



# Seylan Bank PLC

Interim Financial Statements  
For the 12 Months Ended 31st December 2015

**Seylan Bank PLC**  
**Income Statement**

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Bank			Bank		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2015	2014	Growth %	2015	2014	Growth %
Interest Income	24,151,349	23,407,481	3.18	6,463,796	5,777,471	11.88
Less: Interest Expenses	12,325,966	12,242,991	0.68	3,488,758	2,830,593	23.25
<b>Net Interest Income</b>	<b>11,825,383</b>	<b>11,164,490</b>	<b>5.92</b>	<b>2,975,038</b>	<b>2,946,878</b>	<b>0.96</b>
Fee and Commission Income	2,811,140	2,347,472	19.75	861,869	637,249	35.25
Less: Fee and Commission Expenses	113,694	90,267	25.95	33,044	27,868	18.57
<b>Net Fee and Commission Income</b>	<b>2,697,446</b>	<b>2,257,205</b>	<b>19.50</b>	<b>828,825</b>	<b>609,381</b>	<b>36.01</b>
Net Trading Income	108,558	740,106	(85.33)	61,279	(71,975)	(185.14)
Net Gain from Financial Investments	232,469	1,186,185	(80.40)	73,742	253,201	(70.88)
Net Exchange Income	884,378	535,250	65.23	208,568	173,016	20.55
Other Operating Income (Net)	398,187	347,861	14.47	49,515	183,826	(73.06)
	<b>1,623,592</b>	<b>2,809,402</b>	<b>(42.21)</b>	<b>393,104</b>	<b>538,068</b>	<b>(26.94)</b>
<b>Total Operating Income</b>	<b>16,146,421</b>	<b>16,231,097</b>	<b>(0.52)</b>	<b>4,196,967</b>	<b>4,094,327</b>	<b>2.51</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	841,302	2,021,892	(58.39)	295,024	813,999	(63.76)
Collective Impairment	(370,141)	60,661	(710.18)	(332,502)	(211,375)	(57.30)
Others	17,735	186,967	(90.51)	9,256	9,560	(3.18)
	<b>488,896</b>	<b>2,269,520</b>	<b>(78.46)</b>	<b>(28,222)</b>	<b>612,184</b>	<b>(104.61)</b>
<b>Net Operating Income</b>	<b>15,657,525</b>	<b>13,961,577</b>	<b>12.15</b>	<b>4,225,189</b>	<b>3,482,143</b>	<b>21.34</b>
Personnel Expenses	4,194,135	3,926,361	6.82	1,013,016	1,017,989	(0.49)
Depreciation and Amortisation	483,448	453,374	6.63	130,263	110,803	17.56
Other Expenses	3,946,991	3,729,394	5.83	965,713	915,098	5.53
	<b>8,624,574</b>	<b>8,109,129</b>	<b>6.36</b>	<b>2,108,992</b>	<b>2,043,890</b>	<b>3.19</b>
<b>Operating Profit before Taxes</b>	<b>7,032,951</b>	<b>5,852,448</b>	<b>20.17</b>	<b>2,116,197</b>	<b>1,438,253</b>	<b>47.14</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	1,256,240	1,203,004	4.43	401,947	278,474	44.34
<b>Profit before Income Taxes</b>	<b>5,776,711</b>	<b>4,649,444</b>	<b>24.25</b>	<b>1,714,250</b>	<b>1,159,779</b>	<b>47.81</b>
Income Tax Expenses	1,945,767	1,570,842	23.87	612,946	334,402	83.30
<b>Profit for the Period</b>	<b>3,830,944</b>	<b>3,078,602</b>	<b>24.44</b>	<b>1,101,304</b>	<b>825,377</b>	<b>33.43</b>
Basic / Diluted Earnings per Ordinary Share (in Rupees)	11.11	8.92	24.44	3.19	2.39	33.43

**Seylan Bank PLC****Statement of Profit or Loss and Other Comprehensive Income***(In terms of Rule 7.4 of the Colombo Stock Exchange)**(Amounts in Rupees Thousands )*

	<i>Bank</i>			<i>Bank</i>		
	<i>For the Year Ended 31st December</i>			<i>For the Quarter Ended 31st December</i>		
	2015	2014	<i>Growth %</i>	2015	2014	<i>Growth %</i>
<b>Profit for the Period</b>	<b>3,830,944</b>	<b>3,078,602</b>	<b>24.44</b>	<b>1,101,304</b>	<b>825,377</b>	<b>33.43</b>
<b>Other Comprehensive Income, Net of Tax</b>						
Actuarial Gain/(Loss) on Defined Benefit Obligations	66,071	(65,156)	<b>201.40</b>	66,071	(65,156)	<b>201.40</b>
Net Gain/(Loss) on Re-measuring Available-for-Sale Financial Assets	(1,120,048)	9,636	<b>(11,723.58)</b>	(188,101)	(391,058)	<b>51.90</b>
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>(1,053,977)</b>	<b>(55,520)</b>	<b>(1,798.37)</b>	<b>(122,030)</b>	<b>(456,214)</b>	<b>73.25</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,776,967</b>	<b>3,023,082</b>	<b>(8.14)</b>	<b>979,274</b>	<b>369,163</b>	<b>165.27</b>

**Seylan Bank PLC**  
**Income Statement**

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2015	2014	Growth %	2015	2014	Growth %
Interest Income	24,166,589	23,422,157	3.18	6,467,862	5,783,439	11.83
Less: Interest Expenses	12,309,274	12,223,232	0.70	3,484,869	2,826,921	23.27
<b>Net Interest Income</b>	<b>11,857,315</b>	<b>11,198,925</b>	<b>5.88</b>	<b>2,982,993</b>	<b>2,956,518</b>	<b>0.90</b>
Fee and Commission Income	2,810,961	2,347,129	19.76	861,850	636,906	35.32
Less: Fee and Commission Expenses	120,450	97,009	24.16	36,833	31,254	17.85
<b>Net Fee and Commission Income</b>	<b>2,690,511</b>	<b>2,250,120</b>	<b>19.57</b>	<b>825,017</b>	<b>605,652</b>	<b>36.22</b>
Net Trading Income	107,558	741,707	(85.50)	61,479	(71,775)	(185.66)
Net Gain from Financial Investments	232,469	1,189,706	(80.46)	73,742	256,722	(71.28)
Net Exchange Income	884,378	535,250	65.23	208,568	173,016	20.55
Other Operating Income (Net)	426,895	392,477	8.77	70,822	199,247	(64.46)
	<b>1,651,300</b>	<b>2,859,140</b>	<b>(42.24)</b>	<b>414,611</b>	<b>557,210</b>	<b>(25.59)</b>
<b>Total Operating Income</b>	<b>16,199,126</b>	<b>16,308,185</b>	<b>(0.67)</b>	<b>4,222,621</b>	<b>4,119,380</b>	<b>2.51</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	841,302	2,021,892	(58.39)	295,024	813,999	(63.76)
Collective Impairment	(370,141)	60,661	(710.18)	(332,502)	(211,375)	(57.30)
Others	17,735	52,172	(66.01)	9,256	(125,235)	107.39
	<b>488,896</b>	<b>2,134,725</b>	<b>(77.10)</b>	<b>(28,222)</b>	<b>477,389</b>	<b>(105.91)</b>
<b>Net Operating Income</b>	<b>15,710,230</b>	<b>14,173,460</b>	<b>10.84</b>	<b>4,250,843</b>	<b>3,641,991</b>	<b>16.72</b>
Personnel Expenses	4,221,950	3,957,416	6.68	1,017,450	1,027,663	(0.99)
Depreciation and Amortisation	528,185	496,228	6.44	141,790	134,379	5.51
Other Expenses	3,881,244	3,681,423	5.43	951,176	908,584	4.69
	<b>8,631,379</b>	<b>8,135,067</b>	<b>6.10</b>	<b>2,110,416</b>	<b>2,070,626</b>	<b>1.92</b>
<b>Operating Profit before Taxes</b>	<b>7,078,851</b>	<b>6,038,393</b>	<b>17.23</b>	<b>2,140,427</b>	<b>1,571,365</b>	<b>36.21</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	1,256,240	1,203,004	4.43	401,947	278,474	44.34
<b>Profit before Income Taxes</b>	<b>5,822,611</b>	<b>4,835,389</b>	<b>20.42</b>	<b>1,738,480</b>	<b>1,292,891</b>	<b>34.46</b>
Income Tax Expenses	1,936,662	1,582,819	22.36	583,696	324,140	80.08
<b>Profit for the Period</b>	<b>3,885,949</b>	<b>3,252,570</b>	<b>19.47</b>	<b>1,154,784</b>	<b>968,751</b>	<b>19.20</b>
<b>Attributable to :</b>						
Owners of the Parent	3,855,296	3,178,776	21.28	1,138,772	918,661	23.96
Non-Controlling Interest	30,653	73,794	(58.46)	16,012	50,090	(68.03)
<b>Profit for the Period</b>	<b>3,885,949</b>	<b>3,252,570</b>	<b>19.47</b>	<b>1,154,784</b>	<b>968,751</b>	<b>19.20</b>
<b>Basic / Diluted Earnings per Ordinary Share (in Rupees)</b>	<b>11.18</b>	<b>9.21</b>	<b>21.28</b>	<b>3.30</b>	<b>2.66</b>	<b>23.96</b>

## Seylan Bank PLC

### Statement of Profit or Loss and Other Comprehensive Income

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2015	2014	Growth %	2015	2014	Growth %
<b>Profit for the Period</b>	<b>3,885,949</b>	<b>3,252,570</b>	<b>19.47</b>	<b>1,154,784</b>	<b>968,751</b>	<b>19.20</b>
<b>Other Comprehensive Income, Net of Tax</b>						
Revaluation of Property, Plant and Equipment	7,412	27,044	(72.59)	7,412	27,044	(72.59)
Actuarial Gain/(Loss) on Defined Benefit Obligations	65,698	(65,125)	200.88	65,698	(65,125)	200.88
Net Gain/(Loss) on Re-measuring Available-for-Sale Financial Assets	(1,120,507)	8,480	(13,313.53)	(189,780)	(392,214)	51.61
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>(1,047,397)</b>	<b>(29,601)</b>	<b>(3,438.38)</b>	<b>(116,670)</b>	<b>(430,295)</b>	<b>72.89</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,838,552</b>	<b>3,222,969</b>	<b>(11.93)</b>	<b>1,038,114</b>	<b>538,456</b>	<b>92.79</b>
<b>Attributable to :</b>						
Owners of the Parent	2,805,940	3,139,896	(10.64)	1,020,498	479,087	113.01
Non-Controlling Interest	32,612	83,073	(60.74)	17,616	59,369	(70.33)
<b>Total Comprehensive Income for the Period</b>	<b>2,838,552</b>	<b>3,222,969</b>	<b>(11.93)</b>	<b>1,038,114</b>	<b>538,456</b>	<b>92.79</b>

**Seylan Bank PLC**
**Statement of Financial Position**

(In terms of Rule 7.4 of the Colombo Stock Exchange)

	Bank			Group		
	As at	As at	Growth	As at	As at	Growth
	31.12.2015	31.12.2014	%	31.12.2015	31.12.2014	%
<b>(Amounts in Rupees Thousands )</b>						
<b>Assets</b>						
Cash and Cash Equivalents	7,800,488	6,672,963	<b>16.90</b>	7,800,538	6,673,003	<b>16.90</b>
Balances with Central Bank of Sri Lanka	8,563,888	7,432,206	<b>15.23</b>	8,563,888	7,432,206	<b>15.23</b>
Placements with Banks and Finance Companies	757,050	2,334,304	<b>(67.57)</b>	757,050	2,334,304	<b>(67.57)</b>
Derivative Financial Instruments	130,055	191,411	<b>(32.05)</b>	130,055	191,411	<b>(32.05)</b>
Other Financial Assets Held-for-Trading	6,016,572	2,525,225	<b>138.26</b>	6,024,772	2,534,425	<b>137.72</b>
Securities Purchased under Resale Agreements	2,312,548	17,762,914	<b>(86.98)</b>	2,312,548	17,762,914	<b>(86.98)</b>
Customer Loans and Receivables	193,103,942	154,962,712	<b>24.61</b>	193,103,942	154,962,712	<b>24.61</b>
Financial Investments - Available-for-Sale	48,038,510	23,780,589	<b>102.01</b>	48,075,921	23,838,151	<b>101.68</b>
Financial Investments - Held-to-Maturity	18,147,773	22,438,807	<b>(19.12)</b>	18,229,045	22,520,079	<b>(19.05)</b>
Investment in Subsidiary	1,151,929	1,106,113	<b>4.14</b>	-	-	-
Group Balances Receivable	30,000	30,000	-	-	-	-
Property, Plant & Equipment	3,227,752	2,967,600	<b>8.77</b>	4,875,266	4,575,985	<b>6.54</b>
Leasehold Rights	44,316	46,262	<b>(4.21)</b>	600,057	609,413	<b>(1.54)</b>
Investment Properties	-	114,429	<b>(100.00)</b>	1,089,920	1,183,224	<b>(7.89)</b>
Intangible Assets	249,890	279,820	<b>(10.70)</b>	249,890	279,820	<b>(10.70)</b>
Deferred Tax Assets	-	18,030	<b>(100.00)</b>	-	-	-
Other Assets	6,755,420	6,647,174	<b>1.63</b>	6,772,672	6,660,185	<b>1.69</b>
<b>Total Assets</b>	<b>296,330,133</b>	<b>249,310,559</b>	<b>18.86</b>	<b>298,585,564</b>	<b>251,557,832</b>	<b>18.69</b>
<b>Liabilities</b>						
Due to Banks	19,784,171	11,615,467	<b>70.33</b>	19,784,171	11,615,467	<b>70.33</b>
Derivative Financial Instruments	50,013	210,536	<b>(76.24)</b>	50,013	210,536	<b>(76.24)</b>
Customer Deposits	224,525,455	185,924,122	<b>20.76</b>	224,525,455	185,924,122	<b>20.76</b>
Securities Sold under Repurchase Agreements	11,409,788	12,419,887	<b>(8.13)</b>	11,409,788	12,419,887	<b>(8.13)</b>
Other Borrowings	15,688	14,628	<b>7.25</b>	15,688	14,628	<b>7.25</b>
Group Balances Payable	181,266	193,295	<b>(6.22)</b>	-	-	-
Debentures	7,179,853	7,655,705	<b>(6.22)</b>	7,179,853	7,655,705	<b>(6.22)</b>
Current Tax Liabilities	506,712	1,323,805	<b>(61.72)</b>	505,278	1,323,290	<b>(61.82)</b>
Deferred Tax Liabilities	336,102	-	-	384,771	36,507	<b>953.96</b>
Other Liabilities	7,285,408	5,944,575	<b>22.56</b>	7,375,613	6,038,099	<b>22.15</b>
<b>Total Liabilities</b>	<b>271,274,456</b>	<b>225,302,020</b>	<b>20.40</b>	<b>271,230,630</b>	<b>225,238,241</b>	<b>20.42</b>
<b>Equity</b>						
Stated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	-
Statutory Reserve Fund	1,187,441	995,894	<b>19.23</b>	1,187,441	995,894	<b>19.23</b>
Retained Earnings	11,125,666	9,083,743	<b>22.48</b>	11,376,269	9,293,830	<b>22.41</b>
Other Reserves	2,212,846	3,399,178	<b>(34.90)</b>	3,194,306	4,375,756	<b>(27.00)</b>
<b>Total Shareholders' Equity</b>	<b>25,055,677</b>	<b>24,008,539</b>	<b>4.36</b>	<b>26,287,740</b>	<b>25,195,204</b>	<b>4.34</b>
<b>Non - Controlling Interest</b>	-	-	-	<b>1,067,194</b>	<b>1,124,387</b>	<b>(5.09)</b>
<b>Total Equity</b>	<b>25,055,677</b>	<b>24,008,539</b>	<b>4.36</b>	<b>27,354,934</b>	<b>26,319,591</b>	<b>3.93</b>
<b>Total Equity &amp; Liabilities</b>	<b>296,330,133</b>	<b>249,310,559</b>	<b>18.86</b>	<b>298,585,564</b>	<b>251,557,832</b>	<b>18.69</b>
<b>Contingent Liabilities and Commitments</b>	<b>57,222,365</b>	<b>45,098,070</b>	<b>26.88</b>	<b>57,302,098</b>	<b>45,165,070</b>	<b>26.87</b>
<b>Memorandum Information</b>						
Number of Employees	<b>3,085</b>	2,947	<b>4.68</b>	<b>3,113</b>	2,977	<b>4.57</b>
Number of Banking Centres	<b>159</b>	157	<b>1.27</b>	<b>159</b>	157	<b>1.27</b>
Net Assets Value per Ordinary Share (Rs.)	<b>72.63</b>	69.60	<b>4.36</b>	<b>76.21</b>	73.04	<b>4.34</b>

**Certification;**

We the undersigned, being the Chairman, Director / Chief Executive Officer and Chief Financial Officer of Seylan Bank PLC certify that,

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where ever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
- The information contained in these statements have been extracted from the un-audited 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**

(Sgd.)

Nihal Jayamanne PC  
**Chairman**  
February 25, 2016  
Colombo

(Sgd.)

Kapila Ariyaratne  
**Director/Chief Executive Officer**

**Seylan Bank PLC**  
**Statement of Changes in Equity**  
**For the Year ended 31st December - Bank**

	Rs. ' 000							Total
	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	Available for Sale Reserve	Other Reserves	
<b>1 Balance as at 01.01.2014</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>841,964</b>	<b>7,209,580</b>	<b>651,483</b>	<b>641,586</b>	<b>1,887,281</b>	<b>21,761,618</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	3,078,602	-	-	-	<b>3,078,602</b>
Other Comprehensive Income (net of tax)	-	-	-	(65,156)	-	9,636	-	<b>(55,520)</b>
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,013,446</b>	<b>-</b>	<b>9,636</b>	<b>-</b>	<b>3,023,082</b>
<b>Transactions With Equity Holders , Recognised Directly In Equity</b>								
Dividends to Equity Holders	-	-	-	(776,161)	-	-	-	<b>(776,161)</b>
Transfers from / to Retained Profits	-	-	153,930	(363,122)	-	-	209,192	<b>-</b>
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>153,930</b>	<b>(1,139,283)</b>	<b>-</b>	<b>-</b>	<b>209,192</b>	<b>(776,161)</b>
<b>Balance as at 31.12.2014 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,083,743</b>	<b>651,483</b>	<b>651,222</b>	<b>2,096,473</b>	<b>24,008,539</b>
<b>1 Balance as at 01.01.2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,083,743</b>	<b>651,483</b>	<b>651,222</b>	<b>2,096,473</b>	<b>24,008,539</b>
Super Gain Tax **	-	-	-	(867,428)	-	-	-	<b>(867,428)</b>
<b>Adjusted Balance as at 01.01.2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>8,216,315</b>	<b>651,483</b>	<b>651,222</b>	<b>2,096,473</b>	<b>23,141,111</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	3,830,944	-	-	-	<b>3,830,944</b>
Other Comprehensive Income (net of tax)	-	-	-	66,071	-	(1,120,048)	-	<b>(1,053,977)</b>
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,897,015</b>	<b>-</b>	<b>(1,120,048)</b>	<b>-</b>	<b>2,776,967</b>
<b>Transactions With Equity Holders , Recognised Directly In Equity</b>								
Dividends to Equity Holders	-	-	-	(862,401)	-	-	-	<b>(862,401)</b>
Transfers from / to Retained Profits	-	-	191,547	(125,263)	-	-	(66,284)	<b>-</b>
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>191,547</b>	<b>(987,664)</b>	<b>-</b>	<b>-</b>	<b>(66,284)</b>	<b>(862,401)</b>
<b>Balance as at 31.12.2015 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,125,666</b>	<b>651,483</b>	<b>(468,826)</b>	<b>2,030,189</b>	<b>25,055,677</b>

\* 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).

\*\* As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Bank is liable for Super Gain Tax of Rs. 867.4 Million. According to the Act, the Super Gain Tax shall be deemed to be expenditure in the Financial Statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards; hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.

**Seylan Bank PLC**  
**Statement of Changes in Equity**  
**For the Year ended 31st December - Group**

Rs. ' 000										
	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total	Non Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	Available for Sale Reserve	Other Reserves			
<b>1 Balance as at 01.01.2014</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>841,964</b>	<b>7,149,507</b>	<b>1,356,228</b>	<b>641,586</b>	<b>2,142,494</b>	<b>22,661,503</b>	<b>1,537,626</b>	<b>24,199,129</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	3,178,776	-	-	-	3,178,776	73,794	3,252,570
Other Comprehensive Income (net of tax)	-	-	-	(65,136)	17,362	8,894	-	(38,880)	9,279	(29,601)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,113,640</b>	<b>17,362</b>	<b>8,894</b>	<b>-</b>	<b>3,139,896</b>	<b>83,073</b>	<b>3,222,969</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Dividends	-	-	-	(776,161)	-	-	-	(776,161)	(20,857)	(797,018)
Transfers from / to Retained Profits	-	-	153,930	(363,122)	-	-	209,192	-	-	-
<b>Changes in Ownership Interests in Subsidiaries</b>										
Acquisition of Non-Controlling Interest without Change in Control	-	-	-	169,966	-	-	-	169,966	(475,455)	(305,489)
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>153,930</b>	<b>(969,317)</b>	<b>-</b>	<b>-</b>	<b>209,192</b>	<b>(606,195)</b>	<b>(496,312)</b>	<b>(1,102,507)</b>
<b>Balance as at 31.12.2014 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,293,830</b>	<b>1,373,590</b>	<b>650,480</b>	<b>2,351,686</b>	<b>25,195,204</b>	<b>1,124,387</b>	<b>26,319,591</b>
<b>1 Balance as at 01.01.2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,293,830</b>	<b>1,373,590</b>	<b>650,480</b>	<b>2,351,686</b>	<b>25,195,204</b>	<b>1,124,387</b>	<b>26,319,591</b>
Super Gain Tax **	-	-	-	(870,371)	-	-	-	(870,371)	(1,257)	(871,628)
<b>Adjusted Balance as at 01.01.2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>8,423,459</b>	<b>1,373,590</b>	<b>650,480</b>	<b>2,351,686</b>	<b>24,324,833</b>	<b>1,123,130</b>	<b>25,447,963</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	3,855,296	-	-	-	3,855,296	30,653	3,885,949
Other Comprehensive Income (net of tax)	-	-	-	65,810	5,193	(1,120,359)	-	(1,049,356)	1,959	(1,047,397)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,921,106</b>	<b>5,193</b>	<b>(1,120,359)</b>	<b>-</b>	<b>2,805,940</b>	<b>32,612</b>	<b>2,838,552</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Dividends	-	-	-	(862,401)	-	-	-	(862,401)	(23,364)	(885,765)
Transfers from / to Retained Profits	-	-	191,547	(125,263)	-	-	(66,284)	-	-	-
<b>Changes in Ownership Interest in Subsidiaries</b>										
Acquisition of Non-Controlling Interest without Change in Control	-	-	-	19,368	-	-	-	19,368	(65,184)	(45,816)
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>191,547</b>	<b>(968,296)</b>	<b>-</b>	<b>-</b>	<b>(66,284)</b>	<b>(843,033)</b>	<b>(88,548)</b>	<b>(931,581)</b>
<b>Balance as at 31.12.2015 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,376,269</b>	<b>1,378,783</b>	<b>(469,879)</b>	<b>2,285,402</b>	<b>26,287,740</b>	<b>1,067,194</b>	<b>27,354,934</b>

\* 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).

\*\* As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Group is liable for Super Gain Tax of Rs. 871.6 Million. According to the Act, the Super Gain Tax shall be deemed to be expenditure in the Financial Statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards; hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.



## Seylan Bank PLC

### Cash Flow Statement

	<b>Bank</b>				<b>Group</b>			
	<i>For the Year ended 31st December</i>				<b>2015</b>		<b>2014</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
<b>Cash Flows from Operating Activities</b>								
Interest Receipts	22,615,496	22,780,397	22,630,736	22,795,073				
Fees and Commission Receipts	2,811,140	2,347,472	2,810,961	2,347,129				
Interest Payments	(11,335,122)	(13,136,112)	(11,318,430)	(13,116,353)				
Trading Income	1,474,212	1,172,265	1,473,212	1,172,265				
Receipts from Other Operating Activities	77,484	97,451	153,580	156,165				
Cash Payments to Employees and Suppliers	(8,907,410)	(8,408,229)	(8,876,496)	(8,407,464)				
Cash Payments to Other Operating Activities	(113,694)	(90,267)	(120,450)	(97,009)				
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>6,622,106</b>	<b>4,762,977</b>	<b>6,753,113</b>	<b>4,849,806</b>				
<b>(Increase)/Decrease in Operating Assets :</b>								
Loans and Receivables to Customers	(38,623,971)	(18,785,907)	(38,623,971)	(18,785,907)				
Deposits Held for Regulatory or Monetary Control Purposes	(1,131,682)	72,979	(1,131,682)	72,979				
<b>Increase/(Decrease) in Operating Liabilities :</b>								
Deposits from Customers	41,395,660	17,669,944	41,395,660	17,669,944				
Certificates of Deposit from Customers	(2,043,812)	(143,274)	(2,043,812)	(143,274)				
<b>Cash Generated from Operations</b>	<b>6,218,301</b>	<b>3,576,719</b>	<b>6,349,308</b>	<b>3,663,548</b>				
Income Tax Paid	(2,371,829)	(722,279)	(2,376,470)	(722,279)				
Contribution Paid into Employees Retirement Benefit Plan / Employees	(123,033)	(214,683)	(123,033)	(214,683)				
<b>Net Cash Generated from Operating Activities</b>	<b>3,723,439</b>	<b>2,639,757</b>	<b>3,849,805</b>	<b>2,726,586</b>				
<b>Cash Flows from Investing Activities</b>								
Investment in Subsidiary Company	(45,816)	(305,489)	-	-				
Dividend Income Received	92,751	40,205	47,195	19,027				
Government of Sri Lanka Treasury Bills/Bonds and Development Maturing after 03 months	(29,407,227)	2,924,115	(29,407,227)	2,924,115				
Reverse Repurchase Agreements Maturing After 03 Months	-	76,956	-	76,956				
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	1,406,427	(1,687,776)	1,423,676	(1,750,186)				
Purchase of Property , Plant & Equipment and Intangible Assets	(714,214)	(678,837)	(774,346)	(703,404)				
Proceeds From Sale Of Property , Plant & Equipment	20,510	15,224	22,678	15,224				
Proceeds from Sale of Investment Properties	155,000	-	155,000	10,954				
Improvements to Investment Properties	-	-	(30,155)	(24,089)				
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(28,492,569)</b>	<b>384,398</b>	<b>(28,563,179)</b>	<b>568,597</b>				
<b>Cash Flows from Financing Activities</b>								
Increase / ( Decrease) in Debentures	(465,000)	4,404,065	(465,000)	4,404,065				
Securities Sold under Repurchase Agreements	(991,147)	7,847,735	(991,147)	7,847,735				
Increase / (Decrease) in Other Borrowings	8,823,565	32,755	8,795,981	(214,668)				
Dividends Paid - Ordinary Shares	(852,687)	(771,254)	(880,849)	(794,850)				
Dividends Paid - Preference Shares	-	(39)	-	(39)				
<b>Net Cash Generated from Financing Activities</b>	<b>6,514,731</b>	<b>11,513,262</b>	<b>6,458,985</b>	<b>11,242,243</b>				
Net Increase / (Decrease) in Cash and Cash Equivalents	(18,254,399)	14,537,417	(18,254,389)	14,537,426				
Cash and Cash Equivalents at beginning of the Year	32,936,491	18,399,074	32,936,531	18,399,105				
<b>Cash and Cash Equivalents at end of the Year</b>	<b>14,682,092</b>	<b>32,936,491</b>	<b>14,682,142</b>	<b>32,936,531</b>				
<b>Reconciliation of Cash and Cash Equivalents</b>								
Cash and Cash Equivalents	7,800,488	6,672,963	7,800,538	6,673,003				
Placements with Banks and Finance Companies	757,050	2,334,304	757,050	2,334,304				
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing within 03 Months	3,812,006	6,166,310	3,812,006	6,166,310				
Securities Purchased under Resale Agreements Maturing with in 03 Months	2,312,548	17,762,914	2,312,548	17,762,914				
	<b>14,682,092</b>	<b>32,936,491</b>	<b>14,682,142</b>	<b>32,936,531</b>				

## EXPLANATORY NOTES

### 1. 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) 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, 2014 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 (70.42%).

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/12/2015		31/12/2014	
	Voting	Non Voting	Voting	Non Voting
Market Price Per Share	95.00	73.00	95.00	57.50
Highest price per share during the quarter ended	105.20	79.40	102.00	63.00
Lowest price per share during the quarter ended	92.00	70.00	87.00	51.70

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at December 31, 2015

	No. of Shares	%
1. Sri Lanka Insurance Corporation Ltd [includes Sri Lanka Insurance Corporation Ltd -General Fund – 17,597,739 shares and Sri Lanka Insurance Corporation Ltd (Life Fund) –8,798,869 shares]	26,396,608	15.00
2. Brown & Company PLC A/C No. 1	24,416,750	13.87
3. Employees Provident Fund	17,346,996	9.86
4. LOLC Investments Ltd	16,808,502	9.55
5. National Development Bank PLC A/C No.02	15,353,784	8.73
6. Bank of Ceylon No.1 Account	13,198,305	7.50
7. BNYM SA/NV-Frontier Market Opportunities Master Fund L.P	4,094,638	2.33
8. Employees Trust Fund Board	3,175,139	1.81
9. Seyfest (Private) Limited	3,017,940	1.71
10. Sesot (Private) Limited	2,279,042	1.30
11. Seybest (Private) Limited	2,165,435	1.23
12. Seyshop (Private) Limited	2,165,435	1.23
13. Esots (Private) Limited	2,148,132	1.22
14. Lanka Century Investments PLC	2,079,160	1.18
15. HSBC Intl Nom Ltd – SSBT-Russell Institutional Funds Public Limited Company	2,027,100	1.15
16. Capital Development and Investment Company PLC A/C No. 02	1,782,428	1.01
17. BNYM SA/NV Frontier Market Select Fund II L.P	1,694,960	0.96
18. AIA Insurance Lanka PLC A/C No. 07	1,557,072	0.89
19. Sampath Bank PLC/Dr T Senthilverl	1,511,647	0.86
20. N P Capital Ltd	1,503,505	0.85

### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 2015

	No. of Shares	%
1. Lanka Orix Leasing Company PLC	74,238,665	43.93
2. Employees' Provident Fund	9,013,489	5.33
3. Commercial Bank of Ceylon PLC/Dunamis Capital PLC	3,818,755	2.26
4. Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram	2,649,968	1.57
5. Akbar Brothers (Pvt) Ltd A/C No. 1	2,547,832	1.51
6. Pershing LLC S/A Averbach Grauson & Co	2,375,012	1.41
7. Deutsche Bank AG as Trustees for JB Vantage Value Equity Fund	1,943,307	1.15
8. Merrill J Fernando & Sons (Pvt) Limited	1,877,057	1.11
9. Mr N Balasingam	1,762,693	1.04
10. Trading Partners (Pvt) Ltd	1,619,855	0.96
11. Lanka Orix Information Technology Services Ltd.	1,471,587	0.87
12. Dr S Yaddehige	1,369,851	0.81
13. Deutsche Bank AG – National Equity Fund	1,253,265	0.74
14. Commercial Bank of Ceylon PLC/ARC Capital (Pvt) Ltd	1,216,280	0.72
15. Deutsche Bank AG as Trustees for Namal Acuity Value Fund	1,150,000	0.68
16. HSBC International Nominees Ltd-SSBT-Deutsche Bank AG Singapore A/C 01	858,581	0.51
17. Mr. M J Fernando	850,000	0.50
18. Mr E Thavagnanasooriyam	783,598	0.46
19. Miss S Durga	770,808	0.46
20. Mr. R Gautam	765,000	0.45

### 3.3 Public Holdings as at December 31, 2015

	<u>Number of Share Holders</u>	<u>Percentage Holdings</u>
• Ordinary Voting Shares	9,425	54.28%
• Ordinary Non-Voting Shares	7,028	55.96%

### 4. Directors' and Chief Executive Officer's Shareholdings as at December 31, 2015

<u>Name of Director</u>	<u>No of Shares (Ordinary Voting)</u>	<u>No of Shares (Ordinary Non-voting)</u>
Mr. Nihal Jayamanne PC, Independent Director/Chairman	5,583	Nil
Mr. Ishara C Nanayakkara, Non-executive Director/Deputy Chairman	Nil	Nil
Mr. K P Ariyaratne, Director/Chief Executive Officer	30,000	125,000
Rear Admiral B A J G Peiris, Independent Director	Nil	Nil
Mr. S P Samantha Ranatunga, Independent Director	Nil	Nil
Mr. W D K Jayawardena, Non-executive Director	Nil	Nil
Mr. P L S K Perera, Independent Director	Nil	Nil
Ms. M C Pietersz, Independent Director	Nil	Nil
Mr. S V Corea, Non-executive Director	Nil	Nil
Mr. W M R S Dias, Non-executive Director	Nil	Nil

<b>5. Stated Capital as at December 31, 2015</b>	<b>Rs'000</b>
33,560,000 Voting Ordinary Shares @ Rs. 10/- each	335,600
4,000,000 Voting Ordinary Shares @ Rs. 25/- each	100,000
92,440,000 Voting Ordinary Shares @ Rs. 35/- each	3,235,400
2,644,068 Voting Ordinary Shares @ Rs. 59/- each	156,000
43,333,333 Voting Ordinary Shares @ Rs. 75/- each	3,250,000
83,560,000 Non Voting Ordinary Shares @ Rs.12/50 each	1,044,500
40,000,000 Non Voting Ordinary Shares @ Rs.25/- each	1,000,000
45,423,009 Non Voting Ordinary Shares @ Rs.35/- each	1,589,805
Less: Issue Expenses	(181,581)
<b>Total</b>	<b>10,529,724</b>

#### **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 year ended December 31, 2015. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares.

#### **7. Events after the Reporting Date**

##### Proposed Final Dividends

- The Board of Directors of the Bank recommended that a final dividend of Rs. 2.75 per share on both voting and non-voting shares of the Bank, be paid by way of a cash dividend for the financial year ended December 31, 2015 (Rs. 2.50 per share for the year ended December 31, 2014).
- Further this dividend is to be approved at the Annual General Meeting to be held on March 31, 2016. This proposed final dividend has not been recognized as a liability as at December 31, 2015. Under the Inland Revenue Act No 10 of 2006, a withholding tax of 10% has been imposed on dividends declared.

#### **8. Other Matters**

##### Super Gain Tax

As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the Bank was liable & paid for Super Gain Tax of Rs. 867.4 Million (Group Rs. 871.6 Million) during 2015. According to the Act, the Super Gain Tax shall be deemed to be expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards; hence the expense of Super Gain Tax was accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24th November 2015.

##### Redemption of Debentures

465,000 unsecured redeemable five year debentures of Rs.1000/- each amounting to Rs. 465,000,000/- allotted in December 2010 through a private placement were redeemed in December 2015.

## 9. Comparative Figures

Comparative figures have 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.

**Seylan Bank PLC**  
**Segment Reporting - Group**

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	19,892,201	20,040,104	2,986,170	2,234,988	33,038	34,516	1,255,180	1,112,549	24,166,589	23,422,157
Interest Expense	11,097,483	11,525,726	1,227,024	715,514	1,106	81	(16,339)	(18,089)	12,309,274	12,223,232
<b>Net Interest Income</b>	<b>8,794,718</b>	<b>8,514,378</b>	<b>1,759,146</b>	<b>1,519,474</b>	<b>31,932</b>	<b>34,435</b>	<b>1,271,519</b>	<b>1,130,638</b>	<b>11,857,315</b>	<b>11,198,925</b>
Fee and Commission Income	2,806,967	2,343,487	1,770	1,651	-	-	2,224	1,991	2,810,961	2,347,129
Fee and Commission Expense	71,924	46,436	41,770	43,477	6,756	6,742	-	354	120,450	97,009
<b>Net Fee And Commission Income</b>	<b>2,735,043</b>	<b>2,297,051</b>	<b>(40,000)</b>	<b>(41,826)</b>	<b>(6,756)</b>	<b>(6,742)</b>	<b>2,224</b>	<b>1,637</b>	<b>2,690,511</b>	<b>2,250,120</b>
<b>Net Interest , Fee And Commission Income</b>	<b>11,529,761</b>	<b>10,811,429</b>	<b>1,719,146</b>	<b>1,477,648</b>	<b>25,176</b>	<b>27,693</b>	<b>1,273,743</b>	<b>1,132,275</b>	<b>14,547,826</b>	<b>13,449,045</b>
Net Trading Income	-	-	108,558	740,106	(1,000)	1,601	-	-	107,558	741,707
Net Gain on Financial Investments	-	-	232,469	1,186,185	-	3,521	-	-	232,469	1,189,706
Net Exchange Income	-	129,486	831,230	389,656	-	-	53,148	16,108	884,378	535,250
Other Operating Income (Net)	8,122	230,041	309,200	37,886	197,620	183,131	(88,047)	(58,581)	426,895	392,477
Inter Segment Revenue	(148,671)	(91,196)	76,139	28,917	-	-	72,532	62,279	-	-
<b>Total Operating Income</b>	<b>11,389,212</b>	<b>11,079,760</b>	<b>3,276,742</b>	<b>3,860,398</b>	<b>221,796</b>	<b>215,946</b>	<b>1,311,376</b>	<b>1,152,081</b>	<b>16,199,126</b>	<b>16,308,185</b>
Depreciation and Amortisation Charge for the year	266,809	234,154	1,142	987	1,518	1,157	258,716	259,930	528,185	496,228
Impairment Losses For the year.	488,896	2,291,931	-	-	-	-	-	(157,206)	488,896	2,134,725
Operating Expenses , VAT & NBT	7,456,167	6,834,913	664,683	614,332	85,601	101,017	1,152,983	1,291,581	9,359,434	8,841,843
<b>Reportable Segment Profit Before Income Tax</b>	<b>3,177,340</b>	<b>1,718,762</b>	<b>2,610,917</b>	<b>3,245,079</b>	<b>134,677</b>	<b>113,772</b>	<b>(100,323)</b>	<b>(242,224)</b>	<b>5,822,611</b>	<b>4,835,389</b>
Income Tax Expense									1,936,662	1,582,819
<b>Profit For The Year</b>									<b>3,885,949</b>	<b>3,252,570</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									3,855,296	3,178,776
Non-Controlling Interests									30,653	73,794
<b>Profit For The Year</b>									<b>3,885,949</b>	<b>3,252,570</b>
<b>Other Comprehensive Income, Net of Income Tax</b>	<b>66,071</b>	<b>(65,156)</b>	<b>(1,120,048)</b>	<b>9,636</b>	<b>(832)</b>	<b>(1,125)</b>	<b>7,412</b>	<b>27,044</b>	<b>(1,047,397)</b>	<b>(29,601)</b>

**10 Seylan Bank PLC  
Segment Reporting - Group**

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other Information</b>										
Reportable Segment Assets	186,479,792	148,672,357	87,663,546	80,188,823	5,008,310	4,869,873	26,964,208	25,222,320	306,115,856	258,953,373
Segment Accumulated Amortisation	(647,743)	(705,491)	(56,825)	(55,683)	(4,440)	(3,183)	(6,821,284)	(6,631,184)	(7,530,292)	(7,395,541)
<b>Total Assets</b>	<b>185,832,049</b>	<b>147,966,866</b>	<b>87,606,721</b>	<b>80,133,140</b>	<b>5,003,870</b>	<b>4,866,690</b>	<b>20,142,924</b>	<b>18,591,136</b>	<b>298,585,564</b>	<b>251,557,832</b>
Reportable Segment Liabilities & Equity	238,232,763	194,473,134	26,190,102	24,087,220	5,029,077	4,866,690	29,133,622	28,130,788	298,585,564	251,557,832
<b>Total Liabilities &amp; Equity</b>	<b>238,232,763</b>	<b>194,473,134</b>	<b>26,190,102</b>	<b>24,087,220</b>	<b>5,029,077</b>	<b>4,866,690</b>	<b>29,133,622</b>	<b>28,130,788</b>	<b>298,585,564</b>	<b>251,557,832</b>
Cash Flows From Operating Activities	907,429	(515,332)	2,612,059	3,246,066	103,790	90,782	226,527	(94,930)	3,849,805	2,726,586
Cash Flows From Investing Activities	(414,207)	(535,826)	(27,899,125)	1,046,020	(33,514)	(41,790)	(216,333)	100,193	(28,563,179)	568,597
Cash Flows From Financing Activities	-	-	7,367,418	12,284,555	(73,982)	(44,389)	(834,451)	(997,923)	6,458,985	11,242,243
Capital Expenditure	(470,628)	(510,419)	(1,127)	(1,991)	(90,288)	(48,656)	(212,303)	(142,338)	(774,346)	(703,404)

**Seylan Bank PLC**
**11 Analysis of Financial Instruments by Measurement Basis - Bank**

	2015					2014				
	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans and Receivables (L&R)	Available-for-Sale (AFS)	Total	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans and Receivables (L&R)	Available-for-Sale (AFS)	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Assets</b>										
Cash and Cash Equivalents	-	-	7,800,488	-	7,800,488	-	-	6,672,963	-	6,672,963
Balances with Central Bank of Sri Lanka	-	-	8,563,888	-	8,563,888	-	-	7,432,206	-	7,432,206
Placements with Banks and Finance Companies	-	-	757,050	-	757,050	-	-	2,334,304	-	2,334,304
Derivative Financial Instruments	130,055	-	-	-	130,055	191,411	-	-	-	191,411
Other Financial Assets Held-for-Trading	6,016,572	-	-	-	6,016,572	2,525,225	-	-	-	2,525,225
Securities Purchased under Resale Agreements	-	-	2,312,548	-	2,312,548	-	-	17,762,914	-	17,762,914
Customer Loans and Receivables	-	-	193,103,942	-	193,103,942	-	-	154,962,712	-	154,962,712
Financial Investments - Available-for-Sale	-	-	-	48,038,510	48,038,510	-	-	-	23,780,589	23,780,589
Financial Investments - Held-to-Maturity	-	18,147,773	-	-	18,147,773	-	22,438,807	-	-	22,438,807
Group Balances Receivable	-	-	30,000	-	30,000	-	-	30,000	-	30,000
Other Assets	-	-	3,854,350	-	3,854,350	-	-	3,321,826	-	3,321,826
<b>Total Financial Assets</b>	<b>6,146,627</b>	<b>18,147,773</b>	<b>216,422,266</b>	<b>48,038,510</b>	<b>288,755,176</b>	<b>2,716,636</b>	<b>22,438,807</b>	<b>192,516,925</b>	<b>23,780,589</b>	<b>241,452,957</b>
	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>
	Rs.000		Rs.000		Rs.000	Rs.000		Rs.000		Rs.000
<b>Liabilities</b>										
Due to Banks	-		19,784,171		19,784,171	-		11,615,467		11,615,467
Derivative Financial Instruments	50,013		-		50,013	210,536		-		210,536
Customer Deposits	-		224,525,455		224,525,455	-		185,924,122		185,924,122
Securities Sold under Repurchase Agreements	-		11,409,788		11,409,788	-		12,419,887		12,419,887
Other Borrowings	-		15,688		15,688	-		14,628		14,628
Debentures	-		7,179,853		7,179,853	-		7,655,705		7,655,705
Group Balances Payable	-		181,266		181,266	-		193,295		193,295
Current Tax Liabilities	-		506,712		506,712	-		1,323,805		1,323,805
Other Liabilities	-		5,580,398		5,580,398	-		4,431,775		4,431,775
<b>Total Financial Liabilities</b>	<b>50,013</b>		<b>269,183,331</b>		<b>269,233,344</b>	<b>210,536</b>		<b>223,578,684</b>		<b>223,789,220</b>



**Seylan Bank PLC**
**11 Analysis of Financial Instruments by Measurement Basis - Group**

	2015					2014				
	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans and Receivables (L&R)	Available-for-Sale (AFS)	Total	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans and Receivables (L&R)	Available-for-Sale (AFS)	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Assets</b>										
Cash and Cash Equivalents	-	-	7,800,538	-	7,800,538	-	-	6,673,003	-	6,673,003
Balances with Central Bank of Sri Lanka	-	-	8,563,888	-	8,563,888	-	-	7,432,206	-	7,432,206
Placements with Banks and Finance Companies	-	-	757,050	-	757,050	-	-	2,334,304	-	2,334,304
Derivative Financial Instruments	130,055	-	-	-	130,055	191,411	-	-	-	191,411
Other Financial Assets Held-for-Trading	6,024,772	-	-	-	6,024,772	2,534,425	-	-	-	2,534,425
Securities Purchased under Resale Agreements	-	-	2,312,548	-	2,312,548	-	-	17,762,914	-	17,762,914
Customer Loans and Receivables	-	-	193,103,942	-	193,103,942	-	-	154,962,712	-	154,962,712
Financial Investments - Available-for-Sale	-	-	-	48,075,921	48,075,921	-	-	-	23,838,151	23,838,151
Financial Investments - Held-to-Maturity	-	18,229,045	-	-	18,229,045	-	22,520,079	-	-	22,520,079
Other Assets	-	-	3,867,454	-	3,867,454	-	-	3,326,069	-	3,326,069
<b>Total Financial Assets</b>	<b>6,154,827</b>	<b>18,229,045</b>	<b>216,405,420</b>	<b>48,075,921</b>	<b>288,865,213</b>	<b>2,725,836</b>	<b>22,520,079</b>	<b>192,491,208</b>	<b>23,838,151</b>	<b>241,575,274</b>
	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>
	<b>Rs.000</b>		<b>Rs.000</b>		<b>Rs.000</b>	<b>Rs.000</b>		<b>Rs.000</b>		<b>Rs.000</b>
<b>Liabilities</b>										
Due to Banks	-	-	19,784,171	-	19,784,171	-	-	11,615,467	-	11,615,467
Derivative Financial Instruments	50,013	-	-	-	50,013	210,536	-	-	-	210,536
Customer Deposits	-	-	224,525,455	-	224,525,455	-	-	185,924,122	-	185,924,122
Securities Sold under Repurchase Agreements	-	-	11,409,788	-	11,409,788	-	-	12,419,887	-	12,419,887
Other Borrowings	-	-	15,688	-	15,688	-	-	14,628	-	14,628
Debentures	-	-	7,179,853	-	7,179,853	-	-	7,655,705	-	7,655,705
Current Tax Liabilities	-	-	505,278	-	505,278	-	-	1,323,290	-	1,323,290
Other Liabilities	-	-	5,590,898	-	5,590,898	-	-	4,433,799	-	4,433,799
<b>Total Financial Liabilities</b>	<b>50,013</b>	<b>-</b>	<b>269,011,131</b>	<b>-</b>	<b>269,061,144</b>	<b>210,536</b>	<b>-</b>	<b>223,386,898</b>	<b>-</b>	<b>223,597,434</b>

# Seylan Bank PLC

## Additional Disclosures

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
<b>12 Customer Loans &amp; Receivables</b>				
Gross Loans and Receivables (Refer 12.1)	198,841,971	161,974,994	198,841,971	161,974,994
Less : Individual Impairment	(2,019,537)	(2,336,572)	(2,019,537)	(2,336,572)
Collective Impairment	(3,718,492)	(4,675,710)	(3,718,492)	(4,675,710)
<b>Net Loans and Receivables</b>	<b>193,103,942</b>	<b>154,962,712</b>	<b>193,103,942</b>	<b>154,962,712</b>

### 12.1 Customer Loans & Receivables - By product

#### By product - Domestic Currency

Export Bills	41,154	101,381	41,154	101,381
Import Bills	216,906	100,860	216,906	100,860
Local Bills	151,680	122,315	151,680	122,315
Lease Rentals Receivable	14,922,249	10,647,360	14,922,249	10,647,360
Overdrafts	49,550,015	42,860,477	49,550,015	42,860,477
Trust Receipt Loans / Revolving Import Loans (RIL)	12,032,369	8,988,594	12,032,369	8,988,594
Staff Loans	5,149,180	4,306,641	5,149,180	4,306,641
Housing Loans	11,025,655	9,173,760	11,025,655	9,173,760
Pawning Receivables	8,979,333	8,514,872	8,979,333	8,514,872
Refinance Loans	854,911	671,716	854,911	671,716
Credit Cards	3,189,905	3,135,717	3,189,905	3,135,717
Margin Trading	3,241,982	4,024,101	3,241,982	4,024,101
Term Loans	72,394,970	56,910,626	72,394,970	56,910,626
<b>Total</b>	<b>181,750,309</b>	<b>149,558,420</b>	<b>181,750,309</b>	<b>149,558,420</b>

#### By product - Foreign Currency

Export Bills	1,638,044	977,966	1,638,044	977,966
Import Bills	243,679	128,727	243,679	128,727
Local Bills	92,605	56,556	92,605	56,556
Overdrafts	1,490,845	1,148,478	1,490,845	1,148,478
Trust Receipt Loans / Revolving Import Loans (RIL)	321,171	107,697	321,171	107,697
Housing Loans	33,245	-	33,245	-
Term Loans	13,272,073	9,997,150	13,272,073	9,997,150
<b>Total</b>	<b>17,091,662</b>	<b>12,416,574</b>	<b>17,091,662</b>	<b>12,416,574</b>

<b>Gross Loans and Receivables</b>	<b>198,841,971</b>	<b>161,974,994</b>	<b>198,841,971</b>	<b>161,974,994</b>
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### 12.2 Movements in Individual and Collective Impairment during the period for Customer Loans & Receivables

	Bank		Group	
	2015	2014	2015	2014
<b>Individual impairment</b>				
Balance as at 01st January	2,336,572	2,999,778	2,336,572	2,999,778
Net Impairment During the Year	841,302	2,021,892	841,302	2,021,892
Reversal for Write-Off	(1,080,953)	(2,091,217)	(1,080,953)	(2,091,217)
Interest Accrued on Impaired Loans and Receivables	(352,709)	(593,881)	(352,709)	(593,881)
Transfer from Collective Impairment	275,325	-	275,325	-
<b>Balance as at 31st December</b>	<b>2,019,537</b>	<b>2,336,572</b>	<b>2,019,537</b>	<b>2,336,572</b>
<b>Collective impairment</b>				
Balance as at 01st January	4,675,710	4,615,049	4,675,710	4,615,049
Net Impairment During the Year	(370,141)	60,661	(370,141)	60,661
Reversal for Write-Off	(311,752)	-	(311,752)	-
Transfer to Individual Impairment	(275,325)	-	(275,325)	-
<b>Balance as at 31st December</b>	<b>3,718,492</b>	<b>4,675,710</b>	<b>3,718,492</b>	<b>4,675,710</b>
<b>Total Impairment</b>	<b>5,738,029</b>	<b>7,012,282</b>	<b>5,738,029</b>	<b>7,012,282</b>

# Seylan Bank PLC

## Additional Disclosures

(Amounts in Rupees Thousands)

13 Customer Deposits - By product	Bank		Group	
	As at 31.12.2015	As at 31.12.2014	As at 31.12.2015	As at 31.12.2014
<b>By product - Domestic Currency</b>				
Demand Deposits	16,381,633	14,220,049	16,381,633	14,220,049
Savings Deposits	56,252,291	51,012,395	56,252,291	51,012,395
Fixed Deposits	127,704,952	101,092,034	127,704,952	101,092,034
Certificate of Deposits	3,887,455	5,931,267	3,887,455	5,931,267
<b>Total</b>	<b>204,226,331</b>	<b>172,255,745</b>	<b>204,226,331</b>	<b>172,255,745</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	1,362,914	949,422	1,362,914	949,422
Savings Deposits	7,471,493	5,413,393	7,471,493	5,413,393
Fixed Deposits	11,464,717	7,305,562	11,464,717	7,305,562
<b>Total</b>	<b>20,299,124</b>	<b>13,668,377</b>	<b>20,299,124</b>	<b>13,668,377</b>
<b>Total Customer Deposits</b>	<b>224,525,455</b>	<b>185,924,122</b>	<b>224,525,455</b>	<b>185,924,122</b>

## Seylan Bank PLC

### Selected Performance Indicators

	Bank		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier 1 Capital) Rs. '000	23,881,138	21,854,307	24,642,642	22,653,099
Total Capital Base Rs. '000	25,097,888	23,401,725	25,828,842	24,170,017
Core Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 5% )	12.24	13.75	12.48	14.04
Total Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 10% )	12.87	14.73	13.08	14.98
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Gross Non-Performing Advances Ratio % ( Net of Interest in Suspense )	4.68	7.69		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties )	4.68	7.75		
Net Non-Performing Advances Ratio % ( Net of Interest in Suspense and Provision )	3.06	5.31		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties )	3.06	5.36		
<b>Profitability</b>				
Interest Margin %	4.42	4.92		
Return ( Net Profit before Tax ) on Average Assets %	2.16	2.05		
Return on Equity %	15.62	13.45		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	62,010,511	50,975,556		
Offshore Banking Unit USD '000	26,930	15,902		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20 % )				
Domestic Banking Unit	27.56	27.60		
Offshore Banking Unit	21.51	21.86		

## Seylan Bank PLC

### Debenture Information

	CURRENT PERIOD 01-Oct-15 to 31-Dec-15	COMPARATIVE PERIOD 01-Oct-14 to 31-Dec-14
<b>Debt / Equity Ratio</b>	0.29	0.32
<b>Interest Cover</b>	8.36	13.68
<b>Quick Asset Ratio</b>	0.71	0.82
<b>2013/2018 Issue</b>		
<b>Market Prices during October to December (EX Interest)</b>		
Annual Interest - 15.50% p.a.		
- Highest Price	*	117.12
- Lowest Price	*	117.00
- Last Traded Price * / (01/12/2014)	*	117.00
Semi Annual - 15.00% p.a.	*	*
Monthly Interest - 14.50% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>		
Annual Interest * / ( 01/12/2014 )	*	13.25%
Semi Annual Interest	*	*
Monthly Interest	*	*
<b>Yield to Maturity of Trade Done on</b>		
Annual Interest * / ( 01/12/2014 )	*	9.13%
Semi Annual Interest	*	*
Monthly Interest	*	*
<b>Interest Rate of Comparable Government Security</b>	8.89%	7.02%
<b>2014 Issue</b>		
4 Years Semi Annual - 8.00% p.a.	*	*
5 Years Semi Annual - 8.35% p.a.	*	*
5 Years Annual - 8.60% p.a.	*	*
6 Years Semi Annual - 8.60% p.a.	*	*
6 Years Annual - 8.75% p.a.	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 3 Years	8.89%	-
- 4 Years	9.20%	7.15%
- 5 Years	9.45%	7.32%
- 6 Years	-	7.60%

\* No Trading During The Period