



# Seylan Bank PLC

Interim Financial Statements (Audited)  
For the Year Ended 31st December 2018

## Seylan Bank reports a modest overall growth - bottom line weighed down by one off provision for additional gratuity and higher impairment provisions

In the backdrop of challenging external environment, Seylan Bank recorded a Profit after tax of Rs.3, 189 Million for the year ended 31st December 2018 after one off adjustment of Rs. 1,135 Million to resolve the long standing issue of additional gratuity.

The banks advances grew by 16.4% while the deposit base grew by 16.4%. Net interest income increased by 14.6% while net fee and commission income from core banking activities grew by 7.0%.

The impairment charge grew by 131% compared to the prior year due to deterioration in the overall NPA ratio as well as the accelerated impairment provision as per SLRFS 9. As a result Bank's overall Provision Cover and the Open Credit Exposure have improved in 2018.

Mirroring the developments across the industry the NPA ratio increased by 1.6% over the previous year. Construction, tourism and manufacturing sectors were the major contributors to this deterioration and the bank has implemented a rigorous program of restructuring, rehabilitation and recovery to address this issue.

The Bank reported a net advance growth of Rs.46 Billion with net advances growing from Rs. 281 Billion to Rs. 327 Billion during 2018.

The overall deposit base recorded a growth of Rs. 50 Billion from Rs. 307 Billion by end of 2017 to Rs.357 Billion by 31st December 2018. CASA growth slowed down with a notable shift from low cost to fixed deposits due to increasing interest rates. As a result Bank's CASA ratio (current & savings accounts) stood at 28.8% and Fixed Deposit ratio increased from 68.8% by end of year 2017 to 71.2% as at 31st December 2018.

Net interest income recorded a healthy growth of 14.6% in line with 14.4% growth of total assets. The Bank's total assets increased to Rs. 467 Billion in 31 December 2018 from Rs. 408 Billion in 31 December 2017.

Net fee and commission income witnessed a growth of Rs. 266 Million from Rs. 3,788 Million to Rs. 4,054 Million during 2018. This was mainly attributed to fee and commission income from trade, term loans, other financial services and credit cards. Other income captions comprising of net gains from trading activities, fair value changes of financial instruments, gains on foreign exchange transactions and net other operating income decreased by 16.2% from Rs. 1,660 Million reported in 2017 to Rs. 1,391 Million during 2018.

Total Expenses (Excluding one off additional gratuity expense) recorded a modest increase of 8.5% from Rs.10,882 Million to Rs 11,802 Million. This increase can be attributed to increased investments on branch upgrading and refurbishments, digital capabilities and IT infrastructure and staff benefits. Bank continues to focus on optimising the cost through strategic cost management initiatives and the implementation of lean concepts. The additional expenses on the resolution of the collective agreement and the long standing issue of additional gratuity would increase the productivity of the employees and improve the long term cost to income ratio.

Bank's Earnings per Share (EPS), Return (profit before tax) on Asset (ROA) and Return on Equity (ROE) are recorded at Rs. 8.7 per share, 1.1% and 9.3% respectively. These would have been Rs. 10.9 per share, 1.3% and 11.5% respectively if the impact of one off additional gratuity adjustment is excluded. The Bank's Net Asset Value per share as at 31st December 2018 was Rs. 94.5 (Group Rs. 99).

The Bank also continued fostering on education which has been core of its CSR activities. During the year 33 school libraries were opened taking the overall number of libraries opened under the project to 183 under "Seylan Pehesara" Project. The Bank has developed a comprehensive Environmental and Social Management System (ESMS) with the objective of managing the Environmental and Social Risks arising from its financing activities.

In 2018, the Bank network increased to 170 Banking Centres, 207 ATMs and 98 Student Saving Centres. Bank plans to grow the Branch network further to reach a larger spectrum of customers and widen the Bank's geographical presence in order to have a competitive advantage. Further Bank deployed 29 Cash Deposits Machines (CDMs) during the year which totaled up to 38 and 20 Multiple Services Counters (MSCs) totaling up to 29 throughout the banking network for the better convenience of customers.

The Bank's Common Equity Tier 1, Total Tier 1 and Total Capital Adequacy Ratio remained strong at 10.2%, 10.2% and 13.3% respectively as at 31st December 2018, as against the statutory minimum.

*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		
	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growth %
Interest income	49,229,214	43,548,912	13.04	13,602,628	11,517,363	18.11
Less: Interest expenses	31,482,218	28,057,779	12.20	8,868,347	7,402,617	19.80
Net interest income	17,746,996	15,491,133	14.56	4,734,281	4,114,746	15.06
Fee and commission income	4,252,240	3,952,760	7.58	1,161,871	1,092,751	6.33
Less: Fee and commission expenses	198,273	164,619	20.44	55,868	57,730	(3.23)
Net fee and commission income	4,053,967	3,788,141	7.02	1,106,003	1,035,021	6.86
Net gains/(losses) from trading / Net fair value gains/(losses) from financial instruments at fair value through profit or loss	961,832	(38,911)	2,571.88	344,352	(28,015)	1,329.17
Net gains/(losses) from derecognition of financial assets	51,936	358,636	(85.52)	(4,536)	27,766	(116.34)
Net other operating income	377,308	1,339,879	(71.84)	53,378	433,254	(87.68)
Total operating income	23,192,039	20,938,878	10.76	6,233,478	5,582,772	11.66
Impairment charges	3,475,186	1,504,696	130.96	1,551,712	64,656	2,299.95
Net operating income	19,716,853	19,434,182	1.45	4,681,766	5,518,116	(15.16)
Personnel expenses	5,782,333	5,195,863	11.29	1,433,269	1,242,550	15.35
Depreciation and amortisation	745,823	695,694	7.21	194,943	181,919	7.16
Other expenses	5,274,384	4,990,968	5.68	1,288,923	1,257,775	2.48
Operating profit before Additional gratuity expense	7,914,313	8,551,657	(7.45)	1,764,631	2,835,872	(37.77)
Additional gratuity expense	1,134,771	-	-	1,134,771	-	-
Operating profit before taxes	6,779,542	8,551,657	(20.72)	629,860	2,835,872	(77.79)
Value added tax on financial services	1,675,346	1,672,241	0.19	366,302	526,383	(30.41)
Nation building tax on financial services	223,380	222,965	0.19	48,841	70,184	(30.41)
Debt repayment levy	214,564	-	-	214,564	-	-
Profit before income tax	4,666,252	6,656,451	(29.90)	153	2,239,305	(99.99)
Income tax expense	1,477,046	2,226,053	(33.65)	(50,707)	811,181	(106.25)
Profit for the period	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)
Basic / Diluted earnings per ordinary share (Rs.)	8.71	12.10	(28.02)	0.14	3.90	(96.44)
Basic/Diluted earnings per share excluding Additional gratuity expense(Rs.)	10.94	12.10	(9.59)	2.37	3.90	(39.23)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

(Amounts in Rupees Thousands)

	Bank			Bank		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growth %
Profit for the period	3,189,206	4,430,398	(28.02)	50,860	1,428,124	(96.44)
Other comprehensive income/ (loss), net of tax						
<u>Items that will be reclassified to income statement</u>						
Net Movement of Cash Flow Hedge Reserve	35,906	(7,366)	587.46	1,332	49,772	(97.32)
Net gains/ (losses) on investments in debt instruments measured at fair value through other comprehensive income	(1,105,151)			(1,105,151)		
Net gain/ (loss) on re-measuring of available-for-sale financial assets		2,636,992	(127.95)	546,780	132,680	(243.32)
<u>Items that will not be reclassified to income statement</u>						
Change in fair value on investments in equity instruments measured at fair value through other comprehensive income	368,208			368,208		
Deferred tax on revaluation surplus of land	-	(231,989)	100.00	-	(231,989)	100.00
Actuarial gain on defined benefit obligations	84,326	28,182	199.22	84,326	28,182	199.22
Other comprehensive income/ (loss) for the period, net of taxes	(616,711)	2,425,819	(125.42)	(104,505)	(21,355)	(389.37)
Total comprehensive income for the period	2,572,495	6,856,217	(62.48)	(53,645)	1,406,769	(103.81)

*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		
	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growth %
Interest income	49,230,380	43,554,949	13.03	13,604,362	11,518,301	18.11
Less: interest expenses	31,440,293	27,979,949	12.37	8,863,682	7,373,397	20.21
Net interest income	17,790,087	15,575,000	14.22	4,740,680	4,144,904	14.37
Fee and commission income	4,251,808	3,952,557	7.57	1,161,682	1,092,594	6.32
Less: fee and commission expenses	202,810	170,553	18.91	57,099	58,803	(2.90)
Net fee and commission income	4,048,998	3,782,004	7.06	1,104,583	1,033,791	6.85
Net gains/ (losses) from trading / net fair value gains/ (losses) from financial instruments at fair value through profit or loss	961,634	(40,103)	2,497.91	344,483	(28,107)	1,325.61
Net gains/ (losses) from derecognition of financial assets	51,936	358,636	(85.52)	(4,536)	27,766	(116.34)
Net other operating income	348,835	1,870,317	(81.35)	44,706	455,067	(90.18)
Total operating income	23,201,490	21,545,854	7.68	6,229,916	5,633,421	10.59
Impairment charges	3,475,195	1,504,696	130.96	1,551,721	64,656	2,299.96
Net operating income	19,726,295	20,041,158	(1.57)	4,678,195	5,568,765	(15.99)
Personnel expenses	5,816,527	5,228,790	11.24	1,439,114	1,248,856	15.23
Depreciation and amortisation	809,868	743,417	8.94	211,190	194,549	8.55
Other expenses	5,164,715	4,899,055	5.42	1,244,775	1,238,246	0.53
Operating profit before Additional gratuity expense	7,935,185	9,169,896	(13.46)	1,783,116	2,887,114	(38.24)
Additional gratuity expense	1,134,771	-	-	1,134,771	-	-
Operating profit before taxes	6,800,414	9,169,896	(25.84)	648,345	2,887,114	(77.54)
Value added tax on financial services	1,675,346	1,662,008	0.80	374,093	543,653	(31.19)
Nation building tax on financial services	223,380	222,965	0.19	53,329	52,914	0.78
Debt repayment levy	214,564	-	-	214,564	-	-
Profit before income tax	4,687,124	7,284,923	(35.66)	6,359	2,290,547	(99.72)
Income tax expense	1,536,268	2,281,292	(32.66)	(43,988)	828,220	(105.31)
Profit for the period	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.56)
Equity Holders of the Bank	3,137,243	4,816,834	(34.87)	46,876	1,452,240	(96.77)
Non-controlling interest	13,613	186,797	(92.71)	3,471	10,087	(65.59)
Profit for the period	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.56)
Basic / Diluted earnings per ordinary share (Rs.)	8.57	13.16	(34.87)	0.13	3.97	(96.77)
Basic/ Diluted earnings per share excluding Additional gratuity expense (Rs.)	10.80	13.16	(17.93)	2.36	3.97	(40.55)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

	Group			Group		
	For the Year Ended 31st December			For the Quarter Ended 31st December		
	2018 (Audited)	2017 (Audited)	Growth %	2018	2017	Growth %
Profit for the period	3,150,856	5,003,631	(37.03)	50,347	1,462,327	(96.55)
Other comprehensive income/ (loss), net of tax						
<u>Items that will be reclassified to income statement</u>						
Net Movement of Cash Flow Hedge Reserve	35,906	(7,366)	587.46	1,332	49,772	(97.32)
Net gains/ (losses) on investments in debt instruments measured at fair value through other comprehensive income	(1,109,359)			(1,109,359)		
Net gain/ (loss) on re-measuring of available-for-sale financial assets		2,639,217	(128.08)	546,780	132,680	(246.50)
<u>Items that will not be reclassified to income statement</u>						
Change in fair value on investments in equity instruments measured at fair value through other comprehensive income	368,208			368,208		
Revaluation of property, plant and equipment	101,159	(20,329)	597.61	101,159	(20,329)	597.61
Deferred tax on revaluation surplus of land	-	(231,989)	100.00	-	(231,989)	100.00
Actuarial gain on defined benefit obligations	83,844	27,312	206.99	83,844	27,312	206.99
Other comprehensive income/ (loss) for the period, net of taxes	(520,242)	2,406,845	(121.62)	(8,036)	(42,554)	81.12
Total comprehensive income for the period	2,630,614	7,410,476	(64.50)	42,311	1,419,773	(97.02)
Attributable to:						
Equity Holders of the Bank	2,588,552	7,229,275	(64.19)	10,391	1,415,938	(99.27)
Non-controlling interest	42,062	181,201	(76.79)	31,920	3,835	732.33
Total comprehensive income for the period	2,630,614	7,410,476	(64.50)	42,311	1,419,773	(97.02)

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

(Amounts in Rupees Thousands)

	Bank			Group		
	As at	As at	Growth	As at	As at	Growth
	31.12.2018 (Audited)	31.12.2017 (Audited)	%	31.12.2018 (Audited)	31.12.2017 (Audited)	%
<b>Assets</b>						
Cash and cash equivalents	12,573,611	8,319,384	51.14	12,573,651	8,319,424	51.14
Balances with central bank of Sri Lanka	18,472,275	19,119,843	(3.39)	18,472,275	19,119,843	(3.39)
Placements with banks and finance companies	-	1,455,115	(100.00)	-	1,455,115	(100.00)
Derivative financial instruments	1,676,958	60,165	2,687.27	1,676,958	60,165	2,687.27
Financial assets recognised through profit or loss / held-for-trading						
- Measured at fair value	4,918,336	7,939,213	(38.05)	4,923,487	7,944,562	(38.03)
- Designated at fair value	-	-	-	-	-	-
Financial assets at amortised cost						
- Loans and advances	326,882,538	280,861,907	16.39	326,882,538	280,861,907	16.39
- Debt and other instruments	29,593,496	23,280,633	27.12	29,593,496	23,280,633	27.12
Financial assets measured at fair value through other comprehensive income /available-for-sale	58,770,720	53,507,037	9.84	58,819,604	53,507,037	9.93
Investment in subsidiary	1,153,602	1,153,602	-	-	-	-
Group balances receivable	40,600	30,000	35.33	-	-	-
Property, plant & equipment	3,739,526	3,495,140	6.99	6,357,092	6,001,586	5.92
Leasehold rights	38,479	40,425	(4.81)	571,990	581,346	(1.61)
Investment properties	-	-	-	845,138	851,667	(0.77)
Intangible assets	576,091	363,451	58.51	576,091	363,451	58.51
Deferred tax assets	270,275	-	-	99,648	-	-
Assets held-for-sale	-	900,543	(100.00)	-	-	-
Other assets	8,226,511	7,599,381	8.25	8,269,528	7,637,019	8.28
<b>Total assets</b>	<b>466,933,018</b>	<b>408,125,839</b>	<b>14.41</b>	<b>469,661,496</b>	<b>409,983,755</b>	<b>14.56</b>
<b>Liabilities</b>						
Due to banks	26,378,781	27,052,972	(2.49)	26,378,781	27,052,972	(2.49)
Derivative financial instruments	145,339	571,557	(74.57)	145,339	571,557	(74.57)
Financial liabilities at amortised cost						
- Due to depositors	357,560,187	307,098,902	16.43	357,560,187	307,098,902	16.43
- Due to debt securities holders	21,094,525	16,631,973	26.83	21,094,525	16,631,973	26.83
- Due to other borrowers	32,018	22,396	42.96	32,018	22,396	42.96
Group balances payable	211,686	1,145,110	(81.51)	-	-	-
Debt securities issued	16,329,400	12,494,025	30.70	16,329,400	12,494,025	30.70
Current tax liabilities	1,209,464	1,022,378	18.30	1,185,533	1,046,249	13.31
Deferred tax liabilities	-	1,359,044	(100.00)	-	1,431,294	(100.00)
Other liabilities	9,361,819	6,521,559	43.55	9,472,350	6,593,748	43.66
<b>Total liabilities</b>	<b>432,323,219</b>	<b>373,919,916</b>	<b>15.62</b>	<b>432,198,133</b>	<b>372,943,116</b>	<b>15.89</b>
<b>Equity</b>						
Stated capital	12,025,795	11,228,269	7.10	12,025,795	11,228,269	7.10
Statutory reserve fund	1,768,944	1,609,484	9.91	1,768,944	1,609,484	9.91
Retained earnings	19,798,647	17,178,024	15.26	20,419,229	17,818,539	14.60
Other reserves	1,016,413	4,190,146	(75.74)	2,032,938	5,170,681	(60.68)
<b>Total shareholders' equity</b>	<b>34,609,799</b>	<b>34,205,923</b>	<b>1.18</b>	<b>36,246,906</b>	<b>35,826,973</b>	<b>1.17</b>
Non - controlling interest	-	-	-	1,216,457	1,213,666	0.23
<b>Total equity</b>	<b>34,609,799</b>	<b>34,205,923</b>	<b>1.18</b>	<b>37,463,363</b>	<b>37,040,639</b>	<b>1.14</b>
<b>Total equity &amp; liabilities</b>	<b>466,933,018</b>	<b>408,125,839</b>	<b>14.41</b>	<b>469,661,496</b>	<b>409,983,755</b>	<b>14.56</b>
<i>Contingent liabilities and commitments</i>	<i>129,692,642</i>	<i>99,500,731</i>	<i>30.34</i>	<i>129,721,740</i>	<i>99,568,595</i>	<i>30.28</i>
<i>Memorandum information</i>						
Number of employees	3,344	3,199	4.53	3,366	3,225	4.37
Number of banking centres	170	166	2.41	170	166	2.41
<b>Net assets value per ordinary share (Rs.)</b>	<b>94.54</b>	<b>96.50</b>	<b>(2.03)</b>	<b>99.01</b>	<b>101.08</b>	<b>(2.05)</b>

**Certification:**

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

a ) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka and where ever required provides additional disclosures to comply with Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.

b ) The information contained in these statements have been extracted from the audited financial statements of the Bank & Group, which have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

Champika Dodanwela (Ms.)  
Chief Financial Officer

(Sgd.)

W.M.R.S.Dias  
Chairman  
February 18,2019  
Colombo

(Sgd.)

Kapila Ariyaratne  
Director/Chief Executive Officer



SEYLAN BANK PLC  
STATEMENT OF CHANGES IN EQUITY (AUDITED)  
For the Year ended 31st December  
Bank

		Stated capital		Statutory reserve fund *	Retained Earnings	Other Reserves			Total
		Ordinary shares - voting	Ordinary shares - non voting			Revaluation reserve	FVOCI Reserve / AFS Reserve	Other reserves	
Rs. ' 000									
1	Balance as at 01st January 2017	6,962,722	3,567,002	1,387,964	14,050,233	1,474,482	(1,691,584)	2,021,463	27,772,282
	Total comprehensive income for the year								
	Profit for the year	-	-	-	4,430,398	-	-	-	4,430,398
	Other comprehensive income (net of tax)								
	- Deferred tax on revaluation surplus of land**	-	-	-	-	(231,989)	-	-	(231,989)
	- Actuarial gain on defined benefit obligations	-	-	-	28,182	-	-	-	28,182
	- Net gain on re-measuring available-for-sale financial assets	-	-	-	-	-	2,636,992	-	2,636,992
	- Net movement of cash flow hedge reserve	-	-	-	-	-	-	(7,366)	(7,366)
2	Total comprehensive income for the year	-	-	-	4,458,580	(231,989)	2,636,992	(7,366)	6,856,217
	Transactions with equity holders, recognised directly in equity								
	Cash/scrip dividends to equity holders	356,354	342,191	-	(1,121,121)	-	-	-	(422,576)
	Transferred to statutory reserve fund*	-	-	221,520	(221,520)	-	-	-	-
	Transferred from investment fund reserve	-	-	-	11,852	-	-	(11,852)	-
3	Total transactions with equity holders	356,354	342,191	221,520	(1,330,789)	-	-	(11,852)	(422,576)
	Balance as at 31st December 2017 (1 + 2 + 3)	7,319,076	3,909,193	1,609,484	17,178,024	1,242,493	945,408	2,002,245	34,205,923
1	Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,178,024	1,242,493	945,408	2,002,245	34,205,923
	Adjustment on initial application of SLFRS 9, net of tax	-	-	-	(155,362)	-	(1,570,187)	-	(1,725,549)
2	Restated balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,022,662	1,242,493	(624,779)	2,002,245	32,480,374
	Total comprehensive income for the year								
	Profit for the year	-	-	-	3,189,206	-	-	-	3,189,206
	Other comprehensive income (net of tax)								
	- Actuarial gain on defined benefit obligations	-	-	-	84,326	-	-	-	84,326
	- Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-	-	-	(1,105,151)	-	(1,105,151)
	- Change in fair value on investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	368,208	-	368,208
	- Net movement of cash flow hedge reserve	-	-	-	-	-	-	35,906	35,906
3	Total comprehensive income for the year	-	-	-	3,273,532	-	(736,943)	35,906	2,572,495
	Transactions with equity holders, recognised directly in equity								
	Cash/scrip dividends to equity holders	404,131	393,395	-	(1,240,596)	-	-	-	(443,070)
	Reversal of revaluation on disposed property, plant and equipment	-	-	-	376,203	(376,203)	-	-	-
	Transferred to statutory reserve fund*	-	-	159,460	(159,460)	-	-	-	-
	Transferred from investment fund reserve	-	-	-	8,727	-	-	(8,727)	-
	Net gain on disposal equity investments measured at fair value through other comprehensive income	-	-	-	517,579	-	(517,579)	-	-
4	Total transactions with equity holders	404,131	393,395	159,460	(497,547)	(376,203)	(517,579)	(8,727)	(443,070)
	Balance as at 31st December 2018 (2 + 3 + 4)	7,723,207	4,302,588	1,768,944	19,798,647	866,290	(1,879,301)	2,029,424	34,609,799

\* 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).

\*\* The Bank recognises deferred tax liability for the revaluation surplus of land in accordance with the related tax provisions introduced by the Inland Revenue Act No. 24 of 2017.

FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve

AFS Reserve - Available for Sale Reserve

SEYLAN BANK PLC  
STATEMENT OF CHANGES IN EQUITY (AUDITED)  
For the Year ended 31st December  
Group

Rs. ' 000

	Stated capital		Statutory reserve fund *	Retained Earnings	Other Reserves			Total	Non- controlling interest	Total equity
	Ordinary shares - voting	Ordinary shares - non voting			Revaluation reserve	FVOCI Reserve / AFS Reserve	Other reserves			
1 Balance as at 01st January 2017	6,962,722	3,567,002	1,387,964	14,304,925	2,214,050	(1,693,065)	2,276,676	29,020,274	1,065,190	30,085,464
Total comprehensive income for the year										
Profit for the year	-	-	-	4,816,834	-	-	-	4,816,834	186,797	5,003,631
Other comprehensive income (net of tax)										
- Revaluation of property, plant and equipment	-	-	-	-	(14,334)	-	-	(14,334)	(5,995)	(20,329)
- Deferred tax on revaluation surplus of land**	-	-	-	-	(231,989)	-	-	(231,989)	-	(231,989)
- Actuarial gain on defined benefit obligations	-	-	-	27,569	-	-	-	27,569	(257)	27,312
- Net gain on re-measuring available-for-sale financial assets	-	-	-	-	-	2,638,561	-	2,638,561	656	2,639,217
- Net movement of cash flow hedge reserve	-	-	-	-	-	-	(7,366)	(7,366)	-	(7,366)
2 Total comprehensive income for the year	-	-	-	4,844,403	(246,323)	2,638,561	(7,366)	7,229,275	181,201	7,410,476
Transactions with equity holders, recognised directly in equity										
Cash/scrip dividends	356,354	342,191	-	(1,121,121)	-	-	-	(422,576)	(32,725)	(455,301)
Transferred to statutory reserve fund*	-	-	221,520	(221,520)	-	-	-	-	-	-
Transferred from investment fund reserve	-	-	-	11,852	-	-	(11,852)	-	-	-
3 Total Transactions with Equity Holders	356,354	342,191	221,520	(1,330,789)	-	-	(11,852)	(422,576)	(32,725)	(455,301)
Balance as at 31st December 2017 (1 + 2 + 3)	7,319,076	3,909,193	1,609,484	17,818,539	1,967,727	945,496	2,257,458	35,826,973	1,213,666	37,040,639
1 Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,818,539	1,967,727	945,496	2,257,458	35,826,973	1,213,666	37,040,639
Adjustment on initial application of SLFRS 9, net of tax	-	-	-	(121,806)	-	(1,603,743)	-	(1,725,549)	-	(1,725,549)
2 Restated Balance as at 01st January 2018	7,319,076	3,909,193	1,609,484	17,696,733	1,967,727	(658,247)	2,257,458	34,101,424	1,213,666	35,315,090
Total Comprehensive Income for the Year										
Profit for the year	-	-	-	3,137,243	-	-	-	3,137,243	13,613	3,150,856
Other Comprehensive Income (net of tax)										
- Revaluation of property, plant and equipment	-	-	-	-	71,327	-	-	71,327	29,832	101,159
- Actuarial gain on defined benefit obligations	-	-	-	83,986	-	-	-	83,986	(142)	83,844
- Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-	-	(1,410)	-	(1,106,708)	-	(1,108,118)	(1,241)	(1,109,359)
- Change in fair value on investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	368,208	-	368,208	-	368,208
- Net movement of cash flow hedge reserve	-	-	-	-	-	-	35,906	35,906	-	35,906
3 Total comprehensive income for the year	-	-	-	3,219,819	71,327	(738,500)	35,906	2,588,552	42,062	2,630,614
Transactions with equity holders, recognised directly in equity										
Cash/scrip dividends	404,131	393,395	-	(1,240,596)	-	-	-	(443,070)	(39,271)	(482,341)
Reversal of revaluation on disposed property, plant and equipment	-	-	-	376,427	(376,427)	-	-	-	-	-
Transferred to statutory reserve fund*	-	-	159,460	(159,460)	-	-	-	-	-	-
Transferred from investment fund reserve	-	-	-	8,727	-	-	(8,727)	-	-	-
Net gain on disposal equity investments measured at fair value through other comprehensive income	-	-	-	517,579	-	(517,579)	-	-	-	-
4 Total transactions with equity holders	404,131	393,395	159,460	(497,323)	(376,427)	(517,579)	(8,727)	(443,070)	(39,271)	(482,341)
Balance as at 31st December 2018 (2 + 3 + 4)	7,723,207	4,302,588	1,768,944	20,419,229	1,662,627	(1,914,326)	2,284,637	36,246,906	1,216,457	37,463,363

\* 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)

\*\* The Bank recognises deferred tax liability for the revaluation surplus of land in accordance with the related tax provisions introduced by the Inland Revenue Act No. 24 of 2017.

FVOCI Reserve - Fair Value through Other Comprehensive Income Reserve

AFS Reserve - Available for Sale Reserve

**SEYLAN BANK PLC**
**CASH FLOW STATEMENT (Audited)**

(Amounts in Rupees Thousands)

	Bank		Group	
	2018	2017	2018	2017
<i>For the Year ended 31st December</i>				
Cash Flows from Operating Activities				
Interest receipts	46,871,290	42,125,061	46,872,456	42,131,098
Interest payments	(28,162,777)	(24,790,205)	(28,139,546)	(24,728,125)
Net commission receipts	4,053,967	3,788,141	4,048,998	3,782,004
Trading income	79,954	20,309	79,756	20,309
Payments to employees	(5,973,776)	(5,075,388)	(6,008,216)	(5,108,861)
VAT & NBT on financial services & DRL	(2,258,810)	(1,768,491)	(2,258,810)	(1,768,491)
Receipts from other operating activities	1,596,098	2,346,937	1,686,424	2,427,052
Payments on other operating activities	(5,213,731)	(4,963,834)	(5,095,557)	(4,904,323)
Operating profit before changes in operating assets and liabilities	10,992,215	11,682,530	11,185,505	11,850,663
(Increase)/decrease in operating assets :				
Balances with Central Bank of Sri Lanka	647,568	(2,908,225)	647,568	(2,908,225)
Financial assets at amortised cost - loans & advances	(48,243,676)	(45,762,794)	(48,243,676)	(45,762,794)
Other Assets	(1,745,640)	815,361	(1,740,419)	816,293
Increase/(decrease) in operating liabilities :				
Financial liabilities at amortised cost - due to depositors	48,740,109	31,865,319	48,740,109	31,865,319
Financial liabilities at amortised cost - due to debt securities holders	4,463,652	665,351	4,463,652	665,351
Financial liabilities at amortised cost - due to other borrowers	9,622	1,147	9,622	1,147
Other Liabilities	(1,246,270)	(877,016)	(360,964)	(1,769,039)
Due to banks	(674,191)	9,324,679	(674,191)	9,324,679
Cash generated from operating activities before income tax	12,943,389	4,806,352	14,027,206	4,083,394
Income tax paid	(1,690,523)	(1,039,353)	(1,715,678)	(1,051,018)
<b>Net cash generated from operating activities</b>	<b>11,252,866</b>	<b>3,766,999</b>	<b>12,311,528</b>	<b>3,032,376</b>
Cash flows from investing activities				
Purchase of property , plant & equipment	(870,778)	(667,809)	(887,614)	(690,436)
Improvements to investment properties	-	-	(4,246)	(7,538)
Proceeds from sale of property , plant & equipment	972,594	13,311	38,795	761,569
Net proceeds from Sale, maturity and purchase of financial investments of government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after 03 months	(3,733,611)	(9,321,771)	(3,733,611)	(9,321,771)
Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	338,335	938,396	289,640	1,042,315
Reverse repurchase agreements maturing after three months	2,248	(7,209)	2,248	(7,209)
Net purchase of intangible assets	(332,855)	(193,775)	(332,855)	(193,775)
Net cashflow from acquisition of investment in subsidiaries	-	-	-	-
Net cashflow from disposal of subsidiaries	-	-	-	-
Dividend received from investment in subsidiaries	84,509	70,424	-	-
Dividend received from other investments	41,641	43,570	41,641	43,570
<b>Net cash used in investing activities</b>	<b>(3,497,917)</b>	<b>(9,124,863)</b>	<b>(4,586,002)</b>	<b>(8,373,275)</b>
Cash flows from financing activities				
Net proceeds from the issue of ordinary share capital	-	-	-	-
Net proceeds from the issue of other equity instruments	-	-	-	-
Net proceeds from the issue of subordinated debt	6,234,000	-	6,134,000	-
Repayment of subordinated debt	(2,462,280)	-	(2,312,280)	-
Interest paid on subordinated debt	(1,320,046)	(979,400)	(1,309,155)	(971,650)
Interest paid on un-subordinated debt	(438,365)	(439,276)	(430,562)	(431,276)
Dividend paid to non-controlling interest	-	-	(39,271)	(32,725)
Dividend paid to shareholders of the bank	(440,436)	(426,702)	(440,436)	(426,702)
Dividend paid to holders of other equity instruments	-	-	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>1,572,873</b>	<b>(1,845,378)</b>	<b>1,602,296</b>	<b>(1,862,353)</b>
Net increase / (decrease) in cash and cash equivalents	9,327,822	(7,203,242)	9,327,822	(7,203,252)
Cash and cash equivalents at beginning of the year	16,073,851	23,277,093	16,073,891	23,277,143
<b>Cash and cash equivalents at end of the Year</b>	<b>25,401,673</b>	<b>16,073,851</b>	<b>25,401,713</b>	<b>16,073,891</b>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	12,598,457	8,319,384	12,598,497	8,319,424
Placements with banks and finance companies	-	1,455,115	-	1,455,115
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within 03 months	7,346,010	4,555,706	7,346,010	4,555,706
Securities purchased under resale agreements maturing within three months	5,457,206	1,743,646	5,457,206	1,743,646
	<b>25,401,673</b>	<b>16,073,851</b>	<b>25,401,713</b>	<b>16,073,891</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. The Group has initially adopted SLFRS 9 and SLFRS 15 from 1 January 2018. As permitted by transitional provision issued by CA Sri Lanka, the impact of adopting SLFRS 9 is recognised as adjustment to the equity balance on 1 January 2018 without restating the comparative information.

The adoption of SLFRS 15 did not impact the timing or amount of fee and commission income from contracts with customers and the related assets and liabilities recognized by the group.

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. This is the first quarterly financial statement prepared based on SLFRS 9.

The group financial statements comprise a consolidation of the Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/12/2018		31/12/2017	
	Voting	Non Voting	Voting	Non Voting
Market Price Per Share	78.00	<b>44.50</b>	<b>87.20</b>	<b>56.00</b>
Highest price per share during the quarter ended	85.00	<b>50.60</b>	97.00	<b>63.50</b>
Lowest price per share during the quarter ended	64.10	<b>37.00</b>	86.00	<b>55.00</b>

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at December 31, 2018

	No. of Shares	%
1 Sri Lanka Insurance Corporation Ltd [includes Sri Lanka Insurance Corporation Ltd (General Fund) 18,410,399 and Sri Lanka Insurance Corporation Ltd (Life Fund) -9,205,199]	27,615,598	15.00
2 Brown & Company PLC A/C No. 1	25,544,310	13.87
3 Employees Provident Fund	18,148,076	9.86
4 LOLC Investments Ltd	17,584,715	9.55
5 National Development Bank PLC A/C No.02	16,062,819	8.72
6 Bank of Ceylon No.1 Account	13,807,800	7.50
7 Mr. R S Captain	11,305,272	6.14
8 Employees Trust Fund Board	3,914,857	2.13
9 Mr. S E Captain	3,722,015	2.02
10 Seyfest (Private) Limited	3,157,307	1.71
11 Ms. L A Captain	2,590,415	1.41
12 Sesot (Private) Limited	2,384,287	1.30
13 Seybest (Private) Limited	2,265,433	1.23
14 Seyshop (Private) Limited	2,265,433	1.23
15 Esots (Private) Limited	2,247,331	1.22
16 Ambeon Holdings PLC	2,175,175	1.18
17 Capital Development and Investment Company PLC A/C No. 02	1,864,739	1.01
18 AIA Insurance Lanka PLC A/C No. 07	1,693,458	0.92
19 N P Capital Ltd	1,164,796	0.63
20 Mr. K R B Fernando	1,062,137	0.58

### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at December 31, 2018

		No. of Shares	%
1	LOLC Holdings PLC (Formerly known as Lanka Orix Leasing Company PLC)	79,955,209	43.93
2	Employees Provident Fund	9,707,547	5.33
3	Akbar Brothers Pvt Ltd A/C No 1	3,782,747	2.08
4	J.B. Cocoshell (Pvt) Ltd	3,484,169	1.91
5	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	3,361,368	1.85
6.	Pershing LLC S/A Averbach Grauson & Co.	3,277,769	1.80
7	<b>Employees Trust Fund Board</b>	2,895,445	<b>1.59</b>
8	Commercial Bank of Ceylon PLC/Dunamis Capital P L C	2,781,131	1.53
9	Mr. E Thavagnanasooriyam & Mr. E Thawagnasundaram	2,489,991	1.37
10	Merrill J Fernando & Sons (Pvt) Limited	2,021,594	1.11
11	Assetline Leasing Co Ltd/Don & Don Holdings Pvt Ltd	1,972,568	1.08
12	Mr. N. Balasingam	1,898,423	1.04
13	Mr. R R Leon	1,604,612	0.88
14	LOLC Technology Services Limited (Formerly known as Lanka Orix Information Technology Services Ltd)	1,584,901	0.87
15	Dr. S Yaddehige	1,141,365	0.63
16	Mr. R.Gautam	1,029,488	0.57
17	SSBT- Deutsche Bank AG Singapore A/C No 01	924,693	0.51
18	Mr. M J. Fernando	915,451	0.50
19	Mr. A P Somasiri	903,877	0.50
20	Deutsche Bank Ag As Trustee For Namal Acuity Value Fund	888,551	0.49

### 3.3 Public Holdings as at December 31, 2018

	<u>Number of Share Holders</u>	<u>Percentage Holdings</u>
Ordinary Voting Shares	9,011	54.30%
Ordinary Non-Voting Shares	6,720	55.94%

### 4. Directors' and Chief Executive Officer's Shareholdings as at December 31, 2018

<u>Name of Director</u>	<u>No of Shares (Ordinary Voting)</u>	<u>No of Shares (Ordinary Non-Voting)</u>
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	38,206	145,395
Mr. S P S Ranatunga, Independent Director	Nil	Nil
Mr. P L S K Perera, Independent Director	Nil	Nil
Mr. S Viran Corea, Non-executive Director	95	Nil
Mr A S Wijesinha, Independent Director	Nil	Nil
Mrs S K Salgado, Independent Director	Nil	Nil
Mr. D M D K Thilakaratne, Non-executive Director	Nil	Nil
Mr. D R Abey Suriya, Independent Director	Nil	Nil
Mr R D Tissera, Non-Executive/Alternate Director to Mr W D K Jayawardena	Nil	Nil

5. Stated Capital as at December 31, 2018	Rs'000
33,560,000 Voting Ordinary Shares @ Rs. 10/- each	335,600
4,000,000 Voting Ordinary Shares @ Rs. 25/- each	100,000
92,440,000 Voting Ordinary Shares @ Rs. 35/- each	3,235,400
2,644,068 Voting Ordinary Shares @ Rs. 59/- each	156,000
43,333,333 Voting Ordinary Shares @ Rs. 75/- each	3,250,000
3,636,268 Voting Ordinary Shares @ Rs. 98/- each	356,354
4,490,341 Voting Ordinary Shares @ Rs. 90/- each	404,131
83,560,000 Non-Voting Ordinary Shares @ Rs. 12/50 each	1,044,500
40,000,000 Non-Voting Ordinary Shares @ Rs. 25/- each	1,000,000
45,423,009 Non-Voting Ordinary Shares @ Rs. 35/- each	1,589,805
5,859,428 Non-Voting Ordinary Shares @ Rs. 58/40 each	342,191
7,152,645 Non-Voting Ordinary Shares @ Rs. 55/- each	393,395
Less: Issue Expenses	(181,581)
	<u>12,025,795</u>

#### 6. 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 year ended December 31, 2018. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at 31st December 2017 has been restated based on the no of shares issued for scrip dividend 2017.

#### 7. Events after the Reporting Date

##### Proposed Final Dividend

The Board of Directors of the Bank recommended a first and final dividend of Rs 2.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st December 2018, to be paid in the form of a cash dividend of Rs. 0.50 per share and a scrip dividend of Rs. 2.00 per share (Rs. 3.50 per share was paid for the year ended 31st December 2017 by way of Rs. 1.00 per share cash dividend and Rs. 2.50 per share scrip dividend).

The said dividend is subject to the approval of the shareholders at the Annual General Meeting of the Bank to be held on 28th March 2019. This proposed final dividend has not been recognized as a liability as at 31st December 2018.

##### Debenture Issue (BASEL III Compliant)

A public issue of Thirty Million (30,000,000) Fully Paid, BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures (Debentures) with a Non-viability conversion in compliance with BASEL III requirements to be converted to Ordinary Voting Shares by the Bank upon the occurrence of a Trigger Event (as defined in the Banking Act Direction No. 1 of 2016), at a par value of LKR 100/- with an option to issue upto a further Twenty Million (20,000,000) Debentures in the event of an oversubscription at the discretion of the Bank which said issue will be limited to 'qualified investors' (as defined in Section 2.2.1-I of the Rules of the Colombo Stock Exchange), has been announced and an Extraordinary General Meeting of the Bank has been convened by the Bank to be held on 7th March 2019 to obtain Shareholders approval for the Bank to proceed with the same. The proposed issue is subject to the approval of the Colombo Stock Exchange.

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

## 8. Other Matters

### Other Matters

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

ii. Changes to Gratuity Policy

The Board has resolved to pay an additional half a month basic salary (last drawn) over and above the statutory gratuity entitlement for each year of service for eligible existing employees and ex-employees who joined before 05<sup>th</sup> March 2009 and retired/resigned after 5<sup>th</sup> March 2009 having completed uninterrupted and unblemished service period of ten years in the Bank, subject to the entering into a memorandum of settlement which confers on them the said entitlement to the additional payment and giving the right to the Bank to settle the said liability by disposal of the shares in the Share Trust companies.

All employees who joined on or after 05<sup>th</sup> March 2009 are entitled to receive a Gratuity of half a month basic salary (last drawn) for each completed year of service in terms of Gratuity Act No. 12 of 1983.

iii. 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 establishment of the liability is contingent upon the date of signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing. If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs.224 Mn. ( net of tax)

iv. Redemption of Debentures 2014/2018

" 4,622,800 debentures of LK R 100/- each amounting to LKR 462,280,000/- which were allotted on 23rd D ecember 2014 were redeemed on 23rd D ecember 2018."

v. Mr. S P S Ranatunga, Independent Director resigned from the Board with effect from 12th January 2019.

## 9. Comparative Figures

Comparative figures have been re-stated/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 for in these Interim Accounts.

10. Impact on adopting SLFRS 9- "Financial Instruments"

The group initially adopted SLFRS 9 from 1 January 2018, as permitted by the transitional provision of SLFRS 9. The impact of adopting SLFRS 9 is considered as an adjustment to equity on 1 January 2018, without restating the comparative information.

The following table shows the impact on transition of SLFRS 9 - "Financial Instruments" on Fair Value through Other Comprehensive Income Reserves and retained earnings as at 1st January 2018.

	Bank		Group	
	Retained Earnings	Fair Value through Other Comprehensive Income Reserve	Retained Earnings	Fair Value through Other Comprehensive Income Reserve
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as per LKAS - 39 as at 31st December 2017	17,178,024	945,408	17,818,539	945,496
Impact on reclassification of impairment allowance ;				
<b>LKAS 39 Impairment recognition on equity securities</b>	2,268,352	(2,268,352)	2,315,943	(2,315,943)
Impact on recognition of expected credit loss allowance ;				
<b>Expected credit loss allowance under SLFRS 9 for</b>				
- Financial Assets at Amortised Cost - Loans and advances	(2,095,203)		(2,095,203)	
- Financial Assets at Amortised Cost - Debt and Other Instruments	(35,126)		(35,126)	
- <b>Financial Investments Measured at FVOCI</b>	(62,785)	62,785	(62,785)	62,785
- Placements with Banks and Finance Companies	(7,276)		(7,276)	
- Balances with Banks	(4,938)		(4,938)	
- <b>Undrawn Credit Commitments &amp; Financial Guarantees</b>	(254,052)		(254,052)	
Impact on recognition of deferred tax ;				
<b>Deferred Tax on Fair Value through Other Comprehensive Income Reserve</b>	(635,380)	635,380	(635,380)	635,380
<b>Deferred Tax on Expected Credit loss allowance</b>	671,046		671,046	
Impact on non-controlling interest			(14,035)	14,035
<b>Total Impact on adopting SLFRS 9 "Financial Instruments"</b>	(155,362)	(1,570,187)	(121,806)	(1,603,743)
Balance as per SLFRS 9 as at 01st January 2018	17,022,662	(624,779)	17,696,733	(658,247)



11 Seylan Bank PLC  
Segment Reporting - Group (Audited)

	(Amounts in Rupees Thousands )									
	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest Income	39,433,269	36,223,578	7,564,222	4,987,792	46,053	84,163	2,186,836	2,259,416	49,230,380	43,554,949
Interest Expense	26,577,198	23,719,437	4,902,821	4,320,527	2,962	296	(42,688)	(60,311)	31,440,293	27,979,949
Net Interest Income	12,856,071	12,504,141	2,661,401	667,265	43,091	83,867	2,229,524	2,319,727	17,790,087	15,575,000
Fee and Commission Income	4,249,482	3,948,990	355	1,356	-	-	1,971	2,211	4,251,808	3,952,557
Fee and Commission Expense	170,603	125,500	27,670	38,962	4,537	5,934	-	157	202,810	170,553
Net Fee And Commission Income	4,078,879	3,823,490	(27,315)	(37,606)	(4,537)	(5,934)	1,971	2,054	4,048,998	3,782,004
Net Interest , Fee And Commission Income	16,934,950	16,327,631	2,634,086	629,659	38,554	77,933	2,231,495	2,321,781	21,839,085	19,357,004
Net Gains/(Losses) from Trading / Net fair value gains/(losses) from financial instruments at fair value through profit or loss	-	-	961,832	(38,911)	(198)	(1,192)	-	-	961,634	(40,103)
Net Gains/(Losses) from Derecognition of Financial Assets	-	-	51,936	358,636	-	-	-	-	51,936	358,636
Other Operating Income (Net)	131,355	170,391	(313,441)	1,026,537	364,280	269,116	166,641	404,273	348,835	1,870,317
Inter Segment Revenue	(240,202)	(214,471)	162,148	141,300	-	-	78,054	73,171	-	-
Total Operating Income	16,826,103	16,283,551	3,496,561	2,117,221	402,636	345,857	2,476,190	2,799,225	23,201,490	21,545,854
Depreciation and Amortisation Charge for the year	329,537	342,413	2,446	1,164	921	776	476,964	399,064	809,868	743,417
Impairment Charge For the year.	3,547,746	1,546,629	(75,174)	6,965	60	-	2,563	(48,898)	3,475,195	1,504,696
Additional gratuity expense	-	-	-	-	-	-	1,134,771	-	1,134,771	-
Operating Expenses , VAT, NBT & DRL	9,757,416	9,142,536	1,000,583	538,254	75,772	79,280	2,260,761	2,252,748	13,094,532	12,012,818
Reportable Segment Profit Before Income Tax	3,191,404	5,251,973	2,568,706	1,570,838	325,883	265,801	(1,398,869)	196,311	4,687,124	7,284,923
Income Tax Expense									1,536,268	2,281,292
Profit For The Year									3,150,856	5,003,631
Profit Attributable To:										
Equity Holders of The Bank									3,137,243	4,816,834
Non-Controlling Interests									13,613	186,797
Profit For The Year									3,150,856	5,003,631
Other Comprehensive Income, Net of Income Tax									(520,242)	2,406,845

11 *Seylan Bank PLC*  
*Segment Reporting - Group (Audited)*

	(Amounts in Rupees Thousands )									
	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other Information										
Reportable Segment Assets	325,748,146	279,545,742	119,264,746	104,327,048	5,641,053	5,475,554	25,604,152	28,545,367	476,258,097	417,893,711
Segment Accumulated Amortisation	(1,540,992)	(733,848)	(43,631)	(25,573)	(2,371)	(1,535)	(5,009,607)	(7,149,000)	(6,596,601)	(7,909,956)
<b>Total Assets</b>	<b>324,207,154</b>	<b>278,811,894</b>	<b>119,221,115</b>	<b>104,301,475</b>	<b>5,638,682</b>	<b>5,474,019</b>	<b>20,594,545</b>	<b>21,396,367</b>	<b>469,661,496</b>	<b>409,983,755</b>
Reportable Segment Liabilities & Equity	359,738,993	321,813,148	61,449,330	43,281,902	5,638,682	5,474,019	42,834,491	39,414,686	469,661,496	409,983,755
<b>Total Liabilities &amp; Equity</b>	<b>359,738,993</b>	<b>321,813,148</b>	<b>61,449,330</b>	<b>43,281,902</b>	<b>5,638,682</b>	<b>5,474,019</b>	<b>42,834,491</b>	<b>39,414,686</b>	<b>469,661,496</b>	<b>409,983,755</b>
Cash Flows From Operating Activities	9,434,292	2,051,173	2,495,978	1,578,967	174,892	118,358	206,366	(716,122)	12,311,528	3,032,376
Cash Flows From Investing Activities	311,371	(363,280)	(3,421,760)	(8,316,690)	(908,536)	952,006	(567,077)	(645,311)	(4,586,002)	(8,373,275)
Cash Flows From Financing Activities	-	-	2,013,309	(1,418,676)	(133,168)	(110,974)	(277,845)	(332,703)	1,602,296	(1,862,353)
Capital Expenditure	(607,899)	(294,640)	(37,988)	(6,336)	(21,082)	(30,165)	(557,746)	(560,608)	(1,224,715)	(891,749)

## Seylan Bank PLC

## 12 Analysis of Financial Instruments by Measurement Basis - Bank

Classification of Financial Assets and Liabilities as per SLFRS 9 - "Financial Instruments"

	2018			Total Rs.000
	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	
	Rs.000	Rs.000	Rs.000	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	12,573,611	12,573,611
Balances with Central Bank of Sri Lanka	-	-	18,472,275	18,472,275
Placements with Banks and Finance Companies	-	-	-	-
Derivative Financial Instruments	1,676,958	-	-	1,676,958
Securities Purchased under Resale Agreements	-	-	5,462,167	5,462,167
Customer Loans and Advances	-	-	326,882,538	326,882,538
Debt Instruments	-	118,012	752,003	870,015
Equity Instruments	-	1,660,158	-	1,660,158
Government Securities	4,918,336	56,992,550	23,379,326	85,290,212
Group Balances Receivable	-	-	40,600	40,600
Other Financial Assets	-	-	6,106,130	6,106,130
<b>Total Financial Assets</b>	<b>6,595,294</b>	<b>58,770,720</b>	<b>393,668,650</b>	<b>459,034,664</b>

	Financial Liabilities Measured at Fair Value through Profit or Loss (FVPL)		Financial Liabilities Measured at Amortised Cost (AC)	Total Rs.000
	Rs.000		Rs.000	
	Rs.000	Rs.000	Rs.000	
<b>Liabilities</b>				
Due to Banks	-	-	26,378,781	26,378,781
Derivative Financial Instruments	-	145,339	-	145,339
Due to Depositors	-	-	357,560,187	357,560,187
Securities Sold under Repurchase Agreements	-	-	21,094,525	21,094,525
Due to Other Borrowers	-	-	32,018	32,018
Group Balances Payable	-	-	211,686	211,686
Debt Securities Issued	-	-	16,329,400	16,329,400
Other Financial Liabilities	-	-	7,733,851	7,733,851
<b>Total Financial Liabilities</b>		<b>145,339</b>	<b>429,340,448</b>	<b>429,485,787</b>

Classification of Financial Assets and Liabilities as per LKAS 39 - "Financial Instruments: Recognition and Measurement"

	2017				Total Rs.000
	Held-for-Trading (HFT)	Held-to-Maturity (HTM)	Loans and Receivables (L&R)	Available-for-Sale (AFS)	
	Rs.000	Rs.000	Rs.000	Rs.000	
<b>Assets</b>					
Cash and Cash Equivalents	-	-	8,319,384	-	8,319,384
Balances with Central Bank of Sri Lanka	-	-	19,119,843	-	19,119,843
Placements with Banks and Finance Companies	-	-	1,455,115	-	1,455,115
Derivative Financial Instruments	60,165	-	-	-	60,165
Securities Purchased under Resale Agreements	-	-	1,750,855	-	1,750,855
Customer Loans and Advances	-	-	280,861,907	-	280,861,907
Debt Instruments	-	864,701	-	313,019	1,177,720
Equity Instruments	3,719	-	-	1,753,152	1,756,871
Government Securities	7,935,494	20,665,077	-	51,440,866	80,041,437
Group Balances Receivable	-	-	30,000	-	30,000
Other Financial Assets	-	-	4,922,113	-	4,922,113
<b>Total Financial Assets</b>	<b>7,999,378</b>	<b>21,529,778</b>	<b>316,459,217</b>	<b>53,507,037</b>	<b>399,495,410</b>

	Held-for-Trading (HFT)		Amortised Cost	Total Rs.000
	Rs.000		Rs.000	
	Rs.000	Rs.000	Rs.000	
<b>Liabilities</b>				
Due to Banks	-	-	27,052,972	27,052,972
Derivative Financial Instruments	-	571,557	-	571,557
Due to Depositors	-	-	307,098,902	307,098,902
Securities Sold under Repurchase Agreements	-	-	16,631,973	16,631,973
Due to Other Borrowers	-	-	22,396	22,396
Group Balances Payable	-	-	1,145,110	1,145,110
Debt Securities Issued	-	-	12,494,025	12,494,025
Other Financial Liabilities	-	-	5,154,901	5,154,901
<b>Total Financial Liabilities</b>		<b>571,557</b>	<b>369,600,279</b>	<b>370,171,836</b>

## 12 Analysis of Financial Instruments by Measurement Basis - Group

Classification of Financial Assets and Liabilities as per SLFRS 9 - "Financial Instruments"

	2018			Total Rs.000
	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)	
	Rs.000	Rs.000	Rs.000	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	12,573,651	12,573,651
Balances with Central Bank of Sri Lanka	-	-	18,472,275	18,472,275
Placements with Banks and Finance Companies	-	-	-	-
Derivative Financial Instruments	1,676,958	-	-	1,676,958
Securities Purchased under Resale Agreements	-	-	5,462,167	5,462,167
Customer Loans and Advances	-	-	326,882,538	326,882,538
Debt Instruments	-	166,896	752,003	918,899
Equity Instruments	5,151	1,660,158	-	1,665,309
Government Securities	4,918,336	56,992,550	23,379,326	85,290,212
Other Financial Assets	-	-	6,136,198	6,136,198
<b>Total Financial Assets</b>	<b>6,600,445</b>	<b>58,819,604</b>	<b>393,658,158</b>	<b>459,078,207</b>
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total Rs.000
<b>Liabilities</b>		Rs.000	Rs.000	
Due to Banks	-	-	26,378,781	26,378,781
Derivative Financial Instruments	-	145,339	-	145,339
Due to Depositors	-	-	357,560,187	357,560,187
Securities Sold under Repurchase Agreements	-	-	21,094,525	21,094,525
Due to Other Borrowers	-	-	32,018	32,018
Debt Securities Issued	-	-	16,329,400	16,329,400
Other Financial Liabilities	-	-	7,827,090	7,827,090
<b>Total Financial Liabilities</b>		<b>145,339</b>	<b>429,222,001</b>	<b>429,367,340</b>

Classification of Financial Assets and Liabilities as per LKAS 39 - "Financial Instruments: Recognition and Measurement"

	2017				Total Rs.000
	Held-for- Trading (HFT)	Held-to- Maturity (HTM)	Loans and Receivables (L&R)	Available-for- Sale (AFS)	
	Rs.000	Rs.000	Rs.000	Rs.000	
<b>Assets</b>					
Cash and Cash Equivalents	-	-	8,319,424	-	8,319,424
Balances with Central Bank of Sri Lanka	-	-	19,119,843	-	19,119,843
Placements with Banks and Finance Companies	-	-	1,455,115	-	1,455,115
Derivative Financial Instruments	60,165	-	-	-	60,165
Securities Purchased under Resale Agreements	-	-	1,750,855	-	1,750,855
Customer Loans and Advances	-	-	280,861,907	-	280,861,907
Debt Instruments	-	864,701	-	313,019	1,177,720
Equity Instruments	9,068	-	-	1,753,152	1,762,220
Government Securities	7,935,494	20,665,077	-	51,440,866	80,041,437
Other Financial Assets	-	-	4,944,991	-	4,944,991
<b>Total Financial Assets</b>	<b>8,004,727</b>	<b>21,529,778</b>	<b>316,452,135</b>	<b>53,507,037</b>	<b>399,493,677</b>
			Held-for- Trading (HFT)	Amortised Cost	Total
<b>Liabilities</b>			Rs.000	Rs.000	Rs.000
Due to Banks	-	-	-	27,052,972	27,052,972
Derivative Financial Instruments	-	-	571,557	-	571,557
Due to Depositors	-	-	-	307,098,902	307,098,902
Securities Sold under Repurchase Agreements	-	-	-	16,631,973	16,631,973
Due to Other Borrowers	-	-	-	22,396	22,396
Debt Securities Issued	-	-	-	12,494,025	12,494,025
Other Financial Liabilities	-	-	-	5,187,172	5,187,172
<b>Total Financial Liabilities</b>			<b>571,557</b>	<b>368,487,440</b>	<b>369,058,997</b>

# Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017

### 13.1 Product-wise Gross Loans & Advances

#### By product - Domestic Currency

Export Bills	-	15,359	-	15,359
Import Bills	636,183	335,352	636,183	335,352
Local Bills	77,844	130,330	77,844	130,330
Lease Rentals Receivable	18,904,050	16,222,825	18,904,050	16,222,825
Overdrafts	61,716,516	61,901,243	61,716,516	61,901,243
Revolving Import Loans	13,341,077	10,531,334	13,341,077	10,531,334
Packing Credit Loans	2,805,240	1,191,070	2,805,240	1,191,070
Trust Receipt Loans	2,702,264	1,812,834	2,702,264	1,812,834
Staff Loans	6,497,835	6,108,917	6,497,835	6,108,917
Housing Loans	15,518,085	13,401,222	15,518,085	13,401,222
Pawning Receivables	11,661,946	10,046,055	11,661,946	10,046,055
Refinance Loans	3,321,294	2,479,247	3,321,294	2,479,247
Credit Cards	6,180,328	4,886,489	6,180,328	4,886,489
Margin Trading	2,453,096	2,588,413	2,453,096	2,588,413
Factoring	2,161,148	1,099,984	2,161,148	1,099,984
Term Loans	151,140,641	125,086,423	151,140,641	125,086,423
<b>Total</b>	<b>299,117,547</b>	<b>257,837,097</b>	<b>299,117,547</b>	<b>257,837,097</b>

#### By product - Foreign Currency

Export Bills	3,538,191	3,164,298	3,538,191	3,164,298
Import Bills	407,074	459,456	407,074	459,456
Local Bills	42,947	44,659	42,947	44,659
Overdrafts	972,118	886,908	972,118	886,908
Revolving Import Loans	394,283	442,327	394,283	442,327
Packing Credit Loans	8,570,902	9,555,196	8,570,902	9,555,196
Housing Loans	171,441	98,917	171,441	98,917
Term Loans	23,560,567	13,980,515	23,560,567	13,980,515
<b>Total</b>	<b>37,657,523</b>	<b>28,632,276</b>	<b>37,657,523</b>	<b>28,632,276</b>

<b>Gross Loans and Advances</b>	<b>336,775,070</b>	<b>286,469,373</b>	<b>336,775,070</b>	<b>286,469,373</b>
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### 13.2 Product-wise Commitments and Contingencies

#### By product - Domestic Currency

##### Commitments

Undrawn Credit Lines	62,476,628	41,387,418	62,476,628	41,387,418
Capital Commitments	364,181	266,709	395,045	267,573

##### Contingencies

Acceptances	233,853	19,178	233,853	19,178
Standby Letters of Credit	12,000	-	12,000	-
Guarantees	29,664,071	26,708,830	29,662,305	26,775,830
Documentary Credit	295,460	125,391	295,460	125,391
Bills for Collection	241,218	391,790	241,218	391,790
Forward Exchange Contracts (Net)	(11,702,034)	(17,826,910)	(11,702,034)	(17,826,910)

<b>Total</b>	<b>81,585,377</b>	<b>51,072,406</b>	<b>81,614,475</b>	<b>51,140,270</b>
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#### By product - Foreign Currency

##### Commitments

Undrawn Credit Lines	10,117,964	6,079,610	10,117,964	6,079,610
Capital Commitments	586,239	306,093	586,239	306,093

##### Contingencies

Acceptances	10,982,506	11,100,485	10,982,506	11,100,485
Standby Letters of Credit	512,454	77,872	512,454	77,872
Guarantees	1,013,344	795,566	1,013,344	795,566
Documentary Credit	9,515,862	10,184,373	9,515,862	10,184,373
Bills for Collection	2,411,544	2,997,738	2,411,544	2,997,738
Forward Exchange Contracts (Net)	12,967,352	16,886,588	12,967,352	16,886,588

<b>Total</b>	<b>48,107,265</b>	<b>48,428,325</b>	<b>48,107,265</b>	<b>48,428,325</b>
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<b>Total Commitments and Contingencies</b>	<b>129,692,642</b>	<b>99,500,731</b>	<b>129,721,740</b>	<b>99,568,595</b>
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# Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017
<b>13.3 Stage-wise Impairment on Loans &amp; Advances, Commitments and Contingencies</b>				
<b>Gross Loans and Advances, Commitments and Contingencies</b>	<b>466,467,712</b>	<b>385,970,104</b>	<b>466,496,810</b>	<b>386,037,968</b>
Less : Accumulated Impairment under Stage 1	862,303		862,303	
Accumulated Impairment under Stage 2	820,746		820,746	
Accumulated Impairment under Stage 3	8,473,518		8,473,518	
Net Impairment loss - Individual		1,744,089		1,744,089
Net Impairment loss - Collective		3,863,377		3,863,377
<b>Net Loans &amp; Advances, Commitments and Contingencies</b>	<b>456,311,145</b>	<b>380,362,638</b>	<b>456,340,243</b>	<b>380,430,502</b>
<b>Movement of Impairment During the Period</b>				
Stage 1				
Balance as at 01st January	929,724		929,724	
Charge/(Write back) to income statement	(67,421)		(67,421)	
Write-off during the year	-		-	
Other movements	-		-	
Balance as at 31st December	862,303		862,303	
Stage 2				
Balance as at 01st January	307,129		307,129	
Charge/(Write back) to income statement	513,617		513,617	
Write-off during the year	-		-	
Other movements	-		-	
Balance as at 31st December	820,746		820,746	
Stage 3				
Balance as at 01st January	6,719,868		6,719,868	
Charge/(Write back) to income statement	3,069,660		3,069,660	
Reversal for Write-Off during the Year	(779,928)		(779,928)	
Interest Accrued on Impaired Loans and Advances	(536,082)		(536,082)	
Other Movement	-		-	
Balance as at 31st December	8,473,518		8,473,518	
Allowance for Individual Impairment				
Balance as at 01st January		2,420,888		2,420,888
Net Impairment during the Year		1,069,797		1,069,797
Reversal for Write-Off during the Year		(1,413,347)		(1,413,347)
Interest Accrued on Impaired Loans and Advances		(326,532)		(326,532)
Net Transfer to Collective Impairment		(6,717)		(6,717)
Balance as at 31st December		1,744,089		1,744,089
Allowance for Collective Impairment				
Balance as at 01st January		3,632,097		3,632,097
Net Impairment during the Year		423,679		423,679
Reversal for Write-Off during the Year		(199,116)		(199,116)
Net Transfer from Individual Impairment		6,717		6,717
Balance as at 31st December		3,863,377		3,863,377
<b>Total Impairment</b>	<b>10,156,567</b>	<b>5,607,466</b>	<b>10,156,567</b>	<b>5,607,466</b>

## 14 Analysis of Deposits

(Amounts in Rupees Thousands )

Deposits - By product	Bank		Group	
	As at 31.12.2018	As at 31.12.2017	As at 31.12.2018	As at 31.12.2017
<b>By product - Domestic Currency</b>				
Demand Deposits	16,885,181	15,421,548	16,885,181	15,421,548
Savings Deposits	70,292,893	65,596,837	70,292,893	65,596,837
Fixed Deposits	228,459,323	188,861,741	228,459,323	188,861,741
Certificate of Deposits	2,655,070	3,438,619	2,655,070	3,438,619
<b>Total</b>	<b>318,292,467</b>	<b>273,318,745</b>	<b>318,292,467</b>	<b>273,318,745</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	5,485,326	4,581,517	5,485,326	4,581,517
Savings Deposits	10,451,956	10,207,465	10,451,956	10,207,465
Fixed Deposits	23,330,438	18,991,175	23,330,438	18,991,175
<b>Total</b>	<b>39,267,720</b>	<b>33,780,157</b>	<b>39,267,720</b>	<b>33,780,157</b>
<b>Total Deposits</b>	<b>357,560,187</b>	<b>307,098,902</b>	<b>357,560,187</b>	<b>307,098,902</b>

# Seylan Bank PLC

## Selected Performance Indicators

Item	Bank		Group	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Regulatory Capital (LKR Mn.)				
Common Equity Tier I	33,486	30,686	34,325	31,571
Total (Tier I) Capital	33,486	30,686	34,325	31,571
Total Capital Base	43,682	36,451	44,370	37,286
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio ( Minimum Requirement - 6.375% / 2017 - 5.75% )	10.20	11.16	10.37	11.39
Total Tier I Capital Ratio ( Minimum Requirement - 7.875% / 2017 - 7.25% )	10.20	11.16	10.37	11.39
Total Capital Ratio ( Minimum Requirement - 11.875% / 2017 - 11.25% )	13.30	13.25	13.40	13.46
Regulatory Liquidity				
Statutory Liquid Assets (LKR Mn.)	86,367	84,170		
Domestic Banking Unit (LKR. Mn.)	80,773	77,784		
Offshore Banking Unit USD '000	31,468	41,711		
Statutory Liquid Assets Ratio (%) ( Minimum Requirement 20 % )				
Domestic Banking Unit	21.44	23.57		
Offshore Banking Unit	22.08	37.08		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	54,800	56,261		
Liquidity Coverage Ratio %				
Rupee - ( Minimum Requirement - 90% / 2017 - 80% )	128.76	160.30		
All Currency - ( Minimum Requirement - 90% / 2017 - 80% )	92.15	121.94		
Net Stable Funding Ratio (%) ( Minimum Requirement - 90% )	110.00			
Assets Quality ( Quality of Loan Portfolio )				
Gross Non-Performing Advances Ratio (%) ( Net of Interest in Suspense )	5.98	4.42		
Net Non-Performing Advances Ratio (%) ( Net of Interest in Suspense and Provision )	4.40	3.10		
Profitability				
Interest Margin ( % )	4.24	4.24		
Return on Assets (before Tax) ( % )	1.07	1.74		
Return on Equity ( % )	9.27	14.30		

SEYLAN BANK PLC  
Debenture Information

	CURRENT PERIOD 01-Oct-18 to 31-Dec-18	COMPARATIVE PERIOD 01-Oct-17 to 31-Dec-17
Debt (Debentures) / Equity Ratio (Times)	0.47	0.37
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.85	0.70
Interest Cover (Times)	3.64	5.69
Quick Asset Ratio (Times)	0.74	0.77
<b>2013/2018 ISSUE</b> (Debenture matured and redeemed on 22/02/2018)		
Market Prices during October to December (EX Interest)		
Annual Interest - 15.50% p.a.		*
Semi Annual Interest - 15.00% p.a.		*
Monthly Interest - 14.50% p.a.		*
Interest Yield as at Date of Last Trade		*
Yield to Maturity of Trade Done on		*
Interest Rate of Comparable Government Security (Debenture matured and redeemed on 22/02/2018)		8.04%
<b>2014 Issue</b>		
Market Prices during October to December (Ex Interest)		
4 Year Fixed Semi Annual - 8.00% p.a. (Debenture matured and redeemed on 16/12/2018)	*	*
5 Year Fixed Semi Annual - 8.35% p.a.	*	*
5 Year Fixed Annual - 8.60% p.a.	*	*
6 Year Fixed Semi Annual - 8.60% p.a.	*	*
6 Year Fixed Annual - 8.75% p.a.	*	*
Interest Yield as at Date of Last Trade	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security		
- 4 Years (Debenture matured and redeemed on 16/12/2018)		8.96%
- 5 Years	10.42%	9.31%
- 6 Years	11.19%	9.66%
<b>2016 Issue</b>		
Market Prices during October to December (Ex Interest)		
5 Year Fixed Semi Annual - 13.00% p.a		
- Highest Price	100.00	*
- Lowest Price	100.00	*
- Last Traded Price (17/10/2018)/*	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	100.00	*
- Lowest Price	90.00	*
- Last Traded Price (24/12/2018)/*	90.00	*
Interest Yield as at Date of Last Trade		*
5 Year Fixed Semi Annual - 13.00% p.a (17/10/2018)/*	13.42%	*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a (24/12/2018)/*	15.28%	*
Yield to Maturity of Trade Done on		*
5 Year Fixed Semi Annual - 13.00% p.a (17/10/2018)/*	12.98%	*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a (24/12/2018)/*	16.98%	*
Interest Rate of Comparable Government Security		
- 5 Years	11.36%	9.76%
- 7 Years	11.61%	10.10%
<b>2018 Issue</b>		
Market Prices during October to December (Ex Interest)		
5 Year Fixed Semi Annual - 12.85% p.a	*	
7 Year Fixed Semi Annual - 13.20% p.a.	*	
10 Year Fixed Semi Annual - 13.50% p.a	*	
Interest Yield as at Date of Last Trade		
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	*	
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	*	
Interest Rate of Comparable Government Security		
- 5 Years	11.72%	
- 7 Years	11.81%	
- 10 Years	11.92%	

\* No trading during the period.





KPMG  
(Chartered Accountants)  
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21<sup>st</sup> February 2019

Ms. Nisha Najumudeen,  
Company Secretary,  
Seylan Bank PLC,  
No. 90, Galle Road  
Colombo 03.

Dear Madam,

**Published Financial information for the year ended 31<sup>st</sup> December 2018**

We hereby confirm that 2018 yearend financial information set out on pages 1 to 8 of the Interim Financial Statements for the 12 months ended 31<sup>st</sup> December 2018 are derived from the audited financial statements for the year ended 31<sup>st</sup> December 2018 which was approved at the Board meeting held on 18<sup>th</sup> February 2019.

Your faithfully,

Chartered Accountants  
CA/RA

**TRUE COPY**  
*Nisha Najumudeen*  
.....  
**Company Secretary**  
**SEYLAN BANK PLC**  
Date: *21/02/2019*