# SEYLAN BANK PLC FINANCIAL STATEMENTS

Nine months ended 30th September, 2021



(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group			Group	
		Nine months			e Quarter Er			ine months			e Quarter End	
	2021	Oth Septemb 2020	er Growth	2021	th Septembe 2020	Growth	2021	h Septembe	r Growth	2021	th September 2020	r Growtl
	2021	2020	Growiii %	2021	2020	Growtii %	2021	2020	www.	2021	2020	Grown %
			,-									
Interest Income	34,469,497	39,596,645	(12.95)	11,653,273	13,065,342	(10.81)	34,476,151	39,602,275	(12.94)	11,656,079	13,067,247	(10.8
Less: Interest Expenses	17,401,818	24,724,504	(29.62)	5,556,310	7,535,174	(26.26)	17,173,553	24,495,043	(29.89)	5,480,611	7,459,340	(26.5
Net Interest Income	17,067,679	14,872,141	14.76	6,096,963	5,530,168	10.25	17,302,598	15,107,232	14.53	6,175,468	5,607,907	10.1
Fee and Commission Income	3,376,281	2,781,669	21.38	1,124,829	1,054,862	6.63	3,376,016	2,781,583	21.37	1,124,816	1,054,803	6.6
Less: Fee and Commission Expenses	106.258	163,263	(34.92)	34.408	62,559	(45.00)		163,639	(35.07)		62,559	(45.0
Net Fee and Commission Income	3,270,023	2,618,406	24.89	1,090,421	992,303	9.89	3,269,758	2,617,944	24.90	1,090,408	992,244	9.8
Net Gains/(Losses) from Trading	(416,524)	122,429	(440.22)	35.154	(91,451)	138.44	(414,977)	123,304	(436.55)	35.153	(89,466)	139.2
Net Gains (Losses) from Trading  Net Gains from Derecognition of Financial Assets	528,905	709,017	(25.40)	84,908	338,379	(74.91)		709,017	(25.40)		338,379	(74.9
Net Other Operating Income	1,867,115	973,371	91.82	333.836	324.952	2.73	1,806,592	911.887	98.12	353,835	347,138	1.9
Not other operating moonie	1,007,110	370,071	01.02	000,000	024,002	2.70	1,000,032	311,007	30.12	000,000	047,100	1.0
Total Operating Income	22,317,198	19,295,364	15.66	7,641,282	7,094,351	7.71	22,492,876	19,469,384	15.53	7,739,772	7,196,202	7.5
Less: Impairment Charges	6,298,160	5,415,723	16.29	2,289,583	2,755,386	(16.91)	6,298,160	5,415,723	16.29	2,289,583	2,755,386	(16.9
Net Operating Income	16,019,038	13,879,641	15.41	5,351,699	4,338,965	23.34	16,194,716	14,053,661	15.23	5,450,189	4,440,816	22.7
Less: Operating Expenses												
Personnel Expenses	5,720,242	5,401,014	5.91	1,887,298	1,744,427	8.19	5,751,456	5,429,062	5.94	1.897.874	1,753,672	8.2
Depreciation and Amortization Expenses	1,080,393	1.082.424	(0.19)	353.695	360.348	(1.85)		1.110.516	0.51	365.675	370,088	(1.1
Other Expenses	3,235,706	3,036,998	6.54	1,045,737	1,044,665	0.10		, .,	6.08		1,055,981	(0.1
5.00 Expenses	0,200,700	0,000,000	0.01	1,010,101	1,011,000	0.10	0,200,720	0,070,000	0.00	1,001,110	1,000,001	(0.1
Total Operating Expenses	10,036,341	9,520,436	5.42	3,286,730	3,149,440	4.36	10,128,357	9,613,381	5.36	3,318,019	3,179,741	4.3
Operating Profit before Taxes	5,982,697	4,359,205	37.24	2,064,969	1,189,525	73.60	6,066,359	4,440,280	36.62	2,132,170	1,261,075	69.0
Less: Value Added Tax on Financial Services	1.525.979	1.185.584	28.71	521.021	348.274	49.60	1,525,979	1,185,584	28.71	521.021	348,274	49.6
Profit before Income Tax	4.456.718	3.173.621	40.43	1.543.948	841.251	83.53	4.540.380		39.50	1.611.149	912.801	76.5
Less: Income Tax Expense	1,250,898	952,086	31.38	443,385	271,031	63.59	1,233,508	1,019,468	21.00	462,025	288,074	60.3
Profit for the Period	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.9
Profit Attributable to:												
Equity Holders of the Bank	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,240,148	, . ,	47.46	1,134,802	608,653	86.4
Non-Controlling Interest	-	-	-	-	-	-	66,724	37,882	76.14	14,322	16,074	(10.9
Profit for the Period	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.9
Basic/Diluted Earnings per Ordinary Share (Rs.)	6.00	4.16	44.31	2.06	1.07	93.01	6.07	4.11	47.46	2.12	1.14	86.4

STATEMENT OF CASH FLOWS	(Amounts in Rupees Thousands					
	BAI		GROU			
For the Nine Months ended 30th September	2021	2020	2021	2020		
Cash Flows from Operating Activities Interest Receipts Interest Payments Net Commission Receipts Trading Income Payments to Employees VAT on Financial Services Paid Receipts from Other Operating Activities Payments on Other Operating Services and Liabilities  Operating Profit before Changes in Operating Assets and Liabilities	30,452,784 (16,918,554) 3,270,023 8,322 (5,292,541) (1,692,445) 2,658,378 (2,328,247) 10,157,720	34,482,030 (23,176,091) 2,618,406 162,532 (5,113,420) (1,051,842) 1,100,649 (2,393,505) 6,628,759	30,459,438 (16,916,439) 3,269,758 9,869 (5,317,364) (1,692,445) 2,723,054 (2,353,264) 10,182,607	34,487,660 (22,963,830) 2,617,944 163,407 (5,135,356) (1,051,842) 1,153,929 (2,430,310) 6,841,602		
(Increase)/Decrease in Operating Assets : Balances with Central Bank of Sri Lanka Financial Assets at Amortized Cost - Loans and Advances Other Assets	(7,797,643) (38,041,645) (461,365)	7,291,550 (1,711,839) 487,344	(7,797,643) (38,041,645) (520,642)	7,291,550 (1,711,839) 428,448		
Increase/(Decrease) in Operating Ltabilities: Financial Labilities at Amortized Cost - Due to Depositors Financial Labilities at Amortized Cost - Due to Debt Securities Holders Financial Labilities at Amortized Cost - Due to Other Borrowers Other Ltabilities at Amortized Cost - Due to Other Borrowers  Under Labilities at Amortized Cost - Due to Other Borrowers  Other Labilities Due to Banks Cash (Used in)/Generated from Operating Activities before Income Tax Income Tax Paid Net Cash (Used in)/Generated from Operating Activities	13,016,291 10,590,770 (6,360) 170,834 (3,346,387) (15,717,785) (10,20,249) (16,738,034)	26,011,091 (5,513,088) (7,604) 219,255 5,702,497 <b>39,107,965</b> (818,162) <b>38,289,803</b>	13,016,291 10,590,770 (6,360) 205,640 (3,346,387) (15,717,369) (1,020,249)	26,011,091 (5,513,088) (7,604) 25,614 5,702,497 <b>39,068,271</b> (818,162) <b>38,250,109</b>		
Cash flows from Investing Activities Purchase of Property, Plant and Equipment Improvements in Investment Properties Proceeds from Sale of Property, Plant and Equipment Proceeds from Sale of Property, Plant and Equipment 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 Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures Reverse Repurchase Agreements maturing after Three Months Net Durchase 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 Net Cash Flow Investment in Subsidiaries Net Cash Flow Investment in Subsidiaries	(101,172 ) 4,838 14,129,011 717,640 348 (72,259 ) 125,199 24,632 14,828,237	(358,676) 6,695 (14,084,960) (288,543) 28,208 (99,621) 	(126,258 ) (7,982 ) 4,838 14,129,011 729,717 348 (72,259 ) - - 24,632 14,682,047	(372,926) (9,829) 6,695 (14,084,960) (291,548) 28,208 (99,621) - - 17,496 (14,806,485)		
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 Other Equity Instruments Net Proceeds from the Issue of Subordinated Debt Interest Paid on Subordinated Debt Interest Paid on Un-subordinated Debt Interest Paid on Un-subordinated Debt Dividend Paid to Non-controlling Interest Dividend Paid to Shareholders of the Bank Dividend Paid to Shareholders of the Bank Dividend Paid to Holders of Other Equity Instruments Repayment of Principal Portion of Lease Llabilities Net Cash (Used in)/Generated from Financing Activities	6,000,000 (1,727,720) (2,157,495) - (123) (567,579) 1,547,083	(2,143,860) (107,737) (502,240) (562,140) (3,315,977)	6,000,000 (1,727,720) (2,144,630) (53) (123) (353,991) 1,773,483	(2,126,660) (107,737) (49,717) (502,240) (348,578) (3,134,932)		
Net Increase / (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of the Year	(362,714 ) 37,515,866	20,309,190 24,716,667	(282,088 ) 37,516,404	20,308,692 24,717,205		
Cash and Cash Equivalents at End of the Period	37,153,152	45,025,857	37,234,316	45,025,897		
Reconciliation of Cash and Cash Equivalents Cash and Cash Equivalents Placements with Banks and Finance Companies Government of Srt Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months Securities Purchased under Resale Agreements maturing within Three Months	20,846,342 2,104,558 12,370,802 1,831,450	11,223,222 17,139,113 7,356,585 9,306,937	20,846,382 2,105,056 12,451,428 1,831,450	11,223,262 17,139,113 7,356,585 9,306,937		
	37,153,152	45,025,857	37,234,316	45,025,897		

(In terms of Rule 7.4 of the Colombo Stock Exchange)	For the Nine	Bank months End	ed 30th Sept.	For the Ou	Bank arter Ended 3	Oth Sont	For the Nir	Group e Nine months Ended 30th Sept.		Group For the Quarter Ended 30th Sept.		
	2021	2020	Growth %	2021		rowth %	2021	2020	Growth %	2021		Growth %
Profit for the Period	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.9
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	26,868	18,982	41.54	11,786	16,200	(27.25)	26,868	18,982	41.54	11,786	16,200	(27.2
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(2,325,666)	2,109,694	(210.24)	(1,216,377)	(576,048)	(111.16)	(2,327,967)	2,113,572	(210.14)	(1,217,844)	(575,862)	(111.4
Less: Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(666,815)	590,714	(212.88)	(291,930)	(161,294)	(80.99)	(667,045)	591,102	(212.85)	(292,077)	(161,274)	(81.1
tems 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	57,032	1,864,829	(96.94)	435,861	1,877,824	(76.79)	57,032	1,864,829	(96.94)	435,861	1,877,824	(76.7
Less: Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	477,170	(100.00)	-	-	-	-	477,170	(100.00)	-	-	
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	(1,574,951)	2.925.621	(153.83)	(476.800)	1.479.270	(132.23)	(1.577.022)	2.929.111	(153.84)	(478,120)	1.479.436	(132.3
Total Comprehensive Income for the Period	1,630,869	5,147,156	(68.32)	623,763	2,049,490	(69.56)	1,729,850	5,164,339	(66.50)	, , ,	2,104,163	(68.1
otal Comprehensive Attributable to : quity Holders of the Bank Ion-Controlling Interest	1,630,869	5,147,156	(68.32)	623,763	2,049,490	(69.56)	1,663,737 66,113	5,125,428 38,911	(67.54) 69.91	657,072 13,932	2,088,040 16,123	(68.5 (13.5
Total Comprehensive Income for the Period	1.630.869	5.147.156	(68.32)	623.763	2.049.490	(69.56)	1.729.850	5.164.339	(66.50)	671.004	2 104 163	(68.1

STATEMENT OF FINANCIAL POSITION					nts in Rupees Th	
In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 30.09.2021	As at 31.12.2020 (Audited)	Growth %	As at 30.09.2021	As at 31.12.2020 (Audited)	Grow
ssets						
ash and Cash Equivalents	20,784,319	10,036,144	107.09	20,784,359	10,036,184	107.0
alances with Central Bank of Sri Lanka	15,168,846	7,371,203	105.79	15,168,846	7,371,203	105.7
acements with Banks and Finance Companies	2,094,035	10,730,528	(80.49)	2,094,035	10,730,528	(80.4
erivative Financial Instruments	422,506	403,984	4.58	422,506	403,984	4.5
nancial Assets recognized through Profit or Loss	122,000	100,001		122,000	100,001	
- Measured at Fair Value	6,384,252	4,545,853	40.44	6,384,252	4,553,778	40.2
- Designated at Fair Value	0,004,232	-,545,656		0,004,232	4,550,770	70.2
nancial Assets at Amortized Cost						
- Loans and Advances	400 000 704	202 766 147	0.75	400 000 704	202 766 147	0.7
	428,229,734	393,766,147	8.75	428,229,734	393,766,147	8.7
- Debt and Other Instruments	51,624,047	53,692,471	(3.85)	51,704,673	53,692,471	(3.7
nancial Assets measured at Fair Value through Other Comprehensive Income	39,213,025	59,024,231	(33.56)	39,266,148	59,081,506	(33.5
vestment in Subsidiary	1,153,602	1,153,602	-	-	-	
oup Balances Receivable	40,000	40,000	-	-	-	
operty, Plant & Equipment	3,521,934	4,031,453	(12.64)	6,241,280	6,772,711	(7.8
ght-of-use Assets	4,511,197	4,450,659	1.36	2,306,329	2,220,501	3.8
vestment Properties	-	-	-	850,506	856,604	(0.7
tangible Assets	560,546	620,530	(9.67)	560,546	620,530	(9.6
her Assets	10.046.766	7,840,615	28.14	10,121,401	7,899,785	28.1
7,000	10,010,100	7,010,010	20	10,121,101	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	20.
tal Assets	583,754,809	557,707,420	4.67	584,134,615	558,005,932	4.6
abilities						
ue to Banks	29,333,300	32,679,687	(10.24)	29,333,300	32,679,687	(10.2
erivative Financial Instruments	354.807	39,981	787.44	354,807	39,981	787.4
nancial Liabilities at Amortized Cost	,			,	,	
- Due to Depositors	451,466,708	440,303,126	2.54	451,466,708	440,303,126	2.5
- Due to Debt Securities Holders	13,166,751	2,575,873	411.16	13,166,751	2,575,873	411.1
- Due to Other Borrowers	7,763	14,123	(45.03)	7,763	14,123	(45.0
oup Balances Payable	209,916	261,462	(19.71)	-	-	
bbt Securities Issued	21,073,351	17,058,558	23.54	21,073,351	17,058,558	23.5
ırrent Tax Liabilities	2,371,384	869,896	172.61	2,356,206	846,582	178.3
eferred Tax Liabilities	106,035	1,469,778	(92.79)	401,233	1,789,866	(77.5
ease Liabilities	4,598,584	4,446,175	3.43	1,754,967	1,582,937	10.8
her Liabilities	10,459,129	9,021,786	15.93	10,476,741	9,059,600	15.6
tal Liabilities	533,147,728	508,740,445	4.80	530,391,827	505,950,333	4.8
uity						
ated Capital	18,323,881	17,548,347	4.42	18,323,881	17,548,347	4.4
atutory Reserve Fund	2,103,522	2,103,522		2,103,522	2,103,522	71.5
-			(100.07)			(400.0
ir Value through Other Comprehensive Income Reserve	(189,009)	2,285,332	(108.27)	(218,774)	2,257,027	(109.6
tained Earnings	28,429,704	24,683,224	15.18	29,162,744	25,381,609	14.9
her Reserves	1,938,983	2,346,550	(17.37)	3,071,751	3,479,318	(11.7
tal Shareholders' Equity	50,607,081	48,966,975	3.35	52,443,124	50,769,823	3.3
n-controlling Interest	-		-	1,299,664	1,285,776	1.0
tal Equity	50,607,081	48,966,975	3.35	53,742,788	52,055,599	3.2
tal Equity & Liabilities	583,754,809	557,707,420	4.67	584,134,615	558,005,932	4.6
ntingent Liabilities and Commitments	202,399,389	195,154,154	3.71	202,399,616	195,173,315	3.7
omazandum Information						
emorandum Information	0.400	0.054	(4.54)	0.044	0.074	/4 -
umber of Employees	3,192	3,251	(1.81)	3,211	3,271	(1.8
umber of Banking Centres	171	172	(0.58)	171	172	(0.5
et Assets Value per Ordinary Share (Rs.)	94.74	94.71	0.03	98.17	98.20	(0.0

Certification;	
Icertify 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

 $We the \, undersigned, being \, the \, Chairman, \, Director/\, Chief \, Executive \, Of ficer \, of \, Seylan \, Bank \, PLC \, certify \, jointly \, that, \, is a constant of the contract of the contra$ 

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

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 October 27, 2021

Colombo

(Sgd.) Kapila Ariyaratne Director/Chief Executive Officer

	Current Period 01-July-21 to 30-Sept21	Comparative Period 01-July-20 to 30-Sept20
Debt (Debentures)/Equity Ratio (Times)	0.42	0.40
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.48	0.57
Interest Cover (Times)	3.35	2.71
Quick Asset Ratio (Times)	0.79	0.76
2014 Issue Market Prices during July to September (Ex Interest) 6 Year Fixed Semi Annual - 8.60% p.a. (Debenture Matured and Redeemed on 23/12/2020) 6 Year Fixed Annual - 8.75% p.a. (Debenture Matured and Redeemed on 23/12/2020)	:	*
Interest Yield as at Date of Last Trade 6 Year Fixed Semi Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	:	*
<b>Yield to Maturity of Trade Done on</b> 6 Year Fixed Semi Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	-	*
Interest Rate of Comparable Government Security - 6 Years	-	4.69%
2016 Issue Market Prices during July to September (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a (Debenture Matured and Redeemed on 15/07/2021) - Highest Price	*	102.70
Lowest Price - Last Traded Price */(13/08/2020)	*	102.70 102.70
- Last Hadeu Price 7(13/06/2020)  5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture Matured and Redeemed	on 15/07/2021) *	102.70
	*	*
7 Year Fixed Semi Annual - 13.75% p.a Interest Yield as at Date of Last Trade	•	-
interest freit as at Date of Last frace  5 Year Fixed Semi Annual - 13.00% p.a. "(13/08/2020)  5 Year Fixed Semi Annual - six months treasury bill rate + 1.5%  7 Year Fixed Semi Annual - 13.75% p.a	* *	13.07%
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 13.00% p.a. */(13/08/2020) 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a	* *	9.83%
Interest Rate of Comparable Government Security - 5 Years		4.76%
- 5 Years	7.45%	6.00%
<b>2018 Issue</b> <b>Market Prices during July to September (Ex Interest)</b> 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	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security		
- 5 Years - 7 Years	7.67% 9.18%	6.02% 6.79%
- 10 Years	10.06%	7.25%
2019 Issue Market Prices during July to September (Ex Interest)		
5 Year Fixed Annual - 15.00% p.a - Highest Price	*	116.44
- Lowest Price - Last Traded Price */(28/07/2020)	*	107.54 116.44
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. */(28/07/2020) 5 Year Fixed Semi Annual - 14.50% p.a.	*	12.88%
Yield to Maturity of Trade Done on 5 Year Fixed Annual - 15.00% p.a. */(28/07/2020) 5 Year Fixed Semi Annual - 14.50% p.a.	:	9.50%
Interest Rate of Comparable Government Security - 5 Years	8.14%	6.32%
2021 Issue (Debenture allotted on 12 April 2021) Market Prices during July to September (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	9.21%	
* No trading during the period.		

SELECTED PERFORMANCE INDICATORS				
Item	В	ANK	GI	ROUP
	30.09.2021	31.12.2020	30.09.2021	31.12.2020
Regulatory Capital (LKR Mn.) Common Equity Tier I Total (Tier I) Capital Total Capital Base	47,459 47,459 62,345	45,810 45,810 57,123	48,461 48,461 63,217	46,812 46,812 57,995
Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%) Total Tier I Capital Ratio (Minimum Requirement - 8.50%) Total Capital Ratio (Minimum Requirement - 12.50%)	10.56 10.56 13.87	11.46 11.46 14.30	10.76 10.76 14.04	11.70 11.70 14.49
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR Mn.) Offshore Banking Unit (USD '000)	117,371 113,172 35,457	149,066 144,504 33,828		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	22.88 22.72	31.31 22.47		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	77,377	100,209		
Liquidity Coverage Ratio % Rupee - (Minimum Requirement - 100% / 2020 - 90%) All Currency - (Minimum Requirement - 100% / 2020 - 90%)	160.81 125.03	176.95 142.75		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	105.11	110.38		
Assets Quality (Quality of Loan Portfolio) Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense)	6.42	6.43		
Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision) Impaired Loans (Stage 3) Ratio (%) Impairent (Stage 3) to Stage 3 Loans Ratio (%)	3.23 4.24 43.93	3.70 4.38 37.32		
, , , , , , , , , , , , , , , , , , , ,	43.93	37.32		
Profitability Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.25 1.04 8.61	3.95 0.77 6.43		

# SEYLAN BANK PLC FINANCIAL STATEMENTS

Nine months ended 30th September, 2021



<b>SEGMENT REPORTING - GR</b>	DUP						(A	Amounts in R	upees Tho	usands)
	BANK	ING	TREAS	URY	PROPERTY/IN	VESTMENTS	UNALLOCATED	ELIMINATIONS	TOT	AL
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.202
Interest Income	27,659,663	31,645,623	7,230,891	8,784,093	21,648	21,860	(436,051)	(849,301)	34,476,151	39,602,27
Less : Interest Expense	16,322,154	21,397,136	972,566	3,221,528	14	62	(121,181)	(123,683)	17,173,553	24,495,04
Net Interest Income	11,337,509	10,248,487	6,258,325	5,562,565	21,634	21,798	(314,870)	(725,618)	17,302,598	15,107,23
Fee and Commission Income	3,352,077	2,750,518	3,686	4,670	-	-	20,253	26,395	3,376,016	2,781,58
Less : Fee and Commission Expense	86,474	145,284	19,784	17,979	-	376	-	-	106,258	163,63
Net Fee and Commission Income	2,605,234	(16,098)	(13,309)	-	-	(376)	20,253	26,395	3,269,758	2,617,94
Net Gains/(Losses) from Trading	-	-	(416,524)	122,429	1,547	875	-	-	(414,977)	123,30
Net Gains from Derecognition of Financial Assets	-	-	528,905	709,017	-	-	-	-	528,905	709,01
Net Other Operating Income	133,457	26,729	1,928,470	868,433	263,715	252,356	(519,050)	(235,631)	1,806,592	911,88
Inter Segment Revenue	(55,678)	(55,614)	-		-	-	55,678	55,614	-	
Total Operating Income	14,680,891	12,824,836	8,283,078	7,249,135	286,896	274,653	(757,989)	(879,240)	22,492,876	19,469,38
Less: Depreciation and Amortisation Expenses	670,268	697,711	4,292	4,216	822	541	440,796	408,048	1,116,178	1,110,51
Less: Impairment Charges	6,417,829	5,002,958	(119,669)	412,765	-	-	-	-	6,298,160	5,415,72
Less: Operating Expenses & VAT on Financial Services	7,527,984	6,940,894	1,315,466	1,239,783	57,144	65,423	1,637,564	1,442,349	10,538,158	9,688,44
Reportable Segment Profit before Income Tax	64,810	183,273	7,082,989	5,592,371	228,930	208,689	(2,836,349)	(2,729,637)	4,540,380	3,254,69
Less: Income Tax Expense									1,233,508	1,019,46
Profit For The Period									3,306,872	2,235,22
Profit Attributable To:										
Equity Holders of The Bank									3,240,148	2,197,34
Non-controlling Interests									66,724	37,88
Profit For The Period									3,306,872	2,235,22
Other Comprehensive Income, Net of Income Tax									(1,577,022)	2,929,11
Other Information										
Total Assets	422,909,829	372,489,928	134,994,736	145,889,070	5,974,238	5,829,123	20,255,812	23,580,296	584,134,615	547,788,41
Total Liabilities & Equity	460,889,897	438,500,624	88,214,933	75,012,088	5,974,238	5,829,123	29,055,547	28,446,582	584,134,615	547,788,41
Cash Flows from Operating Activities	(21,420,398)	34,501,977	6,967,612	6,009,352	212,518	151,650	(2,497,350)	(2,412,870)	(16,737,618)	38,250,10
Cash Flows from Investing Activities	(87,667)	(84,198)	14,994,580	(14,458,218)	36,947	(25,819)	(261,813)	(238,250)	14,682,047	(14,806,48
Cash Flows from Financing Activities	(567,579)	(562,140)	2,114,785	(2,251,597)	(177,558)	(162,261)	403,835	(158,934)	1,773,483	(3,134,93
Capital Expenditure	(92,736)	(221,154)	(2,250)	(158)	(33,068)	(24,079)	(78,445)	(236,985)	(206,499)	(482,370

STATEMENT OF CHANGES IN EQUITY - I							n Rupees Th	ousanus <sub>j</sub>
		Capital	Statutory	Retained		Other Reserves		
For the Nine Months ended 30th September	Ordinary	Ordinary	Reserve Fund	Earnings	Revaluation	FVOCI	Other	Tota
	Shares	Shares			Reserve	Reserve	Reserves	
	-Voting	-Non-Voting				**		
Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,27
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,221,535	-	-	-	2,221,53
Other Comprehensive Income (Net of Tax)								
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	1,518,980	-	1,518,98
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	1,387,659	-	1,387,65
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	18,982	18,98
Total Comprehensive Income for the Period	-	-	-	2,221,535	-	2,906,639	18,982	5,147,15
Transactions with Equity Holders, Recognized Directly In Equity								
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,62
Transferred from Investment Fund Reserve	_	_	_	500,793	_	-	(500,793)	(
Net Gain on Disposal of Equity Investments measured at Fair Value through				,			(,)	
Other Comprehensive Income	-	-	-	(308)	-	308	-	
Total Transactions with Equity Holders	251,477	252,146	-	(506,762)	-	308	(500,793)	(503,6
Balance as at 30th September 2020 (1 + 2 + 3)	11,136,187	6,412,160	1,952,957	24,538,012	858,312	2,892,728	1,480,450	49,270,80
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	48,966,97
Total Comprehensive Income for the Period								
Profit for the Period	_	_	_	3,205,820	_	_	_	3,205,82
Other Comprehensive Income (net of tax)				0,200,020				0,200,0
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income						(1,658,851)		(1,658,85
	_	_	_	_	_	(1,030,031)	_	(1,000,00
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income						57,032		57,03
	-	-	-	-	-	37,032	- 00.000	
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,868	26,86
Total Comprehensive Income for the Period	-	-	-	3,205,820	-	(1,601,819)	26,868	1,630,8
Transactions with Equity Holders, Recognized Directly In Equity								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	
Transfer of Unclaimed Dividends	-	-	-	9,237	-	-	-	9,23
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-,
Net Gain on Disposal of Equity Investments measured at Fair Value through				,			(,)	
Other Comprehensive Income	-	-	-	872,522	-	(872,522)	-	
Total Transactions with Equity Holders	385,075	390,459	-	540,660	-	(872,522)	(434,435)	9,23
Balance as at 30th September 2021 (1 + 2 + 3)	11.521.262	6.802.619	2.103.522	28.429.704	858.312	(189,009)	1.080.671	50.607.0

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

STATEMENT OF CHANGES IN EQUITY							(7.1110	Junes III II	upees Tho	Jusunus
	Stated	Capital	Statutory	Retained	0	ther Reserves				
For the Nine Months ended 30th September	Ordinary	Ordinary	Reserve	Earnings	Revaluation	FVOCI	Other	Total	Non-	Tota
	Shares	Shares	Fund		Reserve	Reserve	Reserves		Controlling	Equit
	-Voting	-Non-Voting	*			**			Interest	
Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	23,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,05
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	2,197,346	-	-	-	2,197,346	37,882	2,235,22
Other Comprehensive Income (Net of Tax)										
- Net Gains/(Losses) on Investments in Debt Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,521,441	-	1,521,441	1,029	1,522,47
- Change in Fair Value on Investments in Equity Instruments										
measured at Fair Value through Other Comprehensive Income	-	_		_	_	1,387,659	_	1,387,659	_	1,387,65
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	18,982	18,982	-	18,98
Total Comprehensive Income for the Period	-	-	-	2,197,346	-	2,909,100	18,982	5,125,428	38,911	5,164,33
Transactions with Equity Holders, Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)	(47,998)	(551,62
Transferred from Investment Fund Reserve	-	-	-	500,793	-	-	(500,793)	-	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through										
Other Comprehensive Income	-	-	-	(308)	-	308	-	-	-	
Total Transactions with Equity Holders	251,477	252,146	-	(506,762)	-	308	(500,793)	(503,624)	(47,998)	(551,62
Balance as at 30th September 2020 (1 + 2 + 3)	11,136,187	6,412,160	1,952,957	25,184,768	1,714,728	2,864,807	1,735,663	51,001,270	1,255,501	52,256,77
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	52,055,59
Total Comprehensive Income for the Period	11,100,101	0,412,100	L,100,0LL	20,001,003	1,700,007	L,LUI,ULI	1,140,401	00,103,020	1,200,770	02,000,03
Profit for the Period				3,240,148				3,240,148	66,724	3,306,87
Other Comprehensive Income (Net of Tax)				5,240,140				0,240,140	00,724	0,000,07
- Net Gains / (Losses) on Investments in Debt Instruments						(4 000 044)		(4,000,044)	(044)	(4.000.00
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,660,311)	-	(1,660,311)	(611)	(1,660,92
- Change in Fair Value on Investments in Equity Instruments					-					
measured at Fair Value through Other Comprehensive Income - Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	57,032	26,868	57,032 26,868	-	57,03 26,86
- Net Movement of Cash Flow Heage Neserve		_		-		_	20,000	20,000		20,00
Total Comprehensive Income for the Period		-	-	3,240,148	-	(1,603,279)	26,868	1,663,737	66,113	1,729,85
Transactions with Equity Holders, Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-	(52,362)	(52,36
Transfer of Unclaimed Dividends	-	-	-	9,237	-	-	-	9,237	-	9,23
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through										
Other Comprehensive Income	-	-	-	872,522	-	(872,522)	-	-	-	
Other Adjustments	-	-	-	327	-	-	-	327	137	46
Total Transactions with Equity Holders	385,075	390,459	-	540,987	-	(872,522)	(434,435)	9,564	(52,225)	(42,66
				29,162,744	1,735,867			52,443,124		53,742,78

#### **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  ${\bf Accountants\ of\ Sri\ Lanka}.$ 

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.

The Interim Financial Statements of the Bank and the Group have been prepared and presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting.

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

The socio-economic impact of Corona Virus 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

#### 2. Information on Ordinary Shares

Market Price (Rs.)	30/09	/2021	30/09/	2020
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	47.10	37.00	46.70	33.00
Highest price per share during the quarter ended	52.00	42.00	49.50	35.70
Lowest price per share during the quarter ended	44.50	34.90	40.00	26.50

Stated Capital as at September 30, 2021	No of Shares	Stated Capital
		Rs. '000
Ordinary Voting	264,267,493	11,521,262
Ordinary Non-Voting	269,923,190	6,802,619
Total	534,190,683	18,323,881

	y Largest Ordinary Voting Shareholders as at September 30, 2021	No. of Shares	%
	anka Insurance Corporation Ltd udes General Fund and Life Fund]	39,640,115	15.00
Brow	vn & Company PLC A/C No. 01	27,687,279	10.48
Empl	loyees Provident Fund	26,050,200	9.86
Mr. K	C.D.D. Perera	25,086,126	9.49
Samp	path Bank PLC/LOLC Investments Ltd.	24,726,404	9.36
Natio	onal Development Bank PLC	23,056,970	8.73
Bank	s of Ceylon No. 1 Account	14,865,044	5.6
Seyla	an Bank PLC A/C No. 04 – Employees' Gratuity Trust Fund	13,708,884	5.1
Peop	ole's Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd.	10,108,676	3.8
Samp	path Bank PLC/Brown and Company PLC	8,979,659	3.4
Empl	loyees' Trust Fund Board	5,619,482	2.1
NDB	Capital Holdings Limited A/C No. 02	2,676,690	1.0
Sisil I	Investment Holdings (Pvt) Ltd.	2,499,201	0.9
Asiri	Hospitals Holdings PLC	2,000,000	0.7
Mr. N	M.J. Fernando	1,334,457	0.5
Mr. R	R.R. Leon	1,250,555	0.4
Mr. K	K.R.B. Fernando	1,143,462	0.4
AIA II	insurance Lanka Ltd. A/C No. 07	866,628	0.3
Seysl	hop (Pvt) Ltd.	707,834	0.2
Esots	s (Pvt) Ltd.	695,689	0.2
2 Twenty	y Largest Ordinary Non-Voting Shareholders as at September 30, 2021	No. of Shares	o,
LOLC	C Holdings PLC	139,285,716	51.6
Empl	loyees' Provident Fund	14,397,596	5.3
Sri La	anka Insurance Corporation Ltd Life Fund	9,040,537	3.3
Akbai	r Brothers Pvt Ltd A/C No. 01	5,797,003	2.1
Deuts	sche Bank AG as Trustee for JB Vantage Value Equity Fund	3,933,895	1.4
Persh	hing LLC S/A Averbach Grauson & Co.	3,812,293	1.4
Peop	ole's Leasing & Finance PLC/Mrs. P. Thavarajah	3,671,929	1.3
Peop	ole's Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd.	3,536,629	1.3
Empl	loyees' Trust Fund Board	3,222,060	1.1
Merri	ill J. Fernando & Sons (Pvt) Limited	2,998,293	1.1
Mr. B	R.R. Leon	2,476,199	0.9
LOLC	C Technology Services Limited	2,357,043	0.0
Mr. N	N.Balasingam	2,111,712	0.7
Sri La	anka Insurance Corporation Ltd General Fund	1,906,234	0.7
Don a	and Don Holdings (Pvt) Ltd.	1,614,805	0.6
Mr. R	3. Gautam	1,483,758	0.5
	A I Fermanda	1,477,783	0.5
Mr. N	M. J. Fernando		
	v. J. Fernando . Yaddehige	1,269,598	0.4
Dr. S.			0.4

## 3.3 Public Holdings as at September 30, 2021

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

Public Holding Percentage - 54.85 % Number of Public Shareholders

## 4. Directors' and Chief Executive Officer's Shareholdings as at September 30, 2021

Name of Director	No. of Shares	No. of Shares
	(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. P.L.S.K. Perera, Independent Director	Nil	Nil
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
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 Nonvoting) during the nine months ended September 30, 2021. 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 September 30, 2020 has been restated based on the no of shares issued for Scrip Dividend for 2020.

## 6. Events after the Reporting Date

 $Mr\,D\,M\,Rupasinghe\,was\,appointed\,to\,the\,Board\,of\,Directors\,as\,an\,Independent\,Director\,with\,effect\quad from\,1st\,October\,2021.$ 

## 7. Other Matters

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.112.5Mn. (net of tax) as of September 30, 2021.

## 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 September 30, 2021 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

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 of Covid – 19 pandemic and the moratorium schemes introduced to support the recovery of the economy.

 $The \ Bank \ redeemed \ 17,277,200 \ debentures \ of \ Rs. 100/-each \ amounting \ to \ Rs. 1,727,720,000/- \ out \ of \ the \ Rs. 5,000,000,000/- \ Unsecured, Subordinated, Redeemable \ Debentures \ all otted \ in \ Subordinated \ in \ Subordi$  $\label{eq:July 2016} \textit{July 2016}, upon \, maturity \, of the \, 5 \, years' \, tenure \, on \, 15 th \, July \, 2021.$ 

## 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.