfers During the Period | - | 522,276 | - | - | - | - | - | - | - | - | - | - | - |
| Total Transactions with Equity Holders | 29,425 | 522,276 | 78,943 | 78,943 | (5,367,369) | - | - | - | 1,160,829 | 2,331,830 | (1,244,066) | - | (1,244,066) |
| Balance as at 31.12.2013 - Audited | 19,586,813 | 3,768,094 | 266,520 | 4,233,364 | 4,222,054 | 1,518,629 | (406,923) | 4,838,693 | 22,380,819 | 60,408,063 | - | - | 60,408,063 |
| Total Comprehensive Income for the Six Months Ended 30.06.2014 | | | | | | | | | | | | | |
| Profit for the Six Months Ended 30.06.2014 | - | - | - | - | 4,479,154 | - | - | - | - | - | 4,479,154 | - | 4,479,154 |
| Other Comprehensive Income for the Six Months Ended 30.06.2014 | - | - | - | - | - | - | 421,562 | (24,666) | - | - | 396,896 | - | 396,896 |
| Total Comprehensive Income for the Six Months Ended 30.06.2014 | - | - | - | - | 4,479,154 | - | 421,562 | (24,666) | - | - | 4,876,050 | - | 4,876,050 |
| Transactions with Owners, Recorded Directly in Equity Contributions by and Distributions to Owners | | | | | | | | | | | | | |
| Issue of Ordinary Shares Under Employee Share Option Plans | 147,567 | - | - | - | - | - | - | - | - | - | 147,567 | - | 147,567 |
| 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) | (388,446) | - | - | - | - | 388,446 | 266,520 | - | - | - |
| Total Transactions with Equity Holders | 1,677,492 | - | (266,520) | (4,637,429) | - | - | - | - | 388,446 | 266,520 | (2,971,491) | - | (2,971,491) |
| Balance as at 30.06.2014 - Audited | 21,264,305 | 3,768,094 | - | 4,075,089 | 4,222,054 | 1,940,191 | (431,588) | 5,227,139 | 22,647,339 | 62,712,622 | - | - | 62,712,622 |

STATEMENT OF CASH FLOWS

12

For the six months ended June 30,

| | Group | | Bank | |
|--|---------------------|------------------|---------------------|------------------|
| | 2014 Rs. '000 | 2013 Rs. '000 | 2014 Rs. '000 | 2013 Rs. '000 |
| Cash Flows from Operating Activities | | | | |
| Profit Before Taxation | 6,541,763 | 6,548,345 | 6,474,150 | 6,507,763 |
| Adjustment For: | | | | |
| Non-Cash Items Included in Profit Before Tax | 3,376,186 | 2,505,948 | 3,365,797 | 2,485,239 |
| Change in Operating Assets | (77,037,310) | (49,652,478) | (77,039,346) | (49,637,989) |
| Change in Operating Liabilities | 74,957,319 | 33,816,085 | 74,997,083 | 33,874,894 |
| Net (Gains)/Losses from Disposal of Assets | (8,267) | (9,731) | (824) | (145) |
| Share of Profit of Associates | (7,133) | (2,933) | - | - |
| Dividend Income from Subsidiaries and Associates | - | - | (22,691) | (24,565) |
| Interest Expense on Subordinated Liabilities | 366,133 | 191,279 | 366,133 | 191,279 |
| Benefits Paid on Defined Benefit Plans | (308,927) | (281,997) | (308,927) | (281,997) |
| Net unrealised Gain from Translation of Financial Statements of Foreign Operations | (26,445) | 329,225 | (24,666) | 320,773 |
| Tax Paid | (2,258,919) | (1,753,419) | (2,245,235) | (1,748,510) |
| Net Cash from/(Used in) Operating Activities | 5,594,400 | (8,309,676) | 5,561,474 | (8,313,258) |
| Cash Flows from Investing Activities | | | | |
| Net additions of Property, Plant & Equipment | (531,263) | (437,863) | (513,384) | (451,519) |
| Proceeds From the Sale of Property, Plant & Equipment | 7,899 | 1,369 | 3,859 | 1,369 |
| Purchase of Financial Investments | (1,553,707) | (1,927,745) | (1,553,707) | (1,927,745) |
| Proceeds from the Sale and Maturity of Financial Investments | 608,685 | 1,169,297 | 608,685 | 1,169,297 |
| Net additions of Intangible Assets | 611 | (18,497) | 451 | (18,449) |
| Net Cash Flow from Acquisition of Investment in Subsidiaries and Associates | - | - | (18,095) | - |
| Dividends Received from Investments in Subsidiaries and Associates | - | - | 22,691 | 24,565 |
| Net Cash/(Used in) Investing Activities | (1,467,775) | (1,213,439) | (1,449,500) | (1,202,482) |
| Cash Flows from Financing Activities | | | | |
| Net Proceeds from The Issue of Ordinary Shares | 147,567 | 46,649 | 147,567 | 46,649 |
| Net Receipts from Subordinated Liabilities | - | 9,768,750 | - | 9,768,750 |
| Interest Paid on Subordinated Liabilities | (485,201) | (131,557) | (485,201) | (131,557) |
| Dividend Paid to Shareholders of the Parent Company | (2,719,058) | (2,669,318) | (2,719,058) | (2,669,318) |
| Dividend Paid to Non-Controlling Interest | (1,308) | (1,308) | - | - |
| Net Cash from/(Used in) Financing Activities | (3,058,000) | 7,013,216 | (3,056,692) | 7,014,524 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | 1,068,625 | (2,509,899) | 1,055,282 | (2,501,216) |
| 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 | 15,332,158 | 17,242,306 | 15,316,831 | 17,231,618 |

(a) Group - (As at 30.06.2014)

| | 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 | | 15,332,158 | | | 15,332,158 |
| Balances with Central Banks | | 19,001,180 | | | 19,001,180 |
| Placements with Banks | | 4,981,455 | | | 4,981,455 |
| Derivative Financial Instruments | 648,531 | | | | 648,531 |
| Other Financial Assets Held-for-Trading | 14,941,174 | | | | 14,941,174 |
| Loans and Receivables to Banks | | 543,560 | | | 543,560 |
| Loans and Receivables to Other Customers | | 437,660,602 | | | 437,660,602 |
| Financial Investments - Available-for-Sale | | | 167,359,002 | | 167,359,002 |
| Total Financial Assets | 15,589,705 | 477,518,955 | 167,359,002 | - | 660,467,662 |

| | | | | | |
|-----------------------------------|-------------------|--------------------|--------------------|-------------------|--------------------|
| Investments in Subsidiaries | | | | - | - |
| Investments in Associates | | | | 99,142 | 99,142 |
| Property, Plant & Equipment | | | | 9,115,280 | 9,115,280 |
| Intangible Assets | | | | 462,461 | 462,461 |
| Leasehold Property | | | | 109,602 | 109,602 |
| Deferred Tax Assets | | | | 548,440 | 548,440 |
| Other Assets | | | | 13,365,622 | 13,365,622 |
| Total Non-Financial Assets | - | - | - | 23,700,547 | 23,700,547 |
| Total Assets | 15,589,705 | 477,518,955 | 167,359,002 | 23,700,547 | 684,168,209 |

| | Held-for-Trading (HFT) | Amortised Cost | Others | Total |
|--|------------------------|--------------------|----------|--------------------|
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| LIABILITIES | | | | |
| Due to Banks | | 15,964,117 | | 15,964,117 |
| Derivative Financial Instruments | 864,910 | - | | 864,910 |
| Other Financial Liabilities Held-for-Trading | | - | | - |
| Due to Other Customers | | 487,506,198 | | 487,506,198 |
| Other Borrowings | | 85,329,279 | | 85,329,279 |
| Debt Securities Issued | | - | | - |
| Other Liabilities | | - | | - |
| Subordinated Liabilities | | 10,937,779 | | 10,937,779 |
| Total Financial Liabilities | 864,910 | 599,737,373 | - | 600,602,283 |

| | | | | |
|--|----------------|--------------------|-------------------|--------------------|
| Current Tax Liabilities | | | 1,581,513 | 1,581,513 |
| Deferred Tax Liabilities | | | 2,810,273 | 2,810,273 |
| Other Provisions | | | 1,874 | 1,874 |
| Other Liabilities | | | 15,881,750 | 15,881,750 |
| Due to Subsidiaries | | | - | - |
| Total Non-Financial Liabilities | - | - | 20,275,410 | 20,275,410 |
| Total Liabilities | 864,910 | 599,737,373 | 20,275,410 | 620,877,693 |

(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 | | | 2,814,673 | 2,814,673 |
| Other Provisions | | | 2,409 | 2,409 |
| Other Liabilities | | | 9,885,816 | 9,885,816 |
| Due to Subsidiaries | | | - | - |
| Total Non-Financial Liabilities | - | - | 14,483,765 | 14,483,765 |
| Total Liabilities | 1,411,916 | 530,347,515 | 14,483,765 | 546,243,196 |

(a) Bank - (As at 30.06.2014) - Audited

| | Held-for-Trading (HFT) Rs. '000 | Loans and Receivables (L and R) Rs. '000 | Available-for-Sale (AFS) Rs. '000 | Others Rs. '000 | Total Rs. '000 |
|--|------------------------------------|---|--------------------------------------|--------------------|--------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | | 15,316,831 | | | 15,316,831 |
| Balances with Central Banks | | 19,001,180 | | | 19,001,180 |
| Placements with Banks | | 4,981,455 | | | 4,981,455 |
| Derivative Financial Instruments | 648,531 | | | | 648,531 |
| Other Financial Assets Held-for-Trading | 14,941,174 | | | | 14,941,174 |
| Loans and Receivables to Banks | | 543,560 | | | 543,560 |
| Loans and Receivables to Other Customers | | 437,665,828 | | | 437,665,828 |
| Financial Investments - Available-for-Sale | | | 167,359,002 | | 167,359,002 |
| Total Financial Assets | 15,589,705 | 477,508,854 | 167,359,002 | - | 660,457,561 |
| Investments in Subsidiaries | | | | 285,613 | 285,613 |
| Investments in Associates | | | | 44,331 | 44,331 |
| Property, Plant & Equipment | | | | 8,341,060 | 8,341,060 |
| Intangible Assets | | | | 452,569 | 452,569 |
| Leasehold Property | | | | 75,895 | 75,895 |
| Deferred Tax Assets | | | | 547,568 | 547,568 |
| Other Assets | | | | 13,375,333 | 13,375,333 |
| Total Non-Financial Assets | - | - | - | 23,122,369 | 23,122,369 |
| Total Assets | 15,589,705 | 477,508,854 | 167,359,002 | 23,122,369 | 683,579,930 |
| LIABILITIES | | | | | |
| Due to Banks | | | 15,964,117 | | 15,964,117 |
| Derivative Financial Instruments | | 864,910 | - | | 864,910 |
| Other Financial Liabilities Held-for-Trading | | | - | | - |
| Due to Other Customers | | | 487,598,777 | | 487,598,777 |
| Other Borrowings | | | 85,507,316 | | 85,507,316 |
| Debt Securities Issued | | | - | | - |
| Other Liabilities | | | - | | - |
| Subordinated Liabilities | | | 10,937,779 | | 10,937,779 |
| Total Financial Liabilities | 864,910 | 600,007,989 | - | - | 600,872,899 |
| Current Tax Liabilities | | | | 1,547,424 | 1,547,424 |
| Deferred Tax Liabilities | | | | 2,607,485 | 2,607,485 |
| Other Provisions | | | | 1,874 | 1,874 |
| Other Liabilities | | | | 15,824,327 | 15,824,327 |
| Due to Subsidiaries | | | | 13,299 | 13,299 |
| Total Non-Financial Liabilities | - | - | 19,994,409 | 19,994,409 | 19,994,409 |
| Total Liabilities | 864,910 | 600,007,989 | 19,994,409 | 620,867,308 | 620,867,308 |

(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 | | | 2,606,084 | 2,606,084 |
| 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 | – | – | 14,209,962 | 14,209,962 |
| Total Liabilities | 1,411,916 | 530,577,164 | 14,209,962 | 546,199,042 |

SELECTED PERFORMANCE INDICATORS (As per the Regulatory Reporting) 17

| | Bank | | Group | |
|--|----------------------------------|----------------------------------|---------------------|----------------------------------|
| | As at 30.06.2014 (Audited) | As at 31.12.2013 (Audited) | As at 30.06.2014 | As at 31.12.2013 (Audited) |
| Regulatory Capital Adequacy | | | | |
| Core Capital (Tier I Capital) - Rs. '000 | 56,096,467 | 51,480,986 | 56,264,787 | 51,649,064 |
| Total Capital Base - Rs. '000 | 70,094,475 | 65,579,876 | 70,262,795 | 65,747,955 |
| Core Capital Adequacy Ratio - Core Capital as a % of Risk-Weighted Assets (Minimum Requirement, 5%) | 13.39% | 13.27% | 13.42% | 13.30% |
| Total Capital Adequacy Ratio - Total Capital as a % of Risk-Weighted Assets (Minimum Requirement, 10%) | 16.73% | 16.91% | 16.75% | 16.93% |
| Asset Quality (Quality of Loan Portfolio) | | | | |
| Gross Non-Performing Advances Ratio (Net of Interest in Suspense) | 4.32% | 3.88% | | |
| Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions) | 2.48% | 2.12% | | |
| Profitability | | | | |
| Interest Margin | 4.11% | 4.53% | | |
| Return on Assets (before Tax) | 2.02% | 2.59% | | |
| Return on Equity | 14.67% | 18.40% | | |
| Debt Security Related Ratios | | | | |
| Debt Equity Ratio | 29.91% | 32.51% | | |
| Interest Cover (Times) | 17.69 | 21.71 | | |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets - Rs. '000 | | | | |
| Domestic Banking Unit | 175,332,763 | 146,690,969 | | |
| Off-Shore Banking Unit | 7,443,500 | 8,092,612 | | |
| Statutory Liquid Assets Ratio % (Minimum Requirement 20%) | | | | |
| Domestic Banking Unit | 36.93% | 33.66% | | |
| Off-Shore Banking Unit | 29.65% | 29.38% | | |

| | Banking | | Leasing | | Dealing/Treasury | | Investments | | Total/Consolidated | |
|---|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| For the six months ended June 30, | | | | | | | | | | |
| External Operating Income: | | | | | | | | | | |
| Net Interest Income | 12,303,991 | 11,366,590 | 448,171 | 499,486 | 121,192 | (144,331) | 268,070 | 215,917 | 13,141,424 | 11,937,662 |
| Foreign Exchange Profit | 27,795 | 312,039 | — | — | 513,342 | 1,030,629 | — | — | 541,137 | 1,342,668 |
| Net Fees and Commission Income | 2,191,932 | 1,917,574 | — | — | 3,728 | 4,335 | — | — | 2,195,660 | 1,921,909 |
| Other Income | 1,084,830 | 602,422 | 157,528 | 112,548 | 216,375 | 77,105 | 191,874 | 39,239 | 1,660,607 | 831,314 |
| (Unallocated) | — | — | — | — | — | — | — | — | 209,150 | 166,185 |
| Total Operating Income | 15,608,548 | 14,198,626 | 605,699 | 612,034 | 854,637 | 967,738 | 459,944 | 255,156 | 17,737,978 | 16,199,739 |
| Impairment Charges for Loans and Other Losses | (2,210,990) | (1,460,813) | (247,738) | (270,499) | — | — | — | — | (2,458,728) | (1,731,312) |
| Net Operating Income | 13,397,558 | 12,737,813 | 357,961 | 341,535 | 854,637 | 967,738 | 459,944 | 255,156 | 15,279,250 | 14,468,427 |
| Segment Result | 8,262,065 | 8,209,892 | 314,000 | 304,942 | (140,262) | (130,731) | 403,460 | 227,818 | (2,404,663) | 8,611,921 |
| Unallocated Operating Expenses | | | | | | | | | 6,534,630 | 6,545,412 |
| Profit from Operations | | | | | | | | | 7,133 | 2,933 |
| Share of Profit of Associates | | | | | | | | | | |
| Income Tax Expense | | | | | | | | | | |
| Non-Controlling Interest | | | | | | | | | | |
| Net Profit, Attributable to Equity Holders of the Parent Company | | | | | | | | | (2,022,048) | (2,058,408) |
| | | | | | | | | | (2,232) | (1,831) |
| | | | | | | | | | 4,517,483 | 4,488,106 |
| As at June 30, | | | | | | | | | | |
| Other Information | | | | | | | | | | |
| Segment Assets | 386,126,750 | 338,398,131 | 18,852,598 | 22,255,010 | 249,615,012 | 173,877,112 | 5,873,302 | 5,064,733 | 660,487,662 | 539,594,986 |
| Investment in Associates | | | | | | | 99,142 | 92,869 | 99,142 | 92,869 |
| Unallocated Assets | | | | | | | | | 23,601,405 | 18,875,487 |
| Total Assets | 342,045,853 | 296,862,954 | 18,852,598 | 22,255,010 | 249,615,012 | 173,877,112 | 5,972,444 | 5,157,602 | 616,485,907 | 498,152,678 |
| Segment Liabilities | | | | | | | | | 4,391,786 | 4,806,838 |
| Unallocated Liabilities | | | | | | | | | 620,877,693 | 502,958,516 |
| Total Liabilities | | | | | | | | | | |
| For the six months ended June 30, | | | | | | | | | | |
| Information on Cash Flows | | | | | | | | | | |
| Cash Flows from Operating Activities | 13,991,330 | (15,971,760) | 2,082,176 | 1,607,346 | (1,916,990) | 10,488,538 | (8,562,116) | (4,433,800) | 5,594,400 | (8,309,676) |
| Cash Flows from Investing Activities | — | — | — | — | — | — | (937,123) | (757,079) | (937,123) | (757,079) |
| Cash Flows from Financing Activities | — | 9,768,750 | — | — | (485,201) | (131,557) | — | — | (485,201) | 9,637,193 |
| Capital Expenditure: | | | | | | | | | | |
| Property, Plant & Equipment | | | | | | | | | (531,263) | (437,863) |
| Intangible Assets | | | | | | | | | 611 | (18,497) |
| (Unallocated)/Eliminations | | | | | | | | | (2,572,799) | (2,623,977) |
| Net Cash Flow Generated | | | | | | | | | 1,068,625 | (2,509,899) |

Twenty Largest Voting Shareholders as at June 30, 2014

| Name of the Shareholder | No. of Shares | % |
|---|--------------------|---------------|
| DFCC Bank A/C 1 | 119,806,122 | 14.82 |
| Employees' Provident Fund | 78,806,032 | 9.75 |
| HSBC Intl. Nominees Ltd. - JPMLU - Franklin Templeton Investment Funds | 52,349,247 | 6.47 |
| Mr. Y.S.H.I. Silva | 44,692,522 | 5.53 |
| Sri Lanka Insurance Corporation Ltd. - Life Fund | 40,851,867 | 5.05 |
| CB NY S/A International Finance Corporation | 40,381,198 | 4.99 |
| Sri Lanka Insurance Corporation Ltd. - General Fund | 35,126,985 | 4.34 |
| HSBC Intl. Nominees Ltd. - BPSS LUX - Aberdeen Global - Asian Smaller Companies Fund | 18,065,799 | 2.23 |
| 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 | 12,700,623 | 1.57 |
| 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 |
| Northern Trust Company S/A Harding Loevner Emerging Markets Portfolio | 9,130,000 | 1.13 |
| 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 |
| HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds, LLC | 7,807,156 | 0.97 |
| HSBC Intl. Nominees Ltd. - JPMLU - Schroder International Selection Fund | 7,731,166 | 0.96 |
| HSBC Intl. Nominees Ltd. - SSBT - Morgan Stanley Institutional Fund, Inc. - Frontier Emerging Markets Portfolio | 7,663,891 | 0.95 |
| HSBC Intl. Nominees Ltd. - SSBT - Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund | 7,603,307 | 0.94 |
| Sub Total | 553,394,478 | 68.44 |
| Other Shareholders | 255,207,231 | 31.56 |
| Total | 808,601,709 | 100.00 |

Percentage of public holding as at June 30, 2014 - 99.53%.

Twenty Largest Non-Voting Shareholders as at June 30, 2014

| Name of the Shareholder | No. of Shares | % |
|--|-------------------|---------------|
| HSBC Intl. Nominees Ltd. - JPMLU - Franklin Templeton Investment Funds | 3,215,179 | 5.77 |
| CITY Bank NY S/A Forward International Dividend Fund | 1,916,549 | 3.45 |
| Northern Trust Global Services Luxembourg S/A Ashmore Sicav Indian Small - Cap Equity Fund | 1,849,111 | 3.33 |
| CITY Bank NY S/A Forward Select EM Dividend Fund | 1,651,446 | 2.97 |
| GF Capital Global Ltd. | 1,545,795 | 2.78 |
| HINL - JPMCB - Butterfield Trust (Bermuda) Ltd. | 1,379,083 | 2.48 |
| Mr. J.D. Bandaranayake | 1,098,285 | 1.98 |
| Waldock Mackenzie Ltd./Mr. S.N.P. Paliheena and Mrs. A.S. Paliheena | 1,000,000 | 1.80 |
| M.J.F. Exports Ltd. | 950,795 | 1.71 |
| Mr. M.F. Hashim | 746,733 | 1.34 |
| Saboor Chatoor (Pvt) Ltd. | 724,000 | 1.30 |
| Beta Holdings Ltd. | 678,000 | 1.22 |
| Northern Trust Company S/A Polar Capital Funds PLC | 630,031 | 1.13 |
| Employees' Provident Fund | 619,522 | 1.11 |
| 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 |
| Mr. J.G. De Mel | 490,000 | 0.88 |
| Mrs. L.V.C. Samarasinha | 465,833 | 0.84 |
| Mr. G.R. Mallawaarachy & Mrs. B.G.P. Mallawaarachy (Joint) | 442,126 | 0.80 |
| Sub Total | 20,894,807 | 37.58 |
| Other Shareholders | 34,685,139 | 62.42 |
| Total | 55,579,946 | 100.00 |

Percentage of public holding as at June 30, 2014 - 99.82%.

Directors' Holding in Shares as at June 30, 2014

| Name of Director | | No. of Ordinary Shares | |
|---------------------------|--|------------------------|------------|
| | | Voting | Non-Voting |
| Mr. K.G.D.D. Dheerasinghe | - Chairman (Appointed as Chairman with effect from July 29, 2014) | 20,653 | - |
| Mr. D.S. Weerakkody | - Former Chairman (Relinquished office as a Director/Chairman with effect from July 28, 2014) | 26,867 | 12,452 |
| Mr. M.P. Jayawardena | - Deputy Chairman (Appointed as Deputy Chairman with effect from July 29, 2014) | - | - |
| Mr. J. Durairatnam | - Managing Director/Chief Executive Officer (Appointed as MD/CEO with effect from July 17, 2014) | 379,087 | - |
| Mr. W.M.R.S. Dias | - Former Managing Director/Chief Executive Officer (Retired with effect from July 16, 2014) | 740,708 | - |
| Prof. U.P. Liyanage | | - | - |
| Mr. L. Hulugalle | | - | - |
| Mr. S. Swarnajothi | | - | 8,490 |
| Mr. H.J. Wilson | - (Appointed as a Non-Executive Director with effect from July 03, 2014) | - | - |
| Mr. S. Renganathan | - (Appointed as an Executive Director/Chief Operating Officer with effect from July 17, 2014) | 190,034 | 10,190 |

| | 2014 Rs. | 2013 Rs. |
|---|--------------------|-------------|
| Market Price of an Ordinary Share of the Bank as at June 30, | | |
| Voting | 140.60 | 115.30 |
| Non-Voting | 105.40 | 94.80 |
| Highest Price during the Quarter ended June 30, | | |
| Voting | 141.00 | 126.00 |
| Non-Voting | 107.00 | 102.00 |
| Lowest Price during the Quarter ended June 30, | | |
| Voting | 118.00 | 108.30 |
| Non-Voting | 91.30 | 92.30 |
| Number of Ordinary Shares issued as at June 30, | | |
| Voting | 808,601,709 | 794,084,866 |
| Non-Voting | 55,579,946 | 54,543,222 |

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 to the current presentation.
2. During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
3. All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
4. The Board of Directors of the Bank has determined in principle, by duly passed resolution subsequent to the Reporting Period, to acquire the entirety of the issued and fully paid stated capital of Indra Finance Ltd., a Licensed Finance Company for a total price of Rs. 870 Mn., subject to completion of a detailed due diligence and obtaining all relevant regulatory approvals.
5. There were no material events that took place since June 30, 2014, that require disclosure in these Interim Financial Statements, other than those disclosed above.

Auditors Opinion on the Financial Statements of the Bank as at June 30, 2014

The figures relating to the Bank have been extracted from the Financial Statements that had been audited by the External Auditors. The Auditors expressed an unqualified opinion on the said Financial Statements prepared as at June 30, 2014 and for the period then ended.

| Debenture Categories | CSE Listing | Interest Payable Frequency | Balance as at June 30, 2014 Rs. '000 | 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. Dec. 2006/Dec. 2016 - 14.00% p.a. | Not listed | Annually | 505,000 | Not Applicable | Not Applicable | | 13.25 | 13.25 | 7.25 | Not Applicable | |
| | Listed | Annually | 467,260 | Not traded during the period | Not traded during the period | | 13.25 | 13.25 | 11.10 | Not Applicable | |
| Floating Rate Dec. 2006/Dec. 2016 - 12 Months TB Rate (Gross) + 1% p.a. | Listed | Annually | 400 | Not traded during the period | Not traded during the period | | 14.00 | 14.00 | 7.50 | Not traded during the period | |
| | | | | Not traded during the period | Not traded during the period | | 14.00 | 14.00 | 11.20 | Not traded during the period | |
| Total Debentures | | | 972,660 | | | | 10.21 | 10.21 | 8.75 | Not traded during the period | |
| | | | | | | | 13.99 | 13.99 | 12.85 | Not traded during the period | |

(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 30.06.2014 | As at 31.12.2013 | As at 30.06.2014 | As at 31.12.2013 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| 1. Loans and Receivables to Other Customers | | | | |
| Gross Loans and Receivables | 454,613,218 | 434,731,383 | 454,618,444 | 434,746,843 |
| Less: Allowance for Individual Impairment | 4,387,425 | 4,204,654 | 4,387,425 | 4,204,654 |
| Allowance for Collective Impairment | 12,565,191 | 11,582,514 | 12,565,191 | 11,582,514 |
| Net Loans and Receivables | 437,660,602 | 418,944,215 | 437,665,828 | 418,959,675 |

| | Group | | Bank | |
|---|---------------------|---------------------|---------------------|---------------------|
| | As at 30.06.2014 | As at 31.12.2013 | As at 30.06.2014 | As at 31.12.2013 |
| | Rs. '000 | Rs. '000 | Rs. '000 | Rs. '000 |
| 2. Loans and Receivables to Other Customers - By Product | | | | |
| By Product - Domestic Currency | | | | |
| Loans and Advances | | | | |
| Overdrafts | 62,922,363 | 64,263,957 | 62,922,533 | 64,263,957 |
| Trade Finance | 33,760,930 | 32,341,285 | 33,760,930 | 32,341,285 |
| Lease Rental Receivable | 19,925,066 | 21,561,529 | 19,931,416 | 21,578,494 |
| Credit Cards | 4,142,277 | 3,956,214 | 4,142,277 | 3,956,214 |
| Pawning | 3,157,252 | 6,995,603 | 3,157,252 | 6,995,603 |
| Staff Loans | 4,162,699 | 3,773,611 | 4,161,405 | 3,772,106 |
| Housing Loans | 28,334,812 | 27,248,649 | 28,334,812 | 27,248,649 |
| Personal Loans | 17,181,427 | 16,237,144 | 17,181,427 | 16,237,144 |
| Term Loans | | | | |
| Short-Term | 19,517,886 | 21,749,968 | 19,517,886 | 21,749,968 |
| Long-Term | 115,688,188 | 102,726,045 | 115,688,188 | 102,726,045 |
| Bills of Exchange | 3,579,411 | 2,187,828 | 3,579,411 | 2,187,828 |
| Securities Purchased Under Resale Agreements | 20,538,825 | 6,618,100 | 20,538,825 | 6,618,100 |
| Sub Total | 332,911,136 | 309,659,933 | 332,916,362 | 309,675,393 |
| Others | | | | |
| Government Securities | 661,065 | 645,610 | 661,065 | 645,610 |
| Investments | 4,627,639 | 4,302,475 | 4,627,639 | 4,302,475 |
| Sub Total | 5,288,704 | 4,948,085 | 5,288,704 | 4,948,085 |
| Gross Loans and Receivables | 338,199,840 | 314,608,018 | 338,205,066 | 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 30.06.2014 Rs. '000 | As at 31.12.2013 Rs. '000 | As at 30.06.2014 Rs. '000 | As at 31.12.2013 Rs. '000 |
| | By Product - Foreign Currency | | | |
| Loans and Advances | | | | |
| Overdrafts | 8,537,706 | 8,156,718 | 8,537,706 | 8,156,718 |
| Trade Finance | 11,327,675 | 15,615,852 | 11,327,675 | 15,615,852 |
| Lease Rental Receivable | 224,436 | 217,216 | 224,436 | 217,216 |
| Credit Cards | 45,758 | 43,405 | 45,758 | 43,405 |
| Pawning | - | - | - | - |
| Staff Loans | 96,960 | 113,805 | 96,960 | 113,805 |
| Housing Loans | 748,101 | 481,304 | 748,101 | 481,304 |
| Personal Loans | 233,915 | 280,199 | 233,915 | 280,199 |
| Term Loans | | | | |
| Short-Term | 7,977,775 | 8,886,299 | 7,977,775 | 8,886,299 |
| Long-Term | 34,459,816 | 30,598,473 | 34,459,816 | 30,598,473 |
| Bills of Exchange | 4,116,482 | 2,855,831 | 4,116,482 | 2,855,831 |
| Securities Purchased Under Resale Agreements | 455,963 | 2,328,399 | 455,963 | 2,328,399 |
| Sub Total | 68,224,587 | 69,577,501 | 68,224,587 | 69,577,501 |
| Others | | | | |
| Government Securities | 48,187,421 | 50,471,323 | 48,187,421 | 50,471,323 |
| Investments | 1,370 | 74,541 | 1,370 | 74,541 |
| Sub Total | 48,188,791 | 50,545,864 | 48,188,791 | 50,545,864 |
| Gross Loans and Receivables | 116,413,378 | 120,123,365 | 116,413,378 | 120,123,365 |
| Total of Gross Loans and Receivables | 454,613,218 | 434,731,383 | 454,618,444 | 434,746,843 |

| | Group | | Bank | |
|--|---|---------------------------------|---------------------------------|---------------------------------|
| | As at 30.06.2014 Rs. '000 | As at 31.12.2013 Rs. '000 | As at 30.06.2014 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 | 1,452,403 | 3,021,394 | 1,452,403 | 3,021,394 |
| Net Write-Off/(Recoveries) during the Period | (1,353,366) | (2,320,881) | (1,353,366) | (2,320,881) |
| Exchange Rate Variance on Foreign Currency Provisions | (5,109) | 18,792 | (5,109) | 18,792 |
| Interest Accrued on Impaired Loans and Advances | (142,131) | (304,712) | (142,131) | (304,712) |
| Other Movements | 230,974 | 387,893 | 230,974 | 387,893 |
| Closing Balance | 4,387,425 | 4,204,654 | 4,387,425 | 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 | 982,936 | 1,479,914 | 982,936 | 1,479,914 |
| Exchange Rate Variance on Foreign Currency Provisions | (259) | 3,541 | (259) | 3,541 |
| Other Movements | - | - | - | - |
| Closing Balance | 12,565,191 | 11,582,514 | 12,565,191 | 11,582,514 |
| Total of Individual and Collective Impairment | 16,952,616 | 15,787,168 | 16,952,616 | 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 30.06.2014 Rs. '000 | As at 31.12.2013 Rs. '000 | As at 30.06.2014 Rs. '000 | As at 31.12.2013 Rs. '000 |
| | 4. Due to Other Customers - By Product | | | |
| By Product - Domestic Currency | | | | |
| Current Account Deposits | 31,145,790 | 27,775,664 | 31,145,830 | 27,775,704 |
| Savings Deposits | 139,868,965 | 119,827,302 | 139,933,187 | 119,827,302 |
| Time Deposits | 203,159,977 | 191,597,280 | 203,188,294 | 191,651,217 |
| Certificates of Deposits | 1,098,420 | 3,566,003 | 1,098,420 | 3,566,003 |
| Sub Total | 375,273,152 | 342,766,249 | 375,365,731 | 342,820,226 |
| By Product - Foreign Currency | | | | |
| Current Account Deposits | 9,090,218 | 9,111,749 | 9,090,218 | 9,111,749 |
| Savings Deposits | 40,207,193 | 39,594,656 | 40,207,193 | 39,594,656 |
| Time Deposits | 62,935,635 | 59,626,292 | 62,935,635 | 59,626,292 |
| Certificates of Deposits | - | - | - | - |
| Sub Total | 112,233,046 | 108,332,697 | 112,233,046 | 108,332,697 |
| Total | 487,506,198 | 451,098,946 | 487,598,777 | 451,152,923 |

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@sltnet.lk

COMPANY SECRETARY

Mrs. J.R. Gamage

BOARD OF DIRECTORS

Mr. K.G.D.D. Dheerasinghe - Chairman

(Appointed as Chairman with effect from July 29, 2014)

Mr. M.P. Jayawardena - Deputy Chairman

(Appointed as Deputy Chairman with effect from
July 29, 2014)

Mr. J. Durairatnam - Managing Director/Chief Executive Officer

(Appointed as MD/CEO with effect from July 17, 2014)

Prof. U.P. Liyanage

Mr. L. Hulugalle

Mr. S. Swarnajothi

Mr. H.J. Wilson (Appointed as a Non-Executive Director
with effect from July 03, 2014)

Mr. S. Renganathan (Appointed as an Executive Director/
Chief Operating Officer with effect from July 17, 2014)

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 4th Successive Year**
The Banker, UK

Best Trade Bank in Sri Lanka
Trade Finance, UK
