

**INTERIM FINANCIAL STATEMENTS  
QUARTER ENDED JUNE 30, 2021**



**SMB LEASING PLC**

**No: 282/1, CBS Building, Galle Road, Colombo 03**

**SMB Leasing PLC**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the period ended June 30, 2021 (LKR 000)**

Company	Quarter ended June 30, 2021 Unaudited	Quarter ended June 30, 2020 Unaudited	Variance	YTD June 30, 2021 Unaudited	YTD June 30, 2020 Unaudited	Variance
Interest income	45,834	25,694	78%	78,081	87,403	-11%
Interest expenses	(17,710)	(13,624)	30%	(24,931)	(29,134)	-14%
<b>Net interest income</b>	<b>28,124</b>	<b>12,070</b>	<b>133%</b>	<b>53,150</b>	<b>58,269</b>	<b>-9%</b>
Fee and commission income	2,054	284	624%	4,611	1,457	216%
<b>Net interest, fee and commission income</b>	<b>30,178</b>	<b>12,354</b>	<b>144%</b>	<b>57,761</b>	<b>59,726</b>	<b>-3%</b>
Other operating income (Net)	3,591	3,853	-7%	7,052	7,922	-11%
<b>Total operating income</b>	<b>33,769</b>	<b>16,207</b>	<b>108%</b>	<b>64,813</b>	<b>67,648</b>	<b>-4%</b>
Impairment (charge)/ Reversal for the period	24,199	10,135	139%	51,981	(11,644)	546%
<b>Net operating income</b>	<b>57,968</b>	<b>26,342</b>	<b>120%</b>	<b>116,794</b>	<b>56,004</b>	<b>109%</b>
Personnel expenses	(16,697)	(16,193)	3%	(33,093)	(33,470)	-1%
Premises, equipment & establishment expenses	(1,922)	(8,999)	-79%	(11,373)	(17,448)	-35%
Depreciation and amortizations	(7,950)	(1,684)	372%	(9,562)	(3,352)	185%
Other expenses	(3,825)	(3,529)	8%	(8,387)	(7,534)	11%
<b>Operating profit/ (Loss) before taxes on financial services</b>	<b>27,574</b>	<b>(4,063)</b>	<b>779%</b>	<b>54,379</b>	<b>(5,800)</b>	<b>1038%</b>
Taxes on financial services	(5,403)	(893)	505%	(5,403)	(3,099)	74%
<b>Profit / (Loss) after taxes on financial services</b>	<b>22,171</b>	<b>(4,956)</b>	<b>547%</b>	<b>48,976</b>	<b>(8,899)</b>	<b>650%</b>
Share of loss of associate company	(184)	-	100%	(184)	-	100%
<b>Profit / (Loss) before income tax</b>	<b>21,987</b>	<b>(4,956)</b>	<b>-544%</b>	<b>48,792</b>	<b>(8,899)</b>	<b>-648%</b>
Income tax expenses	-	-	0%	-	-	0%
<b>Profit/ (Loss) for the period</b>	<b>21,987</b>	<b>(4,956)</b>	<b>544%</b>	<b>48,792</b>	<b>(8,899)</b>	<b>648%</b>
Basic earnings/(loss) per share	0.01	(0.00)	544%	0.03	(0.00)	648%

Statement of Profit or Loss and Other Comprehensive Income	Quarter ended June 30, 2021 Unaudited	Quarter ended June 30, 2020 Unaudited	Variance	YTD June 30, 2021 Unaudited	YTD June 30, 2020 Unaudited	Variance
<b>Profit/ (Loss) for the period</b>	<b>21,987</b>	<b>(4,956)</b>	<b>544%</b>	<b>48,792</b>	<b>(8,899)</b>	<b>648%</b>
<b>Other Comprehensive Income</b>						
Actuarial (gain)/loss on Defined Benefit Plans	-	-	-	-	-	-
Equity investments at FVOCI - Net change in fair value	-	-	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-	-	-
<b>Other Comprehensive Income/(Expense) for the period (net of tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Expense) for the period</b>	<b>21,987</b>	<b>(4,956)</b>	<b>544%</b>	<b>48,792</b>	<b>(8,899)</b>	<b>648%</b>

Colombo  
August 13, 2021

**SMB Leasing PLC**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the period ended June 30, 2021 (LKR 000)**

Group	Quarter ended June 30, 2021 Unaudited	Quarter ended June 30, 2020 Unaudited	Variance	YTD June 30, 2021 Unaudited	YTD June 30, 2020 Unaudited	Variance
Interest income	46,202	25,694	80%	78,986	87,403	-10%
Interest expenses	(17,799)	(13,659)	30%	(25,123)	(29,203)	-14%
<b>Net interest income</b>	<b>28,403</b>	<b>12,035</b>	<b>136%</b>	<b>53,863</b>	<b>58,200</b>	<b>-7%</b>
Fee and commission income	2,054	284	624%	4,611	1,457	216%
<b>Net interest, fee and commission income</b>	<b>30,457</b>	<b>12,319</b>	<b>147%</b>	<b>58,474</b>	<b>59,657</b>	<b>-2%</b>
Other operating income (net)	16,682	25,920	-36%	35,923	55,262	-35%
<b>Total operating income</b>	<b>47,139</b>	<b>38,239</b>	<b>23%</b>	<b>94,397</b>	<b>114,919</b>	<b>-18%</b>
Impairment (charge)/ Reversal for the period	24,199	10,135	139%	51,981	(11,644)	546%
<b>Net operating income</b>	<b>71,338</b>	<b>48,374</b>	<b>47%</b>	<b>146,378</b>	<b>103,275</b>	<b>42%</b>
Personnel expenses	(28,857)	(32,502)	-11%	(59,157)	(67,693)	-13%
Premises, equipment & establishment expenses	(1,996)	(9,599)	-79%	(11,575)	(18,648)	-38%
Depreciation and amortizations	(9,018)	(2,341)	285%	(11,700)	(4,666)	151%
Other expenses	(5,797)	(5,951)	-3%	(13,465)	(13,559)	-1%
<b>Operating profit/ (Loss) before taxes on financial services</b>	<b>25,670</b>	<b>(2,019)</b>	<b>1371%</b>	<b>50,481</b>	<b>(1,291)</b>	<b>4010%</b>
Taxes on financial services	(5,403)	(893)	505%	(5,403)	(3,099)	74%
<b>Profit / (Loss) after taxes on financial services</b>	<b>20,267</b>	<b>(2,912)</b>	<b>796%</b>	<b>45,078</b>	<b>(4,390)</b>	<b>1127%</b>
Share of loss of associate company	(184)	-	100%	(184)	-	100%
<b>Profit / (Loss) before income tax</b>	<b>20,083</b>	<b>(2,912)</b>	<b>790%</b>	<b>44,894</b>	<b>(4,390)</b>	<b>1123%</b>
Income tax expenses	-	(825)	-100%	-	(1,850)	-100%
<b>Profit/(Loss) for the period</b>	<b>20,083</b>	<b>(3,737)</b>	<b>637%</b>	<b>44,894</b>	<b>(6,240)</b>	<b>-819%</b>
<b>Profit/(Loss) attributable to :</b>						
Owners of the parent	21,016	(4,334)	585%	46,804	(7,543)	720%
Non-controlling interest	(933)	597	-256%	(1,910)	1,303	-247%
<b>Profit/(Loss) for the period</b>	<b>20,083</b>	<b>(3,737)</b>	<b>637%</b>	<b>44,894</b>	<b>(6,240)</b>	<b>819%</b>
Basic earnings/(loss) per share	0.01	(0.00)	637%	0.02	(0.00)	819%

Statement of Profit or Loss and Other Comprehensive Income	Quarter ended June 30, 2021 Unaudited	Quarter ended June 30, 2020 Unaudited	Variance	YTD June 30, 2021 Unaudited	YTD June 30, 2020 Unaudited	Variance
<b>Profit/(Loss) for the period</b>	<b>20,083</b>	<b>(3,737)</b>	<b>637%</b>	<b>44,894</b>	<b>(6,240)</b>	<b>819%</b>
<b>Other Comprehensive Income</b>						
Actuarial (gain)/loss on Defined Benefit Plans	-	-	0%	-	-	0%
Equity investments at FVOCI - Net change in fair value	-	-	0%	-	-	0%
Tax on Other Comprehensive Income	-	-	0%	-	-	0%
Other Comprehensive Income/(Expense) for the period (net of tax)	-	-	0%	-	-	0%
<b>Total Comprehensive Income/(Expense) for the period</b>	<b>20,083</b>	<b>(3,737)</b>	<b>637%</b>	<b>44,894</b>	<b>(6,240)</b>	<b>819%</b>
<b>Total Comprehensive Income/(Expense) attributable to:</b>						
Owners of the parent	21,016	(4,334)	585%	46,804	(7,543)	720%
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<b>Total Comprehensive Income/(Expense) for the period</b>	<b>20,083</b>	<b>(3,737)</b>	<b>637%</b>	<b>44,894</b>	<b>(6,240)</b>	<b>819%</b>

**SMB Leasing PLC**  
**Statement of Financial Position (LKR 000)**

As at	Company		Group	
	June 30, 2021 Unaudited	December 31, 2020 Audited	June 30, 2021 Unaudited	December 31, 2020 Audited
<b>Assets</b>				
Cash and cash equivalents	108,759	232,216	112,391	236,021
Placements with banks	218,280	206,255	227,780	232,442
Loans and receivables	1,125,988	1,070,958	1,125,208	1,070,058
Financial investments	60,657	60,657	88,082	78,744
Investments in associate	41,497	41,682	41,497	41,682
Investments in subsidiary	12,750	12,750	-	-
Investment properties	33,310	33,310	44,067	44,067
Property, plant & equipment	9,518	12,180	14,292	18,030
Right of use Asset	29,585	35,904	31,312	38,427
Intangible assets	5,771	5,928	6,070	6,492
Deferred tax assets	-	-	5,095	5,095
Other assets	49,070	48,689	65,026	60,840
<b>Total Assets</b>	<b>1,695,185</b>	<b>1,760,529</b>	<b>1,760,820</b>	<b>1,831,898</b>
<b>Liabilities</b>				
Due to financial institutions	447,461	599,523	447,461	599,523
Due to other customers	119,993	117,784	119,993	117,783
Other borrowings	-	-	-	-
Leased Liabilities	18,138	21,108	20,043	23,787
Other liabilities	88,962	47,761	113,889	73,751
<b>Total Liabilities</b>	<b>674,554</b>	<b>786,176</b>	<b>701,386</b>	<b>814,844</b>
<b>Equity</b>				
Stated capital	919,064	919,064	919,064	919,064
Statutory reserves	35,081	35,081	35,081	35,081
Fair Value Reserves	8,251	8,251	8,251	8,251
Retained earnings	58,235	11,957	71,862	27,573
<b>Total equity attributable to equity holders of the Company</b>	<b>1,020,631</b>	<b>974,353</b>	<b>1,034,259</b>	<b>989,969</b>
Non- controlling interests	-	-	25,175	27,085
<b>Total Equity</b>	<b>1,020,631</b>	<b>974,353</b>	<b>1,059,434</b>	<b>1,017,054</b>
<b>Total Equity and Liabilities</b>	<b>1,695,185</b>	<b>1,760,529</b>	<b>1,760,820</b>	<b>1,831,898</b>

Figures in brackets indicate deductions

The Notes form an integral part of these Interim Financial Statements.

These Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

**Signed**

**T. Wimalasiri**

Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Board by,

**Signed**

**A.T.S.Sosa**

Director

**Signed**

**M.S.A.Wadood**

Director

Colombo

August 13, 2021

**SMB Leasing PLC**  
**Statement of Changes in Equity**  
**For the period ended June 30, 2021 (LKR 000)**

Company	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
<b>Balance as at January 1, 2020</b>	708,446	210,618	35,081	19,920	82,376	1,056,441
(Loss) / Profit for the period	-	-	-	-	(8,899)	(8,899)
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	<b>(8,899)</b>	<b>(8,899)</b>
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-
<b>Balance as at June 30, 2020</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>19,920</b>	<b>73,477</b>	<b>1,047,542</b>
(Loss) / Profit for the period	-	-	-	-	(61,113)	(61,113)
Other comprehensive (expense) / income (net of tax)	-	-	-	(11,669)	(407)	(12,076)
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	<b>(11,669)</b>	<b>(61,520)</b>	<b>(73,189)</b>
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-
<b>Balance as at December 31, 2020</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>8,251</b>	<b>11,957</b>	<b>974,353</b>
<b>Balance as at January 1, 2021</b>	708,446	210,618	35,081	8,251	11,957	974,353
Profit/ (Loss) for the period	-	-	-	-	48,792	48,792
Other comprehensive income/(expense) (net of tax)	-	-	-	-	-	-
Direct cost of right issue	-	-	-	-	(2,514)	(2,514)
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>46,278</b>	<b>46,278</b>
Transfer to Statutory Reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-
<b>Balance as at June 30, 2021</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>8,251</b>	<b>58,235</b>	<b>1,020,631</b>

Colombo  
August 13, 2021

**SMB Leasing PLC**  
**Statement of Changes in Equity**  
**For the period ended June 30, 2021 (LKR 000)**

Group	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Ordinary - Voting Shares	Ordinary - Non Voting Shares						
<b>Balance as at January 1, 2020</b>	708,446	210,618	35,081	19,920	97,178	1,071,243	26,303	1,097,546
(Loss) / Profit for the period	-	-	-	-	(7,543)	(7,543)	1,303	(6,240)
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-	-	-
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	<b>(7,543)</b>	<b>(7,543)</b>	<b>1,303</b>	<b>(6,240)</b>
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2020</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>19,920</b>	<b>89,634</b>	<b>1,063,700</b>	<b>27,606</b>	<b>1,091,306</b>
(Loss) / Profit for the period	-	-	-	-	(60,018)	(60,018)	1,053	(58,965)
Other comprehensive (expense) / income (net of tax)	-	-	-	(11,669)	(2,044)	(13,713)	(1,574)	(15,287)
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	<b>(11,669)</b>	<b>(62,062)</b>	<b>(73,731)</b>	<b>(521)</b>	<b>(74,252)</b>
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2020</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>8,251</b>	<b>27,572</b>	<b>989,969</b>	<b>27,085</b>	<b>1,017,054</b>
<b>Balance as at January 1, 2021</b>	708,446	210,618	35,081	8,251	27,572	989,969	27,085	1,017,054
(Loss) / Profit for the period	-	-	-	-	46,804	46,804	(1,910)	44,894
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-	-	-
Direct cost of right issue	-	-	-	-	(2,514)	(2,514)	-	(2,514)
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	<b>44,290</b>	<b>44,290</b>	<b>(1,910)</b>	<b>42,380</b>
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2021</b>	<b>708,446</b>	<b>210,618</b>	<b>35,081</b>	<b>8,251</b>	<b>71,862</b>	<b>1,034,259</b>	<b>25,175</b>	<b>1,059,434</b>

**SMB Leasing PLC**  
**Cash Flow Statement**

**For the period ended June 30, 2021 (LKR 000)**

	<b>Company</b>		<b>Group</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flow from operating activities</b>				
Interest receipts	65,882	68,388	66,788	68,388
Interest payments	(20,444)	(22,360)	(20,636)	(22,429)
Fees and commission receipts	13,744	1,677	42,285	49,006
Cash payments to employees and suppliers	(45,239)	(60,270)	(73,479)	(101,757)
<b>Profit before changes in operating assets</b>	<b>13,943</b>	<b>(12,565)</b>	<b>14,958</b>	<b>(6,792)</b>
Loans and receivables to other customers	10,033	40,690	9,913	40,570
Other assets	(381)	4,309	(4,185)	5,501
<b>Cash generated /(used in) operating activities</b>	<b>23,595</b>	<b>32,434</b>	<b>20,686</b>	<b>39,279</b>
Tax paid	-	(2,206)	(842)	(3,229)
Gratuity paid	-	(1,340)	(600)	(217)
<b>Net cash generated /(used in) operating activities</b>	<b>23,595</b>	<b>28,888</b>	<b>19,244</b>	<b>35,832</b>
<b>Cash flow from investing activities</b>				
Net (increase)/decrease in financial investments	-	-	662	(720)
Acquisition of shares	-	-	-	-
Dividend received	-	-	101	12
Purchase of property, plant & equipment	(980)	(5,281)	(980)	(8,212)
Proceeds from disposal of property, plant & equipment	-	-	-	-
<b>Net cash generated/(used in) investing activities</b>	<b>(980)</b>	<b>(5,281)</b>	<b>(217)</b>	<b>(8,920)</b>
<b>Cash flow from financing activities</b>				
Increase/(decrease) in borrowings from financial institutions	(108,477)	17,727	(108,477)	17,727
Increase/(decrease) in other borrowings	-	-	-	-
Increase/(decrease) in public borrowings	(12)	(1)	(12)	(1)
Increase/(decrease) in other liabilities	25,776	1,540	23,278	4,740
Lease liability payment	(4,438)	-	(5,212)	-
Right issue expenses	(2,514)	-	(2,514)	-
Dividend paid	-	-	-	-
<b>Net cash generated /(used in) financing activities</b>	<b>(89,665)</b>	<b>19,266</b>	<b>(92,937)</b>	<b>22,465</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(67,050)</b>	<b>42,873</b>	<b>(73,910)</b>	<b>49,379</b>
Cash and cash equivalents at the beginning of the year	140,353	(17,873)	160,345	(11,648)
<b>Cash and cash equivalents at the end of the year</b>	<b>73,303</b>	<b>25,000</b>	<b>86,435</b>	<b>37,731</b>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	108,759	121,421	112,391	124,552
REPO investment with banks	17,997	1,694	27,497	11,294
	126,756	123,115	139,888	135,846
Bank overdraft	(53,453)	(98,115)	(53,453)	(98,115)
<b>Cash and cash equivalents</b>	<b>73,303</b>	<b>25,000</b>	<b>86,435</b>	<b>37,731</b>

Colombo  
August 13, 2021

**SMB Leasing PLC**  
**Segment Reporting - Group**

For the period ended June 30, (LKR 000)	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Business segments - Group</b>												
Revenue from external customers,												
Interest	33,329	33,265	33,676	43,829	-	-	906	-	11,076	10,309	78,986	87,403
Fee & commission	203	163	296	695	-	-	-	-	4,111	600	4,611	1,457
Other operating Income	-	0	67	759	6,985	6,706	28,870	47,340	-	456	35,922	55,262
<b>Total revenue from external customers</b>	<b>33,532</b>	<b>33,428</b>	<b>34,038</b>	<b>45,283</b>	<b>6,985</b>	<b>6,706</b>	<b>29,776</b>	<b>47,340</b>	<b>15,188</b>	<b>11,365</b>	<b>119,519</b>	<b>144,122</b>
<b>Segment result</b>	<b>24,494</b>	<b>7,556</b>	<b>24,864</b>	<b>10,236</b>	<b>5,102</b>	<b>1,516</b>	<b>21,750</b>	<b>10,701</b>	<b>11,094</b>	<b>2,569</b>	<b>87,304</b>	<b>32,579</b>
Depreciation charged for the year	(3,283)	(1,082)	(3,332)	(1,466)	(684)	(217)	(2,915)	(1,533)	(1,487)	(368)	(11,700)	(4,666)
Interest expense	(7,048)	(6,773)	(7,155)	(9,176)	(1,468)	(1,359)	(6,259)	(9,593)	(3,193)	(2,303)	(25,123)	(29,203)
<b>Operating profit</b>	<b>14,163</b>	<b>(299)</b>	<b>14,377</b>	<b>(406)</b>	<b>2,950</b>	<b>(60)</b>	<b>12,577</b>	<b>(424)</b>	<b>6,415</b>	<b>(102)</b>	<b>50,481</b>	<b>(1,291)</b>
Share of profit/ (loss) of associate companies											(184)	-
Income tax expense											-	(1,850)
Value added tax (VAT) on financial services											(5,403)	(3,099)
Other comprehensive Income											-	-
<b>Net profit for the period</b>											<b>44,894</b>	<b>(6,240)</b>
<b>Segment assets (As at June 30th)</b>	<b>669,358</b>	<b>559,150</b>	<b>455,849</b>	<b>625,083</b>	<b>428,254</b>	<b>380,711</b>	<b>21,053</b>	<b>18,789</b>	<b>186,306</b>	<b>168,415</b>	<b>1,760,820</b>	<b>1,752,147</b>
<b>Segment liabilities (As at June 30th)</b>	<b>196,779</b>	<b>159,066</b>	<b>199,749</b>	<b>215,476</b>	<b>40,991</b>	<b>31,912</b>	<b>174,739</b>	<b>225,268</b>	<b>89,128</b>	<b>54,080</b>	<b>701,386</b>	<b>685,801</b>
Cash flow from operating activities	5,399	8,311	5,480	11,259	1,125	1,667	4,794	11,770	2,446	2,827	19,244	35,834
Cash flow from investing activities	(61)	(2,069)	(62)	(2,803)	(13)	(415)	(54)	(2,930)	(28)	(703)	(217)	(8,920)
Cash flow from financing activities	(26,074)	5,211	(26,468)	7,058	(5,431)	1,045	(23,154)	7,379	(11,810)	1,772	(92,937)	22,465

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**SMB Leasing PLC**  
**Classification of Financial Instruments**  
**For the period ended June 30, 2021 (LKR 000)**

Assets - Company	June 30, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Assets</b>					
Cash and cash equivalents	-	108,759	-	-	108,759
Placements with banks	-	218,280	-	-	218,280
Financial assets at amortised cost-Loans and receivables to other customers	-	1,125,988	-	-	1,125,988
Fair value through profit or loss (FVTPL)	623	-	-	-	623
Fair value through other comprehensive income (FVTOCI)	-	-	60,034	-	60,034
<b>Total financial assets</b>	<b>623</b>	<b>1,453,027</b>	<b>60,034</b>	<b>-</b>	<b>1,513,684</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	41,497	41,497
Investment in subsidiary	-	-	-	12,750	12,750
Investment properties	-	-	-	33,310	33,310
Property, plant & equipment	-	-	-	9,518	9,518
Right-of-use assets	-	-	-	29,585	29,585
Intangible assets	-	-	-	5,771	5,771
Other assets	-	-	-	49,070	49,070
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,503</b>	<b>181,503</b>
<b>Total assets</b>	<b>623</b>	<b>1,453,027</b>	<b>60,034</b>	<b>181,503</b>	<b>1,695,186</b>

Liabilities - Company	June 30, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Liabilities</b>					
Due to financial institutions	-	447,461	-	-	447,461
Due to other customers	-	119,993	-	-	119,993
Lease liabilities	-	18,138	-	-	18,138
<b>Total financial liabilities</b>	<b>-</b>	<b>585,592</b>	<b>-</b>	<b>-</b>	<b>585,592</b>
<b>Non Financial Liabilities</b>					
Other liabilities	-	88,962	-	-	88,962
<b>Total non financial liabilities</b>	<b>-</b>	<b>88,962</b>	<b>-</b>	<b>-</b>	<b>88,962</b>
<b>Total liabilities</b>	<b>-</b>	<b>674,554</b>	<b>-</b>	<b>-</b>	<b>674,554</b>

**SMB Leasing PLC**  
**Classification of Financial Instruments**  
**For the period ended December 31, 2020 (LKR 000)**

Assets - Company	December 31, 2020				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Assets</b>					
Cash and cash equivalents	-	232,216	-	-	232,216
Placements with banks	-	206,255	-	-	206,255
Financial assets at amortised cost-Loans and receivables to other customers	-	1,070,958	-	-	1,070,958
Fair value through profit or loss (FVTPL)	622	-	-	-	622
Fair value through other comprehensive income (FVTOCI)	-	-	60,035	-	60,035
<b>Total financial assets</b>	<b>622</b>	<b>1,509,429</b>	<b>60,035</b>	<b>-</b>	<b>1,570,086</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	41,682	41,682
Investment in subsidiary	-	-	-	12,750	12,750
Investment properties	-	-	-	33,310	33,310
Property, plant & equipment	-	-	-	12,180	12,180
Right-of-use assets	-	-	-	35,904	35,904
Intangible assets	-	-	-	5,928	5,928
Other assets	-	-	-	48,689	48,689
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190,443</b>	<b>190,443</b>
<b>Total assets</b>	<b>622</b>	<b>1,509,429</b>	<b>60,035</b>	<b>190,443</b>	<b>1,760,529</b>

Liabilities - Company	December 31, 2020				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Liabilities</b>					
Due to financial institutions	-	599,523	-	-	599,523
Due to other customers	-	117,784	-	-	117,784
Lease liabilities	-	21,108	-	-	21,108
<b>Total financial liabilities</b>	<b>-</b>	<b>738,414</b>	<b>-</b>	<b>-</b>	<b>738,414</b>
<b>Non Financial Liabilities</b>					
Other liabilities	-	47,761	-	-	47,761
<b>Total non financial liabilities</b>	<b>-</b>	<b>47,761</b>	<b>-</b>	<b>-</b>	<b>47,761</b>
<b>Total liabilities</b>	<b>-</b>	<b>786,175</b>	<b>-</b>	<b>-</b>	<b>786,175</b>

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**SMB Leasing PLC**  
**Classification of Financial Instruments**  
**For the period ended June 30, 2021 (LKR 000)**

Assets - Group	June 30, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Assets</b>					
Cash and cash equivalents	-	112,391	-	-	112,391
Placements with banks	-	227,780	-	-	227,780
Financial assets at amortised cost-Loans and receivables to other customers	-	1,125,208	-	-	1,125,208
Fair value through profit or loss (FVTPL)	8,169	-	-	-	8,169
Fair value through other comprehensive income (FVTOCI)	-	-	69,373	-	69,373
Other financial assets	-	10,540	-	-	10,540
<b>Total financial assets</b>	<b>8,169</b>	<b>1,475,919</b>	<b>69,373</b>	<b>-</b>	<b>1,553,461</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	41,497	41,497
Investment properties	-	-	-	44,067	44,067
Property, plant & equipment	-	-	-	14,292	14,292
Right-of-use assets	-	-	-	31,312	31,312
Intangible assets	-	-	-	6,070	6,070
Diferred tax assets	-	-	-	5,095	5,095
Other assets	-	-	-	65,026	65,026
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207,359</b>	<b>207,359</b>
<b>Total assets</b>	<b>8,169</b>	<b>1,475,919</b>	<b>69,373</b>	<b>207,359</b>	<b>1,760,820</b>

Liabilities - Group	June 30, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Liabilities</b>					
Due to financial institutions	-	447,461	-	-	447,461
Due to other customers	-	119,993	-	-	119,993
Lease liabilities	-	20,043	-	-	20,043
<b>Total financial liabilities</b>	<b>-</b>	<b>587,498</b>	<b>-</b>	<b>-</b>	<b>587,498</b>
<b>Non Financial Liabilities</b>					
Other liabilities	-	113,889	-	-	113,889
<b>Total non financial liabilities</b>	<b>-</b>	<b>113,889</b>	<b>-</b>	<b>-</b>	<b>113,889</b>
<b>Total liabilities</b>	<b>-</b>	<b>701,387</b>	<b>-</b>	<b>-</b>	<b>701,387</b>

**SMB Leasing PLC**  
**Classification of Financial Instruments**  
**For the period ended December 31, 2020 (LKR 000)**

Assets - Group	December 31, 2020				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Assets</b>					
Cash and cash equivalents	-	236,021	-	-	236,021
Placements with banks	-	232,442	-	-	232,442
Financial assets at amortised cost-Loans and receivables to other customers	-	1,070,058	-	-	1,070,058
Fair value through profit or loss (FVTPL)	8,169	-	-	-	8,169
Fair value through other comprehensive income (FVTOCI)	-	-	60,035	-	60,035
Other financial assets	-	10,540	-	-	10,540
<b>Total financial assets</b>	<b>8,169</b>	<b>1,549,061</b>	<b>60,035</b>	<b>-</b>	<b>1,617,265</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	41,682	41,682
Investment properties	-	-	-	44,067	44,067
Property, plant & equipment	-	-	-	18,030	18,030
Right-of-use assets	-	-	-	38,427	38,427
Intangible assets	-	-	-	6,492	6,492
Diferred tax assets	-	-	-	5,095	5,095
Other assets	-	-	-	60,840	60,840
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,633</b>	<b>214,634</b>
<b>Total assets</b>	<b>8,169</b>	<b>1,549,061</b>	<b>60,035</b>	<b>214,633</b>	<b>1,831,899</b>

Liabilities - Group	December 31, 2020				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
<b>Financial Liabilities</b>					
Due to financial institutions	-	599,523	-	-	599,523
Due to other customers	-	117,783	-	-	117,783
Lease liabilities	-	23,787	-	-	23,787
<b>Total financial liabilities</b>	<b>-</b>	<b>741,093</b>	<b>-</b>	<b>-</b>	<b>741,093</b>
<b>Non Financial Liabilities</b>					
Other liabilities	-	73,751	-	-	73,751
<b>Total non financial liabilities</b>	<b>-</b>	<b>73,751</b>	<b>-</b>	<b>-</b>	<b>73,751</b>
<b>Total liabilities</b>	<b>-</b>	<b>814,844</b>	<b>-</b>	<b>-</b>	<b>814,844</b>

**SMB Leasing PLC**  
**Notes to the Financial Statements**  
**For the period ended June 30, 2021**

**1 Basis of Preparation**

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2020. The same Accounting Policies and methods of computations as stated in the Annual Financial Statements for the year ended December 31, 2020 have been followed in preparation of these Condensed Interim Financial Statements.

**1.1** The consolidated financial statements of the Group comprise of SMB Leasing PLC, its subsidiary SMB Money Brokers (Pvt) Ltd and the Group's interest in its associate Kenanga Investments Corporation Limited.

**2 Income Tax**

The Company is liable for income tax at the rate of 24% on its taxable profits. An estimated provision for taxation for the period ended June 30, 2021 has been set off with the previous tax losses.

**3 Share price during the period**

	Voting		Non Voting	
	2nd Quarter 2021 Rs.	2nd Quarter 2020 Rs.	2nd Quarter 2021 Rs.	2nd Quarter 2020 Rs.
Highest price per share	0.60	0.40	0.40	0.30
Lowest price per share	0.30	0.30	0.10	0.20

  

	Voting		Non Voting	
	30.06.21 Rs.	30.06.20 Rs.	30.06.21 Rs.	30.06.20 Rs.
Last traded price	0.40	0.40	0.20	0.30

**4 Stated Capital**

**4.1 Total Number of Shares**

	2nd Quarter 2021	2nd Quarter 2020
Stated Capital is represented by Ordinary Shares (Voting)	1,191,766,772	1,191,766,772
Stated Capital is represented by Ordinary Shares (Non Voting)	614,066,101	614,066,101

**4.2 Total number of Shareholders**

Ordinary Shares (Voting)	9,958	9,780
Ordinary Shares (Non Voting)	4,941	4,317

**4.3 Number of Public Shareholders**

Ordinary Shares (Voting)	9,956	9,778
Ordinary Shares (Non Voting)	4,941	4,317

**4.4 Public Shareholding %**

Ordinary Shares (Voting)	83.65%	83.65%
Ordinary Shares (Non Voting)	100.00%	100.00%

**4.5 Float Adjusted Market Capitalization**

The float adjusted market capitalization as at June 30, 2021 is Rs. 398,753,328.40

**4.6 Minimum Public Holding Requirement**

The company is in compliance with Option 5 of Section 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange pertaining to minimum public holding.

**SMB Leasing PLC**  
**Notes to the Financial Statements**  
**For the period ended June 30, 2021**

**5 Financial Ratios**

	30.06.21	30.06.20
Net Assets per share (Rs.)	0.57	0.57
Debt/equity ratio (times)	0.56	0.59
Liquid Asset Ratio	124.57%	98.82%
Interest cover Ratio (times)	2.96	0.69

**6 Commitments and Contingencies**

In the normal course of business, the Company makes various commitments and incurs certain contingent Liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. Except for above there are no material commitments and contingencies as at the reporting date.

**7 Events after the Reporting Date**

There have been no events subsequent to the reporting date which require adjustment or disclosure to the financial statement, other than those disclosed below.

**Rights Issue 2021 (Voting and Non Voting)**

Company raised Rs.1,847,512,896.60 and Rs.296,104,513.32 from the Voting and Non Voting shares respectively through the right issue. The new shares were listed in the CSE on July 12, 2021

**8 Comparative Information**

Comparative Information has been reclassified wherever necessary to be comparable with the current Financial Information.

**9 Directors Shareholding as at June 30, 2021**

	No. of Voting Shares	No. of Non Voting Shares
Mr.H.R.S.Wijeratne	194,882,451	-
Mr.T.M.Wijesinghe	-	-
Mr.A.T.S.Sosa	1,000	-
Mr.M.S.A.Wadood	-	-
Mr.L.Abeysinghe	-	-
	<b>194,883,451</b>	<b>-</b>

Note: Mr.H.H.A.Chandrasiri was appointed as an Independent Non-Executive Director of the company with effect from July 26, 2021

**10 CEO's Shareholding as at June 30, 2021**

	No. of Voting Shares	No. of Non Voting Shares
Mr.S.C.Wijesinghe	-	-

**11 Key Management Personnel Shareholding as at June 30, 2021**

	No. of Voting Shares	No. of Non Voting Shares
N/A	N/A	N/A

**12 Management fees and similar expenses**

All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

**13 Significant events and transactions**

There are no material changes during the period in the composition of assets, liabilities of the entity.

**14 Material changes in the use of funds raised**

There are no material changes during the period in the use of funds raised through an IPO/Rights/Debenture issue.

**15 Top Twenty Shareholders**

**15.1 Ordinary Shares (Voting)**

	Name of the Shareholder	June 30, 2021	
		No. of Shares	%
1	SAMPATH BANK PLC/ DR.T.SENTHILVERL	268,705,956	22.55
2	MR H.R.S. WIJERATNE	194,882,451	16.35
3	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	104,342,620	8.76
4	SEYLAN BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	85,805,393	7.20
5	MRS K.J.A.N. SANGAKKARA	25,250,000	2.12
6	MR W. GUNARATHNE	20,316,206	1.71
7	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	16,470,674	1.38
8	MRS S.A. GAMAGE	14,000,000	1.18
9	SAMPATH BANK PLC/MR.ARUNASALAM SITHAMPALAM	13,500,000	1.13
10	SINHARAJA HILLS PLANTATION PRIVET LIMITED	13,000,000	1.09
11	MRS S.A. FERNANDO	10,127,552	0.85
12	GHAZALY GROUP INTERNATIONAL (PVT) LTD	10,000,000	0.84
13	MR M.S.S. GHAZALY	10,000,000	0.84
14	HATTON NATIONAL BANK PLC/WETHTHINGE JINADASA	9,833,704	0.83
15	MIS W.N.C. FERNANDO	8,449,687	0.71
16	MR A.A.T.S. AMARASINGHE	8,000,000	0.67
17	MUTIARA HOLDINGS (PRIVATE) LTD	7,743,894	0.65
18	MRS C.N.M. ANTHONY	7,600,000	0.64
19	MRS K.S. YAPA	6,000,000	0.50
20	MR R.T.J. VITHANAGE	6,000,000	0.50
<b>SUB TOTAL</b>		<b>840,028,137</b>	<b>70.49</b>
OTHER		351,738,635	29.51
<b>ISSUED CAPITAL</b>		<b>1,191,766,772</b>	<b>100.00</b>

**15.2 Ordinary Shares (Non Voting)**

	Name of the Shareholder	June 30, 2021	
		No. of Shares	%
1	SAMPATH BANK PLC/ DR.T.SENTHILVERL	40,171,815	6.54
2	MR M.L.A. BENEDICT	16,734,100	2.73
3	MR S. RAMANATHAN	15,000,000	2.44
4	DR M. DEWOLAGE	14,000,000	2.28
5	MES S.H.A. GULAMHUSEIN	12,701,880	2.07
6	MR W.A.C. DE SILVA	10,814,599	1.76
7	MR S.D. DIVAKARAGE	7,870,666	1.28
8	MR N.W.N. JAYASIRI	7,015,000	1.14
9	SEYLAN BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	6,987,400	1.14
10	DFCC BANK PLC/T.L. SAMARAWICKRAMA	6,000,000	0.98
11	MR J. JEYASHANTH	5,990,147	0.98
12	MR W.A.K. PERERA	5,815,710	0.95
13	MR J.J. RAVINDRAN	5,740,000	0.94
14	MR R.S.P. HEWAGE	5,142,450	0.84
15	MR W.J.D. BENEDICT	5,100,000	0.83
16	PEOPLE'S LEASING & FINANCE PLC/MR.D.M.P.DISANAYAKE	5,000,000	0.81
17	MR D.S. ARUMA THANTRIGE	5,000,000	0.81
18	MR A. WIJESIRIWARDANE	4,905,012	0.80
19	MR H.P.P.R. HEMANTHA	4,868,000	0.79
20	MR A.M. IRFAN	4,296,418	0.70
<b>SUB TOTAL</b>		<b>189,153,197</b>	<b>30.80</b>
OTHER		424,912,904	69.20
<b>ISSUED CAPITAL</b>		<b>614,066,101</b>	<b>100.00</b>