SEYLAN BANK PLC FINANCIAL STATEMENTS

Three months ended 31st March, 2021



(In terms of Rule 7.4 of the Colombo Stock Exchange)		BANK			GROUP	
	For the three	months ended	31st March	For the three	months ended	31st March
	2021	2020	Growth %	2021	2020	Growth %
Interest Income	12,187,307	13,715,969	(11.15)	12,189,207	13,717,785	(11.14
Less: Interest Expenses	6,653,292	9,014,551	(26.19)	6,576,849	8,937,923	(26.42
Net Interest Income	5,534,015	4,701,418	17.71	5,612,358	4,779,862	17.42
Fee and Commission Income	1,208,362	1,046,488	15.47	1,208,327	1,046,465	15.47
Less: Fee and Commission Expenses	51,036	60,796	(16.05)	51,036	60,796	(16.05
Net Fee and Commission Income	1,157,326	985,692	17.41	1,157,291	985,669	17.41
Net Gains/(Losses) from Trading	(611,434)	9,807	(6,334.67)	(605,679)	6,572	(9,316.05
Net Gains from Derecognition of Financial Assets	185,220	69,552	166.30	185,220	69,552	166.30
Net Other Operating Income	1,194,719	335,888	255.69	1,089,671	351,209	210.26
Total Operating Income	7,459,846	6,102,357	22.25	7,438,861	6,192,864	20.12
mpairment Charges	2,171,116	1,116,066	94.53	2,171,116	1,116,066	94.53
Net Operating Income	5,288,730	4,986,291	6.07	5,267,745	5,076,798	3.76
Less: Operating Expenses						
Personnel Expenses	1,938,954	1,848,025	4.92	1,949,718	1,857,533	4.96
Depreciation and Amortization Expenses	364,302	364,487	(0.05)	376,227	373,150	0.82
Other Expenses	1,085,186	1,048,864	3.46	1,093,392	1,063,311	2.83
Total Operating Expenses	3,388,442	3,261,376	3.90	3,419,337	3,293,994	3.81
Operating Profit before Taxes	1,900,288	1,724,915	10.17	1,848,408	1,782,804	3.68
Less: Value Added Tax on Financial Services	502,275	454,608	10.49	502,275	454,608	10.49
Profit before Income Tax	1,398,013	1,270,307	10.05	1,346,133	1,328,196	1.35
Less: Income Tax Expense	392,225	368,389	6.47	342,369	402,251	(14.89
Profit for the Period	1,005,788	901,918	11.52	1,003,764	925,945	8.40
Profit Attributable to:						
quity Holders of the Bank	1,005,788	901,918	11.52	967,439	918,859	5.29
Non-Controlling Interest	-	-	-	36,325	7,086	412.63
Profit for the Period	1,005,788	901,918	11.52	1,003,764	925,945	8.40
Basic/Diluted Earnings per Ordinary Share (Rs.)	1.88	1.69	11.52	1.81	1.72	5.29

STATEMENT OF CASH FLOWS		•	ounts in Rupees	,
For the Three Months ended 31st March	BA 2021	NK 2020	2021	UP 2020
Cash Flows from Operating Activities Interest Receipts Interest Payments Net Commission Receipts Trading Income Payments to Employees	10,946,116 (6,467,389) 1,157,326 2,624 (1,777,569)	13,008,605 (7,738,347) 985,692 9,295 (1,648,705)	10,948,016 (6,466,284) 1,157,291 8,379 (1,781,942)	13,010,421 (7,737,066) 985,669 6,060 (1,652,101)
VAT on Financial Services Receipts from Other Operating Activities Payments on Other Operating Activities Operating Profit before Changes in Operating Assets and Liabilities (Increase)/Decrease in Operating Assets: Balances with Central Bank of Sri Lanka	(445,896) 1,687,157 (272,466) 4,829,903	(393,902) 409,110 (485,099) 4,146,649	(445,896) 1,582,109 (294,733) 4,706,940	(393,902) 424,431 (499,546) 4,143,966
Financial Assets at Amortized Cost - Loans and Advances Other Assets Increase/(Decrease) in Operating Liabilities: Financial Liabilities at Amortized Cost - Due to Depositors Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	(7,123,943) (766,686) 6,122,451 2,614,309	381,465 2,127,404 5,941,902	(7,123,943) (634,612)	381,465 2,112,046 5,941,902
Financial Labilities at Amortized cost - Due to Deot Securines Floriers Financial Labilities at Amortized cost - Due to Other Borrowers Other Labilities Due to Banks Cash (Used in) / Generated from Operating Activities before Income Tax Income Tax Paid Net Cash (Used in)/Generated from Operating Activities	2,514,309 (2,194) (12,028) (5,271,858) 419,321 (6,749) 412,572	(3,524,643) (2,585) (2,600,632) 1,905,714 8,386,931 (406,266) 7,980,665	2,614,309 (2,194) (75,229) (5,271,858) 365,231 (6,749) 358,482	(3,524,643) (2,585) (2,667,296) 1,905,714 8,302,226 (406,266) 7,895,960
Cash flows from Investing Activities Purchase of Property , Plant and Equipment Improvements in Investment Properties Proceeds from Sale of Property , Plant and Equipment Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds,	(36,646)	(177,387) - 6,695	(59,643) (7,527)	(177,387) - 6,695
Development and Sovereign Bonds maturing after Three Months Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures Reverse Repurchase Agreements maturing after Three Months Net Purchase of Intangible Assets Net Cash Flow from Acquisition of Investment in Subsidiaries Net Cash Flow from Discossal of Subsidiaries	(3,027,560) (1,161) 11,827 (45,418)	1,520,345 895 21,533 (6,695)	(3,027,561) 5,397 11,827 (45,418)	1,520,345 5,682 21,533 (6,695)
Dividend Received from Investment in Subsidiaries Dividend Received from Cher Investments Net Cash (Used in)/Generated from Investments Received from Investments Cash Flows from Financing Activities	6,917 (3,092,041)	1,709 1,367,095	6,917 (3,116,008)	1,709 1,371,882
Net Proceeds from the Issue of Ordinary Share Capital Net Proceeds from the Issue of Other Equity Instruments Net Proceeds from the Issue of Subordinated Debt Repayment of Subordinated Debt Interest Paid on Subordinated Debt	- - - - (742,231)	- - - - (744,545)	- - - - (735,859)	- - - - (740,304)
Interest Paid on Un-subordinated Debt Dividend Paid to Non-controlling Interest Dividend Paid to Shareholders of the Bank Dividend paid to Holders of Other Equity Instruments Repayment of Principal Portion of Lease Liabilities	(79) (196,120)	(55) - (176,580)	(3) (79) - (124,931)	(4) (55) - (101,397)
Net Cash (Used in) / Generated from Financing Activities Net Increase / (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of the Year	(3,617,899) 37,515,866	(921,180) (921,180) 8,426,580 24,716,667	(3,618,398) 37,516,404	(841,760) 8,426,082 24,717,205
Cash and Cash Equivalents at End of the Period	33,897,967	33,143,247	33,898,006	33,143,287
Reconciliation of Cash and Cash Equivalents Cash and Cash Equivalents Placements with Banks and Finance Companies Government of Sri Lanka Trassury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months Securities Purchased under Resale Agreements maturing within Three Months	11,128,083 8,986,829 7,513,518 6,269,537	13,097,704 2,471,008 10,651,938 6,922,597	11,128,122 8,986,829 7,513,517 6,269,538	13,097,744 2,471,008 10,651,938 6,922,597
	33.897.967	33.143.247	33.898.006	33.143.287

(In terms of Rule 7.4 of the Colombo Stock Exchange)	For the Thi	Bank ree Months Ended	31et March	Group For the Three Months Ended 31st Marc			
	2021	2020	Growth%	2021	2020	Growth%	
Profit for the Period	1,005,788	901,918	11.52	1,003,764	925,945	8.40	
Other Comprehensive Income/ (Loss), Net of Tax							
tems that are or may be Reclassified to Income Statement in Subsequent Periods							
let Movement of Cash Flow Hedge Reserve	(5,561)	(24,246)	77.06	(5,561)	(24,246)	77.06	
let Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through							
Other Comprehensive Income	(707,588)	421,900	(267.71)	(707,900)	422,183	(267.68)	
ess : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(278,479)	118,132	(335.74)	(278,511)	118,160	(335.71)	
tems that will never be Reclassified to Income Statement in Subsequent Periods							
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through							
Other Comprehensive Income	(434,290)	(25,524)	(1,601.50)	(434,290)	(25,524)	(1,601.50)	
ess : Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-	
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	(868,960)	253.998	(442.11)	(869,240)	254.253	(441.88)	
otal Comprehensive Income for the Period	136,828	1,155,916	(88.16)	134,524	1,180,198	(88.60)	
ttributable to :						, ,	
quity Holders of the Bank	136,828	1,155,916	(88.16)	98,282	1,173,037	(91.62)	
Non-controlling interest	-		-	36,242	7,161	406.10	
Total Comprehensive Income for the Period	136,828	1,155,916	(88.16)	134,524	1,180,198	(88.60)	

STATEMENT OF FINANCIAL POSITION				(Amou	ınts in Rupees Tl	nousands
(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 31.03.2021	As at 31.12.2020	Growth %	As at 31.03.2021	As at 31.12.2020	Growth
Assets						
ash and Cash Equivalents	11,123,357	10,036,144	10.83	11,123,397	10,036,184	10.83
alances with Central Bank of Sri Lanka	7,341,836	7,371,203	(0.40)	7,341,836	7,371,203	(0.40)
lacements with Banks and Finance Companies	8,976,795	10,730,528	(16.34)	8,976,795	10,730,528	(16.34
erivative Financial Instruments	363.210	403,984	(10.09)	363,210	403,984	(10.09
inancial Assets recognized through Profit or Loss	,	,	(10100)		100,000	(
Measured at Fair Value	5,121,211	4,545,853	12.66	5,124,779	4,553,778	12.54
Designated at Fair Value	0,121,211	4,040,000	12.00	3,124,773	4,555,776	12.04
			-			
nancial Assets at Amortized Cost	000 004 440	000 700 147	4.54	000 004 440	000 700 147	4.54
Loans and Advances	399,694,116	393,766,147	1.51	399,694,116	393,766,147	1.51
Debt and Other Instruments	56,479,366	53,692,471	5.19	56,479,366	53,692,471	5.19
nancial Assets measured at Fair Value through Other Comprehensive Income	54,325,030	59,024,231	(7.96)	54,380,104	59,081,506	(7.96
vestment in Subsidiary	1,153,602	1,153,602	-	-		
roup Balances Receivable	165,199	40,000	313.00	-	-	-
roperty, Plant & Equipment	3,859,495	4,031,453	(4.27)	6,608,085	6,772,711	(2.43
ight-of-use Assets	4,436,116	4,450,659	(0.33)	2,214,388	2,220,501	(0.28
vestment Properties	-	-	-	859,441	856,604	0.33
itangible Assets	622,526	620,530	0.32	622,526	620,530	0.32
ther Assets	9,081,723	7,840,615	15.83	9,125,588	7,899,785	15.52
THO FROODS	0,001,720	7,010,010	10.00	0,120,000	7,000,700	10.0.
otal Assets	562,743,582	557,707,420	0.90	562,913,631	558,005,932	0.88
abilities						
ue to Banks	27,407,829	32,679,687	(16.13)	27,407,829	32,679,687	(16.13
erivative Financial Instruments	366,743	39,981	817.29	366,743	39,981	817.2
nancial Liabilities at Amortized Cost	000,7.10	00,001	011120	000,110	00,001	01112
Due to Depositors	445,942,866	440,303,126	1.28	445,942,866	440,303,126	1.2
Due to Debt Securities Holders	5,189,356	2,575,873	101.46	5,189,356	2,575,873	101.40
Due to Other Borrowers	11,929	14,123	(15.53)	11,929	14,123	(15.53
roup Balances Payable	335,319	261,462	28.25	-	-	
ebt Securities Issued	16,867,702	17,058,558	(1.12)	16,867,702	17,058,558	(1.12
urrent Tax Liabilities	1,416,225	869,896	62.80	1,395,764	846,582	64.87
eferred Tax Liabilities	1,030,447	1,469,778	(29.89)	1,297,856	1,789,866	(27.49
ease Liabilities	4,465,377	4,446,175	0.43	1,621,549	1,582,937	2.44
ther Liabilities	10,605,986	9,021,786	17.56	10,673,812	9,059,600	17.82
tal Liabilities	513,639,779	508,740,445	0.96	510,775,406	505,950,333	0.95
mite						
quity	10 000 001	17 540 047	4.40	10 000 001	17 540 047	4.4
tated Capital	18,323,881	17,548,347	4.42	18,323,881	17,548,347	4.42
atutory Reserve Fund	2,103,522	2,103,522		2,103,522	2,103,522	(00.0)
ir Value through Other Comprehensive Income Reserve	1,421,933	2,285,332	(37.78)	1,393,431	2,257,027	(38.20
etained Earnings	24,913,478	24,683,224	0.93	25,573,841	25,381,609	0.70
her Reserves	2,340,989	2,346,550	(0.24)	3,473,757	3,479,318	(0.10
tal Shareholders' Equity	49,103,803	48,966,975	0.28	50,868,432	50,769,823	0.19
on-controlling Interest	-	-	-	1,269,793	1,285,776	(1.24
tal Equity	49,103,803	48,966,975	0.28	52,138,225	52,055,599	0.10
tal Equity & Liabilities	562,743,582	557,707,420	0.90	562,913,631	558,005,932	0.88
ontingent Liabilities and Commitments	206,548,359	195,154,154	5.84	206,565,182	195,173,315	5.84
emorandum Information			,			
umber of Employees	3,241	3,251	(0.31)	3,261	3,271	(0.31
umber of Banking Centres	172	172	-	172	172	
			45.1.1			
et Assets Value per Ordinary Share (Rs.)	91.92	94.71	(2.95)	95.23	98.20	(3.02

Ce	rtific	ati	on	ı;

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

(Sgd.) **Champika Dodanwela (Ms.)** Chief Financial Officer

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

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

(Sgd.) **W. M. R. S. Dias** Chairman April 28, 2021 Colombo

(Sgd.) **Kapila Ariyaratne** Director/Chief Executive Officer

	Current Period 01-January-21 to 31-March-21	Comparative Perio 01-January-20 to 31-March-20
Debt (Debentures) / Equity Ratio (Times) Debt (Debentures plus Long term Debt) / Equity Ratio (Times) Interest Cover (Times) Quick Asset Ratio (Times)	0.34 0.48 3.55 0.72	0.43 0.65 3.06 0.79
2014 Issue Market Prices during January to March (Ex Interest) 6 Year Fixed Semi Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	1	*
Interest Yield as at Date of Last Trade	-	*
Yield to Maturity of Trade Done on	-	*
Interest Rate of Comparable Government Security - 6 Years	-	7.50%
2016 Issue Market Prices during January to March (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a - Highest Price - Lowest Price		100.00 100.00
- Last Traded Price */(30/01/2020)	*	100.00
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a - Highest Price	102.98	102.98
- Lowest Price - Last Traded Price (22/01/2021)/(13/01/2020)	102.98 102.98	102.98 102.98
Interest Yield as at Date of Last Trade 5 Year Fixed Semi Annual - 13.00% p.a*/ (30/01/2020) 5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	* *	13.42%
7 Year Fixed Semi Annual - 13.75% p.a (22/01/2021)/(13/01/2020)	13.81%	13.81%
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 13.00% p.a*/ (30/01/2020) 5 Year Fixed Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a (22/01/2021)/(13/01/2020)	* * 12.31%	12.99% * 12.67%
Interest Rate of Comparable Government Security	12.01 /0	12.07 /6
- 5 Years - 7 Years	5.13% 6.15%	7.94% 8.91%
2018 Issue Market Prices during January to March (Ex Interest) 5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a - Highest Price	*	98.00
- Lowest Price - Last Traded Price */ (23/01/2020)	*	98.00 98.00
Interest Yield as at Date of Last Trade 5 Year Fixed Semi Annual - 12.85% p.a.	*	*
7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a */ (23/01/2020)	*	14.24%
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 12.85% p.a.	*	*
7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a */ (23/01/2020)	*	13.91%
Interest Rate of Comparable Government Security - 5 Years	6.19%	9.01%
- 7 Years - 10 Years	6.94% 7.75%	9.49% 9.59%
2019 Issue Market Prices during January to March (Ex Interest) 5 Year Fixed Annual - 15.00% p.a		
- Highest Price - Lowest Price - Last Traded Price*/ (29/01/2020)	* *	107.34 107.34 107.34
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Yield as at Date of Last Trade 5 Year Fixed Annual - 15.00% p.a. */(29/01/2020) 5 Year Fixed Semi Annual - 14.50% p.a.	*	13.97%
Yield to Maturity of Trade Done on 5 Year Fixed Annual - 15.00% p.a. */(29/01/2020) 5 Year Fixed Semi Annual - 14.50% p.a.	*	12.60%
Interest Rate of Comparable Government Security - 5 Years	6.45%	9.17%

* No trading during the period.						
SELECTED PERFORMANCE INDICATORS						
<u> </u>	В	ANK	GROUP			
	31.03.2021	31.12.2020	31.03.2021	31.12.2020		
Item Regulatory Capital (LKR Mn.) Common Equity Tier I Total (Tier I) Capital Total Capital Base	45,373 45,373 55,955	45,810 45,810 57,123	46,375 46,375 56,827	46,812 46,812 57,995		
Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	11.02	11.46	11.26	11.70		
Total Tier I Capital Ratio	11.02	11.46	11.26	11.70		
(Minimum Requirement - 8.50%) Total Capital Ratio (Minimum Requirement - 12.50%)	13.59	14.30	13.79	14.49		
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR Mn.) Offshore Banking Unit (USD '000) Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%) Domestic Banking Unit Offshore Banking Unit	144,457 140,733 34,568 29.84 22.80	149,066 144,504 33,828 31.31 22.47				
Total Stock of High-Quality Liquid Assets (LKR Mn.) Liquidity Coverage Ratio %	97,391	100,209				
Rupee - (Minimum Requirement - 90%) All Currency - (Minimum Requirement - 90%)	186.32 148.63	176.95 142.75				
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	109.60	110.38				
Assets Quality (Quality of Loan Portfolio) Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense) Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision)	6.39 3.33	6.43 3.70				
Profitability Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.17 1.00 8.20	3.95 0.77 6.43				

SEYLAN BANK PLC FINANCIAL STATEMENTS

Three months ended 31st March, 2021



No. of Shares

39,640,115

%

15.00

STATEMENT OF CHANGES IN EQUITY						(Amounts i	n Rupees Th	ousands
		l Capital	Statutory	Retained		Other Reserves		
For the Three Months ended 31st March - Bank	Ordinary Shares - Voting	Ordinary Shares - Non-Voting	Reserve Fund *	Earnings	Revaluation Reserve	FVOCI Reserve **	Other Reserves	Total
. 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	44,627,2
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	901,918	-	-	-	901,9
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	303,768	-	303,
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(25,524)	-	(25,
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(24,246)	(24,
. Total Comprehensive Income for the Period	-	-	-	901,918	-	278,244	(24,246)	1,155,
Balance as at 31st March 2020 (1 + 2)	10,884,710	6,160,014	1,952,957	23,725,157	858,312	264,025	1,938,015	45,783,
. Balance as at O1st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	1,005,788	-	-	-	1,005,
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	(429,109)	-	(429,
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434,
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5,
. Total Comprehensive Income for the Period	-	-	-	1,005,788	-	(863,399)	(5,561)	136,
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	
	385,075	390,459	-	(775,534)	-	-	-	
. Total Transactions with Equity Holders								

STATEMENT	OF CHANGES IN EQUITY						(AM	ounts in R	upees in	ousanas
		Stated	Capital	Statutory Retained	Ot	her Reserves				
For the Three Months end	ded 31st March - Group	Ordinary Shares - Voting	Ordinary Shares - Non-Voting	Reserve Fund Earnings *	Revaluation Reserve	FVOCI Reserve	Other Reserves	Total	Non- Controlling Interest	Total J Equity
Balance as at 01st Janu	ary 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	47,644,05
Total Comprehensive In	come for the Period									
Profit for the Period		-	-	- 918,859	-	-	-	918,859	7,086	925,94
Other Comprehensive In	come (net of tax)									
- Net Gains / (Losses) o	in Investments in Debt Instruments									
measured at Fair Value t	hrough Other Comprehensive Income	-	-		-	303,948	-	303,948	75	304,02
- Change in Fair Value o	in Investments in Equity Instruments									
measured at Fair Value	through Other Comprehensive Income	-	-		-	(25,524)	-	(25,524)	-	(25,52
- Net Movement of Cash	n Flow Hedge Reserve	-	-		-	-	(24,246)	(24,246)	-	(24,24
Total Comprehensive In	come for the Period	-	-	- 918,859	-	278,424	(24,246)	1,173,037	7,161	1,180,19
Balance as at 31st Marc	ch 2020 (1 + 2)	10,884,710	6,160,014	1,952,957 24,413,043	1,714,728	233,823	2,193,228	47 552 503	1,271,749	48 824 2
Datanoo do de o foe mare	(1 + L)	10,004,710	0,100,014	1,302,307 24,410,040	1,714,720	200,020	2,130,220	47,002,000	1,211,143	40,024,2
Balance as at 01st Janu	ary 2021	11,136,187	6,412,160	2,103,522 25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,59
Total Comprehensive In	some for the Pariod									
Profit for the Period	icollie for the remou			- 967,439				967,439	36,325	1,003,76
Other Comprehensive In	come (not of tou)	-	-	- 907,439	-	-	-	907,439	30,323	1,003,71
•	,									
	In Investments in Debt Instruments					(400,000)		(400,000)	(02)	(400.0)
	hrough Other Comprehensive Income	-	-		-	(429,306)	-	(429,306)	(83)	(429,38
_	In Investments in Equity Instruments					(404.000)		(424.000)		(40.4.0)
	through Other Comprehensive Income	-	-		-	(434,290)	/E EC1)	(434,290)	-	(434,29
- Net Movement of Cash	Triow neage Reserve	-	-		-	-	(5,561)	(5,561)	-	(5,56
Total Comprehensive In	come for the Period	-		- 967,439	-	(863,596)	(5,561)	98,282	36,242	134,52
Transactions with Equit	y Holders, Recognized Directly In Equity									
Scrip Dividends to Equit		385,075	390.459	- (775,534)	_	_		_	(52,362)	(52,3)
Other Adjustments	,	-	-	- 327	-	-	-	327	137	4
B Total Transactions with	Equity Holders	385,075	390,459	- (775,207)	-	-	-	327	(52,225)	(51,8
Balance as at 31st Marc	ch 2021 (1+2+3)	11,521,262	6,802,619	2,103,522 25,573,841	1,735,867	1,393,431	1,737,890	50,868,432	1,269,793	52,138,2

*	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).

 $^{^{\}star\star}$ FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve.

	BANI	(ING	TREAS	URY	PROPERTY/IN	PROPERTY/INVESTMENTS UNALLOCATED/		UNALLOCATED/ELIMINATIONS		AL
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.202
Interest Income	9,422,356	10,835,110	2,946,531	3,061,983	7,246	7,344	(186,926)	(186,652)	12,189,207	13,717,78
Interest Expense	5,629,003	7,539,713	987,339	1,436,153	-	-	(39,493)	(37,943)	6,576,849	8,937,92
Net Interest Income	3,793,353	3,295,397	1,959,192	1,625,830	7,246	7,344	(147,433)	(148,709)	5,612,358	4,779,86
Fee and Commission Income	1,200,656	1,040,526	1,111	1,571	-	-	6,560	4,368	1,208,327	1,046,46
Fee and Commission Expense	44,604	55,295	6,432	5,501	-	-	-	-	51,036	60,79
Net Fee and Commission Income	1,156,052	985,231	(5,321)	(3,930)	-	-	6,560	4,368	1,157,291	985,66
Net Gains/(Losses) from Trading	-	-	(611,434)	9,807	5,755	(3,235)	-	-	(605,679)	6,57
Net Gains from Derecognition of Financial Assets	-	-	185,220	69,552	-	-	-		185,220	69,55
Net Other Operating Income	52,017	30,100	1,016,898	304,931	86,809	81,627	(66,053)	(65,449)	1,089,671	351,20
Inter Segment Revenue	(18,693)	(12,844)	-	-	-	-	18,693	12,844	-	
Total Operating Income	4,982,729	4,297,884	2,544,555	2,006,190	99,810	85,736	(188,233)	(196,946)	7,438,861	6,192,86
Depreciation and Amortisation Expenses	227,048	234,630	1,399	1,316	268	180	147,512	137,024	376,227	373,15
Impairment Charge for the Period	2,200,171	1,110,627	(29,055)	5,439	-	-	-		2,171,116	1,116,0
Operating Expenses & VAT on Financial Services	2,464,404	2,436,454	323,142	297,717	19,399	24,124	738,440	617,157	3,545,385	3,375,45
Reportable Segment Profit Before Income Tax	91,106	516,173	2,249,069	1,701,718	80,143	61,432	(1,074,185)	(951,127)	1,346,133	1,328,19
Income Tax Expense						-	-		342,369	402,25
Profit For The Period	-		-			-	-		1,003,764	925,94
Profit Attributable To:										
Equity Holders of The Bank	-		-		-	-	-	-	967,439	918,85
Non-Controlling Interests	-		-		-	-	-		36,325	7,08
Profit For The Period	-	-			-	-	-	-	1,003,764	925,94
Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	-	-	-	(869,240)	254,25
Other Information										
Total Assets	385,678,154	374,206,233	150,039,251	117,864,449	5,992,135	5,835,629	21,204,091	23,116,735	562,913,631	521,023,0
Total Liabilities & Equity	453,313,419	416,482,357	74,395,153	84,574,220	5,992,135	5,835,629	29,212,924	14,130,840	562,913,631	521,023,04
Cash Flows from Operating Activities	(1,002,534)	7,091,235	2,205,846	1,708,473	72,560	50,548	(917,390)	(954,296)	358,482	7,895,9
Cash Flows from Investing Activities	(35,448)	(206,144)	(3,011,200)	1,543,804	56,196	8,268	(125,556)	25,954	(3,116,008)	1,371,8
Cash Flows from Financing Activities	(196,120)	(176,580)	(742,231)	(744,545)	_		77,479	79,365	(860,872)	(841,70
Capital Expenditure	(35,448)	(154,959)	(1,223)		(30,524)		(45,393)	(29,123)	(112,588)	(184,0

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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.

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%).

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. The Bank has complied with the quidelines 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. The Bank ensured health and safety protocols for its staff and customers. The Bank will continue to take necessary protocols and actions to manage the pandemic.

2. Information on Ordinary Shares

Market Price (Rs.)	31/03/2021		31/03/2020 (last date of trading as the CSE's Trading Floor was closed from 23/03/2020 to 31/03/2020)	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	49.00	43.20	33.50	22.10
Highest price per share during the quarter ended	68.00	60.00	53.50	33.70
Lowest price per share during the quarter ended	45 40	33.50	33.00	21.80

Stated Capital as at March 31, 2021	No. of Shares	Stated Capital Rs '000
Ordinary Voting	264,267,493	11,521,262
Ordinary Non-Voting	269,923,190	6,802,619
Total	534 190 683	18 323 881

3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2021

1. Sri Lanka Insurance Corporation Ltd [Includes General Fund and Life Fund]

2.	Brown & Company PLC A/C No. 1	27,687,279	10.48
3.	Employees' Provident Fund	26,050,200	9.86
4.	Sampath Bank PLC/LOLC Investments Ltd	24,726,404	9.36
5.	Mr. K D D Perera	23,870,697	9.03
6.	National Development Bank PLC	23,056,970	8.72
7.	Bank of Ceylon No. 1 Account	14,865,044	5.62
8.	Seylan Bank PLC A/C No. 04 – Employees' Gratuity Trust Fund	13,708,884	5.19
9.	People's Leasing & Finance PLC/Don and Don Holdings(Pvt) Ltd	9,192,485	3.48
10.	Sampath Bank PLC/ Brown and Company PLC	8,979,659	3.40
11.	Employees' Trust Fund Board	5,619,482	2.13
12.	NDB Capital Holdings Limited A/C No. 02	2,676,690	1.01
13.	Sisil Investment Holdings (Pvt) Ltd	2,499,201	0.95
14.	AIA Insurance Lanka Ltd A/C No. 07	1,616,628	0.61
15.	Mr. M.J. Fernando	1,334,457	0.50
16.	Mr. R.R. Leon	1,250,555	0.47
17.	Mr. K.R.B. Fernando	1,143,462	0.43
18.	Seyshop (Pvt) Ltd	707,834	0.27
19.	Esots (Pvt) Ltd	695,689	0.26
20.	Seybest (Pvt) Ltd.,	694,608	0.26
3.2	Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2021	No. of Shares	%
1	LOLC Holdings PLC	131,343,515	48.66
2	Employees' Provident Fund	14,397,596	5.33
3	Sri Lanka Insurance Corporation Ltd - Life Fund	7,915,767	2.93
4	Akbar Brothers Pvt Ltd A/C No. 01	5,797,003	2.15
5.	Acuity Partners (Pvt) Ltd/Mr. E Thavagnanasooriyam & Mr. E Thavagnanasundaram	4,291,304	1.59
6.	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	3,933,895	1.46
7.	Pershing LLC S/A Averbach Grauson & Co.	3,812,293	1.41
8.	People's Leasing & Finance PLC /Mrs. P Thavarajah	3,671,929	1.36
9.	Employees' Trust Fund Board	3,222,060	1.19
10.	Merrill J Fernando & Sons (Pvt) Limited	2,998,293	1.11
11.	Mr. R R Leon	2,476,199	0.92
12.	LOLC Technology Services Limited	2,357,043	0.87
13.	Mr. N Balasingam	2,111,712	0.78
14.	GF Capital Global Ltd	1,614,805	0.60
15.	Mr. M J Fernando	1,477,783	0.55
16.	Mr. R Gautam	1,451,536	0.54
17.	First Capital Limited	1,370,122	0.51
18	Dr. S Yaddehige	1,269,598	0.47
19	Miss. S Durga	1,254,485	0.46
20	Mr. D N N Lokuge	1,245,864	0.46
3.3	Public Holdings as at March 31, 2021		
	The Best is a seed that and a Coding Coding Coding 7 40 4 (Ministrum Bubble Helding consistence A) of the Bub		

The Bank is compliant under Option 3 of the Section 7.13.1(Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange

Public Holding Percentage - 54.85 % Number of Public Shareholders - 10,351

4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2021

Name of Director	No. of Shares		No. of Shares	
	(Ordinary Voting)	(Ordinary Non- voting		
Mr. W M R S Dias, Non-Executive Director / Chairman	Nil	Nil		
Mr. W D K Jayawardena, Non-Executive Director/Deputy Chairman	Nil	Nil		
Ms. M C Pietersz, Independent Director /Senior Director	Nil	Nil		
Mr. K P Ariyaratne, Director/Chief Executive Officer	66,399	222,061		
Mr. P L S K Perera, Independent Director	Nil	Nil		
Mr. S V Corea, Non-Executive Director	101	Nil		
Mr. A S Wijesinha, Independent Director	Nil	Nil		
Ms. S K Salgado, Independent Director	Nil	Nil		
Mr. D M D K Thilakaratne, Non-Executive Director	Nil	Nil		
Mr. D R Abeysuriya, Independent Director	Nil	Nil		
Ms. V G S S Kotakadeniya, Alternate Director to				
Non - Executive Director, Mr. W D K Jayawardena	Nil	Nil		

5. Basic/ Diluted Earnings per Share

Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & Non- voting) during the quarter ended March 31, 2021. 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 March 31, 2020 has been restated based on the no of shares issued for Scrip Dividend for

6. Events after the Reporting Date

Debenture Issue 2021

The Bank proceeded with a Debenture Issue of Fifty Million (50,000,000) fully paid, BASEL III compliant, Tier 2, listed, rated, unsecured, subordinated, redeemable debentures with a non-viability conversion of the par value of Rupees Hundred each (Rs.100/-) aggregating upto a value of Rupees Five Billion (Rs.5,000,000,000/-) with an option to issue further Ten Million (10,000,000) of such Debentures in the event of an oversubscription with the total value of the debentures in such event aggregating to Rupees Six Billion $(Rs.6,000,000,000/-)\ by\ way\ of\ a\ public\ issue.\ The\ Issue\ was\ oversubscribed\ and\ 60,000,000\ debentures\ of\ Rs.100/-\ each\ amounting\ to\ Rs.6,000,000,000/-\ were\ allotted\ to\ the\ angle of\ Rs.6,000,000,000/-\ were\ allotted\ to\ the\ Rs.6,000,000/-\ were\ allotted\ to\ the\ Rs.6,000/-\ were\ allotted\ to\ the\ Rs.6,000,000/-\ were\ allotted\ to\ the\ Rs.6,000/-\ were\ allotted\ the\ Rs.6,000/-\ were\ allotted\$ successful investors on 12th April 2021.

7. Other Matters

The scrip dividend of Rs.1.50 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on 30th March 2021 and shares in respect of same was allotted to the Ordinary Voting and Non-voting Shareholders of the Bank entitled as at end of trading on 30th March 2021.

The Bank has not recognized an additional gratuity liability in the financial statement for ex-employees who have not entered into the "Memorandum of settlement (MOS)" with the Bank, giving the right to settle the said liability by utilizing proceeds expected from disposal of shares held by share trust companies, as the liability is contingent upon the signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing. If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs.122 Mn. (net of tax) as of March 31, 2021.

The Gazette Notification dated March 18, 2021 was issued to amend the Inland Revenue Act, No. 24 of 2017(effective from 1st January 2020). The above amendment is considered as substantially enacted as at the reporting date and the tax rate was adapted accordingly in the computation of income tax including deferred tax at 24%.

iv. Expected Credit Loss Computation

The Bank's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) as at March 31, 2021 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

Further, management overlay was computed based on the stress testing the exposures to risk elevated sectors, to address the potential implications of Covid - 19 pandemic and the moratorium schemes introduced to support the recovery of the economy and impairment provision was made accordingly.

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.