

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2023**



SMB FINANCE PLC

No: 282/1, CBS Building, Galle Road, Colombo 3.

SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended June 30, 2023 (LKR 000)

Company	Quarter ended June 30, 2023 Unaudited	Quarter ended June 30, 2022 Unaudited	Variance	YTD June 30, 2023 Unaudited	YTD June 30, 2022 Unaudited	Variance
Interest income	206,226	103,197	100%	386,761	201,258	92%
Interest expenses	(87,465)	(26,947)	225%	(158,844)	(46,721)	240%
Net interest income	118,761	76,250	56%	227,917	154,538	47%
Fee and commission income	850	3,180	-73%	1,773	5,906	-70%
Net interest, fee and commission income	119,611	79,430	51%	229,690	160,444	43%
Other operating income (net)	(454)	0	-124574%	1,804	358	404%
Changes in fair value of investment property	-	-	-	-	-	-
Total operating income	119,157	79,430	50%	231,494	160,801	44%
Impairment charge for the period	(33,421)	(9,200)	263%	(71,892)	(18,737)	284%
Net operating income	85,736	70,230	22%	159,602	142,064	12%
Personnel expenses	(25,354)	(21,213)	20%	(48,476)	(39,834)	22%
Premises, equipment & establishment expenses	(10,251)	(4,827)	112%	(16,686)	(9,419)	77%
Depreciation and amortization	(6,163)	(4,120)	50%	(11,428)	(7,962)	44%
Other expenses	(10,020)	(9,370)	7%	(19,925)	(14,635)	36%
Operating profit before taxes on financial services	33,947	30,700	11%	63,088	70,214	-10%
Taxes on financial services	(10,736)	(7,658)	40%	(13,097)	(9,158)	43%
Social security contribution levy (SSCL)	(2,925)	-	100%	(4,810)	-	100%
Profit after taxes on financial services & SSCL	20,286	23,042	-12%	45,181	61,056	-26%
Share of profit of associate company	1,531	-	100%	1,531	-	100%
Profit before income tax	21,817	23,042	-5%	46,712	61,056	-23%
Income tax expenses	-	-	-	-	-	-
Profit for the period	21,817	23,042	-5%	46,712	61,056	-23%
Basic earnings per share (LKR)	0.002	0.002	-5%	0.005	0.006	-23%

Company	Quarter ended June 30, 2023 Unaudited	Quarter ended June 30, 2022 Unaudited	Variance	YTD June 30, 2023 Unaudited	YTD June 30, 2022 Unaudited	Variance
Profit for the period	21,817	23,042	-5%	46,712	61,056	-23%
Other comprehensive income						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Equity investments at FVOCI - Net change in fair value	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive expense for the period (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	21,817	23,042	-5%	46,712	61,056	-23%

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SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended June 30, 2023 (LKR 000)

Group	Quarter ended June 30, 2023 Unaudited	Quarter ended June 30, 2022 Unaudited	Variance	Quarter ended June 30, 2023 Unaudited	Quarter ended June 30, 2022 Unaudited	Variance
Interest income	206,226	104,104	98%	386,761	202,554	91%
Interest expenses	(87,465)	(26,957)	224%	(158,844)	(46,752)	240%
Net interest income	118,761	77,148	54%	227,917	155,802	46%
Fee and commission income	850	3,180	-73%	1,773	5,906	-70%
Net interest, fee and commission income	119,611	80,327	49%	229,690	161,708	42%
Other operating income (net)	(451)	4,610	-110%	2,966	13,297	-78%
Changes in fair value of investment property	-	-	-	-	-	-
Total operating income	119,160	84,938	40%	232,657	175,005	33%
Impairment charge for the period	(33,421)	(9,200)	263%	(71,892)	(18,737)	284%
Net operating income	85,739	75,737	13%	160,765	156,268	3%
Personnel expenses	(23,595)	(32,214)	-27%	(51,305)	(63,197)	-19%
Premises, equipment & establishment expenses	(10,251)	(4,957)	107%	(17,086)	(9,699)	76%
Depreciation and amortizations	(6,247)	(5,073)	23%	(11,757)	(9,880)	19%
Other expenses	(12,355)	(12,368)	0%	(24,213)	(21,297)	14%
Operating profit before taxes on financial services	33,291	21,125	58%	56,404	52,194	8%
Taxes on financial services	(10,736)	(7,658)	40%	(13,097)	(9,158)	43%
Social Security Contribution Levy (SSCL)	(2,925)	-	100%	(4,810)	-	100%
Profit after taxes on financial services	19,630	13,467	46%	38,497	43,036	-11%
Share of profit of associate company	1,531	-	100%	1,531	-	100%
Profit before income tax	21,161	13,467	57%	40,028	43,036	-7%
Income tax expenses	-	-	-	-	-	-
Profit for the period	21,161	13,467	57%	40,028	43,036	-7%
Profit / (Loss) attributable to :						
Owners of the parent	21,482	18,158	18%	59,641	51,866	15%
Non-controlling interest	(321)	(4,692)	93%	(19,613)	(8,830)	-122%
Profit for the period	21,161	13,467	57%	40,028	43,036	-7%
Basic earnings per share (LKR)	0.001	0.001	-56%	0.001	0.005	-74%

Group	Quarter ended June 30, 2023 Unaudited	Quarter ended June 30, 2022 Unaudited	Variance	YTD June 30, 2023 Unaudited	YTD June 30, 2022 Audited	Variance
Profit for the period	21,161	13,467	57%	40,028	43,036	-7%
Other comprehensive income						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Equity investments at FVOCI - Net change in fair value	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive expense for the period (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	21,161	13,467	57%	40,028	43,036	-7%
Total comprehensive income / (expense) attributable to:						
Owners of the parent	21,482	18,158	18%	59,641	51,866	15%
Non-controlling interest	(321)	(4,692)	93%	(19,613)	(8,830)	-122%
Total comprehensive income for the period	21,161	13,467	57%	40,028	43,036	-7%

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Statement of Financial Position (LKR 000)

As at	Company		Group	
	June 30, 2023 Unaudited	December 31, 2022 Audited	June 30, 2023 Unaudited	December 31, 2022 Audited
Assets				
Cash and cash equivalents	74,913	55,302	75,428	55,495
Placements with banks	2,373,517	2,364,018	2,373,517	2,364,050
Loans and receivables	1,903,871	1,855,368	1,903,871	1,855,368
Financial investments	104,249	104,249	114,789	114,789
Investments in associate	44,108	42,577	44,108	42,577
Investments in subsidiary	-	-	-	-
Investment properties	403,347	385,728	403,347	402,928
Property, plant & equipment	44,118	19,963	44,698	22,405
Right of use Asset	13,900	16,070	13,900	16,070
Intangible assets	261,519	245,092	261,519	245,092
Deferred tax assets	-	-	1,203	1,203
Other assets	186,853	98,858	188,006	105,380
Total Assets	5,410,396	5,187,226	5,424,387	5,225,358
Liabilities				
Due to financial institutions	1,649,899	1,568,220	1,649,899	1,568,508
Due to other customers	172,043	126,786	172,043	126,786
Retirement benefit obligations	9,729	8,961	9,729	23,160
Lease Liabilities	15,559	14,880	15,559	14,880
Other liabilities	160,502	112,426	164,087	118,982
Total Liabilities	2,007,731	1,831,274	2,011,317	1,852,316
Equity				
Stated capital	3,062,682	3,062,682	3,062,682	3,062,682
Statutory reserves	41,732	41,732	41,732	41,732
Fair value reserve	52,465	52,465	52,465	52,465
Retained earnings	245,786	199,073	267,299	207,658
Total equity attributable to equity holders of the Company	3,402,665	3,355,952	3,424,178	3,364,537
Non- controlling interests	-	-	(11,108)	8,505
Total Equity	3,402,665	3,355,952	3,413,070	3,373,042
Total Equity and Liabilities	5,410,396	5,187,226	5,424,387	5,225,358

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

L. Menaka Silva

Head of Finance

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

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SMB Finance PLC
Statement of Changes in Equity
For the period ended June 30, 2023 (LKR 000)

Company	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
Balance as at January 1, 2022	2,555,959	506,723	37,753	29,592	121,789	3,251,816
Profit for the period	-	-	-	-	61,056	61,056
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	61,056	61,056
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at June 30, 2022	2,555,959	506,723	37,753	29,592	182,845	3,312,872
Profit for the period	-	-	-	-	18,526	18,526
Other comprehensive income (net of tax)	-	-	-	22,873	1,681	24,554
Total comprehensive income for the period	-	-	-	22,873	20,207	43,080
Transfer to statutory reserve	-	-	3,979	-	(3,979)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	3,979	-	(3,979)	-
Balance as at December 31, 2022	2,555,959	506,723	41,732	52,465	199,072	3,355,952
Balance as at January 1, 2023	2,555,959	506,723	41,732	52,465	199,072	3,355,952
Profit for the period	-	-	-	-	46,712	46,712
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	46,712	46,712
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at June 30, 2023	2,555,959	506,723	41,732	52,465	245,785	3,402,665

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SMB Finance PLC
Statement of Changes in Equity
For the period ended June 30, 2023 (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 January 1, 2022	2,555,959	506,723	37,753	29,592	134,404	3,264,431	24,628	3,289,059
Profit / (Loss) for the period	-	-	-	-	51,866	51,866	(8,830)	43,036
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	-	51,866	51,866	(8,830)	43,036
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	2,555,959	506,723	37,753	29,592	186,270	3,316,297	15,798	3,332,095
Profit/ (Loss) for the period	-	-	-	-	22,415	22,415	(8,514)	13,900
Other comprehensive income (net of tax)	-	-	-	22,873	2,952	25,825	1,222	27,047
Total comprehensive income for the period	-	-	-	22,873	25,367	48,240	(7,293)	40,947
Transfer to statutory reserve	-	-	3,979	-	(3,979)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	3,979	-	(3,979)	-	-	-
Balance as at December 31, 2022	2,555,959	506,723	41,732	52,465	207,658	3,364,537	8,505	3,373,042
Balance as at January 1, 2023	2,555,959	506,723	41,732	52,465	207,658	3,364,537	8,505	3,373,042
Profit / (Loss) for the period	-	-	-	-	59,641	59,641	(19,613)	40,028
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	-	59,641	59,641	(19,613)	40,028
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	2,555,959	506,723	41,732	52,465	267,299	3,424,178	(11,108)	3,413,070

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Cash Flow Statement
For the period ended June 30, 2023 (LKR 000)

	Company		Group	
	June 30, 2023 Unaudited	June 30, 2022 Unaudited	June 30, 2023 Unaudited	June 30, 2022 Unaudited
Cash flow from operating activities				
Interest receipts	145,381	132,656	145,381	133,952
Interest payments	(144,827)	(43,162)	(144,827)	(43,194)
Fees and commission receipts	129,855	58,949	131,018	69,943
Cash payments to employees and suppliers	(80,064)	(55,213)	(87,522)	(84,314)
Profit before changes in operating assets	50,345	93,230	44,050	76,387
Loans and receivables to other customers	(78,702)	(659,157)	(73,357)	(659,158)
Other assets	(15,819)	(1,413)	(15,641)	(256)
Other liabilities	-	-	(2,971)	-
Cash used in operating activities	(44,176)	(567,340)	(47,919)	(583,027)
Tax paid	(17,523)	(10,016)	(17,523)	(10,016)
Gratuity paid	-	-	(14,412)	(192)
Net cash used in operating activities	(61,699)	(577,356)	(79,854)	(593,234)
Cash flow from investing activities				
Net (increase) / decrease in financial investments	(10,000)	-	(10,000)	24,755
Dividend received	-	-	-	40
Purchase of property, plant & equipment & intangible assets	(45,339)	(252,452)	(43,806)	(252,452)
Purchase of investment properties	(17,619)	(198,300)	(419)	(198,300)
Net cash generated / (used in) investing activities	(72,958)	(450,752)	(54,225)	(426,036)
Cash flow from financing activities				
(Decrease) / Increase in borrowings from financial institutions	(127,790)	980,013	(127,790)	980,013
Increase / (decrease) in public borrowings	42,466	(6)	42,466	(6)
Increase in other liabilities	26,731	21,635	26,731	18,678
Lease liability payment	(4,500)	(4,120)	(4,500)	(5,052)
Dividend paid	-	-	-	-
Net cash (used in) / generated from financing activities	(63,093)	997,522	(63,093)	993,633
Net decrease in cash and cash equivalents	(197,750)	(30,587)	(197,173)	(25,637)
Cash and cash equivalents at the beginning of the period	53,699	132,225	53,637	135,645
Cash and cash equivalents at the end of the period	(144,051)	101,638	(143,536)	110,007
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	64,334	133,187	64,812	133,356
REPO investment with banks	10,579	-	10,616	9,431
Bank overdraft	74,913	133,187	75,428	142,788
	(218,964)	(31,548)	(218,964)	(32,780)
Cash and cash equivalents	(144,051)	101,638	(143,536)	110,007

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(LKR 000)	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
For the period ended June 30	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Business segments - Group												
Revenue from external customers,												
Interest	128,578	60,440	55,963	50,936	202,220	-	-	1,296	-	18,264	386,761	130,936
Fee & commission income	306	840	502	1,780	-	-	-	-	964	3,285	1,773	5,906
Other operating income	412	60	1,029	297	-	71,618	1,162	12,939	363	-	2,966	84,915
Total revenue from external customers	129,296	61,340	57,494	53,013	202,220	71,618	1,162	14,235	1,328	21,549	391,500	221,757
Segment result	77,298	30,103	34,372	26,016	120,895	35,146	(6,355)	6,986	794	10,576	227,004	108,827
Depreciation charged for the period	(3,785)	(2,733)	(1,683)	(2,362)	(5,920)	(3,191)	(329)	(634)	(39)	(960)	(11,757)	(9,880)
Interest expense	(52,616)	(12,932)	(23,396)	(11,177)	(82,291)	(15,099)	-	(3,001)	(540)	(4,543)	(158,844)	(46,752)
Operating profit / (Loss)	20,897	14,438	9,292	12,477	32,684	16,857	(6,685)	3,350	215	5,073	56,404	52,194
Tax on financial services	-	-	-	-	-	-	-	-	(13,097)	(9,158)	(13,097)	(9,158)
Social Security Contribution Levy (SSCL)	-	-	-	-	-	-	-	-	(4,810)	-	(4,810)	-
Share of profit of associate company	-	-	-	-	-	-	-	-	1,531	-	1,531	-
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (expense)	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period / (Loss)	20,897	14,438	9,292	12,477	32,684	16,857	(6,685)	3,350	(16,161)	(4,085)	40,028	43,036
Segment assets (As at June 30)	1,330,468	1,139,324	573,403	611,220	2,552,679	2,635,109	13,991	14,359	953,846	733,597	5,424,387	5,133,609
Segment liabilities (As at June 30)	665,046	498,318	295,724	430,666	1,040,134	581,812	3,586	115,641	6,828	175,076	2,011,317	1,801,513
For the period ended June 30												
Cash flow from operating activities	(20,437)	(164,095)	(9,088)	(141,817)	(31,964)	(191,589)	(18,155)	(38,080)	(210)	(57,652)	(79,854)	(593,234)
Cash flow from investing activities	(24,167)	(117,846)	(10,746)	(101,847)	(37,797)	(137,591)	18,733	(27,348)	(248)	(41,404)	(54,225)	(426,036)
Cash flow from financing activities	(20,899)	274,850	(9,293)	237,536	(32,686)	320,913	-	63,782	(215)	96,552	(63,093)	993,633

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SMB Finance PLC
Classification of Financial Instruments
As at June 30, 2023 (LKR 000)

Assets - Company	June 30, 2023				
	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	-	74,913	-	-	74,913
Placements with banks	-	2,373,517	-	-	2,373,517
Financial assets at amortised cost-Loans and receivables to other customers	-	1,903,871	-	-	1,903,871
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	104,249	-	104,249
Other financial assets	-	110,866	-	-	110,866
Total financial assets	-	4,352,301	104,249	-	4,567,417
Non Financial Assets					
Investment in associate	-	-	-	44,108	44,108
Investment in subsidiary	-	-	-	-	-
Investment properties	-	-	-	403,347	403,347
Property, plant & equipment	-	-	-	44,118	44,118
Right-of-use assets	-	-	-	13,900	13,900
Intangible assets	-	-	-	261,519	261,519
Other assets	-	-	-	75,986	75,986
Total non financial assets	-	-	-	842,980	842,980
Total assets	-	4,352,301	104,249	842,980	5,410,396

Liabilities - Company	June 30, 2023				
	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	-	1,649,899	-	-	1,649,899
Due to other customers	-	172,043	-	-	172,043
Lease liabilities	-	15,559	-	-	15,559
Total financial liabilities	-	1,837,500	-	-	1,837,500
Non Financial Liabilities					
Retirement benefit obligations	-	9,729	-	-	9,729
Other liabilities	-	160,502	-	-	160,502
Total non financial liabilities	-	170,231	-	-	170,231
Total liabilities	-	2,007,731	-	-	2,007,731

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SMB Finance PLC
Classification of Financial Instruments
As at December 31, 2022 (LKR 000)

Assets - Company	December 31, 2022				
	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	-	55,302	-	-	55,302
Placements with banks	-	2,364,018	-	-	2,364,018
Financial assets at amortised cost-Loans and receivables to other customers	-	1,855,368	-	-	1,855,368
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	104,250	-	104,250
Other financial assets	-	37,458	-	-	37,458
Total financial assets	-	4,312,146	104,250	-	4,416,396
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment in subsidiary	-	-	-	-	-
Investment properties	-	-	-	385,728	385,728
Property, plant & equipment	-	-	-	19,963	19,963
Right-of-use assets	-	-	-	16,070	16,070
Intangible assets	-	-	-	245,092	245,092
Other assets	-	-	-	61,400	61,400
Total non financial assets	-	-	-	770,830	770,830
Total assets	-	4,312,146	104,250	770,830	5,187,226

Liabilities - Company	December 31, 2022				
	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	-	1,568,220	-	-	1,568,220
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
Total financial liabilities	-	1,709,887	-	-	1,709,887
Non Financial Liabilities					
Retirement benefit obligations	-	8,961	-	-	8,961
Other liabilities	-	112,426	-	-	112,426
Total non financial liabilities	-	121,387	-	-	121,387
Total liabilities	-	1,831,274	-	-	1,831,274

Colombo
August 14, 2023

SMB Finance PLC
Classification of Financial Instruments
As at June 30, 2023 (LKR 000)

June 30, 2023					
Assets - Group	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	-	75,428	-	-	75,428
Placements with banks	-	2,373,517	-	-	2,373,517
Financial assets at amortised cost-Loans and receivables to other customers	-	1,903,871	-	-	1,903,871
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	114,789	-	114,789
Other financial assets	-	110,866	-	-	110,866
Total financial assets	-	4,463,682	114,789	-	4,578,472
Non Financial Assets					
Investment in associate	-	-	-	44,108	44,108
Investment properties	-	-	-	403,347	403,347
Property, plant & equipment	-	-	-	44,698	44,698
Right-of-use assets	-	-	-	13,900	13,900
Intangible assets	-	-	-	261,519	261,519
Diferred tax assets	-	-	-	1,203	1,203
Other assets	-	-	-	77,140	77,140
Total non financial assets	-	-	-	845,915	845,915
Total assets	-	4,463,682	114,789	845,915	5,424,387

June 30, 2023					
Liabilities - Group	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	-	1,649,899	-	-	1,649,899
Due to other customers	-	172,043	-	-	172,043
Lease liabilities	-	15,559	-	-	15,559
Total financial liabilities	-	1,837,500	-	-	1,837,500
Non Financial Liabilities					
Retirement benefit obligations	-	9,729	-	-	9,729
Other liabilities	-	164,087	-	-	164,087
Total non financial liabilities	-	173,817	-	-	173,817
Total liabilities	-	2,011,317	-	-	2,011,317

Colombo
August 14, 2023

SMB Finance PLC
Classification of Financial Instruments
As at December 31, 2022 (LKR 000)

Assets - Group	December 31, 2022				
	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	-	55,495	-	-	55,495
Placements with banks	-	2,364,050	-	-	2,364,050
Financial assets at amortised cost-Loans and receivables to other customers	-	1,855,368	-	-	1,855,368
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	104,250	-	104,250
Other financial assets	-	47,998	-	-	47,998
Total financial assets	-	4,322,911	104,250	-	4,427,161
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment properties	-	-	-	402,928	402,928
Property, plant & equipment	-	-	-	22,405	22,405
Right-of-use assets	-	-	-	16,070	16,070
Intangible assets	-	-	-	245,092	245,092
Diferred tax assets	-	-	-	1,203	1,203
Other assets	-	-	-	67,922	67,922
Total non financial assets	-	-	-	798,197	798,197
Total assets	-	4,322,911	104,250	798,197	5,225,358

Liabilities - Group	December 31, 2022				
	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	-	1,568,508	-	-	1,568,508
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
Total financial liabilities	-	1,710,174	-	-	1,710,174
Non Financial Liabilities					
Retirement benefit obligations	-	23,160	-	-	23,160
Other liabilities	-	118,982	-	-	118,982
Total non financial liabilities	-	142,142	-	-	142,142
Total liabilities	-	1,852,316	-	-	1,852,316

Colombo
August 14, 2023

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 Audited Annual Financial Statements for the year ended December 31, 2022. The same accounting policies and methods of computations as stated in the Audited Annual Financial Statements for the year ended December 31, 2022 have been followed in preparation of these Condensed Interim Financial Statements.

1.1 The consolidated financial statements of the Group comprise of SMB Finance 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 30% on its taxable profits.

3 Share Price During the Period

	Voting		Non Voting	
	2nd Quarter 2023 Rs.	2nd Quarter 2022 Rs.	2nd Quarter 2023 Rs.	2nd Quarter 2022 Rs.
Highest price per share	0.80	1.00	0.40	0.40
Lowest price per share	0.50	0.30	0.20	0.20

	Voting		Non Voting	
	30.06.23 Rs.	30.06.22 Rs.	30.06.23 Rs.	30.06.22 Rs.
Last traded price	0.60	0.50	0.30	0.20

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)

	2nd Quarter 2023	2nd Quarter 2022
Stated Capital is represented by Ordinary Shares (Voting)	6,470,375,048	6,470,375,048
Stated Capital is represented by Ordinary Shares (Non Voting)	3,081,603,712	3,081,603,712

4.2 Total Number of Shareholders

Ordinary Shares (Voting)

Ordinary Shares (Non Voting)

Ordinary Shares (Voting)	11,943	12,252
Ordinary Shares (Non Voting)	6,920	7,214

4.3 Number of Public Shareholders

Ordinary Shares (Voting)

Ordinary Shares (Non Voting)

Ordinary Shares (Voting)	11,940	12,249
Ordinary Shares (Non Voting)	6,920	7,214

4.4 Public Shareholding %

Ordinary Shares (Voting)

Ordinary Shares (Non Voting)

Ordinary Shares (Voting)	35.56%	35.56%
Ordinary Shares (Non Voting)	100.00%	100.00%

4.5 Float Adjusted Market Capitalization

The float adjusted market capitalization as at June 30, 2023 is Rs. 1,380,559,586.40

4.6 Minimum Public Holding Requirement

The company is in compliance with Option 5 of Section 7.14.1. i (a) of the Listing Rules of the Colombo Stock Exchange pertaining to minimum public holding.

5 Financial Ratios - Group

	30.06.23	30.06.22
Net assets per share (LKR)	0.36	0.35
Debt/equity ratio (times)	0.53	0.50
Interest cover ratio (times)	1.36	2.12
Liquid asset ratio	958.55%	282.17%

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

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 June 30, 2023

	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	-	-
Mr. M.S.A.Wadood	-	-
Mr. L.Abeysinghe	-	-
Mr. H.H.A.Chandrasiri	100	-
Mr. S.C.Wijesinghe (Appointed w.e.from March 22, 2023)	-	-
	4,169,342,404	-

10 CEO's Shareholding as at June 30, 2023

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

11 Key Management Personnel Shareholding as at June 30, 2023

	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 Material Changes in the Use of Funds Raised

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

14 Top Twenty Five Shareholders

14.1 Ordinary Shares (voting)

	Name of the Shareholder	June 30, 2023	
		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.Senthilvel	238,092,639	3.68
4	Ms C.N.M. Anthony	37,716,692	0.58
5	Mr D.G.M.D. Chandradasa	35,920,439	0.56
6	Mr H.K. Pushpakumara	34,869,628	0.54
7	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	33,420,359	0.52
8	Seylan Bank PLC/Anuja Chamila Jayasinghe	30,513,715	0.47
9	Mrs S.K. Beruwalage	29,963,218	0.46
10	Hatton National Bank PLC/Anuja Chamila Jayasinghe	27,673,690	0.43
11	Commercial Bank of Ceylon PLC/W. Jinadasa	25,681,936	0.40
12	Mr R. Gautam	25,029,828	0.39
13	Merchant Bank of Sri Lanka & Finance PLC/S.A.A. Hasitha	25,000,000	0.39
14	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	23,446,044	0.36
15	Mr H. Beruwalage	20,000,014	0.31
16	Mr P.N.G.D. Silva	18,500,001	0.29
17	Dialog Finance PLC/S.A.De Silva And D.R.De Silva	18,037,435	0.28
18	Seylan Bank PLC/Karagoda Loku Gamage Udayananda	16,500,000	0.26
19	Mr D.M.T. Dassanayake	14,550,418	0.22
20	PMF Finance PLC/P.P.G. Shriyani	14,000,000	0.22
21	Sinharaja Hills Plantation Privet Limited	13,000,000	0.20
22	Hatton National Bank PLC/Ravindra Erle Rambukwelle	12,700,000	0.20
23	Mr J.J. Ravindran	12,503,914	0.19
24	Cosmo Mart (Private) Limited	11,935,076	0.18
25	Mr N.R.P. Karunaratne	11,504,770	0.18
Total ordinary voting shares held by the top 25 holders		5,525,957,840	85.40
Balance shares held by other ordinary voting shareholders		944,417,208	14.60
Total ordinary voting shares		6,470,375,048	100.00

14.2 Ordinary Shares (Non Voting)

	Name of the Shareholder	June 30, 2023	
		No. of Shares	%
1	Mr S.P.N. Kodituwakku	330,687,248	10.73
2	Mr R. Gautam	163,100,000	5.29
3	Sampath Bank PLC/Dr.Mayuramana Dewolage	83,100,020	2.70
4	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	79,017,826	2.56
5	Seylan Bank PLC/Jayantha Dewage	77,187,082	2.50
6	Mr N.R.P. Karunaratne	52,368,108	1.70
7	Seylan Bank PLC/Karagoda Loku Gamage Udayananda	50,000,000	1.62
8	Dialog Finance PLC/S.D.Divakarage	41,228,496	1.34
9	Mr J.J. Ravindran	34,440,000	1.12
10	Mr N. Muhunthan	31,200,000	1.01
11	People's Leasing & Finance PLC/Mr R.Kannan	30,000,000	0.97
12	Mr B.M.A.M.K. Basnayaka	29,019,600	0.94
13	Sampath Bank PLC/B S A Holdings (Pvt) Ltd	26,440,000	0.86
14	Mr P.N.G.D. Silva	25,000,000	0.81
15	Mr S. Ramanathan	22,597,789	0.73
16	Mr K.M.S.M. Razik & Mr K.M.S.M. Rajabudeen & Mr K.M.S.M.R. Mohommad	22,095,755	0.72
17	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	20,466,806	0.66
18	The Golden Hospitality (Pvt)Ltd	20,000,000	0.65
19	Mr M.L.A. Benedict	19,328,600	0.63
20	Mr N.W.N. Jayasiri	19,220,001	0.62
21	Mrs C. Katugampalage Dona	17,977,004	0.58
22	Mrs H.P.G.W. Sandarenu	17,873,302	0.58
23	Mr P. Poongunaseelan	17,720,762	0.58
24	Mr S.P. Sedara	17,187,439	0.56
25	Mr L.S.U. Perera	17,100,000	0.55
Total ordinary non voting shares held by the top 25 holders		1,264,355,838	41.03
Balance shares held by other ordinary non voting shareholders		1,817,247,874	58.97
Total ordinary non voting shares		3,081,603,712	100.00

15 Rights issue funds utilisation as at June 30, 2023

Objective number	Objective as per circular	Amount allocated as per circular Rs.	Proposed date of utilisation as per circular	Amount allocated from proceeds Rs.	% of total proceeds	Amounts utilised Rs.	% 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%	1,484,364,397	69.25%	Remaining funds are invested in bank fixed deposits.