

Your ref :

Our ref :

NOTES

1.1 General

In terms of the convergence to LKAS/SLFRS the Bank has adopted section 3.1 (b) (on application of LKAS 32, 39 & SLFRS 7) proposed in the draft CBSL guidelines dated April 05, 2012 in the preparation of its Interim Financial Statements. As such the quarterly accounts have been prepared as per Sri Lanka Accounting standards that were previously applied (prior to January 01, 2012) and the impact on Net Assets and the comprehensive Income Statement based on LKAS/SLFRS have been disclosed as a part of the Interim Accounts (note no. 2 below) to facilitate the understanding by the general public

The group financial statements comprise a consolidation of the financial statements of the company and its subsidiary, Seylan Developments PLC (51.83%).

1.2 Information on Ordinary Shares

MARKET VALUE	31/03/2012		31/03/2011	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	67.60	30.80	75.20	39.30
Highest price per share for the quarter ended	74.50	44.00	100.00	51.90
Lowest price per share for the quarter ended	60.00	27.10	69.20	35.80

1.3 Shareholders Information

Twenty Largest Ordinary Voting Shareholders as at March 31, 2012

	Shareholder	No. of Shares	(%)
1	Sri Lanka Insurance Corporation Ltd <i>[includes Sri Lanka Insurance Corporation Ltd -General Fund- 17,333,333 and Sri Lanka Insurance Corporation Ltd(Life Fund) - 8,666,666]</i>	25,999,999	15.00
2	Brown & Company PLC A/C No. 1	24,049,888	13.87
3	National Development Bank PLC/ Dr T Senthilvel	17,333,333	10.00
4	LOLC Investments Ltd	16,555,954	9.55
5	Employees Provident Fund	14,893,520	8.59
6	Bank of Ceylon No.1 Account	13,000,000	7.50
7	Dr W U N Gamage	10,335,200	5.96
8	Waldock Mackenzie Limited/Mr D S K Amarasekera	4,505,023	2.60

9	Mr D S K Amarasekara	4,080,600	2.35
10	Seyfest (Private) Limited	2,972,596	1.71
11	Bentota Backwater (Pvt) Ltd	2,765,837	1.60
12	Sesot (Private) Limited	2,244,800	1.30
13	Seybest (Private) Limited	2,132,900	1.23
14	Seyshop (Private) Limited	2,132,900	1.23
15	Esots (Private) Limited	2,115,857	1.22
16	Ceylinco Limited	1,680,896	0.97
17	Mr K R B Fernando	1,000,000	0.58
18	Sotse (Pvt) Ltd	962,331	0.56
19	Dr J L B Kotelawala	529,525	0.31
20	Mr L W Abeywickrama	477,500	0.28

Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2012

	Shareholder	No. of Shares	(%)
1	Lanka Orix Leasing Company PLC	33,274,622	20.20
2	Employees' Provident Fund	15,985,034	9.70
3	Browns Investments PLC	10,260,817	6.23
4	Mr E Thavagnanasooriyam & Mr E Thavagnanasundaram	2,439,866	1.48
5	Associated Electrical Corporation Ltd	2,428,766	1.47
6	Pershing LLC S/A Averbach Grauson & Co	2,202,933	1.34
7	Merrill J Fernando & Sons (Pvt) Limited	1,830,000	1.11
8	Mr N Balasingam	1,718,503	1.04
9	Miss M D Bollagala	1,637,000	0.99
10	Mr A K Kumarasena	1,548,000	0.94
11	National Savings Bank	1,496,666	0.91
12	Almar Trading Company (Pvt) Limited	1,473,400	0.89
13	Mrs L E M Yaseen	1,340,000	0.81
14	Mr A Singh	1,156,000	0.70
15	Mr N Ganarajah	1,140,666	0.69
16	Phoenix Ventures Limited	1,129,866	0.69
17	Mr E Thavagnanasooriyam	1,103,400	0.67
18	Dr S Yaddehige	1,016,200	0.62
19	Pan Asia Banking Corporation PLC/Asia Capital PLC	1,000,000	0.61
20	Mr E Thavagnanasundaram	954,100	0.58

Percentage of Public Holdings as at March 31, 2012

- Ordinary Voting Shares - 51.53%
- Ordinary Non-Voting Shares - 79.73%

1.4 Directors' and General Manager/Chief Executive Officer's Shareholdings as at March 31, 2012


<u>Name of Director</u>	<u>No of Shares</u> <i>(Ordinary Voting)</i>	<u>No of Shares</u> <i>(Ordinary Non-voting)</i>
Mr R Nadarajah	13,333	Nil
Mr N M Jayamanne	5,500	Nil
Mr P L P Withana	23,363	Nil
Rear Admiral B A J G Peiris	Nil	Nil
Mr A L Devasurendra	Nil	Nil
Mr I C Nanayakkara	Nil	Nil
Mr S P S Ranatunga	Nil	Nil
Mr A M Mohan De Alwis	Nil	Nil
Mr P Kudabalage	Nil	Nil

Shares held by General Manager/CEO

Mr K P Ariyaratne	20,800	115,400
Jointly with Mrs. N I Ariyaratne	37	-

1.5 Provisions for Loans and Advances – Ceylinco Group Exposure

In view of the special circumstances under which the Bank was reconstituted by the Direction of the Central Bank of Sri Lanka, the Monetary Board has granted an exemption for a period of 3 years from December 31, 2010 to Seylan Bank PLC, from the requirement to apply progressive discount on the forced sale value of immovable property, in terms of the Banking Act Direction No. 03 of 2008 on "Classification of Loans and Advances, Income Recognition and Provisioning", when computing the provisioning to be made as at March 31, 2012, for non-performing facilities of Ceylinco Homes International (since covered under the scope of Act no 43 of 2011 – Revival of Underperforming Enterprises or Underutilized Assets) and Golden Key Credit Card Company.



1.6 Stated Capital as at March 31, 2012

	Rs'000
43,560,000 Voting Ordinary Shares @ Rs. 10/- each	435,600
86,440,000 Voting Ordinary Shares @ Rs. 35/- each	3,025,400
43,333,333 Voting Ordinary Shares @ Rs. 75/- each	3,250,000
123,560,000 Non Voting Ordinary Shares @ Rs.10/- each	1,235,600
41,186,666 Non Voting Ordinary Shares @ Rs.35/- each	1,441,533
Share Premium	837,319
	10,225,452

3,390,100 Redeemable, Non-cumulative, Non-convertible and Non-voting Preference Shares were redeemed on February 13, 2012 and the Stated Capital was reduced by Rs.33,901,000/-.

1.7 Post Balance Sheet Events

Ordinary Dividend of Rs.1.00 per share was paid on April 09, 2012 to the Ordinary Voting and Ordinary Non-voting shareholders of the Bank who were registered as at the Ex-Dividend date (March 29, 2012).

1.8 Others

Chairman, Mr. E Narangoda resigned from the Board of Directors on March 28, 2012.

Mr P Mohan Pieris, PC was appointed to the Board of Directors and as Chairman of the Bank with effect from April 20, 2012.

There were no material changes in contingent liabilities, composition of Assets and Liabilities and use of funds raised by the Bank. All known expenses have been provided for in these Interim Accounts.