



# Senkadagala Finance PLC

**Interim Financial Statements for the period ended  
31st December 2021**



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

**Senkadagala Finance PLC**

## Income statement

For the three month period ended 31st December	Company			Group		
	2021 Rs.	2020 Rs.	Change %	2021 Rs.	2020 Rs.	Change %
<b>Gross income</b>	<b>1,673,900,845</b>	<b>1,728,130,290</b>	<b>(3)</b>	<b>1,722,409,626</b>	<b>1,776,573,532</b>	<b>(3)</b>
Interest income	1,571,871,682	1,637,216,958	<b>(4)</b>	1,572,167,649	1,637,414,739	<b>(4)</b>
Interest expense	(583,419,166)	(827,480,755)	<b>(29)</b>	(583,512,628)	(827,118,071)	<b>(29)</b>
<b>Net interest income</b>	<b>988,452,516</b>	<b>809,736,203</b>	<b>22</b>	<b>988,655,021</b>	<b>810,296,668</b>	<b>22</b>
Fee and commission income	18,008,131	12,868,900	<b>40</b>	64,382,422	58,765,147	<b>10</b>
Fee and commission expense	(3,721,789)	(2,605,779)	<b>43</b>	(3,721,789)	(2,605,779)	<b>43</b>
<b>Net fee and commission income</b>	<b>14,286,342</b>	<b>10,263,121</b>	<b>39</b>	<b>60,660,633</b>	<b>56,159,368</b>	<b>8</b>
Net gain from trading	7,190,437	17,745,361	<b>(59)</b>	7,820,465	17,745,361	<b>(56)</b>
Net gain from financial instruments designated at fair value through profit or loss	54,100,647	44,344,282	<b>22</b>	55,384,089	46,768,496	<b>18</b>
Other operating income	22,729,948	15,954,789	<b>42</b>	22,655,001	15,879,789	<b>43</b>
<b>Net other operating income</b>	<b>84,021,032</b>	<b>78,044,432</b>	<b>8</b>	<b>85,859,555</b>	<b>80,393,646</b>	<b>(7)</b>
<b>Total operating income</b>	<b>1,086,759,890</b>	<b>898,043,756</b>	<b>21</b>	<b>1,135,175,209</b>	<b>946,849,682</b>	<b>20</b>
Impairment charge and other credit losses	(103,764,954)	(163,317,670)	<b>36</b>	(103,764,954)	(163,317,670)	<b>36</b>
<b>Net operating income</b>	<b>982,994,936</b>	<b>734,726,086</b>	<b>34</b>	<b>1,031,410,255</b>	<b>783,532,012</b>	<b>32</b>
Personnel expenses	(182,458,583)	(156,683,510)	<b>16</b>	(189,906,141)	(161,039,815)	<b>18</b>
Depreciation expense	(98,017,635)	(103,876,557)	<b>(6)</b>	(100,274,163)	(104,226,617)	<b>(4)</b>
Amortisation expense	(3,623,053)	(3,068,537)	<b>18</b>	(3,642,375)	(3,068,537)	<b>19</b>
Other operating expenses	(169,642,626)	(185,485,424)	<b>(9)</b>	(172,745,135)	(187,587,346)	<b>(8)</b>
<b>Operating profit before taxes on financial services</b>	<b>529,253,039</b>	<b>285,612,058</b>	<b>85</b>	<b>564,842,441</b>	<b>327,609,697</b>	<b>72</b>
Taxes on financial services	(73,427,139)	(52,016,487)	<b>41</b>	(73,427,139)	(52,016,487)	<b>41</b>
<b>Profit before income tax</b>	<b>455,825,900</b>	<b>233,595,571</b>	<b>95</b>	<b>491,415,302</b>	<b>275,593,210</b>	<b>78</b>
Income tax expense	(110,510,358)	(144,545,711)	<b>(24)</b>	(117,535,387)	(152,356,709)	<b>(23)</b>
<b>Profit for the period</b>	<b>345,315,542</b>	<b>89,049,860</b>	<b>288</b>	<b>373,879,915</b>	<b>123,236,501</b>	<b>203</b>
Basic/diluted earnings per share	4.31	1.18	<b>265</b>	4.67	1.63	<b>186</b>

Figures in brackets in 2021 and 2020 columns indicate deductions.  
The above figures are provisional and subject to audit.

## Statement of other comprehensive income

For the three month period ended 31st December	Company			Group		
	2021 Rs.	2020 Rs.	Change %	2021 Rs.	2020 Rs.	Change %
Profit for the period	345,315,542	89,049,860	288	373,879,915	123,236,501	203
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Changes in fair value of investments in equity at fair value through other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period net of tax</b>	<b>345,315,542</b>	<b>89,049,860</b>	<b>288</b>	<b>373,879,915</b>	<b>123,236,501</b>	<b>203</b>

Figures in brackets in 2021 and 2020 columns indicate deductions.

The above figures are provisional and subject to audit.

## Statement of profit or loss

For the period ended 31st December	Company			Group		
	2021 Rs.	2020 Rs.	Change %	2021 Rs.	2020 Rs.	Change %
<b>Gross income</b>	<b>4,628,923,980</b>	<b>4,548,412,287</b>	<b>2</b>	<b>4,731,258,387</b>	<b>4,645,444,524</b>	<b>2</b>
Interest income	4,397,724,949	4,320,521,096	2	4,398,383,925	4,321,460,371	2
Interest expense	(1,839,599,927)	(2,411,912,216)	(24)	(1,839,926,114)	(2,409,498,535)	(24)
<b>Net interest income</b>	<b>2,558,125,022</b>	<b>1,908,608,880</b>	<b>34</b>	<b>2,558,457,811</b>	<b>1,911,961,836</b>	<b>34</b>
Fee and commission income	44,149,448	39,451,560	12	180,925,204	177,606,474	2
Fee and commission expense	(7,781,648)	(9,107,850)	(15)	(7,781,648)	(9,107,850)	(15)
<b>Net fee and commission income</b>	<b>36,367,800</b>	<b>30,343,710</b>	<b>20</b>	<b>173,143,556</b>	<b>168,498,624</b>	<b>3</b>
Net gain from trading	24,293,594	19,427,725	25	25,451,645	19,427,725	31
Net gain from financial instruments designated at fair value through profit or loss	64,049,856	77,804,548	(18)	67,016,427	80,967,596	(17)
Other operating income	98,706,133	91,207,358	8	59,481,186	45,982,358	29
<b>Net other operating income</b>	<b>187,049,583</b>	<b>188,439,631</b>	<b>(1)</b>	<b>151,949,258</b>	<b>146,377,679</b>	<b>4</b>
<b>Total operating income</b>	<b>2,781,542,405</b>	<b>2,127,392,221</b>	<b>31</b>	<b>2,883,550,625</b>	<b>2,226,838,139</b>	<b>29</b>
Impairment charge and other credit losses	(770,045,925)	(248,145,075)	210	(770,045,925)	(248,145,075)	210
<b>Net operating income</b>	<b>2,011,496,480</b>	<b>1,879,247,146</b>	<b>7</b>	<b>2,113,504,700</b>	<b>1,978,693,064</b>	<b>7</b>
Personnel expenses	(515,726,539)	(465,750,688)	11	(537,297,550)	(478,045,931)	12
Depreciation expense	(300,170,827)	(310,998,563)	(3)	(306,881,222)	(312,030,957)	(2)
Amortisation expense	(9,992,659)	(9,749,717)	2	(10,045,540)	(9,749,717)	3
Other operating expenses	(421,689,830)	(509,550,241)	(17)	(429,950,384)	(516,659,227)	(17)
<b>Operating profit before taxes on financial services</b>	<b>763,916,625</b>	<b>583,197,937</b>	<b>31</b>	<b>829,330,004</b>	<b>662,207,232</b>	<b>25</b>
Taxes on financial services	(176,361,129)	(93,504,661)	89	(176,361,129)	(93,504,661)	89
<b>Profit before income tax</b>	<b>587,555,496</b>	<b>489,693,276</b>	<b>20</b>	<b>652,968,875</b>	<b>568,702,571</b>	<b>15</b>
Income tax expense	(138,572,388)	(116,052,260)	(19)	(158,343,646)	(139,743,623)	(13)
<b>Profit for the period</b>	<b>448,983,108</b>	<b>373,641,016</b>	<b>20</b>	<b>494,625,229</b>	<b>428,958,948</b>	<b>15</b>
Basic/diluted earnings per share	5.60	4.94	13	6.17	5.67	9

Figures in brackets in 2021 and 2020 columns indicate deductions.

The above figures are provisional and subject to audit.

## Statement of other comprehensive income

For the period ended 31st December	Company			Group		
	2021 Rs.	2020 Rs.	Change %	2021 Rs.	2020 Rs.	Change %
Profit for the period	448,983,108	373,641,016	20	494,625,229	428,958,948	15
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Changes in fair value of investments in equity at fair value through other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>448,983,108</b>	<b>373,641,016</b>	<b>20</b>	<b>494,625,229</b>	<b>428,958,948</b>	<b>15</b>

Figures in brackets in 2021 and 2020 columns indicate deductions.

The above figures are provisional and subject to audit.

## Statement of financial position

As at	Company			Group		
	31.12.2021 Rs.	31.03.2021 Rs. Audited	31.12.2020 Rs.	31.12.2021 Rs.	31.03.2021 Rs. Audited	31.12.2020 Rs.
<b>Assets</b>						
Cash and cash equivalents	536,259,987	606,071,689	1,211,409,501	554,468,299	647,544,645	1,239,636,820
Deposits with licensed commercial banks	5,606,587,444	4,591,535,045	4,227,313,177	5,606,587,444	4,591,535,045	4,227,313,177
Repurchase agreements	460,585,615	576,350,591	625,734,841	468,673,307	576,350,591	625,734,841
Financial assets held at fair value through profit or loss	1,214,647,220	508,509,464	523,530,086	1,274,374,572	558,362,192	566,730,820
Financial assets at amortised cost - Finance leases and hire purchases	22,843,614,670	24,735,380,314	26,132,919,394	22,843,614,670	24,735,380,314	26,132,919,394
Financial assets at amortised cost - Other loans and receivables	3,326,988,890	2,826,704,574	2,635,030,980	3,327,016,390	2,826,979,574	2,635,053,980
Financial assets measured at fair value through other comprehensive income	15,464,873	15,464,873	14,803,522	15,464,873	15,464,873	14,803,522
Financial assets at amortised cost - Other financial instruments	1,015,686,112	1,213,462,903	1,189,685,262	1,015,686,112	1,213,462,903	1,189,685,262
Investments in subsidiaries	328,301,663	328,301,663	328,301,663	-	-	-
Investment property	358,010,058	361,181,620	362,238,807	262,348,546	265,520,108	266,577,295
Property, plant and equipment	1,340,793,166	1,535,478,446	1,554,599,161	1,350,543,296	1,540,620,137	1,557,290,846
Intangible assets	46,608,295	55,119,372	36,487,910	47,175,800	55,409,635	36,635,557
Current tax receivable	-	-	1,796,766	-	-	(265,898)
Right-of-use assets	348,396,389	409,875,363	415,007,412	362,967,721	409,875,363	415,007,412
Other assets	223,808,222	139,952,593	127,255,820	229,271,241	88,097,162	129,900,579
<b>Total assets</b>	<b>37,665,752,604</b>	<b>37,903,388,510</b>	<b>39,386,114,302</b>	<b>37,358,192,271</b>	<b>37,524,602,542</b>	<b>39,037,023,607</b>
<b>Liabilities</b>						
Due to banks	6,035,632,749	7,143,545,886	6,703,781,174	6,035,632,749	7,143,545,886	6,703,781,174
Financial liabilities at amortised cost - Due to depositors	12,183,783,892	11,546,422,341	11,256,725,309	12,142,871,659	11,488,567,645	11,214,615,319
Financial liabilities at amortised cost - Other borrowings	8,701,828,939	9,792,389,529	12,140,810,729	8,701,828,939	9,792,389,529	12,140,810,729
Subordinated debentures	1,824,827,870	1,768,323,395	1,829,014,285	1,824,827,870	1,768,323,395	1,829,014,285
Lease liabilities	340,619,202	377,500,417	376,613,210	356,725,888	377,500,417	376,613,210
Deferred tax liabilities	115,004,309	319,294,434	394,335,023	114,258,970	318,583,517	394,120,202
Current tax payable	200,328,298	134,333,332	-	202,607,913	135,946,025	-
Amounts due to related companies	282,122,456	282,185,096	282,247,412	-	-	-
Employee retirement benefits	166,928,735	154,978,998	148,745,339	171,878,207	158,819,688	151,755,934
Other liabilities	659,473,838	425,034,092	469,894,233	660,850,417	435,680,228	475,739,945
<b>Total liabilities</b>	<b>30,510,550,288</b>	<b>31,944,007,520</b>	<b>33,602,166,714</b>	<b>30,211,482,612</b>	<b>31,619,356,330</b>	<b>33,286,450,798</b>
<b>Equity</b>						
Stated capital	2,424,777,045	1,587,862,680	1,587,862,680	2,424,777,045	1,587,862,680	1,587,862,680
Statutory reserve fund	460,036,033	460,036,033	430,036,033	464,997,079	464,997,079	434,997,079
Fair value reserve	4,760,867	4,760,867	4,099,516	4,760,867	4,760,867	4,099,516
Retained earnings	4,265,628,371	3,906,721,410	3,761,949,359	4,252,174,668	3,847,625,586	3,723,613,534
<b>Total equity</b>	<b>7,155,202,316</b>	<b>5,959,380,990</b>	<b>5,783,947,588</b>	<b>7,146,709,659</b>	<b>5,905,246,212</b>	<b>5,750,572,809</b>
<b>Total liabilities and equity</b>	<b>37,665,752,604</b>	<b>37,903,388,510</b>	<b>39,386,114,302</b>	<b>37,358,192,271</b>	<b>37,524,602,542</b>	<b>39,037,023,607</b>
<b>Net assets per share</b>	<b>82.93</b>	<b>82.23</b>	<b>79.81</b>	<b>82.83</b>	<b>81.48</b>	<b>79.35</b>

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.

Sgd.

S D Bandaranayake  
Additional Chief Executive 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.

Sgd.

W M R S Dias  
Chairman

Sgd.

L Balasuriya  
Chief Executive Officer/Managing Director

Colombo, Sri Lanka  
14th February 2022

## Statement of changes in equity

	Stated capital	Statutory reserve fund	Fair value reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Company</b>					
<b>Balance as at 1st April 2020</b>	1,587,862,680	430,036,033	4,099,516	3,388,308,343	5,410,306,572
Total comprehensive income for the period					
Profit for the period	-	-	-	373,641,016	373,641,016
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	373,641,016	373,641,016
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
<b>Balance as at 31st December 2020</b>	<u>1,587,862,680</u>	<u>430,036,033</u>	<u>4,099,516</u>	<u>3,761,949,359</u>	<u>5,783,947,588</u>
<b>Balance as at 1st April 2021</b>	1,587,862,680	460,036,033	4,760,867	3,906,721,410	5,959,380,990
Total comprehensive income for the period					
Profit for the period	-	-	-	448,983,108	448,983,108
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	448,983,108	448,983,108
<i>Transactions with equity holders recognised directly in equity</i>					
Rights issue of shares	836,914,365	-	-	-	836,914,365
Dividends paid	-	-	-	(90,076,147)	(90,076,147)
Total contributions from and distributions to equity holders	836,914,365	-	-	(90,076,147)	746,838,218
<b>Balance as at 31st December 2021</b>	<u>2,424,777,045</u>	<u>460,036,033</u>	<u>4,760,867</u>	<u>4,265,628,371</u>	<u>7,155,202,316</u>
<b>Group</b>					
<b>Balance as at 1st April 2020</b>	1,587,862,680	434,997,079	4,099,516	3,294,654,586	5,321,613,861
Total comprehensive income for the period					
Profit for the period	-	-	-	428,958,948	428,958,948
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	428,958,948	428,958,948
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distributions to equity holders	-	-	-	-	-
<b>Balance as at 31st December 2020</b>	<u>1,587,862,680</u>	<u>434,997,079</u>	<u>4,099,516</u>	<u>3,723,613,534</u>	<u>5,750,572,809</u>
<b>Balance as at 1st April 2021</b>	1,587,862,680	464,997,079	4,760,867	3,847,625,586	5,905,246,212
Total comprehensive income for the period					
Profit for the period	-	-	-	494,625,229	494,625,229
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	494,625,229	494,625,229
<i>Transactions with equity holders recognised directly in equity</i>					
Rights issue of shares	836,914,365	-	-	-	836,914,365
Dividends paid	-	-	-	(90,076,147)	(90,076,147)
Total contributions from and distributions to equity holders	836,914,365	-	-	(90,076,147)	746,838,218
<b>Balance as at 31st December 2021</b>	<u>2,424,777,045</u>	<u>464,997,079</u>	<u>4,760,867</u>	<u>4,252,174,668</u>	<u>7,146,709,659</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.



## Statement of cash flows

For the period ended 31st December	Company		Group	
	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>				
Interest and commission receipts	4,291,747,448	4,040,881,299	4,429,182,180	4,179,975,487
Interest payments	(1,726,661,626)	(2,450,622,284)	(1,725,449,569)	(2,448,208,603)
Recoveries of bad debts	24,874,209	32,276,327	24,874,209	32,276,327
Other operating income	51,784,151	32,507,620	51,559,204	32,282,620
Operating expenditure	(585,243,592)	(701,790,599)	(593,504,146)	(708,620,131)
Rent expenses	(5,632,646)	(3,908,680)	(5,632,646)	(4,038,280)
Cash payments to employees	(487,325,823)	(438,214,307)	(507,542,052)	(449,833,088)
<b>Operating cash flow before changes in operating assets and liabilities (Note A)</b>	<b>1,563,542,121</b>	<b>511,129,376</b>	<b>1,673,487,180</b>	<b>633,834,332</b>
<b>Changes in operating assets and liabilities</b>				
Net funds received from / (advanced to) customers	731,721,580	(1,401,926,161)	731,969,080	(1,401,719,161)
Net deposits from customers	637,361,551	34,113,829	654,304,014	39,704,764
Deposits with licensed commercial banks	(1,015,052,399)	(3,342,524,880)	(1,015,052,399)	(3,342,524,880)
Government and other securities	313,541,767	317,753,014	305,454,075	317,753,014
Other assets	(83,855,629)	24,381,883	(141,174,079)	(14,711,657)
Other liabilities	217,141,867	(122,127,600)	207,934,949	(133,728,037)
	<b>800,858,737</b>	<b>(4,490,329,915)</b>	<b>743,435,640</b>	<b>(4,535,225,957)</b>
<b>Net cash flow from operating activities before taxation</b>	<b>2,364,400,858</b>	<b>(3,979,200,539)</b>	<b>2,416,922,820</b>	<b>(3,901,391,625)</b>
Taxes paid	(259,632,300)	(127,901,694)	(278,771,058)	(146,604,156)
Gratuity paid	(16,450,979)	(2,947,063)	(16,696,979)	(2,947,063)
<b>Net cash generated from / (used in) operating activities</b>	<b>2,088,317,579</b>	<b>(4,110,049,296)</b>	<b>2,121,454,783</b>	<b>(4,050,942,844)</b>
<b>Cash flows from investing activities</b>				
Net investment in trading securities	(617,794,307)	(47,480,446)	(623,544,308)	(74,980,446)
Dividends received on investments	41,852,626	48,483,879	2,852,626	3,483,879
Purchase of property, plant and equipment	(27,093,350)	(55,369,292)	(33,555,074)	(55,955,292)
Purchase of intangible assets	(1,481,582)	-	(1,811,705)	(158,760)
Proceeds from sale of property, plant and equipment	2,112,000	21,538,000	2,112,000	21,538,000
Addition of right-of-use assets	(4,308,612)	(24,950,200)	(4,308,612)	(24,950,200)
<b>Net cash used in investing activities</b>	<b>(606,713,225)</b>	<b>(57,778,059)</b>	<b>(658,255,073)</b>	<b>(131,022,819)</b>
<b>Cash flows from financing activities</b>				
Proceeds from rights issue	836,914,365	-	836,914,365	-
Redemption of debentures	-	(2,413,210,000)	-	(2,413,210,000)
Securitized loans obtained	3,003,700,000	12,153,250,000	3,003,700,000	12,153,250,000
Repayment of loans	(5,132,644,301)	(4,867,998,336)	(5,132,644,301)	(4,867,998,336)
Repayment of lease liabilities	(89,366,093)	(86,537,390)	(94,226,093)	(86,537,390)
Dividends paid	(90,076,147)	-	(90,076,147)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,471,472,176)</b>	<b>4,785,504,274</b>	<b>(1,476,332,176)</b>	<b>4,785,504,274</b>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

## Statement of cash flows (Continued)

For the period ended 31st December	Company		Group	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Net increase/ (decrease) in cash and cash equivalents	10,132,178	617,676,919	(13,132,466)	603,538,611
Cash and cash equivalents at the beginning of the period	526,127,809	521,600,576	567,600,765	563,966,203
Cash and cash equivalents at the end of the period	536,259,987	1,139,277,495	554,468,299	1,167,504,814
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	536,259,987	1,211,409,501	554,468,299	1,239,636,820
Bank overdrafts	-	(72,132,006)	-	(72,132,006)
	536,259,987	1,139,277,495	554,468,299	1,167,504,814
<b>Note A</b>				
<b>Reconciliation of operating profit</b>				
Profit before income tax	587,555,496	489,693,276	652,968,875	568,702,571
Depreciation and amortisation	310,163,486	320,748,280	316,926,762	321,780,674
Dividend receipts on investments	(41,852,626)	(48,483,879)	(2,852,626)	(3,483,879)
Profit on disposal of property, plant and equipment	(1,533,862)	(10,215,859)	(1,533,862)	(10,215,859)
Provision for defined benefit plan	28,400,716	28,400,716	29,755,498	29,077,178
Impairment charge on financial assets	811,422,411	186,455,251	811,422,411	186,455,251
Loss / (gain) from auction of pawned articles	(1,545,908)	(434,711)	(1,545,908)	(434,711)
Net gain from financial instruments designated at FVTPL	(64,049,856)	(77,804,548)	(67,016,427)	(80,967,596)
Net gain from trading	(24,293,594)	(19,427,725)	(25,451,645)	(19,427,725)
Loss from foreign currency conversion	(3,535,494)	-	(3,535,494)	-
Interest expense on lease liabilities	42,473,690	43,752,579	44,011,934	43,752,579
Accrued interest on loans and advances	(150,126,949)	(319,091,357)	(150,126,949)	(319,091,358)
Accrued interest on borrowings	13,960,136	(5,157,501)	13,960,136	(5,157,501)
Accrued interest on debentures	56,504,475	(77,305,146)	56,504,475	(77,305,146)
Withholding tax written off	-	-	-	149,854
	1,563,542,121	511,129,376	1,673,487,180	633,834,332

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

## Financial instruments – Fair values

### Accounting 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.

	As at 31.12.2021					As at 31.03.2021						
	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
<b>Financial assets measured at fair value</b>												
Investments in equity securities - quoted	73,521,680	-	-	73,521,680	73,521,680	Level 1	79,178,617	-	-	79,178,617	79,178,617	Level 1
Investments in equity securities - unquoted	-	15,464,873	-	15,464,873	15,464,873	Level 3	-	15,464,873	-	15,464,873	15,464,873	Level 3
Investments in unit trusts - unquoted	1,141,125,540	-	-	1,141,125,540	1,141,125,540	Level 3	429,330,847	-	-	429,330,847	429,330,847	Level 3
	<u>1,214,647,220</u>	<u>15,464,873</u>	<u>-</u>	<u>1,230,112,093</u>	<u>1,230,112,093</u>		<u>508,509,464</u>	<u>15,464,873</u>	<u>-</u>	<u>523,974,337</u>	<u>523,974,337</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>												
Cash and cash equivalents	-	-	536,259,987	536,259,987	-	-	-	606,071,689	606,071,689	-	-	-
Deposits with licensed commercial banks	-	-	5,606,587,444	5,606,587,444	-	-	-	4,591,535,045	4,591,535,045	-	-	-
Repurchase agreements	-	-	460,585,615	460,585,615	-	-	-	576,350,591	576,350,591	-	-	-
Finance lease, Hire purchase and other loans	-	-	25,909,473,278	25,909,473,278	-	-	-	27,226,101,233	27,226,101,233	-	-	-
Other advances	-	-	261,130,282	261,130,282	-	-	-	335,983,655	335,983,655	-	-	-
Treasury bonds	-	-	-	-	-	-	-	196,250,503	196,250,503	197,353,668	Level 1	-
Treasury bills	-	-	1,015,686,112	1,015,686,112	1,016,419,600	Level 1	-	-	1,017,212,400	1,017,212,400	1,013,452,051	Level 1
	<u>-</u>	<u>-</u>	<u>33,789,722,718</u>	<u>33,789,722,718</u>	<u>1,016,419,600</u>		<u>-</u>	<u>-</u>	<u>34,549,505,116</u>	<u>34,549,505,116</u>	<u>1,210,805,718</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>												
Due to banks	-	-	6,035,632,749	6,035,632,749	-	-	-	7,143,545,886	7,143,545,886	-	-	-
Term deposits from customers	-	-	11,112,014,015	11,112,014,015	11,391,090,150	Level 3	-	-	10,987,804,754	10,987,804,754	11,187,203,489	Level 3
Savings deposits from customers	-	-	1,071,769,877	1,071,769,877	-	-	-	558,617,587	558,617,587	-	-	-
Borrowings	-	-	8,701,828,939	8,701,828,939	-	-	-	9,792,389,529	9,792,389,529	-	-	-
Subordinated debentures	-	-	1,824,827,870	1,824,827,870	2,000,546,143	Level 3	-	-	1,768,323,395	1,768,323,395	2,148,803,253	Level 3
	<u>-</u>	<u>-</u>	<u>28,746,073,450</u>	<u>28,746,073,450</u>	<u>13,391,636,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,250,681,151</u>	<u>30,250,681,151</u>	<u>13,336,006,742</u>	<u>-</u>

## Financial instruments – Fair values

### Accounting 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.

	As at 31.12.2021					As at 31.03.2021						
	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
<b>Financial assets measured at fair value</b>												
Investments in equity securities - quoted	73,521,680	-	-	73,521,680	73,521,680	Level 1	79,178,617	-	-	79,178,617	79,178,617	Level 1
Investments in equity securities - unquoted	-	15,464,873	-	15,464,873	15,464,873	Level 3	-	15,464,873	-	15,464,873	15,464,873	Level 3
Investments in unit trusts - unquoted	1,200,852,892	-	-	1,200,852,892	1,200,852,892	Level 3	479,183,575	-	-	479,183,575	479,183,575	Level 3
	<u>1,274,374,572</u>	<u>15,464,873</u>	<u>-</u>	<u>1,289,839,445</u>	<u>1,289,839,445</u>		<u>558,362,192</u>	<u>15,464,873</u>	<u>-</u>	<u>573,827,065</u>	<u>573,827,065</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>												
Cash and cash equivalents	-	-	554,468,299	554,468,299	-		-	-	647,544,645	647,544,645	-	
Deposits with licensed commercial banks	-	-	5,606,587,444	5,606,587,444	-		-	-	4,591,535,045	4,591,535,045	-	
Repurchase agreements	-	-	468,673,307	468,673,307	-		-	-	576,350,591	576,350,591	-	
Finance lease, Hire purchase and other loans	-	-	25,909,500,778	25,909,500,778	-		-	-	27,226,376,233	27,226,376,233	-	
Other advances	-	-	261,130,282	261,130,282	-		-	-	335,983,655	335,983,655	-	
Treasury bonds	-	-	-	-	-		-	-	196,250,503	196,250,503	197,353,668	Level 1
Treasury bills	-	-	1,015,686,112	1,015,686,112	1,016,419,600	Level 1	-	-	1,017,212,400	1,017,212,400	1,013,452,051	Level 1
	<u>-</u>	<u>-</u>	<u>33,816,046,222</u>	<u>33,816,046,222</u>	<u>1,016,419,600</u>		<u>-</u>	<u>-</u>	<u>34,591,253,072</u>	<u>34,591,253,072</u>	<u>1,210,805,719</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>												
Due to banks	-	-	6,035,632,749	6,035,632,749	-		-	-	7,143,545,886	7,143,545,886	-	
Term deposits from customers	-	-	11,071,101,782	11,071,101,782	11,060,673,101	Level 3	-	-	10,929,950,058	10,929,950,058	11,129,346,327	Level 3
Savings deposits from customers	-	-	1,071,769,877	1,071,769,877	-		-	-	558,617,587	558,617,587	-	
Borrowings	-	-	8,701,828,939	8,701,828,939	-		-	-	9,792,389,529	9,792,389,529	-	
Subordinated debentures	-	-	1,824,827,870	1,824,827,870	2,000,546,143	Level 3	-	-	1,768,323,395	1,768,323,395	2,148,803,253	Level 3
	<u>-</u>	<u>-</u>	<u>28,705,161,217</u>	<u>28,705,161,217</u>	<u>13,061,219,244</u>		<u>-</u>	<u>-</u>	<u>30,192,826,455</u>	<u>30,192,826,455</u>	<u>13,278,149,580</u>	<u>-</u>

**Segment report**

As at 31st December	Leasing & Hire purchase		Pawning advances		Other Advances		Investments		Insurance Brokering		Unit trust management		Unallocated		Total			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
<b>Revenue</b>																		
<i>External customers</i>																		
Interest	3,713,590,417	3,666,769,530	171,424,645	182,714,692	244,667,753	207,421,002	268,042,134	263,615,872	369,267	703,420	289,709	235,855	-	-	4,398,383,925	4,321,460,371		
Trading	-	-	-	-	-	-	89,501,501	97,232,273	-	-	2,966,571	3,163,048	9,202	15,516	92,477,274	100,410,837		
Commissions	-	-	-	-	-	-	-	-	86,947,207	104,991,384	49,828,549	33,163,530	20,442	81,007	136,796,198	138,235,921		
Rent	-	-	-	-	-	-	20,997,458	13,613,367	-	-	-	-	-	-	20,997,458	13,613,367		
Dividends	-	-	-	-	-	-	2,852,626	3,483,879	-	-	-	-	-	-	2,852,626	3,483,879		
Other income	8,916,182	7,328,607	-	-	-	-	1,533,862	10,215,859	-	-	-	-	69,300,862	50,695,683	79,750,906	68,240,149		
Total revenue	3,722,506,599	3,674,098,137	171,424,645	182,714,692	244,667,753	207,421,002	382,927,581	388,161,250	87,316,474	105,694,804	53,084,829	36,562,433	69,330,506	50,792,206	4,731,258,387	4,645,444,524		
<b>Profit before tax</b>																652,968,875	568,702,571	
<b>Taxation</b>																	(158,343,646)	(139,743,623)
<b>Profit after tax</b>																	494,625,229	428,958,948
<b>Segment Assets</b>	22,843,614,670	26,132,919,394	1,289,338,601	1,109,802,164	2,037,650,289	1,525,228,816	9,962,721,271	8,438,731,254	14,342,980	25,200,875	102,059,859	51,874,398	1,108,464,601	1,753,266,706	37,358,192,271	39,037,023,607		
<b>Segment Liabilities</b>	24,477,613,650	27,096,820,416	1,127,215,256	1,350,231,356	1,608,830,655	1,532,806,901	2,517,968,238	2,868,447,443	3,628,695	6,117,473	19,658,682	2,466,513	456,567,435	429,560,696	30,211,482,612	33,286,450,798		
<b>Information on Cash flows</b>																		
Operating activities	2,878,974,536	(1,232,858)	127,234,444	39,562,445	76,387,593	(11,264,233)	(762,016,483)	(3,836,045,945)	(26,289,189)	4,102,702	16,654,717	19,415,685	(189,490,836)	(265,480,640)	2,121,454,783	(4,050,942,844)		
Investing activities	-	-	-	-	-	-	(618,579,682)	(49,958,567)	-	-	-	-	-	-	(618,579,682)	(49,958,567)		
Capital expenditure	(20,170,325)	(53,875,400)	(1,138,453)	(2,287,959)	(1,799,193)	(3,144,399)	(8,796,827)	(17,397,215)	-	-	(6,791,847)	(744,760)	(978,746)	(3,614,519)	(39,675,391)	(81,064,252)		
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	(1,476,332,176)	4,785,504,274	(1,476,332,176)	4,785,504,274		
<b>Net cash flow</b>	2,858,804,211	(55,108,258)	126,095,991	37,274,487	74,588,400	(14,408,631)	(1,389,392,992)	(3,903,401,728)	(26,289,189)	4,102,702	9,862,870	18,670,925	(1,666,801,758)	4,516,409,114	(13,132,466)	603,538,611		
<b>Depreciation and amortisation</b>	(257,076,421)	(271,915,984)	(14,509,900)	(11,547,617)	(22,931,215)	(15,870,178)	(3,171,562)	(3,171,562)	(943,453)	(942,523)	(5,819,823)	(89,871)	(12,474,388)	(18,242,939)	(316,926,762)	(321,780,674)		
<b>Impairment charges and other credit losses</b>	(475,528,574)	(219,976,818)	1,545,908	2,566,649	(296,073,453)	(30,791,523)	-	-	-	-	-	-	10,194	56,617	(770,045,925)	(248,145,075)		

## *Selected performance indicators*

<i>As at 31st December</i>	<b>2021</b>	<b>2020</b>
<b>Regulatory Capital Adequacy</b>		
Core Capital - Tier 1 (Rs. '000)	6,712,756	5,336,839
Total Capital Base - Tier 1 and 2 (Rs. '000)	7,730,586	7,101,597
Core Capital Adequacy Ratio, (Minimum requirement 2021-7.0%, 2020-6.5%)	19.53%	14.63%
Total Capital Adequacy Ratio, (Minimum requirement 2021-11.0%, 2020-10.5%)	22.49%	19.46%
Capital funds to Deposit Liabilities Ratio, (Minimum requirement 10%)	63.45%	63.09%
<i>Computed as per Finance Companies Act (Capital Adequacy Requirements) Direction No. 03 of 2018</i>		
<b>Quality of Loan Portfolio</b>		
Gross Non-Performing Loans (Rs. '000)	2,273,674	1,835,021
Gross Non-Performing Loans Ratio	8.04%	6.25%
Net Non-Performing Loans Ratio	1.54%	1.44%
Net Non-Performing Loans to Core Capital Ratio	6.47%	7.93%
Provision Coverage Ratio	80.89%	77.03%
<b>Profitability</b>		
Net Interest Margin	9.77%	7.55%
Return on Assets (before Tax)	2.64%	2.10%
Return on Equity (after Tax)	9.25%	8.89%
Cost to Income Ratio	45.01%	61.09%
<b>Liquidity</b>		
Required minimum amount of Liquid Assets (Rs. '000)	1,696,965	739,218
Available amount of Liquid Assets (Rs. '000)	2,047,225	2,636,611
Available Liquid Assets to Required Liquid Assets	120.64%	356.68%
Liquid Assets to External Funds	7.12%	8.26%
Required minimum amount of Government Securities (Rs. '000)	966,183	707,062
Available amount of Government Securities (Rs. '000)	1,469,329	1,797,228
<i>Computed as per CBSL guidelines</i>		
<b>Debt</b>		
Debt-to-Equity ratio (times)	2.31	3.57
Interest cover (times)	1.32	1.20
<b>Memorandum information</b>		
Number of employees	798	802
Number of branches	80	59
Number of service centers	20	41
External Credit Rating by Fitch Ratings Lanka Limited	BBB+(lka) Stable outlook	BBB+(lka) Stable outlook

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, 2021 and are in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS). 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 and the use of funds raised through the rights issues during the period.
- 3 All known expenses have been provided for in these financial statements.
- 4 The Board of Directors has declared and paid the following dividend.

Year	Dividend	Dividend per share Rs.	Total amount paid Rs.	Date of payment
2020/21	Final dividend	1.16	90,076,147	22-Sep-21

### 5 Rights issue information

- 5.1 The Company made a rights issue of one (01) new ordinary share for every fourteen (14) ordinary shares held, at a price of Rs.70.00 per share with the approval of the Central Bank of Sri Lanka and the Colombo Stock Exchange during the month of April 2021.

Utilisation of funds raised via Rights Issue as at February 14, 2022

Objective number	Objective as per Circular	Amount allocated as per Circular Rs.	Proposed date of utilization as per Circular	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	Maintain a higher capital adequacy	362.38 Mn	30-Apr-21	362.38 Mn	100	362.38 Mn	100	N/A
2	Increase the loan book of the Company	362.38 Mn	One month from receipt (i.e. 29-May-2021)	362.38 Mn	100	362.38 Mn	100	N/A

- 5.2 The Company concluded a second rights issue for the year, of one (1) new ordinary share for every nine (9) existing ordinary shares at an issue price of Rs.55.00 per share, with the approval of the Central Bank of Sri Lanka and the Colombo Stock Exchange during the month of November 2021.

Utilization of funds raised via the right issue as at February 14, 2022.

Objective number	Objective as per Circular	Amount allocated as per Circular Rs.	Proposed date of utilization as per Circular	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	Maintain a higher capital adequacy	474.5 Mn	30-Nov-21	474.5 Mn	100	474.5 Mn	100	N/A
2	Increase the loan book of the Company	474.5 Mn	Three months from receipt (i.e. 28-Feb-2022)	474.5 Mn	100	474.5 Mn	100	N/A

## Notes to the financial statements (continued)

### 6 Debenture Information

#### 6.1 Debenture issue -August 2019

Utilization of funds raised via capital market Debenture issue as at February 14, 2022

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	N/A
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	N/A

#### 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	Aug-19	Aug-24	13.29%	12.39%	10.66%	103.89	103.89	103.89

#### 6.3 Interest rate of comparable government securities

As at	31.12.2021	31.12.2020
5 year Treasury Bonds	11.10%	6.60%

### 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	31.12.2021
1. Dr. A. Balasuriya & Mr. D. Balasuriya	2,963,360
2. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,963,360
3. Dr. A. Balasuriya & Mr. S. Balasuriya	2,963,358
4. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,963,358
5. Mrs. L. Fernando & Ms. S.A. Fernando	1,735,089
6. Mrs. L. Fernando & Mr. A. R. Fernando	1,735,088
7. Mrs. L. Fernando & Ms. A.L. Fernando	1,735,088
8. Mr. L. Balasuriya - The Trustee of the Capitalization Issue	16
9. Mr. S. D. Bandaranayake	Nil
10. Mr. W. M. R. S. Dias	Nil
11. Mr. S. R. Pushpakumara	Nil
12. Mr. N. Vasantha Kumar	Nil
13. Dr. (Ms.) R. A. Perera	Nil



## Notes to the financial statements (continued)

### 7.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

As at	31.12.2021	31.03.2021
1. Mr. P.P.K. Ikiriwatte	16,977	16,977
2. Mr. J.K. Jayatileke	16,963	16,963

### 7.3 Stated Capital

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

As at	31.12.2021	31.03.2021
Ordinary shares	86,279,834	72,475,061

### 7.4 The 20 largest shareholders of the Company as at December 31, 2021 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	44,781,393	51.91
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. Dr. M. Balasuriya (Deceased)	4,172,046	4.84
6. Dr. A. Balasuriya & Mr. D. Balasuriya	2,963,360	3.44
7. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,963,360	3.44
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,963,358	3.44
9. Dr. A. Balasuriya & Mr. S. Balasuriya	2,963,358	3.44
10. Mrs. L. Fernando & Ms.S.A. Fernando	1,735,089	2.01
11. Mrs. L. Fernando & Mr. A. R.Fernando	1,735,088	2.01
12. Mrs. L. Fernando & Ms. A.L. Fernando	1,735,088	2.01
13. Mr. D. K. C. R. Fernando	721,444	0.84
14. Mrs. Chandra 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	37,681	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
	<b>86,263,812</b>	

### 7.5 The float adjusted market capitalisation and public holding

As at	31.12.2021	31.12.2020	Minimum Requirement
The float adjusted market capitalisation (Rs)	14,001,377,141	1,426,712,264	1 Bn
Public holding percentage	21.43%	21.40%	7.5%
Number of public shareholders	178	9	200

### 7.6 Information on Ratios and Share Prices

As at	31.12.2021	31.12.2020
Dividend per share (Rs.)	1.16	Nil
Net Assets per share (Rs.)	82.93	79.81
Market Prices (Rs.)		
- Highest price	1,564.00	Not traded
- Lowest price	70.00	Not traded
- Last traded price	757.25	Not traded

## *Notes to the Financial Statements (Continued)*

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### **8 The impact of COVID-19 pandemic on the business/ operations of the Company**

The outbreak of COVID-19 has caused disruptions to business and economic activities creating a widespread uncertainty in the economy. Several guidelines and instructions were issued by the government health authorities and the Central Bank of Sri Lanka which are strictly followed by the Company.

The Central Bank of Sri Lanka issued circulars and guidelines for financial institutions to offer concessions on financial obligations to individual customers and private businesses as a result of the adverse short-term impact on their sources of income. The relief measures include deferment of payment, restructuring, concessionary interest rate and waving off certain charges and fees. These are causing an adverse impact to the earnings and cash flows of the Company.

However, the management is of the view that the Company is able to maintain a satisfactory liquidity position to safeguard the interest of all stakeholders. Accordingly, the management concluded that the Company has adequate resources to continue as a going concern, and is continuously monitoring and assessing the impact of COVID-19 pandemic, on the financial performance, financial position and cash flows of the Company.

### **9 Accounting for the impact of COVID-19 pandemic on the business of the Company**

Moratorium scheme provided by the Central Bank of Sri Lanka was accounted for as a non-substantial modification to financial assets under SLFRS 09 – Financial Instruments, for both finance leases and the loans, when preparing Financial Statements up to the 3rd quarter of the financial year 2020/21.

However, when preparing the Financial Statements for the year ended 31st March 2021, it was concluded that there is no change in the scope and consideration of the lease contracts that were granted moratorium. Therefore, the concessions granted under the COVID-19 moratorium scheme by way of a deferment of lease instalments is not a modification of the lease contracts. Accordingly, the requirements of SLFRS 16 - Leases were applied when accounting for the lease contracts that were given the moratorium.

Comparative figures for December 2020 have been restated to reflect the changes in accounting principles adopted at the end of the financial year. Accordingly, the moratorium adjustment relating to lease contracts was accounted for based on the requirements specified in SLFRS 16 and the related changes in the lease payments were accounted for as a variable lease payment in the comparatives shown herein.

### **10 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.