



Senkadagala Finance PLC

**Interim Financial Statements for the period ended
30 June 2023**



**Fitch Ratings Lanka Limited:
BBB+ (lka)**

Senkadagala Finance PLC

Statement of profit or loss

For the three month period ended 30 June	Company			Group		
	2023 Rs.	2022 Rs.	Change %	2023 Rs.	2022 Rs.	Change %
Gross income	1,770,868,786	1,560,793,865	13	1,825,247,348	1,585,719,810	15
Interest income	1,698,721,688	1,516,087,119	12	1,701,589,586	1,517,991,149	12
Interest expense	(1,035,708,722)	(709,097,642)	46	(1,035,165,410)	(708,823,109)	46
Net interest income	663,012,966	806,989,477	(18)	666,424,176	809,168,040	(18)
Fee and commission income	12,321,390	5,338,619	131	61,042,041	46,645,363	31
Fee and commission expense	(15,196,015)	(4,324,009)	251	(15,196,015)	(4,324,009)	251
Net fee and commission income	(2,874,625)	1,014,610	(383)	45,846,026	42,321,354	8
Net gain from trading	10,505,532	-	100	10,742,137	5,285,882	103
Net gain / (loss) from financial instruments designated at fair value through profit or loss	38,848,752	(22,851,223)	270	41,484,211	(28,568,708)	245
Other operating income	10,471,424	62,219,350	(83)	10,389,373	44,366,124	(77)
Net other operating income	59,825,708	39,368,127	52	62,615,721	21,083,298	197
Total operating income	719,964,049	847,372,214	(15)	774,885,923	872,572,692	(11)
Impairment charges and other credit losses	(106,793,607)	(249,321,842)	(57)	(106,793,607)	(249,321,842)	(57)
Net operating income	613,170,442	598,050,372	3	668,092,316	623,250,850	7
Personnel expenses	(233,508,365)	(206,052,110)	13	(244,160,332)	(216,689,641)	13
Depreciation expenses	(81,688,651)	(94,802,576)	(14)	(83,682,640)	(96,974,168)	(14)
Amortization expenses	(2,589,361)	(3,662,519)	(29)	(2,608,684)	(3,681,842)	(29)
Other operating expenses	(220,228,083)	(181,682,700)	21	(225,158,322)	(184,564,085)	22
Operating profit before taxation on financial services	75,155,982	111,850,467	(33)	112,482,338	121,341,114	(7)
Taxes on financial services	(37,648,773)	(72,495,622)	(48)	(37,648,773)	(72,495,622)	(48)
Operating profit after taxation on financial services	37,507,209	39,354,845	(5)	74,833,565	48,845,492	53
Share of profits of associate, net of tax	1,935,117	-	100	1,935,117	-	100
Profit before income tax	39,442,326	39,354,845	0	76,768,682	48,845,492	57
Income tax expense	(8,123,556)	5,429,097	(250)	(17,011,671)	(740,495)	2,197
Profit for the period	31,318,770	44,783,942	(30)	59,757,011	48,104,997	24
Basic/Diluted earnings per share	0.36	0.51	(28)	0.69	0.55	27

Figures in brackets in 2023 and 2022 columns indicate deductions.
The above figures are provisional and subject to audit.

Statement of other comprehensive income

<i>For the three month period ended 30 June</i>	Company			Group		
	2023 Rs.	2022 Rs.	Change %	2023 Rs.	2022 Rs.	Change %
Profit for the period	31,318,770	44,783,942	(30)	59,757,011	48,104,997	24
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gain on defined benefit plans	-	-	-	-	-	-
Deferred tax effect on actuarial gain	-	-	-	-	-	-
Changes in fair value of investments in equity at fair value through other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	31,318,770	44,783,942	(30)	59,757,011	48,104,997	24

*Figures in brackets in 2023 and 2022 columns indicate deductions.
The above figures are provisional and subject to audit.*


Statement of financial position

As at	Company			Group		
	30.06.2023 Rs.	31.03.2023 Rs. Audited	30.06.2022 Rs.	30.06.2023 Rs.	31.03.2023 Rs. Audited	30.06.2022 Rs.
Assets						
Cash and cash equivalents	680,926,199	492,429,493	433,047,591	707,294,351	515,465,068	458,910,522
Deposits with licensed financial institutions	4,010,134,477	5,113,380,978	7,879,016,979	4,018,284,395	5,121,558,512	7,887,181,724
Repurchase agreements	272,588,367	666,610,501	1,442,491,369	272,588,367	666,610,501	1,442,491,369
Financial assets held at fair value through profit or loss	1,234,848,121	485,751,196	524,758,588	1,320,994,310	556,025,320	549,310,892
Financial assets at amortised cost - Finance leases and hire purchases	19,787,365,369	19,695,389,245	21,936,365,986	19,787,365,369	19,695,389,245	21,936,365,986
Financial assets at amortised cost - Other loans and receivables	3,431,870,972	4,558,292,534	4,320,674,029	3,432,067,672	4,558,593,534	4,320,845,529
Financial assets measured at fair value through other comprehensive income	360,242,379	360,242,379	14,762,768	360,242,379	360,242,379	14,762,768
Financial assets at amortised cost - Other financial instruments	2,373,289,960	1,674,913,303	1,121,635,133	2,373,289,960	1,674,913,303	1,121,635,133
Investments in subsidiaries	328,301,663	328,301,663	328,301,663	-	-	-
Investment in associate	118,675,254	116,740,137	-	118,675,254	116,740,137	-
Investment property	351,666,935	352,724,122	355,895,684	256,005,423	257,062,610	260,234,172
Property, plant and equipment	1,049,390,343	1,100,527,672	1,274,377,649	1,056,562,256	1,108,074,539	1,283,070,621
Intangible assets	56,539,120	58,328,337	60,509,614	56,990,688	58,799,228	61,038,473
Right-of-use assets	341,635,861	346,392,989	367,274,682	346,492,972	352,869,137	378,607,940
Deferred tax assets	109,259,525	109,259,525	-	110,019,703	109,990,943	-
Other assets	258,594,587	197,954,691	89,960,525	264,565,224	171,620,428	77,128,796
Total assets	34,765,329,132	35,657,238,765	40,149,072,260	34,481,438,323	35,323,954,884	39,791,583,925
Liabilities						
Due to banks	6,009,132,804	6,866,156,797	8,170,288,636	6,009,132,804	6,866,404,668	8,170,288,636
Financial liabilities at amortised cost - Due to depositors	11,206,610,682	10,263,254,075	10,461,820,289	11,141,221,490	10,176,610,569	10,384,721,260
Financial liabilities at amortised cost - Other borrowings	6,338,889,273	7,597,711,767	10,804,749,082	6,338,889,273	7,597,711,767	10,804,749,082
Subordinated debentures	1,824,902,960	1,768,800,757	1,824,641,351	1,824,902,960	1,768,800,757	1,824,641,351
Lease liabilities	351,885,154	354,424,986	370,047,489	358,376,644	362,960,317	383,426,091
Deferred tax liabilities	-	-	100,776,787	-	-	99,627,881
Current tax payable	110,038,123	137,312,045	81,823,287	118,886,991	143,525,569	85,587,874
Amounts due to related company	282,122,456	282,122,456	282,122,456	-	-	-
Employee retirement benefits	119,458,168	118,815,083	117,316,374	122,888,102	121,745,571	122,400,680
Other liabilities	515,435,714	293,105,771	244,930,987	526,570,106	305,382,724	249,574,094
Total liabilities	26,758,475,334	27,681,703,737	32,458,516,738	26,440,868,370	27,343,141,942	32,125,016,949
Equity						
Stated capital	2,424,777,045	2,424,777,045	2,424,777,045	2,424,777,045	2,424,777,045	2,424,777,045
Statutory reserve fund	531,036,033	531,036,033	506,036,033	535,997,079	535,997,079	510,997,079
Fair value reserve	4,538,373	4,538,373	4,058,762	4,538,373	4,538,373	4,058,762
Retained earnings	5,046,502,347	5,015,183,577	4,755,683,682	5,075,257,456	5,015,500,445	4,726,734,090
Total equity	8,006,853,798	7,975,535,028	7,690,555,522	8,040,569,953	7,980,812,942	7,666,566,976
Total liabilities and equity	34,765,329,132	35,657,238,765	40,149,072,260	34,481,438,323	35,323,954,884	39,791,583,925
Net assets per share	92.80	92.44	89.14	93.19	92.50	88.86

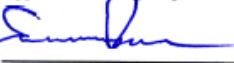
Figures in brackets indicate deductions.

The above figures are provisional and subject to audit, unless stated otherwise.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and the Finance Business Act No.42 of 2011.


P K Rajapaksa
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board.


S D Bandaranayake
Additional Chief Executive Officer


L Balasuriya
Chief Executive Officer/Managing Director

Colombo, Sri Lanka
11 August 2023

Statement of changes in equity

	Stated capital	Statutory reserve fund	Fair value reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Company					
Balance as at 1 April 2022	2,424,777,045	506,036,033	4,058,762	4,710,899,740	7,645,771,580
Total comprehensive income for the period					
Profit for the period	-	-	-	44,783,942	44,783,942
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	44,783,942	44,783,942
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
Balance as at 30 June 2022	<u>2,424,777,045</u>	<u>506,036,033</u>	<u>4,058,762</u>	<u>4,755,683,682</u>	<u>7,690,555,522</u>
Balance as at 1 April 2023	2,424,777,045	531,036,033	4,538,373	5,015,183,577	7,975,535,028
Total comprehensive income for the period					
Profit for the period	-	-	-	31,318,770	31,318,770
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	31,318,770	31,318,770
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
Balance as at 30 June 2023	<u>2,424,777,045</u>	<u>531,036,033</u>	<u>4,538,373</u>	<u>5,046,502,347</u>	<u>8,006,853,798</u>
Group					
Balance as at 1 April 2022	2,424,777,045	510,997,079	4,058,762	4,678,629,093	7,618,461,979
Total comprehensive income for the period					
Profit for the period	-	-	-	48,104,997	48,104,997
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	48,104,997	48,104,997
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
Balance as at 30 June 2022	<u>2,424,777,045</u>	<u>510,997,079</u>	<u>4,058,762</u>	<u>4,726,734,090</u>	<u>7,666,566,976</u>
Balance as at 1 April 2023	2,424,777,045	535,997,079	4,538,373	5,015,500,445	7,980,812,942
Total comprehensive income for the period					
Profit for the period	-	-	-	59,757,011	59,757,011
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	59,757,011	59,757,011
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
Balance as at 30 June 2023	<u>2,424,777,045</u>	<u>535,997,079</u>	<u>4,538,373</u>	<u>5,075,257,456</u>	<u>8,040,569,953</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows

For the three month period ended 30 June	Company		Group	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash flows from operating activities				
Interest and commission receipts	1,541,186,222	1,125,116,981	1,592,774,771	1,168,327,755
Interest payments	(979,108,896)	(631,071,265)	(978,341,425)	(630,385,189)
Recoveries of bad debts	12,290,500	5,232,400	12,290,500	5,232,400
Other operating income	10,062,613	11,330,950	9,980,562	11,255,950
Operating expenses	(256,196,068)	(257,200,641)	(261,126,307)	(260,082,026)
Cash payments to employees	(228,339,530)	(196,585,205)	(238,492,051)	(206,742,269)
Operating cash flow before changes in operating assets and liabilities (Note A)	99,894,841	56,823,220	137,086,050	87,606,621
Changes in operating assets and liabilities				
Net funds received from/(advanced to) customers	1,086,237,700	(14,749,508)	1,086,342,000	(14,676,008)
Net deposits from customers	943,356,607	(362,163,091)	964,610,921	(397,617,191)
Net deposits with licensed financial institutions	769,053,021	283,772,529	769,080,637	283,859,938
Government and other securities	(304,354,523)	29,552,556	(304,354,523)	29,552,556
Other assets	(94,639,896)	21,768,119	(92,944,796)	21,482,355
Other liabilities	232,045,247	(356,472,932)	230,952,488	(354,613,955)
	2,631,698,156	(398,292,327)	2,653,686,727	(432,012,305)
Net cash flow from operating activities before taxation	2,731,592,997	(341,469,107)	2,790,772,777	(344,405,684)
Taxes paid	(45,112,782)	(82,420,590)	(51,444,115)	(88,208,083)
Retirement benefit liabilities paid	(4,525,750)	(1,071,100)	(4,525,750)	(1,071,100)
Net cash generated from / (used in) operating activities	2,681,954,465	(424,960,797)	2,734,802,912	(433,684,867)
Cash flows from investing activities				
Net investment in trading securities	(699,742,431)	(259,948,578)	(712,742,430)	(216,948,577)
Dividends received	34,408,811	44,921,406	408,811	1,143,180
Purchase of property, plant and equipment	(1,648,098)	(6,761,447)	(1,648,098)	(6,788,713)
Purchase of intangible assets	(800,144)	(142,000)	(800,144)	(142,000)
Proceeds from sale of property, plant and equipment	-	266,900	-	266,900
Addition of right-of-use assets	(7,112,810)	(2,506,800)	(7,112,810)	(2,506,800)
Net cash used in investing activities	(674,894,672)	(224,170,519)	(721,894,671)	(224,976,010)
Cash flows from financing activities				
Borrowings obtained	500,000,000	2,500,000,000	500,000,000	2,500,000,000
Repayment of borrowings	(2,248,916,231)	(1,900,368,569)	(2,248,916,231)	(1,900,368,569)
Repayment of lease liabilities	(33,051,926)	(31,975,181)	(35,319,926)	(33,943,181)
Net cash used in / (generated from) financing activities	(1,781,968,157)	567,656,250	(1,784,236,157)	565,688,250

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows (Continued)

<i>For the three month period ended 30 June</i>	Company		Group	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Net increase / (decrease) in cash and cash equivalents	225,091,636	(81,475,066)	228,672,084	(92,972,627)
Cash and cash equivalents at the beginning of the period	354,311,064	419,678,324	377,098,768	457,038,816
Cash and cash equivalents at the end of the period	<u>579,402,700</u>	<u>338,203,258</u>	<u>605,770,852</u>	<u>364,066,189</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	680,926,199	433,047,591	707,294,351	458,910,522
Bank overdrafts	(101,523,499)	(94,844,333)	(101,523,499)	(94,844,333)
	<u>579,402,700</u>	<u>338,203,258</u>	<u>605,770,852</u>	<u>364,066,189</u>
<i>Note A</i>				
Reconciliation of operating profit				
Profit before income tax	39,442,326	39,354,845	76,768,682	48,845,492
Depreciation and amortisation	84,278,012	98,465,095	86,291,324	100,656,010
Dividends received	(408,811)	(18,921,406)	(408,811)	(1,143,180)
Profit on disposal of property, plant and equipment	-	(140,398)	-	(140,398)
Provision for defined benefit plan	5,168,835	9,466,905	5,668,281	9,947,372
Impairment charge on financial assets	118,200,585	255,844,129	118,200,585	255,844,129
Net gain from trading	(10,505,532)	-	(10,742,137)	(5,285,882)
Net (gain) / loss from financial instruments designated at FVTPL	(38,848,752)	22,851,223	(41,484,211)	28,568,708
Net (gain) / loss from auction of pawned articles	(224,532)	11,803	(224,532)	11,803
Share of profits of associate, net of tax	(1,935,117)	-	(1,935,117)	-
Unrealised loss / (gain) from foreign currency conversion	17,984,857	(31,826,596)	17,984,857	(31,826,596)
Interest adjustments on lease liabilities	14,535,995	14,388,213	14,760,154	14,799,756
Net adjustment for rentals in arrears and pre paid for lease, hire purchases, other loans and receivables	(169,856,856)	(396,308,757)	(169,856,856)	(396,308,757)
Accrued interest on borrowings	(14,038,372)	7,544,003	(14,038,372)	7,544,003
Accrued interest on debentures	56,102,203	56,094,161	56,102,203	56,094,161
	<u>99,894,841</u>	<u>56,823,220</u>	<u>137,086,050</u>	<u>87,606,621</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Financial instruments – Classification and fair values

Financial instruments classifications and fair values - Company

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30-Jun-23					31-Mar-23						
	Carrying amount Rs.				Fair value Rs.		Carrying amount Rs.				Fair value Rs.	
	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level
Financial assets measured at fair value												
Investments in equity securities - quoted	206,776,966	-	-	206,776,966	206,776,966	Level 1	197,400,984	-	-	197,400,984	197,400,984	Level 1
Investments in equity securities - unquoted	-	360,242,379	-	360,242,379	360,242,379	Level 3	-	-	360,242,379	360,242,379	360,242,379	Level 3
Investments in unit trusts - unquoted	1,028,071,155	-	-	1,028,071,155	1,028,071,155	Level 2	-	288,350,212	-	288,350,212	288,350,212	Level 2
	1,234,848,121	360,242,379	-	1,595,090,500	1,595,090,500		197,400,984	288,350,212	360,242,379	845,993,575	845,993,575	
Financial assets not measured at fair value												
Cash and cash equivalents	-	-	680,926,199	680,926,199	-	-	-	-	492,429,493	492,429,493	-	-
Deposits with licensed financial institutions	-	-	4,010,134,477	4,010,134,477	-	-	-	-	5,113,380,978	5,113,380,978	-	-
Repurchase agreements	-	-	272,588,367	272,588,367	-	-	-	-	666,610,501	666,610,501	-	-
Finance leases and hire purchases	-	-	19,787,365,369	19,787,365,369	-	-	-	-	19,695,389,245	19,695,389,245	-	-
Other loans and receivables	-	-	3,431,870,972	3,431,870,972	-	-	-	-	4,558,292,534	4,558,292,534	-	-
Investment in government treasury bills	-	-	2,366,329,960	2,366,329,960	2,386,320,055	Level 1	-	-	1,667,371,333	1,667,371,333	1,651,704,930	Level 1
Investment in debentures	-	-	6,960,000	6,960,000	6,961,302	Level 3	-	-	7,541,970	7,541,970	8,852,210	Level 3
Other financial assets	-	-	12,424,911	12,424,911	-	-	-	-	44,163,258	44,163,258	-	-
	-	-	30,568,600,255	30,568,600,255	2,393,281,357		-	-	32,245,179,312	32,245,179,312	1,660,557,140	
Financial liabilities not measured at fair value												
Due to banks	-	-	6,009,132,804	6,009,132,804	-	-	-	-	6,866,156,797	6,866,156,797	-	-
Term deposits from customers	-	-	10,457,504,832	10,457,504,832	10,477,317,470	Level 3	-	-	9,643,980,575	9,643,980,575	10,295,529,542	Level 3
Savings deposits from customers	-	-	749,105,850	749,105,850	-	-	-	-	619,273,500	619,273,500	-	-
Borrowings	-	-	6,338,889,273	6,338,889,273	-	-	-	-	7,597,711,767	7,597,711,767	-	-
Subordinated debentures	-	-	1,824,902,960	1,824,902,960	1,708,829,699	Level 3	-	-	1,768,800,757	1,768,800,757	1,594,216,393	Level 3
Lease liabilities	-	-	351,885,154	351,885,154	-	-	-	-	354,424,986	354,424,986	-	-
Amounts due to related company	-	-	282,122,456	282,122,456	-	-	-	-	282,122,456	282,122,456	-	-
Other financial liabilities	-	-	355,328,649	355,328,649	-	-	-	-	206,075,224	206,075,224	-	-
	-	-	26,368,871,978	26,368,871,978	12,186,147,169		-	-	27,338,546,062	27,338,546,062	11,889,745,935	

Financial instruments – Classification and fair values

Financial instruments classifications and fair values - Group

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30-Jun-23					31-Mar-23						
	Carrying amount Rs.				Fair value Rs.		Carrying amount Rs.				Fair value Rs.	
	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level
Financial assets measured at fair value												
Investments in equity securities - quoted	206,776,966	-	-	206,776,966	206,776,966	Level 1	197,400,984	-	-	197,400,984	197,400,984	Level 1
Investments in equity securities - unquoted	-	360,242,379	-	360,242,379	360,242,379	Level 3	-	360,242,379	-	360,242,379	360,242,379	Level 3
Investments in unit trusts - unquoted	1,114,217,344	-	-	1,114,217,344	1,114,217,344	Level 2	358,624,336	-	-	358,624,336	358,624,336	Level 2
	<u>1,320,994,310</u>	<u>360,242,379</u>	<u>-</u>	<u>1,681,236,689</u>	<u>1,681,236,689</u>		<u>556,025,320</u>	<u>360,242,379</u>	<u>-</u>	<u>916,267,699</u>	<u>916,267,699</u>	
Financial assets not measured at fair value												
Cash and cash equivalents	-	-	707,294,351	707,294,351	-		-	-	515,465,068	515,465,068	-	
Deposits with licensed financial institutions	-	-	4,018,284,395	4,018,284,395	-		-	-	5,121,558,512	5,121,558,512	-	
Repurchase agreements	-	-	272,588,367	272,588,367	-		-	-	666,610,501	666,610,501	-	
Finance lease and Hire purchases	-	-	19,787,365,369	19,787,365,369	-		-	-	19,695,389,245	19,695,389,245	-	
Other loans and receivables	-	-	3,432,067,672	3,432,067,672	-		-	-	4,558,593,534	4,558,593,534	-	
Investment in treasury bills	-	-	2,366,329,960	2,366,329,960	2,386,320,055	Level 1	-	-	1,667,371,333	1,667,371,333	1,651,704,930	Level 1
Investment in debentures	-	-	6,960,000	6,960,000	6,961,302	Level 3	-	-	7,541,970	7,541,970	8,852,210	Level 3
Other financial assets	-	-	12,424,911	12,424,911	-		-	-	10,163,258	10,163,258	-	
	<u>-</u>	<u>-</u>	<u>30,603,315,025</u>	<u>30,603,315,025</u>	<u>2,386,320,055</u>		<u>-</u>	<u>-</u>	<u>32,242,693,421</u>	<u>32,242,693,421</u>	<u>1,660,557,140</u>	
Financial liabilities not measured at fair value												
Due to banks	-	-	6,009,132,804	6,009,132,804	-		-	-	6,866,404,668	6,866,404,668	-	
Term deposits from customers	-	-	10,392,115,640	10,392,115,640	10,411,896,468	Level 3	-	-	9,557,337,069	9,557,337,069	10,200,888,903	Level 3
Savings deposits from customers	-	-	749,105,850	749,105,850	-		-	-	619,273,500	619,273,500	-	
Borrowings	-	-	6,338,889,273	6,338,889,273	-		-	-	7,597,711,767	7,597,711,767	-	
Subordinated debentures	-	-	1,824,902,960	1,824,902,960	1,708,829,699	Level 3	-	-	1,768,800,757	1,768,800,757	1,594,216,393	Level 3
Lease liabilities	-	-	358,376,644	358,376,644	-		-	-	362,960,317	362,960,317	-	
Other financial liabilities	-	-	355,328,649	355,328,649	-		-	-	206,075,224	206,075,224	-	
	<u>-</u>	<u>-</u>	<u>26,027,851,820</u>	<u>26,027,851,820</u>	<u>12,120,726,167</u>		<u>-</u>	<u>-</u>	<u>26,978,563,302</u>	<u>26,978,563,302</u>	<u>11,795,105,296</u>	

Segment report

As at 30 June	Finance leasing and hire purchase		Pawning advances		Other loans and receivables		Investments		Insurance Brokering		Unit trust management		Unallocated		Total	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue																
<i>External customers</i>																
Interest	1,304,611,620	1,114,560,239	116,778,773	80,007,379	101,226,745	86,353,283	176,104,550	235,166,218	312,554	379,468	2,555,344	1,524,562	-	-	1,701,589,586	1,517,991,149
Trading	-	-	-	-	-	-	49,590,889	(17,565,341)	-	-	2,635,459	(5,717,485)	-	-	52,226,348	(23,282,826)
Commissions	-	-	-	-	-	-	-	-	30,991,517	27,025,552	17,729,134	14,281,192	3,266	12,147	48,723,917	41,318,891
Rent	-	-	-	-	-	-	6,564,533	7,159,153	-	-	-	-	-	-	6,564,533	7,159,153
Dividends	-	-	-	-	-	-	408,811	1,143,180	-	-	-	-	-	-	408,811	1,143,180
Other income	1,141,844	2,643,789	-	-	-	-	-	140,398	-	-	-	-	14,592,309	38,606,076	15,734,153	41,390,263
Total revenue	1,305,753,464	1,117,204,028	116,778,773	80,007,379	101,226,745	86,353,283	232,668,783	226,043,608	31,304,071	27,405,020	22,919,937	10,088,269	14,595,575	38,618,223	1,825,247,348	1,585,719,810
Profit before tax															76,768,682	48,845,492
Taxation															(17,011,671)	(740,495)
Profit after tax															59,757,011	48,104,997
Segment Assets	19,787,365,369	21,936,365,986	2,107,864,419	2,246,891,271	1,324,006,553	2,073,782,758	9,731,713,444	12,577,786,272	49,494,777	24,500,342	90,575,519	59,974,500	1,390,418,242	872,282,796	34,481,438,323	39,791,583,925
Segment Liabilities	19,276,718,451	23,162,929,627	1,723,994,299	1,658,788,586	1,494,401,138	1,790,357,864	3,434,867,872	4,686,549,684	20,408,661	8,582,544	8,969,855	16,673,682	481,508,094	801,134,962	26,440,868,370	32,125,016,949
Information on Cash flows																
Operating activities	1,572,048,199	(204,710,099.00)	160,752,029	(21,314,144.00)	104,348,617	(73,401,002.00)	850,413,531	(11,445,992.00)	24,192,049	(27,446,154.00)	7,658,884	2,217,845.00	15,389,603	(97,585,321.00)	2,734,802,912	(433,684,867)
Investing activities	-	-	-	-	-	-	(712,333,619)	(215,538,497.00)	-	-	-	-	-	-	(712,333,619)	(215,538,497)
Capital expenditure	(5,509,042)	(5,198,732.00)	(586,855)	(532,494.00)	(368,619)	(491,469.00)	(2,709,427)	(2,980,828.00)	-	-	-	(27,266.00)	(387,109)	(206,724.00)	(9,561,052)	(9,437,513)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	(1,784,236,157)	565,688,250.00	(1,784,236,157)	565,688,250
Net cash flow	1,566,539,157	(209,908,831)	160,165,174	(21,846,638)	103,979,998	(73,892,471)	135,370,485	(229,965,317)	24,192,049	(27,446,154)	7,658,884	2,190,579	(1,769,233,663)	467,896,205	228,672,084	(92,972,627)
Depreciation and amortisation	(66,913,612)	(78,762,582)	(7,128,024)	(8,067,469)	(4,477,305)	(7,445,923)	(1,057,187)	(1,057,187)	(46,664)	(225,639)	(1,966,648)	(1,965,276)	(4,701,884)	(3,131,934)	(86,291,324)	(100,656,010)
Impairment charges and other credit losses	(61,468,067)	(267,845,099)	(37,888,981)	(214,784)	(7,524,889)	18,679,158	-	-	-	-	-	-	88,330	58,883	(106,793,607)	(249,321,842)

Selected performance indicators

As at 30 June	2023	2022
Regulatory Capital Adequacy		
Core Capital - Tier 1 (Rs. '000)	7,708,577	7,559,716
Total Capital Base - Tier 1 and 2 (Rs. '000)	8,641,215	8,577,526
Core Capital Adequacy Ratio, (Min. Req. 2023-8.5%, 2022-7.0%)	25.50%	22.51%
Total Capital Adequacy Ratio, (Min. Req. 2023-12.5%, 2022-11.0%)	28.58%	25.55%
Capital Funds to Deposit Liabilities Ratio, (Min. Req. 10%)	77.11%	81.99%

Computed as per Finance Business Act Direction No. 03 of 2018 (Capital Adequacy Requirements)

Quality of Loan Portfolio	90 dpd	90 dpd	120 dpd
Gross Stage 3 Loans Ratio	19.81%	21.29%	17.17%
Net Stage 3 Loans Ratio	11.79%	14.14%	10.56%
Net Stage 3 Loans to Core Capital Ratio	40.19%	53.94%	40.27%
Stage 3 Impairment Coverage Ratio	40.49%	33.57%	38.50%
Total Impairment Coverage Ratio	11.66%	9.64%	9.64%

As per the Finance Business Act Direction No. 01 of 2020 (Classification and Measurement of Credit Facilities), LFCs are required to classify credit facilities as NPLs based on days past due period and / or potential risk, effective from 01 April 2022. Accordingly, for the period ended 30 June 2023, the Company classified loans and advances with principal and / or interest past due for more than 90 days from the due date (as opposed to 120 days up to 31 March 2023), as NPL.

Profitability		
Net Interest Margin	7.84%	9.25%
Return on Assets (before Tax)	0.80%	1.16%
Return on Equity (after Tax)	1.60%	2.59%
Cost to Income Ratio	75.25%	57.59%

Liquidity		
Required minimum amount of Liquid Assets (Rs. '000)	1,544,987	1,492,587
Available amount of Liquid Assets (Rs. '000)	3,159,735	3,759,015
Available Liquid Assets to Required Liquid Assets	204.52%	251.85%
Liquid Assets to External Funds	12.45%	12.02%

Computed as per CBSL guidelines

Memorandum information		
Number of Employees	843	814
Number of Branches	100	80
Number of Service Centers	-	20
External Credit Rating by Fitch Ratings Lanka Limited	BBB+ (lka) RWN	BBB+ (lka) RWN

There are no regulatory restrictions imposed by the Central Bank of Sri Lanka over the operations of the Company.

The above figures are provisional and subject to audit.

Notes to the financial statements

1 General

The financial statements of the Company and the Group are prepared on the basis of the accounting policies and methods of computation applied in the year ended March 31, 2023 and are in accordance with Sri Lanka Accounting Standards (LKASs/SLFRSs). The interim financial statements are prepared in compliance with Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

2 There were no material changes in the composition of assets, liabilities and contingent liabilities during the period.

3 All known expenses have been provided for in these financial statements.

4 The Board of Directors proposed a final dividend of Rs.0.65 per share for the financial year ended 31 March 2023, subject to approval by the shareholders at the Annual General Meeting.

5 Debenture Information

5.1 Debenture issue -August 2019

Utilization of funds raised via capital market Debenture issue as at August 11, 2023

Objective number	Objective as per prospectus	Amount allocated as per prospectus Rs.	Proposed date of utilization as per prospectus	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount utilized in Rs. (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Strengthen the capital structure	1,750 Mn	31-Aug-19	1,750 Mn	100	1,750 Mn	100	Not Applicable
2	Expansion of the lending portfolio	1,750 Mn	Within 12 months from the date of allotment	1,750 Mn	100	1,750 Mn	100	Not Applicable

5.2 Information on listed debenture

Type of Debenture	Date of issue	Date of maturity	Effective annual yield %	Current yield %	Yield to maturity %	Last traded value Rs.	Highest traded value Rs.	Lowest traded value Rs.
5 year - 12.875% payable Semi- Annually	Aug-19	Aug-24	13.29%	Not traded	Not traded	Not traded	Not traded	Not traded

5.3 Interest rate of comparable government securities

As at	30.06.2023	30.06.2022
5 year Treasury Bonds	25.25%	21.18%

6 Share information

6.1 Directors' shareholdings

The number of shares held by the members of the Board of Directors and their close family members are as follows;

As at	30.06.2023
1. Dr. A. Balasuriya and Mr. D. Balasuriya	2,963,360
2. Mr. L. Balasuriya and Mr. S. K. Balasuriya	2,963,360
3. Dr. A. Balasuriya and Mr. S. Balasuriya	2,963,358
4. Mr. L. Balasuriya and Ms. A. S. Balasuriya	2,963,358
5. Ms. L. Fernando and Ms. S.A. Fernando	1,735,089
6. Ms. L. Fernando and Mr. A. R. Fernando	1,735,088
7. Ms. L. Fernando and Ms. A. L. Fernando	1,735,088
8. Mr. L. Balasuriya - The Trustee of the Capitalisation Issue	16
9. Mr. S. D. Bandaranayake	Nil
10. Mr. W. M. R. S. Dias	Nil
11. Mr. R. Senanayake	Nil
12. Mr. N. Vasantha Kumar	Nil
13. Dr. (Ms.) R. A. Perera	Nil

Notes to the financial statements (continued)

6.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

As at	30.06.2023	30.06.2022
1. Mr. P.P.K. Ikiriwatte	16,977	16,977
2. Mr. J.K. Jayatileke	16,963	16,963

6.3 Stated Capital

Stated capital is represented by the number of shares in issue as set out below:

As at	30.06.2023	30.06.2022
Ordinary shares	86,279,834	86,279,834

6.4 The 20 largest shareholders of the Company as at 30 June 2023 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	44,781,393	51.90
2. Hallsville Trading Group Inc.	7,088,562	8.22
3. Dr. (Mrs.) G. Madan Mohan	5,926,720	6.87
4. Mr. R. Balasuriya	5,926,719	6.87
5. Late Dr. M. Balasuriya	4,172,046	4.84
6. Dr. A. Balasuriya & Mr. D. Balasuriya	2,963,360	3.43
7. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,963,360	3.43
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,963,358	3.43
9. Dr. A. Balasuriya & Mr. S. Balasuriya	2,963,358	3.43
10. Ms. L. Fernando & Ms.S. A. Fernando	1,735,089	2.01
11. Ms. L. Fernando & Mr. A. R. Fernando	1,735,088	2.01
12. Ms. L. Fernando & Ms. A. L. Fernando	1,735,088	2.01
13. Mr. D. K. C. R. Fernando	721,444	0.84
14. Mrs. C. Fernando	185,237	0.21
15. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.20
16. Mr. I. M. Thaha	144,073	0.17
17. Mr. M. M. Ariyaratne	37,679	0.04
18. Mr. P. P. K. Ikiriwatte	16,977	0.02
19. Mr. J. K. Jayatileke	16,963	0.02
20. Mrs. S. Thaha	14,408	0.02
	86,263,810	

6.5 The float adjusted market capitalisation and public holding

As at	30.06.2023	30.06.2022	Minimum Requirement
The float adjusted market capitalisation (Rs)	5,553,582,703	8,272,348,709	1 Bn
Public holding percentage	21.42%	21.43%	7.5%
Number of public shareholders	194	181	200

6.6 Information on ratios and share prices

As at	30.06.2023	30.06.2022
Dividend per share (Rs.)	Nil	Nil
Net Assets per share (Rs.)	92.80	89.14
Market Prices (Rs.)		
- Highest price	375.00	475.00
- Lowest price	300.00	251.00
- Last traded price	300.50	393.75

7 Events after the reporting period

There were no material events that occurred after the reporting period that require adjustment to or disclosure in the Financial Statements.