

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Year ended 31st December, 2013

INCOME STATEMENT

| | Bank | | | | Group | | | | | | | |
|--|---------------------------------------|-------------------|---------------------------------------|------------------|---------------------------------------|----------------|---------------------------------------|-------------------|--------------|------------------|------------------|----------------|
| | For the year ended 31st December 2013 | | For the year ended 31st December 2012 | | For the year ended 31st December 2013 | | For the year ended 31st December 2012 | | | | | |
| | Restated | Growth % | Restated | Growth % | Restated | Growth % | Restated | Growth % | | | | |
| Interest Income | 24,969,376 | 21,134,057 | 18.15 | 6,710,068 | 5,833,578 | 15.02 | 24,976,465 | 21,134,559 | 18.18 | 6,712,894 | 5,837,553 | 14.99 |
| Less: Interest Expense | 15,139,724 | 12,119,815 | 24.92 | 3,727,460 | 3,819,721 | 2.98 | 15,115,430 | 12,100,987 | 24.91 | 3,721,753 | 3,816,725 | 2.90 |
| Net Interest Income | 9,829,652 | 9,014,242 | 9.06 | 2,982,608 | 2,213,857 | 34.72 | 9,861,035 | 9,033,572 | 9.16 | 2,991,141 | 2,220,828 | 34.98 |
| Fee and Commission Income | 2,208,620 | 1,760,355 | 25.47 | 605,987 | 468,796 | 29.26 | 2,208,342 | 1,760,103 | 25.47 | 605,701 | 458,012 | 42.18 |
| Less: Fee and Commission Expense | 81,294 | 65,645 | 23.84 | 20,353 | 17,189 | 19.87 | 87,881 | 71,425 | 23.11 | 22,057 | 18,884 | 18.80 |
| Net Fee and Commission Income | 2,127,326 | 1,694,710 | 25.53 | 585,734 | 451,607 | 29.70 | 2,120,461 | 1,688,678 | 25.57 | 583,644 | 439,128 | 43.36 |
| Net Trading Income | 78,851 | 83,188 | (5.21) | 138,018 | 71,820 | 92.71 | 79,002 | 80,188 | (1.48) | 137,864 | 68,620 | 100.91 |
| Net Gain from Financial Instruments | 190,368 | 5,773 | 3,195.83 | 159,702 | 3,888 | 4,059.68 | 190,368 | 5,773 | 3,195.83 | 159,702 | 3,888 | 4,059.68 |
| Net Customer Income | 426,014 | 502,516 | (18.22) | 144,619 | 119,869 | 21.44 | 426,014 | 502,516 | (18.22) | 144,619 | 119,869 | 21.44 |
| Other Operating Income (Net) | 167,641 | 175,123 | (4.27) | 47,198 | 19,377 | 145.58 | 216,181 | 243,141 | (11.09) | 58,161 | 44,843 | 29.70 |
| Total Operating Income | 12,919,774 | 11,540,800 | 9.78 | 4,057,537 | 2,879,441 | 40.30 | 12,942,591 | 11,618,858 | 11.40 | 4,075,132 | 2,884,399 | 42.27 |
| Less: Impairment for Loans and Other Losses - Charges/(Reversal) | - | - | - | - | - | - | - | - | - | - | - | - |
| Individual Impairment | 1,305,790 | 574,671 | 127.22 | 661,547 | 166,789 | 296.64 | 1,305,790 | 574,671 | 127.22 | 661,547 | 166,789 | 296.64 |
| Collective Impairment | (92,572) | (162,739) | 43.13 | 54,077 | (67,916) | 178.62 | (92,572) | (162,739) | 43.13 | 54,077 | (67,916) | 178.62 |
| Others | 147,951 | 175,123 | (8.54) | 45,384 | (153,771) | 129.52 | 148,889 | 161,773 | (6.34) | 46,342 | (153,771) | 129.14 |
| Net Operating Income | 11,581,169 | 10,972,657 | 5.44 | 3,781,081 | 2,834,342 | 33.26 | 11,581,169 | 10,972,657 | 5.44 | 3,781,081 | 2,834,342 | 33.26 |
| Personal Expenses | 3,679,239 | 3,244,854 | 13.27 | 1,028,207 | 833,669 | 23.34 | 3,699,538 | 3,273,232 | 12.99 | 1,031,372 | 844,140 | 22.18 |
| Depreciation and Amortisation | 538,822 | 547,965 | (1.68) | 112,369 | 135,211 | (8.80) | 538,822 | 547,965 | (1.68) | 112,369 | 135,211 | (8.80) |
| Other Expenses | 3,099,885 | 3,298,583 | (8.29) | 722,272 | 1,110,944 | (34.06) | 3,097,211 | 3,254,880 | (5.95) | 720,637 | 1,055,065 | (31.02) |
| Operating Profit before Taxes | 4,266,176 | 7,091,343 | 3.83 | 1,872,848 | 2,182,373 | (16.82) | 4,266,176 | 7,091,343 | 3.83 | 1,872,848 | 2,182,373 | (16.82) |
| Value Added Tax (VAT) on Financial Services | 745,640 | 676,356 | 10.69 | 238,812 | 63,485 | 276.17 | 745,640 | 676,356 | 10.69 | 238,812 | 63,485 | 276.17 |
| Profit before taxes | 3,520,536 | 6,414,987 | 7.96 | 1,634,036 | 2,118,888 | (24.94) | 3,520,536 | 6,414,987 | 7.96 | 1,634,036 | 2,118,888 | (24.94) |
| Tax Expenses | 1,138,496 | 1,135,160 | 0.29 | 302,839 | 33,244 | 1,144.02 | 1,138,496 | 1,135,160 | 0.29 | 302,839 | 37,954 | 77.93 |
| Profit for the period | 2,382,040 | 5,279,827 | 12.18 | 1,331,197 | 2,085,644 | (35.68) | 2,382,040 | 5,279,827 | 12.18 | 1,331,197 | 2,085,644 | (35.68) |
| Attributable to: | | | | | | | | | | | | |
| Owners of the Parent | 2,382,040 | 5,279,827 | | 1,331,197 | 2,085,644 | | 2,382,040 | 5,279,827 | | 1,331,197 | 2,085,644 | |
| Non-controlling Interests | - | - | | - | - | | - | - | | - | - | |
| Profit for the period | 2,382,040 | 5,279,827 | | 1,331,197 | 2,085,644 | | 2,382,040 | 5,279,827 | | 1,331,197 | 2,085,644 | |
| Basic Earnings per Ordinary Share (in Rupees) | 6.74 | 6.11 | 10.31 | 2.26 | 1.38 | 63.77 | 6.74 | 6.11 | 10.31 | 2.26 | 1.38 | 63.73 |

CASH FLOW STATEMENT

| | 2013 | | | 2012 | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Bank | | Group | Bank | | Group |
| | Restated | Growth % | Restated | Restated | Growth % | Restated |
| Cash Flow from Operating Activities | 23,619,399 | 19,883,245 | 23,619,399 | 19,883,245 | 19,883,245 | 19,883,245 |
| Operating Profit before Taxes | 4,266,176 | 7,091,343 | 4,266,176 | 7,091,343 | 4,266,176 | 7,091,343 |
| Adjustments: | | | | | | |
| Depreciation and Amortisation | 538,822 | 547,965 | 538,822 | 547,965 | 538,822 | 547,965 |
| Impairment for Loans and Other Losses - Charges/(Reversal) | 1,305,790 | 574,671 | 1,305,790 | 574,671 | 1,305,790 | 574,671 |
| Change in Financial Assets and Liabilities | (1,872,848) | (2,182,373) | (1,872,848) | (2,182,373) | (1,872,848) | (2,182,373) |
| Change in Cash and Cash Equivalents | 2,237,140 | 5,930,566 | 2,237,140 | 5,930,566 | 2,237,140 | 5,930,566 |
| Cash and Cash Equivalents at the beginning of the period | 1,141,428 | 1,141,428 | 1,141,428 | 1,141,428 | 1,141,428 | 1,141,428 |
| Cash and Cash Equivalents at the end of the period | 3,378,568 | 7,071,994 | 3,378,568 | 7,071,994 | 3,378,568 | 7,071,994 |

STATEMENT OF COMPREHENSIVE INCOME

| | Bank | | | | Group | | | | | | | |
|---|---------------------------------------|------------------|---------------------------------------|------------------|---------------------------------------|-------------------|---------------------------------------|------------------|-----------------|------------------|----------------|------------------|
| | For the year ended 31st December 2013 | | For the year ended 31st December 2012 | | For the year ended 31st December 2013 | | For the year ended 31st December 2012 | | | | | |
| | Restated | Growth % | Restated | Growth % | Restated | Growth % | Restated | Growth % | | | | |
| Profit for the period | 2,315,539 | 2,064,198 | 12.18 | 779,583 | 465,645 | 67.42 | 2,382,040 | 2,089,650 | 12.50 | 813,481 | 466,504 | 74.38 |
| Other Comprehensive Income, Net of Tax | | | | | | | | | | | | |
| Revaluation of Property, Plant and Equipment | 150,606 | 48,051 | 213.43 | 150,606 | 48,051 | 3,271.32 | 1,078,365 | 48,051 | 2,144.21 | 1,078,365 | (4,749) | 22,807.20 |
| Actuarial Gain on Defined Benefit Obligations | 5,240 | 68,384 | (92.34) | 5,240 | 68,384 | (92.34) | 4,667 | 72,220 | (93.54) | 4,667 | 72,220 | (93.54) |
| Net Change in Fair Value on Available-for-Sale Financial Assets | 881,357 | (249,905) | 452.68 | 702,274 | (60,033) | 1,269.81 | 881,357 | (249,905) | 452.68 | 702,274 | (57,033) | 1,231.35 |
| Net Amount Transferred to Profit or Loss on Available-for-Sale Financial Assets | (114,701) | (5,773) | 1,888.85 | (43,831) | (3,886) | 2,065.08 | (114,701) | (5,773) | 1,888.85 | (43,831) | (3,886) | 2,065.08 |
| Other Comprehensive Income for the period, Net of Taxes | 913,320 | (139,243) | 755.92 | 784,913 | (284) | 269,400.35 | 1,580,866 | (135,407) | 1,266.90 | 1,431,549 | 6,532 | 21,749.84 |
| Total Comprehensive Income for the period | 3,228,859 | 1,924,955 | 67.74 | 1,564,506 | 465,361 | 231.87 | 3,962,906 | 2,555,054 | 10.11 | 2,913,030 | 473,056 | 374.58 |
| Attributable to: | | | | | | | | | | | | |
| Owners of the Parent | 3,228,859 | 1,924,955 | | 1,564,506 | 465,361 | | 3,962,906 | 2,555,054 | | 2,913,030 | 473,056 | |
| Non-controlling Interests | - | - | | - | - | | - | - | | - | - | |
| Profit for the period | 3,228,859 | 1,924,955 | 67.74 | 1,564,506 | 465,361 | 231.87 | 3,962,906 | 2,555,054 | 10.11 | 2,913,030 | 473,056 | 374.58 |

STATEMENT OF FINANCIAL POSITION

| | Bank | | | | Group | | | |
|--|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| | As at 31.12.2013 | | As at 31.12.2012 | | As at 31.12.2013 | | As at 31.12.2012 | |
| | Restated | Growth % | Restated | Growth % | Restated | Growth % | Restated | Growth % |
| Assets | | | | | | | | |
| Cash and Cash Equivalents | 5,180,195 | 6,554,381 | (20.97) | 4,550,203 | 6,554,482 | (20.97) | 4,550,774 | 6,554,482 |
| Balances with Central Bank of Sri Lanka | 7,505,185 | 8,028,661 | (6.52) | 7,070,728 | 8,028,661 | (6.52) | 7,070,728 | 8,028,661 |
| Placements with Banks and Finance Companies | 970,203 | - | - | - | 970,203 | - | - | 970,203 |
| Derivative Financial Instruments | 287,210 | 51,281 | 460.07 | 74,746 | 51,281 | 460.07 | 74,746 | 51,281 |
| Other Financial Assets Held-for-Trading | 11,183,843 | 2,460,272 | 354.58 | 5,243,565 | 11,191,770 | 2,468,151 | 353.45 | 5,244,443 |
| Securities Purchased under Resale Agreements | 5,729,904 | 173,441 | 3,203.66 | 3,313,690 | 5,729,904 | 173,441 | 3,203.66 | 3,313,690 |
| Customer Loans and Receivables | 136,552,857 | 124,728,371 | 9.48 | 106,390,440 | 136,552,857 | 124,728,371 | 9.48 | 106,390,440 |
| Financial Investments - Available-for-Sale | 14,001,964 | 11,358,103 | 23.28 | 11,886,589 | 14,001,964 | 11,358,103 | 23.28 | 11,886,589 |
| Financial Investments - Held-to-Maturity | 24,050,862 | 19,922,966 | 21.33 | 17,665,169 | 24,050,862 | 19,922,966 | 21.33 | 17,665,169 |
| Investment in Subsidiary | 800,624 | 793,254 | 0.93 | 793,254 | 800,624 | 793,254 | 0.93 | 793,254 |
| Group Balances Receivable | 15,000 | 60,687 | (75.28) | 16,888 | 15,000 | 60,687 | (75.28) | 16,888 |
| Property, Plant & Equipment | 2,887,204 | 2,391,536 | 20.73 | 2,371,254 | 4,460,001 | 3,041,903 | 46.62 | 3,047,966 |
| Leasehold Rights | 48,286 | 39,596 | 21.95 | 39,909 | 618,847 | 617,567 | 0.21 | 625,290 |
| Investment Properties | 114,429 | 237,629 | (51.85) | 237,629 | 1,043,942 | 1,203,380 | (13.25) | 1,226,546 |
| Intangible Assets | 141,134 | 202,354 | (30.25) | 404,299 | 141,134 | 202,354 | (30.25) | 404,299 |
| Current Taxation Assets | - | - | - | 992 | - | 1,258 | - | (1.14) |
| Deferred Taxation Assets | 170,590 | 253,171 | (32.62) | 510,686 | 135,551 | 481,588 | (71.77) | 741,668 |
| Other Assets | 5,521,369 | 6,905,973 | (15.13) | 5,076,624 | 5,521,369 | 6,905,973 | (15.13) | 5,076,624 |
| Total Assets | 215,160,859 | 183,651,676 | 17.15 | 165,943,873 | 217,509,448 | 183,651,676 | 17.15 | 165,943,873 |
| Liabilities | | | | | | | | |
| Due to Banks | 11,544,206 | 6,137,803 | 88.08 | 7,310,651 | 11,544,206 | 6,137,803 | 88.08 | 7,310,651 |
| Derivative Financial Instruments | 382,815 | 278,826 | 37.30 | 67,506 | 382,815 | 278,826 | 37.30 | 67,506 |
| Customer Deposits | 167,371,384 | 146,727,199 | 14.07 | 123,981,101 | 167,371,384 | 146,727,199 | 14.07 | 123,981,101 |
| Securities Sold under Repurchase Agreements | 4,573,955 | 3,674,840 | 24.47 | 9,410,283 | 4,573,955 | 3,674,840 | 24.47 | 9,410,283</ |