SEYLAN BANK PLC FINANCIAL STATEMENTS Six months ended 30th June, 2015



(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group		Group			
(in terms of this first of the colonial often Exeminge)	F	or the 06 mo	onths		For the Quarter			r the 06 mo	nths	F	or the Quarte	er	
	E	nded 30th J	une		Ended 30th	June	En	ded 30th Ju	ne	E	nded 30th Ju	ne	
	2015		Change	2015		Change	2015		Change	2015		Chang	
			%			%			%			9	
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	1.0	
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	(4.6	
Net Interest Income	5,835,279	5,162,643	13.03	3,030,774	2,825,024	7.28	5,850,504	5,179,744	12.95	3,037,435	2,833,231	7.2	
Fee and Commission Income	1.246.644	1.093.021	14.05	659.112	560.837	17.52	1.246.625	1 000 001	14.05	659.108	560.837	17.5	
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	45.4	
Net Fee and Commission Income			12.86						12.90			16.4	
NET Fee and Commission Income	1,191,429	1,055,677	12.86	629,160	540,433	16.42	1,189,370	1,053,458	12.90	628,066	539,498	16.4	
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	98.9	
Net gain from Financial Investments	92,501	293,394	(68.47)	36,472	232,873	(84.34)		293,394	(68.47)		232,873	(84.3	
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	91.0	
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	309.0	
	1,034,995	846,251	22.30	679,730	507,553		1,027,891	856,917	19.95	654,932	498,999	31.2	
Total Operating Income		7,064,571	14.11	4,339,664			8,067,765			4,320,433		11.5	
Less: Impairment for Loans and Other													
Losses - Charges/(Reversal)													
Individual Impairment	372.745	549,509	(32.17)	243,811	448,194	(45.60)	372.745	549,509	(32.17)	243.811	448,194	(45.6	
Collective Impairment	183,970	(31,047)	692.55	(69,062)	,	(252.88)		(31,047)	692.55	(69,062)	(19,571)	,	
Others	1,474	156,802	(99.06)	1,200	47,718	(97.49)		156,802	(99.06)	, , , , ,	47,718	(97.4	
	558,189	675,264	(17.34)	175,949	476,341	(63.06)		675,264	(17.34)		476,341	(63.0	
Net Operating Income	7,503,514		17.44	4,163,715			7,509,576			4,144,484		22.0	
	.,,	-,,		1,100,110	-,,		1,000,010	-, ,		.,,	-,,		
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	0.4	
Depreciation and Amortisation	231.989	237,489	(2.32)	117,306	118,393	(0.92)		250,321	1.54	128,419	124,812	2.8	
Other Expenses	2,021,672	1,828,115	10.59	1,086,928	923,895		1,992,234			1,076,844	908,773	18.4	
Other Expenses	4,365,287	4,055,325	7.64	2,237,024			4,373,730			2,245,904	2,069,919	8.5	
Operating Profit before Taxes	3,138,227		34.46	1,926,691			3,135,846			1,898,580	1,325,468	43.2	
operating Front Boloro Taxos	0,100,227	2,000,002	04.40	1,320,031	1,020,001	40.04	0,100,040	2,000,024	02.03	1,030,000	1,020,400	40.2	
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	21.2	
(NET) on this local controls	000,001	17 0,0 10	10.00	010,000	200,012	21.20	000,001	47 0,040		010,000	200,012		
Profit before Income Tax	2,578,866	1,863,334	38.40	1,610,708	1,064,989	51.24	2,576,485	1,894,376	36.01	1,582,597	1,064,826	48.6	
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	40.8	
Profit for the Period	1,740,307	1,212,501	43.53	1,089,297	698,380	55.97	1,724,919	1,228,031	40.46	1,055,379	690,455	52.8	
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	53.7	
Non-Controlling Interest							9,552	17,414	(45.15)	3,674	6,242	(41.1	
Profit for the Period	1,740,307	1,212,501	43.53	1,089,297	698,380	55.97	1,724,919	1,228,031	40.46	1,055,379	690,455	52.8	
Basic/Diluted Earnings per Ordinary Share													

CASH FLOW STATEMENT				Rs. '000
	BAI		GRO	
For the 06 Months ended 30th June	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
Neck Flows from Associates Addition	RS. 000	ns. 000	RS. 000	ns. 000
Cash Flows from Operating Activities				
nterest 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
nterest Payments Frading Income	(5,781,485) 273,053	(7,389,698) 237.030	(5,772,584) 273.053	(7,378,932) 237,030
Receipts from Other Operating Activities	552,545	304,359	592,197	314,626
Cash Payments to Employees and Suppliers	(4,602,972)	(4,029,384)	(4,599,450)	(4,004,068)
Cash Payments to Other Operating Activities	(55,215)	(37,344)	(57,255)	(39,563)
Operating Profit before Changes in Operating Assets & Liabilities	2,526,757	1,868,685	2,583,097	1,919,150
Increase)/Decrease in Operating Assets: .oans & 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)	2,515,666
	(-,,,	,	(1,222,111,	
ncrease/(Decrease) in Operating Liabilities: Deposits from/(Withdrawals by) Customers	5.034.580	6,708,799	5.034.580	6,708,799
Regotiable Certificates of Deposit	(666,820)	(488,252)	(666,820)	(488,252)
Cash (Used in)/Generated from Operations	(2,328,936)	10,636,884	(2,272,596)	10,687,349
ncome 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)
Net Cash (Used in)/Generated from Operating Activities	(2,564,033)	10,467,623	(2,507,693)	10,518,088
Cash Flows from Investing Activities				
nvestment 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 Repurchase Agreements Maturing After 03 Months	(29,401)	(3)	(29,401)	(3)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures Purchase Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	1,339,350	(58,548)	1,361,230	(111,419)
Proceeds From Sale Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	(168,789) 8,392	(260,354) 3,320	(171,382) 8,392	(260,772) 3,320
Proceeds from Sale of Investment Properties	155,000	-	155,000	7,200
mprovements to Investment Properties	•	-	(91)	-
let Cash (Used in)/Generated from Investing Activities	(18,373,743)	(3,364,938)	(18,365,332)	(3,338,674)
Cash Flows from Financing Activities				
ncrease/(Decrease) in Debentures	-	(714,502)		(714,502)
Securities Sold under Repurchase Agreements	4,564,311	329,102	4,564,311	329,102
ncrease/(Decrease) in Other Borrowings Dividends Paid - Ordinary Shares	4,218,982 (849,438)	(887,070) (762,959)	4,161,779 (856,826)	(941,723) (784,976)
Net Cash (Used in)/Generated from Financing Activities	7,933,855	(2,035,429)	7,869,264	(2,112,099)
	,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,	() , , , , , , , , , , , , , , , , , ,
Net Increase/(Decrease) in Cash & Cash Equivalents Cash & Cash Equivalents at Beginning of the Year	(13,003,921) 32,936,491	5,067,256 18,399,074	(13,003,761) 32,936,531	5,067,315 18,399,105
Cash & Cash Equivalents at End of the Period	19.932.570	23,466,330	19.932.770	23,466,420
•	,,	,,	,	,,
Reconciliation of Cash & Cash Equivalents Cash and Cash Equivalents	6,593,697	5,746,845	6,593,897	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
	19.932.570	23.466.330		23,466,420

SEYLAN BANK PLC - DEBENTURES

* No Trading During The Period

(In terms of Rule 7.4 of the Colombo Stock Exchange)												
		Bank			Bank			Group			Group	
	For the 06	months Ende	d 30th June	For the Qu	arter Ended 3	30th June	For the 06 r	nonths Ended	30th June	For the Q	uarter Ende	d 30th Jun
	2015	2014	Change %	2015	2014	hange %	2015	2014	Change %	2015	2014	Change ^c
Profit for the Period	1,740,307	1,212,501	43.53	1,089,297	698,380	55.97	1,724,919	1,228,031	40.46	1,055,379	690,455	52.8
Other Comprehensive Income, Net of Tax												
et 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	336.9
ther Comprehensive Income for the Period,												
Net of Taxes	(230,296)	188,232	(222.35)	340,991	77,850	338.01	(231,108)	188,232	(222.78)	340,170	77,850	336.9
otal Comprehensive Income for the Period	1,510,011	1,400,733	7.80	1,430,288	776,230	84.26	1,493,811	1,416,263	5.48	1,395,549	768,305	81.6
wners 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	82.0
on-Controlling Interest							9,296	17,414	(46.62)	3,415	6,242	(45.
otal Comprehensive Income for the Period	1,510,011	1,400,733	7.80	1,430,288	776,230	84.26	1,493,811	1,416,263	5.48	1,395,549	768,305	81

r terms of Rule 7.4 of the Colombo Stock Exchange)		Dank				
1 terms of Kule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 30.06.2015	As at 31.12.2014	Growth %	As at 30.06.2015	As at 31.12.2014	Grow
esets						
ash and Cash Equivalents	6,232,115	6,672,963	(6.61)	6,232,315	6,673,003	(6.6
alances with Central Bank of Sri Lanka	8,468,680	7,432,206	13.95	8,468,680	7,432,206	13.9
acements with Banks and Finance Companies	361,582	2,334,304	(84.51)	361,582	2,334,304	(84.5
erivative Financial Instruments	58,460	191,411	(69.46)	58,460	191,411	(69.4
her Financial Assets Held-for-Trading	9,392,565	2,525,225	271.95	9,400,565	2,534,425	270.9
ecurities Purchased under Resale Agreements	4,268,262	17,762,914	(75.97)	4,268,262	17,762,914	(75.
ustomer Loans and Receivables	162,659,541	154,962,712	4.97	162,659,541	154,962,712	4.
nancial Investments - Available-for-Sale	39,987,332	23,780,589	68.15	40,023,837	23,838,151	67.
nancial Investments - Held-to-Maturity	20,198,185	22,438,807	(9.99)	20,278,634	22,520,079	(9.
vestment in Subsidiary	1,140,884	1,106,113	3.14	-		
oup Balances Receivable	34,278	30,000	14.26	-		
operty, Plant & Equipment	2,932,545	2,967,600	(1.18)	4,529,500	4,575,985	(1.
asehold Rights	45,310	46,262	(2.06)	604,756	609,413	(0.
vestment Properties	-	114,429	(100.00)	1,064,424	1,183,224	(10.
angible Assets	252,627	279,820	(9.72)	252,627	279,820	(9.
eferred Tax Assets	51,433	18,030	185.26	-		
her Assets	7,074,482	6,647,174	6.43	7,155,421	6,660,185	7.
tal Assets	263,158,281	249,310,559	5.55	265,358,604	251,557,832	5.
abilities	14 040 004	11 015 407	07.00	14.040.004	11 015 407	07
e to Banks	14,848,064	11,615,467	27.83	14,848,064	11,615,467	27.
rivative Financial Instruments	55,976	210,536	(73.41)	55,976	210,536	(73
ustomer Deposits	190,430,989	185,924,122	2.42	190,430,989	185,924,122	2
curities Sold under Repurchase Agreements	16,956,162	12,419,887	36.52	16,956,162	12,419,887	36.
her Borrowings	15,200	14,628	3.91	15,200	14,628	3.
oup Balances Payable	156,534	193,295	(19.02)	-	-	
ebentures	7,654,425	7,655,705	(0.02)	7,654,425	7,655,705	(0.
rrent Tax Liabilities	1,665,794	1,323,805	25.83	1,665,768	1,323,290	25.
eferred Tax Liabilities	-	-	-	15,502	36,507	(57.
her Liabilities	6,718,988	5,944,575	13.03	6,823,653	6,038,099	13.
atal Liabilities	238,502,132	225,302,020	5.86	238,465,739	225,238,241	5.
uity	10 500 704	10 500 704		10 500 704	10 500 704	
ated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	
atutory Reserve Fund	995,894	995,894		995,894	995,894	
etained Earnings	10,023,568	9,083,743	10.35	10,223,508	9,293,830	10.
her Reserves	3,106,963	3,399,178	(8.60)	4,082,985	4,375,756	(6.
tal Shareholders' Equity	24,656,149	24,008,539	2.70	25,832,111	25,195,204	2.
n-Controlling Interest	-		-	1,060,754	1,124,387	(5.
tal Equity	24,656,149	24,008,539	2.70	26,892,865	26,319,591	2.
tal Equity & Liabilities	263,158,281	249,310,559	5.55	265,358,604	251,557,832	5.
anting and Liabilities and Commitments	47 04E 420	4E 000 070	4.05	47 000 100	4E 16E 070	4
ontingent Liabilities and Commitments	47,015,130	45,098,070	4.25	47,082,130	45,165,070	4.
emorandum Information						
ımber of Employees	3,030	2,947	2.82	3,059	2,977	2.
umber of Banking Centres	159	157	1.27	159	157	1.

	Current Period	Comparativ Period
	01-April-15 to 30-June-15	01-April-14 30-June-14
Debt/Equity Ratio	0.31	0.11
Interest Cover	7.62	11.38
Quick Asset Ratio	0.77	0.79
2013/2018 Issue		
Market Prices during April to June (EX Interest)		
Annual Interest - 15.50% p.a.	*	*
- Highest Price	*	117.12
- Lowest Price	*	116.04
- Last Traded Price */(24/06/2014)	*	116.04
Semi Annual - 15.00% p.a.	*	*
Monthly Interest - 14.50% p.a.	*	*
Interest Yield As At Date of Last Trade Annual Interest */ (24/06/2014)	*	10.000/
	*	13.36%
Semi Annual Interest Monthly Interest	*	*
Yield to Maturity of Trade Done on		
Annual Interest */ (24/06/2014)	*	10.00%
Semi Annual Interest	*	*
Monthly Interest	*	*
Interest Rate of Comparable Government Security	7.61%	8.51%
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.	*	
6 Years Semi Annual - 8.60% p.a.	*	
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. 6 Years Semi Annual - 8.60% p.a.	*	
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.	*	
6 Years Semi Annual - 8.60% p.a.	*	
6 Years Annual - 8.75% p.a.	*	
Interest Rate of Comparable Government Security		
- 4 Years	8.00%	
- 5 Years	8.26%	
- 6 Years	8.74%	

SELECTED PERFORMANCE INDICATORS				
	В	ANK	G	ROUP
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	21,907,343	21,854,307	22,740,488	22,653,099
Total Capital Base Rs. '000	23,114,007	23,401,725	23,917,602	24,170,017
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	13.02	13.75	13.33	14.04
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	13.74	14.73	14.02	14.98
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	6.53	7.69		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties)	6.53	7.75		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	4.42	5.31		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties)	4.42	5.36		
Profitability Interest Margin % Return (Net Profit Before Tax) on Average Assets % Return on Equity %	4.59 2.03 14.52	4.92 2.05 13.45		
Regulatory Liquidity Statutory Liquid Assets Domestic Banking Unit Rs. '000 Offshore Banking Unit USD '000 Statutory Liquid Assets Ratio % (Minimum Requirement 20 %) Domestic Banking Unit	57,580,163 18,116 27.91	50,975,556 15,902 27.60		
Offshore Banking Unit	24.33	21.86		

1	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 wherever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
- b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.) Ramesh Jayasekara **Chief Financial Officer** July 29, 2015 Colombo

(Sgd.) Kapila Ariyaratne Director/Chief Executive Officer (Sgd.) Nihal Jayamanna PC

SEYLAN BANK PLC FINANCIAL STATEMENTS

Six months ended 30th June, 2015



Percentage Holdings 54.30% 56.77%

1,000,000 1,589,805

(181,581) **10,529,724**

11. ANALYSIS OF FINA	NCIAL I <u>ns</u>	<u>trumen</u>	TS BY N	<u>Measure</u>	MENT B	BASIS				Rs. '000
		В	Bank - 30.06.201	5				Bank - 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	-	-	6,232,115	-	6,232,115	-	-	6,672,963	-	6,672,96
Balances with Central Bank of Sri Lanka	-	-	8,468,680	-	8,468,680	-	-	7,432,206	-	7,432,20
Placements with Banks and Finance Companies	-	-	361,582	-	361,582	-	-	2,334,304	-	2,334,30
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	-	17,762,91
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	-	-	34.278		34.278	-	-	30.000	-	30,000
Other Assets	_	_	3,990,104		3.990.104	_		3,321,826		3,321,826
Total Financial Assets	9,451,025	20,198,185	186,014,562	39,987,332	255,651,104	2,716,636	22,438,807	192,516,925	23,780,589	241,452,957
		-for-	Amortis	ed Cost	Total		i-for-	Amortis	ed Cost	Total
	Tradin	g (HFT)				Tradin	g (HFT)			
Liabilities										
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
Debentures			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
Other Liabilities Total Financial Liabilities	55.976		236,870,670		236,926,646	210.536		223,578,684		223.789.220
Total Financial Clabilities	55,976		230,070,070		230,920,040	210,536		223,576,004		223,769,220
		G	roup - 30.06.201	5		Group - 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
Assets										
Cash and Cash Equivalents		-	6,232,315	-	6,232,315	-	-	6,673,003	-	6,673,003
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	9,400,565	_	_		9,400,565	2,534,425				2,534,425
Securities Purchased under Resale Agreements			4,268,262		4,268,262	-,55.,726		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			102,000,041	40,023,837	40,023,837		1	104,002,712	23,838,151	23,838,151
Financial Investments - Available-101-5ale	1	20.278.634	[40,023,037	20,278,634	_	22.520.079		23,030,131	22,520,079
	· ·	20,270,034	4 007 002		4,007,963		22,320,079	3,326,069		3,326,069
Other Assets Total Financial Assets	9,459,025	20,278,634	4,007,963 185,998,343	40,023,837	255,759,839	2,725,836	22,520,079	192,491,208	23,838,151	241,575,274
The first of the f		-for-	Amortis	.,,	Total	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	i-for-	Amortis		Total
		g (HFT)					g (HFT)			
Liabilities										
Due to Banks	-		14,848,064		14,848,064	-		11,615,467		11,615,467
	FF 076		,,		55,976	210,536		,,		210,536
Derivative Financial Instruments										
Derivative Financial Instruments Customer Deposits	55,976		190,430,989		190,430,989	210,000		185,924,122		185,924,122

	BANK	ING	TREAS	SURY	PROPERTY/IN	IVESTMENTS	UNALLOCATED/	ELIMINATIONS	TO:	TAL
	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	30.06.20
Interest Income	9,570,165	10,059,169	1,355,330	1,284,123	15,765	17,182	654,430	346,040	11,595,690	11,706,5
Interest Expense	5,197,721	6,158,165	557,807	379,226	540	81	(10,882)	(10,702)	5,745,186	6,526,7
Net Interest Income	4,372,444	3,901,004	797,523	904,897	15,225	17,101	665,312	356,742	5,850,504	5,179,7
Fee and Commission Income	1,245,832	1,091,956	717	890	-	-	76	175	1,246,625	1,093,0
Fee & Commission expenses	35,302	20,170	19,913	17,174	2,040	2,219	-	-	57,255	39,5
Net Fee and Commission Income	1,210,530	1,071,786	(19,196)	(16,284)	(2,040)	(2,219)	76	175	1,189,370	1,053,4
Net Trading Income		-	251,229	207,014	(1,200)	399		-	250,029	207,4
Net Gain from Financial Investments	-	-	92,501	293,394	-	-	-	-	92,501	293,3
Net Exchange Income	14,620	78,491	386,465	159,648	-	-	7,721	(1,109)	408,806	237,0
Other Operating Income (Net)	188,026	65,375	33,485	7,885	100,142	85,444	(45,098)	(39,624)	276,555	119,0
Inter Segement Revenue	(63,670)	(267,752)	27,653	17,142	-	-	36,017	250,610	-	
Total Operating Income	5,721,950	4,848,904	1,569,660	1,573,696	112,127	100,725	664,028	566,794	8,067,765	7,090,1
Depreciation and Amortisation	163,083	145,973	563	476	957	502	89,576	103,370	254,179	250,3
Impairment for Loans and Other Losses - Charges/(Reversal)	558,189	675,264	-	-					558,189	675,2
Operating Expenses NBT & VAT	3,759,568	3,351,943	208,833	217,799	46,762	35,673	663,749	664,743	4,678,912	4,270,1
Reportable Segment Profit Before Income Tax	1,241,110	675,724	1,360,264	1,355,421	64,408	64,550	(89,297)	(201,319)	2,576,485	1,894,3
OTHER INFORMATION										
Total Assets	154,493,328	124,223,943	86,733,624	76,242,673	4,423,428	4,389,756	19,708,224	19,150,823	265,358,604	224,007,1
Total Liabilities & Equity	197,427,832	174,072,234	29,700,164	15,151,333	4,423,428	4,389,756	33,807,180	30,393,872	265,358,604	224,007,1
Cash Flows from Operating Activites	(3,970,695)	9,188,497	1,360,827	1,355,897	75,353	41,933	26,822	(68,239)	(2,507,693)	10,518,0
Cash Flows from Investing Activities	(162,956)	(129,011)	(18,381,947)	(3,041,451)	(13,182)	84,198	192,753	(252,410)	(18,365,332)	(3,338,6
Cash Flows from Financing Activities	(102,930)	(123,011)	8,783,293	(1,272,470)	(73,982)	(20,858)	(840,047)	(818,771)	7,869,264	(2,112,0
Capital Expenditure	(128,185)	(130,181)	0,700,290	(1,272,470)	2,684	420	(45,881)	(129,947)	(171,382)	(260,

16,956,162

15,200 7,654,425

1,665,768

16,956,162

15,200 7,654,425

1,665,768

12,419,887

14,628 7,655,705

1,323,290

12,419,887

14,628 7,655,705

1,323,290

Other Borrowings

Current Tax Liabilities

Other Liabilities

Total Financial Liabilities

Securities Sold under Repurchase Agreements

apital Expenditure	(128,185)	(130,181)		(1,064)	2,684	420 (4	15,881) (129,94)	7) (171,382) (260,772
STATEMENT OF CHANGES IN E	QUITY -	BANK							Rs. '000
		State	d Capital	Statutory	Retained		Reserves		
For the Six Months ended 30th June		Ordinary	Ordinary	Reserve Fund	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					1,212,501				1,212,50
Other Comprehensive Income (Net of Tax)					-		188,232		188,23
2 Total Comprehensive Income for the period		-			1,212,501		188,232		1,400,73
Transactions with Equity Holders, Recognised Directly In Equ	ity								
Dividends to Equity Holders					(776,161)				(776,16
Transfers from/to Retained Profits					(173,676)			173,676	
Total Transactions with Equity Holders					(949,837)		-	173,676	(776,16
Balance as at 30.06.2014 (1 + 2 + 3)		6,962,722	3,567,002	841,964	7,472,244	651,483	829,818	2,060,957	22,386,19
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	24,008,53
Total Comprehensive Income for the period									
Profit for the period					1,740,307				1,740,30
Other Comprehensive Income (Net of tax)							(230,296)		(230,29
? Total Comprehensive Income for the period		-			1,740,307		(230,296)		1,510,01
Transactions with Faults Halden Bassaciant Street	.14								
Transactions with Equity Holders, Recognised Directly In Equ	lity				(960 404)				(060.40
Dividends to Equity Holders Transfers from/to Retained Profits					(862,401)			(61.010)	(862,40
3 Total Transactions with Equity Holders					61,919 (800,482)			(61,919) (61,919)	(862,40
ייטומו וומווסמענוטווס שונוו בענונץ חטונופוס			•	•	(000,482)			(01,919)	(002,40
Balance as at 30.06.2015 (1 + 2 + 3)		6,962,722	3,567,002	995,894	10,023,568	651,483	420,926	2,034,554	24,656,14

* 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).

	Balance as at 30.06.2015 (1 + 2 + 3)	6,962,722	3,567,002	995,894	10,223,508	1,373,590	419,628	2 200 767	25,832,111	1 060 754	26,892,86
3	Total Transactions with Equity Holders	-	-		(785,689)	-		(61,919)	(847,608)	(72,929)	(920,53
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	14,793	-	-	-	14,793	(49,564)	(34,77
	Changes in Ownership Interest without Change in Control							,			
	Transfers from/to Retained Profits	-		-	61,919	_	-	(61,919)		-	, ,
	Transactions With Equity Holders, Recognised Directly In Equity Dividends	_	_	_	(862,401)	_	_	_	(862,401)	(23,365)	(885,76
_	Total Comprehensive Income for the period	-	-	-	1,715,367	-	(230,852)		1,484,515	9,296	1,493,8
_	Other Comprehensive Income (Net of Tax)	-		-		•	(230,852)	-	(230,852)	(256)	(231,1
	Profit for the Period	-	-	-	1,715,367	-	-	-	1,715,367	9,552	1,724,9
	Total Comprehensive Income for the period										
_	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	26,319,5
-	Balance as at 30.06.2014 (1 + 2 + 3)	6,962,722	3,567,002	841,964	7,482,652	1,356,228	829,818	2,316,170	23,356,556	1,366,369	24,722,9
	Total Transactions with Equity Holders			•	(875,554)				(701,878)	(188,671)	(890,5
_	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	74,283	-		173.676	74,283	(167,814)	(93,5
	Changes in Ownership Interest without Change in Control				74.000				74.000	(407.044)	(00.5
	Transfers from/to Retained Profits	-	-	-	(173,676)	-	-	173,676		-	
	Dividends	-	-		(776,161)	-	-	-	(776,161)	(20,857)	(797,0
	Transactions With Equity Holders, Recognised Directly In Equity										
	Total Comprehensive Income for the period	-	-		1,210,617	-	188,232	-	1,398,849	17,414	1,416,2
	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	188,232	-	188,232	-	188,2
	Total Comprehensive Income for the period Profit for the Period	_	_	_	1,210,617	_		_	1,210,617	17.414	1,228,0
_	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	24,197,2
		-Voting	-Non-Voting							Interest	
r	the Six Months ended 30th June	Ordinary Shares	Ordinary F Shares	Reserve Fund *	Earnings	Revaluation Reserve	Available for Sale Reserve	Other Reserves	Total	Non- Controlling	To Equ
		Stated		Statutory	Retained		Reserves				
	TATEMENT OF CHANGES IN EQUIT										Rs. '00

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).

EXPLANATORY NOTES

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) immediately effective from January 01, 2012 and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 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 (69.91%).

2. Information on Ordinary Shares

MARKET PRICE (Rs.)	30/0	6/2015	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		

3. Shareholders' Information

٥.	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 LtdGeneral 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	8.72
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.	Esots (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/Dr T Senthilverl	1,511,647	0.86
20.	N P Capital Ltd	1,503,505	0.85
2.0	Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2015		
3.2	IWENTY Largest Ordinary Non-Voting Snareholders as at June 30, 2015	N40b	0/
		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 Grauson & 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	1,253,265	0.74
12.	Commercial Bank of Ceylon PLC/ARC Capital (Pvt) Ltd.	1,216,280	0.72
13.	Dr. S. Yaddehige	1,165,000	0.69
14.	Deutsche Bank AG as Trustees for Namal Acuity Value Fund	1,150,000	0.68
15.	Mr. D.N.N. Lokuge	886,048	0.52
16.	Mr. M.J. Fernando	850,000	0.50
17.		843,598	0.50
18.	Miss. S. Durga	770,808	0.46
19.	Mr. R. Gautam	765,000	0.45
20.	Seylan Bank PLC /Arc Capital (Pvt) Ltd.	709,578	0.42
		700,070	0.72

4. Directors' and Chief Executive Officer's Shareholdings as at June 30, 2015

3.3 Public Holdings as at June 30, 2015

Ordinary Voting Shares Ordinary Non-Voting Shares

	Name of Director Mr. Nihal Jayamanne PC, Independent Director/Chairman Mr. Ishara C Nanayakkara, Non-executive Director/Deputy Chairman Rear Admiral B.A.J.G. Peiris, Independent Director Mr. S.P. Samantha Ranatunga, Independent Director Mr. W.D.K. Jayawardena, Non-executive Director Mr. PL.S.K. Perera, Independent Director Ms. M.C. Pietersz, Independent Director Mr. K.P. Ariyaratne, Director/Chief Executive Officer Mr. K.P. Ariyaratne, Director/Chief Executive Officer Mr. S.V. Corea, Non-executive Director Mr. W.M.R.S. Dias, Non-executive Director	No. of Shares (Ordinary Voting) 5,583 Nil Nil Nil Nil Nil 11,117 Nil Nil Nil Nil Nil Nil Nil	No. of Shares (Ordinary Non-voting) Nil Nil Nil Nil Nil 123,005 Nil
5.	Stated Capital as at June 30, 2015		Rs. '000
	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. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 55/- each 2,644,068 Voting Ordinary Shares @ Rs. 55/- each 43,333,333 Voting Ordinary Shares @ Rs. 75/- each 83,560,000 Non-Voting Ordinary Shares @ Rs. 75/- each 83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each		335,600 100,000 3,235,400 156,000 3,250,000 1,044,500

No. of Shareholders

Less: Issue Expenses Total 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 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

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;

40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each 45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each

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 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.

ADDITIONAL DISCLOSURES Rs. '000					
	В	ANK	GROUP		
12 Customer Loans and Receivables	As at 30.06.2015	As at 31.12.2014	As at 30.06.2015	As at 31.12.2014	
Gross Loans and Receivables (Refer 12.1) Less: Individual Impairment Collective Impairment	169,324,923 (2,353,573) (4,311,809)	161,974,994 (2,336,572) (4,675,710)	169,324,923 (2,353,573) (4,311,809)	161,974,994 (2,336,572) (4,675,710)	
Net Loans and Receivables	162,659,541	154,962,712	162,659,541	154,962,712	
12.1 Customer Loans and Receivables - By product By product - Domestic Currency Export Bills Import Bills Load Bills Lease Rentals Receivable Overdrafts Trust Receipts Loans/Revolving Loans(RIL) Staff Loans Housing Loans Pawning Receivables Refinance Loans Credit Cards Other Loans Total	47,444 128,376 51,903 13,007,373 47,969,081 10,613,307 4,534,375 9,939,537 8,787,055 594,594 2,781,744 56,518,137	101,381 100,860 122,315 10,647,360 46,884,578 8,988,594 4,306,641 9,173,760 8,514,872 671,716 3,135,717 56,910,626	47,444 128,376 51,903 13,007,373 47,969,081 10,613,307 4,534,375 9,939,537 8,787,055 594,594 2,781,744 56,518,137	101,381 100,860 122,315 10,647,360 46,884,578 8,988,594 4,306,641 9,173,760 8,514,872 671,716 3,135,717 56,910,626 149,558,420	
By product - Foreign Currency Export Bills Import Bills Local Bills Overdrafts Trust Receipts Loans/Revolving Loans(RIL) Housing Loans Other Loans Total Gross Loans and Receivables	982,508 316,255 44,964 1.814,665 55,389 33,251 11,104,965 14,351,997 169,324,923	977,966 128,727 56,556 1,148,478 107,697 9,997,150 12,416,574 161,974,994	982,508 316,255 44,964 1,814,665 55,389 33,251 11,104,965 14,351,997 169,324,923	977,966 128,727 56,556 1,148,478 107,697 9,997,150 12,416,574 161,974,994	
12.2 Movements in Individual and Collective Impairment during the period for C	2 Movements in Individual and Collective Impairment during the period for Customer Loans and Receivables Bank Group				
	2015	2014	2015	2014	

12.2 Movements in Individual and Collective Impairment during the period for				
		ank		oup
	2015	2014	2015	2014
	(For 06 Months)	(For 12 Months)	(For 06 Months)	(For 12 Months
Individual Impairment				
Opening Balance as at 01st January	2,336,572	2,999,778	2,336,572	2,999,778
Charge/(Write back) to Income Statement	372,745	2,021,892	372,745	2,021,892
Reversal for Write-Offs	(443,491)	(2,091,217)	(443,491)	(2,091,217
Interest Accrued on Impaired Loans	(187,578)	(593,881)	(187,578)	(593,881
Transfer from Collective impairment	275,325	-	275,325	
Closing Balance as at 30th June 2015	2,353,573		2,353,573	
as at 31st December 2014		2,336,572		2,336,572
Collective Impairment				
Opening Balance as at 01st January	4,675,710	4.615.049	4.675.710	4,615,049
Charge/(Write back) to Income Statement	183,970	60,661	183.970	60,66
Reversal for Write-Offs	(272,546)	-	(272,546)	,
Transfer to individual impairment	(275,325)		(275,325)	
Closing Balance as at 30th June 2015	4,311,809		4,311,809	
as at 31st December 2014	4,011,000	4.675.710	4,011,000	4,675,710
		7		,, ,,
otal Impairment	6,665,382	7,012,282	6,665,382	7,012,282
3 Customer Deposits - By product				
ly product - Domestic Currency				
Demand deposits	14,318,521	14,220,049	14,318,521	14,220,049
Savings deposits	50,945,984	51,012,395	50,945,984	51,012,395
Fixed deposits	104,664,258	101,092,034	104,664,258	101,092,034
Certificate of deposits	5,264,447	5,931,267	5,264,447	5,931,26
Total	175,193,210	172,255,745	175,193,210	172,255,745
to the first of th				
y product - Foreign Currency	4 000 000	040 400	4 000 000	0.40
Demand deposits	1,288,992	949,422	1,288,992	949,422
Savings deposits	6,282,502	5,413,393	6,282,502	5,413,39
Fixed deposits	7,666,285	7,305,562	7,666,285	7,305,56
Total	15,237,779	13,668,377	15,237,779	13,668,37
otal Customer Deposits	190.430.989	185.924.122	190.430.989	185,924,12