

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Three months ended 31st March, 2024



INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)					
	BANK			GROUP		
	For the three months ended 31st March			For the three months ended 31st March		
	2024	2023	Growth %	2024	2023	Growth %
Interest Income	22,697,497	28,865,880	(21.37)	22,715,728	28,887,301	(21.36)
Less: Interest Expenses	13,326,297	17,477,848	(23.75)	13,244,230	17,400,146	(23.88)
Net Interest Income	9,371,200	11,388,032	(17.71)	9,471,498	11,487,155	(17.55)
Fee and Commission Income	1,913,954	1,841,016	3.96	1,913,881	1,841,002	3.96
Less: Fee and Commission Expenses	76,789	68,073	12.80	76,789	68,073	12.80
Net Fee and Commission Income	1,837,165	1,772,943	3.62	1,837,092	1,772,929	3.62
Net Gains/(Losses) from Trading	103,632	(40,988)	352.83	103,632	(40,988)	352.83
Net Gains from Derecognition of Financial Assets	170,417	15,214	1,020.13	170,417	15,214	1,020.13
Net Other Operating Income	224,462	245,168	(8.45)	245,646	143,823	70.80
Total Operating Income	11,706,876	13,360,369	(12.51)	11,828,285	13,378,133	(11.58)
Less: Impairment Charges	1,555,469	6,365,970	(75.57)	1,555,469	6,365,970	(75.57)
Net Operating Income	10,151,407	7,014,399	44.72	10,272,816	7,012,163	46.50
Less: Operating Expenses						
Personnel Expenses	2,718,137	2,237,315	21.49	2,732,932	2,249,576	21.49
Depreciation and Amortisation Expenses	322,579	327,564	(1.52)	338,319	343,595	(1.54)
Other Expenses	2,085,166	1,876,301	11.13	2,107,736	1,891,709	11.42
Total Operating Expenses	5,125,882	4,441,180	15.42	5,178,987	4,484,880	15.48
Operating Profit before Taxes	5,025,525	2,573,219	95.30	5,093,829	2,527,283	101.55
Less: Value Added Tax on Financial Services	1,160,201	735,387	57.77	1,160,201	735,387	57.77
Less: Social Security Contribution Levy	161,152	117,329	37.35	161,152	117,329	37.35
Profit before Income Tax	3,704,172	1,720,503	115.30	3,772,476	1,674,567	125.28
Less: Income Tax Expense	1,409,146	585,505	140.67	1,431,246	646,878	121.25
Profit for the Period	2,295,026	1,134,998	102.21	2,341,230	1,027,689	127.82
Profit Attributable to:						
Equity Holders of the Bank	2,295,026	1,134,998	102.21	2,327,605	1,022,413	127.66
Non-controlling Interest	-	-	-	13,625	5,276	158.24
Profit for the Period	2,295,026	1,134,998	102.21	2,341,230	1,027,689	127.82
Basic/Diluted Earnings per Ordinary Share (Rs.)	3.61	1.79	101.68	3.66	1.61	127.33

STATEMENT OF CASH FLOWS

For the Three Months ended 31st March	(Amounts in Rupees Thousands)			
	BANK		GROUP	
	2024	2023	2024	2023
Cash Flows from Operating Activities				
Interest Receipts	22,997,016	30,453,598	23,015,256	30,475,019
Interest Payments	(11,387,876)	(10,285,437)	(11,388,954)	(10,278,901)
Net Commission Receipts	1,837,165	1,772,943	1,837,092	1,772,929
Trading Income	24,888	33,447	24,888	33,447
Payments to Employees	(2,406,733)	(2,060,610)	(2,417,769)	(2,064,503)
VAT and SSDL on Financial Services Paid	(1,217,765)	(894,513)	(1,217,765)	(894,513)
Receipts from Other Operating Activities	242,715	9,432	263,899	33,286
Payments on Other Operating Activities	(1,639,592)	(1,197,540)	(1,639,592)	(1,229,410)
Operating Profit before Changes in Operating Assets and Liabilities	8,449,818	17,831,320	8,431,419	17,847,354
(Increase)/Decrease in Operating Assets:				
Balances with Central Bank of Sri Lanka	3,752,817	1,480,480	3,752,817	1,480,480
Financial Assets at Amortized Cost - Loans and Advances	8,536,480	14,210,653	8,536,480	14,210,653
Other Assets	2,755,291	1,855,777	2,755,291	1,932,815
Increase/(Decrease) in Operating Liabilities:				
Financial Liabilities at Amortized Cost - Due to Depositors	(2,046,887)	(3,961,558)	(2,046,887)	(3,961,558)
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	(5,191,779)	(1,983,768)	(5,191,779)	(1,983,768)
Financial Liabilities at Amortized Cost - Due to Other Borrowers	2,384	610	2,384	610
Other Liabilities	(3,090,067)	350,383	(3,206,622)	127,967
Due to Banks	(706,260)	-	(706,260)	(255,670)
Cash Generated from Operating Activities before Income Tax	12,461,777	29,528,227	12,310,103	29,998,963
Income Tax Paid	(1,077,468)	(1,094,237)	(1,077,468)	(1,176,135)
Net Cash Generated from Operating Activities	11,384,309	28,433,990	11,232,635	28,822,828
Cash Flows from Investing Activities				
Purchase of Property, Plant & Equipment	(60,978)	(5,981)	(61,508)	(7,450)
Improvements in Investment Properties	(22,643)	-	(22,643)	(1,621)
Proceeds from Sale of Property, Plant & Equipment	227	-	227	-
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds Maturing after Three Months	(25,918,302)	(14,513,950)	(25,918,302)	(14,436,023)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	(22,643)	-	(22,643)	(2,822)
Reverse Repurchase Agreements maturing after Three Months	(5,293)	(22,589)	(5,293)	(22,589)
Net Purchase of Intangible Assets	-	-	-	-
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	-	-	-	-
Dividend Received from Other Investments	2,782	264	2,782	264
Net Cash (Used in) Investing Activities	(26,004,207)	(14,542,256)	(26,004,207)	(14,470,241)
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	-	-	-	-
Repayment of Subordinated Debt	-	(3,910,000)	-	(3,810,000)
Interest Paid on Subordinated Debt	(87,257)	(645,596)	(87,257)	(645,596)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(6)	(6)
Dividend Paid to Shareholders of the Bank	-	-	-	-
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(212,627)	(204,774)	(137,871)	(133,495)
Net Cash (Used in) from Financing Activities	(299,884)	(4,160,378)	(225,134)	(4,389,997)
Net increase in Cash and Cash Equivalents	(14,919,792)	9,946,466	(15,014,195)	9,163,430
Cash and Cash Equivalents at Beginning of the Year	143,256,299	83,255,632	143,766,143	83,448,117
Cash and Cash Equivalents at End of the Year	128,336,517	92,302,098	128,751,948	92,611,547
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	27,418,148	47,252,869	27,418,148	47,252,909
Placements with Banks and Finance Companies	43,251,725	12,332,280	43,252,223	12,332,778
Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing within Three Months	56,266,627	28,253,790	56,675,520	28,560,701
Securities Purchased Under Resale Agreements maturing within Three Months	1,406,017	4,466,159	1,406,017	4,466,159
	128,336,517	92,302,098	128,751,948	92,611,547

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			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2024	2023	Growth %	2024	2023	Growth %
Profit for the Period	2,295,026	1,134,998	102.21	2,341,230	1,027,689	127.82
Other Comprehensive Income/(Loss), Net of Tax						
Items that are or may be Reclassified to Income Statement in Subsequent Periods						
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	241,981	191,608	26.29	258,765	193,604	33.66
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(72,594)	(57,483)	(26.29)	(77,629)	(58,082)	(33.65)
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	145,320	226,041	(35.71)	145,320	226,041	(35.71)
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the Period, Net of Taxes	314,707	360,166	(12.62)	326,456	361,563	(9.71)
Total Comprehensive Income for the Period	2,609,733	1,495,164	74.54	2,667,686	1,389,252	92.02
Attributable to:						
Equity Holders of the Bank	2,609,733	1,495,164	74.54	2,650,596	1,383,564	91.58
Non-controlling Interest	-	-	-	17,090	5,688	200.46
Total Comprehensive Income for the Period	2,609,733	1,495,164	74.54	2,667,686	1,389,252	92.02

STATEMENT OF FINANCIAL POSITION

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)					
	Bank			Group		
	As at	As at	Growth	As at	As at	Growth
	31.03.2024	31.12.2023	%	31.03.2024	31.12.2023	%
Assets						
Cash and Cash Equivalents	27,333,584	48,851,143	(44.05)	27,333,624	48,851,183	(44.05)
Balances with Central Bank of Sri Lanka	3,275,464	7,028,281	(53.40)	3,275,464	7,028,281	(53.40)
Placements with Banks and Finance Companies	43,034,913	22,064,672	95.04	43,034,913	22,064,672	95.04
Derivative Financial Instruments	88,227	88,022	0.23	88,227	88,022	0.23
Financial Assets recognised through Profit or Loss						
- Measured at Fair Value	12,884,798	27,753,867	(53.57)	12,884,798	27,753,867	(53.57)
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
- Loans and Advances	427,344,702	437,532,470	(2.33)	427,344,702	437,532,470	(2.33)
- Debt and Other Instruments	124,791,052	104,354,510	19.58	124,864,865	104,625,662	19.34
Financial Assets measured at Fair Value through Other Comprehensive Income	46,288,469	40,048,711	15.58	46,629,549	40,286,865	15.74
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,500	40,500	-	-	-	-
Property, Plant & Equipment	3,776,331	3,874,650	(2.54)	6,513,347	6,627,167	(1.72)
Right-of-use Assets	5,055,661	5,114,518	(1.15)	2,686,514	2,735,963	(1.81)
Investment Properties	-	-	-	875,100	884,219	(1.03)
Intangible Assets	493,938	536,989	(8.02)	493,938	536,989	(8.02)
Deferred Tax Assets	3,099,215	3,171,806	(2.29)	2,487,996	2,571,168	(3.23)
Other Assets	13,565,869	16,371,694	(17.14)	13,608,269	16,406,762	(17.06)
Total Assets	712,226,325	717,985,435	(0.80)	712,121,306	717,993,290	(0.82)
Liabilities						
Due to Banks	11,390,496	12,096,756	(5.84)	11,390,496	12,096,756	(5.84)
Derivative Financial Instruments	99,868	32,269	209.49	99,868	32,269	209.49
Financial Liabilities at Amortised Cost						
- Due to Depositors	589,551,523	590,698,330	(0.19)	589,551,523	590,698,330	(0.19)
- Due to Debt Securities Holders	1,668,514	6,862,998	(75.69)	1,668,514	6,862,998	(75.69)
- Due to Other Borrowers	18,535	16,151	14.76	18,535	16,151	14.76
Group Balances Payable	122,347	115,823	5.63	-	-	-
Debt Securities Issued	20,627,814	19,967,701	3.31	20,627,814	19,967,701	3.31
Current Tax Liabilities	3,018,234	2,688,253	12.27	3,041,386	2,719,843	11.82
Lease Liabilities	5,385,475	5,409,418	(0.44)	2,217,097	2,245,420	(1.26)
Other Liabilities	17,981,131	19,591,155	(8.22)	18,073,568	19,655,972	(8.05)
Total Liabilities	649,863,937	657,478,854	(1.16)	646,688,801		

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Three months ended 31st March, 2024



SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Interest Income	19,066,673	25,774,662	3,789,854	3,354,516	21,229	29,158	(176,823)	(271,035)	22,711,733	28,887,301
Less: Interest Expenses	12,168,094	16,193,580	1,124,641	1,243,075	67	1,201	(48,572)	(37,710)	13,244,230	17,400,146
Net Interest Income	6,898,579	9,581,082	2,675,213	2,111,441	21,162	27,957	(127,451)	(233,325)	9,467,503	11,487,155
Fee and Commission Income	1,909,033	1,836,181	2,478	2,277	-	-	2,370	2,544	1,913,881	1,841,002
Less: Fee and Commission Expenses	65,141	62,430	11,648	5,642	-	-	-	-	76,789	68,073
Net Fee and Commission Income	1,843,892	1,773,751	(9,170)	(3,365)	-	-	2,370	2,544	1,837,092	1,772,929
Net Gains/(Losses) from Trading	-	-	103,632	(40,988)	-	-	-	-	103,632	(40,988)
Net Gains from Derecognition of Financial Assets	-	-	170,417	15,214	-	-	-	-	170,417	15,214
Net Other Operating Income	(135,876)	88,032	360,351	162,517	97,057	95,330	(75,886)	(202,056)	245,646	143,823
Inter Segment Revenue	(35,537)	(18,168)	-	-	-	-	35,537	18,188	-	-
Total Operating Income	8,571,058	11,424,677	3,300,443	2,244,819	118,219	123,287	(161,435)	(414,650)	11,828,285	13,378,133
Less: Depreciation and Amortization Expenses	187,378	196,651	3,784	3,769	317	299	146,840	142,876	338,319	343,595
Less: Impairment Charges	1,503,324	5,348,059	52,145	1,017,911	-	-	-	-	1,555,469	6,365,970
Less: Operating Expenses, VAT & SSDL on Financial Services	4,303,504	3,491,330	666,517	705,768	38,555	27,880	1,153,445	769,023	6,162,021	4,994,001
Reportable Segment Profit Before Income Tax	2,576,852	2,388,637	2,577,997	517,371	79,347	95,108	(1,461,720)	(1,326,549)	3,772,476	1,674,567
Less: Income Tax Expense	-	-	-	-	-	-	-	-	1,431,246	646,878
Profit For The Period	-	-	-	-	-	-	-	-	2,341,230	1,027,689
Profit Attributable To:										
Equity Holders of The Bank	-	-	-	-	-	-	-	-	2,327,605	1,022,413
Non-Controlling Interests	-	-	-	-	-	-	-	-	13,625	5,276
Profit For The Period	-	-	-	-	-	-	-	-	2,341,230	1,027,689
Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	-	-	-	326,456	361,563
Other Information										
Total Assets	452,327,656	463,278,905	240,616,973	187,595,987	6,461,850	6,428,857	12,714,827	13,625,235	712,121,306	670,928,984
Total Liabilities & Equity	618,673,649	577,429,526	68,095,086	70,613,245	6,461,850	6,428,857	18,890,721	16,457,356	712,121,306	670,928,984
Cash Flows from Operating Activities	10,069,642	27,871,402	2,633,927	1,539,051	54,121	66,405	(1,542,014)	(1,254,090)	11,215,676	28,222,768
Cash Flows from Investing Activities	37,210	1,523	(26,035,187)	(14,521,749)	(77,671)	21,027	70,911	28,958	(26,004,737)	(14,470,241)
Cash Flows from Financing Activities	(212,827)	(850,370)	(87,257)	(3,910,000)	(179,105)	-	253,855	171,273	(225,134)	(4,589,097)
Capital Expenditure	(56,997)	(1,259)	(3,044)	(7,799)	(529)	(3,090)	(6,231)	(19,513)	(66,801)	(31,600)

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 Bank and its subsidiary Seylan Developments PLC (74.69%). The Bank's holding of the subsidiary increased from 70.51% to 74.69% with the share repurchase by Seylan Development PLC during the first quarter of 2024 (Note 7.5).

2. Information on Ordinary Shares

Market Price (Rs.)	31/03/2024		31/03/2023	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	47.00	38.00	33.30	22.50
Highest price per share during the quarter ended	48.00	39.00	41.50	27.90
Lowest price per share during the quarter ended	40.60	32.00	25.00	15.30

Stated Capital as at March 31, 2024

	No of Shares	Stated Capital Rs. '000
Ordinary Voting	305,236,937	13,172,977
Ordinary Non-Voting	330,410,398	8,520,393
Total	635,647,335	21,693,370

3. Shareholders' Information

3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2024

No.	Name of Shareholder	No. of Shares	%
1	Brown & Company PLC A/C No. 1	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	19,573,513	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 (Pvt) Ltd	11,333,671	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 and Don Holdings (Pvt) Ltd	5,349,919	1.80
14	NDB Capital Holdings Limited A/C No.02	3,005,354	1.01
15	Sisil Investment Holdings (Pvt) Ltd	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 March 31, 2024

No.	Name of Shareholder	No. of Shares	%
1	Sampath Bank PLC/LOLC Holdings PLC	141,537,111	44.41
2	L O L C Holdings PLC	22,935,275	7.20
3	Employees Provident Fund	17,001,074	5.33
4	Don and Don Holdings Private Limited	8,571,297	2.69
5	Sri Lanka Insurance Corporation Ltd - Life Fund	8,222,957	2.58
6	Akbar Brothers Pvt Ltd A/C No. 1	6,810,259	2.14
7	Auerbach Grayson and Company LLC	4,366,382	1.37
8	Peoples Leasing & Finance PLC/Don and Don Holdings (Private) Limited	4,330,473	1.36
9	Employees Trust Fund Board	3,754,695	1.18
10	Merrill J Fernando & Sons (Pvt) Limited	3,540,466	1.11
11	Mr R R Leon	3,224,829	1.01
12	L O L C Technology Services Limited	2,783,260	0.87
13	Mr. N. Balasingam	2,493,566	0.78
14	LOLC Finance PLC/Don & Don Holdings (Pvt) Ltd	2,493,211	0.78
15	Sri Lanka Insurance Corporation Ltd - General Fund	2,250,000	0.71
16	Mr. R. Gautam	1,810,307	0.57
17	Mr M J Fernando (Deceased)	1,745,005	0.55
18	J.B. Coocshell (Pvt) Ltd	1,700,495	0.53
19	Ms S Durga	1,471,329	0.46
20	Dr S Yaddelige	1,452,925	0.46

3.3 Public Holdings as at March 31, 2024

The Bank is compliant under Option 2 and 3 of the Section 7.13.1 of the Rules of the Colombo Stock Exchange (Minimum Public Holding requirement).

	Ordinary Voting Shares (Option 2)	Ordinary Non-Voting Shares (Option 3)
Float adjusted market capitalization	LKR. 7,651 Bn	LKR. 5,748 Bn
Public Holding Percentage	54.87%	47.46%
No. of Public shareholders	10,156	7,126

4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2024

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

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 period ended March 31, 2024. 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 March 31, 2024 has been restated based on the number of shares issued for Scrip Dividend for 2023.

6. Events after the Reporting Date

6.1 Dividend

A dividend of Rs.2.50 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on March 28, 2024. This dividend consisted of Rs. 1.00 per share by way of cash dividend and Rs. 1.50 per share in the form of scrip dividend to the ordinary voting and non-voting shareholders of the Bank registered as at the record date (end of trading on April 03, 2024). The direct uploads to the Central Depository Systems have been completed on April 10, 2024 in respect of the said scrip dividend. Cash dividend payments were made through SLIPS and RTGS on April 08, 2024 and dividend cheques were posted on April 24, 2024.

7. Other Matters

7.1 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, 2024 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.

7.2 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 30 June 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 31 March 2024 would have been Rs. 6,516 Mn and Rs. 199 Mn respectively.

7.3 Debenture Issue

The Board at their meeting held on February 20, 2024 approved that the Bank issues One Hundred Million (100,000,000) Basel III Compliant, Tier 2 Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion of Rupees Hundred (Rs. 100/-) each amounting to Rupees Ten Billion (Rs. 10,000,000,000/-) until December 31, 2024 and the shareholders approved the same at the Extraordinary General Meeting held on March 28, 2024.

7.4 Debenture Redemption

The Bank redeemed 50,000,000 debentures of Rs.100/- each amounting to Rs.5,000,000,000/- Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures allotted in April 2019, upon their maturity after 5 years' tenure, on April 18, 2024.

7.5 Share Repurchase - Seylan Developments PLC

The Company made a Repurchase Offer via Offer document on February 12, 2024 to repurchase the shares of the Company at a ratio of 1 share for every 10 shares held and accordingly, the Company repurchased 8,276,562 Ordinary Shares from the shareholders at a price of Rs.21.64 per share. The notification was issued by CSE confirming that the share repurchase was completed and shares were canceled on March 27, 2024. Accordingly, as at March 31, 2024 the Stated Capital of the Company amounted to Rs. 1,644,391,650/-, which consists of 139,688,298 Ordinary Shares.

7.6 Changes to the Directorships

Appointment of Justice Buvaneka Pandukabaya Aluwihare PC as an Independent, Non-Executive Director, of Seylan Bank PLC, with effect from February 26, 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 three months ended 31st March - Bank	Stated Capital		Statutory Reserve Fund	Retained Earnings	Other Reserves			Total
	Ordinary Shares	Ordinary Shares			Revaluation Reserve	FVOCI **	Other Reserve	
	-Voting	-Non Voting						
1 Balance as at 01st January 2023	12,314,065	7,612,388	2,568,162	31,063,994	1,374,219	(1,183,105)	700,575	54,450,298
Total Comprehensive Income for the Period	-	-	-	1,134,998	-	-	-	1,134,998
Profit for the Period	-	-	-	1,134,998	-	-	-	1,134,998
Other Comprehensive Income (net of tax)	-	-	-	-	-	134,125	-	134,125
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	134,125	-	134,125
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	226,041	-	226,041
2 Total Comprehensive Income for the Period	-	-	-	1,134,998	-	360,166		