

COMPREHENSIVE INCOME STATEMENT

	COMPANY		GROUP	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
For the Year Ended 31st March				
Interest Income	1,055,184,542	724,119,523	1,216,160,322	789,274,396
Less: Interest Expenses	573,299,639	377,641,378	622,363,199	403,067,971
Net Interest Income	481,884,903	346,478,145	593,797,123	386,206,425
Fee and Commission Income	216,632,477	77,206,819	221,504,366	78,720,180
Other Operating Income	-	-	8,012,785	1,796,380
Total Operating Income	698,517,381	423,684,964	823,314,274	466,722,985
Less: Impairment (Charges) / Reversal for loans and other losses	(190,661,000)	(64,500,000)	(190,459,310)	(60,151,063)
Net Operating Income	507,856,383	359,184,964	632,854,964	406,571,922
Less: Operating Expenses				
Personnel Expenses	128,482,622	85,953,933	155,501,516	95,114,832
Depreciation of Property, Plant & Equipment	10,184,298	6,851,325	15,430,868	8,877,868
Other Operating Expenses	116,997,414	79,640,973	144,512,868	91,978,487
Operating Profit before Value Added Tax on Financial Services	252,192,046	186,738,733	317,409,712	210,600,735
Less: Value Added Tax on Financial Services	31,385,354	22,450,977	40,240,205	24,001,330
Profit before Taxation from Operations	220,806,692	164,287,756	277,169,507	186,599,405
Add/(Less) Income Tax Expense	(6,050,283)	35,850,608	(27,799,247)	30,124,756
Profit for the Year	214,746,410	200,138,364	249,370,260	216,724,161
Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to Income Statement				
Actuarial gains on defined benefit plans	357,517	(37,157)	357,517	(576,694)
Surplus Value of Investment Property	-	-	4,991,930	-
Other Comprehensive Income to be reclassified to Income Statement				
Gains/(Losses) on re-measuring available-for-sale financial assets	425,937	133,110	425,937	133,110
Recycling to statement of Profit or Loss	52,820	-	52,820	-
Total Comprehensive Income for the Year, Net of Tax	215,582,684	200,234,318	255,198,464	216,280,577
Basic Earnings Per Share (Rs)	1.83	1.70	2.12	5.04

STATEMENT OF FINANCIAL POSITION

	COMPANY		GROUP	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
As at 31st March				
Assets				
Cash and Bank Balances	48,146,250	32,933,121	58,635,109	48,105,410
Investments in Fixed Deposits	261,983,324	175,493,060	207,419,386	240,907,842
Lease Receivable	3,802,390,613	2,231,397,545	4,353,759,002	2,546,993,330
HP Receivable	476,418,495	1,011,076,096	516,358,940	1,092,321,974
Loans and Receivables	3,986,844,903	1,868,471,551	4,298,926,855	2,104,627,079
Other Debtors and Prepayments	77,193,565	18,114,658	83,749,196	42,322,667
Financial Investments - Available for Sale	118,086,209	31,934,857	118,086,209	31,934,857
Financial Assets - Held to Maturity	-	-	59,002,500	68,586,221
Other Financial Assets	-	-	205,300	205,300
Investments - Held for Trading	-	-	14,772,521	16,080,921
Investments in subsidiary	804,765,475	775,830,619	-	-
Goodwill	-	-	322,678,050	322,678,050
Income Taxation Receivable	16,836,381	15,147,391	10,269,589	15,302,086
Deferred Tax Assets	22,667,169	29,298,396	2,814,781	29,298,396
Inventories	-	-	622,527	561,432
Intangible Assets	-	-	5,504,473	6,289,090
Investment Property	-	-	67,679,500	24,300,000
Property, Plant and Equipment	27,279,279	20,768,644	185,176,908	227,120,344
Total Assets	9,642,611,664	6,210,465,937	10,305,654,844	6,817,634,999
Liabilities				
Due to Banks	2,729,909,093	532,259,786	2,729,909,093	549,178,162
Due to Customers	3,084,791,479	1,982,437,742	3,615,813,152	2,437,580,098
Debt Issued and Other Borrowed Funds	1,844,944,665	1,975,645,144	1,844,944,665	1,975,645,144
Other Payables	347,959,236	282,911,063	380,622,021	318,478,652
Deferred Tax Liabilities	-	-	-	8,909,393
Retirement Benefit Obligations	1,145,660	847,926	5,334,201	6,990,021
Total Liabilities	8,008,750,133	4,774,101,662	8,576,623,132	5,296,781,469
Shareholders' Funds				
Stated Capital	1,175,830,690	1,175,830,690	1,175,830,690	1,175,830,690
Statutory Reserve Fund	20,976,165	10,313,900	23,733,847	11,340,380
Investment Fund Reserve	-	-	-	-
Retained earnings	437,054,677	250,219,685	467,477,933	263,501,692
Revaluation Gain Reserve	-	-	4,493,236	-
Non-controlling interest	-	-	57,496,006	70,180,758
Total Shareholders' Funds	1,633,861,532	1,436,364,275	1,729,031,712	1,520,853,530
Total Liabilities and Shareholders' Funds	9,642,611,665	6,210,465,937	10,305,654,844	6,817,634,999

SELECTED PERFORMANCE INDICATORS

Indicator	31.03.2016	31.03.2015
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs.'000	1,633,860	1,436,365
Total Capital Base, Rs.'000	829,095	1,445,301
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 5%)	19.31%	24.18%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum Requirement, 10%)	9.80%	24.33%
Capital Fund to Deposit Liabilities Ratio (Minimum Requirement, 10%)	38.00%	59.00%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs.'000	251,330	73,976
Gross Non-Performing Accommodations Ratio, %	3.04%	1.45%
Net Non-Performing Accommodations Ratio, %	0.0%	0.0%
Profitability (%)		
Interest Margin (%)	5.52%	6.49%
Return on Assets (before Tax)	2.75%	3.74%
Return on Equity (after Tax)	13.99%	21.80%
Regulatory Liquidity (Rs.'000)		
Required minimum amount of Liquid Assets	308,479	196,745
Available amount of Liquid Assets	324,254	197,485
Required minimum amount of Government Securities	97,090	19,395
Available amount of Government Securities	108,973	20,000
Memorandum information		
Number of Employees	150	84
Number of Branches	2	2

"We certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007."

(Sgd.) Chief Financial Officer
G.A.A. Ranasinghe

(Sgd.) Chief Executive Officer
K.M.M. Jabeer

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

Signed for and on behalf of the Board of Directors by,

(Sgd.) Director
D.P.J. Hewavitharana

(Sgd.) Director
H.G. Wijesurendra

27th June 2016
Colombo



AdeS/CAV/JJ

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RICHARD PIERIS FINANCE LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Richard Pieris Finance Limited, ("the Company"), which comprise the statement of financial position as at 31 March 2016, and the Income statement and comprehensive income, statement of changes in equity and, statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from Material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on other legal and regulatory requirements

As required by Section 153(2) of Companies Act No.7 of 2007, we state the following:

- The basis of opinion, scope and Limitations of the audit are as stated above.
- In our opinion:
 - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the company.
 - The financial Statements of the Company give a true and fair view of the financial position as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Accounting Standards, and
 - The financial statements of the Company and the Group, comply with the requirements of section 151 and 153 of the Companies Act No.07 of 2007.

27 June 2016
Colombo