



The bank with a heart

HEAD OFFICE / REGISTERED OFFICE
SEYLAN TOWERS
P.O. Box 400, 90, Galle Road, Colombo 3, Sri Lanka.
Phone : (94)-(11)-2456789, 4701000
Fax : (94)-(11)-2456456 SWIFT : SEYBLK LX
Web Site : www.eseylan.com
E-mail : info@seylan.lk
Co. Reg. No. : PQ 9

Your ref :

Our ref :

NOTES

1.1 General

The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2012. However in accordance with the ruling issued by the Institute of Chartered Accountants of Sri Lanka on “Comparative figures in the interim financial statements”, the Bank has adopted option 2 as given in such ruling whereby these interim financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLAS) existed immediately prior to 1st January 2012 and their impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/LKAS have been disclosed as a part of the Interim Accounts (Note No 2 below) to facilitate the understanding by general public.

These Interim Financial Statements are presented in accordance with SLAS 35 –Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The group financial statements comprise a consolidation of the financial statements of the company and its subsidiary, Seylan Developments PLC (51.83%).

1.2 Information on Ordinary Shares

MARKET VALUE (Rs.)	30/06/2012		30/06/2011	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	59.80	27.40	68.60	34.00
Highest price per share for the quarter ended	66.90	28.50	78.50	50.00
Lowest price per share for the quarter ended	52.00	27.30	62.10	33.60

1.3 Shareholders Information

Twenty Largest Ordinary Voting Shareholders as at June 30, 2012

	No. of Shares	%
1. Sri Lanka Insurance Corporation Ltd <i>[includes Sri Lanka Insurance Corporation Ltd -General Fund – 17,333,333 and Sri Lanka Insurance Corporation Ltd (Life Fund) – 8,666,666]</i>	25,999,999	15.00
2. Brown & Company PLC A/C No. 1	24,049,888	13.87
3. National Development Bank PLC/ Dr T Senthilverl	17,251,683	9.95
4. LOLC Investments Ltd	16,555,954	9.55
5. Employees Provident Fund	15,991,444	9.23
6. Bank of Ceylon No.1 Account	13,000,000	7.50
7. Waldock Mackenzie Limited/Mr D S K Amarasekera	11,152,610	6.43
8. Dr W U N Gamage	7,835,200	4.52
9. Bentota Backwaters (Pvt) Ltd	3,073,673	1.77
10. Seyfest (Private) Limited	2,972,596	1.71
11. Sesot (Private) Limited	2,244,800	1.30
12. Seybest (Private) Limited	2,132,900	1.23
13. Seyshop (Private) Limited	2,132,900	1.23
14. Esots (Private) Limited	2,115,857	1.22
15. Ceylinco Limited	1,680,896	0.97
16. Mr K R B Fernando	1,000,000	0.58
17. Sotse (Pvt) Ltd	962,331	0.56
18. Dr J L B Kotelawala	529,525	0.31
19. Mr L W Abeywickrama	477,500	0.28
20. Mr H Beruwalage	463,505	0.27

Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2012

	No. of Shares	%
1. Lanka Orix Leasing Company PLC	36,083,734	21.90
2. Employees' Provident Fund	16,399,359	9.95
3. Browns Investments PLC	10,260,817	6.23
4. Mr E Thavagnanasooriyam & Mr E Thavagnanasundaram	2,439,866	1.48
5. Associated Electrical Corporation Ltd	2,428,766	1.47



6. Pershing LLC S/A Averbach Grauson & Co	2,202,933	1.34
7. Merrill J Fernando & Sons (Pvt) Limited	1,830,000	1.11
8. Mr N Balasingam	1,718,503	1.04
9. Miss M D Bollagala	1,636,900	0.99
10. Mr A K Kumarasena	1,549,000	0.94
11. National Savings Bank	1,496,666	0.91
12. Almar Trading Company (Pvt) Limited	1,473,400	0.89
13. Mrs L E M Yaseen	1,340,000	0.81
14. Bentota Backwaters (Pvt) Ltd	1,163,605	0.71
15. Mr A Singh	1,156,000	0.70
16. Mr N Ganarajah	1,140,666	0.69
17. Phoenix Ventures Limited	1,129,866	0.69
18. Dr S Yaddehige	1,016,200	0.62
19. Pan Asia Banking Corporation PLC/Asia Capital PLC	1,000,000	0.61
20. Waldock Mackenzie Limited/Mr L P Hapangama	900,000	0.55

Percentage of Public Holdings as at June 30, 2012

- Ordinary Voting Shares - 61.53%
- Ordinary Non-Voting Shares - 78.02%

1.4 Directors' and General Manager/Chief Executive Officer's Shareholdings as at June 30, 2012

<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. P Mohan Pieris, PC	Nil	Nil
Mr R Nadarajah	13,333	Nil
Mr N M Jayamanne	5,500	Nil
Mr P L P Withana	23,363	Nil
Rear Admiral B A J G Peiris	Nil	Nil
Mr A L Devasurendra	Nil	Nil
Mr I C Nanayakkara	Nil	Nil
Mr S P S Ranatunga	Nil	Nil
Mr A M Mohan De Alwis	Nil	Nil
Mr P Kudabalage	Nil	Nil



Shares held by General Manager/CEO

Mr K P Ariyaratne	20,800	115,400
Jointly with Mrs. N I Ariyaratne	37	-

1.5 Provisions for Loans and Advances – Ceylinco Group Exposure

In view of the special circumstances under which the Bank was reconstituted by the Direction of the Central Bank of Sri Lanka, the Monetary Board has granted an exemption for a period of 3 years from December 31, 2010 to Seylan Bank PLC, from the requirement to apply progressive discount on the forced sale value of immovable property, in terms of the Banking Act Direction No. 03 of 2008 on “Classification of Loans and Advances, Income Recognition and Provisioning”, when computing the provisioning to be made as at June 30, 2012, for non-performing facilities of Ceylinco Homes International (since covered under the scope of Act no 43 of 2011 – Revival of Underperforming Enterprises or Underutilized Assets and subsequently placed under the Competent Authority. No adjustments have been made to the valuations used for accounting purposes) and Golden Key Credit Card Company.

1.6 Stated Capital as at June 30, 2012

	Rs'000
43,560,000 Voting Ordinary Shares @ Rs. 10/- each	435,600
86,440,000 Voting Ordinary Shares @ Rs. 35/- each	3,025,400
43,333,333 Voting Ordinary Shares @ Rs. 75/- each	3,250,000
123,560,000 Non Voting Ordinary Shares @ Rs.10/- each	1,235,600
41,186,666 Non Voting Ordinary Shares @ Rs.35/- each	1,441,533
Share Premium	837,319
	10,225,452

3,390,100 Redeemable, Non-cumulative, Non-convertible and Non-voting Preference Shares were redeemed on February 13, 2012 and the Stated Capital was reduced by Rs.33,901,000/-.

1.7 Post Balance Sheet Events

The Board of Directors of the Bank by Resolution dated 6th July 2012 decided to proceed with a private placement of 10,000,000 (Ten Million) Unsecured Subordinated Redeemable Debentures of the par value of Rs. 100/- each aggregating to the value of Rs. 1,000,000,000 (Rupees One Billion) with an option to issue a further 10,000,000 (Ten Million) of the said Debentures in the event of an oversubscription.



1.8 Others

Mr P Mohan Pieris, PC was appointed to the Board of Directors and as Chairman of the Bank with effect from April 20, 2012.

Ordinary Dividend of Rs.1.00 per share was paid on 9th April 2012 to the Ordinary Voting and Ordinary Non-voting shareholders of the Bank who were registered as at the Ex-Dividend date (29th March 2012).

7,494,000 debentures (Rs.100/- each) issued under the Bank's Debenture Issue 2007/2012 matured on 29th May 2012 and were redeemed on the said date.

There were no material changes in contingent liabilities, composition of Assets and Liabilities and use of funds raised by the Bank. All known expenses have been provided for in these Interim Accounts.