



# Senkadagala Finance PLC

**Interim Financial Statement for the period ended  
31<sup>st</sup> March 2016**



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

**Income statement**

<i>For the three months ended 31st March</i>	Company		Group	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
	Unaudited*	Audited	Unaudited*	Audited
Interest income	1,008,594,804	863,124,296	1,008,858,724	863,336,442
Interest expense	(463,803,034)	(405,038,331)	(462,876,237)	(404,070,171)
<b>Net interest income</b>	<b>544,791,770</b>	<b>458,085,965</b>	<b>545,982,487</b>	<b>459,266,271</b>
Fee and commission income	36,951,754	7,222,475	66,995,304	28,710,553
Fee and commission expense	(8,097,278)	(5,010,732)	(8,097,278)	(5,010,732)
<b>Net fee and commission income</b>	<b>28,854,476</b>	<b>2,211,743</b>	<b>58,898,026</b>	<b>23,699,821</b>
Net gain from trading	37,372	577,105	37,372	577,105
Net gain from financial instruments designated at fair value through profit or loss	(11,126,745)	(3,514,042)	(11,126,745)	(3,514,042)
Other operating income	72,269,955	59,879,705	12,821,955	9,764,705
<b>Total operating income</b>	<b>634,826,828</b>	<b>517,240,476</b>	<b>606,613,095</b>	<b>489,793,860</b>
Impairment charge on individual impairment	(132,143,491)	1,199,282	(132,143,491)	1,199,282
Impairment charge on collective impairment	134,904,917	35,860,783	134,904,917	35,860,783
Other loan losses charge	(22,239,884)	(29,597,371)	(22,239,884)	(29,597,371)
<b>Net operating income</b>	<b>615,348,370</b>	<b>524,703,170</b>	<b>587,134,637</b>	<b>497,256,554</b>
Personnel expenses	(107,639,370)	(101,900,481)	(108,318,289)	(102,501,141)
Depreciation of property, plant and equipment	(54,151,322)	(32,893,678)	(56,804,116)	(33,175,123)
Amortization of intangible assets	(3,500,878)	(3,646,985)	(1,785,983)	(19,852,039)
Impairment loss of property, plant and equipment	-	(5,470,240)	-	(5,470,240)
Other expenses	(161,912,817)	(115,474,860)	(163,128,242)	(152,677,717)
<b>Profit before VAT on financial services and Income Tax</b>	<b>288,143,983</b>	<b>265,316,926</b>	<b>257,098,007</b>	<b>183,580,295</b>
Value Added Tax on financial services	(25,893,218)	(13,014,292)	(25,893,218)	(13,014,292)
<b>Profit before Income Tax</b>	<b>262,250,765</b>	<b>252,302,634</b>	<b>231,204,789</b>	<b>170,566,003</b>
Income tax expense	(26,383,757)	(185,819)	(41,592,513)	(11,601,280)
<b>Profit for the period</b>	<b>235,867,008</b>	<b>252,116,815</b>	<b>189,612,276</b>	<b>158,964,723</b>
Earnings per share	3.62	3.87	2.91	2.44

Figures in brackets indicate deductions.

\* The above figures are provisional and subject to audit

*Statement of profit or loss and other comprehensive income*

<i>For the period ended 31st March</i>	<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>
	<b>Unaudited*</b>	<b>Audited</b>	<b>Unaudited*</b>	<b>Audited</b>
Profit for the period	<u>235,867,008</u>	<u>252,116,815</u>	<u>189,612,276</u>	<u>158,964,723</u>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Retirement benefit gain / (expenses)	11,511,611	65,082	11,511,611	65,082
Deferred tax effect on actuarial gain/(Loss)	(2,625,403)	(14,290)	(2,625,403)	(14,290)
	<u>8,886,208</u>	<u>50,792</u>	<u>8,886,208</u>	<u>50,792</u>
<b>Other comprehensive income for the period net of tax</b>	<u>8,886,208</u>	<u>50,792</u>	<u>8,886,208</u>	<u>50,792</u>
<b>Total comprehensive income for the period net of tax</b>	<u>244,753,216</u>	<u>252,167,608</u>	<u>198,498,484</u>	<u>159,015,515</u>

*Figures in brackets indicate deductions.*

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

## Income statement

For the year ended 31st March	Company		Group	
	2016 Rs. Unaudited*	2015 Rs. Audited	2016 Rs. Unaudited*	2015 Rs. Audited
Interest income	3,782,194,980	3,584,165,290	3,783,275,415	3,584,910,846
Interest expense	(1,698,388,998)	(1,750,531,743)	(1,694,975,726)	(1,746,294,517)
<b>Net interest income</b>	<b>2,083,805,982</b>	<b>1,833,633,547</b>	<b>2,088,299,689</b>	<b>1,838,616,329</b>
Fee and commission income	94,540,848	35,172,125	193,320,536	108,314,672
Fee and commission expense	(35,764,382)	(24,371,280)	(35,764,382)	(24,371,280)
<b>Net fee and commission income</b>	<b>58,776,466</b>	<b>10,800,845</b>	<b>157,556,154</b>	<b>83,943,392</b>
Net gain from trading	5,382,470	4,146,462	5,382,470	4,146,462
Net gain from financial instruments designated at fair value through profit or loss	(12,579,446)	15,761,153	(12,579,446)	15,761,153
Other operating income	128,051,361	76,139,913	74,698,361	25,799,913
<b>Total operating income</b>	<b>2,263,436,833</b>	<b>1,940,481,920</b>	<b>2,313,357,228</b>	<b>1,968,267,249</b>
Impairment charge on individual impairment	(133,229,696)	(67,433)	(133,229,696)	(67,433)
Impairment charge on collective impairment	159,543,539	(73,567,087)	159,543,539	(73,567,087)
Other loan losses charge	(84,297,878)	(94,320,114)	(84,297,878)	(94,320,114)
<b>Net operating income</b>	<b>2,205,452,798</b>	<b>1,772,527,286</b>	<b>2,255,373,193</b>	<b>1,800,312,615</b>
Personnel expenses	(411,534,539)	(362,361,297)	(414,484,110)	(364,871,212)
Depreciation of property, plant and equipment	(206,935,307)	(169,685,868)	(212,232,292)	(170,776,393)
Amortization of intangible assets	(14,318,984)	(12,604,089)	(12,604,089)	(28,809,143)
Impairment loss of property, plant and equipment	-	(5,470,240)	-	(5,470,240)
Other expenses	(599,468,612)	(525,376,403)	(606,935,075)	(565,002,919)
<b>Profit before VAT on financial services and Income Tax</b>	<b>973,195,356</b>	<b>697,029,389</b>	<b>1,009,117,627</b>	<b>665,382,709</b>
Value Added Tax on financial services	(88,566,497)	(49,585,791)	(88,566,497)	(49,585,791)
<b>Profit before Income Tax</b>	<b>884,628,859</b>	<b>647,443,598</b>	<b>920,551,130</b>	<b>615,796,918</b>
Income tax expense	(250,590,669)	(107,804,557)	(284,568,837)	(133,432,491)
<b>Profit for the year</b>	<b>634,038,190</b>	<b>539,639,041</b>	<b>635,982,293</b>	<b>482,364,427</b>
Earnings per share	9.72	8.27	9.75	7.40

Figures in brackets indicate deductions.

\* The above figures are provisional and subject to audit

*Statement of profit or loss and other comprehensive income*

<i>For the year ended 31st March</i>	<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>
	<b>Unaudited*</b>	<b>Audited</b>	<b>Unaudited*</b>	<b>Audited</b>
Profit for the year	634,038,190	539,639,041	635,982,293	482,364,427
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Retirement benefit gain / (expenses)	11,511,611	65,082	11,511,611	65,082
Deferred tax effect on actuarial gain/(Loss)	(2,625,403)	(14,290)	(2,625,403)	(14,290)
	8,886,208	50,792	8,886,208	50,792
<b>Other comprehensive income for the year net of tax</b>	8,886,208	50,792	8,886,208	50,792
<b>Total comprehensive income for the year net of tax</b>	642,924,398	539,689,833	644,868,501	482,415,219

*Figures in brackets indicate deductions.*

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

**Statement of financial position**

As at 31st March	Company		Group	
	2016 Rs. Unaudited*	2015 Rs. Audited	2016 Rs. Unaudited*	2015 Rs. Audited
<b>Assets</b>				
Cash and cash equivalents	457,725,318	404,636,587	486,127,789	427,833,458
Deposit with licensed commercial banks	1,234,016,418	748,158,081	1,234,016,418	748,158,081
Repurchase agreements	972,636,946	581,421,556	972,636,946	581,421,556
Financial assets held at fair value through profit or loss	82,237,016	91,529,198	82,237,016	91,529,198
Finance leases	13,975,552,388	8,151,414,340	13,975,552,388	8,151,414,340
Hire purchases	2,024,520,342	4,925,414,552	2,024,520,342	4,925,414,552
Other loans and receivables	908,067,048	506,098,773	908,067,048	506,098,773
Financial assets available for sale	12,625,497	12,171,887	12,625,497	12,171,887
Financial assets held to maturity	832,030,919	1,062,632,291	832,030,919	1,062,632,291
Investments in subsidiaries	320,000,000	320,000,000	-	-
Investment property	79,024,933	79,327,971	276,640,392	264,327,971
Property, plant and equipment	1,047,079,572	961,508,782	1,049,508,427	965,032,418
Intangible assets	68,558,945	82,027,681	133,379,159	146,847,895
Amounts due from related company	6,990,797	1,452,369	-	-
Current tax recoverable	2,915,516	1,384,413	-	-
Other assets	225,072,014	143,839,814	225,304,445	144,117,918
<b>Total assets</b>	<b>22,249,053,669</b>	<b>18,073,018,295</b>	<b>22,212,646,786</b>	<b>18,027,000,338</b>
<b>Liabilities</b>				
Due to banks	4,806,174,120	2,928,337,801	4,819,887,580	2,940,860,735
Deposits from customers	6,510,033,106	6,541,895,759	6,486,010,917	6,519,521,274
Other borrowings	3,885,511,133	1,859,354,847	3,885,511,133	1,859,354,847
Debt securities issued	1,796,778,378	2,319,430,013	1,796,778,378	2,319,430,013
Deferred tax liability	398,207,465	197,115,561	398,237,825	197,139,903
Current tax liabilities	-	-	17,192,639	13,655,300
Other liabilities	522,774,942	372,039,311	529,423,201	374,248,214
Employee benefits	59,440,712	60,691,494	59,659,648	60,768,994
Subordinated liabilities	1,259,692,805	1,260,306,634	1,259,692,805	1,260,306,634
<b>Total liabilities</b>	<b>19,238,612,661</b>	<b>15,539,171,420</b>	<b>19,252,394,126</b>	<b>15,545,285,914</b>
<b>Equity</b>				
Stated capital	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200
Statutory reserve fund	265,036,033	230,036,033	265,036,033	230,036,033
Investment fund account	-	-	-	-
Retained earnings	1,737,342,775	1,295,748,642	1,687,154,427	1,243,616,191
<b>Total equity</b>	<b>3,010,441,008</b>	<b>2,533,846,875</b>	<b>2,960,252,660</b>	<b>2,481,714,424</b>
<b>Total liabilities and equity</b>	<b>22,249,053,669</b>	<b>18,073,018,295</b>	<b>22,212,646,786</b>	<b>18,027,000,338</b>
<b>Net assets per share</b>	<b>46.15</b>	<b>38.85</b>	<b>45.38</b>	<b>38.05</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.

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  
17th May, 2016

Sgd.  
L Balasuriya  
Chief Executive Officer/Managing Director

## Statement of Changes in Equity

<i>For the year ended 31st March</i>	Stated capital	Statutory reserve fund	Investment fund account	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Company</b>					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	988,965,872	2,101,782,508
Total comprehensive income					
Profit for the year	-	-	-	539,639,041	539,639,041
Other comprehensive income, net of tax	-	-	-	50,792	50,792
Bonus issue of shares	260,910,200	-	-	(260,910,200)	-
Transfers to reserves	-	35,000,000	(170,628,603)	135,628,603	-
Dividends paid	-	-	-	(107,625,466)	(107,625,466)
Balance as at 31st March 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,295,748,642</u>	<u>2,533,846,875</u>
Balance as at 1st April 2015	1,008,062,200	230,036,033	-	1,295,748,642	2,533,846,875
Total comprehensive income					
Profit for the year	-	-	-	634,038,190	634,038,190
Other comprehensive income, net of tax	-	-	-	8,886,208	8,886,208
Bonus issue of shares	-	-	-	-	-
Transfers to reserves	-	35,000,000	-	(35,000,000)	-
Dividends paid	-	-	-	(166,330,265)	(166,330,265)
*Balance as at 31st March 2016	<u>1,008,062,200</u>	<u>265,036,033</u>	<u>-</u>	<u>1,737,342,775</u>	<u>3,010,441,008</u>
<b>Group</b>					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	994,108,035	2,106,924,671
Total comprehensive income					
Profit for the year	-	-	-	482,364,427	482,364,427
Other comprehensive income, net of tax	-	-	-	50,792	50,792
Bonus issue of shares	260,910,200	-	-	(260,910,200)	-
Transfers to reserves	-	35,000,000	(170,628,603)	135,628,603	-
Dividends paid	-	-	-	(107,625,466)	(107,625,466)
Balance as at 31st March 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,243,616,191</u>	<u>2,481,714,424</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 year	-	-	-	635,982,293	635,982,293
Other comprehensive income, net of tax	-	-	-	8,886,208	8,886,208
Bonus issue of shares	-	-	-	-	-
Transfers to reserves	-	35,000,000	-	(35,000,000)	-
Dividends paid	-	-	-	(166,330,265)	(166,330,265)
*Balance as at 31st March 2016	<u>1,008,062,200</u>	<u>265,036,033</u>	<u>-</u>	<u>1,687,154,427</u>	<u>2,960,252,660</u>

Figures in brackets indicate deductions.

\* The above figures are provisional and subject to audit



## Statement of Cash Flows

For the year ended 31st March	Company		Group	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
	Unaudited*	Audited	Unaudited*	Audited
<b>Cash flows from operating activities</b>				
Interest and commission receipts	3,852,648,459	3,584,665,629	3,952,508,582	3,658,553,732
Interest payments	(1,720,208,628)	(1,833,991,872)	(1,716,795,356)	(1,829,754,646)
Recoveries of bad debts	53,548,313	38,180,282	53,548,313	38,180,282
Other operating income	6,875,681	10,270,655	16,522,681	9,970,655
Operating expenditure	(856,898,671)	(728,432,935)	(864,365,134)	(733,442,409)
Cash payments to employees	(398,487,322)	(351,360,321)	(401,295,457)	(353,792,736)
<b>Operating cash flow before changes in operating assets and liabilities (Note A)</b>	<b>937,477,832</b>	<b>719,331,438</b>	<b>1,040,123,629</b>	<b>789,714,878</b>
<b>Changes in operating assets and liabilities</b>				
Net funds advanced to customers	(3,279,558,111)	(949,749,593)	(3,279,558,111)	(949,749,593)
Deposits from customers	(31,862,653)	917,496,274	(33,510,357)	932,382,881
Deposits with licensed commercial banks	(485,858,337)	(748,158,081)	(485,858,337)	(748,158,081)
Government and other securities	(160,614,018)	24,999,612	(160,614,018)	24,999,612
Other assets	(86,770,628)	11,097,595	(81,186,527)	12,406,857
Other liabilities	159,992,658	186,002,837	166,033,334	188,897,397
	(3,884,671,089)	(558,311,356)	(3,874,694,016)	(539,220,927)
<b>Net cash inflow from operating activities before taxation</b>	<b>(2,947,193,257)</b>	<b>161,020,082</b>	<b>(2,834,570,387)</b>	<b>250,493,951</b>
Taxes paid	(61,086,009)	(110,350,861)	(91,591,036)	(142,616,527)
Gratuity paid	(2,786,388)	(2,360,358)	(2,786,388)	(2,360,358)
<b>Net cash generated from operating activities</b>	<b>(3,011,065,654)</b>	<b>48,308,863</b>	<b>(2,928,947,811)</b>	<b>105,517,066</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiary	-	(300,000,000)	-	(299,686,937)
Net investment in trading securities	1,967,651	3,188,981	1,967,651	3,188,981
Purchase of financial assets available for sale	(453,610)	(172,604)	(453,610)	(172,604)
Dividends received on investments	65,587,614	52,374,192	2,587,614	2,334,192
Purchase of property, plant and equipment	(350,552,958)	(418,231,256)	(365,655,727)	(418,254,056)
Purchase of intangible assets	(850,248)	(54,898,774)	(850,248)	(54,898,774)
Proceeds from sale of property, plant and equipment	114,065,719	33,834,289	114,065,719	33,834,289
<b>Net cash used in investing activities</b>	<b>(170,235,832)</b>	<b>(683,905,172)</b>	<b>(248,338,601)</b>	<b>(733,654,909)</b>
<b>Cash flows from financing activities</b>				
Securitized loans obtained	5,499,710,000	3,382,550,000	5,499,710,000	3,382,550,000
Repayment of loans	(1,684,778,958)	(2,049,965,325)	(1,684,778,958)	(2,049,965,325)
Redemption of debenture	(480,000,000)	(554,000,000)	(480,000,000)	(554,000,000)
Dividends paid	(168,156,554)	(158,640,430)	(168,156,554)	(158,640,430)
<b>Net cash generated from / (used in) financing activities</b>	<b>3,166,774,488</b>	<b>619,944,245</b>	<b>3,166,774,488</b>	<b>619,944,245</b>

Figures in brackets indicate deductions.

\* The above figures are provisional and subject to audit

**Statement of Cash Flows (Continued)**

<i>For the year ended 31st March</i>	Company		Group	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
	Unaudited*	Audited	Unaudited*	Audited
Net increase / (decrease) in cash and cash equivalents	(14,526,998)	(15,652,064)	(10,511,924)	(8,193,598)
Cash and cash equivalents at the beginning of the year	312,689,587	328,341,651	323,363,524	331,557,122
Cash and cash equivalents at the end of the year	<u>298,162,589</u>	<u>312,689,587</u>	<u>312,851,600</u>	<u>323,363,524</u>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	457,725,318	404,636,587	486,127,789	427,833,458
Bank overdrafts	(159,562,729)	(91,947,000)	(173,276,189)	(104,469,934)
	<u>298,162,589</u>	<u>312,689,587</u>	<u>312,851,600</u>	<u>323,363,524</u>
<b>Note A</b>				
<b>Reconciliation of operating profit</b>				
Profit before income tax	884,628,859	647,443,598	920,551,130	615,796,918
Depreciation	221,254,291	182,289,957	224,836,381	199,585,536
Dividend receipts on investments	(65,587,614)	(52,374,192)	(2,587,614)	(2,334,192)
Profit on disposal of motor vehicles	(55,715,821)	(13,596,788)	(55,715,821)	(13,596,788)
Provision for defined benefit plan	13,047,217	11,000,976	13,188,653	11,078,475
Impairment of financial assets	(26,313,843)	73,634,520	(26,313,843)	73,634,520
Loan losses and write offs	4,747,210	3,400,935	4,747,210	3,400,935
Loss / (gain) on mark to market valuation of shares	12,579,446	(15,761,153)	12,579,446	(15,761,153)
Capital (gain)/ loss on sale of shares	(5,254,914)	(4,044,740)	(5,254,914)	(4,044,740)
Interest accrued on loans and advances	(24,087,369)	(34,671,786)	(24,087,369)	(34,671,786)
Accrued interest on borrowings	21,445,834	(59,850,316)	21,445,834	(59,850,316)
Accrued interest on debentures	(43,265,464)	(23,609,813)	(43,265,464)	(23,609,813)
Impairment loss of property, plant and equipment	-	5,470,240	-	5,470,240
Investment property written off	-	-	-	34,617,042
	<u>937,477,832</u>	<u>719,331,438</u>	<u>1,040,123,629</u>	<u>789,714,878</u>

Figures in brackets indicate deductions.

\* The above figures are provisional and subject to audit

**Segment report**

As at 31st March	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments / Property		Insurance		Unallocated		Total	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
<i>Revenue</i>																
Interest	2,182,057,333	1,424,612,045	811,188,281	1,472,811,593	27,742,139	19,255,735	104,323,503	86,828,699	174,726,155	185,430,358	-	-	-	-	3,300,037,411	3,188,938,430
Trading	-	-	-	-	-	-	-	-	(7,324,532)	19,805,893	-	-	127,556	101,722	(7,196,976)	19,907,615
Commissions	-	-	-	-	-	-	-	-	-	-	99,226,267	73,766,050	-	-	99,226,267	73,766,050
Rent	-	-	-	-	-	-	-	-	11,567,000	1,686,607	-	-	-	-	11,567,000	1,686,607
Dividends	-	-	-	-	-	-	-	-	2,587,614	2,334,192	-	-	-	-	2,587,614	2,334,192
Other income	315,561,734	214,246,992	165,274,524	180,225,653	-	-	2,401,746	1,499,771	55,715,821	13,596,788	-	-	98,922,394	42,730,948	637,876,219	452,300,152
Total revenue	2,497,619,067	1,638,859,037	976,462,805	1,653,037,246	27,742,139	19,255,735	106,725,249	88,328,470	237,272,058	222,853,838	99,226,267	73,766,050	99,049,950	42,832,670	4,044,097,535	3,738,933,046
Profit before tax															920,551,130	615,796,918
Taxation															(284,568,837)	(133,432,491)
Profit after tax															635,982,293	482,364,427
<i>Segment Assets</i>	13,975,552,388	8,151,414,340	2,024,520,342	4,925,414,552	180,227,250	101,408,214	727,839,798	404,690,559	4,328,210,246	3,618,777,448	30,841,958	26,766,334	945,454,804	798,528,891	22,212,646,786	18,027,000,338
<i>Segment Liabilities</i>	12,165,346,919	6,938,249,448	4,756,133,124	6,998,274,103	135,125,788	81,520,796	519,834,949	373,946,108	1,155,699,417	943,470,718	36,015,181	28,765,891	484,238,748	181,058,844	19,252,394,126	15,545,285,908
<i>Information on Cash flows</i>																
Operating activities	(1,552,481,851)	373,805,177	564,288,379	917,564,361	(22,282,143)	4,007,966	(98,123,901)	27,098,179	(1,662,607,431)	(1,080,907,507)	69,051,745	53,265,260	(226,792,610)	(189,316,369)	(2,928,947,811)	105,517,066
Investing activities	-	-	-	-	-	-	-	-	4,101,655	(294,336,368)	-	-	114,065,719	33,834,289	118,167,374	(260,502,079)
Capital expenditure	(221,400,105)	(214,257,154)	(32,072,365)	(129,462,847)	(2,855,152)	(2,665,480)	(11,530,407)	(10,637,154)	(68,567,322)	(95,118,335)	-	(22,800)	(30,080,624)	(20,989,060)	(366,505,975)	(473,152,830)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	3,166,774,488	619,944,245	3,166,774,488	619,944,245
Net cash flow	(1,773,881,956)	159,548,023	532,216,014	788,101,514	(25,137,295)	1,342,486	(109,654,308)	16,461,025	(1,727,073,098)	(1,470,362,210)	69,051,745	53,242,460	3,023,966,973	443,473,105	(10,511,924)	(8,193,598)
<i>Depreciation and amortisation</i>	(172,957,653)	(103,150,246)	(25,054,916)	(62,327,555)	(2,230,444)	(1,283,248)	(9,007,548)	(5,121,066)	(303,038)	(303,038)	(1,079,280)	(1,078,900)	(14,203,503)	(26,321,484)	(224,836,381)	(199,585,536)

## 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 Dividend Payment

The board of Directors has declared following Dividend payments,

Year	Dividend	Dividend per share Rs.	Total Amount paid Rs.	Paid Date
2014/2015	Third Interim	0.50	32,613,778	May 15,2015
2014 / 2015	Final Dividend	0.80	52,182,044	September 04,2015.
2015/2016	First Interim	0.60	39,136,533	December 10,2015.
2015/2016	Second Interim	0.65	42,397,911	March 16,2016.

### 5 Debenture Information

- 5.1 During the Year, the company redeemed the unlisted debentures to the value of Rs. 380 million and Unlisted secured Debentures to the value of Rs. 100 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	101.00	18.11%	16.83%	3.97%
4 year - 17.25% payable quarterly	108.00	18.40%	15.97%	3.16%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	10.63%	Not traded	Not traded
5 year - 15.00% payable quarterly	100.149	15.87%	14.98%	3.73%

### 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 31.03.2016
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 31.03.2016
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	31.03.2016	31.03.2015
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 March 31, 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. S. Thaha	158,483	0.24
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	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. Ikiriwatte	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 March 31, 2016 was 21.60% (2015 - 21.60%) and is distributed among 10 Shareholders.

6.6 Information on Ratios and Share Prices

	31-Mar-2016	31-Mar-2015
Dividend per share (Rs.)	2.55	1.35
Net Assets per share (Rs.)	46.15	38.93
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.

## Performance indicators

<i>As at 31st March</i>	2016	2015	<b>MINIMUM STATUTORY REQUIREMENT</b>
<b>Capital Adequacy</b>			
Core capital (Tier 1) Rs. Mn.	3,010.44	2,539.32	
Total capital base (Tier 2) Rs. Mn.	3,742.94	3,523.98	
Core capital ratio	15.9%	16.6%	5%
Total capital ratio	19.8%	23.0%	10%
Capital funds to Total deposits ratio	46.2%	39.9%	10%
<b>Asset Quality (As per Central Bank of Sri Lanka regulations)</b>			
Total Advances Rs. Mn.	17,298.55	14,015.72	
Gross non-performing advances Rs. Mn.	350.23	602.74	
Net non-performing advances Rs. Mn.	54.85	378.51	
Gross non-performing advances ratio	2.02%	4.30%	
Net non-performing advances ratio	0.32%	2.70%	
<b>Profitability</b>			
Net interest margin	11.3%	11.8%	
Return on average assets	4.8%	4.1%	
Return on equity	35.1%	30.3%	
<b>Liquidity</b>			
Total liquid assets Rs. Mn.	3,496.41	2,796.85	
Liquid assets ratio	42.09%	32.60%	10%
Government securities Rs. Mn.	1,804.67	1,644.05	
Government securities to average deposits ratio	27.65%	27.03%	7.5%
<b>Debt</b>			
Debt-to-Equity ratio	3.90 : 1	3.30 : 1	
Interest cover	1.52	1.37	
Interest rate of comparable government securities			
6 month treasury bill	9.29%	6.70%	
3 year treasury bond	12.50%	8.40%	
4 year treasury bond	12.60%	8.80%	
5 year treasury bond	12.80%	8.85%	

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