SEYLAN BANK PLC FINANCIAL STATEMENTS



Three months ended 31st March, 2020

INCOME STATEMENT			(/	Amounts ir	1 Rupees Th	iousands)	CASH FLOW STATEMENT		(An	nounts in Rupees	s Thousands)
(In terms of Rule 7.4 of the Colombo Stock Exchange)		BANK			GROUP			BAI		GRO	
,							For the Three Months ended 31st March	2020	2019 (Restated)	2020	2019 (Restated)
		months ended			e months ended		Cash Flows from Operating Activities Interest receipts	13.008.605	13.598.498	13,010,421	13.600.440
	2020	2019	Growth %	2020	2019	Growth %	Interest payments	(7,846,023)	(7,851,196)	(7,773,636)	(7,778,328)
	10 715 000	(Restated)	0.05	10 717 705	(Restated)		Net commission receipts Trading income	985,692 9,295	966,367 12,498	985,669 6,060	966,364 11,912
Interest Income	13,715,969	13,627,840	0.65	13,717,785	13,629,782	0.65	Payments to employees	(1,648,705)	(1,487,734)	(1,652,101)	(1,489,013)
Less: Interest Expenses	9,014,551	9,245,501	(2.50)	8,937,923	9,168,836	(2.52)	VAT and NBT on financial services and DRL Receipts from other operating activities	(393,902) 409.110	(615,551) 1,126,538	(393,902) 424,431	(615,551) 1,143,320
Net Interest Income	4,701,418	4,382,339	7.28	4,779,862	4,460,946	7.15	Payments on other operating activities	(485,099)	(913,468)	(499,546)	(925,713)
Fee and Commission Income	1.040.400	1 000 000	0.57	1.046.465	1 000 000	0.57	Operating profit before changes in operating assets and liabilities	4,038,973	4,835,952	4,107,396	4,913,431
Fee and Commission Income Less: Fee and Commission Expenses	1,046,488 60,796	1,020,289 53,922	2.57 12.75	60,796	1,020,286 53,922	2.57 12.75	(Increase)/decrease in operating assets :				
Net Fee and Commission Income	985,692	966,367	2.00	985,669	966,364	2.00	Balances with Central Bank of Sri Lanka Financial assets at amortized cost - Loans and advances	11,657 381,465	3,285,673 (10,586,744)	11,657 381,465	3,285,673 (10,586,744)
	900,092	900,307	2.00	900,009	900,304	2.00	Other assets	2,127,404	(3,985,928)	2,112,046	(1,004,469)
Net Gains/(Losses) from Trading	9,807	(621,742)	101.58	6.572	(622,328)	101.06	Increase/(decrease) in operating liabilities :				
Net Gains/(Losses) from Derecognition of Financial Assets	69,552	56,049	24.09	69,552	56,049	24.09	Financial liabilities at amortized cost - Due to depositors Financial liabilities at amortized cost - Due to debt securities holders	5,941,902 (3,524,643)	8,718,865 107,010	5,941,902 (3,524,643)	8,718,865 107,010
Net Other Operating Income	335,888	933,933	(64.04)	351,209	860,974	(59.21)	Financial liabilities at amortized cost - Due to other borrowers	(3,524,643) (2,585)	(2,635)	(3,524,643) (2,585)	(2,635)
Net other operating income	333,000	933,933	(04.04)	551,209	000,974	(59.21)	Other liabilities Due to banks	(2,492,956) 1,905,714	5,920,553 (3,790,354)	(2,630,726) 1,905,714	2,846,257 (3,790,353)
Total Operating Income	6.102.357	5,716,946	6.74	6.192.864	5.722.005	8.23	Cash generated from operating activities before income tax	8,386,931	4,502,392	8,302,226	4,487,035
	0,102,337	3,710,940	0.74	0,192,004	3,722,003	0.23	Income tax paid Net cash generated from operating activities	(406,266) 7.980.665	(467,082) 4.035.310	(406,266) 7,895,960	(467,449) 4,019,586
Impairment Charges	1,116.066	589.236	89.41	1.116.066	589.220	89.41		7,900,005	4,035,310	7,095,900	4,019,000
Impairment onarges	1,110,000	505,200	03.41	1,110,000	505,220	05.41	Cash flows from investing activities Purchase of property, plant & equipment	(177,387)	(101,847)	(177,387)	(101,847)
Net Operating Income	4.986.291	5,127,710	(2.76)	5,076,798	5,132,785	(1.09)	Improvements in Investment property		-		-
	4,300,231	5,127,710	(2.70)	3,070,730	3,102,703	(1.03)	Proceeds from sale of property, plant & equipment Net proceeds from Sale, maturity and purchase of financial investments of government of	6,695	415	6,695	415
Less: Operating Expenses							Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after three months	1,520,345	(1,248,805)	1,520,345	(1,194,771)
Personnel Expenses	1,760,399	1,570,195	12.11	1,769,907	1,579,431	12.06	Net proceeds from sale, maturity and purchase of financial investments of shares and debentures Reverse repurchase agreements maturing after three months	895 21,533	4,875 4,961	5,682 21,533	4,875 4,961
Depreciation and Amortization Expenses	364.487	312,381	16.68	373,150	317,480	17.53	Net purchase of intangible assets	(6,695)	(15,545)	(6,695)	(15,545)
Other Expenses	1,136,490	1,215,438	(6.50)	1,150,937	1,227,683	(6.25)	Net cash flow from acquisition of investment in subsidiaries Net cash flow from disposal of subsidiaries	1			
	3,261,376	3.098.014	5.27	3,293,994	3,124,594	5.42	Dividend received from investment in subsidiaries		89,725	-	-
Operating Profit before Taxes	1,724,915	2,029,696	(15.02)	1,782,804	2,008,191	(11.22)	Dividend received from other investments Proceed from Sale of Assets Held-for-Sale	1,709	3,743	1,709	3,743
	.,,	_,,	(1000)	.,,	_,,	,	Net cash used in investing activities	1,367,095	(1,262,478)	1,371,882	(1,298,169)
Value Added Tax on Financial Services	454,608	426,600	6.57	454,608	426,600	6.57	Cash flows from financing activities				
Nation Building Tax on Financial Services	-	56,996	(100.00)	-	56,996	(100.00)	Net proceeds from the issue of ordinary share capital Net proceeds from the issue of other equity instruments	1			
Debt Repayment Levy		250,101	(100.00)	-	250,101	(100.00)	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)
Profit before Income Tax	1,270,307	1,295,999	(1.98)	1,328,196	1,274,494	4.21	Interest paid on un-subordinated debt	(/44,040)	(140,402)	· · · ·	(140,402)
	, , , , , , ,	, ,					Dividend paid to non-controlling interest Dividend paid to shareholders of the bank	(55)	(48)	(4) (55)	(14,047)
Income Tax Expense	368,389	400,397	(7.99)	402,251	431,323	(6.74)	Dividend paid to holders of other equity instruments	1	· · ·		
			, ,			. ,	Payment of lease liabilities Net cash (used in)/generated from financing activities	(176,580) (921,180)	(155,695) (899,225)	(101,397) (841,760)	(90,281) (847,810)
Profit for the Period	901,918	895,602	0.71	925,945	843,171	9.82		(, , , , , , , , , , , , , , , , , , ,	(, ,		
							Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the period	8,426,580 24,716,667	1,873,607 25,401,673	8,426,082 24,717,205	1,873,607 25,401,713
Profit Attributable to:											
Equity Holders of the Bank	901,918	895,602	0.71	918,859	827,865	10.99	Cash and cash equivalents at end of the Period	33,143,247	27,275,280	33,143,287	27,275,320
Non-Controlling Interest	-	-	-	7,086	15,306	(53.70)	Reconciliation of cash and cash equivalents	13,097,704	8,908,270	13,097,744	8,908,310
Profit for the period	901,918	895,602	0.71	925,945	843,171	9.82	Cash and cash equivalents Placements with banks and finance companies	2,471,008	3,250,677	2,471,008	3,250,677
Basic/Diluted Earnings per Ordinary Share (in Rupees)	1.79	2.24	(20.09)	1.82	2.07	(12.08)	Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within three months Securities purchased under resale agreements maturing within three months	10,651,938 6,922,597	6,366,996 8,749,337	10,651,938 6.922,597	6,366,996 8,749,337
							Socurites parchased under result dyreements maturing within timer months	33,143,247	27,275,280	33,143,287	27,275,320
1											

STATEMENT OF PROFIT OR LOSS AND OTHER C	OMPREHE	INSIVE INC	OME	(Amo	unts in Rupees i	Thousands)	
(In terms of Rule 7.4 of the Colombo Stock Exchange)	For the Th	Bank ree Months Ended	31st March	Group For the Three Months Ended 31st March			
	2020	2019 (Restated)	Growth%	2020	2019 (Restated)	Growth%	
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 Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income Less: Deferred Tax effect relating to items that will be Reclassified to Income Statement	(24,246) 421,900 118,132	(29,958) 904,748 253,330	19.07 (53.37) (53.37)	(24,246) 422,183 118,160	(29,958) 906,049 253,330	19.07 (53.40) (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 Less: Deferred Tax effect relating to items that will not be Reclassified to Income Statement	(25,524)	72,393	(135.26)	(25,524)	72,393	(135.26)	
Other comprehensive income/(loss) for the period, net of taxes Total Comprehensive Income for the Period Attributable to: Equity Holders of the Bank Non-controlling interest Total comprehensive income for the Period	253,998 1,155,916 1,155,916 1,155,916	693,853 1,589,455 1,589,455 - 1,589,455	(63.39) (27.28) (27.28) (27.28)	254,253 1,180,198 1,173,037 7,161 1,180,198	695,154 1,538,325 1,522,635 15,690 1,538,325	(63.42) (23.28) (22.96) (54.36) (23.28)	

STATEMENT OF FINANCIAL POSITION				(Amounts in Rupees Thousands)			
In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group		
	As at 31.03.2020	As at 31.12.2019	Growth %	As at 31.03.2020	As at 31.12.2019	Growth %	
ssets	0110012020	0111212010	/0	0110012020	01112.12010	/0	
ash and Cash Equivalents	13,097,704	11,758,729	11.39	13,097,744	11,758,769	11.39	
alances with Central Bank of Sri Lanka	14,447,313	14,458,970	(0.08)	14,447,313	14,458,970	(0.08)	
lacements with Banks and Finance Companies	2,471,008	1,173,278	110.61	2,471,008	1,173,278	110.61	
erivative Financial Instruments	289,350	134,756	114.72	289,350	134,756	114.72	
nancial 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	-	-	-	-	-	-	
nancial 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	
nancial 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)	
vestment in Subsidiary	1,153,602	1,153,602	-	-		-	
roup Balances Receivable	40,000	40,000	-		-	-	
roperty, Plant & Equipment	4,318,758	4,347,933	(0.67)	7,045,548	7,088,440	(0.61)	
easehold Rights	36,048	36,534	(1.33)	560,297	562,635	(0.42)	
ight-of-use Assets	4,339,245	4,457,472	(2.65)	1,559,769	1,667,714	(6.47)	
vestment Properties	-	-	-	849,781	853,157	(0.40)	
tangible Assets	570,750	607,267	(6.01)	570,750	607,267	(6.01)	
ther Assets	7,302,613	9,118,297	(19.91)	7,347,578	9,158,186	(19.77)	
		0,110,201	(10101)			(10111)	
tal Assets	520,794,338	516,294,187	0.87	521,023,046	516,531,269	0.87	
abilities							
ue 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	
inancial 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)	
roup Balances Payable	258,533	200,969	28.64	-		-	
lebt Securities Issued	19,744,003	19,870,944	(0.64)	19,744,003	19,870,944	(0.64)	
urrent Tax Liabilities	266,864	525,389	(49.21)	232,776	490,699	(52.56)	
eferred Tax Liabilities	680,304	725,326	(6.21)	933,237	947,225	(1.48)	
ease Liabilities	4,289,541	4,351,632	(1.43)	1,445,610	1,507,618	(4.11)	
ther liabilities	6,942,010	7,819,397	(11.22)	7,013,275	7,897,473	(11.20)	
tal Liabilities	475,011,148	471,666,913	0.71	472,198,794	468,887,215	0.71	
quity							
tated Capital	17,044,724	17,044,724	-	17,044,724	17,044,724	-	
tatutory Reserve Fund	1,952,957	1,952,957	-	1,952,957	1,952,957	-	
air Value through Other Comprehensive Income Reserve	264,025	(14,219)	1,956.85	233,823	(44,601)	624.26	
etained Earnings	23,725,157	22,823,239	3.95	24,413,043	23,494,184	3.91	
ther Reserves	2,796,327	2.820.573	(0.86)	3,907,956	3,932,202	(0.62)	
atal Shareholders' Equity	45,783,190	44,627,274	2.59	47,552,503	46,379,466	2.53	
on-Controlling Interest		-	-	1,271,749	1,264,588	0.57	
otal Equity	45,783,190	44,627,274	2.59	48,824,252	47,644,054	2.48	
tal Equity & Liabilities	520,794,338	516,294,187	0.87	521,023,046	516,531,269	0.87	
ontingent Liabilities and Commitments	153,508,714	150,147,271	2.24	153,547,781	150,189,462	2.24	
emorandum Information							
umber of Employees	3,322	3,360	(1.13)	3,343	3,381	(1.12)	
umber of Banking Centres	172	173	(0.58)	172	173	(0.58)	
· · · · · · · · · · · · · · · · · · ·			(0.00)			(0.00)	
at Assets Value per Ordinary Share (Rs.)	90.91	88.61	2.60	94.42	92.09	2.53	
ertification; ethe undersigned, being the Chairman, Director/Chief Executive Officer and Chie The above statements have been prepared in compliance with the format and do Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting. The information contained in these statements have been extracted from the u Companies Act No. 07 of 2007.	efinitions prescribed b	y the Central Bank of	Sri Lanka and where				
Sgd.) Champika Dodanwela (Ms.) hief Financial Officer lay 26, 2020 olombo		la Ariyaratne ief Executive Officer	r		(Sgd.) W Chairma	r. M. R. S. D n	

SEYLAN BANK PLC - DEBENTURE INFORMATIO	N	
	Current Period 01-January-20 to 31-March-20	Comparative Period 01-January-19 to 31-March-19
Debt (Debentures)/Equity Ratio (Times) Debt (Debentures plus Long term Debt)/Equity Ratio (Times) Interest Cover (Times) Quick Asset Ratio (Times)	0.43 0.65 3.06 0.79	0.45 0.79 3.77 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) - 6 Years	7.50%	9.89% 10.46%
2016 Issue		
Market Prices during January to March (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a		
- Highest Price	100.00 100.00	*
- Lowest Price - 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 - Lowest Price	102.98 102.98	105.00 105.00
- Lowest Price - Last Traded Price (13/01/2020)/(02/01/2019)	102.98	105.00
nterest Yield as at Date of Last Trade		
5 Year Fixed Semi Annual - 13.00% p.a (30/01/2020)/ * 5 Year Floating Semi Annual - six months treasury bill rate + 1.5%	13.42%	*
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	12.99%	*
5 Year Fixed Semi Annual - 13.00% p.a (30/01/2020)/ * 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 - Lowest Price	98.00 98.00	100.00 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		10.1070
- 5 Years	9.01%	10.91%
- 7 Years - 10 Years	9.49% 9.59%	11.16% 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 - Lowest Price	107.34	
- Lowest Price - Last Traded Price (29/01/2020)	107.34 107.34	
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) 5 Year Fixed Semi Annual - 14.50% p.a.	13.97%	
Yield to Maturity of Trade Done on 5 Year Fixed Annual - 15.00% p.a (29/01/2020) 5 Year Fixed Semi Annual - 14.50% p.a.	12.60%	
Interest Rate of Comparable Government Security		
5 Years	9.17%	

No trading during the period.

SELECTED PERFORMANCE INDICATORS

	B	ANK	GR	ROUP	
Item	31.03.2020	31.12.2019	31.03.2020	31.12.2019	
Regulatory Capital (LKR. Mn) Common Equity Tier I Total (Tier I) Capital Total Capital Base	43,088 43,088 56,045	43,052 43,052 56,704	43,979 43,979 56,807	43,943 43,943 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%) Total Capital Ratio (Minimum Requirement - 12.50%)	11.21 14.58	11.27 14.84	11.43 14.76	11.49 15.02	
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR Mn.) Offshore Banking Unit (USD '000) Statutory Liquid Assets Ratio (%) (Minimum Reguirement 20 %)	103,395 98,465 31,489	94,099 90,380 29,493			
Domestic Banking Unit Offshore Banking Unit	22.03 21.39	21.40 21.81			
Total Stock of High-Quality Liquid Assets (LKR Mn.) Liquidity Coverage Ratio %	76,148	68,352			
Rupee - (Minimum Requirement - 100%) All Currency - (Minimum Requirement - 100%) Net Stable Funding Ratio (%) (Minimum Requirement - 100%)	175.84 120.49 110.82	169.60 116.01 109.11			
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 (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.00 0.98 7.98	4.20 1.04 9.29			

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<u>SEYLAN BANK PLC</u> FINANCIAL STATEMENTS



Three months ended 31st March, 2020

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY							n Rupees Th	ousanus
or the Three Months ended 31st March - Bank	Ordinary Shares - Voting	d Capital Ordinary Shares - Non-Voting	Statutory Reserve Fund *	Retained Earnings	Revaluation Reserve	Other Reserves FVOCI Reserve **	Other Reserves	Total
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	34,609,7
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	895,602	-	-	-	895,
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
- Change in Fair Value on Investments in Equity Instruments								
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	72,393	-	72
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(29,958)	(2
Total Comprehensive Income for the Period	-	-	-	895,602		723,811	(29,958)	1,58
Transactions with Equity Holders, Recognized Directly In Equity	010 050	010.001		(015.040)				(00
Cash/Scrip Dividends to Equity Holders	316,659	313,031	-	(915,248)	-	-	-	(28
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)	-	
						()		
Total Transactions with Equity Holders	316,659	313,031		(660,004)	-	(253,062)	(2,182)	(28
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	35,91
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	44,62
Total Comprehensive Income for the Period								
Profit for the Period		-	-	901.918		-	-	90
Other Comprehensive Income (net of tax)				301,010				50
- Net Gains/(Losses) on Investments in Debt Instruments								
measured at Fair Value through Other Comprehensive Income				_		303,768		30
- Change in Fair Value on Investments in Equity Instruments measured	-	-	-	-	-	303,700	-	30
at Fair Value through Other Comprehensive Income	_	_	_	_	_	(25,524)		(2
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	(20,024)	(24,246)	(2
Not movement of oddit from frouge reading	-	-	-	-	-	-	(24,240)	(2
Total Comprehensive Income for the Period	-	-	-	901,918	-	278,244	(24,246)	1,15
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	45,78

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							(Amo	unts in Ri	upees Tha	usands)
		Stated C	apital	01.1.1	P. I. I. I.	Oti	ner Reserves				
For the Three Months ended 31st March - Group				Statutory Retained Reserve Fund Earnings *		Revaluation Reserve	FVOCI Reserve **	Other Reserves	Total	Non- Controlling Interest	Total Equity
1	Balance as at 01st January 2019	7,723,207	4,302,588	1,768,944 2	0,419,229	1,662,627	(1,914,326)	2,284,637	36,246,906	1,216,457	37,463,363
	Table Comments and in the Parised										
	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)
_							(4 + + + + +				
_	Balance as at 31st March 2019 (1 + 2 + 3)	8,039,866	4,615,619	1,768,944 2	0,587,090	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 2	3,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,054

Total Comprehensive Income for the Period

EXPLANATORY NOTES

General 1.

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 guarter 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

2.

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 halance the cash inflow and outflow measurements. However from the incention 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.

Information on Ordinary Shares

Market Price (Rs.)	31/03	/2020	31/0	3/2019		
	(last date of trading as the	CSE's Trading Floor				
	was closed from 23/03/20	020 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		
	No. of Observe	8/
3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2020	No. of Shares	%
Sri Lanka Insurance Corporation Ltd [Includes General Fund and Life Fund] Brown & Company PLC A/C No. 1	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 8.72
5. National Development Bank PLC A/C No.02	21,941,094	
6. Mr. R.S. Captain	14,535,549	5.78
 Bank of Ceylon No. 1 Account Seylan Bank PLC A/C No. 04 – Employees' Gratuity Trust Fund 	14,145,629	5.62 5.04
	12,684,300	2.27
	5,718,954	
10. 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 14. NDP Capital Heldings Limited A/C. No. 00	2,653,526	1.06
14. NDB Capital Holdings Limited A/C No. 02	2,547,149	1.01 0.93
15. AIA Insurance Lanka Ltd. A/C No. 07	2,340,357	
16. Mr. M.J. Fernando 17. Mr. R.R. Leon	1,226,585	0.49 0.47
	1,190,033	
	1,088,123	0.43
19. Ambeon Holdings PLC	887,051	0.35 0.30
20. N P Capital Ltd.	763,762	0.30
		0/
3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2020	No. of Shares	%
3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2020 1. LOLC Holdings PLC	No. of Shares 111,968,446	% 44.41
1. LOLC Holdings PLC	111,968,446	44.41
1. LOLC Holdings PLC 2. Employees' Provident Fund	111,968,446 13,449,364	
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd.	111,968,446 13,449,364 5,971,428	44.41 5.33
LOLC Holdings PLC Employees: Provident Fund Pople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1	111,968,446 13,449,364 5,971,428 5,415,210	44.41 5.33 2.37
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	111,968,446 13,449,364 5,971,428	44.41 5.33 2.37 2.15
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021	44.41 5.33 2.37 2.15 1.85
LOLC Holdings PLC Employees' Provident Fund Foople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Acbar Brothers PvL Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523	44.41 5.33 2.37 2.15 1.85 1.70
LOLC Holdings PLC Employees' Provident Fund Foople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co.	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284	44.41 5.33 2.37 2.15 1.85 1.70 1.65
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Acbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooryam & Mr. E. Thavagnanasoundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thravagnanasourymar M. Mr. E. Thravagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah Turt Equitary	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39 1.26
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited LG. Scosshell (Pvt) Ltd.	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39 1.26 1.19
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thravagnanasourymar M. Mr. E. Thravagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. B. Gocoshell (Pvt) Ltd. Merrill J. Fernando & Sons (Pvt) Limited Mr. R. Leon	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39 1.26 1.19 1.11
LOLC Holdings PLC Employees' Provident Fund People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Gapital Limited J. B. Cocoshell (Pvt) Ltd. Merrill J. Fernando & Sons (Pvt) Limited Mr. R.R. Leon LOLC Technology Services Limited	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,187,073 3,011,739 2,800,825 2,223,116	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39 1.26 1.19 1.11 0.88
LOLC Holdings PLC Employees' Provident Fund Fopple's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. B. Cocoshell (Pvt) Ltd. Merrill J. Fernando & Sons (Pvt) Limited Mr. R.L. Leon Louder Structure Str	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,623 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825 2,223,116 2,201,808	44.41 5.33 2.37 2.15 1.85 1.70 1.65 1.59 1.39 1.26 1.19 1.11 0.88 0.87
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thravagnanasoryma. Mr. E. Thravagnanasoundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. B. Cocoshell (Pvt) Ltd. Mre. R., Leon Mr. R. R., Leon LOC Technology Services Limited	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825 2,223,116 2,201,808 1,972,634	44.41 5.33 2.37 2.15 1.85 1.59 1.59 1.26 1.19 1.11 0.88 0.87 0.78
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thravagnanasoryma M. Mr. E. Thravagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. J. B. Cocoshell (Pvt) Ltd. Merrit. L. Fernando & Sons (Pvt) Limited Mr. R. R. Leon LOLC Technology Services Limited Mr. N. Balasingam Gergintal Global Ltd.	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825 2,223,116 2,201,808 1,972,634 1,508,454	44.41 5.33 2.37 2.15 1.85 1.59 1.59 1.26 1.19 1.26 1.19 1.26 1.11 0.88 0.87 0.78 0.60
LOLC Holdings PLC Employees' Provident Fund Reople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers PvL Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thavagnanasooriyam & Mr. E. Thavagnanasundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. B. Cocoshell (Pvt) Ltd. Mr. R.R. Leon Mr. N. Balasingam G F Capital Global Ltd. Mr. N.N. Lokuge	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825 2,223,116 2,201,808 1,972,634 1,508,454 1,344,449	44.41 5.33 2.37 2.15 1.85 1.59 1.39 1.26 1.19 1.11 0.88 0.87 0.78 0.60 0.53
LOLC Holdings PLC Employees' Provident Fund Feople's Leasing & Finance PLC /Don and Don Holdings (Pvt) Ltd. Akbar Brothers Pvt Ltd. A/C No. 1 Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund Mr. E. Thravagnanasoryma. Mr. E. Thravagnanasoundaram Pershing LLC S/A Averbach Grauson & Co. Employees' Trust Fund Board People's Leasing & Finance PLC/Mrs. P. Thavarajah First Capital Limited J. B. Cocoshell (Pvt) Ltd. Mre. R., Leon Mr. R. R., Leon Mr. D. N. Balasingam G GF Capital Global Ltd. Mr. D. N. Lokuge	111,968,446 13,449,364 5,971,428 5,415,210 4,657,021 4,276,523 4,160,284 4,011,506 3,493,906 3,187,073 3,011,739 2,800,825 2,223,116 2,201,808 1,972,634 1,508,454 1,344,449 1,227,394	44.41 5.33 2.37 2.15 1.85 1.59 1.59 1.26 1.19 1.11 0.88 0.87 0.78 0.60 0.53 0.53

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

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

	(Ordinary Voting)	(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. Abeysuriya, Independent Director	Nil	Nil
Mr. R.D. Tissera, Alternate Director to Non-Executive Director Mr. W.D.K. Jayawardena	Nil	Nil
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	

No. of Shares

No. of Shares

393,395 313,031 1,544,394

(181,580) 17,044,724

_	Balance as at 31st March 2020 (1+2)	10,884,710	6,160,014	1,952,957 24,4	13,043	1,714,728	233,823	2,193,228	47,552,503	1,271,749	48,824,252
2	Total Comprehensive Income for the Period		-	- 9	18,859	-	278,424	(24,246)	1,173,037	7,161	1,180,198
	- Net Movement of Cash Flow Hedge Reserve		-	-	-	-	-	(24,246)	(24,246)	-	(24,246
	Other Comprehensive Income		-	-	-	-	(25,524)	-	(25,524)	-	(25,524
	Instruments measured at Fair Value through										
	- Change in Fair Value on Investments in Equity										
	Other Comprehensive Income		-		-	-	303,948	-	303,948	75	304,023
	Instruments measured at Fair Value through										
	- Net Gains/(Losses) on Investments in Debt										
	Other Comprehensive Income (net of tax)										
	Profit for the Period	-	-	- 9	18,859	-	-	-	918,859	7,086	925,945
	total comprehensive income for the Ferrou										

* 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	G - GROUP						()	Amounts in R	upees Tho	usands)	
	BANK	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	13,629,78	
Interest Expense	7,539,713	8,184,678	1,436,153	1,056,763	-	-	(37,943)	(72,605)	8,937,923	9,168,83	
Net Interest Income	3,295,397	3,015,852	681,637	681,682	7,344	8,028	795,484	755,384	4,779,862	4,460,94	
Fee and Commission Income	1,040,526	1,008,818	1,571	1,865	-	-	4,368	9,603	1,046,465	1,020,28	
Fee and Commission Expense	55,295	49,050	5,501	4,872	-	-	-	-	60,796	53,92	
Net Fee and Commission Income	985,231	959,768	(3,930)	(3,007)	-	-	4,368	9,603	985,669	966,3	
Net Gains/(Losses) from Trading	-	-	9,807	(621,742)	(3,235)	(586)	-	-	6,572	(622,32	
Net Gains from Derecognition of Financial Assets			69,552	56,049			-	-	69,552	56,04	
Net Other Operating Income	30,100	46,924	153,402	907,512	81,627	73,767	86,080	(167,229)	351,209	860,9	
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	5,722,00	
Depreciation and Amortisation Expenses	234,630	228,966	1,316	963	180	226	137,024	87,325	373,150	317,4	
Impairment Charge for the Period	1.110.627	582.017	5,439	7,219		(16)		-	1.116.066	589.2	
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	3,540,8	
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	1,274,4	
Income Tax Expense									402.251	431,3	
Profit For The Period									925.945	843,1	
Profit Attributable To:											
Equity Holders of The Bank									918,859	827,8	
Non-Controlling Interests									7,086	15,3	
Profit For The Period									925,945	843,1	
Other Comprehensive Income, Net of Income Tax									254,253	695,1	
* 2019 includes NBT & DRL.											
Other Information											
Total Assets	374,206,233	330,545,204	116,357,284	1 19,668,960	5,835,629	5,700,045	24,623,900	23,708,992	521,023,046	479,623,2	
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	479,623,2	
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	4,019,5	
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	(1,298,1	
Cash Flows from Financing Activities	(176,580)	(155,695)	(744,545)	(743,482)	-	-	79,365	51,367	(841,760)	(847,8	
Capital Expenditure	(154,959)	(80,602)	-	(4,303)		-	(29,123)	(32,487)	(184,082)	(117,3	

645 Non-Voting Ordinary Shares @ Rs. 55/- each	
354 Non-Voting Ordinary Shares @ Rs. 44/- each	
5,478 Non-Voting Ordinary Shares @ Rs. 24/50 each	
Issue Expenses	

 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.

Other Matters 8. i. Dividend

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5.

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), albanks should refrain from using release of capital on any captal related relaxations granted, under the Extraordinary Measures taken by the CBSL to provide #xibility to Licensed Banks to support Businesses and Individuals affected by the outbreak of Corona Viis Disease (Covid 19).

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

ii. Gratuity Liability

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. 68 Mn for the guarter 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%.

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. 000s	Bank		Group		
		Previously		Previously	
	Restated	Reported	Restated	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