



Senkadagala Finance PLC

**Interim Financial Statements for the period ended
31 December 2023**



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

Senkadagala Finance PLC

Statement of profit or loss

For the three month period ended 31 December	Company			Group		
	2023 Rs.	2022 Rs.	Change %	2023 Rs.	2022 Rs.	Change %
Gross income	2,077,129,014	1,707,299,148	22	2,136,033,157	1,731,079,689	23
Interest income	1,884,373,688	1,707,704,329	10	1,887,046,741	1,710,553,096	10
Interest expense	(901,417,900)	(1,055,719,536)	(15)	(900,849,453)	(1,054,273,192)	(15)
Net interest income	982,955,788	651,984,793	51	986,197,288	656,279,904	50
Fee and commission income	19,589,346	4,705,742	316	74,781,071	51,049,144	46
Fee and commission expense	(16,643,744)	(5,804,627)	187	(16,643,744)	(5,804,627)	187
Net fee and commission income	2,945,602	(1,098,885)	368	58,137,327	45,244,517	28
Net gain from trading	54,273,979	4,049,758	1,240	54,273,979	4,049,758	1,240
Net gain/(loss) from financial instruments designated at fair value through profit or loss	97,770,960	(46,461,499)	310	98,827,484	(46,798,127)	311
Other operating income	21,121,041	37,300,818	(43)	21,103,882	12,225,818	73
Net other operating income	173,165,980	(5,110,923)	3,488	174,205,345	(30,522,551)	671
Total operating income	1,159,067,370	645,774,985	79	1,218,539,960	671,001,870	82
Impairment charges and other credit losses	9,852,968	301,816,673	(97)	9,852,968	301,816,673	(97)
Net operating income	1,168,920,338	947,591,658	23	1,228,392,928	972,818,543	26
Personnel expenses	(238,033,703)	(208,898,679)	14	(248,462,684)	(217,420,277)	14
Depreciation	(76,633,812)	(90,193,122)	(15)	(78,635,126)	(92,191,957)	(15)
Amortisation	(2,652,302)	(3,985,942)	(33)	(2,674,951)	(4,005,265)	(33)
Other operating expenses	(225,195,136)	(201,544,827)	12	(229,429,930)	(204,600,559)	12
Operating profit before taxation on financial services	626,405,385	442,969,088	41	669,190,237	454,600,485	47
Taxes on financial services	(125,006,422)	(90,579,399)	38	(125,006,422)	(90,579,399)	38
Operating profit after taxation on financial services	501,398,963	352,389,689	42	544,183,815	364,021,086	49
Share of profit of associate, net of tax	2,382,059	-	100	2,382,059	-	100
Profit before income tax	503,781,022	352,389,689	43	546,565,874	364,021,086	50
Income tax expense	(173,822,654)	(38,721,971)	349	(182,856,458)	(46,037,763)	297
Profit for the period	329,958,368	313,667,718	5	363,709,416	317,983,323	14
Basic earnings per share	3.82	3.64	5	4.22	3.69	14

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 31 December</i>	Company			Group		
	2023	2022	Change	2023	2022	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	329,958,368	313,667,718	5	363,709,416	317,983,323	14
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	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period net of tax	329,958,368	313,667,718	5	363,709,416	317,983,323	14

Figures in brackets in 2023 and 2022 columns indicate deductions.

The above figures are provisional and subject to audit.

Statement of profit or loss

For the period ended 31 December	Company			Group		
	2023 Rs.	2022 Rs.	Change %	2023 Rs.	2022 Rs.	Change %
Gross income	6,005,434,379	5,043,578,722	19	6,153,655,941	5,147,531,626	20
Interest income	5,413,036,819	4,798,835,501	13	5,417,571,172	4,806,377,732	13
Interest expense	(2,874,370,693)	(2,741,966,404)	5	(2,868,593,352)	(2,739,382,833)	5
Net interest income	2,538,666,126	2,056,869,097	23	2,548,977,820	2,066,994,899	23
Fee and commission income	48,329,815	16,756,557	188	204,864,094	151,365,554	35
Fee and commission expense	(46,617,241)	(14,128,822)	230	(46,617,241)	(14,128,822)	230
Net fee and commission income	1,712,574	2,627,735	(35)	158,246,853	137,236,732	15
Net gain from trading	111,059,320	16,130,012	589	112,188,442	21,415,894	424
Net gain from financial instruments designated at fair value through profit or loss	341,911,978	51,548,176	563	353,619,612	51,067,186	592
Other operating income	91,096,447	160,308,476	(43)	65,412,621	117,305,260	(44)
Net other operating income	544,067,745	227,986,664	139	531,220,675	189,788,340	180
Total operating income	3,084,446,445	2,287,483,496	35	3,238,445,348	2,394,019,971	35
Impairment charges and other credit losses	(278,981,094)	(69,491,907)	301	(278,981,094)	(69,491,907)	301
Net operating income	2,805,465,351	2,217,991,589	26	2,959,464,254	2,324,528,064	27
Personnel expenses	(707,761,646)	(624,541,644)	13	(736,724,496)	(651,786,837)	13
Depreciation	(236,166,269)	(278,505,687)	(15)	(242,153,667)	(284,677,328)	(15)
Amortization	(7,863,275)	(11,496,533)	(32)	(7,927,896)	(11,554,502)	(31)
Other operating expenses	(660,391,745)	(550,684,289)	20	(675,690,545)	(560,522,966)	21
Operating profit before taxation on financial services	1,193,282,416	752,763,436	59	1,296,967,650	815,986,431	59
Taxes on financial services	(276,835,154)	(214,487,585)	29	(276,835,154)	(214,487,585)	29
Operating profit after taxation on financial services	916,447,262	538,275,851	70	1,020,132,496	601,498,846	70
Share of profits of associate, net of tax	7,252,746	-	100	7,252,746	-	100
Profit before income tax	923,700,008	538,275,851	72	1,027,385,242	601,498,846	71
Income tax expense	(290,847,016)	(99,080,668)	194	(321,459,633)	(119,418,290)	169
Profit for the period	632,852,992	439,195,183	44	705,925,609	482,080,556	46
Basic earnings per share	7.33	5.09	44	8.18	5.59	46

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 period ended 31 December</i>	Company			Group		
	2023 Rs.	2022 Rs.	Change %	2023 Rs.	2022 Rs.	Change %
Profit for the period	632,852,992	439,195,183	44	705,925,609	482,080,556	46
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	632,852,992	439,195,183	44	705,925,609	482,080,556	46

*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		
	31.12.2023	31.03.2023	31.12.2022	31.12.2023	31.03.2023	31.12.2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
		Audited			Audited	
Assets						
Cash and cash equivalents	951,747,071	492,429,493	455,483,813	980,781,491	515,465,068	470,737,237
Deposits with licensed financial institutions	3,349,263,846	5,113,380,978	6,485,953,221	3,357,367,956	5,121,558,512	6,488,975,295
Repurchase agreements	204,513,052	666,610,501	1,222,887,339	204,513,052	666,610,501	1,222,887,339
Financial assets held at fair value through profit or loss	3,109,426,621	485,751,196	907,941,124	3,227,037,503	556,025,320	962,729,926
Financial assets at amortised cost - Finance leases and hire purchases	21,192,937,851	19,695,389,245	20,462,231,877	21,192,937,851	19,695,389,245	20,462,231,877
Financial assets at amortised cost - Other loans and receivables	2,037,242,215	4,558,292,534	4,781,065,291	2,037,288,315	4,558,593,534	4,781,114,791
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	14,762,778
Financial assets at amortised cost - Other financial instruments	1,155,271,281	1,674,913,303	1,189,280,641	1,155,271,281	1,674,913,303	1,189,280,641
Investments in subsidiaries	46,791,386	328,301,663	328,301,663	-	-	-
Investment in associate	123,992,883	116,740,137	-	123,992,883	116,740,137	-
Investment property	349,552,560	352,724,122	353,781,309	253,891,048	257,062,610	258,119,797
Property, plant and equipment	988,497,649	1,100,527,672	1,148,034,071	995,502,936	1,108,074,539	1,155,965,066
Intangible assets	52,925,043	58,328,337	52,675,600	53,442,173	58,799,228	53,165,813
Right-of-use assets	399,389,525	346,392,989	362,565,022	401,008,563	352,869,137	370,660,207
Deferred tax assets	192,864,974	109,259,525	-	193,678,297	109,990,943	-
Other assets	322,646,940	197,954,691	187,997,284	331,302,095	171,620,428	193,664,845
Total assets	34,837,305,276	35,657,238,765	37,952,961,023	34,868,257,823	35,323,954,884	37,624,295,612
Liabilities						
Due to banks	6,365,928,452	6,866,156,797	7,523,188,723	6,365,928,452	6,866,404,668	7,523,188,723
Financial liabilities at amortised cost - Due to depositors	12,265,753,499	10,263,254,075	10,242,821,792	12,203,406,662	10,176,610,569	10,163,550,977
Financial liabilities at amortised cost - Other borrowings	4,424,954,582	7,597,711,767	9,249,717,225	4,424,954,582	7,597,711,767	9,249,717,225
Subordinated debentures	1,825,352,111	1,768,800,757	1,825,073,642	1,825,352,111	1,768,800,757	1,825,073,642
Lease liabilities	405,545,282	354,424,986	368,361,807	407,770,826	362,960,317	378,563,526
Deferred tax liabilities	-	-	91,374,755	-	-	90,204,989
Current tax payable	266,458,949	137,312,045	18,292,959	267,378,438	143,525,569	20,381,484
Amounts due to related company	-	282,122,456	282,122,456	-	-	-
Employee retirement benefits	120,024,770	118,815,083	133,535,435	124,579,396	121,745,571	137,827,350
Other liabilities	610,981,503	293,105,771	254,297,234	618,230,697	305,382,724	256,036,929
Total liabilities	26,284,999,148	27,681,703,737	29,988,786,028	26,237,601,164	27,343,141,942	29,644,544,845
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	531,036,033	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	5,591,954,677	5,015,183,577	5,029,303,155	5,670,305,208	5,015,500,445	5,039,917,881
Total equity	8,552,306,128	7,975,535,028	7,964,174,995	8,630,656,659	7,980,812,942	7,979,750,767
Total liabilities and equity	34,837,305,276	35,657,238,765	37,952,961,023	34,868,257,823	35,323,954,884	37,624,295,612
Net assets per share	99.12	92.44	92.31	100.03	92.50	92.49

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. 07 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.



R Senanayake
Chairman



S D Bandaranayake
Additional Chief Executive Officer

Colombo, Sri Lanka
07 February 2024

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	-	-	-	439,195,183	439,195,183
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	439,195,183	439,195,183
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(120,791,768)	(120,791,768)
Total contributions from and distributions to equity holders	-	-	-	(120,791,768)	(120,791,768)
Balance as at 31 December 2022	<u>2,424,777,045</u>	<u>506,036,033</u>	<u>4,058,762</u>	<u>5,029,303,155</u>	<u>7,964,174,995</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	-	-	-	632,852,992	632,852,992
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	632,852,992	632,852,992
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(56,081,892)	(56,081,892)
Total contributions from and distributions to equity holders	-	-	-	(56,081,892)	(56,081,892)
Balance as at 31 December 2023	<u>2,424,777,045</u>	<u>531,036,033</u>	<u>4,538,373</u>	<u>5,591,954,677</u>	<u>8,552,306,128</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	-	-	-	482,080,556	482,080,556
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	482,080,556	482,080,556
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(120,791,768)	(120,791,768)
Total contributions from and distributions to equity holders	-	-	-	(120,791,768)	(120,791,768)
Balance as at 31 December 2022	<u>2,424,777,045</u>	<u>510,997,079</u>	<u>4,058,762</u>	<u>5,039,917,881</u>	<u>7,979,750,767</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	-	-	-	705,925,609	705,925,609
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	705,925,609	705,925,609
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(56,081,892)	(56,081,892)
Reclassification of reserves of the wound-up subsidiary	-	(4,961,046)	-	4,961,046	-
Total contributions from and distributions to equity holders	-	(4,961,046)	-	(51,120,846)	(56,081,892)
Balance as at 31 December 2023	<u>2,424,777,045</u>	<u>531,036,033</u>	<u>4,538,373</u>	<u>5,670,305,208</u>	<u>8,630,656,659</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows

For the period ended 31 December	Company		Group	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Cash flows from operating activities				
Interest and commission receipts	5,257,831,794	4,273,101,034	5,418,900,426	4,415,252,262
Interest payments	(2,852,869,423)	(2,555,921,471)	(2,846,597,869)	(2,552,236,932)
Recoveries of bad debts	44,075,250	41,441,507	44,075,250	41,441,507
Other operating income	38,790,861	35,234,826	38,539,579	35,009,836
Operating expenses	(971,222,269)	(758,551,730)	(986,521,069)	(768,099,638)
Rent expenses	(8,294,530)	(2,568,200)	(8,294,530)	(2,858,969)
Cash payments to employees	(692,425,759)	(596,140,928)	(719,764,471)	(621,938,045)
Operating cash flow before changes in operating assets and liabilities (Note A)	815,885,924	436,595,038	940,337,316	546,570,021
Changes in operating assets and liabilities				
Net funds received from customers	899,564,538	1,271,917,358	899,819,438	1,272,112,858
Net deposits from customers	2,002,499,424	(581,161,588)	2,026,796,093	(618,787,474)
Net deposits with licensed financial institutions	1,635,657,793	1,759,748,406	1,635,731,217	1,764,978,485
Government and other securities	981,739,471	181,511,078	981,739,471	181,511,078
Other assets	(158,692,249)	(50,268,640)	(159,681,667)	(95,053,694)
Other liabilities	345,071,279	(335,555,178)	335,454,387	(336,599,613)
	5,705,840,256	2,246,191,436	5,719,858,939	2,168,161,640
Net cash flow from operating activities before taxation	6,521,726,180	2,682,786,474	6,660,196,255	2,714,731,661
Taxes paid	(275,212,954)	(277,442,383)	(305,932,744)	(299,094,828)
Retirement benefit liabilities paid	(14,126,200)	(3,785,850)	(14,126,200)	(5,545,850)
Net cash generated from operating activities	6,232,387,026	2,401,558,241	6,340,137,311	2,410,090,983
Cash flows from investing activities				
Net investment in trading securities	(2,170,704,126)	(552,601,702)	(2,205,204,124)	(534,601,712)
Dividends received	66,625,927	46,221,742	7,125,927	3,443,516
Purchase of property, plant and equipment	(34,602,916)	(22,786,856)	(35,191,627)	(22,814,122)
Purchase of intangible assets	(2,459,981)	(142,000)	(2,570,841)	(142,000)
Proceeds from sale of property, plant and equipment	17,550,000	38,556,205	17,550,000	38,556,205
Addition of right-of-use assets	(31,309,184)	(17,218,100)	(31,309,184)	(17,218,100)
Net cash used in investing activities	(2,154,900,280)	(507,970,711)	(2,249,599,849)	(532,776,213)
Cash flows from financing activities				
Borrowings obtained	2,576,889,216	3,600,000,000	2,576,889,216	3,600,000,000
Repayment of borrowings	(5,988,907,858)	(5,286,950,142)	(5,988,907,858)	(5,286,950,142)
Repayment of lease liabilities	(104,405,364)	(97,463,566)	(111,209,364)	(103,297,874)
Dividends paid	(53,370,046)	(114,763,607)	(53,370,046)	(114,763,607)
Net cash used in financing activities	(3,569,794,052)	(1,899,177,315)	(3,576,598,052)	(1,905,011,623)

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows (Continued)

<i>For the period ended 31 December</i>	Company		Group	
	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.
Net increase/(decrease) in cash and cash equivalents	507,692,694	(5,589,785)	513,939,410	(27,696,853)
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>862,003,758</u>	<u>414,088,539</u>	<u>891,038,178</u>	<u>429,341,963</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	951,747,071	455,483,813	980,781,491	470,737,237
Bank overdrafts	(89,743,313)	(41,395,274)	(89,743,313)	(41,395,274)
	<u>862,003,758</u>	<u>414,088,539</u>	<u>891,038,178</u>	<u>429,341,963</u>
<i>Note A</i>				
Reconciliation of operating profit				
Profit before income tax	923,700,008	538,275,851	1,027,385,242	601,498,846
Depreciation and amortisation	244,029,544	290,002,220	250,081,563	296,231,830
Dividends received	(32,625,927)	(46,221,742)	(7,125,927)	(3,443,516)
Profit on disposal of property, plant and equipment	(17,550,000)	(22,722,897)	(17,550,000)	(22,722,897)
Provision for defined benefit plan	15,335,887	28,400,716	16,960,025	29,848,792
Impairment charge on financial assets	254,793,929	127,702,989	254,793,929	127,702,989
Net gain from trading	(111,059,320)	(16,130,012)	(112,188,442)	(21,415,894)
Net gain from financial instruments designated at FVTPL	(341,911,978)	(51,548,176)	(353,619,612)	(51,067,186)
Net loss from auction of pawned articles	72,589,756	1,411,191	72,589,756	1,411,191
Share of profit of associate, net of tax	(7,252,746)	-	(7,252,746)	-
Unrealised gain from foreign currency conversion	(1,517,480)	(56,129,011)	(1,517,480)	(56,129,011)
Net interest accrued for lease, hire purchases, other loans and receivables	(203,534,840)	(542,491,024)	(203,534,840)	(542,491,024)
Interest adjustments on lease liabilities	47,476,540	42,685,327	47,970,753	43,786,295
Gain on winding-up of subsidiary	(612,179)	-	(679,635)	-
Accrued interest on borrowings	(82,526,624)	86,833,154	(82,526,624)	86,833,154
Accrued interest on debentures	56,551,354	56,526,452	56,551,354	56,526,452
	<u>815,885,924</u>	<u>436,595,038</u>	<u>940,337,316</u>	<u>546,570,021</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.

	31-Dec-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	308,816,566	-	-	308,816,566	308,816,566	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	2,800,610,055	-	-	2,800,610,055	2,800,610,055	Level 2	288,350,212	-	-	288,350,212	288,350,212	Level 2
	<u>3,109,426,621</u>	<u>360,242,379</u>	<u>-</u>	<u>3,469,669,000</u>	<u>3,469,669,000</u>		<u>485,751,196</u>	<u>360,242,379</u>	<u>-</u>	<u>845,993,575</u>	<u>845,993,575</u>	
Financial assets not measured at fair value												
Cash and cash equivalents	-	-	951,747,071	951,747,071	-	-	-	492,429,493	492,429,493	-	-	-
Deposits with licensed financial institutions	-	-	3,349,263,846	3,349,263,846	-	-	-	5,113,380,978	5,113,380,978	-	-	-
Repurchase agreements	-	-	204,513,052	204,513,052	-	-	-	666,610,501	666,610,501	-	-	-
Finance leases and hire purchases	-	-	21,192,937,851	21,192,937,851	-	-	-	19,695,389,245	19,695,389,245	-	-	-
Other loans and receivables	-	-	2,037,242,215	2,037,242,215	-	-	-	4,558,292,534	4,558,292,534	-	-	-
Investment in government treasury bills	-	-	1,148,209,837	1,148,209,837	1,150,058,460	Level 1	-	-	1,667,371,333	1,667,371,333	1,651,704,930	Level 1
Investment in debentures	-	-	7,061,444	7,061,444	9,005,284	Level 3	-	-	7,541,970	7,541,970	8,852,210	Level 3
Other financial assets	-	-	12,410,044	12,410,044	-	-	-	44,163,258	44,163,258	-	-	-
	<u>-</u>	<u>-</u>	<u>28,903,385,360</u>	<u>28,903,385,360</u>	<u>1,159,063,744</u>		<u>-</u>	<u>-</u>	<u>32,245,179,312</u>	<u>32,245,179,312</u>	<u>1,660,557,140</u>	
Financial liabilities not measured at fair value												
Due to banks	-	-	6,365,928,452	6,365,928,452	-	-	-	6,866,156,797	6,866,156,797	-	-	-
Term deposits from customers	-	-	11,539,280,746	11,539,280,746	11,465,186,275	Level 3	-	-	9,643,980,575	9,643,980,575	10,295,529,542	Level 3
Savings deposits from customers	-	-	726,472,753	726,472,753	-	-	-	619,273,500	619,273,500	-	-	-
Borrowings	-	-	4,424,954,582	4,424,954,582	-	-	-	7,597,711,767	7,597,711,767	-	-	-
Subordinated debentures	-	-	1,825,352,111	1,825,352,111	1,833,511,953	Level 3	-	-	1,768,800,757	1,768,800,757	1,594,216,393	Level 3
Lease liabilities	-	-	405,545,282	405,545,282	-	-	-	354,424,986	354,424,986	-	-	-
Amounts due to related company	-	-	-	-	-	-	-	282,122,456	282,122,456	-	-	-
Other financial liabilities	-	-	560,123,231	560,123,231	-	-	-	206,075,224	206,075,224	-	-	-
	<u>-</u>	<u>-</u>	<u>25,847,657,157</u>	<u>25,847,657,157</u>	<u>13,298,698,228</u>		<u>-</u>	<u>-</u>	<u>27,338,546,062</u>	<u>27,338,546,062</u>	<u>11,889,745,935</u>	

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.

	31-Dec-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	308,816,566	-	-	308,816,566	308,816,566	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	2,918,220,937	-	-	2,918,220,937	2,918,220,937	Level 2	358,624,336	-	-	358,624,336	358,624,336	Level 2
	<u>3,227,037,503</u>	<u>360,242,379</u>	<u>-</u>	<u>3,587,279,882</u>	<u>3,587,279,882</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	-	-	980,781,491	980,781,491	-		-	-	515,465,068	515,465,068	-	
Deposits with licensed financial institutions	-	-	3,357,367,956	3,357,367,956	-		-	-	5,121,558,512	5,121,558,512	-	
Repurchase agreements	-	-	204,513,052	204,513,052	-		-	-	666,610,501	666,610,501	-	
Finance lease and Hire purchases	-	-	21,192,937,851	21,192,937,851	-		-	-	19,695,389,245	19,695,389,245	-	
Other loans and receivables	-	-	2,037,288,315	2,037,288,315	-		-	-	4,558,593,534	4,558,593,534	-	
Investment in treasury bills	-	-	1,148,209,837	1,148,209,837	1,150,058,460	Level 1	-	-	1,667,371,333	1,667,371,333	1,651,704,930	Level 1
Investment in debentures	-	-	7,061,444	7,061,444	9,005,284	Level 3	-	-	7,541,970	7,541,970	8,852,210	Level 3
Other financial assets	-	-	12,410,044	12,410,044	-		-	-	10,163,258	10,163,258	-	
	<u>-</u>	<u>-</u>	<u>28,940,569,990</u>	<u>28,940,569,990</u>	<u>1,150,058,460</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	-	-	6,365,928,452	6,365,928,452	-		-	-	6,866,404,668	6,866,404,668	-	
Term deposits from customers	-	-	11,476,933,909	11,476,933,909	11,403,119,468	Level 3	-	-	9,557,337,069	9,557,337,069	10,200,888,903	Level 3
Savings deposits from customers	-	-	726,472,753	726,472,753	-		-	-	619,273,500	619,273,500	-	
Borrowings	-	-	4,424,954,582	4,424,954,582	-		-	-	7,597,711,767	7,597,711,767	-	
Subordinated debentures	-	-	1,825,352,111	1,825,352,111	1,833,511,953	Level 3	-	-	1,768,800,757	1,768,800,757	1,594,216,393	Level 3
Lease liabilities	-	-	407,770,826	407,770,826	-		-	-	362,960,317	362,960,317	-	
Other financial liabilities	-	-	560,123,231	560,123,231	-		-	-	206,075,224	206,075,224	-	
	<u>-</u>	<u>-</u>	<u>25,787,535,864</u>	<u>25,787,535,864</u>	<u>13,236,631,421</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 31 December	Finance leasing and hire purchase		Gold backed loans		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	4,407,444,438	3,442,231,140	269,442,216	364,925,067	278,209,202	299,008,486	457,940,963	692,670,808	1,006,966	969,267	3,527,387	6,572,964	-	-	5,417,571,172	4,806,377,732
Trading	-	-	-	-	-	-	111,059,320	16,130,012	-	-	1,129,122	5,285,882	-	-	112,188,442	21,415,894
Commissions	-	-	-	-	-	-	-	-	90,031,933	86,701,603	66,502,346	47,907,394	3,266	20,528	156,537,545	134,629,525
Rent	-	-	-	-	-	-	22,178,353	22,192,458	-	-	-	-	-	-	22,178,353	22,192,458
Dividends	-	-	-	-	-	-	7,125,927	3,443,516	-	-	-	-	-	-	7,125,927	3,443,516
Other income	48,326,549	24,682,391	-	-	-	-	359,461,978	74,271,073	-	241,500	11,707,634	(722,490)	18,558,341	61,000,027	438,054,502	159,472,501
Total revenue	4,455,770,987	3,466,913,531	269,442,216	364,925,067	278,209,202	299,008,486	957,766,541	808,707,867	91,038,899	87,912,370	82,866,489	59,043,750	18,561,607	61,020,555	6,153,655,941	5,147,531,626
Profit before tax															1,027,385,242	601,498,846
Taxation															(321,459,633)	(119,418,290)
Profit after tax															705,925,609	482,080,556
Segment Assets	21,192,937,851	20,462,231,877	810,322,779	2,837,996,803	1,226,919,436	1,943,068,488	9,598,023,802	11,279,654,561	50,783,028	24,370,766	122,620,385	70,926,998	1,866,650,542	1,006,046,119	34,868,257,823	37,624,295,612
Segment Liabilities	19,539,633,357	20,395,378,879	1,181,569,279	2,159,719,552	1,220,014,633	1,769,608,426	4,200,037,909	4,818,851,721	9,784,239	3,627,250	5,164,612	12,845,202	81,397,135	484,513,815	26,237,601,164	29,644,544,845
Information on Cash flows																
Operating activities	3,428,899,450	1,171,775,314	237,070,691	93,892,174	157,570,122	(112,766,041)	2,714,159,258	1,584,129,132	(3,022,339)	(68,534,728)	34,649,195	15,657,484	(229,189,066)	(268,034,191)	6,340,137,311	2,416,119,144
Investing activities	-	-	-	-	-	-	(2,180,528,197)	(492,601,991)	-	-	-	-	-	-	(2,180,528,197)	(492,601,991)
Capital expenditure	(41,764,270)	(21,889,640)	(1,596,878)	(3,035,971)	(2,417,852)	(2,078,614)	(18,914,530)	(12,066,504)	(699,571)	(27,266)	-	-	(3,678,551)	(1,076,227)	(69,071,652)	(40,174,222)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	(3,576,598,052)	(1,911,039,784)	(3,576,598,052)	(1,911,039,784)
Net cash flow	3,387,135,180	1,149,885,674	235,473,813	90,856,203	155,152,270	(114,844,655)	514,716,531	1,079,460,637	(3,721,910)	(68,561,994)	34,649,195	15,657,484	(3,809,465,669)	(2,180,150,202)	513,939,410	(27,696,853)
Depreciation and amortisation	(203,391,749)	(223,593,991)	(7,776,787)	(31,011,233)	(11,774,927)	(21,232,212)	(3,171,562)	(3,171,562)	(125,534)	(330,577)	(5,926,483)	(5,899,033)	(17,914,521)	(10,993,222)	(250,081,563)	(296,231,830)
Impairment charges and other credit losses	(234,555,462)	(110,419,053)	(71,680,542)	(1,345,083)	27,166,580	42,213,346	-	-	-	-	-	-	88,330	58,883	(278,981,094)	(69,491,907)

Selected performance indicators

As at 31 December	2023	2022
Regulatory Capital Adequacy		
Core Capital - Tier 1 (Rs. '000)	7,568,667	7,432,577
Total Capital Base - Tier 1 and 2 (Rs. '000)	8,175,245	8,096,909
Core Capital Adequacy Ratio, (Min. Req. 8.5%)	23.31%	23.68%
Total Capital Adequacy Ratio, (Min. Req. 12.5%)	25.18%	25.79%
Capital Funds to Deposit Liabilities Ratio, (Min. Req. 10%)	66.65%	79.05%

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	19.09%	20.20%	16.49%
Net Stage 3 Loans Ratio	11.67%	12.47%	9.22%
Net Stage 3 Loans to Core Capital Ratio	40.74%	47.11%	34.83%
Stage 3 Impairment Coverage Ratio	38.90%	38.25%	44.07%
Total Impairment Coverage Ratio	12.11%	10.08%	10.08%

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 31 December 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	10.66%	8.02%
Return on Assets (before Tax)	4.37%	2.65%
Return on Equity (after Tax)	10.22%	7.75%
Cost to Income Ratio	52.98%	64.27%

Liquidity		
Required Minimum Amount of Liquid Assets (Rs. '000)	1,563,752	1,484,828
Available Liquid Assets (Rs. '000)	2,313,061	3,260,911
Available Liquid Assets to Required Liquid Assets	147.92%	219.62%
Liquid Assets to External Funds	9.30%	11.31%

Computed as per CBSL guidelines

Leverage		
Debt-to-Equity ratio (times)	1.48	2.34
Interest cover (times)	1.32	1.20

Memorandum information		
Number of Employees	874	818
Number of Branches	105	100
External Credit Rating by Fitch Ratings Lanka Limited	BBB (lka) Stable outlook	BBB+ (lka) RWN

There are no regulatory restrictions and/or penalties 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 Mr. A. Herath has been appointed as an Independent Non-Executive Director of the Company with effect from October 12, 2023 in terms of the Finance Business Act Directions No. 06 of 2021 (Assessment of Fitness and Propriety of Key Responsible Persons (KRPs)).
- 3 There were no material changes in the composition of assets, liabilities and contingent liabilities during the period.
- 4 All known expenses have been provided for in these financial statements.
- 5 The Board of Directors has declared the following dividend;

Year	Dividend	Dividend per share Rs.	Total amount paid Rs.	Date of payment
2022/23	Final dividend	0.65	56,081,892	22-Aug-23

6 Debenture Information

6.1 Debenture issue -August 2019

Utilization of funds raised via capital market Debenture issue as at February 07, 2024

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

6.2 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	19-Aug	24-Aug	13.29%	Not traded	Not traded	Not traded	Not traded	Not traded

6.3 Interest rate of comparable government securities

As at	31.12.2023	31.12.2022
5 year Treasury Bonds	14.15%	26.25%

7 Share information

7.1 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	31.12.2023
1. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,963,360
2. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,963,358
3. Ms. L. Fernando & Ms. S.A. Fernando	1,735,089
4. Ms. L. Fernando & Mr. A. R. Fernando	1,735,088
5. Ms. L. Fernando & Ms. A. L. Fernando	1,735,088
6. Mr. L. Balasuriya - The Trustee of the Capitalisation Issue	16
7. Mr. S. D. Bandaranayake	Nil
8. Mr. R. Senanayake	Nil
9. Mr. N. Vasantha Kumar	Nil
10. Dr. (Ms.) R. A. Perera	Nil
11. Mr. A. Herath	Nil

7.2 Key Management Shareholdings

As at	31.12.2023	31.12.2022
1. Mr. P.P.K. Ikirowatte	16,977	16,977
2. Mr. J.K. Jayatileke	16,963	16,963

Notes to the financial statements (continued)

7.3 Stated Capital

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

As at	31.12.2023	31.12.2022
Ordinary shares	86,279,834	86,279,834

7.4 The 20 largest shareholders of the Company as at 31 December 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	37,677	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
	86,263,808	

7.5 The float adjusted market capitalisation and public holding

As at	31.12.2023	31.12.2022	Minimum Requirement
The float adjusted market capitalisation (Rs.)	7,341,633,041	6,722,514,836	1 Bn
Public holding percentage	21.42%	21.42%	7.5%
Number of public shareholders	205	191	200

7.6 The securities of the Company have been transferred out of the Second Board of the Colombo Stock Exchange with effect from October 13, 2023 upon compliance with the minimum public holding requirement in terms of Section 7.13.1 of the Listing Rules of the Colombo Stock Exchange.

7.7 Information on ratios and share prices

As at	31.12.2023	31.12.2022
Dividend per share (Rs.)	Nil	Nil
Net Assets per share (Rs.)	99.12	92.31
Market Prices (Rs.)		
- Highest price	474.00	423.00
- Lowest price	375.25	300.00
- Last traded price	397.25	363.75

8 Fitch Ratings Lanka Ltd revised the National Long Term Rating of the Company to BBB (lka) with a stable outlook with effect from October 16, 2023.

The Subordinated Listed debenture of the Company is rated two notches below its National Long-term rating, at BB+ (lka) with a stable outlook.

9 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 other than the disclosures above.