



# Senkadagala Finance PLC

**Interim Financial Statement for the period ended  
30<sup>th</sup> June 2016**



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

### ***Income statement***

<b><i>For the three months period ended 30th June</i></b>	<b>Company</b>		<b>Group</b>	
	<b>2016*</b>	<b>2015</b>	<b>2016*</b>	<b>2015</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Interest income	1,049,462,320	914,524,850	1,049,847,659	914,836,223
Interest expense	(491,163,199)	(385,410,886)	(490,632,581)	(384,864,622)
Net interest income	558,299,121	529,113,964	559,215,078	529,971,601
Fee and commission income	36,780,727	12,740,175	61,067,135	34,750,141
Fee and commission expense	(2,547,235)	(5,927,024)	(2,547,235)	(5,927,024)
Net fee and commission income	34,233,492	6,813,151	58,519,900	28,823,117
Net gain from trading	201,120	1,860,087	201,120	1,860,087
Net gain from financial instruments designated at fair value through profit or loss	1,419,495	4,471,344	1,419,495	4,471,344
Other operating income	19,692,506	17,872,603	23,244,506	17,797,603
Total operating income	613,845,734	560,131,149	642,600,099	582,923,752
Impairment reversal on individual impairment	2,175,430	-	2,175,430	-
Impairment charge on collective impairment	(1,882,157)	(5,344,252)	(1,882,157)	(5,344,252)
Other loan losses reversal / (charge)	12,937,514	(24,082,837)	12,937,514	(24,082,837)
Net operating income	627,076,521	530,704,060	655,830,886	553,496,663
Personnel expenses	(118,955,205)	(97,033,767)	(120,230,280)	(97,965,687)
Depreciation of property, plant and equipment	(58,882,180)	(49,360,289)	(59,994,641)	(50,196,484)
Amortization of intangible assets	(3,500,957)	(3,646,985)	(3,500,957)	(3,646,985)
Impairment loss of property, plant and equipment	-	-	-	-
Other expenses	(165,995,201)	(115,987,910)	(166,834,232)	(118,224,932)
Operating profit before value added tax and nation building tax on financial services	279,742,978	264,675,109	305,270,776	283,462,575
Value added tax and nation building tax on financial services	(43,917,257)	(18,498,232)	(43,917,257)	(18,498,232)
Profit before income tax	235,825,721	246,176,877	261,353,519	264,964,343
Income tax expense	(83,856,258)	(108,682,822)	(98,025,754)	(114,603,114)
Profit for the period	151,969,463	137,494,055	163,327,765	150,361,229
Basic earnings per share	2.33	2.11	2.50	2.31

*Figures in brackets indicate deductions.*

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

***Statement of other comprehensive income***

<b><i>For the three months period ended 30th June</i></b>	<b>Company</b>		<b>Group</b>	
	<b>2016*</b>	<b>2015</b>	<b>2016*</b>	<b>2015</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Profit for the period	<u>151,969,463</u>	<u>137,494,055</u>	<u>163,327,765</u>	<u>150,361,229</u>
<b>Other comprehensive income</b>				
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>151,969,463</u>	<u>137,494,055</u>	<u>163,327,765</u>	<u>150,361,229</u>

*Figures in brackets indicate deductions.*

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

## Statement of financial position

As at	Company			Group		
	30.06.2016*	31.03.2016	30.06.2015	30.06.2016*	31.03.2016	30.06.2015
	Rs.	Rs.		Rs.	Rs.	
<b>Assets</b>						
Cash and cash equivalents	497,730,205	457,725,318	580,905,267	512,807,422	486,127,789	598,244,825
Deposits with licensed commercial banks	713,637,364	1,234,016,418	756,923,036	713,637,364	1,234,016,418	756,923,036
Repurchase agreements	856,016,502	972,624,516	778,078,213	856,016,502	972,624,516	778,078,213
Financial assets held at fair value through profit or loss	84,548,466	82,237,016	98,789,679	84,548,466	82,237,016	98,789,679
Finance leases	15,262,419,509	13,975,552,388	9,649,364,994	15,262,419,509	13,975,552,388	9,649,364,994
Hire purchases	1,574,702,987	2,024,520,342	4,073,537,980	1,574,702,987	2,024,520,342	4,073,537,980
Other loans and receivables	1,180,842,126	908,067,048	498,007,618	1,180,842,126	908,067,048	498,007,618
Financial assets available for sale	66,400,083	16,400,083	12,439,228	66,400,083	16,400,083	12,439,228
Financial assets held to maturity	840,855,668	832,030,919	796,068,827	840,855,668	832,030,919	796,068,827
Investments in subsidiaries	320,000,000	320,000,000	320,000,000	-	-	-
Investment property	78,949,173	79,024,933	79,252,211	275,587,652	276,414,697	263,689,711
Property, plant and equipment	1,148,781,610	1,047,079,572	976,414,533	1,157,253,059	1,049,508,428	979,664,473
Intangible assets	65,393,788	68,558,945	78,380,696	130,214,002	133,379,159	143,200,910
Amounts due from related company	3,502,139	6,990,797	6,636,132	-	-	-
Current tax recoverable	7,199,491	20,044,397	-	-	-	-
Other assets	328,514,481	225,072,014	216,932,320	328,674,633	225,304,445	220,674,574
<b>Total assets</b>	<b>23,029,493,592</b>	<b>22,269,944,706</b>	<b>18,921,730,734</b>	<b>22,983,959,473</b>	<b>22,216,183,248</b>	<b>18,868,684,068</b>
<b>Liabilities</b>						
Due to banks	5,377,891,109	4,806,174,120	3,821,369,576	5,383,426,442	4,819,887,580	3,825,191,601
Deposits from customers	6,533,711,397	6,510,033,106	6,317,945,515	6,499,180,758	6,486,010,917	6,285,067,365
Other borrowings	4,262,714,714	3,885,511,133	1,823,105,820	4,262,714,714	3,885,511,133	1,823,105,820
Debt securities issued	1,391,363,190	1,800,155,870	2,223,332,950	1,391,363,190	1,800,155,870	2,223,332,950
Subordinated debentures	1,259,692,805	1,259,692,805	1,260,080,147	1,259,692,805	1,259,692,805	1,260,080,147
Deferred tax liabilities	473,492,043	434,104,236	284,779,805	476,345,953	436,663,479	284,816,141
Current tax liabilities	-	-	1,837,853	14,972,585	282,276	13,408,761
Other liabilities	582,594,425	521,473,770	486,862,092	589,825,818	528,167,030	490,406,230
Employee benefits	61,162,254	59,440,712	63,689,823	61,413,695	59,659,648	63,813,178
<b>Total liabilities</b>	<b>19,942,621,937</b>	<b>19,276,585,752</b>	<b>16,283,003,581</b>	<b>19,938,935,960</b>	<b>19,276,030,738</b>	<b>16,269,222,193</b>
<b>Equity</b>						
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	265,036,033	265,036,033	230,036,033	265,059,033	265,059,033	230,036,033
Available for sale reserve	3,774,586	3,774,586	-	3,774,586	3,774,586	-
Retained earnings	1,809,998,836	1,716,486,135	1,400,628,920	1,768,127,694	1,663,256,691	1,361,363,642
<b>Total equity</b>	<b>3,086,871,655</b>	<b>2,993,358,954</b>	<b>2,638,727,153</b>	<b>3,045,023,513</b>	<b>2,940,152,510</b>	<b>2,599,461,875</b>
<b>Total liabilities and equity</b>	<b>23,029,493,592</b>	<b>22,269,944,706</b>	<b>18,921,730,734</b>	<b>22,983,959,473</b>	<b>22,216,183,248</b>	<b>18,868,684,068</b>
<b>Net Assets per share</b>	<b>47.32</b>	<b>45.89</b>	<b>40.45</b>	<b>46.68</b>	<b>45.08</b>	<b>39.85</b>

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 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

Colombo, Sri Lanka  
25th July, 2016

Sgd.

L Balasuriya  
Chief Executive Officer/Managing Director

### Statement of changes in equity

	Stated capital	Statutory reserve fund	Available-for-sale reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Company</b>					
Balance as at 1 <sup>st</sup> April 2015	1,008,062,200	230,036,033	-	1,295,748,643	2,533,846,876
Total comprehensive income for the period					
Profit for the period	-	-	-	137,494,055	137,494,055
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	137,494,055	137,494,055
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(32,613,778)	(32,613,778)
Balance as at 30th June 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,400,628,920</u>	<u>2,638,727,153</u>
Balance as at 1 <sup>st</sup> April 2016	1,008,062,200	265,036,033	3,774,586	1,716,486,135	2,993,358,954
Opening balance adjustment				(19,320,229)	(19,320,229)
Total comprehensive income					
Profit for the period	-	-	-	151,969,463	151,969,463
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	3,774,586	151,969,463	151,969,463
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(39,136,533)	(39,136,533)
Balance as at 30th June 2016*	<u>1,008,062,200</u>	<u>265,036,033</u>	<u>3,774,586</u>	<u>1,809,998,836</u>	<u>3,086,871,655</u>
<b>Group</b>					
Balance as at 1 <sup>st</sup> April 2015	1,008,062,200	230,036,033	-	1,243,616,191	2,481,714,424
Total comprehensive income for the period					
Profit for the period	-	-	-	150,361,229	150,361,229
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	150,361,229	150,361,229
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(32,613,778)	(32,613,778)
Balance as at 30th June 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,361,363,642</u>	<u>2,599,461,875</u>
Balance as at 1 <sup>st</sup> April 2016	1,008,062,200	265,059,033	3,774,586	1,663,256,691	2,940,152,510
Opening balance adjustment				(19,320,229)	(19,320,229)
Total comprehensive income for the period					
Profit for the period	-	-	-	163,327,765	163,327,765
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	3,774,586	163,327,765	163,327,765
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(39,136,533)	(39,136,533)
Balance as at 30th June 2016*	<u>1,008,062,200</u>	<u>265,059,033</u>	<u>3,774,586</u>	<u>1,768,127,694</u>	<u>3,045,023,513</u>

Figures in brackets indicate deductions.

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

## Statement of cash flows

<i>For the three months period ended 30th June</i>	Company		Group	
	2016*	2015	2016*	2015
	Rs.	Rs.	Rs.	Rs.
<b>Cash flows from operating activities</b>				
Interest and commission receipts	991,433,301	899,401,027	1,016,105,048	921,722,366
Interest payments	(439,816,123)	(391,613,383)	(439,285,505)	(391,067,120)
Recoveries of bad debts	13,122,122	9,130,571	13,122,122	9,130,571
Other operating income	1,724,083	2,713,798	5,276,083	2,638,798
Operating expenditure	(212,643,700)	(173,620,706)	(213,482,731)	(175,857,727)
Cash payments to employees	(115,858,630)	(93,937,192)	(117,101,200)	(94,823,257)
<b>Operating cash flow before changes in operating assets and liabilities (Note A)</b>	<b>237,961,053</b>	<b>252,074,115</b>	<b>264,633,817</b>	<b>271,743,631</b>
<b>Changes in operating assets and liabilities</b>				
Net funds advanced to customers	(1,034,042,655)	(615,469,048)	(1,034,042,655)	(615,469,048)
Deposits from customers	23,678,291	(223,950,244)	13,169,841	(234,453,909)
Deposits with licensed commercial banks	520,379,054	(8,764,955)	520,379,054	(8,764,955)
Government and other securities	107,783,265	69,906,807	107,783,265	69,906,807
Other assets	(99,953,810)	(78,276,269)	(103,370,188)	(76,556,656)
Other liabilities	62,092,450	120,211,625	62,540,994	115,975,552
	(420,063,405)	(736,342,084)	(433,539,689)	(749,362,209)
<b>Net cash inflow from operating activities before taxation</b>	<b>(182,102,352)</b>	<b>(484,267,969)</b>	<b>(168,905,872)</b>	<b>(477,618,578)</b>
Taxes paid	(32,774,289)	(20,701,643)	(44,714,126)	(24,507,438)
Gratuity paid	(1,375,033)	(98,246)	(1,375,033)	(98,246)
<b>Net cash generated from operating activities</b>	<b>(216,251,674)</b>	<b>(505,067,858)</b>	<b>(214,995,031)</b>	<b>(502,224,262)</b>
<b>Cash flows from investing activities</b>				
Net investment in trading securities	(690,834)	(929,046)	(690,834)	(929,046)
Purchase of financial assets available for sale	(50,000,000)	(267,341)	(50,000,000)	(267,341)
Dividends received on investments	923,514	960,554	923,514	960,554
Purchase of property, plant and equipment	(179,973,049)	(77,643,328)	(186,376,819)	(77,643,328)
Purchase of intangible assets	(335,800)	-	(335,800)	-
Proceeds from sale of property, plant and equipment	36,509,500	27,651,300	36,509,500	27,651,300
<b>Net cash used in investing activities</b>	<b>(193,566,669)</b>	<b>(50,227,861)</b>	<b>(199,970,439)</b>	<b>(50,227,861)</b>
<b>Cash flows from financing activities</b>				
Securitized loans obtained	1,400,000,000	900,000,000	1,400,000,000	900,000,000
Repayment of loans	(513,256,296)	(220,574,802)	(513,256,296)	(220,574,802)
Redemption of debenture	(414,246,500)	(100,000,000)	(414,246,500)	(100,000,000)
Dividends paid	(38,957,584)	(35,097,291)	(38,957,584)	(35,097,291)
<b>Net cash generated from financing activities</b>	<b>433,539,620</b>	<b>544,327,907</b>	<b>433,539,620</b>	<b>544,327,907</b>

Figures in brackets indicate deductions.

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

## Statement of cash flows (Continued)

<i>For the three months period ended 30th June</i>	Company		Group	
	2016*	2015	2016*	2015
	Rs.	Rs.	Rs.	Rs.
Net increase/ (decrease) in cash and cash equivalents	23,721,277	(10,967,812)	18,574,150	(8,124,216)
Cash and cash equivalents at the beginning of the period	298,162,589	312,689,587	312,851,600	323,363,524
Cash and cash equivalents at the end of the period	<u>321,883,866</u>	<u>301,721,775</u>	<u>331,425,750</u>	<u>315,239,308</u>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	497,730,205	580,905,267	512,807,422	598,244,825
Bank overdrafts	(175,846,339)	(279,183,492)	(181,381,672)	(283,005,517)
	<u>321,883,866</u>	<u>301,721,775</u>	<u>331,425,750</u>	<u>315,239,308</u>
<i>Note A</i>				
<b>Reconciliation of operating profit</b>				
Profit before income tax	235,825,721	246,176,877	261,353,519	264,964,343
Depreciation	62,383,137	53,007,274	63,495,598	53,843,469
Dividend receipts on investments	(923,514)	(960,554)	(923,514)	(960,554)
Profit on disposal of motor vehicles	(17,044,909)	(14,198,251)	(17,044,909)	(14,198,251)
Provision for defined benefit plan	3,096,575	3,096,575	3,129,080	3,142,430
Impairment charge/(reversal) of financial assets	(293,273)	5,344,252	(293,273)	5,344,252
Loan losses and write offs	601	5,867	601	5,867
Gain on mark to market valuation of shares	(1,419,495)	(4,471,344)	(1,419,495)	(4,471,344)
Gain on sale of shares	(201,120)	(1,860,087)	(201,120)	(1,860,087)
Interest accrued on loans and advances	(94,809,746)	(27,863,998)	(94,809,746)	(27,863,998)
Accrued interest on borrowings	45,893,256	(9,878,942)	45,893,256	(9,878,942)
Accrued interest on debentures	5,453,820	3,676,446	5,453,820	3,676,446
	<u>237,961,053</u>	<u>252,074,115</u>	<u>264,633,817</u>	<u>271,743,631</u>

*Figures in brackets indicate deductions.*

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



## Segment report

For the three months period ended 30th June

	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments		Insurance Brokering		Unallocated		Total	
	2016*	2015	2016*	2015	2016*	2015	2016*	2015	2016*	2015	2016*	2015	2016*	2015	2016*	2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Revenue</b>																
<b>External customers</b>																
Interest	791,939,400	518,335,202	138,306,471	327,667,041	11,159,970	5,669,644	47,158,536	23,214,139	61,283,282	39,950,197	-	-	-	-	1,049,847,659	914,836,223
Trading	-	-	-	-	-	-	-	-	1,620,615	6,331,431	-	-	10,299	17,281	1,630,914	6,348,712
Commissions	-	-	-	-	-	-	-	-	-	-	24,299,706	22,138,219	-	-	24,299,706	22,138,219
Rent	-	-	-	-	-	-	-	-	4,107,000	480,000	-	-	-	-	4,107,000	480,000
Dividends	-	-	-	-	-	-	-	-	923,514	960,554	-	-	-	-	923,514	960,554
Other income	19,685,757	-	-	-	-	-	-	-	17,044,909	14,198,251	-	-	18,240,456	14,753,439	54,971,122	28,951,690
<b>Total revenue</b>	<b>811,625,157</b>	<b>518,335,202</b>	<b>138,306,471</b>	<b>327,667,041</b>	<b>11,159,970</b>	<b>5,669,644</b>	<b>47,158,536</b>	<b>23,214,139</b>	<b>84,979,320</b>	<b>61,920,433</b>	<b>24,299,706</b>	<b>22,138,219</b>	<b>18,250,755</b>	<b>14,770,720</b>	<b>1,135,779,915</b>	<b>973,715,398</b>
Profit before tax															261,353,519	264,964,343
Taxation															(98,025,754)	(114,603,114)
Profit after tax															<u>163,327,765</u>	<u>150,361,229</u>
<b>Segment Assets</b>	<b>15,262,419,509</b>	<b>13,975,552,388</b>	<b>1,574,702,987</b>	<b>2,024,520,342</b>	<b>250,946,523</b>	<b>180,227,250</b>	<b>929,895,603</b>	<b>727,839,798</b>	<b>3,854,582,654</b>	<b>4,331,972,402</b>	<b>23,392,871</b>	<b>30,841,958</b>	<b>1,088,019,326</b>	<b>945,229,110</b>	<b>22,983,959,473</b>	<b>22,216,183,248</b>
<b>Segment Liabilities</b>	<b>14,537,287,839</b>	<b>10,487,096,206</b>	<b>2,477,253,153</b>	<b>6,629,447,060</b>	<b>199,889,930</b>	<b>114,709,751</b>	<b>844,672,206</b>	<b>469,674,659</b>	<b>1,522,092,834</b>	<b>1,252,790,734</b>	<b>22,805,392</b>	<b>36,015,181</b>	<b>334,934,606</b>	<b>286,297,148</b>	<b>19,938,935,960</b>	<b>19,276,030,738</b>
<b>Information on Cash flows</b>																
Operating activities	(545,888,501)	(436,636,946)	71,562,427	212,986,140	(8,544,654)	(6,085,187)	(38,166,998)	(26,029,286)	390,501,364	(181,280,410)	(2,826,565)	2,372,333	(81,632,104)	(67,550,907)	(214,995,031)	(502,224,262)
Investing activities	-	-	-	-	-	-	-	-	(49,767,320)	(235,833)	(6,304,500)	-	36,410,230	27,651,300	(19,661,590)	27,415,467
Capital expenditure	(119,855,461)	(48,911,053)	(12,366,110)	(7,085,331)	(1,970,678)	(630,752)	(7,302,451)	(2,547,263)	(30,269,957)	(15,160,856)	-	-	(8,544,193)	(3,308,073)	(180,308,849)	(77,643,328)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	433,539,620	544,327,907	433,539,620	544,327,907
Net cash flow	<u>(665,743,962)</u>	<u>(485,547,999)</u>	<u>59,196,317</u>	<u>205,900,809</u>	<u>(10,515,332)</u>	<u>(6,715,939)</u>	<u>(45,469,448)</u>	<u>(28,576,549)</u>	<u>310,464,087</u>	<u>(196,677,099)</u>	<u>(9,131,065)</u>	<u>2,372,333</u>	<u>379,773,553</u>	<u>501,120,227</u>	<u>18,574,150</u>	<u>(8,124,217)</u>
<b>Depreciation and amortisation</b>	<b>(49,772,957)</b>	<b>(41,256,685)</b>	<b>(5,135,334)</b>	<b>(5,976,508)</b>	<b>(818,373)</b>	<b>(532,042)</b>	<b>(3,032,524)</b>	<b>(2,148,628)</b>	<b>(75,760)</b>	<b>(303,038)</b>	<b>(355,524)</b>	<b>(269,820)</b>	<b>(4,305,125)</b>	<b>(3,356,749)</b>	<b>(63,495,598)</b>	<b>(53,843,469)</b>

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

### *Selected Performance Indicators*

<i>As at 30th June</i>	<b>2016*</b>	<b>2015</b>	<b>Minimum Requirement</b>
<b>Regulatory Capital Adequacy</b>			
Core Capital (Tier 1 Capital) Rs. '000	3,083,097	2,638,727	
Total Capital Base (Tier 2) Rs. '000	3,815,526	3,622,529	
Core Capital Adequacy Ratio, as % of Risk Weighted Assets	15.37%	16.40%	5%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets	19.03%	22.51%	10%
Capital funds to Deposit Liabilities Ratio	47.25%	41.77%	
<b>Asset Quality (Quality of Loan Portfolio)</b>			
Gross Non-Performing Accommodations Rs. '000	458,736	565,663	
Gross Non-Performing Accommodations Ratio, %	2.49%	3.87%	
Net Non-Performing Accommodations Ratio, %	0.34%	2.40%	
<b>Profitability</b>			
Interest Margin	11.74%	12.63%	
Return on Assets (before Tax)	5.33%	5.72%	
Return on Equity (after Tax)	21.23%	21.27%	
<b>Regulatory Liquidity (Rs. '000)</b>			
Required minimum amount of Liquid Assets	808,246	858,671	10%
Available amount of Liquid Assets	2,732,473	2,738,663	
Required minimum amount of Government securities	481,937	466,482	7.5%
Available amount of Government securities	1,696,872	1,574,147	
<b>Debt</b>			
Debt-to-Equity ratio	3.98 : 1	3.46 : 1	
Interest cover	1.31	1.36	
Interest rate of comparable government securities			
6 month Treasury bill	9.86%	6.18%	
3 year Treasury bond	11.55%	7.70%	
4 year Treasury bond	11.75%	8.10%	
5 year Treasury bond	11.95%	8.25%	
<b>Memorandum information</b>			
Number of employees	587	560	
Number of branches	39	39	
Number of service centers	41	41	
Number of pawning centers	14	12	

*\*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, 2016 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 Dividend Payment

The Board of Directors has declared with the approval of the Central Bank of Sri Lanka an interim dividend of Rs. 0.60 per share for the period ended December 31, 2015. The total dividend payment amounted to Rs. 39,136,533/- on June 15, 2016. Further, the Board will declare subject to the approval of Central of Sri Lanka, a final dividend of Rs.0.75 per share for the year ended March 31, 2016. The total dividend payment of Rs. 48,920,666/- will be paid subject to the approval shareholders at the Annual General Meeting.

### 5 Debenture Information

5.1 During the period, the company redeemed the listed debentures to the value of Rs. 414,245,500/-.

### 5.2 Information on listed debenture

Type of Debenture	Last traded Rs.	Annual	Current yield	Yield to maturity
3 year - 17.00% payable quarterly	Not traded	18.11%	Not traded	Not traded
4 year - 17.25% payable quarterly	105.70	18.40%	16.32%	5.54%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	13.23%	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	30.06.2016
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	30.06.2016
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	30.06.2016	30.06.2015
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 June 30, 2016 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. C. Fernando	172,888	0.27
12. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.27
13. Mrs. S. Thaha	158,483	0.24
14. Mrs. Sheeraz Sellamuttu	144,073	0.22
15. Mr. Ifthikar Mubarak Thaha	129,666	0.20
16. Mr. M. M. Ariyaratne	28,488	0.04
17. Mr. P. P. K. Ikeriwatte	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
	<b>65,219,826</b>	

6.5 The percentage of shares held by the public on June 30, 2016 was 21.60% (2015 - 21.60%) and is distributed among 10 Shareholders.

6.6 Information on Ratios and Share Prices

	30-Jun-2016	30-Jun-2015
Dividend per share (Rs.)	0.60	0.50
Net Assets per share (Rs.)	47.32	40.45
Market Prices		
- Highest price	Not traded	Not traded
- Lowest price	Not traded	Not traded
- Last traded price	Not traded	Not traded

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.