SEYLAN BANK PLC FINANCIAL STATEMENTS

Nine months ended 30th September, 2014



INCOME STATEMEN											,	Rs. '000 CASH FLOW STATEMENT						
(In terms of Rule 7.4 of the Colombo Stock E	xchange)	BANK			BANK	(GROUP			GROUP			BAN		GRO		
		For the 09 m	onths		For the Qu	uarter	Fo	r the 09 mon	ths	F	or the Quar	rter	For the 09 Months ended 30th September	2014	2013	2014	2013	
	Ei	nded 30th Sep	tember	Enc	led 30th Se	ptember	Ended	d 30th Septer	nber	Ended	l 30th Septe	ember	Cash Flows from Operating Activities					
	2014	2013	Change	2014	2013	Change	2014	2013	Change	2014	2013	Change	Internat Provints	17.475.186	17.572.987	17.483.894	17.577.070	
			%			%			%			%	Interest Receipts Fees and Commission Receipts	1,710,223	17,572,987	1,710,223	1,602,641	
Interest Income	17,630,010	18,207,242	(3.17)	5,929,831	6,328,421	(6.30	17,638,718	18,211,325	(3.14)	5,932,204	6,331,163	(6.30)	Interest Payments	(10,457,812)	(10,726,555)	(10,441,725)	(10,707,959)	
Less: Interest Expense	9,412,398	11,412,274	(17.52)	2,874,862	3,800,744	(24.36	9,396,311	11,393,678	(17.53)	2,869,541	3,795,600	(24.40)	Exchange Income	362,234	354,599	362,234	354,599	
Net Interest Income	8,217,612	6,794,968	20.94	3,054,969	2,527,677	20.86	8,242,407	6,817,647	20.90	3,062,663	2,535,563	20.79	Receipts from Other Operating Activities Cash Payments to Employees and Suppliers	1,685,343 (6,136,164)	264,962 (5,434,995)	1,714,939 (6,106,938)	301,281 (5,392,972)	
													Cash Payments to Other Operating Activities	(62,399)	(61,041)	(65,755)	(65,874)	
Fee and Commission Income	1,710,223	1,602,641	6.71	617,202	587,256	5.10	1,710,223	1,602,641	6.71	617,202	587,256	5.10	Occasion Beeff Later Observed in Occasion Acade O Linking	4 570 044	0.570.500	4 050 070	0.000.700	
Less: Fee and Commission Expense	62,399	61,041	2.22	25,055	19,059	31.46	65,755	65,874	(0.18)	26,192	20,704	26.51	Operating Profit before Changes in Operating Assets & Liabilities	4,576,611	3,572,598	4,656,872	3,668,786	
Net Fee and Commission Income	1,647,824	1,541,600	6.89	592,147	568,197	4.22	1,644,468	1,536,767	7.01	591,010	566,552	4.32	(Increase)/Decrease in Operating Assets:					
													Loans & Receivables (Advanced to)/Repaid by Customers	(4,620,388)	(6,453,612)	(4,620,388)	(6,453,612)	
Net Trading Income	812,081	(265)	306,545.66	605,067	(55,639)	1,187.49	813,482	40 2	,033,605.00	606,069	(56,050) 1,181.30	Deposits Held for Regulatory or Monetary Control Purposes	719,452	941,530	719,452	941,530	
Net Gain from Financial Investments	932,984	30,566	2,952.36	639,590	7,741	8,162.37	932,984	30,566	2,952.36	639,590	7,741	8,162.37	Increase/(Decrease) in Operating Liabilities:					
Net Exchange Income	362,234	354,599	2.15	125,204	124,772	0.35	362,234	354,599	2.15	125,204	124,772	0.35	Deposits from/(Withdrawals by) Customers	8,895,746	11,490,835	8,895,746	11,490,835	
Other Operating Income (Net)	164,035	90,603	81.05	55,222	18,508	198.37	193,230	128,180	50.75	74,150	29,558	150.86	Negotiable Certificates of Deposit Cash (Used in)/Generated from Operations	(445,833) 9,125,588	810,135 10,361,486	(445,833) 9,205,849	810,135 10,457,674	
	2,271,334	475,503	377.67	1,425,083	95,382	1,394.08	2,301,930	513,385	348.38	1,445,013	106,021	1,262.95	Cash (Osea III)/Generated noin operations	3,123,300	10,301,400	3,203,049	10,437,074	
Total Operating Income	12,136,770	8,812,071	37.73	5,072,199	3,191,256	58.94	12,188,805	8,867,799	37.45	5,098,686	3,208,136	58.93	Income Tax Paid	(565,386)	(95,229)	(565,386)	(95,229)	
													Contribution Paid into Employees Retirement Benefit Plan/Employees	(25,803)	(86,753)	(25,803)	(86,753)	
Less: Impairment for Loans and													Net Cash (Used in)/Generated from Operating Activities	8,534,399	10.179.504	8.614.660	10,275,692	
Other Losses - Charges/(Reversal)															,,	-,,		
Individual Impairment	1,207,893	644,243	87.49	658,384	555,665	18.49	1,207,893	644,243	87.49	658,384	555,665		Cash Flows from Investing Activities Investment in Subsidiary Company	(217.987)				
Collective Impairment	272,036	(146,649)	285.50	303,083	, ,	341.10	272,036	(146,649)	285.50	303,083	(125,708		Dividend Income	34.867	36.671	13,689	19.416	
Others	177,407	102,557	72.98	20,605		(77.05			72.98		89,780	(77.05)	Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka	01,007	00,077	10,000	10,110	
	1,657,336	600,151	176.15		519,737		1,657,336			982,072		88.96	Treasury Bills/Bonds Maturing after 03 months	(5,258,628)	(16,915,685)	(5,258,628)	(16,915,685)	
Net Operating Income	10,479,434	8,211,920	27.61	4,090,127	2,671,519	53.10	10,531,469	8,267,648	27.38	4,116,614	2,688,399	53.13	Reverse Repurchase Agreements Maturing After 03 Months Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures	(3) (1,569,095)	413 (288,205)	(3) (1,626,348)	413 (350,276)	
													Purchase of Property, Plant & Equipment , Leasehold Rights & Intangible Assets	(415,420)	(533,642)	(416,515)	(533,914)	
Personnel Expenses	3,001,647	2,647,092	13.39	940,736		23.43		2,667,166	13.34		768,389	23.34	Proceeds From Sale of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	13,058	53,284	13,058	53,380	
Depreciation and Amortisation	346,461	427,453	(18.95)			(22.39)			(22.24)			, ,	Proceeds from Sale of Investment Properties	-		10,953	29,275	
Other Expenses	2,717,131	2,358,713	15.20	960,206	,	18.86		2,330,634		951,423			Improvements to Investment Properties	•	-	(385)	(180)	
	6,065,239			2,009,914			6,064,441			2,014,610		17.04	Net Cash (Used in)/Generated from Investing Activities	(7,413,208)	(17,647,164)	(7,264,179)	(17,697,571)	
Operating Profit before Taxes	4,414,195	2,778,662	58.86	2,080,213	961,083	116.44	4,467,028	2,799,530	59.56	2,102,004	967,092	117.35	And Flows from Flows In Adduting					
													Cash Flows from Financing Activities Increase/(Decrease) in Debentures	(705,082)	2,124,944	(705,082)	2,074,944	
Value Added Tax (VAT) & Nation Building Tax										100.00	.==		Securities Sold under Repurchase Agreements	2,418,587	3,230,210	2,418,587	3,230,210	
(NBT) on Financial Services	924,530	509,828	81.34	453,882	175,677	158.36	924,530	509,828	81.34	453,882	175,677	158.36	Increase/(Decrease) in Other Borrowings	(531,666)	3,163,239	(737,011)	3,167,459	
B	0.400.005	0.000.004	F0.04	4 000 004	705 400	407.07	0.540.400	0.000.700		1 040 400	704 445	100.05	Dividends Paid - Ordinary Shares Dividends Paid - Preference Shares	(766,918)	(334,896)	(790,804) (39)	(334,896) (28)	
Profit before Tax	3,489,665	2,268,834	53.81	1,626,331	785,406	107.07	3,542,498	2,289,702	54.71	1,648,122	791,415	108.25	STRUCTURE TOTAL TOTAL OTHER DE	(00)	(20)	(00)	(20)	
T F	1 000 110	700 070	00.74	505.007	054 000	400.00	4 050 070	754 400	67.53	F00.004	255.383	131.94	Net Cash (Used in)/Generated from Financing Activities	414,882	8,183,469	185,651	8,137,689	
Tax Expenses	1,236,440	732,878	68.71	585,607	251,006	133.30	1,258,679	751,138	67.57	592,334	255,383	131.94	Net Increase/(Decrease) in Cash & Cash Equivalents	1,536,073	715,809	1,536,132	715,810	
Profit for the period	2 252 225	1 525 050	46.70	1 040 724	E34 400	04.75	2 202 040	1 520 564	40 44	1 055 700	E36 033	06.06	Cash & Cash Equivalents at beginning of the Year	18,399,074	9,481,018	18,399,105	9,481,119	
Profit for the period Attributable to:	2,253,225	1,535,956	40.70	1,040,724	534,400	94.75	2,283,819	1,538,564	48.44	1,055,788	536,032	96.96	Cash & Cash Equivalents at end of the Period	19,935,147	10,196,827	19,935,237	10,196,929	
Owners of the Parent	2,253,225	1,535,956	46.70	1,040,724	534,400	94.75	2 260 115	1,528,996	47 00	1,049,498	535,246	96.08	Reconciliation of Cash & Cash Equivalents					
Non-controlling interest	2,200,220	1,555,956	40.70	1,040,724	334,400	94.75	23,704		147.74		786		Cash and Cash Equivalents	6,654,800	6,939,424	6,654,890	6,939,526	
Profit for the Period	2 252 225	1,535,956	46.70	1,040,724	E24 400	04.75	23,704			1,055,788			Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months	673,799	722,414	673,799	722,414	
From for the Feriou	2,253,225	1,000,900	40.70	1,040,724	334,400	94.75	2,203,019	1,000,004	40.44	1,000,708	000,002	90.90	Securities Purchased under Resale Agreements Maturing with in 03 months	12,606,548	2,534,989	12,606,548	2,534,989	
Basic/Diluted Earnings per Ordinary Share (in Rupees)	6.53	4.48	45.78	3.02	1.55	94.75	6.55	4.46	46.89	3.04	1.55	96.08		19,935,147	10,196,827	19,935,237	10,196,929	
Davis, Director Latinings per Ordinary Ghare (ill nupress)	0.00	4.40	40.70	0.02	1.00	34.70	0.00	7.40	40.03	0.04	1.00	30.00	·					
CTATEMENT OF OC													SEVI AN RANK PI C - DERENTIII	DEC				

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group	Group			
	For the 09 months Ended 30th September						e 09 months E Oth September	For the Quarter Ended 30th September				
	2014	2013	Change %	2014	2013 C	nange %	2014	2013	Change %	2014	2013	Change %
Profit for the period	2,253,225	1,535,956	46.70	1,040,724	534,400	94.75	2,283,819	1,538,564	48.44	1,055,788	536,032	96.96
Other Comprehensive Income, Net of Tax Gains and Losses on re-measuring Available-for-Sale Financial Assets	400,694	148,517	169.80	212,462	(78,708)	369.94	400,694	148,517	169.80	212,462	(78,708)	369.94
ther Comprehensive Income for the Period, Net of Taxes	400,694	148,517	169.80	212,462	(78,708)	369.94	400,694	148,517	169.80	212,462	(78,708)	369.94
otal Comprehensive Income for the Period	2,653,919	1,684,473	57.55	1,253,186	455,692	175.01	2,684,513	1,687,081	59.12	1,268,250	457,324	177.32
ttributable to: wners of the parent on-controlling interest	2,653,919	1,684,473	57.55	1,253,186	455,692	175.01	2,660,809 23,704	1,677,513 9,568	58.62 147.74	1,261,960 6,290	456,538 786	176.4 700.2
otal Comprehensive Income for the Period	2,653,919	1,684,473	57.55	1,253,186	455,692	175.01	2,684,513	1,687,081	59.12	1,268,250	457,324	177.3

n terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 30.09.2014	As at 31.12.2013	Growth %	As at 30.09.2014	As at 31.12.2013	Growt
ssets	0010012011		,,,	0010012011		
	E 204 900	5,180,195	2.79	E 204 800	E 190 006	2.70
ash and Cash Equivalents	5,324,800 6,785,733			5,324,890	5,180,226	2.79
alances with Central Bank of Sri Lanka		7,505,185	(9.59)	6,785,733	7,505,185	(9.59
lacements with Banks and Finance Companies	1,330,237	970,203	37.11	1,330,237	970,203	37.11
erivative Financial Instruments	234,276	287,210	(18.43)	234,276	287,210	(18.43
ther Financial Assets Held-for-Trading	9,519,169	11,183,843	(14.88)	9,528,169	11,191,770	(14.86
ecurities Purchased under Resale Agreements	12,703,691	5,729,904	121.71	12,703,691	5,729,904	121.7
Istomer Loans and Receivables	139,387,282	136,552,857	2.08 41.21	139,387,282	136,552,857	2.08 41.68
nancial Investments – Available-for-Sale	19,772,699	14,001,964		19,830,410	14,001,964	
nancial Investments – Held-to-Maturity	21,342,534	24,050,862	(11.26)	21,421,301	24,130,160	(11.2
vestment in Subsidiary	1,018,611	800,624	27.23	-	-	
oup Balances Receivable	30,000	15,000	100.00	4 420 007	4 460 001	(0.6)
operty, Plant and Equipment	2,864,533	2,887,204	(0.79)	4,430,927	4,460,001	(0.65
easehold Rights vestment Properties	46,749 114,429	48,286 114,429	(3.18)	611,752 1,027,152	618,847 1,043,942	(1.15) (1.6)
·						
tangible Assets urrent Taxation Assets	231,956	141,134	64.35	231,956	141,134 992	64.3
eferred Taxation Assets	220,315	170,590	29.15	166.065	135,951	•
ther Assets	6,257,224	5,521,369	13.33	166,965 6,324,015	5,559,102	22.8 ⁻ 13.70
HIGH ASSELS	0,237,224	3,321,309	13.33	0,324,013	3,339,102	13.70
otal Assets	227,184,238	215,160,859	5.59	229,338,756	217,509,448	5.44
abilities						
ue to Banks	10,824,668	11,544,206	(6.23)	10,824,668	11,544,206	(6.2
erivative Financial Instruments	327,226	382,815	(14.52)	327,226	382,815	(14.5
stomer Deposits	174,775,883	167,371,384	4.42	174,775,883	167,371,384	4.4
curities Sold Under Repurchase Agreements	6,992,542	4,573,955	52.88	6,992,542	4,573,955	52.8
her Borrowings	15,369	12,738	20.65	15,369	12,738	20.6
roup Balances Payable	183,810	195,126	(5.80)		-	
ebentures	2,538,217	3,243,299	(21.74)	2,538,217	3,243,299	(21.7
urrent Tax Liabilities	1,401,068	1,090,584	28.47	1,401,885	1,090,584	28.5
ther Liabilities	6,486,079	4,985,134	30.11	6,596,247	5,093,256	29.5
otal Liabilities	203,544,862	193,399,241	5.25	203,472,037	193,312,237	5.2
uity						
ated Capital	10,529,724	10,529,724		10,529,724	10,529,724	
atutory Reserve Fund	841,964	841,964		841,964	841,964	
etained Earnings	8,475,270	7,209,580	17.56	8,549,978	7.147.589	19.6
her Reserves	3,792,418	3,180,350	19.25	4,752,376	4,140,308	14.7
tal Shareholders' Equity	23,639,376	21,761,618	8.63	24,674,042	22,659,585	8.8
on-Controlling Interest	-		-	1,192,677	1,537,626	(22.4
tal Equity	23,639,376	21,761,618	8.63	25,866,719	24,197,211	6.9
tal Equity & Liabilities	227,184,238	215,160,859	5.59	229,338,756	217,509,448	5.4
ntingent Liabilities and Commitments	45,137,741	35,473,070	27.25	45,204,741	35,561,711	27.1
emorandum Information						
umber of Employees	2,961	3,049	(2.89)	2,991	3,080	(2.8
umber of Banking Centres	155	151	2.65	155	151	2.6
and a saliting outdoo	100	101	2.00	100	101	2.0
et Asset Value Per Ordinary Share (Rs.)	68.53	63.08	8.64	71.53	65.69	8.89

П	SEYLAN BANK PLC - DEBENTURES	
		Current Period 01 July 2014 to 30 September 2014
Ш	Debt/Equity Ratio	0.11
	Interest Cover	14.03
	Quick Asset Ratio	0.82
	2013/2018 Issue	
i	Market Prices during Jul to Sep (EX Interest)	
	Annual Interest - 15.50% p.a.	
	Semi Annual - 15.00%	
	Monthly Interest - 14.50%	*
	Interest Yield As At Date of Last Trade	*
	Yield to Maturity of Trade Done on	
	Interest Rate of Comparable Government Security	6.98%

* No Trading During The Period

	B/	NK	GF	OUP
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	19,601,227	19,405,426	20,575,573	20,358,962
Total Capital Base Rs. '000	21,210,666	20,963,541	22,143,162	21,873,128
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	13.25	14.58	13.70	15.01
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	14.34	15.75	14.74	16.13
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio %	9.85	10.58		
(Net of Interest in Suspense)				
Gross Non-Performing Advances Ratio %	9.91	10.64		
(Net of Interest in Suspense including Investment Properties)				
Net Non-Performing Advances Ratio %	7.08	7.94		
(Net of Interest in Suspense and Provision)				
Net Non-Performing Advances Ratio %	7.14	8.00		
(Net of Interest in Suspense and Provision including Investment Properties)				
Profitability Interest Margin %	4.95	4.89		
Return (Net Profit Before Tax) on Average Assets %	2.10	1.72		
Return on Equity %	13.44	11.40		
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	53,725,144	46,137,595		
Offshore Banking Unit USD '000	13,633	16,233		
Statutory Liquid Assets Ratio %				
(Minimum Requirement 20 %)				
Domestic Banking Unit	29.61	26.74		
Offshore Banking Unit	22.80	25.93		

a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and wherever required provides additional disclosures to comply

with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.

b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

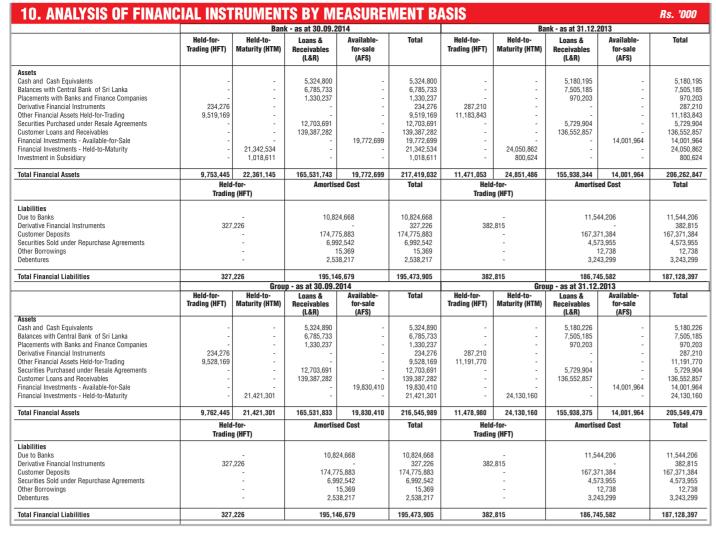
(Sgd.) Ramesh Jayasekara **Chief Financial Officer** October 31, 2014 Colombo

(Sgd.) Kapila Ariyaratne General Manager/Chief Executive (Sgd.) Nihal Jayamanna PC **Chairman**

(Sgd.) Coralie Pietersz Director

SEYLAN BANK PLC FINANCIAL STATEMENTS

Nine months ended 30th September, 2014



09. SEGMENT REPORTING	- GROUI	P								Rs. '000
	BAN	KING	TREA	SURY	PROPERTY/II	NVESTMENTS	UNALLOCATED	/ELIMINATIONS	TO'	TAL
	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Interest Income	14,849,725	15,612,516	1,905,603	1,237,250	24,876	23,016	858,514	1,338,543	17,638,718	18,211,325
Interest Expense	8,603,077	10,670,498	809,091	741,631	81	337	(15,938)	(18,788)	9,396,311	11,393,678
Net Interest Income	6,246,648	4,942,018	1,096,512	495,619	24,795	22,679	874,452	1,357,331	8,242,407	6,817,647
Fee and Commission Income	1,710,001	1,596,824		-	-	-	222	5,817	1,710,223	1,602,641
Fee & Commission expense	32,719	37,517	29,326	23,524	3,356	4,833	354	-	65,755	65,874
Net Fee and Commission Income	1,677,282	1,559,307	(29,326)	(23,524)	(3,356)	(4,833)	(132)	5,817	1,644,468	1,536,767
Net Trading Income	-	-	812,081	(265)	1,401	305		-	813,482	40
Net Gain from Financial Investments		-	941,389	30,566	-	-	(8,405)	-	932,984	30,566
Net Exchange Income	137,762	109,236	225,452	242,839	-	-	(980)	2,524	362,234	354,599
Other Operating Income (Net)	79,085	15,813	24,545	(5,953)	133,393	139,164	(43,793)	(20,844)	193,230	128,180
Inter Segment Revenue	(58,849)	(59,119)	13,637	14,816	-	-	45,212	44,303		-
Total Operating Income	8,081,928	6,567,255	3,084,290	754,098	156,233	157,315	866,354	1,389,131	12,188,805	8,867,799
Depreciation and Amortisation	220,515	211,551	692	915	783	438	143,749	257,414	365,739	470,318
Impairment for Loans and Other Losses - Charges/(Reversal)	1,679,747	580,856		19,520	-	-	(22,411)	(225)	1,657,336	600,151
Operating Expenses (Including VAT& NBT)	4,872,762	4,069,105	444,210	108,676	62,944	76,327	1,243,316	1,253,520	6,623,232	5,507,628
Reportable Segment Profit Before Income Tax	1,308,904	1,705,743	2,639,388	624,987	92,506	80,550	(498,300)	(121,578)	3,542,948	2,289,702
OTHER INFORMATION										
Total Assets	130,758,765	127,185,807	75,435,383	59,654,646	4,410,198	4,409,900	18,734,410	18,465,512	229,338,756	209,715,865
Total Liabilities & Equity	178,261,099	162,040,057	16,961,716	13,814,305	4,410,198	4,409,900	29,705,743	29,451,603	229,338,756	209,715,865
Cash Flows from Operating Activities	6,250,103	9,381,216	2,640,080	645,422	64,656	34,014	(340,179)	215,040	8,614,660	10,275,692
Cash Flows from Investing Activities	(264,597)	(302,417)	(6,826,424)	(17,193,546)	(7,907)	13,425	(165,251)	(215,033)	(7,264,179)	(17,697,571)
Cash Flows from Financing Activities	-	-	1,181,839	8,518,393	(44,389)	(36,991)	(951,799)	(343,714)	185,651	8,137,689
Capital Expenditure	(266,351)	(302,417)	(5,392)	(1,447)	(1,481)	(447)	(143,291)	(229,603)	(416,515)	(533,914)

9	STATEMENT OF CHANGES IN	EUUIIY -	BANK							Rs. '000
		Stated	l Capital	Statutory	Retained		Res	erves		
For	the Nine Months ended 30th September	Ordinary	Ordinary	Reserve	Earnings	Special Risk	Revaluation	Available for	Other	Total
		Shares	Shares	Fund		Reserve	Reserve	Sale Reserves	Reserves	
		Voting	Non-Voting	*		**				
01.	Balance as at 01.01.2013	6,806,722	3,418,730	726,187	6,138,249	112,922	510,049	(125,070)	1,264,048	18,851,837
	Total Comprehensive Income for the period									
	Profit for the Period				1,535,956					1,535,956
	Other Comprehensive Income (Net of Tax)				-			148,517		148,517
)2.	Total Comprehensive Income for the period	•			1,535,956			148,517		1,684,473
	Transactions With Equity Holders, Recognised Directly I	ı Equity								
	Cash/Scrip Dividends to Equity Holders	156,000	148,272		(676,160)					(371,888
	Transfers from/to Retained Profits				(391,581)	(112,922)			504,503	
3.	Total Transactions with Equity Holders	156,000	148,272	•	(1,067,741)	(112,922)			504,503	(371,888
	Balance as at 30.09.2013 (1 + 2 + 3)	6,962,722	3,567,002	726,187	6,606,464		510,049	23,447	1,768,551	20,164,422
11.	Balance as at 01.01.2014	6,962,722	3,567,002	841,964	7,209,580		651,483	641,586	1,887,281	21,761,618
	Total Comprehensive Income for the period									
	Profit for the period				2,253,225					2,253,225
	Other Comprehensive Income (net of tax)							400,694		400,694
2.	Total Comprehensive Income for the period				2,253,225			400,694		2,653,919
	Transactions With Equity Holders, Recognised Directly I	n Equity								
	Dividends to Equity Holders	-			(776,161)					(776,161
	Transfers from/to Retained Profits				(211,374)				211,374	
3.	Total Transactions with Equity Holders				(987,535)				211,374	(776,161
-	Balance as at 30.09.2014 (1 + 2 + 3)	6,962,722	3,567,002	841,964	8,475,270		651,483	1,042,280	2,098,655	23,639,376

	Balance as at 30.09.2014 (1 + 2 + 3)	6,962,722	3,567,002	841,	964 8	,475,270		651,483	1,042,2	2,0	98,655	23,639,3
S	STATEMENT OF CHANGES IN	EQUITY	- GROUP									Rs. '0
		Stated	Capital	Statutory	Retained		Res	erves				
For	the Nine Months ended 30th September	Ordinary	Ordinary	Reserve	Earnings	Special Risk	Revaluation	Available for	Other	Total	Non	Т
		Shares	Shares	Fund		Reserve	Reserve	Sale Reserves	Reserves		Controlling	Ec
		Voting	Non-Voting	*		**					Interest	
01.	Balance as at 01.01.2013	6,806,722	3,418,730	726,187	6,061,571	112,922	868,928	(125,070)	1,519,261	19,389,251	1,222,004	20,611
	Total Comprehensive Income for the period											
	Profit for the Period				1,528,996					1,528,996	9,568	1,53
	Other Comprehensive Income (Net of Tax)							148,517		148,517		14
02.	Total Comprehensive Income for the period			-	1,528,996	-	-	148,517	-	1,677,513	9,568	1,68
	Transactions With Equity Holders, Recognised Directly In I	auitv										
	Cash/Scrip Dividends	156,000	148,272		(676,160)	1				(371,888)	(17,819)	(38
	Transfers from/to Retained Profits	,	,		(391,581))		504,503	-	(,)	(
03.	Total Transactions with Equity Holders	156,000	148,272	-	(1,067,741)			-	504,503	(371,888)	(17,819)	(38
	Balance as at 30.09.2013 (1 + 2 + 3)	6,962,722	3,567,002	726,187	6,522,826	-	868,928	23,447	2,023,764	20,694,876	1,213,753	21,90
01.	Balance as at 01.01.2014	6,962,722	3,567,002	841,964	7,147,589	-	1,356,228	641,586	2,142,494	22,659,585	1,537,626	24,19
	Total Comprehensive Income for the period											
	Profit for the Period				2,260,115					2,260,115	23,704	2,28
	Other Comprehensive Income (Net of Tax)				,,			400.694		400.694	_	40
02.	Total Comprehensive Income for the period	-	-	-	2,260,115	-	-	400,694		2,660,809	23,704	2,68
	Transactions With Equity Holders , Recognised Directly In	Eauitv										
	Dividends				(776,161)	1				(776,161)	(20,857)	(79
	Transfers from/to Retained Profits				(211,374)				211,374	-	,	,
	Changes in Ownership Interest without Change in Control											
	Acquisition of Non-Controlling Interest without Change in Co	ntrol			129,809					129,809	(347,796)	(21
03.	Total Transactions with Equity Holders	-	•	-	(857,726)	-	-	-	211,374	(646,352)	(368,653)	(1,01
	Balance as at 30.09.2014 (1 + 2 + 3)	6,962,722	3,567,002	841,964	8,549,978		1,356,228	1,042,280	2 353 868	24,674,042	1,192,677	25.86

^{*} Statutory Reserve Fund represents the statutory requirement in terms of the section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)



Number of Share Holders

Percentage Holdings

54.30%

335,600

11,719,532 167,371,384

EXPLANATORY NOTES

General
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) immediately effective from January 01, 2012 and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2013 which have been prepared in accordance with LKAS /SLFRS.
The group financial statements comprise a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (64.20%).

MARKET PRICE (Rs.)	30/09	/2014	30/09/2013		
	Voting	Non-Voting	Voting	Non-Voting	
Market Price Per Share	89.00	53.50	58.10	31.10	
Highest Price per share during the quarter ended	94.00	55.00	67.50	36.50	
Lowest Price per share during the quarter ended	64.00	38.50	55.00	29.20	

3. Shareholders' Information

3.1	Twenty Largest Ordinary Voting Shareholders as at September 30, 2014	No. of Shares	%
1.	Sri Lanka Insurance Corporation Ltd	26,396,608	15.00
	[includes Sri Lanka Insurance Corporation Ltd - General Fund – 17,597,739		
	and Sri Lanka Insurance Corporation Ltd -Life Fund -8,798,869]		
2.	Brown & Company PLC A/C No. 1	24,416,750	13.87
3.	Employees Provident Fund	17,525,425	9.96
4.	LOLC Investments Ltd	16,808,502	9.55
5.	Bank of Ceylon No.1 Account	13,198,305	7.50
6.	Waldock Mackenzie Limited/Mr D S K Amarasekera	11,570,145	6.57
7.	Sampath Bank PLC/Dr T Senthilverl	5,169,419	2.94
8.	Mellon Bank N.A – Frontier Market Opportunities Master Fund, L.P	5,029,000	2.86
9.	Employees Trust Fund Board	5,000,001	2.84
10.		4,377,253	2.49
11.	Mellon Bank N.A – Frontier Market Select Fund II L.P	4,341,650	2.47
12.	Seyfest (Private) Limited	3,017,940	1.71
13.	Capital Trust Credit (Pvt) Ltd/W U N Gamage	2,954,017	1.68
14.	Sesot (Private) Limited	2,279,042	1.30
15.	Seybest (Private) Limited	2,165,435	1.23
16.	Seyshop (Private) Limited	2,165,435	1.23
17.	Esots (Private) Limited	2,148,132	1.22
18.	HSBC Intl Nom Ltd – SSBT-Russell Institutional Funds Public Limited Company	2,131,000	1.21
19.	Mr. K R B Fernando	1,015,254	0.58
20.	AIA Insurance Lanka PLC A/C No. 07	1,000,000	0.57
3.2.	Twenty Largest Ordinary Non-Voting Shareholders as at September 30, 2014		
1.	Lanka Orix Leasing Company PLC	71,688,535	42.42
2.	Employees' Provident Fund	19,225,824	11.38
3.	Pershing LLC S/A Averbach Grauson & Co	4,054,012	2.40
4.	Commercial Bank of Ceylon PLC/Dunamis Capital PLC	3,818,755	2.26
5.	Seylan Bank PLC/ARC Capital (Pvt) Ltd	2,917,691	1.73
6.	Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram	2,649,968	1.57
7.	Commercial Bank of Ceylon PLC/ARC Capital (Pvt) Ltd	2,203,000	1.30
8.	Merrill J Fernando & Sons (Pvt) Limited	1,877,057	1.11
9.	Mr N Balasingam	1,762,693	1.04
10.		1,406,460	0.83
11.		1,208,265	0.72
12.	Waldock Mackenzie Limited /Mr. D S K Amarasekera	1,190,739	0.70
13.	Deutsche Bank AG as Trustee for Namal Acuity Value Fund	1,150,000	0.68
14.	•	1,100,000	0.65
15.	Pan Asia Banking Corporation PLC/Mrs. M Mathews	999,907	0.59
16.		923,142	0.55
17.		853,598	0.51
18.		744,123	0.44
19.	Miss S Durga	683,808	0.40
20.	Mr. E Thavagnasundaram	674,192	0.40

Ordinary Voting Shares Ordinary Non-Voting Shares 4. Directors' and General Manager/Chief Executive Officer's Shareholdings as at September 30, 2014

4. Director and denotal manager, which except to other containing a to at copyremises out, 2014		
Name of Director	No. of Shares	No. of Shares
	(Ordinary Voting)	(Ordinary Non-voting)
Mr. Nihal Jayamanne PC	5,583	Nil
Mr. Ishara C Nanayakkara	Nil	Nil
Rear Admiral B A J G Peiris	Nil	Nil
Mr. S P Samantha Ranatunga	Nil	Nil
Mr. W D K Jayawardena	Nil	Nil
Mr. P L S K Perera	Nil	Nil
Ms. M C Pietersz	Nil	Nil
Mr. H I Balapatabendi	Nil	Nil
Mr. H K U Dharmadasa	Nil	35,900
General Manager/Chief Executive Officer		
Mr. K P Ariyaratne	21,117	123,005

5. Stated Capital as at September 30, 2014

33,560,000 Voting Ordinary Shares @ Rs. 10/- each

3.3 Public Holdings as at September 30, 2014

4,000,000 Voting Ordinary Shares @ Rs. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 35/- each 100,000 3,235,400 2,644,068 Voting Ordinary Shares @ Rs. 59/- each 156,000 43,333,333 Voting Ordinary Shares @ Rs. 75/- each 83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each 40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each 3,250,000 1,044,500 1,000,000 45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each 1,589,805 Less: Issue Expenses (181,581) 10,529,724 6. Basic/Diluted Earnings per Share
Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & Non-voting) during the 9 months ended September 30, 2014. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive

7. Post Balance Sheet Events
The Board of Directors has decided that the Bank raise funds through a public issue of 30,000,000 (Thirty Million) listed Rated Senior Unsecured Redeemable Debentures with a parvalue of Rs.100/- each aggregating to a value of Rs. 3,000,000,000/- (Rupees Three Billion) with an option to issue a further Thirty Million of the said Debentures in the event of an over subscription.

Total Customer Deposits

ordinary shares.

The Interest rate options and the tenors will be decided by the Board and announced prior to the opening of the issue.

8. Comparative Information

Comparative information has been re-classified where necessary, to conform to the current period presentation.

During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.All known expenditure items have been provided for in these Interim Accounts

	Customer Loans and Receivables		BANK		GROUP	
11		As at	As at	As at	As a	
		30.09.2014	31.12.2013	30.09.2014	31.12.2013	
	Gross Loans and Receivables (Refer 11.1)	147,432,029	144,167,684	147,432,029	144,167,68	
	Less: Individual Impairment	(3,157,662)	(2,999,778)	(3,157,662)	(2,999,77	
	Collective Impairment	(4,887,085)	(4,615,049)	(4,887,085)	(4,615,04	
et L	oans and Receivables	139,387,282	136,552,857	139,387,282	136,552,85	
.1	Customer Loans and Receivables - By product					
	oduct - Domestic Currency					
	Export Bills	39,602	18.638	39.602	18.63	
	Import Bills	87,378	127,889	87,378	127,88	
	Local Bills	47,149	169,123	47,149	169,12	
	Lease Rentals Receivable	9,236,310	8,690,012	9,236,310	8,690,01	
	Overdrafts	43,499,377	38,964,190	43,499,377	38,964,19	
	Trust Receipts Loans/Revolving Loans(RIL)	8,852,760	9,812,635	8,852,760	9,812,63	
	Staff Loans	4,177,233	3,882,440	4,177,233	3,882,44	
	Housing Loans	8,937,141	8,682,549	8,937,141	8,682,54	
	Pawning Receivables	8,498,324	14,370,126	8,498,324	14,370,12	
	Refinance Loans	680,709	584,504	680,709	584,50	
	Credit Cards	2,907,477	2,551,355	2,907,477	2,551,35	
	Other Loans	50,045,816	47,800,886	50,045,816	47,800,88	
	Total	137,009,276	135,654,347	137,009,276	135,654,34	
pı	oduct - Foreign Currency					
	Export Bills	1,152,519	702,052	1,152,519	702,05	
	Import Bills	137,470	66,702	137,470	66,70	
	Local Bills	53,690	71,785	53,690	71,78	
	Overdrafts	563,964	481,513	563,964	481,51	
	Trust Receipts Loans/Revolving Loans(RIL)	205,807	406,991	205,807	406,99	
	Other Loans	8,309,303	6,784,294	8,309,303	6,784,29	
	Total	10,422,753	8,513,337	10,422,753	8,513,33	
os	s Loans and Receivables	147,432,029	144,167,684	147,432,029	144,167,68	

	Total	10,422,753	8,513,337	10,422,753	8,513,337	
Gross	Loans and Receivables	147,432,029	144,167,684	147,432,029	144,167,684	
11.2	Movements in Individual and Collective Impairment during the period for	D	ANIZ	GROUP		
	Customer Loans and Receivables	BANK				
		2014	2013	2014	2013	
		(For 09 Months)	(For 12 Months)	(For 09 Months)	(For 12 Months)	
	Individual Impairment					
	Opening Balance as at 01st January	2,999,778	3,537,698	2,999,778	3,537,698	
	Charge/(Write back) to Income Statement	1,207,893	1,305,790	1,207,893	1,305,790	
	Reversal for Write-Offs	(620,149)	(1,276,124)	(620,149)	(1,276,124)	
	Interest Accrued on Impaired Loans	(429,860)	(567,586)	(429,860)	(567,586)	
	Closing Balance as at 30th September 2014	3,157,662		3,157,662		
	as at 31st December 2013		2,999,778		2,999,778	
Colle	ctive Impairment					
	Opening Balance as at 01st January	4,615,049	4,707,621	4,615,049	4,707,621	
	Charge/(Write back) to Income Statement	272,036	(92,572)	272,036	(92,572)	
	Closing Balance as at 30th September 2014	4,887,085		4,887,085		
	as at 31st December 2013		4,615,049		4,615,049	
Total Impairment		8,044,747	7,614,827	8,044,747	7,614,827	
12	Customer Deposits - By product	As at	As at	As at	As at	
		30.09.2014	31.12.2013	30.09.2014	31.12.2013	
By pro	oduct - Domestic Currency					
	Demand deposits	12,592,181	10,727,342	12,592,181	10,727,342	
	Savings deposits	45,682,906	38,991,037	45,682,906	38,991,037	
	Fixed deposits	98,125,922	99,858,932	98,125,922	99,858,932	
	Certificate of deposits	6,110,672	6,074,541	6,110,672	6,074,541	
	Total	162,511,681	155,651,852	162,511,681	155,651,852	
By pro	oduct - Foreign Currency					
	Demand deposits	791,988	745,172	791,988	745,172	
	Savings deposits	4,798,401	4,587,352	4,798,401	4,587,352	
	Fixed deposits	6,673,813	6,387,008	6,673,813	6,387,008	

^{**} According to the circular Ref. No. 08/24/002/0005/003/ issued by the Central Bank of Sri Lanka, Primary Dealer Unit is required to appropriate 25% of the profit after tax for the year towards the Special Risk Reserve. However, with effect from 14/02/2013 Licensed Commercial Banks appointed as Primary Dealers were exempted from the requirement of maintaining such Special Reserve as per Direction No. 08/11/011/0019/001 dated 18/03/2013.