

UNAUDITED FINANCIAL STATEMENTS

For the Period ended 30th September 2022



Rating ICRA " [SL] BBB+
(Stable Outlook)"

Co.Reg.No. PQ10

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Profit or Loss

	Company						Group					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000	
Income	1,818,157	1,408,870	29.1	4,752,684	4,259,184	11.6	2,073,630	1,500,886	38.2	5,251,796	4,520,941	16.2
Interest and similar income	1,657,202	1,301,920	27.3	4,661,339	4,015,504	16.1	1,742,512	1,318,937	32.1	4,828,723	4,067,998	18.7
Interest and similar expenses	1,430,997	658,991	117.1	3,216,620	2,045,447	57.3	1,425,468	661,448	115.5	3,214,302	2,049,974	56.8
Net interest income	226,205	642,929	(64.8)	1,444,719	1,970,057	(26.7)	317,044	657,489	(51.8)	1,614,420	2,018,024	(20.0)
Fee and commission income	26,702	45,540	(41.4)	98,337	120,068	(18.1)	33,048	44,121	(25.1)	102,937	115,631	(11.0)
Fee and commission expenses	1,171	7,885	(85.1)	17,017	26,824	(36.6)	(2,583)	3,092	(183.5)	4,253	13,417	(68.3)
Net fee and commission income	25,531	37,655	(32.2)	81,320	93,244	(12.8)	35,630	41,029	(13.2)	98,684	102,214	(3.5)
Insurance premium income	-	-	-	-	-	-	100,459	75,398	33.2	269,272	208,880	28.9
Net claims and benefits	-	-	-	-	-	-	(80,817)	(30,627)	(163.9)	(234,108)	(97,036)	(141.3)
Net trading income	16,083	(23,267)	169.1	1,110	(1,852)	160.0	16,083	(23,267)	169.1	1,110	(1,852)	160.0
Net gain/(loss) on financial instruments at fair value through profit or loss	97,333	36,073	169.8	(72,881)	7,204	(1,111.7)	98,929	36,584	170.4	(79,086)	7,154	(1,205.5)
Other operating income	20,838	48,604	(57.1)	64,779	118,261	(45.2)	82,599	49,113	68.2	128,839	123,131	4.6
Total operating income	385,989	741,994	(48.0)	1,519,048	2,186,913	(30.5)	569,927	805,719	(29.3)	1,799,132	2,360,514	(23.8)
Impairment charge/(reversal) from loans and other losses	(104,927)	162,669	(164.5)	90,130	310,420	(71.0)	(104,927)	162,669	(164.5)	90,130	310,420	(71.0)
Net operating income	490,917	579,325	(15.3)	1,428,918	1,876,493	(23.9)	674,854	643,050	4.9	1,709,002	2,050,094	(16.6)
Personnel expenses	317,458	289,376	9.7	1,010,958	875,229	15.5	367,657	330,922	11.1	1,151,544	997,424	15.5
Depreciation and amortisation	64,619	53,066	21.8	201,422	193,534	4.1	73,477	59,592	23.3	225,976	211,659	6.8
Other operating expenses	156,044	123,104	26.8	478,148	397,575	20.3	263,283	152,927	72.2	570,572	467,622	22.0
Total operating expense	538,121	465,545	15.6	1,690,527	1,466,337	15.3	704,417	543,441	29.6	1,948,093	1,676,705	16.2
Profit/(loss) from operations	(47,205)	113,780	(141.5)	(261,610)	410,156	(163.8)	(29,563)	99,610	(129.7)	(239,090)	373,389	(164.0)
Impairment charge/(reversal) from investment in Subsidiary companies	8,429	1,074	684.7	113,773	16,019	610.2	-	-	-	-	-	-
Impairment charge/(reversal) from investment in Associate companies	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) from operations after impairment from subsidiary investments	(55,633)	112,706	(149.4)	(375,383)	394,137	(195.2)	(29,563)	99,610	(129.7)	(239,090)	373,389	(164.0)
Value added tax (VAT) & Nation building tax (NBT) on financial services	24,399	52,597	(53.6)	86,753	165,225	(47.5)	24,399	52,597	(53.6)	86,753	165,225	(47.5)
Share of associate companies profit/(loss) before tax	-	-	-	-	-	-	21,016	33,547	(37.4)	47,310	75,448	(37.3)
Profit/(loss) before income tax	(80,033)	60,109	(233.1)	(462,136)	228,912	(301.9)	(32,946)	80,560	(140.9)	(278,534)	283,612	(198.2)
Income tax expense/(reversal)	(43,436)	18,350	(336.7)	(41,244)	46,872	(188.0)	(37,552)	27,744	(235.4)	(27,969)	67,997	(141.1)
Profit/(loss) for the period	(36,596)	41,758	(187.6)	(420,892)	182,041	(331.2)	4,606	52,816	(91.3)	(250,565)	215,615	(216.2)
Profit/(loss) for the period attributable to:												
Equity holders of the parent	(36,596)	41,758	(187.6)	(420,892)	182,041	(331.2)	(3,543)	59,361	(106.0)	(260,967)	232,597	(212.2)
Non controlling interests	-	-	-	-	-	-	8,149	(6,545)	224.5	10,402	(16,983)	161.2
Profit/(loss) for the period	(36,596)	41,758	(187.6)	(420,892)	182,041	(331.2)	4,606	52,816	(91.3)	(250,565)	215,615	(216.2)
Earnings per share:												
Basic/Diluted earnings/(loss) per share (LKR)	(0.07)	0.25	(128.2)	(0.48)	1.08	(144.2)	(0.01)	0.35	(101.9)	(0.30)	1.38	(121.4)

Merchant Bank of Sri Lanka & Finance PLC
Unaudited Statement of Comprehensive Income

	Company						Group					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %	9/30/2022 (Unaudited)	9/30/2021 (Unaudited)	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
Profit/(loss) for the period	(36,596)	41,758	(187.6)	(420,892)	182,041	(331.2)	4,606	52,816	(91.3)	(250,565)	215,615	(216.2)
Other comprehensive income/(expense) for the period												
Actuarial gains/(losses) on defined benefit plans	-	-	-	86,084	-	-	-	-	-	86,084	-	-
Fair value reserves (Financial investments at fair value through other comprehensive income):												
Gains/(Losses) on re-measuring financial investments at fair value through other comprehensive income	-	1,250	(100.0)	(7,988)	1,250	(739.0)	(45,626)	(2,442)	(1,768.0)	(55,655)	(4,398)	(1,165.6)
Other comprehensive income/(expense) before tax	-	1,250	(100.0)	78,096	1,250	6,147.7	(45,626)	(2,442)	(1,768.0)	30,429	(4,398)	792.0
Deferred tax (charge)/credit relating to components of other comprehensive income	(41,321)	-	-	(20,660)	-	-	(41,321)	-	-	(20,660)	-	-
Other comprehensive income/(expense) for the period, net of tax	(41,321)	1,250	(3,405.6)	57,436	1,250	4,494.9	(86,947)	(2,442)	(3,459.8)	9,769	(4,398)	322.1
Total comprehensive income/(expense) for the period, net of tax	(77,917)	43,008	(281.2)	(363,456)	183,291	(298.3)	(82,340)	50,374	(263.5)	(240,797)	211,217	(214.0)
Total comprehensive income/(expense) attributable to:												
Equity holders of the parent	(77,917)	43,008	(281.2)	(363,456)	183,291	(298.3)	(69,415)	58,624	(218.4)	(229,181)	230,808	(199.3)
Non controlling interests	-	-	-	0	-	-	(12,926)	(8,251)	(56.7)	(11,616)	(19,591)	40.7
	(77,917)	43,008	(281.2)	(363,456)	183,291	(298.3)	(82,340)	50,374	(263.5)	(240,797)	211,217	(214.0)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Financial Position

as at	Company			Group		
	9/30/2022	12/31/2021	Change	9/30/2022	12/31/2021	Change
	(Unaudited)	(Audited)	%	(Unaudited)	(Audited)	%
	LKR '000	LKR '000		LKR '000	LKR '000	
Assets						
Cash and cash equivalents	521,436	1,191,374	(56.2)	735,876	1,436,435	(48.8)
Placements with banks & financial institutions	105,639	246,166	(57.1)	150,463	535,292	(71.9)
Financial investments at fair value through profit or loss	330,346	341,547	(3.3)	337,808	355,214	(4.9)
Loans & receivables at amortised cost	28,672,857	28,184,638	1.7	28,588,854	28,016,693	2.0
Financial investments at fair value through other comprehensive income	18,610	1,989,169	(99.1)	1,645,066	3,415,338	(51.8)
Financial investments at amortised cost	4,225,170	-	-	4,225,170	-	-
Real Estate Stock	110,573	175,816	(37.1)	110,573	175,816	(37.1)
Investment in associate company	81,084	81,084	-	167,834	131,399	27.7
Investment in subsidiary	257,631	371,404	(30.6)	-	-	-
Investment properties	105,524	107,704	(2.0)	105,524	107,703	(2.0)
Property, equipment and right-of-use assets	535,085	607,185	(11.9)	671,354	742,708	(9.6)
Intangible assets	101,086	128,578	(21.4)	101,086	128,578	(21.4)
Deferred tax Assets	-	-	-	4,111	4,111	(0.0)
Other assets	201,341	852,795	(76.4)	509,316	1,220,370	(58.3)
Total assets	35,266,382	34,277,459	2.9	37,353,036	36,269,656	3.0
Liabilities						
Due to banks	4,363,590	4,116,812	6.0	4,371,105	4,133,305	5.8
Due to customers at amortised cost	25,778,274	22,267,862	15.8	25,618,268	22,201,604	15.4
Debt issued and borrowed funds at amortised cost	25,883	2,381,579	(98.9)	112,543	2,381,579	(95.3)
Insurance provision - life	-	-	-	347,147	416,634	(16.7)
Insurance provision - non life	-	-	-	669,701	511,538	30.9
Current tax liabilities	84,097	178,898	(53.0)	84,097	178,898	(53.0)
Deferred tax liabilities	57,717	78,301	(26.3)	57,717	78,301	(26.3)
Other liabilities	909,199	764,118	19.0	1,308,386	1,269,913	3.0
Retirement benefits obligations	242,124	320,934	(24.6)	257,305	332,724	(22.7)
Total liabilities	31,460,884	30,108,504	4.5	32,826,270	31,504,496	4.2
Equity						
Stated capital	4,276,448	4,276,448	-	4,276,448	4,276,448	-
Retained earnings	(783,315)	(427,847)	(83.1)	(444,639)	(251,498)	(76.8)
OCI reserve	(27,630)	(19,642)	(40.7)	(57,498)	(23,860)	(141.0)
Statutory reserves	339,996	339,996	-	339,996	339,996	0.0
Total equity attributable to the parent	3,805,499	4,168,955	(8.7)	4,114,307	4,341,086	(5.2)
Non controlling interests	-	-	-	412,459	424,075	(2.7)
Total equity	3,805,499	4,168,955	(8.7)	4,526,766	4,765,161	(5.0)
Total liabilities and equity	35,266,382	34,277,459	2.9	37,353,036	36,269,656	3.0
Commitments and contingencies	107,300	124,250	(13.6)	147,880	190,086	(22.2)
Net assets value per share (LKR)	7.25	7.95	(8.7)	7.84	8.28	(5.2)

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007

(sgd.)

P. I. Kandanaarachchi
Head of Finance

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.)

Mr. A. M. A. Perera
Director

Colombo, Sri Lanka
09/Nov/2022

(sgd.)

H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer

(sgd.)

Mr. M. P. R. Kumara
Director

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Changes in Equity

Company	Stated capital LKR ' 000	Statutory reserves LKR ' 000	OCI reserve LKR ' 000	Retained profits LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2021	2,124,457	234,613	2,575	(893,794)	1,467,851
Net profit/(loss) for the period	-	-	-	182,041	182,041
Other comprehensive income	-	-	1,250	-	1,250
Issue of ordinary shares through right issue	2,151,991	-	-	-	2,151,991
Transaction cost related to rights issue	-	-	-	(923)	(923)
Balance as at 30th September 2021	4,276,448	234,613	3,825	(712,676)	3,802,210
Balance as at 01st January 2022	4,276,448	339,996	(19,642)	(427,847)	4,168,955
Net profit/(loss) for the period	-	-	-	(420,892)	(420,892)
Other comprehensive income	-	-	(7,988)	65,424	57,436
Balance as at 30th September 2022	4,276,448	339,996	(27,630)	(783,315)	3,805,499

Group	Stated Capital LKR ' 000	Statutory reserves LKR ' 000	OCI reserve LKR ' 000	Retained profits LKR ' 000	Non controlling interest LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2021	2,124,457	234,613	3,157	(714,093)	475,282	2,123,416
Net profit/(loss) for the period	-	-	-	232,597	(16,983)	215,614
Other comprehensive income	-	-	(1,789)	-	(2,609)	(4,398)
Issue of ordinary shares through right issue	2,151,991	-	-	-	-	2,151,991
Transaction cost related to rights issue	-	-	-	(923)	-	(923)
Balance as at 30th September 2021	4,276,448	234,613	1,368	(482,419)	455,690	4,485,700
Balance as at 01st January 2022	4,276,448	339,996	(23,860)	(251,498)	424,075	4,765,161
Net profit/(loss) for the period	-	-	-	(260,967)	10,402	(250,565)
Prior year adjustment made to share of associate company profit	-	-	-	2,401	-	2,401
Other comprehensive income	-	-	(33,638)	65,424	(22,018)	9,769
Balance as at 30th September 2022	4,276,448	339,996	(57,498)	(444,639)	412,459	4,526,766

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Cash Flows

For the period ended 30th September

	Company		Group	
	2022 (Unaudited) LKR '000	2021 (Unaudited) LKR '000	2022 (Unaudited) LKR '000	2021 (Unaudited) LKR '000
Cash flows from operating activities				
Profit before income tax	(462,136)	228,912	(278,534)	283,612
Adjustments for :				
Net Interest Income	(1,444,719)	(1,970,057)	(1,614,420)	(2,018,024)
Impairment charges for loans and other losses	90,130	310,420	90,130	310,420
Impairment (reversal)/charge of investment in subsidiary	113,773	16,019	-	-
Share of associate company's profit/(loss) before tax	-	-	(47,310)	(75,448)
Depreciation and amortisation	201,422	193,534	225,976	211,659
Profit from sales of real estate	(23,615)	(34,653)	(23,615)	(34,653)
Profit from sales of property & equipment	(521)	(49)	(521)	(49)
Dividend income from financial assets	(4,790)	(23,720)	(4,940)	(23,745)
Contribution to defined benefit plans	37,891	16,398	41,806	20,652
Fair value change of financial assets	72,881	(8,177)	25,214	(13,824)
	(1,419,685)	(1,271,374)	(1,586,215)	(1,339,400)
Interest paid to customers at amortised cost	(2,279,094)	(1,510,511)	(2,279,094)	(1,510,511)
Interest paid on other borrowings	(958,826)	(461,323)	(990,292)	(503,765)
Interest received on loans & receivables at amortised cost	4,359,047	4,139,721	4,359,047	4,139,721
Interest received on other investment	355,194	161,863	556,362	252,272
Gratuity paid	(30,617)	(13,935)	(31,140)	(15,175)
Change in operating assets				
Loans & receivables at amortised cost	(670,730)	(432,777)	(669,362)	(432,907)
Other operating assets	581,613	124,419	629,101	(36,728)
Change in operating liabilities				
Due to customers at amortised cost	3,434,676	250,097	3,434,676	250,097
Payments made under operating leases	145,461	136,521	21,771,515	13,778,229
Insurance provision	-	-	88,676	(17,900)
Other liabilities	(125,691)	(242,645)	(21,771,740)	(13,762,523)
Net cash generated from/(used in) operating activities before tax	3,391,348	880,056	3,511,533	801,410
Income tax paid	-	-	-	-
Net cash generated from/(used in) operating activities	3,391,348	880,056	3,511,533	801,410
Cash flows from investing activities				
Net increase/(decrease) in financial investments at FVTOCI	-	-	(200,287)	(200,980)
Net increase/(decrease) in financial investments at amortised cost	(2,213,218)	96,860	(2,213,218)	96,860
Net (increase)/decrease in placements with banks & financial institutions	134,421	(89,840)	284,975	23,194
Net (increase)/decrease in investment of government securities at FVTPL	99,922	(254,165)	99,922	(254,165)
Net (increase)/decrease in other financial investments at FVTPL	(165,402)	(44,997)	(159,197)	(44,947)
Proceeds from real estate stock	88,858	154,851	88,858	154,851
Purchase of property & equipment	(29,832)	(33,977)	(43,020)	(40,421)
Purchase of intangible assets	-	(2,451)	-	(2,451)
Proceeds from sale of property & equipment	543	92	543	92
Dividends received	4,790	23,720	4,940	23,745
Net cash generated from/(used in) investing activities	(2,079,918)	(149,907)	(2,136,483)	(244,224)
Cash flows from financing activities				
Net increase/(decrease) reverse repo agreements	567,584	(22,778)	567,584	(22,778)
Net increase/(decrease) in other borrowings at amortised cost	(2,034,596)	(2,265,863)	(2,119,859)	(2,309,220)
Proceeds from rights issue of shares	-	2,151,991	-	2,151,991
Transaction cost related to rights issue	-	(923)	-	(923)
Net cash generated from/(used in) financing activities	(1,467,012)	(137,573)	(1,552,276)	(180,931)
Net increase / (decrease) in cash and cash equivalents during the period	(155,582)	592,576	(177,226)	376,256
Cash and cash equivalents at the beginning of the period	416,172	334,418	644,740	1,849,929
Cash and cash equivalents at the end of the period	260,590	926,994	467,515	2,226,184
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	521,441	1,092,193	735,881	2,399,514
Dues to banks	(260,850)	(165,199)	(268,366)	(173,330)
	260,590	926,994	467,515	2,226,184

Reporting entity

Merchant Bank of Sri Lanka & Finance PLC is a public quoted company incorporated and domiciled in Sri Lanka on 04 March 1982. The registered office and principal place of business of the Company is located at the Bank of Ceylon Merchant Tower, No. 28, St Michael's Road, Colombo 03. The shares of the Company are listed in the Colombo Stock Exchange.

In the opinion of the Directors, the Company's parent enterprise and its ultimate parent enterprise is Bank of Ceylon.

The consolidated Financial Statements comprises of the Company, it's subsidiary: MBSL Insurance Company Ltd and it's interest in associate; Lanka Securities Ltd.

The consolidated Financial Statements for the period ended were authorized for issue on 9th November 2022, in accordance with the resolution of the Directors passed on 9th November 2022.

Basis of preparation and accounting policies

The interim condensed Financial Statements for the period ended 30th September 2022 have been prepared in accordance with LKAS 34 - 'Interim Financial Reporting'. The interim condensed consolidated Financial Statements do not include all the information and disclosures required in the annual Financial Statements, and should be read in conjunction with the Group's annual Financial Statements.

There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Audited Financials for the year 2020.

All known expenses including fees and similar expenses have been provided in this Financial Statements.

Impact of COVID 19 on business

The Company has taken steps to mitigate the risks of operating, credit and liquidity as a result of COVID 19. As per the directions and guidelines of the Central Bank of Sri Lanka, Company has provided debt moratoriums for the affected customers and adjusted the impact to the financial statements as per the guidelines issued by the CA Sri Lanka.

IMPACT DUE TO CURRENT ECONOMIC CONDITION

As at 30.09.2022, inflation rate was 69.8%. Exchange rates observed an insignificant fluctuation after the balance sheet date. The Monetary Board of the Central Bank of Sri Lanka (CBSL) has decided to maintain the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) at current level of 14.50% and 15.50% respectively. The depletion of foreign reserves has put restrictions on imports and affected supplies. The Company has taken the following measures to ensure it continues its operations as a going concern.

- Focus on asset backed lending
- Strict credit evaluation to minimize credit risk
- Restructure/reshedulment of stressed loans due to current adverse market conditions
- Additional financing to minimize liquidity risk
- Managing operational cost

The management of the Company continues to monitor the potential impact to the continuity of the business. Based on these proactive analyses and our operating model, financial strength of the Company and the backing of the largest state own bank BOC, the management is confident that the company has no impact to its business continuity and expects to manage the above challenges effectively.

Cap on Loans and Advances and Deposits

Due to non-compliance with regulatory Total Capital requirement of 12.5 percent, the Central Bank has imposed below restrictions with effect from 01 September 2022 until the Company becomes compliant

- a) A Lending Cap-Rs. 29bn net Loans & Advances (including the interest accrued receivable). However, the Company may continue granting cash back loans and loans secured by gold, in a manner which does not create any adverse impact on Total Capital requirement.
- b) A Deposit Cap-Rs. 26bn (including interest payable)
- c) Offering interest rates 100 basis points lower than the maximum interest rates payable on deposits by Licensed Finance Companies.

The Company is in the process of completing a debenture issue to comply with Capital Adequacy Ratio.

Measurement of Financial Instruments

Company	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	9/30/2022	12/31/2021	9/30/2022	12/31/2021	9/30/2022	12/31/2021	9/30/2022	12/31/2021
As at								
Financial assets								
Cash and cash equivalents	-	-	521,436	1,191,374	-	-	521,436	1,191,374
Placements with banks & financial institutions	-	-	105,639	246,166	-	-	105,639	246,166
Financial investments at fair value through profit or loss	330,346	341,547	-	-	-	-	330,346	341,547
Loans & receivables at amortised cost	-	-	28,672,857	28,184,638	-	-	28,672,857	28,184,638
Financial investments at fair value through other comprehensive income	-	-	-	-	18,610	1,989,169	18,610	1,989,169
Financial investments at amortised cost	-	-	4,225,170	-	-	-	4,225,170	-
Other assets	-	-	32,260	47,993	-	-	32,260	47,993
Total	330,346	341,547	33,557,362	29,670,171	18,610	1,989,169	33,906,318	32,000,886

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	9/30/2022	12/31/2021	9/30/2022	12/31/2021
Due to banks	4,363,590	4,116,812	4,363,590	4,116,812
Due to customers at amortised cost	25,778,274	22,267,862	25,778,274	22,267,862
Debt issued and borrowed funds at amortised cost	25,883	2,381,579	25,883	2,381,579
Other liabilities	157,648	240,908	157,648	240,908
Total	30,325,395	29,007,161	30,325,395	29,007,161

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	9/30/2022	12/31/2021	9/30/2022	12/31/2021	9/30/2022	12/31/2021	9/30/2022	12/31/2021
As at								
Financial assets								
Cash and cash equivalents	-	-	735,876	1,436,435	-	-	735,876	1,436,435
Placements with banks & financial institutions	-	-	150,463	535,292	-	-	150,463	535,292
Financial investments at fair value through profit or loss	337,808	355,214	-	-	-	-	337,808	355,214
Loans & receivables at amortised cost	-	-	28,588,854	28,016,693	-	-	28,588,854	28,016,693
Financial investments at fair value through other comprehensive income	-	-	-	-	1,645,066	3,415,338	1,645,066	3,415,338
Financial investments at amortised cost	-	-	4,225,170.04	-	-	-	4,225,170	-
Other assets	-	-	32,260	47,993	-	-	32,260	47,993
Total	337,808	355,214	33,732,623	30,036,413	1,645,066	3,415,338	35,715,497	33,806,966

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	9/30/2022	12/31/2021	9/30/2022	12/31/2021
Due to banks	4,371,105	4,133,305	4,371,105	4,133,305
Due to customers at amortised cost	25,618,268	22,201,604	25,618,268	22,201,604
Debt issued and borrowed funds at amortised cost	112,543	2,381,579	112,543	2,381,579
Other liabilities	157,648.36	240,908	157,648.36	240,908
Total	30,259,565	28,957,396	30,259,565	28,957,396

Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2022	2021	2022	2021
Impairment charge/(reversal) from loans and other losses				
Impairment from Loans and advances-individual impairment (Note 4.1)	84,655	60,583	84,655	60,583
Impairment from Loans and advances-collective impairment (Note 4.2)	429	250,050	429	250,050
Cash and cash equivalent	(3)	110	(3)	110
Placements with banks & financial institutions	54	(323)	54	(323)
Other losses	4,995	-	4,995	-
	90,130	310,420	90,130	310,420
Individual impairment charge/(reversal)				
As at 01 January	1,902,229	2,017,328	1,902,229	2,017,328
Charge/(reversal) to income statement from loans and advances	84,655	60,583	84,655	60,583
Write off	(134,507)	-	(134,507)	-
As at 30th September	1,852,377	2,077,911	1,852,377	2,077,911
Collective impairment charge/(reversal)				
As at 01 January	1,575,108	1,402,455	1,575,108	1,402,455
Charge/(reversal) to income statement from loans and advances	429	250,050	429	250,050
Write off	(156,262)	-	(156,262)	-
As at 30th September	1,419,275	1,652,505	1,419,275	1,652,505
Loans and advances impairment	3,271,652	3,730,416	3,271,652	3,730,416

Segment Information

For management purposes, the group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- The Leasing segment includes providing Finance Leases and Hire Purchase facilities.
- The Loan segment includes providing personal loans, pawning, term loans, bill discounting, cheque discounting, micro finance and bank guarantees.
- Corporate advisory includes corporate advisory services and capital market activities.
- The insurance includes general and life insurance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects.

The following table presents income, profit and asset information regarding the group's operating segments for the period ended 30th September 2022 and comparative figures for the period ended 30th September 2021.

Group	Leasing		Corporate & Retail Credit		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
For the Period ended 30th September												
Revenue from external customers												
Interest and similar income	1,776,744	2,031,506	1,928,355	1,735,618	561,516	108,407	167,383	52,493	394,724	139,973	4,828,723	4,067,998
Interest and similar expenses	984,558	746,937	1,260,585	779,279	257,621	67,781	(2,318)	4,526	713,856	451,451	3,214,302	2,049,974
Net interest income	792,186	1,284,569	667,770	956,340	303,895	40,626	169,701	47,967	(319,132)	(311,478)	1,614,420	2,018,024
Net fee and commission income	63,300	86,422	12,003	7,042	825	511	17,364	8,971	5,192	(731)	98,684	102,214
Insurance premium income	-	-	-	-	-	-	269,272	208,880	-	-	269,272	208,880
Net claims and benefits	-	-	-	-	-	-	(234,108)	(97,036)	-	-	(234,108)	(97,036)
Real estate profit	-	-	23,615	34,653	-	-	-	-	-	-	23,615	34,653
Trading and other income	18,896	33,972	10,131	5,998	(66,981)	29,072	57,855	4,820	7,347	19,918	27,248	93,779
Total operating income	874,382	1,404,962	713,519	1,004,033	237,739	70,209	280,084	173,601	(306,592)	(292,290)	1,799,132	2,360,514
Impairment (charges)/reversal for loans and other losses	79,672	(233,875)	237,759	(76,545)	(189,673)	48,426	-	-	(217,888)	(48,426)	(90,130)	(310,420)
Net operating income	954,054	1,171,087	951,278	927,488	48,066	118,635	280,084	173,601	(524,480)	(340,716)	1,709,002	2,050,094
Personnel expenses	(320,255)	(340,228)	(406,140)	(355,253)	(14,255)	(12,605)	(140,586)	(122,195)	(270,309)	(167,144)	(1,151,544)	(997,426)
Depreciation and amortisation	(63,807)	(75,232)	(80,919)	(78,555)	(181)	(1,953)	(24,554)	(18,126)	(56,515)	(37,793)	(225,976)	(211,659)
Other operating expenses	(151,469)	(154,549)	(192,090)	(161,374)	(47,364)	(11,411)	(92,425)	(70,047)	(87,225)	(70,240)	(570,573)	(467,621)
Segment result	418,523	601,078	272,129	332,306	(13,734)	92,666	22,519	(36,767)	(938,529)	(615,893)	(239,091)	373,389
Profit/(loss) from operations after impairment from subsidiary investments											(239,091)	373,389
Value added tax on financial services											(86,753)	(165,225)
Share of associate company's profit/(loss) before tax											47,310	75,448
Profit/(loss) before income tax											(278,534)	283,612
Income tax expense											27,969	(67,997)
Profit/(loss) for the period											(250,566)	215,615
Assets												
Capital expenditures												
Property, equipment and right-of-use assets	9,450	13,208	11,985	13,791	2,955	975	13,188	6,445	5,442	6,003	43,020	40,421
Intangible assets	-	953	-	995	-	70	-	-	-	433	-	2,451
Total segment assets	10,134,915	11,918,268	14,985,485	13,365,045	3,552,457	1,360,159	2,504,155	2,645,413	6,176,024	5,283,623	37,353,036	34,572,508
Total segment liabilities	9,041,284	10,523,412	13,368,442	11,800,865	3,169,121	1,200,972	1,612,003	1,658,856	5,635,419	4,902,698	32,826,270	30,086,803

Events after the statement of financial position date

There were no material events reported since 30th September 2022 that require disclosure in these Financial Statements.

Information on ordinary shares

As at		9/30/2022	12/31/2021
Net asset per share (LKR)	- Company	7.25	7.95
	- Group	7.84	8.28

Market price per share recorded during the quarter ended 30th September (LKR)		2022	2021
	-High	5.20 (15-9-2022)	7.90 (11-8-2021)
	-Low	2.90 (8-7-2022)	6.10 (23-9-2021)
	-Last Transaction	4.50 (30-9-2022)	6.40 (30-9-2021)

As at		9/30/2022	12/31/2021
Number of shares issued		524,539,637	524,539,637
Stated capital (LKR)		4,276,447,883	4,276,447,883

Ratios as at		9/30/2022	12/31/2021
Debt/Equity Ratio		1.2	1.6
Statutory Liquid Asset Ratio		11.58%	12.92%

Ratios for the period ended		9/30/2022	9/30/2021
Interest Cover		0.856	1.112

The Float adjusted market capitalization as at 30th September 2022 - Rs. 365,830,074

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has not complied with the minimum public holding requirement applicable under the said option.

Twenty largest share holders as at 30th September 2022

	Name of the share holder	No. of Shares	Holding %
01	Bank of Ceylon No. 1 Account	401,577,367	76.56%
02	BOC Property Development & Management (Pvt) Ltd	41,666,682	7.94%
03	Bank of Ceylon A/C Ceybank Unit Trust	11,798,960	2.25%
04	Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	5,320,722	1.01%
05	Mr. J A S M Jayawickrama	4,140,000	0.79%
06	Mr. A M Weerasinghe	2,727,403	0.52%
07	Sampath Bank PLC/ Dr.T.Senthilveri	2,039,958	0.39%
08	Sandwave Limited	2,029,242	0.39%
09	Thread Capital (Private) Limited	1,905,000	0.36%
10	Amaliya Private Limited	1,817,656	0.35%
11	Mrs. M. P. R. Silva	1,562,398	0.30%
12	Mr. B.T. Prathapasinghe	1,121,250	0.21%
13	Hatton National Bank PLC/Ravindra Erle Rambukwelle	1,085,000	0.21%
14	Ravi Exports Private Limited	850,000	0.16%
15	Mr. P K C P Samarasinghe	784,031	0.15%
16	Mr. J M S J B P Peiris	745,862	0.14%
17	Mr. P C P Samarasinghe	611,931	0.12%
18	Dr. P M C B Digana	595,005	0.11%
19	Dialog Finance PLC/K.W.J.P.L. Perera	593,725	0.11%
20	Mr. B P C J De Silva	534,056	0.10%

The percentage of shares held by the public as at 30th September 2022 was 15.50% and the number of public shareholders as at 30th September 2022 were 11,164

Directors' shareholding as at 30th September 2022

Name of the Director	No. of Shares
Mr. K. Ratwatte	Nil
Mr. A. M. A. Perera	Nil
Mr. N. S. Punchihewa	Nil
Mr. W. P. R. P. H. Fonseka	Nil
Mr. M. P. R. Kumara	Nil
Mr. G. A. Jayashantha	Nil
Mr. J. D. V. N. Jayasinghe	Nil
Mr. R. M. N. Jeewantha	Nil
Mr. H.P.K. Silva	Nil

CEO's shareholding as at 30th September 2022

Mr. H. K. D. W. M. D. K. Hapuhinna	Nil
------------------------------------	-----