

AMW CAPITAL LEASING AND FINANCE PLC

PUBLICATION OF FINANCIAL STATEMENTS

Independent auditor's report
To the Shareholders of AMW Capital Leasing and Finance PLC

Report on the audit of the financial statements
Our opinion
In our opinion, the accompanying financial statements give a true and fair view of the financial position of AMW Capital Leasing and Finance PLC (the Company) as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with the Lanka Accounting Standards.

What we have audited
The Company's financial statements comprise:
• the statement of financial position as at 31 December 2022;
• the statement of comprehensive income for the year then ended;
• the statement of changes in equity for the year then ended;
• the statement of cash flows for the year then ended; and
• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Scope of our audit
We audited the audit in accordance with the Lanka Auditing Standards (LASs). The responsibilities under those standards are further described in the auditor's report included in the audit of the financial statements as set out in our report.

Materiality
Materiality is the threshold above which misstatements in the financial statements are considered to be significant.

Independence
We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (ICAI) and the Code of Ethics, which has been adopted by other related professional bodies in accordance with the ICAI Code of Ethics.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of greatest significance to our audit of the financial statements for the year ended 31 December 2022, and in relation to which the auditor's report provides a description of the audit procedures performed to address the matter, and the results of those procedures.

Independent auditor's report
To the Shareholders of AMW Capital Leasing and Finance PLC (Company)

Report on the audit of the financial statements (Covid)
Key audit matters (Covid)

Our work
The audit procedures performed to address the key audit matters are described in the audit report. The audit procedures performed to address the key audit matters are described in the audit report. The audit procedures performed to address the key audit matters are described in the audit report.

Other information
Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2022 (the Annual Report). Our audit does not include the financial statements and our auditor's report thereon. The Annual Report is prepared for and made available to the public after the date of this auditor's report.

Our opinion
In our opinion, the other information does not contain any material misstatements and is consistent with the financial statements.

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Lanka Accounting Standards and for such other information as management deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Report on other legal and regulatory requirements
As required by section 122(2) of the Companies Act No. 47 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Independent auditor's report
To the Shareholders of AMW Capital Leasing and Finance PLC (Covid)

Report on the audit of the financial statements (Covid)
Key audit matters (Covid)

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Independent auditor's report
To the Shareholders of AMW Capital Leasing and Finance PLC (Covid)

Report on the audit of the financial statements (Covid)
Auditor's responsibilities for the audit of the financial statements

Our objective
Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with LASs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with LASs, we exercise professional judgment and exercise professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misstatements, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to disclose this in our auditor's report to the extent of our audit. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that is fair and unbiased.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Independent auditor's report
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Key Financial Data for the Period Ended 31st December 2022 (Audited)

In Rupees Million	Current Period 2022	Previous Period 2021
	From 01.01.2022 To 31.12.2022	From 01.01.2021 To 31.12.2021
Interest Income	1,580	1,378
Interest Expenses	(798)	(511)
Net Interest Income	782	867
Other Income	208	359
Operating Expenses (excluding impairment)	(557)	(504)
Impairment	(17)	(173)
Profit Before Tax	416	548
Taxes*	(177)	(185)
Profit for the year	239	363
Other comprehensive income for the year, net of tax	4	6
Total Comprehensive Income for the year	243	369

* Including indirect taxes (Such as VAT on Financial Services) and direct taxes (Corporate Income tax)

Key Financial Data as at 31st December 2022 (Audited)

In Rupees Million	As at 31.12.2022	As at 31.12.2021
Assets		
Cash and Bank Balance	337	289
Government Securities	1,178	471
Due from Related Parties	-	-
Loans (excluding due from related parties)	7,398	8,530
Investments in Equity	2	2
Property, Plant and Equipment	41	27
Other Assets	276	254
Total Assets	9,232	9,573
Liabilities		
Due to Banks	3,193	3,285
Due to Related Parties	-	-
Deposits from Customers	1,771	2,175
Other Liabilities	700	789
Total Liabilities	5,664	6,249
Equity		
Stated Capital	200	200
Statutory Reserve Fund	177	165
Retained Earnings	3,189	2,957
Other Reserves	2	2
Total Equity	3,568	3,324
Total Equity and Liabilities	9,232	9,573
Net Assets Value Per Share	178.39	166.20

Note: Amounts stated are in net of impairment and depreciation.

CERTIFICATION:
We, the undersigned, being the Chief Executive Officer, the General Manager-Finance and the Compliance Officer of AMW Capital Leasing and Finance PLC 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 (CBSL);
- (b) the information contained in these statements have been extracted from the audited financial statements of the Licensed Finance Company.

Indika Perera (Sgd.)
General Manager - Finance
Date: 30.03.2023

Chamath Munasinghe (Sgd.)
Director/Chief Executive Officer
Date: 30.03.2023

Poornima Lenora (Sgd.)
Head of Compliance
Date: 30.03.2023

Selected Key Performance Indicators

Item	As at 31.12.2022		As at 31.12.2021	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	34.23%	8.50%	30.62%	7.00%
Total Capital Adequacy Ratio	34.23%	12.50%	30.62%	11.00%
Capital Funds to Deposit Liabilities Ratio	201%	10.00%	153%	10.00%
Quality of Loan Portfolio (%)				
Gross Non-Performing Loans Ratio	15.97%		7.57%	
Net-Non-Performing Loans Ratio	8.53%		0.97%	
Net-Non-Performing Loans to Core Capital Ratio	22%		2.77%	
Provision Coverage Ratio	71.13%		117.47%	
Profitability (%)				
Net Interest Margin	8.90%		9.89%	
Return on Assets (Before Tax)	4.39%		5.85%	
Return on Equity (After Tax)	6.94%		11.56%	
Cost to Income Ratio	66.54%		50.53%	
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	784%		258%	
Liquid Assets to External Funds	28%		12.53%	
Memorandum information				
Number of Branches	22		22	
Number of Service Centers	0		0	
External Credit Rating (Fitch Rating)	BBB (lka)		BBB + (lka)	