

INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2019

INCOME STATEMENT

2

For the three months ended March 31,	GROUP					
	2019	2018	Change	2019	2018	Change
	Rs.'000	(Restated) Rs.'000	%	Rs.'000	(Restated) Rs.'000	%
Gross income	35,501,475	31,457,348	12.86	34,947,865	31,101,932	12.37
Interest income	31,977,204	28,082,086	13.87	31,628,547	27,813,315	13.72
Less : Interest expense	19,857,384	17,107,823	16.07	19,747,476	16,999,993	16.16
Net interest income	12,119,820	10,974,263	10.44	11,881,071	10,813,322	9.87
Fee and commission income	2,973,731	2,900,411	2.53	2,859,276	2,796,444	2.25
Less: Fee and commission expense	525,891	454,024	15.83	523,933	454,024	15.40
Net fee and commission income	2,447,840	2,446,387	0.06	2,335,343	2,342,420	(0.30)
Net gains/(losses) from trading	740,848	243,550	204.19	740,848	243,550	204.19
Net gains/(losses) from derecognition of financial assets	108,503	31,148	248.35	108,503	31,148	248.35
Net other operating income	(298,811)	200,153	(249.29)	(389,309)	217,475	(279.01)
Total operating income	15,118,200	13,895,501	8.80	14,676,456	13,647,915	7.54
Less : Impairment charges and other losses	1,896,313	1,126,250	68.37	1,852,370	967,720	91.42
Net operating income	13,221,887	12,769,251	3.54	12,824,086	12,680,195	1.13
Less: Expenses	6,417,633	5,598,241	14.64	6,282,583	5,502,004	14.19
Personnel expenses	3,610,975	3,175,708	13.71	3,557,990	3,138,521	13.37
Depreciation and amortisation	431,159	374,469	15.14	392,096	344,901	13.68
Other expenses	2,375,499	2,048,064	15.99	2,332,497	2,018,582	15.55
Operating profit before taxes on financial services	6,804,254	7,171,010	(5.11)	6,541,503	7,178,191	(8.87)
Less: Taxes on financial services	1,786,960	1,278,110	39.81	1,767,129	1,278,110	38.26
Value Added Tax (VAT)	1,068,097	1,127,744	(5.29)	1,052,280	1,127,744	(6.69)
Nation Building Tax (NBT)	142,413	150,366	(5.29)	140,304	150,366	(6.69)
Debt Repayment Levy (DRL)	576,450	-	-	574,545	-	-
Operating profit after taxes on financial services	5,017,294	5,892,900	(14.86)	4,774,374	5,900,081	(19.08)
Add: Share of profits/(losses) of associates, net of tax	1,343	1,616	(16.89)	-	-	-
Profit before income tax	5,018,637	5,894,516	(14.86)	4,774,374	5,900,081	(19.08)
Less : Income tax expense	1,827,824	1,755,985	4.09	1,751,497	1,746,189	0.30
Profit for the period	3,190,813	4,138,531	(22.90)	3,022,877	4,153,892	(27.23)
Profit attributable to:						
Equity holders of the Bank	3,129,917	4,113,732	(23.92)	3,022,877	4,153,892	(27.23)
Non-controlling interest	60,896	24,799	145.56	-	-	-
Profit for the period	3,190,813	4,138,531	(22.90)	3,022,877	4,153,892	(27.23)
Earnings per share (EPS)						
Basic earnings per ordinary share (Rs.)	3.05	4.07	(25.06)	2.94	4.11	(28.47)
Diluted earnings per ordinary share (Rs.)	3.05	4.07	(25.06)	2.94	4.11	(28.47)

For the three months ended March 31,	GROUP			BANK		
	2019	2018	Change	2019	2018	Change
	Rs.'000	(Restated) Rs.'000	%	Rs.'000	(Restated) Rs.'000	%
Profit for the Period	3,190,813	4,138,531	(22.90)	3,022,877	4,153,892	(27.23)
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net change in fair value on investments in equity	(16,830)	793	(2,222.32)	(16,830)	793	(2,222.32)
Change in fair value on investments in equity at fair value through other comprehensive income	(16,830)	793	(2,222.32)	(16,830)	793	(2,222.32)
Less: Deferred tax charge/(reversal) on change in fair value on investments in equity	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(972,002)	155,679	(724.36)	(860,683)	141,132	(709.84)
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	2,043,849	118,671	1,622.28	2,043,849	118,671	1,622.28
Fair value gains/(losses) that arose during the period, net of tax	2,103,657	42,308	4,872.24	2,103,657	42,308	4,872.24
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(79,114)	(28,573)	(176.88)	(79,114)	(28,573)	(176.88)
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	19,306	104,936	(81.60)	19,306	104,936	(81.60)
Cash flow hedges - effective portion of changes in fair value, net of tax	(21,178)	33,409	(163.39)	(21,178)	33,409	(163.39)
Share of other comprehensive income/(expense) of associates, net of tax	(2,002)	(1,511)	(32.50)	-	-	-
Other comprehensive income/(expense) for the period, net of taxes	1,031,837	307,041	236.06	1,145,158	294,005	289.50
Total comprehensive income for the period	4,222,650	4,445,572	(5.01)	4,168,035	4,447,897	(6.29)
Attributable to:						
Equity holders of the Bank	4,208,120	4,415,320	(4.69)	4,168,035	4,447,897	(6.29)
Non-controlling interest	14,530	30,252	(51.97)	-	-	-
Total comprehensive income for the period	4,222,650	4,445,572	(5.01)	4,168,035	4,447,897	(6.29)

STATEMENT OF FINANCIAL POSITION

4

As at	Group			Bank		
	31.03.2019	31.12.2018	Change	31.03.2019	31.12.2018	Change
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
		(Audited)			(Audited)	
ASSETS						
Cash and cash equivalents	51,197,799	44,355,962	15.42	40,490,801	39,534,476	2.42
Balances with Central Banks	51,599,785	55,406,535	(6.87)	49,591,644	54,384,590	(8.81)
Placements with banks	28,158,636	19,898,515	41.51	27,972,963	19,898,515	40.58
Securities purchased under resale agreements	23,988,458	9,513,512	152.15	23,988,458	9,513,512	152.15
Derivative financial assets	4,510,499	7,909,962	(42.98)	4,510,499	7,909,962	(42.98)
Financial assets recognised through profit or loss - measured at fair value	10,668,315	5,520,167	93.26	10,668,315	5,520,167	93.26
Financial assets at amortised cost - Loans and advances to banks	731,801	763,074	(4.10)	731,801	763,074	(4.10)
Financial assets at amortised cost - Loans and advances to other customers	861,142,772	867,611,976	(0.75)	853,891,574	861,100,315	(0.84)
Financial assets at amortised cost - Debt and other financial instruments	85,428,291	89,274,413	(4.31)	79,286,240	83,855,436	(5.45)
Financial assets measured at fair value through other comprehensive income	176,527,583	176,760,611	(0.13)	176,288,466	176,506,729	(0.12)
Investments in subsidiaries	-	-	-	4,304,032	4,263,631	0.95
Investments in associates	101,888	105,320	(3.26)	44,331	44,331	-
Property, plant & equipment	16,980,540	17,015,236	(0.20)	15,271,969	15,301,246	(0.19)
Intangible assets	1,473,609	1,433,931	2.77	959,417	906,112	5.88
Leasehold property	102,705	103,064	(0.35)	71,421	71,652	(0.32)
Deferred tax assets	132,577	188,487	(29.66)	-	-	-
Other assets	30,631,819	24,051,472	27.36	30,526,679	23,911,122	27.67
Total Assets	1,343,377,077	1,319,912,237	1.78	1,318,598,610	1,303,484,870	1.16
LIABILITIES						
Due to banks	42,694,636	52,362,052	(18.46)	40,274,885	50,101,081	(19.61)
Derivative financial liabilities	3,961,272	8,021,783	(50.62)	3,961,272	8,021,783	(50.62)
Securities sold under repurchase agreements	41,381,747	48,951,394	(15.46)	41,531,673	49,104,462	(15.42)
Financial liabilities at amortised cost - due to depositors	1,025,585,219	994,370,875	3.14	1,006,076,868	983,037,314	2.34
Financial liabilities at amortised cost - other borrowings	25,312,923	25,361,912	(0.19)	25,312,923	25,361,912	(0.19)
Current tax liabilities	7,009,677	6,735,997	4.06	6,777,712	6,566,358	3.22
Deferred tax liabilities	1,043,580	971,424	7.43	716,986	646,248	10.95
Other liabilities	37,467,290	24,547,513	52.63	37,229,335	24,206,351	53.80
Due to subsidiaries	-	-	-	41,719	40,955	1.87
Subordinated liabilities	37,444,838	37,992,457	(1.44)	37,444,838	37,992,457	(1.44)
Total Liabilities	1,221,901,182	1,199,315,407	1.88	1,199,368,211	1,185,078,921	1.21

STATEMENT OF FINANCIAL POSITION

5

As at	Group			Bank		
	31.03.2019	31.12.2018	Change	31.03.2019	31.12.2018	Change
	Rs.'000	(Audited) Rs.'000	%	Rs.'000	(Audited) Rs.'000	%
EQUITY						
Stated capital	40,916,957	39,147,882	4.52	40,916,957	39,147,882	4.52
Statutory reserves	7,444,178	7,444,178	-	7,354,143	7,354,143	-
Retained earnings	2,965,210	4,949,955	(40.10)	2,973,293	5,063,076	(41.27)
Other reserves	68,936,039	67,855,834	1.59	67,986,006	66,840,848	1.71
Total equity attributable to equity holders of the Group/Bank	120,262,384	119,397,849	0.72	119,230,399	118,405,949	0.70
Non-controlling Interest	1,213,511	1,198,981	1.21	-	-	-
Total Equity	121,475,895	120,596,830	0.73	119,230,399	118,405,949	0.70
Total Liabilities and Equity	1,343,377,077	1,319,912,237	1.78	1,318,598,610	1,303,484,870	1.16
Contingent Liabilities and Commitments	623,050,857	658,860,264	(5.44)	622,647,488	658,721,983	(5.48)
Net Assets Value per Ordinary Share (Rs.)	117.04	118.13	(0.92)	116.04	117.15	(0.95)
Memorandum Information						
Number of Employees				5,074	5,027	
Number of Customer Service Centers				285	285	

CERTIFICATION :

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

(Sgd.) K.D.N. Buddhipala

Chief Financial Officer

We, the undersigned, being the Chairman and the Managing Director/Chief Executive Officer of the Commercial Bank of Ceylon PLC, certify jointly that:

- (a) the above financial statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka,
- (b) the information contained in these financial statements have been extracted from the unaudited Financial Statements of the Group & the Bank, unless indicated as audited.

(Sgd.) K.G.D.D. Dheerasinghe

Chairman

May 13, 2019

Colombo

(Sgd.) S. Renganathan

Managing Director/Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY - GROUP

6

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves							Shareholders' Funds	Non-Controlling Interest	Total Equity
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve	General Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31.12.2017 - Audited	37,143,541	6,492,552	5,086,609	7,834,003	(1,707,486)	-	348,973	(3,212)	529,817	52,270,003	107,994,800	871,906	108,866,706
Impact of adoption of SLFRS 09													
Recognition of SLFRS 9 ECLs including those measured at FVOCI			(5,749,369)			194,256				(5,555,113)			(5,555,113)
Deferred tax on transitional adjustments			1,855,263			(47,775)				1,807,488			1,807,488
Transfer of AFS reserve build o/a reclassification of AFS portfolio to HTM portfolio, net of tax			(1,587,069)		1,587,069	-				-			-
Impact of reclassifying financial investment from AFS to FVTPL			340,182		(340,182)	-				-			-
Remeasurement impact of reclassifying financial investment from L&R to FVOCI						(11,294)				(11,294)			(11,294)
Transfer of AFS reserve to fair value reserve					460,599	(460,599)				-			-
Balance as at 01.01.2018 - Audited	37,143,541	6,492,552	(54,384)	7,834,003	-	(325,412)	348,973	(3,212)	529,817	52,270,003	104,235,881	871,906	105,107,787
Total comprehensive income for the three months ended 31.03.2018													
Profit for the three months ended 31.03.2018	-	-	4,113,732	-	-	-	-	-	-	-	4,113,732	24,799	4,138,531
Other comprehensive income for the three months ended 31.03.2018	-	-	(1,511)	-	-	119,464	150,226	33,409	-	-	301,588	5,453	307,041
Total comprehensive income for the three months ended 31.03.2018	-	-	4,112,221	-	-	119,464	150,226	33,409	-	-	4,415,320	30,252	4,445,572
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	144,374	-	-	-	-	-	-	-	-	-	144,374	-	144,374
Transfer o/a Share-based Payment transactions	3,452	-	-	-	-	-	-	-	(3,452)	-	-	-	-
Dividends to equity holders													
Second interim dividend for 2017	-	-	(2,989,996)	-	-	-	-	-	-	-	(2,989,996)	(2,531)	(2,992,527)
Final dividend for 2017 satisfied in the form of issue and allotment of new shares	1,794,844	-	(1,994,271)	-	-	-	-	-	-	-	(199,427)	-	(199,427)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(96)	-	-	-	-	-	-	-	(96)	-	(96)
Share-based Payment transactions	-	-	-	-	-	-	-	-	22,609	-	22,609	-	22,609
Transfers during the period	-	226	(226)	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	1,942,670	226	(4,984,589)	-	-	-	-	-	19,157	-	(3,022,536)	(2,531)	(3,025,067)
Balance as at 31.03.2018	39,086,211	6,492,778	(926,752)	7,834,003	-	(205,948)	499,199	30,197	548,974	52,270,003	105,628,665	899,627	106,528,292
Total comprehensive income for the nine months ended 31.12.2018													
Profit for the nine months ended 31.12.2018	-	-	13,620,974	-	-	-	-	-	-	-	13,620,974	103,326	13,724,300
Other comprehensive income for the nine months ended 31.12.2018	-	-	100,757	(10,010)	-	(1,180,407)	2,657,853	(6,178)	-	-	1,562,015	190,232	1,752,247
Total comprehensive income for the nine months ended 31.12.2018	-	-	13,721,731	(10,010)	-	(1,180,407)	2,657,853	(6,178)	-	-	15,182,989	293,558	15,476,547
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	58,709	-	-	-	-	-	-	-	-	-	58,709	-	58,709
Transfer o/a Share-based Payment transactions	2,962	-	-	-	-	-	-	-	(2,962)	-	-	-	-
Dividends to equity holders													
First interim dividend for 2018	-	-	(1,516,084)	-	-	-	-	-	-	-	(1,516,084)	(1,687)	(1,517,771)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	1,700	-	-	-	-	-	-	-	1,700	37	1,737
Share-based Payment transactions	-	-	-	-	-	-	-	-	45,972	-	45,972	-	45,972
Profit due to change in ownership	-	-	3,344	-	-	-	-	-	-	-	3,344	-	3,344
Movement due to change in ownership	-	-	(2,584)	(4,862)	-	-	-	-	-	-	(7,446)	7,446	-
Transfers during the period	-	951,400	(6,331,400)	-	-	-	-	-	-	5,380,000	-	-	-
Total transactions with equity holders	61,671	951,400	(7,845,024)	(4,862)	-	-	-	-	43,010	5,380,000	(1,413,805)	5,796	(1,408,009)
Balance as at 31.12.2018 - Audited	39,147,882	7,444,178	4,949,955	7,819,131	-	(1,386,355)	3,157,052	24,019	591,984	57,650,003	119,397,849	1,198,981	120,596,830

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Shareholders' Funds	Non-Controlling Interest	Total Equity	
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve				General Reserve
				Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000				Rs.'000
Impact of adoption of SLFRS 16													
Reversal of deferred tax asset created on liability o/a straight lining of lease rentals			(57,627)								(57,627)	(57,627)	
Balance as at 01.01.2019	39,147,882	7,444,178	4,892,328	7,819,131	-	(1,386,355)	3,157,052	24,019	591,984	57,650,003	119,340,222	1,198,981	120,539,203
Total comprehensive income for the three months ended 31.03.2019													
Profit for the three months ended 31.03.2019	-	-	3,129,917	-	-	-	-	-	-	-	3,129,917	60,896	3,190,813
Other comprehensive income for the three months ended 31.03.2019	-	-	(2,002)	-	-	2,027,019	(925,636)	(21,178)	-	-	1,078,203	(46,366)	1,031,837
Total comprehensive income for the three months ended 31.03.2019	-	-	3,127,915	-	-	2,027,019	(925,636)	(21,178)	-	-	4,208,120	14,530	4,222,650
Transactions with owners, recognized directly in equity, contributions by and distributions to owners													
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	30,128	-	-	-	-	-	-	-	-	-	30,128	-	30,128
Dividends to equity holders													
Second Interim dividend for 2018	-	-	(3,032,869)	-	-	-	-	-	-	-	(3,032,869)	-	(3,032,869)
Final dividend for 2018 satisfied in the form of issue and allotment of new shares	1,738,947	-	(2,022,032)	-	-	-	-	-	-	-	(283,085)	-	(283,085)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(132)	-	-	-	-	-	-	-	(132)	-	(132)
Transfers during the period													
Total transactions with equity holders	1,769,075	-	(5,055,033)	-	-	-	-	-	-	-	(3,285,958)	-	(3,285,958)
Balance as at 31.03.2019	40,916,957	7,444,178	2,965,210	7,819,131	-	640,664	2,231,416	2,841	591,984	57,650,003	120,262,384	1,213,511	121,475,895

STATEMENT OF CHANGES IN EQUITY - BANK

7

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity	
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve		General Reserve
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 31.12.2017 - Audited	37,143,541	6,476,952	4,987,446	7,088,054	(1,707,494)	-	314,253	(3,212)	529,817	52,270,003	107,099,360
Impact of adoption of SLFRS 09											
Recognition of SLFRS 9 ECLs including those measured at FVOCI			(5,305,558)			194,256					(5,111,302)
Deferred tax on transitional adjustments			1,730,356			(47,775)					1,682,581
Transfer of AFS reserve build o/a reclassification of AFS portfolio to HTM portfolio, net of tax			(1,587,069)		1,587,069	-					-
Impact of reclassifying financial investment from AFS to FVTPL			340,182		(340,182)	-					-
Remeasurement impact of reclassifying financial investment from L&R to FVOCI						(11,294)					(11,294)
Transfer of AFS reserve to fair value reserve					460,607	(460,607)					-
Balance as at 01.01.2018 - Audited	37,143,541	6,476,952	165,357	7,088,054	-	(325,420)	314,253	(3,212)	529,817	52,270,003	103,659,345
Total comprehensive income for the three months ended 31.03.2018											
Profit for the three months ended 31.03.2018	-	-	4,153,892	-	-	-	-	-	-	-	4,153,892
Other comprehensive income for the three months ended 31.03.2018	-	-	-	-	-	119,464	141,132	33,409	-	-	294,005
Total comprehensive income for the three months ended 31.03.2018	-	-	4,153,892	-	-	119,464	141,132	33,409	-	-	4,447,897
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	144,374	-	-	-	-	-	-	-	-	-	144,374
Transfer o/a Share-based Payment transactions	3,452	-	-	-	-	-	-	-	(3,452)	-	-
Dividends to equity holders											
Second interim dividend for 2017	-	-	(2,989,996)	-	-	-	-	-	-	-	(2,989,996)
Final dividend for 2017 satisfied in the form of issue and allotment of new shares	1,794,844	-	(1,994,271)	-	-	-	-	-	-	-	(199,427)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	(96)	-	-	-	-	-	-	-	(96)
Share-based Payment transactions	-	-	-	-	-	-	-	-	22,609	-	22,609
Total transactions with equity holders	1,942,670	-	(4,984,363)	-	-	-	-	-	19,157	-	(3,022,536)
Balance as at 31.03.2018	39,086,211	6,476,952	(665,114)	7,088,054	-	(205,956)	455,385	30,197	548,974	52,270,003	105,084,706
Total comprehensive income for the nine months ended 31.12.2018											
Profit for the nine months ended 31.12.2018	-	-	13,389,936	-	-	-	-	-	-	-	13,389,936
Other comprehensive income for the nine months ended 31.12.2018	-	-	110,285	-	-	(1,179,026)	2,416,385	(6,178)	-	-	1,341,466
Total comprehensive income for the nine months ended 31.12.2018	-	-	13,500,221	-	-	(1,179,026)	2,416,385	(6,178)	-	-	14,731,402
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	58,709	-	-	-	-	-	-	-	-	-	58,709
Transfer o/a Share-based Payment transactions	2,962	-	-	-	-	-	-	-	(2,962)	-	-
Dividends to equity holders											
First interim dividend for 2018	-	-	(1,516,084)	-	-	-	-	-	-	-	(1,516,084)
Unclaimed dividend absorbed/(dividend paid) in respect of previous years	-	-	1,244	-	-	-	-	-	-	-	1,244
Share-based Payment transactions	-	-	-	-	-	-	-	-	45,972	-	45,972
Transfers during the period	-	877,191	(6,257,191)	-	-	-	-	-	-	5,380,000	-
Total transactions with equity holders	61,671	877,191	(7,772,031)	-	-	-	-	-	43,010	5,380,000	(1,410,159)
Balance as at 31.12.2018 - Audited	39,147,882	7,354,143	5,063,076	7,088,054	-	(1,384,982)	2,871,770	24,019	591,984	57,650,003	118,405,949

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Other Reserves						Total Equity	
				Revaluation Reserve	Available-for-Sale Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Employee Share Option Reserve		General Reserve
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Impact of adoption of SLFRS 16											
Reversal of deferred tax asset created on liability o/a straight lining of lease rentals			(57,627)								(57,627)
Balance as at 01.01.2019	39,147,882	7,354,143	5,005,449	7,088,054	-	(1,384,982)	2,871,770	24,019	591,984	57,650,003	118,348,322
Total comprehensive income for the three months ended 31.03.2019											
Profit for the three months ended 31.03.2019	-	-	3,022,877	-	-	-	-	-	-	-	3,022,877
Other comprehensive income for the three months ended 31.03.2019	-	-	-	-	-	2,027,019	(860,683)	(21,178)	-	-	1,145,158
Total comprehensive income for the three months ended 31.03.2019	-	-	3,022,877	-	-	2,027,019	(860,683)	(21,178)	-	-	4,168,035
Transactions with owners, recognized directly in equity, contributions by and distributions to owners											
Issue of Ordinary Shares under Employee Share Option Plans [ESOPs]	30,128	-	-	-	-	-	-	-	-	-	30,128
Dividends to equity holders											
Second interim dividend for 2018			(3,032,869)								(3,032,869)
Final dividend for 2018 satisfied in the form of issue and allotment of new shares	1,738,947	-	(2,022,032)	-	-	-	-	-	-	-	(283,085)
Unclaimed dividend absorbed/ (dividend paid) in respect of previous years			(132)	-	-	-	-	-	-	-	(132)
Share-based Payment transactions											
Total transactions with equity holders	1,769,075	-	(5,055,033)	-	-	-	-	-	-	-	(3,285,958)
Balance as at 31.03.2019	40,916,957	7,354,143	2,973,293	7,088,054	-	642,037	2,011,087	2,841	591,984	57,650,003	119,230,399

STATEMENT OF CASH FLOWS

8

For the three months ended March 31,	Group		Bank	
	2019	2018	2019	2018
	Rs.'000	(Restated) Rs.'000	Rs.'000	(Restated) Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	5,018,637	5,894,516	4,774,374	5,900,081
Adjustment for:				
Non-cash items included in profit before tax	1,884,693	2,439,453	1,801,816	2,234,929
Change in operating assets	(16,971,380)	(57,559,997)	(14,402,047)	(57,560,742)
Change in operating liabilities	22,412,435	72,337,849	14,179,692	72,134,926
Net (gains)/losses from disposal of assets	(1,567)	237	(1,594)	-
Share of profits from associates, net of tax	(1,343)	(1,616)	-	-
Dividend income from subsidiaries and associates	-	-	-	(33,391)
Interest expense on subordinated liabilities	940,896	597,091	940,896	597,091
Net (gains)/losses from disposal of financial investments	(104)	(4,215)	(104)	(4,215)
Benefits paid on defined benefit plans	(20,080)	(16,937)	(20,080)	(16,937)
Net unrealized gain from translation of Financial Statements of foreign operations	(972,002)	155,679	(860,683)	141,132
Income taxes paid	(1,936,159)	(1,175,773)	(1,923,093)	(1,168,549)
Net cash from/(used in) operating activities	10,354,026	22,666,287	4,489,177	22,224,325
Cash Flows from Investing Activities				
Net purchase of property, plant and equipment	(355,339)	(254,153)	(307,534)	(247,595)
Proceeds from the sale of property, plant and equipment	26,153	-	2,684	-
Purchase of financial investments	-	(22,350)	-	(22,350)
Proceeds from sale and maturity of financial investments	855,284	49,037	855,284	49,037
Net purchase of intangible assets	(104,900)	(49,949)	(109,449)	(37,043)
Net cash flow from investment in subsidiaries and associates	-	-	(40,450)	-
Dividends received from investments in subsidiaries and associates	-	-	-	33,391
Net cash from/(used in) in investing activities	421,198	(277,415)	400,535	(224,560)
Cash Flows from Financing Activities				
Net proceeds from the issue of ordinary voting shares under ESOPs	30,128	144,374	30,128	144,374
Interest paid on subordinated liabilities	(926,015)	(334,744)	(926,015)	(334,744)
Dividend paid to shareholders of the Bank	(3,033,001)	(2,990,092)	(3,033,001)	(2,990,092)
Dividend paid to non-controlling interest	-	(2,531)	-	-
Net cash from /(used in) financing activities	(3,928,888)	(3,182,993)	(3,928,888)	(3,180,462)
Net increase/(decrease) in cash & cash equivalents	6,846,336	19,205,879	960,824	18,819,303
Cash and cash equivalents at beginning of the period as per Statement of Financial Position	44,355,962	34,673,424	39,534,476	33,224,619
Cash and cash equivalents at end of the period	51,202,298	53,879,303	40,495,300	52,043,922
Less: Impairment charges	(4,499)		(4,499)	
Cash and cash equivalents as per Statement of Financial Position	51,197,799	53,879,303	40,490,801	52,043,922

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		51,197,799		51,197,799
Balances with Central Banks		51,599,785		51,599,785
Placements with banks		28,158,636		28,158,636
Securities purchased under resale agreements		23,988,458		23,988,458
Derivative financial assets	4,510,499			4,510,499
Financial assets recognised through profit or loss - measured at fair value	10,668,315			10,668,315
Financial assets at amortised cost - Loans and advances to banks		731,801		731,801
Financial assets at amortised cost - Loans and advances to other customers		861,142,772		861,142,772
Financial assets at amortised cost - Debt and other financial instruments		85,428,291		85,428,291
Financial assets measured at fair value through other comprehensive income			176,527,583	176,527,583
Total financial assets	15,178,814	1,102,247,542	176,527,583	1,293,953,939

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		42,694,636		42,694,636
Derivative financial liabilities	3,961,272			3,961,272
Securities sold under repurchase agreements		41,381,747		41,381,747
Financial liabilities at amortised cost - due to depositors		1,025,585,219		1,025,585,219
Financial liabilities at amortised cost - other borrowings		25,312,923		25,312,923
Subordinated liabilities		37,444,838		37,444,838
Total financial liabilities	3,961,272	1,172,419,363	-	1,176,380,635

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		44,355,962		44,355,962
Balances with Central Banks		55,406,535		55,406,535
Placements with banks		19,898,515		19,898,515
Securities purchased under resale agreements		9,513,512		9,513,512
Derivative financial assets	7,909,962			7,909,962
Financial assets recognised through profit or loss - measured at fair value	5,520,167			5,520,167
Financial assets at amortised cost - Loans and advances to banks		763,074		763,074
Financial assets at amortised cost - Loans and advances to other customers		867,611,976		867,611,976
Financial assets at amortised cost - Debt and other financial instruments		89,274,413		89,274,413
Financial assets measured at fair value through other comprehensive income			176,760,611	176,760,611
Total financial assets	13,430,129	1,086,823,987	176,760,611	1,277,014,727

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		52,362,052		52,362,052
Derivative financial liabilities	8,021,783			8,021,783
Securities sold under repurchase agreements		48,951,394		48,951,394
Financial liabilities at amortised cost - due to depositors		994,370,875		994,370,875
Financial liabilities at amortised cost - other borrowings		25,361,912		25,361,912
Subordinated liabilities		37,992,457		37,992,457
Total financial liabilities	8,021,783	1,159,038,690		1,167,060,473

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		40,490,801		40,490,801
Balances with Central Banks		49,591,644		49,591,644
Placements with banks		27,972,963		27,972,963
Securities purchased under resale agreements		23,988,458		23,988,458
Derivative financial assets	4,510,499			4,510,499
Financial assets recognised through profit or loss - measured at fair value	10,668,315			10,668,315
Financial assets at amortised cost - Loans and advances to banks		731,801		731,801
Financial assets at amortised cost - Loans and advances to other customers		853,891,574		853,891,574
Financial assets at amortised cost - Debt and other financial instruments		79,286,240		79,286,240
Financial assets measured at fair value through other comprehensive income			176,288,466	176,288,466
Total financial assets	15,178,814	1,075,953,481	176,288,466	1,267,420,761

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		40,274,885		40,274,885
Derivative financial liabilities	3,961,272			3,961,272
Securities sold under repurchase agreements		41,531,673		41,531,673
Financial liabilities at amortised cost - due to depositors		1,006,076,868		1,006,076,868
Financial liabilities at amortised cost - other borrowings		25,312,923		25,312,923
Subordinated liabilities		37,444,838		37,444,838
Total financial liabilities	3,961,272	1,150,641,187	-	1,154,602,459

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL ASSETS				
Cash and cash equivalents		39,534,476		39,534,476
Balances with Central Banks		54,384,590		54,384,590
Placements with banks		19,898,515		19,898,515
Securities purchased under resale agreements		9,513,512		9,513,512
Derivative financial assets	7,909,962			7,909,962
Financial assets recognised through profit or loss - measured at fair value	5,520,167			5,520,167
Financial assets at amortised cost - Loans and advances to banks		763,074		763,074
Financial assets at amortised cost - Loans and advances to other customers		861,100,315		861,100,315
Financial assets at amortised cost - Debt and other financial instruments		83,855,436		83,855,436
Financial assets measured at fair value through other comprehensive income			176,506,729	176,506,729
Total financial assets	13,430,129	1,069,049,918	176,506,729	1,258,986,776

	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at Amortised Cost (AC)	Financial instruments at fair value through other comprehensive income (FVOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
FINANCIAL LIABILITIES				
Due to banks		50,101,081		50,101,081
Derivative financial liabilities	8,021,783			8,021,783
Securities sold under repurchase agreements		49,104,462		49,104,462
Financial liabilities at amortised cost - due to depositors		983,037,314		983,037,314
Financial liabilities at amortised cost - other borrowings		25,361,912		25,361,912
Subordinated liabilities		37,992,457		37,992,457
Total financial liabilities	8,021,783	1,145,597,226		1,153,619,009

	Bank		Group	
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
Regulatory Capital - Rs. '000				
Common Equity Tier I	107,087,111	107,110,518	110,209,071	109,879,697
Tier I Capital	107,087,111	107,110,518	110,209,071	109,879,697
Total Capital	143,231,384	147,398,341	146,353,344	150,167,520
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 2019 - 8.500%, 2018 - 7.375%)	11.353%	11.338%	11.364%	11.431%
Tier I Capital Ratio (Minimum Requirement - 2019 - 10.000%, 2018 - 8.875%)	11.353%	11.338%	11.364%	11.431%
Total Capital Ratio (Minimum Requirement - 2019 - 14.000%, 2018 - 12.875%)	15.184%	15.603%	15.091%	15.623%
Leverage Ratio (Minimum Requirement - 2019 - 3%)	5.95%	N/A	6.08%	N/A
Regulatory Liquidity				
Statutory Liquid Assets - Rs. '000				
Domestic Banking Unit	269,689,498	235,866,816		
Off-Shore Banking Unit	22,190,571	21,463,887		
Statutory Liquid Assets Ratio % (Minimum Requirement 20%)				
Domestic Banking Unit	27.25%	24.47%		
Off-Shore Banking Unit	31.99%	30.20%		
Total Stock of High Quality Liquid Assets - Rs. '000				
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2019 - 100%, 2018 - 90%)	215.13%	236.20%		
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2019- 100%, 2018 - 90%)	194.86%	238.69%		
Net Stable Funding Ratio (%) - (Minimum Requirement - 2019 - 90%)	141.00%	N/A		
Asset Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (Net of Interest in Suspense)	4.14%	3.24%		
Net Non-Performing Advances Ratio (Net of Interest in Suspense and Provisions)	2.47%	1.71%		
Profitability				
Interest Margin	3.68%	3.67%		
Return on Assets (before tax)	1.48%	2.09%		
Return on Equity	10.32%	15.56%		

OPERATING SEGMENTS - GROUP

	Personal Banking		Corporate Banking		International Operations		Investment Banking		Dealing/Treasury		Unallocated/Eliminations		Total/Consolidated	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the three months ended March 31,</i>														
External Operating income :														
Net interest income	7,356,139	6,272,137	2,230,209	1,899,463	1,528,202	1,233,087	46,261	101,978	64,062	531,016	894,947	936,582	12,119,820	10,974,263
Foreign exchange profit	91,059	85,281	(340,261)	332,307	555,510	261,201	-	-	677,687	(337,411)	(673,617)	-	310,378	341,378
Net fee and commission income	1,582,878	1,601,860	476,455	518,425	384,239	316,735	2,810	7,968	1,458	1,399	-	-	2,447,840	2,446,387
Other income	20,832	70,289	94	10,596	-	8,247	31,157	(739)	126,653	11,771	61,426	33,309	240,162	133,473
Total Operating income	9,050,908	8,910,236	2,366,497	2,779,859	2,467,951	1,819,270	80,228	109,207	869,860	227,958	282,756	1,043,341	15,118,200	13,895,501
Impairment loss expenses	(1,207,304)	(875,997)	(730,216)	(44,851)	50,476	(65,313)	196	(13,477)	(9,465)	(126,612)	-	-	(1,896,313)	(1,126,250)
Net Operating income	7,843,604	8,034,239	1,636,281	2,735,008	2,518,427	1,753,957	80,424	95,730	860,395	101,346	282,756	1,043,341	13,221,887	12,769,251
Segment result	1,942,801	2,609,764	1,976,469	2,025,285	1,705,440	1,248,339	18,881	250,234	836,519	133,618	(1,462,816)	(374,340)	5,017,294	5,892,900
Profit from operations													5,017,294	5,892,900
Share of profit of Associates, net of tax													1,343	1,616
Income tax expense													(1,827,824)	(1,755,985)
Non-controlling interest													(60,896)	(24,799)
Net profit for the period, attributable to Equity holders of the Bank													3,129,917	4,113,732
<i>As at March 31,</i>														
Other information														
Segment assets	468,552,638	468,754,765	305,078,280	261,614,946	165,660,304	136,262,542	5,507,248	8,674,431	316,115,253	284,735,196	82,361,466	70,571,861	1,343,275,189	1,230,613,741
Investment in associates	-	-	-	-	-	-	-	-	-	-	101,888	108,089	101,888	108,089
Total assets	468,552,638	468,754,765	305,078,280	261,614,946	165,660,304	136,262,542	5,507,248	8,674,431	316,115,253	284,735,196	82,463,354	70,679,950	1,343,377,077	1,230,721,830
Segment liabilities	836,536,353	757,795,647	179,838,005	158,096,339	132,477,640	102,561,255	5,609,136	8,782,520	59,386,791	85,042,225	8,053,257	8,180,886	1,221,901,182	1,120,458,872
Total liabilities	836,536,353	757,795,647	179,838,005	158,096,339	132,477,640	102,561,255	5,609,136	8,782,520	59,386,791	85,042,225	8,053,257	8,180,886	1,221,901,182	1,120,458,872
<i>For the three months ended March 31,</i>														
Information on cash flows														
Cash flows from operating activities	(266,502,447)	31,396,087	12,464,451	(18,136,526)	(2,630,276)	527,067	74,808,464	345,011	192,213,834	8,534,648	-	-	10,354,026	22,666,287
Cash flows from investing activities	-	-	-	-	-	-	855,284	26,687	-	-	-	-	855,284	26,687
Cash flows from financing activities	-	-	-	-	-	-	-	-	(926,015)	(334,744)	(3,002,873)	(2,848,249)	(3,928,888)	(3,182,993)
Capital expenditure -														
Property, Plant & Equipment													(329,186)	(254,153)
Intangible assets													(104,900)	(49,949)
Net cash flow generated during the period													6,846,336	19,205,879

Twenty largest voting shareholders as at March 31, 2019

Name of the Shareholder	No. of Shares	%
Employees Provident Fund	92,558,649	9.63
DFCC Bank A/C 1	82,560,377	8.59
Mr. Y. S. H. I. Silva	77,604,815	8.07
Deutsche Bank AG Singapore - DSS A/C Ntasian Discovery Master Fund	54,817,777	5.70
DFCC Bank A/C No.02	47,722,102	4.96
Melstacorp PLC	44,354,324	4.61
Sri Lanka Insurance Corporation Ltd. - Life Fund	43,619,107	4.54
CB NY S/A International Finance Corporation	42,651,626	4.44
Sri Lanka Insurance Corporation Ltd. - General Fund	37,506,430	3.90
Citi Bank Newyork S/A Norges Bank Account 2	20,574,474	2.14
Employees Trust Fund Board	17,054,174	1.77
BNYMSANV RE-LF Ruffer Absolute Return Fund	16,893,393	1.76
Mrs. L. E. M. Yaseen	16,257,919	1.69
JPMCB - T Rowe New Asia Fund	15,163,496	1.58
BNYMSANV RE - First State Investments ICVC - Stewart Investors Indian Subcontinent Fund	14,184,363	1.48
SSBT - BMO Investments II (Ireland) Public Limited Company	10,150,589	1.06
BPSS LUX - Aberdeen Standard SICAV I - Asia Pacific Equity Fund	9,720,591	1.01
BNYMSANV RE - First State Investments ICVC - Stewart Investors Global Emerging Markets Fund	9,702,161	1.01
Renuka Hotels PLC	9,666,942	1.01
Mr. M. J. Fernando	9,181,964	0.96
Sub total	671,945,273	69.90
Other Shareholders	289,307,044	30.10
Total	961,252,317	100.00

Percentage of public holding as at March 31, 2019 - 99.76%

Number of shareholders representing public holding as at March 31, 2019 - 10,959

Twenty largest non-voting shareholders as at March 31, 2019

Name of the Shareholder	No. of Shares	%
Citi Bank Newyork S/A Norges Bank Account 2	10,181,372	15.37
Employees Trust Fund Board	5,154,149	7.78
Akbar Brothers (Pvt) Ltd. A/C No 1	2,585,323	3.90
GF Capital Global Limited	1,712,928	2.59
BNYM RE-Butterfield Trust (Bermuda) Limited	1,494,489	2.26
M.J.F.Exports (Pvt) Ltd	1,133,395	1.71
Mr. M. F. Hashim	1,076,579	1.62
Saboor Chatoor (Pvt) Ltd	904,646	1.37
Mrs. L. V. C. Samarasinha	891,208	1.35
Mr. M. J. Fernando	730,734	1.10
Mr. T.W.A. Wickramasinghe	676,874	1.02
Union Assurance PLC/No - 01A/C	673,634	1.02
Mr. J. D. Bandaranayake , Ms. N. Bandaranayake & Dr. V. Bandaranayake (Joint)	629,935	0.95
Mr. J. D. Bandaranayake , Dr. V. Bandaranayake & Ms. I. Bandaranayake (Joint)	627,619	0.95
Mr. R. Gautam	606,358	0.92
Mr. G. R. Mallawaarachy & Mrs. B. G. P. Mallawaarachy (Joint)	555,582	0.84
Mr. K.S.M. De Silva	530,106	0.80
Mr. J.G. De Mel	500,902	0.76
Mr. A.P. Somasiri	463,685	0.70
Mr. A.L. Gooneratne	446,072	0.67
Sub total	31,575,590	47.66
Other Shareholders	34,678,679	52.34
Total	66,254,269	100.00

Percentage of public holding as at March 31, 2019 - 84.41%

Number of shareholders representing public holding as at March 31, 2019 - 4,463

Directors' holding in shares as at March 31, 2019

Name of Director	No. of Shares	
	Voting	Non-voting
Mr.K.G.D.D. Dheerasinghe - Chairman	24,254	-
Mr.M.P. Jayawardena - Deputy Chairman	-	-
Mr.S. Renganathan - Managing Director/Chief Executive Officer	353,736	12,143
Mr.S.C.U. Manatunge - Chief Operating Officer	69,778	-
Mr. S. Swarnajothi	-	11,152
Prof. A.K.W. Jayawardane	-	-
Mr. K. Dharmasiri	-	-
Mr. L.D. Niyangoda	-	-
Ms. N.T.M.S. Cooray	193,062	51,540
Mr. G.S. Jadeja (Resigned with effect from April 01, 2019)	-	-
Mr. T.L.B. Hurulle	-	-
Justice K. Sripavan	-	-

	2019 Rs.	2018 Rs.
Market price of an ordinary share as at March 31,		
Voting	98.70	135.80
Non-Voting	84.00	104.00
Highest price during the quarter ended March 31,		
Voting	115.90	142.50
Non-Voting	99.40	110.00
Lowest price during the quarter ended March 31,		
Voting	97.00	133.00
Non-Voting	84.00	102.00
Number of ordinary shares as at March 31,		
Voting	961,252,317	945,206,427
Non-Voting	66,254,269	65,013,174

EXPLANATORY NOTES

- There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2018, except for the Accounting Policies and methods of computation adopted to be in compliant with the requirements of the Sri Lanka Accounting Standard SLFRS - 16 on Leases, which became effective for Annual Financial periods from January 01, 2019.
- These Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

Interim Financial Statements for the quarter ended March 31, 2018 has been restated by incorporating the impact on adopting SLFRS 9 which became effective from January 01, 2018. The Bank has previously prepared Interim Financial Statements for the quarter ended March 31, 2018 based on "LKAS 39 - Financial Instruments: Recognition and Measurement" as permitted by the Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka.

- Comparative figures for the three months ended March 31, 2018 - Group and Bank**
Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation. The following line items of the Interim Financial Statements for the quarter ended March 31, 2018 have been restated due to the adoption of SLFRS 9 and the Circular No. 02 of 2019 dated January 18, 2019 issued by the Bank Supervision Department of the Central Bank of Sri Lanka.

For the three months ended March 31, 2018 - Bank

Income Statement	Restated Rs. '000	As reported Rs. '000
Gross income	31,101,932	32,096,302
Interest income	27,813,315	28,567,496
Net interest income	10,813,322	11,567,503
Net gains/(losses) from trading	243,550	221,498
Net gains/(losses) from derecognition of financial assets	31,148	33,665
Net other operating income	217,475	477,199
Total operating income	13,647,915	14,642,285
Impairment charges and other losses	967,720	1,463,635
Net operating income	12,680,195	13,178,650
Operating profit before taxes on financial services	7,178,191	7,676,646
Value Added Tax (VAT)	1,127,744	1,181,967
Nation Building Tax (NBT)	150,366	157,596
Profit before income tax	5,900,081	6,337,083
Income tax expense	1,746,189	1,955,996
Profit for the period	4,153,892	4,381,087

Statement of profit or loss and Other Comprehensive Income

Net change in fair value on investments in equity	793	22,845
Change in fair value on investments in equity at fair value through other comprehensive income	793	22,845
Net gains/(losses) on investment in financial assets at fair value through other comprehensive income	118,671	(154,829)
Fair value gains/(losses) that arose during the period, net of tax	42,308	(191,866)
Fair value gains/(losses) realised to the Income Statement on disposal, net of tax	(28,573)	(23,574)
Fair value gains/(losses) recycled to the Income Statement on reclassification, net of tax	-	60,611
Fair value gains/(losses) recycled to the Income Statement as impairment, net of tax	104,936	-
Other comprehensive income/(expense) for the period, net of taxes	294,005	42,557
Total comprehensive income for the period	4,447,897	4,423,644

Group Interim Financial Statements for the three month ended March 31, 2018 also have been restated accordingly.

- During the quarter, there were no material changes in the composition of assets, liabilities, contingent liabilities.
- All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.
- There were no material events that took place since March 31, 2019, that require disclosure in these Interim Financial Statements other than those disclosed above.

INFORMATION ON DEBENTURES - BANK

17

Type of Issue	Public	Public	Public	Public	Public	Public
Debenture Type	Type "A"	Type "B"	Type "A"	Type "B"	Type "A"	Type "B"
CSE Listing	Listed	Listed	Listed	Listed	Listed	Listed
Issue Date	March 9, 2016	March 9, 2016	Oct 28, 2016	Oct 28, 2016	Jul 23, 2018	Jul 23, 2018
Maturity Date	March 8, 2021	March 8, 2026	Oct 27, 2021	Oct 27, 2026	July 22, 2023	July 22, 2028
Interest Payable Frequency (Fixed Interest Rate)	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually	Bi-Annually
Offered Interest Rate	10.75% p.a.	11.25% p.a.	12.00% p.a.	12.25% p.a.	12.00% p.a.	12.50% p.a.
Amount (Rs.'000)	4,430,340	1,749,090	5,071,800	1,928,200	8,393,840	1,606,160

Market Values

- Highest (Rs.)
- Lowest (Rs.)
- Year-end (Rs.)

90.00	100.00	90.00	Not traded during the year	Not traded during the year	Not traded during the year
90.00	100.00	90.00			
* 90.00	** 100.00	*** 90.00			

Interest Rates

- Coupon Rate (%)	10.75	11.25	12.00	12.25	12.00	12.50
- Effective Annual Yield (%)	11.04	11.57	12.36	12.63	12.36	12.89
Interest rate of comparable Government Security	10.50	11.10	10.60	11.15	10.85	11.35

Other Ratios as at date of last trade

- Interest Yield (%)	16.57	11.25	16.86	- N/A -	- N/A -	- N/A -
- Yield to Maturity (%)	16.32	11.25	16.64	- N/A -	- N/A -	- N/A -

* Last traded date was January 30, 2019.

** Last traded date was February 18, 2019.

*** Last traded date was March 13, 2019.

	Group		Bank	
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross loans and advances to other customers	892,843,964	897,955,796	884,639,264	890,229,368
Less: Accumulated impairment under stage 1	2,799,294	2,814,943	2,667,972	2,659,185
: Accumulated impairment under stage 2	5,296,427	5,984,306	5,210,188	5,873,226
: Accumulated impairment under stage 3	23,605,471	21,544,571	22,869,530	20,596,642
Net value of loans and advances to other customers	861,142,772	867,611,976	853,891,574	861,100,315
Gross loans and advances to other customers				
By product - Domestic Currency				
Overdrafts	122,627,133	125,698,662	122,627,133	125,698,662
Trade finance	53,018,241	56,987,971	53,018,241	56,987,971
Lease rental receivable	43,616,906	40,336,066	37,006,906	37,737,201
Credit cards	12,952,571	12,866,454	12,952,571	12,866,454
Pawning	1,663,582	1,577,472	1,663,582	1,577,472
Staff loans	9,233,038	9,137,897	9,233,038	9,129,558
Housing loans	58,149,997	57,319,225	58,149,997	57,319,225
Personal loans	35,522,569	36,199,390	35,522,569	34,289,641
Term loans	352,280,586	351,940,397	354,252,344	351,779,655
Bills of Exchange	635,884	584,950	635,884	584,950
Sub total	689,700,507	692,648,484	685,062,265	687,970,789
By product - Foreign Currency				
Overdrafts	17,120,311	16,295,323	15,922,351	15,267,860
Trade finance	18,389,301	20,692,527	18,295,004	20,611,079
Lease rental receivable	831,867	897,835	831,453	897,835
Credit cards	121,542	109,063	121,542	109,063
Staff loans	166,801	173,136	166,801	171,191
Housing loans	5,048,807	5,215,642	5,048,807	5,068,940
Personal loans	907,854	769,201	566,179	543,105
Term loans	137,846,506	136,995,191	135,914,394	135,455,779
Bills of Exchange	22,710,468	24,159,394	22,710,468	24,133,727
Sub total	203,143,457	205,307,312	199,576,999	202,258,579
Gross loans and advances to other customers	892,843,964	897,955,796	884,639,264	890,229,368

Movement of impairment during the period

Under Stage 1

Balance as at January 1,	2,814,943	3,126,167	2,659,185	3,041,886
Charge/(write back) to the Income Statement	(12,616)	(324,074)	11,820	(393,953)
Net write-off/(recoveries) during the year	-	(800)	-	(800)
Exchange rate variance on foreign currency provisions	(3,033)	13,650	(3,033)	12,052
Balance as at March/ December 31,	2,799,294	2,814,943	2,667,972	2,659,185

Under Stage 2

Balance as at January 1,	5,984,306	4,348,188	5,873,226	4,165,027
Charge/(write back) to the Income Statement	(686,555)	1,632,467	(661,714)	1,704,548
Net write-off/(recoveries) during the year	-	(819)	-	(819)
Exchange rate variance on foreign currency provisions	(1,324)	4,470	(1,324)	4,470
Balance as at March/ December 31,	5,296,427	5,984,306	5,210,188	5,873,226

Under Stage 3

Balance as at January 1,	21,544,571	15,136,256	20,596,642	14,211,504
Charge/(write back) to the Income Statement	2,220,293	7,071,147	2,432,281	6,812,653
Net write-off/(recoveries) during the year	307,151	(590,601)	307,151	(355,284)
Exchange rate variance on foreign currency provisions	(66,088)	278,179	(66,088)	278,179
Interest accrued / (reversals) on impaired loans and advances	(440,264)	(360,876)	(440,264)	(360,876)
Other movements	39,808	10,466	39,808	10,466
Balance as at March/ December 31,	23,605,471	21,544,571	22,869,530	20,596,642

Total Impairment

Balance as at January 1,	30,343,820	22,610,611	29,129,053	21,418,417
Charge/(write back) to the Income Statement	1,521,122	8,379,540	1,782,387	8,123,248
Net write-off/(recoveries) during the year	307,151	(592,220)	307,151	(356,903)
Exchange rate variance on foreign currency provisions	(70,445)	296,299	(70,445)	294,701
Interest accrued / (reversals) on impaired loans and advances	(440,264)	(360,876)	(440,264)	(360,876)
Other movements	39,808	10,466	39,808	10,466
Balance as at March/ December 31,	31,701,192	30,343,820	30,747,690	29,129,053

	Group		Bank	
	As at 31.03.2019 Rs.'000	As at 31.12.2018 Rs.'000	As at 31.03.2019 Rs.'000	As at 31.12.2018 Rs.'000
Gross commitments and contingencies	623,050,857	658,860,264	622,647,488	658,721,983
Impairment on commitments and contingencies				
Accumulated impairment under stage 1	606,795	528,932	606,795	528,932
Accumulated impairment under stage 2	133,914	89,177	133,914	89,177
Accumulated impairment under stage 3	45,398	108,531	45,398	108,531
Total Impairment	786,107	726,640	786,107	726,640
Gross commitments and contingencies				
By product - Domestic currency				
Contingencies	49,816,903	48,779,383	49,816,903	48,779,383
Guarantees	33,824,902	32,036,013	33,824,902	32,036,013
Bonds	14,185,715	14,941,012	14,185,715	14,941,012
Documentary Credits	1,198,179	1,199,201	1,198,179	1,199,201
Acceptances	142,269	251,512	142,269	251,512
Bills for collection	465,838	351,645	465,838	351,645
Commitments	78,667,151	73,705,674	78,667,151	73,705,674
Undrawn commitments	77,499,207	73,247,254	77,499,207	73,247,254
Capital commitments	1,167,944	458,420	1,167,944	458,420
Sub Total	128,484,054	122,485,057	128,484,054	122,485,057
By product - Foreign Currency				
Contingencies	417,012,594	448,560,362	416,609,224	448,422,081
Guarantees	17,921,490	16,430,567	17,624,142	16,376,138
Bonds	19,272,375	30,174,699	19,272,375	30,171,139
Documentary Credits	40,433,910	48,279,363	40,377,687	48,199,071
Forward exchange and Currency Swaps	270,516,708	281,906,678	270,516,708	281,906,678
Acceptances	40,052,566	41,680,045	40,023,848	41,680,045
Bills for collection	27,649,962	28,848,783	27,628,881	28,848,783
Stock of Travelers' Cheques	1,157,104	1,230,582	1,157,104	1,230,582
Bullion on consignment	8,479	9,645	8,479	9,645
Commitments	77,554,209	87,814,845	77,554,210	87,814,845
Undrawn commitments	77,554,209	87,814,845	77,554,210	87,814,845
Capital commitments	-	-	-	-
Sub Total	494,566,803	536,375,207	494,163,434	536,236,926
Total	623,050,857	658,860,264	622,647,488	658,721,983

	Group		Bank	
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of impairment during the period				
Under Stage 1				
Balance as at January 1,	528,932	656,764	528,932	656,764
Charge/(write back) to the Income Statement	78,677	(130,732)	78,677	(130,732)
Exchange rate variance on foreign currency	(814)	2,900	(814)	2,900
Balance as at March/ December 31,	606,795	528,932	606,795	528,932
Under Stage 2				
Balance as at January 1,	89,177	111,946	89,177	111,946
Charge/(write back) to the Income Statement	44,737	(22,769)	44,737	(22,769)
Balance as at March/ December 31,	133,914	89,177	133,914	89,177
Under Stage 3				
Balance as at January 1,	108,531	78,949	108,531	78,949
Charge/(write back) to the Income Statement	(63,133)	29,582	(63,133)	29,582
Balance as at March/ December 31,	45,398	108,531	45,398	108,531
Total Impairment				
Balance as at January 1,	726,640	847,659	726,640	847,659
Charge/(write back) to the Income Statement	60,281	(123,919)	60,281	(123,919)
Exchange rate variance on foreign currency	(814)	2,900	(814)	2,900
Balance as at March/ December 31,	786,107	726,640	786,107	726,640

ANALYSIS OF DEPOSITS

	Group		Bank	
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
By product - Domestic Currency				
Current account deposits	48,047,719	45,166,224	48,049,195	45,177,113
Savings deposits	236,701,434	227,412,160	236,830,595	227,493,335
Time deposits	485,377,401	475,290,328	485,479,057	475,389,390
Certificate of deposits	66,548	83,053	66,548	83,053
Sub Total	770,193,102	747,951,765	770,425,395	748,142,891
By product - Foreign Currency				
Current account deposits	37,711,470	32,286,978	23,811,141	26,476,915
Savings deposits	72,369,967	72,501,383	69,514,619	69,972,029
Time deposits	145,310,680	141,630,749	142,325,713	138,445,479
Certificate of deposits	-	-	-	-
Sub Total	255,392,117	246,419,110	235,651,473	234,894,423
Total	1,025,585,219	994,370,875	1,006,076,868	983,037,314

NAME OF COMPANY

Commercial Bank of Ceylon PLC

TAX PAYER IDENTIFICATION NUMBER (TIN)

124006007

LEGAL FORM

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

CREDIT RATING**Sri Lanka Operation**

AA (lka) was re-affirmed by Fitch Ratings Lanka Ltd. in September 2018

Bangladesh Operation

AAA was re-affirmed by Credit Rating Information & Services Limited in June 2018.

COMPANY REGISTRATION NUMBER

PQ116

COMPLIANCE OFFICER

Mr. V.S. Rajasooriyar

Assistant General Manager - Compliance

STOCK EXCHANGE LISTING

The Ordinary Shares and the Unsecured Subordinated Redeemable Debentures of the Bank are listed on the Colombo Stock Exchange.

LAWYERS

Julius & Creasy,

No. 41, Janadhipathi Mawatha,

Colombo 1, Sri Lanka.

REGISTERED OFFICE

"Commercial House",

No. 21, Sir Razik Fareed Mawatha,

P.O. Box 856,

Colombo 1, Sri Lanka.

Telephone : 2430420, 2336700

2445010-15 ,2486000, 4792000

Telex :21520 COMEX CE

Facsimile : 2449889

SWIFT Code-Sri Lanka : CCEYLK LX

SWIFT Code-Bangladesh : CCEYBDDH

E-mail : email@combank.net

Website : www.combank.net

AUDITORS

Ernst & Young

Chartered Accountants,

No. 201, De Saram Place,

Colombo 10, Sri Lanka.

REGISTRARS

S S P Corporate Services (Private) Limited,

No. 101, Inner Flower Road,

Colombo 3, Sri Lanka.

Telephone: 2573894, 2576871

Facsimile: 2573609

E-mail: sspsec@sltnet.lk

HEAD OFFICE

"Commercial House",

No. 21, Sir Razik Fareed Mawatha,

P.O. Box 856,

Colombo 1, Sri Lanka.

COMPANY SECRETARY

Mr. R.A.P. Rajapaksha

BOARD OF DIRECTORS

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

Mr. M.P. Jayawardena - Deputy Chairman

Mr.S. Renganathan - Managing Director/Chief Executive Officer

Mr.S.C.U. Manatunge - Chief Operating Officer

Mr. S. Swarnajothi

Prof. A.K.W. Jayawardane

Mr. K. Dharmasiri

Mr. L.D. Niyangoda

Ms. N.T.M.S. Cooray

Mr. G.S. Jadeja (Resigned with effect from April 01, 2019)

Mr. T.L.B. Hurulle

Justice K. Sripavan

ACCOUNTING YEAR

December 31