

Siyapatha Finance PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

INCOME STATEMENT

In Sri Lankan Rupees Thousands

For the year ended	31-Dec-2019 (Audited)	31-Dec-2018 (Audited)	Change
Interest income	7,229,612	6,395,898	833,714
Less: Interest expenses	(4,230,657)	(3,680,080)	550,597
Net interest income	2,998,955	2,715,838	283,117
Fee and commission income	311,765	278,637	33,128
Less: Fee and commission expenses	-	(21)	(21)
Net fee and commission income	311,765	278,616	33,149
Net gain/(loss) from trading	-	-	-
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-
Net gain/(loss) from financial investments	-	-	-
Other operating income	378,528	288,844	89,684
Total operating income	3,689,248	3,283,298	405,950
Less: Impairment for loans and other losses			
Individual impairment	(497,702)	(534,399)	(36,697)
Collective impairment	(553,236)	(295,352)	257,884
Others	-	-	-
Net operating income	2,638,310	2,453,547	184,763
Less: Operating expenses			
Personnel expenses	(777,688)	(733,266)	44,422
Depreciation and amortization	(81,390)	(66,449)	14,941
Other expenses	(574,333)	(528,784)	45,549
Operating profit before taxes on financial services	1,204,899	1,125,048	79,851
Taxes on financial services	(406,369)	(291,259)	115,110
Operating profit after taxes on financial services	798,530	833,789	(35,259)
Share of profits of associate and joint ventures	-	-	-
Profit before taxation	798,530	833,789	(35,259)
Tax expenses	(318,336)	(317,268)	1,068
Profit for the year	480,194	516,521	(36,327)
Earnings per share (Rs)	6.83	8.43	(1.60)

SELECTED PERFORMANCE INDICATORS

Item	As at 31 December 2019	As at 31 December 2018
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	3,752,040	3,349,256
Total Capital Base, Rs. '000 (Tier 1 Capital + Tier 11 Capital)	5,710,154	4,349,256
Core Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement -2019-6.5% / 2018- 6%)	9.96%	9.40%
Total Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement, 2019 - 10.5% / 2018-10%)	15.16%	12.21%
Capital Funds to Deposit Liabilities Ratio (Minimum Requirement, 10%)*	48.59%	47.77%
* 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.		
Asset Quality		
Gross Non-Performing Accommodations, Rs. '000	3,811,971	2,679,866
Gross Non-Performing Accommodations Ratio, %	9.80%	7.57%
Net Non-Performing Accommodations Ratio, %	3.42%	2.54%
Profitability (%)		
Net Interest Margin	8.52%	8.84%
Cost to Income Ratio	38.85%	40.46%
Return on Average Total Assets (before Tax)	2.03%	2.41%
Return on Average Total Assets (after Tax)	1.22%	1.50%
Return on Average Total Equity (after Tax)	12.68%	16.84%
Regulatory Liquidity (Rs.'000)		
Required minimum amount of liquid assets**	1,651,440	1,440,739
Required minimum amount of Government securities***	2,254,033	1,717,655
Available amount of liquid assets	2,445,214	1,821,523
Available amount of Government securities	2,304,392	1,758,728
** Required minimum amount of liquid assets equals to 10% of total liabilities less Shareholders' Funds and Secured Borrowings as at 31 December 2019 & 31 December 2018 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.		
Memorandum information		
Number of employees	710	597
Number of branches	35	30
Number of service centers	-	-
Number of pawning centers	-	-
Number of Directors		
- Executive	1	1
- Non Executive	9	8
Ownership - Fully owned subsidiary of Sampath Bank PLC		

STATEMENT OF FINANCIAL POSITION

In Sri Lankan Rupees Thousands

As at	31-Dec-2019 (Audited)	31-Dec-2018 (Audited)
ASSETS		
Cash and bank balances	273,429	191,556
Securities purchased under Repurchase Agreements	2,304,392	1,768,461
Loans and Receivables - Leases	29,023,194	25,601,932
Loans and Receivables - Hire Purchase	3,437	48,525
Loans and Receivables - Others	7,200,122	7,362,551
Equity instruments at fair value through other comprehensive income	56	56
Debt instruments at amortised cost	15,301	4,319
Property, Plant & Equipment	1,013,625	615,402
Right-of-use Assets	403,653	-
Intangible Assets	56,426	83,972
Other Debtors & Prepayments	653,710	489,556
Total Assets	40,947,345	36,166,330
LIABILITIES		
Due to banks	17,974,276	17,053,253
Due to other customers	13,221,026	9,672,008
Debt securities issued	1,119,077	2,593,233
Income Taxation Payable	407,066	149,015
Deferred Taxation Liability	230,107	449,603
Other Liabilities	1,301,543	600,736
Retirement Benefit Obligations	67,965	40,789
Subordinated term debts	2,610,460	2,066,702
Total Liabilities	36,931,520	32,625,339
EQUITY		
Stated Capital	1,379,922	948,666
Share Application Money Pending Allotment	-	400,000
Statutory Reserve Fund	164,000	139,000
Revaluation Reserve	117,951	107,763
Retained Earnings	2,353,952	1,945,562
Total Equity	4,015,825	3,540,991
Total Liabilities and Equity	40,947,345	36,166,330
Contingent liabilities and commitments	728,983	697,121

STATEMENT OF COMPREHENSIVE INCOME

In Sri Lankan Rupees Thousands

For the year ended	31-Dec-2019 (Audited)	31-Dec-2018 (Audited)
Profit for the year	480,194	516,521
Other comprehensive income, net of tax		
Actuarial gain/(loss) on defined benefit plan	(14,527)	2,295
Deferred tax effect on actuarial gain/(loss)	4,067	(643)
Surplus from revaluation of property, plant & equipment	14,150	70,750
Deferred tax effect on revaluation surplus	(3,962)	(19,810)
Total of other comprehensive income, net of tax	(272)	52,592
Total of comprehensive income for the year	479,922	569,113

CERTIFICATION

We, the undersigned, being the Managing Director and Head of Finance of Siyapatha Finance PLC certify jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements has been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

(Sgd)
Ananda Seneviratne
Managing Director
Siyapatha Finance PLC
Date : 24 February 2020

(Sgd)
Ruwan Wanniarachchi
Head of Finance
Siyapatha Finance PLC
Date : 24 February 2020

