

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2021



#### INCOME STATEMENT

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Six months Ended 30th June			For the Quarter Ended 30th June			For the Six months Ended 30th June			For the Quarter Ended 30th June		
	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth
	(Audited)	(Audited)	%			%			%			%
Interest Income	22,816,224	26,531,303	(14.00)	11,137,984	13,008,476	(14.38)	22,820,072	26,535,028	(14.00)	11,139,932	13,010,385	(14.38)
Less: Interest Expenses	11,845,508	17,189,330	(31.09)	5,701,283	8,367,921	(31.87)	11,692,942	17,035,703	(31.36)	5,625,160	8,290,922	(32.15)
<b>Net Interest Income</b>	<b>10,970,716</b>	<b>9,341,973</b>	<b>17.43</b>	<b>5,436,701</b>	<b>4,640,555</b>	<b>17.16</b>	<b>11,127,130</b>	<b>9,499,325</b>	<b>17.14</b>	<b>5,514,772</b>	<b>4,719,463</b>	<b>16.85</b>
Fee and Commission Income	2,251,452	1,726,807	30.38	1,043,090	680,319	53.32	2,251,200	1,726,780	30.37	1,042,873	680,315	53.29
Less: Fee and Commission Expenses	71,850	100,704	(28.65)	20,814	39,908	(47.85)	71,850	101,080	(28.92)	20,814	40,284	(48.33)
<b>Net Fee and Commission Income</b>	<b>2,179,602</b>	<b>1,626,103</b>	<b>34.04</b>	<b>1,022,276</b>	<b>640,411</b>	<b>59.63</b>	<b>2,179,350</b>	<b>1,625,700</b>	<b>34.06</b>	<b>1,022,059</b>	<b>640,031</b>	<b>59.69</b>
Net Gains/(Losses) from Trading	(451,678)	213,880	(311.18)	159,756	204,073	(21.72)	(450,130)	212,770	(311.56)	155,549	206,198	(24.56)
Net Gains from Derecognition of Financial Assets	443,997	370,638	19.79	258,777	301,086	(14.05)	443,997	370,638	19.79	258,777	301,086	(14.05)
Net Other Operating Income	1,533,279	648,419	136.46	338,560	312,531	8.33	1,533,279	648,419	136.46	338,560	312,531	8.33
<b>Total Operating Income</b>	<b>14,675,916</b>	<b>12,201,013</b>	<b>20.28</b>	<b>7,216,070</b>	<b>6,098,656</b>	<b>18.32</b>	<b>14,753,104</b>	<b>12,273,182</b>	<b>20.21</b>	<b>7,314,243</b>	<b>6,080,318</b>	<b>20.29</b>
Less: Impairment Charges	4,008,577	2,660,337	50.68	1,837,461	1,544,271	18.99	4,008,577	2,660,337	50.68	1,837,461	1,544,271	18.99
<b>Net Operating Income</b>	<b>10,667,339</b>	<b>9,540,676</b>	<b>11.81</b>	<b>5,378,609</b>	<b>4,554,385</b>	<b>18.10</b>	<b>10,744,527</b>	<b>9,612,845</b>	<b>11.77</b>	<b>5,476,782</b>	<b>4,536,047</b>	<b>20.74</b>
Less: Operating Expenses												
Personnel Expenses	3,832,944	3,656,587	4.82	1,893,990	1,808,562	4.72	3,832,944	3,656,587	4.82	1,893,990	1,808,562	4.72
Depreciation and Amortization Expenses	726,698	722,076	0.64	362,396	357,589	1.34	726,698	722,076	0.64	362,396	357,589	1.34
Other Expenses	1,289,969	1,992,333	(9.92)	1,104,783	943,469	17.10	1,289,969	1,992,333	(9.92)	1,104,783	943,469	17.10
<b>Total Operating Expenses</b>	<b>6,749,611</b>	<b>6,370,996</b>	<b>5.94</b>	<b>3,361,169</b>	<b>3,109,620</b>	<b>8.09</b>	<b>6,810,338</b>	<b>6,433,640</b>	<b>5.86</b>	<b>3,391,001</b>	<b>3,139,646</b>	<b>8.01</b>
<b>Operating Profit before Taxes</b>	<b>3,917,728</b>	<b>3,169,680</b>	<b>23.60</b>	<b>2,017,440</b>	<b>1,444,765</b>	<b>39.64</b>	<b>3,932,189</b>	<b>3,179,205</b>	<b>23.75</b>	<b>2,085,781</b>	<b>1,396,401</b>	<b>49.37</b>
Less: Value Added Tax on Financial Services	1,004,958	837,310	20.02	502,683	382,702	31.35	1,004,958	837,310	20.02	502,683	382,702	31.35
<b>Profit before Income Tax</b>	<b>2,912,770</b>	<b>2,332,370</b>	<b>24.88</b>	<b>1,514,757</b>	<b>1,062,063</b>	<b>42.62</b>	<b>2,927,231</b>	<b>2,341,895</b>	<b>25.08</b>	<b>1,583,098</b>	<b>1,013,699</b>	<b>56.17</b>
Less: Income Tax Expense	807,513	681,055	18.57	415,288	312,666	32.82	807,513	681,055	18.57	415,288	312,666	32.82
<b>Profit for the Period</b>	<b>2,105,257</b>	<b>1,651,315</b>	<b>27.49</b>	<b>1,099,469</b>	<b>749,397</b>	<b>46.71</b>	<b>2,119,718</b>	<b>1,660,840</b>	<b>26.46</b>	<b>1,167,810</b>	<b>701,033</b>	<b>66.57</b>
<b>Profit Attributable to:</b>												
Equity Holders of the Bank	2,105,257	1,651,315	27.49	1,099,469	749,397	46.71	2,105,257	1,651,315	27.49	1,099,469	749,397	46.71
Non-Controlling Interest	-	-	-	-	-	-	52,402	21,808	140.29	16,077	14,722	9.20
<b>Profit for the Period</b>	<b>2,105,257</b>	<b>1,651,315</b>	<b>27.49</b>	<b>1,099,469</b>	<b>749,397</b>	<b>46.71</b>	<b>2,157,748</b>	<b>1,680,648</b>	<b>27.49</b>	<b>1,183,887</b>	<b>715,759</b>	<b>66.57</b>
Basic/Diluted Earnings per Ordinary Share (Rs.)	3.94	3.09	27.49	2.06	1.40	46.71	3.94	2.97	32.52	2.13	1.25	69.88

#### STATEMENT OF CASH FLOWS

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)							
	BANK				GROUP			
	2021		2020		2021		2020	
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Cash Flows from Operating Activities</b>								
Interest Receipts	19,863,224	22,069,829	19,867,072	22,072,554				
Interest Payments	(12,014,098)	(16,996,939)	(12,012,253)	(16,994,745)				
Net Commission Receipts	2,179,602	1,626,103	2,179,350	1,625,700				
Trading Income	5,972	124,462	4,240	123,352				
Payments to Employees	(3,583,459)	(3,467,963)	(3,577,736)	(3,480,614)				
VAT on Financial Services Paid	(1,240,126)	(674,804)	(1,240,126)	(674,804)				
Receipts from Other Operating Activities	2,566,820	683,167	2,611,497	589,497				
Payments on Other Operating Activities	(1,250,076)	(1,410,589)	(1,250,076)	(1,435,078)				
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>6,547,799</b>	<b>2,382,246</b>	<b>6,554,833</b>	<b>2,244,802</b>				
<b>(Increase)/Decrease in Operating Assets:</b>								
Balances with Central Bank of Sri Lanka	(100,785)	7,446,620	(100,785)	7,446,620				
Financial Assets at Amortized Cost - Loans and Advances	(20,412,023)	2,114,780	(20,412,023)	2,114,780				
Other Assets	649,798	1,156,306	639,763	1,253,854				
<b>Increase/(Decrease) in Operating Liabilities:</b>								
Financial Liabilities at Amortized Cost - Due to Depositors	16,372,940	11,059,150	16,372,940	11,059,150				
Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	430,365	(1,271,210)	430,365	(1,271,210)				
Financial Liabilities at Amortized Cost - Due to Other Borrowers	(4,370)	(5,116)	(4,370)	(5,116)				
Other Liabilities	1,274,803	(1,002,247)	1,288,468	(1,110,113)				
Due to Banks	(7,851,317)	(2,906,857)	(7,851,317)	(2,906,857)				
<b>Cash (Used in)/Generated from Operating Activities before Income Tax</b>	<b>(3,092,830)</b>	<b>18,943,572</b>	<b>(3,072,106)</b>	<b>18,825,810</b>				
Income Tax Paid	(158,858)	(570,251)	(158,858)	(570,251)				
<b>Net Cash (Used in)/Generated from Operating Activities</b>	<b>(3,251,688)</b>	<b>18,373,321</b>	<b>(3,230,964)</b>	<b>18,255,559</b>				
<b>Cash Flows from Investing Activities</b>								
Purchase of Property, Plant and Equipment	(82,907)	(225,267)	(105,904)	(237,952)				
Improvements in Investment Properties	-	-	(7,527)	(9,638)				
Proceeds from Sale of Property, Plant and Equipment	39	6,695	39	6,695				
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka	7,924,217	(5,507,958)	7,924,217	(5,507,958)				
Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debt Securities	51,019	(194,710)	57,945	(197,350)				
Reverse Repurchase Agreements maturing after Three Months	(581)	21,645	(581)	21,645				
Net Purchase of Intangible Assets	(53,202)	-	(53,202)	(28,109)				
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-				
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-				
Dividend Received from Investment in Subsidiaries	125,199	-	125,199	-				
Dividend Received from Other Investments	15,135	5,026	15,135	5,026				
<b>Net Cash (Used in)/Generated from Investing Activities</b>	<b>7,978,918</b>	<b>(5,922,678)</b>	<b>7,830,122</b>	<b>(5,947,281)</b>				
<b>Cash Flows from Financing Activities</b>								
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-				
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-				
Net Proceeds from the Issue of Subordinated Debt	6,000,000	-	6,000,000	-				
Repayment of Subordinated Debt	(1,396,925)	(1,399,484)	(1,398,397)	(1,399,484)				
Interest Paid on Subordinated Debt	(107,737)	(107,737)	(107,737)	(107,737)				
Dividend Paid to Non-controlling Interest	(115)	(60)	(115)	(60)				
Dividend Paid to Shareholders of the Bank	(115)	(60)	(115)	(60)				
Dividend paid to Holders of Other Equity Instruments	-	-	-	-				
Repayment of Principal Portion of Lease Liabilities	(393,120)	(343,921)	(393,120)	(343,921)				
<b>Net Cash (Used in)/Generated from Financing Activities</b>	<b>4,209,839</b>	<b>(1,851,292)</b>	<b>4,369,747</b>	<b>(1,708,637)</b>				
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>								
Cash and Cash Equivalents at Beginning of the Year	8,939,069	10,599,441	8,939,069	10,599,441				
Cash and Cash Equivalents at End of the Year	37,515,866	37,516,067	37,515,866	37,516,067				
<b>Cash and Cash Equivalents at End of the Period</b>	<b>46,454,935</b>	<b>35,316,108</b>	<b>46,478,309</b>	<b>35,316,646</b>				
<b>Reconciliation of Cash and Cash Equivalents</b>								
Cash and Cash Equivalents	24,841,226	12,068,497	24,841,226	12,068,537				
Placements with Banks and Finance Companies	5,411,572	6,630,059	5,411,572	6,630,567				
Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months	14,992,357	6,195,704	14,992,357	6,195,704				
Securities Purchased under Resale Agreements maturing within Three Months	1,239,880	10,420,838	1,239,880	10,420,838				
<b>Total</b>	<b>46,485,035</b>	<b>35,316,108</b>	<b>46,478,309</b>	<b>35,316,646</b>				

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In terms of Rule 7.4 of the Colombo Stock Exchange)	(Amounts in Rupees Thousands)											
	Bank			Bank			Group			Group		
	For the Six months Ended 30th June			For the Quarter Ended 30th June			For the Six months Ended 30th June			For the Quarter Ended 30th June		
	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth
	(Audited)	(Audited)	%			%			%			%
<b>Profit for the Period</b>	<b>2,105,257</b>	<b>1,651,315</b>	<b>27.49</b>	<b>1,099,469</b>	<b>749,397</b>	<b>46.71</b>	<b>2,157,748</b>	<b>1,610,501</b>	<b>33.98</b>	<b>1,153,984</b>	<b>684,556</b>	<b>68.57</b>
<b>Other Comprehensive Income/(Loss), Net of Tax Items that are or may be Reclassified to Income Statement in Subsequent Periods</b>												
Net Movement of Cash Flow Hedge Reserve	15,082	2,782	442.13	20,643	27,028	(23.62)	15,082	2,782	442.13	20,643	27,028	(23.62)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,109,289)	2,685,742	(141.30)	(401,701)	2,263,842	(117.74)	(1,110,123)	2,689,434	(141.28)	(402,223)	2,267,251	(117.74)
Less: Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(374,885)	752,008	(149.85)	(96,406)	633,876	(115.21)	(374,968)	752,376	(149.84)	(96,457)	634,216	(115.21)
<b>Items that will never be Reclassified to Income Statement in Subsequent Periods</b>												
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(378,829)	(12,995)	(2,815.19)	55,461	12,529	342.66	(378,829)	(12,995)	(2,815.19)	55,461	12,529	342.66
Less: Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	477,170	(100.00)	-	477,170	(100.00)	-	477,170	(100.00)	-	477,170	(100.00)
<b>Other Comprehensive Income/(Loss) for the Period, Net of Taxes</b>	<b>(1,098,151)</b>	<b>1,446,351</b>	<b>(175.93)</b>	<b>(229,191)</b>	<b>1,192,353</b>	<b>(119.22)</b>	<b>(1,099,902)</b>	<b>1,449,675</b>	<b>(175.80)</b>	<b>(229,662)</b>	<b>1,195,422</b>	<b>(119.21)</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,007,106</b>	<b>3,097,666</b>	<b>(67.49)</b>	<b>870,278</b>	<b>1,941,750</b>	<b>(55.18)</b>	<b>1,058,846</b>	<b>3,060,176</b>	<b>(65.40)</b>	<b>924,322</b>	<b>1,879,978</b>	<b>(50.83)</b>
<b>Total Comprehensive Income/(Loss) for the Period, Net of Taxes</b>	<b>1,007,106</b>	<b>3,097,666</b>	<b>(67.49)</b>	<b>870,278</b>	<b>1,941,750</b>	<b>(55.18)</b>	<b>1,058,846</b>	<b>3,060,176</b>	<b>(65.40)</b>	<b>924,322</b>	<b>1,879,978</b>	<b>(50.83)</b>
Equity Holders of the Bank	1,007,106	3,097,666	(6									

# SEYLAN BANK PLC

## FINANCIAL STATEMENTS

### Six months ended 30th June, 2021



#### SEGMENT REPORTING - GROUP

(Amounts in Rupees Thousands)

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Interest Income	18,409,756	21,183,744	4,740,084	5,914,328	14,222	15,174	(343,990)	(578,218)	22,820,072	26,535,028
Interest Expense	11,032,464	14,761,801	737,066	2,352,102	-	19	(76,590)	(78,219)	11,692,942	17,035,703
<b>Net Interest Income</b>	<b>7,377,292</b>	<b>6,421,943</b>	<b>4,003,016</b>	<b>3,562,226</b>	<b>14,222</b>	<b>15,155</b>	<b>(267,400)</b>	<b>(499,999)</b>	<b>11,127,130</b>	<b>9,499,325</b>
Fee and Commission Income	2,237,558	1,712,702	2,570	2,878	-	-	11,072	11,200	2,251,200	1,726,780
Fee and Commission Expense	59,008	89,566	12,842	11,138	-	376	-	-	71,850	101,080
<b>Net Fee and Commission Income</b>	<b>2,178,550</b>	<b>1,623,136</b>	<b>(10,272)</b>	<b>(8,260)</b>	<b>-</b>	<b>(376)</b>	<b>11,072</b>	<b>11,200</b>	<b>2,179,350</b>	<b>1,625,700</b>
Net Gains/(Losses) from Trading	-	-	(451,678)	213,880	1,548	(1,110)	-	-	(450,130)	212,770
Net Gains from Derecognition of Financial Assets	-	-	443,997	370,638	-	-	-	-	443,997	370,638
Net Other Operating Income	83,084	(16,788)	1,449,590	565,351	177,535	163,942	(257,452)	(147,756)	1,452,757	564,749
Inter Segment Revenue	(36,988)	(37,885)	-	-	-	-	36,988	37,885	-	-
<b>Total Operating Income</b>	<b>9,601,938</b>	<b>7,990,406</b>	<b>5,434,653</b>	<b>4,703,635</b>	<b>193,305</b>	<b>177,611</b>	<b>(476,792)</b>	<b>(598,670)</b>	<b>14,753,104</b>	<b>12,273,182</b>
Depreciation and Amortisation Expenses	452,482	467,143	2,868	2,631	537	360	294,616	270,294	750,503	740,428
Impairment Charge for the Period	4,075,867	2,511,899	(67,290)	148,438	-	-	-	-	4,008,577	2,660,337
Operating Expenses & VAT on Financial Services	5,016,241	4,699,478	916,452	862,747	37,705	44,639	1,094,355	923,658	7,064,793	6,530,522
<b>Reportable Segment Profit before Income Tax</b>	<b>57,348</b>	<b>311,686</b>	<b>4,582,623</b>	<b>3,690,019</b>	<b>155,063</b>	<b>132,612</b>	<b>(1,065,803)</b>	<b>(1,792,622)</b>	<b>2,929,231</b>	<b>2,341,895</b>
Income Tax Expense	-	-	-	-	-	-	-	-	771,483	731,394
<b>Profit For The Period</b>									<b>2,157,748</b>	<b>1,610,501</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									2,105,346	1,588,693
Non-controlling Interests									52,402	21,808
<b>Other Comprehensive Income, Net of Income Tax</b>									<b>(1,098,902)</b>	<b>1,449,675</b>
<b>Other Information</b>										
Total Assets	408,273,348	373,563,632	141,078,428	124,186,881	5,898,388	5,922,977	20,428,457	22,574,013	575,678,621	526,247,503
Total Liabilities & Equity	463,148,913	423,982,589	77,654,691	78,817,494	5,898,388	5,922,977	28,976,629	17,524,443	575,678,621	526,247,503
Cash Flows from Operating Activities	(6,321,036)	15,949,466	4,518,201	3,841,088	136,524	111,350	(1,571,653)	(1,646,345)	(3,228,964)	18,255,559
Cash Flows from Investing Activities	(76,962)	(63,868)	8,112,857	(5,794,636)	45,320	4,905	(251,153)	(93,682)	7,830,122	(5,947,281)
Cash Flows from Financing Activities	(393,120)	(343,921)	4,603,074	(1,507,221)	-	-	150,793	142,305	4,360,747	(1,708,837)
Capital Expenditure	(76,941)	(188,737)	(2,131)	-	(30,524)	(21,963)	(57,037)	(64,639)	(166,633)	(275,339)

#### EXPLANATORY NOTES

**1. General**  
The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by The Institute of Chartered Accountants of Sri Lanka.

There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.

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

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

**Covid 19 Impact**  
The socio-economic impact of Corona Virus Disease (Covid 19) pandemic situation has a direct and substantial impact on the Bank's normal business/operations. The Bank has complied with the guidelines and directives issued with this regard by the Government, the Central Bank of Sri Lanka and other regulators, while closely monitoring its working capital to balance the cash inflow and outflow measurements. The Bank ensured health and safety protocols for its staff and customers. The Bank will continue to take necessary protocols and actions to manage the pandemic (refer note 7 (iv) for details of Excepted Credit Loss (ECL) Computation).

**2. Information on Ordinary Shares**

Market Price (Rs.)	30/06/2021		30/06/2020	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	49.20	38.50	47.50	30.40
Highest price per share during the quarter ended	51.50	44.50	50.00	32.90
Lowest price per share during the quarter ended	47.00	37.20	25.00	19.30

**Stated Capital as at June 30, 2021**

	No of Shares	Stated Capital Rs. '000
Ordinary Voting	264,267,493	11,521,262
Ordinary Non-Voting	269,923,190	6,802,619
<b>Total</b>	<b>534,190,683</b>	<b>18,323,881</b>

**3. Shareholders' Information**

**3.1 Twenty Largest Ordinary Voting Shareholders as at June 30, 2021**

No. of Shares	%
1 Sri Lanka Insurance Corporation Ltd [Includes General Fund and Life Fund]	39,640,115 15.00
2 Brown & Company PLC A/C No. 01	27,687,279 10.48
3 Employees Provident Fund	26,050,200 9.86
4 Mr. K.D.D. Perera	25,086,126 9.49
5 Sampath Bank PLC/LOLC Investments Ltd.	24,726,404 9.36
6 National Development Bank PLC	23,056,970 8.72
7 Bank of Ceylon No. 1 Account	14,865,044 5.62
8 Seylan Bank PLC A/C No. 04 - Employees' Gratuity Trust Fund	13,708,884 5.19
9 People's Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd.	9,659,816 3.66
10 Sampath Bank PLC/Brown and Company PLC	8,979,659 3.40
11 Employees' Trust Fund Board	5,619,482 2.13
12 NDB Capital Holdings Limited A/C No. 02	2,676,690 1.01
13 Sasil Investment Holdings (Pvt) Ltd.	2,499,201 0.95
14 Asiri Hospitals Holdings PLC	2,000,000 0.76
15 Mr. M.J. Fernando	1,334,457 0.50
16 Mr. R.R. Leon	1,250,555 0.47
17 Mr. K.R.B. Fernando	1,143,462 0.43
18 AIA Insurance Lanka Ltd. A/C No. 07	866,628 0.33
19 Seyshop (Pvt) Ltd.	707,834 0.27
20 Esots (Pvt) Ltd.	695,689 0.26

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

No. of Shares	%
1 LOLC Holdings PLC	135,480,883 50.19
2 Employees' Provident Fund	14,397,596 5.33
3 Sri Lanka Insurance Corporation Ltd. - Life Fund	9,040,537 3.35
4 Akbar Brothers Pvt Ltd A/C No. 01	5,797,003 2.15
5 Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	3,933,895 1.46
6 Pershing LLC S/A Averbach Gausson & Co.	3,812,293 1.41
7 People's Leasing & Finance PLC/Mrs. P. Thavarajah	3,671,929 1.36
8 Employees' Trust Fund Board	3,222,060 1.19
9 Merrill J. Fernando & Sons (Pvt) Limited	2,998,293 1.11
10 People's Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd.	2,833,545 1.05
11 Mr. R.R. Leon	2,476,199 0.92
12 LOLC Technology Services Limited	2,357,043 0.87
13 Mr. N. Balasingam	2,111,712 0.78
14 Sri Lanka Insurance Corporation Ltd. - General Fund	1,906,234 0.71
15 GF Capital Global Ltd.	1,614,805 0.60
16 Mr. M.J. Fernando	1,477,783 0.55
17 Mr. R. Gautam	1,458,758 0.54
18 First Capital Limited	1,370,122 0.51
19 Dr. S. Yaddelige	1,269,598 0.47
20 Ms. S. Durga	1,254,485 0.46

**3.3 Public Holdings as at June 30, 2021**  
The Bank is compliant under Option 3 of the Section 7.13.1 (Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange.

Float adjusted market capitalization	- Rs. 7,132 Bn
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10,216

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

Name of Director	No. of Shares (Ordinary Voting)	No. of Shares (Ordinary Non-Voting)
Mr. W.M.R.S. Dias, Non-Executive Director/Chairman	Nil	Nil
Mr. W.D.K. Jayawardena, Non-Executive Director/Deputy Chairman	Nil	Nil
Ms. M.C. Pieterz, Independent Director/Senior Director	Nil	Nil
Mr. K.P. Ariyaratne, Director/Chief Executive Officer	66,399	222,061
Mr. P.L.S.K. Perera, Independent Director	Nil	Nil
Mr. S.V. Corea, Non-Executive Director	101	Nil
Mr. A.S. Wijesinha, Independent Director	Nil	Nil
Ms. S.K. Salgado, Independent Director	Nil	Nil
Mr. D.M.D.K. Thilakarathne, Non-Executive Director	Nil	Nil
Mr. D.R. Abeyseriya, Independent Director	Nil	Nil
Ms. V.G.S.S. Kolakadeniya, Alternate Director to Non-Executive Director, Mr. W.D.K. Jayawardena	Nil	Nil

**5. Basic/ Diluted Earnings per Share**  
Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting & Non-voting) during the six months ended June 30, 2021. Diluted Earnings per Share and the Basic Earnings per Share is the same due to non-availability of potentially dilutive ordinary shares. Weighted average number of ordinary shares as at June 30, 2020 has been restated based on the no of shares issued for Scrip Dividend for 2020.

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

**7. Other Matters**  
**i. Debenture Issue 2021**  
The Bank proceeded with a Debenture Issue of Fifty Million (50,000,000) fully paid, BASEL III compliant, Tier 2, listed, rated, unsecured, subordinated, redeemable debentures with a non-visibility conversion of the par value of Rupees Hundred each (Rs. 100/-) aggregating up to a value of Rupees Five Billion (Rs. 5,000,000,000/-) with an option to issue further Ten Million (10,000,000) of such Debentures in the event of an oversubscription with the total value of the debentures in such event aggregating to Rupees Six Billion (Rs. 6,000,000,000/-) by way of a public issue. The issue was oversubscribed and 60,000,000 debentures of Rs.100/- each amounting to Rs. 6,000,000,000/- were allotted to the successful investors on 12th April 2021.

**Debenture Issue Proceeds Utilization as at 30.06.2021**

Objective Number	Objective as per Prospectus	Proposed date of utilization as per prospectus	Amount allocated proceeds in LKR(A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Details if not fully utilized
1	To strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements	With effect from the Date of Allotment *	6 Bn	100	6 Bn	100	N/A
2	To meet the current credit demand (loans and advances) of the Bank	Within twelve months from the date of allotment or 31st December 2021 whichever is earlier					

\*Incorporated for the Capital Adequacy as of 30.06.2021

**ii. Gratuity**  
The Bank has not recognized an additional gratuity liability in the financial statement for ex-employees who have not entered into the "Memorandum of settlement (MOS)" with the Bank, giving the right to settle the said liability by utilizing proceeds expected from disposal of shares held by share trust companies, as the liability is contingent upon the signing the "Memorandum of Settlement" and the prevailing Share Prices as at that date of signing. If the above uncertainties are resolved, the Bank estimates an additional cash outflow of Rs. 119 Mln. (net of tax) as of June 30, 2021.

**iii. Corporate Income Tax rate**  
The Gazette Notification dated March 18, 2021 was issued to amend the Inland Revenue Act, No. 24 of 2017 (effective from 1st January 2020). The above amendment is considered as substantively enacted as at the reporting date and the tax rate was adopted accordingly in the computation of income tax including deferred tax at 24%.

**iv. Expected Credit Loss Computation**  
The Bank's estimated Expected Credit Loss (ECL) was based on the Probability of Default (PD), Loss Given Default (LGD) as at June 30, 2021 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka.

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

**8. Comparative Figures**  
Comparative figures have been re-classified where necessary, to conform to the current period presentation.  
During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.  
All known expenditure items have been provided in these Interim Accounts.

#### STATEMENT OF CHANGES IN EQUITY - BANK

(Amounts in Rupees Thousands)

For the Six Months ended 30th June

	Stated Capital		Statutory Reserve Fund	Retained Earnings	Other Reserves			Total	
	Ordinary Shares	Ordinary Shares -Non-Voting			Revaluation Reserve	FVOCI Reserve	Other Reserves		Total
<b>1 Balance as at 01st January 2020</b>	<b>10,884,710</b>	<b>6,160,014</b>	<b>1,952,957</b>	<b>22,823,239</b>	<b>858,312</b>	<b>(14,219)</b>	<b>1,962,261</b>	<b>44,627,274</b>	
<b>Total Comprehensive Income for the Period</b>									
Profit for the Period	-	-	-	1,651,315	-	-	-	1,651,315	
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-	
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,933,734	-	1,933,734	
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(490,165)	-	(490,165)	
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	2,782	2,782	
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,651,315</b>	<b>-</b>	<b>1,443,569</b>	<b>2,782</b>	<b>3,097,666</b>	
<b>Transactions with Equity Holders, Recognized Directly In Equity</b>									
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)	
Transferred from Investment Fund Reserve	-	-	-	279,367	-	-	(279,367)	-	
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	(308)	-	308	-	-	
<b>3 Total Transactions with Equity Holders</b>	<b>251,477</b>	<b>252,146</b>	<b>-</b>	<b>(728,188)</b>	<b>-</b>	<b>308</b>	<b>(279,367)</b>	<b>(503,624)</b>	
<b>Balance as at 30th June 2020 (1 + 2 + 3)</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>1,952,957</b>	<b>23,746,366</b>	<b>858,312</b>	<b>1,429,658</b>	<b>1,685,676</b>	<b>47,221,316</b>	
<b>1 Balance as at 01st January 2021</b>	<b>11,136,187</b>	<b>6,412,160</b>	<b>2,103,522</b>	<b>24,683,224</b>	<b>858,312</b>	<b>2,285,332</b>	<b>1,488,238</b>	<b>48,966,975</b>	
<b>Total Comprehensive Income for the Period</b>									
Profit for the Period	-	-	-	2,105,257	-	-	-	2,105,257	
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(734,404)	-	(734,404)	
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(378,829)	-	(378,829)	
-									