SEYLAN BANK PLC FINANCIAL STATEMENTS Six months ended 30th June, 2014 Rs. '000

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group			Group	
	i	For the O6 m	onths		For the Qua	rter	Fo	r the O6 mo	nths	Fo	r the Quarte	r
	E	Ended 30th J	une		Ended 30th	June	En	ded 30th Ju	ne	En	ded 30th Ju	ne
	2014	2013		2014	2013	Change	2014	2013	Change	2014	2013	Change
			%		_	%			%			%
Interest Income	11,700,179		(1.50)	5,945,009	6,063,500	(1.95)	11,706,514	11,880,162	(1.46	5,948,505	6,063,998	(1.90)
Less: Interest Expense	6,537,536	7,611,530	(14.11)	3,119,985	3,912,796	(20.26)	6,526,770	7,598,078	(14.10)	3,115,274	3,905,564	(20.23)
Net Interest Income	5,162,643	4,267,291	20.98	2,825,024	2,150,704	31.35	5,179,744	4,282,084	20.96	2,833,231	2,158,434	31.26
Fee and Commission Income	1,093,021	1,015,385	7.65	560,837	534,231	4.98		1,015,385	7.65	560,837	534,231	4.98
Less: Fee and Commission Expense	37,344	41,982	(11.05)	20,404	22,229	(8.21)	1	45,170	(12.41)		23,673	(9.86)
Net Fee and Commission Income	1,055,677	973,403	8.45	540,433	512,002	5.55	1,053,458	970,215	8.58	539,498	510,558	5.67
Net Trading Income	207,014	55,374	273.85	117,727	48,760	141.44	207,413	56,090	269.79	118,139	47,178	150.41
Net Gain from Financial Investments	293,394		1,185.41	232,873		3,976.91	293,394		1,185.41	232,873		3,976.91
Net Exchange Income	237,030	229,827	3.13	101,769	142,495	(28.58)		229,827	3.13	101,769	142,495	(28.58)
Other Operating Income (Net)	108,813	72,095	50.93	55,184	54,644	0.99	119,080	98,622	20.74	46,218	64,338	(28.16)
	846,251	380,121	122.63	507,553	251,611	101.72	856,917	407,364	110.36	498,999	259,723	92.13
Total Operating Income	7,064,571	5,620,815	25.69	3,873,010	2,914,317	32.90	7,090,119	5,659,663	25.27	3,871,728	2,928,715	32.20
Less Imperation and Athen												
Less: Impairment for Loans and Other												
Losses - Charges/(Reversal)	E 40 E 00	00.570	500.07	440 104	50.400	650 77	E 40 E 00	00.570	500.07	440 104	50.400	650 77
Individual Impairment	549,509	88,578	520.37	448,194	59,460	653.77	549,509	88,578	520.37	448,194	59,460	653.77
Collective Impairment Others	(31,047)	,	. ,	(19,571) 47,718	61,797 12.823	(131.67) 272.13	(31,047) 156.802	,		(19,571)	61,797 12.823	(131.67) 272.13
others	156,802 675.264	80.414	1,127.22	47,718 476,341	12,823	255.27	675.264		1,127.22 739.73	47,718	12,823	255.27
Net Operating Income		5,540,401	739.73 15.32	3,396,669			6,414,855	80,414		476,341 3,395,387	2,794,635	200.27
Net operating income	0,309,307	3,340,401	10.02	3,390,009	2,100,231	22.17	0,414,000	3,379,249	14.90	3,393,307	2,794,030	21.00
Personnel Expenses	2,060,911	1,884,903	9.34	1,076,815	917,572	17.35	2,075,259	1,898,777	0 20	1.084.399	923,496	17.42
Depreciation and Amortisation	237,489	287,040	(17.26)	118,393	146,644	(19.27)		315,613	(20.69)		160,933	(22.44)
Other Expenses	1.756.925		13.29	875.830	799.641	. ,	1.724.251		12.52	860.708	794.336	8.36
	1 1	3,722,822	8.93	2,071,038	1.863.857		4,049,831	1 1		2.069.919	1.878.765	10.17
Operating Profit before Taxes		1,817,579	28.41	1,325,631	916,380		2,365,024			1,325,468	915,870	44.72
opolating From Doloto Taxoo	2,000,002	.,,	20111	1,020,001	010,000		2,000,021	.,002,100	20.00	.,020,100	010,010	
Value Added Tax (VAT) & Nation Building Tax												-
(NBT) on Financial Services	470.648	334.151	40.85	260.642	161.443	61.45	470.648	334.151	40.85	260.642	161.443	61.45
		001,101	10100	200,012		01110		001,101		200,012	101,110	
Profit before Tax	1.863.334	1.483.428	25.61	1.064.989	754.937	41.07	1.894.376	1.498.287	26.44	1.064.826	754.427	41.14
	,,.	,, .			- 7		7 7	1				
Tax Expenses	650,833	481,872	35.06	366,609	258,367	41.89	666,345	495,755	34.41	374,371	265,616	40.94
Profit for the period	1,212,501	1,001,556	21.06	698,380	496,570	40.64	1,228,031	1,002,532	22.49	690,455	488,811	41.25
Attributable to:												
Owners of the Parent	1,212,501	1,001,556	21.06	698,380	496,570	40.64	1,210,617	993,750	21.82	684,213	484,237	41.30
Non-Controlling Interest							17,414	8,782	98.29	6,242	4,574	36.47
Profit for the Period	1,212,501	1,001,556	21.06	698,380	496,570	40.64	1,228,031	1,002,532	22.49	690,455	488,811	41.25
Basic/Diluted Earnings per Ordinary Share (in Rupees)												
	3.51	2.93	19.80	2.02	1.44	40.28	3.51	2.91	20.62	1.98	1.40	41.43

CASH FLOW STATEMENT				Rs. '000
	BAN	IK	GRO	UP
or the 06 Months ended 30th June	2014 Rs. '000	2013 Rs. '000	2014 Rs. '000	2013 Rs. '000
ash Flows from Operating Activities	113. 000	10.000	113. 000	
terest Receipts	11,690,701	11,475,405	11,697,036	11,476,746
ees and Commission Receipts terest Payments	1,093,021 (7,389,698)	1,015,385 (7,021,698)	1,093,021 (7,378,932)	1,015,385 (7,008,246)
kchange Income	237,030	229,827	237,030	229,827
eceipts from Other Operating Activities ash Payments to Employees and Suppliers	304,359 (4,029,384)	161,938 (3.655,782)	314,626 (4,004,068)	207,467 (3,623,309)
ash Payments to Other Operating Activities	(37,344)	(41,982)	(39,563)	(45,170)
perating Profit before Changes in Operating Assets & Liabilities	1,868,685	2,163,093	1,919,150	2,252,700
ncrease)/Decrease in Operating Assets:				
pans & Receivables (Advanced to)/Repaid by Customers eposits Held for Regulatory or Monetary Control Purposes	2,515,868 31,784	(5,720,179) (1,389,478)	2,515,868 31,784	(5,720,179) (1,389,478)
	51,704	(1,309,470)	51,704	(1,303,470)
crease/(Decrease) in Operating Liabilities: eposits from/(Withdrawals by) Customers	6.708.799	8.213.344	6.708.799	8.213.344
egotiable Certificates of Deposit	(488,252)	679,309	(488,252)	679,309
ash (Used in)/Generated from Operations	10,636,884	3,946,089	10,687,349	4,035,696
come Tax Paid	(154,876)	(5,708)	(154,876)	(5,708)
ontribution Paid into Employees Retirement Benefit Plan/Employees	(14,385)	(30,813)	(14,385)	(30,813)
et Cash (Used in)/Generated from Operating Activities	10,467,623	3,909,568	10,518,088	3,999,175
ash Flows from Investing Activities				
vestment in Subsidiary Company	(93,531)	-	-	-
ividend Income et Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury	27,953	32,121	6,775	14,865
Bills/Bonds Maturing after 03 months	(2,983,775)	(14,024,909)	(2,983,775)	(14,024,909)
everse Repurchase Agreements Maturing After 03 Months et Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures	(3) (58,548)	413 (157,416)	(3) (111,419)	413 (214,578)
urchase of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	(260,354)	(372,285)	(260,772)	(372,478)
roceeds From Sale of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	3,320	28,697	3,320	28,788
roceeds from Sale of Investment Properties nprovements to Investment Properties		-	7,200	(18,286) (180)
et Cash (Used in)/Generated from Investing Activities	(3,364,938)	(14,493,379)	(3,338,674)	(14,586,365)
ash Flows from Financing Activities				
crease/(Decrease) in Debentures	(714,502)	2,132,354	(714,502)	2.082.354
ecurities Sold under Repurchase Agreements	329,102	3,961,649	329,102	3,961,649
crease/(Decrease) in Other Borrowings ividends Paid - Ordinary Shares	(887,070) (762,959)	3,015,965 (366,225)	(941,723) (784,976)	3,069,351 (366,225)
et Cash (Used in)/Generated from Financing Activities	(2,035,429)	8.743.743	(2,112,099)	8,747,129
· · · ·			,	
et Increase/(Decrease) in Cash & Cash Equivalents ash & Cash Equivalents at beginning of the Year	5,067,256 18,399,074	(1,840,068) 9,481,018	5,067,315 18,399,105	(1,840,061) 9,481,119
ash & Cash Equivalents at end of the Period	23,466,330	7,640,950	23,466,420	7,641,058
econciliation of Cash & Cash Equivalents				
ash and Cash Equivalents	5,746,845	4,990,903	5,746,935	4,991,011
overnment of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months ecurities Purchased under Resale Agreements maturing with in 03 months	11,774,894 5,944,591	424,526 2,225,521	11,774,894 5,944,591	424,526 2,225,521
sounnos i aronasou anaor nosare Agreementa maturing with in os months				
	23,466,330	7,640,950	23,466,420	7,641,058

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

		Bank			Bank			Crown			Crown		
	Ear the OG	months Ende	d 20th June	Ear the Ou		Oth Juno	For the OF	Group	20th Juno	Group For the Quarter Ended 30th June			
				For the Quarter Ended 30th June			For the 06 months Ended 30th June						
	2014	2013	Change %	2014	2013 C	hange %	2014	2013	Change %	2014	2013	Change %	
Profit for the period	1,212,501	1,001,556	21.06	698,380	496,570	40.64	1,228,031	1,002,532	22.49	690,455	488,811	41.25	
Other Comprehensive Income, Net of Tax													
Gains and Losses on re-measuring Available-for-Sale													
Financial Assets	188,232	227,225	(17.16)	77,850	66,344	17.34	188,232	227,225	(17.16)	77,850	66,344	17.34	
Other Comprehensive Income for the Period,													
Net of Taxes	188,232	227,225	(17.16)	77,850	66,344	17.34	188,232	227,225	(17.16)	77,850	66,344	17.34	
Total Comprehensive Income for the Period	1,400,733	1,228,781	13.99	776,230	562,914	37.89	1,416,263	1,229,757	15.17	768,305	555,155	38.39	
Attributable to:													
Owners of the parent	1,400,733	1,228,781	13.99	776,230	562,914	37.89	1,398,849	1,220,975	14.57	762,063	550,581	38.41	
Non-controlling interest							17,414	8,782	98.29	6,242	4,574	36.47	
Total Comprehensive Income for the Period	1,400,733	1.228.781	13.99	776,230	562,914	37.89	1.416.263	1,229,757	15.17	768.305	555.155	38.39	

STATEMENT OF FINANCIAL POSITION

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank		Group				
	As at 30.06.2014	As at 31.12.2013	Growth %	As at 30.06.2014	As at 31.12.2013	Growth %		
Assets								
Cash and Cash Equivalents	5,453,798	5,180,195	5.28	5,453,888	5,180,226	5.28		
Balances with Central Bank of Sri Lanka	7,473,401	7,505,185	(0.42)	7,473,401	7,505,185	(0.42)		
Placements with Banks and Finance Companies	293,047	970,203	(69.80)	293,047	970,203	(69.80)		
Derivative Financial Instruments	236,381	287,210	(17.70)	236,381	287,210	(17.70)		
Other Financial Assets Held-for-Trading	11,862,707	11,183,843	6.07	11,871,028	11,191,770	6.07		
Securities Purchased under Resale Agreements	5,945,038	5,729,904	3.75	5,945,038	5,729,904	3.75		
Customer Loans and Receivables	133,101,765	136,552,857	(2.53)	133,101,765	136,552,857	(2.53)		
Financial Investments – Available-for-Sale	23,837,865	14,001,964	70.25	23,889,291	14,001,964	70.61		
Financial Investments – Held-to-Maturity	22,324,027	24,050,862	(7.18)	22,404,376	24,130,160	(7.15)		
Investment in Subsidiary	894,155	800,624	11.68	-	-	-		
Group Balances Receivable	30,000	15,000	100.00	-	-	-		
Property, Plant and Equipment	2,829,559	2,887,204	(2.00)	4,397,796	4,460,001	(1.39)		
Leasehold Rights	47,235	48,286	(2.18)	614,091	618,847	(0.77)		
Investment Properties	114,429	114,429	-	1,032,593	1,043,942	(1.09)		
Intangible Assets	222,695	141,134	57.79	222,695	141,134	57.79		
Current Taxation Assets	-	-	-	-	992	(100.00)		
Deferred Taxation Assets	85,836	170,590	(49.68)	38,625	135,951	(71.59)		
Other Assets	6,975,214	5,521,369	26.33	7,033,180	5,559,102	26.52		
Total Assets	221,727,152	215,160,859	3.05	224,007,195	217,509,448	2.99		
Liabilities								
Due to Banks	11,364,494	11,544,206	(1.56)	11,364,494	11,544,206	(1.56)		
Derivative Financial Instruments	224,008	382,815	(41.48)	224,008	382,815	(41.48)		
Customer Deposits	172,739,769	167,371,384	3.21	172,739,769	167,371,384	3.21		
Securities Sold Under Repurchase Agreements	4,903,057	4,573,955	7.20	4,903,057	4,573,955	7.20		
Other Borrowings	12,061	12,738	(5.31)	12,061	12,738	(5.31)		
Group Balances Payable	162,760	195,126	(16.59)	12,001	12,700	(0.01)		
Debentures	2,528,797	3,243,299	(22.03)	2,528,797	3,243,299	(22.03)		
Current Tax Liabilities	1,166,142	1,090,584	6.93	1,166,520	1,090,584	6.96		
Other Liabilities	6,239,874	4,985,134	25.17	6,345,564	5,093,256	24.59		
	0,239,074	4,903,134	23.17	0,343,304	5,095,250	24.39		
Total Liabilities	199,340,962	193,399,241	3.07	199,284,270	193,312,237	3.09		
Equity								
Equity Stated Capital	10 500 704	10 500 704		10 500 704	10 500 704			
Statutory Reserve Fund	10,529,724 841,964	10,529,724 841,964	-	10,529,724	10,529,724			
-			-	841,964	841,964	4 00		
Retained Earnings	7,472,244	7,209,580	3.64	7,482,652	7,147,589	4.69		
Other Reserves	3,542,258	3,180,350	11.38	4,502,216	4,140,308	8.74		
Total Shareholders' Equity	22,386,190	21,761,618	2.87	23,356,556	22,659,585	3.08		
Non-Controlling Interest	-	-	-	1,366,369	1,537,626	(11.14)		
Total Equity	22,386,190	21,761,618	2.87	24,722,925	24,197,211	2.17		
Total Equity & Liabilities	221,727,152	215,160,859	3.05	224,007,195	217,509,448	2.99		
Contingent Liabilities and Commitments	41,398,698	35,473,070	16.70	41,465,698	35,561,711	16.60		
Mamarandum Information								
Memorandum Information	0.000	0.040	(1 07)	0.000	0.000	(1.00)		
Number of Employees	2,992	3,049	(1.87)	3,022	3,080	(1.88)		
Number of Banking Centres	151	151	-	151	151	-		
Net Asset Value Per Ordinary Share (Rs.)	64.90	63.08	2.89	67.71	65.69	3.08		
Certification:								

Certification

We the undersigned, being the Chairman, Director, General Manager/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.) Nihal Jayamanna PC (Sgd.) Coralie Pietersz

Chairman

Director

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SEYLAN BANK PLC - DEBENTURES	SEY	'LAN B	ANK PLC -	DEBENTUR	ES
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Rs. '000

Rs. '000

Debt/Equity Ratio	Current Period 01 April 2014 to 30 June 2014 0.11
Interest Cover	0.11
Quick Asset Ratio	0.79
2013/2018 Issue	
Market Prices during Apr to Jun (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%	*
Monthly Interest - 14.50%	
Interest Yield As At Date of Last Trade	
Annual Interest (24/06/2014)	13.36%
Yield to Maturity of Trade Done on	
Annual Interest (24/06/2014)	10.00%
Interest Rate of Comparable Government Security	8.51%

* No Trading During The Period

D PERFORMANCE	INDIGATODO
J FENFUNIVIANUE	INDIGALONO

	B/	ANK	GROUP			
	30.06.2014	31.12.2013	30.06.2014	31.12.2013		
Regulatory Capital Adequacy						
Core Capital (Tier 1 Capital) Rs. '000	19,738,237	19,405,426	20,706,744	20,358,962		
Total Capital Base Rs. '000	21,094,636	20,963,541	22,021,593	21,873,128		
Core Capital Adequacy Ratio as a % of Risk Weighted	14.29	14.58	14.73	15.0 ⁻		
Assets (Minimum Requirement 5%)						
Total Capital Adequacy Ratio as a % of Risk Weighted	15.27	15.75	15.66	16.13		
Assets (Minimum Requirement 10%)						
Assets Quality (Quality of Loan Portfolio)						
Gross Non-Performing Advances Ratio %	10.86	10.58				
(Net of Interest in Suspense)						
Gross Non-Performing Advances Ratio %	10.93	10.64				
(Net of Interest in Suspense including Investment Properties)						
Net Non-Performing Advances Ratio %	8.24	7.94				
(Net of Interest in Suspense and Provision)						
Net Non-Performing Advances Ratio %	8.30	8.00				
(Net of Interest in Suspense and Provision including						
Investment Properties)						
Profitability						
Interest Margin %	4.71	4.89				
Return (Net Profit Before Tax) on Average Assets %	1.70	1.72				
Return on Equity %	11.06	11.40				
Regulatory Liquidity						
Statutory Liquid Assets						
Domestic Banking Unit Rs. '000	55,090,956	46,137,595				
Offshore Banking Unit USD '000	17,392	16,233				
Statutory Liquid Assets Ratio %						
(Minimum Requirement 20 %)						
Domestic Banking Unit	30.26	26.74				
Offshore Banking Unit	28.55	25.93				



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11. ANALYSIS OF FINANCI	AL INS	TRUMEN	TS BY M	EASURE	MENT B <i>i</i>	ASIS			·	Rs. '000	EXPLANATORY NOTES				
	Held-for-	Bai Held-to-	ık - as at 30.06.2 Loans &	2014 Available-	Total	Held-for-	Held-to-	ank - as at 31.12 Loans & Receivables	Available-	Total	 General There are no changes to the accounting policies and methods of computation since the have been prepared & presented in accordance with the Sri Lanka Accounting Standar 	e publication of the last Ann ds (LKAS/SLFRS) immediat	ual Report. The Interim F	inancial Statements y 01, 2012 and prov	of the Bank and the Group
Assets	Trading (HFT)	Maturity (HTM)	Receivables (L&R)	for-sale (AFS)		Trading (HFT)	Maturity (HTM)	Receivables (L&R)	for-sale (AFS)		nave been prepared & presented in accordance with the Sri Lanka Accounting Standar to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statement 31, 2013 which have been prepared in accordance with LKAS/SLFRS. The group financial statements comprise a consolidation of the Financial Statements o	s should be read in conjunc	tion with the Annual Fina	ncial Statements for	
Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies			5,453,798 7,473,401 293,047	-	5,453,798 7,473,401 293,047	-	-	5,180,195 7,505,185 970,203		- 5,180,195 - 7,505,185 - 970,203	2. Information on Ordinary Shares	30/06/2014		30/06/20	113
Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements	236,38 11,862,70	1 - 7 -	- - 5,945,038	-	236,381 11,862,707 5,945,038	287,210 11,183,843 -		5,729,904		- 287,210 - 11,183,843 - 5,729,904	MARKET PRICE (Rs.) Voting	Non-Vo	ling	/oting	Non-Voting
Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity		- 22,324,027	133,101,765	- 23,837,865 -	133,101,765 23,837,865 22,324,027	-	24,050,862	136,552,857	14,001,964	- 136,552,857 4 14,001,964 - 24,050,862	Market Price Per Share 65.80 Highest Price per share for the quarter ended 70.00 Lowest Price per share for the quarter ended 60.00	38.9 40.5 34.0)	65.50 74.00 59.00	36.00 41.20 33.00
Investment in Subsidiary Total Financial Assets	12,099,08		152,267,049	23,837,865	894,155 211,422,184	11,471,053	800,624 24,851,486	155,938,344		- 800,624 4 206,262,847	3. Shareholders' Information				
Liabilities		ld-for- ng (HFT)	Amortis	ed Cost	Total	Held Tradin	-for- g (HFT)	Amort	ised Cost	Total	3.1 Twenty Largest Ordinary Volting Shareholders as at June 30, 2014 1. Sri Lanka Insurance Corporation Ltd General Fund – 17,597,739 [includes Sri Lanka Insurance Corporation Ltd General Fund – 17,597,739		No. (f Shares	%
Due to Banks Derivative Financial Instruments Customer Deposits	22	- 4,008	11,36	64,494 - 39 769	11,364,494 224,008 172,739,769	382	,815		544,206 - 371,384	11,544,206 382,815 167,371,384	and Sri Lanka Insurance Corporation Ltd Life Fund – 8,798,869] 2. Brown & Company PLC A/C No. 1 3. Employees Provident Fund		24 17	396,608 416,750 525,425	15.00 13.87 9.96
Securities Sold under Repurchase Agreements Other Borrowings Debentures		-	4,90	03,057 12,061 28,797	4,903,057 12,061 2,528,797		-	4,	573,955 12,738 243,299	4,573,955 12,738 3,243,299	4. LOLC Investments Ltd. 5. Bank of Ceylon No.1 Account 6. Waldock Mackenzie Limited/Mr. D S K Amarasekera		13 11	808,502 198,305 322,734	9.55 7.50 6.43
Total Financial Liabilities	22	4,008 Gro	191,54 up - as at 30.06.2	48,178	191,772,186	382	,815 Gra		745,582	187,128,397	 Capital Trust Credit (Pvt) Ltd./W U N Gamage Sampath Bank PLC/Dr T Senthilveri Melion Bank NA. – Frontier Market Opportunities Master Fund, L.P 		6 5	954,017 812,422 029,000	4.52 3.87 2.86
	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans &	Available- for-sale (AFS)	Total	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans &	Available- for-sale (AFS)	Total	10. Bentota Backwaters (Pv1) Ltd. 11. Melion Bank N.A. – Frontier Market Select Fund II L.P 12. Seyfest (Private) Limited		4	377,253 341,650 017,940	2.49 2.47 1.71
Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka			5,453,888 7,473,401		5,453,888 7,473,401	-	-	5,180,226 7,505,185		1,000,100	Sesot (Private) Limited Seybest (Private) Limited Seyshop (Private) Limited		2 2	279,042 165,435 165,435	1.30 1.23 1.23
Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading	236,38 11,871,02	 1 - 8 -	293,047	-	293,047 236,381 11,871,028	- 287,210 11,191,770	-	970,203		- 970,203 - 287,210 - 11,191,770	16. Esots (Private) Limited		1	148,132 197,410 031,000	1.22 0.68 0.59
Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale		· · ·	5,945,038 133,101,765 -	- - 23,889,291	5,945,038 133,101,765 23,889,291	-	-	5,729,904 136,552,857 -	14,001,964		19. Mr. K R B Fernando 20. Sotse (Pvt) Ltd.			015,254 977,010	0.58 0.56
Financial Investments - Held-to-Maturity Total Financial Assets	12,107,40	- 22,404,376 9 22,404,376	152,267,139	23,889,291	22,404,376 210,668,215	- 11,478,980	24,130,160 24,130,160	- 155,938,375	14,001,964	- 24,130,160 4 205,549,479	3.2. Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2014 1. Lanka Orix Leasing Company PLC 2. Employees Provident Fund			688,535 896,029	42.42 12.96
Liabilities		ld-for- ng (HFT)	Amortis	ed Cost	Total	Held Tradin	l-for- g (HFT)	Amort	ised Cost	Total	Pershing LLC S/A Averbach Grauson & Co Associated Electrical Corporation Ltd. Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram		2 2	054,012 900,399 649,968	2.40 1.72 1.57
Laurinus Due to Banks Derivative Financial Instruments Customer Deposits	22	- 24,008		64,494 - 39,769	11,364,494 224,008 172,739,769	382	,815		544,206 - 371,384	11,544,206 382,815 167,371,384	6. Seylan Bank PLC/ARC Capital (Pvt) Ltd. 7. Merrill J Fernando & Sons (Pvt) Limited 8. Mr. N Balasingam		1	455,369 877,057 762,693	1.45 1.11 1.04
Customer Deposits Securities Sold under Repurchase Agreements Other Borrowings Debentures		-	4,90	39,769 03,057 12,061 28,797	4,903,057 12,061 2,528,797		-	4,	573,955 12,738 243,299	4,573,955 12,738 3,243,299	9. National Savings Bank 10. Seylan Bank PLC/Pubudhu Saranga Wijayakumari Rupasinghe 11. Mr. N Ganarajah		1	535,151 406,460 169,997	0.91 0.83 0.69
Total Financial Liabilities	22	4,008	191,54		191,772,186	382	,815		745,582	187,128,397	12. Mrs. P S W Rupasinghe 3. Deutsche Bank AG – National Equity Fund 14. Deutsche Bank AG as Trustee for Namal Acuity Value Fund		1	163,924 120,000 000,000	0.69 0.66 0.59
10. SEGMENT REPORTING	G - GRO	UP								Rs. '000	 Peoples Leasing & Finance PLC/L P Hapangama Mr. E Thavagnanasooriyam Dr. S Yaddehige 			923,142 853,598 744,123	0.55 0.51 0.44
		BANKING 14 30.06.2013	_	EASURY 30.06.2013		/INVESTMENT 30.06.2013				TOTAL 14 30.06.2013	18 Miss S Durga 19. Mrs. E Thavgnasundaram 20. Mrs. P Thavarah			683,808 674,192 575,356	0.40 0.40 0.34
Interest Income	30.06.20						30.06.2014	30.06.2013 972,775			3.3 Percentage of Public Holdings as at June 30, 2014 Ordinary Voting Shares - 54.30%				
Interest Income Net Interest Income	6,158,1 3,901,0	65 7,121,674	379,226	489,753	81	337	(10,702) 356,742	2) (13,686) 6,526,7	70 7,598,078	Ordinary Non-Voting Shares - 57.47% Directors' and General Manager/Chief Executive Officer's Shareholdings as at June 30	, 2014			
Fee and Commission Income Fee & Commission expense	1,092,8	46 1,013,455	-		2,219	-	175			21 1,015,385	4. Directors and deneral manager/oner Executive Uniter's Onerenordings as a dure of Name of Director			f Shares y Voting)	No. of Shares (Ordinary Non-voting)
Net Fee and Commission Income Net Trading Income	1,073,6	56 987,737 -			(2,219 399		175		1,053,4 207,4		Mr. Nihal Jayamanne PC Mr. Ishara C Manayakkara Rear Admiral B A J O Peiris			5,583 Nil Nil	Nil Nil Nil
Net Gain from Financial Investments Net Exchange Income	78,4		159,648	160,234			(1,109			30 229,827	Mr. S P Samantha Ranatunga Mr. W D K Jayawardena Mr. P L S K Perera			Nil Nil Nil	Nil Nil Nil
Other Operating Income (Net) Inter Segement Revenue	65,3 (267,7	52) (17,022) 17,142	(12,343)	85,444	-	(39,624	29,365			Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa			Nil Nil Nil	Nil Nil 35,900
Total Operating Income Depreciation and Amortisation Immediate Income Character ((Department))	4,850,7	73 141,819	476		100,725		566,794 103,370	172,881	250,3	21 315,613	General Manager/Chief Executive Officer Mr. K P Ariyaratne			21,117	123,005
Impairment for Loans and Other Losses - Charges/(Reversal) Operating Expenses (Including VAT& NBT)	675,2 3,351,9				35,673	45,846	664,743	- (225 8 883,605			5. Stated Capital as at June 30, 2014			21,117	Rs. '000
Reportable Segment Profit Before Income Tax	677,5	94 1,126,403	1,353,551	365,516	64,550	60,399	(201,319	9) (54,031) 1,894,3	1,498,287	33,560,000 Voting Ordinary Shares @ Rs. 10/- each				335,600 100,000
OTHER INFORMATION Total Assets	124,223,9	143 128,725,067	76,242,673	54,570,540	4,389,756	4,405,143	19,150,823	16,710,907	224,007,1	95 204,411,657	4,000,000 Voting Ordinary Shares @ Rs. 25/- each 92,440,000 Voting Ordinary Shares @ Rs. 35/- each 2,644,068 Voting Ordinary Shares @ Rs. 59/- each				3,235,400 156,000
Total Liabilities & Equity Cash Flows from Operating Activites	174,072,2 9,190,3				4,389,756 41,933		30,393,872 (68,239				43,333,333 Voting Ordinary Shares @ Rs. 75/- each 83,550,000 Non-Voting Ordinary Shares @ Rs. 12/50 each 40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each				3,250,000 1,044,500 1,000,000
Cash Flows from Investing Activites Cash Flows from Financing Activites	(129,0		(1,272,470	9,076,160	84,198 (20,858) (36,991)	(252,410 (818,771	(292,040) (2,112,0	99) 8,747,129	45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each Less: Issue Expenses				1,589,805 (181,581)
Capital Expenditure	(130,1	81) (179,049	(1,064	(1,416)	420	373	(129,947	(192,386) (260,7	(372,478)	Total 6. Basic/Diluted Earnings per Share				10,529,724
STATEMENT OF CHANGES	S IN EQU	JITY - BA Stated Ca		Statutory	Retained		Reser	ves		Rs. '000	Basic Earnings per share has been calculated by dividing profit after tax attributable to Non-voting) during the 6 months ended June 30, 2014. Diluted Earnings per Share ordinary shares.				
For the Six Months ended 30th June		Ordinary Shares	Ordinary Shares	Reserve Fund	Earnings S	Special Risk Reserve	Revaluation Reserve S	Available for Sale Reserves	Other Reserves		7. Post Balance Sheet Events There were no material events that took place since June 30, 2014 that require disclosure	n these Financial Statemen	is.		
01. Balance as at 01.01.2013			lon-Voting 3,418,730	* 726,187	6,138,249	**	510,049	(125,070)	1,264,048	18,851,837	 Others The dividend of Rs. 2.25 per share was paid to the Ordinary Voting and Non-voting 5 dispatched to the Ordinary (voting) shareholders and Ordinary (non-voting) sharehold 		ntitled as at end of tradir	g on March 31, 201	4. Dividend cheques were
Total Comprehensive Income for the period			-,,	,	-,,		,	(,	.,,		Mr. R Nadarajah, Executive Director retired from the Board and the service of the Bank of Mr. H K U Dharmadasa was appointed to the Board on June 09, 2014.				
Profit for the Period Other Comprehensive Income (Net of Tax) 02. Total Comprehensive Income for the period					1,001,556 - 1,001,556			227,225 227,225		1,001,556	 Comparative Information Comparative information has been re-classified where necessary, to conform to the curre 	nt period presentation.			
Transactions With Equity Holders, Recognised Dir	ectly In Equity				1,001,000			221,225		1,228,781	During the quarter there were no material changes in Contingent Liabilities, composition of All known expenditure items have been provided for in these Interim Accounts.	f Assets and Liabilities and	use of funds raised by th	Bank.	
Cash/Scrip Dividends to Equity Holders Transfers from/to Retained Profits		156,000	148,272		(676,160) (168,588)	(112,922)			281,510		ADDITIONAL DISCLOSURES				Rs. '000
03. Total Transactions with Equity Holders Balance as at 30.06.2013 (1 + 2 + 3)		156,000	148,272 3,567,002	- 726,187	(844,748)	(112,922)	- 510,049	- 102,155	281,510			BA			ROUP
01. Balance as at 01.01.2014			3,567,002	841,964	7,209,580		651,483	641,586	1,887,281		12 Customer Loans and Receivables	As at 30.06.2014	As at 31.12.2013	As at 30.06.2014	As at 31.12.2013
Total Comprehensive Income for the period											Gross Loans and Receivables (Refer 12.1) Less: Individual Impairment Collective Impairment	140,402,755 (2,716,988) (4,584,002)	144,167,684 (2,999,778) (4,615,049)	140,402,755 (2,716,988) (4,584,002)	144,167,684 (2,999,778) (4,615,049)
Profit for the period Other Comprehensive Income (net of tax) 02. Total Comprehensive Income for the period					1,212,501			188,232 188,232		1,212,501 188,232 · 1,400,733	Net Loans and Receivables	133,101,765	136,552,857	133,101,765	136,552,857
Transactions With Equity Holders, Recognised Dir	ectly In Equity				1,212,001			100,202		1,400,700	12.1 Customer Loans and Receivables - By product By product - Domestic Currency Export Bills	39.706	18.638	39,706	18,638
Dividends to Equity Holders Transfers from/to Retained Profits					(776,161) (173,676)				173,676		Import Bills Local Bills	122,423 46,735	127,889 169,123	122,423 46,735	127,889 169,123
03. Total Transactions with Equity Holders Balance as at 30.06.2014 (1 + 2 + 3)		6,962,722	3,567,002	- 841,964	(949,837)	· ·	- 651,483	829,818	2,060,957		Lease Rentals Receivable Overdrafts Trust Receipts Loans/Revolving Loans(RIL)	8,701,074 39,510,074 8,253,580	8,690,012 38,964,190 9,812,635	8,701,074 39,510,074 8,253,580	8,690,012 38,964,190 9,812,635
				,	.,	-	501,700	JZ 3,010	- ,000,937		Staff Loans Housing Loans Pawning Receivables	4,032,851 8,587,189 9,701,269	3,882,440 8,682,549 14,370,126	4,032,851 8,587,189 9,701,269	3,882,440 8,682,549 14,370,126
STATEMENT OF CHANGES	5 IN EQ	UITY - G Stated Capita				Reser	ves			Rs. '000	Refinance Loans Credit Cards Other Loans	622,457 2,708,207 49,724,723	584,504 2,551,355 47,800,886	622,457 2,708,207 49,724,723	584,504 2,551,355 47,800,886
For the Six Months ended 30th June			dinary Sta Shares Reserve		ed Special Risk qs Reserve		Available for Sale Reserves	Other Beserves	Total Contr	Non Total olling Equity	Total By product - Foreign Currency	132,050,288	135,654,347	132,050,288	135,654,347
			Voting	*	ys neserve **					terest	Export Bills Import Bills	761,108 174,901 63,585	702,052 66,702 71,785	761,108 174,901 63,585	702,052 66,702 71 785
01. Balance as at 01.01.2013	6,	806,722 3,4	18,730 72	26,187 6,061,5	71 112,922	868,928	(125,070)	1,519,261 19,	389,251 1,22	22,004 20,611,255	Local Bills Overdrafts Trust Receipts Loans/Revolving Loans(RIL)	63,585 619,400 172,802	71,785 481,513 406,991	63,585 619,400 172,802	71,785 481,513 406,991
Total Comprehensive Income for the period Profit for the Period				993,7	50					8,782 1,002,532	Other Loans Total Gross Loans and Receivables	6,560,671 8,352,467 140,402,755	6,784,294 8,513,337 144,167,684	6,560,671 8,352,467 140,402,755	6,784,294 8,513,337 144,167,684
Other Comprehensive Income (Net of Tax) 02. Total Comprehensive Income for the period		-	-	- 993,7	50 -	-	227,225 227,225		227,225 220,975	- 227,225 8,782 1,229,757	12.2 Movements in Individual and Collective Impairment during the period for Customer Loans and Receivables	BA	NK	-	ROUP
Transactions With Equity Holders, Recognised Dir Cash/Scrip Dividends		156.000	48 979	/070	60)				(271 000)	17 810) (000 200	Individual Impairment	2014 (For 06 Months)	2013 (For 12 Months)	2014 (For 06 Months)	2013 (For 12 Months)
Cash/Scrip Dividends Transfers from/to Retained Profits 03. Total Transactions with Equity Holders		-	48,272 48,272	(676,1 (168,5 - (844,7	88) (112,922			281,510	-	17,819) (389,707) 	Opening Balance as at 01st January Charge/(Write back) to Income Statement	2,999,778 549,509 (580,953)	3,537,698 1,305,790 (1,276,124)	2,999,778 549,509 (580,953)	3,537,698 1,305,790 (1,276,124)
U3. Total Transactions with Equity Holders Balance as at 30.06.2013 (1 + 2 + 3)				- (844,7 26,187 6,210,5						17,819) (389,707) 12,967 21,451,305	Reversal for Write-Offs Interest Accrued on Impaired Loans	(580,953) (251,346)	(1,276,124) (567,586)	(580,953) (251,346)	(1,276,124) (567,586)
01. Balance as at 01.01.2014				41,964 7,147,5		1,356,228				37,626 24,197,211	Closing Balance as at 30th June 2014 as at 31st December 2013 Collective Impairment	2,716,988	2,999,778	2,716,988	2,999,778
Total Comprehensive Income for the period	<u> </u>	. 0,0		.,,0				,			Opening Balance as at 01st January Charge/(Write back) to Income Statement	4,615,049 (31,047)	4,707,621 (92,572)	4,615,049 (31,047)	4,707,621 (92,572)
Profit for the Period Other Comprehensive Income (Net of Tax)				1,210,6	17		188,232	1	,210,617 188,232	17,414 1,228,031 - 188,232	Closing Balance as at 30th June 2014 as at 31st December 2013	4,584,002	4,615,049	4,584,002	4,615,049
02. Total Comprehensive Income for the period		-	-	- 1,210,6	17 -	•	188,232	- 1,		17,414 1,416,263	Total Impairment	7,300,990	7,614,827	7,300,990	7,614,827
Transactions With Equity Holders, Recognised Dir Dividends	ectly In Equity			(776,1	61)				(776,161) (2	20,857) (797,018)	13 Customer Deposits - By product By product - Domestic Currency	As at 30.06.2014	As at 31.12.2013	As at 30.06.2014	As at 31.12.2013
Transfers from/to Retained Profits Changes in Ownership Interest without Change in				(173,6				173,676			Demand deposits Savings deposits Fixed deposits	11,680,122 43,785,669 98,981,706	10,727,342 38,991,037 99,858,932	11,680,122 43,785,669 98,981,706	10,727,342 38,991,037 99,858,932
Acquisition of Non-Controlling Interest without Char 03. Total Transactions with Equity Holders	nge in Control	-	-	74,2 - (875,5		•	-	173,676 (67,814) (93,531) 88,671) (890,549)	Certificate of deposits	6,066,467	6,074,541	6,066,467	6,074,541
Balance as at 30.06.2014 (1 + 2 + 3)	6,	962,722 3,5	67,002 84	41,964 7,482,6	52 -	1,356,228	829,818	2,316,170 23,	356,556 1,36	66,369 24,722,925	By product - Foreign Currency				
* Statistory Decense Fund recorded to the state	rement in the	of the occiliant of	1) and (0) -(+	nking Act N- CC	of 1099 /50/ -1	t profit offer to S					Demand deposits Savings deposits Fixed deposits	830,577 4,783,159 6,612,069	745,172 4,587,352 6,387,008	830,577 4,783,159 6,612,069	745,172 4,587,352 6,387,008
* Statutory Reserve Fund represents the statutory requi ** According to the circular Ref. No. 08/24/002/0005/00 effect from 14/02/2013 Licensed Commercial Banks ann	3/ issued by the	e Central Bank of S	ri Lanka, Primary D	ealer Unit is requi	red to appropriate	25% of the profit					Total Total Customer Deposits	12,225,805 172,739,769	11,719,532 167,371,384	12,225,805 172,739,769	11,719,532 167,371,384
effect from 14/02/2013 Licensed Commercial Banks app	onneu dS Prima	y Dealer's Were ex	ompieu ir UII) THE RE	quirentent of mair	аллиу ѕисп Spec	an meserve as per	JII COLIUII INO. U8/	/ 0 1 1/00 19/001	Jaiou 10/03/201	· J.					

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11. ANALYSIS OF FINANCI

Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Instruments Geourties Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Investment in Subsidiary

Liabilities Due to Banks Derivative Financial Instruments Customer Deposits Securities Sold under Repurchase Agreements Other Borrowings Debentures

Assets

SEYLAN

WASHING TOWN

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