

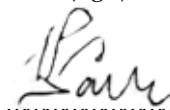
Publication of Audited Financial Statements as at 31<sup>st</sup> March 2017

INCOME STATEMENT					Rs. '000		STATEMENT OF FINANCIAL POSITION					Rs. '000		
		Company		Group				Company		Group				
		31/03/2017	31/03/2016	31/03/2017	31/03/2016			31/03/2017	31/03/2016	31/03/2017	31/03/2016			
		Audited	Audited	Audited	Audited	Assets		Audited	Audited	Audited	Audited			
Interest income		1,154,715	946,346	3,005,091	2,362,429	Cash and cash equivalents		83,986	310,556	354,987	471,745			
Interest expenses		596,971	498,328	1,452,369	1,104,673	Placement with banks & Other financial institutions		331,542		428,544	68,856			
<b>Net interest income</b>		557,744	448,018	1,552,722	1,257,756	Loans & advances to customers		4,207,430	3,040,618	13,985,367	8,966,542			
Fee and Commission income		-	-	-	-	Financial investments - held for trading				12,662	170,564			
Fee and Commission expenses		-	-	-	-	Financial investments - available for sale		628	120	481,491	918,089			
<b>Net Fee and Commission income</b>		557,744	448,018	1,552,722	1,257,756	Financial investments - held to maturity		209,964	293,770	209,964	293,770			
Other operating income		106,298	84,445	103,242	96,149	Financial investments - loans and receivables		673,517	500,904	673,517	500,904			
<b>Total operating income</b>		664,043	532,463	1,655,963	1,353,905	Other financial assets				-	-			
Impairment losses on loans & other losses		122,714	76,278	280,393	232,692	Inventories		78,273	124,148	78,985	124,250			
<b>Total income</b>		541,329	456,185	1,375,571	1,121,213	Investment properties		107,498	78,898	107,498	78,898			
<b>Operating expenses</b>						Property and equipment		59,333	74,351	432,892	321,378			
Personnel costs		159,023	125,960	346,243	283,642	Intangible assets		3,301	4,115	12,256	13,229			
Depreciation of property and equipment		23,860	20,843	40,477	37,300	Current tax asset		21,852	6,221	60,135	32,642			
Amortization of intangible assets		814	814	4,861	3,980	Deferred tax assets		210,701	175,887	214,819	247,465			
Other expenses		141,716	118,657	436,403	302,244	Other assets		32,983	1,731	79,678	42,957			
<b>Operating profit/(Loss) before Value Added Tax (VAT)</b>		215,916	189,912	547,587	494,048	Investment in subsidiary		1,160,388	1,160,388	-	-			
Less: VAT on financial services		29,558	15,379	81,600	43,435	Good will				385,244	385,244			
Operating Profit/(Loss) after VAT		186,358	174,532	465,987	450,613	<b>Total assets</b>		<b>7,181,396</b>	<b>5,771,708</b>	<b>17,518,039</b>	<b>12,636,535</b>			
Income tax (expense) Revesal		34,468	46,590	(46,862)	90,844	<b>Liabilities</b>								
<b>Profit/(Loss) for the period</b>		220,826	221,122	419,125	541,457	Due to financial institutions		1,325,999	477,848	4,528,625	996,731			
<b>Earnings per Share (Rs.)</b>		39	39	72	93	Deposits from customers		4,340,492	3,978,692	9,892,094	9,173,903			
<b>STATEMENT ON COMPREHENSIVE INCOME</b>							Debentures		-	-	358,065	356,495		
<b>Profit/(Loss) for the period</b>		220,826	221,122	419,125	541,457	Other liabilities		274,215	216,619	790,612	541,674			
Actuarial gains/ (loss) on retirement benefit obligations, net of tax		(888)	(1,359)	(2,819)	(2,867)	Retirement benefit obligations		28,319	22,499	78,325	62,255			
Available-for-sale financial assets:net change in fair value during the year		509	-	2,162	(3,837)	<b>Total liabilities</b>		<b>5,969,025</b>	<b>4,695,658</b>	<b>15,647,722</b>	<b>11,131,057</b>			
Gain on -revaluation of land & building		-	-	35,314		<b>Equity</b>								
<b>Total comprehensive income for the period</b>		220,447	219,763	453,783	534,753	Stated capital		56,086	56,086	56,086	56,086			
<b>Selected Performance Indicators</b>							Statutory reserve fund		74,640	63,598	162,746	140,373		
Indicator		31/03/2017	30/03/2016			Retained earnings		1,080,089	955,318	1,531,268	1,234,898			
		Audited	Audited			Other reserves		1,556	1,047	37,703	2,093			
<b>Capital Adequacy</b>							Total equity attributable to equity holders of the company		1,212,371	1,076,050	1,787,804	1,433,450		
Core capital (Tier 1 Capital) (Rs.000)		1,126,430	1,076,050			Non-controlling interests				82,514	72,027			
Total capital Base, (Rs.000)		(33,957)	1,076,050			<b>Total equity and liabilities</b>		<b>7,181,396</b>	<b>5,771,708</b>	<b>17,518,039</b>	<b>12,636,535</b>			
Core capital to risk weighted assets ratio (Minimum 5%)		23%	23%											
Total capital to risk weighted assets ratio (Minimum 10%)		-1%	23%											
Capital funds to total deposit liabilities ratio (Minimum 10%)		28%	27%											
<b>Asset quality</b>														
Gross Non-Performing Accommodations (Rs.000)		149,325	86,208											
Net Non-Performing Accommodations Ratio,%		1.7%	1.2%											
Gross Non-Performing Accommodations Ratio,%		3.5%	2.8%											
<b>Profitability</b>														
Net interest Margin		8.6%	8.9%											
Return on average assets(%)		2.9%	3.4%											
Return on average equity(%)		16.3%	17.5%											
<b>Regulatory Liquidity (Rs.'000)</b>														
Required minimum amount of liquid assets		428,362	397,869											
Available amount of liquid assets		1,282,501	1,103,433											
Required minimum amount of Government securities		304,538	298,402											
Available amount of Government securities		821,776	792,876											
<b>Memorandum information</b>														
Number of employees		151	124											
Number of branches		2	2											
Number of service		-	-											

## CERTIFICATION

I certify that these financial statements comply with the requirements of the Companies Act No 7 of 2007.

(Sgd)



T.M.A. Sallay

Chief Executive Officer

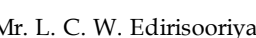
The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board on 19th June 2017

(Sgd)



J. P. I. S. Dayawansa

Director



Mr. L. C. W. Edirisooriya

Director



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ASSOCIATED MOTOR FINANCE COMPANY PLC**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Associated Motor Finance Company PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2017, and the statements of income and other comprehensive income, statement of changes in equity and statement of cash flows 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 control 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 audit 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 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 2017, 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 163(2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) 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 its financial position as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

- The financial statements of the Company and the Group comply with the requirements of sections 151 and 153 of the Companies Act.



SJMS ASSOCIATES

Chartered Accountants Colombo

19<sup>th</sup> June 2017