



**PEOPLE'S MERCHANT
FINANCE PLC**

PEOPLE'S MERCHANT FINANCE PLC FINANCIAL STATEMENTS

For the six months ended 30th September 2021

STATEMENT OF PROFIT OR LOSS	Company		Group	
	2021 Rs. '000 Unaudited	2020 Rs. '000 Unaudited	2021 Rs. '000 Unaudited	2020 Rs. '000 Unaudited
For the six months ended 30 th September				
Interest income	298,946	207,797	298,946	207,797
Less: Interest expense	107,719	116,741	107,719	116,741
Net interest income	191,227	91,056	191,227	91,056
Fee and commission income	6,203	4,424	6,203	4,424
Other operating income	77,641	55,945	77,641	55,945
Total operating income	275,071	151,425	275,071	151,425
Less: Impairment charges for loans and receivables and other losses	14,297	6,430	14,297	6,430
Net operating income	260,774	144,995	260,774	144,995
Less:				
Personnel expenses	129,162	71,702	129,162	71,702
Depreciation of property, plant and equipment	2,807	1,971	2,807	1,971
Amortisation and impairment of intangible assets	237	793	237	793
Other operating expenses	105,863	66,853	105,863	66,853
Total operating expenses	238,069	141,319	238,069	141,319
Operating Profit/(Loss) before tax on financial services	22,705	3,676	22,705	3,676
Less: Tax on financial services	19,707	9,526	19,707	9,526
Profit/(Loss) before tax	2,998	(5,850)	2,998	(5,850)
Less: Income tax expense	-	-	-	-
Profit/(Loss) for the period	2,998	(5,850)	2,998	(5,850)
Basic earnings/(loss) per ordinary share (Rs.)	0.01	(0.03)	0.01	(0.03)

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION	Company		Group	
	2021 Rs. '000 Unaudited	2020 Rs. '000 Unaudited	2021 Rs. '000 Unaudited	2020 Rs. '000 Unaudited
As at 30 th September 2021				
Assets				
Cash and cash equivalents	321,289	326,139	321,536	326,389
Balances with banks & financial institutions	5,255	615,593	5,255	615,593
Financial assets measured at fair value	468,509	751,978	468,509	751,978
Financial assets measured at amortised cost - Loans and advances	4,273,739	2,056,442	4,273,739	2,056,442
Investment Property and Real Estate	3,018	37,879	3,018	37,879
Property, Plant and Equipment	39,659	14,550	39,659	14,550
Intangible assets	8,681	3,144	8,681	3,144
Other Assets	508,229	111,454	508,229	111,454
Total assets	5,628,379	3,917,179	5,628,626	3,917,429
Liabilities				
Due to Banks	595,833	16,232	595,833	16,232
Financial liabilities at amortised cost - due to depositors	2,413,623	2,166,005	2,413,623	2,166,005
Debt securities issued	16,900	16,300	16,900	16,300
Other Liabilities	467,824	171,991	468,257	172,350
Total liabilities	3,494,180	2,370,528	3,494,613	2,370,887
Equity				
Stated Capital	3,252,159	2,440,290	3,252,159	2,440,290
Advance Against Stated Capital	-	300,000	-	300,000
Statutory Reserve Fund	10,649	7,259	10,649	7,259
Retained Earnings	(1,128,609)	(1,200,898)	(1,128,795)	(1,201,007)
Other Reserves	-	-	-	-
Total Equity	2,134,199	1,546,651	2,134,013	1,546,542
Total Liabilities and Equity	5,628,379	3,917,179	5,628,626	3,917,429
Net assets value per ordinary share	6.53	7.33	6.53	7.33

Figures in brackets indicate deductions.

SELECTED KEY PERFORMANCE INDICATORS

	Company			
	30 - 09 - 2021		30 - 09 - 2020	
	Required	Actual	Required	Actual
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	7.00%	33.26%	6.50%	32.10%
Total Capital Adequacy Ratio	11.00%	33.23%	10.50%	32.08%
Capital Funds to Deposit Liabilities Ratio	10.00%	88.30%	10.00%	55.95%
Quality of Loan Portfolio (%)				
Gross Non- Performing Loan Ratio		10.63%		20.73%
Net Non- Performing Loan Ratio		1.50%		2.65%
Net Non- Performing Loan to Core Capital Ratio		3.13%		5.36%
Provision Coverage Ratio		86.66%		87.00%
Profitability (%)				
Net Interest Margin		8.23%		4.80%
Return on Assets		0.12%		-0.30%
Return on Equity		0.28%		-0.76%
Cost to Income Ratio		86.55%		93.33%
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)		123%		835%
Liquid Assets to External Funds		12%		45%
Memorandum information				
Number of branches	11 Branches and 01 Gold loan center		11 Branches and 01 Gold loan center	
External Credit Rating	[SL] B Stable		"(SL) B Under rating watch with developing implications"	
Regulatory Penalties Imposed Last 6 Months				
Amount (Mn)		1		N/A
Regulatory Deposit Restrictions				
Cap on total Deposits (Rs. Mn)		3,500		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)		N/A		39
Downsizing of Borrowings-per month/quarter/year (Rs. Mn)		N/A		N/A
Freezing of Borrowings (Rs. Mn)		N/A		N/A
Regulatory Borrowing 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 (Rs. Mn)		N/A		N/A

CERTIFICATION :

We, the undersigned, being the Chief Executive Officer, the Chief Manager - Finance 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: 10th November 2021

(Signed)
Darshana Wijayanayaka
Chief Manager-Finance
Date: 10th November 2021

(Signed)
Shyamali Pamarathna
Compliance Officer
Date: 10th November 2021