

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 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 December 31, 2021 (LKR 000)

Company	Quarter ended December 31, 2021 Unaudited	Quarter ended December 31, 2020 Unaudited	Variance	YTD December 31, 2021 Unaudited	YTD December 31, 2020 Restated	Variance
Interest income	49,479	36,045	37%	170,424	154,250	10%
Interest expenses	(8,906)	(17,363)	-49%	(51,819)	(59,755)	-13%
Net interest income	40,573	18,682	117%	118,605	94,495	26%
Fee and commission income	4,134	561	637%	13,985	4,637	202%
Net interest, fee and commission income	44,707	19,243	132%	132,590	99,131	34%
Other operating income (net)	85,969	9,956	763%	117,530	21,276	452%
Total operating income	130,676	29,199	348%	250,120	120,407	108%
Impairment charge for the period	(81,331)	(58,360)	39%	(28,119)	(78,717)	64%
Net operating income	49,345	(29,161)	269%	222,001	41,690	433%
Personnel expenses	(18,698)	(3,407)	449%	(69,724)	(52,960)	32%
Premises, equipment & establishment expenses	(1,872)	7,790	124%	(18,573)	(19,804)	-6%
Depreciation and amortization	(4,848)	(13,486)	-64%	(19,200)	(18,536)	4%
Other expenses	(5,455)	(7,573)	-28%	(18,071)	(19,610)	-8%
Operating profit / (loss) before taxes on financial services	18,472	(45,837)	140%	96,432	(69,220)	239%
Taxes on financial services	(5,351)	-	100%	(10,754)	(3,099)	247%
Profit / (Loss) after taxes on financial services	13,121	(45,837)	129%	85,678	(72,319)	218%
Share of loss of associate company	417	2,307	-82%	233	2,307	-90%
Profit / (Loss) before income tax	13,538	(43,530)	131%	85,911	(70,012)	223%
Income tax expenses	-	-	0%	(2,409)	-	100%
Profit / (Loss) for the period	13,538	(43,530)	131%	83,501	(70,012)	219%
Basic earnings/(loss) per share	0.00	(0.01)	115%	0.01	(0.04)	122%

Company	Quarter ended December 31, 2021 Unaudited	Quarter ended December 31, 2020 Unaudited	Variance	YTD December 31, 2021 Unaudited	YTD December 31, 2020 Restated	Variance
Profit / (Loss) for the period	13,538	(43,530)	131%	83,501	(70,012)	219%
Other comprehensive income						
Actuarial loss on defined benefit plans	-	(407)	-100%	-	(407)	-100%
Equity investments at FVOCI - Net change in fair value	-	(11,669)	-100%	-	(11,669)	-100%
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive expense for the period (net of tax)	-	(12,076)	-100%	-	(12,076)	-100%
Total comprehensive income / (expense) for the period	13,538	(55,606)	124%	83,501	(82,088)	202%

SMB Leasing PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended December 31, 2021 (LKR 000)

Group	Quarter ended December 31, 2021 Unaudited	Quarter ended December 31, 2020 Unaudited	Variance	YTD December 31, 2021 Unaudited	YTD December 31, 2020 Restated	Variance
Interest income	49,874	36,045	38%	172,127	154,250	12%
Interest expenses	(8,856)	(17,778)	-50%	(52,036)	(60,370)	-14%
Net interest income	41,019	18,267	125%	120,091	93,880	28%
Fee and commission income	4,134	561	637%	13,985	4,637	202%
Net interest, fee and commission income	45,153	18,828	140%	134,076	98,517	36%
Other operating income (net)	97,283	36,594	166%	168,835	114,094	48%
Total operating income	142,436	55,422	157%	302,911	212,611	42%
Impairment (charge)/ reversal for the period	(81,331)	(58,360)	39%	(28,119)	(78,717)	-64%
Net operating income	61,105	(2,938)	-2180%	274,792	133,894	105%
Personnel expenses	(29,329)	(7,623)	285%	(118,056)	(105,755)	12%
Premises, equipment & establishment expenses	(2,027)	5,059	140%	(19,005)	(22,905)	-17%
Depreciation and amortizations	(5,963)	(14,558)	-59%	(23,535)	(22,839)	3%
Other expenses	(8,050)	(19,290)	-58%	(28,233)	(39,130)	-28%
Operating profit / (loss) before taxes on financial services	15,736	(39,350)	140%	85,963	(56,735)	252%
Taxes on financial services	(5,351)	-	100%	(10,754)	(3,099)	247%
Profit / (Loss) after taxes on financial services	10,385	(39,350)	126%	75,210	(59,834)	226%
Share of loss of associate company	417	2,307	-82%	233	2,307	-90%
Profit / (Loss) before income tax	10,802	(37,043)	129%	75,443	(57,527)	231%
Income tax expenses	-	(1,291)	-100%	(2,409)	(3,591)	-33%
Profit / (Loss) for the period	10,802	(38,334)	128%	73,034	(61,118)	-219%
Profit/(Loss) attributable to :						
Owners of the parent	12,144	(40,880)	130%	78,163	(65,477)	219%
Non-controlling interest	(1,341)	2,548	-153%	(5,129)	4,358	-218%
Profit / (Loss) for the period	10,802	(38,332)	128%	73,034	(61,118)	219%
Basic earnings/(loss) per share	0.00	(0.01)	112%	0.01	(0.04)	119%

Group	Quarter ended December 31, 2021 Unaudited	Quarter ended December 31, 2020 Unaudited	Variance	YTD December 31, 2021 Unaudited	YTD December 31, 2020 Restated	Variance
Profit / (Loss) for the period	10,802	(38,332)	128%	73,034	(61,118)	219%
Other comprehensive income						
Actuarial loss on defined benefit plans	-	(4,867)	-100%	-	(4,867)	-100%
Equity investments at FVOCI - Net change in fair value	-	(11,669)	-100%	-	(11,669)	-100%
Tax on other comprehensive income	-	1,249	-100%	-	1,249	-100%
Other comprehensive expense for the period (net of tax)	-	(15,287)	-100%	-	(15,288)	-100%
Total comprehensive income / (expense) for the period	10,802	(53,619)	120%	73,034	(76,406)	196%
Total comprehensive income / (expense) attributable to:						
Owners of the parent	12,144	(54,593)	122%	78,163	(79,190)	199%
Non-controlling interest	(1,341)	974	-238%	(5,129)	2,784	-284%
Total comprehensive income / (expense) for the period	10,802	(53,619)	120%	73,034	(76,406)	196%

SMB Leasing PLC
Statement of Financial Position (LKR 000)

As at	Company			Group		
	December 31, 2021 Unaudited	December 31, 2020 Restated	December 31, 2019 Restated	December 31, 2021 Unaudited	December 31, 2020 Restated	December 31, 2019 Restated
Assets						
Cash and cash equivalents	103,559	232,216	25,125	105,179	236,021	31,350
Placements with banks	2,405,234	206,255	146,885	2,407,034	232,442	161,910
Loans and receivables	1,151,011	1,070,958	1,204,255	1,151,011	1,070,058	1,203,115
Financial investments	60,735	60,657	72,249	93,713	78,744	86,154
Investments in associate	41,914	41,682	39,375	41,914	41,682	39,375
Investments in subsidiary	12,750	12,750	12,750	-	-	-
Investment properties	142,778	96,225	96,225	159,436	112,657	106,982
Property, plant & equipment	7,306	12,180	12,838	11,853	18,030	20,309
Right of use Asset	23,266	35,904	30,037	24,196	38,427	31,032
Intangible assets	5,615	5,928	5,042	5,672	6,492	6,175
Deferred tax assets	-	-	-	3,506	3,506	2,598
Other assets	53,393	48,688	52,937	66,272	60,840	68,640
Total Assets	4,007,561	1,823,443	1,697,718	4,069,786	1,898,899	1,757,640
Liabilities						
Due to financial institutions	526,274	599,523	415,217	526,274	599,523	415,217
Due to other customers	122,276	117,784	113,561	122,276	117,783	113,561
Leased Liabilities	15,649	21,108	21,402	16,706	23,787	22,452
Other liabilities	83,966	47,761	28,182	108,815	73,751	45,948
Total Liabilities	748,165	786,175	578,362	774,071	814,844	597,178
Equity						
Stated capital	3,062,682	919,064	919,064	3,062,682	919,064	919,064
Statutory reserves	35,081	35,081	35,081	35,081	35,081	35,081
Fair Value reserves	8,251	8,251	19,920	8,251	8,251	19,920
Retained earnings	153,382	74,872	145,291	165,744	92,572	160,093
Total equity attributable to equity holders of the Company	3,259,396	1,037,268	1,119,356	3,271,758	1,054,968	1,134,158
Non- controlling interests	-	-	-	23,957	29,087	26,303
Total Equity	3,259,396	1,037,268	1,119,356	3,295,715	1,084,055	1,160,461
Total Equity and Liabilities	4,007,561	1,823,443	1,697,718	4,069,786	1,898,899	1,757,640

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

February 25, 2022

SMB Leasing PLC
Statement of Changes in Equity
For the period ended December 31, 2021 (LKR 000)

Company	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
Balance as at December 31, 2019 as previously stated	708,446	210,618	35,081	19,920	82,376	1,056,441
Change in fair value of investment property - Note 017 Impact due to accounting policy change	-	-	-	-	62,915	62,915
Restated balance as at December 31, 2019	708,446	210,618	35,081	19,920	145,291	1,119,356
Rerstated balance as at January 1, 2020	708,446	210,618	35,081	19,920	145,291	1,119,356
Loss for the period	-	-	-	-	(70,012)	(70,012)
Other comprehensive expense (net of tax)	-	-	-	(11,669)	(407)	(12,076)
Total comprehensive expense for the period	-	-	-	(11,669)	(70,419)	(82,088)
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Rerstated balance as at December 31, 2020	708,446	210,618	35,081	8,251	74,872	1,037,268
Rerstated balance as at January 1, 2021	708,446	210,618	35,081	8,251	74,872	1,037,268
Profit for the period	-	-	-	-	83,501	83,501
Other comprehensive income/(expense) (net of tax)	-	-	-	-	-	-
Rights issue during the period	1,847,513	296,105	-	-	-	2,143,617
Direct cost of rights issue	-	-	-	-	(4,991)	(4,991)
Total comprehensive income for the period	1,847,513	296,105	-	-	78,510	2,222,127
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at December 31, 2021	2,555,959	506,723	35,081	8,251	153,382	3,259,396

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SMB Leasing PLC
Statement of Changes in Equity
For the period ended December 31, 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						
Balance as at December 31, 2019 as previously stated	708,446	210,618	35,081	19,920	97,178	1,071,243	26,303	1,097,546
Change in fair value of investment property - Note 017 Impact due to accounting policy change	-	-	-	-	62,915	62,915	-	62,915
Restated balance as at December 31, 2019	708,446	210,618	35,081	19,920	160,093	1,134,158	26,303	1,160,461
Rerstated balance as at January 1, 2020	708,446	210,618	35,081	19,920	160,093	1,134,158	26,303	1,160,461
(Loss) / Profit for the period	-	-	-	-	(65,477)	(65,477)	4,358	(61,118)
Other comprehensive expense (net of tax)	-	-	-	(11,669)	(2,044)	(13,713)	(1,573)	(15,286)
Total comprehensive (expense) / income for the period	-	-	-	(11,669)	(67,521)	(79,190)	2,785	(76,406)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Rerstated balance as at December 31, 2020	708,446	210,618	35,081	8,251	92,572	1,054,968	29,087	1,084,055
Rerstated balance as at January 1, 2021	708,446	210,618	35,081	8,251	92,572	1,054,968	29,087	1,084,055
(Loss) / Profit for the period	-	-	-	-	78,163	78,163	(5,129)	73,034
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-	-	-
Rights issue during the period	1,847,513	296,105	-	-	-	2,143,617	-	2,143,617
Direct cost of right issue	-	-	-	-	(4,991)	(4,991)	-	(4,991)
Total comprehensive (expense) / income for the period	1,847,513	296,105	-	-	73,172	2,216,789	(5,129)	2,211,660
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	2,555,959	506,723	35,081	8,251	165,744	3,271,758	23,957	3,295,715

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SMB Leasing PLC
Cash Flow Statement

For the period ended December 31, 2021 (LKR 000)

	Company		Group	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Unaudited	Restated	Unaudited	Restated
Cash flow from operating activities				
Interest receipts	160,861	169,677	162,564	169,677
Interest payments	(47,616)	(51,172)	(47,834)	(51,605)
Fees and commission receipts	76,579	19,678	122,796	106,073
Cash payments to employees and suppliers	(96,920)	(99,500)	(163,416)	(171,429)
Profit before changes in operating assets	92,904	38,683	74,110	52,716
Loans and receivables to other customers	(99,832)	46,565	(100,733)	46,382
Other assets	(4,705)	4,250	(5,431)	7,799
Cash generated / (used in) operating activities	(11,633)	89,498	(32,054)	106,897
Tax paid	(12,163)	(2,206)	(12,450)	(6,119)
Gratuity paid	(1,011)	(1,430)	(1,611)	(1,429)
Net cash generated / (used in) operating activities	(24,807)	85,862	(46,115)	99,348
Cash flow from investing activities				
Net (increase)/decrease in financial investments	(2,165,000)	(55,460)	(2,151,197)	(50,434)
Net of acquisition and disposal of shares	-	-	-	(2,877)
Dividend received	690	720	880	820
Purchase of property, plant & equipment	(1,930)	(7,000)	(2,862)	(7,454)
Proceeds from disposal of property, plant & equipment	-	-	-	185
Net cash generated / (used in) investing activities	(2,166,240)	(61,740)	(2,153,179)	(59,760)
Cash flow from financing activities				
Increase/(decrease) in borrowings from financial institutions	27,644	129,801	27,644	129,801
Increase/(decrease) in other borrowings	-	-	-	-
Increase/(decrease) in public borrowings	(14)	(159)	(14)	(159)
Increase/(decrease) in other liabilities	24,875	14,956	18,390	14,997
Lease liability payment	(8,212)	(9,317)	(10,053)	(11,056)
Rights issue during the period	2,143,617	-	2,143,617	-
Right issue expenses	(4,991)	-	(4,991)	-
Dividend paid	-	-	-	-
Net cash generated / (used in) financing activities	2,182,919	135,281	2,174,593	133,583
Net increase / (decrease) in cash and cash equivalents	(8,128)	159,403	(24,701)	173,170
Cash and cash equivalents at the beginning of the year	140,352	(19,051)	160,345	(12,826)
Cash and cash equivalents at the end of the year	132,224	140,352	135,644	160,344
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	103,559	232,215	105,179	236,021
REPO investment with banks	28,665	5,972	30,465	22,158
	132,224	238,187	135,644	258,179
Bank overdraft	-	(97,835)	-	(97,835)
Cash and cash equivalents	132,224	140,352	135,644	160,344

SMB Leasing PLC
Segment Reporting - Group

For the period ended December 31, (LKR 000)	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Unaudited	Restated	Unaudited	Restated	Unaudited	Restated	Unaudited	Restated	Unaudited	Restated	Unaudited	Restated
Business segments - Group												
Revenue from external customers,												
Interest	72,191	65,785	75,410	68,967	-	-	1,703	-	22,822	19,497	172,127	154,250
Fee & commission	290	1,882	2,261	2,755	-	-	-	-	11,433	-	13,985	4,637
Other operating Income	227	-	858	759	65,574	11,686	51,305	91,229	50,869	10,420	168,835	114,094
Total revenue from external customers	72,708	67,667	78,529	72,482	65,574	11,686	53,008	91,229	85,124	29,917	354,947	272,980
Segment result	33,089	6,562	35,738	7,029	29,843	1,133	24,124	8,847	38,740	2,901	161,533	26,474
Depreciation charged for the year	(4,821)	(5,661)	(5,207)	(6,064)	(4,348)	(978)	(3,515)	(7,633)	(5,644)	(2,503)	(23,535)	(22,839)
Interest expense	(10,659)	(15,282)	(11,513)	(16,370)	(9,613)	(2,639)	(7,771)	(19,322)	(12,479)	(6,757)	(52,036)	(60,370)
Operating profit	17,609	(15,799)	19,019	(16,923)	15,881	(2,728)	12,838	(14,300)	20,616	(6,985)	85,963	(56,735)
Share of profit/ (loss) of associate companies	-	-	-	-	-	-	-	-	-	2,307	233	2,307
Income tax expense	-	(507)	-	(543)	-	(88)	-	(641)	-	(224)	(2,409)	(3,591)
Value added tax (VAT) on financial services	-	-	-	-	-	-	-	-	-	(3,099)	(10,754)	(3,099)
Other comprehensive Income	-	(3,871)	-	(4,145)	-	(668)	-	(4,893)	-	(1,711)	-	(15,288)
Net profit for the period	17,609	(20,176)	19,019	(21,611)	15,881	(3,484)	12,838	(25,509)	20,616	(9,626)	73,033	(76,406)
Segment assets (As at December 31,)	703,650	582,565	447,361	487,493	2,605,927	468,464	16,384	53,439	296,465	306,938	4,069,786	1,898,899
Segment liabilities (As at December 31,)	158,567	206,275	171,257	220,950	143,005	35,623	115,601	260,799	185,641	91,197	774,071	814,844
Cash flow from operating activities	(9,446)	25,150	(10,203)	26,939	(8,519)	4,343	(6,887)	31,797	(11,059)	11,119	(46,115)	99,348
Cash flow from investing activities	(441,063)	(15,128)	(476,374)	(16,204)	(397,800)	(2,613)	(321,560)	(19,127)	(516,382)	(6,688)	(2,153,179)	(59,760)
Cash flow from financing activities	445,450	33,816	481,112	36,222	401,756	5,840	324,758	42,755	521,517	14,951	2,174,593	133,584

Colombo
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SMB Leasing PLC
Classification of Financial Instruments
For the period ended December 31, 2021 (LKR 000)

Assets - Company	December 31, 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
Financial assets					
Cash and cash equivalents	-	103,559	-	-	103,559
Placements with banks	-	2,405,234	-	-	2,405,234
Financial assets at amortised cost-Loans and receivables to other customers	-	1,151,011	-	-	1,151,011
Fair value through profit or loss (FVTPL)	700	-	-	-	700
Fair value through other comprehensive income (FVTOCI)	-	-	60,035	-	60,035
Total financial assets	700	3,659,804	60,035	-	3,720,539
Non financial assets					
Investment in associate	-	-	-	41,914	41,914
Investment in subsidiary	-	-	-	12,750	12,750
Investment properties	-	-	-	142,778	142,778
Property, plant & equipment	-	-	-	7,306	7,306
Right-of-use assets	-	-	-	23,266	23,266
Intangible assets	-	-	-	5,615	5,615
Other assets	-	-	-	53,393	53,393
Total non financial assets	-	-	-	287,022	287,022
Total assets	700	3,659,804	60,035	287,022	4,007,561

Liabilities - Company	December 31, 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
Financial liabilities					
Due to financial institutions	-	526,274	-	-	526,274
Due to other customers	-	122,276	-	-	122,276
Lease liabilities	-	15,649	-	-	15,649
Total financial liabilities	-	664,199	-	-	664,199
Non financial liabilities					
Other liabilities	-	83,966	-	-	83,966
Total non financial liabilities	-	83,966	-	-	83,966
Total liabilities	-	748,165	-	-	748,165

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
Financial assets					
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
Total financial assets	622	1,509,429	60,035	-	1,570,086
Non financial assets					
Investment in associate	-	-	-	41,682	41,682
Investment in subsidiary	-	-	-	12,750	12,750
Investment properties	-	-	-	96,225	96,225
Property, plant & equipment	-	-	-	12,180	12,180
Right-of-use assets	-	-	-	35,904	35,904
Intangible assets	-	-	-	5,928	5,928
Other assets	-	-	-	48,688	48,688
Total non financial assets	-	-	-	253,357	253,357
Total assets	622	1,509,429	60,035	253,357	1,823,443

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
Financial liabilities					
Due to financial institutions	-	599,523	-	-	599,523
Due to other customers	-	117,784	-	-	117,784
Lease liabilities	-	21,108	-	-	21,108
Total financial liabilities	-	738,415	-	-	738,414
Non financial liabilities					
Other liabilities	-	47,761	-	-	47,761
Total non financial liabilities	-	47,761	-	-	47,761
Total liabilities	-	786,176	-	-	786,175

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SMB Leasing PLC
Classification of Financial Instruments
For the period ended December 31, 2021 (LKR 000)

Assets - Group	December 31, 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
Financial assets					
Cash and cash equivalents	-	105,179	-	-	105,179
Placements with banks	-	2,407,034	-	-	2,407,034
Financial assets at amortised cost-Loans and receivables to other customers	-	1,151,011	-	-	1,151,011
Fair value through profit or loss (FVTPL)	7,135	-	-	-	7,135
Fair value through other comprehensive income (FVTOCI)	-	-	76,038	-	76,038
Other financial assets	-	10,540	-	-	10,540
Total financial assets	7,135	3,673,765	76,038	-	3,756,938
Non financial assets					
Investment in associate	-	-	-	41,914	41,914
Investment properties	-	-	-	159,436	159,436
Property, plant & equipment	-	-	-	11,853	11,853
Right-of-use assets	-	-	-	24,196	24,196
Intangible assets	-	-	-	5,672	5,672
Diferred tax assets	-	-	-	3,506	3,506
Other assets	-	-	-	66,272	66,272
Total non financial assets	-	-	-	312,849	312,849
Total assets	7,135	3,673,765	76,038	312,849	4,069,786

Liabilities - Group	December 31, 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
Financial liabilities					
Due to financial institutions	-	526,274	-	-	526,274
Due to other customers	-	122,276	-	-	122,276
Lease liabilities	-	16,706	-	-	16,706
Total financial liabilities	-	665,256	-	-	665,256
Non financial liabilities					
Other liabilities	-	108,815	-	-	108,815
Total non financial liabilities	-	108,815	-	-	108,815
Total liabilities	-	774,071	-	-	774,071

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
Financial assets					
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)	8,076	-	-	-	8,076
Fair value through other comprehensive income (FVTOCI)	-	-	60,128	-	60,128
Other financial assets	-	10,540	-	-	10,540
Total financial assets	8,076	1,549,061	60,128	-	1,617,265
Non financial assets					
Investment in associate	-	-	-	41,682	41,682
Investment properties	-	-	-	112,657	112,657
Property, plant & equipment	-	-	-	18,030	18,030
Right-of-use assets	-	-	-	38,427	38,427
Intangible assets	-	-	-	6,492	6,492
Diferred tax assets	-	-	-	3,506	3,506
Other assets	-	-	-	60,840	60,840
Total non financial assets	-	-	-	281,634	281,634
Total assets	8,076	1,549,061	60,128	281,634	1,898,899

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
Financial liabilities					
Due to financial institutions	-	599,523	-	-	599,523
Due to other customers	-	117,783	-	-	117,783
Lease liabilities	-	23,787	-	-	23,787
Total financial liabilities	-	741,093	-	-	741,093
Non financial liabilities					
Other liabilities	-	73,751	-	-	73,751
Total non financial liabilities	-	73,751	-	-	73,751
Total liabilities	-	814,844	-	-	814,844

SMB Leasing PLC
Notes to the Financial Statements
For the period ended December 31, 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 other than the policy change mentioned under note no. 17.

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 Ltd.

2 Income tax

The Company applied the revised rate of 24% to calculate the income tax and deferred tax liabilities as at 31 December 2021, in line with the Inland Revenue Amendment Act No. 10 of 2021. Income tax / deferred tax liabilities for the previous year have been calculated using the tax rate of 28%.

3 Share price during the period

	Voting		Non Voting	
	4th Quarter 2021 (LKR)	4th Quarter 2020 (LKR)	4th Quarter 2021 (LKR)	4th Quarter 2020 (LKR)
Highest price per share	2.50	0.80	0.80	0.50
Lowest price per share	0.70	0.40	0.20	0.20

	Voting		Non Voting	
	31.12.21 (LKR)	31.12.20 (LKR)	31.12.21 (LKR)	31.12.20 (LKR)
Last traded price	2.30	0.70	0.70	0.40

4 Stated Capital

4.1 Total number of shares

Stated Capital is represented by ordinary shares (Voting)

Stated capital is represented by ordinary shares (Non voting)

	4th Quarter 2021	4th Quarter 2020
Stated Capital is represented by ordinary shares (Voting)	6,470,375,048	1,191,766,772
Stated capital is represented by ordinary shares (Non voting)	3,081,603,712	614,066,101

4.2 Total number of shareholders

Ordinary shares (Voting)

Ordinary shares (Non voting)

Ordinary shares (Voting)	10,838	9,701
Ordinary shares (Non voting)	6,081	4,226

4.3 Number of public shareholders

Ordinary shares (Voting)

Ordinary shares (Non voting)

Ordinary shares (Voting)	10,834	9,699
Ordinary shares (Non voting)	6,081	4,226

4.4 Public shareholding %

Ordinary shares (Voting)

Ordinary shares (Non voting)

Ordinary shares (Voting)	35.56%	83.65%
Ordinary shares (Non voting)	100.00%	100.00%

4.5 Float adjusted market capitalization

The float adjusted market capitalization as at December 31, 2021 is Rs. 5,292,142,781.20

4.6 Minimum public holding requirement

The company is in compliance with Option 3 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 December 31, 2021

5 Financial ratios

	31.12.21	31.12.20
Net assets per share (LKR)	0.00	0.00
Debt /equity ratio (Times)	0.20	0.72
Liquid asset ratio	839.45%	96.41%
Interest cover ratio (Times)	2.65	0.11

6 Commitments and contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities with legal recourse to it's 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

No circumstances have arisen since the reporting date, which require adjustments or disclosure in the financial statements.

8 Comparative information

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

9 Directors shareholding as at December 31, 2021

	No. of Voting Shares	No. of Non Voting Shares
Mr.H.R.S.Wijeratne	4,169,342,304	-
Mr.T.M.Wijesinghe	-	-
Mr.A.T.S.Sosa	1,000	-
Mr.M.S.A.Wadood	-	-
Mr.L.Abeyasinghe	-	-
Mr.H.H.A.Chandrasiri	100	-
	4,169,343,404	-

10 CEO's shareholding as at December 31, 2021

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

11 Key management personnel shareholding as at December 31, 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

Rights issue 2021 (Voting and non voting)

Company raised Rs.1,847,512,896.60 and Rs.296,104,513.32 voting and non voting shares respectively through the right issue.Date listed was on July 12,2021

SMB Leasing PLC
Notes to the Financial Statements
For the period ended December 31, 2021

15 Top twenty shareholders

15.1 Ordinary shares (Voting)

	Name of the shareholder	December 31, 2021	
		No. of shares	%
1	MR H.R.S. WIJERATNE	4,169,342,304	64.44
2	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	626,055,720	9.68
3	SAMPATH BANK PLC/ DR.T.SENTHILVERL	272,517,353	4.21
4	MS C.N.M. ANTHONY	72,162,100	1.12
5	MR H.K. PUSHPAKUMARA	42,934,000	0.66
6	MRS K.J.A.N. SANGAKKARA	40,811,461	0.63
7	SEYLAN BANK PLC/SENTHILVERL HOLDINGS (PVT) LTD	34,805,393	0.54
8	MR M.J.N.S. FERNANDO	25,018,640	0.39
9	MIS A.C. JAYASINGHE	25,000,000	0.39
10	HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	24,520,601	0.38
11	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	23,656,025	0.37
12	MR P.N.G.D. SILVA	23,500,001	0.36
13	MR R. GAUTAM	22,300,000	0.35
14	MRS S.K. BERUWALAGE	20,501,000	0.32
15	MR W. GUNARATHNE	20,316,206	0.31
16	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	17,122,474	0.27
17	MR T.C.B. MARANTHOTA	17,000,000	0.26
18	MR D.M.T. DASSANAYAKE	13,586,528	0.21
19	COSMO MART (PRIVATE) LIMITED	13,344,825	0.21
20	SINHARAJA HILLS PLANTATION PRIVET LIMITED	13,000,000	0.20
SUB TOTAL		5,517,494,631	87.65
OTHER		952,880,417	12.35
ISSUED CAPITAL		6,470,375,048	100.00

15.2 Ordinary shares (Non voting)

	Name of the shareholder	December 31, 2021	
		No. of shares	%
1	HATTON NATIONAL BANK PLC/DINESH GANGADHARAN	224,316,841	7.28
2	MR R. GAUTAM	166,000,000	5.39
3	MR T. PRAGASH	86,025,473	2.79
4	MR D. GANGADHARAN & MRS H. DINESH	85,734,514	2.78
5	SEYLAN BANK PLC/JAYANTHA DEWAGE	77,187,082	2.51
6	MR P.M.D. ABEYGOONAWARDENA	46,650,000	1.51
7	MR S.D. DIVAKARAGE	41,223,996	1.34
8	MR M.A.M. AZLAM	40,727,585	1.32
9	SAMPATH BANK PLC/ DR.T.SENTHILVERL	40,171,815	1.30
10	HATTON NATIONAL BANK PLC/BISWAJITH UDAYAPRIYA HETTIARACHCHI	36,308,849	1.18
11	DFCC BANK PLC/T.L. SAMARAWICKRAMA	36,000,000	1.17
12	PEOPLE'S LEASING & FINANCE PLC/MR.R.KANNAN	35,800,000	1.16
13	MR J.J. RAVINDRAN	34,440,000	1.12
14	MR P.N.G.D. SILVA	33,000,000	1.07
15	MR P.H. SUSIL RANATUNGA	33,000,000	1.07
16	HATTON NATIONAL BANK PLC/RATNASABAPATHY IYER SHANMUGASARMA	30,000,000	0.97
17	MR M.L.A. BENEDICT	28,734,100	0.93
18	MRS K.J.A.N. SANGAKKARA	25,000,000	0.81
19	MR K.M.S.M. RAZEEL & MR K.M.S.M. RAJABUDEEN & MR K.S.M.R. MOHAMED	22,095,755	0.72
20	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	20,466,806	0.66
SUB TOTAL		1,142,882,816	37.09
OTHER		1,938,720,896	62.91
ISSUED CAPITAL		3,081,603,712	100.00

16 Rights issue funds utilisation as at December 31, 2021

Objective number	Objective as per circular	Amount allocated as per circular (LKR)	Proposed date of utilisation as per circular	Amount allocated from proceeds (LKR)	% of total proceeds	Amounts utilised (LKR)	% of utilisation against allocation	Clarification if not fully utilised including where the funds are invested
01	To utilise for lending purpose	2,454,031,512	January 2022	2,143,617,410	87.35%	142,236,750	6.64%	Remaining funds are invested in banks

17 Investment properties

It was voluntarily decided to change the accounting policy for recognising investment properties of the group from cost model to fair value model from 2021 financial year onwards, as this change results in the financial statements providing more reliable and more relevant information about the effects of transactions, other events or conditions on the group's financial position, financial performance or cashflows.

Accordingly, with the decision taken to change the accounting policy for recognising investment properties to fair value model, the group applied the change retrospectively to its financial statements.

17.1 Impact to the amounts reported in the statement of profit or loss and other comprehensive income

Company

No impact to the amounts reported in the Company's statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

Group

	As reported (Audited) (LKR'000)	Impact from restatement (LKR'000)	As restated (LKR'000)
For the year ended December 31, 2020			
Other operating income (Net)	108,419	5,675	114,094
Total operating income	206,935	5,675	212,611
Net operating income	128,218	5,675	133,894
Operating (loss) / profit before taxes on financial services	(62,411)	5,675	(56,735)
(Loss) / Profit after taxes on financial services	(65,510)	5,675	(59,834)
(Loss) / Profit before income tax	(63,204)	5,675	(57,528)
Income tax expense	(2,002)	(1,589)	(3,591)
(Loss) / Profit for the year	(65,205)	4,086	(61,118)
(Loss) / Profit attributable to :			
Owners of the Company	(67,561)	2,084	(65,477)
Non - controlling interest	2,355	2,002	4,358
(Loss) / Profit for the year	(65,205)	4,086	(61,118)
Total comprehensive (expense) / income for the year	(80,493)	4,086	(76,406)
Total comprehensive (expense) / income attributable to:			
Owners of the Company	(81,274)	2,084	(79,191)
Non - controlling interest	782	2,002	2,784
Total comprehensive (expense) / income for the year	(80,493)	4,086	(76,406)

17.2 Impact to the balances reported in the statement of financial position

	As reported (Audited) (LKR'000)	Impact from restatement (LKR'000)	As restated (LKR'000)
Company			
Investment properties	33,310	62,915	96,225
Other assets	1,727,218	-	1,727,218
Total assets	1,760,528	62,915	1,823,443
Total liabilities	786,175	-	786,175
Retained earnings	11,957	62,915	74,872
Other equity	962,396	-	962,396
Total equity attributable to equity holders of the Company	974,353	62,915	1,037,268
	As reported (Audited) (LKR)	Impact from restatement (LKR)	As restated (LKR)
Group			
Investment properties	44,067	68,590	112,657
Deferred tax assets	5,095	(1,589)	3,506
Other assets	1,782,736	-	1,782,736
Total assets	1,831,898	67,001	1,898,899
Total liabilities	814,844	-	814,844
Retained earnings	27,572	65,000	92,572
Other equity	962,396	-	962,396
Total equity attributable to equity holders of the Company	989,969	65,000	1,054,968
Non - controlling interests	27,085	2002	29,087
Total equity	1,017,054	67,002	1,084,055

17.3 Investment properties - Company

	2019	2020
Reported balance as at January 1 ,	33,310,000	96,225,000
Change in fair value of investment property	62,915,000	-
Restated balance as at December 31 ,	96,225,000	96,225,000

17.4 Investment properties - Group

	2019	2020
Reported balance as at January 1 ,	44,066,900	106,981,900
Change in fair value of investment property	62,915,000	5,675,000
Restated balance as at December 31 ,	106,981,900	112,656,900