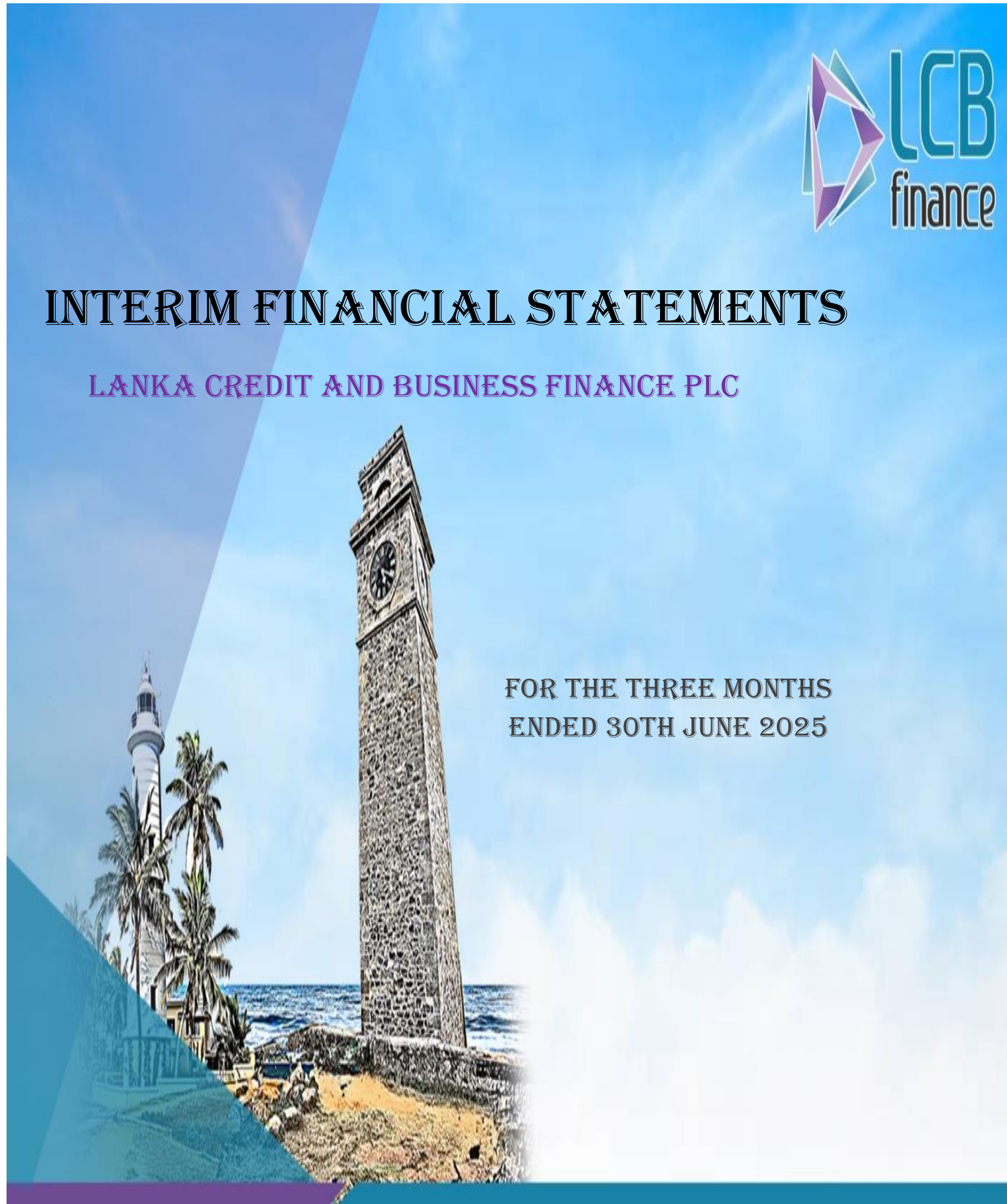




# INTERIM FINANCIAL STATEMENTS

LANKA CREDIT AND BUSINESS FINANCE PLC

FOR THE THREE MONTHS  
ENDED 30TH JUNE 2025



**LANKA CREDIT AND BUSINESS FINANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025**

	Quarter ended 30th June		
	Unaudited 2025 Rs.	Unaudited 2024 Rs.	Change %
<b>Income</b>	420,814,889	343,106,690	23%
Interest Income	401,528,708	309,459,822	30%
Less: Interest Expenses	(139,398,323)	(139,426,346)	0%
<b>Net interest income</b>	262,130,386	170,033,476	54%
Fee and Commission Income	15,518,736	11,818,320	31%
Less: Fee and Commission Expenses	-	-	-
<b>Net Fee and Commission Income</b>	15,518,736	11,818,320	31%
Net Other Operating Income/(Expense)	3,767,444	21,828,549	-83%
<b>Total Operating Profit</b>	281,416,566	203,680,344	38%
Impairment(Charge)/Reversal	(19,591,741)	(56,201,625)	-65%
<b>Net Operating Income</b>	261,824,826	147,478,719	78%
<b>Less : Operating Expenses</b>			
Personnel Costs	(69,796,205)	(55,492,996)	26%
Depreciation and Amortization	(25,537,588)	(24,043,349)	6%
Other Operating Expenses	(43,701,707)	(40,884,007)	7%
	(139,035,500)	(120,420,352)	15%
<b>Operating Profit before Tax on Financial Services</b>	122,789,326	27,058,367	354%
Taxes on Financial Services	(32,272,463)	(2,126,457)	1418%
<b>Profit before tax</b>	90,516,863	24,931,910	263%
Less: Income Tax (Expense)/Reversal	(13,000,000)	-	-100%
<b>Profit for the Period</b>	77,516,863	24,931,910	211%
<b>Other Comprehensive Income/ (Expenses)</b>			
<b>Other Comprehensive Income that will not be reclassified to profit or loss:</b>			
Actuarial gain/(loss) on defined benefit plan	-	-	-
Deferred tax effect on actuarial gain/(loss)	-	-	-
<b>Other Comprehensive Income for the period, net of tax</b>	-	-	-
<b>Total Comprehensive Income for the period, net of tax</b>	77,516,863	24,931,910	211%
<b>Earnings/(Loss) per Share: Basic/Diluted (Rs.)</b>	0.10	0.03	

Figures in brackets indicate deductions

Classification: **Public**

**LANKA CREDIT AND BUSINESS FINANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**INTERIM FINANCIAL STATEMENTS AS AT 30TH JUNE 2025**

	<b>Unaudited 30.06.2025 Rs.</b>	<b>Audited 31.03.2024 Rs.</b>
<b>Assets</b>		
Cash and Cash Equivalent	159,173,163	216,952,568
Financial Investment at Amortised Cost	630,485,555	578,160,999
Financial assets at Amortised Cost - Loans and Receivables	6,094,308,511	6,002,054,674
Financial assets at Amortised Cost - Lease rentals receivables and Hire Purchases	1,668,285,104	1,754,671,668
Other Financial Assets	124,312,359	114,240,209
Financial Assets Measured at Fair value through Profit or Loss	23,896,285	21,834,438
Financial Investments at Fair value through Other Comprehensive Income	315,813	315,813
Other Non Financial Assets	36,124,223	34,908,994
Investment Property	224,000,000	224,000,000
Property, Plant and Equipment	100,716,021	109,742,300
Right of Use Assets	156,101,088	141,634,869
Intangible Assets	36,754,775	34,042,201
Deferred Tax Asset	15,925,201	15,925,201
<b>Total Assets</b>	<b>9,270,398,098</b>	<b>9,248,483,934</b>
<b>Liabilities</b>		
Financial Liabilities at amortised Cost - Due to Banks	1,072,158,206	1,069,967,819
Financial Liabilities at amortised Cost - Due to customers	4,585,377,956	4,643,459,643
Other Financial Liabilities	209,324,125	189,545,301
Other Non Financial Liabilities	194,118,695	213,538,118
Retirement Benefits Liabilities	8,494,888	8,565,688
<b>Total Liabilities</b>	<b>6,069,473,870</b>	<b>6,125,076,569</b>
<b>Equity</b>		
Stated Capital	2,539,133,400	2,539,133,400
Reserves	75,579,147	75,579,147
Retained Earnings	586,211,681	508,694,818
<b>Total Equity</b>	<b>3,200,924,228</b>	<b>3,123,407,365</b>
<b>Total Equity and Liabilities</b>	<b>9,270,398,098</b>	<b>9,248,483,934</b>
<b>Net Asset Value Per Share</b>	<b>4.05</b>	<b>3.95</b>

The information contained in these financial statements have been extracted from the unaudited Financial Statements unless indicated as "Audited"

**CERTIFICATION:**

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

*Sgd*

Kelum Wannige  
AGM Finance & Strategic Planning

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board of Directors by,

*Sgd*

Director/CEO

25th July 2025  
Colombo

*Sgd*

Mr. Dushmantha Thotawatte  
Chairman

**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025**

	Stated Capital	Retained Earnings	Statutory Reserve	Total Equity
	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01st April 2024 (Audited)</b>	2,539,133,400	320,721,989	59,642,422	2,919,497,811
Net Profit / (Loss) for the Period	-	24,931,910	-	24,931,910
Other Comprehensive Income for the period, net of tax	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	-	-
<b>Balance as at 30th June 2024</b>	<b>2,539,133,400</b>	<b>345,653,899</b>	<b>59,642,422</b>	<b>2,944,429,721</b>
<b>Balance as at 01st April 2025 (Audited)</b>	2,539,133,400	508,694,818	75,579,147	3,123,407,365
Net Profit / (Loss) for the Period	-	77,516,863	-	77,516,863
Other Comprehensive Income for the period, net of tax	-	-	-	-
Transfer to Statutory Reserve Fund	-	-	-	-
<b>Balance as at 30th June 2025</b>	<b>2,539,133,400</b>	<b>586,211,681</b>	<b>75,579,147</b>	<b>3,200,924,228</b>

# LANKA CREDIT AND BUSINESS FINANCE PLC

## STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025

	Unaudited 30.06.2025 Rs.	Audited 30.06.2024 Rs.
<b>Cash Flows from /(used in )Operating Activities</b>		
Profit before tax from continuing operations	90,516,863	24,931,910
Adjustments for ;		
Depreciation and Amortization	17,560,173	16,760,741
Loss/(Profit)on Disposal of Property, Plant and Equipment	-	-
Provision/(Reversal) for Defined Benefit Plans	-	-
Loss/(Profit)on sale of Investment Property	-	-
Gain/(Losses) from Change in fair value of Investment Properties	-	-
Fair Value (Gain) / Loss from Share Investments & Unit Trust	(2,061,846)	20,749,402
Dividend Received	-	-
Impairment (Reversal)/Charges for Loans & receivable and Lease rentals receivables & Hire Purchases	19,591,741	56,201,625
Write off balances	-	-
Operating Profit before Working Capital Changes	125,606,930	118,643,678
<b>Working Capital Adjustments</b>		
(Increase) / Decrease Lease Rentals Receivables and Hire Purchases	81,070,495	(303,152,656)
(Increase) / Decrease Loan Receivables	(106,529,511)	(54,058,187)
(Increase) / Decrease Other Financial Assets	(10,072,150)	(11,597,793)
(Increase) / Decrease Other Non Financial Assets	(15,681,448)	(53,495,504)
Increase / (Decrease) in Other Liabilities	51,134,620	21,679,666
Increase / (Decrease) in Due to Customers	(58,081,688)	533,630,198
<b>Cash Flow from/(used in) Operating Activities</b>	67,447,248	251,649,401
Gratuity Paid	(70,800)	(274,750)
Tax Paid	(3,545,261)	-
<b>Net Cash from Operating Activities</b>	63,831,187	251,374,651
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipments	(6,110,137)	(16,391,783)
Acquisition of Intangible Assets	(5,136,330)	(362,850)
Acquisition of Investment Properties	-	-
Net Investment Acquisition	(52,324,556)	(24,025,418)
Net Investments in Shares & Unit Trust	-	238,501,196
Dividend Received	-	-
Proceeds from Sales of Property, Plant & Equipment	-	-
<b>Net Cash Flows from/(Used in) Investing Activities</b>	(63,571,023)	197,721,145
<b>Cash Flows from / (used in) Financing Activities</b>		
Net Proceeds from Interest Bearing Loans & Borrowings	95,335,816	(359,401,328)
Payment of Capital portion of Lease Liabilities	-	-
<b>Net Cash used in Financing Activities</b>	95,335,816	(359,401,328)
<b>Net Increase in Cash and Cash Equivalents</b>	95,595,980	89,694,467
<b>Cash and Cash Equivalents at the beginning of the year</b>	58,944,351	209,863,402
<b>Cash and Cash Equivalents at the end of the period</b>	<b>154,540,331</b>	<b>299,557,870</b>
<b>Cash and Cash Equivalent - Cash Flow Purpose</b>		
Cash and Cash Equivalent before allowance for impairment	159,173,163	299,557,870
Bank Overdraft	(4,632,832)	-
	<b>154,540,331</b>	<b>299,557,870</b>



**LANKA CREDIT AND BUSINESS FINANCE PLC**  
**FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**  
**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025**

**FAIR VALUE HIERARCHY**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy in to which the fair value measurement is categorized.

FINANCIAL ASSETS	As at 30.06.2025 (Unaudited)					As at 31.03.2025 (Audited)				
	Fair value measurement using				Total	Fair value measurement using				Total
	Carrying value	Level 01	Level 02	Level 03		Carrying value	Level 01	Level 02	Level 03	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets Measured at Fair value through Profit or Loss	23,896,285	-	23,896,285	-	23,896,285	21,834,438	-	21,834,438	-	21,834,438
Financial Investments at Fair Value through Other Comprehensive Income	315,813	-	-	315,813	315,813	315,813	-	-	315,813	315,813
	<b>24,212,098</b>	<b>-</b>	<b>23,896,285</b>	<b>315,813</b>	<b>24,212,098</b>	<b>22,150,251</b>	<b>-</b>	<b>21,834,438</b>	<b>315,813</b>	<b>22,150,251</b>

ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS								
	As at 30.06.2025 (Unaudited)				As at 31.03.2025 (Audited)			
	Fair value Through Profit & Loss	Fair value Through Other Comprehensive Income	Amortised Cost	Total Carrying Amount	Fair value Through Profit & Loss	Fair value Through Other Comprehensive Income	Amortised Cost	Total Carrying Amount
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial Assets</b>								
Cash and Cash Equivalent	-	-	159,173,163	159,173,163	-	-	216,952,568	216,952,568
Financial Investment at amortised Cost	-	-	630,485,555	630,485,555	-	-	578,160,999	578,160,999
Financial assets at amortised Cost - Loans and Receivables	-	-	6,094,308,511	6,094,308,511	-	-	6,002,054,674	6,002,054,674
Financial assets at amortised Cost - Lease rentals receivables and Hire Purchases	-	-	1,668,285,104	1,668,285,104	-	-	1,754,671,668	1,754,671,668
Other Financial Assets	-	-	124,312,359	124,312,359	-	-	114,240,209	114,240,209
Financial Assets Measured at Fair value through Profit or Loss	23,896,285	-	-	23,896,285	21,834,438	-	-	21,834,438
Financial Investment at Fair value through Other Comprehensive Income	-	315,813	-	315,813	-	315,813	-	315,813
<b>Total Financial Assets</b>	<b>23,896,285</b>	<b>315,813</b>	<b>8,676,564,692</b>	<b>8,700,776,790</b>	<b>21,834,438</b>	<b>315,813</b>	<b>8,666,080,118</b>	<b>8,688,230,369</b>
<b>Financial Liabilities</b>								
Financial Liabilities at amortised Cost - Due to Banks	-	-	1,072,158,206	1,072,158,206	-	-	1,069,967,819	1,069,967,819
Financial Liabilities at amortised Cost - Due to customers	-	-	4,585,377,956	4,585,377,956	-	-	4,643,459,643	4,643,459,643
Other Financial Liabilities	-	-	209,324,125	209,324,125	-	-	189,545,301	189,545,301
<b>Total Financial Liability</b>	<b>-</b>	<b>-</b>	<b>5,866,860,286</b>	<b>5,866,860,286</b>	<b>-</b>	<b>-</b>	<b>5,902,972,763</b>	<b>5,902,972,763</b>

**LANKA CREDIT AND BUSINESS FINANCE PLC**  
**EXPLANATORY NOTES**  
**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025**

**01. Basis of Preparation**

These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 Interim Financial Reporting.

The Accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our audited financial statements for the financial year ended 31st March 2025.

**02. Events after the Reporting Date**

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

**03. Commitments and Contingencies**

The City Finance Deposits as at 30th June 2025 was Rs.72.96 Mn (as at 31st March 2025 was Rs. 73.50 Mn ). In addition to that as at 30th June 2025 the Company has given Letters of Guarantee amounting to Rs.16.5 Mn (as at 31st March 2025 was Rs.33.5 Mn).

**04. Credit Rating**

The Company obtained credit rating of (SL) BB - (Stable) Assigned by Lanka Rating Agency

**05. Selected Performance Indicators**

	<b>As at</b>	
	<b>30.06.2025</b>	<b>30.06.2024</b>
<b><u>Capital Adequacy</u></b>		
Tier 1 Capital Adequacy Ratio (Minimum 8.50%)	36.63%	40.28%
Total Capital Adequacy Ratio (Minimum 12.50%)	36.61%	40.28%
Capital Funds to Deposit Liabilities Ratio (Minimum 10%)	67.84%	80.98%
<b><u>Profitability</u></b>		
Return on Equity ( After Tax)	9.81%	3.40%
Return on Assets ( Before Tax)	5.28%	1.40%
<b><u>Asset Quality</u></b>		
Net Non- Performing Loans Ratio	7.89%	10.46%
<b><u>Liquidity</u></b>		
Available Liquid Assets to Required Liquid Assets	105.61%	123.78%
Liquid Assets to External Funds	9.35%	12.29%

**LANKA CREDIT AND BUSINESS FINANCE PLC**  
**ADDITIONAL NOTES**  
**INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2025**

06. Market Price Per Share for the quarter ended		30th June 2025	30th June 2024
Highest	Rs.	4.30	3.00
Lowest	Rs.	2.40	2.10
Closing	Rs.	4.10	2.20

07. Stated Capital is represented by number of Shares in issue as given below :		30th June 2025	30th June 2024
No.of Ordinary Shares	Rs.	790,168,780	790,168,780

**08. Twenty Largest Shareholders of the company are as follows:**

Shareholder Name	30th June 2025	
	Number of shares	Shareholding %
1 LANKA CREDIT AND BUSINESS LIMITED	569,538,406	72.08
2 MR. KAPILA INDIKA WEERASINGHE	12,500,000	1.58
3 MR. S. A. THALANGAMA	5,686,000	0.72
4 PEOPLES LEASING & FINANCE PLC	5,000,000	0.63
5 MR.B.A.D.R.DISSANAYAKE	4,750,000	0.60
6 MR.D.S.R.DARANAKUMBURA	4,164,970	0.53
7 MR.A.A.A.DE SILVA	4,000,000	0.51
8 HELIOS VENTURES (PVT) LTD	3,356,901	0.42
9 MR.R.ARIFEEN	3,250,000	0.41
10 MRS.W.A.I.KUMARASINGHE	3,071,268	0.39
11 DFCC BANK PLC/MR.P.PRANAVAN	3,000,000	0.38
12 MR. M.F. BAKIR	2,801,000	0.35
13 MR.A.P. MANAWADU	2,632,500	0.33
14 BANK OF CEYLON NO. 1 ACCOUNT	2,617,539	0.33
15 MR.S.D.SAPUTHANTHRI	2,507,116	0.32
16 L E LIYANAGE	2,500,000	0.32
17 ASPIC CORPORATION LIMITED	2,440,228	0.31
18 SEYLAN BANK PLC/S.R. FERNANDO	2,233,470	0.28
19 MR.W.T HUSSAIN	2,100,000	0.27
20 MR. D. ABEYWICKREMA	2,050,000	0.26
Others	640,199,398	81.02
<b>Total</b>	<b>790,168,780</b>	<b>100.00</b>

**09. Directors' holding in shares of the company**

Name of Director	30th June 2025	
	Number of shares	Shareholding %
Mr. Dushmantha Thotawatte	Nil	-
Mr. Kandegoda Gamage Leelananda	Nil	-
Mr. Ranjan Lal Masakorala	Nil	-
Mr. Gayan Kalahara Nanayakkara	Nil	-
Mr. Ashwin Welgama Nanayakkara	Nil	-
Mr. Kapila Indika Weerasinghe	12,500,000	1.58
Mr. Mahesh Katulanda	Nil	-
Mr. Jayalath Pathiranalage Chandrasiri Jayalath	Nil	-
Mr. Srinath Ajith Kumara Alahakoon	Nil	-

**10. Public Holding of Shares of the Company**

In terms of the rule 7.14.1(i)(b) of the Listing Rules of the Colombo Stock Exchange, the Company Qualifies under option two (02) of the minimum public holding requirement.

Option	Float adjusted market capitalization		Public holding percentage (%)		Number of public shareholders	
	Minimum requirement	Available amount (Rs.)	Minimum requirement	Public holding (%)	Minimum requirement	Public shareholders
Option 2	less than Rs. 1 Bn.	853,334,533	10%	26.33%	200	5,066

## **LANKA CREDIT AND BUSINESS FINANCE PLC**

### **Corporate Information**

#### **Name of the Company**

Lanka Credit and Business Finance PLC

#### **Legal Form of the Company**

A company incorporated in Sri Lanka on March 03, 1962 and re-registered as a public limited liability company under the Companies Act on March 10, 2008.

The Limited Company was registered as as Public Quoted Company on 21st January 2022 by listing its shares on CSE on 16th November 2021.

The Company is a Licenced Finance Company, licensed by the Monetary Board of the Central Bank of Sri Lanka.

#### **Company Registration Number**

PQ 00251997

#### **Registered Office**

Lanka Credit and Business Finance PLC

No. 76, S. De. S. Jayasinghe Mawatha, Kohuwala

Tel : +94 11 2825404 – 6

Fax : +94 11 2825405

#### **Company Secretary**

Ms Tamarika Rodrigo

No 76, S De S Jayasinghe MW Kohuwela

Tel : +94 11 2825404 – 6

Fax : +94 11 2825405

#### **Auditors to the Company**

M/s Ernst & Young Chartered Accountants

No. 201, De Saram Place Colombo 10

Tel : +94 11 2463500

Fax : +94 11 2697369

#### **Central Bank License No.**

21

#### **Tax Payer Identity Number (TIN)**

124004284

#### **No of Branches**

As At 30/06/2025 21

#### **Board of Directors**

Mr. Dushmantha Thotawatte

- Chairman / Non-Executive / Independent

Mr. Kandegoda Gamage Leelananda

- Chief Executive Officer / Executive / Non-Independent

Mr. Ranjan Lal Masakorala

- Non-Executive Director / Non-Independent

Mr. Gayan Kalhara Nanayakkara

- Non-Executive Director / Non-Independent

Mr. Ashwin Welgama Nanayakkara

- Non-Executive Director / Non-Independent

Mr. Kapila Indika Weerasinghe

- Non-Executive Director / Non-Independent

Mr. Mahesh Katulanda

- Non-Executive Director / Independent

Mr. Jayalath Pathiranalage Chandrasiri Jayalath

- Non - Executive Director / Non-Independent

Mr. Srinath Ajith Kumara Alahakoon

-Non- Executive Director / Independent

#### **Board Committees**

Board Audit Committee

Board Human Resource and Remuneration Committee

Board Related Party Transactions Review Committee

Board Integrated Risk Management Committee

Board Selection Nomination and Governance Committee

Board Credit Committee

Board IT Steering Committee

#### **Bankers to the Company**

Sampath Bank PLC

People's Bank

Cargills Bank

Pan Asia Bank

Bank of Ceylon

#### **Accounting Year-End**

31st March