SEYLAN BANK PLC FINANCIAL STATEMENTS Year ended 31st December, 2014

 G^{*} is a because encode in formation

Rs. '000

INCOME STATEMENT

INCOME STATEMEN	IT _										R	s. '000	CASH FLOW STATEMEN
		BANK			BANK			GROUP			GROUP		
		For the yea	ar		For the Qu	arter		For the year		F	or the Quar	ter	For the Year Ended 31st December
	E	nded 31st Dec		Er	ded 31stDe	cember	Ende	ed 31st Decen	nber	End	ed 31st Dece	ember	Cash Flows from Operating Activities
	2014	2013	Growth	2014	2013	Growth	2014	2013	Growth	2014	2013	Growth	Interest Receipts
	2011	2010	%	2011	2010	%	2011	2010	%	2011	2010	%	Fees and Commission Receipts Interest Payments
Interest Income	23,407,481	24,859,315	(5.84)	5 777 /71	6,652,073		23,422,157	24 866 224		5,783,439	6,654,899	(13.10)	Trading Income
Less: Interest Expenses	12,242,991		. ,	2,830,593		. ,	12,223,232			2,826,921	3,721,752	(24.04)	Receipts from Other Operating Activities
Net Interest Income	11,164,490	9,719,581		2,946,878		. ,	11,198,925				2,933,147	0.80	Cash Payments to Employees and Suppliers
	11,104,450	3,713,001	14.01	2,340,010	2,324,010	0.10	11,130,320	3,100,134	14.00	2,300,010	2,300,147	0.00	Cash Payments to Other Operating Activities
Fee and Commission Income	2,347,472	2,208,628	6.29	637.249	605,987	5.16	2.347.129	2,208,342	6.28	636,906	605.701	5.15	Operating Profit before Changes in Operating Assets &
Less: Fee and Commission Expenses	90.267	81,294	11.04	27.868	20,253	37.60	97.009	87,931	10.32	31,254	22,057	41.70	(Income) (Decome in Occur) in Acceler
Net Fee and Commission Income	2,257,205		6.10	609,381	585,734	4.04		2,120,411	6.12	605,652	583,644	3.77	(Increase)/Decrease in Operating Assets: Loans & Receivables (Advanced to)/Repaid by Customer
	_,,	_,,		,	,		_,,	_,,		,	,		Deposits Held for Regulatory or Monetary Control Purpos
Net Trading Income	740,106	189,112	291.36	(71,975	189,377	(138.01)	741,707	189,263	291.89	(71,775)	189,223	(137.93)	
Net Gain from Financial Investments	1,186,185	190,268	523.43	253,201	159,702	58.55	1,189,706		525.28	256,722	159,702	60.75	Increase/(Decrease) in Operating Liabilities: Deposits from/(Withdrawals by) Customers
Net Exchange Income	535,250	476,014	12.44	173,016		42.50	535,250	476,014	12.44	173,016	121,415	42.50	Negotiable Certificates of Deposit
Other Operating Income (Net)	347,861	167,641	107.50	183,826		138.62	392,477		81.55	199,247	88,001	126.41	Cash (Used in)/Generated from Operations
+ ()	2,809,402		174.61	538,068		(1.73)			166.78	557,210	558.341	(0.20)	Income Tex Daid
Total Operating Income	16,231,097		26.12	,	4,057,879	/	16,308,185				4,075,132	1.09	Income Tax Paid Contribution Paid into Employees Retirement Benefit Plar
				.,,	.,					.,,	.,		
Less: Impairment for Loans and													Net Cash (Used in)/Generated from Operating Activities
Other Losses - Charges/(Reversal)													Cash Flows from Investing Activities
Individual Impairment	2,021,892	1,305,790	54.84	813,999	661,547	23.04	2,021,892	1,305,790	54.84	813,999	661,547	23.04	Dividend Income
Collective Impairment	60,661	(92,572)	165.53	(211,375	54,077	(490.88)	60,661	(92,572)	165.53	(211,375)	54,077	(490.88)	Net Proceeds from Sale, Maturity and Purchase of Finan
Others	186,967	147,951	26.37	9,560	45,394	(78.94)	52,172	148,899	(64.96)	(125,235)	46,342	(370.24)	Government of Sri Lanka Treasury Bills/Bonds Maturin Reverse Repurchase Agreements Maturing After 03 Mon
	2,269,520	1,361,169	66.73	612,184	761,018	(19.56)	2,134,725	1,362,117	56.72	477,389	761,966	(37.35)	Net Proceeds from Sale, Maturity and Purchase of Finance
Net Operating Income	13,961,577	11,508,781	21.31	3,482,143	3,296,861	5.62	14,173,460	11,580,814	22.39	3,641,991	3,313,166	9.92	Purchase Of Property, Plant & Equipment, Leasehold Rig
													Proceeds From Sale Of Property, Plant & Equipment, Lea
Personnel Expenses	3,926,361	3,536,560	11.02	1,017,989	978,985	3.98	3,957,416	3,559,799	11.17	1,027,663	982,150	4.63	Proceeds from Sale of Investment Properties Improvements to Investment Properties
Depreciation and Amortisation	453,374	532,507	(14.86)	110,803	110,912	(0.10)	496,228	568,559	(12.72)	134,379	104,099	29.09	improvements to investment rioperates
Other Expenses	3,729,394	3,237,039	15.21	915,098	782,951	16.88	3,681,423	3,207,325	14.78	908,584	781,316	16.29	Net Cash (Used in)/Generated from Investing Activities
	8,109,129	7,306,106	10.99	2,043,890	1,872,848	9.13	8,135,067	7,335,683	10.90	2,070,626	1,867,565	10.87	Cash Flows from Financing Activities
Operating Profit before Taxes	5,852,448	4,202,675	39.26	1,438,253	1,424,013	1.00	6,038,393	4,245,131	42.24	1,571,365	1,445,601	8.70	Gash Flows from Financing Activities
													Increase/(Decrease) in Debentures
Value Added Tax (VAT) and Nation													Securities Sold under Repurchase Agreements
Building Tax (NBT) on Financial Services	1,203,004	748,640	60.69	278,474	238,812	16.61	1,203,004	748,640	60.69	278,474	238,812	16.61	Increase/(Decrease) in Other Borrowings Dividends Paid - Ordinary Shares
													Dividends Paid - Preference Shares
Profit before Income Taxes	4,649,444	3,454,035	34.61	1,159,779	1,185,201	(2.14)	4,835,389	3,496,491	38.29	1,292,891	1,206,789	7.13	
													Net Cash (Used in)/Generated from Financing Activities Net Increase/(Decrease) in Cash & Cash Equivalents
Income Tax Expenses	1,570,842	1,138,496	37.98	334,402	405,618	(17.56)	1,582,819	1,144,446	38.30	324,140	393,308	(17.59)	Cash & Cash Equivalents at beginning of the Year
Profit for the Period	3,078,602	2,315,539	32.95	825,377	779,583	5.87	3,252,570	2,352,045	38.29	968,751	813,481	19.09	Cash & Cash Equivalents at end of the Period
Attributable to:													Reconciliation of Cash & Cash Equivalents
Owners of the Parents								2,326,148	36.65	918,661	797,152	15.24	Cash and Cash Equivalents
Non-Controlling Interest							73,794	25,897	184.95	50,090	16,329	206.75	Government of Sri Lanka Treasury Bills/Bonds Maturing
Profit for the Period	3,078,602	2,315,539	32.95	825,377	779,583	5.87	3,252,570	2,352,045	38.29	968,751	813,481	19.09	Securities Purchased under Resale Agreements Maturing
Basic/Diluted Earnings													
per Ordinary Share (in Rupees)	8.92	6.74	32.34	2.39	2.26	5.75	9.21	6.78	35.84	2.66	2.31	15.15	

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	BA	NK	GRO	IID
For the Year Ended 31st December	2014	2013	2014	2013
Cash Flows from Operating Activities				
Interest Receipts	22,780,397	23,509,328	22,795,073	23,516,237
Fees and Commission Receipts	2,347,472	2,208,628	2,347,129	2,208,342
Interest Payments	(13,136,112)	(14,339,219)	(13,116,353)	(14,314,915)
Trading Income	1,172,265	713,890	1,172,265	714,041
Receipts from Other Operating Activities	97,451	53,765	156,165	117,184
Cash Payments to Employees and Suppliers	(8,408,229)	(7,365,018)	(8,407,464)	(7,367,488)
Cash Payments to Other Operating Activities	(90,267)	(81,294)	(97,009)	(87,931)
Cash r aynonis to other operating Activities	(50,207)	(01,204)	(57,003)	(07,501)
Operating Profit before Changes in Operating Assets & Liabilities	4,762,977	4,700,080	4,849,806	4,785,470
(Insurance) (Description Association				
(Increase)/Decrease in Operating Assets:				
Loans & Receivables (Advanced to)/Repaid by Customers	(18,785,907)	(12,006,741)	(18,785,907)	(12,006,741)
Deposits Held for Regulatory or Monetary Control Purposes	72,979	523,476	72,979	523,476
Deposits neuror Regulatory of Monetary Control Purposes	12,919	525,470	12,919	523,470
Increase/(Decrease) in Operating Liabilities:				
	17 000 044	10,000,000	17 000 044	10.000.000
Deposits from/(Withdrawals by) Customers	17,669,944	18,960,309	17,669,944	18,960,309
Negotiable Certificates of Deposit	(143,274)	883,361	(143,274)	883,361
Cash (Used in)/Generated from Operations	3,576,719	13,060,485	3,663,548	13,145,875
Cash (Osed In)/denerated from Operations	3,570,719	13,000,400	3,003,340	13,143,073
Income Tax Paid	(722,279)	(170,856)	(722,279)	(170,856)
Contribution Paid into Employees Retirement Benefit Plan/Employees	(214,683)	(86,753)	(214,683)	(86,753)
Net Cash (Used in)/Generated from Operating Activities	2,639,757	12,802,876	2,726,586	12,888,266
	2,039,737	12,002,070	2,720,000	12,000,200
Cash Flows from Investing Activities				
Investment in Subsidiary Company	(305,489)	(7.370)		-
			40.007	00.000
Dividend Income	40,205	40,954	19,027	23,699
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of				
	0.004.445	(10, 110, 770)	0.004.445	(40,400,404)
Government of Sri Lanka Treasury Bills/Bonds Maturing after 03 months	2,924,115	(10,412,778)	2,924,115	(10,492,124)
Reverse Repurchase Agreements Maturing After 03 Months	76,956	(31)	76,956	(31)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures	(1,687,776)	(1,445,456)	(1,750,186)	(1,445,456)
Purchase Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	(678,837)	(657,040)	(703,404)	(672,102)
Proceeds From Sale Of Property, Plant & Equipment, Leasehold Rights & Intangible Assets	15,224	143,100	15.224	143,280
	10,224	140,100		
Proceeds from Sale of Investment Properties	-		10,954	29,275
Improvements to Investment Properties		-	(24,089)	-
			(= -,===)	
Net Cash (Used in)/Generated from Investing Activities	384,398	(12,338,621)	568,597	(12,413,459)
		(
Cook Flows from Financing Astivition				
Cash Flows from Financing Activities				
Increase/(Decrease) in Debentures	4,404,065	2.031.640	4.404.065	2.031.640
Securities Sold under Repurchase Agreements	7,847,735	899,115	7,847,735	899,115
Increase/(Decrease) in Other Borrowings	32,755	5,891,934	(214,668)	5,898,666
Dividends Paid - Ordinary Shares	(771,254)	(368,853)	(794,850)	(386,207)
Dividends Paid - Preference Shares	(39)	(35)	(39)	(35)
	(55)	()	(55)	()
	11 510 005	0.450.004	11 010 010	0.110.175
Net Cash (Used in)/Generated from Financing Activities	11,513,262	8,453,801	11,242,243	8,443,179
Net Increase/(Decrease) in Cash & Cash Equivalents	14,537,417	8,918,056	14,537,426	8,917,986
Cash & Cash Equivalents at beginning of the Year	18,399,074	9,481,018	18,399,105	9,481,119
Cash & Cash Equivalents at end of the Period	32,936,491	18.399.074	32.936.531	18,399,105
עמאו ע עמאו בעוויעמופותא לג פווע טו נוופ רפווטע	32,930,491	10,399,074	32,930,031	10,399,103
Reconciliation of Cash & Cash Equivalents				
	0.007.007	6 150 200	0.007.007	0.150.400
Cash and Cash Equivalents	9,007,267	6,150,398	9,007,307	6,150,429
Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months	6,166,310	6,519,216	6,166,310	6,519,216
Securities Purchased under Resale Agreements Maturing with in 03 Months	17,762,914	5,729,460	17,762,914	5,729,460
Securities Furchased under Resale Agreements Maturing with in US Months	17,702,914	5,729,400	17,702,914	5,729,400

32,936,491

18,399,074

32,936,531

18,399,105

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		Bank For the Year Ended 31st December			Bank For the Quarter Ended 31st December			Group For the Year Ended 31st December			Group the Quarter 31st Decem	
	2014	2013	Growth %	2014	2013	Growth %	2014	2013	Growth %	2014	2013	Growth %
Profit for the period	3,078,602	2,315,539	32.95	825,377	779,583	5.87	3,252,570	2,352,045	38.29	968,751	813,481	19.09
Other Comprehensive Income, Net of Tax		141 494			141 494		07.044	808.743	(06.66.)	07.044	808,743	(06.66)
Revaluation of Property, Plant and Equipment Actuarial Gain/(Loss) on Defined Benefit Obligations	(65,156)	141,434 5,240	- (1,343.44)	(65,156)	141,434 5,240	- (1.343.44)	27,044 (65,125)	4,667	(96.66) (1,495.44)	27,044 (65,125)	4,667	(96.66) (1,495.44)
Net Gains on re-measuring	(03,130)	5,240	(1,545.44)	(03,130)	3,240	(1,040.44)	(03,123)	4,007	(1,433.44)	(03,123)	4,007	(1,433.44)
Available-for-Sale Financial Assets	9,636	766,656	(98.74)	(391,058)	618,139	(163.26)	8,480	766,656	(98.89)	(392,214)	618,139	(163.45)
Other Comprehensive Income for the Period,			()	((-,		(*****,	(111)		. ,
Net of Taxes	(55,520)	913,330	(106.08)	(456,214)	764,813	(159.65)	(29,601)	1,580,066	(101.87)	(430,295)	1,431,549	(130.06)
Total Comprehensive Income for the Period	3,023,082	3,228,869	(6.37)	369,163	1,544,396	(76.10)	3,222,969	3,932,111	(18.03)	538,456	2,245,030	(76.02)
Attributable to:												
Owners of the parent							3,139,896	3,585,047	(12.42)	479,087	1,907,534	(74.88)
Non-controlling interest							83,073	347,064	(76.06)	59,369	337,496	(82.41)
Total Comprehensive Income for the Period	3,023,082	3,228,869	(6.37)	369,163	1,544,396	(76.10)	3,222,969	3,932,111	(18.03)	538,456	2,245,030	(76.02)

STATEMENT OF FINANCIAL POSITION

		Bank			Group		Yield to Maturi
	As at 31.12.2014	As at 31.12.2013	Growth %	As at 31.12.2014	As at 31.12.2013	Growth %	
Assets							Interest Rate of
Cash and Cash Equivalents	6,672,963	5,180,195	28.82	6,673,003	5,180,226	28.82	
Balances with Central Bank of Sri Lanka	7,432,206	7,505,185	(0.97)	7,432,206	7,505,185	(0.97)	2014 Jooura Li
Placements with Banks and Finance Companies	2,334,304	970,203	140.60	2,334,304	970,203	140.60	2014 Issue - Li
Derivative Financial Instruments	191,411	287,210	(33.36)	191,411	287,210	(33.36)	
Other Financial Assets Held-for-Trading	2,525,225	11,183,843	(77.42)	2,534,425	11,191,770	(77.35)	
Securities Purchased under Resale Agreements	17,762,914	5,729,904	210.00	17,762,914	5,729,904	210.00	
Customer Loans and Receivables	154,962,712	136,552,857	13.48	154,962,712	136,552,857	13.48	
Financial Investments - Available-for-Sale	23,780,589	14,001,964	69.84	23,838,151	14,001,964	70.25	Interest Rate of
Financial Investments - Held-to-Maturity	22,438,807	24,050,862	(6.70)	22,520,079	24,130,160	(6.67)	
Investment in Subsidiary	1,106,113	800,624	38.16	-	-	-	
Group Balances Receivable	30,000	15,000	100.00	-	-	-	
Property, Plant & Equipment	2,967,600	2,887,204	2.78	4,575,985	4,460,001	2.60	* No Trading E
Leasehold Rights	46,262	48,286	(4.19)	609,413	618,847	(1.52)	SELECTED
nvestment Properties	114,429	114,429	-	1,183,224	1,043,942	13.34	
Intangible Assets	279,820	141,134	98.27	279,820	141,134	98.27	
Current Tax Assets			-	-	992	-	
Deferred Tax Assets	18,030	170,590	(89.43)	-	135,951	-	Regulatory Capit
Other Assets	6,647,174	5,521,369	20.39	6,660,185	5,559,102	19.81	Core Capital (Tier
Total Assets	249,310,559	215,160,859	15.87	251,557,832	217,509,448	15.65	
							Total Capital Base
Liabilities							
Due to Banks	11,615,467	11,544,206	0.62	11,615,467	11,544,206	0.62	Core Capital Ade
Derivative Financial Instruments	210,536	382,815	(45.00)	210,536	382,815	(45.00)	Assets (Minimur
Customer Deposits	185,924,122	167,371,384	11.08	185,924,122	167,371,384	11.08	
Securities Sold under Repurchase Agreements	12,419,887	4,573,955	171.53	12,419,887	4,573,955	171.53	Total Capital Ade
Other Borrowings	14,628	12,738	14.84	14,628	12,738	14.84	Assets (Minimur
Group Balances Payable	193,295	195,126	(0.94)	-	-	-	
Debentures	7,655,705	3,243,299	136.05	7,655,705	3,243,299	136.05	
Current Tax Liabilities	1,323,805	1,090,584	21.38	1,323,290	1,090,584	21.34	Assets Quality (
Deferred Tax Liabilities	-	-	-	36,507	-	-	
Other Liabilities	5,944,575	4,985,134	19.25	6,038,099	5,091,338	18.60	Gross Non-Perf
Total Liabilities	225,302,020	193,399,241	16.50	225,238,241	193,310,319	16.52	(Net of Interest i
							Gross Non-Perf
Equity	10 500 704	10 500 704		10 500 704	40 500 704		(Net of Interest
Stated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	-	
Statutory Reserve Fund	995,894	841,964	18.28	995,894	841,964	18.28	Net Non-Perforn
Retained Earnings	9,083,743	7,209,580	26.00	9,293,830	7,149,507	29.99	(Net of Interest i
Other Reserves	3,399,178	3,180,350	6.88	4,375,756	4,140,308	5.69	
Fotal Shareholders' Equity	24,008,539	21,761,618	10.33	25,195,204	22,661,503	11.18	Net Non-Perform
Non-Controlling Interest	-	-	-	1,124,387	1,537,626	(26.88)	(Net of Interest i
Total Equity	24,008,539	21,761,618	10.33	26,319,591	24,199,129	8.76	Provision incl
Total Equity & Liabilities	249,310,559	215,160,859	15.87	251,557,832	217,509,448	15.65	
Contingent Liabilities and Commitments	45,098,070	35,473,070	27.13	45,165,070	35,561,711	27.00	Profitability
Aemorandum Information							Interest Margin 9 Return (Net Prof
Number of Employees	2,947	3,049	(3.35)	2,977	3,080	(3.34)	Return on Equity
Number of Banking Centres	157	151	(3.33)	157	151	3.97	
let Assets Value per Ordinary Share (Rs.)	69.60	63.08	10.34	73.04	65.69	11.19	Regulatory Liqu
 Vertification: Ve the undersigned, being the Chairman, Director, Director/Chief Executive) The above statements have been prepared in compliance with the forma Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.) The information contained in these statements have been extracted fr 	e Officer and Chief Financial Of at and definitions prescribed b	fficer of Seylan Bank P y the Central Bank of S	LC certify that, Sri Lanka and wher	e ever required provides	additional disclosures	to comply with	Statutory Liquid Domestic Bar Offshore Ban Statutory Liquid
Companies Act No. 07 of 2007. (Sgd.) Ramesh Jayasekara (Sgd.) Kapila Ari Chief Financial Officer Director/Chief E February 25, 2015 Colombo	iyaratne xxecutive Officer	(Sgd.) Chair i	Nihal Jayamanna man	PC	(Sgd.) Directo	Coralie Pietersz Ir	(Minimum Requ Domestic Bar Offshore Ban

SEYLAN BANK PLC - DEBENTURES

Rs. '000

Rs. '000

				NT PERIOD 31-Dec-14
Debt/Equity Ratio			1-001-14 10	0.32
Interest Cover Quick Asset Ratio				13.68 0.82
2013/2018 Issue Market Prices during Oct. to Dec. (EX Interest)				
Annual Interest -15.50% p.a. - Highest Price				117.12
- Lowest Price				117.00
- Last Traded Price(01/12/2014) Semi Annual - 15.00% p.a.				117.00 *
Monthly Interest - 14.50% p.a.				*
Interest Yield As At Date of Last Trade - Annual Interest (01/12/2014)				13.25%
- Semi Annual Interest				*
- Monthly Interest				^
Yield to Maturity of Trade Done on - Annual Interest (01/12/2014)				9.13%
- Semi Annual Interest - Monthly Interest				*
Interest Rate of Comparable Government Security				7.02%
·····,				
2014 Issue - Listed in Market on 31st Dec. 2014				
- 4 Years Semi Annual - 8.00% p. - 5 Years Semi Annual - 8.35% p.				*
- 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				7.15%
- 5 Years - 6 Years				7.32% 7.60%
* No Trading During The Period				7.0078
SELECTED PERFORMANCE INDICATORS				
SELECTED FEM CHMANCE INDICATORS	B/	ANK	GI	ROUP
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	21,854,307	19,405,426	22,653,099	20,358,962
Total Capital Base Rs. '000	23,401,725	20,963,541	24,170,017	21,873,128
	10 75	1150		15.04
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	13.75	14.58	14.04	15.01
	11.70		44.00	10.10
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	14.73	15.75	14.98	16.13
Assets Quality (Quality of Loan Portfolio)				
Orace New Devices Advances Datis %	7.00	10 50		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	7.69	10.58		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties)	7.75	10.64		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	5.31	7.94		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and	5.36	8.00		
Provision including Investment Properties)				
Profitability				
Interest Margin %	4.92	4.89		
Return (Net Profit Before Tax) on Average Assets % Return on Equity %	2.05 13.45	1.72 11.40		
Total of Equity /	10.40	11.40		
Regulatory Liquidity Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	50,975,556	46,137,595		
Offshore Banking Unit USD '000	15,902	16,233		
Statutory Liquid Assets Ratio % (Minimum Requirement 20 %)				
Domestic Banking Unit	27.60	26.74		
Offshore Banking Unit				
	21.86	25.93		

Head Office: Seylan Tower, No. 90, Galle Road, Colombo 3. Tel: 011 245 6789, 4701 000 Fax: 011 245 6456 E-mail: info@seylan.lk Web: www.eseylan.com



<u>SEYLAN BANK PLC</u> FINANCIAL STATEMENTS Year ended 31st December, 2014

11. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

		Bon	k - as at 31.12.2				Ba	mk as at 21 12	2012	
								nk - as at 31.12.		
	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 Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Group Balances Receivable Other Assets Total Financial Assets	- 191,411 2,525,225 - - - - - - - - - - - - - - - - - -	22,438,807	6,672,963 7,432,206 2,334,304 17,762,914 154,962,712 30,000 3.321,826 192,516,925	23,780,589	6,672,963 7,432,206 2,334,304 191,411 2,525,225 17,762,914 154,962,712 23,780,589 22,438,807 30,000 3,321,826 241,452,957	287,210 11,183,843 - - - - - - - - - - - - - - - - - - -	24,050,862	5,180,195 7,505,185 970,203 - 5,729,904 136,552,857 - 15,000 2.678,650 158,631,994	- - - 14,001,964	5,180,195 7,505,185 970,203 287,210 11,183,843 5,729,904 136,552,857 14,001,964 24,050,862 15,000 2.678,650 208,155,873
		-for-		ed Cost	Total		-for-		ed Cost	Total
		g (HFT)	Amortis	eu cost	Iotai		g (HFT)	Amorus	eu cosi	Iotai
Liabilities Due to Banks Derivative Financial Instruments Customer Deposits Securities Sold under Repurchase Agreements Other Borrowings Debentures Group Balances Payable Current Tax Liabilities Other Liabilities		,536 - - - -	185,92 12,4 7,63 11 1,32 4,43	15,467 - 9,887 4,628 55,705 33,295 33,805 51,775	11,615,467 210,536 185,924,122 12,419,887 14,628 7,655,705 193,295 1,323,805 4,431,775		,815 - - - - -	167,3 4,5 3,2 1 1,0 3,5	44,206 71,384 73,955 12,738 43,299 95,126 90,584 86,134	11,544,206 382,815 167,371,384 4,573,955 12,738 3,243,299 195,126 1,090,584 3,586,134
Total Financial Liabilities	210	,536	223,57		223,789,220	382	,815	191,6		192,000,241
		Grou	p - as at 31.12.	2014			Gro	up - as at 31.12		
	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
			(LOII)					(=0.11)		
Assets Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Other Assets	- - 191,411 2,534,425 - - - -	22,520,079	6,673,003 7,432,206 2,334,304 - 17,762,914 154,962,712 - 3,326,069	23,838,151	6,673,003 7,432,206 2,334,304 191,411 2,534,425 17,762,914 154,962,712 23,838,151 22,520,079 3,326,069	287,210 11,191,770 - -	24,130,160	5,180,226 7,505,185 970,203 - 5,729,904 136,552,857 - 2,704,953	- - - 14,001,964 -	5,180,226 7,505,185 970,203 287,210 11,191,770 5,729,904 136,552,857 14,001,964 24,130,160 2,704,953
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Instruments Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Matunity		22,520,079	6,673,003 7,432,206 2,334,304 17,762,914 154,962,712		7,432,206 2,334,304 191,411 2,534,425 17,762,914 154,962,712 23,838,151 22,520,079	287,210 11,191,770 - -	24,130,160 24,130,160	5,180,226 7,505,185 970,203 5,729,904 136,552,857	- - - 14,001,964 - - 14,001,964	7,505,185 970,203 287,210 11,191,770 5,729,904 136,552,857 14,001,964 24,130,160
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Other Assets Total Financial Assets	2,534,425 - - - - - - - - - - - - - - - - - - -		6,673,003 7,432,206 2,334,304 - 17,762,914 154,962,712 - 3,326,069	23,838,151	7,432,206 2,334,304 191,411 2,534,425 17,762,914 154,962,712 23,838,151 22,520,079 3,326,069	287,210 11,191,770 - - - - - - - - - - - - - - - - - -		5,180,226 7,505,185 970,203 5,729,904 136,552,857 - - 2,704,953 158,643,328	-	7,505,185 970,203 287,210 11,191,770 5,729,904 136,552,857 14,001,964 24,130,160 2,704,953
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Other Assets	2,534,425 - - - - - - - - - - - - - - - - - - -		6,673,003 7,432,204 2,334,304 17,762,914 154,962,712 3.326,069 192,491,208 Amortis 11,6 185,9 12,4 7,6 1,3	23,838,151	7,432,206 2,334,304 191,411 2,534,425 17,762,914 154,962,712 23,838,151 22,520,079 3,326,069 241,575,274	287,210 11,191,770 - - - - - - - - - - - - - - - - - -	24,130,160	5,180,226 7,505,185 970,203 5,729,904 136,552,857 - - - 2,704,953 158,643,328 Amortis 111,5 167,3 4,5 3,2 3,2 1,0	14,001,964	7,505,185 970,203 287,210 11,191,770 5,729,904 136,552,857 14,001,964 24,130,160 2,704,953 208,254,432
Cash and Cash Equivalents Balances with Central Bank of Sri Lanka Placements with Banks and Finance Companies Derivative Financial Instruments Other Financial Assets Held-for-Trading Securities Purchased under Resale Agreements Customer Loans and Receivables Financial Investments - Available-for-Sale Financial Investments - Held-to-Maturity Other Assets Total Financial Assets Liabilities Derivative Financial Instruments Customer Deposits Securities Sold under Repurchase Agreements Other Borrowings Debentures	2,534,425 - - 2,725,836 Held Tradin 210	22,520,079 -for- g (HFT)	6,673,003 7,432,206 2,334,304 17,762,914 154,962,712 3,326,069 192,491,208 Amortis 11,6 185,9 12,4 11,6 185,9 12,4 4,4 7,6 1,3 4,4	23,838,151 23,838,151 23,838,151 ed Cost 15,467 24,122 19,887 14,628 55,705 55,705 32,290	7,432,206 2,334,304 191,411 2,534,425 17,762,914 154,962,712 23,338,151 22,520,079 3,326,069 241,575,274 Total 11,615,467 210,536 135,924,122 12,419,887 14,628 7,655,705 1,323,290	287,210 11,191,770 - - - - - - - - - - - - - - - - - -	24,130,160 I-for- g (HFT)	5,180,226 7,505,185 970,203 5,729,904 136,552,857 - - - 2,704,953 158,643,328 Amortis 111,5 167,3 4,5 3,2 3,2 1,0	14,001,964 ed Cost 44,206 71,384 73,955 12,738 43,299 90,584 90,584 33,145	7,505,185 970,203 287,210 11,191,770 5,729,904 136,552,857 14,001,964 24,130,160 2,704,953 208,254,432 Total 11,544,206 382,815 167,371,384 4,573,955 12,738 3,243,299 1,090,584

10. SEGMENT REPORTING - GROUP

TU. SEGMENT REFUNTING	unou									
	BAN	KING	TREA	SURY	PROPERTY/I	IVESTMENTS	UNALLOCATED,	ELIMINATIONS	T0 1	AL
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Interest Income	20,040,104	20,946,591	2,234,988	2,271,323	34,516	31,874	1,112,549	1,616,436	23,422,157	24,866,224
Interest Expense	11,525,726	14,129,917	715,514	1,009,610	81	661	(18,089)	(24,758)	12,223,232	15,115,430
Net Interest Income	8,514,378	6,816,674	1,519,474	1,261,713	34,435	31,213	1,130,638	1,641,194	11,198,925	9,750,794
Fee and Commission Income	2,345,138	2,202,561	-	-		-	1,991	5,781	2,347,129	2,208,342
Fee & Commission expenses	48,087	48,722	41,826	32,572	6,742	6,637	354	-	97,009	87,931
Net Fee and Commission Income	2,297,051	2,153,839	(41,826)	(32,572)	(6,742)	(6,637)	1,637	5,781	2,250,120	2,120,411
Net Interest, Fee and Commission Income	10,811,429	8,970,513	1,477,648	1,229,141	27,693	24,576	1,132,275	1,646,975	13,449,045	11,871,205
Net Trading Income		-	740,106	189,111	1,601	151		-	741,707	189,262
Net Gain on Financial Investments		-	1,186,185	190,268	3,521	-		-	1,189,706	190,268
Net Exchange Income	129,486	131,398	389,656	248,383		-	16,108	96,234	535,250	476,015
Other Operating Income (Net)	230,041	256,113	37,886	(4,828)	183,131	48,540	(58,581)	(83,644)	392,477	216,181
Inter Segment Revenue	(91,196)	(72,044)	28,917	12,942		-	62,279	59,102		-
Total Operating Income	11,079,760	9,285,980	3,860,398	1,865,017	215,946	73,267	1,152,081	1,718,667	16,308,185	12,942,931
Depreciation & Amortisation Charge for the Year	234,154	181,699	987	1,189	1,157	634	265,117	392,352	501,415	575,874
Impairment Losses for the Year.	2,291,931	1,283,283	-	75,567		948	(157,206)	2,319	2,134,725	1,362,117
Operating Expenses & VAT	6,834,913	5,520,664	614,332	382,153	101,017	29,229	1,286,394	1,576,403	8,836,656	7,508,449
Reportable Segment Profit Before Income Tax	1,718,762	2,300,334	3,245,079	1,406,108	113,772	42,456	(242,224)	(252,407)	4,835,389	3,496,491
Income Tax Expense									1,582,819	1,144,446
Profit for the Year									3,252,570	2,352,045
Profit Attributable To:										
Equity Holders of the Bank									3,178,776	2,326,148
Non-Controlling Interests									73,794	25,897
Profit for the Year						(222.)			3,252,570	2,352,045
Other Comprehensive Income, Net of Income Tax	(65,156)	5,240	9,636	766,656	(1,125)	(602)	27,044	808,772	(29,601)	1,580,066
OTHER INFORMATION	4 40 070 057	100 000 710	00 400 000	00.074.070	4 000 070	4 004 407	05 000 000	00 475 407	050 050 070	004.050.505
Reportable Segment Assets	148,672,357	132,926,712	80,188,823	63,274,979	4,869,873	4,981,407	25,222,320	23,475,407	258,953,373	224,658,505
Segment Accumulated Amortisation	(705,491)	(646,691)	(55,683)	(54,695)	(3,183)	(2,026)	(6,631,184)	(6,445,645)	(7,395,541)	(7,149,057)
Total Assets	147,966,866	132,280,021	80,133,140	63,220,284	4,866,690	4,979,381	18,591,136	17,029,762	251,557,832	217,509,448
Reportable Segment Liabilities & Equity	194,473,134	176,010,344	24,087,220	11,959,088	4,866,690	4,979,381	28,130,788	24,560,635	251,557,832	217,509,448
Total Liabilities & Equity	194,473,134	176,010,344	24,087,220	11,959,088	4,866,690	4,979,381	28,130,788	24,560,635	251,557,832	217,509,448
Cash Flows from Operating Activities	(515,332)	11,291,052	3,246,066	1,407,297	90,782	52,435	(94,930)	137,482	2,726,586	12,888,266
Cash Flows from Investing Activities	155,461	104,915	1,046,020	(11,818,192)	(41,790)	(24,720)	(591,094)	(675,462)	568,597	(12,413,459)
Cash Flows from Financing Activities	-	-	12,284,555	8,822,689	(44,389)	(36,991)	(997,923)	(342,519)	11,242,243	8,443,179
Capital Expenditure	(510,419)	(407,006)	(1,991)	(881)	(48,656)	(15,062)	(142,338)	(249,153)	(703,404)	(672,102)

	STATEMENT OF CHANGES IN E	QUITY -	BANK							Rs. '000
		Stated	Capital	Statutory	Retained		Res	erves		
	For the year ended 31st December	Ordinary	Ordinary	Reserve	Earnings	Special Risk	Revaluation	Available for	Other	Total
		Shares	Shares	Fund		Reserve	Reserve	Sale Reserves	Reserves	
		Voting	Non-Voting	*		**				
		_	_							
1	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 for the Year	-	-	-	2,315,539	-	-	-	-	2,315,539
	Other Comprehensive Income (net of tax)	-	-	-	5,240	-	141,434	766,656	-	913,330
2	Total Comprehensive Income for the Year	-	-	-	2,320,779	-	141,434	766,656	-	3,228,869
	Transactions With Equity Holders, Recognised Directly In Equ	uity								
	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
3	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
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 Year									
	Profit for the Year	-	-	-	3,078,602	-	-	-	-	3,078,602
	Other Comprehensive Income (net of tax)	-	-	-	(65,156)	-	-	9,636	-	(55,520)
2	Total Comprehensive Income for the Year				3,013,446			9,636		3,023,082
-	Transactions With Equity Holders, Recognised Directly In Eq	uity			-,0,110			0,000		1,120,002
	Dividends to Equity Holders	-	-		(776,161)	-	-		-	(776,161)
	Transfers from/to Retained Profits	-	-	153,930	(363,122)	-		-	209,192	
					()					
3	Total Transactions with Equity Holders	-	-	153,930	(1,139,283)	-	-		209,192	(776,161)
	Balance as at 31.12.2014 (1 + 2 + 3)	6.962.722	3.567.002	995.894	9.083.743		651,483	651.222	2.096.473	24.008.539

EXPLANATORY NOTES

General There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & 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 (68.28%).

2 Information on Ordinary Shares

Rs. '000

Rs. '000

1.

MARKET PRICE (Rs.)	Ļ	31/1	2/2014	31/1	2/2013
		Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share		95.00	57.50	64.20	31.00
Highest Price per share d		102.00	63.00	68.90	34.60
Lowest Price per share d	uring the quarter ended	87.00	51.70	57.10	29.50
. Shareholders' Informati 1 Twenty Largest Ordin Sri Lanka Insurance C	ary Voting Shareholders as at December	31, 2014		No. of Shares	
[includes Sri Lanka In	surance Corporation LtdGeneral Fund – 1 ce Corporation Ltd. (Life Fund) –8,798,869			26,396,608	15.
. Brown & Company Pl		1		24,416,750	13.
Employees' Provident	Fund			17,525,425	9.
LOLC Investments Ltd	1.			16,808,502	9.
Bank of Ceylon No.1 / Waldock Mackenzie L	Account			13,198,305	7.
	imited/Mr. D S K Amarasekera ontier Market Opportunities Master Fund, L	P		11,689,430 5,029,000	6. 2.
Employees Trust Fund				5,000,001	2.
	ontier Market Select Fund II L.P.			4,341,650	2.
 Seyfest (Private) Limi 	ted			3,017,940	1.
	eylon PLC /Capital Trust Holdings Limited			2,535,131	1.
 Sesot (Private) Limite 				2,279,042	1.
 Seybest (Private) Lim Seyshop (Private) Lin 				2,165,435	1.
 Seyshop (Private) Lin Esots (Private) Limite 				2,165,435 2,148,132	1. 1.
	SSBT-Russell Institutional Funds Public Li	nited Company		2,131,000	1.
	Lanka Century Investments PLC Sampath Bank PLC / Dr. T Senthilverl Seylan Bank PLC / W D N H Perera			2,077,330	1
 Sampath Bank PLC / I 				1,611,137	0.
				1,589,781	0.
). AIA Insurance Lanka	PLC A/C No. 07			1,500,000	0.
	ary Non-Voting Shareholders as at Decem	ber 31, 2014		71 000 505	42.
Lanka Orix Leasing Co Employees' Provident				71,688,535 14,795,106	42.
Pershing LLC S/A Ave				3,904,011	2.
	Ceylon PLC/Dunamis Capital PLC			3,818,755	2.
	riyam & Mr. E Thavagnanasundaram			2,649,968	1.
Seylan Bank PLC/ARC				2,299,578	1.
	Ceylon PLC/ARC Capital (Pvt) Ltd.			2,203,000 2,139,298	1.
Trading Partners (Pvt) Merrill J Fernando &	Cons (Put) Limited			1,877,057	1.
). Employees' Trust Fun				1,822,971	1.
I. Mr. N Balasingam				1,762,693	1.
2. Mr. H A Van Starrex				1,405,116	0.
 Deutsche Bank AG – I 				1,253,265	0.
	Trustee for Namal Acuity Value Fund			1,150,000	0.
 Deutsche Bank AG as 	Trustee for JB Vantage Value Equity Fund nance PLC/L P Hapangama			1,080,707	0.
 Peoples Leasing & Fir Mr. E Thavagnanasoo 				923,142 853,598	0. 0.
	poration PLC /Mrs. M Mathews			826,857	0.
 Miss S Durga 				770,808	0.
). Dr. S Yaddehige				744,123	0.
3 Public Holdings as at				Number of Share Holders	Percentage Holding
Ordinary Voting Share Ordinary Non-Voting				9,373 7,469	54.31 57.46
	lanager/Chief Executive Officer's Sharehol	dings as at December 31, 2)14		
Name of Director				No. of Shares (Ordinary Voting)	No. of Shar Ordinary Non-votit
Mr. Nihal Jayamanne PC				5,583	
				NII	
Mr. Ishara C Nanayakkar					
Rear Admiral B A J G Pe	ris			Nii	
Rear Admiral B A J G Pe Mr. S P Samantha Ranat	ris			Nil	
Rear Admiral B A J G Pe	ris			Nil Nil Nil	
Rear Admiral B A J G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz	ris			Nil Nil Nil	
Rear Admiral B A J G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi	ris			Nil Nil Nil Nil	
Rear Admiral B A J G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa	ris Inga			Nil Nil Nil	
Rear Admiral B A J G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi	ris Inga			Nil Nil Nil Nil	35,9
Rear Admiral B A J G Pe Mr, S P Samantha Ranat Mr, W D K Jayawardena Mr, P L S K Perera Ms. M C Pietersz Mr, H I Balapatabendi Mr, H K U Dharmadasa General Manager/Chief Mr, K P Ariyaratne	ris unga Executive Officer			Nil Nil Nil Nil	35,9 123,0
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Dect	ris unga Executive Officer Imber 31, 2014			Nil Nil Nil Nil	35,9 123,0 Rs. '00
Rear Admiral B Å J G Pe Mr. S P Samantha Ranat Mr. S L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decr 33,560,000 Voting Ordin	ris unga Executive Officer Imber 31, 2014 ary Shares @ Rs. 10/- each			Nil Nil Nil Nil	35,9 123,0 Rs. '00 335,6
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D I Å Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decc 33,560,000 Voting Ordin	ris unga Executive Officer Imber 31, 2014			Nil Nil Nil Nil	35,9 123,0 Rs. '00 335,6 100,0
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decc 33,560,000 Voting Ordin 4,000,000 Voting Ordin 92,440,000 Voting Ordin	ris Executive Officer ember 31, 2014 ary Shares @ Rs. 10/- each ry Shares @ Rs. 25/- each ary Shares @ Rs. 35/- each			Nil Nil Nil Nil	35,9 123,0 Rs. '00 335,6 100,0 3,235,4 156,0
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decr 33 ,560,000 Voting Ordina 92,440,000 Voting Ordina 92,440,008 Voting Ordina 2,644,068 Voting Ordina	ris unga Executive Officer Amber 31, 2014 ary Shares @ Rs. 10/- each ry Shares @ Rs. 25/- each ary Shares @ Rs. 35/- each ry Shares @ Rs. 35/- each			Nil Nil Nil Nil	35,9 123,0 Rs. '00 0 335,6 1000,0 3,235,4 156,0 3,225,0
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Banat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decr 33,560,000 Voting Ordin 92,440,000 Voting Ordin 2,644,068 Voting Ordin 43,333,333 Voting Ordin	ris unga Executive Officer ember 31, 2014 ary Shares @ Rs. 10/- each ry Shares @ Rs. 25/- each ary Shares @ Rs. 35/- each ary Shares @ Rs. 75/- each ary Shares @ Rs. 75/- each			Nil Nil Nil Nil	35,9 123,0 Rs. '00 335,6 100,0 3,250,0 3,250,0 3,250,0 1,044,5
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decr 33 ,560,000 Voting Ordin 92,440,000 Voting Ordin 43,333,333 Voting Ordin 43,333,333 Voting Ordin 43,000,000 No Voting Ordin	ris unga Executive Officer ember 31, 2014 ary Shares @ Rs. 10/- each ry Shares @ Rs. 25/- each ary Shares @ Rs. 25/- each ry Shares @ Rs. 75/- each ry Shares @ Rs. 75/- each ry Shares @ Rs. 12/50 each ry dinary Shares @ Rs. 12/50 each			Nil Nil Nil Nil	35,9 123,0 Rs. '000 3,255,4 156,0 3,250,0 1,044,5 1,000,0
Rear Admiral B Å Ĵ G Pe Mr. S P Samantha Ranat Mr. W D K Jayawardena Mr. P L S K Perera Ms. M C Pietersz Mr. H I Balapatabendi Mr. H K U Dharmadasa General Manager/Chief Mr. K P Ariyaratne Stated Capital as at Decr 33 ,560,000 Voting Ordin 92,440,000 Voting Ordin 43,333,333 Voting Ordin 43,333,333 Voting Ordin 43,000,000 No Voting Ordin	ris unga Executive Officer ember 31, 2014 ary Shares @ Rs. 10/- each ry Shares @ Rs. 25/- each ary Shares @ Rs. 35/- each ary Shares @ Rs. 75/- each ary Shares @ Rs. 75/- each			Nil Nil Nil Nil	35,9 123,0 Rs. '00 335,6 100,0 3,250,0 3,250,0 3,250,0 1,044,5

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 year ended December 31, 2014. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares.

7. Post Balance Sheet Events

Prost balance sheet cvents **J** Proposed Final Dividends The Board of Directors of the Bank recommended that a final dividend of Rs. 2.50 per share on both voting and nonvoting shares of the Bank, be paid by way of cash dividend for the financial year ended December 31, 2014. Further this dividend is to be approved at the Annual General Meeting to be held on March 31, 2015. This proposed final dividend has not been recognized as a liability as at December 31, 2014. Under the Inland Revenue Act No 10 of 2006, a withholding tax of 10% has been imposed on dividends declared.

2) Super Gain Tax

) super coain tax In the interim budget proposal presented by the Minister of Finance on 29 January 2015, an additional one off tax of 25% was proposed to be charged on entities who earned a profit in excess of Rs.2,000 Mn. for the year of assessment 2013/2014. Though the Company made a profit in excess of such amount for such year, in the absence of a measurement criteria being enacted or substantially enacted at the time of issue of these financial statements, no provision has been made for such an amount in these financial statements.

3) Mr. H I Balapatabendi, Non-Executive Director resigned from the Board w.e.f. 22nd January 2015.

Mr. H K U Dharmadasa, Non-Executive Director resigned from the Board w.e.f. 22nd January 2015.
 Mr K P Ariyaratne, GM/CEO of the Bank has been appointed as the Director/Chief Executive Officer of the Bank with effect from 16th February 2015.

8. Other Information

The Bank raised funds through a public issue of Listed Rated Senior Unsecured Redeemable Debentures with a par value of Rs. 100/- each, aggregating to a total value of Rs. 5,134,870,000/- and the said Debentures were allotted on 23rd December 2014.

Litigation - Gratuity The Bank had issued a circular dated 5th October 2004 to pay a quantum of Gratuity beyond the requirement of law (one month salary for each year of service who had completed 10 years of service) and subsequently in 2009 reverted to the statutory requirement of payment of half month salary for each year of service. Thereafter an application was made to the Labour Commissioner by 15 retired employees of the Bank seeking an order for reinstatement of the circular dated 5th October 2004. The Labour Commissioner made an order granting their request and the Bank filed a writ application in the Court of Appeal seeking to quash the order of the Labour Commissioner.

The order was delivered by the Court of Appeal on 21st January 2015 dismissing the Bank's Writ Application and accepting the decision of the Labour Commissioner. The Board of Directors has resolved to appeal against this order by way of Special Leave to Appeal to the Supreme Cour

9. Comparative Information

Balance as at 31st December

13. Customer Deposits - By Product

Total Impairment

By product - Domestic Currency Demand Deposits

Savings Deposits

Certificate of Deposits

Fixed Deposits

By product - Foreign Currency Demand Deposits

Savings Deposits

Fixed Deposits

Total

Total

Total Customer Deposits

Rs. '000

Comparative information has been re-classified where necessary, to confirm 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.

ADDI

4,615,049

7,614,827

4,675,710

7,012,282

STATEMENT OF CHANGES IN EQUITY - GROUP

		Stated	l Capital	Statutory	Retained		Res	erves				
Fo	the year ended 31st December	Ordinary	Ordinary	Reserve		Special Risk I	Revaluation	Available for	Other	Total	Non	Total
		Shares	Shares	Fund		Reserve	Reserve	Sale Reserves	Reserves		Controlling	Equity
		Voting	Non-Voting	*		**					Interest	
1	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 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
2	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 Eq	uity										
	Cash/Scrip Dividends	156,000	148,272	-	(676,160)	-	-	-	-	(371,888)	(17,819)	(389,707)
	Transfers from/to Retained Profits	-	-	115,777	(573,267)	(112,922)	-	-	623,233	52,821	19	52,840
	Changes in Ownership Interests in Subsidiaries											
	Acquisition of Non-Controlling Interest without change in cont	rol -	-	-	6,272	-	-	-		6,272	(13,642)	(7,370)
3	Total Transactions with Equity Holders	156,000	148,272	115,777	(1,243,155)	(112,922)	-	-	623,233	(312,795)	(31,442)	(344,237)
	Balance as at 31.12.2013 (1 + 2 + 3)	6,962,722	3,567,002	841,964	7,149,507	-	1,356,228	641,586	2,142,494	22,661,503	1,537,626	24,199,129
		-	-	-	-	-	-	-	-	-	-	-
1	Balance as at 01.01.2014	6,962,722	3,567,002	841,964	7,149,507	-	1,356,228	641,586	2,142,494	22,661,503	1,537,626	24,199,129
	Total Comprehensive Income for the Year											
	Profit for the Year	-	-	-	3,178,776		-	-	-	3,178,776	73,794	3,252,570
	Other Comprehensive Income (net of tax)	-	-	-	(65,136)	-	17,362	8,894	-	(38,880)	9,279	(29,601)
2	Total Comprehensive Income for the Year	-		-	3,113,640	-	17,362	8,894	-	3,139,896	83,073	3,222,969
	Transactions With Equity Holders, Recognised Directly In Eq	luity										
	Dividends	-	-	-	(776,161)	-	-	-	-	(776,161)	(20,857)	(797,018)
	Transfers from/to Retained Profits	-	-	153,930	(363,122)	-	-	-	209,192	-	-	-
	Changes in Ownership Interests in Subsidiaries				100.057					100.0		005 15-
	Acquisition of Non-Controlling Interest without change in cont	irol -	-	-	169,966	-	-	-	-	169,966	(475,455)	(305,489)
3	Total Transactions with Equity Holders		-	153,930	(969,317)	-	-	-	209,192	(606,195)	(496,312)	(1,102,507)
-	Balance as at 31.12.2014 (1 + 2 + 3)	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	26,319,591

All known expenditure items have been provided for in these Interim Accounts.				
ADDITIONAL DISCLOSURES				Rs. '000
	B	ANK	G	ROUP
12. Customer Loans and Receivables	As at	As at	As at	As at
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Gross Loans and Receivables (Refer 12.1)	161,974,994	144,167,684	161,974,994	144,167,684
Less: Individual Impairment	(2,336,572)	(2,999,778)	(2,336,572)	(2,999,778)
Collective Impairment	(4,675,710)	(4,615,049)	(4,675,710)	(4,615,049)
Net Loans and Receivables	154,962,712	136,552,857	154,962,712	136,552,857
12.1 Customer Loans and Receivables - By product By product - Domestic Currency Export Bills Local Bills Lease Rentals Receivable Overdrafts Trust Receipt Loans/Revolving Import Loans (RIL) Staff Loans Housing Loans	101,381 100,860 122,315 10,647,360 46,884,578 8,988,594 4,306,641 9,173,760	18.638 127.889 169.123 8.690.012 38.964.190 9.812.635 3.882.440 8.682.549	101,381 100,860 122,315 10,647,360 46,884,578 8,988,594 4,306,641 9,173,760	18,638 127,889 169,123 8,690,012 38,964,190 9,812,635 3,882,440 8,682,549
Pawning Receivables	8,514,872	14,370,126	8,514,872	14,370,126
Refinance Loans	671,716	584,504	671,716	584,504
Credit Cards	3,135,717	2,551,355	3,135,717	2,551,355
Other Loans	56,910,626	47,800,886	56,910,626	47,800,886
Total	149,558,420	135,654,347	149,558,420	135,654,347
By product - Foreign Currency				
Export Bills	977,966	702.052	977,966	702.052
Import Bills	128,727	66,702	128,727	66,702
Local Bills	56,556	71,785	56,556	71,785
Overdrafts	1,148,478	481,513	1,148,478	481,513
Trust Receipt Loans/Revolving Import Loans (RIL)	107,697	406,991	107,697	406,991
Other Loans	9,997,150	6,784,294	9,997,150	6,784,294
Total	12,416,574	8,513,337	12,416,574	8,513,337
Gross Loans and Receivables	161,974,994	144,167,684	161,974,994	144,167,684
12.2 Movements in Individual and Collective Impairment during	B	ANK	G	ROUP
the period for Customer Loans & Receivables	2014	2013	2014	2013
Individual impairment				
Balance as at 01st January	2,999,778	3,537,698	2,999,778	3,537,698
Net Impairment During the Year	2,021,892	1,305,790	2,021,892	1,305,790
Reversal for Write-Off	(2,091,217)	(1,276,124)	(2,091,217)	(1,276,124)
Interest Accrued on Impaired Loans and Receivables	(593,881)	(567,586)	(593,881)	(567,586)
Balance as at 31st December	2,336,572	2,999,778	2,336,572	2,999,778
Collective impairment				
Balance as at 01st January	4,615,049	4,707,621	4,615,049	4,707,621
Net Impairment During the Year	60,661	(92,572)	60,661	(92,572)

BANK GROUP As at As at As at As at 31.12.2014 31.12.2014 31.12.2013 31.12.2013 14,220,049 10,727,342 14,220,049 10,727,342 51,012,395 38,991,037 51,012,395 38,991,037 99,858,932 101,092,034 99,858,932 101,092,034 5.931.267 6.074.541 5.931.267 6.074.541 172,255,745 155,651,852 172,255,745 155,651,852 949,422 745.172 949,422 745,172 5,413,393 4,587,352 5,413,393 4,587,352 6 387 008 6.387.008 13,668,377 11,719,532 13,668,377 11,719,532 167,371,384 185,924,122 167,371,384 185,924,122

4,615,049

7,614,827

4,675,710

7,012,282

* 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)

** 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.