



INTERIM FINANCIAL STATEMENTS
for the nine months ended 30.09.2010
(Un-audited)

Bank of Ceylon

INCOME STATEMENT

Rs ' 000

	Bank						Group					
	For the nine months ended			For the quarter ended			For the nine months ended			For the quarter ended		
	30-Sep-2010	30-Sep-2009	Growth %	30-Sep-2010	30-Sep-2009	Growth %	30-Sep-2010	30-Sep-2009	Growth %	30-Sep-2010	30-Sep-2009	Growth %
Total revenue	45,750,135	47,348,261	(3.4)	16,212,215	15,200,414	6.7	48,257,138	49,063,799	(1.6)	17,183,966	15,805,084	8.7
Interest income	36,577,285	39,368,893	(7.1)	13,027,392	12,909,601	0.9	38,181,554	40,949,743	(6.8)	13,538,162	13,463,996	0.6
Interest income on loans and advances	26,111,413	28,205,664	(7.4)	9,185,077	9,168,720	0.2	27,578,085	29,507,953	(6.5)	9,698,276	9,637,828	0.6
Interest income on other interest earning assets	10,465,872	11,163,229	(6.2)	3,842,315	3,740,881	2.7	10,603,469	11,441,790	(7.3)	3,839,886	3,826,168	0.4
Less: Interest expenses	22,999,544	29,009,995	(20.7)	7,987,667	9,705,273	(17.7)	23,610,426	29,932,656	(21.1)	8,129,708	10,021,213	(18.9)
Interest expense on deposits	16,396,609	19,854,755	(17.4)	5,499,492	7,276,039	(24.4)	16,638,967	20,209,336	(17.7)	5,548,346	7,481,801	(25.8)
Interest expense on other interest bearing liabilities	6,602,935	9,155,240	(27.9)	2,488,175	2,429,234	2.4	6,971,459	9,723,320	(28.3)	2,581,362	2,539,412	1.7
Net interest income	13,577,741	10,358,898	31.1	5,039,725	3,204,328	57.3	14,571,128	11,017,087	32.3	5,408,454	3,442,783	57.1
Non - interest income	8,532,308	7,184,721	18.8	2,899,718	2,050,631	41.4	9,294,476	7,322,303	26.9	3,365,748	2,159,406	55.9
Foreign exchange income	11,576	1,476,482	(99.2)	(377,673)	253,252	(249.1)	17,006	1,476,482	(98.8)	(374,943)	253,252	(248.1)
Other income	8,520,732	5,708,239	49.3	3,277,391	1,797,379	82.3	9,277,470	5,845,821	58.7	3,740,691	1,906,154	96.2
Net income	22,110,049	17,543,619	26.0	7,939,443	5,254,959	51.1	23,865,604	18,339,390	30.1	8,774,202	5,602,189	56.6
Less: Non - interest expenses	12,180,385	11,556,427	5.4	4,064,230	4,099,038	(0.8)	13,017,045	11,929,242	9.1	4,430,326	4,214,422	5.1
Personnel costs	6,070,201	6,025,630	0.7	2,006,163	2,185,057	(8.2)	6,507,607	6,303,839	3.2	2,154,709	2,280,195	(5.5)
Contribution for staff retirement benefits	1,653,962	1,607,314	2.9	542,163	526,782	2.9	1,668,367	1,616,683	3.2	547,093	529,900	3.2
Premises, equipment and establishment expenses	2,045,957	1,740,464	17.6	700,357	611,606	14.5	1,963,803	1,562,799	25.7	675,438	557,697	21.1
Loss on trading/ investment securities	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	117,000	177,481	(34.1)	39,000	40,000	(2.5)	118,925	177,481	(33.0)	32,268	25,216	28.0
Other operating expenses	2,293,265	2,005,538	14.3	776,547	735,593	5.6	2,758,343	2,268,440	21.6	1,020,818	821,414	24.3
Less: Provision for bad and doubtful debts and loans written off	960,049	966,962	(0.7)	156,356	137,801	13.5	1,048,401	1,091,316	(3.9)	181,516	175,835	3.2
Provisions - general	920,172	377,802	143.6	171,110	(56,081)	(405.1)	945,389	441,485	114.1	174,367	(28,558)	(710.6)
Provisions - specific	680,419	1,383,807	(50.8)	270,351	434,064	(37.7)	747,069	1,449,508	(48.5)	293,332	446,953	(34.4)
Recoveries (-)	(640,542)	(794,647)	(19.4)	(285,105)	(240,182)	18.7	(644,057)	(799,677)	(19.5)	(286,183)	(242,560)	18.0
Loans written off	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for decline in value of investments (Net)	-	-	-	-	-	-	1,553	(27,596)	(105.6)	1,553	(6,993)	(122.2)
Operating profit on ordinary activities before taxes	8,969,615	5,020,230	78.7	3,718,857	1,018,120	265.3	9,798,605	5,346,428	83.3	4,160,807	1,218,925	241.4
Less: Value added tax on financial services	2,747,088	2,002,661	37.2	1,086,223	707,412	53.5	2,833,486	2,030,329	39.6	1,125,974	719,997	56.4
Operating profit on ordinary activities before corporate tax	6,222,527	3,017,569	106.2	2,632,634	310,708	747.3	6,965,119	3,316,099	110.0	3,034,833	498,928	508.3
Share of profit of Associate Companies	-	-	-	-	-	-	137,051	(7,924)	(1,829.6)	(6,127)	(60,878)	(89.9)
Operating profit before corporate tax	6,222,527	3,017,569	106.2	2,632,634	310,708	747.3	7,102,170	3,308,175	114.7	3,028,706	438,050	591.4
Less: Tax on profits on ordinary activities	2,092,357	1,021,917	104.7	697,535	107,818	547.0	2,436,355	1,219,401	99.8	827,501	179,044	362.2
Operating profit for the period	4,130,170	1,995,652	107.0	1,935,099	202,890	853.8	4,665,815	2,088,774	123.4	2,201,205	259,006	749.9
Attributable to:												
Equity holders of the parent	4,130,170	1,995,652	107.0	1,935,099	202,890	853.8	4,556,588	2,089,070	118.1	2,146,135	256,756	735.9
Minority interest	-	-	-	-	-	-	109,227	(296)	37,001.0	55,070	2,250	2,347.6
Basic earnings per share (Rs.)	1,101.38	532.17	107.0	1,548.08	162.31	853.8	1,215.09	557.09	118.1	1,716.91	205.40	735.9

BALANCE SHEET

2

Rs ' 000

As at	Bank			Group		
	30-Sep-2010	31-Dec-2009 (Audited)	Growth %	30-Sep-2010	31-Dec-2009 (Audited)	Growth %
On-balance sheet assets						
Cash in hand	10,141,938	8,004,770	26.7	10,163,318	8,025,089	26.6
Balances with Central Banks	16,597,562	16,263,468	2.1	16,597,562	16,263,468	2.1
Due from banks and other financial institutions	30,223,948	51,371,150	(41.2)	34,669,035	51,379,232	(32.5)
Investments - trading account	38,371,549	19,896,328	92.9	39,885,314	21,211,611	88.0
Government securities	34,729,940	18,068,459	92.2	35,774,434	19,074,229	87.6
Other securities	3,641,609	1,827,869	99.2	4,110,880	2,137,382	92.3
Investments - held-to-maturity	164,596,252	148,584,209	10.8	164,824,304	149,192,709	10.5
Government securities	150,304,635	137,656,046	9.2	150,304,635	137,656,046	9.2
Government of Sri Lanka Restructuring Bonds	8,547,000	8,547,000	-	8,547,000	8,547,000	-
Other securities	5,751,265	2,387,811	140.9	5,979,317	3,001,311	99.2
Less: Provision for decline in value of investment	(6,648)	(6,648)	-	(6,648)	(11,648)	(42.9)
Investments in Associates and Subsidiaries	5,750,718	4,036,517	42.5	1,177,280	1,084,064	8.6
Total loans and advances						
Total performing loans and advances	313,333,930	259,480,008	20.8	322,193,682	266,941,746	20.7
Bills of exchange	23,713,129	15,305,967	54.9	24,221,362	15,658,372	54.7
Overdrafts	53,453,856	56,502,953	(5.4)	53,649,190	56,491,338	(5.0)
Lease rentals receivable	3,147,521	3,960,733	(20.5)	9,301,908	8,766,268	6.1
Other loans	233,019,424	183,710,355	26.8	235,021,222	186,025,768	26.3
Total non-performing loans and advances	15,539,927	15,542,300	(0.0)	16,777,480	16,280,930	3.0
Bills of exchange	735,238	792,563	(7.2)	871,993	910,110	(4.2)
Overdrafts	2,711,620	3,109,800	(12.8)	2,711,620	3,109,800	(12.8)
Lease rentals receivable	686,806	755,421	(9.1)	1,541,621	1,319,123	16.9
Other loans	10,940,139	10,438,640	4.8	11,186,122	10,496,021	6.6
Foreclosed properties	466,124	445,876	4.5	466,124	445,876	4.5
Interest receivable on non performing loans	8,597,108	8,508,903	1.0	8,681,592	8,560,627	1.4
Total gross loans and advances	337,470,965	283,531,211	19.0	347,652,754	291,783,303	19.1
Less: Interest in suspense	(8,745,583)	(8,508,903)	2.8	(8,911,319)	(8,560,627)	4.1
Specific loan loss provisions	(7,692,398)	(7,862,955)	(2.2)	(8,095,992)	(8,206,389)	(1.3)
General loan loss provisions	(2,820,917)	(2,093,962)	34.7	(3,057,582)	(2,216,661)	37.9
Net loans and advances	318,212,067	265,065,391	20.1	327,587,861	272,799,626	20.1
Other assets	31,561,131	19,184,449	64.5	31,949,045	19,774,648	61.6
Intangible assets	121,848	110,812	10.0	293,036	119,205	145.8
Investment properties	72,000	-	100.0	507,387	391,730	29.5
Property, plant & equipment	5,991,411	5,724,043	4.7	7,884,753	7,179,167	9.8
Total on-balance sheet assets	621,640,424	538,241,137	15.5	635,538,896	547,420,551	16.1
On-balance sheet liabilities						
Total deposits	452,586,979	408,607,442	10.8	456,020,187	411,459,582	10.8
Demand deposits	54,170,701	55,028,027	(1.6)	54,768,035	54,911,112	(0.3)
Savings accounts	168,332,573	162,187,766	3.8	168,658,160	162,187,766	4.0
Time deposits	228,064,789	189,692,572	20.2	230,575,076	192,661,528	19.7
Margin deposits	1,344,322	968,732	38.8	1,344,322	968,732	38.8
Other deposits	674,594	730,345	(7.6)	674,594	730,444	(7.6)
Total borrowings	124,337,196	85,346,691	45.7	130,032,071	87,848,550	48.0
Borrowings from Central Bank of Sri Lanka	6,068,244	4,891,794	24.0	6,068,244	4,891,794	24.0
Borrowings from banks and financial institutions in Sri Lanka	6,456,695	25,253,940	(74.4)	10,042,419	27,922,686	(64.0)
Borrowings from banks and financial institutions abroad	26,059,890	2,952,643	782.6	27,664,028	2,952,643	836.9
Securities sold under repurchase agreements	46,039,003	34,203,701	34.6	45,536,603	32,968,041	38.1
Debentures	39,713,364	18,044,613	120.1	40,720,777	19,113,386	113.0
Insurance provision - life	-	-	-	14,497	41,336	(64.9)
Insurance provision - non life	-	-	-	233,393	181,569	28.5
Deferred taxation	169,586	409,453	(58.6)	302,138	440,132	(31.4)
Current taxation	3,767,399	189,824	1,884.7	3,984,129	287,650	1,285.1
Other liabilities	14,673,712	18,789,140	(21.9)	15,699,731	19,627,591	(20.0)
Total on-balance sheet liabilities	595,534,872	513,342,550	16.0	606,286,147	519,886,410	16.6
Equity capital and reserves	26,105,552	24,898,587	4.8	28,231,788	26,583,285	6.2
Stated capital	5,000,000	5,000,000	-	5,000,000	5,000,000	-
Permanent reserve fund	2,650,000	2,650,000	-	2,650,000	2,650,000	-
Other reserves	18,455,552	17,248,587	7.0	20,581,788	18,933,285	8.7
Minority interest				1,020,960	950,856	7.4
Total on-balance sheet liabilities and equity capital and reserves	621,640,424	538,241,137	15.5	635,538,896	547,420,551	16.1
Off-balance sheet items and contra accounts						
Contingencies	260,122,532	246,042,413	5.7	266,005,695	246,042,413	8.1
Commitments and contra accounts	110,420	202,235	(45.4)	148,520	273,703	(45.7)

STATEMENT OF CHANGES IN EQUITY - BANK

3

Rs '000

For the nine months ended	Stated Capital	Reserves				Total Equity
		Permanent Reserve Fund	Revaluation Reserve	Other Reserves	Retained Profits	
Balance as at 01/01/2009	5,000,000	2,585,000	126,961	1,055,732	14,334,563	23,102,256
Net profit for the nine months 2009	-	-	-	-	1,995,653	1,995,653
Revaluation adjustment	-	-	(1,662)	-	-	(1,662)
Exchange translation adjustment	-	-	-	69,316	-	69,316
Dividend for 2009	-	-	-	-	(1,346,410)	(1,346,410)
Balance as at 30/09/2009	5,000,000	2,585,000	125,299	1,125,048	14,983,806	23,819,153
Balance as at 01/01/2010	5,000,000	2,650,000	125,299	1,303,700	15,819,588	24,898,587
Net profit for the nine months 2010	-	-	-	-	4,130,170	4,130,170
Dividend for 2010	-	-	-	-	(2,923,205)	(2,923,205)
Balance as at 30/09/2010	5,000,000	2,650,000	125,299	1,303,700	17,026,553	26,105,552

STATEMENT OF CHANGES IN EQUITY - GROUP

Rs '000

For the nine months ended	Stated Capital	Reserves				Minority Interest	Total Equity
		Permanent Reserve Fund	Revaluation Reserve	Other Reserves	Retained Profits		
Balance as at 01/01/2009	5,000,000	2,585,000	180,354	1,299,807	15,826,941	655,342	25,547,444
Net profit for the nine months 2009	-	-	-	-	2,089,070	(296)	2,088,774
Transfer to reserves during the period	-	-	-	-	-	-	-
Exchange translation adjustment	-	-	-	69,316	-	-	69,316
Dividend for 2009	-	-	-	-	(1,346,410)	(40,829)	(1,387,239)
Adjustments	-	-	(47,645)	215,138	(161,944)	-	5,549
Balance as at 30/09/2009	5,000,000	2,585,000	132,709	1,584,261	16,407,657	614,217	26,323,844
Balance as at 01/01/2010	5,000,000	2,650,000	178,692	1,639,070	17,115,523	950,856	27,534,141
Net profit for the nine months 2010	-	-	-	-	4,556,588	109,227	4,665,815
Exchange translation adjustment	-	-	-	63,175	-	-	63,175
Dividend for 2010	-	-	-	-	(2,923,205)	(38,142)	(2,961,347)
Adjustments	-	-	-	-	(48,055)	(981)	(49,036)
Balance as at 30/09/2010	5,000,000	2,650,000	178,692	1,702,245	18,700,851	1,020,960	29,252,748

CASH FLOW STATEMENT

4

<i>For the nine months ended 30th September</i>	Rs.000			
	Bank		Group	
	2010	2009	2010	2009
Cash flows from operating activities				
Interest receipts	35,378,152	39,645,384	36,856,569	41,414,969
Interest payments	(24,995,813)	(24,221,834)	(25,778,982)	(26,382,986)
Commission fees & other operating income	5,460,237	3,476,379	6,389,079	3,789,900
Premium received from policy holders	-	-	316,584	-
Reinsurance premium paid	-	-	(136,820)	-
Claims and benefits paid	-	-	(142,702)	-
Reinsurance receipts in respect of claims	-	-	(19,797)	-
Non-performing advances recovered	640,542	794,647	644,057	799,677
Cash payments to employees	(7,724,163)	(7,632,944)	(8,175,974)	(7,920,522)
Cash payments to suppliers	(4,766,302)	(2,439,693)	(5,092,016)	(2,432,098)
Value added tax on financial services paid	(2,747,088)	(2,002,661)	(2,833,486)	(2,030,329)
Cash flows from operating profits before changes in operating assets and liabilities	1,245,565	7,619,278	2,026,512	7,238,611
(Increase) / Decrease in operating assets				
Deposits held for regulatory purposes	(334,094)	1,324,466	(334,094)	1,324,466
Funds advanced to customers	(54,908,895)	4,476,905	(56,395,503)	2,743,933
Credit card receivable	(82,875)	57,327	(82,875)	57,327
Short term marketable securities	(346,943)	(156,880)	(505,148)	(306,106)
Other assets	(4,373,162)	(6,039,559)	(9,610,789)	(6,071,368)
Increase / (Decrease) in operating liabilities				
Deposits from other banks	(156,417)	384,802	(156,417)	384,802
Deposits from customers	46,266,674	82,790,780	44,717,022	83,592,008
Other liabilities	(291,852)	(475,015)	(870,718)	926,675
Net cash from/(used in) operating activities before income tax	(12,981,999)	89,982,104	(21,212,010)	89,890,348
Income tax paid	(530,078)	(917,783)	(705,327)	(1,110,030)
Net cash from/ (used in) operating activities	(13,512,077)	89,064,321	(21,917,337)	88,780,318
Cash flows from investing activities				
Net increase in treasury bills & other eligible bills	(6,302,778)	(7,747,648)	(5,269,665)	(7,108,613)
Proceeds from sale of investment & dealing securities	788,464	672,027	788,464	672,027
Dividends received	437,227	316,930	250,840	141,870
Purchase of investment securities	(15,760,440)	3,405,949	(15,422,859)	3,210,033
Investment in subsidiaries and associates	(22,602,852)	(5,000)	-	-
Purchase of property plant & equipment	(719,402)	(760,708)	(879,418)	(459,101)
Purchase of securities purchased under resale agreement	(11,167,451)	(10,872,000)	(11,381,141)	(11,693,134)
Proceeds from sale of property plant & equipment	16,406	92,101	27,893	92,125
Net cash from/(used in) investing activities	(55,310,826)	(14,898,349)	(31,885,886)	(15,144,793)
Cash flows from financing activities				
Proceeds from securities sold under repurchase agreements	11,835,302	(13,149,792)	12,568,562	(13,350,070)
Net increase/ (decrease) in other borrowings	19,221,960	(26,271,420)	8,007,568	(25,437,108)
Dividends paid to GOSL	(2,923,205)	(1,346,410)	(2,923,205)	(1,346,410)
Proceeds from issue of debentures	21,678,813	-	21,617,452	-
Subsidiary dividend to minority interest	-	-	(39,123)	(40,829)
Net cash from financing activities	49,812,870	(40,767,622)	39,231,254	(40,174,417)
Net increase/(decrease) in cash and cash equivalents	(19,010,033)	33,398,350	(14,571,969)	33,461,108
Cash and cash equivalents at the beginning of year	59,375,919	26,570,989	59,404,322	26,627,892
Cash and cash equivalents at the end of the period	40,365,886	59,969,339	44,832,353	60,089,000
Analysis of cash and cash equivalents				
Cash in hand	10,141,938	8,016,904	10,163,318	8,018,115
Due from banks and other financial institutions	30,223,948	51,952,435	34,669,035	52,070,885
Cash and cash equivalents at the end of the period	40,365,886	59,969,339	44,832,353	60,089,000

SELECTED PERFORMANCE INDICATORS

5

As at	Bank		Group	
	30-Sep-2010	31-Dec-2009 (Audited)	30-Sep-2010	31-Dec-2009 (Audited)
Net Assets Value per Share(Rs)	5,221	4,980	5,646	5,317
Regulatory Capital Adequacy				
Core capital (Tier 1 capital), Rs. Mn	22,204	23,192	26,362	26,202
Total capital base, Rs. Mn	33,039	29,282	38,772	33,010
Core capital adequacy ratio, % of risk weighted assets (Minimum requirement, 5%)	9.59%	11.22%	10.58%	12.01%
Total capital adequacy ratio, % of risk weighted assets (Minimum requirement, 10%)	14.27%	14.16%	15.57%	15.13%
Assets Quality				
Gross non - performing advances ratio, (Net of interest in suspense)	4.73%	5.65%	4.95%	5.75%
Net non - performing advances ratio, (Net of interest in suspense and provisions)	2.39%	2.79%	2.56%	2.85%
Profitability				
Interest margin	3.12%	2.90%	3.28%	3.04%
Return on assets (before tax)	1.43%	0.82%	1.60%	0.91%
Return on equity (after tax)	21.59%	12.85%	21.91%	12.50%
Investor Information				
Debt equity (%)	175.37	92.12		
Interest cover (times)	1.94	1.35		
Regulatory Liquidity				
Statutory liquid assets,				
- Domestic banking unit (Rs. Mn)	119,653	89,185		
- Off-shore banking unit (US\$ Mn)	498.01	787.22		
Statutory liquid assets ratio, (minimum requirement, 20%)				
- Domestic banking unit	25.87%	21.13%		
- Off-shore banking unit	44.52%	55.46%		
Memorandum Information				
Number of employees	8,315	7,538		
Number of branches	309	310		

SHARE INFORMATION

Shareholder	30-Sep-2010		31-Dec-2009	
	No of Ordinary Shares	Holding %	No of Ordinary Shares	Holding %
Government of Sri Lanka	5,000,000	100	5,000,000	100

1. There are no changes in the accounting policies and methods of computation since the publication of annual accounts for the year 2009.
2. These Financial Statements are presented in accordance with SLAS 35 - Interim Financial Reporting and provide the information as required in terms of Listing Rule 7.4 of the Colombo Stock Exchange.
3. No circumstances have arisen and no material events have occurred since the balance sheet date, which require disclosure or adjustment to the accounts.
4. During the period there were no material changes in the composition of assets, liabilities and contingent liabilities and use of funds raised through debentures.
5. All known expenses have been provided for 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, Merchant Credit of Sri Lanka Limited, Ceylease Financial Services Limited, Hotels Colombo (1963) Limited, BOC Property Development & Management (Pvt) Limited, BOC Travels (Pvt) Limited, Ceybank Holiday Homes (Pvt) Limited, BOC Management & Support Services (Pvt) Limited, MBSL Insurance Company Limited, Bank of Ceylon (UK) Limited and the group's interest in its associate companies, Lanka Securities (Pvt) Limited, Mireka Capital Land (Pvt) Limited, Southern Development Financial Company Limited, Transnational Lanka Record Solutions (Pvt) Limited, Ceybank Assets Management (Pvt) Limited and MBSL Savings Bank 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 30th September 2010 and its profit for the nine months ended 30th September 2010.

Sgd.
Asoka Rupasinghe
Chief Financial Officer

We, the undersigned, being the Chairman, Director and Acting 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 un-audited financial statements of the Bank unless indicated as audited.

Sgd.
Gamini Wickramasinghe
Chairman
(Independent Non-executive)

Sgd.
K L Hewage
Director
(Independent Non-executive)

Sgd.
W A Nalani
Actg. General Manager

08th November 2010
Colombo

DEBENTURE INFORMATION

Description	Interest payable frequency	Issue date	Maturity date	Coupon rate		Effective annual yield		Interest Rate of comparable Government security	Amount	
				30.09.2010	31.12.2009	30.09.2010	31.12.2009		Bank	
									30.09.2010	31.12.2009
				%	%	%	%	%	Rs' 000	Rs' 000
A - Sri Lanka rupee debentures										
Fixed interest rate										
Unsecured, subordinated, redeemable debentures*	Annually	24.11.2008	24.11.2013	19.00	19.00	19.00	19.00	8.10	345,190	345,190
Unsecured, subordinated, redeemable debentures*	At maturity	24.11.2008	24.11.2013	-	-	17.61	18.18	8.10	309,797	273,927
Unsecured, subordinated, redeemable debentures	Annually	28.06.2010	28.06.2015	11.50	-	11.50	-	9.00	1,074,670	-
Unsecured, redeemable, debentures	Annually	01.07.2010	01.07.2015	13.20	-	13.20	-	9.00	1,000,000	-
Unsecured, redeemable, debentures	Annually	14.07.2010	14.07.2015	13.20	-	13.20	-	9.00	2,000,000	-
Unsecured, redeemable, debentures	Annually	17.09.2010	17.09.2015	11.00	-	11.00	-		1,428,813	-
									6,158,470	619,117
Floating interest rate										
Unsecured, subordinated, redeemable debentures (6 months TB rate (Gross) plus 75 basis points)**	Semi annually	28.06.2010	28.06.2015	10.67	-	10.67	-	9.00	3,925,330	-
Unsecured, subordinated, redeemable debentures (6 months TB rate (Gross) plus 75 basis points)**	Semi annually	24.11.2008	24.11.2013	10.00	10.00	10.25	17.04	8.10	3,699,390	3,699,390
Unsecured, subordinated, redeemable debentures (6 months TB (Gross) rate plus 150 basis points)**	Semi annually	31.12.2003	31.12.2011	10.15	10.15	10.56	16.69	7.20	250,000	250,000
Unsecured, subordinated, redeemable debentures (12 months TB (Gross) rate plus 70 basis points)***	Semi annually	03.11.2005	03.11.2010	11.68	11.68	11.99	20.24	6.50	1,000,000	1,000,000
Unsecured, subordinated, redeemable debentures (12 months TB (Gross) rate plus 75 basis points)***	Semi annually	27.10.2006	27.10.2011	12.11	12.11	12.48	20.16	7.20	1,000,000	1,000,000
Unsecured, subordinated, redeemable debentures (12 months TB (Gross) rate plus 100 basis points)***	Annually	15.08.2008	15.08.2013	10.49	14.31	12.87	18.14	8.10	300,000	300,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate)***	Annually	17.11.2006	17.11.2011	11.36	11.36	11.36	19.41	7.20	1,200,000	1,200,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate)***	Annually	10.01.2007	10.01.2012	10.39	20.27	10.66	20.40	7.40	1,500,000	1,500,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate)***	Annually	12.03.2007	12.03.2012	10.52	19.66	12.30	20.58	7.40	1,000,000	1,000,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)***	Annually	03.10.2007	03.10.2012	12.82	12.82	12.82	19.51	7.55	1,000,000	1,000,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)***	Annually	01.11.2007	01.11.2012	11.48	11.48	11.48	19.99	7.60	1,500,000	1,500,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)***	Annually	01.11.2007	01.11.2012	11.48	11.48	11.48	19.99	7.60	500,000	500,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)***	Annually	01.04.2008	01.04.2013	11.02	18.80	12.94	19.54	8.00	500,000	500,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 50 basis points)***	Annually	01.04.2008	01.04.2013	11.02	18.80	12.94	19.54	8.00	1,500,000	1,500,000
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)***	Annually	03.08.2010	03.08.2015	11.50	-	11.50	-	9.05	5,200,000	-
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)***	Annually	03.08.2010	03.08.2015	11.50	-	11.50	-	9.05	1,750,000	-
Unsecured, redeemable, debentures (12 months TB (Gross) rate plus 150 basis points)***	Annually	03.08.2010	03.08.2015	11.50	-	11.50	-	9.05	5,300,000	-
									31,124,720	14,949,390
B - United State dollar debentures										
Fixed interest rate										
Unsecured, subordinated, redeemable debentures	Semi annually	10.10.2008	10.10.2013	5.50	5.50	5.50	5.50	4.10	26,983	27,493
Floating interest rate										
Unsecured, subordinated, redeemable debentures (6 months LIBOR Plus 300 basis points)****	Semi annually	10.10.2008	10.10.2013	3.45	4.69	3.48	4.74	4.10	2,403,192	2,448,613
									2,430,175	2,476,106
									39,713,365	18,044,613

Notes

* Debentures that are listed in the Colombo Stock Exchange were issued on 24 November 2008. Some of these have been traded in the Colombo Stock Exchange during the period ended 30 September 2010

(Highest Price - Rs.135.11, Lowest Price - Rs.107.00, Last Transaction Price - Rs.134.15)

** 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,

INFORMATION ON LISTED DEBENTURES

8

	01-Jan-2010 to 30-Sep-2010 Rs.	01-Jan-2009 to 30-Sep-2009 Rs.
Market Value		
BOC Debenture 2008/2013 ,		
Unsecured, Subordinated, Redeemable, 5 years, fixed rate (19.0%)		
Highest (Rs.)	107	100
Lowest (Rs.)	107	100
Last transaction (Rs.)	107	100
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.)	135.11	Not Traded
Lowest (Rs.)	134.15	Not Traded
Last transaction (Rs.)	134.15	Not Traded
Market Value		
BOC Debenture 2010/2015 ,		
Unsecured, Subordinated, Redeemable, 5 years, fixed rate (11.5%)		
Highest (Rs.)	Not Traded	N/A
Lowest (Rs.)	Not Traded	N/A
Last transaction (Rs.)	Not Traded	N/A
Unsecured, Subordinated, Redeemable, 5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)		
Highest (Rs.)	Not Traded	N/A
Lowest (Rs.)	Not Traded	N/A
Last transaction (Rs.)	Not Traded	N/A

YIELD OF LAST TRADE DONE

9

	30-Sep-2010 %	31-Dec-2009 %
Interest yield as at date of last trade done		
BOC Debenture 2008/2013 ,		
5 years, fixed rate (19.0%)	17.76	18.18
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, zero coupon	13.13	Not Traded
BOC Debenture 2010/2015 ,		
5 years, fixed rate (11.5%)	Not Traded	N/A
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	N/A
Yield to maturity of last trade done		
BOC Debenture 2008/2013 ,		
5 years, fixed rate (19.0%)	16.19	18.56
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	Not Traded
5 years, zero coupon	16.78	Not Traded
BOC Debenture 2010/2015 ,		
5 years, fixed rate (11.5%)	Not Traded	N/A
5 years, floating rate (06 months TB rate (Gross) plus 75 basis points)	Not Traded	N/A

Rs. '000

For the nine months ended 30 September	Banking		Leasing		Treasury and Investment		Property		Insurance		Other Non Banking / Unallocated		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers:														
Interest	25,759,139	27,663,706	-	-	10,767,677	11,515,919	-	-	34,234	-	1,474	2,269	36,562,524	39,181,894
Exchange	(202,449)	172,358	-	-	219,455	1,304,124	-	-	-	-	-	-	17,006	1,476,482
Lease income	-	-	1,619,031	1,767,849	-	-	-	-	-	-	-	-	1,619,031	1,767,849
Commissions	4,628,496	2,986,478	62,352	48,256	-	-	(9,778)	9,925	99,582	48,256	2,344	3,743	4,782,996	3,048,402
Other	891,474	907,901	33,377	25,816	3,540,570	2,132,710	422,427	391,926	11,355	-	-	-	5,138,531	3,597,095
Total revenue	31,076,661	31,730,444	1,714,759	1,841,921	14,527,702	14,952,752	412,649	401,851	145,171	-	243,146	144,755	48,120,088	49,071,723
Expenses	(24,162,290)	(27,628,786)	(827,775)	(1,073,550)	(9,788,148)	(11,853,658)	(225,727)	(211,722)	(143,960)	-	(222,279)	(184,991)	(35,370,178)	(40,952,706)
Segment result	6,914,371	4,101,658	886,985	768,371	4,739,554	3,099,094	186,922	190,129	1,211	-	20,867	(40,236)	12,749,910	8,119,016
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(5,784,791)	(4,802,917)
Profit from operations	-	-	-	-	-	-	-	-	-	-	-	-	6,965,119	3,316,099
Share of Profit/(Loss) of Associates	-	-	-	-	-	-	-	-	-	-	-	-	137,051	(7,924)
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(2,436,355)	(1,219,401)
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	(109,227)	296
Profit attributable to equity holders / parent	-	-	-	-	-	-	-	-	-	-	-	-	4,556,588	2,089,070
Segment assets	339,505,976	280,298,440	9,939,730	10,648,810	240,631,152	216,124,853	2,552,146	3,269,354	619,070	-	837,062	277,765	594,085,135	510,619,222
Investment in associates	-	-	-	-	1,177,280	939,586	-	-	-	-	-	-	1,177,280	939,586
Unallocated assets	-	-	-	-	-	-	-	-	-	-	40,276,480	31,616,235	40,276,480	31,616,235
Total assets	339,505,976	280,298,440	9,939,730	10,648,810	241,808,432	217,064,439	2,552,146	3,269,354	619,070	-	41,113,543	31,894,001	635,538,896	543,175,043
Segment liabilities	336,883,647	280,019,206	6,656,362	8,118,319	246,738,842	219,946,458	558,602	699,998	483,837	-	721,922	217,353	592,043,212	509,001,334
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	14,242,935	7,849,867	14,242,935	7,849,867
Total liabilities	336,883,647	280,019,206	6,656,362	8,118,319	246,738,842	219,946,458	558,602	699,998	483,837	-	14,964,856	8,067,220	606,286,146	516,851,201
Cash flows from operating activities	(23,426,616)	59,865,385	(246,153)	(246,489)	15,837,380	37,508,281	(45,529)	(43,350)	17,265	-	(14,053,685)	(8,303,509)	(21,917,337)	88,780,318
Cash flows from investing activities	-	-	-	-	(31,885,886)	(15,144,793)	-	-	-	-	-	-	(31,885,886)	(15,144,793)
Cash flows from financing activities	5,203,090	(15,186,052)	-	-	15,373,040	(23,601,126)	-	-	-	-	18,655,124	(1,387,239)	39,231,254	(40,174,417)
Capital expenditure	(858,103)	(442,936)	(21,138)	(10,455)	-	-	(123)	(4,278)	-	-	(54)	(1,432)	(879,418)	(459,101)