

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2014



BARTLEET FINANCE PLC

BARTLEET FINANCE PLC**Interim Financial Statements for the nine months ended 31st December 2014****Statement of Financial Position**

AS AT	31-Dec-2014 Rs.	Audited 31-Mar-2014 Rs.
ASSETS		
Cash and Balances Due from Banks	280,937,750	200,985,276
Due from Banks and Other Financial Institutions	77,273,079	25,671,588
Loans and Advances to Customers	5,653,778,593	5,687,116,944
Financial Investments - Available for Sale	3,200,000	11,120,000
Financial Investments - Held to Maturity	786,290,378	1,165,132,749
Economic Service Charges Recoverable	23,021,978	23,021,978
Other Debtors, Deposits & Prepayments	139,880,926	79,022,533
Real Estate Stocks	48,810,161	78,299,260
Property, Plant & Equipment	472,828,883	533,064,250
Investment Property	-	128,000,000
Total Assets	7,486,021,748	7,931,434,578
LIABILITIES AND SHAREHOLDERS' FUNDS		
Liabilities		
Due to Customers	6,139,848,349	6,463,960,243
Debt Issued and Other Borrowed Funds	103,925,731	378,751,005
Deferred Tax Liabilities	50,300,826	50,300,826
Debentures	204,000,000	204,000,000
Other Liabilities	299,266,161	165,097,781
Retirement Benefit Obligations	43,429,140	36,621,013
	6,840,770,207	7,298,730,868
Shareholders' Funds		
Stated Capital	306,024,990	306,024,990
Statutory Reserve	170,180,249	170,180,249
Revaluation Reserve	116,471,908	148,094,569
Available for Sale Reserve	(3,374,006)	(7,778,079)
Investment Fund Reserve	-	1,868,462
Retained Earnings	55,948,400	14,313,519
Total Shareholders' Funds	645,251,541	632,703,710
Total Liabilities and Shareholders' Funds	7,486,021,748	7,931,434,578
Net Assets per Share	84.34	82.70

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Certification

The Financial Statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.


Samantha Perera

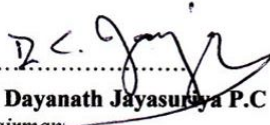
D.G.M. - Finance and Planning


Suresh Amerasekera

Acting Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Board.


Dr. Dayanath Jayasuriya P.C.
Chairman


Prakash
Director

Colombo,
12th February 2015

BARTLEET FINANCE PLC
Interim Financial Statements for the nine months ended 31st December 2014
Statement of Comprehensive Income

For the period of	Three months ended			Nine months ended		
	31-Dec-2014 Rs.	31-Dec-2013 Rs.	Variance %	31-Dec-2014 Rs.	31-Dec-2013 Rs.	Variance %
Income	335,193,254	388,179,582	(13.6)	1,225,369,891	1,176,992,172	4.1
Interest and Similar Income	316,649,798	361,598,302	(12.4)	994,348,126	1,115,142,515	(10.8)
Interest and Similar Expenses	(197,251,012)	(271,157,789)	(27.3)	(655,420,375)	(792,912,011)	(17.3)
Net Interest Income	119,398,786	90,440,513	32.0	338,927,751	322,230,504	5.2
Fee and Commission Income	4,282,840	4,206,733	1.8	13,137,086	13,781,102	(4.7)
Net Fee and Commission Income	4,282,840	4,206,733	1.8	13,137,086	13,781,102	(4.7)
Net Trading Income / (Expenses)	-	10,056,182	-	(1,253,122)	10,138,040	(112.4)
Other Operating Income	14,260,617	12,318,365	15.8	219,137,802	37,930,515	477.7
	<u>14,260,617</u>	<u>22,374,547</u>	<u>(36.3)</u>	<u>217,884,680</u>	<u>48,068,555</u>	<u>353.3</u>
Total Operating Income	137,942,242	117,021,793	17.9	569,949,517	384,080,161	48.4
Impairment Charges for Loans and Other Losses	(38,562,943)	(11,500,000)	235.3	(242,862,943)	(38,500,000)	530.8
Net Operating Income	99,379,299	105,521,793	(5.8)	327,086,574	345,580,161	(5.4)
Operating Expenses						
Personnel Expenses	(35,168,666)	(36,794,943)	(4.4)	(112,973,753)	(119,733,747)	(5.6)
Depreciation of Property, Plant and Equipment	(6,509,859)	(8,345,784)	(22.0)	(19,448,774)	(25,154,582)	(22.7)
Other Operating Expenses	(52,717,298)	(53,958,649)	(2.3)	(154,897,628)	(161,526,114)	(4.1)
Total Operating Expenses	(94,395,823)	(99,099,376)	(4.7)	(287,320,155)	(306,414,443)	(6.2)
Profit / (Loss) Before Tax	4,983,476	6,422,417	(22.4)	39,766,419	39,165,718	1.5
Income Tax Expenses	-	-	-	-	-	-
Profit / (Loss) for the Period	4,983,476	6,422,417	(22.4)	39,766,419	39,165,718	1.5
Other Comprehensive Income / (Expenses)						
Appreciation / (Depreciation) in Fair Value of Available for Sale Financial Assets	-	210,353	(100.0)	-	631,059	(100.0)
Total Other Comprehensive Income / (Expenses) for the Period, Net of Tax	-	210,353	(100.0)	-	631,059	(100.0)
Total Comprehensive Income for the Period, Net of Tax	4,983,476	6,632,770	(24.9)	39,766,419	39,796,777	(0.1)
Basic Earnings per Share	0.65	0.84		5.20	5.12	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

BARTLEET FINANCE PLC**Interim Financial Statements for the nine months ended 31st December 2014****Statement of Changes in Equity**

	Stated Capital Rs.	Statutory Reserves Rs.	Revaluation Reserves Rs.	Available for Sale Reserve Rs.	Investment Fund Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st April 2013 (Restated)	306,024,990	158,706,852	148,094,569	(191,900,775)	1,868,462	81,252,150	504,046,248
Net Profit / (Loss) for the period	-	-	-	-	-	39,165,718	39,165,718
Other Comprehensive Income Net of Tax	-	-	-	631,059	-	-	631,059
Balance as at 31st December 2013	306,024,990	158,706,852	148,094,569	(191,269,716)	1,868,462	120,417,868	543,843,025
Balance as at 01st April 2014	306,024,990	170,180,249	148,094,569	(7,778,079)	1,868,462	14,313,519	632,703,710
Net Profit for the period	-	-	-	-	-	39,766,419	39,766,419
Transfer of Investment Fund Reserve Balance		-	-	-	(1,868,462)	1,868,462	-
Revaluation Reserve Attributable to the sold property		-	(31,622,661)	-	-	-	(31,622,661)
Derecognition of Available for Sale Financial Assets		-	-	4,404,073	-	-	4,404,073
Balance as at 31st December 2014	306,024,990	170,180,249	116,471,908	(3,374,006)	-	55,948,400	645,251,541

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

BARTLEET FINANCE PLC
Interim Financial Statements for the nine months ended 31st December 2014
Statement of Cash Flow

	For the nine months ended	
	31-Dec-2014	31-Dec-2013
	Rs.	Rs.
Profit Before Taxation	39,766,419	39,165,718
Adjustment for :		
Depreciation	19,448,774	25,154,582
Impairment Charges for Loans and Other Losses	242,862,943	38,500,000
(Profit) / Loss on Disposal of Property, Plant & Equipment	(33,730,058)	(7,511,375)
(Profit) / Loss on Sale of Investment Securities	1,253,122	(10,138,040)
Dividend Income	(564,240)	(4,799,782)
Hire Purchase Interest	280,949	1,155,903
Interest Income	(77,729,788)	(87,425,912)
Provision for Staff Retirement Benefits	9,000,000	4,750,353
Interest on Debentures	19,980,822	19,980,822
Interest on Securitization Loans	37,213,951	72,220,881
Interest on Borrowings	1,994,884	5,645,476
Operating Profit / (Loss) Before Working Capital Changes	259,777,777	96,698,627
(Increase) / Decrease in Operating Assets		
Withdrawals / (Investments) in Repurchase Agreements	-	23,919,195
Withdrawals / (Investments) of Fixed Deposit in other Financial Institutions	(50,000,000)	(26,823,961)
Withdrawals / (Investments) in Government Securities	-	(47,135,149)
Net (Payment) / Receipt from Loan and Advances	(209,524,592)	(342,968,335)
Sale Proceeds / (Investment Made) on Real Estate Stock	29,489,098	(12,142,567)
Purchased / Disposed of Three-wheeler Stock	-	100,940
Net (Payment) / Receipt Other Receivables, Deposit & Prepayment	(8,354,592)	(61,720,525)
(Increase) / Decrease of Amount Due from Related Parties	-	142,236,450
Net Placement of Fixed & Saving Deposit Made by Customers	(326,244,629)	681,558,662
Net Payment to the Creditors & Accruals	83,063,904	(115,949,623)
Cash Generated from / (Used in) Operations	(221,793,033)	337,773,714
Gratuity Paid	(2,191,874)	(1,850,869)
Net Cash from / (Used in) Operating Activities	(223,984,907)	335,922,845
Cash Flows from Investing Activities		
Dividend Received	564,240	4,799,782
Interest Received	14,749,285	87,458,236
Acquisition of Property, Plant and Equipment	(1,707,354)	(3,906,177)
Cost incurred in the Course of Construction	-	(3,060,081)
Sales Proceeds from Investment Securities	13,566,127	138,800,225
Sales Proceeds from Investment Properties	128,000,000	-
Withdrawals / (Investments) of Other Investment	438,554,282	96,634,871
Sales Proceeds from Property, Plant & Equipment	44,506,678	8,879,000
Net Cash from / (Used in) Investing Activities	638,233,258	329,605,857
Cash Flows from Financing Activities		
Interest on Debentures	(19,980,822)	(19,980,822)
Net Borrowings / (Repayment) of Bank Loans	(20,750,884)	(18,756,000)
Net Borrowings / (Repayment) Securitization Loans	(320,820,562)	(442,938,775)
Net Borrowings / (Repayment) Hire Purchase Rental Paid	(5,084,324)	(5,991,885)
Net Cash from / (Used in) Financing Activities	(366,636,593)	(487,667,482)
Net Increase / (Decrease) in Cash and Cash Equivalents	47,611,759	177,861,219
Cash and Cash Equivalents at the Beginning of the Period	199,513,683	154,858,609
Cash and Cash Equivalents at the End of the Period	247,125,442	332,719,828
Cash and Cash Equivalents at the Beginning of the Period	Note A	
Cash in Hand and Cash at Bank	200,985,276	161,988,830
Bank Overdraft	(1,471,593)	(7,130,221)
	199,513,683	154,858,609
Cash and Cash Equivalents at the End of the Period	Note B	
Cash in Hand and Cash at Bank	280,937,750	345,687,008
Bank Overdraft	(33,812,308)	(12,967,180)
	247,125,442	332,719,828

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Explanatory Notes

1. These Interim Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards that came in to effect from 01st April 2012 and comparative figures have been reclassified and re-measured whenever necessary to conform to the current year presentation.
2. These Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and principles that have been disclosed in the Annual Report for the year ended 31st March 2014.
3. These Financial Statements, have been prepared in accordance with Sri Lanka Accounting Standards comprising of Sri Lanka Financial Reporting Standards (SLFRS) & Sri Lanka Accounting Standards (LKAS) and in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting.
4. There are no material events that took place after the reporting date that require adjustments to or disclosure in the Financial Statements.
5. There is a requirement for additional impairment to the value of Rs. 203 Mn as per the LKAS 39 - Financial Instruments; Recognition and Measurement relevant to old loans and advances relating to the previous periods. Under the Financial Sector Consolidation plan which has been approved by the Central Bank, negotiations are under way to assign this portfolio for future recovery and thereafter if any understatement at the end of the financial year will be provided for in full.
6. Janashakthi Limited purchased 6,639,998 voting ordinary shares of Bartleet Finance PLC from the major shareholder of Bartleet Transcapital Limited constituting approximately 86.79% of the voting rights of the Company on 22 January 2015.

Further, at the time of the above transaction, Janashakthi Limited held 993,749 voting ordinary shares of Bartleet Finance PLC constituting approximately 12.99% of the voting rights of the Company which had been purchased between 02 January 2015 to 10 January 2015.

The Janashakthi Limited now holds total of 7,633,747 ordinary shares of Bartleet Finance PLC constituting approximately 99.78% of the voting rights of the Company and became the subsidiary of the Janashakthi Limited with effects from 22 January 2015.
7. There are no significant changes in the nature of the Contingent Assets or Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31st March 2014.

Share Information

The Company's Ordinary Shares are not quoted in the Colombo Stock Exchange (CSE).

<u>Stated Capital</u>	<u>31st Dec 2014</u>	<u>31st Dec 2013</u>
Value of Ordinary Shares (Rs.)	306,024,990	306,024,990
No. of Ordinary Shares	7,650,624	7,650,624

Listed Debenture Information

Five-year rated unsecured, subordinated, redeemable 2,040,000 Debentures of Rs.100/- each were listed on the Main-board of the Colombo Stock Exchange (CSE) with 13% interest rate per annum payable on monthly basis.

	<u>31st Dec 2014</u>	<u>31st Dec 2013</u>
Market Prices - Debenture		
Highest price	83.78	92.22
Lowest price	83.78	78.79
Last traded price	83.78	92.22
Debt to Equity Ratio (Times)	9.99	11.89
Interest Coverage Ratio (Times)	1.03	1.00
Liquid Asset Ratio	12.88%	13.82%
Interest Rate of Comparable Government Securities	8.93%	10.64%
Interest yield as at date of last trade (02/12/2014)	15.52%	14.10%
Yield to maturity of trade done on (02/12/2014)	25.70%	16.74%

Interim Financial Statements for the nine months ended 31st December 2014

Segmental Information

	Hire Purchase		Finance Lease		Loans and Advances		Investment		Others		Total	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Income												
Interest Income	646,410,832	745,602,690	139,197,278	200,663,174	131,010,228	81,450,739	61,696,300	81,603,669	16,033,488	5,822,243	994,348,126	1,115,142,515
Interest Expenses	(426,078,974)	(528,108,222)	(91,751,299)	(142,628,550)	(86,354,839)	(58,517,566)	(40,666,856)	(59,418,307)	(10,568,407)	(4,239,366)	(655,420,375)	(792,912,011)
Net Interest Income	220,331,858	217,494,468	47,445,979	58,034,624	44,655,388	22,933,173	21,029,444	22,185,362	5,465,081	1,582,877	338,927,751	322,230,504
Fee based income & Others	116,895,917	7,437,857	57,934,609	1,207,345	3,306,560	5,135,900	(688,882)	14,937,822	53,573,562	33,130,733	231,021,766	61,849,657
Total Operating Income	337,227,775	224,932,325	105,380,588	59,241,969	47,961,948	28,069,073	20,340,562	37,123,184	59,038,643	34,713,610	569,949,517	384,080,161
Impairment Charges for Loans and Other Losses	(166,775,778)	(20,790,000)	(76,087,165)	(17,710,000)	-	-	-	-	-	-	(242,862,943)	(38,500,000)
Segmental Results	170,451,997	204,142,325	29,293,423	41,531,969	47,961,948	28,069,073	20,340,562	37,123,184	59,038,643	34,713,610	327,086,574	345,580,161
Unallocated Expenses											(287,320,155)	(306,414,443)
Profit / (Loss) Before Tax											39,766,419	39,165,718
Income Tax Expenses											-	-
Profit / (Loss) for the Period											39,766,419	39,165,718
Segment Assets	3,711,992,908	3,830,826,635	800,004,059	1,120,967,173	1,141,781,626	764,230,985	789,490,378	1,045,631,016	1,042,752,777	1,259,410,193	7,486,021,748	8,021,066,002
Segment Liabilities	3,392,040,707	3,512,263,309	731,048,361	1,029,577,910	1,043,366,689	673,485,866	721,440,898	966,879,965	952,873,552	1,164,558,495	6,840,770,207	7,346,765,545

CORPORATE INFORMATION

NAME OF THE COMPANY

Bartleet Finance PLC

LEGAL FORM

A public limited liability company incorporated on 24th July 1981 under the Companies Act No.17 of 1982 and was re-registered in terms of the Companies Act No. 07 of 2007 on 27th July 2009.

The Company is registered under the Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000.

COMPANY REGISTRATION NUMBER

PB 1079 PQ (previous PVS/PBS 7651)

TAX PAYER IDENTIFICATION NUMBER

104076513

BOARD OF DIRECTORS

Dr. D.C. Jayasuriya PC - Chairman
Mr. Prakash Schaffter
Mr. Ramesh Schaffter
Mrs. Lakshmi K. Gunatilake
Mr. D. Sarath P. Wikramanayake
Mr. Ananda W. Atukorala
Mr. K. M. A. T. B. Tittawella
Mr. A. I. Fernando*

* Appointed w.e.f. 27.11.2014

HEAD / REGISTERED OFFICE

Level 2, Bartleet House,
65, Braybrooke Place, Colombo 02.
Tel : 0117 444 222
Fax : 0117 444 200
Web : www.bartleetfinance.com
E-mail : info@bartleetfinance.com

STOCK EXCHANGE LISTING

The Debentures of the Company are listed on the Main Board of the Colombo Stock Exchange of Sri Lanka.

COMPANY SECRETARY

KHL Corporate Services Ltd,
No. 02, Deal Place, Colombo 03.
Tel : 0112 639 878
Fax : 0112 639 868

EXTERNAL AUDITORS

BDO Partners,
Chartered Accountants,
“Charter House”, 65/2,
Sir Chittampalam A Gardiner Mawatha,
Colombo 02.

BANKERS

Seylan Bank PLC
Commercial Bank of Ceylon PLC
Deutsche Bank AG

ACCOUNTING YEAR END

31st March

BRANCHES

Anuradhapura	Kalutara
Balangoda	Matara
Bandarawela	Negombo
Batticaloa	Panadura
Embilipitiya	Polonnaruwa
Galle	Rathnapura
Hambanthota	Trincomalee
Horana	Vavuniya
Jaffna	