**People’s Leasing & Finance PLC**

**(A Subsidiary of People’s Bank)**

Rated AA-(lka) by Fitch Ratings Lanka and Internationally rated B+/B by Standard & Poor’s and B by Fitch Ratings International.

**Interim Financial Statements for the six months ended 30th September 2019**

**STATEMENT OF PROFIT OR LOSS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Company** | | | | |  | **Group** | | | | |
| **For the six months ended 30th September** |  | **2019** |  | **2018** |  | **Change** |  | **2019** |  | **2018** |  | **Change** |
|  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |
|  |  |  |  | **Restated** |  |  |  |  |  | **Restated** |  |  |
|  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Unaudited** |  | **Unaudited** |  |  |
| Interest income |  | 15,942,849 |  | 14,759,445 |  | 8.0 |  | 16,809,667 |  | 15,396,860 |  | 9.2 |
| Less: Interest expense |  | 8,020,494 |  | 7,508,114 |  | 6.8 |  | 8,215,887 |  | 7,594,647 |  | 8.2 |
| **Net interest income** |  | **7,922,355** |  | **7,251,331** |  | 9.3 |  | **8,593,780** |  | **7,802,213** |  | 10.1 |
| Fee and commission income |  | 833,822 |  | 694,112 |  | 20.1 |  | 624,819 |  | 473,691 |  | 31.9 |
| Fee and commission expenses |  | **-** |  | **-** |  | - |  | **-** |  | **-** |  | - |
| **Net fee and commission income** |  | **833,822** |  | **694,112** |  | **20.1** |  | **624,819** |  | **473,691** |  | **31.9** |
| Net earned premiums |  | - |  | - |  | **-** |  | 2,564,114 |  | 2,284,688 |  | 12.2 |
| Net gain/(loss) from -FVTPL |  | (1,487) |  | (22,843) |  | (93.5) |  | (2,271) |  | (46,238) |  | (95.1) |
| Other operating income (net) |  | 4,457 |  | 137,396 |  | (96.8) |  | 145,115 |  | 188,497 |  | (23.0) |
| **Total operating income** |  | **8,759,147** |  | **8,059,996** |  | 8.7 |  | **11,925,557** |  | **10,702,851** |  | 11.4 |
| Less: Impairment for loans and other losses |  |  |  |  |  |  |  |  |  |  |  |  |
| Individual impairment |  | 19,099 |  | 67,081 |  | (71.5) |  | 19,099 |  | 67,081 |  | (71.5) |
| Collective impairment |  | 1,242,966 |  | 885,286 |  | 40.4 |  | 1,219,454 |  | 961,003 |  | 26.9 |
| Other losses |  | 329,855 |  | 89,911 |  | 266.9 |  | 420,098 |  | 89,911 |  | 367.2 |
| **Net operating income** |  | **7,167,227** |  | **7,017,718** |  | 2.1 |  | **10,266,906** |  | **9,584,856** |  | 7.1 |
| Less: |  |  |  |  |  |  |  |  |  |  |  |  |
| Personnel expenses |  | 1,867,828 |  | 1,706,606 |  | 9.4 |  | 2,290,676 |  | 2,047,622 |  | 11.9 |
| Depreciation of property, plant and equipment |  | 81,566 |  | 84,176 |  | (3.1) |  | 175,187 |  | 144,327 |  | 21.4 |
| Amortisation and impairment of intangible assets | | 36,345 |  | 5,808 |  | 525.8 |  | 37,641 |  | 6,890 |  | 446.3 |
| Benefits, claims and underwriting expenditure |  | - |  | - |  | - |  | 1,764,822 |  | 1,644,018 |  | 7.3 |
| Other operating expenses |  | 1,482,470 |  | 1,449,527 |  | 2.3 |  | 1,592,557 |  | 1,503,830 |  | 5.9 |
| Total operating expenses |  | 3,468,209 |  | 3,246,117 |  | 6.8 |  | 5,860,883 |  | 5,346,687 |  | 9.6 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services** |  | **3,699,018** |  | **3,771,601** |  | (1.9) |  | **4,406,023** |  | **4,238,169** |  | 4.0 |
| Less: VAT & NBT on financial services |  | 1,132,414 |  | 778,421 |  | 45.5 |  | 1,147,014 |  | 794,121 |  | 44.4 |
| **Operating profit after VAT & NBT on financial services** |  | **2,566,604** |  | **2,993,180** |  | (14.3) |  | **3,259,009** |  | **3,444,048** |  | (5.4) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Share of profit/(loss) of an associate (net of tax) |  | - |  | - |  | - |  | - |  | (1,110) |  | 100.0 |
| **Profit before income tax** |  | **2,566,604** |  | **2,993,180** |  | (14.3) |  | **3,259,009** |  | **3,442,938** |  | (5.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: Income tax expense |  | 885,575 |  | 892,863 |  | (0.8) |  | 1,098,703 |  | 1,028,584 |  | 6.8 |
| **Profit for the period** |  | **1,681,029** |  | **2,100,317** |  | (20.0) |  | **2,160,306** |  | **2,414,354** |  | (10.5) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit attributable to:** |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity holders of the parent |  | 1,681,029 |  | 2,100,317 |  | (20.0) |  | 2,053,415 |  | 2,325,089 |  | (11.7) |
| Minority interest |  | - |  | - |  | - |  | 106,891 |  | 89,265 |  | 19.7 |
|  |  | 1,681,029 |  | 2,100,317 |  | (20.0) |  | 2,160,306 |  | 2,414,354 |  | (10.5) |
| Basic/Diluted earnings per ordinary share (Rs.) |  | 1.05 |  | 1.33 |  | (21.1) |  | 1.29 |  | 1.47 |  | (12.2) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| The above figures are provisional and subject to audit. | | |  |  |  |  |  |  |  |  |  |  |
| Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |

**STATEMENT OF COMPREHENSIVE INCOME**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Company** | | | | |  | **Group** | | | | |
| **For the six months ended 30th September** |  | **2019** |  | **2018** |  | **Change** |  | **2019** |  | **2018** |  | **Change** |
|  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |
|  |  |  |  | **Restated** |  |  |  |  |  | **Restated** |  |  |
|  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Unaudited** |  | **Unaudited** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit for the period** |  | **1,681,029** |  | **2,100,317** |  | (20.0) |  | **2,160,306** |  | **2,414,354** |  | (10.5) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Other comprehensive income/(expenses) (net of tax)** |  |  |  |  |  |  |  |  |  |  |  |  |
| Actuarial gains and losses on defined benefit plans |  | - |  | - |  | - |  | - |  | (324) |  | 100.0 |
| Gains/ (losses) on re-measuring available-for-sale financial assets |  | 12,310 |  | (75,111) |  | 116.4 |  | 12,309 |  | (75,242) |  | 116.4 |
| Revaluation of land and buildings |  | - |  | 7,302 |  | (100.0) |  | - |  | 7,302 |  | (100.0) |
| Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary |  | - |  | - |  | - |  | 66,127 |  | 181,748 |  | (63.6) |
| Capital gain tax |  | - |  | - |  | - |  | - |  | (83,461) |  | 100.0 |
| Less: Tax expense/(income) relating to components of other comprehensive income |  | - |  | (2,045) |  | 100.0 |  | - |  | (2,045) |  | 100.0 |
| **Other comprehensive income for the period, net of taxes** | | **12,310** |  | (69,854) |  | (117.6) |  | **78,436** |  | 27,978 |  | 180.3 |
| **Total comprehensive income for the period** |  | **1,693,339** |  | 2,030,463 |  | (16.6) |  | **2,238,742** |  | 2,442,332 |  | (8.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit attributable to:** |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity holders of the parent |  | 12,310 |  | (69,854) |  | 117.6 |  | 78,436 |  | 27,978 |  | 180.3 |
| Minority interest |  | - |  | - |  | - |  | - |  | - |  | - |
|  |  | **12,310** |  | (69,854) |  | 117.6 |  | **78,436** |  | 27,978 |  | 180.3 |
|  |  | 1,693,339 |  | 2,100,358 |  | (19.4) |  | 2,238,742 |  | 2,442,332 |  | (8.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| The above figures are provisional and subject to audit. | | |  |  |  |  |  |  |  |  |  |  |
| Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |

**DEBENTURE INFORMATION**

|  |  |  |  |
| --- | --- | --- | --- |
| **Market Prices for the quarter ended 30th September 2019** | |  |  |
|  |  |  |  |
| **Debenture Type** | **Highest** | **Lowest** | **Last Traded** |
| **Rs.** | **Rs.** | **Rs.** |
| 2015 - 4 Years - 9.60% p.a. payable semi-annually | Has not been traded | | |
| 2015 - 5 Years - 9.95% p.a. payable annually | Has not been traded | | |
| 2016 - 3 Years - 11.90% p.a. payable semi-annually | Has not been traded | | |
| 2016 - 4 Years - 12.25% p.a. payable semi-annually | Has not been traded | | |
| 2016 - 5 Years - 12.60% p.a. payable semi-annually | Has not been traded | | |
| 2018 - 4 Years - 12.40% p.a. payable annually | Has not been traded | | |
| 2018 - 5 Years - 12.80% p.a. payable annually | Has not been traded | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Interest Rates** |  |  |  |
|  |  |  |  |
| **Debenture Type** |  | **Coupon Rate (%)** | **Annual Effective  Rate (%)** |
| 2015 - 4 Years - 9.60% p.a. payable semi-annually |  | 9.60 | 9.83 |
| 2015 - 5 Years - 9.95% p.a. payable annually |  | 9.95 | 9.95 |
| 2016 - 3 Years - 11.90% p.a. payable semi-annually |  | 11.90 | 12.25 |
| 2016 - 4 Years - 12.25% p.a. payable semi-annually |  | 12.25 | 12.63 |
| 2016 - 5 Years - 12.60% p.a. payable semi-annually |  | 12.60 | 13.00 |
| 2018 - 4 Years - 12.40% p.a. payable annually |  | 12.40 | 12.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually |  | 12.80 | 12.80 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Interest Rates of Comparable Government Securities** | |  |  |
| 6 Months Treasury Bill |  |  | **7.75%** |
| 1 Year Treasury Bill |  |  | **8.41%** |
| 2 Year Treasury Bond |  |  | **9.79%** |
| 5 Year Treasury Bond |  |  | **10.27%** |
| ( Above rates are excluding withholding tax) |  |  |  |
|  |  |  |  |
| **Current Yield & Yield to Maturity** |  |  |  |
|  |  |  |  |
| **Debenture Type** |  | **Current Yield (%)** | **Yield to Maturity (%)** |
| 2015 - 4 Years - 9.60% p.a. payable semi-annually |  | 9.60 | 9.60 |
| 2015 - 5 Years - 9.95% p.a. payable annually |  | 9.95 | 9.95 |
| 2016 - 3 Years - 11.90% p.a. payable semi-annually |  | 11.90 | 11.90 |
| 2016 - 4 Years - 12.25% p.a. payable semi-annually |  | 12.25 | 12.25 |
| 2016 - 5 Years - 12.60% p.a. payable semi-annually |  | 12.60 | 2.60 |
| 2018 - 4 Years - 12.40% p.a. payable annually |  | 12.40 | 2.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually |  | 12.80 | 2.80 |

**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Market Price** | | |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **2019** | **2018** |
|  |  |  |  |  |  |  | **Rs.** | **Rs.** |
| Highest price during the quarter ended 30th September : | | | | | |  | 16.30 | 15.50 |
| Lowest price during the quarter ended 30th September : | | | | | |  | 13.90 | 14.00 |
| Closing price as at 30th September : | | | |  |  |  | 14.80 | 14.20 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Issued Capital** |  |  |  |  |  |  |
| Issued Capital as at 30th September 2019 was represented by the number of shares in issue as given below; | | | | | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **As at 30th September 2019** | | **As at 30th September 2018** | |
|  |  |  |  |  | **Number** | **Rs.** | **Number** | **Rs.** |
|  |  |  |  |  |  |  |  |  |
| Ordinary shares | | |  |  | 1,579,862,482 | 11,886,073,308 | 1,579,862,482 | 11,886,073,308 |
| Transfer from preference shares on redemption | | | | | - | 1,350,000,000 | - | 1,350,000,000 |
| Scrip Dividend | | |  |  | 47,840,906 | 679,340,867 | - | - |
| **Total** | |  |  |  | **1,627,703,388** | **13,915,414,175** | **1,579,862,482** | **13,236,073,308** |

**STATEMENT OF FINANCIAL POSITION**

| **As at** |  | **30.09.2019** |  | **30.09.2018** |  | **Change** |  | **31.03.2019** |  | **30.09.2019** |  | **30.09.2018** |  | **Change** |  | **31.03.2019** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |
|  |  |  |  | **Restated** |  |  |  |  |  |  |  | **Restated** |  |  |  |  |
|  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Audited** |  | **Unaudited** |  | **Unaudited** |  |  |  | **Audited** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | | 2,359,330 |  | 2,527,476 |  | (6.7) |  | 3,294,055 |  | 2,670,498 |  | 2,859,379 |  | (6.6) |  | 4,310,595 |
| Balances with banks & financial institutions | | 3,583,329 |  | 3,075,670 |  | 16.5 |  | 3,404,533 |  | 7,136,355 |  | 6,526,534 |  | 9.3 |  | 7,375,423 |
| Financial assets - Held-for-trading | | 16,684 |  | 104,988 |  | (84.1) |  | 23,190 |  | 548,480 |  | 211,140 |  | 159.8 |  | 72,386 |
| Loans and receivables - Leases | | 83,842,404 |  | 87,521,449 |  | (4.2) |  | 85,702,527 |  | 83,842,404 |  | 87,521,449 |  | (4.2) |  | 85,702,527 |
| Loans and receivables - Hire purchase | | 362,033 |  | 1,006,906 |  | (64.0) |  | 582,278 |  | 2,565,963 |  | 2,970,960 |  | (13.6) |  | 2,668,635 |
| Loans and receivables - Others | | 64,271,736 |  | 59,614,939 |  | 7.8 |  | 65,423,097 |  | 68,069,140 |  | 62,021,000 |  | 9.8 |  | 68,584,676 |
| Insurance and reinsurance receivables | | - |  | - |  | - |  | - |  | 1,068,712 |  | 460,287 |  | 132.2 |  | 885,395 |
| Financial investments – FVOCI | | 375,593 |  | 150,151 |  | 150.1 |  | 125,651 |  | 375,593 |  | 150,151 |  | 150.1 |  | 125,651 |
| Financial investments – Amortised Cost | | 8,370,290 |  | 6,883,339 |  | 21.6 |  | 8,002,625 |  | 9,811,051 |  | 7,794,930 |  | 25.9 |  | 9,091,945 |
| Investments in subsidiaries | | 3,213,788 |  | 3,213,788 |  | - |  | 3,213,788 |  | - |  | - |  | - |  | - |
| Investments in associate | | - |  | 586,427 |  | (100.0) |  | 237,633 |  | - |  | 422,330 |  | (100.0) |  | 237,633 |
| Investment property | | - |  | - |  | - |  | - |  | 1,131,596 |  | 1,131,704 |  | (0.0) |  | 1,131,596 |
| Property, plant and equipment | | 1,080,021 |  | 1,077,916 |  | 0.2 |  | 1,098,286 |  | 4,146,867 |  | 4,011,169 |  | 3.4 |  | 4,017,301 |
| Goodwill and intangible assets | | 298,434 |  | 341,987 |  | (12.7) |  | 324,905 |  | 403,808 |  | 450,877 |  | (10.4) |  | 432,340 |
| Leasehold property | | 82,531 |  | 85,597 |  | (3.6) |  | 84,065 |  | 82,531 |  | 85,597 |  | (3.6) |  | 84,064 |
| Deferred tax assets | | - |  | - |  | - |  | - |  | 63,779 |  | 35,427 |  | 80.0 |  | 47,584 |
| Other assets |  | 975,316 |  | 983,184 |  | (0.8) |  | 1,024,644 |  | 1,123,284 |  | 1,080,991 |  | 3.9 |  | 1,164,884 |
| **Total assets** |  | **168,831,489** |  | **167,173,817** |  | 1.0 |  | **172,541,277** |  | **183,040,061** |  | **177,733,925** |  | 3.0 |  | **185,932,635** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Due to banks |  | 11,896,677 |  | 39,019,636 |  | (69.5) |  | 27,273,933 |  | 14,637,416 |  | 41,490,770 |  | (64.7) |  | 30,475,326 |
| Due to customers |  | 99,746,450 |  | 71,517,915 |  | 39.5 |  | 88,368,656 |  | 100,659,844 |  | 71,180,557 |  | 41.4 |  | 88,923,196 |
| Debt securities issued | | 21,096,652 |  | 21,127,408 |  | (0.1) |  | 21,275,031 |  | 20,963,785 |  | 20,994,635 |  | (0.1) |  | 21,134,040 |
| Other financial liabilities | | 2,931,732 |  | 3,673,198 |  | (20.2) |  | 2,480,377 |  | 3,029,153 |  | 3,477,620 |  | (12.9) |  | 2,464,936 |
| Insurance and reinsurance payable | | - |  | - |  | - |  | - |  | 5,113,841 |  | 4,271,098 |  | 19.7 |  | 4,880,873 |
| Current tax liabilities | | 667,283 |  | 307,813 |  | 116.8 |  | 2,238,257 |  | 736,721 |  | 360,077 |  | 104.6 |  | 2,323,647 |
| Deferred tax liabilities | | 837,179 |  | 2,025,139 |  | (58.7) |  | 837,179 |  | 1,177,845 |  | 2,180,064 |  | (46.0) |  | 1,141,973 |
| Other liabilities |  | 1,469,441 |  | 1,993,508 |  | (26.3) |  | 1,464,489 |  | 1,609,964 |  | 2,115,789 |  | (23.9) |  | 1,606,686 |
| **Total liabilities** |  | **138,645,414** |  | **139,664,617** |  | (0.7) |  | **143,937,922** |  | **147,928,569** |  | **146,070,610** |  | 1.3 |  | **152,950,677** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital |  | 13,915,414 |  | 13,236,073 |  | 5.1 |  | 13,236,073 |  | 13,915,414 |  | 13,236,073 |  | 5.1 |  | 13,236,073 |
| Statutory reserve fund | | 2,142,270 |  | 1,938,538 |  | 10.5 |  | 2,058,219 |  | 2,155,062 |  | 1,938,538 |  | 11.2 |  | 2,070,667 |
| Retained earnings | | 14,168,824 |  | 12,362,831 |  | 14.6 |  | 13,361,805 |  | 16,377,565 |  | 14,116,983 |  | 16.0 |  | 15,198,424 |
| Other reserves |  | (40,433) |  | (28,242) |  | 43.2 |  | (52,742) |  | 287,038 |  | 154,918 |  | 85.3 |  | 207,274 |
| **Total Equity attributable to equity holders of the Company** | | **30,186,075** |  | **27,509,200** |  | **9.7** |  | **28,603,355** |  | **32,735,079** |  | **29,446,512** |  | **11.2** |  | **30,712,438** |
| Non-controlling interest | | - |  | - |  | - |  | - |  | 2,376,413 |  | 2,216,803 |  | 7.2 |  | 2,269,520 |
| **Total Equity** |  | **30,186,075** |  | **27,509,200** |  | **9.7** |  | **28,603,355** |  | **35,111,492** |  | **31,663,315** |  | **10.9** |  | **32,981,958** |
| **Total liabilities and equity** | | **168,831,489** |  | **167,173,817** |  | **1.0** |  | **172,541,277** |  | **183,040,061** |  | **177,733,925** |  | **3.0** |  | **185,932,635** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingencies |  | 595,571 |  | 775,952 |  | (23.2) |  | 514,014 |  | 595,571 |  | 775,952 |  | (23.2) |  | 514,150 |
| Commitments |  | 7,975,009 |  | 6,654,060 |  | 19.9 |  | 7,261,850 |  | 8,017,122 |  | 6,712,685 |  | 19.4 |  | 7,274,558 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets value per ordinary share (Rs.) | | 18.55 |  | 17.94 |  | 3.4 |  | 18.10 |  | 20.11 |  | 19.19 |  | 4.8 |  | 19.44 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CERTIFICATION** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of People's Leasing & Finance PLC certify jointly that: | | | | | | | | | | | | | | | | |
| a) the above statements have been prepared in compliance with the format and the definitions prescribed by the Central Bank of Sri Lanka; | | | | | | | | | | | | | | | | |
| b) the information contained in these statements have been extracted from the unaudited financial statements of People's Leasing & Finance PLC unless indicated as audited. | | | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (sgd.) |  |  |  |  |  |  |  | (sgd.) |  |  |  |  |  |  |  |  |
| **A.S. Ibrahim** |  |  |  |  |  |  |  | **Sanjeewa Bandaranayake** | | |  |  |  |  |  |  |
| *Chief Executive Officer* | |  |  |  |  |  |  | *Chief Financial 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 by; | | | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (sgd.) |  |  |  |  |  |  |  | (sgd.) |  |  |  |  |  |  |  |  |
| **M.P. Amirthanayagam** | |  |  |  |  |  |  | **J.P. Amaratunga** | | |  |  |  |  |  |  |
| Director |  |  |  |  |  |  |  | Director |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 25th October 2019 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *Colombo* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**SELECTED PERFORMANCE INDICATORS**

|  | **Company** | |
| --- | --- | --- |
|  | **As at** | **As at** |
|  | **30.09.2019** | **30.09.2018** |
| **Regulatory Capital Adequacy** |  |  |
| Core Capital – Rs.000 | **27,230,283** | **24,430,476** |
| Total Capital Base - Rs. '000 | **28,697,455** | **25,737,546** |
| Core Capital to Risk Weighted Assets Ratio (Minimum 7%) (%) | **15.29** | 13.58 |
| Total Capital to Risk Weighted Assets Ratio (Minimum 11%) (%) | **16.11** | 14.31 |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) (%) | **30.44** | 38.37 |
|  |  |  |
| **Asset Quality (Quality of Loan Portfolio)** |  |  |
|  |  |  |
| Gross Non-Performing Advances - Rs. '000 | **10,322,099** | 6,500,756 |
| Gross Non-Performing Advances Ratio (%) | **6.63** | 4.23 |
| Net- Non-Performing Advances Ratio (%) | **1.28** | 0.80 |
|  |  |  |
| **Profitability** *(Annualized)* |  |  |
|  |  |  |
| Interest Margin (%) | **9.78** | 9.40 |
| Return on Average Assets (before Tax) (%) | **3.01** | 3.64 |
| Return on Average Equity (after tax) (%) | **11.44** | 15.36 |
|  |  |  |
| **Regulatory Liquidity - Rs. '000** |  |  |
|  |  |  |
| Required Minimum Amount of Liquid Assets | **12,508,424** | 10,610,957 |
| Available Amount of Liquid Assets | **13,011,180 13,011,180** | 11,043,030 |
| Required Minimum Amount of Government Securities | **8,012,870** | 6,813,138 |
| Available Amount of Government Securities | **8,401,890** | 6,966,535 |
|  |  |  |
| **Memorandum information** |  |  |
|  |  |  |
| Number of employees | **2,388** | 2,187 |
| Number of branches | **103** | 103 |
| Number of service centers | **101** | 101 |
| Number of pawning centers | **-** | - |

**SHAREHOLDERS' INFORMATION**

|  |  |  |
| --- | --- | --- |
| **Twenty Largest Ordinary Shareholders as at 30th September 2019** |  |  |
| Twenty largest ordinary shareholders of the Company as at 30th September 2019 were as follows; |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Name of the Shareholder** | **No. of Shares** | **%** |
| 1 | People's Bank | 1,220,777,540 | 75.00 |
| 2 | Employees Provident Fund | 88,345,465 | 5.43 |
| 3 | BNYM SA/NV RE-Neon Liberty Lorikeet Master Fund LP | 75,297,137 | 4.63 |
| 4 | National Savings Bank | 44,990,502 | 2.76 |
| 5 | Rubber Investment Trust Limited A/C # 01 | 17,371,951 | 1.07 |
| 6 | CitiBank Newyork S/A Norges Bank Account 2 | 16,371,565 | 1.01 |
| 7 | Bank of Ceylon No. 1 Account | 11,800,434 | 0.72 |
| 8 | Sri Lanka Insurance Corporation Ltd-General Fund | 7,235,629 | 0.44 |
| 9 | AIA Insurance Lanka PLC A/C No.07 | 5,354,904 | 0.33 |
| 10 | Ceylon Investment PLC A/C # 01 | 5,104,933 | 0.31 |
| 11 | Ceylon Guardian Investment Trust PLC A/C # 02 | 3,341,661 | 0.21 |
| 12 | Caceis Bank, Luxembourg Branch-Tcm Investment Funds Luxembourg | 2,975,188 | 0.18 |
| 13 | Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund) | 2,802,101 | 0.17 |
| 14 | Employees Trust Fund Board | 2,427,433 | 0.15 |
| 15 | Union Assurance PLC- Universal Life Fund | 2,362,439 | 0.15 |
| 16 | Akbar Brothers Pvt Ltd A/C No 1 | 2,065,214 | 0.13 |
| 17 | First Capital Limited | 1,751,478 | 0.11 |
| 18 | Pershing Llc S/A Averbach Grauson & Co. | 1,730,873 | 0.11 |
| 19 | Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund | 1,687,473 | 0.10 |
| 20 | Guardian Fund Management Limited/The Aitken Spence And Associated Companies Executive Staff Providen | 1,652,381 | 0.10 |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Public Holding** | |  |  |
| The percentage of ordinary shares held by the public as at 30th September 2019 was 24.95% and the number of shareholders representing the public holding was 9,090. | | | |
|  |  |  |  |
| **Directors'/ CEO's Holding in Shares as at 30th September 2019** | |  |  |
| The number of ordinary shares held by the directors and CEO as at 30th September 2019 were as follows; | | |  |
|  |  |  |  |
| **Name** | | **Position** | **No. of Shares** |
| Mr. Hemasiri Fernando (Retired on 12th October 2019) | | Chairman | - |
| Mr. Michael Pradeep Amirthanayagam | | Deputy Chairman | 10,302 |
| Mr. Jehan Prasanna Amaratunga | | Director | - |
| Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana | | Director | - |
| Mr. Johnson Anthony Fernando | | Director | - |
| Mr. Mohamed Anise Mohamed Rizwan | | Director | - |
| Dr. Kennedy D. Gunawardena | | Director | - |
| Mr. N.W.A.M.U.K.K.E Weerasinghe | | Director | - |
| Mr. R. Pathirage | | Director | 247,267 |
| Mr. Ahamed Sabry Ibrahim | | CEO | - |
|  |  |  |  |
|  |  |  |  |
| **Float adjusted Market Capitalisation** | |  |  |
| The Float adjusted market capitalization as at 30th September 2019 - Rs. 6,010,154,674 | | | |
|  |  |  |  |
| The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option. | | | |