



Seylan Bank PLC

Interim Financial Statements

For the 09 Months Ended 30th September 2023

Seylan Bank records a remarkable Profit after Tax (PAT) of LKR 4.49 Bn for the nine months ended 30 September 2023.

Financial Highlights

- Profit before Income Tax - LKR 7,181 Mn up by 100.75%.
- Overall Statutory Liquid Assets Ratio (SLAR) of 39.10% as at 30th September 2023.
- Total Capital Adequacy Ratio of 15.29% as at 30th September 2023.

Seylan Bank recorded a Profit after Tax of LKR 4,496 Million for the 9 months ended 30th September 2023 with a striking growth of 79.47% against LKR 2,505 Million reported in the corresponding period of 2022 despite challenging market & economic conditions that prevailed during the period.

Statement of Financial Performance

Net Interest income increased from LKR 27,960 Million to LKR 30,554 Million, a growth of 9.28% over the previous year, for the 9 months ended 30th September 2023. The Bank was able to maintain a Net Interest Margin of 6% during the said period. The Bank's net fee based income recorded a growth of 19.29% from LKR 4,520 Million to LKR 5,392 Million during 9 months ended 30th September 2023, mainly due to increase in Debit & Credit Card related income, Commission from Trade and income from Remittances.

The Bank's total operating income recorded a growth of 6.19% amounting LKR 37,373 Mn during the period under review compared to LKR 35,194 Mn in the corresponding period of 2022, driven mainly by growth in Net Interest Income, and Net Fee and Commission Income.

Total Expenses recorded an increase of 25.71% from LKR 11,015 Million to LKR 13,846 Million for the 9 months ended 30th September 2023. Personnel expenses increased by 1,093 Million mainly due to increase in the staff benefits and adjustments made as relief allowances to absorb high cost of living and taxes. Other Operating expenses and depreciation and amortization expenses too increased by 34.16% due to IT contracts linked to USD payments, increase in prices of consumables and services over the period. The Bank will continue to take relevant measures to curtail costs through various cost initiatives.

The Bank recorded an impairment charge of LKR 13,447 Mn during the 9 months ended 30th September 2023 against LKR 18,837 Mn reported in corresponding period of 2022 with a reduction of 28.61%. The impairment charge on Loans and Advances amounts to LKR 11,912 Mn (2022 - LKR 13,151 Mn) and impairment charge on Foreign Currency Denominated Bonds amounts to LKR 1,465 Mn (2022 – 4,994 Mn) for the 9 months ended 30th September. The Bank has ensured the impairment provision is made to capture the changes in the macro economy, credit risk profile of customers and the credit quality of the Bank's loan portfolio in order to ensure adequacy of provisions recognized in the financial statements.

Income tax expenses stood at LKR 2,685 Mn which is a 150.45% increase over the comparative period, which stood at LKR 1,072 Mn due to increase in profits and the Corporate Income Tax rate. Value Added Tax on Financial Services increased for the 9 months from LKR 1,765 Mn to LKR 2,544 Mn in 2023 which is a 44.1% over the corresponding period. Social Security Contribution Levy which was effective from 01st October 2022 stood at LKR 355 Mn for the 9 months ended 30th September 2023.

Overall, Bank recorded a Profit before Income Tax (PBT) of LKR 7,181 Mn in 9 months ended 30th September 2023, against LKR 3,577 Mn reported in corresponding period of 2022 demonstrating a growth of 100%. Similarly, Profit after Tax (PAT) was recorded as LKR 4,496 Mn in the 9 months ended 30th September 2023 with a growth of 79.5% over the corresponding period in 2022.

Statement of Financial Position, Key Financial Ratios and Indicators

The Bank's total assets were recorded at LKR 693 Bn as of 30th September 2023. Loans and Advances of the Bank were recorded at LKR 412 Bn and the contraction was mainly due to the impact from local currency appreciation. Deposits reflected a growth of 3.17% to LKR 565 Bn. Rupee Deposits increased by LKR 14.3 Bn, while the growth in Foreign Currency Deposits was LKR 3 Bn.

Key financial ratios and indicators of Seylan Bank PLC remained strong as of 30th September 2023. The capital adequacy ratios were well above the regulatory minimum requirements and recorded 11.76% as Common Equity Tier 1 Capital Ratio & Total Tier 1 Capital Ratio and 15.29% as the Total Capital Ratio.

The Statutory Liquid Asset Ratio (SLAR) for the Overall Bank, Bank's Domestic Banking Unit and the Bank's Foreign Currency Banking Unit were maintained at 39.10%, 39.16% and 24.19% respectively as at 30th September 2023. The Bank also maintained the LCR well above the statutory requirement. All Currency LCR Ratio and the Rupee LCR Ratio were maintained at 308.27% and 412.10% respectively.

The Banks's Asset Quality Ratios of Impaired Loan (Stage 3) Ratio and the Impairment (Stage 3) to Stage 3 Loans Ratio stood at 5.56% and 58.28% respectively, which reflects an improvement in both ratios from Q2 2023.

The Return on Equity (ROE) stood at 10.54% and Return on Average Assets (profit before tax) stood at 1.40% for the period under review. The Net Interest Margin (NIM) was recorded as 5.98% as of 30th September 2023.

The Bank's Earnings per Share stood at LKR 7.30 in 9 months ended 30th September 2023 compared to LKR 4.07 reported in corresponding period in 2022. The Bank's Net Assets Value per Share stood at LKR 97.37 as at 30th September 2023 (Group LKR 100.19).

Seylan Bank PLC
Income Statement

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

	Bank			Bank		
	<i>For the Nine Months Ended 30th September</i>			<i>For the Quarter Ended 30th September</i>		
	2023	2022	Growth %	2023	2022	Growth %
Interest Income	82,767,758	57,255,987	44.56	26,712,335	24,712,864	8.09
Less : Interest Expenses	52,214,122	29,296,327	78.23	16,626,939	13,604,325	22.22
Net Interest Income	30,553,636	27,959,660	9.28	10,085,396	11,108,539	(9.21)
Fee and Commission Income	5,595,064	4,687,867	19.35	1,945,255	1,806,666	7.67
Less : Fee and Commission Expenses	203,072	167,979	20.89	70,890	62,694	13.07
Net Fee and Commission Income	5,391,992	4,519,888	19.29	1,874,365	1,743,972	7.48
Net Gains/(Losses) from Trading	292,240	(901,482)	132.42	(8,156)	(803,233)	98.98
Net Gains from Derecognition of Financial Assets	119,423	33,770	253.64	88,225	31,383	181.12
Net Other Operating Income	1,015,755	3,582,234	(71.64)	721,914	1,393,177	(48.18)
Total Operating Income	37,373,046	35,194,070	6.19	12,761,744	13,473,838	(5.29)
Less : Impairment Charges	13,446,929	18,836,958	(28.61)	3,887,935	7,473,224	(47.98)
Net Operating Income	23,926,117	16,357,112	46.27	8,873,809	6,000,614	47.88
Less : Operating Expenses						
Personnel Expenses	7,017,156	5,924,230	18.45	2,491,257	2,012,855	23.77
Depreciation and Amortization Expenses	970,139	1,020,464	(4.93)	318,665	335,482	(5.01)
Other Expenses	5,859,065	4,069,842	43.96	1,908,165	1,414,766	34.87
Total Operating Expenses	13,846,360	11,014,536	25.71	4,718,087	3,763,103	25.38
Operating Profit before Taxes	10,079,757	5,342,576	88.67	4,155,722	2,237,511	85.73
Less : Value Added Tax on Financial Services	2,543,783	1,765,338	44.10	992,925	691,646	43.56
Less : Social Security Contribution Levy	354,846	-	100.00	138,921	-	100.00
Profit before Income Tax	7,181,128	3,577,238	100.75	3,023,876	1,545,865	95.61
Less : Income Tax Expense	2,685,415	1,072,220	150.45	1,103,604	544,424	102.71
Profit for the Period	4,495,713	2,505,018	79.47	1,920,272	1,001,441	91.75
Basic/Diluted Earnings per Ordinary Share (Rs.)	7.30	4.07	79.36	3.12	1.63	91.41

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

	<i>(Amounts in Rupees Thousands)</i>					
	Bank			Bank		
	<i>For the Nine Months Ended 30th September</i>			<i>For the Quarter Ended 30th September</i>		
	2023	2022	Growth %	2023	2022	Growth %
Profit for the Period	4,495,713	2,505,018	79.47	1,920,272	1,001,441	91.75
Other Comprehensive Income/ (Loss), Net of Tax						
Items that are or may be Reclassified to Income Statement in Subsequent Periods						
Net Movement of Cash Flow Hedge Reserve	-	84,246	(100.00)	-	-	-
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	1,134,292	(1,723,874)	165.80	564,114	217,354	159.54
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(340,288)	401,588	(184.74)	(169,234)	(64,306)	(163.17)
Items that will never be Reclassified to Income Statement in Subsequent Periods						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	362,270	(867,616)	141.75	252,412	122,045	106.82
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	1,156,274	(2,105,656)	154.91	647,292	275,093	135.30
Total Comprehensive Income for the Period	5,651,987	399,362	1,315.25	2,567,564	1,276,534	101.14

Seylan Bank PLC
Income Statement

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

(Amounts in Rupees Thousands)

	Group			Group		
	For the Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2023	2022	Growth %	2023	2022	Growth %
Interest Income	82,835,227	57,275,721	44.63	26,735,484	24,723,215	8.14
Less : Interest Expenses	51,986,866	29,015,316	79.17	16,552,542	13,520,937	22.42
Net Interest Income	30,848,361	28,260,405	9.16	10,182,942	11,202,278	(9.10)
Fee and Commission Income	5,594,918	4,687,775	19.35	1,945,240	1,806,635	7.67
Less : Fee and Commission Expenses	205,073	168,713	21.55	72,891	62,694	16.26
Net Fee and Commission Income	5,389,845	4,519,062	19.27	1,872,349	1,743,941	7.36
Net Gains/(Losses) from Trading	292,240	(905,768)	132.26	(8,156)	(805,720)	98.99
Net Gains from Derecognition of Financial Assets	119,423	33,770	253.64	88,225	31,383	181.12
Net Other Operating Income	968,475	3,533,416	(72.59)	749,231	1,424,500	(47.40)
Total Operating Income	37,618,344	35,440,885	6.14	12,884,591	13,596,382	(5.24)
Less : Impairment Charges	13,446,929	18,836,958	(28.61)	3,887,935	7,473,224	(47.98)
Net Operating Income	24,171,415	16,603,927	45.58	8,996,656	6,123,158	46.93
Less : Operating Expenses						
Personnel Expenses	7,055,505	5,959,437	18.39	2,502,228	2,024,796	23.58
Depreciation and Amortization Expenses	1,019,363	1,057,662	(3.62)	335,879	348,932	(3.74)
Other Expenses	5,913,141	4,103,942	44.08	1,926,159	1,431,304	34.57
Total Operating Expenses	13,988,009	11,121,041	25.78	4,764,266	3,805,032	25.21
Operating Profit before Taxes	10,183,406	5,482,886	85.73	4,232,390	2,318,126	82.58
Less : Value Added Tax on Financial Services	2,543,783	1,765,338	44.10	992,925	691,646	43.56
Less : Social Security Contribution Levy	354,846	-	100.00	138,921	-	100.00
Profit before Income Tax	7,284,777	3,717,548	95.96	3,100,544	1,626,480	90.63
Less : Income Tax Expense	2,766,865	1,165,330	137.43	1,102,748	569,919	93.49
Profit for the Period	4,517,912	2,552,218	77.02	1,997,796	1,056,561	89.08
Profit Attributable to :						
Equity Holders of the Bank	4,474,445	2,495,224	79.32	1,974,935	1,040,306	89.84
Non-Controlling Interest	43,467	56,994	(23.73)	22,861	16,255	40.64
Profit for the Period	4,517,912	2,552,218	77.02	1,997,796	1,056,561	89.08
Basic/Diluted Earnings per Ordinary Share (Rs.)	7.27	4.05	79.51	3.21	1.69	89.94

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 Nine Months Ended 30th September			For the Quarter Ended 30th September		
	2023	2022	Growth %	2023	2022	Growth %
Profit for the Period	4,517,912	2,552,218	77.02	1,997,796	1,056,561	89.08
Other Comprehensive Income/ (Loss), Net of Tax						
Items that are or may be Reclassified to Income Statement in Subsequent Periods						
Net Movement of Cash Flow Hedge Reserve	-	84,246	(100.00)	-	-	-
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	1,137,487	(1,732,318)	165.66	563,179	216,992	159.54
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(341,247)	402,433	(184.80)	(168,954)	(64,270)	(162.88)
Items that will never be Reclassified to Income Statement in Subsequent Periods						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	362,270	(867,616)	141.75	252,412	122,045	106.82
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
Other Comprehensive Income/(Loss) for the Period, Net of Taxes	1,158,510	(2,113,255)	154.82	646,637	274,767	135.34
Total Comprehensive Income for the Period	5,676,422	438,963	1,193.14	2,644,433	1,331,328	98.63
Attributable to :						
Equity Holders of the Bank	5,632,295	384,210	1,365.94	2,621,765	1,315,169	99.35
Non-Controlling Interest	44,127	54,753	(19.41)	22,668	16,159	40.28
Total Comprehensive Income for the Period	5,676,422	438,963	1,193.14	2,644,433	1,331,328	98.63

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 30.09.2023	As at 31.12.2022 (Audited)	Growth %	As at 30.09.2023	As at 31.12.2022 (Audited)	Growth %
Assets						
Cash and Cash Equivalents	69,861,217	40,254,514	73.55	69,861,257	40,254,554	73.55
Balances with Central Bank of Sri Lanka	5,297,736	16,784,172	(68.44)	5,297,736	16,784,172	(68.44)
Placements with Banks and Finance Companies	19,875,123	1,819,036	992.62	19,875,123	1,819,036	992.62
Derivative Financial Instruments	26,260	519,189	(94.94)	26,260	519,189	(94.94)
Financial Assets recognized through Profit or Loss						
- Measured at Fair Value	23,548,870	17,781,867	32.43	23,548,870	17,781,867	32.43
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	411,840,172	444,219,508	(7.29)	411,840,172	444,219,508	(7.29)
- Debt and Other Instruments	105,770,065	106,158,878	(0.37)	106,214,706	106,429,752	(0.20)
Financial Assets measured at Fair Value through Other Comprehensive Income	29,606,145	17,136,286	72.77	29,606,145	17,186,183	72.27
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,200	64,435	(37.61)	-	-	-
Property, Plant & Equipment	4,008,033	3,770,541	6.30	6,671,720	6,462,909	3.23
Right-of-use Assets	4,815,283	4,882,318	(1.37)	2,680,708	2,722,569	(1.54)
Investment Properties	-	-	-	871,863	886,680	(1.67)
Intangible Assets	453,314	510,146	(11.14)	453,314	510,146	(11.14)
Deferred Tax Assets	3,733,528	3,242,641	15.14	3,152,064	2,684,538	17.42
Other Assets	13,251,931	14,508,511	(8.66)	13,278,917	14,574,073	(8.89)
Total Assets	693,281,479	672,805,644	3.04	693,378,855	672,835,176	3.05
Liabilities						
Due to Banks	12,137,501	12,158,030	(0.17)	12,137,501	12,158,030	(0.17)
Derivative Financial Instruments	489,637	906,813	(46.00)	489,637	906,813	(46.00)
Financial Liabilities at Amortized Cost						
- Due to Depositors	564,658,423	547,315,755	3.17	564,658,423	547,315,755	3.17
- Due to Debt Securities Holders	11,135,707	11,944,370	(6.77)	11,135,707	11,944,370	(6.77)
- Due to Other Borrowers	9,050	7,483	20.94	9,050	7,483	20.94
Group Balances Payable	113,810	202,382	(43.76)	-	-	-
Debt Securities Issued	19,539,998	21,617,455	(9.61)	19,539,998	21,617,455	(9.61)
Current Tax Liabilities	3,532,312	5,128,484	(31.12)	3,607,649	5,179,000	(30.34)
Lease Liabilities	5,080,307	5,101,247	(0.41)	2,233,965	2,254,558	(0.91)
Other Liabilities	16,655,782	13,973,327	19.20	16,649,729	13,985,243	19.05
Total Liabilities	633,352,527	618,355,346	2.43	630,461,659	615,368,707	2.45
Equity						
Stated Capital	20,908,673	19,926,453	4.93	20,908,673	19,926,453	4.93
Statutory Reserve Fund	2,568,162	2,568,162	-	2,568,162	2,568,162	-
Fair Value through Other Comprehensive Income Reserve	(26,831)	(1,183,105)	97.73	(57,797)	(1,215,647)	95.25
Retained Earnings	34,404,154	31,063,994	10.75	35,016,828	31,697,936	10.47
Other Reserves	2,074,794	2,074,794	-	3,225,157	3,225,157	-
Total Shareholders' Equity	59,928,952	54,450,298	10.06	61,661,023	56,202,061	9.71
Non-controlling Interest	-	-	-	1,256,173	1,264,408	(0.65)
Total Equity	59,928,952	54,450,298	10.06	62,917,196	57,466,469	9.49
Total Equity & Liabilities	693,281,479	672,805,644	3.04	693,378,855	672,835,176	3.05
Contingent Liabilities and Commitments	166,821,726	167,641,150	(0.49)	166,822,233	167,642,941	(0.49)
Memorandum Information						
Number of Employees	3,105	3,156	(1.62)	3,123	3,175	(1.64)
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	97.37	94.24	3.32	100.19	97.27	3.00

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 unless indicated as audited .

(Sgd.)

W.M.R.S.Dias

Chairman
October 31, 2023
Colombo

(Sgd.)

Ramesh Jayasekara

Director/Chief Executive Officer

Seylan Bank PLC
Statement of Changes in Equity
For the Nine Months ended 30th September - 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 2022	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,028,282	1,468,822	(245,179)	976,318	50,884,674
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,505,018	-	-	-	2,505,018
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,322,286)	-	(1,322,286)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,505,018	-	(2,189,902)	84,246	399,362
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(459)	-	-	-	(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	29,299,656	1,468,822	(881,202)	700,574	52,846,852
1 Balance as at 01st January 2023	12,314,065	7,612,388	2,568,162	31,063,994	1,374,219	(1,183,105)	700,575	54,450,298
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	4,495,713	-	-	-	4,495,713
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	794,004	-	794,004
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	362,270	-	362,270
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	-	-
2 Total Comprehensive Income for the Period	-	-	-	4,495,713	-	1,156,274	-	5,651,987
Transactions with Equity Holders , Recognized Directly In Equity								
Scrip Dividends to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)
3 Total Transactions with Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)
Balance as at 30th September 2023 (1 + 2 + 3)	12,794,664	8,114,009	2,568,162	34,404,154	1,374,219	(26,831)	700,575	59,928,952

* 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 Nine Months ended 30th September - 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 2022	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,328,593	55,286,827
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
2 Restated Balance as at 01st January 2022	11,521,263	6,802,619	2,332,549	28,799,014	2,374,135	(271,212)	1,231,531	52,789,899	1,328,593	54,118,492
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	2,495,224	-	-	-	2,495,224	56,994	2,552,218
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,327,644)	-	(1,327,644)	(2,241)	(1,329,885)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(867,616)	-	(867,616)	-	(867,616)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246	-	84,246
3 Total Comprehensive Income for the Period	-	-	-	2,495,224	-	(2,195,260)	84,246	384,210	54,753	438,963
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Transferred from Investment Fund Reserve	-	-	-	359,990	-	-	(359,990)	-	-	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275	-	1,563,275
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(459)	-	-	-	(459)	-	(459)
4 Total Transactions with Equity Holders	792,802	809,769	-	(1,233,644)	-	1,553,879	(359,990)	1,562,816	(61,089)	1,501,727
Balance as at 30th September 2022 (2 + 3 + 4)	12,314,065	7,612,388	2,332,549	30,060,594	2,374,135	(912,593)	955,787	54,736,925	1,322,257	56,059,182
1 Balance as at 01st January 2023	12,314,065	7,612,388	2,568,162	31,697,936	2,269,369	(1,215,647)	955,788	56,202,061	1,264,408	57,466,469
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	4,474,445	-	-	-	4,474,445	43,467	4,517,912
Other Comprehensive Income (Net of Tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	795,580	-	795,580	660	796,240
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	362,270	-	362,270	-	362,270
2 Total Comprehensive Income for the Period	-	-	-	4,474,445	-	1,157,850	-	5,632,295	44,127	5,676,422
Transactions with Equity Holders , Recognized Directly In Equity										
Scrip Dividends to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)	(52,362)	(225,695)
3 Total Transactions with Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)	(52,362)	(225,695)
Balance as at 30th September 2023 (1 + 2 + 3)	12,794,664	8,114,009	2,568,162	35,016,828	2,269,369	(57,797)	955,788	61,661,023	1,256,173	62,917,196

* 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 Nine months ended 30th September

	Bank		Group	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
Cash Flows from Operating Activities				
Interest Receipts	85,831,788	52,654,176	85,899,257	52,673,910
Interest Payments	(46,008,485)	(22,827,750)	(45,994,719)	(22,823,002)
Net Commission Receipts	5,391,992	4,519,888	5,389,845	4,519,062
Trading Income	188,042	137,334	188,042	133,048
Payments to Employees	(6,542,322)	(5,601,018)	(6,572,303)	(5,629,585)
VAT and SSCL on Financial Services Paid	(2,869,268)	(1,701,379)	(2,869,268)	(1,701,379)
Receipts from Other Operating Activities	1,095,860	14,249,757	1,154,919	14,347,004
Payments on Other Operating Activities	(4,762,813)	(3,932,651)	(4,780,047)	(3,983,141)
Operating Profit before Changes in Operating Assets and Liabilities	32,324,794	37,498,357	32,415,726	37,535,917
(Increase)/Decrease in Operating Assets :				
Balances with Central Bank of Sri Lanka	11,486,436	(6,313,106)	11,486,436	(6,313,106)
Financial Assets at Amortized cost - Loans and Advances	19,416,200	(21,891,973)	19,416,200	(21,891,973)
Other Assets	1,285,082	(1,115,429)	1,274,249	(999,005)
Increase/(Decrease) in Operating Liabilities :				
Financial Liabilities at Amortized Cost - Due to Depositors	13,668,103	31,660,465	13,668,103	31,660,465
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	(798,967)	18,620,577	(798,967)	18,620,577
Financial Liabilities at Amortized cost - Due to Other Borrowers	1,567	1,055	1,567	1,055
Other Liabilities	792,452	(6,714,228)	721,738	(6,865,403)
Due to Banks	(20,529)	(11,587,539)	(20,529)	(11,587,539)
Cash Generated from Operating Activities before Income Tax	78,155,138	40,158,179	78,164,523	40,160,988
Income Tax Paid	(5,104,009)	(1,721,432)	(5,113,731)	(1,721,432)
Surcharge Tax Paid	-	(1,168,335)	-	(1,168,335)
Net Cash (Used in) / Generated from Operating Activities	73,051,129	37,268,412	73,050,792	37,271,221
Cash Flows from Investing Activities				
Purchase of Property , Plant & Equipment	(723,282)	(78,347)	(743,937)	(78,619)
Improvements in Investment Properties	-	-	(10,245)	(27,888)
Proceeds from Sale of Property , Plant & Equipment	6,903	1,910	6,903	1,910
Net Proceeds from Sale, Maturity And Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing after Three Months	(964,411)	(8,164,654)	(833,765)	(8,164,654)
Net Proceeds From Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	74,996	4,884	72,174	6,743
Reverse Repurchase Agreements maturing after Three Months	-	-	-	-
Net Purchase of Intangible Assets	(81,352)	(63,015)	(81,352)	(63,015)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	106,340	146,065	-	-
Dividend Received from Other Investments	868	8,357	868	8,357
Net Cash (Used in) / Generated from Investing Activities	(1,579,938)	(8,144,800)	(1,589,354)	(8,317,166)
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	5,000,000	-	5,000,000	-
Repayment of Subordinated Debt	(7,182,280)	-	(7,082,280)	-
Interest Paid on Subordinated Debt	(2,160,764)	(2,485,316)	(2,160,764)	(2,472,452)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-Controlling Interest	-	-	(52,390)	(63,113)
Dividend Paid to Shareholders of the Bank	-	(391)	-	(391)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(615,495)	(599,548)	(401,658)	(370,459)
Net Cash (Used In) / Generated from Financing Activities	(4,958,539)	(3,085,255)	(4,697,092)	(2,906,415)
Net Increase in Cash and Cash Equivalents	66,512,652	26,038,357	66,764,346	26,047,640
Cash and Cash Equivalents at Beginning of the Year	83,255,632	44,039,917	83,449,117	44,204,423
Cash and Cash Equivalents at End of the Period	149,768,284	70,078,274	150,213,463	70,252,063
Reconciliation of Cash and Cash Equivalents				
Cash and Cash Equivalents	70,159,621	34,714,109	70,159,661	34,714,149
Placements with Banks and Finance Companies	19,974,998	-	19,975,496	-
Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing within Three Months	57,132,786	32,172,329	57,577,427	32,346,078
Securities Purchased Under Resale Agreements maturing within Three Months	2,500,879	3,191,836	2,500,879	3,191,836
	149,768,284	70,078,274	150,213,463	70,252,063

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 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%).

2. Information on Ordinary Shares

Market Price (LKR.)	30/09/2023		30/09/2022	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	50.90	40.40	31.00	19.50
Highest price per share during the quarter ended	60.50	48.20	35.00	24.00
Lowest price per share during the quarter ended	37.00	26.80	26.00	14.00

Stated Capital as at September 30, 2023	No of Shares	Stated Capital (LKR.'000)
Ordinary Voting	296,716,366	12,794,664
Ordinary Non-Voting	318,732,692	8,114,009
Total	615,449,058	20,908,673

3. Shareholders Information

3.1 Twenty Largest Ordinary Voting Shareholders as at September 30, 2023

	No. of Shares	%
1 Brown & Company PLC A/C No. 01	31,086,943	10.48
2 Sri Lanka Insurance Corporation Ltd - General Fund	29,671,631	10.00
3 Employees Provident Fund	29,248,850	9.86
4 Mr K D D Perera	28,166,399	9.49
5 Sampath Bank PLC/LOLC Investments Ltd	27,762,508	9.36
6 National Development Bank PLC	25,888,088	8.72
7 Seylan Bank PLC A/C No. 04 – Employees’ Gratuity Trust Fund	19,573,513	6.60
8 Bank of Ceylon No. 1 Account	16,690,292	5.62
9 Sri Lanka Insurance Corporation Ltd - Life Fund	14,835,813	5.00
10 Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	11,338,671	3.82
11 Sampath Bank PLC/Brown and Company PLC	10,082,252	3.40
12 Employees Trust Fund Board	6,309,485	2.13
13 Don and Don Holdings Private Limited	5,349,919	1.80
14 NDB Capital Holdings Limited A/C No.02	3,005,354	1.01
15 Sisil Investment Holdings (Pvt) Ltd	2,806,071	0.95
16 Mr M J Fernando (Deceased)	1,498,311	0.50
17 Mr K R B Fernando	1,283,864	0.43
18 Capital Alliance PLC	982,318	0.33
19 Mr R R Leon	933,190	0.31
20 Dr J L B Kotelawala	679,835	0.23

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at September 30, 2023

	No. of Shares	%
1 LOLC Holdings PLC	164,472,386	51.60
2 Employees' Provident Fund	17,001,074	5.33
3 Don and Don Holdings (Pvt) Limited	11,064,508	3.47
4 Sri Lanka Insurance Corporation Ltd - Life Fund	8,222,957	2.58
5 Akbar Brothers (Pvt) Ltd A/C No. 1	6,810,259	2.14
6 Pershing LLC S/A Averbach Grauson and Company LLC	4,366,382	1.37
7 Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	4,330,473	1.36
8 Employees Trust Fund Board	3,754,695	1.18
9 Merrill J Fernando & Sons (Pvt) Limited	3,540,466	1.11
10 Mr R R Leon	3,224,829	1.01
11 LOLC Technology Services Limited	2,783,260	0.87
12 Mr N Balasingam	2,493,566	0.78
13 Sri Lanka Insurance Corporation Ltd – General Fund	2,250,000	0.71
14 Mr R. Gautam	1,804,107	0.57
15 Mr M J Fernando (Deceased)	1,745,005	0.55
16 J B Cocoshell (Pvt) Ltd	1,700,495	0.53
17 Dr S Yaddehige	1,499,175	0.47
18 Ms S Durga	1,471,329	0.46
19 Odyssey Capital Partners (Private) Limited	1,324,357	0.42
20 NDB Capital Holdings Limited Account No-2	1,292,030	0.41

3.3 Public Holdings as at September 30, 2023

The Bank is compliant under Option 2 and 3 of the Section 7.13.1 of the Rules of the Colombo Stock Exchange (Minimum Public Holding requirement).

	Option 2 (Ordinary Voting Shares)	Option 3 (Ordinary Non-Voting Shares)
Float adjusted market capitalization	LKR. 8.286 Bn	LKR. 6.229 Bn
Public Holding Percentage	54.87%	48.38%
No. of Public shareholders	10,129	7,172

4. Directors' and Chief Executive Officer's Shareholdings as at September 30, 2023

<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 R J Jayasekara, Director/Chief Executive Officer	708	33,931
Mr S V Corea, Non-Executive Director	113	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
Mr D M Rupasinghe, Independent Director	Nil	Nil
Mr L H A L Silva, Independent Director	Nil	Nil
Ms V G S S Kotakadeniya, Non-Executive Director	Nil	Nil
Ms A A Ludowyke, Independent Director	Nil	Nil

* Deceased on 25/10/2023.

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, 2023. 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, 2022 has been restated based on the number of shares issued for Scrip Dividend for 2022.

6. Events after the Reporting Date

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

7. Other Matters

7.1 Changes to the Directorships

Resignation of Independent, Non-Executive Director/ Senior Director, Mr Anushka Sheran Wijesinha from the Board of Seylan Bank PLC with effect from 21st September 2023.

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, 2023 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections.

Further, the Bank has adjusted the additional provisions made as management overlay, based on the changes to the assessment of significant increase in credit risk, and stress testing on the exposures to risk elevated sectors.

Bank has accounted for an additional Expected Credit Loss (ECL) on Foreign Currency Denominated Bonds in the financial statements considering the impact on Interim policy regarding the servicing of Sri Lanka's external public debts issued by Ministry of Finance of Government of Sri Lanka.

The Bank has accounted for day one loss arising on initial recognition, from the swap of Sri Lanka Development Bonds to Rupee bonds under the Domestic Debt Optimization program. The said impact has been recognized in the profit or loss during the quarter ended 30th September 2023.

7.3 Debenture

The Bank redeemed 32,722,800 debentures of LKR 100/- each amounting to LKR 3,272,280,000/- being the remainder of 50,000,000 (Fifty Million) Unsecured, Subordinated, Redeemable Debentures allotted in July 2016, upon their maturity after 7 years' tenure, on 15th July 2023.

7.4 Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio

The Bank has adopted the above SoAT on Reclassification of Debt Portfolio, issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and re-classified its Debt Portfolio of LKR 24.83Bn from Fair Value Through Other Comprehensive Income (FVOCI) to Amortized Cost (AC) with effect from 01 April 2022, being the 1st day of the reporting period of the quarter ended 30 June 2022, , as a one-off reclassification and accounted for in the financials for the six months ended June 30,2022.

If the assets lying in the current portfolio had continued to be measured as Fair Value through Other Comprehensive Income, the fair value and the cumulative mark to market loss as at 30th September 2023 would have been Rs. 12,438 Mn and Rs. 646 Mn respectively.

7.5 Taxes

The Social Security Contribution Levy (SSCL) was introduced with effect from 01st October 2022 and it is calculated on the value addition attributable to financial services at the rate of 2.5%. The standard rate of Income Tax has been increased to 30% from 24% in 2022.

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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Interest Income	74,467,701	46,258,763	9,471,894	11,245,724	82,809	37,730	(1,187,177)	(266,496)	82,835,227	57,275,721
Less: Interest Expenses	48,343,804	25,112,676	3,768,452	4,009,288	1,574	384	(126,964)	(107,032)	51,986,866	29,015,316
Net Interest Income	26,123,897	21,146,087	5,703,442	7,236,436	81,235	37,346	(1,060,213)	(159,464)	30,848,361	28,260,405
Fee and Commission Income	5,580,763	4,662,303	5,833	5,542	-	-	8,322	19,930	5,594,918	4,687,775
Less : Fee and Commission Expenses	181,188	145,736	21,884	22,243	2,001	734	-	-	205,073	168,713
Net Fee and Commission Income	5,399,575	4,516,567	(16,051)	(16,701)	(2,001)	(734)	8,322	19,930	5,389,845	4,519,062
Net Gains/(Losses) from Trading	-	-	292,240	(901,482)	-	(4,286)	-	-	292,240	(905,768)
Net Gains from Derecognition of Financial Assets	-	-	119,423	33,770	-	-	-	-	119,423	33,770
Net Other Operating Income	508,715	182,086	506,464	3,248,632	293,740	306,540	(340,444)	(203,842)	968,475	3,533,416
Inter Segment Revenue	(56,225)	(52,789)	-	-	-	-	56,225	52,789	-	-
Total Operating Income	31,975,962	25,791,951	6,605,518	9,600,655	372,974	338,866	(1,336,110)	(290,587)	37,618,344	35,440,885
Less : Depreciation and Amortization Expenses	587,100	610,545	11,190	10,433	928	886	420,145	435,798	1,019,363	1,057,662
Less : Impairment Charges	12,089,954	13,797,010	1,356,975	5,039,948	-	-	-	-	13,446,929	18,836,958
Less : Operating Expenses, VAT & SSCL on Financial Services	11,696,997	7,911,287	1,283,026	2,049,106	94,555	69,870	2,792,697	1,798,454	15,867,275	11,828,717
Reportable Segment Profit Before Income Tax	7,601,911	3,473,109	3,954,327	2,501,168	277,491	268,110	(4,548,952)	(2,524,839)	7,284,777	3,717,548
Less :Income Tax Expense									2,766,865	1,165,330
Profit For The Period									4,517,912	2,552,218
Profit Attributable To:										
Equity Holders of The Bank									4,474,445	2,495,224
Non-Controlling Interests									43,467	56,994
Profit For The Period									4,517,912	2,552,218
Other Comprehensive Income, Net of Income Tax									1,158,510	(2,113,255)
Other Information										
Total Assets	482,833,324	451,263,846	192,089,913	177,627,332	6,397,787	6,070,605	12,057,831	22,801,813	693,378,855	657,763,596
Total Liabilities & Equity	598,648,600	530,358,906	70,946,050	102,025,173	6,397,787	6,070,605	17,386,418	19,308,912	693,378,855	657,763,596
Cash Flows from Operating Activities	71,731,898	31,714,416	5,322,492	7,551,549	150,784	223,067	(4,154,382)	(2,217,811)	73,050,792	37,271,221
Cash Flows from Investing Activities	(117,542)	45,066	(900,776)	(8,159,066)	164,899	5,526	(735,935)	(208,692)	(1,589,354)	(8,317,166)
Cash Flows from Financing Activities	(615,495)	(599,548)	(4,343,044)	(2,485,316)	(177,558)	(207,151)	439,005	385,600	(4,697,092)	(2,906,415)
Capital Expenditure	(225,010)	(101,528)	(11,361)	(7,653)	(30,900)	(28,160)	(568,263)	(32,181)	(835,534)	(169,522)

Seylan Bank PLC

10 Analysis of Financial Instruments by Measurement Basis - Bank

(Amounts in Rupees Thousands)

	30.09.2023			Total
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	
Assets				
Cash and Cash Equivalents	-	-	69,861,217	69,861,217
Balances with Central Bank of Sri Lanka	-	-	5,297,736	5,297,736
Placements with Banks and Finance Companies	-	-	19,875,123	19,875,123
Derivative Financial Instruments	26,260	-	-	26,260
Securities Purchased under Resale Agreements	-	-	2,506,520	2,506,520
Customer Loans and Advances	-	-	411,840,172	411,840,172
Debt Instruments	-	-	786,629	786,629
Equity Instruments	-	1,862,891	-	1,862,891
Government Securities	23,548,870	27,743,254	102,476,916	153,769,040
Group Balances Receivable	-	-	40,200	40,200
Other Financial Assets	-	-	9,038,427	9,038,427
Total Financial Assets	23,575,130	29,606,145	621,722,940	674,904,215
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
Liabilities				
Due to Banks	-	-	12,137,501	12,137,501
Derivative Financial Instruments	-	489,637	-	489,637
Due to Depositors	-	-	564,658,423	564,658,423
Securities Sold under Repurchase Agreements	-	-	11,135,707	11,135,707
Due to Other Borrowers	-	-	9,050	9,050
Group Balances Payable	-	-	113,810	113,810
Debt Securities Issued	-	-	19,539,998	19,539,998
Lease Liabilities	-	-	5,080,307	5,080,307
Other Financial Liabilities	-	-	9,902,311	9,902,311
Total Financial Liabilities		489,637	622,577,107	623,066,744

	31.12.2022			Total
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	
Assets				
Cash and Cash Equivalents	-	-	40,254,514	40,254,514
Balances with Central Bank of Sri Lanka	-	-	16,784,172	16,784,172
Placements with Banks and Finance Companies	-	-	1,819,036	1,819,036
Derivative Financial Instruments	519,189	-	-	519,189
Securities Purchased under Resale Agreements	-	-	3,628,549	3,628,549
Customer Loans and Receivables	-	-	444,219,508	444,219,508
Debt Instruments	-	-	889,997	889,997
Equity Instruments	-	1,500,621	-	1,500,621
Government Securities	17,781,867	15,635,665	101,640,332	135,057,864
Group Balances Receivable	-	-	64,435	64,435
Other Financial Assets	-	-	11,265,428	11,265,428
Total Financial Assets	18,301,056	17,136,286	620,565,971	656,003,313
		Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
Liabilities				
Due to Banks	-	-	12,158,030	12,158,030
Derivative Financial Instruments	-	906,813	-	906,813
Due to Depositors	-	-	547,315,755	547,315,755
Securities Sold under Repurchase Agreements	-	-	11,944,370	11,944,370
Due to other Borrowers	-	-	7,483	7,483
Group Balances Payable	-	-	202,382	202,382
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	5,101,247	5,101,247
Other Financial Liabilities	-	-	9,218,039	9,218,039
Total Financial Liabilities		906,813	607,564,761	608,471,574

Seylan Bank PLC
10 Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)

30.09.2023				
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	Total	
Assets				
Cash and Cash Equivalents	-	69,861,257	69,861,257	
Balances with Central Bank of Sri Lanka	-	5,297,736	5,297,736	
Placements with Banks and Finance Companies	-	19,875,123	19,875,123	
Derivative Financial Instruments	26,260	-	26,260	
Securities Purchased under Resale Agreements	-	2,506,520	2,506,520	
Customer Loans and Advances	-	411,840,172	411,840,172	
Debt Instruments	-	786,629	786,629	
Equity Instruments	1,862,891	-	1,862,891	
Government Securities	23,548,870	102,921,557	154,213,681	
Other Financial Assets	-	9,048,949	9,048,949	
Total Financial Assets	23,575,130	622,137,943	675,319,218	
Liabilities				
Due to Banks	-	12,137,501	12,137,501	
Derivative Financial Instruments	489,637	-	489,637	
Due to Depositors	-	564,658,423	564,658,423	
Securities Sold under Repurchase Agreements	-	11,135,707	11,135,707	
Due to Other Borrowers	-	9,050	9,050	
Debt Securities Issued	-	19,539,998	19,539,998	
Lease Liabilities	-	2,233,965	2,233,965	
Other Financial Liabilities	-	9,949,056	9,949,056	
Total Financial Liabilities	489,637	619,663,700	620,153,337	
31.12.2022				
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	Total	
Assets				
Cash and Cash Equivalents	-	40,254,554	40,254,554	
Balances with Central Bank of Sri Lanka	-	16,784,172	16,784,172	
Placements with Banks and Finance Companies	-	1,819,036	1,819,036	
Derivative Financial Instruments	519,189	-	519,189	
Securities Purchased under Resale Agreements	-	3,628,549	3,628,549	
Customer Loans and Receivables	-	444,219,508	444,219,508	
Debt Instruments	49,897	889,997	939,894	
Equity Instruments	1,500,621	-	1,500,621	
Government Securities	17,781,867	101,911,206	135,328,738	
Other Financial Assets	-	11,292,150	11,292,150	
Total Financial Assets	18,301,056	620,799,172	656,286,411	
Liabilities				
Due to Banks	-	12,158,030	12,158,030	
Derivative Financial Instruments	906,813	-	906,813	
Due to Depositors	-	547,315,755	547,315,755	
Securities Sold under Repurchase Agreements	-	11,944,370	11,944,370	
Due to other Borrowers	-	7,483	7,483	
Debt Securities Issued	-	21,617,455	21,617,455	
Lease Liabilities	-	2,254,558	2,254,558	
Other Financial Liabilities	-	9,280,995	9,280,995	
Total Financial Liabilities	906,813	604,578,646	605,485,459	

Seylan Bank PLC

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

(Amounts in Rupees Thousands)

	Bank		Group	
	As at 30.09.2023	As at 31.12.2022	As at 30.09.2023	As at 31.12.2022

11.1 Product-wise Gross Loans & Advances

By product - Domestic Currency				
Export Bills	49,256	91,837	49,256	91,837
Import Bills	357,777	213,784	357,777	213,784
Local Bills	11,366	12,054	11,366	12,054
Lease Rentals Receivable	23,247,158	24,036,119	23,247,158	24,036,119
Overdrafts	60,491,744	69,185,621	60,491,744	69,185,621
Revolving Import Loans	9,919,125	10,888,046	9,919,125	10,888,046
Packing Credit Loans	6,348,767	4,678,143	6,348,767	4,678,143
Trust Receipt Loans	-	581,793	-	581,793
Staff Loans	7,239,442	7,657,777	7,239,442	7,657,777
Housing Loans	16,045,078	17,620,074	16,045,078	17,620,074
Pawning Receivables	31,922,216	31,991,223	31,922,216	31,991,223
Refinance Loans	8,639,183	8,510,440	8,639,183	8,510,440
Credit Cards	7,687,973	7,162,363	7,687,973	7,162,363
Margin Trading	3,363,537	4,508,146	3,363,537	4,508,146
Factoring	1,480,773	1,630,891	1,480,773	1,630,891
Term Loans	244,900,807	234,656,074	244,900,807	234,656,074
Total	421,704,202	423,424,385	421,704,202	423,424,385
By product - Foreign Currency				
Export Bills	1,842,103	5,409,459	1,842,103	5,409,459
Import Bills	586,766	647,607	586,766	647,607
Local Bills	15,328	869	15,328	869
Overdrafts	802,238	683,306	802,238	683,306
Revolving Import Loans	408,163	1,443,978	408,163	1,443,978
Packing Credit Loans	12,759,133	17,274,822	12,759,133	17,274,822
Housing Loans	109,750	212,938	109,750	212,938
Term Loans	29,624,836	41,334,520	29,624,836	41,334,520
Total	46,148,317	67,007,499	46,148,317	67,007,499
Gross Loans and Advances	467,852,519	490,431,884	467,852,519	490,431,884

11.2 Product-wise Commitments and Contingencies

By product - Domestic Currency				
Commitments				
Undrawn Credit Lines	81,939,467	74,618,380	81,939,467	74,618,380
Capital Commitments	168,976	112,422	169,483	114,213
Contingencies				
Acceptances	57,871	86,892	57,871	86,892
Standby Letters of Credit	-	-	-	-
Guarantees	56,118,367	62,385,836	56,118,367	62,385,836
Documentary Credit	424,851	660,399	424,851	660,399
Bills for Collection	404,156	230,867	404,156	230,867
Forward Exchange Contracts (Net)	(12,284,475)	(16,494,566)	(12,284,475)	(16,494,566)
Total	126,829,213	121,600,230	126,829,720	121,602,021
By product - Foreign Currency				
Commitments				
Undrawn Credit Lines	3,759,268	1,069,035	3,759,268	1,069,035
Capital Commitments	458,944	122,838	458,944	122,838
Contingencies				
Acceptances	7,224,699	11,815,484	7,224,699	11,815,484
Standby Letters of Credit	129,781	378,230	129,781	378,230
Guarantees	5,060,109	7,258,809	5,060,109	7,258,809
Documentary Credit	6,369,605	3,694,521	6,369,605	3,694,521
Bills for Collection	5,167,616	5,770,876	5,167,616	5,770,876
Forward Exchange Contracts (Net)	11,822,491	15,931,127	11,822,491	15,931,127
Total	39,992,513	46,040,920	39,992,513	46,040,920
Total Commitments and Contingencies	166,821,726	167,641,150	166,822,233	167,642,941

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
	30.09.2023	31.12.2022	30.09.2023	31.12.2022

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

Gross Loans and Advances, Commitments and Contingencies	634,674,245	658,073,034	634,674,752	658,074,825
Less : Accumulated Impairment under Stage 1	4,948,215	7,384,738	4,948,215	7,384,738
Accumulated Impairment under Stage 2	9,415,652	6,460,514	9,415,652	6,460,514
Accumulated Impairment under Stage 3	43,018,913	33,562,206	43,018,913	33,562,206
Net Loans & Advances, Commitments and Contingencies	577,291,465	610,665,576	577,291,972	610,667,367
Movement of Impairment during the Period	From 01.01.2023 to 30.09.2023	From 01.01.2022 to 31.12.2022	From 01.01.2023 to 30.09.2023	From 01.01.2022 to 31.12.2022
Stage 1				
Opening Balance as at 01st January	7,384,738	4,033,196	7,384,738	4,033,196
Charge/(Write back) to Income Statement	(2,410,308)	3,213,682	(2,410,308)	3,213,682
Exchange Rate Movements	(26,215)	137,860	(26,215)	137,860
Closing Balance	4,948,215	7,384,738	4,948,215	7,384,738
Stage 2				
Opening Balance as at 01st January	6,460,514	2,062,238	6,460,514	2,062,238
Charge/(Write back) to Income Statement	2,994,507	4,389,136	2,994,507	4,389,136
Exchange Rate Movements	(39,369)	9,140	(39,369)	9,140
Closing Balance	9,415,652	6,460,514	9,415,652	6,460,514
Stage 3				
Opening Balance as at 01st January	33,562,206	19,167,988	33,562,206	19,167,988
Charge/(Write back) to Income Statement	11,503,969	13,705,578	11,503,969	13,705,578
Reversal for Write-off during the Period	(2,736)	(97,301)	(2,736)	(97,301)
Interest Accrued on Impaired Loans and Advances	(1,407,791)	(698,299)	(1,407,791)	(698,299)
Exchange Rate Movements	(636,735)	1,484,240	(636,735)	1,484,240
Closing Balance	43,018,913	33,562,206	43,018,913	33,562,206
Total Impairment	57,382,780	47,407,458	57,382,780	47,407,458

12 Analysis of Deposits

(Amounts in Rupees Thousands)

Deposits - By product	Bank		Group	
	As at	As at	As at	As at
	30.09.2023	31.12.2022	30.09.2023	31.12.2022
By product - Domestic Currency				
Demand Deposits	28,863,851	29,498,758	28,863,851	29,498,758
Savings Deposits	104,734,294	100,498,708	104,734,294	100,498,708
Fixed Deposits	319,804,972	309,006,995	319,804,972	309,006,995
Certificate of Deposits	941,014	1,034,256	941,014	1,034,256
Total	454,344,131	440,038,717	454,344,131	440,038,717
By product - Foreign Currency				
Demand Deposits	4,363,062	6,197,250	4,363,062	6,197,250
Savings Deposits	20,878,524	26,911,406	20,878,524	26,911,406
Fixed Deposits	85,072,706	74,168,382	85,072,706	74,168,382
Total	110,314,292	107,277,038	110,314,292	107,277,038
Total Deposits	564,658,423	547,315,755	564,658,423	547,315,755

SEYLAN BANK PLC - DEBENTURES

	CURRENT PERIOD 01-Jul-23 to 30-Sep-23	COMPARATIVE PERIOD 01-Jul-22 to 30-Sep-22
Debt (Debentures) / Equity Ratio (Times)	0.33	0.40
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.41	0.50
Interest Cover (Times)	4.32	2.85
Quick Asset Ratio (Times)	0.92	0.84
2016 Issue		
Market Prices during July to September (Ex Interest)		
7 Year Fixed Semi Annual - 13.75% p.a. (Debenture matured and redeemed on 15/07/2023)		*
Interest Yield as at Date of Last Trade		
7 Year Fixed Semi Annual - 13.75% p.a. (Debenture matured and redeemed on 15/07/2023)		*
Yield to Maturity of Trade Done on		
7 Year Fixed Semi Annual - 13.75% p.a. (Debenture matured and redeemed on 15/07/2023)		*
Interest Rate of Comparable Government Security		
- 7 Years		23.55%
2018 Issue		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Semi Annual - 12.85% p.a. (Debenture matured and redeemed on 29/03/2023)		*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a.	*	*
Interest Yield as at Date of Last Trade		
	*	*
Yield to Maturity of Trade Done on		
	*	*
Interest Rate of Comparable Government Security		
- 5 Years		23.48%
- 7 Years	15.13%	25.86%
- 10 Years	14.04%	26.87%
2019 Issue		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Annual - 15.00% p.a.	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 15.00% p.a.	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 15.00% p.a.	*	*
5 Year Fixed Semi Annual - 14.50% p.a.	*	*
Interest Rate of Comparable Government Security		
- 5 Years	15.16%	25.06%
2021 Issue		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Annual - 9.75% p.a.	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 9.75% p.a.	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 9.75% p.a.	*	*
5 Year Fixed Quarterly - 9.25% p.a.	*	*
Interest Rate of Comparable Government Security		
- 5 Years	14.94%	26.03%
2023 Issue (Debenture allotted on 02 May 2023)		
Market Prices during July to September (Ex Interest)		
5 Year Fixed Annual - 28.00% p.a.		
- Highest Price	100.00	
- Lowest Price	100.00	
- Last Traded Price (21/08/2023)	100.00	
5 Year Fixed Quarterly - 25.00% p.a.	*	
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 28.00% p.a.	27.71%	
5 Year Fixed Quarterly - 25.00% p.a.	*	
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 28.00% p.a.	28.00%	
5 Year Fixed Quarterly - 25.00% p.a.	*	
Interest Rate of Comparable Government Security		
- 5 Years	13.92%	

* No trading during the period.

Seylan Bank PLC

Selected Performance Indicators

Item	Bank		Group	
	30.09.2023	31.12.2022	30.09.2023	31.12.2022
Regulatory Capital (LKR Mn.)				
Common Equity Tier I	52,136	49,920	53,511	51,334
Total (Tier I) Capital	52,136	49,920	53,511	51,334
Total Capital Base	67,779	63,447	69,154	64,891
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	11.76	10.69	12.05	10.97
Total Tier I Capital Ratio (Minimum Requirement - 8.50%)	11.76	10.69	12.05	10.97
Total Capital Ratio (Minimum Requirement - 12.50%)	15.29	13.59	15.57	13.87
Regulatory Liquidity				
Statutory Liquid Assets (LKR Mn.)	238,334	149,336		
Domestic Banking Unit (LKR Mn.)	233,987	144,094		
Offshore Banking Unit (USD '000)	26,491	35,226		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %)				
Overall	39.10	25.51		
Domestic Banking Unit	39.16	25.16		
Offshore Banking Unit	24.19	25.02		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	153,523	110,444		
Liquidity Coverage Ratio %				
Rupee - (Minimum Requirement - 2023-100%, 2022- 90%)	412.10	280.14		
All Currency - (Minimum Requirement - 2023-100%, 2022- 90%)	308.27	175.10		
Net Stable Funding Ratio (%) (Minimum Requirement - 2023-100%, 2022- 90%)	130.15	117.62		
Assets Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	5.56	4.98		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	58.28	54.36		
Profitability				
Interest Margin (%)	5.98	6.33		
Return on Assets (before Tax) (%)	1.40	1.04		
Return on Equity (%)	10.54	8.85		