



Seylan Bank PLC

Interim Financial Statements
For the 09 Months Ended 30th September 2022

Seylan Bank Records Profit-After-Tax of Rs. 2,505 Million for the Nine Months ended 30 September 2022

The Bank closed the nine months ended 30th September 2022 with a post-tax profit of Rs. 2,505 Million, against Rs. 3,206 Million reported in the corresponding period of 2021.

Statement of Financial Performance

Net Interest income increased from Rs. 17,068 Million to Rs 27,960 Million, a growth of 63.82% over the previous year, for the 9 months ended 30th September. The Bank's net fee based income increased by 38.22%, from Rs. 3,270 Million to Rs. 4,520 Million during nine months, mainly due to increase in Trade Finance and Card Related Income.

Other income captions comprising of net gains from trading activities, net gains from de-recognition of financial Assets, net gains on foreign exchange transactions and other operating income increased by 37.13 % over the previous year, from a net gain of Rs. 1,979 Million to a net gain of Rs. 2,715 Million during the nine months of 2022. The increase is mainly from net foreign exchange revaluation gains.

Total Expenses recorded an increase of 9.75 % during the nine months, from Rs. 10,036 Million in the the previous year to Rs. 11,015 Million in 2022. Personnel expenses increased by Rs. 530 Million mainly due to increase in the staff benefits based on the collective agreement. Other Operating expenses and depreciation and amortisation expenses too increased by 10.39% due to increase in prices of purchases and services as a result of higher inflation and local currency depreciation. However, Bank will continue to take relevant measures to curtail costs with various cost initiatives.

The Bank recognised a total impairment charge of Rs. 18.8 Billion for the nine period in 2022 compared to Rs. 6.2 Billion reported in the corresponding period of last year, representing a 199.09% increase. The Bank increased the impairment provision to capture the impact on emerging global and local economic challenges and the credit risk profile of the customers.

Statement of Financial Positions

The Bank reported a marginal growth of 2.66% in net Loans and advances to Rs. 453,730 Million during the period under review. Its overall deposit base increased from Rs. 488,653 Million in December 2021 to Rs. 524,439 Million during the nine months ended 30 September 2022, with a growth of 7.32%. The Bank's CASA ratio (Current and Savings) stood at 30.25 %. Further the Bank's asset base expanded by Rs. 50,223 Million to Rs. 657,800 Million.

Key financial ratios and Indicators

Overall, with the reported performance during the nine months, Bank's Earnings Per Share (EPS) stood at Rs. 4.34. The Bank recorded a Return (profit before tax) on Assets (ROAA) of 0.74 % and Return on Equity (ROE) of 6.44 %. The Bank's Net Asset Value per share as at 30 September 2022 was Rs. 91.47 (Group Rs. 94.74).

Seylan Bank remained soundly capitalized, with the key capital adequacy ratios above the regulatory minimum requirements and recorded 10.33 % as total Tier 1 capital ratio and 13.43 % as the total capital ratio.

The Bank's Liquidity Ratios are within the statutory limits. The Statutory Liquid Assets Ratio (SLAR) of Domestic Banking Unit and Foreign Currency Banking Unit were reported as 20.60% and 23.07% respectively and the Bank's Liquidity Coverage Ratio of All Currencies and Rupees were reported as 122.92% and 201.26% respectively.

The Banks's Asset Quality Ratios of Impaired Loan (Stage 3) Ratio and the Impairment (Stage3) to Stage 3 Loans Ratio stood at 5.74% and 46.00% respectively.

Seylan Bank PLC
Income Statement

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

	Bank			(Amounts in Rupees Thousands)		
	Bank			Bank		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2022	2021	Growth %	2022	2021	Growth %
Interest Income	57,255,987	34,469,497	66.11	24,712,864	11,653,273	112.07
Less : Interest Expenses	29,296,327	17,401,818	68.35	13,604,325	5,556,310	144.84
Net Interest Income	27,959,660	17,067,679	63.82	11,108,539	6,096,963	82.20
Fee and Commission Income	4,687,867	3,376,281	38.85	1,806,666	1,124,829	60.62
Less : Fee and Commission Expenses	167,979	106,258	58.09	62,694	34,408	82.21
Net Fee and Commission Income	4,519,888	3,270,023	38.22	1,743,972	1,090,421	59.94
Net Gains/(Losses) from Trading	(901,482)	(416,524)	(116.43)	(803,233)	35,154	(2,384.90)
Net Gains from Derecognition of Financial Assets	33,770	528,905	(93.62)	31,383	84,908	(63.04)
Net Other Operating Income	3,582,234	1,867,115	91.86	1,393,177	333,836	317.32
Total Operating Income	35,194,070	22,317,198	57.70	13,473,838	7,641,282	76.33
Less : Impairment Charges	18,836,958	6,298,160	199.09	7,473,224	2,289,583	226.40
Net Operating Income	16,357,112	16,019,038	2.11	6,000,614	5,351,699	12.13
Less : Operating Expenses						
Personnel Expenses	6,249,884	5,720,242	9.26	2,129,556	1,887,298	12.84
Depreciation and Amortization Expenses	1,020,464	1,080,393	(5.55)	335,482	353,695	(5.15)
Other Expenses	3,744,188	3,235,706	15.71	1,298,065	1,045,737	24.13
Total Operating Expenses	11,014,536	10,036,341	9.75	3,763,103	3,286,730	14.49
Operating Profit before Taxes	5,342,576	5,982,697	(10.70)	2,237,511	2,064,969	8.36
Less : Value Added Tax on Financial Services	1,765,338	1,525,979	15.69	691,646	521,021	32.75
Profit before Income Tax	3,577,238	4,456,718	(19.73)	1,545,865	1,543,948	0.12
Less : Income Tax Expense	1,072,220	1,250,898	(14.28)	544,424	443,385	22.79
Profit for the Period	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)
Basic/Diluted Earnings per Ordinary Share (Rs.)	4.34	5.55	(21.86)	1.73	1.90	(9.01)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

	(Amounts in Rupees Thousands)					
	Bank			Bank		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2022	2021	Growth %	2022	2021	Growth %
Profit for the Period	2,505,018	3,205,820	(21.86)	1,001,441	1,100,563	(9.01)
Other Comprehensive Income/ (Loss), Net of Tax						
Items that are or may be Reclassified to Income Statement in Subsequent Periods						
Net Movement of Cash Flow Hedge Reserve	84,246	26,868	213.56	-	11,786	(100.00)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,723,874)	(2,325,666)	25.88	217,354	(1,216,377)	117.87
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	401,588	666,815	39.78	(64,306)	291,930	(122.03)
Items that will never be Reclassified to Income Statement in Subsequent Periods						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(867,616)	57,032	(1,621.28)	122,045	435,861	(72.00)
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	(2,105,656)	(1,574,951)	(33.70)	275,093	(476,800)	157.70
Total Comprehensive Income for the Period	399,362	1,630,869	(75.51)	1,276,534	623,763	104.65

Seylan Bank PLC

Income Statement

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

(Amounts in Rupees Thousands)

	Group			Group		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2022	2021	Growth %	2022	2021	Growth %
Interest Income	57,275,721	34,476,151	66.13	24,723,215	11,656,079	112.11
Less : Interest Expenses	29,015,316	17,173,553	68.95	13,520,937	5,480,611	146.70
Net Interest Income	28,260,405	17,302,598	63.33	11,202,278	6,175,468	81.40
Fee and Commission Income	4,687,775	3,376,016	38.86	1,806,635	1,124,816	60.62
Less : Fee and Commission Expenses	168,713	106,258	58.78	62,694	34,408	82.21
Net Fee and Commission Income	4,519,062	3,269,758	38.21	1,743,941	1,090,408	59.93
Net Gains/(Losses) from Trading	(905,768)	(414,977)	(118.27)	(805,720)	35,153	(2,392.04)
Net Gains from Derecognition of Financial Assets	33,770	528,905	(93.62)	31,383	84,908	(63.04)
Net Other Operating Income	3,533,416	1,806,592	95.58	1,424,500	353,835	302.59
Total Operating Income	35,440,885	22,492,876	57.56	13,596,382	7,739,772	75.67
Less : Impairment Charges	18,836,958	6,298,160	199.09	7,473,224	2,289,583	226.40
Net Operating Income	16,603,927	16,194,716	2.53	6,123,158	5,450,189	12.35
Less : Operating Expenses						
Personnel Expenses	6,285,091	5,751,456	9.28	2,141,497	1,897,874	12.84
Depreciation and Amortization Expenses	1,057,662	1,116,178	(5.24)	348,932	365,675	(4.58)
Other Expenses	3,778,288	3,260,723	15.87	1,314,603	1,054,470	24.67
Total Operating Expenses	11,121,041	10,128,357	9.80	3,805,032	3,318,019	14.68
Operating Profit before Taxes	5,482,886	6,066,359	(9.62)	2,318,126	2,132,170	8.72
Less : Value Added Tax on Financial Services	1,765,338	1,525,979	15.69	691,646	521,021	32.75
Profit before Income Tax	3,717,548	4,540,380	(18.12)	1,626,480	1,611,149	0.95
Less : Income Tax Expense	1,165,330	1,233,508	(5.53)	569,919	462,025	23.35
Profit for the Period	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Profit Attributable to :						
Equity Holders of the Bank	2,495,224	3,240,148	(22.99)	1,040,306	1,134,802	(8.33)
Non-Controlling Interest	56,994	66,724	(14.58)	16,255	14,322	13.50
Profit for the Period	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Basic/Diluted Earnings per Ordinary Share (Rs.)	4.32	5.61	(22.99)	1.80	1.96	(8.33)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

(Amounts in Rupees Thousands)

	Group			Group		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2022	2021	Growth %	2022	2021	Growth %
Profit for the Period	2,552,218	3,306,872	(22.82)	1,056,561	1,149,124	(8.06)
Other Comprehensive Income/ (Loss), Net of Tax						
Items that are or may be Reclassified to Income Statement in Subsequent Periods						
Net Movement of Cash Flow Hedge Reserve	84,246	26,868	213.56	-	11,786	(100.00)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,732,318)	(2,327,967)	25.59	216,992	(1,217,844)	117.82
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	402,433	667,045	(39.67)	(64,270)	292,077	(122.00)
Items that will never be Reclassified to Income Statement in Subsequent Periods						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(867,616)	57,032	(1,621.28)	122,045	435,861	(72.00)
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the Period, Net of Taxes	(2,113,255)	(1,577,022)	(34.00)	274,767	(478,120)	157.47
Total Comprehensive Income for the Period	438,963	1,729,850	(74.62)	1,331,328	671,004	98.41
Attributable to :						
Equity Holders of the Bank	384,210	1,663,737	(76.91)	1,315,169	657,072	100.16
Non-Controlling Interest	54,753	66,113	(17.18)	16,159	13,932	15.98
Total Comprehensive Income for the Period	438,963	1,729,850	(74.62)	1,331,328	671,004	98.41

Seylan Bank PLC
Statement of Financial Position

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

	Bank			Group		
	<i>As at</i>	<i>As at</i>	<i>Growth</i>	<i>As at</i>	<i>As at</i>	<i>Growth</i>
	<i>30.09.2022</i>	<i>31.12.2021</i>	<i>%</i>	<i>30.09.2022</i>	<i>31.12.2021</i>	<i>%</i>
		<i>(Audited)</i>			<i>(Audited)</i>	
Assets						
Cash and Cash Equivalents	34,593,303	16,079,054	115.15	34,593,343	16,079,094	115.14
Balances with Central Bank of Sri Lanka	15,038,940	8,725,834	72.35	15,038,940	8,725,834	72.35
Placements with Banks and Finance Companies	-	8,246,909	(100.00)	-	8,246,909	(100.00)
Derivative Financial Instruments	687,144	290,141	136.83	687,144	290,141	136.83
Financial Assets recognized through Profit or Loss						
- Measured at Fair Value	9,073,335	4,969,913	82.57	9,073,335	4,969,913	82.57
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	453,729,798	441,976,662	2.66	453,729,798	441,976,662	2.66
- Debt and Other Instruments	105,471,782	67,992,449	55.12	105,645,531	68,156,417	55.00
Financial Assets measured at Fair Value through Other Comprehensive Income	16,198,499	39,104,536	(58.58)	16,249,059	39,165,399	(58.51)
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,200	40,000	0.50	-	-	-
Property, Plant & Equipment	3,826,557	4,289,917	(10.80)	6,550,915	7,063,747	(7.26)
Right-of-use Assets	4,813,550	4,791,175	0.47	2,464,935	2,594,737	(5.00)
Investment Properties	-	-	-	879,566	870,258	1.07
Intangible Assets	517,269	592,894	(12.76)	517,269	592,894	(12.76)
Deferred Tax Assets	1,306,748	-	-	914,181	-	-
Other Assets	11,349,324	9,323,825	21.72	11,419,580	9,358,128	22.03
Total Assets	657,800,051	607,576,911	8.27	657,763,596	608,090,133	8.17
Liabilities						
Due to Banks	12,916,848	24,504,387	(47.29)	12,916,848	24,504,387	(47.29)
Derivative Financial Instruments	1,525,039	217,179	602.20	1,525,039	217,179	602.20
Financial Liabilities at Amortized Cost						
- Due to Depositors	524,439,100	488,653,328	7.32	524,439,100	488,653,328	7.32
- Due to Debt Securities Holders	21,307,185	2,662,377	700.31	21,307,185	2,662,377	700.31
- Due to Other Borrowers	8,350	7,295	14.46	8,350	7,295	14.46
Group Balances Payable	192,751	191,810	0.49	-	-	-
Debt Securities Issued	21,073,351	21,617,455	(2.52)	21,073,351	21,617,455	(2.52)
Current Tax Liabilities	2,631,156	1,623,966	62.02	2,643,542	1,611,832	64.01
Deferred Tax Liabilities	-	257,574	(100.00)	-	582,395	(100.00)
Lease Liabilities	5,068,566	4,889,598	3.66	1,967,928	2,007,245	(1.96)
Other Liabilities	15,790,853	10,898,933	44.88	15,823,071	10,939,813	44.64
Total Liabilities	604,953,199	555,523,902	8.90	601,704,414	552,803,306	8.85
Equity						
Stated Capital	19,926,453	18,323,882	8.75	19,926,453	18,323,882	8.75
Statutory Reserve Fund	2,332,549	2,332,549	-	2,332,549	2,332,549	-
Fair Value through Other Comprehensive Income Reserve	(881,202)	(245,179)	259.41	(912,593)	(271,212)	236.49
Retained Earnings	29,299,656	29,196,617	0.35	30,060,594	29,967,349	0.31
Other Reserves	2,169,396	2,445,140	(11.28)	3,329,922	3,605,666	(7.65)
Total Shareholders' Equity	52,846,852	52,053,009	1.53	54,736,925	53,958,234	1.44
Non-controlling Interest	-	-	-	1,322,257	1,328,593	(0.48)
Total Equity	52,846,852	52,053,009	1.53	56,059,182	55,286,827	1.40
Total Equity & Liabilities	657,800,051	607,576,911	8.27	657,763,596	608,090,133	8.17
Contingent Liabilities and Commitments	173,704,979	224,389,878	(22.59)	173,714,731	224,389,963	(22.58)
Memorandum Information						
Number of Employees	3,189	3,148	1.30	3,209	3,167	1.33
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	91.47	97.44	(6.13)	94.74	101.01	(6.21)

Certification;

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

(Sgd.)
Champika Dodanwela (Ms.)

Chief Financial Officer

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

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

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

(Sgd.)
W.M.R.S.Dias

Chairman

November 10, 2022

Colombo

(Sgd.)
Kapila Ariyaratne

Director/Chief Executive Officer

Seylan Bank PLC
Statement of Changes in Equity
For the Nine Months ended 30th September - Bank

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
1 Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,975
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	3,205,820	-	-	-	3,205,820
Other Comprehensive Income (Net of Tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,658,851)	-	(1,658,851)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	57,032	-	57,032
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,868	26,868
2 Total Comprehensive Income for the Period	-	-	-	3,205,820	-	(1,601,819)	26,868	1,630,869
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,237	-	-	-	9,237
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)	-	-
3 Total Transactions with Equity Holders	385,076	390,459	-	540,659	-	(872,522)	(434,435)	9,237
Balance as at 30th September 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,103,522	28,429,703	858,312	(189,009)	1,080,671	50,607,081
1 Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,028,282	1,468,822	(245,179)	976,318	50,884,674
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,505,018	-	-	-	2,505,018
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,322,286)	-	(1,322,286)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,505,018	-	(2,189,902)	84,246	399,362
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years				(459)				(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	29,299,656	1,468,822	(881,202)	700,574	52,846,852

* 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 Nine Months ended 30th September - Group

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves **			
1 Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,599
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	3,240,148	-	-	-	3,240,148	66,724	3,306,872
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,660,311)	-	(1,660,311)	(611)	(1,660,922)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	57,032	-	57,032	-	57,032
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,868	26,868	-	26,868
2 Total Comprehensive Income for the Period	-	-	-	3,240,148	-	(1,603,279)	26,868	1,663,737	66,113	1,729,850
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-	(52,362)	(52,362)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,237	-	-	-	9,237	-	9,237
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	464
3 Total Transactions with Equity Holders	385,076	390,459	-	540,986	-	(872,522)	(434,435)	9,564	(52,225)	(42,661)
Balance as at 30th September 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,103,522	29,162,743	1,735,867	(218,774)	1,335,884	52,443,124	1,299,664	53,742,788
1 Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,328,593	55,286,827
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,799,014	2,374,135	(271,212)	1,231,531	52,789,899	1,328,593	54,118,492
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	2,495,224	-	-	-	2,495,224	56,994	2,552,218
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,327,644)	-	(1,327,644)	(2,241)	(1,329,885)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	-	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,495,224	-	(2,195,260)	84,246	384,210	54,753	438,963
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-	-	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275	-	1,563,275
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(459)	-	-	-	(459)	-	(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816	(61,089)	1,501,727
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	30,060,594	2,374,135	(912,593)	955,787	54,736,925	1,322,257	56,059,182

* 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 Nine months ended 30th September

	Bank		Group	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
Cash Flows from Operating Activities				
Interest Receipts	52,654,176	30,452,784	52,673,910	30,459,438
Interest Payments	(22,827,750)	(16,918,554)	(22,823,002)	(16,916,439)
Net Commission Receipts	4,519,888	3,270,023	4,519,062	3,269,758
Trading Income	137,334	8,322	133,048	9,869
Payments to Employees	(5,926,672)	(5,292,541)	(5,955,239)	(5,317,364)
VAT on Financial Services Paid	(1,701,379)	(1,692,445)	(1,701,379)	(1,692,445)
Receipts from Other Operating Activities	14,249,757	2,658,378	14,347,004	2,723,054
Payments on Other Operating Activities	(3,606,997)	(2,328,247)	(3,657,487)	(2,353,264)
Operating Profit before Changes in Operating Assets and Liabilities	37,498,357	10,157,720	37,535,917	10,182,607
(Increase)/Decrease in Operating Assets :				
Balances with Central Bank of Sri Lanka	(6,313,106)	(7,797,643)	(6,313,106)	(7,797,643)
Financial Assets at Amortized Cost - Loans and Advances	(21,891,973)	(38,041,645)	(21,891,973)	(38,041,645)
Other Assets	(1,115,429)	(461,365)	(999,005)	(520,642)
Increase/(Decrease) in Operating Liabilities :				
Financial Liabilities at Amortized Cost - Due to Depositors	31,660,465	13,016,291	31,660,465	13,016,291
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	18,620,577	10,590,770	18,620,577	10,590,770
Financial Liabilities at Amortized cost - Due to Other Borrowers	1,055	(6,360)	1,055	(6,360)
Other Liabilities	(6,714,228)	170,834	(6,926,489)	205,640
Due to Banks	(11,587,539)	(3,346,387)	(11,587,539)	(3,346,387)
Cash (Used in) /Generated from Operating Activities before Income Tax	40,158,179	(15,717,785)	40,099,902	(15,717,369)
Income Tax Paid	(2,889,767)	(1,020,249)	(2,889,767)	(1,020,249)
Net Cash (Used in) / Generated from Operating Activities	37,268,412	(16,738,034)	37,210,135	(16,737,618)
Cash flows from Investing Activities				
Purchase of Property , Plant and Equipment	(78,347)	(101,172)	(78,619)	(126,258)
Improvements in Investment Properties	-	-	(27,888)	(7,982)
Proceeds from Sale of Property , Plant and Equipment	1,910	4,838	1,910	4,838
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	(8,164,654)	14,129,011	(8,164,654)	14,129,011
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	4,884	717,640	6,743	729,717
Reverse Repurchase Agreements maturing after Three Months	-	348	-	348
Net Purchase of Intangible Assets	(63,015)	(72,259)	(63,015)	(72,259)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	146,065	125,199	-	-
Dividend Received from Other Investments	8,357	24,632	8,357	24,632
Net Cash (Used in) / Generated from Investing Activities	(8,144,800)	14,828,237	(8,317,166)	14,682,047
Cash Flows from Financing Activities				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	-	6,000,000	-	6,000,000
Repayment of Subordinated Debt	-	(1,727,720)	-	(1,727,720)
Interest Paid on Subordinated Debt	(2,485,316)	(2,157,495)	(2,472,452)	(2,144,630)
Interest Paid on Un-subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(2,027)	(53)
Dividend Paid to Shareholders of the Bank	(391)	(123)	(391)	(123)
Dividend paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(599,548)	(567,579)	(370,459)	(353,991)
Net Cash (Used in) / Generated from Financing Activities	(3,085,255)	1,547,083	(2,845,329)	1,773,483
Net Increase / (Decrease) in Cash and Cash Equivalents	26,038,357	(362,714)	26,047,640	(282,088)
Cash and Cash Equivalents at Beginning of the Year	44,039,917	37,515,866	44,204,423	37,516,404
Cash and Cash Equivalents at End of the Period	70,078,274	37,153,152	70,252,063	37,234,316
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	34,714,109	20,846,342	34,714,149	20,846,382
Placements with Banks and Finance Companies	-	2,104,558	-	2,105,056
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	32,172,329	12,370,802	32,346,078	12,451,428
Securities Purchased under Resale Agreements maturing within Three Months	3,191,836	1,831,450	3,191,836	1,831,450
	70,078,274	37,153,152	70,252,063	37,234,316

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 were done in 2nd Quarter 2022 on Reclassification of debt portfolio and Surcharge Tax.

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%).

Covid 19 Impact and macro-economic conditions

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

2. Information on Ordinary Shares

Market Price (Rs.)	30/09/2022		30/09/2021	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	31.00	19.50	47.10	37.00
Highest price per share during the quarter ended	35.00	24.00	52.00	42.00
Lowest price per share during the quarter ended	26.00	14.00	44.50	34.90

Stated Capital as at September 30, 2022	No of Shares	Stated Capital Rs. '000
Ordinary Voting	282,704,760	12,314,065
Ordinary Non-Voting	295,071,313	7,612,388
Total	577,776,073	19,926,453

3. Shareholders Information

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

	No. of Shares	%
1 Brown & Company PLC A/C No. 01	29,618,949	10.48
2 Sri Lanka Insurance Corporation Ltd - General Fund *	28,270,471	10.00
3 Employees Provident Fund	27,867,655	9.86
4 Mr. K D D Perera	26,836,320	9.49
5 Sampath Bank PLC/LOLC Investments Ltd	26,451,501	9.36
6 National Development Bank PLC	24,665,595	8.72
7 Seylan Bank Employees' Gratuity Trust Fund	18,225,523	6.45
8 Bank of Ceylon No. 1 Account	15,902,140	5.62
9 Sri Lanka Insurance Corporation Ltd - Life Fund *	14,135,233	5.00
10 People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd	10,803,234	3.82
11 Sampath Bank PLC/ Brown and Company PLC	9,606,146	3.40
12 Employees' Trust Fund Board	6,011,538	2.13
13 Finco Holdings (Pvt) Ltd	3,119,839	1.10
14 NDB Capital Holdings Limited A/C No. 02	2,863,435	1.01
15 Sisil Investment Holdings (Pvt) Ltd	2,673,563	0.95
16 Asiri Hospitals Holdings PLC	2,139,534	0.76
17 Mr. M J Fernando	1,427,558	0.50
18 Mr. R R Leon	1,337,803	0.47
19 Mr. K R B Fernando	1,223,238	0.43
20 J.B. Cocoshell(Pvt) Ltd	788,091	0.28

* 15% shareholding of Sri Lanka Insurance Corporation Ltd (SLIC) is presented as General Fund - 10% and Life Fund - 5% separately. No change to the total shareholding.

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

	No. of Shares	%
1 LOLC Holdings PLC	152,262,646	51.60
2 Employees' Provident Fund	15,738,986	5.33
3 Sri Lanka Insurance Corporation Ltd - Life Fund	9,882,823	3.35
4 Don and Don Holdings (Pvt) Ltd	9,874,165	3.35
5 Akbar Brothers Pvt Ltd A/C No. 01	6,337,096	2.15
6 Pershing LLC S/A Averbach Grauson & Co	4,053,725	1.37
7 People's Leasing & Finance PLC/ Don and Don Holdings (Pvt) Ltd	4,008,997	1.36
8 Employees' Trust Fund Board	3,522,251	1.19
9 Merrill J Fernando & Sons (Pvt) Limited	3,277,637	1.11
10 Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	2,946,772	1.00
11 Mr. R R Leon	2,706,900	0.92
12 LOLC Technology Services Limited	2,576,643	0.87
13 Mr. N. Balasingam	2,308,455	0.78
14 Sri Lanka Insurance Corporation Ltd - General Fund	2,083,833	0.71
15 Mr. R. Gautam	1,656,310	0.56
16 Mr. M J Fernando	1,615,464	0.55
17 Dr. S Yaddehige	1,387,883	0.47
18 Ms. S Durga	1,371,362	0.46
19 Mr. D N N Lokuge	1,361,938	0.46
20 Askold (Pvt) Ltd	1,202,899	0.41

3.3 Public Holdings as at September 30, 2022

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

Float adjusted market capitalization	- Rs. 4.806 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,127

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

<u>Name of Director</u>	<u>No of Shares</u> (Ordinary Voting)	<u>No of Shares</u> (Ordinary Non-Voting)
Mr. W M R S Dias, Non-Executive Director / Chairman	Nil	Nil
Mr. K P Ariyaratne, Director/Chief Executive Officer	71,031	242,749
Mr. S V Corea, Non-Executive Director	108	Nil
Mr. A S Wijesinha, Independent Director / Senior Director	Nil	Nil
Ms. S K Salgado, Independent Director	Nil	Nil
Mr. D M D K Thilakaratne, Non-Executive Director	Nil	Nil
Mr. D R Abeysuriya, Independent Director	Nil	Nil
Mr. D M Rupasinghe, Independent Director	Nil	Nil
Mr. L H A L Silva, Independent Director	Nil	Nil
Ms. V G S S Kotakadeniya, Non-Executive Director	Nil	Nil
Ms. A A Ludowyke, Independent Director	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 nine months ended September 30, 2022. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at September 30, 2021 has been restated based on the no of shares issued for Scrip Dividend for 2021.

6. Events after the Reporting Date

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

7. Other Matters

7.1 Gratuity

The Bank has not recognized an additional gratuity liability in the financial statement for 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 77.60 Mn. (net of tax) as of September 30, 2022.

7.2 Expected Credit Loss Computation

The Bank's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) as at September 30, 2022 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections.

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 the moratorium schemes introduced to support the recovery.

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

7.3 Proposed Change to Income Tax Rate

As per the proposed Inland Revenue Bill, it has been mentioned to increase Income Tax Rate from 24% to 30% and said revision was not considered for computation of Deferred Tax as of the reporting date, since the bill was not enacted.

7.4 Changes to the Directorships

- 1) Mr. L H A Lakshman Silva was appointed as an Independent Non-Executive Director of the Bank with effect from 18th July 2022.
- 2) Mr. W D K Jayawardena, Deputy Chairman/Non-Executive Director retired from the Bank on 31st July 2022 in terms of Section 3(2)(ii) of the Banking Act Direction No.11 of 2007 on Corporate Governance for Licensed Commercial Banks in Sri Lanka (as amended) having served as a Director for a period of nine years.
- 3) Ms. V G S S Kotakadeniya who was the Alternate Director to Mr W D K Jayawardena, ceased to be an Alternate Director with effect from 31st July 2022.
- 4) Ms. V G S S Kotakadeniya was appointed as a Non-Executive Director of the Bank with effect from 17th August 2022.
- 5) Ms. A A Ludowyke was appointed as an Independent Non-Executive Director of the Bank with effect from 17th August 2022.
- 6) Ms. M C Pietersz, Independent Non-Executive Director/Senior Director retired from the Bank on 22nd September 2022 in terms of Section 3(2) (ii) of the Banking Act Direction No.11 of 2007 on Corporate Governance for Licensed Commercial Banks in Sri Lanka (as amended) having served as a Director for a period of nine years.
- 7) Mr. A S Wijesinha, Independent, Non-Executive Director of the Board was designated as the "Senior Director" in compliance with Section 3(5)(ii) of the Banking Act Directions No. 11 of 2007 on Corporate Governance (as amended), with effect from 23rd September 2022.

8. Comparative Figures

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

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

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

Seylan Bank PLC
9. Segment Reporting (Group)

(Amounts in Rupee Thousands)

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Interest Income	46,258,763	27,659,663	11,245,724	7,230,891	37,730	21,648	(266,496)	(436,051)	57,275,721	34,476,151
Interest Expense	25,112,676	16,322,154	4,009,288	972,566	384	14	(107,032)	(121,181)	29,015,316	17,173,553
Net Interest Income	21,146,087	11,337,509	7,236,436	6,258,325	37,346	21,634	(159,464)	(314,870)	28,260,405	17,302,598
Fee and Commission Income	4,662,303	3,352,077	5,542	3,686	-	-	19,930	20,253	4,687,775	3,376,016
Fee and Commission Expense	145,736	86,474	22,243	19,784	734	-	-	-	168,713	106,258
Net Fee and Commission Income	4,516,567	3,265,603	(16,701)	(16,098)	(734)	-	19,930	20,253	4,519,062	3,269,758
Net Gains/(Losses) from Trading	-	-	(901,482)	(416,524)	(4,286)	1,547	-	-	(905,768)	(414,977)
Net Gains from Derecognition of Financial Assets	-	-	33,770	528,905	-	-	-	-	33,770	528,905
Net Other Operating Income	182,086	133,457	3,248,632	1,928,470	306,540	263,715	(203,842)	(519,050)	3,533,416	1,806,592
Inter Segment Revenue	(52,789)	(55,678)	-	-	-	-	52,789	55,678	-	-
Total Operating Income	25,791,951	14,680,891	9,600,655	8,283,078	338,866	286,896	(290,587)	(757,989)	35,440,885	22,492,876
Depreciation and Amortisation Expenses	610,545	670,268	10,433	4,292	886	822	435,798	440,796	1,057,662	1,116,178
Impairment Charge for the Period	13,797,010	6,417,829	5,039,948	(119,669)	-	-	-	-	18,836,958	6,298,160
Operating Expenses & VAT on Financial Services	7,911,287	7,527,984	2,049,106	1,315,466	69,870	57,144	1,798,454	1,637,564	11,828,717	10,538,158
Reportable Segment Profit Before Income Tax	3,473,109	64,810	2,501,168	7,082,989	268,110	228,930	(2,524,839)	(2,836,349)	3,717,548	4,540,380
Income Tax Expense									1,165,330	1,233,508
Profit For The Period									2,552,218	3,306,872
Profit Attributable To:										
Equity Holders of The Bank									2,495,224	3,240,148
Non-Controlling Interests									56,994	66,724
Profit For The Period									2,552,218	3,306,872
Other Comprehensive Income, Net of Income Tax									(2,113,255)	(1,577,022)
Other Information										
Total Assets	451,263,846	422,909,829	177,627,332	134,994,736	6,070,605	5,974,238	22,801,813	20,255,812	657,763,596	584,134,615
Total Liabilities & Equity	530,358,906	460,889,897	102,025,173	88,214,933	6,070,605	5,974,238	19,308,912	29,055,547	657,763,596	584,134,615
Cash Flows from Operating Activities	31,714,416	(21,420,398)	7,551,549	6,967,612	223,067	212,518	(2,278,897)	(2,497,350)	37,210,135	(16,737,618)
Cash Flows from Investing Activities	45,066	(87,667)	(8,159,066)	14,994,580	5,526	36,947	(208,692)	(261,813)	(8,317,166)	14,682,047
Cash Flows from Financing Activities	(599,548)	(567,579)	(2,485,316)	2,114,785	(207,151)	(177,558)	446,686	403,835	(2,845,329)	1,773,483
Capital Expenditure	(101,528)	(92,736)	(7,653)	(2,250)	(28,160)	(33,068)	(32,181)	(78,445)	(169,522)	(206,499)

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)				
30.09.2022				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	34,593,303	34,593,303
Balances with Central Bank of Sri Lanka	-	-	15,038,940	15,038,940
Derivative Financial Instruments	687,144	-	-	687,144
Securities Purchased under Resale Agreements	-	-	3,191,836	3,191,836
Customer Loans and Advances	-	-	453,729,798	453,729,798
Debt Instruments	-	-	919,578	919,578
Equity Instruments	-	1,853,240	-	1,853,240
Government Securities	9,073,335	14,345,259	101,360,368	124,778,962
Group Balances Receivable	-	-	40,200	40,200
Other Financial Assets	-	-	8,769,505	8,769,505
Total Financial Assets	9,760,479	16,198,499	617,643,528	643,602,506
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
Liabilities				
Due to Banks	-	-	12,916,848	12,916,848
Derivative Financial Instruments	-	1,525,039	-	1,525,039
Due to Depositors	-	-	524,439,100	524,439,100
Securities Sold under Repurchase Agreements	-	-	21,307,185	21,307,185
Due to Other Borrowers	-	-	8,350	8,350
Group Balances Payable	-	-	192,751	192,751
Debt Securities Issued	-	-	21,073,351	21,073,351
Lease Liabilities	-	-	5,068,566	5,068,566
Other Financial Liabilities	-	-	9,458,578	9,458,578
Total Financial Liabilities		1,525,039	594,464,729	595,989,768

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

Seylan Bank PLC
10 Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)				
30.09.2022				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	34,593,343	34,593,343
Balances with Central Bank of Sri Lanka	-	-	15,038,940	15,038,940
Derivative Financial Instruments	687,144	-	-	687,144
Securities Purchased under Resale Agreements	-	-	3,191,836	3,191,836
Customer Loans and Advances	-	-	453,729,798	453,729,798
Debt Instruments	-	50,560	919,578	970,138
Equity Instruments	-	1,853,240	-	1,853,240
Government Securities	9,073,335	14,345,259	101,534,117	124,952,711
Other Financial Assets	-	-	8,799,737	8,799,737
Total Financial Assets	9,760,479	16,249,059	617,807,349	643,816,887
Liabilities				
Due to Banks	-	-	12,916,848	12,916,848
Derivative Financial Instruments	-	1,525,039	-	1,525,039
Due to Depositors	-	-	524,439,100	524,439,100
Securities Sold under Repurchase Agreements	-	-	21,307,185	21,307,185
Due to Other Borrowers	-	-	8,350	8,350
Debt Securities Issued	-	-	21,073,351	21,073,351
Lease Liabilities	-	-	1,967,928	1,967,928
Other Financial Liabilities	-	-	9,514,663	9,514,663
Total Financial Liabilities	-	1,525,039	591,227,425	592,752,464
31.12.2021				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
Assets				
Cash and Cash Equivalents	-	-	16,079,094	16,079,094
Balances with Central Bank of Sri Lanka	-	-	8,725,834	8,725,834
Placements with Banks and Finance Companies	-	-	8,246,909	8,246,909
Derivative Financial Instruments	290,141	-	-	290,141
Securities Purchased under Resale Agreements	-	-	10,029,031	10,029,031
Customer Loans and Receivables	-	-	441,976,662	441,976,662
Debt Instruments	-	60,863	897,371	958,234
Equity Instruments	-	2,735,210	-	2,735,210
Government Securities	4,969,913	36,369,326	57,230,015	98,569,254
Other Financial Assets	-	-	6,733,093	6,733,093
Total Financial Assets	5,260,054	39,165,399	549,918,009	594,343,462
Liabilities				
Due to Banks	-	-	24,504,387	24,504,387
Derivative Financial Instruments	-	217,179	-	217,179
Due to Depositors	-	-	488,653,328	488,653,328
Securities Sold under Repurchase Agreements	-	-	2,662,377	2,662,377
Due to other Borrowers	-	-	7,295	7,295
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	2,007,245	2,007,245
Other Financial Liabilities	-	-	7,022,516	7,022,516
Total Financial Liabilities	-	217,179	546,474,603	546,691,782

Seylan Bank PLC

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

(Amounts in Rupees Thousands)

	Bank		Group	
	As at	As at	As at	As at
	30.09.2022	31.12.2021	30.09.2022	31.12.2021

11.1 Product-wise Gross Loans & Advances

By product - Domestic Currency

Export Bills	73,100	6,987	73,100	6,987
Import Bills	632,435	50,576	632,435	50,576
Local Bills	23,401	40,209	23,401	40,209
Lease Rentals Receivable	24,264,378	26,131,228	24,264,378	26,131,228
Overdrafts	64,533,426	57,350,604	64,533,426	57,350,604
Revolving Import Loans	12,445,296	11,276,188	12,445,296	11,276,188
Packing Credit Loans	7,232,652	9,160,450	7,232,652	9,160,450
Trust Receipt Loans	919,245	1,553,920	919,245	1,553,920
Staff Loans	7,518,262	6,816,140	7,518,262	6,816,140
Housing Loans	17,836,162	17,770,634	17,836,162	17,770,634
Pawning Receivables	30,468,563	22,343,844	30,468,563	22,343,844
Refinance Loans	8,535,153	13,736,944	8,535,153	13,736,944
Credit Cards	6,629,279	6,164,893	6,629,279	6,164,893
Margin Trading	6,171,888	7,483,525	6,171,888	7,483,525
Factoring	1,647,543	1,751,686	1,647,543	1,751,686
Term Loans	236,387,559	243,215,172	236,387,559	243,215,172
Total	425,318,342	424,853,000	425,318,342	424,853,000

By product - Foreign Currency

Export Bills	4,885,441	2,945,544	4,885,441	2,945,544
Import Bills	923,866	480,553	923,866	480,553
Local Bills	9,255	16,135	9,255	16,135
Overdrafts	788,523	358,456	788,523	358,456
Revolving Import Loans	642,896	1,626,689	642,896	1,626,689
Packing Credit Loans	15,086,588	6,467,423	15,086,588	6,467,423
Housing Loans	184,782	128,130	184,782	128,130
Term Loans	43,924,734	29,029,563	43,924,734	29,029,563
Total	66,446,085	41,052,493	66,446,085	41,052,493
Gross Loans and Advances	491,764,427	465,905,493	491,764,427	465,905,493

11.2 Product-wise Commitments and Contingencies

By product - Domestic Currency

Commitments				
Undrawn Credit Lines	71,005,166	98,042,559	71,005,166	98,042,559
Capital Commitments	247,273	202,395	257,025	202,480
Contingencies				
Acceptances	360,366	321,542	360,366	321,542
Standby Letters of Credit	-	-	-	-
Guarantees	64,431,823	69,344,738	64,431,823	69,344,738
Documentary Credit	987,573	1,865,429	987,573	1,865,429
Bills for Collection	497,313	309,230	497,313	309,230
Forward Exchange Contracts (Net)	(12,783,316)	(17,829,153)	(12,783,316)	(17,829,153)
Total	124,746,198	152,256,740	124,755,950	152,256,825

By product - Foreign Currency

Commitments				
Undrawn Credit Lines	2,119,360	9,384,843	2,119,360	9,384,843
Capital Commitments	482,222	262,237	482,222	262,237
Contingencies				
Acceptances	12,660,476	19,181,427	12,660,476	19,181,427
Standby Letters of Credit	1,060,880	686,274	1,060,880	686,274
Guarantees	8,063,589	5,088,220	8,063,589	5,088,220
Documentary Credit	5,495,178	14,816,984	5,495,178	14,816,984
Bills for Collection	7,254,585	4,686,752	7,254,585	4,686,752
Forward Exchange Contracts (Net)	11,822,491	18,026,401	11,822,491	18,026,401
Total	48,958,781	72,133,138	48,958,781	72,133,138
Total Commitments and Contingencies	173,704,979	224,389,878	173,714,731	224,389,963

Seylan Bank PLC

Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands)

	Bank		Group	
	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021

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

Gross Loans and Advances, Commitments and Contingencies	665,469,406	690,295,371	665,479,158	690,295,456
Less : Accumulated Impairment under Stage 1	8,193,532	4,033,196	8,193,532	4,033,196
Accumulated Impairment under Stage 2	4,195,785	2,062,238	4,195,785	2,062,238
Accumulated Impairment under Stage 3	27,625,005	19,167,988	27,625,005	19,167,988
Net Loans & Advances, Commitments and Contingencies	625,455,084	665,031,949	625,464,836	665,032,034
Movement of Impairment during the Period	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 31.12.2021	From 01.01.2022 to 30.09.2022	From 01.01.2021 to 31.12.2021
Stage 1				
Opening Balance as at 01st January	4,033,196	1,672,330	4,033,196	1,672,330
Charge/(Write back) to Income Statement	4,023,262	2,360,866	4,023,262	2,360,866
Other movements	137,074	-	137,074	-
Closing Balance	8,193,532	4,033,196	8,193,532	4,033,196
Stage 2				
Opening Balance as at 01st January	2,062,238	932,874	2,062,238	932,874
Charge/(Write back) to Income Statement	2,124,430	1,129,364	2,124,430	1,129,364
Other movements	9,117	-	9,117	-
Closing Balance	4,195,785	2,062,238	4,195,785	2,062,238
Stage 3				
Opening Balance as at 01st January	19,167,988	13,271,818	19,167,988	13,271,818
Charge/(Write back) to Income Statement	7,649,309	6,483,530	7,649,309	6,483,530
Reversal for Write-off during the Period	(61,020)	(279,202)	(61,020)	(279,202)
Interest Accrued on Impaired Loans and Advances	(633,675)	(355,983)	(633,675)	(355,983)
Other Movement	1,502,403	47,825	1,502,403	47,825
Closing Balance	27,625,005	19,167,988	27,625,005	19,167,988
Total Impairment	40,014,322	25,263,422	40,014,322	25,263,422

12 Analysis of Deposits

(Amounts in Rupees Thousands)

	Bank		Group	
	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
Deposits - By product				
By product - Domestic Currency				
Demand Deposits	26,909,568	32,573,865	26,909,568	32,573,865
Savings Deposits	98,554,020	120,614,752	98,554,020	120,614,752
Fixed Deposits	289,801,451	266,347,846	289,801,451	266,347,846
Certificate of Deposits	1,624,275	2,261,974	1,624,275	2,261,974
Total	416,889,314	421,798,437	416,889,314	421,798,437
By product - Foreign Currency				
Demand Deposits	6,442,855	4,046,127	6,442,855	4,046,127
Savings Deposits	26,722,562	15,808,384	26,722,562	15,808,384
Fixed Deposits	74,384,369	47,000,380	74,384,369	47,000,380
Total	107,549,786	66,854,891	107,549,786	66,854,891
Total Deposits	524,439,100	488,653,328	524,439,100	488,653,328

Seylan Bank PLC

Selected Performance Indicators

Item	Bank		Group	
	30.09.2022	31.12.2021	30.09.2022	31.12.2021
Regulatory Capital (LKR Mn.)				
Common Equity Tier I	48,301	49,027	49,671	50,052
Total (Tier I) Capital	48,301	49,027	49,671	50,052
Total Capital Base	62,840	64,551	64,081	65,448
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	10.33	10.72	10.61	10.92
Total Tier I Capital Ratio (Minimum Requirement - 8.50%)	10.33	10.72	10.61	10.92
Total Capital Ratio (Minimum Requirement - 12.50%)	13.43	14.11	13.68	14.28
Regulatory Liquidity				
Statutory Liquid Assets (LKR Mn.)	121,083	120,170		
Domestic Banking Unit (LKR Mn.)	116,919	116,090		
Offshore Banking Unit (USD '000)	33,459	36,430		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %)				
Domestic Banking Unit	20.60	22.84		
Offshore Banking Unit	23.07	23.30		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	79,790	94,701		
Liquidity Coverage Ratio %				
Rupee - (Minimum Requirement - 90% (2021 - 100%))	201.26	163.02		
All Currency - (Minimum Requirement - 90% (2021 - 100%))	122.92	132.70		
Net Stable Funding Ratio (%) (Minimum Requirement - 90% (2021 - 100%))	111.79	109.34		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	5.74	3.64		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	46.00	47.84		
Profitability				
Interest Margin (%)	5.79	4.05		
Return on Assets (before Tax) (%)	0.74	1.03		
Return on Equity (%)	6.44	9.07		

SEYLAN BANK PLC - DEBENTURES

	CURRENT PERIOD 01-Jul-22 to 30-Sep-22	COMPARATIVE PERIOD 01-Jul-21 to 30-Sep-21
Debt (Debentures) / Equity Ratio (Times)	0.40	0.42
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.50	0.48
Interest Cover (Times)	2.85	3.35
Quick Asset Ratio (Times)	0.84	0.79
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)		*
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	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 13.00% p.a (Debenture Matured and Redeemed on 15/07/2021)		*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture Matured and Redeemed on 15/07/2021)		*
7 Year Fixed Semi Annual - 13.75% p.a	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Semi Annual - 13.00% p.a (Debenture Matured and Redeemed on 15/07/2021)		*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5% (Debenture Matured and Redeemed on 15/07/2021)		*
7 Year Fixed Semi Annual - 13.75% p.a	*	*
Interest Rate of Comparable Government Security		
- 7 Years	23.55%	7.45%
2018 Issue		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a	*	*
10 Year Fixed Semi Annual - 13.50% p.a	*	*
Interest Yield as at Date of Last Trade	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security		
- 5 Years	23.48%	7.67%
- 7 Years	25.86%	9.18%
- 10 Years	26.87%	10.06%
2019 Issue		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Annual - 15.00% p.a	*	*
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	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 15.00% p.a	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Rate of Comparable Government Security		
- 5 Years	25.06%	8.14%
2021 Issue		
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	26.03%	9.21%

* No trading during the period.