# **SEYLAN BANK PLC** FINANCIAL STATEMENTS Three months ended 31st March, 2015



Rs. '000

# ee months ended 31st March, 2015 Rs. '000 CASH FLOW STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)		BANK			GROUP	
	For the 3 r	nonths ended 31	st March	For the 3 n	nonths ended 31	st March
	2015	2014	Growth %	2015	2014	Growth %
nterest Income	5,583,807	5,755,170	(2.98)	5,587,868	5,758,009	(2.95
Less: Interest Expenses	2,779,302	3,417,551	(18.68)	2,774,799	3,411,496	(18.66
Net Interest Income	2,804,505	2,337,619	19.97	2,813,069	2,346,513	19.8
ee and Commission Income	587,532	532,184	10.40	587,517	532,184	10.40
less: Fee and Commission Expenses	25,263	16,940	49.13	26,213	18,224	43.84
let Fee and Commission Income	562,269	515,244	9.13	561,304	513,960	9.2
let Trading Income	16,250	89,287	(81.80)	15,050	89,274	(83.1-
Vet gain from Financial Investments	56,029	60,521	(7.42)	56,029	60,521	(7.4
let Exchange Income	214,376	135,261	58.49	214,376	135,261	58.4
Other Operating Income (Net)	68,610	53,629	27.93	87,504	72,862	20.1
	355,265	338,698	4.89	372,959	357,918	4.2
fotal Operating Income	3,722,039	3,191,561	16.62	3,747,332	3,218,391	16.4
.ess: Impairment for Loans and Other Losses - Charges/(Reversal)						
Individual Impairment	128,934	101,315	27.26	128,934	101,315	27.2
Collective Impairment	253,032	(11,476)	2,304.88	253,032	(11,476)	2,304.8
Others	274	109,084	(99.75)	274	109,084	(99.7
	382,240	198,923	92.15	382,240	198,923	92.1
let Operating Income	3,339,799	2,992,638	11.60	3,365,092	3,019,468	11.4
Personnel Expenses	1,078,836	960,971	12.27	1,086,676	967,735	12.29
Depreciation and Amortisation	114,683	119,096	(3.71)	125,760	125,509	0.2
Other Expenses	934,744	904,220	3.38	915,390	886,668	3.2
	2,128,263	1,984,287	7.26	2,127,826	1,979,912	7.4
Operating Profit before Taxes	1,211,536	1,008,351	20.15	1,237,266	1,039,556	19.0
/alue Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	243,378	210,006	15.89	243,378	210,006	15.8
Profit before Income Tax	968,158	798,345	21.27	993,888	829,550	19.8
ncome Tax Expense	317,148	284,224	11.58	324,348	291,974	11.0
Profit for the Period	651,010	514,121	26.63	669,540	537,576	24.5
Attributable to:						
Dwners of the Parent	651,010	514,121	26.63	663,662	526,404	26.0
Ion-Controlling Interest	-		-	5,878	11,172	(47.3
Profit for the Period	651,010	514,121	26.63	669,540	537,576	24.5

			BANK	G	ROUP
	For the 03 Months ended 31st March	2015	2014	2015	2014
arch	Cash Flows from Operating Activities				
wth %	Internet Dessists	5.729.801	C 005 710	E 700 000	6.068.549
(2.95)	Interest Receipts Fees and Commission Receipts	5,729,801	6,065,710 532,184	5,733,862 587,517	532,184
18.66)	Interest Payments	(2,852,826)	(3,584,215)	(2,848,323)	(3,578,160)
19.88	Trading Income	26,415	136,771	25,215	136,771
	Receipts from Other Operating Activities Cash Payments to Employees and Suppliers	303,564 (2,080,138)	49,652 (1,982,117)	322,458 (2,075,290)	68,885 (1,979,547)
10.40	Cash Payments to Other Operating Activities	(25,263)	(1,902,117) (16,940)	(26,213)	(18,224)
43.84	Operating Profit before Changes in Operating Assets & Liabilities	1,689,085	1,201,045	1,719,226	1,230,458
9.21	(Increase)/Decrease in Operating Assets:				
	Loans & Receivables (Advanced to)/Repaid by Customers	(669,358)	4,274,881	(669,358)	4,274,881
83.14)	Deposits Held for Regulatory or Monetary Control Purposes	(512,806)	100,801	(512,806)	100,801
(7.42)	Increase/(Decrease) in Operating Liabilities:				
58.49	Deposits from/(Withdrawals by) Customers	(747,733)	3,911,664	(747,733)	3,911,664
20.10	Negotiable Certificates of Deposit Cash (Used in)/Generated from Operations	(97,281) (338,093)	(565,851) 8,922,540	(97,281) (307,952)	(565,851) <b>8,951,953</b>
4.20		(330,093)	0,922,040	(307,932)	0,901,900
16.43	Income Tax Paid	(78,802)	(143,707)	(78,802)	(143,707)
10.45	Contribution Paid into Employees Retirement Benefit Plan/Employees	(13,308)	(4,400)	(13,308)	(4,400)
	Net Cash (Used in)/Generated from Operating Activities	(430,203)	8,774,433	(400,062)	8,803,846
27.26	Cash Flows from Investing Activities				
04.88					
9.75)	Investment in Subsidiary Company Dividend Income	(2,897) 2,745	(8,495) 763	2,745	- 763
2.15	Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka	2,743	705	2,743	705
	Treasury Bills/Bonds Maturing after 03 months	(4,383,466)	(9,176,005)	(4,383,466)	(9,176,005)
1.45	Reverse Repurchase Agreements Maturing After 03 Months Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures	- 416.141	444 75,420	420,645	444 78,294
	Purchase Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	(19,711)	(105,234)	(20,437)	(105,240)
2.29	Proceeds From Sale Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	2,228	3,214	2,228	3,214
0.20	Proceeds from Sale of Investment Properties			- (70)	7,200
3.24	Improvements to Investment Properties		-	(72)	-
7.47	Net Cash (Used in)/Generated from Investing Activities	(3,984,960)	(9,209,893)	(3,978,357)	(9,191,330)
19.02	Cash Flows from Financing Activities				
	Increase/(Decrease) in Debentures		(785,560)		(785,560)
5.89	Securities Sold under Repurchase Agreements	(1,755,893)	1,162,588	(1,755,893)	1,162,588
	Increase/(Decrease) in Other Borrowings	1,787,912	(1,198,797)	1,758,565	(1,246,719)
9.81	Dividends Paid - Ordinary Shares	(97)	(33)	(7,484)	(35)
1.09	Net Cash (Used in)/Generated from Financing Activities	31,922	(821,802)	(4,812)	(869,726)
	Net Increase/(Decrease) in Cash & Cash Equivalents	(4,383,241)	(1,257,262)	(4,383,231)	(1,257,210)
4.55	Cash & Cash Equivalents at beginning of the Year	32,936,491	18,399,074	32,936,531	18,399,105
	Cash & Cash Equivalents at end of the Period	28,553,250	17,141,812	28,553,300	17,141,895
26.07	Reconciliation of Cash & Cash Equivalents				
17.39)	Cash and Cash Equivalents	9,954,561	7,480,953	9,954,611	7,481,036
4.55	Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months	10,261,434	4,875,653	10,261,434	4,875,653
	Securities Purchased under Resale Agreements maturing with in 03 months	8,337,255	4,785,206	8,337,255	4,785,206
25.49		28,553,250	17,141,812	28,553,300	17,141,895

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank		Group				
	For the Thre	e Months Ende	ed 31st March	For the Thre	e Months Ende	d 31st March		
	2015	2014	Growth%	2015	2014	Growth%		
Profit for the Period	651,010	514,121	26.63	669,540	537,576	24.55		
Other Comprehensive Income, Net of Tax								
Net Gains on re-measuring Available-for-Sale Financial Assets	(571,287)	110,382	(617.55)	(571,278)	110,382	(617.55)		
Other Comprehensive Income for the Period, Net of Taxes	(571,287)	110,382	(617.55)	(571,278)	110,382	(617.55)		
Total Comprehensive Income for the Period	79,723	624,503	(87.23)	98,262	647,958	(84.84)		
Attributable to:								
Owners of the Parent	79,723	624,503	(87.23)	92,381	636,786	(85.49)		
Non-Controlling Interest	-	-	-	5,881	11,172	(47.36)		
Total Comprehensive Income for the Period	79,723	624,503	(87.23)	98,262	647,958	(84.84)		

## STATEMENT OF FINANCIAL POSITION Rs. '000

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 31.03.2015	As at 31.12.2014	Growth %	As at 31.03.2015	As at 31.12.2014	Growth %
Assets						
Cash and Cash Equivalents	6,939,479	6,672,963	3.99	6,939,529	6,673,003	3.99
Balances with Central Bank of Sri Lanka	7,945,012	7,432,206	6.90	7,945,012	7,432,206	6.90
Placements with Banks and Finance Companies	3,015,082	2,334,304	29.16	3,015,082	2,334,304	29.16
Derivative Financial Instruments	136,147	191,411	(28.87)	136,147	191,411	(28.87)
Other Financial Assets Held-for-Trading	8,733,352	2,525,225	245.84	8,741,352	2,534,425	244.90
Securities Purchased under Resale Agreements	8,337,255	17,762,914	(53.06)	8,337,255	17,762,914	(53.06)
Customer Loans and Receivables	155,225,052	154,962,712	0.17	155,225,052	154,962,712	0.17
Financial Investments - Available-for-Sale	28,240,171	23,780,589	18.75	28,297,734	23,838,151	18.71
Financial Investments - Held-to-Maturity	20,039,243	22,438,807	(10.69)	20,117,209	22,520,079	(10.67)
nvestment in Subsidiary	1,109,010	1,106,113	0.26	20,117,205	22,320,073	(10.07)
-					-	-
Group Balances Receivable	30,000	30,000	-	-	-	-
Property, Plant & Equipment	2,884,823	2,967,600	(2.79)	4,486,939	4,575,985	(1.95)
_easehold Rights	45,796	46,262	(1.01)	607,095	609,413	(0.38)
nvestment Properties	114,429	114,429	-	1,181,067	1,183,224	(0.18)
Intangible Assets	268,091	279,820	(4.19)	268,091	279,820	(4.19)
Deferred Tax Assets	219,242	18,030	1,115.98	158,620	-	-
Other Assets	6,923,924	6,647,174	4.16	6,936,124	6,660,185	4.14
īotal Assets	250,206,108	249,310,559	0.36	252,392,308	251,557,832	0.33
1-1-1141						
Liabilities			10.11	10.050.505		10.11
Due to Banks	13,056,535	11,615,467	12.41	13,056,535	11,615,467	12.41
Derivative Financial Instruments	143,330	210,536	(31.92)	143,330	210,536	(31.92)
Customer Deposits	185,035,956	185,924,122	(0.48)	185,035,956	185,924,122	(0.48)
Securities Sold under Repurchase Agreements	10,678,984	12,419,887	(14.02)	10,678,984	12,419,887	(14.02)
Other Borrowings	15,674	14,628	7.15	15,674	14,628	7.15
Group Balances Payable	232,534	193,295	20.30	-	-	-
Debentures	7,607,204	7,655,705	(0.63)	7,607,204	7,655,705	(0.63)
Current Tax Liabilities	1,470,846	1,323,805	11.11	1,471,384	1,323,290	11.19
Deferred Tax Liabilities	-	-	-	-	36,507	-
Other Liabilities	8,739,184	5,944,575	47.01	8,854,051	6,038,099	46.64
otal Liabilities	226,980,247	225,302,020	0.74	226,863,118	225,238,241	0.72
E <b>quity</b> Stated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	-
Statutory Reserve Fund	995,894	995,894	-	995,894	995,894	-
Retained Earnings	8,932,090	9,083,743	(1.67)	9,156,176	9,293,830	(1.48)
Dther Reserves	2,768,153	3,399,178	(18.56)	3,744,737	4,375,756	(14.42)
Total Shareholders' Equity	23,225,861	24,008,539	(3.26)	24,426,531	25,195,204	(3.05)
		, ,	(* * )			
Non-Controlling Interest	•	-	•	1,102,659	1,124,387	(1.93)
Total Equity	23,225,861	24,008,539	(3.26)	25,529,190	26,319,591	(3.00)
Total Equity & Liabilities	250,206,108	249,310,559	0.36	252,392,308	251,557,832	0.33
Contingent Liabilities and Commitments	47,720,288	45,098,070	5.81	47,787,288	45,165,070	5.81
Memorandum Information						
Number of Employees	2,951	2,947	0.14	2,981	2,977	0.13
			0.14			0.13
Number of Banking Centres	157	157	-	157	157	-
Net Assets Value per Ordinary Share (Rs.)	67.33	69.60	(3.26)	70.81	73.04	(3.05)
	07.33	09.00	13.201	/0.01	/ 3.04	(3.03.)

## SEYLAN BANK PLC - DEBENTURES

Rs. '000

	Current Peri 01 January 2015 to 31 March 20
Debt/Equity Ratio	0.33
Interest Cover	6.00
Quick Asset Ratio	0.78
2013/2018 Issue	
Market Prices during Jan to Mar (EX Interest)	
Annual Interest - 15.50% p.a.	
- Highest Price	118.26
- Lowest Price	118.25
- Last Traded Price(21/01/2015)	118.25
Semi Annual - 15.00% p.a.	,
Monthly Interest - 14.50% p.a.	,
Interest Yield As At Date of Last Trade	
Annual Interest (21/01/2015)	13.11%
Semi Annual Interest	,
Monthly Interest	
Yield to Maturity of Trade Done on	
Annual Interest (21/01/2015)	8.51%
Semi Annual Interest	,
Monthly Interest	
Interest Rate of Comparable Government Security	8.33%
2014 Issue	
4 Years Semi Annual - 8.00% p.a.	
5 Years Semi Annual - 8.35% p.a.	
5 Years Annual - 8.60% p.a.	
- Highest Price	99.99
- Lowest Price	99.99
- Last Traded Price (07/01/2015)	99.99
6 Years Semi Annual - 8.60% p.a.	
- Highest Price	94.3
- Lowest Price	94.3
- Last Traded Price (30/03/2015)	94.3
6 Years Annual - 8.75% p.a.	
Interest Yield As At Date of Last Trade	
4 Years Semi Annual - 8.00% p.a.	
5 Years Semi Annual - 8.35% p.a.	
5 Years Annual - 8.60% p.a. (07/01/2015)	8.60%
6 Years Semi Annual - 8.60% p.a. (30/03/2015)	9.31%
6 Years Annual - 8.75% p.a.	
Yield to Maturity of Trade Done on	
4 Years Semi Annual - 8.00% p.a.	
5 Years Semi Annual - 8.35% p.a.	,
5 Years Annual - 8.60% p.a. (07/01/2015)	8.60%
6 Years Semi Annual - 8.60% p.a. (30/03/2015) 6 Years Annual - 8.75% p.a.	9.92%
·	
Interest Rate of Comparable Government Security	0.400
- 4 Years	8.40%
- 5 Years	9.04%
- 6 Years	9.10%
* No Trading During The Period	

#### Certification;

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

a) 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.

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** May 13, 2015 Colombo

(Sgd.) Nihal Jayamanne PC **Chairman**  (Sgd.) Kapila Ariyaratne Director/Chief Executive Officer

### **SELECTED PERFORMANCE INDICATORS**

	B	ANK	G	ROUP
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	21,714,644	21,854,307	22,556,978	22,653,099
Total Capital Base Rs. '000	22,911,882	23,401,725	23,724,666	24,170,017
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	13.22	13.75	13.53	14.04
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	13.94	14.73	14.23	14.98
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	8.63	7.69		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties)	8.69	7.75		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	6.36	5.31		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties)	6.43	5.36		
Profitability Interest Margin % Return (Net Profit Before Tax) on Average Assets % Return on Equity %	4.49 1.55 11.03	4.92 2.05 13.45		
Regulatory Liquid Assets Domestic Banking Unit Rs. '000 Offshore Banking Unit USD '000 Statutory Liquid Assets Ratio % (Minimum Requirement 20 %)	58,292,640 18,066	50,975,556 15,902		
Domestic Banking Unit Offshore Banking Unit	28.52 28.10	27.60 21.86		

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## 11 ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

		В	ank - 31.03.201	5			E	ank - 31.12.2014	l .	
	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total
Assets										
Cash and Cash Equivalents	-	-	6,939,479	-	6,939,479	-	-	6,672,963	-	6,672,96
Balances with Central Bank of Sri Lanka	-	-	7,945,012	-	7,945,012	-	-	7,432,206	-	7,432,20
Placements with Banks and Finance Companies	-	-	3,015,082	-	3,015,082	-	-	2,334,304	-	2,334,30
erivative Financial Instruments	136,147	-	-	-	136,147	191,411	-	-	-	191,41
Ither Financial Assets Held-for-Trading	8,733,352	-	-	-	8,733,352	2,525,225	-	-	-	2,525,22
Securities Purchased under Resale Agreements	-	-	8,337,255	-	8,337,255	-	-	17,762,914	-	17,762,91
Sustomer Loans and Receivables	-	-	155,225,052	-	155,225,052	-	-	154,962,712	-	154,962,71
inancial Investments - Available-for-Sale	-	-	-	28,240,171	28,240,171	-	-	-	23,780,589	23,780,58
inancial Investments - Held-to-Maturity	-	20,039,243	-	-	20,039,243	-	22,438,807	-	-	22,438,80
roup Balances Receivable	-	-	30,000	-	30,000	-	-	30,000	-	30,00
Other Assets	-	-	3,661,741	-	3,661,741	-	-	3,321,826	-	3,321,82
otal Financial Assets	8,869,499	20,039,243	185,153,621	28,240,171	242,302,534	2,716,636	22,438,807	192,516,925	23,780,589	241,452,95
		-for- g (HFT)	Amortis	ed Cost	Total		l-for- g (HFT)	Amortis	ed Cost	Total
iabilities										
lue to Banks	-		13,056,535		13,056,535			11,615,467		11,615,46
erivative Financial Instruments	143,330		-		143.330	210,536		-		210.5
ustomer Deposits	-		185,035,956		185,035,956	-		185,924,122		185,924,12
Securities Sold under Repurchase Agreements	-		10,678,984		10,678,984	-		12,419,887		12,419,88
Other Borrowings	-		15,674		15,674			14,628		14,62
lebentures			7,607,204		7,607,204	-		7,655,705		7,655,7
roup Balances Payable	-		232,534		232,534	-		193,295		193,29
Current Tax Liabilities	-		1,470,846		1,470,846	-		1,323,805		1,323,8
Other Liabilities	-		6,928,543		6,928,543	-		4,431,775		4,431,7
Total Financial Liabilities	143,330		225,026,276		225,169,606	210,536		223,578,684		223,789,22

		G	roup - 31.03.201	5			G	roup - 31.12.201	4	
	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans & Receivables (L&R)	Available- for-sale (AFS)	Total
Assets										
Cash and Cash Equivalents	-	-	6,939,529	-	6,939,529	-	-	6,673,003	-	6,673,003
Balances with Central Bank of Sri Lanka	-	-	7,945,012	-	7,945,012	-	-	7,432,206	-	7,432,206
Placements with Banks and Finance Companies	-	-	3,015,082	-	3,015,082	-	-	2,334,304	-	2,334,304
Derivative Financial Instruments	136,147	-	-	-	136,147	191,411	-	-	-	191,411
Other Financial Assets Held-for-Trading	8,741,352	-	-	-	8,741,352	2,534,425	-	-	-	2,534,425
Securities Purchased under Resale Agreements	-	-	8,337,255	-	8,337,255	-	-	17,762,914	-	17,762,914
Customer Loans and Receivables	-	-	155,225,052	-	155,225,052	-	-	154,962,712	-	154,962,712
Financial Investments - Available-for-Sale	-	-	-	28,297,734	28,297,734	-	-	-	23,838,151	23,838,151
Financial Investments - Held-to-Maturity	-	20,117,209	-	-	20,117,209	-	22,520,079	-	-	22,520,079
Other Assets		-	3,675,512	-	3,675,512	-	-	3,326,069	-	3,326,069
Total Financial Assets	8,877,499	20,117,209	185,137,442	28,297,734	242,429,884	2,725,836	22,520,079	192,491,208	23,838,151	241,575,274
		l-for- g (HFT)	Amortis	ed Cost	Total		l-for- g (HFT)	Amortis	ed Cost	Total
Liabilities										
Due to Banks	-		13,056,535		13,056,535	-		11,615,467		11,615,467
Derivative Financial Instruments	143,330		-		143,330	210,536		-		210,536
Customer Deposits	-		185,035,956		185,035,956	-		185,924,122		185,924,122
Securities Sold under Repurchase Agreements	-		10,678,984		10,678,984	-		12,419,887		12,419,887
Other Borrowings	-		15,674		15,674	-		14,628		14,628
Debentures	-		7,607,204		7,607,204	-		7,655,705		7,655,705
Current Tax Liabilities	-		1,471,384		1,471,384	-		1,323,290		1,323,290
Other Liabilities	-		6,952,999		6,952,999	-		4,433,799		4,433,799
Total Financial Liabilities	143,330		224,818,736		224,962,066	210,536		223,386,898		223,597,434

## **10. SEGMENT REPORTING - GROUP**

	BANKI	NG	TREASU	RY	<b>PROPERTY/INV</b>	ESTMENTS UN	ALLOCATED/EL	IMINATIONS	TOTA	L
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Interest Income	4,612,295	4,952,315	652,313	591,343	8,564	8,950	314,696	205,401	5,587,868	5,758,009
Interest Expense	2,511,487	3,206,162	237,306	211,333		56	26,006	(6,055)	2,774,799	3,411,496
Net Interest Income	2,100,808	1,746,153	415,007	380,010	8,564	8,894	288,690	211,456	2,813,069	2,346,513
Fee and Commission Income	587,180	532,114	378	47			(41)	23	587,517	532,184
Fee & Commission expenses	17,537	10,556	7,726	6,384	950	1,284		-	26,213	18,224
Net Fee and Commission Income	569,643	521,558	(7,348)	(6,337)	(950)	(1,284)	(41)	23	561,304	513,960
Net Trading Income	-		16,250	89,287	(1,200)	(13)		-	15,050	89,274
Net Gain from Financial Investments		-	56,029	60,521			-	-	56,029	60,521
Net Exchange Income	51,596	39,630	157,264	95,631		-	5,516	-	214,376	135,261
Other Operating Income (Net)	73,315	39,754	(7,735)	7,494	48,286	46,231	(26,362)	(20,617)	87,504	72,862
Inter Segement Revenue	(19,894)	(17,643)	1,969	3,076		-	17,925	14,567		-
Total Operating Income	2,775,468	2,329,452	631,436	629,682	54,700	53,828	285,728	205,429	3,747,332	3,218,391
Depreciation and Amortisation	80,857	71,249	281	253	508	248	44,114	53,759	125,760	125,509
Impairment for Loans and Other Losses - Charge/(Reversal)	382,240	180,950	-	17,973		-		-	382,240	198,923
Operating Expenses & VAT	1,686,873	1,814,068	64,347	91,947	17,893	16,209	476,331	142,185	2,245,444	2,064,409
Reportable Segment Profit Before Income Tax	625,498	263,185	566,808	519,509	36,299	37,371	(234,717)	9,485	993,888	829,550
OTHER INFORMATION										
Total Assets	147,922,842	124,174,382	80,566,520	75,285,500	4,445,577	4,160,258	19,457,369	19,139,295	252,392,308	222,759,435
Total Liabilities & Equity	190,480,114	172,088,556	22,572,804	14,329,213	4,445,577	4,160,258	34,893,813	32,181,408	252,392,308	222,759,435
Cash Flows from Operating Activites	(808,854)	8,247,671	567,089	537,735	36,937	37,619	(195,234)	(19,179)	(400,062)	8,803,846
Cash Flows from Investing Activites	(19,711)	18,575	(3,968,727)	(9,204,437)	(14,839)	16,353	24,920	(21,821)	(3,978,357)	(9,191,330)
Cash Flows from Financing Activites	-	-	31,922	(36,242)	-	-	(36,734)	(833,484)	(4,812)	(869,726)
Capital Expenditure	(17,580)	(80,619)	-	-	(799)	(7)	(2,058)	(24,614)	(20,437)	(105,240)

#### STATEMENT OF CHANGES IN EQUITY - BANK

	State	d Capital	Statutory	Retained		Reserves		]
For the Three Months ended 31st March	Ordinary	Ordinary	<b>Reserve Fund</b>	Earnings	Revaluation	Available for	Other	Total
	Shares	Shares	*		Reserve	Sale Reserve	Reserves	
	-Voting	-Non-Voting						
1 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				514,121				514,121
Other Comprehensive Income (Net of Tax)				-		110,382		110,382
2 Total Comprehensive Income for the period	-	-		514,121	-	110,382	-	624,503
Transactions With Equity Holdors, Researched Directly In Equity								

-

-

(776,161)

#### Transactions With Equity Holders, Recognised Directly In Equity

Dividends to Equity Holders

## **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) immediately effective from January 01, 2012 and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements of the Company and its subsidiary Seylan Developments PLC (68.42%).

2. Information on Ordinary Shares

Re 'NNN

Rs. '000

Rs. '000

MARKET PRICE (Rs.)		31/03/2015	31/03/20	14
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	100.00	63.40	63.70	37.00
Highest price per share during the quarter ended Lowest price per share during the quarter ended	103.00 89.90	67.00 57.90	68.00 58.60	38.00 30.20
	69.50	57.90	56.60	30.20
. Shareholders' Information .1 Twenty Largest Ordinary Voting Shareholders as	at March 31, 2015		No. of Shares	
Sri Lanka Insurance Corporation Ltd. [includes Sri Lanka Insurance Corporation Ltd -Ge				
and Sri Lanka Insurance Corporation Ltd (Life Fun Brown & Company PLC A/C No. 01	nd) —8,798,869]		26,396,608 24,416,750	15. 13.
Employees Provident Fund			17,346,996	9.
LOLC Investments Ltd.			16,808,502	9
National Development Bank PLC A/C No. 02			15,353,784	8
Bank of Ceylon No.1 Account			13,198,305	7
Employees Trust Fund Board			5,000,001	2
Mellon Bank N.A – Frontier Market Opportunities I			4,537,538	2
Mellon Bank N.A – Frontier Market Select Fund II I	L.P		3,722,942	2
. Seyfest (Private) Limited . Sesot (Private) Limited			3,017,940	1
Sesot (Private) Limited Seybest (Private) Limited			2,279,042 2,165,435	1
Seyshop (Private) Limited			2,165,435	1
Esots (Private) Limited			2,148,132	1
HSBC Intl Nom Ltd - SSBT-Russell Institutional Fi	unds Public Limited Company		2,131,000	1
Lanka Century Investments PLC			2,079,160	1
Capital Development and Investment Company PL	C A/C No. 02		1,782,428	1
AIA Insurance Lanka PLC A/C No. 07			1,557,072	0
Sampath Bank PLC/Dr T Senthilver			1,511,647	0
N. P. Capital Ltd.			1,503,505	0
2 Twenty Largest Ordinary Non-Voting Shareholder	s as at March 31, 2015		No. of Shares	
Lanka Orix Leasing Company PLC			72,906,796	43 5
Employees' Provident Fund Commercial Bank of Ceylon PLC/Dunamis Capital P	10		9,013,489 3,818,755	2
Pershing LLC S/A Averbach Grauson & Co	20		3,064,012	1
Trading Partners (Pvt) Ltd			2,652,221	1
Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasu	Indaram		2,649,968	1
Employees Trust Fund Board			2,382,476	1
Akbar Brothers (Pvt) Ltd A/C No. 01			1,985,638	1
Deutsche Bank AG as Trustees for JB Vantage Value	Equity Fund		1,963,307	1
Merrill J. Fernando & Sons (Pvt) Limited			1,877,057	1
Mr. N. Balasingam Deutsche Bank AG – National Equity Fund			1,762,693	1
<ul> <li>Deutsche Bank AG – National Equity Fund</li> <li>Commercial Bank of Ceylon PLC/ARC Capital (Pvt) L</li> </ul>	td		1,253,265 1,216,280	C C
Deutsche Bank AG as Trustees for Namal Acuity Val			1,150,000	C
Dr. S. Yaddehige			900,000	C
Mr. E. Thavagnanasooriyam			853,598	C
Mr. M. J. Fernando			850,000	C
Peoples Leasing & Finance PLC/L. P. Hapangama			783,142	0
. Miss S. Durga . Mr. R. Gautam			770,808 765,000	0 0
Public Holdings as at March 31, 2015		Number of Share Holders	Percentage Holdings	
Ordinary Voting Shares		9,360	54.30% 56.77%	
Ordinary Non-Voting Shares		7,566	56.77%	
Directors' and Chief Executive Officer's Sharehold	lings as at March 31, 2015			
Name of Director			No. of Shares (Ordinary Voting)	No. of Sha Ordinary Non-vo
Mr. Nihal Jayamanne PC, Independent Director/Ch	airman		5,583	(oraliary won-ve
Mr. Ishara C Nanayakkara, Non-executive Director			Nil	
Rear Admiral B.A.J.G. Peiris, Independent Director			NII	
Mr. S.P. Samantha Ranatunga, Independent Direct	or		Nil	
Mr. W.D.K. Jayawardena, Non-executive Director			Nil	

#### Mr. W.D.K. Jayawardena, Non-executive Director Mr. W.D.K. Jayawardena, Non-executive Director Mr. P.L.S.K. Perera, Independent Director Ms. M.C. Pietersz, Independent Director Mr. K.P. Ariyaratne, Director/Chief Executive Officer Nil Nil Nil 21,117 Nil Nil Nil 123,005 5. Stated Capital as at March 31, 2015 Rs. '000 33,560,000 Voting Ordinary Shares @ Rs. 10/- each 335,600 33,560,000 Voting Ordinary Shares @ Rs. 10/- each 4,000,000 Voting Ordinary Shares @ Rs. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 35/- each 2,644,068 Voting Ordinary Shares @ Rs. 59/- each 43,333,333 Voting Ordinary Shares @ Rs. 75/- each 43,560,000 Non Voting Ordinary Shares @ Rs. 12/50 each 40,000,000 Non Voting Ordinary Shares @ Rs. 25/- each 45,423,009 Non Voting Ordinary Shares @ Rs. 35/- each Less: Issue Expenses 100,000 3,235,400 3,250,400 156,000 3,250,000 1,044,500 1,000,000 1,589,805 (181,581) Less: Issue Expenses Total (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 3 months ended March 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

# Events after the reporting bate Dividend for 2014 Dividend for 2014 Dividend payments were carried out on 10th April 2015 to the Ordinary (voting and non-voting) Shareholders of the Bank who were registered as at end of trading on 31st March 2015 pursuant to the approval of the Shareholders at the Annual General Meeting of the Bank held on 31st March 2015.

#### 8. Other Matters

9.

Total

Gross Loans and Re

nivahlo

Uther matters Super Gains Tax In the interim budget proposal presented by the Honorable Minister of Finance on 29th January 2015, an additional one off tax of 25% was proposed to be charged on entities that earned a profit before income tax in excess of Rs 2,000 Mn for the year of assessment 2013/14. The bill gazetted on 30th March 2015 imposes a one off tax of 25% on taxable profits for the year of assessment 2013/14 on any company or each company of group of company if the company's profit before income tax and/or groups' profit before income tax exceeds Rs 2,000 Mn. The consolidated profit before tax of the Group and that of the Bank exceeds the set threshold of Rs. 2,000 Mn. Accordingly, as per the provisions of the bill, the Bank's liability is estimated at Rs 867 Mn and Group's liability estimated at Rs 871 Mn.

The Bank and Group have not recognised the liability in the interim financial statements for the quarter ended 31st March 2015, since the Bill has not yet been enacted.

Comparative Information Comparative information has been re- classified where necessary, to confirm 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.

#### (776,161) ADDITIONAL DISCLOSURES

12,416,574 161,974,994

Transfers from/to Retained Profits					(141,499)			141,499	-
3 Total Transactions with Equity Holders		-		-	(917,660)	•	-	141,499	(776,161)
Balance as at 31.03.2014 (1 + 2 + 3)		6,962,722	3,567,002	841,964	6,806,041	651,483	751,968	2,028,780	21,609,960
1 Balance as at 01.01.2015		6,962,722	3,567,002	995,894	9,083,743	651,483	651,222	2,096,473	24,008,539
Total Comprehensive Income for the period									
Profit for the period					651,010				651,010
Other Comprehensive Income (Net of tax)							(571,287)		(571,287)
2 Total Comprehensive Income for the period		-			651,010		(571,287)		79,723
Transactions With Equity Holders, Recognise	ed Directly In Equity								
Dividends to Equity Holders					(862,401)				(862,401)
Transfers from/to Retained Profits					59,738			(59,738)	
3 Total Transactions with Equity Holders		-	-		(802,663)			(59,738)	(862,401)
Balance as at 31.03.2015 (1 + 2 + 3)		6,962,722	3,567,002	995,894	8,932,090	651,483	79,935	2,036,735	23,225,861
Balance as at 31.03.2015 (1 + 2 + 3)		6,962,722	3,567,002	995,894	8,932,090	651,483	79,935	2,036,735	23,225

\* 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).

	STATEMENT OF CHANGES IN EQUITY -	GROUF	)								Rs. '000
		Stated Capital		Statutory	Datainad	Reserves					
For	the Three Months ended 31st March	Ordinary	Ordinary F	Reserve Fund	Retained Earnings	Revaluation	Available for	Other	Total	Non-	Total
		Shares	Shares	*		Reserve	Sale Reserve	Reserves		Controlling	Equity
		-Voting	-Non-Voting							Interest	
1	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	24,197,211
	Total Comprehensive Income for the period										
	Profit for the Period	-	-	-	526,404	-	-	-	526,404	11.172	537.576
	Other Comprehensive Income (Net of Tax)	-	-	-			110,382	-	110,382	-	110,382
2	Total Comprehensive Income for the period		-		526.404		110.382		636.786	11,172	647,958
	·····						,		,	,=	
	Transactions With Equity Holders, Recognised Directly In Equity										
	Dividends	-	-	-	(776,161)	-	-	-	(776,161)	(21,142)	(797,303)
	Transfers from/to Retained Profits	-	-	-	(141,499)	-	-	141,499		-	
	Changes in Ownership Interest without Change in Control										
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	6,983	-	-	-	6,983	(15,478)	(8,495)
3	Total Transactions with Equity Holders	-	-	-	(910,677)	-	-	141,499	(769,178)	(36,620)	(805,798)
	Balance as at 31.03.2014 (1 + 2 + 3)	6,962,722	3,567,002	841,964	6,763,316	1,356,228	751,968	2,283,993	22,527,193	1,512,178	24,039,371
1	Balance as at 01.01.2015	6,962,722	3,567,002	995,894	9,293,830	1,373,590	650,480	2,351,686	25,195,204	1,124,387	26,319,591
	Total Operation loss for the avoid										
	Total Comprehensive Income for the period Profit for the Period				CC0 CC0				663.662	5.878	669.540
		-	-	-	663,662	-	- (571,281)	-	003,002 (571,281)	5,878	
2	Other Comprehensive Income (Net of Tax) Total Comprehensive Income for the period				663.662		(571,281)		92.381	5.881	(571,278) 98.262
<u> </u>					003,002		(3/1,201)		52,301	3,001	50,202
	Transactions With Equity Holders, Recognised Directly In Equity										
	Dividends	-	-	-	(862,401)	-	-	-	(862,401)	(23,365)	(885,766)
	Transfers from/to Retained Profits	-	-	-	59,738		-	(59,738)	,	(20,000)	-
	Changes in Ownership Interest without Change in Control				00,100			(00,.00)			
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	1,347		-	-	1.347	(4,244)	(2,897)
3	Total Transactions with Equity Holders	-	-	-	(801,316)		-	(59,738)	7.	(27,609)	(888.663)
					(,-10)			(,- 00)	(,-#1)	(,-30)	,,
	Balance as at 31.03.2015 (1 + 2 + 3)	6,962,722	3,567,002	995,894	9,156,176	1,373,590	79,199	2,291,948	24,426,531	1,102,659	25,529,190

\* 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).

	В	ANK	GROUP			
12 Customer Loans and Receivables	As at 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014		
Gross Loans and Receivables (Refer 12.1) Less: Individual Impairment Collective Impairment	162,230,121 (2,348,873) (4,656,196)	161,974,994 (2,336,572) (4,675,710)	162,230,121 (2,348,873) (4,656,196)	161,974,994 (2,336,572) (4,675,710)		
Net Loans and Receivables	155,225,052	154,962,712	155,225,052	154,962,712		
12.1 Customer Loans and Receivables - By product By product - Domestic Currency Excort Bills	80.264	101.381	80.264	101.381		
Import Bills	144,494	100,860	144,494	100,860		
Local Bills	38,410	122,315	38,410	122,315		
Lease Rentals Receivable	11,900,552	10,647,360	11,900,552	10,647,360		
Overdrafts Trust Receipts Loans/Revolving Loans(RIL)	46,883,304 9,394,172	46,884,578 8,988,594	46,883,304 9,394,172	46,884,578 8,988,594		
Staff Loans	4.412.819	4.306.641	4,412,819	4,306,641		
Housing Loans	9,658,058	9,173,760	9.658.058	9,173,760		
Pawning Receivables	8,614,105	8.514.872	8,614,105	8,514,872		
Refinance Loans	661,089	671,716	661,089	671,716		
Credit Cards	2,674,437	3,135,717	2,674,437	3,135,717		
Other Loans	54,062,015	56,910,626	54,062,015	56,910,626		
Total	148,523,719	149,558,420	148,523,719	149,558,420		
By product - Foreign Currency						
Export Bills	1,353,771	977,966	1,353,771	977,966		
Import Bills	242,928	128,727	242,928	128,727		
Local Bills	57,657	56,556	57,657	56,556		
Overdrafts	1,330,825	1,148,478	1,330,825	1,148,478		
Trust Receipts Loans/Revolving Loans(RIL)	255,278	107,697	255,278	107,697		
Housing Loans Other Loans	25,828 10,440,115	9.997.150	25,828 10,440,115	9.997.150		
Utiler Loans	10,440,115	9,997,150	10,440,115	9,997,150		

13,706,402

12,416,574 161,974,994

13,706,402 162,230,121

12.2 Movements in Individual and Collective Impairment during the period for Customer Loans and Receivables

T2.2 movements in maintain and concerter impairment during the period for c	Bank 2015 (For 03 Months)	2014 (For 12 Months)	Group 2015 (For 03 Months)	As at 2014 (For 12 Months)
Individual Impairment Opening Balance as at 01st January Charge/(Write back) to Income Statement Reversal for Write-Offs Interest Accrued on Impaired Loans	2,336,572 128,934 (21,027) (95,606)	2,999,778 2,021,892 (2,091,217) (593,881)	2,336,572 128,934 (21,027) (95,606)	2,999,778 2,021,892 (2,091,217) (593,881)
Closing Balance as at 31st March 2015 as at 31st December 2014	2,348,873	2,336,572	2,348,873	2,336,572
Collective Impairment Opening Balance as at 01st January Charge/(Write back) to Income Statement Reversal for Write-Offs	4,675,710 253,032 (272,546)	4,615,049 60,661 -	4,675,710 253,032 (272,546)	4,615,049 60,661 -
Closing Balance as at 31st March 2015 as at 31st December 2014	4,656,196	4,675,710	4,656,196	4,675,710
Total Impairment	7,005,069	7,012,282	7,005,069	7,012,282
13 Customer Deposits - By product By product - Domestic Currency Demand deposits Savings deposits Fixed deposits Certificate of deposits	13,894,822 49,188,407 101,608,968 5,833,986	14,220,049 51,012,395 101,092,034 5,931,267	13,894,822 49,188,407 101,608,968 5,833,986	14,220,049 51,012,395 101,092,034 5,931,267
Total	170,526,183	172,255,745	170,526,183	172,255,745
By product - Foreign Currency Demand deposits Savings deposits Fixed deposits	1,195,874 5,824,722 7,489,177	949,422 5,413,393 7,305,562	1,195,874 5,824,722 7,489,177	949,422 5,413,393 7,305,562
Total	14,509,773	13,668,377	14,509,773	13,668,377
Total Customer Deposits	185,035,956	185,924,122	185,035,956	185,924,122