

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2015



#### INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	Rs. '000											
	Bank			Bank			Group			Group		
	For the 06 months Ended 30th June			For the Quarter Ended 30th June			For the 06 months Ended 30th June			For the Quarter Ended 30th June		
	2015	2014	Change %	2015	2014	Change %	2015	2014	Change %	2015	2014	Change %
Interest Income	11,589,366	11,700,179	(0.95)	6,005,559	5,945,009	1.02	11,595,690	11,706,514	(0.95)	6,007,822	5,948,505	1.00
Less: Interest Expenses	5,754,087	6,537,536	(11.98)	2,974,785	3,119,985	(4.65)	5,745,186	6,526,770	(11.98)	2,970,387	3,115,274	(4.65)
<b>Net Interest Income</b>	<b>5,835,279</b>	<b>5,162,643</b>	<b>13.03</b>	<b>3,030,774</b>	<b>2,825,024</b>	<b>7.28</b>	<b>5,850,504</b>	<b>5,179,744</b>	<b>12.95</b>	<b>3,037,435</b>	<b>2,833,231</b>	<b>7.21</b>
Fee and Commission Income	1,246,644	1,093,021	14.05	659,112	560,837	17.52	1,246,625	1,093,021	14.05	659,108	560,837	17.52
Less: Fee and Commission Expenses	55,215	37,344	47.86	29,952	20,404	46.79	57,255	39,563	44.72	31,042	21,339	45.47
<b>Net Fee and Commission Income</b>	<b>1,191,429</b>	<b>1,055,677</b>	<b>12.86</b>	<b>629,160</b>	<b>540,433</b>	<b>16.42</b>	<b>1,189,370</b>	<b>1,053,458</b>	<b>12.90</b>	<b>628,066</b>	<b>539,498</b>	<b>16.42</b>
Net Trading Income	251,229	207,014	21.36	234,979	117,727	99.60	250,029	207,413	20.55	234,979	118,139	98.90
Net gain from Financial Investments	92,501	293,394	(68.47)	36,472	232,873	(84.34)	92,501	293,394	(68.47)	36,472	232,873	(84.34)
Net Exchange Income	408,806	237,030	72.47	194,430	101,769	91.05	408,806	237,030	72.47	194,430	101,769	91.05
Other Operating Income (Net)	282,459	108,813	159.58	213,849	55,184	287.52	276,555	119,080	132.24	189,051	46,218	309.04
<b>Total Operating Income</b>	<b>1,034,995</b>	<b>846,251</b>	<b>22.30</b>	<b>679,730</b>	<b>507,553</b>	<b>33.92</b>	<b>1,027,891</b>	<b>856,917</b>	<b>19.95</b>	<b>654,932</b>	<b>498,999</b>	<b>31.25</b>
<b>8,061,703</b>	<b>7,064,571</b>	<b>14.11</b>	<b>4,339,664</b>	<b>3,873,010</b>	<b>12.05</b>	<b>8,067,765</b>	<b>7,090,119</b>	<b>13.79</b>	<b>4,320,433</b>	<b>3,871,728</b>	<b>11.59</b>	
Less: Impairment for Loans and Other Losses - Charges/(Reversal)	372,745	549,509	(32.17)	243,811	448,194	(45.60)	372,745	549,509	(32.17)	243,811	448,194	(45.60)
Individual Impairment	183,970	(31,047)	692.55	(69,062)	(19,571)	(252.88)	183,970	(31,047)	692.55	(69,062)	(19,571)	(252.88)
Collective Impairment	1,474	156,802	(99.06)	1,200	47,718	(97.49)	1,474	156,802	(99.06)	1,200	47,718	(97.49)
Others	558,189	675,264	(17.34)	175,949	476,341	(63.06)	558,189	675,264	(17.34)	175,949	476,341	(63.06)
<b>Net Operating Income</b>	<b>7,503,514</b>	<b>6,389,307</b>	<b>14.44</b>	<b>4,163,715</b>	<b>3,396,669</b>	<b>22.58</b>	<b>7,509,576</b>	<b>6,414,855</b>	<b>17.07</b>	<b>4,144,484</b>	<b>3,395,387</b>	<b>22.06</b>
Personnel Expenses	2,111,626	1,989,721	6.13	1,032,790	1,028,750	0.39	2,127,317	2,004,069	6.15	1,040,641	1,036,334	0.42
Depreciation and Amortisation	231,989	237,489	(2.32)	117,306	118,393	(0.92)	254,179	250,321	1.54	128,419	124,812	2.89
Other Expenses	2,021,672	1,828,115	10.59	1,086,928	923,895	17.65	1,992,234	1,795,441	10.96	1,076,844	908,773	18.49
<b>4,365,287</b>	<b>4,055,325</b>	<b>7.64</b>	<b>2,237,024</b>	<b>2,071,038</b>	<b>8.01</b>	<b>4,373,730</b>	<b>4,049,831</b>	<b>8.00</b>	<b>2,245,904</b>	<b>2,069,919</b>	<b>8.50</b>	
<b>3,138,227</b>	<b>2,333,982</b>	<b>34.46</b>	<b>1,926,691</b>	<b>1,325,631</b>	<b>45.34</b>	<b>3,135,846</b>	<b>2,365,024</b>	<b>32.59</b>	<b>1,898,580</b>	<b>1,325,468</b>	<b>43.24</b>	
Operating Profit before Taxes	3,138,227	2,333,982	34.46	1,926,691	1,325,631	45.34	3,135,846	2,365,024	32.59	1,898,580	1,325,468	43.24
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	559,361	470,648	18.85	315,983	260,642	21.23	559,361	470,648	18.85	315,983	260,642	21.23
<b>Profit before Income Tax</b>	<b>2,578,866</b>	<b>1,863,334</b>	<b>38.40</b>	<b>1,610,708</b>	<b>1,064,989</b>	<b>51.24</b>	<b>2,576,485</b>	<b>1,894,376</b>	<b>36.01</b>	<b>1,582,597</b>	<b>1,064,826</b>	<b>48.62</b>
Income Tax Expense	838,559	650,833	28.84	521,411	366,609	42.23	851,566	666,345	27.80	527,218	374,371	40.83
<b>Profit for the Period</b>	<b>1,740,307</b>	<b>1,212,501</b>	<b>43.53</b>	<b>1,089,297</b>	<b>698,380</b>	<b>55.97</b>	<b>1,724,919</b>	<b>1,228,031</b>	<b>40.46</b>	<b>1,055,379</b>	<b>690,455</b>	<b>52.85</b>
Attributable to:												
Owners of the Parent	1,740,307	1,212,501	43.53	1,089,297	698,380	55.97	1,715,367	1,210,617	41.69	1,051,705	684,213	53.71
Non-Controlling Interest	-	-	-	-	-	-	9,552	17,414	(45.15)	3,674	6,242	(41.14)
<b>Profit for the Period</b>	<b>1,740,307</b>	<b>1,212,501</b>	<b>43.53</b>	<b>1,089,297</b>	<b>698,380</b>	<b>55.97</b>	<b>1,724,919</b>	<b>1,228,031</b>	<b>40.46</b>	<b>1,055,379</b>	<b>690,455</b>	<b>52.85</b>
Basic/Diluted Earnings per Ordinary Share (in Rupees)	5.04	3.51	43.53	3.16	2.02	55.97	4.97	3.51	41.69	3.05	1.98	53.71

#### CASH FLOW STATEMENT

For the 06 Months ended 30th June	Rs. '000			
	BANK		GROUP	
	2015	2014	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	10,894,187	11,690,701	10,900,511	11,697,036
Fees and Commission Receipts	1,246,644	1,093,021	1,246,625	1,093,021
Interest Payments	(5,781,485)	(7,389,698)	(5,772,584)	(7,378,932)
Trading Income	273,053	237,030	273,053	237,030
Receipts from Other Operating Activities	552,545	304,359	592,197	314,026
Cash Payments to Employees and Suppliers	(4,629,972)	(4,029,384)	(4,599,450)	(4,004,068)
Cash Payments to Other Operating Activities	(55,215)	(37,344)	(57,255)	(39,563)
<b>Operating Profit before Changes in Operating Assets &amp; Liabilities</b>	<b>2,526,757</b>	<b>1,868,685</b>	<b>2,583,097</b>	<b>1,919,150</b>
<b>(Increase)/Decrease in Operating Assets:</b>				
Loans & Receivables (Advanced to)/Repaid by Customers	(8,186,979)	2,515,868	(8,186,979)	2,515,868
Deposits Held for Regulatory or Monetary Control Purposes	(1,036,474)	31,784	(1,036,474)	31,784
<b>(Increase)/Decrease in Operating Liabilities:</b>				
Deposits from/(Withdrawals by) Customers	5,034,580	6,708,799	5,034,580	6,708,799
Negotiable Certificates of Deposit	(666,820)	(488,252)	(666,820)	(488,252)
<b>Cash (Used in)/Generated from Operations</b>	<b>(2,328,936)</b>	<b>10,636,884</b>	<b>(2,772,596)</b>	<b>10,687,349</b>
Income Tax Paid	(208,055)	(154,876)	(208,055)	(154,876)
Contribution Paid into Employees Retirement Benefit Plan/Employees	(27,042)	(14,385)	(27,042)	(14,385)
<b>Net Cash (Used in)/Generated from Operating Activities</b>	<b>(2,564,033)</b>	<b>10,467,623</b>	<b>(2,507,693)</b>	<b>10,518,088</b>
<b>Cash Flows from Investing Activities</b>				
Investment in Subsidiary Company	(34,771)	(93,531)	-	-
Dividend Income	81,376	27,953	35,820	6,775
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds Maturing after 03 Months	(19,724,900)	(2,983,775)	(19,724,900)	(2,983,775)
Reverse Purchase Agreements Maturing After 03 Months	(29,401)	(3)	(29,401)	(3)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures	1,339,350	(58,548)	1,361,230	(111,419)
Purchase of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	(168,789)	(260,354)	(171,382)	(260,772)
Proceeds from Sale of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	8,392	3,320	8,392	3,320
Proceeds from Sale of Investment Properties	155,000	-	155,000	7,200
Improvements to Investment Properties	-	-	(91)	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>(18,373,743)</b>	<b>(3,364,938)</b>	<b>(18,365,332)</b>	<b>(3,338,674)</b>
<b>Cash Flows from Financing Activities</b>				
Increase/(Decrease) in Debentures	-	(714,502)	-	(714,502)
Securities Sold under Repurchase Agreements	4,564,311	329,102	4,564,311	329,102
Increase/(Decrease) in Other Borrowings	4,218,982	(887,070)	4,161,779	(941,723)
Dividends Paid - Ordinary Shares	(849,438)	(762,959)	(856,264)	(784,976)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>7,933,855</b>	<b>(2,035,429)</b>	<b>7,869,264</b>	<b>(2,112,099)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(13,003,921)	5,067,256	(13,003,761)	5,067,315
Cash & Cash Equivalents at Beginning of the Year	32,936,491	18,399,074	32,936,531	18,399,105
<b>Cash &amp; Cash Equivalents at End of the Period</b>	<b>19,932,570</b>	<b>23,466,330</b>	<b>19,932,770</b>	<b>23,466,420</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>				
Cash and Cash Equivalents	6,693,697	5,746,845	6,693,697	5,746,935
Government of Sri Lanka Treasury Bills/Bonds, Maturing within 03 Months	9,070,611	11,774,894	9,070,611	11,774,894
Securities Purchased under Resale Agreements maturing within 03 months	4,268,262	5,944,591	4,268,262	5,944,591
<b>19,932,570</b>	<b>23,466,330</b>	<b>19,932,770</b>	<b>23,466,420</b>	

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

(In terms of Rule 7.4 of the Colombo Stock Exchange)	Rs. '000											
	Bank			Bank			Group			Group		
	For the 06 months Ended 30th June			For the Quarter Ended 30th June			For the 06 months Ended 30th June			For the Quarter Ended 30th June		
	2015	2014	Change %	2015	2014	Change %	2015	2014	Change %	2015	2014	Change %
<b>Profit for the Period</b>	<b>1,740,307</b>	<b>1,212,501</b>	<b>43.53</b>	<b>1,089,297</b>	<b>698,380</b>	<b>55.97</b>	<b>1,724,919</b>	<b>1,228,031</b>	<b>40.46</b>	<b>1,055,379</b>	<b>690,455</b>	<b>52.85</b>
<b>Other Comprehensive Income, Net of Tax</b>												
Net Gains/(Losses) on re-measuring Available-for-Sale Financial Assets	(230,296)	188,232	(222.35)	340,991	77,850	338.01	(231,108)	188,232	(222.78)	340,170	77,850	336.96
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>(230,296)</b>	<b>188,232</b>	<b>(222.35)</b>	<b>340,991</b>	<b>77,850</b>	<b>338.01</b>	<b>(231,108)</b>	<b>188,232</b>	<b>(222.78)</b>	<b>340,170</b>	<b>77,850</b>	<b>336.96</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,510,011</b>	<b>1,400,733</b>	<b>7.80</b>	<b>1,430,288</b>	<b>776,230</b>	<b>84.26</b>	<b>1,493,811</b>	<b>1,416,263</b>	<b>5.48</b>	<b>1,395,549</b>	<b>768,305</b>	<b>81.64</b>
Attributable to:												
Owners of the Parent	1,510,011	1,400,733	7.80	1,430,288	776,230	84.26	1,484,515	1,398,849	6.12	1,392,134	762,063	82.68
Non-Controlling Interest	-	-	-	-	-	-	9,296	17,414	(46.62)	3,415	6,242	(45.29)
<b>Total Comprehensive Income for the Period</b>	<b>1,510,011</b>	<b>1,400,733</b>	<b>7.80</b>	<b>1,430,288</b>	<b>776,230</b>	<b>84.26</b>	<b>1,493,811</b>	<b>1,416,263</b>	<b>5.48</b>	<b>1,395,549</b>	<b>768,305</b>	<b>81.64</b>

#### STATEMENT OF FINANCIAL POSITION

(In terms of Rule 7.4 of the Colombo Stock Exchange)	Rs. '000					
	Bank			Group		
	As at 30.06.2015	As at 31.12.2014	Growth %	As at 30.06.2015	As at 31.12.2014	Growth %
	<b>Assets</b>					
Cash and Cash Equivalents	6,232,115	6,672,963	(6.61)	6,232,315	6,673,003	(6.60)
Balances with Central Bank of Sri Lanka	8,468,680	7,432,206	13.95	8,468,680	7,432	

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2015



#### 11. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Rs. '000

	Bank - 30.06.2015					Bank - 31.12.2014				
	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
<b>Assets</b>										
Cash and Cash Equivalents	-	-	6,232,115	-	6,232,115	-	-	6,672,963	-	6,672,963
Balances with Central Bank of Sri Lanka	-	-	8,468,680	-	8,468,680	-	-	7,432,206	-	7,432,206
Placements with Banks and Finance Companies	-	-	361,582	-	361,582	-	-	2,334,304	-	2,334,304
Derivative Financial Instruments	58,460	-	-	-	58,460	191,411	-	-	-	191,411
Other Financial Assets Held-for-Trading	9,392,565	-	-	-	9,392,565	2,525,225	-	-	-	2,525,225
Securities Purchased under Resale Agreements	-	-	4,268,262	-	4,268,262	-	-	17,762,914	-	17,762,914
Customer Loans and Receivables	-	-	162,659,541	-	162,659,541	-	-	154,962,712	-	154,962,712
Financial Investments - Available-for-Sale	-	-	-	39,987,332	39,987,332	-	-	-	23,780,589	23,780,589
Financial Investments - Held-to-Maturity	-	20,198,185	-	-	20,198,185	-	22,438,807	-	-	22,438,807
Group Balances Receivable	-	-	-	-	-	-	-	-	30,000	30,000
Other Assets	-	-	3,990,104	-	3,990,104	-	-	3,321,826	-	3,321,826
<b>Total Financial Assets</b>	<b>9,451,025</b>	<b>20,198,185</b>	<b>186,014,562</b>	<b>39,987,332</b>	<b>255,651,104</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>Liabilities</b>										
Due to Banks	-	-	14,848,064	-	14,848,064	-	-	11,615,467	-	11,615,467
Derivative Financial Instruments	55,976	-	-	-	55,976	210,536	-	-	-	210,536
Customer Deposits	-	-	190,430,989	-	190,430,989	-	-	185,924,122	-	185,924,122
Securities Sold under Repurchase Agreements	-	-	16,956,162	-	16,956,162	-	-	12,419,887	-	12,419,887
Other Borrowings	-	-	15,200	-	15,200	-	-	14,628	-	14,628
Debtentures	-	-	7,654,425	-	7,654,425	-	-	7,655,705	-	7,655,705
Group Balances Payable	-	-	156,534	-	156,534	-	-	193,295	-	193,295
Current Tax Liabilities	-	-	1,665,794	-	1,665,794	-	-	1,323,805	-	1,323,805
Other Liabilities	-	-	5,143,502	-	5,143,502	-	-	4,431,775	-	4,431,775
<b>Total Financial Liabilities</b>	<b>55,976</b>	<b>-</b>	<b>236,870,670</b>	<b>-</b>	<b>236,926,646</b>	<b>210,536</b>	<b>-</b>	<b>223,578,684</b>	<b>-</b>	<b>223,789,220</b>

#### EXPLANATORY NOTES

- General**  
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared and presented in accordance with the Sri Lanka Accounting Standards (LKAS/LFRS) immediately effective from January 01, 2012 and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2014 which have been prepared in accordance with LKAS/LFRS. The group financial statements comprise a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (69.91%).
- Information on Ordinary Shares**

MARKET PRICE (Rs.)	30/06/2015		30/06/2014	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	102.60	72.60	65.80	38.90
Highest price per share during the quarter ended	120.50	81.50	70.00	40.50
Lowest price per share during the quarter ended	97.00	60.20	60.00	34.00

- Shareholders' Information**  
**3.1 Twenty Largest Ordinary Voting Shareholders as at June 30, 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	17,346,966	9.86
4. L.O.C Investments Ltd.	16,808,502	9.52
5. National Development Bank PLC A/C No. 02	15,353,784	8.75
6. Bank of Ceylon No.1 Account	13,198,305	7.50
7. Mellon Bank N.A - Frontier Market Opportunities Master Fund, L.P	4,094,638	2.33
8. Mellon Bank N.A - Frontier Market Select Fund II L.P	3,085,842	1.75
9. Seyfest (Private) Limited	3,017,940	1.71
10. Mr. R.S. Captain	3,012,960	1.71
11. Sesot (Private) Limited	2,279,042	1.30
12. Seyshop (Private) Limited	2,165,435	1.23
13. Seybest (Private) Limited	2,165,435	1.23
14. Escots (Private) Limited	2,148,132	1.22
15. Lanka Century Investments PLC	2,079,160	1.18
16. HSBC Intl Nom Ltd. - SSBT-Russell Institutional Funds Public Limited Company	2,027,100	1.15
17. Capital Development and Investment Company PLC A/C No. 02	1,782,428	1.01
18. AIA Insurance Lanka PLC A/C No. 07	1,557,072	0.88
19. Sampath Bank PLC D/T Senthivari	1,511,647	0.86
20. N P Capital Ltd	1,503,505	0.85

- 20 Largest Ordinary Non-Voting Shareholders as at June 30, 2015**

	No. of Shares	%
1. Lanka Orix Leasing Company PLC	72,906,796	43.14
2. Employees' Provident Fund	9,013,489	5.33
3. Commercial Bank of Ceylon PLC/Dunamis Capital PLC	3,818,755	2.26
4. Pershing LLC S/A Averbach & Co	2,699,012	1.60
5. Trading Partners (Pvt) Ltd.	2,662,221	1.58
6. Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram	2,649,968	1.57
7. Akbar Brothers (Pvt) Ltd. A/C No. 1	2,461,682	1.46
8. Deutsche Bank AG as Trustees for JB Vantage Value Equity Fund	1,963,307	1.16
9. Merrill J. Fernando & Sons (Pvt) Limited	1,877,057	1.11
10. Mr N Balasingam	1,762,693	1.04
11. Deutsche Bank AG - National Equity Fund	1,293,265	0.74
12. Commercial Bank of Ceylon PLC/ARC Capital (Pvt) Ltd.	1,150,000	0.69
13. Dr. S. Yadehige	1,150,000	0.68
14. Deutsche Bank AG as Trustees for Namal Acuity Value Fund	886,048	0.52
15. Mr. D.N.N. Lokuge	850,000	0.50
16. Mr. M.J. Fernando	846,598	0.50
17. Mr. E. Thavagnanasooriyam	770,808	0.46
18. Miss. S. Durga	765,000	0.45
19. Mr. R. Gautam	709,578	0.42
20. Seylan Bank PLC/Arc Capital (Pvt) Ltd.	-	-

- Public Holdings as at June 30, 2015**

	No. of Shareholders	Percentage Holdings
Ordinary Voting Shares	9,303	54.30%
Ordinary Non-Voting Shares	7,182	56.77%

- Directors' and Chief Executive Officer's Shareholdings as at June 30, 2015**

Name of Director	No. of Shares (Ordinary Voting)	No. of Shares (Ordinary Non-voting)
Mr. Nihal Jayamanne PC, Independent Director/Chairman	5,583	Nil
Mr. Ishara C Nanayakkara, Non-executive Director/Deputy Chairman	Nil	Nil
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. Pietrzak, Independent Director	Nil	Nil
Mr. K.P. Ariyaratne, Director/Chief Executive Officer	21,117	123,005
Mr. S.V. Corea, Non-executive Director	Nil	Nil
Mr. W.M.R.S. Dias, Non-executive Director	Nil	Nil

- Stated Capital as at June 30, 2015**

	Rs. '000
33,560,000 Voting Ordinary Shares @ Rs. 10/- each	335,600
4,000,000 Voting Ordinary Shares @ Rs. 25/- each	100,000
92,400,000 Voting Ordinary Shares @ Rs. 25/- 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	1,004,500
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>

- 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 6 months ended June 30, 2015. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares.
- Events after the Reporting Date**  
There were no material events that took place since June 30, 2015 that require disclosure in these Financial Statements.
- Other Matters**  
Dividend for 2014  
The dividend of Rs. 2.50 per share was paid to the Ordinary Voting and Non-voting Shareholders of the Bank registered as at end of trading on March 31, 2015. Dividend cheques were dispatched to the Ordinary (Voting) Shareholders and Ordinary (Non-voting) Shareholders on April 10, 2015.  
**The following were appointed to the Board during the Quarter:**  
Mr. S.V. Corea was appointed as a Non-Executive Director on May 14, 2015.  
Mr. W.M.R.S. Dias was appointed as a Non-Executive Director on May 29, 2015.  
**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 Bank and Group have not accounted for the liability in the interim financial statements for the quarter ended 30th June 2015, as legislation has not been enacted.
- Comparative Figures**  
Comparative figures has been re-classified where necessary, to conform to the current period presentation.  
During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.  
All known expenditure items have been provided for in these Interim Accounts.

#### 10. SEGMENT REPORTING - GROUP

Rs. '000

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Interest Income	9,570,165	10,059,169	1,555,330	1,284,123	15,765	17,182	654,430	346,040	11,595,690	11,706,514
Interest Expense	5,197,721	6,158,165	3,387,807	3,79,226	5,460	81	(10,882)	(10,702)	5,745,186	6,526,770
<b>Net Interest Income</b>	<b>4,372,444</b>	<b>3,901,004</b>	<b>797,523</b>	<b>904,897</b>	<b>15,225</b>	<b>17,101</b>	<b>665,312</b>	<b>356,742</b>	<b>5,850,504</b>	<b>5,179,744</b>
Fee and Commission Income	1,245,832	1,091,956	717	890	-	-	76	175	1,246,625	1,093,021
Fee & Commission Expense	35,302	20,170	19,913	17,174	2,040	2,219	-	-	57,295	39,563
<b>Net Fee and Commission Income</b>	<b>1,210,530</b>	<b>1,071,786</b>	<b>(19,196)</b>	<b>(16,284)</b>	<b>(2,040)</b>	<b>(2,219)</b>	<b>76</b>	<b>175</b>	<b>1,189,370</b>	<b>1,053,458</b>
Net Trading Income	281,229	207,014	251,229	207,014	(1,200)	399	-	-	250,029	207,413
Net Gain from Financial Investments	-	-	92,501	293,394	-	-	-	-	92,501	293,394
Net Exchange Income	14,820	78,491	386,465	159,648	-	-	7,721	(1,109)	408,806	237,030
Other Operating Income (Net)	188,026	65,375	33,485	7,885	100,142	85,444	(45,098)	(39,624)	276,555	119,080
Inter Segment Revenue	(63,670)	(267,752)	27,653	17,142	-	-	36,017	250,610	-	-
<b>Total Operating Income</b>	<b>5,721,950</b>	<b>4,848,904</b>	<b>1,569,660</b>	<b>1,573,696</b>	<b>112,127</b>	<b>100,725</b>	<b>664,028</b>	<b>566,794</b>	<b>8,067,765</b>	<b>7,090,119</b>
Depreciation and Amortisation	163,083	145,973	563	476	957	502	89,576	103,370	254,179	250,321
Impairment for Loans and Other Losses - Charges/(Reversal)	558,189	675,264	-	-	-	-	-	-	558,189	675,264
Operating Expenses NBT & VAT	3,759,566	3,351,943	208,833	217,799	46,762	35,673	663,749	664,743	4,678,812	4,270,158
<b>Reportable Segment Profit Before Income Tax</b>	<b>1,241,110</b>	<b>675,724</b>	<b>1,360,264</b>	<b>1,355,421</b>	<b>64,408</b>	<b>64,550</b>	<b>(89,297)</b>	<b>(201,319)</b>	<b>2,576,485</b>	<b>1,894,376</b>

**OTHER INFORMATION**

	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Total Assets	154,483,328	124,223,943	86,733,624	76,242,673	4,423,428	4,389,756	19,708,224	19,150,823	265,358,604	224,007,195
Total Liabilities & Equity	197,427,832	174,072,234	29,700,154	15,151,333	4,423,428	4,389,756	33,807,180	30,393,872	265,358,604	224,007,195
Cash Flows from Operating Activities	(3,970,695)	9,188,497	1,360,827	1,355,897	75,353	41,933	26,822	(68,239)	(2,507,693)	10,518,088
Cash Flows from Investing Activities	(162,956)	(129,011)	(18,381,947)	(13,041,451)	(13,182)	84,198	192,753	(252,410)	(18,365,332)	(3,338,674)
Cash Flows from Financing Activities	-	-	8,783,293	(1,272,470)	(73,982)	(20,858)	(840,047)	(818,771)	7,869,264	(2,112,099)
Capital Expenditure	(128,185)	(130,181)	-	(1,064)	2,684	420	(45,881)	(129,947)	(171,382)	(260,772)

#### STATEMENT OF CHANGES IN EQUITY - BANK

Rs. '000

For the Six Months ended 30th June	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>7,209,580</b>	<b>651,483</b>	<b>641,586</b>	<b>1,887,281</b>	<b>21,761,618</b>	<b>-</b>	<b>21,761,618</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,212,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,212,501</b>	<b>-</b>	<b>1,212,501</b>
<b>2 Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,232</b>	<b>188,232</b>	<b>-</b>	<b>188,232</b>
<b>3 Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,232</b>	<b>1,400,733</b>	<b>-</b>	<b>1,400,733</b>
<b>Transactions with Equity Holders, Recognised Directly In Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends to Equity Holders	-	-	-	(776,161)	-	-	-	(776,161)	-	(776,161)
Transfers from/to Retained Profits	-	-	-	(173,676)	-	-	-	(173,676)		