



# Senkadagala Finance PLC

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



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

**Income statement**

<i>For the three months period ended 30th September</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>
Interest income	1,144,544,889	891,896,841	1,144,965,787	892,192,596
Interest expense	<u>(549,723,901)</u>	<u>(412,892,840)</u>	<u>(548,867,190)</u>	<u>(412,120,052)</u>
Net interest income	594,820,988	479,004,001	596,098,597	480,072,544
Fee and commission income	40,293,582	15,122,371	69,790,792	36,661,161
Fee and commission expense	<u>(4,380,906)</u>	<u>(5,938,182)</u>	<u>(4,380,906)</u>	<u>(5,938,182)</u>
Net fee and commission income	35,912,676	9,184,189	65,409,886	30,722,979
Net gain from trading	3,009,827	3,394,827	3,009,827	3,394,827
Net loss from financial instruments designated at fair value through profit or loss	(2,454,638)	(946,310)	(2,454,638)	(946,310)
Other operating income	<u>43,666,566</u>	<u>22,882,293</u>	<u>12,118,566</u>	<u>25,225,293</u>
Total operating income	674,955,419	513,519,000	674,182,238	538,469,333
Impairment reversal / (charge) on individual impairment	14,356,563	(1,086,205)	14,356,563	(1,086,205)
Impairment (charge) / reversal on collective impairment	(3,901,171)	9,971,122	(3,901,171)	9,971,122
Other loan losses reversal / (charge)	<u>21,555,224</u>	<u>(18,691,913)</u>	<u>21,555,224</u>	<u>(18,691,913)</u>
Net operating income	706,966,035	503,712,004	706,192,854	528,662,337
Personnel expenses	(125,235,209)	(100,537,703)	(126,108,153)	(101,144,039)
Depreciation of property, plant and equipment	(60,930,842)	(51,401,117)	(62,215,272)	(52,271,213)
Amortization of intangible assets	(3,497,412)	(3,635,664)	(3,497,412)	(3,635,664)
Other expenses	<u>(170,061,559)</u>	<u>(159,206,433)</u>	<u>(171,172,925)</u>	<u>(161,532,528)</u>
Operating profit before value added tax and nation building tax on financial services	347,241,013	188,931,087	343,199,092	210,078,893
Value added tax and nation building tax on financial services	<u>(29,334,111)</u>	<u>(20,888,388)</u>	<u>(29,334,111)</u>	<u>(20,888,388)</u>
Profit before income tax	317,906,902	168,042,699	313,864,981	189,190,505
Income tax expense	<u>(82,048,236)</u>	<u>(28,549,990)</u>	<u>(87,798,105)</u>	<u>(34,454,854)</u>
Profit for the period	<u>235,858,666</u>	<u>139,492,709</u>	<u>226,066,876</u>	<u>154,735,651</u>
Basic earnings per share	3.62	2.14	3.47	2.37

*Figures in brackets indicate deductions.*

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

*Statement of other comprehensive income*

<i>For the three months period ended 30th September</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>
Profit for the period	<u>235,858,666</u>	<u>139,492,709</u>	<u>226,066,876</u>	<u>154,735,651</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>235,858,666</u>	<u>139,492,709</u>	<u>226,066,876</u>	<u>154,735,651</u>

*Figures in brackets indicate deductions.*

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

**Income statement**

<i>For the six months period ended 30th September</i>	Company		Group	
	2016*	2015	2016*	2015
	Rs.	Rs.	Rs.	Rs.
Interest income	2,194,007,209	1,806,421,691	2,194,813,446	1,807,028,819
Interest expense	(1,040,887,100)	(798,303,726)	(1,039,499,771)	(796,984,674)
Net interest income	1,153,120,109	1,008,117,965	1,155,313,675	1,010,044,145
Fee and commission income	77,074,309	27,862,546	130,857,927	71,411,302
Fee and commission expense	(6,928,141)	(11,865,206)	(6,928,141)	(11,865,206)
Net fee and commission income	70,146,168	15,997,340	123,929,786	59,546,096
Net gain from trading	3,210,947	5,254,914	3,210,947	5,254,914
Net gain/ (loss) from financial instruments designated at fair value through profit or loss	(1,035,143)	3,525,034	(1,035,143)	3,525,034
Other operating income	63,359,072	40,754,896	35,363,072	43,022,896
Total operating income	1,288,801,153	1,073,650,149	1,316,782,337	1,121,393,085
Impairment reversal / (charge) on individual impairment	16,531,993	(1,086,205)	16,531,993	(1,086,205)
Impairment (charge) / reversal on collective impairment	(5,783,328)	4,626,870	(5,783,328)	4,626,870
Other loan losses reversal / (charge)	34,492,738	(42,774,750)	34,492,738	(42,774,750)
Net operating income	1,334,042,556	1,034,416,064	1,362,023,740	1,082,159,000
Personnel expenses	(244,190,414)	(197,571,470)	(246,338,433)	(199,109,726)
Depreciation of property, plant and equipment	(119,813,022)	(100,761,406)	(122,209,913)	(102,467,697)
Amortization of intangible assets	(6,998,369)	(7,282,649)	(6,998,369)	(7,282,649)
Other expenses	(336,056,760)	(275,194,343)	(338,007,157)	(279,757,460)
Operating profit before value added tax and nation building tax on financial services	626,983,991	453,606,196	648,469,868	493,541,468
Value added tax and nation building tax on financial services	(73,251,368)	(39,386,620)	(73,251,368)	(39,386,620)
Profit before income tax	553,732,623	414,219,576	575,218,500	454,154,848
Income tax expense	(165,904,494)	(137,232,812)	(185,823,859)	(149,057,968)
Profit for the period	387,828,129	276,986,764	389,394,641	305,096,880
Basic earnings per share	5.95	4.25	5.97	4.68

*Figures in brackets indicate deductions.*

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

*Statement of other comprehensive income*

<i>For the six months period ended 30th September</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>
Profit for the period	<u>387,828,129</u>	<u>276,986,764</u>	<u>389,394,641</u>	<u>305,096,880</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>387,828,129</u>	<u>276,986,764</u>	<u>389,394,641</u>	<u>305,096,880</u>

*Figures in brackets indicate deductions.*

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

**Statement of financial position**

As at	Company			Group		
	30.09.2016*	31.03.2016	30.09.2015	30.09.2016*	31.03.2016	30.09.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>						
Cash and cash equivalents	402,587,460	457,725,318	816,719,221	436,957,974	486,127,789	843,342,919
Deposits with licensed commercial banks	871,781,647	1,234,016,418	1,152,086,258	871,781,647	1,234,016,418	1,152,086,258
Repurchase agreements	500,881,933	972,624,516	962,699,195	500,881,933	972,624,516	962,699,195
Financial assets held at fair value through profit or loss	84,981,389	82,237,016	91,325,539	84,981,389	82,237,016	91,325,539
Finance leases	16,804,033,520	13,975,552,388	11,260,898,089	16,804,033,520	13,975,552,388	11,260,898,089
Hire purchases	1,191,182,870	2,024,520,342	3,282,181,706	1,191,182,870	2,024,520,342	3,282,181,706
Other loans and receivables	1,658,991,143	908,067,048	534,075,743	1,658,991,143	908,067,048	534,075,743
Financial assets available for sale	76,400,083	16,400,083	12,439,228	76,400,083	16,400,083	12,439,228
Financial assets held to maturity	860,655,926	832,030,919	810,345,839	860,655,926	832,030,919	810,345,839
Investments in subsidiaries	320,000,000	320,000,000	320,000,000	-	-	-
Investment property	78,873,414	79,024,933	79,176,452	274,760,609	276,414,697	271,153,893
Property, plant and equipment	1,133,454,888	1,047,079,572	1,027,976,430	1,141,393,192	1,049,508,428	1,030,952,675
Intangible assets	77,540,347	68,558,945	75,006,206	142,360,561	133,379,159	139,826,420
Amounts due from related company	233,894	6,990,797	6,736,317	-	-	-
Current tax recoverable	-	20,044,397	-	-	-	-
Other assets	325,034,088	225,072,014	228,517,994	325,121,961	225,304,445	228,630,182
<b>Total assets</b>	<b>24,386,632,602</b>	<b>22,269,944,706</b>	<b>20,660,184,217</b>	<b>24,369,502,808</b>	<b>22,216,183,248</b>	<b>20,619,957,686</b>
<b>Liabilities</b>						
Due to banks	6,563,103,826	4,806,174,120	4,401,433,173	6,604,132,107	4,819,887,580	4,417,489,274
Deposits from customers	6,850,070,563	6,510,033,106	6,259,400,677	6,825,050,982	6,486,010,917	6,210,881,694
Other borrowings	3,944,988,484	3,885,511,133	3,077,193,885	3,944,988,484	3,885,511,133	3,077,193,885
Debt securities issued	1,357,421,651	1,800,155,870	2,077,436,730	1,357,421,651	1,800,155,870	2,077,436,730
Subordinated debentures	1,259,307,075	1,259,692,805	1,259,292,231	1,259,307,075	1,259,692,805	1,259,292,231
Deferred tax liabilities	484,068,545	434,104,236	299,486,017	487,082,684	436,663,479	299,523,330
Current tax liabilities	36,896,965	-	949,435	43,912,081	282,276	9,978,478
Other liabilities	554,282,870	521,473,770	492,924,529	562,471,107	528,167,030	499,972,249
Employee benefits	62,682,968	59,440,712	66,029,722	62,966,914	59,659,648	66,174,333
<b>Total liabilities</b>	<b>21,112,822,947</b>	<b>19,276,585,752</b>	<b>17,934,146,399</b>	<b>21,147,333,085</b>	<b>19,276,030,738</b>	<b>17,917,942,204</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	1,996,936,836	1,716,486,135	1,487,939,585	1,945,273,904	1,663,256,691	1,463,917,249
<b>Total equity</b>	<b>3,273,809,655</b>	<b>2,993,358,954</b>	<b>2,726,037,818</b>	<b>3,222,169,723</b>	<b>2,940,152,510</b>	<b>2,702,015,482</b>
<b>Total liabilities and equity</b>	<b>24,386,632,602</b>	<b>22,269,944,706</b>	<b>20,660,184,217</b>	<b>24,369,502,808</b>	<b>22,216,183,248</b>	<b>20,619,957,686</b>
<b>Net assets per share</b>	<b>50.19</b>	<b>45.89</b>	<b>41.79</b>	<b>49.40</b>	<b>45.08</b>	<b>41.42</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  
20th October, 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	-	-	-	276,986,764	276,986,764
Total comprehensive income for the period	-	-	-	276,986,764	276,986,764
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(84,795,822)	(84,795,822)
Balance as at 30th September 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,487,939,585</u>	<u>2,726,037,818</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	-	-	-	387,828,129	387,828,129
Total comprehensive income for the period	-	-	3,774,586	387,828,129	387,828,129
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(88,057,199)	(88,057,199)
Balance as at 30th September 2016*	<u>1,008,062,200</u>	<u>265,036,033</u>	<u>3,774,586</u>	<u>1,996,936,836</u>	<u>3,273,809,655</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	-	-	-	305,096,880	305,096,880
Total comprehensive income for the period	-	-	-	305,096,880	305,096,880
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(84,795,822)	(84,795,822)
Balance as at 30th September 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,463,917,249</u>	<u>2,702,015,482</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	-	-	-	389,394,641	389,394,641
Total comprehensive income for the period	-	-	3,774,586	389,394,641	389,394,641
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(88,057,199)	(88,057,199)
Balance as at 30th September 2016*	<u>1,008,062,200</u>	<u>265,059,033</u>	<u>3,774,586</u>	<u>1,945,273,904</u>	<u>3,222,169,723</u>

Figures in brackets indicate deductions.

\*The above figures are provisional and subject to audit



**Statement of cash flows**

<i>For the six months period ended 30th September</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>Cash flows from operating activities</b>				
Interest and commission receipts	2,229,688,593	1,799,834,858	2,284,278,448	1,843,990,742
Interest payments	(962,714,886)	(836,325,870)	(961,327,557)	(835,006,818)
Recoveries of bad debts	37,843,261	22,314,868	37,843,261	22,314,868
Other operating income	3,203,046	4,632,266	10,307,046	6,900,266
Operating expenditure	(409,405,972)	(391,512,299)	(411,356,369)	(396,075,416)
Cash payments to employees	(237,997,265)	(191,378,321)	(240,080,274)	(192,849,466)
<b>Operating cash flow before changes in operating assets and liabilities (Note A)</b>	<b>660,616,777</b>	<b>407,565,502</b>	<b>719,664,555</b>	<b>449,274,176</b>
<b>Changes in operating assets and liabilities</b>				
Net funds advanced to customers	(2,723,427,259)	(1,456,261,317)	(2,723,427,259)	(1,456,261,317)
Deposits from customers	340,037,457	(282,495,082)	339,040,065	(308,639,580)
Deposits with licensed commercial banks	362,234,771	(403,928,177)	362,234,771	(403,928,177)
Government and other securities	443,117,576	(128,991,187)	443,117,576	(128,991,187)
Other assets	(93,205,171)	(89,962,128)	(99,817,516)	(84,512,264)
Other liabilities	44,478,558	128,017,253	42,819,245	127,307,825
	<u>(1,626,764,068)</u>	<u>(2,233,620,638)</u>	<u>(1,636,033,118)</u>	<u>(2,255,024,700)</u>
<b>Net cash inflow from operating activities before taxation</b>	<b>(966,147,291)</b>	<b>(1,826,055,136)</b>	<b>(916,368,563)</b>	<b>(1,805,750,524)</b>
Taxes paid	(71,095,769)	(37,453,664)	(100,717,505)	(49,728,274)
Gratuity paid	(2,950,893)	(854,921)	(2,950,893)	(854,921)
<b>Net cash generated from operating activities</b>	<b>(1,040,193,953)</b>	<b>(1,864,363,721)</b>	<b>(1,020,036,961)</b>	<b>(1,856,333,719)</b>
<b>Cash flows from investing activities</b>				
Net investment in trading securities	(568,562)	8,983,610	(568,562)	8,983,610
Purchase of financial assets available for sale	(60,000,000)	(267,341)	(60,000,000)	(267,341)
Dividends received on investments	36,585,940	1,537,968	1,485,940	1,537,968
Purchase of property, plant and equipment	(229,887,436)	(198,600,675)	(236,291,206)	(206,737,017)
Purchase of intangible assets	(15,979,771)	(261,174)	(15,979,771)	(261,174)
Proceeds from sale of property, plant and equipment	47,420,741	66,107,800	47,420,741	66,107,800
<b>Net cash used in investing activities</b>	<b>(222,429,088)</b>	<b>(122,499,812)</b>	<b>(263,932,858)</b>	<b>(130,636,154)</b>
<b>Cash flows from financing activities</b>				
Securitized loans obtained	3,150,000,000	2,889,671,708	3,150,000,000	2,889,671,708
Repayment of loans	(1,371,156,030)	(679,551,081)	(1,371,156,030)	(679,551,081)
Redemption of debenture	(433,246,500)	(210,000,000)	(433,246,500)	(210,000,000)
Dividends paid	(87,629,711)	(87,002,701)	(87,629,711)	(87,002,701)
<b>Net cash generated from financing activities</b>	<b>1,257,967,759</b>	<b>1,913,117,926</b>	<b>1,257,967,759</b>	<b>1,913,117,926</b>

Figures in brackets indicate deductions.

\*The above figures are provinsional and subject to audit

*Statement of cash flows (Continued)*

<i>For the six months period ended 30th September</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>
Net increase/ (decrease) in cash and cash equivalents	(4,655,282)	(73,745,607)	(26,002,060)	(73,851,947)
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>293,507,307</u>	<u>238,943,980</u>	<u>286,849,540</u>	<u>249,511,577</u>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	402,587,460	816,719,221	436,957,974	843,342,919
Bank overdrafts	(109,080,153)	(577,775,241)	(150,108,434)	(593,831,342)
	<u>293,507,307</u>	<u>238,943,980</u>	<u>286,849,540</u>	<u>249,511,577</u>
<b>Note A</b>				
<b>Reconciliation of operating profit</b>				
Profit before income tax	553,732,623	414,219,576	575,218,500	454,154,848
Depreciation	126,811,391	108,044,055	129,208,282	109,750,346
Dividend receipts on investments	(36,585,940)	(1,537,968)	(1,485,940)	(1,537,968)
Profit on disposal of motor vehicles	(23,570,131)	(34,584,662)	(23,570,131)	(34,584,662)
Provision for defined benefit plan	6,193,149	6,193,149	6,258,159	6,260,260
Impairment reversal of financial assets	(10,748,664)	(3,540,665)	(10,748,664)	(3,540,665)
Loan losses and write offs	10,180,865	23,488	10,180,865	23,488
Loss / (gain) on mark to market valuation of shares	1,035,143	(3,525,034)	1,035,143	(3,525,034)
Gain on sale of shares	(3,210,947)	(5,254,914)	(3,210,947)	(5,254,914)
Interest accrued on loans and advances	(41,392,926)	(34,449,379)	(41,392,926)	(34,449,379)
Accrued interest on borrowings	88,045,663	(5,014,458)	88,045,663	(5,014,458)
Accrued interest on debentures	(9,873,449)	(33,007,686)	(9,873,449)	(33,007,686)
	<u>660,616,777</u>	<u>407,565,502</u>	<u>719,664,555</u>	<u>449,274,176</u>

*Figures in brackets indicate deductions.*

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

**Segment report**

	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments		Insurance Brokering		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>																
<i>External customers</i>																
Interest	1,670,208,373	1,083,070,204	257,444,905	581,577,489	27,632,881	11,804,878	122,267,596	48,048,371	117,259,691	82,527,877	-	-	-	-	2,194,813,446	1,807,028,819
Trading	-	-	-	-	-	-	-	-	2,175,804	8,779,948	-	-	37,398	59,402	2,213,202	8,839,350
Commissions	-	-	-	-	-	-	-	-	-	-	53,826,655	43,837,228	-	-	53,826,655	43,837,228
Rent	-	-	-	-	-	-	-	-	8,814,000	3,378,000	-	-	-	-	8,814,000	3,378,000
Dividends	-	-	-	-	-	-	-	-	1,485,940	1,537,968	-	-	-	-	1,485,940	1,537,968
Other income	40,298,576	-	-	-	-	-	-	-	23,570,131	34,584,662	-	-	38,188,344	31,036,938	102,057,051	65,621,600
<b>Total revenue</b>	<b>1,710,506,949</b>	<b>1,083,070,204</b>	<b>257,444,905</b>	<b>581,577,489</b>	<b>27,632,881</b>	<b>11,804,878</b>	<b>122,267,596</b>	<b>48,048,371</b>	<b>153,305,566</b>	<b>130,808,455</b>	<b>53,826,655</b>	<b>43,837,228</b>	<b>38,225,742</b>	<b>31,096,340</b>	<b>2,363,210,294</b>	<b>1,930,242,965</b>
Profit before tax															575,218,500	454,154,848
Taxation															(185,823,859)	(149,057,968)
Profit after tax															<u>389,394,641</u>	<u>305,096,880</u>
<i>Segment Assets</i>	<u>16,804,033,520</u>	<u>13,975,552,388</u>	<u>1,191,182,870</u>	<u>2,024,520,342</u>	<u>353,519,762</u>	<u>180,227,250</u>	<u>1,305,471,381</u>	<u>727,839,798</u>	<u>3,684,569,627</u>	<u>4,331,972,402</u>	<u>42,086,948</u>	<u>30,841,958</u>	<u>988,638,700</u>	<u>945,229,110</u>	<u>24,369,502,808</u>	<u>22,216,183,248</u>
<i>Segment Liabilities</i>	<u>15,619,247,313</u>	<u>11,053,760,883</u>	<u>2,350,820,991</u>	<u>5,935,551,058</u>	<u>252,325,664</u>	<u>120,480,000</u>	<u>1,116,468,905</u>	<u>490,379,296</u>	<u>1,399,887,648</u>	<u>1,335,024,616</u>	<u>50,775,395</u>	<u>36,015,181</u>	<u>357,807,169</u>	<u>304,819,704</u>	<u>21,147,333,085</u>	<u>19,276,030,738</u>
<i>Information on Cash flows</i>																
Operating activities	(1,251,034,321)	(948,259,071)	192,596,952	348,226,476	(30,537,745)	(13,348,430)	(108,905,470)	(56,341,794)	324,335,414	(1,052,209,744)	11,665,074	4,442,950	(158,156,866)	(138,844,107)	(1,020,036,961)	(1,856,333,719)
Investing activities	-	-	-	-	-	-	-	-	(59,082,622)	10,254,237	(6,304,500)	-	47,321,471	66,107,800	(18,065,651)	76,362,037
Capital expenditure	(169,831,470)	(125,272,095)	(12,038,796)	(18,147,111)	(3,572,879)	(1,615,496)	(13,193,863)	(6,524,108)	(37,238,433)	(38,830,326)	-	-	(9,991,766)	(16,609,054)	(245,867,207)	(206,998,191)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	1,257,967,759	1,913,117,926	1,257,967,759	1,913,117,926
<b>Net cash flow</b>	<b>(1,420,865,791)</b>	<b>(1,073,531,166)</b>	<b>180,558,156</b>	<b>330,079,365</b>	<b>(34,110,624)</b>	<b>(14,963,926)</b>	<b>(122,099,334)</b>	<b>(62,865,902)</b>	<b>228,014,359</b>	<b>(1,080,785,833)</b>	<b>5,360,574</b>	<b>4,442,950</b>	<b>1,137,140,599</b>	<b>1,823,772,565</b>	<b>(26,002,060)</b>	<b>(73,851,947)</b>
<i>Depreciation and amortisation</i>	(103,105,779)	(84,339,277)	(7,308,831)	(12,217,519)	(2,169,118)	(1,087,630)	(8,010,079)	(4,392,347)	(151,519)	(303,038)	(882,465)	(539,640)	(7,580,491)	(6,870,894)	(129,208,282)	(109,750,346)

## *Selected Performance Indicators*

<i>As at 30th September</i>	<b>2016*</b>	<b>2015</b>	<b>Minimum Requirement</b>
<b>Regulatory Capital Adequacy</b>			
Core Capital (Tier 1 Capital) Rs. '000	3,270,035	2,726,038	
Total Capital Base (Tier 2) Rs. '000	4,002,464	3,708,955	
Core Capital Adequacy Ratio, as % of Risk Weighted Assets	15.19%	15.95%	5%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets	18.59%	21.70%	10%
Capital funds to Deposit Liabilities Ratio	47.79%	43.55%	
<b>Asset Quality (Quality of Loan Portfolio)</b>			
Gross Non-Performing Accommodations Rs. '000	422,989	525,546	
Gross Non-Performing Accommodations Ratio, %	2.11%	3.39%	
Net Non-Performing Accommodations Ratio, %	0.36%	2.00%	
<b>Profitability</b>			
Interest Margin	11.22%	11.54%	
Return on Assets (before Tax)	5.57%	4.72%	
Return on Equity (after Tax)	25.86%	22.33%	
<b>Regulatory Liquidity (Rs. '000)</b>			
Required minimum amount of Liquid Assets	839,966	845,133	10%
Available amount of Liquid Assets	2,455,199	3,563,666	
Required minimum amount of Government securities	491,605	464,286	7.5%
Available amount of Government securities	1,361,538	1,773,045	
<b>Debt</b>			
Debt-to-Equity ratio	4 : 1	3.97 : 1	
Interest cover	1.37	1.35	
Interest rate of comparable government securities			
6 month Treasury bill	9.39%	7.07%	
3 year Treasury bond	10.72%	8.95%	
4 year Treasury bond	10.90%	9.50%	
5 year Treasury bond	11.05%	9.65%	
<b>Memorandum information</b>			
Number of employees	604	574	
Number of branches	39	39	
Number of service centers	41	41	
Number of pawning centers	15	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 following Dividend payments,

Year	Dividend	Dividend per share Rs.	Total Amount paid Rs.	Paid Date
2015/2016	Third Interim	0.60	39,136,533	June 15,2016.
2015 / 2016	Final Dividend	0.75	48,920,666	September 05,2016.

Further, the Board of Directors has declared and forwarded for the the approval of Central Bank of Sri Lanka an interim dividend of Rs. 0.60 per share for the period ended June 30,2016. The total dividend payment amount will be Rs. 39,136,533/-.

### 5 Debenture Information

5.1 During the period, the company redeemed the unlisted debentures to the value of Rs. 19 million and Listed Debentures to the value of Rs. 414.25 million.

#### 5.2 Information on listed debenture

Type of Debenture	Last traded Rs.	Annual effective	Current yield	Yield to maturity
4 year - 17.25% payable quarterly	105.70	18.40%	8.25%	2.79%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	13.78%	Not traded	Not traded
5 year - 15.00% payable quarterly	100	15.87%	14.99%	3.75%

### 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 30.09.2016
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	1,877,420
7. Mr. L. Balasuriya & Mr. K. S. Balasuriya	1,877,421
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 30.09.2016
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	30.09.2016	30.09.2015
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 September 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. Mr. R. Balasuriya	3,754,842	5.76
5. Dr. (Mrs.) G. Madan Mohan	3,754,841	5.76
6. Dr. A. Balasuriya	3,747,127	5.75
7. Mrs. L. Fernando	3,141,113	4.82
8. Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,877,421	2.88
9. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,877,420	2.88
10. Mr. D. K. C. R. Fernando	606,014	0.93
11. Mrs. C. Fernando	172,888	0.24
12. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.27
13. Mrs. S. Thaha	158,483	0.27
14. Mrs. Sheeraz Sellamuttu	144,073	0.22
15. Mr. Iftikar Mubarak Thaha	129,666	0.20
16. Mr. M. M. Ariyaratne	28,488	0.04
17. Mr. P. P. K. Ikirowatte	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 September 30, 2016 was 21.60% (2015 - 21.60%) and is distributed among 10 Shareholders.

6.6 Information on Ratios and Share Prices

	30-Sep-2016	30-Sep-2015
Dividend per share (Rs.)	1.35	1.30
Net Assets per share (Rs.)	50.19	41.79
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.