

UNAUDITED FINANCIAL STATEMENTS

For the Period ended 31st March 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			Quarter ended		
	3/31/2022 (Unaudited) LKR '000	3/31/2021 (Unaudited) LKR '000	Change %	3/31/2022 (Unaudited) LKR '000	3/31/2021 (Unaudited) LKR '000	Change %
Income	1,422,583	1,483,790	(4.1)	1,522,007	1,561,022	(2.5)
Interest and similar income	1,486,003	1,420,270	4.6	1,513,993	1,438,896	5.2
Interest and similar expenses	704,698	702,463	0.3	707,142	701,955	0.7
Net interest income	781,305	717,807	8.8	806,851	736,940	9.5
Fee and commission income	43,050	44,871	(4.1)	43,338	40,728	6.4
Fee and commission expenses	13,194	11,839	11.4	9,234	4,222	118.7
Net fee and commission income	29,856	33,032	(9.6)	34,105	36,506	(6.6)
Insurance premium income	-	-	-	75,476	59,869	26.1
Net claims and benefits	-	-	-	(66,470)	(38,511)	(72.6)
Net trading income	(16,906)	18,921	(189.4)	(16,906)	18,921	(189.4)
Net gain/(loss) on financial instruments at fair value through profit or loss	(115,378)	(28,730)	(301.6)	(120,769)	(29,551)	(308.7)
Other operating income	25,814	28,459	(9.3)	26,874	32,159	(16.4)
Total operating income	704,691	769,488	(8.4)	739,162	816,333	(9.5)
Impairment charge/(reversal) from loans and other losses	(45,882)	(131,836)	65.2	(45,882)	(131,836)	65.2
Net operating income	750,573	901,324	(16.7)	785,043	948,169	(17.2)
Personnel expenses	316,346	294,377	7.5	361,076	332,405	8.6
Depreciation and amortisation	68,709	67,308	2.1	76,425	71,228	7.3
Other operating expenses	143,177	133,905	6.9	124,334	146,916	(15.4)
Total operating expense	528,231	495,590	6.6	561,835	550,549	2.0
Profit/(loss) from operations	222,342	405,734	(45.2)	223,208	397,620	(43.9)
Impairment charge/(reversal) from investment in Subsidiary companies	-	5,378	(100.0)	-	-	-
Impairment charge/(reversal) from investment in Associate companies	-	-	-	-	-	-
Profit/(loss) from operations after impairment from subsidiary investments	222,342	400,356	(44.5)	223,208	397,620	(43.9)
Value added tax (VAT) & Nation building tax (NBT) on financial services	81,635	89,319	(8.6)	81,635	89,319	(8.6)
Share of associate companies profit/(loss) before tax	-	-	-	25,955	32,009	(18.9)
Profit/(loss) before income tax	140,707	311,037	(54.8)	167,528	340,310	(50.8)
Income tax expense/(reversal)	48,307	50,199	(3.8)	55,574	59,162	(6.1)
Profit/(loss) for the period	92,400	260,838	(64.6)	111,954	281,148	(60.2)
Profit/(loss) for the period attributable to:						
Equity holders of the parent	92,400	260,838	(64.6)	111,554	284,896	(60.8)
Non controlling interests	-	-	-	400	(3,748)	110.7
Profit/(loss) for the period	92,400	260,838	(64.6)	111,954	281,148	(60.2)
Earnings per share:						
Basic/Diluted earnings/(loss) per share (LKR)	0.18	1.57	(88.8)	0.21	1.72	(87.6)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Comprehensive Income

	Company			Group		
	Quarter ended			Quarter ended		
	3/31/2022 (Unaudited)	3/31/2021 (Unaudited)	Change %	3/31/2022 (Unaudited)	3/31/2021 (Unaudited)	Change %
LKR '000	LKR '000		LKR '000	LKR '000		
Profit/(loss) for the period	92,400	260,838	(64.6)	111,954	281,148	(60.2)
Other comprehensive income/(expense) for the period						
Actuarial gains/(losses) on defined benefit plans	(2,469)	-	-	(2,469)	-	-
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	(4,488)	-	-	(11,549)	(1,184)	(875.6)
Other comprehensive income/(expense) before tax	(6,957)	-	-	(14,018)	(1,184)	(1,084.2)
Deferred tax (charge)/credit relating to components of other comprehensive income	593	-	-	593	-	-
Other comprehensive income/(expense) for the period, net of tax	(6,365)	-	-	(13,426)	(1,184)	(1,034.1)
Total comprehensive income/(expense) for the period, net of tax	86,035	260,838	(67.0)	98,528	279,964	(64.8)
Total comprehensive income/(expense) attributable to:						
Equity holders of the parent	86,035	260,838	(67.0)	101,389	284,259	(64.3)
Non controlling interests	-	-	-	(2,861)	(4,295)	33.4
	86,035	260,838	(67.0)	98,528	279,964	(64.8)

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Financial Position

as at	Company			Group		
	3/31/2022 (Unaudited) LKR '000	12/31/2021 (Audited) LKR '000	Change %	3/31/2022 (Unaudited) LKR '000	12/31/2021 (Audited) LKR '000	Change %
Assets						
Cash and cash equivalents	518,531	1,191,374	(56.5)	754,871	1,436,435	(47.4)
Placements with banks & financial institutions	63,366	246,166	(74.3)	290,820	535,292	(45.7)
Financial investments at fair value through profit or loss	292,321	341,547	(14.4)	300,598	355,214	(15.4)
Loans & receivables at amortised cost	29,772,518	28,184,638	5.6	29,631,883	28,016,693	5.8
Financial investments at fair value through other comprehensive income	22,110	1,989,169	(98.9)	1,541,628	3,415,338	(54.9)
Financial investments at amortised cost	2,932,656	-	-	2,932,656	-	-
Real Estate Stock	156,061	175,816	(11.2)	156,061	175,816	(11.2)
Investment in associate company	81,084	81,084	-	152,487	131,399	16.0
Investment in subsidiary	371,404	371,404	0.0	-	-	-
Investment properties	106,977	107,704	(0.7)	106,977	107,703	(0.7)
Property, equipment and right-of-use assets	587,796	607,185	(3.2)	721,209	742,708	(2.9)
Intangible assets	119,493	128,578	(7.1)	119,493	128,578	(7.1)
Deferred tax Assets	-	-	-	4,111	4,111	(0.0)
Other assets	234,618	852,795	(72.5)	620,838	1,220,370	(49.1)
Total assets	35,258,936	34,277,459	2.9	37,333,632	36,269,656	2.9
Liabilities						
Due to banks	5,743,662	4,116,812	39.5	5,752,440	4,133,305	39.2
Due to customers at amortised cost	20,944,756	22,267,862	(5.9)	20,884,751	22,201,604	(5.9)
Debt issued and borrowed funds at amortised cost	2,849,018	2,381,579	19.6	2,993,801	2,381,579	25.7
Insurance provision - life	-	-	-	394,068	416,634	(5.4)
Insurance provision - non life	-	-	-	572,176	511,538	11.9
Current tax liabilities	227,204	178,898	27.0	227,204	178,898	27.0
Deferred tax liabilities	77,709	78,301	(0.8)	77,709	78,301	(0.8)
Other liabilities	854,528	764,118	11.8	1,245,280	1,269,913	(1.9)
Retirement benefits obligations	307,070	320,934	(4.3)	320,114	332,724	(3.8)
Total liabilities	31,003,946	30,108,504	3.0	32,467,542	31,504,496	3.1
Equity						
Stated capital	4,276,448	4,276,448	-	4,276,448	4,276,448	-
Retained earnings	(337,324)	(427,847)	21.2	(139,419)	(251,498)	44.6
OCI reserve	(24,130)	(19,642)	(22.8)	(32,148)	(23,860)	(34.7)
Statutory reserves	339,996	339,996	-	339,996	339,996	0.0
Total equity attributable to the parent	4,254,990	4,168,955	2.1	4,444,877	4,341,086	2.4
Non controlling interests	-	-	-	421,214	424,075	(0.7)
Total equity	4,254,990	4,168,955	2.1	4,866,091	4,765,161	2.1
Total liabilities and equity	35,258,936	34,277,459	2.9	37,333,632	36,269,656	2.9
Commitments and contingencies	102,400	124,250	(17.6)	137,867	190,086	(27.5)
Net assets value per share (LKR)	8.11	7.95	2.1	8.47	8.28	2.4

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.)

W. P. R. P. H. Fonseka
Director

Colombo, Sri Lanka
12/May/2022

(sgd.)

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

(sgd.)

Prof. N. S. Punchihewa
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	-	-	-	260,838	260,838
Other comprehensive income	-	-	-	-	-
Balance as at 31st March 2021	2,124,457	234,613	2,575	(632,956)	1,728,689
Balance as at 01st January 2022	4,276,448	339,996	(19,642)	(427,847)	4,168,955
Net profit/(loss) for the period	-	-	-	92,400	92,400
Other comprehensive income	-	-	(4,488)	(1,877)	(6,365)
Balance as at 31st March 2022	4,276,448	339,996	(24,130)	(337,324)	4,254,990

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	2,123,417
Net profit/(loss) for the period	-	-	-	284,896	(3,748)	281,148
Acquisition, disposal and changes in non-controlling interest	-	-	-	-	-	-
Other comprehensive income	-	-	(637)	0	(547)	(1,184)
Balance as at 31st March 2021	2,124,457	234,613	2,520	(429,197)	470,987	2,403,381
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	-	-	-	111,554	400	111,954
Prior year adjustment made to share of associate company profit	-	-	-	2,401	-	2,401
Other comprehensive income	-	-	(8,287)	(1,877)	(3,261)	(13,425)
Balance as at 31st March 2022	4,276,448	339,996	(32,148)	(139,419)	421,214	4,866,091

Merchant Bank of Sri Lanka & Finance PLC

Unaudited Statement of Cash Flows

	Company		Group	
	2022 (Unaudited) LKR '000	2021 (Unaudited) LKR '000	2022 (Unaudited) LKR '000	2021 (Unaudited) LKR '000
For the period ended 31st March				
Cash flows from operating activities				
Profit before income tax	140,707	311,037	167,528	340,310
Adjustments for :				
Net Interest Income	(781,305)	(717,807)	(806,851)	(736,940)
Impairment charges for loans and other losses	(10,867)	(87,420)	(10,867)	(87,420)
Impairment (reversal)/charge of investment in subsidiary	-	5,378	-	-
Share of associate company's profit/(loss) before tax	-	-	(25,955)	(32,009)
Depreciation and amortisation	68,709	67,308	76,425	71,228
Profit from sales of property & equipment	(71)	(47)	(71)	(47)
Dividend income from financial assets	(950)	(1,295)	(961)	(1,305)
Contribution to defined benefit plans	(5,254)	5,466	(6,559)	7,320
Fair value change of financial assets	115,378	28,730	108,317	27,546
	(473,652)	(388,649)	(498,992)	(411,318)
Interest paid to customers at amortised cost	(553,387)	(492,362)	(553,387)	(492,362)
Interest paid on other borrowings	(123,781)	(75,033)	(135,572)	(87,533)
Interest received on loans & receivables at amortised cost	1,543,025	1,571,441	1,543,025	1,571,441
Interest received on other investment	59,962	63,746	97,298	95,380
Gratuity paid	(11,081)	(1,696)	(8,521)	(2,614)
Change in operating assets				
Loans & receivables at amortised cost	(1,689,718)	(842,705)	(1,689,809)	(842,791)
Other operating assets	587,052	31,354	564,902	15,050
Change in operating liabilities				
Due to customers at amortised cost	(1,258,826)	1,053,292	(1,258,826)	1,053,292
Payments made under operating leases	(50,443)	(182,821)	(43,265)	(181,102)
Insurance provision	-	-	38,072	(8,304)
Other liabilities	130,138	401,348	152,620	410,930
Net cash generated from/(used in) operating activities before tax	(1,840,712)	1,137,916	(1,792,455)	1,120,070
Income tax paid	-	-	-	-
Net cash generated from/(used in) operating activities	(1,840,712)	1,137,916	(1,792,455)	1,120,070
Cash flows from investing activities				
Net increase/(decrease) in financial investments at FVTOCI	-	-	(93,349)	4,516
Net increase/(decrease) in financial investments at amortised cost	(961,115)	892,262	(961,115)	892,262
Net (increase)/decrease in placements with banks & financial institutions	173,346	(118,000)	241,271	(125,220)
Net (increase)/decrease in investment of government securities at FVTPL	99,922	599	99,922	599
Net (increase)/decrease in other financial investments at FVTPL	(169,874)	(35,125)	(164,484)	(34,304)
Real estate stock	19,755	55,929	19,755	55,929
Purchase of property & equipment	(8,384)	(11,603)	(10,484)	(14,347)
Purchase of intangible assets	0	(1,871)	0	(1,870)
Proceeds from sale of property & equipment	71	47	71	47
Dividends received	950	1,295	961	1,305
Net cash generated from/(used in) investing activities	(845,329)	783,533	(867,451)	778,917
Cash flows from financing activities				
Net increase/(decrease) reverse repo and repo agreements	399,959	(19,068)	399,959	(19,068)
Net increase/(decrease) in other borrowings at amortised cost	2,160,679	(1,175,288)	2,133,538	(1,181,822)
Net cash generated from/(used in) financing activities	2,560,638	(1,194,355)	2,533,497	(1,200,890)
Net increase / (decrease) in cash and cash equivalents during the period	(125,403)	727,093	(126,409)	698,097
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	290,769	1,061,511	518,331	2,548,026
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	518,536	1,453,440	754,877	2,940,998
Dues to banks	(227,768)	(391,928)	(236,546)	(392,972)
	290,769	1,061,511	518,331	2,548,026

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 12th May 2022, in accordance with the resolution of the Directors passed on 12th May 2022.

Basis of preparation and accounting policies

The interim condensed Financial Statements for the period ended 31st March 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.

Removals of Cap on Loans and Advances and Deposits

On 18.10.2021, The Central Bank of Sri Lanka removed the caps imposed on lending (Rs.35 bn imposed on 18.03.2019) and deposits (Rs.23 bn imposed on 09.05.2019) of the Company in terms of the section 2.2 and 3.2 of Finance Business Act after the Company complied with all capital related directions with the completion of the rights issue.

Measurement of Financial Instruments

Company	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
As at								
Financial assets								
Cash and cash equivalents	-	-	518,531	1,191,374	-	-	518,531	1,191,374
Placements with banks & financial institutions	-	-	63,366	246,166	-	-	63,366	246,166
Financial investments at fair value through profit or loss	292,321	341,547	-	-	-	-	292,321	341,547
Loans & receivables at amortised cost	-	-	29,772,518	28,184,638	-	-	29,772,518	28,184,638
Financial investments at fair value through other comprehensive income	-	-	-	-	22,110	1,989,169	22,110	1,989,169
Financial investments at amortised cost	-	-	2,932,656	-	-	-	2,932,656	-
Other assets	-	-	27,831	47,993	-	-	27,831	47,993
Total	292,321	341,547	33,314,902	29,670,171	22,110	1,989,169	33,629,333	32,000,886

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Other Financial liabilities				
Due to banks	5,743,662	4,116,812	5,743,662	4,116,812
Due to customers at amortised cost	20,944,756	22,267,862	20,944,756	22,267,862
Debt issued and borrowed funds at amortised cost	2,849,018	2,381,579	2,849,018	2,381,579
Other liabilities	186,840	240,908	186,840	240,908
Total	29,724,276	29,007,161	29,724,276	29,007,161

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021
As at								
Financial assets								
Cash and cash equivalents	-	-	754,871	1,436,435	-	-	754,871	1,436,435
Placements with banks & financial institutions	-	-	290,820	535,292	-	-	290,820	535,292
Financial investments at fair value through profit or loss	300,598	355,214	-	-	-	-	300,598	355,214
Loans & receivables at amortised cost	-	-	29,631,883	28,016,693	-	-	29,631,883	28,016,693
Financial investments at fair value through other comprehensive income	-	-	-	-	1,541,628	3,415,338	1,541,628	3,415,338
Financial investments at amortised cost	-	-	2,932,655.52	-	-	-	2,932,656	-
Other assets	-	-	27,831	47,993	-	-	27,831	47,993
Total	300,598	355,214	33,638,061	30,036,413	1,541,628	3,415,338	35,480,286	33,806,966

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Other Financial liabilities				
Due to banks	5,752,440	4,133,305	5,752,440	4,133,305
Due to customers at amortised cost	20,884,751	22,201,604	20,884,751	22,201,604
Debt issued and borrowed funds at amortised cost	2,993,801	2,381,579	2,993,801	2,381,579
Other liabilities	186,840.28	240,908	186,840.28	240,908
Total	29,817,831	28,957,396	29,817,831	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)	27,304	(37,600)	27,304	(37,600)
Impairment from Loans and advances-collective impairment (Note 4.2)	(73,170)	(94,032)	(73,170)	(94,032)
Cash and cash equivalent	(3)	110	(3)	110
Placements with banks & financial institutions	(13)	(314)	(13)	(314)
	(45,882)	(131,836)	(45,882)	(131,836)
Individual impairment charges				
As at 01 January	1,902,229	2,017,328	1,902,229	2,017,328
Charge to income statement from loans and advances	27,304	(37,600)	27,304	(37,600)
As at 31st March	1,929,533	1,979,728	1,929,533	1,979,728
Collective impairment charges				
As at 01 January	1,575,108	1,402,455	1,575,108	1,402,455
Charge to income statement from loans and advances	(73,170)	(94,032)	(73,170)	(94,032)
As at 31st March	1,501,938	1,308,423	1,501,938	1,308,423
Loans and advances impairment	3,431,471	3,288,151	3,431,471	3,288,151

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 31st March 2022 and comparative figures for the period ended 31st March 2021.

Group	Leasing		Corporate & Retail Credit		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
	For the Period ended 31st March											
	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
Revenue from external customers												
Interest and similar income	689,427	731,150	579,984	611,431	160,926	32,018	27,990	18,626	55,666	45,671	1,513,993	1,438,896
Interest and similar expenses	254,255	264,859	274,673	280,782	59,353	16,251	2,444	(507)	116,417	140,571	707,142	701,955
Net interest income	435,172	466,291	305,311	330,650	101,573	15,767	25,546	19,133	(60,751)	(94,900)	806,851	736,940
Net fee and commission income	25,971	29,912	1,100	3,487	-	475	4,249	3,474	2,784	(842)	34,105	36,506
Insurance premium income	-	-	-	-	-	-	75,476	59,869	-	-	75,476	59,869
Net claims and benefits	-	-	-	-	-	-	(66,470)	(38,511)	-	-	(66,470)	(38,511)
Real estate profit	-	-	8,556	16,674	-	-	-	-	-	-	8,556	16,674
Trading and other income	9,002	6,495	4,035	1,357	(131,334)	(8,515)	(4,330)	2,879	3,270	2,639	(119,356)	4,855
Total operating income	470,146	502,698	319,003	352,167	(29,761)	7,727	34,471	46,844	(54,697)	(93,103)	739,162	816,333
Impairment (charges)/reversal for loans and other losses	(43,404)	113,127	112,107	18,709	(115,378)	(22,479)	-	-	92,557	22,479	45,882	131,836
Net operating income	426,742	615,825	431,110	370,876	(145,139)	(14,752)	34,471	46,844	37,860	(70,625)	785,044	948,168
Personnel expenses	(108,829)	(118,323)	(119,724)	(120,134)	(35,114)	(6,230)	(44,730)	(38,028)	(52,678)	(49,690)	(361,075)	(332,405)
Depreciation and amortisation	(23,637)	(27,054)	(26,003)	(27,468)	(7,627)	(1,424)	(7,716)	(3,920)	(11,441)	(11,362)	(76,424)	(71,228)
Other operating expenses	(49,256)	(53,822)	(54,187)	(54,646)	(15,893)	(2,834)	18,843	(13,011)	(23,842)	(22,603)	(124,335)	(146,916)
Segment result	245,020	416,626	231,196	168,628	(203,773)	(25,240)	868	(8,115)	(50,101)	(154,280)	223,210	397,619
Profit/(loss) from operations after impairment from subsidiary investments											223,210	397,619
Value added tax on financial services											(81,635)	(89,319)
Share of associate company's profit/(loss) before tax											25,955	32,009
Profit/(loss) before income tax											167,530	340,309
Income tax expense											(55,574)	(59,162)
Profit/(loss) for the period											111,956	281,148
Assets												
Capital expenditures												
Property, equipment and right-of-use assets	2,884	4,664	3,173	4,735	931	246	2,100	2,743	1,396	1,959	10,484	14,347
Intangible assets	(0)	752	(0)	763	(0)	40	-	(0)	(0)	316	(0)	1,870
Total segment assets	12,026,472	12,951,921	13,363,881	13,686,468	4,382,165	880,209	2,579,408	2,605,256	4,981,706	4,767,982	37,333,632	34,891,836
Total segment liabilities	10,575,137	12,271,914	11,751,150	12,967,895	3,853,333	833,996	1,668,303	1,585,583	4,619,619	4,829,067	32,467,542	32,488,453

Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/3/2022 LKR' 000	Market Values			Interest Rates		Interest rate of comparable Government Security %	Interest yield			Yield to Maturity			
				Highest LKR.	Lowest LKR.	Period end LKR.	Coupon Rate	Effective Annual Yield		Highest	Lowest	Last traded	Highest	Lowest	Last traded	
Fixed Rate																
May 2017 - May 2022	Listed	Annually	805,760	100.61	100.50	100.50	15.00%	15.00%	12.25%	14.91%	14.93%	14.93%	10.81%	11.04%	11.04%	
May 2017 - May 2022	Listed	Bi Annually	1,193,230	Not traded during the quarter			14.50%	15.03%	12.25%	Not traded during the quarter			Not traded during the quarter			
May 2017 - May 2022	Listed	Bi Annually	1,010	Not traded during the quarter			10.00%	10.25%	12.25%	Not traded during the quarter			Not traded during the quarter			
Total Debentures			2,000,000													

All debentures are unsecured. Company has not repurchased any of its own debts and has not had any default of principal, interest or other breaches with regard to all liabilities during the period.

Debenture issue proceeds utilization as at 31st March 2022

No.	Objective as per the prospectus	Amount allocated as per prospectus	Date of Utilization	Amount allocated from proceed LKR (A)	% of Total Proceeds	Amount Utilized in LKR (B)	% of Utilization (B/A)	Clarification if not fully utilized
1	Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 2.0 Bn during the year 2017 The funds raised through this Debenture Issue utilized to increase the medium term fund base to match the medium to long term lending portfolio, to minimize the interest rate risk and the gap exposure in the Companies assets/liability portfolio, to provide investors an opportunity to earn a regular fixed Income.	2,000,000,000	3-Mar-17	2,000,000,000	100%	2,000,000,000	100%	N/A
2	To enhance Tier II Capital base of the Company. Tier II ratio of the Company as at 31st December 2016 stood at 10.69% and subsequent to this Debenture issue the Tier II ratio is expected to increase to 16.22%.					400,000,000	20%	Approved unsecured subordinated term debt are limited to 50% of Total Tier 1 Capital of the Company.

Events after the statement of financial position date

There were no material events reported since 31st March 2022 that require disclosure in these Financial Statements.

Information on ordinary shares

As at		3/31/2022	12/31/2021
Net asset per share (LKR)	- Company	8.11	7.95
	- Group	8.47	8.28

Market price per share recorded during the quarter ended 31st March (LKR)		2022	2021
	-High	9.50 (7-1-2022)	9.20 (21-1-2021)
	-Low	4.90 (29-3-2022)	6.70 (10-2-2021)
	-Last Transaction	5.10 (31-3-2022)	7.00 (30-3-2021)

As at		3/31/2022	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		3/31/2022	12/31/2021
Debt/Equity Ratio		2.0	1.6
Statutory Liquid Asset Ratio		11.08%	12.92%

Ratios for the period ended		3/31/2022	3/31/2021
Interest Cover		1.200	1.443

The Float adjusted market capitalization as at 31st March 2022 - Rs. 479,643,875

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 31st March 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) Limited	41,666,682	7.94%
03	Bank of Ceylon A/C Ceybank Unit Trust	11,798,960	2.25%
04	Hatton National Bank PLC/Mr. D N Sellamuttu	4,255,478	0.81%
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 Senthilvel	2,039,958	0.39%
08	Sandwave Limited	2,029,242	0.39%
09	Thread Capital (Pvt) Limited	1,905,000	0.36%
10	Amaliya (Pvt) Limited	1,817,656	0.35%
11	Mrs. M P R Silva	1,540,000	0.29%
12	Mr. B T Prathapasinghe	1,121,250	0.21%
13	Hatton National Bank PLC/Mr. R E Rambukwelle	1,085,000	0.21%
14	Hatton National Bank PLC/Mr. S D C Randika	1,014,130	0.19%
15	Mr. P K C P Samarasinghe	784,031	0.15%
16	Ravi Exports (Pvt) Limited	750,000	0.14%
17	Ranfer Teas (Pvt) Limited	750,000	0.14%
18	Mr. J M S J B P Peiris	745,862	0.14%
19	People's Leasing & Finance PLC/Mr. D M P Disanayake	655,000	0.12%
20	Mr. P C P Samarasinghe	611,931	0.12%

The percentage of shares held by the public as at 31st March 2022 was 15.50% and the number of public shareholders as at 31st March 2022 were 11,064

Directors' shareholding as at 31st March 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 31st March 2022

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