SEYLAN BANK P	LC
FINANCIAL STATEMEN	TS
Year ended 31st December, 2	2020



The bound country bear as

In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group			Group	
	For the Year ended 31st December			For the Quarter ended 31st December		For the Year ended			For the Quarter ended			
						.		st December	.		1st December	
	2020 (Audited)	2019 (Audited)	Growth %	2020	2019	Growth %	2020 (Audited)	2019 (Audited)	Growth %	2020	2019	Growth %
	(nuunou)	(nuunou)	,,,			,0	(////////	(11441104)	,0			
Interest Income	52,320,397		(5.60)		13,783,455	. ,	52,328,078	55,430,879	(5.60)	11,946,037	13,785,857	(13.35
Less: Interest Expenses	32,822,642		(10.79)	7,318,372	8,924,606	. ,	32,517,295	36,488,082	(10.88)	7,242,486	8,848,864	(18.1
Net Interest Income	19,497,755	18,632,519	4.64	4,625,614	4,858,849	(4.80)	19,810,783	18,942,797	4.58	4,703,551	4,936,993	(4.7)
Fee and Commission Income	3,931,545	4,457,325	(11.80)	1,149,876	1,217,022	(5.52)	3,931,327	4,457,109	(11.80)	1,149,744	1,217,011	(5.5
Less: Fee and Commission Expenses	201,935	224,554	(10.07)	38,672	66,129	(41.52)	203,023	224,554	(9.59)	39,384	66,129	(40.4
Net Fee and Commission Income	3,729,610	4,232,771	(11.89)	1,111,204	1,150,893	(3.45)	3,728,304	4,232,555	(11.91)	1,110,360	1,150,882	(3.5
Net Gains/(Losses) from Trading	347,554	(497,595)	169.85	225,125	196,012	14.85	348,743	(496,010)	170.31	225,439	197,508	14.1
Net Gains from Derecognition of		,						,				
Financial Assets	782,565	320,472	144.19	73,548	140,085	(47.50)	782,565	320,472	144.19	73,548	140,085	(47.5
Net Other Operating Income	1,057,777	1,666,094	(36.51)	84,406	8,735	866.30	1,052,679	1,643,799	(35.96)	140,792	23,472	499.8
Total Operating Income	25,415,261	24,354,261	4.36	6,119,897	6,354,574	(3.69)	25,723,074	24,643,613	4.38	6,253,690	6,448,940	(3.0
Less: Impairment Charges	6,992,976	3,882,718	80.11	1,577,253	735,143	114.55	6,992,976	3,882,718	80.11	1,577,253	735,159	114.
Net Operating Income	18,422,285	20,471,543	(10.01)	4,542,644	5,619,431	(19.16)	18,730,098	20,760,895	(9.78)	4,676,437	5,713,781	(18.
Less: Operating Expenses												
Personnel Expenses	6,890,768	6,573,808	4.82	1,752,223	1,738,445	0.79	6,924,693	6,608,038	4.79	1.758.100	1,744,033	0.0
Depreciation and Amortisation Expenses	1.447.311	1.300.816	11.26	364.887	334.680	9.03	1.486.206	1.327.111	11.99	375.690	328.053	14.5
Other Expenses	4,444,663	4,731,136	(6.06)	1,145,196		10.52	4,495,267	4,791,493	(6.18)	1,158,995	1,100,132	5.
Total Operating Expenses	12,782,742	12,605,760	1.40	3,262,306	3,109,307	4.92	12,906,166	12,726,642	1.41	3,292,785	3,172,218	3.
Operating Profit before Taxes	5,639,543	7,865,783	(28.30)	1.280.338	2,510,124	(48.99)	5.823.932	8.034.253	(27.51)	1.383.652	2.541.563	(45.
	0,003,040	1,000,100	(20.00)	1,200,000	2,010,124	(40.33)	0,020,302	0,004,200	(27.01)	1,000,002	2,041,000	(40.0
Less: Value Added Tax on Financial Services	1,528,296	1,621,116	(5.73)	342,712	422,942	(18.97)	1,528,296	1,621,116	(5.73)	342,712	422,942	(18.
Less; Nation Building Tax on Financial Services	-	193,281	(100.00)	-	33,524	(100.00)	-	193,281	(100.00)	-	33,524	(100.
Less: Debt Repayment Levy	-	952,746	(100.00)	-	250,573	(100.00)	-	952,746	(100.00)	-	250,573	(100.
Profit before Income Tax	4,111,247	5,098,640	(19.37)	937,626	1,803,085	(48.00)	4,295,636	5,267,110	(18.44)	1,040,940	1,834,524	(43.)
ess: Income Tax Expense	1,099,947	1,418,378	(22.45)	147,861	646,638	(77.13)	1,197,578	1,468,858	(18.47)	178,110	646,739	(72.
Profit for the Year	3,011,300	3,680,262	(18.18)	789,765	1,156,447	(31.71)	3,098,058	3,798,252	(18.43)	862,830	1,187,785	(27.
Attributable to:			/						/			
Equity Holders of the Bank	3,011,300	3,680,262	(18.18)	789,765	1,156,447	(31.71)	3,038,629	3,732,691	(18.59)	841,283	1,178,545	(28.
Ion-controlling Interest	-	-	-	-	-	-	59,429	65,561	(9.35)	21,547	9,240	133.
Profit for the Year	3,011,300	3,680,262	(18.18)	789,765	1,156,447	(31.71)	3,098,058	3,798,252	(18.43)	862,830	1,187,785	(27.
Basic / Diluted Earnings per Ordinary Share (Rs.)	5.82	8.70	(33.10)	1.53	0.57	(40.47)	5.88	8.83	(33.41)	1.63	2.62	(37.

STATEMENT OF CASH FLOWS (AUDITED)			Amounts in Rup	ees Thousan		
	BAI	NK	GROUP			
For the Year ended 31st December	2020	2019	2020	2019		
Cash Flows from Operating Activities						
nterest Receipts	49,947,784	53,327,880	49,955,465	53,335,401		
nterest Payments	(31,104,810)	(32,820,976)	(31,094,690)	(32,817,258)		
let Commission Receipts rading Income	3,729,610	4,232,771	3,728,304	4,232,555		
avments to Employees	165,587 (6,611,695)	66,587 (6,249,124)	166,776 (6.645,626)	68,172 (6,283,773)		
AT and NBT on Financial Services and DRL	(1,199,766)	(2,694,167)	(1,199,766)	(2,694,167)		
eceipts from Other Operating Activities	2,455,564	2.780.711	2.565.231	2.848.147		
ayments on Other Operating Activities	(4,412,335)	(5,067,052)	(4,462,024)	(5,127,664)		
perating Profit before Changes in Operating Assets and Liabilities	12,969,939	13,576,630	13,013,670	13,561,413		
ncrease)/Decrease in Operating Assets:						
alances with Central Bank of Sri Lanka	7,087,767	4,013,305	7,087,767	4,013,305		
inancial Assets at Amortised Cost - Loans & Advances	(18,421,886)	(54,623,855)	(18,421,886)	(54,623,855)		
ther Assets crease/(Decrease) in Operating Liabilities :	178,558	(2,784,945)	125,778	7,341		
inancial Liabilities at Amortised Cost - Due to Depositors	40,673,176	42,076,603	40,673,176	42,076,603		
inancial Liabilities at Amortised Cost - Due to Debt Securities Holders	(5,824,851)	(12,663,143)	(5,824,851)	(12,663,143)		
inancial Liabilities at Amortised Cost - Due to Other Borrowers	(9,284)	(8,611)	(9,284)	(8,611)		
ther Liabilities	(704,858)	1,061,064	(787,487)	(1,704,826)		
ue to Banks	3,910,058	2,390,848	3,910,058	2,390,848		
ash (Used in) /Generated from Operating Activities before Income Tax	39,858,619	(6,962,104)	39,766,941	(6,950,925)		
ncome Tax Paid	(976,468)	(1,827,863)	(976,468)	(1,829,340)		
let Cash (Used in)/Generated from Operating Activities	38,882,151	(8,789,967)	38,790,473	(8,780,265)		
ash Flows from Investing Activities						
urchase of Property, Plant & Equipment	(512,836)	(1,321,767)	(528,926)	(1,374,033)		
nprovements to Investment Properties	(-	(18,863)	(20,357)		
roceeds from Sale of Property, Plant & Equipment	15,896	38,302	15,896	38,308		
et Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka						
reasury Bills/Bonds and Development and Sovereign Bonds maturing after Three months	(19,049,799)	4,826,187	(19,049,799)	4,826,187		
et Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	36,381	124,660	31,929	117,946		
leverse Repurchase Agreements maturing after Three Months	4,433	1,819	4,433	1,819		
let Purchase of Intangible Assets let Cashflow from Acquisition of Investment in Subsidiaries	(177,129)	(185,862)	(177,129)	(185,862)		
let Cashflow from Disposal of Subsidiaries						
Dividend Received from Investment in Subsidiaries	114,765	89,726	_	-		
Dividend Received from Other Investments	19,173	24,989	19,173	24,989		
let Cash (Used in)/ Generated from Investing Activities	(19,549,116)	3,598,054	(19,703,286)	3,428,997		
ash Flows from Financing Activities						
let Proceeds from the Issue of Ordinary Share Capital	-	4,389,238	-	4,389,238		
et Proceeds from the Issue of Other Equity Instruments	-		-			
et Proceeds from the Issue of Subordinated Debt	-	5,000,000	(0.000.040)	4,971,000		
epayment of Subordinated Debt iterest Paid on Subordinated Debt	(2,806,040) (2,232,788)	(1,866,550) (1,577,377)	(2,806,040) (2,221,972)	(1,866,550) (1,561,452)		
iterest Paid on Subordinated Debt	(2,232,700) (241,770)	(1,577,377) (402,293)	(2,221,972) (241,770)	(402,293)		
ividend Paid to Non-controlling Interest	(241,710)	(402,200)	(49,720)	(54,302)		
ividend Paid to Shareholders of the Bank	(502,788)	(287,567)	(502,788)	(287,567)		
ividend Paid to Holders of Other Equity Instruments	()			()		
lepayment of Principal Portion of Lease Liability	(750,450)	(748,544)	(465,698)	(521,812)		
let Cash (Used in)/Generated from Financing Activities	(6,533,836)	4,506,907	(6,287,988)	4,666,262		
et Increase/(Decrease) in Cash and Cash Equivalents	12,799,199	(685,006)	12,799,199	(685,006)		
ash and Cash Equivalents at Beginning of the Year	24,716,667	25,401,673	24,717,205	25,402,211		
ash and Cash Equivalents at End of the Year	37,515,866	24,716,667	37,516,404	24,717,205		
econciliation of Cash and Cash Equivalents						
ash and Cash Equivalents	10,044,937	11,775,495	10,044,977	11,775,535		
lacements with Banks and Finance Companies	10,784,450	1,179,174	10,784,948	1,179,672		
overnment of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds Maturing within Three Months	10,543,586	6,601,739	10,543,586	6,601,739		
Securities Purchased under Resale Agreements Maturing within Three Months	6,142,893	5,160,259	6,142,893	5,160,259		
	37,515,866	24.716.667	37,516,404	24,717,205		

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Amounts in Rupees Thousand

(In terms of Rule 7.4 of the Colombo Stock Exchange)								-			•	
	For the Ye	Bank ar Ended 31st	December	For the Quarte	Bank Finded 31s	t December	For the Ye	Group ear Ended 31st I	December	For the Quart	Group er Ended 31s	st December
	2020	2019	Growth	2020	2019	Growth	2020	2019	Growth	2020	2019	Growth
	(Audited)	(Audited)	%			%	(Audited)	(Audited)	%			%
Profit for the year	3,011,300	3,680,262	(18.18)	789,765	1,156,447	(31.71)	3,098,058	3,798,252	(18.43)	862,830	1,187,785	(27.36)
Other Comprehensive Income, Net of Tax												
Items that are or may be Reclassified to Income Statement Subsequent Periods	in											
Net Movement of Cash Flow Hedge Reserve	26,772	(62,073)	143.13	7,790	(930)	937.63	26,772	(62,073)	143.13	7,790	(930)	937.63
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Inco	ome 1,720,427	2,539,877	(32.26)	(389,267)	353,390	(210.15)	1,723,699	2,545,242	(32.28)	(389,873)	354,144	(210.09)
Less: Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	481,720	711,165	(32.26)	(108,994)	98,949	(210.15)	482,047	711,495	(32.25)	(109,055)	99,279	(209.85)
Items that will never be Reclassified to Income Statement i Subsequent Periods	n											
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Incor	ne 1,548,622	315,941	390.16	(316,207)	138,207	(328.79)	1,548,622	316,841	388.77	(316,207)	139,107	(327.31)
Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	41,639	118,360	(64.82)	41,639	118,360	(64.82)
Actuarial Gains/(Losses) on Defined Benefit Obligations	(495,480)	177,461	(379.21)	(495,480)	177,461	(379.21)	(495,323)	175,163	(382.78)	(495,323)	175,163	(382.78)
Less: Deferred Tax effect relating to items that will never be Reclassified to Income Statement	486,596	26,509	1,735.59	9,426	19,543	(51.77)	498,255	59,650	735.30	21,085	52,684	(59.98)
Other Comprehensive Income for the Year, Net of Taxes	1,832,025	2,233,532	(17.98)	(1,093,596)	549,636	(298.97)	1,865,107	2,322,388	(19.69)	(1,064,004)	633,881	(267.86)
Total Comprehensive Income for the Year	4,843,325	5,913,794	(18.10)	(303,831)	1,706,083	(117.81)	4,963,165	6,120,640	(18.91)	(201,174)	1,821,666	(111.04)
Attributable to: Equity Holders of the Bank Non-controlling Interest	4,843,325	5,913,794	(18.10)	(303,831)	1,706,083	(117.81)	4,893,981 69,184	6,028,876 91,764	(18.82) (24.61)	(231,447) 30,273	1,787,583 34,083	(112.95) (11.18)
Total Comprehensive Income for the year	4,843,325	5,913,794	(18.10)	(303,831)	1,706,083	(117.81)	4,963,165	6,120,640	(18.91)	(201,174)	1,821,666	(111.04)

STATEMENT OF FINANCIAL POSITION		Daul			mounts in Rupee	o mououi
In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Group	
	As at 31.12.2020 (Audited)	As at 31.12.2019 (Audited)	Growth %	As at 31.12.2020 (Audited)	As at 31.12.2019 (Audited)	Growth %
ssets						
ash and Cash Equivalents	10,036,144	11,758,729	(14.65)	10,036,184	11,758,769	(14.65)
alances with Central Bank of Sri Lanka	7,371,203	14,458,970	(49.02)	7,371,203	14,458,970	(49.02)
lacements with Banks and Finance Companies	10,730,528	1,173,278	814.58	10,730,528	1,173,278	814.58
erivative Financial Instruments	403,984	134,756	199.79	403,984	134,756	199.79
inancial Assets recognised through Profit or Loss						
Measured at Fair Value	4,545,853	7,118,016	(36.14)	4,553,778	7,124,752	(36.09)
Designated at Fair Value	-		-	-	-	-
nancial Assets at Amortised Cost						
Loans and Advances	393,766,147	379,259,064	3.83	393,766,147	379,259,064	3.83
Debt and Other instruments	53,692,471	27,038,743	98.58	53,692,471	27,038,743	98.58
nancial Assets measured at Fair Value through Other Comprehensive Income	59,024,231	55,591,526	6.17	59,081,506	55,645,538	6.17
vestment in Subsidiary	1,153,602	1,153,602	-	-	-	-
roup Balances Receivable	40,000	40,000	-	-	-	-
roperty, Plant & Equipment	4,031,453	4,347,933	(7.28)	6,772,711	7,088,440	(4.45)
ght-of-use Assets	4,450,659	4,494,006	(0.96)	2,220,501	2,230,349	(0.44)
vestment Properties	-		-	856,604	853,157	0.40
tangible Assets	620,530	607,267	2.18	620,530	607,267	2.18
ther Assets	7,840,615	9,118,297	(14.01)	7,899,785	9,158,186	(13.74)
otal Assets	557,707,420	516,294,187	8.02	558,005,932	516,531,269	8.03
iabilities	00 070 007	00 700 000	10.50	00.070.007	00 700 000	10.50
Due to Banks	32,679,687	28,769,629	13.59	32,679,687	28,769,629	13.59
Perivative Financial Instruments	39,981	222,978	(82.07)	39,981	222,978	(82.07)
inancial Liabilities at Amortised Cost	440.000.400	400 704 050	0.07	440.000.400	400 701 050	0.07
Due to Depositors	440,303,126	400,731,358	9.87	440,303,126	400,731,358	9.87
Due to Debt Securities Holders	2,575,873	8,425,884	(69.43)	2,575,873	8,425,884	(69.43)
Due to Other Borrowers	14,123	23,407	(39.66)	14,123	23,407	(39.66)
Aroup Balances Payable	261,462	200,969	30.10	-	-	-
bebt Securities Issued	17,058,558	19,870,944	(14.15)	17,058,558	19,870,944	(14.15)
Current Tax Liabilities	869,896	525,389	65.57	846,582	490,699	72.53
eferred Tax Liabilities	1,469,778	725,326	102.64	1,789,866	947,225	88.96
ease Liabilities	4,446,175	4,351,632	2.17	1,582,937	1,507,618	5.00
ther Liabilities	9,021,786	7,819,397	15.38	9,059,600	7,897,473	14.72
otal Liabilities	508,740,445	471,666,913	7.86	505,950,333	468,887,215	7.90
quity						
Stated capital	17,548,347	17,044,724	2.95	17,548,347	17,044,724	2.95
tatutory reserve fund	2,103,522	1,952,957	7.71	2,103,522	1,952,957	7.71
air Value through Other Comprehensive Income Reserve	2,285,332	(14,219)	16,172.38	2,257,027	(44,601)	5,160.49
etained earnings	24,683,224	22,823,239	8.15	25,381,609	23,494,184	8.03
ther reserves	2,346,550	2,820,573	(16.81)	3,479,318	3,932,202	(11.52)
otal Shareholders' Equity	48,966,975	44,627,274	9.72	50,769,823	46,379,466	9.47
				1 005 776	1.004.500	1.00
on - controlling Interest		· ·	-	1,285,776	1,264,588	1.68
otal Equity	48,966,975	44,627,274	9.72	52,055,599	47,644,054	9.26
otal Equity & Liabilities	557,707,420	516,294,187	8.02	558,005,932	516,531,269	8.03
ontingent Liabilities and Commitments	195,154,154	150,147,271	29.98	195,173,315	150,189,462	29.95
lemorandum Information						
umber of Employees	3,251	3,360	(3.24)	3,271	3,381	(3.25)
umber of Banking Centres	172	173	(0.58)	172	173	(0.58)
						. ,
et Assets Value per Ordinary Share (Rs.)	94.71	88.61	6.88	98.20	92.09	6.63
 Certification; We the undersigned, being the Chairman, Director/Chief Executive Officer and Chie a) The above statements have been prepared in compliance with the format and do Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting. b) The information contained in these statements have been extracted from the Companies Act No. 07 of 2007. 	f Financial Officer of S efinitions prescribed b	eylan Bank PLC certify y the Central Bank of S	that, Sri Lanka and where	ever required provides a	additional disclosures	to comply w
Sgd.) Champika Dodanwela (Ms.) :hief Financial Officer ebruary 22, 2021	(Sgd.) Kapila Ariy Director/Chief Ex				(Sgd.) W. M. R. S. Chairman	Dias

SEYLAN BANK PLC - DEBENTURES

	Current Period 01-Oct-20 to 31-Dec-20	Comparative Period 01-Oct-19 to 31-Dec-19
Debt (Debentures)/Equity Ratio (Times) Debt (Debentures plus Long term Debt)/Equity Ratio (Times) Interest Cover (Times) Quick Asset Ratio (Times)	0.35 0.50 2.67 0.72	0.45 0.67 3.11 0.74
2014 Issue Market Prices during October to December (Ex Interest) 5 Year Fixed Semi Annual - 8.35% p.a. (Debenture matured and redeemed on 23/12/2019) 5 Year Fixed Annual - 8.60% p.a. (Debenture matured and redeemed on 23/12/2020) 6 Year Fixed Semi Annual - 8.60% p.a. (Debenture matured and redeemed on 23/12/2020) 6 Year Fixed Annual - 8.75% p.a. (Debenture matured and redeemed on 23/12/2020)	*	* * *
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 23/12/2019) - 6 Years (Debenture matured and redeemed on 23/12/2020)		8.36%
2016 Issue Market Prices during October to December (Ex Interest) - Highest Price - Lowest Price	*	100.00 100.00
- Last Traded Price */ (05/12/2019)	*	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	*	*
- Last Traded Price Interest Yield as at Date of Last Trade	×	*
5 Year Fixed Semi Annual - 13.00% p.a. */ (05/12/2019) 5 Year Fixed Semi Annual - 3ix months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a	* * *	13.42% *
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 13.00% p.a. */ (05/12/2019) 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a	* * *	12.98% *
Interest Rate of Comparable Government Security - 5 Years - 7 Years	4.76% 5.93%	8.58% 9.39%
2018 Issue Market Prices during October to December (Ex Interest) 5 Year Fixed Semi Annual - 12.85% p.a	*	*
7 Year Fixed Semi Annual - 13.20% p.a. - Highest Price - Lowest Price - Last Traded Price */ (22/10/2019)	* * *	100.00 100.00 100.00
10 Year Fixed Semi Annual - 13.50% p.a - Highest Price - Lowest Price - Last Traded Price */ (17/12/2019)	* * *	100.00 100.00 100.00
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.*/ (22/10/2019) 10 Year Fixed Semi Annual - 13.50% p.a* / (17/12/2019)	* * *	* 13.64% 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.* / (22/10/2019) 10 Year Fixed Semi Annual - 13.50% p.a.* / (17/12/2019)	* * *	* 13.19% 13.49%
Interest Rate of Comparable Government Security - 5 Years - 7 Years - 10 Years	5.96% 6.71% 7.03%	9.42% 9.88% 10.12%
2019 Issue Market Prices during October to December (Ex Interest) 5 Year Fixed Annual - 15.00% p.a - Highest Price - Lowest Price - Last Traded Price */ (16/10/2019)	• •	107.49 107.15 107.49
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 */ (16/10/2019) 5 Year Fixed Semi Annual - 14.50% p.a.	* *	13.95%
Yield to Maturity of Trade Done on 5 Year Fixed Annual - 15.00% p.a */ (16/10/2019) 5 Year Fixed Semi Annual - 14.50% p.a.	* *	12.65%
Interest Rate of Comparable Government Security - 5 Years	6.29%	9.69%

* No Trading during the period

SELECTED PERFORMANCE INDICATORS

	B	ANK	GROUP			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019		
Item						
Regulatory Capital (LKR Mn.)						
Common Equity Tier I	45,810	43,052	46,812	43,943		
Total (Tier I) Capital	45,810	43,052	46,812	43,943		
Total Capital Base	57,123	56,704	57,995	57,466		
Regulatory Capital Ratios (%)						
Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	11.46	11.27	11.70	11.49		
Total Tier I Capital Ratio	11.46	11.27	11.70	11.49		
(Minimum Requirement - 8.50%)	11.40	11.27	11.70	11.45		
Total Capital Ratio	14.30	14.84	14.49	15.02		
(Minimum Requirement - 12.50%)	14.00	11.01	14.40	10.02		
Regulatory Liquidity						
Statutory Liquid Assets (LKR Mn.)	149.066	94.099				
Domestic Banking Unit (LKR Mn.)	144,504	90,380				
Offshore Banking Unit (USD '000)	33,828	29,493				
Statutory Liquid Assets Ratio (%)	00,020	20,100				
(Minimum Requirement 20 %)						
Domestic Banking Unit	31.31	21.40				
Offshore Banking Unit	22.47	21.81				
Total Stock of High-Quality Liquid Assets (LKR Mn.)	100,209	68,352				
Liquidity Coverage Ratio %						
Rupee - (Minimum Requirement - 90% (2019 - 100%))	176.95	169.60				
All Currency - (Minimum Requirement - 90% (2019 - 100%))	142.75	116.01				
Net Stable Funding Ratio (%)	142.75	109.11				
(Minimum Requirement - 90% (2019 - 100%)	110.30	109.11				
Assets Quality (Quality of Loan Portfolio)						
Gross Non-Performing Advances Ratio (%)	6.43	5.76				
(Net of Interest in Suspense)	0.43	5.70				
Net Non-Performing Advances Ratio (%)	3.70	3.73				
(Net of Interest in Suspense and Provision)	3.70	3.73				
(שבי טו ווונפובצו וו סעטאבוואב מווע דוטאוטווו)						
Profitability	0.05	4.00				
Interest Margin (%)	3.95	4.20				
Return on Assets (before Tax)(%)	0.77	1.04				
Return on Equity (%)	6.43	9.29				

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SEYLAN BANK PLC FINANCIAL STATEMENTS Year ended 31st December, 2020



EXPLANATORY NOTES

1. General

The Financial Statements of the Bank and Group have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka. There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.

The Interim Financial Statements of the Bank and the Group have been prepared & 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 to a certain extent. 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. The Bank ensured health and safety protocols for its staff and the customers. Agile strategic planning and execution of strategic decisions were taken with Board members, senior management team and other connected staff members in order to promptly respond to the situation and its subsequent impact on Bank's Business. The Bank will continue to take necessary protocols and actions to support the pandemic situation.

2. Information on Ordinary Shares

Μ	larket Price (Rs.)	31/1	2/2020	31/12/20)19
		Voting	Non-Voting	Voting	Non-Voting
Ma	arket Price Per Share	46.00	34.00	52.50	33.80
	ghest price per share during the quarter ended	48.40	34.40	60.00	37.50
Lo	west price per share during the quarter ended	40.00	28.70	49.30	27.10
I.	Shareholders' Information				
.11	fwenty Largest Ordinary Voting Shareholders as at December 31	, 2020			
	Sri Lanka Insurance Corporation Ltd [includes General Fund and	Life Fund]		No. of Shares 38,507,542	15.0
	Brown & Company PLC A/C No. 01			35,619,312	13.8
	Mr. K.D.D. Perera			25,390,669	9.8
	Employees Provident Fund			25,305,909	9.1
i.	LOLC Investments Ltd.			24,520,351	9.5
	National Development Bank PLC			22,398,200	8.1
	Bank of Ceylon No. 1 Account			14,440,329	5.6
	Seylan Bank PLC A/C No. 04 – Employees' Gratuity Trust Fund			13,317,202	5.1
). 	People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Lto	4.		6,814,650	2.0
0.	Employees' Trust Fund Board			5,458,926	2.1
1.				2,763,796	1.0
2.				2,600,214	1.
3.				2,389,114	0.
4.				1,296,330	0.
	Mr. R.R. Leon			1,214,825	0.
6.				1,110,792	0.
7.				999,679	0.
8.				730,336	0.
9.	Seyshop (Pvt) Ltd.			687,611	0.1
20.	Esots (Pvt) Ltd.			675,813	0.
.2	Twenty Largest Ordinary Non-Voting Shareholders as at Decen	ıber 31, 2020			
				No. of Shares	
	LOLC Holdings PLC			119,758,426	46.0
2	Employees' Provident Fund			13,884,618	5.
	People's Leasing & Finance PLC /Don and Don Holdings (Pvt) Lte	d.		8,466,079	3.5
	Akbar Brothers Pvt Ltd A/C No. 01			5,590,459	2.
i	Deutsche Bank AG as Trustee For JB Vantage Value Equity Fund			4,807,733	1.6
;	Mr. R.S. Captain			4,305,165	1.0
,	Employees' Trust Fund Board			4,141,328	1.
	Acuity Partners (Pvt) Ltd/Mr. E. Thavagnanasooriyam & Mr. E. Th	navagnanasundaram		3,800,000	1.4
)	Pershing LLC S/A Averbach Grauson & Co			3,676,464	1.4
0	People's Leasing & Finance PLC /Mrs. P. Thavarajah			3,606,977	1.3
1	Merrill J. Fernando & Sons (Pvt) Limited			2,891,466	1.1
2	First Capital Limited			2,628,985	1.
3	Mr. R. R. Leon			2,387,974	0.
4	LOLC Technology Services Limited			2,273,063	0.
5	J.B. Cocoshell (Pvt) Ltd.			2,145,653	0.
6	Mr. N. Balasingam			2,036,473	0.3
7	GF Capital Global Ltd.			1,557,271	0.
8	Mr. M.J. Fernando			1,425,131	0.8
	Mr. R. Gautam			1,397,119	0.5
9					

The Bank is compliant under Option 3 of the Section 7.13.1(Minimum Publ	c Holding requirement) of the Rules of the Colombo Stock Exchange.
Float adjusted market capitalization	- Rs. 6.477 Bn.
Public Holding Percentage	- 54.85 %
Number of Public Shareholders	- 10.235

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

	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. Pietersz, Independent Director /Senior Director	Nil	Nil
	Mr. K.P. Ariyaratne, Director/Chief Executive Officer	64,502	214,150
	Mr. P.L.S.K. Perera, Independent Director	Nil	Nil
	Mr. S.V. Corea, Non-Executive Director	99	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
	Mrs. V.G.S.S. Kotakadeniya, Alternate Director to		
	Non-Executive Director, Mr. W.D.K. Jayawardena	Nil	Nil
5.	Stated Capital as at December 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
	5,239,122 Voting Ordinary shares @ Rs.48/- each		251,477
	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
	8,160,061 Non-Voting Ordinary Shares @ Rs. 30/90 each		252,146
	Less: Issue Expenses		(181,580)
			17,548,347

BANK (AL	JDITED)				Amou	nts in Ruped	es Thousand
State	d Capital				Other Reserves		7
Ordinary	Ordinary	Statutory	Retained	Revaluation	FVOCI	Other	Total
Shares	Shares	Reserve Fund	Earnings	Reserve	Reserve	Reserves	
Voting	Non-Voting	*			**		
7 723 207	4 302 588	1 768 044	10 708 647	866 200	(1 870 301)	2 020 424	34,609,799
1,123,201	4,002,000	1,700,544	15,750,047	000,230	(1,075,501)	2,023,424	54,005,755
-	-	-	3.680.262	-	-	-	3.680.262
			-,				-,,
-	-	-	177,461	-	-	-	177,461
-	-	-	-	-	1,828,712	-	1,828,712
h							
-	-	-	-	-	289,432	-	289,432
-	-	-	-	-	-	(62,073)	(62,073)
			2 057 702		0 110 144	(62.072)	5,913,794
-	-	-	3,037,723	-	2,110,144	(02,073)	5,915,794
316 659	313 032	-	(915 248)	_		_	(285,557)
		-	(313,240)	_	_	_	4,389,238
2,044,044	- 1,044,004	-	7 978	(7 978)	-	-	4,505,250
		184 013		(1,510)		-	
-	-	-		-	-	(5.090)	-
			-,			(-,)	
-	-	-	253,062	-	(253,062)	-	-
3,161,503	1,857,426	184,013	(833,131)	(7,978)	(253,062)	(5,090)	4,103,681
10.884.710	6.160.014	1.952.957	22.823.239	858.312	(14,219)	1.962.261	44,627,274
-,, -	.,,.	,,					
10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
			3 011 300				3,011,300
			3,011,300				3,011,300
			(405.480)				(495,480)
			(433,400)				(433,400)
-	-	-	-	-	1,238,707	-	1,238,707
ı							
-	-	-	-	-	1,062,026	-	1,062,026
-	-	-	-	-	-	26,772	26,772
-	-	-	2,515,820	-	2,300,733	26,772	4,843,325
051 477	050 140		(1.007.047)				(602.604)
251,477	252,146	160 505		-	-	-	(503,624)
-	-	100,000		-	-	(500 705)	-
-	-	-	000,790	-	-	(000,790)	-
-	-	-	1,490	-	(1,490)	-	-
			.,		(.,)		
			(308)		308		-
-	-	-	(300)				
-	-	-	(300)				
- 251,477	- 252,146	150,565	(655,835)		(1,182)	(500,795)	(503,624)
	State Ordinary Shares Voting 7,723,207 - - - - - - - - - - - - - - - - - - -	Shares Voting Shares Non-Voting 7,723,207 4,302,588 - - - - - - - - - - - - - - - - - - - - - - - - 316,659 313,032 2,844,844 1,544,394 - - - - 10,884,710 6,160,014 - - 10,884,710 6,160,014 - - - - - - - - - - - - - - - - - - - - - - - - - -	Stated Capital Statutory Ordinary Ordinary Statutory Shares Shares Preserve Fund 7,723,207 4,302,588 1,768,944 - - - <td>State Capital Statutory Reserve Fund Retained Earnings 0rdinary Shares 0rdinary Shares Statutory Reserve Fund Retained Earnings 7,723,207 4,302,588 1,768,944 19,798,647 - - - 3,680,262 - - - 177,461 - - - 177,461 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - 7,978 316,659 313,032 - 915,248) 2,844,844 1,544,394 - - - - 184,013 (184,013) 10,884,710 6,160,014 1,952,957 22,823,239<td>State Capital Statutory Shares Statutory Non-Voting Statutory Reserve Fund Retained Earnings Revaluation Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 - - - 3,680,262 - - - - 177,461 - - - - 3,680,262 - - - - 177,461 - - - - - - - - - - 3,687,723 - - - - - 7,978 (7,978) - 2,844,844 1,544,394 - - - - - - 184,013 (184,013) - - - - - 5,090 - - 10,884,710 6,160,014 1,952,957 22,823,239 858,312 - - - - - - <t< td=""><td>Stated Capital Ordinary Shares Voting Ordinary Statutory Reserve Fund Statutory Reserve Earnings Retained Reserve Reserve Other Reserve Reserve Other Reserve Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) - - - 3,680,262 - - - - 177,461 - - - - - 3,680,262 - - - - - 177,461 - - - - - 3,680,262 - - - - - - - 289,432 - - - - - - 289,432 - - - - - 7,778 - - - 2,844,844 1,544,394 - - - - - 10,884,710 6,160,014 1,952,957 22,823,29 858,312 (14,219) - -</td><td>Stated Capital Ordinary Shares Statutory Reserve Fund Retained Reserve Revaluation Reserve CV0Cin Reserves Other Reserves 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) 2,029,424 - - 3,680,282 - - - - - - 3,680,282 - - - - - - - 3,680,282 - - - - - - - 177,461 -</td></t<></td></td>	State Capital Statutory Reserve Fund Retained Earnings 0rdinary Shares 0rdinary Shares Statutory Reserve Fund Retained Earnings 7,723,207 4,302,588 1,768,944 19,798,647 - - - 3,680,262 - - - 177,461 - - - 177,461 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - 7,978 316,659 313,032 - 915,248) 2,844,844 1,544,394 - - - - 184,013 (184,013) 10,884,710 6,160,014 1,952,957 22,823,239 <td>State Capital Statutory Shares Statutory Non-Voting Statutory Reserve Fund Retained Earnings Revaluation Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 - - - 3,680,262 - - - - 177,461 - - - - 3,680,262 - - - - 177,461 - - - - - - - - - - 3,687,723 - - - - - 7,978 (7,978) - 2,844,844 1,544,394 - - - - - - 184,013 (184,013) - - - - - 5,090 - - 10,884,710 6,160,014 1,952,957 22,823,239 858,312 - - - - - - <t< td=""><td>Stated Capital Ordinary Shares Voting Ordinary Statutory Reserve Fund Statutory Reserve Earnings Retained Reserve Reserve Other Reserve Reserve Other Reserve Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) - - - 3,680,262 - - - - 177,461 - - - - - 3,680,262 - - - - - 177,461 - - - - - 3,680,262 - - - - - - - 289,432 - - - - - - 289,432 - - - - - 7,778 - - - 2,844,844 1,544,394 - - - - - 10,884,710 6,160,014 1,952,957 22,823,29 858,312 (14,219) - -</td><td>Stated Capital Ordinary Shares Statutory Reserve Fund Retained Reserve Revaluation Reserve CV0Cin Reserves Other Reserves 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) 2,029,424 - - 3,680,282 - - - - - - 3,680,282 - - - - - - - 3,680,282 - - - - - - - 177,461 -</td></t<></td>	State Capital Statutory Shares Statutory Non-Voting Statutory Reserve Fund Retained Earnings Revaluation Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 - - - 3,680,262 - - - - 177,461 - - - - 3,680,262 - - - - 177,461 - - - - - - - - - - 3,687,723 - - - - - 7,978 (7,978) - 2,844,844 1,544,394 - - - - - - 184,013 (184,013) - - - - - 5,090 - - 10,884,710 6,160,014 1,952,957 22,823,239 858,312 - - - - - - <t< td=""><td>Stated Capital Ordinary Shares Voting Ordinary Statutory Reserve Fund Statutory Reserve Earnings Retained Reserve Reserve Other Reserve Reserve Other Reserve Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) - - - 3,680,262 - - - - 177,461 - - - - - 3,680,262 - - - - - 177,461 - - - - - 3,680,262 - - - - - - - 289,432 - - - - - - 289,432 - - - - - 7,778 - - - 2,844,844 1,544,394 - - - - - 10,884,710 6,160,014 1,952,957 22,823,29 858,312 (14,219) - -</td><td>Stated Capital Ordinary Shares Statutory Reserve Fund Retained Reserve Revaluation Reserve CV0Cin Reserves Other Reserves 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) 2,029,424 - - 3,680,282 - - - - - - 3,680,282 - - - - - - - 3,680,282 - - - - - - - 177,461 -</td></t<>	Stated Capital Ordinary Shares Voting Ordinary Statutory Reserve Fund Statutory Reserve Earnings Retained Reserve Reserve Other Reserve Reserve Other Reserve Reserve 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) - - - 3,680,262 - - - - 177,461 - - - - - 3,680,262 - - - - - 177,461 - - - - - 3,680,262 - - - - - - - 289,432 - - - - - - 289,432 - - - - - 7,778 - - - 2,844,844 1,544,394 - - - - - 10,884,710 6,160,014 1,952,957 22,823,29 858,312 (14,219) - -	Stated Capital Ordinary Shares Statutory Reserve Fund Retained Reserve Revaluation Reserve CV0Cin Reserves Other Reserves 7,723,207 4,302,588 1,768,944 19,798,647 866,290 (1,879,301) 2,029,424 - - 3,680,282 - - - - - - 3,680,282 - - - - - - - 3,680,282 - - - - - - - 177,461 -

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

STATEMENT OF CHANGES IN EQUIT	1 - GRUL	JP (AUUI	IEU)				A	mounts in	i Kupees	Inous
	Stat	ed Capital				Other Reserves				
r the Year ended 31st December	Ordinary Shares Voting	Ordinary Shares Non-Voting	Statutory Reserve Fund		Revaluation Reserve	FVOCI Reserve **	Other Reserves	Total	Non- Controlling Interest	To Equ
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,
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	3,732,691	-	-	-	3,732,691	65,561	3,798
Other Comprehensive Income (net of tax)										
 Revaluation of Property, Plant and Equipment 	-	-	-	-	60,088	-	-	60,088	25,131	85
- Actuarial Gains on Defined Benefit Obligations	-	-	-	175,841	-	-	-	175,841	(678)	175
- Net Gains on Investments in Debt Instruments measured at Fair Value through										
Other Comprehensive Income	-	-	-	-	-	1,832,262	-	1,832,262	1,485	1,833
- Change in Fair Value on Investments in Equity Instruments measured at						000.007				
Fair Value through Other Comprehensive Income	-	-	-	-	-	290,067	-	290,067	265	290
- Reversal of FVOCI Reserve of Equity Intruments Written-off	-	-	-	(564)	-	564	-	-	-	(00
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(62,073)	(62,073)	-	(62
Total Comprehensive Income for the Year	-	-	-	3,907,968	60,088	2,122,893	(62,073)	6,028,876	91,764	6,120
Transactions with Equity Holders, Recognised Directly In Equity	010.050	010.000		(015.045)				(005 55 0	(40.000)	(0.0)
Cash/Scrip Dividend	316,659	313,032	-	(915,245)	-	-	-	(285,554)	(43,633)	(329
Rights Issue	2,844,844	1,544,394	-	-	-	-	-	4,389,238	-	4,389
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	7,987	(7,987)	-	-	-	-	
Transferred to Statutory Reserve Fund*	-	-	184,013	(184,013)	-	-	-	-	-	
Transferred from Investment Fund Reserve	-	-	-	5,090	-	-	(5,090)	-	-	
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	253,168	-	(253,168)	-	-	-	
Total Transactions with Equity Holders	3,161,503	1,857,426	184,013	(833,013)	(7,987)	(253,168)	(5,090)	4,103,684	(43,633)	4,060
Balance as at 31st December 2019 (1 + 2 + 3)	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
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
Total Comprehensive Income for the Year										
Profit for the Year	-	-	-	3,038,629	-	-	-	3,038,629	59,429	3,098
Other Comprehensive Income (net of tax)										
- Revaluation of Property, Plant and Equipment	-	-	-	-	21,139	-	-	21,139	8,841	29
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(495,369)	-	-	-	(495,369)	46	(495,
- Net Gains on Investments in Debt Instruments measured at Fair Value through										
Other Comprehensive Income	-	-	-	-	-	1,240,784	-	1,240,784	868	1,241
Change in Fair Value on Investments in Equity Instruments measured at Fair						1,062,026		1,062,026		1,062
Value through Other Comprehensive Income - Net Movement of Cash Flow Hedge Reserve	-		-	-	-	1,002,020	26,772	26.772	-	26
- Net wovement of cash now nedge neserve							20,112	20,112		20
Total Comprehensive Income for the Year	-	-	-	2,543,260	21,139	2,302,810	26,772	4,893,981	69,184	4,963
Transactions with Equity Holders. Recognised Directly In Equity		050 / 10	-	(1,007,247)	-	-		(503,624)	(47,996)	(551
Transactions with Equity Holders, Recognised Directly In Equity Cash/Scrip Dividend	251.477	252.146		(150,565)		-		(- (,150	(201
Cash/Scrip Dividend	251,477	252,146	150,565							
	251,477 - -	252,146	150,565	500,795	-	-	(500,795)		-	
Cash/Scrip Dividend Transferred to Statutory Reserve Fund* Transferred from Investment Fund Reserve	251,477 - -	252,146 - -	150,565		-	-	(500,795)	-	-	
Cash/Scrip Dividend Transferred to Statutory Reserve Fund*	251,477 - -	252,146 - -	150,565 - -		-	- (1,490)	(500,795)	-		
Cash/Scrip Dividend Transferred to Statutory Reserve Fund* Transferred from Investment Fund Reserve Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income Net Losses on Reclassifications of Debt Instruments measured at Fair Value through	251,477	252,146 - - -	150,565 - -	500,795	•		(500,795)	-	-	
Cash/Scrip Dividend Transferred to Statutory Reserve Fund* Transferred from Investment Fund Reserve Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income Net Losses on Reclassifications of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	500,795 1,490 (308)	-	308	-	-	-	
Cash/Scrip Dividend Transferred to Statutory Reserve Fund* Transferred from Investment Fund Reserve Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income Net Losses on Reclassifications of Debt Instruments measured at Fair Value through	251,477 - - - - 2 51,477	252,146 - - - 252,146	150,565 - - - 150,565	500,795	-		(500,795) - - (500,795)	(503,624)		(551

* 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

	BANKING		TREASURY		PROPERTY/INVESTMENTS		UNALLOCATED/ELIMINATIONS		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	
Interest Income	40,962,500	44,354,198	8,565,861	8,149,517	28,664	27,987	2,771,053	2,899,177	52,328,078	55,43
Less: Interest Expenses	27,390,331	30,653,923	5,293,167	5,882,915	294	801	(166,497)	(49,557)	32,517,295	36,48
Net Interest Income	13,572,169	13,700,275	3,272,694	2,266,602	28,370	27,186	2,937,550	2,948,734	19,810,783	18,94
Fee and Commission Income	3,889,076	4,411,155	5,424	7,282		-	36,827	38,672	3,931,327	4,4
Less : Fee and Commission Expenses	177,884	198,864	24,051	25,690	1,088	-	-	-	203,023	22
Net Fee and Commission Income	3,711,192	4,212,291	(18,627)	(18,408)	(1,088)	-	36,827	38,672	3,728,304	4,23
Net Interest, Fee and Commission Income	17,283,361	17,912,566	3,254,067	2,248,194	27,282	27,186	2,974,377	2,987,406	23,539,087	23,1
Net Gains/(Losses) from Trading	-	-	347,554	(497,595)	1,189	1,585	-	-	348,743	(4
Net Gains from Derecognition of Financial Assets	-	-	782,565	320,472		-			782,565	3
Net Other Operating Income	119,976	214,631	679,302	1,350,554	390,602	322,706	(137,201)	(244,092)	1,052,679	1,6
Inter Segment Revenue	(73,983)	(185,939)	-	105,396		-	73,983	80,543		
Total Operating Income	17,329,354	17,941,258	5,063,488	3,527,021	419,073	351,477	2,911,159	2,823,857	25,723,074	24,6
Less: Depreciation and Amortization Expenses	767,132	856,557	5,595	11,847	1,028	890	712,451	457,817	1,486,206	1,3
Less: Impairment Charges	6,747,023	3,848,468	245,953	34,250		(16)		16	6,992,976	3,8
Less: Operating Expenses, VAT, NBT & DRL	9,771,956	10,870,775	870,426	957,728	84,746	94,801	2,221,128	2,243,370	12,948,256	14,1
Reportable Segment Profit Before Income Tax	43,243	2,365,458	3,941,514	2,523,196	333,299	255,802	(22,420)	122,654	4,295,636	5,2
Less: Income Tax Expense									1,197,578	1,4
Profit for the Year									3,098,058	3,7
Profit Attributable to:										
Equity Holders of the Bank									3,038,629	3,73
Non-Controlling Interest									59,429	
Profit for the Year				<u> </u>					3,098,058	3,7
Other Comprehensive Income for the Year, Net of Tax									1,865,107	2,3
Other Information										
Reportable Segment Assets	393,123,043	380,038,661	141,583,855	111,573,070	5,915,190	5,772,164	25,481,207	26,379,927	566,103,295	523,7
Segment Accumulated Amortisation	(2,125,478)	(1,799,351)	(50,924)	(46,798)	(4,282)	(3,254)	(5,916,679)	(5,383,150)	(8,097,363)	(7,2
Total Assets	390,997,565	378,239,310	141,532,931	111,526,272	5,910,908	5,768,910	19,564,528	20,996,777	558,005,932	516,5
Reportable Segment Liabilities & Equity	439,087,233	398,777,673	44,231,401	61,975,807	5,910,908	5,768,910	68,776,390	50,008,879	558,005,932	516,53
Total Liabilities & Equity	439,087,233	398,777,673	44,231,401	61,975,807	5,910,908	5,768,910	68,776,390	50,008,879	558,005,932	516,5
Cash Flows From Operating Activities	33,888,015	(12,001,658)	4,193,062	2,569,293	246,754	183,991	462,642	468,109	38,790,473	(8,78
Cash Flows From Investing Activities	(323,839)	(492,086)	(19,005,863)	4,951,502	(78,683)	(80,110)	(294,901)	(950,309)	(19,703,286)	3,42
Cash Flows From Financing Activities	(750,450)	(748,544)	(5,280,598)	1,153,780	(162,761)	(147,965)	(94,179)	4,408,991	(6,287,988)	4,66
Capital Expenditure	(330,474)	(498,398)	(1,771)	(6,913)	(34,953)	(72,623)	(357,720)	(1,002,318)	(724,918)	(1,58

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 year ended December 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 December 31, 2019 has been restated based on the no of shares issued for Scrip Dividend 2019.

7. Events after the Reporting Date

Proposed Final Dividend The Board of Directors of the Bank recommended a first and final dividend of Rs. 1.50 per share on both voting and non-voting shares of the Bank for the financial year ended 31st December 2020, to be paid in the form of a scrip dividend of Rs. 1.50 per share (Rs. 2.00 per share was paid for the year ended 31st December 2019 by way of Rs. 1.00 per share cash dividend and Rs. 1.00 per share scrip dividend).

The said dividend is subject to the approval of the shareholders at the Annual General Meeting of the Bank to be held on 30th March 2021. This proposed final dividend has not been recognized as a liability as at 31st December 2020.

Other Matters 8.

Redemption of Debentures 2014/2020

28,060,400 debentures of LKR 100/- each amounting to LKR 2,806,040,000/- which were allotted on 23rd December 2014 (6-year category) were redeemed on 23rd December 2020.

ii. Gratuity

i.

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.122Mn. (net of tax) as of December 31, 2020.

iii. 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%.

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 December 31, 2020 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections published by the Central Bank of Sri Lanka. Further, management overlay was computed based on the stress testing the exposures to risk elevated sectors, to address the potential implications of Covid - 19 pandemic and the moratorium schemes introduced to support the recovery of the economy and impairment provision was made accordingly.

Assessment of Impairment of Foreign Currency Denominated Government Securities

The accounting for impairment of FCY denominated Government Securities is based on the ratings published by Fitch and the Bank's internal policy. The Bank has however, incorporated an additional Expected Credit Loss in the financials due to the country's downgrading.

vi. Fair Value Hedge Accounting

The Bank has applied the fair value hedge accounting for part of foreign currency liabilities which include foreign borrowing using forward contracts effective from July 01, 2020. Accordingly, the gain or loss relating to derivative contracts that have been designated as hedge instrument and the foreign exchange gain or loss from foreign currency liabilities designated as hedge items have been reported on net basis.

vii. Proposed Debenture Issue

The Board of Directors of the Bank at the meeting held on July 29, 2020 decided that the Bank shall raise a maximum sum of Rs. 10 Billion by way of a public issue, Hundred Million fully paid Debentures at a par value of Rs.100/- each, comprising the following debenture instruments;

- (i) Senior, Listed, Rated, Unsecured, Redeemable Debentures
- (ii) Basel III compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a feature for Non-Viability Conversion to Ordinary Voting Shares by the Company -limited to gualified investors

At the Extraordinary General Meeting of the Bank held on 4th November 2020, the shareholders approved the issue of BASEL III compliant Debentures described under (ii) above.

At the meeting of the Board of Directors ('the board') held on 26th November 2020, the Board taking into consideration the prevailing market conditions decided to postpone the debenture issue to the first half of 2021. The Board decided to review the market conditions during the first quarter in 2021 and consider the timing of proceeding with the issue subject to receiving the approval of the CSE on the listing of the Debentures. An announcement will be made to the CSE, accordingly.

9. 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.

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