



# Seylan Bank PLC

Interim Financial Statements

For the 09 Months Ended 30th September 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 Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2016	2015	Growth %	2016	2015	Growth %
Interest Income	23,647,787	17,687,553	<b>33.70</b>	8,867,741	6,098,187	<b>45.42</b>
Less: Interest Expenses	14,095,585	8,837,208	<b>59.50</b>	5,462,661	3,083,121	<b>77.18</b>
<b>Net Interest Income</b>	<b>9,552,202</b>	<b>8,850,345</b>	<b>7.93</b>	<b>3,405,080</b>	<b>3,015,066</b>	<b>12.94</b>
Fee and Commission Income	2,287,310	1,949,271	<b>17.34</b>	798,460	702,627	<b>13.64</b>
Less: Fee and Commission Expenses	85,345	80,650	<b>5.82</b>	28,696	25,435	<b>12.82</b>
<b>Net Fee and Commission Income</b>	<b>2,201,965</b>	<b>1,868,621</b>	<b>17.84</b>	<b>769,764</b>	<b>677,192</b>	<b>13.67</b>
Net Trading Income	(3,003)	47,279	<b>(106.35)</b>	198,841	(203,950)	<b>197.49</b>
Net Gain from Financial Investments	27,030	158,727	<b>(82.97)</b>	(3,495)	66,226	<b>(105.28)</b>
Net Exchange Income	670,257	675,810	<b>(0.82)</b>	195,190	267,004	<b>(26.90)</b>
Other Operating Income (Net)	428,213	348,672	<b>22.81</b>	121,019	66,213	<b>82.77</b>
	<b>1,122,497</b>	<b>1,230,488</b>	<b>(8.78)</b>	<b>511,555</b>	<b>195,493</b>	<b>161.67</b>
<b>Total Operating Income</b>	<b>12,876,664</b>	<b>11,949,454</b>	<b>7.76</b>	<b>4,686,399</b>	<b>3,887,751</b>	<b>20.54</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	416,199	546,278	<b>(23.81)</b>	241,842	173,533	<b>39.36</b>
Collective Impairment	158,641	(37,639)	<b>521.48</b>	20,628	(221,609)	<b>109.31</b>
Others	20,582	8,479	<b>142.74</b>	20,379	7,005	<b>190.92</b>
	<b>595,422</b>	<b>517,118</b>	<b>15.14</b>	<b>282,849</b>	<b>(41,071)</b>	<b>788.68</b>
<b>Net Operating Income</b>	<b>12,281,242</b>	<b>11,432,336</b>	<b>7.43</b>	<b>4,403,550</b>	<b>3,928,822</b>	<b>12.08</b>
Personnel Expenses	3,488,252	3,181,119	<b>9.65</b>	1,185,711	1,069,493	<b>10.87</b>
Depreciation and Amortisation	437,572	353,185	<b>23.89</b>	150,644	121,196	<b>24.30</b>
Other Expenses	3,219,893	2,981,278	<b>8.00</b>	1,133,175	959,606	<b>18.09</b>
	<b>7,145,717</b>	<b>6,515,582</b>	<b>9.67</b>	<b>2,469,530</b>	<b>2,150,295</b>	<b>14.85</b>
<b>Operating Profit before Taxes</b>	<b>5,135,525</b>	<b>4,916,754</b>	<b>4.45</b>	<b>1,934,020</b>	<b>1,778,527</b>	<b>8.74</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	980,006	854,293	<b>14.72</b>	337,696	294,932	<b>14.50</b>
<b>Profit before Income Tax</b>	<b>4,155,519</b>	<b>4,062,461</b>	<b>2.29</b>	<b>1,596,324</b>	<b>1,483,595</b>	<b>7.60</b>
Income Tax Expense	1,327,570	1,332,821	<b>(0.39)</b>	523,358	494,262	<b>5.89</b>
<b>Profit for the Period</b>	<b>2,827,949</b>	<b>2,729,640</b>	<b>3.60</b>	<b>1,072,966</b>	<b>989,333</b>	<b>8.45</b>
<b>Basic / Diluted Earnings per Ordinary Share (in Rupees)</b>	<b>8.20</b>	<b>7.91</b>	<b>3.60</b>	<b>3.11</b>	<b>2.87</b>	<b>8.45</b>

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

	<i>(Amounts in Rupees Thousands)</i>					
	<b>Bank</b>			<b>Bank</b>		
	<i>For the Nine Months Ended 30th September</i>			<i>For the Quarter Ended 30th September</i>		
	<b>2016</b>	<b>2015</b>	<b>Growth %</b>	<b>2016</b>	<b>2015</b>	<b>Growth %</b>
<b>Profit for the Period</b>	<b>2,827,949</b>	<b>2,729,640</b>	<b>3.60</b>	<b>1,072,966</b>	<b>989,333</b>	<b>8.45</b>
<b>Other Comprehensive Income/(Loss), Net of Tax</b>						
Net Gain/(Loss) on Re-measuring Available-for-Sale Financial Assets	(584,649)	(931,947)	<b>37.27</b>	960,041	(701,651)	<b>236.83</b>
<b>Other Comprehensive Income/(Loss) for the Period, Net of Taxes</b>	<b>(584,649)</b>	<b>(931,947)</b>	<b>37.27</b>	<b>960,041</b>	<b>(701,651)</b>	<b>236.83</b>
<b>Total Comprehensive Income/(Loss) for the Period</b>	<b>2,243,300</b>	<b>1,797,693</b>	<b>24.79</b>	<b>2,033,007</b>	<b>287,682</b>	<b>606.69</b>

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

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

	Group			(Amounts in Rupees Thousands)		
	Group			Group		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2016	2015	Growth %	2016	2015	Growth %
Interest Income	23,658,484	17,698,727	33.67	8,871,455	6,103,037	45.36
Less: Interest Expenses	14,082,844	8,824,405	59.59	5,458,389	3,079,219	77.27
<b>Net Interest Income</b>	<b>9,575,640</b>	<b>8,874,322</b>	<b>7.90</b>	<b>3,413,066</b>	<b>3,023,818</b>	<b>12.87</b>
Fee and Commission Income	2,287,078	1,949,111	17.34	798,451	702,486	13.66
Less: Fee and Commission Expenses	89,476	83,617	7.01	30,124	26,362	14.27
<b>Net Fee and Commission Income</b>	<b>2,197,602</b>	<b>1,865,494</b>	<b>17.80</b>	<b>768,327</b>	<b>676,124</b>	<b>13.64</b>
Net Trading Income	(3,803)	46,079	(108.25)	198,441	(203,950)	197.30
Net gain from Financial Investments	27,030	158,727	(82.97)	(3,495)	66,226	(105.28)
Net Exchange Income	670,257	675,810	(0.82)	195,190	267,004	(26.90)
Other Operating Income (Net)	436,366	356,073	22.55	135,934	79,518	70.95
	<b>1,129,850</b>	<b>1,236,689</b>	<b>(8.64)</b>	<b>526,070</b>	<b>208,798</b>	<b>151.95</b>
<b>Total Operating Income</b>	<b>12,903,092</b>	<b>11,976,505</b>	<b>7.74</b>	<b>4,707,463</b>	<b>3,908,740</b>	<b>20.43</b>
Less : Impairment for Loans and Other Losses - Charges / (Reversal)						
Individual Impairment	416,199	546,278	(23.81)	241,842	173,533	39.36
Collective Impairment	158,641	(37,639)	521.48	20,628	(221,609)	109.31
Others	20,582	8,479	142.74	20,379	7,005	190.92
	<b>595,422</b>	<b>517,118</b>	<b>15.14</b>	<b>282,849</b>	<b>(41,071)</b>	<b>788.68</b>
<b>Net Operating Income</b>	<b>12,307,670</b>	<b>11,459,387</b>	<b>7.40</b>	<b>4,424,614</b>	<b>3,949,811</b>	<b>12.02</b>
Personnel Expenses	3,513,025	3,204,500	9.63	1,193,887	1,077,183	10.83
Depreciation and Amortisation	472,331	386,395	22.24	162,284	132,216	22.74
Other Expenses	3,164,662	2,930,068	8.01	1,114,797	937,834	18.87
	<b>7,150,018</b>	<b>6,520,963</b>	<b>9.65</b>	<b>2,470,968</b>	<b>2,147,233</b>	<b>15.08</b>
<b>Operating Profit before Taxes</b>	<b>5,157,652</b>	<b>4,938,424</b>	<b>4.44</b>	<b>1,953,646</b>	<b>1,802,578</b>	<b>8.38</b>
Value Added Tax (VAT) and Nation Building Tax (NBT) on Financial Services	973,524	854,293	13.96	337,696	294,932	14.50
<b>Profit before Income Tax</b>	<b>4,184,128</b>	<b>4,084,131</b>	<b>2.45</b>	<b>1,615,950</b>	<b>1,507,646</b>	<b>7.18</b>
Income Tax Expense	1,349,309	1,352,966	(0.27)	530,137	501,400	5.73
<b>Profit for the Period</b>	<b>2,834,819</b>	<b>2,731,165</b>	<b>3.80</b>	<b>1,085,813</b>	<b>1,006,246</b>	<b>7.91</b>
<b>Attributable to :</b>						
Owners of the Parent	2,818,225	2,716,524	3.74	1,082,024	1,001,157	8.08
Non-Controlling Interest	16,594	14,641	13.34	3,789	5,089	(25.55)
<b>Profit for the Period</b>	<b>2,834,819</b>	<b>2,731,165</b>	<b>3.80</b>	<b>1,085,813</b>	<b>1,006,246</b>	<b>7.91</b>
<b>Basic / Diluted Earnings per Ordinary Share (in Rupees)</b>	<b>8.17</b>	<b>7.87</b>	<b>3.74</b>	<b>3.14</b>	<b>2.90</b>	<b>8.08</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 Nine Months Ended 30th September</i>			<i>For the Quarter Ended 30th September</i>		
	<b>2016</b>	<b>2015</b>	<b>Growth %</b>	<b>2016</b>	<b>2015</b>	<b>Growth %</b>
<b>Profit for the Period</b>	<b>2,834,819</b>	<b>2,731,165</b>	<b>3.80</b>	<b>1,085,813</b>	<b>1,006,246</b>	<b>7.91</b>
<b>Other Comprehensive Income, Net of Tax</b>						
Net Gains/(Losses) on re-measuring Available-for-Sale Financial Assets	(586,221)	(930,727)	<b>37.01</b>	960,329	(699,619)	<b>237.26</b>
<b>Other Comprehensive Income for the Period, Net of Taxes</b>	<b>(586,221)</b>	<b>(930,727)</b>	<b>37.01</b>	<b>960,329</b>	<b>(699,619)</b>	<b>237.26</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,248,598</b>	<b>1,800,438</b>	<b>24.89</b>	<b>2,046,142</b>	<b>306,627</b>	<b>567.31</b>
<b>Attributable to :</b>						
Owners of the Parent	2,232,469	1,785,442	<b>25.04</b>	2,042,268	300,927	<b>578.66</b>
Non-Controlling Interest	16,129	14,996	<b>7.56</b>	3,874	5,700	<b>(32.04)</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,248,598</b>	<b>1,800,438</b>	<b>24.89</b>	<b>2,046,142</b>	<b>306,627</b>	<b>567.31</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 30.09.2016	As at 31.12.2015	Growth %	As at 30.09.2016	As at 31.12.2015	Growth %
<b>Assets</b>						
Cash and Cash Equivalents	8,226,022	7,800,488	5.46	8,226,072	7,800,538	5.46
Balances with Central Bank of Sri Lanka	15,889,167	8,563,888	85.54	15,889,167	8,563,888	85.54
Placements with Banks and Finance Companies	-	757,050	(100.00)	-	757,050	(100.00)
Derivative Financial Instruments	31,903	130,055	(75.47)	31,903	130,055	(75.47)
Other Financial Assets Held-for-Trading	5,802,683	6,016,572	(3.55)	5,810,083	6,024,772	(3.56)
Securities Purchased under Resale Agreements	7,788,084	2,312,548	236.78	7,788,084	2,312,548	236.78
Customer Loans and Receivables	222,083,180	193,103,942	15.01	222,083,180	193,103,942	15.01
Financial Investments - Available-for-Sale	46,392,733	48,038,510	(3.43)	46,428,162	48,075,921	(3.43)
Financial Investments - Held-to-Maturity	18,422,792	18,147,773	1.52	18,501,574	18,229,045	1.50
Investment in Subsidiary	1,153,602	1,151,929	0.15	-	-	-
Group Balances Receivable	30,000	30,000	-	-	-	-
Property, Plant & Equipment	3,318,247	3,227,752	2.80	4,947,642	4,875,266	1.48
Leasehold Rights	42,857	44,316	(3.29)	593,041	600,057	(1.17)
Investment Properties	-	-	-	1,083,080	1,089,920	(0.63)
Intangible Assets	273,303	249,890	9.37	273,303	249,890	9.37
Deferred Tax Assets	-	-	-	-	-	-
Other Assets	8,101,067	6,755,420	19.92	8,136,934	6,772,672	20.14
<b>Total Assets</b>	<b>337,555,640</b>	<b>296,330,133</b>	<b>13.91</b>	<b>339,792,225</b>	<b>298,585,564</b>	<b>13.80</b>
<b>Liabilities</b>						
Due to Banks	22,588,308	19,784,171	14.17	22,588,308	19,784,171	14.17
Derivative Financial Instruments	99,571	50,013	99.09	99,571	50,013	99.09
Customer Deposits	250,690,852	224,525,455	11.65	250,690,852	224,525,455	11.65
Securities Sold under Repurchase Agreements	16,438,288	11,409,788	44.07	16,438,288	11,409,788	44.07
Other Borrowings	17,175	15,688	9.48	17,175	15,688	9.48
Group Balances Payable	193,135	181,266	6.55	-	-	-
Debentures	12,452,205	7,179,853	73.43	12,452,205	7,179,853	73.43
Current Tax Liabilities	891,789	506,712	76.00	897,473	505,278	77.62
Deferred Tax Liabilities	141,475	336,102	(57.91)	204,409	384,771	(46.88)
Other Liabilities	7,692,506	7,285,408	5.59	7,776,906	7,375,613	5.44
<b>Total Liabilities</b>	<b>311,205,304</b>	<b>271,274,456</b>	<b>14.72</b>	<b>311,165,187</b>	<b>271,230,630</b>	<b>14.72</b>
<b>Equity</b>						
Stated Capital	10,529,724	10,529,724	-	10,529,724	10,529,724	-
Statutory Reserve Fund	1,187,441	1,187,441	-	1,187,441	1,187,441	-
Retained Earnings	13,011,520	11,125,666	16.95	13,253,420	11,376,269	16.50
Other Reserves	1,621,651	2,212,846	(26.72)	2,602,004	3,194,306	(18.54)
<b>Total Shareholders' Equity</b>	<b>26,350,336</b>	<b>25,055,677</b>	<b>5.17</b>	<b>27,572,589</b>	<b>26,287,740</b>	<b>4.89</b>
<b>Non - Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,054,449</b>	<b>1,067,194</b>	<b>(1.19)</b>
<b>Total Equity</b>	<b>26,350,336</b>	<b>25,055,677</b>	<b>5.17</b>	<b>28,627,038</b>	<b>27,354,934</b>	<b>4.65</b>
<b>Total Equity &amp; Liabilities</b>	<b>337,555,640</b>	<b>296,330,133</b>	<b>13.91</b>	<b>339,792,225</b>	<b>298,585,564</b>	<b>13.80</b>
<b>Contingent Liabilities and Commitments</b>	<b>62,057,997</b>	<b>57,222,365</b>	<b>8.45</b>	<b>62,124,997</b>	<b>57,302,098</b>	<b>8.42</b>
<b>Memorandum Information</b>						
Number of Employees	3,179	3,085	3.05	3,208	3,113	3.05
Number of Banking Centres	166	159	4.40	166	159	4.40
Net Assets Value per Ordinary Share (Rs.)	76.39	72.63	5.17	79.93	76.21	4.89

**Certification;**

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

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where ever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
- The information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

**Champika Dodanwela (Ms.)**

Actg. Chief Financial Officer

(Sgd.)

**Ravi Dias**

Chairman

October 27,2016

Colombo

(Sgd.)

**Kapila Ariyaratne**

Director/Chief Executive Officer

**SEYLAN BANK PLC****CASH FLOW STATEMENT**

For the period ended 30th September

	<b>Bank</b>		<b>Group</b>	
	2016	2015	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	22,483,887	17,028,424	22,497,484	17,039,598
Fees and Commission Receipts	2,287,310	1,949,271	2,287,078	1,949,111
Interest Payments	(12,360,085)	(8,276,735)	(12,347,344)	(8,263,932)
Trading Income	(52,377)	279,758	(52,377)	279,758
Receipts from Other Operating Activities	837,859	888,607	902,351	941,564
Cash Payments to Employees and Suppliers	(7,823,324)	(6,729,298)	(7,786,383)	(6,708,441)
Cash Payments to Other Operating Activities	(85,345)	(80,650)	(89,476)	(83,617)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>5,287,925</b>	<b>5,059,377</b>	<b>5,411,333</b>	<b>5,154,041</b>
<b>Increase in Operating Assets :</b>				
Loans and Receivables to Customers	(28,960,245)	(17,535,311)	(28,960,245)	(17,535,311)
Deposits Held for Regulatory or Monetary Control Purposes	(7,325,279)	(906,849)	(7,325,279)	(906,849)
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Deposits from Customers	24,559,477	14,868,625	24,559,477	14,868,625
Certificates of Deposit from Customers	396,547	(1,073,464)	396,547	(1,073,464)
<b>Cash Used in Operations</b>	<b>(6,041,575)</b>	<b>412,378</b>	<b>(5,918,167)</b>	<b>507,042</b>
Income Tax Paid	(563,243)	(1,166,077)	(563,243)	(1,166,077)
Contribution Paid into Employees Retirement Benefit Plan / to Employees	(73,172)	(48,834)	(73,172)	(48,834)
<b>Net Cash Used in Operating Activities</b>	<b>(6,677,990)</b>	<b>(802,533)</b>	<b>(6,554,582)</b>	<b>(707,869)</b>
<b>Cash Flows from Investing Activities</b>				
Investment in Subsidiary Company	(1,673)	(38,070)	-	-
Dividend Income Received	88,930	86,681	32,591	41,125
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	(1,207,658)	(30,571,767)	(1,200,121)	(30,571,767)
Reverse Repurchase Agreements Maturing after 03 Months	-	(25,266)	-	(25,266)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	131,411	1,323,368	128,200	1,344,655
Purchase of Property , Plant & Equipment, Leasedhold Rights and Intangible Assets	(558,301)	(287,971)	(562,359)	(301,276)
Proceeds from Sale of Property , Plant & Equipment, Leasedhold Rights and Intangible Assets	34,312	13,075	34,312	13,075
Proceeds from Sale of Investment Properties	-	155,000	-	155,000
Improvements to Investment Properties	-	-	(186)	(91)
<b>Net Cash Used in Investing Activities</b>	<b>(1,512,979)</b>	<b>(29,344,950)</b>	<b>(1,567,563)</b>	<b>(29,344,545)</b>
<b>Cash Flows from Financing Activities</b>				
Increase in Debentures	5,000,000	-	5,000,000	-
Securities Sold under Repurchase Agreements	5,018,294	7,555,872	5,018,294	7,555,872
Increase in Other Borrowings	2,664,609	4,196,477	2,621,990	4,131,653
Dividends Paid - Ordinary Shares	(931,567)	(852,263)	(957,772)	(882,498)
<b>Net Cash Generated from Financing Activities</b>	<b>11,751,336</b>	<b>10,900,086</b>	<b>11,682,512</b>	<b>10,805,027</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	3,560,367	(19,247,397)	3,560,367	(19,247,387)
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 Period</b>	<b>18,242,459</b>	<b>13,689,094</b>	<b>18,242,509</b>	<b>13,689,144</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	8,226,022	7,354,002	8,226,072	7,354,052
Placements with Banks and Finance Companies	-	366,022	-	366,022
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds Maturing within 03 Months	2,228,353	486,449	2,228,353	486,449
Securities Purchased under Resale Agreements Maturing with in 03 Months	7,788,084	5,482,621	7,788,084	5,482,621
	<b>18,242,459</b>	<b>13,689,094</b>	<b>18,242,509</b>	<b>13,689,144</b>

## Seylan Bank PLC

### STATEMENT OF CHANGES IN EQUITY

For the Nine months ended 30th September - Bank

								Rs. ' 000	
		Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total
		Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	Available for Sale Reserve	Other Reserves	
<b>1</b>	<b>Balance as at 01.01.2015</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 01.01.2015</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 period</b>									
	Profit for the Period	-	-	-	2,729,640	-	-	-	<b>2,729,640</b>
	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(931,947)	-	<b>(931,947)</b>
<b>2</b>	<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,729,640</b>	<b>-</b>	<b>(931,947)</b>	<b>-</b>	<b>1,797,693</b>
<b>Transactions With Equity Holders , Recognised Directly In Equity</b>									
	Dividends to Equity Holders	-	-	-	(862,401)	-	-	-	<b>(862,401)</b>
	Transfers from / to Retained Profits	-	-	-	64,101	-	-	(64,101)	-
<b>3</b>	<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(798,300)</b>	<b>-</b>	<b>-</b>	<b>(64,101)</b>	<b>(862,401)</b>
<b>Balance as at 30.09.2015 (1 + 2 + 3)</b>		<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>10,147,655</b>	<b>651,483</b>	<b>(280,725)</b>	<b>2,032,372</b>	<b>24,076,403</b>
<b>1</b>	<b>Balance as at 01.01.2016</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 period</b>									
	Profit for the period	-	-	-	2,827,949	-	-	-	<b>2,827,949</b>
	Other Comprehensive Income (net of tax)	-	-	-	-	-	(584,649)	-	<b>(584,649)</b>
<b>2</b>	<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,827,949</b>	<b>-</b>	<b>(584,649)</b>	<b>-</b>	<b>2,243,300</b>
<b>Transactions With Equity Holders , Recognised Directly In Equity</b>									
	Dividends to Equity Holders	-	-	-	(948,641)	-	-	-	<b>(948,641)</b>
	Transfers from / to Retained Profits	-	-	-	6,546	-	-	(6,546)	-
<b>3</b>	<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(942,095)</b>	<b>-</b>	<b>-</b>	<b>(6,546)</b>	<b>(948,641)</b>
<b>Balance as at 30.09.2016 (1 + 2 + 3)</b>		<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>13,011,520</b>	<b>651,483</b>	<b>(1,053,475)</b>	<b>2,023,643</b>	<b>26,350,336</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 30 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

For the Nine months ended 30th September - Group

Rs. ' 000											
	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves			Total	Non Controlling Interest	Total Equity	
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	Available for Sale Reserve	Other Reserves				
<b>1</b>	<b>Balance as at 01.01.2015</b>	6,962,722	3,567,002	995,894	9,293,830	1,373,590	650,480	2,351,686	25,195,204	1,124,387	26,319,591
	Super Gain Tax **	-	-	-	(870,371)	-	-	-	(870,371)	(1,257)	(871,628)
	<b>Adjusted Balance as at 01.01.2015</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 period</b>										
	Profit for the Period	-	-	-	2,716,524	-	-	-	2,716,524	14,641	2,731,165
	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(931,082)	-	(931,082)	355	(930,727)
<b>2</b>	<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,716,524</b>	<b>-</b>	<b>(931,082)</b>	<b>-</b>	<b>1,785,442</b>	<b>14,996</b>	<b>1,800,438</b>
	<b>Transactions With Equity Holders , Recognised Directly In Equity</b>										
	Dividends	-	-	-	(862,401)	-	-	-	(862,401)	(23,365)	(885,766)
	Transfers from / to Retained Profits	-	-	-	64,101	-	-	(64,101)	-	-	-
	<b>Changes in Ownership Interest without Change in Control</b>										
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	15,899	-	-	-	15,899	(53,969)	(38,070)
<b>3</b>	<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(782,401)</b>	<b>-</b>	<b>-</b>	<b>(64,101)</b>	<b>(846,502)</b>	<b>(77,334)</b>	<b>(923,836)</b>
	<b>Balance as at 30.09.2015 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>995,894</b>	<b>10,357,582</b>	<b>1,373,590</b>	<b>(280,602)</b>	<b>2,287,585</b>	<b>25,263,773</b>	<b>1,060,792</b>	<b>26,324,565</b>
<b>1</b>	<b>Balance as at 01.01.2016</b>	6,962,722	3,567,002	1,187,441	11,376,269	1,378,783	(469,879)	2,285,402	26,287,740	1,067,194	27,354,934
	<b>Total Comprehensive Income for the period</b>										
	Profit for the Period	-	-	-	2,818,225	-	-	-	2,818,225	16,594	2,834,819
	Other Comprehensive Income (Net of Tax)	-	-	-	-	-	(585,756)	-	(585,756)	(465)	(586,221)
<b>2</b>	<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,818,225</b>	<b>-</b>	<b>(585,756)</b>	<b>-</b>	<b>2,232,469</b>	<b>16,129</b>	<b>2,248,598</b>
	<b>Transactions With Equity Holders , Recognised Directly In Equity</b>										
	Dividends	-	-	-	(948,641)	-	-	-	(948,641)	(26,180)	(974,821)
	Transfers from / to Retained Profits	-	-	-	6,546	-	-	(6,546)	-	-	-
	<b>Changes in Ownership Interest without Change in Control</b>										
	Acquisition of Non-Controlling Interest without Change in Control	-	-	-	1,021	-	-	-	1,021	(2,694)	(1,673)
<b>3</b>	<b>Total Transactions with Equity Holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(941,074)</b>	<b>-</b>	<b>-</b>	<b>(6,546)</b>	<b>(947,620)</b>	<b>(28,874)</b>	<b>(976,494)</b>
	<b>Balance as at 30.09.2016 (1 + 2 + 3)</b>	<b>6,962,722</b>	<b>3,567,002</b>	<b>1,187,441</b>	<b>13,253,420</b>	<b>1,378,783</b>	<b>(1,055,635)</b>	<b>2,278,856</b>	<b>27,572,589</b>	<b>1,054,449</b>	<b>28,627,038</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 30 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.

## EXPLANATORY NOTES

### 1. General

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report. The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the quarter ended September 30, 2016 which have been prepared in accordance with LKAS / SLFRS.

The group financial statements comprise a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

### 2. Information on Ordinary Shares

Market Price (Rs.)	30/09/2016		30/09/2015	
	Voting	Non Voting	Voting	Non Voting
Market Price Per Share	92.80	64.40	102.00	75.00
Highest price per share during the quarter ended	101.00	69.00	116.00	79.90
Lowest price per share during the quarter ended	88.00	60.20	98.50	70.00

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at September 30, 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	6,520,192	3.71
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 September 30, 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	2,592,640	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	812,000	0.48
19. Mr E Thavagnanasooriyam	783,683	0.46
20. Miss S Durga	770,808	0.46

### 3.3 Public Holdings as at September 30, 2016

	<u>Number of Share Holders</u>	<u>Percentage Holdings</u>
• Ordinary Voting Shares	9,249	54.27%
• Ordinary Non-Voting Shares	6,848	55.96%

### 4. Directors' and Chief Executive Officer's Shareholdings as at September 30, 2016

<u>Name of Director</u>	<u>No of Shares</u> (Ordinary Voting)	<u>No of Shares</u> (Ordinary Non- Voting)
Mr. W M R S Dias Non Executive Director / Chairman	Nil	Nil
Mr. Ishara 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 Samantha Ranatunga, Independent Director	Nil	Nil
Mr. W D K Jayawardena, Non-executive Director	Nil	Nil
Mr. P L S K Perera, Independent Director	Nil	Nil
Mr. S V Corea, Non-executive Director	Nil	Nil

<b>5. Stated Capital as at September 30, 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 nine months ended September 30, 2016. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares.

## 7. Other Matters

### Debenture Issued

50,000,000 Unsecured Subordinated Rated Redeemable Debenture of Rs. 100/- each amounting to Rs.5,000,000,000/- were issued and allotted on 15<sup>th</sup> July 2016. (5 year Debentures of Rs. 1,727,720,000/- and 7 year Debentures of Rs. 3,272,280,000/-). The funds raised were fully utilized to meet the respective objectives stated in the prospectus.

### Debenture Proposed

The Board of Directors at the 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. The proposed tenors of the issue are three years and four years from the date of allotment whilst the Interest rate options/coupons will be decided by the Board and announced prior to the opening of the issue.

## 8. 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.

**9 Seylan Bank PLC**  
**Segment Reporting (Group)**

	Banking		Treasury		Property/Investments		Unallocated/Eliminations		Total	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	19,884,198	14,428,231	2,582,636	2,158,764	23,954	24,844	1,167,696	1,086,888	23,658,484	17,698,727
Interest Expense	12,642,694	7,974,131	1,448,061	860,055	516	867	(8,427)	(10,648)	14,082,844	8,824,405
<b>Net Interest Income</b>	<b>7,241,504</b>	<b>6,454,100</b>	<b>1,134,575</b>	<b>1,298,709</b>	<b>23,438</b>	<b>23,977</b>	<b>1,176,123</b>	<b>1,097,536</b>	<b>9,575,640</b>	<b>8,874,322</b>
Fee and Commission Income	2,284,019	1,945,663	1,213	1,247	-	-	1,846	2,201	2,287,078	1,949,111
Fee & Commission Expenses	61,387	54,923	23,958	25,727	4,131	2,967	-	-	89,476	83,617
<b>Net Fee and Commission Income</b>	<b>2,222,632</b>	<b>1,890,740</b>	<b>(22,745)</b>	<b>(24,480)</b>	<b>(4,131)</b>	<b>(2,967)</b>	<b>1,846</b>	<b>2,201</b>	<b>2,197,602</b>	<b>1,865,494</b>
Net Trading Income	-	-	(3,003)	47,279	(800)	(1,200)	-	-	(3,803)	46,079
Net Gain from Financial Investments	-	-	27,030	158,727	-	-	-	-	27,030	158,727
Net Exchange Income	174,962	156,941	466,857	478,952	-	-	28,438	39,917	670,257	675,810
Other Operating Income (Net)	90,329	112,017	166,039	36,572	161,864	146,290	18,134	61,194	436,366	356,073
Inter Segments Revenue	(221,583)	(94,427)	165,497	40,150	-	-	56,086	54,277	-	-
<b>Total Operating Income</b>	<b>9,507,844</b>	<b>8,519,371</b>	<b>1,934,250</b>	<b>2,035,909</b>	<b>180,371</b>	<b>166,100</b>	<b>1,280,627</b>	<b>1,255,125</b>	<b>12,903,092</b>	<b>11,976,505</b>
Depreciation and Amortisation	298,182	247,173	939	844	1,323	1,125	171,887	137,253	472,331	386,395
Impairment for Loans and Other Losses - Charges / (Reversal)	595,422	517,118	-	-	-	-	-	-	595,422	517,118
Operating Expenses NBT & VAT	6,055,140	5,700,025	312,695	288,628	67,645	65,664	1,215,731	934,544	7,651,211	6,988,861
<b>Reportable Segment Profit Before Income Tax</b>	<b>2,559,100</b>	<b>2,055,055</b>	<b>1,620,616</b>	<b>1,746,437</b>	<b>111,403</b>	<b>99,311</b>	<b>(106,991)</b>	<b>183,328</b>	<b>4,184,128</b>	<b>4,084,131</b>
<b>OTHER INFORMATION</b>										
Total Assets	216,420,749	166,090,713	97,618,002	88,988,406	5,032,184	4,431,756	20,721,290	19,905,967	339,792,225	279,416,842
Total Liabilities & Equity	263,152,917	210,607,765	36,550,201	31,570,215	5,032,184	4,431,756	35,056,923	32,807,106	339,792,225	279,416,842
Cash Flows from Operating Activities	(8,413,799)	(2,915,951)	1,621,555	1,747,281	79,589	69,331	158,073	391,470	(6,554,582)	(707,869)
Cash Flows from Investing Activities	(363,675)	(287,628)	(1,073,222)	(29,181,006)	22,483	(24,992)	(153,149)	149,081	(1,567,563)	(29,344,545)
Cash Flows from Financing Activities	-	-	12,682,903	11,752,348	(88,779)	(73,982)	(911,612)	(873,339)	11,682,512	10,805,027
Capital Expenditure	(363,675)	(191,266)	-	(155)	(4,244)	6,704	(194,440)	(116,559)	(562,359)	(301,276)

**Seylan Bank PLC**
**10 Analysis of Financial Instruments by Measurement Basis - Bank**

	As at 30.09.2016					As at 31.12.2015				
	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	-	-	8,226,022	-	8,226,022	-	-	7,800,488	-	7,800,488
Balances with Central Bank of Sri Lanka	-	-	15,889,167	-	15,889,167	-	-	8,563,888	-	8,563,888
Placements with Banks and Finance Companies	-	-	-	-	-	-	-	757,050	-	757,050
Derivative Financial Instruments	31,903	-	-	-	31,903	130,055	-	-	-	130,055
Other Financial Assets Held-for-Trading	5,802,683	-	-	-	5,802,683	6,016,572	-	-	-	6,016,572
Securities Purchased under Resale Agreements	-	-	7,788,084	-	7,788,084	-	-	2,312,548	-	2,312,548
Customer Loans and Receivables	-	-	222,083,180	-	222,083,180	-	-	193,103,942	-	193,103,942
Financial Investments - Available-for-Sale	-	-	-	46,392,733	46,392,733	-	-	-	48,038,510	48,038,510
Financial Investments - Held-to-Maturity	-	18,422,792	-	-	18,422,792	-	18,147,773	-	-	18,147,773
Group Balances Receivable	-	-	30,000	-	30,000	-	-	30,000	-	30,000
Other Assets	-	-	4,896,854	-	4,896,854	-	-	3,854,350	-	3,854,350
<b>Total Financial Assets</b>	<b>5,834,586</b>	<b>18,422,792</b>	<b>258,913,307</b>	<b>46,392,733</b>	<b>329,563,418</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>
	<b>Rs.000</b>		<b>Rs.000</b>		<b>Rs.000</b>	<b>Rs.000</b>		<b>Rs.000</b>		<b>Rs.000</b>
<b>Liabilities</b>										
Due to Banks	-	-	22,588,308	-	22,588,308	-	-	19,784,171	-	19,784,171
Derivative Financial Instruments	99,571	-	-	-	99,571	50,013	-	-	-	50,013
Customer Deposits	-	-	250,690,852	-	250,690,852	-	-	224,525,455	-	224,525,455
Securities Sold under Repurchase Agreements	-	-	16,438,288	-	16,438,288	-	-	11,409,788	-	11,409,788
Other Borrowings	-	-	17,175	-	17,175	-	-	15,688	-	15,688
Debentures	-	-	12,452,205	-	12,452,205	-	-	7,179,853	-	7,179,853
Group Balances Payable	-	-	193,135	-	193,135	-	-	181,266	-	181,266
Current Tax Liabilities	-	-	891,789	-	891,789	-	-	506,712	-	506,712
Other Liabilities	-	-	6,206,476	-	6,206,476	-	-	5,580,398	-	5,580,398
<b>Total Financial Liabilities</b>	<b>99,571</b>		<b>309,478,228</b>		<b>309,577,799</b>	<b>50,013</b>		<b>269,183,331</b>		<b>269,233,344</b>

**Seylan Bank PLC**
**10 Analysis of Financial Instruments by Measurement Basis - Group**

	As at 30.09.2016					As at 31.12.2015				
	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	-	-	8,226,072	-	8,226,072	-	-	7,800,538	-	7,800,538
Balances with Central Bank of Sri Lanka	-	-	15,889,167	-	15,889,167	-	-	8,563,888	-	8,563,888
Placements with Banks and Finance Companies	-	-	-	-	-	-	-	757,050	-	757,050
Derivative Financial Instruments	31,903	-	-	-	31,903	130,055	-	-	-	130,055
Other Financial Assets Held-for-Trading	5,810,083	-	-	-	5,810,083	6,024,772	-	-	-	6,024,772
Securities Purchased under Resale Agreements	-	-	7,788,084	-	7,788,084	-	-	2,312,548	-	2,312,548
Customer Loans and Receivables	-	-	222,083,180	-	222,083,180	-	-	193,103,942	-	193,103,942
Financial Investments - Available-for-Sale	-	-	-	46,428,162	46,428,162	-	-	-	48,075,921	48,075,921
Financial Investments - Held-to-Maturity	-	18,501,574	-	-	18,501,574	-	18,229,045	-	-	18,229,045
Other Assets	-	-	4,928,626	-	4,928,626	-	-	3,867,454	-	3,867,454
<b>Total Financial Assets</b>	<b>5,841,986</b>	<b>18,501,574</b>	<b>258,915,129</b>	<b>46,428,162</b>	<b>329,686,851</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	-		22,588,308		22,588,308	-		19,784,171		19,784,171
Derivative Financial Instruments	99,571		-		99,571	50,013		-		50,013
Customer Deposits	-		250,690,852		250,690,852	-		224,525,455		224,525,455
Securities Sold under Repurchase Agreements	-		16,438,288		16,438,288	-		11,409,788		11,409,788
Other Borrowings	-		17,175		17,175	-		15,688		15,688
Debentures	-		12,452,205		12,452,205	-		7,179,853		7,179,853
Current Tax Liabilities	-		897,473		897,473	-		505,278		505,278
Other Liabilities	-		6,219,297		6,219,297	-		5,590,898		5,590,898
<b>Total Financial Liabilities</b>	<b>99,571</b>		<b>309,303,598</b>		<b>309,403,169</b>	<b>50,013</b>		<b>269,011,131</b>		<b>269,061,144</b>

# Seylan Bank PLC

## Additional Disclosures

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 30.09.2016	As at 31.12.2015	As at 30.09.2016	As at 31.12.2015
<b>11 Customer Loans and Receivables</b>				
Gross Loans and Receivables (Refer 11.1)	228,051,937	198,841,971	228,051,937	198,841,971
Less : Individual Impairment	(2,091,624)	(2,019,537)	(2,091,624)	(2,019,537)
Collective Impairment	(3,877,133)	(3,718,492)	(3,877,133)	(3,718,492)
<b>Net Loans and Receivables</b>	<b>222,083,180</b>	<b>193,103,942</b>	<b>222,083,180</b>	<b>193,103,942</b>

### 11.1 Customer Loans and Receivables - By product

#### By product - Domestic Currency

Export Bills	77,855	41,154	77,855	41,154
Import Bills	159,574	216,906	159,574	216,906
Local Bills	62,215	151,680	62,215	151,680
Lease Rentals Receivable	14,645,967	14,922,249	14,645,967	14,922,249
Overdrafts	57,695,893	49,550,015	57,695,893	49,550,015
Trust Receipts Loans/Revolving Loans(RIL)	10,669,439	12,032,369	10,669,439	12,032,369
Staff Loans	5,446,532	5,149,180	5,446,532	5,149,180
Housing Loans	11,942,613	11,025,655	11,942,613	11,025,655
Pawning Receivables	9,535,932	8,979,333	9,535,932	8,979,333
Refinance Loans	1,574,966	854,911	1,574,966	854,911
Credit Cards	3,489,934	3,189,905	3,489,934	3,189,905
Margin Trading	3,402,088	3,241,982	3,402,088	3,241,982
Term Loans	91,837,938	72,394,970	91,837,938	72,394,970
<b>Total</b>	<b>210,540,946</b>	<b>181,750,309</b>	<b>210,540,946</b>	<b>181,750,309</b>

#### By product - Foreign Currency

Export Bills	2,395,443	1,638,044	2,395,443	1,638,044
Import Bills	154,607	243,679	154,607	243,679
Local Bills	47,086	92,605	47,086	92,605
Overdrafts	721,029	1,490,845	721,029	1,490,845
Trust Receipts Loans/Revolving Loans(RIL)	439,030	321,171	439,030	321,171
Housing Loans	29,862	33,245	29,862	33,245
Term Loans	13,723,934	13,272,073	13,723,934	13,272,073
<b>Total</b>	<b>17,510,991</b>	<b>17,091,662</b>	<b>17,510,991</b>	<b>17,091,662</b>

<b>Gross Loans and Receivables</b>	<b>228,051,937</b>	<b>198,841,971</b>	<b>228,051,937</b>	<b>198,841,971</b>
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### 11.2 Movements in Individual and Collective Impairment during the period for Customer Loans and Receivables

	Bank		Group	
	2016 (For 09 Months)	2015 (For 12 Months)	2016 (For 09 Months)	2015 (For 12 Months)
<b>Individual Impairment</b>				
Opening Balance as at 01st January	2,019,537	2,336,572	2,019,537	2,336,572
Charge/(Write back) to Income Statement	416,199	841,302	416,199	841,302
Reversal for Write-Offs	(118,720)	(1,080,953)	(118,720)	(1,080,953)
Interest Accrued on Impaired Loans and Receivables	(225,392)	(352,709)	(225,392)	(352,709)
Transfer from Collective Impairment	-	275,325	-	275,325
<b>Closing Balance as at 30th September 2016</b>	<b>2,091,624</b>		<b>2,091,624</b>	
<b>as at 31st December 2015</b>		<b>2,019,537</b>		<b>2,019,537</b>
<b>Collective Impairment</b>				
Opening Balance as at 01st January	3,718,492	4,675,710	3,718,492	4,675,710
Charge/(Write back) to Income Statement	158,641	(370,141)	158,641	(370,141)
Reversal for Write-Offs	-	(311,752)	-	(311,752)
Transfer to Individual Impairment	-	(275,325)	-	(275,325)
<b>Closing Balance as at 30th September 2016</b>	<b>3,877,133</b>		<b>3,877,133</b>	
<b>as at 31st December 2015</b>		<b>3,718,492</b>		<b>3,718,492</b>
<b>Total Impairment</b>	<b>5,968,757</b>	<b>5,738,029</b>	<b>5,968,757</b>	<b>5,738,029</b>



# Seylan Bank PLC

## Additional Disclosures

(Amounts in Rupees Thousands )

12 Customer Deposits - By product	Bank		Group	
	As at 30.09.2016	As at 31.12.2015	As at 30.09.2016	As at 31.12.2015
<b>By product - Domestic Currency</b>				
Demand deposits	16,096,234	16,381,633	16,096,234	16,381,633
Savings deposits	55,152,846	56,252,291	55,152,846	56,252,291
Fixed deposits	149,509,520	127,704,952	149,509,520	127,704,952
Certificate of deposits	4,284,002	3,887,455	4,284,002	3,887,455
<b>Total</b>	<b>225,042,602</b>	<b>204,226,331</b>	<b>225,042,602</b>	<b>204,226,331</b>
<b>By product - Foreign Currency</b>				
Demand deposits	3,465,945	1,362,914	3,465,945	1,362,914
Savings deposits	9,652,887	7,471,493	9,652,887	7,471,493
Fixed deposits	12,529,418	11,464,717	12,529,418	11,464,717
<b>Total</b>	<b>25,648,250</b>	<b>20,299,124</b>	<b>25,648,250</b>	<b>20,299,124</b>
<b>Total Customer Deposits</b>	<b>250,690,852</b>	<b>224,525,455</b>	<b>250,690,852</b>	<b>224,525,455</b>

## Seylan Bank PLC

### Selected Performance Indicators

	Bank		Group	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
<b>Regulatory Capital Adequacy</b>				
Core Capital ( Tier 1 Capital) Rs. '000	22,927,276	23,881,138	23,690,205	24,642,642
Total Capital Base Rs. '000	28,762,218	25,097,888	29,496,022	25,828,842
Core Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 5% )	10.26	12.24	10.49	12.48
Total Capital Adequacy Ratio as a % of Risk Weighted Assets ( Minimum Requirement 10% )	12.87	12.87	13.07	13.08
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Gross Non-Performing Advances Ratio % ( Net of Interest in Suspense )	5.12	4.68		
Net Non-Performing Advances Ratio % ( Net of Interest in Suspense and Provision )	3.60	3.06		
<b>Profitability</b>				
Interest Margin %	4.00	4.42		
Return ( Net Profit before Tax ) on Average Assets %	1.74	2.16		
Return on Equity %	15.37	15.62		
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets				
Domestic Banking Unit Rs. '000	62,590,628	62,010,511		
Offshore Banking Unit USD '000	38,723	26,930		
Statutory Liquid Assets Ratio % ( Minimum Requirement 20 % )				
Domestic Banking Unit	23.06	27.56		
Offshore Banking Unit	27.32	21.51		

# SEYLAN BANK PLC

## Debenture Information

	CURRENT PERIOD 01-Jul-16 to 30-Sep-16	COMPARATIVE PERIOD 01-Jul-15 to 30-Sep-15
<b>Debt / Equity Ratio</b>	0.47	0.31
<b>Interest Cover</b>	6.92	7.91
<b>Quick Asset Ratio</b>	0.75	0.75
<b>2013/2018 Issue</b>		
<b>Market Prices during July to September (EX Interest)</b>		
Annual Interest - 15.50% p.a.		
- Highest Price	107.68	*
- Lowest Price	106.29	*
- Last Traded Price (28/09/2016)/*	106.69	*
Semi Annual - 15.00% p.a.		
- Highest Price	*	106.00
- Lowest Price	*	100.00
- Last Traded Price *(08/07/2015)	*	106.00
Monthly Interest - 14.50% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>		
Annual Interest (28/09/2016)/*	14.53%	*
Semi Annual Interest *(08/07/2015)	*	14.68%
Monthly Interest	*	*
<b>Yield to Maturity of Trade Done on</b>		
Annual Interest (28/09/2016)/*	9.99%	*
Semi Annual Interest *(08/07/2015)	*	12.24%
Monthly Interest	*	*
<b>Interest Rate of Comparable Government Security</b>		
	10.40%	8.76%
<b>2014 Issue</b>		
4 Years Semi Annual - 8.00% p.a.	*	*
5 Years Semi Annual - 8.35% p.a.	*	*
5 Years Annual - 8.60% p.a.	*	*
6 Years Semi Annual - 8.60% p.a.	*	*
6 Years Annual - 8.75% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>		
4 Years Semi Annual - 8.00% p.a.	*	*
5 Years Semi Annual - 8.35% p.a.	*	*
5 Years Annual - 8.60% p.a.	*	*
6 Years Semi Annual - 8.60% p.a.	*	*
6 Years Annual - 8.75% p.a.	*	*
<b>Yield to Maturity of Trade Done on</b>		
4 Years Semi Annual - 8.00% p.a.	*	*
5 Years Semi Annual - 8.35% p.a.	*	*
5 Years Annual - 8.60% p.a.	*	*
6 Years Semi Annual - 8.60% p.a.	*	*
6 Years Annual - 8.75% p.a.	*	*
<b>Interest Rate of Comparable Government Security</b>		
4 Years	10.62%	9.34%
5 Years	10.84%	9.55%
6 Years	10.99%	9.81%
<b>2016 Issue</b>		
<b>Market Prices during July to September (EX Interest)</b>		
Five Year Fixed Semi Annual - 13.00% p.a.		
- Highest Price	101.00	*
- Lowest Price	101.00	*
- Last Traded Price (24/08/2016)/*	101.00	*
Five Year Floating Semi Annual - 11.93% p.a.	*	*
Seven Year Fixed Semi Annual - 13.75% p.a.	*	*
<b>Interest Yield As At Date of Last Trade</b>		
Five Year Fixed Semi Annual - 13.00% p.a (24/08/2016)/*	13.29%	*
Five Year Floating Semi Annual - 11.93% p.a.	*	*
Seven Year Fixed Semi Annual - 13.75% p.a.	*	*
<b>Yield to Maturity of Trade Done on</b>		
Five Year Fixed Semi Annual - 13.00% p.a (24/08/2016)/*	12.71%	*
Five Year Floating Semi Annual - 11.93% p.a.	*	*
Seven Year Fixed Semi Annual - 13.75% p.a.	*	*
<b>Interest Rate of Comparable Government Security</b>		
5 Years	11.02%	*
7 Years	11.34%	*

\* No Trading During The Period