



# Seylan Bank PLC

Interim Financial Statements (Audited)  
For the Year Ended 31st December 2022

## Bank's Financial Performance in 2022

The Bank records a PBT of LKR 6.6 Bn and PAT of LKR 4.7 Bn during the year 2022.

### Income Statement

The Bank's Net Interest Income recorded a year on year (YOY) growth of 72% under the period under review compared to 21% reported in 2021. Both the Interest Income and Interest Expenses reflected a growth of 84% and 96% respectively in year 2022, compared to the de-growth of 8% and 27% reported in 2021, mainly due to the increase in market rates, and faster repricing of loan book than the deposit base. The overall interest income for the year recorded an increase of LKR 39 Bn to reach LKR 86 Bn compared to LKR 47 Bn recorded in 2021 and overall interest expenses for the year recorded an increase of LKR 23 Bn to reach LKR 46 Bn compared to LKR 23 Bn recorded in 2021. The Net Interest Margin stood at 6.33% in 2022 compared to 4.05% recorded in 2021.

Net Fee and Commission Income has shown a notable growth of 39% to LKR 6 Bn from a growth of 24% to LKR 5 Bn reported in previous year. This is mainly attributable to fee income from cards, trade & Remittances and other financial services which was an area of focus for the Bank.

The Bank's Net Gains /(Losses) from Trading reported a loss of LKR 0.447 Bn, an increase of 104% over the loss reported in previous year. The mark- to- market loss of trading derivative financial instruments have increased during the year under review compared to the previous year due to interest rate volatility and currency depreciation. However, the realized net gains of the said transactions reported as "foreign exchange income" under "Net Other Operating Income" recording an overall gain.

Net Gains from De-recognition of Financial Assets reported a decrease of 94% to LKR 0.03 Bn compared to LKR 0.6 Bn reported in the previous year primarily due to the reduction in capital gains realized during the year under review.

Net Other Operating Income of the Bank amounting to LKR 4.5 Bn for 2022 reported an increase over the previous year by 55%. This growth is mainly from net foreign exchange gains.

The Total Operating Income grew by 62% amounting to LKR 51 Bn in 2022 when compared to LKR 31 Bn in the previous year driven mainly by growth in Net Interest Income, Net Fee Income and Foreign Exchange Income.

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 and continuously assesses the credit quality of the Bank's loan portfolio in order to ensure adequate provisions are recognized in the financial statements. The Bank maintains provisions made as management overlay, based on the assessment of significant increases 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 of the affected industries and individuals. Further the Bank has accounted for an additional Expected Credit Loss (ECL) on Foreign Currency Denominated Bonds in the financial statements considering the impact on Interim

policy regarding the servicing of Sri Lanka's external public debts issued by the Ministry of Finance of Government of Sri Lanka. The Bank recorded an impairment charge of LKR 26 Bn against LKR 10 Bn reported in 2021 with a growth of 154%. Impairment charge on Loans & Advances recorded LKR 21 Bn with a 139% increase over the previous year mainly due to the factors described above. Out of the total impairment charge of LKR 26 Bn, 81% (LKR 21 Bn) reflects the impairment charge on Loans & Advances. Stage wise impairment charge on loans and advances reflects LKR 3 Bn, LKR 4 Bn and LKR 14 Bn for Stage 1, Stage 2 and Stage 3. Impairment charge on Financial Assets Measured at Amortized Cost – Debt and Other Instruments have been recorded as LKR 5 Bn a significant increase over the previous year (LKR 0.42 Bn) mainly due to the ECL (Expected Credit Loss) recorded on foreign currency denominated bonds

The Bank's Personnel Expenses increased by 15% to LKR 8 Bn during the year under review compared to the previous year mainly due to increase in the staff benefits based on the collective agreement, new promotions, recruitments etc. Establishment and other expenses increased from LKR 6 Bn in 2021 to LKR 7 Bn in 2022 mainly due to the increase in prices of purchases and services as a result of higher inflation and local currency depreciation. The Bank will continue to adopt cost containment measures and strategies to manage the costs to the best extent possible. The Bank's Cost to Income ratio excluding tax recorded a significant drop and stood at 29.81% at the end of 2022 compared to 41.53% in the previous financial year mainly due to increase in revenue.

The Bank's Value Added Tax on Financial Services increased by 37% amounting to LKR 2.6 Bn compared to LKR 2 Bn recorded in the previous year due to increase in the rate from 15% to 18% and increase in operating income. Further, Social Security Contribution Levy (SSCL) imposed with effect from 01 October 2022 at the rate of 2.5% on the value addition liable for Value Added Tax on Financial Services and the charge for the period is LKR 127 Mn. The Bank's Income Tax Expense reported a growth of 32% to LKR 1.9 Bn in 2022 compared to LKR 1.4 Bn reported in 2021. The Corporate Tax Rate was revised from 24% to 30% and the provisions were recorded accordingly. The Bank's effective tax rate (excluding deferred tax) was 85% in 2022 where as in 2021 it was 32%. Further, the bank made a surcharge tax provision of LKR 1.2 Bn during 2022 to debit of its Retained Earning as per the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka on 22 April 2022.

The Bank recorded a Profit before Tax (PBT) of LKR 6.6 Bn for the period under review with a 10% growth over the previous year while recording a Profit after Tax (PAT) of LKR 4.7 Bn for the year with a 3% growth over the previous year.

### **Statement of Financial Position**

The Bank's total assets recorded a growth of 11% reaching LKR 673 Bn compared to LKR 608 Bn recorded in the previous year. The growth in the assets comprises increase in Investments in Government Securities, Balances with Central Bank, balances with foreign banks etc. and partly impacted by the currency depreciation.

The industry experienced a sluggish credit growth due to economic challenges, moratorium, post Covid impact, and significant changes in policy rates and accordingly, the Bank also recorded a marginal Loan Growth of 0.5% (net loans) in 2022 to LKR 444 Bn including the impact from Local Currency Depreciation in 2022. The Gross Loans reflected a growth of 5% in 2022 to LKR 490 Bn. If excluded the impact from currency depreciation in 2022, the Loans and Advances would have reflected a marginal de-growth of 2% to LKR 457Bn. The Bank curtailed its lending as appropriate especially to non-essential sectors and risk-elevated sectors while prioritizing lending to certain sectors such as exporters in order to support the prioritized sectors as an ongoing initiative. The Bank's Asset Quality was a challenge in year 2022 as well and the Bank continued to have stringent control mechanisms such as tightened loan approval and disbursement process, continuous monitoring and strengthened recovery process etc. to manage the asset quality.

The Bank through external and internal campaigns promotes its deposit products to grow the business. The Bank's overall Deposit Base increased by 12% to LKR 547Bn, including the impact from Local Currency Depreciation. The Bank's LKR Deposits reported a growth of 4%. The Bank's Time Deposits reported a growth of 22% to LKR 383 Bn. In addition to the new to Bank deposits, CASA migration to Time Deposits took place during the year which is expected in a high interest rate environment. The Bank's CASA base contracted from LKR 173 Bn to LKR 163 Bn in 2022, which is a 6% de-growth from the previous year. CASA ratio stood at 29.8 % in 2022 compared to 35.4% of the previous year.

Seylan Bank remained soundly capitalized, with the key capital adequacy ratios above the regulatory minimum requirements and recorded 10.69% as Common Equity Tier 1 Capital Ratio & Total Tier 1 Capital Ratio and 13.59% as the Total Capital Ratio.

The Bank has taken several measures such as accelerated deposit mobilization, closely managed growth of the loan book etc. to enhance the liquidity position. The Bank maintained the SLAR well above the statutory requirement, during year under review. The Statutory Liquid Asset Ratio (SLAR) for the Overall Bank, Bank's Domestic Banking Unit and the Bank's Foreign Currency Banking Unit were maintained at 25.51%, 25.16% and 25.02% respectively as at 31 December 2022. The Bank also maintained the LCR above the statutory requirement and the All Currency LCR Ratio and the Rupee LCR Ratio were maintained at 175.1% and 280.14% respectively.

The Return on Equity (ROE) stood at 8.85% for the year under review compared to 9.07% recorded in 2021. The Return on Average Assets (profit before tax) recorded as 1.04% for the year under review. The Bank's Earnings per Share stood at LKR 8.16 as at end of 2022 compared to LKR 7.93 reported as at the end of the previous year. The Bank's Net Assets Value per Share stood at LKR 94.24 as at the end of 2022 (Group LKR 97.27) compared to LKR 97.44 reported as at the previous year end (Group LKR 101.01).

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

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

(Amounts in Rupees Thousands)

	Bank			Bank		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2022 (Audited)	2021 (Audited)	Growth %	2022	2021	Growth %
Interest Income	86,068,611	46,770,415	84.02	28,812,624	12,300,918	134.23
Less: Interest Expenses	45,526,649	23,181,313	96.39	16,230,322	5,779,495	180.83
<b>Net Interest Income</b>	<b>40,541,962</b>	<b>23,589,102</b>	<b>71.87</b>	<b>12,582,302</b>	<b>6,521,423</b>	<b>92.94</b>
Fee and Commission Income	6,697,136	4,784,698	39.97	2,009,269	1,408,417	42.66
Less: Fee and Commission Expenses	235,118	143,498	63.85	67,139	37,240	80.29
<b>Net Fee and Commission Income</b>	<b>6,462,018</b>	<b>4,641,200</b>	<b>39.23</b>	<b>1,942,130</b>	<b>1,371,177</b>	<b>41.64</b>
Net Gains/(Losses) from Trading	(446,958)	(219,044)	(104.05)	454,524	197,480	130.16
Net Gains from Derecognition of Financial Assets	34,149	553,425	(93.83)	379	24,520	(98.45)
Net Other Operating Income	4,465,037	2,877,555	55.17	882,803	1,010,440	(12.63)
<b>Total Operating Income</b>	<b>51,056,208</b>	<b>31,442,238</b>	<b>62.38</b>	<b>15,862,138</b>	<b>9,125,040</b>	<b>73.83</b>
Less: Impairment Charges	26,433,076	10,421,913	153.63	7,596,118	4,123,753	84.20
<b>Net Operating Income</b>	<b>24,623,132</b>	<b>21,020,325</b>	<b>17.14</b>	<b>8,266,020</b>	<b>5,001,287</b>	<b>65.28</b>
<b>Less: Operating Expenses</b>						
Personnel Expenses	7,964,096	6,909,703	15.26	2,039,866	1,444,631	41.20
Depreciation and Amortisation Expenses	1,357,915	1,429,469	(5.01)	337,451	349,076	(3.33)
Other Expenses	5,898,226	4,718,565	25.00	1,828,384	1,227,689	48.93
<b>Total Operating Expenses</b>	<b>15,220,237</b>	<b>13,057,737</b>	<b>16.56</b>	<b>4,205,701</b>	<b>3,021,396</b>	<b>39.20</b>
<b>Operating Profit before Taxes</b>	<b>9,402,895</b>	<b>7,962,588</b>	<b>18.09</b>	<b>4,060,319</b>	<b>1,979,891</b>	<b>105.08</b>
Less: Value Added Tax on Financial Services	2,646,792	1,934,812	36.80	881,454	408,833	115.60
Less: Social Security Contribution Levy	127,243	-	100.00	127,243	-	100.00
<b>Profit before Income Tax</b>	<b>6,628,860</b>	<b>6,027,776</b>	<b>9.97</b>	<b>3,051,622</b>	<b>1,571,058</b>	<b>94.24</b>
Less: Income Tax Expense	1,916,597	1,447,236	32.43	844,377	196,338	330.06
<b>Profit for the Year</b>	<b>4,712,263</b>	<b>4,580,540</b>	<b>2.88</b>	<b>2,207,245</b>	<b>1,374,720</b>	<b>60.56</b>
<b>Basic / Diluted Earnings per Ordinary Share (Rs.)</b>	<b>8.16</b>	<b>7.93</b>	<b>2.90</b>	<b>3.82</b>	<b>2.38</b>	<b>60.50</b>

# Seylan Bank PLC

## Statement of Profit or Loss and Other Comprehensive Income

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

	<b>Bank</b>			<b>(Amounts in Rupees Thousands)</b>		
	<b>For the Year Ended 31st December</b>			<b>For the Quarter Ended 31st December</b>		
	<b>2022</b> (Audited )	<b>2021</b> (Audited )	<b>Growth</b> %	<b>2022</b>	<b>2021</b>	<b>Growth</b> %
<b>Profit for the year</b>	<b>4,712,263</b>	<b>4,580,540</b>	<b>2.88</b>	<b>2,207,245</b>	<b>1,374,720</b>	<b>60.56</b>
<b>Other Comprehensive Income/ (Loss), net of Tax</b>						
<b>Items that are or may be reclassified to Income Statement in Subsequent Periods</b>						
Net Movement of Cash Flow Hedge Reserve	84,246	(77,485)	<b>208.73</b>	-	(104,353)	<b>100.00</b>
Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,633,614)	(2,884,037)	<b>43.36</b>	90,260	(558,371)	<b>116.16</b>
Deferred Tax effect Relating to Items that are or may be reclassified to Income Statement	392,856	790,071	<b>(50.28)</b>	(8,732)	123,256	<b>(107.08)</b>
<b>Items that will never be reclassified to Income Statement in Subsequent Periods</b>						
Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(1,220,234)	436,898	<b>(379.29)</b>	(352,618)	379,866	<b>(192.83)</b>
Revaluation of Property, Plant and Equipment	-	748,182	<b>(100.00)</b>	-	748,182	<b>(100.00)</b>
Actuarial Losses on Defined Benefit Obligations	(222,236)	(390,122)	<b>43.03</b>	(222,236)	(390,122)	<b>43.03</b>
Deferred Tax Effect Relating to Items that will never be reclassified to Income Statement	(125,416)	(144,527)	<b>13.22</b>	(125,416)	(144,527)	<b>(13.22)</b>
<b>Other Comprehensive Income for the Year, net of Tax</b>	<b>(2,724,398)</b>	<b>(1,521,020)</b>	<b>(79.12)</b>	<b>(618,742)</b>	<b>53,931</b>	<b>(1,247.28)</b>
<b>Total Comprehensive Income for the Year</b>	<b>1,987,865</b>	<b>3,059,520</b>	<b>(35.03)</b>	<b>1,588,503</b>	<b>1,428,651</b>	<b>11.19</b>

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

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

(Amounts in Rupees Thousands)

	Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2022 (Audited)	2021 (Audited)	Growth %	2022	2021	Growth %
Interest Income	86,106,337	46,781,204	<b>84.06</b>	28,830,616	12,305,053	<b>134.30</b>
Less: Interest Expenses	45,219,220	22,877,295	<b>97.66</b>	16,203,904	5,703,742	<b>184.09</b>
<b>Net Interest Income</b>	<b>40,887,117</b>	<b>23,903,909</b>	<b>71.05</b>	<b>12,626,712</b>	<b>6,601,311</b>	<b>91.28</b>
Fee and Commission Income	6,697,059	4,784,426	<b>39.98</b>	2,009,284	1,408,410	<b>42.66</b>
Less: Fee and Commission Expenses	235,852	143,950	<b>63.84</b>	67,139	37,692	<b>78.13</b>
<b>Net Fee and Commission Income</b>	<b>6,461,207</b>	<b>4,640,476</b>	<b>39.24</b>	<b>1,942,145</b>	<b>1,370,718</b>	<b>41.69</b>
Net Gains/ (Losses) from Trading	(446,958)	(217,844)	<b>(105.17)</b>	458,810	197,133	<b>132.74</b>
Net Gains from Derecognition of Financial Assets	34,149	553,425	<b>(93.83)</b>	379	24,520	<b>(98.45)</b>
Net Other Operating Income	4,445,827	2,849,480	<b>56.02</b>	912,411	1,042,888	<b>(12.51)</b>
<b>Total Operating Income</b>	<b>51,381,342</b>	<b>31,729,446</b>	<b>61.94</b>	<b>15,940,457</b>	<b>9,236,570</b>	<b>72.58</b>
Less: Impairment Charges	26,433,076	10,421,913	<b>153.63</b>	7,596,118	4,123,753	<b>84.20</b>
<b>Net Operating Income</b>	<b>24,948,266</b>	<b>21,307,533</b>	<b>17.09</b>	<b>8,344,339</b>	<b>5,112,817</b>	<b>63.20</b>
<b>Less: Operating Expenses</b>						
Personnel Expenses	8,007,403	6,945,931	<b>15.28</b>	2,047,966	1,449,645	<b>41.27</b>
Depreciation and Amortisation	1,416,379	1,479,466	<b>(4.26)</b>	358,717	363,288	<b>(1.26)</b>
Other Expenses	5,953,791	4,762,644	<b>25.01</b>	1,849,849	1,246,751	<b>48.37</b>
<b>Total Operating Expenses</b>	<b>15,377,573</b>	<b>13,188,041</b>	<b>16.60</b>	<b>4,256,532</b>	<b>3,059,684</b>	<b>39.12</b>
<b>Operating Profit before Taxes</b>	<b>9,570,693</b>	<b>8,119,492</b>	<b>17.87</b>	<b>4,087,807</b>	<b>2,053,133</b>	<b>99.10</b>
Less: Value Added Tax on Financial Services	2,646,792	1,934,812	<b>36.80</b>	881,454	408,833	<b>115.60</b>
Less: Social Security Contribution Levy	127,243	-	<b>100.00</b>	127,243	-	<b>100.00</b>
<b>Profit before Income Tax</b>	<b>6,796,658</b>	<b>6,184,680</b>	<b>9.90</b>	<b>3,079,110</b>	<b>1,644,300</b>	<b>87.26</b>
Less: Income Tax Expense	2,218,888	1,449,010	<b>53.13</b>	1,053,558	215,502	<b>388.89</b>
<b>Profit for the Year</b>	<b>4,577,770</b>	<b>4,735,670</b>	<b>(3.33)</b>	<b>2,025,552</b>	<b>1,428,798</b>	<b>41.77</b>
<b>Profit Attributable to:</b>						
Equity Holders of the Bank	4,574,359	4,653,003	<b>(1.69)</b>	2,079,135	1,412,855	<b>47.16</b>
Non-controlling Interest	3,411	82,667	<b>(95.87)</b>	(53,583)	15,943	<b>(436.09)</b>
<b>Profit for the Year</b>	<b>4,577,770</b>	<b>4,735,670</b>	<b>(3.33)</b>	<b>2,025,552</b>	<b>1,428,798</b>	<b>41.77</b>
<b>Basic / Diluted Earnings per Ordinary Share (Rs.)</b>	<b>7.92</b>	<b>8.05</b>	<b>(1.61)</b>	<b>3.60</b>	<b>2.45</b>	<b>46.94</b>

# Seylan Bank PLC

## Statement of Profit or Loss and Other Comprehensive Income

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

	<b>Group</b>			<b>(Amounts in Rupees Thousands)</b>		
	<b>Group</b>			<b>Group</b>		
	<b>For the Year Ended 31st December</b>			<b>For the Quarter Ended 31st December</b>		
	<b>2022</b> (Audited)	<b>2021</b> (Audited)	<b>Growth</b> %	<b>2022</b>	<b>2021</b>	<b>Growth</b> %
<b>Profit for the Year</b>	<b>4,577,770</b>	<b>4,735,670</b>	<b>(3.33)</b>	<b>2,025,552</b>	<b>1,428,798</b>	<b>41.77</b>
<b>Other Comprehensive Income/ (Loss), net of Tax</b>						
<b>Items that are or may be reclassified to Income Statement in Subsequent Periods</b>						
Net Movement of Cash Flow Hedge Reserve	84,246	(77,485)	<b>208.73</b>	-	(104,353)	<b>100.00</b>
Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,644,580)	(2,880,457)	<b>42.91</b>	87,738	(552,490)	<b>115.88</b>
Deferred Tax effect Relating to Items that are or may be reclassified to Income Statement	394,591	789,713	<b>(50.03)</b>	(7,842)	122,668	<b>(106.39)</b>
<b>Items that will never be reclassified to Income Statement in Subsequent Periods</b>						
Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(1,220,234)	436,898	<b>(379.29)</b>	(352,618)	379,866	<b>(192.83)</b>
Revaluation of Property, Plant and Equipment	(20,148)	800,032	<b>(102.52)</b>	(20,148)	800,032	<b>(102.52)</b>
Actuarial Losses on Defined Benefit Obligations	(220,656)	(390,919)	<b>43.55</b>	(220,656)	(390,919)	<b>43.55</b>
Deferred Tax Effect Relating to Items that will never be reclassified to Income Statement	(119,682)	(156,881)	<b>23.71</b>	(119,682)	(156,881)	<b>23.71</b>
<b>Other comprehensive income for the Year, net of Tax</b>	<b>(2,746,463)</b>	<b>(1,479,099)</b>	<b>(85.68)</b>	<b>(633,208)</b>	<b>97,923</b>	<b>(746.64)</b>
<b>Total Comprehensive Income for the Year</b>	<b>1,831,307</b>	<b>3,256,571</b>	<b>(43.77)</b>	<b>1,392,344</b>	<b>1,526,721</b>	<b>(8.80)</b>
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Bank	<b>1,834,403</b>	3,161,541	<b>(41.98)</b>	<b>1,450,193</b>	1,497,804	<b>(3.18)</b>
Non-controlling Interest	<b>(3,096)</b>	95,030	<b>(103.26)</b>	<b>(57,849)</b>	28,917	<b>(300.05)</b>
<b>Total Comprehensive Income for the year</b>	<b>1,831,307</b>	<b>3,256,571</b>	<b>(43.77)</b>	<b>1,392,344</b>	<b>1,526,721</b>	<b>(8.80)</b>

**Seylan Bank PLC**  
**Statement of Financial Position**  
(In terms of Rule 7.4 of the Colombo Stock Exchange)

	<b>Bank</b>			<b>(Amounts in Rupees Thousands)</b>		
	<b>As at</b>	<b>As at</b>	<b>Growth</b>	<b>As at</b>	<b>As at</b>	<b>Growth</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>%</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>%</b>
	<b>(Audited)</b>	<b>(Audited)</b>		<b>(Audited)</b>	<b>(Audited)</b>	
<b>Assets</b>						
Cash and Cash Equivalents	40,254,514	16,079,054	<b>150.35</b>	40,254,554	16,079,094	<b>150.35</b>
Balances with Central Bank of Sri Lanka	16,784,172	8,725,834	<b>92.35</b>	16,784,172	8,725,834	<b>92.35</b>
Placements with Banks and Finance Companies	1,819,036	8,246,909	<b>(77.94)</b>	1,819,036	8,246,909	<b>(77.94)</b>
Derivative Financial Instruments	519,189	290,141	<b>78.94</b>	519,189	290,141	<b>78.94</b>
Financial Assets recognised through Profit or Loss						
- Measured at Fair Value	17,781,867	4,969,913	<b>257.79</b>	17,781,867	4,969,913	<b>257.79</b>
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
- Loans and Advances	444,219,508	441,976,662	<b>0.51</b>	444,219,508	441,976,662	<b>0.51</b>
- Debt and Other Instruments	106,158,878	67,992,449	<b>56.13</b>	106,429,752	68,156,417	<b>56.16</b>
Financial Assets measured at Fair Value through Other Comprehensive Income	17,136,286	39,104,536	<b>(56.18)</b>	17,186,183	39,165,399	<b>(56.12)</b>
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	64,435	40,000	<b>61.09</b>	-	-	-
Property, Plant & Equipment	3,770,541	4,289,917	<b>(12.11)</b>	6,462,909	7,063,747	<b>(8.51)</b>
Right-of-use Assets	4,882,318	4,791,175	<b>1.90</b>	2,722,569	2,594,737	<b>4.93</b>
Investment Properties	-	-	-	886,680	870,258	<b>1.89</b>
Intangible Assets	510,146	592,894	<b>(13.96)</b>	510,146	592,894	<b>(13.96)</b>
Deferred Tax Assets	3,242,641	-	<b>100.00</b>	2,684,538	-	<b>100.00</b>
Other Assets	14,508,511	9,323,825	<b>55.61</b>	14,574,073	9,358,128	<b>55.74</b>
<b>Total Assets</b>	<b>672,805,644</b>	<b>607,576,911</b>	<b>10.74</b>	<b>672,835,176</b>	<b>608,090,133</b>	<b>10.65</b>
<b>Liabilities</b>						
Due to Banks	12,158,030	24,504,387	<b>(50.38)</b>	12,158,030	24,504,387	<b>(50.38)</b>
Derivative Financial Instruments	906,813	217,179	<b>317.54</b>	906,813	217,179	<b>317.54</b>
Financial Liabilities at Amortised Cost						
- Due to Depositors	547,315,755	488,653,328	<b>12.00</b>	547,315,755	488,653,328	<b>12.00</b>
- Due to Debt Securities Holders	11,944,370	2,662,377	<b>348.64</b>	11,944,370	2,662,377	<b>348.64</b>
- Due to Other Borrowers	7,483	7,295	<b>2.58</b>	7,483	7,295	<b>2.58</b>
Group Balances Payable	202,382	191,810	<b>5.51</b>	-	-	-
Debt Securities Issued	21,617,455	21,617,455	-	21,617,455	21,617,455	-
Current Tax Liabilities	5,128,484	1,623,966	<b>215.80</b>	5,179,000	1,611,832	<b>221.31</b>
Deferred Tax Liabilities	-	257,574	<b>(100.00)</b>	-	582,395	<b>(100.00)</b>
Lease Liabilities	5,101,247	4,889,598	<b>4.33</b>	2,254,558	2,007,245	<b>12.32</b>
Other Liabilities	13,973,327	10,898,933	<b>28.21</b>	13,985,243	10,939,813	<b>27.84</b>
<b>Total Liabilities</b>	<b>618,355,346</b>	<b>555,523,902</b>	<b>11.31</b>	<b>615,368,707</b>	<b>552,803,306</b>	<b>11.32</b>
<b>Equity</b>						
Stated Capital	19,926,453	18,323,882	<b>8.75</b>	19,926,453	18,323,882	<b>8.75</b>
Statutory Reserve Fund	2,568,162	2,332,549	<b>10.10</b>	2,568,162	2,332,549	<b>10.10</b>
Fair Value through Other Comprehensive Income Reserve	(1,183,105)	(245,179)	<b>(382.55)</b>	(1,215,647)	(271,212)	<b>(348.23)</b>
Retained Earnings	31,063,994	29,196,617	<b>6.40</b>	31,697,936	29,967,349	<b>5.77</b>
Other Reserves	2,074,794	2,445,140	<b>(15.15)</b>	3,225,157	3,605,666	<b>(10.55)</b>
<b>Total Shareholders' Equity</b>	<b>54,450,298</b>	<b>52,053,009</b>	<b>4.61</b>	<b>56,202,061</b>	<b>53,958,234</b>	<b>4.16</b>
<b>Non-controlling Interest</b>	-	-	-	1,264,408	1,328,593	<b>(4.83)</b>
<b>Total Equity</b>	<b>54,450,298</b>	<b>52,053,009</b>	<b>4.61</b>	<b>57,466,469</b>	<b>55,286,827</b>	<b>3.94</b>
<b>Total Equity &amp; Liabilities</b>	<b>672,805,644</b>	<b>607,576,911</b>	<b>10.74</b>	<b>672,835,176</b>	<b>608,090,133</b>	<b>10.65</b>
<b>Contingent Liabilities and Commitments</b>	<b>167,641,150</b>	<b>224,389,878</b>	<b>(25.29)</b>	<b>167,642,941</b>	<b>224,389,963</b>	<b>(25.29)</b>
<b>Memorandum Information</b>						
Number of Employees	3,156	3,148	<b>0.25</b>	3,175	3,167	<b>0.25</b>
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	94.24	97.44	<b>(3.28)</b>	97.27	101.01	<b>(3.70)</b>

**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 audited Financial Statements of the Bank & Group.

(Sgd.)

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

Chairman

February 22, 2023

Colombo

(Sgd.)

**Kapila Ariyaratne**

Director/Chief Executive Officer

**Seylan Bank PLC**

**Statement of Changes in Equity (Audited)**

For the Year ended 31st December

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	
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>24,683,224</b>	<b>858,312</b>	<b>2,285,332</b>	<b>1,488,238</b>	<b>48,966,975</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	4,580,540	-	-	-	4,580,540
Other Comprehensive Income (net of tax)								
- Revaluation of Property, Plant and Equipment	-	-	-	-	601,759	-	-	601,759
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(390,122)	-	-	-	(390,122)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(2,093,966)	-	(2,093,966)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	438,794	-	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)	(77,485)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,190,418</b>	<b>601,759</b>	<b>(1,655,172)</b>	<b>(77,485)</b>	<b>3,059,520</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Scrip Dividend to Equity Holders	385,076	390,459	-	(775,535)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,228	-	-	-	9,228
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,535	8,751	-	-	17,286
Transferred to Statutory Reserve Fund*	-	-	229,027	(229,027)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	875,339	-	(875,339)	-	-
<b>3 Total Transactions with Equity Holders</b>	<b>385,076</b>	<b>390,459</b>	<b>229,027</b>	<b>322,975</b>	<b>8,751</b>	<b>(875,339)</b>	<b>(434,435)</b>	<b>26,514</b>
<b>Balance as at 31st December 2021 (1 + 2 + 3)</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,196,617</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>52,053,009</b>
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,196,617</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>52,053,009</b>
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
<b>2 Restated Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>28,028,282</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>50,884,674</b>
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	-	-	-	4,712,263	-	-	-	4,712,263
Other Comprehensive Income (net of tax)								
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(222,236)	-	-	-	(222,236)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,240,758)	-	(1,240,758)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	-	(94,603)	-	-	(94,603)
<b>3 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,490,027</b>	<b>(94,603)</b>	<b>(2,491,805)</b>	<b>84,246</b>	<b>1,987,865</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Scrip Dividend to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	-	14,484
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,989	-	-	(359,989)	-
Net Gains 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
<b>4 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>235,613</b>	<b>(1,454,315)</b>	<b>-</b>	<b>1,553,879</b>	<b>(359,989)</b>	<b>1,577,759</b>
<b>Balance as at 31st December 2022 (2 + 3 + 4)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,568,162</b>	<b>31,063,994</b>	<b>1,374,219</b>	<b>(1,183,105)</b>	<b>700,575</b>	<b>54,450,298</b>

\* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

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

**Seylan Bank PLC**  
**Statement of Changes in Equity (Audited)**  
For the Year ended 31st December  
Group

(Amounts in Rupees Thousands )										
	Stated Capital		Statutory	Retained	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Reserve Fund *	Earnings	Revaluation Reserve	FVOCI Reserve **	Other Reserves			
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>25,381,609</b>	<b>1,735,867</b>	<b>2,257,027</b>	<b>1,743,451</b>	<b>50,769,823</b>	<b>1,285,776</b>	<b>52,055,599</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	4,653,003	-	-	-	4,653,003	82,667	4,735,670
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	629,607	-	-	629,607	11,648	641,255
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(390,684)	-	-	-	(390,684)	(235)	(390,919)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(2,091,694)	-	(2,091,694)	950	(2,090,744)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	438,794	-	438,794	-	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)	(77,485)	-	(77,485)
<b>2 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,262,319</b>	<b>629,607</b>	<b>(1,652,900)</b>	<b>(77,485)</b>	<b>3,161,541</b>	<b>95,030</b>	<b>3,256,571</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Cash/Scrip Dividend	385,076	390,459	-	(775,535)	-	-	-	-	(52,362)	(52,362)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	9,228	-	-	-	9,228	-	9,228
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,654	8,661	-	-	17,315	12	17,327
Transferred to Statutory Reserve Fund*	-	-	229,027	(229,027)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-	-	-
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	875,339	-	(875,339)	-	-	-	-
Others	-	-	-	327	-	-	-	327	137	464
<b>3 Total Transactions with Equity Holders</b>	<b>385,076</b>	<b>390,459</b>	<b>229,027</b>	<b>323,421</b>	<b>8,661</b>	<b>(875,339)</b>	<b>(434,435)</b>	<b>26,870</b>	<b>(52,213)</b>	<b>(25,343)</b>
<b>Balance as at 31st December 2021 (1 + 2 + 3)</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,967,349</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>53,958,234</b>	<b>1,328,593</b>	<b>55,286,827</b>
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,967,349</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>53,958,234</b>	<b>1,328,593</b>	<b>55,286,827</b>
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
<b>2 Restated Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>28,799,014</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>52,789,899</b>	<b>1,328,593</b>	<b>54,118,492</b>
<b>Total Comprehensive Income for the Year</b>										
Profit for the Year	-	-	-	4,574,359	-	-	-	4,574,359	3,411	4,577,770
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	(9,945)	-	-	(9,945)	(4,159)	(14,104)
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(221,122)	-	-	-	(221,122)	466	(220,656)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,247,267)	-	(1,247,267)	(2,722)	(1,249,989)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,251,047)	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	-	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	-	(94,821)	-	-	(94,821)	(92)	(94,913)
<b>3 Total Comprehensive Income for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,353,237</b>	<b>(104,766)</b>	<b>(2,498,314)</b>	<b>84,246</b>	<b>1,834,403</b>	<b>(3,096)</b>	<b>1,831,307</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Cash/Scrip Dividend	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	-	14,484	-	14,484
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,989	-	-	(359,989)	-	-	-
Net Gains 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
<b>4 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>235,613</b>	<b>(1,454,315)</b>	<b>-</b>	<b>1,553,879</b>	<b>(359,989)</b>	<b>1,577,759</b>	<b>(61,089)</b>	<b>1,516,670</b>
<b>Balance as at 31st December 2022 (2 + 3 + 4)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,568,162</b>	<b>31,697,936</b>	<b>2,269,369</b>	<b>(1,215,647)</b>	<b>955,788</b>	<b>56,202,061</b>	<b>1,264,408</b>	<b>57,466,469</b>

\* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

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

**Seylan Bank PLC**  
**Statement of Cash Flows (Audited)**

(Amounts in Rupees Thousands)

	<b>Bank</b>		<b>Group</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>For the Year Ended 31st December</b>				
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	78,479,079	41,685,072	78,516,805	41,695,861
Interest Payments	(33,232,226)	(21,411,294)	(33,219,943)	(21,402,467)
Net Commission Receipts	6,462,018	4,641,200	6,461,207	4,640,476
Trading Income	196,078	28,216	196,078	29,416
Payments to Employees	(7,583,372)	(7,011,236)	(7,626,699)	(7,048,461)
VAT and SSCL on Financial Services Paid	(2,548,404)	(2,164,565)	(2,548,404)	(2,164,565)
Receipts from Other Operating Activities	15,234,119	3,707,288	15,360,974	3,804,412
Payments on Other Operating Activities	(5,861,384)	(4,192,934)	(5,916,877)	(4,234,684)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>51,145,908</b>	<b>15,281,747</b>	<b>51,223,141</b>	<b>15,319,988</b>
<b>(Increase)/Decrease in Operating Assets :</b>				
Balances with Central Bank of Sri Lanka	(8,058,338)	(1,354,631)	(8,058,338)	(1,354,631)
Financial Assets at Amortized cost - Loans and Advances	(19,115,338)	(54,727,268)	(19,115,466)	(54,727,317)
Other Assets	(5,063,032)	103,576	(5,106,545)	94,723
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Financial Liabilities at Amortized Cost - Due to Depositors	49,236,984	49,744,819	49,236,984	49,744,819
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	9,238,188	89,286	9,238,188	89,286
Financial Liabilities at Amortized cost - Due to Other Borrowers	188	(6,828)	188	(6,828)
Other Liabilities	(7,677,735)	181,437	(7,653,888)	262,403
Due to Banks	(12,346,357)	(8,175,300)	(12,346,357)	(8,175,300)
<b>Cash Generated from Operating Activities before Income Tax</b>	<b>57,360,468</b>	<b>1,136,838</b>	<b>57,417,907</b>	<b>1,247,143</b>
Income Tax Paid	(2,138,520)	(1,242,538)	(2,138,520)	(1,242,538)
Surcharge Tax Paid	(1,168,335)	-	(1,168,335)	-
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>54,053,613</b>	<b>(105,700)</b>	<b>54,111,052</b>	<b>4,605</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property , Plant & Equipment	(192,907)	(312,432)	(197,090)	(356,854)
Improvements in Investment Properties	-	-	(43,087)	(33,725)
Proceeds from Sale of Property , Plant & Equipment	2,359	10,323	2,359	10,323
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka				
Treasury Bills/Bonds, Development and International Sovereign Bonds Maturing after Three Months	(11,411,748)	4,966,410	(11,489,675)	4,966,410
Net Proceeds From Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	47,606	767,816	58,572	772,153
Reverse Repurchase Agreements maturing after Three Months	-	1,801	-	1,801
Net Purchase of Intangible Assets	(102,672)	(149,882)	(102,672)	(149,882)
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	16,446	32,674	16,446	32,674
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(11,494,851)</b>	<b>5,441,909</b>	<b>(11,755,147)</b>	<b>5,242,900</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	-	6,000,000	-	6,000,000
Repayment of Subordinated Debt	-	(1,727,720)	-	(1,727,720)
Interest Paid on Subordinated Debt	(2,589,596)	(2,261,775)	(2,578,780)	(2,250,959)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-controlling Interest	-	-	(57,343)	(42,931)
Dividend Paid to Shareholders of the Bank	(886)	(229)	(886)	(229)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(752,565)	(822,434)	(474,202)	(537,647)
<b>Net Cash (Used In) / Generated from Financing Activities</b>	<b>(3,343,047)</b>	<b>1,187,842</b>	<b>(3,111,211)</b>	<b>1,440,514</b>
Net Increase in Cash and Cash Equivalents	39,215,715	6,524,051	39,244,694	6,688,019
Cash and Cash Equivalents at Beginning of the Year	44,039,917	37,515,866	44,204,423	37,516,404
<b>Cash and Cash Equivalents at End of the Year</b>	<b>83,255,632</b>	<b>44,039,917</b>	<b>83,449,117</b>	<b>44,204,423</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	40,402,164	16,113,653	40,402,204	16,113,693
Placements with Banks and Finance Companies	1,828,177	8,288,351	1,828,675	8,288,849
Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing within Three Months	37,396,742	9,608,882	37,589,689	9,772,850
Securities Purchased Under Resale Agreements maturing within Three Months	3,628,549	10,029,031	3,628,549	10,029,031
	<b>83,255,632</b>	<b>44,039,917</b>	<b>83,449,117</b>	<b>44,204,423</b>

## EXPLANATORY NOTES

### 1. General

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

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report, except for changes to the computations 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 and risk elevated industries as described in note 7.1 below.

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/12/2022		31/12/2021	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	31.60	16.20	44.00	33.30
Highest price per share during the quarter ended	32.00	20.70	49.70	41.40
Lowest price per share during the quarter ended	27.50	15.20	42.80	32.90

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

### 3. Shareholders Information

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

	No. of Shares	%
1 Brown & Company PLC A/C No. 1	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 PLC A/C No. 04 - 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 Peoples 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	3,129,581	1.11
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 Hospital 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	975,855	0.35

#### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 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. 1	6,337,096	2.15
6 Pershing LLC S/A Averbach Grauson & Co.	4,053,725	1.37
7 Peoples 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	1,665,010	0.56
16 Mr M J Fernando	1,615,464	0.55
17 Dr S Yaddhegige	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 December 31, 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. 4.900 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,056

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

<u>Name of Director</u>	<u>No. of Shares</u> (Ordinary Voting)	<u>No of Shares</u> (Non-Voting Shares)
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 year ended December 31, 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 December 31, 2021 has been restated based on the no of shares issued for Scrip Dividend for 2021.

### 6. Events after the Reporting Date

#### 6.1 Proposed Final Dividend

The Board of Directors of the Bank recommended a first and final dividend of Rs. 2.00 per share on both voting and non- voting shares of the Bank for the financial year ended 31<sup>st</sup> December 2022, to be paid in the form scrip dividend of Rs. 2.00 per share (Rs. 3.00 per share was paid for the year ended 31<sup>st</sup> December 2021 by way of scrip dividend).

The said dividend is subject to approval of the shareholders at the Annual General Meeting to be held on 30 March 2023. This proposed final dividend has not been recognized as a liability as at 31<sup>st</sup> December 2022.

## **6.2 Proposed Debenture Issue**

The Board of Directors of the Bank at its meeting held on 24th January 2023 approved (subject to the approval of the shareholders) that the Bank issues up to a maximum of One Hundred and Twenty Million (120,000,000) BASEL III compliant, Tier II, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion of Rupees Hundred (LKR 100/-) each, to raise a maximum sum of Rupees Twelve Billion (LKR 12,000,000,000/-) which will be issued in one or more issuances until 31st December 2023. An Extraordinary General Meeting is scheduled for 14<sup>th</sup> March 2023 seeking approval of the shareholders for the Special Resolution set out in the Notice of Meeting for the above purpose.

## **7. Other Matters**

### **7.1 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 December 31, 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 till 31<sup>st</sup> December 2022 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 foreign currency denominated 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.

### **7.2 Income Tax**

The Inland Revenue (Amendment) Act No 45 of 2022 was certified by the Speaker on 19th December 2022. The standard rate of Income Tax has been increased to 30% from 24%. The increase in income tax rate to 30% has resulted in two tax rates being applicable for the Year of Assessment 2022/23. Accordingly, deferred tax asset has been computed at 30%.

## **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**  
**09 Segment Reporting - Group**

(Amounts in Rupees Thousands )

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Interest Income	71,373,020	37,407,111	15,223,257	9,821,266	61,784	30,731	(551,724)	(477,904)	86,106,337	46,781,204
Less: Interest Expenses	39,495,176	21,876,505	5,886,291	1,168,223	959	299	(163,206)	(167,732)	45,219,220	22,877,295
<b>Net Interest Income</b>	<b>31,877,844</b>	<b>15,530,606</b>	<b>9,336,966</b>	<b>8,653,043</b>	<b>60,825</b>	<b>30,432</b>	<b>(388,518)</b>	<b>(310,172)</b>	<b>40,887,117</b>	<b>23,903,909</b>
Fee and Commission Income	6,663,001	4,752,178	8,259	4,864	-	-	25,799	27,384	6,697,059	4,784,426
Less: Fee and Commission Expenses	206,316	119,468	28,802	24,030	734	452	-	-	235,852	143,950
<b>Net Fee and Commission Income</b>	<b>6,456,685</b>	<b>4,632,710</b>	<b>(20,543)</b>	<b>(19,166)</b>	<b>(734)</b>	<b>(452)</b>	<b>25,799</b>	<b>27,384</b>	<b>6,461,207</b>	<b>4,640,476</b>
Net Gains/(Losses) from Trading	-	-	(446,958)	(219,044)	-	1,200	-	-	(446,958)	(217,844)
Net Gains from Derecognition of Financial Assets	-	-	34,149	553,425	-	-	-	-	34,149	553,425
Net Other Operating Income	800,448	649,914	3,660,582	2,222,453	568,251	376,249	(583,454)	(399,136)	4,445,827	2,849,480
Inter Segment Revenue	(70,989)	(73,648)	-	-	-	-	70,989	73,648	-	-
<b>Total Operating Income</b>	<b>39,063,988</b>	<b>20,739,582</b>	<b>12,564,196</b>	<b>11,190,711</b>	<b>628,342</b>	<b>407,429</b>	<b>(875,184)</b>	<b>(608,276)</b>	<b>51,381,342</b>	<b>31,729,446</b>
Less: Depreciation and Amortisation Expenses	761,440	707,307	14,167	6,320	1,185	1,085	639,587	764,754	1,416,379	1,479,466
Less: Impairment Charges	21,424,165	10,008,626	5,008,911	413,287	-	-	-	-	26,433,076	10,421,913
Less: Operating Expenses, VAT & SSCL on Financial Services	13,070,977	9,903,963	1,304,526	1,845,267	99,585	80,579	2,260,141	1,813,578	16,735,229	13,643,387
<b>Reportable Segment Profit Before Income Tax</b>	<b>3,807,406</b>	<b>119,686</b>	<b>6,236,592</b>	<b>8,925,837</b>	<b>527,572</b>	<b>325,765</b>	<b>(3,774,912)</b>	<b>(3,186,608)</b>	<b>6,796,658</b>	<b>6,184,680</b>
Less: Income Tax Expense	-	-	-	-	-	-	-	-	2,218,888	1,449,010
<b>Profit for the Year</b>									<b>4,577,770</b>	<b>4,735,670</b>
Profit Attributable to:										
Equity Holders of the Bank									4,574,359	4,653,003
Non-controlling Interest									3,411	82,667
<b>Profit for the Year</b>									<b>4,577,770</b>	<b>4,735,670</b>
<b>Other Comprehensive Income for the Year, net of Tax</b>									<b>(2,746,463)</b>	<b>(1,479,099)</b>
<b>Other Information</b>										
Reportable Segment Assets	468,181,492	433,132,342	186,376,930	156,115,813	6,357,894	6,063,200	21,888,352	21,815,227	682,804,668	617,126,582
Segment Accumulated Amortisation	(2,555,766)	(2,347,782)	(68,268)	(55,774)	(3,025)	(1,840)	(7,342,433)	(6,631,053)	(9,969,492)	(9,036,449)
<b>Total Assets</b>	<b>465,625,726</b>	<b>430,784,560</b>	<b>186,308,662</b>	<b>156,060,039</b>	<b>6,354,869</b>	<b>6,061,360</b>	<b>14,545,919</b>	<b>15,184,174</b>	<b>672,835,176</b>	<b>608,090,133</b>
Reportable Segment Liabilities & Equity	563,425,953	487,573,516	85,595,633	81,060,891	6,354,869	6,061,360	17,458,721	33,394,366	672,835,176	608,090,133
<b>Total Liabilities and Equity</b>	<b>563,425,953</b>	<b>487,573,516</b>	<b>85,595,633</b>	<b>81,060,891</b>	<b>6,354,869</b>	<b>6,061,360</b>	<b>17,458,721</b>	<b>33,394,366</b>	<b>672,835,176</b>	<b>608,090,133</b>
Cash Flows From Operating Activities	45,626,773	(7,149,239)	11,259,670	9,345,444	288,432	277,845	(3,063,823)	(2,469,445)	54,111,052	4,605
Cash Flows From Investing Activities	(270,149)	(147,291)	(11,223,517)	5,842,438	(59,765)	36,830	(201,717)	(489,077)	(11,755,147)	5,242,900
Cash Flows From Financing Activities	(753,451)	(822,434)	(2,589,596)	2,010,276	(207,151)	(177,558)	438,987	430,230	(3,111,211)	1,440,514
Capital Expenditure	(285,214)	(153,031)	(7,799)	(51,462)	(47,275)	(78,147)	(2,562)	(257,821)	(342,849)	(540,461)

**Seylan Bank PLC**

**10 Analysis of Financial Instruments by Measurement Basis - Bank**

(Amounts in Rupees Thousands)

	2022			Total
	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 (AC)	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	40,254,514	40,254,514
Balances with Central Bank of Sri Lanka	-	-	16,784,172	16,784,172
Placements with Banks and Finance Companies	-	-	1,819,036	1,819,036
Derivative Financial Instruments	519,189	-	-	519,189
Securities Purchased under Resale Agreements	-	-	3,628,549	3,628,549
Customer Loans and Receivables	-	-	444,219,508	444,219,508
Debt Instruments	-	-	889,997	889,997
Equity Instruments	-	1,500,621	-	1,500,621
Government Securities	17,781,867	15,635,665	101,640,332	135,057,864
Group Balances Receivable	-	-	64,435	64,435
Other Financial Assets	-	-	11,265,428	11,265,428
<b>Total Financial Assets</b>	<b>18,301,056</b>	<b>17,136,286</b>	<b>620,565,971</b>	<b>656,003,313</b>

	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>			
Due to Banks	-	12,158,030	12,158,030
Derivative Financial Instruments	906,813	-	906,813
Due to Depositors	-	547,315,755	547,315,755
Securities Sold under Repurchase Agreements	-	11,944,370	11,944,370
Due to other Borrowers	-	7,483	7,483
Group Balances Payable	-	202,382	202,382
Debt Securities Issued	-	21,617,455	21,617,455
Lease Liabilities	-	5,101,247	5,101,247
Other Financial Liabilities	-	9,218,039	9,218,039
<b>Total Financial Liabilities</b>	<b>906,813</b>	<b>607,564,761</b>	<b>608,471,574</b>

	2021			Total
	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 (AC)	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	16,079,054	16,079,054
Balances with Central Bank of Sri Lanka	-	-	8,725,834	8,725,834
Placements with Banks and Finance Companies	-	-	8,246,909	8,246,909
Derivative Financial Instruments	290,141	-	-	290,141
Securities Purchased under Resale Agreements	-	-	10,029,031	10,029,031
Customer Loans and Receivables	-	-	441,976,662	441,976,662
Debt Instruments	-	-	897,371	897,371
Equity Instruments	-	2,735,210	-	2,735,210
Government Securities	4,969,913	36,369,326	57,066,047	98,405,286
Group Balances Receivable	-	-	40,000	40,000
Other Financial Assets	-	-	6,710,409	6,710,409
<b>Total Financial Assets</b>	<b>5,260,054</b>	<b>39,104,536</b>	<b>549,771,317</b>	<b>594,135,907</b>

	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>			
Due to Banks	-	24,504,387	24,504,387
Derivative Financial Instruments	217,179	-	217,179
Due to Depositors	-	488,653,328	488,653,328
Securities Sold under Repurchase Agreements	-	2,662,377	2,662,377
Due to other Borrowers	-	7,295	7,295
Group Balances Payable	-	191,810	191,810
Debt Securities Issued	-	21,617,455	21,617,455
Lease Liabilities	-	4,889,598	4,889,598
Other Financial Liabilities	-	6,963,825	6,963,825
<b>Total Financial Liabilities</b>	<b>217,179</b>	<b>549,490,075</b>	<b>549,707,254</b>

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

(Amounts in Rupees Thousands )

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 (AC)	Total
<b>Assets</b>				
Cash and Cash Equivalents	-	-	40,254,554	40,254,554
Balances with Central Bank of Sri Lanka	-	-	16,784,172	16,784,172
Placements with Banks and Finance Companies	-	-	1,819,036	1,819,036
Derivative Financial Instruments	519,189	-	-	519,189
Securities Purchased under Resale Agreements	-	-	3,628,549	3,628,549
Customer Loans and Receivables	-	-	444,219,508	444,219,508
Debt Instruments	-	49,897	889,997	939,894
Equity Instruments	-	1,500,621	-	1,500,621
Government Securities	17,781,867	15,635,665	101,911,206	135,328,738
Other Financial Assets	-	-	11,292,150	11,292,150
<b>Total Financial Assets</b>	<b>18,301,056</b>	<b>17,186,183</b>	<b>620,799,172</b>	<b>656,286,411</b>
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>				
Due to Banks	-	-	12,158,030	12,158,030
Derivative Financial Instruments	-	906,813	-	906,813
Due to Depositors	-	-	547,315,755	547,315,755
Securities Sold under Repurchase Agreements	-	-	11,944,370	11,944,370
Due to other Borrowers	-	-	7,483	7,483
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	2,254,558	2,254,558
Other Financial Liabilities	-	-	9,280,995	9,280,995
<b>Total Financial Liabilities</b>		<b>906,813</b>	<b>604,578,646</b>	<b>605,485,459</b>
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 (AC)	Total
<b>Assets</b>				
Cash and Cash Equivalents	-	-	16,079,094	16,079,094
Balances with Central Bank of Sri Lanka	-	-	8,725,834	8,725,834
Placements with Banks and Finance Companies	-	-	8,246,909	8,246,909
Derivative Financial Instruments	290,141	-	-	290,141
Securities Purchased under Resale Agreements	-	-	10,029,031	10,029,031
Customer Loans and Receivables	-	-	441,976,662	441,976,662
Debt Instruments	-	60,863	897,371	958,234
Equity Instruments	-	2,735,210	-	2,735,210
Government Securities	4,969,913	36,369,326	57,230,015	98,569,254
Other Financial Assets	-	-	6,733,093	6,733,093
<b>Total Financial Assets</b>	<b>5,260,054</b>	<b>39,165,399</b>	<b>549,918,009</b>	<b>594,343,462</b>
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>				
Due to Banks	-	-	24,504,387	24,504,387
Derivative Financial Instruments	-	217,179	-	217,179
Due to Depositors	-	-	488,653,328	488,653,328
Securities Sold under Repurchase Agreements	-	-	2,662,377	2,662,377
Due to other Borrowers	-	-	7,295	7,295
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	2,007,245	2,007,245
Other Financial Liabilities	-	-	7,022,516	7,022,516
<b>Total Financial Assets</b>		<b>217,179</b>	<b>546,474,603</b>	<b>546,691,782</b>

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

(Amounts in Rupees Thousands )

	<b>Bank</b>		<b>Group</b>	
	<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>11.1 Product-wise Gross Loans &amp; Advances</b>				
<b>By product - Domestic Currency</b>				
Export Bills	91,837	6,987	91,837	6,987
Import Bills	213,784	50,576	213,784	50,576
Local Bills	12,054	40,209	12,054	40,209
Lease Rentals Receivable	24,036,119	26,131,228	24,036,119	26,131,228
Overdrafts	69,185,621	57,350,604	69,185,621	57,350,604
Revolving Import Loans	10,888,046	11,276,188	10,888,046	11,276,188
Packing Credit Loans	4,678,143	9,160,450	4,678,143	9,160,450
Trust Receipt Loans	581,793	1,553,920	581,793	1,553,920
Staff Loans	7,657,777	6,816,140	7,657,777	6,816,140
Housing Loans	17,620,074	17,770,634	17,620,074	17,770,634
Pawning Receivables	31,991,223	22,343,844	31,991,223	22,343,844
Refinance Loans	8,510,440	13,736,944	8,510,440	13,736,944
Credit Cards	7,162,363	6,164,893	7,162,363	6,164,893
Margin Trading	4,508,146	7,483,525	4,508,146	7,483,525
Factoring	1,630,891	1,751,686	1,630,891	1,751,686
Term Loans	234,656,074	243,215,172	234,656,074	243,215,172
<b>Total</b>	<b>423,424,385</b>	<b>424,853,000</b>	<b>423,424,385</b>	<b>424,853,000</b>
<b>By product - Foreign Currency</b>				
Export Bills	5,409,459	2,945,544	5,409,459	2,945,544
Import Bills	647,607	480,553	647,607	480,553
Local Bills	869	16,135	869	16,135
Overdrafts	683,306	358,456	683,306	358,456
Revolving Import Loans	1,443,978	1,626,689	1,443,978	1,626,689
Packing Credit Loans	17,274,822	6,467,423	17,274,822	6,467,423
Housing Loans	212,938	128,130	212,938	128,130
Term Loans	41,334,520	29,029,563	41,334,520	29,029,563
<b>Total</b>	<b>67,007,499</b>	<b>41,052,493</b>	<b>67,007,499</b>	<b>41,052,493</b>
<b>Gross Loans and Advances</b>	<b>490,431,884</b>	<b>465,905,493</b>	<b>490,431,884</b>	<b>465,905,493</b>
<b>11.2 Product-wise Commitments and Contingencies</b>				
<b>By product - Domestic Currency</b>				
<b>Commitments</b>				
Undrawn Credit Lines	74,618,380	98,042,559	74,618,380	98,042,559
Capital Commitments	112,422	202,395	114,213	202,480
<b>Contingencies</b>				
Acceptances	86,892	321,542	86,892	321,542
Standby Letters of Credit	-	-	-	-
Guarantees	62,385,836	69,344,738	62,385,836	69,344,738
Documentary Credit	660,399	1,865,429	660,399	1,865,429
Bills for Collection	230,867	309,230	230,867	309,230
Forward Exchange Contracts (Net)	(16,494,566)	(17,829,153)	(16,494,566)	(17,829,153)
<b>Total</b>	<b>121,600,230</b>	<b>152,256,740</b>	<b>121,602,021</b>	<b>152,256,825</b>
<b>By product - Foreign Currency</b>				
<b>Commitments</b>				
Undrawn Credit Lines	1,069,035	9,384,843	1,069,035	9,384,843
Capital Commitments	122,838	262,237	122,838	262,237
<b>Contingencies</b>				
Acceptances	11,815,484	19,181,427	11,815,484	19,181,427
Standby Letters of Credit	378,230	686,274	378,230	686,274
Guarantees	7,258,809	5,088,220	7,258,809	5,088,220
Documentary Credit	3,694,521	14,816,984	3,694,521	14,816,984
Bills for Collection	5,770,876	4,686,752	5,770,876	4,686,752
Forward Exchange Contracts (Net)	15,931,127	18,026,401	15,931,127	18,026,401
<b>Total</b>	<b>46,040,920</b>	<b>72,133,138</b>	<b>46,040,920</b>	<b>72,133,138</b>
<b>Total Commitments and Contingencies</b>	<b>167,641,150</b>	<b>224,389,878</b>	<b>167,642,941</b>	<b>224,389,963</b>

# Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.12.2022	As at 31.12.2021	As at 31.12.2022	As at 31.12.2022
<b>11.3 Stage-wise Impairment on Loans &amp; Advances, Commitments and Contingencies</b>				
Gross Loans and Advances, Commitments and Contingencies	658,073,034	690,295,371	658,074,825	690,295,456
Less : Accumulated Impairment under Stage 1	7,384,738	4,033,196	7,384,738	4,033,196
Accumulated Impairment under Stage 2	6,460,514	2,062,238	6,460,514	2,062,238
Accumulated Impairment under Stage 3	33,562,206	19,167,988	33,562,206	19,167,988
<b>Net Loans &amp; Advances, Commitments and Contingencies</b>	<b>610,665,576</b>	<b>665,031,949</b>	<b>610,667,367</b>	<b>665,032,034</b>
<b>Movement of Impairment During the Period</b>				
<b>Stage 1</b>				
Balance as at 01st January	4,033,196	1,672,330	4,033,196	1,672,330
Charge/(Write back) to income statement	3,213,682	2,360,866	3,213,682	2,360,866
Exchange Rate Movements	137,860	-	137,860	-
<b>Balance as at 31st December</b>	<b>7,384,738</b>	<b>4,033,196</b>	<b>7,384,738</b>	<b>4,033,196</b>
<b>Stage 2</b>				
Balance as at 01st January	2,062,238	932,874	2,062,238	932,874
Charge/(Write back) to income statement	4,389,136	1,129,364	4,389,136	1,129,364
Exchange Rate Movements	9,140	-	9,140	-
<b>Balance as at 31st December</b>	<b>6,460,514</b>	<b>2,062,238</b>	<b>6,460,514</b>	<b>2,062,238</b>
<b>Stage 3</b>				
Balance as at 01st January	19,167,988	13,271,818	19,167,988	13,271,818
Charge/(Write back) to income statement	13,705,578	6,487,229	13,705,578	6,487,229
Reversal for Write-Off during the Year	(97,301)	(282,901)	(97,301)	(282,901)
Interest Accrued on Impaired Loans and Advances	(698,299)	(355,983)	(698,299)	(355,983)
Exchange Rate Movements	1,484,240	47,825	1,484,240	47,825
<b>Balance as at 31st December</b>	<b>33,562,206</b>	<b>19,167,988</b>	<b>33,562,206</b>	<b>19,167,988</b>
<b>Total Impairment</b>	<b>47,407,458</b>	<b>25,263,422</b>	<b>47,407,458</b>	<b>25,263,422</b>

## 12 Analysis of Deposits

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.12.2022	As at 31.12.2021	As at 31.12.2022	As at 31.12.2021
<b>Deposits - By product</b>				
<b>By product - Domestic Currency</b>				
Demand Deposits	29,498,758	32,573,865	29,498,758	32,573,865
Savings Deposits	100,498,708	120,614,752	100,498,708	120,614,752
Fixed Deposits	309,006,995	266,347,846	309,006,995	266,347,846
Certificate of Deposits	1,034,256	2,261,974	1,034,256	2,261,974
<b>Total</b>	<b>440,038,717</b>	<b>421,798,437</b>	<b>440,038,717</b>	<b>421,798,437</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	6,197,250	4,046,127	6,197,250	4,046,127
Savings Deposits	26,911,406	15,808,384	26,911,406	15,808,384
Fixed Deposits	74,168,382	47,000,380	74,168,382	47,000,380
<b>Total</b>	<b>107,277,038</b>	<b>66,854,891</b>	<b>107,277,038</b>	<b>66,854,891</b>
<b>Total Deposits</b>	<b>547,315,755</b>	<b>488,653,328</b>	<b>547,315,755</b>	<b>488,653,328</b>

## Seylan Bank PLC

### Selected Performance Indicators

Item	Bank		Group	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
<b>Regulatory Capital (LKR Mn.)</b>				
Common Equity Tier I	49,920	49,027	51,334	50,052
Total (Tier I) Capital	49,920	49,027	51,334	50,052
Total Capital Base	63,447	64,551	64,891	65,448
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio ( Minimum Requirement - 7.00% )	10.69	10.72	10.97	10.92
Total Tier I Capital Ratio ( Minimum Requirement - 8.50% )	10.69	10.72	10.97	10.92
Total Capital Ratio ( Minimum Requirement - 12.50% )	13.59	14.11	13.87	14.28
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets (LKR Mn.)	149,336	120,170		
Domestic Banking Unit (LKR Mn.)	144,094	116,090		
Offshore Banking Unit (USD '000)	35,226	36,430		
Statutory Liquid Assets Ratio (%) ( Minimum Requirement 20 % )				
Overall	25.51	22.97		
Domestic Banking Unit	25.16	22.84		
Offshore Banking Unit	25.02	23.30		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	110,444	94,701		
Liquidity Coverage Ratio %				
Rupee - ( Minimum Requirement - 90% (2021 - 100%))	280.14	163.02		
All Currency - ( Minimum Requirement - 90% (2021 - 100%))	175.10	132.70		
Net Stable Funding Ratio (%) ( Minimum Requirement - 90% (2021 - 100%))	117.62	109.34		
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Impaired Loans (Stage 3) Ratio (%)	4.98	3.64		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	54.36	47.84		
<b>Profitability</b>				
Interest Margin ( % )	6.33	4.05		
Return on Assets (before Tax) ( % )	1.04	1.03		
Return on Equity ( % )	8.85	9.07		

## Seylan Bank PLC

### Debentures

	Current Period 01-Oct-22 to 31-Dec-22	Comparative Period 01-Oct-21 to 31-Dec-21
Debt (Debentures) / Equity Ratio (Times)	0.40	0.42
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.50	0.56
Interest Cover (Times)	3.56	3.37
Quick Asset Ratio (Times)	0.86	0.79
<b>2016 Issue</b>		
<b>Market Prices during October to December ( Ex Interest)</b>		
7 Year Fixed Semi Annual - 13.75% p.a.		
- Highest Price	67.26	*
- Lowest Price	65.00	*
- Last Traded Price (13/12/2022)/*	67.26	*
<b>Interest Yield as at Date of Last Trade</b>		
7 Year Fixed Semi Annual - 13.75% p.a. (13/12/2022)/*	21.15%	*
<b>Yield to Maturity of Trade Done on</b>		
7 Year Fixed Semi Annual - 13.75% p.a. (13/12/2022)/*	100.08%	*
<b>Interest Rate of Comparable Government Security</b>		
- 7 Years	25.88%	8.46%
<b>2018 Issue</b>		
<b>Market Prices during October to December ( Ex Interest)</b>		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a	*	*
<b>Interest Yield as at Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	26.41%	8.57%
- 7 Years	28.50%	10.18%
- 10 Years	26.64%	11.42%
<b>2019 Issue</b>		
<b>Market Prices during October to December ( Ex Interest)</b>		
5 Year Fixed Annual - 15.00% p.a	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
<b>Interest Yield as at Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	27.58%	9.27%
<b>2021 Issue</b>		
<b>Market Prices during October to December (Ex Interest)</b>		
5 Year Fixed Annual - 9.75% p.a	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
<b>Interest Yield as at Date of Last Trade</b>	*	*
<b>Yield to Maturity of Trade Done on</b>	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years	27.71%	10.69%

\* No trading during the period.