



Seylan Bank PLC

Interim Financial Statements

For the Three months ended 31st March 2013

Seylan Bank PLC
Income Statement

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

	Bank			(Amounts in Rupees Thousands)		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2013	2012	Growth %	2013	2012	Growth %
Interest Income	5,856,873	4,493,011	30.36	5,857,716	4,494,933	30.32
Less: Interest Expenses	3,698,734	2,453,923	50.73	3,692,514	2,453,601	50.49
Net Interest Income	2,158,139	2,039,088	5.84	2,165,202	2,041,332	6.07
Fee and Commission Income	481,154	398,588	20.71	481,154	398,588	20.71
Less: Fee and Commission Expense	19,753	14,172	39.38	21,497	15,817	35.91
Net fee and commission income	461,401	384,416	20.03	459,657	382,771	20.09
Net gain / (loss) from financial instruments designated at fair value through profit or loss	(39,079)	(68,906)	(43.29)	(36,781)	(69,142)	(46.80)
Net gain from financial investments	17,113	-		17,113	-	
Net Exchange Income	81,086	200,181	-	81,086	200,181	-
Other operating income (net)	15,896	14,827	(7.21)	32,729	31,986	(2.32)
	75,016	146,102	(48.66)	94,147	163,025	(42.25)
Total Operating Income	2,694,556	2,569,606	4.86	2,719,006	2,587,128	5.10
Less : Impairment for loans and other losses - charges / (Reversal)						
Individual impairment	115,728	248,376	53.41	115,728	248,376	53.41
Collective impairment	(181,290)	(203,363)	10.85	(181,290)	(203,363)	10.85
Others	(46)	2,837	101.62	(46)	2,837	101.62
	(65,608)	47,850	237.11	(65,608)	47,850	237.11
Net Operating Income	2,760,164	2,521,756	9.45	2,784,614	2,539,278	9.66
Personnel Expenses	967,331	848,067	14.06	973,942	853,753	14.08
Depreciation and Amortisation	140,396	140,505	(0.08)	154,680	154,899	(0.14)
Other Expenses	751,238	719,597	4.40	739,424	705,877	4.75
	1,858,965	1,708,169	8.83	1,868,046	1,714,529	8.95
Operating Profit Before Taxes	901,199	813,587	10.77	916,568	824,749	11.13
Less: Value Added Tax (VAT) on Financial Services	172,708	178,380	(3.18)	172,708	178,380	(3.18)
Profit Before Tax	728,491	635,207	14.69	743,860	646,369	15.08
Tax expenses	223,505	236,636	(5.55)	230,139	237,121	(2.94)
Profit for the period	504,986	398,571	26.70	513,721	409,248	25.53
Attributable to:						
Owners of the parent	504,986	398,571	26.70	509,513	404,105	26.08
Non - controlling interest	-	-	-	4,208	5,143	(18.18)
Profit for the period	504,986	398,571	26.70	513,721	409,248	25.53
Basic / Diluted Earnings per Ordinary Share on Profit in Rupees	1.49	1.18	26.27	1.51	1.20	25.83

The above statements are subject to audit and 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 Standards LKAS 34 - Interim Financial Reporting.

Accountant
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Seylan Bank PLC

Statement of Comprehensive Income

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

	<i>Bank</i>			(Amounts in Rupees Thousands)		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2013	2012	Growth %	2013	2012	Growth %
Profit for the period	504,986	398,571	26.70	513,721	409,248	25.53
Other comprehensive income, net of tax						
Net change of financial assets measured at fair value through other comprehensive income:						
Net change in fair value on available-for-sale financial assets	177,994	(453,579)	139.24	177,994	(453,579)	139.24
Net amount transferred to profit or loss on available-for-sale financial assets	(17,113)	-	-	(17,113)	-	-
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period, net of taxes	160,881	(453,579)	135.47	160,881	(453,579)	135.47
Total comprehensive income for the period	665,867	(55,008)	1,310.49	674,602	(44,331)	1,621.74
Attributable to:						
Owners of the parent	665,867	(55,008)	1,310.49	670,394	(49,474)	1,455.04
Non - controlling interest	-	-	-	4,208	5,143	(18.18)
Total comprehensive income for the period	665,867	(55,008)	1,310.49	674,602	(44,331)	1,621.74

The above statements are subject to audit and 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 Standards LKAS 34 - Interim Financial Reporting.

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Seylan Bank PLC
Statement of Financial Position
(In terms of Rule 7.4 of the Colombo Stock Exchange)


(Amounts in Rupees Thousands)

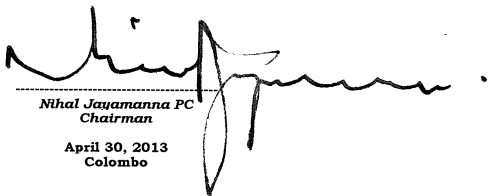
	Bank			Group		
	As at 31/03/2013	As at 31/12/2012	Growth %	As at 31/03/2013	As at 31/12/2012	Growth %
Assets						
Cash and cash equivalents	5,867,295	6,554,381	(10.48)	5,867,395	6,554,482	(10.48)
Balances with central bank	8,886,127	8,028,661	10.68	8,886,127	8,028,661	10.68
Placements with banks	1,030,396	-	-	1,030,396	-	-
Derivative financial instruments	10,294	51,281	(79.93)	10,294	51,281	(79.93)
Financial assets designated at fair value through profit or loss	6,557,014	2,460,272	166.52	6,567,190	2,468,151	166.08
Securities purchased under Resale Agreements	1,437,676	173,441	728.91	1,437,676	173,441	728.91
Loans and receivables to other customers	125,901,526	124,728,371	0.94	125,901,526	124,728,371	0.94
Financial investments - Available-for-sale	13,642,123	11,358,103	20.11	13,642,123	11,358,103	20.11
Financial investments - Held-to-maturity	20,844,145	19,822,966	5.15	20,894,145	19,822,966	5.40
Investments in subsidiaries	793,254	793,254	-	-	-	-
Due from subsidiaries	49,466	60,687	(18.49)	-	-	-
Property, plant and equipment	2,550,501	2,431,132	4.91	3,769,732	3,659,476	3.01
Investment properties	237,629	237,629	-	1,189,512	1,203,380	(1.15)
Intangible assets	186,631	202,354	(7.77)	186,631	202,354	(7.77)
Current tax assets	-	-	-	462	1,258	(63.28)
Deferred tax assets	226,122	253,171	(10.68)	449,199	481,588	(6.73)
Other assets	6,516,617	6,505,973	0.16	6,577,858	6,563,140	0.22
Total Assets	194,736,816	183,661,676	6.03	196,410,266	185,296,652	6.00
Liabilities						
Due to banks	8,685,638	6,147,593	41.29	8,685,638	6,147,593	41.29
Derivative financial instruments	159,966	278,826	(42.63)	159,966	278,826	(42.63)
Due to other customers	150,067,091	146,727,199	2.28	150,067,091	146,727,199	2.28
Securities Sold Under Repurchase Agreements	6,274,196	3,674,840	70.73	6,274,196	3,674,840	70.73
Current tax liabilities	785,227	683,040	14.96	785,227	683,040	14.96
Other liabilities	6,111,747	5,763,784	6.04	6,247,219	5,856,065	6.68
Due to subsidiaries	143,184	216,723	(33.93)	-	-	-
Debentures	3,257,776	1,211,659	168.87	3,207,776	1,211,659	164.74
Total Liabilities	175,484,825	164,703,664	6.55	175,427,113	164,579,222	6.59
Equity						
Stated Capital	10,529,724	10,225,452	2.98	10,529,724	10,225,452	2.98
Statutory Reserve Fund	724,905	724,905	-	724,905	724,905	-
Retained Earnings	6,047,407	6,245,706	(3.17)	5,957,324	6,170,268	(3.45)
Other Reserves	1,949,955	1,761,949	10.67	2,562,807	2,374,801	7.92
Total Shareholders' Equity	19,251,991	18,958,012	1.55	19,774,760	19,495,426	1.43
Non-Controlling Interest	-	-	-	1,208,393	1,222,004	(1.11)
Total Equity	19,251,991	18,958,012	1.55	20,983,153	20,717,430	1.28
Total Equity & Liabilities	194,736,816	183,661,676	6.03	196,410,266	185,296,652	6.00
Contingent Liabilities and Commitments	33,133,278	31,286,844	5.90	33,199,967	31,352,643	5.89
Memorandum Information						
Number of Employees	3,010	3,061	(1.67)	3,042	3,092	(1.62)
Number of Banking Centres	147	147	-	147	147	-
Net Asset Value Per Ordinary Share (Rs.)	55.81	56.08	(0.48)	57.32	57.67	(0.61)


Certification;

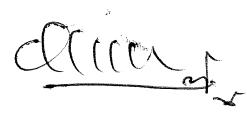
We the undersigned, being the Chairman, Executive Director, General Manager / Chief Executive Officer and Chief Financial Officer of Seylan Bank PLC certify that,
a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where 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 unaudited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


Ramesh Jayasakara
Chief Financial Officer


Kapila Ariyaratne
General Manager / Chief Executive


Nihal Jayamanna PC
Chairman
April 30, 2013
Colombo


R. Nadarajah
Executive Director



Seylan Bank PLC

STATEMENT OF CHANGES IN EQUITY

For the Three months ended 31st March - Bank

	Rs. ' 000										
	Stated Capital				Statutory Reserve Fund **	Retained Earnings	Reserves				Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Preference Shares ****	Share Premium *			Special Risk Reserve ***	Revaluation Reserve	Available for Sale Reserve	Other Reserves	
1 Balance as at 01.01.20112	6,711,000	2,677,133	33,901	837,319	618,567	5,198,157	98,741	461,998	130,608	724,794	17,492,218
Total Comprehensive Income for the period											
Profit / (Loss) for the period						398,571					398,571
Other Comprehensive Income (net of tax)									(453,579)		(453,579)
2 Total Comprehensive Income for the period	-	-	-	-	-	398,571	-	-	(453,579)	-	(55,008)
Transactions With Equity Holders , Recognised Directly In Equity											
Redemption of Preference Shares****			(33,901)			(8,474)					(42,375)
Dividends to Equity Holders						(338,080)					(338,080)
Transfers from / to Retained Profits						(153,833)				153,833	-
3 Total Transactions with Equity Holders	-	-	(33,901)	-	-	(500,387)	-	-	-	153,833	(380,455)
Balance as at 31.03.2012 (1 + 2 + 3)	6,711,000	2,677,133	-	837,319	618,567	5,096,341	98,741	461,998	(322,971)	878,627	17,056,755
1 Balance as at 01.01.2013	6,711,000	2,677,133	-	837,319	724,905	6,245,706	112,922	510,049	(125,070)	1,264,048	18,958,012
Total Comprehensive Income for the period											
Profit / (Loss) for the period						504,986					504,986
Other Comprehensive Income (net of tax)									160,881		160,881
2 Total Comprehensive Income for the period	-	-	-	-	-	504,986	-	-	160,881	-	665,867
Transactions With Equity Holders , Recognised Directly In Equity											
Cash / Scrip Dividends to Equity Holders *****	156,000	148,272				(676,160)					(371,888)
Transfers from / to Retained Profits						(27,125)	(112,922)			140,047	-
3 Total Transactions with Equity Holders	156,000	148,272	-	-	-	(703,285)	(112,922)	-	-	140,047	(371,888)
Balance as at 31.03.2013 (1 + 2 + 3)	6,867,000	2,825,405	-	837,319	724,905	6,047,407	-	510,049	35,811	1,404,095	19,251,991

* Share Premium consists of the premium booked prior to issuance of New companies act No. 7 of 2007.

** Statutory Reserve Fund represents the statutory requirement in terms of the section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

*** According to the circular Ref. No. 08/24/002/0005/003/ issued by the Central Bank of Sri Lanka, Primary Dealer Unit is required to appropriate 25% of the profit after tax for the year towards the Special Risk Reserve. However, with effect from 14/02/2013 Licensed Commercial Banks appointed as Primary Dealers were exempted from the requirement of maintaining such Special Reserve as per Direction No. 08/11/011/0019/001 dated 18/03/2013.

**** As provided in section 64(1) of the companies act no.07 of 2007 , the Bank redeemed its Preference Shares (which the Article 6 of the Company enables to effect such purchases) with the approval of Board of Directors.

***** Refer Explanatory Note (No. 08) for Scrip dividends details.

Seylan Bank PLC

STATEMENT OF CHANGES IN EQUITY

For the Three months ended 31st March - Group

	Rs. ' 000												
	Stated Capital				Statutory Reserve Fund **	Retained Earnings	Reserves				Total	Non Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Preference Shares ****	Share Premium *			Special Risk Reserve ***	Revaluation Reserve	Available for Sale Reserve	Other Reserves			
1 Balance as at 01.01.2012	6,711,000	2,677,133	33,901	837,319	618,567	5,109,557	98,741	820,877	130,923	980,007	18,018,025	1,211,218	19,229,243
Total Comprehensive Income for the period													
Profit / (Loss) for the period						404,105					404,105	5,143	409,248
Other Comprehensive Income (net of tax)									(453,579)		(453,579)		(453,579)
2 Total Comprehensive Income for the period	-	-	-	-	-	404,105	-	-	(453,579)	-	(49,474)	5,143	(44,331)
Transactions With Equity Holders , Recognised Directly In Equity													
Redemption of Preference Shares****			(33,901)			(8,474)					(42,375)		(42,375)
Dividends to Equity Holders						(338,080)					(338,080)		(338,080)
Transfers from / to Retained Profits						(153,833)				153,833	-		-
Others						(7,669)					(7,669)	(7,127)	(14,796)
3 Total Transactions with Equity Holders	-	-	(33,901)	-	-	(508,056)	-	-	-	153,833	(388,124)	(7,127)	(395,251)
Balance as at 31.03.2012 (1 + 2 + 3)	6,711,000	2,677,133	-	837,319	618,567	5,005,606	98,741	820,877	(322,656)	1,133,840	17,580,427	1,209,234	18,789,661
1 Balance as at 01.01.2013	6,711,000	2,677,133	-	837,319	724,905	6,170,268	112,922	868,928	(126,310)	1,519,261	19,495,426	1,222,004	20,717,430
Total Comprehensive Income for the period													
Profit / (Loss) for the period						509,513					509,513	4,208	513,721
Other Comprehensive Income (net of tax)									160,881		160,881		160,881
2 Total Comprehensive Income for the period	-	-	-	-	-	509,513	-	-	160,881	-	670,394	4,208	674,602
Transactions With Equity Holders , Recognised Directly In Equity													
Cash / Scrip Dividends to Equity Holders*****	156,000	148,272				(676,160)					(371,888)		(371,888)
Transfers from / to Retained Profits						(27,125)	(112,922)			140,047	-		-
Others						(19,172)					(19,172)	(17,819)	(36,991)
3 Total Transactions with Equity Holders	156,000	148,272	-	-	-	(722,457)	(112,922)	-	-	140,047	(391,060)	(17,819)	(408,879)
Balance as at 31.03.2013 (1 + 2 + 3)	6,867,000	2,825,405	-	837,319	724,905	5,957,324	-	868,928	34,571	1,659,308	19,774,760	1,208,393	20,983,153

* Share Premium consists of the premium booked prior to issuance of New companies act No. 7 of 2007

** Statutory Reserve Fund represents the statutory requirement in terms of the section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

*** According to the circular Ref. No. 08/24/002/0005/003/ issued by the Central Bank of Sri Lanka, Primary Dealer Unit is required to appropriate 25% of the profit after tax for the year towards the Special Risk Reserve. However, with effect from 14/02/2013 Licensed Commercial Banks appointed as Primary Dealers were exempted from the requirement of maintaining such Special Reserve as per Direction No. 08/11/011/0019/001 dated 18/03/2013.

**** As provided in section 64(1) of the companies act no.07 of 2007 , the Bank redeemed its Preference Shares (which the Article 6 of the Company enables to effect such purchases) with the approval of Board of Directors.

***** Refer Explanatory Note (No. 08) for Scrip dividends details.

SEYLAN BANK PLC
CASH FLOW STATEMENT

	Bank		Group	
	For the period ended 31st March			
	2013	2012	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Interest Receipts	5,630,483	4,480,997	5,631,326	4,482,919
Fees and Commission Receipts	481,154	398,588	481,154	398,588
Interest Payments	(2,954,426)	(2,013,501)	(2,948,600)	(2,013,179)
Exchange Income	81,086	200,181	81,086	200,181
Receipts from Other Operating Activities	136,948	9,278	155,629	9,278
Cash Payments to Employees and Suppliers	(1,719,569)	(1,278,844)	(1,713,972)	(1,263,406)
Cash Payments to Other Operating Activities	(19,753)	(14,172)	(21,497)	(15,817)
Operating Profit before Changes in Operating Assets & Liabilities	1,635,923	1,782,527	1,665,126	1,798,564
(Increase)/Decrease in Operating Assets :				
Loans & Receivables (Advanced to) / Repaid by Customers	(1,246,058)	(8,323,799)	(1,246,058)	(8,323,799)
Deposits Held for Regulatory or Monetary Control Purposes	(857,466)	(376,060)	(857,466)	(376,060)
Increase/(Decrease) in Operating Liabilities :				
Deposits from / (Withdrawals by) Customers	2,914,259	4,761,860	2,914,259	4,761,860
Negotiable Certificates of Deposit	520,666	30,505	520,666	30,505
Cash (Used in) / Generated from Operations	2,963,909	(2,124,967)	2,974,431	(2,108,930)
Income Tax Paid	(2,527)	(30,000)	(2,527)	(30,000)
Contribution Paid into Employee Retirement Benefit Plan / Employees	(20,163)	95,744	(20,163)	95,744
Net Cash (Used in) / Generated from Operating Activities	2,941,219	(2,059,223)	2,951,741	(2,043,186)
Cash Flows from Investing Activities				
Dividend Income	5,438	970	5,438	970
Net Proceeds from Sale, Maturity & Purchase of Financial Instruments of Government of Sri Lanka Maturing after 03 months	(9,190,693)	4,552,776	(9,190,693)	4,552,776
Reverse Repurchase Agreements Maturing After 03 Months	(1,441)	7,665	(1,441)	7,665
Net Proceeds from Sale, Maturity & Purchase of Financial Instruments of Shares & Debentures	(246,005)	(94,959)	(298,302)	(94,823)
Purchase Of Property , Plant & Equipment , Leasehold Rights & Intangible Assets	(244,042)	(95,799)	(244,190)	(97,555)
Proceeds From Sale Of Property , Plant & Equipment , Leasehold Rights & Intangible Assets	71	2,110	89	2,110
Proceeds from Sale of Investment Property	-	-	9,450	1,756
Improvements to Investment Property	-	-	(180)	-
Net Cash (Used in) / Generated from Investing Activities	(9,676,672)	4,372,763	(9,719,828)	4,372,899
Cash Flows from Financing Activities				
Increase in Debentures	2,046,117	-	1,996,117	-
Repayment of Preference Shares	-	(42,376)	-	(42,376)
Securities Sold under Repurchase Agreements	2,599,356	(3,533,929)	2,599,356	(3,533,929)
Increase / (Decrease) in Other Borrowings	1,661,355	2,931,372	1,743,989	2,914,739
Dividends Paid	(28)	(140)	(28)	(140)
Net Cash (Used in) / Generated from Financing Activities	6,306,800	(645,073)	6,339,434	(661,706)
Net Increase / (Decrease) in Cash & Cash Equivalents	(428,653)	1,668,467	(428,653)	1,668,007
Cash & Cash Equivalents at beginning of the Period	9,481,018	9,398,139	9,481,119	9,398,700
Cash & Cash Equivalents at end of the Period	9,052,365	11,066,606	9,052,466	11,066,707
Reconciliation of Cash & Cash Equivalents				
Cash and Cash Equivalents	6,897,691	6,554,381	6,897,792	6,554,482
Government of Sri Lanka Treasury Bills/Bonds Maturing within 03 Months	718,852	3,221,070	718,852	3,221,070
Securities Purchased under Resale Agreements maturing with in 03 months	1,435,822	1,291,155	1,435,822	1,291,155
	9,052,365	11,066,606	9,052,466	11,066,707

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SEYLAN BANK PLC

EXPLANATORY NOTES

1 General

1.1 There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements are presented in accordance 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, 2012 which have been prepared in accordance with LKAS / SLFRS.

The group financial statements comprises a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (51.83%)

1.2 APPLICATION OF SRI LANKA ACCOUNTING STANDARDS (SLFRS/LKAS).

The financial statements for the period ended December 31, 2012 are the first financial statements prepared and presented in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) immediately effective from January 01, 2012. These LKAS/SLFRSs have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

A brief explanation of how the transition to LKAS/SLFRSs and impact to Total Comprehensive Income & Equity on the comparative figures are given in note 10.1 and 10.2 to these Interim Financial Statements.

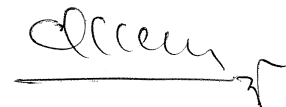
2. Information on Ordinary Shares

MARKET VALUE (Rs.)	31/03/2013		31/03/2012	
	Voting	Non Voting	Voting	Non Voting
Market Value Per Share	65.20	35.50	66.90	29.00
Highest price per share for the quarter ended	66.50	38.00	72.00	31.20
Lowest price per share for the quarter ended	56.00	34.00	53.00	22.20

3. Shareholders Information

Twenty Largest Ordinary Voting Shareholders as at 31st March 2013

	No. of Shares	%
1. Sri Lanka Insurance Corporation Ltd <i>[includes Sri Lanka Insurance Corporation Ltd -General Fund – 17,597,739 and Sri Lanka Insurance Corporation Ltd (Life Fund) – 8,798,869]</i>	26,396,608	15.00
2. Brown & Company PLC A/C No. 1	24,416,750	13.87
3. National Development Bank PLC/ Dr T Senthilvel	17,464,081	9.92
4. LOLC Investments Ltd	16,808,502	9.55
5. Employees Provident Fund	16,235,381	9.23
6. Bank of Ceylon No.1 Account	13,198,305	7.50
7. Waldock Mackenzie Limited/Mr D S K Amarasekera	11,322,734	6.43
8. Dr W U N Gamage	7,954,720	4.52
9. Bentota Backwaters (Pvt) Ltd	3,936,421	2.24



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. Ceylinco Limited	1,706,536	0.97
16. Mr K R B Fernando	1,015,254	0.58
17. Sotse (Pvt) Ltd	977,010	0.56
18. Employees Trust Fund Board	605,172	0.34
19. Dr J L B Kotelawala	537,602	0.31
20. Sinharajah Hills Plantation (Pvt) Ltd	520,647	0.30

Twenty Largest Ordinary Non-Voting Shareholders as at 31st March, 2013

	No. of Shares	%
1. Lanka Orix Leasing Company PLC	52,646,344	31.15
2. Employees' Provident Fund	16,821,056	9.95
3. Browns Investments PLC	11,998,208	7.10
4. Mr E Thavagnanasooriyam & Mr E Thavagnanasundaram	2,694,968	1.59
5. Associated Electrical Corporation Ltd	2,625,828	1.55
6. Pershing LLC S/A Averbach Grauson & Co	2,285,222	1.35
7. Employees Trust Fund Board	1,985,355	1.18
8. Merrill J Fernando & Sons (Pvt) Limited	1,877,057	1.11
9. Mr N Balasingam	1,762,693	1.04
10. National Savings Bank	1,535,151	0.91
11. Mrs L E M Yaseen	1,374,457	0.81
12. Seylan Bank PLC/Pubudhu Saranga Wijayakumari Rupasinghe	1,296,460	0.77
13. Mr N Ganarajah	1,169,997	0.69
14. Phoenix Ventures Limited	1,158,919	0.69
15. S Yaddehige	1,042,330	0.62
16. Waldock Mackenzie Limited/Mr L P Hapangama	923,142	0.55
17. Mr E Thavagnanasooriyam	853,598	0.51
18. J. B. Cocoshell (Pvt) Ltd	837,523	0.50
19. Mr E Thavagnasundaram	772,192	0.46
20. Mrs. P S W Rupasinghe	730,542	0.43

Percentage of Public Holdings as at March 31, 2013

- Ordinary Voting Shares - 61.53%
- Ordinary Non-Voting Shares - 68.77%

4. Directors' and General Manager/Chief Executive Officer's Shareholdings as at March 31, 2013

<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. N M Jayamanne PC	5,583	Nil
Mr. I C Nanayakkara	Nil	Nil
Mr R Nadarajah	13,536	Nil
Mr P L P Withana	23,719	Nil
Rear Admiral B A J G Peiris	Nil	Nil
Mr A L Devasurendra	Nil	Nil
Mr S P S Ranatunga	Nil	Nil
Mr A M Mohan De Alwis	Nil	Nil

Shares held by General Manager/Chief Executive Officer, Mr. K P Ariyaratne as at March 31, 2013

Mr K P Ariyaratne	21,117	118,367
Jointly with Mrs. N I Ariyaratne	37	-

5. Impairment Allowances on Loans and Receivables – 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 providing loan losses 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 March 31, 2013, 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 Compensation Tribunal. No adjustments have been made to the valuations used for accounting purposes) and Golden Key Credit Card Company.

However the required impairment allowance on above facilities as required under LKAS-39 have been incorporated in the Interim Financials Statements.

6. Stated Capital as at March 31, 2013	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
2,644,068 Voting Ordinary Shares @ Rs. 59/- each	156,000
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
4,236,343 Non Voting Ordinary Shares @ Rs.35/- each	148,272
Share Premium	837,319
	10,529,724

7. **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 3 months ended March 31, 2013. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares.

8. **Post Balance Sheet Events**

Dividend of Rs.2.00 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on March 28, 2013 and issued to the Ordinary Voting and Non-voting Shareholders of the Bank entitled as at end of trading on March 28, 2013 as described below.

- Rs. 1.00 per share by way of payment in cash - Dividend cheques were dispatched to Ordinary (voting) shareholders and Ordinary (non-voting) shareholders on April 09, 2013.
- Rs.1.00 per share by the allotment and issue of new Ordinary (Voting and Non-voting) Shares (scrip dividend) on March 28, 2013 – Direct uploads of shares to the Shareholders' accounts on the Central Depository Systems (Pvt) Ltd and update of the Bank's Share Ledger System were completed on April 09, 2013. The increased stated capital after the scrip issue is LKR 10,529,724,017/- as mentioned below.

	Rs'000
Share Capital before Scrip Issue	10,225,452
Add: Scrip Issue	
- Voting Share Capital (2,644,068 shares @ Rs. 59/-)	156,000
- Non Voting Share Capital(4,236,343 shares @ Rs. 35/-)	148,272
Share Capital after Scrip Issue	10,529,724

9. **Others**

- Mr P M M Pieris PC, resigned from the Board of Directors and as Chairman of the Bank on ^h January 15, 2013.
- Independent Director, Mr N M Jayamanne PC was appointed as Chairman of the Bank with effect from January 17, 2013.
- Non-executive Director, Mr I C Nanayakkara was appointed as Deputy Chairman of the Bank with effect from January 17, 2013.
- Non-Executive Director, Mr P Kudabalage resigned from the Board of Directors with effect from March 29, 2013.
- 20,000,000 Unsecured, Subordinated, Redeemable 5 year listed debentures of Rs.100/- were issued and allotted on February 22, 2013. However such debentures were not included in the Capital adequacy Computation for the Q1 - 2013, since CBSL approval was obtained on April 18, 2013.



10. COMPARATIVE INFORMATION

Comparative information has been restated in line with the changes to the new Sri Lanka Accounting Standards (LKAS/SLFRS) which are effective from 1st January 2012.

10.1 Reconciliation of Total Comprehensive income in accordance with Sri Lanka Accounting Standards effective from 1st January 2012 and Sri Lanka Accounting Standards effective prior to 1st January 2012

	For the quarter ended	
	Bank 31 st March 2012 Rs. '000	Group 31 st March 2012 Rs. '000
Profit after tax published in accordance with the accounting standards effective immediately prior to 1 st January 2012	406,831	417,745
Effect of adoption of LKAS/ SLFRS		
Financial Instruments	14,880	14,643
Operating Leases	(11,445)	(11,445)
Tax impact	(11,695)	(11,695)
Net Profit Reported in the Income Statement	398,571	409,248
Changes in fair value of investment securities - available for sale	(453,579)	(453,579)
Total Comprehensive income in compliance with accounting standards effective from 1 st January 2012	(55,008)	(44,331)

10.2 Reconciliation of Total equity in accordance with Sri Lanka Accounting Standards effective from January 01, 2012 and Sri Lanka Accounting Standards effective prior to 1st January 2012

	As at the quarter ended	
	Bank 31 st March 2012 Rs. '000	Group 31 st March 2012 Rs. '000
Total Equity in accordance with the accounting standards effective immediately prior to 1 st January 2012	17,574,375	17,980,403
Adjustment for Deferred Taxation		116,762
Effect of Adoption of LKAS / SLFRS:		
Investment securities - available for sale	(322,971)	(322,656)
Effect of adoption of LKAS /SLFRS – other	(194,649)	(194,082)
Total equity in accordance with the accounting standards effective from 1 st January 2012	17,056,755	17,580,427

There were no material changes in contingent liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.

All known expenses including Provision for Impairment as per LKAS/SLFRS have been provided for in these Interim Accounts.

SEGMENT REPORTING (GROUP)

	Banking		Treasury		Property/Investments		Unallocated/Eliminations		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	4,919,546	3,840,466	871,422	605,642	7,063	2,260	59,685	46,565	5,857,716	4,494,933
Interest Expense	3,457,531	2,208,015	241,159	245,832	-	16	(6,176)	(262)	3,692,514	2,453,601
Net Interest Income	1,462,015	1,632,451	630,263	359,810	7,063	2,244	65,861	46,827	2,165,202	2,041,332
Fee and Commission Income	481,339	401,900	(195)	(544)	-	-	10	(2,768)	481,154	398,588
Fee & Commission expense	12,669	8,915	7,084	5,257	1,744	1,645	-	-	21,497	15,817
Net Fee and Commission Income	468,670	392,985	(7,279)	(5,801)	(1,744)	(1,645)	10	(2,768)	459,657	382,771
Net Gain from Financial Instruments Designated at Fair Value Through Profit or Loss	(21,586)	(34,143)	(20,512)	(34,763)	2,298	(236)	3,019	-	(36,781)	(69,142)
Net Gain from Financial Investments	-	-	17,113	-	-	-	-	-	17,113	-
Net Exchange Income	15,510	50,799	67,946	103,266	-	-	(2,370)	46,116	81,086	200,181
Other Operating Income	8,017	3,401	1,976	2,068	40,833	40,338	(18,097)	(13,821)	32,729	31,986
Inter Segment Revenue	27,363	21,383	(509,667)	(345,144)	-	-	482,304	323,761	-	-
Total Operating Income	1,959,989	2,066,876	179,840	79,436	48,450	40,701	530,727	400,115	2,719,006	2,587,128
Depreciation and Amortisation	68,583	66,297	309	500	6,611	289	79,177	87,813	154,680	154,899
Impairment for Loans and Other Losses - Charges / (Reversal)	(70,442)	(34,496)	4,834	82,346	-	-	-	-	(65,608)	47,850
Operating Expenses & VAT	1,231,403	1,110,864	37,428	30,788	41,839	15,145	575,404	581,213	1,886,074	1,738,010
Reportable Segment Profit Before Income Tax	730,445	924,211	137,269	(34,198)	-	25,267	(123,854)	(268,911)	743,860	646,369

	Banking		Treasury		Property/Investments		Unallocated/Eliminations		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
OTHER INFORMATION										
Total Assets	123,790,581	114,729,619	52,317,505	41,444,595	4,429,979	4,608,506	15,872,201	13,268,614	196,410,266	174,051,334
Total Liabilities & Equity	153,262,948	131,609,646	13,993,720	15,995,676	194,844	178,238	28,958,754	26,267,774	196,410,266	174,051,334
Cash Flows from Operating Activites	2,883,639	(1,926,773)	125,299	48,648	6,611	25,556	(63,808)	(190,617)	2,951,741	(2,043,186)
Cash Flows from Investing Activites	(17,113)	-	(9,415,588)	4,466,452	(38,379)	(46,075)	(248,748)	(47,478)	(9,719,828)	4,372,899
Cash Flows from Financing Activites	-	-	6,306,828	(602,557)	-	-	32,606	(59,149)	6,339,434	(661,706)
Capital Expenditure	(81,650)	(62,295)	(1,418)	(2,137)	(328)	(1,755)	(160,794)	(31,368)	(244,190)	(97,555)

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Seylan Bank PLC

Measurement of Financial Instruments - Bank

As at 31.03.2013

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	HTM	Loans & receivables / Amortized Cost	AFS	Others	Total
ASSETS						
Cash and cash equivalents			5,867,295			5,867,295
Balances with Central Bank of Sri Lanka			8,886,127			8,886,127
Placements with banks			1,030,396			1,030,396
Derivative financial instruments	10,294					10,294
Investments designated at fair value through profit & loss	6,557,014					6,557,014
Loans and receivables			125,901,526			125,901,526
Held to Maturity Investment Securities		20,844,145				20,844,145
Available for Sale Investment Securities				13,642,123		13,642,123
Investment in Subsidiary		793,254				793,254
Securities purchased under Resale Agreements			1,437,676			1,437,676
Total financial assets	6,567,308	21,637,399	143,123,020	13,642,123	-	184,969,850
Other Assets					9,766,966	9,766,966
Total assets	6,567,308	21,637,399	143,123,020	13,642,123	9,766,966	194,736,816

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	Amortized cost	Others	Total
LIABILITIES				
Due to banks		8,685,638		8,685,638
Derivative financial instruments	159,966			159,966
Deposits		150,067,091		150,067,091
Other borrowings		6,274,196		6,274,196
Debentures		3,257,776		3,257,776
Total financial liabilities	159,966	168,284,701	-	168,444,667
Equity & Other Liabilities			26,292,149	26,292,149
Total liabilities	159,966	168,284,701	26,292,149	194,736,816

HFT - Held for trading, Designated at FVTPL - Designated at fair value through profit or loss,
HTM - Held-to-maturity, L & R - Loans and receivables, AFS - Available-for-sale

As at 31.12.2012

Designated at FVTPL / HFT	HTM	Loans & receivables / Amortized Cost	AFS	Others	Total
		6,554,381			6,554,381
		8,028,661			8,028,661
					-
51,281					51,281
2,460,272					2,460,272
		124,728,371			124,728,371
	19,822,966				19,822,966
			11,358,103		11,358,103
	793,254				793,254
		173,441			173,441
2,511,553	20,616,220	139,484,854	11,358,103	-	173,970,730
				9,690,946	9,690,946
2,511,553	20,616,220	139,484,854	11,358,103	9,690,946	183,661,676

Designated at FVTPL / HFT	Amortized cost	Others	Total
	6,147,593		6,147,593
278,826			278,826
	146,727,199		146,727,199
	3,674,840		3,674,840
	1,211,659		1,211,659
278,826	157,761,291	-	158,040,117
		25,621,559	25,621,559
278,826	157,761,291	25,621,559	183,661,676

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Seylan Bank PLC

Measurement of Financial Instruments - Group

As at 31.03.2013

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	HTM	Loans & receivables / Amortized Cost	AFS	Others	Total
ASSETS						
Cash and cash equivalents			5,867,395			5,867,395
Balances with Central Bank of Sri Lanka			8,886,127			8,886,127
Placements with banks			1,030,396			1,030,396
Derivative financial instruments	10,294					10,294
Investments designated at fair value through profit & loss	6,567,190					6,567,190
Loans and receivables			125,901,526			125,901,526
Held to Maturity Investment Securities		20,894,145				20,894,145
Available for Sale Investment Securities				13,642,123		13,642,123
Securities purchased under Resale Agreements			1,437,676			1,437,676
Total financial assets	6,577,484	20,894,145	143,123,120	13,642,123	-	184,236,872
Other Assets					12,173,394	12,173,394
Total assets	6,577,484	20,894,145	143,123,120	13,642,123	12,173,394	196,410,266

As at 31.12.2012

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	HTM	Loans & receivables / Amortized Cost	AFS	Others	Total
ASSETS						
Cash and cash equivalents			6,554,482			6,554,482
Balances with Central Bank of Sri Lanka			8,028,661			8,028,661
Placements with banks						-
Derivative financial instruments	51,281					51,281
Investments designated at fair value through profit & loss	2,468,151					2,468,151
Loans and receivables			124,728,371			124,728,371
Held to Maturity Investment Securities		19,822,966				19,822,966
Available for Sale Investment Securities				11,358,103		11,358,103
Securities purchased under Resale Agreements			173,441			173,441
Total financial assets	2,519,432	19,822,966	139,484,955	11,358,103	-	173,185,456
Other Assets					12,111,196	12,111,196
Total assets	2,519,432	19,822,966	139,484,955	11,358,103	12,111,196	185,296,652

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	Amortized cost	Others	Total
LIABILITIES				
Due to banks		8,685,638		8,685,638
Derivative financial instruments	159,966			159,966
Deposits		150,067,091		150,067,091
Other borrowings		6,274,196		6,274,196
Debentures		3,207,776		3,207,776
Total financial liabilities	159,966	168,234,701	-	168,394,667
Equity & Other Liabilities			28,015,599	28,015,599
Total liabilities	159,966	168,234,701	28,015,599	196,410,266

(Amounts in Rupees Thousands)	Designated at FVTPL / HFT	Amortized cost	Others	Total
LIABILITIES				
Due to banks		6,147,593		6,147,593
Derivative financial instruments	278,826			278,826
Deposits		146,727,199		146,727,199
Other borrowings		3,674,840		3,674,840
Debentures		1,211,659		1,211,659
Total financial liabilities	278,826	157,761,291	-	158,040,117
Equity & Other Liabilities			27,256,535	27,256,535
Total liabilities	278,826	157,761,291	27,256,535	185,296,652

HFT - Held for trading, Designated at FVTPL - Designated at fair value through profit or loss,
HTM - Held-to-maturity, L & R - Loans and receivables, AFS - Available-for-sale

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Seylan Bank PLC

Selected Performance Indicators

	Bank		Group	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital) Rs. '000	17,387,485	17,351,517	18,088,139	18,071,882
Total Capital Base Rs. '000	17,301,098	17,364,238	17,971,161	18,079,063
Core Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 5%)	14.15	14.36	14.48	14.70
Total Capital Adequacy Ratio as a % of Risk Weighted Assets (Minimum Requirement 10%)	14.08	14.37	14.38	14.71
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense)	12.60	12.99		
Gross Non-Performing Advances Ratio % (Net of Interest in Suspense including Investment Properties)	12.75	13.13		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision)	9.57	9.81		
Net Non-Performing Advances Ratio % (Net of Interest in Suspense and Provision including Investment Properties)	9.72	9.97		
Profitability				
Interest Margin %	4.56	5.16		
Return (Net Profit Before Tax) on Average Assets %	1.54	1.82		
Return on Equity %	10.57	11.25		
Regulatory Liquidity				
Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	38,038,640	32,532,855		
Offshore Banking Unit USD '000	12,246	11,820		
Statutory Liquid Assets Ratio % (Minimum Requirement 20 %)				
Domestic Banking Unit	24.20	21.51		
Offshore Banking Unit	23.69	23.06		

Dividends Paid (Rs. '000)

	31.03.2013	31.03.2012
Ordinary	28	139
Preference	-	1
	28	140

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	CURRENT PERIOD 31.03.2013	PREVIOUS COMPARATIVE PERIOD 31.03.2012
Interest Rate of Comparable Government Security	11.03%	11.19%
Debt / Equity ratio **	0.17	0.06
Interest Cover	9.85	6.75
Quick Asset Ratio **	0.86	0.81
The Market Prices during the January to March (Ex Interest)		
2007/2012 Issue I		
Annual Interest - 16.75% p.a.		*
Monthly Interest -15.75% p.a.		*
Floating Interest - 14% p.a.		*
2007/2012 Issue I I		
Annual Interest - 18.00% p.a.		
- Highest Price		100.00
- Lowest Price		100.00
- Last Traded Price */(22/02/2012)		100.00
Monthly Interest -17.00% p.a.		*
Floating Interest - 10.05% p.a. (For 3 Months 12.92% p.a.)		*
2008/2013 Issue		
Annual Interest - 21.50% p.a.		
- Highest Price	*	100.00
- Lowest Price	*	100.00
- Last Traded Price */(23/01/2012)	*	100.00
Monthly Interest - 20.50% p.a.		
- Highest Price	*	99.35
- Lowest Price	*	95.00
- Last Traded Price */(05/03/2012)	*	95.00
Floating Quarterly Interest - 12.72% p.a.	*	*
Floating Annual Interest - 10.05% p.a.	*	*
2013/2018 Issue		
Annual Interest - 15.5% p.a.	*	
Semi Annual Interest - 15% p.a.	*	
Monthly Interest - 14.5% p.a.	*	
Interest Yield As At Date of Last Trade		
2007/2012 Issue I		
Annual Interest *		*
Monthly Interest *		*
Floating Interest *		*
2007/2012 Issue I I		
Annual Interest */(22/02/2012)		18.00%
Monthly Interest *		*
Floating Interest *		*
2008/2013 Issue		
Annual Interest */(23/01/2012)	*	21.50%
Monthly Interest */(05/03/2012)	*	23.73%
Floating Quarterly Interest *	*	*
Floating Annual Interest *	*	*
2013/2018 Issue		
Annual Interest *	*	
Semi Annual Interest *	*	
Monthly Interest *	*	
Yield to maturity of trade done on		
2007/2012 Issue I		
Annual Interest *		*
Monthly Interest *		*
Floating Interest *		*
2007/2012 Issue I I		
Annual Interest */(22/02/2012)		17.36%
Monthly Interest *		*
Floating Interest *		*
2008/2013 Issue		
Annual Interest */(23/01/2012)	*	21.46%
Monthly Interest */(05/03/2012)	*	23.89%
Floating Quarterly Interest *	*	*
Floating Annual Interest *	*	*
2013/2018 Issue		
Annual Interest*	*	
Semi Annual Interest*	*	
Monthly Interest *	*	

* No Trading During The Period

** Comparative Period - Immediate Preceding Financial Year