SEYLAN BANK PLC FINANCIAL STATEMENTS

Year ended 31st December, 2013



		Bank			Bank			Group			Group	
		For the year	r	Fo	or the Quart	er		For the yea	r		For the Quar	ter
	Ende	ed 31st Dece	mber	Ende	d 31st Dece	mber	Ende	d 31st Dece	mber	End	led 31st Dec	embber
	2013	2012	Growth	2013	2012	Growth	2013	2012	Growth	2013	2012	Growt
		Restated	%		Restated	%		Restated	%		Restated	9
Interest Income	24,969,576		18.15	6,710,068	5,833,578	15.02	24,976,485		18.18	6,712,894	5,837,553	14.9
Less: Interest Expense	15,139,734	12,119,615	24.92	3,727,460	3,619,721	2.98	15,115,430	, ,	24.91	3,721,752	3,616,725	2.9
Net Interest Income	9,829,842	9,014,442	9.05	2,982,608	2,213,857	34.72	9,861,055	9,033,562	9.16	2,991,142	2,220,828	34.6
Fee and Commission Income	2,208,628	1,760,335	25.47	605.987	468.796	29.26	2,208,342	1,760,103	25.47	605.701	426.012	42.1
Less: Fee and Commission Expense	81,294	65,645	23.84	20.253	17.180	17.89	87.931	71.425	23.11	22.057	18.884	16.8
Net Fee and Commission Income	2,127,334	1,694,690	25.53	585,734	451,616	29.70	2,120,411	1,688,678	25.57	583,644	407,128	43.3
Net Trading Income	78,851	83.188	(5.21)	138.018	71.620	92.71	79.002	80.188	(1.48)	137,864	68.620	100.9
Net Gain from Financial Investments	190.268	5,773	. ,	159,702	3.886	4.009.68	190.268		3.195.83	159,702	3.886	4.009.6
Net Exchange Income	476.014	567.516	(16.12)	144.619	119.088	21.44	476.014	567.516	(16.12)	144.619	119.088	21.4
Other Operating Income (Net)	167,641	175,123	(4.27)	47,198	19,377	143.58	216,181	243,141	(11.09)	58,161	44,843	29.7
pg ()	912,774	831,600	9.76	489.537	213,971	128.79	961,465	896,618	7.23	500,346	236,437	111.6
Total Operating Income		11,540,732	11.52	4,057,879		40.93	12,942,931	,.	11.40	4,075,132	2,864,393	42.2
Less: Impairment for Loans and Other Losses												
- Charges/(Reversal)	4 005 700	574.074	127.22	004 547	166.789	296.64	4 005 700	574.671	127.22	004 547	400 700	296.6
Individual Impairment	1,305,790	574,671		661,547			1,305,790			661,547	166,789	
Collective Impairment Others	(92,572)	(162,769)	43.13	54,077	(67,916)	179.62	(92,572)	(162,769)	43.13	54,077	(67,916)	179.6
Uthers	147,951 1.361.169	161,773 573.675	(8.54) 137.27	45,394 761.018	(153,771)		148,899 1.362.117	161,773 573.675	(7.96) 137.44	46,342 761.966	(153,771)	130.1
Net Operating Income	,,	10,967,057	4.94	3.296.861	,	1,486.24	1,362,117	,	4.85	3.313.166	(54,898) 2.919.291	1,487.9
Net Operating income	11,300,701	10,307,007	4.34	3,290,001	2,934,342	12.33	11,300,014	11,040,100	4.00	3,313,100	2,313,231	10.4
Personnel Expenses	3,675,299	3,244,854	13.27	1,028,207	833,668	23.34	3,698,538	3,273,232	12.99	1,031,372	844,140	22.1
Depreciation and Amortisation	539,822	547,906	(1.48)	112,369	158,211	(28.98)	575.874	605,763	(4.93)	105,556	172,647	(38.8
Other Expenses	3,090,985	3,298,583	(6.29)	732,272	1,110,494	(34.06)	3,061,271	3,254,980	(5.95)	730,637	1,065,065	(31.4
	7,306,106	7,091,343	3.03	1,872,848	2,102,373	(10.92)	7,335,683	7,133,975	2.83	1,867,565	2,081,852	(10.2
Operating Profit before Taxes	4,202,675	3,875,714	8.44	1,424,013	831,969	71.16	4,245,131	3,911,208	8.54	1,445,601	837,439	72.6
Value Added Tax (VAT) on Financial Services	748,640	676,356	10.69	238,812	63,485	276.17	748,640	676,356	10.69	238,812	63,485	276.1
Profit before Taxes	3.454.035	3.199.358	7.96	1.185.201	768.484	54.23	3.496.491	3.234.852	8.09	1.206.789	773.954	55.9
Profit before taxes	3,454,035	3,199,300	7.90	1,100,201	/00,404	34.23	3,490,491	3,234,032	0.09	1,200,709	113,954	55.5
Tax Expenses	1,138,496	1,135,160	0.29	405,618	302,839	33.94	1,144,446	1,144,202	0.02	393,308	307,450	27.9
Profit for the period	2,315,539	2,064,198	12.18	779,583	465,645	67.42	2,352,045	2,090,650	12.50	813,481	466,504	74.3
Attributable to:												
Owners of the Parent							2,326,148	2,074,584	12.13	797,152	466,090	71.0
Non-Controlling Interest							25,897	16,066	61.19	16,329	414	3,844.2
Profit for the period	2,315,539	2,064,198	12.18	779,583	465,645	67.42	2,352,045	2,090,650	12.50	813,481	466,504	74.3
Basic/ Diluted Earnings per Ordinary Share (in Rupees)	6.74	6.11	10.31	2.26	1.38	63.77	6.78	6.14	10.42	2.31	1.38	67.3

CASH FLOW STATEMENT For the year ended 31st December	B/			
For the year ended 31st December		****		Rs. '000
For the year ended 31st December		NK	GR	OUP
	2013	2012	2013	2012
Cash Flows from Operating Activities Interest Receipts Fees and Commission Receipts Interest Payments Trading Income Receipts from Other Operating Activities Cash Payments to Employees and Suppliers Cash Payments to Other Operating Activities	23,619,589 2,208,628 (14,339,219) 603,629 53,765 (7,365,018) (81,294)	19,863,245 1,760,335 (11,653,406) 363,917 102,706 (6,449,714) (65,645)	23,626,498 2,208,342 (14,314,915) 603,780 117,184 (7,340,832) (87,931)	19,863,565 1,760,103 (11,634,788) 363,917 177,626 (6,416,398) (71,425)
Operating Profit before Changes in Operating Assets & Liabilities	4,700,080	3,921,438	4,812,126	4,042,600
(Increase)/Decrease in Operating Assets : Loans & Receivables (Advanced to)/Repaid by Customers Deposits Held for Regulatory or Monetary Control Purposes	(12,006,741) 523,476	(18,686,095) (957,933)	(12,006,741) 523,476	(18,757,278) (957,933)
Increase/(Decrease) in Operating Liabilities : Deposits from/(Withdrawals by) Customers Vegotiable Certificates of Deposit Cash (Used in)/Generated from Operations	18,960,309 883,361 13,060,485	21,058,174 1,174,162 6,509,746	18,960,309 883,361 13,172,531	21,058,174 1,174,162 6,559,725
Income Tax Paid Contribution Paid into Employees Retirement Benefit Plan/Employees	(170,856) (86,753)	(64,986) (105,744)	(170,856) (86,753)	(64,986) (105,847)
Net Cash (Used in)/Generated from Operating Activities	12,802,876	6,339,016	12,914,922	6,388,892
Cash Flows from Investing Activities				
Investment in Subsidiary Company Dividend Income Net Proceeds from Sale Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Ronds	(7,370) 40,954	22,724	23,699	15,822
Mewaturing after 03 months Reverse Repurchase Agreements Maturing After 03 Months Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures Purchase 0f Property, Plant & Equipment, Leasehold Rights & Intangible Assets Proceeds From Sale OF Property, Plant & Equipment, Leasehold Rights & Intangible Assets Proceeds From Sale of Investment Properties Improvements to Investment Properties	(10,412,778) (31) (1,445,456) (657,040) 143,100	1,938,924 (413) (99,514) (393,845) 81,419	(10,492,124) (31) (1,445,456) (672,102) 143,280 29,275	1,938,924 (413) (109,515) (397,749) 81,419 3,000 (32)
Net Cash (Used in)/Generated from Investing Activities	(12,338,621)	1,549,295	(12,413,459)	1,531,456
Cash Flows from Financing Activities				
Increase/(Decrease) in Debentures Redemption of Preference Shares Securities Sold under Repurchase Agreements Increase/(Decrease) in Other Borrowings Dividends Paid - Ordinary Shares Dividends Paid - Preference Shares	2,031,640 899,115 5,891,934 (368,853) (35)	(1,573,605) (42,376) (5,735,443) (118,874) (335,134)	2,031,640 - 899,115 5,872,010 (386,207) (35)	(1,573,605) (42,376) (5,735,443) (143,469) (343,036)
Net Cash (Used in)/Generated from Financing Activities	8,453,801	(7,805,432)	8,416,523	(7,837,929)
Net Increase/(Decrease) in Cash & Cash Equivalents Cash & Cash Equivalents at beginning of the Year	8,918,056 9,481,018	82,879 9,398,139	8,917,986 9,481,119	82,419 9,398,700
Cash & Cash Equivalents at end of the Period	18,399,074	9,481,018	18,399,105	9,481,119
Reconciliation of Cash & Cash Equivalents Cash and Cash Equivalents Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months Securities Purchased under Resale Agreements Maturing with in 03 months	6,150,398 6,519,216 5,729,460 18,399,074	6,554,381 2,753,609 173,028 9,481,018	6,150,429 6,519,216 5,729,460 18,399,105	6,554,482 2,753,609 173,028 9,481,119
ROO O ()LO HONO N C HON BNPPPH N C HRSHOD N NO C ROG	Receipts from Other Operating Activities Zash Payments to Employees and Suppliers Zash Payments to Employees and Suppliers Zash Payments to Other Operating Assets & Liabilities Increase)/Decrease in Operating Assets :	Receipts from Other Operating Activities \$3,765 \$3.28 h Payments to Employees and Suppliers \$7,365,018 \$81,294 \$9.28 h Payments to Employees and Suppliers \$7,365,018 \$81,294 \$9.28 h Payments to Employees and Suppliers \$7,365,018 \$81,294 \$9.28 h Payments to Employees and Suppliers \$7,365,018 \$81,294 \$9.28 h Payments to Employees and Suppliers \$1,2006,741 \$9.28 h Payments to Employees and Suppliers \$1,2006,741 \$9.28 h Payments to Employees \$1,2006,741 \$9.28 h Payments to Employees \$1,2006,741 \$9.28 h Payments to Employees \$1,2006,741 \$9.28 h Payments \$1,200,741 \$1,200,	Recepts from Other Operating Activities 53,765 102,706 102,407 102,407 103,407 104	17,865 17,865 18,960 19,967 1

SEYLAN BANK PLC - DEBENTURES

	For the v	Bank ear Ended 31st D	December	For the Ou	Bank arter Ended 3	1st December	For the v	Group ear Ended 31st I)ecember	For the Quart	Group ter Ended 31s	st December
	2013	2012 Restated	Growth %	2013	2012 Restated	Growth %	2013	2012 Restated	Growth %	2013		Growth %
Profit for the Period	2,315,539	2,064,198	12.18	779,583	465,645	67.42	2,352,045	2,090,650	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	(4,749)	3,271.32	1,078,365	48,051	2,144.21	1,078,365	(4,749)	22,807.20
Deferred Tax on Revaluation	(9,172)	-	-	(9,172)	-	-	(269,622)	-	· -	(269,622)	-	-
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 of Financial Assets Measured at Fair Value through Other Comprehensive Income:												
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)	1,331.35
Net Amount Transferred to Profit or Loss on												
Available-for-Sale Financial Assets	(114,701)	(5,773)	1,886.85	(84,135)	(3,886)	2,065.08	(114,701)	(5,773)	1,886.85	(84,135)	(3,886)	2,065.08
Other Comprehensive Income for the												
Period, Net of Taxes	913,330	(139,243)	755.93	764,813	(284)	269,400.35	1,580,066	(135,407)	1,266.90	1,431,549	6,552	21,749.04
Total Comprehensive Income for the Period	3,228,869	1,924,955	67.74	1,544,396	465,361	231.87	3,932,111	1,955,243	101.11	2,245,030	473,056	374.58
Attributable to:												
Owners of the Parent							3,585,047	1,937,329	85.05	1,907,534	469,350	306.42
Non-Controlling Interest							347,064	17,914	1,837.39	337,496	3,706	9,006.50
Profit for the Period	3.228.869	1.924.955	67.74	1.544.396	465.361	231.87	3.932.111	1.955.243	101.11	2.245.030	473.056	374.58

Total Comprehensive Income for the Period Attributable to:	3,228,869	1,924,955	67.74	1,544,396	465,361	231.87	3,932,1	11 1,955,24	3 101.11	2,245,030	473,056	374.58
Owners of the Parent							3,585,0	1,937,32	9 85.05	1,907,534	469,350	306.42
Ion-Controlling Interest Profit for the Period	3,228,869	1,924,955	67.74	1,544,396	465,361	231.87	347,0 3,932,1			337,496 2,245,030	3,706 473,056	9,006.50 374.58
Total for the Forton	0,220,003	1,324,300	01.14	1,044,030	400,001	201.07	0,302,1	1,300,24	0 101.11	2,240,000	470,000	074.00
STATEMENT OF FINANCIA	AL POS	ITION									R	s. '000
			Bank				Group					
		31	As at .12.2013	As at 31.12.2012	Growth %		As at 12.2011	As at 31.12.2013	As at 31.12.2012	Growti %		As at 2.2011
Assets				Restated			Restated		Restated			estated
Cash and Cash Equivalents			5,180,195	6,554,381	(20.97) 4,	550,203	5,180,226	6,554,482	(20.97	') 4,55	0,764
Balances with Central Bank of Sri Lanka			7,505,185	8,028,661	(6.52) 7,	070,728	7,505,185	8,028,661	(6.52	2) 7,07	0,728
Placements with Banks and Finance Companie	es		970,203	-	-		-	970,203	-			-
Derivative Financial Instruments			287,210	51,281	460.07		74,746	287,210	51,281	460.07	7	4,746
Other Financial Assets Held-for-Trading		1	1,183,843	2,460,272	354.58	5,	243,565	11,191,770	2,468,151	353.45	5,24	4,443
Securities Purchased under Resale Agreement	ts		5,729,904	173,441	3,203.66		313,690	5,729,904	173,441	3,203.66		3,690
Customer Loans and Receivables			6,552,857	124,728,371	9.48	,	390,440	136,552,857	124,728,371		106,39	
Financial Investments - Available-for-Sale			4,001,964	11,358,103	23.28		886,589	14,001,964	11,358,103	23.28	,	
Financial Investments - Held-to-Maturity		2	4,050,862	19,822,966	21.33		665,169	24,130,160	19,822,966	21.73	17,66	5,169
Investment in Subsidiary			800,624	793,254	0.93		793,254	-	-			-
Group Balances Receivable			15,000	60,687	(75.28 20.73		15,688 371 254	4 460 001	3 0/1 000	AC C) 2 N.4	7,966
Property, Plant & Equipment Leasehold Rights			2,887,204 48,286	2,391,536 39,596	20.73 21.95	,	371,254 39,909	4,460,001 618,847	3,041,903 617,567	46.62 0.21	,	7,966 5,290
nvestment Properties			114,429	237,629	(51.85		237,629	1,043,942	1,203,380	(13.25		5,290 6,546
Intangible Assets			141,134	202,354	(30.25	*	404,299	141,134	202,354	(30.25	,	4,299
Current Taxation Assets			-	-	(00.20		-	992	1,258	(21.14	*	-
Deferred Taxation Assets			170,590	253,171	(32.62)	510,086	135,951	481,588	(71.77	*	1,668
Other Assets			5,521,369	6,505,973	(15.13		376,624	5,559,102	6,563,140	(15.30	*	9,505
Total Assets				183,661,676	17.15		943,873	217,509,448	185,296,646	,	167,65	
Liabilities												
Due to Banks		1	1,544,206	6,137,803	88.08	7,	310,651	11,544,206	6,137,803	88.08	7,31	0,651
Derivative Financial Instruments			382,815	278,826	37.30		67,506	382,815	278,826	37.30	6	7,506
Customer Deposits			7,371,384	146,727,199	14.07		981,100	167,371,384	146,727,199		123,98	
Securities Sold under Repurchase Agreements	3		4,573,955	3,674,840	24.47	,	410,283	4,573,955	3,674,840	24.47		0,283
Other Borrowings			12,738	9,790	30.11		7,018	12,738	9,790	30.11		7,018
Group Balances Payable			195,126	216,723	(9.97		99,841	-	-	407.07		-
Debentures			3,243,299	1,211,659	167.67		785,264	3,243,299	1,211,659	167.67	,	5,264
Current Tax Liabilities Other Liabilities			1,090,584	683,040	59.67		216,996	1,090,584 5,093,256	683,040	59.67		0,880
Total Liabilities		_	4,985,134 3,399,241	5,869,959 164,809,839	(15.07 17.35		762,626 641,285	193,312,237	5,962,234 164,685,391		() 4,83 3 148,61	
iotal Liabilitio		100	,,000,241	101,000,000	17.00	140,	041,200	100,012,201	104,000,001	11.00	140,011	-,200
Equity												
Stated Capital		1	0,529,724	10,225,452	2.98	10,	259,353	10,529,724	10,225,452	2.98	10,25	9,353
Statutory Reserve Fund			841,964	726,187	15.94		619,095	841,964	726,187	15.94	61	9,095
Retained Earnings			7,209,580	6,138,249	17.45	5,	007,999	7,147,589	6,061,571	17.92	4,91	9,714
Other Reserves			3,180,350	1,761,949	80.50	1,	416,141	4,140,308	2,376,041	74.25	2,03	0,233
Total Shareholders' Equity		21	1,761,618	18,851,837	15.43	17,	302,588	22,659,585	19,389,251	16.87	17,82	3,395
Jon-Controlling Interest								1 527 000	1 000 004	05.00	104	1 010
Non-Controlling Interest Fotal Equity		21	1,761,618	18,851,837	15.43	17	302,588	1,537,626 24,197,211	1,222,004 20,611,255	25.83 17.4 0	19,03	1,218 9.613
Total Equity & Liabilities				183,661,676	17.15		943,873	217,509,448	185,296,646		167,65	
Contingent Liabilities and Commitments			5,473,070	31,286,844	13.38		247,216	35,561,711	31,352,643		36,32	
				,,					, ,		,	
Memorandum Information			2.040	0.004	(0.00	`	0.450	0.000	0.000	/0.0/		0 101
Number of Employees			3,049	3,061	(0.39		3,150	3,080	3,092	(0.39		3,181
Number of Banking Centres			151	147	2.72		133	151	147	2.72		133
Net Assets Value per Ordinary Share (Rs.)			63.08	55.76	13.13		51.08	65.69	57.35	14.54	l :	52.63
TOTAL PRINCIPLE TRIBLE (110.)			00.00	00.70	10.10		01.00	00.00	01.00	17.0		

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

(Sgd.) Kapila Ariyaratne

General Manager/Chief Executive

the Companies Act No. 07 of 2007.

(Sgd.) Ramesh Jayasekara Chief Financial Officer

February 26, 2014

Colombo

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

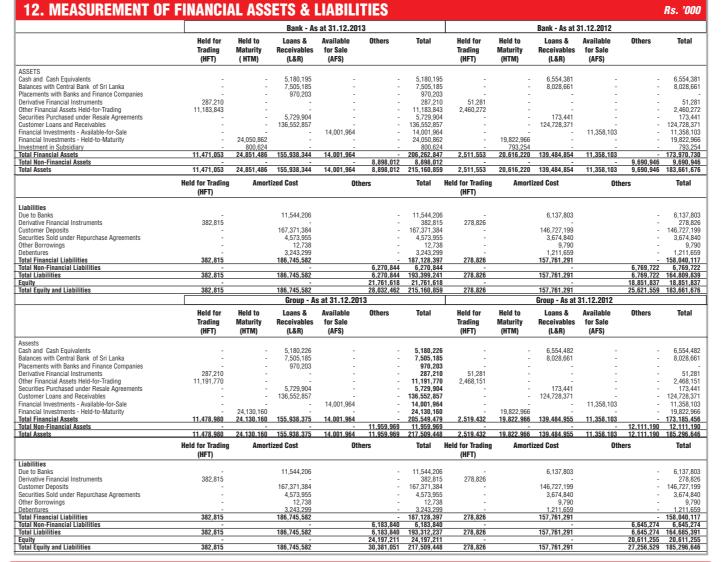
comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
b) The information contained in these statements have been extracted from the audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of

	01- 3
Debt/Equity Ratio	
Interest Cover	
Quick Asset Ratio	
2000/0040	
2008/2013 Issue Market Prices during October to December	
(Ex Interest)	
Annual Interest - 21.50% p.a.	
- Highest Price	10
- Lowest Price	10
- Last Traded Price (14/10/2013)	10
Monthly Interest - 20.50% p.a.	
- Highest Price	10
- Lowest Price	10
- Last Traded Price (14/10/2013)	10
Last 11adou 1 1100 (14/10/2010)	
Floating Quarterly Interest - 11.11 % p.a.	
Floating Annual Interest - 14.80 % p.a.	
Interest Yield As At Date of Last Trade	
Annual Interest (14/10/2013)	21
Monthly Interest (14/10/2013)	22
Floating Quarterly Interest	
Floating Annual Interest	
Yield to Maturity of Trade Done on	
Annual Interest (14/10/2013)	18
Monthly Interest (14/10/2013)	20
Floating Quarterly Interest	
Floating Annual Interest	
Interest Rate of Comparable Government Security	8
2012/2014 Janua	
2013/2018 Issue	
Market Prices during October to December	
(Ex Interest)	
Annual Interest - 15.50% p.a.	41
- Highest Price	10
- Lowest Price	10
- Last Traded Price (14/10/2013)	10
Semi Annual Interest - 15.00% p.a.	
Monthly Interest- 14.50 % p.a.	
Interest Yield As At Date of Last Trade	
Annual Interest (14/10/2013)	15
Semi Annual Interest	
Monthly Interest	
Yield to Maturity of Trade Done on	
Annual Interest (14/10/2013)	15
Semi Annual Interest	
Monthly Interest	
Interest Rate of Comparable Government Security	10
* No Trading During The Period	

	BA	NK	GROU	IP
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	19,405,426	17,351,517	20,358,962	18,071,882
Total Capital Base Rs. '000	20,963,541	17,364,238	21,873,128	18,079,063
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	14.58	14.36	15.01	14.70
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	15.75	14.37	16.13	14.71
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	10.58	12.99		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties)	10.64	13.13		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	7.94	9.81		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties)	8.00	9.97		
Profitability Interest Margin % Return (Net Profit Before Tax) on Average Assets % Return on Equity %	4.89 1.72 11.40	5.16 1.83 11.42		
Regulatory Liquidity Statutory Liquid Assets Domestic Banking Unit Rs. '000 Offshore Banking Unit USD '000	46,137,595 16,233	32,532,855 11,820		
Statutory Liquid Assets Ratio % (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	26.74 25.93	21.51 23.06		

SEYLAN BANK PLC FINANCIAL STATEMENTS

Year ended 31st December, 2013



	BAN	KING	TREAS	IIDV	PROPERTY/II	UVESTMENTS	UNALLOCATED/	ELIMINATIONS	TO:	TAL
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	
Interest Income	20,425,213	18,477,842	4,230,355	2.439.543	31,874	19,262	289.043	197,912	24.976.485	21,134,559
Interest Expense	14,129,917	11,025,038	1,009,610	1.094.350	661	233	(24,758)	(18,624)	15,115,430	12,100,997
Net Interest Income	6.295.296	7.452.804	3.220.745	1,345,193	31.213	19.029	313,801	216.536	9.861.055	9,033,562
Fee and Commission Income	2,203,672	1,757,259	(1,111)	(1,932)		10,020	5.781	4,776	2,208,342	1,760,103
Fee & Commission expense	49.833	47,492	31,461	18.153	6.637	5.780	-	-,,,,,	87.931	71,425
Net Fee And Commission Income	2,153,839	1,709,767	(32,572)	(20,085)	(6,637)	(5,780)	5,781	4,776	2,120,411	1,688,678
Net Interest. Fee And Commission Income	8,449,135	9,162,571	3,188,173	1,325,108	24,576	13,249	319,582	221,312	11,981,466	10,722,240
Net Trading and Other Operating Income	202,318	324,912	432,666	303,216	48,691	172,738	87,522	89,979	771,197	890,845
Net Gain on Financial Investment	-		190,268	5,773	-	,	-	-	190,268	5,773
Inter Segement Revenue	891,592	(82,867)	(2,278,087)	(1,366,654)	-	-	1,386,495	1,449,521	-	-
Total Operating Income	9,543,045	9,404,616	1,533,020	267,443	73,267	185,987	1,793,599	1,760,812	12,942,931	11,618,858
Depreciation & Amortisation Charge For The Year	181,699	126,197	1,189	1,732	634	1,288	392,352	476,546	575,874	605,763
Impairment Losses For The Year.	1,283,283	265,707	75,567	153,984	948	-	2,319	153,984	1,362,117	573,675
Operating Expenses & VAT	5,777,729	5,837,978	50,156	(24,143)	29,229	69,603	1,651,335	1,321,130	7,508,449	7,204,568
Reportable Segment Profit Before Income Tax	2,300,334	3,174,734	1,406,108	135,870	42,456	115,096	(252,407)	(190,848)	3,496,491	3,234,852
Income Tax Expense									1,144,446	1,144,202
Profit For The Year									2,352,045	2,090,650
Profit Attributable To:										
Equity Holders Of The Bank									2,326,148	2,074,584
Non-Controlling Interests									25,897	16,066
Profit For The Year									2,352,045	2,090,650
Other Comprehensive Income, Net Of Income Tax	5,240	68,384	766,656	(255,678)	-	-	808,170	51,887	1,580,066	(135,407)
OTHER INFORMATION										
Reportable Segment Assets	126.111.636	116,595,152	63,274,979	44.317.252	4,810,302	4.955.446	30,284,160	26.206.241	224,481,077	192,074,091
Segement Accumulated Amortisations	(3,533,895)	(3,062,457)	(54,695)	(52,953)	(2,026)	(6,104)	(3,381,013)	(3,655,931)	(6,971,629)	(6,777,445)
Total Assets	122.577.741	113,532,695	63.220.284	44,264,299	4.808.276	4.949.342	26.903.147	22.550.310	217.509.448	185,296,646
Reportable Segment Liabilities & Equity	166,263,889	142,155,210	11,959,088	8,374,128	4,808,276	697,706	34,478,195	34,069,602	217,509,448	185,296,646
Total Liabilities & Equity	166,263,889	142,155,210	11,959,088	8,374,128	4,808,276	697,706	34,478,195	34,069,602	217,509,448	185,296,646
Cash Flows From Operating Activites	11,291,052	5,892,683	1,407,297	137,602	52,435	140,006	164,138	218,601	12,914,922	6,388,892
Cash Flows From Investing Activites	112,285	5,688	(11,818,192)	1,860,840	(24,720)	(107,201)	(682,832)	(227,871)	(12,413,459)	1,531,456
Cash Flows From Financing Activites	-	-	8,822,689	(7,427,922)	(36,991)	(14,796)	(369,175)	(395,211)	8,416,523	(7,837,929)
Capital Expenditure	(407,006)	(335,221)	(881)	(1,999)	(15,063)	(1,337)	(249,152)	(59,192)	(672,102)	(397,749)

	Stated Capi	tal		Statutory	Retained		Resi	erves		
For the year ended 31st December	Ordinary	Ordinary	Preference	Reserve	Earnings	Special Risk	Revaluation	Available for	Other	Total
	Shares	Shares	Shares	Fund*		Reserve	Reserve	Sale	Reserves	
	Voting	Non Voting		Restated	Restated	**		Reserve		
Balance as at 01.01.2012	6,806,722	3,418,730	33,901	619,095	5,007,999	98,741	461,998	130,608	724,794	17,302,588
Total Comprehensive Income for the Year										
Profit/(Loss) for the Year	-	-	-	-	2,064,198	-	-	-	-	2,064,198
Other Comprehensive Income (net of tax)	-	-	-	-	68,384	-	48,051	(255,678)	-	(139,243)
Total Comprehensive Income for the Year		-	-	-	2,132,582	-	48,051	(255,678)	-	1,924,955
Transactions With Equity Holders , Recognised Directly In E	quity									
Redemption of Preference Shares***	-	-	(33,901)	-	(8,474)	-	-	-	-	(42,375)
Dividends to Equity Holders	-	-	-	-	(338,080)	-	-	-	-	(338,080)
Transfers from/to Retained Profits	-	-	-	107,092	(655,778)	14,181	-	-	539,254	4,749
Total Transactions with Equity Holders	-	-	(33,901)	107,092	(1,002,332)	14,181	-	-	539,254	(375,706)
Balance as at 31.12.2012 (1 + 2 + 3)	6,806,722	3,418,730	-	726,187	6,138,249	112,922	510,049	(125,070)	1,264,048	18,851,837
Balance as at 01.01.2013	6,806,722	3,418,730	-	726,187	6,138,249	112,922	510,049	(125,070)	1,264,048	18,851,837
Total Comprehensive Income for the Year										
Profit/(Loss) for the Year	-	-	-	-	2,315,539	-	-	-	-	2,315,539
Other Comprehensive Income (net of tax)	-	-	-	-	5,240	-	141,434	766,656	-	913,330
Total Comprehensive Income for the Year	-	-	-	-	2,320,779	-	141,434	766,656	-	3,228,869
Transactions With Equity Holders, Recognised Directly In Ed	quity									
Cash/Scrip Dividends to Equity Holders	156,000	148,272	-	-	(676,160)	-	-	-	-	(371,888)
Transfers from/to Retained Profits	-	-	-	115,777	(573,288)	(112,922)	-	-	623,233	52,800
Total Transactions with Equity Holders	156,000	148,272	-	115,777	(1,249,448)	(112,922)	-	-	623,233	(319,088)
Balance as at 31.12.2013 (1 + 2 + 3)	6,962,722	3,567,002	-	841,964	7,209,580		651,483	641,586	1,887,281	21,761,618

STATEMENT OF CHANGES		Capital	<u> </u>	01-1-1	Retained		Reser	voc				rs. '000
For the year ended 31st December		Ordinary	Preference	Statutory Reserve	Earnings	Cussial	Revaluation	Available	Other	Total	Non	Total
Tot the year ended 31st December	Ordinary Shares	Shares	Shares	Fund	Earlings	Risk	Reserve	for Sale	Reserves	IULAI	Controlling	Equity
	Votina	Non-Voting	Silates	*		Reserve	11030140	Reserve	116361463		Interest	Equity
	voting	Non-voting		Restated	Restated	**		11030140			IIICIGSI	
Balance as at 01.01.2012	6,806,722	3,418,730	33,901	619,095	4,919,714	98,741	820,877	130,608	980,007	17,828,395	1,211,218	19,039,613
Total Comprehensive Income for the Year												
Profit/(Loss) for the Year	-	-	-	-	2,074,584	-	-	-	-	2,074,584	16,066	2,090,650
Other Comprehensive Income (net of tax)	-	-	-	-	70,372	-	48,051	(255,678)	-	(137,255)	1,848	(135,407)
Total Comprehensive Income for the Year	-	-	-	-	2,144,956	-	48,051	(255,678)	-	1,937,329	17,914	1,955,243
Redemption of Preference Shares*** Dividends Transfers from/to Retained Profits	-	-	(33,901)	107,092	(8,474) (338,847) (655,778)	14,181	-	-	539,254	(42,375) (338,847) 4,749	(7,128)	4,749
Total Transactions with Equity Holders	-	-	(33,901)	107,092	(1,003,099)	14,181	-	-	539,254	(376,473)	(7,128)	(383,601)
Balance as at 31.12.2012 (1 + 2 + 3)	6,806,722	3,418,730	-	726,187	6,061,571	112,922	868,928	(125,070)	1,519,261	19,389,251	1,222,004	20,611,255
Balance as at 01.01.2013	6,806,722	3,418,730	-	726,187	6,061,571	112,922	868,928	(125,070)	1,519,261	19,389,251	1,222,004	20,611,255
Total Comprehensive Income for the Year												
Profit/(Loss) for the Year	-	-	-	-	2,326,148	-	-	-	-	2,326,148	25,897	2,352,045
Other Comprehensive Income (net of tax)	-	-	-	-	4,943	-	487,300	766,656	-	1,258,899	321,167	1,580,066
Total Comprehensive Income for the Year	-	-	-	-	2,331,091	-	487,300	766,656	-	3,585,047	347,064	3,932,111
Transactions With Equity Holders, Recognised Directly In Equ	itv											
Cash/Scrip Dividends	156.000	148.272	_	_	(678,078)	_	_		_	(373,806)	(17,819)	(391,625)
Transfers from/to Retained Profits		- 10,272	-	115,777	(573,267)	(112,922)	-	-	623,233	52,821	19	52,840
Changes in Ownership Interests in Subsidiaries				-3	(,)	, -, /			,			- ,
Acquisition of Non-Controlling Interest without change in control	ol -	-		-	6,272		-	-	-	6,272	(13,642)	(7,370)
Total Transactions with Equity Holders	156,000	148,272	-	115,777	(1,245,073)	(112,922)	-	-	623,233	(314,713)	(31,442)	(346,155)
Balance as at 31.12.2013 (1 + 2 + 3)	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	2/ 107 211

* According to the circular Ref. No. 08/24/002/0005/003 issued by the Central Bank of Sri Lanka, Primary Dealer Unit is required to appropriate 25% of the profit after tax for the year towards the Special Risk Reserve. However, Licensed Commercial Banks appointed as Primary Dealers were exempted from this requirement of maintaining such Special Reserve as per Direction No. 08/11/011/0019/001 dated 18/03/2013.

Voting

Non-Voting

EXPLANATORY NOTES

The bank adopted LKAS 19 "Employee Benefits" (2013) with effect from 1st January 2013 as part of its mandatory application and changed its basis for determining the income of

Accordingly the Bank recognizes the total actuarial gains' (losses) that arise in computing Bank's obligation in respect of the plan in "Other Comprehensive Income" during the period is which if orcurs. Perviously the En

Information on Ordinary Shares

Non-Voting

3. 3.1	Shareholders' Information Twenty Largest Ordinary Voting Shareholders as at December 31, 2013		
		No. of Shares	%
1.	Sri Lanka Insurance Corporation Ltd		
	[*includes Sri Lanka Insurance Corporation Ltd -General Fund -17,597,739		
	and Sri Lanka Insurance Corporation Ltd(Life Fund) – 8,798,869]	26,396,608	15.00
2.	Brown & Company PLC A/C No. 1	24,416,750	13.87
3.	Employees Provident Fund	17,525,425	9.96
4.	National Development Bank PLC/ Dr T Senthilverl	17,070,722	9.70
5.	LOLC Investments Ltd	16,808,502	9.55
6.	Bank of Ceylon No.1 Account	13,198,305	7.50
7.	Waldock Mackenzie Limited/Mr D S K Amarasekera	11,322,734	6.43
8.	Capital Trust Credit (Pvt) Ltd/Dr W U N Gamage	7,954,017	4.52
9.	Bentota Backwaters (Pvt) Ltd	4,377,253	2.49
10.	Seyfest (Private) Limited	3,017,940	1.71
11.	Sesot (Private) Limited	2,279,042	1.30
12.	Seybest (Private) Limited	2,165,435	1.23
13.	Seyshop (Private) Limited	2,165,435	1.23
14.	Esots (Private) Limited	2,148,132	1.22
15.	Ceylinco Limited	1,706,536	0.97
16.	Mr. L. H.M.S Lansakara	1,074,290	0.61
17.	Mr K R B Fernando	1,015,254	0.58
18.	Sotse (Pvt) Ltd	977,010	0.56
19.	Dr J L B Kotelawala	537.602	0.31
20.	Mr. L.W. Abeywickram	484,783	0.28
3.2	Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 2013		
	. , . , ,	No. of Shares	%
1.	Lanka Orix Leasing Company PLC	57.474.003	34.01
2.	Employees' Provident Fund	16.896.029	10.00
3.	Browns Investments PLC	11.998.208	7.10
4.	Pershing LLC S/A Averbach Grauson & Co	2.986.012	1.77
5.	Associated Electrical Corporation Ltd	2.850.399	1.69
6.	Mr E Thavagnanasooriyam & Mr E Thavagnanasundaram	2.699.968	1.60
7.	Employees Trust Fund Board	1.985.355	1.17
8.	Merrill J Fernando & Sons (Pvt) Limited	1.877.057	1.11
9.	Mr N Balasingam	1.762.693	1.04
10.	Commercial Bank of Ceylon PLC/ Capital Trust Holdings (Pvt) Ltd	1,620,726	0.96
11.	National Savinus Bank	1.535.151	0.91
12.	Seylan Bank PLC/Pubudhu Saranga Wijayakumari Rupasinghe	1,406,460	0.83
13.	Mr N Ganaraiah	1.169.997	0.69
14.	Dr S Yaddehioe	1.042.330	0.62
15.	Mrs L E M Yasen	1.000.000	0.59
16	Waldock Markanzia Limitad/Mr L P Hanangama	023 142	0.55

3.3. Percentage of Public Holdings as at December 31, 2013

Mr K P Ariyaratne

6. Stated Capital as at December 31, 2013 Rs' 000 335,600 100,000 3,235,400 156,000 3,250,000 1,044,500 1,000,000 1,589,805 (181,581) 10,529,724

Comparative information has been restated in line with the changes to the new Sri Lanka Accounting Standard LKAS 19 (revised) - "Employee Benefits" which is effective from January 01, 2013. During the last quarter 2013 the Bank reclassified the impairment charge between collective and individually significant portfolios. As such the comparative information & figures reported in 3rd quarter 2013 were re-arranged accordingly.

During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.

Bank	·		
As at 31.12.2013	As at 31.12.2012	Group As at 31.12.2013	As a 31.12.201
144,167,684	132,973,690	144,167,684	132,973,69
(2,999,778)	(3,537,698)	(2,999,778)	(3,537,69)
(4,615,049)	(4,707,621)	(4,615,049)	(4,707,62
136,552,857	124,728,371	136,552,857	124,728,37
			64,97
			263,04
			307,65
			8,298,18
			31,879,76
			8,449,61
			3,360,23
			9,054,89
			17,477,08
			548,61
			2,196,98 43,817,46
	31.12.2013 144,167,684 (2,999,778) (4,615,049)	31.12.2013 31.12.2012 144.167.684 (2.999,778) (3.537.698) (4.615.049) (4,707.621) 136,552,857 124,728,371 18,638 64,977 127,889 263,045 169,123 307,656 8,690,012 8,986,190 31,879,768 9,812,635 9,812,635 8,449,617 3,882,440 3,360,235 8,682,549 9,054,892 14,370,126 17,477,083 584,504 2,551,355 2,196,981	31.12.2013 31.12.2012 31.12.2013 144.167.684 (2.999.778) (3.537.698) (2.999.778) (4.615.049) (4.707.621) (4.615.049) 136,552,857 124,728,371 136,552,857 124,728,371 136,552,857 18,638 64,977 18,638 127,889 263,045 127,889 169,123 307,656 169,123 8,690,012 8,298,180 8,690,012 38,864,190 9,812,635 3,882,440 9,812,635 3,882,440 3,360,235 3,882,440 8,682,549 9,054,892 8,682,549 14,370,126 14,370,126 584,504 2,551,355 2,196,981 2,551,355

Other Loans Total ross Loans and Receivables 144,167,684 132,973,690 144,167,684 132,973,690 13.2 Movements in Individual and Collective Impairment during the period for Customer Loans & Receivables

Bank 31.12.2013 31.12.2012 31.12.2012 ndividual impairment 3,537,698 3,609,953 3,537,698 Balance as at 01st January 1,305,790 (1,276,124) (567,586) 574,671 (1,940,620) (420,133) 1,305,790 (1,276,124) (567,586) 574,671 (1,940,620) (420,133) Interest Accrued on Impaired Loans and Receivables Transfer from Allowance for Collective Impairmen osing balance as at 31st December 2013 1,713,827 3,537,698 - 1,713,827 2,999,778 3,537,698 2,999,778 Collective impairment Balance as at 01st January Net Impairment During the Year Transfer to Allowance for Individual Impairmen 4.707.621 6.584.217 4.707.621 6.584.217 losing balance as at 31st December 2013 4,707,621 4,615,049 4,707,621 4,615,049 8,245,319 7,614,827 8,245,319 Customer Deposits - By product y product - Domestic Currency 10,727,342 Savings deposits
Fixed deposits
Certificate of deposits 38,991,037 99,858,932 6,074,541 38,991,037 99,858,932 6,074,541 35,373,731 84,434,792 5,191,180 Total 155.651.852 135.564.519 155.651.852 135.564.519

4,587,352

6,387,008

11,719,532

3,673,909

6,547,257

11,162,680

167,371,384 146,727,199 167,371,384 146,727,199

4,587,352

6,387,008

11,719,532 11,162,680

3,673,909

6,547,257

(Sgd.) R. Nadarajah

Executive Director

(Sgd.) Nihal Jayamanne PC

Chairman

Savings deposits

Total Customer Deposits

Total