SEYLAN BANK PLC FINANCIAL STATEMENTS Three months anded 31st March 2010



	Three	mon	ths (ende	d 31s	st Ma	urch, 2019		-	anna enante e	S F CORDER
INCOME STATEMENT				(Amount in	n Rupees Th	ousands)	CASH FLOW STATEMENT		(Al	mount in Rupees	· · · · · · · · · · · · · · · · · · ·
(In terms of Rule 7.4 of the Colombo Stock Exchange)		BANK			GROUP		For the Three Months ended 31st March	BAI 2019	2018	GR0 2019	UP 2018
	For the three	e months ended 3	31st March	For the three	e months ended	31st March	Cash Flows from Operating Activities				
	2019	2018	Growth %	2019	2018	Growth %	Interest receipts	13.598.498	11,612,729	13.600.440	11.612.843
		(Restated)			(Restated)		Interest payments	(7,746,321)	(7,082,202)	(7,743,403)	(7,056,456)
Interest Income	13,627,840	11,472,368	18.79	13,629,782	11,472,482	18.80	Net commission receipts Trading income	966,367 12,498	1,043,202 53,599	965,393 11,912	1,043,703 53,599
Less: Interest Expenses	9,140,627	7,205,873	26.85	9,134,541	7,180,127	27.22	Payments to employees VAT & NBT on financial services & DRL	(1,487,734)	(820,129)	(1,489,013)	(1,140,760) (431,861)
Net Interest Income	4,487,213	4,266,495	5.17	4,495,241	4,292,355	4.73	Receipts from other operating activities	(618,206) 1,126,538	526,096	(618,206) 1,143,320	465,604
							Payments on other operating activities Operating profit before changes in operating assets and liabilities	(1,115,017) 4,736,623	(1,806,453) 3,082,702	(1,069,384) 4,801,059	(1,470,732) 3,075,940
Fee and Commission Income	1,020,289	1,043,918	(2.26)		1,043,703	(2.24)		4,700,020	0,002,702	4,001,003	0,010,340
Less: Fee and Commission Expenses	53,922	48,464	11.26	54,893	49,512	10.87	(Increase)/decrease in operating assets: Balances with Central Bank of Sri Lanka	3.285.673	1.196.918	3.285.673	1.196.918
Net Fee and Commission Income	966,367	995,454	(2.92)	965,393	994,191	(2.90)	Financial assets at amortised cost - loans & advances	(10,586,744)	(8,710,002)	(10,586,744)	(8,710,002)
							Other assets	149,474	44,004	310,330	135,894
Net Gains/(Losses) from Trading/Net Fair Value Gains/(Losses)		105 100	(0.5.1.5.	(000 000	10-0-1	(000 00)	Increase/(decrease) in operating liabilities: Financial liabilities at amortised cost - due to depositors	8.718.865	3.734.009	8,718,865	3,734,009
from Financial Instruments at Fair Value through Profit or Loss	(621,742)	105,130	(691.40)	(622,328)	105,054	(692.39)	Financial liabilities at amortised cost - due to depositors	107,010	(3,788,486)	107,010	(3,788,486)
Net Gains/(Losses) from Derecognition of Financial Assets at Fair							Financial liabilities at amortised cost - due to other borrowers Other liabilities	(2,635) 1,728,785	(848) (1,138,958)	(2,635) 1,553,550	(848) (109,612)
Value through Other Comprehensive Income	56,049	33,368	67.97	56,049	33,368	67.97	Due to banks	(3,790,354)	(740,687)	(3,790,354)	(740,687)
Net Other Operating Income	933,933	219,880	324.75	860,974	159,388	440.17	Cash (used in)/generated from operating activities before income tax	4,346,697 (467,082)	(6,321,348) (377,993)	4,396,754 (467,449)	(5,206,874) (378,264)
	368,240	358,378	2.75	294,695	297,810	(1.05)	Net cash (used in)/generated from operating activities	3,879,615	(6,699,341)	3,929,305	(5,585,138)
Total Operating Income	5,821,820	5,620,327	3.59	5,755,329	5,584,356	3.06	Cash flows from investing activities				
							Purchase of property, plant & equipment	(101,847)	(92,342)	(101,847)	(101,689)
Impairment Charges	589,236	982,226	(40.01)	589,220	982,226	(40.01)	Improvements to investment properties Proceeds from sale of property, plant & equipment	415	4,900	415	(243) 4,900
							Net proceeds from Sale, maturity and purchase of financial investments of government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after three months	(1,248,805)	5.403.529	(1,194,771)	5,403,529
Net Operating Income	5,232,584	4,638,101	12.82	5,166,109	4,602,130	12.25	Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	4,875	133,824	4,875	133,824
							Reverse repurchase agreements maturing after three months Net purchase of intangible assets	4,961 (15,545)	7,209 (3,294)	4,961 (15,545)	7,209
Personnel Expenses	1,570,195	1,503,734	4.42	1,579,431	1,513,195	4.38	Net cash flow from acquisition of investment in subsidiaries	(10,040)	(3,234)	(13,545)	
Depreciation and Amortisation Expenses	203,379	180,500	12.68	218,760	196,301	11.44	Net cash flow from disposal of subsidiaries Dividend received from investment in subsidiaries	- 89,725	84.509	1	-
Other Expenses	1,416,987	1,304,249	8.64	1,371,354	1,274,431	7.61	Dividend received from other investments	3,743	21,618	3,743	21,618
	3,190,561	2,988,483	6.76	3,169,545	2,983,927	6.22	Proceed from Sale of Assets Held-for-Sale Net cash (used in)/generated from investing activities	(1,262,478)	934,000 6,493,953	(1,298,169)	5,469,148
Operating Profit before Taxes	2,042,023	1,649,618	23.79	1,996,564	1,618,203	23.38	Cash flows from financing activities			())))))	
	100,100	001 000		400 400	001 000		Net proceeds from the issue of ordinary share capital		-		-
Value Added Tax on Financial Services	428,180	391,888	9.26	428,180	391,888	9.26	Net proceeds from the issue of other equity instruments Net proceeds from the issue of subordinated debt		6.234.000	1	6.134.000
Nation Building Tax on Financial Services	57,207	52,252	9.48	57,207	52,252	9.48	Repayment of subordinated debt		(2,000,000)		(1,950,000)
Debt Repayment Levy	250,964	-	100.00	250,964	-	100.00	Interest paid on subordinated debt Interest paid on un-subordinated debt	(743,482)	(321,704)	(743,482)	(321,704)
	4 005 070	1 005 470		4 000 040	4 474 000		Dividend paid to non-controlling interest	-	-	-	(20,696)
Profit before Income Tax	1,305,672	1,205,478	8.31	1,260,213	1,174,063	7.34	Dividend paid to shareholders of the bank Dividend paid to holders of other equity instruments	(48)	(110,127)	(14,047)	(128,789)
La como Teo Donance	400 405	000.100	0.50	40.4 700	444 544	5.04	Net cash (used in)/generated from financing activities	(743,530)	3,802,169	(757,529)	3,712,811
Income Tax Expense	403,105	393,168	2.53	434,728	411,514	5.64		, , , , , ,			
Drafit for the Davied	000 503	010.010	44.40	005 405	760 540	0.05	Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the year	1,873,607 25,401,673	3,596,781 16,073,851	1,873,607 25,401,713	3,596,821 16,073,851
Profit for the Period	902,567	812,310	11.10	825,485	762,549	8.25					
Desfit Attribute his to:							Cash and cash equivalents at end of the Period	27,275,280	19,670,632	27,275,320	19,670,672
Profit Attributable to:	000 507	010.010	11.10	017 440	755 000	0.14	Reconciliation of cash and cash equivalents	0 000 070	0 100 574	0.000.010	0 100 01 1
Equity Holders of the Bank	902,567	812,310	11.10	817,449	755,922	8.14	Cash and cash equivalents Placements with banks and finance companies	8,908,270 3,250,677	8,100,574	8,908,310 3,250,677	8,100,614
Non-Controlling Interest	-	-	- 11 10	8,036	6,627	21.26	Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within three months Securities purchased under resale agreements maturing within three months	6,366,996 8,749,337	9,792,242 1,777,816	6,366,996 8,749,337	9,792,242 1,777,816
Profit for the period Basic/Diluted Earnings per Ordinary Share (in Rupees)	902,567 2.39	812,310 2.15	<u>11.10</u> 11.10	825,485 2.16	762,549 2.00	8.25	occurres parenasee ander resaic agreements maturing within three months				
basic/bridge carnings per bruinary snare (in hupees)	2.39	2.10	11.10	2.10	2.00	0.14		27,275,280	19,670,632	27,275,320	19,670,672

(Amount in Rupees Thousands)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Bank		Group				
For the T	hree Months End	led 31st March	For the Th	For the Three Months Ended 31st March			
2019	2018 (Restated)	Growth%	2019	2018 (Restated)	Growth%		
902,567	812,310	11.10	825,485	762,549	8.25		
(29,958) 651,418	(7,747) (101,519)	(286.70) 741.67	(29,958) 652,719	(7,747) (101,519)	(286.70) 742.95		
72,393	75,502	(4.12)	72,393	75,502	(4.12)		
693,853	(33,764)	2,155.01	695,154	(33,764)	2,158.86		
1,596,420	778,546	105.05	1,520,639	728,785	108.65		
1,596,420 - 1,596,420	778,546 - 778,546	105.05 - 105.05	1,512,219 8,420 1,520,639	722,158 6,627 728,785	109.40 27.06 108.65		
	2019 902,567 (29,958) 651,418 72,393 693,853 1,596,420 1,596,420	For the Three Months End 2019 2018 (Restated) 902,567 812,310 (29,958) (7,747) 651,418 (101,519) 72,393 75,502 693,853 (33,764) 1,596,420 778,546 1,596,420 778,546	For the Three Months Ended 31st March 2019 2018 (Restated) Growth% 902,567 812,310 11.10 (29,958) (7,747) (286.70) 651,418 (101,519) 741.67 72,393 75,502 (4.12) 693,853 (33,764) 2,155.01 1,596,420 778,546 105.05	For the Three Months Ended 31st March For the Three 2019 2018 Growth% 2019 902,567 812,310 11.10 825,485 (29,958) (7,747) (286.70) (29,958) 651,418 (101,519) 741.67 652,719 72,393 75,502 (4.12) 72,393 693,853 (33,764) 2,155.01 695,154 1,596,420 778,546 105.05 1,522,639 1,596,420 778,546 105.05 1,512,219	For the Three Months Ended 31st March For the Three Months Ended 2019 For the Three Months Ended 2019 2018 Growth% 2019 2018 (Restated) 2018 (Restated) 2019 2018 (Restated) 2019 2018 (Restated) 2019 2018 (Restated) 2018 2018 2018 2018 2018 2018 2018 2018 2018 2018 2018 2018 2018 2018		

STATEMENT OF FINANCIAL POSITION

(Sgd.) Champika Dodanwela (Ms.) **Chief Financial Officer** April 30, 2019 Colombo

STATEMENT OF FINANCIAL POSITION (In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank		(Amount in Rupees Thousa				
IN TERMS OF KUIE 7.4 OF THE COLOMBO STOCK EXCHANGE)		Bank			Group			
	As at 31.03.2019	As at 31.12.2018	Growth %	As at 31.03.2019	As at 31.12.2018	Growth %		
ssets								
ash and Cash Equivalents	8,908,270	12,573,611	(29.15)	8,908,310	12,573,651	(29.15		
alances with Central Bank of Sri Lanka	15,186,602	18,472,275	(17.79)	15,186,602	18,472,275	(17.79		
lacements with Banks and Finance Companies	3,250,677	-	100	3,250,677	-	100		
erivative Financial Instruments	391,370	1,676,958	(76.66)	391,370	1,676,958	(76.66		
inancial Assets recognized through Profit or Loss								
Measured at fair value	6,705,338	4,918,336	36.33	6,710,489	4,923,487	36.30		
Designated at fair value	-	-	-		-	-		
inancial Assets at Amortized Cost								
Loans and Advances	337,532,656	326,882,538	3.26	337,532,656	326,882,538	3.26		
Debt and Other Instruments	30,552,780	29,593,496	3.24	30,552,780	29,593,496	3.24		
nancial Assets measured at Fair Value through Other Comprehensive Income	57,665,544	58,770,720	(1.88)	57,713,830	58,819,604	(1.88		
vestment in Subsidiary	1,153,602	1,153,602	-		-			
roup Balances Receivable	130,326	40,600	221.00		-	-		
roperty, Plant & Equipment	3,675,770	3,739,526	(1.70)	6,282,575	6,357,092	(1.17		
easehold Rights	38,162	38,479	(0.82)	569,821	571,990	(0.38		
vestment Properties	-	-	-	842,370	845,138	(0.33		
tangible Assets	554,177	576,091	(3.80)	554,177	576,091	(3.80		
eferred Tax Assets	-	270,275	(100.00)	-	99,648	(100.00		
ther Assets	9,741,211	8,226,511	18.41	9,812,746	8,269,528	18.66		
	0,741,211	0,220,011	10.41	3,012,740	0,200,020	10.00		
tal Assets	475,486,485	466,933,018	1.83	478,308,403	469,661,496	1.84		
abilities								
ue to Banks	22,588,427	26,378,781	(14.37)	22,588,427	26,378,781	(14.37		
erivative Financial Instruments	199,693	145,339	37.40	199,693	145,339	37.40		
inancial Liabilities at Amortized Cost								
Due to Depositors	367,052,617	357,560,187	2.65	367,052,617	357,560,187	2.65		
Due to Debt Securities Holders	21,212,403	21,094,525	0.56	21,212,403	21,094,525	0.56		
Due to Other Borrowers	29,383	32,018	(8.23)	29,383	32,018	(8.23		
roup Balances Payable	236,908	211,686	11.91	,	,	(
lebt Securities Issued	16,059,742	16,329,400	(1.65)	16,059,742	16,329,400	(1.65		
Current Tax Liabilities	951,126	1,209,464	(21.36)	920,514	1,185,533	(22.35		
Deferred Tax Liabilities	177,416	-	100	365,062	-	100		
ther liabilities	11,058,109	9,361,819	18.12	11,225,753	9,472,350	18.51		
otal Liabilities	439,565,824	432,323,219	1.68	439,653,594	432,198,133	1.73		
quity	10 055 405	10,005,705	E 04	10 655 495	10 005 705	E 04		
tated Capital	12,655,485	12,025,795	5.24	12,655,485	12,025,795	5.24		
tatutory Reserve Fund	1,768,944	1,768,944	-	1,768,944	1,768,944	-		
air Value through Other Comprehensive Income Reserve	(1,408,552)	(1,879,301)	25.05	(1,442,660)	(1,914,326)	24.64		
letained Earnings	20,041,210	19,798,647	1.23	20,576,674	20,419,229	0.77		
ther Reserves	2,863,574	2,895,714	(1.11)	3,915,124	3,947,264	(0.81		
otal Shareholders' Equity	35,920,661	34,609,799	3.79	37,473,567	36,246,906	3.38		
on-Controlling Interest		•	-	1,181,242	1,216,457	(2.89		
otal Equity	35,920,661	34,609,799	3.79	38,654,809	37,463,363	3.18		
otal Equity & Liabilities	475,486,485	466,933,018	1.83	478,308,403	469,661,496	1.84		
ontingent Liabilities and Commitments	116,823,473	129,692,642	(9.92)	116,835,195	129,721,740	(9.93		
emorandum Information								
umber of Employees	3,388	3,344	1.32	3,410	3,366	1.31		
umber of Banking Centres	172	170	1.18	172	170	1.18		
et Assets Value per Ordinary Share (Rs.)	95.10	94.54	0.59	99.21	99.01	0.20		
	efinitions prescribed b	y the Central Bank of S	Sri Lanka and where					
Companies Act NO. U/ of 2007.								
,		-						

(Sgd.) Kapila Ariyaratne Director/Chief Executive Officer

SEYLAN BANK PLC - DEBENTURE INFORMATION

SEYLAN BANK PLC - DEBENTURE INFURMATION		
	Current Period	Comparative Period
	01-January-19 to 31-March-19	01-January-18 to 31-March-18
Debt (Debentures)/Equity Ratio (Times) Debt (Debentures plus Long term Debt)/Equity Ratio (Times)	0.45 0.79	0.48 0.80
Interest Cover (Times)	3.77	5.86
Quick Asset Ratio (Times)	0.75	0.80
2014 Issue		
Market Prices during January to March (Ex Interest) 4 Year Fixed Semi-Annual - 8.00% p.a.(Debenture matured and redeemed on 16/12/2018) 5 Year Fixed Semi-Annual - 8.35% p.a. 5 Year Fixed Annual - 8.60% p.a. 6 Year Fixed Semi-Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	• • •	• • •
Interest Yield as at Date of Last Trade	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security - 4 Years (Debenture matured and redeemed on 16/12/2018) - 5 Years - 6 Years	- 9.89% 10.46%	8.95% 9.68% 9.92%
2016 Issue		
Market Prices during January to March (Ex Interest) 5 Year Fixed Semi-Annual - 13.00% p.a 5 Year Fixed Semi-Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi-Annual - 13.75% p.a - Highest Price - Lost Price - Last Traded Price (02/01/2019)/*	* * 105.00 105.00 105.00	* * *
Interest Yield as at Date of Last Trade	100.00	
5 Year Fixed Semi-Annual - 13.0% p.a 5 Year Fixed Semi-Annual - 13.0% p.a 7 Year Fixed Semi-Annual - 13.75% p.a (02/01/2019)/*	* * 13.55%	* *
Yield to Maturity of Trade Done on 5 Year Fixed Semi-Annual - 13.00% p.a 5 Year Floating Semi-Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi-Annual - 13.75% p.a (02/01/2019)/*	* * 12.27%	* *
Interest Rate of Comparable Government Security - 5 Years - 7 Years	10.57% 10.88%	10.06% 10.41%
2018 Issue		
Market Prices during January to March (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 - Highest Price - Lowest Price - Last Traded Price (18/02/2019)/*	* * 100.00 96.00 100.00	• • •
Interest Yield as at Date of Last Trade 5 Year Fixed Semi-Annual - 12.85% p.a 7 Year Fixed Semi-Annual - 13.20% p.a. 10 Year Fixed Semi-Annual - 13.50% p.a (18/02/2019)/*	* * 13.96%	* * *
Yield to Maturity of Trade Done on 5 Year Fixed Semi-Annual - 12.85% p.a 7 Year Fixed Semi-Annual - 13.20% p.a. 10 Year Fixed Semi-Annual - 13.50% p.a (18/02/2019)/*	* * 13.49%	* *
Interest Rate of Comparable Government Security		
- 5 Years - 7 Years - 10 Years	10.91% 11.16% 11.40%	10.41% 10.22% 10.83%

 $^{\ast}~$ No trading during the period.

SELECTED PERFORMANCE INDICATORS

	B/	ANK	G	ROUP
Item	31.03.2019	31.12.2018	31.03.2019	31.12.2018
Regulatory Capital (LKR. Mn)				
Common Equity Tier I Total (Tier I) Capital Total Capital Base	33,205 33,205 42,955	33,486 33,486 43,682	34,043 34,043 43,693	34,325 34,325 44,370
Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Reguirement - 7.00% /2018 - 6.375%)	9.71	10.20	9.88	10.37
Total Tier I Capital Ratio (Minimum Requirement - 8.50% /2018 - 7.875%) Total Capital Ratio	9.71 12.57	10.20 13.30	9.88 12.68	10.37 13.40
(Minimum Requirement - 12.50% /2018 - 11.875%)	12.01	10.00	12100	10.10
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR. Mn.) Offshore Banking Unit (USD '000) Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	92,819 88,289 33,293 22.30 23.28	86,367 80,722 31,468 21.44 22.08		
Total Stock of High-Quality Liquid Assets (LKR Mn.) Liquidity Coverage Ratio % Rupee - (Minimum Requirement - 100%/2018 - 90%) All Currency - (Minimum Requirement - 100%/2018 - 90%) Net Stable Funding Ratio (%)	59,560 141.36 112.81	54,800 128.76 92.15 110.00		
(Minimum Requirement - 90%) Assets Quality (Quality of Loan Portfolio) Gross. Non-Performing Advances Ratio (%) (Net of Interest in Suspense) Net Non-Performing Advances Ratio (%)	110.00 5.96 4.57	5.98		
(Net of Interest in Suspense and Provision) Profitability				
Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.19 1.11 10.24	4.24 1.07 9.27		

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

SEYLAN BANK PLC FINANCIAL STATEMENTS

Three months ended 31st March. 2019

10. SEGMENT REPORTING - GROUP

10. SEGMENT REPORTING - GROUP (Amount in Rupees Thous										usands)	
	BANKI	NG	TREASU	RY	PF	ROPERTY/INV	ESTMENTS UN	ALLOCATED/EI	IMINATIONS	TOTA	L
	31.03.2019	31.03.2018	31.03.2019	31.03.2018		31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018 (Restated)
Interest Income	11,200,530	9,506,971	1,738,445	1,409,125		8,028	25,860	682,779	530,526	13,629,782	11,472,482
Interest Expense	8,079,804	6,395,777	1,056,763	809,440			-	(2,026)	(25,090)	9,134,541	7,180,127
Net Interest Income	3,120,726	3,111,194	681,682	599,685		8,028	25,860	684,805	555,616	4,495,241	4,292,355
Fee and Commission Income	1,019,750	1,043,619		133		-	-	536	(49)	1,020,286	1,043,703
Fee and Commission Expense	49,050	40,514	4,872	7,950		971	1,048	-	-	54,893	49,512
Net Fee And Commission Income	970,700	1,003,105	(4,872)	(7,817)		(971)	(1,048)	536	(49)	965,393	994,191
Net Gains/(Losses) from Trading/Net Fair Value Gains/(Losses) from Financial Instruments at Fair Value through Profit or Loss			(621,742)	105,130		(586)	(76)		-	(622,328)	105.054
Net Gains/(Losses) from Derecognition of Financial Assets			(,	,		()	()			(,,	,
at Fair Value through Other Comprehensive Income			56,049	33,368						56,049	33,368
Net Other Operating Income	46,924	(108,237)	907,512	143,105		73,767	61,992	(167,229)	62,528	860,974	159,388
Inter Segment Revenue	(38,697)	(58,848)	18,814	41,690		-	-	19,883	17,158		
Total Operating Income	4,099,653	3,947,214	1,037,443	915,161		80,238	86,728	537,995	635,253	5,755,329	5,584,356
Depreciation and Amortisation Charge	119,964	107,546	963	509		226	221	97,607	88,025	218,760	196,301
Impairment Charge for the Period	582,017	982,226	7,219			(16)	-	-		589,220	982,226
Operating Expenses, VAT, NBT & DRL	2,784,153	1,977,242	236,372	404,438		20,606	17,833	646,005	832,253	3,687,136	3,231,766
Reportable Segment Profit before Income Tax	613,519	880,200	792,889	510,214		59,422	68,674	(205,617)	(285,025)	1,260,213	1,174,063
Income Tax Expense										434,728	411,514
Profit for the Period										825,485	762,549
Profit Attributable to:											
Equity Holders of the Bank										817,449	755,922
Non-Controlling Interests										8,036	6,627
Profit for the Period										825,485	762,549
Other Comprehensive Income, Net of Income Tax										695,154	(33,764
Other Information											
Total Assets	330,545,204	335,658,561	119,668,960	104,706,373		5,700,045	5,533,476	22,394,194	(30,745,537)	478,308,403	415,152,873
Total Liabilities & Equity	378,583,099	327,537,661	64,683,316	52,696,089		5,700,045	5,533,476	29,341,943	29,385,647	478,308,403	415,152,873
Cash Flows From Operating Activities	3,096,828	(7,097,573)	793,852	510,723		43,074	58,939	(4,449)	942,773	3,929,305	(5,585,138
Cash Flows From Investing Activities	(62,041)	3,613	(1,322,649)	5,461,666		(14,215)	(959,828)	100,736	963,697	(1,298,169)	5,469,148
Cash Flows From Financing Activities	-		(743,482)	3,912,296			(113,168)	(14,047)	(86,317)	(757,529)	3,712,811
Capital Expenditure	(65,057)	(85,288)	(4,303)	(1,089)		-	(6,726)	(32,487)	(8,586)	(101,847)	(101,689)

STATEMENT OF CHANGES IN EQUITY - B	ANK					(Amount i	n Rupees Th	ousands)
	State	d Capital	Statutory	Retained		Other Reserves		
For the Three Months ended 31st March	Ordinary Shares -Voting	Ordinary Shares -Non-Voting	Reserve Fund	Earnings	Revaluation Reserve	FVOCI Reserve	Other Reserves	Total
1 Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,178,024	1,242,493	945,408	2,002,245	34,205,923
Adjustment on Initial Application of SLFRS 9, net of tax	-	-	-	(155,362)	-	(1,570,187)	-	(1,725,549
2 Restated Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,022,662	1,242,493	(624,779)	2,002,245	32,480,374
Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income (net of tax)	-	-		812,310	-		-	812,310
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income				-		(101,519)		(101,51
 Net Gains/(Losses) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income Net Movement of Cash Flow hedge Reserve 	-	-		-	-	75,502	- (7,747)	75,50 (7,74
3 Total Comprehensive Income for the Period				812,310		(26,017)	(7,747)	778,54
Transactions with Equity Holders, Recognized Directly In Equity Cash/Scrip Dividends to Equity Holders Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment Transferred from Investment Fund Reserve	404,131	393,395 - -	- -	(1,240,596) 376,202 2,182	- (376,202) -	-	(2,182)	(443,07
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income				238,585		(238,585)		
4 Total Transactions with Equity Holders	404,131	393,395		(623,627)	(376,202)	(238,585)	(2,182)	(443,07
Balance as at 31st March 2018 (2 + 3 + 4)	7,723,207	4,302,588	1,609,484	17,211,345	866,291	(889,381)	1,992,316	32,815,85
1 Balance as at 01st January 2019	7,723,207	4,302,588	1,768,944	19,798,647	866,290	(1,879,301)	2,029,424	34,609,79
Total Comprehensive Income for the Period Profit for the Period Other Comprehensive Income (net of tax) - Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value		-	-	902,567	-	-	-	902,56
through Other Comprehensive Income - Net Gains/(Losses) on Investments in Equity Instruments measured at Fair		-				651,418		651,41
Value through Other Comprehensive Income	-	-	-		-	72,393	-	72,39
- Net Movement of Cash Flow Hedge Reserve 2 Total Comprehensive Income for the Period				902.567		723,811	(29,958) (29,958)	(29,95 1,596,42
Transactions with Equity Holders, Recognized Directly In Equity	-			502,507		725,011	(23,350)	1,350,42
Cash/Scrip Dividends to Equity Holders Transferred from Investment Fund Reserve Net Gain on Disposal of Equity Investments measured at Fair Value through	316,659 -	313,031 -	-	(915,248) 2,182	-	-	- (2,182)	(285,5
Other Comprehensive Income	-			253,062	-	(253,062)	-	(005
3 Total Transactions with Equity Holders	316,659	313,031	•	(660,004)		(253,062)	(2,182)	(285,55
Balance as at 31st March 2019 (1 + 2 + 3)	8,039,866	4,615,619	1,768,944	20,041,210	866,290	(1,408,552)	1,997,284	35,920,66

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

FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve

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.

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There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report except the initial adoption of SLFRS 16 Leases on 1 January 2019.

SLFRS 16 requires recognizing lease liabilities and right-of-use assets for some leases classified as operating leases under LKAS 17 Leases

Interim Financial Statements for the quarter ended 31/03/2018 has been restated by incorporating the impact on adopting SLFRS 9 on 1 January 2018. The Bank has previously prepared Interim Financial for the quarter ended 31/03/2018 based on "LKAS 39 - Financial Instruments: Recognition and Measurement" as permitted by the Statement of Alternative Treatment (SoAT), on the figures in the "Interim Financial Statements" issued by CA Sri Lanka.

The Interim Financial Statements of the Bank and the Group have been prepared & 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 a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

Information on Ordinary Shares

Market Price (Rs.)	31/03	/2019	31/03/2018		
	Voting	Non-Voting	Voting	Non-Voting	
Market Price Per Share	62.80	35.90	86.80	55.10	
Highest price per share during the quarter ended	79.90	45.90	94.80	57.40	
Lowest price per share during the quarter ended	56.00	35.10	85.00	54.50	

Shareholders' Information No. of Shares 3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2019 % Sri Lanka Insurance Corporation Ltd [includes Sri Lanka Insurance Corporation Ltd (General Fund) and Sri Lanka Insurance Corporation Ltd (Life Fund)] 28,291,256 15.00 Brown & Company PLC A/C No. 1 26,169,291 13.87 Employees' Provident Fund 18,592,097 9.86 LOLC Investments Ltd 18,014,952 9.55 National Development Bank PLC A/C No.02 16,455,821 8.72 7.50 Bank of Ceylon No.1 Account 14,145,629 6.14 Mr. R S Captain 11,581,873 Employees' Trust Fund Board 4,010,640 2.13 Mr. S E Captain 3,813,079 2.02 Seyfest (Private) Limiter 3,234,555 1.71 11 Ms. L A Captain 2,653,793 1.41 Sesot (Private) Limited 2,442,622 1.30 12 Seyshop (Private) Limited 13 2.320.860 1.23 Seybest (Private) Limited 2,320,860 1.23 14 15 Esots (Private) Limited 2,302,315 1.22 16 Ambeon Holdings PLC 2,228,394 1.18 Capital Development and Investment Company PLC A/C No. 02 1,910,362 1.01 17 18 AIA Insurance Lanka PLC A/C No. 07 1.734.891 0.92 19 N P Capital Ltd. 0.69 1,309,607 20 Mr. K R B Fernando 1,088,123 0.58 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2019 No. of Shares % LOLC Holdings PLC 83.080.731 43.93 Employees' Provident Fund 10,087,023 5.33 Akbar Brothers Pvt Ltd. A/C No. 1 3,946,516 2.09 1.91 4 J.B. Cocoshell (Pvt) Ltd. 3,620,368 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund 3,492,766 1.85 Pershing LLC S/A Averbach Grauson & Co. 3.205.414 1.70 1.59 Employees Trust Fund Board 3,008,630 Commercial Bank of Ceylon PLC/Dunamis Capital P L C 2,889,847 1.53 Mr. E Thavagnanasooriyam & Mr. E Thawagnasundaram 2,499,077 1.32 9 Merrill J Fernando & Sons (Pvt) Limited 2,100,619 1.11 10 11 Assetline Leasing Co Ltd/Don & Don Holdings Pvt. Ltd 2.049,677 1.08 Mr. N. Balasingam 1,972,634 1.04 12 13 Mr. R R Leon 1.667.337 0.88 14 LOLC Technology Services Limited 0.87 1,646,856 15 Dr. S Yaddehige 1,185,982 0.63 16 Mr. R.Gautam 1.098,285 0.58 17 SSBT- Deutsche Bank AG Singapore A/C No. 01 960,840 0.51 18 Mr. A P Somasiri 959.992 0.51 0.50 Mr. M J. Fernando 19 951,236 20 Deutsche Bank Ag As Trustee For Namal Acuity Value Fund 923,285 0.49 3.3 Public Holdings as at March 31, 2019 Number of Share Percentage Holders Holdings Ordinary Voting Shares 9,068 54.30% Ordinary Non-Voting Shares 55.94% 6,699 4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2019

		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	39,140	151,078
Mr. P L S K Perera, Independent Director	Nil	Nil
Mr. S V Corea, Non-Executive Director	97	Nil
Mr. A S Wijesinha, Independent Director	Nil	Nil
Mrs. 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. R D Tissera, Non-Executive/Alternate Director to Non-Executive Director Mr. W D K Jayawardena	Nil	Nil
5. Stated Capital as at March 31, 2019	Rs. '000	

No. of Shares

(Ordinary Voting)

No. of Shares

(Ordinary Non-

335,600
100,000
3,235,400

STATEMENT OF CHANGES IN EQUITY	- GKUUI	<u> </u>					(Am	ount in R	upees Tha	ousands,
	Stated	Capital	Statutory	Retained	0	ther Reserves				
or the Three Months ended 31st March	Ordinary	Ordinary F	leserve Fund		Revaluation	FVOCI	Other	Total	Non-	Tota
	Shares	Shares	*	Lunnigo	Reserve	Reserve	Reserves		Controlling	Equi
	-Voting	-Non-Voting			11000110	11000110	110001100		Interest	Equi
Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,818,539	1,967,727	945,496	2,257,458	35,826,973	1,213,666	37,040,63
Adjustment on Initial Application of SLFRS 9, net of tax	-	-	-	(121,806)	-	(1,603,743)	-	(1,725,549)	-	(1,725,54
Restated Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,696,733	1,967,727	(658,247)	2,257,458	34,101,424	1,213,666	35,315,0
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	755,922	-		-	755,922	6,627	762,5
Other Comprehensive Income (net of tax)										
- Net Gains/(Losses) on Investments in Debt Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(101,519)	-	(101,519)	-	(101,5
- Net Gains/(Losses) on Investments in Equity Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	75,502	-	75,502	-	75,5
- Net Movement of Cash Flow hedge Reserve	-	-	-	-	-	-	(7,747)	(7,747)	-	(7,7
Total Comprehensive Income for the Period	-	-		755,922	-	(26,017)	(7,747)	722,158	6,627	728,7
Transactions with Equity Holders , Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	404,131	393,395	-	(1,240,596)	-	-	-	(443,070)	(39,271)	(482,3
Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment				376,202	(376,202)	-	-	-	-	
Transferred from Investment Fund Reserve	-	-	-	2,182	-	-	(2,182)	-	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through										
Other Comprehensive Income				238,585		(238,585)	-	-	-	
Total Transactions with Equity Holders	404,131	393,395	-	(623,627)	(376,202)	(238,585)	(2,182)	(443,070)	(39,271)	(482,34
Balance as at 31st March 2018 (2 + 3 + 4)	7,723,207	4,302,588	1,609,484	17,829,028	1,591,525	(922,849)	2,247,529	34,380,512	1,181,022	35,561,5
Balance as at 01st January 2019	7,723,207	4,302,588	1,768,944	20,419,229	1,662,627	(1,914,326)	2,284,637	36,246,906	1,216,457	37,463,3
Total Comprehensive Income for the Period	-	-	-	-	-	-	-	-	-	
Profit for the Period	-	-	-	817,449	-		-	817,449	8,036	825,4
Other Comprehensive Income (net of tax)										
- Net Gains/(Losses) on Investments in Debt Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	652,335	-	652,335	384	652,7
- Net Gains/(Losses) on Investments in Equity Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	72,393	-	72,393	-	72,3
- Net Movement of Cash Flow hedge Reserve	-	-	-	-	-	-	(29,958)	(29,958)	-	(29,9
Total Comprehensive Income for the Period	-			817,449		724,728	(29,958)	1,512,219	8,420	1,520,6
Transactions with Equity Holders, Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	316,659	313,031	-	(915,248)	-	-	-	(285,558)	(43,635)	(329,1
Transferred from Investment Fund Reserve	-	-	-	2,182	-	-	(2,182)	-	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through										
Other Comprehensive Income	-	-	-	253,062	-	(253,062)	-	-	-	
Total Transactions with Equity Holders	316,659	313,031	-	(660,004)	-	(253,062)	(2,182)	(285,558)	(43,635)	(329,1
Balance as at 31st March 2019 (1+2 + 3)	8,039,866	4,615,619	1,768,944		1,662,627		2,252,497		1,181,242	

2.644.068 Voting Ordinary Shares @ Rs. 59/- each 156.000 43,333,333 Voting Ordinary Shares @ Rs. 75/- each 3,250,000 3,636,268 Voting Ordinary Shares @ Rs. 98/- each 356.354 4,490,341 Voting Ordinary Shares @ Rs. 90/- each 404,131 4,504,394 Voting Ordinary Shares @ Rs. 70/30 each 316,659 83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each 1.044.500 40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each 1,000,000 45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each 1.589.805 5,859,428 Non-Voting Ordinary Shares @ Rs. 58/40 each 342,191 7,152,645 Non-Voting Ordinary Shares @ Rs. 55/- each 393,395 7,114,354 Non-Voting Ordinary Shares @ Rs. 44/- each 313.031 Less: Issue Expenses (181,581) 12,655,485

6. Basic/Diluted Earnings per Share

Name of Director

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 & Non-voting) during the quarter ended March 31, 2019. 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 31st March 2018 has been restated based on the number of shares issued for scrip dividend 2018.

Events after the Reporting Date 7.

Debenture Issue (BASEL III Compliant)

The Bank proceeded with a Debenture Issue of Thirty Million (30,000,000) fully paid, BASEL III compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a non-viability conversion of the par value of Rupees Hundred each (Rs.100/-) aggregating up to a value of Rupees Three Billion (Rs.3,000,000,000/-) with an option to issue further Twenty Million (20,000,000) of such Debentures in the event of an oversubscription with the total value of the debentures in such event aggregating to Rupees Five Billion (Rs.5,000,000,000/-) . The issue was completed and 50,000,000 Debentures amounting to Rs.5,000,000,000/- was allotted to the investors on 18th April 2019.

8. Other Matters

The bank designated some of forward foreign currency SWAPs as hedging instruments to hedge foreign currency risk of liabilities denominated in foreign currencies. The fair value changes associated with these derivatives were initially recognized in Other Reserves through Other Comprehensive Income (OCI). The amount recognized in OCI is reclassified to profit or loss, and in the same line item in the Income Statement.

ii. The Bank has not recognized an additional gratuity liability in the financial statements 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 establishment of the liability is contingent upon the date of 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.196 Mn. (net of tax) as at 31.03.2019

iii. The dividend of Rs.2.50 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on 28th March 2019 and issued to the Ordinary Voting and Non-voting Shareholders of the Bank entitled as at end of trading on 28th March 2019. This dividend consisted of Rs. 0.50 per share in the form of cash dividend and Rs. 2.00 per share in the form of scrip dividend. Shares issued by way of scrip dividend were allotted on 28th March 2019.Cash dividend payments were made by 8th April 2019.

9. Comparative Figures

Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation The following line item of the Interim Financial Statements for the guarter ended 31.03.2018 were restated due to the adoption of SLFRS 9 and the circular No. 02 of 2019 issued by the Bank Supervision Department of the Central Bank of Sri Lanka.

For the Three Months Ended 31.03.2018 -Bank	Restated Rs. '000	As Reported Previously Rs. '000
Interest income	11,472,368	11,444,055
Net gains/(losses) from trading /Net fair value gains/(losses) from financial instruments at fair value through profit or loss	105,130	89,908
Net Exchange income		78,773
Net Other Operating income	219,880	163,714
Impairment Charges	982,226	542,442
Value Added Tax on Financial Services	391,888	445,588
Nation Building Tax on financial Services	52,252	59,412
Profit before Tax	1,205,478	1,563,474
Tax Expenses	393,168	510,448
Proft for the period	812,310	1,053,026
Other Comprehensive Income for the Perod, Net of Taxes	(33,764)	(279,734)
Total Comprehensive Income for the Period	778,546	773,292

Group Financial Statements also have been restated accordingly.

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 for in these Interim Accounts.

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