

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31st MARCH 2015

SIYAPATHA FINANCE PLC

Siyapatha
F I N A N C E

member  ***Sampath Bank Group***

	For the quarter ended		Change %
	31.03.2015 Rs.000	31.03.2014 Rs.000	
Income	506,134	498,236	2%
Interest income	460,251	470,740	-2%
Interest expenses	(171,090)	(225,104)	-24%
Net interest income	289,161	245,636	18%
Fee and commission income	13,678	8,967	53%
Fee and commission expenses	(1,952)	(3,592)	-46%
Net fee and commission income	11,726	5,375	118%
Net gain/(loss) from trading other operating income	- 32,204	- 18,528	- 74%
Total operating income	333,091	269,539	24%
Impairment (charge)/reversal for loans & other losses	(14,309)	(49,708)	-71%
Individual impairment (charge)/reversal & other losses	(15,834)	(13,700)	16%
Collective impairment (charge)/reversal	1,525	(36,008)	-104%
Net operating income			
Operating expenses	(151,495)	(132,832)	14%
Personnel expenses	(75,101)	(45,553)	65%
Depreciation of property, plant & equipment	(5,691)	(4,486)	27%
Amortization of intangible assets	(1,632)	(1,190)	37%
Other operating expenses	(69,071)	(81,603)	-15%
Operating profit before VAT & NBT on financial Services & Crop insurance levy	167,287	86,999	92%
VAT & NBT on financial services	(21,983)	(10,979)	100%
Crop insurance levy	(994)	(670)	48%
Profit before taxation	144,310	75,350	92%
Tax expenses	(46,937)	(33,050)	42%
Profit after taxation	97,373	42,300	130%
Other comprehensive income/(expenses)			
Actuarial losses on defined benefit plan	-	-	-
Deferred tax effect on actuarial losses	-	-	-
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income, net of taxes	97,373	42,300	130%
Basic earnings per share-(Rs.)	1.85	0.81	

SIYAPATHA FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at	31-03-2015 Rs'000	Audited 31-12-2014 Rs'000
Assets		
Cash and bank balances	83,850	88,655
Securities purchased under repurchase agreements	601,432	489,685
Loans and receivables	10,311,866	9,593,309
Financial investments- Available for sale	56	56
Financial investments- Held to maturity	4,202	4,198
Intangible assets	15,465	17,097
Property, plant and equipment	96,732	97,716
Inventories	2,247	1,747
Other assets	143,031	125,327
Total Assets	11,258,882	10,417,790
Liabilities		
Due to banks	7,279,095	6,466,594
Other borrowings	1,931,143	2,146,249
Current tax liabilities	141,377	111,179
Deferred tax liabilities	73,632	69,983
Retirement benefit obligations	14,035	12,535
Other liabilities	410,582	299,606
Total Liabilities	9,849,864	9,106,146
Shareholders' Funds		
Stated capital	525,000	525,000
Reserves		
Statutory Reserve Fund	55,700	50,831
Retained Earnings	828,318	735,813
Total Shareholders' Funds	1,409,018	1,311,644
Non controlling interest	-	-
Total Equity	1,409,018	1,311,644
Total Liabilities and Shareholders' Funds	11,258,882	10,417,790
Net assets value per share(Rs)	26.84	24.98

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 31st March 2015 and its profits for the three months ended 31st March 2015.

(Sgd)
Group Chief Financial Officer

(Sgd)
Chief Executive Officer

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)
Deputy Chairman

(Sgd)
Director

28th April 2015

STATEMENT OF CHANGES IN EQUITY

Rs.000

	Stated Capital	Statutory Reserve Fund	Investment Reserve Fund	Retained Earnings	Total Shareholders' Funds
For the period ended 31st March 2015					
Balance as at 31st December 2014	525,000	50,831	-	735,813	1,311,644
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)	-
Balance as at 31st March 2015	525,000	55,700	-	828,318	1,409,018
For the period ended 31st March 2014					
Balance as at 31st December 2013	525,000	37,787	58,488	452,627	1,073,902
Dividend declared				-	-
Net profit for the period	-	-	-	42,300	42,300
Other comprehensive income, Net of Tax	-	-	-	-	-
Transfers to Investment Reserve Fund			1,054	(1,054)	-
Transfer to Statutory Reserve Fund	-	2,115	-	(2,115)	-
Balance as at 31st March 2014	525,000	39,902	59,542	491,758	1,116,202

For the period ended 31st March	2015 Rs. '000	2014 Rs. '000
Cash Flow from Operating Activities		
Profit before Taxation (after OCI Adjustments)	144,310	75,350
Interest Expenses	171,090	225,104
Fee & Commission Expenses	1,952	3,592
Provision for Impairment	14,309	49,708
Provision for /(Reversal of) Staff Gratuity	1,500	1,159
Provision for Depreciation	5,691	4,486
Amortization of Software	1,632	1,190
(Profit)/Loss on sale of motor vehicle	-	(26)
Write off of Provisions	-	-
	196,174	285,213
Operating Profit before Working Capital Changes	340,484	360,563
(Increase)/Decrease in Leased Assets	(1,341,968)	27,823
(Increase)/Decrease in Hire Purchase Debtors	581,498	(300,160)
(Increase)/Decrease in Factoring Debtors	29,555	47,089
(Increase)/Decrease in Pawning Receivables	(34,127)	(29,898)
(Increase)/Decrease in Loan Receivables	44,354	(30,533)
(Increase)/Decrease in Inventories	(501)	(261)
(Increase)/Decrease in Other Receivables	(30,028)	12,718
Increase/(Decrease) in Other Payables	112,231	35,720
	(638,986)	(237,502)
Cash Generated from Operations	(298,502)	123,061
Interest paid	(155,652)	(238,853)
Gratuity Paid	-	-
Income Tax Paid	(13,091)	(5,904)
Net Cash Inflow/(Outflow) from Operating Activities	(467,244)	(121,696)
Cash Flow from Investing Activities		
Investments in Government Treasury Bonds/Fixed Deposits	(3)	-
Purchase of Property, Plant, Equipment & Intangible Assets	(4,706)	(6,401)
Proceeds from Sale of Property, Plant & Equipment	-	27
Net Cash Inflow/(Outflow) from Investing Activities	(4,709)	(6,374)
Net Cash Inflow/(Outflow) before Financing Activities	(471,953)	(128,070)
Cash Flow from Financing Activities		
Net Proceeds from Long Term Loans/ Securitizations	495,984	(488,092)
Net Proceeds from Debenture	-	-
Net Proceeds from Short Term Borrowings	93,961	783,001
Net Proceeds from Term Deposits	100	-
Dividend Paid	-	-
Net Cash Inflow/(Outflow) from Financing Activities	590,046	294,909
Net Increase/(Decrease) in Cash and Cash Equivalents	118,091	166,839
Cash & Cash Equivalents at the beginning of the period	494,419	325,188
Cash and Cash Equivalents at end of the Period	612,510	492,027
Analysis of the Cash and Cash Equivalents at the end of the period		
Investment in REPOs	601,432	487,654
Cash and Bank balances	83,850	6,287
Bank Overdraft	(72,772)	(1,914)
	612,510	492,027

SELECTED PERFORMANCE INDICATORS

	As at 31.03.2015	As at 31.12.2014
<u>Capital Adequacy</u>		
Core Capital Ratio(Minimum Requirement -5%)	13.00%	11.24%
Total Risk Weighted Capital Ratio (Minimum Requirement- 10%)	19.49%	16.85%
Capital Funds to Total Deposit Liabilities Ratio(Times)*	13,116.44	-
<u>Profitability</u>		
Return on Avg Assets (After Tax)	3.33%	2.52%
Return on Avg Shareholders' Funds	28.36%	21.83%
<u>Asset Quality (Rs.'000)</u>		
Total Accommodation(Gross)	10,555,867	9,837,818
Non-Performing Accommodation	352,948	371,902
Net Total Accommodation(Net of Allowance for Impairment Losses)	10,311,866	9,593,309
<u>Liquidity (Rs.000)</u>		
Required Minimum Amount of Liquid Assets**	174,827	172,469
Required Minimum Amount of Government Securities***	590,992	469,343
Available Amount of Liquid Assets	604,158	495,179
Available Amount of Government Securities	593,472	481,819

* The company has only mobilized Rs.100,000/- as term deposits ,therefore this ratio is higher than normal.

**Required minimum amount of liquid assets equals to 10 % of total liabilities less Shareholders' Funds and Secured Borrowings as at 31st March 2015 & 31st December 2014 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 January 1, 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 the same as those disclosed in our Audited Financial Statements for the year ended 31st December 2014 and 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 three months ended 31st March 2015 are drawn up from unaudited accounts of the company unless indicated as audited.
4. 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 5 and 6 below.
5. As per the interim budget 2015 passed in parliament of Sri Lanka on 7th February 2015, an additional one-off tax of 25% has been imposed on the profits of group of companies which have earned in excess of Rs.2,000 Mn for the year of assessment 2013/2014.
Sampath bank group earned a profit in excess of such amount for year of assessment 2013/2014 and accordingly the company, being a subsidiary of Sampath Bank group will be liable to pay such additional tax in the future.
6. The company's Board of Directors has decided to propose a dividend of Rs. 0.60 per ordinary share of the company for the financial year ended 31st December 2014 for the approval of shareholders at the Annual General Meeting to be held on 26th May 2015. Accordingly, a dividend of Rs.31.5 Million (Rs. 0.60 per share on 52.5 Million shares) is proposed and the date of dividend payment would be 5th June 2015. Corporate disclosure was made in the official website of Colombo Stock Exchange.

INFORMATION ON SHARES

Stated Capital as at 31st March 2015 was represented by the number of shares in issue as given below.

	As at 31 March 2015		As at 31 March 2014	
	Number	Rs.	Number	Rs.
Ordinary Shares	52,500,000	525,000,000/-	52,500,000	525,000,000/-
Total	52,500,000	525,000,000/-	52,500,000	525,000,000/-

SHAREHOLDER INFORMATION

Shareholders' list as at 31st March 2015

	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.Soysa	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%
		52,500,000	100.00%

Public Holdings

The percentage of ordinary shares held by the public as at 31st March 2015 was 0%.

Directors'/ CEO's Holding in Shares as at 31st March 2015

Name	Position	No: of Shares
Mr. M.A.Abeynaike	Director	01
Mr. S.G. Wijesinha	Director	01
Dr.H.S.D.Soysa	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 (Rs.)		Lowest (Rs.)		Period End (Rs.)	
	2015	2014	2015	2014	2015	2014
Debentures - 2014/2019	100.71	Not Traded	100.71	Not Traded	100.71	Not Traded

(ii).Interest Rates

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

(iii).Interest rate of comparable Government Securities

	2015	2014
6 months treasury bill	7.44%	6.49%
1 year treasury bill	7.56%	6.67%
5 year treasury bond	10.14%	9.92%

(iv).Current Yield & Yield to maturity

	2015		2014	
	Current Yield (%)	Yield to Maturity (%)	Current Yield (%)	Yield to Maturity (%)
Debentures Issued-December 2014 5 year Fixed rated(8.90% p.a. payable annually)	8.84%	8.70%	Not Traded	Not Traded

(v).Ratios

	31-03-2015	31-12-2014
Debt to Equity Ratio (Times)	3.64	3.61
Interest Cover(Times)	2.07	1.73
Quick Asset Ratio (%)	111.81%	117.27%