

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2025**



SMB FINANCE PLC
No.282/1, CBS Building, Galle Road, Colombo 3.

SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended March 31, 2025 (LKR'000)

	Quarter ended March 31, 2025 Unaudited	Quarter ended March 31, 2024 Unaudited	Variance	YTD March 31, 2025 Unaudited	YTD March 31, 2024 Unaudited	Variance
Interest income	150,537	129,085	17%	150,537	129,085	17%
Interest expenses	(46,955)	(38,825)	21%	(46,955)	(38,825)	21%
Net interest income	103,582	90,260	15%	103,582	90,260	15%
Fee and commission income	2,984	1,905	57%	2,984	1,905	57%
Net interest, fee and commission income	106,566	92,165	16%	106,566	92,165	16%
Other operating income (net)	3,485	916	280%	3,485	916	280%
Changes in fair value of investment property	-	-	-	-	-	-
Total operating income	110,051	93,081	18%	110,051	93,081	18%
Allowance for expected credit loss - (reversal)	23,602	181	12940%	23,602	181	12940%
Net operating income	133,653	93,262	43%	133,653	93,262	43%
Personnel expenses	(48,817)	(35,611)	37%	(48,817)	(35,611)	37%
Premises, equipment and establishment expenses	(13,583)	(13,179)	3%	(13,583)	(13,179)	3%
Depreciation and amortization	(17,380)	(12,276)	42%	(17,380)	(12,276)	42%
Other expenses	(12,763)	(10,225)	25%	(12,763)	(10,225)	25%
Operating profit before taxes on financial services	41,110	21,971	87%	41,110	21,971	87%
Taxes on financial services	(13,699)	(1,294)	959%	(13,699)	(1,294)	959%
Profit before income tax	27,411	20,677	33%	27,411	20,677	33%
Income tax expense	(3,553)	(5,324)	-33%	(3,553)	(5,324)	-33%
Profit for the period	23,858	15,353	55%	23,858	15,353	55%
Basic earnings per share (LKR)	0.0025	0.0016	55%	0.0025	0.0016	55%

	Quarter ended March 31, 2025 Unaudited	Quarter ended March 31, 2024 Unaudited	Variance	YTD March 31, 2025 Unaudited	YTD March 31, 2024 Unaudited	Variance
Profit for the period	23,858	15,353	55%	23,858	15,353	55%
Other comprehensive income						
Actuarial gain / (loss) on defined benefit plans	-	-	-	-	-	-
Equity investments at FVOCI - Net change in fair value	-	-	-	-	-	-
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive (expense) / income for the period (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	23,858	15,353	55%	23,858	15,353	55%

Figures in brackets indicate deductions.

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SMB Finance PLC
Statement of Financial Position
As at March 31, 2025 (LKR' 000)

	March 31, 2025 Unaudited	December 31, 2024 Audited
Assets		
Cash and cash equivalents	60,270	44,437
Placements with banks	2,775,346	2,924,467
Financial assets at amortised cost - Loans and receivables to customers	1,757,670	1,782,535
Financial investments	152,051	120,352
Assets held for sale	-	41,699
Investment properties	728,881	708,050
Property, plant & equipment	79,712	59,655
Right-of-use-assets	91,368	73,151
Intangible assets	266,887	268,246
Other assets	97,026	80,153
Total assets	6,009,211	6,102,745
Liabilities		
Due to financial institutions	1,768,485	1,927,174
Financial liabilities at amortised cost - Deposits due to customers	214,077	166,817
Financial liabilities at amortised cost - Due to other customers	136,956	135,837
Retirement benefit obligations	23,342	21,786
Lease liabilities	87,200	63,548
Other liabilities	117,551	149,842
Total liabilities	2,347,611	2,465,004
Equity		
Stated capital	3,062,682	3,062,682
Statutory reserves	55,276	55,276
Fair value reserves	68,525	68,525
Retained earnings	475,117	451,259
Total Equity	3,661,600	3,637,741
Total equity and liabilities	6,009,211	6,102,745

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

L. Abeyasinghe

Director

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SMB Finance PLC
Statement of Changes in Equity
For the period ended March 31, 2025 (LKR'000)

	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Equity
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
Balance as at January 1, 2024	2,555,959	506,723	47,727	64,545	311,805	3,486,758
Profit for the period	-	-	-	-	15,353	15,353
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	15,353	15,353
Transfers to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at March 31, 2024	2,555,959	506,723	47,727	64,545	327,158	3,502,111
Profit for the period	-	-	-	-	135,618	135,618
Other comprehensive income (net of tax)	-	-	-	3,980	(3,968)	12
Total comprehensive income for the period	-	-	-	3,980	131,650	135,630
Transfers to statutory reserve	-	-	7,549	-	(7,549)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	7,549	-	(7,549)	-
Balance as at December 31, 2024	2,555,959	506,723	55,276	68,525	451,259	3,637,741
Balance as at January 1, 2025	2,555,959	506,723	55,276	68,525	451,259	3,637,741
Profit for the period	-	-	-	-	23,858	23,858
Other comprehensive expense (net of tax)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	23,858	23,858
Transfers to statutory reserve	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at March 31, 2025	2,555,959	506,723	55,276	68,525	475,117	3,661,600

Figures in brackets indicate deductions.

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SMB Finance PLC
Statement of Cash Flow
For the period ended March 31, 2025 (LKR'000)

	March 31, 2025 Unaudited	March 31, 2024 Unaudited
Cash flow from operating activities		
Interest receipts	139,852	69,314
Interest payments	(42,742)	(23,466)
Fees and commission receipts	15,821	62,705
Cash payments to employees and suppliers	(77,446)	(53,524)
Profit before changes in operating assets	35,485	55,029
Loans and receivables	47,466	84,936
Other assets	(11,533)	(11,575)
Other liabilities	(22,738)	4,318
Cash generated from operating activities	48,680	132,708
Tax paid	(28,212)	(6,618)
Gratuity paid	(94)	-
Net cash generated from operating activities	20,374	126,090
Cash flow from investing activities		
Net investment in financial investments	(110,000)	-
Purchase of property, plant & equipment & intangible assets	(25,226)	(12,778)
Purchase of investment properties	(20,831)	-
Proceeds from disposal of assets held for sale	10,000	-
Net cash used in investing activities	(146,057)	(12,778)
Cash flow from financing activities		
Repayment of borrowings from financial institutions	(80,939)	(74,092)
Net investments in time deposits & savings deposits	45,849	-
Advance payment on lease acquisition	-	(24,001)
Lease liability payment	(7,215)	(6,791)
Net cash used in financing activities	(42,305)	(104,884)
Net (decrease) / increase in cash and cash equivalents	(167,988)	8,428
Cash and cash equivalents at the beginning of the period	(273,906)	(52,088)
Cash and cash equivalents at the end of the period	(441,894)	(43,660)
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	60,270	40,667
Repo investment with banks	122,709	94,730
	182,979	135,397
Bank overdraft	(624,873)	(179,057)
Cash and cash equivalents at the end of the period	(441,894)	(43,660)

Figures in brackets indicate deductions.

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**SMB Finance PLC
Segment Reporting**

For the period ended March 31, 2025 (LKR'000)

Business segments	Loans		Leasing		Treasury		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the period ended March 31, Revenue from external customers,										
Interest	65,515	48,251	28,798	24,230	56,223	56,605	-	-	150,537	129,085
Fee & commission income	665	1,052	2,278	154	-	-	41	700	2,984	1,905
Other operating income	3,286	784	-	131	-	-	199	-	3,485	916
Total revenue from external customers	69,467	50,087	31,076	24,515	56,223	56,605	241	700	157,007	131,906
Segment result	46,653	27,747	20,871	13,581	37,759	31,357	162	388	105,445	73,072
Depreciation charged for the period	(7,690)	(4,661)	(3,440)	(2,282)	(6,224)	(5,268)	(27)	(65)	(17,380)	(12,276)
Interest expense	(20,775)	(14,743)	(9,294)	(7,216)	(16,814)	(16,661)	(72)	(206)	(46,955)	(38,825)
Operating profit	18,189	8,343	8,137	4,083	14,721	9,428	63	117	41,110	21,971
Tax on financial services	(6,061)	-	(2,711)	-	(4,906)	-	(21)	(1,294)	(13,699)	(1,294)
Income tax expense	(1,572)	-	(703)	-	(1,272)	-	(5)	(5,324)	(3,553)	(5,324)
Other comprehensive income / (expense)	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income / (expense)	10,556	8,343	4,722	4,083	8,543	9,428	37	(6,501)	23,858	15,353
Segment assets (As at March 31),	1,302,421	935,362	454,401	457,076	2,988,514	2,727,467	1,263,874	1,124,068	6,009,211	5,243,974
Segment liabilities (As at March 31),	1,038,685	660,190	464,660	323,128	840,668	746,103	3,599	9,222	2,347,611	1,738,642
For the period ended March 31,										
Cash flow from operating activities	9,014	46,239	4,033	22,631	7,296	52,256	31	4,964	20,374	126,090
Cash flow from investing activities	(64,622)	(13,966)	(28,909)	(6,835)	(52,302)	(15,783)	(224)	23,806	(146,057)	(12,778)
Cash flow from financing activities	(18,718)	(29,073)	(8,373)	(14,230)	(15,149)	(32,856)	(65)	(28,725)	(42,305)	(104,884)

SMB Finance PLC
Classification of Financial Instruments
As at March 31, 2025 (LKR' 000)

Assets	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Assets				
Cash and cash equivalents	-	60,270	-	60,270
Placements with banks	-	2,775,346	-	2,775,346
Financial assets at amortised cost - Loans and receivables to customers	-	1,757,670	-	1,757,670
Fair value through profit or loss (FVTPL)	-	-	-	-
Fair value through other comprehensive income (FVTOCI)	-	-	152,051	152,051
Total financial assets	-	4,593,286	152,051	4,745,337

As at December 31, 2024 (LKR' 000)

Assets	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Assets				
Cash and cash equivalents	-	44,437	-	44,437
Placements with banks	-	2,924,467	-	2,924,467
Financial assets at amortised cost - Loans and receivables to customers	-	1,782,535	-	1,782,535
Fair value through profit or loss (FVTPL)	43	-	-	43
Fair value through other comprehensive income (FVTOCI)	-	-	120,309	120,309
Total financial assets	43	4,751,439	120,309	4,871,791

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SMB Finance PLC
Classification of Financial Instruments
As at March 31, 2025 (LKR' 000)

Liabilities	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Liabilities				
Due to financial institutions	-	1,768,485	-	1,768,485
Financial liabilities at amortised cost - Deposits due to customers	-	214,077	-	214,077
Financial liabilities at amortised cost - Due to other customers	-	136,956	-	136,956
Lease liabilities	-	87,200	-	87,200
Total financial liabilities	-	2,206,718	-	2,206,718
Non Financial Liabilities				
Retirement benefit obligations	-	23,342	-	23,342
Other liabilities	-	117,551	-	117,551
Total non financial liabilities	-	140,893	-	140,893
Total liabilities	-	2,347,611	-	2,347,611

As at December 31, 2024 (LKR' 000)

Liabilities	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Liabilities				
Due to financial institutions	-	1,927,174	-	1,927,174
Financial liabilities at amortised cost - Deposits due to customers	-	166,817	-	166,817
Financial liabilities at amortised cost - Due to other customers	-	135,837	-	135,837
Lease liabilities	-	63,548	-	63,548
Total financial liabilities	-	2,293,376	-	2,293,376
Non Financial Liabilities				
Retirement benefit obligations	-	21,786	-	21,786
Other liabilities	-	149,842	-	149,842
Total non financial liabilities	-	171,628	-	171,628
Total liabilities	-	2,465,004	-	2,465,004

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SMB Finance PLC
Notes to the Financial Statements
For the period ended March 31, 2025

1 Basis of Preparation

These Condensed Interim Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the Audited Annual Financial Statements for the year ended December 31, 2024. The same accounting policies and methods of computations as stated in the Audited Annual Financial Statements for the year ended December 31, 2024 have been followed in preparation of these Condensed Interim Financial Statements.

2 Income Tax

The Company is liable for income tax at the rate of 30% on its taxable profits.

3 Share Price During the Period

	Voting		Non Voting	
	1st Quarter 2025	1st Quarter 2024	1st Quarter 2025	1st Quarter 2024
	Rs.	Rs.	Rs.	Rs.
Highest price per share	0.90	0.70	0.40	0.30
Lowest price per share	0.50	0.50	0.20	0.20

	Voting		Non Voting	
	31.03.25	31.03.24	31.03.25	31.03.24
	Rs.	Rs.	Rs.	Rs.
Last traded price	0.70	0.70	0.30	0.30
Closing price per share	0.60	0.70	0.30	0.20

4 Stated Capital

	1st Quarter 2025	1st Quarter 2024
4.1 Total Number of Shares		
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)	11,471	11,660
Ordinary Shares (Non Voting)	6,702	6,718
4.3 Number of Public Shareholders		
Ordinary Shares (Voting)	11,468	11,657
Ordinary Shares (Non Voting)	6,702	6,718
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 March 31, 2025 is Rs. 1,380,412,035.60

4.6 Minimum Public Holding Requirement

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

SMB Finance PLC
Notes to the Financial Statements
For the period ended March 31, 2025

5 Financial Ratios

	March 31, 2025 Unaudited	March 31, 2024 Unaudited
Net assets per share (LKR)	0.38	0.37
Debt/equity ratio (times)	0.58	0.44
Interest cover ratio (times)	1.88	1.57
Liquid asset ratio (times)	15.43	23.28

6 Commitments and Contingencies

In the ordinary course of business, the Company makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material loss is expected as a result of these transactions. Other than the above there are no material commitments and contingencies as at the reporting date.

7 Events during the period

The Company has obtained approval from the Central Bank of Sri Lanka (CBSL) for the sale of its investment in Kenanga Investment Corporation Ltd at a price of Rs. 8.51 per share on March 11, 2025. Accordingly, SMB Finance PLC sold 4,900,000 shares held by the Company on March 25, 2025, at a consideration of Rs.41,699,000.

8 Events after the Reporting Date

There are no material events after the Balance sheet date that require adjustment or disclosure.

9 Comparative Information

Comparative information has been reclassified wherever necessary to make it comparable with the current financial information.

10 Directors' Shareholding as at March 31, 2025

	No. of Voting Shares	No. of Non Voting Shares
Mr. H.R.S.Wijeratne	4,169,342,304	-
Mr. A.T.S. Sosa	-	-
Mr. L. Abeyasinghe	-	-
Mr. S.C. Wijesinghe	-	-
Mr. W.M. Dayasinghe	-	-
Mr. D.P.S. Jayawardena	-	-
Mr. R.S. Wijeratne *	-	-
	4,169,342,304	-

* Mr. R.S. Wijeratne was appointed to the Board as a Non-Independent, Non-Executive Director with effect from January 31, 2025.

11 CEO's Shareholding as at March 31, 2025

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

12 Key Management Personnel Shareholding as at March 31, 2025

	No. of Voting Shares	No. of Non Voting Shares
Ms. Randulani Claudeen Godage	18	-
Mr. Thurairajah Thavaeaswaran	346,000	-

13 Management Fees and Similar Expenses

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

14 Material Changes in the Use of Funds Raised

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

SMB Finance PLC
Notes to the Financial Statements
For the period ended March 31, 2025

15 Top Twenty Five Shareholders

15.1 Ordinary Shares (Voting)

	Name of the Shareholder	March 31, 2025	
		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 / Senthilverl Holdings (Pvt) Ltd	238,092,639	3.68
4	Sampath Bank PLC / Andaradeniya Estate Private Limited	40,713,219	0.63
5	Seylan Bank PLC / Anuja Chamila Jayasinghe	37,482,437	0.58
6	Mr. D.G.M.D. Chandradasa & Miss. D.G. Sachiki Chandradasa	35,920,439	0.56
7	Seylan Bank PLC / A.C. Senanka	30,322,894	0.47
8	Mrs. P.D.A.S. Beruwalage	29,962,218	0.46
9	Commercial Bank of Ceylon PLC / W. Jinadasa	28,181,936	0.44
10	Hatton National Bank PLC/Anuja Chamila Jayasinghe	27,473,690	0.42
11	Mr. S.S. De Silva	25,862,109	0.40
12	Mr. R. Gautam	25,220,000	0.39
13	Mr. H.K. Pushpakumara	24,139,189	0.37
14	Seylan Bank PLC / Andaradeniya Estate (Pvt) Ltd	24,085,677	0.37
15	Miss. H.J.K.U. Wijerame	22,722,688	0.35
16	Hatton National Bank PLC / Ruwan Prassana Sugathadasa	21,547,625	0.33
17	Mr. H. Beruwalage	20,000,014	0.31
18	Dialog Finance PLC / S.A. De Silva And D.R. De Silva	18,037,435	0.28
19	Hatton National Bank PLC / Ravindra Erle Rambukwelle	16,825,000	0.26
20	Seylan Bank PLC / Karagoda Loku Gamage Udayananda	16,500,000	0.26
21	People's Leasing & Finance PLC / Mr.D.M.P. Disanayake	15,968,087	0.25
22	Seylan Bank PLC / R.M.S.H. Wijebandara	14,857,960	0.23
23	Mr. D.M.T. Dassanayake	14,550,418	0.22
24	Mr. P.N.G.D. Silva	14,400,000	0.22
25	Mr. S.E.C.P. Senawirathna	14,000,000	0.22
Total ordinary voting shares held by the top 25 holders		5,552,263,698	85.81
Balance shares held by other ordinary voting shareholders		918,111,350	14.19
Total ordinary voting shares		6,470,375,048	100.00

15.2 Ordinary Shares (Non Voting)

	Name of the Shareholder	March 31, 2025	
		No. of Shares	%
1	Mr. S.P.N. Kodituwakku	330,687,248	10.73
2	Mr. R. Gautam	164,050,000	5.32
3	Sampath Bank PLC / Dr. Mayuramana Dewolage	87,500,000	2.84
4	Sampath Bank PLC / Andaradeniya Estate Private Limited	79,127,826	2.57
5	Seylan Bank PLC / Jayantha Dewage	77,186,982	2.50
6	Mr. M.A.M. Azlam	56,644,892	1.84
7	Mr. K.R. Karunaratne	52,368,108	1.70
8	Seylan Bank PLC / Karagoda Loku Gamage Udayananda	50,000,000	1.62
9	Mr. S.P. Sedara	44,916,677	1.46
10	Dialog Finance PLC / S.D.Divakarage	41,228,496	1.34
11	Mr. J.J. Ravindran	34,440,000	1.12
12	Mr. N. Muhunthan	34,000,000	1.10
13	People's Leasing & Finance PLC / Mr.R.Kannan	30,000,000	0.97
14	Assetline Finance Limited / B.M.A.M.K. Basnayaka	29,019,600	0.94
15	Sampath Bank PLC / B S A Holdings (Pvt) Ltd	26,440,000	0.86
16	Mr. T. Pragash	25,436,588	0.83
17	Mr. S. Ramanathan	24,503,344	0.80
18	Mr. P.N.G.D. Silva	23,325,000	0.76
19	Mr. K.M.S.M. Razik, Mr. K.M.S.M. Rajabudeen & Mr. K.M.S.M.R. Mohommad	22,100,000	0.72
20	Hatton National Bank PLC / Ruwan Prassana Sugathadasa	20,466,806	0.66
21	Mr. M.W.P.W. Jayawardena	20,400,000	0.66
22	Mr. N.D.P. Hettiaratchy, Mrs. N.D. Hettiaratchy & Mis D.N. Hettiaratchy	20,000,000	0.65
23	Dialog Finance PLC / C.M.P.P.T.A. Perera	19,000,000	0.62
24	Mr. W.J.D. Benedict	18,000,000	0.58
25	Mrs. C. Katugampalage Dona	17,946,383	0.58
Total ordinary non voting shares held by the top 25 holders		1,348,787,950	43.77
Balance shares held by other ordinary non voting shareholders		1,732,815,762	56.23
Total ordinary non voting shares		3,081,603,712	100.00