



Senkadagala Finance PLC

**Interim Financial Statement for the period ended
30th June 2018**



**Fitch Ratings Lanka Limited:
BBB+(lka)**

Senkadagala Finance PLC

Income statement

For the three months period ended 30th June	Company			Group		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Interest income	1,689,109,764	1,492,105,892	13.2	1,689,392,511	1,492,616,009	13.2
Interest expense	(926,158,369)	(810,044,405)	14.3	(925,095,925)	(809,090,126)	14.3
Net interest income	762,951,395	682,061,487	11.9	764,296,586	683,525,883	11.8
Fee and commission income	24,935,896	30,259,171	(17.6)	51,994,770	63,959,574	(18.7)
Fee and commission expense	(3,007,327)	(3,577,565)	(15.9)	(3,007,327)	(3,577,565)	(15.9)
Net fee and commission income	21,928,569	26,681,606	(17.8)	48,987,443	60,382,009	(18.9)
Net gain from trading	1,368,327	-	100.0	1,368,327	-	100.0
Net gain / (loss) from financial instruments designated at fair value through profit or loss	(3,608,782)	8,529,978	(142.3)	(3,608,782)	8,529,978	(142.3)
Other operating income	20,839,551	15,308,776	36.1	20,764,073	18,981,676	9.4
Total operating income	803,479,060	732,581,847	9.7	831,807,647	771,419,546	7.8
Impairment charge on individual impairment	(36,713,018)	(5,752,748)	538.2	(36,713,018)	(5,752,748)	538.2
Impairment charge on collective impairment	(45,579,320)	(27,399,459)	66.4	(45,579,320)	(27,399,459)	66.4
Other loan losses reversal	1,619,180	13,576,861	(88.1)	1,619,180	13,576,861	(88.1)
Net operating income	722,805,902	713,006,501	1.4	751,134,489	751,844,200	(0.1)
Personnel expenses	(172,382,885)	(147,230,108)	17.1	(173,507,587)	(148,247,895)	17.0
Depreciation of property, plant and equipment	(76,368,880)	(70,593,761)	8.2	(76,679,312)	(71,655,179)	7.0
Amortization of intangible assets	(3,189,860)	(3,741,811)	(14.8)	(3,189,860)	(3,741,811)	(14.8)
Other expenses	(200,618,147)	(216,809,361)	(7.5)	(201,719,606)	(217,865,544)	(7.4)
Operating profit before value added tax on financial services	270,246,130	274,631,460	(1.6)	296,038,124	310,333,771	(4.6)
Value added tax on financial services	(51,641,620)	(46,110,488)	12.0	(51,641,620)	(46,110,488)	12.0
Profit before income tax	218,604,510	228,520,972	(4.3)	244,396,504	264,223,283	(7.5)
Income tax expense	(105,637,705)	(78,468,761)	34.6	(112,966,987)	(87,277,233)	29.4
Profit for the period	112,966,805	150,052,211	(24.7)	131,429,517	176,946,050	(25.7)
Earnings per share	1.56	2.07	(24.7)	1.81	2.44	(25.7)

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Statement of other comprehensive income

<i>For the three months period ended 30th June</i>	Company			Group		
	2018	2017	Change	2018	2017	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	112,966,805	150,052,211	(24.7)	131,429,517	176,946,050	(25.7)
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	(323,580)	5,243,389	(106.2)	(323,580)	5,243,389	(106.2)
Other comprehensive income for the period net of tax	(323,580)	5,243,389	(106.2)	(323,580)	5,243,389	(106.2)
Total comprehensive income for the period net of tax	112,643,225	155,295,600	(27.5)	131,105,937	182,189,439	(28.0)

Figures in brackets indicate deductions.

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Statement of financial position

As at	Company			Group		
	30.06.2018 Rs.	31.03.2018 Rs.	30.06.2017 Rs.	30.06.2018 Rs.	31.03.2018 Rs.	30.06.2017 Rs.
Assets						
Cash and cash equivalents	832,849,412	764,909,318	595,897,249	832,991,152	817,948,235	606,715,769
Deposits with licensed commercial banks	1,320,987,957	588,383,766	1,151,475,333	1,320,987,957	588,383,766	1,151,475,333
Repurchase agreements	503,381,517	2,899,624,179	406,185,465	503,381,517	2,899,624,179	406,185,465
Financial assets held at fair value through profit or loss	81,848,376	87,479,831	90,031,552	81,848,376	87,479,831	90,031,552
Finance leases	24,817,583,058	23,887,236,580	21,152,829,474	24,817,583,058	23,887,236,580	21,152,829,474
Hire purchases	117,963,642	162,468,190	478,301,588	117,963,642	162,468,190	478,301,588
Other loans and receivables	3,551,658,489	3,752,080,667	3,687,161,302	3,551,658,489	3,752,080,667	3,687,161,302
Financial assets available for sale	112,683,078	113,006,657	109,943,509	112,683,078	113,006,657	109,943,509
Financial assets held to maturity	980,696,235	967,518,989	909,633,121	980,696,235	967,518,989	909,633,121
Investments in subsidiaries	320,000,000	320,000,000	320,000,000	-	-	-
Investment property	378,430,895	379,280,895	78,721,895	280,810,383	281,660,383	272,355,236
Property, plant and equipment	1,479,804,208	1,366,616,928	1,364,376,141	1,484,716,401	1,371,811,835	1,369,997,706
Intangible assets	54,061,947	57,251,807	67,183,042	118,882,161	122,072,021	132,003,256
Current tax recoverable	-	77,799,351	72,045,431	-	47,706,913	54,918,561
Other assets	690,736,641	680,106,263	289,725,790	691,587,951	680,374,041	290,564,569
Total assets	35,242,685,455	36,103,763,421	30,773,510,892	34,895,790,400	35,779,372,287	30,712,116,441
Liabilities						
Due to banks	5,375,986,748	6,008,726,566	6,480,918,069	5,376,480,633	6,060,439,800	6,483,332,518
Deposits from customers	9,801,190,347	9,507,133,790	7,706,537,247	9,743,526,691	9,465,455,334	7,654,287,234
Other borrowings	8,923,764,147	9,367,632,765	6,617,103,696	8,923,764,147	9,367,632,765	6,617,103,696
Debt securities issued	3,028,405,007	3,127,018,895	2,992,147,771	3,028,405,007	3,127,018,895	2,992,147,771
Subordinated debentures	1,274,702,124	1,272,876,786	1,322,927,546	1,274,702,124	1,272,876,786	1,322,927,546
Deferred tax liabilities	827,665,562	860,680,871	669,435,580	827,576,480	860,605,400	671,477,147
Amounts payable to related company	291,688,799	291,578,050	3,729,780	-	-	-
Current tax liabilities	36,377,799	-	-	60,514,211	-	-
Other liabilities	526,503,715	555,520,066	542,012,001	532,945,883	559,772,416	550,112,584
Employee benefits	84,746,675	81,109,264	81,122,018	85,412,415	81,738,958	81,506,410
Total liabilities	30,171,030,923	31,072,277,053	26,415,933,708	29,853,327,591	30,795,540,354	26,372,894,906
Equity						
Stated capital	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680
Statutory reserve fund	365,036,033	365,036,033	310,036,033	369,997,079	369,997,079	310,190,064
Available for sale reserve	6,847,893	7,171,473	9,604,572	6,847,893	7,171,473	9,604,572
Retained earnings	3,111,907,926	3,071,416,182	2,450,073,899	3,077,755,157	3,018,800,701	2,431,564,219
Total equity	5,071,654,532	5,031,486,368	4,357,577,184	5,042,462,809	4,983,831,933	4,339,221,535
Total liabilities and equity	35,242,685,455	36,103,763,421	30,773,510,892	34,895,790,400	35,779,372,287	30,712,116,441
Net assets per share	69.98	69.42	66.81	69.58	68.77	66.52

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and the Finance Business Act No.42 of 2011

Sgd.

S D Bandaranayake
Additional Chief Executive Officer

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

Approved and signed for and on behalf of the Board.

Sgd.

Dr P Ramanujam
Deputy Chairman

Colombo, Sri Lanka
6th August 2018

Sgd.

L Balasuriya
Chief Executive Officer/Managing Director

Statement of changes in equity

	Stated capital	Statutory reserve fund	Available-for- sale reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Company					
Balance as at 1st April 2017	1,008,062,200	310,036,033	4,361,183	2,339,158,221	3,661,617,637
Total comprehensive income for the period					
Profit for the period	-	-	-	150,052,211	150,052,211
Other comprehensive income, net of tax	-	-	5,243,389	-	5,243,389
Total comprehensive income for the period	-	-	5,243,389	150,052,211	155,295,600
<i>Transactions with equity holders recognized directly in equity</i>					
Rights issue of shares	579,800,480	-	-	-	579,800,480
Dividends paid	-	-	-	(39,136,533)	(39,136,533)
Balance as at 30th June 2017	<u>1,587,862,680</u>	<u>310,036,033</u>	<u>9,604,572</u>	<u>2,450,073,899</u>	<u>4,357,577,184</u>
Balance as at 1st April 2018	1,587,862,680	365,036,033	7,171,473	3,071,416,182	5,031,486,368
Total comprehensive income for the period					
Profit for the period	-	-	-	112,966,805	112,966,805
Other comprehensive income, net of tax	-	-	(323,580)	-	(323,580)
Total comprehensive income for the period	-	-	(323,580)	112,966,805	112,643,225
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(72,475,061)	(72,475,061)
Balance as at 30th June 2018	<u>1,587,862,680</u>	<u>365,036,033</u>	<u>6,847,893</u>	<u>3,111,907,926</u>	<u>5,071,654,532</u>
Group					
Balance as at 1st April 2017	1,008,062,200	310,190,064	4,361,183	2,293,754,702	3,616,368,149
Total comprehensive income for the period					
Profit for the period	-	-	-	176,946,050	176,946,050
Other comprehensive income, net of tax	-	-	5,243,389	-	5,243,389
Total comprehensive income for the period	-	-	5,243,389	176,946,050	182,189,439
<i>Transactions with equity holders recognized directly in equity</i>					
Rights issue of shares	579,800,480	-	-	-	579,800,480
Dividends paid	-	-	-	(39,136,533)	(39,136,533)
Balance as at 30th June 2017	<u>1,587,862,680</u>	<u>310,190,064</u>	<u>9,604,572</u>	<u>2,431,564,219</u>	<u>4,339,221,535</u>
Balance as at 1st April 2018	1,587,862,680	369,997,079	7,171,473	3,018,800,701	4,983,831,933
Total comprehensive income for the period					
Profit for the period	-	-	-	131,429,517	131,429,517
Other comprehensive income, net of tax	-	-	(323,580)	-	(323,580)
Total comprehensive income for the period	-	-	(323,580)	131,429,517	131,105,937
<i>Transactions with equity holders recognized directly in equity</i>					
Dividends paid	-	-	-	(72,475,061)	(72,475,061)
Balance as at 30th June 2018	<u>1,587,862,680</u>	<u>369,997,079</u>	<u>6,847,893</u>	<u>3,077,755,157</u>	<u>5,042,462,809</u>

Figures in brackets indicate deductions.

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Statement of cash flows

For the period ended 30th June	Company		Group	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash flows from operating activities				
Interest and commission receipts	1,555,292,589	1,300,021,271	1,582,634,210	1,334,231,791
Interest payments	(1,027,771,613)	(884,055,151)	(1,026,709,169)	(883,100,872)
Recoveries of bad debts	8,020,406	14,190,800	8,020,406	14,190,800
Other operating income	9,848,899	1,836,249	9,773,421	5,509,149
Operating expenditure	(261,668,320)	(267,111,353)	(262,769,779)	(268,167,536)
Cash payments to employees	(165,039,424)	(144,133,533)	(166,128,080)	(145,115,884)
Operating cash flow before changes in operating assets and liabilities (Note A)	118,682,537	20,748,283	144,821,009	57,547,448
Changes in operating assets and liabilities				
Net funds advanced to customers	(608,959,019)	(1,371,512,717)	(608,959,019)	(1,371,512,717)
Deposits from customers	294,056,557	475,664,682	278,071,359	449,772,682
Deposits with licensed commercial banks	(728,864,691)	1,281,121,463	(728,864,691)	1,281,121,463
Government and other securities	2,383,065,416	579,082,785	2,383,065,416	579,082,785
Other assets	(10,630,378)	(109,953,513)	(11,213,910)	(114,075,235)
Other liabilities	(22,909,401)	(58,116,208)	(25,973,569)	(62,360,494)
	1,305,758,484	796,286,492	1,286,125,586	762,028,484
Net cash flow from operating activities before taxation				
Taxes paid	(30,803,451)	(27,615,953)	(38,959,133)	(34,405,258)
Gratuity paid	(3,706,050)	(474,306)	(3,706,050)	(474,306)
Net cash generated from operating activities	1,389,931,520	788,944,516	1,388,281,412	784,696,368
Cash flows from investing activities				
Net investment in trading securities	3,391,001	(1,469,024)	3,391,001	(1,469,024)
Net investment in financial assets available for sale	-	(25,000,000)	-	(25,000,000)
Dividends received on investments	560,410	798,966	560,410	798,966
Purchase of property, plant and equipment	(199,748,718)	(78,251,223)	(199,776,438)	(78,251,223)
Proceeds from sale of property, plant and equipment	21,472,838	23,199,002	21,472,838	23,199,002
Net cash used in investing activities	(174,324,469)	(80,722,279)	(174,352,189)	(80,722,279)
Cash flows from financing activities				
Proceeds from rights issue	-	579,800,480	-	579,800,480
Repayment of loans	(1,073,648,021)	(737,099,804)	(1,073,648,021)	(737,099,804)
Redemption of debenture	-	(585,753,500)	-	(585,753,500)
Dividends paid	(72,143,675)	(38,967,958)	(72,143,675)	(38,967,958)
Net cash used in financing activities	(1,145,791,696)	(782,020,782)	(1,145,791,696)	(782,020,782)

Figures in brackets indicate deductions.

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Statement of cash flows (Continued)

For the period ended 30th June	Company		Group	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Net increase/ (decrease) in cash and cash equivalents	69,815,355	(73,798,545)	68,137,527	(78,046,693)
Cash and cash equivalents at the beginning of the period	682,075,540	433,920,646	683,401,223	446,572,865
Cash and cash equivalents at the end of the period	<u>751,890,895</u>	<u>360,122,101</u>	<u>751,538,750</u>	<u>368,526,172</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	832,849,412	595,897,249	832,991,152	606,715,769
Bank overdrafts	(80,958,517)	(235,775,148)	(81,452,402)	(238,189,597)
	<u>751,890,895</u>	<u>360,122,101</u>	<u>751,538,750</u>	<u>368,526,172</u>
Note A				
Reconciliation of operating profit				
Profit before income tax	218,604,510	228,520,972	244,396,504	264,223,283
Depreciation	79,558,740	74,335,572	79,869,172	75,396,990
Dividend receipts on investments	(560,410)	(798,966)	(560,410)	(798,966)
Profit on disposal of motor vehicles	(10,430,282)	(12,673,604)	(10,430,282)	(12,673,604)
Provision for defined benefit plan	7,343,461	3,096,575	7,379,507	3,132,011
Impairment charge on financial assets	82,292,338	33,152,207	82,292,338	33,152,207
(Gain) / Loss on mark to market valuation of shares	3,608,782	(8,529,978)	3,608,782	(8,529,978)
Gain on sale of shares	(1,368,327)	-	(1,368,327)	-
Loss on foreign currency balances	40	43	40	43
Interest accrued on loans and advances	(158,753,071)	(222,343,792)	(158,753,071)	(222,343,792)
Accrued interest on borrowings	(4,824,694)	17,946,045	(4,824,694)	17,946,045
Accrued interest on debentures	(96,788,550)	(91,956,791)	(96,788,550)	(91,956,791)
	<u>118,682,537</u>	<u>20,748,283</u>	<u>144,821,009</u>	<u>57,547,448</u>

Figures in brackets indicate deductions.

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Segment report

As at 30th June	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments		Insurance Brokering		Unallocated		Total		
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	
Revenue																	
<i>External customers</i>																	
Interest	1,355,833,526	1,124,083,745	10,182,536	47,348,738	51,752,275	34,196,231	177,014,302	182,141,545	94,609,872	104,845,750	-	-	-	-	1,689,392,511	1,492,616,009	
Trading	-	-	-	-	-	-	-	-	(2,240,455)	8,529,978	-	-	23,764	21,104	(2,216,691)	8,551,082	
Commissions	-	-	-	-	-	-	-	-	-	-	27,058,874	33,706,212	-	-	27,058,874	33,706,212	
Rent	-	-	-	-	-	-	-	-	4,789,700	4,727,900	-	-	-	-	4,789,700	4,727,900	
Dividends	-	-	-	-	-	-	-	-	560,410	798,966	-	-	-	-	560,410	798,966	
Other income	7,929,406	13,659,996	-	-	-	-	-	-	10,430,282	12,673,604	-	-	21,966,407	17,353,468	40,326,095	43,687,068	
Total revenue	1,363,762,932	1,137,743,741	10,182,536	47,348,738	51,752,275	34,196,231	177,014,302	182,141,545	108,149,809	131,576,198	27,058,874	33,706,212	21,990,171	17,374,572	1,759,910,899	1,584,087,237	
Profit before tax																244,396,504	264,223,283
Taxation																(112,966,987)	(87,277,233)
Profit after tax																131,429,517	176,946,050
Segment Assets	24,817,583,058	21,152,829,474	117,963,642	478,301,588	1,053,381,016	735,458,773	2,498,277,473	2,951,702,529	4,814,273,701	4,177,550,058	5,905,241	16,815,212	1,588,406,269	1,199,458,807	34,895,790,400	30,712,116,441	
Segment Liabilities	23,469,805,313	19,344,194,812	175,237,303	805,034,718	890,635,601	581,412,607	3,046,344,132	3,096,814,689	1,861,214,220	2,237,090,405	21,724,348	5,917,700	388,366,674	302,429,975	29,853,327,591	26,372,894,906	
Information on Cash flows																	
Operating activities	(123,718,013)	(627,305,478)	48,276,294	65,363,932	(2,406,564)	(31,010,573)	49,228,362	(66,016,567)	1,505,795,076	1,551,813,751	(2,637,074)	(8,875,327)	(86,256,669)	(99,273,370)	1,388,281,412	784,696,368	
Investing activities	-	-	-	-	-	-	-	-	3,951,411	(25,670,058)	-	-	21,472,838	23,199,002	25,424,249	(2,471,056)	
Capital expenditure	(142,083,597)	(52,327,765)	(675,356)	(355,905)	(6,030,731)	(2,176,772)	(14,302,934)	(6,042,596)	(27,562,286)	(13,935,698)	(27,721)	-	(9,093,813)	(3,412,487)	(199,776,438)	(78,251,223)	
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	(1,145,791,696)	(782,020,782)	(1,145,791,696)	(782,020,782)	
Net cash flow	(265,801,610)	(679,633,243)	47,600,938	65,008,027	(8,437,295)	(33,187,345)	34,925,428	(72,059,163)	1,482,184,201	1,512,207,995	(2,664,795)	(8,875,327)	(1,219,669,340)	(861,507,637)	68,137,527	(78,046,693)	
Depreciation and amortisation	(64,861,270)	(60,480,177)	(308,300)	(411,354)	(2,753,033)	(2,515,903)	(6,529,300)	(6,984,003)	(850,000)	-	(310,432)	(303,929)	(4,256,837)	(4,701,624)	(79,869,172)	(75,396,990)	

Selected Performance Indicators

<i>As at 30th June</i>	2018	2017	Minimum Requirement
Regulatory Capital Adequacy			
Core Capital (Tier 1) Rs. '000	5,024,315	4,237,057	
Total Capital Base (Tier 2) Rs. '000	5,259,809	4,722,288	
Core Capital Adequacy Ratio, as % of Risk Weighted Assets	16.41%	15.68%	5%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets	17.17%	17.47%	10%
Capital funds to Deposit Liabilities Ratio	51.75%	56.54%	
<i>Computed as per CBSL guidelines</i>			
Asset Quality (Quality of Loan Portfolio)			
Gross Non-Performing Accommodations Rs. '000	929,846	468,205	
Gross Non-Performing Accommodations Ratio, %	3.21%	1.82%	
Net Non-Performing Accommodations Ratio, %	1.45%	0.50%	
<i>Computed as per CBSL guidelines (Net of IIS)</i>			
Profitability			
Interest Margin	10.09%	11.07%	
Return on Assets (before Tax)	3.27%	4.08%	
Return on Equity (after Tax)	9.58%	16.18%	
Regulatory Liquidity (Rs. '000)			
Required minimum amount of Liquid Assets	1,529,669	1,419,131	10%
Available amount of Liquid Assets	3,245,411	1,979,023	
Required minimum amount of Government Securities	1,092,624	876,255	7.5%
Available amount of Government Securities	1,298,740	899,935	
<i>Computed as per CBSL guidelines</i>			
Debt			
Debt-to-Equity ratio (time)	3.65	3.94	
Interest cover (time)	1.24	1.28	
Memorandum information			
Number of employees	759	708	
Number of branches	55	49	
Number of service centers	41	41	
Number of pawning centers	23	18	

The above figures are provisional and subject to audit.

Notes to the Financial Statements

1 General

The financial statements of the Company are prepared on the basis of the accounting policies and methods of computation applied in the year ended March 31, 2018 and are in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS). The interim financial statements are prepared in compliance with Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

2 Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”

The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the “Incurred Loss Model” in LKAS 39 with forward looking “Expected Loss Model (“ECL”) which requires considerable judgement over how changes in economic factors affect ECL, which in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.

Based on the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by The Institute of Chartered Accountants of Sri Lanka, entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement, Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied or if that determination is impracticable.

Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended June 30, 2018 based on LKAS 39.

The Company has assessed the impact on transition based on gap analysis. Analysis for the quantification of the impact is underway for the financial years 2016/17 and 2017/18 with the assistance of external consultants.

- 3 There were no material changes in the composition of assets, liabilities and contingent liabilities during the period
- 4 All known expenses have been provided for in these financial statements.
- 5 The Board of Directors has declared following Dividend payments,

Year	Dividend	Dividend per share Rs.	Total amount paid Rs.	Date of payment
2017/18	Third interim	1.00	72,475,061.00	May 03, 2018
2017/18	Final dividend	0.95	68,851,307.95	July 10, 2018

6 Debenture Information

6.1 Debenture issue -November 2016

Utilization of funds raised via capital market Debenture Issue as at August 06, 2018

Objective Number	Objective as per Prospectus	Amount Allocated as per Prospectus	Proposed date of utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Leasing	LKR 2.7 Bn	Within 6 months from the date of allotment	LKR 2.7 Bn	90%	LKR 2.7 Bn	100%	N/A
2	Loans and advances	LKR 300 Mn	Within 6 months from the date of allotment	LKR 300 Mn	10%	LKR 300 Mn	100%	N/A

Notes to the Financial Statements (Continued)

6.2 Information on listed debenture

Type of Debenture	Last traded Rs.	Annual effective %	Current yield %	Yield to maturity %
2 year - 12.50 % payable Semi- Annually	99.96	12.89%	12.40%	6.27%
3 year - 6 months gross T-bill rate + 1.50 % payable Semi-annually	Not traded	9.56%	Not traded	Not traded
3 year - 13.25 % payable Semi- Annually	Not traded	13.69%	Not traded	Not traded
4 year - 6 months gross T-bill rate + 1.75 % payable Semi-annually	Not traded	9.79%	Not traded	Not traded
4 year - 13.75 % payable Semi- Annually	100.00	14.22%	13.73%	6.88%
5 year - 15.00% payable quarterly	Not traded	15.87%	Not traded	Not traded

6.3 Interest rate of comparable government securities

As at	30.06.2018	30.06.2017
6 month Treasury bill	8.85%	10.29%
2 year Treasury bond	9.80%	10.80%
3 year Treasury bond	10.00%	11.10%
4 year Treasury bond	10.30%	11.30%
5 year Treasury bond	10.50%	11.40%

7 Share information

7.1 Directors' shareholdings

The number of shares held by the Board of Directors and their close family members are as follows

As at	30.06.2018
1. Dr. M. Balasuriya	4,172,046
2. Dr. A. Balasuriya & Mr. D. Balasuriya	2,086,023
3. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,086,023
4. Dr. A. Balasuriya & Mr. S. Balasuriya	2,086,022
5. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,086,022
6. Mrs. L. Fernando & Ms. S.A. Fernando	1,166,232
7. Mrs. L. Fernando & Mr. A. R. Fernando	1,166,231
8. Mrs. L. Fernando & Ms. A.L. Fernando	1,166,231
9. Mr. W. A. T. Fernando	Nil
10. Dr. P. Ramanujam	Nil
11. Mr. S. D. Bandaranayake	Nil
12. Mr. D.T.P.Collure	Nil
13. Mr. W.M.R.S. Dias	Nil
14. Mr. Senanayakege R. Pushpakumara	Nil

7.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

As at	30.06.2018
1. Mr. P.P.K. Ikiriwatta	16,977
2. Mr. J.K. Jayathilake	16,963

Notes to the Financial Statements (Continued)

7.3 Stated Capital

Stated capital is represented by the number of shares in issue as set out below:

As at	30.06.2018	31.03.2018
Ordinary shares	72,475,061	72,475,061

7.4 The 20 largest shareholders of the company as at June 30, 2018 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	40,774,460	56.26
2. Hallsville Trading Group Inc.	5,954,393	8.22
3. Dr. M. Balasuriya	4,172,046	5.76
4. Dr. (Mrs.) G. Madan Mohan	4,172,045	5.76
5. Mr. R. Balasuriya	4,172,045	5.76
6. Dr. A. Balasuriya & Mr. D. Balasuriya	2,086,023	2.88
7. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,086,023	2.88
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,086,022	2.88
9. Dr. A. Balasuriya & Mr. S. Balasuriya	2,086,022	2.88
10. Mrs.L. Fernando & Ms.S.A. Fernando	1,166,232	1.61
11. Mrs. L. Fernando & Mr. A. R.Fernando	1,166,231	1.61
12. Mrs. L. Fernando & Ms. A.L. Fernando	1,166,231	1.61
13. Mr. D. K. C. R. Fernando	673,348	0.93
14. Mrs. Chandra Fernando	172,888	0.24
15. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.24
16. Mrs. S. Thaha	158,483	0.22
17. Mr. I. M. Thaha	144,073	0.20
18. Mr. M. M. Ariyaratne	31,653	0.04
19. Mr. P. P. K. Ikiriwatte	16,977	0.02
20. Mr. J. K. Jayatileke	16,963	0.02
	72,475,046	

7.5 The percentage of shares held by the public on June 30, 2018 was 21.60% (2017 - 21.60%) and is distributed among 09 Shareholders (2017 - 09 Shareholders) .

Notes to the Financial Statements (Continued)

7.6 Rights issue - April 2017

Utilization of funds raised via the Rights Issue as at August 06, 2018

Objective No	Objective as per Circular	Amount Allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Maintain a higher capital adequacy	LKR 579,800,480	31st March 2017	LKR 579,800,480	100%	LKR 579,800,480	100%	N/A
2	Increase the loan book	LKR 579,800,480	One month from receipt (i.e. 24th May 2017)	LKR 579,800,480	100%	LKR 579,800,480	100%	N/A

7.7 Information on Ratios and Share Prices

As at	30.06.2018	30.06.2017
Dividend per share (Rs.)	1.00	0.60
Net Assets per share (Rs.)	69.98	66.81
Market Prices		
- Highest price	Not traded	Not traded
- Lowest price	Not traded	Not traded
- Last traded price	Not traded	Not traded

8 Events after the Reporting period

There were no material events occurring after the reporting period that require adjustment to or disclose in the Financial Statements.

The company has been affirmed a long - term rating of BBB+ (Ika) with a stable outlook by Fitch Ratings Lanka Limited.