



# Seylan Bank PLC

Interim Financial Statements (Audited)  
For the 12 Months Ended 31st December 2016

**Seylan Bank PLC**  
**Income Statement**

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

(Amounts in Rupees Thousands)

	Bank			Bank		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2016 (Audited)	2015 (Audited)	Growth %	2016	2015	Growth %
Interest Income	33,457,232	24,151,349	38.53	9,809,445	6,463,796	51.76
Less: Interest Expenses	20,209,785	12,325,966	63.96	6,114,200	3,488,758	75.25
<b>Net Interest Income</b>	<b>13,247,447</b>	<b>11,825,383</b>	<b>12.03</b>	<b>3,695,245</b>	<b>2,975,038</b>	<b>24.21</b>
Fee and Commission Income	3,223,231	2,811,140	14.66	935,921	861,869	8.59
Less: Fee and Commission Expenses	119,983	113,694	5.53	34,638	33,044	4.82
<b>Net Fee and Commission Income</b>	<b>3,103,248</b>	<b>2,697,446</b>	<b>15.04</b>	<b>901,283</b>	<b>828,825</b>	<b>8.74</b>
Net Trading Income	(176,782)	108,558	(262.85)	(173,779)	61,279	(383.59)
Net Gain from Financial Investments	11,895	232,469	(94.88)	(15,135)	73,742	(120.52)
Net Exchange Income	912,437	884,378	3.17	242,180	208,568	16.12
Other Operating Income (Net)	664,180	398,187	66.80	235,967	49,515	376.56
	<b>1,411,730</b>	<b>1,623,592</b>	<b>(13.05)</b>	<b>289,233</b>	<b>393,104</b>	<b>(26.42)</b>
<b>Total Operating Income</b>	<b>17,762,425</b>	<b>16,146,421</b>	<b>10.01</b>	<b>4,885,761</b>	<b>4,196,967</b>	<b>16.41</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	931,597	841,302	10.73	515,398	295,024	74.70
Collective Impairment	38,005	(370,141)	110.27	(120,636)	(332,502)	63.72
Others	(15,415)	17,735	(186.92)	(35,997)	9,256	(488.90)
	<b>954,187</b>	<b>488,896</b>	<b>95.17</b>	<b>358,765</b>	<b>(28,222)</b>	<b>1,371.22</b>
<b>Net Operating Income</b>	<b>16,808,238</b>	<b>15,657,525</b>	<b>7.35</b>	<b>4,526,996</b>	<b>4,225,189</b>	<b>7.14</b>
Personnel Expenses	4,610,073	4,194,135	9.92	1,121,821	1,013,016	10.74
Depreciation and Amortisation	596,743	483,448	23.43	159,171	130,263	22.19
Other Expenses	4,518,339	3,946,991	14.48	1,298,446	965,713	34.45
	<b>9,725,155</b>	<b>8,624,574</b>	<b>12.76</b>	<b>2,579,438</b>	<b>2,108,992</b>	<b>22.31</b>
<b>Operating Profit before Taxes</b>	<b>7,083,083</b>	<b>7,032,951</b>	<b>0.71</b>	<b>1,947,558</b>	<b>2,116,197</b>	<b>(7.97)</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	1,349,365	1,256,240	7.41	369,359	401,947	(8.11)
<b>Profit before Income Taxes</b>	<b>5,733,718</b>	<b>5,776,711</b>	<b>(0.74)</b>	<b>1,578,199</b>	<b>1,714,250</b>	<b>(7.94)</b>
Income Tax Expenses	1,723,268	1,945,767	(11.44)	395,698	612,946	(35.44)
<b>Profit for the Period</b>	<b>4,010,450</b>	<b>3,830,944</b>	<b>4.69</b>	<b>1,182,501</b>	<b>1,101,304</b>	<b>7.37</b>
<b>Basic / Diluted Earnings per Ordinary Share (in Rupees)</b>	<b>11.63</b>	<b>11.11</b>	<b>4.69</b>	<b>3.43</b>	<b>3.19</b>	<b>7.37</b>

**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		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2016 (Audited)	2015 (Audited)	Growth %	2016	2015	Growth %
<b>Profit for the Period</b>	<b>4,010,450</b>	<b>3,830,944</b>	<b>4.69</b>	<b>1,182,501</b>	<b>1,101,304</b>	<b>7.37</b>
<b>Other Comprehensive Income, Net of Tax</b>						
Revaluation of Property, Plant and Equipment.	822,999	-	-	822,999	-	-
Actuarial Gain on Defined Benefit Obligations	54,555	66,071	(17.43)	54,555	66,071	(17.43)
Net Loss on Re-measuring Available-for-Sale Financial Assets	(1,222,758)	(1,120,048)	(9.17)	(638,109)	(188,101)	(239.24)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(345,204)</b>	<b>(1,053,977)</b>	<b>67.25</b>	<b>239,445</b>	<b>(122,030)</b>	<b>296.22</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,665,246</b>	<b>2,776,967</b>	<b>31.99</b>	<b>1,421,946</b>	<b>979,274</b>	<b>45.20</b>

**Seylan Bank PLC**  
**Income Statement**

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

(Amounts in Rupees Thousands)

	Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2016 (Audited)	2015 (Audited)	Growth %	2016	2015	Growth %
Interest Income	33,472,831	24,166,589	38.51	9,814,347	6,467,862	51.74
Less: Interest Expenses	20,193,058	12,309,274	64.05	6,110,214	3,484,869	75.34
<b>Net Interest Income</b>	<b>13,279,773</b>	<b>11,857,315</b>	<b>12.00</b>	<b>3,704,133</b>	<b>2,982,993</b>	<b>24.18</b>
Fee and Commission Income	3,222,864	2,810,961	14.65	935,786	861,850	8.58
Less: Fee and Commission Expenses	125,626	120,450	4.30	36,150	36,833	(1.85)
<b>Net Fee and Commission Income</b>	<b>3,097,238</b>	<b>2,690,511</b>	<b>15.12</b>	<b>899,636</b>	<b>825,017</b>	<b>9.04</b>
Net Trading Income	(178,378)	107,558	(265.84)	(174,575)	61,479	(383.96)
Net Gain from Financial Investments	11,895	232,469	(94.88)	(15,135)	73,742	(120.52)
Net Exchange Income	912,400	884,378	3.17	242,143	208,568	16.10
Other Operating Income (Net)	690,467	426,895	61.74	254,101	70,822	258.79
	<b>1,436,384</b>	<b>1,651,300</b>	<b>(13.01)</b>	<b>306,534</b>	<b>414,611</b>	<b>(26.07)</b>
<b>Total Operating Income</b>	<b>17,813,395</b>	<b>16,199,126</b>	<b>9.97</b>	<b>4,910,303</b>	<b>4,222,621</b>	<b>16.29</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	931,597	841,302	10.73	515,398	295,024	74.70
Collective Impairment	38,005	(370,141)	110.27	(120,636)	(332,502)	63.72
Others	(15,231)	17,735	(185.88)	(35,813)	9,256	(486.92)
	<b>954,371</b>	<b>488,896</b>	<b>95.21</b>	<b>358,949</b>	<b>(28,222)</b>	<b>1,371.88</b>
<b>Net Operating Income</b>	<b>16,859,024</b>	<b>15,710,230</b>	<b>7.31</b>	<b>4,551,354</b>	<b>4,250,843</b>	<b>7.07</b>
Personnel Expenses	4,642,048	4,221,950	9.95	1,129,023	1,017,450	10.97
Depreciation and Amortisation	642,166	528,185	21.58	169,835	141,790	19.78
Other Expenses	4,460,682	3,881,244	14.93	1,296,020	951,176	36.25
	<b>9,744,896</b>	<b>8,631,379</b>	<b>12.90</b>	<b>2,594,878</b>	<b>2,110,416</b>	<b>22.96</b>
<b>Operating Profit before Taxes</b>	<b>7,114,128</b>	<b>7,078,851</b>	<b>0.50</b>	<b>1,956,476</b>	<b>2,140,427</b>	<b>(8.59)</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	1,342,883	1,256,240	6.90	369,359	401,947	(8.11)
<b>Profit before Income Taxes</b>	<b>5,771,245</b>	<b>5,822,611</b>	<b>(0.88)</b>	<b>1,587,117</b>	<b>1,738,480</b>	<b>(8.71)</b>
Income Tax Expenses	1,736,355	1,936,662	(10.34)	387,046	583,696	(33.69)
<b>Profit for the Period</b>	<b>4,034,890</b>	<b>3,885,949</b>	<b>3.83</b>	<b>1,200,071</b>	<b>1,154,784</b>	<b>3.92</b>
<b>Attributable to :</b>						
Owners of the Parent	4,013,132	3,855,296	4.09	1,194,907	1,138,772	4.93
Non-Controlling Interest	21,758	30,653	(29.02)	5,164	16,012	(67.75)
<b>Profit for the Period</b>	<b>4,034,890</b>	<b>3,885,949</b>	<b>3.83</b>	<b>1,200,071</b>	<b>1,154,784</b>	<b>3.92</b>
<b>Basic / Diluted Earnings per Ordinary Share (in Rupees)</b>	<b>11.63</b>	<b>11.18</b>	<b>4.09</b>	<b>3.46</b>	<b>3.30</b>	<b>4.93</b>

**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 )*

	<b>Group</b>			<b>Group</b>		
	<i>For the Year Ended 31st December</i>			<i>For the Quarter Ended 31st December</i>		
	<b>2016</b> (Audited)	<b>2015</b> (Audited)	<b>Growth</b> %	<b>2016</b>	<b>2015</b>	<b>Growth</b> %
<b>Profit for the Period</b>	<b>4,034,890</b>	<b>3,885,949</b>	<b>3.83</b>	<b>1,200,071</b>	<b>1,154,784</b>	<b>3.92</b>
<b>Other Comprehensive Income, Net of Tax</b>						
Revaluation of Property, Plant and Equipment	840,448	7,412	<b>11,239.02</b>	840,448	7,412	<b>11,239.02</b>
Actuarial Gain on Defined Benefit Obligations	55,052	65,698	<b>(16.20)</b>	55,052	65,698	<b>(16.20)</b>
Net Loss on Re-measuring Available-for-Sale Financial Assets	(1,223,367)	(1,120,507)	<b>(9.18)</b>	(637,146)	(189,780)	<b>(235.73)</b>
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(327,867)</b>	<b>(1,047,397)</b>	<b>68.70</b>	<b>258,354</b>	<b>(116,670)</b>	<b>321.44</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,707,023</b>	<b>2,838,552</b>	<b>30.60</b>	<b>1,458,425</b>	<b>1,038,114</b>	<b>40.49</b>
<b>Attributable to :</b>						
Owners of the Parent	3,680,154	2,805,940	<b>31.16</b>	1,447,685	1,020,498	<b>41.86</b>
Non-Controlling Interest	26,869	32,612	<b>(17.61)</b>	10,740	17,616	<b>(39.03)</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,707,023</b>	<b>2,838,552</b>	<b>30.60</b>	<b>1,458,425</b>	<b>1,038,114</b>	<b>40.49</b>

**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	As at	Growth	As at	As at	Growth
	31.12.2016	31.12.2015	%	31.12.2016	31.12.2015	%
	(Audited)	(Audited)		(Audited)	(Audited)	
<b>Assets</b>						
Cash and Cash Equivalents	8,336,143	7,800,488	6.87	8,336,193	7,800,538	6.87
Balances with Central Bank of Sri Lanka	16,211,618	8,563,888	89.30	16,211,618	8,563,888	89.30
Placements with Banks and Finance Companies	334,230	757,050	(55.85)	334,230	757,050	(55.85)
Derivative Financial Instruments	115,707	130,055	(11.03)	115,707	130,055	(11.03)
Other Financial Assets Held-for-Trading	9,060,416	6,016,572	50.59	9,066,980	6,024,772	50.49
Securities Purchased under Resale Agreements	7,317,022	2,312,548	216.41	7,317,022	2,312,548	216.41
Customer Loans and Receivables	236,020,197	193,103,942	22.22	236,020,197	193,103,942	22.22
Financial Investments - Available-for-Sale	45,863,945	48,038,510	(4.53)	45,900,746	48,075,921	(4.52)
Financial Investments - Held-to-Maturity	18,412,060	18,147,773	1.46	18,479,155	18,229,045	1.37
Investment in Subsidiary	1,153,602	1,151,929	0.15	-	-	-
Group Balances Receivable	30,102	30,000	0.34	-	-	-
Property, Plant & Equipment	4,329,522	3,227,752	34.13	5,971,693	4,875,266	22.49
Leasehold Rights	42,370	44,316	(4.39)	590,701	600,057	(1.56)
Investment Properties	-	-	-	854,078	1,089,920	(21.64)
Intangible Assets	262,112	249,890	4.89	262,112	249,890	4.89
Assets Held-for-Sale	-	-	-	226,827	-	-
Other Assets	8,523,510	6,755,420	26.17	8,562,182	6,772,672	26.42
<b>Total Assets</b>	<b>356,012,556</b>	<b>296,330,133</b>	<b>20.14</b>	<b>358,249,441</b>	<b>298,585,564</b>	<b>19.98</b>
<b>Liabilities</b>						
Due to Banks	17,728,293	19,784,171	(10.39)	17,728,293	19,784,171	(10.39)
Derivative Financial Instruments	86,654	50,013	73.26	86,654	50,013	73.26
Customer Deposits	273,456,344	224,525,455	21.79	273,456,344	224,525,455	21.79
Securities Sold under Repurchase Agreements	15,976,518	11,409,788	40.02	15,976,518	11,409,788	40.02
Other Borrowings	21,249	15,688	35.45	21,249	15,688	35.45
Group Balances Payable	226,351	181,266	24.87	-	-	-
Debentures	12,493,645	7,179,853	74.01	12,493,645	7,179,853	74.01
Current Tax Liabilities	750,385	506,712	48.09	757,467	505,278	49.91
Deferred Tax Liabilities	11,874	336,102	(96.47)	70,959	384,771	(81.56)
Other Liabilities	7,488,961	7,285,408	2.79	7,572,848	7,375,613	2.67
<b>Total Liabilities</b>	<b>328,240,274</b>	<b>271,274,456</b>	<b>21.00</b>	<b>328,163,977</b>	<b>271,230,630</b>	<b>20.99</b>
<b>Equity</b>						
Stated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	-
Statutory Reserve Fund	1,387,964	1,187,441	16.89	1,387,964	1,187,441	16.89
Retained Earnings	14,050,233	11,125,666	26.29	14,304,925	11,376,269	25.74
Other Reserves	1,804,361	2,212,846	(18.46)	2,797,661	3,194,306	(12.42)
<b>Total Shareholders' Equity</b>	<b>27,772,282</b>	<b>25,055,677</b>	<b>10.84</b>	<b>29,020,274</b>	<b>26,287,740</b>	<b>10.39</b>
<b>Non - Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,065,190</b>	<b>1,067,194</b>	<b>(0.19)</b>
<b>Total Equity</b>	<b>27,772,282</b>	<b>25,055,677</b>	<b>10.84</b>	<b>30,085,464</b>	<b>27,354,934</b>	<b>9.98</b>
<b>Total Equity &amp; Liabilities</b>	<b>356,012,556</b>	<b>296,330,133</b>	<b>20.14</b>	<b>358,249,441</b>	<b>298,585,564</b>	<b>19.98</b>
<b>Contingent Liabilities and Commitments</b>	<b>64,110,695</b>	<b>57,222,365</b>	<b>12.04</b>	<b>64,184,994</b>	<b>57,302,098</b>	<b>12.01</b>
<b>Memorandum Information</b>						
Number of Employees	3,165	3,085	2.59	3,194	3,113	2.60
Number of Banking Centres	166	159	4.40	166	157	5.73
Net Assets Value per Ordinary Share (Rs.)	80.51	72.63	10.84	84.13	76.21	10.39

**Certification;**

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

a ) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where ever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.

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

(Sgd.)

Champika Dodanwela (Ms.)

**Chief Financial Officer**

(Sgd.)

W.M.R.S. Dias

**Chairman**

February 21,2017

Colombo

(Sgd.)

Kapila Ariyaratne

**Director/Chief Executive Officer**

**Seylan Bank PLC**  
**Statement of Changes in Equity (Audited)**  
**For the Year ended 31st December - Bank**

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	Reserves Available for Sale Reserve	Other Reserves	
<b>1 Balance as at 01st January 2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,083,743</b>	<b>651,483</b>	<b>651,222</b>	<b>2,096,473</b>	<b>24,008,539</b>
Super Gain Tax **	-	-	-	(867,428)	-	-	-	(867,428)
<b>Adjusted Balance as at 01st January 2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>8,216,315</b>	<b>651,483</b>	<b>651,222</b>	<b>2,096,473</b>	<b>23,141,111</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	3,830,944	-	-	-	3,830,944
Other Comprehensive Income (net of tax)								
- Actuarial Gain on Defined Benefit Obligations	-	-	-	66,071	-	-	-	66,071
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	(1,120,048)	-	(1,120,048)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,897,015</b>	<b>-</b>	<b>(1,120,048)</b>	<b>-</b>	<b>2,776,967</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Dividends to Equity Holders	-	-	-	(862,401)	-	-	-	(862,401)
Transferred to Statutory Reserve Fund*	-	-	191,547	(191,547)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	66,284	-	-	(66,284)	-
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>191,547</b>	<b>(987,664)</b>	<b>-</b>	<b>-</b>	<b>(66,284)</b>	<b>(862,401)</b>
<b>Balance as at 31st December 2015 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,125,666</b>	<b>651,483</b>	<b>(468,826)</b>	<b>2,030,189</b>	<b>25,055,677</b>
<b>1 Balance as at 01st January 2016</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,125,666</b>	<b>651,483</b>	<b>(468,826)</b>	<b>2,030,189</b>	<b>25,055,677</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	4,010,450	-	-	-	4,010,450
Other Comprehensive Income (net of tax)								
- Revaluation of Property, Plant and Equipment	-	-	-	-	822,999	-	-	822,999
- Actuarial Gain on Defined Benefit Obligations	-	-	-	54,555	-	-	-	54,555
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	(1,222,758)	-	(1,222,758)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,065,005</b>	<b>822,999</b>	<b>(1,222,758)</b>	<b>-</b>	<b>3,665,246</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Dividends to Equity Holders	-	-	-	(948,641)	-	-	-	(948,641)
Transferred to Statutory Reserve Fund*	-	-	200,523	(200,523)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	8,726	-	-	(8,726)	-
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>200,523</b>	<b>(1,140,438)</b>	<b>-</b>	<b>-</b>	<b>(8,726)</b>	<b>(948,641)</b>
<b>Balance as at 31st December 2016 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,387,964</b>	<b>14,050,233</b>	<b>1,474,482</b>	<b>(1,691,584)</b>	<b>2,021,463</b>	<b>27,772,282</b>

\* 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).

\*\* As per the provisions of Part III of the Finance Act No. 10 of 2015 which was certified on 30th October 2015, the Bank is liable for Super Gain Tax of Rs. 867.4 Million. According to the Act, the Super Gain Tax shall be deemed to be expenditure in the Financial Statements relating to the year of assessment, which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards; hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act, as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax, issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.

**Seylan Bank PLC**  
**Statement of Changes in Equity (Audited)**  
**For the Year ended 31st December - 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			
<b>1 Balance as at 01st January 2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>9,293,830</b>	<b>1,373,590</b>	<b>650,480</b>	<b>2,351,686</b>	<b>25,195,204</b>	<b>1,124,387</b>	<b>26,319,591</b>
Super Gain Tax **	-	-	-	(870,371)	-	-	-	(870,371)	(1,257)	(871,628)
<b>Adjusted Balance as at 01st January 2015</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>8,423,459</b>	<b>1,373,590</b>	<b>650,480</b>	<b>2,351,686</b>	<b>24,324,833</b>	<b>1,123,130</b>	<b>25,447,963</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	3,855,296	-	-	-	3,855,296	30,653	3,885,949
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	5,193	-	-	5,193	2,219	7,412
- Actuarial Gain on Defined Benefit Obligations	-	-	-	65,810	-	-	-	65,810	(112)	65,698
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	(1,120,359)	-	(1,120,359)	(148)	(1,120,507)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,921,106</b>	<b>5,193</b>	<b>(1,120,359)</b>	<b>-</b>	<b>2,805,940</b>	<b>32,612</b>	<b>2,838,552</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Dividends	-	-	-	(862,401)	-	-	-	(862,401)	(23,364)	(885,765)
Transferred to Statutory Reserve Fund*	-	-	191,547	(191,547)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	66,284	-	-	(66,284)	-	-	-
<b>Changes in Ownership Interest in Subsidiary</b>										
Acquisition of Non-Controlling Interest without Change in Control	-	-	-	19,368	-	-	-	19,368	(65,184)	(45,816)
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>191,547</b>	<b>(968,296)</b>	<b>-</b>	<b>-</b>	<b>(66,284)</b>	<b>(843,033)</b>	<b>(88,548)</b>	<b>(931,581)</b>
<b>Balance as at 31st December 2015 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,376,269</b>	<b>1,378,783</b>	<b>(469,879)</b>	<b>2,285,402</b>	<b>26,287,740</b>	<b>1,067,194</b>	<b>27,354,934</b>
<b>1 Balance as at 01st January 2016</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>11,376,269</b>	<b>1,378,783</b>	<b>(469,879)</b>	<b>2,285,402</b>	<b>26,287,740</b>	<b>1,067,194</b>	<b>27,354,934</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	4,013,132	-	-	-	4,013,132	21,758	4,034,890
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	835,317	-	-	835,317	5,131	840,448
- Reversal of Revaluation surplus on Property, Plant and Equipment Written Off	-	-	-	35	(50)	-	-	(15)	15	-
- Actuarial Gain on Defined Benefit Obligations	-	-	-	54,906	-	-	-	54,906	146	55,052
- Net Loss on Re-measuring Available-for-Sale Financial Assets	-	-	-	-	-	(1,223,186)	-	(1,223,186)	(181)	(1,223,367)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,068,073</b>	<b>835,267</b>	<b>(1,223,186)</b>	<b>-</b>	<b>3,680,154</b>	<b>26,869</b>	<b>3,707,023</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Dividends	-	-	-	(948,641)	-	-	-	(948,641)	(26,179)	(974,820)
Transferred to Statutory Reserve Fund*	-	-	200,523	(200,523)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	8,726	-	-	(8,726)	-	-	-
<b>Changes in Ownership Interest in Subsidiary</b>										
Acquisition of Non-Controlling Interest without Change in Control	-	-	-	1,021	-	-	-	1,021	(2,694)	(1,673)
<b>3 Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>200,523</b>	<b>(1,139,417)</b>	<b>-</b>	<b>-</b>	<b>(8,726)</b>	<b>(947,620)</b>	<b>(28,873)</b>	<b>(976,493)</b>
<b>Balance as at 31st December 2016 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,387,964</b>	<b>14,304,925</b>	<b>2,214,050</b>	<b>(1,693,065)</b>	<b>2,276,676</b>	<b>29,020,274</b>	<b>1,065,190</b>	<b>30,085,464</b>

\* 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).

\*\* As per the provisions of Part III of the Finance Act No. 10 of 2015, which was certified on 30th October 2015, the Group is liable for Super Gain Tax of Rs. 871.6 Million. According to the Act, the Super Gain Tax shall be deemed to be expenditure in the Financial Statements relating to the year of assessment, which commenced on 1st April 2013. The Act supersedes the requirements of the Sri Lanka Accounting Standards; hence the expense of Super Gain Tax is accounted in accordance with the requirements of the said Act, as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015.



**Seylan Bank PLC**  
**Cash Flow Statement (Audited)**

<i>For the Year ended 31st December</i>	<b>Bank</b>		<b>Group</b>	
	<b>2016</b> Rs.'000	<b>2015</b> Rs.'000	<b>2016</b> Rs.'000	<b>2015</b> Rs.'000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	31,128,413	22,615,496	31,142,336	22,630,736
Fees and Commission Receipts	3,223,231	2,811,140	3,222,864	2,810,961
Interest Payments	(17,405,026)	(11,335,122)	(17,388,299)	(11,318,430)
Trading Income	975,884	1,474,212	975,847	1,473,212
Receipts from Other Operating Activities	317,903	77,484	400,529	153,580
Cash Payments to Employees and Suppliers	(10,463,660)	(8,907,410)	(10,448,905)	(8,876,496)
Cash Payments to Other Operating Activities	(119,983)	(113,694)	(125,626)	(120,450)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>7,656,762</b>	<b>6,622,106</b>	<b>7,778,746</b>	<b>6,753,113</b>
<b>(Increase)/Decrease in Operating Assets :</b>				
Loans and Receivables to Customers	(43,062,023)	(38,623,971)	(43,062,023)	(38,623,971)
Deposits Held for Regulatory or Monetary Control Purposes	(7,647,730)	(1,131,682)	(7,647,730)	(1,131,682)
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Deposits from Customers	46,515,044	41,395,660	46,515,044	41,395,660
Certificates of Deposit from Customers	180,911	(2,043,812)	180,911	(2,043,812)
<b>Cash Generated from Operations</b>	<b>3,642,964</b>	<b>6,218,301</b>	<b>3,764,948</b>	<b>6,349,308</b>
Income Tax Paid	(976,036)	(2,371,829)	(976,036)	(2,376,470)
Contribution Paid into Employees Retirement Benefit Plan / to Employees	(138,527)	(123,033)	(138,527)	(123,033)
<b>Net Cash Generated from Operating Activities</b>	<b>2,528,401</b>	<b>3,723,439</b>	<b>2,650,385</b>	<b>3,849,805</b>
<b>Cash Flows from Investing Activities</b>				
Investment in Subsidiary Company	(1,673)	(45,816)	-	-
Dividend Income Received	97,715	92,751	41,376	47,195
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing after 03 months	134,783	(29,407,227)	134,783	(29,407,227)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	756,550	1,406,427	773,054	1,423,676
Purchase of Property , Plant & Equipment and Intangible Assets	(850,209)	(714,214)	(851,674)	(774,346)
Proceeds From Sale Of Property , Plant & Equipment	38,066	20,510	38,066	22,678
Proceeds from Sale of Investment Properties	-	155,000	-	155,000
Improvements to Investment Properties	-	-	(360)	(30,155)
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>175,232</b>	<b>(28,492,569)</b>	<b>135,245</b>	<b>(28,563,179)</b>
<b>Cash Flows from Financing Activities</b>				
Increase / ( Decrease) in Debentures	5,000,000	(465,000)	5,000,000	(465,000)
Securities Sold under Repurchase Agreements	4,552,673	(991,147)	4,552,673	(991,147)
Increase / (Decrease) in Other Borrowings	(2,728,173)	8,823,565	(2,780,138)	8,795,981
Dividends Paid - Ordinary Shares	(933,132)	(852,687)	(963,164)	(880,849)
<b>Net Cash Generated from Financing Activities</b>	<b>5,891,368</b>	<b>6,514,731</b>	<b>5,809,371</b>	<b>6,458,985</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	8,595,001	(18,254,399)	8,595,001	(18,254,389)
Cash and Cash Equivalents at beginning of the Year	14,682,092	32,936,491	14,682,142	32,936,531
<b>Cash and Cash Equivalents at end of the Year</b>	<b>23,277,093</b>	<b>14,682,092</b>	<b>23,277,143</b>	<b>14,682,142</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	8,336,143	7,800,488	8,336,193	7,800,538
Placements with Banks and Finance Companies	334,230	757,050	334,230	757,050
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing within 03 Months	7,289,698	3,812,006	7,289,698	3,812,006
Securities Purchased under Resale Agreements Maturing with in 03 Months	7,317,022	2,312,548	7,317,022	2,312,548
	<b>23,277,093</b>	<b>14,682,092</b>	<b>23,277,143</b>	<b>14,682,142</b>

## EXPLANATORY NOTES

### 1. General

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report for the year 2015. 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 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 (70.51%).

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/12/2016		31/12/2015	
	Voting	Non Voting	Voting	Non Voting
Market Price Per Share	90.00	59.00	95.00	73.00
Highest price per share during the quarter ended	98.00	65.00	105.20	79.40
Lowest price per share during the quarter ended	83.50	57.80	92.00	70.00

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at December 31, 2016

	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. Mr. R S Captain	7,003,631	3.98
8. BNYM SA/NV-Frontier Market Opportunities Master Fund L.P	4,094,638	2.33
9. Employees Trust Fund Board	3,175,139	1.80
10. Seyfest (Private) Limited	3,017,940	1.71
11. Sesot (Private) Limited	2,279,042	1.30
12. Seybest (Private) Limited	2,165,435	1.23
13. Seyshop (Private) Limited	2,165,435	1.23
14. Esots (Private) Limited	2,148,132	1.22
15. Lanka Century Investments PLC	2,079,160	1.18
16. Capital Development and Investment Company PLC A/C No. 02	1,782,428	1.01
17. HSBC Intl Nom Ltd – SSBT-Russell Institutional Funds Public Limited Company	1,653,100	0.94
18. AIA Insurance Lanka PLC A/C No. 07	1,618,708	0.92
19. Rubber Investment Trust Limited A/C No. 01	1,073,790	0.61
20. Mr. K R B Fernando	1,015,254	0.58

### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 2016

	No. of Shares	%
1. Lanka Orix Leasing Company PLC	74,238,665	43.93
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. R S Captain	3,193,490	1.89
5. Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram	2,649,968	1.57
6. Akbar Brothers (Pvt) Ltd A/C No. 1	2,593,290	1.53
7. Pershing LLC S/A Averbach Grauson & Co	2,427,722	1.44
8. Deutsche Bank AG as Trustees for JB Vantage Value Equity Fund	2,031,656	1.20
9. Merrill J Fernando & Sons (Pvt) Limited	1,877,057	1.11
10. Mr. N Balasingam	1,762,693	1.04
11. Lanka Orix Information Technology Services Ltd.	1,471,587	0.87
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. Dr S Yaddehige	1,125,000	0.67
16. HSBC International Nominees Ltd-SSBT-Deutsche Bank AG Singapore A/C 01	858,581	0.51
17. Mr. M J Fernando	850,000	0.50
18. Mr. R Gautam	821,500	0.49
19. Miss. S Durga	770,808	0.46
20. Mr. E Thavagnanasooriyam	734,852	0.43

### 3.3 Public Holdings as at December 31, 2016

	<u>Number of Share Holders</u>	<u>Percentage Holdings</u>
• Ordinary Voting Shares	9,229	54.27%
• Ordinary Non-Voting Shares	6,859	55.97%

### 4. Directors' and Chief Executive Officer's Shareholdings as at December 31, 2016

<u>Name of Director</u>	<u>No of Shares</u>	
	(Ordinary Voting)	(Ordinary Non- Voting)
Mr. W M R S Dias Non Executive Director / Chairman	Nil	Nil
Mr. I C Nanayakkara, Non-executive Director/Deputy Chairman	Nil	Nil
Ms. M C Pietersz, Independent Director /Senior Director	Nil	Nil
Mr. K P Ariyaratne, Director/Chief Executive Officer	36,521	125,000
Rear Admiral B A J G Peiris, Independent Director	Nil	Nil
Mr. S P S 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
Mr. S V Corea, Non-executive Director	Nil	Nil
Mr. A S Wijesinha, Independent Director	Nil	Nil
Mrs. S K Salgado, Independent Director	Nil	Nil

<b>5. Stated Capital as at December 31, 2016</b>	<b>Rs'000</b>
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)
<b>Total</b>	<b>10,529,724</b>

## 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, 2016. 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

### **Proposed Final Dividend**

- The Board of Directors of the Bank recommended that a final dividend of Rs. 3.25 per share by way of Rs. 1.00 cash dividend and Rs. 2.25 scrip dividend on both voting and non-voting shares of the Bank, to be paid for the financial year ended December 31, 2016 (Rs. 2.75 per share for the year ended December 31, 2015).
- Further this dividend is to be approved at the Annual General Meeting to be held on March 31, 2017. This proposed final dividend has not been recognized as a liability as at December 31, 2016.

## 8. Other Matters

### Appointment of Directors

Mr. A S Wijesinha and Mrs. S K Salgado were appointed to the Board as Independent Directors on December 01, 2016.

### Proposed Debenture Issue

The Board at its meeting held on 29<sup>th</sup> September 2016 approved that the Bank proceed with a public issue of Fifty Million Rated Senior Unsecured Redeemable Debentures of the par value of Rs.100/- each aggregating to the value of Rupees Five Billion (Rs. 5,000,000,000/-) with an option to issue a further Thirty Million of the said Debentures in the event of an oversubscription.

## **9. Comparative Figures**

Comparative figures have been re-stated/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.

**Seylan Bank PLC**  
**Segment Reporting - Group (Audited)**

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	28,323,342	19,892,201	3,656,532	2,986,170	33,742	33,038	1,459,215	1,255,180	33,472,831	24,166,589
Interest Expense	18,046,581	11,097,483	2,161,484	1,227,024	1,416	1,106	(16,423)	(16,339)	20,193,058	12,309,274
<b>Net Interest Income</b>	<b>10,276,761</b>	<b>8,794,718</b>	<b>1,495,048</b>	<b>1,759,146</b>	<b>32,326</b>	<b>31,932</b>	<b>1,475,638</b>	<b>1,271,519</b>	<b>13,279,773</b>	<b>11,857,315</b>
Fee and Commission Income	3,219,458	2,806,967	1,615	1,770	-	-	1,791	2,224	3,222,864	2,810,961
Fee and Commission Expense	89,439	71,924	30,544	41,770	5,643	6,756	-	-	125,626	120,450
<b>Net Fee And Commission Income</b>	<b>3,130,019</b>	<b>2,735,043</b>	<b>(28,929)</b>	<b>(40,000)</b>	<b>(5,643)</b>	<b>(6,756)</b>	<b>1,791</b>	<b>2,224</b>	<b>3,097,238</b>	<b>2,690,511</b>
<b>Net Interest , Fee And Commission Income</b>	<b>13,406,780</b>	<b>11,529,761</b>	<b>1,466,119</b>	<b>1,719,146</b>	<b>26,683</b>	<b>25,176</b>	<b>1,477,429</b>	<b>1,273,743</b>	<b>16,377,011</b>	<b>14,547,826</b>
Net Trading Income	-	-	(176,782)	108,558	(1,596)	(1,000)	-	-	(178,378)	107,558
Net Gain on Financial Investments	-	-	11,895	232,469	-	-	-	-	11,895	232,469
Net Exchange Income	-	-	849,466	831,230	(37)	-	62,971	53,148	912,400	884,378
Other Operating Income (Net)	328,892	8,122	228,782	309,200	212,340	197,620	(79,547)	(88,047)	690,467	426,895
Inter Segment Revenue	(273,730)	(148,671)	199,491	76,139	-	-	74,239	72,532	-	-
<b>Total Operating Income</b>	<b>13,461,942</b>	<b>11,389,212</b>	<b>2,578,971</b>	<b>3,276,742</b>	<b>237,390</b>	<b>221,796</b>	<b>1,535,092</b>	<b>1,311,376</b>	<b>17,813,395</b>	<b>16,199,126</b>
Depreciation and Amortisation Charge for the year	327,954	266,809	1,252	1,142	808	1,518	312,152	258,716	642,166	528,185
Impairment Losses For the year.	933,768	488,896	-	-	184	-	20,419	-	954,371	488,896
Operating Expenses , VAT & NBT	8,209,542	7,456,167	622,808	664,683	104,959	85,601	1,508,304	1,152,983	10,445,613	9,359,434
<b>Reportable Segment Profit Before Income Tax</b>	<b>3,990,678</b>	<b>3,177,340</b>	<b>1,954,911</b>	<b>2,610,917</b>	<b>131,439</b>	<b>134,677</b>	<b>(305,783)</b>	<b>(100,323)</b>	<b>5,771,245</b>	<b>5,822,611</b>
Income Tax Expense									1,736,355	1,936,662
<b>Profit For The Year</b>									<b>4,034,890</b>	<b>3,885,949</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									4,013,132	3,855,296
Non-Controlling Interests									21,758	30,653
<b>Profit For The Year</b>									<b>4,034,890</b>	<b>3,885,949</b>
<b>Other Comprehensive Income, Net of Income Tax</b>	<b>54,555</b>	<b>66,071</b>	<b>(1,222,758)</b>	<b>(1,120,048)</b>	<b>1,399</b>	<b>(832)</b>	<b>838,937</b>	<b>7,412</b>	<b>(327,867)</b>	<b>(1,047,397)</b>

**10 Seylan Bank PLC  
Segment Reporting - Group (Audited)**

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Other Information</b>										
Reportable Segment Assets	225,870,556	186,479,792	106,189,933	87,663,546	5,316,779	5,008,310	28,129,391	26,964,208	365,506,659	306,115,856
Segment Accumulated Amortisation	(528,204)	(647,743)	(40,021)	(56,825)	(808)	(4,440)	(6,688,185)	(6,821,284)	(7,257,218)	(7,530,292)
<b>Total Assets</b>	<b>225,342,352</b>	<b>185,832,049</b>	<b>106,149,912</b>	<b>87,606,721</b>	<b>5,315,971</b>	<b>5,003,870</b>	<b>21,441,206</b>	<b>20,142,924</b>	<b>358,249,441</b>	<b>298,585,564</b>
Reportable Segment Liabilities & Equity	285,669,401	238,232,763	34,700,927	26,190,102	5,315,687	5,029,077	32,563,426	29,133,622	358,249,441	298,585,564
<b>Total Liabilities &amp; Equity</b>	<b>285,669,401</b>	<b>238,232,763</b>	<b>34,700,927</b>	<b>26,190,102</b>	<b>5,315,687</b>	<b>5,029,077</b>	<b>32,563,426</b>	<b>29,133,622</b>	<b>358,249,441</b>	<b>298,585,564</b>
Cash Flows From Operating Activities	516,572	907,429	1,956,163	2,612,059	91,193	103,790	86,457	226,527	2,650,385	3,849,805
Cash Flows From Investing Activities	(542,753)	(414,207)	988,947	(27,899,125)	(3,741)	(33,514)	(307,208)	(216,333)	135,245	(28,563,179)
Cash Flows From Financing Activities	-	-	6,824,500	7,367,418	(88,779)	(73,982)	(926,350)	(834,451)	5,809,371	6,458,985
Capital Expenditure	(552,731)	(470,628)	(101)	(1,127)	(1,441)	(90,288)	(297,401)	(212,303)	(851,674)	(774,346)

**Seylan Bank PLC**
**11 Analysis of Financial Instruments by Measurement Basis - Bank (Audited)**

	2016					2015				
	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
<b>Assets</b>										
Cash and Cash Equivalents	-	-	8,336,143	-	8,336,143	-	-	7,800,488	-	7,800,488
Balances with Central Bank of Sri Lanka	-	-	16,211,618	-	16,211,618	-	-	8,563,888	-	8,563,888
Placements with Banks and Finance Companies	-	-	334,230	-	334,230	-	-	757,050	-	757,050
Derivative Financial Instruments	115,707	-	-	-	115,707	130,055	-	-	-	130,055
Other Financial Assets Held-for-Trading	9,060,416	-	-	-	9,060,416	6,016,572	-	-	-	6,016,572
Securities Purchased under Resale Agreements	-	-	7,317,022	-	7,317,022	-	-	2,312,548	-	2,312,548
Customer Loans and Receivables	-	-	236,020,197	-	236,020,197	-	-	193,103,942	-	193,103,942
Financial Investments - Available-for-Sale	-	-	-	45,863,945	45,863,945	-	-	-	48,038,510	48,038,510
Financial Investments - Held-to-Maturity	-	18,412,060	-	-	18,412,060	-	18,147,773	-	-	18,147,773
Group Balances Receivable	-	-	30,102	-	30,102	-	-	30,000	-	30,000
Other Financial Assets	-	-	5,712,285	-	5,712,285	-	-	3,854,350	-	3,854,350
<b>Total Financial Assets</b>	<b>9,176,123</b>	<b>18,412,060</b>	<b>273,961,597</b>	<b>45,863,945</b>	<b>347,413,725</b>	<b>6,146,627</b>	<b>18,147,773</b>	<b>216,422,266</b>	<b>48,038,510</b>	<b>288,755,176</b>
	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>
	Rs.000		Rs.000		Rs.000	Rs.000		Rs.000		Rs.000
<b>Liabilities</b>										
Due to Banks	-		17,728,293		17,728,293	-		19,784,171		19,784,171
Derivative Financial Instruments	86,654		-		86,654	50,013		-		50,013
Customer Deposits	-		273,456,344		273,456,344	-		224,525,455		224,525,455
Securities Sold under Repurchase Agreements	-		15,976,518		15,976,518	-		11,409,788		11,409,788
Other Borrowings	-		21,249		21,249	-		15,688		15,688
Debentures	-		12,493,645		12,493,645	-		7,179,853		7,179,853
Group Balances Payable	-		226,351		226,351	-		181,266		181,266
Current Tax Liabilities	-		750,385		750,385	-		506,712		506,712
Other Financial Liabilities	-		5,959,234		5,959,234	-		5,580,398		5,580,398
<b>Total Financial Liabilities</b>	<b>86,654</b>		<b>326,612,019</b>		<b>326,698,673</b>	<b>50,013</b>		<b>269,183,331</b>		<b>269,233,344</b>



**Seylan Bank PLC**
**11 Analysis of Financial Instruments by Measurement Basis - Group (Audited)**

	2016					2015				
	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
<b>Assets</b>										
Cash and Cash Equivalents	-	-	8,336,193	-	8,336,193	-	-	7,800,538	-	7,800,538
Balances with Central Bank of Sri Lanka	-	-	16,211,618	-	16,211,618	-	-	8,563,888	-	8,563,888
Placements with Banks and Finance Companies	-	-	334,230	-	334,230	-	-	757,050	-	757,050
Derivative Financial Instruments	115,707	-	-	-	115,707	130,055	-	-	-	130,055
Other Financial Assets Held-for-Trading	9,066,980	-	-	-	9,066,980	6,024,772	-	-	-	6,024,772
Securities Purchased under Resale Agreements	-	-	7,317,022	-	7,317,022	-	-	2,312,548	-	2,312,548
Customer Loans and Receivables	-	-	236,020,197	-	236,020,197	-	-	193,103,942	-	193,103,942
Financial Investments - Available-for-Sale	-	-	-	45,900,746	45,900,746	-	-	-	48,075,921	48,075,921
Financial Investments - Held-to-Maturity	-	18,479,155	-	-	18,479,155	-	18,229,045	-	-	18,229,045
Other Financial Assets	-	-	5,747,360	-	5,747,360	-	-	3,867,454	-	3,867,454
<b>Total Financial Assets</b>	<b>9,182,687</b>	<b>18,479,155</b>	<b>273,966,620</b>	<b>45,900,746</b>	<b>347,529,208</b>	<b>6,154,827</b>	<b>18,229,045</b>	<b>216,405,420</b>	<b>48,075,921</b>	<b>288,865,213</b>
	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>	<b>Held-for-Trading (HFT)</b>		<b>Amortised Cost</b>		<b>Total</b>
	Rs.000		Rs.000		Rs.000	Rs.000		Rs.000		Rs.000
<b>Liabilities</b>										
Due to Banks	-	-	17,728,293	-	17,728,293	-	-	19,784,171	-	19,784,171
Derivative Financial Instruments	86,654	-	-	-	86,654	50,013	-	-	-	50,013
Customer Deposits	-	-	273,456,344	-	273,456,344	-	-	224,525,455	-	224,525,455
Securities Sold under Repurchase Agreements	-	-	15,976,518	-	15,976,518	-	-	11,409,788	-	11,409,788
Other Borrowings	-	-	21,249	-	21,249	-	-	15,688	-	15,688
Debentures	-	-	12,493,645	-	12,493,645	-	-	7,179,853	-	7,179,853
Current Tax Liabilities	-	-	757,467	-	757,467	-	-	505,278	-	505,278
Other Financial Liabilities	-	-	5,975,172	-	5,975,172	-	-	5,590,898	-	5,590,898
<b>Total Financial Liabilities</b>	<b>86,654</b>	<b>-</b>	<b>326,408,688</b>	<b>-</b>	<b>326,495,342</b>	<b>50,013</b>	<b>-</b>	<b>269,011,131</b>	<b>-</b>	<b>269,061,144</b>

# Seylan Bank PLC

## Additional Disclosures (Audited)

(Amounts in Rupees Thousands)

	Bank		Group	
	As at 31.12.2016	As at 31.12.2015	As at 31.12.2016	As at 31.12.2015
<b>12 Customer Loans &amp; Receivables</b>				
Gross Loans and Receivables (Refer 12.1)	242,073,182	198,841,971	242,073,182	198,841,971
Less : Individual Impairment	(2,420,888)	(2,019,537)	(2,420,888)	(2,019,537)
Collective Impairment	(3,632,097)	(3,718,492)	(3,632,097)	(3,718,492)
<b>Net Loans and Receivables</b>	<b>236,020,197</b>	<b>193,103,942</b>	<b>236,020,197</b>	<b>193,103,942</b>

### 12.1 Customer Loans & Receivables - By product

By product - Domestic Currency				
Export Bills	119,573	41,154	119,573	41,154
Import Bills	147,802	216,906	147,802	216,906
Local Bills	142,892	151,680	142,892	151,680
Lease Rentals Receivable	14,685,690	14,922,249	14,685,690	14,922,249
Overdrafts	59,276,447	49,550,015	59,276,447	49,550,015
Revolving Import Loans	8,408,394	9,522,395	8,408,394	9,522,395
Trust Receipt Loans	1,949,259	2,509,974	1,949,259	2,509,974
Staff Loans	5,521,128	5,149,180	5,521,128	5,149,180
Housing Loans	12,477,818	11,025,655	12,477,818	11,025,655
Pawning Receivables	9,609,406	8,979,333	9,609,406	8,979,333
Refinance Loans	1,995,107	854,911	1,995,107	854,911
Credit Cards	3,803,627	3,189,905	3,803,627	3,189,905
Margin Trading	2,658,052	3,241,982	2,658,052	3,241,982
Factoring	445,452	-	445,452	-
Term Loans	101,864,248	72,394,970	101,864,248	72,394,970
<b>Total</b>	<b>223,104,895</b>	<b>181,750,309</b>	<b>223,104,895</b>	<b>181,750,309</b>
By product - Foreign Currency				
Export Bills	1,638,602	1,638,044	1,638,602	1,638,044
Import Bills	97,213	243,679	97,213	243,679
Local Bills	79,037	92,605	79,037	92,605
Overdrafts	799,936	1,490,845	799,936	1,490,845
Revolving Import Loans	659,811	321,171	659,811	321,171
Housing Loans	37,594	33,245	37,594	33,245
Term Loans	15,656,094	13,272,073	15,656,094	13,272,073
<b>Total</b>	<b>18,968,287</b>	<b>17,091,662</b>	<b>18,968,287</b>	<b>17,091,662</b>
<b>Gross Loans and Receivables</b>	<b>242,073,182</b>	<b>198,841,971</b>	<b>242,073,182</b>	<b>198,841,971</b>

### 12.2 Movements in Individual and Collective Impairment during the period for Customer Loans & Receivables

	Bank		Group	
	2016	2015	2016	2015
<b>Individual impairment</b>				
Balance as at 1st January	2,019,537	2,336,572	2,019,537	2,336,572
Net Impairment during the Year	931,597	841,302	931,597	841,302
Reversal for Write-Off	(239,426)	(1,080,953)	(239,426)	(1,080,953)
Interest Accrued on Impaired Loans and Receivables	(290,820)	(352,709)	(290,820)	(352,709)
Transfer from Collective Impairment	-	275,325	-	275,325
<b>Balance as at 31st December</b>	<b>2,420,888</b>	<b>2,019,537</b>	<b>2,420,888</b>	<b>2,019,537</b>
<b>Collective impairment</b>				
Balance as at 1st January	3,718,492	4,675,710	3,718,492	4,675,710
Net Impairment during the Year	38,005	(370,141)	38,005	(370,141)
Reversal for Write-Off	(124,400)	(311,752)	(124,400)	(311,752)
Transfer to Individual Impairment	-	(275,325)	-	(275,325)
<b>Balance as at 31st December</b>	<b>3,632,097</b>	<b>3,718,492</b>	<b>3,632,097</b>	<b>3,718,492</b>
<b>Total Impairment</b>	<b>6,052,985</b>	<b>5,738,029</b>	<b>6,052,985</b>	<b>5,738,029</b>

# Seylan Bank PLC

## Additional Disclosures (Audited)

(Amounts in Rupees Thousands)

13 Customer Deposits - By product	Bank		Group	
	As at 31.12.2016	As at 31.12.2015	As at 31.12.2016	As at 31.12.2015
<b>By product - Domestic Currency</b>				
Demand Deposits	18,436,538	16,381,633	18,436,538	16,381,633
Savings Deposits	57,385,770	56,252,291	57,385,770	56,252,291
Fixed Deposits	166,813,373	127,704,952	166,813,373	127,704,952
Certificate of Deposits	4,068,366	3,887,455	4,068,366	3,887,455
<b>Total</b>	<b>246,704,047</b>	<b>204,226,331</b>	<b>246,704,047</b>	<b>204,226,331</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	3,210,023	1,362,914	3,210,023	1,362,914
Savings Deposits	9,894,796	7,471,493	9,894,796	7,471,493
Fixed Deposits	13,647,478	11,464,717	13,647,478	11,464,717
<b>Total</b>	<b>26,752,297</b>	<b>20,299,124</b>	<b>26,752,297</b>	<b>20,299,124</b>
<b>Total Customer Deposits</b>	<b>273,456,344</b>	<b>224,525,455</b>	<b>273,456,344</b>	<b>224,525,455</b>

# Seylan Bank PLC

## Selected Performance Indicators

	Bank		Group	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier 1 Capital) Rs. '000	25,805,714	23,881,138	26,541,752	24,642,642
Total Capital Base Rs. '000	31,661,485	25,097,888	32,344,980	25,828,842
Core Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 5% )	10.74	12.24	10.94	12.48
Total Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 10% )	13.18	12.87	13.33	13.08
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Gross Non-Performing Advances Ratio % ( Net of Interest in Suspense )	4.47	4.68		
Net Non-Performing Advances Ratio % ( Net of Interest in Suspense and Provision )	3.07	3.06		
<b>Profitability</b>				
Interest Margin %	4.19	4.42		
Return ( Net Profit before Tax ) on Average Assets %	1.76	2.16		
Return on Equity %	15.18	15.62		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	64,070,857	62,010,511		
Offshore Banking Unit USD '000	34,342	26,930		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20 % )				
Domestic Banking Unit	22.68	27.56		
Offshore Banking Unit	26.24	21.51		

# Seylan Bank PLC

## Debenture Information

	CURRENT PERIOD 01-Oct-16 to 31-Dec-16	COMPARATIVE PERIOD 01-Oct-15 to 31-Dec-15
<b>Debt / Equity Ratio (Times)</b>	0.45	0.29
<b>Interest Cover (Times)</b>	6.42	8.36
<b>Quick Asset Ratio (Times)</b>	0.72	0.71
<b>2013/2018 Issue</b>		
<b>Market Prices during October to December (EX Interest)</b>		
Annual Interest - 15.50% p.a.		
- Highest Price	107.21	*
- Lowest Price	107.21	*
- Last Traded Price (07/10/2016)/*	107.21	*
Semi Annual - 15.00% p.a.	*	*
Monthly Interest - 14.50% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>		
Annual Interest - 15.50% p.a. (07/10/2016)/*	14.46%	*
Semi Annual Interest - 15.00% p.a.	*	*
Monthly Interest - 14.50% p.a.	*	*
<b>Yield to Maturity of Trade Done on</b>		
Annual Interest - 15.50% p.a. (07/10/2016)/*	9.52%	*
Semi Annual Interest - 15.00% p.a.	*	*
Monthly Interest - 14.50%	*	*
<b>Interest Rate of Comparable Government Security</b>	11.08%	8.89%
<b>2014 Issue</b>		
<b>Market Prices during October to December (EX Interest)</b>		
4 Years Fixed Semi Annual - 8.00% p.a.	*	*
5 Years Fixed Semi Annual - 8.35% p.a.	*	*
5 Years Fixed Annual - 8.60% p.a.	*	*
6 Years Fixed Semi Annual - 8.60% p.a.	*	*
6 Years Fixed Annual - 8.75% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 4 Years	11.43%	8.89%
- 5 Years	11.77%	9.20%
- 6 Years	12.09%	9.45%
<b>2016 Issue</b>		
<b>Market Prices during October to December (EX Interest)</b>		
5 Years Fixed Semi Annual - 13.00% p.a.	*	
5 Years Floating Semi Annual - 11.93% p.a.	*	
7 Years Fixed Semi Annual - 13.75% p.a.	*	
<b>Interest Yield As At Date of Last Trade</b>	*	
<b>Yield to Maturity of Trade Done on</b>	*	
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	12.09%	
- 7 Years	12.41%	

\* No trading during the period.