



Seylan Bank PLC

Interim Financial Statements
For the 03 Months Ended 31st March 2020

Commentary on Financials Q1- 2020

Seylan recorded a Profit after tax of Rs. 902 Million in Q1 despite challenging market conditions.

Net interest income increased by 7.28% during the 1Q 2020 while net fee and commission income from core banking activities witnessed an increase of 2% to reach Rs. 986 Million in 1Q 2020 as compared to Rs. 966 Million for the comparative period.

Other income captions comprising of net gains from trading activities, fair value changes of financial instruments, gains on foreign exchange transactions and other operating income was reported as a net gain of Rs. 415 Million compared to net gain of Rs. 368 Million in 1Q 2019.

Impairment charges for the period reached Rs. 1,116 Million, which is 89.41% increase as compared to a charge of Rs. 589 Million in Q1 2019.

Total Expenses recorded an increase of 5.27% from Rs. 3,098 Million in the 1Q of the previous year to Rs. 3,261 Million during the period under review.

Gross Loans and advances portfolio of the Bank recorded a marginal growth of Rs. 613 Million during the 1Q 2020 and the net position recorded a negative growth of Rs. 228 Million. The overall deposit base recorded a marginal growth of 1.56% to Rs. 407,002 Million by 1Q 2020 while Bank's CASA ratio (Current and Savings) stood 28%. Further, the total Time Deposits increased slightly from 71.61% by end of year 2019 to 72.06% as at 31st March 2020 of the total deposits base.

Bank's NPA ratio was 6.27% as at end of Q1 2020.

At the end of first quarter, Bank's Earnings per Share (EPS) stood at Rs. 1.79. Further, the Bank recorded a Return (before tax) on Average Assets (ROAA) of 0.98% and Return on Equity (ROE) of 7.98%. The Bank's Net Asset Value per share as at 31st March 2020 was Rs.90.91. Seylan Bank remained soundly capitalized, with the key capital adequacy ratios well above the regulatory minimum requirements and recorded 14.58% as the total capital ratio.

The Bank and its employees jointly, contributed to a fund to support the eradication of COVID-19 Pandemic. Through this we have undertaken improvements in the intensive care and critical care facility at Colombo East Base Hospital as well as providing protective face shields to the Police Force and the Public Health Inspectors.

Seylan Bank PLC
Income Statement

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

	(Amounts in Rupees Thousands)					
	Bank			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2020	2019 (Restated)	Growth %	2020	2019 (Restated)	Growth %
Interest Income	13,715,969	13,627,840	0.65	13,717,785	13,629,782	0.65
Less: Interest Expenses	9,014,551	9,245,501	(2.50)	8,937,923	9,168,836	(2.52)
Net Interest Income	4,701,418	4,382,339	7.28	4,779,862	4,460,946	7.15
Fee and Commission Income	1,046,488	1,020,289	2.57	1,046,465	1,020,286	2.57
Less: Fee and Commission Expenses	60,796	53,922	12.75	60,796	53,922	12.75
Net Fee and Commission Income	985,692	966,367	2.00	985,669	966,364	2.00
Net Gains/(Losses) from Trading	9,807	(621,742)	101.58	6,572	(622,328)	101.06
Net Gains from Derecognition of Financial Assets	69,552	56,049	24.09	69,552	56,049	24.09
Net Other Operating Income	335,888	933,933	(64.04)	351,209	860,974	(59.21)
Total Operating Income	6,102,357	5,716,946	6.74	6,192,864	5,722,005	8.23
Impairment Charges	1,116,066	589,236	89.41	1,116,066	589,220	89.41
Net Operating Income	4,986,291	5,127,710	(2.76)	5,076,798	5,132,785	(1.09)
Less: Operating Expenses						
Personnel Expenses	1,760,399	1,570,195	12.11	1,769,907	1,579,431	12.06
Depreciation and Amortization Expenses	364,487	312,381	16.68	373,150	317,480	17.53
Other Expenses	1,136,490	1,215,438	(6.50)	1,150,937	1,227,683	(6.25)
	3,261,376	3,098,014	5.27	3,293,994	3,124,594	5.42
Operating Profit before Taxes	1,724,915	2,029,696	(15.02)	1,782,804	2,008,191	(11.22)
Value Added Tax on Financial Services	454,608	426,600	6.57	454,608	426,600	6.57
Nation Building Tax on Financial Services	-	56,996	(100.00)	-	56,996	(100.00)
Debt Repayment Levy	-	250,101	(100.00)	-	250,101	(100.00)
Profit before Income Tax	1,270,307	1,295,999	(1.98)	1,328,196	1,274,494	4.21
Income Tax Expense	368,389	400,397	(7.99)	402,251	431,323	(6.74)
Profit for the Period	901,918	895,602	0.71	925,945	843,171	9.82
Profit Attributable to :						
Equity Holders of the Bank	901,918	895,602	0.71	918,859	827,865	10.99
Non-Controlling Interest	-	-	-	7,086	15,306	(53.70)
Profit for the period	901,918	895,602	0.71	925,945	843,171	9.82
Basic/Diluted Earnings per Ordinary Share (in Rupees)	1.79	2.24	(20.09)	1.82	2.07	(12.08)

Seylan Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

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

	<i>Bank</i>			<i>Group</i>		
	<i>For the Three Months Ended 31st March</i>			<i>For the Three Months Ended 31st March</i>		
	2020	2019 (Restated)	<i>Growth</i> %	2020	2019 (Restated)	<i>Growth</i> %
Profit for the Year	901,918	895,602	0.71	925,945	843,171	9.82
Other Comprehensive Income/ (Loss), Net of Tax						
Items that will be Reclassified to Income Statement in Subsequent Periods						
Net Movement of Cash Flow Hedge Reserve	(24,246)	(29,958)	19.07	(24,246)	(29,958)	19.07
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	421,900	904,748	(53.37)	422,183	906,049	(53.40)
Less: Deferred Tax effect relating to items that will be Reclassified to Income Statement	118,132	253,330	(53.37)	118,160	253,330	(53.36)
Items that will not 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	(25,524)	72,393	(135.26)	(25,524)	72,393	(135.26)
Less: Deferred Tax effect relating to items that will not be Reclassified to Income Statement	-	-	-	-	-	-
Other comprehensive income/ (loss) for the period, net of taxes	253,998	693,853	(63.39)	254,253	695,154	(63.42)
Total Comprehensive Income for the Period	1,155,916	1,589,455	(27.28)	1,180,198	1,538,325	(23.28)
Attributable to:						
Equity Holders of the Bank	1,155,916	1,589,455	(27.28)	1,173,037	1,522,635	(22.96)
Non-controlling interest	-	-	-	7,161	15,690	(54.36)
Total comprehensive income for the Period	1,155,916	1,589,455	(27.28)	1,180,198	1,538,325	(23.28)

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

(Amounts in Rupees Thousands)

	Bank			Group		
	As at 31.03.2020	As at 31.12.2019	Growth %	As at 31.03.2020	As at 31.12.2019	Growth %
Assets						
Cash and Cash Equivalents	13,097,704	11,758,729	11.39	13,097,744	11,758,769	11.39
Balances with Central Bank of Sri Lanka	14,447,313	14,458,970	(0.08)	14,447,313	14,458,970	(0.08)
Placements with Banks and Finance Companies	2,471,008	1,173,278	110.61	2,471,008	1,173,278	110.61
Derivative Financial Instruments	289,350	134,756	114.72	289,350	134,756	114.72
Financial Assets recognized through Profit or Loss						
- Measured at fair value	3,867,932	7,118,016	(45.66)	3,871,498	7,124,752	(45.66)
- Designated at fair value	-	-	-	-	-	-
Financial Assets at Amortized Cost						
- Loans and Advances	379,030,760	379,259,064	(0.06)	379,030,760	379,259,064	(0.06)
- Debt and Other Instruments	36,992,616	27,038,743	36.81	36,992,616	27,038,743	36.81
Financial Assets measured at Fair Value through Other Comprehensive Income	52,836,639	55,591,526	(4.96)	52,889,034	55,645,538	(4.95)
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,000	40,000	-	-	-	-
Property, Plant & Equipment	4,318,758	4,347,933	(0.67)	7,045,548	7,088,440	(0.61)
Leasehold Rights	36,048	36,534	(1.33)	560,297	562,635	(0.42)
Right-of-use Assets	4,339,245	4,457,472	(2.65)	1,559,769	1,667,714	(6.47)
Investment Properties	-	-	-	849,781	853,157	(0.40)
Intangible Assets	570,750	607,267	(6.01)	570,750	607,267	(6.01)
Other Assets	7,302,613	9,118,297	(19.91)	7,347,578	9,158,186	(19.77)
Total Assets	520,794,338	516,294,187	0.87	521,023,046	516,531,269	0.87
Liabilities						
Due to Banks	30,675,343	28,769,629	6.62	30,675,343	28,769,629	6.62
Derivative Financial Instruments	238,654	222,978	7.03	238,654	222,978	7.03
Financial Liabilities at Amortized Cost						
- Due to Depositors	407,001,630	400,731,358	1.56	407,001,630	400,731,358	1.56
- Due to Debt Securities Holders	4,893,444	8,425,884	(41.92)	4,893,444	8,425,884	(41.92)
- Due to Other Borrowers	20,822	23,407	(11.04)	20,822	23,407	(11.04)
Group Balances Payable	258,533	200,969	28.64	-	-	-
Debt Securities Issued	19,744,003	19,870,944	(0.64)	19,744,003	19,870,944	(0.64)
Current Tax Liabilities	266,864	525,389	(49.21)	232,776	490,699	(52.56)
Deferred Tax Liabilities	680,304	725,326	(6.21)	933,237	947,225	(1.48)
Lease Liabilities	4,289,541	4,351,632	(1.43)	1,445,610	1,507,618	(4.11)
Other liabilities	6,942,010	7,819,397	(11.22)	7,013,275	7,897,473	(11.20)
Total Liabilities	475,011,148	471,666,913	0.71	472,198,794	468,887,215	0.71
Equity						
Stated Capital	17,044,724	17,044,724	-	17,044,724	17,044,724	-
Statutory Reserve Fund	1,952,957	1,952,957	-	1,952,957	1,952,957	-
Fair Value through Other Comprehensive Income Reserve	264,025	(14,219)	1,956.85	233,823	(44,601)	624.26
Retained Earnings	23,725,157	22,823,239	3.95	24,413,043	23,494,184	3.91
Other Reserves	2,796,327	2,820,573	(0.86)	3,907,956	3,932,202	(0.62)
Total Shareholders' Equity	45,783,190	44,627,274	2.59	47,552,503	46,379,466	2.53
Non - Controlling Interest	-	-	-	1,271,749	1,264,588	0.57
Total Equity	45,783,190	44,627,274	2.59	48,824,252	47,644,054	2.48
Total Equity & Liabilities	520,794,338	516,294,187	0.87	521,023,046	516,531,269	0.87
Contingent Liabilities and Commitments	153,508,714	150,147,271	2.24	153,547,781	150,189,462	2.24
Memorandum Information						
Number of Employees	3,322	3,360	(1.13)	3,343	3,381	(1.12)
Number of Banking Centres	172	173	(0.58)	172	173	(0.58)
Net Assets Value per Ordinary Share (Rs.)	90.91	88.61	2.60	94.42	92.09	2.53

Certification:

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

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

b) The information contained in these statements have been extracted from the 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
May 26, 2020
Colombo

(Sgd.)

Kapila Ariyaratne
Director/Chief Executive Officer

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

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves	
						**		
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	-	-	-	895,602	-	-	-	895,602
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	651,418	-	651,418
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	72,393	-	72,393
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(29,958)	(29,958)
2 Total Comprehensive Income for the Period	-	-	-	895,602	-	723,811	(29,958)	1,589,455
Transactions with Equity Holders , Recognized Directly In Equity								
Cash/Script Dividends to Equity Holders	316,659	313,031	-	(915,248)	-	-	-	(285,558)
Transferred from Investment Fund Reserve	-	-	-	2,182	-	-	(2,182)	-
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	-	(660,004)	-	(253,062)	(2,182)	(285,558)
Balance as at 31st March 2019 (1 + 2 + 3)	8,039,866	4,615,619	1,768,944	20,034,245	866,290	(1,408,552)	1,997,284	35,913,696
1 Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	901,918	-	-	-	901,918
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	303,768	-	303,768
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(25,524)	-	(25,524)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(24,246)	(24,246)
2 Total Comprehensive Income for the Period	-	-	-	901,918	-	278,244	(24,246)	1,155,916
Balance as at 31st March 2020 (1 + 2)	10,884,710	6,160,014	1,952,957	23,725,157	858,312	264,025	1,938,015	45,783,190

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

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

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

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves			
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	-	-	-	827,865	-	-	-	827,865	15,306	843,171
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	652,335	-	652,335	384	652,719
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	72,393	-	72,393	-	72,393
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(29,958)	(29,958)	-	(29,958)
2 Total Comprehensive Income for the Period	-	-	-	827,865	-	724,728	(29,958)	1,522,635	15,690	1,538,325
Transactions with Equity Holders , Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	316,659	313,031	-	(915,248)	-	-	-	(285,558)	(43,635)	(329,193)
Transferred from Investment Fund Reserve	-	-	-	2,182	-	-	(2,182)	-	-	-
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	-	(660,004)	-	(253,062)	(2,182)	(285,558)	(43,635)	(329,193)
Balance as at 31st March 2019 (1 + 2 + 3)	8,039,866	4,615,619	1,768,944	20,587,090	1,662,627	(1,442,660)	2,252,497	37,483,983	1,188,512	38,672,495
1 Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	23,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,054
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	918,859	-	-	-	918,859	7,086	925,945
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	303,948	-	303,948	75	304,023
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(25,524)	-	(25,524)	-	(25,524)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(24,246)	(24,246)	-	(24,246)
2 Total Comprehensive Income for the Period	-	-	-	918,859	-	278,424	(24,246)	1,173,037	7,161	1,180,198
Balance as at 31st March 2020 (1+2)	10,884,710	6,160,014	1,952,957	24,413,043	1,714,728	233,823	2,193,228	47,552,503	1,271,749	48,824,252

* 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

CASH FLOW STATEMENT

For the Three Months ended 31st March

	Bank		Group	
	2020 LKR '000	2019 LKR '000 (Restated)	2020 LKR '000	2019 LKR '000 (Restated)
Cash Flows from Operating Activities				
Interest receipts	13,008,605	13,598,498	13,010,421	13,600,440
Interest payments	(7,846,023)	(7,851,196)	(7,773,636)	(7,778,328)
Net commission receipts	985,692	966,367	985,669	966,364
Trading income	9,295	12,498	6,060	11,912
Payments to employees	(1,648,705)	(1,487,734)	(1,652,101)	(1,489,013)
VAT and NBT on financial services and DRL	(393,902)	(615,551)	(393,902)	(615,551)
Receipts from other operating activities	409,110	1,126,538	424,431	1,143,320
Payments on other operating activities	(485,099)	(913,468)	(499,546)	(925,713)
Operating profit before changes in operating assets and liabilities	4,038,973	4,835,952	4,107,396	4,913,431
(Increase)/decrease in operating assets :				
Balances with Central Bank of Sri Lanka	11,657	3,285,673	11,657	3,285,673
Financial assets at amortized cost - Loans and advances	381,465	(10,586,744)	381,465	(10,586,744)
Other assets	2,127,404	(3,985,928)	2,112,046	(1,004,469)
Increase/(decrease) in operating liabilities :				
Financial liabilities at amortized cost - Due to depositors	5,941,902	8,718,865	5,941,902	8,718,865
Financial liabilities at amortized cost - Due to debt securities holders	(3,524,643)	107,010	(3,524,643)	107,010
Financial liabilities at amortized cost - Due to other borrowers	(2,585)	(2,635)	(2,585)	(2,635)
Other liabilities	(2,492,956)	5,920,553	(2,630,726)	2,846,257
Due to banks	1,905,714	(3,790,354)	1,905,714	(3,790,353)
Cash generated from operating activities before income tax	8,386,931	4,502,392	8,302,226	4,487,035
Income tax paid	(406,266)	(467,082)	(406,266)	(467,449)
Net cash generated from operating activities	7,980,665	4,035,310	7,895,960	4,019,586
Cash flows from investing activities				
Purchase of property , plant & equipment	(177,387)	(101,847)	(177,387)	(101,847)
Improvements in Investment property	-	-	-	-
Proceeds from sale of property , plant & equipment	6,695	415	6,695	415
Net proceeds from Sale, maturity and purchase of financial investments of government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after three months	1,520,345	(1,248,805)	1,520,345	(1,194,771)
Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	895	4,875	5,682	4,875
Reverse repurchase agreements maturing after three months	21,533	4,961	21,533	4,961
Net purchase of intangible assets	(6,695)	(15,545)	(6,695)	(15,545)
Net cash flow from acquisition of investment in subsidiaries	-	-	-	-
Net cash flow from disposal of subsidiaries	-	-	-	-
Dividend received from investment in subsidiaries	-	89,725	-	-
Dividend received from other investments	1,709	3,743	1,709	3,743
Proceed from Sale of Assets Held-for-Sale	-	-	-	-
Net cash used in investing activities	1,367,095	(1,262,478)	1,371,882	(1,298,169)
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	-	-	-	-
Repayment of subordinated debt	-	-	-	-
Interest paid on subordinated debt	(744,545)	(743,482)	(740,304)	(743,482)
Interest paid on un-subordinated debt	-	-	-	-
Dividend paid to non-controlling interest	-	-	(4)	-
Dividend paid to shareholders of the bank	(55)	(48)	(55)	(14,047)
Dividend paid to holders of other equity instruments	-	-	-	-
Payment of lease liabilities	(176,580)	(155,695)	(101,397)	(90,281)
Net cash (used in) / generated from financing activities	(921,180)	(899,225)	(841,760)	(847,810)
Net increase / (decrease) in cash and cash equivalents	8,426,580	1,873,607	8,426,082	1,873,607
Cash and cash equivalents at beginning of the Period	24,716,667	25,401,673	24,717,205	25,401,713
Cash and cash equivalents at end of the Period	33,143,247	27,275,280	33,143,287	27,275,320
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	13,097,704	8,908,270	13,097,744	8,908,310
Placements with banks and finance companies	2,471,008	3,250,677	2,471,008	3,250,677
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within three months	10,651,938	6,366,996	10,651,938	6,366,996
Securities purchased under resale agreements maturing within three months	6,922,597	8,749,337	6,922,597	8,749,337
	33,143,247	27,275,280	33,143,287	27,275,320

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.

Interim Financial Statements for the quarter ended 31/03/2019 has been restated by incorporating the impact on adopting SLFRS 16 effective from January 01, 2019.

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

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

Covid 19 Impact

The socio-economic impact of Corona Virus Disease (Covid 19) pandemic situation has a direct and substantial impact on the Bank's normal business/operations. The Bank has strictly complied with the guidelines and directives issued with this regard by the Government, the Central Bank of Sri Lanka and other regulators, while closely monitoring its working capital to balance the cash inflow and outflow measurements. However from the inception when the first Covid19 case was identified in Sri Lanka, the Bank has recognized the severity of the problem and prepared itself to meet the challenges and consequences. The Bank ensured health and safety protocols for its staff and the customers. The Bank's business continuity planning and disaster recovery planning has helped the Bank to promptly respond to the situation. Agile strategic planning and execution of strategic decisions were taken with Board members, senior management team and other connected staff members. The Bank will continue to take necessary protocols and actions to support the current pandemic situation.

However, it is too early to quantify and confirm the impact of the Covid19 pandemic on the Bank's operations and its financial condition in the current context and in the future.

2. Information on Ordinary Shares

Market Price (Rs.)	31/03/2020 (last date of trading as the CSE's Trading Floor was closed from 23/03/2020 to 31/03/2020)		31/03/2019	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	33.50	22.10	62.80	35.90
Highest price per share during the quarter ended	53.50	33.70	79.90	45.90
Lowest price per share during the quarter ended	33.00	21.80	56.00	35.10

3. Shareholders Information

3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2020

	No. of Shares	%
1 Sri Lanka Insurance Corporation Ltd [Includes General Fund and Life Fund]	37,721,674	15.00
2 Brown & Company PLC A/C No. 1	34,892,388	13.87
3 Employees' Provident Fund	24,789,462	9.86
4 LOLC Investments Ltd	24,019,936	9.55
5 National Development Bank PLC A/C No.02	21,941,094	8.72
6 Mr. R S Captain	14,535,549	5.78
7 Bank of Ceylon No. 1 Account	14,145,629	5.62
8 Seylan Bank PLC A/C No. 04 – E employees' Gratuity Trust Fund	12,684,300	5.04
9 People's Leasing & Finance PLC /D on and D on Holdings(Pvt) Ltd	5,718,954	2.27
10 E employees' Trust Fund Board	5,347,520	2.13
11 Mr. S E Captain	5,084,105	2.02
12 Sisil Investment Holdings(Pvt) Ltd	2,696,186	1.07
13 Mr. L A Captain	2,653,526	1.06
14 NDB Capital Holdings Limited A/C No. 02	2,547,149	1.01
15 AIA insurance Lanka Ltd A/c No. 07	2,340,357	0.93
16 Mr. M J Fernando	1,226,585	0.49
17 Mr. R R Leon	1,190,033	0.47
18 Mr. K R B Fernando	1,088,123	0.43
19 Ambeon Holdings PLC	887,051	0.35
20 N P Capital Ltd	763,762	0.30

3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2020

	No. of Shares	%
1 LOLC Holdings PLC	111,968,446	44.41
2 E employees' Provident Fund	13,449,364	5.33
3 People's Leasing & Finance PLC /D on and D on Holdings (Pvt) Ltd	5,971,428	2.37
4 Akbar Brothers Pvt Ltd A/C No 1	5,415,210	2.15
5 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	4,657,021	1.85
6 Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram	4,276,523	1.70
7 Pershing LLC S/A Averbach Grauson & Co	4,160,284	1.65
8 E employees' Trust Fund Board	4,011,506	1.59
9 People's Leasing & Finance PLC /Mrs P Thavarajah	3,493,906	1.39
10 First Capital Limited	3,187,073	1.26
11 J. B. Cocoshell (Pvt) Ltd	3,011,739	1.19
12 Merrill J Fernando & Sons(Pvt) Limited	2,800,825	1.11
13 Mr. R R Leon	2,223,116	0.88
14 LOLC Technology Services Limited	2,201,808	0.87
15 Mr. N Balasingam	1,972,634	0.78
16 GF Capital Global Ltd	1,508,454	0.60
17 Mr. D N N Lokuge	1,344,449	0.53
18 Mr. R Gautam	1,327,394	0.53
19 Mr. M J Fernando	1,268,314	0.50
20 Dr. S Yaddehige	1,185,982	0.47

3.3 Public Holdings as at March 31, 2020

The Bank is compliant under Option 4 of the Section 7.13.1 (Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange. The figures are based on information as at 20th March 2020, the last date of trading in the month of March 2020.

Float adjusted market capitalization	- LKR 4.62 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,059

4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2020

<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	63,186	207,437
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 March 31, 2020

	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
62,869,468 Voting Ordinary shares @ Rs. 45.25 each	2,844,844
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
63,036,478 Non-Voting Ordinary Shares @ Rs. 24/50 each	1,544,394
Less: Issue Expenses	(181,580)
	<u>17,044,724</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 quarter ended March 31, 2020. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non- availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at March 31, 2019 has been restated based on the no of shares issued for Rights Issue in 2019.

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, other than implication of Covid 19 outbreak on financial statements have been considered as adjusting events and incorporated in the financial statements where necessary.

8. Other Matters

i. Dividend

The Board of Directors of the Bank recommended a first and final dividend of Rs 2.00 per share on both voting and non-voting shares of the Bank for the financial year ended 31st December 2019, to be paid in the form of a cash dividend of Rs. 1.00 per share and a scrip dividend of Rs. 1.00 per share (Rs. 2.50 per share was paid for the year ended 31st December 2018 by way of Rs. 0.50 per share cash dividend and Rs. 2.00 per share scrip dividend).

The said dividend was to be approved by the shareholders at the Annual General Meeting (AGM) of the Bank scheduled to be held on 30th March 2020. However, the AGM scheduled to be held on March 30, 2020 at 10.00 a.m. at the Grand Ballroom of Galadari Hotel, Colombo was postponed taking into consideration the threat posed by the Corona Virus Pandemic (Covid 19) in the country and same was informed to the Colombo Stock Exchange. The new date for the AGM will be subject to a further announcement including the date for the aforementioned first and final dividend of the Bank.

Also as per CBSL (the Letter dated 27/03/2020 from the Governor), all banks should refrain from using release of capital on any capital related relaxations granted, under the Extraordinary Measures taken by the CBSL to provide flexibility to Licensed Banks to support Businesses and Individuals affected by the outbreak of Corona Virus Disease (Covid 19).

This proposed final dividend has not been recognized as a liability as at March 31, 2020.

ii. Dividend

The Bank has not recognized an additional gratuity liability in the financial statement for ex-employees who have not entered into the "Memorandum of settlement (MOS)" with the Bank, giving the right to settle the said liability by utilizing proceeds expected from disposal of shares held by share trust companies, as the liability is contingent upon the signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing. If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs.145Mn. (net of tax) as of 31st March 2020.

iii. Re-classification of Bank's Investments in Sri Lanka Development Bonds (SLDB)

The Bank re-classified its SLDB Portfolio consequent to the changes on the business model of change of managing the assets with effect from January 01, 2020 as per the Guidance Notes issued by CA Sri Lanka on Accounting Consideration of the Covid 19 Outbreak (updated on May 11, 2020). SLDB amounted to USD 21 Mn previously classified as Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI) were re-classified as Amortized Cost and SLDB amounted to USD 2 Mn previously classified as Financial Assets Recognized Through Profit or Loss (Measured at fair value) were re-classified as Amortized Cost. There was no change to the effective interest rate used and interest revenue recognized for the reclassified assets were amounted to Rs. 68Mn for the quarter ended 31st March 2020.

iv. Fair valuation of Equity Securities and Foreign Currency Denominated Government Securities

As per the Guidance Notes issued by CA Sri Lanka on Accounting Consideration of the Covid 19 Outbreak (updated on May 11, 2020), the mark-to-market gains or losses on equity

securities and foreign currency denominated government securities have been computed based on the prices which prevailed as at 29th February 2020. This is based on the assumption that the mark-to-market valuation as at 31 March 2020 could not be accepted as active market price, due to the turmoil that prevailed during the latter part of the month due to COVID – 19 outbreak.

v. Corporate Income Tax rate

It has been proposed to reduce income tax rate on companies from 28% to 24% pending formal approval from the Parliament as an amendment to the Inland Revenue Act No. 24 of 2017. As it is not considered as substantially enacted as at the reporting date, the tax rate adapted for the computation of deferred tax remains at 28%.

vi. Impairment Provision

The Bank estimated Expected Credit Loss (ECL) as at March 31, 2020, based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) computed as at December 31, 2019 in compliance with the guidance note issued by CA Sri Lanka on accounting implications of Covid 19, since there were no sufficient information available to estimate the impact of Covid 19 pandemic situation. However, the Bank also made required provision for certain identified customers where there were sufficient information for the ECL Computation as at March 31, 2020.

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 quarter ended March 31, 2019 were restated due to the adoption of SLFRS 16 effective from January 01 2019.

For the 03 Months ended March 31, 2019	Rs 000's			
	Bank		Group	
	Restated	Previously Reported	Restated	Previously Reported
Interest Expenses	9,245,501	9,140,627	9,168,836	9,134,541
Net Interest Income	4,382,339	4,487,213	4,460,946	4,495,241
Total Operating Income	5,716,946	5,821,820	5,722,005	5,755,329
Depreciation and Amortization	312,381	203,379	317,480	218,760
Other Expenses	1,215,438	1,416,987	1,227,683	1,371,354
Operating Profit Before Taxes	2,029,696	2,042,023	2,008,191	1,996,564
Tax Expenses	1,134,094	1,139,456	1,165,020	1,171,079
Profit For the Period	895,602	902,567	843,171	825,485
Total Comprehensive Income for the Period	1,589,455	1,596,420	1,538,325	1,520,639

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019 (Restated)
Interest Income	10,835,110	11,200,530	2,117,790	1,738,445	7,344	8,028	757,541	682,779	13,717,785	13,629,782
Interest Expense	7,539,713	8,184,678	1,436,153	1,056,763	-	-	(37,943)	(72,605)	8,937,923	9,168,836
Net Interest Income	3,295,397	3,015,852	681,637	681,682	7,344	8,028	795,484	755,384	4,779,862	4,460,946
Fee and Commission Income	1,040,526	1,008,818	1,571	1,865	-	-	4,368	9,603	1,046,465	1,020,286
Fee and Commission Expense	55,295	49,050	5,501	4,872	-	-	-	-	60,796	53,922
Net Fee and Commission Income	985,231	959,768	(3,930)	(3,007)	-	-	4,368	9,603	985,669	966,364
Net Gains/(Losses) from Trading	-	-	9,807	(621,742)	(3,235)	(586)	-	-	6,572	(622,328)
Net Gains from Derecognition of Financial Assets	-	-	69,552	56,049	-	-	-	-	69,552	56,049
Net Other Operating Income	30,100	46,924	153,402	907,512	81,627	73,767	86,080	(167,229)	351,209	860,974
Inter Segment Revenue	(12,844)	(38,697)	-	18,814	-	-	12,844	19,883	-	-
Total Operating Income	4,297,884	3,983,847	910,468	1,039,308	85,736	81,209	898,776	617,641	6,192,864	5,722,005
Depreciation and Amortisation Expenses	234,630	228,966	1,316	963	180	226	137,024	87,325	373,150	317,480
Impairment Charge for the Period	1,110,627	582,017	5,439	7,219	-	(16)	-	-	1,116,066	589,220
Operating Expenses & VAT on Financial Services	2,436,454	2,569,018	174,561	238,237	24,124	21,577	740,313	711,979	3,375,452	3,540,811
Reportable Segment Profit Before Income Tax	516,173	603,846	729,152	792,889	61,432	59,422	21,439	(181,663)	1,328,196	1,274,494
Income Tax Expense									402,251	431,323
Profit For The Period									925,945	843,171
Profit Attributable To:										
Equity Holders of The Bank									918,859	827,865
Non-Controlling Interests									7,086	15,306
Profit For The Period									925,945	843,171
Other Comprehensive Income, Net of Income Tax									254,253	695,154

* 2019 includes NBT & DRL.

10. Seylan Bank PLC
Segment Reporting (Group)

(Amounts in Rupee Thousands)

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019 (Restated)
Other Information										
Total Assets	374,206,233	330,545,204	116,357,284	119,668,960	5,835,629	5,700,045	24,623,900	23,708,992	521,023,046	479,623,201
Total Liabilities & Equity	416,482,357	378,583,099	64,081,907	64,683,316	5,835,629	5,700,045	34,623,153	30,656,741	521,023,046	479,623,201
Cash Flows from Operating Activities	7,091,235	3,252,523	735,907	793,852	50,548	43,074	18,270	(69,863)	7,895,960	4,019,586
Cash Flows from Investing Activities	(206,144)	(62,041)	1,543,804	(1,322,649)	8,268	(14,215)	25,954	100,736	1,371,882	(1,298,169)
Cash Flows from Financing Activities	(176,580)	(155,695)	(744,545)	(743,482)	-	-	79,365	51,367	(841,760)	(847,810)
Capital Expenditure	(154,959)	(80,602)	-	(4,303)	-	-	(29,123)	(32,487)	(184,082)	(117,392)

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

(Amounts in Rupees Thousands)

31.03.2020				
Assets	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
Cash and Cash Equivalents	-	-	13,097,704	13,097,704
Balances with Central Bank of Sri Lanka	-	-	14,447,313	14,447,313
Placements with Banks and Finance Companies	-	-	2,471,008	2,471,008
Derivative Financial Instruments	289,350	-	-	289,350
Securities Purchased under Resale Agreements	-	-	6,922,597	6,922,597
Customer Loans and Advances	-	-	379,030,760	379,030,760
Debt Instruments	-	76,006	674,740	750,746
Equity Instruments	-	1,664,167	-	1,664,167
Government Securities	3,867,932	51,096,466	29,395,279	84,359,677
Group Balances Receivable	-	-	40,000	40,000
Other Financial Assets	-	-	4,537,019	4,537,019
Total Financial Assets	4,157,282	52,836,639	450,616,420	507,610,341

Liabilities	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
Due to Banks	-	30,675,343	30,675,343
Derivative Financial Instruments	238,654	-	238,654
Due to Depositors	-	407,001,630	407,001,630
Securities Sold under Repurchase Agreements	-	4,893,444	4,893,444
Due to Other Borrowers	-	20,822	20,822
Group Balances Payable	-	258,533	258,533
Debt Securities Issued	-	19,744,003	19,744,003
Lease Liabilities	-	4,289,541	4,289,541
Other Financial Liabilities	-	4,546,548	4,546,548
Total Financial Liabilities	238,654	471,429,864	471,668,518

31.12.2019				
Assets	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
Cash and Cash Equivalents	-	-	11,758,729	11,758,729
Balances with Central Bank of Sri Lanka	-	-	14,458,970	14,458,970
Placements with Banks and Finance Companies	-	-	1,173,278	1,173,278
Derivative Financial Instruments	134,756	-	-	134,756
Securities Purchased under Resale Agreements	-	-	5,165,159	5,165,159
Customer Loans and Receivables	-	-	379,259,064	379,259,064
Debt Instruments	-	74,055	669,204	743,259
Equity Instruments	-	1,689,691	-	1,689,691
Government Securities	7,118,016	53,827,780	21,204,380	82,150,176
Group Balances Receivable	-	-	40,000	40,000
Other Financial Assets	-	-	6,471,794	6,471,794
Total Financial Assets	7,252,772	55,591,526	440,200,578	503,044,876

Liabilities	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost	Total
Due to Banks	-	28,769,629	28,769,629
Derivative Financial Instruments	222,978	-	222,978
Due to Depositors	-	400,731,358	400,731,358
Securities Sold under Repurchase Agreements	-	8,425,884	8,425,884
Due to other Borrowers	-	23,407	23,407
Group Balances Payable	-	200,969	200,969
Debt Securities Issued	-	19,870,944	19,870,944
Lease Liabilities	-	4,351,632	4,351,632
Other Financial Liabilities	-	6,025,050	6,025,050
Total Financial Liabilities	222,978	468,398,873	468,621,851

Seylan Bank PLC

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

(Amounts in Rupees Thousands)

	Bank		Group	
	As at 31.03.2020	As at 31.12.2019	As at 31.03.2020	As at 31.12.2019
12.1 Product-wise Gross Loans & Advances				
By product - Domestic Currency				
Export Bills	-	10,615	-	10,615
Import Bills	1,276,409	304,831	1,276,409	304,831
Local Bills	644	247,963	644	247,963
Lease Rentals Receivable	21,281,438	20,932,145	21,281,438	20,932,145
Overdrafts	61,427,071	60,306,083	61,427,071	60,306,083
Revolving Import Loans	18,202,760	17,958,104	18,202,760	17,958,104
Packing Credit Loans	1,703,105	1,947,964	1,703,105	1,947,964
Trust Receipt Loans	1,878,211	1,715,118	1,878,211	1,715,118
Staff Loans	6,741,873	6,671,261	6,741,873	6,671,261
Housing Loans	16,616,896	16,589,494	16,616,896	16,589,494
Pawning Receivables	12,202,349	12,282,669	12,202,349	12,282,669
Refinance Loans	7,728,806	7,640,631	7,728,806	7,640,631
Credit Cards	6,807,365	6,681,209	6,807,365	6,681,209
Margin Trading	2,340,361	2,879,599	2,340,361	2,879,599
Factoring	2,293,265	2,600,010	2,293,265	2,600,010
Term Loans	180,961,592	186,376,199	180,961,592	186,376,199
Total	341,462,145	345,143,895	341,462,145	345,143,895
By product - Foreign Currency				
Export Bills	2,876,774	2,924,324	2,876,774	2,924,324
Import Bills	779,496	589,960	779,496	589,960
Local Bills	124	19,571	124	19,571
Overdrafts	412,243	472,059	412,243	472,059
Revolving Import Loans	732,944	1,001,607	732,944	1,001,607
Packing Credit Loans	12,364,581	11,565,189	12,364,581	11,565,189
Housing Loans	176,189	175,201	176,189	175,201
Term Loans	31,799,596	28,099,669	31,799,596	28,099,669
Total	49,141,947	44,847,580	49,141,947	44,847,580
Gross Loans and Advances	390,604,092	389,991,475	390,604,092	389,991,475
12.2 Product-wise Commitments and Contingencies				
By product - Domestic Currency				
Commitments				
Undrawn Credit Lines	70,407,203	68,481,017	70,407,203	68,481,017
Capital Commitments	301,267	517,785	340,334	559,976
Contingencies				
Acceptances	264,930	292,465	264,930	292,465
Standby Letters of Credit	13,000	13,000	13,000	13,000
Guarantees	39,821,009	40,159,250	39,821,009	40,159,250
Documentary Credit	613,049	796,003	613,049	796,003
Bills for Collection	505,203	316,779	505,203	316,779
Forward Exchange Contracts (Net)	(14,750,713)	(13,965,832)	(14,750,713)	(13,965,832)
Total	97,174,948	96,610,467	97,214,015	96,652,658
By product - Foreign Currency				
Commitments				
Undrawn Credit Lines	12,870,470	11,798,260	12,870,470	11,798,260
Capital Commitments	242,250	288,455	242,250	288,455
Contingencies				
Acceptances	9,998,005	10,101,677	9,998,005	10,101,677
Standby Letters of Credit	537,084	509,262	537,084	509,262
Guarantees	3,221,705	3,086,845	3,221,705	3,086,845
Documentary Credit	11,527,380	10,849,105	11,527,380	10,849,105
Bills for Collection	3,196,171	3,250,213	3,196,171	3,250,213
Forward Exchange Contracts (Net)	14,740,701	13,652,987	14,740,701	13,652,987
Total	56,333,766	53,536,804	56,333,766	53,536,804
Total Commitments and Contingencies	153,508,714	150,147,271	153,547,781	150,189,462

Seylan Bank PLC

Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands)

	Bank		Group	
	As at	As at	As at	As at
	31.03.2020	31.12.2019	31.03.2020	31.12.2019

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

	544,112,806	540,138,746	544,151,873	540,180,937
Gross Loans and Advances, Commitments and Contingencies				
Less : Accumulated Impairment under Stage 1	1,090,872	965,844	1,090,872	965,844
Accumulated Impairment under Stage 2	738,474	573,870	738,474	573,870
Accumulated Impairment under Stage 3	10,022,385	9,456,784	10,022,385	9,456,784
Net Loans & Advances, Commitments and Contingencies	532,261,075	529,142,248	532,300,142	529,184,439
Movement of Impairment during the Period	Fom 01.01.2020 to 31.03.2020	From 01.01.2019 to 31.12.2019	Fom 01.01.2020 to 31.03.2020	From 01.01.2019 to 31.12.2019
Stage 1				
Opening Balance as at 01st January	965,844	862,303	965,844	862,303
Charge/(Write back) to income statement	125,028	103,541	125,028	103,541
Closing Balance	1,090,872	965,844	1,090,872	965,844
Stage 2				
Opening Balance as at 01st January	573,870	820,746	573,870	820,746
Charge/(Write back) to income statement	164,604	(246,876)	164,604	(246,876)
Closing Balance	738,474	573,870	738,474	573,870
Stage 3				
Opening Balance as at 01st January	9,456,784	8,473,518	9,456,784	8,473,518
Charge/(Write back) to income statement	812,682	3,987,081	812,682	3,987,081
Reversal for Write-off during the period	(9,592)	(2,398,992)	(9,592)	(2,398,992)
Interest Accrued on Impaired Loans and Advances	(237,489)	(604,823)	(237,489)	(604,823)
Other Movement	-	-	-	-
Closing Balance	10,022,385	9,456,784	10,022,385	9,456,784
Total Impairment	11,851,731	10,996,498	11,851,731	10,996,498

13 Analysis of Deposits

(Amounts in Rupees Thousands)

Deposits - By product	Bank		Group	
	As at	As at	As at	As at
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
By product - Domestic Currency				
Demand Deposits	19,290,665	19,438,400	19,290,665	19,438,400
Savings Deposits	79,706,093	79,208,251	79,706,093	79,208,251
Fixed Deposits	256,868,940	251,643,284	256,868,940	251,643,284
Certificate of Deposits	2,698,964	2,833,926	2,698,964	2,833,926
Total	358,564,662	353,123,861	358,564,662	353,123,861
By product - Foreign Currency				
Demand Deposits	3,379,989	3,238,241	3,379,989	3,238,241
Savings Deposits	11,327,267	11,877,218	11,327,267	11,877,218
Fixed Deposits	33,729,712	32,492,038	33,729,712	32,492,038
Total	48,436,968	47,607,497	48,436,968	47,607,497
Total Deposits	407,001,630	400,731,358	407,001,630	400,731,358

SEYLAN BANK PLC - DEBENTURES

	CURRENT PERIOD 01-Jan-20 to 31-Mar-20	COMPARATIVE PERIOD 01-Jan-19 to 31-Mar-19
Debt (Debentures) / Equity Ratio (Times)	0.43	0.45
Debt (Debentures plus Long term Debt) / Equity Ratio (Times)	0.65	0.79
Interest Cover (Times)	3.06	3.77
Quick Asset Ratio (Times)	0.79	0.75
2014 Issue		
Market Prices during January to March (Ex Interest)		
5 Year Fixed Semi Annual - 8.35% p.a.(Debenture matured and redeemed on 22/12/2019)	-	*
5 Year Fixed Annual - 8.60% p.a. (Debenture matured and redeemed on 22/12/2019)	-	*
6 Year Fixed Semi Annual - 8.60% p.a.	*	*
6 Year Fixed Annual - 8.75% p.a.	*	*
Interest Yield as at Date of Last Trade	*	*
Yield to Maturity of Trade Done on	*	*
Interest Rate of Comparable Government Security		
- 5 Years (Debenture matured and redeemed on 22/12/2019)	-	9.89%
- 6 Years	7.50%	10.46%
2016 Issue		
Market Prices during January to March (Ex Interest)		
5 Year Fixed Semi Annual - 13.00% p.a		
- Highest Price	100.00	*
- Lowest Price	100.00	*
- Last Traded Price (30/01/2020)/ *	100.00	*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a		
- Highest Price	102.98	105.00
- Lowest Price	102.98	105.00
- Last Traded Price (13/01/2020)/(02/01/2019)	102.98	105.00
Interest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 13.00% p.a (30/01/2020)/ *	13.42%	*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a (13/01/2020)/(02/01/2019)	13.81%	13.55%
Yield to Maturity of Trade Done on		
5 Year Fixed Semi Annual - 13.00% p.a (30/01/2020)/ *	12.99%	*
5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	*	*
7 Year Fixed Semi Annual - 13.75% p.a (13/01/2020)/(02/01/2019)	12.67%	12.27%
Interest Rate of Comparable Government Security		
- 5 Years	7.94%	10.57%
- 7 Years	8.91%	10.88%
2018 Issue		
Market Prices during January to March (Ex Interest)		
5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a		
- Highest Price	98.00	100.00
- Lowest Price	98.00	96.00
- Last Traded Price (23/01/2020)/ (18/02/2019)	98.00	100.00
Interest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 12.85% p.a.	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a (23/01/2020)/ (18/02/2019)	14.24%	13.96%
Yield to Maturity of Trade Done on		
5 Year Fixed Semi Annual - 12.85% p.a.	*	*
7 Year Fixed Semi Annual - 13.20% p.a.	*	*
10 Year Fixed Semi Annual - 13.50% p.a (23/01/2020)/ (18/02/2019)	13.91%	13.49%
Interest Rate of Comparable Government Security		
- 5 Years	9.01%	10.91%
- 7 Years	9.49%	11.16%
- 10 Years	9.59%	11.40%
2019 Issue (Debenture allotted on 18/04/2019)		
Market Prices during January to March (Ex Interest)		
5 Year Fixed Annual - 15.00% p.a		
- Highest Price	107.34	
- Lowest Price	107.34	
- Last Traded Price (29/01/2020)	107.34	
5 Year Fixed Semi Annual - 14.50% p.a.	*	
Interest Yield as at Date of Last Trade		
5 Year Fixed Annual - 15.00% p.a (29/01/2020)	13.97%	
5 Year Fixed Semi Annual - 14.50% p.a.	*	
Yield to Maturity of Trade Done on		
5 Year Fixed Annual - 15.00% p.a (29/01/2020)	12.60%	
5 Year Fixed Semi Annual - 14.50% p.a.	*	
Interest Rate of Comparable Government Security		
- 5 Years	9.17%	

* No trading during the period.

Seylan Bank PLC
Selected Performance Indicators

Item	Bank		Group	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Regulatory Capital (LKR Mn.)				
Common Equity Tier I	43,088	43,052	43,979	43,943
Total (Tier I) Capital	43,088	43,052	43,979	43,943
Total Capital Base	56,045	56,704	56,807	57,466
Regulatory Capital Ratios (%)				
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	11.21	11.27	11.43	11.49
Total Tier I Capital Ratio (Minimum Requirement - 8.50%)	11.21	11.27	11.43	11.49
Total Capital Ratio (Minimum Requirement - 12.50%)	14.58	14.84	14.76	15.02
Regulatory Liquidity				
Statutory Liquid Assets (LKR Mn.)	103,395	94,099		
Domestic Banking Unit (LKR Mn.)	98,465	90,380		
Offshore Banking Unit (USD '000)	31,489	29,493		
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20%)				
Domestic Banking Unit	22.03	21.40		
Offshore Banking Unit	21.39	21.81		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	76,148	68,352		
Liquidity Coverage Ratio %				
Rupee - (Minimum Requirement - 100%)	175.84	169.60		
All Currency - (Minimum Requirement - 100%)	120.49	116.01		
Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	110.82	109.11		
Assets Quality (Quality of Loan Portfolio)				
Gross Non-Performing Advances Ratio (%) (Net of Interest in Suspense)	6.27	5.76		
Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision)	4.03	3.73		
Profitability				
Interest Margin (%)	4.00	4.20		
Return on Assets (before Tax) (%)	0.98	1.04		
Return on Equity (%)	7.98	9.29		