



# Seylan Bank PLC

Interim Financial Statements  
For the 03 Months Ended 31st March 2022

## **Seylan Bank records Profit After Tax of LKR 1,054 Mn in 1Q 2022**

Seylan Bank reported a Profit after tax of LKR 1,054.0 Mn in Q1 2022.

### **Statement of Financial Performances**

Net Interest Income (NII) of the Bank for the three months ended 31 March 2022 stood at LKR 6.8 Bn, a growth of 22.51% in the period under review. Interest income increased by 13.97% amounting to LKR 13.3 Bn. Interest expenses stood at LKR 6.5 Bn recording an increase from LKR 6.1 Bn for the corresponding period due to the increase in market rates during the period.

Net Fee & Commission Income recorded a notable growth of 24.20% to LKR 1.437 Bn from LKR 1.157 Bn mainly due to increase in Card Related Income, Trade Finance Related Fees, Other Financial Services Related Income such as commission income and E-banking etc. which offset to a degree by the reduction in fees from Guarantees as well as fees related to Loans & Advances.

The Bank recorded a total operating income growth of 21.80% amounting LKR 9.1 Bn during the period under review compared to LKR 7.5 Bn in the correspondent year. The Bank's net gain from trading recorded LKR 3.6 Bn in 1Q 2022 compared to a loss of LKR 0.6 Bn in 1Q 2021, mainly due to an increase in Net Gain on Derivatives Financial Instruments. Other operating income generated a loss of LKR 2.8 Bn compared to a profit of LKR 1.2 Bn in correspondent year.

Total Expenses recorded an increase of 6.22% from LKR 3.4 Bn in the 1Q of the previous year to LKR 3.6 Bn during the period under review. The Bank's personnel expenses increased by 6.64 % to LKR 2.1 Bn in 1Q 2022 compared to LKR 1.9 Bn in 1Q 2021. Establishment expenses increased by 5.66% to LKR 1.5 Bn during the period under review. The Bank continued to focus on widening the roll-out of lean initiatives and automation across the Bank and rationalizing expenditure on key controllable cost lines and inculcating a culture of working smarter across all the functions by the employees.

The Bank recorded impairment provision of LKR 3.4 Bn for the 1Q 2022 compared to LKR 2.2 Bn for the correspondent year as a result of the increase in additional provision accounted for foreign currency denominated instruments with the country downgrading – Debt re-payments.

Income tax expenses stood at LKR 413.2 Mn which is a 5.36% increase from the comparative period which stood at LKR 392.2 Mn.

Overall, Bank recorded a Profit Before Tax (PBT) of LKR 1.5 Bn against LKR 1.4 Bn in 1Q 2021 demonstrating a growth of 4.95%. Similarly, Profit After Tax (PAT) was recorded as LKR 1.1 Bn against LKR 1.0 Bn reported in 1Q 2021.

## **Statement of Financial Position**

Bank achieved LKR 643.1 Bn of Total Assets as of 31 March 2022, resulting 5.85% growth compared to the 31<sup>st</sup> December 2021. Loans and advances portfolio of the Bank recorded a growth of 4.56% to LKR 462.1 Bn during the 1Q 2022 and this reflects the inflation of the book by currency deprecation as well. The growth in credit was driven primarily by Term loans, Overdrafts and Packing Credits.

The overall deposit base recorded a growth of 5.52% to LKR 515.6 Bn by 1Q 2022 Bank's CASA ratio (Current and Savings) stood at 34.24%.

## **Key financial ratios and indicators**

Seylan Bank remained adequately capitalized, with the key capital adequacy ratios above the regulatory minimum requirements and recorded 9.78% as the Bank's Common Equity Tier 1 (CET 1) Capital/ Total Tier 1 Capital Ratio and 12.78% as the Total Capital Ratio as at end March 2022.

Bank maintained its liquidity position above the required minimum ratios, during the quarter under review. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit and the Foreign Banking Unit were maintained at 23.32% and 22.65% respectively as at end of first quarter 2022.

The Return on Equity (ROE) stood at 8.18% for the period under review, compared to 9.07% recorded in 2021. The Return on Average Assets (ROAA) recorded as 0.94% in 1Q 2022. Earnings per Share (EPS) in 2021 stood at LKR 1.82, a slight increase compared to the LKR 1.74 recorded in the comparative year, while net assets value per share recorded at LKR 88.31 (Group LKR 91.46).

**Seylan Bank PLC**  
**Income Statement**

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

	<b>Bank</b>			<b>( Amounts in Rupees Thousands )</b>		
	<b>Group</b>					
	<b>For the Three Months Ended 31st March</b>			<b>For the Three Months Ended 31st March</b>		
	<b>2022</b>	<b>2021</b>	<b>Growth %</b>	<b>2022</b>	<b>2021</b>	<b>Growth %</b>
Interest Income	13,310,194	11,678,240	<b>13.97</b>	13,315,654	11,680,140	<b>14.00</b>
Less : Interest Expenses	6,530,732	6,144,225	<b>6.29</b>	6,412,028	6,067,782	<b>5.67</b>
<b>Net Interest Income</b>	<b>6,779,462</b>	<b>5,534,015</b>	<b>22.51</b>	<b>6,903,626</b>	<b>5,612,358</b>	<b>23.01</b>
Fee and Commission Income	1,483,976	1,208,362	<b>22.81</b>	1,483,864	1,208,327	<b>22.80</b>
Less : Fee and Commission Expenses	46,532	51,036	<b>(8.83)</b>	46,532	51,036	<b>(8.83)</b>
<b>Net Fee and Commission Income</b>	<b>1,437,444</b>	<b>1,157,326</b>	<b>24.20</b>	<b>1,437,332</b>	<b>1,157,291</b>	<b>24.20</b>
Net Gains/(Losses) from Trading	3,628,696	(611,434)	<b>693.47</b>	3,628,716	(605,679)	<b>699.12</b>
Net Gains from Derecognition of Financial Assets	2,387	185,220	<b>(98.71)</b>	2,387	185,220	<b>(98.71)</b>
Net Other Operating Income	(2,761,547)	1,194,719	<b>(331.15)</b>	(2,879,246)	1,089,671	<b>(364.23)</b>
<b>Total Operating Income</b>	<b>9,086,442</b>	<b>7,459,846</b>	<b>21.80</b>	<b>9,092,815</b>	<b>7,438,861</b>	<b>22.23</b>
Less : Impairment Charges	3,383,647	2,171,116	<b>55.85</b>	3,383,647	2,171,116	<b>55.85</b>
<b>Net Operating Income</b>	<b>5,702,795</b>	<b>5,288,730</b>	<b>7.83</b>	<b>5,709,168</b>	<b>5,267,745</b>	<b>8.38</b>
<b>Less : Operating Expenses</b>						
Personnel Expenses	2,067,742	1,938,954	<b>6.64</b>	2,079,203	1,949,718	<b>6.64</b>
Depreciation and Amortization Expenses	346,057	364,302	<b>(5.01)</b>	355,017	376,227	<b>(5.64)</b>
Other Expenses	1,185,458	1,085,186	<b>9.24</b>	1,196,010	1,093,392	<b>9.39</b>
<b>Total Operating Expenses</b>	<b>3,599,257</b>	<b>3,388,442</b>	<b>6.22</b>	<b>3,630,230</b>	<b>3,419,337</b>	<b>6.17</b>
<b>Operating Profit before Taxes</b>	<b>2,103,538</b>	<b>1,900,288</b>	<b>10.70</b>	<b>2,078,938</b>	<b>1,848,408</b>	<b>12.47</b>
Less : Value Added Tax on Financial Services	636,298	502,275	<b>26.68</b>	636,298	502,275	<b>26.68</b>
<b>Profit before Income Tax</b>	<b>1,467,240</b>	<b>1,398,013</b>	<b>4.95</b>	<b>1,442,640</b>	<b>1,346,133</b>	<b>7.17</b>
Less : Income Tax Expense	413,248	392,225	<b>5.36</b>	452,216	342,369	<b>32.08</b>
<b>Profit for the Period</b>	<b>1,053,992</b>	<b>1,005,788</b>	<b>4.79</b>	<b>990,424</b>	<b>1,003,764</b>	<b>(1.33)</b>
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	1,053,992	1,005,788	<b>4.79</b>	966,096	967,439	<b>(0.14)</b>
Non-Controlling Interest	-	-	-	24,328	36,325	<b>(33.03)</b>
<b>Profit for the Period</b>	<b>1,053,992</b>	<b>1,005,788</b>	<b>4.79</b>	<b>990,424</b>	<b>1,003,764</b>	<b>(1.33)</b>
<b>Basic/Diluted Earnings per Ordinary Share (Rs.)</b>	<b>1.82</b>	<b>1.74</b>	<b>4.79</b>	<b>1.67</b>	<b>1.67</b>	<b>-</b>

# 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			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2022	2021	Growth %	2022	2021	Growth %
<b>Profit for the Period</b>	<b>1,053,992</b>	<b>1,005,788</b>	<b>4.79</b>	<b>990,424</b>	<b>1,003,764</b>	<b>(1.33)</b>
<b>Other Comprehensive Income/ (Loss), Net of Tax</b>						
<b>Items that are or may be Reclassified to Income Statement in Subsequent Periods</b>						
Net Movement of Cash Flow Hedge Reserve	85,528	(5,561)	<b>1,638.00</b>	85,528	(5,561)	<b>1,638.00</b>
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,841,444)	(707,588)	<b>(160.24)</b>	(1,844,590)	(707,900)	<b>(160.57)</b>
Less : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(441,841)	(278,479)	<b>(58.66)</b>	(442,156)	(278,511)	<b>(58.76)</b>
<b>Items that will never be Reclassified to Income Statement in Subsequent Periods</b>						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(767,237)	(434,290)	<b>(76.66)</b>	(767,237)	(434,290)	<b>(76.66)</b>
Less : Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
<b>Other Comprehensive Income/ (Loss) for the Period, Net of Taxes</b>	<b>(2,081,312)</b>	<b>(868,960)</b>	<b>(139.52)</b>	<b>(2,084,143)</b>	<b>(869,240)</b>	<b>(139.77)</b>
<b>Total Comprehensive Income for the Period</b>	<b>(1,027,320)</b>	<b>136,828</b>	<b>(850.81)</b>	<b>(1,093,719)</b>	<b>134,524</b>	<b>(913.03)</b>
<b>Attributable to :</b>						
Equity Holders of the Bank	(1,027,320)	136,828	<b>(850.81)</b>	(1,117,212)	98,282	<b>(1,236.74)</b>
Non-controlling interest	-	-	-	23,493	36,242	<b>(35.18)</b>
<b>Total Comprehensive Income for the Period</b>	<b>(1,027,320)</b>	<b>136,828</b>	<b>(850.81)</b>	<b>(1,093,719)</b>	<b>134,524</b>	<b>(913.03)</b>

# Seylan Bank PLC

## Statement of Financial Position

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

	Bank			(Amounts in Rupees Thousands )		
	As at	As at	Growth	As at	As at	Growth
	31.03.2022	31.12.2021	%	31.03.2022	31.12.2021	%
<b>Assets</b>						
Cash and Cash Equivalents	23,261,907	16,079,054	<b>44.67</b>	23,261,947	16,079,094	<b>44.67</b>
Balances with Central Bank of Sri Lanka	15,831,985	8,725,834	<b>81.44</b>	15,831,985	8,725,834	<b>81.44</b>
Placements with Banks and Finance Companies	-	8,246,909	<b>(100.00)</b>	-	8,246,909	<b>(100.00)</b>
Derivative Financial Instruments	6,180,242	290,141	<b>2,030.08</b>	6,180,242	290,141	<b>2,030.08</b>
Financial Assets recognized through Profit or Loss						
- Measured at Fair Value	9,264,968	4,969,913	<b>86.42</b>	9,264,968	4,969,913	<b>86.42</b>
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	462,135,988	441,976,662	<b>4.56</b>	462,135,988	441,976,662	<b>4.56</b>
- Debt and Other Instruments	68,485,084	67,992,449	<b>0.72</b>	68,674,842	68,156,417	<b>0.76</b>
Financial Assets measured at Fair Value through Other Comprehensive Income	35,371,459	39,104,536	<b>(9.55)</b>	35,427,276	39,165,399	<b>(9.54)</b>
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	186,065	40,000	<b>365.16</b>	-	-	-
Property, Plant & Equipment	4,146,150	4,289,917	<b>(3.35)</b>	6,903,129	7,063,747	<b>(2.27)</b>
Right-of-use Assets	4,770,755	4,791,175	<b>(0.43)</b>	2,507,752	2,594,737	<b>(3.35)</b>
Investment Properties	-	-	-	864,610	870,258	<b>(0.65)</b>
Intangible Assets	547,978	592,894	<b>(7.58)</b>	547,978	592,894	<b>(7.58)</b>
Deferred Tax Assets	184,267	-	-	-	-	-
Other Assets	11,590,062	9,323,825	<b>24.31</b>	11,636,161	9,358,128	<b>24.34</b>
<b>Total Assets</b>	<b>643,110,512</b>	<b>607,576,911</b>	<b>5.85</b>	<b>643,236,878</b>	<b>608,090,133</b>	<b>5.78</b>
<b>Liabilities</b>						
Due to Banks	25,261,783	24,504,387	<b>3.09</b>	25,261,783	24,504,387	<b>3.09</b>
Derivative Financial Instruments	1,208,489	217,179	<b>456.45</b>	1,208,489	217,179	<b>456.45</b>
Financial Liabilities at Amortized Cost						
- Due to Depositors	515,644,329	488,653,328	<b>5.52</b>	515,644,329	488,653,328	<b>5.52</b>
- Due to Debt Securities Holders	8,269,046	2,662,377	<b>210.59</b>	8,269,046	2,662,377	<b>210.59</b>
- Due to Other Borrowers	6,313	7,295	<b>(13.46)</b>	6,313	7,295	<b>(13.46)</b>
Group Balances Payable	245,196	191,810	<b>27.83</b>	-	-	-
Debt Securities Issued	21,612,521	21,617,455	<b>(0.02)</b>	21,612,521	21,617,455	<b>(0.02)</b>
Current Tax Liabilities	1,439,214	1,623,966	<b>(11.38)</b>	1,424,155	1,611,832	<b>(11.64)</b>
Deferred Tax Liabilities	-	257,574	<b>(100.00)</b>	182,132	582,395	<b>(68.73)</b>
Lease Liabilities	4,991,767	4,889,598	<b>2.09</b>	1,990,516	2,007,245	<b>(0.83)</b>
Other Liabilities	13,406,165	10,898,933	<b>23.00</b>	13,505,575	10,939,813	<b>23.45</b>
<b>Total Liabilities</b>	<b>592,084,823</b>	<b>555,523,902</b>	<b>6.58</b>	<b>589,104,859</b>	<b>552,803,306</b>	<b>6.57</b>
<b>Equity</b>						
Stated Capital	19,926,453	18,323,882	<b>8.75</b>	19,926,453	18,323,882	<b>8.75</b>
Statutory Reserve Fund	2,332,549	2,332,549	-	2,332,549	2,332,549	-
Fair Value through Other Comprehensive Income Reserve	(2,412,457)	(245,179)	<b>883.96</b>	(2,440,486)	(271,212)	<b>799.84</b>
Retained Earnings	28,648,476	29,196,617	<b>(1.88)</b>	29,331,312	29,967,349	<b>(2.12)</b>
Other Reserves	2,530,668	2,445,140	<b>3.50</b>	3,691,194	3,605,666	<b>2.37</b>
<b>Total Shareholders' Equity</b>	<b>51,025,689</b>	<b>52,053,009</b>	<b>(1.97)</b>	<b>52,841,022</b>	<b>53,958,234</b>	<b>(2.07)</b>
Non-controlling Interest	-	-	-	1,290,997	1,328,593	<b>(2.83)</b>
<b>Total Equity</b>	<b>51,025,689</b>	<b>52,053,009</b>	<b>(1.97)</b>	<b>54,132,019</b>	<b>55,286,827</b>	<b>(2.09)</b>
<b>Total Equity &amp; Liabilities</b>	<b>643,110,512</b>	<b>607,576,911</b>	<b>5.85</b>	<b>643,236,878</b>	<b>608,090,133</b>	<b>5.78</b>
<b>Contingent Liabilities and Commitments</b>	<b>251,928,546</b>	<b>224,389,878</b>	<b>12.27</b>	<b>251,930,268</b>	<b>224,389,963</b>	<b>12.27</b>
<b>Memorandum Information</b>						
Number of Employees	3,169	3,148	<b>0.67</b>	3,190	3,167	<b>0.73</b>
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	<b>88.31</b>	97.44	<b>(9.37)</b>	<b>91.46</b>	<b>101.01</b>	<b>(9.45)</b>

### Certification;

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

(Sgd.)

**Chompika Dodanwela (Ms.)**

Chief Financial Officer

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

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; and
- the information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group.

(Sgd.)

**W.M.R.S.Dias**

Chairman

May 10, 2022

Colombo

(Sgd.)

**Kapila Ariyaratne**

Director/Chief Executive Officer

**Seylan Bank PLC**  
**Statement of Changes in Equity**  
**For the Three Months ended 31st March - Bank**

(Amounts in Rupees Thousands)

	Stated Capital		Statutory	Retained	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Reserve Fund *	Earnings	Revaluation Reserve	FVOCI Reserve **	Other Reserves	
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>24,683,224</b>	<b>858,312</b>	<b>2,285,332</b>	<b>1,488,238</b>	<b>48,966,975</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,005,788	-	-	-	1,005,788
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(429,109)	-	(429,109)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434,290)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5,561)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,005,788</b>	<b>-</b>	<b>(863,399)</b>	<b>(5,561)</b>	<b>136,828</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-
<b>3 Total Transactions with Equity Holders</b>	<b>385,075</b>	<b>390,459</b>	<b>-</b>	<b>(775,534)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2021 (1 + 2 + 3)</b>	<b>11,521,262</b>	<b>6,802,619</b>	<b>2,103,522</b>	<b>24,913,478</b>	<b>858,312</b>	<b>1,421,933</b>	<b>1,482,677</b>	<b>49,103,803</b>
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,196,617</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>52,053,009</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,053,992	-	-	-	1,053,992
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,399,603)	-	(1,399,603)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(767,237)	-	(767,237)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	85,528	85,528
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,053,992</b>	<b>-</b>	<b>(2,166,840)</b>	<b>85,528</b>	<b>(1,027,320)</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-
<b>3 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>-</b>	<b>(1,602,133)</b>	<b>-</b>	<b>(438)</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2022 (1 + 2 + 3)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,332,549</b>	<b>28,648,476</b>	<b>1,468,822</b>	<b>(2,412,457)</b>	<b>1,061,846</b>	<b>51,025,689</b>

\* 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 Three Months ended 31st March- Group**

(Amounts in Rupees Thousands)										
	Stated Capital		Statutory	Retained	Other Reserves			Total	Non-	Total Equity
	Ordinary	Ordinary	Reserve Fund	Earnings	Revaluation	FVOCI	Reserve		Controlling	
	Shares - Voting	Shares - Non Voting	*		Reserve		**		Interest	
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>25,381,609</b>	<b>1,735,867</b>	<b>2,257,027</b>	<b>1,743,451</b>	<b>50,769,823</b>	<b>1,285,776</b>	<b>52,055,599</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	967,439	-	-	-	967,439	36,325	1,003,764
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(429,306)	-	(429,306)	(83)	(429,389)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434,290)	-	(434,290)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5,561)	-	(5,561)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>967,439</b>	<b>-</b>	<b>(863,596)</b>	<b>(5,561)</b>	<b>98,282</b>	<b>36,242</b>	<b>134,524</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>										
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-	(52,362)	(52,362)
Other Adjustments	-	-	-	327	-	-	-	327	137	464
<b>3 Total Transactions with Equity Holders</b>	<b>385,075</b>	<b>390,459</b>	<b>-</b>	<b>(775,207)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>(52,225)</b>	<b>(51,898)</b>
<b>Balance as at 31st March 2021 (1 + 2 + 3)</b>	<b>11,521,262</b>	<b>6,802,619</b>	<b>2,103,522</b>	<b>25,573,841</b>	<b>1,735,867</b>	<b>1,393,431</b>	<b>1,737,890</b>	<b>50,868,432</b>	<b>1,269,793</b>	<b>52,138,225</b>
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,967,349</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>53,958,234</b>	<b>1,328,593</b>	<b>55,286,827</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	966,096	-	-	-	966,096	24,328	990,424
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,401,599)	-	(1,401,599)	(835)	(1,402,434)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(767,237)	-	(767,237)	-	(767,237)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	85,528	85,528	-	85,528
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>966,096</b>	<b>-</b>	<b>(2,168,836)</b>	<b>85,528</b>	<b>(1,117,212)</b>	<b>23,493</b>	<b>(1,093,719)</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>										
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-	-	-
<b>3 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>-</b>	<b>(1,602,133)</b>	<b>-</b>	<b>(438)</b>	<b>-</b>	<b>-</b>	<b>(61,089)</b>	<b>(61,089)</b>
<b>Balance as at 31st March 2022 (1 + 2 + 3)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,332,549</b>	<b>29,331,312</b>	<b>2,374,135</b>	<b>(2,440,486)</b>	<b>1,317,059</b>	<b>52,841,022</b>	<b>1,290,997</b>	<b>54,132,019</b>

\* 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 Three months ended 31st March

	Bank		Group	
	2022	2021	2022	2021
	LKR '000	LKR '000	LKR '000	LKR '000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	12,375,084	10,946,116	12,380,544	10,948,016
Interest Payments	(4,867,382)	(6,467,389)	(4,862,272)	(6,466,284)
Net Commission Receipts	1,437,444	1,157,326	1,437,332	1,157,291
Trading Income	6,727	2,624	6,747	8,379
Payments to Employees	(2,063,033)	(1,777,569)	(2,067,854)	(1,781,942)
VAT on Financial Services Paid	(644,868)	(445,896)	(644,868)	(445,896)
Receipts from Other Operating Activities	2,764,158	1,687,157	2,792,524	1,582,109
Payments on Other Operating Activities	(522,965)	(272,466)	(549,907)	(294,733)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>8,485,165</b>	<b>4,829,903</b>	<b>8,492,246</b>	<b>4,706,940</b>
<b>(Increase)/Decrease in Operating Assets :</b>				
Balances with Central Bank of Sri Lanka	(7,106,151)	29,367	(7,106,151)	29,367
Financial Assets at Amortized Cost - Due to Debt Securities Holders	(21,514,389)	(7,123,943)	(21,514,389)	(7,123,943)
Other Assets	(1,825,600)	(766,686)	(1,624,766)	(634,612)
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Financial Liabilities at Amortized Cost - Due to Depositors	26,225,037	6,122,451	26,225,037	6,122,451
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	5,597,395	2,614,309	5,597,395	2,614,309
Financial Liabilities at Amortized cost - Due to Other Borrowers	(982)	(2,194)	(982)	(2,194)
Other Liabilities	(5,036,516)	(12,028)	(5,332,545)	(75,229)
Due to Banks	757,396	(5,271,858)	757,396	(5,271,858)
<b>Cash (Used in) /Generated from Operating Activities before Income Tax</b>	<b>5,581,355</b>	<b>419,321</b>	<b>5,493,241</b>	<b>365,231</b>
Income Tax Paid	(597,999)	(6,749)	(597,999)	(6,749)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>4,983,356</b>	<b>412,572</b>	<b>4,895,242</b>	<b>358,482</b>
<b>Cash flows from Investing Activities</b>				
Purchase of Property , Plant and Equipment	(9,605)	(36,646)	(9,605)	(59,643)
Improvements in Investment Properties	-	-	(146)	(7,527)
Proceeds from Sale of Property , Plant and Equipment	92	-	92	-
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing after Three Months	(6,525,291)	(3,027,560)	(6,525,291)	(3,027,561)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	1,502	(1,161)	1,502	5,397
Reverse Repurchase Agreements maturing after Three Months	8,728	11,827	8,728	11,827
Net Purchase of Intangible Assets	(1,129)	(45,418)	(1,129)	(45,418)
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	504	6,917	504	6,917
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(6,525,199)</b>	<b>(3,092,041)</b>	<b>(6,525,345)</b>	<b>(3,116,008)</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	-	-	-	-
Repayment of Subordinated Debt	-	-	-	-
Interest Paid on Subordinated Debt	(645,595)	(742,231)	(645,595)	(735,859)
Interest Paid on Un-subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(42)	(3)
Dividend Paid to Shareholders of the Bank	(9)	(79)	(9)	(79)
Dividend paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(273,546)	(196,120)	(159,952)	(124,931)
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>(919,150)</b>	<b>(938,430)</b>	<b>(805,598)</b>	<b>(860,872)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(2,460,993)	(3,617,899)	(2,435,701)	(3,618,398)
Cash and Cash Equivalents at Beginning of the Year	44,039,917	37,515,866	44,204,423	37,516,404
<b>Cash and Cash Equivalents at End of the Period</b>	<b>41,578,924</b>	<b>33,897,967</b>	<b>41,768,722</b>	<b>33,898,006</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	23,334,890	11,128,083	23,334,930	11,128,122
Placements with Banks and Finance Companies	-	8,986,829	-	8,986,829
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	16,488,997	7,513,518	16,678,755	7,513,517
Securities Purchased under Resale Agreements maturing within Three Months	1,755,037	6,269,537	1,755,037	6,269,538
	<b>41,578,924</b>	<b>33,897,967</b>	<b>41,768,722</b>	<b>33,898,006</b>

## EXPLANATORY NOTES

### 1. General

The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka.

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report, except for changes to the computations mentioned in note 7 below.

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

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

### Covid 19 Impact

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

### 2. Information on Ordinary Shares

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

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

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2022

	No. of Shares	%
1 Sri Lanka Insurance Corporation Ltd [includes General Fund and Life Fund]	39,640,115	15.00
2 Brown & Company PLC A/C No. 01	27,687,279	10.48
3 Employees Provident Fund	26,050,200	9.86
4 Mr. K D D Perera	25,086,126	9.49
5 Sampath Bank PLC/LOLC Investments Ltd	24,726,404	9.36
6 National Development Bank PLC	23,056,970	8.72
7 Bank of Ceylon No. 1 Account	14,865,044	5.62
8 Seylan Bank PLC A/C No. 04 – Employees’ Gratuity Trust Fund	13,708,884	5.19
9 People’s Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd	10,098,676	3.82
10 Sampath Bank PLC/ Brown and Company PLC	8,979,659	3.40
11 Employees’ Trust Fund Board	5,619,482	2.13
12 NDB Capital Holdings Limited A/C No. 02	2,676,690	1.01
13 Sisil Investment Holdings (Pvt) Ltd	2,499,201	0.95
14 Asiri Hospitals Holdings PLC	2,000,000	0.76
15 Mr. M J Fernando	1,334,457	0.50
16 Mr. R R Leon	1,250,555	0.47
17 Mr. K R B Fernando	1,143,462	0.43
18 AIA Insurance Lanka Ltd A/C No. 07	866,628	0.33
19 J.B. Cocoshell(Pvt) Ltd	736,694	0.28
20 Seyshop (Pvt) Ltd	707,834	0.27

#### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2022

	No. of Shares	%
1 LOLC Holdings PLC	139,285,716	51.60
2 Employees’ Provident Fund	14,397,596	5.33
3 Sri Lanka Insurance Corporation Ltd - Life Fund	9,040,537	3.35
4 Akbar Brothers Pvt Ltd A/C No. 01	5,797,003	2.15
5 Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	3,850,895	1.43
6 Pershing LLC S/A Averbach Grauson & Co	3,812,293	1.41
7 People’s Leasing & Finance PLC /Mrs. P Thavarajah	3,671,929	1.36
8 People’s Leasing & Finance PLC/ Don and Don Holdings (Pvt) Ltd	3,512,132	1.30
9 Employees’ Trust Fund Board	3,222,060	1.19
10 Merrill J Fernando & Sons (Pvt) Limited	2,998,293	1.11
11 Don and Don Holdings (Pvt) Ltd	2,819,524	1.04
12 Mr R R Leon	2,476,199	0.92
13 LOLC Technology Services Limited	2,357,043	0.87
14 Mr. N. Balasingam	2,111,712	0.78
15 Sri Lanka Insurance Corporation Ltd-General Fund	1,906,234	0.71
16 Mr.R Gautam	1,496,758	0.55
17 Mr. M J Fernando	1,477,783	0.55
18 Dr. S Yaddehige	1,269,598	0.47
19 Ms. S Durga	1,254,485	0.46
20 Mr D N N Lokuge	1,245,864	0.46

### 3.3 Public Holdings as at March 31, 2022

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

Float adjusted market capitalization	- Rs. 4.58 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,089

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

<u>Name of Director</u>	<u>No of Shares</u>	<u>No of Shares</u>
	(Ordinary Voting)	(Ordinary Non-Voting)
Mr. W M R S Dias, Non-Executive Director / Chairman	Nil	Nil
Mr. W D K Jayawardena, Non-Executive Director/Deputy Chairman	Nil	Nil
Ms. M C Pietersz, Independent Director /Senior Director	Nil	Nil
Mr. K P Ariyaratne, Director/Chief Executive Officer	66,399	222,061
Mr. S V Corea, Non-Executive Director	101	Nil
Mr. A S Wijesinha, Independent Director	Nil	Nil
Ms. S K Salgado, Independent Director	Nil	Nil
Mr. D M D K Thilakaratne, Non-Executive Director	Nil	Nil
Mr. D R Abey Suriya, 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 three months ended March 31, 2022. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares. The weighted average number of ordinary shares as at March 31, 2021 has been restated based on the no of shares issued for Scrip Dividend for 2021.

### 6. Events after the Reporting Date

#### 6.1 Dividend

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

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

The Surcharge Tax Act No 14 of 2022 (Act) was certified by the Speaker and published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on 08 April 2022. As per the said Act, Surcharge Tax is payable by company or each company of a group of companies (holding and subsidiaries) subject to the taxable income threshold specified in the Act. The Group of companies will meet the chargeability threshold when the aggregate taxable income of all subsidiaries and holding company (excluding the companies with nil taxable income due to

losses or unrelieved losses) exceed Rs.2 Bn for Y/A commencing from 1 April 2020. Such Group of companies will be liable for Surcharge tax at a rate of 25% on the taxable income of each subsidiary and holding company excluding gains and profits from dividends received from a subsidiary which is part of such taxable income for Y/A commencing from 1 April 2020.

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

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

## **7. Other Matters**

### **7.1 Gratuity**

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

### **7.2 Expected Credit Loss Computation**

The Bank’s estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) as at March 31, 2022 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

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

Bank has accounted for an additional Expected Credit Loss (ECL) on Foreign Currency denominated Government Securities in the financial statements considering the impact on Interim policy regarding the servicing of Sri Lanka’s external public debts issued by Ministry of Finance of Government of Sri Lanka.

### **7.3 Proposed Debenture Issue**

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

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

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

#### **7.4 Exchange Income**

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

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

#### **8. Comparative Figures**

Comparative figures have been re-classified where necessary, to conform to the current period presentation.

During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.

All known expenditure items have been provided in these Interim Accounts.

**9. Seylan Bank PLC**  
**Segment Reporting (Group)**

(Amounts in Rupee Thousands)

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Interest Income	10,748,152	9,422,356	2,655,517	2,437,464	10,657	7,246	(98,672)	(186,926)	13,315,654	11,680,140
Interest Expense	5,944,631	5,629,003	512,444	478,272	87	-	(45,134)	(39,493)	6,412,028	6,067,782
<b>Net Interest Income</b>	<b>4,803,521</b>	<b>3,793,353</b>	<b>2,143,073</b>	<b>1,959,192</b>	<b>10,570</b>	<b>7,246</b>	<b>(53,538)</b>	<b>(147,433)</b>	<b>6,903,626</b>	<b>5,612,358</b>
Fee and Commission Income	1,476,423	1,200,656	1,097	1,111	-	-	6,344	6,560	1,483,864	1,208,327
Fee and Commission Expense	40,333	44,604	6,199	6,432	-	-	-	-	46,532	51,036
<b>Net Fee and Commission Income</b>	<b>1,436,090</b>	<b>1,156,052</b>	<b>(5,102)</b>	<b>(5,321)</b>	<b>-</b>	<b>-</b>	<b>6,344</b>	<b>6,560</b>	<b>1,437,332</b>	<b>1,157,291</b>
Net Gains/(Losses) from Trading	-	-	3,628,696	(611,434)	20	5,755	-	-	3,628,716	(605,679)
Net Gains from Derecognition of Financial Assets	-	-	2,387	185,220	-	-	-	-	2,387	185,220
Net Other Operating Income	82,201	52,017	(2,989,927)	1,016,898	98,089	86,809	(69,609)	(66,053)	(2,879,246)	1,089,671
Inter Segment Revenue	(17,430)	(18,693)	-	-	-	-	17,430	18,693	-	-
<b>Total Operating Income</b>	<b>6,304,382</b>	<b>4,982,729</b>	<b>2,779,127</b>	<b>2,544,555</b>	<b>108,679</b>	<b>99,810</b>	<b>(99,373)</b>	<b>(188,233)</b>	<b>9,092,815</b>	<b>7,438,861</b>
Depreciation and Amortisation Expenses	204,904	227,048	3,361	1,399	291	268	146,461	147,512	355,017	376,227
Impairment Charge for the Period	1,974,175	2,200,171	1,409,472	(29,055)	-	-	-	-	3,383,647	2,171,116
Operating Expenses & VAT on Financial Services	2,578,789	2,464,404	603,723	323,142	22,307	19,399	706,692	738,440	3,911,511	3,545,385
<b>Reportable Segment Profit Before Income Tax</b>	<b>1,546,514</b>	<b>91,106</b>	<b>762,571</b>	<b>2,249,069</b>	<b>86,081</b>	<b>80,143</b>	<b>(952,526)</b>	<b>(1,074,185)</b>	<b>1,442,640</b>	<b>1,346,133</b>
Income Tax Expense									452,216	342,369
<b>Profit For The Period</b>									<b>990,424</b>	<b>1,003,764</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									966,096	967,439
Non-Controlling Interests									24,328	36,325
<b>Profit For The Period</b>									<b>990,424</b>	<b>1,003,764</b>
<b>Other Comprehensive Income, Net of Income Tax</b>									<b>(2,084,143)</b>	<b>(869,240)</b>

**9. Seylan Bank PLC**  
**Segment Reporting (Group)**

*(Amounts in Rupee Thousands)*

	<b>Banking</b>		<b>Treasury</b>		<b>Property/ Investments</b>		<b>Unallocated/ Eliminations</b>		<b>Total</b>	
	<b>31.03.2022</b>	31.03.2021	<b>31.03.2022</b>	31.03.2021	<b>31.03.2022</b>	31.03.2021	<b>31.03.2022</b>	31.03.2021	<b>31.03.2022</b>	31.03.2021
<b>Other Information</b>										
Total Assets	<b>445,523,914</b>	385,678,154	<b>170,125,085</b>	150,039,251	<b>6,131,164</b>	5,992,135	<b>21,456,715</b>	21,204,091	<b>643,236,878</b>	562,913,631
Total Liabilities & Equity	<b>512,782,244</b>	453,313,419	<b>101,232,181</b>	74,395,153	<b>6,131,164</b>	5,992,135	<b>23,091,289</b>	29,212,924	<b>643,236,878</b>	562,913,631
Cash Flows from Operating Activities	<b>3,512,005</b>	(1,002,534)	<b>2,175,404</b>	2,205,846	<b>72,524</b>	72,560	<b>(864,691)</b>	(917,390)	<b>4,895,242</b>	358,482
Cash Flows from Investing Activities	<b>(8,218)</b>	(35,448)	<b>(6,514,557)</b>	(3,011,200)	<b>15,428</b>	56,196	<b>(17,998)</b>	(125,556)	<b>(6,525,345)</b>	(3,116,008)
Cash Flows from Financing Activities	<b>(273,546)</b>	(196,120)	<b>(645,595)</b>	(742,231)	-	-	<b>113,543</b>	77,479	<b>(805,598)</b>	(860,872)
Capital Expenditure	<b>(8,310)</b>	(35,448)	-	(1,223)	<b>(146)</b>	(30,524)	<b>(2,424)</b>	(45,393)	<b>(10,880)</b>	(112,588)



Seylan Bank PLC

10. Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)

31.03.2022				
	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
<b>Assets</b>				
Cash and Cash Equivalents	-	-	23,261,907	23,261,907
Balances with Central Bank of Sri Lanka	-	-	15,831,985	15,831,985
Placements with Banks and Finance Companies	-	-	-	-
Derivative Financial Instruments	6,180,242	-	-	6,180,242
Securities Purchased under Resale Agreements	-	-	1,755,795	1,755,795
Customer Loans and Advances	-	-	462,135,988	462,135,988
Debt Instruments	-	-	908,447	908,447
Equity Instruments	-	1,965,560	-	1,965,560
Government Securities	9,264,968	33,405,899	65,820,842	108,491,709
Group Balances Receivable	-	-	186,065	186,065
Other Financial Assets	-	-	8,533,951	8,533,951
<b>Total Financial Assets</b>	<b>15,445,210</b>	<b>35,371,459</b>	<b>578,434,980</b>	<b>629,251,649</b>
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
<b>Liabilities</b>				
Due to Banks	-	-	25,261,783	25,261,783
Derivative Financial Instruments	-	1,208,489	-	1,208,489
Due to Depositors	-	-	515,644,329	515,644,329
Securities Sold under Repurchase Agreements	-	-	8,269,046	8,269,046
Due to Other Borrowers	-	-	6,313	6,313
Group Balances Payable	-	-	245,196	245,196
Debt Securities Issued	-	-	21,612,521	21,612,521
Lease Liabilities	-	-	4,991,767	4,991,767
Other Financial Liabilities	-	-	8,678,380	8,678,380
<b>Total Financial Liabilities</b>		<b>1,208,489</b>	<b>584,709,335</b>	<b>585,917,824</b>
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
<b>Assets</b>				
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
<b>Total Financial Assets</b>	<b>5,260,054</b>	<b>39,104,536</b>	<b>549,771,317</b>	<b>594,135,907</b>
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
<b>Liabilities</b>				
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
<b>Total Financial Liabilities</b>		<b>217,179</b>	<b>549,490,075</b>	<b>549,707,254</b>

**Seylan Bank PLC**

**10. Analysis of Financial Instruments by Measurement Basis - Group**

(Amounts in Rupees Thousands)

<b>31.03.2022</b>				
	<b>Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)</b>	<b>Financial Assets Measured at Amortised Cost</b>	<b>Total</b>
<b>Assets</b>				
Cash and Cash Equivalents	-	-	23,261,947	23,261,947
Balances with Central Bank of Sri Lanka	-	-	15,831,985	15,831,985
Placements with Banks and Finance Companies	-	-	-	-
Derivative Financial Instruments	6,180,242	-	-	6,180,242
Securities Purchased under Resale Agreements	-	-	1,755,795	1,755,795
Customer Loans and Advances	-	-	462,135,988	462,135,988
Debt Instruments	-	55,817	908,447	964,264
Equity Instruments	-	1,965,560	-	1,965,560
Government Securities	9,264,968	33,405,899	66,010,600	108,681,467
Other Financial Assets	-	-	8,559,896	8,559,896
<b>Total Financial Assets</b>	<b>15,445,210</b>	<b>35,427,276</b>	<b>578,464,658</b>	<b>629,337,144</b>
<b>Liabilities</b>				
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost</b>	<b>Total</b>
Due to Banks	-	-	25,261,783	25,261,783
Derivative Financial Instruments	-	1,208,489	-	1,208,489
Due to Depositors	-	-	515,644,329	515,644,329
Securities Sold under Repurchase Agreements	-	-	8,269,046	8,269,046
Due to Other Borrowers	-	-	6,313	6,313
Debt Securities Issued	-	-	21,612,521	21,612,521
Lease Liabilities	-	-	1,990,516	1,990,516
Other Financial Liabilities	-	-	8,795,677	8,795,677
<b>Total Financial Liabilities</b>		<b>1,208,489</b>	<b>581,580,185</b>	<b>582,788,674</b>
<b>31.12.2021</b>				
	<b>Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)</b>	<b>Financial Assets Measured at Amortised Cost</b>	<b>Total</b>
<b>Assets</b>				
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
<b>Total Financial Assets</b>	<b>5,260,054</b>	<b>39,165,399</b>	<b>549,918,009</b>	<b>594,343,462</b>
<b>Liabilities</b>				
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost</b>	<b>Total</b>
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
<b>Total Financial Liabilities</b>		<b>217,179</b>	<b>546,474,603</b>	<b>546,691,782</b>

# Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.03.2022	As at 31.12.2021	As at 31.03.2022	As at 31.12.2021

### 11.1 Product-wise Gross Loans & Advances

#### By product - Domestic Currency

Export Bills	22,378	6,987	22,378	6,987
Import Bills	67,111	50,576	67,111	50,576
Local Bills	9,589	40,209	9,589	40,209
Lease Rentals Receivable	26,181,579	26,131,228	26,181,579	26,131,228
Overdrafts	59,203,396	57,350,604	59,203,396	57,350,604
Revolving Import Loans	8,703,237	11,276,188	8,703,237	11,276,188
Packing Credit Loans	8,157,973	9,160,450	8,157,973	9,160,450
Trust Receipt Loans	1,395,333	1,553,920	1,395,333	1,553,920
Staff Loans	6,848,548	6,816,140	6,848,548	6,816,140
Housing Loans	17,853,218	17,770,634	17,853,218	17,770,634
Pawning Receivables	23,546,729	22,343,844	23,546,729	22,343,844
Refinance Loans	11,432,894	13,736,944	11,432,894	13,736,944
Credit Cards	6,376,746	6,164,893	6,376,746	6,164,893
Margin Trading	8,144,979	7,483,525	8,144,979	7,483,525
Factoring	1,535,093	1,751,686	1,535,093	1,751,686
Term Loans	253,180,726	243,215,172	253,180,726	243,215,172
<b>Total</b>	<b>432,659,529</b>	<b>424,853,000</b>	<b>432,659,529</b>	<b>424,853,000</b>

#### By product - Foreign Currency

Export Bills	3,471,919	2,945,544	3,471,919	2,945,544
Import Bills	2,020,234	480,553	2,020,234	480,553
Local Bills	10,384	16,135	10,384	16,135
Overdrafts	596,555	358,456	596,555	358,456
Revolving Import Loans	1,384,206	1,626,689	1,384,206	1,626,689
Packing Credit Loans	9,556,830	6,467,423	9,556,830	6,467,423
Housing Loans	167,764	128,130	167,764	128,130
Term Loans	38,511,907	29,029,563	38,511,907	29,029,563
<b>Total</b>	<b>55,719,799</b>	<b>41,052,493</b>	<b>55,719,799</b>	<b>41,052,493</b>
<b>Gross Loans and Advances</b>	<b>488,379,328</b>	<b>465,905,493</b>	<b>488,379,328</b>	<b>465,905,493</b>

### 11.2 Product-wise Commitments and Contingencies

#### By product - Domestic Currency

##### Commitments

Undrawn Credit Lines	107,768,035	98,042,559	107,768,035	98,042,559
Capital Commitments	239,905	202,395	241,627	202,480

##### Contingencies

Acceptances	261,596	321,542	261,596	321,542
Standby Letters of Credit	-	-	-	-
Guarantees	67,497,642	69,344,738	67,497,642	69,344,738
Documentary Credit	1,534,814	1,865,429	1,534,814	1,865,429
Bills for Collection	567,744	309,230	567,744	309,230
Forward Exchange Contracts (Net)	(21,403,624)	(17,829,153)	(21,403,624)	(17,829,153)
<b>Total</b>	<b>156,466,112</b>	<b>152,256,740</b>	<b>156,467,834</b>	<b>152,256,825</b>

#### By product - Foreign Currency

##### Commitments

Undrawn Credit Lines	14,052,305	9,384,843	14,052,305	9,384,843
Capital Commitments	428,913	262,237	428,913	262,237

##### Contingencies

Acceptances	27,927,475	19,181,427	27,927,475	19,181,427
Standby Letters of Credit	984,062	686,274	984,062	686,274
Guarantees	6,490,824	5,088,220	6,490,824	5,088,220
Documentary Credit	12,704,879	14,816,984	12,704,879	14,816,984
Bills for Collection	6,438,476	4,686,752	6,438,476	4,686,752
Forward Exchange Contracts (Net)	26,435,500	18,026,401	26,435,500	18,026,401
<b>Total</b>	<b>95,462,434</b>	<b>72,133,138</b>	<b>95,462,434</b>	<b>72,133,138</b>

<b>Total Commitments and Contingencies</b>	<b>251,928,546</b>	<b>224,389,878</b>	<b>251,930,268</b>	<b>224,389,963</b>
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## Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.03.2022	As at 31.12.2021	As at 31.03.2022	As at 31.12.2021

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

<b>Gross Loans and Advances, Commitments and Contingencies</b>	<b>740,307,874</b>	<b>690,295,371</b>	<b>740,309,596</b>	<b>690,295,456</b>
<b>Less :</b> Accumulated Impairment under Stage 1	5,177,182	3,821,385	5,177,182	3,821,385
Accumulated Impairment under Stage 2	1,642,974	2,062,238	1,642,974	2,062,238
Accumulated Impairment under Stage 3	21,093,795	18,702,989	21,093,795	18,702,989
<b>Net Loans &amp; Advances, Commitments and Contingencies</b>	<b>712,393,923</b>	<b>665,708,759</b>	<b>712,395,645</b>	<b>665,708,844</b>
<b>Movement of Impairment during the Period</b>	<b>Fom 01.01.2022 to 31.03.2022</b>	<b>From 01.01.2021 to 31.12.2021</b>	<b>Fom 01.01.2022 to 31.03.2022</b>	<b>From 01.01.2021 to 31.12.2021</b>
<b>Stage 1</b>				
Opening Balance as at 01st January	3,821,385	1,672,330	3,821,385	1,672,330
Charge/(Write back) to income statement	1,280,651	2,149,055	1,280,651	2,149,055
Other movements	75,146	-	75,146	-
<b>Closing Balance</b>	<b>5,177,182</b>	<b>3,821,385</b>	<b>5,177,182</b>	<b>3,821,385</b>
<b>Stage 2</b>				
Opening Balance as at 01st January	2,062,238	932,874	2,062,238	932,874
Charge/(Write back) to income statement	(424,234)	1,129,364	(424,234)	1,129,364
Other movements	4,970	-	4,970	-
<b>Closing Balance</b>	<b>1,642,974</b>	<b>2,062,238</b>	<b>1,642,974</b>	<b>2,062,238</b>
<b>Stage 3</b>				
Opening Balance as at 01st January	18,702,989	13,271,818	18,702,989	13,271,818
Charge/(Write back) to income statement	1,079,532	6,027,634	1,079,532	6,027,634
Reversal for Write-off during the period	(58)	(279,202)	(58)	(279,202)
Interest Accrued on Impaired Loans and Advances	(179,756)	(365,086)	(179,756)	(365,086)
Other Movement	1,491,088	47,825	1,491,088	47,825
<b>Closing Balance</b>	<b>21,093,795</b>	<b>18,702,989</b>	<b>21,093,795</b>	<b>18,702,989</b>
<b>Total Impairment</b>	<b>27,913,951</b>	<b>24,586,612</b>	<b>27,913,951</b>	<b>24,586,612</b>

## 12 Analysis of Deposits

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.03.2022	As at 31.12.2021	As at 31.03.2022	As at 31.12.2021
<b>Deposits - By product</b>				
<b>By product - Domestic Currency</b>				
Demand Deposits	32,159,763	32,573,865	32,159,763	32,573,865
Savings Deposits	116,764,136	120,614,752	116,764,136	120,614,752
Fixed Deposits	269,665,383	266,347,846	269,665,383	266,347,846
Certificate of Deposits	1,911,266	2,261,974	1,911,266	2,261,974
<b>Total</b>	<b>420,500,548</b>	<b>421,798,437</b>	<b>420,500,548</b>	<b>421,798,437</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	5,402,939	4,046,127	5,402,939	4,046,127
Savings Deposits	22,204,913	15,808,384	22,204,913	15,808,384
Fixed Deposits	67,535,929	47,000,380	67,535,929	47,000,380
<b>Total</b>	<b>95,143,781</b>	<b>66,854,891</b>	<b>95,143,781</b>	<b>66,854,891</b>
<b>Total Deposits</b>	<b>515,644,329</b>	<b>488,653,328</b>	<b>515,644,329</b>	<b>488,653,328</b>

## SEYLAN BANK PLC - DEBENTURES

	CURRENT PERIOD 01-Jan-22 to 31-Mar-22	COMPARATIVE PERIOD 01-Jan-21 to 31-Mar-21
<b>Debt (Debentures) / Equity Ratio (Times)</b>	0.42	0.34
<b>Debt (Debentures plus Long term Debt) / Equity Ratio (Times)</b>	0.51	0.48
<b>Interest Cover (Times)</b>	3.30	3.55
<b>Quick Asset Ratio (Times)</b>	0.79	0.72
<b>2016 Issue</b>		
<b>Market Prices during January to March (Ex Interest)</b>		
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	*	102.98
- Lowest Price	*	102.98
- Last Traded Price */(22/01/2021)	*	102.98
<b>Interest Yield as at Date of Last Trade</b>		
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 */(22/01/2021)	*	13.81%
<b>Yield to Maturity of Trade Done on</b>		
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 */(22/01/2021)	*	12.31%
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years		5.13%
- 7 Years	12.80%	6.15%
<b>2018 Issue</b>		
<b>Market Prices during January to March (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	*	*
<b>Interest Yield as at Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	12.51%	6.19%
- 7 Years	15.10%	6.94%
- 10 Years	15.62%	7.75%
<b>2019 Issue</b>		
<b>Market Prices during January to March (Ex Interest)</b>		
5 Year Fixed Annual - 15.00% p.a	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
<b>Interest Yield as at Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	13.88%	6.45%
<b>2021 Issue ( Debenture allotted on 12/04/2021)</b>		
5 Year Fixed Annual - 9.75% p.a	*	
5 Year Fixed Quartely -9.25 % p.a.	*	
<b>Interest Yield as at Date of Last Trade</b>	*	
<b>Yield to Maturity of Trade Done on</b>	*	
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	14.64%	

\* No trading during the period.

## Seylan Bank PLC

### Selected Performance Indicators

Item	Bank		Group	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
<b>Regulatory Capital (LKR Mn.)</b>				
Common Equity Tier I	47,488	49,027	48,695	50,052
Total (Tier I) Capital	47,488	49,027	48,695	50,052
Total Capital Base	62,067	64,551	63,146	65,448
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio ( Minimum Requirement - 7.00% )	9.78	10.72	10.02	10.92
Total Tier I Capital Ratio ( Minimum Requirement - 8.50% )	9.78	10.72	10.02	10.92
Total Capital Ratio ( Minimum Requirement - 12.50% )	12.78	14.11	13.00	14.28
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets (LKR Mn.)	128,159	120,170		
Domestic Banking Unit (LKR Mn.)	123,235	116,090		
Offshore Banking Unit (USD '000)	34,469	36,430		
Statutory Liquid Assets Ratio (%) ( Minimum Requirement 20 % )				
Domestic Banking Unit	23.32	22.84		
Offshore Banking Unit	22.65	23.30		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	97,992	94,701		
Liquidity Coverage Ratio %				
Rupee - ( Minimum Requirement - 100% )	148.11	163.02		
All Currency - ( Minimum Requirement - 100% )	117.06	132.70		
Net Stable Funding Ratio (%) ( Minimum Requirement - 100% )	106.13	109.34		
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Impaired Loans (Stage 3) Ratio (%)	3.85	3.64		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	47.74	47.84		
<b>Profitability</b>				
Interest Margin ( % )	4.34	4.05		
Return on Assets (before Tax) ( % )	0.94	1.03		
Return on Equity ( % )	8.18	9.07		