



INTERIM FINANCIAL STATEMENTS
For the six months ended June 30, 2011

	For the six months ended			For the quarter ended		
	30.06.2011 Rs. Mn.	30.06.2010 Rs. Mn.	Growth %	30.06.2011 Rs. Mn.	30.06.2010 Rs. Mn.	Growth %
Income	21,480.9	19,757.1	8.72	10,889.8	9,943.4	9.52
Interest Income	17,994.5	16,788.0	7.19	9,166.3	8,408.4	9.01
Interest Income on Loans and Advances	13,257.1	11,072.6	19.73	6,885.6	5,565.2	23.73
Interest Income on Other Interest Earning Assets	4,737.4	5,715.4	(17.11)	2,280.7	2,843.2	(19.78)
Less : Interest Expenses	9,159.0	9,375.6	(2.31)	4,660.7	4,579.4	1.78
Interest Expenses on Deposits	7,005.2	7,345.8	(4.64)	3,643.1	3,596.5	1.30
Interest Expenses on Other Interest Bearing Liabilities	2,153.8	2,029.8	6.11	1,017.6	982.9	3.53
Net Interest Income	8,835.5	7,412.4	19.20	4,505.6	3,829.0	17.67
Non-Interest Income	2,962.1	2,588.8	14.42	1,482.4	1,340.3	10.60
Foreign Exchange Income	889.7	885.1	0.52	392.9	438.8	(10.46)
Other Income	2,072.4	1,703.7	21.64	1,089.5	901.5	20.85
Net Income	11,797.6	10,001.2	17.96	5,988.0	5,169.3	15.84
Less : Non-Interest Expenses	5,569.9	4,663.8	19.43	2,844.1	2,298.3	23.75
Personnel Costs	2,681.4	2,400.1	11.72	1,334.0	1,148.5	16.15
Provision for Staff Retirement Benefits	263.1	229.8	14.49	138.4	134.9	2.59
Premises, Equipment & Establishment Expenses	1,375.4	1,172.4	17.31	728.0	590.0	23.39
Loss on Trading/Investment Securities	2.5	3.3	(24.24)	1.8	0.9	100.00
Amortization of Intangible Assets	37.0	37.3	(0.80)	20.3	19.2	5.73
Other Operating Expenses	1,210.5	820.9	47.46	621.6	404.8	53.56
Less : Provision for Bad and Doubtful Debts and Loans Written Off	(300.6)	75.3	(499.20)	(19.3)	104.7	(118.43)
Provisions - General	(284.9)	35.4	(904.80)	(124.3)	41.1	(402.43)
Provisions - Specific	509.3	421.5	20.83	346.8	257.9	34.47
Recoveries (-)	(526.8)	(383.6)	(37.33)	(242.9)	(195.6)	(24.18)
Loans Written Off	1.8	2.0	(10.00)	1.1	1.3	(15.38)
Operating Profit on Ordinary Activities Before Taxes	6,528.3	5,262.1	24.06	3,163.2	2,766.3	14.35
Less : Value Added Tax on Financial Services	778.7	1,237.4	(37.07)	373.4	633.4	(41.05)
Operating Profit Before Corporate Tax	5,749.6	4,024.7	42.86	2,789.8	2,132.9	30.80
Less : Tax on Profits on Ordinary Activities	1,715.5	1,711.1	0.26	816.2	920.7	(11.35)
Operating Profit for the Period	4,034.1	2,313.6	74.36	1,973.6	1,212.2	62.81
Attributable to:						
Equity holders of the parent	4,034.1	2,313.6	74.36	1,973.6	1,212.2	62.81
Minority interest	-	-	-	-	-	-
	4,034.1	2,313.6	74.36	1,973.6	1,212.2	62.81
Basic Earnings per Ordinary Share - (Rs.)	10.60	6.10	73.77	5.18	3.20	61.88
Diluted Earnings per Ordinary Share - (Rs.)	10.55	6.06	74.09	5.16	3.17	62.78

	For the six months ended			For the quarter ended		
	30.06.2011 Rs. Mn.	30.06.2010 Rs. Mn.	Growth %	30.06.2011 Rs. Mn.	30.06.2010 Rs. Mn.	Growth %
Income	21,478.1	19,736.5	8.82	10,890.2	9,928.3	9.69
Interest Income	17,974.0	16,762.0	7.23	9,156.9	8,395.1	9.07
Interest Income on Loans and Advances	13,235.7	11,047.0	19.81	6,875.4	5,552.3	23.83
Interest Income on Other Interest Earning Assets	4,738.3	5,715.0	(17.09)	2,281.5	2,842.8	(19.74)
Less : Interest Expenses	9,153.9	9,369.0	(2.30)	4,658.6	4,575.9	1.81
Interest Expenses on Deposits	7,004.1	7,344.9	(4.64)	3,642.0	3,596.0	1.28
Interest Expenses on Other Interest Bearing Liabilities	2,149.8	2,024.1	6.21	1,016.6	979.9	3.75
Net Interest Income	8,820.1	7,393.0	19.30	4,498.3	3,819.2	17.78
Non-Interest Income	2,979.8	2,594.2	14.86	1,492.2	1,338.5	11.48
Foreign Exchange Income	889.7	885.1	0.52	392.9	438.8	(10.46)
Other Income	2,090.1	1,709.1	22.29	1,099.3	899.7	22.19
Net Income	11,799.9	9,987.2	18.15	5,990.5	5,157.7	16.15
Less : Non-Interest Expenses	5,555.8	4,637.9	19.79	2,838.0	2,286.7	24.11
Personnel Costs	2,706.4	2,419.7	11.85	1,347.5	1,158.7	16.29
Provision for Staff Retirement Benefits	263.7	230.2	14.55	138.8	135.1	2.74
Premises, Equipment & Establishment Expenses	1,388.7	1,185.0	17.19	735.0	597.4	23.03
Loss on Trading/Investment Securities	2.5	3.3	(24.24)	1.8	0.9	100.00
Amortization of Intangible Assets	37.0	37.3	(0.80)	20.3	19.2	5.73
Other Operating Expenses	1,157.5	762.4	51.82	594.6	375.4	58.39
Less : Provision for Bad and Doubtful Debts and Loans Written Off	(300.6)	75.3	(499.20)	(19.3)	104.7	(118.43)
Provisions - General	(284.9)	35.4	(904.80)	(124.3)	41.1	(402.43)
Provisions - Specific	509.3	421.5	20.83	346.8	257.9	34.47
Recoveries (-)	(526.8)	(383.6)	(37.33)	(242.9)	(195.6)	(24.18)
Loans Written Off	1.8	2.0	(10.00)	1.1	1.3	(15.38)
Operating Profit on Ordinary Activities Before Taxes	6,544.7	5,274.0	24.09	3,171.8	2,766.3	14.66
Less : Value Added Tax on Financial Services	778.7	1,237.4	(37.07)	373.4	633.4	(41.05)
Operating Profit on Ordinary Activities Before Corporate Taxes	5,766.0	4,036.6	42.84	2,798.4	2,132.9	31.20
Add/(Less) : Share of Profit/(Loss) before tax of Associate Companies	8.3	1.9	336.84	2.6	0.7	271.43
Operating Profit Before Corporate Tax	5,774.3	4,038.5	42.98	2,801.0	2,133.6	31.28
Less : Tax on Profits on Ordinary Activities	1,732.2	1,724.5	0.45	824.2	927.5	(11.14)
Operating Profit for the Period	4,042.1	2,314.0	74.68	1,976.8	1,206.1	63.90
Attributable to:						
Equity holders of the parent	4,040.9	2,313.4	74.67	1,976.0	1,205.8	63.87
Minority interest	1.2	0.6	100.00	0.8	0.3	166.67
	4,042.1	2,314.0	74.68	1,976.8	1,206.1	63.90
Basic Earnings per Ordinary Share - (Rs.)	10.61	6.10	73.93	5.19	3.18	63.21
Diluted Earnings per Ordinary Share - (Rs.)	10.57	6.06	74.42	5.17	3.16	63.61

As at	Bank			Group		
	30.06.2011	31.12.2010	Growth	30.06.2011	31.12.2010	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
On-Balance Sheet Assets						
Cash in Hand	7,737.4	6,136.8	26.08	7,773.5	6,184.0	25.70
Balances with Central Bank of Sri Lanka / Other Central Banks	15,520.2	12,188.8	27.33	15,520.2	12,188.8	27.33
Due from Banks and Other Financial Institutions	8,574.1	4,488.7	91.02	8,574.1	4,488.7	91.02
Investments - Trading Account	14,295.0	15,080.2	(5.21)	14,295.0	15,080.2	(5.21)
Government Securities	13,978.2	14,796.8	(5.53)	13,978.2	14,796.8	(5.53)
Other Securities	316.8	283.4	11.79	316.8	283.4	11.79
Investments - Held-to-Maturity	104,509.5	102,109.4	2.35	104,509.5	102,109.4	2.35
Government Securities	101,558.4	99,743.8	1.82	101,558.4	99,743.8	1.82
Other Securities	2,951.1	2,365.6	24.75	2,951.1	2,365.6	24.75
Investments in Associates and Subsidiaries	398.2	398.2	-	85.0	79.6	6.78
Investments in Associates	44.3	44.3	-	85.0	79.6	6.78
Investments in Subsidiaries	353.9	353.9	-	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances	228,690.5	213,445.9	7.14	228,496.5	213,222.3	7.16
Bills of Exchange	4,364.6	5,358.3	(18.55)	4,364.6	5,358.3	(18.55)
Overdrafts	50,423.9	46,639.1	8.12	50,422.3	46,639.1	8.11
Lease Rentals Receivable	15,437.4	11,346.9	36.05	15,245.6	11,124.7	37.04
Other Loans	158,464.6	150,101.6	5.57	158,464.0	150,100.2	5.57
Total Non-Performing Loans and Advances	15,401.2	14,927.1	3.18	15,401.2	14,927.1	3.18
Bills of Exchange	45.8	37.2	23.12	45.8	37.2	23.12
Overdrafts	2,256.1	2,255.4	0.03	2,256.1	2,255.4	0.03
Lease Rentals Receivable	333.8	323.2	3.28	333.8	323.2	3.28
Other Loans	8,256.5	7,958.5	3.74	8,256.5	7,958.5	3.74
Interest Receivable	4,509.0	4,352.8	3.59	4,509.0	4,352.8	3.59
Total Gross Loans and Advances	244,091.7	228,373.0	6.88	243,897.7	228,149.4	6.90
Less :						
Interest in Suspense	6,618.1	6,434.8	2.85	6,618.1	6,434.8	2.85
Specific Loan Loss Provisions	3,174.7	3,190.2	(0.49)	3,174.7	3,190.2	(0.49)
General Loan Loss Provisions	1,419.0	1,709.5	(16.99)	1,419.0	1,709.5	(16.99)
Net Loans and Advances	232,879.9	217,038.5	7.30	232,685.9	216,814.9	7.32
Other Assets	6,979.6	6,191.4	12.73	6,964.9	6,183.1	12.64
Property, Plant & Equipment	6,146.6	5,929.6	3.66	6,767.6	6,589.2	2.71
Lease Hold Property	78.7	79.2	(0.63)	114.0	114.7	(0.61)
Intangible Assets	435.7	419.3	3.91	444.3	425.3	4.47
Total On-Balance Sheet Assets	397,554.9	370,060.1	7.43	397,734.0	370,257.9	7.42

As at	Bank			Group		
	30.06.2011	31.12.2010	Growth	30.06.2011	31.12.2010	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
On-Balance Sheet Liabilities						
Total Deposits	287,826.5	259,778.9	10.80	287,724.7	259,744.6	10.77
Demand Deposits	27,665.9	25,109.2	10.18	27,654.3	25,109.2	10.14
Savings Deposits	132,066.3	117,747.6	12.16	132,016.1	117,713.3	12.15
Time Deposits	124,195.1	113,471.5	9.45	124,155.1	113,471.5	9.42
Margin Deposits	2,470.5	1,860.3	32.80	2,470.5	1,860.3	32.80
Other Deposits	1,428.7	1,590.3	(10.16)	1,428.7	1,590.3	(10.16)
Total Borrowings	58,719.6	62,272.5	(5.71)	58,629.9	62,156.9	(5.67)
Borrowings from Central Bank of Sri Lanka	230.4	267.5	(13.87)	230.4	267.5	(13.87)
Borrowings from Banks and Financial Institutions in Sri Lanka	7,800.5	11,372.0	(31.41)	7,800.5	11,372.0	(31.41)
Borrowings from Banks and Financial Institutions Abroad	3,301.4	1,619.5	103.85	3,301.4	1,619.5	103.85
Securities Sold Under Re-Purchase Agreements	44,659.3	45,774.5	(2.44)	44,569.6	45,658.9	(2.39)
Subordinated Term Debt	1,632.0	2,127.0	(23.27)	1,632.0	2,127.0	(23.27)
Other Borrowings	1,096.0	1,112.0	(1.44)	1,096.0	1,112.0	(1.44)
Other Liabilities	11,212.4	11,366.3	(1.35)	11,225.3	11,369.6	(1.27)
Current Taxation	2,550.4	2,448.0	4.18	2,559.0	2,455.0	4.24
Deferred Taxation	923.3	892.4	3.46	1,023.9	992.7	3.14
Total On-Balance Sheet Liabilities	361,232.2	336,758.1	7.27	361,162.8	336,718.8	7.26
Shareholders' Funds and Minority Interest						
Shareholders' Funds	36,322.7	33,302.0	9.07	36,544.1	33,512.5	9.05
Stated Capital	11,604.7	10,811.2	7.34	11,604.7	10,811.2	7.34
Statutory Reserve Fund	2,540.2	2,338.5	8.63	2,540.2	2,338.5	8.63
Total Other Reserves	22,177.8	20,152.3	10.05	22,399.2	20,362.8	10.00
Minority Interest				27.1	26.6	1.88
Total Shareholders' Funds and Minority Interest	36,322.7	33,302.0	9.07	36,571.2	33,539.1	9.04
Total On-Balance Sheet Liabilities, Shareholders' Funds and Minority Interest	397,554.9	370,060.1	7.43	397,734.0	370,257.9	7.42
Off-Balance Sheet Items and Contra Accounts	236,593.5	195,645.5	20.93	236,593.5	195,645.5	20.93
Contingencies	81,861.5	77,852.9	5.15	81,861.5	77,852.9	5.15
Commitments and Contra Accounts	154,732.0	117,792.6	31.36	154,732.0	117,792.6	31.36
Net Assets Value per Ordinary Share (Rs.)	95.24	88.22	7.96	95.82	88.78	7.93
Memorandum Information						
Number of Employees	4,420	4,321				
Number of Customer Centers	215	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 audited financial statements of the Bank.

B.R.L Fernando
(sgd)Deputy Chairman
Colombo.

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

August 12, 2011

August 12, 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.	Investment Fund Account Rs. Mn.	Foreign Currency Translation Reserve Rs. Mn.				Unappropriated Profit/(Loss) carried forward Rs. Mn.
BANK											
Balance as at 31.12.2009	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
Final dividend for 2009	-	-	-	-	-	-	-	(1,001.9)	(1,001.9)	-	(1,001.9)
Issue of Ordinary Shares under Employee Share Option Plans	116.0	-	-	-	-	-	-	-	116.0	-	116.0
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	-	(34.7)	-	(34.7)	-	(34.7)
Net profit for the six months ended 30.06.2010	-	-	-	-	-	-	-	2,313.6	2,313.6	-	2,313.6
Balance as at 30.06.2010	10,723.8	2,062.3	101.8	1,286.7	13,807.7	-	(406.2)	2,315.8	29,891.9	-	29,891.9
Issue of Ordinary Shares under Employee Share Option Plans	87.4	-	-	-	-	-	-	-	87.4	-	87.4
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	-	-	-	-	-	-	(164.2)	-	(164.2)	-	(164.2)
Net Profit for the six months ended 31.12.2010	-	-	-	-	-	-	-	3,209.7	3,209.7	-	3,209.7
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	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
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(763.9)	(763.9)	-	(763.9)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(749.7)	(68.6)	-	(68.6)
Issue of Ordinary Shares under Employee Share Option Plans	112.4	-	-	-	-	-	-	-	112.4	-	112.4
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	-	(293.3)	-	(293.3)	-	(293.3)
Net Profit for the six months ended 30.06.2011	-	-	-	-	-	-	-	4,034.1	4,034.1	-	4,034.1
Transfers during the period	-	201.7	15.9	-	-	519.2	-	(736.8)	-	-	-
Balance as at 30.06.2011	11,604.7	2,540.2	149.2	2,696.2	16,361.2	519.2	(847.6)	3,299.6	36,322.7	-	36,322.7
GROUP											
Balance as at 31.12.2009	10,607.8	2,062.3	101.8	1,533.8	13,807.7	-	(371.5)	978.8	28,720.7	26.1	28,746.8
Final dividend for 2009	-	-	-	-	-	-	-	(1,001.9)	(1,001.9)	-	(1,001.9)
Issue of Ordinary Shares under Employee Share Option Plans	116.0	-	-	-	-	-	-	-	116.0	-	116.0
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	-	(34.7)	-	(34.7)	-	(34.7)
Net profit for the six months ended 30.06.2010	-	-	-	-	-	-	-	2,313.4	2,313.4	0.6	2,314.0
Balance as at 31.06.2010	10,723.8	2,062.3	101.8	1,533.8	13,807.7	-	(406.2)	2,290.3	30,113.5	26.7	30,140.2
Issue of Ordinary Shares under Employee Share Option Plans	87.4	-	-	-	-	-	-	-	87.4	-	87.4
Surplus on Revaluation of Freehold Land & Buildings	-	-	-	1,738.8	-	-	-	-	1,738.8	-	1,738.8
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	-	-	-	-	-	-	(159.6)	-	(159.6)	-	(159.6)
Net profit for the six months ended 31.12.2010	-	-	-	-	-	-	-	3,194.1	3,194.1	1.9	3,196.0
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	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
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(763.9)	(763.9)	(0.7)	(764.6)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(749.7)	(68.6)	-	(68.6)
Issue of Ordinary Shares under Employee Share Option Plans	112.4	-	-	-	-	-	-	-	112.4	-	112.4
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	-	(289.2)	-	(289.2)	-	(289.2)
Net Profit for the six months ended 30.06.2011	-	-	-	-	-	-	-	4,040.9	4,040.9	1.2	4,042.1
Transfers during the period	-	201.7	15.9	-	-	519.2	-	(736.8)	-	-	-
Balance as at 30.06.2011	11,604.7	2,540.2	149.2	2,943.2	16,361.2	519.2	(838.9)	3,265.3	36,544.1	27.1	36,571.2

<i>For the six months ended June 30,</i>	Bank		Group	
	2011	2010	2011	2010
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Cash Flows from Operating Activities				
Interest and commission receipts	19,371.9	18,454.7	19,351.3	18,428.7
Interest payments	(8,783.4)	(10,176.0)	(8,778.3)	(10,169.4)
Recoveries on loans previously provided/written-off	526.8	383.6	526.8	383.6
Foreign exchange profit and other income	983.6	428.7	1,009.1	440.6
Cash payments to employees and suppliers	(6,007.6)	(5,602.6)	(5,988.5)	(5,569.4)
Operating profit before changes in operating assets and Liabilities	6,091.3	3,488.4	6,120.4	3,514.1
(Increase)/Decrease in Operating Assets				
Balances with Central Banks	(3,331.4)	(800.2)	(3,331.4)	(800.2)
Funds advanced to customers	(16,067.6)	(3,555.4)	(16,097.2)	(3,525.4)
Other operating assets	(788.2)	1,028.1	(781.8)	993.0
Increase/(Decrease) in Operating Liabilities				
Deposits from customers	28,047.6	7,524.1	27,980.1	7,510.6
Net cash from operating activities before income tax	13,951.7	7,685.0	13,890.1	7,692.1
Income tax paid	(1,383.3)	(1,128.0)	(1,398.1)	(1,142.3)
Net cash inflow/(outflow) from operating activities	12,568.4	6,557.0	12,492.0	6,549.8
Cash Flows from Investing Activities				
Dividends and interest received	158.9	218.9	145.5	206.5
Net change in Government Treasury Bills & Bonds	(944.0)	(29,123.6)	(944.0)	(29,123.6)
Net change in Due from Banks and Other Financial Institutions	(4,085.4)	16,369.5	(4,085.4)	16,369.5
Net change in Securities sold under re-purchase agreements	(1,115.2)	4,353.4	(1,089.3)	4,372.9
Proceeds from matured/sold investments /(Additions to investments)	(630.0)	462.5	(627.0)	463.4
Additions to Property, Plant & Equipment and proceeds from sale of Property, Plant & Equipment	(571.7)	(367.4)	(534.8)	(361.1)
Net cash inflow/(outflow) from investing activities	(7,187.4)	(8,086.7)	(7,135.0)	(8,072.4)
Cash Flows from Financing Activities				
Dividends paid to minority shareholders	-	-	(0.7)	(0.7)
Proceeds from issue of ordinary shares under ESOPs	112.4	116.0	112.4	116.0
Redemption of Debentures	(495.0)	-	(495.0)	-
Net change in other borrowings	(2,565.3)	2,313.8	(2,551.7)	2,307.4
Dividends paid to shareholders	(832.5)	(1,001.9)	(832.5)	(1,001.9)
Net cash inflow/(outflow) from financing activities	(3,780.4)	1,427.9	(3,767.5)	1,420.8
Net increase in cash and cash equivalents	1,600.6	(101.8)	1,589.5	(101.8)
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	7,737.4	5,454.3	7,773.5	5,454.3

SEGMENTAL ANALYSIS - GROUP
8

<i>For the six months ended June 30,</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	6,487.9	6,009.4	968.9	730.4	1,363.3	653.2	-	-	8,820.1	7,393.0
Foreign exchange profit	12.6	17.4	-	-	877.1	867.7	-	-	889.7	885.1
Fees and Commission income	1,773.9	1,437.3	-	-	2.7	2.8	-	-	1,776.6	1,440.1
Other income	-	-	-	-	54.5	122.9	135.5	97.3	190.0	220.2
Eliminations/Unallocated	-	-	-	-	-	-	-	-	123.5	48.8
Total Operating income	8,274.4	7,464.1	968.9	730.4	2,297.6	1,646.6	135.5	97.3	11,799.9	9,987.2
Credit loss expenses	(162.2)	(364.3)	(64.1)	(92.6)	-	-	-	-	(226.3)	(456.9)
Net Operating income	8,112.2	7,099.8	904.8	637.8	2,297.6	1,646.6	135.5	97.3	11,573.6	9,530.3
Segment result	4,987.1	3,783.1	904.8	637.8	1,601.9	853.0	119.3	77.8	7,613.1	5,351.7
Unallocated operating expenses									(1,847.1)	(1,315.1)
Profit from operations									5,766.0	4,036.6
Share of profit of Associates									8.3	1.9
Income tax expense									(1,732.2)	(1,724.5)
Minority interest									(1.2)	(0.6)
Net profit attributable to Equity holders of the parent									4,040.9	2,313.4

<i>As at June 30,</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	243,969.8	180,066.5	15,107.8	7,865.5	127,977.6	144,003.8	3,267.9	983.8	390,323.1	332,919.6
Investment in associates							85.0	73.5	85.0	73.5
Unallocated Assets									7,325.9	5,179.0
Total assets									397,734.0	338,172.1
Segment liabilities	211,141.6	152,861.8	15,107.8	7,865.5	127,977.6	144,003.8	3,352.9	1,057.3	357,579.9	305,788.4
Unallocated liabilities									3,582.9	2,244.2
Total liabilities									361,162.8	308,032.6

<i>For the six months ended June 30,</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	17,384.1	6,227.3	(3,162.6)	269.7	(1,729.5)	52.8	-	-	12,492.0	6,549.8
Cash flows from investing activities	(338.1)	(295.3)	-	-	(6,118.7)	(8,381.2)	(481.5)	670.0	(6,938.3)	(8,006.5)
Cash flows from financing activities	(662.8)	1,817.3	-	-	(2,384.6)	489.4	-	-	(3,047.4)	2,306.7
Capital expenditure										
Property, Plant & Equipment									(177.7)	(44.0)
Intangible assets									(19.0)	(21.9)
Eliminations/Unallocated									(720.1)	(885.9)
Net Cash Flow generated									1,589.5	(101.8)

- 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 June 30,2011, that require disclosure in these financial statements except the note no.6 . as detailed below.
- 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) The Bank announced a rights issue of 1:14 ordinary shares (for both voting and non-voting) during the third quarter of the year, followed by a sub-division of shares on the basis of 1:1 immediately after the conclusion of the aforesaid rights issue of ordinary shares.

Auditors Opinion on the Financial Statements of the Bank as at June 30,2011.

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 30,2011 and for the period then ended.

INFORMATION ON ORDINARY SHARES OF THE BANK

	2011 Rs.	2010 Rs.
Market value of an ordinary share of the Bank As at June 30,		
Voting	247.20	178.50
Non-Voting	160.70	138.00
Highest price during the quarter ended June 30,		
Voting	274.00	285.00
Non-Voting	196.00	226.00
Lowest price during the quarter ended June 30,		
Voting	244.80	178.00
Non-Voting	160.00	137.50
Number of Ordinary Shares Issued as at June 30,		
Voting	356,941,112	352,262,636
Non-Voting	24,436,929	24,181,195

	Bank		Group	
	As at 30.06.2011	As at 31.12.2010	As at 30.06.2011	As at 31.12.2010
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. Mn.	33,183.4	29,423.1	33,180.5	29,390.0
Total Capital Base - Rs. Mn.	36,571.7	33,204.4	36,569.0	33,171.3
Core Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement, 5%)	11.63%	10.87%	11.64%	10.86%
Total Capital Adequacy Ratio as % of Risk Weighted Assets (Minimum Requirement, 10%)	12.82%	12.27%	12.82%	12.26%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.09%	4.22%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.75%	2.78%		
Profitability				
Interest Margin	4.64%	4.74%		
Return on Assets (before tax)	3.02%	2.69%		
Return on Equity	23.37%	17.87%		
Debt Security Related Ratios				
Debt Equity Ratio	4.49%	6.54%		
Interest Cover (Times)	47.88	25.89		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. Mn.				
Domestic Banking Unit	77,380.6	74,525.6		
Off-Shore Banking Unit	5,141.5	4,944.5		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	27.98%	29.93%		
Off-Shore Banking Unit	27.51%	30.57%		

INFORMATION ON DEBENTURES - BANK

Debenture categories	CSE Listing	Interest payable frequency	Balance as at June 30, 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 2016 13.25% p.a.	Not listed	Annually	505.0	-	-	-	13.25	13.25	8.40		
				-	-	-	13.25	13.25	9.60		
Dec 2006/Dec 2011 13.50% p.a.	Listed	Annually	527.8	Not traded during the current period			13.50	13.50	7.20	Not traded during the current period	
				Not traded during the current period			13.50	13.50	9.20	Not traded during the current period	
Dec 2006/Dec 2013 13.75% p.a.	Listed	Annually	0.3	Not traded during the current period			13.75	13.75	7.75	Not traded during the current period	
				Not traded during the current period			13.75	13.75	9.35	Not traded during the current period	
Dec 2006/Dec 2016 14.00% p.a.	Listed	Annually	467.3	Not traded during the current period			14.00	14.00	8.50	Not traded during the current period	
				Not traded during the current period			14.00	14.00	9.70	Not traded during the current period	
Floating rate											
Dec 2006/Dec 2011 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	131.0	Not traded during the current period			9.15	9.15	7.20	Not traded during the current period	
				Not traded during the current period			11.37	11.86	9.20	Not traded during the current period	
Dec 2006/Dec 2013 12 Months TB rate (Gross) + 1% p.a.	Listed	Annually	0.3	Not traded during the current period			9.15	9.15	7.75	Not traded during the current period	
				Not traded during the current period			11.37	11.85	9.35	Not traded during the current period	
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	8.50	Not traded during the current period	
				Not traded during the current period			11.37	11.85	9.70	Not traded during the current period	
Total Debentures			1,632.0								

(Comparative information for 2010 have been Highlighted)

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

Twenty largest voting shareholders as at June 30,2011

Name of the Shareholders	No. of Shares	%
DFCC Bank A/C 1	53,193,447	14.90
Employees Provident Fund	33,009,731	9.25
SBI Ven Holdings PTE Ltd	29,847,459	8.36
HSBC Intl. Nominees Ltd. - SSBT -International Finance Corporation GNA-C61V	27,781,387	7.78
Sri Lanka Insurance Corporation Ltd. - Life Fund	18,138,069	5.08
HSBC Intl. Nominees Ltd. - SSBT -Janus Overseas Fund	16,265,999	4.56
Sri Lanka Insurance Corporation Ltd. - General Fund	15,596,244	4.37
Mr.Y. S. H. I. K. Silva	11,149,279	3.12
Distilleries Company of Sri Lanka PLC	7,823,896	2.19
HSBC Intl. Nominees Ltd. - SSBT -Janus Aspen Series Overseas Portfolio	7,370,126	2.06
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	7,367,811	2.06
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	5,365,552	1.50
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	4,732,881	1.33
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	4,469,440	1.25
HSBC Intl. Nominees Ltd. - SSBT -South Asia Portfolio	4,397,388	1.23
Mercantile Investments Ltd	3,925,071	1.10
Mrs. L. E. M. Yaseen	3,347,200	0.94
HSBC Intl. Nominees Ltd. - BP2S LONDON - Aberdeen Asia Smaller Companies Investment Trust	3,009,220	0.84
BNY - CF Ruffer Investment Funds : CF Ruffer Pacific Fund	2,782,774	0.78
HSBC Intl. Nominees Ltd. - JPMLU - Morgan Stanley Asset Management SA Acting on Behalf of Morgan Stanley Galax	2,270,500	0.64
Sub total	261,843,474	73.36
Other Shareholders	95,097,638	26.64
Total	356,941,112	100.00

Percentage of public holding as at June 30,2011 - 84.43%

Twenty largest non-voting shareholders as at June 30,2011

Name of the Shareholders	No. of Shares	%
Sri Lanka Insurance Corporation Ltd. - General Fund	1,331,879	5.45
BNYM SA/NV - The Walter Fund	1,167,012	4.78
GF Capital Global Limited	622,968	2.55
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	606,345	2.48
Deutsche Bank AG - National Equity Fund	511,351	2.09
Deutsche Bank AG as Trutee for Namal Aquity Value Fund	505,287	2.07
Mr. J. D. Bandaranayake	456,389	1.87
M.J.F.Exports Ltd.	418,039	1.71
J.B Cocoshell (Pvt) Ltd	396,400	1.62
Union Assuarncce PLC/NO-01A/C	384,929	1.58
Mrs. L. E. M. Yaseen	303,172	1.24
Dr. A. K. A. Jayawardene	287,034	1.17
Mr. M. F. Hashim	272,437	1.11
Mr J. G. De Mel	246,478	1.01
Mr J.R. De Silva	231,448	0.95
Mr. M. J. C. Amarasuriya	230,230	0.94
Saboor Chatoor (Pvt) Ltd	216,263	0.88
The Planters Association of Ceylon As Trustee of Ceylon Planters Profident Society	214,949	0.88
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	192,666	0.79
The Planters Association of Ceylon As Trustee of Estate Staff Profident Society	190,231	0.78
Sub total	8,785,507	35.95
Other Shareholders	15,651,422	64.05
Total	24,436,929	100.00

Percentage of public holding as at June 30, 2011 - 98.77%

Directors' holding in shares as at June 30, 2011

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.M.J.C Amarasuriya - Chairman	674,956	230,230
Mr.B.R.L Fernando - Deputy Chairman	-	12,754
Mr.A.L. Gooneratne - CEO/MD	1,382,450	57,645
Dr.H.S. Wanasinghe	-	-
Mr.D.S.Weerakkody	10,064	-
Prof.U.P.Liyanage	-	-
Mr..W.M.R.S.Dias	312,344	-
Mr.L.Hulugalle	-	-

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, Sir Razik Fareed Mw. (Formally Known as Bristol Street),
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

HEAD OFFICE

"Commercial House",
No. 21, Sir Razik Fareed Mw. (Formally Known as 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 - AAA
(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 - Deputy Charman
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

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: sspsc@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 (the "Bank") recorded impressive growth of 42.86% and 74.36% in both **pre & post tax** profit for the six month period ended June 30, 2011 compared to the corresponding period in 2010. The pre & post tax profit of the Bank reached Rs. 5,749.6 Mn. and 4,034.1 Mn. respectively for the period under review.

The net interest income of the Bank reached Rs. 8,835.5 Mn., recording a growth of Rs. 1,423.1 Mn., or 19.20% compared to the corresponding period last year. The main contributory factor for this growth was the increase in interest income on loans and advances portfolio of the Bank by Rs. 2,184.5 Mn. or 19.73%. This was mainly due to the increase in the performing loans and advances portfolio of the Bank by Rs. 15,244.6 Mn., or 7.14% during the period under review. However, due to the drop of Rs. 978 Mn., or 17.11% recorded in interest income on other interest earning assets which mainly consist of treasury bills and bonds, restricted the growth in total interest income to 7.19%. The total interest expenses of the Bank recorded a drop of Rs. 216.6 Mn., or 2.31% during the period despite the total deposits of the Bank recording an increase of Rs. 28,047.6 Mn., or 10.80% for the six month period ended June 30, 2011 mainly due to timely action taken by the Bank to re-price its liabilities responding to the low interest rate regime that continued during the period under review. Consequently, net interest margin of the Bank improved to 4.64% during the period under review from 4.53% a year ago.

Total income of the Bank reached Rs. 21,480.9 Mn., reflecting a growth of Rs. 1,723.8 Mn. or 8.72% compared to the corresponding period of the last year. This was mainly due to the increase in interest income and the increase of Rs. 368.7 Mn., or 21.64% recorded in other income of the Bank, which mainly comprises the commission income and investment income. Bank recorded a Foreign exchange income of Rs. 889.7 Mn. during the period under review compared to Rs. 885.1 Mn. recorded for the corresponding period of the last year.

The net provisions on account of Bad and Doubtful Debts decreased by Rs. 375.9 Mn., during the period under review 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 the 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. Recoveries on non performing loans too recorded an increase which partly mitigated the impact of higher specific provisions made on such loans during the period under review.

The non-interest expenses of the Bank increased by Rs. 906.1 Mn., or 19.43% mainly due to expenses incurred on expansion of the branch network and due to enhanced staff related expenses. Further, the deposit insurance premium paid amounting to Rs. 139.5 Mn., during the period under review, too contributed for this increase.

In addition, the VAT on Financial Services dropped by Rs. 458.7 Mn., or 37.07% 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 substantial positive contribution to the bottom line of the Bank.

The gross loans and advances of the Bank increased to Rs. 244,091 Bn., reflecting a growth of 6.88%. Similarly, total deposits of the Bank increased to Rs. 287.826 Bn. as at June 30, 2011, reflecting a growth of 10.80% from Rs.259.778 Bn. as at December 31, 2010. Total assets of the Bank stood at Rs. 397.555 Bn., as at June 30, 2011, recording a growth of 7.43% 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 a **Pre-tax profit** of Rs. 5,774.3 Mn. for the six months period ended June 30, 2011, compared to Rs. 4,038.5 Mn. reported for the corresponding period in 2010. This reflected a growth of Rs. 1,735.8 Mn. or 42.98%. Similarly, the Group recorded a post tax profit of Rs. 4,042.1 Mn. during the first half of 2011 in comparison to the post tax profit of Rs. 2,314.0 Mn. recorded in 2010. This represented a growth of Rs. 1,728.1 Mn. or 74.68%.