



FINANCIAL STATEMENTS
for the year ended 31.12.2012
(Audited)

Bank of Ceylon

Rs'000

For the year ended	Bank			Group		
	31-Dec-2012	31-Dec-2011	Growth %	31-Dec-2012	31-Dec-2011	Growth %
Total income	110,137,920	70,456,979	56.3	115,527,161	74,856,653	54.3
Interest income	95,021,794	61,222,410	55.2	98,751,348	64,208,696	53.8
Interest expenses	(59,700,875)	(36,215,901)	64.8	(61,489,053)	(37,384,647)	64.5
Net interest income	35,320,919	25,006,509	41.2	37,262,295	26,824,049	38.9
Fee and commission income	7,320,001	6,676,092	9.6	7,531,297	6,939,856	8.5
Fee and commission expenses	(654,195)	(542,911)	20.5	(761,209)	(609,243)	24.9
Net fee and commission income	6,665,806	6,133,181	8.7	6,770,088	6,330,613	6.9
Net gain/(loss) from trading	3,773,334	319,477	1,081.1	3,753,375	269,010	1,295.3
Net gain/(loss) from financial investments	366,407	347,748	5.4	368,206	353,480	4.2
Net gain/(loss) from financial investments designated at fair value through profit or loss	-	-	-	-	-	-
Other operating income (net)	3,656,383	1,891,252	93.3	5,122,935	3,085,611	66.0
	7,796,124	2,558,477	204.7	9,244,516	3,708,101	149.3
Total Operating income	49,782,849	33,698,167	47.7	53,276,899	36,862,763	44.5
Impairment charges for loans and other losses						
Individual impairment	(1,742,432)	963,223	(280.9)	(1,746,515)	948,236	(284.2)
Collective impairment	(2,373,850)	479,039	(595.5)	(2,465,224)	364,640	(776.1)
others	(1,788,000)	815,460	(319.3)	(1,794,143)	(3,132)	57,184.3
Net operating income	43,878,567	35,955,889	22.0	47,271,017	38,172,507	23.8
Personnel expenses	(12,926,831)	(10,460,089)	23.6	(14,061,777)	(11,462,039)	22.7
Depreciation and amortisation	(838,051)	(815,088)	2.8	(1,170,529)	(1,083,637)	8.0
Other expenses	(7,105,096)	(5,680,242)	25.1	(8,556,311)	(6,747,244)	26.8
Total Operating expenses	(20,869,978)	(16,955,419)	23.1	(23,788,617)	(19,292,920)	23.3
Operating profit/(loss) before value added tax (VAT)	23,008,589	19,000,470	21.1	23,482,400	18,879,587	24.4
Value added tax (VAT) on financial services	(3,214,291)	(2,515,755)	27.8	(3,274,717)	(2,596,957)	26.1
Operating profit/(loss) after value added tax (VAT)	19,794,298	16,484,715	20.1	20,207,683	16,282,630	24.1
Share of profit/(loss) of associate companies before tax	-	-	-	38,585	208,716	(81.5)
Profit /(loss) before income tax	19,794,298	16,484,715	20.1	20,246,268	16,491,346	22.8
Income tax expense	(5,377,677)	(4,567,110)	17.7	(5,638,274)	(4,824,536)	16.9
Profit /(loss) for the year	14,416,621	11,917,605	21.0	14,607,994	11,666,810	25.2
Profit attributable to :						
Equity holders of the parent	14,416,621	11,917,605	21.0	14,580,264	11,592,078	25.8
Non controlling interest	-	-	-	27,730	74,732	(62.9)
Profit/(loss) for the year	14,416,621	11,917,605	21.0	14,607,994	11,666,810	25.2
Earnings per share on profit						
Basic earnings per share (Rs.)	2,883.32	2,383.52	21.0	2,916.05	2,318.42	25.8
Diluted earnings per share (Rs.)	2,883.32	2,383.52	21.0	2,916.05	2,318.42	25.8

STATEMENT OF COMPREHENSIVE INCOME

Rs'000

For the year ended	Bank			Group		
	31-Dec-2012	31-Dec-2011	Growth %	31-Dec-2012	31-Dec-2011	Growth %
Profit /(loss) for the year	14,416,621	11,917,605	21.0	14,607,994	11,666,810	25.2
Other comprehensive income						
Gains/(losses) arising from translating the financial Statements of a foreign operation	253,847	(130,541)	(294.5)	567,944	(135,398)	(519.5)
Actuarial gains / (losses) on retirement benefit plans	431,641	851,384	(49.3)	421,634	820,521	(48.6)
Revaluation gains /(losses) on property, plant and equipments	696,307	4,710,770	(85.2)	738,219	5,658,237	(87.0)
Gains/(losses) on re-measuring available for sale financial assets	(766,275)	(1,832,161)	(58.2)	(1,038,486)	(1,424,698)	(27.1)
Total other comprehensive income	615,520	3,599,452	(82.9)	689,311	4,918,662	(86.0)
Income tax (charge)/credit relating to components of other comprehensive income	(86,654)	(223,408)	(61.2)	(86,654)	(488,699)	(82.3)
Other comprehensive income for the year, net of tax	528,866	3,376,044	(84.3)	602,657	4,429,963	(86.4)
Total comprehensive income for the year, net of tax	14,945,487	15,293,649	(2.3)	15,210,651	16,096,773	(5.5)
Attributable to:						
Equity holders of the parent	14,945,487	15,293,649	(2.3)	15,204,828	15,957,656	(4.7)
Non controlling interest	-	-	-	5,823	139,117	(95.8)
	14,945,487	15,293,649	(2.3)	15,210,651	16,096,773	(5.5)

INCOME STATEMENT

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Rs ' 000

For the quarter ended	Bank			Group		
	31-Dec-2012	31-Dec-2011	Growth %	31-Dec-2012	31-Dec-2011	Growth %
Total income	31,850,675	21,166,748	50.5	33,185,638	22,430,855	47.9
Interest income	27,758,771	17,371,268	59.8	28,758,447	18,438,579	56.0
Interest income on other interest earning assets	20,815,881	12,616,626	65.0	21,719,778	13,586,615	59.9
Interest income on other interest earning assets	6,942,890	4,754,642	46.0	7,038,669	4,851,964	45.1
Less: Interest expenses	18,365,894	9,983,852	84.0	18,863,982	10,466,515	80.2
Interest expense on deposits	10,978,245	6,646,111	65.2	11,188,489	6,932,818	61.4
Interest expense on other interest bearing liabilities	7,387,649	3,337,741	121.3	7,675,493	3,533,697	117.2
Net interest income	9,392,877	7,387,416	27.1	9,894,465	7,972,064	24.1
Non - interest income	3,080,455	3,440,515	(10.5)	3,412,569	3,638,453	(6.2)
Foreign exchange income	682,768	998,484	(31.6)	688,186	991,907	(30.6)
Other income	2,397,687	2,442,031	(1.8)	2,724,383	2,646,546	2.9
Net income	12,476,332	10,827,931	15.2	13,307,034	11,610,517	14.6
Less: Non - interest expenses	4,889,557	5,579,207	(12.4)	5,698,831	6,007,771	(5.1)
Personnel costs	2,601,016	2,216,550	17.3	2,878,605	2,495,714	15.3
Contribution for staff retirement benefits	(27,152)	576,531	(104.7)	(16,810)	614,065	(102.7)
Premises, equipment and establishment expenses	803,679	709,268	13.3	855,810	690,539	23.9
Loss on trading/ investment securities	(214,730)	902,833	(123.8)	(188,379)	994,430	(118.9)
Amortization of intangible assets	39,619	51,270	(22.7)	38,889	46,935	(17.1)
Other operating expenses	1,687,125	1,122,755	50.3	2,130,718	1,166,088	82.7
Less: Provision for bad and doubtful debts and loans written off	150,402	(1,095,577)	(113.7)	153,584	(237,533)	(164.7)
Provisions - general	(2,190)	(410,603)	(99.5)	(45,114)	(380,209)	(88.1)
Provisions - specific	1,164,041	485,451	139.8	1,213,319	496,499	144.4
Recoveries (-)	(1,011,449)	(354,965)	184.9	(1,014,621)	(353,823)	186.8
Reversal of provision for fall in value of investments in related	-	(815,460)	(100.0)	-	-	-
Loans written off	-	-	-	-	-	-
Less: Provision for decline in value of investments (Net)	1,788,000			1,789,483	(49,051)	(3,748.2)
Operating profit on ordinary activities before taxes	5,645,372	6,344,301	(11.0)	5,665,135	5,889,330	(3.8)
Less: Value added tax on financial services	697,916	808,262	(13.7)	701,694	819,024	(14.3)
Operating profit on ordinary activities before corporate tax	4,947,456	5,536,039	(10.6)	4,963,441	5,070,306	(2.1)
Share of Associate companies' profit / (loss)	-	-		93,152	48,534	
Operating profit before corporate tax	4,981,093	5,536,039	(10.0)	5,056,593	5,118,840	(1.2)
Less: Tax on profits on ordinary activities	1,016,287	795,269	27.8	1,082,545	890,598	21.6
Operating profit for the period	3,931,169	4,740,770	(17.1)	3,974,047	4,228,242	(6.0)
Attributable to:						
Equity holders of the parent	3,931,169	4,740,770	(17.1)	3,963,105	4,219,094	(6.1)
Minority interest	-	-		10,942	9,148	
	3,931,169	4,740,770	(17.1)	3,974,047	4,228,242	(6.0)
Basic earnings per share (Rs.)	786.23	948.15	(17.1)	792.62	843.82	(6.1)

Rs'000

As at	Bank			1-Jan-2011	Group			
	31-Dec-2012	31-Dec-2011	Growth %		31-Dec-2012	31-Dec-2011	Growth %	1-Jan-2011
Assets								
Cash and cash equivalents	31,544,558	18,670,911	69.0	14,103,803	31,955,777	18,780,907	70.2	13,786,344
Balances with Central Banks	29,963,240	30,222,650	(0.9)	25,641,964	29,963,240	30,222,650	(0.9)	25,641,964
Placements with other banks	19,394,466	14,580,998	33.0	42,708,657	25,577,197	18,885,470	35.4	47,810,453
Derivative financial instruments	507,451	63,211	702.8	239,780	507,451	63,211	702.8	239,780
Reverse repurchased agreements	797,425	1,094,934	(27.2)	40,853,169	1,423,796	1,630,165	(12.7)	40,863,129
Financial assets - Held for trading	15,541,185	40,296,813	(61.4)	47,192,646	16,028,758	40,752,353	(60.7)	47,852,471
Financial investments-Loans and receivables	99,206,859	89,739,284	10.6	88,448,678	99,182,351	89,636,684	10.6	88,448,678
Loans and advances to customers	691,899,207	543,148,965	27.4	368,301,921	709,933,498	558,254,483	27.2	379,477,713
Financial investments - Available for sale	12,080,988	12,864,301	(6.1)	12,828,058	14,361,925	15,903,141	(9.7)	14,786,474
Financial investments - Held to maturity	110,956,202	51,386,437	115.9	51,641,782	111,706,459	51,842,461	115.5	52,603,444
Investment in Subsidiary Companies	6,792,848	6,240,686	8.8	5,279,094	-	-	-	-
Investment in Associate Companies	842,988	842,988	-	844,658	1,268,995	1,282,678	(1.1)	1,172,760
Investment properties	-	-	-	-	147,047	165,875	(11.4)	386,867
Property, plant and equipment	11,430,827	10,518,926	8.7	5,544,589	18,437,863	17,480,943	5.5	11,369,145
Leasehold properties	84,976	76,270	11.4	77,515	124,724	117,376	6.3	119,978
Intangible assets	376,002	342,839	9.7	163,826	461,955	413,229	11.8	170,037
Deferred tax assets	-	-	-	842,543	73,042	76,300	(4.3)	842,543
Other assets	16,801,769	18,182,827	(7.6)	15,535,063	18,199,140	19,125,554	(4.8)	16,497,285
Total assets	1,048,220,991	838,273,040	25.0	720,247,746	1,079,353,218	864,633,480	24.8	742,069,065
Liabilities								
Due to banks	10,127,983	6,507,833	55.6	2,214,596	10,329,510	8,357,333	23.6	2,458,511
Derivative financial instruments	74,314	987,775	(92.5)	157,854	74,314	987,775	(92.5)	157,854
Due to customers	693,440,642	595,773,738	16.4	530,091,812	700,168,802	603,406,426	16.0	537,153,200
Other borrowings	233,795,515	138,388,932	68.9	105,169,017	245,140,679	143,359,562	71.0	109,693,669
Debt securities issued	23,296,349	25,236,518	(7.7)	26,623,371	24,481,798	26,429,041	(7.4)	27,369,072
Current tax liabilities	2,208,461	1,139,464	93.8	2,199,758	2,418,079	1,289,186	87.6	2,422,527
Deferred tax liabilities	351,279	395,268	(11.1)	46,185	1,699,612	1,759,690	(3.4)	1,125,893
Insurance provision - life	-	-	-	-	166,087	115,210	44.2	78,681
Insurance provision - non life	-	-	-	-	571,068	342,848	66.6	264,490
Other liabilities	10,155,542	11,134,422	(8.8)	10,346,562	11,859,101	12,402,274	(4.4)	11,399,724
Subordinated term debts	23,818,024	17,355,285	37.2	13,492,025	23,801,505	17,343,828	37.2	13,492,025
Total liabilities	997,268,109	796,919,235	25.1	690,341,180	1,020,710,555	815,793,173	25.1	705,615,646
Equity								
Share capital	5,000,000	5,000,000	-	5,000,000	5,000,000	5,000,000	(0.0)	5,000,000
Permanent reserve fund	3,285,955	3,008,000	9.2	2,777,500	3,285,955	3,008,000	9.2	2,777,500
Retained earnings	27,639,146	21,733,008	27.2	14,563,559	29,318,089	23,355,259	25.5	16,616,493
Other reserves	15,027,781	11,612,797	29.4	7,565,507	19,621,126	16,028,017	22.4	10,794,955
Total equity attributable to the parent	50,952,882	41,353,805	23.2	29,906,566	57,225,170	47,391,276	20.8	35,188,948
Non controlling interest	-	-	-	-	1,417,493	1,449,031	(2.2)	1,264,471
Total equity	50,952,882	41,353,805	23.2	29,906,566	58,642,663	48,840,307	20.1	36,453,419
Total liabilities and equity	1,048,220,991	838,273,040	25.0	720,247,746	1,079,353,218	864,633,480	24.8	742,069,065
Contingent liabilities & commitments	455,180,815	409,747,168	11.1	313,039,513	455,863,271	410,879,389	10.9	314,956,820
Net assets per share	10,190.58	8,270.76	23.2	5,981.31	11,445.03	9,478.26	20.8	7,037.79

STATEMENT OF CHANGES IN EQUITY - BANK

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	Rs '000							Total equity
	Share Capital	Permanent reserve fund	Available for sale reserve fund	Other Reserves			Retained profits	
				Investment fund account	Revaluation reserve	Other reserves		
Balance as at 31st December 2010	5,000,000	2,777,500			125,299	1,516,295	18,712,777	28,131,871
Impact of adopting SLFRS as at 1st January 2011			6,001,624			(77,711)	(4,149,218)	1,774,695
Restated balance as at 1st January 2011	5,000,000	2,777,500	6,001,624		125,299	1,438,584	14,563,559	29,906,566
Balance as at 1st January 2011	5,000,000	2,777,500	6,001,624		125,299	1,438,584	14,563,559	29,906,566
Total comprehensive income for the year								
Net profit for the year							11,917,605	11,917,605
Other comprehensive income, net of tax			(1,832,161)		4,487,362	(130,541)	851,384	3,376,044
Dividend for 2011							(3,846,410)	(3,846,410)
Transfers to investment fund account				1,484,073			(1,484,073)	
Transfers to permanent reserve fund		230,500					(230,500)	
Transfers to primary dealer special risk reserve						38,557	(38,557)	
Balance as at 31st December 2011	5,000,000	3,008,000	4,169,463	1,484,073	4,612,661	1,346,600	21,733,008	41,353,805
Balance as at 1st January 2012	5,000,000	3,008,000	4,169,463	1,484,073	4,612,661	1,346,600	21,733,008	41,353,805
Total comprehensive income for the year								
Net profit for the year							14,416,621	14,416,621
Other comprehensive income, net of tax			(766,275)		609,653	253,847	431,641	528,866
Dividend for 2012							(5,346,410)	(5,346,410)
Transfers to investment fund account				3,232,612			(3,232,612)	
Transfers to permanent reserve fund		277,955					(277,955)	
Transfers to primary dealer special risk reserve						85,147	(85,147)	
Balance as at 31st December 2012	5,000,000	3,285,955	3,403,188	4,716,685	5,222,314	1,685,594	27,639,146	50,952,882

STATEMENT OF CHANGES IN EQUITY - GROUP

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	Rs '000								Total Equity
	Share Capital	Permanent reserve fund	Available for sale reserve fund	Other Reserves			Retained profits	Non controlling interest	
				Investment fund account	Revaluation reserve	Other reserves			
Balance as at 31st December 2010	5,000,000	2,777,500			178,692	1,846,865	20,393,029	1,065,411	31,261,497
Impact of adopting SLFRS as at 1st January 2011			6,429,916		2,414,603	(75,121)	(3,776,536)	199,060	5,191,922
Restated balance as at 1st January 2011	5,000,000	2,777,500	6,429,916		2,593,295	1,771,744	16,616,493	1,264,471	36,453,419
Balance as at 1st January 2011	5,000,000	2,777,500	6,429,916		2,593,295	1,771,744	16,616,493	1,264,471	36,453,419
Total comprehensive income for the year									
Net profit for the year							11,592,078	74,732	11,666,810
Other comprehensive income, net of tax			(1,442,422)		5,122,877	(135,398)	820,521	64,385	4,429,963
Dividend for 2011							(3,846,410)	(63,834)	(3,910,244)
Transfers to investment fund account				1,570,276			(1,570,276)		
Transfers to permanent reserve fund		230,500					(230,500)		
Transfers to other reserves						79,172	(79,172)		
Acquisition, disposal and changes in non controlling interest							91,082	109,277	200,359
Transfers to primary dealer special risk reserve						38,557	(38,557)		
Balance as at 31st December 2011	5,000,000	3,008,000	4,987,494	1,570,276	7,716,172	1,754,075	23,355,259	1,449,031	48,840,307
Balance as at 1st January 2012	5,000,000	3,008,000	4,987,494	1,570,276	7,716,172	1,754,075	23,355,259	1,449,031	48,840,307
Total comprehensive income for the year									
Net profit for the year							14,580,264	27,730	14,607,994
Other comprehensive income, net of tax			(1,016,579)		651,565	567,944	421,634	(21,907)	602,657
Dividend for 2012							(5,346,410)	(60,302)	(5,346,410)
Subsidiary dividends to non controlling interest								(60,302)	(60,302)
Transfers to investment fund account				3,279,672			(3,279,672)		
Transfers to permanent reserve fund		277,955					(277,955)		
Transfers to other reserves						25,360	(25,360)		
Acquisition, disposal and changes in non controlling interest							(24,524)	22,941	(1,583)
Transfers to primary dealer special risk reserve						85,147	(85,147)		
Balance as at 31st December 2012	5,000,000	3,285,955	3,970,915	4,849,948	8,367,737	2,432,526	29,318,089	1,417,493	58,642,663

STATEMENT OF CASH FLOWS

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Rs'000

For the year ended	Bank		Group	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Operating activities				
Profit before income tax	19,794,298	16,484,715	20,246,268	16,491,346
Adjustments for :				
Net interest income	(35,320,919)	(25,006,509)	(37,262,295)	(26,824,049)
Dividend income on trading securities	(94,153)	(86,786)	(94,377)	(91,845)
Dividends from subsidiarias and assosiates	(324,798)	(278,091)	-	-
Share of profit in associates	-	-	(38,585)	(208,716)
Change in operating assets	(116,036,895)	(132,698,370)	(115,905,927)	(139,145,819)
Change in operating liabilities	82,392,310	82,140,834	83,188,312	84,258,673
Other non-cash items included in profit before tax	7,732,156	2,353,683	8,104,859	3,015,001
Other net (gain)/loss from investing activities	(465,822)	(368,200)	(464,247)	(378,671)
	(42,323,823)	(57,458,724)	(42,225,992)	(62,884,080)
Contribution paid to defined benefit plans	(4,156,871)	(3,257,607)	(4,169,844)	(3,268,782)
Interest received	66,059,417	46,899,319	69,705,946	49,923,644
Interest paid	(34,795,501)	(25,179,000)	(37,108,275)	(26,157,931)
Dividend received	94,154	86,786	94,378	91,845
Net cash used in operating activities before Income Tax	(15,122,624)	(38,909,226)	(13,703,787)	(42,295,304)
Income tax paid	(4,148,349)	(3,439,227)	(4,382,700)	(3,576,228)
Net cash used in operating activities	(19,270,973)	(42,348,453)	(18,086,487)	(45,871,532)
Investing Activities				
Net increase in financial investments - Held to maturity	(56,731,405)	(1,576,946)	(57,025,638)	(1,071,309)
Net increase in financial investments - Available for sale	(1,727,908)	(1,868,404)	(1,281,698)	(2,549,911)
Net increase in financial investments - Loans and receivables	(9,480,520)	(1,290,607)	(9,558,613)	(1,188,006)
Increase in interest in Subsidiaries	(596,624)	-	(1,350)	-
Purchase of investment properties	-	-	-	(15,000)
Purchase of property plant & equipments and leasehold properties	(1,066,781)	(1,085,125)	(1,316,646)	(1,562,216)
Purchase of intangible assets	(153,783)	(275,283)	(166,401)	(342,517)
Proceeds from investment properties	-	-	1,140	232,707
Proceeds from sale of property plant & equipments	105,603	13,759	106,413	33,735
Dividend received	646,036	625,838	367,080	401,018
Interest received	16,040,375	12,380,625	17,996,652	12,713,071
Net cash generated from/(used in) investing activities	(52,965,007)	6,923,857	(50,879,061)	6,651,572
Financing Activities				
Net increase in other borrowings	105,650,069	23,003,094	110,535,428	23,047,911
Proceeds from non controlling interest on issue of rights in subsidiary	-	-	18,335	201,000
Proceeds from issue of debentures	9,400,000	5,000,000	9,400,000	6,000,000
Payments on redemption of debentures	(5,500,000)	(2,450,000)	(5,550,000)	(2,877,500)
Dividends paid to Government of Sri Lanka	(5,346,410)	(4,019,615)	(5,346,410)	(4,019,615)
Dividends paid to non controlling interest	-	-	(60,302)	(63,834)
Interest payments on borrowings and debt securities	(14,563,581)	(9,057,244)	(15,874,370)	(9,037,882)
Net cash generated from financing activities	89,640,078	12,476,235	93,122,681	13,250,080
Net increase/ (decrease) in cash and cash equivalents during the year	17,404,098	(22,948,361)	24,157,133	(25,969,880)
Cash and cash equivalents at the beginning of the year	29,376,817	52,325,177	31,139,635	57,109,514
Cash and cash equivalents at the end of the year Note I	46,780,915	29,376,816	55,296,768	31,139,634
Note I				
Analysis of Cash and Cash Equivalents				
Cash and cash equivalents	31,544,558	18,670,911	31,955,777	18,780,907
Due from banks with original maturity less than three months	15,381,086	10,840,927	23,572,247	13,783,380
Bank overdrafts	(144,729)	(135,022)	(231,256)	(1,424,653)
	46,780,915	29,376,816	55,296,768	31,139,634

SELECTED PERFORMANCE INDICATORS
7

As at	Bank		Group	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
Regulatory Capital Adequacy				
Core capital (Tier 1 capital), Rs. Mn	39,013	32,512	45,633	37,871
Total capital base, Rs. Mn	53,968	44,438	63,230	51,990
Core capital adequacy ratio, % of risk weighted assets (Minimum requirement, 5%)	8.23%	8.52%	8.91%	9.31%
Total capital adequacy ratio, % of risk weighted assets (Minimum requirement, 10%)	11.38%	11.64%	12.35%	12.77%
Profitability				
Interest margin	3.74%	3.21%	3.83%	3.34%
Return on assets (before tax)	2.10%	2.12%	2.08%	2.05%
Return on equity (after tax)	31.24%	33.45%	27.18%	27.36%
Assets Quality				
Gross non-performing advance ratio (Net of interest in suspense)	2.76%	2.06%		
Net non-performing advance ratio (Net of interest in suspense and provisions)	1.62%	0.77%		
Investor Information				
Debt equity (%)	273.43	170.48		
Interest cover (times)	1.94	2.45		
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. Mn)	159,213	136,028		
- Off-shore banking unit (US\$ Mn)	480	412		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	21.80	23.36%		
- Off-shore banking unit	24.95	24.39%		
Memorandum Information				
Number of employees	7,790	8,115		
Number of branches	324	318		

SHARE INFORMATION

Shareholder	31-Dec-2012		31-Dec-2011	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	5,000,000	100	5,000,000	100

EXPLANATORY NOTES

1. These financial statements are presented in accordance with Sri Lanka Financial Reporting Standards, together with comparative period data as at and for the year ended 31st December 2012,. In preparing these financial statements, opening statement of financial position was prepared according to Sri Lanka Financial Reporting Standards as at 1st January 2011 which is the date of transition to SLFRS.
2. However, Income statement for the quarter ended 31st December 2012 is presented in accordance with Sri Lanka Accounting Standards along with comparatives.
3. No circumstances have arisen and no material events have occurred since the balance sheet date which requires 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, Ceyleas Limited, Hotels Colombo(1963) Ltd, 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 Record Solutions (Private) Limited and Ceybank Assets Management Limited.

CERTIFICATION

I certify that the above Financial Statements give true and fair view of the state of affairs of Bank of Ceylon and the group as at 31st December 2012 and its profit for the year ended 31st December 2012.

Sgd

Asoka Rupasinghe
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 format 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 audited financial statements of the Bank and the group.

Sgd

Razik Zarook
Chairman
(Independent Non-Executive)

Sgd

Raju Sivaraman
Director
(Independent Non-Executive)

Sgd

D.M.Gunasekara
General Manager

21 March 2013
Colombo.

DEBENTURE INFORMATION

Description	Note	Interest payable frequency	Issue date	Maturity date	Coupon rate		Interest Rate of comparable Government security	Amount			
					2012	2011		Bank		Group	
					%	%		2012 Rs.'000	2011 Rs.'000	2012 Rs.'000	2011 Rs.'000
A - Sri Lanka rupee debentures											
Fixed interest rate											
Unsecured, subordinated, redeemable debentures	a	Annually	24.11.2008	24.11.2013	19.00	19.00	10.65	351,385	351,385	345,212	345,212
Unsecured, subordinated, redeemable debentures	a	At maturity	24.11.2008	24.11.2013	-	-	10.65	448,322	380,383	448,322	380,383
Unsecured, subordinated, redeemable debentures	a	Annually	28.06.2010	28.06.2015	11.50	11.50	10.82	1,135,783	1,135,783	1,130,499	1,130,499
Unsecured, subordinated, redeemable debentures	a	Annually	08.12.2011	08.12.2016	11.00	11.00	10.90	3,926,514	3,926,514	3,926,514	3,926,514
Unsecured, subordinated, redeemable debentures	a	Semi annually	08.12.2011	08.12.2016	10.50	10.50	10.90	2,315	2,315	2,315	2,315
Unsecured, subordinated, redeemable debentures	a	Annually	30.11.2012	29.11.2017	16.00	-	11.05	6,034,052	-	6,028,990	-
Unsecured, subordinated, redeemable debentures	a	Semi annually	30.11.2012	29.11.2017	15.25	-	11.05	40,189	-	40,189	-
Unsecured, redeemable debentures		Annually	01.07.2010	01.07.2015	13.20	13.20	10.80	1,063,602	1,063,602	1,063,602	1,063,602
Unsecured, redeemable debentures		Annually	14.07.2010	14.07.2015	13.20	13.20	10.85	2,118,737	2,118,737	2,118,737	2,118,737
Unsecured, redeemable debentures		Semi annually	31.07.2010	31.07.2013	13.00	13.00	10.57	-	-	82,569	82,563
Unsecured, redeemable debentures		Semi annually	31.08.2010	31.08.2013	13.00	13.00	10.87	-	-	103,220	103,225
Unsecured, redeemable debentures		Annually	17.09.2010	17.09.2015	11.00	11.00	10.89	1,472,780	1,472,780	1,472,780	1,472,780
Unsecured, redeemable debentures		Semi annually	18.06.2012	18.06.2017	14.75	-	11.10	1,286,404	-	1,286,404	-
Unsecured, redeemable debentures		Annually	07.12.2012	07.12.2017	15.50	-	11.15	2,140,654	-	2,140,654	-
Secured, redeemable debentures		Semi annually	16.11.2011	16.11.2014	11.60	11.60	10.65	-	-	630,665	598,398
Secured, redeemable debentures		Semi annually	16.11.2011	16.11.2015	11.80	11.80	10.70	-	-	282,675	270,669
								20,020,737	10,451,499	21,103,347	11,494,897
Floating interest rate											
Unsecured, subordinated, redeemable debentures (12 months TB (Gross) rate plus 100 basis points)	c	Annually	15.08.2008	15.08.2013	15.64	9.06	10.60	316,993	310,028	316,993	310,028
Unsecured, subordinated, redeemable debentures (6 months TB rate (Gross) plus 75 basis points)	a/b	Semi annually	24.11.2008	24.11.2013	14.16	9.13	10.65	3,751,496	3,732,660	3,751,496	3,732,660
Unsecured, subordinated, redeemable debentures (6 months TB rate (Gross) plus 75 basis points)	a/b	Semi annually	28.06.2010	28.06.2015	13.33	10.26	10.82	3,929,437	3,929,571	3,929,437	3,929,571
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 75 basis points)	a/b	Semi annually	08.12.2011	08.12.2016	14.19	10.26	10.90	1,107,323	1,104,675	1,107,323	1,104,675
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 125 basis points)	a/b	Semi annually	30.11.2012	29.11.2017	14.68	-	11.05	425	-	425	-
Unsecured, redeemable, debentures (12 months TB (Gross) rate)	c	Annually	10.01.2007	10.01.2012	-	8.39	-	-	1,622,692	-	1,622,692
Unsecured, redeemable, debentures (12 months TB (Gross) rate)	c	Annually	12.03.2007	12.03.2012	-	8.14	-	-	1,064,925	-	1,064,925
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)	c	Annually	03.10.2007	03.10.2012	-	8.62	-	-	1,019,905	-	1,019,905
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)	c	Annually	01.11.2007	01.11.2012	-	8.77	-	-	1,520,822	-	1,520,822
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)	c	Annually	01.11.2007	01.11.2012	-	8.77	-	-	506,941	-	506,941
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)	c	Annually	01.04.2008	01.04.2013	13.08	8.61	10.50	548,289	531,834	548,289	531,834
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)	c	Annually	01.04.2008	01.04.2013	13.08	8.61	10.50	1,644,866	1,595,503	1,644,866	1,595,503
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	31.03.2010	31.03.2013	13.07	11.64	10.10	-	-	7,024	6,963
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	03.08.2015	16.11	9.56	10.87	5,527,289	5,398,991	5,527,289	5,398,991
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	03.08.2015	16.11	9.56	10.87	1,860,145	1,816,968	1,860,145	1,816,968
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Annually	03.08.2010	03.08.2015	16.11	9.56	10.87	5,633,583	5,502,818	5,633,583	5,502,818
Secured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	10.01.2010	10.01.2012	-	11.20	-	-	-	-	26,133
Secured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	10.01.2010	10.07.2012	-	11.20	-	-	-	-	26,133
Secured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	10.01.2010	10.01.2013	11.20	11.20	10.40	-	-	26,418	26,133
Secured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	10.01.2010	10.07.2013	11.20	11.20	10.62	-	-	26,418	26,133
Secured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)	c	Semi annually	10.01.2010	10.01.2014	11.20	11.20	10.55	-	-	26,418	26,133
Secured, redeemable, debentures (6 months TB (Gross) rate plus 160 basis points)	b	Semi annually	16.11.2011	16.11.2014	11.03	9.76	10.65	-	-	42	40
								24,319,846	29,658,330	24,406,166	29,795,998
B - United State dollar debentures											
Fixed interest rate											
Unsecured, subordinated, redeemable debentures		Semi annually	10.10.2008	10.10.2013	5.50	5.50	4.25	30,918	27,674	30,918	27,674
Floating interest rate											
Unsecured, subordinated, redeemable debentures (6 months LIBOR Plus 300 basis points)	d	Semi annually	10.10.2008	10.10.2013	3.58	3.58	4.25	2,742,872	2,454,297	2,742,872	2,454,297
								2,773,789	2,481,971	2,773,790	2,481,971
								47,114,372	42,591,800	48,283,303	43,772,866

Notes

- 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 2012 2008/2013 - (Highest Price - Rs.166.02, Lowest Price - Rs.105.00, Last Transaction Price - Rs.166.02)
- 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.
- 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.
- 6 months London Inter Bank Offered Rate (LIBOR) for US Dollars plus 3% per annum

	01-Jan-2012 to 31-Dec-2012 Rs.	01-Jan-2011 to 31-Dec-2011 Rs.
Market Value		
BOC Debenture 2008/2013 , Unsecured, Subordinated, Redeemable, 5 years, fixed rate (19.0%)		
Highest (Rs.)	105.00	100.10
Lowest (Rs.)	105.00	100.00
Last transaction (Rs.)	105.00	100.00
Unsecured, Subordinated, Redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest (Rs.)	Not Traded	Not Traded
Lowest (Rs.)	Not Traded	Not Traded
Last transaction (Rs.)	Not Traded	Not Traded
Unsecured, Subordinated, Redeemable, 5 years, zero coupon		
Highest (Rs.)	166.02	Not Traded
Lowest (Rs.)	166.02	Not Traded
Last transaction (Rs.)	166.02	Not Traded
Market Value		
BOC Debenture 2010/2015 , Unsecured, Subordinated, Redeemable, 5 years, fixed rate (11.5%)		
Highest (Rs.)	Not Traded	100.00
Lowest (Rs.)	Not Traded	90.50
Last transaction (Rs.)	Not Traded	95.00
Unsecured, Subordinated, Redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest (Rs.)	Not Traded	Not Traded
Lowest (Rs.)	Not Traded	Not Traded
Last transaction (Rs.)	Not Traded	Not Traded
Market Value		
BOC Debenture 2011/2016 , Unsecured, Subordinated, Redeemable, 5 years, fixed rate (11.0%)		
Highest (Rs.)	Not Traded	Not Traded
Lowest (Rs.)	Not Traded	Not Traded
Last transaction (Rs.)	Not Traded	Not Traded
Unsecured, Subordinated, Redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest (Rs.)	Not Traded	Not Traded
Lowest (Rs.)	Not Traded	Not Traded
Last transaction (Rs.)	Not Traded	Not Traded
Unsecured, Subordinated, Redeemable, 5 years, fixed rate (10.5%)		
Highest (Rs.)	Not Traded	Not Traded
Lowest (Rs.)	Not Traded	Not Traded
Last transaction (Rs.)	Not Traded	Not Traded

	31-Dec-2012 %	31-Dec-2011 %
Interest yield as at date of last trade done		
BOC Debenture 2008/2013 ,		
5 years, fixed rate (19.0%)	15.15	19.00
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, zero coupon	21.33	Not Traded
BOC Debenture 2010/2015 ,		
5 years, fixed rate (11.5%)	Not Traded	12.11
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
BOC Debenture 2011/2016 ,		
5 years, fixed rate (11.0%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, fixed rate (10.5%)	Not Traded	Not Traded
Yield to maturity of last trade done		
BOC Debenture 2008/2013 ,		
5 years, fixed rate (19.0%)	18.10	19.00
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, zero coupon	17.40	Not Traded
BOC Debenture 2010/2015 ,		
5 years, fixed rate (11.5%)	Not Traded	13.33
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
BOC Debenture 2011/2016 ,		
5 years, fixed rate (11.0%)	Not Traded	Not Traded
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, fixed rate (10.5%)	Not Traded	Not Traded

Rs. '000

	Retail Banking		Corporate Banking		International, Treasury and Investment		Government		Group Functions		Unallocated		Total	
	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011	31-Dec-2012	31-Dec-2011
For the Year ended														
Revenue from external customers:														
Interest	36,156,394	22,271,914	22,180,121	11,895,163	2,749,958	3,629,131	32,062,068	23,055,716	4,214,052	3,260,781	1,388,755	95,991	98,751,348	64,208,696
Fees and commissions	2,204,138	1,837,166	4,140,865	4,483,304	643,405	846,007			131,126	271,413	411,763	(298,034)	7,531,297	6,939,856
Other	21,618,062	12,792,446	8,078,149	2,565,332	6,420,844	1,273,641	638,860	1,051,581	2,413,846	1,964,561	(29,925,245)	(15,939,460)	9,244,516	3,708,101
Inter Segment Transaction	(7,200,601)	(4,211,245)	(4,880,888)	(2,334,666)	(686,715)	(487,247)	(14,686,984)	(7,071,997)			27,455,188	14,105,155	-	-
Total revenue	52,777,993	32,690,281	29,518,247	16,609,133	9,127,492	5,061,532	18,013,944	17,035,300	6,759,024	5,496,755	(669,539)	(2,036,348)	115,527,161	74,856,653
Expenses:														
Interest expenses	(26,405,706)	(18,624,003)	(18,786,564)	(9,471,839)	(5,562,761)	(4,811,509)	(8,926,732)	(3,157,330)	(2,272,675)	(1,443,241)	465,385	123,275	(61,489,053)	(37,384,647)
Non interest expenses	(15,393,927)	(12,041,555)	(3,603,443)	(2,261,314)	(3,503,789)	(1,171,283)	(5,916,925)	(3,581,806)	(3,587,254)	(3,074,896)	(1,825,087)	941,478	(33,830,425)	(21,189,376)
Net Operating Income	10,978,360	2,024,723	7,128,240	4,875,980	60,942	(921,260)	3,170,287	10,296,164	899,095	978,618	(2,029,241)	(971,595)	20,207,683	16,282,630
Share of profit of associate companies									38,585	208,716			38,585	208,716
Profit/(loss) before income tax	10,978,360	2,024,723	7,128,240	4,875,980	60,942	(921,260)	3,170,287	10,296,164	937,680	1,187,334	(2,029,241)	(971,595)	20,246,268	16,491,346
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(5,638,274)	(4,824,536)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	14,607,994	11,666,810
Total assets	278,953,988	252,888,588	178,567,406	127,165,573	28,763,993	32,545,535	500,235,282	372,870,287	47,736,753	39,598,053	45,095,796	39,565,444	1,079,353,218	864,633,480
Total liabilities	447,488,419	403,929,503	369,172,340	210,944,820	43,267,419	18,534,798	81,378,796	110,923,312	35,771,421	28,914,781	43,632,159	42,545,958	1,020,710,554	815,793,173
Cash flows from operating activities	(9,958,901)	(23,729,748)	(7,351,480)	(11,827,480)	(3,938,569)	(5,328,266)	3,131,962	3,127,641	(781,490)	(3,214,393)	811,990	1,355,997	(18,086,488)	(45,871,531)
Cash flows from investing activities	(355,784)	(547,230)	(227,749)	(275,176)	(49,537,765)	8,452,143	(638,012)	(806,862)	(62,235)	(85,687)	(57,516)	(85,616)	(50,879,061)	6,651,572
Cash flows from financing activities	43,330,521	8,455,518	36,521,069	4,477,196	3,412,627	(568,610)	1,468,688	(1,224,524)	3,380,013	715,835	5,009,763	1,394,665	93,122,681	13,250,080