

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2023



#### INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Six months Ended 30th June			For the Quarter Ended 30th June			For the Six months Ended 30th June			For the Quarter Ended 30th June		
	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %
	(Audited)	(Audited)										
Interest Income	56,055,423	32,543,123	72.25	27,189,543	19,232,929	41.37	56,099,743	32,552,506	72.34	27,212,442	19,236,852	41.46
Less: Interest Expenses	35,587,183	15,692,002	126.79	18,109,335	9,161,270	97.67	35,434,324	15,494,379	128.69	18,034,178	9,082,351	98.56
<b>Net Interest Income</b>	<b>20,468,240</b>	<b>16,851,121</b>	<b>21.47</b>	<b>9,080,208</b>	<b>10,071,659</b>	<b>(8.84)</b>	<b>20,665,419</b>	<b>17,058,127</b>	<b>21.15</b>	<b>9,178,264</b>	<b>10,154,501</b>	<b>(9.61)</b>
Fee and Commission Income	3,649,809	2,881,201	26.68	1,808,793	1,397,225	29.46	3,649,678	2,881,140	26.67	1,808,676	1,397,276	29.44
Less: Fee and Commission Expenses	132,182	105,285	25.55	64,109	58,753	9.12	132,182	106,019	24.68	64,109	59,487	7.77
<b>Net Fee and Commission Income</b>	<b>3,517,627</b>	<b>2,775,916</b>	<b>26.72</b>	<b>1,744,684</b>	<b>1,338,472</b>	<b>30.35</b>	<b>3,517,496</b>	<b>2,775,121</b>	<b>26.75</b>	<b>1,744,567</b>	<b>1,337,789</b>	<b>30.41</b>
Net Gains/(Losses) from Trading	300,396	4,137,231	(92.74)	341,384	508,535	(32.87)	300,396	4,135,432	(92.74)	341,384	506,716	(32.63)
Net Gains from Derecognition of Financial Assets	31,198	2,387	1,207.00	15,984	-	100.00	31,198	2,387	1,207.00	15,984	-	100.00
Net Other Operating Income	293,841	(2,046,423)	114.36	48,673	715,124	(93.19)	219,244	(2,126,564)	110.31	75,421	752,682	(89.98)
<b>Total Operating Income</b>	<b>24,611,302</b>	<b>21,720,232</b>	<b>13.31</b>	<b>11,230,933</b>	<b>12,633,790</b>	<b>(11.10)</b>	<b>24,733,753</b>	<b>21,844,503</b>	<b>13.23</b>	<b>11,355,620</b>	<b>12,751,688</b>	<b>(10.95)</b>
Less: Impairment Charges	9,558,994	11,363,734	(15.88)	3,193,024	7,980,087	(59.99)	9,558,994	11,363,734	(15.88)	3,193,024	7,980,087	(59.99)
<b>Net Operating Income</b>	<b>15,052,308</b>	<b>10,356,498</b>	<b>45.34</b>	<b>8,037,909</b>	<b>4,653,703</b>	<b>72.72</b>	<b>15,174,759</b>	<b>10,480,769</b>	<b>44.79</b>	<b>8,162,596</b>	<b>4,771,601</b>	<b>71.07</b>
<b>Less: Operating Expenses</b>	<b>4,525,899</b>	<b>3,911,375</b>	<b>15.71</b>	<b>2,288,584</b>	<b>1,932,812</b>	<b>18.41</b>	<b>4,553,277</b>	<b>3,934,641</b>	<b>15.72</b>	<b>2,303,701</b>	<b>1,944,617</b>	<b>18.47</b>
Personnel Expenses	651,474	684,982	(4.89)	323,910	338,925	(4.43)	653,484	708,730	(3.56)	339,889	353,713	(3.91)
Depreciation and Amortization Expenses	3,950,900	2,655,076	48.81	2,074,599	1,380,439	50.29	3,986,982	2,672,638	49.18	2,095,273	1,387,449	51.02
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>9,128,273</b>	<b>7,251,433</b>	<b>25.88</b>	<b>4,687,093</b>	<b>3,652,176</b>	<b>28.34</b>	<b>9,223,743</b>	<b>7,316,009</b>	<b>26.08</b>	<b>4,738,863</b>	<b>3,685,779</b>	<b>28.57</b>
<b>Operating Profit before Taxes</b>	<b>5,924,035</b>	<b>3,105,065</b>	<b>90.79</b>	<b>3,350,816</b>	<b>1,001,527</b>	<b>234.57</b>	<b>5,951,016</b>	<b>3,164,760</b>	<b>88.04</b>	<b>3,423,733</b>	<b>1,085,822</b>	<b>215.31</b>
Less: Value Added Tax on Financial Services	1,550,858	1,073,692	44.44	815,471	437,394	86.44	1,550,858	1,073,692	44.44	815,471	437,394	86.44
Less: Social Security Contribution Levy	215,925	-	100.00	98,596	-	100.00	215,925	-	100.00	98,596	-	100.00
<b>Profit before Income Tax</b>	<b>4,157,252</b>	<b>2,031,373</b>	<b>104.65</b>	<b>2,436,749</b>	<b>564,133</b>	<b>331.95</b>	<b>4,184,233</b>	<b>2,091,066</b>	<b>100.10</b>	<b>2,509,666</b>	<b>648,428</b>	<b>287.04</b>
Less: Income Tax Expense	1,581,811	527,796	199.70	996,306	114,548	769.77	1,664,117	595,411	179.49	1,017,239	143,195	610.39
<b>Profit for the Period</b>	<b>2,575,441</b>	<b>1,503,577</b>	<b>71.29</b>	<b>1,440,443</b>	<b>449,585</b>	<b>220.39</b>	<b>2,520,116</b>	<b>1,495,657</b>	<b>68.50</b>	<b>1,492,427</b>	<b>505,233</b>	<b>195.39</b>
<b>Profit Attributable to:</b>												
Equity Holders of the Bank	2,575,441	1,503,577	71.29	1,440,443	449,585	220.39	2,499,510	1,454,918	71.80	1,477,097	488,822	202.17
Non-Controlling Interest	-	-	-	-	-	-	20,606	40,739	(49.42)	15,330	16,411	(6.59)
<b>Profit for the Period</b>	<b>2,575,441</b>	<b>1,503,577</b>	<b>71.29</b>	<b>1,440,443</b>	<b>449,585</b>	<b>220.39</b>	<b>2,520,116</b>	<b>1,495,657</b>	<b>68.50</b>	<b>1,492,427</b>	<b>505,233</b>	<b>195.39</b>
<b>Basic/Diluted Earnings per Ordinary Share (Rs.)</b>	<b>4.18</b>	<b>2.44</b>	<b>71.31</b>	<b>2.34</b>	<b>0.73</b>	<b>220.55</b>	<b>4.06</b>	<b>2.36</b>	<b>72.03</b>	<b>2.40</b>	<b>0.79</b>	<b>203.80</b>

#### STATEMENT OF CASH FLOWS

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)			
	BANK		GROUP	
	2023	2022	2023	2022
<b>For the Six months ended 30th June</b>				
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	58,398,132	28,448,135	58,442,452	28,457,518
Interest Payments	(28,328,546)	(12,712,041)	(28,318,017)	(12,708,829)
Net Commission Receipts	3,517,627	2,775,916	3,517,496	2,775,121
Trading Income	122,419	36,282	122,419	34,483
Payments to Employees	(4,305,490)	(3,768,879)	(4,324,500)	(3,785,505)
VAT and SSOL on Financial Services Paid	(1,693,312)	(1,136,258)	(1,693,312)	(1,136,258)
Receipts from Other Operating Activities	421,025	8,509,679	471,627	8,575,603
Payments on Other Operating Activities	(2,920,282)	(2,715,265)	(2,919,502)	(2,747,217)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>25,211,593</b>	<b>19,439,569</b>	<b>25,298,663</b>	<b>19,464,916</b>
<b>(Increase)/Decrease in Operating Assets:</b>				
Balances with Central Bank of Sri Lanka	1,458,359	(6,987,898)	1,458,359	(6,987,898)
Financial Assets at Amortized Cost - Loans and Advances	14,915,068	(31,152,217)	14,915,068	(31,152,217)
Other Assets	347,319	(5,266,479)	298,132	(5,137,593)
<b>Increase/(Decrease) in Operating Liabilities:</b>				
Financial Liabilities at Amortized Cost - Due to Depositors	(4,439,989)	41,361,128	(4,439,989)	41,361,128
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	14,297,486	21,967,179	14,297,486	21,967,179
Development and International Sovereign Bonds Maturing after Three Months	1,549	2,323	1,549	2,323
Financial Liabilities at Amortized Cost - Due to Other Borrowers	(228,191)	(4,526,139)	(291,542)	(4,710,015)
Due to Banks	(1,010,623)	(9,013,342)	(1,010,623)	(9,013,342)
<b>Cash Generated from Operating Activities before Income Tax</b>	<b>50,582,571</b>	<b>25,821,124</b>	<b>50,527,183</b>	<b>25,794,481</b>
Income Tax Paid	(3,595,236)	(975,018)	(3,595,236)	(975,018)
Surcharge Tax Paid	-	(584,168)	-	(584,168)
<b>Net Cash (Used in)/Generated from Operating Activities</b>	<b>46,987,335</b>	<b>24,261,938</b>	<b>46,931,947</b>	<b>24,235,295</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant & Equipment	(255,927)	(48,300)	(257,878)	(48,538)
Improvements in Investment Properties	-	-	(1,681)	(1,681)
Proceeds from Sale of Property, Plant & Equipment	104	1,910	104	1,910
Development and International Sovereign Bonds Maturing after Three Months	6,535,608	(15,127,969)	(6,458,928)	(15,127,969)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds	74,996	4,469	72,174	1,530
Reverse Repurchase Agreements maturing after Three Months	-	-	-	-
Net Purchase of Intangible Assets	(51,123)	(25,968)	(51,123)	(25,968)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	106,340	146,065	527	768
Dividend Received from Other Investments	527	768	527	768
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>(6,660,691)</b>	<b>(15,052,925)</b>	<b>(6,696,805)</b>	<b>(15,208,862)</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	5,000,000	-	5,000,000	-
Repayment of Subordinated Debt	(3,910,000)	-	(3,910,000)	-
Interest Paid on Subordinated Debt	(1,850,353)	(1,836,891)	(1,850,353)	(1,828,362)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-Controlling Interest	-	-	(52,385)	(63,096)
Dividend Paid to Shareholders of the Bank	-	(16)	-	(16)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(414,584)	(391,631)	(272,026)	(240,850)
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>121,937</b>	<b>(2,228,538)</b>	<b>(984,764)</b>	<b>(2,132,324)</b>
Net Increase in Cash and Cash Equivalents	39,121,707	6,981,375	39,250,298	6,894,109
Cash and Cash Equivalents at Beginning of the Year	83,255,632	44,039,917	83,449,117	44,204,423
<b>Cash and Cash Equivalents at End of the Period</b>	<b>122,377,339</b>	<b>51,021,292</b>	<b>122,699,415</b>	<b>51,098,532</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	57,232,012	29,081,277	57,232,052	29,081,317
Placements with Banks and Finance Companies	13,194,043	13,194,541	13,194,541	13,194,541
Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing within Three Months	47,801,802	19,023,890	48,123,140	19,101,090
Securities Purchased Under Resale Agreements maturing within Three Months	4,149,682	2,916,125	4,149,682	2,916,125
<b>Total</b>	<b>122,377,339</b>	<b>51,021,292</b>	<b>122,699,415</b>	<b>51,098,532</b>

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Six months Ended 30th June			For the Quarter Ended 30th June			For the Six months Ended 30th June			For the Quarter Ended 30th June		
	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %
	(Audited)	(Audited)										
<b>Profit for the Period</b>	<b>2,575,441</b>	<b>1,503,577</b>	<b>71.29</b>	<b>1,440,443</b>	<b>449,585</b>	<b>220.39</b>	<b>2,520,116</b>	<b>1,495,657</b>	<b>68.50</b>	<b>1,492,427</b>	<b>505,233</b>	<b>195.39</b>
<b>Other Comprehensive Income/(Loss), Net of Tax Items that are or may be Reclassified to Income Statement in Subsequent Periods</b>												
Net Movement of Cash Flow Hedge Reserve	-	84,246	(100.00)	-	(1,282)	(100.00)	-	84,246	(100.00)	-	(1,282)	(100.00)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	570,178	(1,941,228)	129.37	378,570	(99,784)	479.39	574,308	(1,949,310)	129.46	380,704	(1,044,720)	463.54
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(171,054)	465,894	(136.72)	(113,571)	24,053	(572.17)	(172,293)	466,703	(136.92)	(114,211)	24,547	(565.27)
<b>Items that will never be Reclassified to Income Statement in Subsequent Periods</b>												
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	109,858	(989,661)	111.10	(116,183)	(222,424)	47.77	109,858	(989,661)	111.10	(116,183)	(222,424)	47.77
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income/(Loss) for the Period, Net of Taxes</b>	<b>508,982</b>	<b>(2,380,749)</b>	<b>121.38</b>	<b>148,816</b>	<b>(299,437)</b>	<b>149.70</b>	<b>511,873</b>	<b>(2,388,022)</b>	<b>121.44</b>	<b>150,310</b>	<b>(303,879)</b>	<b>149.46</b>
<b>Total Comprehensive Income for the Period Attributable to:</b>	<b>3,084,423</b>	<b>(877,172)</b>	<b>451.63</b>	<b>1,589,259</b>	<b>150,148</b>	<b>958.46</b>	<b>3,031,989</b>	<b>(892,365)</b>	<b>439.77</b>			



# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2023



#### SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Interest Income	50,764,043	25,741,527	6,003,603	6,888,649	56,086	21,491	(723,989)	(99,161)	56,099,743	32,552,506
Less: Interest Expenses	33,071,734	13,636,426	2,446,537	1,913,118	1,237	367	(85,184)	(55,532)	35,434,324	15,494,379
<b>Net Interest Income</b>	<b>17,692,309</b>	<b>12,105,101</b>	<b>3,557,066</b>	<b>4,975,531</b>	<b>54,849</b>	<b>21,124</b>	<b>(638,805)</b>	<b>(43,629)</b>	<b>20,665,419</b>	<b>17,058,127</b>
Fee and Commission Income	3,641,608	2,865,043	3,845	2,311	-	-	4,225	13,786	3,649,678	2,881,140
Less: Fee and Commission Expenses	118,804	93,737	13,378	11,548	-	734	-	-	132,182	106,019
<b>Net Fee and Commission Income</b>	<b>3,522,804</b>	<b>2,771,306</b>	<b>(9,533)</b>	<b>(9,237)</b>	<b>-</b>	<b>(734)</b>	<b>4,225</b>	<b>13,786</b>	<b>3,517,496</b>	<b>2,775,121</b>
Net Gains/(Losses) from Trading	-	-	300,396	4,137,231	-	(1,799)	-	-	300,396	4,135,432
Net Gains from Derecognition of Financial Assets	-	-	31,198	2,387	-	-	-	-	31,198	2,387
Net Other Operating Income	110,368	48,843	191,647	(2,242,824)	193,634	205,287	(276,405)	(137,870)	219,244	(2,126,564)
Inter Segment Revenue	(37,424)	(35,159)	-	-	-	-	37,424	35,159	-	-
<b>Total Operating Income</b>	<b>21,288,057</b>	<b>14,890,091</b>	<b>4,070,774</b>	<b>6,863,088</b>	<b>248,483</b>	<b>223,878</b>	<b>(873,561)</b>	<b>(132,554)</b>	<b>24,733,753</b>	<b>21,844,503</b>
Less: Depreciation and Amortization Expenses	392,353	407,155	7,487	6,715	612	587	283,032	294,273	683,484	708,730
Less: Impairment Charges	8,586,530	8,263,992	972,464	3,099,742	-	-	-	-	9,559,994	11,363,734
Less: Operating Expenses, VAT & SSDL on Financial Services	7,154,781	5,062,637	1,275,785	1,419,589	64,065	41,171	1,812,411	1,157,574	10,307,042	7,680,971
<b>Reportable Segment Profit Before Income Tax</b>	<b>5,154,393</b>	<b>1,156,307</b>	<b>1,815,038</b>	<b>2,337,042</b>	<b>183,806</b>	<b>182,120</b>	<b>(2,969,004)</b>	<b>(1,584,401)</b>	<b>4,184,233</b>	<b>2,091,068</b>
Less: Income Tax Expense	-	-	-	-	-	-	-	-	1,664,117	595,411
<b>Profit For The Period</b>									<b>2,520,116</b>	<b>1,495,657</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									2,499,510	1,454,918
Non-Controlling Interests									20,606	40,739
<b>Profit For The Period</b>									<b>2,520,116</b>	<b>1,495,657</b>
<b>Other Comprehensive Income, Net of Income Tax</b>									<b>511,873</b>	<b>(2,388,022)</b>
<b>Other Information</b>										
Total Assets	477,770,352	479,231,175	193,271,855	159,870,922	6,339,205	5,988,283	11,787,078	21,260,830	689,168,490	666,351,210
Total Liabilities & Equity	583,643,968	554,384,197	84,550,662	84,688,594	6,339,205	5,988,283	14,634,655	21,290,136	689,168,490	666,351,210
Cash Flows from Operating Activities	46,722,891	20,009,303	2,794,989	5,443,499	116,337	140,160	(2,702,350)	(1,357,667)	46,931,867	24,235,295
Cash Flows from Investing Activities	(89,161)	80,927	(6,471,905)	(15,125,732)	49,597	1,139	(185,336)	(165,196)	(6,696,805)	(15,208,862)
Cash Flows from Financing Activities	675,416	(391,631)	(1,850,353)	(1,836,891)	(177,558)	(207,151)	367,731	303,349	(984,764)	(2,132,324)
<b>Capital Expenditure</b>	<b>(198,132)</b>	<b>(65,667)</b>	<b>(11,293)</b>	<b>-</b>	<b>(3,632)</b>	<b>(10,833)</b>	<b>(99,625)</b>	<b>(8,601)</b>	<b>(310,682)</b>	<b>(85,101)</b>

#### EXPLANATORY NOTES

**1. General**  
The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka.

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 and presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting.

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

#### 2. Information on Ordinary Shares

Market Price (Rs.)	30/06/2023		30/06/2022	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	34.50	24.10	28.00	15.20
Highest price per share during the quarter ended	35.50	24.50	35.50	28.00
Lowest price per share during the quarter ended	26.20	18.00	27.00	15.00

#### 3. Shareholders' Information

Stated Capital as at June 30, 2023	No of Shares	Stated Capital Rs. '000
Ordinary Voting	296,716,366	12,794,664
Ordinary Non-Voting	318,732,692	8,114,009
<b>Total</b>	<b>615,449,058</b>	<b>20,908,673</b>

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at June 30, 2023

No. of Shares	%	
1. Brown & Company PLC A/C No. 01	31,086,943	10.48
2. Sri Lanka Insurance Corporation Ltd - General Fund	29,671,631	10.00
3. Employees Provident Fund	29,248,850	9.86
4. Mr. K. D. D. Perera	28,166,399	9.49
5. Sampath Bank PLC/LOLC Investments Ltd	27,762,508	9.36
6. National Development Bank PLC	25,888,088	8.72
7. Seylan Bank PLC A/C No. 04 - Employees' Gratuity Trust Fund	19,341,229	6.52
8. Bank of Ceylon No. 1 Account	16,690,292	5.62
9. Sri Lanka Insurance Corporation Ltd - Life Fund	14,835,813	5.00
10. People's Leasing & Finance PLC / Don and Don Holdings (Pvt) Ltd	11,338,671	3.82
11. Sampath Bank PLC Brown and Company PLC	10,882,252	3.40
12. Employees' Trust Fund Board	6,309,485	2.13
13. NDB Capital Holdings Limited A/C No. 02	3,005,354	1.01
14. Sivil Investment Holdings (Pvt) Ltd	2,806,071	0.95
15. Finco Holdings (Pvt) Ltd	2,762,408	0.93
16. Mrs. T. T. A. De Silva Weerasooriya	1,637,533	0.51
17. Mr. M. J. Fernando	1,498,311	0.50
18. Mr. R. R. Leon	1,404,108	0.47
19. Mr. K. R. B. Fernando	1,283,864	0.43
20. J.B. Cocoshell (Pvt) Ltd	1,024,220	0.35

#### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2023

No. of Shares	%	
1. LOLC Holdings PLC	164,472,386	51.60
2. Employees' Provident Fund	17,001,074	5.33
3. Sri Lanka Insurance Corporation Ltd - Life Fund	10,675,313	3.35
4. Don and Don Holdings (Pvt) Ltd	10,665,961	3.35
5. Akbar Brothers Pvt Ltd A/C No. 01	6,845,259	2.15
6. Pershing LLC SIA Averbach Gausson & Co	4,366,382	1.37
7. People's Leasing & Finance PLC / Don and Don Holdings (Pvt) Ltd	4,330,473	1.36
8. Employees' Trust Fund Board	3,804,695	1.19
9. Merrill J Fernando & Sons (Pvt) Limited	3,540,466	1.11
10. Mr. R. R. Leon	2,923,962	0.92
11. LOLC Technology Services Limited	2,783,260	0.87
12. Mr. N. Balasingam	2,493,566	0.78
13. Sri Lanka Insurance Corporation Ltd - General Fund	2,250,932	0.71
14. Mr. R. J. Gauram	1,804,107	0.57
15. Mr. M. J. Fernando	1,745,005	0.55
16. Dr. S. Yedethige	1,489,175	0.47
17. Ms. S. Dunja	1,481,329	0.46
18. Mr. D. N. N. Lokuge	1,471,150	0.46
19. J.B. Cocoshell (Pvt) Ltd	1,346,136	0.42
20. Askold (Pvt) Ltd	1,299,357	0.41

#### 3.3 Public Holdings as at June 30, 2023

The Bank is compliant under Option 3 and 4 of the Section 7.14.1 (Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange.

	Option 3 (Ordinary Voting Shares)	Option 4 (Ordinary Non-Voting Shares)
Float adjusted market capitalization	LKR 5.682 Bn	LKR 3.716 Bn
Public Holding Percentage	54.87%	48.38%
No. of Public shareholders	10,150	7,214

#### 4. Directors' and Chief Executive Officer's Shareholdings as at June 30, 2023

Name of Director	No. of Shares (Ordinary Voting)	No. of Shares (Ordinary Non-voting)
Mr W M R S Dias, Non-Executive Director / Chairman	N/A	N/A
Mr R J Jayasekara, Director/Chief Executive Officer	708	33,931
Mr S V Corea, Non-Executive Director	113	N/A
Mr A S Wijesinha, Independent Director/Senior Director	N/A	N/A
Ms S K Salgado, Independent Director	N/A	N/A
Mr D M K Thilakarathne, Non-Executive Director	N/A	N/A
Mr D R Abeyurugala, Independent Director	N/A	N/A
Mr D M Rupasinghe, Independent Director	N/A	N/A
Mr L H A L Silva, Independent Director	N/A	N/A
Ms V G S S Kotakadeniya, Non-Executive Director	N/A	N/A
Ms A A Ludowyke, Independent Director	N/A	N/A

#### 5. 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 and Non-voting) during the six months ended June 30, 2023. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at June 30, 2022 has been restated based on the no of shares issued for Scrip Dividend for 2022.

#### 6. Events after the Reporting Date

**6.1 Debenture**  
The Bank redeemed 32,722,800 debentures of LKR 100/- each amounting to LKR 3,272,280,000/- being the remainder of 50,000,000 (Fifty Million) Unsecured, Subordinated, Redeemable Debentures allotted in July 2016, upon their maturity after 7 years' tenure, on 15th July 2023.

#### 7. Other Matters

##### 7.1 Changes to the Directorships

- Retirement of Mr Kapila Prasanna Ariyaratne, former Director/Chief Executive Officer of Seylan Bank PLC with effect from 30th April 2023.
- Appointment of Mr Ramesh Joseph Jayasekara as the Director/Chief Executive Officer of Seylan Bank PLC with effect from 01st May 2023. Mr Ramesh Jayasekara is a Non-Independent/Executive Director on the Board.

##### 7.2 Expected Credit Loss Computation

The Bank's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) as at June 30, 2023 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections.

Further, the Bank has adjusted the additional provisions made as management overview, based on the changes to the assessment of significant increase in credit risk, and stress testing on the exposures to risk elevated sectors.

Bank has accounted for an additional Expected Credit Loss (ECL) on Foreign Currency Dominated Bonds in the financial statements considering the impact on Interim policy regarding the servicing of Sri Lanka's external public debts issued by Ministry of Finance of Government of Sri Lanka.

##### 7.3 Debenture Issue

The Board at their meeting held on January 24, 2023 approved that the Bank issues One Hundred and Twenty Million (120,000,000) Basel III Compliant, Tier 2 Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion of Rupees Hundred (LKR. 100/-) each, amounting to Rupees Twelve Billion (LKR. 12,000,000,000/-) until December 31, 2023 and the shareholders approved the same at the Extraordinary General Meeting held on March 14, 2023.

Based on above approvals, Fifty Million (50,000,000) Basel III Compliant, Tier 2 Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion of Rupees Hundred (LKR. 100/-) each, were allotted to Qualified Investors on 02nd May 2023, following the basis of Preferential Allotments, maximum up to 75% of said 50,000,000 Debentures in accordance with Section 6.5 of the Prospectus dated 12th April 2023. The said Debentures were listed on 12th May 2023.

#### Debenture Issue Proceeds Utilization as at 30.06.2023

Objective Number	Objective as per Prospectus	Proposed date of utilization as per prospectus	Amount allocated as per prospectus in LKR	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Details if not fully utilized*
1.	To strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements by the issue of subordinated debentures.	With effect from the Date of Allotment	-	-	-	-	-	-
2.	Grow the lending portfolio, especially in segments such as Small and Medium Enterprises (SME) and Export oriented industries.	over a period of twelve months from the date of allotment or 31 December 2023 whichever is earlier	5 Bn	5 Bn	100	5 Bn	100	N/A
3.	Reduce Maturity gaps in the Assets and Liabilities of the Bank	With effect from the Date of Allotment	-	-	-	-	-	-

\* Clarification if not fully utilized including whether the funds are invested (e.g., whether lent to related party/s)

#### 7.4 Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio

The Bank has adopted the above SoAT on Reclassification of Debt Portfolio, issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and re-classified its Debt Portfolio of LKR 24.83Bn from Fair Value Through Other Comprehensive Income (FVOCI) to Amortized Cost (AC) with effect from 01 April 2022, being the 1st day of the reporting period of the quarter ended 30 June 2022, as a one-off reclassification and accounted for in the financials for the six months ended June 30, 2022.

If the assets lying in the current portfolio had continued to be measured as Fair Value through Other Comprehensive Income, the fair value and the cumulative mark to market loss as at 30th June 2023 would have been Rs 19.96Bn and Rs 2.02Bn respectively.

#### 7.5 Taxes

The Social Security Contribution Levy (SSCL) was introduced with effect from 01st October 2022 and it is calculated on the value addition attributable to financial services at the rate of 2.5%. The standard rate of Income Tax has been increased to 30% from 24% in 2022.

#### 8. Comparative Figures

Comparative figures were re-classified where necessary, to conform to the current period presentation.

During the quarter there have been 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 in these Interim Accounts.

#### STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

For the Six Months ended 30th June	Stated Capital		Statutory Reserve Fund	Retained Earnings	Other Reserves			Total
	Ordinary Shares -Voting	Ordinary Shares -Non-Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,196,617</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>52,053,009</b>
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
<b>2 Restated Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>28,028,282</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>50,884,674</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,503,577	-	-	-	1,503,577
Other Comprehensive Income (net of tax)	-	-	-	-	-	(1,475,334)	-	(1,475,334)
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	-	-	-
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(989,661)	-	(989,661)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246