



INTERIM FINANCIAL STATEMENTS
For the nine months ended September 30, 2011

	For the nine months ended			For the quarter ended		
	30.09.2011 Rs. Mn.	30.09.2010 Rs. Mn.	Growth %	30.09.2011 Rs. Mn.	30.09.2010 Rs. Mn.	Growth %
Income	32,903.8	30,318.3	8.53	11,422.9	10,561.2	8.16
Interest Income	27,548.6	25,596.1	7.63	9,554.1	8,808.1	8.47
Interest Income on Loans and Advances	20,588.9	17,067.7	20.63	7,331.8	5,995.1	22.30
Interest Income on Other Interest Earning Assets	6,959.7	8,528.4	(18.39)	2,222.3	2,813.0	(21.00)
Less : Interest Expenses	14,129.1	13,861.7	1.93	4,970.1	4,486.1	10.79
Interest Expenses on Deposits	10,996.1	10,820.1	1.63	3,990.9	3,474.3	14.87
Interest Expenses on Other Interest Bearing Liabilities	3,133.0	3,041.6	3.00	979.2	1,011.8	(3.22)
Net Interest Income	13,419.5	11,734.4	14.36	4,584.0	4,322.0	6.06
Non-Interest Income	4,501.0	4,050.2	11.13	1,538.9	1,461.4	5.30
Foreign Exchange Income	1,460.0	1,284.6	13.65	570.3	399.5	42.75
Other Income	3,041.0	2,765.6	9.96	968.6	1,061.9	(8.79)
Net Income	17,920.5	15,784.6	13.53	6,122.9	5,783.4	5.87
Less : Non-Interest Expenses	8,486.3	7,040.0	20.54	2,916.4	2,376.2	22.73
Personnel Costs	4,163.6	3,687.7	12.91	1,482.2	1,287.6	15.11
Provision for Staff Retirement Benefits	292.7	270.4	8.25	29.6	40.6	(27.09)
Premises, Equipment & Establishment Expenses	2,036.3	1,788.8	13.84	660.9	616.4	7.22
Loss on Trading/Investment Securities	6.7	3.6	86.11	4.2	0.3	1,300.00
Amortization of Intangible Assets	57.9	57.2	1.22	20.9	19.9	5.03
Other Operating Expenses	1,929.1	1,232.3	56.54	718.6	411.4	74.67
Less : Provision for Bad and Doubtful Debts and Loans Written Off	(480.7)	271.7	(276.92)	(180.1)	196.4	(191.70)
Provisions - General	(361.9)	253.4	(242.82)	(77.0)	218.0	(135.32)
Provisions - Specific	722.8	689.0	4.91	213.5	267.5	(20.19)
Recoveries (-)	(860.9)	(675.6)	(27.43)	(334.1)	(292.0)	(14.42)
Loans Written Off	19.3	4.9	293.88	17.5	2.9	503.45
Operating Profit on Ordinary Activities Before Taxes	9,914.9	8,472.9	17.02	3,386.6	3,210.8	5.48
Less : Value Added Tax on Financial Services	1,198.0	1,953.9	(38.69)	419.3	716.5	(41.48)
Operating Profit Before Corporate Tax	8,716.9	6,519.0	33.72	2,967.3	2,494.3	18.96
Less : Tax on Profits on Ordinary Activities	2,620.1	2,791.5	(6.14)	904.6	1,080.4	(16.27)
Operating Profit for the Period	6,096.8	3,727.5	63.56	2,062.7	1,413.9	45.89
Attributable to:						
Equity holders of the parent	6,096.8	3,727.5	63.56	2,062.7	1,413.9	45.89
Minority interest	-	-	-	-	-	-
	6,096.8	3,727.5	63.56	2,062.7	1,413.9	45.89
Basic Earnings per Ordinary Share - (Rs.)	7.64	4.89	56.24	2.59	1.85	40.00
Diluted Earnings per Ordinary Share - (Rs.)	7.60	4.88	55.74	2.57	1.85	38.92

	For the nine months ended			For the quarter ended		
	30.09.2011 Rs. Mn.	30.09.2010 Rs. Mn.	Growth %	30.09.2011 Rs. Mn.	30.09.2010 Rs. Mn.	Growth %
Income	32,901.1	30,292.8	8.61	11,423.0	10,556.3	8.21
Interest Income	27,517.6	25,557.4	7.67	9,543.6	8,795.4	8.51
Interest Income on Loans and Advances	20,557.8	17,029.0	20.72	7,322.1	5,982.0	22.40
Interest Income on Other Interest Earning Assets	6,959.8	8,528.4	(18.39)	2,221.5	2,813.4	(21.04)
Less : Interest Expenses	14,119.2	13,852.2	1.93	4,965.3	4,483.2	10.75
Interest Expenses on Deposits	10,993.3	10,818.7	1.61	3,989.2	3,473.8	14.84
Interest Expenses on Other Interest Bearing Liabilities	3,125.9	3,033.5	3.05	976.1	1,009.4	(3.30)
Net Interest Income	13,398.4	11,705.2	14.47	4,578.3	4,312.2	6.17
Non-Interest Income	4,529.3	4,063.4	11.47	1,549.5	1,469.2	5.47
Foreign Exchange Income	1,460.0	1,284.6	13.65	570.3	399.5	42.75
Other Income	3,069.3	2,778.8	10.45	979.2	1,069.7	(8.46)
Net Income	17,927.7	15,768.6	13.69	6,127.8	5,781.4	5.99
Less : Non-Interest Expenses	8,465.1	7,002.9	20.88	2,909.3	2,365.0	23.01
Personnel Costs	4,202.6	3,717.0	13.06	1,496.2	1,251.7	19.53
Provision for Staff Retirement Benefits	293.3	271.0	8.23	29.6	86.4	(65.74)
Premises, Equipment & Establishment Expenses	2,052.5	1,812.0	13.27	663.8	627.0	5.87
Loss on Trading/Investment Securities	6.7	3.6	86.11	4.2	0.3	1,300.00
Amortization of Intangible Assets	57.9	57.2	1.22	20.9	19.9	5.03
Other Operating Expenses	1,852.1	1,142.1	62.17	694.6	379.7	82.93
Less : Provision for Bad and Doubtful Debts and Loans Written Off	(480.7)	271.7	(276.92)	(180.1)	196.4	(191.70)
Provisions - General	(361.9)	253.4	(242.82)	(77.0)	218.0	(135.32)
Provisions - Specific	722.8	689.0	4.91	213.5	267.5	(20.19)
Recoveries (-)	(860.9)	(675.6)	(27.43)	(334.1)	(292.0)	(14.42)
Loans Written Off	19.3	4.9	293.88	17.5	2.9	503.45
Operating Profit on Ordinary Activities Before Taxes	9,943.3	8,494.0	17.06	3,398.6	3,220.0	5.55
Less : Value Added Tax on Financial Services	1,198.0	1,953.9	(38.69)	419.3	716.5	(41.48)
Operating Profit on Ordinary Activities Before Corporate Taxes	8,745.3	6,540.1	33.72	2,979.3	2,503.5	19.01
Add/(Less) : Share of Profit/(Loss) before tax of Associate Companies	9.4	7.2	30.56	1.1	5.3	(79.25)
Operating Profit Before Corporate Tax	8,754.7	6,547.3	33.71	2,980.4	2,508.8	18.80
Less : Tax on Profits on Ordinary Activities	2,647.3	2,811.5	(5.84)	915.1	1,087.0	(15.81)
Operating Profit for the Period	6,107.4	3,735.8	63.48	2,065.3	1,421.8	45.26
Attributable to:						
Equity holders of the parent	6,105.7	3,735.0	63.47	2,064.8	1,421.6	45.24
Minority interest	1.7	0.8	112.50	0.5	0.2	150.00
	6,107.4	3,735.8	63.48	2,065.3	1,421.8	45.26
Basic Earnings per Ordinary Share - (Rs.)	7.66	4.89	56.65	2.59	1.86	39.25
Diluted Earnings per Ordinary Share - (Rs.)	7.61	4.89	55.62	2.57	1.86	38.17

As at	Bank			Group		
	30.09.2011	31.12.2010 (Audited)	Growth	30.09.2011	31.12.2010 (Audited)	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
On-Balance Sheet Assets						
Cash in Hand	7,794.3	6,136.8	27.01	7,794.4	6,184.0	26.04
Balances with Central Bank of Sri Lanka / Other Central Banks	17,308.7	12,188.8	42.00	17,308.7	12,188.8	42.00
Due from Banks and Other Financial Institutions	9,206.3	4,488.7	105.10	9,234.1	4,488.7	105.72
Investments - Trading Account	10,935.6	15,080.2	(27.48)	10,935.6	15,080.2	(27.48)
Government Securities	10,622.5	14,796.8	(28.21)	10,622.5	14,796.8	(28.21)
Other Securities	313.1	283.4	10.48	313.1	283.4	10.48
Investments - Held-to-Maturity	104,079.6	102,109.4	1.93	104,079.6	102,109.4	1.93
Government Securities	101,200.9	99,743.8	1.46	101,200.9	99,743.8	1.46
Other Securities	2,878.7	2,365.6	21.69	2,878.7	2,365.6	21.69
Investments in Associates and Subsidiaries	398.2	398.2	-	84.4	79.6	6.03
Investments in Associates	44.3	44.3	-	84.4	79.6	6.03
Investments in Subsidiaries	353.9	353.9	-	-	-	-
Total Loans and Advances						
Total Performing Loans and Advances	252,200.1	213,445.9	18.16	252,021.7	213,222.3	18.20
Bills of Exchange	5,965.1	5,358.3	11.32	5,965.1	5,358.3	11.32
Overdrafts	53,063.3	46,639.1	13.77	53,061.8	46,639.1	13.77
Lease Rentals Receivable	18,814.2	11,346.9	65.81	18,637.7	11,124.7	67.53
Other Loans	174,357.5	150,101.6	16.16	174,357.1	150,100.2	16.16
Total Non-Performing Loans and Advances	15,933.3	14,927.1	6.74	15,933.3	14,927.1	6.74
Bills of Exchange	61.6	37.2	65.59	61.6	37.2	65.59
Overdrafts	2,237.0	2,255.4	(0.82)	2,237.0	2,255.4	(0.82)
Lease Rentals Receivable	337.6	323.2	4.46	337.6	323.2	4.46
Other Loans	8,665.7	7,958.5	8.89	8,665.7	7,958.5	8.89
Interest Receivable	4,631.4	4,352.8	6.40	4,631.4	4,352.8	6.40
Total Gross Loans and Advances	268,133.4	228,373.0	17.41	267,955.0	228,149.4	17.45
Less :						
Interest in Suspense	6,611.2	6,434.8	2.74	6,611.2	6,434.8	2.74
Specific Loan Loss Provisions	3,020.6	3,190.2	(5.32)	3,020.6	3,190.2	(5.32)
General Loan Loss Provisions	1,341.4	1,709.5	(21.53)	1,341.4	1,709.5	(21.53)
Net Loans and Advances	257,160.2	217,038.5	18.49	256,981.8	216,814.9	18.53
Other Assets	7,605.5	6,191.4	22.84	7,586.1	6,183.1	22.69
Property, Plant & Equipment	6,220.1	5,929.6	4.90	6,824.5	6,589.2	3.57
Lease Hold Property	78.5	79.2	(0.88)	113.6	114.7	(0.96)
Intangible Assets	471.5	419.3	12.45	479.7	425.3	12.79
Total On-Balance Sheet Assets	421,258.5	370,060.1	13.84	421,422.5	370,257.9	13.82

As at	Bank			Group		
	30.09.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %	30.09.2011 Rs. Mn.	31.12.2010 (Audited) Rs. Mn.	Growth %
On-Balance Sheet Liabilities						
Total Deposits	302,483.0	259,778.9	16.44	302,401.5	259,744.6	16.42
Demand Deposits	28,785.1	25,109.2	14.64	28,762.4	25,109.2	14.55
Savings Deposits	136,909.6	117,747.6	16.27	136,890.8	117,713.3	16.29
Time Deposits	132,654.9	113,471.5	16.91	132,614.9	113,471.5	16.87
Margin Deposits	2,271.9	1,860.3	22.13	2,271.9	1,860.3	22.13
Other Deposits	1,861.5	1,590.3	17.05	1,861.5	1,590.3	17.05
Total Borrowings	59,083.5	62,272.5	(5.12)	58,939.8	62,156.9	(5.18)
Borrowings from Central Bank of Sri Lanka	231.3	267.5	(13.53)	231.3	267.5	(13.53)
Borrowings from Banks and Financial Institutions in Sri Lanka	8,291.2	11,372.0	(27.09)	8,291.2	11,372.0	(27.09)
Borrowings from Banks and Financial Institutions Abroad	2,391.1	1,619.5	47.64	2,391.1	1,619.5	47.64
Securities Sold Under Re-Purchase Agreements	45,441.9	45,774.5	(0.73)	45,298.2	45,658.9	(0.79)
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	13,617.3	11,366.3	19.80	13,649.7	11,369.6	20.05
Current Taxation	1,781.8	2,448.0	(27.21)	1,790.0	2,455.0	(27.09)
Deferred Taxation	1,096.1	892.4	22.83	1,197.0	992.7	20.58
Total On-Balance Sheet Liabilities	378,061.7	336,758.1	12.27	377,978.0	336,718.8	12.25
Shareholders' Funds and Minority Interest						
Shareholders' Funds	43,196.8	33,302.0	29.71	43,416.9	33,512.5	29.55
Stated Capital	16,473.9	10,811.2	52.38	16,473.9	10,811.2	52.38
Statutory Reserve Fund	2,540.2	2,338.5	8.63	2,540.2	2,338.5	8.63
Total Other Reserves	24,182.7	20,152.3	20.00	24,402.8	20,362.8	19.84
Minority Interest				27.6	26.6	3.76
Total Shareholders' Funds and Minority Interest	43,196.8	33,302.0	29.71	43,444.5	33,539.1	29.53
Total On-Balance Sheet Liabilities, Shareholders' Funds and Minority Interest	421,258.5	370,060.1	13.84	421,422.5	370,257.9	13.82
Off-Balance Sheet Items and Contra Accounts						
Contingencies	81,195.3	77,852.9	4.29	81,195.3	77,852.9	4.29
Commitments and Contra Accounts	147,405.0	117,792.6	25.14	147,405.0	117,792.6	25.14
Net Assets Value per Ordinary Share (Rs.)	52.84	88.22	(40.10)	53.11	88.78	(40.18)
Memorandum Information						
Number of Employees	4,484	4,321				
Number of Customer Centers	220	204				

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 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 unless indicated as audited.

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

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

November 11, 2011

November 11, 2011

	Stated Capital Rs. Mn.	Statutory Reserve Fund Rs. Mn.	Other Reserves					Unappropriated Profit/(Loss) carried forward Rs. Mn.	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.				
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	176.8	-	-	-	-	-	-	-	176.8	-	176.8
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	-	(135.5)	-	(135.5)	-	(135.5)
Net profit for the nine months ended 30.09.2010	-	-	-	-	-	-	-	3,727.5	3,727.5	-	3,727.5
Balance as at 30.09.2010	10,784.6	2,062.3	101.8	1,286.7	13,807.7	-	(507.0)	3,729.7	31,265.8	-	31,265.8
Issue of Ordinary Shares under Employee Share Option Plans	26.6	-	-	-	-	-	-	-	26.6	-	26.6
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	-	-	-	-	-	-	(63.4)	-	(63.4)	-	(63.4)
Net Profit for the three months ended 31.12.2010	-	-	-	-	-	-	-	1,795.8	1,795.8	-	1,795.8
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
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(756.8)	(756.8)	-	(756.8)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(756.8)	(75.7)	-	(75.7)
Issue of Ordinary Shares under Employee Share Option Plans	121.9	-	-	-	-	-	-	-	121.9	-	121.9
Proceeds on Right Issue of Ordinary shares	4,859.7	-	-	-	-	-	-	-	4,859.7	-	4,859.7
Net unrealised loss from translation of Financial Statements of Foreign operation	-	-	-	-	-	-	(351.1)	-	(351.1)	-	(351.1)
Net Profit for the nine months ended 30.09.2011	-	-	-	-	-	-	-	6,096.8	6,096.8	-	6,096.8
Transfers during the period	-	201.7	15.9	-	-	903.8	-	(1,121.4)	-	-	-
Balance as at 30.09.2011	16,473.9	2,540.2	149.2	2,696.2	16,361.2	903.8	(905.4)	4,977.7	43,196.8	-	43,196.8
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	176.8	-	-	-	-	-	-	-	176.8	-	176.8
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	-	(135.5)	-	(135.5)	-	(135.5)
Net profit for the nine months ended 30.09.2010	-	-	-	-	-	-	-	3,735.0	3,735.0	0.8	3,735.8
Balance as at 30.09.2010	10,784.6	2,062.3	101.8	1,533.8	13,807.7	-	(507.0)	3,711.9	31,495.1	26.9	31,522.0
Issue of Ordinary Shares under Employee Share Option Plans	26.6	-	-	-	-	-	-	-	26.6	-	26.6
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	-	-	-	-	-	-	(58.8)	-	(58.8)	-	(58.8)
Net profit for the three months ended 31.12.2010	-	-	-	-	-	-	-	1,772.5	1,772.5	1.7	1,774.2
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
Final Cash Dividend for 2010	-	-	-	-	-	-	-	(756.8)	(756.8)	(0.7)	(757.5)
Scrip Dividend for 2010	681.1	-	-	-	-	-	-	(756.8)	(75.7)	-	(75.7)
Issue of Ordinary Shares under Employee Share Option Plans	121.9	-	-	-	-	-	-	-	121.9	-	121.9
Proceeds on Right Issue of Ordinary shares	4,859.7	-	-	-	-	-	-	-	4,859.7	-	4,859.7
Net unrealised loss from translation of Financial Statements of Foreign operations	-	-	-	-	-	-	(350.4)	-	(350.4)	-	(350.4)
Net Profit for the nine months ended 30.09.2011	-	-	-	-	-	-	-	6,105.7	6,105.7	1.7	6,107.4
Transfers during the period	-	201.7	15.9	-	-	903.8	-	(1,121.4)	-	-	-
Balance as at 30.09.2011	16,473.9	2,540.2	149.2	2,943.2	16,361.2	903.8	(900.1)	4,945.5	43,416.9	27.6	43,444.5

<i>For the nine months ended September 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	29,525.7	27,549.3	29,494.6	27,510.6
Interest payments	(13,459.7)	(14,916.1)	(13,449.8)	(14,906.6)
Recoveries on loans previously provided/written-off	860.9	675.6	860.9	675.6
Foreign exchange profit and other income	1,161.9	869.0	1,198.8	891.7
Cash payments to employees and suppliers	(9,150.1)	(8,540.2)	(9,121.7)	(8,490.8)
Operating profit before changes in operating assets and Liabilities	8,938.7	5,637.6	8,982.8	5,680.5
(Increase)/Decrease in Operating Assets				
Balances with Central Banks	(5,119.9)	(681.2)	(5,119.9)	(681.2)
Funds advanced to customers	(40,501.9)	(22,136.3)	(40,547.1)	(22,136.1)
Other operating assets	(1,414.1)	179.4	(1,403.0)	157.8
Increase/(Decrease) in Operating Liabilities				
Deposits from customers	42,704.1	17,872.5	42,656.9	17,831.0
Net cash from operating activities before income tax	4,606.9	872.0	4,569.7	852.0
Income tax paid	(2,792.6)	(1,485.0)	(2,816.3)	(1,506.3)
Net cash inflow/(outflow) from operating activities	1,814.3	(613.0)	1,753.4	(654.3)
Cash Flows from Investing Activities				
Dividends and interest received	253.1	110.6	238.2	96.7
Net change in Government Treasury Bills & Bonds	2,593.0	(31,355.2)	2,593.0	(31,355.2)
Net change in Due from Banks and Other Financial Institutions	(4,717.6)	12,186.4	(4,745.4)	12,186.4
Net change in Securities sold under re-purchase agreements	(332.6)	19,115.2	(360.7)	19,128.5
Proceeds from matured/sold investments /(Additions to investments)	(104.0)	55.9	(99.4)	57.4
Additions to Property, Plant & Equipment and proceeds from sale of Property, Plant & Equipment	(866.7)	(622.6)	(814.2)	(605.2)
Net cash inflow/(outflow) from investing activities	(3,174.8)	(509.7)	(3,188.5)	(491.4)
Cash Flows from Financing Activities				
Dividends paid to minority shareholders	-	-	(0.7)	(0.7)
Proceeds from issue of ordinary shares under ESOPs	121.8	176.8	121.8	176.8
Redemption of Debentures	(495.0)	-	(495.0)	-
Proceeds from Right issue	4,859.7	-	4,859.7	-
Net change in other borrowings	(636.0)	2,250.0	(607.8)	2,273.7
Dividends paid to shareholders	(832.5)	(1,001.9)	(832.5)	(1,001.9)
Net cash inflow/(outflow) from financing activities	3,018.0	1,424.9	3,045.5	1,447.9
Net increase in cash and cash equivalents	1,657.5	302.2	1,610.4	302.2
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	7,794.3	5,858.3	7,794.4	5,858.3

SEGMENTAL ANALYSIS - GROUP
8

	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
<i>For the nine months ended September 30</i>										
External Operating income :										
Net interest income	10,141.8	9,500.9	1,547.8	1,114.6	1,708.8	1,089.7	-	-	13,398.4	11,705.2
Foreign exchange profit	121.0	(7.0)	-	-	1,339.0	1,291.6	-	-	1,460.0	1,284.6
Fees and Commission income	2,757.6	2,274.0	-	-	4.2	4.4	-	-	2,761.8	2,278.4
Other income	-	-	-	-	(117.5)	152.9	231.6	178.0	114.1	330.9
Eliminations/Unallocated	-	-	-	-	-	-	-	-	193.4	169.5
Total Operating income	13,020.4	11,767.9	1,547.8	1,114.6	2,934.5	2,538.6	231.6	178.0	17,927.7	15,768.6
Credit loss expenses	(296.0)	(801.8)	(84.2)	(140.6)	-	-	-	-	(380.2)	(942.4)
Net Operating income	12,724.4	10,966.1	1,463.6	974.0	2,934.5	2,538.6	231.6	178.0	17,547.5	14,826.2
Segment result	7,874.1	5,974.2	1,463.5	974.0	1,918.3	1,435.6	206.7	142.4	11,462.6	8,526.2
Unallocated operating expenses									(2,717.3)	(1,986.1)
Profit from operations									8,745.3	6,540.1
Share of profit of Associates									9.4	7.2
Income tax expense									(2,647.3)	(2,811.5)
Minority interest									(1.7)	(0.8)
Net profit attributable to Equity holders of the parent									6,105.7	3,735.0

	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
<i>As at September 30</i>										
Other information										
Segment assets	264,837.5	202,594.9	18,524.0	9,092.1	127,367.0	146,070.6	3,191.8	1,516.3	413,920.3	359,273.9
Investment in associates							84.4	78.3	84.4	78.3
Unallocated Assets									7,417.8	5,262.1
Total assets									421,422.5	364,614.3
Segment liabilities	225,823.8	173,515.4	18,524.0	9,092.1	127,367.0	146,070.6	3,276.2	1,594.6	374,991.0	330,272.7
Unallocated liabilities									2,987.0	2,820.3
Total liabilities									377,978.0	333,093.0

	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
<i>For the nine months ended September 30</i>										
Information on cash flows										
Cash flows from operating activities	10,934.6	(815.7)	(5,979.6)	(593.0)	(3,201.6)	754.4	-	-	1,753.4	(654.3)
Cash flows from investing activities	(525.6)	(456.2)	-	-	(2,513.1)	(40.3)	138.8	154.1	(2,899.9)	(342.4)
Cash flows from financing activities	6,560.4	2,342.7	-	-	(2,804.2)	(69.7)	-	-	3,756.2	2,273.0
Capital expenditure										
Property, Plant & Equipment									(234.2)	(125.7)
Intangible assets									(54.4)	(23.3)
Eliminations/Unallocated									(710.7)	(825.1)
Net Cash Flow generated									1,610.4	302.2

- 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 September 30, 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) Net assets value per ordinary share as at December 31, 2010 has not been restated consequent to the rights issue and sub-division of shares in the third quarter of 2011 .
- 7) The Bank's External Auditors, M/s Ernst & Young carried out an interim audit for the six months period ended June 30, 2011 and expressed an unqualified opinion on the financial statements of the Bank as at June 30, 2011.

INFORMATION ON ORDINARY SHARES OF THE BANK

	2011 Rs.	2010 Rs.
Market price of an ordinary share of the Bank As at September 30,		
Voting	115.00 *	283.50
Non-Voting	79.90 *	174.70
Highest price during the quarter ended September 30,		
Voting	264.40	295.00
Non-Voting	200.00	187.00
Lowest price during the quarter ended September 30,		
Voting	110.20 *	175.00
Non-Voting	77.10 *	75.00
Number of Ordinary Shares Issued as at September 30,		
Voting	765,085,320 **	352,968,231
Non-Voting	52,364,846 **	24,181,195

* Prices referred subsequent to the right issue of ordinary shares & the sub-division of shares as detailed ** below ;

** The Bank made a rights issue of ordinary shares on the basis of 1:14 (for both voting and non-voting) during the month of August 2011, which was 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.

	Bank		Group	
	As at 30.09.2011	As at 31.12.2010 (Audited)	As at 30.09.2011	As at 31.12.2010 (Audited)
Regulatory Capital Adequacy				
Core Capital (Tier I Capital) - Rs. Mn.	38,021.6	29,423.1	37,962.1	29,390.0
Total Capital Base - Rs. Mn.	41,339.1	33,204.4	41,279.5	33,171.3
Core Capital Adequacy Ratio - Core capital as a % of Risk Weighted Assets (Minimum Requirement, 5%)	12.02%	10.87%	12.01%	10.86%
Total Capital Adequacy Ratio - Total capital as a % of Risk Weighted Assets (Minimum Requirement, 10%)	13.07%	12.27%	13.05%	12.26%
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	3.92%	4.22%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.76%	2.78%		
Profitability				
Interest Margin	4.53%	4.74%		
Return on Assets (before tax)	2.95%	2.69%		
Return on Equity	21.31%	17.87%		
Debt Security Related Ratios				
Debt Equity Ratio	3.78%	6.54%		
Interest Cover (Times)	50.23	25.89		
Regulatory Liquidity				
Statutory Liquid Assets - Rs. Mn.				
Domestic Banking Unit	77,372.7	74,525.6		
Off-Shore Banking Unit	6,033.1	4,944.5		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	26.31%	29.93%		
Off-Shore Banking Unit	29.97%	30.57%		

INFORMATION ON DEBENTURES - BANK

Debenture categories	CSE Listing	Interest payable frequency	Balance as at September 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	8.00	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	9.15	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	9.15	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	9.15	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 deducting 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 September 30, 2011

Name of the Shareholder	No. of Shares	%
DFCC Bank A/C 1	113,985,956	14.90
Employees Provident Fund	71,014,288	9.28
SBI Ven Holdings PTE Ltd	63,958,840	8.36
HSBC Intl. Nominees Ltd. - SSBT -International Finance Corporation GNA-C61V	57,924,400	7.57
Sri Lanka Insurance Corporation Ltd. - Life Fund	38,867,290	5.08
Sri Lanka Insurance Corporation Ltd. - General Fund	33,420,522	4.37
HSBC Intl. Nominees Ltd. - SSBT -Janus Overseas Fund	32,497,940	4.25
Mr.Y. S. H. I. K. Silva	23,925,294	3.13
Distilleries Company of Sri Lanka PLC	16,765,490	2.19
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Asian Smaller Companies Fund	15,788,166	2.06
HSBC Intl. Nominees Ltd. - SSBT -Janus Aspen Series Overseas Portfolio	14,734,068	1.93
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global Asia Pacific Equity Fund	11,497,610	1.50
HSBC Intl. Nominees Ltd. - SSBT - Aberdeen Institutional Commingled Funds,LLC	11,082,656	1.45
HSBC Intl. Nominees Ltd. - BPSS LUX -Aberdeen Global - Emerging Markets Smaller Companies Fund	10,141,886	1.33
Mercantile Investments Ltd	9,900,066	1.29
HSBC Intl. Nominees Ltd. - SSBT -South Asia Portfolio	9,239,174	1.21
Mrs. L. E. M. Yaseen	7,172,570	0.94
HSBC Intl. Nominees Ltd. - BP2S LONDON - Aberdeen Asia Smaller Companies Investment Trust	6,448,328	0.84
BNY - CF Ruffer Investment Funds : CF Ruffer Pacific Fund	5,963,086	0.78
HSBC Intl. Nominees Ltd. - JPMLU - Morgan Stanley Asset Management SA Acting on Behalf of Morgan Stanley Galaxy	5,136,772	0.67
Sub total	559,464,402	73.12
Other Shareholders	205,620,918	26.88
Total	765,085,320	100.00

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

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

Name of the Shareholder	No. of Shares	%
BNYM SA/NV - The Walter Fund	2,587,140	4.94
Sri Lanka Insurance Corporation Ltd. - General Fund	2,116,258	4.04
GF Capital Global Limited	1,334,930	2.55
HINL - JPMCB - Butterfield Trust (Bermuda) Ltd.	1,299,310	2.48
Deutsche Bank AG - National Equity Fund	1,095,752	2.09
Deutsche Bank AG as Trustee for Namal Aquity Value Fund	1,082,756	2.07
Mr. J. D. Bandaranayake	977,976	1.87
J.B Cocoshell (Pvt) Ltd	977,592	1.87
M.J.F.Exports Ltd.	895,796	1.71
Union Assuarnc PLC/NO-01A/C	824,846	1.58
Mrs. L. E. M. Yaseen	649,854	1.24
Employees Trust Fund Board	628,230	1.20
Mr. M. F. Hashim	588,692	1.12
Dr. A. K. A. Jayawardene	585,072	1.12
Mr J. G. De Mel	528,166	1.01
Mr. M. J. C. Amarasuriya	497,614	0.95
Saboor Chatoor (Pvt) Ltd	467,474	0.89
The Planters Association of Ceylon as Trustee for Ceylon Planters Profident Society	460,604	0.88
Bank of Ceylon A/C Ceybank Century Growth Fund	425,110	0.81
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	416,552	0.80
Sub total	18,439,724	35.21
Other Shareholders	33,925,122	64.79
Total	52,364,846	100.00

Percentage of public holding as at September 30, 2011 - 98.76%

Directors' holding in shares as at September 30, 2011

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.M.J.C Amarasuriya - Chairman	1,451,208	497,614
Mr.D.S.Weerakkody - Deputy Chairman	21,564	-
Mr.A.L. Gooneratne - CEO/MD	3,008,860	125,190
Mr.B.R.L Fernando	-	27,530
Dr.H.S. Wanasinghe	-	-
Prof.U.P.Liyanage	-	-
Mr.W.M.R.S.Dias	673,174	-
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.D.S.Weerakkody - Deputy Charman
Mr.A.L. Gooneratne - CEO/MD
Mr.B.R.L Fernando
Dr.H.S. Wanasinghe
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 recorded a growth of 33.72% and 63.56% respectively in both **pre & post tax** profit for the nine month period ended September 30, 2011 compared to the corresponding period in 2010. The pre & post tax profit of the Bank reached Rs. 8.717 Bn. and 6.097 Bn. respectively for the period under review compared to Rs.6.519 Bn., and Rs. 3.727 Bn., reported a year ago.

The net interest income of the Bank reached Rs. 13.419 Bn., recording a growth of Rs. 1.685 Bn., or 14.36 % 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. 3.521 Bn. or 20.63% consequent to the increase in the performing loans and advances portfolio of the Bank by Rs. 38.754 Bn., or 18.16% during the period under review. However, despite the increase in interest income on loans and advances, the growth in total interest income of the Bank was 7.63%. Interest income on other interest earning assets which mainly consist of treasury bills and bonds decreased by Rs.1.569 Bn, or 18.9% due to the low interest yields on these assets during the period under review. The growth in total interest expenses of the Bank during first nine months of the year was a modest Rs. 267.4 Mn., or 1.93% despite total deposits recording a growth of Rs. 42,704.1 Mn., or 16.44%.

Total income of the Bank for the period under review was Rs. 32.904 Bn., and this reflected a growth of Rs. 2.585 Bn., or 8.53% compared to the corresponding period of the last year. The increase in interest income as explained above and an increase of Rs. 450.8 Mn., or 11.13% in non-Interest income, (which mainly comprises the commission income, investment income & foreign exchange income) contributed to the above mentioned growth in the total income of the Bank.

Net provisions on account of Bad and Doubtful Debts decreased by Rs. 752.4 Mn., during the period under review compared to the corresponding period of the last year mainly due to reversal of part of the statutory general provision made on the 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. In addition, recoveries made on non performing loans too helped to partly mitigate the negative impact of comparatively higher specific provisions made on such loans during the period under review.

The non-interest expenses of the Bank increased by Rs. 1.446 Bn., or 20.54% due to the increase in staff related expenses, premises, equipment and establishment expenses. Further, the premium of Rs. 226.0 Mn. paid on the deposit insurance scheme, introduced by the Central Bank during the year, too contributed for the increase in non-interest expenses.

The VAT on Financial Services was reduced by Rs. 755.9 Mn., or 38.69% mainly due to the reduction in the VAT rate on Financial Services to 12% effective January 2011 from a rate of 20% which prevailed up to December 2010. Further, the reduction in the corporate tax rate to 28% effective January 2011 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. 268.133 Bn., reflecting a growth of 17.41%. Similarly, total deposits of the Bank increased to Rs. 302.483 Bn. as at September 30, 2011, reflecting a growth of 16.44% from Rs.259.778 Bn. as at December 31, 2010. Total assets of the Bank stood at Rs. 421.258 Bn., as at September 30, 2011, recording a growth of 13.84% when compared with the total assets of Rs. 370.060 Bn., as at December 31, 2010.

The Commercial Bank **Group**, recorded a **Pre-tax profit** of Rs. 8.755 Bn. for the nine months period ended September 30, 2011, compared to Rs. 6.547 Bn. reported for the corresponding period in 2010. This reflected a growth of Rs. 2.207 Bn. or 33.71%. Similarly, the Group recorded a **post tax profit** of Rs. 6.107 Bn. during the nine months period ended September 30, 2011 as against the post tax profit of Rs. 3.736 Bn. recorded in 2010. This represented a growth of Rs. 2.372 Bn. or 63.48%.