

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Nine months ended 30th September, 2021



INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Nine months Ended 30th September			For the Quarter Ended 30th September			For the Nine months Ended 30th September			For the Quarter Ended 30th September		
	2021	2020	Growth %	2021	2020	Growth %	2021	2020	Growth %	2021	2020	Growth %
Interest Income	34,469,497	39,596,645	(12.95)	11,653,273	13,065,342	(10.81)	34,476,151	39,602,275	(12.94)	11,656,079	13,067,247	(10.80)
Less: Interest Expenses	17,401,818	24,724,504	(29.62)	5,556,310	7,535,174	(26.26)	17,173,553	24,495,043	(29.89)	5,490,611	7,459,340	(26.53)
Net Interest Income	17,067,679	14,872,141	14.76	6,096,963	5,530,168	10.25	17,302,598	15,107,232	14.53	6,175,468	5,607,907	10.12
Fee and Commission Income	3,376,281	2,781,669	21.38	1,124,829	1,054,862	6.63	3,376,016	2,781,583	21.37	1,124,816	1,054,803	6.64
Less: Fee and Commission Expenses	106,258	163,263	(34.92)	34,408	62,559	(45.00)	106,258	163,639	(35.07)	34,408	62,559	(45.00)
Net Fee and Commission Income	3,270,023	2,618,406	24.89	1,090,421	992,303	9.89	3,269,758	2,617,944	24.90	1,090,408	992,244	9.89
Net Gains/(Losses) from Trading	(416,524)	122,429	(440.22)	35,154	(91,451)	138.44	(414,977)	123,304	(436.55)	35,153	(89,466)	139.29
Net Gains from Derecognition of Financial Assets	528,905	709,017	(25.40)	84,908	338,379	(74.91)	528,905	709,017	(25.40)	84,908	338,379	(74.91)
Net Other Operating Income	1,867,115	973,371	91.82	333,836	324,952	2.73	1,866,592	911,887	98.12	333,835	347,138	1.93
Total Operating Income	22,317,198	19,295,364	15.66	7,641,282	7,094,351	7.71	22,492,876	19,469,384	15.53	7,739,772	7,196,202	7.55
Less: Impairment Charges	6,298,160	5,415,723	16.29	2,289,583	2,755,386	(16.91)	6,298,160	5,415,723	16.29	2,289,583	2,755,386	(16.91)
Net Operating Income	16,019,038	13,879,641	15.41	5,351,699	4,338,965	23.34	16,194,716	14,053,661	15.23	5,450,189	4,440,816	22.73
Less: Operating Expenses												
Personnel Expenses	5,720,242	5,401,014	5.91	1,887,298	1,744,427	8.19	5,751,456	5,429,062	5.94	1,897,874	1,753,672	8.22
Depreciation and Amortization Expenses	1,080,393	1,082,424	(0.19)	353,695	360,348	(1.85)	1,116,178	1,110,516	0.51	365,675	370,088	(1.19)
Other Expenses	3,235,706	3,036,998	6.54	1,045,737	1,044,665	0.10	3,260,723	3,073,803	6.08	1,054,470	1,055,981	(0.14)
Total Operating Expenses	10,036,341	9,520,436	5.42	3,286,730	3,149,440	4.36	10,128,357	9,613,361	5.36	3,318,019	3,179,741	4.35
Operating Profit before Taxes	5,982,697	4,359,205	37.24	2,064,969	1,189,525	73.60	6,066,359	4,440,280	36.62	2,132,170	1,261,075	69.08
Less: Value Added Tax on Financial Services	1,525,979	1,185,584	28.71	521,021	348,274	49.60	1,525,979	1,185,584	28.71	521,021	348,274	49.60
Profit before Income Tax	4,456,718	3,173,621	40.43	1,543,948	841,251	83.53	4,540,380	3,254,696	39.50	1,611,149	912,801	76.51
Less: Income Tax Expense	1,250,898	952,086	31.38	443,385	271,031	63.59	1,233,508	1,019,468	21.00	462,025	288,074	60.38
Profit for the Period	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.94
Profit Attributable to:												
Equity Holders of the Bank	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.94
Non-controlling Interest	-	-	-	-	-	-	66,724	37,882	76.14	14,322	16,074	(10.90)
Profit for the Period	3,205,820	2,221,535	44.31	1,100,563	570,220	93.01	3,306,872	2,235,228	47.94	1,149,124	624,727	83.94
Basic/Diluted Earnings per Ordinary Share (Rs.)	6.00	4.16	44.31	2.06	1.07	93.01	6.07	4.11	47.46	2.12	1.14	86.44

STATEMENT OF CASH FLOWS

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)							
	BANK				GROUP			
	2021		2020		2021		2020	
Cash Flows from Operating Activities	30,452,784	34,482,030	30,459,436	34,487,660	(16,918,554)	(23,176,091)	(16,916,438)	(22,963,830)
Interest Receipts	3,270,023	2,618,406	3,269,758	2,617,944	3,270,023	2,618,406	3,269,758	2,617,944
Interest Payments	(8,222)	(162,532)	(9,869)	(163,407)	(5,292,541)	(5,113,420)	(5,317,364)	(5,135,356)
Net Commission Receipts	9,899	(1,051,842)	(1,692,445)	(1,051,842)	(2,326,947)	(2,393,595)	(2,393,595)	(2,430,310)
Trading Income	(416,524)	122,429	(440,222)	122,429	528,905	709,017	(25,400)	709,017
Payments to Employees	(5,720,242)	(5,401,014)	(5,910,000)	(5,401,014)	(1,887,298)	(1,744,427)	(1,887,298)	(1,744,427)
VAT on Financial Services Paid	(1,525,979)	(1,185,584)	(1,525,979)	(1,185,584)	(1,525,979)	(1,185,584)	(1,525,979)	(1,185,584)
Receipts from Other Operating Activities	2,658,378	1,000,649	2,233,054	1,153,929	(2,326,947)	(2,393,595)	(2,326,947)	(2,393,595)
Payments on Other Operating Activities	(2,326,947)	(2,393,595)	(2,326,947)	(2,393,595)	(2,326,947)	(2,393,595)	(2,326,947)	(2,393,595)
Operating Profit before Changes in Operating Assets and Liabilities	10,157,220	6,628,759	10,157,220	6,628,759	10,157,220	6,628,759	10,157,220	6,628,759
(Increase)/Decrease in Operating Assets:								
Balances with Central Bank of Sri Lanka	(7,797,643)	7,291,550	(7,797,643)	7,291,550	(7,797,643)	7,291,550	(7,797,643)	7,291,550
Financial Assets at Amortized Cost - Loans and Advances	(38,041,645)	(1,711,839)	(38,041,645)	(1,711,839)	(38,041,645)	(1,711,839)	(38,041,645)	(1,711,839)
Other Assets	(461,365)	(487,494)	(520,642)	(426,448)	(461,365)	(487,494)	(520,642)	(426,448)
(Increase)/Decrease in Operating Liabilities:								
Financial Liabilities at Amortized Cost - Due to Depositors	13,016,291	26,011,091	13,016,291	26,011,091	13,016,291	26,011,091	13,016,291	26,011,091
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	10,590,770	(5,513,088)	10,590,770	(5,513,088)	10,590,770	(5,513,088)	10,590,770	(5,513,088)
Financial Liabilities at Amortized Cost - Due to Other Borrowers	(6,360)	(7,604)	(6,360)	(7,604)	(6,360)	(7,604)	(6,360)	(7,604)
Other Liabilities	170,834	219,235	205,640	25,614	170,834	219,235	205,640	25,614
Due to Banks	(3,346,387)	5,702,497	(3,346,387)	5,702,497	(3,346,387)	5,702,497	(3,346,387)	5,702,497
Cash (Used in)/Generated from Operating Activities before Income Tax	(15,717,785)	39,107,965	(15,717,785)	39,107,965	(15,717,785)	39,107,965	(15,717,785)	39,107,965
Income Tax Paid	(1,020,249)	(818,152)	(1,020,249)	(818,152)	(1,020,249)	(818,152)	(1,020,249)	(818,152)
Net Cash (Used in)/Generated from Operating Activities	(16,738,034)	38,289,813	(16,738,034)	38,289,813	(16,738,034)	38,289,813	(16,738,034)	38,289,813
Cash flows from Investing Activities								
Purchase of Property, Plant and Equipment	(101,172)	(358,676)	(126,258)	(372,926)	(101,172)	(358,676)	(126,258)	(372,926)
Improvements in Investment Properties	4,838	6,695	(7,982)	(9,829)	4,838	6,695	(7,982)	(9,829)
Proceeds from Sale of Property, Plant and Equipment	14,129,011	(14,084,960)	14,129,011	(14,084,960)	14,129,011	(14,084,960)	14,129,011	(14,084,960)
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	717,640	(288,543)	729,717	(291,548)	717,640	(288,543)	729,717	(291,548)
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	348	28,208	348	28,208	348	28,208	348	28,208
Net Purchase of Intangible Assets	(72,259)	(99,621)	(72,259)	(99,621)	(72,259)	(99,621)	(72,259)	(99,621)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-	-	-	-	-
Dividend Received from Investment in Subsidiaries	125,199	114,765	125,199	114,765	125,199	114,765	125,199	114,765
Dividend Received from Other Investments	24,632	17,496	24,632	17,496	24,632	17,496	24,632	17,496
Net Cash (Used in)/Generated from Investing Activities	14,828,237	(14,664,536)	14,828,237	(14,664,536)	14,828,237	(14,664,536)	14,828,237	(14,664,536)
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	6,000,000	-	6,000,000	-	6,000,000	-	6,000,000	-
Interest Paid on Subordinated Debt	(1,727,720)	(2,143,860)	(1,727,720)	(2,143,860)	(1,727,720)	(2,143,860)	(1,727,720)	(2,143,860)
Interest Paid on Un-subordinated Debt	(2,137,495)	(1,077,737)	(2,137,495)	(1,077,737)	(2,137,495)	(1,077,737)	(2,137,495)	(1,077,737)
Dividend Paid to Non-controlling Interest	-	(53)	-	(53)	-	(53)	-	(53)
Dividend Paid to Shareholders of the Bank	(123)	(502,240)	(123)	(502,240)	(123)	(502,240)	(123)	(502,240)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(567,579)	(562,140)	(567,579)	(562,140)	(567,579)	(562,140)	(567,579)	(562,140)
Net Cash (Used in)/Generated from Financing Activities	(1,547,083)	(3,315,977)	(1,547,083)	(3,315,977)	(1,547,083)	(3,315,977)	(1,547,083)	(3,315,977)
Net Increase / (Decrease) in Cash and Cash Equivalents	(362,714)	20,309,190	(282,088)	20,309,692	(362,714)	20,309,190	(282,088)	20,309,692
Cash and Cash Equivalents at Beginning of the Year	37,153,866	24,716,667	37,153,866	24,716,667	37,153,866	24,716,667	37,153,866	24,716,667
Cash and Cash Equivalents at End of the Period	37,153,152	45,025,857	37,234,316	45,025,857	37,153,152	45,025,857	37,234,316	45,025,857
Reconciliation of Cash and Cash Equivalents								
Cash and Cash Equivalents	20,846,342	11,223,222	20,846,342	11,223,262	20,846,342	11,223,222	20,846,342	11,223,262
Placements with Banks and Finance Companies	2,104,558	17,139,113	2,104,558	17,139,113	2,104,558	17,139,113	2,104,558	17,139,113
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	12,370,802	7,356,585	12,370,802	7,356,585	12,370,802	7,356,585	12,370,802	7,356,585

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Nine months ended 30th September, 2021



SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Interest Income	27,659,663	31,645,623	7,230,891	8,784,093	21,648	21,860	(436,051)	(849,301)	34,476,151	39,602,275
Less: Interest Expense	16,322,154	21,397,136	972,566	3,221,528	14	62	(121,181)	(123,683)	17,173,553	24,495,043
Net Interest Income	11,337,509	10,248,487	6,258,325	5,562,565	21,634	21,798	(314,870)	(725,618)	17,302,598	15,107,232
Fee and Commission Income	3,352,077	2,750,518	3,686	4,670	-	-	20,253	26,395	3,376,016	2,781,583
Less: Fee and Commission Expense	86,474	145,284	19,784	17,979	-	376	-	-	106,258	163,639
Net Fee and Commission Income	2,605,234	(16,098)	(13,309)	-	-	(376)	20,253	26,395	3,269,758	2,617,944
Net Gains/(Losses) from Trading	-	-	(416,524)	122,429	1,547	875	-	-	(414,977)	123,304
Net Gains from Derecognition of Financial Assets	-	-	528,905	709,017	-	-	-	-	528,905	709,017
Net Other Operating Income	133,457	26,729	1,928,470	868,433	263,715	252,356	(519,050)	(235,631)	1,806,592	911,887
Inter Segment Revenue	(56,678)	(55,614)	-	-	-	-	55,678	55,614	-	-
Total Operating Income	14,680,891	12,824,836	8,283,078	7,249,135	286,896	274,653	(757,989)	(879,240)	22,492,876	19,469,384
Less: Depreciation and Amortisation Expenses	670,268	697,711	4,292	4,216	822	541	440,796	408,048	1,116,178	1,110,516
Less: Impairment Charges	6,417,829	5,002,958	(119,669)	412,765	-	-	-	-	6,298,160	5,415,723
Less: Operating Expenses & VAT on Financial Services	7,827,984	6,940,894	1,315,466	1,239,783	57,144	65,423	1,637,564	1,442,349	10,538,158	9,688,449
Reportable Segment Profit before Income Tax	64,810	183,273	7,062,989	5,592,371	228,930	208,689	(2,836,349)	(2,729,637)	4,540,380	3,254,696
Less: Income Tax Expense	-	-	-	-	-	-	-	-	1,233,508	1,019,468
Profit For The Period	-	-	-	-	-	-	-	-	3,306,872	2,235,228
Profit Attributable To:										
Equity Holders of The Bank	-	-	-	-	-	-	-	-	3,240,148	2,197,346
Non-controlling Interests	-	-	-	-	-	-	-	-	66,724	37,882
Profit For The Period	-	-	-	-	-	-	-	-	3,306,872	2,235,228
Other Comprehensive Income, Net of Income Tax	-	-	-	-	-	-	-	-	(1,577,022)	2,929,111
Other Information										
Total Assets	422,909,829	372,489,928	134,994,736	145,889,070	5,974,238	5,829,123	20,255,812	23,580,296	584,134,615	547,788,417
Total Liabilities & Equity	460,889,897	438,500,624	88,214,933	75,012,088	5,974,238	5,829,123	29,055,547	28,446,582	584,134,615	547,788,417
Cash Flows from Operating Activities	(21,420,398)	34,501,977	6,967,612	6,009,352	212,518	151,650	(2,497,350)	(2,412,870)	(16,737,618)	38,250,109
Cash Flows from Investing Activities	(87,667)	(84,198)	14,994,580	(14,458,218)	36,947	(25,819)	(261,813)	(238,250)	14,682,047	(14,806,485)
Cash Flows from Financing Activities	(567,579)	(562,140)	2,114,785	(2,251,597)	(177,558)	(162,261)	403,835	(158,934)	1,773,483	(3,134,932)
Capital Expenditure	(92,736)	(221,154)	(2,250)	(158)	(33,068)	(24,079)	(78,445)	(236,985)	(206,499)	(482,376)

EXPLANATORY NOTES

1. General
The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.
The Interim Financial Statements of the Bank and the Group have been prepared and presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting.
The group financial statements comprise of the consolidated Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%).

Covid 19 Impact
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. Further the Bank also accounted for impairment (Expected Credit Loss (ECL)) including management overlay in respect of loans that are subject to moratorium as described in note 7(ii).
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.)	30/09/2021		30/09/2020	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	47.10	37.00	46.70	33.00
Highest price per share during the quarter ended	52.00	42.00	49.50	35.70
Lowest price per share during the quarter ended	44.50	34.90	40.00	26.50

3. Shareholders' Information

Stated Capital as at September 30, 2021	No of Shares	Stated Capital Rs. '000
Ordinary Voting	264,267,493	11,521,262
Ordinary Non-Voting	269,923,190	6,802,619
Total	534,190,683	18,323,881

3.1 Twenty Largest Ordinary Voting Shareholders as at September 30, 2021

No.	Name of Shareholder	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	Mr. K.D.D. Perera	25,086,126	9.49
5	Sampath Bank PLC/LOLC Investments Ltd.	24,726,404	9.36
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.	10,108,676	3.83
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	Asiri Hospitals Holdings PLC	2,000,000	0.76
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	AIA Insurance Lanka Ltd. A/C No. 07	866,628	0.33
19	Seeyshop (Pvt) Ltd.	707,834	0.27
20	Esots (Pvt) Ltd.	695,689	0.26

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at September 30, 2021

No.	Name of Shareholder	No. of Shares	%
1	LOLC Holdings PLC	139,285,716	51.60
2	Employees' Provident Fund	14,397,596	5.33
3	Sri Lanka Insurance Corporation Ltd. - Life Fund	9,040,537	3.35
4	Akbar Brothers Pvt Ltd A/C No. 01	5,797,003	2.15
5	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	3,933,895	1.46
6	Pershing LLC S/A Averbach Gausson & Co.	3,812,293	1.41
7	People's Leasing & Finance PLC/Mrs. P. Thavarajah	3,671,929	1.36
8	People's Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd.	3,536,629	1.31
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	Sri Lanka Insurance Corporation Ltd. - General Fund	1,906,234	0.71
15	Don and Don Holdings (Pvt) Ltd.	1,614,805	0.60
16	Mr. R. Gautam	1,483,758	0.55
17	Mr. M. J. Fernando	1,477,783	0.55
18	Dr. S. Yaddhege	1,269,598	0.47
19	Ms. S. Durga	1,254,485	0.46
20	Mr. D. N. N. Lokuge	1,245,864	0.46

3.3 Public Holdings as at September 30, 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. 6,827 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,128

4. Directors' and Chief Executive Officer's Shareholdings as at September 30, 2021

Name of Director	No. of Shares (Ordinary Voting)	No. of Shares (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. Thilakarathne, 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 and Non-voting) during the nine months ended September 30, 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 September 30, 2020 has been restated based on the no of shares issued for Scrip Dividend for 2020.

6. Events after the Reporting Date

Mr. D.M. Rupasinghe was appointed to the Board of Directors as an Independent Director with effect from 1st October 2021.

7. Other Matters

7.1 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. 112.5Mn. (net of tax) as of September 30, 2021.

7.2 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 September 30, 2021 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

Further, the Bank has made additional provisions as management overlay, based on the assessment of significant increase in credit risk, and by stress testing the exposures to risk elevated sectors, and facilities which have been continuously under moratorium to address the potential implications of Covid-19 pandemic and the moratorium schemes introduced to support the recovery of the economy.

7.3 Debenture Redemption

The Bank redeemed 17,277,200 debentures of Rs. 100/- each amounting to Rs. 1,727,720,000/- out of the Rs. 5,000,000,000/- Unsecured, Subordinated, Redeemable Debentures allotted in July 2016, upon maturity of the 5 years' tenure on 15th July 2021.

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.

STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

For the Nine Months ended 30th September	Stated Capital		Statutory Reserve Fund	Retained Earnings	Other Reserves			Total
	Ordinary Shares -Voting	Ordinary Shares -Non-Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
1 Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,221,535	-	-	-	2,221,535
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,518,980	-	1,518,980
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,387,659	-	1,387,659
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	18,982	18,982
Total Comprehensive Income for the Period	-	-	-	2,221,535	-	2,906,639	18,982	5,147,156
2 Transactions with Equity Holders, Recognized Directly in Equity								
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)
Transferred from Investment Fund Reserve	-	-	-	500,793	-	-	(500,793)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	(308)	-	308	-	-
3 Total Transactions with Equity Holders	251,477	252,146	-	(506,762)	-	308	(500,793)	(503,624)
Balance as at 30th September 2020 (1 + 2 + 3)	11,136,187	6,412,160	1,952,957	24,538,012	858,312	2,892,728	1,480,450	49,270,806
1 Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,975
Total Comprehensive Income for the Period								