

Siyapatha Finance PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

INCOME STATEMENT

In Sri Lankan Rupees Thousands

For the year ended	31-Dec-17 (Audited)	31-Dec-16 (Audited)	Change
Interest Income	4,599,470	2,838,994	1,760,476
Less: Interest Expenses	(2,764,290)	(1,620,782)	1,143,508
Net Interest Income	1,835,180	1,218,212	616,968
Fee and Commission Income	243,899	139,442	104,457
Fee and Commission Expenses	(680)	(2,139)	(1,459)
Net Fee and Commission Income	243,219	137,303	105,916
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	222,685	175,471	47,214
Total Operating Income	2,301,084	1,530,986	770,098
Impairment for loans and other losses			
Individual impairment	(69,405)	(19,710)	49,695
Collective impairment	(167,339)	(59,479)	107,860
Others	-	-	-
Net Operating Income	2,064,340	1,451,797	612,543
Personnel Expenses	(611,373)	(439,719)	171,654
Depreciation and amortization	(56,063)	(49,926)	6,137
Other Expenses	(380,854)	(318,466)	62,388
Operating Profit before VAT & NBT on Financial Services	1,016,050	643,686	372,364
VAT & NBT on Financial Services	(230,810)	(128,500)	102,310
Operating Profit after VAT & NBT on Financial Services	785,240	515,186	270,054
Share of profits of Associate and Joint Ventures	-	-	-
Profit before taxation	785,240	515,186	270,054
Tax Expenses	(286,378)	(187,904)	98,474
Profit for the Year	498,862	327,282	171,580
Earnings Per Share (Rs)	8.94	5.87	3.07

SELECTED PERFORMANCE INDICATORS

Item	As at 31 December 2017	As at 31 December 2016
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs. '000	2,421,462	1,930,362
Total Capital Base, Rs. '000 (Tier 1 Capital + Tier 11 Capital)	3,632,193	2,530,362
Core Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement, 5%)	9.44%	10.62%
Total Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum requirement, 10%)	14.16%	13.93%
Capital Funds to Deposit Liabilities Ratio (Minimum Requirement, 10%)*	40.40%	86.74%
* 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	820,816	538,312
Gross Non-Performing Accommodations Ratio, %	2.91%	2.72%
Net Non-Performing Accommodations Ratio, %	0.55%	0.23%
Profitability (%)		
Net Interest Margin	8.12%	7.89%
Cost to Income Ratio	45.56%	52.99%
Return on Average Total Assets (before Tax)	3.00%	2.85%
Return on Average Total Assets (after Tax)	1.91%	1.81%
Return on Average Total Equity (after Tax)	23.05%	18.35%
Regulatory Liquidity (Rs.'000)		
Required minimum amount of liquid assets**	1,299,136	735,129
Required minimum amount of Government securities***	1,153,393	762,830
Available amount of liquid assets	1,311,674	817,852
Available amount of Government securities	1,192,090	769,234
** Required minimum amount of liquid assets equals to 10% of total liabilities less Shareholders' Funds and Secured Borrowings as at 31 December 2017 & 31 December 2016 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	540	390
Number of branches	26	24
Number of service centers	-	-
Number of pawning centers	-	-
Number of Directors		
- Executive	1	1
- Non Executive	7	9
Ownership - Fully owned subsidiary of Sampath Bank PLC		

STATEMENT OF FINANCIAL POSITION

In Sri Lankan Rupees Thousands

As at	31-Dec-17 (Audited)	31-Dec-16 (Audited)
Assets		
Cash and cash equivalents	297,858	169,333
Placements with banks	65,699	-
Securities purchased under Repurchase Agreements	1,200,981	777,438
Loans and Receivables - Leases	19,873,470	13,851,890
Loans and Receivables - Hire Purchase	252,000	837,561
Loans and Receivables - Others	7,187,830	4,491,904
Financial Investments - Available for Sale	56	56
Financial Investments - Held - to - maturity	4,303	4,288
Property, Plant & Equipment	455,140	358,131
Intangible Assets	8,257	8,489
Other Debtors & Prepayments	464,986	291,648
Total Assets	29,810,580	20,790,738
Liabilities		
Due to banks	12,107,529	11,032,500
Due to customers	9,333,622	3,362,662
Debt securities issued	2,593,233	2,593,233
Income Taxation Payable	91,800	61,257
Deferred Taxation Liability	331,469	170,088
Other Liabilities	775,445	595,597
Retirement Benefit Obligations	33,163	23,013
Subordinated term debts	2,066,034	1,022,027
Total liabilities	27,332,295	18,860,377
Shareholders' Funds		
Stated Capital	635,917	576,975
Statutory Reserve Fund	113,000	86,422
Accumulated Profit/ (Loss)	1,672,545	1,266,964
Revaluation Reserve	56,823	-
Total Shareholders' Funds	2,478,285	1,930,361
Total Liabilities and Shareholders' Funds	29,810,580	20,790,738
Contingent liabilities and commitments	772,657	1,045,384

STATEMENT OF COMPREHENSIVE INCOME

In Sri Lankan Rupees Thousands

For the year ended	31-Dec-17 (Audited)	31-Dec-16 (Audited)
Profit for the year	498,862	327,282
Other Comprehensive Income, net of tax		
Actuarial gain/(losses) on defined benefit plan	(1,683)	(3,165)
Deferred Tax effect on Actuarial gain/(losses)	471	886
Surplus from revaluation of property, plant & equipment	78,921	-
Deferred tax effect on surplus from revaluation of property, plant & equipment	(22,098)	-
Total of Other Comprehensive Income for the year, net of tax	55,611	(2,279)
Total of Comprehensive Income for the year	554,473	325,003

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)
Saman Herath
Managing Director
Siyapatha Finance PLC
Date : 23rd February 2018

(Sgd)
Hasuni Gayasha
Head of Finance
Siyapatha Finance PLC
Date : 23rd February 2018

