

27nd May 2009

**Recommendation
Downgrade**

SELL COMB Non Voting Shares

Recommendation

**COMB(V) - Sell
COMB (NV)-Sell**

Last Traded Price

**COMB(V) – Rs.118.00
COMB (NV)- Rs83.00**

**ASPI
2,142.46**

**MPI
2,444.28**

***CSE DATA as at
26th May 2009**

- ◆ With first quarter results coming in below our expectations we are downgrading our recommendation on Commercial Bank Non Voting Shares to Sell.
- ◆ On the 10th of September when the counter fell to Rs75 and the ASPI was at 2384.05 we upgraded the Non Voting Shares to Buy.
- ◆ On the 7th of November we urged investors to put in a much larger allocation to the counter with a Strong Buy recommendation issued at Rs65 when the ASPI was at 1890.36 point.
- ◆ With the counter outperforming, recently on the 22nd of May we downgraded our recommendation on the Non Voting Shares to Buy from Strong Buy and urged investors to reduce their allocations to the counter by Selling into Strength. When we issued the recommendation the stock price was Rs86.5 and the ASPI was at 2142.52
- ◆ The first quarter saw a QoQ fall in Profitability. Gross Non Performing Loans (NPL) which stood at Rs14.1 billion at December 31, 2008 increased 31.2 per cent to Rs18.6 billion at the end of the quarter reviewed. This is worse than our expectations.
- ◆ With the counter having outperformed we urge investors to take profit and Sell the Non Voting Shares. We are maintaining our Sell recommendation of the Voting Shares.



CAPITAL ALLIANCE

5th Floor, Millennium House, 46/58 Nawam Mawatha, Colombo 2, Sri Lanka

Tel: +94 11 231 7766, Fax: +94 11 231 7788, Email: general@capitalalliance.lk

For further information, please contact:

For further information, please contact:

Lakshan Algama Perera: +94 777 447 407
Harsha Gunawardena: +94 11 231 7716
K. H. R. Thilakarathna: +94 11 231 7752
W. A Susantha: +94 112 317757
Milanka Induruwage: +94 777 261 893
Sandeep Fernando: +94 11 231 7716
Husna Rafeek: +94 11 231 7722
Mangala Perera: +94 11 231 7717

Dumindu Silva: +94 11 2317753
Milindu Arumawadu: +94 77 359 3044
Chanaka Sanoj: +94 11 231 7755
Lulith Karunaratne (Matarata) : +94 41 439 0610
Inok Wijesuriya (Matarata):+94 41 439 0610
B. Mugundan (Jaffna) : +94 21 459 1111
T. Dananjaya(Negombo) : +94 31 222 7843
Sanathana Perera: +94 112 317742

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