

**INTERIM FINANCIAL STATEMENTS  
QUARTER ENDED DECEMBER 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 December 31, 2023 (LKR 000)**

Company	Quarter ended December 31, 2023 Unaudited	Quarter ended December 31, 2022 Unaudited	Variance	YTD December 31, 2023 Unaudited	YTD December 31, 2022 Audited	Variance
Interest income	188,647	159,379	18%	791,707	483,656	64%
Interest expenses	(65,371)	(51,126)	28%	(308,876)	(134,737)	129%
<b>Net interest income</b>	<b>123,276</b>	<b>108,253</b>	<b>14%</b>	<b>482,831</b>	<b>348,919</b>	<b>38%</b>
Fee and commission income	1,260	264	377%	3,981	9,905	-60%
<b>Net interest, fee and commission income</b>	<b>124,536</b>	<b>108,517</b>	<b>15%</b>	<b>486,812</b>	<b>358,824</b>	<b>36%</b>
Other operating income (net)	2,081	6,186	-66%	8,079	15,925	-49%
Changes in fair value of investment property	22,749	44,650	-49%	22,749	44,650	-49%
<b>Total operating income</b>	<b>149,366</b>	<b>159,353</b>	<b>-6%</b>	<b>517,640</b>	<b>419,399</b>	<b>23%</b>
Impairment charge for the period	(42,467)	(104,731)	-59%	(105,303)	(166,521)	-37%
<b>Net operating income</b>	<b>106,899</b>	<b>54,622</b>	<b>96%</b>	<b>412,337</b>	<b>252,878</b>	<b>63%</b>
Personnel expenses	(28,688)	(12,574)	128%	(102,899)	(76,812)	34%
Premises, equipment & establishment expenses	(12,064)	(6,869)	76%	(36,990)	(20,987)	76%
Depreciation and amortization	(10,738)	(4,728)	127%	(32,668)	(17,365)	88%
Other expenses	(9,208)	(20,005)	-54%	(39,925)	(30,613)	30%
<b>Operating profit before taxes on financial services</b>	<b>46,201</b>	<b>10,446</b>	<b>342%</b>	<b>199,855</b>	<b>107,101</b>	<b>87%</b>
Taxes on financial services	(5,603)	(3,000)	87%	(41,003)	(15,598)	163%
Social security contribution levy (SSCL)	3,148	(240)	-1411%	(2,740)	(3,387)	-19%
<b>Profit after taxes on financial services &amp; SSCL</b>	<b>43,745</b>	<b>7,206</b>	<b>507%</b>	<b>156,112</b>	<b>88,115</b>	<b>77%</b>
Impairment provision for subsidiary company	-	-	-	-	(12,750)	-100%
Share of (loss) / profit of associate company	(1,491)	1,060	-241%	40	744	-95%
<b>Profit before income tax</b>	<b>42,254</b>	<b>8,266</b>	<b>411%</b>	<b>156,152</b>	<b>76,109</b>	<b>105%</b>
Income tax (expenses) / reversal	(5,324)	-	100%	(14,684)	3,473	523%
<b>Profit for the period</b>	<b>36,930</b>	<b>8,266</b>	<b>347%</b>	<b>141,468</b>	<b>79,582</b>	<b>78%</b>
Basic earnings per share (LKR)	0.00	0.00	347%	0.01	0.01	78%

Company	Quarter ended December 31, 2023 Unaudited	Quarter ended December 31, 2022 Unaudited	Variance	YTD December 31, 2023 Unaudited	YTD December 31, 2022 Audited	Variance
<b>Profit for the period</b>	<b>36,930</b>	<b>8,266</b>	<b>347%</b>	<b>141,468</b>	<b>79,582</b>	<b>78%</b>
<b>Other comprehensive income</b>						
Actuarial (loss) / gain on defined benefit plans	(645)	5,390	-112%	(645)	1,681	-138%
Equity investments at FVOCI - Net change in fair value	-	-	-	-	22,873	-100%
Tax on other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive (expense) / income for the period (net of tax)</b>	<b>(645)</b>	<b>5,390</b>	<b>-112%</b>	<b>(645)</b>	<b>24,554</b>	<b>-103%</b>
<b>Total comprehensive income for the period</b>	<b>36,285</b>	<b>13,656</b>	<b>166%</b>	<b>140,823</b>	<b>104,136</b>	<b>35%</b>

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

Group	Quarter ended December 31, 2023 Unaudited	Quarter ended December 31, 2022 Unaudited	Variance	YTD December 31, 2023 Unaudited	YTD December 31, 2022 Audited	Variance
Interest income	188,647	159,379	18%	791,707	483,656	64%
Interest expenses	(65,371)	(51,132)	28%	(308,876)	(134,804)	129%
<b>Net interest income</b>	<b>123,276</b>	<b>108,247</b>	<b>14%</b>	<b>482,831</b>	<b>348,852</b>	<b>38%</b>
Fee and commission income	1,260	264	377%	3,981	9,905	-60%
<b>Net interest, fee and commission income</b>	<b>124,536</b>	<b>108,511</b>	<b>15%</b>	<b>486,812</b>	<b>358,757</b>	<b>36%</b>
Other operating income (net)	2,083	8,925	-77%	9,245	36,595	-75%
Changes in fair value of investment property	22,749	46,950	-52%	22,749	46,950	-52%
<b>Total operating income</b>	<b>149,368</b>	<b>164,386</b>	<b>-9%</b>	<b>518,806</b>	<b>442,302</b>	<b>17%</b>
Impairment charge for the period	(42,468)	(104,731)	-59%	(105,303)	(166,521)	-37%
<b>Net operating income</b>	<b>106,900</b>	<b>59,655</b>	<b>79%</b>	<b>413,503</b>	<b>275,781</b>	<b>50%</b>
Personnel expenses	(29,288)	(18,734)	56%	(106,868)	(121,030)	-12%
Premises, equipment & establishment expenses	(12,064)	(6,934)	74%	(37,390)	(23,613)	58%
Depreciation and amortizations	(10,807)	(5,587)	93%	(33,143)	(20,536)	61%
Other expenses	(9,467)	(21,445)	-56%	(44,878)	(38,630)	16%
<b>Operating profit before taxes on financial services</b>	<b>45,274</b>	<b>6,955</b>	<b>551%</b>	<b>191,224</b>	<b>71,972</b>	<b>166%</b>
Taxes on financial services	(5,603)	(3,000)	87%	(41,003)	(15,598)	163%
Social Security Contribution Levy (SSCL)	3,148	(240)	-1411%	(2,740)	(3,387)	-19%
<b>Profit after taxes on financial services</b>	<b>42,819</b>	<b>3,715</b>	<b>1053%</b>	<b>147,481</b>	<b>52,987</b>	<b>178%</b>
Share of (loss) / profit of associate company	(1,491)	1,060	-241%	40	744	-95%
<b>Profit before income tax</b>	<b>41,328</b>	<b>4,775</b>	<b>765%</b>	<b>147,521</b>	<b>53,730</b>	<b>175%</b>
Income tax (expenses) / reversal	(8,910)	(1,485)	500%	(18,270)	3,206	670%
<b>Profit for the period</b>	<b>32,418</b>	<b>3,290</b>	<b>885%</b>	<b>129,251</b>	<b>56,936</b>	<b>127%</b>
<b>Profit / (Loss) attributable to :</b>						
Owners of the parent	34,609	5,729	504%	135,142	74,280	82%
Non-controlling interest	(2,191)	(2,439)	-10%	(5,891)	(17,344)	-66%
<b>Profit for the period</b>	<b>32,418</b>	<b>3,290</b>	<b>885%</b>	<b>129,251</b>	<b>56,936</b>	<b>127%</b>
Basic earnings per share (LKR)	0.00	0.00	885%	0.01	0.01	127%

Group	Quarter ended December 31, 2023 Unaudited	Quarter ended December 31, 2022 Unaudited	Variance	YTD December 31, 2023 Unaudited	YTD December 31, 2022 Audited	Variance
<b>Profit for the period</b>	<b>32,418</b>	<b>3,290</b>	<b>885%</b>	<b>129,251</b>	<b>56,936</b>	<b>127%</b>
<b>Other comprehensive income</b>						
Actuarial (loss) / gain on defined benefit plans	(645)	5,390	-112%	(645)	5,242	-112%
Equity investments at FVOCI - Net change in fair value	-	-	-	-	22,873	-100%
Tax on other comprehensive income	-	-	-	-	(1,068)	-100%
<b>Other comprehensive (expense) / income for the period (net of tax)</b>	<b>(645)</b>	<b>5,390</b>	<b>-112%</b>	<b>(645)</b>	<b>27,047</b>	<b>-102%</b>
<b>Total comprehensive income for the period</b>	<b>31,773</b>	<b>8,680</b>	<b>266%</b>	<b>128,606</b>	<b>83,983</b>	<b>53%</b>
<b>Total comprehensive income / (expense) attributable to:</b>						
Owners of the parent	34,609	5,729	504%	135,142	100,106	35%
Non-controlling interest	(2,191)	(2,439)	10%	(5,891)	(16,122)	63%
<b>Total comprehensive income for the period</b>	<b>31,773</b>	<b>8,680</b>	<b>266%</b>	<b>128,606</b>	<b>83,983</b>	<b>53%</b>

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

As at	Company		Group	
	December 31, 2023 Unaudited	December 31, 2022 Audited	December 31, 2023 Unaudited	December 31, 2022 Audited
<b>Assets</b>				
Cash and cash equivalents	90,670	55,302	91,213	55,495
Placements with banks	2,568,274	2,401,476	2,568,274	2,364,050
Loans and receivables	1,471,601	1,855,368	1,471,601	1,855,368
Financial investments	104,484	104,249	115,024	114,789
Investments in associate	42,617	42,577	42,617	42,577
Investments in subsidiary	-	-	-	-
Investment properties	621,614	385,728	621,614	402,928
Property, plant & equipment	50,336	19,963	50,731	22,405
Right of use Asset	34,156	16,070	34,156	16,070
Intangible assets	263,665	245,092	263,665	245,092
Deferred tax assets	-	-	1,203	1,203
Other assets	81,887	61,400	83,043	105,380
<b>Total Assets</b>	<b>5,329,303</b>	<b>5,187,226</b>	<b>5,343,140</b>	<b>5,225,358</b>
<b>Liabilities</b>				
Due to financial institutions	1,504,598	1,568,220	1,504,598	1,568,508
Deposits due to customers	42,732	-	42,732	-
Interest bearing borrowings	131,299	126,786	131,299	126,786
Retirement benefit obligations	13,113	8,961	13,113	23,160
Lease Liabilities	21,780	14,880	21,780	14,880
Other liabilities	119,006	112,426	127,970	118,982
<b>Total Liabilities</b>	<b>1,832,528</b>	<b>1,831,274</b>	<b>1,841,492</b>	<b>1,852,316</b>
<b>Equity</b>				
Stated capital	3,062,682	3,062,682	3,062,682	3,062,682
Statutory reserves	48,806	41,732	48,806	41,732
Fair value reserve	52,465	52,465	52,465	52,465
Retained earnings	332,822	199,073	335,080	207,658
<b>Total equity attributable to equity holders of the Company</b>	<b>3,496,775</b>	<b>3,355,952</b>	<b>3,499,033</b>	<b>3,364,537</b>
Non- controlling interests	-	-	2,615	8,505
<b>Total Equity</b>	<b>3,496,775</b>	<b>3,355,952</b>	<b>3,501,648</b>	<b>3,373,042</b>
<b>Total Equity and Liabilities</b>	<b>5,329,303</b>	<b>5,187,226</b>	<b>5,343,140</b>	<b>5,225,358</b>

Figures in brackets indicate deductions.

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

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

**Singed**

**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,

**Singed**

**A. T. S. Sosa**

Director

**Singed**

**M. S. A. Wadood**

Director

Colombo  
February 27, 2024

**SMB Finance PLC**  
**Statement of Changes in Equity**  
**For the period ended December 31, 2023 (LKR 000)**

Company	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
<b>Balance as at January 1, 2022</b>	<b>2,555,959</b>	<b>506,723</b>	<b>37,753</b>	<b>29,592</b>	<b>121,789</b>	<b>3,251,816</b>
Profit for the period	-	-	-	-	79,582	79,582
Other comprehensive income / (expense) (net of tax)	-	-	-	22,873	1,681	24,554
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,873</b>	<b>81,263</b>	<b>104,136</b>
Transfer to statutory reserve	-	-	3,979	-	(3,979)	-
Dividend paid	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>3,979</b>	<b>-</b>	<b>(3,979)</b>	<b>-</b>
<b>Balance as at December 31, 2022</b>	<b>2,555,959</b>	<b>506,723</b>	<b>41,732</b>	<b>52,465</b>	<b>199,073</b>	<b>3,355,952</b>
<b>Balance as at January 1, 2023</b>	<b>2,555,959</b>	<b>506,723</b>	<b>41,732</b>	<b>52,465</b>	<b>199,073</b>	<b>3,355,952</b>
Profit for the period	-	-	-	-	141,468	141,468
Other comprehensive income / (expense) (net of tax)	-	-	-	-	(645)	(645)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,823</b>	<b>140,823</b>
Transfer to statutory reserve	-	-	7,073	-	(7,073)	-
Dividend paid	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>7,073</b>	<b>-</b>	<b>(7,073)</b>	<b>-</b>
<b>Balance as at December 31, 2023</b>	<b>2,555,959</b>	<b>506,723</b>	<b>48,806</b>	<b>52,465</b>	<b>332,822</b>	<b>3,496,775</b>

Colombo  
February 27, 2024

**SMB Finance PLC**  
**Statement of Changes in Equity**  
**For the period ended December 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						
<b>Balance as at January 1, 2022</b>	<b>2,555,959</b>	<b>506,723</b>	<b>37,753</b>	<b>29,592</b>	<b>134,404</b>	<b>3,264,431</b>	<b>24,628</b>	<b>3,289,059</b>
Profit / (Loss) for the period	-	-	-	-	74,280	74,280	(17,344)	<b>56,936</b>
Other comprehensive (expense) / income (net of tax)	-	-	-	22,873	2,952	25,825	1,222	<b>27,047</b>
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,873</b>	<b>77,232</b>	<b>100,105</b>	<b>(16,123)</b>	<b>83,983</b>
Transfer to statutory reserve	-	-	3,979	-	(3,979)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>3,979</b>	<b>-</b>	<b>(3,979)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at December 31, 2022</b>	<b>2,555,959</b>	<b>506,723</b>	<b>41,732</b>	<b>52,465</b>	<b>207,657</b>	<b>3,364,536</b>	<b>8,505</b>	<b>3,373,042</b>
<b>Balance as at January 1, 2023</b>	<b>2,555,959</b>	<b>506,723</b>	<b>41,732</b>	<b>52,465</b>	<b>207,657</b>	<b>3,364,536</b>	<b>8,505</b>	<b>3,373,042</b>
Profit / (Loss) for the period	-	-	-	-	135,142	135,142	(5,891)	129,251
Other comprehensive income / (expense) (net of tax)	-	-	-	-	(645)	(645)	-	(645)
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,497</b>	<b>134,497</b>	<b>(5,891)</b>	<b>128,606</b>
Transfer to statutory reserve	-	-	7,073	-	(7,073)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>7,073</b>	<b>-</b>	<b>(7,073)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at December 31, 2023</b>	<b>2,555,959</b>	<b>506,723</b>	<b>48,806</b>	<b>52,465</b>	<b>335,080</b>	<b>3,499,033</b>	<b>2,614</b>	<b>3,501,648</b>

Colombo  
February 27, 2024

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

	Company		Group	
	December 31, 2023 Unaudited	December 31, 2022 Audited	December 31, 2023 Unaudited	December 31, 2022 Audited
<b>Cash flow from operating activities</b>				
Interest receipts	408,473	275,663	408,473	275,663
Interest payments	(300,218)	(120,427)	(300,218)	(120,462)
Fees and commission other receipts	427,956	178,062	428,966	198,619
Cash payments to employees and suppliers	(169,580)	(127,501)	(182,272)	(176,089)
<b>Profit before changes in operating assets</b>	<b>366,630</b>	<b>205,797</b>	<b>354,948</b>	<b>177,731</b>
Loans and receivables to other customers	274,516	(875,754)	279,858	(875,754)
Other assets	(20,487)	(9,494)	(20,309)	(3,039)
Other liabilities	-	43,615	2,407	43,697
Cash used in operating activities	<b>620,660</b>	<b>(635,836)</b>	<b>616,904</b>	<b>(657,366)</b>
Tax paid	(61,957)	(12,097)	(61,957)	(12,097)
Gratuity paid	-	-	(14,412)	(1,829)
<b>Net cash used in operating activities</b>	<b>558,703</b>	<b>(647,933)</b>	<b>540,536</b>	<b>(671,292)</b>
<b>Cash flow from investing activities</b>				
Net (increase) / decrease in financial investments	(110,000)	-	(110,000)	15,303
Net of acquisition and disposal of shares	-	-	-	5,684
Dividend received	648	740	648	796
Purchase of property, plant & equipment & intangible assets	(60,393)	(256,834)	(58,821)	(256,913)
Disposal of property, plant & equipment & intangible assets	-	-	-	-
Sales for Investment Properties	-	-	-	-
Purchase of investment properties	(213,137)	(198,300)	(195,937)	(198,300)
<b>Net cash generated / (used in) investing activities</b>	<b>(382,882)</b>	<b>(454,394)</b>	<b>(364,110)</b>	<b>(433,431)</b>
<b>Cash flow from financing activities</b>				
(Decrease) / Increase in borrowings from financial institutions	(287,188)	1,032,451	(287,188)	1,032,451
Increase / (decrease) in public borrowings	41,502	(14)	41,502	(14)
Increase in other liabilities	3,385	-	3,385	-
Lease liability payment	(39,306)	(8,634)	(39,306)	(9,723)
<b>Net cash (used in) / generated from financing activities</b>	<b>(281,607)</b>	<b>1,023,803</b>	<b>(281,607)</b>	<b>1,022,714</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(105,787)</b>	<b>(78,525)</b>	<b>(105,182)</b>	<b>(82,008)</b>
Cash and cash equivalents at the beginning of the period	53,699	132,224	53,637	135,645
<b>Cash and cash equivalents at the end of the period</b>	<b>(52,088)</b>	<b>53,699</b>	<b>(51,545)</b>	<b>53,637</b>
<b>Reconciliation of cash and cash equivalents</b>				
Cash and cash equivalents	90,670	55,302	91,176	55,495
REPO investment with banks	86,896	501	86,933	533
Bank overdraft	177,566	55,803	178,109	56,028
	(229,654)	(2,104)	(229,654)	(2,391)
<b>Cash and cash equivalents</b>	<b>(52,088)</b>	<b>53,699</b>	<b>(51,545)</b>	<b>53,637</b>

**SMB Finance PLC**  
**Segment Reporting - Group**

(LKR 000)	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
For the period ended December 31	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Business segments - Group</b>												
Revenue from external customers,												
Interest	272,253	132,937	124,887	102,069	394,567	194,295	-	-	-	54,355	791,707	483,656
Fee & commission income	1,512	3,654	1,204	6,251	-	-	-	-	1,265	-	3,981	9,905
Other operating income	4,799	-	611	515	234	2,265	1,166	19,089	2,435	14,726	9,245	36,595
Changes in fair value of investment property	22,749	-	-	-	-	-	-	-	-	46,950	22,749	46,950
<b>Total revenue from external customers</b>	<b>301,313</b>	<b>136,591</b>	<b>126,702</b>	<b>108,835</b>	<b>394,801</b>	<b>196,560</b>	<b>1,166</b>	<b>19,089</b>	<b>3,700</b>	<b>116,031</b>	<b>827,682</b>	<b>577,106</b>
<b>Segment result</b>	<b>197,371</b>	<b>53,050</b>	<b>82,995</b>	<b>42,270</b>	<b>258,609</b>	<b>76,341</b>	<b>(8,156)</b>	<b>7,414</b>	<b>2,423</b>	<b>45,065</b>	<b>533,242</b>	<b>224,141</b>
Depreciation charged for the period	(11,910)	(4,110)	(5,008)	(3,275)	(15,605)	(5,914)	(474)	(574)	(146)	(3,491)	(33,143)	(17,364)
Interest expense	(112,603)	(31,906)	(47,350)	(25,422)	(147,540)	(45,913)	-	(4,459)	(1,383)	(27,103)	(308,876)	(134,804)
<b>Operating profit</b>	<b>72,858</b>	<b>17,034</b>	<b>30,637</b>	<b>13,573</b>	<b>95,464</b>	<b>24,514</b>	<b>(8,630)</b>	<b>2,381</b>	<b>894</b>	<b>14,471</b>	<b>191,223</b>	<b>71,972</b>
Tax on financial services	-	-	-	-	-	-	-	-	(41,003)	(15,598)	(41,003)	(15,598)
Social Security Contribution Levy (SSCL)	-	-	-	-	-	-	-	-	(2,740)	(3,387)	(2,740)	(3,387)
Share of profit of associate company	-	-	-	-	-	-	-	-	40	744	40	744
Income tax expense	-	759	-	605	-	1,092	-	106	(18,270)	645	(18,270)	3,206
Other comprehensive income / (expense)	-	6,402	-	5,101	-	9,212	-	895	(645)	5,438	(645)	27,047
<b>Net profit for the period</b>	<b>72,858</b>	<b>24,195</b>	<b>30,637</b>	<b>19,279</b>	<b>95,464</b>	<b>34,818</b>	<b>(8,630)</b>	<b>3,381</b>	<b>(61,724)</b>	<b>2,312</b>	<b>128,606</b>	<b>83,983</b>
Segment assets <b>(As at December 31)</b>	1,003,135	1,228,985	468,466	626,383	2,763,427	2,419,545	13,837	37,907	1,094,274	912,538	5,343,140	5,225,358
Segment liabilities <b>(As at December 31)</b>	668,062	438,411	280,921	349,326	875,342	630,887	8,964	61,270	8,203	372,422	1,841,492	1,852,316
<b>For the period ended December 31</b>												
Cash flow from operating activities	203,679	(158,883)	85,648	(126,598)	266,875	(228,638)	(18,167)	(22,205)	2,501	(134,968)	540,536	(671,292)
Cash flow from investing activities	(139,583)	(102,585)	(58,695)	(81,740)	(182,891)	(147,624)	18,773	(14,337)	(1,714)	(87,145)	(364,110)	(433,431)
Cash flow from financing activities	(102,662)	242,058	(43,170)	192,872	(134,515)	348,330	-	33,829	(1,261)	205,625	(281,607)	1,022,714

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

Assets - Company	December 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
<b>Financial Assets</b>					
Cash and cash equivalents	-	90,670	-	-	90,670
Placements with banks	-	2,568,274	-	-	2,568,274
Financial assets at amortised cost-Loans and receivables to other customers	-	1,471,601	-	-	1,471,601
Fair value through profit or loss (FVTPL)	234	-	-	-	234
Fair value through other comprehensive income (FVTOCI)	-	-	104,250	-	104,250
Other financial assets	-	81,887	-	-	81,887
<b>Total financial assets</b>	<b>234</b>	<b>4,212,431</b>	<b>104,250</b>	<b>-</b>	<b>4,316,915</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	42,617	42,617
Investment in subsidiary	-	-	-	-	-
Investment properties	-	-	-	621,614	621,614
Property, plant & equipment	-	-	-	50,336	50,336
Right-of-use assets	-	-	-	34,156	34,156
Intangible assets	-	-	-	263,665	263,665
Other assets	-	-	-	-	-
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,012,388</b>	<b>1,012,388</b>
<b>Total assets</b>	<b>234</b>	<b>4,212,431</b>	<b>104,250</b>	<b>1,012,388</b>	<b>5,329,303</b>

Liabilities - Company	December 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
<b>Financial Liabilities</b>					
Due to financial institutions	-	1,504,598	-	-	1,504,598
Deposits due to customers	-	42,732	-	-	42,732
Interest bearing borrowings	-	131,299	-	-	131,299
Lease liabilities	-	21,780	-	-	21,780
<b>Total financial liabilities</b>	<b>-</b>	<b>1,700,408</b>	<b>-</b>	<b>-</b>	<b>1,700,408</b>
<b>Non Financial Liabilities</b>					
Retirement benefit obligations	-	13,113	-	-	13,113
Other liabilities	-	119,006	-	-	119,006
<b>Total non financial liabilities</b>	<b>-</b>	<b>132,119</b>	<b>-</b>	<b>-</b>	<b>132,119</b>
<b>Total liabilities</b>	<b>-</b>	<b>1,832,528</b>	<b>-</b>	<b>-</b>	<b>1,832,528</b>

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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
<b>Financial Assets</b>					
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
<b>Total financial assets</b>	-	<b>4,312,146</b>	<b>104,250</b>	-	<b>4,416,396</b>
<b>Non Financial Assets</b>					
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
<b>Total non financial assets</b>	-	-	-	<b>770,830</b>	<b>770,830</b>
<b>Total assets</b>	-	<b>4,312,146</b>	<b>104,250</b>	<b>770,830</b>	<b>5,187,226</b>

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
<b>Financial Liabilities</b>					
Due to financial institutions	-	1,568,220	-	-	1,568,220
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
<b>Total financial liabilities</b>	-	<b>1,709,887</b>	-	-	<b>1,709,887</b>
<b>Non Financial Liabilities</b>					
Retirement benefit obligations	-	8,961	-	-	8,961
Other liabilities	-	112,426	-	-	112,426
<b>Total non financial liabilities</b>	-	<b>121,387</b>	-	-	<b>121,387</b>
<b>Total liabilities</b>	-	<b>1,831,274</b>	-	-	<b>1,831,274</b>

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

Assets - Group	December 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
<b>Financial Assets</b>					
Cash and cash equivalents	-	91,213	-	-	91,213
Placements with banks	-	2,568,274	-	-	2,568,274
Financial assets at amortised cost-Loans and receivables to other customers	-	1,471,601	-	-	1,471,601
Fair value through profit or loss (FVTPL)	234	-	-	-	234
Fair value through other comprehensive income (FVTOCI)	-	-	114,790	-	114,790
Other financial assets	-	81,887	-	-	81,887
<b>Total financial assets</b>	<b>234</b>	<b>4,212,975</b>	<b>114,790</b>	<b>-</b>	<b>4,327,998</b>
<b>Non Financial Assets</b>					
Investment in associate	-	-	-	42,617	42,617
Investment properties	-	-	-	621,614	621,614
Property, plant & equipment	-	-	-	50,731	50,731
Right-of-use assets	-	-	-	34,156	34,156
Intangible assets	-	-	-	263,665	263,665
Diferred tax assets	-	-	-	1,203	1,203
Other assets	-	-	-	1,157	1,157
<b>Total non financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,015,143</b>	<b>1,015,142</b>
<b>Total assets</b>	<b>234</b>	<b>4,212,975</b>	<b>114,790</b>	<b>1,015,143</b>	<b>5,343,140</b>

Liabilities - Group	December 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
<b>Financial Liabilities</b>					
Due to financial institutions	-	1,504,598	-	-	1,504,598
Deposits due to customers	-	42,732	-	-	42,732
Interest bearing borrowings	-	131,299	-	-	131,299
Lease liabilities	-	21,780	-	-	21,780
<b>Total financial liabilities</b>	<b>-</b>	<b>1,700,408</b>	<b>-</b>	<b>-</b>	<b>1,700,408</b>
<b>Non Financial Liabilities</b>					
Retirement benefit obligations	-	13,113	-	-	13,114
Other liabilities	-	127,970	-	-	127,970
<b>Total non financial liabilities</b>	<b>-</b>	<b>141,083</b>	<b>-</b>	<b>-</b>	<b>141,084</b>
<b>Total liabilities</b>	<b>-</b>	<b>1,841,492</b>	<b>-</b>	<b>-</b>	<b>1,841,492</b>

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**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
<b>Financial Assets</b>					
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
<b>Total financial assets</b>	-	<b>4,322,911</b>	<b>104,250</b>	-	<b>4,427,161</b>
<b>Non Financial Assets</b>					
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
<b>Total non financial assets</b>	-	-	-	<b>798,197</b>	<b>798,197</b>
<b>Total assets</b>	-	<b>4,322,911</b>	<b>104,250</b>	<b>798,197</b>	<b>5,225,358</b>

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
<b>Financial Liabilities</b>					
Due to financial institutions	-	1,568,508	-	-	1,568,508
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
<b>Total financial liabilities</b>	-	<b>1,710,174</b>	-	-	<b>1,710,174</b>
<b>Non Financial Liabilities</b>					
Retirement benefit obligations	-	23,160	-	-	23,160
Other liabilities	-	118,982	-	-	118,982
<b>Total non financial liabilities</b>	-	<b>142,142</b>	-	-	<b>142,142</b>
<b>Total liabilities</b>	-	<b>1,852,316</b>	-	-	<b>1,852,316</b>

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**SMB Finance PLC**  
**Notes to the Financial Statements**  
**For the period ended December 31, 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	
	4th Quarter 2023 Rs.	4th Quarter 2022 Rs.	4th Quarter 2023 Rs.	4th Quarter 2022 Rs.
Highest price per share	0.80	1.10	0.30	0.40
Lowest price per share	0.50	0.60	0.20	0.20

  

	Voting		Non Voting	
	31.12.23 Rs.	31.12.22 Rs.	31.12.23 Rs.	31.12.22 Rs.
Last traded price	0.60	0.80	0.30	0.30

**4 Stated Capital**

	4th Quarter 2023	4th Quarter 2022
<b>4.1 Total Number of Shares</b>		
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
<b>4.2 Total Number of Shareholders</b>		
Ordinary Shares (Voting)	11,709	12,055
Ordinary Shares (Non Voting)	6,759	7,236
<b>4.3 Number of Public Shareholders</b>		
Ordinary Shares (Voting)	11,707	12,052
Ordinary Shares (Non Voting)	6,758	7,236
<b>4.4 Public Shareholding %</b>		
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 December 31, 2023 is Rs. 1,380,619,635.60

**4.6 Minimum Public Holding Requirement**

The Company is in compliance with Option 5 of Sectors 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange pertaining to minimum Public Holding.

**SMB Finance PLC**  
**Notes to the Financial Statements**  
**For the period ended December 31, 2023**

**5 Financial Ratios - Group**

	31.12.23	31.12.22
Net assets per share (LKR)	0.37	0.35
Debt/equity ratio (times)	0.44	0.50
Interest cover ratio (times)	1.62	1.53
Liquid asset ratio (times)	25.74	187.94

**6 Commitments and Contingencies**

In the ordinary course of business, the Company makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material loss is expected as a result of these transactions. Other than the 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 make it comparable with the current financial information.

**9 Directors' Shareholding as at December 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. Abeyasinghe	-	-
Mr. S.C.Wijesinghe	-	-
	<b>4,169,342,304</b>	<b>-</b>

\* Mr. H.H.A. Chandrasiri resigned with effect from August 28, 2023.

**10 CEO's Shareholding as at December 31, 2023**

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

**11 Key Management Personnel Shareholding as at December 31, 2023**

	No. of Voting Shares	No. of Non Voting Shares
Ms Randulani Claudeen Godage	18	-

**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	December 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.Senthilvel	238,092,639	3.68
4	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	40,313,219	0.62
5	Ms C.N.M. Anthony	35,975,098	0.56
6	Mr D.G.M.D. Chandradasa & Mis D.G. Sachiki Chandradasa	35,920,439	0.56
7	Mr H.K. Pushpakumara	30,514,175	0.47
8	Seylan Bank PLC/Anuja Chamila Jayasinghe	30,513,715	0.47
9	Mrs S.K. Beruwalage	29,963,218	0.46
10	Merchant Bank of Sri Lanka & Finance PLC/S.A.A. Hasitha	29,829,570	0.46
11	Hatton National Bank PLC/Anuja Chamila Jayasinghe	27,673,690	0.43
12	Commercial Bank of Ceylon PLC/W. Jinadasa	25,681,936	0.40
13	Mr R. Gautam	24,970,000	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	18,250,001	0.28
17	Dialog Finance PLC/S.A.De Silva And D.R.De Silva	18,037,435	0.28
18	Hatton National Bank PLC/Ravindra Erle Rambukwelle	16,825,000	0.26
19	Seylan Bank PLC/Karagoda Loku Gamage Udayananda	16,500,000	0.26
20	Mr D.M.T. Dassanayake	14,550,418	0.22
21	Mr S.S. De Silva	14,239,634	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	Mr J.J. Ravindran	12,503,914	0.19
25	Mr K.R. Karunaratne	11,504,770	0.18
<b>Total ordinary voting shares held by the top 25 holders</b>		<b>5,537,702,953</b>	<b>85.59</b>
Balance shares held by other ordinary voting shareholders		932,672,095	14.41
<b>Total ordinary voting shares</b>		<b>6,470,375,048</b>	<b>100.00</b>

**14.2 Ordinary Shares (Non Voting)**

	Name of the Shareholder	December 31, 2023	
		No. of Shares	%
1	Mr S.P.N. Kodituwakku	330,687,248	10.73
2	Mr R. Gautam	163,750,000	5.31
3	Sampath Bank PLC/Dr.Mayuramana Dewolage	85,106,025	2.76
4	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	79,127,826	2.57
5	Seylan Bank PLC/Jayantha Dewage	77,187,082	2.50
6	Mr K.R. 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 S.P. Sedara	35,238,373	1.14
10	Mr J.J. Ravindran	34,440,000	1.12
11	Mr N. Muhunthan	31,200,000	1.01
12	People'S Leasing & Finance PLC/Mr.R.Kannan	30,000,000	0.97
13	Assetline Finance Limited/B.M.A.M.K.Basnayaka	29,019,600	0.94
14	Sampath Bank PLC/B S A Holdings (Pvt) Ltd	26,440,000	0.86
15	Mr S. Ramanathan	24,500,000	0.80
16	Mr P.N.G.D. Silva	24,000,000	0.78
17	Mr K.M.S.M. Razik & Mr K.M.S.M. Rajabudeen & Mr K.M.S.M.R. Mohommad	22,095,755	0.72
18	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	20,466,806	0.66
19	Mr M.W.P.W. Jayawardena	20,400,000	0.66
20	Mr T. Pragash	20,201,559	0.66
21	The Golden Hospitality (Pvt)Ltd	20,000,000	0.65
22	Mr N.W.N. Jayasiri	19,220,001	0.62
23	Mis M.S.D.P.W. Jayawardena	18,300,000	0.59
24	Mr M.L.A. Benedict	18,252,649	0.59
25	Mr W.J.D. Benedict	18,000,000	0.58
<b>Total ordinary non voting shares held by the top 25 holders</b>		<b>1,291,229,528</b>	<b>41.90</b>
Balance shares held by other ordinary non voting shareholders		1,790,374,184	58.10
<b>Total ordinary non voting shares</b>		<b>3,081,603,712</b>	<b>100.00</b>

15 Rights issue funds utilisation as at December 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%	2,051,344,711	95.70%	Remaining funds are invested in bank fixed deposits.