



Seylan Bank PLC

Interim Financial Statements
For the 06 Months Ended 30th June 2022

Seylan Bank records a Rs. 1.5 Bn Profit after Tax (PAT) for the first half of 2022

Seylan Bank recorded Profit after Tax of Rs. 1,504 Million for the 6 months ended 30th June 2022 against Rs. 2,105 Million reported in the corresponding period of 2021.

Statement of Financial Performance

Net Interest income increased from Rs. 10,971 Million to Rs 16,851 Million, a growth of 53.60% over the previous year for the 6 months ended 30th June 2022. The Bank's net fee based income increased by 27.36% from Rs. 2,180 Million to Rs. 2,776 Million during 1H, mainly due to increase in Debit & Credit Card Related Income, Commission income on E-Banking, Service charges on Deposits & Commission on Remittances which partly offset by decrease in Guarantees Related Income and Loans & Advances Related income.

Other income captions comprising of net gains from trading activities, net gains from de-recognition of financial Assets, net gains on foreign exchange transactions and other operating income increased by 37.20 % a net gain from Rs. 1,526 Million from correspondent year to a net gain of Rs. 2,093 Million during 1H 2022. The net increase is mainly due to increase in Mark to Market Net Gain on Derivatives Financial Instruments and Impact from Net Revaluation Losses on FCY Assets & Liabilities.

Total Expenses recorded an increase of 7.43 % from 6,750 Million in the 1H of the previous year to Rs. 7,251 Million for the 6 months ended 30th June 2022. Personnel expenses increased by 287 Million mainly due to increase in the staff benefits based on the collective agreement. Other Operating expenses and depreciation and amortisation expenses too increased by 7.35% due to increase in prices of purchases and services as a result of higher inflation and local currency depreciation. However, Bank will continue to take relevant measures to curtail costs with various cost initiatives.

The Bank recognised a total impairment charge of Rs. 11 Billion for Q2 2022 compared to Rs. 4 Billion reported in the corresponding period of last year, representing a 183.49% increase. The Bank increased the impairment provision to capture the impact on emerging global and local economic challenges and the credit risk profile of the customers.

Statement of Financial Positions

The Bank reported a marginal growth of 5.83% in net Loans and advances to Rs. 467,758 Million during the period under review. Its overall deposit base increased from Rs. 488,653 Million in December 2021 to Rs. 531,741 Million in 1H 2022. The Bank's CASA ratio (Current and Savings) stood at 31.92 %. Further the Bank's asset base expanded by Rs. 58,902 Million to Rs. 666,478 Million.

Key financial ratios and Indicators

Overall, with the reported performance during the six months, Bank's Earnings Per Share (EPS) stood at Rs. 2.60. The Bank recorded a Return (profit before tax) on Assets (ROAA) of 0.64 % and Return on Equity (ROE) of 5.83 %. The Bank's Net Asset Value per share as at 30th June 2022 was Rs. 89.26 (Group Rs. 92.46).

Seylan Bank remained soundly capitalized, with the key capital adequacy ratios well above the regulatory minimum requirements and recorded 10.18 % as total Tier 1 capital ratio and 13.54 % as the total capital ratio.

The Bank's Liquidity Ratios are well within the statutory limits. The Statutory Liquid Assets Ratio (SLAR) of Domestic Banking Unit and Foreign Currency Banking Unit were reported as 25.97% and 21.28% respectively and the Bank's Liquidity Coverage Ratio of All Currencies and Rupees were reported as 106.70% and 152.42% respectively.

The Banks's Asset Quality Ratios of Impaired Loan (Stage 3) Ratio and the Impairment (Stage 3) to Stage 3 Loans Ratio stood at 4.36% and 47.65% respectively.

Seylan Bank PLC
Income Statement

(In terms of Rule 7.4 of the Colombo Stock Exchange)

	Bank			Bank		
	<i>For the Six Months Ended 30th June</i>			<i>For the Quarter Ended 30th June</i>		
	2022 (Audited)	2021 (Audited)	Growth %	2022	2021	Growth %
Interest Income	32,543,123	22,816,224	42.63	19,232,929	11,137,984	72.68
Less : Interest Expenses	15,692,002	11,845,508	32.47	9,161,270	5,701,283	60.69
Net Interest Income	16,851,121	10,970,716	53.60	10,071,659	5,436,701	85.25
Fee and Commission Income	2,881,201	2,251,452	27.97	1,397,225	1,043,090	33.95
Less : Fee and Commission Expenses	105,285	71,850	46.53	58,753	20,814	182.28
Net Fee and Commission Income	2,775,916	2,179,602	27.36	1,338,472	1,022,276	30.93
Net Gains/(Losses) from Trading	4,137,231	(451,678)	1,015.97	508,535	159,756	218.32
Net Gains from Derecognition of Financial Assets	2,387	443,997	(99.46)	-	258,777	(100.00)
Net Other Operating Income	(2,046,423)	1,533,279	(233.47)	715,124	338,560	111.23
Total Operating Income	21,720,232	14,675,916	48.00	12,633,790	7,216,070	75.08
Less : Impairment Charges	11,363,734	4,008,577	183.49	7,980,087	1,837,461	334.30
Net Operating Income	10,356,498	10,667,339	(2.91)	4,653,703	5,378,609	(13.48)
Less : Operating Expenses						
Personnel Expenses	4,120,328	3,832,944	7.50	2,052,586	1,893,990	8.37
Depreciation and Amortization Expenses	684,982	726,698	(5.74)	338,925	362,396	(6.48)
Other Expenses	2,446,123	2,189,969	11.70	1,260,665	1,104,783	14.11
Total Operating Expenses	7,251,433	6,749,611	7.43	3,652,176	3,361,169	8.66
Operating Profit before Taxes	3,105,065	3,917,728	(20.74)	1,001,527	2,017,440	(50.36)
Less : Value Added Tax on Financial Services	1,073,692	1,004,958	6.84	437,394	502,683	(12.99)
Profit before Income Tax	2,031,373	2,912,770	(30.26)	564,133	1,514,757	(62.76)
Less : Income Tax Expense	527,796	807,513	(34.64)	114,548	415,288	(72.42)
Profit for the Period	1,503,577	2,105,257	(28.58)	449,585	1,099,469	(59.11)
Basic/Diluted Earnings per Ordinary Share (Rs.)	2.60	3.64	(28.58)	0.78	1.90	(59.11)

Seylan Bank PLC

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		
	For the Six Months Ended 30th June			For the Quarter Ended 30th June		
	2022 (Audited)	2021 (Audited)	Growth %	2022	2021	Growth %
Profit for the Period	1,503,577	2,105,257	(28.58)	449,585	1,099,469	(59.11)
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	15,082	458.59	(1,282)	20,643	(106.21)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,941,228)	(1,109,289)	(75.00)	(99,784)	(401,701)	75.16
Less : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(465,894)	(374,885)	(24.28)	(24,053)	(96,406)	75.05
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	(989,661)	(378,829)	(161.24)	(222,424)	55,461	(501.05)
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	(2,380,749)	(1,098,151)	(116.80)	(299,437)	(229,191)	(30.65)
Total Comprehensive Income for the Period	(877,172)	1,007,106	(187.10)	150,148	870,278	(82.75)

Seylan Bank PLC

Income Statement

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Group			Group		
	For the Six Months Ended 30th June			For the Quarter Ended 30th June		
	2022	2021	Growth %	2022	2021	Growth %
Interest Income	32,552,506	22,820,072	42.65	19,236,852	11,139,932	72.68
Less : Interest Expenses	15,494,379	11,692,942	32.51	9,082,351	5,625,160	61.46
Net Interest Income	17,058,127	11,127,130	53.30	10,154,501	5,514,772	84.13
Fee and Commission Income	2,881,140	2,251,200	27.98	1,397,276	1,042,873	33.98
Less : Fee and Commission Expenses	106,019	71,850	47.56	59,487	20,814	185.80
Net Fee and Commission Income	2,775,121	2,179,350	27.34	1,337,789	1,022,059	30.89
Net Gains/(Losses) from Trading	4,135,432	(450,130)	1,018.72	506,716	155,549	225.76
Net Gains from Derecognition of Financial Assets	2,387	443,997	(99.46)	-	258,777	(100.00)
Net Other Operating Income	(2,126,564)	1,452,757	(246.38)	752,682	363,086	107.30
Total Operating Income	21,844,503	14,753,104	48.07	12,751,688	7,314,243	74.34
Less : Impairment Charges	11,363,734	4,008,577	183.49	7,980,087	1,837,461	334.30
Net Operating Income	10,480,769	10,744,527	(2.45)	4,771,601	5,476,782	(12.88)
Less : Operating Expenses						
Personnel Expenses	4,143,594	3,853,582	7.53	2,064,391	1,903,864	8.43
Depreciation and Amortization Expenses	708,730	750,503	(5.57)	353,713	374,276	(5.49)
Other Expenses	2,463,685	2,206,253	11.67	1,267,675	1,112,861	13.91
Total Operating Expenses	7,316,009	6,810,338	7.43	3,685,779	3,391,001	8.69
Operating Profit before Taxes	3,164,760	3,934,189	(19.56)	1,085,822	2,085,781	(47.94)
Less : Value Added Tax on Financial Services	1,073,692	1,004,958	6.84	437,394	502,683	(12.99)
Profit before Income Tax	2,091,068	2,929,231	(28.61)	648,428	1,583,098	(59.04)
Less : Income Tax Expense	595,411	771,483	(22.82)	143,195	429,114	(66.63)
Profit for the Period	1,495,657	2,157,748	(30.68)	505,233	1,153,984	(56.22)
Profit Attributable to :						
Equity Holders of the Bank	1,454,918	2,105,346	(30.89)	488,822	1,137,907	(57.04)
Non-Controlling Interest	40,739	52,402	(22.26)	16,411	16,077	2.08
Profit for the Period	1,495,657	2,157,748	(30.68)	505,233	1,153,984	(56.22)
Basic/Diluted Earnings per Ordinary Share (Rs.)	2.52	3.64	(30.89)	0.85	1.97	(57.04)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Group			Group		
	For the Six Months Ended 30th June			For the Quarter Ended 30th June		
	2022	2021	Growth %	2022	2021	Growth %
Profit for the Period	1,495,657	2,157,748	(30.68)	505,233	1,153,984	(56.22)
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	15,082	458.59	(1,282)	20,643	(106.21)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,949,310)	(1,110,123)	(75.59)	(104,720)	(402,223)	73.96
Less : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(466,703)	(374,968)	(24.46)	(24,547)	(96,457)	74.55
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	(989,661)	(378,829)	(161.24)	(222,424)	55,461	(501.05)
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	(2,388,022)	(1,098,902)	(117.31)	(303,879)	(229,662)	(32.32)
Total Comprehensive Income for the Period	(892,365)	1,058,846	(184.28)	201,354	924,322	(78.22)
Attributable to :						
Equity Holders of the Bank	(930,959)	1,006,665	(192.48)	186,253	908,383	(79.50)
Non-Controlling Interest	38,594	52,181	(26.04)	15,101	15,939	(5.26)
Total Comprehensive Income for the Period	(892,365)	1,058,846	(184.28)	201,354	924,322	(78.22)

Seylan Bank PLC

Statement of Financial Position

(In terms of Rule 7.4 of the Colombo Stock Exchange)

(Amounts in Rupees Thousands)

	Bank			Group		
	As at 30.06.2022 (Audited)	As at 31.12.2021 (Audited)	Growth %	As at 30.06.2022	As at 31.12.2021 (Audited)	Growth %
Assets						
Cash and Cash Equivalents	28,987,571	16,079,054	80.28	28,987,611	16,079,094	80.28
Balances with Central Bank of Sri Lanka	15,713,732	8,725,834	80.08	15,713,732	8,725,834	80.08
Placements with Banks and Finance Companies	-	8,246,909	(100.00)	-	8,246,909	(100.00)
Derivative Financial Instruments	1,002,131	290,141	245.39	1,002,131	290,141	245.39
Financial Assets recognized through Profit or Loss						
- Measured at Fair Value	7,566,786	4,969,913	52.25	7,566,786	4,969,913	52.25
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	467,758,484	441,976,662	5.83	467,758,484	441,976,662	5.83
- Debt and Other Instruments	109,515,726	67,992,449	61.07	109,592,926	68,156,417	60.80
Financial Assets measured at Fair Value through Other Comprehensive Income	9,900,865	39,104,536	(74.68)	9,953,584	39,165,399	(74.59)
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,000	40,000	-	-	-	-
Property, Plant & Equipment	3,947,624	4,289,917	(7.98)	6,687,982	7,063,747	(5.32)
Right-of-use Assets	4,801,717	4,791,175	0.22	2,443,990	2,594,737	(5.81)
Investment Properties	-	-	-	868,801	870,258	(0.17)
Intangible Assets	526,756	592,894	(11.16)	526,756	592,894	(11.16)
Deferred Tax Assets	857,701	-	-	478,522	-	-
Other Assets	14,706,199	9,323,825	57.73	14,769,905	9,358,128	57.83
Total Assets	666,478,894	607,576,911	9.69	666,351,210	608,090,133	9.58
Liabilities						
Due to Banks	15,491,045	24,504,387	(36.78)	15,491,045	24,504,387	(36.78)
Derivative Financial Instruments	901,160	217,179	314.94	901,160	217,179	314.94
Financial Liabilities at Amortized Cost						
- Due to Depositors	531,741,315	488,653,328	8.82	531,741,315	488,653,328	8.82
- Due to Debt Securities Holders	24,644,107	2,662,377	825.64	24,644,107	2,662,377	825.64
- Due to Other Borrowers	9,618	7,295	31.84	9,618	7,295	31.84
Group Balances Payable	214,283	191,810	11.72	-	-	-
Debt Securities Issued	21,066,912	21,617,455	(2.55)	21,066,912	21,617,455	(2.55)
Current Tax Liabilities	2,903,959	1,623,966	78.82	2,904,274	1,611,832	80.18
Deferred Tax Liabilities	-	257,574	(100.00)	-	582,395	(100.00)
Lease Liabilities	5,052,832	4,889,598	3.34	1,952,077	2,007,245	(2.75)
Other Liabilities	12,882,886	10,898,933	18.20	12,912,389	10,939,813	18.03
Total Liabilities	614,908,117	555,523,902	10.69	611,622,897	552,803,306	10.64
Equity						
Stated Capital	19,926,453	18,323,882	8.75	19,926,453	18,323,882	8.75
Statutory Reserve Fund	2,332,549	2,332,549	-	2,332,549	2,332,549	-
Fair Value through Other Comprehensive Income Reserve	(1,147,337)	(245,179)	367.96	(1,178,498)	(271,212)	334.53
Retained Earnings	28,254,250	29,196,617	(3.23)	28,976,323	29,967,349	(3.31)
Other Reserves	2,204,862	2,445,140	(9.83)	3,365,388	3,605,666	(6.66)
Total Shareholders' Equity	51,570,777	52,053,009	(0.93)	53,422,215	53,958,234	(0.99)
Non-controlling Interest	-	-	-	1,306,098	1,328,593	(1.69)
Total Equity	51,570,777	52,053,009	(0.93)	54,728,313	55,286,827	(1.01)
Total Equity & Liabilities	666,478,894	607,576,911	9.69	666,351,210	608,090,133	9.58
Contingent Liabilities and Commitments	239,856,679	224,389,878	6.89	239,868,083	224,389,963	6.90
Memorandum Information						
Number of Employees	3,220	3,148	2.29	3,241	3,167	2.34
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	89.26	97.44	(8.39)	92.46	101.01	(8.46)

Certification;

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

Champika Dodanwela (Ms.)

Chief Financial Officer

We the undersigned, being the Chairman, Director/ Chief Executive Officer of Seylan Bank PLC certify jointly that,

a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; and

b) the information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group unless indicated as audited.

(Sgd.)

W.M.R.S.Dias

Chairman

August 09, 2022

Colombo

(Sgd.)

Kapila Ariyaratne

Director/Chief Executive Officer

Seylan Bank PLC
Statement of Changes in Equity
For the Six Months ended 30th June - Bank

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves	
						**		
1 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	48,966,975
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,105,257	-	-	-	2,105,257
Other Comprehensive Income (Net of Tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(734,404)	-	(734,404)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(378,829)	-	(378,829)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	15,082	15,082
2 Total Comprehensive Income for the Period	-	-	-	2,105,257	-	(1,113,233)	15,082	1,007,106
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-
3 Total Transactions with Equity Holders	385,075	390,459	-	(341,099)	-	-	(434,435)	-
Balance as at 30th June 2021 (1 + 2 + 3)	11,521,262	6,802,619	2,103,522	26,447,382	858,312	1,172,099	1,068,885	49,974,081
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 Period								
Profit for the Period	-	-	-	1,503,577	-	-	-	1,503,577
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,475,334)	-	(1,475,334)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(989,661)	-	(989,661)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
3 Total Comprehensive Income for the Period	-	-	-	1,503,577	-	(2,464,995)	84,246	(877,172)
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	324,524	-	-	(324,524)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,277,609)	-	1,562,837	(324,524)	1,563,275
Balance as at 30th June 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	28,254,250	1,468,822	(1,147,337)	736,040	51,570,777

* 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.

Seylan Bank PLC
Statement of Changes in Equity
For the Six Months ended 30th June - Group

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves			
1 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	52,055,599
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	2,105,346	-	-	-	2,105,346	52,402	2,157,748
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(734,934)	-	(734,934)	(221)	(735,155)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(378,829)	-	(378,829)	-	(378,829)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	15,082	15,082	-	15,082
2 Total Comprehensive Income for the Period	-	-	-	2,105,346	-	(1,113,763)	15,082	1,006,665	52,181	1,058,846
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-	(52,362)	(52,362)
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-	-	-
Other Adjustments	-	-	-	327	-	-	-	327	137	464
3 Total Transactions with Equity Holders	385,075	390,459	-	(340,772)	-	-	(434,435)	327	(52,225)	(51,898)
Balance as at 30th June 2021 (1 + 2 + 3)	11,521,262	6,802,619	2,103,522	27,146,183	1,735,867	1,143,264	1,324,098	51,776,815	1,285,732	53,062,547
1 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	55,286,827
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,799,014	2,374,135	(271,212)	1,231,531	52,789,899	1,328,593	54,118,492
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	1,454,918	-	-	-	1,454,918	40,739	1,495,657
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,480,462)	-	(1,480,462)	(2,145)	(1,482,607)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(989,661)	-	(989,661)	-	(989,661)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	-	84,246
3 Total Comprehensive Income for the Period	-	-	-	1,454,918	-	(2,470,123)	84,246	(930,959)	38,594	(892,365)
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Transferred from Investment Fund Reserve	-	-	-	324,524	-	-	(324,524)	-	-	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275	-	1,563,275
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,277,609)	-	1,562,837	(324,524)	1,563,275	(61,089)	1,502,186
Balance as at 30th June 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	28,976,323	2,374,135	(1,178,498)	991,253	53,422,215	1,306,098	54,728,313

* 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.

SEYLAN BANK PLC

STATEMENT OF CASH FLOWS

For the Six months ended 30th June

	Bank		Group	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
Cash Flows from Operating Activities				
Interest Receipts	28,448,135	19,863,224	28,457,518	19,867,072
Interest Payments	(12,712,041)	(12,014,098)	(12,708,829)	(12,012,253)
Net Commission Receipts	2,775,916	2,179,602	2,775,121	2,179,350
Trading Income	36,282	5,872	34,483	7,420
Payments to Employees	(3,977,832)	(3,563,459)	(3,994,458)	(3,577,706)
VAT on Financial Services Paid	(1,136,258)	(1,240,126)	(1,136,258)	(1,240,126)
Receipts from Other Operating Activities	8,509,679	2,566,820	8,575,603	2,611,497
Payments on Other Operating Activities	(2,504,312)	(1,250,076)	(2,538,264)	(1,280,421)
Operating Profit before Changes in Operating Assets and Liabilities	19,439,569	6,547,759	19,464,916	6,554,833
(Increase)/Decrease in Operating Assets :				
Balances with Central Bank of Sri Lanka	(6,987,898)	(100,785)	(6,987,898)	(100,785)
Financial Assets at Amortized Cost - Loans and Advances	(31,152,217)	(20,412,023)	(31,152,217)	(20,412,023)
Other Assets	(5,269,479)	649,217	(5,137,593)	639,202
Increase/(Decrease) in Operating Liabilities :				
Financial Liabilities at Amortized Cost - Due to Depositors	41,361,128	16,372,940	41,361,128	16,372,940
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	21,967,179	430,365	21,967,179	430,365
Financial Liabilities at Amortized cost - Due to Other Borrowers	2,323	(4,370)	2,323	(4,370)
Other Liabilities	(4,526,139)	1,274,806	(4,771,101)	1,298,471
Due to Banks	(9,013,342)	(7,851,317)	(9,013,342)	(7,851,317)
Cash (Used in) /Generated from Operating Activities before Income Tax	25,821,124	(3,093,408)	25,733,395	(3,072,684)
Income Tax and Surcharge Tax Paid	(1,559,186)	(156,858)	(1,559,186)	(156,858)
Net Cash (Used in) / Generated from Operating Activities	24,261,938	(3,250,266)	24,174,209	(3,229,542)
Cash flows from Investing Activities				
Purchase of Property , Plant and Equipment	(48,300)	(82,907)	(48,538)	(105,904)
Improvements in Investment Properties	-	-	(10,595)	(7,527)
Proceeds from Sale of Property , Plant and Equipment	1,910	39	1,910	39
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	(15,127,969)	7,924,217	(15,127,969)	7,924,217
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	1,469	51,018	1,530	57,945
Reverse Repurchase Agreements maturing after Three Months	-	-	-	-
Net Purchase of Intangible Assets	(25,968)	(53,202)	(25,968)	(53,202)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	146,065	125,199	-	-
Dividend Received from Other Investments	768	15,135	768	15,135
Net Cash (Used in) / Generated from Investing Activities	(15,052,025)	7,979,499	(15,208,862)	7,830,703
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	-	6,000,000	-	6,000,000
Repayment of Subordinated Debt	-	-	-	-
Interest Paid on Subordinated Debt	(1,836,891)	(1,396,926)	(1,828,362)	(1,388,397)
Interest Paid on Un-subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(2,010)	(10)
Dividend Paid to Shareholders of the Bank	(16)	(115)	(16)	(115)
Dividend paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(391,631)	(393,120)	(240,850)	(250,731)
Net Cash (Used in) / Generated from Financing Activities	(2,228,538)	4,209,839	(2,071,238)	4,360,747
Net Increase / (Decrease) in Cash and Cash Equivalents	6,981,375	8,939,069	6,894,109	8,961,905
Cash and Cash Equivalents at Beginning of the Year	44,039,917	37,515,866	44,204,423	37,516,404
Cash and Cash Equivalents at End of the Period	51,021,292	46,454,935	51,098,532	46,478,309
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	29,081,277	24,841,226	29,081,317	24,841,266
Placements with Banks and Finance Companies	-	5,411,572	-	5,412,070
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	19,023,890	14,962,557	19,101,090	14,985,393
Securities Purchased under Resale Agreements maturing within Three Months	2,916,125	1,239,580	2,916,125	1,239,580
	51,021,292	46,454,935	51,098,532	46,478,309

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

Covid 19 Impact and macro-economic conditions

The socio-economic impact of Coronavirus Disease (Covid 19) pandemic situation and the unfavorable macro-economic conditions have 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.)	30/06/2022		30/06/2021	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	28.00	15.20	49.20	38.50
Highest price per share during the quarter ended	35.50	28.00	51.50	44.50
Lowest price per share during the quarter ended	27.00	15.00	47.00	37.20

Stated Capital as at June 30, 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. Shareholders Information

3.1 Twenty Largest Ordinary Voting Shareholders as at June 30, 2022

	No. of Shares	%
1 Sri Lanka Insurance Corporation Ltd [includes General Fund and Life Fund]	42,405,704	15.00
2 Brown & Company PLC A/C No. 01	29,618,949	10.48
3 Employees Provident Fund	27,867,655	9.86
4 Mr. K D D Perera	26,836,320	9.49
5 Sampath Bank PLC/LOLC Investments Ltd	26,451,501	9.36
6 National Development Bank PLC	24,665,595	8.72
7 Seylan Bank PLC A/C No. 04 – Employees’ Gratuity Trust Fund	18,225,523	6.45
8 Bank of Ceylon No. 1 Account	15,902,140	5.62
9 People’s Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd	10,803,234	3.82
10 Sampath Bank PLC/ Brown and Company PLC	9,606,146	3.40
11 Employees’ Trust Fund Board	6,011,538	2.13
12 NDB Capital Holdings Limited A/C No. 02	2,863,435	1.01
13 Sisil Investment Holdings (Pvt) Ltd	2,673,563	0.95
14 Finco Holdings (Pvt) Ltd	2,604,133	0.92
15 Asiri Hospitals Holdings PLC	2,139,534	0.76
16 Mr. M J Fernando	1,427,558	0.50
17 Mr. R R Leon	1,337,803	0.47
18 Mr. K R B Fernando	1,223,238	0.43
19 J.B. Cocoshell(Pvt) Ltd	788,091	0.28
20 Dr. J L B Kotelawala	647,732	0.23

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2022

	No. of Shares	%
1 LOLC Holdings PLC	152,262,646	51.60
2 Employees’ Provident Fund	15,738,986	5.33
3 Sri Lanka Insurance Corporation Ltd - Life Fund	9,882,823	3.35
4 Don and Don Holdings (Pvt) Ltd	7,957,703	2.70
5 Akbar Brothers Pvt Ltd A/C No. 01	6,337,096	2.15
6 Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	4,209,674	1.43
7 Pershing LLC S/A Averbach Grauson & Co	4,044,212	1.37
8 People’s Leasing & Finance PLC/ Don and Don Holdings (Pvt) Ltd	4,008,997	1.36
9 Employees’ Trust Fund Board	3,522,251	1.19
10 Merrill J Fernando & Sons (Pvt) Limited	3,277,637	1.11
11 Mr R R Leon	2,706,900	0.92
12 LOLC Technology Services Limited	2,576,643	0.87
13 Mr. N. Balasingam	2,308,455	0.78
14 Sri Lanka Insurance Corporation Ltd - General Fund	2,083,833	0.71
15 Mr. R. Gautam	1,649,010	0.56
16 Mr M J Fernando	1,615,464	0.55
17 Dr S Yaddehige	1,387,883	0.47
18 Ms. S Durga	1,371,362	0.46
19 Mr D N N Lokuge	1,361,938	0.46
20 Askold (Pvt) Ltd	1,202,899	0.41

3.3 Public Holdings as at June 30, 2022

The Bank is compliant under Option 4 of the Section 7.13.1 of the Rules of the Colombo Stock Exchange (Minimum Public Holding requirement).

Float adjusted market capitalization	- Rs. 4.34 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,110

4. Directors' and Chief Executive Officer's Shareholdings as at June 30, 2022

<u>Name of Director</u>	<u>No of Shares</u> (Ordinary Voting)	<u>No of Shares</u> (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	71,031	242,749
Mr. S V Corea, Non-Executive Director	108	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 Non - Executive Director, Mr. W D K Jayawardena	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 six months ended June 30, 2022. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at June 30, 2021 has been restated based on the no of shares issued for Scrip Dividend for 2021.

6. Events after the Reporting Date

There were no material events occurred after the reporting date that require adjustments to or disclosure in the financial statements.

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.99.6Mn. (net of tax) as of June 30, 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 June 30, 2022 and the Economic Factor Adjustments (EFA) made during the quarter ended 30 June 2022 to reflect the adverse economic conditions by applying the recent forecasts and projections.

Further, the Bank has made additional provisions 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 on credit risk and related recovery.

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

7.3 Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio

Considering the unprecedented changes in the macro-economic conditions, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued the "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio" which provides a temporary practical expedient to permit the entities to reclassify the debt portfolio measured at Fair Value through Other Comprehensive Income (FVTOCI) to Amortized cost.

The Bank has adopted the above SoAT and re-classified its Debt Portfolio of LKR 22.3Bn 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 re classification and accounted for in the financials for the six months ended June 30,2022. If the assets had continued to be measured as Fair Value through Other Comprehensive Income amounts the cumulative loss to Other Comprehensive Income(OCI) would have been LKR 4,028Mn.

7.4. 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.

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

As per the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka on 22 April 2022, and explanations provided thereon, the Surcharge Tax expense which is deemed to be an expenditure for the year of assessment which commenced on 1 April 2020, has been recorded as an adjustment to the opening retained earnings as at n 1 January 2022 as reported in the Statement of Changes in Equity. The said adjustment has been incorporated in the Financial Statements during the quarter ended 30 June 2022.

7.5 Changes to the Directorships

- 1) Mr L H A Lakshman Silva was appointed to the Board as an Independent Non-Executive Director with effect from 18th July 2022.
- 2) Mr W D K Jayawardena, Deputy Chairman/Non-Executive Director who represented the material shareholders of the Bank, namely, Brown & Co PLC and LOLC Investments Ltd retired from the Board on 31st July 2022 in terms of Section 3(2)(ii) of the Banking Act Direction No.11 of 2007 on Corporate Governance for Licensed Commercial Banks in Sri Lanka (as amended) having served as a Director for a period of nine years.

Mrs V G S S Kotakadeniya who was the Alternate Director to Mr W D K Jayawardena, ceased to be an Alternate Director with effect from 31st July 2022.

7.6 Other

In accordance with the agreement reached with certain eligible employees and ex-employees of the Bank with regard to the payment of enhanced gratuity in consideration of inter alia the relinquishment by such persons to any entitlement which they may have had (if any) to the shares of the Bank held by the Share Trust Companies, we have now been informed by the Share Trust Companies of their disposal of 3,328,018 shares to the Seylan Bank Employees Gratuity Fund on 29th March 2022.

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.

9. Seylan Bank PLC
Segment Reporting (Group)

(Amounts in Rupee Thousands)

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Interest Income	25,741,527	18,409,756	6,888,649	4,740,084	21,491	14,222	(99,161)	(343,990)	32,552,506	22,820,072
Interest Expense	13,636,426	11,032,464	1,913,118	737,068	367	-	(55,532)	(76,590)	15,494,379	11,692,942
Net Interest Income	12,105,101	7,377,292	4,975,531	4,003,016	21,124	14,222	(43,629)	(267,400)	17,058,127	11,127,130
Fee and Commission Income	2,865,043	2,237,558	2,311	2,570	-	-	13,786	11,072	2,881,140	2,251,200
Fee and Commission Expense	93,737	59,008	11,548	12,842	734	-	-	-	106,019	71,850
Net Fee and Commission Income	2,771,306	2,178,550	(9,237)	(10,272)	(734)	-	13,786	11,072	2,775,121	2,179,350
Net Gains/(Losses) from Trading	-	-	4,137,231	(451,678)	(1,799)	1,548	-	-	4,135,432	(450,130)
Net Gains from Derecognition of Financial Assets	-	-	2,387	443,997	-	-	-	-	2,387	443,997
Net Other Operating Income	48,843	83,084	(2,242,824)	1,449,590	205,287	177,535	(137,870)	(257,452)	(2,126,564)	1,452,757
Inter Segment Revenue	(35,159)	(36,988)	-	-	-	-	35,159	36,988	-	-
Total Operating Income	14,890,091	9,601,938	6,863,088	5,434,653	223,878	193,305	(132,554)	(476,792)	21,844,503	14,753,104
Depreciation and Amortisation Expenses	407,155	452,482	6,715	2,868	587	537	294,273	294,616	708,730	750,503
Impairment Charge for the Period	8,263,992	4,075,867	3,099,742	(67,290)	-	-	-	-	11,363,734	4,008,577
Operating Expenses & VAT on Financial Services	5,062,637	5,016,241	1,419,589	916,452	41,171	37,705	1,157,574	1,094,395	7,680,971	7,064,793
Reportable Segment Profit Before Income Tax	1,156,307	57,348	2,337,042	4,582,623	182,120	155,063	(1,584,401)	(1,865,803)	2,091,068	2,929,231
Income Tax Expense									595,411	771,483
Profit For The Period									1,495,657	2,157,748
Profit Attributable To:										
Equity Holders of The Bank									1,454,918	2,105,346
Non-Controlling Interests									40,739	52,402
Profit For The Period									1,495,657	2,157,748
Other Comprehensive Income, Net of Income Tax									(2,388,022)	(1,098,902)
Other Information										
Total Assets	479,231,175	408,273,348	159,870,922	141,078,428	5,988,283	5,898,388	21,260,830	20,428,457	666,351,210	575,678,621
Total Liabilities & Equity	554,384,197	463,148,913	84,688,594	77,654,691	5,988,283	5,898,388	21,290,136	28,976,629	666,351,210	575,678,621
Cash Flows from Operating Activities	20,009,303	(6,312,614)	5,443,499	4,518,201	140,160	136,524	(1,418,753)	(1,571,653)	24,174,209	(3,229,542)
Cash Flows from Investing Activities	80,927	(76,902)	(15,125,732)	8,113,438	1,139	45,320	(165,196)	(251,153)	(15,208,862)	7,830,703
Cash Flows from Financing Activities	(391,631)	(393,120)	(1,836,891)	4,603,074	(207,151)	(177,558)	364,435	328,351	(2,071,238)	4,360,747
Capital Expenditure	(65,667)	(76,941)	-	(2,131)	(10,833)	(30,524)	(8,601)	(57,037)	(85,101)	(166,633)

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)

30.06.2022				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	28,987,571	28,987,571
Balances with Central Bank of Sri Lanka	-	-	15,713,732	15,713,732
Derivative Financial Instruments	1,002,131	-	-	1,002,131
Securities Purchased under Resale Agreements	-	-	2,916,125	2,916,125
Customer Loans and Advances	-	-	467,758,484	467,758,484
Debt Instruments	-	-	898,480	898,480
Equity Instruments	-	1,743,573	-	1,743,573
Government Securities	7,566,786	8,157,292	105,701,121	121,425,199
Group Balances Receivable	-	-	40,000	40,000
Other Financial Assets	-	-	12,260,497	12,260,497
Total Financial Assets	8,568,917	9,900,865	634,276,010	652,745,792
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
Liabilities				
Due to Banks	-	-	15,491,045	15,491,045
Derivative Financial Instruments	-	901,160	-	901,160
Due to Depositors	-	-	531,741,315	531,741,315
Securities Sold under Repurchase Agreements	-	-	24,644,107	24,644,107
Due to Other Borrowers	-	-	9,618	9,618
Group Balances Payable	-	-	214,283	214,283
Debt Securities Issued	-	-	21,066,912	21,066,912
Lease Liabilities	-	-	5,052,832	5,052,832
Other Financial Liabilities	-	-	7,899,771	7,899,771
Total Financial Liabilities		901,160	606,119,883	607,021,043

31.12.2021				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	16,079,054	16,079,054
Balances with Central Bank of Sri Lanka	-	-	8,725,834	8,725,834
Placements with Banks and Finance Companies	-	-	8,246,909	8,246,909
Derivative Financial Instruments	290,141	-	-	290,141
Securities Purchased under Resale Agreements	-	-	10,029,031	10,029,031
Customer Loans and Receivables	-	-	441,976,662	441,976,662
Debt Instruments	-	-	897,371	897,371
Equity Instruments	-	2,735,210	-	2,735,210
Government Securities	4,969,913	36,369,326	57,066,047	98,405,286
Group Balances Receivable	-	-	40,000	40,000
Other Financial Assets	-	-	6,710,409	6,710,409
Total Financial Assets	5,260,054	39,104,536	549,771,317	594,135,907
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
Liabilities				
Due to Banks	-	-	24,504,387	24,504,387
Derivative Financial Instruments	-	217,179	-	217,179
Due to Depositors	-	-	488,653,328	488,653,328
Securities Sold under Repurchase Agreements	-	-	2,662,377	2,662,377
Due to other Borrowers	-	-	7,295	7,295
Group Balances Payable	-	-	191,810	191,810
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	4,889,598	4,889,598
Other Financial Liabilities	-	-	6,963,825	6,963,825
Total Financial Liabilities		217,179	549,490,075	549,707,254

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)				
30.06.2022				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	28,987,611	28,987,611
Balances with Central Bank of Sri Lanka	-	-	15,713,732	15,713,732
Derivative Financial Instruments	1,002,131	-	-	1,002,131
Securities Purchased under Resale Agreements	-	-	2,916,125	2,916,125
Customer Loans and Advances	-	-	467,758,484	467,758,484
Debt Instruments	-	52,719	898,480	951,199
Equity Instruments	-	1,743,573	-	1,743,573
Government Securities	7,566,786	8,157,292	105,778,321	121,502,399
Other Financial Assets	-	-	12,285,975	12,285,975
Total Financial Assets	8,568,917	9,953,584	634,338,728	652,861,229
Liabilities				
Due to Banks	-	-	15,491,045	15,491,045
Derivative Financial Instruments	-	901,160	-	901,160
Due to Depositors	-	-	531,741,315	531,741,315
Securities Sold under Repurchase Agreements	-	-	24,644,107	24,644,107
Due to Other Borrowers	-	-	9,618	9,618
Debt Securities Issued	-	-	21,066,912	21,066,912
Lease Liabilities	-	-	1,952,077	1,952,077
Other Financial Liabilities	-	-	7,949,688	7,949,688
Total Financial Liabilities	-	901,160	602,854,762	603,755,922
31.12.2021				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	16,079,094	16,079,094
Balances with Central Bank of Sri Lanka	-	-	8,725,834	8,725,834
Placements with Banks and Finance Companies	-	-	8,246,909	8,246,909
Derivative Financial Instruments	290,141	-	-	290,141
Securities Purchased under Resale Agreements	-	-	10,029,031	10,029,031
Customer Loans and Receivables	-	-	441,976,662	441,976,662
Debt Instruments	-	60,863	897,371	958,234
Equity Instruments	-	2,735,210	-	2,735,210
Government Securities	4,969,913	36,369,326	57,230,015	98,569,254
Other Financial Assets	-	-	6,733,093	6,733,093
Total Financial Assets	5,260,054	39,165,399	549,918,009	594,343,462
Liabilities				
Due to Banks	-	-	24,504,387	24,504,387
Derivative Financial Instruments	-	217,179	-	217,179
Due to Depositors	-	-	488,653,328	488,653,328
Securities Sold under Repurchase Agreements	-	-	2,662,377	2,662,377
Due to other Borrowers	-	-	7,295	7,295
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	2,007,245	2,007,245
Other Financial Liabilities	-	-	7,022,516	7,022,516
Total Financial Liabilities	-	217,179	546,474,603	546,691,782

Seylan Bank PLC

11 Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands)

	Bank		Group	
	As at	As at	As at	As at
	30.06.2022	31.12.2021	30.06.2022	31.12.2021

11.1 Product-wise Gross Loans & Advances

By product - Domestic Currency				
Export Bills	20,000	6,987	20,000	6,987
Import Bills	487,684	50,576	487,684	50,576
Local Bills	8,341	40,209	8,341	40,209
Lease Rentals Receivable	25,087,868	26,131,228	25,087,868	26,131,228
Overdrafts	62,885,818	57,350,604	62,885,818	57,350,604
Revolving Import Loans	12,835,455	11,276,188	12,835,455	11,276,188
Packing Credit Loans	7,838,216	9,160,450	7,838,216	9,160,450
Trust Receipt Loans	1,201,201	1,553,920	1,201,201	1,553,920
Staff Loans	7,214,050	6,816,140	7,214,050	6,816,140
Housing Loans	17,772,398	17,770,634	17,772,398	17,770,634
Pawning Receivables	28,336,348	22,343,844	28,336,348	22,343,844
Refinance Loans	9,325,762	13,736,944	9,325,762	13,736,944
Credit Cards	6,264,329	6,164,893	6,264,329	6,164,893
Margin Trading	7,581,106	7,483,525	7,581,106	7,483,525
Factoring	1,393,383	1,751,686	1,393,383	1,751,686
Term Loans	245,059,950	243,215,172	245,059,950	243,215,172
Total	433,311,909	424,853,000	433,311,909	424,853,000
By product - Foreign Currency				
Export Bills	4,964,483	2,945,544	4,964,483	2,945,544
Import Bills	1,255,549	480,553	1,255,549	480,553
Local Bills	6,165	16,135	6,165	16,135
Overdrafts	677,781	358,456	677,781	358,456
Revolving Import Loans	1,534,988	1,626,689	1,534,988	1,626,689
Packing Credit Loans	12,569,385	6,467,423	12,569,385	6,467,423
Housing Loans	196,580	128,130	196,580	128,130
Term Loans	45,363,266	29,029,563	45,363,266	29,029,563
Total	66,568,197	41,052,493	66,568,197	41,052,493
Gross Loans and Advances	499,880,106	465,905,493	499,880,106	465,905,493

11.2 Product-wise Commitments and Contingencies

By product - Domestic Currency				
Commitments				
Undrawn Credit Lines	113,970,327	98,042,559	113,970,327	98,042,559
Capital Commitments	269,316	202,395	280,720	202,480
Contingencies				
Acceptances	479,879	321,542	479,879	321,542
Standby Letters of Credit	-	-	-	-
Guarantees	61,734,738	69,344,738	61,734,738	69,344,738
Documentary Credit	1,290,514	1,865,429	1,290,514	1,865,429
Bills for Collection	545,080	309,230	545,080	309,230
Forward Exchange Contracts (Net)	(12,049,080)	(17,829,153)	(12,049,080)	(17,829,153)
Total	166,240,774	152,256,740	166,252,178	152,256,825
By product - Foreign Currency				
Commitments				
Undrawn Credit Lines	17,788,943	9,384,843	17,788,943	9,384,843
Capital Commitments	604,194	262,237	604,194	262,237
Contingencies				
Acceptances	17,941,673	19,181,427	17,941,673	19,181,427
Standby Letters of Credit	1,209,974	686,274	1,209,974	686,274
Guarantees	9,206,500	5,088,220	9,206,500	5,088,220
Documentary Credit	7,859,965	14,816,984	7,859,965	14,816,984
Bills for Collection	7,182,165	4,686,752	7,182,165	4,686,752
Forward Exchange Contracts (Net)	11,822,491	18,026,401	11,822,491	18,026,401
Total	73,615,905	72,133,138	73,615,905	72,133,138
Total Commitments and Contingencies	239,856,679	224,389,878	239,868,083	224,389,963

Seylan Bank PLC

Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands)

	Bank		Group	
	As at	As at	As at	As at
	30.06.2022	31.12.2021	30.06.2022	31.12.2021

11.3 Stage-wise Impairment on Loans & Advances, Commitments and Contingencies

Gross Loans and Advances, Commitments and Contingencies	739,736,785	690,295,371	739,748,189	690,295,456
Less : Accumulated Impairment under Stage 1	6,672,294	3,821,385	6,672,294	3,821,385
Accumulated Impairment under Stage 2	2,373,527	2,062,238	2,373,527	2,062,238
Accumulated Impairment under Stage 3	24,363,634	18,702,989	24,363,634	18,702,989
Net Loans & Advances, Commitments and Contingencies	706,327,330	665,708,759	706,338,734	665,708,844
Movement of Impairment during the Period	From 01.01.2022 to 30.06.2022	From 01.01.2021 to 31.12.2021	From 01.01.2022 to 30.06.2022	From 01.01.2021 to 31.12.2021
Stage 1				
Opening Balance as at 01st January	3,821,385	1,672,330	3,821,385	1,672,330
Charge/(Write back) to Income Statement	2,715,756	2,149,055	2,715,756	2,149,055
Other movements	135,153	-	135,153	-
Closing Balance	6,672,294	3,821,385	6,672,294	3,821,385
Stage 2				
Opening Balance as at 01st January	2,062,238	932,874	2,062,238	932,874
Charge/(Write back) to Income Statement	302,331	1,129,364	302,331	1,129,364
Other movements	8,958	-	8,958	-
Closing Balance	2,373,527	2,062,238	2,373,527	2,062,238
Stage 3				
Opening Balance as at 01st January	18,702,989	13,271,818	18,702,989	13,271,818
Charge/(Write back) to Income Statement	4,532,943	6,027,634	4,532,943	6,027,634
Reversal for Write-off during the Period	(59,839)	(279,202)	(59,839)	(279,202)
Interest Accrued on Impaired Loans and Advances	(281,585)	(365,086)	(281,585)	(365,086)
Other Movement	1,469,126	47,825	1,469,126	47,825
Closing Balance	24,363,634	18,702,989	24,363,634	18,702,989
Total Impairment	33,409,455	24,586,612	33,409,455	24,586,612

12 Analysis of Deposits

(Amounts in Rupees Thousands)

Deposits - By product	Bank		Group	
	As at	As at	As at	As at
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
By product - Domestic Currency				
Demand Deposits	27,136,437	32,573,865	27,136,437	32,573,865
Savings Deposits	104,860,649	120,614,752	104,860,649	120,614,752
Fixed Deposits	282,980,452	266,347,846	282,980,452	266,347,846
Certificate of Deposits	1,727,654	2,261,974	1,727,654	2,261,974
Total	416,705,192	421,798,437	416,705,192	421,798,437
By product - Foreign Currency				
Demand Deposits	7,493,580	4,046,127	7,493,580	4,046,127
Savings Deposits	30,240,289	15,808,384	30,240,289	15,808,384
Fixed Deposits	77,302,254	47,000,380	77,302,254	47,000,380
Total	115,036,123	66,854,891	115,036,123	66,854,891
Total Deposits	531,741,315	488,653,328	531,741,315	488,653,328

SEYLAN BANK PLC - DEBENTURES

	CURRENT PERIOD 01-Apr-22 to 30-Jun-22	COMPARATIVE PERIOD 01-Apr-21 to 30-Jun-21
Debt (Debentures) / Equity Ratio (Times)	0.41	0.46
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.51	0.46
Interest Cover (Times)	2.58	3.36
Quick Asset Ratio (Times)	0.82	0.78
2016 Issue		
Market Prices during April to June (Ex Interest)		
5 Year Fixed Semi Annual - 13.00% p.a (Debenture matured and redeemed on 15/07/2021)		*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture matured and redeemed on 15/07/2021)		*
7 Year Fixed Semi Annual - 13.75% p.a		
- Highest Price	*	100.00
- Lowest Price	*	100.00
- Last Traded Price *(10/06/2021)	*	100.00
Interest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 13.00% p.a (Debenture matured and redeemed on 15/07/2021)		*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture matured and redeemed on 15/07/2021)		*
7 Year Fixed Semi Annual - 13.75% p.a *(10/06/2021)	*	14.22%
Yield to Maturity of Trade Done on		
5 Year Fixed Semi Annual - 13.00% p.a (Debenture matured and redeemed on 15/07/2021)		*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture matured and redeemed on 15/07/2021)		*
7 Year Fixed Semi Annual - 13.75% p.a *(10/06/2021)	*	13.73%
Interest Rate of Comparable Government Security		
- 5 Years		5.21%
- 7 Years	21.01%	5.99%
2018 Issue		
Market Prices during April to June (Ex Interest)		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a	*	*
Interest Rate of Comparable Government Security		
- 5 Years	21.26%	6.10%
- 7 Years	22.35%	7.18%
- 10 Years	22.48%	7.97%
2019 Issue		
Market Prices during April to June (Ex Interest)		
5 Year Fixed Annual - 15.00% p.a		
- Highest Price	*	105.00
- Lowest Price	*	105.00
- Last Traded Price *(23/04/2021)	*	105.00
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 15.00% p.a *(23/04/2021)	*	14.29%
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 15.00% p.a *(23/04/2021)	*	12.87%
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Rate of Comparable Government Security		
- 5 Years	21.16%	6.54%
2021 Issue (Debenture allotted on 12 April 2021)		
Market Prices during April to June (Ex Interest)		
5 Year Fixed Annual - 9.75% p.a	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 9.75% p.a.	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 9.75% p.a	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Interest Rate of Comparable Government Security		
- 5 Years	21.87%	7.36%

* No trading during the period.

Seylan Bank PLC

Selected Performance Indicators

Item	Bank		Group	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
Regulatory Capital (LKR Mn.)				
Common Equity Tier I	48,740	49,027	50,098	46,812
Total (Tier I) Capital	48,740	49,027	50,098	46,812
Total Capital Base	64,839	64,551	66,067	57,995
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	10.18	10.72	10.45	11.70
Total Tier I Capital Ratio (Minimum Requirement - 8.50%)	10.18	10.72	10.45	11.70
Total Capital Ratio (Minimum Requirement - 12.50%)	13.54	14.11	13.78	14.49
Regulatory Liquidity				
Statutory Liquid Assets (LKR Mn.)	151,724	120,170		
Domestic Banking Unit (LKR Mn.)	147,813	116,090		
Offshore Banking Unit (USD '000)	30,117	36,430		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %)				
Domestic Banking Unit	25.97	22.84		
Offshore Banking Unit	21.28	23.30		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	90,197	94,701		
Liquidity Coverage Ratio %				
Rupee - (Minimum Requirement - 90% (2021 - 100%))	152.42	163.02		
All Currency - (Minimum Requirement - 90% (2021 - 100%))	106.70	132.70		
Net Stable Funding Ratio (%) (Minimum Requirement - 90% (2021 - 100%))	110.01	109.34		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	4.36	3.64		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	47.65	47.84		
Profitability				
Interest Margin (%)	5.27	4.05		
Return on Assets (before Tax) (%)	0.64	1.03		
Return on Equity (%)	5.83	9.07		