



Seylan Bank PLC

Interim Financial Statements
For the 06 Months Ended 30th June 2019

Seylan Bank records a Rs. 1.5Bn PAT for the first half of 2019

Seylan Bank recorded a steady performance with Profits before Taxes reaching Rs. 3,476 Million for the 6 months ended 30th June 2019 against the Rs. 2,996 Million reported in the corresponding period of 2018 despite of challenging market conditions and recent unexpected events that impacted the Sri Lanka economy. However, the Bank's Profit after tax increased only by 0.89% due the Debt Repayment Levy (DRL) tax expense (which was imposed from 1 October 2018) of Rs 461Mn recorded for the period.

Net Interest income increased from Rs 8,656 Million to Rs 8,886 Million, a 2.65% increase for the 6 months ended 30th June 2019 resulting from selective growth in advances and effective pricing strategy. The Bank's gross fee based income remained the same as last year with a slight increase from Rs 2,048 Million to Rs 2,057 Million during 1H 2019.

Other income captions comprising of net gains from trading activities, fair value changes of financial Assets, gains on foreign exchange transactions and other operating income increased by 25.11 % a net gain from Rs 609 Million in 2018 to a net gain of Rs 762 Million during 1H 2019.

Total Expenses recorded an increase of 6.69 % from 5,997 Million in the 1H of the previous year to Rs.6, 398 Million for the 6 months ended 30th June 2019. These increases in expenses are due to upgrading and refurbishment of branches, investment made in technology and digital platforms during the period under review. The Bank is also engaged in many cost initiative projects in order to minimize and control the cost over a period of time.

The Bank reported a moderate net loan growth of 5.22%, with net advances growing from Rs 326,882 Million to Rs 343,936 Million during 1H 2019. The NPA ratio has increased by 0.5% during the period.

Its overall deposit base increased from Rs 357,560 Million in December 2018 to Rs 374,708 Million in 1H 2019. The Bank's CASA ratio (Current and Savings) stood at 27.91% despite the shift witnessed from low cost deposits towards higher yielding fixed deposits during the six months period.

The Bank is continuing to increase its branch network. During the period of six months, Bank has opened 3 new branches at Union Place, Paddukka and Godakawela. As at 30th June 2019, the Bank network comprised of 173 Banking Centres, 212 ATMs and 98 Student Saving Centres. Further the Bank expanded its Cash Deposit Machines (CDMs) to 40.

Overall, as a result of the performance during the six months, Bank's Earnings Per Share (EPS) stood at Rs 4.05. The Bank recorded a Return (profit before tax) on Asset (ROAA) of 0.89 % and Return on Equity (ROE) of 8.51 %. The Bank's Net Asset Value per share as at 30th June 2019 was Rs 99.08 (Group Rs 103.25).

Seylan Bank PLC
Income Statement

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

| | (Amounts in Rupees Thousands) | | | | | |
|--|---------------------------------------|--------------------|-------------|------------------------------------|--------------------|-------------|
| | Bank | | | Bank | | |
| | For the Six Months Ended 30th June | | | For the Quarter Ended 30th June | | |
| | 2019 | 2018 (Restated) | Growth % | 2019 | 2018 (Restated) | Growth % |
| Interest Income | 27,377,520 | 23,290,102 | 17.55 | 13,749,680 | 11,817,734 | 16.35 |
| Less: Interest Expenses | 18,491,652 | 14,633,922 | 26.36 | 9,351,025 | 7,428,049 | 25.89 |
| Net Interest Income | 8,885,868 | 8,656,180 | 2.65 | 4,398,655 | 4,389,685 | 0.20 |
| Fee and Commission Income | 2,057,685 | 2,048,266 | 0.46 | 1,037,396 | 1,004,348 | 3.29 |
| Less: Fee and Commission Expenses | 104,268 | 92,595 | 12.61 | 50,346 | 44,131 | 14.08 |
| Net Fee and Commission Income | 1,953,417 | 1,955,671 | (0.12) | 987,050 | 960,217 | 2.79 |
| Net Gains/(Losses) from Trading / Net Fair Value Gains/(Losses) from Financial Instruments at Fair Value through Profit or Loss | (632,257) | 116,041 | (644.86) | (10,515) | 10,911 | (196.37) |
| Net Gains/(Losses) from Derecognition of Financial Assets at Fair Value through Other Comprehensive Income | 150,498 | 35,532 | 323.56 | 94,449 | 2,164 | 4,264.56 |
| Net Other Operating Income | 1,244,185 | 457,808 | 171.77 | 310,252 | 237,928 | 30.40 |
| | 762,426 | 609,381 | 25.11 | 394,186 | 251,003 | 57.04 |
| Total Operating Income | 11,601,711 | 11,221,232 | 3.39 | 5,779,891 | 5,600,905 | 3.20 |
| Impairment Charges | 1,728,135 | 2,228,918 | (22.47) | 1,138,899 | 1,246,692 | (8.65) |
| Net Operating Income | 9,873,576 | 8,992,314 | 9.80 | 4,640,992 | 4,354,213 | 6.59 |
| Personnel Expenses | 3,178,306 | 2,930,969 | 8.44 | 1,608,111 | 1,427,235 | 12.67 |
| Depreciation and Amortization Expenses | 698,326 | 359,588 | 94.20 | 494,947 | 179,088 | 176.37 |
| Other Expenses | 2,521,184 | 2,706,180 | (6.84) | 1,104,197 | 1,401,931 | (21.24) |
| | 6,397,816 | 5,996,737 | 6.69 | 3,207,255 | 3,008,254 | 6.62 |
| Operating Profit before Taxes | 3,475,760 | 2,995,577 | 16.03 | 1,433,737 | 1,345,959 | 6.52 |
| Value Added Tax on Financial Services | 786,514 | 732,631 | 7.35 | 358,334 | 340,743 | 5.16 |
| Nation Building Tax on Financial Services | 104,869 | 97,684 | 7.36 | 47,662 | 45,432 | 4.91 |
| Debt Repayment Levy | 460,808 | - | 100.00 | 209,844 | - | 100.00 |
| Profit before Income Tax | 2,123,569 | 2,165,262 | (1.93) | 817,897 | 959,784 | (14.78) |
| Income Tax Expense | 593,204 | 648,375 | (8.51) | 190,099 | 255,207 | (25.51) |
| Profit for the Period | 1,530,365 | 1,516,887 | 0.89 | 627,798 | 704,577 | (10.90) |
| Basic/Diluted Earnings per Ordinary Share (in Rupees) | 4.05 | 4.02 | 0.89 | 1.66 | 1.87 | (10.90) |

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 Six Months Ended 30th June | | | For the Quarter Ended 30th June | | |
| | 2019 | 2018 (Restated) | Growth % | 2019 | 2018 (Restated) | Growth % |
| Profit for the Period | 1,530,365 | 1,516,887 | 0.89 | 627,798 | 704,577 | (10.90) |
| <u>Items that will be reclassified to income statement</u> | | | | | | |
| Net Movement of Cash Flow Hedge Reserve | (48,197) | 9,735 | (595.09) | (18,239) | 17,482 | (204.33) |
| Net Gains/ (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | 1,503,498 | (125,642) | 1,296.65 | 852,080 | (24,123) | 3,632.23 |
| <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 | 115,012 | 184,020 | (37.50) | 42,619 | 108,518 | (60.73) |
| Other Comprehensive Income/(Loss) for the Period, Net of Taxes | 1,570,313 | 68,113 | 2,205.45 | 876,460 | 101,877 | 760.31 |
| Total Comprehensive Income for the Period | 3,100,678 | 1,585,000 | 95.63 | 1,504,258 | 806,454 | 86.53 |

Seylan Bank PLC
Income Statement

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

(Amounts in Rupees Thousands)

| | Group | | | Group | | |
|--|---------------------------------------|--------------------|---------------|------------------------------------|--------------------|----------------|
| | For the Six Months Ended 30th June | | | For the Quarter Ended 30th June | | |
| | 2019 | 2018 (Restated) | Growth % | 2019 | 2018 (Restated) | Growth % |
| Interest Income | 27,381,133 | 23,289,500 | 17.57 | 13,751,351 | 11,817,018 | 16.37 |
| Less: Interest Expenses | 18,481,134 | 14,601,927 | 26.57 | 9,346,593 | 7,421,800 | 25.93 |
| Net Interest Income | 8,899,999 | 8,687,573 | 2.45 | 4,404,758 | 4,395,218 | 0.22 |
| Fee and Commission Income | 2,057,503 | 2,048,048 | 0.46 | 1,037,217 | 1,004,345 | 3.27 |
| Less: Fee and Commission Expenses | 106,658 | 94,613 | 12.73 | 51,765 | 45,101 | 14.78 |
| Net Fee and Commission Income | 1,950,845 | 1,953,435 | (0.13) | 985,452 | 959,244 | 2.73 |
| Net Gains/(Losses) from Trading / Net Fair Value Gains/(Losses) from Financial Instruments at Fair Value through Profit or Loss | (632,738) | 115,046 | (649.99) | (10,410) | 9,992 | (204.18) |
| Net Gains/(Losses) from Derecognition of Financial Assets at Fair Value through Other Comprehensive Income | 150,498 | 35,532 | 323.56 | 94,449 | 2,164 | 4,264.56 |
| Net Other Operating Income | 1,188,524 | 418,063 | 184.29 | 327,550 | 258,675 | 26.63 |
| | 706,284 | 568,641 | 24.21 | 411,589 | 270,831 | 51.97 |
| Total Operating Income | 11,557,128 | 11,209,649 | 3.10 | 5,801,799 | 5,625,293 | 3.14 |
| Impairment Charges | 1,728,119 | 2,228,918 | (22.47) | 1,138,899 | 1,246,692 | (8.65) |
| Net Operating Income | 9,829,009 | 8,980,731 | 9.45 | 4,662,900 | 4,378,601 | 6.49 |
| Personnel Expenses | 3,196,497 | 2,950,965 | 8.32 | 1,617,066 | 1,437,770 | 12.47 |
| Depreciation and Amortization Expenses | 729,188 | 391,327 | 86.34 | 510,428 | 195,026 | 161.72 |
| Other Expenses | 2,428,226 | 2,632,882 | (7.77) | 1,056,872 | 1,358,451 | (22.20) |
| | 6,353,911 | 5,975,174 | 6.34 | 3,184,366 | 2,991,247 | 6.46 |
| Operating Profit before Taxes | 3,475,098 | 3,005,557 | 15.62 | 1,478,534 | 1,387,354 | 6.57 |
| Value Added Tax on Financial Services | 786,514 | 720,352 | 9.18 | 358,334 | 328,464 | 9.09 |
| Nation Building Tax on Financial Services | 104,869 | 97,684 | 7.36 | 47,662 | 45,432 | 4.91 |
| Debt Repayment Levy | 460,808 | - | 100.00 | 209,844 | - | 100.00 |
| Profit before Income Tax | 2,122,907 | 2,187,521 | (2.95) | 862,694 | 1,013,458 | (14.88) |
| Income Tax Expense | 641,931 | 683,807 | (6.12) | 207,203 | 272,293 | (23.90) |
| Profit for the Period | 1,480,976 | 1,503,714 | (1.51) | 655,491 | 741,165 | (11.56) |
| Profit Attributable to : | | | | | | |
| Equity Holders of the Bank | 1,464,773 | 1,486,297 | (1.45) | 647,324 | 730,375 | (11.37) |
| Non-Controlling Interest | 16,203 | 17,417 | (6.97) | 8,167 | 10,790 | (24.31) |
| Profit for the period | 1,480,976 | 1,503,714 | (1.51) | 655,491 | 741,165 | (11.56) |
| Basic/Diluted Earnings per Ordinary Share (in Rupees) | 3.88 | 3.93 | (1.45) | 1.71 | 1.93 | (11.37) |

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)

| | Group | | | Group | | |
|---|---------------------------------------|--------------------|-------------|------------------------------------|--------------------|-------------|
| | For the Six Months Ended 30th June | | | For the Quarter Ended 30th June | | |
| | 2019 | 2018 (Restated) | Growth % | 2019 | 2018 (Restated) | Growth % |
| Profit for the Period | 1,480,976 | 1,503,714 | (1.51) | 655,491 | 741,165 | (11.56) |
| <u>Items that will be reclassified to income statement</u> | | | | | | |
| Net Movement of Cash Flow Hedge Reserve | (48,197) | 9,735 | (595.09) | (18,239) | 17,482 | (204.33) |
| Net Gains/ (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | 1,508,156 | (125,642) | 1,300.36 | 855,437 | (24,123) | 3,646.15 |
| <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 | 115,012 | 184,020 | (37.50) | 42,619 | 108,518 | (60.73) |
| Other Comprehensive Income/(Loss) for the Period, Net of Taxes | 1,574,971 | 68,113 | 2,212.29 | 879,817 | 101,877 | 763.61 |
| Total Comprehensive Income for the Period | 3,055,947 | 1,571,827 | 94.42 | 1,535,308 | 843,042 | 82.12 |
| Total Comprehensive Attributable to : | | | | | | |
| Equity Holders of the Bank | 3,038,370 | 1,554,410 | 95.47 | 1,526,151 | 832,252 | 83.38 |
| Non-Controlling Interest | 17,577 | 17,417 | 0.92 | 9,157 | 10,790 | (15.13) |
| Total Comprehensive Income for the Period | 3,055,947 | 1,571,827 | 94.42 | 1,535,308 | 843,042 | 82.12 |

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 30.06.2019 | As at 31.12.2018 | Growth % | As at 30.06.2019 | As at 31.12.2018 | Growth % |
| Assets | | | | | | |
| Cash and Cash Equivalents | 7,870,490 | 12,573,611 | (37.40) | 7,870,530 | 12,573,651 | (37.40) |
| Balances with Central Bank of Sri Lanka | 15,768,722 | 18,472,275 | (14.64) | 15,768,722 | 18,472,275 | (14.64) |
| Placements with Banks and Finance Companies | 5,369,285 | - | 100.00 | 5,369,285 | - | 100.00 |
| Derivative Financial Instruments | 164,135 | 1,676,958 | (90.21) | 164,135 | 1,676,958 | (90.21) |
| Financial Assets recognized through Profit or Loss | | | | | | |
| - Measured at fair value | 5,952,051 | 4,918,336 | 21.02 | 5,957,598 | 4,923,487 | 21.00 |
| - Designated at fair value | - | - | - | - | - | - |
| Financial Assets at Amortized Cost | | | | | | |
| - Loans and Advances | 343,936,383 | 326,882,538 | 5.22 | 343,936,383 | 326,882,538 | 5.22 |
| - Debt and Other Instruments | 31,603,736 | 29,593,496 | 6.79 | 31,603,736 | 29,593,496 | 6.79 |
| Financial Assets measured at Fair Value through Other Comprehensive Income | 57,167,637 | 58,770,720 | (2.73) | 57,221,119 | 58,819,604 | (2.72) |
| Investment in Subsidiary | 1,153,602 | 1,153,602 | - | - | - | - |
| Group Balances Receivable | 57,225 | 40,600 | 40.95 | - | - | - |
| Property, Plant & Equipment | 3,674,417 | 3,739,526 | (1.74) | 6,272,389 | 6,357,092 | (1.33) |
| Leasehold Rights | 37,844 | 38,479 | (1.65) | 567,650 | 571,990 | (0.76) |
| Investment Properties | - | - | - | 839,549 | 845,138 | (0.66) |
| Intangible Assets | 533,333 | 576,091 | (7.42) | 533,333 | 576,091 | (7.42) |
| Deferred Tax Assets | - | 270,275 | (100.00) | - | 99,648 | (100.00) |
| Other Assets | 8,665,221 | 8,226,511 | 5.33 | 8,746,669 | 8,269,528 | 5.77 |
| Total Assets | 481,954,081 | 466,933,018 | 3.22 | 484,851,098 | 469,661,496 | 3.23 |
| Liabilities | | | | | | |
| Due to Banks | 28,609,720 | 26,378,781 | 8.46 | 28,609,720 | 26,378,781 | 8.46 |
| Derivative Financial Instruments | 280,409 | 145,339 | 92.93 | 280,409 | 145,339 | 92.93 |
| Financial Liabilities at Amortized Cost | | | | | | |
| - Due to Depositors | 374,708,109 | 357,560,187 | 4.80 | 374,708,109 | 357,560,187 | 4.80 |
| - Due to Debt Securities Holders | 9,640,896 | 21,094,525 | (54.30) | 9,640,896 | 21,094,525 | (54.30) |
| - Due to Other Borrowers | 26,833 | 32,018 | (16.19) | 26,833 | 32,018 | (16.19) |
| Group Balances Payable | 151,527 | 211,686 | (28.42) | - | - | - |
| Debt Securities Issued | 21,542,566 | 16,329,400 | 31.93 | 21,542,566 | 16,329,400 | 31.93 |
| Current Tax Liabilities | 414,522 | 1,209,464 | (65.73) | 376,895 | 1,185,533 | (68.21) |
| Deferred Tax Liabilities | 601,369 | - | 100.00 | 806,119 | - | 100.00 |
| Other liabilities | 8,553,211 | 9,361,819 | (8.64) | 8,669,434 | 9,472,350 | (8.48) |
| Total Liabilities | 444,529,162 | 432,323,219 | 2.82 | 444,660,981 | 432,198,133 | 2.88 |
| Equity | | | | | | |
| Stated Capital | 12,655,485 | 12,025,795 | 5.24 | 12,655,485 | 12,025,795 | 5.24 |
| Statutory Reserve Fund | 1,768,944 | 1,768,944 | - | 1,768,944 | 1,768,944 | - |
| Fair Value through Other Comprehensive Income Reserve | (513,853) | (1,879,301) | 72.66 | (545,594) | (1,914,326) | 71.50 |
| Retained Earnings | 20,671,190 | 19,798,647 | 4.41 | 21,226,180 | 20,419,229 | 3.95 |
| Other Reserves | 2,843,153 | 2,895,714 | (1.82) | 3,894,703 | 3,947,264 | (1.33) |
| Total Shareholders' Equity | 37,424,919 | 34,609,799 | 8.13 | 38,999,718 | 36,246,906 | 7.59 |
| Non - Controlling Interest | - | - | - | 1,190,399 | 1,216,457 | (2.14) |
| Total Equity | 37,424,919 | 34,609,799 | 8.13 | 40,190,117 | 37,463,363 | 7.28 |
| Total Equity & Liabilities | 481,954,081 | 466,933,018 | 3.22 | 484,851,098 | 469,661,496 | 3.23 |
| <i>Contingent Liabilities and Commitments</i> | 129,523,232 | 129,692,642 | (0.13) | 129,548,922 | 129,721,740 | (0.13) |
| <i>Memorandum Information</i> | | | | | | |
| Number of Employees | 3,424 | 3,344 | 2.39 | 3,446 | 3,366 | 2.38 |
| Number of Banking Centres | 173 | 170 | 1.76 | 173 | 170 | 1.76 |
| Net Assets Value per Ordinary Share (Rs.) | 99.08 | 94.54 | 4.80 | 103.25 | 99.01 | 4.28 |

Certification:

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

- 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.
- The information contained in these statements have been extracted from the un-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
July 29, 2019
Colombo

(Sgd.)

Kapila Ariyaratne
Director/Chief Executive Officer

Seylan Bank PLC
Statement of Changes in Equity
For the Six Months ended 30th June - 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 | |
| 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 Period | | | | | | | | |
| Profit for the Period | - | - | - | 1,516,887 | - | - | - | 1,516,887 |
| Other Comprehensive Income (net of tax) | | | | | | | | |
| - Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | (125,642) | - | (125,642) |
| - Net Gains / (Losses) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 184,020 | - | 184,020 |
| - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | 9,735 | 9,735 |
| 3 Total Comprehensive Income for the Period | - | - | - | 1,516,887 | - | 58,378 | 9,735 | 1,585,000 |
| Transactions with Equity Holders , Recognized Directly In Equity | | | | | | | | |
| Cash/Scrip Dividends to Equity Holders | 404,131 | 393,395 | - | (1,240,596) | - | - | - | (443,070) |
| Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment | - | - | - | 376,202 | (376,202) | - | - | - |
| Transferred from Investment Fund Reserve | - | - | - | 4,363 | - | - | (4,363) | - |
| Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | 238,585 | - | (238,585) | - | - |
| 4 Total Transactions with Equity Holders | 404,131 | 393,395 | - | (621,446) | (376,202) | (238,585) | (4,363) | (443,070) |
| Balance as at 30th June 2018 (2 + 3 + 4) | 7,723,207 | 4,302,588 | 1,609,484 | 17,918,103 | 866,291 | (804,986) | 2,007,617 | 33,622,304 |
| 1 Balance as at 01st January 2019 | 7,723,207 | 4,302,588 | 1,768,944 | 19,798,647 | 866,290 | (1,879,301) | 2,029,424 | 34,609,799 |
| Total Comprehensive Income for the Period | | | | | | | | |
| Profit for the Period | - | - | - | 1,530,365 | - | - | - | 1,530,365 |
| Other Comprehensive Income (net of tax) | | | | | | | | |
| - Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,503,498 | - | 1,503,498 |
| - Net Gains / (Losses) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 115,012 | - | 115,012 |
| - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | (48,197) | (48,197) |
| 2 Total Comprehensive Income for the Period | - | - | - | 1,530,365 | - | 1,618,510 | (48,197) | 3,100,678 |
| Transactions with Equity Holders , Recognized Directly In Equity | | | | | | | | |
| Cash/Scrip Dividends to Equity Holders | 316,659 | 313,031 | - | (915,248) | - | - | - | (285,558) |
| Transferred from Investment Fund Reserve | - | - | - | 4,364 | - | - | (4,364) | - |
| Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | 253,062 | - | (253,062) | - | - |
| 3 Total Transactions with Equity Holders | 316,659 | 313,031 | - | (657,822) | - | (253,062) | (4,364) | (285,558) |
| Balance as at 30th June 2019 (1 + 2 + 3) | 8,039,866 | 4,615,619 | 1,768,944 | 20,671,190 | 866,290 | (513,853) | 1,976,863 | 37,424,919 |

* 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 Six Months ended 30th June - 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 | | | | |
| 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 | Rstated 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 Period | | | | | | | | | | |
| | Profit for the Period | - | - | - | 1,486,297 | - | - | - | 1,486,297 | 17,417 | 1,503,714 |
| | Other Comprehensive Income (net of tax) | | | | | | | | | | |
| | - Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | (125,642) | - | (125,642) | - | (125,642) |
| | - Net Gains / (Losses) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 184,020 | - | 184,020 | - | 184,020 |
| | - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | 9,735 | 9,735 | - | 9,735 |
| 3 | Total Comprehensive Income for the Period | - | - | - | 1,486,297 | - | 58,378 | 9,735 | 1,554,410 | 17,417 | 1,571,827 |
| | Transactions with Equity Holders , Recognized Directly In Equity | | | | | | | | | | |
| | Cash/Script Dividends to Equity Holders | 404,131 | 393,395 | - | (1,240,596) | - | - | - | (443,070) | (39,271) | (482,341) |
| | Reversal of Revaluation Reserve on Disposed Property, Plant and Equipment Transferred from Investment Fund Reserve | - | - | - | 376,202 | (376,202) | - | - | - | - | - |
| | Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | 4,363 | - | - | (4,363) | - | - | - |
| 4 | Total Transactions with Equity Holders | 404,131 | 393,395 | - | 238,585 | (621,446) | (238,585) | (4,363) | (443,070) | (39,271) | (482,341) |
| | Balance as at 30th June 2018 (2 + 3 + 4) | 7,723,207 | 4,302,588 | 1,609,484 | 18,561,584 | 1,591,525 | (838,454) | 2,262,830 | 35,212,764 | 1,191,812 | 36,404,576 |
| 1 | Balance as at 01st January 2019 | 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 |
| | Total Comprehensive Income for the Period | | | | | | | | | | |
| | Profit for the Period | - | - | - | 1,464,773 | - | - | - | 1,464,773 | 16,203 | 1,480,976 |
| | Other Comprehensive Income (net of tax) | | | | | | | | | | |
| | - Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 1,506,782 | - | 1,506,782 | 1,374 | 1,508,156 |
| | - Net Gains / (Losses) on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income | - | - | - | - | - | 115,012 | - | 115,012 | - | 115,012 |
| | - Net Movement of Cash Flow Hedge Reserve | - | - | - | - | - | - | (48,197) | (48,197) | - | (48,197) |
| 2 | Total Comprehensive Income for the Period | - | - | - | 1,464,773 | - | 1,621,794 | (48,197) | 3,038,370 | 17,577 | 3,055,947 |
| | Transactions with Equity Holders , Recognized Directly In Equity | | | | | | | | | | |
| | Cash/Script Dividends to Equity Holders | 316,659 | 313,031 | - | (915,248) | - | - | - | (285,558) | (43,635) | (329,193) |
| | Transferred from Investment Fund Reserve | - | - | - | 4,364 | - | - | (4,364) | - | - | - |
| | Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income | - | - | - | 253,062 | - | (253,062) | - | - | - | - |
| 3 | Total Transactions with Equity Holders | 316,659 | 313,031 | - | (657,822) | - | (253,062) | (4,364) | (285,558) | (43,635) | (329,193) |
| | Balance as at 30th June 2019 (1+2 + 3) | 8,039,866 | 4,615,619 | 1,768,944 | 21,226,180 | 1,662,627 | (545,594) | 2,232,076 | 38,999,718 | 1,190,399 | 40,190,117 |

* 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

(Amounts in Rupees Thousands)

CASH FLOW STATEMENT

For the period ended 30th June

| | Bank | | Group | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Cash Flows from Operating Activities | | | | |
| Interest receipts | 26,299,237 | 22,595,873 | 26,302,850 | 22,595,271 |
| Interest payments | (16,544,059) | (13,975,915) | (16,540,795) | (13,952,300) |
| Net commission receipts | 1,953,417 | 1,955,671 | 1,950,845 | 1,953,435 |
| Trading income | 27,534 | 63,790 | 26,656 | 62,795 |
| Payments to employees | (3,093,418) | (2,797,103) | (3,111,609) | (2,817,099) |
| VAT & NBT on financial services & DRL | (1,260,698) | (1,077,579) | (1,260,698) | (1,065,300) |
| Receipts from other operating activities | 1,693,003 | 558,875 | 1,727,068 | 519,130 |
| Payments on other operating activities | (2,314,409) | (2,421,582) | (2,219,952) | (2,352,012) |
| Operating profit before changes in operating assets and liabilities | 6,760,607 | 4,902,030 | 6,874,365 | 4,943,920 |
| (Increase)/decrease in operating assets : | | | | |
| Balances with Central Bank of Sri Lanka | 2,703,553 | (65,964) | 2,703,553 | (65,964) |
| Financial assets at amortised cost - loans & advances | (17,962,503) | (24,912,552) | (17,962,503) | (24,912,552) |
| Other assets | 1,028,879 | 1,766,625 | 993,377 | 909,481 |
| Increase/(decrease) in operating liabilities : | | | | |
| Financial liabilities at amortised cost - due to depositors | 16,228,213 | 13,417,017 | 16,228,229 | 13,417,017 |
| Financial liabilities at amortised cost - due to debt securities holders | (11,450,062) | 3,448,608 | (11,450,062) | 3,448,608 |
| Financial liabilities at amortised cost - due to other borrowers | (5,185) | 2,167 | (5,185) | 2,167 |
| Other liabilities | (2,359,708) | 34,884 | (2,260,526) | 1,966,645 |
| Due to banks | 2,230,939 | (3,181,522) | 2,230,939 | (3,181,522) |
| Cash (used in)/generated from operating activities before income tax | (2,825,267) | (4,588,707) | (2,647,813) | (3,472,200) |
| Income tax paid | (1,101,196) | (754,194) | (1,101,933) | (754,744) |
| Net cash used in operating activities | (3,926,463) | (5,342,901) | (3,749,746) | (4,226,944) |
| Cash flows from investing activities | | | | |
| Purchase of property , plant & equipment | (269,220) | (259,548) | (271,193) | (265,615) |
| Improvements to investment properties | - | - | - | (1,804) |
| Proceeds from sale of property , plant & equipment | 901 | 5,309 | 901 | 5,309 |
| 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 | 8,455,144 | 7,547,898 | 8,455,144 | 7,547,898 |
| Net proceeds from sale, maturity and purchase of financial investments of shares and debentures | 367,191 | 216,995 | 362,197 | 217,788 |
| Reverse repurchase agreements maturing after 03 months | 4,032 | 7,209 | 4,032 | 7,209 |
| Net purchase of intangible assets | (32,469) | (96,554) | (32,469) | (96,554) |
| Dividend received from investment in subsidiaries | 89,725 | 84,509 | - | - |
| Dividend received from other investments | 8,140 | 24,375 | 8,140 | 24,375 |
| Proceed from Sale of Assets Held-for-Sale | - | 934,000 | - | - |
| Net cash generated from investing activities | 8,623,444 | 8,464,193 | 8,526,752 | 7,438,606 |
| Cash flows from financing activities | | | | |
| Net proceeds from the issue of subordinated debt | 5,000,000 | 6,234,000 | 4,971,000 | 6,134,000 |
| Repayment of subordinated debt | - | (2,000,000) | - | (1,950,000) |
| Interest paid on subordinated debt | (743,480) | (574,496) | (736,226) | (570,083) |
| Interest paid on un-subordinated debt | (107,443) | (125,883) | (107,443) | (121,916) |
| Dividend paid to non-controlling interest | - | - | (58,279) | (48,750) |
| Dividend paid to shareholders of the bank | (287,067) | (436,276) | (287,067) | (436,276) |
| Net cash generated from financing activities | 3,862,010 | 3,097,345 | 3,781,985 | 3,006,975 |
| Net increase / (decrease) in cash and cash equivalents | 8,558,991 | 6,218,637 | 8,558,991 | 6,218,637 |
| Cash and cash equivalents at beginning of the year | 25,401,673 | 16,073,851 | 25,401,713 | 16,073,891 |
| Cash and cash equivalents at end of the Period | 33,960,664 | 22,292,488 | 33,960,704 | 22,292,528 |
| Reconciliation of cash and cash equivalents | | | | |
| Cash and cash equivalents | 7,877,687 | 8,891,617 | 7,877,727 | 8,891,657 |
| Placements with banks and finance companies | 5,396,266 | - | 5,396,266 | - |
| Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within 03 months | 10,657,026 | 12,443,814 | 10,657,026 | 12,443,814 |
| Securities purchased under resale agreements maturing within 03 months | 10,029,685 | 957,057 | 10,029,685 | 957,057 |
| | 33,960,664 | 22,292,488 | 33,960,704 | 22,292,528 |

EXPLANATORY NOTES

1. General

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

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report except the initial adoption of SLFRS 16 - Leases on 1 January 2019.

SLFRS 16 requires recognizing lease liabilities and right-of-use assets for certain leases classified as operating leases under LKAS 17 Leases (Previous Standard).

Interim Financial Statements for the quarter ended 30/06/2018 have been restated by incorporating the impact on adopting SLFRS 9 on 1 January 2018. The Bank has previously prepared Interim Financial Statements for the quarter ended 30/06/2018 based on "LKAS 39 – Financial Instruments: Recognition and Measurement" as permitted by the Statement of Alternative Treatment (SoAT), on the figures in the "Interim Financial Statements" issued by CA Sri Lanka.

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 provide 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%).

2. Information on Ordinary Shares

| Market Price (Rs.) | 30/06/2019 | | 30/06/2018 | |
|--|------------|--------------|------------|--------------|
| | Voting | Non Voting | Voting | Non Voting |
| Market Price Per Share | 50.50 | 30.70 | 81.00 | 49.00 |
| Highest price per share during the quarter ended | 69.90 | 41.50 | 90.00 | 59.00 |
| Lowest price per share during the quarter ended | 47.00 | 30.00 | 77.00 | 48.00 |

3. Shareholders Information

3.1 Twenty Largest Ordinary Voting Shareholders as at June 30, 2019

| | No. of Shares | % |
|--|---------------|-------|
| 1 Sri Lanka Insurance Corporation Ltd [includes Sri Lanka Insurance Corporation Ltd (General Fund) and Sri Lanka Insurance Corporation Ltd (Life Fund)] | 28,291,256 | 15.00 |
| 2 Brown & Company PLC A/C No. 1 | 26,169,291 | 13.87 |
| 3 Employees Provident Fund | 18,592,097 | 9.86 |
| 4 LOLC Investments Ltd | 18,014,952 | 9.55 |
| 5 National Development Bank PLC A/C No.02 | 16,455,821 | 8.72 |
| 6 Bank of Ceylon No.1 Account | 14,145,629 | 7.50 |
| 7 Mr. R S Captain | 11,376,889 | 6.03 |
| 8 Employees Trust Fund Board | 4,010,640 | 2.13 |
| 9 Mr. S E Captain | 3,813,079 | 2.02 |
| 10 Seyfest (Private) Limited | 3,234,555 | 1.71 |
| 11 Ms. L A Captain | 2,653,793 | 1.41 |
| 12 Sesot (Private) Limited | 2,442,622 | 1.30 |
| 13 Seyshop (Private) Limited | 2,320,860 | 1.23 |
| 14 Seybest (Private) Limited | 2,320,860 | 1.23 |
| 15 Esots (Private) Limited | 2,302,315 | 1.22 |
| 16 Ambeon Holdings PLC | 2,228,394 | 1.18 |
| 17 NDB Capital Holdings Limited A/C No. .02 | 1,910,362 | 1.01 |
| 18 AIA Insurance Lanka PLC A/C No. 07 | 1,734,891 | 0.92 |
| 19 N P Capital Ltd | 1,349,919 | 0.72 |
| 20 Mr. K R B Fernando | 1,088,123 | 0.58 |

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at June 30, 2019

| | | | |
|----|--|------------|-------|
| 1 | LOLC Holdings PLC | 83,080,731 | 43.93 |
| 2 | Employee Provident Fund | 10,087,023 | 5.33 |
| 3 | Akbar Brothers Pvt Ltd A/C No 1 | 4,061,408 | 2.15 |
| 4 | Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund | 3,492,766 | 1.85 |
| 5 | Asset line Leasing Co. Ltd/Don & Don Holdings Pvt Ltd | 3,299,146 | 1.74 |
| 6 | Pershing LLC S/A Averbach Grauson & Co | 3,205,414 | 1.70 |
| 7 | Mr. E Thavagnanasooriyam & Mr. E Thawagnasundaram | 3,100,000 | 1.64 |
| 8 | Employee Trust Fund Board | 3,008,630 | 1.59 |
| 9 | First Capital Ltd | 2,781,131 | 1.47 |
| 10 | J B Cocoshell (Pvt) Ltd | 2,550,238 | 1.35 |
| 11 | Merrill J Fernando & Sons(Pvt) Ltd | 2,100,619 | 1.11 |
| 12 | Mr. N Balasingam | 1,972,634 | 1.04 |
| 13 | Mr. R R Leon | 1,667,337 | 0.88 |
| 14 | LOLC Technology Services Ltd | 1,646,856 | 0.87 |
| 15 | Mrs. P Thavarajah | 1,250,000 | 0.66 |
| 16 | Dr. S Yaddehige | 1,185,982 | 0.63 |
| 17 | Mr. R. Gautam | 1,097,124 | 0.58 |
| 18 | Mr. D N N Lokuge | 1,008,337 | 0.53 |
| 19 | SSBT-Deutsche Bank AG Singapore A/C 01 | 960,840 | 0.51 |
| 20 | Mr. A P Somasiri | 959,992 | 0.51 |

3.3 Public Holding as at June 30, 2019

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 | - LKR 5.172Bn |
| Public Holding Percentage | - 54.30 % |
| Number of Public Shareholders | - 9,132 |

4. Directors' and Chief Executive Officer's Shareholdings as at June 30, 2019

| <u>Name of Director</u> | <u>No of Shares</u> (Ordinary Voting) | <u>No of Shares</u> (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 | 39,140 | 151,078 |
| Mr. P L S K Perera, Independent Director | Nil | Nil |
| Mr. S V Corea, Non-Executive Director | 97 | 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, Alternate Director to Non-Executive Director Mr W D K Jayawardena | Nil | Nil |

| 5. Stated Capital as at June 30, 2019 | 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 |
| 4,504,394 Voting Ordinary Shares @ Rs. 70/30 each | 316,659 |
| 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 |
| 7,114,354 Non-Voting Ordinary Shares @ Rs. 44/- each | 313,031 |
| Less: Issue Expenses | (181,581) |
| | <u>12,655,485</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 six months ended June 30, 2019. 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 30th June 2018 has been restated based on the no of shares issued for scrip dividend 2018.

7. Events after the Reporting Date

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

8. Other Matters

- i. The Bank has not recognized an additional gratuity liability in the financial statements 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.164 Mn. (net of tax) as at 30.06.2019

iii Debenture Issue (BASEL III Compliant)

The Bank proceeded with a Debenture Issue of Thirty Million (30,000,000) fully paid, BASEL III compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a non-convertible conversion of the par value of Rupees Hundred each (Rs.100/-) aggregating up to a value of Rupees Three Billion (Rs.3,000,000,000/-) with an option to issue further Twenty Million (20,000,000) of such Debentures in the event of an oversubscription with the total value of the debentures in such event aggregating to Rupees Five Billion (Rs.5,000,000,000/-). The issue was completed and 50,000,000 Debentures amounting to Rs.5,000,000,000/- were allotted to the investors on 18th April 2019.

Debenture Issue Proceeds Utilization as at 30.06.2019

| Objective Number | Objective as per Prospectus | Proposed date of utilization as per prospectus | Amount allocated from proceeds in LKR(A) | % of total proceeds | Amount utilized in LKR (B) | % of Utilized against allocation (B/A) | Details, if not fully utilized |
|------------------|--|---|--|---------------------|----------------------------|--|--------------------------------|
| 1 | To strengthen the Tier 2 Capital base of the Bank as per BASEL III requirement | With effect from the Date of Allotment * | } 5 Bn | 100 | 5 Bn | 100 | N/A |
| 2 | To meet the current credit demand (loans and advances) of the Bank. | Within 12 months from the date of the allotment. or 31/12/2019 whichever is earlier | | | | | |

* Incorporated for the Capital Adequacy as at 30.06.2019.

9. Comparative Figures

Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation.

The following line items of the Interim Financial Statements for the six months ended 30.06.2018 were restated due to the adoption of SLFRS 9 and the circular No. 02 of 2019 issued by the Bank Supervision Department of the Central Bank of Sri Lanka.

For the Six Months Ended 30.06.2018 –Bank

| | Restated LKR'000 | As Reported Previously LKR' 000 |
|---|---------------------|---------------------------------------|
| Interest Income | 23,290,102 | 23,267,082 |
| Net gains/ (losses) from trading/Net fair value | | |
| Gains/ (losses) from financial instruments at fair value through profit or loss | 116,041 | 283,339 |
| Net Exchange Income | - | 94,359 |
| Net Other Operating income | 457,808 | 189,153 |
| Impairment Charges | 2,228,918 | 1,341,569 |
| Value Added Tax on Financial Services | 732,631 | 842,545 |
| Nation Building Tax on Financial Services | 97,684 | 112,339 |
| Profit before Tax | 2,165,262 | 2,898,024 |
| Tax Expenses | 648,375 | 888,428 |
| Profit for the Period | 1,516,887 | 2,009,596 |
| Other Comprehensive Income for the Period Net of Taxes | 68,113 | (163,474) |
| Total Comprehensive Income for the Period | 1,585,000 | 1,846,122 |

* Group Financial Statements also have been restated accordingly

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. Seylan Bank PLC
Segment Reporting (Group)

(Amounts in Rupee Thousands)

| | Banking | | Treasury | | Property/ Investments | | Unallocated/ Eliminations | | Total | |
|---|------------|--------------------------|------------|--------------------------|-----------------------|--------------------------|---------------------------|--------------------------|------------|--------------------------|
| | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) |
| Interest Income | 22,390,602 | 19,149,326 | 3,646,249 | 2,989,956 | 14,496 | 32,222 | 1,329,786 | 1,117,996 | 27,381,133 | 23,289,500 |
| Interest Expense | 16,032,041 | 12,706,562 | 2,444,552 | 1,925,079 | 365 | 829 | 4,176 | (30,543) | 18,481,134 | 14,601,927 |
| Net Interest Income | 6,358,561 | 6,442,764 | 1,201,697 | 1,064,877 | 14,131 | 31,393 | 1,325,610 | 1,148,539 | 8,899,999 | 8,687,573 |
| Fee and Commission Income | 2,056,772 | 2,047,737 | - | 264 | - | - | 731 | 47 | 2,057,503 | 2,048,048 |
| Fee and Commission Expense | 93,126 | 77,103 | 11,142 | 15,492 | 2,390 | 2,018 | - | - | 106,658 | 94,613 |
| Net Fee and Commission Income | 1,963,646 | 1,970,634 | (11,142) | (15,228) | (2,390) | (2,018) | 731 | 47 | 1,950,845 | 1,953,435 |
| Net gains/(losses) from Trading / Net fair value gains/(losses) from Financial Instruments at Fair Value through Profit or Loss | - | - | (632,257) | 116,041 | (481) | (995) | - | - | (632,738) | 115,046 |
| Net Gains/(Losses) from Derecognition of Financial Assets at Fair Value through Other Comprehensive Income | - | - | 150,498 | 35,532 | - | - | - | - | 150,498 | 35,532 |
| Net Other Operating Income | (647,884) | (254,390) | 1,892,272 | 476,515 | 148,085 | 136,282 | (203,949) | 59,656 | 1,188,524 | 418,063 |
| Inter Segment Revenue | (79,873) | (119,222) | 39,893 | 82,159 | - | - | 39,980 | 37,063 | - | - |
| Total Operating Income | 7,594,450 | 8,039,786 | 2,640,961 | 1,759,896 | 159,345 | 164,662 | 1,162,372 | 1,245,305 | 11,557,128 | 11,209,649 |
| Depreciation and Amortisation Charge | 419,920 | 216,803 | 1,953 | 1,048 | 456 | 438 | 306,859 | 173,038 | 729,188 | 391,327 |
| Impairment Charge for the Period | 1,707,181 | 2,240,541 | 20,954 | (10,118) | (16) | - | - | (1,505) | 1,728,119 | 2,228,918 |
| Operating Expenses, VAT, NBT & DRL | 4,722,291 | 4,498,888 | 1,201,455 | 717,441 | 39,435 | 38,434 | 1,013,733 | 1,147,120 | 6,976,914 | 6,401,883 |
| Reportable Segment Profit Before Income Tax | 745,058 | 1,083,554 | 1,416,599 | 1,051,525 | 119,470 | 125,790 | (158,220) | (73,348) | 2,122,907 | 2,187,521 |
| Income Tax Expense | | | | | | | | | 641,931 | 683,807 |
| Profit For The Period | | | | | | | | | 1,480,976 | 1,503,714 |
| Profit Attributable To: | | | | | | | | | | |
| Equity Holders of The Bank | | | | | | | | | 1,464,773 | 1,486,297 |
| Non-Controlling Interests | | | | | | | | | 16,203 | 17,417 |
| Profit For The Period | | | | | | | | | 1,480,976 | 1,503,714 |
| Other Comprehensive Income, Net of Income Tax | | | | | | | | | 1,574,971 | 68,113 |

10. Seylan Bank PLC
Segment Reporting (Group)

(Amounts in Rupee Thousands)

| | Banking | | Treasury | | Property/ Investments | | Unallocated/ Eliminations | | Total | |
|--------------------------------------|-------------|--------------------------|-------------|--------------------------|-----------------------|--------------------------|---------------------------|--------------------------|-------------|--------------------------|
| | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) | 30.06.2019 | 30.06.2018 (Restated) |
| Other Information | | | | | | | | | | |
| Total Assets | 335,069,097 | 298,315,310 | 120,484,099 | 106,220,123 | 5,647,121 | 5,482,815 | 23,650,781 | 20,658,086 | 484,851,098 | 430,676,334 |
| Total Liabilities & Equity | 392,080,733 | 341,174,157 | 58,493,258 | 57,709,042 | 5,647,121 | 5,482,815 | 28,629,986 | 26,310,320 | 484,851,098 | 430,676,334 |
| Cash Flows from Operating Activities | (5,604,334) | (6,541,786) | 1,418,552 | 1,028,470 | 96,087 | 102,132 | 339,949 | 1,184,240 | (3,749,746) | (4,226,944) |
| Cash Flows from Investing Activities | (274,398) | 518,425 | 8,744,406 | 7,689,463 | (60,625) | (958,015) | 117,369 | 188,733 | 8,526,752 | 7,438,606 |
| Cash Flows from Financing Activities | - | - | 4,149,077 | 3,533,621 | (147,965) | (133,168) | (219,127) | (393,478) | 3,781,985 | 3,006,975 |
| Capital Expenditure | (232,717) | (225,465) | (5,261) | (2,074) | (1,973) | (7,872) | (63,711) | (126,758) | (303,662) | (362,169) |

Seylan Bank PLC
11 Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)

| 30.06.2019 | | | |
|--|---|---|--------------------|
| 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 |
| Assets | | | |
| Cash and Cash Equivalents | - | 7,870,490 | 7,870,490 |
| Balances with Central Bank of Sri Lanka | - | 15,768,722 | 15,768,722 |
| Placements with Banks and Finance Companies | - | 5,369,285 | 5,369,285 |
| Derivative Financial Instruments | 164,135 | - | 164,135 |
| Securities Purchased under Resale Agreements | - | 10,030,614 | 10,030,614 |
| Customer Loans and Advances | - | 343,936,383 | 343,936,383 |
| Debt Instruments | - | 122,716 | 122,716 |
| Equity Instruments | - | 1,486,012 | 1,486,012 |
| Government Securities | 5,952,051 | 55,558,909 | 61,510,960 |
| Group Balances Receivable | - | 57,225 | 57,225 |
| Other Financial Assets | - | 5,151,203 | 5,151,203 |
| Total Financial Assets | 6,116,186 | 57,167,637 | 409,757,044 |
| Liabilities | | | |
| Due to Banks | - | 28,609,720 | 28,609,720 |
| Derivative Financial Instruments | 280,409 | - | 280,409 |
| Due to Depositors | - | 374,708,109 | 374,708,109 |
| Securities Sold under Repurchase Agreements | - | 9,640,896 | 9,640,896 |
| Due to Other Borrowers | - | 26,833 | 26,833 |
| Group Balances Payable | - | 151,527 | 151,527 |
| Debt Securities Issued | - | 21,542,566 | 21,542,566 |
| Other Financial Liabilities | - | 6,826,576 | 6,826,576 |
| Total Financial Liabilities | 280,409 | 441,506,227 | 441,786,636 |

| 31.12.2018 | | | |
|--|---|---|--------------------|
| 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 |
| Assets | | | |
| 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 | 118,012 |
| Equity Instruments | - | 1,660,158 | 1,660,158 |
| Government Securities | 4,918,336 | 56,992,550 | 61,910,886 |
| Group Balances Receivable | - | 40,600 | 40,600 |
| Other Financial Assets | - | 6,106,130 | 6,106,130 |
| Total Financial Assets | 6,595,294 | 58,770,720 | 459,034,664 |
| Liabilities | | | |
| 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 | - | 7,796,332 | 7,796,332 |
| Total Financial Liabilities | 145,339 | 429,402,929 | 429,548,268 |

Seylan Bank PLC

11 Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)

| 30.06.2019 | | | |
|--|---|---|--------------------|
| 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 |
| Assets | | | |
| Cash and Cash Equivalents | - | 7,870,530 | 7,870,530 |
| Balances with Central Bank of Sri Lanka | - | 15,768,722 | 15,768,722 |
| Placements with Banks and Finance Companies | - | 5,369,285 | 5,369,285 |
| Derivative Financial Instruments | 164,135 | - | 164,135 |
| Securities Purchased under Resale Agreements | - | 10,030,614 | 10,030,614 |
| Customer Loans and Advances | - | 343,936,383 | 343,936,383 |
| Debt Instruments | - | 669,978 | 846,176 |
| Equity Instruments | 5,547 | 1,486,012 | 1,491,559 |
| Government Securities | 5,952,051 | 20,903,144 | 82,414,104 |
| Other Financial Assets | - | 5,189,510 | 5,189,510 |
| Total Financial Assets | 6,121,733 | 409,738,166 | 473,081,018 |
| Liabilities | | | |
| Due to Banks | - | 28,609,720 | 28,609,720 |
| Derivative Financial Instruments | 280,409 | - | 280,409 |
| Due to Depositors | - | 374,708,109 | 374,708,109 |
| Securities Sold under Repurchase Agreements | - | 9,640,896 | 9,640,896 |
| Due to Other Borrowers | - | 26,833 | 26,833 |
| Debt Securities Issued | - | 21,542,566 | 21,542,566 |
| Other Financial Liabilities | - | 6,874,909 | 6,874,909 |
| Total Financial Liabilities | 280,409 | 441,403,033 | 441,683,442 |

| 31.12.2018 | | | |
|--|---|---|--------------------|
| 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 |
| Assets | | | |
| 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 | - | 752,003 | 918,899 |
| Equity Instruments | 5,151 | 1,660,158 | 1,665,309 |
| Government Securities | 4,918,336 | 23,379,326 | 85,290,212 |
| Other Financial Assets | - | 6,136,198 | 6,136,198 |
| Total Financial Assets | 6,600,445 | 393,658,158 | 459,078,207 |
| Liabilities | | | |
| 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 |
| Total Financial Liabilities | 145,339 | 429,222,001 | 429,367,340 |

Seylan Bank PLC

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

(Amounts in Rupees Thousands)

| | Bank | | Group | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 30.06.2019 | As at 31.12.2018 | As at 30.06.2019 | As at 31.12.2018 |
| 12.1 Product-wise Gross Loans & Advances | | | | |
| By product - Domestic Currency | | | | |
| Export Bills | 959 | - | 959 | - |
| Import Bills | 344,123 | 636,183 | 344,123 | 636,183 |
| Local Bills | 55,051 | 77,844 | 55,051 | 77,844 |
| Lease Rentals Receivable | 19,249,949 | 18,904,050 | 19,249,949 | 18,904,050 |
| Overdrafts | 59,558,044 | 61,716,516 | 59,558,044 | 61,716,516 |
| Revolving Import Loans | 13,884,785 | 13,341,077 | 13,884,785 | 13,341,077 |
| Packing Credit Loans | 3,532,195 | 2,805,240 | 3,532,195 | 2,805,240 |
| Trust Receipt Loans | 2,359,414 | 2,702,264 | 2,359,414 | 2,702,264 |
| Staff Loans | 6,892,408 | 6,497,835 | 6,892,408 | 6,497,835 |
| Housing Loans | 16,310,383 | 15,518,085 | 16,310,383 | 15,518,085 |
| Pawning Receivables | 11,754,016 | 11,661,946 | 11,754,016 | 11,661,946 |
| Refinance Loans | 4,655,792 | 3,321,294 | 4,655,792 | 3,321,294 |
| Credit Cards | 6,345,517 | 6,180,328 | 6,345,517 | 6,180,328 |
| Margin Trading | 2,330,121 | 2,453,096 | 2,330,121 | 2,453,096 |
| Factoring | 2,346,894 | 2,161,148 | 2,346,894 | 2,161,148 |
| Term Loans | 168,336,189 | 151,140,641 | 168,336,189 | 151,140,641 |
| Total | 317,955,840 | 299,117,547 | 317,955,840 | 299,117,547 |
| By product - Foreign Currency | | | | |
| Export Bills | 2,724,079 | 3,538,191 | 2,724,079 | 3,538,191 |
| Import Bills | 474,757 | 407,074 | 474,757 | 407,074 |
| Local Bills | 28,461 | 42,947 | 28,461 | 42,947 |
| Overdrafts | 489,881 | 972,118 | 489,881 | 972,118 |
| Revolving Import Loans | 791,081 | 394,283 | 791,081 | 394,283 |
| Packing Credit Loans | 8,611,585 | 8,570,902 | 8,611,585 | 8,570,902 |
| Housing Loans | 186,477 | 171,441 | 186,477 | 171,441 |
| Term Loans | 23,025,287 | 23,560,567 | 23,025,287 | 23,560,567 |
| Total | 36,331,608 | 37,657,523 | 36,331,608 | 37,657,523 |
| Gross Loans and Advances | 354,287,448 | 336,775,070 | 354,287,448 | 336,775,070 |
| 12.2 Product-wise Commitments and Contingencies | | | | |
| By product - Domestic Currency | | | | |
| Commitments | | | | |
| Undrawn Credit Lines | 64,334,106 | 62,476,628 | 64,334,106 | 62,476,628 |
| Capital Commitments | 841,522 | 364,181 | 867,212 | 395,045 |
| Contingencies | | | | |
| Acceptances | 124,624 | 233,853 | 124,624 | 233,853 |
| Standby Letters of Credit | 12,000 | 12,000 | 12,000 | 12,000 |
| Guarantees | 30,005,421 | 29,664,071 | 30,005,421 | 29,662,305 |
| Documentary Credit | 383,932 | 295,460 | 383,932 | 295,460 |
| Bills for Collection | 365,111 | 241,218 | 365,111 | 241,218 |
| Forward Exchange Contracts (Net) | (12,464,613) | (11,702,034) | (12,464,613) | (11,702,034) |
| Total | 83,602,103 | 81,585,377 | 83,627,793 | 81,614,475 |
| By product - Foreign Currency | | | | |
| Commitments | | | | |
| Undrawn Credit Lines | 10,181,573 | 10,117,964 | 10,181,573 | 10,117,964 |
| Capital Commitments | 164,635 | 586,239 | 164,635 | 586,239 |
| Contingencies | | | | |
| Acceptances | 8,348,371 | 10,982,506 | 8,348,371 | 10,982,506 |
| Standby Letters of Credit | 496,050 | 512,454 | 496,050 | 512,454 |
| Guarantees | 1,320,257 | 1,013,344 | 1,320,257 | 1,013,344 |
| Documentary Credit | 10,987,799 | 9,515,862 | 10,987,799 | 9,515,862 |
| Bills for Collection | 2,340,402 | 2,411,544 | 2,340,402 | 2,411,544 |
| Forward Exchange Contracts (Net) | 12,082,042 | 12,967,352 | 12,082,042 | 12,967,352 |
| Total | 45,921,129 | 48,107,265 | 45,921,129 | 48,107,265 |
| Total Commitments and Contingencies | 129,523,232 | 129,692,642 | 129,548,922 | 129,721,740 |

Seylan Bank PLC

Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands)

| | Bank | | Group | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 30.06.2019 | As at 31.12.2018 | As at 30.06.2019 | As at 31.12.2018 |

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

| | | | | |
|--|---|--|---|--|
| Gross Loans and Advances, Commitments and Contingencies | 483,810,680 | 466,467,712 | 483,836,370 | 466,496,810 |
| Less : Accumulated Impairment under Stage 1 | 1,015,431 | 862,303 | 1,015,431 | 862,303 |
| Accumulated Impairment under Stage 2 | 1,522,963 | 820,746 | 1,522,963 | 820,746 |
| Accumulated Impairment under Stage 3 | 8,112,488 | 8,473,518 | 8,112,488 | 8,473,518 |
| Net Loans & Advances, Commitments and Contingencies | 473,159,798 | 456,311,145 | 473,185,488 | 456,340,243 |
| Movement of Impairment during the Period | Fom 01.01.2019 to 30.06.2019 | From 01.01.2018 to 31.12.2018 | Fom 01.01.2019 to 30.06.2019 | From 01.01.2018 to 31.12.2018 |
| Stage 1 | | | | |
| Opening Balance as at 01st January | 862,303 | 929,724 | 862,303 | 929,724 |
| Charge/(Write back) to income statement | 153,128 | (67,421) | 153,128 | (67,421) |
| Closing Balance | 1,015,431 | 862,303 | 1,015,431 | 862,303 |
| Stage 2 | | | | |
| Opening Balance as at 01st January | 820,746 | 307,129 | 820,746 | 307,129 |
| Charge/(Write back) to income statement | 702,217 | 513,617 | 702,217 | 513,617 |
| Closing Balance | 1,522,963 | 820,746 | 1,522,963 | 820,746 |
| Stage 3 | | | | |
| Opening Balance as at 01st January | 8,473,518 | 6,719,868 | 8,473,518 | 6,719,868 |
| Charge/(Write back) to income statement | 866,167 | 3,069,660 | 866,167 | 3,069,660 |
| Reversal for Write-off during the period | (965,196) | (779,928) | (965,196) | (779,928) |
| Interest Accrued on Impaired Loans and Advances | (262,001) | (536,082) | (262,001) | (536,082) |
| Other Movement | - | - | - | - |
| Closing Balance | 8,112,488 | 8,473,518 | 8,112,488 | 8,473,518 |
| Total Impairment | 10,650,882 | 10,156,567 | 10,650,882 | 10,156,567 |

13 Analysis of Deposits

(Amounts in Rupees Thousands)

| Deposits - By product | Bank | | Group | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 30.06.2019 | As at 31.12.2018 | As at 30.06.2019 | As at 31.12.2018 |
| By product - Domestic Currency | | | | |
| Demand Deposits | 16,882,334 | 16,885,181 | 16,882,334 | 16,885,181 |
| Savings Deposits | 72,905,720 | 70,292,893 | 72,905,720 | 70,292,893 |
| Fixed Deposits | 243,489,843 | 228,459,323 | 243,489,843 | 228,459,323 |
| Certificate of Deposits | 2,789,998 | 2,655,070 | 2,789,998 | 2,655,070 |
| Total | 336,067,895 | 318,292,467 | 336,067,895 | 318,292,467 |
| By product - Foreign Currency | | | | |
| Demand Deposits | 4,188,045 | 5,485,326 | 4,188,045 | 5,485,326 |
| Savings Deposits | 10,588,209 | 10,451,956 | 10,588,209 | 10,451,956 |
| Fixed Deposits | 23,863,960 | 23,330,438 | 23,863,960 | 23,330,438 |
| Total | 38,640,214 | 39,267,720 | 38,640,214 | 39,267,720 |
| Total Deposits | 374,708,109 | 357,560,187 | 374,708,109 | 357,560,187 |

| | CURRENT PERIOD 01-Apr-19 to 30-Jun-19 | COMPARATIVE PERIOD 01-Apr-18 to 30-Jun-18 (Restated) |
|--|--|--|
| Debt (Debentures) / Equity Ratio (Times) | 0.58 | 0.47 |
| Debt (Debentures plus Long term Debt) / Equity Ratio (Times) | 0.87 | 0.79 |
| Interest Cover (Times) | 2.94 | 3.67 |
| Quick Asset Ratio (Times) | 0.76 | 0.78 |
| 2014 Issue | | |
| Market Prices during April to June (Ex Interest) | | |
| 4 Year Fixed Semi Annual - 8.00% p.a.(Debenture matured on 22/12/2018) | - | * |
| 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. | * | * |
| - Highest Price | 85.00 | |
| - Lowest Price | 85.00 | |
| - Last Traded Price (04/06/2019)/* | 85.00 | |
| Interest Yield as at Date of Last Trade | | |
| 4 Year Fixed Semi Annual - 8.00% p.a.(Debenture matured on 22/12/2018) | - | * |
| 5 Years Semi Annual - 8.35% p.a. | * | * |
| 5 Years Annual - 8.60% p.a. | * | * |
| 6 Years Semi Annual - 8.60% p.a. | * | * |
| 6 Years Annual - 8.75% p.a.(04/06/2019)/* | 10.29% | * |
| Yield to Maturity of Trade Done on | | |
| 4 Year Fixed Semi Annual - 8.00% p.a.(Debenture matured on 22/12/2018) | - | * |
| 5 Years Semi Annual - 8.35% p.a. | * | * |
| 5 Years Annual - 8.60% p.a. | * | * |
| 6 Years Semi Annual - 8.60% p.a. | * | * |
| 6 Years Annual - 8.75% p.a.(04/06/2019)/* | 20.88% | * |
| Interest Rate of Comparable Government Security | | |
| - 4 Years (Debenture matured on 22/12/2018) | - | 8.71% |
| - 5 Years | 8.38% | 9.56% |
| - 6 Years | 8.85% | 9.91% |
| 2016 Issue | | |
| Market Prices during April to June (Ex Interest) | | |
| 5 Year Fixed Semi Annual - 13.00% p.a | | * |
| - Highest Price | 100.00 | |
| - Lowest Price | 100.00 | |
| - Last Traded Price (21/06/2019)/* | 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 | 102.61 | |
| - Lowest Price | 102.00 | |
| - Last Traded Price (11/06/2019)/* | 102.61 | |
| Interest Yield as at Date of Last Trade | | |
| 5 Year Fixed Semi Annual - 13.00% p.a (21/06/2019)/* | 13.42% | * |
| 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% | * | * |
| 7 Year Fixed Semi Annual - 13.75% p.a (11/06/2019)/* | 13.86% | * |
| Yield to Maturity of Trade Done on | | |
| 5 Year Fixed Semi Annual - 13.00% p.a (21/06/2019)/* | 12.99% | * |
| 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% | * | * |
| 7 Year Fixed Semi Annual - 13.75% p.a (11/06/2019)/* | 12.90% | * |
| Interest Rate of Comparable Government Security | | |
| - 5 Years | 9.18% | 10.02% |
| - 7 Years | 9.86% | 10.47% |
| 2018 Issue | | |
| Market Prices during April to June (Ex Interest) | | |
| 5 Year Fixed Semi Annual - 12.85% p.a | | |
| - Highest Price | 99.81 | 100.06 |
| - Lowest Price | 99.81 | 100.06 |
| - Last Traded Price (11/06/2019)/* | 99.81 | 100.06 |
| 7 Year Fixed Semi Annual - 13.20% p.a. | | * |
| - Highest Price | 99.00 | |
| - Lowest Price | 99.00 | |
| - Last Traded Price (07/05/2019)/* | 99.00 | |
| 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 (11/06/2019)/* | 13.29% | 13.25% |
| 7 Year Fixed Semi Annual - 13.20% p.a.(07/05/2019)/* | 13.77% | * |
| 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 (11/06/2019)/* | 12.90% | 12.83% |
| 7 Year Fixed Semi Annual - 13.20% p.a.(07/05/2019)/* | 13.44% | * |
| 10 Year Fixed Semi Annual - 13.50% p.a | - | * |
| Interest Rate of Comparable Government Security | | |
| - 5 Years | 9.88% | 10.47% |
| - 7 Years | 10.21% | 10.51% |
| - 10 Years | 10.42% | 10.65% |
| 2019 Issue (Debenture allotted on 18/04/2019) | | |
| Market Prices during April to June (Ex Interest) | | |
| 5 Year Fixed Semi Annual - 15.00% p.a | * | |
| 5 Year Fixed Semi Annual - 14.50% p.a. | | |
| - Highest Price | 100.73 | |
| - Lowest Price | 100.72 | |
| - Last Traded Price (17/05/2019) | 100.72 | |
| Interest Yield as at Date of Last Trade | | |
| 5 Year Fixed Semi Annual - 15.00% p.a | * | |
| 5 Year Fixed Semi Annual - 14.50% p.a. (17/05/2019) | 14.92% | |
| Yield to Maturity of Trade Done on | | |
| 5 Year Fixed Semi Annual - 15.00% p.a | - | |
| 5 Year Fixed Semi Annual - 14.50% p.a. (17/05/2019) | 14.28 | |
| Interest Rate of Comparable Government Security | | |
| - 5 Years | 9.99% | |

* No trading during the period.

Seylan Bank PLC

Selected Performance Indicators

| Item | Bank | | Group | |
|--|------------|------------|------------|------------|
| | 30.06.2019 | 31.12.2018 | 30.06.2019 | 31.12.2018 |
| Regulatory Capital (LKR Mn.) | | | | |
| Common Equity Tier I | 33,244 | 33,486 | 34,082 | 34,325 |
| Total (Tier I) Capital | 33,244 | 33,486 | 34,082 | 34,325 |
| Total Capital Base | 47,299 | 43,682 | 48,008 | 44,370 |
| Regulatory Capital Ratios (%) | | | | |
| Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00% / 2018 - 6.375%) | 9.54 | 10.20 | 9.70 | 10.37 |
| Total Tier I Capital Ratio (Minimum Requirement - 8.50% / 2018 - 7.875%) | 9.54 | 10.20 | 9.70 | 10.37 |
| Total Capital Ratio (Minimum Requirement - 12.50% / 2018 - 11.875%) | 13.58 | 13.30 | 13.66 | 13.40 |
| Regulatory Liquidity | | | | |
| Statutory Liquid Assets (LKR Mn.) | 95,455 | 86,367 | | |
| Domestic Banking Unit (LKR Mn.) | 91,365 | 80,722 | | |
| Offshore Banking Unit (USD '000) | 30,312 | 31,468 | | |
| Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %) | | | | |
| Domestic Banking Unit | 22.38 | 21.44 | | |
| Offshore Banking Unit | 22.42 | 22.08 | | |
| Total Stock of High-Quality Liquid Assets (LKR Mn.) | 65,499 | 54,800 | | |
| Liquidity Coverage Ratio % | | | | |
| Rupee - (Minimum Requirement - 100% / 2018 - 90%) | 147.18 | 128.76 | | |
| All Currency - (Minimum Requirement - 100% / 2018 - 90%) | 115.29 | 92.15 | | |
| Net Stable Funding Ratio (%) (Minimum Requirement - 90%) | 109.67 | 110.00 | | |
| Assets Quality (Quality of Loan Portfolio) | | | | |
| Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense) | 6.49 | 5.98 | | |
| Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision) | 4.63 | 4.40 | | |
| Profitability | | | | |
| Interest Margin (%) | 4.13 | 4.24 | | |
| Return on Assets (before Tax) (%) | 0.89 | 1.07 | | |
| Return on Equity (%) | 8.51 | 9.27 | | |