

**INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2016**

**SIYAPATHA FINANCE PLC**

***Siyapatha***  
**F I N A N C E**

member  ***Sampath Bank Group***

## STATEMENT OF COMPREHENSIVE INCOME

	For the quarter ended		Change %
	31.03.2016 LKR.000	31.03.2015 LKR.000	
<b>Income</b>	<b>656,559</b>	<b>506,134</b>	<b>30%</b>
Interest income	591,934	460,251	29%
Interest expenses	(295,574)	(171,090)	73%
<b>Net interest income</b>	<b>296,360</b>	<b>289,160</b>	<b>2%</b>
Fee and commission income	28,222	13,678	106%
Fee and commission expenses	(754)	(1,952)	-61%
<b>Net fee and commission income</b>	<b>27,468</b>	<b>11,726</b>	<b>134%</b>
Net gain/(loss) from trading	-	-	-
other operating income	36,403	32,204	13%
<b>Total operating income</b>	<b>360,231</b>	<b>333,090</b>	<b>8%</b>
<b>Impairment (charge)/reversal for loans</b>	<b>(16,883)</b>	<b>(14,309)</b>	<b>18%</b>
Individual impairment (charge)/reversal	(10,432)	(4,488)	132%
Collective impairment (charge)/reversal	(6,451)	(9,820)	-34%
<b>Net operating income</b>	<b>343,348</b>	<b>318,781</b>	<b>8%</b>
<b>Operating expenses</b>	<b>(217,349)</b>	<b>(152,488)</b>	<b>43%</b>
Personnel expenses	(113,152)	(75,101)	51%
Depreciation of property, plant & equipment	(8,493)	(5,691)	49%
Amortization of intangible assets	(1,861)	(1,632)	14%
Other operating expenses	(93,843)	(70,064)	34%
<b>Operating profit before VAT &amp; NBT on financial services</b>	<b>125,999</b>	<b>166,293</b>	<b>-24%</b>
VAT & NBT on financial services	(25,292)	(21,983)	15%
<b>Profit before taxation</b>	<b>100,707</b>	<b>144,310</b>	<b>-30%</b>
Tax expenses	(32,570)	(46,937)	-31%
<b>Profit after taxation</b>	<b>68,137</b>	<b>97,373</b>	<b>-30%</b>
<b>Other comprehensive income/(expenses)</b>			
<b>Other comprehensive income not to be reclassified to profit or loss</b>			
Actuarial losses on defined benefit plan	-	-	-
Deferred tax effect on actuarial losses	-	-	-
<b>Other comprehensive income, net of taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income, net of taxes</b>	<b>68,137</b>	<b>97,373</b>	<b>-30%</b>
<b>Basic earnings per share-(LKR.)</b>	<b>1.30</b>	<b>1.85</b>	

## SIYAPATHA FINANCE PLC

## STATEMENT OF FINANCIAL POSITION

As at	31-03-2016 LKR'000	Audited 31-12-2015 LKR'000
<b>Assets</b>		
Cash and bank balances	292,290	130,070
Securities purchased under repurchase agreements	776,008	601,679
Loans and receivables	15,090,298	13,529,244
Financial investments- Available for sale	56	56
Financial investments- Held to maturity	4,375	4,274
Other assets	337,444	234,417
Intangible assets	13,027	14,889
Property, plant and equipment	349,740	124,697
<b>Total Assets</b>	<b>16,863,238</b>	<b>14,639,326</b>
<b>Liabilities</b>		
Bank overdraft	180,213	163,583
Due to other customers	2,425,482	1,233,041
Debt issued and other borrowed funds	11,713,188	10,925,421
Deferred tax liabilities	108,820	102,306
Current tax liabilities	69,165	75,663
Retirement benefit obligations	21,657	19,259
Other liabilities	665,446	508,921
<b>Total Liabilities</b>	<b>15,183,971</b>	<b>13,028,194</b>
<b>Shareholders' Funds</b>		
Stated capital	525,000	525,000
Reserves		
Statutory reserve fund	73,465	70,059
Retained earnings	1,080,802	1,016,073
<b>Total Shareholders' Funds</b>	<b>1,679,267</b>	<b>1,611,132</b>
Non controlling interest	-	-
<b>Total Equity</b>	<b>1,679,267</b>	<b>1,611,132</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>16,863,238</b>	<b>14,639,326</b>
Net asset value per share(LKR.)	31.99	30.69
Commitments & contingencies	451,512	315,071

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

**CERTIFICATION**

We certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No: 7 of 2007 and give true and fair view of the state of affairs of Siyapatha Finance PLC as at 31 March 2016 and its profits for the period then ended 31 March 2016.

(Sgd)  
Group Chief Financial Officer

(Sgd)  
Managing Director

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

(Sgd)  
Director

26 April 2016

## SIYAPATHA FINANCE PLC

## STATEMENT OF CHANGES IN EQUITY

LKR.000

	Stated Capital	Statutory Reserve Fund	Retained Earnings	Total Shareholders' Funds
<b>For the period ended 31 March 2015</b>				
<b>Balance as at 31 December 2014</b>	<b>525,000</b>	<b>50,832</b>	<b>735,813</b>	<b>1,311,644</b>
Dividend declared	-	-	-	-
Net profit for the period	-	-	97,373	97,373
Other comprehensive income, net of tax	-	-	-	-
Transfer to Statutory Reserve Fund	-	4,869	(4,869)	-
<b>Balance as at 31 March 2015</b>	<b>525,000</b>	<b>55,700</b>	<b>828,318</b>	<b>1,409,018</b>
<b>For the period ended 31 March 2016</b>				
<b>Balance as at 31 December 2015</b>	<b>525,000</b>	<b>70,059</b>	<b>1,016,073</b>	<b>1,611,132</b>
Dividend declared	-	-	-	-
Net profit for the period	-	-	68,137	68,137
Other comprehensive income, net of tax	-	-	-	-
Transfer to Statutory Reserve Fund	-	3,406	(3,406)	-
<b>Balance as at 31 March 2016</b>	<b>525,000</b>	<b>73,465</b>	<b>1,080,802</b>	<b>1,679,267</b>

## STATEMENT OF CASH FLOWS

For the period ended 31 March	2016 LKR'000	2015 LKR'000
<b>Cash flow from operating activities</b>		
<b>Profit before taxation</b>	<b>100,707</b>	<b>144,310</b>
Interest expenses	295,574	171,090
Fee and commission expenses	754	1,952
Provision for impairment	16,883	14,309
Provision for /(Reversal of) staff gratuity	2,700	1,500
Provision for depreciation	8,493	5,691
Amortization of software	1,861	1,632
Write off of provisions	(14,775)	-
	311,490	196,174
<b>Operating profit before working capital changes</b>	<b>412,195</b>	<b>340,484</b>
(Increase)/decrease in Leased receivables	(1,412,425)	(1,341,968)
(Increase)/decrease in Hire purchase receivables	365,226	581,498
(Increase)/decrease in Factoring receivables	(372,073)	29,555
(Increase)/decrease in Pawning receivables	14,775	(34,127)
(Increase)/decrease in Gold loan receivables	(199,679)	-
(Increase)/decrease in Gold dream financing	(6,679)	-
(Increase)/decrease in Loan receivables	47,642	44,354
(Increase)/decrease in Other assets	(102,976)	(30,529)
Increase/(decrease) in Other payables	190,714	112,231
	<b>(1,475,475)</b>	<b>(638,986)</b>
<b>Cash generated from operations</b>	<b>(1,063,280)</b>	<b>(298,502)</b>
Interest paid	(296,328)	(155,652)
Gratuity paid	(301)	-
Income tax paid	(32,555)	(13,091)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,392,464)</b>	<b>(467,244)</b>
<b>Cash flow from investing activities</b>		
Investments in government treasury bonds	(100)	(3)
Purchase of property, plant, equipment & intangible assets	(233,537)	(4,706)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(233,637)</b>	<b>(4,710)</b>
<b>Net cash inflow/(outflow) before financing activities</b>	<b>(1,626,101)</b>	<b>(471,954)</b>
<b>Cash flow from financing activities</b>		
Net proceeds from long term loans/Securitizations	(178,575)	495,984
Net proceeds from short term borrowings	965,003	93,961
Net proceeds from term deposits	1,159,589	100
<b>Net cash inflow/(outflow) from financing activities</b>	<b>1,946,017</b>	<b>590,046</b>
Net increase/(decrease) in cash and cash equivalents	319,918	118,091
Cash & cash equivalents at the beginning of the period	568,166	494,419
<b>Cash and cash equivalents at end of the period</b>	<b>888,085</b>	<b>612,510</b>
<b>Analysis of the cash and cash equivalents at the end of the period</b>		
Securities purchased under repurchase agreements	776,008	601,432
Cash and bank balances	292,290	83,850
Bank overdraft	(180,213)	(72,772)
	<b>888,085</b>	<b>612,510</b>

## SIYAPATHA FINANCE PLC

## SELECTED PERFORMANCE INDICATORS

	As at 31.03.2016	As at 31.12.2015
<b><u>Capital Adequacy</u></b>		
Core Capital Ratio(Minimum Requirement -5%)	10.86%	12.20%
Total Risk Weighted Capital Ratio (Minimum Requirement- 10%)	16.25%	18.26%
Capital Funds to Deposit Liabilities Ratio(Minimum Requirement-10%)*	118.34%	222.78%
<b><u>Profitability</u></b>		
Return on Average Assets (After Tax)	1.68%	2.87%
Return on Average Shareholders' Funds	16.46%	25.91%
<b><u>Asset Quality (LKR'000)</u></b>		
Total Accommodation(Gross)	15,337,764	13,775,020
Non-Performing Accommodation	394,620	304,065
Net Total Accommodation(Net of Allowance for Impairment Losses)	15,090,298	13,529,244
<b><u>Liquidity (LKR'000)</u></b>		
Required Minimum Amount of Liquid Assets**	687,792	475,478
Required Minimum Amount of Government Securities***	762,830	590,992
Available Amount of Liquid Assets	797,050	632,165
Available Amount of Government Securities	767,659	593,429

\* **Capital Funds to Deposit Liabilities Ratio**

*The capital funds to deposit liabilities ratio is computed on the following basis:Capital funds as a percentage of average of month end deposit liabilities during last three months.*

\*\* *Required minimum amount of liquid assets equals to 10 % of total liabilities less Shareholders' Funds and Secured Borrowings as at 31 March 2016 & 31 December 2015 respectively.*

\*\*\* *Required minimum amount of government securities equals to 7.5% of the average of month end deposit liabilities and borrowings of the twelve months of the preceding financial year.*

## EXPLANATORY NOTES

1. The Interim Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards that came into effect from 01 January 2012.

Further, these Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 on 'Interim Financial Reporting'.

The accounting policies and methods of computation followed in preparing the above interim financial statements are same as those disclosed in our Audited Financial Statements for the year ended 31 December 2015 and they provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

2. There are no material changes during the period in the composition of assets, liabilities, contingent liabilities and use of funds raised through debentures.
3. The Interim Financial Statements for the year ended 31 March 2016 are drawn up from unaudited accounts of the company unless indicated as audited.
4. The following comparative information for the year 2015 is re-classified as follows to conform to the current year's presentation of Financial Statements.

### **4.1 Statement of Comprehensive Income**

	<b>Re-classified LKR.000</b>	<b>As disclosed in 2015 LKR.000</b>	<b>Adjustment LKR.000</b>
Individual Impairment	4,488	15,834	(11,346)
Collective Impairment	9,820	(1,525)	11,346

**4.1.1** Losses on sale of repossessed vehicles amounting to LKR.11.35 Million which was previously classified under "Individual impairment charges" have been re-classified under "Collective impairment charges".

5. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements other than those disclosed in Note 08 & Note 09 below.
6. The Board of Directors of the Company has recommended a dividend of LKR.1.10 per ordinary share be paid for the financial year ended 31 December 2015 subject to the approval from the Central Bank of Sri Lanka. Accordingly, a dividend of LKR.57.75 Million (LKR. 1.10 per share on 52.5 Million shares) is proposed. This dividend is to be paid in the form of a scrip dividend. Further, this dividend is to be approved by the shareholders at the Annual General Meeting.
7. The Company has acquired a plot of land for the proposed Head Office of the Company for a total value of LKR. 195.27 Million with the approval of Board of Directors of the Company.
8. Mr.K.M.Saman Priyantha Herath was appointed as the Managing Director of Siyapatha Finance PLC with effect from 05 April 2016.

9. Mr.A.Roshan Nanayakkara has rendered his resignation from the position of Chief Executive Officer of Siyapatha Finance PLC with effect from 30 April 2016.

### **INFORMATION ON SHARES**

Stated Capital as at 31 March 2016 was represented by the number of shares in issue as given below.

	As at 31 March 2016		As at 31 March 2015	
	Number	LKR.	Number	LKR.
Ordinary Shares	52,500,000	525,000,000/-	52,500,000	525,000,000/-
<b>Total</b>	<b>52,500,000</b>	<b>525,000,000/-</b>	<b>52,500,000</b>	<b>525,000,000/-</b>

### **SHAREHOLDER INFORMATION**

#### Shareholders' list as at 31 March 2016

	Name	No: of Shares	%
(01).	Sampath Bank PLC	52,499,993	100.00%
(02).	Mr. M.A.Abeynaike	01	0.00%
(03).	Mr. S.G. Wijesinha	01	0.00%
(04).	Dr.H.S.D.Soyso	01	0.00%
(05).	Mr. W.M.P.L. De Alwis	01	0.00%
(06).	Mr. M.Y.A.Perera	01	0.00%
(07).	Mr. Ranjith Samaranayake	01	0.00%
(08).	Mr.S. Sudarshan	01	0.00%
		<b>52,500,000</b>	<b>100.00%</b>

#### Public Holdings

The percentage of ordinary shares held by the public as at 31 March 2016 was 0%.

#### Directors'/ CEO's Holding in Shares as at 31 March 2016

Name	Position	No: of Shares
Mr. M.A.Abeynaike	Director	01
Mr. S.G. Wijesinha	Director	01
Dr.H.S.D.Soyso	Director	01
Mr. W.M.P.L. De Alwis	Director	01
Mr. M.Y.A. Perera	Director	01
Mr. Ranjith Samaranayake	Director	01



## INFORMATION ON LISTED DEBENTURES

### (i).Market Values

	Highest (LKR.)		Lowest (LKR.)		Period End (LKR.)	
	2016	2015	2016	2015	2016	2015
Debentures - 2014/2019	Not Traded	99.98	Not Traded	99.98	Not Traded	99.98

### (ii).Interest Rates

	2016		2015	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Debentures -2014/2019	8.90%	8.90%	8.90%	8.90%

### (iii).Interest rate of comparable Government Securities

	31-03-2016	31-12-2015
6 months treasury bill	10.32%	7.43%
1 year treasury bill	11.00%	7.90%
5 year treasury bond	12.69%	10.88%

### (iv).Current Yield & Yield to maturity

	2016		2015	
	Current Yield (%)	Yield to Maturity (%)	Current Yield (%)	Yield to Maturity (%)
Debentures Issued-December 2014 5 year Fixed rated(8.90% p.a. payable annually)	8.90%	Not Traded	8.90%	8.88%

### (v).Ratios

	31-03-2016	31-12-2015
Debt to Equity Ratio (Times)	4.33	4.42
Interest Cover(Times)	1.48	1.84
Quick Asset Ratio (%)	91.38%	110.25%