

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 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 March 31, 2023 (LKR 000)

Company	Quarter ended March 31, 2023 Unaudited	Quarter ended March 31, 2022 Unaudited	Variance	YTD March 31, 2023 Unaudited	YTD March 31, 2022 Unaudited	Variance
Interest income	180,534	98,061	84%	180,534	98,061	84%
Interest expenses	(71,378)	(19,773)	261%	(71,378)	(19,773)	261%
Net interest income	109,156	78,288	39%	109,156	78,288	39%
Fee and commission income	923	2,726	-66%	923	2,726	-66%
Net interest, fee and commission income	110,079	81,014	36%	110,079	81,014	36%
Other operating income (net)	2,257	358	531%	2,257	358	531%
Changes in fair value of investment property	-	-	-	-	-	-
Total operating income	112,336	81,372	38%	112,336	81,372	38%
Impairment charge for the period	(38,471)	(9,537)	303%	(38,471)	(9,537)	303%
Net operating income	73,865	71,835	3%	73,865	71,835	3%
Personnel expenses	(23,122)	(18,621)	24%	(23,122)	(18,621)	24%
Premises, equipment & establishment expenses	(6,435)	(4,592)	40%	(6,435)	(4,592)	40%
Depreciation and amortization	(5,264)	(3,842)	37%	(5,264)	(3,842)	37%
Other expenses	(9,904)	(5,265)	88%	(9,904)	(5,265)	88%
Operating profit before taxes on financial services	29,140	39,515	-26%	29,140	39,515	-26%
Taxes on financial services	(2,361)	(1,500)	57%	(2,361)	(1,500)	57%
Social security contribution levy (SSCL)	(1,885)	-	100%	(1,885)	-	100%
Profit after taxes on financial services & SSCL	24,894	38,015	-35%	24,894	38,015	-35%
Share of profit of associate company	-	-	-	-	-	-
Profit before income tax	24,894	38,015	-35%	24,894	38,015	-35%
Income tax expenses	-	-	-	-	-	-
Profit for the period	24,894	38,015	-35%	24,894	38,015	-35%
Basic earnings per share (LKR)	0.003	0.004	-35%	0.003	0.004	-35%

Company	Quarter ended March 31, 2023 Unaudited	Quarter ended March 31, 2022 Unaudited	Variance	YTD March 31, 2023 Unaudited	YTD March 31, 2022 Unaudited	Variance
Profit for the period	24,894	38,015	-35%	24,894	38,015	-35%
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	24,894	38,015	-35%	24,894	38,015	-35%

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SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended March 31, 2023 (LKR 000)

Group	Quarter ended March 31, 2023 Unaudited	Quarter ended March 31, 2022 Unaudited	Variance	YTD March 31, 2023 Unaudited	YTD March 31, 2022 Unaudited	Variance
Interest income	180,534	98,451	83%	180,534	98,451	83%
Interest expenses	(71,378)	(19,796)	261%	(71,378)	(19,796)	261%
Net interest income	109,156	78,655	39%	109,156	78,655	39%
Fee and commission income	923	2,726	-66%	923	2,726	-66%
Net interest, fee and commission income	110,079	81,382	35%	110,079	81,382	35%
Other operating income (net)	3,418	8,686	-61%	3,418	8,686	-61%
Changes in fair value of investment property	-	-	-	-	-	-
Total operating income	113,497	90,067	26%	113,497	90,067	26%
Impairment charge reversal for the period	(38,471)	(9,537)	303%	(38,471)	(9,537)	303%
Net operating income	75,025	80,530	-7%	75,025	80,530	-7%
Personnel expenses	(27,710)	(30,398)	-9%	(27,710)	(30,398)	-9%
Premises, equipment & establishment expenses	(6,835)	(4,742)	44%	(6,835)	(4,742)	44%
Depreciation and amortizations	(5,510)	(4,807)	15%	(5,510)	(4,807)	15%
Other expenses	(11,859)	(9,514)	25%	(11,859)	(9,514)	25%
Operating profit before taxes on financial services	23,111	31,069	-26%	23,111	31,069	-26%
Taxes on financial services	(2,361)	(1,500)	57%	(2,361)	(1,500)	57%
Social Security Contribution Levy (SSCL)	(1,885)	-	100%	(1,885)	-	100%
Profit after taxes on financial services	18,865	29,569	-36%	18,865	29,569	-36%
Share of profit of associate company	-	-	-	-	-	-
Profit before income tax	18,865	29,569	-36%	18,865	29,569	-36%
Income tax expenses	-	-	-	-	-	-
Profit for the period	18,865	29,569	-36%	18,865	29,569	-36%
Profit / (Loss) attributable to :						
Owners of the parent	21,819	33,707	-35%	21,819	33,707	-35%
Non-controlling interest	(2,954)	(4,138)	29%	(2,954)	(4,138)	29%
Profit for the period	18,865	29,569	-36%	18,865	29,569	-36%
Basic earnings per share (LKR)	0.002	0.003	-36%	0.002	0.003	-36%

Group	Quarter ended March 31, 2023 Unaudited	Quarter ended March 31, 2022 Unaudited	Variance	YTD March 31, 2023 Unaudited	YTD March 31, 2022 Audited	Variance
Profit for the period	18,865	29,569	-36%	18,865	29,569	-36%
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	18,865	29,569	-36%	18,865	29,569	-36%
Total comprehensive income / (expense) attributable to:						
Owners of the parent	21,819	33,707	-35%	21,819	33,707	-35%
Non-controlling interest	(2,954)	(4,138)	29%	(2,954)	(4,138)	29%
Total comprehensive income for the period	18,865	29,569	-36%	18,865	29,569	-36%

SMB Finance PLC
Statement of Financial Position (LKR 000)

As at	Company		Group	
	March 31, 2023 Unaudited	December 31, 2022 Audited	March 31, 2023 Unaudited	December 31, 2022 Audited
Assets				
Cash and cash equivalents	36,310	55,302	46,837	55,495
Placements with banks	2,369,659	2,364,018	2,369,693	2,364,050
Loans and receivables	1,912,724	1,855,368	1,912,724	1,855,368
Financial investments	104,249	104,249	114,789	114,789
Investments in associate	42,577	42,577	42,577	42,577
Investments in subsidiary	-	-	-	-
Investment properties	385,728	385,728	402,928	402,928
Property, plant & equipment	42,674	19,963	43,337	22,405
Right of use Asset	17,280	16,070	17,280	16,070
Intangible assets	245,680	245,092	245,680	245,092
Deferred tax assets	-	-	1,203	1,203
Other assets	165,465	98,858	151,316	105,380
Total Assets	5,322,345	5,187,226	5,348,364	5,225,358
Liabilities				
Due to financial institutions	1,656,156	1,568,220	1,666,198	1,568,508
Due to other customers	127,903	126,786	127,903	126,786
Retirement benefit obligations	9,375	8,961	9,375	23,160
Lease Liabilities	17,430	14,880	17,430	14,880
Other liabilities	130,635	112,426	135,551	118,982
Total Liabilities	1,941,499	1,831,274	1,956,457	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	223,967	199,073	229,477	207,658
Total equity attributable to equity holders of the Company	3,380,846	3,355,952	3,386,356	3,364,537
Non- controlling interests	-	-	5,551	8,505
Total Equity	3,380,846	3,355,952	3,391,907	3,373,042
Total Equity and Liabilities	5,322,345	5,187,226	5,348,364	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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May 15, 2023

SMB Finance PLC
Statement of Changes in Equity
For the period ended March 31, 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	-	-	-	-	38,015	38,015
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	38,015	38,015
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at March 31, 2022	2,555,959	506,723	37,753	29,592	159,804	3,289,831
Profit for the period	-	-	-	-	41,568	41,568
Other comprehensive income (net of tax)	-	-	-	22,873	1,681	24,554
Total comprehensive income for the period	-	-	-	22,873	43,249	66,122
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	199,073	3,355,952
Balance as at January 1, 2023	2,555,959	506,723	41,732	52,465	199,073	3,355,952
Profit for the period	-	-	-	-	24,894	24,894
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	24,894	24,894
Transfer to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at March 31, 2023	2,555,959	506,723	41,732	52,465	223,967	3,380,846

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SMB Finance PLC
Statement of Changes in Equity
For the period ended March 31, 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	-	-	-	-	33,707	33,707	(4,138)	29,569
Other comprehensive (expense) / income (net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	-	33,707	33,707	(4,138)	29,569
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	2,555,959	506,723	37,753	29,592	168,111	3,298,138	20,490	3,318,628
Profit/ (Loss) for the period	-	-	-	-	40,573	40,573	(13,206)	27,367
Other comprehensive income (net of tax)	-	-	-	22,873	2,952	25,825	1,222	27,047
Total comprehensive income for the period	-	-	-	22,873	43,525	66,399	(11,985)	54,414
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	207,657	3,364,537	8,505	3,373,042
Balance as at January 1, 2023	2,555,959	506,723	41,732	52,465	207,657	3,364,537	8,505	3,373,042
Profit / (Loss) for the period	-	-	-	-	21,819	21,819	(2,954)	18,865
Other comprehensive income / (expense) (net of tax)	-	-	-	-	-	-	-	-
Total comprehensive income / (expense) for the period	-	-	-	-	21,819	21,819	(2,954)	18,865
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	2,555,959	506,723	41,732	52,465	229,477	3,386,356	5,551	3,391,907

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SMB Finance PLC
Cash Flow Statement
For the period ended March 31, 2023 (LKR 000)

	Company		Group	
	March 31, 2023 Unaudited	March 31, 2022 Unaudited	March 31, 2023 Unaudited	March 31, 2022 Unaudited
Cash flow from operating activities				
Interest receipts	69,900	60,140	69,900	60,530
Interest payments	(77,104)	(18,091)	(77,104)	(18,113)
Fees and commission receipts	65,833	29,699	66,842	38,027
Cash payments to employees and suppliers	(37,690)	(23,254)	(44,419)	(34,858)
Profit before changes in operating assets	20,939	48,494	15,219	45,586
Loans and receivables to other customers	(81,294)	(484,028)	(80,332)	(484,028)
Other assets	(33,490)	(3,698)	(13,630)	(2,442)
Other liabilities	15,206	1,576	13,564	1,039
Cash used in operating activities	(78,639)	(437,656)	(65,179)	(439,844)
Tax paid	(2,268)	(1,357)	(2,268)	(1,357)
Gratuity paid	-	-	(14,412)	-
Net cash used in operating activities	(80,907)	(439,013)	(81,859)	(441,201)
Cash flow from investing activities				
Net increase in financial investments	-	-	-	-
Purchase of property, plant & equipment & intangible assets	(25,272)	(234,817)	(23,739)	(234,895)
Disposal of property, plant & equipment & intangible assets	-	-	-	-
Purchase of investment properties	-	(198,300)	-	(198,300)
Net cash generated / (used in) investing activities	(25,272)	(433,117)	(23,739)	(433,196)
Cash flow from financing activities				
(Decrease) / Increase in borrowings from financial institutions	(75,050)	845,461	(75,050)	845,461
Decrease in public borrowings	-	(6)	-	(6)
Lease liability payment	(2,498)	(2,042)	(2,498)	(2,486)
Dividend paid	-	-	-	-
Net cash (used in) / generated financing activities	(77,548)	843,413	(77,548)	842,969
Net decrease in cash and cash equivalents	(183,727)	(28,717)	(183,145)	(31,428)
Cash and cash equivalents at the beginning of the period	53,699	132,223	53,637	150,947
Cash and cash equivalents at the end of the period	(130,027)	103,506	(129,509)	119,519
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	36,310	105,475	46,837	106,185
REPO investment with banks	6,142	36,123	6,176	51,426
Bank overdraft	42,452	141,598	53,013	157,611
	(172,479)	(38,092)	(182,522)	(38,092)
Cash and cash equivalents	(130,027)	103,506	(129,509)	119,519

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(LKR 000) For the period ended March 31,	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Business segments - Group												
Revenue from external customers,												
Interest	58,745	26,459	24,878	28,554	96,912	34,819	-	390	-	8,229	180,534	98,451
Fee & commission income	247	3	391	1,445	-	-	-	-	284	1,279	923	2,726
Other operating income	451	60	1,792	297	-	-	1,160	8,328	15	-	3,418	8,686
Total revenue from external customers	59,443	26,522	27,060	30,296	96,912	34,819	1,160	8,718	299	9,507	184,875	109,864
Segment result	34,227	13,439	15,581	15,352	55,801	17,644	(5,783)	4,418	173	4,818	100,000	55,672
Depreciation charged for the period	(1,703)	(1,160)	(775)	(1,326)	(2,777)	(1,523)	(246)	(381)	(9)	(416)	(5,510)	(4,807)
Interest expense	(23,095)	(4,779)	(10,514)	(5,459)	(37,653)	(6,274)	-	(1,571)	(116)	(1,713)	(71,378)	(19,796)
Operating profit	9,428	7,500	4,292	8,568	15,372	9,847	(6,029)	2,465	47	2,689	23,111	31,069
Tax on financial services	-	-	-	-	-	-	-	-	(2,361)	(1,500)	(2,361)	(1,500)
Social Security Contribution Levy (SSCL)	-	-	-	-	-	-	-	-	(1,885)	-	(1,885)	-
Share of profit / (loss) of associate company	-	-	-	-	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (expense)	-	-	-	-	-	-	-	-	-	-	-	-
Net profit for the period	9,428	7,500	4,292	8,568	15,372	9,847	(6,029)	2,465	47	2,689	18,865	29,569
Segment assets (As at March 31,)	1,285,583	991,190	627,141	636,233	2,510,218	2,618,244	26,018	14,162	899,405	726,793	5,348,364	4,986,622
Segment liabilities (As at March 31,)	628,193	400,590	285,971	457,601	1,024,166	525,919	14,957	131,677	3,171	143,620	1,956,458	1,659,408
For the period ended March 31,												
Cash flow from operating activities	(26,178)	(106,759)	(11,917)	(121,953)	(42,680)	(140,160)	(951)	(35,093)	(132)	(37,236)	(81,858)	(441,202)
Cash flow from investing activities	(8,177)	(104,576)	(3,722)	(119,459)	(13,331)	(137,306)	1,533	(34,375)	(41)	(37,481)	(23,739)	(433,196)
Cash flow from financing activities	(25,091)	203,748	(11,422)	232,745	(40,907)	267,505	-	66,974	(126)	71,996	(77,547)	842,969

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SMB Finance PLC
Classification of Financial Instruments
As at March 31, 2023 (LKR 000)

Assets - Company	March 31, 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	-	36,310	-	-	36,310
Placements with banks	-	2,369,659	-	-	2,369,659
Financial assets at amortised cost-Loans and receivables to other customers	-	1,912,724	-	-	1,912,724
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	104,249	-	104,249
Total financial assets	-	4,318,693	104,249	-	4,422,942
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment in subsidiary	-	-	-	-	-
Investment properties	385,728	-	-	-	385,728
Property, plant & equipment	-	-	-	42,674	42,674
Right-of-use assets	-	-	-	17,280	17,280
Intangible assets	-	-	-	245,680	245,680
Other assets	-	-	-	165,465	165,465
Total non financial assets	385,728	-	-	513,676	899,404
Total assets	385,728	4,318,693	104,249	513,676	5,322,345

Liabilities - Company	March 31, 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	-	1,656,156	-	-	1,656,156
Due to other customers	-	127,903	-	-	127,903
Lease liabilities	-	17,430	-	-	17,430
Total financial liabilities	-	1,801,488	-	-	1,801,488
Non Financial Liabilities					
Retirement benefit obligations	-	9,375	-	-	9,375
Other liabilities	-	130,635	-	-	130,635
Total non financial liabilities	-	140,010	-	-	140,011
Total liabilities	-	1,941,499	-	-	1,941,499

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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)	700	-	-	-	700
Fair value through other comprehensive income (FVTOCI)	-	-	103,549	-	103,549
Total financial assets	700	4,274,688	103,549	-	4,378,937
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	-	-	-	98,858	98,858
Total non financial assets	385,728	-	-	422,561	808,289
Total assets	386,428	4,274,688	103,549	422,561	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
May 15, 2023

SMB Finance PLC
Classification of Financial Instruments
As at March 31, 2023 (LKR 000)

March 31, 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	-	46,837	-	-	46,837
Placements with banks	-	2,369,693	-	-	2,369,693
Financial assets at amortised cost-Loans and receivables to other customers	-	1,912,724	-	-	1,912,724
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	104,249	-	104,249
Other financial assets	-	10,540	-	-	10,540
Total financial assets	-	4,339,795	104,249	-	4,444,044
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment properties	402,928	-	-	-	402,928
Property, plant & equipment	-	-	-	43,337	43,337
Right-of-use assets	-	-	-	17,280	17,280
Intangible assets	-	-	-	245,680	245,680
Diferred tax assets	-	-	-	1,203	1,203
Other assets	-	-	-	151,316	151,316
Total non financial assets	402,928	-	-	501,393	904,320
Total assets	402,928	4,339,795	104,249	501,393	5,348,364

March 31, 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	-	1,666,198	-	-	1,666,198
Due to other customers	-	127,903	-	-	127,903
Lease liabilities	-	17,430	-	-	17,430
Total financial liabilities	-	1,811,531	-	-	1,811,531
Non Financial Liabilities					
Retirement benefit obligations	-	9,375	-	-	9,375
Other liabilities	-	135,551	-	-	135,551
Total non financial liabilities	-	144,926	-	-	144,926
Total liabilities	-	1,956,457	-	-	1,956,457

Colombo
May 15, 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)	8,076	-	-	-	8,076
Fair value through other comprehensive income (FVTOCI)	-	-	96,173	-	96,173
Other financial assets	-	10,540	-	-	10,540
Total financial assets	8,076	4,285,453	96,173	-	4,389,702
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	-	-	-	105,380	105,380
Total non financial assets	402,928	-	-	432,728	835,656
Total assets	411,004	4,285,453	96,173	432,728	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	-	1,710,175	-	-	1,710,175
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
May 15, 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	
	1st Quarter 2023 Rs.	1st Quarter 2022 Rs.	1st Quarter 2023 Rs.	1st Quarter 2022 Rs.
Highest price per share	0.90	2.40	0.40	0.80
Lowest price per share	0.70	0.60	0.20	0.20

	Voting		Non Voting	
	31.03.23 Rs.	31.03.22 Rs.	31.03.23 Rs.	31.03.22 Rs.
Last traded price	0.70	0.60	0.30	0.30

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)

	1st Quarter 2023	1st 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)	11,899	12,085
Ordinary Shares (Non Voting)	6,982	6,967

4.3 Number of Public Shareholders

Ordinary Shares (Voting)

Ordinary Shares (Non Voting)

Ordinary Shares (Voting)	11,896	12,083
Ordinary Shares (Non Voting)	6,982	6,967

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 March 31, 2023 is Rs. 1,610,652,850.80

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

	31.03.23	31.03.22
Net assets per share (LKR)	0.36	0.35
Debt/equity ratio (times)	0.53	0.50
Interest cover ratio (times)	1.32	2.57
Liquid asset ratio	18.35%	823.64%

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 March 31, 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 March 31, 2023

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

11 Key Management Personnel Shareholding as at March 31, 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	March 31, 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.SENTHILVERL	238,092,639	3.68
4	MR H.K. PUSHPAKUMARA	37,846,980	0.58
5	MR D.G.M.D. CHANDRADASA & MIS D.G. SACHIKI CHANDRADASA	35,920,439	0.56
6	MS C.N.M. ANTHONY	35,386,828	0.55
7	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	33,420,359	0.52
8	SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	30,064,006	0.46
9	MRS S.K. BERUWALAGE	29,963,218	0.46
10	HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	27,673,690	0.43
11	MR R. GAUTAM	24,852,800	0.38
12	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A. HASITHA	24,456,849	0.38
13	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	23,446,044	0.36
14	MR N.R.P. KARUNARATNE	20,704,770	0.32
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 T.M. WALLOOPPILLAI	15,159,786	0.23
20	MR M.J.N.S. FERNANDO	15,018,640	0.23
21	MR D.M.T. DASSANAYAKE	14,550,418	0.22
22	PMF FINANCE PLC/P.P.G. SHRIYANI	14,000,000	0.22
23	SINHARAJA HILLS PLANTATION PRIVET LIMITED	13,000,000	0.20
24	COSMO MART (PRIVATE) LIMITED	12,985,889	0.20
25	HATTON NATIONAL BANK PLC/RAVINDRA ERLE RAMBUKWELLE	12,700,000	0.20
Total shares held by the top 25 holders		5,527,678,829	85.43
Balance shares held by other ordinary voting shareholders		942,696,219	14.57
Total ordinary voting shares		6,470,375,048	100.00

14.2 Ordinary Shares (Non Voting)

	Name of the Shareholder	March 31, 2023	
		No. of Shares	%
1	MR S.P.N. KODITUWAKKU	268,787,485	8.72
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	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	25,466,806	0.83
15	MR P.N.G.D. SILVA	25,000,000	0.81
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	MR S. RAMANATHAN	21,617,789	0.70
18	THE GOLDEN HOSPITALITY (PVT)LTD	20,000,000	0.65
19	MR M.L.A. BENEDICT	19,668,600	0.64
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	17,099,210	0.55
25	MR L.S.U. PERERA	17,000,000	0.55
Total shares held by the top 25 holders		1,206,627,846	39.16
Balance shares held by other ordinary non voting shareholders		1,874,975,866	60.84
Total ordinary Non voting shares		3,081,603,712	100.00

15 Rights issue funds utilisation as at March 31, 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%	1,425,407,279	66.50%	Remaining funds are invested in bank fixed deposits.