

Governance – Investor Relations Supplement

Dear Investor,

An effective dialogue with our valued investors is an important part of our stakeholder engagement in recognition of your vital support to the success of the Bank. We believe that you will actively seek to influence the behaviour of your Bank to improve the performance of areas such as environmental, social and governance using the stakeholder engagement structures in place. Consequently, we provide timely, transparent, accurate and consistent information to the investing public to

create a productive dialogue to address their concerns and thereby, improve long term corporate performance. Information provided in this section provides useful insights as to the performance of your investment in the Bank not captured elsewhere in the report.

The full Annual Report together with Audited Financial Statements and the interim Financial Statements are available on the Bank's website (<http://www.combank.lk/newweb/investor-relations>). Alternatively, shareholders are

able to elect to receive a mailed hard copy of the Annual Report on request. The Company Secretary of the Bank will respond to individual letters received from shareholders.

Compliance Report on the Contents of Annual Report in Terms of the Listing Rules of the CSE

We are pleased to inform you that your Bank has duly complied with all the requirements of the Section 7.6 of the Listing Rules of the CSE on the contents of the Annual Report and Accounts of a listed entity.

The table below provides reference to the relevant sections of this Annual Report where specified information is disclosed together with page references for the convenience of the readers.

Rule No.	Disclosure Requirement	Section/Reference	Page/s
7.6 (i)	Names of persons who held the position of Directors during the financial year	<ul style="list-style-type: none"> Annual Report of the Board of Directors 	76 to 85
7.6 (ii)	Principal activities of the Bank and its Subsidiaries during the year and any changes therein	<ul style="list-style-type: none"> Note 1.3 of the Accounting Policies Group Structure 	249 & 250
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held as at the end of the year	<ul style="list-style-type: none"> Item 5 of the Investor Relations Supplement 	104 & 105
7.6 (iv)	The public holding percentage	<ul style="list-style-type: none"> Item 5 of the Investor Relations Supplement 	104 & 105
7.6 (v)	Directors' and Chief Executive Officer's holding in shares at the beginning and at the end of the financial year	<ul style="list-style-type: none"> Item 6 of the Investor Relations Supplement Annual Report of the Board of Directors 	105
7.6 (vi)	Information pertaining to material foreseeable risk factors	<ul style="list-style-type: none"> Item 7 of the Investor Relations Supplement 	106
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	<ul style="list-style-type: none"> Item 8 of the Investor Relations Supplement 	106
7.6 (viii)	Extents, locations, valuations and the number of buildings of the land holdings and investment properties as at the end of the year	<ul style="list-style-type: none"> Note 37 to the Financial Statements on 'Property, Plant & Equipment' 	320 to 322
7.6 (ix)	Number of shares representing the stated capital as at the end of the year	<ul style="list-style-type: none"> Note 51 to the Financial Statements on 'Stated Capital' Item 9 of the Investor Relations Supplement 	350 to 352 106 & 107
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings as at the end of the year	<ul style="list-style-type: none"> Item 10 of the Investor Relations Supplement 	108

Rule No.	Disclosure Requirement	Section/Reference	Page/s
7.6 (xi)	Ratios and market price information: <ul style="list-style-type: none"> Equity – Dividend per share, dividend payout ratio, net asset value per share, market value per share Debt – Interest rate of comparable Government security, debt/equity ratio, interest cover and quick asset ratio, market prices and yields during the year Any changes in credit rating 	<ul style="list-style-type: none"> Items 11 (a) and 11 (b) of the Investor Relations Supplement Items 11 (c) and 1 (d) of the Investor Relations Supplement Items 11 (e) and 11 (f) of the Investor Relations Supplement 	108 & 109 109 110
7.6 (xii)	Significant changes in the Bank or its Subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value as at the end of the year	<ul style="list-style-type: none"> Note 37 to the Financial Statements on 'Property, Plant & Equipment' 	320 to 332
7.6 (xiii)	Details of funds raised through Public Issues, Rights Issues and Private Placements during the year	<ul style="list-style-type: none"> Note 51 to the Financial Statements on 'Stated Capital' 	350 to 352
7.6 (xiv)	Information in respect of Employee Share Option Schemes <ul style="list-style-type: none"> Total number of shares allotted during the financial year, price at which shares were allotted and the details of funding granted to employees (if any) Highest, lowest and closing price of the share recorded during the financial year 	<ul style="list-style-type: none"> Notes 51.2 and 52 to the Financial Statements on 'Employee Share Option Plans' Item 11 (b) of the Investor Relations Supplement 	351 to 353 109
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 (c) and 7.10.6 (c) of Section 7 of the Listing Rules	<ul style="list-style-type: none"> Not applicable since the Bank received an exemption in terms of Section 7.10 (c) of the Listing Rules 	–
7.6 (xvi)	Disclosures on Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower	<ul style="list-style-type: none"> The Bank did not have any related party transaction exceeding this threshold as at end 2015 	–

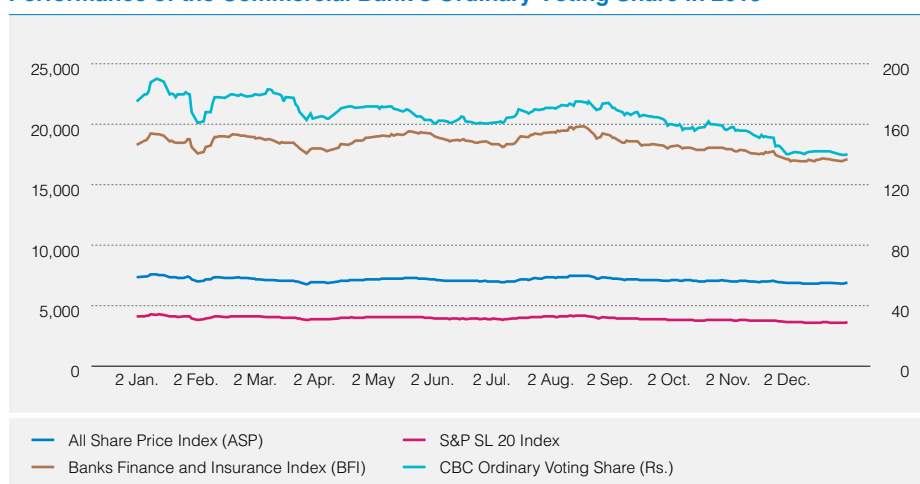
Our Stock

The shares of the Commercial Bank of Ceylon are listed on the Main Board of the Colombo Stock Exchange (CSE) under the ticker symbol 'COMB'. Summary of trading activity and daily share prices (Graph 1) are published in most daily newspapers, including the Daily FT, Daily News, The Island and Daily Mirror generally under the abbreviation of Commercial Bank or COMB.

Further, graphical presentation on information on share trading is given on page 103 (Graphs 2 – 7).

Performance of the Commercial Bank's Ordinary Voting Share in 2015

Index/Rs.



→ Graph - 1

1. Quarterly Performance – 2015 Compared to 2014

Summary of the Income Statement

	2015					2014				
	1st Quarter Mar. 31	2nd Quarter Jun. 30	3rd Quarter Sep. 30	4th Quarter Dec. 31	Total	1st Quarter Mar. 31	2nd Quarter Jun. 30	3rd Quarter Sep. 30	4th Quarter Dec. 31	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Group										
Net Interest Income	7,286.0	7,588.9	7,681.0	8,011.5	30,567.4	6,575.9	7,118.2	6,914.2	6,711.5	27,319.8
Net Fees and Commission Income	1,258.1	1,219.5	1,335.4	1,597.3	5,410.3	1,075.2	1,171.0	1,248.0	1,355.2	4,849.4
Other Operating Income (Net)	1,213.2	527.1	1,889.4	1,926.5	5,556.2	1,267.8	330.3	2,093.7	1,609.9	5,301.7
Less: Impairment Charges for Loans and Other Losses	1,334.2	753.7	1,097.0	914.9	4,099.8	1,144.8	1,114.3	734.0	215.5	3,208.6
Net Operating Income	8,423.1	8,581.8	9,808.8	10,620.4	37,434.1	7,774.1	7,505.2	9,521.9	9,461.1	34,262.3
Less: Expenses	4,792.8	4,724.3	5,071.4	5,723.2	20,311.7	4,450.4	4,294.1	4,765.3	4,898.8	18,408.6
Operating Profit	3,630.3	3,857.5	4,737.4	4,897.2	17,122.4	3,323.7	3,211.1	4,756.6	4,562.3	15,853.7
Add: Share of Profits/ (Losses) of Associate Companies	2.3	2.8	4.8	3.7	13.6	0.9	6.2	1.0	(1.6)	6.5
Profit Before Income Tax	3,632.6	3,860.3	4,742.2	4,900.9	17,136.0	3,324.6	3,217.3	4,757.6	4,560.7	15,860.2
Less: Income Tax Expense	1,095.7	1,213.3	1,491.4	1,476.4	5,276.8	1,022.6	999.5	1,425.9	1,169.2	4,617.2
Profit for the Period	2,536.9	2,647.0	3,250.8	3,424.5	11,859.2	2,302.0	2,217.8	3,331.7	3,391.5	11,243.0
Quarterly Profit as a % of the Profit after Tax	21.4	22.3	27.4	28.9	100.0	20.5	19.7	29.6	30.2	100.0
Cumulative Quarterly Profit as a % of the Profit after Tax	21.4	43.7	71.1	100.0		20.5	40.2	69.8	100.0	
Bank										
Net Interest Income	7,232.7	7,534.9	7,630.2	7,947.8	30,345.6	6,571.4	7,114.0	6,886.2	6,650.3	27,221.9
Net Fees and Commission Income	1,256.4	1,217.5	1,333.3	1,566.8	5,374.0	1,074.1	1,169.9	1,246.8	1,340.4	4,831.2
Other Operating Income (Net)	1,192.6	543.2	1,889.2	1,937.2	5,562.2	1,249.7	319.0	2,093.3	1,665.4	5,327.4
Less: Impairment Charges for Loans and Other Losses	1,329.7	729.9	1,055.6	828.0	3,943.2	1,151.2	1,134.4	726.1	217.4	3,229.1
Net Operating Income	8,352.0	8,565.7	9,797.1	10,623.8	37,338.6	7,744.0	7,468.5	9,500.2	9,438.7	34,151.4
Less: Expenses	4,772.8	4,701.8	5,049.7	5,670.7	20,195.0	4,453.6	4,284.9	4,761.5	4,915.4	18,415.4
Profit Before Income Tax	3,579.2	3,863.9	4,747.4	4,953.1	17,143.6	3,290.4	3,183.6	4,738.7	4,523.3	15,736.0
Less: Income Tax Expense	1,070.5	1,204.6	1,489.4	1,475.9	5,240.4	1,011.9	983.1	1,413.0	1,148.0	4,556.0
Profit for the Period	2,508.7	2,659.3	3,258.0	3,477.2	11,903.2	2,278.5	2,200.5	3,325.7	3,375.3	11,180.0
Quarterly Profit as a % of the Profit after Tax	21.1	22.3	27.4	29.2	100.0	20.4	19.7	29.7	30.2	100.0
Cumulative Quarterly Profit as a % of the Profit after Tax	21.1	43.4	70.8	100.0		20.4	40.1	69.8	100.0	

Summary of Statements of Financial Position

As at	2015				2014			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Group								
Cash and Cash Equivalents	25,668.2	26,117.8	19,311.9	20,107.1	18,538.0	15,332.2	15,789.1	20,621.8
Placements with Banks	13,275.0	6,149.5	10,362.5	17,193.5	7,190.8	4,981.5	4,774.8	14,507.9
Securities Purchased Under Resale Agreements	10,266.1	6,001.0	1,944.4	8,002.1	12,994.6	20,538.8	38,033.6	41,198.3
Other Financial Assets – Held-for-Trading	9,501.5	12,392.0	12,624.0	7,656.3	15,241.7	14,941.2	9,834.4	6,326.6
Loans and Receivables to Banks and Other Customers	439,122.3	456,915.4	484,416.1	509,923.1	359,739.6	372,108.8	397,065.5	406,531.0
Financial Investments – Available-for-Sale	215,671.3	206,166.1	236,351.0	204,262.0	148,107.3	167,359.0	189,901.9	214,225.0
Financial Investments – Loans and Receivables	50,249.3	50,684.2	58,030.1	57,724.4	45,740.3	45,556.6	48,838.1	50,436.1
Other Assets	45,719.8	51,481.1	52,391.1	57,314.7	41,051.4	43,350.2	44,409.8	43,411.0
	809,473.5	815,907.1	875,431.1	882,183.2	648,603.7	684,168.2	748,647.3	797,257.7
Due to Banks	30,445.8	16,008.3	34,661.1	31,789.4	9,165.4	15,964.1	26,791.0	25,669.0
Securities Sold Under Resale Agreements	115,936.1	119,539.1	137,403.1	112,249.7	60,594.9	72,158.1	101,309.1	124,391.0
Due to Other Customers/Deposits from Customers	549,003.3	568,954.3	588,803.5	624,021.2	472,175.2	487,506.2	504,103.2	529,266.6
Other Borrowings	11,359.3	10,116.4	10,045.9	9,985.6	14,353.1	13,171.2	12,733.6	11,636.6
Subordinated Liabilities	11,415.0	11,324.1	12,106.1	11,988.3	11,084.1	10,937.8	11,374.2	11,262.6
Other Liabilities	24,734.5	18,943.3	21,078.3	21,135.2	19,967.7	21,140.3	22,646.8	23,778.5
Shareholders' Funds	66,579.5	71,021.6	71,333.1	71,013.8	61,263.3	63,290.5	69,689.3	71,253.4
	809,473.5	815,907.1	875,431.1	882,183.2	648,603.7	684,168.2	748,647.3	797,257.7
Quarterly Growth (%)								
Loans and Receivables to Banks and Other Customers	8.02	4.05	6.02	5.27	1.48	3.44	6.71	2.38
Due to Other Customers/Deposits from Customers	3.73	3.63	3.49	5.98	4.67	3.25	3.40	4.99
Total Assets	1.53	0.79	7.30	0.77	6.93	5.48	9.42	6.49

Summary of Statements of Financial Position

As at	2015				2014			
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31	Jun. 30	Sep. 30	Dec. 31
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Bank								
Cash and Cash Equivalents	25,640.4	26,097.7	19,286.7	20,043.5	18,521.8	15,316.8	15,732.4	20,591.9
Placements with Banks	13,275.0	6,149.5	10,362.5	17,193.5	7,190.8	4,981.5	4,774.8	14,507.9
Securities Purchased Under Resale Agreements	10,266.1	6,001.0	1,944.4	8,002.1	12,994.6	20,538.8	38,033.6	41,198.3
Other Financial Assets – Held-for-Trading	9,501.5	12,392.0	12,624.0	7,656.3	15,241.7	14,941.2	9,834.4	6,326.6
Loans and Receivables to Banks and Other Customers	438,037.6	455,430.4	482,511.5	508,115.1	359,748.1	372,114.0	396,068.7	405,431.4
Financial Investments – Available-for-Sale	215,654.5	206,149.1	236,333.6	204,244.3	148,107.3	167,359.0	189,885.5	214,208.4
Financial Investments – Loans and Receivables	50,249.3	50,684.2	58,030.1	57,724.4	45,740.3	45,556.6	48,838.1	50,436.1
Other Assets	45,227.5	50,937.1	51,830.2	56,825.8	40,478.3	42,772.1	44,121.9	42,909.1
	807,851.9	813,841.0	872,923.0	879,805.1	648,023.0	683,579.9	747,289.5	795,609.6
Due to Banks	30,069.9	15,174.1	33,373.7	30,319.1	9,165.4	15,964.1	26,423.8	25,261.0
Securities Sold Under Resale Agreements	116,096.1	119,679.7	137,535.5	112,384.8	60,782.3	72,344.8	101,506.1	124,564.5
Due to Other Customers/Deposits from Customers	549,111.2	569,082.1	588,917.5	624,101.8	472,244.6	487,598.8	504,161.2	529,361.5
Other Borrowings	11,346.3	10,104.4	10,045.9	9,985.6	14,343.6	13,162.5	12,722.0	11,636.6
Subordinated Liabilities	11,197.2	11,106.3	11,888.3	11,973.3	11,084.1	10,937.8	11,156.4	11,044.8
Other Liabilities	24,215.3	18,432.7	20,579.4	20,699.7	19,703.8	20,859.3	22,236.3	23,229.6
Shareholders' Funds	65,815.9	70,261.7	70,582.7	70,340.8	60,699.2	62,712.6	69,083.8	70,511.7
	807,851.9	813,841.0	872,923.0	879,805.1	648,023.0	683,579.9	747,289.5	795,609.6
Quarterly Growth (%)								
Loans and Receivables to Banks and Other Customers	8.04	3.97	5.95	5.31	1.47	3.44	6.44	2.36
Due to Other Customers/Deposits from customers	3.73	3.64	3.49	5.97	4.68	3.25	3.40	5.00
Total Assets	1.54	0.74	7.26	0.79	6.94	5.49	9.32	6.47

2. Stock Exchange Listing

The following securities of the Bank are listed on the Main Board of the CSE:

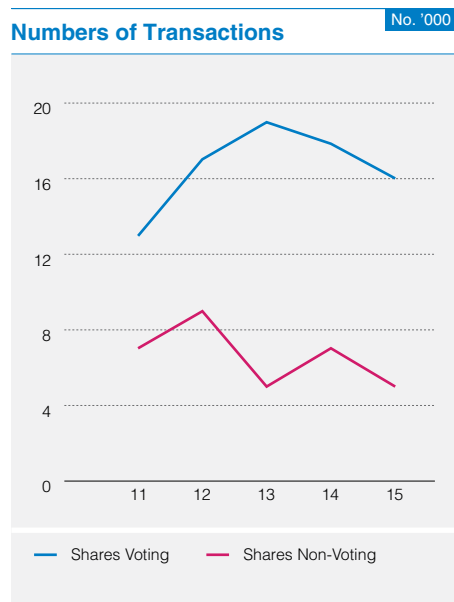
Shares	Ordinary Shares-Voting	
	Ordinary Shares-Non-Voting	
Debentures	Fixed Rate	• December 2006/16
	Floating Rate	• December 2006/16

The Bank duly submitted the unaudited Interim Financial Statements for the year 2015 to the CSE within applicable statutory deadlines as required by the Rule No. 7.4 (a) (i) of the Listing Rules of the CSE. (The Bank also duly complied with this requirement for 2014.)

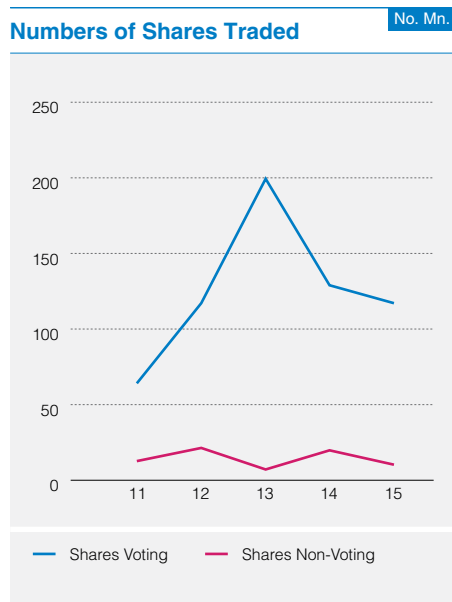
The Audited Income Statement for the year ended December 31, 2015 and the Audited Statement of Financial Position as at December 31, 2015 will be submitted to the CSE within three months from the year-end, which is well within the required deadline as required by the Rule No. 7.5 (a) of the Listing Rules of the CSE. (The Bank duly complied with this requirement for 2014.)

3. Information on Share Trading

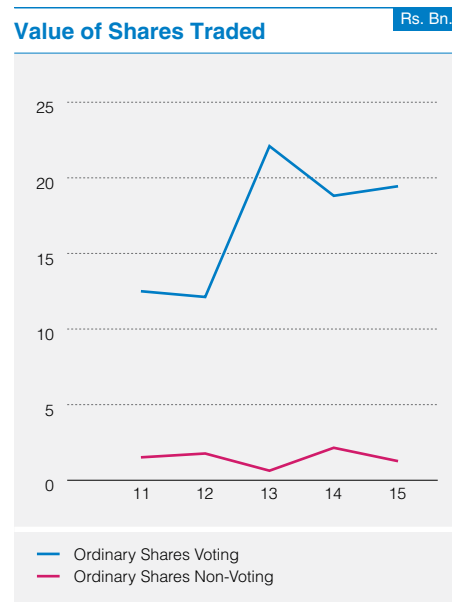
	Ordinary Shares-Voting		Ordinary Shares-Non-Voting	
	2015	2014	2015	2014
Number of Transactions	15,575	17,846	5,073	7,382
Number of Shares Traded	117,372,662	129,328,356	9,552,654	19,648,816
Value of Shares Traded (Rs. Bn.)	19.39	18.34	1.28	2.09



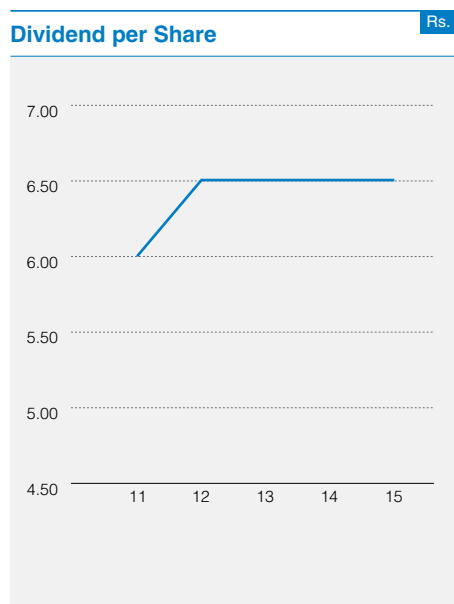
→ Graph - 2



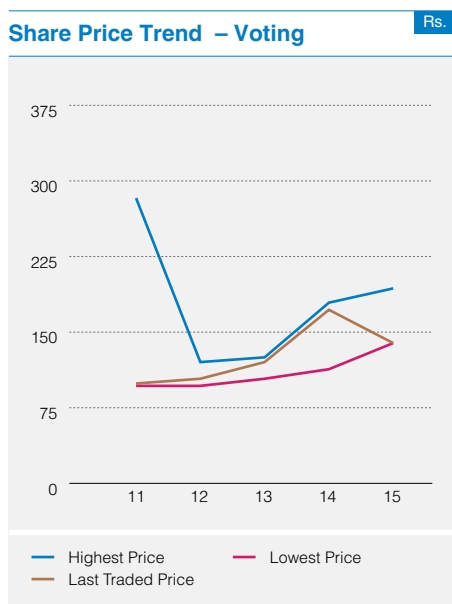
→ Graph - 3



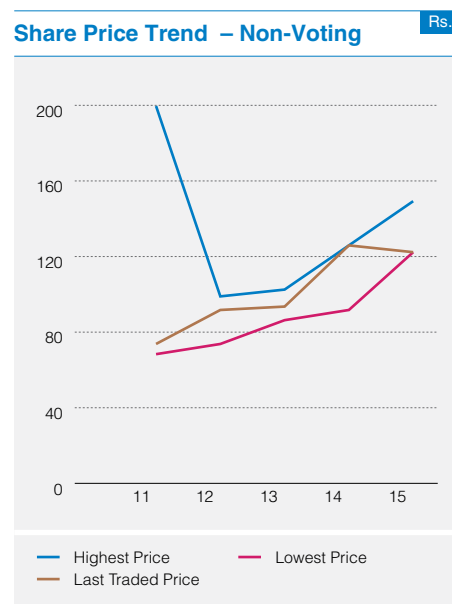
→ Graph - 4



→ Graph - 5



→ Graph - 6



→ Graph - 7

4. Shareholder Base

	2015	2014
Number of Ordinary Voting Shareholders	9,412	8,374
Number of Ordinary Non-Voting Shareholders	4,216	4,140
Total	13,628	12,514

5. The Names, Number and Percentage of Shares held by Twenty Largest Shareholders [As per Rule No. 7.6 (III) of the Listing Rules of the CSE]

As at December 31, Ordinary Shares-Voting	2015		2014 (*)	
	No. of Shares	%	No. of Shares	%
1. DFCC Bank A/C 1	121,005,515	14.75	119,806,122	14.79
2. Mr. Y.S.H.I. Silva	81,388,992	9.92	47,355,714	5.84
3. Employees' Provident Fund	79,594,968	9.70	78,806,032	9.73
4. Sri Lanka Insurance Corporation Ltd. – Life Fund	41,260,840	5.03	40,851,867	5.04
5. CB NY S/A International Finance Corporation	36,677,879	4.47	40,381,198	4.98
6. Sri Lanka Insurance Corporation Ltd. – General Fund	35,478,645	4.32	35,126,985	4.34
7. HSBC International Nominees Ltd. – JPMLU – Franklin Templeton Investment Funds	24,352,909	2.97	47,984,547	5.92
8. Melstacorp Ltd.	19,879,375	2.42	18,989,272	2.34
9. HSBC International Nominees Ltd. – SSBT – Wasatch Frontier – Emerging Small Countries Fund	16,087,568	1.96	20,383,126	2.52
10. Mrs. L.E.M Yaseen	15,380,000	1.87	14,000,030	1.73
11. HSBC International Nominees Ltd. – SSBT – Morgan Stanley Institutional Fund, Inc. Frontier Emerging Markets Portfolio	13,434,182	1.64	11,295,245	1.39
12. HSBC International Nominees Ltd. – SSBT – Morgan Stanley Asset Management SA Acting on behalf of Morgan Stanley Galaxy Fund	11,731,336	1.43	8,094,018	1.00
13. HSBC International Nominees Ltd. – BPSS – LUX – Aberdeen Global Asia Pacific Equity Fund	11,014,249	1.34	10,905,077	1.35
14. Mercantile Investments and Finance PLC	10,509,737	1.28	10,405,566	1.28
15. HSBC International Nominees Ltd. – BPSS – LUX – Aberdeen Global – Asian Smaller Companies Fund	10,319,466	1.26	15,177,533	1.87
16. HSBC International Nominees Ltd. – SSBT – Aberdeen Institutional Commingled Funds, LLC	8,681,933	1.06	7,769,156	0.96
17. HSBC International Nominees Ltd. – JPMLU – Schroder International Selection Fund	8,592,280	1.05	12,012,366	1.48
18. The Bank of New York Mellon SA/NV – CF Ruffer Total Return Fund	8,280,574	1.01	8,198,498	1.01
19. HSBC International Nominees Ltd. – SSBT – BMO Investments II (Ireland) Public Limited Company	7,208,955	0.88	–	–
20. HSBC International Nominees Ltd. – SSBT – National Westminster Bank PLC as Depository of First State Indian Subcontinent	7,037,883	0.86	–	–
Sub Total	567,917,286	69.22	547,542,352	67.57
Other Shareholders	252,649,829	30.78	262,735,377	32.43
Total	820,567,115	100.00	810,277,729	100.00

As per Rule No. 7.6 (iv) of the Listing Rules of the CSE, percentage of public holding of voting shares as at December 31, 2015 was 99.64% (99.57% as at December 31, 2014).

As per Rule No. 7.13.1 of the Listing Rules of the CSE, Number of shareholders representing public holding as at December 31, 2015 – 9,383 (8,349 as at December 31, 2014).

* Comparative shareholdings as at December 31, 2014 of the twenty largest shareholders as at December 31, 2015.

As at December 31, Ordinary Shares – Non-Voting	2015		2014 (*)	
	No. of Shares	%	No. of Shares	%
1. Employees' Trust Fund Board	4,101,132	7.28	882,181	1.57
2. HSBC International Nominees Ltd. – JPMLU – Franklin Templeton Investment Funds	3,256,814	5.78	3,215,179	5.71
3. Citi Bank NY S/A Forward International Dividend Fund	1,781,807	3.16	1,926,649	3.42
4. GF Capital Global Ltd.	1,565,812	2.78	1,545,795	2.75
5. HINL – JPMCB – Butterfield Trust (Bermuda) Ltd.	1,396,941	2.48	1,379,083	2.45
6. Citi Bank Newyork S/A Norges Bank Account 2	1,265,623	2.25	-	-
7. Mr. J.D. Bandaranayake	1,085,359	1.93	1,098,285	1.95
8. Waldock Mackenzie Ltd./ Mr. S.N.P. Paliheha and Mrs. A.S. Paliheha	1,000,000	1.78	1,000,000	1.78
9. M.J.F. Exports Ltd.	963,107	1.71	950,795	1.69
10. Mr. M.F. Hashim	767,339	1.36	746,733	1.33
11. Saboor Chatoor (Pvt) Ltd.	763,000	1.36	751,000	1.33
12. Beta Holdings Ltd.	727,971	1.29	698,000	1.24
13. Mrs. L.V.C. Samarasinha	607,769	1.08	600,000	1.07
14. Union Assurance PLC – No – 01A/C	572,424	1.02	565,107	1.00
15. Akbar Brothers (Pvt) Ltd. A/C No 1	567,605	1.01	560,349	1.00
16. Dr. A.K.A. Jayawardene	496,976	0.88	490,623	0.87
17. Mr. G.R. Mallawaarachy/Mrs. B.G.P. Mallawaarachy	462,309	0.82	446,527	0.79
18. Mr. W.R.H.Perera	444,838	0.79	439,512	0.78
19. Alpex Marine (Pvt) Ltd.	423,734	0.75	418,317	0.74
20. Mr. J.G. de Mel	420,000	0.75	250,000	0.44
Sub-Total	22,670,560	40.26	17,964,135	31.91
Other Shareholders	33,629,126	59.74	37,615,811	68.09
Total	56,299,686	100.00	55,579,946	100.00

As per Rule No. 7.6 (iv) of the Listing Rules of the CSE, percentage of public holding of non-voting shares as at December 31, 2015 was 99.79% (99.79% as at December 31, 2014).

As per Rule No. 7.13.1 of the Listing Rules of the CSE, Number of shareholders representing public holding as at December 31, 2015 – 4,207 (4,131 as at December 31, 2014).

* Comparative shareholdings as at December 31, 2014 of the twenty largest shareholders as at December 31, 2015.

6. Directors' Shareholding Including the Chief Executive Officer's Shareholding [As Per Rule No. 7.6 (V) of the Listing Rules of the Colombo Stock Exchange]

As at December 31,	Ordinary Shares-Voting		Ordinary Shares-Non-Voting	
	2015	2014	2015	2014
Mr. K.G.D.D. Dheerasinghe – <i>Chairman</i>	20,859	20,653	Nil	Nil
Mr. M.P. Jayawardena – <i>Deputy Chairman</i>	Nil	Nil	Nil	Nil
Mr. J. Durairatnam – <i>MD/CEO</i>	412,056	379,087	Nil	Nil
Mr. S. Renganathan	191,936	190,034	10,321	10,190
Mr. S. Swarnajothi	Nil	Nil	8,599	8,490
Mr. H.J. Wilson	Nil	Nil	Nil	Nil
Prof. A.K.W. Jayawardane	Nil	Nil	Nil	Nil
Mr. K. Dharmasiri	Nil	Nil	Nil	Nil

7. Material Foreseeable Risk Factors

[As per rule no. 7.6 (VI) of the Listing Rules of the Colombo Stock Exchange]

Information pertaining to the material foreseeable risk factors, that require disclosures as per the Rule No. 7.6 (vi) of the Listing Rules of the CSE are discussed in the Section on 'Managing Risk at Commercial Bank' on pages 112 to 144.

8. Material Issues Pertaining to Employees and Industrial Relations Pertaining to the Bank

[As per Rule No. 7.6 (VII) of the Listing Rules of the Colombo Stock Exchange]

There were no material issues pertaining to employees and industrial relations pertaining to the Bank that occurred during the year under review which require disclosure.

9. Information on Movement in Number of Shares Represented by the Stated Capital

[As per Rule No. 7.6 (IX) of the Listing Rules of the Colombo Stock Exchange]

Year	Details		Basis	No. of Shares Issued/ (Redeemed)	No. of Shares		
					Ordinary Shares -Voting	Ordinary Shares- Non-Voting	Cumulative Redeemable Preference Shares
1987	As at December 31, 1987				3,000,000	–	–
1988	Bonus Issue	Voting	2 for 3	2,000,000	5,000,000	–	–
1990	Bonus Issue	Voting	1 for 1	5,000,000	10,000,000	–	–
1993	Rights Issue	Voting	1 for 4	2,500,000	12,500,000	–	–
1996	Bonus Issue	Voting	3 for 5	7,500,000	20,000,000	–	–
	Rights Issue	Voting	1 for 4	5,000,000	25,000,000	–	–
	Share Swap	Non-Voting		894,275	25,000,000	894,275	–
	Bonus Issue	Non-Voting	3 for 5	536,565	25,000,000	1,430,840	–
	Rights Issue	Non-Voting	1 for 4	357,710	25,000,000	1,788,550	–
1998	Bonus Issue	Voting	3 for 10	7,500,000	32,500,000	1,788,550	–
	Bonus Issue	Non-Voting	3 for 10	536,565	32,500,000	2,325,115	–
2001	Bonus Issue	Voting	1 for 5	6,500,000	39,000,000	2,325,115	–
	Bonus Issue	Non-Voting	1 for 5	465,023	39,000,000	2,790,138	–
	Issue of Cumulative Redeemable Preference Shares			90,655,500	39,000,000	2,790,138	90,655,500
2003	Bonus Issue	Voting	1 for 3	13,000,000	52,000,000	2,790,138	90,655,500
	Rights Issue	Voting	1 for 4	13,000,000	65,000,000	2,790,138	90,655,500
	Bonus Issue	Non-Voting	1 for 3	930,046	65,000,000	3,720,184	90,655,500
	Rights Issue	Non-Voting	1 for 4	930,046	65,000,000	4,650,230	90,655,500
	Issue of Cumulative Redeemable Preference Shares			100,000,000	65,000,000	4,650,230	190,655,500
2004	ESOP	Voting		29,769	65,029,769	4,650,230	190,655,500
2005	ESOP	Voting		1,361,591	66,391,360	4,650,230	190,655,500
	Bonus Issue	Voting	1 for 1	66,389,162	132,780,522	4,650,230	190,655,500
	Bonus Issue	Non-Voting	1 for 1	4,650,230	132,780,522	9,300,460	190,655,500
2006	ESOP	Voting		737,742	133,518,264	9,300,460	190,655,500
	Redemption of Cumulative Redeemable Preference Shares			(90,655,500)	133,518,264	9,300,460	100,000,000
2007	Rights Issue	Voting	3 for 10	40,288,996	173,807,260	9,300,460	100,000,000
	Bonus Issue	Voting	1 for 3	58,204,268	232,011,528	9,300,460	100,000,000

Year	Details		Basis	No. of Shares Issued/ (Redeemed)	No. of Shares		
					Ordinary Shares -Voting	Ordinary Shares- Non-Voting	Cumulative Redeemable Preference Shares
	ESOP	Voting		919,649	232,931,177	9,300,460	100,000,000
	Rights Issue	Non-Voting	3 for 10	2,790,138	232,931,177	12,090,598	100,000,000
	Bonus Issue	Non-Voting	1 for 3	4,030,199	232,931,177	16,120,797	100,000,000
2008	Redemption of Cumulative Redeemable Preference Shares			(100,000,000)	232,931,177	16,120,797	–
	ESOP	Voting		350,049	233,281,226	16,120,797	–
2009	ESOP	Voting		540,045	233,821,271	16,120,797	–
2010	Share Split	Voting	1 for 2	117,402,608	351,223,879	16,120,797	–
	Share Split	Non-Voting	1 for 2	8,060,398	351,223,879	24,181,195	–
	ESOP	Voting		2,081,508	353,305,387	24,181,195	–
2011	Scrip Issue for Final Dividend 2010	Voting		2,277,195	355,582,582	24,181,195	–
	Scrip Issue for Final Dividend 2010	Non-Voting		255,734	355,582,582	24,436,929	–
	ESOP	Voting		1,457,645	357,040,227	24,436,929	–
	Rights Issue	Voting	1 for 14	25,502,433	382,542,660	24,436,929	–
	Rights Issue	Non-Voting	1 for 14	1,745,494	382,542,660	26,182,423	–
	Share Split	Voting	1 for 1	382,542,660	765,085,320	26,182,423	–
	Share Split	Non-Voting	1 for 1	26,182,423	765,085,320	52,364,846	–
2012	Scrip Issue for Final Dividend 2011	Voting		13,587,144	778,672,464	52,364,846	–
	Scrip Issue for Final Dividend 2011	Non-Voting		1,108,902	778,672,464	53,473,748	–
	ESOP	Voting		1,341,768	780,014,232	53,473,748	–
2013	Scrip Issue for Final Dividend 2012	Voting		13,076,189	793,090,421	53,473,748	–
	Scrip Issue for Final Dividend 2012	Non-Voting		1,069,474	793,090,421	54,543,222	–
	ESOP	Voting		1,445,398	794,535,819	54,543,222	–
2014	Scrip Issue for Final Dividend 2013	Voting		12,504,344	807,040,163	54,543,222	–
	Scrip Issue for Final Dividend 2013	Non-Voting		1,036,724	807,040,163	55,579,946	–
	ESOP	Voting		3,237,566	810,277,729	55,579,946	–
2015	Scrip Issue for Final Dividend 2014	Voting		8,118,773	818,396,502	55,579,946	–
	Scrip Issue for Final Dividend 2014	Non-Voting		719,740	818,396,502	56,299,686	–
	ESOP	Voting		2,170,613	820,567,115	56,299,686	–

10. Distribution Schedule of the Number of Holders and Percentage of Holding in Each Class of Equity Securities [As per Rule No. 7.6 (X) of the Listing Rules of the Colombo Stock Exchange]

	As at December 31, 2015				As at December 31, 2014			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Ordinary Shares Voting								
1 – 1,000	4,683	49.77	1,187,812	0.14	4,033	48.16	985,748	0.12
1,001 – 10,000	3,014	32.02	11,163,309	1.36	2,683	32.04	10,067,965	1.24
10,001 – 100,000	1,432	15.21	41,917,942	5.11	1,380	16.48	40,455,736	4.99
100,001 – 1,000,000	211	2.24	59,390,754	7.24	206	2.46	61,331,081	7.57
Over 1,000,000	72	0.76	706,907,298	86.15	72	0.86	697,437,199	86.08
Total	9,412	100.00	820,567,115	100.00	8,374	100.00	810,277,729	100.00
Ordinary Shares Non-Voting								
1 – 1,000	2,235	53.01	567,113	1.00	2,163	52.24	564,960	1.02
1,001 – 10,000	1,370	32.50	4,474,887	7.95	1,359	32.83	4,533,671	8.15
10,001 – 100,000	506	12.00	13,724,725	24.38	515	12.44	14,051,351	25.28
100,001 – 1,000,000	98	2.32	23,079,473	41.00	96	2.32	23,887,685	42.99
Over 1,000,000	7	0.17	14,453,488	25.67	7	0.17	12,542,279	22.56
Total	4,216	100.00	56,299,686	100.00	4,140	100.00	55,579,946	100.00

11. Information on Ratios, Market Prices of Shares and Credit Ratings [As per Rule No. 7.6 (XI) of the Listing Rules of the Colombo Stock Exchange]

(a) Information on Ratios

			2015	2014
Dividend per Share (Rs.)	Cash	First Interim Paid	1.50	1.50
		Second Interim Paid	–	1.00
		Final Proposed*/Paid	3.00	2.00
		Total	4.50	4.50
		Issue and Allotment of Shares	Final Proposed*/Allotted	2.00
	Total Dividend	6.50	6.50	
Dividend Payout Ratio (%)	Cash		33.15	34.86
	Total (Cash and Shares)		47.88	50.36
Net Assets Value per Share (Rs.)			80.22	81.44

* The Board of Directors of the Bank has recommended a final dividend of Rs. 5.00 per ordinary share, which consists of a cash dividend of Rs. 3.00 per share and the balance entitlement of Rs. 2.00 per share satisfied in the form of issue and allotment of new shares for both Voting and Non-Voting shareholders of the Bank for the year ended December 31, 2015 for approval by the shareholders at the 47th Annual General Meeting (AGM), to be held on March 31, 2016. (The Bank declared and paid a final dividend of Rs. 4.00 per share for the year ended December 31, 2014 which consists of a cash dividend of Rs. 2.00 per share and balance entitlement of Rs. 2.00 per share satisfied in the form of issue and allotment of new shares.)

(b) Market Prices

	Ordinary Shares-Voting		Ordinary Shares-Non-Voting	
	2015	2014	2015	2014
Highest Price (Rs.)	194.00	179.90	149.00	125.50
Date of the Highest Price	(12.01.2015)	(18.11.2014)	(12.01.2015)	(31.12.2014)
Lowest Price (Rs.)	139.90	113.50	122.10	91.30
Date of the Lowest Price	(31.12.2015)	(24.02.2014)	(28.12.2015)	(01.04.2014)
Year-end Price (Rs.)	140.20	171.00	123.00	125.10

(c) Debenture Composition

	Fixed Interest Rate				Floating Interest Rate	
	2015		2014		2015	2014
Type of Issue	Private	Public	Private	Public	Public	Public
Debenture Type	N/A	Type 'A'	N/A	Type 'A'	Type 'D'	Type 'D'
CSE Listing	Not listed	Listed	Not listed	Listed	Listed	Listed
Issue Date	May 2006	Dec. 2006	May 2006	Dec. 2006	Dec. 2006	Dec. 2006
Maturity Date	May 2016	Dec. 2016	May 2016	Dec. 2016	Dec. 2016	Dec. 2016
Interest Payable Frequency	Annually	Annually	Annually	Annually	Annually	Annually
Offered Interest Rate	13.25% p.a.	14.00% p.a.	13.25% p.a.	14.00% p.a.	12 Months TB Rate (Gross) + 1% p.a.	12 Months TB Rate (Gross) + 1% p.a.
Amount (Rs. Mn.)	505.000	467.260	505.000	467.260	0.400	0.400
Market Values						
- Highest (Rs.)	N/A	Not traded during the year	N/A	Not traded during the year	Not traded during the year	Not traded during the year
- Lowest (Rs.)	N/A		N/A			
- Year-end (Rs.)	N/A		N/A			
Interest Rates						
- Coupon Rate (%)	13.25	14.00	13.25	14.00	7.68	10.21
- Effective Annual Yield (%)	13.25	14.00	13.25	14.00	7.68	10.21
Interest Rate of Comparable Government Security	6.65	7.60	6.35	6.70	9.10	7.70
Other Ratios as at Date of Last Trade						
- Interest Yield (%)	N/A	Not traded during the year	N/A	Not traded during the year	Not traded during the year	Not traded during the year
- Yield to Maturity (%)	N/A		N/A			

12 Months TB Rate (Gross) – Twelve months Treasury Bill rate before 10% withholding tax rate as published by the Central Bank of Sri Lanka immediately prior to the commencement of each interest period.

(d) Other Ratios

	2015	2014
Debt Equity Ratio (%)	23.20	25.97
Interest Cover (Times)	27.87	28.31
Liquid Assets Ratio (%) (Minimum 20%)	27.72	33.11

(e) Credit Ratings

- The Bank's credit rating, AA(Ika) was reaffirmed by Fitch Ratings Lanka Ltd. in 2015
- The Bank's Bangladesh Operation's credit rating was reaffirmed as AAA by Credit Rating Information Services Ltd. in 2015

(f) Credit Ratings - Debentures

- The credit rating of the Bank's Subordinated Debentures Final, AA- (Ika) too reaffirmed in 2015 by Fitch Ratings Lanka Ltd.

12. Information on Scrip Issues, Rights Issues and Share Splits

Year/Month	Details
2015 April	Issue of ordinary shares to satisfy a part of the final dividend for 2014 of Rs. 2.00 per ordinary share
2014 April	Issue of ordinary shares to satisfy a part of the final dividend for 2013 of Rs. 2.00 per ordinary share
2013 April	Issue of ordinary shares to satisfy a part of the final dividend for 2012 of Rs. 2.00 per ordinary share
2012 April	Issue of ordinary shares to satisfy a part of the final dividend for 2011 of Rs. 2.00 per ordinary share
2011 September	Share split of one ordinary share for every one ordinary share held immediately after the right issue
2011 August	Rights issue of one ordinary share for every fourteen ordinary shares held
2011 April	Issue of ordinary shares to satisfy a part of the final dividend for 2010 of Rs. 2.00 per ordinary share
2010 June	Share split of one ordinary share for every two ordinary shares held
2007 June	Scrip issue of one ordinary share for every three ordinary shares held
2007 April	Rights issue of three ordinary shares for every ten ordinary shares held
2005 June	Scrip issue of one ordinary share for every one ordinary share held
2003 October	Right issue of one ordinary share for every four ordinary shares held
2003 May	Scrip issue of one ordinary share for every three ordinary shares held

13. Share Price Trend Over Last Ten Years

Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ordinary Shares-Voting										
Highest Price (Rs.)	194.00	179.90	126.00	119.50	284.00	295.00	192.00	149.75	250.00	192.50
Lowest Price (Rs.)	139.90	113.50	103.20	96.80	97.00	178.00	66.00	66.25	128.00	123.00
Last Traded Price (Rs.)	140.20	171.00	120.40	103.00	100.00	259.90	189.50	67.00	147.00	190.00
Ordinary Shares-Non-Voting										
Highest Price (Rs.)	149.00	125.50	102.00	99.50	200.00	226.00	131.25	89.50	114.50	90.00
Lowest Price (Rs.)	122.10	91.30	87.00	73.00	69.10	75.00	48.25	48.00	60.00	54.00
Last Traded Price (Rs.)	123.00	125.10	93.00	91.10	74.50	162.00	124.75	49.00	74.50	89.00

14. Composition of Shareholders

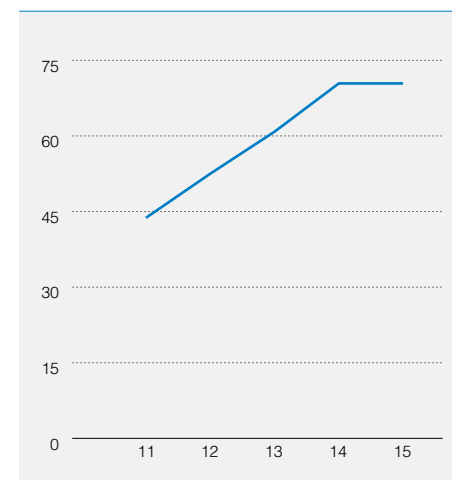
	As at December 31, 2015				As at December 31, 2014			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Ordinary Shares-Voting								
Resident	9,094	96.62	558,973,595	68.12	8,065	96.31	504,235,468	62.23
Non-Resident	318	3.38	261,593,520	31.88	309	3.69	306,042,261	37.77
Total	9,412	100.00	820,567,115	100.00	8,374	100.00	810,277,729	100.00
Individuals	8,847	94.00	187,853,981	22.89	7,878	94.08	149,595,615	18.46
Institutions	565	6.00	632,713,134	77.11	496	5.92	660,682,114	81.54
Total	9,412	100.00	820,567,115	100.00	8,374	100.00	810,277,729	100.00
Ordinary Shares – Non-Voting								
Resident	4,128	97.91	44,666,354	79.34	4,057	98.00	43,842,309	78.88
Non-Resident	88	2.09	11,633,332	20.66	83	2.00	11,737,637	21.12
Total	4,216	100.00	56,299,686	100.00	4,140	100.00	55,579,946	100.00
Individuals	3,997	94.81	32,174,283	57.15	3,941	95.19	34,736,840	62.50
Institutions	219	5.19	24,125,403	42.85	199	4.81	20,843,106	37.50
Total	4,216	100.00	56,299,686	100.00	4,140	100.00	55,579,946	100.00

15. Information on Shareholders' Funds and Market Capitalisation

	Shareholders' Funds	Commercial Bank's Market Capitalisation (*)	Total Market Capitalisation of the CSE	Commercial Bank's Market Capitalisation as a % of CSE Market Capitalisation	Commercial Bank's Market Capitalisation Ranking
As at December 31,	Rs. Mn.	Rs. Mn.	Rs. Mn.	%	Rank
2015	70,341	115,033	2,937,998	3.92	3
2014	70,512	138,557	3,104,864	4.46	3
2013	60,944	95,654	2,286,320	4.18	4
2012	52,577	80,341	2,167,581	3.71	5
2011	43,765	76,509	2,268,854	3.37	6
2010	33,965	91,824	2,280,874	4.03	4
2009	28,499	44,309	1,092,138	4.06	5
2008	25,891	15,630	488,813	3.20	4
2007	23,937	34,234	820,652	4.17	4
2006	15,843	25,368	834,763	3.04	5

Shareholders' Funds

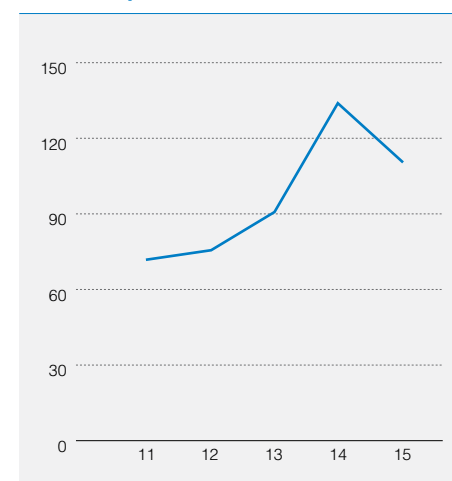
Rs. Bn.



→ Graph - 8

Commercial Bank's Market Capitalisation

Rs. Bn.



→ Graph - 9