

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

FitchRatings **A+**
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STATEMENT OF FINANCIAL POSITION

As at 30 th September	2019 Rs.	2018 Rs.
ASSETS		
Cash and cash equivalents	55,677,005	11,144,779
Placements with banks	66,054,775	215,169
Loans and receivables - Lease	1,966,554,947	2,425,090,744
Loans and receivables - Hire Purchase	834,108	5,875,425
Loans and receivables - Others	4,087,233,615	1,163,164,095
Financial investments	267,943,983	319,677,050
Property, plant and equipment	203,066,154	195,703,052
Intangible assets	9,562,125	11,234,751
Deferred tax assets	166,800,610	126,328,902
Other assets	45,230,752	31,209,758
Total assets	6,868,958,075	4,289,643,726
LIABILITIES		
Due to banks	4,810,937,118	3,090,724,737
Current tax liabilities	31,236,443	-
Other liabilities	98,422,504	58,985,760
Total liabilities	4,940,596,065	3,149,710,497
SHAREHOLDERS' FUNDS		
Stated capital	2,079,999,976	1,279,999,980
Statutory reserve fund	23,013,951	22,028,859
Retained earnings	(260,397,145)	(246,868,871)
Other reserves	85,745,227	84,773,261
Total equity	1,928,362,010	1,139,933,229
Total liabilities and equity	6,868,958,075	4,289,643,726

SELECTED PERFORMANCE INDICATORS

As at 30 th September	2019	2018
Regulatory Capital Adequacy		
Core capital (Tier 1 capital), (Rs.'000)	1,652,407	937,744
Total capital base, (Rs.'000)	1,829,286	937,744
Core capital adequacy ratio; core capital as % of risk weighted assets (minimum requirement, 6.50%) (2018 - 5%)	21.23	20.07
Total capital adequacy ratio; total capital as % of risk weighted assets (minimum requirement, 10.50%) (2018 - 10%)	21.23	20.07
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)	1,526,873	1,842,925
Gross non performing accommodation ratio (%)	21.95	37.75
Net non performing accommodation ratio (%)	5.08	11.33
Profitability (%)		
Interest margin	8.90	7.40
Return on assets (before tax)	0.86	-7.82
Return on equity (after tax)	1.80	-19.46
Regulatory Liquidity (Rs.'000)		
Required minimum amount of liquid assets	181,529	-
Available amount of liquid assets	384,405	324,207
Required minimum amount of government securities	266,040	319,461
Available amount of government securities	266,074	319,553
Memorandum Information		
Number of employees	123	111
Number of branches	4	4
Number of service centers	6	6
Number of pawning centers	-	-

STATEMENT OF PROFIT OR LOSS

For the 06 months ended 30 th September	2019 Rs.	2018 Rs.
Interest income	557,107,463	379,785,783
Interest expenses	(288,058,242)	(224,723,437)
Net interest income	269,049,222	155,062,346
Fee and commission income	20,087,876	35,461,817
Fee and commission expenses	(817,691)	(9,620,520)
Net fee and commission income	19,270,185	25,841,298
Other operating income	8,001,147	777,581
Total operating income	296,320,554	181,681,225
Impairment for loans and other losses		
Collective impairment	(115,528,331)	(448,316,488)
Net operating income	180,792,223	(266,635,263)
Operating expenses		
Personnel expenses	(49,646,368)	(43,750,678)
Depreciation and amortization	(5,907,521)	(5,312,630)
Other operating expenses	(41,919,828)	(35,661,901)
Operating profit / (loss) before value added tax on financial services	83,318,507	(351,360,472)
Value added tax on financial services	(25,572,263)	-
Profit / (loss) before taxation	57,746,244	(351,360,472)
Income tax expense	(23,751,565)	127,538,427
Profit / (loss) for the period	33,994,679	(223,822,046)
Earnings per share		
Basic earnings / (loss) per ordinary share	0.24	(3.78)

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the 06 months ended 30 th September	2019 Rs.	2018 Rs.
Profit / (loss) for the period	33,994,679	(223,822,046)
Other comprehensive income		
Revaluation surplus of property, plant and equipment	-	-
Actuarial gains / (losses) on defined benefit plans	-	-
Net change in fair value of FVOCI / 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	33,994,679	(223,822,046)

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 has been extracted from the unaudited financial statements of the Company.

.....(Sgd.)

D.M.U.N. Dissanayake
Managing Director / Chief Executive Officer

Date:- 27.11.2019

.....(Sgd.)

C.Y.B. Weerakoon
Chief Financial Officer



FULLY OWNED SUBSIDIARY OF COMMERCIAL BANK OF CEYLON PLC

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