



Seylan Bank PLC

Interim Financial Statements

For the 09 Months Ended 30th September 2015

Seylan Bank PLC

Income Statement

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

| | Bank | | | Bank | | |
|---|---|-------------------|----------------|---|------------------|-----------------|
| | For the Nine Months Ended 30th September | | | For the Quarter Ended 30th September | | |
| | 2015 | 2014 | Growth % | 2015 | 2014 | Growth % |
| Interest Income | 17,687,553 | 17,630,010 | 0.33 | 6,098,187 | 5,929,831 | 2.84 |
| Less: Interest Expenses | 8,837,208 | 9,412,398 | (6.11) | 3,083,121 | 2,874,862 | 7.24 |
| Net Interest Income | 8,850,345 | 8,217,612 | 7.70 | 3,015,066 | 3,054,969 | (1.31) |
| Fee and Commission Income | 1,949,271 | 1,710,223 | 13.98 | 702,627 | 617,202 | 13.84 |
| Less: Fee and Commission Expenses | 80,650 | 62,399 | 29.25 | 25,435 | 25,055 | 1.52 |
| Net Fee and Commission Income | 1,868,621 | 1,647,824 | 13.40 | 677,192 | 592,147 | 14.36 |
| Net Trading Income | 47,279 | 812,081 | (94.18) | (203,950) | 605,067 | (133.71) |
| Net gain from Financial Investments | 158,727 | 932,984 | (82.99) | 66,226 | 639,590 | (89.65) |
| Net Exchange Income | 675,810 | 362,234 | 86.57 | 267,004 | 125,204 | 113.26 |
| Other Operating Income (Net) | 348,672 | 164,035 | 112.56 | 66,213 | 55,222 | 19.90 |
| | 1,230,488 | 2,271,334 | (45.83) | 195,493 | 1,425,083 | (86.28) |
| Total Operating Income | 11,949,454 | 12,136,770 | (1.54) | 3,887,751 | 5,072,199 | (23.35) |
| Less : Impairment for Loans and Other Losses - Charges / (Reversal) | | | | | | |
| Individual Impairment | 546,278 | 1,207,893 | (54.77) | 173,533 | 658,384 | (73.64) |
| Collective Impairment | (37,639) | 272,036 | (113.84) | (221,609) | 303,083 | (173.12) |
| Others | 8,479 | 177,407 | (95.22) | 7,005 | 20,605 | (66.00) |
| | 517,118 | 1,657,336 | (68.80) | (41,071) | 982,072 | (104.18) |
| Net Operating Income | 11,432,336 | 10,479,434 | 9.09 | 3,928,822 | 4,090,127 | (3.94) |
| Personnel Expenses | 3,181,119 | 2,893,339 | 9.95 | 1,069,493 | 903,618 | 18.36 |
| Depreciation and Amortisation | 353,185 | 346,461 | 1.94 | 121,196 | 108,972 | 11.22 |
| Other Expenses | 2,981,278 | 2,825,439 | 5.52 | 959,606 | 997,324 | (3.78) |
| | 6,515,582 | 6,065,239 | 7.42 | 2,150,295 | 2,009,914 | 6.98 |
| Operating Profit before Taxes | 4,916,754 | 4,414,195 | 11.39 | 1,778,527 | 2,080,213 | (14.50) |
| Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 854,293 | 924,530 | (7.60) | 294,932 | 453,882 | (35.02) |
| Profit before Income Tax | 4,062,461 | 3,489,665 | 16.41 | 1,483,595 | 1,626,331 | (8.78) |
| Income Tax Expense | 1,332,821 | 1,236,440 | 7.80 | 494,262 | 585,607 | (15.60) |
| Profit for the Period | 2,729,640 | 2,253,225 | 21.14 | 989,333 | 1,040,724 | (4.94) |
| Basic / Diluted Earnings per Ordinary Share (in Rupees) | 7.91 | 6.53 | 21.14 | 2.87 | 3.02 | (4.94) |

Seylan Bank PLC**Statement of Profit or Loss and Other Comprehensive Income***(In terms of Rule 7.4 of the Colombo Stock Exchange)**(Amounts in Rupees Thousands)*

| | Bank | | | Bank | | |
|---|---|------------------|---------------------|---|------------------|---------------------|
| | <i>For the Nine Months Ended 30th September</i> | | | <i>For the Quarter Ended 30th September</i> | | |
| | 2015 | 2014 | Growth % | 2015 | 2014 | Growth % |
| Profit for the Period | 2,729,640 | 2,253,225 | 21.14 | 989,333 | 1,040,724 | (4.94) |
| Other Comprehensive Income, Net of Tax | | | | | | |
| Net Gains/(Losses) on re-measuring Available-for-Sale Financial Assets | (931,947) | 400,694 | (332.58) | (701,651) | 212,462 | (430.25) |
| Other Comprehensive Income for the Period, Net of Taxes | (931,947) | 400,694 | (332.58) | (701,651) | 212,462 | (430.25) |
| Total Comprehensive Income for the Period | 1,797,693 | 2,653,919 | (32.26) | 287,682 | 1,253,186 | (77.04) |

Seylan Bank PLC
Income Statement

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

| | Group | | | Group | | |
|---|---|-------------------|----------------|---|------------------|-----------------|
| | For the Nine Months Ended 30th September | | | For the Quarter Ended 30th September | | |
| | 2015 | 2014 | Growth % | 2015 | 2014 | Growth % |
| Interest Income | 17,698,727 | 17,638,718 | 0.34 | 6,103,037 | 5,932,204 | 2.88 |
| Less: Interest Expenses | 8,824,405 | 9,396,311 | (6.09) | 3,079,219 | 2,869,541 | 7.31 |
| Net Interest Income | 8,874,322 | 8,242,407 | 7.67 | 3,023,818 | 3,062,663 | (1.27) |
| Fee and Commission Income | 1,949,111 | 1,710,223 | 13.97 | 702,486 | 617,202 | 13.82 |
| Less: Fee and Commission Expenses | 83,617 | 65,755 | 27.16 | 26,362 | 26,192 | 0.65 |
| Net Fee and Commission Income | 1,865,494 | 1,644,468 | 13.44 | 676,124 | 591,010 | 14.40 |
| Net Trading Income | 46,079 | 813,482 | (94.34) | (203,950) | 606,069 | (133.65) |
| Net gain from Financial Investments | 158,727 | 932,984 | (82.99) | 66,226 | 639,590 | (89.65) |
| Net Exchange Income | 675,810 | 362,234 | 86.57 | 267,004 | 125,204 | 113.26 |
| Other Operating Income (Net) | 356,073 | 193,230 | 84.27 | 79,518 | 74,150 | 7.24 |
| | 1,236,689 | 2,301,930 | (46.28) | 208,798 | 1,445,013 | (85.55) |
| Total Operating Income | 11,976,505 | 12,188,805 | (1.74) | 3,908,740 | 5,098,686 | (23.34) |
| Less : Impairment for Loans and Other Losses - Charges / (Reversal) | | | | | | |
| Individual Impairment | 546,278 | 1,207,893 | (54.77) | 173,533 | 658,384 | (73.64) |
| Collective Impairment | (37,639) | 272,036 | (113.84) | (221,609) | 303,083 | (173.12) |
| Others | 8,479 | 177,407 | (95.22) | 7,005 | 20,605 | (66.00) |
| | 517,118 | 1,657,336 | (68.80) | (41,071) | 982,072 | (104.18) |
| Net Operating Income | 11,459,387 | 10,531,469 | 8.81 | 3,949,811 | 4,116,614 | (4.05) |
| Personnel Expenses | 3,204,500 | 2,914,720 | 9.94 | 1,077,183 | 910,651 | 18.29 |
| Depreciation and Amortisation | 386,395 | 365,739 | 5.65 | 132,216 | 115,418 | 14.55 |
| Other Expenses | 2,930,068 | 2,783,982 | 5.25 | 937,834 | 988,541 | (5.13) |
| | 6,520,963 | 6,064,441 | 7.53 | 2,147,233 | 2,014,610 | 6.58 |
| Operating Profit before Taxes | 4,938,424 | 4,467,028 | 10.55 | 1,802,578 | 2,102,004 | (14.24) |
| Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services | 854,293 | 924,530 | (7.60) | 294,932 | 453,882 | (35.02) |
| Profit before Income Tax | 4,084,131 | 3,542,498 | 15.29 | 1,507,646 | 1,648,122 | (8.52) |
| Income Tax Expense | 1,352,966 | 1,258,679 | 7.49 | 501,400 | 592,334 | (15.35) |
| Profit for the Period | 2,731,165 | 2,283,819 | 19.59 | 1,006,246 | 1,055,788 | (4.69) |
| Attributable to : | | | | | | |
| Owners of the Parent | 2,716,524 | 2,260,115 | 20.19 | 1,001,157 | 1,049,498 | (4.61) |
| Non-Controlling Interest | 14,641 | 23,704 | (38.23) | 5,089 | 6,290 | (19.09) |
| Profit for the Period | 2,731,165 | 2,283,819 | 19.59 | 1,006,246 | 1,055,788 | (4.69) |
| Basic / Diluted Earnings per Ordinary Share (in Rupees) | 7.87 | 6.55 | 20.19 | 2.90 | 3.04 | (4.61) |

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

| | Group | | | Group | | |
|---|---|------------------|-----------------|---|------------------|-----------------|
| | For the Nine Months Ended 30th September | | | For the Quarter Ended 30th September | | |
| | 2015 | 2014 | Growth % | 2015 | 2014 | Growth % |
| Profit for the Period | 2,731,165 | 2,283,819 | 19.59 | 1,006,246 | 1,055,788 | (4.69) |
| Other Comprehensive Income, Net of Tax | | | | | | |
| Net Gains/(Losses) on re-measuring Available-for-Sale Financial Assets | (930,727) | 400,694 | (332.28) | (699,619) | 212,462 | (429.29) |
| Other Comprehensive Income for the Period, Net of Taxes | (930,727) | 400,694 | (332.28) | (699,619) | 212,462 | (429.29) |
| Total Comprehensive Income for the Period | 1,800,438 | 2,684,513 | (32.93) | 306,627 | 1,268,250 | (75.82) |
| Attributable to : | | | | | | |
| Owners of the Parent | 1,785,442 | 2,660,809 | (32.90) | 300,927 | 1,261,960 | (76.15) |
| Non-Controlling Interest | 14,996 | 23,704 | (36.74) | 5,700 | 6,290 | (9.38) |
| Total Comprehensive Income for the Period | 1,800,438 | 2,684,513 | (32.93) | 306,627 | 1,268,250 | (75.82) |

Seylan Bank PLC

Statement of Financial Position

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

| | Bank | | | Group | | |
|---|---------------------|---------------------|--------------|---------------------|---------------------|---------------|
| | As at 30.09.2015 | As at 31.12.2014 | Growth % | As at 30.09.2015 | As at 31.12.2014 | Growth % |
| Assets | | | | | | |
| Cash and Cash Equivalents | 7,354,002 | 6,672,963 | 10.21 | 7,354,052 | 6,673,003 | 10.21 |
| Balances with Central Bank of Sri Lanka | 8,339,055 | 7,432,206 | 12.20 | 8,339,055 | 7,432,206 | 12.20 |
| Placements with Banks and Finance Companies | 366,022 | 2,334,304 | (84.32) | 366,022 | 2,334,304 | (84.32) |
| Derivative Financial Instruments | 193,332 | 191,411 | 1.00 | 193,332 | 191,411 | 1.00 |
| Other Financial Assets Held-for-Trading | 7,823,800 | 2,525,225 | 209.83 | 7,831,800 | 2,534,425 | 209.02 |
| Securities Purchased under Resale Agreements | 5,482,621 | 17,762,914 | (69.13) | 5,482,621 | 17,762,914 | (69.13) |
| Customer Loans and Receivables | 172,027,873 | 154,962,712 | 11.01 | 172,027,873 | 154,962,712 | 11.01 |
| Financial Investments - Available-for-Sale | 46,415,544 | 23,780,589 | 95.18 | 46,454,224 | 23,838,151 | 94.87 |
| Financial Investments - Held-to-Maturity | 17,766,866 | 22,438,807 | (20.82) | 17,845,733 | 22,520,079 | (20.76) |
| Investment in Subsidiary | 1,144,183 | 1,106,113 | 3.44 | - | - | - |
| Group Balances Receivable | 39,244 | 30,000 | 30.81 | - | - | - |
| Property, Plant & Equipment | 2,933,260 | 2,967,600 | (1.16) | 4,527,297 | 4,575,985 | (1.06) |
| Leasehold Rights | 44,823 | 46,262 | (3.11) | 602,417 | 609,413 | (1.15) |
| Investment Properties | - | 114,429 | (100.00) | 1,062,194 | 1,183,224 | (10.23) |
| Intangible Assets | 248,627 | 279,820 | (11.15) | 248,627 | 279,820 | (11.15) |
| Deferred Tax Assets | 144,371 | 18,030 | 700.73 | 71,750 | - | - |
| Other Assets | 6,926,077 | 6,647,174 | 4.20 | 7,009,845 | 6,660,185 | 5.25 |
| Total Assets | 277,249,700 | 249,310,559 | 11.21 | 279,416,842 | 251,557,832 | 11.07 |
| Liabilities | | | | | | |
| Due to Banks | 16,627,981 | 11,615,467 | 43.15 | 16,627,981 | 11,615,467 | 43.15 |
| Derivative Financial Instruments | 37,348 | 210,536 | (82.26) | 37,348 | 210,536 | (82.26) |
| Customer Deposits | 199,524,008 | 185,924,122 | 7.31 | 199,524,008 | 185,924,122 | 7.31 |
| Securities Sold under Repurchase Agreements | 19,983,690 | 12,419,887 | 60.90 | 19,983,690 | 12,419,887 | 60.90 |
| Other Borrowings | 15,882 | 14,628 | 8.57 | 15,882 | 14,628 | 8.57 |
| Group Balances Payable | 170,598 | 193,295 | (11.74) | - | - | - |
| Debentures | 7,783,676 | 7,655,705 | 1.67 | 7,783,676 | 7,655,705 | 1.67 |
| Current Tax Liabilities | 888,929 | 1,323,805 | (32.85) | 890,354 | 1,323,290 | (32.72) |
| Deferred Tax Liabilities | - | - | - | - | 36,507 | (100.00) |
| Other Liabilities | 7,273,757 | 5,944,575 | 22.36 | 7,357,710 | 6,038,099 | 21.85 |
| Total Liabilities | 252,305,869 | 225,302,020 | 11.99 | 252,220,649 | 225,238,241 | 11.98 |
| Equity | | | | | | |
| Stated Capital | 10,529,724 | 10,529,724 | - | 10,529,724 | 10,529,724 | - |
| Statutory Reserve Fund | 995,894 | 995,894 | - | 995,894 | 995,894 | - |
| Retained Earnings | 11,015,083 | 9,083,743 | 21.26 | 11,227,953 | 9,293,830 | 20.81 |
| Other Reserves | 2,403,130 | 3,399,178 | (29.30) | 3,380,573 | 4,375,756 | (22.74) |
| Total Shareholders' Equity | 24,943,831 | 24,008,539 | 3.90 | 26,134,144 | 25,195,204 | 3.73 |
| Non - Controlling Interest | - | - | - | 1,062,049 | 1,124,387 | (5.54) |
| Total Equity | 24,943,831 | 24,008,539 | 3.90 | 27,196,193 | 26,319,591 | 3.33 |
| Total Equity & Liabilities | 277,249,700 | 249,310,559 | 11.21 | 279,416,842 | 251,557,832 | 11.07 |
| Contingent Liabilities and Commitments | 52,261,425 | 45,098,070 | 15.88 | 52,328,425 | 45,165,070 | 15.86 |
| Memorandum Information | | | | | | |
| Number of Employees | 3,012 | 2,947 | 2.21 | 3,042 | 2,977 | 2.18 |
| Number of Banking Centres | 159 | 157 | 1.27 | 159 | 157 | 1.27 |
| Net Assets Value per Ordinary Share (Rs.) | 72.31 | 69.60 | 3.90 | 75.76 | 73.04 | 3.73 |

Certification;

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

- 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.
- The information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

Ramesh Jayasekara
Chief Financial Officer

(Sgd.)

Nihal Jayamanne PC
Chairman
October 23, 2015
Colombo

(Sgd.)

Kapila Ariyaratne
Director/Chief Executive Officer

Seylan Bank PLC

STATEMENT OF CHANGES IN EQUITY

For the Nine months ended 30th September - Bank

| | | | | | | | | Rs. ' 000 | |
|----------|---|------------------------------|--------------------------|-------------------|---------------------|----------------------------|------------------|------------------|-------------------|
| | Stated Capital | | Statutory Reserve Fund * | Retained Earnings | Reserves | | | Total | |
| | Ordinary Shares - Voting | Ordinary Shares - Non Voting | | | Revaluation Reserve | Available for Sale Reserve | Other Reserves | | |
| 1 | Balance as at 01.01.2014 | 6,962,722 | 3,567,002 | 841,964 | 7,209,580 | 651,483 | 641,586 | 1,887,281 | 21,761,618 |
| | Total Comprehensive Income for the period | | | | | | | | |
| | Profit for the Period | | | | 2,253,225 | | | | 2,253,225 |
| | Other Comprehensive Income (Net of Tax) | | | | - | | 400,694 | | 400,694 |
| 2 | Total Comprehensive Income for the period | - | - | - | 2,253,225 | - | 400,694 | - | 2,653,919 |
| | Transactions With Equity Holders , Recognised Directly In Equity | | | | | | | | |
| | Dividends to Equity Holders | - | - | | (776,161) | | | | (776,161) |
| | Transfers from / to Retained Profits | | | | (211,374) | | | 211,374 | - |
| 3 | Total Transactions with Equity Holders | - | - | - | (987,535) | - | - | 211,374 | (776,161) |
| | Balance as at 30.09.2014 (1 + 2 + 3) | 6,962,722 | 3,567,002 | 841,964 | 8,475,270 | 651,483 | 1,042,280 | 2,098,655 | 23,639,376 |
| 1 | Balance as at 01.01.2015 | 6,962,722 | 3,567,002 | 995,894 | 9,083,743 | 651,483 | 651,222 | 2,096,473 | 24,008,539 |
| | Total Comprehensive Income for the period | | | | | | | | |
| | Profit for the period | | | | 2,729,640 | | | | 2,729,640 |
| | Other Comprehensive Income (net of tax) | | | | | | (931,947) | | (931,947) |
| 2 | Total Comprehensive Income for the period | - | - | - | 2,729,640 | - | (931,947) | - | 1,797,693 |
| | Transactions With Equity Holders , Recognised Directly In Equity | | | | | | | | |
| | Dividends to Equity Holders | | | | (862,401) | | | | (862,401) |
| | Transfers from / to Retained Profits | | | | 64,101 | | | (64,101) | - |
| 3 | Total Transactions with Equity Holders | - | - | - | (798,300) | - | - | (64,101) | (862,401) |
| | Balance as at 30.09.2015 (1 + 2 + 3) | 6,962,722 | 3,567,002 | 995,894 | 11,015,083 | 651,483 | (280,725) | 2,032,372 | 24,943,831 |

* 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).

Seylan Bank PLC

STATEMENT OF CHANGES IN EQUITY

For the Nine months ended 30th September - Group

| Rs. ' 000 | | | | | | | | | | | |
|-----------|---|------------------------------|--------------------------|-------------------|---------------------|----------------------------|------------------|------------------|--------------------------|------------------|--------------------|
| | Stated Capital | | Statutory Reserve Fund * | Retained Earnings | Reserves | | | Total | Non Controlling Interest | Total Equity | |
| | Ordinary Shares - Voting | Ordinary Shares - Non Voting | | | Revaluation Reserve | Available for Sale Reserve | Other Reserves | | | | |
| 1 | Balance as at 01.01.2014 | 6,962,722 | 3,567,002 | 841,964 | 7,147,589 | 1,356,228 | 641,586 | 2,142,494 | 22,659,585 | 1,537,626 | 24,197,211 |
| | Total Comprehensive Income for the period | | | | | | | | | | |
| | Profit for the Period | - | - | - | 2,260,115 | - | - | - | 2,260,115 | 23,704 | 2,283,819 |
| | Other Comprehensive Income (Net of Tax) | - | - | - | - | - | 400,694 | - | 400,694 | - | 400,694 |
| 2 | Total Comprehensive Income for the period | - | - | - | 2,260,115 | - | 400,694 | - | 2,660,809 | 23,704 | 2,684,513 |
| | Transactions With Equity Holders , Recognised Directly In Equity | | | | | | | | | | |
| | Dividends | - | - | - | (776,161) | - | - | - | (776,161) | (20,857) | (797,018) |
| | Transfers from / to Retained Profits | - | - | - | (211,374) | - | - | 211,374 | - | - | - |
| | Changes in Ownership Interest without Change in Control | | | | | | | | | | |
| | Acquisition of Non-Controlling Interest without Change in Control | - | - | - | 129,809 | - | - | - | 129,809 | (347,796) | (217,987) |
| 3 | Total Transactions with Equity Holders | - | - | - | (857,726) | - | - | 211,374 | (646,352) | (368,653) | (1,015,005) |
| | Balance as at 30.09.2014 (1 + 2 + 3) | 6,962,722 | 3,567,002 | 841,964 | 8,549,978 | 1,356,228 | 1,042,280 | 2,353,868 | 24,674,042 | 1,192,677 | 25,866,719 |
| 1 | Balance as at 01.01.2015 | 6,962,722 | 3,567,002 | 995,894 | 9,293,830 | 1,373,590 | 650,480 | 2,351,686 | 25,195,204 | 1,124,387 | 26,319,591 |
| | Total Comprehensive Income for the period | | | | | | | | | | |
| | Profit for the Period | - | - | - | 2,716,524 | - | - | - | 2,716,524 | 14,641 | 2,731,165 |
| | Other Comprehensive Income (Net of Tax) | - | - | - | - | - | (931,082) | - | (931,082) | 355 | (930,727) |
| 2 | Total Comprehensive Income for the period | - | - | - | 2,716,524 | - | (931,082) | - | 1,785,442 | 14,996 | 1,800,438 |
| | Transactions With Equity Holders , Recognised Directly In Equity | | | | | | | | | | |
| | Dividends | - | - | - | (862,401) | - | - | - | (862,401) | (23,365) | (885,766) |
| | Transfers from / to Retained Profits | - | - | - | 64,101 | - | - | (64,101) | - | - | - |
| | Changes in Ownership Interest without Change in Control | | | | | | | | | | |
| | Acquisition of Non-Controlling Interest without Change in Control | - | - | - | 15,899 | - | - | - | 15,899 | (53,969) | (38,070) |
| 3 | Total Transactions with Equity Holders | - | - | - | (782,401) | - | - | (64,101) | (846,502) | (77,334) | (923,836) |
| | Balance as at 30.09.2015 (1 + 2 + 3) | 6,962,722 | 3,567,002 | 995,894 | 11,227,953 | 1,373,590 | (280,602) | 2,287,585 | 26,134,144 | 1,062,049 | 27,196,193 |

* 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).

SEYLAN BANK PLC

CASH FLOW STATEMENT

For the Nine Months ended 30th September

| | Bank | | Group | |
|---|---------------------|--------------------|---------------------|--------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Cash Flows from Operating Activities | | | | |
| Interest Receipts | 17,028,424 | 17,475,186 | 17,039,598 | 17,483,894 |
| Fees and Commission Receipts | 1,949,271 | 1,710,223 | 1,949,111 | 1,710,223 |
| Interest Payments | (8,276,735) | (10,457,812) | (8,263,932) | (10,441,725) |
| Trading Income | 279,758 | 362,234 | 279,758 | 362,234 |
| Receipts from Other Operating Activities | 888,607 | 1,685,343 | 941,564 | 1,714,939 |
| Cash Payments to Employees and Suppliers | (6,729,298) | (6,136,164) | (6,708,441) | (6,106,938) |
| Cash Payments to Other Operating Activities | (80,650) | (62,399) | (83,617) | (65,755) |
| Operating Profit before Changes in Operating Assets & Liabilities | 5,059,377 | 4,576,611 | 5,154,041 | 4,656,872 |
| (Increase)/Decrease in Operating Assets : | | | | |
| Loans & Receivables (Advanced to) / Repaid by Customers | (17,535,311) | (4,620,388) | (17,535,311) | (4,620,388) |
| Deposits Held for Regulatory or Monetary Control Purposes | (906,849) | 719,452 | (906,849) | 719,452 |
| Increase/(Decrease) in Operating Liabilities : | | | | |
| Deposits from / (Withdrawals by) Customers | 14,868,625 | 8,895,746 | 14,868,625 | 8,895,746 |
| Negotiable Certificates of Deposit | (1,073,464) | (445,833) | (1,073,464) | (445,833) |
| Cash (Used in) / Generated from Operations | 412,378 | 9,125,588 | 507,042 | 9,205,849 |
| Income Tax Paid | (1,166,077) | (565,386) | (1,166,077) | (565,386) |
| Contribution Paid into Employees Retirement Benefit Plan / Employees | (48,834) | (25,803) | (48,834) | (25,803) |
| Net Cash (Used in) / Generated from Operating Activities | (802,533) | 8,534,399 | (707,869) | 8,614,660 |
| Cash Flows from Investing Activities | | | | |
| Investment in Subsidiary Company | (38,070) | (217,987) | - | - |
| Dividend Income | 86,681 | 34,867 | 41,125 | 13,689 |
| Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds Maturing after 03 months | (30,571,767) | (5,258,628) | (30,571,767) | (5,258,628) |
| Reverse Repurchase Agreements Maturing After 03 Months | (25,266) | (3) | (25,266) | (3) |
| Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares & Debentures | 1,323,368 | (1,569,095) | 1,344,655 | (1,626,348) |
| Purchase Of Property , Plant & Equipment , Leasehold Rights & Intangible Assets | (287,971) | (415,420) | (301,276) | (416,515) |
| Proceeds From Sale Of Property , Plant & Equipment , Leasehold Rights & Intangible Assets | 13,075 | 13,058 | 13,075 | 13,058 |
| Proceeds from Sale of Investment Properties | 155,000 | - | 155,000 | 10,953 |
| Improvements to Investment Properties | - | - | (91) | (385) |
| Net Cash (Used in) / Generated from Investing Activities | (29,344,950) | (7,413,208) | (29,344,545) | (7,264,179) |
| Cash Flows from Financing Activities | | | | |
| Increase / (Decrease) in Debentures | - | (705,082) | - | (705,082) |
| Securities Sold under Repurchase Agreements | 7,555,872 | 2,418,587 | 7,555,872 | 2,418,587 |
| Increase / (Decrease) in Other Borrowings | 4,196,477 | (531,666) | 4,131,653 | (737,011) |
| Dividends Paid - Ordinary Shares | (852,263) | (766,918) | (882,498) | (790,804) |
| Dividends Paid - Preference Shares | - | (39) | - | (39) |
| Net Cash (Used in) / Generated from Financing Activities | 10,900,086 | 414,882 | 10,805,027 | 185,651 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | (19,247,397) | 1,536,073 | (19,247,387) | 1,536,132 |
| Cash & Cash Equivalents at Beginning of the Year | 32,936,491 | 18,399,074 | 32,936,531 | 18,399,105 |
| Cash & Cash Equivalents at End of the Period | 13,689,094 | 19,935,147 | 13,689,144 | 19,935,237 |
| Reconciliation of Cash & Cash Equivalents | | | | |
| Cash and Cash Equivalents | 7,720,024 | 6,654,800 | 7,720,074 | 6,654,890 |
| Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months | 486,449 | 673,799 | 486,449 | 673,799 |
| Securities Purchased under Resale Agreements Maturing within 03 Months | 5,482,621 | 12,606,548 | 5,482,621 | 12,606,548 |
| | 13,689,094 | 19,935,147 | 13,689,144 | 19,935,237 |

EXPLANATORY NOTES

1. 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) 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 (70.06%).

2. Information on Ordinary Shares

| Market Price (Rs.) | 30/09/2015 | | 30/09/2014 | |
|--|------------|------------|------------|------------|
| | Voting | Non Voting | Voting | Non Voting |
| Market Price Per Share | 102.00 | 75.00 | 89.00 | 53.50 |
| Highest price per share during the quarter ended | 116.00 | 79.90 | 94.00 | 55.00 |
| Lowest price per share during the quarter ended | 98.50 | 70.00 | 64.00 | 38.50 |

3. Shareholders Information

3.1 Twenty Largest Ordinary Voting Shareholders as at September 30, 2015

| | No. of Shares | % |
|---|---------------|-------|
| 1. Sri Lanka Insurance Corporation Ltd [includes Sri Lanka Insurance Corporation Ltd -General Fund – 17,597,739 shares and Sri Lanka Insurance Corporation Ltd (Life Fund) –8,798,869 shares] | 26,396,608 | 15.00 |
| 2. Brown & Company PLC A/C No. 1 | 24,416,750 | 13.87 |
| 3. Employees Provident Fund | 17,346,996 | 9.86 |
| 4. LOLC Investments Ltd | 16,808,502 | 9.55 |
| 5. National Development Bank PLC A/C No.02 | 15,353,784 | 8.72 |
| 6. Bank of Ceylon No.1 Account | 13,198,305 | 7.50 |
| 7. BNYM SA/NV-Frontier Market Opportunities Master Fund L.P | 4,094,638 | 2.33 |
| 8. Employees Trust Fund Board | 3,036,701 | 1.73 |
| 9. Seyfest (Private) Limited | 3,017,940 | 1.71 |
| 10. Sesot (Private) Limited | 2,279,042 | 1.30 |
| 11. Seybest (Private) Limited | 2,165,435 | 1.23 |
| 12. Seyshop (Private) Limited | 2,165,435 | 1.23 |
| 13. Esots (Private) Limited | 2,148,132 | 1.22 |
| 14. Lanka Century Investments PLC | 2,079,160 | 1.18 |
| 15. HSBC Intl Nom Ltd – SSBT-Russell Institutional Funds Public Limited Company | 2,027,100 | 1.15 |
| 16. BNYM SA/NV Frontier Market Select Fund ii L.P | 1,977,565 | 1.12 |
| 17. Capital Development and Investment Company PLC A/C No. 02 | 1,782,428 | 1.01 |
| 18. AIA Insurance Lanka PLC A/C No. 07 | 1,557,072 | 0.88 |
| 19. Sampath Bank PLC/Dr T Senthilverl | 1,511,647 | 0.86 |
| 20. N P Capital Ltd | 1,503,505 | 0.85 |

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at September 30, 2015

| | No. of Shares | % |
|--|---------------|-------|
| 1. Lanka Orix Leasing Company PLC | 74,105,281 | 43.85 |
| 2. Employees' Provident Fund | 9,013,489 | 5.33 |
| 3. Commercial Bank of Ceylon PLC/Dunamis Capital PLC | 3,818,755 | 2.26 |
| 4. Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram | 2,649,968 | 1.57 |
| 5. Pershing LLC S/A Averbach Grauson & Co | 2,538,012 | 1.50 |
| 6. Akbar Brothers (Pvt) Ltd A/C No. 1 | 2,507,852 | 1.48 |
| 7. Trading Partners (Pvt) Ltd | 2,390,135 | 1.41 |
| 8. Deutsche Bank AG as Trustees for JB Vantage Value Equity Fund | 1,943,307 | 1.15 |
| 9. Merrill J Fernando & Sons (Pvt) Limited | 1,877,057 | 1.11 |
| 10. Mr N Balasingam | 1,762,693 | 1.04 |
| 11. Dr S Yaddehige | 1,301,266 | 0.77 |
| 12. Deutsche Bank AG – National Equity Fund | 1,253,265 | 0.74 |
| 13. Commercial Bank of Ceylon PLC/ARC Capital (Pvt) Ltd | 1,216,280 | 0.72 |
| 14. Deutsche Bank AG as Trustees for Namal Acuity Value Fund | 1,150,000 | 0.68 |
| 15. Mr. M J Fernando | 850,000 | 0.50 |
| 16. Mr E Thavagnanasooriyam | 843,598 | 0.50 |
| 17. Miss S Durga | 770,808 | 0.46 |
| 18. Mr. R Gautam | 765,000 | 0.45 |
| 19. Seylan Bank PLC / ARC Capital (Pvt) Ltd | 704,800 | 0.42 |
| 20. Capital Development & Investment Company PLC A/c No. 2 | 685,000 | 0.41 |

3.3 Public Holdings as at September 30, 2015

| | <u>Number of Share Holders</u> | <u>Percentage Holdings</u> |
|------------------------------|--------------------------------|----------------------------|
| • Ordinary Voting Shares | 9,452 | 54.29% |
| • Ordinary Non-Voting Shares | 7,169 | 56.05% |

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

| <u>Name of Director</u> | <u>No of Shares</u> <i>(Ordinary Voting)</i> | <u>No of Shares</u> <i>(Ordinary Non-voting)</i> |
|--|---|---|
| Mr. Nihal Jayamanne PC, Independent Director/Chairman | 5,583 | Nil |
| Mr. Ishara C Nanayakkara, Non-executive Director/Deputy Chairman | Nil | Nil |
| Mr. K P Ariyaratne, Director/Chief Executive Officer | 21,117 | 123,005 |
| Rear Admiral B A J G Peiris, Independent Director | Nil | Nil |
| Mr. S P Samantha Ranatunga, Independent Director | Nil | Nil |
| Mr. W D K Jayawardena, Non-executive Director | Nil | Nil |
| Mr. P L S K Perera, Independent Director | Nil | Nil |
| Ms. M C Pietersz, Independent Director | Nil | Nil |
| Mr. S V Corea, Non-executive Director | Nil | Nil |
| Mr. W M R S Dias, Non-executive Director | Nil | Nil |

| | |
|---|--------------------------|
| 5. Stated Capital as at September 30, 2015 | Rs'000 |
| 33,560,000 Voting Ordinary Shares @ Rs. 10/- each | 335,600 |
| 4,000,000 Voting Ordinary Shares @ Rs. 25/- each | 100,000 |
| 92,440,000 Voting Ordinary Shares @ Rs. 35/- each | 3,235,400 |
| 2,644,068 Voting Ordinary Shares @ Rs. 59/- each | 156,000 |
| 43,333,333 Voting Ordinary Shares @ Rs. 75/- each | 3,250,000 |
| 83,560,000 Non Voting Ordinary Shares @ Rs.12/50 each | 1,044,500 |
| 40,000,000 Non Voting Ordinary Shares @ Rs.25/- each | 1,000,000 |
| 45,423,009 Non Voting Ordinary Shares @ Rs.35/- each | 1,589,805 |
| Less: Issue Expenses | (181,581) |
| Total | <u>10,529,724</u> |

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 9 months ended September 30, 2015. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares.

7. Events after the Reporting Date

Super Gains Tax

The interim budget presented by the Honorable Minister of Finance on 29th January 2015, proposed an additional one off tax of 25% on entities that earned a profit before income tax in excess of Rs 2,000 Mn during the year of assessment 2013/14. The Finance Bill incorporating this proposal was presented to parliament on 22nd September 2015 and passed on 20th October 2015.

The consolidated profit before tax of the Group and that of the Bank exceeds the above threshold of Rs. 2,000Mn. Accordingly, the Bank's and Group's liability is calculated at Rs. 867Mn and Rs. 871Mn respectively. This has not been adjusted in the interim financial statements as the bill was not enacted as at the reporting date.

Except for above no material events took place since September 30, 2015 that require disclosure in these Financial Statements.

8. Comparative Figures

Comparative figures has been re-classified where necessary, to conform to the current period presentation.

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

All known expenditure items have been provided for in these Interim Accounts.

| | Banking | | Treasury | | Property/Investments | | Unallocated/Eliminations | | Total | |
|--|------------------|------------------|------------------|------------------|----------------------|----------------|--------------------------|------------------|-------------------|-------------------|
| | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Interest Income | 14,428,231 | 14,849,725 | 2,158,764 | 1,905,603 | 24,844 | 24,876 | 1,086,888 | 858,514 | 17,698,727 | 17,638,718 |
| Interest Expense | 7,974,131 | 8,603,077 | 860,055 | 809,091 | 867 | 81 | (10,648) | (15,938) | 8,824,405 | 9,396,311 |
| Net Interest Income | 6,454,100 | 6,246,648 | 1,298,709 | 1,096,512 | 23,977 | 24,795 | 1,097,536 | 874,452 | 8,874,322 | 8,242,407 |
| Fee and Commission Income | 1,945,663 | 1,708,811 | 1,247 | 1,190 | - | - | 2,201 | 222 | 1,949,111 | 1,710,223 |
| Fee & Commission expenses | 54,923 | 31,529 | 25,727 | 30,516 | 2,967 | 3,356 | - | 354 | 83,617 | 65,755 |
| Net Fee and Commission Income | 1,890,740 | 1,677,282 | (24,480) | (29,326) | (2,967) | (3,356) | 2,201 | (132) | 1,865,494 | 1,644,468 |
| Net Trading Income | - | - | 47,279 | 812,081 | (1,200) | 1,401 | - | - | 46,079 | 813,482 |
| Net Gain from Financial Investments | - | - | 158,727 | 941,389 | - | - | - | (8,405) | 158,727 | 932,984 |
| Net Exchange Income | 156,941 | 137,762 | 478,952 | 225,452 | - | - | 39,917 | (980) | 675,810 | 362,234 |
| Other Operating Income (Net) | 112,017 | 79,085 | 36,572 | 24,545 | 146,290 | 133,393 | 61,194 | (43,793) | 356,073 | 193,230 |
| Inter Segment Revenue | (94,427) | (58,849) | 40,150 | 13,637 | - | - | 54,277 | 45,212 | - | - |
| Total Operating Income | 8,519,371 | 8,081,928 | 2,035,909 | 3,084,290 | 166,100 | 156,233 | 1,255,125 | 866,354 | 11,976,505 | 12,188,805 |
| Depreciation and Amortisation | 247,173 | 220,515 | 844 | 692 | 1,125 | 783 | 137,253 | 143,749 | 386,395 | 365,739 |
| Impairment for Loans and Other Losses - Charges / (Reversal) | 517,118 | 1,679,747 | - | - | - | - | - | (22,411) | 517,118 | 1,657,336 |
| Operating Expenses NBT & VAT | 5,700,025 | 4,872,762 | 288,628 | 444,210 | 65,664 | 62,944 | 934,544 | 1,243,316 | 6,988,861 | 6,623,232 |
| Reportable Segment Profit Before Income Tax | 2,055,055 | 1,308,904 | 1,746,437 | 2,639,388 | 99,311 | 92,506 | 183,328 | (498,300) | 4,084,131 | 3,542,498 |

| | Banking | | Treasury | | Property/Investments | | Unallocated/Eliminations | | Total | |
|-------------------------------------|--------------------|-------------|---------------------|-------------|-----------------------------|------------|---------------------------------|------------|---------------------|-------------|
| | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 | 30/09/2015 | 30/09/2014 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| OTHER INFORMATION | | | | | | | | | | |
| Total Assets | 166,090,713 | 130,758,765 | 88,988,406 | 75,435,383 | 4,431,756 | 4,410,198 | 19,905,967 | 18,734,410 | 279,416,842 | 229,338,756 |
| Total Liabilities & Equity | 210,607,765 | 178,261,099 | 31,570,215 | 16,961,716 | 4,431,756 | 4,410,198 | 32,807,106 | 29,705,743 | 279,416,842 | 229,338,756 |
| Cash Flows from Operating Activites | (2,915,951) | 6,250,103 | 1,747,281 | 2,640,080 | 69,331 | 64,656 | 391,470 | (340,179) | (707,869) | 8,614,660 |
| Cash Flows from Investing Activites | (287,628) | (264,597) | (29,181,006) | (6,826,424) | (24,992) | (7,907) | 149,081 | (165,251) | (29,344,545) | (7,264,179) |
| Cash Flows from Financing Activites | - | - | 11,752,348 | 1,181,839 | (73,982) | (44,389) | (873,339) | (951,799) | 10,805,027 | 185,651 |
| Capital Expenditure | (191,266) | (266,351) | (155) | (5,392) | 6,704 | (1,481) | (116,559) | (143,291) | (301,276) | (416,515) |

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Bank

| | As at 30.09.2015 | | | | | As at 31.12.2014 | | | | |
|--|-------------------------------|------------------------|-----------------------------|--------------------------|--------------------|-------------------------------|------------------------|-----------------------------|--------------------------|--------------------|
| | Held-for-Trading (HFT) | Held-to-Maturity (HTM) | Loans and Receivables (L&R) | Available-for-Sale (AFS) | Total | Held-for-Trading (HFT) | Held-to-Maturity (HTM) | Loans and Receivables (L&R) | Available-for-Sale (AFS) | Total |
| | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 |
| Assets | | | | | | | | | | |
| Cash and Cash Equivalents | - | - | 7,354,002 | - | 7,354,002 | - | - | 6,672,963 | - | 6,672,963 |
| Balances with Central Bank of Sri Lanka | - | - | 8,339,055 | - | 8,339,055 | - | - | 7,432,206 | - | 7,432,206 |
| Placements with Banks and Finance Companies | - | - | 366,022 | - | 366,022 | - | - | 2,334,304 | - | 2,334,304 |
| Derivative Financial Instruments | 193,332 | - | - | - | 193,332 | 191,411 | - | - | - | 191,411 |
| Other Financial Assets Held-for-Trading | 7,823,800 | - | - | - | 7,823,800 | 2,525,225 | - | - | - | 2,525,225 |
| Securities Purchased under Resale Agreements | - | - | 5,482,621 | - | 5,482,621 | - | - | 17,762,914 | - | 17,762,914 |
| Customer Loans and Receivables | - | - | 172,027,873 | - | 172,027,873 | - | - | 154,962,712 | - | 154,962,712 |
| Financial Investments - Available-for-Sale | - | - | - | 46,415,544 | 46,415,544 | - | - | - | 23,780,589 | 23,780,589 |
| Financial Investments - Held-to-Maturity | - | 17,766,866 | - | - | 17,766,866 | - | 22,438,807 | - | - | 22,438,807 |
| Group Balances Receivable | - | - | 39,244 | - | 39,244 | - | - | 30,000 | - | 30,000 |
| Other Assets | - | - | 3,765,605 | - | 3,765,605 | - | - | 3,321,826 | - | 3,321,826 |
| Total Financial Assets | 8,017,132 | 17,766,866 | 197,374,422 | 46,415,544 | 269,573,964 | 2,716,636 | 22,438,807 | 192,516,925 | 23,780,589 | 241,452,957 |
| | Held-for-Trading (HFT) | | Amortised Cost | | Total | Held-for-Trading (HFT) | | Amortised Cost | | Total |
| | Rs.000 | | Rs.000 | | Rs.000 | Rs.000 | | Rs.000 | | Rs.000 |
| Liabilities | | | | | | | | | | |
| Due to Banks | - | - | 16,627,981 | - | 16,627,981 | - | - | 11,615,467 | - | 11,615,467 |
| Derivative Financial Instruments | 37,348 | - | - | - | 37,348 | 210,536 | - | - | - | 210,536 |
| Customer Deposits | - | - | 199,524,008 | - | 199,524,008 | - | - | 185,924,122 | - | 185,924,122 |
| Securities Sold under Repurchase Agreements | - | - | 19,983,690 | - | 19,983,690 | - | - | 12,419,887 | - | 12,419,887 |
| Other Borrowings | - | - | 15,882 | - | 15,882 | - | - | 14,628 | - | 14,628 |
| Debentures | - | - | 7,783,676 | - | 7,783,676 | - | - | 7,655,705 | - | 7,655,705 |
| Group Balances Payable | - | - | 170,598 | - | 170,598 | - | - | 193,295 | - | 193,295 |
| Current Tax Liabilities | - | - | 888,929 | - | 888,929 | - | - | 1,323,805 | - | 1,323,805 |
| Other Liabilities | - | - | 5,598,696 | - | 5,598,696 | - | - | 4,431,775 | - | 4,431,775 |
| Total Financial Liabilities | 37,348 | | 250,593,460 | | 250,630,808 | 210,536 | | 223,578,684 | | 223,789,220 |

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Group

| | As at 30.09.2015 | | | | | As at 31.12.2014 | | | | |
|--|-------------------------------|------------------------|-----------------------------|--------------------------|--------------------|-------------------------------|------------------------|-----------------------------|--------------------------|--------------------|
| | Held-for-Trading (HFT) | Held-to-Maturity (HTM) | Loans and Receivables (L&R) | Available-for-Sale (AFS) | Total | Held-for-Trading (HFT) | Held-to-Maturity (HTM) | Loans and Receivables (L&R) | Available-for-Sale (AFS) | Total |
| | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 |
| Assets | | | | | | | | | | |
| Cash and Cash Equivalents | - | - | 7,354,052 | - | 7,354,052 | - | - | 6,673,003 | - | 6,673,003 |
| Balances with Central Bank of Sri Lanka | - | - | 8,339,055 | - | 8,339,055 | - | - | 7,432,206 | - | 7,432,206 |
| Placements with Banks and Finance Companies | - | - | 366,022 | - | 366,022 | - | - | 2,334,304 | - | 2,334,304 |
| Derivative Financial Instruments | 193,332 | - | - | - | 193,332 | 191,411 | - | - | - | 191,411 |
| Other Financial Assets Held-for-Trading | 7,831,800 | - | - | - | 7,831,800 | 2,534,425 | - | - | - | 2,534,425 |
| Securities Purchased under Resale Agreements | - | - | 5,482,621 | - | 5,482,621 | - | - | 17,762,914 | - | 17,762,914 |
| Customer Loans and Receivables | - | - | 172,027,873 | - | 172,027,873 | - | - | 154,962,712 | - | 154,962,712 |
| Financial Investments - Available-for-Sale | - | - | - | 46,454,224 | 46,454,224 | - | - | - | 23,838,151 | 23,838,151 |
| Financial Investments - Held-to-Maturity | - | 17,845,733 | - | - | 17,845,733 | - | 22,520,079 | - | - | 22,520,079 |
| Other Assets | - | - | 3,784,512 | - | 3,784,512 | - | - | 3,326,069 | - | 3,326,069 |
| Total Financial Assets | 8,025,132 | 17,845,733 | 197,354,135 | 46,454,224 | 269,679,224 | 2,725,836 | 22,520,079 | 192,491,208 | 23,838,151 | 241,575,274 |
| | Held-for-Trading (HFT) | | Amortised Cost | | Total | Held-for-Trading (HFT) | | Amortised Cost | | Total |
| | Rs.000 | | Rs.000 | | Rs.000 | Rs.000 | | Rs.000 | | Rs.000 |
| Liabilities | | | | | | | | | | |
| Due to Banks | - | - | 16,627,981 | - | 16,627,981 | - | - | 11,615,467 | - | 11,615,467 |
| Derivative Financial Instruments | 37,348 | - | - | - | 37,348 | 210,536 | - | - | - | 210,536 |
| Customer Deposits | - | - | 199,524,008 | - | 199,524,008 | - | - | 185,924,122 | - | 185,924,122 |
| Securities Sold under Repurchase Agreements | - | - | 19,983,690 | - | 19,983,690 | - | - | 12,419,887 | - | 12,419,887 |
| Other Borrowings | - | - | 15,882 | - | 15,882 | - | - | 14,628 | - | 14,628 |
| Debentures | - | - | 7,783,676 | - | 7,783,676 | - | - | 7,655,705 | - | 7,655,705 |
| Current Tax Liabilities | - | - | 890,354 | - | 890,354 | - | - | 1,323,290 | - | 1,323,290 |
| Other Liabilities | - | - | 5,584,905 | - | 5,584,905 | - | - | 4,433,799 | - | 4,433,799 |
| Total Financial Liabilities | 37,348 | - | 250,410,496 | - | 250,447,844 | 210,536 | - | 223,386,898 | - | 223,597,434 |

Additional Disclosures

(Amounts in Rupees Thousands)

| | Bank | | Group | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 30.09.2015 | As at 31.12.2014 | As at 30.09.2015 | As at 31.12.2014 |
| 11 Customer Loans and Receivables | | | | |
| Gross Loans and Receivables (Refer 11.1) | 178,501,704 | 161,974,994 | 178,501,704 | 161,974,994 |
| Less : Individual Impairment | (2,383,631) | (2,336,572) | (2,383,631) | (2,336,572) |
| Collective Impairment | (4,090,200) | (4,675,710) | (4,090,200) | (4,675,710) |
| Net Loans and Receivables | 172,027,873 | 154,962,712 | 172,027,873 | 154,962,712 |

11.1 Customer Loans and Receivables - By product

| By product - Domestic Currency | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Export Bills | 16,244 | 101,381 | 16,244 | 101,381 |
| Import Bills | 127,281 | 100,860 | 127,281 | 100,860 |
| Local Bills | 38,887 | 122,315 | 38,887 | 122,315 |
| Lease Rentals Receivable | 14,436,201 | 10,647,360 | 14,436,201 | 10,647,360 |
| Overdrafts | 49,394,647 | 46,884,578 | 49,394,647 | 46,884,578 |
| Trust Receipts Loans/Revolving Loans(RIL) | 9,181,517 | 8,988,594 | 9,181,517 | 8,988,594 |
| Staff Loans | 4,861,784 | 4,306,641 | 4,861,784 | 4,306,641 |
| Housing Loans | 10,398,781 | 9,173,760 | 10,398,781 | 9,173,760 |
| Pawning Receivables | 8,752,034 | 8,514,872 | 8,752,034 | 8,514,872 |
| Refinance Loans | 538,959 | 671,716 | 538,959 | 671,716 |
| Credit Cards | 2,818,888 | 3,135,717 | 2,818,888 | 3,135,717 |
| Term Loans | 62,355,030 | 56,910,626 | 62,355,030 | 56,910,626 |
| Total | 162,920,253 | 149,558,420 | 162,920,253 | 149,558,420 |
| By product - Foreign Currency | | | | |
| Export Bills | 1,219,203 | 977,966 | 1,219,203 | 977,966 |
| Import Bills | 126,370 | 128,727 | 126,370 | 128,727 |
| Local Bills | 78,763 | 56,556 | 78,763 | 56,556 |
| Overdrafts | 1,301,326 | 1,148,478 | 1,301,326 | 1,148,478 |
| Trust Receipts Loans/Revolving Loans(RIL) | 258,979 | 107,697 | 258,979 | 107,697 |
| Housing Loans | 34,159 | - | 34,159 | - |
| Term Loans | 12,562,651 | 9,997,150 | 12,562,651 | 9,997,150 |
| Total | 15,581,451 | 12,416,574 | 15,581,451 | 12,416,574 |
| Gross Loans and Receivables | 178,501,704 | 161,974,994 | 178,501,704 | 161,974,994 |

11.2 Movements in Individual and Collective Impairment during the period for Customer Loans and Receivables

| | Bank | | Group | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 (For 09 Months) | 2014 (For 12 Months) | 2015 (For 09 Months) | 2014 (For 12 Months) |
| Individual Impairment | | | | |
| Opening Balance as at 01st January | 2,336,572 | 2,999,778 | 2,336,572 | 2,999,778 |
| Charge/(Write back) to Income Statement | 546,278 | 2,021,892 | 546,278 | 2,021,892 |
| Reversal for Write-Offs | (452,636) | (2,091,217) | (452,636) | (2,091,217) |
| Interest Accrued on Impaired Loans | (321,908) | (593,881) | (321,908) | (593,881) |
| Transfer from Collective Impairment | 275,325 | - | 275,325 | - |
| Closing Balance as at 30th September 2015 | 2,383,631 | | 2,383,631 | |
| as at 31st December 2014 | | 2,336,572 | | 2,336,572 |
| Collective Impairment | | | | |
| Opening Balance as at 01st January | 4,675,710 | 4,615,049 | 4,675,710 | 4,615,049 |
| Charge/(Write back) to Income Statement | (37,639) | 60,661 | (37,639) | 60,661 |
| Reversal for Write-Offs | (272,546) | - | (272,546) | - |
| Transfer to Individual Impairment | (275,325) | - | (275,325) | - |
| Closing Balance as at 30th September 2015 | 4,090,200 | | 4,090,200 | |
| as at 31st December 2014 | | 4,675,710 | | 4,675,710 |
| Total Impairment | 6,473,831 | 7,012,282 | 6,473,831 | 7,012,282 |

(Amounts in Rupees Thousands)

| 12 Customer Deposits - By product | Bank | | Group | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 30.09.2015 | As at 31.12.2014 | As at 30.09.2015 | As at 31.12.2014 |
| By product - Domestic Currency | | | | |
| Demand deposits | 15,721,387 | 14,220,049 | 15,721,387 | 14,220,049 |
| Savings deposits | 54,816,995 | 51,012,395 | 54,816,995 | 51,012,395 |
| Fixed deposits | 106,812,161 | 101,092,034 | 106,812,161 | 101,092,034 |
| Certificate of deposits | 4,857,803 | 5,931,267 | 4,857,803 | 5,931,267 |
| Total | 182,208,346 | 172,255,745 | 182,208,346 | 172,255,745 |
| By product - Foreign Currency | | | | |
| Demand deposits | 1,321,850 | 949,422 | 1,321,850 | 949,422 |
| Savings deposits | 6,936,459 | 5,413,393 | 6,936,459 | 5,413,393 |
| Fixed deposits | 9,057,353 | 7,305,562 | 9,057,353 | 7,305,562 |
| Total | 17,315,662 | 13,668,377 | 17,315,662 | 13,668,377 |
| Total Customer Deposits | 199,524,008 | 185,924,122 | 199,524,008 | 185,924,122 |

Seylan Bank PLC

Selected Performance Indicators

| | Bank | | Group | |
|---|------------|------------|------------|------------|
| | 30.09.2015 | 31.12.2014 | 30.09.2015 | 31.12.2014 |
| Regulatory Capital Adequacy | | | | |
| Core Capital (Tier 1 Capital) Rs. '000 | 21,825,622 | 21,854,307 | 22,679,955 | 22,653,099 |
| Total Capital Base Rs. '000 | 23,039,503 | 23,401,725 | 23,864,286 | 24,170,017 |
| Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%) | 12.44 | 13.75 | 12.76 | 14.04 |
| Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%) | 13.13 | 14.73 | 13.43 | 14.98 |
| Assets Quality (Quality of Loan Portfolio) | | | | |
| Gross Non-Performing Advances Ratio % (Net of Interest in Suspense) | 6.12 | 7.69 | | |
| Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties) | 6.12 | 7.75 | | |
| Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision) | 4.13 | 5.31 | | |
| Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties) | 4.13 | 5.36 | | |
| Profitability | | | | |
| Interest Margin % | 4.54 | 4.92 | | |
| Return (Net Profit Before Tax) on Average Assets % | 2.08 | 2.05 | | |
| Return on Equity % | 15.03 | 13.45 | | |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets | | | | |
| Domestic Banking Unit Rs. '000 | 59,532,221 | 50,975,556 | | |
| Offshore Banking Unit USD '000 | 22,847 | 15,902 | | |
| Statutory Liquid Assets Ratio % (Minimum Requirement 20 %) | | | | |
| Domestic Banking Unit | 28.32 | 27.60 | | |
| Offshore Banking Unit | 22.60 | 21.86 | | |

SEYLAN BANK PLC - DEBENTURES

| | CURRENT PERIOD 01-Jul-15 to 30-Sep-15 | COMPARATIVE PERIOD 01-Jul-14 to 30-Sep-14 |
|---|--|--|
| Debt / Equity Ratio | 0.31 | 0.11 |
| Interest Cover | 7.91 | 14.03 |
| Quick Asset Ratio | 0.75 | 0.82 |
| 2013/2018 Issue | | |
| Market Prices during July to September (EX Interest) | | |
| Annual Interest - 15.50% p.a. | * | * |
| Semi Annual - 15.00% p.a. | * | * |
| - Highest Price | 106.00 | * |
| - Lowest Price | 100.00 | * |
| - Last Traded Price (08/07/2015)/* | 106.00 | * |
| Monthly Interest - 14.50% p.a. | * | * |
| Interest Yield As At Date of Last Trade | | |
| Annual Interest | * | * |
| Semi Annual Interest (08/07/2015)/* | 14.68% | * |
| Monthly Interest | * | * |
| Yield to Maturity of Trade Done on | | |
| Annual Interest | * | * |
| Semi Annual Interest (08/07/2015)/* | 12.24% | * |
| Monthly Interest | * | * |
| Interest Rate of Comparable Government Security | 8.76% | 6.98% |
| 2014 Issue | | |
| 4 Years Semi Annual - 8.00% p.a. | * | |
| 5 Years Semi Annual - 8.35% p.a. | * | |
| 5 Years Annual - 8.60% p.a. | * | |
| 6 Years Semi Annual - 8.60% p.a. | * | |
| 6 Years Annual - 8.75% p.a. | * | |
| Interest Yield As At Date of Last Trade | | |
| 4 Years Semi Annual - 8.00% p.a. | * | |
| 5 Years Semi Annual - 8.35% p.a. | * | |
| 5 Years Annual - 8.60% p.a. | * | |
| 6 Years Semi Annual - 8.60% p.a. | * | |
| 6 Years Annual - 8.75% p.a. | * | |
| Yield to Maturity of Trade Done on | | |
| 4 Years Semi Annual - 8.00% p.a. | * | |
| 5 Years Semi Annual - 8.35% p.a. | * | |
| 5 Years Annual - 8.60% p.a. | * | |
| 6 Years Semi Annual - 8.60% p.a. | * | |
| 6 Years Annual - 8.75% p.a. | * | |
| Interest Rate of Comparable Government Security | | |
| - 4 Years | 9.34% | |
| - 5 Years | 9.55% | |
| - 6 Years | 9.81% | |

* No Trading During The Period