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Siyapatha Finance

*( Finance Company of Sampath Bank Group )*

# **SIYAPATHA FINANCE PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2024**

**SIYAPATHA FINANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

	For the six months ended 30 June		Change %	For the quarter ended 30 June		Change %
	2024 LKR'000	2023 LKR'000		2024 LKR.000	2023 LKR.000	
<b>Gross income</b>	<b>5,500,687</b>	<b>5,259,387</b>	<b>5%</b>	<b>2,698,103</b>	<b>2,640,363</b>	<b>2%</b>
Interest income	4,853,122	4,890,249	-1%	2,379,291	2,439,936	-2%
Less: Interest expenses	(2,775,117)	(3,667,588)	-24%	(1,336,142)	(1,826,236)	-27%
<b>Net interest income</b>	<b>2,078,005</b>	<b>1,222,661</b>	<b>70%</b>	<b>1,043,149</b>	<b>613,700</b>	<b>70%</b>
Fee and commission income	175,834	185,696	-5%	96,175	102,771	-6%
Less: Fee and commission expenses	(1,071)	(2,398)	-55%	(492)	(754)	-35%
<b>Net fee and commission income</b>	<b>174,763</b>	<b>183,298</b>	<b>-5%</b>	<b>95,683</b>	<b>102,017</b>	<b>-6%</b>
Other operating income	471,731	183,442	157%	222,637	97,656	128%
<b>Total operating income</b>	<b>2,724,499</b>	<b>1,589,401</b>	<b>71%</b>	<b>1,361,469</b>	<b>813,373</b>	<b>67%</b>
Less: Credit loss expense on financial assets and other losses	5,087	37,118	86%	58,648	(42,528)	-238%
<b>Net operating income</b>	<b>2,729,586</b>	<b>1,626,519</b>	<b>68%</b>	<b>1,420,117</b>	<b>770,845</b>	<b>84%</b>
<b>Less: Operating expenses</b>						
Personnel expenses	(899,229)	(646,400)	39%	(490,459)	(336,570)	46%
Depreciation and amortisation expenses	(127,791)	(119,190)	7%	(65,127)	(59,754)	9%
Other operating expenses	(487,543)	(339,299)	44%	(254,321)	(170,870)	49%
<b>Total operating expenses</b>	<b>(1,514,563)</b>	<b>(1,104,889)</b>	<b>37%</b>	<b>(809,907)</b>	<b>(567,194)</b>	<b>43%</b>
<b>Operating profit before taxes on financial services</b>	<b>1,215,023</b>	<b>521,630</b>	<b>133%</b>	<b>610,210</b>	<b>203,651</b>	<b>200%</b>
Less: Taxes on financial services	(336,350)	(185,858)	81%	(174,691)	(84,525)	107%
<b>Profit before income taxation</b>	<b>878,673</b>	<b>335,772</b>	<b>162%</b>	<b>435,519</b>	<b>119,126</b>	<b>266%</b>
Less: Income tax expense	(366,033)	(158,521)	131%	(183,593)	(65,757)	179%
<b>Profit after taxation</b>	<b>512,640</b>	<b>177,251</b>	<b>189%</b>	<b>251,926</b>	<b>53,369</b>	<b>372%</b>
<b>Other comprehensive income, net of taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income, net of taxes</b>	<b>512,640</b>	<b>177,251</b>	<b>189%</b>	<b>251,926</b>	<b>53,369</b>	<b>372%</b>
<b>Basic/Diluted earnings per share-(LKR.)</b>	<b>5.10</b>	<b>1.77</b>	<b>189%</b>	<b>2.51</b>	<b>0.53</b>	<b>372%</b>

**SIYAPATHA FINANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**

As at	30-06-2024	31-12-2023
	LKR'000	Audited LKR'000
<b>Assets</b>		
Cash and bank balances	353,470	285,352
Securities purchased under repurchase agreements	1,475,681	250,123
Loans and receivables	39,422,956	36,009,724
Assets held for sale	114,043	114,043
Other assets	879,196	735,058
Equity instruments at fair value through other comprehensive income	56	56
Debt instruments at amortised cost	10,878,076	5,799,840
Property, plant and equipment	2,467,946	2,465,349
Right-of-use assets	396,634	380,579
Deferred tax assets	182,935	184,308
Intangible assets	12,273	16,068
<b>Total Assets</b>	<b>56,183,266</b>	<b>46,240,500</b>
<b>Liabilities</b>		
Bank overdraft	147,749	135,930
Due to other customers	27,217,041	23,565,911
Debt issued and other borrowed funds	17,826,174	13,148,267
Other payables	2,466,668	1,577,908
Current tax liabilities	616,355	427,797
Retirement benefit obligations	150,962	137,957
<b>Total Liabilities</b>	<b>48,424,949</b>	<b>38,993,770</b>
<b>Equity</b>		
Stated capital	2,872,846	2,866,876
Reserves		
Statutory reserve fund	314,000	314,000
Revaluation reserve	154,295	154,295
Retained earnings	4,417,176	3,911,559
<b>Total Equity</b>	<b>7,758,317</b>	<b>7,246,730</b>
<b>Total Liabilities and Equity</b>	<b>56,183,266</b>	<b>46,240,500</b>
Net asset value per share(LKR.)	77.26	72.23
Commitments & contingencies	49,396	30,643

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 30 June 2024 and its profits for the period then ended.

(Sgd)  
Managing Director

(Sgd)  
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.  
Approved and signed for and on behalf of the Board by,

(Sgd)  
Director

(Sgd)  
Director

29 July 2024

**SIYAPATHA FINANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**

	<b>LKR'000</b>				
	<b>Stated Capital</b>	<b>Statutory Reserve Fund</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 01 January 2023 (Audited)</b>	<b>2,674,439</b>	<b>278,000</b>	<b>154,295</b>	<b>3,460,442</b>	<b>6,567,176</b>
Profit for the period	-	-	-	177,251	177,251
Other comprehensive income, net of tax	-	-	-	-	-
Scrip dividend paid	192,438	-	-	(226,397)	(33,959)
<b>Balance as at 30 June 2023</b>	<b>2,866,877</b>	<b>278,000</b>	<b>154,295</b>	<b>3,411,296</b>	<b>6,710,468</b>
<b>Balance as at 01 January 2024 (Audited)</b>	<b>2,866,876</b>	<b>314,000</b>	<b>154,295</b>	<b>3,911,560</b>	<b>7,246,731</b>
Profit for the period	-	-	-	512,640	512,640
Other comprehensive income, net of tax	-	-	-	-	-
Scrip dividend paid	5,970	-	-	(7,023)	(1,053)
<b>Balance as at 30 June 2024</b>	<b>2,872,846</b>	<b>314,000</b>	<b>154,295</b>	<b>4,417,177</b>	<b>7,758,318</b>

**SIYAPATHA FINANCE PLC**  
**STATEMENT OF CASH FLOWS**

<b>For the period ended 30 June</b>	<b>2024 LKR'000</b>	<b>2023 LKR'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit before taxation from operations</b>	<b>878,673</b>	<b>335,772</b>
Interest expenses	2,775,117	3,667,588
Fee and commission expenses	1,071	2,398
Credit loss expense on financial assets	(5,087)	(37,118)
Provision for staff gratuity	20,004	15,000
Provision for depreciation	81,435	77,110
Amortization of software	3,795	3,886
Amortisation of right-of-use assets	42,561	38,194
(Profit)/Loss on sale of motor vehicle	-	(1,695)
	<b>2,918,896</b>	<b>3,765,363</b>
<b>Operating profit before working capital changes</b>	<b>3,797,569</b>	<b>4,101,135</b>
(Increase)/decrease in lease receivables	(1,816,595)	(1,215,262)
(Increase)/decrease in hire purchase receivables	936	173
(Increase)/decrease in factoring receivables	25,335	24,240
(Increase)/decrease in gold loan receivables	(917,946)	806,853
(Increase)/decrease in loan receivables	(635,978)	174,257
Increase/(decrease) in due to other customers	4,078,850	3,290,432
(Increase)/decrease in other assets	(268,995)	(268,416)
Increase/(decrease) in other payables	961,100	527,380
	<b>1,426,707</b>	<b>3,339,657</b>
<b>Cash generated from operating activities</b>	<b>5,224,276</b>	<b>7,440,792</b>
Interest expense paid	(3,080,174)	(3,162,216)
Gratuity paid	(6,999)	(9,255)
Income tax paid	(176,102)	(256,010)
Dividend tax paid	(1,053)	(33,960)
<b>Net cash inflow from operating activities</b>	<b>1,959,948</b>	<b>3,979,351</b>
<b>Cash flow from investing activities</b>		
Net investments in government treasury bills and repurchase agreements	2,993,369	602,868
Purchase of property, plant, equipment and intangible assets	(84,031)	(28,261)
Proceeds from sale of property, plant and equipment	-	1,840
<b>Net cash inflow from investing activities</b>	<b>2,909,338</b>	<b>576,447</b>
<b>Net cash inflow before financing activities</b>	<b>4,869,286</b>	<b>4,555,798</b>
<b>Cash flow from financing activities</b>		
Proceeds from long term loans/securitizations	2,000,000	2,000,000
Repayments of long term loans/securitizations	(2,745,826)	(2,035,236)
Proceeds from debentures	4,000,000	-
Net proceeds from short term borrowings	1,300,000	(450,000)
Repayment of principal portion of lease liabilities	(69,999)	(60,208)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>4,484,175</b>	<b>(545,444)</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,353,461</b>	<b>4,010,354</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>3,112,229</b>	<b>2,162,777</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,465,690</b>	<b>6,173,131</b>
<b>Analysis of the cash and cash equivalents at the end of the period</b>		
Cash and bank balances	353,571	964,631
Securities purchased under repurchase agreements	1,475,681	-
Government securities maturing less than three months	10,784,187	5,370,564
Bank overdraft	(147,749)	(162,064)
	<b>12,465,690</b>	<b>6,173,131</b>

**SIYAPATHA FINANCE PLC**

**SELECTED PERFORMANCE INDICATORS**

	<b>As at 30.06.2024</b>	<b>As at 31.12.2023</b>
<b><u>Capital Adequacy</u></b>		
Core Capital Ratio(Minimum Requirement : 8.5% )	16.43%	17.06%
Total Risk Weighted Capital Ratio (Minimum Requirement: : 12.5%)	19.42%	20.17%
Capital Funds to Deposit Liabilities Ratio(Minimum Requirement-10%)*	37.97%	42.74%
<b><u>Profitability</u></b>		
Return on Average Assets (After Tax)	2.01%	1.55%
Return on Average Shareholders' Funds	13.68%	10.41%
<b><u>Asset Quality (LKR'000)</u></b>		
Total Accommodation(Gross)	42,974,401	39,630,513
Non-Performing Accommodation	7,405,631	8,479,568
Net Total Accommodation(Net of allowance for expected credit losses/impairment)	39,422,956	36,009,724
<b><u>Liquidity (LKR'000)</u></b>		
Required Minimum Amount of Liquid Assets	3,373,467	2,588,767
Required Minimum Amount of Government Securities**	2,749,719	2,706,804
Available Amount of Liquid Assets	12,553,657	6,170,636
Available Amount of Government Securities	12,353,757	6,049,963

\* **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 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.

**SEGMENT INFORMATION**

The following table presents income, profit, total assets and total liabilities of the Company's operating segments.

For the period ended 30 June	Leasing and Hire Purchase		Gold Loan		Others		Total	
	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000
Interest Income	3,598,324	3,248,109	1,022,515	1,467,503	232,283	174,637	4,853,122	4,890,249
Less: Interest expenses	(2,012,643)	(2,636,377)	(550,495)	(739,894)	(211,979)	(291,317)	(2,775,117)	(3,667,588)
<b>Net interest income</b>	<b>1,585,681</b>	<b>611,732</b>	<b>472,020</b>	<b>727,609</b>	<b>20,304</b>	<b>(116,680)</b>	<b>2,078,005</b>	<b>1,222,661</b>
Net fee and commission income	119,303	122,757	52,147	62,939	3,313	(2,398)	174,763	183,298
Other operating income	457,127	181,669	-	148	14,604	1,625	471,731	183,442
<b>Total operating income</b>	<b>2,162,111</b>	<b>916,158</b>	<b>524,167</b>	<b>790,696</b>	<b>38,221</b>	<b>(117,453)</b>	<b>2,724,499</b>	<b>1,589,401</b>
Less: Impairment (charges)/reversal on loans and losses	(57,983)	(21,682)	4,232	10,413	58,838	48,387	5,087	37,118
<b>Net operating income</b>	<b>2,104,128</b>	<b>894,476</b>	<b>528,399</b>	<b>801,109</b>	<b>97,059</b>	<b>(69,066)</b>	<b>2,729,586</b>	<b>1,626,519</b>
Less: Total operating expenses (Including Taxes on financial services)	(1,394,917)	(961,676)	(339,804)	(235,554)	(116,192)	(93,517)	(1,850,913)	(1,290,747)
<b>Operating profit before taxes</b>	<b>709,211</b>	<b>(67,200)</b>	<b>188,595</b>	<b>565,555</b>	<b>(19,133)</b>	<b>(162,583)</b>	<b>878,673</b>	<b>335,772</b>
Less: Income tax expenses							(366,033)	(158,521)
<b>Profit for the period</b>							<b>512,640</b>	<b>177,251</b>
Non-controlling interest							-	-
<b>Profit attributable to equity holders of the Company</b>							<b>512,640</b>	<b>177,251</b>
<b>As at 30 June</b>	<b>2024 LKR'000</b>	<b>2023 LKR'000</b>	<b>2024 LKR'000</b>	<b>2023 LKR'000</b>	<b>2024 LKR'000</b>	<b>2023 LKR'000</b>	<b>2024 LKR'000</b>	<b>2023 LKR'000</b>
Segmental assets	28,463,892	26,091,028	8,852,406	7,864,553	18,866,968	13,394,372	56,183,266	47,349,953
<b>Total assets</b>	<b>28,463,892</b>	<b>26,091,028</b>	<b>8,852,406</b>	<b>7,864,553</b>	<b>18,866,968</b>	<b>13,394,372</b>	<b>56,183,266</b>	<b>47,349,953</b>
Segmental liabilities	24,533,328	22,393,390	7,629,982	6,749,983	16,261,639	11,496,113	48,424,949	40,639,486
<b>Total liabilities</b>	<b>24,533,328</b>	<b>22,393,390</b>	<b>7,629,982</b>	<b>6,749,983</b>	<b>16,261,639</b>	<b>11,496,113</b>	<b>48,424,949</b>	<b>40,639,486</b>

## EXPLANATORY NOTES

1. The Interim Financial Statements are presented in accordance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and by providing the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
2. There are no changes to the accounting policies and methods of computation since the publication of the Audited Financial Statements for the year 2023.
3. There are no material changes during the period in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.
4. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
5. The dividend of LKR.0.07 per share on 100,329,537 Ordinary shares was approved at the Annual General Meeting held on 26 March 2024. This was paid in the form of scrip dividend and relevant provisions were made in the Financial Statements for the period ended 30 June 2024.
6. The Company issued 40,000,000 listed, rated, senior, unsecured redeemable debentures at a par value of LKR.100/-. The debenture issue was opened on 28 May 2024 and closed on the same day as the issue was oversubscribed. The date of allotment of the said debenture issue was 06 June 2024.

### 7. The funds raised from debenture issues

#### 7.1 The funds raised from debenture issue -2024

The details of utilization of debenture proceeds are given in table below.

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed date of utilization as per Prospectus	Amount Allocated from proceeds in (LKR) (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	To finance the budgeted lending portfolio within the next 12 months from the date of allotment	4.0 Billion	Within 12 months (Between 06 June 2024 to 05 June 2025)	4.0 Billion	100.00%	1.40 Billion	35.0%	<b>Note A</b>

#### **Note A**

The balance of LKR 2.6 billion will be utilized by 05 June 2025, as stipulated in the prospectus. The Company has invested these funds from the debenture issue in Government Securities, ensuring zero default risk until they are allocated for lending purposes.

#### 7.2 The funds raised from previous debenture issues

The funds raised through debenture issues in the previous years were fully utilised for the objectives stated in the relevant prospectuses.



#### 8. **Impairment of loans and receivables**

The Company diligently assessed its individually significant customers (ISL) as at 30 June 2024, and allocated adequate provisions in the Financial Statements, addressing the unique risk profiles associated with each of these customers. Impairment reversals were recorded only in instances where a discernible improvement in customer credit risk was evident, or when loans were either fully or partially recovered.

Under collective impairment, the fundamental impairment models remained consistent throughout the period. The Company also continued to apply allowance for overlays to customer segments still carrying an increased credit risk.

### **INFORMATION ON SHARES**

Stated Capital as at 30 June 2024 was represented by the number of shares in issue as given below.

	As at 30 June 2024		As at 31 December 2023	
	Number	LKR.	Number	LKR.
Ordinary Shares	100,421,363	2,872,846,361	100,329,537	2,866,876,754
<b>Total</b>	<b>100,421,363</b>	<b>2,872,846,361</b>	<b>100,329,537</b>	<b>2,866,876,754</b>

### **SHAREHOLDER INFORMATION**

#### **Shareholders' list as at 30 June 2024**

	Name	No: of Shares	%
(01).	Sampath Bank PLC	100,421,356	100.00%
(02).	Mr. P.S.Cumaranatunga	01	0.00%
(03).	Mr.Y.S.H.R.S.Silva	01	0.00%
(04).	Mr.J.H.Gunawardena	01	0.00%
(05).	Mr.J.Selvaratnam	01	0.00%
(06).	Ms.H.S.R.Ranatunga	01	0.00%
(07).	Mr.D. Sooriyaarachchi	01	0.00%
(08).	Mr.W. S. C. Perera	01	0.00%
		<b>100,421,363</b>	<b>100.00%</b>

#### **Public Holdings**

The percentage of ordinary shares held by the public as at 30 June 2024 was 0%.

#### **Directors'/ CEO's Holding in Shares as at 30 June 2024**

Name	Position	No: of Shares
Mr. P.S.Cumaranatunga	Director	01
Mr. Y.S.H.R.S.Silva	Director	01
Mr.J.H.Gunawardena	Director	01
Mr.J.Selvaratnam	Director	01
Ms.H.S.R.Ranatunga	Director	01
Mr. D Sooriyaarachchi	Director	01
Mr.W. S. C. Perera	Director	01

### **INFORMATION ON LISTED DEBENTURES**

#### **(i) Market Values**

	Highest (LKR.)		Lowest (LKR.)		Period End (LKR.)	
	2024	2023	2024	2023	2024	2023
Debentures-2019/2024	100.31	Not Traded	100.19	Not Traded	100.31	Not Traded
Debentures-2021/2026	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded
Debentures-2024/2029	Not Traded	N/A	Not Traded	N/A	Not Traded	N/A

**(ii) Interest Rates**

	2024		2023	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Debentures -2019/2024	13.33%	13.33%	13.33%	13.33%
Debentures -2021/2026	9.46%	9.46%	9.46%	9.46%
Debentures -2024/2029	13.20%	13.20%	N/A	N/A

**(iii) Interest rates of comparable Government Securities**

	30-06-2024	31-12-2023
6 months treasury bill	9.62%	13.85%
1 year treasury bill	9.75%	12.75%
5 year treasury bond	11.65%	13.75%

**(iv) Current Yield & Yield to maturity**

	2024		2023	
	Current Yield (%)	Yield to Maturity (%)	Current Yield (%)	Yield to Maturity (%)
Debentures Issued-August 2019 5 year Fixed rated(13.33% p.a. payable annually)	13.29%	11.53%	Not Traded	Not Traded
Debentures Issued-September 2021 5 year Fixed rated(9.46% p.a. payable annually)	Not Traded	Not Traded	Not Traded	Not Traded
Debentures Issued-June 2024 5 year Fixed rated(13.20% p.a. payable annually)	Not Traded	Not Traded	N/A	N/A

**(v) Ratios**

	30-06-2024	31-12-2023
Debt to Equity Ratio (Times)	1.71	1.12
Interest Cover (Times)	1.32	1.17
Quick Asset Ratio (%)	93.51%	91.92%