

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Year ended 31st December, 2023



INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December			For the Year Ended 31st December			For the Quarter Ended 31st December		
	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %
Interest Income	107,078,561	86,068,611	24.41	24,310,803	28,812,624	(15.62)	107,168,402	86,106,337	24.46	24,333,175	28,830,616	(15.60)
Less: Interest Expenses	67,025,296	45,526,649	47.22	14,811,174	16,230,322	(8.74)	66,716,549	45,219,220	47.54	14,729,683	16,203,904	(9.10)
Net Interest Income	40,053,265	40,541,962	(1.21)	9,499,629	12,582,302	(24.50)	40,451,853	40,887,117	(1.06)	9,603,492	12,626,712	(23.94)
Fee and Commission Income	7,751,163	6,697,136	15.74	2,156,099	2,009,269	7.31	7,751,002	6,697,059	15.74	2,156,084	2,009,284	7.31
Less: Fee and Commission Expenses	270,986	235,118	15.26	67,914	67,139	1.15	274,237	235,852	16.28	69,164	67,139	3.02
Net Fee and Commission Income	7,480,177	6,462,018	15.76	2,088,185	1,942,130	7.52	7,476,765	6,461,207	15.72	2,086,920	1,942,145	7.45
Net Gains/(Losses) from Trading	818,206	(446,958)	283.06	525,966	454,524	15.72	818,206	(446,958)	283.06	525,966	458,810	14.64
Net Gains from Derecognition of Financial Assets	1,285,284	34,149	340.10	30,866	379	8,044.06	1,502,899	34,149	340.10	30,866	379	8,044.06
Net Other Operating Income	975,084	4,465,037	(78.16)	(40,671)	882,803	(104.61)	947,934	4,443,437	(78.67)	(20,541)	910,021	(102.26)
Total Operating Income	49,477,021	51,056,208	(3.09)	12,103,975	15,062,138	(23.69)	49,485,047	51,378,952	(2.99)	12,226,703	15,938,067	(23.29)
Less: Impairment Charges	17,004,946	26,433,076	(35.67)	3,558,017	7,596,118	(53.16)	17,004,937	26,433,076	(35.67)	3,558,008	7,596,118	(53.16)
Net Operating Income	32,472,075	24,623,132	31.88	8,545,958	7,466,020	3.39	32,480,110	24,945,876	31.65	8,668,695	8,341,949	3.92
Less: Operating Expenses	9,149,800	7,964,096	14.89	2,132,644	2,039,866	4.55	9,194,317	8,007,403	14.82	2,138,812	2,047,966	4.44
Personnel Expenses	1,285,284	1,357,915	(5.35)	315,145	337,451	(6.61)	1,348,040	1,416,379	(4.82)	328,677	358,717	(8.37)
Depreciation and Amortisation Expenses	8,021,586	5,898,226	36.00	2,162,521	1,828,384	16.21	8,092,983	5,951,401	35.98	2,179,842	1,847,459	17.99
Other Expenses												
Total Operating Expenses	10,456,670	15,220,237	21.26	4,610,310	4,205,701	9.62	10,456,670	15,220,237	21.26	4,610,310	4,205,701	9.62
Operating Profit before Taxes	14,015,405	9,402,895	49.05	3,935,648	3,260,319	(3.07)	14,024,770	9,570,693	48.42	4,021,364	4,087,807	(1.63)
Less: Value Added Tax on Financial Services	3,454,762	2,646,792	30.53	910,979	861,454	3.35	3,454,762	2,646,792	30.53	910,979	861,454	3.35
Less: Social Security Contribution Levy	480,357	127,243	277.67	125,711	127,243	(1.20)	480,357	127,243	277.67	125,711	127,243	(1.20)
Profit before Income Tax	10,080,286	6,628,860	52.06	2,899,958	3,051,622	(5.00)	10,080,286	6,796,658	51.10	2,984,674	3,079,110	(3.07)
Less: Income Tax Expense	3,823,872	1,916,597	99.51	1,138,457	844,377	34.83	3,868,829	2,218,888	74.36	1,101,964	1,053,558	4.59
Profit for the Year	6,256,414	4,712,263	32.76	1,760,501	2,207,245	(20.24)	6,256,414	4,577,770	39.82	1,882,710	2,025,552	(7.05)
Profit Attributable to:												
Equity Holders of the Bank	6,256,414	4,712,263	32.76	1,760,501	2,207,245	(20.24)	6,256,414	4,577,770	39.82	1,882,710	2,025,552	(7.05)
Non-controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the Year	6,256,414	4,712,263	32.76	1,760,501	2,207,245	(20.24)	6,256,414	4,577,770	39.82	1,882,710	2,025,552	(7.05)
Basic/Diluted Earnings per Ordinary Share (Rs.)	10.17	7.66	32.77	2.86	3.59	(20.33)	10.17	7.43	38.22	3.00	3.38	(11.24)

STATEMENT OF CASH FLOWS (AUDITED)

For the Year ended 31st December	(Amounts in Rupees Thousands)			
	BANK		GROUP	
	2023	2022	2023	2022
	(Audited)	(Audited)	(Audited)	(Audited)
Cash Flows from Operating Activities	110,559,524	78,479,079	110,649,365	78,516,805
Interest Receipts	(61,187,796)	(33,232,226)	(61,175,851)	(33,219,943)
Interest Payments	7,480,177	6,462,018	7,476,765	6,461,207
Trading Income	243,836	196,078	243,836	196,078
Net Commission Receipts	(7,582,118)	(7,583,372)	(7,621,765)	(7,626,699)
Payments to Employees	(3,829,697)	(2,548,404)	(3,829,697)	(2,548,404)
VAT and SSCL on Financial Services Paid	1,186,759	1,234,119	1,186,759	1,234,119
Receipts from Other Operating Activities	(6,983,152)	(5,861,384)	(7,044,118)	(5,914,487)
Payments on Other Operating Activities				
Operating Profit before Changes in Operating Assets and Liabilities	39,887,258	51,145,908	39,983,243	51,223,141
(Increase)/Decrease in Operating Assets:				
Balances with Central Bank of Sri Lanka	9,755,891	(8,058,338)	9,755,891	(8,058,338)
Financial Assets at Amortized Cost - Loans and Advances	(10,893,387)	(19,115,338)	(10,893,387)	(19,115,466)
Other Assets	(1,658,330)	(5,063,032)	(1,432,965)	(5,106,545)
Increase/(Decrease) in Operating Liabilities:				
Financial Liabilities at Amortized Cost - Due to Depositors	40,755,818	49,236,984	40,755,818	49,236,984
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	(5,045,727)	9,238,188	(5,045,727)	9,238,188
Financial Liabilities at Amortized Cost - Due to Other Borrowers	8,968	188	8,968	188
Other Liabilities	1,443,681	(7,677,735)	1,443,681	(7,653,888)
Due to Banks	(61,274)	(12,346,357)	(61,274)	(12,346,357)
Cash Generated from Operating Activities before Income Tax	74,392,598	57,969,468	74,408,787	57,417,987
Income Tax Paid	(6,493,992)	(2,138,520)	(6,493,992)	(2,138,520)
Surcharge Tax Paid	-	(1,168,335)	-	(1,168,335)
Net Cash Generated from Operating Activities	67,898,606	54,662,613	67,898,606	54,111,132
Cash Flows from Investing Activities				
Purchase of Property, Plant & Equipment	(755,207)	(192,907)	(755,207)	(192,907)
Improvements in Investment Properties	-	2,359	(31,213)	(43,087)
Proceeds from Sale of Property, Plant & Equipment	7,681	2,359	7,681	2,359
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development Bonds, International Sovereign Bonds and United States Treasury Bills maturing after Three Months	(1,701,728)	(11,411,748)	(1,623,810)	(11,489,675)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	120,919	47,606	158,406	58,572
Reverse Repurchase Agreements maturing after Three Months	(210,514)	(102,672)	(210,514)	(102,672)
Net Purchase of Intangible Assets	(210,514)	(102,672)	(210,514)	(102,672)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividends Received from Investment in Subsidiaries	106,419	146,065	106,419	146,065
Dividend Received from Other Investments	16,296	16,446	16,296	16,446
Net Cash Used in Investing Activities	(2,428,844)	(11,494,851)	(2,428,844)	(11,755,147)
Cash Flows from Financing Activities				
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	(7,182,280)	-	(7,182,280)	-
Interest Paid on Subordinated Debt	(2,494,469)	(2,589,596)	(2,494,469)	(2,578,780)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(49,744)	(57,343)
Dividend Paid to Shareholders of the Bank	(8)	(886)	(8)	(886)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(792,230)	(752,555)	(792,230)	(774,292)
Net Cash Used in Financing Activities	(5,486,985)	(3,343,847)	(5,486,985)	(3,111,211)
Net Increase in Cash and Cash Equivalents	60,000,667	39,215,715	60,317,026	39,244,694
Cash and Cash Equivalents at Beginning of the Year	83,255,632	44,039,917	83,449,117	44,204,423
Cash and Cash Equivalents at End of the Year	143,256,299	83,255,632	143,766,143	83,449,117
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	49,034,834	40,402,164	49,034,834	40,402,204
Placements with Banks and Finance Companies	22,064,672	1,819,036	22,064,672	1,819,036
Government of Sri Lanka Treasury Bills/Bonds, Development Bonds, International Sovereign Bonds and United States Treasury Bills maturing within Three Months	71,228,765	37,996,742	71,228,765	37,996,742
Securities Purchased Under Resale Agreements maturing within Three Months	817,150	3,628,549	817,150	3,628,549
Total	143,256,299	83,255,632	143,766,143	83,449,117

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 Year Ended 31st Dec.			For the Quarter Ended 31st Dec.			For the Year Ended 31st Dec.			For the Quarter Ended 31st Dec.		
	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %	2023	2022	Growth %
Profit for the year	6,256,414	4,712,263	32.76	1,760,501	2,207,245	(20.24)	6,256,414	4,577,770	39.82	1,882,710	2,025,552	(7.05)
Other Comprehensive Income/ (Loss), net of Tax Items that are or may be reclassified to Income Statement in Subsequent Periods												
Net Movement of Cash Flow Hedge Reserve	-	84,246	(100.00)	-	-	-	-	84,246	(100.00)	-	-	-
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	987,554	(1,633,614)	160.45	(146,738)	90,260	(262.57)	993,479	(1,644,580)	160.41	(144,008)	87,738	(264.13)
Deferred Tax effect Relating to Items that are or may be reclassified to Income Statement	(296,267)	392,856	(175.41)	44,021	(8,732)	604.13	(298,047)	394,591	(175.53)	43,200	(7,842)	650.88
Items that will never be reclassified to Income Statement in Subsequent Periods												
Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	302,235	(1,220,234)	124.77	(60,035)	(352,618)	82.97	302,235	(1,220,234)	124.77	(60,035)	(352,618)	82.97
Gains/(Losses) on Revaluation of Property, Plant and Equipment	(1,005,704)	(222,236)	(352.54)	(1,005,704)	(222,236)	(352.54)	(1,005,704)	(222,236)	(352.54)	(1,005,704)	(222,236)	(352.54)
Actuarial Losses on Defined Benefit Obligations	(14,416)	(125,416)	88.51	(14,416)	(125,416)	88.51	(14,416)	(125,416)	88.51	(14,416)	(125,416)	88.51
Deferred Tax Effect Relating to Items that will never be reclassified to Income Statement	(25,589)	(2,724,398)	99.02	(1,182,872)	(618,742)	(91.17)	58,454	(2,748,469)	102.36	(1,102,056)	(633,209)	(72.04)
Other Comprehensive Income for the Year, net of Tax	6,229,616	1,987,865	213.38	577,629	1,588,503	(63.64)	6,457,					

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Year ended 31st December, 2023



SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Interest Income	96,302,462	71,373,020	12,466,083	15,223,257	108,329	61,784	(1,698,472)	(561,724)	107,168,402	86,106,337
Less: Interest Expenses	61,815,649	39,495,176	5,079,379	5,886,291	2,203	959	(190,682)	(163,206)	66,716,549	45,219,220
Net Interest Income	34,486,813	31,877,844	7,386,704	9,336,966	106,126	60,825	(1,517,790)	(388,518)	40,451,853	40,887,117
Fee and Commission Income	7,585,798	6,648,542	153,351	22,718	-	-	11,853	25,799	7,751,002	6,697,059
Less: Fee and Commission Expenses	237,519	206,316	33,467	28,802	3,251	734	-	-	274,237	235,852
Net Fee and Commission Income	7,348,279	6,442,226	119,884	(6,084)	(3,251)	(734)	11,853	25,799	7,476,765	6,461,207
Net Gains/(Losses) from Trading	-	-	818,206	(446,958)	-	-	-	-	818,206	(446,958)
Net Gains from Derecognition of Financial Assets	-	-	150,289	34,149	-	-	-	-	150,289	34,149
Net Other Operating Income	678,576	800,448	295,579	3,660,582	483,049	565,861	(489,270)	(583,454)	947,934	4,443,437
Inter Segment Revenue	(74,922)	(70,989)	(595)	-	-	-	75,427	70,989	-	-
Total Operating Income	42,438,746	39,049,529	8,760,157	12,578,655	565,924	625,952	(1,919,780)	(875,184)	49,845,047	51,378,952
Less: Depreciation and Amortization Expenses	766,289	761,440	14,890	14,167	1,245	1,185	565,616	639,587	1,348,040	1,416,379
Less: Impairment Charges	15,034,705	21,424,165	1,310,241	5,008,911	-	-	(9)	-	17,004,937	26,433,076
Less: Operating Expenses, VAT & SSCL on Financial Services	16,039,654	13,070,977	1,832,596	1,304,526	119,410	97,195	3,320,959	2,260,141	21,222,619	16,732,839
Reportable Segment Profit Before Income Tax	9,938,098	3,792,947	5,602,430	6,251,051	445,269	527,572	(5,716,346)	(3,774,912)	10,269,451	6,796,658
Less: Income Tax Expense	-	-	-	-	-	-	-	-	3,868,829	2,218,888
Profit For The Year	9,938,098	3,792,947	5,602,430	6,251,051	445,269	527,572	(5,716,346)	(3,774,912)	6,400,622	4,577,770
Profit Attributable To:										
Equity Holders of The Bank	-	-	-	-	-	-	-	-	6,321,116	4,574,359
Non-Controlling Interests	-	-	-	-	-	-	-	-	79,506	3,411
Profit For The Year	9,938,098	3,792,947	5,602,430	6,251,051	445,269	527,572	(5,716,346)	(3,774,912)	6,400,622	4,577,770
Other Comprehensive Income, Net of Income Tax	56,454	(2,746,463)	56,454	(2,746,463)	56,454	(2,746,463)	56,454	(2,746,463)	56,454	(2,746,463)
Other Information										
Reportable Segment Assets	470,959,514	468,181,492	233,605,360	186,376,930	6,541,912	6,357,894	17,737,472	21,888,352	728,844,258	682,804,668
Segment Accumulated Amortisation	(7,492,833)	(2,555,766)	(80,208)	(68,268)	4,270	(3,025)	(3,282,197)	(7,342,433)	(10,850,968)	(9,969,492)
Total Assets	463,466,681	465,625,726	233,525,152	186,308,662	6,546,182	6,354,869	14,455,275	14,545,919	717,993,290	672,835,176
Reportable Segment Liabilities & Equity	601,993,174	563,425,953	89,348,927	85,595,633	6,546,182	6,354,869	20,105,007	17,458,721	717,993,290	672,835,176
Total Liabilities & Equity	601,993,174	563,425,953	89,348,927	85,595,633	6,546,182	6,354,869	20,105,007	17,458,721	717,993,290	672,835,176
Cash Flows from Operating Activities	65,927,382	45,612,314	6,927,561	11,274,129	203,966	288,432	(5,170,794)	(3,063,823)	67,888,115	54,111,052
Cash Flows from Investing Activities	(294,393)	(270,149)	(1,490,863)	(11,223,517)	97,093	(59,765)	(753,642)	(201,717)	(2,441,805)	(11,755,147)
Cash Flows from Financing Activities	(792,238)	(753,451)	(4,676,757)	(2,589,596)	(177,558)	(207,151)	517,269	438,987	(5,129,284)	(3,111,211)
Capital Expenditure	(304,046)	(285,214)	(11,744)	(7,799)	(34,257)	(47,275)	(650,331)	(2,562)	(1,000,378)	(342,849)

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 (LKR.)	31/12/2023		31/12/2022	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	43.90	35.50	31.60	16.20
Highest price per share during the quarter ended	51.90	39.90	32.00	20.70
Lowest price per share during the quarter ended	40.10	31.70	27.50	15.20

3. Shareholders' Information

3.1 Twenty Largest Ordinary Voting Shareholders as at December 31, 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. P. 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	19,573,513	6.60
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. Peoples Leasing & Finance PLC /Don and Don Holdings (Private) Limited	11,338,671	3.82
11. Sampath Bank PLC/Brown and Company PLC	10,082,252	3.40
12. Employees Trust Fund Board	6,309,485	2.13
13. Don & Don Holdings (Private) Limited	5,349,919	1.80
14. NDB Capital Holdings Limited A/C No. 02	3,005,354	1.01
15. Sisl Investment Holdings (Private) Limited	2,806,071	0.95
16. Mr. M. J. Fernando (Deceased)	1,498,311	0.50
17. Mr. K. R. B. Fernando	1,283,864	0.43
18. Capital Alliance PLC	982,318	0.33
19. Mr. R. R. Leon	933,190	0.31
20. Dr. J. L. B. Kotelawala	679,835	0.23

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

No. of Shares	%	
1. LOLC Holdings PLC	164,472,386	51.60
2. Employees' Provident Fund	17,001,074	5.33
3. Don and Don Holdings (Private) Limited	8,571,297	2.69
4. Sri Lanka Insurance Corporation Limited - Life Fund	8,222,957	2.58
5. Akbar Brothers (Pvt) Ltd A/C No. 01	6,810,259	2.14
6. Auerbach Grayson and Company LLC	4,366,382	1.37
7. Peoples Leasing & Finance PLC/ Don and Don Holdings (Private) Limited	4,330,473	1.36
8. Employees Trust Fund Board	3,754,695	1.18
9. Merrill J Fernando & Sons (Pvt) Limited	3,540,466	1.11
10. Mr. R. R. Leon	3,224,829	1.01
11. LOLC Technology Services Limited	2,783,260	0.87
12. Mr. N. Balasingam	2,493,566	0.78
13. LOLC Finance PLC /Don and Don Holdings (Pvt) Ltd	2,493,211	0.78
14. Sri Lanka Insurance Corporation Ltd - General Fund	2,250,000	0.71
15. Mr. R. Gautam	1,806,307	0.57
16. Mr. M. J. Fernando (Deceased)	1,745,005	0.55
17. J.B. Cocoshell (Pvt) Ltd	1,700,495	0.53
18. Ms. S. Durga	1,471,329	0.46
19. Dr. S. Yaddelhege	1,452,925	0.46
20. Odyssey Capital Partners (Private) Limited	1,324,357	0.42

3.3 Public Holdings as at December 31, 2023

The Bank is compliant under Option 3 of the Section 7.13.1 of the Rules of the Colombo Stock Exchange (Minimum Public Holding requirement).

	(Ordinary Voting Shares)	(Ordinary Non-Voting Shares)
Float adjusted market capitalization	LKR. 7,147 Bn	LKR. 5,370 Bn
Public Holding Percentage	54.87%	47.46%
No. of Public shareholders	10,154	7,125

4. Directors' and Chief Executive Officer's Shareholdings as at December 31, 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	Nil	Nil
Mr. R. J. Jayasekera, Director/Chief Executive Officer	708	33,931
Mr. S. V. Corea, Non-Executive Director	113	Nil
Ms. S. K. Salgado, Independent Director/Senior Independent Director	Nil	Nil
Mr. D. K. Thilakarane, Non-Executive Director	Nil	Nil
Mr. D. M. Rupasinghe, Independent Director	Nil	Nil
Mr. L. H. A. L. Silva, Independent Director	Nil	Nil
Ms. V. G. S. S. Kotakadeniya, Non-Executive Director	Nil	Nil
Ms. A. A. Ludowyke, Independent Director	Nil	Nil

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 year ended December 31, 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 December 31, 2022 has been restated based on the number of shares issued for Scrip Dividend for 2022.

6. Events after the Reporting Date
6.1 Proposed Final Dividend
The Board of Directors of the Bank recommended a first and final dividend of LKR 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended December 31, 2023, to be paid in the form of a cash dividend of LKR 1.00 per share and a scrip dividend of LKR 1.50 per share (LKR 2.00 per share was paid for the year ended December 31, 2022 by way of scrip dividend).
The said dividend is subject to approval of the shareholders at the Annual General Meeting to be held on March 28, 2024. This proposed final dividend has not been recognized as a liability as at December 31, 2023.

7. Other Matters
7.1 Changes to the Directorships
1. The demise of Mr. Darshan Ravindra Abeyuruya, Independent, Non-Executive Director, of Seylan Bank PLC, on October 25, 2023.
2. Appointment of Ms. Sandya Kumari Salgado as the Senior Independent Director, of Seylan Bank PLC, with effect from November 06, 2023.

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 December 31, 2023 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections.
Further, the Bank has adjusted the additional provisions made as management overlay, 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 Denominated Bonds in the financial statements considering the impact on Interim policy regarding the servicing of Sri Lanka's external public debts issued by the Ministry of Finance of the Government of Sri Lanka.
The Bank has accounted for day one loss arising on initial recognition, from the swap of Sri Lanka Development Bonds denominated in foreign currency to Rupee bonds under the Domestic Debt Optimization program. The said impact has been recognized in the profit or loss during the year ended December 31, 2023.

7.3 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 31st December 2023 would have been Rs. 9,496 Mn and Rs. 412 Mn respectively.

7.4 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.

7.5 Share Repurchase - Seylan Developments PLC
On 01st November 2023, the Bank's subsidiary Seylan Developments PLC, made an announced to repurchase its own shares at a ratio of 01 share for every 10 shares held by the Ordinary shareholders of the Company. The total number of ordinary shares expected to be repurchased from the share repurchase is 14,796,486 at a price of Rs.21.64 per ordinary share. The total value expected from the share repurchase transaction is amounting to Rs.320.20 Mn.
The share repurchase offer is opened to shareholders on 14th February 2024 and proposed to be closed on 28th February 2024.

8. Comparative Figures
Comparative figures have been 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 in these Interim Accounts.

STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

For the year ended 31st December	Stated Capital		Statutory Reserve Fund	Retained Earnings	Revaluation Reserve	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non-Voting				FVOCI Reserve	Other Reserves	Total	
1 Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009	
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,028,282	1,468,822	(245,179)	976,318	50,884,674	
Total Comprehensive Income for the Year	-	-	-	4,712,263	-	-	-	4,712,263	
Profit for the Year	-	-	-	4,712,263	-	-	-	4,712,263	
Other Comprehensive Income (net of tax)	-	-	-	(222,236)	-	-	-	(222,236)	
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(222,236)	-	-	-	(222,236)	
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,240,758)	-	(1,240,758)	
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,251,047)	-	(1,251,047)	
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	
- Deferred Tax Impact on Tax Rate Change	-	-	-	-	(94,603)	-	-	(94,603)	
3 Total Comprehensive Income for the Year	-	-	-	4,490,027	(94,603)	(2,491,805)	84,246	1,987,865	
Transactions with Equity Holders, Recognised Directly in Equity									
Scrip Dividend to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	-	14,484	
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-	
Transferred from Investment Fund Reserve	-	-	-	359,989	-	-	(359,989)	-	
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-						