



INTERIM FINANCIAL STATEMENTS
for the six months ended 30.06.2014
(Un-audited)

Bank of Ceylon

INCOME STATEMENT

1
Rs. 000

30 June	Bank						Group					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %
Interest income	51,463,305	55,473,556	(7.23)	24,779,730	29,199,362	(15.14)	53,853,094	57,685,272	(6.64)	25,947,899	30,347,226	(14.50)
Interest expense	(36,134,112)	(38,162,980)	(5.32)	(17,691,925)	(19,982,812)	(11.46)	(37,359,830)	(39,353,910)	(5.07)	(18,286,585)	(20,623,105)	(11.33)
Net interest income	15,329,193	17,310,576	(11.45)	7,087,805	9,216,550	(23.10)	16,493,264	18,331,362	(10.03)	7,661,314	9,724,121	(21.21)
Fee and commission income	4,024,167	2,696,647	49.23	2,181,597	1,282,611	70.09	4,149,879	2,913,671	42.43	2,180,478	1,321,251	65.03
Fee and commission expense	(338,058)	(334,095)	1.19	(148,843)	(160,168)	(7.07)	(394,049)	(413,018)	(4.59)	(174,314)	(207,389)	(15.95)
Net fee and commission income	3,686,109	2,362,552	56.02	2,032,754	1,122,443	81.10	3,755,830	2,500,653	50.19	2,006,164	1,113,862	80.11
Net gain / (loss) from trading	2,388,517	1,552,625	53.84	1,410,958	1,022,013	38.06	2,458,370	1,575,643	56.02	1,457,230	1,015,569	43.49
Net gain / (loss) from financial investments	2,137,728	533,132	300.98	249,818	433,506	(42.37)	2,140,738	566,874	277.64	249,702	471,710	(47.06)
Net gain / (loss) on financial instruments designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	1,363,521	1,159,069	17.64	629,796	735,529	14.38	1,445,944	1,250,519	15.63	606,075	539,197	12.40
Total operating income	24,905,068	22,917,954	8.67	11,411,131	12,530,041	(8.93)	26,294,146	24,225,051	8.54	11,980,485	12,864,459	(6.87)
Impairment (charge) / reversal for loans and other losses												
Impairment (charge) / reversal for loans	(2,136,660)	(3,500,684)	(38.96)	1,209,326	(2,387,417)	(150.65)	(2,532,459)	(3,617,816)	(30.00)	989,644	(2,431,762)	(140.70)
Impairment (charge) / reversal for others losses	-	-	-	-	-	-	-	3,882	(100.00)	-	645	(100.00)
Net operating income	22,768,408	19,417,270	17.26	12,620,457	10,142,624	24.43	23,761,687	20,611,117	15.29	12,970,129	10,433,342	24.31
Personnel expenses	(6,830,604)	(7,092,738)	(3.70)	(3,538,026)	(3,835,644)	(7.76)	(7,484,185)	(7,745,500)	(3.37)	(3,852,392)	(4,162,272)	(7.44)
Depreciation and amortisation	(592,740)	(530,565)	11.72	(296,579)	(265,135)	11.86	(804,631)	(721,593)	11.51	(403,654)	(361,226)	11.75
Other expenses	(5,235,579)	(3,247,416)	61.22	(3,155,814)	(1,789,367)	76.36	(5,531,063)	(3,488,282)	58.56	(3,239,488)	(1,689,223)	91.77
Total operating expenses	(12,658,923)	(10,870,719)	16.45	(6,990,419)	(5,890,146)	18.68	(13,819,879)	(11,955,375)	15.60	(7,495,534)	(6,212,721)	20.65
Operating profit before value added tax (VAT)	10,109,485	8,546,551	18.29	5,630,038	4,252,478	32.39	9,941,808	8,655,742	14.86	5,474,595	4,220,621	29.71
Value added tax (VAT) on financial services	(1,532,316)	(1,394,091)	9.92	(849,219)	(781,832)	8.62	(1,549,005)	(1,412,729)	9.65	(857,883)	(789,883)	8.61
Operating profit after value added tax (VAT)	8,577,169	7,152,460	19.92	4,780,819	3,470,646	37.75	8,392,803	7,243,013	15.87	4,616,712	3,430,738	34.57
Share of profit / (loss) of Associate companies before tax	-	-	-	-	-	-	166,836	54,853	204.15	75,987	21,578	252.15
Profit before income tax	8,577,169	7,152,460	19.92	4,780,819	3,470,646	37.75	8,559,639	7,297,866	17.29	4,692,699	3,452,316	35.93
Income tax expense	(2,386,699)	(2,101,305)	13.58	(1,183,205)	(1,016,818)	16.36	(2,515,039)	(2,263,243)	11.13	(1,260,910)	(1,116,507)	12.93
Profit for the period	6,190,470	5,051,155	22.56	3,597,614	2,453,828	46.61	6,044,600	5,034,623	20.06	3,431,789	2,335,809	46.92
Profit attributable to:												
Equity holder of the parent	6,190,470	5,051,155	22.56	3,597,614	2,453,828	46.61	6,093,026	5,033,920	21.04	3,445,309	2,333,577	47.64
Non controlling interest	-	-	-	-	-	-	(48,426)	703	(6,988.45)	(13,520)	2,232	(705.73)
	6,190,470	5,051,155	22.56	3,597,614	2,453,828	46.61	6,044,600	5,034,623	20.06	3,431,789	2,335,809	46.92
Earnings per share:												
Basic earnings per share (Rs.)	1,238.09	1,010.23	22.56	719.52	490.77	46.61	1,218.61	1,006.78	21.04	689.06	466.72	47.64
Diluted earnings per share (Rs.)	1,238.09	1,010.23	22.56	719.52	490.77	46.61	1,218.61	1,006.78	21.04	689.06	466.72	47.64

STATEMENT OF COMPREHENSIVE INCOME

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Rs. 000

30 June	Bank						Group					
	For the six months ended			For the quarter ended			For the six months ended			For the quarter ended		
	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %	2014	2013	Change %
Profit for the period	6,190,470	5,051,155	22.56	3,597,614	2,453,828	46.61	6,044,600	5,034,623	20.06	3,431,789	2,335,809	46.92
Exchange differences on translation of foreign operations	45,028	(120,250)	137.45	(11,006)	(124,942)	91.19	123,820	(215,405)	157.48	52,245	(5,078)	1,128.85
Actuarial gains / (losses) on retirement benefit plans	-	-	-	-	-	-	(331)	1,258	(126.31)	(682)	1,125	(160.62)
Gains / (losses) on re measuring available for sale financial assets	1,143,741	625,908	82.73	612,116	(65,903)	1,028.81	1,234,221	656,283	88.06	665,137	48,654	1,267.08
Share of other comprehensive income of Associate companies	-	-	-	-	-	-	2,703	2,884	(6.26)	1,905	2,884	(33.93)
Total other comprehensive income for the period, net of tax	1,188,769	505,658	135.09	601,110	(190,845)	414.97	1,360,413	445,020	205.70	718,605	47,585	1,410.15
Total comprehensive income for the period, net of tax	7,379,239	5,556,813	32.80	4,198,724	2,262,983	85.54	7,405,013	5,479,643	35.14	4,150,394	2,383,394	74.14
Attributable to:												
Equity holder of the parent	7,379,239	5,556,813	32.80	4,198,724	2,262,983	85.54	7,442,815	5,474,048	35.97	4,159,859	2,371,656	75.40
Non controlling interest	-	-	-	-	-	-	(37,802)	5,595	(775.64)	(9,465)	11,738	(180.64)
	7,379,239	5,556,813	32.80	4,198,724	2,262,983	85.54	7,405,013	5,479,643	35.14	4,150,394	2,383,394	74.14

As at	Bank			Group		
	30-Jun-2014	31-Dec-2013 (Audited)	Change %	30-Jun-2014	31-Dec-2013 (Audited)	Change %
Assets						
Cash and short term funds	39,508,608	24,901,189	58.66	39,708,533	25,182,043	57.69
Balances with Central Banks	28,055,926	28,699,132	(2.24)	28,055,926	28,699,132	(2.24)
Placements with banks	18,781,056	19,315,520	(2.77)	22,451,513	21,157,190	6.12
Derivative financial instruments	2,168,996	3,261,073	(33.49)	2,168,996	3,261,073	(33.49)
Reverse repurchase agreements	41,181,401	22,319,717	84.51	41,710,279	22,851,895	82.52
Financial assets - Held for trading	10,590,832	13,539,791	(21.78)	11,480,228	13,898,242	(17.40)
Financial investments - Loans and receivables	130,166,915	129,108,613	0.82	131,311,939	130,190,296	0.86
Loans and advances to customers	698,208,878	725,331,966	(3.74)	719,622,356	746,571,819	(3.61)
Financial investments - Available for sale	14,635,724	10,325,214	41.75	17,360,835	12,852,445	35.08
Financial investments - Held to maturity	206,476,592	156,899,761	31.60	207,681,919	157,441,572	31.91
Investment in Subsidiary companies	6,913,048	6,828,699	1.24	-	-	-
Investment in Associate companies	842,988	842,988	-	1,598,490	1,471,267	8.65
Investment properties	-	-	-	150,132	151,914	(1.17)
Property, plant and equipment	12,009,534	12,006,180	0.03	20,487,710	20,622,161	(0.65)
Leasehold properties	100,712	83,026	21.30	138,422	121,417	14.01
Intangible assets	481,129	501,064	(3.98)	636,043	669,657	(5.02)
Deferred tax assets	-	-	-	16,614	47,818	(65.26)
Other assets	43,881,236	39,616,967	10.76	44,591,734	40,572,450	9.91
Total assets	1,254,003,575	1,193,580,900	5.06	1,289,171,669	1,225,762,391	5.17
Liabilities						
Due to banks	2,936,747	1,166,427	151.77	2,986,662	1,336,267	123.51
Derivative financial instruments	30,945	274,948	(88.75)	30,945	274,948	(88.75)
Due to customers	876,270,192	842,070,000	4.06	886,183,785	850,767,521	4.16
Other borrowings	250,107,279	235,370,269	6.26	257,403,801	240,802,111	6.89
Debt securities issued	22,153,216	20,968,357	5.65	26,164,938	24,986,818	4.71
Current tax liabilities	-	-	-	296,398	251,475	17.86
Deferred tax liabilities	67,882	151,623	(55.23)	1,932,004	2,034,216	(5.02)
Insurance provision - life	-	-	-	309,547	220,748	40.23
Insurance provision - non life	-	-	-	633,779	670,073	(5.42)
Other liabilities	14,436,191	11,521,521	25.30	16,131,017	13,158,933	22.59
Subordinated term debts	25,594,929	24,357,595	5.08	25,584,245	24,347,248	5.08
Total liabilities	1,191,597,381	1,135,880,740	4.91	1,217,657,121	1,158,850,358	5.07
Equity						
Share capital	5,000,000	5,000,000	-	5,000,000	5,000,000	-
Permanent reserve fund	3,538,455	3,538,455	-	3,538,455	3,538,455	-
Retained earnings	34,476,065	31,418,794	9.73	36,155,628	33,261,300	8.70
Other reserves	19,391,674	17,742,911	9.29	25,689,832	23,816,578	7.87
Total equity attributable to the parent	62,406,194	57,700,160	8.16	70,383,915	65,616,333	7.27
Non controlling interest	-	-	-	1,130,633	1,295,700	(12.74)
Total equity	62,406,194	57,700,160	8.16	71,514,548	66,912,033	6.88
Total liabilities and equity	1,254,003,575	1,193,580,900	5.06	1,289,171,669	1,225,762,391	5.17
Commitments and contingencies	629,641,860	655,441,409	(3.94)	630,113,824	656,226,093	(3.98)

STATEMENT OF CHANGES IN EQUITY- BANK

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Rs. 000

	Share capital	Permanent reserve fund	Other reserves				Retained profit	Total equity
			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 period								
Profit for the period							5,051,155	5,051,155
Other comprehensive income, net of tax			625,908		(120,250)	-	-	505,658
Dividends for 2013							(1,673,205)	(1,673,205)
Transfers to investment fund account				1,270,930			(1,270,930)	-
Balance as at 30 June 2013	5,000,000	3,285,955	4,029,096	5,987,615	1,565,344	5,222,314	29,746,166	54,836,490
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 period								
Profit for the period							6,190,470	6,190,470
Other comprehensive income, net of tax			1,143,741		45,028	-	-	1,188,769
Dividends for 2014							(2,673,205)	(2,673,205)
Transfers to investment fund account				459,994			(459,994)	-
Balance as at 30 June 2014	5,000,000	3,538,455	5,056,456	7,517,084	1,607,342	5,210,792	34,476,065	62,406,194

STATEMENT OF CHANGES IN EQUITY -GROUP

Rs. 000

	Share capital	Permanent reserve fund	Other reserves				Retained profit	Non controlling interest	Total equity
			Available for sale reserve	Investment fund account	Other reserves	Revaluation reserve			
Balance as at 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 period									
Profit for the period							5,033,920	703	5,034,623
Other comprehensive income, net of tax			651,407		(215,405)	-	4,126	4,892	445,020
Dividends for 2013							(1,673,205)		(1,673,205)
Subsidiary dividends to non controlling interest								(10,724)	(10,724)
Transfers to investment fund account				1,287,724			(1,287,724)		-
Transfers to other reserves					5,417		(5,417)		-
Acquisition, disposal and changes in non controlling interest							4,422	35,216	39,638
Adjustments			(48,039)		8,026		(52,302)	(28,009)	(120,324)
Balance as at 30 June 2013	5,000,000	3,285,955	4,574,283	6,137,672	2,230,564	8,367,737	31,341,909	1,419,571	62,357,691
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 period									
Profit for the period							6,093,026	(48,426)	6,044,600
Other comprehensive income, net of tax			1,223,568		123,820	-	2,401	10,624	1,360,413
Dividends for 2014							(2,673,205)		(2,673,205)
Subsidiary dividends to non controlling interest								(30,237)	(30,237)
Transfers to investment fund account				461,013			(461,013)		-
Transfers to other reserves					3,511		(3,511)		-
Acquisition and changes in non controlling interest						61,342	(63,370)	(97,028)	(99,056)
Balance as at 30 June 2014	5,000,000	3,538,455	5,739,229	7,689,561	2,599,386	9,661,656	36,155,628	1,130,633	71,514,548

STATEMENT OF CASH FLOWS

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Rs. '000

For the six months ended 30 June	Bank		Group	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax	8,577,169	7,152,460	8,559,639	7,297,866
Adjustments for :				
Net interest income	(15,329,193)	(17,310,576)	(16,493,264)	(18,331,362)
Dividend income on trading securities	(58,418)	(31,717)	(68,928)	(38,547)
Dividends from Subsidiaries and Associates	(232,603)	(164,700)	-	-
Share of profit of Associate companies before tax	-	-	(166,836)	(54,853)
Change in operating assets	12,327,930	(84,443,736)	12,210,072	(87,798,210)
Change in operating liabilities	64,580,937	79,657,091	64,816,300	80,386,288
Other non cash items included in profit before tax	3,209,430	7,058,894	4,767,057	7,195,317
Other net gain from investing activities	(2,137,728)	(533,132)	(2,140,738)	(566,874)
	70,937,524	(8,615,416)	71,483,302	(11,910,375)
Contribution paid to defined benefit plans	(2,417,788)	(2,263,240)	(2,426,649)	(2,267,550)
Interest received	34,428,276	41,521,953	37,677,116	43,720,823
Interest paid	(30,838,753)	(22,667,628)	(31,708,423)	(25,824,941)
Dividend received	58,418	31,717	68,928	38,547
Net cash from operating activities before income tax	72,167,677	8,007,386	75,094,274	3,756,504
Income tax paid	(1,000,000)	(2,863,183)	(1,098,623)	(2,986,175)
Net cash from operating activities	71,167,677	5,144,203	73,995,651	770,329
Cash flows from investing activities				
Net increase in financial investments - Held to maturity	(47,517,138)	(33,081,174)	(48,180,653)	(32,877,374)
Net (increase) / decrease in financial investments - Available for sale	(1,380,424)	1,622,294	(1,487,824)	1,699,772
Net increase in financial investment - Loans and receivables	(1,058,302)	(2,822,497)	(1,121,643)	(3,952,952)
Increase in interest in Subsidiaries	(84,350)	(35,850)	(84,350)	(35,850)
Purchase of property plant and equipment and leasehold properties	(535,780)	(805,776)	(585,653)	(860,541)
Purchase of intangible assets	(58,065)	(32,082)	(66,130)	(64,083)
Proceeds from sale of property plant and equipment	-	8,241	400	13,427
Dividend received	583,986	481,476	354,393	340,950
Interest received	11,139,667	8,526,943	11,237,443	10,505,035
Net cash used in investing activities	(38,910,406)	(26,138,425)	(39,934,017)	(25,231,616)
Cash flows from financing activities				
Net increase / (decrease) in other borrowings	(9,593,351)	34,462,559	(6,338,676)	32,856,255
Proceeds from non controlling interest on issue of rights in Subsidiary	-	-	-	58,420
Proceeds from issue of debentures	-	-	-	2,000,000
Payments on redemption of debentures	-	(2,000,000)	(31,800)	(2,031,800)
Dividends paid to Government of Sri Lanka	(2,673,205)	(1,673,205)	(2,673,205)	(1,673,205)
Dividends paid to non controlling interest	-	-	(30,237)	(10,724)
Interest payments on borrowings and debt securities	(5,918,393)	(3,707,419)	(6,549,387)	(3,652,118)
Net cash generated from / (used in) financing activities	(18,184,949)	27,081,935	(15,623,305)	27,546,828
Net increase in cash and cash equivalents during the period	14,072,322	6,087,713	18,438,329	3,085,541
Cash and cash equivalents at the beginning of the period	38,103,096	46,780,915	40,955,175	55,296,768
Cash and cash equivalents at the end of the period	52,175,418	52,868,628	59,393,504	58,382,309
Analysis of cash and cash equivalents				
Cash and short term funds	39,508,608	36,528,532	39,708,533	36,712,393
Due from banks with maturity less than three months	15,383,437	16,354,337	22,451,513	21,752,631
Bank overdrafts	(2,716,627)	(14,241)	(2,766,542)	(82,715)
	52,175,418	52,868,628	59,393,504	58,382,309

As at	Bank		Group	
	30-Jun-2014	31-Dec-2013 (Audited)	30-Jun-2014	31-Dec-2013 (Audited)
Net assets value per share (Rs)	12,481	11,540	14,077	13,123
Regulatory Capital Adequacy				
Core capital (Tier 1 capital), Rs. Mn	45,047	45,291	51,735	51,980
Total capital base, Rs. Mn	63,983	65,382	73,141	74,540
Core capital adequacy ratio, % of risk weighted assets (Minimum requirement, 5%)	8.49%	8.38%	9.05%	8.93%
Total capital adequacy ratio, % of risk weighted assets (Minimum requirement, 10%)	12.06%	12.10%	12.79%	12.81%
Profitability				
Interest margin	2.51%	3.31%	2.62%	3.41%
Return on assets (before tax)	1.40%	1.40%	1.36%	1.40%
Return on equity (after tax)	20.62%	22.25%	17.47%	19.35%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	4.28%	4.32%		
Net non - performing advances ratio, (Net of interest in suspense and provisions)	2.56%	2.76%		
Investor Information				
Debt equity (%)	324.35	336.32		
Interest cover (times)	1.91	1.70		
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. Mn)	285,583	246,775		
- Off-shore banking unit (US\$ Mn)	617	742		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	30.45%	27.67%		
- Off-shore banking unit	26.58%	31.39%		
Memorandum Information				
Number of employees	8,585	8,883		
Number of branches	570	567		

SHARE INFORMATION

Shareholder	30-Jun-2014		31-Dec-2013	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	5,000,000	100	5,000,000	100

1. These financial statements are presented in accordance with Sri Lanka Accounting Standards comprising of Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka, together with comparative period data as at and for the six months ended 30 June 2014.
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. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
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 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.

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 30 June 2014 and its profit for the six months ended 30 June 2014.

Sgd.
W P Russel Fonseka
Actg. Chief Financial Officer

We, the undersigned, being the Director, Chairman 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 and Rule 7.4 of Colombo Stock Exchange.
- b) the information contained in these statements have been extracted from the un-audited financial statements of the Bank and the Group unless indicated as audited.

Sgd.
Harsha Abeywickrema
**Chairman
(Independent Non-Executive)**

Sgd.
Lalith Withana
**Director
(Independent Non-Executive)**

Sgd.
D M Gunasekara
General Manager

12 August 2014

Colombo

As at 30 June		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				39,508,608			39,508,608
Balances with Central Banks				28,055,926			28,055,926
Placements with banks				18,781,056			18,781,056
Derivative financial instruments	2,168,996						2,168,996
Reverse repurchased agreements				41,181,401			41,181,401
Loans and advances to customers				698,208,878			698,208,878
Financial investments	10,590,832	-	206,476,592	130,166,915	14,635,724		361,870,063
Total financial assets	12,759,828	-	206,476,592	955,902,784	14,635,724	-	1,189,774,928
Other assets						64,228,647	64,228,647
Total assets	12,759,828	-	206,476,592	955,902,784	14,635,724	64,228,647	1,254,003,575

	Held for trading	Amortised cost	Others	Total
Financial liabilities				
Due to banks		2,936,747		2,936,747
Derivative financial instruments	30,945			30,945
Other financial liabilities held for trading				-
Due to customers		876,270,192		876,270,192
Other borrowings		250,107,279		250,107,279
Debt securities issued		22,153,216		22,153,216
Subordinated term debts		25,594,929		25,594,929
Total financial liabilities	30,945	1,177,062,363	-	1,177,093,308
Other liabilities			14,504,073	14,504,073
Total liabilities	30,945	1,177,062,363	14,504,073	1,191,597,381

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 30 June	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				39,708,533			39,708,533
Balances with Central Banks				28,055,926			28,055,926
Placements with banks				22,451,513			22,451,513
Derivative financial instruments	2,168,996						2,168,996
Reverse repurchased agreements				41,710,279			41,710,279
Loans and advances to customers				719,622,356			719,622,356
Financial investments	11,480,228	-	207,681,919	131,311,939	17,360,835		367,834,921
Total financial assets	13,649,224	-	207,681,919	982,860,546	17,360,835	-	1,221,552,524
Other assets						67,619,145	67,619,145
Total assets	13,649,224	-	207,681,919	982,860,546	17,360,835	67,619,145	1,289,171,669

	Held for trading	Amortised cost	Others	Total
Financial liabilities				
Due to banks		2,986,662		2,986,662
Derivative financial instruments	30,945			30,945
Other financial liabilities held for trading				-
Due to customers		886,183,785		886,183,785
Other borrowings		257,403,801		257,403,801
Debt securities issued		26,164,938		26,164,938
Subordinated term debts		25,584,245		25,584,245
Total financial liabilities	30,945	1,198,323,431	-	1,198,354,376
Other liabilities			19,302,745	19,302,745
Total liabilities	30,945	1,198,323,431	19,302,745	1,217,657,121

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

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest rate of comparable Government security	Amount	
					30.06.2014	31.12.2013		Bank	
					%	%		30.06.2014	31.12.2013
A - Sri Lanka rupee debentures									
Fixed interest rate									
Unsecured, subordinated, redeemable debentures	a	Annually	28.06.2010	27.06.2015	11.50	11.50	7.01	1,075,752	1,135,783
Unsecured, subordinated, redeemable debentures	a	Annually	08.12.2011	07.12.2016	11.00	11.00	7.47	4,136,839	3,926,514
Unsecured, subordinated, redeemable debentures	a	Semi annually	08.12.2011	07.12.2016	10.50	10.50	7.47	2,316	2,315
Unsecured, subordinated, redeemable debentures	a	Annually	30.11.2012	29.11.2017	16.00	16.00	8.19	6,498,872	6,034,052
Unsecured, subordinated, redeemable debentures	a	Semi annually	30.11.2012	29.11.2017	15.25	15.25	8.19	40,189	40,189
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2018	13.00	13.00	8.39	4,113,683	3,869,827
Unsecured, subordinated, redeemable debentures	a	Semi annually	25.10.2013	24.10.2018	12.60	12.60	8.39	222,634	220,369
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2021	13.25	13.25	9.62	1,305,329	1,226,594
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2022	13.25	13.25	9.6	1,306,417	1,227,617
Unsecured, subordinated, redeemable debentures	a	Annually	25.10.2013	24.10.2023	13.75	13.75	9.88	1,747,138	1,638,142
Unsecured, redeemable debentures		Annually	01.07.2010	30.06.2015	13.20	13.20	7.01	1,131,625	1,063,602
Unsecured, redeemable debentures		Annually	14.07.2010	13.07.2015	13.20	13.20	7.01	2,254,241	2,118,737
Unsecured, redeemable debentures		Annually	17.09.2010	16.09.2015	11.00	11.00	7.09	1,551,670	1,472,780
Unsecured, redeemable debentures		Semi annually	18.06.2012	17.06.2017	14.75	14.75	7.73	1,286,795	1,286,404
Unsecured, redeemable debentures		Annually	07.12.2012	06.12.2017	15.50	15.50	8.19	2,219,177	2,140,654
								28,892,677	27,403,579
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	8.18	9.47	7.01	4,040,559	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	8.23	10.36	7.47	1,103,486	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	8.75	11.03	8.19	424	424
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2018	8.54	11.12	8.39	215	204
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 100 basis points)	a/b	Semi annually	25.10.2013	24.10.2021	8.54	11.12	9.62	1,076	1,020
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	13.19	13.19	7.07	5,819,631	5,470,052
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	13.19	13.19	7.07	1,958,530	1,840,883
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	02.08.2015	13.19	13.19	7.07	5,931,547	5,575,245
								18,855,468	17,922,372
								47,748,145	45,325,952

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 30 June 2014
- 2010/2015 - (Highest Price - Rs. 95.00, Lowest Price - Rs. 95.00, Last Transaction Price - Rs. 95.00)
- 2011/2016 - (Highest Price - Rs. 100.00, Lowest Price - Rs. 100.00, Last Transaction Price - Rs. 100.00)
- 2012/2017 - (Highest Price - Rs. 104.00, Lowest Price - Rs. 104.00, Last Transaction Price - Rs. 104.00)
- 2013/2021 - (Highest Price - Rs. 111.13, Lowest Price - Rs. 111.13, Last Transaction Price - Rs. 111.13)
- 2013/2023 - (Highest Price - Rs. 117.32, Lowest Price - Rs. 112.50, Last Transaction Price - Rs. 117.32)
- 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 30-Jun-2014 Rs.	01-Jan-2013 to 31-Dec-2013 Rs.
MARKET VALUE		
BoC Debentures 2010/2015 ,		
Unsecured, subordinated, redeemable, 5 years, fixed rate (11.5%)		
Highest	95.00	91.00
Lowest	95.00	91.00
Last transaction	95.00	91.00
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
	Not Traded	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	100.00	Not Traded
Lowest	100.00	Not Traded
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	104.00	Not Traded
Lowest	104.00	Not Traded
Last transaction	104.00	Not Traded
Unsecured, subordinated, redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 125 basis points)		
Highest	Not Traded	Not Traded
Lowest	Not Traded	Not Traded
Last transaction	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	Not Traded	100.00
Lowest	Not Traded	100.00
Last transaction	Not Traded	100.00
Unsecured, subordinated, redeemable, 5 years, fixed rate (12.60%)		
	Not Traded	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	111.13	Not Traded
Lowest	111.13	Not Traded
Last transaction	111.13	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%)		
	Not Traded	Not Traded
Unsecured, subordinated, redeemable, 10 years, fixed rate (13.75%)		
Highest	117.32	Not Traded
Lowest	112.50	Not Traded
Last transaction	117.32	Not Traded

	30-Jun-2014 %	31-Dec-2013 %
INTEREST YIELD AS AT DATE OF LAST TRADE DONE		
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)	Not Traded	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%)	Not Traded	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%)	11.04	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%)	10.80	Not Traded
YIELD TO MATURITY OF LAST TRADE DONE		
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)	Not Traded	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%)	Not Traded	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%)	11.92	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%)	11.72	Not Traded

As at	Rs. '000			
	Bank		Group	
	30.06.2014	31.12.2013 (Audited)	30.06.2014	31.12.2013 (Audited)
1) LOANS AND RECEIVABLES TO OTHER CUSTOMERS				
Gross loans and advances	730,347,971	755,385,146	753,268,966	777,927,364
Less : Individual impairment	8,503,806	8,130,767	9,421,485	8,760,168
Collective impairment	23,635,287	21,922,413	24,225,125	22,595,377
Net loans and advances including those designated at fair value through profit or loss	698,208,878	725,331,966	719,622,356	746,571,819
Less : Loans and advances designated at fair value through profit or loss	-	-	-	-
Net loans and advances	698,208,878	725,331,966	719,622,356	746,571,819
2) LOANS AND ADVANCES TO CUSTOMERS - BY PRODUCT				
By product - Domestic currency				
Overdrafts	98,677,643	117,018,469	98,653,038	116,943,334
Term loans	115,184,495	107,828,340	119,094,200	112,094,142
Lease rentals receivable	23,106,807	22,044,606	31,311,898	32,352,554
Credit cards	2,720,045	2,651,703	2,720,045	2,651,703
Pawning	95,289,191	131,386,116	95,816,708	131,660,366
Loans under schemes	42,034,435	34,017,331	44,501,154	34,665,221
Housing loans	31,818,383	33,711,540	31,818,383	33,711,540
Trade finance	18,315,967	17,431,503	19,501,154	18,328,059
Personal loans	46,884,626	40,882,088	47,526,964	41,501,777
Staff loans	12,985,221	12,937,347	14,734,263	13,147,526
Foreclosed properties	1,103,887	839,056	1,103,887	839,056
Other loans	8,065,243	9,587,751	11,026,236	13,084,714
Sub total	496,185,943	530,335,850	517,807,930	550,979,992
By product - Foreign currency				
Overdrafts	8,375,981	9,283,688	8,580,285	9,687,350
Term loans	176,440,438	171,111,928	177,238,333	172,299,818
Trade finance	48,553,181	44,011,953	48,553,181	44,011,953
Lease rentals receivable	792,428	641,727	792,428	641,727
Housing loans	-	-	291,374	300,912
Staff loans	-	-	5,435	5,612
Sub total	234,162,028	225,049,296	235,461,036	226,947,372
Total	730,347,971	755,385,146	753,268,966	777,927,364
3) MOVEMENT IN INDIVIDUAL AND COLLECTIVE IMPAIRMENT DURING THE PERIOD FOR LOANS AND ADVANCES TO CUSTOMERS				
Individual impairment				
Opening balance (01st January)	8,130,767	8,969,765	8,760,168	8,991,553
Charge /(write back) to income statement	373,039	(838,998)	551,490	(665,354)
Write-off during the period	-	-	-	(412)
Other movements	-	-	109,827	434,381
Closing balance	8,503,806	8,130,767	9,421,485	8,760,168
Collective impairment				
Opening balance (01st January)	21,922,413	13,977,744	22,595,377	14,781,310
Charge /(write back) to income statement	1,763,621	7,761,900	1,980,969	7,996,490
Write-off during the period	-	(50,371)	(18,552)	(101,201)
Other movements	(50,747)	233,140	(332,669)	(81,222)
Closing balance	23,635,287	21,922,413	24,225,125	22,595,377
Total impairment	32,139,093	30,053,180	33,646,610	31,355,545
4) DUE TO OTHER CUSTOMERS				
By product - Domestic currency				
Demand deposits (current accounts)	70,157,755	66,054,550	69,844,095	65,865,409
Savings deposits	199,554,848	180,765,449	200,056,605	181,240,336
Fixed deposits	380,262,176	387,972,612	389,011,620	395,417,150
Certificate of deposit	4,315	4,315	15,480	17,822
Other deposits	1,863,992	2,093,399	1,863,992	2,093,448
Sub total	651,843,086	636,890,325	660,791,792	644,634,165
By product - Foreign currency				
Demand deposits (current accounts)	13,057,696	16,462,897	13,464,178	16,868,071
Savings deposits	72,838,947	55,774,778	73,234,016	56,228,521
Fixed deposits	138,055,429	132,296,839	138,218,765	132,391,603
Other deposits	475,034	645,161	475,034	645,161
Sub total	224,427,106	205,179,675	225,391,993	206,133,356
Total	876,270,192	842,070,000	886,183,785	850,767,521

Rs. '000

For the six months ended 30 June	Retail banking		Corporate banking		International, treasury and investment		Government and SOEs		Group functions		Unallocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers:														
Interest	18,704,116	21,120,300	10,962,473	12,935,036	2,261,772	1,934,209	18,989,374	18,407,935	2,555,483	2,465,722	379,876	822,070	53,853,094	57,685,272
Fees and commissions	1,495,102	641,041	1,068,004	644,696	448,306	367,705	781,533	843,143	142,957	323,030	213,977	94,056	4,149,879	2,913,671
Other income	997,032	825,067	160,471	464,929	2,842,627	2,057,696	1,788,049	230,750	830,070	667,301	(573,197)	(852,707)	6,045,052	3,393,036
Total revenue	21,196,250	22,586,408	12,190,948	14,044,661	5,552,705	4,359,610	21,558,956	19,481,828	3,528,510	3,456,053	20,656	63,419	64,048,025	63,991,979
Expenses :														
Total expenses	(25,959,969)	(27,791,495)	(11,972,734)	(12,227,243)	(2,443,193)	(2,316,307)	(11,924,697)	(11,240,976)	(3,303,844)	(3,094,141)	(50,785)	(78,804)	(55,655,222)	(56,748,966)
Inter segment transaction	6,153,473	6,817,848	4,350,057	2,122,809	(1,181,013)	(1,014,835)	(7,995,450)	(6,652,481)			(1,327,067)	(1,273,341)	-	-
Net operating income	1,389,754	1,612,761	4,568,271	3,940,227	1,928,499	1,028,468	1,638,809	1,588,371	224,666	361,912	(1,357,196)	(1,288,726)	8,392,803	7,243,013
Share of profit of Associate companies									166,836	54,853			166,836	54,853
Profit/(loss) before income tax	1,389,754	1,612,761	4,568,271	3,940,227	1,928,499	1,028,468	1,638,809	1,588,371	391,502	416,765	(1,357,196)	(1,288,726)	8,559,639	7,297,866
Income tax expense													(2,515,039)	(2,263,243)
Profit for the period													6,044,600	5,034,623
Total assets	356,018,276	360,313,708	188,389,775	167,604,761	85,900,321	60,118,371	563,273,624	508,241,116	47,105,648	51,075,634	48,484,025	56,150,277	1,289,171,669	1,203,503,867
Total liabilities	544,608,928	483,429,925	398,880,127	432,550,157	60,459,533	45,708,558	128,410,630	99,252,130	34,648,833	38,916,824	50,649,070	41,288,582	1,217,657,121	1,141,146,176
Cash flows from operating activities	25,699,976	161,558	15,062,743	215,356	3,107,737	32,203	26,091,929	306,474	3,511,305	41,052	521,961	13,686	73,995,651	770,329
Cash flows from investing activities	(11,028,198)	(7,420,856)	(5,835,655)	(3,540,326)	(2,660,891)	(1,269,884)	(17,448,241)	(10,735,610)	(1,459,168)	(1,078,874)	(1,501,864)	(1,186,066)	(39,934,017)	(25,231,616)
Cash flows from financing activities	(6,987,674)	12,358,435	(5,117,882)	11,057,741	(775,734)	1,168,497	(1,647,589)	864,083	(444,566)	1,042,567	(649,860)	1,055,505	(15,623,305)	27,546,828