



*The bank with a heart*

Head Office / Registered Office  
**Seylan Bank PLC**

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Co. Reg.No.: PQ 9

Your ref :

Our ref : CSY/C/23-0180

**BY HAND**

April 28, 2023

Mr Renuke Wijayawardhane  
Chief Operating Officer  
Colombo Stock Exchange  
#04-01 West Block  
World Trade Centre  
Colombo 01

Dear Sir

**SUMMARIZED UNAUDITED FINANCIAL STATEMENTS-**  
**THREE MONTHS/1<sup>ST</sup> QUARTER ENDED 31<sup>ST</sup> MARCH 2023**

In terms of Rule 7.4 of the Rules of the Colombo Stock Exchange (CSE), we forward herewith a signed copy of the summarized consolidated unaudited Income Statement of our Bank for the three months (1<sup>st</sup> quarter) ended 31<sup>st</sup> March 2023 together with the Statement of Financial Position and related notes and statements as at that date.

The softcopy of the above report has been uploaded to the CSE Web Portal for your approval and publishing the same.

Yours faithfully

(Mrs) Saraswathie Poulraj  
**Company Secretary**

Encl.

-sw/-



# Seylan Bank PLC

Interim Financial Statements

For the 03 Months Ended 31st March 2023

## **Seylan Bank records a Profit After Tax of LKR 1,135 Mn in 1Q 2023**

Seylan Bank reported a Profit after tax of LKR 1,135 Mn in Q1 2023.

### **Statement of Financial Performances**

Net Interest Income (NII) of the Bank for the three months ended 31 March 2023 stood at LKR 11.4 Bn with an impressive growth of 67.98% in the period under review. Interest income increased by 116.87% amounting to LKR 28.9 Bn and Interest expenses increased by 167.62% amounting to LKR 17.5 Bn over the corresponding period in 2022.

Net Fee & Commission Income recorded a notable growth of 23.34% to LKR 1.8 Bn from LKR 1.4 Bn mainly due to increase in Loans & Advances related Fees, commission income on Debit & Credit Cards and Other Financial Services etc. which partly offset the reduction in certain trade related income, commission on guarantees etc.

The Bank's total operating income recorded a notable growth of 47.26% amounting LKR 13.3 Bn during the period under review compared to LKR 9.1 Bn in the corresponding period of 2022, driven mainly by growth in Net Interest Income, Net Fee Income etc.

Total Operating Expenses recorded an increase of 23.39% from LKR 3.6 Bn in the 1Q of the previous year to LKR 4.4 Bn during the period under review. The Bank's personnel expenses increased by 13.08 % to LKR 2.2 Bn in 1Q 2023 compared to LKR 1.98 Bn in 1Q 2022. The Increase is mainly due to the salary revision as per the collective agreement and other adjustments made to compensate rising cost of living expenses. Establishment expenses increased by 36% to LKR 2.2 Bn during the period under review. This growth was mainly due to the increase in prices of purchases and services as a result of higher inflation and local currency depreciation etc. compared to the corresponding period in 2022.

The Bank recorded an impairment charge of LKR 6.4 Bn in 1 Q 2023 against LKR 3.4 Bn reported in 1 Q 2022 with a growth of 88.14%. The Bank increased the impairment provision to capture the impact on emerging global and local economic challenges and the credit risk profile of the customers and continuously assesses the credit quality of the Bank's loan portfolio in order to ensure adequate provisions are recognized in the financial statements

Income tax expenses stood at LKR 585.5 Mn which is a 41.68% increase from the comparative period, which stood at LKR 413.2 Mn due to increased tax rates.

Overall, Bank recorded a Profit Before Tax (PBT) of LKR 1.7 Bn in 1Q 2023, against LKR 1.5 Bn in 1Q 2022 demonstrating a growth of 17.26%. Similarly, Profit After Tax (PAT) was recorded as LKR 1.135 Bn in 1Q 2023 with a growth of 7.69% over the corresponding period in 2022.

## Statement of Financial Position

The Bank's total assets recorded at LKR 671 Bn as of 31 March 2023. Loans and Advances of the Bank recorded at LKR 424 Bn, a contraction mainly due to impact from local currency appreciation. Deposits reflected a marginal growth to LKR 550 Bn. The contraction of assets and liabilities was partly due to local currency appreciation.

## Key financial ratios and indicators

Seylan Bank remained soundly capitalized as of 31 March 2023, with the key capital adequacy ratios above the regulatory minimum requirements and recorded 11.17% as Common Equity Tier 1 Capital Ratio & Total Tier 1 Capital Ratio and 13.92% as the Total Capital Ratio.

The Statutory Liquid Asset Ratio (SLAR) for the Overall Bank, Bank's Domestic Banking Unit and the Bank's Foreign Currency Banking Unit were maintained at 30.29%, 29.91% and 27.99% respectively as at 31 March 2023. The Bank also maintained the LCR above the statutory requirement. All Currency LCR Ratio and the Rupee LCR Ratio were maintained at 245.73% and 316.49% respectively.

The Return on Equity (ROE) stood at 8.24% and Return on Average Assets (profit before tax) stood at 1.02% for the period under review. The Net Interest Margin (NIM) recorded as 6.78% compared to 6.33% recorded in 2022. The Bank's Earnings per Share stood at LKR 1.84 in 1Q 2023 compared to LKR 1.71 reported in 1Q of the previous year. The Bank's Net Assets Value per Share stood at LKR 90.62 as at 31 March 2023 (Group LKR 93.29) compared to LKR 94.24 reported as at the previous year end (Group LKR 97.27).

**Seylan Bank PLC**  
**Income Statement**

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

(Amounts in Rupees Thousands)

	Bank			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2023	2022	Growth %	2023	2022	Growth %
Interest Income	28,865,880	13,310,194	<b>116.87</b>	28,887,301	13,315,654	<b>116.94</b>
Less : Interest Expenses	17,477,848	6,530,732	<b>167.62</b>	17,400,146	6,412,028	<b>171.37</b>
<b>Net Interest Income</b>	<b>11,388,032</b>	<b>6,779,462</b>	<b>67.98</b>	<b>11,487,155</b>	<b>6,903,626</b>	<b>66.39</b>
Fee and Commission Income	1,841,016	1,483,976	<b>24.06</b>	1,841,002	1,483,864	<b>24.07</b>
Less : Fee and Commission Expenses	68,073	46,532	<b>46.29</b>	68,073	46,532	<b>46.29</b>
<b>Net Fee and Commission Income</b>	<b>1,772,943</b>	<b>1,437,444</b>	<b>23.34</b>	<b>1,772,929</b>	<b>1,437,332</b>	<b>23.35</b>
Net Gains/(Losses) from Trading	(40,988)	3,628,696	<b>(101.13)</b>	(40,988)	3,628,716	<b>(101.13)</b>
Net Gains from Derecognition of Financial Assets	15,214	2,387	<b>537.37</b>	15,214	2,387	<b>537.37</b>
Net Other Operating Income	245,168	(2,761,547)	<b>108.88</b>	143,823	(2,879,246)	<b>105.00</b>
<b>Total Operating Income</b>	<b>13,380,369</b>	<b>9,086,442</b>	<b>47.26</b>	<b>13,378,133</b>	<b>9,092,815</b>	<b>47.13</b>
Less : Impairment Charges	6,365,970	3,383,647	<b>88.14</b>	6,365,970	3,383,647	<b>88.14</b>
<b>Net Operating Income</b>	<b>7,014,399</b>	<b>5,702,795</b>	<b>23.00</b>	<b>7,012,163</b>	<b>5,709,168</b>	<b>22.82</b>
<b>Less : Operating Expenses</b>						
Personnel Expenses	2,237,315	1,978,563	<b>13.08</b>	2,249,576	1,990,024	<b>13.04</b>
Depreciation and Amortisation Expenses	327,564	346,057	<b>(5.34)</b>	343,595	355,017	<b>(3.22)</b>
Other Expenses	1,876,301	1,274,637	<b>47.20</b>	1,891,709	1,285,189	<b>47.19</b>
<b>Total Operating Expenses</b>	<b>4,441,180</b>	<b>3,599,257</b>	<b>23.39</b>	<b>4,484,880</b>	<b>3,630,230</b>	<b>23.54</b>
<b>Operating Profit before Taxes</b>	<b>2,573,219</b>	<b>2,103,538</b>	<b>22.33</b>	<b>2,527,283</b>	<b>2,078,938</b>	<b>21.57</b>
Less : Value Added Tax on Financial Services	735,387	636,298	<b>15.57</b>	735,387	636,298	<b>15.57</b>
Less : Social Security Contribution Levy	117,329	-	<b>100.00</b>	117,329	-	<b>100.00</b>
<b>Profit before Income Tax</b>	<b>1,720,503</b>	<b>1,467,240</b>	<b>17.26</b>	<b>1,674,567</b>	<b>1,442,640</b>	<b>16.08</b>
Less : Income Tax Expense	585,505	413,248	<b>41.68</b>	646,878	452,216	<b>43.05</b>
<b>Profit for the Period</b>	<b>1,134,998</b>	<b>1,053,992</b>	<b>7.69</b>	<b>1,027,689</b>	<b>990,424</b>	<b>3.76</b>
<b>Profit Attributable to :</b>						
Equity Holders of the Bank	1,134,998	1,053,992	<b>7.69</b>	<b>1,022,413</b>	<b>966,096</b>	<b>5.83</b>
Non-Controlling Interest	-	-	-	<b>5,276</b>	<b>24,328</b>	<b>(78.31)</b>
<b>Profit for the Period</b>	<b>1,134,998</b>	<b>1,053,992</b>	<b>7.69</b>	<b>1,027,689</b>	<b>990,424</b>	<b>3.76</b>
<b>Basic/Diluted Earnings per Ordinary Share (Rs.)</b>	<b>1.84</b>	<b>1.71</b>	<b>7.60</b>	<b>1.66</b>	<b>1.57</b>	<b>5.73</b>

**Seylan Bank PLC**

**Statement of Profit or Loss and Other Comprehensive Income**

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

	( Amounts in Rupees Thousands )					
	Bank			Group		
	For the Three Months Ended 31st March			For the Three Months Ended 31st March		
	2023	2022	Growth %	2023	2022	Growth %
<b>Profit for the Period</b>	<b>1,134,998</b>	<b>1,053,992</b>	<b>7.69</b>	<b>1,027,689</b>	<b>990,424</b>	<b>3.76</b>
<b>Other Comprehensive Income/ (Loss), Net of Tax</b>						
<b>Items that are or may be Reclassified to Income Statement in Subsequent Periods</b>						
Net Movement of Cash Flow Hedge Reserve	-	85,528	<b>(100.00)</b>	-	85,528	<b>(100.00)</b>
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	191,608	(1,841,444)	<b>110.41</b>	193,604	(1,844,590)	<b>110.50</b>
Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(57,483)	441,841	<b>(113.01)</b>	(58,082)	442,156	<b>(113.14)</b>
<b>Items that will never be Reclassified to Income Statement in Subsequent Periods</b>						
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	226,041	(767,237)	<b>129.46</b>	226,041	(767,237)	<b>129.46</b>
Deferred Tax effect relating to items that will never be Reclassified to Income Statement	-	-	-	-	-	-
<b>Other Comprehensive Income/ (Loss) for the Period, Net of Taxes</b>	<b>360,166</b>	<b>(2,081,312)</b>	<b>117.30</b>	<b>361,563</b>	<b>(2,084,143)</b>	<b>117.35</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,495,164</b>	<b>(1,027,320)</b>	<b>245.54</b>	<b>1,389,252</b>	<b>(1,093,719)</b>	<b>227.02</b>
<b>Attributable to :</b>						
Equity Holders of the Bank	1,495,164	(1,027,320)	<b>245.54</b>	1,383,564	(1,117,212)	<b>223.84</b>
Non-controlling interest	-	-	-	5,688	23,493	<b>(75.79)</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,495,164</b>	<b>(1,027,320)</b>	<b>245.54</b>	<b>1,389,252</b>	<b>(1,093,719)</b>	<b>227.02</b>

**Seylan Bank PLC**  
**Statement of Financial Position**

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

	Bank			Group		
	As at	As at	Growth	As at	As at	Growth
	31.03.2023	31.12.2022 (Audited)	%	31.03.2023	31.12.2022 (Audited)	%
<b>(Amounts in Rupees Thousands)</b>						
<b>Assets</b>						
Cash and Cash Equivalents	47,068,555	40,254,514	16.93	47,068,595	40,254,554	16.93
Balances with Central Bank of Sri Lanka	15,303,692	16,784,172	(8.82)	15,303,692	16,784,172	(8.82)
Placements with Banks and Finance Companies	12,270,619	1,819,036	574.57	12,270,619	1,819,036	574.57
Derivative Financial Instruments	581,729	519,189	12.05	581,729	519,189	12.05
Financial Assets recognised through Profit or Loss						
- Measured at Fair Value	17,832,350	17,781,867	0.28	17,832,350	17,781,867	0.28
- Designated at Fair Value	-	-	-	-	-	-
Financial Assets at Amortised Cost						
- Loans and Advances	423,971,756	444,219,508	(4.56)	423,971,756	444,219,508	(4.56)
- Debt and Other Instruments	101,930,466	106,158,878	(3.98)	102,240,102	106,429,752	(3.94)
Financial Assets measured at Fair Value through Other Comprehensive Income	26,081,932	17,136,286	52.20	26,131,926	17,186,183	52.05
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	165,399	64,435	156.69	-	-	-
Property, Plant & Equipment	3,612,982	3,770,541	(4.18)	6,290,720	6,462,909	(2.66)
Right-of-use Assets	4,845,496	4,882,318	(0.75)	2,694,138	2,722,569	(1.04)
Investment Properties	-	-	-	879,978	886,680	(0.76)
Intangible Assets	484,744	510,146	(4.98)	484,744	510,146	(4.98)
Deferred Tax Assets	3,185,159	3,242,641	(1.77)	2,585,155	2,684,538	(3.70)
Other Assets	12,512,383	14,508,511	(13.76)	12,593,480	14,574,073	(13.59)
<b>Total Assets</b>	<b>671,000,864</b>	<b>672,805,644</b>	<b>(0.27)</b>	<b>670,928,984</b>	<b>672,835,176</b>	<b>(0.28)</b>
<b>Liabilities</b>						
Due to Banks	11,902,360	12,158,030	(2.10)	11,902,360	12,158,030	(2.10)
Derivative Financial Instruments	1,133,179	906,813	24.96	1,133,179	906,813	24.96
Financial Liabilities at Amortised Cost						
- Due to Depositors	549,801,433	547,315,755	0.45	549,801,433	547,315,755	0.45
- Due to Debt Securities Holders	9,927,322	11,944,370	(16.89)	9,927,322	11,944,370	(16.89)
- Due to Other Borrowers	8,093	7,483	8.15	8,093	7,483	8.15
Group Balances Payable	217,838	202,382	7.64	-	-	-
Debt Securities Issued	17,798,497	21,617,455	(17.67)	17,798,497	21,617,455	(17.67)
Current Tax Liabilities	4,537,854	5,128,484	(11.52)	4,600,342	5,179,000	(11.17)
Lease Liabilities	5,079,976	5,101,247	(0.42)	2,233,400	2,254,558	(0.94)
Other Liabilities	14,822,183	13,973,327	6.07	14,894,332	13,985,243	6.50
<b>Total Liabilities</b>	<b>615,228,735</b>	<b>618,355,346</b>	<b>(0.51)</b>	<b>612,298,958</b>	<b>615,368,707</b>	<b>(0.50)</b>
<b>Equity</b>						
Stated Capital	20,908,673	19,926,453	4.93	20,908,673	19,926,453	4.93
Statutory Reserve Fund	2,568,162	2,568,162	-	2,568,162	2,568,162	-
Fair Value through Other Comprehensive Income Reserve	(822,939)	(1,183,105)	30.44	(854,496)	(1,215,647)	29.71
Retained Earnings	31,043,439	31,063,994	(0.07)	31,564,796	31,697,936	(0.42)
Other Reserves	2,074,794	2,074,794	-	3,225,157	3,225,157	-
<b>Total Shareholders' Equity</b>	<b>55,772,129</b>	<b>54,450,298</b>	<b>2.43</b>	<b>57,412,292</b>	<b>56,202,061</b>	<b>2.15</b>
Non-controlling Interest	-	-	-	1,217,734	1,264,408	(3.69)
<b>Total Equity</b>	<b>55,772,129</b>	<b>54,450,298</b>	<b>2.43</b>	<b>58,630,026</b>	<b>57,466,469</b>	<b>2.02</b>
<b>Total Equity &amp; Liabilities</b>	<b>671,000,864</b>	<b>672,805,644</b>	<b>(0.27)</b>	<b>670,928,984</b>	<b>672,835,176</b>	<b>(0.28)</b>
<b>Contingent Liabilities and Commitments</b>	<b>163,351,105</b>	<b>167,641,150</b>	<b>(2.56)</b>	<b>163,352,178</b>	<b>167,642,941</b>	<b>(2.56)</b>
<b>Memorandum Information</b>						
Number of Employees	3,143	3,156	(0.41)	3,163	3,175	(0.38)
Number of Banking Centres	171	171	-	171	171	-
Net Assets Value per Ordinary Share (Rs.)	90.62	94.24	(3.84)	93.29	97.27	(4.09)

**Certification;**

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

**Champika Dodanwela (Ms.)**

Chief Financial Officer

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

- a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka; and  
b) the information contained in these statements have been extracted from the un-audited financial statements of the Bank & Group unless indicated as audited.

(Sgd.)

**W.M.R.S.Dias**

Chairman  
April 28, 2023  
Colombo

(Sgd.)

**Kapila Ariyaratne**

Director/Chief Executive Officer

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

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves	
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,196,617</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>52,053,009</b>
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
<b>2 Restated Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>28,028,282</b>	<b>1,468,822</b>	<b>(245,179)</b>	<b>976,318</b>	<b>50,884,674</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,053,992	-	-	-	1,053,992
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,399,603)	-	(1,399,603)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(767,237)	-	(767,237)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	85,528	85,528
<b>3 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,053,992</b>	<b>-</b>	<b>(2,166,840)</b>	<b>85,528</b>	<b>(1,027,320)</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-
<b>4 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>-</b>	<b>(1,602,133)</b>	<b>-</b>	<b>(438)</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2022 (2 + 3 + 4)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,332,549</b>	<b>28,648,476</b>	<b>1,468,822</b>	<b>(2,412,457)</b>	<b>1,061,846</b>	<b>51,025,689</b>
<b>1 Balance as at 01st January 2023</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,568,162</b>	<b>31,063,994</b>	<b>1,374,219</b>	<b>(1,183,105)</b>	<b>700,575</b>	<b>54,450,298</b>
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	-	-	-	1,134,998	-	-	-	1,134,998
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	134,125	-	134,125
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	226,041	-	226,041
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,134,998</b>	<b>-</b>	<b>360,166</b>	<b>-</b>	<b>1,495,164</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>								
Scrip Dividends to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)
<b>3 Total Transactions with Equity Holders</b>	<b>480,599</b>	<b>501,621</b>	<b>-</b>	<b>(1,155,553)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,333)</b>
<b>Balance as at 31st March 2023 (1 + 2 + 3)</b>	<b>12,794,664</b>	<b>8,114,009</b>	<b>2,568,162</b>	<b>31,043,439</b>	<b>1,374,219</b>	<b>(822,939)</b>	<b>700,575</b>	<b>55,772,129</b>

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

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

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

(Amounts in Rupees Thousands)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Other Reserves			Total	Non-Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve **	Other Reserves			
<b>1 Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>29,967,349</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>53,958,234</b>	<b>1,328,593</b>	<b>55,286,827</b>
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
<b>2 Restated Balance as at 01st January 2022</b>	<b>11,521,263</b>	<b>6,802,619</b>	<b>2,332,549</b>	<b>28,799,014</b>	<b>2,374,135</b>	<b>(271,212)</b>	<b>1,231,531</b>	<b>52,789,899</b>	<b>1,328,593</b>	<b>54,118,492</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	966,096	-	-	-	966,096	24,328	990,424
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,401,599)	-	(1,401,599)	(835)	(1,402,434)
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(767,237)	-	(767,237)	-	(767,237)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	85,528	85,528	-	85,528
<b>3 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>966,096</b>	<b>-</b>	<b>(2,168,836)</b>	<b>85,528</b>	<b>(1,117,212)</b>	<b>23,493</b>	<b>(1,093,719)</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Scrip Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	-	(61,089)	(61,089)
Net Gain on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	438	-	(438)	-	-	-	-
<b>4 Total Transactions with Equity Holders</b>	<b>792,802</b>	<b>809,769</b>	<b>-</b>	<b>(1,602,133)</b>	<b>-</b>	<b>(438)</b>	<b>-</b>	<b>-</b>	<b>(61,089)</b>	<b>(61,089)</b>
<b>Balance as at 31st March 2022 (2 + 3 + 4)</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,332,549</b>	<b>28,162,977</b>	<b>2,374,135</b>	<b>(2,440,486)</b>	<b>1,317,059</b>	<b>51,672,687</b>	<b>1,290,997</b>	<b>52,963,684</b>
<b>1 Balance as at 01st January 2023</b>	<b>12,314,065</b>	<b>7,612,388</b>	<b>2,568,162</b>	<b>31,697,936</b>	<b>2,269,369</b>	<b>(1,215,647)</b>	<b>955,788</b>	<b>56,202,061</b>	<b>1,264,408</b>	<b>57,466,469</b>
<b>Total Comprehensive Income for the Period</b>										
Profit for the Period	-	-	-	1,022,413	-	-	-	1,022,413	5,276	1,027,689
Other Comprehensive Income (net of tax)										
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	135,110	-	135,110	412	135,522
- Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	226,041	-	226,041	-	226,041
<b>2 Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,022,413</b>	<b>-</b>	<b>361,151</b>	<b>-</b>	<b>1,383,564</b>	<b>5,688</b>	<b>1,389,252</b>
<b>Transactions with Equity Holders , Recognised Directly In Equity</b>										
Scrip Dividends to Equity Holders	480,599	501,621	-	(1,155,553)	-	-	-	(173,333)	(52,362)	(225,695)
<b>3 Total Transactions with Equity Holders</b>	<b>480,599</b>	<b>501,621</b>	<b>-</b>	<b>(1,155,553)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,333)</b>	<b>(52,362)</b>	<b>(225,695)</b>
<b>Balance as at 31st March 2023 (1 + 2 + 3)</b>	<b>12,794,664</b>	<b>8,114,009</b>	<b>2,568,162</b>	<b>31,564,796</b>	<b>2,269,369</b>	<b>(854,496)</b>	<b>955,788</b>	<b>57,412,292</b>	<b>1,217,734</b>	<b>58,630,026</b>

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

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

# SEYLAN BANK PLC

## Statement of Cash Flows

For the Three months ended 31st March

	Bank		Group	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
<b>Cash Flows from Operating Activities</b>				
Interest Receipts	30,453,598	12,375,084	30,475,019	12,380,544
Interest Payments	(10,285,437)	(4,867,382)	(10,278,901)	(4,862,272)
Net Commission Receipts	1,772,943	1,437,444	1,772,929	1,437,332
Trading Income	33,447	6,727	33,447	6,747
Payments to Employees	(2,060,610)	(1,973,854)	(2,064,503)	(1,978,675)
VAT and SSCL on Financial Services Paid	(894,513)	(644,868)	(894,513)	(644,868)
Receipts from Other Operating Activities	9,432	2,764,158	33,286	2,792,524
Payments on Other Operating Activities	(1,197,540)	(612,144)	(1,229,410)	(639,086)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>17,831,320</b>	<b>8,485,165</b>	<b>17,847,354</b>	<b>8,492,246</b>
<b>(Increase)/Decrease in Operating Assets :</b>				
Balances with Central Bank of Sri Lanka	1,480,480	(7,106,151)	1,480,480	(7,106,151)
Financial Assets at Amortised cost - Loans and Advances	14,210,653	(21,514,389)	14,210,653	(21,514,389)
Other Assets	1,855,777	(1,825,600)	1,932,815	(1,624,766)
<b>Increase/(Decrease) in Operating Liabilities :</b>				
Financial Liabilities at Amortised Cost - Due to Depositors	(3,961,558)	26,225,037	(3,961,558)	26,225,037
Financial Liabilities at Amortised Cost - Due to Debt Securities Holders	(1,983,768)	5,597,395	(1,983,768)	5,597,395
Financial Liabilities at Amortised cost - Due to Other Borrowers	610	(982)	610	(982)
Other Liabilities	350,383	(5,036,516)	127,987	(5,332,545)
Due to Banks	(255,670)	757,396	(255,670)	757,396
<b>Cash Generated from Operating Activities before Income Tax</b>	<b>29,528,227</b>	<b>5,581,355</b>	<b>29,398,903</b>	<b>5,493,241</b>
Income Tax Paid	(1,176,135)	(597,999)	(1,176,135)	(597,999)
Surcharge Tax Paid	-	-	-	-
<b>Net Cash (Used in) / Generated from Operating Activities</b>	<b>28,352,092</b>	<b>4,983,356</b>	<b>28,222,768</b>	<b>4,895,242</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property , Plant & Equipment	(5,981)	(9,605)	(7,450)	(9,605)
Improvements in Investment Properties	-	-	(1,621)	(146)
Proceeds from Sale of Property , Plant & Equipment	-	92	-	92
Net Proceeds from Sale, Maturity And Purchase of Financial Investments of Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds	(14,513,950)	(6,525,291)	(14,436,023)	(6,525,291)
Net Proceeds From Sale, Maturity and Purchase of Financial Investments of Shares and Debentures	-	1,502	(2,822)	1,502
Reverse Repurchase Agreements maturing after Three Months	-	8,728	-	8,728
Net Purchase of Intangible Assets	(22,589)	(1,129)	(22,589)	(1,129)
Net Cash Flow from Acquisition of Investment in Subsidiaries	-	-	-	-
Net Cash Flow from Disposal of Subsidiaries	-	-	-	-
Dividend Received from Investment in Subsidiaries	-	-	-	-
Dividend Received from Other Investments	264	504	264	504
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(14,542,256)</b>	<b>(6,525,199)</b>	<b>(14,470,241)</b>	<b>(6,525,345)</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from the Issue of Ordinary Share Capital	-	-	-	-
Net Proceeds from the Issue of Other Equity Instruments	-	-	-	-
Net Proceeds from the Issue of Subordinated Debt	-	-	-	-
Repayment of Subordinated Debt	(3,910,000)	-	(3,810,000)	-
Interest Paid on Subordinated Debt	(645,596)	(645,595)	(645,596)	(645,595)
Interest Paid on Un-Subordinated Debt	-	-	-	-
Dividend Paid to Non-Controlling Interest	-	-	(6)	(42)
Dividend Paid to Shareholders of the Bank	-	(9)	-	(9)
Dividend Paid to Holders of Other Equity Instruments	-	-	-	-
Repayment of Principal Portion of Lease Liabilities	(204,774)	(273,546)	(133,495)	(159,952)
<b>Net Cash (Used In) / Generated from Financing Activities</b>	<b>(4,760,370)</b>	<b>(919,150)</b>	<b>(4,589,097)</b>	<b>(805,598)</b>
Net Increase in Cash and Cash Equivalents	9,049,466	(2,460,993)	9,163,430	(2,435,701)
Cash and Cash Equivalents at Beginning of the Year	83,255,632	44,039,917	83,449,117	44,204,423
<b>Cash and Cash Equivalents at End of the Period</b>	<b>92,305,098</b>	<b>41,578,924</b>	<b>92,612,547</b>	<b>41,768,722</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Cash Equivalents	47,252,869	23,334,890	47,252,909	23,334,930
Placements with Banks and Finance Companies	12,332,280	-	12,332,778	-
Government of Sri Lanka Treasury Bills/Bonds, Development and International Sovereign Bonds maturing within Three Months	28,253,790	16,488,997	28,560,701	16,678,755
Securities Purchased Under Resale Agreements maturing within Three Months	4,466,159	1,755,037	4,466,159	1,755,037
	<b>92,305,098</b>	<b>41,578,924</b>	<b>92,612,547</b>	<b>41,768,722</b>

## 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 and presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and provided necessary disclosure to comply with LKAS 34, Interim Financial Reporting.

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

### 2. Information on Ordinary Shares

Market Price (Rs.)	31/03/2023		31/03/2022	
	Voting	Non-Voting	Voting	Non-Voting
Market Price Per Share	33.30	22.50	31.60	24.80
Highest price per share during the quarter ended	41.50	27.90	47.00	37.00
Lowest price per share during the quarter ended	25.00	15.30	31.00	24.60

Stated Capital as at March 31, 2023	No of Shares	Stated Capital (Rs.'000)
Ordinary Voting	296,716,366	12,794,664
Ordinary Non-Voting	318,732,692	8,114,009
<b>Total</b>	<b>615,449,058</b>	<b>20,908,673</b>

### 3. Shareholders Information

#### 3.1 Twenty Largest Ordinary Voting Shareholders as at March 31, 2023

	No. of Shares	%
1 Brown & Company PLC A/C No. 01	29,618,949	10.48
2 Sri Lanka Insurance Corporation Ltd - General Fund	28,270,471	10.00
3 Employees Provident Fund	27,867,655	9.86
4 Mr K D D Perera	26,836,320	9.49
5 Sampath Bank PLC/LOLC Investments Ltd	26,451,501	9.36
6 National Development Bank PLC	24,665,595	8.72
7 Seylan Bank PLC A/C No. 04 – Employees’ Gratuity Trust Fund	18,427,894	6.52
8 Bank Of Ceylon No. 1 Account	15,902,140	5.62
9 Sri Lanka Insurance Corporation Ltd - Life Fund	14,135,233	5.00
10 Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	10,803,234	3.82
11 Sampath Bank PLC/Brown and Company PLC	9,606,146	3.40
12 Employees Trust Fund Board	6,011,538	2.13
13 NDB Capital Holdings Limited A/C No.02	2,863,435	1.01
14 Sisil Investment Holdings (Pvt) Ltd	2,673,563	0.95
15 Finco Holdings (Pvt) Ltd	2,656,221	0.94
16 Asiri Hospital Holdings PLC	2,099,988	0.74
17 Mr M J Fernando	1,427,558	0.50
18 Mr R R Leon	1,337,803	0.47
19 Mr K R B Fernando	1,223,238	0.43
20 J. B. Cocoshell (Pvt) Ltd	975,855	0.35

### 3.2 Twenty Largest Ordinary Non-Voting Shareholders as at March 31, 2023

	No. of Shares	%
1 LOLC Holdings PLC	152,262,646	51.60
2 Employees' Provident Fund	15,738,986	5.33
3 Sri Lanka Insurance Corporation Ltd - Life Fund	9,882,823	3.35
4 Don and Don Holdings (Pvt) Ltd	9,874,165	3.35
5 Akbar Brothers Pvt Ltd A/C No. 1 Fund	6,337,096	2.15
6 Pershing LLC S/A Averbach Grauson & Co	4,053,725	1.37
7 Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	4,008,997	1.36
8 Employees Trust Fund Board	3,522,251	1.19
9 Merrill J Fernando & Sons (Pvt) Limited	3,277,637	1.11
10 Mr R R Leon	2,706,900	0.92
11 LOLC Technology Services Limited	2,576,643	0.87
12 Mr. N. Balasingam	2,308,455	0.78
13 Sri Lanka Insurance Corporation Ltd – General Fund	2,083,833	0.71
14 Mr R. Gautam	1,665,410	0.56
15 Mr M J Fernando	1,615,464	0.55
16 Dr S Yaddehige	1,387,883	0.47
17 Ms S Durga	1,371,362	0.46
18 Mr D N N Lokuge	1,361,938	0.46
19 J B Cocoshell (Pvt) Ltd	1,246,205	0.42
20 Askold (Pvt) Ltd	1,202,899	0.41

### 3.3 Public Holdings as at March 31, 2023

The Bank is compliant under Option 3 and 4 of the Section 7.14.1 (Minimum Public Holding requirement) of the Rules of the Colombo Stock Exchange.

	Option 3 (Ordinary Voting Shares)	Option 4 (Ordinary Non- Voting Shares)
Float adjusted market capitalization	Rs. 5.164 Bn	Rs. 3.207 Bn
Public Holding Percentage	54.85%	48.31%
No. of Public shareholders	10,085	7,270

### 4. Directors' and Chief Executive Officer's Shareholdings as at March 31, 2023

<u>Name of Director</u>	<u>No of Shares</u> (Ordinary Voting)	<u>No of Shares</u> (Ordinary Non-Voting)
Mr W M R S Dias, Non-Executive Director / Chairman	Nil	Nil
Mr K P Ariyaratne, Director / Chief Executive Officer	71,031	242,749
Mr S V Corea, Non-Executive Director	108	Nil
Mr A S Wijesinha, Independent Director/Senior Director	Nil	Nil
Ms S K Salgado, Independent Director	Nil	Nil
Mr D M D K Thilakaratne, Non-Executive Director	Nil	Nil
Mr D R Abey Suriya, Independent Director	Nil	Nil
Mr D M Rupasinghe, Independent Director	Nil	Nil
Mr L H A L Silva, Independent Director	Nil	Nil
Ms V G S S Kotakadeniya, Non-Executive Director	Nil	Nil
Ms A A Ludowyke, Independent Director	Nil	Nil

## **5. Basic/ Diluted Earnings per Share**

Basic Earnings per share has been calculated by dividing profit after tax attributable to the equity holders of the Bank by the weighted average number of shares in issue (both Voting and Non- voting) during the three months ended March 31, 2023. 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, 2022 has been restated based on the no of shares issued for Scrip Dividend for 2022.

## **6. Events after the Reporting Date**

### **6.1 Dividend**

A scrip dividend of Rs. 2.00 per share was declared and approved by the shareholders at the Annual General Meeting of the Bank held on March 30, 2023 and direct uploads to Central Depository Systems ( Pvt) Ltd of shares allotted in respect of same was completed on April 17, 2023 to the Ordinary Voting and Non-Voting Shareholders of the Bank.

## **7. Other Matters**

### **7.1 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 March 31, 2023 and Economic Factor Adjustment (EFA) applying the recent forecasts and projections.

Further, the Bank has maintained the additional provisions made as management overlay, based on the assessment of significant increase in credit risk, and by stress testing the exposures to risk elevated sectors.

Bank has accounted for an additional Expected Credit Loss (ECL) on foreign currency denominated bonds in the financial statements considering the impact on Interim policy regarding the servicing of Sri Lanka's external public debts issued by Ministry of Finance of Government of Sri Lanka.

### **7.2 Debenture Issue**

The Board at their meeting held on January 24, 2023 approved that the Bank issues One Hundred and Twenty Million (120,000,000) Basel III Compliant, Tier 2 Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion of Rupees Hundred (Rs. 100/-) each amounting to Rupees Twelve Billion (Rs. 12,000,000,000/-) until December 31, 2023 and shareholders approved at the Extraordinary General Meeting held on March 14, 2023.

An initial issue of up to Fifty Million Debentures (50,000,000) with an option to issue up to a further Twenty Million (20,000,000) of said Debentures in the event of an over-subscription of the initial issue to raise up to a maximum of Seventy Million Debentures (70,000,000) amounting to a maximum sum of Rupees Seven Billion (Rs. 7,000,000,000/-) was offered to the public on April 20, 2023. The Bank closed the issuance on the same day (April 20, 2023) at Rupees Five Billion (Rs. 5,000,000,000/-) without exercising the option to issue a further Rupees Two Billion (Rs. 2,000,000,000/-).

The basis of allotment of the said Debenture Issue is announced to the Colombo Stock Exchange on 28<sup>th</sup> April 2023.

### **7.3 Debenture Redemption**

The Bank redeemed 39,100,000 debentures of Rs. 100/- each amounting to Rs. 3,910,000,000/- out of Rs. 6,234,000,000/- fully paid, BASEL III Compliant, Tier 2, Listed, Rated, Unsecured Subordinated Redeemable Debentures allotted in March 2018, upon maturity of the 5 years' tenure on 29th March 2023.

### **7.4 Taxes**

The Social Security Contribution Levy (SSCL) was introduced with effect from 01<sup>st</sup> October 2022 and it is calculated on the value addition attributable to financial services at the rate of 2.5%.

The standard rate of Income Tax has been increased to 30% from 24% in 2022.

## **8. Comparative Figures**

Comparative figures have been re-classified where necessary, to conform to the current period presentation.

During the quarter there were no material changes in Contingent Liabilities, composition of Assets and Liabilities and use of funds raised by the Bank.

All known expenditure items have been provided in these Interim Accounts.

**Seylan Bank PLC**  
**9. Segment Reporting (Group)**

(Amounts in Rupee Thousands)

	Banking		Treasury		Property/ Investments		Unallocated/ Eliminations		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Interest Income	25,774,662	10,748,152	3,354,516	2,655,517	29,158	10,657	(271,035)	(98,672)	28,887,301	13,315,654
Less: Interest Expense	16,193,580	5,944,631	1,243,075	512,444	1,201	87	(37,710)	(45,134)	17,400,146	6,412,028
<b>Net Interest Income</b>	<b>9,581,082</b>	<b>4,803,521</b>	<b>2,111,441</b>	<b>2,143,073</b>	<b>27,957</b>	<b>10,570</b>	<b>(233,325)</b>	<b>(53,538)</b>	<b>11,487,155</b>	<b>6,903,626</b>
Fee and Commission Income	1,836,181	1,476,423	2,277	1,097	-	-	2,544	6,344	1,841,002	1,483,864
Less: Fee and Commission Expense	62,430	40,333	5,642	6,199	-	-	-	-	68,073	46,532
<b>Net Fee and Commission Income</b>	<b>1,773,751</b>	<b>1,436,090</b>	<b>(3,365)</b>	<b>(5,102)</b>	<b>-</b>	<b>-</b>	<b>2,544</b>	<b>6,344</b>	<b>1,772,929</b>	<b>1,437,332</b>
Net Gains/(Losses) from Trading	-	-	(40,988)	3,628,696	-	20	-	-	(40,988)	3,628,716
Net Gains from Derecognition of Financial Assets	-	-	15,214	2,387	-	-	-	-	15,214	2,387
Net Other Operating Income	88,032	82,201	162,517	(2,989,927)	95,330	98,089	(202,056)	(69,609)	143,823	(2,879,246)
Inter Segment Revenue	(18,188)	(17,430)	-	-	-	-	18,188	17,430	-	-
<b>Total Operating Income</b>	<b>11,424,677</b>	<b>6,304,382</b>	<b>2,244,819</b>	<b>2,779,127</b>	<b>123,287</b>	<b>108,679</b>	<b>(414,650)</b>	<b>(99,373)</b>	<b>13,378,133</b>	<b>9,092,815</b>
Less: Depreciation and Amortisation Expenses	196,651	204,904	3,769	3,361	299	291	142,876	146,461	343,595	355,017
Less: Impairment Charge for the Period	5,348,059	1,974,175	1,017,911	1,409,472	-	-	-	-	6,365,970	3,383,647
Less: Operating Expenses, VAT & SSCL on Financial Services	3,491,330	2,578,789	705,768	603,723	27,880	22,307	769,023	706,692	4,994,001	3,911,511
<b>Reportable Segment Profit Before Income Tax</b>	<b>2,388,637</b>	<b>1,546,514</b>	<b>517,371</b>	<b>762,571</b>	<b>95,108</b>	<b>86,081</b>	<b>(1,326,549)</b>	<b>(952,526)</b>	<b>1,674,567</b>	<b>1,442,640</b>
Less: Income Tax Expense									646,878	452,216
<b>Profit For The Period</b>									<b>1,027,689</b>	<b>990,424</b>
<b>Profit Attributable To:</b>										
Equity Holders of The Bank									1,022,413	966,096
Non-Controlling Interests									5,276	24,328
<b>Profit For The Period</b>									<b>1,027,689</b>	<b>990,424</b>
<b>Other Comprehensive Income, Net of Income Tax</b>									361,563	(2,084,143)
<b>Other Information</b>										
Total Assets	463,278,905	445,523,914	187,595,987	170,125,085	6,428,857	6,131,164	13,625,235	21,456,715	670,928,984	643,236,878
Total Liabilities & Equity	577,429,526	512,782,244	70,613,245	101,232,181	6,428,857	6,131,164	16,457,356	23,091,289	670,928,984	643,236,878
Cash Flows from Operating Activities	27,871,402	3,512,005	1,539,051	2,175,404	66,405	72,524	(1,254,090)	(864,691)	28,222,768	4,895,242
Cash Flows from Investing Activities	1,523	(8,218)	(14,521,749)	(6,514,557)	21,027	15,428	28,958	(17,998)	(14,470,241)	(6,525,345)
Cash Flows from Financing Activities	(850,370)	(273,546)	(3,910,000)	(645,595)	-	-	171,273	113,543	(4,589,097)	(805,598)
Capital Expenditure	(1,259)	(8,310)	(7,799)	-	(3,090)	(146)	(19,513)	(2,424)	(31,660)	(10,880)

**Seylan Bank PLC**

**10. Analysis of Financial Instruments by Measurement Basis - Bank**

(Amounts in Rupees Thousands )

	31.03.2023			Total
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	47,068,555	47,068,555
Balances with Central Bank of Sri Lanka	-	-	15,303,692	15,303,692
Placements with Banks and Finance Companies	-	-	12,270,619	12,270,619
Derivative Financial Instruments	581,729	-	-	581,729
Securities Purchased under Resale Agreements	-	-	4,470,198	4,470,198
Customer Loans and Advances	-	-	423,971,756	423,971,756
Debt Instruments	-	-	892,206	892,206
Equity Instruments	-	1,726,662	-	1,726,662
Government Securities	17,832,350	24,355,270	96,568,062	138,755,682
Group Balances Receivable	-	-	165,399	165,399
Other Financial Assets	-	-	8,981,418	8,981,418
<b>Total Financial Assets</b>	<b>18,414,079</b>	<b>26,081,932</b>	<b>609,691,905</b>	<b>654,187,916</b>

	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>			
Due to Banks	-	11,902,360	11,902,360
Derivative Financial Instruments	1,133,179	-	1,133,179
Due to Depositors	-	549,801,433	549,801,433
Securities Sold under Repurchase Agreements	-	9,927,322	9,927,322
Due to Other Borrowers	-	8,093	8,093
Group Balances Payable	-	217,838	217,838
Debt Securities Issued	-	17,798,497	17,798,497
Lease Liabilities	-	5,079,976	5,079,976
Other Financial Liabilities	-	9,482,089	9,482,089
<b>Total Financial Liabilities</b>	<b>1,133,179</b>	<b>604,217,608</b>	<b>605,350,787</b>

	31.12.2022			Total
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	
<b>Assets</b>				
Cash and Cash Equivalents	-	-	40,254,514	40,254,514
Balances with Central Bank of Sri Lanka	-	-	16,784,172	16,784,172
Placements with Banks and Finance Companies	-	-	1,819,036	1,819,036
Derivative Financial Instruments	519,189	-	-	519,189
Securities Purchased under Resale Agreements	-	-	3,628,549	3,628,549
Customer Loans and Receivables	-	-	444,219,508	444,219,508
Debt Instruments	-	-	889,997	889,997
Equity Instruments	-	1,500,621	-	1,500,621
Government Securities	17,781,867	15,635,665	101,640,332	135,057,864
Group Balances Receivable	-	-	64,435	64,435
Other Financial Assets	-	-	11,265,428	11,265,428
<b>Total Financial Assets</b>	<b>18,301,056</b>	<b>17,136,286</b>	<b>620,565,971</b>	<b>656,003,313</b>

	Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)	Financial Liabilities Measured at Amortised Cost (AC)	Total
<b>Liabilities</b>			
Due to Banks	-	12,158,030	12,158,030
Derivative Financial Instruments	906,813	-	906,813
Due to Depositors	-	547,315,755	547,315,755
Securities Sold under Repurchase Agreements	-	11,944,370	11,944,370
Due to other Borrowers	-	7,483	7,483
Group Balances Payable	-	202,382	202,382
Debt Securities Issued	-	21,617,455	21,617,455
Lease Liabilities	-	5,101,247	5,101,247
Other Financial Liabilities	-	9,218,039	9,218,039
<b>Total Financial Liabilities</b>	<b>906,813</b>	<b>607,564,761</b>	<b>608,471,574</b>

Seylan Bank PLC

10. Analysis of Financial Instruments by Measurement Basis - Group

(Amounts in Rupees Thousands)

<b>31.03.2023</b>				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	Total
<b>Assets</b>				
Cash and Cash Equivalents	-	-	47,068,595	47,068,595
Balances with Central Bank of Sri Lanka	-	-	15,303,692	15,303,692
Placements with Banks and Finance Companies	-	-	12,270,619	12,270,619
Derivative Financial Instruments	581,729	-	-	581,729
Securities Purchased under Resale Agreements	-	-	4,470,198	4,470,198
Customer Loans and Advances	-	-	423,971,756	423,971,756
Debt Instruments	-	49,994	892,206	942,200
Equity Instruments	-	1,726,662	-	1,726,662
Government Securities	17,832,350	24,355,270	96,877,698	139,065,318
Other Financial Assets	-	-	9,022,625	9,022,625
<b>Total Financial Assets</b>	<b>18,414,079</b>	<b>26,131,926</b>	<b>609,877,389</b>	<b>654,423,394</b>
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost (AC)</b>	<b>Total</b>
<b>Liabilities</b>				
Due to Banks	-	-	11,902,360	11,902,360
Derivative Financial Instruments	-	1,133,179	-	1,133,179
Due to Depositors	-	-	549,801,433	549,801,433
Securities Sold under Repurchase Agreements	-	-	9,927,322	9,927,322
Due to Other Borrowers	-	-	8,093	8,093
Debt Securities Issued	-	-	17,798,497	17,798,497
Lease Liabilities	-	-	2,233,400	2,233,400
Other Financial Liabilities	-	-	9,595,747	9,595,747
<b>Total Financial Liabilities</b>	<b>1,133,179</b>	<b>601,266,852</b>	<b>602,400,031</b>	<b>602,400,031</b>
<b>31.12.2022</b>				
	Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	Financial Assets Measured at Amortised Cost (AC)	Total
<b>Assets</b>				
Cash and Cash Equivalents	-	-	40,254,554	40,254,554
Balances with Central Bank of Sri Lanka	-	-	16,784,172	16,784,172
Placements with Banks and Finance Companies	-	-	1,819,036	1,819,036
Derivative Financial Instruments	519,189	-	-	519,189
Securities Purchased under Resale Agreements	-	-	3,628,549	3,628,549
Customer Loans and Receivables	-	-	444,219,508	444,219,508
Debt Instruments	-	49,897	889,997	939,894
Equity Instruments	-	1,500,621	-	1,500,621
Government Securities	17,781,867	15,635,665	101,911,206	135,328,738
Other Financial Assets	-	-	11,292,150	11,292,150
<b>Total Financial Assets</b>	<b>18,301,056</b>	<b>17,186,183</b>	<b>620,799,172</b>	<b>656,286,411</b>
		<b>Financial Liabilities Measured at Fair Value through Profit or Loss (FVTPL)</b>	<b>Financial Liabilities Measured at Amortised Cost (AC)</b>	<b>Total</b>
<b>Liabilities</b>				
Due to Banks	-	-	12,158,030	12,158,030
Derivative Financial Instruments	-	906,813	-	906,813
Due to Depositors	-	-	547,315,755	547,315,755
Securities Sold under Repurchase Agreements	-	-	11,944,370	11,944,370
Due to other Borrowers	-	-	7,483	7,483
Debt Securities Issued	-	-	21,617,455	21,617,455
Lease Liabilities	-	-	2,254,558	2,254,558
Other Financial Liabilities	-	-	9,280,995	9,280,995
<b>Total Financial Liabilities</b>	<b>906,813</b>	<b>604,578,646</b>	<b>605,485,459</b>	<b>605,485,459</b>

## Seylan Bank PLC

### 11. Analysis of Loans & Advances , Commitments, Contingencies and Impairment

(Amounts in Rupees Thousands )

	Bank		Group	
	As at 31.03.2023	As at 31.12.2022	As at 31.03.2023	As at 31.12.2022
<b>11.1 Product-wise Gross Loans &amp; Advances</b>				
<b>By product - Domestic Currency</b>				
Export Bills	133,119	91,837	133,119	91,837
Import Bills	192,950	213,784	192,950	213,784
Local Bills	22,649	12,054	22,649	12,054
Lease Rentals Receivable	23,520,530	24,036,119	23,520,530	24,036,119
Overdrafts	66,082,321	69,185,621	66,082,321	69,185,621
Revolving Import Loans	10,740,799	10,888,046	10,740,799	10,888,046
Packing Credit Loans	4,456,309	4,678,143	4,456,309	4,678,143
Trust Receipt Loans	217,185	581,793	217,185	581,793
Staff Loans	7,522,266	7,657,777	7,522,266	7,657,777
Housing Loans	17,204,277	17,620,074	17,204,277	17,620,074
Pawning Receivables	31,866,952	31,991,223	31,866,952	31,991,223
Refinance Loans	8,298,424	8,510,440	8,298,424	8,510,440
Credit Cards	7,458,744	7,162,363	7,458,744	7,162,363
Margin Trading	4,259,068	4,508,146	4,259,068	4,508,146
Factoring	1,548,067	1,630,891	1,548,067	1,630,891
Term Loans	236,250,811	234,656,074	236,250,811	234,656,074
<b>Total</b>	<b>419,774,471</b>	<b>423,424,385</b>	<b>419,774,471</b>	<b>423,424,385</b>
<b>By product - Foreign Currency</b>				
Export Bills	2,869,279	5,409,459	2,869,279	5,409,459
Import Bills	473,018	647,607	473,018	647,607
Local Bills	778	869	778	869
Overdrafts	436,938	683,306	436,938	683,306
Revolving Import Loans	1,155,367	1,443,978	1,155,367	1,443,978
Packing Credit Loans	15,770,658	17,274,822	15,770,658	17,274,822
Housing Loans	155,519	212,938	155,519	212,938
Term Loans	33,562,495	41,334,520	33,562,495	41,334,520
<b>Total</b>	<b>54,424,052</b>	<b>67,007,499</b>	<b>54,424,052</b>	<b>67,007,499</b>
<b>Gross Loans and Advances</b>	<b>474,198,523</b>	<b>490,431,884</b>	<b>474,198,523</b>	<b>490,431,884</b>
<b>11.2 Product-wise Commitments and Contingencies</b>				
<b>By product - Domestic Currency</b>				
<b>Commitments</b>				
Undrawn Credit Lines	76,399,830	74,618,380	76,399,830	74,618,380
Capital Commitments	526,764	112,422	527,837	114,213
<b>Contingencies</b>				
Acceptances	397,162	86,892	397,162	86,892
Standby Letters of Credit	-	-	-	-
Guarantees	57,461,261	62,385,836	57,461,261	62,385,836
Documentary Credit	561,634	660,399	561,634	660,399
Bills for Collection	400,766	230,867	400,766	230,867
Forward Exchange Contracts (Net)	(2,840,415)	(16,494,566)	(2,840,415)	(16,494,566)
<b>Total</b>	<b>132,907,002</b>	<b>121,600,230</b>	<b>132,908,075</b>	<b>121,602,021</b>
<b>By product - Foreign Currency</b>				
<b>Commitments</b>				
Undrawn Credit Lines	1,490,687	1,069,035	1,490,687	1,069,035
Capital Commitments	499,543	122,838	499,543	122,838
<b>Contingencies</b>				
Acceptances	8,464,743	11,815,484	8,464,743	11,815,484
Standby Letters of Credit	345,951	378,230	345,951	378,230
Guarantees	6,376,407	7,258,809	6,376,407	7,258,809
Documentary Credit	4,349,918	3,694,521	4,349,918	3,694,521
Bills for Collection	6,670,965	5,770,876	6,670,965	5,770,876
Forward Exchange Contracts (Net)	2,245,889	15,931,127	2,245,889	15,931,127
<b>Total</b>	<b>30,444,103</b>	<b>46,040,920</b>	<b>30,444,103</b>	<b>46,040,920</b>
<b>Total Commitments and Contingencies</b>	<b>163,351,105</b>	<b>167,641,150</b>	<b>163,352,178</b>	<b>167,642,941</b>

## Seylan Bank PLC

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

(Amounts in Rupees Thousands )

	Bank		Group	
	As at	As at	As at	As at
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
<b>11.3 Stage-wise Impairment on Loans &amp; Advances, Commitments and Contingencies</b>				
<b>Gross Loans and Advances, Commitments and Contingencies</b>	<b>637,549,628</b>	<b>658,073,034</b>	<b>637,550,701</b>	<b>658,074,825</b>
Less : Accumulated Impairment under Stage 1	4,684,147	7,384,738	4,684,147	7,384,738
Accumulated Impairment under Stage 2	3,023,945	6,460,514	3,023,945	6,460,514
Accumulated Impairment under Stage 3	43,613,410	33,562,206	43,613,410	33,562,206
<b>Net Loans &amp; Advances, Commitments and Contingencies</b>	<b>586,228,126</b>	<b>610,665,576</b>	<b>586,229,199</b>	<b>610,667,367</b>
<b>Movement of Impairment during the Period</b>	<b>Fom 01.01.2023 to 31.03.2023</b>	<b>From 01.01.2022 to 31.12.2022</b>	<b>Fom 01.01.2023 to 31.03.2023</b>	<b>From 01.01.2022 to 31.12.2022</b>
<b>Stage 1</b>				
Opening Balance as at 01st January	7,384,738	4,033,196	7,384,738	4,033,196
Charge/(Write back) to Income Statement	(2,677,336)	3,213,682	(2,677,336)	3,213,682
Exchange Rate Movements	(23,255)	137,860	(23,255)	137,860
<b>Closing Balance</b>	<b>4,684,147</b>	<b>7,384,738</b>	<b>4,684,147</b>	<b>7,384,738</b>
<b>Stage 2</b>				
Opening Balance as at 01st January	6,460,514	2,062,238	6,460,514	2,062,238
Charge/(Write back) to Income Statement	(3,403,439)	4,389,136	(3,403,439)	4,389,136
Exchange Rate Movements	(33,130)	9,140	(33,130)	9,140
<b>Closing Balance</b>	<b>3,023,945</b>	<b>6,460,514</b>	<b>3,023,945</b>	<b>6,460,514</b>
<b>Stage 3</b>				
Opening Balance as at 01st January	33,562,206	19,167,988	33,562,206	19,167,988
Charge/(Write back) to Income Statement	11,267,280	13,705,578	11,267,280	13,705,578
Reversal for Write-off during the Period	(54)	(97,301)	(54)	(97,301)
Interest Accrued on Impaired Loans and Advances	(620,336)	(698,299)	(620,336)	(698,299)
Exchange Rate Movements	(595,686)	1,484,240	(595,686)	1,484,240
<b>Closing Balance</b>	<b>43,613,410</b>	<b>33,562,206</b>	<b>43,613,410</b>	<b>33,562,206</b>
<b>Total Impairment</b>	<b>51,321,502</b>	<b>47,407,458</b>	<b>51,321,502</b>	<b>47,407,458</b>

## 12 Analysis of Deposits

(Amounts in Rupees Thousands )

Deposits - By product	Bank		Group	
	As at	As at	As at	As at
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
<b>By product - Domestic Currency</b>				
Demand Deposits	28,251,514	29,498,758	28,251,514	29,498,758
Savings Deposits	97,781,685	100,498,708	97,781,685	100,498,708
Fixed Deposits	325,726,177	309,006,995	325,726,177	309,006,995
Certificate of Deposits	1,044,213	1,034,256	1,044,213	1,034,256
<b>Total</b>	<b>452,803,589</b>	<b>440,038,717</b>	<b>452,803,589</b>	<b>440,038,717</b>
<b>By product - Foreign Currency</b>				
Demand Deposits	4,265,741	6,197,250	4,265,741	6,197,250
Savings Deposits	19,874,936	26,911,406	19,874,936	26,911,406
Fixed Deposits	72,857,167	74,168,382	72,857,167	74,168,382
<b>Total</b>	<b>96,997,844</b>	<b>107,277,038</b>	<b>96,997,844</b>	<b>107,277,038</b>
<b>Total Deposits</b>	<b>549,801,433</b>	<b>547,315,755</b>	<b>549,801,433</b>	<b>547,315,755</b>

**SEYLAN BANK PLC - DEBENTURES**

	CURRENT PERIOD 01-Jan-23 to 31-Mar-23	COMPARATIVE PERIOD 01-Jan-22 to 31-Mar-22
<b>Debt (Debentures) / Equity Ratio (Times)</b>	0.32	0.42
<b>Debt (Debentures plus Long term Debt) / Equity Ratio (Times)</b>	0.41	0.51
<b>Interest Cover (Times)</b>	3.71	3.30
<b>Quick Asset Ratio (Times)</b>	0.82	0.79
<b>2016 Issue</b>		
<b>Market Prices during January to March (Ex Interest)</b>		
7 Year Fixed Semi Annual - 13.75% p.a		
- Highest Price	94.40	*
- Lowest Price	80.00	*
- Last Traded Price (10/01/2023)/*	91.40	*
<b>Interest Yield as at Date of Last Trade</b>		
7 Year Fixed Semi Annual - 13.75% p.a. (10/01/2023)/*		
	15.56%	*
<b>Yield to Maturity of Trade Done on</b>		
7 Year Fixed Semi Annual - 13.75% p.a. (10/01/2023)/*		
	33.57%	*
<b>Interest Rate of Comparable Government Security</b>		
- 7 Years		
	24.80%	12.80%
<b>2018 Issue</b>		
<b>Market Prices during January to March (Ex Interest)</b>		
5 Year Fixed Semi Annual - 12.85% p.a (Debenture matured and redeemed on 29/03/2023)		
	*	*
7 Year Fixed Semi Annual - 13.20% p.a.		
	*	*
10 Year Fixed Semi Annual - 13.50% p.a		
	*	*
<b>Interest Yield as at Date of Last Trade</b>		
	*	*
<b>Yield to Maturity of Trade Done on</b>		
	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years		
		12.51%
- 7 Years		
	28.50%	15.10%
- 10 Years		
	25.54%	15.62%
<b>2019 Issue</b>		
<b>Market Prices during January to March (Ex Interest)</b>		
5 Year Fixed Annual - 15.00% p.a		
	*	*
5 Year Fixed Semi Annual - 14.50% p.a.		
	*	*
<b>Interest Yield as at Date of Last Trade</b>		
	*	*
<b>Yield to Maturity of Trade Done on</b>		
	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years		
	27.38%	13.88%
<b>2021 Issue</b>		
5 Year Fixed Annual - 9.75% p.a		
- Highest Price	64.00	*
- Lowest Price	64.00	*
- Last Traded Price (24/03/2023)/*	64.00	*
5 Year Fixed Quartely - 9.25 % p.a.		
	*	*
<b>Interest Yield as at Date of Last Trade</b>		
5 Year Fixed Annual - 9.75% p.a (24/03/2023)/*		
	15.23%	*
5 Year Fixed Quartely - 9.25 % p.a.		
	*	*
<b>Yield to Maturity of Trade Done on</b>		
5 Year Fixed Annual - 9.75% p.a (24/03/2023)/*		
	29.05%	*
5 Year Fixed Quartely - 9.25 % p.a.		
	*	*
<b>Interest Rate of Comparable Government Security</b>		
- 5 Years		
	26.87%	14.64%

\* No trading during the period.

## Seylan Bank PLC

### Selected Performance Indicators

Item	Bank		Group	
	31.03.2023	31.12.2022	31.03.2023	31.12.2022
<b>Regulatory Capital (LKR Mn.)</b>				
Common Equity Tier I	49,830	49,920	51,286	51,334
Total (Tier I) Capital	49,830	49,920	51,286	51,334
Total Capital Base	62,126	63,447	63,582	64,891
<b>Regulatory Capital Ratios (%)</b>				
Common Equity Tier I Capital Ratio ( Minimum Requirement - 7.00% )	11.17	10.69	11.48	10.97
Total Tier I Capital Ratio ( Minimum Requirement - 8.50% )	11.17	10.69	11.48	10.97
Total Capital Ratio ( Minimum Requirement - 12.50% )	13.92	13.59	14.23	13.87
<b>Regulatory Liquidity</b>				
Statutory Liquid Assets (LKR Mn.)	184,352	149,336		
Domestic Banking Unit (LKR Mn.)	178,532	144,094		
Offshore Banking Unit (USD '000)	35,929	35,226		
Statutory Liquid Assets Ratio (%) ( Minimum Requirement 20 % )				
Overall	30.29	25.51		
Domestic Banking Unit	29.91	25.16		
Offshore Banking Unit	27.99	25.02		
Total Stock of High-Quality Liquid Assets (LKR Mn.)	119,162	110,444		
Liquidity Coverage Ratio %				
Rupee - ( Minimum Requirement - 2023-100% , 2022- 90%)	316.49	280.14		
All Currency - ( Minimum Requirement- 2023-100% , 2022- 90%)	245.73	175.10		
Net Stable Funding Ratio (%) ( Minimum Requirement - 2023-100% , 2022- 90%)	120.05	117.62		
<b>Assets Quality ( Quality of Loan Portfolio )</b>				
Impaired Loans (Stage 3) Ratio (%)	8.13	4.98		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	49.27	54.36		
<b>Profitability</b>				
Interest Margin ( % )	6.78	6.33		
Return on Assets (before Tax) ( % )	1.02	1.04		
Return on Equity ( % )	8.24	8.85		