

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Nine Months ended 30th September, 2020



INCOME STATEMENT

| (In terms of Rule 7.4 of the Colombo Stock Exchange) | (Amounts in Rupees Thousands) | | | | | | | | | | | |
|---|---|-------------------|----------------|---|------------------|----------------|---|-------------------|----------------|---|------------------|----------------|
| | Bank | | | Bank | | | Group | | | Group | | |
| | For the Nine Months Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Quarter Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Nine Months Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Quarter Ended 30th September 2020 | 2019 (Restated) | Growth % |
| Interest Income | 40,376,411 | 41,639,903 | (3.03) | 13,402,523 | 14,262,383 | (6.03) | 40,382,041 | 41,645,022 | (3.03) | 13,404,428 | 14,263,889 | (6.03) |
| Less: Interest Expenses | 25,504,270 | 27,866,233 | (8.48) | 7,872,355 | 9,231,046 | (14.72) | 25,274,809 | 27,639,218 | (8.55) | 7,796,521 | 9,155,836 | (14.85) |
| Net Interest Income | 14,872,141 | 13,773,670 | 7.98 | 5,530,168 | 5,031,337 | 9.91 | 15,107,232 | 14,005,804 | 7.86 | 5,607,907 | 5,108,053 | 9.79 |
| Fee and Commission Income | 2,781,669 | 3,240,303 | (14.15) | 1,054,862 | 1,182,618 | (10.80) | 2,781,583 | 3,240,098 | (14.15) | 1,054,803 | 1,182,595 | (10.81) |
| Less: Fee and Commission Expenses | 163,263 | 158,425 | 3.05 | 62,559 | 54,157 | 15.51 | 163,639 | 158,425 | 3.29 | 62,559 | 54,157 | 15.51 |
| Net Fee and Commission Income | 2,618,406 | 3,081,878 | (15.04) | 992,303 | 1,128,461 | (12.07) | 2,617,944 | 3,081,673 | (15.05) | 992,244 | 1,128,438 | (12.07) |
| Net Gains/(Losses) from Trading | 122,429 | (693,607) | 117.65 | (91,451) | (61,350) | (49.06) | 123,304 | (693,518) | 117.78 | (89,466) | (60,780) | (47.20) |
| Net Gains from Derecognition of Financial Assets | 709,017 | 180,387 | 293.05 | 338,379 | 29,889 | 1,032.12 | 709,017 | 180,387 | 293.05 | 338,379 | 29,889 | 1,032.12 |
| Net Operating Income | 973,371 | 1,657,359 | (41.27) | 324,952 | 413,174 | (21.35) | 911,887 | 1,620,327 | (43.72) | 347,138 | 431,803 | (19.61) |
| Total Operating Income | 19,295,364 | 17,999,687 | 7.20 | 7,094,351 | 6,541,511 | 8.45 | 19,469,384 | 18,194,673 | 7.61 | 7,196,202 | 6,637,403 | 8.42 |
| Less: Impairment Charges | 5,415,723 | 3,147,575 | 72.06 | 2,755,386 | 1,419,440 | 94.12 | 5,415,723 | 3,147,559 | 72.06 | 2,755,386 | 1,419,440 | 94.12 |
| Net Operating Income | 13,879,641 | 14,852,112 | (6.55) | 4,338,965 | 5,122,071 | (15.29) | 14,053,661 | 15,047,114 | (6.60) | 4,440,816 | 5,217,963 | (14.89) |
| Less: Operating Expenses | 5,138,545 | 4,835,363 | 6.27 | 1,656,776 | 1,657,057 | (0.02) | 5,166,593 | 4,864,005 | 6.22 | 1,666,021 | 1,667,508 | (0.09) |
| Personnel Expenses | 1,082,424 | 966,136 | 12.04 | 360,348 | 332,955 | 8.23 | 1,110,516 | 999,058 | 11.16 | 370,088 | 355,578 | 4.08 |
| Depreciation and Amortization Expenses | 3,299,467 | 3,694,954 | (10.70) | 1,132,316 | 1,238,843 | (8.60) | 3,336,272 | 3,691,361 | (9.62) | 1,143,632 | 1,212,005 | (5.64) |
| Other Expenses | 9,520,436 | 9,496,453 | 0.25 | 3,149,440 | 3,228,855 | (2.46) | 9,513,381 | 9,554,424 | (0.82) | 3,179,741 | 3,235,091 | (1.71) |
| Total Operating Expenses | 4,359,205 | 5,355,659 | (18.61) | 1,189,525 | 1,893,216 | (37.17) | 4,440,280 | 5,492,890 | (19.16) | 1,261,075 | 1,982,872 | (36.40) |
| Profit before Income Tax | 3,173,621 | 3,295,555 | (3.70) | 841,251 | 1,182,436 | (28.85) | 3,254,696 | 3,432,586 | (5.18) | 912,801 | 1,272,092 | (28.24) |
| Less: Income Tax Expense | 952,086 | 771,740 | 23.37 | 271,031 | 181,462 | 49.36 | 1,019,468 | 822,119 | 24.00 | 288,074 | 181,941 | 58.33 |
| Profit for the Period | 2,221,535 | 2,523,815 | (11.98) | 570,220 | 1,000,974 | (43.03) | 2,235,228 | 2,610,467 | (14.37) | 624,727 | 1,090,151 | (42.69) |
| Profit Attributable to: | | | | | | | | | | | | |
| Equity Holders of the Bank | 2,221,535 | 2,523,815 | (11.98) | 570,220 | 1,000,974 | (43.03) | 2,197,346 | 2,554,146 | (13.97) | 608,653 | 1,063,853 | (42.79) |
| Non-Controlling Interest | - | - | - | - | - | - | 37,882 | 56,321 | (32.74) | 16,074 | 26,298 | (38.88) |
| Profit for the period | 2,221,535 | 2,523,815 | (11.98) | 570,220 | 1,000,974 | (43.03) | 2,235,228 | 2,610,467 | (14.37) | 624,727 | 1,090,151 | (42.69) |
| Basic/Diluted Earnings per Ordinary Share (in Rupees) | 4.30 | 6.10 | (29.51) | 1.10 | 2.42 | (54.55) | 4.25 | 6.17 | (31.12) | 1.18 | 2.57 | (54.09) |

CASH FLOW STATEMENT

| For the Nine Months ended 30th September | (Amounts in Rupees Thousands) | | | |
|--|-------------------------------|--------------------------|---------------------|--------------------------|
| | BANK | | GROUP | |
| | 2020 LKR '000 | 2019 LKR '000 (Restated) | 2020 LKR '000 | 2019 LKR '000 (Restated) |
| Cash Flows from Operating Activities | | | | |
| Interest receipts | 35,261,796 | 40,910,579 | 35,261,426 | 40,911,638 |
| Interest payments | (23,995,857) | (25,608,498) | (23,995,857) | (25,608,498) |
| Net commission receipts | 2,618,406 | 3,085,585 | 2,618,406 | 3,085,585 |
| Trading income | 163,263 | 58,979 | 163,263 | 58,979 |
| Payments to employees | (4,850,951) | (4,680,955) | (4,850,951) | (4,680,955) |
| WAT and NBT on financial services and DRL | (1,051,842) | (1,950,155) | (1,051,842) | (1,950,155) |
| Receipts from other operating activities | 1,100,649 | 2,285,965 | 1,100,649 | 2,285,965 |
| Payments on other operating activities | (2,655,974) | (3,255,730) | (2,655,974) | (3,255,730) |
| Operating profit before changes in operating assets and liabilities | 6,628,759 | 10,845,770 | 6,641,602 | 11,068,452 |
| (Increase) decrease in operating assets: | | | | |
| Balances with Central Bank of Sri Lanka | 7,291,550 | 3,778,820 | 7,291,550 | 3,778,820 |
| Financial assets at amortized cost - Loans and advances | (1,711,839) | (2,274,701) | (1,711,839) | (2,274,701) |
| Other assets | 487,344 | (2,396,441) | 428,448 | (2,388,590) |
| (Increase) decrease in operating liabilities: | | | | |
| Financial liabilities at amortized cost - Due to Depositors | 26,011,091 | 18,809,881 | 26,011,091 | 18,809,881 |
| Financial liabilities at amortized cost - Due to Debt Securities Holders | (5,513,088) | (7,209,387) | (5,513,088) | (7,209,387) |
| Financial liabilities at amortized cost - Due to Other Borrowers | (7,604) | (7,182) | (7,604) | (7,182) |
| Other liabilities | 219,255 | 1,278,886 | 256,614 | 1,068,443 |
| Due to banks | 5,702,497 | 98,876 | 5,702,497 | 98,876 |
| Cash generated from operating activities before income tax | 39,107,965 | (2,076,484) | 39,068,271 | (2,056,384) |
| Income tax paid | (818,162) | (1,426,386) | (818,162) | (1,427,492) |
| Net cash (used in)/generated from operating activities | 38,289,803 | (3,502,870) | 38,250,109 | (3,483,876) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant & equipment | (358,676) | (374,858) | (372,926) | (413,293) |
| Improvements in investment property | 6,695 | 15,090 | (8,929) | (12,022) |
| Proceeds from sale of property, plant & equipment | 14,084,961 | (5,816,011) | (14,084,961) | (5,816,011) |
| 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 | 28,208 | 4,961 | 28,208 | 4,961 |
| Reverse repurchase agreements maturing after three months | (96,621) | (99,107) | (96,621) | (99,107) |
| Net purchase of intangible assets | - | - | - | - |
| Net cash flow from acquisition of investment in subsidiaries | - | - | - | - |
| Net cash flow from disposal of subsidiaries | - | - | - | - |
| Dividend received from investment in subsidiaries | 114,765 | 89,725 | 114,765 | 89,725 |
| Dividend received from other investments | 17,496 | 20,467 | 17,496 | 20,467 |
| Proceed from Sale of Assets Held-for-Sale | - | - | - | - |
| Net cash (used in) / generated from investing activities | (14,664,836) | (4,699,823) | (14,806,485) | (4,839,944) |
| Cash flows from financing activities | | | | |
| Net proceeds from the issue of ordinary share capital | - | - | - | - |
| Net proceeds from the issue of other equity instruments | - | 5,000,000 | - | 4,971,000 |
| Net proceeds from the issue of subordinated debt | - | - | - | - |
| Repayment of subordinated debt | (2,143,860) | (1,488,205) | (2,143,860) | (1,476,616) |
| Interest paid on subordinated debt | (107,337) | (107,443) | (107,337) | (107,443) |
| Interest paid on un-subordinated debt | (502,240) | (287,516) | (502,240) | (287,516) |
| Dividend paid to non-controlling interest | (562,140) | (496,874) | (562,140) | (496,874) |
| Dividend paid to shareholders of the bank | (3,315,977) | (2,619,963) | (3,315,977) | (2,619,963) |
| Payment of lease liabilities | - | - | - | - |
| Net cash (used in)/generated from financing activities | (20,309,190) | (5,581,731) | (20,309,190) | (5,581,731) |
| Net (increase)/decrease in cash and cash equivalents | 24,716,667 | (25,401,673) | 24,716,667 | (25,401,673) |
| Cash and cash equivalents at beginning of the period | 45,025,857 | 19,819,942 | 45,025,857 | 19,819,942 |
| Cash and cash equivalents at end of the period | 69,742,524 | (5,581,731) | 69,742,524 | (5,581,731) |
| Reconciliation of cash and cash equivalents | | | | |
| Cash and cash equivalents | 11,223,222 | 7,986,785 | 11,223,262 | 7,986,825 |
| Placements with banks and finance companies | 17,139,113 | 7,283,457 | 17,139,113 | 7,283,457 |
| Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within three months | 7,356,585 | 297,876 | 7,356,585 | 297,876 |
| Securities purchased under resale agreements maturing within three months | 9,306,637 | 4,251,824 | 9,306,637 | 4,251,824 |
| Total | 45,025,857 | 19,819,942 | 45,025,857 | 19,819,942 |

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 | | | Group | | | Group | | |
| | For the Nine Months Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Quarter Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Nine Months Ended 30th September 2020 | 2019 (Restated) | Growth % | For the Quarter Ended 30th September 2020 | 2019 (Restated) | Growth % |
| Profit for the Period | 2,221,535 | 2,523,815 | (11.98) | 570,220 | 1,000,974 | (43.03) | 2,235,228 | 2,610,467 | (14.37) | 624,727 | 1,090,151 | (42.69) |
| Other Comprehensive Income/ (Loss), Net of Tax Items that will be Reclassified to Income Statement in Subsequent Periods | | | | | | | | | | | | |
| Net Movement of Cash Flow Hedge Reserve | 18,982 | (61,143) | 131.05 | 16,200 | (12,946) | 225.14 | 18,982 | (61,143) | 131.05 | 16,200 | (12,946) | 225.14 |
| Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | 2,109,694 | 2,186,487 | (3.51) | (576,048) | 98,295 | (686.04) | 2,113,572 | 2,191,098 | (3.54) | (575,862) | 98,248 | (686.13) |
| Less: Deferred Tax effect relating to items that will be Reclassified to Income Statement | 590,714 | 612,216 | (3.51) | (161,294) | 27,522 | (686.05) | 591,102 | 612,216 | (3.45) | (161,274) | 27,522 | (685.98) |
| Items that will not 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 | 1,864,829 | 1,777,334 | 949.22 | 1,877,824 | 62,722 | 2,893.88 | 1,864,829 | 1,777,334 | 949.22 | 1,877,824 | 62,722 | 2,893.88 |
| Less: Deferred Tax effect relating to items that will not be Reclassified to Income Statement | 477,170 | 6,966 | 6,749.99 | - | 6,966 | (100.00) | 477,170 | 6,966 | 6,749.99 | - | 6,966 | (100.00) |
| Other comprehensive income/ (loss) for the period, net of taxes | 2,925,621 | 1,683,896 | 73.74 | 1,479,270 | 113,583 | 1,202.37 | 2,929,111 | 1,688,507 | 73.47 | 1,479,436 | 113,536 | 1,203.05 |
| Total Comprehensive Income for the Period | 5,147,156 | 4,207,711 | 22.33 | 2,049,490 | 1,114,557 | 83.88 | 5,164,339 | 4,298,974 | 20.13 | 2,104,163 | 1,203,687 | 74.61 |
| Total Comprehensive Attributable to: | | | | | | | | | | | | |
| Equity Holders of the Bank | 5,147,156 | 4,207,711 | 22.33 | 2,049,490 | 1,114,557 | 83.88 | 5,125,428 | 4,241,293 | 20.85 | 2,088,040 | 1,177,403 | 77.34 |
| Non-Controlling Interest | - | - | - | - | - | - | 38,911 | 57,681 | (32.54) | 16,123 | 26,284 | (38.66) |
| Total Comprehensive Income for the Period | 5,147,156 | 4,207,711 | 22.33 | 2,049,490 | 1,114,557 | 83.88 | 5,164,339 | 4,298,974 | 20.13 | 2,104,163 | 1,203,687 | 74.61 |

STATEMENT OF FINANCIAL POSITION

| (In terms of Rule 7.4 of the Colombo Stock Exchange) | (Amounts in Rupees Thousands) | | | | | | | | | | | |
|--|-------------------------------|----------------------------|----------|------------------|----------------------------|----------|------------------|----------------------------|----------|------------------|----------------------------|----------|
| | Bank | | | | | | Group | | | | | |
| | As at 30.09.2020 | As at 31.12.2019 (Audited) | Growth % | As at 30.09.2020 | As at 31.12.2019 (Audited) | Growth % | As at 30.09.2020 | As at 31.12.2019 (Audited) | Growth % | As at 30.09.2020 | As at 31.12.2019 (Audited) | Growth % |
| Assets | | | | | | | | | | | | |
| Cash and Cash Equivalents | 11,202,656 | 11,758,729 | (4.73) | 11,202,696 | 11,758,769 | (4.73) | 11,202,696 | 11,758,769 | (4.73) | 11,202,696 | 11,758,769 | (4.73) |
| Balances with Central Bank of Sri Lanka | 7,167,420 | 14,458,970 | (50.43) | 7,167,420 | 14,458,970 | (50.43) | 7,167,420 | 14,458,970 | (50.43) | 7,167,420 | 14,458,970 | (50.43) |
| Placements with Banks and Finance Companies | 17,053,417 | 1,173,278 | 1,353.48 | 17,053,417 | 1,173,278 | 1,353.48 | 17,053,417 | 1,173,278 | 1,353.48 | 17,053,417 | 1,173,278 | 1,353.48 |
| Derivative Financial Instruments | 128,104 | 134,756 | (4.94) | 128,104 | 134,756 | (4.94) | 128,104 | 134,756 | (4.94) | 128,104 | 134,756 | (4.94) |
| Financial Assets recognized through Profit or Loss | | | | | | | | | | | | |
| - Measured at Fair Value | 2,039,887 | 7,118,016 | (71.34) | 2,047,613 | 7,124,752 | (71.26) | 2,047,613 | 7,124,752 | (71.26) | 2,047,613 | 7,124,752 | (71.26) |
| - Designated | | | | | | | | | | | | |

SEYLAN BANK PLC FINANCIAL STATEMENTS

Nine Months ended 30th September, 2020



SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

| | BANKING | | TREASURY | | PROPERTY/INVESTMENTS | | UNALLOCATED/ELIMINATIONS | | TOTAL | |
|--|-------------------|-------------------|------------------|------------------|----------------------|----------------|--------------------------|------------------|-------------------|-------------------|
| | 30.09.2020 | 30.09.2019 | 30.09.2020 | 30.09.2019 | 30.09.2020 | 30.09.2019 | 30.09.2020 | 30.09.2019 | 30.09.2020 | 30.09.2019 |
| Interest Income | 31,645,823 | 34,126,572 | 6,693,941 | 5,530,180 | 21,860 | 20,519 | 2,020,617 | 1,967,751 | 40,382,041 | 41,645,022 |
| Interest Expense | 21,397,136 | 23,971,749 | 4,001,294 | 3,880,287 | 62 | 508 | (123,683) | (213,326) | 25,274,809 | 27,639,218 |
| Net Interest Income | 10,248,687 | 10,154,823 | 2,692,647 | 1,649,893 | 21,798 | 20,011 | 2,144,300 | 2,181,077 | 15,107,232 | 14,005,804 |
| Fee and Commission Income | 2,750,518 | 3,204,776 | 4,670 | 5,432 | - | - | 26,395 | 29,890 | 2,781,583 | 3,240,098 |
| Fee and Commission Expense | 145,284 | 140,555 | 17,979 | 17,870 | 376 | - | - | - | 163,639 | 158,425 |
| Net Fee and Commission Income | 2,605,234 | 3,064,221 | (13,309) | (12,438) | (376) | - | 26,395 | 29,890 | 2,617,944 | 3,081,673 |
| Net Gains/(Losses) from Trading | - | - | 122,429 | (693,607) | 875 | 89 | - | - | 123,304 | (693,518) |
| Net Gains from Derecognition of Financial Assets | - | - | 709,017 | 180,387 | - | - | - | - | 709,017 | 180,387 |
| Net Other Operating Income | 77,117 | 210,272 | 687,626 | 1,335,233 | 252,356 | 223,693 | (105,212) | (148,871) | 911,887 | 1,620,327 |
| Inter Segment Revenue | (55,614) | (132,002) | - | 71,574 | - | - | 55,614 | 60,428 | - | - |
| Total Operating Income | 12,875,224 | 13,297,314 | 4,198,410 | 2,531,042 | 274,653 | 243,793 | 2,121,097 | 2,122,524 | 19,469,384 | 18,194,673 |
| Depreciation and Amortisation Expenses | 697,711 | 625,017 | 4,216 | 8,136 | 541 | 683 | 408,048 | 365,222 | 1,110,516 | 999,058 |
| Impairment Charge for the Period | 5,002,958 | 3,116,273 | 412,765 | 31,302 | - | (16) | - | - | 5,415,723 | 3,147,559 |
| Operating Expenses & VAT on Financial Services * | 7,189,273 | 8,091,970 | 669,072 | 675,540 | 65,423 | 65,951 | 1,764,681 | 1,782,109 | 9,688,449 | 10,615,470 |
| Reportable Segment Profit Before Income Tax | (14,718) | 1,464,054 | 3,112,357 | 1,816,064 | 208,689 | 177,275 | (51,632) | (24,807) | 3,254,696 | 3,432,586 |
| Income Tax Expense | - | - | - | - | - | - | - | - | 1,019,468 | 822,119 |
| Profit For the Period | - | - | - | - | - | - | - | - | 2,235,228 | 2,610,467 |
| Profit Attributable To: | - | - | - | - | - | - | - | - | - | - |
| Equity Holders of The Bank | - | - | - | - | - | - | - | - | 2,197,346 | 2,554,146 |
| Non-controlling Interests | - | - | - | - | - | - | - | - | 37,882 | 56,321 |
| Profit For the Period | - | - | - | - | - | - | - | - | 2,235,228 | 2,610,467 |
| Other Comprehensive Income, Net of Income Tax | - | - | - | - | - | - | - | - | 2,929,111 | 1,688,507 |
| * 2019 includes NBT & DRL | - | - | - | - | - | - | - | - | - | - |
| Other Information | - | - | - | - | - | - | - | - | - | - |
| Total Assets | 372,609,276 | 346,940,256 | 141,267,201 | 116,971,777 | 5,829,123 | 5,686,884 | 28,082,817 | 22,766,597 | 547,788,417 | 492,365,514 |
| Total Liabilities & Equity | 438,619,972 | 398,403,326 | 55,414,071 | 61,215,278 | 5,829,123 | 5,686,884 | 47,925,251 | 27,060,026 | 547,788,417 | 492,365,514 |
| Cash Flows from Operating Activities | 34,319,553 | (5,705,792) | 3,513,771 | 1,855,502 | 151,650 | 144,909 | 265,135 | 222,505 | 38,250,109 | (3,482,876) |
| Cash Flows from Investing Activities | (84,198) | (239,451) | (14,458,218) | (4,431,460) | (25,819) | (56,172) | (238,250) | (112,861) | (14,806,485) | (4,839,944) |
| Cash Flows from Financing Activities | (562,140) | (496,873) | (2,251,597) | 3,404,352 | (182,261) | (147,965) | (158,934) | (18,424) | (3,134,932) | 2,741,090 |
| Capital Expenditure | (221,154) | (340,136) | (158) | (6,362) | (24,079) | (50,457) | (236,985) | (127,467) | (482,376) | (524,422) |

STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

| For the Nine Months ended 30th September | Stated Capital | | Statutory Reserve Fund | Retained Earnings | Other Reserves | | | Total |
|---|-------------------|------------------|------------------------|-------------------|---------------------|--------------------|------------------|-------------------|
| | Ordinary Shares | Ordinary Shares | | | Revaluation Reserve | FVOCI Reserve | Other Reserves | |
| | - Voting | - Non-Voting | | | | | | |
| 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 | 34,609,799 |
| Total Comprehensive Income for the Period | - | - | - | 2,523,815 | - | - | - | 2,523,815 |
| Profit for the Period (Restated) | - | - | - | 2,523,815 | - | - | - | 2,523,815 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - | - | - | - |
| - Net Gains on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,574,271 | - | 1,574,271 |
| - Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 170,768 | - | 170,768 |
| - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | (61,143) | (61,143) |
| 2 Total Comprehensive Income for the Period | - | - | - | 2,523,815 | - | 1,745,039 | (61,143) | 4,207,711 |
| Transactions with Equity Holders, Recognized Directly In Equity | - | - | - | - | - | - | - | - |
| Cash/Script Dividends to Equity Holders | 316,659 | 313,031 | - | (915,248) | - | - | - | (285,558) |
| Transferred from Investment Fund Reserve | - | - | - | 5,089 | - | - | (5,089) | - |
| Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | 253,062 | - | (253,062) | - | - |
| 3 Total Transactions with Equity Holders | 316,659 | 313,031 | - | (657,097) | - | (253,062) | (5,089) | (285,558) |
| Balance as at 30th September 2019 (1 + 2 + 3) | 8,039,866 | 4,615,619 | 1,768,944 | 21,665,365 | 866,290 | (387,324) | 1,963,192 | 38,531,952 |
| 1 Balance as at 01st January 2020 | 10,884,710 | 6,160,014 | 1,952,957 | 22,823,239 | 858,312 | (14,219) | 1,962,261 | 44,627,274 |
| Total Comprehensive Income for the Period | - | - | - | 2,221,535 | - | - | - | 2,221,535 |
| Profit for the Period | - | - | - | 2,221,535 | - | - | - | 2,221,535 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - | - | - | - |
| - Net Gains on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,518,980 | - | 1,518,980 |
| - Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,387,659 | - | 1,387,659 |
| - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | 18,982 | 18,982 |
| 2 Total Comprehensive Income for the Period | - | - | - | 2,221,535 | - | 2,906,639 | 18,982 | 5,147,156 |
| Transactions with Equity Holders, Recognized Directly In Equity | - | - | - | - | - | - | - | - |
| Cash/Script Dividends to Equity Holders | 251,477 | 252,146 | - | (1,007,247) | - | - | - | (503,624) |
| Transferred from Investment Fund Reserve | - | - | - | 500,793 | - | - | (500,793) | - |
| Net Loss on Reclassification of Debt Investments measured at Fair Value through Other Comprehensive Income | - | - | - | (308) | - | 308 | - | - |
| 3 Total Transactions with Equity Holders | 251,477 | 252,146 | - | (506,762) | - | 308 | (500,793) | (503,624) |
| Balance as at 30th September 2020 (1 + 2 + 3) | 11,136,187 | 6,412,160 | 1,952,957 | 24,538,012 | 858,312 | 2,892,728 | 1,480,450 | 49,270,806 |
| * 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. | - | - | - | - | - | - | - | - |

STATEMENT OF CHANGES IN EQUITY - GROUP

(Amounts in Rupees Thousands)

| For the Nine Months ended 30th September | Stated Capital | | Statutory Reserve Fund | Retained Earnings | Other Reserves | | | Total | Non-Controlling Interest | Total Equity |
|---|-------------------|------------------|------------------------|-------------------|---------------------|--------------------|------------------|-------------------|--------------------------|-------------------|
| | Ordinary Shares | Ordinary Shares | | | Revaluation Reserve | FVOCI Reserve | Other Reserves | | | |
| | - Voting | - Non-Voting | | | | | | | | |
| 1 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 | 37,463,363 |
| Total Comprehensive Income for the Period | - | - | - | 2,554,146 | - | - | - | 2,554,146 | 56,321 | 2,610,467 |
| Profit for the Period (Restated) | - | - | - | 2,554,146 | - | - | - | 2,554,146 | 56,321 | 2,610,467 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - | - | - | - | - | - |
| - Net Gains on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,577,522 | - | 1,577,522 | 1,360 | 1,578,882 |
| - Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 170,768 | - | 170,768 | - | 170,768 |
| - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | (61,143) | (61,143) | - | (61,143) |
| 2 Total Comprehensive Income for the Period | - | - | - | 2,554,146 | - | 1,748,290 | (61,143) | 4,241,293 | 57,681 | 4,298,974 |
| Transactions with Equity Holders, Recognized Directly In Equity | - | - | - | - | - | - | - | - | - | - |
| Cash/Script Dividends to Equity Holders | 316,659 | 313,031 | - | (915,248) | - | - | - | (285,558) | (43,635) | (329,193) |
| Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment | - | - | - | 5,089 | - | - | (5,089) | - | - | - |
| Transferred from Investment Fund Reserve | - | - | - | 252,312 | - | (252,312) | - | - | - | - |
| Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | (657,847) | - | (252,312) | (5,089) | (285,558) | (43,635) | (329,193) |
| 3 Total Transactions with Equity Holders | 316,659 | 313,031 | - | (657,847) | - | (252,312) | (5,089) | (285,558) | (43,635) | (329,193) |
| Balance as at 30th September 2019 (1 + 2 + 3) | 8,039,866 | 4,615,619 | 1,768,944 | 22,314,528 | 1,662,627 | (418,348) | 2,218,405 | 40,202,641 | 1,230,503 | 41,433,144 |
| 1 Balance as at 01st January 2020 | 10,884,710 | 6,160,014 | 1,952,957 | 23,494,184 | 1,714,728 | (44,601) | 2,217,474 | 46,379,466 | 1,264,588 | 47,644,054 |
| Total Comprehensive Income for the Period | - | - | - | 2,197,346 | - | - | - | 2,197,346 | 37,882 | 2,235,228 |
| Profit for the Period | - | - | - | 2,197,346 | - | - | - | 2,197,346 | 37,882 | 2,235,228 |
| Other Comprehensive Income (net of tax) | - | - | - | - | - | - | - | - | - | - |
| - Differed Tax on Revaluation of Disposed Property, Plant and Equipment | - | - | - | - | - | 1,521,441 | - | 1,521,441 | 1,029 | 1,522,470 |
| - Net Gains on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,387,659 | - | 1,387,659 | - | 1,387,659 |
| - Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | - | 18,982 | 18,982 | - | 18,982 |
| - Net Movement of Cash Flow hedge Reserve | - | - | - | - | - | - | - | - | - | - |
| 2 Total Comprehensive Income for the Period | - | - | - | 2,197,346 | - | 2,909,100 | 18,982 | 5,125,428 | 38,911 | 5,164,339 |
| Transactions with Equity Holders, Recognized Directly In Equity | - | - | - | - | - | - | - | - | - | - |
| Cash/Script Dividends to Equity Holders | 251,477 | 252,146 | - | (1,007,247) | - | - | - | (503,624) | (47,998) | (551,622) |
| Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment | - | - | - | 500,793 | - | - | (500,793) | - | - | - |
| Transferred from Investment Fund Reserve | - | - | - | 500,793 | - | - | - | - | - | - |
| Net Loss on Reclassification of Debt Investments measured at Fair Value through Other Comprehensive Income | - | - | - | (308) | - | 308 | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - |
| 3 Total Transactions with Equity Holders | 251,477 | 252,146 | - | (506,762) | - | 308 | (500,793) | (503,624) | (47,998) | (551,622) |
| Balance as at 30th September 2020 (1 + 2 + 3) | 11,136,187 | 6,412,160 | 1,952,957 | 25,184,768 | 1,714,728 | 2,864,807 | 1,735,663 | 51,001,270 | 1,255,501 | 52,256,771 |
| * 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. | - | - | - | - | - | - | - | - | - | - |

EXPLANATORY NOTES

1. **General**
The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) 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.

Interim Financial Statements for the quarter ended September 30, 2019 has been restated by incorporating the impact on adopting SLFRS 16 effective from January 01, 2019.

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%).

Covid 19 Impact
The socio-economic impact of Corona Virus Disease (Covid 19) pandemic situation has a direct and substantial impact on the Bank's normal business operations to a certain extent. The Bank has strictly complied with the guidelines and directives issued with 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. The Bank ensured health and safety protocols for its staff and the customers. Agile strategic planning and execution of strategic decisions were taken with Board members, senior management team and other connected staff members in order to promptly respond to the situation and its subsequent impact on Bank's Business. The Bank will continue to take necessary protocols and actions to support the pandemic situation.

2. Information on Ordinary Shares

| Market Price (Rs.) | 30/09/2020 | | 30/09/2019 | |
|--|------------|------------|------------|------------|
| | Voting | Non-Voting | Voting | Non-Voting |
| Market Price Per Share | 46.70 | 33.00 | 51.30 | 29.60 |
| Highest price per share during the quarter ended | 49.50 | 35.70 | 78.00 | 42.90 |
| Lowest price per share during the quarter ended | 40.00 | 28.50 | 49.50 | 28.20 |

3. Shareholders' Information

| 3.1 Twenty Largest Ordinary Voting Shareholders as at September 30, 2020 | | No. of Shares | % |
|--|---|---------------|-------|
| 1 | Sri Lanka Insurance Corporation Ltd [includes General Fund and Life Fund] | 38,507,542 | 15.00 |
| 2 | Brown & Company PLC A/C No. 01 | 35,619,312 | 13.87 |
| 3 | Employees' Provident Fund | 25,305,909 | 9.86 |
| 4 | L.O.L.C Investments Ltd | 24,520,351 | 9.55 |
| 5</ | | | |