

# **SMB LEASING PLC**

**INTERIM REPORT**

**QUARTER ENDED 30TH SEPTEMBER 2010**

SMB LEASING PLC  
INCOME STATEMENT

SMB PLC						
For the Period Ended	3 Months ended 30 <sup>th</sup> September 2010	3 Months ended 30 <sup>th</sup> September 2009	Change %	9 Months ended 30 <sup>th</sup> September 2010	9 Months ended 30 <sup>th</sup> September 2009	Change %
	<u>Rs.</u>	<u>Rs.</u>		<u>Rs.</u>	<u>Rs.</u>	
<b>Gross Income</b>	<u>26,199,700</u>	<u>45,784,690</u>	(42.8)	<u>94,782,028</u>	<u>353,349,203</u>	(73.2)
Interest Income	22,005,362	31,582,366	(30.3)	80,725,545	121,755,633	(33.7)
Less: Interest Expenses	<u>15,367,109</u>	<u>44,607,456</u>	(65.6)	<u>50,931,582</u>	<u>206,364,312</u>	(75.3)
<b>Net Interest Income</b>	<u>6,638,253</u>	<u>(13,025,090)</u>	151.0	<u>29,793,963</u>	<u>(84,608,679)</u>	135.2
Other Income	4,194,339	14,202,324	(70.5)	14,056,483	231,593,570	(93.9)
<b>Net Income</b>	<u>10,832,591</u>	<u>1,177,235</u>	820.2	<u>43,850,446</u>	<u>146,984,891</u>	70.2
<b>Less: Operating Expenses</b>						
Personnel Costs	5,953,023	6,546,018	(9.1)	17,740,923	10,697,426	65.8
Premises, Equipment & Establishment Exp.	3,031,400	4,540,433	(33.2)	7,868,162	8,156,642	(3.5)
Other Overhead Expenses	<u>4,786,534</u>	<u>1,517,237</u>	215.5	<u>13,000,074</u>	<u>12,712,232</u>	2.3
	<u>13,770,957</u>	<u>12,603,688</u>	9.3	<u>38,609,158</u>	<u>31,566,300</u>	22.3
<b>Profit Before Provisions &amp; Taxation</b>	<u>(2,938,365)</u>	<u>(11,426,453)</u>	74.3	<u>5,241,288</u>	<u>115,418,591</u>	(95.5)
Provision for Diminution in Value of Shares	-	-	-	-	-	-
<b>Loan Loss Provision and Write-off</b>						
Additional Provision	(12,729,174)	(3,807,468)		(20,316,482)	(63,008,509)	
Provision Reversal	22,663,277	-		45,637,430	-	
Write - off	<u>(1,348,940)</u>	-		<u>(4,138,943)</u>	-	
<b>Loan Loss Provision and Write-off</b>	<u>8,585,163</u>	<u>(3,807,468)</u>	125.5	<u>21,182,005</u>	<u>(63,008,509)</u>	133.6
<b>Operating Profit Before Taxation</b>	<u>5,646,798</u>	<u>(15,233,922)</u>	137.1	<u>26,423,293</u>	<u>52,410,082</u>	(49.6)
VAT on Financial Services	1,819,683	-		2,015,206	-	
<b>Profit After Taxation</b>	<u>3,827,115</u>	<u>(15,233,922)</u>	125.1	<u>24,408,087</u>	<u>52,410,082</u>	(53.4)
<b>Basic Earnings per share - Voting</b>	0.01	(0.03)		0.05	0.12	
<b>Basic Earnings per share - Non Voting</b>	0.04	(0.15)		0.24	0.52	

Figures in brackets indicate deductions

The Above figures are provisional and subject to audit

CONSOLIDATED INCOME STATEMENT

GROUP

For the Period Ended	3 Months ended 30 <sup>th</sup> September 2010	3 Months ended 30 <sup>th</sup> September 2009		9 Months ended 30 <sup>th</sup> September 2010	9 Months ended 30 <sup>th</sup> September 2009	Change
	Rs.	Rs.	%	Rs.	Rs.	%
<b>Gross Income</b>	<b>32,436,922</b>	<b>25,567,164</b>	26.87	<b>109,150,456</b>	<b>351,133,922</b>	(68.9)
Interest Income	22,005,362	52,495,998	(58.08)	80,725,545	142,669,265	(43.4)
Less: Interest Expenses	15,367,109	44,665,008	(65.59)	50,931,582	206,421,864	(75.3)
<b>Net Interest Income</b>	<b>6,638,253</b>	<b>7,830,990</b>	<b>(15.23)</b>	<b>29,793,963</b>	<b>(63,752,599)</b>	<b>146.7</b>
Other Income	10,431,561	(26,928,834)	138.74	28,424,911	208,464,657	(86.4)
Net Income	17,069,813	(19,097,844)	189.38	58,218,874	144,712,058	(59.8)
<b>Less: Operating Expenses</b>						
Personnel Costs	8,861,046	17,423,134	(49.14)	24,475,760	26,076,562	(6.1)
Premises, Equipment & Establishment Exp.	3,398,751	766,752	343.27	8,949,413	9,383,309	(4.6)
Other Overhead Expenses	6,063,207	4,699,911	29.01	17,538,932	22,519,007	(22.1)
	<b>18,323,004</b>	<b>22,889,796</b>	<b>(19.95)</b>	<b>50,964,104</b>	<b>57,978,879</b>	<b>(12.1)</b>
<b>Profit Before Provisions &amp; Taxation</b>	<b>(1,253,190)</b>	<b>(41,987,640)</b>	<b>97.02</b>	<b>7,254,770</b>	<b>86,733,179</b>	<b>(91.6)</b>
<b>Add: Profit of Associate Company</b>	11,308,785	(8,041,835)	240.62	18,303,735	(340,712)	5,472.2
<b>Loan Loss Provision and Write-off</b>						
Additional Provision	(12,729,174)	3,807,468		(20,316,482)	(63,008,509)	
Provision Reversal	22,663,277	-		45,637,430	-	
Write - off	(1,348,940)	-		(4,138,943)	-	
<b>Loan Loss Provision and Write-off</b>	<b>8,585,163</b>	<b>3,807,468</b>	<b>125.48</b>	<b>21,182,005</b>	<b>(63,008,509)</b>	<b>133.6</b>
<b>Operating Profit Before Taxation</b>	<b>18,640,758</b>	<b>(53,836,943)</b>	<b>134.62</b>	<b>46,740,510</b>	<b>23,383,958</b>	<b>99.9</b>
<b>VAT on Financial Services Taxation</b>	1,819,683	525,000		2,015,206	525,000	
	195,000	-		385,000		
<b>Profit After Taxation</b>	<b>18,445,758</b>	<b>(54,361,943)</b>	<b>133.93</b>	<b>44,340,304</b>	<b>22,858,958</b>	<b>94.0</b>
Minority Interest	730,186	(2,521,993)	128.95	797,956	(1,725,380)	146.2
<b>Profit for the Period</b>	<b>17,715,572</b>	<b>(51,839,950)</b>	<b>134.17</b>	<b>43,542,348</b>	<b>24,584,338</b>	<b>77.11</b>
<b>Basic Earnings per share - Voting</b>	<b>0.41</b>	<b>(1.21)</b>		<b>0.98</b>	<b>0.51</b>	
<b>Basic Earnings per share - Non Voting</b>	<b>0.18</b>	<b>(0.52)</b>		<b>0.44</b>	<b>0.25</b>	

Figures in brackets indicate deductions

The Above figures are provisional and subject to audit

M. Jayasuriya  
CFO

The Board of Directors are responsible for the preparation & presentation of these Financial statements.  
Approved & signed on behalf of the Board

R.S.W. Senanayake  
Non Executive Deputy Chairman

M.S.I. Peiris  
Executive Director

12th Nov 2010

CONSOLIDATED BALANCE SHEET

As At	GROUP		SMB PLC	
	30th September 2010	31st December 2009 RS.	September 2010	31st December 2009 RS.
<b>ASSETS</b>				
Cash and Short Term Funds	2,190,764	7,243,662	1,844,222	6,091,226
Placements with and Loans to Other Banks & Finance Co	7,732,648	11,256,832	-	-
Other Investment Securities	3,869,342	1,979,173	1,050,032	1,059,532
Loans and Advances	686,093,623	803,056,686	689,213,623	803,296,686
Lease Rental Receivable	245,025,689	383,679,543	245,025,689	383,679,543
Less : Provision for Possible Credit Losses	268,805,023	299,520,940	268,805,023	299,520,940
Interest in Suspense	103,565,754	108,516,324	103,565,754	108,516,324
Net Loan, Advances and Leases	<b>558,748,535</b>	<b>778,698,965</b>	<b>561,868,535</b>	<b>778,938,966</b>
Interest and Fees Receivable	56,105,051	81,534,116	56,105,051	81,499,789
Investment in Subsidiary Company	-	-	12,750,000	12,750,000
Investments in Associate Companies	155,007,404	136,703,669	125,559,577	125,559,577
Investment Properties	38,216,000	53,216,000	34,016,000	49,016,000
Property, Plant and Equipment	11,519,761	8,493,928	9,834,353	7,456,518
Group Balance Receivable		12,627		
Other Assets	121,289,612	107,365,728	114,353,664	106,170,334
Deferred Assets	-	471,067	-	-
<b>Total Assets</b>	<b>954,679,117</b>	<b>1,186,975,766</b>	<b>917,381,435</b>	<b>1,168,541,941</b>
<b>FINANCED BY:</b>				
<b>LIABILITIES</b>				
Borrowings	428,872,203	621,564,859	428,872,203	621,564,859
Group Balances Payable	166,421,895	197,848,000	166,421,895	197,848,000
Other Liabilities	98,825,276	131,645,124	97,396,392	129,300,037
Debentures	226,901,500	231,661,500	226,901,500	231,661,500
Bank Over Draft	43,560,037	58,498,382	43,712,195	58,498,382
	<b>964,580,911</b>	<b>1,241,217,866</b>	<b>963,304,184</b>	<b>1,238,872,778</b>
<b>SHAREHOLDERS' FUNDS</b>				
Stated Capital	565,786,045	565,786,045	565,786,045	565,786,045
Statutory Reserve Fund	1,239,777	1,239,777	1,239,777	1,239,777
Revenue Reserves	(585,764,175)	(629,306,523)	(612,948,572)	(637,356,659)
<b>Shareholders' Funds</b>	<b>(18,738,353)</b>	<b>(62,280,702)</b>	<b>(45,922,750)</b>	<b>(70,330,837)</b>
Minority Interest	8,836,559	8,038,603		-
<b>Total Equity</b>	<b>(9,901,794)</b>	<b>(54,242,099)</b>		
<b>Total Liabilities and Funds Employed</b>	<b>954,679,117</b>	<b>1,186,975,766</b>	<b>917,381,435</b>	<b>1,168,541,941</b>
<b>Net Assets Per Ordinary Shares Rs.</b>	<b>(0.34)</b>	<b>(1.14)</b>	<b>(0.84)</b>	<b>(1.29)</b>

Contingent Liabilities

The Above figures are provisional and subject to audit

M. Jayasuriya  
CFO

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Approved & signed on behalf of the Board

R.S.W. Senanayake  
Non Executive Deputy Chairman

M.S.I. Peiris  
Executive Director

12th Nov 2010

## CASHFLOW STATEMENTS

For the 09 Months Ended 30th September

### Cash Flow from Operating Activities

	Group		SMB PLC	
	2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
Interest Received	112,421,593	194,149,983	112,816,862	105,938,314
Interest Payments	(50,931,582)	(166,319,840)	(50,931,582)	(206,364,312)
Fees and Commission Receipts	53,853,976	45,713,711	39,451,221	10,455,675
Profits from Other Operating Activities	-	-	-	222,087,664
Cash Payments to Employees and Suppliers	(41,674,398)	(70,597,172)	(28,947,768)	(31,566,300)

### Net Profit before Changes in Operating Assets

	<b>73,669,589</b>	<b>2,946,682</b>	<b>72,388,733</b>	<b>100,551,041</b>
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Funds Advanced to Customers

	168,388,790	291,873,355	165,543,118	324,817,690
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Other Assets

	13,151,823	131,000,751	17,211,408	(137,491,665)
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### Cash Generated from Operations

	<b>255,210,202</b>	<b>425,820,787</b>	<b>255,143,258</b>	<b>287,877,065</b>
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Tax Paid

	2,015,206	(14,219)	1,819,683	-
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Gratuity Paid

	-	(1,362,198)	-	-
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### Net Cash used in Operating Activities

	<b>257,225,408</b>	<b>424,444,370</b>	<b>256,962,941</b>	<b>287,877,065</b>
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### Cash Flow from Investing Activities

Investment in Associate Companies	-	-	-	(84,692,196)
Sale of shares in Subsidiary Companies	-	444,133,400	-	311,446,825
Proceeds from Sale of Dealing Securities	-	75,762,573	-	-
Net (Increase)/Decrease of Treasury Bills & Bonds	-	47,896,922	-	47,896,922
Purchase of Investment Securities.	-	16,512,382	-	-
Proceeds from Sale of Investment Securities	-	-	-	17,571,914
Net (Increase)/Decrease in Other Non Dealing Investments	-	-	-	59,003,102
Purchase of Property, Plant & Equipments	(641,352)	-	(641,352)	(6,887,025)
Proceeds from Disposal of Property, Plant & Equipments	-	(4,148,590)	-	2,834,145
Purchase / Sale of Investment Properties	15,000,000	(36,900,000)	15,000,000	(32,700,000)
<b>Net Cash from/(Used in) Investing Activities</b>	<b>14,358,648</b>	<b>543,256,687</b>	<b>14,358,648</b>	<b>314,473,687</b>

### Cash Flow from Financing Activities

Increase/(Decrease) in Debentures	(4,760,000)	(23,512,902)	(4,760,000)	(22,432,510)
Increase/(Decrease) in Liabilities	(79,184,299)	49,635,604	(78,115,938)	261,029,456
Increase/(Decrease) in Other Borrowings	(192,692,656)	(997,896,246)	(192,692,656)	(880,139,945)
Increase/(Decrease) in Minority Interest	-	-	-	-
<b>Net Cash from/ ( used in) Financing Activities.</b>	<b>(276,636,955)</b>	<b>(971,773,545)</b>	<b>(275,568,594)</b>	<b>(641,542,999)</b>

### Net Increase or (Decrease) in Cash and Cash Equivalents

	<b>(5,052,899)</b>	<b>(4,072,487)</b>	<b>(4,247,004)</b>	<b>(39,192,247)</b>
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Cash and Cash Equivalents at the beginning of the year

	7,243,662	11,316,149	6,091,226	10,068,966
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**Cash and Cash Equivalents at the end of the year**

	<b>2,190,764</b>	<b>7,243,662</b>	<b>1,844,222</b>	<b>(29,123,281)</b>
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### Reconciliation of Cash and Cash Equivalents

Cash and Short Term Funds	2,190,764	7,243,662	1,844,222	(29,123,281)
Government Securities - Under Re-purchase Agreement	-	-	-	-
	<b>2,190,764</b>	<b>7,243,662</b>	<b>1,844,222</b>	<b>(29,123,281)</b>

The Accounting Policies and the Notes form an integral part of these financial statements.

Figures in brackets indicate deduction

## STATEMENTS OF CHANGES IN EQUITY

For the 09 Month Period Ended 30th September 2010

GROUP	Stated Capital Rs.	Reserve on Scrip Issue Rs.	Statutory Reserve Fund Rs.	Retained Loss Rs.	Total Share Holders' fund Rs.	Minority Interest Rs.	Total Equity Rs.
As at 01.01.2009	565,786,045	8,316,030	4,420,527	(730,802,144)	(152,279,542)	74,326,806	(77,952,736)
Adjustment on Change in Minority Interest	-	-	-	-	-	(91,836,099)	(91,836,099)
Net Profit attributable to Shareholders	-	-	-	24,584,338	24,584,338	(1,725,380)	22,858,958
<b>As at 30.09.2009</b>	<b>565,786,045</b>	<b>8,316,030</b>	<b>4,420,527</b>	<b>(706,217,806)</b>	<b>(127,695,204)</b>	<b>(19,234,673)</b>	<b>(146,929,877)</b>
As at 01.01.2010	565,786,045	8,316,030	1,239,777	(637,622,552)	(62,280,701)	8,038,603	(54,242,098)
Adjustment on Change in Minority Interest	-	-	-	-	-	-	-
Net Profit attributable to Shareholders	-	-	-	43,542,348	43,542,348	797,956	44,340,304
<b>As at 30.09.2010</b>	<b>565,786,045</b>	<b>8,316,030</b>	<b>1,239,777</b>	<b>(594,080,204)</b>	<b>(18,738,353)</b>	<b>8,836,559</b>	<b>(9,901,794)</b>

For the 09 Month Period Ended 30th September 2010

SMB PLC	Stated Capital Rs.	Statutory Reserve Fund Rs.	Retained Loss Rs.	Total Share Holders' fund Rs.
Share Issue Expenses				
As at 01.01.2009	565,786,045	1,239,777	(778,964,905)	(211,939,083)
Net Profit attributable to Shareholders	-	-	52,410,082	52,410,082
Transfer to Statutory Reserve Fund	-	-	-	-
<b>As at 30.09.2009</b>	<b>565,786,045</b>	<b>1,239,777</b>	<b>(726,554,823)</b>	<b>(159,529,001)</b>
As at 01.01.2010	565,786,045	1,239,777	(637,356,659)	(70,330,837)
Net Profit attributable to Shareholders	-	-	24,408,087	24,408,087
Transfer to Statutory Reserve Fund	-	-	-	-
<b>As at 30.09.2010</b>	<b>565,786,045</b>	<b>1,239,777</b>	<b>(612,948,572)</b>	<b>(45,922,750)</b>

The Accounting Policies and the Notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

The Above figures are provisional and subject to audit

#### General

There are no changes to the accounting policies and methods of computation since the publication of the annual accounts for the year 2010.

#### Market Price of Shares

	For the Quarter ended 30th September. 2010		For the Quarter ended 31st Dec. 2009	
	Voting Shares	Non Voting Shares	Voting Shares	Non Voting Shares
Market Value of Share Closing (Rs.)	2.20	1.10	4.80	0.70
Highest Prices per Share for the period (Rs.)	3.30	1.40	7.00	1.00
Lowest Prices per Share for the period (Rs.)	1.40	0.80	2.50	0.20
Number of Transactions		37,382		15,611
Number of Shares Traded		1,023,455,100		215,182,100
Value of Shares Traded		2,113,886,810		399,300,920
Other Ratios	2010 September	2009 December		
Debt Equity Ratio (%)	(83.04)	(19.38)		
Interest Cover (Times)	2.21	1.11		
Quick Assets Ratio (Times)	0.65	0.70		

Stated capital consist of 445,031,200 voting ordinary shares & 100,000,000 non voting ordinary shares

#### Other

The company has announced a rights issue for ordinary voting & ordinary non voting shares, & free warrents will be attached for each ordinary voting share & ordinary non voting share.

The company entered in to a Memorandum of Understanding with Lanka Ashok Leyland PLC (LAL) on 21st Sep. 2010, to function as the sole age in the Northern & Eastern Provinces of the country, to provide distribution of the entire range of vehicles imported by LAL, to sell LAL spare parts & to provide after sale services & repairs.

There are no other material events that have taken place subsequent to the interim accounts other than above, which require disclosure.

The interim Financial Statements are in compliance with Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

#### CORPORATE INFORMATION

##### Legal Status

A Public Limited Liability Company incorporated in Sri Lanka on 3/9/1992 under the Companies Act No. 17 of 1982 & quoted on the Colombo Stock Exchange in 1993

Registered as a Finance Leasing Establishment under the provisions of the Finance Leasing Act No. 56 of 2000.

Company Registration No. PQ 91

Place of Incorporation - Colombo

##### BOARD OF DIRECTORS

###### Non Executive Deputy Chairman

Mr. R. S. W. Senanayake  
ACMA. FCMA.

###### Executive Director / CEO

Mr. M. S. I. Peiris  
AICM.(SL)

###### Non Executive Director

Mr. R. Renganathan  
FCA

###### Non Executive Director

Mr. E.T.L.Ranasinghe  
Dip. In Mkt.(UK), Master of B/Admin

###### Non Executive Director

Mr. P.A. Jayawardena  
FCA. FCMA. FMAAT.

###### Independent Non Executive Director

Mr. A.N. Bahaudeen  
B.A. (Econ) (SL). Attorney-at-Law

###### Independent Non Executive Director

Mr. G.C.B. Ranasinghe  
Certificate in Leasing (USA)

###### Independent Non Executive Director

Mr. U Gautam

###### Independent Non Executive Director

Mr. J C Korale  
BSc. MSc. ACA. FCMA.

##### SECRETARIES

S S P Corporate Services (Pvt) Ltd  
546, Galle Road  
Colombo 03.

##### AUDITORS

M/s. KPMG Ford, Rhodes, Thornton & Co.  
Chartered Accountants,  
Colombo

##### REGISTERED OFFICE

Landmark Building , No. 385, Galle Road, Colombo 03.

##### HEAD OFFICE

Landmark Building , No. 385, Galle Road, Colombo 03.

##### LAWYERS

M/s. De Livera Associates  
Attorneys-at-Law & Notaries Public, Colombo.

M/s. Julius & Creasy

Attorneys-at-Law & Notaries Public, Colombo.

Aklaw Associates

Attorneys-at-Law & Notaries Public, Colombo.

##### BANKERS

Seylan Bank Plc  
Sampath Bank Plc  
People's Bank

##### SUBSIDIARY COMPANY

SMB Money Brokers (Pvt) Ltd

##### ASSOCIATE COMPANIES

SMB Kenanga Investment Corporation Ltd.  
SMB Real Estate Ltd  
SMB Securities (Pvt) Ltd.

##### BRANCHES

Deniyaya Branch  
Central Tyre House Building, 1st Floor, Main Street, Deniyaya

Mahiyanganaya Branch  
24, Kandy Road, Mahiyanganaya.

## SEGMENT REPORTING-GROUP

	Banking		Leasing		Treasury		Property/Investments		Eliminations/Unallocated		Consolidated	
	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000	2010 Rs.'000	2009 Rs.'000
<b>Revenue</b>												
Interest	40,407,617	91,802,414	40,317,927	164,566,595	-	-	-	-	602,833	-	80,725,545	306,286,434
Exchange												
Lease Income/ Brokering												
Commissions & Fee Income	1,856,784	24,884,529	1,451,710	44,905,096	14,368,428	50,520,258	-	2,299,953	-	-	17,676,922	122,609,836
Other	10,747,989	244,317,051	-	14,316,707	-	4,704,391	-	3,432,855	22,088,105	-	10,747,989	244,682,899
Total Revenue from External Customers	53,012,391	361,003,994	41,769,637	223,788,399	14,368,428	55,224,649	-	5,732,808	-	22,690,938	109,150,456	673,579,169
Total Revenue	53,012,391	361,003,994	41,769,637	223,788,399	14,368,428	55,224,649	-	5,732,808	-	22,690,938	109,150,456	673,579,170
Segment result	25,662,374	37,130,711	20,465,258	47,651,807	2,790,135	3,811,554	-	-	-	-	48,917,767	88,594,072
Unallocated Income/Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Less Depreciation charged for the year	1,384,958	2,149,162	1,198,601	2,188,724	391,653	462,163	-	-	-	-	2,975,213	4,800,049
Profit from Operations	24,277,416	34,981,548	19,266,656	45,463,083	2,398,482	3,349,391	-	-	-	-	45,942,554	83,794,023
Income tax expense	2,015,206	49,044	-	-	385,000	1,515,613	-	-	-	-	2,400,206	1,564,657
Profit After Income tax	22,262,210	34,932,504	19,266,656	45,463,083	2,013,482	1,833,778	-	-	-	-	43,542,348	82,229,366
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	22,262,210	34,932,504	19,266,656	45,463,083	2,013,482	1,833,778	-	-	-	-	43,542,348	82,229,366
<b>OTHER INFORMATION</b>												
Segment assets	480,274,525	567,728,850	415,649,855	578,179,497	135,817,151	122,086,362	-	-	8,868,530	-	1,031,741,531	1,259,126,179
Less Accumulated Depreciation	35,872,467	32,304,450	31,045,548	32,899,104	10,144,399	6,946,860	-	-	-	-	77,062,414	72,150,413
Investment in Subsidiaries	12,750,000	12,750,000	-	-	-	-	-	-	12,750,000	12,750,000	-	-
Total Assets	457,152,058	548,174,400	384,604,307	545,280,394	125,672,752	115,139,502	-	-	12,750,000	21,618,530	954,679,117	1,186,975,766
Segment liabilities	449,011,332	557,324,842	388,593,367	567,583,975	126,976,212	119,849,048	-	-	3,540,000	-	964,580,911	1,241,217,866
Shareholders Funds	(8,722,682)	(27,885,409)	(7,548,977)	(28,398,718)	(2,466,693)	(5,996,574)	-	-	-	-	(18,738,353)	(62,280,701)
Minority Interest									(8,836,559)	8,038,603	(8,836,559)	8,038,603
Total liabilities	440,288,650	529,439,434	381,044,390	539,185,257	124,509,519	113,852,474	-	-	(8,836,559)	11,578,603	954,679,117	1,186,975,766
Cash flows from												
Operating activities	119,738,139	190,039,684	103,626,441	193,537,900	33,860,827	40,866,786	-	-	-	-	257,225,408	424,444,370
Cash flows from												
Investing activities	6,683,935	243,236,421	5,784,559	247,713,872	1,890,154	52,306,395	-	-	-	-	14,358,648	543,256,687
Cash flows from												
Financing activities	(128,774,192)	(435,099,510)	(111,446,624)	(443,108,742)	(36,416,139)	(93,565,293)	-	-	-	-	(276,636,955)	(971,773,545)



**Seylan Merchant Bank  
Directors Shareholding as at 30/09/2010**

<b>Name</b>	<b>No of Voting Shares</b>	<b>No of Non Voting Shares</b>
Mr. RSW Senanayake	62,000	50,000
Mr. R Renganathan	5,000	-
Mr. ETL Ranasinghe	30,000	-
Mr. PA Jayawardena	10,000	-
Mr. MSI Peris	10	-
Mr. GCB Ranasinghe	-	-
Mr. AN Bahaudeen	-	-
Mr. U Gautam	-	-
Mr. JC Korale	-	-

**Computation of % of Public Shareholding 30/09/2010 - Voting Share**

Issued share Capital	445,031,200
Directors Shareholding	107,010
Spouses & Children of Directors	1,330
Public Holding	444,922,860
Public Holding %	99.98%

**Computation of % of Public Shareholding 30/09/2010 - Non Voting Share**

Issued share Capital	100,000,000
Parent Company	-
Directors Shareholding	50,000
Spouses & Children of Directors	-
Public Holding	99,950,000
Public Holding %	99.95%

**Top Twenty Major Shareholders - Voting**

<b>Name</b>	<b>Shareholding</b>	<b>Percentage</b>
1 Seylan Bank Plc	46,527,860	10.45%
2 Seylan Bank Plc / Jayantha Dewage	10,073,500	2.26%
3 Pershing LLC S/Avebacn Grauson & Co.	10,000,000	2.25%
4 Mr. T Elaythamby	8,634,100	1.94%
5 Mr. R Gautam	6,163,000	1.38%
6 Mr. A Sithampalam	6,000,000	1.35%
7 The Finance Company Limited	6,000,000	1.35%
8 Pan Asia Banking Co. PLC / Invest Copia Capital (Pvt) Ltd	5,000,100	1.12%
9 Mr. W D J R Silva	4,932,000	1.11%
10 Pan Asia Banking Co. PLC / Emagwise (Pvt) Ltd	3,768,100	0.85%
11 Premium Brands (Pvt) Ltd	3,552,000	0.80%
12 Mr. H K Pushpakumara	3,500,000	0.79%
13 Mr. B L Jayaratne	3,300,000	0.74%
14 Mr. N Balasingam	2,933,900	0.66%
15 Mr. S N M Semasinghe	2,600,000	0.58%
16 Mr. R D Kodikara	2,478,100	0.56%
17 Mr. M H M P Hettiarachchi	2,475,000	0.56%
18 Mr. R B R Abeysekera	2,400,000	0.54%
19 Mr. D G Wirasekara	2,400,000	0.54%
20 Mr. N Wijeyanathan	2,399,900	0.54%
<b>Total</b>	<b>135,137,560</b>	<b>30.37%</b>

**Top Twenty Major Shareholders - Non Voting**

<b>Name</b>	<b>Shareholding</b>	<b>Percentage</b>
1 Mr. R Gautam	4,061,800	4.06%
2 Mr. P H Keerthinanda	2,500,000	2.50%
3 First Capital Markets Ltd / Mr. W D N H Perera	1,692,100	1.69%
4 Waldock Mackenzie Limited/Mr. SA Gulamhusein	1,562,400	1.56%
5 Mr. M N Cader	1,548,900	1.55%
6 Miss G I Vasunthara	1,528,300	1.53%
7 Mr. K K S Bose	1,480,000	1.48%
8 Mr. M H M P Hettiarachchi	1,453,300	1.45%
9 Mr. H G Eksjrom	1,300,000	1.30%
10 Mr. S Abishek	1,123,100	1.12%
11 Ceylinco Shriram Capital Management Services Co. (Pvt) Ltd	1,000,000	1.00%
12 The Bishop of Galle	1,000,000	1.00%
13 Merchant Bank of Sri Lanka	1,000,000	1.00%
14 Mr. C T G Punchihewa	922,100	0.92%
15 Mr. J J Ravindran	900,000	0.90%
16 Mr. M Kothari	892,700	0.89%
17 Miss. M N Galgamuwa	800,000	0.80%
18 Mr. N B R Razak	800,000	0.80%
19 Pan Asia Banking Co. PLC / Mr. R E Rambukwelle	700,000	0.70%
20 Mr. U D J P Ukwatta	683,300	0.68%
<b>Total</b>	<b>26,948,000</b>	<b>26.95%</b>