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Siyapatha Finance

(Finance Company of Sampath Bank Group)

SIYAPATHA FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2024

SIYAPATHA FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the quarter ended 31 March		Change %
	2024 LKR'000	2023 LKR'000	
Gross income	2,802,584	2,619,024	7%
Interest income	2,473,831	2,450,313	1%
Less: Interest expenses	(1,438,975)	(1,841,352)	-22%
Net interest income	1,034,856	608,961	70%
Fee and commission income	79,659	82,925	-4%
Less: Fee and commission expenses	(579)	(1,644)	-65%
Net fee and commission income	79,080	81,281	-3%
Other operating income	249,094	85,786	190%
Total operating income	1,363,030	776,028	76%
Less: Credit loss expense on financial assets and other losses	(53,561)	79,646	167%
Net operating income	1,309,469	855,674	53%
Less: Operating expenses			
Personnel expenses	(408,770)	(309,830)	32%
Depreciation and amortisation expenses	(62,664)	(59,436)	5%
Other operating expenses	(233,222)	(168,429)	38%
Total operating expenses	(704,656)	(537,695)	31%
Operating profit before taxes on financial services	604,813	317,979	90%
Less: Taxes on financial services	(161,659)	(101,333)	60%
Profit before income taxation	443,154	216,646	105%
Less: Income tax expense	(182,440)	(92,764)	97%
Profit after taxation	260,714	123,882	110%
Other comprehensive income, net of taxes	-	-	-
Total comprehensive income, net of taxes	260,714	123,882	110%
Basic/Diluted earnings per share-(LKR.)	2.60	1.23	110%

SIYAPATHA FINANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	31-03-2024	31-12-2023
	LKR'000	Audited LKR'000
Assets		
Cash and bank balances	303,290	285,352
Securities purchased under repurchase agreements	800,767	250,123
Loans and receivables	37,280,622	36,009,724
Assets held for sale	114,043	114,043
Other assets	880,883	735,058
Equity instruments at fair value through other comprehensive income	56	56
Debt instruments at amortised cost	8,859,785	5,799,840
Property, plant and equipment	2,445,405	2,465,349
Right-of-use assets	359,800	380,579
Deferred tax assets	183,621	184,308
Intangible assets	14,171	16,068
Total Assets	51,242,443	46,240,500
Liabilities		
Bank overdraft	175,453	135,930
Due to other customers	26,494,014	23,565,911
Debt issued and other borrowed funds	13,842,344	13,148,267
Other payables	2,552,531	1,577,908
Current tax liabilities	529,215	427,797
Retirement benefit obligations	142,494	137,957
Total Liabilities	43,736,051	38,993,770
Equity		
Stated capital	2,872,846	2,866,876
Reserves		
Statutory reserve fund	314,000	314,000
Revaluation reserve	154,295	154,295
Retained earnings	4,165,251	3,911,559
Total Equity	7,506,392	7,246,730
Total Liabilities and Equity	51,242,443	46,240,500
Net asset value per share(LKR.)	74.75	72.23
Commitments & contingencies	46,717	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 31 March 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

13 May 2024

SIYAPATHA FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

	LKR'000				
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 January 2023 (Audited)	2,674,439	278,000	154,295	3,460,442	6,567,176
Profit for the period	-	-	-	123,882	123,882
Other comprehensive income, net of tax	-	-	-	-	-
Balance as at 31 March 2023	<u>2,674,439</u>	<u>278,000</u>	<u>154,295</u>	<u>3,584,324</u>	<u>6,691,058</u>
Balance as at 01 January 2024 (Audited)	2,866,876	314,000	154,295	3,911,560	7,246,731
Profit for the period	-	-	-	260,714	260,714
Other comprehensive income, net of tax	-	-	-	-	-
Scrip dividend paid	5,970	-	-	(7,023)	(1,053)
Balance as at 31 March 2024	<u>2,872,846</u>	<u>314,000</u>	<u>154,295</u>	<u>4,165,251</u>	<u>7,506,392</u>

SIYAPATHA FINANCE PLC
STATEMENT OF CASH FLOWS

For the period ended 31 March	2024 LKR'000	2023 LKR'000
Cash flows from operating activities		
Profit before taxation from operations	443,154	216,646
Interest expenses	1,438,975	1,841,352
Fee and commission expenses	579	1,644
Credit loss expense on financial assets	53,561	(79,646)
Provision for staff gratuity	10,002	7,500
Provision for depreciation	39,986	38,498
Amortization of software	1,897	1,942
Amortisation of right-of-use assets	20,780	18,996
(Profit)/Loss on sale of motor vehicle	-	(2)
	1,565,780	1,830,284
Operating profit before working capital changes	2,008,934	2,046,930
(Increase)/decrease in lease receivables	(883,771)	(515,197)
(Increase)/decrease in hire purchase receivables	90	55
(Increase)/decrease in factoring receivables	37,395	16,298
(Increase)/decrease in gold loan receivables	(85,856)	288,371
(Increase)/decrease in loan receivables	(366,840)	137,660
Increase/(decrease) in due to other customers	2,698,072	985,850
(Increase)/decrease in other assets	(173,846)	(368,509)
Increase/(decrease) in other payables	1,010,108	453,728
	2,235,352	998,256
Cash generated from operating activities	4,244,286	3,045,186
Interest expense paid	(1,161,364)	(1,175,967)
Gratuity paid	(5,465)	(4,588)
Income tax paid	(80,335)	(128,005)
Net cash inflow from operating activities	2,997,122	1,736,626
Cash flow from investing activities		
Net investments in government treasury bills and repurchase agreements	1,268,433	(475,100)
Purchase of property, plant, equipment and intangible assets	(20,042)	(13,765)
Proceeds from sale of property, plant and equipment	-	4
Net cash inflow/(outflow) from investing activities	1,248,391	(488,861)
Net cash inflow before financing activities	4,245,513	1,247,765
Cash flow from financing activities		
Proceeds from long term loans/securitizations	2,000,000	1,000,000
Repayments of long term loans/securitizations	(2,004,083)	(776,325)
Net proceeds from short term borrowings	650,000	(100,000)
Repayment of principal portion of lease liabilities	(33,993)	(29,475)
Net cash inflow from financing activities	611,924	94,200
Net increase in cash and cash equivalents	4,857,437	1,341,965
Cash & cash equivalents at the beginning of the year	3,112,229	2,162,777
Cash and cash equivalents at the end of the period	7,969,666	3,504,742
Analysis of the cash and cash equivalents at the end of the period		
Cash and bank balances	303,392	271,590
Securities purchased under repurchase agreements	800,767	1,534,981
Government securities maturing less than three months	7,040,960	1,771,423
Bank overdraft	(175,453)	(73,252)
	7,969,666	3,504,742

SELECTED PERFORMANCE INDICATORS

	As at 31.03.2024	As at 31.12.2023
Capital Adequacy		
Core Capital Ratio(Minimum Requirement : 8.5%)	17.05%	17.06%
Total Risk Weighted Capital Ratio (Minimum Requirement: : 12.5%)	20.15%	20.17%
Capital Funds to Deposit Liabilities Ratio(Minimum Requirement-10%)*	40.05%	42.74%
Profitability		
Return on Average Assets (After Tax)	2.16%	1.55%
Return on Average Shareholders' Funds	14.16%	10.41%
Asset Quality (LKR'000)		
Total Accommodation(Gross)	40,929,327	39,630,513
Non-Performing Accommodation	7,628,437	8,479,568
Net Total Accommodation(Net of allowance for expected credit losses/impairment)	37,280,622	36,009,724
Liquidity (LKR'000)		
Required Minimum Amount of Liquid Assets	2,886,083	2,588,767
Required Minimum Amount of Government Securities**	2,749,719	2,706,804
Available Amount of Liquid Assets	9,851,145	6,170,636
Available Amount of Government Securities	9,660,552	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.

	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
For the period ended 31 March								
Interest Income	1,852,015	1,567,965	526,112	797,614	95,704	84,734	2,473,831	2,450,313
Less: Interest expenses	(1,049,275)	(1,314,558)	(283,288)	(376,536)	(106,412)	(150,258)	(1,438,975)	(1,841,352)
Net interest income	802,740	253,407	242,824	421,078	(10,708)	(65,524)	1,034,856	608,961
Net fee and commission income	54,274	48,323	24,413	33,865	393	(907)	79,080	81,281
Other operating income	221,692	84,781	-	-	27,402	1,005	249,094	85,786
Total operating income	1,078,706	386,511	267,237	454,943	17,087	(65,426)	1,363,030	776,028
Less: Impairment (charges)/reversal on loans and losses	(77,248)	82,135	2,678	1,253	21,009	(3,742)	(53,561)	79,646
Net operating income	1,001,458	468,646	269,915	456,196	38,096	(69,168)	1,309,469	855,674
Less: Total operating expenses (Including Taxes on financial services)	(645,487)	(471,465)	(165,048)	(122,038)	(55,780)	(45,525)	(866,315)	(639,028)
Operating profit before taxes	355,971	(2,819)	104,867	334,158	(17,684)	(114,693)	443,154	216,646
Less: Income tax expenses							(182,440)	(92,764)
Profit for the period							260,714	123,882
Non-controlling interest							-	-
Profit attributable to equity holders of the Company							260,714	123,882
As at 31 March								
	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000	2024 LKR'000	2023 LKR'000
Segmental assets	27,474,771	25,472,794	8,018,761	8,379,068	15,748,911	11,839,031	51,242,443	45,690,893
Total assets	27,474,771	25,472,794	8,018,761	8,379,068	15,748,911	11,839,031	51,242,443	45,690,893
Segmental liabilities	23,450,053	21,742,512	6,844,110	7,152,022	13,441,888	10,105,302	43,736,051	38,999,836
Total liabilities	23,450,053	21,742,512	6,844,110	7,152,022	13,441,888	10,105,302	43,736,051	38,999,836

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. **The funds raised from debenture issues**
The funds raised through debenture issues in the previous years were fully utilised for the objectives stated in the relevant prospectuses.
5. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
6. 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 31 March 2024.
7. **Impairment of loans and receivables**
The Company carefully assessed all individually significant loans as of 31 March 2024 and sufficient provisions have been incorporated into the Financial Statements. The impairment models used for collective impairment in 2023 were retained in 1Q 2024 to ensure sufficient buffers were in place to absorb any potential credit risk that might arise in the future. Further, the allowance for overlay applied in 2023 continued to be maintained for the current reporting period as well.

INFORMATION ON SHARES

Stated Capital as at 31 March 2024 was represented by the number of shares in issue as given below.

	As at 31 March 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
Total	100,421,363	2,872,846,361	100,329,537	2,866,876,754

SHAREHOLDER INFORMATION

Shareholders' list as at 31 March 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%
		100,421,363	100.00%

Public Holdings

The percentage of ordinary shares held by the public as at 31 March 2024 was 0%.

Directors'/ CEO's Holding in Shares as at 31 March 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	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded
Debentures-2021/2026	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded

(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%

(iii) Interest rates of comparable Government Securities

	31-03-2024	31-12-2023
6 months treasury bill	9.97%	13.85%
1 year treasury bill	10.04%	12.75%
5 year treasury bond	12.28%	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)	Not Traded	Not Traded	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

(v) Ratios

	31-03-2024	31-12-2023
Debt to Equity Ratio (Times)	1.31	1.12
Interest Cover(Times)	1.31	1.17
Quick Asset Ratio (%)	83.95%	91.92%