

SERENDIB FINANCE LIMITED

(A FULLY OWNED SUBSIDIARY OF COMMERCIAL BANK OF CEYLON PLC)

PUBLICATION OF INTERIM FINANCIAL STATEMENTS AS PER CENTRAL BANK GUIDELINE NO.02 OF 2006

STATEMENT OF FINANCIAL POSITION

As at 30 th September	2017 Rs.	2016 Rs.
ASSETS		
Cash and cash equivalents	16,607,238	10,085,894
Placements with banks	206,518	707,557
Loans and receivables - Lease	2,400,921,841	2,449,420,700
Loans and receivables - Hire Purchase	57,756,779	127,303,969
Loans and receivables - Others	2,186,529,961	1,471,407,682
Securities purchased under resale agreements	79,295,178	79,295,178
Financial investments - Available for sale	194,700,311	70,215,223
Property, plant and equipment	202,613,544	198,393,511
Intangible assets	8,246,494	7,677,109
Current tax assets	-	6,792,577
Other assets	28,091,441	13,047,145
Total assets	5,174,969,305	4,434,346,545
LIABILITIES		
Due to banks	4,287,902,372	3,486,310,095
Debt securities issued	-	-
Current tax liabilities	16,823,405	-
Deferred tax liabilities	40,022,393	30,484,120
Other liabilities	75,123,866	202,104,703
Total liabilities	4,419,872,036	3,718,898,918
SHAREHOLDERS' FUNDS		
Stated capital	580,000,001	580,000,001
Statutory reserve fund	22,028,859	15,656,516
Retained earnings	57,825,087	31,853,056
Other reserves	95,243,321	87,938,054
Total equity	755,097,268	715,447,628
Total liabilities and equity	5,174,969,305	4,434,346,545

SELECTED PERFORMANCE INDICATORS

As at 30 th September	2017	2016
Regulatory Capital Adequacy		
Core capital (Tier 1 capital), (Rs.'000)	680,002	647,626
Total capital base, (Rs.'000)	680,002	647,626
Core capital adequacy ratio; core capital as % of risk weighted assets (minimum requirement, 5%)	13.91%	15.13%
Total capital adequacy ratio; total capital as % of risk weighted assets (minimum requirement, 10%)	13.91%	15.13%
Capital funds to total deposit liabilities ratio (minimum requirement, 10%)	N/A	N/A
Assets Quality (Quality of Loan Portfolio)		
Gross non performing accommodation (Rs.'000)	766,124	459,121
Gross non performing accommodation ratio (%)	14.58%	10.22%
Net non performing accommodation ratio (%)	1.62%	0.00%
Profitability (%)		
Interest margin	6.99%	7.01%
Return on assets (before tax)	-0.70%	1.54%
Return on equity (after tax)	-5.23%	6.32%
Regulatory Liquidity (Rs.'000)		
Required minimum amount of liquid assets	-	-
Available amount of liquid assets	290,686	160,181
Required minimum amount of government securities	273,849	147,798
Available amount of government securities	273,872	149,387
Memorandum Information		
Number of employees	117	110
Number of branches	5	5
Number of service centers	6	6
Number of pawning centers	-	-

STATEMENT OF PROFIT OR LOSS

For the 06 months ended 30 th September	2017 Rs.	2016 Rs.
Interest income	491,175,354	302,618,751
Interest expenses	(311,346,832)	(165,344,828)
Net interest income	179,828,521	137,273,923
Fee and commission income	43,697,257	30,216,217
Fee and commission expenses	(7,000,064)	(5,956,641)
Net fee and commission income	36,697,192	24,259,576
Other operating income	1,247,141	1,976,252
Total operating income	217,772,855	163,509,751
Impairment for loans and other losses		
Collective impairment	(168,580,555)	(19,221,430)
Net operating income	49,192,300	144,288,321
Operating expenses		
Personnel expenses	(45,062,199)	(38,176,821)
Depreciation and amortization	(5,767,034)	(5,076,416)
Other operating expenses	(35,654,079)	(33,149,164)
Operating profit / (loss) before value added tax on financial services	(37,291,012)	67,885,920
Value added tax on financial services	(1,060,928)	(8,163,187)
Profit / (loss) before taxation	(38,351,940)	59,722,732
Income tax expense	(3,053,446)	(15,888,480)
Profit / (loss) for the period	(41,405,385)	43,834,252
Earnings per share		
Basic earnings per ordinary share	(1.35)	1.43

STATEMENT OF COMPREHENSIVE INCOME

For the 06 months ended 30 th September	2017 Rs.	2016 Rs.
Profit / (loss) for the period	(41,405,385)	43,834,252
Other comprehensive income		
Revaluation surplus of property, plant and equipment	-	-
Actuarial gains / (losses) on defined benefit plans	-	-
Net change in fair value of available-for-sale financial assets	-	-
Less: Tax expense / income relating to components of other comprehensive income	-	-
Total other comprehensive income, net of tax	-	-
Total comprehensive income for the period, net of tax	(41,405,385)	43,834,252

Certification

We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of Serendib Finance Limited certify jointly that:

(A) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka,

(B) The Information contained in these statements have been extracted from the unaudited financial statements of the Company.

.....(Sgd.)

Chief Executive Officer

Date:- 25.10.2017

.....(Sgd.)

Chief Financial Officer



FULLY OWNED SUBSIDIARY OF COMMERCIAL BANK OF CEYLON PLC

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