

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2022**



SMB FINANCE PLC

No: 282/1, CBS Building, Galle Road, Colombo 03

SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended December 31, 2022 (LKR 000)

Company	Quarter ended December 31, 2022 Unaudited	Quarter ended December 31, 2021 Unaudited	Variance	YTD December 31, 2022 Unaudited	YTD December 31, 2021 Audited	Variance
Interest income	82,842	49,479	67%	296,354	170,424	74%
Interest expenses	(51,126)	(8,906)	474%	(127,346)	(51,819)	146%
Net interest income	31,716	40,573	-22%	169,008	118,605	42%
Fee and commission income	264	4,134	-94%	8,157	3,625	125%
Net interest, fee and commission income	31,980	44,707	-28%	177,165	122,230	45%
Other operating income (net)	82,723	85,969	-4%	194,504	81,336	139%
Changes in fair value of investment property	44,650	-	100%	44,650	46,553	-4%
Total operating income	159,353	130,676	22%	416,319	250,119	66%
Impairment (charge) / reversal for the period	(104,731)	(81,331)	29%	(163,782)	(63,611)	157%
Net operating income	54,622	49,345	11%	252,537	186,508	35%
Personnel expenses	(12,574)	(18,698)	-33%	(75,890)	(55,959)	36%
Premises, equipment & establishment expenses	(6,869)	(1,872)	267%	(21,497)	(18,787)	14%
Depreciation and amortization	(4,728)	(4,848)	-2%	(17,365)	(19,200)	-10%
Other expenses	(20,005)	(5,455)	267%	(42,854)	(26,172)	64%
Operating profit / (loss) before taxes on financial services	10,446	18,472	-43%	94,931	66,390	43%
Taxes on financial services	(3,000)	(5,351)	-44%	(13,714)	(10,754)	28%
Social security contribution levy (SSCL)	(240)	-	100%	(240)	-	100%
Profit / (Loss) after taxes on financial services & SSCL	7,206	13,121	-45%	80,977	55,636	46%
Share of profit of associate company	1,060	417	44%	744	152	390%
Profit / (Loss) before income tax	8,266	13,538	-39%	81,721	55,788	46%
Income tax expenses	-	-	0%	-	(2,357)	-100%
Profit / (Loss) for the period	8,266	13,538	-39%	81,721	53,431	53%
Basic earnings/(loss) per share	0.001	0.001	-39%	0.009	0.006	43%

Company	Quarter ended December 31, 2022 Unaudited	Quarter ended December 31, 2021 Unaudited	Variance	YTD December 31, 2022 Unaudited	YTD December 31, 2021 Audited	Variance
Profit / (Loss) for the period	8,266	13,538	-39%	81,721	53,431	53%
Other comprehensive income						
Actuarial loss on defined benefit plans	5,390	-	100%	5,390	1,404	284%
Equity investments at FVOCI - Net change in fair value	-	-	0%	-	21,342	-100%
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive expense for the period (net of tax)	5,390	-	100%	5,390	22,746	-76%
Total comprehensive income / (expense) for the period	13,656	13,538	1%	87,111	76,177	14%

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SMB Finance PLC
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Group	Quarter ended	Quarter ended	Variance	YTD	YTD	Variance
	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021	
	Unaudited	Unaudited		Unaudited	Audited	
Interest income	82,842	49,874	66%	296,354	170,424	74%
Interest expenses	(51,132)	(8,856)	477%	(127,413)	(52,069)	145%
Net interest income	31,710	41,018	-23%	168,941	118,355	43%
Fee and commission income	264	4,134	-94%	8,157	3,625	125%
Net interest, fee and commission income	31,974	45,152	-29%	177,098	121,980	45%
Other operating income (net)	85,462	97,283	-12%	215,174	134,116	60%
Changes in fair value of investment property	46,950	-	100%	46,950	44,812	5%
Total operating income	164,386	142,435	15%	439,222	300,908	46%
Impairment (charge)/ reversal for the period	(104,731)	(81,331)	29%	(163,782)	(63,611)	157%
Net operating income	59,655	61,104	-2%	275,440	237,297	16%
Personnel expenses	(18,734)	(29,329)	-36%	(116,048)	(108,750)	7%
Premises, equipment & establishment expenses	(6,934)	(2,027)	242%	(21,963)	(21,666)	1%
Depreciation and amortizations	(5,587)	(5,963)	-6%	(21,056)	(23,535)	-11%
Other expenses	(21,445)	(8,050)	166%	(39,680)	(33,282)	19%
Operating profit / (loss) before taxes on financial services	6,955	15,736	-56%	76,693	50,065	53%
Taxes on financial services	(3,000)	(5,351)	-44%	(13,714)	(10,754)	28%
Social Security Contribution Levy (SSCL)	(240)	-	100%	(240)	-	100%
Profit / (Loss) after taxes on financial services	3,715	10,385	-64%	62,740	39,311	60%
Share of profit of associate company	1,060	417	154%	744	152	390%
Profit / (Loss) before income tax	4,775	10,802	-56%	63,484	39,463	61%
Income tax expenses	(1,485)	-	100%	(1,485)	(1,520)	-2%
Profit / (Loss) for the period	3,290	10,802	-70%	61,999	37,943	63%
Profit / (Loss) attributable to :						
Owners of the parent	5,729	12,144	-53%	77,910	45,532	71%
Non-controlling interest	(2,439)	(1,341)	82%	(15,911)	(7,589)	110%
Profit / (Loss) for the period	3,290	10,802	-70%	61,999	37,943	63%
Basic earnings/(loss) per share	0.000	0.001	-70%	0.006	0.004	63%

Group	Quarter ended	Quarter ended	Variance	YTD	YTD	Variance
	December 31, 2022	December 31, 2021		December 31, 2022	December 31, 2021	
	Unaudited	Unaudited		Unaudited	Audited	
Profit / (Loss) for the period	3,290	10,802	-70%	61,999	37,943	63%
Other comprehensive income						
Actuarial loss on defined benefit plans	5,390	-	100%	5,390	8,924	40%
Equity investments at FVOCI - Net change in fair value	-	-	0%	-	21,341	-100%
Tax on other comprehensive income	-	-	0%	-	(1,803)	-100%
Other comprehensive expense for the period (net of tax)	5,390	-	100%	5,390	28,462	-81%
Total comprehensive income / (expense) for the period	8,679	10,802	-20%	67,389	66,405	1%
Total comprehensive income / (expense) attributable to:						
Owners of the parent	5,729	12,144	-53%	83,300	71,193	17%
Non-controlling interest	(2,439)	(1,341)	82%	(15,911)	(4,788)	232%
Total comprehensive income / (expense) for the period	8,679	10,802	-20%	67,389	66,405	1%

SMB Finance PLC
Statement of Financial Position (LKR 000)

As at	Company		Group	
	December 31, 2022 Unaudited	December 31, 2021 Audited	December 31, 2022 Unaudited	December 31, 2021 Audited
Assets				
Cash and cash equivalents	55,302	103,559	55,495	105,179
Placements with banks	2,364,018	2,405,234	2,364,018	2,422,337
Loans and receivables	1,853,970	1,115,518	1,853,970	1,115,518
Financial investments	81,376	82,077	91,949	99,752
Investments in associate	42,577	41,833	42,577	41,833
Investments in subsidiary	-	12,750	-	-
Investment properties	385,728	142,778	402,928	157,678
Property, plant & equipment	19,963	7,306	22,405	11,911
Right of use Asset	16,070	23,266	16,070	24,196
Intangible assets	245,092	5,615	245,092	5,615
Deferred tax assets	-	-	1,053	2,538
Other assets	90,085	50,002	96,608	62,980
Total Assets	5,154,181	3,989,938	5,192,165	4,049,537
Liabilities				
Due to financial institutions	1,560,829	526,274	1,561,117	526,274
Due to other customers	126,786	122,276	126,786	122,276
Retirement benefit obligations	4,331	7,545	18,031	25,887
Leased Liabilities	14,880	15,649	14,880	16,706
Other liabilities	108,430	66,378	114,905	69,336
Total Liabilities	1,815,256	738,122	1,835,719	760,479
Equity				
Stated capital	3,062,681	3,062,681	3,062,681	3,062,681
Statutory reserves	41,839	37,753	41,839	37,753
Fair Value Reserves	29,593	29,593	29,593	29,593
Retained earnings	204,812	121,789	213,617	134,404
Total equity attributable to equity holders of the Company	3,338,925	3,251,816	3,347,730	3,264,431
Non- controlling interests	-	-	8,716	24,627
Total Equity	3,338,925	3,251,816	3,356,446	3,289,058
Total Equity and Liabilities	5,154,181	3,989,938	5,192,165	4,049,537

Figures in brackets indicate deductions
The Notes form an integral part of these Interim Financial Statements.

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

Signed

L. Menaka Silva
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed on behalf of the Board by,

Signed
A.T.S.Sosa
Director

Signed
M.S.A.Wadood
Director

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SMB Finance PLC
Statement of Changes in Equity
For the period ended December 31, 2022 (LKR 000)

Company	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
Balance as at January 1, 2021	708,446	210,618	35,081	8,251	74,872	1,037,268
(Loss) / Profit for the period	-	-	-	-	53,431	53,431
Other comprehensive (expense) / income (net of tax)	-	-	-	21,342	1,404	22,746
Rights issue during the period	1,847,513	296,104	-	-	-	2,143,617
Direct cost of right issue	-	-	-	-	(5,247)	(5,247)
Total comprehensive (expense) / income for the period	2,555,959	506,722	35,081	29,593	124,460	3,251,815
Transfer to statutory reserve	-	-	2,672	-	(2,672)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	2,672	-	(2,672)	-
Balance as at December 31, 2021	2,555,959	506,722	37,753	29,593	121,789	3,251,815
Balance as at January 1, 2022	2,555,959	506,722	37,753	29,593	121,789	3,251,815
Profit/ (Loss) for the period	-	-	-	-	81,721	81,721
Other comprehensive income/(expense) (net of tax)	-	-	-	-	5,390	5,390
Total comprehensive income for the period	-	-	-	-	87,110	87,110
Transfer to Statutory Reserve	-	-	4,086	-	(4,086)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	4,086	-	(4,086)	-
Balance as at December 31, 2022	2,555,959	506,722	41,839	29,593	204,812	3,338,925

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SMB Finance PLC
Statement of Changes in Equity
For the period ended December 31, 2022 (LKR 000)

Group	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	Ordinary - Voting Shares	Ordinary - Non Voting Shares						
Balance as at January 1, 2021	708,446	210,618	35,081	8,251	92,471	1,054,867	29,416	1,084,283
(Loss) / Profit for the period	-	-	-	-	45,532	45,532	(7,589)	37,943
Other comprehensive (expense) / income (net of tax)	-	-	-	21,342	4,319	25,661	2,800	28,461
Rights issue during the period	1,847,513	296,104	-	-	-	2,143,617	-	2,143,617
Direct cost of right issue	-	-	-	-	(5,247)	(5,247)	-	(5,247)
Total comprehensive (expense) / income for the period	1,847,513	296,104	-	21,342	44,604	2,209,563	(4,789)	2,204,774
Transfer to statutory reserve	-	-	2,672	-	(2,672)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	2,672	-	(2,672)	-	-	-
Balance as at December 31, 2021	2,555,959	506,722	37,753	29,593	134,404	3,264,431	24,627	3,289,058
Balance as at January 1, 2022	2,555,959	506,722	37,753	29,593	134,404	3,264,431	24,627	3,289,058
(Loss) / Profit for the period	-	-	-	-	77,910	77,910	(15,911)	61,999
Other comprehensive (expense) / income (net of tax)	-	-	-	-	5,390	5,390	-	5,390
Total comprehensive (expense) / income for the period	-	-	-	-	83,300	83,300	(15,911)	67,389
Transfer to statutory reserve	-	-	4,086	-	(4,086)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	4,086	-	(4,086)	-	-	-
Balance as at December 31, 2022	2,555,959	506,722	41,839	29,593	213,617	3,347,730	8,716	3,356,446

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SMB Finance PLC
Cash Flow Statement

For the period ended December 31, 2022 (LKR 000)

	Company		Group	
	December 31, 2022 Unaudited	December 31, 2021 Audited	December 31, 2022 Unaudited	December 31, 2021 Audited
Cash flow from operating activities				
Interest receipts	275,662	160,860	275,663	160,860
Interest payments	(120,426)	(47,616)	(120,461)	(47,649)
Fees and commission receipts	178,062	78,914	198,619	127,725
Cash payments to employees and suppliers	(127,501)	(95,251)	(176,007)	(153,693)
Profit before changes in operating assets	205,797	96,907	177,814	87,243
Loans and receivables to other customers	(875,754)	(104,614)	(875,754)	(105,515)
Other assets	(9,494)	(3,671)	(3,039)	(4,496)
Cash generated / (used in) operating activities	(679,451)	11,379	(700,979)	(22,768)
Tax paid	(12,097)	(9,753)	(12,097)	(10,040)
Gratuity paid	-	(1,010)	(1,828)	(1,610)
Net cash generated / (used in) operating activities	(691,548)	(22,143)	(714,904)	(34,418)
Cash flow from investing activities				
Net (increase)/decrease in financial investments	-	(2,165,000)	15,270	(2,170,300)
Net of acquisition and disposal of shares	-	-	5,683	3,915
Dividend received	740	690	796	880
Purchase of property, plant & equipment & intangible assets	(256,834)	(1,930)	(256,913)	(2,862)
(Purchase)/Disposal of Investment Properties	(198,300)	-	(198,300)	-
Net cash generated / (used in) investing activities	(454,394)	(2,166,240)	(433,464)	(2,168,367)
Cash flow from financing activities				
Increase/(decrease) in borrowings from financial institutions	1,032,451	27,644	1,032,451	27,644
Increase/(decrease) in public borrowings	(14)	(14)	(14)	(14)
Increase/(decrease) in other liabilities	43,615	22,466	43,613	22,137
Lease liability payment	(8,634)	(8,212)	(9,722)	(10,052)
Rights issue during the period	-	2,143,617	-	2,143,617
Right issue expenses	-	(5,246)	-	(5,246)
Net cash generated / (used in) financing activities	1,067,418	2,180,254	1,066,328	2,178,086
Net increase / (decrease) in cash and cash equivalents	(78,524)	(8,129)	(82,040)	(24,700)
Cash and cash equivalents at the beginning of the year	132,224	140,353	135,644	160,344
Cash and cash equivalents at the end of the year	53,699	132,224	53,604	135,644
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	55,302	103,559	55,495	105,179
REPO investment with banks	501	28,665	501	30,465
Bank overdraft	55,803	132,224	55,996	135,644
	(2,104)	-	(2,391)	-
Cash and cash equivalents	53,699	132,224	53,604	135,644

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SMB Finance PLC
Classification of Financial Instruments
For the period ended December 31, 2022 (LKR 000)

Assets - Company	December 31, 2022				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Assets					
Cash and cash equivalents	-	55,302	-	-	55,302
Placements with banks	-	2,364,018	-	-	2,364,018
Financial assets at amortised cost-Loans and receivables to other customers	-	1,853,970	-	-	1,853,970
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	81,376	-	81,376
Total financial assets	-	4,273,291	81,376	-	4,354,666
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment in subsidiary	-	-	-	-	-
Investment properties	385,728	-	-	-	385,728
Property, plant & equipment	-	-	-	19,963	19,963
Right-of-use assets	-	-	-	16,070	16,070
Intangible assets	-	-	-	245,092	245,092
Other assets	-	-	-	90,085	90,085
Total non financial assets	385,728	-	-	413,788	799,515
Total assets	385,728	4,273,291	81,376	413,788	5,154,181

Liabilities - Company	December 31, 2022				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Liabilities					
Due to financial institutions	-	1,560,829	-	-	1,560,829
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
Total financial liabilities	-	1,702,495	-	-	1,702,495
Non Financial Liabilities					
Retirement benefit obligations	-	4,331	-	-	4,331
Other liabilities	-	108,430	-	-	108,430
Total non financial liabilities	-	112,760	-	-	112,761
Total liabilities	-	1,815,256	-	-	1,815,256

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SMB Finance PLC
Classification of Financial Instruments
For the period ended December 31, 2021 (LKR 000)

Assets - Company	December 31, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Assets					
Cash and cash equivalents	-	103,559	-	-	103,559
Placements with banks	-	2,405,234	-	-	2,405,234
Financial assets at amortised cost-Loans and receivables to other customers	-	1,115,518	-	-	1,115,518
Fair value through profit or loss (FVTPL)	700	-	-	-	700
Fair value through other comprehensive income (FVTOCI)	-	-	81,377	-	81,377
Total financial assets	700	3,624,312	81,377	-	3,706,388
Non Financial Assets					
Investment in associate	-	-	-	41,833	41,833
Investment in subsidiary	-	-	-	12,750	12,750
Investment properties	142,778	-	-	-	142,778
Property, plant & equipment	-	-	-	7,306	7,306
Right-of-use assets	-	-	-	23,266	23,266
Intangible assets	-	-	-	5,615	5,615
Other assets	-	-	-	50,002	50,002
Total non financial assets	142,778	-	-	140,772	283,550
Total assets	143,478	3,624,312	81,377	140,772	3,989,938

Liabilities - Company	December 31, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Liabilities					
Due to financial institutions	-	526,274	-	-	526,274
Due to other customers	-	122,276	-	-	122,276
Lease liabilities	-	15,649	-	-	15,649
Total financial liabilities	-	664,199	-	-	664,199
Non Financial Liabilities					
Retirement benefit obligations	-	7,545	-	-	7,545
Other liabilities	-	66,378	-	-	66,378
Total non financial liabilities	-	73,923	-	-	73,923
Total liabilities	-	738,122	-	-	738,122

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SMB Finance PLC
Classification of Financial Instruments
For the period ended December 31, 2022 (LKR 000)

Assets - Group	December 31, 2022				Total
	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	
Financial Assets					
Cash and cash equivalents	-	55,495	-	-	55,495
Placements with banks	-	2,364,018	-	-	2,364,018
Financial assets at amortised cost-Loans and receivables to other customers	-	1,853,970	-	-	1,853,970
Fair value through profit or loss (FVTPL)	-	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	81,409	-	81,409
Other financial assets	-	10,540	-	-	10,540
Total financial assets	-	4,284,024	81,409	-	4,365,432
Non Financial Assets					
Investment in associate	-	-	-	42,577	42,577
Investment properties	402,928	-	-	-	402,928
Property, plant & equipment	-	-	-	22,405	22,405
Right-of-use assets	-	-	-	16,070	16,070
Intangible assets	-	-	-	245,092	245,092
Diferred tax assets	-	-	-	1,053	1,053
Other assets	-	-	-	96,608	96,608
Total non financial assets	402,928	-	-	423,806	826,733
Total assets	402,928	4,284,024	81,409	423,806	5,192,165

Liabilities - Group	December 31, 2022				Total
	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	
Financial Liabilities					
Due to financial institutions	-	1,561,117	-	-	1,561,117
Due to other customers	-	126,786	-	-	126,786
Lease liabilities	-	14,880	-	-	14,880
Total financial liabilities	-	1,702,784	-	-	1,702,784
Non Financial Liabilities					
Retirement benefit obligations	-	18,031	-	-	18,031
Other liabilities	-	114,905	-	-	114,905
Total non financial liabilities	-	132,936	-	-	132,936
Total liabilities	-	1,835,719	-	-	1,835,719

SMB Finance PLC
Classification of Financial Instruments
For the period ended December 31, 2021 (LKR 000)

Assets - Group	December 31, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Assets					
Cash and cash equivalents	-	105,179	-	-	105,179
Placements with banks	-	2,422,337	-	-	2,422,337
Financial assets at amortised cost-Loans and receivables to other customers	-	1,115,518	-	-	1,115,518
Fair value through profit or loss (FVTPL)	8,076	-	-	-	8,076
Fair value through other comprehensive income (FVTOCI)	-	-	81,136	-	81,136
Other financial assets	-	10,540	-	-	10,540
Total financial assets	8,076	3,653,575	81,136	-	3,742,787
Non Financial Assets					
Investment in associate	-	-	-	41,833	41,833
Investment properties	157,678	-	-	-	157,678
Property, plant & equipment	-	-	-	11,911	11,911
Right-of-use assets	-	-	-	24,196	24,196
Intangible assets	-	-	-	5,615	5,615
Diferred tax assets	-	-	-	2,538	2,538
Other assets	-	-	-	62,980	62,980
Total non financial assets	157,678	-	-	149,072	306,750
Total assets	165,754	3,653,575	81,136	149,072	4,049,537

Liabilities - Group	December 31, 2021				
	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Others	Total
Financial Liabilities					
Due to financial institutions	-	526,274	-	-	526,274
Due to other customers	-	122,276	-	-	122,276
Lease liabilities	-	16,706	-	-	16,706
Total financial liabilities	-	665,256	-	-	665,256
Non Financial Liabilities					
Retirement benefit obligations	-	25,887	-	-	25,887
Other liabilities	-	69,336	-	-	69,336
Total non financial liabilities	-	95,223	-	-	95,223
Total liabilities	-	760,479	-	-	760,479

For the period ended December 31, (LKR 000)	Loans		Leasing		Treasury		Money Brokering		Unallocated		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Business segments - Group												
Revenue from external customers,												
Interest	139,314	72,192	102,069	75,410	-	-	-	-	54,971	22,822	296,354	170,424
Fee & commission income	1,550	1,312	4,892	2,313	-	-	-	-	1,715	-	8,157	3,625
Other operating income	4,747	-	515	858	187,962	66,455	20,670	48,787	1,280	18,016	215,174	134,116
Changes in fair value of Investment property	-	-	-	-	-	-	-	-	46,950	44,813	46,950	44,813
Total revenue from external customers	145,611	73,504	107,476	78,581	187,962	66,455	20,670	48,787	57,966	85,651	519,685	352,978
Segment result	63,088	23,023	46,566	24,613	81,438	20,815	8,954	15,281	25,115	26,828	225,161	110,560
Depreciation charged for the year	(5,900)	(1,755)	(4,355)	(1,876)	(7,616)	(1,586)	(837)	(1,165)	(2,348)	(2,044)	(21,056)	(8,426)
Interest expense	(35,700)	(10,843)	(26,350)	(11,592)	(46,083)	(9,803)	(5,068)	(7,197)	(14,212)	(12,635)	(127,413)	(52,069)
Operating profit	21,489	10,426	15,861	11,145	27,739	9,426	3,050	6,920	8,554	12,149	76,693	50,065
Tax on financial Services	-	-	-	-	-	-	-	-	(13,954)	(10,754)	(13,954)	(10,754)
Share of profit/ (loss) of associate companies	-	-	-	-	-	-	-	-	744	152	744	152
Income tax expense	-	(317)	-	(338)	-	(286)	(1,485)	(210)	-	(369)	(1,485)	(1,520)
Other comprehensive Income / (expense)	1,510	5,926	1,115	6,336	1,949	5,358	214	3,934	601	6,906	5,390	28,462
Net profit for the period	22,999	16,035	16,976	17,143	29,688	14,498	3,265	10,644	9,900	8,084	67,389	66,405
Segment assets (As at December 31,)	1,257,239	681,208	660,190	434,310	2,511,461	2,527,517	7,576	53,625	755,700	352,877	5,192,165	4,049,537
Segment liabilities (As at December 31,)	514,353	158,361	379,646	169,301	663,951	143,174	73,012	105,111	204,751	184,533	1,835,719	760,480
For the period ended December 31,												
Cash flow from operating activities	(200,310)	(7,167)	(147,850)	(7,663)	(258,570)	(6,480)	(28,434)	(4,757)	(79,740)	(8,352)	(714,904)	(34,419)
Cash flow from investing activities	(121,453)	(451,537)	(89,645)	(482,730)	(156,777)	(408,235)	(17,240)	(299,704)	(48,348)	(526,164)	(433,463)	(2,168,370)
Cash flow from financing activities	298,776	453,561	220,528	484,894	385,674	410,065	42,411	301,047	118,940	528,522	1,066,329	2,178,089

Colombo
February 28, 2023

SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2022

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 Annual Financial Statements for the year ended December 31, 2021. The same Accounting Policies and methods of computations as stated in the Annual Financial Statements for the year ended December 31, 2021 have been followed in preparation of these Condensed Interim Financial Statements other than the policy change of Investment properties.

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 24% on its taxable profits.

3 Share price during the period

	Voting		Non Voting	
	4th Quarter 2022 Rs.	4th Quarter 2021 Rs.	4th Quarter 2022 Rs.	4th Quarter 2021 Rs.
Highest price per share	1.10	2.50	0.40	0.80
Lowest price per share	0.60	0.70	0.20	0.20

	Voting		Non Voting	
	31.12.22 Rs.	31.12.21 Rs.	31.12.22 Rs.	31.12.21 Rs.
Last traded price	0.80	2.30	0.30	0.70

4 Stated Capital

4.1 Total Number of Shares

	4th Quarter 2022	4th Quarter 2021
Stated Capital is represented by Ordinary Shares (Voting)	6,470,375,048	6,470,375,048
Stated Capital is represented by Ordinary Shares (Non Voting)	3,081,603,712	3,081,603,712

4.2 Total number of Shareholders

Ordinary Shares (Voting)	12,055	10,838
Ordinary Shares (Non Voting)	7,236	6,081

4.3 Number of Public Shareholders

Ordinary Shares (Voting)	12,052	10,834
Ordinary Shares (Non Voting)	7,236	6,081

4.4 Public Shareholding %

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, 2022 is Rs.1,840,746,115.20

4.6 Minimum Public Holding Requirement

The company is in compliance with Option 5 of Section 7.14.1. i (a) of the Listing Rules of the Colombo Stock Exchange pertaining to minimum public holding.

SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2022

5 Financial Ratios - Group

	31.12.22	31.12.21
Net Assets per share (Rs.)	0.35	0.34
Debt/equity ratio (times)	0.50	0.20
Interest cover Ratio (times)	1.60	1.97
Liquid Asset Ratio	35.49%	110.94%

6 Commitments and Contingencies

In the normal course of business, the Company makes various commitments and incurs certain contingent Liabilities with legal recourse to it's customers. No material losses are anticipated as a result of these transactions. Except for above there are no material commitments and contingencies as at the reporting date.

7 Events after the Reporting Date

No circumstances have arisen since the reporting date, which require adjustments or disclosure in the Financial Statements.

8 Comparative Information

Comparative Information has been reclassified wherever necessary to be comparable with the current Financial Information.

9 Directors Shareholding as at December 31, 2022

	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.H.H.A.Chandrasiri	100	-
	4,169,342,404	-

10 CEO's Shareholding as at December 31, 2022

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

11 Key Management Personnel Shareholding as at December 31, 2022

	No. of Voting Shares	No. of Non Voting Shares
N/A	N/A	N/A

12 Management fees and similar expenses

All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2022

13 Significant events and transactions

SMB Leasing PLC has been granted a finance business license by the Central Bank of Sri Lanka (CBSL) effective December 1, 2022. Accordingly, the name of the Company has been changed to SMB Finance PLC with effect from December 1, 2022.

14 Material changes in the use of funds raised

There are no material changes during the period in the use of funds raised through an IPO/Rights/Debenture issue.

15 Top Twenty Five Shareholders

15.1 Ordinary Shares (Voting)

	Name of the Shareholder	December 31, 2022	
		No. of Shares	%
1	MR H.R.S. WIJERATNE	4,169,342,304	64.44
2	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	626,055,720	9.68
3	SAMPATH BANK PLC/ DR.T.SENTHILVERL	238,092,639	3.68
4	MR H.K. PUSHPAKUMARA	41,032,832	0.63
5	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	33,420,359	0.52
6	MS C.N.M. ANTHONY	33,244,854	0.51
7	SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	30,564,006	0.47
8	MRS S.K. BERUWALAGE	29,963,218	0.46
9	HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	27,673,690	0.43
10	MR R. GAUTAM	24,852,800	0.38
11	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	23,446,044	0.36
12	MR H. BERUWALAGE	20,000,014	0.31
13	MR P.N.G.D. SILVA	18,500,001	0.29
14	DIALOG FINANCE PLC/S.A.DE SILVA AND D.R.DE SILVA	18,037,435	0.28
15	SEYLAN BANK PLC/KARAGODA LOKU GAMAGE UDAYANANDA	16,500,000	0.26
16	MR T.M. WALLOOPPILLAI	15,159,786	0.23
17	MR M.J.N.S. FERNANDO	15,018,640	0.23
18	MR N.R.P. KARUNARATNE	15,000,000	0.23
19	MR D.M.T. DASSANAYAKE	14,550,418	0.22
20	PMF FINANCE PLC/P.P.G. SHRIYANI	14,000,000	0.22
21	COSMO MART (PRIVATE) LIMITED	13,999,073	0.22
22	MERCHANT BANK OF SRI LANKA & FINANCE PLC/S.A.A. HASITHA	13,475,101	0.21
23	SINHARAJA HILLS PLANTATION PRIVET LIMITED	13,000,000	0.20
24	MR J.J. RAVINDRAN	12,503,914	0.19
25	HATTON NATIONAL BANK PLC/RAVINDRA ERLE RAMBUKWELLE	12,300,000	0.19
Total shares held by the top 25 holders		5,489,732,848	84.84
Balance shares held by other ordinary voting shareholders		980,642,200	15.16
Total ordinary voting shares		6,470,375,048	100.00

15.2 Ordinary Shares (Non Voting)

	Name of the Shareholder	December 31, 2022	
		No. of Shares	%
1	MR R. GAUTAM	163,100,000	5.29
2	MR T. PRAGASH	127,524,645	4.14
3	SAMPATH BANK PLC/DR.MAYURAMANA DEWOLAGE	81,100,000	2.63
4	SEYLAN BANK PLC/JAYANTHA DEWAGE	77,187,082	2.50
5	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	74,017,826	2.40
6	SEYLAN BANK PLC/KARAGODA LOKU GAMAGE UDAYANANDA	50,000,000	1.62
7	MR S.D. DIVAKARAGE	41,228,496	1.34
8	PEOPLE'S LEASING & FINANCE PLC/MR.R.KANNAN	37,800,000	1.23
9	MR J.J. RAVINDRAN	34,440,000	1.12
10	MR S.P.N. KODITUWAKKU	32,933,333	1.07
11	MR N. MUHUNTHAN	31,200,000	1.01
12	MR B.M.A.M.K. BASNAYAKA	29,019,600	0.94
13	SAMPATH BANK PLC/B S A HOLDINGS (PVT) LTD	26,440,000	0.86
14	DFCC BANK PLC/T.L. SAMARAWICKRAMA	26,000,000	0.84
15	HATTON NATIONAL BANK PLC/RUWAN PRASSANA SUGATHADASA	25,466,806	0.83
16	MR P.N.G.D. SILVA	25,000,000	0.81
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	MR S. RAMANATHAN	21,361,468	0.69
19	MR M.L.A. BENEDICT	20,512,200	0.67
20	MR N.R.P. KARUNARATNE	20,000,000	0.65
21	MRS S.H. SARDAKHAN	20,000,000	0.65
22	THE GOLDEN HOSPITALITY (PVT)LTD	20,000,000	0.65
23	MR N.W.N. JAYASIRI	19,220,001	0.62
24	MES M.A.M. AZLAM	18,962,396	0.62
25	HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	18,759,365	0.61
Total shares held by the top 25 holders		1,063,368,973	34.51
Balance shares held by other ordinary Non voting shareholders		2,018,234,739	65.49
Total ordinary Non voting shares		3,081,603,712	100.00

16 Rights issue funds utilisation as at December 31, 2022

Objective number	Objective as per circular	Amount allocated as per circular Rs	Proposed date of utilisation as per circular	Amount allocated from proceeds Rs.	% of total proceeds	Amounts utilised Rs.	% of utilisation against allocation	Clarification if not fully utilised including where the funds are invested
01	To utilise for lending purpose	2,454,031,512	January 2022	2,143,617,410	87.35%	1,293,869,359	60.36%	Remaining funds are invested in bank fixed deposits.