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INTERIM FINANCIAL STATEMENTS
for the year ended 31.12.2014
(Audited)

Bank of Ceylon

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %
Total income	126,545,943	127,464,058	(0.7)	34,522,661	34,042,688	1.4	133,023,345	134,229,641	(0.9)	36,062,864	35,957,034	0.3
Interest income	107,394,796	114,863,091	(6.5)	29,940,177	30,576,362	(2.1)	111,950,598	119,504,363	(6.3)	30,957,649	31,710,172	(2.4)
Interest expenses	(68,944,411)	(77,719,731)	(11.3)	(16,514,813)	(19,623,319)	(15.8)	(71,196,536)	(80,162,512)	(11.2)	(17,012,082)	(20,226,779)	(15.9)
Net interest income	38,450,385	37,143,360	3.5	13,425,364	10,953,043	22.6	40,754,062	39,341,851	3.6	13,945,567	11,483,393	21.4
Fee and commission income	9,188,079	6,457,118	42.3	2,944,795	2,112,595	39.4	9,510,215	6,789,600	40.1	3,100,960	2,203,118	40.8
Fee and commission expenses	(1,088,207)	(720,232)	51.1	(627,964)	(193,919)	223.8	(1,186,436)	(854,587)	38.8	(640,708)	(202,769)	216.0
Net fee and commission income	8,099,872	5,736,886	41.2	2,316,831	1,918,676	20.8	8,323,779	5,935,013	40.2	2,460,252	2,000,349	23.0
Net gains / (losses) from trading	4,859,913	3,232,748	50.3	922,125	1,012,218	(8.9)	5,038,541	3,268,177	54.2	931,312	1,035,352	(10.0)
Net gains from financial investments	2,880,854	425,543	577.0	728,358	62,099	(1,072.9)	2,900,005	469,989	517.0	742,629	91,495	(711.7)
Other operating income	2,222,301	2,485,558	(10.6)	(12,794)	279,414	(104.6)	3,623,986	4,197,512	(13.7)	330,314	916,897	(64.0)
Total operating income	9,963,068	6,143,849	62.2	1,637,689	1,353,731	21.0	11,562,532	7,935,678	45.7	2,004,255	2,043,744	(1.9)
Impairment (charge) / reversal for loans and other losses	(7,910,916)	(6,922,902)	14.3	(5,334,331)	(817,244)	552.7	(7,931,525)	(7,339,144)	8.1	(4,821,748)	(879,179)	448.4
Individual impairment	(2,007,235)	838,998	339.2	(1,781,696)	103,641	1,819.1	(2,395,423)	665,354	460.0	(1,857,622)	133,781	1,488.6
Collective impairment	(5,203,681)	(7,761,900)	(33.0)	(2,852,635)	(920,885)	209.8	(5,536,102)	(7,996,490)	(30.8)	(2,964,126)	(1,012,960)	192.6
Other losses	(700,000)	-	100.0	(700,000)	-	100.0	-	(8,008)	(100.0)	-	-	-
Net operating income	48,602,409	42,101,193	15.4	12,045,553	13,408,206	(10.2)	52,708,848	45,873,398	14.9	13,588,326	14,648,307	(7.2)
Operating expenses												
Personnel expenses	(13,715,847)	(14,669,120)	(6.5)	(3,356,743)	(3,734,358)	(10.1)	(15,055,755)	(15,906,831)	(5.4)	(3,681,638)	(3,969,310)	(7.2)
Depreciation and amortisation	(1,191,294)	(1,117,203)	6.6	(302,426)	(321,770)	(6.0)	(1,630,857)	(1,497,240)	8.9	(423,239)	(411,800)	2.8
Other expenses	(9,352,360)	(7,895,262)	18.5	(1,369,410)	(2,670,365)	(48.7)	(10,948,499)	(9,837,337)	11.3	(1,749,739)	(3,470,856)	(49.6)
Total operating expenses	(24,259,501)	(23,681,585)	2.4	(5,028,579)	(6,726,493)	(25.2)	(27,635,111)	(27,241,408)	1.4	(5,854,616)	(7,851,966)	(25.4)
Operating profit before Value Added Tax (VAT) and Nation Building Tax (NBT)	24,342,908	18,419,608	32.2	7,016,974	6,681,713	5.0	25,073,737	18,631,990	34.6	7,733,710	6,796,341	13.8
Value Added Tax (VAT) and Nation Building Tax (NBT) on financial services	(4,051,951)	(2,710,836)	49.5	(1,690,116)	(684,787)	146.8	(4,105,175)	(2,756,179)	48.9	(1,705,174)	(700,155)	143.5
Operating profit after value added tax (VAT) and Nation Building Tax (NBT)	20,290,957	15,708,772	29.2	5,326,858	5,996,926	(11.2)	20,968,562	15,875,811	32.1	6,028,536	6,096,186	(1.1)
Share of profits of Associate companies before tax	-	-	-	-	-	-	462,436	228,813	102.1	135,463	79,929	69.5
Profit before income tax	20,290,957	15,708,772	29.2	5,326,858	5,996,926	(11.2)	21,430,998	16,104,624	33.1	6,163,999	6,176,115	(0.2)
Income tax expense	(6,716,900)	(3,621,659)	85.5	(2,945,780)	(640,142)	360.2	(7,058,656)	(3,956,302)	78.4	(3,073,421)	(761,613)	303.5
Profit for the year	13,574,057	12,087,113	12.3	2,381,078	5,356,784	(55.6)	14,372,342	12,148,322	18.3	3,090,578	5,414,502	(42.9)
Profit attributable to:												
Equity holder of the Bank	13,574,057	12,087,113	12.3	2,381,078	5,356,784	(55.6)	14,424,118	12,234,412	17.9	3,105,092	5,464,264	(43.2)
Non controlling interest	-	-	-	-	-	-	(51,776)	(86,090)	39.9	(14,514)	(49,762)	70.8
	13,574,057	12,087,113	12.3	2,381,078	5,356,784	(55.6)	14,372,342	12,148,322	18.3	3,090,578	5,414,502	(42.9)
Earnings per share:												
Basic earnings per share (LKR.)	2,714.81	2,417.42	12.3	476.22	1,071.36	(55.6)	2,884.82	2,446.88	17.9	621.02	1,092.85	(43.2)
Diluted earnings per share (LKR.)	2,521.39	2,417.42	4.3	442.29	1,071.36	(58.7)	2,679.29	2,446.88	9.5	576.77	1,092.85	(47.2)

31 December	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %
Profit for the year	13,574,057	12,087,113	12.3	2,381,078	5,356,784	(55.6)	14,372,342	12,148,322	18.3	3,090,578	5,414,502	(42.9)
Items that will not be reclassified to profit or loss												
Revaluation gains / (losses) on property, plant and equipment	3,557,500	-	-	3,557,500	-	-	4,676,153	1,737,252	169.2	4,676,153	1,737,252	169.2
Deferred tax effect on revaluation gains / (losses)	(181,125)	-	-	(181,125)	-	-	(492,204)	(480,294)	(2.5)	(492,204)	(480,294)	(2.5)
Actuarial gains / (losses) on retirement benefit plans	(1,343,892)	(408,625)	(228.9)	(1,343,892)	(408,625)	(228.9)	(1,352,033)	(395,668)	(241.7)	(1,351,276)	(396,644)	(240.7)
Deferred tax effect on actuarial gains / (losses)	376,290	114,415	228.9	376,290	114,415	228.9	376,906	111,824	237.1	376,906	111,824	237.1
	2,408,773	(294,210)	918.7	2,408,773	(294,210)	918.7	3,208,822	973,114	229.7	3,209,579	972,138	230.2
Items that are or may be reclassified to profit or loss												
Exchange differences on translation of foreign operations	(81,617)	(197,220)	58.6	(108,326)	(22,959)	(371.8)	(235,165)	(52,743)	(345.9)	(194,115)	5,545	(3,600.7)
Gains /(losses) on re-measuring available for sale financial assets	3,050,950	509,527	498.8	200,042	(120,133)	266.5	3,259,512	574,903	467.0	15,666	(81,166)	119.3
Share of other comprehensive income of Associate Companies	-	-	-	-	-	-	5,586	5,543	0.8	(378)	4,008	(109.4)
	2,969,333	312,307	850.8	91,716	(143,092)	164.1	3,029,933	527,703	474.2	(178,827)	(71,613)	(149.7)
Other comprehensive income for the year, net of tax	5,378,106	18,097	29,618.2	2,500,489	(437,302)	671.8	6,238,755	1,500,817	315.7	3,030,752	900,525	236.6
Total comprehensive income for the year	18,952,163	12,105,210	56.6	4,881,567	4,919,482	(0.8)	20,611,097	13,649,139	51.0	6,121,330	6,315,027	(3.1)
Attributable to:												
Equity holder of the Bank	18,952,163	12,105,210	56.6	4,881,567	4,919,482	(0.8)	20,611,316	13,684,287	50.6	6,117,844	6,405,823	(4.5)
Non controlling interest	-	-	-	-	-	-	(219)	(35,148)	99.4	3,486	(90,796)	103.8
	18,952,163	12,105,210	56.6	4,881,567	4,919,482	(0.8)	20,611,097	13,649,139	51.0	6,121,330	6,315,027	(3.1)

As at 31 December	Bank			Group		
	2014	2013	Change %	2014	2013	Change %
Assets						
Cash and short term funds	29,165,464	24,901,189	17.1	29,958,559	25,182,043	19.0
Balances with Central Banks	30,422,373	28,699,132	6.0	30,422,373	28,699,132	6.0
Placements with banks	19,766,889	19,315,520	2.3	21,393,574	21,157,190	1.1
Derivative financial instruments	1,714,556	3,261,073	(47.4)	1,714,556	3,261,073	(47.4)
Reverse repurchase agreements	58,953,093	22,319,717	164.1	60,236,389	22,851,895	163.6
Financial assets - Held for trading	17,862,433	13,539,791	31.9	18,437,958	13,898,242	32.7
Financial investments - Loans and receivables	129,145,330	129,108,613	0.0	129,966,806	130,190,296	(0.2)
Loans and advances to customers	741,347,635	725,331,966	2.2	763,772,052	746,571,819	2.3
Financial investments - Available for sale	14,361,543	10,325,214	39.1	17,611,160	12,852,445	37.0
Financial investments - Held to maturity	216,517,438	156,899,761	38.0	216,740,132	157,441,572	37.7
Investment in Subsidiary companies	6,213,048	6,828,699	(9.0)	-	-	-
Investment in Associate companies	842,988	842,988	-	1,870,035	1,471,267	27.1
Investment properties	-	-	-	148,876	151,914	(2.0)
Property, plant and equipment	16,188,333	12,006,180	34.8	25,646,016	20,622,161	24.4
Leasehold properties	107,467	83,026	29.4	144,501	121,417	19.0
Intangible assets	384,577	501,064	(23.2)	531,667	669,657	(20.6)
Deferred tax assets	-	-	-	8,933	47,818	(81.3)
Other assets	46,027,228	39,616,967	16.2	46,800,078	40,572,450	15.3
Total assets	1,329,020,395	1,193,580,900	11.3	1,365,403,665	1,225,762,391	11.4
Liabilities						
Due to banks	889,876	1,166,427	(23.7)	949,127	1,336,267	(29.0)
Derivative financial instruments	734,548	274,948	167.2	734,548	274,948	167.2
Due to customers	933,966,169	842,070,000	10.9	943,934,463	850,767,521	11.0
Other borrowings	246,736,462	235,370,269	4.8	252,168,157	240,802,111	4.7
Debt securities issued	20,762,198	20,968,357	(1.0)	26,218,337	24,986,818	4.9
Current tax liabilities	-	-	-	291,193	251,475	15.8
Deferred tax liabilities	1,071,335	151,623	606.6	3,288,860	2,034,216	61.7
Insurance provision - Life	-	-	-	349,901	220,748	58.5
Insurance provision - Non life	-	-	-	607,306	670,073	(9.4)
Other liabilities	17,534,179	11,521,521	52.2	19,103,242	13,158,933	45.2
Subordinated term debts	32,519,715	24,357,595	33.5	32,177,810	24,347,248	32.2
Total liabilities	1,254,214,482	1,135,880,740	10.4	1,279,822,944	1,158,850,358	10.4
Equity						
Share capital	10,000,000	5,000,000	100.0	10,000,000	5,000,000	100.0
Permanent reserve fund	3,809,955	3,538,455	7.7	3,809,955	3,538,455	7.7
Retained earnings	44,861,045	31,418,794	42.8	47,661,936	33,261,300	43.3
Other reserves	16,134,913	17,742,911	(9.1)	22,922,049	23,816,578	(3.8)
Total equity attributable to the Bank	74,805,913	57,700,160	29.6	84,393,940	65,616,333	28.6
Non controlling interest	-	-	-	1,186,781	1,295,700	(8.4)
Total equity	74,805,913	57,700,160	29.6	85,580,721	66,912,033	27.9
Total liabilities and equity	1,329,020,395	1,193,580,900	11.3	1,365,403,665	1,225,762,391	11.4
Commitments and contingencies	721,763,406	655,441,409	10.1	722,823,188	656,226,093	10.1

LKR '000

	Share capital		Permanent reserve fund	Other reserves				Retained profit	Total Equity
	Share capital	Capital pending allotment		Available for sale reserve	Investment fund account	Other reserves	Revaluation reserve		
Balance as at 01 January 2013	5,000,000	-	3,285,955	3,403,188	4,716,685	1,685,594	5,222,314	27,639,146	50,952,882
Total comprehensive income for the year									
Profit for the year				509,527		(197,220)	-	12,087,113	12,087,113
Other comprehensive income, net of tax								(294,210)	18,097
Dividends for 2013								(5,346,410)	(5,346,410)
Transfers to investment fund account					2,340,405			(2,340,405)	-
Transfers to permanent reserve fund			252,500					(252,500)	-
Revaluation gains / (losses) on property, plant and equipment							(16,003)		(16,003)
Deferred tax effect on revaluation gains / (losses)							4,481		4,481
Transfers to primary dealer special risk reserve						73,940		(73,940)	-
Balance as at 31 December 2013	5,000,000	-	3,538,455	3,912,715	7,057,090	1,562,314	5,210,792	31,418,794	57,700,160
Balance as at 01 January 2014	5,000,000	-	3,538,455	3,912,715	7,057,090	1,562,314	5,210,792	31,418,794	57,700,160
Total comprehensive income for the year									
Profit for the year				3,050,950		(81,617)	3,376,375	13,574,057	13,574,057
Other comprehensive income, net of tax								(967,602)	5,378,106
Dividends for 2014								(6,846,410)	(6,846,410)
Shares under pending allotment		5,000,000							5,000,000
Transfers to investment fund account					480,066			(480,066)	-
Transfers from investment fund account					(7,537,156)			7,537,156	-
Transfers to permanent reserve fund			271,500					(271,500)	-
Transfers from primary dealer special risk reserve						(896,616)		896,616	-
Balance as at 31 December 2014	5,000,000	5,000,000	3,809,955	6,963,665	-	584,081	8,587,167	44,861,045	74,805,913

STATEMENT OF CHANGES IN EQUITY -GROUP

LKR '000

	Share capital		Permanent reserve fund	Other reserves				Retained profit	Non controlling interest	Total Equity
	Share capital	Capital pending allotment		Available for sale reserve	Investment fund account	Other reserves	Revaluation reserve			
Balance as at 01 January 2013	5,000,000	-	3,285,955	3,970,915	4,849,948	2,432,526	8,367,737	29,318,089	1,417,493	58,642,663
Total comprehensive income for the year										
Profit for the year				544,746		(52,743)	1,216,233	12,234,412	(86,090)	12,148,322
Other comprehensive income, net of tax								(258,360)	50,941	1,500,817
Dividends for 2013								(5,346,410)		(5,346,410)
Subsidiary dividends to non controlling interest									(30,952)	(30,952)
Transfers to investment fund account					2,378,600			(2,378,600)		-
Transfers to permanent reserve fund			252,500					(252,500)		-
Revaluation gains / (losses) on property, plant and equipment							(16,003)			(16,003)
Deferred tax effect on revaluation gains / (losses)							4,481			4,481
Transfers to other reserves						18,332		(18,332)		-
Acquisition, disposal, merger and changes in non controlling interest							27,866	36,941	(55,692)	9,115
Transfers to primary dealer special risk reserve						73,940		(73,940)		-
Balance as at 31 December 2013	5,000,000	-	3,538,455	4,515,661	7,228,548	2,472,055	9,600,314	33,261,300	1,295,700	66,912,033
Balance as at 01 January 2014	5,000,000	-	3,538,455	4,515,661	7,228,548	2,472,055	9,600,314	33,261,300	1,295,700	66,912,033
Total comprehensive income for the year										
Profit for the year				3,237,677		(235,165)	4,152,855	14,424,118	(51,776)	14,372,342
Other comprehensive income, net of tax								(968,169)	51,557	6,238,755
Dividends for 2014								(6,846,410)		(6,846,410)
Shares under pending allotment		5,000,000								5,000,000
Subsidiary dividends to non controlling interest									(30,237)	(30,237)
Transfers to investment fund account					480,066			(480,066)		-
Transfers from investment fund account					(7,708,614)			7,708,614		-
Transfers to permanent reserve fund			271,500					(271,500)		-
Transfers to other reserves						12,144		(12,144)		-
Acquisition and changes in non controlling interest				8,666			54,458	(50,423)	(78,463)	(65,762)
Transfers from primary dealer special risk reserve						(896,616)		896,616		-
Balance as at 31 December 2014	5,000,000	5,000,000	3,809,955	7,762,004	-	1,352,418	13,807,627	47,661,936	1,186,781	85,580,721

STATEMENT OF CASH FLOWS

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LKR '000

For the year ended 31 December	Bank		Group	
	2014	2013	2014	2013
Cash Flows from operating activities				
Profit before income tax	20,290,957	15,708,772	21,430,998	16,104,624
Adjustments for :				
Net interest income	(38,450,385)	(37,143,360)	(40,754,062)	(39,341,851)
Dividend income on trading securities	(201,667)	(138,173)	(213,504)	(153,098)
Dividends from Subsidiaries and Associates	(291,921)	(244,386)	-	-
Share of profit of Associate companies before tax	-	-	(462,436)	(228,813)
Change in operating assets	(73,088,309)	(77,016,684)	(73,103,345)	(82,264,945)
Change in operating liabilities	125,532,757	119,165,110	125,942,026	119,104,860
Other non cash items included in profit before tax	14,025,014	6,860,242	14,347,223	7,722,380
Other net gains from investing activities	(2,880,854)	(425,544)	(2,900,005)	(469,989)
	44,935,592	26,765,977	44,286,895	20,473,168
Contribution paid to defined benefit plans	(4,967,636)	(4,668,297)	(4,985,051)	(4,672,881)
Interest received	79,891,805	83,182,750	84,051,193	87,390,368
Interest paid	(54,609,106)	(53,834,481)	(52,811,684)	(49,524,430)
Dividend received	201,667	138,173	213,504	153,098
Net cash from operating activities before income tax	65,452,322	51,584,122	70,754,857	53,819,323
Income tax paid	(2,406,682)	(4,533,553)	(2,619,449)	(4,705,085)
Net cash from operating activities	63,045,640	47,050,569	68,135,408	49,114,238
Cash Flows from investing activities				
Net increase in financial investments - Held to maturity	(49,400,784)	(45,566,069)	(49,410,838)	(45,357,623)
Net decrease in financial investments - Available for sale	1,049,153	2,360,218	535,384	2,173,080
Net increase in financial investment - Loans and receivables	(36,717)	(29,901,754)	223,490	(31,007,945)
Increase in interest in Subsidiaries	(84,350)	(35,851)	(84,350)	(35,851)
Acquisition of investment properties	-	-	-	(7,730)
Purchase of property plant and equipment and leasehold properties	(1,743,088)	(1,682,211)	(1,896,198)	(1,804,821)
Purchase of intangible assets	(63,900)	(262,860)	(89,845)	(372,298)
Proceeds from sale of property plant and equipment	42,196	108,919	78,578	137,794
Dividend received	656,373	575,013	434,776	395,804
Interest received	22,359,076	23,053,575	22,757,168	23,413,612
Net cash used in investing activities	(27,222,041)	(51,351,020)	(27,451,835)	(52,465,978)
Cash Flows from financing activities				
Net increase / (decrease) in other borrowings	(13,380,347)	20,361,456	(13,318,440)	16,248,865
Proceeds from non controlling interest of Subsidiary right issue	-	-	1,090	21,954
Proceeds from issue of debentures	8,000,000	8,000,000	9,675,000	11,000,000
Payments on redemption of debentures	-	(9,684,601)	(656,371)	(9,917,054)
Dividends paid to Government of Sri Lanka	(6,846,410)	(5,346,410)	(6,846,410)	(5,346,410)
Dividends paid to non controlling interest	-	-	(30,237)	(30,952)
Interest payments on borrowings and debt securities	(17,292,671)	(17,707,813)	(20,580,967)	(22,966,256)
Net cash used in financing activities	(29,519,428)	(4,377,368)	(31,756,335)	(10,989,853)
Net increase / (decrease) in cash and cash equivalents during the year	6,304,171	(8,677,819)	8,927,238	(14,341,593)
Cash and cash equivalents at the beginning of the year	38,103,096	46,780,915	40,955,175	55,296,768
Cash and cash equivalents at the end of the year	44,407,267	38,103,096	49,882,413	40,955,175
Analysis of cash and cash equivalents				
Cash and short term funds	29,165,464	24,901,189	29,958,559	25,182,043
Due from banks with maturity less than three months	15,792,334	13,550,595	20,533,636	16,240,285
Bank overdrafts	(550,531)	(348,688)	(609,782)	(467,153)
	44,407,267	38,103,096	49,882,413	40,955,175

As at 31 December	Bank		Group	
	2014	2013	2014	2013
Net assets value per share (LKR) (No of shares 5,000,000)	14,961.18	11,540.00	16,878.79	13,123.00
Regulatory Capital Adequacy				
Core capital (Tier 1 capital), LKR. Mn	55,727	45,291	63,012	51,980
Total capital base, LKR. Mn	79,929	65,382	89,744	74,540
Core capital adequacy ratio, % of risk weighted assets (Minimum requirement, 5%)	9.45%	8.38%	9.80%	8.93%
Total capital adequacy ratio, % of risk weighted assets (Minimum requirement, 10%)	13.55%	12.10%	13.96%	12.81%
Profitability				
Interest margin	3.05%	3.31%	3.15%	3.41%
Return on assets (before tax)	1.61%	1.40%	1.65%	1.40%
Return on equity (after tax)	20.49%	22.25%	18.85%	19.35%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	3.78%	4.32%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	1.64%	2.76%		
Investor Information				
Debt equity (%)	293.09	336.32		
Interest cover (times)	2.04	1.70		
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (LKR. Mn)	325,451	246,775		
- Off-shore banking unit (US\$ Mn)	682	742		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	30.78%	27.67%		
- Off-shore banking unit	25.93%	31.39%		
Memorandum Information				
Number of employees	8,577	8,883		
Number of branches	573	567		

SHARE INFORMATION

Shareholder	31-Dec-2014		31-Dec-2013	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	10,000,000*	100	5,000,000	100

* This includes 5,000,000 nos of shares pending allotment as of 31.12.2014.

1. These financial statements are presented in accordance with Sri Lanka Accounting Standards comprising of Sri Lanka Financial Reporting Standards (SLFRSs) and Sri Lanka Accounting Standards (LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka, together with comparative period data as at and for the year ended 31 December 2014. In order to conform to the current presentation, previous year figures and phrases have been rearranged accordingly.
2. There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2013.
3. No circumstances have arisen and no material events have occurred since the reporting date, which require disclosures or adjustments to the financial statements.
4. The Government of Sri Lanka has infused Rs. 5,000 million capital in terms of the budget proposals 2014 and 2015 which has been recorded as 'Capital Pending Allotment' by the Bank and other than that there were no material changes in the composition of assets, liabilities and contingent liabilities during the period.
5. All known expenses have been charged in these financial statements.
6. The Group financial statements comprise a consolidation of the Bank and its Subsidiaries, Property Development PLC, Merchant Bank of Sri Lanka & Finance PLC, MCSL Financial Services Limited, Hotels Colombo (1963) Limited, BOC Property Development & Management (Private) Limited, BOC Travels (Private) Limited, Ceybank Holiday Homes (Private) Limited, BOC Management & Support Services (Private) Limited, MBSL Insurance Company Limited, Koladeniya Hydropower (Private) Limited, MBSL Savings Bank Limited and Bank of Ceylon (UK) Limited and the Group's interest in its Associate companies, Lanka Securities (Private) Limited, Mireka Capital Land (Private) Limited, Southern Development Financial Company Limited, Transnational Lanka Records Solutions (Private) Limited and Ceybank Asset Management Limited.
7. The Government of Sri Lanka, in its interim budget 2015 presented to the Parliament on 29 January 2015, has intimated an one-off Super Gain Tax of 25% on the profits of any company or an individual exceeding Rs. 2,000 million earned in the year of assessment 2013/14. In the absence of applicability and measurement criteria for the computation of this tax at the time of publishing these financial statements, the Bank is not in a position to assess the impact of this one-off tax on these financials for the year ended 31 December 2014 and therefore no provision has been made on account of the said tax in these financial statements.

CERTIFICATION

I certify that the above financial statements give a true and fair view of the state of affairs of Bank of Ceylon and the Group as at 31 December 2014 and its profit for the year ended 31 December 2014.

Sgd.
W P Russel Fonseka
Actg. Chief Financial Officer

We, the undersigned, being the Chairman, Director and General Manager of the Bank of Ceylon certify jointly that;

- a) the above statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka, Rule 7.4 of Colombo Stock Exchange and Sri Lanka Accounting Standard – LKAS 34 on Interim Financial Reporting.
- b) the information contained in these statements have been extracted from the audited financial statements of the Bank and the Group.

Sgd.
Ronald C Perera
Chairman
(Independent Non-Executive)

Sgd.
Ranel T Wijesinha
Director
(Independent Non-Executive)

Sgd.
D M Gunasekara
General Manager

18 March 2015
Colombo

As at 31 December		2014					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and short term funds				29,165,464			29,165,464
Balances with Central Banks				30,422,373			30,422,373
Placements with banks				19,766,889			19,766,889
Derivative financial instruments	1,714,556						1,714,556
Reverse repurchased agreements				58,953,093			58,953,093
Loans and advances to customers				741,347,635			741,347,635
Financial investments	17,862,433	-	216,517,438	129,145,330	14,361,543		377,886,744
Total financial assets	19,576,989	-	216,517,438	1,008,800,784	14,361,543	-	1,259,256,754
Other assets						69,763,641	69,763,641
Total assets	19,576,989	-	216,517,438	1,008,800,784	14,361,543	69,763,641	1,329,020,395

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		889,876		889,876
Derivative financial instruments	734,548			734,548
Other financial liabilities held for trading				-
Due to customers		933,966,169		933,966,169
Other borrowings		246,736,462		246,736,462
Debt securities issued		20,762,198		20,762,198
Subordinated term debts		32,519,715		32,519,715
Total financial liabilities	734,548	1,234,874,420	-	1,235,608,968
Other liabilities			18,605,514	18,605,514
Total liabilities	734,548	1,234,874,420	18,605,514	1,254,214,482

As at 31 December		2013					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and short term funds				24,901,189			24,901,189
Balances with Central Banks				28,699,132			28,699,132
Placements with banks				19,315,520			19,315,520
Derivative financial instruments	3,261,073						3,261,073
Reverse repurchased agreements				22,319,717			22,319,717
Loans and advances to customers				725,331,966			725,331,966
Financial investments	13,539,791	-	156,899,761	129,108,613	10,325,214		309,873,379
Total financial assets	16,800,864	-	156,899,761	949,676,137	10,325,214	-	1,133,701,976
Other assets						59,878,924	59,878,924
Total assets	16,800,864	-	156,899,761	949,676,137	10,325,214	59,878,924	1,193,580,900

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		1,166,427		1,166,427
Derivative financial instruments	274,948			274,948
Other financial liabilities held for trading				-
Due to customers		842,070,000		842,070,000
Other borrowings		235,370,269		235,370,269
Debt securities issued		20,968,357		20,968,357
Subordinated term debts		24,357,595		24,357,595
Total financial liabilities	274,948	1,123,932,648	-	1,124,207,596
Other liabilities			11,673,144	11,673,144
Total liabilities	274,948	1,123,932,648	11,673,144	1,135,880,740

As at 31 December		2014					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and short term funds				29,958,559			29,958,559
Balances with Central Banks				30,422,373			30,422,373
Placements with banks				21,393,574			21,393,574
Derivative financial instruments	1,714,556						1,714,556
Reverse repurchased agreements				60,236,389			60,236,389
Loans and advances to customers				763,772,052			763,772,052
Financial investments	18,437,958	-	216,740,132	129,966,806	17,611,160		382,756,056
Total financial assets	20,152,514	-	216,740,132	1,035,749,753	17,611,160	-	1,290,253,559
Other assets						75,150,106	75,150,106
Total assets	20,152,514	-	216,740,132	1,035,749,753	17,611,160	75,150,106	1,365,403,665

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		949,127		949,127
Derivative financial instruments	734,548			734,548
Other financial liabilities held for trading				-
Due to customers		943,934,463		943,934,463
Other borrowings		252,168,157		252,168,157
Debt securities issued		26,218,337		26,218,337
Subordinated term debts		32,177,810		32,177,810
Total financial liabilities	734,548	1,255,447,894	-	1,256,182,442
Other liabilities			23,640,502	23,640,502
Total liabilities	734,548	1,255,447,894	23,640,502	

As at 31 December		2013					
	Held for trading	Designated at fair value	Held to maturity	Loans and receivables / Amortised Cost	Available for sale	Others	Total
Financial assets							
Cash and short term funds				25,182,043			25,182,043
Balances with Central Banks				28,699,132			28,699,132
Placements with banks				21,157,190			21,157,190
Derivative financial instruments	3,261,073						3,261,073
Reverse repurchased agreements				22,851,895			22,851,895
Loans and advances to customers				746,571,819			746,571,819
Financial investments	13,898,242	-	157,441,572	130,190,296	12,852,445		314,382,555
Total financial assets	17,159,315	-	157,441,572	974,652,375	12,852,445	-	1,162,105,707
Other assets						63,656,684	63,656,684
Total assets	17,159,315	-	157,441,572	974,652,375	12,852,445	63,656,684	1,225,762,391

	Held for trading	Amortised Cost	Others	Total
Financial liabilities				
Due to banks		1,336,267		1,336,267
Derivative financial instruments	274,948			274,948
Other financial liabilities held for trading				-
Due to customers		850,767,521		850,767,521
Other borrowings		240,802,111		240,802,111
Debt securities issued		24,986,818		24,986,818
Subordinated term debts		24,347,248		24,347,248
Total financial liabilities	274,948	1,142,239,965	-	1,142,514,913
Other liabilities			16,335,445	16,335,445
Total liabilities	274,948	1,142,239,965	16,335,445	1,158,850,358

DEBENTURE INFORMATION

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Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount			
					2014	2013		Bank		Group	
					%	%		2014 LKR '000	2013 LKR '000	2014 LKR '000	2013 LKR '000
Sri Lanka rupee debentures											
Fixed interest rate											
Unsecured, subordinated, redeemable debentures	a	Annually	28.06.2010	27.06.2015	11.50	11.50	5.73	1,135,783	1,135,783	1,130,499	1,130,499
Unsecured, subordinated, redeemable debentures	a	Annually	08.12.2011	07.12.2016	11.00	11.00	6.74	3,926,514	3,926,514	3,926,514	3,926,514
Unsecured, subordinated, redeemable debentures	a	Semi annually	08.12.2011	07.12.2016	10.50	10.50	6.74	2,315	2,315	2,315	2,315
Unsecured, subordinated, redeemable debentures	a	Annually	30.11.2012	29.11.2017	16.00	16.00	7.01	6,034,052	6,034,052	6,028,990	6,028,990
Unsecured, subordinated, redeemable debentures	a	Semi annually	30.11.2012	29.11.2017	15.25	15.25	7.01	40,189	40,189	40,189	40,189
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2018	13.00	13.00	7.13	3,869,827	3,869,827	3,869,827	3,869,827
Unsecured, subordinated, redeemable debentures	a	Semi annually	25.10.2013	24.10.2018	12.60	12.60	7.13	220,369	220,369	220,369	220,369
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	7.70	1,226,594	1,226,594	1,226,594	1,226,594
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	7.92	1,227,617	1,227,617	1,227,617	1,227,617
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	8.00	1,638,142	1,638,142	1,638,142	1,638,142
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2019	8.00	-	7.25	5,234,969	-	5,234,969	-
Unsecured, subordinated, redeemable debentures	a	Quarterly	22.09.2014	21.09.2019	7.75	-	7.25	216,182	-	216,182	-
Unsecured, subordinated, redeemable debentures	a	Annually	22.09.2014	21.09.2022	8.25	-	7.25	1,873,793	-	1,873,793	-
Unsecured, redeemable debentures		Annually	01.07.2010	30.06.2015	13.20	13.20	5.73	1,063,602	1,063,602	1,063,602	1,063,602
Unsecured, redeemable debentures		Annually	14.07.2010	13.07.2015	13.20	13.20	5.85	2,118,737	2,118,737	2,118,737	2,118,737
Unsecured, redeemable debentures		Annually	17.09.2010	16.09.2015	11.00	11.00	5.97	1,472,780	1,472,780	1,472,780	1,472,780
Unsecured, redeemable debentures		Semi annually	18.06.2012	17.06.2017	14.75	14.75	6.85	1,286,404	1,286,404	1,286,404	1,286,404
Unsecured, redeemable debentures		Annually	07.12.2012	06.12.2017	15.50	15.50	7.01	2,140,654	2,140,654	2,140,654	2,140,654
Unsecured, redeemable debentures	a	Annually	28.03.2013	27.03.2018	17.50	17.50	7.06	-	-	733,859	706,124
Unsecured, redeemable debentures	a	Annually	28.03.2013	27.03.2017	17.25	17.25	6.81	-	-	568,677	547,320
Unsecured, redeemable debentures	a	Quarterly	28.03.2013	27.03.2018	16.70	16.70	7.06	-	-	655,822	654,126
Unsecured, redeemable debentures	a	Monthly	28.03.2013	27.03.2018	16.50	16.50	7.06	-	-	168,793	168,453
Unsecured, redeemable debentures	a	Annually	17.12.2013	16.12.2017	14.25	14.25	7.01	-	-	770,790	677,122
Unsecured, redeemable debentures	a	Annually	17.12.2013	16.12.2017	13.50	13.50	7.01	-	-	336,174	297,201
Unsecured, redeemable debentures	a	Quarterly	17.12.2013	16.12.2017	13.50	13.50	7.01	-	-	18,136	17,601
Unsecured, redeemable debentures	a	Monthly	17.12.2013	16.12.2017	13.25	13.25	7.01	-	-	11,599	11,510
Unsecured, redeemable debentures	a	Annually	13.11.2014	12.11.2019	9.00	-	7.31	-	-	805,567	-
Unsecured, redeemable debentures	a	Annually	13.11.2014	12.11.2019	8.75	-	7.31	-	-	1,102,653	-
Secured, redeemable debentures	a	Semi annually	16.11.2011	15.11.2014	-	11.60	-	-	-	-	622,838
Secured, redeemable debentures	a	Semi annually	16.11.2011	15.11.2015	11.80	11.80	6.08	-	-	294,069	282,633
								34,728,523	27,403,579	40,174,316	31,378,161
Floating interest rate											
Unsecured, subordinated, redeemable debentures (6 months TB rate (Gross) plus 75 basis points)	a/b	Semi annually	28.06.2010	27.06.2015	7.24	9.47	5.73	3,927,586	3,928,928	3,927,586	3,928,928
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 75 basis points)	a/b	Semi annually	08.12.2011	07.12.2016	7.24	10.36	6.74	1,102,401	1,105,616	1,102,401	1,105,616
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	30.11.2012	29.11.2017	7.74	11.03	7.01	423	424	423	424
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2018	7.92	11.12	7.13	203	204	203	204
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	7.92	11.12	7.70	1,014	1,020	1,014	1,020
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2019	7.42	-	7.25	841,711	-	510,152	-
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 50 basis points)	a/b	Semi annually	22.09.2014	21.09.2022	7.42	-	7.92	31	-	31	-
Unsecured, redeemable, debentures (6 months TB (Gross) rate plus 150 basis points)	b	Semi annually	31.03.2010	30.03.2014	-	12.78	-	-	-	-	7,019
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	8.81	13.19	5.90	5,382,540	5,470,052	5,382,540	5,470,052
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	8.81	13.19	5.90	1,811,431	1,840,883	1,811,431	1,840,883
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	8.81	13.19	5.90	5,486,050	5,575,245	5,486,050	5,575,245
Secured, redeemable, debentures (6 months TB (Gross) rate plus 150 basis points)	b	Semi annually	10.01.2010	09.01.2014	-	12.28	-	-	-	-	26,472
Secured, redeemable, debentures (6 months TB (Gross) rate plus 160 basis points)	a/b	Semi annually	16.11.2011	15.11.2014	-	12.47	-	-	-	-	42
								18,553,390	17,922,372	18,221,831	17,955,905
								53,281,913	45,325,951	58,396,147	49,334,066

Notes

- a) Debentures that are listed in the Colombo Stock Exchange. Some of these have been traded in the Colombo Stock Exchange during the period ended 31 December 2014
- 2010/2015 - (Highest Price - LKR, 100.00, Lowest Price - LKR, 95.00, Last Transaction Price - LKR, 100.00)
- 2011/2016 - (Highest Price - LKR, 100.00, Lowest Price - LKR, 100.00, Last Transaction Price - LKR, 100.00)
- 2012/2017 - (Highest Price - LKR, 104.00, Lowest Price - LKR, 104.00, Last Transaction Price - LKR, 104.00)
- 2013/2018 - (Highest Price - LKR, 111.85, Lowest Price - LKR, 111.85, Last Transaction Price - LKR, 111.85)
- 2013/2021 - (Highest Price - LKR, 125.55, Lowest Price - LKR, 111.13, Last Transaction Price - LKR, 125.55)
- 2013/2023 - (Highest Price - LKR, 131.43, Lowest Price - LKR, 112.50, Last Transaction Price - LKR, 131.43)
- 2014/2019 - (Highest Price - LKR, 99.94, Lowest Price - LKR, 99.94, Last Transaction Price - LKR, 99.94)

b) Weighted average 6 months Treasury Bill interest rate before deducting 10% withholding tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

c) Weighted average 12 months Treasury Bill interest rate before deducting 10% withholding tax at the primary quotations as announced by the Central Bank of Sri Lanka, at the preceding week of the interest resetting date.

	01-Jan-2014 to 31-Dec-2014 LKR.	01-Jan-2013 to 31-Dec-2013 LKR.
Market Value		
BoC Debentures 2008/2013 , Unsecured, subordinated, redeemable, 5 years, fixed rate (19.0%)		
Highest , Lowest & Last transaction	N/A	95.50
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	N/A	Not Traded
Unsecured, subordinated, redeemable, 5 years, zero coupon	N/A	Not Traded
BoC Debentures 2010/2015 , Unsecured, subordinated, redeemable, 5 years, fixed rate (11.5%)		
Highest , Lowest & Last transaction	95.00	91.00
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest , Lowest & Last transaction	100.00	Not Traded
Market Value		
BoC Debentures 2011/2016 , Unsecured, subordinated, redeemable, 5 years, fixed rate (11.0%)		
Highest	Not Traded	95.00
Lowest	Not Traded	89.00
Last transaction	Not Traded	89.00
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest , Lowest & Last transaction	100.00	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (10.5%)	Not Traded	Not Traded
Market Value		
BoC Debentures 2012/2017 , Unsecured, subordinated, redeemable, 5 years, fixed rate (16.0%)		
Highest , Lowest & Last transaction	104.00	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 5 years, fixed rate (15.3%)	Not Traded	Not Traded
Market Value		
BoC Debentures 2013/2023 , Unsecured, subordinated, redeemable, 5 years, fixed rate (13.0%)		
Highest , Lowest & Last transaction	Not Traded	100.00
Unsecured, subordinated, redeemable, 5 years, fixed rate (12.60%)		
Highest , Lowest & Last transaction	111.85	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 8 years, fixed rate (13.25%)		
Highest	125.55	Not Traded
Lowest	111.13	Not Traded
Last transaction	125.55	Not Traded
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 9 years, fixed rate (13.25%)		
Highest , Lowest & Last transaction	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)		
Highest	131.43	Not Traded
Lowest	112.50	Not Traded
Last transaction	131.43	Not Traded
Market Value		
BoC Debentures 2014/2022 , Unsecured, subordinated, redeemable, 5 years, fixed rate (8.0%)		
Highest , Lowest & Last transaction	99.94	N/A
Unsecured, subordinated, redeemable, 5 years, fixed rate (7.75%)	Not Traded	N/A
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A
Unsecured, subordinated, redeemable, 8 years, fixed rate (8.25%)	Not Traded	N/A
Unsecured, subordinated, redeemable, 8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A

	31-Dec-2014 %	31-Dec-2013 %
Interest yield as at date of last trade done		
BoC Debentures 2008/2013 ,		
5 years, fixed rate (19.0%)	N/A	43.77
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	N/A	Not Traded
5 years, zero coupon	N/A	Not Traded
BoC Debentures 2010/2015 ,		
5 years, fixed rate (11.5%)	16.04	18.76
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	10.62	Not Traded
BoC Debentures 2011/2016 ,		
5 years, fixed rate (11.0%)	Not Traded	15.96
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	10.20	Not Traded
5 years, fixed rate (10.5%)	Not Traded	Not Traded
BoC Debentures 2012/2017 ,		
5 years, fixed rate (16.0%)	14.46	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
5 years, fixed rate (15.3%)	Not Traded	Not Traded
BoC Debentures 2013/2023 ,		
5 years, fixed rate (13.0%)	Not Traded	12.96
5 years, fixed rate (12.6%)	8.86	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
8 years, fixed rate (13.25%)	8.26	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	8.59	Not Traded
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	8.01	N/A
5 years, fixed rate (7.75%)	Not Traded	N/A
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A
8 years, fixed rate (8.25%)	Not Traded	N/A
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A
Yield to maturity of last trade done		
BoC Debentures 2008/2013 ,		
5 years, fixed rate (19.0%)	N/A	19.90
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	N/A	Not Traded
5 years, zero coupon	N/A	Not Traded
BoC Debentures 2010/2015 ,		
5 years, fixed rate (11.5%)	12.11	12.64
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	10.67	Not Traded
BoC Debentures 2011/2016 ,		
5 years, fixed rate (11.0%)	Not Traded	12.36
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	10.26	Not Traded
5 years, fixed rate (10.5%)	Not Traded	Not Traded
BoC Debentures 2012/2017 ,		
5 years, fixed rate (16.0%)	15.38	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)	Not Traded	Not Traded
5 years, fixed rate (15.3%)	Not Traded	Not Traded
BoC Debentures 2013/2023 ,		
5 years, fixed rate (13.0%)	Not Traded	13.00
5 years, fixed rate (12.6%)	11.27	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
8 years, fixed rate (13.25%)	10.55	Not Traded
8 years, floating rate (06 months TB rate (Gross) plus 100 basis points)	Not Traded	Not Traded
9 years, fixed rate (13.25%)	Not Traded	Not Traded
10 years, fixed rate (13.75%)	10.46	Not Traded
BoC Debentures 2014/2022 ,		
5 years, fixed rate (8.0%)	8.00	N/A
5 years, fixed rate (7.75%)	Not Traded	N/A
5 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A
8 years, fixed rate (8.25%)	Not Traded	N/A
8 years, floating rate (06 months TB rate (Gross) plus 50 basis points)	Not Traded	N/A

LOANS AND ADVANCES TO OTHER CUSTOMERS

LKR '000

As at 31 December	Bank		Group	
	2014	2013	2014	2013
1) Loans and advances to customers				
Gross loans and advances	777,504,915	755,385,146	801,584,475	777,927,364
Less : Individual impairment	10,138,002	8,130,767	10,925,062	8,760,168
Collective impairment	26,019,278	21,922,413	26,887,361	22,595,377
Net loans and advances including those designated at fair value through profit or loss	741,347,635	725,331,966	763,772,052	746,571,819
Less : Loans and advances designated at fair value through profit or loss	-	-	-	-
Net loans and advances	741,347,635	725,331,966	763,772,052	746,571,819
2) Loans and advances to customers - By product				
Local currency				
Overdrafts	127,539,066	117,018,469	127,490,619	116,943,334
Term loans	124,099,056	107,828,340	130,526,349	112,094,142
Lease rentals receivable	30,239,149	22,044,606	43,173,127	32,352,554
Credit cards	2,829,387	2,651,703	2,829,387	2,651,703
Pawning	76,434,744	131,386,116	76,608,119	131,660,366
Loans under schemes	35,334,191	34,017,331	35,761,416	34,665,221
Housing loans	38,169,603	33,711,540	38,195,506	33,711,540
Trade finance	16,892,456	17,431,503	17,878,989	18,328,059
Personal loans	57,902,737	40,882,088	58,991,509	41,501,777
Staff loans	12,808,314	12,937,347	13,057,327	13,147,526
Foreclosed properties	657,434	839,056	657,434	839,056
Other loans	7,303,635	9,587,751	7,348,628	13,084,714
Total local currency loans and advances	530,209,772	530,335,850	552,518,410	550,979,992
Foreign currency				
Overdrafts	12,965,821	9,283,688	12,965,821	9,687,350
Term loans	186,875,508	171,111,928	188,326,732	172,299,818
Trade finance	43,908,470	44,011,953	43,908,470	44,011,953
Lease rentals receivable	598,066	641,727	598,066	641,727
Loans under schemes	825,587	-	825,587	-
Housing loans	-	-	301,370	300,912
Staff loans	-	-	18,328	5,612
Foreclosed properties	480,139	-	480,139	-
Other loans	1,641,552	-	1,641,552	-
Total foreign currency loans and advances	247,295,143	225,049,296	249,066,065	226,947,372
Total loans and advances to customers	777,504,915	755,385,146	801,584,475	777,927,364

3) Movement in individual and collective impairment during the year for loans and advances to customers

Individual impairment				
Opening balance (01 January)	8,130,767	8,969,765	8,760,168	8,991,553
Charge during the year	2,721,983	(838,998)	3,110,171	(665,354)
Amount recovered / reversal during the year	(714,748)	-	(714,748)	-
Amount written-off during the year	-	-	(345)	(412)
Other movements	-	-	(230,184)	434,381
Closing balance (31 December)	10,138,002	8,130,767	10,925,062	8,760,168
Collective impairment				
Opening balance (01 January)	21,922,413	13,977,744	22,595,377	14,781,310
Charge during the year	5,203,681	7,761,900	5,536,102	7,996,490
Amount written-off during the year	(54,691)	(50,371)	(224,057)	(101,201)
Impairment adjustment for gold stock	(1,055,794)	-	(1,055,794)	-
Other movements	3,669	233,140	35,733	(81,222)
Closing balance (31 December)	26,019,278	21,922,413	26,887,361	22,595,377
Total impairment	36,157,280	30,053,180	37,812,423	31,355,545

DUE TO OTHER CUSTOMERS

4) Due to other customers - By product

Local currency				
Demand deposits (current accounts)	87,738,544	66,054,550	87,485,476	65,865,409
Savings deposits	236,352,334	180,765,449	236,863,162	181,240,336
Time deposits	379,759,684	387,972,612	388,469,837	395,417,150
Certificate of deposit	4,315	4,315	15,691	17,822
Other deposits	3,387,893	2,093,399	3,387,940	2,093,448
Total local currency deposits	707,242,770	636,890,325	716,222,106	644,634,165
Foreign currency				
Demand deposits (current accounts)	14,748,715	16,462,897	15,111,128	16,868,071
Savings deposits	64,607,010	55,774,778	65,057,262	56,228,521
Time deposits	146,962,493	132,296,839	147,138,786	132,391,603
Other deposits	405,181	645,161	405,181	645,161
Total foreign currency deposits	226,723,399	205,179,675	227,712,357	206,133,356
Total deposits	933,966,169	842,070,000	943,934,463	850,767,521

SEGMENTAL ANALYSIS - GROUP

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LKR '000

For the Year ended 31 December	Retail Banking		Corporate Banking		International, Treasury and Investment		Group Functions		Unallocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers:												
Net interest income	20,114,226	24,892,002	8,073,919	7,251,504	9,449,501	4,367,552	2,304,007	2,196,565	812,409	634,228	40,754,062	39,341,851
Net fee and commission income	3,031,727	2,140,666	3,995,194	2,840,164	609,055	578,630	215,719	192,479	472,084	183,074	8,323,779	5,935,013
Other income	1,297,070	1,828,360	274,697	679,252	6,098,856	3,397,706	2,833,378	2,808,777	1,058,531	(778,417)	11,562,532	7,935,678
Total operating income	24,443,023	28,861,028	12,343,810	10,770,920	16,157,412	8,343,888	5,353,104	5,197,821	2,343,024	38,885	60,640,373	53,212,542
Expenses :												
Impairment on loans and advances	(5,145,535)	(6,653,066)	(2,120,903)	258,247	-	-	(720,610)	(408,234)	55,523	(536,091)	(7,931,525)	(7,339,144)
Other expenses	(16,091,497)	(14,564,091)	(3,977,846)	(4,531,944)	(4,254,298)	(3,433,278)	(3,286,891)	(4,037,428)	(24,579)	(674,667)	(27,635,111)	(27,241,408)
Total expenses	(21,237,032)	(21,217,157)	(6,098,749)	(4,273,697)	(4,254,298)	(3,433,278)	(4,007,501)	(4,445,662)	30,944	(1,210,758)	(35,566,636)	(34,580,552)
Net operating income before VAT and NBT	3,205,991	7,643,871	6,245,061	6,497,223	11,903,114	4,910,610	1,345,603	752,159	2,373,968	(1,171,873)	25,073,737	18,631,990
VAT and NBT expenses											(4,105,175)	(2,756,179)
Net operating income after VAT and NBT											20,968,562	15,875,811
Share of profit of Associate companies						-	462,436	228,813		-	462,436	228,813
Profit before income tax	3,205,991	7,643,871	6,245,061	6,497,223	11,903,114	4,910,610	1,808,039	980,972	2,373,968	(1,171,873)	21,430,998	16,104,624
Income tax expense											(7,058,656)	(3,956,302)
Profit for the year											14,372,342	12,148,322
Total assets	389,085,482	356,467,732	411,205,706	397,754,640	469,534,357	348,980,825	46,651,202	49,044,743	48,926,918	73,514,451	1,365,403,665	1,225,762,391
Total liabilities	367,185,220	339,314,332	388,060,374	378,614,493	443,105,909	332,187,698	33,935,230	36,270,114	47,536,211	72,463,721	1,279,822,944	1,158,850,358
Cash flows from operating activities	33,628,329	31,075,094	13,498,527	9,052,754	15,798,318	5,452,438	3,851,995	2,742,185	1,358,239	791,767	68,135,408	49,114,238
Cash flows from investing activities	(543,552)	(593,062)	(574,454)	(661,752)	(26,115,957)	(50,971,408)	(149,522)	(117,448)	(68,350)	(122,308)	(27,451,835)	(52,465,978)
Cash flows from financing activities	(9,110,991)	(3,217,857)	(9,628,968)	(3,590,556)	(10,994,816)	(3,150,272)	(842,037)	(343,964)	(1,179,523)	(687,204)	(31,756,335)	(10,989,853)
Capital expenditure to non current assets											1,986,043	2,184,849
Depreciation and amortization expenses	348,765	333,735	368,593	372,389	420,877	326,725	223,915	210,197	268,707	254,194	1,630,857	1,497,240

Being the major customer of the Bank, "Government and State Owned Enterprises (SOEs)" represents 18% of revenue of the Group, (2013-18%) and included under Retail and Corporate segments.