<b>SEYLAN BANK PLC</b>	
FINANCIAL STATEMENTS	
Six months ended 30th June, 2021	Ī



Current

Comparative Period

INCOME STATEMENT								(A	mount	s in Rup	ees Thou	sands)	STATEMENT OF CASH FLOWS		(An	mounts in Rupees 1	Thousands
(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			Group			Group			BAI		GROUP	•
······································	For the	Six months	Ended	For th	e Quarter En	Ided	For the	Six months l	Ended	For th	e Quarter Er	nded	For the Six Months ended 30th June	2021	2020	2021	202
		30th June			30th June			30th June			30th June		Cash Flows from Operating Activities				
	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth	2021	2020	Growth	Interest Receipts	19,863,224	22,068,829	19,867,072	22,072,55
	(Audited)	(Audited)	%			%			%			%	Interest Payments Net Commission Receipts	(12,014,098) 2,179,602	(16,596,939) 1,626,103	(12,012,253) 2,179,350	(16,584,74 1,625,70
		(,											Trading Income Payments to Employees	5,872 (3.563,459)	124,462 (3,467,983)	7,420 (3,577,706)	123,35 (3,480,67
Interest Income	22,816,224	26,531,303	(14.00)	11,137,984	13,008,476	(14.38)	22,820,072	26,535,028	(14.00)	11,139,932	13,010,385	(14.38)	VAT on Financial Services Paid	(1,240,126)	(674,804)	(1,240,126)	(674,80
Less: Interest Expenses	11,845,508	17,189,330	(31.09)	5,701,283	8,367,921	(31.87)	11,692,942	17,035,703	(31.36)	5,625,160	8,290,922	(32.15)	Receipts from Other Operating Activities Payments on Other Operating Activities	2,566,820 (1,250,076)	683,167 (1,410,589)	2,611,497 (1,280,421)	599,49 (1,436,07
Net Interest Income	10,970,716	9,341,973	17.43	5,436,701	4,640,555	17.16	11,127,130	9,499,325	17.14	5,514,772	4,719,463	16.85	Operating Profit before Changes in Operating Assets and Liabilities	6,547,759	2,352,246	6,554,833	2,244,80
													(Increase)/Decrease in Operating Assets:	(400 705 )	7 440 000	(400 705 )	7 440 00
Fee and Commission Income	2,251,452	1,726,807	30.38	1,043,090	680,319	53.32	2,251,200	1,726,780	30.37	1,042,873	680,315	53.29	Balances with Central Bank of Sri Lanka Financial Assets at Amortized Cost - Loans and Advances	(100,785) (20,412,023)	7,446,620 2,114,780	(100,785) (20,412,023)	7,446,62 2,114,78
Less: Fee and Commission Expenses	71,850	100,704	(28.65)	20,814	39,908	(47.85)	71,850		(28.92)		40,284	(48.33)	Other Assets	649,798	1,156,306	639,783	1,253,85
Net Fee and Commission Income	2,179,602	1,626,103	34.04	1,022,276	640,411	59.63	2,179,350	1,625,700	34.06	1,022,059	640,031	59.69	Increase/(Decrease) in Operating Liabilities:	10 070 040	11.050.150	10 070 040	11.050.45
													Financial Liabilities at Amortized Cost - Due to Depositors Financial Liabilities at Amortized Cost - Due to Debt Securities Holders	16,372,940 430,365	11,059,150 (1,271,210)	16,372,940 430,365	11,059,15 (1,271,21
Net Gains/(Losses) from Trading	(451,678)	213,880	(311.18)	159,756	204,073	• •	(450,130)		. ,	155,549	206,198	(24.56)	Financial Liabilities at Amortized cost - Due to Other Borrowers Other Liabilities	(4,370) 1.274.803	(5,116) (1,002,247)	(4,370) 1,298,468	(5,11) (1,110,11)
Net Gains from Derecognition of Financial Assets	443,997	370,638	19.79	258,777	301,086	(14.05)		370,638	19.79	258,777	301,086	(14.05)	Due to Banks	(7,851,317)	(2,906,957)	(7,851,317)	(2,906,95
Net Other Operating Income	1,533,279	648,419	136.46	338,560	312,531	8.33	1,452,757	564,749	157.24	363,086	213,540	70.03	Cash (Used in/Generated from Operating Activities before Income Tax Income Tax Paid	(3,092,830) (156,858)	18,943,572 (570,251)	(3,072,106) (156,858) (3,228,964)	18,825,811 (570,25
Total Operating Income	14,675,916	10 001 010	20.28	7,216,070	6 009 656	10.00	14 752 104	10 070 100	20.21	7 914 949	6,080,318	20.29	Net Cash (Used in)/Generated from Operating Activities	(3,249,688)	(570,251) 18,373,321	(3,228,964)	18,255,55
Total Operating Income	14,070,910	12,201,013	20.20	1,210,070	0,090,000	10.32	14,755,104	12,213,102	20.21	7,314,243	0,000,310	20.29	Cash flows from Investing Activities	(00.007.)	(005.007)	(105.004.)	(007.50)
Less: Impairment Charges	4.008.577	2.660.337	50.68	1 837 /61	1.544.271	18 00	4 008 577	2,660,337	50.68	1.837.461	1.544.271	18.99	Purchase of Property, Plant and Equipment Improvements in Investment Properties	(82,907)	(225,267)	(105,904) (7,527)	(237,592 (9,638
Less. Impairment Gharges	4,000,377	2,000,337	30.00	1,037,401	1,344,271	10.55	4,000,377	2,000,337	30.00	1,037,401	1,344,271	10.55	Proceeds from Sale of Property, Plant and Equipment Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Government of Sri Lanka	39	6,695	39	6,695
Net Operating Income	10,667,339	9.540.676	11.81	5,378,609	4,554,385	18,10	10.744.527	9,612,845	11.77	5.476.782	4,536,047	20.74	Treasury Bills/Bonds, Development and Sovereign Bonds maturing after Three Months	7,924,217	(5,507,958)	7,924,217	(5,507,958
		-,,		-,,	.,		,,	-,,		-,	.,,		Net Proceeds from Sale, Maturity and Purchase of Financial Investments of Shares and Debentures Reverse Repurchase Agreements maturing after Three Months	51,018 (581)	(194,710) 21,645	57,945 (581)	(197,350 21,645
Less: Operating Expenses													Net Purchase of Intangible Assets Net Cash Flow from Acquisition of Investment in Subsidiaries	(53,202 )	(28,109)	(53,202 )	(28,10
Personnel Expenses	3,832,944	3,656,587	4.82	1,893,990	1,808,562	4.72	3,853,582	3,675,390	4.85	1,903,864	1,817,857	4.73	Net Cash Flow from Disposal of Subsidiaries	-	-	-	
Depreciation and Amortization Expenses	726,698	722,076	0.64	362,396	357,589	1.34	750,503	740,428	1.36	374,276	367,278	1.91	Dividend Received from Investment in Subsidiaries Dividend Received from Other Investments	125,199 15,135	5,026	- 15,135	5,020
Other Expenses	2,189,969	1,992,333	9.92	1,104,783	943,469	17.10	2,206,253	2,017,822	9.34	1,112,861	954,511	16.59	Net Cash (Used in)/Generated from Investing Activities	7,978,918	(5,922,678)	7,830,122	(5,947,28
													Cash Flows from Financing Activities				
Total Operating Expenses	6,749,611	6,370,996		3,361,169			6,810,338	-,,			3,139,646	8.01	Net Proceeds from the Issue of Ordinary Share Capital Net Proceeds from the Issue of Other Equity Instruments	1		1	
Operating Profit before Taxes	3,917,728	3,169,680	23.60	2,017,440	1,444,765	39.64	3,934,189	3,179,205	23.75	2,085,781	1,396,401	49.37	Net Proceeds from the Issue of Subordinated Debt Repayment of Subordinated Debt	6,000,000	1	6,000,000	
													Interest Paid on Subordinated Debt	(1,396,926)	(1,399,484)	(1,388,397)	(1,399,48
Less: Value Added Tax on Financial Services	1,004,958		20.02	502,683			1,004,958			502,683			Interest Paid on Un-subordinated Debt Dividend Paid to Non-controlling Interest	1	(107,737)	(10)	(107,73)
Profit before Income Tax	2,912,770		24.88	1,514,757			2,929,231				1,013,699	56.17	Dividend Paid to Shareholders of the Bank Dividend paid to Holders of Other Equity Instruments	(115)	(60)	(115)	(6)
Less: Income Tax Expense	807,513	681,055	18.57	415,288	312,666	32.82	771,483	731,394	5.48	429,114	329,143	30.37	Repayment of Principal Portion of Lease Liabilities	(393,120)	(343,921)	(250,731)	(201,55
Profit for the Period	2 105 257	1.651.315	27.40	1 000 460	749.397	46 71	2 157 749	1.610.501	22.00	1 152 094	684.556	68.57	Net Cash (Used in)/Generated from Financing Activities	4,209,839	(1,851,202)	4,360,747	(1,708,83
1 Ion Ior UIC F61100	2,103,237	1,001,010	21.49	1,059,409	143,331	40.71	2,137,748	1,010,001	JJ.90	1,100,904	004,000	00.07	Net Increase/(Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of the Year	8,939,069 37,515,866	10,599,441 24,716,667	8,961,905 37,516,404	10,599,441 24,717,205
Profit Attributable to:																	1 7 -
Equity Holders of the Bank	2.105.257	1.651.315	27.49	1.099.469	749.397	46.71	2.105.346	1.588.693	32.52	1.137.907	669.834	69.88	Cash and Cash Equivalents at End of the Period	46,454,935	35,316,108	46,478,309	35,316,646
Non-Controlling Interest	_,			-		-	52,402	1	140.29	16,077	14,722	9.20	Reconciliation of Cash and Cash Equivalents Cash and Cash Equivalents	24.841.226	12,068,497	24,841,266	12,068,53
	2,105,257	1,651,315	27.49	1,099,469	749,397	46.71	. , .	1,610,501		. , .	684,556	68.57	Placements with Banks and Finance Companies	5,411,572	6,630,069	5,412,070	6,630,567
									-				Government of Sri Lanka Treasury Bills/Bonds, Development and Sovereign Bonds maturing within Three Months Securities Purchased under Resale Agreements maturing within Three Months	14,962,557 1,239,580	6,196,704 10,420,838	14,985,393 1,239,580	6,196,704 10,420,838
Basic/Diluted Earnings per Ordinary Share (Rs.)	3.94	3.09	27.49	2.06	1.40	46.71	3.94	2.97	32.52	2.13	1.25	69.88		46,454,935			35,316,64

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Amounts in Rupees Thousands)

(In terms of Rule 7.4 of the Colombo Stock Exchange)		Bank			Bank			0			0	
	Ear the Six	Bank months Ender	d 20th Juno	Ear tha Ou	вапк arter Ended 3	Oth Juno	Ear the Six	Group months Ended	20th Juno	Ear the O	Group uarter Ender	d 20th Juno
	2021	2020	Growth %	2021		Frowth %	2021	2020	Growth %	2021		Growth %
	(Audited)	(Audited)	arowin 78	2021	2020 0	nowin 78	2021	2020	urowur /6	2021	2020	urowin 78
Profit for the Period	2,105,257	1,651,315	27.49	1,099,469	749,397	46.71	2,157,748	1,610,501	33.98	1,153,984	684,556	68.57
Other Comprehensive Income/ (Loss), Net of Tax Items that are or may be Reclassified to Income Statement in Subsequent Periods												
Net Movement of Cash Flow Hedge Reserve	15,082	2,782	442.13	20,643	27,028	(23.62)	15,082	2,782	442.13	20,643	27,028	(23.62)
Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	(1,109,289)	2,685,742	(141.30)	(401,701)	2,263,842	(117.74)	(1,110,123)	2,689,434	(141.28)	(402,223)	2,267,251	(117.74)
Less: Deferred Tax effect relating to items that are or may be Reclassified to Income Statement	(374,885)	752,008	(149.85)	(96,406)	633,876	(115.21)	(374,968)	752,376	(149.84)	(96,457)	634,216	(115.21)
Items that will never be Reclassified to Income Statement in Subsequent Periods												
Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	(378,829)	(12,995)	(2,815.19)	55,461	12,529	342.66	(378,829)	(12,995)	(2,815.19)	55,461	12,529	342.66
Less: Deferred Tax effect relating to items that will never be Reclassified to Income Statement		477,170	(100.00)		477,170	(100.00)	-	477,170	(100.00)	-	477,170	(100.00)
Other Comprehensive Income/ (Loss) for the Period, Net of Taxes	(1,098,151)	1,446,351	(175.93)	(229,191)	1,192,353	(119.22)	(1,098,902)	1,449,675	(175.80)	(229,662)	1,195,422	(119.21)
Total Comprehensive Income for the Period	1,007,106	3,097,666	(67.49)	870,278	1,941,750	(55.18)	1,058,846	3,060,176	(65.40)	924,322	1,879,978	(50.83)
Total Comprehensive Attributable to: Equity Holders of the Bank Non-Controlling Interest	1,007,106	3,097,666	(67.49)	870,278	1,941,750	(55.18)	1,006,665 52,181	3,037,388 22,788	(66.86) 128.98	908,383 15,939	1,864,351 15,627	(51.28) 2.00
Total Comprehensive Income for the Period	1,007,106	3,097,666	(67.49)	870,278	1,941,750	(55.18)	1,058,846	3,060,176	(65.40)	924,322	1,879,978	(50.83)

#### STATEMENT OF FINANCIAL POSITION (Amounts in Rupees Thousands) (In terms of Rule 7.4 of the Colombo Stock Exchange) Bank Group As at 31.12.2020 As at 30.06.2021 As at 31.12.2020 Growth % Growth % As at 30.06.2021 (Audited) (Audited) (Audited) Assets 24,756,508 24,756,548 10,036,184 146.67 10,036,144 146.67 Cash and Cash Equivalents 7,471,988 Balances with Central Bank of Sri Lanka 7,371,203 7,471,988 7,371,203 1.37 1.37 Placements with Banks and Finance Companies 5,384,487 10,730,528 (49.82) 5,384,487 10,730,528 (49.82) Derivative Financial Instruments 403,984 (62.16) 152,860 (62.16) 152,860 403,984 Financial Assets recognized through Profit or Loss - Measured at Fair Value 9,299,378 4,545,853 104.57 9,301,261 4,553,778 104.25 - Designated at Fair Value

**SEYLAN BANK PLC - DEBENTURES** 

	Period	Period
	01-April-21 to 30-June-21	01-April-20 to 30-June-20
Debt (Debentures)/Equity Ratio (Times)	0.46	0.41
Debt (Debentures plus Long term Debt)/Equity Ratio (Times)	0.46	0.60
Interest Cover (Times)	3.36	2.90
Quick Asset Ratio (Times)	0.78	0.74
2014 Issue Market Prices during April to June (Ex Interest) 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)		:
<b>Interest Yield as at Date of Last Trade</b> 6 Year Fixed Semi Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	:	:
<b>Yield to Maturity of Trade Done on</b> 6 Year Fixed Semi Annual - 8.60% p.a. 6 Year Fixed Annual - 8.75% p.a.	:	:
Interest Rate of Comparable Government Security - 6 Years	-	5.24%
2016 Issue Market Prices during April to June (Ex Interest) 5 Year Fixed Semi Annual - 13.00% p.a 5 Year Fixed Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a - Highest Price	* * 100.00	:
- Lowest Price - Last Traded Price (10/06/2021)/* Interest Yield as at Date of Last Trade	100.00 100.00	*
5 Year Fixed Semi Annual - 13.00% p.a 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a (10/06/2021)/ *	* 14.22%	• • •
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 13.00% p.a 5 Year Floating Semi Annual - six months treasury bill rate + 1.5% 7 Year Fixed Semi Annual - 13.75% p.a (10/06/2021)/ *	* 13.73%	* *
Interest Rate of Comparable Government Security - 5 Years - 7 Years	5.21% 5.99%	5.31% 6.09%
2018 Issue Market Prices during April to June (Ex Interest) 5 Year Fixed Semi Annual - 12.85% p.a 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a	*	•
- Highest Price - Lowest Price - Last Traded Price */(28/05/2020)	* *	107.97 107.97 107.97
Interest Yield as at Date of Last Trade 5 Year Fixed Semi Annual - 12.85% p.a 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a */ (28/05/2020)	* *	* * 12.93%
Yield to Maturity of Trade Done on 5 Year Fixed Semi Annual - 12.85% p.a 7 Year Fixed Semi Annual - 13.20% p.a. 10 Year Fixed Semi Annual - 13.50% p.a */ (28/05/2020)	* * *	* * 11.90%
Interest Rate of Comparable Government Security - 5 Years - 7 Years - 10 Years	6.10% 7.18% 7.97%	6.14% 6.76% 7.14%
2019 Issue Market Prices during April to June (Ex Interest) 5 Year Fixed Annual - 15.00% p.a		
- Highest Price - Lowest Price - Last Traded Price (23/04/2021)/ (08/06/2020)	105.00 105.00 105.00	107.96 99.93 107.96
5 Year Fixed Semi Annual - 14.50% p.a. - Highest Price - Lowest Price - Last Traded Price */(26/05/2020)	* *	99.99 99.99 99.99
Interest Yield as at Date of Last Trade 5 Year Fixed Annual - 15.00% p.a (23/04/2021)/(08/06/2020) 5 Year Fixed Semi Annual - 14.50% p.a. */(26/05/2020)	14.29%	13.89% 15.03%
<b>Yield to Maturity of Trade Done on</b> 5 Year Fixed Annual - 15.00% p.a (23/04/2021)/(08/06/2020) 5 Year Fixed Semi Annual - 14.50% p.a. */(26/05/2020)	12.87%	12.25% 14.49%
Interest Rate of Comparable Government Security - 5 Years	6.54%	6.44%
2021 Issue (Debenture alloted on 12 April 2021) Market Prices during April to June (Ex Interest) 5 Year Fixed Annual - 9.75% p.a. 5 Year Fixed Quarterly - 9.25% p.a.	*	
Interest Yield as at Date of Last Trade 5 Year Fixed Annual - 9.75% p.a 5 Year Fixed Quarterly - 9.25% p.a.	*	
<b>Yield to Maturity of Trade Done on</b> 5 Year Fixed Annual - 9.75% p.a 5 Year Fixed Quarterly - 9.25% p.a.	:	
Interest Rate of Comparable Government Security - 5 Years	7.36%	
* No trading during the period.		

- Designated at Fair Value	-		-		-	-
Financial Assets at Amortized Cost						
- Loans and Advances	411,633,521	393,766,147	4.54	411,633,521	393,766,147	4.54
- Debt and Other Instruments	52,123,092	53,692,471	(2.92)	52,145,928	53,692,471	(2.88)
Financial Assets measured at Fair Value through Other Comprehensive Income	46,204,210	59,024,231	(21.72)	46,260,600	59,081,506	(21.70)
Investment in Subsidiary	1,153,602	1,153,602	-	-	-	-
Group Balances Receivable	40,000	40,000				_
-			(0.47)	- C 405 100	0 770 711	(4.00)
Property, Plant & Equipment	3,702,199	4,031,453	(8.17)	6,435,162	6,772,711	(4.98)
Right-of-use Assets	4,395,801	4,450,659	(1.23)	2,182,503	2,220,501	(1.71)
Investment Properties	-	· · ·	-	854,755	856,604	(0.22)
Intangible Assets	585,563	620,530	(5.64)	585,563	620,530	(5.64)
Other Assets	8,461,120	7,840,615	7.91	8,513,445	7,899,785	7.77
Total Assets	575,364,329	557,707,420	3.17	575,678,621	558,005,932	3.17
liakilitia						
<b>.iabilities</b> Due to Banks	24,828,370	32,679,687	(24.03)	24,828,370	32,679,687	(24.03)
Derivative Financial Instruments	223,858	39,981	459.91	223,858	39,981	459.91
Financial Liabilities at Amortized Cost						
- Due to Depositors	455,097,957	440,303,126	3.36	455,097,957	440,303,126	3.36
- Due to Debt Securities Holders	3,004,829	2,575,873	16.65	3,004,829	2,575,873	16.65
- Due to Other Borrowers	9,753	14,123	(30.94)	9,753	14,123	(30.94)
Group Balances Payable	205,369	261,462	(21.45)	_	· -	-
Debt Securities Issued	22,896,874	17,058,558	34.23	22,896,874	17,058,558	34.23
Current Tax Liabilities	1,831,040	869,896	110.49	1,812,614	846,582	114.11
Deferred Tax Liabilities	784,524	1,469,778	(46.62)	1,063,672	1,789,866	(40.57)
Lease Liabilities	4,458,625	4,446,175	0.28	1,614,902	1,582,937	2.02
Other Liabilities	12,049,049	9,021,786	33.56	12,063,245	9,059,600	33.15
īotal Liabilities	525,390,248	508,740,445	3.27	522,616,074	505,950,333	3.29
	525,390,240	500,740,445	3.27	522,010,074	505,950,355	3.29
Equity						
Stated Capital	18,323,881	17,548,347	4.42	18,323,881	17,548,347	4.42
Statutory Reserve Fund	2,103,522	2,103,522	-	2,103,522	2,103,522	-
Fair Value through Other Comprehensive Income Reserve	1,172,099	2,285,332	(48.71)	1,143,264	2,257,027	(49.35)
Retained Earnings	26,447,382	24,683,224	7.15	27,146,183	25,381,609	6.95
Other Reserves	1,927,197	2,346,550	(17.87)	3,059,965	3,479,318	(12.05)
Total Shareholders' Equity	49,974,081	48,966,975	2.06	51,776,815	50,769,823	1.98
Non-controlling Interest			-	1,285,732	1,285,776	-
Total Equity	49,974,081	48,966,975	2.06	53,062,547	52,055,599	1.93
Fotal Equity & Liabilities	575,364,329	557,707,420	3.17	575,678,621	558,005,932	3.17
	010,004,023	001,101,420	0.17	010,010,021	000,000,002	
Contingent Liabilities and Commitments	206,361,531	195,154,154	5.74	206,374,880	195,173,315	5.74
Nemorandum Information						
Number of Employees	3,220	3,251	(0.95)	3,240	3,271	(0.95)
Number of Banking Centres	171	172	(0.58)	171	172	(0.58)
	1/1	112	(0.00)	1/1	112	(0.00)
let Assets Value per Ordinary Share (Rs.)	93.55	94.71	(1.22)	96.93	98.20	(1.29
Certification;						
certify that the above Financial Statements are in compliance with the requirem	ents of the Companies Ac	t No. 07 of 2007.				
Sad ) Champika Dodanwola (Me.)						
( <b>Sgd.) Champika Dodanwela (Ms.)</b> Chief Financial Officer						
We the undersigned, being the Chairman, Director/ Chief Executive Officer of Sey	/lan Bank PLC certify join'	tly that,				
a) the above statements have been prepared in compliance with the format and	definitions prescribed by	the Central Bank of Sr	i Lanka: and			
<ul> <li>the information contained in these statements have been extracted from the i</li> </ul>				hatibue ae ha		
יו איז	m-auuneu midnoidi Stâte	inging of the Dalik & G	roup uniess mulcal	משמטוודט		
(Sgd.) W. M. R. S. Dias		ine¥( hn2)	la Ariyaratne			
ogal, m.m. fi. o. bluo		(ogu.) Kapi	ia miyaratire			

## SELECTED PERFORMANCE INDICATORS

Item	BA	NK	GROUP			
	30.06.2021	31.12.2020	30.06.2021	31.12.2020		
Regulatory Capital (LKR Mn.) Common Equity Tier I Total (Tier I) Capital Total Capital Base	45,126 45,126 60,676	45,810 45,810 57,123	46,127 46,127 61,548	46,812 46,812 57,995		
Regulatory Capital Ratios (%) Common Equity Tier I Capital Ratio (Minimum Requirement - 7.00%)	10.29	11.46	10.51	11.70		
Total Tier I Capital Ratio	10.29	11.46	10.51	11.70		
(Minimum Requirement - 8.50%) Total Capital Ratio (Minimum Requirement - 12.50%)	13.84	14.30	14.02	14.49		
Regulatory Liquidity Statutory Liquid Assets (LKR Mn.) Domestic Banking Unit (LKR Mn.) Offshore Banking Unit (USD '000)	144,329 140,371 32,885	149,066 144,504 33,828				
Statutory Liquid Assets Ratio (%) (Minimum Requirement 20 %) Domestic Banking Unit Offshore Banking Unit	29.08 22.61	31.31 22.47				
Total Stock of High-Quality Liquid Assets (LKR Mn.)	94,757	100,209				
Liquidity Coverage Ratio % Rupee - (Minimum Requirement - 90%) All Currency - (Minimum Requirement - 90%)	170.77 134.28	176.95 142.75				
Net Stable Funding Ratio (%) (Minimum Requirement - 90%)	107.01	110.38				
Assets Quality (Quality of Loan Portfolio) Gross Non-Performing Advances Ratio (%)	6.51	6.43				
(Net of Interest in Suspense) Net Non-Performing Advances Ratio (%) (Net of Interest in Suspense and Provision)	3.28	3.70				
Profitability Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	4.12 1.03 8.53	3.95 0.77 6.43				

(Sgd.) W. M. R. S. Dias Chairman August 10, 2021 Colombo

(Sgd.) Kapila Ariyaratne Director/Chief Executive Officer

## Head Office: Seylan Tower, No. 90, Galle Road, Colombo 3. Tel: 011 245 6789 Fax: 011 245 6456 E-mail: info@seylan.lk Web: www.seylan.lk

# **SEYLAN BANK PLC** FINANCIAL STATEMENTS Six months ended 30th June, 2021



## SEGMENT REPORTING - GROUP

SEGMENT REPORTING - GROU	I۲						(4	Amounts in I	Rupees Tho	usands)
	BANK	(ING	TREAS	SURY	PROPERTY/IN	VESTMENTS	UNALLOCATED	/ELIMINATIONS	TOT	AL
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Interest Income	18,409,756	21,183,744	4,740,084	5,914,328	14,222	15,174	(343,990)	(578,218)	22,820,072	26,535,028
Interest Expense	11,032,464	14,761,801	737,068	2,352,102	-	19	(76,590)	(78,219)	11,692,942	17,035,703
Net Interest Income	7,377,292	6,421,943	4,003,016	3,562,226	14,222	15,155	(267,400)	(499,999)	11,127,130	9,499,325
Fee and Commission Income	2,237,558	1,712,702	2,570	2,878	-	-	11,072	11,200	2,251,200	1,726,780
Fee and Commission Expense	59,008	89,566	12,842	11,138	-	376	-		71,850	101,080
Net Fee and Commission Income	2,178,550	1,623,136	(10,272)	(8,260)	-	(376)	11,072	11,200	2,179,350	1,625,700
Net Gains/(Losses) from Trading	-		(451,678)	213,880	1,548	(1,110)	-		(450,130)	212,770
Net Gains from Derecognition of Financial Assets	-		443,997	370,638	-	-	-		443,997	370,638
Net Other Operating Income	83,084	(16,788)	1,449,590	565,351	177,535	163,942	(257,452)	(147,756)	1,452,757	564,749
Inter Segment Revenue	(36,988)	(37,885)			-	-	36,988	37,885		
Total Operating Income	9,601,938	7,990,406	5,434,653	4,703,835	193,305	177,611	(476,792)	(598,670)	14,753,104	12,273,182
Depreciation and Amortisation Expenses	452,482	467,143	2,868	2,631	537	360	294,616	270,294	750,503	740,428
Impairment Charge for the Period	4,075,867	2,511,899	(67,290)	148,438	-	-	-		4,008,577	2,660,337
Operating Expenses & VAT on Financial Services	5,016,241	4,699,478	916,452	862,747	37,705	44,639	1,094,395	923,658	7,064,793	6,530,522
Reportable Segment Profit before Income Tax	57,348	311,886	4,582,623	3,690,019	155,063	132,612	(1,865,803)	(1,792,622)	2,929,231	2,341,895
Income Tax Expense									771,483	731,394
Profit For The Period									2,157,748	1,610,501
Profit Attributable To:										
Equity Holders of The Bank									2,105,346	1,588,693
Non-controlling Interests									52,402	21,808
Profit For The Period									2,157,748	1,610,501
Other Comprehensive Income, Net of Income Tax									(1,098,902)	1,449,675
Other Information										
Total Assets	408,273,348	373,563,632	141,078,428	124,186,881	5,898,388	5,922,977	20,428,457	22,574,013	575,678,621	526,247,503
Total Liabilities & Equity	463,148,913	423,982,589	77,654,691	78,817,494	5,898,388	5,922,977	28,976,629	17,524,443	575,678,621	526,247,503
Cash Flows from Operating Activities	(6,321,036)	15,949,466	4,518,201	3,841,088	136,524	111,350	(1,571,653)	(1,646,345)	(3,228,964)	18,255,559
Cash Flows from Investing Activities	(76,902)	(63,868)	8,112,857	(5,794,636)	45,320	4,905	(251,153)	(93,682)	7,830,122	(5,947,281
Cash Flows from Financing Activities	(393,120)	(343,921)	4,603,074	(1,507,221)	-	-	150,793	142,305	4,360,747	(1,708,837)
Capital Expenditure	(76,941)	(188,737)	(2,131)		(30,524)	(21,963)	(57,037)	(64,639)	(166,633)	(275,339)

STATEMENT OF CHANGES IN EQUITY - B	ANK					(Amounts i	n Rupees Th	ousands
	State	d Capital	Statutory	Retained		Other Reserves		]
For the Six Months ended 30th June	Ordinary	Ordinary	Reserve Fund	Earnings	Revaluation	FVOCI	Other	To
	Shares	Shares	*		Reserve	Reserve	Reserves	
	-Voting	-Non-Voting				**		
Balance as at 01st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	1,651,315	-	-	-	1,651,
Other Comprehensive Income (Net of Tax)								
- Net Gains/(Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	1,933,734	-	1,933
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(490,165)	-	(49)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	2,782	
Total Comprehensive Income for the Period	-		-	1,651,315	-	1,443,569	2,782	3,09
Cash/Scrip Dividends to Equity Holders iransferred from Investment Fund Reserve let Gain on Disposal of Equity Investments measured	251,477	252,146	-	(1,007,247) 279,367	-	-	- (279,367)	(50
at Fair Value through Other Comprehensive Income	-	-		(308)		308 308	-	(50
Total Transactions with Equity Holders	251,477	252,146	-	(728,188)		308	(279,367)	(50
3alance as at 30th June 2020 (1 + 2 + 3)	11,136,187	6,412,160	1,952,957	23,746,366	858,312	1,429,658	1,685,676	47,22
Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,96
Total Comprehensive Income for the Period								
Profit for the Period	-	-	-	2,105,257	-	-	-	2,10
Other Comprehensive Income (net of tax)								
- Net Gains / (Losses) on Investments in Debt Instruments measured at Fair Value								
through Other Comprehensive Income	-	-	-	-	-	(734,404)	-	(73
- Change in Fair Value on Investments in Equity Instruments measured at Fair								
Value through Other Comprehensive Income	-	-	-	-	-	(378,829)	-	(37
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	15,082	1
Total Comprehensive Income for the Period	-	-	-	2,105,257	-	(1,113,233)	15,082	1,00
Transactions with Equity Holders, Recognized Directly In Equity								
Transactions with Equity Holders, Recognized Directly In Equity Scrip Dividends to Equity Holders	385,075	390,459	-	(775,534)			-	

## 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 of the consolidated Financial Statements of the Company and its subsidiary Seylan Developments PLC (70.51%)

#### Covid 19 Impact

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

### 2. Information on Ordinary Shares

Market Price (Rs.)	30/06	6/2021	30/06/2020		
	Voting	Non-Voting	Voting	Non-Voting	
Market Price Per Share	49.20	38.50	47.50	30.40	
Highest price per share during the quarter ended	51.50	44.50	50.00	32.90	
Lowest price per share during the quarter ended	47.00	37.20	25.00	19.30	

Stated Capital as at June 30, 2021	No of Shares	Stated Capita Rs. '00
Ordinary Voting	264,267,493	11,521,26
Ordinary Non-Voting	269.923.190	6,802,61
Total	534,190,683	18,323,88

3.1	wenty Largest orunnary voting snarenoiders as at June 30, 20		NU. UI SIIdles	/0
1	Sri Lanka Insurance Corporation Ltd		39,640,115	15.00
	[includes General Fund and Life Fund]			
2	Brown & Company PLC A/C No. 01		27,687,279	10.48
3	Employees Provident Fund		26,050,200	9.86
4	Mr. K.D.D. Perera		25,086,126	9.49
5	Sampath Bank PLC/LOLC Investments Ltd.		24,726,404	9.36
6	National Development Bank PLC		23,056,970	8.72
7	Bank of Ceylon No. 1 Account		14,865,044	5.62
8	Seylan Bank PLC A/C No. 04 - Employees' Gratuity Trust Fund		13,708,884	5.19
9	People's Leasing & Finance PLC/Don and Don Holdings (Pvt) Lt	d.	9,659,816	3.66
10	Sampath Bank PLC/Brown and Company PLC		8,979,659	3.40
11	Employees' Trust Fund Board		5,619,482	2.13
12	NDB Capital Holdings Limited A/C No. 02		2,676,690	1.01
13	Sisil Investment Holdings (Pvt) Ltd.		2,499,201	0.95
14	Asiri Hospitals Holdings PLC		2,000,000	0.76
15	Mr. M.J. Fernando		1,334,457	0.50
16	Mr. R.R. Leon		1,250,555	0.47
17	Mr. K.R.B. Fernando		1,143,462	0.43
18	AIA Insurance Lanka Ltd. A/C No. 07		866,628	0.33
19	Seyshop (Pvt) Ltd.		707,834	0.27
20	Esots (Pvt) Ltd.		695,689	0.26
3.2	wenty Largest Ordinary Non-Voting Shareholders as at June 30	J, 2021	No. of Shares	%
1	LOLC Holdings PLC		135,480,883	50.19
2	Employees' Provident Fund		14,397,596	5.33
3	Sri Lanka Insurance Corporation Ltd Life Fund		9,040,537	3.35
4	Akbar Brothers Pvt Ltd A/C No. 01		5,797,003	2.15
5	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund		3,933,895	1.46
6	Pershing LLC S/A Averbach Grauson & Co.		3,812,293	1.41
7	People's Leasing & Finance PLC/Mrs. P. Thavarajah		3,671,929	1.36
8	Employees' Trust Fund Board		3,222,060	1.19
9	Merrill J. Fernando & Sons (Pvt) Limited		2,998,293	1.11
10	People's Leasing & Finance PLC/Don and Don Holdings (Pvt) Lt	d.	2,833,545	1.05
11	Mr. R.R. Leon		2,476,199	0.92
12	LOLC Technology Services Limited		2,357,043	0.87
13	Mr. N.Balasingam		2,111,712	0.78
14	Sri Lanka Insurance Corporation Ltd General Fund		1,906,234	0.71
15	GF Capital Global Ltd.		1,614,805	0.60
16	Mr. M.J. Fernando		1,477,783	0.55
17	Mr. R. Gautam		1,458,758	0.54
18	First Capital Limited		1,370,122	0.51
19	Dr. S. Yaddehige		1,269,598	0.47
20	Ms. S. Durga		1,254,485	0.46
3.3	Public Holdings as at June 30, 2021			
	The Bank is compliant under Option 3 of the Section 7.13.1(Min	imum Public Holding requirement) of the Rules of the Colombo Stock Ex	change.	
	Float adjusted market capitalization	- Rs. 7.132 Bn		
	Public Holding Percentage	- 54.85 %		

3 Total Transactions with Equity Holders	385,075	390,459	-	(341,099)	-	-	(434,435)	-
Balance as at 30th June 2021 (1 + 2 + 3)	11,521,262	6,802,619	2,103,522	26,447,382	858,312	1,172,099	1,068,885	49,974,081

\* 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.

	Stated	Capital	Statutory	Retained	0	ther Reserves				
or the Six Months ended 30th June	Ordinary	Ordinary	Reserve		Revaluation	FVOCI	Other	Total	Non-	Tot
	Shares	Shares	Fund		Reserve	Reserve	Reserves		Controlling	Equ
	-Voting	-Non-Voting	*			**			Interest	
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	47,644,0
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	1,588,693	-	-	-	1,588,693	21,808	1,610,5
Other Comprehensive Income (Net of Tax)										
- Net Gains/(Losses) on Investments in Debt Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,936,078	-	1,936,078	980	1,937,0
- Change in Fair Value on Investments in Equity Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(490,165)	-	(490,165)	-	(490,
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	2,782	2,782	-	2,7
Total Comprehensive Income for the Period	-	-	-	1,588,693	-	1,445,913	2,782	3,037,388	22,788	3,060,
Transactions with Equity Holders, Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)	(47,998)	(551,
Transferred from Investment Fund Reserve	-		-	279,367	-	-	(279,367)	(000,021)	- (11,000)	(001)
Net Gain on Disposal of Equity Investments measured at				210,001			(210,001)			
Fair Value through Other Comprehensive Income				(308)	_	308	_			
Total Transactions with Equity Holders	251,477	252,146	-	(728,188)		308	(279,367)	(503,624)	(47,998)	(551,
	201,477	202,140		(120,100)		000	(213,001)	(000,024)	(47,550)	(001,
Balance as at 30th June 2020 (1 + 2 + 3)	11,136,187	6,412,160	1,952,957	24,354,689	1,714,728	1,401,620	1,940,889	48,913,230	1,239,378	50,152,
Balance as at 01st January 2021	11,136,187	6,412,160	2,103,522	25,381,609	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	2,105,346	-	-	-	2,105,346	52,402	2,157,
Other Comprehensive Income (Net of Tax)										
- Net Gains/(Losses) on Investments in Debt Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(734,934)	-	(734,934)	(221)	(735,
- Change in Fair Value on Investments in Equity Instruments										
measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(378,829)	-	(378,829)	-	(378,8
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	15,082	15,082	-	15,
Total Comprehensive Income for the Period	-	-	-	2,105,346	-	(1,113,763)	15,082	1,006,665	52,181	1,058,
Transactions with Equity Holders, Recognized Directly In Equity										
Cash/Scrip Dividends to Equity Holders	385,075	390,459		(775,534)	-		-		(52,362)	(52,
Transferred from Investment Fund Reserve				434,435	-		(434,435)		(02,002)	(02)
Other Adjustments	-	-	-	327	-	-	-	327	137	
Total Transactions with Equity Holders	385,075	390,459	-	(340,772)	-	-	(434,435)	327	(52,225)	(51,
Balance as at 30th June 2021 (1 + 2 + 3)	11,521,262	6,802,619		27,146,183	1,735,867			51,776,815	1,285,732	

	(Ordinary Voting)	(Ordinary Non- voting)	
Mr. W.M.R.S. Dias, Non-Executive Director/Chairman	Nil	Nil	
Mr. W.D.K. Jayawardena, Non-Executive Director/Deputy Chairman	Nil	Nil	
Ms. M.C. Pietersz, Independent Director/Senior Director	Nil	Nil	
Mr. K.P. Ariyaratne, Director/Chief Executive Officer	66,399	222,061	
Mr. P.L.S.K. Perera, Independent Director	Nil	Nil	
Mr. S.V. Corea, Non-Executive Director	101	Nil	
Mr. A.S. Wijesinha, Independent Director	Nil	Nil	
Ms. S.K. Salgado, Independent Director	Nil	Nil	
Mr. D.M.D.K. Thilakaratne, Non-Executive Director	Nil	Nil	
Mr. D.R. Abeysuriya, Independent Director	Nil	Nil	
Ms. V.G.S.S. Kotakadeniya, Alternate Director to Non-Executive Director, Mr. W.D.K. Jayawardena	Nil	Nil	

No. of Shares No. of Shares

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

 $4. \quad \ \ \text{Directors' and Chief Executive Officer's Shareholdings as at June 30, 2021 }$ 

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

#### 6. Events after the Reporting Date

Name of Director

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

#### 7. Other Matters

#### i. Debenture Issue 2021

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

### Debenture Issue Proceeds Utilization as at 30.06.2021

Objective Number	Objective as per Prospectus	Proposed date of utilization as per prospectus	Amount allocated proceeds in LKR(A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Details if not fully utilized
1	To strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements	With effect from the Date of Allotment *	0.0-0	400	0.0-	100	NA
2	To meet the current credit demand (loans and advances) of the Bank	Within twelve months from the date of allotment or 31st December 2021 whichever is earlier	6 Bn	100	6 Bn	100	N/A

#### \*Incorporated for the Capital Adequacy as of 30.06.2021

#### ii. Gratuity

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

#### iii. Corporate Income Tax rate

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

#### iv. Expected Credit Loss Computation

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

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

#### 8. Comparative Figures

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

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

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

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