

**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016**

SUMMIT FINANCE PLC

City Office, No.15, Station Road, Colombo 03.Tel: (+94) 112 375 408-10
Fax: (+94) 112 375 411 E-mail:info@summit.lk Web : www.summit.lk

	As At 30.09.2016 Rs. (Unaudited)	As At 31.03.2016 Rs. (Audited)
Assets		
Cash & Cash Equivalents	43,379,147	75,829,061
Financial Investments - Held for Trading	540	700
Loans and Advances	952,293,076	1,037,098,925
Lease Rentals Receivable & Stock Out on Hire	90,253,488	132,126,602
Financial Investments - Available for Sale	56,300	56,300
Financial Investments - Held to Maturity	88,218,754	72,294,832
Financial Investments	-	16,602,880
Other Financial Assets	185,855,649	83,843,230
Inventories - Real Estate Stock	2,607,728	2,607,728
Other Non Financial Assets	18,623,161	17,850,907
Property, Plant & Equipment	21,901,341	22,272,282
Intangible Assets	1,250,679	1,647,606
Deferred Tax Asset	27,652,283	27,652,283
Total Assets	1,432,092,147	1,489,883,336
Liabilities		
Due to Banks	3,350,273	47,225,971
Due to Customers	1,086,109,698	1,105,657,981
Other Financial Liabilities	1,873,704	1,614,474
Other Non-Financial Liabilities	15,731,516	14,646,113
Retirement Benefit Liability	2,360,138	1,556,138
Total liabilities	1,109,425,329	1,170,700,677
Shareholders' Funds		
Stated Capital	225,000,000	225,000,000
Retained Earnings	89,756,296	86,272,137
Other Reserves	7,910,522	7,910,522
Total Shareholders' Funds	322,666,818	319,182,659
Total Liabilities and Shareholders' Funds	1,432,092,147	1,489,883,336
Commitments and Contingencies	24,520,158	15,186,566
Net Assets Per Share (Rs.)	14.34	14.19

Notes:

The above figures are provisional and subject to audit

Figures in brackets indicate deductions

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

Sgd

I.M Chandana Bandara
Head of Finance

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 by,

Sgd
G.C.A.De Silva
Director

Sgd
W.S.P. Wijewardena
Director

STATEMENT OF COMPREHENSIVE INCOME

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	FOR THE SIX MONTHS ENDED			FOR THE THREE MONTHS ENDED		
	30.09.2016 (Unaudited) Rs.	30.09.2015 (Unaudited) Rs.	Variance %	30.09.2016 (Unaudited) Rs.	30.09.2015 (Unaudited) Rs.	Variance %
Interest Income	144,864,195	140,247,253	3%	70,472,487	72,320,352	-3%
Interest Expenses	(62,372,835)	(61,563,446)	-1%	(31,611,348)	(32,557,117)	3%
Net Interest Income	82,491,360	78,683,807	5%	38,861,140	39,763,235	-2%
Fee and Commission Income	1,747,367	1,909,455	-8%	1,411,603	1,283,007	10%
Fee and Commission Expenses	-	-	-	-	-	-
Net Fee and Commission Income	1,747,367	1,909,455	-8%			
Net Gain/(Loss) from Trading	(160)	(76)	-110%	(30)	(51)	41%
Other Operating Income (net)	729,740	1,174,376	-38%	490,373	125,954	289%
Total Operating Income	84,968,307	81,767,561	4%	40,763,085	41,172,145	-1%
Impairment (Charges)/Reversal for Loans and Other Credit Losses	(12,448,199)	(10,035,378)	-24%	(4,599,382)	(11,365,586)	60%
Net Operating Income	72,520,108	71,732,183	1%	36,163,703	29,806,559	21%
Operating Expenses						
Personnel Costs	(29,623,985)	(18,513,001)	-60%	(15,263,283)	(9,971,483)	-53%
Depreciation of Property Plant & Equipment	(4,720,032)	(3,754,280)	-26%	(2,373,841)	(1,836,770)	-29%
Amortisation of Intangible Assets	(396,927)	(396,927)	0%	(199,548)	(199,548)	0%
Other Operating Expenses	(31,588,118)	(25,844,080)	-22%	(16,208,299)	(14,456,725)	-12%
Profit/(Loss) before VAT on financial services	6,191,046	23,223,895	-73%	2,118,733	3,342,034	-37%
Value Added Tax on Financial Services	(2,706,887)	(3,686,812)	27%	(650,240)	(2,214,978)	71%
Profit/(Loss) from Operations before Taxation	3,484,158	19,537,083	-82%	1,468,492	1,127,056	30%
(Provision)/Reversal for Income Taxation	-	-	-	-	-	-
Profit/(Loss) for the Year	3,484,158	19,537,083	-82%	1,468,492	1,127,056	30%
Other Comprehensive Income / (Expenses)						
Other Comprehensive Income/(Expense) not to be reclassified to Profit or Loss						
Actuarial Gain / (Loss) on Retirement Benefit Obligations	-	-	-	-	-	-
Other Comprehensive Income/(Expense) for the Year, net of taxes	-	-				
Total Comprehensive Income/(Expense) for the Year	3,484,158	19,537,083	-82%	1,468,492	1,127,056	30%
Earnings Per Share (Rs)	0.15	0.87		0.07	0.05	0.30

Notes:

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 Figures in brackets indicate deductions

Summit Finance PLC

STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	Stated Capital	Retained Earnings	Statutory Reserve	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2015	225,000,000	52,613,560	6,162,223	283,775,783
Net Profit/(loss) for the Period	-	19,537,083	-	19,537,083
Other Comprehensive Income/(Expense)	-	-	-	-
Transfers during the year	-	-	-	-
Balances as at 30th September 2015	<u>225,000,000</u>	<u>72,150,643</u>	<u>6,162,223</u>	<u>303,312,866</u>
Balance as at 01st April 2016	225,000,000	86,272,137	7,910,522	319,182,659
Net Profit/(loss) for the Period	-	3,484,158	-	3,484,158
Other Comprehensive Income	-	-	-	-
Transfers during the year	-	-	-	-
Transfers during the year	-	-	-	-
Balances as at 30th September 2016	<u>225,000,000</u>	<u>89,756,296</u>	<u>7,910,522</u>	<u>322,666,818</u>

The above figures are provisional and subject to audit

STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

	30.09.2016 Rs. (Unaudited)	30.09.2015 Rs. (Unaudited)
Cash Flows From / (Used in) Operating Activities		
Profit/(Loss) before Income Tax Expense	3,484,158	19,537,083
Adjustments for		
Depreciation	4,720,032	3,754,280
Amortisation of Intangible Assets	396,927	396,927
Impairment Provision	12,448,199	10,035,378
Interest Cost on Finance Lease	160,469	223,358
Diminution/(Appreciation) in value of investments	160	76
Loss/(Profit) on Disposal of Property & Equipment	-	-
Provision/(Reversal) for Defined Benefit Plans	804,000	480,000
Dividend Received	(2)	(54,006)
Operating Profit before Working Capital Changes	22,013,944	34,373,096
(Increase)/Decrease in Real Estate Stock	-	3,000,988
(Increase)/Decrease in Loans and Advances	73,524,485	(57,086,409)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	40,706,279	33,407,615
(Increase)/Decrease in Other Financial Assets(Excluding Investments in Banks & other financial Institutions)	(438,824)	1,005,765
(Increase)/Decrease in Financial Investments	16,602,880	46,856,011
(Increase)/Decrease in Other Non Financial Assets	(772,254)	(8,422,747)
Increase/(Decrease) in Amounts Due to Customers	(19,548,283)	149,979,211
Increase/(Decrease) in Other Financial Liabilities	259,230	(962,317)
Increase/(Decrease) in Other Non Financial Liabilities	1,085,402	(7,200,183)
Cash Generated from/(Used in) Operations	133,432,857	194,951,031
Retirement Benefit Liabilities Paid	-	(222,976)
Net Cash From/(Used in) Operating Activities	133,432,857	194,728,055
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(4,349,092)	(1,068,303)
Proceeds from Sales of Property , Plant & Equipment	-	-
Investments in Banks & Other Financial Institutions	(101,573,595)	(148,693,971)
Financial Investments Held -for- Trading	-	-
Sale/(Purchase) of Financial Investments- Held to Maturity	(15,923,922)	(49,011,359)
Dividend Received	2	54,006
Net Cash Flows from/(Used in) Investing Activities	(121,846,607)	(198,719,626)
Cash Flows from / (Used in) Financing Activities		
Payment under Finance Lease Liabilities	(550,332)	(699,992)
Net Cash Flows from/(Used in) Financing Activities	(550,332)	(699,992)
Net Increase in Cash and Cash Equivalents	11,035,919	(4,691,563)
Cash and Cash Equivalents at the beginning of the Year	30,620,745	47,520,801
Cash and Cash Equivalents at the end of the Year	41,656,666	42,829,238

Note A**Analysis of Cash and Cash Equivalents**

Cash & Cash Equivalents	43,379,147	75,129,906
Bank Overdrafts	(1,722,481)	(32,300,668)
Net Cash & Cash Equivalents	41,656,666	42,829,238

The above figures are provisional and subject to audit
Figures in brackets indicate deductions

Summit Finance PLC

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER

SEGMENTAL INFORMATION

For management purposes, the Company is organised into three operating segments based on services offered to customers as follows.

The following table presents income and profit and certain asset and liability information regarding the Company's operating segments.

	Leasing & Stock out on Hire		Loans & Receivables		Others		Total	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Interest Income	12,843,831	23,480,045	121,903,677	93,607,288	10,116,687	23,159,921	144,864,195	140,247,253
Interest Expenses	(5,530,050)	(10,306,886)	(52,486,937)	(41,090,197)	(4,355,848)	(10,166,363)	(62,372,835)	(61,563,446)
Net Interest Income/(Expenses)	7,313,781	13,173,159	69,416,739	52,517,091	5,760,839	12,993,557	82,491,360	78,683,807
Fee and Commission Income	154,924	319,679	1,470,415	1,274,455	122,029	315,320	1,747,367	1,909,455
Other Operating Income	-	-	-	-	729,580	1,174,300	729,580	1,174,300
Impairment (Charge)/Reversal on Loans and Losses	(1,166,835)	(9,122,782)	(11,281,364)	(912,596)	-	-	(12,448,199)	(10,035,378)
Net Operating Income	6,301,870	4,370,055	59,605,790	52,878,950	6,612,448	14,483,177	72,520,108	71,732,183
Other Costs	5,472,016	7,426,215	51,375,713	29,605,900	4,364,374	7,324,967	61,212,103	44,357,081
Depreciation & Amortisation	457,427	694,991	4,294,697	2,770,701	364,835	685,515	5,116,959	4,151,207
Operating Profit/ (Loss) Before Taxes	372,427	(3,751,150)	3,935,380	20,502,350	1,883,239	6,472,695	6,191,046	23,223,895
Taxes							(2,706,887)	(3,686,812)
Profit/(Loss) for the Year							3,484,158	19,537,083
Segmental Assets	97,970,688	167,052,366	1,033,719,691	790,563,308	300,401,768	586,011,811	1,432,092,147	1,543,627,485
Segmental Liabilities	75,896,766	134,227,651	800,810,765	635,222,706	232,717,797	470,864,262	1,109,425,329	1,240,314,619

NOTES TO THE FINANCIAL STATEMENTS

1. These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31st March 2016. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard (LKAS 34) on Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.
2. There were no significant changes in the nature of contingent liabilities which were disclosed in the Audited Financial Report for the year ended 31st March 2016.
3. **Public share holdings**
The percentage of shares held by the public as at 30th September 2016 was 24.46% and the number of public shareholders as at 30th September 2016 were 977.

3.1 Director's share holding as at 30th September 2016

The number of shares held by the Board of Directors are as follows;

Name of the director	No. of shares	(%)
Prof. Hettige Don Karunaratne	Nil	-
Mr. G. Channa Ajith De Silva	Nil	-
Dr. Vinya S. Ariyaratne	Nil	-
Mr. B. S. C. P. Goonaratne	Nil	-
Mr. W. S. P. Wijewardena	Nil	-
Mrs. K. I. Rasika Jayathilake	Nil	-

3.2 Twenty largest shareholders as at 30th September 2016

	Name	No. of shares	% of holding
1	Sarvodaya Development Finance Limited	16,996,650	75.54%
2	Dr. Thirugnanasambandar Senthilverl	2,152,704	9.57%
3	LOLC Finance PLC/M.P.P.D.Fernando	320,000	1.42%
4	Dr. Niranjana Deepal Gunawardena	250,000	1.11%
5	Waldock Mackenzie Limited / Mr. R.E. Rambukwelle	116,225	0.52%
6	Mr. Lalith Rukman Jayaweera	113,795	0.51%
7	Mr. Ravindra Erle Rambukwelle	110,225	0.49%
8	Mr. Sithambaram Pillai Balasundaram	82,230	0.37%
9	People's Leasing & Finance PLC/ Mr. W.M.H.B.Senevirathna	78,862	0.35%
10	TKS Finance Ltd/S.A.Sandanayaka	75,000	0.33%
11	MBSL/H.L.R.J.Nonis	71,482	0.32%
12	Mr. Sithambaram Pillai Jayakumar	63,049	0.28%
13	Mrs. Loku Singamkutti Arachchige Lalitha Rohini	62,011	0.28%
14	Pan Asia Banking Corporation PLC/Mr. C.G. Van Twest	60,000	0.27%
15	Mr. Kandarachchige Senaka Ravindranath Nissanka	50,444	0.22%
16	Mr. Mallikage Adisha Sagara Wijeyeratne	50,000	0.22%
17	Mrs. Christine Olivia Fortune David	44,182	0.20%
18	Bansei Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	42,184	0.19%
19	TKS Finance Ltd/A.M.N.A.Abeykoon	39,900	0.18%
20	Mr. Susil Senasri Pallewatte Gamarallage	39,500	0.18%
		20,818,443	92.53%
	Others	1,681,557	7.47%
		22,500,000	100.0%

NOTES TO THE FINANCIAL STATEMENTS

3.3 Computation of Public Share Holding as at 30th September 2016

	No. of shares as at 30-September-2016	% of shares
3.3.1 <u>Parent, subsidiary or associate entities or any subsidiary or associates of its Parent Entity</u>		
Sarvodaya Development Finance Limited	16,996,650	75.54%
3.3.2 <u>Directors of the entity, their spouses and children under 18 years of age</u>		
Prof.Hettige Don Karunaratne	Nil	-
Mr. G. Channa Ajith De Silva	Nil	-
Dr. Vinya S. Ariyaratne	Nil	-
Mr. B. S. C. P. Goonaratne	Nil	-
Mr.W.S.P. Wijewardena	Nil	-
Mrs. K. I. Rasika Jayathilake	Nil	-
3.3.3 <u>Chief Executive Officer & his close family members</u>		
Mr.W.D.K.Ravindra Ranjith - (Acting Chief Executive Officer)	Nil	-
3.3.4 <u>Key Management personnel and their close family members</u>	Nil	-
3.3.5 Total non-public share holding	16,996,650	75.54%
Public Share Holding	5,503,350	24.46%
Total Issued Share Capital	<u>22,500,000</u>	<u>100.00%</u>
3.3.6 Total number of non-public shareholders as at 30.09.2016		1
Total number of public shareholders as at 30.09.2016		<u>977</u>
Total number of shareholders as at 30.09.2016		<u>978</u>

3.4 Stated Capital

Stated Capital is represented by number of shares in issue as given below:

	No of Shares as at	
	30-Sep-16	31-Mar-16
Ordinary Shares (@ Rs.10/-)	22,500,000	22,500,000

3.5 Earning per share

Earning per share has been calculated, for all periods, based on the number of shares in issue as at 30th September 2016.

3.6 Market value per share for the quarter ended	30-Sep-16	30-Sep-15
	Rs.	Rs.
Highest Price	35.00	26.30
Lowest Price	24.90	19.00
Last Traded	31.70	22.10

4. Commitments and Contingencies

There were no material contingent liabilities and /or capital commitments as at reporting date except for the undrawn loan commitment as follows :

	30-Sep-16	31-Mar-16
	Rs.	Rs.
Commitment for Unutilised Facilities	<u>24,520,158</u>	<u>15,186,566</u>

5. Events occurring after Balance Sheet date

There are no material events that have taken place subsequent to the balance sheet date, which require adjustments to or disclosure in the Financial Statements.

6. Comparative figures

Previous period's figures and phrases have been re-arranged wherever necessary to confirm to the current year presentation.

SUMMIT FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

Name of the Company

Summit Finance PLC

Legal Form

Public Limited Liability Company domiciled in Sri Lanka and incorporated on 10th September 2004 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007.

The Company is licensed under the Finance Business Act, No. 42 of 2011.

Company registration number is PB 351 PQ

Stock Exchange Listing

The Company was listed on the Diri Savi Board of the Colombo Stock Exchange on 12th September 2012.

Board of Directors

1. Prof.Hettige Don Karunaratne - Chairman/Independent Non Executive Director
2. Mr. G. Channa Ajith De Silva - Managing Director
3. Dr. Vinya S. Ariyaratne - Non Independent Non Executive Director
4. Mr. B. S. C. P. Goonaratne - Non Independent Non Executive Director
5. Mr.W.S.P. Wijewardena - Non Independent Non Executive Director
6. Mrs. K. I. Rasika Jayathilake - Independent Non Executive Director

Secretaries to the Company

S S P Corporate Services (Private) Limited
No 101, Inner Flower Road, Colombo 03

Head office & registered office of the company

Registered Office :- No 15, Station Road, Colombo 03
Head Office :- No 15, Station Road, Colombo 03
Telephone No :- 94-11-2375408-12
Fax No :- 94-11-2375411
Corporate Website :- www.summit.lk

Bankers of the Company

Hatton National Bank PLC
Commercial Bank PLC
Seylan Bank PLC
Union Bank PLC
The Hongkong and Shanghai Banking Corporation
DFCC Vardhana Bank
Bank of Ceylon
People's Bank
Sampath Bank PLC
Nations Trust Bank PLC

Auditors

Messrs Ernst & Young
No. 201, De Saram Place, P.O.Box 101,Colombo.10,Sri Lanka