



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2016
(Company Registration No. PB641PQ)

SOFTLOGIC FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

	30/06/2016 (Unaudited)	30/06/2015 (Unaudited)	31/03/2016 (Audited)
	Rs.	Rs.	Rs.
ASSETS			
Cash and cash equivalents	3,858,678,880	2,187,567,540	2,495,230,517
Financial investments - Held for trading	Nil	124,163,100	Nil
Financial investments - Available for sale	180,039,000	60,730,332	179,848,200
Financial investments - held to maturity	73,671,280	1,518,919,730	Nil
Lease and Hire purchase receivables	1,099,014,140	2,312,090,926	1,590,794,925
Loans and receivables	16,057,059,215	13,370,805,405	15,266,653,864
Other non financial assets	814,550,508	1,658,582,029	848,959,412
Intangible assets	35,581,502	36,591,939	37,431,036
Property, plant & equipment	363,921,411	329,209,731	373,351,729
TOTAL ASSETS	22,482,515,936	21,598,660,733	20,792,269,684
LIABILITIES			
Due to banks	1,071,480,673	372,595,819	888,402,016
Due to customers	15,163,293,374	12,996,735,749	14,055,571,848
Other borrowed funds	3,528,479,444	5,495,414,174	3,188,118,082
Other non financial liabilities	57,916,906	757,663,104	89,536,870
Retirement benefit obligations	15,098,356	15,242,952	14,855,344
Deferred tax liabilities	13,345,834	32,600,331	13,345,834
TOTAL LIABILITIES	19,849,614,587	19,670,252,129	18,249,829,994
SHARE HOLDERS' FUNDS			
Stated capital	1,692,615,435	1,404,523,150	1,692,615,435
Statutory reserve fund	211,114,296	130,271,718	193,060,124
Revaluation reserve	58,265,408	Nil	58,265,408
Retained earnings	721,372,810	393,613,736	649,156,123
Available for sale reserve	(50,466,600)	Nil	(50,657,400)
SHARE HOLDERS' FUNDS	2,632,901,349	1,928,408,604	2,542,439,690
TOTAL LIABILITIES AND SHARE HOLDERS' FUNDS	22,482,515,936	21,598,660,733	20,792,269,684
Net Assets Per Share	44.57	37.94	43.04

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

(Sgd.) N M K Ranasinghe
Deputy General Manager - Finance

The Board of Directors are responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of Board by:

(Sgd.) A K Pathirage
Chairman

(Sgd.) N H G Wijekoon
CEO/Director

Date : July 28, 2016

	3 Months ended 30-Jun-16 (Unaudited)	3 Months ended 30-Jun-15 (Unaudited)
	Rs.	Rs.
INCOME	1,020,615,331	986,015,117
Interest income	893,490,411	877,024,642
Interest expenses	(521,400,892)	(498,707,044)
NET INTEREST INCOME	372,089,520	378,317,598
Fee income	126,719,920	98,678,693
Other income	405,000	10,311,782
Total operating income	499,214,440	487,308,073
Net impairment for loans and receivables	(81,887,756)	(109,218,461)
NET OPERATING INCOME	417,326,683	378,089,612
OPERATING EXPENSES		
Personnel costs	(128,517,780)	(148,516,269)
Depreciation of property plant and equipment	(18,177,688)	(18,030,834)
Amortization of intangible assets	(2,955,824)	(2,380,715)
Other operating expenses	(119,237,566)	(120,108,853)
	(268,888,858)	(289,036,671)
PROFIT BEFORE TAX & VAT ON FINANCIAL SERVICES	148,437,825	89,052,942
VAT on financial services	(24,801,761)	(18,222,494)
NBT on financial services	(4,847,539)	(3,313,181)
PROFIT BEFORE INCOME TAX	118,788,525	67,517,267
Income tax (expense) / reversal	(28,517,666)	(12,498,513)
Net profit for the quarter / year	90,270,859	55,018,754
Basic Earnings Per Share (Rs.)	1.53	1.08
STATEMENT OF COMPREHENSIVE INCOME		
Profit for the quarter/ year	90,270,859	55,018,754
Other comprehensive income / (expense) :		
Gain/(Loss) on remeasuring available for sale financial investments	190,800	(1,115,639)
Actuarial gain / (loss) on post employment benefit obligations	Nil	Nil
Impact on derivative financial instruments	Nil	Nil
Total comprehensive income for the quarter	90,461,659	53,903,115

SOFTLOGIC FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2016

	Quarter ended 30-Jun-16 (Unaudited) Rs.	Quarter ended 30-Jun-15 (Unaudited) Rs.
Cash flows from/(used in) operating activities		
Net profit/(loss) before taxation	118,788,525	67,517,267
Adjustments for		
Depreciation	18,177,688	18,030,834
Amortisation of intangible assets	2,955,824	2,380,715
Profit on disposal of property, plant and equipment	(405,000)	(4,357,838)
Loss from sale of vehicles & real estate	Nil	Nil
Gain from disposal of available for sale investments	Nil	Nil
Impairment charge bad and doubtful debts	81,887,756	109,218,461
Provision for defined benefit plans	1,200,000	1,200,000
Interest expenses	521,400,892	498,707,044
Operating Profit before Working Capital Changes	744,005,685	692,696,481
(Increase)/Decrease in lease and hire purchase receivables	491,780,785	462,639,336
(Increase)/Decrease in other loans & receivables	(872,293,107)	(1,039,676,119)
(Increase)/Decrease in financial investments - Held for trading	-	(5,867,100)
(Increase)/Decrease in financial investments - Held to maturity	(73,671,280)	Nil
(Increase)/Decrease in other non financial assets	5,891,239	(3,706,392)
(Decrease)/Increase in amounts due to customers	1,107,721,526	919,681,963
(Decrease)/Increase in other non financial liabilities	(31,619,964)	201,041,109
Cash generated from/(used in) operations	1,371,814,884	1,226,809,279
Interest paid	(521,400,892)	(498,707,044)
Taxes paid	Nil	Nil
Defined benefit plan costs paid	(956,988)	(220,900)
Net Cash from/(used in) Operating Activities	849,457,004	727,881,335
Cash Flows from/(used in) Investing Activities		
Purchase of property, plant and equipment / Intangible assets	(9,853,659)	(18,747,984)
Proceeds from disposal of property, plant and equipment	405,000	4,350,429
(Purchase)/Proceeds from available for sale investments (net)	Nil	Nil
Net Cash from/(used in) Investing Activities	(9,448,659)	(14,397,555)
Cash Flows from/(used in) Financing Activities		
Proceeds from long term borrowings	Nil	Nil
Repayment of long term borrowings	(31,422,683)	(382,023,881)
Proceeds from other borrowed funds	500,000,000	1,094,519,376
Repayment of other borrowed funds	(159,638,639)	Nil
Dividend paid	Nil	(76,245,543)
Net Cash from/(used in) Financing Activities	308,938,679	636,249,953
Net (decrease) / increase in cash & cash equivalents	1,148,947,024	1,349,733,732
Cash & Cash Equivalents at the beginning of the year	2,281,175,028	837,833,807
Cash & Cash Equivalents at the end of the Period	3,430,122,052	2,187,567,540
Reconciliation of Cash & Cash Equivalents		
Cash, bank balance & short term investments	3,858,678,880	2,187,567,540
Bank Overdrafts	(428,556,828)	-
	3,430,122,052	2,187,567,540

SOFTLOGIC FINANCE PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2016

	Stated Capital	Retained Profit	Available for Sale Reserve	Revaluation reserve	Statutory reserve Fund
	Rs.	Rs.	Rs.		
Balance as at 1 April 2015	1,404,523,150	425,844,276	Nil	Nil	119,267,968
Profit for the year	Nil	368,960,782	Nil	Nil	Nil
Other comprehensive income for the year	Nil	4,388,764	(50,657,400)	Nil	Nil
Total comprehensive income for the year	Nil	373,349,546	(50,657,400)	Nil	Nil
Dividends paid	Nil	(76,245,543)	Nil	Nil	Nil
Issue of shares for convertible debts	288,092,285	Nil	Nil	Nil	Nil
Gain on revaluation of land and buildings	Nil	Nil	Nil	58,265,408	Nil
Transferred to/(from) during the year	Nil	(73,792,156)	Nil	Nil	73,792,156
Balance as at 31 March 2016	1,692,615,435	649,156,123	(50,657,400)	58,265,408	193,060,124
Audited balance as at April 1, 2016	1,692,615,435	649,156,123	(50,657,400)	58,265,408	193,060,124
Other comprehensive income for the period	Nil	Nil	Nil	Nil	Nil
Net Profit for the period - Unaudited	Nil	90,270,859	Nil	Nil	Nil
Increase / (decrease) in market value of dealing securities	Nil	Nil	190,800	Nil	Nil
Dividend paid	Nil	Nil	Nil	Nil	Nil
Transferred to/(from) during the period	Nil	(18,054,172)	Nil	Nil	18,054,172
Unaudited balance as at June 30, 2016	1,692,615,435	721,372,810	(50,466,600)	58,265,408	211,114,296

EXPLANATORY NOTES

FOR THE PERIOD ENDED JUNE 30, 2016

1. The Above figures are provisional and subject to audit.

2. Information on shares and debentures

Market Price per Share (Rs.)

Market Price - Highest (for the quarter ended June 30, 2016)	46.90
Market Price - Lowest (for the quarter ended June 30, 2016)	38.00
Market Price as at June 30, 2016	39.90

Market Price per Debenture (Rs.)

	CRL-BC-27/08/16 A-17	CRL-BC-27/08/16 B-16.5	CRL-BC-27/08/16 16	C- CRL-BC-29/08/19 A-10	CRL-BC-29/08/19 B-7.69
Market Price - Highest (for the quarter ended June 30, 2016)	100.00	103.23	103.03	Did not trade during January 1, 2016 to June 30, 2016	Did not trade during January 1, 2016 to June 30, 2016
Market Price - Lowest (for the quarter ended June 30, 2016)	100.00	103.23	103.03		
Market Price as at June 30, 2016	100.00	103.23	103.03		

30-Jun-16

Debt to equity ratio (Times)	7.54
Liquid assets ratio (%) - Statutory Minimum 10%	14.16%
Interest cover (Times)	1.23
Interest yield as at date of last trade/Yield To Maturity of Trade Done	
CRL-BC-27/08/16 A-17	9.96
CRL-BC-27/08/16 B-16.5	9.97
CRL-BC-27/08/16 C-16	9.97
CRL-BC-29/08/19 A-10	Did not trade during January 1, 2016 to June 30, 2016
CRL-BC-29/08/19 B-7.69	Did not trade during January 1, 2016 to June 30, 2016
Interest Rate of Comparable Government Securities	
3 Year Treasury Bond	11.48%
5 Year Treasury Bond	11.88%
(Above rates are excluding 10% withholding tax)	

3. There are no changes in the accounting policies and methods of computations since the publication of annual accounts for the year ended March 31, 2016.

4. The Interim Financial Statements are in compliance with Sri Lanka Accounting Standards LKAS 34 - Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

5. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

6. Stated capital consists of 59,070,988 Ordinary Shares as at June 30, 2016. Company has converted 2mn USD out of it's 4mn USD unsecured convertible subordinated loan obtained from Nederlandse Financierings-Maatschappij-voor Ontwikkelingslanden N. V. (FMO) into 8,240,626 number of ordinary shares, in January 2016 at a conversion price equal to the book value per share based on the audited financial statements of the company as at 31st March 2014 (LKR 34.96).

7. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended March 31, 2016.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD ENDED JUNE 30, 2016

8. There were no circumstances have been arisen as at the date of the statement of financial position other than those disclosed below, which require adjustments to or disclosures in the financial statements.

9. List of Twenty Major Shareholders of the Company as at June 30, 2016

<u>Name</u>		<u>No. of Shares</u>	<u>(%)</u>
Softlogic Capital PLC	28,414,395	40,429,635	68.44
Pan Asia Banking Corporation/Softlogic Capital PLC	12,015,240		
Vanik Incorporation PLC		5,376,068	9.10
LB Finance PLC		2,090,000	3.54
Deutsche Bank AG as trustee to Astrue Alpha Fund		1,222,094	2.07
Softlogic Holdings PLC		779,969	1.32
People's Leasing & Finance PLC/Mr. L. P. Hapangama		587,912	1.00
Waldock Mackenzie Ltd/HI-Line Trading (Pvt) Ltd		512,495	0.87
First Capital LTD		378,179	0.64
Mr. Pasqual Handi Dayananda Waidyathilaka		248,294	0.42
Mr. A. K. Pathirage		228,000	0.39
Pan Asia Banking Corporation/S.R. Fernando		227,786	0.39
Mr. Wetthinge Jinadasa		219,077	0.37
Seylan Bank Ltd/ Govindasami Ramanan		200,000	0.34
Pan Asia Banking Corporation / L. S. A. Serasinghe		174,449	0.30
Mrs. Pamela Christine Cooray		132,444	0.22
Commercial Credit and Finance PLC		130,000	0.22
D.S.L. Investments (Pvt) Ltd		102,300	0.17
First Capital Markets LTD/ Mr. R. Krishnamoorthy		100,000	0.17
Mr. Addara Pathiranage Somasiri		100,000	0.17
		53,238,702	90.14
Others		5,832,286	9.86
		59,070,988	100.00

10. Directors' Shareholding as at June 30, 2016

<u>Names of Directors</u>	<u>No. of Shares</u>	<u>(%)</u>
Asoka Kariyawasam Pathirage (Chairman)	228,000	0.45
Harris Premarathne (Deputy Chairman)	Nil	Nil
Nalin Hemantha Gamini Wijekoon (CEO)	13,118	0.03
Tuan Mihilar Ifthikar Ahamed	Nil	Nil
Baddegama Hevege Sirinimal Jayawardene	Nil	Nil
Chrysanthus John Emmanuel Corea	Nil	Nil
Dushan Travice Columban Soza	Nil	Nil
S N P Pallihena	Nil	Nil
H K M Perera	Nil	Nil

11. The percentage of shares held by the public as at June 30, 2016 is 29.83%. The number of public shareholders as at June 30, 2016 are 1,506.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD ENDED JUNE 30, 2016

13. BUSINESS SEGMENT INFORMATION

The Company's segmental reporting is based on the following operating segments: Leasing, Hire purchase, other loans and receivables.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, and in certain respects, are measured differently from operating profits or losses in the financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

	Leasing		Hire Purchases		Other Loans and Receivables		Unallocated		Total	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue										
Interest	41,669,590	65,377,967	46,338,027	93,710,842	739,654,622	688,772,893			827,662,240	847,861,702
Investment Income	-		-		-		65,828,171	29,162,940	65,828,171	29,162,940
Fee based Income and others	682,646	-	495,705	2,432,284	125,541,569	96,246,409	405,000	4,444,682	127,124,920	103,123,375
Profit/(Loss) from Dealing Securities	-		-		-		-	5,867,100	-	5,867,100
Total Revenue	42,352,237	65,377,967	46,833,732	96,143,126	865,196,191	785,019,302	66,233,171	39,474,723	1,020,615,331	986,015,117
Depreciation of property, plant and equipment	(754,315)	(1,195,539)	(834,133)	(5,406,904)	(15,409,593)	(10,706,534)	(1,179,647)	(721,857)	(18,177,688)	(18,030,834)
Amortisation of intangible assets	(122,657)	(157,854)	(135,636)	(713,905)	(2,505,711)	(1,413,645)	(191,819)	(95,311)	(2,955,824)	(2,380,715)
Profit/(Loss) before tax	4,929,340	4,476,748	5,450,937	20,246,393	100,699,427	40,091,098	7,708,821	2,703,027	118,788,525	67,517,267
Taxation									(28,517,666)	(12,498,513)
Profit after tax									90,270,859	55,018,754
FOR THE QUARTER ENDED JUNE 30, 2016										
Segment Assets	583,650,282	1,323,395,415	515,363,858	890,163,335	16,057,059,215	11,244,935,846	5,326,442,581	4,396,844,671	22,482,515,936	21,598,660,733
Segment Liabilities	515,299,675	1,205,237,760	455,010,195	4,219,790,078	14,176,635,645	10,240,946,232	4,702,669,072	4,004,278,058	19,849,614,587	19,670,252,129

CORPORATE INFORMATION

Name of the Company
Softlogic Finance PLC

Holding Company
Softlogic Capital PLC

Legal Form

Incorporated under the Companies Act No 17 of 1982
Date of Incorporation 24th August 1999.
Re-registered under the Companies Act No. 7 of 2007 on
29th September 2008.
Registered under the Finance Companies Act No. 42 of 2011.
Registered under the Finance Leasing Act No. 56 Of 2000.
Approved Credit Agency under the Mortgage Act No 6 of
1949 and Inland Trust Receipts Act No 14 of 1990.
Quoted in the Colombo Stock Exchange on 22nd January 2009.
Registered under the Securities & Exchange Commission of Sri Lanka
Act No. 36 of 1987 as Margin Provider

Company Registration Number
PB641 PQ

Tax Payer Identification Number (TIN)
134008350

Accounting Year End
31st March

FOR THE QUARTER ENDED JUNE 30, 2016
No. 13, De Fonseka Place
Colombo 4

Principal Place of Business
No.13, De Fonseka Place, Colombo 4
Tel : 94-11- 2359600, 94-11-2359700
Facsimile : 94-11-2359799
E-mail : info@softlogicfinance.lk
Website : www.softlogicfinance.lk

Board of Directors
Mr. Ashok Pathirige (Chairman)
Mr. Harris Premaratne (Deputy Chairman)
Mr. Nalin Wijekoon (CEO)
Mr. Tuan Iththikar Ahamed
Mr. Dushan Soza
Mr. Chris Coroa
Mr. Shanthikumar Nimal Placidus Paliheena
Mr. Hiran Kenneth Marcel Perera

Management Committee
Mr. Harris Premaratne - Deputy Chairman
Mr. Nalin Wijekoon - Director/CEO
Mr. Tuan Iththikar Ahamed - Director
Mrs. Indresh Fernando - COO
Mr. Sanjaya Vithanaga - DGM
Mr. Nalinde Ranaraja - DGM
Mrs. Nimali Monika Ranasinghe -DGM
Mr. Fairuze Burah - DGM
Mr. Nalaka De Silva - AGM
Mr. Kumara Kongahawatta - AGM
Mr. Priyan Jayakody - CM
Mr. Ashok Perera - CM
Mr. Channa De Silva - CM
Mr. Shehan Uduwara - SM
Mr. Mark Thirimavithana - SM
Mr. Bharatha Manjula - SM
Mr. Gangadharan Murrildhar - SM
Mr. Hemantha Silva - SM

Secretaries
Softlogic Corporate Services (Pvt) Ltd

Auditors
Ernst & Young
Chartered Accountants

Legal Advisors to the Company
Nithya Partners

Bankers
Commercial Bank
Seylan Bank
Hatton National Bank
People's Bank
Pan Asia Banking Corporation
Sampath Bank
Bank of Ceylon
Nations Trust Bank
DFCC Vardhana Bank
Deutsche Bank

Branch Network

Badulla
No. 38, Anagarika Dharmapala Mawatha
Tel: 055 5635072-3

Kandy
No. 165, Kotugodella Veediya
Tel: 081 2224912-3

Polonnaruwa
No. 125, Batticaloa Road
Tel: 027 226727 / 0275678501-2

Chilaw
No 28/B, Kurunegala Road
Tel: 032 2221415

Matara
No. 8A, 1st Floor, K K K Building, Station Road
Tel: 041 2220195

Ratnapura
No.1/200, Ground Floor, Main Street
Tel: 045 2230677

Galle
No. 64, Colombo Road, Kaluweilla
Tel: 091 2226501

Nuwara Eliya
No. 72, Kandy Road, Nuwara Eliya
Tel: 052 2223382

Negombo
No. 406/1, Udayarthoppuwa Road
Tel: 031 2224714

Embilitiya
No.176, Rathnapura Road, Pallegama
Tel: 047 2230590

City Branch
No 14/9, Sri Jinarathana Road, Colombo 02
Tel: 011 2303373

Dambulla
No.719, Anuradhapura Road
Tel: 066-2284737

Kadawatha
No. 139/77/D, Kandy Road
Tel: 011 2923011

Kurunegala
No. 13, Rajapihilla Mawatha
Tel: 037 2232875

Nawala
No.305B, Nawala Road
Tel: 011 2807080

Jaffna
No 62/64, Stanley Road
Tel: 021 2219444

Anuradhapura
No. 561/111, Maithreepala Senanayaka Mawatha, New Town
Tel: 025 2226279

Pamankada
No. 201, W A De Silva Mawatha, Colombo 6
Tel : 011 2055518

Senkadagala
No. 235/B, Katugasthota Road, Kandy
Tel: 081 2232601

Hatton
No. 107, Main Street
Tel : 051 2222289

Chunnakam
No. 101/105, KKS Road
Tel : 021 2242770

Tissamaharama
No: 28, Main Street, Tissamaharama
Tel : 047 2239933

Welligama
No : 325/A, Old Matara Road, Welligama.
Tel : 041 2252888

Matara - Metro
No-382/A, Galle Road, Pamburana, Matara
Tel : 041 2238690

Borella
No.1072, Maradhana road, colombo -08
112 694262

Matale
No. 253, Main Street
0662 226461

Wattala
180, Negambo Road
0112 051660

Pettah
12, Sir Rathanaiothi Sarawanamuththi Mawatha, Colombo 12
112 334461

Kochchikade
No. 42, Chilaw Road
032 1 272670