SEYLAN	BANK PLC
FINANCIAL	STATEMENTS



Three months ended 31st March, 2022

INCOME STATEMENT			(	Amounts ir	n Rupees Th	iousands <u>)</u>	STATEMENT OF CASH FLOWS		<u>_</u>	iounts in Rupees	s Thousands)
(In terms of Rule 7.4 of the Colombo Stock Exchange)		BANK			GROUP			BAN		GROU	
	Eas the three	months ended a	1 of Moroh	Eas the three	e months ended	21 of Moroh	For the Three Months ended 31st March Cash Flows from Operating Activities	2022	2021	2022	2021
	2022	2021	Growth %	2022	2021	Growth %	Interest Receipts	12,375,084	10,946,116	12,380,544	10,948,016
	2022	2021		2022	2021	CIOWII /6	Interest Payments Net Commission Receipts	(4,867,382) 1,437,444	(6,467,389) 1,157,326	(4,862,272) 1,437,332	(6,466,284) 1,157,291
Interest Income	13,310,194	11,678,240	13.97	13,315,654	11,680,140	14.00	Trading Income	6,727	2,624	6,747	8,379
Less: Interest Expenses	6,530,732	6,144,225	6.29	6,412,028	6,067,782	5.67	Payments to Employees VAT on Financial Services Paid	(2,063,033) (644,868)	(1,777,569) (445,896)	(2,067,854) (644,868)	(1,781,942) (445,896)
Net Interest Income	6,779,462	5,534,015	22.51	6,903,626	5,612,358	23.01	Receipts from Other Operating Activities	2,764,158	1,687,157	2,792,524	1,582,109
							Payments on Other Operating Activities Operating Profit before Changes in Operating Assets and Liabilities	(522,965) 8,485,165	(272,466) 4,829,903	(549,907) 8,492,246	(294,733) 4,706,940
Fee and Commission Income	1,483,976	1,208,362	22.81	1,483,864	1,208,327	22.80	(Increase)/Decrease in Operating Assets:				
Less: Fee and Commission Expenses	46,532	51,036	(8.83)	46,532	51,036	(8.83)	Balances with Central Bank of Sri Lanka Financial Assets at Amortized Cost - Loans and Advances	(7,106,151) (21,514,389)	29,367 (7,123,943)	(7,106,151) (21,514,389)	29,367 (7,123,943)
Net Fee and Commission Income	1,437,444	1,157,326	24.20	1,437,332	1,157,291	24.20	Other Assets	(1,825,600)	(766,686)	(1,624,766)	(634,612)
							Increase/(Decrease) in Operating Liabilities:				
Net Gains/(Losses) from Trading	3,628,696	(611,434)	693.47	3,628,716	(605,679)	699.12	Financial Liabilities at Amortized Cost - Due to Depositors Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	26,225,037 5,597,395	6,122,451 2.614.309	26,225,037 5,597,395	6,122,451 2,614,309
Net Gains from Derecognition of Financial Assets	2,387	185,220	(98.71)		185,220	(98.71)	Financial Liabilities at Amortized cost - Due to Other Borrowers	(982)	(2,194)	(982)	(2,194)
Net Other Operating Income	(2,761,547)	1,194,719	(331.15)	(2,879,246)	1,089,671	(364.23)	Other Liabilities Due to Banks	(5,036,516) 757,396	(12,028) (5,271,858)	(5,332,545) 757,396	(75,229) (5,271,858)
							Cash (Used in) /Generated from Operating Activities before Income Tax	5,581,355	419,321	5,493,241	365,231
Total Operating Income	9,086,442	7,459,846	21.80	9,092,815	7,438,861	22.23	Income Tax Paid	(597,999)	(6,749)	(597,999)	(6,749)
Less: Impairment Charges	3.383.647	2.171.116	55.85	3.383.647	2.171.116	55.85	Net Cash (Used in )/ Generated from Operating Activities	4,983,356	412,572	4,895,242	358,482
Less. Impairment Gnarges	3,303,047	2,171,110	00.00	3,303,047	2,171,110	00.00	Cash flows from Investing Activities	(0.005)	(00.040)	(0.005)	(50.040)
Net Operating Income	5,702,795	5.288.730	7.83	5,709,168	5,267,745	8.38	Purchase of Property , Plant and Equipment Improvements in Investment Properties	(9,605)	(36,646)	(9,605) (146)	(59,643) (7,527)
	0,102,130	0,200,700	7.00	3,703,100	0,201,140	0.00	Proceeds from Sale of Property, Plant and Equipment	92	-	92	-
Less: Operating Expenses							Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing after Three Months	(6,525,291)	(3,027,560)	(6,525,291)	(3,027,561)
Personnel Expenses	2,067,742	1,938,954	6.64	2,079,203	1,949,718	6.64	Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures Reverse Repurchase Agreements maturing after Three Months	1,502 8,728	(1,161) 11.827	1,502 8,728	5,397 11,827
Depreciation and Amortization Expenses	346,057	364,302	(5.01)		376,227	(5.64)	Net Purchase of Intangible Assets	(1,129)	(45,418)	(1,129)	(45,418)
Other Expenses	1,185,458	1,085,186	9.24	1,196,010	1,093,392	9.39	Net Cash Flow from Acquisition of Investment in Subsidiaries Net Cash Flow from Disposal of Subsidiaries	1	-	1	
							Dividend Received from Investment in Subsidiaries		-		-
Total Operating Expenses	3,599,257	3,388,442	6.22	3,630,230	3,419,337	6.17	Dividend Received from Other Investments	504	6,917	504	6,917
							Net Cash (Used in)/Generated from Investing Activities	(6,525,199)	(3,092,041)	(6,525,345)	(3,116,008)
Operating Profit before Taxes	2,103,538	1,900,288	10.70	2,078,938	1,848,408	12.47	Cash Flows from Financing Activities Net Proceeds from the Issue of Ordinary Share Capital				-
							Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Less: Value Added Tax on Financial Services	636,298	502,275	26.68	636,298	502,275	26.68	Net Proceeds from the Issue of Subordinated Debt Repayment of Subordinated Debt	1	-		-
							Interest Paid on Subordinated Debt	(645,595)	(742,231)	(645,595)	(735,859)
Profit before Income Tax	1,467,240	1,398,013	4.95	1,442,640	1,346,133	7.17	Interest Paid on Un-subordinated Debt Dividend Paid to Non-controlling Interest	1	-	(42)	(3)
							Dividend Paid to Shareholders of the Bank	(9)	(79)	`(9)́	(79)
Less: Income Tax Expense	413,248	392,225	5.36	452,216	342,369	32.08	Dividend paid to Holders of Other Equity Instruments Repayment of Principal Portion of Lease Liabilities	(273,546)	(196,120)	(159,952)	(124,931)
							Net Cash (Used in)/Generated from Financing Activities	(919,150)	(938,430)	(805,598)	(860,872)
Profit for the Period	1,053,992	1,005,788	4.79	990,424	1,003,764	(1.33)	Net Increase/(Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of the Year	(2,460,993) 44,039,917	(3,617,899) 37,515,866	(2,435,701) 44,204,423	(3,618,398) 37,516,404
Profit Attributable to:							Cash and Cash Equivalents at End of the Period	41.578.924	33.897.967	44,204,423	33.898.006
Equity Holders of the Bank	1,053,992	1,005,788	4.79	966,096	967,439	(0.14)	Reconciliation of Cash and Cash Equivalents	41,070,024	55,051,501	41,100,122	00,000
Non-Controlling Interest	1,000,002		4.75	24,328	36,325	(33.03)	Cash and Cash Equivalents	23,334,890	11,128,083	23,334,930	11,128,122
Profit for the Period	1.053.992	1.005.788	4.79	990.424	1.003.764	(1.33)	Placements with Banks and Finance Companies Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	- 16.488.997	8,986,829 7,513,518	- 16,678,755	8,986,829 7,513,517
	.,000,001	.,,			1,000,104	(	Securities Purchased under Resale Agreements maturing within Three Months	1,755,037	6,269,537	1,755,037	6,269,538
Basic/Diluted Earnings per Ordinary Share (Rs.)	1.82	1.74	4.79	1.67	1.67			41.578.924	33,897,967	41,768,722	33,898,006

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Amounts in Rupees Thousands) SEYLAN BANK PLC - DEBENTURES

(In terms of Rule 7.4 of the Colombo Stock Exchange)	Far the Th	Bank ee Months Ended	Od at Marah	Fax the	Group Three Months End	ad Of at March
	2022	2021		2022	2021	
	2022	2021	Growth%	2022	2021	Growth%
Profit for the Period	1,053,992	1,005,788	4.79	990,424	1,003,764	(1.33)
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	85,528	(5,561)	1,638.00	85,528	(5,561)	1,638.00
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,841,444)	(707,588)	(160.24)	(1,844,590)	(707,900)	(160.57)
Less : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(441,841)	(278,479)	(58.66)	(442,156)	(278,511)	(58.76)
Items that will never be Reclassified to Income Statement in Subsequent Periods						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(767,237)	(434,290)	(76.66)	(767,237)	(434,290)	(76.66)
Less : Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	(2,081,312)	(868,960)	139.52	(2,084,143)	(869,240)	(139.77)
Total Comprehensive Income for the Period	(1,027,320)	136,828	(850.81)	(1,093,719)	134,524	(913.03)
Attributable to : Equity Holders of the Bank Non-controlling interest Total Comprehensive Income for the Period	(1,027,320) - (1,027,320)	136,828 - <b>136.828</b>	(850.81)	(1,117,212) 23,493 (1,093,719)	98,282 36,242 <b>134,524</b>	(1,236.74) (35.18) (913.03)

## STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION				(Alliou	nts in Rupees Th	ousanusj
In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 31.03.2022	As at 31.12.2021	Growth %	As at 31.03.2022	As at 31.12.2021	Growtl %
issets						
Cash and Cash Equivalents	23,261,907	16,079,054	44.67	23,261,947	16,079,094	44.67
alances with Central Bank of Sri Lanka	15,831,985	8,725,834	81.44	15,831,985	8,725,834	81.44
lacements with Banks and Finance Companies	-	8,246,909	(100.00)	-	8,246,909	(100.00
erivative Financial Instruments	6,180,242	290,141	2,030.08	6,180,242	290,141	2,030.08
nancial Assets recognized through Profit or Loss Measured at Fair Value Designated at Fair Value	9,264,968	4,969,913	86.42	9,264,968	4,969,913	86.42
nancial Assets at Amortized Cost						
Loans and Advances	462,135,988	441,976,662	4.56	462,135,988	441,976,662	4.56
Debt and Other Instruments	68,485,084	67,992,449	0.72	68,674,842	68,156,417	0.76
nancial Assets measured at Fair Value through Other Comprehensive Income	35,371,459	39,104,536	(9.55)	35,427,276	39,165,399	(9.54
vestment in Subsidiary	1,153,602	1,153,602	-	-	-	-
oup Balances Receivable	186,065	40,000	365.16	-	-	-
operty, Plant & Equipment	4,146,150	4,289,917	(3.35)	6,903,129	7,063,747	(2.27
ght-of-use Assets	4,770,755	4,791,175	(0.43)	2,507,752	2,594,737	(3.35
vestment Properties	-	-	-	864,610	870,258	(0.65
tangible Assets	547,978	592,894	(7.58)	547,978	592,894	(7.58
aferred Tax Assets	184,267	-	-	-	-	-
her Assets	11,590,062	9,323,825	24.31	11,636,161	9,358,128	24.34
tal Assets	643,110,512	607,576,911	5.85	643,236,878	608,090,133	5.78
abilities						
je to Banks	25,261,783	24,504,387	3.09	25,261,783	24,504,387	3.09
erivative Financial Instruments	1,208,489	217,179	456.45	1,208,489	217,179	456.45
nancial Liabilities at Amortized Cost	1,200,100	2,	100110	1,200,100	211,110	100110
Due to Depositors	515,644,329	488,653,328	5.52	515,644,329	488,653,328	5.52
Due to Debt Securities Holders	8,269,046	2,662,377	210.59	8,269,046	2,662,377	210.59
Due to Other Borrowers	6,313	7,295	(13.46)	6,313	7,295	(13.46
oup Balances Payable	245,196	191,810	27.83	-	-	-
bt Securities Issued	21,612,521	21,617,455	(0.02)	21,612,521	21,617,455	(0.02
rrent Tax Liabilities	1,439,214	1,623,966	(11.38)	1,424,155	1,611,832	(11.64
eferred Tax Liabilities	-	257,574	(100.00)	182,132	582,395	(68.73
aase Liabilities ther Liabilities	4,991,767 13,406,165	4,889,598 10,898,933	2.09 23.00	1,990,516 13,505,575	2,007,245 10,939,813	(0.83 23.45
tal Liabilities	592,084,823	555,523,902	6.58	589,104,859	552,803,306	6.57
juity	10,000,450	10,000,000	0.75	10,000,450	10,000,000	0.75
ated Capital atutory Reserve Fund	19,926,453 2,332,549	18,323,882 2,332,549	8.75	19,926,453 2,332,549	18,323,882 2,332,549	8.75
ir Value through Other Comprehensive Income Reserve	(2,412,457)	(245,179)	883.96	(2,440,486)	(271,212)	799.84
stained Earnings	28,648,476	29,196,617	(1.88)	29,331,312	29,967,349	(2.12
her Reserves	2,530,668	2,445,140	3.50	3,691,194	3,605,666	2.37
tal Shareholders' Equity	51,025,689	52,053,009	(1.97)	52,841,022	53,958,234	(2.07
on-controlling Interest		· ·	-	1,290,997	1,328,593	(2.83
tal Equity	51,025,689	52,053,009	(1.97)	54,132,019	55,286,827	(2.09
tal Equity & Liabilities	643,110,512	607,576,911	5.85	643,236,878	608,090,133	5.78
ntingent Liabilities and Commitments	251,928,546	224,389,878	12.27	251,930,268	224,389,963	12.27
emorandum Information						
imber of Employees	3,169	3,148	0.67	3,190	3,167	0.73
mber of Banking Centres	171	171	-	171	171	
t Assets Value per Ordinary Share (Rs.)	88.31	97.44	(9.37)	91.46	101.01	(9.45
rtification;						
ertify that the above Financial Statements are in compliance with the requireme	ents of the Companies Ac	et No. 07 of 2007.				
gd.) Champika Dodanwela (Ms.)						
ief Financial Officer						
e the undersigned, being the Chairman, Director/ Chief Executive Officer of Sey		•	il anka: and			
the above statements have been propared in compliance with the formation of	remunious hissonned pà					
	in-audited financial state	ments of the Bank & G	roup.			
the information contained in these statements have been extracted from the u			·			
the above statements have been prepared in compliance with the format and the information contained in these statements have been extracted from the u sgd.) W. M. R. S. Dias	(\$	gd.) Kapila Ariyaratn				
the information contained in these statements have been extracted from the u	(\$					

RUFIT OR LUSS AND UT	HER GUMPRE		ICUIAIE	(Alliot	unts in Rupees T	iouounuoj	SEYLAN BANK PLC - DEBENTURES			
Exchange)		Bank e Three Months End			Group Three Months Ende				rrent eriod	Comparativ Period
	2022		Growth%	2022	2021	Growth%			n22 to	01-Jan21
et of Tax	1,053,99	1,005,788	4.79	990,424	1,003,764	(1.33)	Debt (Debentures) / Equity Ratio (Times)	31-1	1ar22 0.42	<b>31-Mar2</b> 1 0.34
Income Statement in Subsequent Periods							Debt (Debentures plus Long term Debt) / Equity Ratio (Times)		0.51	0.48
ve	85,52	3 (5,561)	1,638.00	85,528	(5,561)	1,638.00	Interest Cover (Times)		3.30	3.55
ot Instruments measured at Fair Value through		1707 505	(100.01)	(1.044.500)	/707 000)	(400 57)	Quick Asset Ratio (Times)		0.79	0.72
s that are or may be Reclassified to Income Stateme	(1,841,44 nt (441,84		(160.24) (58.66)	(1,844,590) (442,156)	(707,900)	(160.57)	2016 Issue			
s that are or may be Reclassified to Income Stateme	(441,84	(2/0,4/9)	(00.00)	(442,100)	(270,311)	(30.70)	Market Prices during January to March (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a			*
juity Instruments measured at Fair Value through							(Debenture matured and redeemed on 15/07/2021) 5 Year Floating Semi Annual - six months treasury bill rate + 1.5%			*
	(767,23	7) (434,290)	(76.66)	(767,237)	(434,290)	(76.66)	(Debenture matured and redeemed on 15/07/2021) 7 Year Fixed Semi Annual - 13.75% p.a			100.00
s that will never be Reclassified to Income Statemer			-	-	-	-	- Highest Price - Lowest Price Lose Traded Deice #//20/01/2021)		*	102.98 102.98
the Period, Net of Taxes	(2,081,31)		139.52	(2,084,143)	(869,240)	(139.77)	- Last Traded Price */(22/01/2021)		*	102.98
iod	(1,027,32	0) 136,828	(850.81)	(1,093,719)	134,524	(913.03)	Interest Yield as at Date of Last Trade 5 Year Fixed Semi Annual - 13.00% p.a. (Debenture matured and redeemed on 15/07/20)			*
	(1,027,32)	0) 136,828	(850.81)	(1,117,212)	98,282	(1,236.74)	5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture matured a 7 Year Fixed Semi Annual - 13.75% p.a */(22/01/2021)	na reaeemea on 15/07/2021)	*	13.81%
iod	(1,027,32	) 136,828	- (850.81)	23,493 (1,093,719)	36,242 134,524	(35.18) (913.03)	Yield to Maturity of Trade Done on			
							5 Year Fixed Semi Annual - 13.00% p.a (Debenture matured and redeemed on 15/07/20: 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture matured a 7 Year Fixed Semi Annual - 13.75% p.a *(/22/01/2021)		*	12.31%
ANCIAL POSITION				(Amou	ints in Rupees Tl	nousands)	Interest Rate of Comparable Government Security			12.31%
ombo Stock Exchange)		Bank			Group		- 5 Years - 7 Years	1:	2.80%	5.13% 6.15%
	As at	As at	Growth	As at	As at	Growth	2018 Issue			
	31.03.2022	31.12.2021	%	31.03.2022	31.12.2021	%	Market Prices during January to March (Ex Interest) 5 Year Fixed Semi Annual - 12.85% p.a		*	*
							7 Year Fixed Semi Annual - 13.20% p.a.		*	*
nka	23,261,907 15,831,985	16,079,054 8,725,834	44.67 81.44	23,261,947 15,831,985	16,079,094 8,725,834	44.67 81.44	10 Year Fixed Semi Annual - 13.50% p.a		*	*
Companies	-	8,246,909	(100.00)	-	8,246,909	(100.00)	Interest Yield as at Date of Last Trade		*	*
Profit or Loss	6,180,242	290,141	2,030.08	6,180,242	290,141	2,030.08	Yield to Maturity of Trade Done on		*	*
	9,264,968	4,969,913	86.42	9,264,968	4,969,913	86.42	Interest Rate of Comparable Government Security		-	
	-		-	-	· ·	•	- 5 Years - 7 Years	1	2.51% 5.10%	6.19% 6.94%
	462,135,988 68,485,084	441,976,662 67,992,449	4.56 0.72	462,135,988 68,674,842	441,976,662 68,156,417	4.56 0.76	- 10 Years	1:	5.62%	7.75%
ue through Other Comprehensive Income	35,371,459	39,104,536	(9.55)	35,427,276	39,165,399	(9.54)	2019 Issue Market Prices during January to March (Ex Interest)			
	1,153,602 186,065	1,153,602 40,000	- 365.16	-		:	5 Year Fixed Annual - 15.00% p.a		*	*
	4,146,150	4,289,917	(3.35)	6,903,129	7,063,747	(2.27)	5 Year Fixed Semi Annual - 14.50% p.a.		*	*
	4,770,755	4,791,175	(0.43)	2,507,752 864,610	2,594,737 870,258	(3.35) (0.65)	Interest Yield as at Date of Last Trade		*	*
	547,978	592,894	(7.58)	547,978	592,894	(7.58)	Yield to Maturity of Trade Done on		*	*
	184,267 11,590,062	- 9,323,825	- 24.31	- 11,636,161	- 9,358,128	- 24.34	Interest Rate of Comparable Government Security - 5 Years	1:	8.88%	6.45%
							2021 issue (Debenture alloted on 12/04/2021) 5 Year Fixed Annual - 9.75% p.a		*	
	643,110,512	607,576,911	5.85	643,236,878	608,090,133	5.78			*	
	05 061 700	24,504,387	3.09	05 061 790	24 504 297	3.09	5 Year Fixed Quartely -9.25 % p.a.		*	
	25,261,783 1,208,489	24,504,387 217,179	3.09 456.45	25,261,783 1,208,489	24,504,387 217,179	3.09 456.45	Interest Yield as at Date of Last Trade Yield to Maturity of Trade Done on		*	
	515,644,329	488,653,328	5.52	515,644,329	488,653,328	5.52	Yield to Maturity of Irade Done on Interest Rate of Comparable Government Security			
	8,269,046	2,662,377	210.59	8,269,046	2,662,377	210.59	- 5 Years	1.	1.64%	
	6,313 245,196	7,295 191,810	(13.46) 27.83	6,313	7,295	(13.46)	* No trading during the period.			
	21,612,521	21,617,455	(0.02)	21,612,521	21,617,455	(0.02)				
	1,439,214	1,623,966 257,574	(11.38) (100.00)	1,424,155 182,132	1,611,832 582,395	(11.64) (68.73)	SELECTED PERFORMANCE INDICATORS			
	4,991,767	4,889,598	2.09	1,990,516	2,007,245	(0.83)	Item	BANK 31.03.2022 31.12.20	21 31.03	GROUP .2022 31.12.
	13,406,165	10,898,933	23.00	13,505,575	10,939,813	23.45	Regulatory Capital (LKR Mn.)			
	592,084,823	555,523,902	6.58	589,104,859	552,803,306	6.57	Common Equity Tier I Total (Tier I) Capital	<b>47,488</b> 49,0 <b>47,488</b> 49,0		<b>8,695</b> 50 <b>8,695</b> 50
							Total Capital Base	<b>62,067</b> 64,5		<b>3,146</b> 65
	19,926,453 2,332,549	18,323,882 2,332,549	8.75	19,926,453 2,332,549	18,323,882 2,332,549	8.75	Regulatory Canital Ratios (9/ )			
sive Income Reserve	(2,412,457)	(245,179)	883.96	(2,440,486)	(271,212)	799.84	Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	<b>9.78</b> 10.	72	10.02
	28,648,476 2,530,668	29,196,617 2,445,140	(1.88) 3.50	29,331,312 3,691,194	29,967,349 3,605,666	(2.12) 2.37	Total Tier I Capital Ratio (Minimum Requirement - 8.50%)	<b>9.78</b> 10.	72	10.02
	<b>51,025,689</b>	52,053,009	(1.97)	52,841,022	53,958,234	(2.07)	Total Capital Ratio (Minimum Requirement - 12.50%)	<b>12.78</b> 14.		13.00
	_		-	1,290,997	1,328,593	(2.83)	Regulatory Liquidity			
		F0.050.000					Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR Mn.)	128,159 120,1 123,235 116,0		
	51,025,689	52,053,009	(1.97)	54,132,019	55,286,827	(2.09)	Offshore Banking Unit (USD '000)	<b>34,469</b> 36,4		
	643,110,512	607,576,911	5.85	643,236,878	608,090,133	5.78	Statutory Liquid Assets Ratio (%)			
ents	251,928,546	224,389,878	12.27	251,930,268	224,389,963	12.27	(Minimum Requirement 20%)			
							Domestic Banking Unit	<b>23.32</b> 22.		
	3,169	3,148	0.67	3,190	3,167	0.73	Offshore Banking Unit	<b>22.65</b> 23.	0	
	171	171		171	171		Total Stock of High-Quality Liquid Assets (LKR Mn.)	<b>97,992</b> 94,7	)1	
(Rs.)	88.31	97.44	(9.37)	91.46	101.01	(9.45)	Liquidity Coverage Ratio %			
							Rupee - (Minimum Requirement - 100%)	<b>148.11</b> 163.		
tements are in compliance with the requireme	ents of the Companies Act	No. 07 of 2007.					All Currency - (Minimum Requirement - 100%)	<b>117.06</b> 132.	ſŬ	
							Net Stable Funding Ratio (%)	<b>106.13</b> 109.	34	
1							(Minimum Requirement - 100%)			
							Assets Quality (Quality of Loan Portfolio)			
rman, Director/ Chief Executive Officer of Sey prepared in compliance with the format and c	• •		Lanka: and				Impaired Loans (Stage 3) Ratio (%)	<b>3.85</b> 3.	64	
se statements have been extracted from the u							Impairment (Stage 3) to Stage 3 Loans Ratio (%)	<b>47.74</b> 47.	34	
	(P-	d.) Kapila Ariyaratne					Profitability			
		ctor/Chief Executive (					Interest Margin ( % )	<b>4.34</b> 4.	05	
							Return on Assets (before Tax) ( % )	0.94 1.	12	
						I	Return on Equity (%)	8.18 9.		

Head Office: Seylan Tower, No. 90, Galle Road, Colombo 3. | Tel: 011 245 6789 | Fax: 011 245 6456 | E-mail: info@seylan.lk | Web: www.seylan.lk | SWIFT: SEYBLKLX

# SEYLAN BANK PLC FINANCIAL STATEMENTS



Three months ended 31st March, 2022

STATEMENT OF CHANGES IN EQUITY						(Amounts i	n Rupees Th	lousand
	Stated	Capital	Statutory	Retained		Other Reserves		]
or the Three Months ended 31st March - Bank	Ordinary Shares - Voting	Ordinary Shares - Non-Voting	Reserve Fund *	Earnings	Revaluation Reserve	FVOCI Reserve **	Other Reserves	Tota
Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	1,005,788	-	-	-	1,005
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	(429,109)	-	(429
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5
Total Comprehensive Income for the Period	-	-	-	1,005,788	-	(863,399)	(5,561)	136
Transactions with Equity Holders, Recognized Directly In Equity								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	
Total Transactions with Equity Holders	385,075	390,459	-	(775,534)	-		-	
Balance as at 31st March 2021 (1 + 2 + 3)	11,521,262	6,802,619	2,103,522	24,913,478	858,312	1,421,933	1,482,677	49,103
	-	-	-	-	-	-	-	10,100
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
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	1,053,992	-	-	-	1,053
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	(1,399,603)	-	(1,399
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(767,237)	-	(767
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	85,528	85
Total Comprehensive Income for the Period	-	-	-	1,053,992	-	(2,166,840)	85,528	(1,027
Transactions with Equity Holders, Recognized Directly In Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through		,		, <i></i> ./				
Other Comprehensive Income	-	-	-	438	-	(438)	-	
Total Transactions with Equity Holders	792,802	809,769		(1,602,133)	-	(438)	-	
Balance as at 31st March 2022 (1 + 2 + 3)	12.314.065	7,612,388	2,332,549	28,648,476	1,468,822	(2,412,457)	1,061,846	51,025

\* 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).

 $^{\star\star}$  FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve.

STATEMENT OF CHANGES IN EQUITY	Stated	Capital		0	ther Reserves	(AIII	ounts in R	upees m	Jusani
or the Three Months ended 31st March - Group	Ordinary Shares - Voting	Ordinary Shares - Non-Voting	Statutory Retained Reserve Fund Earnings *	Revaluation Reserve	FVOCI Reserve **	Other Reserves	Total	Non- Controlling Interest	Tota J Equi
Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522 25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,5
Total Comprehensive Income for the Period									
Profit for the Period	-	_	- 967,439	_	-	-	967,439	36,325	1,003,
Other Comprehensive Income (net of tax)			501,405				501,405	00,020	1,000,
- Net Gains / (Losses) on Investments in Debt Instruments									
measured at Fair Value through Other Comprehensive Income	-	-		-	(429,306)	-	(429,306)	(83)	(429,
- Change in Fair Value on Investments in Equity Instruments					(120,000)		(120,000)	(00)	(120,
measured at Fair Value through Other Comprehensive Income	-	-		-	(434,290)	-	(434,290)	-	(434
- Net Movement of Cash Flow Hedge Reserve				_	(101,200)	(5,561)	(5,561)		(101
						(0,001)	(0,001)		(0
Total Comprehensive Income for the Period	-	-	- 967,439	-	(863,596)	(5,561)	98,282	36,242	134
Transactions with Equity Holders, Recognized Directly In Equity									
Scrip Dividends to Equity Holders	385,075	390,459	- (775,534)	-	-	-	-	(52,362)	(52
Other Adjustments	-	-	- 327	-	-	-	327	137	
Total Transactions with Equity Holders	385,075	390,459	- (775,207)	-	-	-	327	(52,225)	(51
Balance as at 31st March 2021 (1 + 2 + 3)	11,521,262	6,802,619	2,103,522 25,573,841	1,735,867	1,393,431	1,737,890	50,868,432	1,269,793	52,138
Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549 29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,328,593	55,286
Total Comprehensive Income for the Period									
Profit for the Period			- 966,096			-	966,096	24,328	990
Other Comprehensive Income (net of tax)									
- Net Gains / (Losses) on Investments in Debt Instruments									
measured at Fair Value through Other Comprehensive Income	-	-		-	(1,401,599)	-	(1,401,599)	(835)	(1,402
- Change in Fair Value on Investments in Equity Instruments									
measured at Fair Value through Other Comprehensive Income				-	(767,237)	-	(767,237)	-	(767
- Net Movement of Cash Flow Hedge Reserve	-	-		-	-	85,528	85,528	-	85
Total Comprehensive Income for the Period	-		- 966,096	-	(2,168,836)	85,528	(1,117,212)	23,493	(1,093
Transactions with Fruits Helders - Descentional Disasticular Fruits									
Transactions with Equity Holders, Recognized Directly In Equity Scrip Dividends to Equity Holders	792.802	809.769	- (1,602,571)		-	-	-	(61,089)	(61
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	,		- 438	-	(438)	_	-		(5)
· · ·					. ,				
Total Transactions with Equity Holders	792,802	809,769	- (1,602,133)	-	(438)	-	-	(61,089)	(61

### EXPLANATORY NOTES

1. General The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) 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, except for changes to the computations mentioned in note 7 below.

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 comprised of the consolidated Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

#### Covid 19 Impact

The socio-economic impact of Coronavirus Disease (Covid 19) pandemic situation has a direct and substantial impact on the Bank's normal business/operations. The Bank has complied with the guidelines and directives issued with this regard by the Government, the Central Bank of Sri Lanka and other regulators, while closely monitoring its working capital to balance the cash inflow and outflow measurements. Further the Bank also accounted for impairment (Expected Credit Loss (ECL)) including management overlay in respect of loans that are subject to moratorium as described in note 7.2 below.

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/03	/2022	31/03/2021			
	Voting	Non-Voting	Voting	Non-Voting		
Market Price Per Share	31.60	24.80	49.00	43.20		
Highest price per share during the quarter ended	47.00	37.00	68.00	60.00		
Lowest price per share during the quarter ended	31.00	24.60	45.40	33.50		

Stated Capital as at March 31, 2022	No. of Shares	Stated Capital Rs '000
Ordinary Voting	282,704,760	12,314,065
Ordinary Non-Voting	295,071,313	7,612,388
Total	577,776,073	19,926,453

_			
3. 3.1	Shareholders' Information Twenty Largest Ordinary Voting Shareholders as at March 31, 2022	No. of Shares	%
1	Sri Lanka Insurance Corporation Ltd [includes General Fund and Life Fu	ind] 39,640,115	15.00
2	Brown & Company PLC A/C No. 01	27,687,279	10.48
3.	Employees Provident Fund	26,050,200	9.86
4.	Mr. K D D Perera	25,086,126	9.49
5.	Sampath Bank PLC/LOLC Investments Ltd	24,726,404	9.36
6.	National Development Bank PLC	23,056,970	8.72
7.	Bank of Ceylon No. 1 Account	14,865,044	5.62
8.	Seylan Bank PLC A/C No. 04 – Employees' Gratuity Trust Fund	13,708,884	5.19
9.	People's Leasing & Finance PLC/Don and Don Holdings(Pvt) Ltd	10,098,676	3.82
10.	Sampath Bank PLC/ Brown and Company PLC	8,979,659	3.40
11.	Employees' Trust Fund Board	5,619,482	2.13
12.	NDB Capital Holdings Limited A/C No. 02	2,676,690	1.01
13.	Sisil Investment Holdings (Pvt) Ltd	2,499,201	0.95
14	Asiri Hospitals Holdings PLC	2,000,000	0.76
15	Mr. M J Fernando	1,334,457	0.50
16	Mr. R R Leon	1,250,555	0.47
17	Mr. K R B Fernando	1,143,462	0.43
18	AIA Insurance Lanka Ltd A/C No. 07	866,628	0.33
19	J.B. Cocoshell(Pvt) Ltd	736,694	0.28
20	Seyshop (Pvt) Ltd	707,834	0.27
3.2	Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 202	2 No. of Shares	%
1	LOLC Holdings PLC	139,285,716	51.60
2	Employees' Provident Fund	14,397,596	5.33
3	Sri Lanka Insurance Corporation Ltd - Life Fund	9,040,537	3.35
4	Akbar Brothers Pvt Ltd A/C No. 01	5,797,003	2.15
5.	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	3,850,895	1.43
6.	Pershing LLC S/A Averbach Grauson & Co	3,812,293	1.41
7.	People's Leasing & Finance PLC /Mrs. P Thavarajah	3,671,929	1.36
8.	People's Leasing & Finance PLC/ Don and Don Holdings (Pvt) Ltd	3,512,132	1.30
9.	Employees' Trust Fund Board	3,222,060	1.19
10.	Merrill J Fernando & Sons (Pvt) Limited	2,998,293	1.11
11.		2,819,524	1.04
12.	Mr R R Leon	2,476,199	0.92
13	LOLC Technology Services Limited	2,357,043	0.87
14	Mr. N. Balasingam	2,111,712	0.78
15	Sri Lanka Insurance Corporation Ltd-General Fund	1,906,234	0.71
16.		1,496,758	0.55
	Mr. M J Fernando	1,477,783	0.55
18.	Dr. S Yaddehige	1,269,598	0.47
19.	•	1,254,485	0.46
20	Mr. D N N Lokuge	1,245,864	0.46
	Dublis Heldings of Marsh 04, 0000		
3.3	Public Holdings as at March 31, 2022	Jublic Holding requirement) of the Dulag of the Colombe Oteck Evenance	
	The bank is compliant under Option 4 of the Section 7.13.1 (Minimum F	Public Holding requirement) of the Rules of the Colombo Stock Exchange.	
	Float adjusted market capitalization -	Rs. 4.58 Bn	
	Public Holding Percentage -	54.85 %	
	- abile nording recentage	01.00 /0	

	(Ordinary Voting)	(Ordinary	
		Non-voting	
Mr. W M R S Dias, Non-Executive Director / Chairman	Nil	Nil	
Mr. W D K Jayawardena, 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	66,399	222,061	
Mr. S V Corea, Non-Executive Director	101	Nil	
Mr. A S Wijesinha, Independent Director	Nil	Nil	
Ms. S K Salgado, Independent Director	Nil	Nil	
Mr. D M D K Thilakaratne, Non-Executive Director	Nil	Nil	
Mr. D R Abeysuriya, Independent Director	Nil	Nil	
Mr D M Rupasinghe, Independent Director	Nil	Nil	
Ms. V G S S Kotakadeniya, Alternate Director to	Nil	Nil	
Non - Executive Director, Mr. W D K Jayawardena	Nil	Nil	

No. of Shares No. of Shares

10,089

\* 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).

\*\* FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve.

<b>SEGMENT REPORTING - GI</b>	ROUP							(Amounts in	Rupees Th	iousands
	BAN	KING	TREAS	URY	PROPERTY/IN	VESTMENTS	UNALLOCATED	ELIMINATIONS	TOT	AL
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Interest Income	10,748,152	9,422,356	2,655,517	2,437,464	10,657	7,246	(98,672)	(186,926)	13,315,654	11,680,140
Interest Expense	5,944,631	5,629,003	512,444	478,272	87	-	(45,134)	(39,493)	6,412,028	6,067,782
Net Interest Income	4,803,521	3,793,353	2,143,073	1,959,192	10,570	7,246	(53,538)	(147,433)	6,903,626	5,612,358
Fee and Commission Income	1,476,423	1,200,656	1,097	1,111	-	-	6,344	6,560	1,483,864	1,208,327
Fee and Commission Expense	40,333	44,604	6,199	6,432	-	-	-		46,532	51,036
Net Fee and Commission Income	1,436,090	1,156,052	(5,102)	(5,321)	-	-	6,344	6,560	1,437,332	1,157,291
Net Gains/(Losses) from Trading	-		3,628,696	(611,434)	20	5,755	-		3,628,716	(605,679)
Net Gains from Derecognition of Financial Assets	-		2,387	185,220	-	-	-		2,387	185,220
Net Other Operating Income	82,201	52,017	(2,989,927)	1,016,898	98,089	86,809	(69,609)	(66,053)	(2,879,246)	1,089,671
Inter Segment Revenue	(17,430)	(18,693)	-		-	-	17,430	18,693	-	
Total Operating Income	6,304,382	4,982,729	2,779,127	2,544,555	108,679	99,810	(99,373)	(188,233)	9,092,815	7,438,861
Depreciation and Amortisation Expenses	204,904	227,048	3,361	1,399	291	268	146,461	147,512	355,017	376,227
Impairment Charge for the Period	1,974,175	2,200,171	1,409,472	(29,055)	-	-			3,383,647	2,171,116
Operating Expenses & VAT on Financial Services	2,578,789	2,464,404	603,723	323,142	22,307	19,399	706,692	738,440	3,911,511	3,545,385
Reportable Segment Profit Before Income Tax	1,546,514	91,106	762,571	2,249,069	86,081	80,143	(952,526)	(1,074,185)	1,442,640	1,346,133
Income Tax Expense									452,216	342,369
Profit For The Period									990,424	1,003,764
Profit Attributable To:										
Equity Holders of The Bank									966,096	967,439
Non-Controlling Interests									24,328	36,325
Profit For The Period									990,424	1,003,764
Other Comprehensive Income, Net of Income Tax									(2,084,143)	(869,240)
Other Information										
Total Assets	445,523,914	385,678,154	170,125,085	150,039,251	6,131,164	5,992,135	21,456,715	21,204,091	643,236,878	562,913,631
Total Liabilities & Equity	512,782,244	453,313,419	101,232,181	74,395,153	6,131,164	5,992,135	23,091,289	29,212,924	643,236,878	562,913,631
Cash Flows from Operating Activities	3,512,005	(1,002,534)	2,175,404	2,205,846	72,524	72,560	(864,691)	(917,390)	4,895,242	358,482
Cash Flows from Investing Activities	(8,218)	(35,448)	(6,514,557)	(3,011,200)	15,428	56,196	(17,998)	(125,556)	(6,525,345)	(3,116,008
Cash Flows from Financing Activities	(273,546)	(196,120)	(645,595)	(742,231)			113,543	77,479	(805,598)	(860,872
Capital Expenditure	(8,310)	(35,448)	-	(1,223)	(146)	(30,524)	(2,424)	(45,393)	(10,880)	(112,588

#### 5. Basic/ Diluted Earnings per Share

Number of Public Shareholders

Name of Director

4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2022

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 three months ended March 31, 2022. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. The weighted average number of ordinary shares as at March 31, 2021 has been restated based on the no of shares issued for Scrip Dividend for 2021.

#### 6. Events after the Reporting Date

#### 6.1 Dividend

The scrip dividend of Rs.3.00 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on March 30, 2022 and shares in respect of same was allotted on April 04, 2022 to the Ordinary Voting and Non-voting Shareholders of the Bank.

#### 6.2 Surcharge Tax Act No 14 of 2022

The Surcharge Tax Act No 14 of 2022 (Act) was certified by the Speaker and published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on 08 April 2022. As per the said Act, Surcharge Tax is payable by company or each company of a group of companies (holding and subsidiaries) subject to the taxable income threshold specified in the Act. The Group of companies will meet the chargeability threshold when the aggregate taxable income of all subsidiaries and holding company (excluding the companies with nil taxable income due to losses or unrelieved losses) exceed Rs.2 Bn for Y/A commencing from 1 April 2020. Such Group of companies will be liable for Surcharge tax at a rate of 25% on the taxable income of each subsidiary and holding company excluding gains and profits from dividends received from a subsidiary which is part of such taxable income for Y/A commencing from 1 April 2020.

Seylan PLC as company and group meet the chargeability threshold referred to above and will be liable for Surcharge Tax of LKR 1,168,335,036/- payable in 02 equal installments.

As per the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka on 22 April 2022, Surcharge Tax expense which is deemed to be an expenditure for the year of assessment which commenced on 1 April 2020, shall be recorded as an adjustment to the opening retained earnings reported in the Statement of Changes in Equity on 1 January 2022. Such adjustment will be incorporated in the Financial Statements for the next reporting period.

#### 7. Other Matters

#### 7.1 Gratuity

The Bank has not recognized an additional gratuity liability in the financial statement for ex-employees who have not entered into the "Memorandum of settlement (MOS)" with the Bank, giving the right to settle the said liability by utilizing proceeds expected from disposal of shares held by share trust companies, as the liability is contingent upon the signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing. If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs.103.5Mn. (net of tax) as of March 31, 2022.

#### 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 March 31, 2022 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

Further, the Bank has maintained the additional provisions made as management overlay, based on the assessment of significant increase in credit risk, and by stress testing the exposures to risk elevated sectors, and facilities which have been continuously under moratorium to address the potential implications of Covid – 19 pandemic and the moratorium chemes introduced to support the economy.

Bank has accounted for an additional Expected Credit Loss (ECL) on Foreign Currency denominated Government Securities 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 Proposed Debenture Issue

At the Extraordinary General Meeting held on 11th January 2022, the shareholders approved and passed the Special Resolution in respect of the proposed issue of Basel III Compliant, Tier 2, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion to Ordinary Voting Shares by the Bank up to a maximum of Two Hundred Million (200,000,000) of the par value of Rupees Hundred (LKR 100/-) each amounting to a maximum sum of Rupees Twenty Billion (LKR 20,000,000,000.00).

The Board at the meeting held on 22nd February 2022 approved that the Bank issues 40,000,000 Listed Rated BASEL III Compliant Tier 2 Unsecured Subordinated Redeemable Debentures with a Non-Viability Conversion of Rs.100/- each amounting to Rs. 4,000,000,000/- with the option of issuing a further 20,000,000 of such Debentures amounting to Rs. 2,000,000,000/- in the event of an oversubscription of the initial issue.

The issue of said Debentures will be decided by the Bank on a future date as appropriate.

#### 7.4 Exchange Income

Currently the Bank revalues the outstanding forex assets and borrowings at each reporting date and the foreign currency fluctuation is reported under main line item "Net other operating income" as Foreign exchange gains/losses. However, the open positions of these assets and liabilities are often managed by entering to the currency derivatives which are measured at fair value. The fair value gain or loss relating to such derivatives are reported under the main line item "Net gain/(loss) from trading.

Accordingly, the above two line items in isolation reflect exchange fluctuations on assets and liabilities and the off-setting impact of the corresponding derivative transactions.

#### 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.

Head Office: Seylan Tower, No. 90, Galle Road, Colombo 03, Sri Lanka Tel: 011 245 6789 Fax: 011 245 6456 E-mail: info@seylan.lk Web: www.seylan.lk SWIFT: SEYBLKLX