

Siyapatha Finance PLC

FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

INCOME STATEMENT

In Sri Lankan Rupees Thousands

| For the six months ended | 30-Jun-18 (Unaudited) | 30-Jun-17 (Unaudited) | Change |
|--|--------------------------|--------------------------|----------------|
| Interest income | 3,025,670 | 2,020,606 | 1,005,064 |
| Less: Interest expenses | (1,713,452) | (1,228,877) | (484,575) |
| Net interest income | 1,312,218 | 791,729 | 520,489 |
| Fee and commission income | 141,874 | 107,515 | 34,359 |
| Fee and commission expenses | (21) | (495) | 474 |
| Net fee and commission income | 141,853 | 107,020 | 34,833 |
| 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 | 131,917 | 99,210 | 32,707 |
| Total operating income | 1,585,988 | 997,959 | 588,029 |
| Impairment for loans and other losses | | | |
| Individual impairment | (26,612) | (2,936) | (23,676) |
| Collective impairment | (277,624) | (69,569) | (208,055) |
| Others | - | - | - |
| Net operating income | 1,281,752 | 925,454 | 356,298 |
| Personnel expenses | (391,759) | (288,782) | (102,977) |
| Depreciation and amortization | (28,504) | (26,639) | (1,865) |
| Other expenses | (257,418) | (196,070) | (61,348) |
| Operating profit before VAT & NBT on financial services | 604,071 | 413,963 | 190,108 |
| VAT & NBT on financial services | (142,508) | (98,890) | (43,618) |
| Operating profit after VAT & NBT on financial services | 461,563 | 315,073 | 146,490 |
| Share of profits of associate and joint ventures | - | - | - |
| Profit before taxation | 461,563 | 315,073 | 146,490 |
| Tax expenses | (170,055) | (119,047) | (51,008) |
| Profit for the period | 291,508 | 196,026 | 95,482 |
| Earnings per share (Rs) | 5.06 | 3.42 | 1.64 |

SELECTED PERFORMANCE INDICATORS

| Item | As at 30th June 2018 | As at 30th June 2017 |
|--|----------------------------|----------------------------|
| Regulatory Capital Adequacy | | |
| Core Capital (Tier 1 Capital), Rs. '000 | 2,811,782 | 2,015,886 |
| Total Capital Base, Rs. '000 (Tier 1 Capital + Tier 11 Capital) | 4,211,782 | 2,615,886 |
| Core Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement, 5%) | 9.50% | 9.09% |
| Total Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement, 10%)* | 14.23% | 11.80% |
| Capital Funds to Deposit Liabilities Ratio (Minimum Requirement, 10%)* | 48.50% | 61.25% |
| Statutory Liquid Assets Ratio (minimum requirement, 7.5%) | 7.67% | 7.71% |
| * 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 (Quality of Loan Portfolio) | | |
| Gross Non-Performing Accommodations, Rs. '000 | 1,552,648 | 604,834 |
| Gross Non-Performing Accommodations Ratio, % | 4.74% | 2.48% |
| Net Non-Performing Accommodations Ratio, % | 1.47% | 0.23% |
| Impairment Provision on Total Accommodations, % | 2.50% | 1.95% |
| Profitability (%) | | |
| Net Interest Margin | 9.02% | 7.77% |
| Net Interest Yield | 7.97% | 6.86% |
| Cost to Income Ratio | 42.73% | 51.25% |
| Return on Average Total Assets (before Tax) | 2.81% | 2.66% |
| Return on Average Total Assets (after Tax) | 1.78% | 1.65% |
| Return on Average Total Equity (after Tax) | 20.33% | 19.46% |
| Regulatory Liquidity (Rs. '000) | | |
| Required minimum amount of liquid assets** | 1,449,602 | 915,309 |
| Required minimum amount of Government securities*** | 1,717,655 | 1,153,393 |
| Available amount of liquid assets | 1,811,216 | 1,259,288 |
| Available amount of Government securities | 1,755,805 | 1,185,863 |
| ** Required minimum amount of liquid assets equals to 10% of total liabilities less Shareholders' Funds and Secured Borrowings, as at 30th June 2018 and 30th June 2017 respectively. *** Required minimum amount of government securities equals to 7.5% of the average month end deposit liabilities and borrowings of the twelve months of the preceding financial year. | | |
| Memorandum information | | |
| Number of employees | 599 | 473 |
| Number of branches | 26 | 25 |
| Number of service centers | - | - |
| Number of pawning centers | - | - |
| Number of Directors | | |
| - Executive | 1 | 1 |
| - Non Executive | 8 | 9 |
| Ownership - Fully owned subsidiary of Sampath Bank PLC | | |

STATEMENT OF FINANCIAL POSITION

In Sri Lankan Rupees Thousands

| As at | 30-Jun-18 (Unaudited) | 30-Jun-17 (Unaudited) |
|--|--------------------------|--------------------------|
| Assets | | |
| Cash and cash equivalents | 255,122 | 332,403 |
| Securities purchased under repurchase agreements | 1,765,098 | 1,194,290 |
| Loans and receivables - Leases | 23,525,329 | 16,867,799 |
| Loans and receivables - Hire Purchase | 119,587 | 493,648 |
| Loans and receivables - Others | 7,836,723 | 6,400,340 |
| Financial investments - Available for Sale | 56 | 56 |
| Financial investments - Held - to - maturity | 4,309 | 4,294 |
| Property, plant & equipment | 480,934 | 362,305 |
| Intangible assets | 7,159 | 10,647 |
| Other assets | 572,154 | 325,013 |
| Total assets | 34,566,471 | 25,990,795 |
| Liabilities | | |
| Due to banks | 15,988,576 | 14,331,921 |
| Due to other customers | 9,196,827 | 4,684,071 |
| Debt securities issued | 2,757,070 | 2,757,071 |
| Income taxation payable | 118,046 | 81,806 |
| Deferred taxation liability | 414,450 | 213,333 |
| Other liabilities | 906,318 | 728,441 |
| Retirement benefit obligations | 35,763 | 29,874 |
| Subordinated term debts | 2,136,600 | 1,044,134 |
| Total liabilities | 31,553,650 | 23,870,957 |
| Shareholders' funds | | |
| Stated capital | 948,666 | 635,917 |
| Statutory reserve fund | 121,000 | 91,026 |
| Revaluation Reserve | 56,823 | - |
| Retained earnings | 1,886,332 | 1,392,895 |
| Total shareholders' funds | 3,012,821 | 2,119,838 |
| Total liabilities and shareholders' funds | 34,566,471 | 25,990,795 |
| Contingent liabilities and commitments | 755,690 | 1,187,852 |

STATEMENT OF COMPREHENSIVE INCOME

In Sri Lankan Rupees Thousands

| For the six months ended | 30-Jun-18 (Unaudited) | 30-Jun-17 (Unaudited) |
|---|--------------------------|--------------------------|
| Profit for the period | 291,508 | 196,026 |
| Other comprehensive income/expenses net of tax | | |
| Actuarial gain/(losses) on defined benefit plan | - | - |
| Deferred tax effect on actuarial gain/(losses) | - | - |
| Total of other comprehensive income for the period, net of taxes | - | - |
| Total of comprehensive income for the period | 291,508 | 196,026 |

CERTIFICATION

We, the undersigned, being the Managing Director of Siyapatha Finance PLC 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 have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

(Sgd)
Saman Herath
Managing Director
Siyapatha Finance PLC
Date : 28 August 2018

(Sgd)
Hasuni Gayasha
Head of Finance
Siyapatha Finance PLC
Date : 28 August 2018

