

INTERIM FINANCIAL STATEMENT
For the six months ended June 30, 2013

	For the six months ended			For the quarter ended		
	30.06.2013 Rs.'000	30.06.2012 Rs.'000	Change %	30.06.2013 Rs.'000	30.06.2012 Rs.'000	Change %
Gross income	34,730,057	30,977,244	12.11	17,942,252	15,811,867	13.47
Interest income	30,162,650	24,597,266	22.63	15,679,296	12,925,326	21.31
Less : Interest expenses	18,224,988	13,373,222	36.28	9,357,042	7,218,683	29.62
Net interest income	11,937,662	11,224,044	6.36	6,322,254	5,706,643	10.79
Fees and commission income	2,227,239	1,961,568	13.54	1,166,829	984,879	18.47
Less: Fees and commission expenses	305,330	265,393	15.05	153,960	140,536	9.55
Net fees and commission income	1,921,909	1,696,175	13.31	1,012,869	844,343	19.96
Net gain/(loss) from trading	(735,590)	1,587,635	(146.33)	(833,609)	594,248	(240.28)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	979	13,718	(92.86)	938	5,753	(83.70)
Other operating income (net)	3,074,779	2,817,057	9.15	1,928,798	1,301,661	48.18
Total operating income	16,199,739	17,338,629	(6.57)	8,431,250	8,452,648	(0.25)
Impairment charges for loans and other losses	1,731,312	2,166,199	(20.08)	1,220,292	1,135,242	7.49
Individual impairment	730,122	911,265	(19.88)	830,776	1,140,338	(27.15)
Collective impairment	999,536	1,252,364	(20.19)	388,897	(6,246)	6,326.34
Others	1,654	2,570	(35.64)	619	1,150	(46.17)
Net operating income	14,468,427	15,172,430	(4.64)	7,210,958	7,317,406	(1.45)
Less: Expenses	6,986,947	6,618,564	5.57	3,473,680	3,339,249	4.03
Personnel expenses	3,961,383	3,658,436	8.28	1,923,688	1,828,691	5.19
Depreciation and amortisation	489,244	622,072	(21.35)	247,667	397,263	(37.66)
Other expenses	2,536,320	2,338,056	8.48	1,302,325	1,113,295	16.98
Operating profit before value added tax (VAT)	7,481,480	8,553,866	(12.54)	3,737,278	3,978,157	(6.06)
Less: Value added tax (VAT) on financial services	936,068	1,043,264	(10.28)	445,200	495,107	(10.08)
Operating profit after value added tax (VAT)	6,545,412	7,510,602	(12.85)	3,292,078	3,483,050	(5.48)
Share of profits/(losses) of associates	2,933	11,216	(73.85)	-	1,915	-
Profit before income tax	6,548,345	7,521,818	(12.94)	3,292,078	3,484,965	(5.53)
Less : Income tax expense	2,058,408	2,359,381	(12.76)	1,060,003	1,133,783	(6.51)
Profit for the period	4,489,937	5,162,437	(13.03)	2,232,075	2,351,182	(5.07)
Profit attributable to:						
Equity holders of the Bank	4,488,106	5,161,831	(13.05)	2,230,954	2,350,842	(5.10)
Non-controlling interest	1,831	606	202.15	1,121	340	229.71
Profit for the period	4,489,937	5,162,437	(13.03)	2,232,075	2,351,182	(5.07)
Earnings per share						
Basic earnings per share (Rs.)	5.29	6.20	(14.68)	2.63	2.82	(6.74)
Diluted earnings per share (Rs.)	5.29	6.19	(14.54)	2.63	2.82	(6.74)

	For the six months ended			For the quarter ended		
	30.06.2013	30.06.2012	Change	30.06.2013	30.06.2012	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Gross income	34,719,576	30,973,082	12.10	17,948,636	15,813,207	13.50
Interest income	30,168,325	24,611,009	22.58	15,681,350	12,931,463	21.27
Less : Interest expenses	18,236,451	13,379,946	36.30	9,362,261	7,221,415	29.65
Net interest income	11,931,874	11,231,063	6.24	6,319,089	5,710,048	10.67
Fees and commission income	2,225,760	1,961,598	13.47	1,166,239	984,891	18.41
Less: Fees and commission expenses	305,330	265,393	15.05	153,960	140,536	9.55
Net fees and commission income	1,920,430	1,696,205	13.22	1,012,279	844,355	19.89
Net gain/(loss) from trading	(735,590)	1,587,635	(146.33)	(833,609)	594,248	(240.28)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-	-	-
Net gain/(loss) from financial investments	979	13,718	(92.86)	938	5,753	(83.70)
Other operating income (net)	3,060,102	2,799,122	9.32	1,933,718	1,296,852	49.11
Total operating income	16,177,795	17,327,743	(6.64)	8,432,415	8,451,256	(0.22)
Impairment charges for loans and other losses	1,743,639	2,166,199	(19.51)	1,226,714	1,135,242	8.06
Individual impairment	730,122	911,265	(19.88)	830,776	1,140,338	(27.15)
Collective impairment	999,536	1,252,364	(20.19)	388,897	(6,246)	6,326.34
Others	13,981	2,570	444.01	7,041	1,150	512.26
Net operating income	14,434,156	15,161,544	(4.80)	7,205,701	7,316,014	(1.51)
Less: Expenses	6,990,325	6,611,104	5.74	3,482,621	3,339,644	4.28
Personnel expenses	3,923,907	3,626,711	8.19	1,903,467	1,813,063	4.99
Depreciation and amortisation	455,904	578,549	(21.20)	231,545	376,181	(38.45)
Other expenses	2,610,514	2,405,844	8.51	1,347,609	1,150,400	17.14
Operating profit before value added tax (VAT)	7,443,831	8,550,440	(12.94)	3,723,080	3,976,370	(6.37)
Less: Value added tax (VAT) on financial services	936,068	1,043,264	(10.28)	445,200	495,107	(10.08)
Profit before income tax	6,507,763	7,507,176	(13.31)	3,277,880	3,481,263	(5.84)
Less : Income tax expense	2,036,104	2,334,404	(12.78)	1,047,101	1,112,820	(5.91)
Profit for the period	4,471,659	5,172,772	(13.55)	2,230,779	2,368,443	(5.81)
Profit attributable to:						
Equity holders of the Bank	4,471,659	5,172,772	(13.55)	2,230,779	2,368,443	(5.81)
Non-controlling interest	-	-	-	-	-	-
Profit for the period	4,471,659	5,172,772	(13.55)	2,230,779	2,368,443	(5.81)
Earnings per share						
Basic earnings per share (Rs.)	5.27	6.21	(15.14)	2.63	2.85	(7.72)
Diluted earnings per share (Rs.)	5.27	6.20	(15.00)	2.63	2.84	(7.39)

STATEMENT OF COMPREHENSIVE INCOME - GROUP

4

	For the six months ended			For the quarter ended		
	30.06.2013 Rs.'000	30.06.2012 Rs.'000	Change %	30.06.2013 Rs.'000	30.06.2012 Rs.'000	Change %
Profit for the period	4,489,937	5,162,437	(13.03)	2,233,173	2,351,182	(5.02)
Other comprehensive income, net of tax						
Changes in revaluation surplus	-	-	-	-	-	-
Deferred tax effect on revaluation surplus	-	(69,546)	-	-	(69,546)	-
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	329,225	511,793	(35.67)	177,458	136,079	30.41
Net gains and losses on re-measuring Available-For-Sale financial assets	409,462	(337,660)	221.26	188,146	(20,200)	1,031.42
Sri Lanka Government Securities	409,051	(337,265)	221.28	188,276	(19,967)	1,042.94
Equity Securities - Quoted	411	(395)	204.05	(130)	(233)	44.21
Add/(Less): Share of other comprehensive income of associates	(382)	(29,479)	98.70	9,252	(42,359)	121.84
Other comprehensive income for the period, net of taxes	738,305	75,108	882.99	374,856	3,974	9,332.71
Total comprehensive income for the period	5,228,242	5,237,545	(0.18)	2,608,029	2,355,156	10.74
Attributable to:						
Equity holders of the Bank	5,226,411	5,236,939	(0.20)	2,606,908	2,354,816	10.71
Non-controlling interest	1,831	606	202.15	1,121	340	229.71
Total comprehensive income for the period	5,228,242	5,237,545	(0.18)	2,608,029	2,355,156	10.74

	For the six months ended			For the quarter ended		
	30.06.2013	30.06.2012	Change	30.06.2013	30.06.2012	Change
	(Audited) Rs.'000	(Audited) Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	4,471,659	5,172,772	(13.55)	2,230,779	2,368,443	(5.81)
Other comprehensive income, net of tax						
Changes in revaluation surplus	-	-	-	-	-	-
Deferred tax effect on revaluation surplus	-	-	-	-	-	-
Net gains/(losses) arising from translating the Financial Statements of the Foreign Operation	320,773	505,810	(36.58)	175,727	132,909	32.22
Net gains and losses on re-measuring Available-For-Sale financial assets	409,462	(337,680)	221.26	188,146	(20,220)	1,030.49
Sri Lanka Government Securities	409,051	(337,285)	221.28	188,276	(19,987)	1,041.99
Equity Securities - Quoted	411	(395)	204.05	(130)	(233)	44.21
Other comprehensive income for the period, net of taxes	730,235	168,130	334.33	363,873	112,689	222.90
Total comprehensive income for the period	5,201,894	5,340,902	(2.60)	2,594,652	2,481,132	4.58
Attributable to:						
Equity holders of the Bank	5,201,894	5,340,902	(2.60)	2,594,652	2,481,132	4.58
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income for the period	5,201,894	5,340,902	(2.60)	2,594,652	2,481,132	4.58

STATEMENT OF FINANCIAL POSITION

6

As at	Group			Bank		
	30.06.2013	31.12.2012	Change	30.06.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	(Audited) Rs.'000	(Audited) Rs.'000	%
ASSETS						
Cash and cash equivalents	17,242,306	19,752,205	(12.71)	17,231,618	19,732,834	(12.68)
Balances with central banks	22,756,313	18,168,039	25.25	22,756,313	18,168,039	25.25
Placements with banks	1,657,104	16,162,970	(89.75)	1,657,104	16,162,970	(89.75)
Derivative financial instruments	894,162	1,351,095	(33.82)	894,162	1,351,095	(33.82)
Other financial assets held for trading	10,474,910	6,041,110	73.39	10,474,910	6,041,110	73.39
Loans and receivables to banks	543,143	628,760	(13.62)	543,143	628,760	(13.62)
Loans and receivables to other customers	389,542,339	372,857,337	4.47	389,576,210	372,915,081	4.47
Financial investments - Available for sale	96,484,709	57,963,192	66.46	96,484,709	57,963,192	66.46
Financial investments - Held-to-maturity	-	-	-	-	-	-
Investments in Subsidiaries	-	-	-	299,910	303,130	(1.06)
Investments in Associates	92,869	93,712	(0.90)	44,331	44,331	-
Property, plant & equipment	8,919,558	8,946,881	(0.31)	8,230,928	8,221,118	0.12
Intangible assets	509,683	506,161	0.70	500,535	497,038	0.70
Leasehold property	111,054	111,776	(0.65)	76,837	77,304	(0.60)
Deferred tax assets	361,683	458,258	(21.07)	361,683	448,500	(19.36)
Other assets	8,973,509	9,179,144	(2.24)	8,979,149	9,188,206	(2.28)
Total Assets	558,563,342	512,220,640	9.05	558,111,542	511,742,708	9.06
LIABILITIES						
Due to Banks	12,254,293	4,763,565	157.25	12,254,293	4,763,565	157.25
Derivative financial instruments	338,566	84,291	301.66	338,566	84,291	301.66
Other financial liabilities held for trading	-	-	-	-	-	-
Due to other customers	417,223,935	390,568,682	6.82	417,282,791	390,611,548	6.83
Other borrowings	47,958,475	47,565,945	0.83	48,111,840	47,713,199	0.84
Debt securities issued	-	-	-	-	-	-
Current tax liabilities	2,933,083	2,821,975	3.94	2,897,972	2,801,541	3.44
Deferred tax liabilities	1,872,755	1,889,983	(0.91)	1,687,879	1,698,067	(0.60)
Other provisions	2,409	2,409	-	2,409	2,409	-
Other liabilities	9,440,512	10,417,213	(9.38)	9,393,803	10,362,808	(9.35)
Due to Subsidiaries	-	-	-	51,276	22,264	130.31
Subordinated term debts	10,934,488	1,106,016	888.64	10,934,488	1,106,016	888.64
Total Liabilities	502,958,516	459,220,079	9.52	502,955,317	459,165,708	9.54

STATEMENT OF FINANCIAL POSITION

7

As at	Group			Bank		
	30.06.2013	31.12.2012	Change	30.06.2013	31.12.2012	Change
	Rs.'000	(Audited) Rs.'000	%	(Audited) Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	19,557,389	18,008,796	8.60	19,557,389	18,008,796	8.60
Statutory reserves	3,433,395	3,433,395	-	3,433,395	3,433,395	-
Retained earnings	3,658,348	4,172,814	(12.33)	3,647,549	4,178,080	(12.70)
Other reserves	28,923,030	27,353,415	5.74	28,517,892	26,956,729	5.79
Total equity attributable to equity holders of the Bank	55,572,162	52,968,420	4.92	55,156,225	52,577,000	4.91
Non-controlling Interest	32,664	32,141	1.63	-	-	-
Total Equity	55,604,826	53,000,561	4.91	55,156,225	52,577,000	4.91
Total Liabilities and Equity	558,563,342	512,220,640	9.05	558,111,542	511,742,708	9.06
Contingent Liabilities and Commitments	278,753,880	279,593,112	(0.30)	278,793,491	279,593,112	(0.29)
Net Assets Value per Ordinary Share (Rs.)				64.99	63.08	3.03
Memorandum Information						
Number of Employees	4,658	4,602				
Number of Customer Service Centres	250	244				

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 & the Bank, unless indicated as Audited.

(Sgd.) D.S. Weerakkody
Chairman

(Sgd.) W.M.R.S. Dias
Managing Director/Chief Executive Officer

August 12, 2013
Colombo

STATEMENT OF CHANGES IN EQUITY - GROUP

8

	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Total	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		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	Rs.'000	Rs.'000			
Balance as at 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,588,194	4,550,836	(143,969)	(1,303,646)	1,194,328	17,889,471	44,139,380	29,589	44,168,969
Total comprehensive income for the six months ended 30.06.2012												
Profit for the six months ended 30.06.2012	-	-	-	5,162,437	-	-	-	-	-	5,162,437	-	5,162,437
Other comprehensive income for the six months ended 30.06.2012	-	-	-	(29,479)	(69,546)	(337,660)	511,793	-	-	75,108	-	75,108
Total comprehensive income for the six months ended 30.06.2012	-	-	-	5,132,958	(69,546)	(337,660)	511,793	-	-	5,237,545	-	5,237,545
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	20,260	-	-	-	-	-	-	-	-	20,260	-	20,260
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	(1,308)	(1,227,969)
Scrip dividend for 2011	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Transfers during the period	-	-	-	(344,483)	-	-	-	344,483	-	-	-	-
Total transactions with equity holders	1,492,253	-	-	(3,206,692)	-	-	-	344,483	-	(1,369,956)	(1,308)	(1,371,264)
Balance as at 30.06.2012	17,966,114	2,740,901	149,404	4,514,460	4,481,290	(481,629)	(791,853)	1,538,811	17,889,471	48,006,969	28,281	48,035,250
Total comprehensive income for the six months ended 31.12.2012												
Profit for the six months ended 31.12.2012	-	-	-	4,917,392	-	-	-	-	-	4,917,392	1,338	4,918,730
Other comprehensive income for the six months ended 31.12.2012	-	-	-	512	255,835	957,096	36,752	-	-	1,250,195	3,753	1,253,948
Total comprehensive income for the six months ended 31.12.2012	-	-	-	4,917,904	255,835	957,096	36,752	-	-	6,167,587	5,091	6,172,678
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	42,682	-	-	-	-	-	-	-	-	42,682	-	42,682
Dividends to equity holders												
First interim dividend for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	(1,308)	(1,251,469)
Write back of dividend payable	-	-	-	1,343	-	-	-	-	-	1,343	77	1,420
Transfers during the period	-	504,917	38,173	(4,010,732)	-	-	-	1,308,124	2,159,518	-	-	-
Total transactions with equity holders	42,682	504,917	38,173	(5,259,550)	-	-	-	1,308,124	2,159,518	(1,206,136)	(1,231)	(1,207,367)
Balance as at 31.12.2012 - 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	32,141	53,000,561
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)	-	409,462	329,225	-	-	738,305	-	738,305
Total comprehensive income for the six months ended 30.06.2013	-	-	-	4,487,724	-	409,462	329,225	-	-	5,226,411	1,831	5,228,242
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												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	(1,308)	(1,670,134)
Scrip dividend for 2012	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
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	884,929	(425,876)	3,677,864	20,048,989	55,572,162	32,664	55,604,826

	Stated Capital	Statutory Reserves		Retained Earnings	Other Reserves					Total	Non-Controlling Interest	Total Equity
		Statutory Reserve Fund	Primary Dealer Special Risk Reserve		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	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.01.2012 - Audited	16,473,861	2,740,901	149,404	2,547,336	4,222,054	(143,969)	(1,308,721)	1,194,328	17,889,471	43,764,665	-	43,764,665
Total comprehensive income for the six months ended 30.06.2012												
Profit for the six months ended 30.06.2012	-	-	-	5,172,772	-	-	-	-	-	5,172,772	-	5,172,772
Other comprehensive income for the six months ended 30.06.2012	-	-	-	-	-	(20,220)	132,909	-	-	112,689	-	112,689
Total comprehensive income for the six months ended 30.06.2012	-	-	-	5,172,772	-	(20,220)	132,909	-	-	5,285,461	-	5,285,461
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	20,260	-	-	-	-	-	-	-	-	20,260	-	20,260
Dividends to equity holders												
Final cash dividend for 2011	-	-	-	(1,226,661)	-	-	-	-	-	(1,226,661)	-	(1,226,661)
Scrip dividend for 2011	1,471,993	-	-	(1,635,548)	-	-	-	-	-	(163,555)	-	(163,555)
Transfers during the period	-	-	-	(344,483)	-	-	-	344,483	-	-	-	-
Total transactions with equity holders	1,492,253	-	-	(3,206,692)	-	-	-	344,483	-	(1,369,956)	-	(1,369,956)
Balance as at 30.06.2012	17,966,114	2,740,901	149,404	4,513,416	4,222,054	(164,189)	(1,175,812)	1,538,811	17,889,471	47,680,170	-	47,680,170
Total comprehensive income for the six months ended 31.12.2012												
Profit for the six months ended 31.12.2012	-	-	-	4,925,557	-	-	-	-	-	4,925,557	-	4,925,557
Other comprehensive income for the six months ended 31.12.2012	-	-	-	-	121,178	639,656	417,918	-	-	1,178,752	-	1,178,752
Total comprehensive income for the six months ended 31.12.2012	-	-	-	4,925,557	121,178	639,656	417,918	-	-	6,104,309	-	6,104,309
Transactions with owners, recorded directly in equity contributions by and distributions to owners												
Issue of Ordinary Shares under Employee Share Option Plans	42,682	-	-	-	-	-	-	-	-	42,682	-	42,682
Dividends to equity holders												
First interim dividend for 2012	-	-	-	(1,250,161)	-	-	-	-	-	(1,250,161)	-	(1,250,161)
Transfers during the period	-	504,917	38,173	(4,010,732)	-	-	-	1,308,124	2,159,518	-	-	-
Total transactions with equity holders	42,682	504,917	38,173	(5,260,893)	-	-	-	1,308,124	2,159,518	(1,207,479)	-	(1,207,479)
Balance as at 31.12.2012 - 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 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	-	-	-	-	-	409,462	320,773	-	-	730,235	-	730,235
Total comprehensive income for the six months ended 30.06.2013	-	-	-	4,471,659	-	409,462	320,773	-	-	5,201,894	-	5,201,894
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												
Second interim dividend for 2012	-	-	-	(833,609)	-	-	-	-	-	(833,609)	-	(833,609)
Final cash dividend for 2012	-	-	-	(1,668,826)	-	-	-	-	-	(1,668,826)	-	(1,668,826)
Scrip dividend for 2012	1,501,943	-	-	(1,668,826)	-	-	-	-	-	(166,883)	-	(166,883)
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	3,647,549	4,343,232	884,929	(437,121)	3,677,864	20,048,989	55,156,225	-	55,156,225

<i>For the six months ended June 30,</i>	Group		Bank	
	2013 Rs.'000	2012 Rs.'000	2013 Rs.'000	2012 Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	6,545,412	7,510,602	6,507,763	7,507,176
Adjustment for:				
Non-cash items included in profits before tax	2,220,556	2,788,271	2,199,543	2,744,748
Change in operating assets	(50,296,186)	(48,211,189)	(50,278,204)	(48,158,244)
Change in operating liabilities	31,698,379	41,038,911	31,757,188	41,007,492
Share of profits in associates	2,933	(11,216)	-	-
Dividend income from subsidiaries and associates	-	-	(24,564)	(27,607)
Interest expense on subordinated debt	65,323	66,040	65,323	66,040
Contribution paid to defined benefit plans	281,997	280,301	281,997	280,301
Tax paid	(1,867,953)	(979,117)	(1,863,044)	(976,514)
Net cash generated from/(used in) Operating Activities	(11,349,539)	2,482,603	(11,353,998)	2,443,392
Cash Flows from Investing Activities				
Net additions to property, plant and equipment	(445,969)	(532,868)	(450,295)	(508,510)
Net purchase of intangible assets	(18,497)	19,936	(18,449)	21,019
Dividends received from investment in subsidiaries and associates	-	-	24,564	27,607
Net unrealised gain from translation of Financial Statements of Foreign Operation	329,225	511,793	320,773	505,810
Net cash generated from/(used in) Investing Activities	(135,241)	(1,139)	(123,407)	45,926
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary shares	46,649	20,260	46,649	20,260
Net proceeds from the issue of subordinated debt	9,768,750	-	9,768,750	-
Interest paid on subordinated debt	(5,601)	(132,429)	(5,601)	(132,429)
Dividend paid to shareholders of the parent company	(833,609)	-	(833,609)	-
Net cash generated from/(used in) Financing Activities	8,974,881	(112,169)	8,976,189	(112,169)
Net increase/(decrease) in cash & cash equivalents	(2,509,899)	2,369,295	(2,501,216)	2,377,149
Cash and cash equivalents at beginning of the year	19,752,205	12,934,995	19,732,834	12,910,989
Cash and cash equivalents at the end of the period	17,242,306	15,304,290	17,231,618	15,288,138

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		17,242,306			17,242,306
Balances with central banks		22,756,313			22,756,313
Placements with banks		1,657,104			1,657,104
Derivative financial instruments	894,162				894,162
Other financial assets held for trading	10,474,910				10,474,910
Loans and receivables to banks		543,143			543,143
Loans and receivables to other customers		389,542,339			389,542,339
Financial investments - Available for sale			96,484,709		96,484,709
Total financial assets	11,369,072	431,741,205	96,484,709	-	539,594,986
Investments in subsidiaries				-	-
Investments in associates				92,869	92,869
Property, plant & equipment				8,919,558	8,919,558
Intangible assets				509,683	509,683
Leasehold property				111,054	111,054
Deferred tax assets				361,683	361,683
Other assets				8,973,509	8,973,509
Total non-financial assets	-	-	-	18,968,356	18,968,356
Total assets	11,369,072	431,741,205	96,484,709	18,968,356	558,563,342
LIABILITIES					
Due to banks			12,254,293		12,254,293
Derivative financial instruments		338,566	-		338,566
Other financial liabilities held for trading			-		-
Due to other customers			417,223,935		417,223,935
Other borrowings			47,958,475		47,958,475
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			10,934,488		10,934,488
Total financial liabilities	-	338,566	488,371,191	-	488,709,757
Current tax liabilities				2,933,083	2,933,083
Deferred tax liabilities				1,872,755	1,872,755
Other provisions				2,409	2,409
Other liabilities				9,440,512	9,440,512
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	14,248,759	14,248,759
Total liabilities	-	338,566	488,371,191	14,248,759	502,958,516

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		19,752,205			19,752,205
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial assets held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,857,337			372,857,337
Financial investments - Available for sale			57,963,192		57,963,192
Total financial assets	7,392,205	427,569,311	57,963,192	-	492,924,708
Investments in subsidiaries				-	-
Investments in associates				93,712	93,712
Property, plant & equipment				8,946,881	8,946,881
Intangible assets				506,161	506,161
Leasehold property				111,776	111,776
Deferred tax assets				458,258	458,258
Other assets				9,179,144	9,179,144
Total non-financial assets	-	-	-	19,295,932	19,295,932
Total assets	7,392,205	427,569,311	57,963,192	19,295,932	512,220,640
LIABILITIES					
Due to banks			4,763,565		4,763,565
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,568,682		390,568,682
Other borrowings			47,565,945		47,565,945
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			1,106,016		1,106,016
Total financial liabilities	-	84,291	444,004,208	-	444,088,499
Current tax liabilities				2,821,975	2,821,975
Deferred tax liabilities				1,889,983	1,889,983
Other provisions				2,409	2,409
Other liabilities				10,417,213	10,417,213
Due to Subsidiaries				-	-
Total non-financial liabilities	-	-	-	15,131,580	15,131,580
Total liabilities	-	84,291	444,004,208	15,131,580	459,220,079

	Held for Trading (HFT) Rs.'000	Loans & Receivables (L & R) Rs.'000	Available for Sale (AFS) Rs.'000	Others Rs.'000	Total Rs.'000
ASSETS					
Cash and cash equivalents		17,231,618			17,231,618
Balances with central banks		22,756,313			22,756,313
Placements with banks		1,657,104			1,657,104
Derivative financial instruments	894,162				894,162
Other financial assets held for trading	10,474,910				10,474,910
Loans and receivables to banks		543,143			543,143
Loans and receivables to other customers		389,576,210			389,576,210
Financial investments - Available for sale			96,484,709		96,484,709
Total financial assets	11,369,072	431,764,388	96,484,709	-	539,618,169
Investments in subsidiaries				299,910	299,910
Investments in associates				44,331	44,331
Property, plant & equipment				8,230,928	8,230,928
Intangible assets				500,535	500,535
Leasehold property				76,837	76,837
Deferred tax assets				361,683	361,683
Other assets				8,979,149	8,979,149
Total non-financial assets	-	-	-	18,493,373	18,493,373
Total assets	11,369,072	431,764,388	96,484,709	18,493,373	558,111,542

	Held for Trading (HFT) Rs.'000	Amortised Cost Rs.'000	Others Rs.'000	Total Rs.'000
LIABILITIES				
Due to banks		12,254,293		12,254,293
Derivative financial instruments	338,566	-		338,566
Other financial liabilities held for trading		-		-
Due to other customers		417,282,791		417,282,791
Other borrowings		48,111,840		48,111,840
Debt securities issued		-		-
Other liabilities		-		-
Subordinated term debts		10,934,488		10,934,488
Total financial liabilities	-	338,566	488,583,412	-
Current tax liabilities			2,897,972	2,897,972
Deferred tax liabilities			1,687,879	1,687,879
Other provisions			2,409	2,409
Other liabilities			9,393,803	9,393,803
Due to Subsidiaries			51,276	51,276
Total non-financial liabilities	-	-	14,033,339	14,033,339
Total liabilities	-	338,566	488,583,412	502,955,317

	Held for Trading (HFT)	Loans & Receivables (L & R)	Available for Sale (AFS)	Others	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash and cash equivalents		19,732,834			19,732,834
Balances with central banks		18,168,039			18,168,039
Placements with banks		16,162,970			16,162,970
Derivative financial instruments	1,351,095				1,351,095
Other financial assets held for trading	6,041,110				6,041,110
Loans and receivables to banks		628,760			628,760
Loans and receivables to other customers		372,915,081			372,915,081
Financial investments - Available for sale			57,963,192		57,963,192
Total financial assets	7,392,205	427,607,684	57,963,192	-	492,963,081
Investments in subsidiaries				303,130	303,130
Investments in associates				44,331	44,331
Property, plant & equipment				8,221,118	8,221,118
Intangible assets				497,038	497,038
Leasehold property				77,304	77,304
Deferred tax assets				448,500	448,500
Other assets				9,188,206	9,188,206
Total non-financial assets	-	-	-	18,779,627	18,779,627
Total assets	7,392,205	427,607,684	57,963,192	18,779,627	511,742,708
LIABILITIES					
Due to banks			4,763,565		4,763,565
Derivative financial instruments		84,291	-		84,291
Other financial liabilities held for trading			-		-
Due to other customers			390,611,548		390,611,548
Other borrowings			47,713,199		47,713,199
Debt securities issued			-		-
Other liabilities			-		-
Subordinated term debts			1,106,016		1,106,016
Total financial liabilities	-	84,291	444,194,328	-	444,278,619
Current tax liabilities				2,801,541	2,801,541
Deferred tax liabilities				1,698,067	1,698,067
Other provisions				2,409	2,409
Other liabilities				10,362,808	10,362,808
Due to Subsidiaries				22,264	22,264
Total non-financial liabilities	-	-	-	14,887,089	14,887,089
Total liabilities	-	84,291	444,194,328	14,887,089	459,165,708

	Bank		Group	
	As at 30.06.2013 Audited	As at 31.12.2012 Audited	As at 30.06.2013	As at 31.12.2012 Audited
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. '000	49,583,730	45,067,232	49,604,250	45,087,778
Total Capital Base - Rs. '000	63,579,426	49,379,397	63,599,946	49,399,944
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	13.85%	12.64%	13.84%	12.63%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	17.76%	13.85%	17.74%	13.84%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.04%	3.37%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.36%	1.84%		
Profitability				
Interest Margin	4.50%	4.85%		
Return on Assets (before tax)	2.45%	3.54%		
Return on Equity	16.74%	25.34%		
Debt Security Related Ratios				
Debt Equity Ratio	35.15%	17.32%		
Interest Cover (Times)	22.99	53.16		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	132,418,453	95,002,327		
Off-Shore Banking Unit	6,110,364	6,463,887		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	32.63%	25.40%		
Off-Shore Banking Unit	30.34%	34.16%		

SEGMENTAL ANALYSIS - GROUP

16

	Banking		Leasing		Dealing / Treasury		Investments		Total/Consolidated	
	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000	2013 Rs.000	2012 Rs.000
<i>For the six months ended June 30,</i>										
External Operating income :										
Net interest income	11,366,590	10,489,411	499,486	433,005	(144,331)	83,887	215,917	217,742	11,937,662	11,224,044
Foreign exchange profit	312,039	1,687,710	-	-	1,030,629	2,127,624	-	-	1,342,668	3,815,334
Fees and Commission income	1,917,574	1,692,452	-	-	4,335	3,723	-	-	1,921,909	1,696,175
Other income	607,312	439,258	112,548	38,342	77,105	31	39,239	(10,980)	831,315	462,406
Eliminations/Unallocated	-	-	-	-	-	-	-	-	166,185	140,670
Total Operating income	14,203,515	14,308,831	612,034	471,347	967,738	2,215,265	255,156	206,762	16,199,739	17,338,629
Impairment charges for loans and other losses	(1,460,813)	(1,973,011)	(270,499)	(193,189)	-	-	-	-	(1,731,312)	(2,166,200)
Net Operating income	12,742,702	12,335,820	341,535	278,158	967,738	2,215,265	255,156	206,762	14,468,427	15,172,429
Segment result	8,173,299	5,736,469	341,535	278,159	(130,731)	3,331,871	227,818	184,609	8,611,921	9,531,108
Unallocated operating expenses									(2,066,509)	(2,020,506)
Profit from operations									6,545,412	7,510,602
Share of profit of Associates									2,933	11,216
Income tax expense									(2,058,408)	(2,359,381)
Non - Controlling Interest									(1,831)	(606)
Net profit attributable to Equity holders of the parent									4,488,106	5,161,831

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<i>As at June 30,</i>										
Other information										
Segment assets	338,398,131	307,595,315	22,255,010	24,555,020	173,877,112	135,933,679	5,064,733	4,111,045	539,594,986	472,195,059
Investment in associates							92,869	96,370	92,869	96,370
Unallocated Assets									18,875,487	17,005,545
Total assets									558,563,342	489,296,974
Segment liabilities	296,862,954	272,415,761	22,255,010	24,555,020	173,877,112	135,933,679	5,157,602	4,207,415	498,152,678	437,111,875
Unallocated liabilities									4,805,838	4,135,142
Total liabilities									502,958,516	441,247,017

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<i>For the six months ended June 30,</i>										
Information on cash flows										
Cash flows from operating activities	(18,766,879)	5,649,250	1,607,346	(403,779)	10,243,794	(3,996,426)	(4,433,800)	1,233,559	(11,349,539)	2,482,604
Cash flows from investing activities	329,225	511,793	-	-	-	-	-	-	329,225	511,793
Cash flows from financing activities	9,768,750	-	-	-	(5,601)	(132,429)	-	-	9,763,149	(132,429)
Capital expenditure										
Property, Plant & Equipment									(445,969)	(532,868)
Intangible assets									(18,497)	19,936
Eliminations/Unallocated									(788,268)	20,260
Net Cash Flow generated									(2,509,899)	2,369,296

Twenty largest voting shareholders as at June 30,2013

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	117,951,857	14.85
Employees Provident Fund	75,890,973	9.56
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	57,224,769	7.21
Sri Lanka Insurance Corporation Ltd. - Life Fund	40,219,594	5.06
CB NY S/A International Finance Corporation	39,756,210	5.01
Sri Lanka Insurance Corporation Ltd. - General Fund	34,583,318	4.36
Mr.Y. S. H. I Silva	31,300,000	3.94
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	21,066,949	2.65
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	17,786,191	2.24
Distilleries Company of Sri Lanka PLC	17,348,809	2.18
HSBC Intl. Nominees Ltd. - SSBT -Wasatch Frontier Emerging Small Countries Fund	15,136,477	1.91
Mrs. L. E. M. Yaseen	11,500,001	1.45
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	10,736,297	1.35
Mercantile Investments and Finance Plc	10,244,517	1.29
Goldman Sachs & Co S/A Artha Master Fund Ltd	8,381,838	1.06
The Bank of New York Mellon SA/NV-CF Ruffer Total Return Fund	8,071,609	1.02
HSBC Intl. Nominees Ltd. - SSBT-Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	7,398,991	0.93
HSBC Intl. Nominees Ltd. - BP2S -London Aberdeen Asia Smaller Companies Investment Trust	6,672,683	0.84
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	6,250,323	0.79
The Bank of New York Mellon SA/NV-CF Ruffer Absolute Return Fund	6,089,109	0.77
Sub total	543,610,515	68.46
Other Shareholders	250,474,351	31.54
Total	794,084,866	100.00

Percentage of public holding as at June 30,2013 - 85.00%

Twenty largest non-voting shareholders as at June 30,2013

Name of the Shareholder	No. of Shares	%
HSBC Intl. Nominees Ltd. - JPMLU- Franklin Templeton Investment Funds	3,286,705	6.03
CITY Bank NY S/A Forward International Dividend Fund	1,800,733	3.30
GF Capital Global Limited	1,466,962	2.69
Northern Trust Company S/A Polar Capital Funds Plc	1,419,780	2.60
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,353,360	2.48
HSBC Intl. Nominees Ltd. - SSBT - The Ashmoreemm Umbrella Trust Fund	1,303,338	2.39
Mr. J. D. Bandaranayake	1,077,799	1.98
Waldock Mackenzie Lts / Mr. S.N.P. Paliheena and Mrs. A.S. Paliheena	1,000,000	1.83
M.J.F.Exports Ltd.	933,060	1.71
MAS Capital (Pvt) Ltd	801,620	1.47
Mr. M. F. Hashim	682,517	1.25
Saboor Chatoor (Pvt) Ltd	647,755	1.19
Mr. M. A . Yaseen	625,016	1.15
Asian Alliance Insurance Plc - A/C 02 (Life Fund)	495,072	0.91
Dr. A. K. A. Jayawardene	481,472	0.88
Akbar Brothers (Pvt) Ltd. A/C No.01	457,600	0.84
Mrs. L. V. C. Samarasinha	457,144	0.84
Mr. G. A. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	433,880	0.80
Union Assuarance PLC/NO-01A/C	429,739	0.79
CITY Bank NY S/A Forward Select EM Dividend Fund	418,000	0.77
Sub total	19,571,552	35.88
Other Shareholders	34,971,670	64.12
Total	54,543,222	100.00

Percentage of public holding as at June 30,2013 - 99.96%

Directors' holding in shares as at June 30,2013

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.D.S.Weerakkody - Chairman	26,452	12,220
Mr.K.G.D.D Dheerasinghe - Deputy Chairman	20,334	-
Mr.W.M.R.S.Dias - MD/CEO	696,594	-
Prof.U.P.Liyanage	-	-
Mr.L.Hulugalle	-	-
Mr.M.P Jayawardena	-	-
Mr.S.Swarnajothi	-	8,332
Mr.J.Durairatnam	344,336	-

	2013 Rs.	2012 Rs.
Market price of an ordinary share of the Bank as at June 30, 2013		
Voting	115.30	98.80
Non-Voting	94.80	73.50
Highest price during the quarter ended June 30,		
Voting	126.00	106.00
Non-Voting	102.00	86.00
Lowest price during the quarter ended June 30,		
Voting	108.30	98.50
Non-Voting	92.30	73.50
Number of Ordinary Shares Issued as at June 30,		
Voting	794,084,866	779,104,356
Non-Voting	54,543,222	53,473,748

EXPLANATORY NOTES

- 1 These Interim Financial Statement of the Bank and the Group have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2012. 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 There were no material events that took place since June 30, 2013, that require disclosure in these Interim Financial Statements:
- 3 During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 4 All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

Auditors Opinion on the Financial Statements of the Bank as at June 30,2013.

The figures relating to the Bank have been extracted from the financial statements that had been audited by the External Auditor. The Auditor expressed an unqualified opinion on the said financial statements prepared as at June 30,2013 and for the period then ended.

INFORMATION ON DEBENTURES - BANK

Debenture categories	CSE Listing	Interest payable frequency	Balance as at June 30, 2013 Rs. Mn.	Market values			Interest Rates		Interest rate of comparable Govt. Security %	Other ratios as at date of last trade	
				Highest Rs.	Lowest Rs.	Year End Rs.	Coupon Rate %	Eff. Ann. Yield %		Int. Yield %	YTM %
Fixed rate											
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	11.10		
				-	-	-	13.25	13.25	11.65	-	-
Dec 2006/Dec 2013 13.75% p.a.	Listed	Annually	0.3	Not traded during the current period			13.75	13.75	9.70	Not traded during the current period	
				Not traded during the current period			13.75	13.75	11.00	Not traded during the current pe	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	11.20	Not traded during the current period	
				Not traded during the current period			14.00	14.00	12.00	Not traded during the current pe	
Floating rate											
Dec 2006/Dec 2013 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.3	Not traded during the current period			13.99	13.99	12.85	Not traded during the current period	
				Not traded during the current period			11.34	11.34	13.55	Not traded during the current pe	
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	12.85	Not traded during the current period	
				Not traded during the current period			11.34	11.34	13.55	Not traded during the current pe	
Total Debentures			973.2								

(Comparative information for 2012 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

NAME OF COMPANY

Commercial Bank of Ceylon PLC

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

LEGAL FORM

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

CREDIT RATING**Sri Lanka Operation**

- AA (Ika) was re-affirmed by Fitch Ratings Lanka Ltd. in July 2012.
- AA+ was affirmed by Ram Ratings Lanka Ltd. in August 2013.

Bangladesh Operation

- Upgraded to AAA from AA+ by Credit Rating Information Services Ltd. in 2012.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

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

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of December 2006/December 2013 and December 2006/December 2016 series, both fixed and floating interest rates of the Company are listed on the Colombo Stock Exchange.

LAWYERS

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

REGISTERED OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mw.
P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone : 2430420, 2336700
2445010-15 ,24860000, 4792000
Tele-Banking :2336633-5
Telex :21520 COMEX CE
Facsimile : 941-112449889
SWIFT Code-Sri Lanka : CCEYLK LX
SWIFT Code-Bangladesh : CCEYBDDH
E-mail : email@combank.net
Website : www.combank.net

AUDITORS

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

REGISTRARS

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

COMPANY SECRETARY

Mrs. R.R. Dunuwille

HEAD OFFICE

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

BOARD OF DIRECTORS

Mr.D.S.Weerakkody - Chairman
Mr.K.G.D.D.Dheerasinghe - Deputy Chairman
Mr.W.M.R.S.Dias - MD/CEO
Prof.U.P.Liyanage
Mr.L.Hulugalle
Mr.M.P.Jayawardena
Mr.S.Swarnajothi
Mr.J.Durairatnam

ACCOUNTING YEAR

December 31

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

REVIEW

The banking industry continued to experience narrowing margins and recorded comparatively lower growth in business volumes in the second quarter of the year too. Despite the challenging environment that prevailed in the industry the Bank was able to record a healthy net interest income of Rs. 11.932 Bn., for the first half of 2013, compared to Rs. 11.231 Bn., recorded in the corresponding period last year. During the period under review the total deposits of the Bank continued to grow and stood at Rs. 429.537 Bn. as at June 30, 2013 reflecting a growth of Rs. 34.162 Bn., or 8.64% compared to Rs.395.375 Bn., recorded as at December 31, 2012. The loans and advances too recorded an increase of Rs. 16.576 Bn., or 4.46% during the review period and reached a figure of Rs. 390.119 Bn., as at the end of June 2013, compared to Rs. 373.544 Bn., recorded as at December 31, 2012.

The gross income of the Bank for the first half of 2013 reached Rs.34.720 Bn., recording a growth of Rs. 3.747 Bn., or 12.10% compared to Rs. 30.973 Bn., recorded during the same period last year. However, the Bank's total operating income which comprised of net interest income, exchange profit and other income amounted to Rs. 16.178 Bn., during the first half of 2013 as against the total operating income of Rs. 17.328 Bn., recorded during the corresponding period last year. The main reason for the negative variance in the total operating income was the depreciation of the Sri Lankan Rupee against the US dollar by 17.10% during first half of 2012 which boosted the foreign exchange income earned by the Bank by Rs. 2.475 Bn., during first half of 2012.

The net operating income of the Bank amounted to Rs. 14.434 Bn., as against Rs. 15.162 Bn., reported for the first half of 2012 and this reflected a decrease of Rs. 0.727 Bn., or 4.80%. Total impairment charges which comprise of individual and collective impairment for the first half of 2013 amounted to Rs. 1.730 Mn.

The total charges which include personnel expenses, depreciation & amortisation and other expenses amounted to Rs. 6.990 Bn., and this reflected an increase of Rs. 0.379 Bn., or 5.74% compared to Rs. 6.611 Bn., reported in the corresponding period last year.

Consequently, the pre & post tax profit of the Bank for the first half of 2013 reached Rs. 6.508 Bn., and Rs. 4.472 Bn., respectively as against pre & post tax profit of Rs. 7.507 Bn., and Rs. 5.173 Bn., respectively reported for the corresponding period last year.

Total assets of the Bank stood at Rs. 558.1 Bn., as at June 30, 2013 reflecting a growth of 9.06%, compared to Rs. 511.7 Bn., recorded as at December 31, 2012.

The Bank's Tier I Capital Adequacy Ratio improved to 13.85% as at June 30, 2013 from 12.64% at 31st December 2012, while total capital adequacy (Tier I and Tier II) increased to 17.76% from 13.85%, largely due to a sum of US\$ 75 million raised by the Bank in March 2013 from the International Finance Corporation (IFC) as a ten year Subordinated Term Debt that qualifies for Tier II Capital.

The Commercial Bank Group recorded a Pre-tax profit of Rs. 6.548 Bn. for the first half of 2013, compared to Rs. 7.522 Bn., reported for the corresponding period in 2012. The Group recorded a post tax profit of Rs. 4.490 Bn., during the period under review compared to the post tax profit of Rs. 5.162 Bn. recorded during the corresponding period in 2012.