



Senkadagala Finance PLC

**Interim Financial Statement for the period ended
31st December 2015**



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

Income statement

<i>For the three months period ended 31st December</i>	Company		Group	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Interest income	967,178,485	896,351,013	967,387,872	896,503,126
Interest expense	(436,282,238)	(439,907,398)	(435,114,815)	(438,866,008)
Net interest income	530,896,247	456,443,615	532,273,057	457,637,118
Fee and commission income	29,726,548	11,123,636	54,913,930	30,784,862
Fee and commission expense	(15,801,898)	(6,216,477)	(15,801,898)	(6,216,476)
Net fee and commission income	13,924,650	4,907,159	39,112,032	24,568,386
Net gain/(loss) from trading	30,782	1,916,674	30,782	1,916,674
Net gain from financial instruments designated at fair value through profit or loss	(4,977,735)	2,201,882	(4,977,735)	2,201,882
Other operating income	15,085,912	7,320,957	18,912,912	7,245,957
Total operating income	554,959,856	472,790,288	585,351,048	493,570,017
Impairment charge on individual impairment	-	-	-	-
Impairment charge on collective impairment	20,011,752	(8,063,413)	20,011,752	(8,063,413)
Other loan losses charge	(19,283,244)	(24,510,329)	(19,283,244)	(24,510,330)
Net operating income	555,688,364	440,216,545	586,079,556	460,996,274
Personnel expenses	(106,323,699)	(95,076,162)	(107,056,094)	(95,671,072)
Depreciation of property, plant and equipment	(52,022,579)	(49,186,632)	(52,960,479)	(49,456,451)
Amortization of intangible assets	(3,535,457)	(3,641,110)	(3,535,457)	(3,641,110)
Other expenses	(161,252,976)	(143,554,362)	(164,714,594)	(145,025,102)
Profit before VAT on financial services and Income Tax	232,553,653	148,758,280	257,812,932	167,202,539
Value Added Tax on financial services	(23,286,659)	(11,174,857)	(23,286,659)	(11,174,857)
Profit before Income Tax	209,266,994	137,583,423	234,526,273	156,027,682
Income tax expense	25,553,039	(35,204,147)	18,608,783	(40,430,967)
Profit for the period	234,820,033	102,379,276	253,135,056	115,596,715

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Statement of comprehensive income

<i>For the three months period ended 31st December</i>	Company		Group	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Profit for the period	<u>234,820,033</u>	<u>102,379,276</u>	<u>253,135,056</u>	<u>115,596,715</u>
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit plans	-	-	-	-
Deferred tax effect on actuarial gain/(Loss)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period net of tax	<u>234,820,033</u>	<u>102,379,276</u>	<u>253,135,056</u>	<u>115,596,715</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Income statement

<i>For the nine months period ended 31st December</i>	Company		Group	
	2015 Rs. Unaudited*	2014 Rs. Audited	2015 Rs. Unaudited*	2014 Rs. Audited
Interest income	2,773,600,176	2,721,040,994	2,774,416,691	2,721,574,404
Interest expense	(1,234,585,964)	(1,345,493,412)	(1,232,099,489)	(1,342,224,346)
Net interest income	1,539,014,212	1,375,547,582	1,542,317,202	1,379,350,058
Fee and commission income	57,589,094	27,949,650	126,325,232	79,604,120
Fee and commission expense	(27,667,104)	(19,360,548)	(27,667,104)	(19,360,548)
Net fee and commission income	29,921,990	8,589,102	98,658,128	60,243,572
Net gain/(loss) from trading	5,345,098	3,569,357	5,345,098	3,569,357
Net gain from financial instruments designated at fair value through profit or loss	(1,452,701)	19,275,195	(1,452,701)	19,275,195
Other operating income	55,781,406	16,260,208	61,876,406	16,035,208
Total operating income	1,628,610,005	1,423,241,444	1,706,744,133	1,478,473,390
Impairment charge on individual impairment	(1,086,205)	(1,266,715)	(1,086,205)	(1,266,715)
Impairment charge on collective impairment	24,638,622	(109,427,870)	24,638,622	(109,427,870)
Other loan losses charge	(62,057,994)	(64,722,743)	(62,057,994)	(64,722,743)
Net operating income	1,590,104,428	1,247,824,116	1,668,238,556	1,303,056,061
Personnel expenses	(303,895,169)	(260,460,816)	(306,165,820)	(262,370,071)
Depreciation of property, plant and equipment	(152,783,985)	(136,792,190)	(155,428,176)	(137,601,270)
Amortization of intangible assets	(10,818,106)	(8,957,104)	(10,818,106)	(8,957,104)
Other expenses	(436,447,319)	(409,901,543)	(444,472,054)	(412,325,202)
Profit before VAT on financial services and Income Tax	686,159,849	431,712,463	751,354,400	481,802,414
Value Added Tax on financial services	(62,673,279)	(36,571,499)	(62,673,279)	(36,571,499)
Profit before Income Tax	623,486,570	395,140,964	688,681,121	445,230,915
Income tax expense	(111,679,773)	(107,618,739)	(130,449,185)	(121,831,212)
Profit for the period	511,806,797	287,522,225	558,231,936	323,399,703
Earnings per share	7.85	4.41	8.56	4.96

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Statement of comprehensive income

<i>For the nine months period ended 31st December</i>	Company		Group	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
	Unaudited*	Audited	Unaudited*	Audited
Profit for the period	<u>511,806,797</u>	<u>287,522,225</u>	<u>558,231,936</u>	<u>323,399,703</u>
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit plans	-	-	-	-
Deferred tax effect on actuarial gain/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period net of tax	<u>511,806,797</u>	<u>287,522,225</u>	<u>558,231,936</u>	<u>323,399,703</u>

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Statement of financial position

As at	Company			Group		
	31.12.2015 Rs. Unaudited*	31.03.2015 Rs. Audited	31.12.2014 Rs. Audited	31.12.2015 Rs. Unaudited*	31.03.2015 Rs. Audited	31.12.2014 Rs. Audited
Assets						
Cash and cash equivalents	320,399,977	404,636,587	334,029,335	336,652,923	427,833,458	342,093,056
Deposit with licensed commercial banks	1,107,454,515	748,158,081	832,649,332	1,107,454,515	748,158,081	832,649,332
Repurchase agreements	415,713,920	581,421,556	1,394,495,795	415,713,920	581,421,556	1,394,495,795
Financial assets held at fair value through profit or loss	90,635,485	91,529,199	94,069,588	90,635,485	91,529,199	94,069,588
Finance leases	12,790,102,247	8,151,414,340	6,896,056,071	12,790,102,247	8,151,414,340	6,896,056,071
Hire purchases	2,621,475,092	4,925,414,552	5,891,253,589	2,621,475,092	4,925,414,552	5,891,253,589
Other loans and receivables	614,698,463	506,098,773	512,830,518	614,698,463	506,098,773	512,830,518
Financial assets available for sale	12,439,228	12,171,887	12,171,887	12,439,228	12,171,887	12,171,887
Financial assets held to maturity	816,590,347	1,062,632,291	775,579,176	816,590,347	1,062,632,291	775,579,176
Investments in subsidiaries	320,000,000	320,000,000	320,000,000	-	-	300,000,000
Investment property	79,100,692	79,327,971	79,403,730	270,413,929	264,327,971	79,403,730
Property, plant and equipment	1,011,159,867	961,508,782	864,700,307	1,017,901,964	965,032,417	868,478,265
Intangible assets	71,958,207	82,027,681	85,674,666	136,778,421	146,847,895	85,674,666
Amounts due from related	8,231,589	1,452,369	-	-	-	-
Current tax recoverable	502,890	1,384,413	-	-	-	-
Other assets	209,555,701	143,839,814	222,699,776	209,692,346	144,117,918	222,841,061
Total assets	20,490,018,220	18,073,018,296	18,315,613,770	20,440,548,880	18,027,000,338	18,307,596,734
Liabilities						
Due to banks	4,088,480,268	2,928,337,801	2,707,252,708	4,099,765,789	2,940,860,735	2,711,386,421
Deposits from customers	6,182,324,861	6,541,895,759	6,875,612,340	6,107,692,260	6,519,521,274	6,813,733,327
Other borrowings	3,107,035,083	1,859,354,847	2,121,806,763	3,107,035,083	1,859,354,847	2,121,806,763
Debt securities issued	2,089,034,365	2,319,430,013	2,387,100,140	2,089,034,365	2,319,430,013	2,387,100,140
Deferred tax liability	261,334,678	197,115,561	196,315,373	261,366,288	197,139,903	196,372,772
Current tax liabilities	-	-	20,721,850	9,342,377	13,655,300	28,981,857
Other liabilities	494,189,725	372,039,311	326,248,063	504,211,065	374,248,214	326,581,161
Employee benefits	67,538,427	60,691,494	59,241,674	67,728,153	60,768,994	59,299,798
Subordinated liabilities	1,278,359,495	1,260,306,634	1,284,192,168	1,278,359,495	1,260,306,634	1,284,192,168
Total liabilities	17,568,296,902	15,539,171,420	15,978,491,079	17,524,534,875	15,545,285,914	15,929,454,407
Equity						
Stated capital	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200
Statutory reserve fund	230,036,033	230,036,033	195,036,033	230,036,033	230,036,033	195,036,033
Investment fund account	-	-	-	-	-	-
Retained earnings	1,683,623,085	1,295,748,643	1,134,024,458	1,677,915,772	1,243,616,191	1,175,044,094
Total equity	2,921,721,318	2,533,846,876	2,337,122,691	2,916,014,005	2,481,714,424	2,378,142,327
Total liabilities and equity	20,490,018,220	18,073,018,296	18,315,613,770	20,440,548,880	18,027,000,338	18,307,596,734
Net assets per share	44.79	38.85	35.83	44.71	38.05	36.46

Figures in brackets indicate deductions.

* The above figures are provisional and subject to audit

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

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
18th January, 2016

Statement of changes in equity

<i>For the nine months period ended 31st December</i>	Stated capital	Statutory reserve fund	Investment fund account	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Company					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	988,965,874	2,101,782,510
Total comprehensive income					
Profit for the period	-	-	-	287,522,225	287,522,225
Other comprehensive income, net of tax	-	-	-	-	-
Issue of shares	260,910,200	-	-	(260,910,200)	-
Transfers to reserves	-	-	(170,628,603)	170,628,603	-
Dividends paid	-	-	-	(52,182,044)	(52,182,044)
Balance as at 31st December 2014	<u>1,008,062,200</u>	<u>195,036,033</u>	<u>-</u>	<u>1,134,024,458</u>	<u>2,337,122,691</u>
Balance as at 1st April 2015	1,008,062,200	230,036,033	-	1,295,748,643	2,533,846,876
Total comprehensive income					
Profit for the period	-	-	-	511,806,797	511,806,797
Other comprehensive income, net of tax	-	-	-	-	-
Dividends paid	-	-	-	(123,932,355)	(123,932,355)
Balance as at 31st December 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,683,623,085</u>	<u>2,921,721,318</u>
Group					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	994,108,032	2,106,924,668
Total comprehensive income					
Profit for the period	-	-	-	323,399,703	323,399,703
Other comprehensive income, net of tax	-	-	-	-	-
Issue of shares	260,910,200	-	-	(260,910,200)	-
Transfers to reserves	-	-	(170,628,603)	170,628,603	-
Dividends paid	-	-	-	(52,182,044)	(52,182,044)
Balance as at 31st December 2014	<u>1,008,062,200</u>	<u>195,036,033</u>	<u>-</u>	<u>1,175,044,094</u>	<u>2,378,142,327</u>
Balance as at 1st April 2015	1,008,062,200	230,036,033	-	1,243,616,191	2,481,714,424
Total comprehensive income					
Profit for the period	-	-	-	558,231,936	558,231,936
Other comprehensive income, net of tax	-	-	-	-	-
Dividends paid	-	-	-	(123,932,355)	(123,932,355)
Balance as at 31st December 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,677,915,772</u>	<u>2,916,014,005</u>

Figures in brackets indicate deductions.

* The above figures are provisional and subject to audit

Statement of cash flows

<i>For the nine months period ended 31st December</i>	Company		Group	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash flows from operating activities				
Interest and commission receipts	2,782,732,042	2,686,724,962	2,852,284,695	2,738,912,843
Interest payments	(1,232,864,337)	(1,362,297,829)	(1,230,377,862)	(1,359,028,764)
Recoveries of bad debts	38,781,208	28,936,985	38,781,208	28,936,985
Other operating income	5,642,183	8,895,437	11,737,183	8,670,437
Operating expenditure	(627,603,416)	(554,905,607)	(635,628,151)	(557,329,268)
Cash payments to employees	(294,605,445)	(251,171,092)	(296,763,870)	(253,022,223)
Operating cash flow before changes in operating assets and liabilities (Note A)	672,082,235	556,182,856	740,033,203	607,140,010
Changes in operating assets and liabilities				
Net funds advanced to customers	(2,371,361,980)	(677,615,052)	(2,371,361,980)	(677,615,048)
Deposits from customers	(359,570,898)	1,251,212,855	(411,829,014)	1,226,594,934
Deposits with licensed commercial banks	(359,296,434)	(832,649,332)	(359,296,434)	(832,649,332)
Government and other securities	411,749,580	(501,021,513)	411,749,580	(501,021,513)
Other assets	(72,495,107)	(66,309,999)	(65,574,428)	(66,316,284)
Other liabilities	127,566,092	136,981,882	129,832,812	134,245,338
	(2,623,408,747)	(689,401,159)	(2,666,479,464)	(716,761,905)
Net cash inflow from operating activities before taxation	(1,951,326,512)	(133,218,303)	(1,926,446,261)	(109,621,895)
Taxes paid	(49,974,661)	(85,350,436)	(68,385,535)	(108,209,499)
Gratuity paid	(2,442,791)	(2,164,008)	(2,442,791)	(2,164,008)
Net cash generated from operating activities	(2,003,743,964)	(220,732,747)	(1,997,274,587)	(219,995,402)
Cash flows from investing activities				
Acquisition of subsidiary	-	(300,000,000)	-	(300,000,000)
Net investment in trading securities	4,695,928	3,618,562	4,695,928	3,618,562
Purchase of financial assets available for sale	(267,341)	(172,604)	(267,341)	(172,604)
Dividends received on investments	2,211,883	2,217,634	2,211,883	2,217,634
Purchase of property, plant and equipment	(249,525,486)	(275,263,402)	(261,701,375)	(275,286,210)
Purchase of intangible assets	(748,632)	(54,898,774)	(748,632)	(54,898,774)
Proceeds from sale of property, plant and equipment	95,335,218	17,582,108	95,335,218	17,582,108
Net cash used in investing activities	(148,298,430)	(606,916,476)	(160,474,319)	(606,939,284)
Cash flows from financing activities				
Securitized loans obtained	3,389,710,000	2,882,550,000	3,389,710,000	2,882,550,000
Repayment of loans	(993,660,301)	(1,550,362,110)	(993,660,301)	(1,550,362,110)
Redemption of debenture	(210,000,000)	(504,000,000)	(210,000,000)	(504,000,000)
Dividends paid	(125,952,505)	(103,461,540)	(125,952,505)	(103,461,540)
Net cash generated from / (used in) financing activities	2,060,097,194	724,726,350	2,060,097,194	724,726,350

Figures in brackets indicate deductions.

* The above figures are provisional and subject to audit

Statement of cash flows (Continued)

<i>For the nine months period ended 31st December</i>	Company		Group	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Net increase / (decrease) in cash and cash equivalents	(91,945,200)	(102,922,873)	(97,651,712)	(102,208,336)
Cash and cash equivalents at the beginning of the period	312,689,587	328,341,651	323,363,524	331,557,122
Cash and cash equivalents at the end of the period	<u>220,744,387</u>	<u>225,418,778</u>	<u>225,711,812</u>	<u>229,348,786</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	320,399,977	334,029,335	336,652,923	342,093,056
Bank overdrafts	(99,655,590)	(108,610,557)	(110,941,111)	(112,744,270)
	<u>220,744,387</u>	<u>225,418,778</u>	<u>225,711,812</u>	<u>229,348,786</u>
Note A				
Reconciliation of operating profit				
Profit before income tax	623,486,570	395,140,964	688,681,121	445,230,915
Depreciation	163,602,091	145,749,294	166,246,282	146,558,374
Dividend receipts on investments	(2,211,883)	(2,217,634)	(2,211,883)	(2,217,634)
Profit on disposal of motor vehicles	(48,017,524)	(5,215,826)	(48,017,524)	(5,215,826)
Provision for defined benefit plan	9,289,724	9,289,724	9,401,950	9,347,847
Impairment of financial assets	(23,552,417)	110,694,586	(23,552,417)	110,694,586
Loan losses and write offs	23,488	4,587,710	23,488	4,587,710
Gain on mark to market valuation of shares	1,452,701	(19,275,195)	1,452,701	(19,275,195)
Capital (gain)/ loss on sale of shares	(5,254,914)	(3,500,669)	(5,254,914)	(3,500,669)
Interest accrued on loans and advances	(48,457,228)	(62,265,681)	(48,457,228)	(62,265,681)
Accrued interest on borrowings	4,064,414	(34,750,266)	4,064,414	(34,750,266)
Accrued interest on debentures	(2,342,787)	17,945,849	(2,342,787)	17,945,849
	<u>672,082,235</u>	<u>556,182,856</u>	<u>740,033,203</u>	<u>607,140,010</u>

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Segment report

As at 31st December	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments / Property		Insurance		Unallocated		Total	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revenue																
Interest	1,537,335,290	1,041,266,448	673,493,283	1,146,213,993	18,951,315	14,075,669	73,020,048	67,178,731	128,422,087	144,824,034	-	-	-	-	2,431,222,023	2,413,558,874
Trading	-	-	-	-	-	-	-	-	3,802,213	22,775,864	-	-	90,184	68,688	3,892,397	22,844,552
Commissions	-	-	-	-	-	-	-	-	-	-	69,175,349	52,124,346	-	-	69,175,349	52,124,346
Rent	-	-	-	-	-	-	-	-	7,485,000	1,440,000	-	-	-	-	7,485,000	1,440,000
Dividends	-	-	-	-	-	-	-	-	2,211,883	2,217,634	-	-	-	-	2,211,883	2,217,634
Other income	-	-	-	-	-	-	-	-	48,017,524	5,215,826	-	-	404,506,550	342,657,051	452,524,074	347,872,877
Total revenue	1,537,335,290	1,041,266,448	673,493,283	1,146,213,993	18,951,315	14,075,669	73,020,048	67,178,731	189,938,707	176,473,358	69,175,349	52,124,346	404,596,734	342,725,739	2,966,510,726	2,840,058,283
Profit before tax															688,681,121	445,230,915
Taxation															(130,449,185)	(121,831,212)
Profit after tax															558,231,936	323,399,704
Segment Assets	12,790,102,247	8,151,414,340	2,621,475,092	4,925,414,552	145,538,036	101,408,214	469,160,427	404,690,559	3,605,052,261	3,618,777,448	18,871,711	26,766,334	790,349,106	798,528,891	20,440,548,880	18,027,000,338
Segment Liabilities	9,282,193,458	5,795,374,062	4,066,448,605	6,379,480,354	114,425,118	78,340,914	440,883,792	373,896,493	1,146,820,628	982,197,325	25,554,967	28,765,891	2,448,208,307	1,907,230,875	17,524,534,875	15,545,285,914
Information on Cash flows																
Operating activities	(1,382,813,143)	484,461,108	276,284,133	864,524,514	(15,182,943)	5,670,734	(39,527,692)	34,045,564	(657,979,457)	(1,487,872,416)	(2,112,098)	(2,306,726)	(175,943,387)	(118,518,180)	(1,997,274,587)	(219,995,402)
Investing activities	-	-	-	-	-	-	-	-	6,640,470	(294,336,408)	-	-	95,335,218	17,582,108	101,975,688	(276,754,300)
Capital expenditure	(164,372,514)	(149,514,095)	(33,689,993)	(90,342,469)	(1,870,388)	(1,860,040)	(6,029,434)	(7,422,877)	(46,330,474)	(66,375,995)	-	(22,808)	(10,157,203)	(14,646,700)	(262,450,007)	(330,184,984)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	2,060,097,194	724,726,350	2,060,097,194	724,726,350
Net cash flow	(1,547,185,658)	334,947,013	242,594,140	774,182,045	(17,053,330)	3,810,694	(45,557,126)	26,622,687	(697,669,461)	(1,848,584,819)	(2,112,098)	(2,329,534)	1,969,331,822	609,143,578	(97,651,712)	(102,208,336)
Depreciation and amortisation	(124,256,833)	(82,438,986)	(25,467,833)	(49,812,973)	(1,413,913)	(1,025,588)	(4,557,930)	(4,092,821)	(2,050,385)	(303,038)	(809,460)	(809,080)	(7,689,928)	(8,075,888)	(166,246,282)	(146,558,374)

Performance indicators

<i>As at 31st December</i>	2015	2014	MINIMUM STATUTORY REQUIREMENT
Capital Adequacy			
Core capital (Tier 1) Rs. Mn.	2,921.72	2,101.78	
Total capital base (Tier 2) Rs. Mn.	3,653.97	3,090.05	
Core capital ratio	16.4%	13.8%	5%
Total capital ratio	20.5%	20.3%	10%
Capital funds to Total deposits ratio	47.3%	34.3%	10%
Asset Quality (As per Central Bank of Sri Lanka regulations)			
Total Advances Rs. Mn.	16,424.43	13,767.77	
Gross non-performing advances Rs. Mn.	440.68	686.40	
Net non-performing advances Rs. Mn.	242.96	532.87	
Gross non-performing advances ratio	2.68%	4.99%	
Net non-performing advances ratio	1.48%	3.87%	
Profitability			
Net interest margin	11.7%	11.7%	
Return on average assets	4.7%	3.1%	
Return on equity	33.5%	23.6%	
Liquidity			
Total liquid assets Rs. Mn.	2,660.16	3,336.75	
Liquid assets ratio	43.03%	50.32%	10%
Government securities Rs. Mn.	642.05	603.34	
Government securities to average deposits ratio	10.09%	8.16%	7.5%
Debt			
Debt-to-Equity ratio	3.62 : 1	3.56 : 1	
Interest cover	1.51	1.29	
Interest rate of comparable government securities			
6 month treasury bill	6.83%	5.84%	
3 year treasury bond	9.50%	6.80%	
4 year treasury bond	9.80%	7.10%	
5 year treasury bond	10.05%	7.20%	

The above figures are provisional and subject to audit.

Notes to the Financial Statements

1 General

The interim financial statements of the Company have been prepared on the basis of the accounting policies and methods of computation applied in the year ended March 31, 2015 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, contingent liabilities and the use of funds raised through debentures during the quarter.
- 3 All known expenses have been provided for in these financial statements.
- 4 The Board of Directors has declared with the approval of the Central Bank of Sri Lanka a final dividend of Rs. 0.80 per share for the year ended March 31, 2015. The total dividend payment amounted to Rs. 52,182,044/- has been paid on September 04, 2015. Further the Board has declared the first interim dividend of Rs. 0.60 per share for the three month period ended June 30, 2015. The total dividend payment amounted to Rs. 39,136,533/- paid on December 10, 2015.

5 Debenture Information

- 5.1 During the period, the company redeemed the unlisted debentures to the value of Rs. 160 million and Unlisted secured Debentures to the value of Rs. 50 million.

5.2 Information on listed debenture

Type of Debenture	Last traded Rs.	Annual effective %	Current yield %	Yield to maturity %
3 year - 17.00% payable quarterly	105.00	18.11%	16.19%	2.91%
4 year - 17.25% payable quarterly	111.05	18.40%	15.53%	2.75%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	10.19%	Not traded	Not traded
5 year - 15.00% payable quarterly	Not traded	15.87%	Not traded	Not traded

6 Share information

6.1 Directors' shareholdings

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

	As at 31.12.2015
1. Dr. A. Balasuriya	3,747,127
2. Dr. A. Balasuriya & Mr. D. Balasuriya	3,858
3. Dr. A. Balasuriya & Mr. S. Balasuriya	3,857
4. Dr. M. Balasuriya	3,754,842
5. Mrs. L. Fernando	3,141,113
6. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,877,421
7. Mr. L. Balasuriya & Mr. K. S. Balasuriya	1,877,420
8. Mr. W. A. T. Fernando	Nil
9. Dr. P. Ramanujam	Nil
10. Mr. S. S. Kulatunga	Nil
11. Mr. S. D. Bandaranayake	Nil
12. Mr. D.T.P. Collure	Nil
13. Mr. W.M.R.S. Dias	Nil
14. Mrs. L. Fernando & Ms. S.A. Fernando	2,572
15. Mrs. L. Fernando & Mr. A. R. Fernando	2,571
16. Mrs. L. Fernando & Ms. A.L. Fernando	2,571
17. Mr. L. Balasuriya / The Trustee of the Capitalization Issue	15

6.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

	As at 31.12.2015
1. Mr. P.P.K. Ikiriwatta	15,280
2. Mr. J.K. Jayathilake	15,267

6.3 Stated Capital

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

As at	31.12.2015	31.12.2014
Ordinary shares	65,227,555	65,227,555

Notes to the Financial Statements (contd.)

6.4 The 20 largest shareholders of the company as at December 31, 2015 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	36,697,014	56.27
2. Hallsville Trading Group Inc.	5,164,444	7.92
3. Dr. M. Balasuriya	3,754,842	5.76
4. Dr. (Mrs.) G. Madan Mohan	3,754,841	5.76
5. Dr. A. Balasuriya	3,747,127	5.75
6. Mr. R. Balasuriya	3,754,842	5.76
7. Mrs. L. Fernando	3,141,113	4.82
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,877,420	2.88
9. Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,877,421	2.88
10. Mr. D. K. C. R. Fernando	606,014	0.93
11. Mrs. S. Thaha	172,890	0.27
12. Mrs. C. Fernando	172,888	0.27
13. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.27
14. Mrs. Sheeraz Sellamuttu	129,666	0.20
15. Mr. Ifthikar Mubarak Thaha	129,666	0.20
16. Mr. M. M. Ariyaratne	28,488	0.04
17. Mr. P. P. K. Ikiriwattu	15,280	0.02
18. Mr. J. K. Jayatileke	15,267	0.02
19. Dr. A. Balasuriya & Mr. D. Balasuriya	3,858	0.01
20. Dr. A. Balasuriya & Mr. S. Balasuriya	3,857	0.01
	65,219,826	

6.5 The percentage of shares held by the public on December 31, 2015 was 21.60% (2014 - 21.60%) and is distributed among 10 Shareholders.

6.6 Information on Ratios and Share Prices

	31-Dec-2015	31-Dec-2014
Dividend per share (Rs.)	1.40	1.60
Net Assets per share (Rs.)	44.79	44.71
Market Prices		
- Highest price	Not traded	60.00
- Lowest price	Not traded	60.00
- Last traded price	Not traded	60.00

7 There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statement.

The company has been affirmed a long - term rating of BBB+ (lka) with a stable outlook by Fitch Ratings Lanka Limited.