

SEYLAN BANK PLC

FINANCIAL STATEMENTS

Three months ended 31st March, 2020



STATEMENT OF CHANGES IN EQUITY

(Amounts in Rupees Thousands)

For the Three Months ended 31st March - Bank	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	-	-	-	895,602	-	-	-	895,602
Profit for the Period	-	-	-	895,602	-	-	-	895,602
Other Comprehensive Income (net of tax)	-	-	-	-	-	651,418	-	651,418
- 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	-	-	-	901,918	-	-	-	901,918
Profit for the Period	-	-	-	901,918	-	-	-	901,918
Other Comprehensive Income (net of tax)	-	-	-	-	-	303,768	-	303,768
- 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.

STATEMENT OF CHANGES IN EQUITY

(Amounts in Rupees Thousands)

For the Three Months ended 31st March - Group	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			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	-	-	-	827,865	-	-	-	827,865	15,306	843,171
Profit for the Period	-	-	-	827,865	-	-	-	827,865	15,306	843,171
Other Comprehensive Income (net of tax)	-	-	-	-	-	652,335	-	652,335	384	652,719
- 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/Script 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	-	-	-	918,859	-	-	-	918,859	7,086	925,945
Profit for the Period	-	-	-	918,859	-	-	-	918,859	7,086	925,945
Other Comprehensive Income (net of tax)	-	-	-	-	-	303,948	-	303,948	75	304,023
- 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.

10. SEGMENT REPORTING - GROUP

(Amounts in Rupees 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
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	61,627	73,767	66,080	(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	234,620	228,966	1,316	963	180	226	137,024	87,325	373,150	317,480
Impairment Charge for the Period	1,110,627	852,017	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										
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	1,371,682	(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)

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.
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 Covid 19 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 Covid 19 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		31/03/2019	
	(last date of trading as the CSE's Trading Floor was closed from 23/03/2020 to 31/03/2020)			
	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	13,493,368	5.33
3. Employees' Provident Fund	2,971,520	2.13
4. LOLL Investments Ltd	2,419,936	0.95
5. National Development Bank PLC A/C No.02	2,191,094	0.87
6. Mr. R.S. Captain	1,453,549	0.58
7. Bank of Ceylon No. 1 Account	1,415,629	0.56
8. Seylan Bank PLC A/C No. 04 - Employees' Gratuity Trust Fund	1,268,400	0.50
9. People's Leasing & Finance PLC/Don and Don Holdings(Pvt) Ltd.	5,719,954	2.27
10. Employees' Trust Fund Board	1,	