



Company Reg. No : PQ.92

ARPICO FINANCE COMPANY PLC

FINANCIAL STATEMENTS

For the Six months ended 30th September 2016

No. 146, Havelock Road
Colombo 05

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ARPICO FINANCE COMPANY PLC
STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30th September			Six months ended 30th Sep		
	2016	2015	Change	2016	2015	Change
	Unaudited			Unaudited		
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Interest Income	402,646	342,412	18	782,177	636,981	23
Interest Expenses	(184,363)	(146,671)	26	(357,380)	(277,986)	29
Net Interest Income	218,282.85	195,741	12	424,797	358,995	18
Fee and commission income	14,605	27,482	-47	25,814	54,629	(53)
Net fee and commission income	14,604.51	27,482	-47	25,814	54,629	(53)
Net gain from financial investments	1,702	873	95	2,420	2,382	2
Other operating income (net)	8,232	5,262	56	15,929	10,725	49
Total operating income	242,821	229,358	6	468,959	426,730	9.90
Impairment on financial assets & other losses	(34,497)	34,774	-199	(86,175)	5,755	(1,597)
Net operating income	208,324	264,132	-21	382,784	432,485	(11.49)
Operating Expenses						
Personnel costs	(42,298)	(37,555)	13	(84,322)	(74,675)	13
Depreciation of property & equipment	(4,120)	(3,672)	12	(7,973)	(7,004)	14
Amortisation of intangible assets	(983)	(928)	6	(1,946)	(1,839)	6
Administration establishment and other operating expenses	(65,746)	(113,138)	-42	(120,397)	(153,414)	(22)
Profits from Operations	95,178	108,839	-13	168,147	195,553	(14)
Profit before value added tax on financial services	95,178	108,839	-13	168,147	195,553	(14)
Value added tax on financial services	(9,956)	(7,401)	35	(20,210)	(13,029)	55
Profit before income tax	85,222	101,438	-16	147,937	182,524	(19)
Income tax expense	(4,438)	(3,650)	22	(4,438)	(3,650)	-
Profit for the Period	80,784	97,788	-17	143,499	178,874	(20)
Other comprehensive income / (expense), net of tax						
Available -for-sale financial assets :						
Net change in fair value during the year	(308)	(952)	-68	705	787	(10)
Net amount transferred to profit or loss	-	1	-100	-	6	(100)
Total other comprehensive income/ (expense) for the period, net of taxes	(308)	(951)	-68	705	793	(11.10)
Total comprehensive income / (expense) for the period	80,476	96,837	-17	144,204	179,667	(20)
Earnings per share	10.86	13.15		19.29	24.05	

The above figures are subject to audit and appropriations.

Chandrin Fernando
Chief Executive Officer

J P I S Dayawansa
Managing Director

T.M.A.Sallay
Director

07th Nov 2016

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ARPICO FINANCE COMPANY PLC
STATEMENT OF FINANCIAL POSITION

AS AT 30th September 2016	Unaudited 30/09/2016 Rs.'000	Audited 31/03/2016 Rs.'000
Cash & Cash Equivalents	154,970	161,189
Placement with banks & Other financial institutions	68,568	68,856
Equity investments - held for trading	15,095	170,564
Loans and Advances	1,057,704	710,476
Lease Rental Receivable from customers	6,344,299	5,215,449
Financial Investments - available for sale	470,646	917,970
Inventories	530	102
Other assets	90,532	41,226
Current tax assets	24,130	26,421
Property & Equipment	257,128	247,027
Intangible assets	7,982	9,114
Deferred taxation	71,578	71,578
Total Assets	8,563,162	7,639,971
LIABILITIES		
Due to banks and financial institutions	941,103	518,883
Deposits from customers	5,351,587	5,195,211
Debentures	357,046	356,495
Trade and other payables	553,335	325,055
Retirement Benefit Obligations	44,824	39,755
Total Liabilities	7,247,896	6,435,399
Shareholders' funds		
Stated capital	245,063	245,063
Revenue Reserves	760,814	650,825
Other Reserves	309,390	308,684
Shareholders' Funds	1,315,266	1,204,572
Total Liabilities and Shareholders' Funds	8,563,162	7,639,971
 Net Asset value per Share (Rs.)	 176.84	 161.96

Chandrin Fernando
Chief Executive Officer

J P I S Dayawansa
Managing Director

T.M.A.Sallay
Director

Arpico Finance Company PLC
CASH FLOW STATEMENT

	Quarter ended 30.09.2016 Unaudited Rs.'000	30.09.2015 Unaudited Rs.'000
Cash flow from operating activities		
Net profit before taxation	147,937	182,524
Adjustments for;		
Depreciation & amortisation	9,918	8,843
Gains on disposals of property and equipment	-	(1,268)
Provision for bad and doubtful debts	86,175	(5,755)
Provision for gratuity	5,598	5,500
Net amount tran to P&L from AFS reserve on Associate	-	(2,382)
Interest on borrowing	30,611	5,313
Dividend receipt	(595)	(800)
Loans & advances written off	-	(65,209)
Operating profit before working capital changes	279,644	126,766
(Increase)/ decrease in financial investments	603,080	199,677
(Increase)/decrease in loans and advances	(1,562,254)	(1,034,660)
(Increase)/ decrease in other assets	(49,306)	28,642
(Increase)/ decrease in inventories	(428)	2,724
Increase/(decrease) in public deposits	156,376	797,338
(Increase)/ decrease in debentures	551	517
(Increase)/ decrease in trade and other payables	228,240	10,149
	<u>(623,741)</u>	<u>4,387</u>
Cash generated from operations	(344,097)	131,153
Tax paid	(2,147)	-
Gratuity paid	(463)	(2,320)
Interest paid	(9,055)	(96,378)
Net cash flow from operating activities	(355,762)	32,455
Cash flow from investment activities		
Dividends received	595	800
Purchase of property, plant and equipment	(18,208)	(13,310)
Proceeds from disposal of property and equipment	-	3,860
Net cash flow from investing activities	(17,613)	(8,650)
Cash flow from Financing activities		
Proceeds on borrowings	325,000	275,183
Repayment of borrowings	(82,100)	(332,446)
Dividends paid	(33,510)	(27,622)
Net Cash Inflow/(Outflow) from Financing Activities	209,390	(84,885)
Net increase/(decrease) in cash and cash equivalents	(163,985)	(61,079)
Cash & cash equivalents at the beginning of the period	150,576	237,843
Cash & Cash Equivalents at the end of the period	(13,408)	176,764
Cash and Cash Equivalents Comprises		
Cash and bank balances	154,970	190,714
Bank overdraft	(168,378)	(13,950)
Cash & Cash Equivalent at the end of the Period	(13,408)	176,764

Arpico Finance Company PLC

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2016

	Stated Capital	Revaluation Reserve	General Reserve	Statutory Reserve Fund	Available for sale reserve	Retained Earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.04.2015	245,063	115,277	22,036	122,455	6,500	380,303	891,634
Net Profit (Loss) for the Period	-	-	-	-	-	178,874	178,874
Other comprehensive income net of tax	-	-	-	-	793	-	793
Final dividend for 2014/15							
Ordinary shares	-	-	-	-	-	(27,582)	(27,582)
Irredeemable cumulative preference shares	-	-	-	-	-	(40)	(40)
Balance as at 30.09.2015	245,063	115,277	22,036	122,455	7,293	531,555	1,043,679
Balance as at 01.04.2016	245,063	114,392	22,036	191,630	2,663	628,789	1,204,572
Net Profit (Loss) for the Period	-	-	-	-	-	143,499	143,499
Other comprehensive income	-	-	-	-	705	-	705
Final dividend for 2015/16							
Ordinary shares	-	-	-	-	-	(33,470)	(33,470)
Irredeemable cumulative preference shares	-	-	-	-	-	(40)	(40)
Balance as at 30.09.2016	245,063	114,392	22,036	191,630	3,368	738,777	1,315,266

ARPICO FINANCE COMPANY PLC

1. Market Price per share - Rs.

	2016/2017	2015/2016
Market Price - Highest (for the Quarter)	218.00	219.50
Market Price - Lowest (for the Quarter)	176.00	154.00
Market Price as at 30th Sep 2016	187.20	195.00

- These Interim Financial Statements of the company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st April 2012 (SLFRS/LKAS).
- The accounting policies and methods of computation followed in preparing the above financial statements are the same as those disclosed in our Annual Report for the year ended 31st March 2016.
- The Financial Statements for the Period have been presented in the same format adopted in the audited published accounts as at 31st March 2016 and provide the information required by the Colombo Stock Exchange.
- The presentation and classification of figures for the corresponding period of the previous year have been amended where necessary to be comparable with those for the current year.
- There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2016.
- There have been no events subsequent to the Balance Sheet date, which require disclosure in the interim financial statements.
- The Stated Capital consists of 7,437,500 Ordinary Shares & 50,000 Irredeemable Cumulative Preference Shares.

9. Segment information

The company does not have any operating segment that engages in business activities from which it may earn revenues, and on which expenses incurred whose operating results are regularly reviewed by the entity's management to determine the resources to be allocated to the segment and assess its performance for which discrete financial information is available.

10. Information on Debentures

30th September 2016

Debt / equity ratio	5.06
Interest Cover	1.41
Liquid Assets Ratio	12.13%

Debentures - Market Price (Rs.)

	<u>Lowest</u>	<u>Highest</u>	<u>Last Traded</u>
2013 - 5 Years -16.67% p.a payable monthly	Traded only twice		103
2013 - 5 Years -16.75% p.a payable quarterly	NT	NT	NT

Debentures other information (Rs.)

<u>Type</u>	<u>Coupon rate</u>	<u>Current yeild</u>
2013 - 5 Years -16.67% p.a payable monthly	16.67%	16.18%
2013 - 5 Years -16.75% p.a payable quarterly	16.75%	NT

Yield of comparable government securities (%)

	30th September 2016
5 Years treasury bond	11.76%

* NT : Has not been traded

- Associated Motor Finance Company PLC has a stake of 94.02% of the issued share capital of Arpico Finance Company PLC as at 31.03.2016

ARPICO FINANCE COMPANY PLC
TWENTY MAJOR SHAREHOLDERS
AS AT 30th September 2016

No.	Name of Shareholder	No. of Shares	%
1	Associated Motor Finance Co. PLC	6,992,610	94.02
2	Mr.G.C.W. de Silva	47,800	0.64
3	Mrs.S.R.L. Marcelline	24,822	0.33
4	Miss N.R. Fonseka	18,340	0.25
5	Mr.G.C. Goonetilleke	14,500	0.19
6	Mr.W.A.S. Perera	12,169	0.16
7	Mrs.R.M.V. de Fonseka	10,000	0.13
8	WML/Mr.S.P. Perera	9,409	0.13
9	Mr.A.S.M. Rifki	9,000	0.12
10	Mrs.S. Thaha (Deceased)	8,498	0.11
11	Mr.B. Mahadeva	8,400	0.11
12	Life Insurance Corporation (Lanka) Ltd.	8,296	0.11
13	Mr.D.N.L. Wickremasinghe	8,000	0.11
14	Bansei Securities (Pvt) Ltd./Dawi Investment Trust (Pvt) Ltd.	7,953	0.11
15	Mrs.D.S. de Mel	7,732	0.10
16	Mr.S. Ruwanpathirana & Mrs.V. Ruwanpathirana	7,666	0.10
17	Mr.K.L.C. Deepal	7,137	0.10
18	Dr.M. Coomaraswamy	7,000	0.09
19	Miss S.N. Dias	5,126	0.07
20	Nation Lanka Capital Ltd/Rasika Kalyani Ruwanpathiranage	5,000	0.07

DIRECTORS' SHAREHOLDING

Name of Director	No. of Shares	%
1 Mr.B. Ponnambalam	100	0.00
2 Mr.J.P.I.S. Dayawansa	100	0.00
3 Mr.J.P.I.N. Dayawansa	100	0.00
4 Mr.T.M.A. Sallay	100	0.00
5 Mr.L.D. Peiris	166	0.00
6 Mr.N.M. Pieris	166	0.00
7 Dr L.R. Karunaratne	100	0.00

PUBLIC SHAREHOLDING

Public Holding	444,058	5.97
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Number of Shareholders 606

Secretary Company : Alliance Management Services (Pvt) Ltd
Tel : 011 2637637, Fax : 011 2697205