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சியபத பிணான்ஸ்
Siyapatha Finance

(Finance Company of Sampath Bank Group)

SIYAPATHA FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

SIYAPATHA FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the nine months ended 30 September			Change %	For the quarter ended 30 September		Change %
	2024 LKR'000	2023 LKR'000			2024 LKR.000	2023 LKR.000	
Gross income	8,420,306	8,185,372	3%	2,919,619	2,925,985	0%	
Interest income	7,348,289	7,551,764	-3%	2,495,167	2,661,515	-6%	
Less: Interest expenses	(4,065,563)	(5,422,946)	-25%	(1,290,446)	(1,755,358)	-26%	
Net interest income	3,282,726	2,128,818	54%	1,204,721	906,157	33%	
Fee and commission income	263,576	252,926	4%	87,742	67,230	31%	
Less: Fee and commission expenses	(1,563)	(3,152)	-50%	(492)	(754)	-35%	
Net fee and commission income	262,013	249,774	5%	87,250	66,476	31%	
Other operating income	808,441	380,682	112%	336,710	197,240	71%	
Total operating income	4,353,180	2,759,274	58%	1,628,681	1,169,873	39%	
Less: Credit loss expense on financial assets and other losses	51,342	(53,310)	-196%	46,255	(90,428)	-151%	
Net operating income	4,404,522	2,705,964	63%	1,674,936	1,079,445	55%	
Less: Operating expenses							
Personnel expenses	(1,497,307)	(989,537)	51%	(598,078)	(343,137)	74%	
Depreciation and amortisation expenses	(197,265)	(181,594)	9%	(69,474)	(62,404)	11%	
Other operating expenses	(648,241)	(528,350)	23%	(160,698)	(189,051)	-15%	
Total operating expenses	(2,342,813)	(1,699,481)	38%	(828,250)	(594,592)	39%	
Operating profit before taxes on financial services	2,061,709	1,006,483	105%	846,686	484,853	75%	
Less: Taxes on financial services	(565,238)	(316,376)	79%	(228,888)	(130,518)	75%	
Profit before income taxation	1,496,471	690,107	117%	617,798	354,335	74%	
Less: Income tax expense	(622,371)	(306,422)	103%	(256,338)	(147,901)	73%	
Profit after taxation	874,100	383,685	128%	361,460	206,434	75%	
Other comprehensive income, net of taxes	-	-	-	-	-	-	
Total comprehensive income, net of taxes	874,100	383,685	128%	361,460	206,434	75%	
Basic/Diluted earnings per share-(LKR.)	8.70	3.82	128%	3.60	2.06	75%	

SIYAPATHA FINANCE PLC
STATEMENT OF FINANCIAL POSITION

As at	30-09-2024	31-12-2023
	LKR'000	Audited LKR'000
Assets		
Cash and bank balances	295,658	285,352
Securities purchased under repurchase agreements	3,058,007	250,123
Loans and receivables	42,541,398	36,009,724
Assets held for sale	24,838	114,043
Other assets	864,025	735,058
Equity instruments at fair value through other comprehensive income	56	56
Debt instruments at amortised cost	3,952,840	5,799,840
Property, plant and equipment	2,507,492	2,465,349
Right-of-use assets	436,366	380,579
Deferred tax assets	220,690	184,308
Intangible assets	10,376	16,068
Total Assets	53,911,746	46,240,500
Liabilities		
Bank overdraft	24,626	135,930
Due to other customers	27,407,474	23,565,911
Debt issued and other borrowed funds	15,343,650	13,148,267
Other payables	2,247,925	1,577,908
Current tax liabilities	613,562	427,797
Retirement benefit obligations	154,732	137,957
Total Liabilities	45,791,969	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	4,778,636	3,911,559
Total Equity	8,119,777	7,246,730
Total Liabilities and Equity	53,911,746	46,240,500
Net asset value per share(LKR.)	80.86	72.23
Commitments & contingencies	45,286	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 September 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 October 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	-	-	-	383,685	383,685
Other comprehensive income, net of tax	-	-	-	-	-
Scrip dividend paid	192,438	-	-	(226,397)	(33,959)
Balance as at 30 September 2023	2,866,877	278,000	154,295	3,617,730	6,916,902
Balance as at 01 January 2024 (Audited)	2,866,876	314,000	154,295	3,911,560	7,246,731
Profit for the period	-	-	-	874,100	874,100
Other comprehensive income, net of tax	-	-	-	-	-
Scrip dividend paid	5,970	-	-	(7,023)	(1,053)
Balance as at 30 September 2024	2,872,846	314,000	154,295	4,778,637	8,119,778

SIYAPATHA FINANCE PLC
STATEMENT OF CASH FLOWS

For the period ended 30 September	2024	2023
	LKR'000	LKR'000
Cash flows from operating activities		
Profit before taxation from operations	1,496,471	690,107
Interest expenses	4,065,563	5,422,946
Fee and commission expenses	1,563	3,152
Credit loss expense on financial assets	(51,342)	53,310
Provision for staff gratuity	30,006	22,500
Provision for depreciation	126,546	116,239
Amortization of software	5,692	5,876
Amortisation of right-of-use assets	65,027	59,479
(Profit)/Loss on sale of motor vehicle	(397)	(1,695)
	4,242,658	5,681,807
Operating profit before working capital changes	5,739,129	6,371,914
(Increase)/decrease in lease receivables	(3,002,038)	(1,477,493)
(Increase)/decrease in hire purchase receivables	936	229
(Increase)/decrease in factoring receivables	21,975	31,295
(Increase)/decrease in gold loan receivables	(1,744,587)	1,282,045
(Increase)/decrease in loan receivables	(1,661,259)	(283,877)
Increase/(decrease) in due to other customers	4,015,220	4,159,122
(Increase)/decrease in other assets	(259,017)	(360,244)
Increase/(decrease) in other payables	781,071	699,597
	(1,847,699)	4,050,674
Cash generated from operating activities	3,891,430	10,422,588
Interest expense paid	(4,294,056)	(5,152,281)
Gratuity paid	(13,231)	(12,596)
Income tax paid	(472,987)	(322,491)
Dividend tax paid	(1,053)	(33,960)
Net cash inflow/(outflow) from operating activities	(889,897)	4,901,260
Cash flow from investing activities		
Net investments in government treasury bills and repurchase agreements	719,561	564,206
Purchase of property, plant, equipment and intangible assets	(168,874)	(60,340)
Proceeds from sale of property, plant and equipment	582	1,840
Net cash inflow from investing activities	551,269	505,706
Net cash inflow/(outflow) before financing activities	(338,628)	5,406,966
Cash flow from financing activities		
Proceeds from long term loans/securitizations	2,000,000	2,000,000
Repayments of long term loans/securitizations	(3,601,344)	(5,074,178)
Proceeds from debentures	4,000,000	-
Debentures redeemed	(1,500,000)	-
Net proceeds from short term borrowings	1,350,000	955,000
Repayment of principal portion of lease liabilities	(107,974)	(93,601)
Net cash inflow/(outflow) from financing activities	2,140,682	(2,212,779)
Net increase in cash and cash equivalents	1,802,054	3,194,187
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	4,914,283	5,356,964
Analysis of the cash and cash equivalents at the end of the period		
Cash and bank balances	295,759	259,734
Securities purchased under repurchase agreements	3,058,007	-
Government securities maturing less than three months	1,585,143	5,238,923
Bank overdraft	(24,626)	(141,693)
	4,914,283	5,356,964

SIYAPATHA FINANCE PLC

SELECTED PERFORMANCE INDICATORS

	As at 30.09.2024	As at 31.12.2023
<u>Capital Adequacy</u>		
Core Capital Ratio(Minimum Requirement : 8.5%)	15.76%	17.06%
Total Risk Weighted Capital Ratio (Minimum Requirement: : 12.5%)	17.26%	20.17%
Capital Funds to Deposit Liabilities Ratio(Minimum Requirement-10%)*	31.19%	42.74%
<u>Profitability</u>		
Return on Average Assets (After Tax)	2.21%	1.55%
Return on Average Shareholders' Funds	15.18%	10.41%
<u>Asset Quality (LKR'000)</u>		
Total Accommodation(Gross)	45,569,003	39,630,513
Non-Performing Accommodation	5,613,937	8,479,568
Net Total Accommodation(Net of allowance for expected credit losses/impairment)	42,541,398	36,009,724
<u>Liquidity (LKR'000)</u>		
Required Minimum Amount of Liquid Assets	3,291,134	2,588,767
Required Minimum Amount of Government Securities**	2,749,719	2,706,804
Available Amount of Liquid Assets	7,138,780	6,170,636
Available Amount of Government Securities	7,010,847	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 30 September								
Interest Income	5,435,868	5,144,010	1,537,589	2,144,277	374,832	263,477	7,348,289	7,551,764
Less: Interest expenses	(2,914,368)	(4,120,216)	(819,270)	(942,243)	(331,925)	(360,487)	(4,065,563)	(5,422,946)
Net interest income	2,521,500	1,023,794	718,319	1,202,034	42,907	(97,010)	3,282,726	2,128,818
Net fee and commission income	162,884	161,798	78,199	88,530	20,930	(554)	262,013	249,774
Other operating income	770,701	372,082	-	6,225	37,740	2,375	808,441	380,682
Total operating income	3,455,085	1,557,674	796,518	1,296,789	101,577	(95,189)	4,353,180	2,759,274
Less: Impairment (charges)/reversal on loans and losses	(25,355)	(124,369)	5,953	6,355	70,744	64,704	51,342	(53,310)
Net operating income	3,429,730	1,433,305	802,471	1,303,144	172,321	(30,485)	4,404,522	2,705,964
Less: Total operating expenses (Including Taxes on financial services)	(2,174,375)	(1,505,520)	(527,745)	(375,845)	(205,931)	(134,492)	(2,908,051)	(2,015,857)
Operating profit before taxes	1,255,355	(72,215)	274,726	927,299	(33,610)	(164,977)	1,496,471	690,107
Less: Income tax expenses							(622,371)	(306,422)
Profit for the period							874,100	383,685
Non-controlling interest							-	-
Profit attributable to equity holders of the Company							874,100	383,685
As at 30 September								
	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	29,713,555	26,289,598	9,680,768	7,390,386	14,517,423	13,163,641	53,911,746	46,843,625
Total assets	29,713,555	26,289,598	9,680,768	7,390,386	14,517,423	13,163,641	53,911,746	46,843,625
Segmental liabilities	25,238,325	22,407,692	8,222,724	6,299,126	12,330,920	11,219,906	45,791,969	39,926,724
Total liabilities	25,238,325	22,407,692	8,222,724	6,299,126	12,330,920	11,219,906	45,791,969	39,926,724

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 September 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%	3.01 Billion	75.3%	Note A

Note A

The balance of LKR 0.99 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 September 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 September 2024 was represented by the number of shares in issue as given below.

	As at 30 September 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 30 September 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 30 September 2024 was 0%.

Directors'/ CEO's Holding in Shares as at 30 September 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-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 -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

	30-09-2024	31-12-2023
6 months treasury bill	10.24%	13.85%
1 year treasury bill	9.90%	12.75%
5 year treasury bond	12.73%	13.75%

(iv) Current Yield & Yield to maturity

	2024		2023	
	Current Yield (%)	Yield to Maturity (%)	Current Yield (%)	Yield to Maturity (%)
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

	30-09-2024	31-12-2023
Debt to Equity Ratio (Times)	1.69	1.12
Interest Cover (Times)	1.37	1.17
Quick Asset Ratio (%)	95.91%	91.92%