



# Seylan Bank PLC

Interim Financial Statements  
For the 03 Months Ended 31st March 2021

## **Financial Performance review for the 03 Months ended 31 March 2021**

Seylan Bank made a steady start in 2021 by posting a Profit After Tax (PAT) of LKR 1Bn in Q1 2021 amidst macro-economic challenges brought in by the COVID-19 pandemic.

### **Statement of Financial Performances**

Interest income recorded a decline due to the lower interest rates and moderate book growth but net interest margin showed a marginal increase over the corresponding period in 2020 due to lower financing costs.

Net Fee & Commission Income increased marginally to LKR 1.2Bn from LKR 1.0Bn, recording a YoY growth of 17.41% due to enhanced trade and guarantee volumes compared to the previous year.

The Total Operating Income growth of 22.25% predominantly driven by Net gains reported from de-recognition of financial assets which increased to LKR 185.2Mn from LKR 69.6Mn in 1Q 2020 and the other operating income increased by LKR 858.8Mn mainly due to increase in exchange income. On the flip side, trading activities reported a loss of LKR 611.4Mn mainly due to mark to market loss on derivatives which contracted the operating income YoY growth.

Bank recorded an impairment charge of LKR 2.2Bn during the period under review against LKR 1.1Bn reported in 1Q 2020 with a growth of 94.53% attributed to aggressive provisioning policy adopted.

Total Operating Expenses recorded LKR 3.4Bn in 1Q 2021 compared to LKR 3.3Bn in 1Q 2020. The Bank continued to focus on widening the roll-out of lean initiatives and automation across the Bank and rationalizing expenditure on key controllable cost lines.

Overall, Bank recorded a Profit Before Tax (PBT) of LKR 1.4Bn against LKR 1.3Bn in 1Q 2020. Similarly, Profit After Tax (PAT) was recorded as LKR 1.0Bn against LKR 0.9Bn reported in 1Q 2020.

### **Statement of Financial Position**

Bank achieved the LKR 562.7Bn Total Assets as of 31 March 2021, resulting 0.90% growth compared to the 31 December 2020.

Loans and advances portfolio of the Bank recorded a marginal growth of 1.51% to LKR 399.7Bn during the 1Q 2021 amidst of challenges faced. The growth in credit was driven primarily by Term loans, and retail products such as Leasing, Pawning etc.

NPL ratio improved marginally to 6.39% against 6.43% reported as at last year end. Bank is continuously monitoring and strengthening the recovery process in order to bring under control and minimize the impact of the NPL.

The overall deposit base recorded a marginal growth of 1.28% to LKR 445.9Bn by 1Q 2021 compared to LKR 440.3Bn. Bank's CASA ratio (Current and Savings) stood 34.52%.

### **Key financial ratios and indicators**

Seylan Bank remained soundly capitalized, with the key capital adequacy ratios well above the regulatory minimum requirements and recorded 11.02% as the Bank's Common Equity Tier 1 (CET 1) Capital Ratio/Total Tier 1 Capital Ratio and 13.59% as the Total Capital Ratio.

Bank maintained its liquidity position above the required minimum ratios, during the quarter under review. The Statutory Liquid Asset Ratio (SLAR) for the Domestic Banking Unit and the Foreign Banking Unit were maintained at 29.84% and 22.80% respectively as at end of first quarter 2021.

The Return on Equity (ROE) stood at 8.20% for the period under review, compared to 6.43% recorded in 2020. The Return (before tax) on Average Assets (ROAA) recorded as 1.00% in 1Q 2021.

Earnings per Share (EPS) in 2021 stood at LKR 1.88, a slight increase compared to the LKR 1.69 recorded in the comparative year, while net assets value per ordinary share recorded at LKR 91.92 (group LKR 95.23).

Successful and oversubscribed Debenture issue of LKR 6.0Bn endorsed and demonstrated the confidence placed in the Bank by the investors.

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

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

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

## 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			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2021	2020	Growth %	2021	2020	Growth %
<b>Profit for the Period</b>	<b>1,005,788</b>	<b>901,918</b>	<b>11.52</b>	<b>1,003,764</b>	<b>925,945</b>	<b>8.40</b>
<b>Other Comprehensive Income/ (Loss), Net of Tax</b>						
<b>Items that are or may be Reclassified to Income Statement in Subsequent Periods</b>						
Net Movement of Cash Flow Hedge Reserve	(5,561)	(24,246)	<b>77.06</b>	(5,561)	(24,246)	<b>77.06</b>
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(707,588)	421,900	<b>(267.71)</b>	(707,900)	422,183	<b>(267.68)</b>
Less : Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(278,479)	118,132	<b>(335.74)</b>	(278,511)	118,160	<b>(335.71)</b>
<b>Items that will never be Reclassified to Income Statement in Subsequent Periods</b>						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(434,290)	(25,524)	<b>(1,601.50)</b>	(434,290)	(25,524)	<b>(1,601.50)</b>
Less : Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
<b>Other Comprehensive Income/ (Loss) for the Period, Net of Taxes</b>	<b>(868,960)</b>	<b>253,998</b>	<b>(442.11)</b>	<b>(869,240)</b>	<b>254,253</b>	<b>(441.88)</b>
<b>Total Comprehensive Income for the Period</b>	<b>136,828</b>	<b>1,155,916</b>	<b>(88.16)</b>	<b>134,524</b>	<b>1,180,198</b>	<b>(88.60)</b>
<b>Attributable to :</b>						
Equity Holders of the Bank	136,828	1,155,916	<b>(88.16)</b>	<b>98,282</b>	1,173,037	<b>(91.62)</b>
Non-controlling interest	-	-	-	<b>36,242</b>	7,161	<b>406.10</b>
<b>Total Comprehensive Income for the Period</b>	<b>136,828</b>	<b>1,155,916</b>	<b>(88.16)</b>	<b>134,524</b>	<b>1,180,198</b>	<b>(88.60)</b>

**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 31.03.2021	As at 31.12.2020	Growth %	As at 31.03.2021	As at 31.12.2020	Growth %
<b>Assets</b>						
Cash and Cash Equivalents	11,123,357	10,036,144	<b>10.83</b>	11,123,397	10,036,184	<b>10.83</b>
Balances with Central Bank of Sri Lanka	7,341,836	7,371,203	<b>(0.40)</b>	7,341,836	7,371,203	<b>(0.40)</b>
Placements with Banks and Finance Companies	8,976,795	10,730,528	<b>(16.34)</b>	8,976,795	10,730,528	<b>(16.34)</b>
Derivative Financial Instruments	363,210	403,984	<b>(10.09)</b>	363,210	403,984	<b>(10.09)</b>
Financial Assets recognized through Profit or Loss						
- Measured at Fair Value	5,121,211	4,545,853	<b>12.66</b>	5,124,779	4,553,778	<b>12.54</b>
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	399,694,116	393,766,147	<b>1.51</b>	399,694,116	393,766,147	<b>1.51</b>
- Debt and Other Instruments	56,479,366	53,692,471	<b>5.19</b>	56,479,366	53,692,471	<b>5.19</b>
Financial Assets measured at Fair Value through Other Comprehensive Income	54,325,030	59,024,231	<b>(7.96)</b>	54,380,104	59,081,506	<b>(7.96)</b>
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	165,199	40,000	<b>313.00</b>	-	-	-
Property, Plant & Equipment	3,859,495	4,031,453	<b>(4.27)</b>	6,608,085	6,772,711	<b>(2.43)</b>
Right-of-use Assets	4,436,116	4,450,659	<b>(0.33)</b>	2,214,388	2,220,501	<b>(0.28)</b>
Investment Properties	-	-	-	859,441	856,604	<b>0.33</b>
Intangible Assets	622,526	620,530	<b>0.32</b>	622,526	620,530	<b>0.32</b>
Other Assets	9,081,723	7,840,615	<b>15.83</b>	9,125,588	7,899,785	<b>15.52</b>
<b>Total Assets</b>	<b>562,743,582</b>	<b>557,707,420</b>	<b>0.90</b>	<b>562,913,631</b>	<b>558,005,932</b>	<b>0.88</b>
<b>Liabilities</b>						
Due to Banks	27,407,829	32,679,687	<b>(16.13)</b>	27,407,829	32,679,687	<b>(16.13)</b>
Derivative Financial Instruments	366,743	39,981	<b>817.29</b>	366,743	39,981	<b>817.29</b>
Financial Liabilities at Amortized Cost						
- Due to Depositors	445,942,866	440,303,126	<b>1.28</b>	445,942,866	440,303,126	<b>1.28</b>
- Due to Debt Securities Holders	5,189,356	2,575,873	<b>101.46</b>	5,189,356	2,575,873	<b>101.46</b>
- Due to Other Borrowers	11,929	14,123	<b>(15.53)</b>	11,929	14,123	<b>(15.53)</b>
Group Balances Payable	335,319	261,462	<b>28.25</b>	-	-	-
Debt Securities Issued	16,867,702	17,058,558	<b>(1.12)</b>	16,867,702	17,058,558	<b>(1.12)</b>
Current Tax Liabilities	1,416,225	869,896	<b>62.80</b>	1,395,764	846,582	<b>64.87</b>
Deferred Tax Liabilities	1,030,447	1,469,778	<b>(29.89)</b>	1,297,856	1,789,866	<b>(27.49)</b>
Lease Liabilities	4,465,377	4,446,175	<b>0.43</b>	1,621,549	1,582,937	<b>2.44</b>
Other Liabilities	10,605,986	9,021,786	<b>17.56</b>	10,673,812	9,059,600	<b>17.82</b>
<b>Total Liabilities</b>	<b>513,639,779</b>	<b>508,740,445</b>	<b>0.96</b>	<b>510,775,406</b>	<b>505,950,333</b>	<b>0.95</b>
<b>Equity</b>						
Stated Capital	18,323,881	17,548,347	<b>4.42</b>	18,323,881	17,548,347	<b>4.42</b>
Statutory Reserve Fund	2,103,522	2,103,522	-	2,103,522	2,103,522	-
Fair Value through Other Comprehensive Income Reserve	1,421,933	2,285,332	<b>(37.78)</b>	1,393,431	2,257,027	<b>(38.26)</b>
Retained Earnings	24,913,478	24,683,224	<b>0.93</b>	25,573,841	25,381,609	<b>0.76</b>
Other Reserves	2,340,989	2,346,550	<b>(0.24)</b>	3,473,757	3,479,318	<b>(0.16)</b>
<b>Total Shareholders' Equity</b>	<b>49,103,803</b>	<b>48,966,975</b>	<b>0.28</b>	<b>50,868,432</b>	<b>50,769,823</b>	<b>0.19</b>
<b>Non-controlling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,269,793</b>	<b>1,285,776</b>	<b>(1.24)</b>
<b>Total Equity</b>	<b>49,103,803</b>	<b>48,966,975</b>	<b>0.28</b>	<b>52,138,225</b>	<b>52,055,599</b>	<b>0.16</b>
<b>Total Equity &amp; Liabilities</b>	<b>562,743,582</b>	<b>557,707,420</b>	<b>0.90</b>	<b>562,913,631</b>	<b>558,005,932</b>	<b>0.88</b>
<b>Contingent Liabilities and Commitments</b>	<b>206,548,359</b>	<b>195,154,154</b>	<b>5.84</b>	<b>206,565,182</b>	<b>195,173,315</b>	<b>5.84</b>
<b>Memorandum Information</b>						
Number of Employees	<b>3,241</b>	3,251	<b>(0.31)</b>	<b>3,261</b>	<b>3,271</b>	<b>(0.31)</b>
Number of Banking Centres	<b>172</b>	172	-	<b>172</b>	<b>172</b>	-
Net Assets Value per Ordinary Share (Rs.)	<b>91.92</b>	94.71	<b>(2.95)</b>	<b>95.23</b>	<b>98.20</b>	<b>(3.02)</b>

**Certification;**

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

*(Sgd.)*
**Champika Dodanwela (Ms.)**

Chief Financial Officer

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

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

**Seylan Bank PLC**  
**Statement of Changes in Equity**  
**For the Three Months ended 31st March - Bank**

(Amounts in Rupees Thousands )

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves	
<b>1 Balance as at 01st January 2020</b>	<b>10,884,710</b>	<b>6,160,014</b>	<b>1,952,957</b>	<b>22,823,239</b>	<b>858,312</b>	<b>(14,219)</b>	<b>1,962,261</b>	<b>44,627,274</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	901,918	-	-	-	901,918
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	303,768	-	303,768
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(25,524)	-	(25,524)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(24,246)	(24,246)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>901,918</b>	<b>-</b>	<b>278,244</b>	<b>(24,246)</b>	<b>1,155,916</b>
<b>Balance as at 31st March 2020 (1 + 2)</b>	<b>10,884,710</b>	<b>6,160,014</b>	<b>1,952,957</b>	<b>23,725,157</b>	<b>858,312</b>	<b>264,025</b>	<b>1,938,015</b>	<b>45,783,190</b>
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>24,683,224</b>	<b>858,312</b>	<b>2,285,332</b>	<b>1,488,238</b>	<b>48,966,975</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,005,788	-	-	-	1,005,788
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(429,109)	-	(429,109)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434,290)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5,561)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,005,788</b>	<b>-</b>	<b>(863,399)</b>	<b>(5,561)</b>	<b>136,828</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>								
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-
<b>3 Total Transactions with Equity Holders</b>	<b>385,075</b>	<b>390,459</b>	<b>-</b>	<b>(775,534)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2021 (1 + 2 + 3)</b>	<b>11,521,262</b>	<b>6,802,619</b>	<b>2,103,522</b>	<b>24,913,478</b>	<b>858,312</b>	<b>1,421,933</b>	<b>1,482,677</b>	<b>49,103,803</b>

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

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

**Seylan Bank PLC**  
**Statement of Changes in Equity**  
**For the Three Months ended 31st March- Group**

(Amounts in Rupees Thousands )

	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	Other Reserves			
						**				
<b>1 Balance as at 01st January 2020</b>	<b>10,884,710</b>	<b>6,160,014</b>	<b>1,952,957</b>	<b>23,494,184</b>	<b>1,714,728</b>	<b>(44,601)</b>	<b>2,217,474</b>	<b>46,379,466</b>	<b>1,264,588</b>	<b>47,644,054</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	918,859	-	-	-	918,859	7,086	925,945
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	303,948	-	303,948	75	304,023
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(25,524)	-	(25,524)	-	(25,524)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(24,246)	(24,246)	-	(24,246)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>918,859</b>	<b>-</b>	<b>278,424</b>	<b>(24,246)</b>	<b>1,173,037</b>	<b>7,161</b>	<b>1,180,198</b>
<b>Balance as at 31st March 2020 (1 + 2)</b>	<b>10,884,710</b>	<b>6,160,014</b>	<b>1,952,957</b>	<b>24,413,043</b>	<b>1,714,728</b>	<b>233,823</b>	<b>2,193,228</b>	<b>47,552,503</b>	<b>1,271,749</b>	<b>48,824,252</b>
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>25,381,609</b>	<b>1,735,867</b>	<b>2,257,027</b>	<b>1,743,451</b>	<b>50,769,823</b>	<b>1,285,776</b>	<b>52,055,599</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	967,439	-	-	-	967,439	36,325	1,003,764
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(429,306)	-	(429,306)	(83)	(429,389)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(434,290)	-	(434,290)	-	(434,290)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(5,561)	(5,561)	-	(5,561)
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>967,439</b>	<b>-</b>	<b>(863,596)</b>	<b>(5,561)</b>	<b>98,282</b>	<b>36,242</b>	<b>134,524</b>
<b>Transactions with Equity Holders , Recognized Directly In Equity</b>										
Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)	-	-	-	-	(52,362)	(52,362)
Other Adjustments	-	-	-	327	-	-	-	327	137	464
<b>3 Total Transactions with Equity Holders</b>	<b>385,075</b>	<b>390,459</b>	<b>-</b>	<b>(775,207)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>(52,225)</b>	<b>(51,898)</b>
<b>Balance as at 31st March 2021 (1+2+3)</b>	<b>11,521,262</b>	<b>6,802,619</b>	<b>2,103,522</b>	<b>25,573,841</b>	<b>1,735,867</b>	<b>1,393,431</b>	<b>1,737,890</b>	<b>50,868,432</b>	<b>1,269,793</b>	<b>52,138,225</b>

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

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



# SEYLAN BANK PLC

## STATEMENT OF CASH FLOWS

For the Three months ended 31st March

	Bank		Group	
	2021	2020	2021	2020
	LKR '000	LKR '000	LKR '000	LKR '000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	10,946,116	13,008,605	10,948,016	13,010,421
Interest Payments	(6,467,389)	(7,738,347)	(6,466,284)	(7,737,066)
Net Commission Receipts	1,157,326	985,692	1,157,291	985,669
Trading Income	2,624	9,295	8,379	6,060
Payments to Employees	(1,777,569)	(1,648,705)	(1,781,942)	(1,652,101)
VAT and NBT on Financial Services and DRL	(445,896)	(393,902)	(445,896)	(393,902)
Receipts from Other Operating Activities	1,687,157	409,110	1,582,109	424,431
Payments on Other Operating Activities	(272,466)	(485,099)	(294,733)	(499,546)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>4,829,903</b>	<b>4,146,649</b>	<b>4,706,940</b>	<b>4,143,966</b>
<b>(Increase)/Decrease in Operating Assets :</b>				
Balances with Central Bank of Sri Lanka	29,367	11,657	29,367	11,657
Financial Assets at Amortized Cost - Loans and Advances	(7,123,943)	381,465	(7,123,943)	381,465
Other Assets	(766,686)	2,127,404	(634,612)	2,112,046
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Financial Liabilities at Amortized Cost - Due to Depositors	6,122,451	5,941,902	6,122,451	5,941,902
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	2,614,309	(3,524,643)	2,614,309	(3,524,643)
Financial Liabilities at Amortized cost - Due to Other Borrowers	(2,194)	(2,585)	(2,194)	(2,585)
Other Liabilities	(12,028)	(2,600,632)	(75,229)	(2,667,296)
Due to Banks	(5,271,858)	1,905,714	(5,271,858)	1,905,714
<b>Cash (Used in) /Generated from Operating Activities before Income Tax</b>	<b>419,321</b>	<b>8,386,931</b>	<b>365,231</b>	<b>8,302,226</b>
Income Tax Paid	(6,749)	(406,266)	(6,749)	(406,266)
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>412,572</b>	<b>7,980,665</b>	<b>358,482</b>	<b>7,895,960</b>
<b>Cash flows from Investing Activities</b>				
Purchase of Property , Plant and Equipment	(36,646)	(177,387)	(59,643)	(177,387)
Improvements in Investment Properties	-	-	(7,527)	-
Proceeds from Sale of Property , Plant and Equipment	-	6,695	-	6,695
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing after Three Months	(3,027,560)	1,520,345	(3,027,561)	1,520,345
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	(1,161)	895	5,397	5,682
Reverse Repurchase Agreements maturing after Three Months	11,827	21,533	11,827	21,533
Net Purchase of Intangible Assets	(45,418)	(6,695)	(45,418)	(6,695)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	-	-	-	-
Dividend Received from Other Investments	6,917	1,709	6,917	1,709
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(3,092,041)</b>	<b>1,367,095</b>	<b>(3,116,008)</b>	<b>1,371,882</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	-	-	-	-
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	-	-	(3)	(4)
Dividend Paid to Shareholders of the Bank	(79)	(55)	(79)	(55)
Dividend paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(196,120)	(176,580)	(124,931)	(101,397)
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>(938,430)</b>	<b>(921,180)</b>	<b>(860,872)</b>	<b>(841,760)</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,617,899)	8,426,580	(3,618,398)	8,426,082
Cash and Cash Equivalents at Beginning of the Year	37,515,866	24,716,667	37,516,404	24,717,205
<b>Cash and Cash Equivalents at End of the Period</b>	<b>33,897,967</b>	<b>33,143,247</b>	<b>33,898,006</b>	<b>33,143,287</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	11,128,083	13,097,704	11,128,122	13,097,744
Placements with Banks and Finance Companies	8,986,829	2,471,008	8,986,829	2,471,008
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	7,513,518	10,651,938	7,513,517	10,651,938
Securities Purchased under Resale Agreements maturing within Three Months	6,269,537	6,922,597	6,269,538	6,922,597
	<b>33,897,967</b>	<b>33,143,247</b>	<b>33,898,006</b>	<b>33,143,287</b>

## EXPLANATORY NOTES

### 1. General

The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka. There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.

The Interim Financial Statements of the Bank and the Group have been prepared & presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting.

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

### Covid 19 Impact

The socio-economic impact of Corona Virus Disease (Covid 19) pandemic situation has a direct and substantial impact on the Bank's normal business/operations. The Bank has complied with the guidelines and directives issued with this regard by the Government, the Central Bank of Sri Lanka and other regulators, while closely monitoring its working capital to balance the cash inflow and outflow measurements. 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
<b>Total</b>	<b>534,190,683</b>	<b>18,323,881</b>

### 3. Shareholders Information

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

		No. of Shares	%
1	Sri Lanka Insurance Corporation Ltd [includes General Fund and Life Fund]	39,640,115	15.00
2	Brown & Company PLC A/C No. 01	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 Bank is compliant under Option 3 of the Section 7.13.1 (Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange.

Float adjusted market capitalization	- Rs. 7.103 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,351

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

<u>Name of Director</u>	<u>No of Shares</u>	<u>No of Shares</u>
	(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 2019 and 2020.

### 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 successful investors on 12th April 2021.

## **7. Other Matters**

### **i. Dividend**

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 30<sup>th</sup> 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 30<sup>th</sup> March 2021.

### **ii. Gratuity**

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.

### **iii. Corporate Income Tax rate**

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.

**9. Seylan Bank PLC**  
**Segment Reporting (Group)**

*(Amounts in Rupee Thousands)*

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	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	31.03.2020
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	13,717,785
Interest Expense	5,629,003	7,539,713	987,339	1,436,153	-	-	(39,493)	(37,943)	6,576,849	8,937,923
<b>Net Interest Income</b>	<b>3,793,353</b>	<b>3,295,397</b>	<b>1,959,192</b>	<b>1,625,830</b>	<b>7,246</b>	<b>7,344</b>	<b>(147,433)</b>	<b>(148,709)</b>	<b>5,612,358</b>	<b>4,779,862</b>
Fee and Commission Income	1,200,656	1,040,526	1,111	1,571	-	-	6,560	4,368	1,208,327	1,046,465
Fee and Commission Expense	44,604	55,295	6,432	5,501	-	-	-	-	51,036	60,796
<b>Net Fee and Commission Income</b>	<b>1,156,052</b>	<b>985,231</b>	<b>(5,321)</b>	<b>(3,930)</b>	<b>-</b>	<b>-</b>	<b>6,560</b>	<b>4,368</b>	<b>1,157,291</b>	<b>985,669</b>
Net Gains/(Losses) from Trading	-	-	(611,434)	9,807	5,755	(3,235)	-	-	(605,679)	6,572
Net Gains from Derecognition of Financial Assets	-	-	185,220	69,552	-	-	-	-	185,220	69,552
Net Other Operating Income	52,017	30,100	1,016,898	304,931	86,809	81,627	(66,053)	(65,449)	1,089,671	351,209
Inter Segment Revenue	(18,693)	(12,844)	-	-	-	-	18,693	12,844	-	-
<b>Total Operating Income</b>	<b>4,982,729</b>	<b>4,297,884</b>	<b>2,544,555</b>	<b>2,006,190</b>	<b>99,810</b>	<b>85,736</b>	<b>(188,233)</b>	<b>(196,946)</b>	<b>7,438,861</b>	<b>6,192,864</b>
Depreciation and Amortisation Expenses	227,048	234,630	1,399	1,316	268	180	147,512	137,024	376,227	373,150
Impairment Charge for the Period	2,200,171	1,110,627	(29,055)	5,439	-	-	-	-	2,171,116	1,116,066
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	3,375,452
<b>Reportable Segment Profit Before Income Tax</b>	<b>91,106</b>	<b>516,173</b>	<b>2,249,069</b>	<b>1,701,718</b>	<b>80,143</b>	<b>61,432</b>	<b>(1,074,185)</b>	<b>(951,127)</b>	<b>1,346,133</b>	<b>1,328,196</b>
Income Tax Expense									342,369	402,251
<b>Profit For The Period</b>									<b>1,003,764</b>	<b>925,945</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									967,439	918,859
Non-Controlling Interests									36,325	7,086
<b>Profit For The Period</b>									<b>1,003,764</b>	<b>925,945</b>
<b>Other Comprehensive Income, Net of Income Tax</b>									<b>(869,240)</b>	254,253

**9. Seylan Bank PLC**  
**Segment Reporting (Group)**

*(Amounts in Rupee Thousands)*

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	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	31.03.2020
<b>Other Information</b>										
Total Assets	<b>385,678,154</b>	374,206,233	<b>150,039,251</b>	117,864,449	<b>5,992,135</b>	5,835,629	<b>21,204,091</b>	23,116,735	<b>562,913,631</b>	521,023,046
Total Liabilities & Equity	<b>453,313,419</b>	416,482,357	<b>74,395,153</b>	84,574,220	<b>5,992,135</b>	5,835,629	<b>29,212,924</b>	14,130,840	<b>562,913,631</b>	521,023,046
Cash Flows from Operating Activities	<b>(1,002,534)</b>	7,091,235	<b>2,205,846</b>	1,708,473	<b>72,560</b>	50,548	<b>(917,390)</b>	(954,296)	<b>358,482</b>	7,895,960
Cash Flows from Investing Activities	<b>(35,448)</b>	(206,144)	<b>(3,011,200)</b>	1,543,804	<b>56,196</b>	8,268	<b>(125,556)</b>	25,954	<b>(3,116,008)</b>	1,371,882
Cash Flows from Financing Activities	<b>(196,120)</b>	(176,580)	<b>(742,231)</b>	(744,545)	-	-	<b>77,479</b>	79,365	<b>(860,872)</b>	(841,760)
Capital Expenditure	<b>(35,448)</b>	(154,959)	<b>(1,223)</b>	-	<b>(30,524)</b>	-	<b>(45,393)</b>	(29,123)	<b>(112,588)</b>	(184,082)

Seylan Bank PLC

10. Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)

31.03.2021			
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
<b>Assets</b>			
Cash and Cash Equivalents	-	11,123,357	11,123,357
Balances with Central Bank of Sri Lanka	-	7,341,836	7,341,836
Placements with Banks and Finance Companies	-	8,976,795	8,976,795
Derivative Financial Instruments	363,210	-	363,210
Securities Purchased under Resale Agreements	-	6,269,538	6,269,538
Customer Loans and Advances	-	399,694,116	399,694,116
Debt Instruments	-	723,464	723,464
Equity Instruments	2,799,856	-	2,799,856
Government Securities	5,121,211	51,525,174	106,132,749
Group Balances Receivable	-	165,199	165,199
Other Financial Assets	-	6,367,205	6,367,205
<b>Total Financial Assets</b>	<b>5,484,421</b>	<b>54,325,030</b>	<b>490,147,874</b>

Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
<b>Liabilities</b>		
Due to Banks	27,407,829	27,407,829
Derivative Financial Instruments	366,743	366,743
Due to Depositors	445,942,866	445,942,866
Securities Sold under Repurchase Agreements	5,189,356	5,189,356
Due to Other Borrowers	11,929	11,929
Group Balances Payable	335,319	335,319
Debt Securities Issued	16,867,702	16,867,702
Lease Liabilities	4,465,377	4,465,377
Other Financial Liabilities	7,950,562	7,950,562
<b>Total Financial Liabilities</b>	<b>366,743</b>	<b>508,170,940</b>

31.12.2020			
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	Total
<b>Assets</b>			
Cash and Cash Equivalents	-	10,036,144	10,036,144
Balances with Central Bank of Sri Lanka	-	7,371,203	7,371,203
Placements with Banks and Finance Companies	-	10,730,528	10,730,528
Derivative Financial Instruments	403,984	-	403,984
Securities Purchased under Resale Agreements	-	6,142,893	6,142,893
Customer Loans and Receivables	-	393,766,147	393,766,147
Debt Instruments	-	718,397	718,397
Equity Instruments	3,232,980	-	3,232,980
Government Securities	4,545,853	55,791,251	107,168,285
Group Balances Receivable	-	40,000	40,000
Other Financial Assets	-	4,611,596	4,611,596
<b>Total Financial Assets</b>	<b>4,949,837</b>	<b>59,024,231</b>	<b>480,248,089</b>

Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
<b>Liabilities</b>		
Due to Banks	32,679,687	32,679,687
Derivative Financial Instruments	39,981	39,981
Due to Depositors	440,303,126	440,303,126
Securities Sold under Repurchase Agreements	2,575,873	2,575,873
Due to other Borrowers	14,123	14,123
Group Balances Payable	261,462	261,462
Debt Securities Issued	17,058,558	17,058,558
Lease Liabilities	4,446,175	4,446,175
Other Financial Liabilities	6,953,704	6,953,704
<b>Total Financial Liabilities</b>	<b>39,981</b>	<b>504,292,708</b>



Seylan Bank PLC

10. Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)

31.03.2021			
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost	Total
<b>Assets</b>			
Cash and Cash Equivalents	-	11,123,397	11,123,397
Balances with Central Bank of Sri Lanka	-	7,341,836	7,341,836
Placements with Banks and Finance Companies	-	8,976,795	8,976,795
Derivative Financial Instruments	363,210	-	363,210
Securities Purchased under Resale Agreements	-	6,269,538	6,269,538
Customer Loans and Advances	-	399,694,116	399,694,116
Debt Instruments	-	55,074	723,464
Equity Instruments	3,568	2,799,856	-
Government Securities	5,121,211	51,525,174	49,486,364
Other Financial Assets	-	6,391,843	6,391,843
<b>Total Financial Assets</b>	<b>5,487,989</b>	<b>54,380,104</b>	<b>490,007,353</b>
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost</b>
<b>Liabilities</b>			
Due to Banks	-	27,407,829	27,407,829
Derivative Financial Instruments	366,743	-	366,743
Due to Depositors	-	445,942,866	445,942,866
Securities Sold under Repurchase Agreements	-	5,189,356	5,189,356
Due to Other Borrowers	-	11,929	11,929
Debt Securities Issued	-	16,867,702	16,867,702
Lease Liabilities	-	1,621,549	1,621,549
Other Financial Liabilities	-	8,048,749	8,048,749
<b>Total Financial Liabilities</b>	<b>366,743</b>	<b>505,089,980</b>	<b>505,456,723</b>
31.12.2020			
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	Total
<b>Assets</b>			
Cash and Cash Equivalents	-	10,036,184	10,036,184
Balances with Central Bank of Sri Lanka	-	7,371,203	7,371,203
Placements with Banks and Finance Companies	-	10,730,528	10,730,528
Derivative Financial Instruments	403,984	-	403,984
Securities Purchased under Resale Agreements	-	6,142,893	6,142,893
Customer Loans and Receivables	-	393,766,147	393,766,147
Debt Instruments	-	57,275	718,397
Equity Instruments	7,925	3,232,980	-
Government Securities	4,545,853	55,791,251	46,831,181
Other Financial Assets	-	4,632,225	4,632,225
<b>Total Financial Assets</b>	<b>4,957,762</b>	<b>59,081,506</b>	<b>480,228,758</b>
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost</b>
<b>Liabilities</b>			
Due to Banks	-	32,679,687	32,679,687
Derivative Financial Instruments	39,981	-	39,981
Due to Depositors	-	440,303,126	440,303,126
Securities Sold under Repurchase Agreements	-	2,575,873	2,575,873
Due to other Borrowers	-	14,123	14,123
Debt Securities Issued	-	17,058,558	17,058,558
Lease Liabilities	-	1,582,937	1,582,937
Other Financial Liabilities	-	6,997,794	6,997,794
<b>Total Financial Liabilities</b>	<b>39,981</b>	<b>501,212,098</b>	<b>501,252,079</b>

# Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at	As at	As at	As at
	31.03.2021	31.12.2020	31.03.2021	31.12.2020

### 11.1 Product-wise Gross Loans & Advances

By product - Domestic Currency				
Export Bills	110,991	-	110,991	-
Import Bills	190,203	176,262	190,203	176,262
Local Bills	7,140	498,124	7,140	498,124
Lease Rentals Receivable	25,119,595	23,748,389	25,119,595	23,748,389
Overdrafts	52,310,190	52,770,657	52,310,190	52,770,657
Revolving Import Loans	9,461,421	9,220,579	9,461,421	9,220,579
Packing Credit Loans	5,075,169	3,664,811	5,075,169	3,664,811
Trust Receipt Loans	2,285,134	2,439,890	2,285,134	2,439,890
Staff Loans	6,888,377	6,831,462	6,888,377	6,831,462
Housing Loans	16,656,761	16,555,436	16,656,761	16,555,436
Pawning Receivables	16,782,684	15,404,265	16,782,684	15,404,265
Refinance Loans	17,564,845	17,843,954	17,564,845	17,843,954
Credit Cards	6,148,946	6,090,828	6,148,946	6,090,828
Margin Trading	3,772,021	3,719,949	3,772,021	3,719,949
Factoring	1,507,431	1,394,176	1,507,431	1,394,176
Term Loans	211,086,384	204,822,522	211,086,384	204,822,522
<b>Total</b>	<b>374,967,292</b>	<b>365,181,304</b>	<b>374,967,292</b>	<b>365,181,304</b>
By product - Foreign Currency				
Export Bills	3,302,787	3,771,605	3,302,787	3,771,605
Import Bills	534,297	351,737	534,297	351,737
Local Bills	2,217	596	2,217	596
Overdrafts	337,996	433,948	337,996	433,948
Revolving Import Loans	588,787	581,778	588,787	581,778
Packing Credit Loans	8,833,651	10,114,935	8,833,651	10,114,935
Housing Loans	166,922	176,043	166,922	176,043
Term Loans	28,593,177	28,689,007	28,593,177	28,689,007
<b>Total</b>	<b>42,359,834</b>	<b>44,119,649</b>	<b>42,359,834</b>	<b>44,119,649</b>
<b>Gross Loans and Advances</b>	<b>417,327,126</b>	<b>409,300,953</b>	<b>417,327,126</b>	<b>409,300,953</b>

### 11.2 Product-wise Commitments and Contingencies

By product - Domestic Currency				
<b>Commitments</b>				
Undrawn Credit Lines	84,518,258	81,102,624	84,518,258	81,102,624
Capital Commitments	148,361	246,908	165,184	266,069
<b>Contingencies</b>				
Acceptances	1,648,925	251,837	1,648,925	251,837
Standby Letters of Credit	15,000	15,000	15,000	15,000
Guarantees	55,967,130	51,925,822	55,967,130	51,925,822
Documentary Credit	674,882	1,829,753	674,882	1,829,753
Bills for Collection	440,811	382,531	440,811	382,531
Forward Exchange Contracts (Net)	(9,740,256)	(11,485,132)	(9,740,256)	(11,485,132)
<b>Total</b>	<b>133,673,111</b>	<b>124,269,343</b>	<b>133,689,934</b>	<b>124,288,504</b>
By product - Foreign Currency				
<b>Commitments</b>				
Undrawn Credit Lines	16,626,300	18,013,681	16,626,300	18,013,681
Capital Commitments	257,520	284,062	257,520	284,062
<b>Contingencies</b>				
Acceptances	21,697,821	19,989,673	21,697,821	19,989,673
Standby Letters of Credit	684,043	651,105	684,043	651,105
Guarantees	4,124,318	4,450,560	4,124,318	4,450,560
Documentary Credit	14,828,211	11,259,259	14,828,211	11,259,259
Bills for Collection	4,878,338	4,349,202	4,878,338	4,349,202
Forward Exchange Contracts (Net)	9,778,697	11,887,269	9,778,697	11,887,269
<b>Total</b>	<b>72,875,248</b>	<b>70,884,811</b>	<b>72,875,248</b>	<b>70,884,811</b>
<b>Total Commitments and Contingencies</b>	<b>206,548,359</b>	<b>195,154,154</b>	<b>206,565,182</b>	<b>195,173,315</b>

## Seylan Bank PLC Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands )

	Bank		Group	
	As at	As at	As at	As at
	31.03.2021	31.12.2020	31.03.2021	31.12.2020

### 11.3 Stage-wise Impairment on Loans & Advances, Commitments and Contingencies

<b>Gross Loans and Advances, Commitments and Contingencies</b>	<b>623,875,485</b>	<b>604,455,107</b>	<b>623,892,308</b>	<b>604,474,268</b>
Less : Accumulated Impairment under Stage 1	1,746,360	1,672,330	1,746,360	1,672,330
Accumulated Impairment under Stage 2	1,018,051	932,874	1,018,051	932,874
Accumulated Impairment under Stage 3	15,215,549	13,271,818	15,215,549	13,271,818
<b>Net Loans &amp; Advances, Commitments and Contingencies</b>	<b>605,895,525</b>	<b>588,578,085</b>	<b>605,912,348</b>	<b>588,597,246</b>
<b>Movement of Impairment during the Period</b>	<b>Fom 01.01.2021 to 31.03.2021</b>	<b>From 01.01.2020 to 31.12.2020</b>	<b>Fom 01.01.2021 to 31.03.2021</b>	<b>From 01.01.2020 to 31.12.2020</b>
<b>Stage 1</b>				
Opening Balance as at 01st January	1,672,330	965,844	1,672,330	965,844
Charge/(Write back) to income statement	74,030	706,486	74,030	706,486
<b>Closing Balance</b>	<b>1,746,360</b>	<b>1,672,330</b>	<b>1,746,360</b>	<b>1,672,330</b>
<b>Stage 2</b>				
Opening Balance as at 01st January	932,874	573,870	932,874	573,870
Charge/(Write back) to income statement	85,177	359,004	85,177	359,004
<b>Closing Balance</b>	<b>1,018,051</b>	<b>932,874</b>	<b>1,018,051</b>	<b>932,874</b>
<b>Stage 3</b>				
Opening Balance as at 01st January	13,271,818	9,456,784	13,271,818	9,456,784
Charge/(Write back) to income statement	1,980,255	5,679,333	1,980,255	5,679,333
Reversal for Write-off during the period	(10,469)	(1,106,711)	(10,469)	(1,106,711)
Interest Accrued on Impaired Loans and Advances	(66,988)	(937,457)	(66,988)	(937,457)
Other Movement	40,933	179,869	40,933	179,869
<b>Closing Balance</b>	<b>15,215,549</b>	<b>13,271,818</b>	<b>15,215,549</b>	<b>13,271,818</b>
<b>Total Impairment</b>	<b>17,979,960</b>	<b>15,877,022</b>	<b>17,979,960</b>	<b>15,877,022</b>

## 12 Analysis of Deposits

(Amounts in Rupees Thousands )

Deposits - By product	Bank		Group	
	As at	As at	As at	As at
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
<b>By product - Domestic Currency</b>				
Demand Deposits	32,447,636	27,614,891	32,447,636	27,614,891
Savings Deposits	102,404,642	100,204,483	102,404,642	100,204,483
Fixed Deposits	250,097,088	255,676,202	250,097,088	255,676,202
Certificate of Deposits	2,758,616	2,738,998	2,758,616	2,738,998
<b>Total</b>	<b>387,707,982</b>	<b>386,234,574</b>	<b>387,707,982</b>	<b>386,234,574</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	4,684,307	4,340,305	4,684,307	4,340,305
Savings Deposits	14,381,142	13,257,075	14,381,142	13,257,075
Fixed Deposits	39,169,435	36,471,172	39,169,435	36,471,172
<b>Total</b>	<b>58,234,884</b>	<b>54,068,552</b>	<b>58,234,884</b>	<b>54,068,552</b>
<b>Total Deposits</b>	<b>445,942,866</b>	<b>440,303,126</b>	<b>445,942,866</b>	<b>440,303,126</b>

## SEYLAN BANK PLC - DEBENTURES

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

\* No trading during the period.

# Seylan Bank PLC

## Selected Performance Indicators

Item	Bank		Group	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020
<b>Regulatory Capital (LKR Mn.)</b>				
Common Equity Tier I	<b>45,373</b>	45,810	<b>46,375</b>	46,812
Total (Tier I) Capital	<b>45,373</b>	45,810	<b>46,375</b>	46,812
Total Capital Base	<b>55,955</b>	57,123	<b>56,827</b>	57,995
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio ( Minimum Requirement - 7.00% )	<b>11.02</b>	11.46	<b>11.26</b>	11.70
Total Tier I Capital Ratio ( Minimum Requirement - 8.50% )	<b>11.02</b>	11.46	<b>11.26</b>	11.70
Total Capital Ratio ( Minimum Requirement - 12.50% )	<b>13.59</b>	14.30	<b>13.79</b>	14.49
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets (LKR Mn.)	<b>144,457</b>	149,066		
Domestic Banking Unit (LKR Mn.)	<b>140,733</b>	144,504		
Offshore Banking Unit (USD '000)	<b>34,568</b>	33,828		
Statutory Liquid Assets Ratio (%) ( Minimum Requirement 20 % )				
Domestic Banking Unit	<b>29.84</b>	31.31		
Offshore Banking Unit	<b>22.80</b>	22.47		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	<b>97,391</b>	100,209		
Liquidity Coverage Ratio %				
Rupee - ( Minimum Requirement - 90% )	<b>186.32</b>	176.95		
All Currency - ( Minimum Requirement - 90% )	<b>148.63</b>	142.75		
Net Stable Funding Ratio (%) ( Minimum Requirement - 90% )	<b>109.60</b>	110.38		
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Gross Non-Performing Advances Ratio (%) ( Net of Interest in Suspense )	<b>6.39</b>	6.43		
Net Non-Performing Advances Ratio (%) ( Net of Interest in Suspense and Provision )	<b>3.33</b>	3.70		
<b>Profitability</b>				
Interest Margin ( % )	<b>4.17</b>	3.95		
Return on Assets (before Tax) ( % )	<b>1.00</b>	0.77		
Return on Equity ( % )	<b>8.20</b>	6.43		