



INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2011

For the three months ended March 31,	Bank			Group		
	2011	2010	Growth	2011	2010	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
Income	10,591.1	9,813.7	7.92	10,587.9	9,808.2	7.95
Interest Income	8,828.2	8,379.6	5.35	8,817.1	8,366.9	5.38
Interest Income on Loans and Advances	6,371.5	5,507.4	15.69	6,360.3	5,494.7	15.75
Interest Income on Other Interest Earning Assets	2,456.7	2,872.2	(14.47)	2,456.8	2,872.2	(14.46)
Less : Interest Expenses	4,498.3	4,796.2	(6.21)	4,495.3	4,793.1	(6.21)
Interest Expenses on Deposits	3,362.1	3,749.3	(10.33)	3,362.1	3,748.9	(10.32)
Interest Expenses on Other Interest Bearing Liabilities	1,136.2	1,046.9	8.53	1,133.2	1,044.2	8.52
Net Interest Income	4,329.9	3,583.4	20.83	4,321.8	3,573.8	20.93
Non-Interest Income	1,479.7	1,248.5	18.52	1,487.6	1,255.7	18.47
Foreign Exchange Income	496.8	446.3	11.32	496.8	446.3	11.32
Other Income	982.9	802.2	22.53	990.8	809.4	22.41
Net Income	5,809.6	4,831.9	20.23	5,809.4	4,829.5	20.29
Less : Non-Interest Expenses	2,725.8	2,365.5	15.23	2,717.8	2,351.2	15.59
Personnel Costs	1,347.4	1,239.8	8.68	1,358.9	1,261.0	7.76
Provision for Staff Retirement Benefits	124.7	106.7	16.87	124.9	95.1	31.34
Premises, Equipment & Establishment Expenses	647.4	582.4	11.16	653.7	587.6	11.25
Loss on Trading/Investment Securities	0.7	2.4	(70.83)	0.7	2.4	(70.83)
Amortization of Intangible Assets	16.7	18.1	(7.73)	16.7	18.1	(7.73)
Other Operating Expenses	588.9	416.1	41.53	562.9	387.0	45.45
Less : Provision for Bad and Doubtful Debts and Loans Written Off	(281.3)	(29.4)	(856.80)	(281.3)	(29.4)	(856.80)
Provisions - General	(160.6)	(5.7)	(2,717.54)	(160.6)	(5.7)	(2,717.54)
Provisions - Specific	162.5	163.6	(0.67)	162.5	163.6	(0.67)
Recoveries (-)	(283.9)	(188.0)	(51.01)	(283.9)	(188.0)	(51.01)
Loans Written Off	0.7	0.7	-	0.7	0.7	-
Operating Profit on Ordinary Activities Before Taxes	3,365.1	2,495.8	34.83	3,372.9	2,507.7	34.50
Less : Value Added Tax on Financial Services	405.3	604.0	(32.90)	405.3	604.0	(32.90)
Operating Profit on Ordinary Activities Before Corporate Taxes	2,959.8	1,891.8	56.45	2,967.6	1,903.7	55.89
Add/(Less) : Share of Profit/(Loss) before tax of Associates	-	-	-	5.7	1.2	375.00
Operating Profit Before Corporate Tax	2,959.8	1,891.8	56.45	2,973.3	1,904.9	56.09
Less : Tax on Profits on Ordinary Activities	899.3	790.4	13.78	908.0	797.0	13.93
Operating Profit for the Period	2,060.5	1,101.4	87.08	2,065.3	1,107.9	86.42
Attributable to:						
Equity holders of the parent	2,060.5	1,101.4	87.08	2,064.9	1,107.6	86.43
Minority interest	-	-	-	0.4	0.3	33.33
	2,060.5	1,101.4	87.08	2,065.3	1,107.9	86.42
Basic Earnings per Ordinary Share - (Rs.)	5.45	2.94	85.37	5.47	2.94	86.05
Diluted Earnings per Ordinary Share - (Rs.)	5.42	2.92	85.62	5.44	2.92	86.30

As at	Bank			Group		
	31.03.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %	31.03.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %
On-Balance Sheet Assets						
Cash in Hand	7,490.1	6,136.8	22.05	7,533.0	6,184.0	21.81
Balances with Central Bank of Sri Lanka / Other Central Banks	13,290.1	12,188.8	9.04	13,290.1	12,188.8	9.04
Due from Banks and Other Financial Institutions	12,739.0	4,488.7	183.80	12,739.0	4,488.7	183.80
Investments - Trading Account	15,810.6	15,080.2	4.84	15,810.6	15,080.2	4.84
Government Securities	15,477.3	14,796.8	4.60	15,477.3	14,796.8	4.60
Other Securities	333.3	283.4	17.61	333.3	283.4	17.61
Investments - Held-to-Maturity	107,420.7	102,109.4	5.20	107,420.7	102,109.4	5.20
Government Securities	105,101.1	99,743.8	5.37	105,101.1	99,743.8	5.37
Other Securities	2,319.6	2,365.6	(1.94)	2,319.6	2,365.6	(1.94)
Investments in Associates and Subsidiaries	398.2	398.2	-	83.2	79.6	4.52
Investments in Associates	44.3	44.3	-	83.2	79.6	4.52
Investments in Subsidiaries	353.9	353.9	-	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances	219,647.8	213,445.9	2.91	219,438.3	213,222.3	2.92
Bills of Exchange	6,148.0	5,358.3	14.74	6,148.0	5,358.3	14.74
Overdrafts	48,689.5	46,639.1	4.40	48,688.0	46,639.1	4.39
Lease Rentals Receivable	13,330.1	11,346.9	17.48	13,123.2	11,124.7	17.96
Other Loans	151,480.2	150,101.6	0.92	151,479.1	150,100.2	0.92
Total Non-Performing Loans and Advances	16,267.3	14,927.1	8.98	16,267.3	14,927.1	8.98
Bills of Exchange	40.5	37.2	8.87	40.5	37.2	8.87
Overdrafts	2,333.6	2,255.4	3.47	2,333.6	2,255.4	3.47
Lease Rentals Receivable	401.4	323.2	24.20	401.4	323.2	24.20
Other Loans	8,995.9	7,958.5	13.04	8,995.9	7,958.5	13.04
Interest Receivable	4,495.9	4,352.8	3.29	4,495.9	4,352.8	3.29
Total Gross Loans and Advances	235,915.1	228,373.0	3.30	235,705.6	228,149.4	3.31
Less :						
Interest in Suspense	6,627.6	6,434.8	3.00	6,627.6	6,434.8	3.00
Specific Loan Loss Provisions	3,077.2	3,190.2	(3.54)	3,077.2	3,190.2	(3.54)
General Loan Loss Provisions	1,545.7	1,709.5	(9.58)	1,545.7	1,709.5	(9.58)
Net Loans and Advances	224,664.6	217,038.5	3.51	224,455.1	216,814.9	3.52
Other Assets	6,287.6	6,191.4	1.55	6,273.0	6,183.1	1.45
Property, Plant & Equipment	5,941.7	5,929.6	0.20	6,582.9	6,589.2	(0.10)
Lease Hold Property	79.0	79.2	(0.25)	114.3	114.7	(0.35)
Intangible Assets	450.9	419.3	7.54	456.8	425.3	7.41
Total On-Balance Sheet Assets	394,572.5	370,060.1	6.62	394,758.7	370,257.9	6.62

As at	Bank			Group		
	31.03.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %	31.03.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %
On-Balance Sheet Liabilities						
Total Deposits	274,572.1	259,778.9	5.69	274,532.2	259,744.6	5.69
Demand Deposits	26,705.3	25,109.2	6.36	26,703.8	25,109.2	6.35
Savings Deposits	126,256.9	117,747.6	7.23	126,218.5	117,713.3	7.23
Time Deposits	117,454.6	113,471.5	3.51	117,454.6	113,471.5	3.51
Margin Deposits	2,298.1	1,860.3	23.53	2,298.1	1,860.3	23.53
Other Deposits	1,857.2	1,590.3	16.78	1,857.2	1,590.3	16.78
Total Borrowings	69,601.8	62,272.5	11.77	69,482.1	62,156.9	11.79
Borrowings from Central Bank of Sri Lanka	269.8	267.5	0.86	269.8	267.5	0.86
Borrowings from Banks and Financial Institutions in Sri Lanka	9,316.6	11,372.0	(18.07)	9,316.6	11,372.0	(18.07)
Borrowings from Banks and Financial Institutions Abroad	6,997.5	1,619.5	332.08	6,997.5	1,619.5	332.08
Securities Sold Under Re-Purchase Agreements	49,784.9	45,774.5	8.76	49,665.2	45,658.9	8.77
Subordinated Term Debt	2,127.0	2,127.0	-	2,127.0	2,127.0	-
Other Borrowings	1,106.0	1,112.0	(0.54)	1,106.0	1,112.0	(0.54)
Other Liabilities	12,426.4	11,366.3	9.33	12,418.9	11,369.6	9.23
Current Taxation	2,605.3	2,448.0	6.43	2,612.7	2,455.0	6.42
Deferred Taxation	901.1	892.4	0.97	1,002.0	992.7	0.94
Total On-Balance Sheet Liabilities	360,106.7	336,758.1	6.93	360,047.9	336,718.8	6.93
Shareholders' Funds and Minority Interest						
Shareholders' Funds	34,465.8	33,302.0	3.49	34,683.8	33,512.5	3.50
Stated Capital	11,570.9	10,811.2	7.03	11,570.9	10,811.2	7.03
Statutory Reserve Fund	2,338.5	2,338.5	-	2,338.5	2,338.5	-
Total Other Reserves	20,556.4	20,152.3	2.01	20,774.4	20,362.8	2.02
Minority Interest				27.0	26.6	1.50
Total Shareholders' Funds and Minority Interest	34,465.8	33,302.0	3.49	34,710.8	33,539.1	3.49
Total On-Balance Sheet Liabilities, Shareholders' Funds and Minority Interest	394,572.5	370,060.1	6.62	394,758.7	370,257.9	6.62
Off-Balance Sheet Items and Contra Accounts	216,972.0	195,645.5	10.90	216,972.0	195,645.5	10.90
Contingencies	81,278.1	77,852.9	4.40	81,278.1	77,852.9	4.40
Commitments and Contra Accounts	135,693.9	117,792.6	15.20	135,693.9	117,792.6	15.20
Net Assets Value per Ordinary Share (Rs.)	90.47	88.22	2.55	91.04	88.78	2.55
Memorandum Information						
Number of Employees	4,344	4,321				
Number of Branches	213	204				

CERTIFICATION:

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

K.D.N. Buddhipala
(Sgd.) Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director 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, and
(b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

M.J.C Amarasuriya
(Sgd.) Chairman
Colombo.

April 27, 2011

A.L Gooneratne
(Sgd.) Managing Director
Colombo.

April 27, 2011

	Stated Capital Rs. Mn.	Statutory Reserve Fund Rs. Mn.	Other Reserves					Total Rs. Mn.	Minority Interest Rs. Mn.	Total Equity Rs. Mn.
			Primary Dealer Special Risk Reserve Rs. Mn.	Revaluation Reserve Rs. Mn.	General Reserve Rs. Mn.	Foreign Currency Translation Reserve Rs. Mn.	Unappropriated Profit/(Loss) carried forward Rs. Mn.			
BANK										
Balance as at 31.12.2009 - Audited	10,607.8	2,062.3	101.8	1,286.7	13,807.7	(371.5)	1,004.1	28,498.9	-	28,498.9
Issue of Ordinary Shares under Employee Share Option Plans	52.8	-	-	-	-	-	-	52.8	-	52.8
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	(4.1)	-	(4.1)	-	(4.1)
Net profit for the three months ended 31.03.2010	-	-	-	-	-	-	1,101.4	1,101.4	-	1,101.4
Balance as at 31.03.2010	10,660.6	2,062.3	101.8	1,286.7	13,807.7	(375.6)	2,105.5	29,649.0	-	29,649.0
Final dividend for 2009	-	-	-	-	-	-	(1,001.9)	(1,001.9)	-	(1,001.9)
Issue of Ordinary Shares under Employee Share Option Plans	150.6	-	-	-	-	-	-	150.6	-	150.6
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	1,738.9	-	-	-	1,738.9	-	1,738.9
Deferred Tax Effect on Revaluation Surplus on Freehold Buildings	-	-	-	(329.4)	-	-	-	(329.4)	-	(329.4)
Transfer of Translation Gains/ (Losses)	-	-	-	-	(16.1)	16.1	-	-	-	-
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	(194.8)	-	(194.8)	-	(194.8)
Net Profit for the nine months ended 31.12.2010	-	-	-	-	-	-	4,421.9	4,421.9	-	4,421.9
Transfers during the year	-	276.2	31.5	-	2,569.6	-	(2,877.3)	-	-	-
Interim Dividends for 2010	-	-	-	-	-	-	(1,132.3)	(1,132.3)	-	(1,132.3)
Balance as at 31.12.2010 - Audited	10,811.2	2,338.5	133.3	2,696.2	16,361.2	(554.3)	1,515.9	33,302.0	-	33,302.0
Issue of Ordinary Shares under Employee Share Option Plans	71.5	-	-	-	-	-	-	71.5	-	71.5
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	(142.8)	-	(142.8)	-	(142.8)
Net Profit for the three months ended 31.03.2011	-	-	-	-	-	-	2,060.5	2,060.5	-	2,060.5
Final Dividend for 2010	-	-	-	-	-	-	(1,513.6)	(1,513.6)	-	(1,513.6)
Shares issued o/a Scrip Dividend	688.2	-	-	-	-	-	-	688.2	-	688.2
Balance as at 31.03.2011	11,570.9	2,338.5	133.3	2,696.2	16,361.2	(697.1)	2,062.8	34,465.8	-	34,465.8
GROUP										
Balance as at 31.12.2009 - Audited	10,607.8	2,062.3	101.8	1,533.7	13,807.7	(371.5)	978.8	28,720.6	26.1	28,746.7
Issue of Ordinary Shares under Employee Share Option Plans	52.8	-	-	-	-	-	-	52.8	-	52.8
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	(4.1)	-	(4.1)	-	(4.1)
Net profit for the three months ended 31.03.2010	-	-	-	-	-	-	1,107.6	1,107.6	0.3	1,107.9
Balance as at 31.03.2010	10,660.6	2,062.3	101.8	1,533.7	13,807.7	(375.6)	2,086.4	29,876.9	26.4	29,903.3
Final dividend for 2009	-	-	-	-	-	-	(1,001.9)	(1,001.9)	-	(1,001.9)
Issue of Ordinary Shares under Employee Share Option Plans	150.6	-	-	-	-	-	-	150.6	-	150.6
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	1,738.9	-	-	-	1,738.9	-	1,738.9
Deferred Tax Effect on Revaluation Surplus on Freehold Buildings	-	-	-	(329.4)	-	-	-	(329.4)	-	(329.4)
Transfer of Translation Gains/ (Losses)	-	-	-	-	(16.1)	16.1	-	-	-	-
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	(190.2)	-	(190.2)	-	(190.2)
Net profit for the nine months ended 31.12.2010	-	-	-	-	-	-	4,399.9	4,399.9	2.2	4,402.1
Transfers during the year	-	276.2	31.5	-	2,569.6	-	(2,877.3)	-	-	-
Interim Dividends for 2010	-	-	-	-	-	-	(1,132.3)	(1,132.3)	(2.0)	(1,134.3)
Balance as at 31.12.2010 - Audited	10,811.2	2,338.5	133.3	2,943.2	16,361.2	(549.7)	1,474.8	33,512.5	26.6	33,539.1
Issue of Ordinary Shares under Employee Share Option Plans	71.5	-	-	-	-	-	-	71.5	-	71.5
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	(139.7)	-	(139.7)	-	(139.7)
Net Profit for the three months ended 31.03.2011	-	-	-	-	-	-	2,064.9	2,064.9	0.4	2,065.3
Final Dividend for 2010	-	-	-	-	-	-	(1,513.6)	(1,513.6)	-	(1,513.6)
Shares issued o/a Scrip Dividend	688.2	-	-	-	-	-	-	688.2	-	688.2
Balance as at 31.03.2011	11,570.9	2,338.5	133.3	2,943.2	16,361.2	(689.4)	2,026.1	34,683.8	27.0	34,710.8

<i>For the three months ended March 31,</i>	Bank		Group	
	2011	2010	2011	2010
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Cash Flows from Operating Activities				
Interest and commission receipts	5,918.8	9,209.0	5,907.7	9,196.4
Interest payments	(4,958.0)	(5,019.4)	(4,955.0)	(5,016.4)
Recoveries on loans previously provided/written-off	283.9	188.0	283.9	188.0
Foreign exchange profit and other income	499.6	442.4	508.6	447.4
Cash payments to employees and suppliers	(2,973.3)	(2,821.2)	(2,962.4)	(2,791.8)
Operating profit before changes in operating assets and Liabilities	(1,229.0)	1,998.8	(1,217.2)	2,023.6
(Increase)/Decrease in Operating Assets				
Balances with Central Banks	(1,101.3)	1,114.2	(1,101.3)	1,114.2
Funds advanced to customers	(7,628.8)	(638.6)	(7,642.9)	(651.7)
Other operating assets	(96.2)	986.7	(89.9)	971.8
Increase/(Decrease) in Operating Liabilities				
Deposits from customers	14,793.2	6,637.1	14,787.6	6,609.6
Net cash from operating activities before income tax	4,737.9	10,098.2	4,736.3	10,067.5
Income tax paid	(632.2)	(654.7)	(639.9)	(658.0)
Net cash inflow/(outflow) from operating activities	4,105.7	9,443.5	4,096.4	9,409.5
Cash Flows from Investing Activities				
Dividends and interest received	72.1	29.7	70.1	29.7
Net change in Government Treasury Bills & Bonds	(6,030.4)	(18,572.8)	(6,030.4)	(18,572.8)
Net change in Due from Banks and Other Financial Institutions	(8,250.3)	4,658.7	(8,250.3)	4,658.7
Net change in Securities sold under re-purchase agreements	4,010.4	256.1	4,006.3	276.3
Proceeds from matured/sold investments /(Additions to investments)	39.6	(122.0)	41.7	(122.1)
Additions to property, plant & equipment and proceeds from sale of property, plant & equipment	(200.6)	(194.3)	(183.9)	(186.7)
Net cash inflow/(outflow) from investing activities	(10,359.2)	(13,944.6)	(10,346.5)	(13,916.9)
Cash Flows from Financing Activities				
Proceeds from issue of ordinary shares under ESOPs	71.5	52.8	71.5	52.8
Net change in other borrowings	7,535.3	3,921.0	7,527.6	3,927.4
Net cash inflow/(outflow) from financing activities	7,606.8	3,973.8	7,599.1	3,980.2
Net increase in cash and cash equivalents	1,353.3	(527.3)	1,349.0	(527.2)
Cash and cash equivalents at beginning of the period	6,136.8	5,556.1	6,184.0	5,556.1
Cash and cash equivalents at end of the period	7,490.1	5,028.8	7,533.0	5,028.9

SEGMENTAL ANALYSIS - GROUP
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<i>For the three months ended March 31,</i>	Banking		Leasing		Dealing / Treasury		Investments		Total/Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
External Operating income :										
Net interest income	3,061.7	2,876.9	454.6	365.0	805.5	331.9	-	-	4,321.8	3,573.8
Foreign exchange profit	20.2	25.7	-	-	476.6	420.6	-	-	496.8	446.3
Fees and Commission income	855.0	700.4	-	-	1.4	1.5	-	-	856.4	701.9
Other income	-	-	-	-	2.2	54.6	75.9	37.1	78.1	91.7
Eliminations/Unallocated	-	-	-	-	-	-	-	-	56.3	15.8
Total Operating income	3,936.9	3,603.0	454.6	365.0	1,285.7	808.6	75.9	37.1	5,809.4	4,829.5
Credit loss expenses	31.5	(120.4)	(34.2)	(38.1)	-	-	-	-	(2.7)	(158.5)
Net Operating income	3,968.4	3,482.6	420.4	326.9	1,285.7	808.6	75.9	37.1	5,806.7	4,671.0
Segment result	2,481.3	1,788.6	420.4	326.9	906.9	427.6	60.7	29.7	3,869.3	2,572.8
Unallocated operating expenses									(901.7)	(669.1)
Profit from operations									2,967.6	1,903.7
Share of profit of Associates									5.7	1.2
Income tax expense									(908.0)	(797.0)
Minority interests									(0.4)	(0.3)
Net profit, attributable to Equity holders of the parent									2,064.9	1,107.6
<i>As at March 31,</i>	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Other information										
Segment assets	235,094.0	181,349.2	13,037.4	7,798.1	136,737.2	138,959.9	2,652.9	1,240.8	387,521.5	329,348.0
Investment in associates							83.2	73.9	83.2	73.9
Unallocated Assets									7,154.0	5,141.1
Total assets									394,758.7	334,563.0
Segment liabilities	203,922.4	154,628.3	13,037.5	7,798.1	136,737.2	138,959.9	2,736.1	1,314.6	356,433.2	302,700.9
Unallocated liabilities									3,614.7	1,958.8
Total liabilities									360,047.9	304,659.7
<i>For the three months ended March 31,</i>	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Information on cash flows										
Cash flows from operating activities	5,947.2	7,729.4	(1,656.3)	138.3	(194.4)	1,541.8	-	-	4,096.5	9,409.5
Cash flows from investing activities	(159.0)	(158.7)	-	-	(10,274.4)	(13,637.8)	111.8	(92.4)	(10,321.6)	(13,888.9)
Cash flows from financing activities	2,149.6	1,570.3	-	-	5,378.0	2,357.1	-	-	7,527.6	3,927.4
Capital expenditure										
Property, Plant & Equipment									6.7	(9.1)
Intangible assets									(31.5)	(18.9)
Eliminations/Unallocated									71.3	52.9
Net Cash Flow generated									1,349.0	(527.3)

- 1) There were no changes in the accounting policies and methods of computation since the publication of financial statements in the Annual Report - 2010.
- 2) These Interim financial statements are presented in accordance with SLAS 35 - Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3) There were no material events that took place since March 31, 2011, that require disclosure in these financial statements.
- 4) During the quarter there were no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through Debentures.
- 5) All known expenses including management fees and similar expenses have been provided for in these financial statements.
- 6) As required by the Government Budget 2011, with effect from January 1, 2011, the Bank is required to transfer an amount equivalent to 8% of the VAT on Financial Services and 5% of the Income Tax to an Investment Fund Account. The amounts so derived for the three months ended March 31, 2011 was Rs.302.61 Mn. and Rs. 135.89 Mn., respectively.

INFORMATION ON ORDINARY SHARES OF THE BANK

	2011 Rs.	2010 Rs.
As at March 31,		
Market value of an ordinary share of the Bank		
Voting	265.80	201.75
Non-Voting	165.60	145.75
Highest price during the quarter ended March 31		
Voting	284.00	203.00
Non-Voting	177.50	146.00
Lowest price during the quarter ended March 31		
Voting	251.00	185.00
Non-Voting	155.00	121.25
Number of Ordinary Shares Issued as at March 31		
Voting	(After share split) 356,789,348	(Before the share split) 234,354,001
Non-Voting	24,181,195	16,120,797

	Bank		Group	
	As at 31.03.2011	As at 31.12.2010 (Audited)	As at 31.03.2011	As at 31.12.2010 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. Mn.	29,250.0	29,423.1	29,262.1	29,390.0
Total Capital Base - Rs. Mn.	32,866.4	33,204.4	32,878.5	33,177.3
Core Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement, 5%)	10.31%	10.87%	10.32%	10.86%
Total Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement, 10%)	11.58%	12.27%	11.59%	12.26%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.60%	4.22%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	3.26%	2.78%		
Profitability				
Interest Margin	4.59%	4.74%		
Return on Assets (before tax)	3.14%	2.69%		
Return on Equity	24.66%	17.87%		
Debt Security Related Ratios				
Debt Equity Ratio	6.17%	6.54%		
Interest Cover (Times)	48.55	25.89		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. Mn.				
Domestic Banking Unit	79,075.3	74,525.6		
Off-Shore Banking Unit	5,084.3	4,944.5		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	30.13%	29.93%		
Off-Shore Banking Unit	27.49%	30.57%		

INFORMATION ON DEBENTURES - BANK

Debenture categories	CSE Listing	Interest payable frequency	Balance as at March 31, 2011 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 2011 12.00% p.a.	Not listed	Annually	15.0	-	-	-	12.00	12.00	7.00		
May 2006/May 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	9.30		
Dec 2006/Dec 2011 13.50% p.a.	Listed	Annually	527.8	Not traded during the current period			13.25	13.25	12.50		
Dec 2006/Dec 2013 13.75% p.a.	Listed	Annually	0.3	Not traded during the current period			13.50	13.50	10.00	Not traded during the current period	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			13.75	13.75	11.05	Not traded during the current period	
				Not traded during the current period			14.00	14.00	9.40	Not traded during the current period	
				Not traded during the current period			14.00	14.00	12.50	Not traded during the current period	
Floating rate											
May 2006/May 2011 3 Months TB rate (Net) + 2% p.a.	Not listed	Quarterly	15.0	-	-	-	9.00	9.30	7.00		
May 2006/May 2011 3 Months TB rate (Gross) + 1% p.a.	Not listed	Quarterly	465.0	-	-	-	9.73	9.97	7.73		
Dec 2006/Dec 2011 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	131.0	Not traded during the current period			8.80	9.09	7.00		
Dec 2006/Dec 2013 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.3	Not traded during the current period			9.59	9.82	9.60		
Dec 2006/Dec 2016 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.4	Not traded during the current period			9.15	9.15	7.30	Not traded during the current period	
				Not traded during the current period			11.37	11.69	9.60	Not traded during the current period	
				Not traded during the current period			9.15	9.15	8.05	Not traded during the current period	
				Not traded during the current period			11.37	11.69	10.00	Not traded during the current period	
				Not traded during the current period			9.15	9.15	9.40	Not traded during the current period	
				Not traded during the current period			11.37	11.69	11.05	Not traded during the current period	
Total Debentures			2,127.0								

(The comparative information for 2010 have been Highlighted)

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

Twenty largest voting shareholders as at March 31, 2011

Name of the Shareholders	No. of Shares	%
DFCC Bank A/C 1	52,853,674	14.92
HSBC Intl. Nominees Ltd. - SSBT -International Finance Corporation GNA-C61V	33,800,002	9.54
SBI Ven Holdings PTE Ltd	31,147,227	8.79
Employees Provident Fund	29,933,800	8.45
Sri Lanka Insurance Corporation Ltd. - Life Fund	18,022,212	5.09
HSBC Intl. Nominees Ltd. - SSBT -Janus Overseas Fund	16,162,100	4.56
Sri Lanka Insurance Corporation Ltd. - General Fund	15,496,623	4.37
Mr.Y. S. H. I. K. Silva	11,078,063	3.13
Distilleries Company of Sri Lanka PLC	7,773,921	2.19
HSBC Intl. Nominees Ltd. - SSBT -Janus Aspen Series Overseas Portfolio	7,323,050	2.07
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	7,320,750	2.07
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	5,331,280	1.51
HSBC Intl. Nominees Ltd. - SSBT -South Asia Portfolio	4,369,300	1.23
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	3,994,761	1.13
Mercantile Investments Ltd	3,900,000	1.10
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	3,310,200	0.93
HSBC Intl. Nominees Ltd. - BP2S LONDON - Aberdeen Asia Smaller Companies Investment Trust	2,989,999	0.84
BNY - CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,765,000	0.78
HSBC Intl. Nominees Ltd. - JPMLU - Morgan Stanley Asset Management SA Acting on Behalf of Morgan Stanley Galax	2,255,998	0.64
Freudenberg Shipping Agencies Limited	2,175,000	0.61
Sub total	262,002,960	73.96
Other Shareholders	92,227,576	26.04
Total	354,230,536	100.00

Percentage of public holding as at March 31, 2011 - 84.41%

Twenty largest non-voting shareholders as at March 31, 2011

Name of the Shareholders	No. of Shares	%
Sri Lanka Insurance Corporation Ltd. - General Fund	1,317,941	5.45
BNYM SA/NV - The Walter Fund	1,154,800	4.78
The Gilpin Fund Ltd.	616,449	2.55
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	600,000	2.48
Employees Trust Fund Board	506,755	2.10
Deutsche Bank AG - National Equity Fund	506,000	2.09
Deutsche Bank AG as Trutee for Namal Aquity Value Fund	500,000	2.07
Mr. J. D. Bandaranayake	451,613	1.87
M.J.F.Exports Ltd.	413,665	1.71
Mrs. L. E. M. Yaseen	300,000	1.24
Dr. A. K. A. Jayawardene	284,031	1.17
Mr. M. F. Hashim	269,587	1.11
Mr J. G. De Mel	243,899	1.01
Mr. M. J. C. Amarasuriya	227,821	0.94
The Planters Association of Ceylon As Trustee of Estate Staff Profident Society	220,500	0.91
Saboor Chatoor (Pvt) Ltd	214,000	0.88
The Planters Association of Ceylon As Trustee of Ceylon Planters Profident Society	212,700	0.88
Union Assuarncce PLC/NO-01A/C	206,050	0.85
Mr. G. R. Mallawaaratchy & Mrs. B. G. P. Mallawaaratchy (Joint)	190,650	0.79
Alpex Marine (Pvt) Ltd.	181,999	0.75
Sub total	8,618,460	35.64
Other Shareholders	15,562,735	64.36
Total	24,181,195	100.00

Percentage of public holding as at March 31, 2011 - 98.77%

Directors' holding in shares as at March 31, 2011

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.M.J.C Amarasuriya - Chairman	670,645	227,821
Mr.B.R.L Fernando	-	12,621
Mr.A.L. Gooneratne - CEO/MD	1,373,620	57,042
Dr.H.S. Wanasinghe	-	-
Mr.D.S.Weerakkody	10,000	-
Prof.U.P.Liyanage	-	-
Mr..W.M.R.S.Dias	310,349	-
Mr.L.Hulugalle (Appointed on March 30,2011)	-	-
Mr.R.M.S.Fernando (Resigned with effect from March 30,2011)	-	-

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

COMPANY REGISTRATION NUMBER

PQ116

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of December 2006/December 2011 series, December 2006/December 2013 series and 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, Bristol Street, P.O. Box 856,
Colombo 1, Sri Lanka.
Telephone : 2430420, 2336700
2445010-15 (6 lines), 24860000, 4792000
Tele-Banking :2336633-5 (3 lines)
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

HEAD OFFICE

"Commercial House",
No. 21, Bristol Street, P.O. Box 856,
Colombo 1, Sri Lanka.

ACCOUNTING YEAR

December 31

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

AUDITORS

Ernst & Young
Chartered Accountants,
201, De Saram Place,
Colombo 10.

CREDIT RATING

Bank - AA (By Fitch Rating Lanka Ltd.)
The Bank's Bangladesh Operations - AA+
(By Credit Rating Information Services Ltd.)

LAWYERS

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

COMPANY SECRETARY

Mrs. R.R. Dunuwille

COMPLIANCE OFFICER

Mrs. Sarojini Dunuwille
Head of Legal

BOARD OF DIRECTORS

Mr.M.J.C Amarasuriya - Chairman
Mr.B.R.L Fernando
Mr.A.L. Gooneratne - CEO/MD
Dr.H.S. Wanasinghe
Mr.D.S.Weerakkody
Prof.U.P.Liyanage
Mr.W.M.R.S.Dias
Mr.L.Hulugalle (Appointed on March 30,2011)
Mr.R.M.S.Fernando (Resigned with effect from March 30,2011)

COMPANY REGISTRAR

S S P Corporate Services (Private) Limited,
No. 101, Inner Flower Road,
Colombo 03, Sri Lanka.
Telephone: 2573894, 2576871
Facsimile: 9411-2573609
E-mail: sspsec@sltnet.lk

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 Commercial Bank recorded commendable growth in both **pre & post tax** profit of 56.45% and 87.08% for the three month period ended March 31, 2011 compared to the corresponding period in 2010. The pre & post tax profit of the Bank reached Rs. 2,959.8 Mn. and 2,060.5 Mn. respectively for the period. The net interest income of the Bank reached Rs. 4,329.9 Mn., recording a growth of Rs. 746.5 Mn., or 20.83% compared to the previous year. The main contributory factor for this increase was the increase in interest income on loans and advances portfolio of the Bank by Rs. 864.1 Mn. or 15.69%. This was mainly due to the increase in the performing loans and advances portfolio of the Bank by Rs. 6.202 Bn., or 2.91% during the period under review. However, interest income on other interest earning assets which mainly consist of treasury bills and bonds, dropped by Rs. 415.5 Mn., or 14.47% restricting the increase in total interest income of the Bank to 5.35%. The total interest expenses of the Bank recorded a drop of Rs. 297.9 Mn., or 6.21% responding to the low interest rate regime which continued during the period under review despite the total deposits of the Bank recording an increase of Rs. 14.793 Bn., or 5.69% during the period under review. As a result, net interest margin of the Bank improved to 4.59% during the period under review from 4.43% a year ago.

The other income of the Bank, which mainly comprise of commission income and investment income recorded an increase of Rs. 180.7 Mn., or 22.53%. In addition, the foreign exchange income of the Bank too recorded an increase of Rs. 50.5 Mn., or 11.32% mainly due to relatively higher volume of foreign currency operations carried out during the period under review. Consequently, the total non-interest income of the Bank inclusive of exchange profit recorded an increase of Rs. 231.2 Mn., or 18.52% compared to the corresponding period in 2010.

The non-interest expenses of the Bank too increased by Rs. 360.3 Mn., or 15.23% mainly due to the additional expenses incurred on expansion of the branch network and due to enhanced staff related expenses in 2011 compared to the corresponding period in 2010.

However, net provisions on account of Bad and Doubtful Debts decreased by Rs. 251.9.0 Mn., during the period under review compared to the corresponding period in 2010. This was mainly due to reversal of part of the statutory general provision made on performing and overdue loans portfolio of the Bank as at December 31, 2010 in line with Direction of the Central Bank of Sri Lanka to reduce the Statutory General Provision rate by 0.1% each quarter to reach 0.5% by the end of 2011.

In addition to above, the VAT on Financial Services dropped by Rs. 198.7 Mn., or 32.90% mainly due to the reduction in the VAT rate on Financial Services to 12% from 20% in 2010. Further, the reduction in the Corporate tax rate to 28% from 35% in 2010 too made a positive contribution to the bottom line of the Bank.

The total deposits of the Bank stood at Rs. 274.572 Bn. as at March 31, 2011, reflecting a growth of 5.69% from Rs.259.778 Bn. as at December 31, 2010. At the same time gross loans and advances of the Bank too increased and stood at Rs. 235.915 Bn., reflecting a growth of 3.30%. Total assets of the Bank stood at Rs. 394.572 Bn., as at March 31, 2011, recording a growth of 6.62% when compared with Rs. 370.060 Bn., as at December 31, 2010.

The Commercial Bank **Group** which comprises Commercial Bank, its subsidiaries and associates, recorded **Pre-tax profit** for the three months period ended March 31, 2011 amounting to Rs. 2,973.3 Mn., compared to Rs. 1,904.9 Mn. reported for the corresponding period in 2010. This reflected a growth of Rs. 1,068.4 Mn. or 56.09%. Further, the Group recorded a post tax profit of Rs. 2,065.3 Mn. during the first three months of 2011 in comparison to the post tax profit of Rs. 1,107.9 Mn. recorded in 2010. This represented a growth of Rs. 957.4 Mn. or 86.42%.