



**PEOPLE'S MERCHANT
FINANCE PLC**

PEOPLE'S MERCHANT FINANCE PLC FINANCIAL STATEMENTS

For the six months ended 30th September 2020

STATEMENT OF PROFIT OR LOSS	Company		Group	
	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited
For the six months ended 30 th September				
Interest income	207,797	313,271	207,797	313,271
Less: Interest expense	116,741	158,212	116,741	158,212
Net interest income	91,056	155,059	91,056	155,059
Fee and commission income	4,424	2,181	4,424	2,181
Other operating income	55,945	24,742	55,945	24,742
Total operating income	151,425	181,982	151,425	181,982
Less: Impairment charges for loans and receivables and other losses	6,430	90,497	6,430	90,497
Net operating income	144,995	91,485	144,995	91,485
Less:				
Personnel expenses	71,702	63,384	71,702	63,384
Depreciation of property, plant and equipment	1,971	2,192	1,971	2,192
Amortisation and impairment of intangible assets	793	1,622	793	1,622
Other operating expenses	66,853	62,751	66,853	62,751
Total operating expenses	141,320	129,949	141,320	129,949
Operating Profit/(Loss) before tax on financial services	3,676	(38,464)	3,676	(38,464)
Less: Tax on financial services	9,526	4,184	9,526	4,184
Profit/(Loss) before tax	(5,850)	(42,648)	(5,850)	(42,648)
Less: Income tax expense	-	-	-	-
Profit/(Loss) for the period	(5,850)	(42,648)	(5,850)	(42,648)
Basic loss per ordinary share (Rs.)	(0.03)	(0.24)	(0.03)	(0.24)

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION	Company		Group	
	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited
As at 30 th September 2020				
Assets				
Cash and cash equivalents	326,139	573,512	326,389	573,768
Balances with banks & financial institutions	615,593	630,368	615,593	630,368
Financial assets measured at amortised cost - Loans and advances	2,056,442	1,969,175	2,056,442	1,969,175
Investment in securities	751,978	504,415	751,978	504,415
Investment Property and Real Estate	37,879	36,407	37,879	36,407
Property, Plant and Equipment	14,550	11,493	14,550	11,493
Intangible assets	3,144	3,548	3,144	3,548
Other Assets	111,454	139,822	111,454	139,822
Total assets	3,917,179	3,868,740	3,917,429	3,868,996
Liabilities				
Due to Banks	16,232	379	16,232	379
Financial liabilities at amortised cost - due to depositors	2,166,005	2,394,484	2,166,005	2,394,484
Debt securities issued	16,300	15,700	16,300	15,700
Other Liabilities	171,991	155,879	172,350	156,157
Total liabilities	2,370,528	2,566,442	2,370,887	2,566,720
Equity				
Stated Capital	2,440,290	2,440,290	2,440,290	2,440,290
Advance Against Stated Capital	300,000	-	300,000	-
Statutory Reserve Fund	7,259	7,259	7,259	7,259
Retained Earnings	(1,200,898)	(1,145,251)	(1,201,007)	(1,145,273)
Other Reserves	-	-	-	-
Total Equity	1,546,651	1,302,298	1,546,542	1,302,276
Total Liabilities and Equity	3,917,179	3,868,740	3,917,429	3,868,996
Net assets value per ordinary share	7.33	6.18	7.33	6.18

Figures in brackets indicate deductions.

SELECTED KEY PERFORMANCE INDICATORS

	Company			
	30 - 09 - 2020		30 - 09 - 2019	
	Required	Actual	Required	Actual
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	6.50%	32.10%	6.50%	42.17%
Total Capital Adequacy Ratio	10.50%	32.08%	10.50%	42.14%
Capital Funds to Deposit Liabilities Ratio	10.00%	55.95%	10.00%	53.35%
Quality of Loan Portfolio (%)				
Gross Non- Performing Loan Ratio		20.73%		18.38%
Net Non- Performing Loan Ratio		2.65%		0.61%
Net Non- Performing Loan to Core Capital Ratio		5.36%		1.00%
Provision Coverage Ratio		87.00%		97.00%
Profitability (%)				
Net Interest Margin		5.37%		13.44%
Return on Assets		-0.15%		-2.20%
Return on Equity		-0.41%		-0.90%
Cost to Income Ratio		93.33%		71.41%
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)		835%		931%
Liquid Assets to External Funds		45%		70%
Memorandum information				
Number of branches		11 Branches and 01 Gold loan center		11 Branches and 01 Gold loan center
External Credit Rating		"(SL)B Under rating watch with developing implications"		"(SL)B rating put on watch with developing implications"
Regulatory Penalties Imposed Last 6 Months				
Amount (Mn)		N/A		N/A
Regulatory Deposit Restrictions				
Cap on total Deposits (Rs. Mn)		2,500		2,500
Downsizing of Deposits-per month/quarter/year (Rs. Mn)		N/A		N/A
Freezing of Deposits		N/A		N/A
Regulatory Borrowing Restrictions				
Cap on total Borrowings (Rs. Mn)		39		39
Downsizing of Borrowings-per month/quarter/year (Rs. Mn)		N/A		N/A
Freezing of Borrowings		N/A		N/A
Regulatory Lending Restrictions				
Cap on total Lending Portfolio (Rs. Mn)		N/A		N/A
Downsizing of Lending Portfolio-per month/quarter/year (Rs. Mn)		N/A		N/A
Restrictions on granting new credit facilities and/or extending the terms of existing credit facilities		N/A		N/A

CERTIFICATION :

We, the undersigned, being the Chief Executive Officer, the Accountant and the Compliance Officer of People's Merchant Finance PLC certified jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- The information contained in these statements have been extracted from the unaudited financial statements of People's Merchant Finance PLC.

(Signed)
Nalin Wijekoon
Chief Executive Officer
Date: 27th October 2020

(Signed)
Uditha Nadeeshan
Accountant
Date: 27th October 2020

(Signed)
Shyamali Pamarathna
Compliance Officer
Date: 27th October 2020