

Ranking of Listed Finance Companies in Sri Lanka

1st Quarter 2019

Issue 1 | September 2019



Your Corporate House
K SEEDS INVESTMENTS

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Basis of Categorization of LFCs

Category 1

Asset Base >
100 Bn

Category 2

Asset Base
Between
20 – 100 Bn

Category 3

Asset Base
Between
10 – 20 Bn

Category 4

Asset Base <
10 Bn

Categorization of LFCs for Analysis

Category 1

- LOLC Finance (LOFC)
- People's Leasing & Finance (PLC)
- LB Finance Central Finance (LFIN)
- Central Finance (CFIN)

Category 2

- Citizens Development Business Finance (CDB)
- Commercial Credit and Finance (COCR)
- Commercial Leasing & Finance (CLC)
- Vallibel Finance (VFIN)
- Mercantile Investments & Finance (MERC)
- Siyapatha Finance (SLFL)
- Merchant Bank of Sri Lanka & Finance (MBSL)
- Senkadagala Finance (SFCL)
- Alliance Finance (ALLI)
- Softlogic Finance (CRL)
- Singer Finance (SFIN)

Category 3

- Arpico Finance (ARPI)
- Orient Finance (BFN)
- LOLC Development Finance (NIFL)
- Asia Asset Finance(AAF)
- Trade Finance (TFIL)
- AMW Capital Leasing & Finance (AMCL)

Category 4

- Bimpuh Finance (BLI)
- Nation Lanka Finance (CSF)
- Abans Finance (AFSL)
- Associated Motor Finance (AMF)
- Sinhaputhra Finance (SFL)
- Prime Finance (GSF)
- People's Merchant Finance (PMB)
- Dialog Finance (CALF)
- Multi Finance (MFL)
- Swarnamahal Financial Services (SFS)

Basis of Ranking

Ranking has been arrived at based on the following ratios and KPIs

- Cost/Income Ratio (Excluding Impairment)
- Net Profit Margin
- Impairment to Loan Book
- Return on Equity
- Return on Assets
- Net Interest Margin
- Deposit Growth
- Net Profit Growth



Ranking for Category 1

A low-angle, upward-looking photograph of two modern skyscrapers at night. The buildings are covered in a grid of windows, many of which are illuminated from within, creating a pattern of light and dark squares. The sky is dark, and the overall atmosphere is urban and architectural.

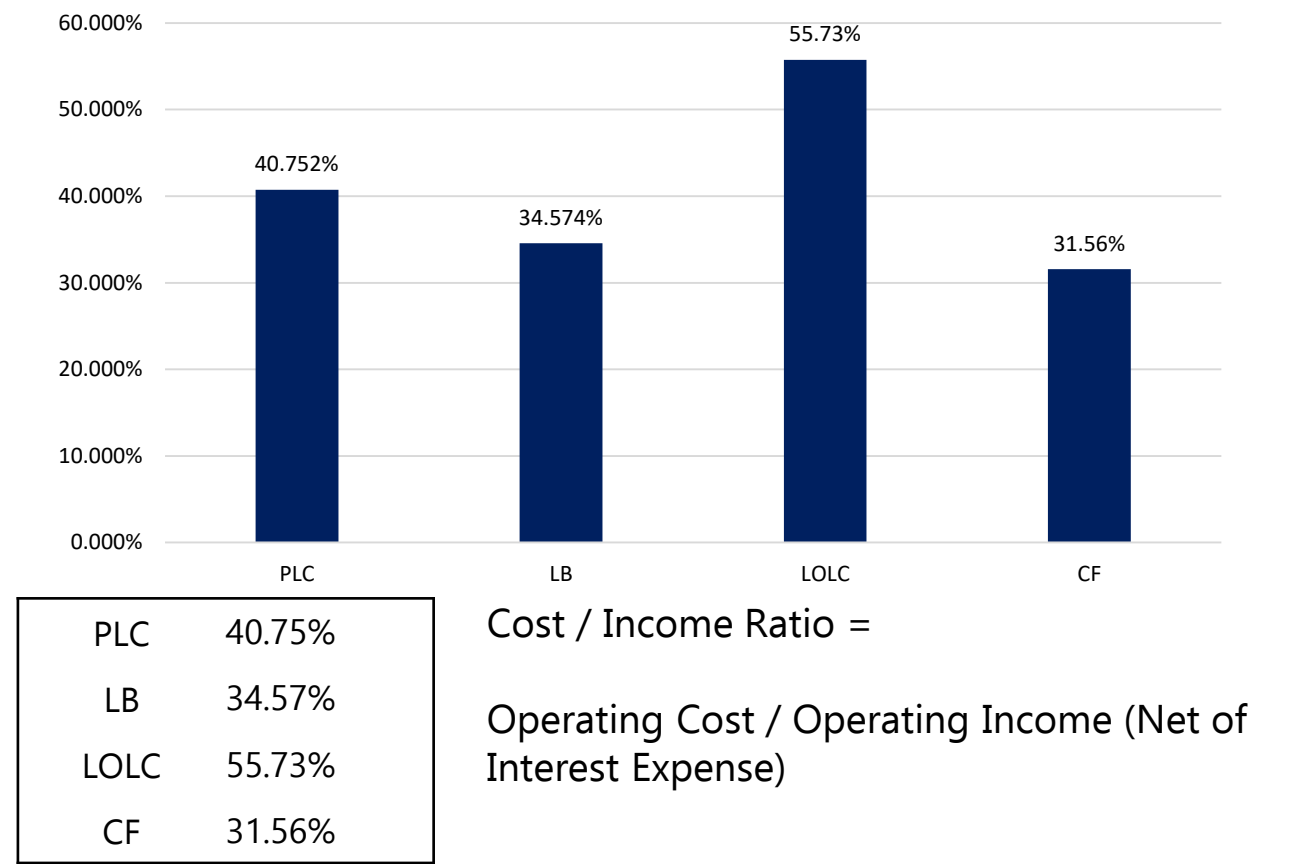
1 LB Finance (LB)

2 Central Finance (CF)

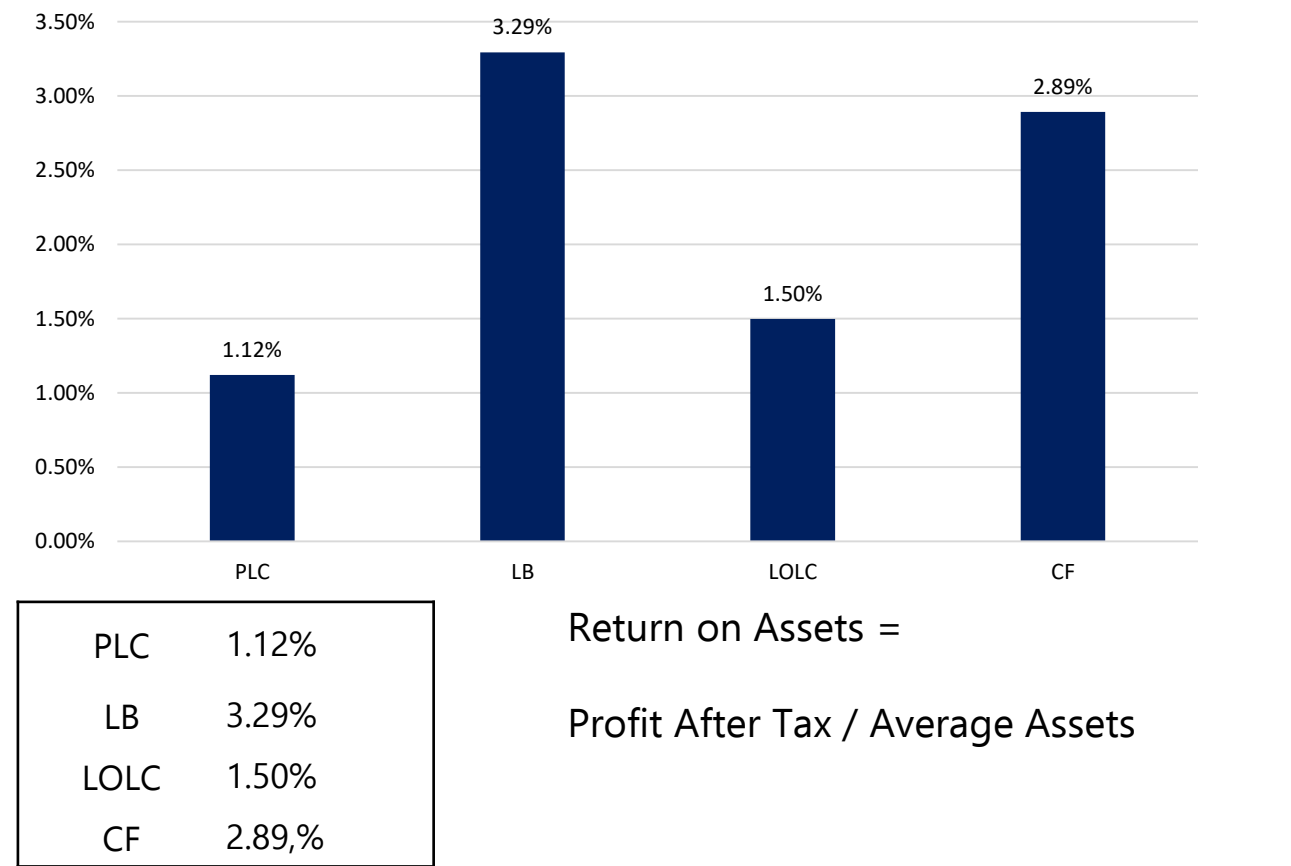
3 LOLC Finance (LOLC)

4 People's Leasing and Finance (PLC)

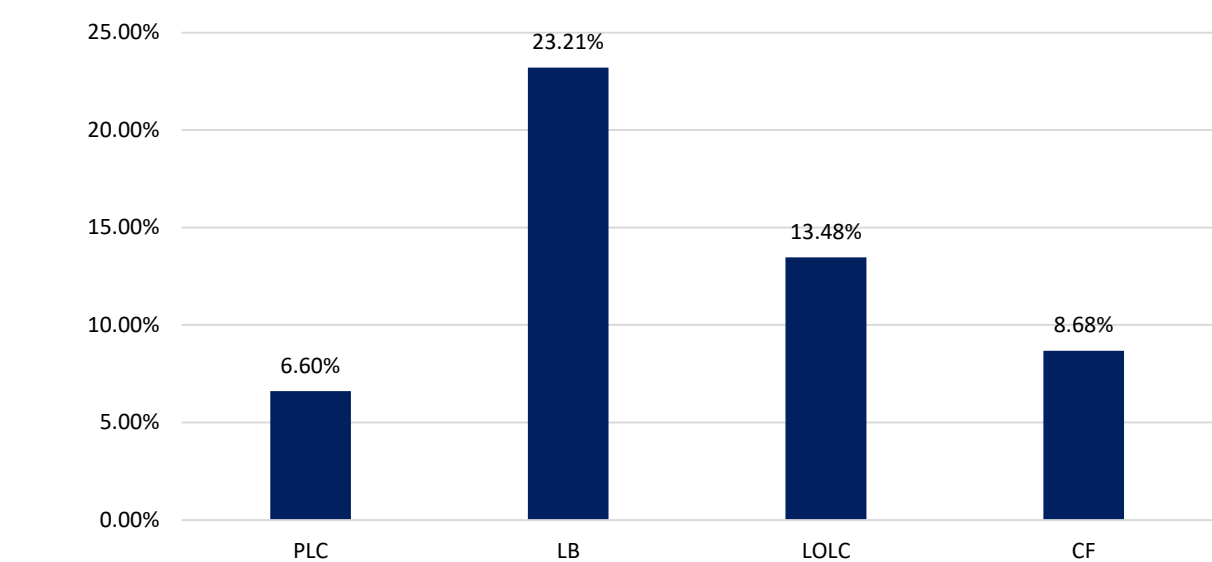
Cost to Income



Return on Assets



Return on Equity

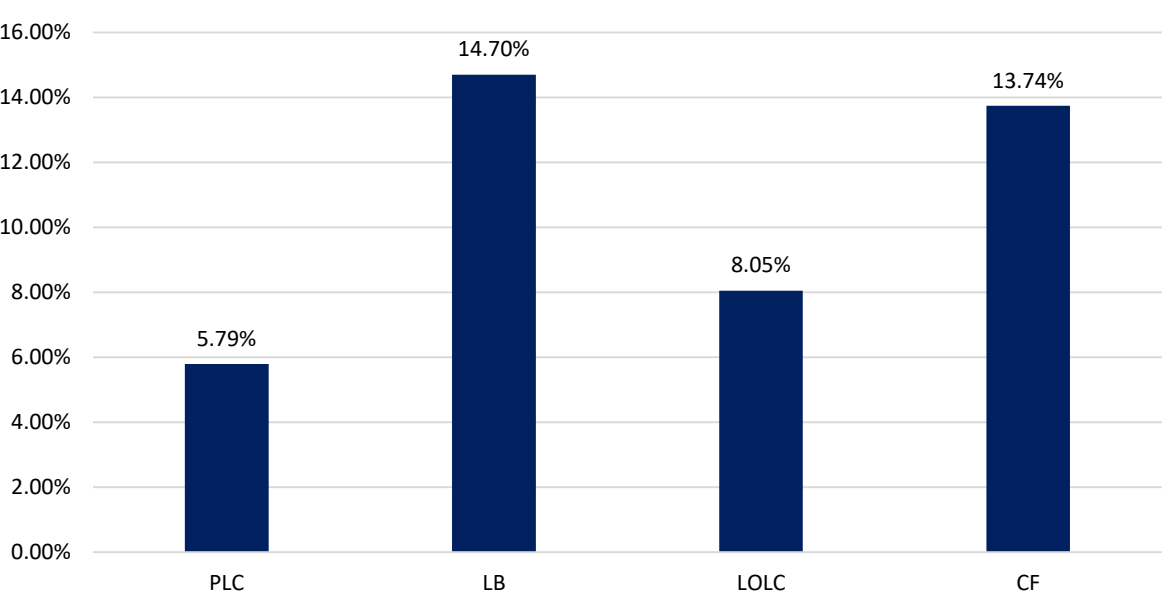


PLC	6.60%
LB	23.21%
LOLC	13.48%
CF	8.68%

Return on Equity =

Profit After Tax / Average Equity

Net Profit Margin

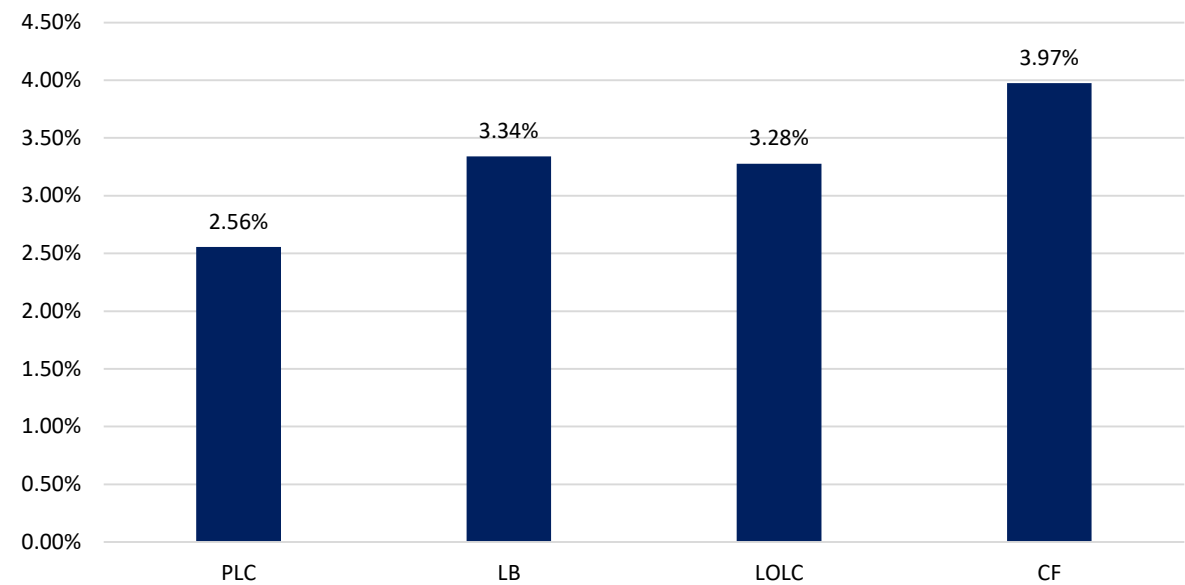


PLC	5.79%
LB	14.70%
LOLC	8.05%
CF	13.74%

Net Profit Margin =

Profit After Tax / Operating Income

Net Interest Margin

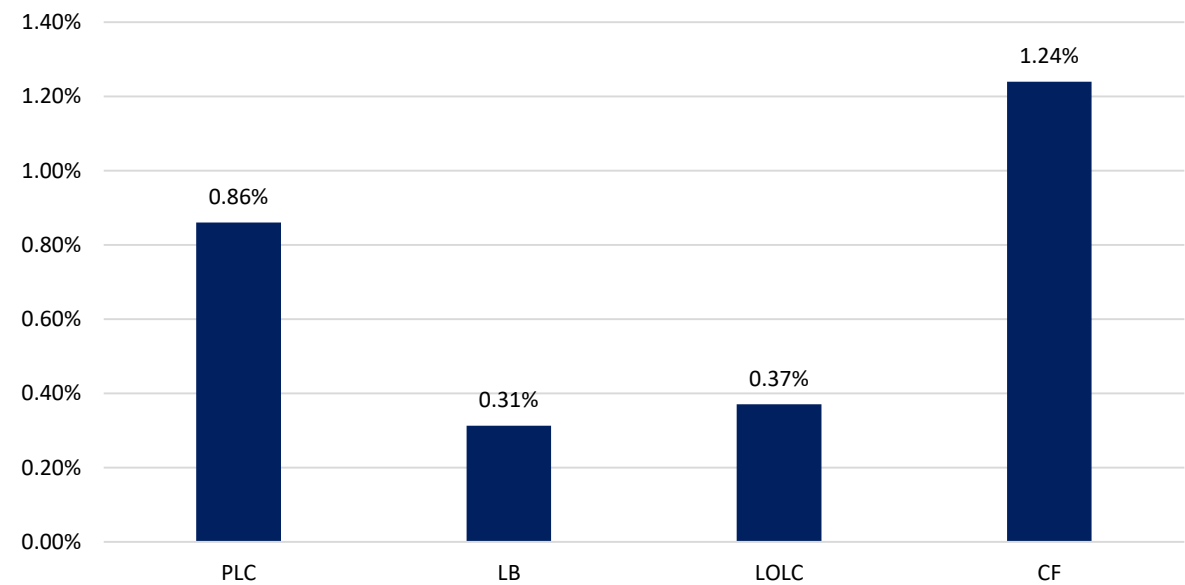


PLC	2.56%
LB	3.34%
LOLC	3.28%
CF	3.97%

Net interest Margin =

Net interest / Average Interest Bearing Assets

Impairment to Loan Book

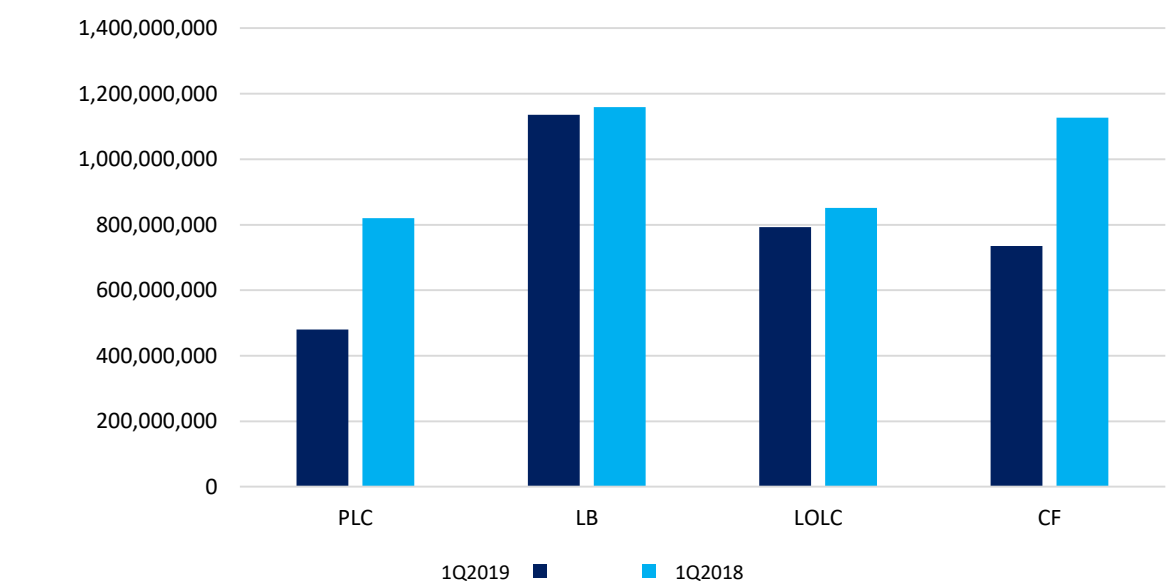


PLC	0.86%
LB	0.31%
LOLC	0.37%
CF	1.24%

Impairment / Loan Book Ratio =

Impairment / Average Loans

Profit Growth

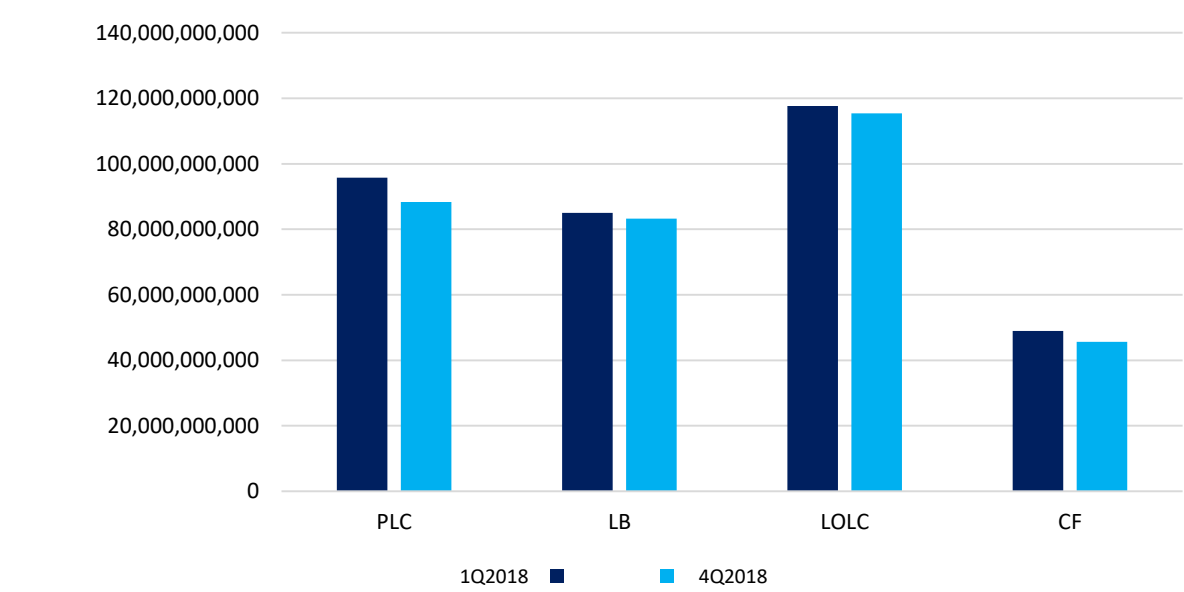


	1Q2018	1Q2019
PLC	820,000,000	480,000,000
LB	1,158,655,000	1,135,200,000
LOLC	851,096,000	792,552,000
CF	1,126,966,000	735,185,000

Net Profit Growth =

(Net profit 1Q2019 / Net profit 1Q2018) - 1

Deposit Growth



	4Q2018	1Q2019
PLC	88,369,000,000	95,792,000,000
LB	83,214,949,000	85,038,452,000
LOLC	115,365,141,000	117,626,631,000
CF	45,669,738,000	48,980,987,000

Deposit QOQ =

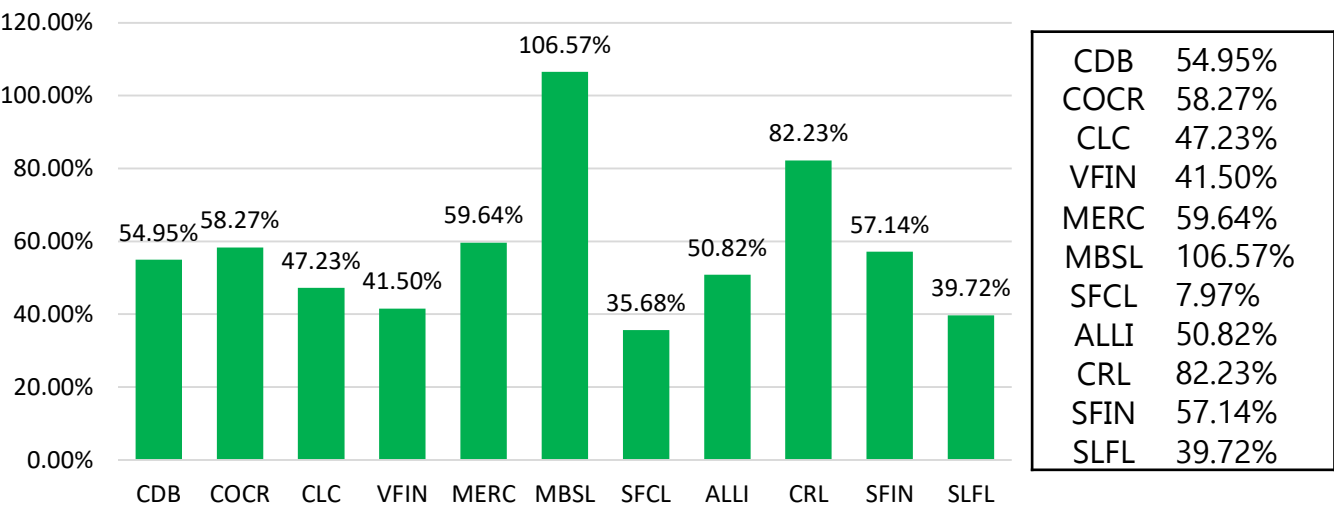
(Deposit base 1Q2019 / Deposits 4Q2018) - 1



Ranking for Category 2

- 
- 1 Vallibel Finance (VFIN)
 - 2 Commercial Credit and Finance (COCR)
 - 3 Commercial Leasing & Finance (CLC)
 - 4 Citizens Development Business Finance (CDB)
 - 5 Singer Finance (SFIN)
 - 6 Siyapatha Finance (SLFL)
 - 7 Alliance Finance (ALLI)
 - 8 Softlogic Finance (CRL)
 - 9 Senkadagala Finance (SFCL)
 - 10 Mercantile Investments & Finance (MERC)
 - 11 Merchant Bank of Sri Lanka (MBSL)

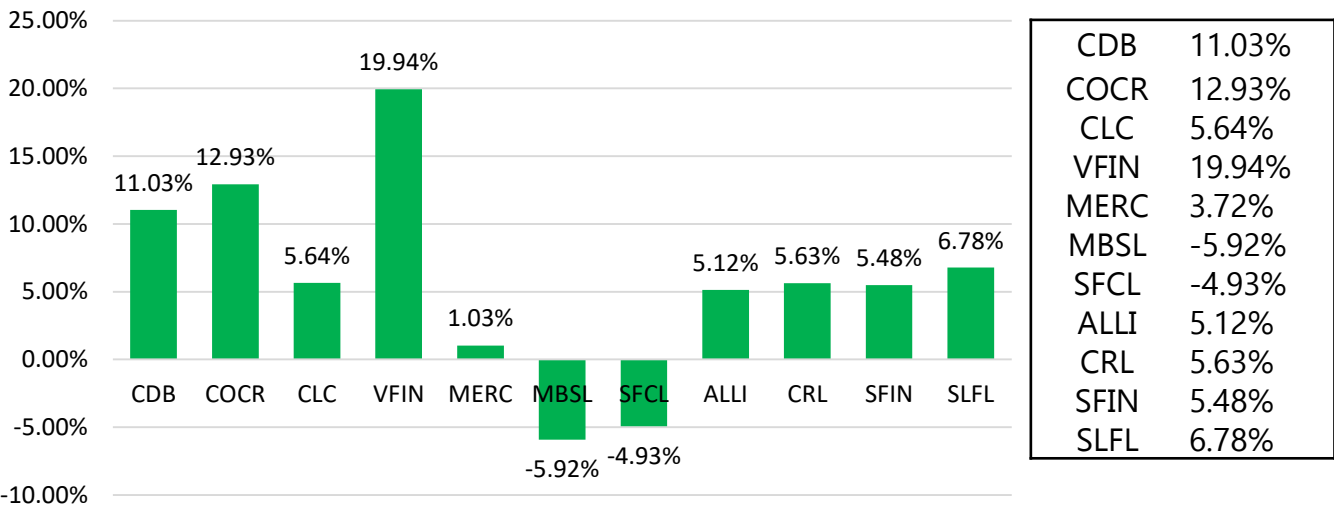
Cost to Income



Cost / Income Ratio =

Operating Cost / Operating Income (Net of Interest Expense)

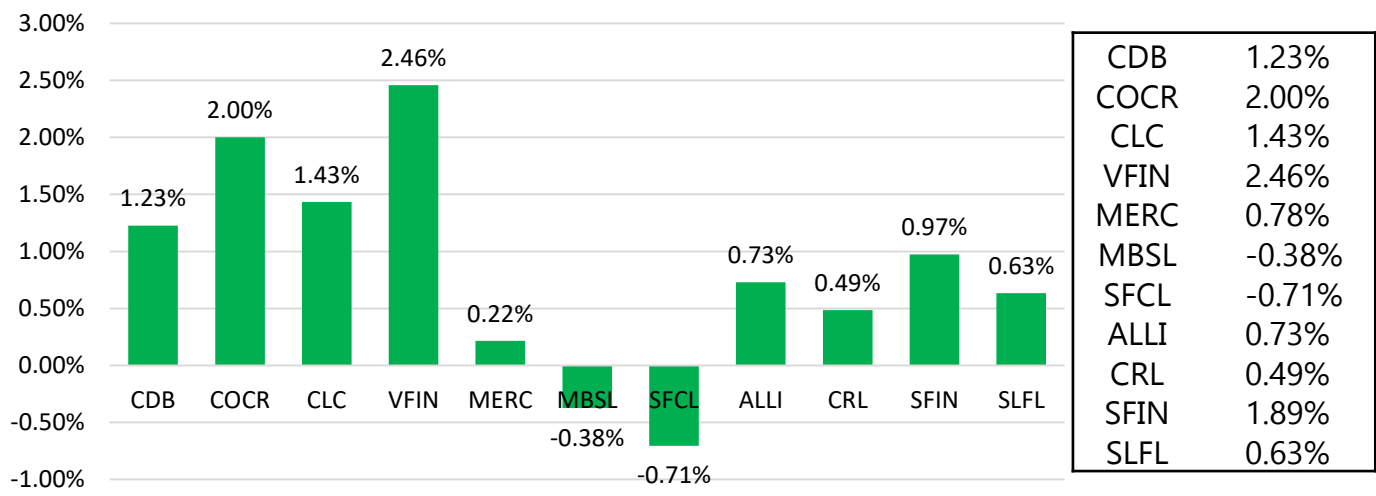
Return on Equity



Return on Equity =

Profit After Tax / Average Equity

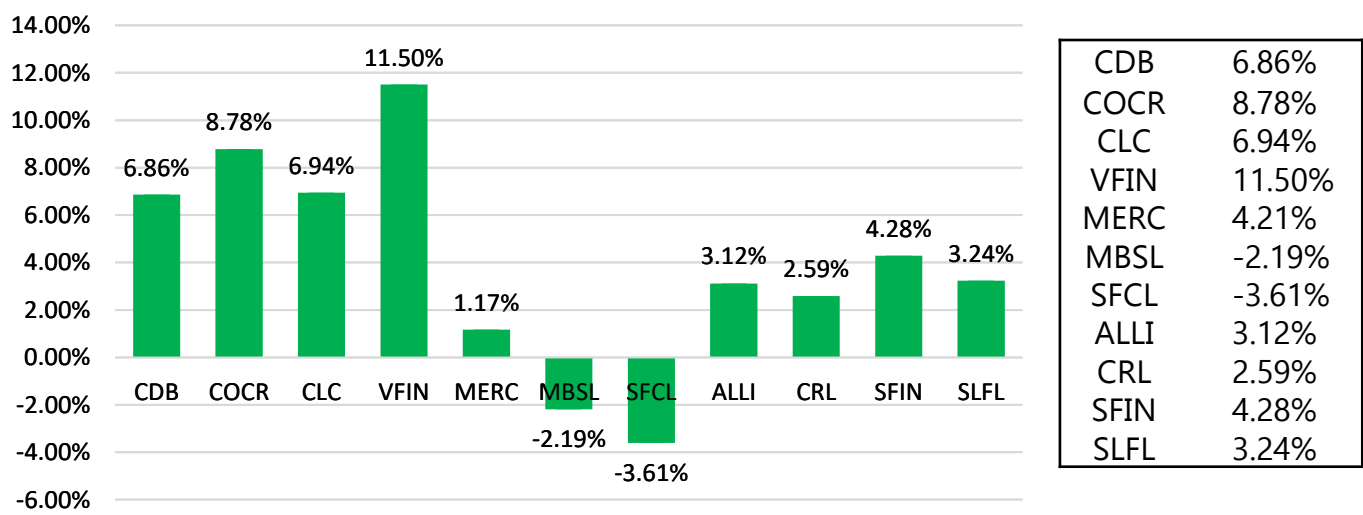
Return on Assets



Return on Assets =

Profit After Tax / Average Assets

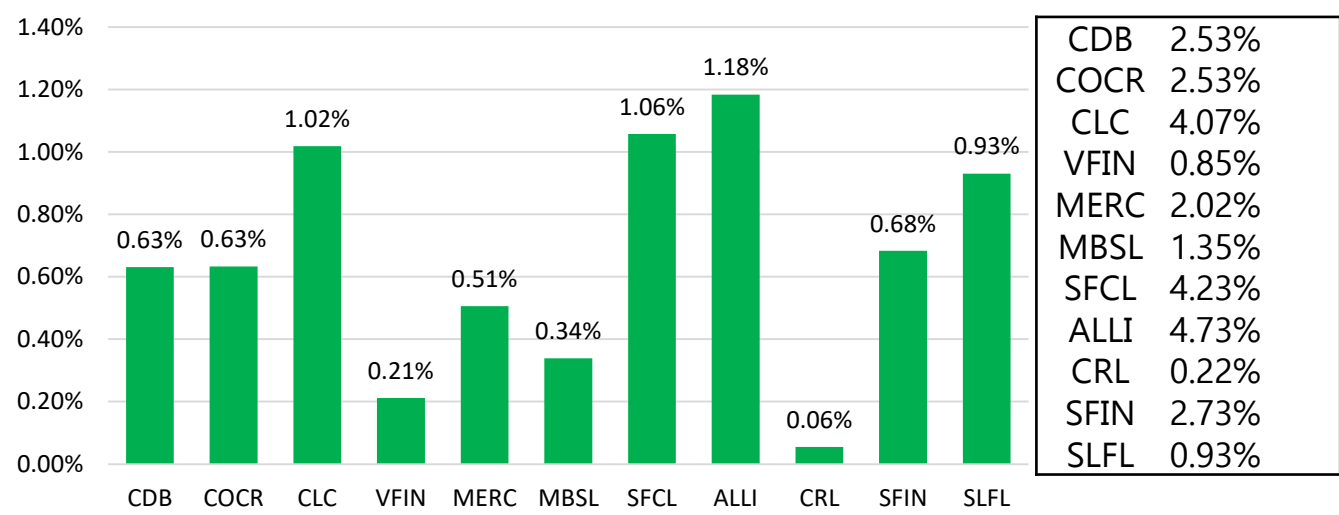
Net Profit Margin



Net Profit Margin =

Profit After Tax / Operating Income

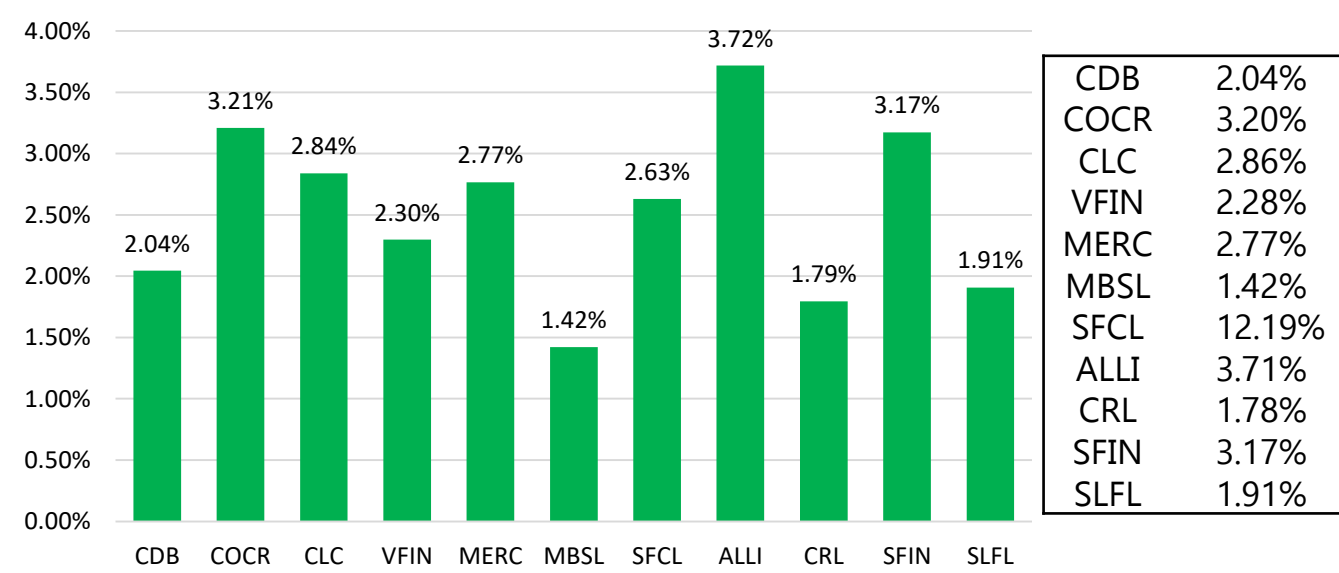
Impairment to Loan Book



Impairment / Loan Book Ratio =

Impairment / Average Loans

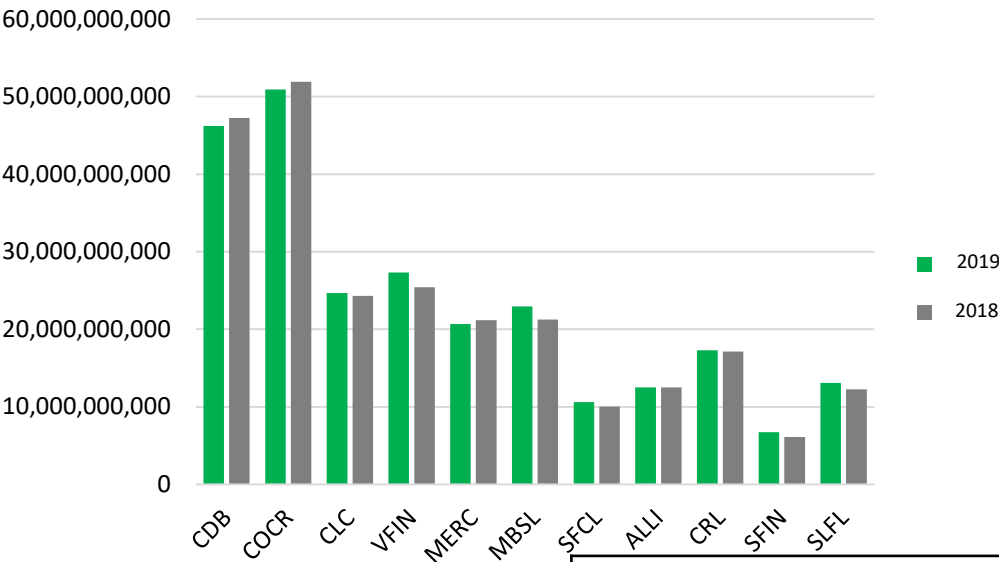
Net Interest Margin



Net Interest Margin =

Net Interest / Average Interest Bearing Assets

Deposit Growth

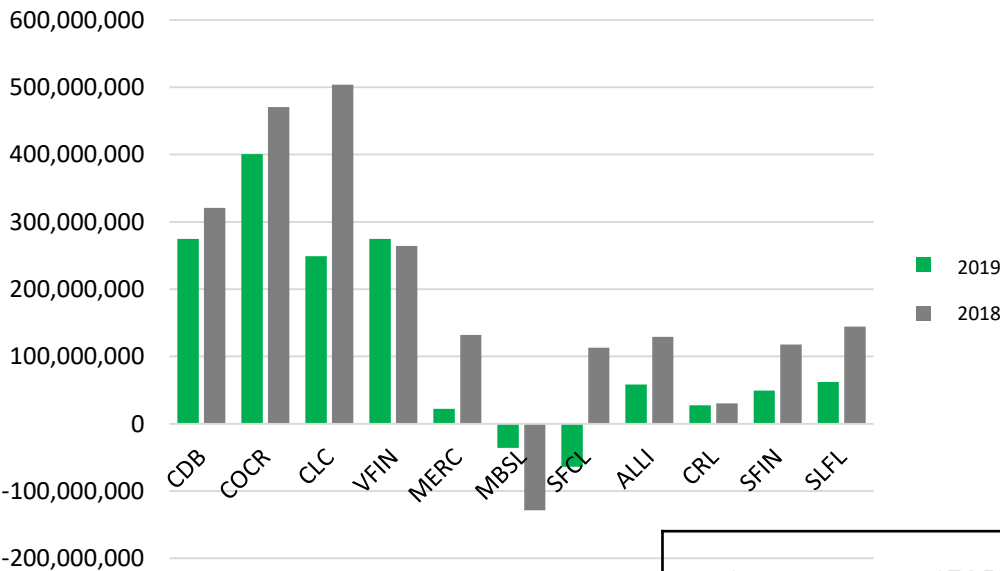


Deposit QOQ =

(Deposit base 1Q2019 /
Deposits 4Q2018) - 1

	2019	2018
CDB	46,210,190,000	47,236,367,000
COCR	50,929,192,765	51,908,367,338
CLC	24,690,456,000	24,315,717,000
VFIN	27,335,875,000	25,436,258,000
MERC	20,663,887,000	21,176,433,000
MBSL	22,927,307,000	21,234,288,000
SFCL	10,607,275,774	10,008,976,046
ALLI	12,489,542,099	12,493,682,808
CRL	17,271,843,362	17,115,400,246
SFIN	6,727,114,000	6,095,816,000
SLFL	13,095,739,000	12,263,181,000

Profit Growth



Net Profit Growth =

(Net profit 1Q2019 /
Net profit 1Q2018) - 1

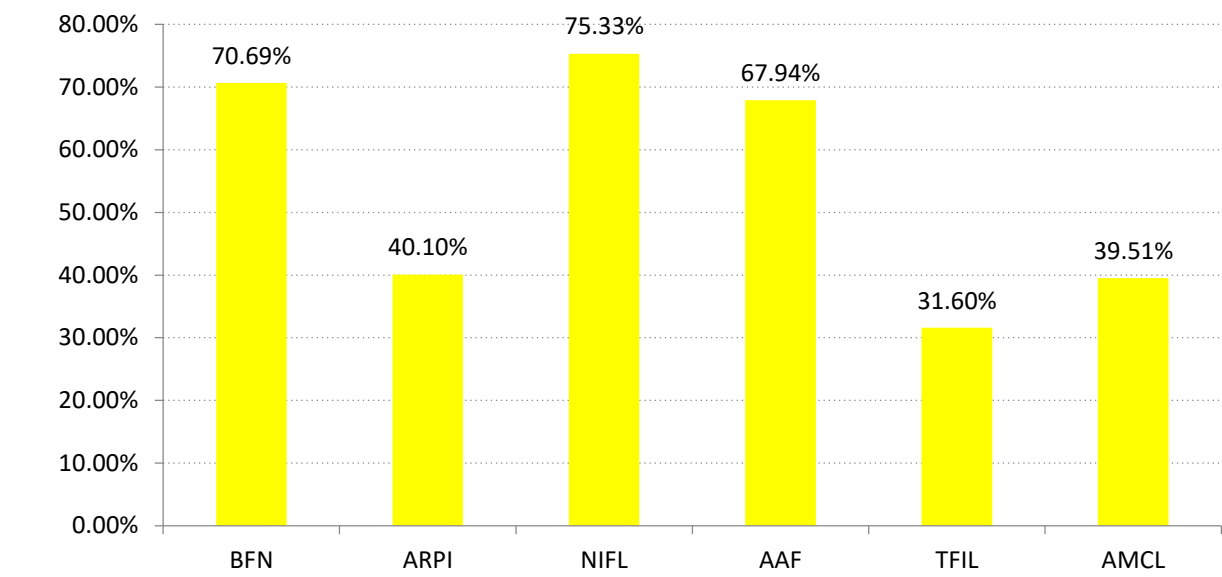
	2019	2018
CDB	274,507,000	320,746,000
COCR	400,343,172	470,473,795
CLC	249,131,000	503,771,000
VFIN	274,705,000	263,924,000
MERC	22,222,000	132,179,000
MBSL	-35,790,000	-128,493,000
SFCL	-63,907,133	112,966,805
ALLI	58,526,171	129,234,759
CRL	27,169,667	30,049,306
SFIN	49,026,000	117,640,000
SLFL	62,181,000	144,213,000

A dark, atmospheric architectural rendering of a modern building at night. The building features a complex, multi-level design with prominent balconies and large glass windows that reflect the ambient light. The overall tone is dark and moody, with the building's structure highlighted by subtle lighting effects.

Ranking for Category 3

- 
- 1 Trade Finance (TFIL)
 - 2 AMW Finance (AMCL)
 - 3 Asia Asset Finance (AAF)
 - 4 Arpico Finance (ARPI)
 - 5 LOLC Development Finance (NIFL)
 - 6 Orient Finance (BFN)

Cost to Income

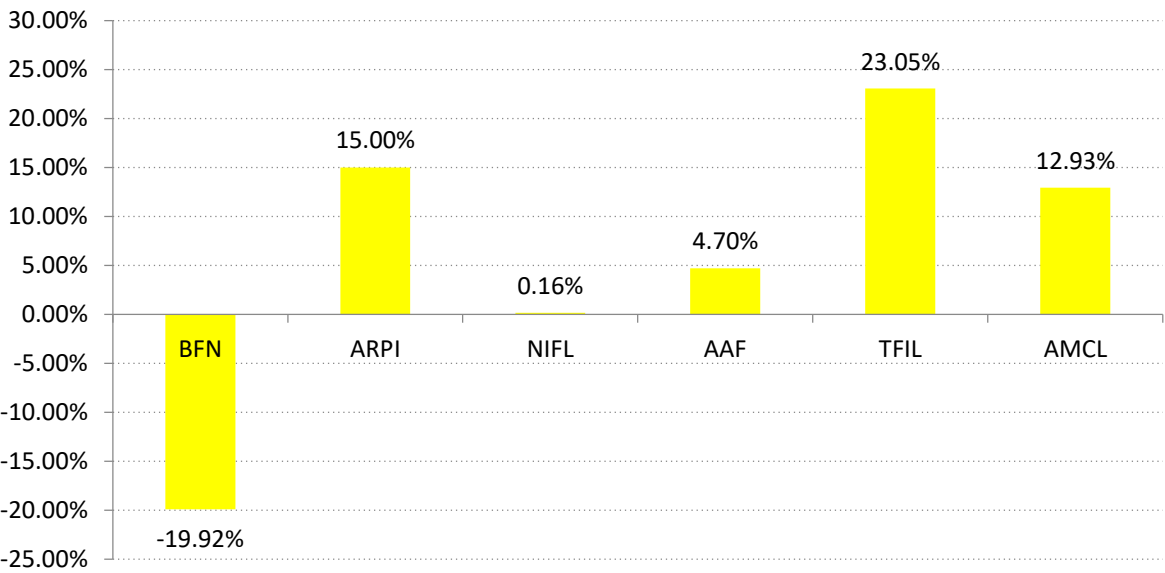


BFN	70.69%
ARPI	40.10%
NIFL	75.33%
AAF	67.94%
TFIL	31.60%
AMCL	39.51%

Cost / Income Ratio =

Operating Cost / Operating Income
(Net of Interest expense)

Return on Equity

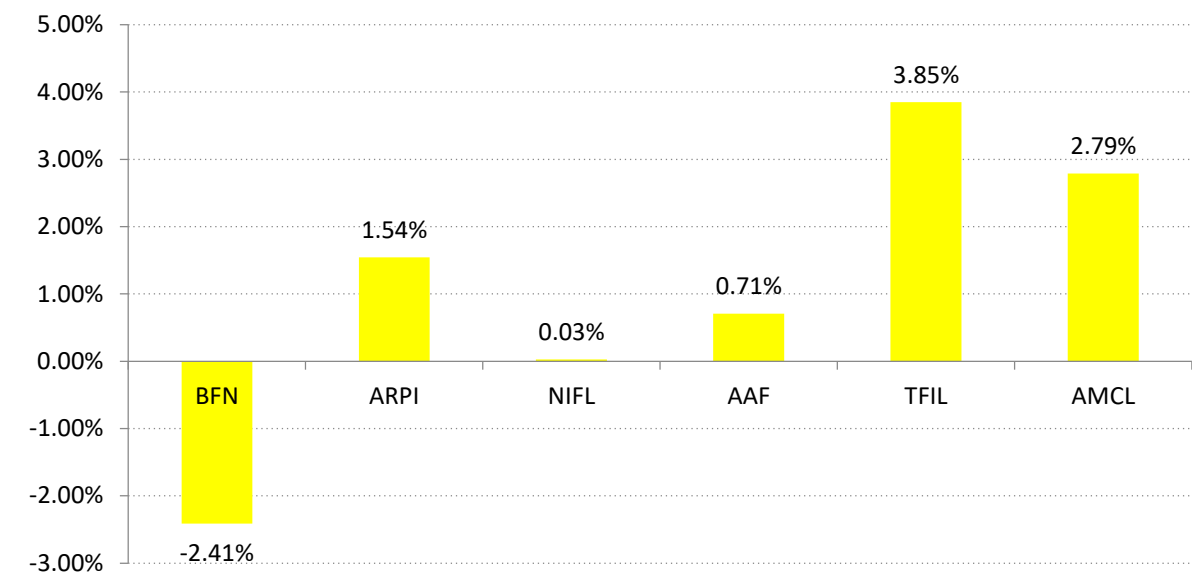


BFN	-19.92%
ARPI	15.00%
NIFL	0.16%
AAF	4.70%
TFIL	23.05%
AMCL	12.93%

Return on Equity =

Profit After Tax / Average Equity

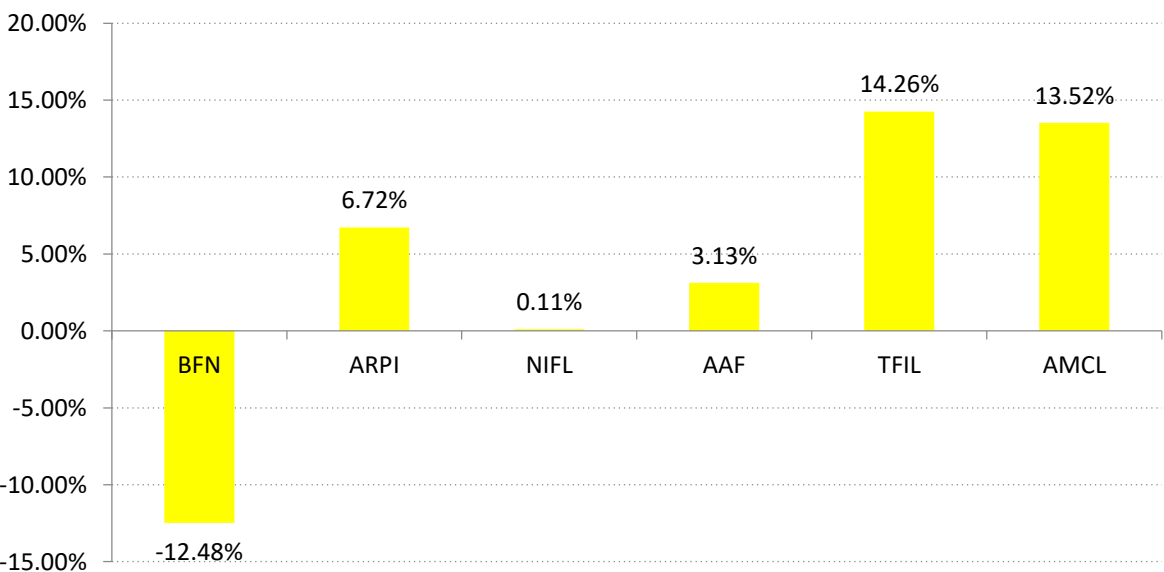
Return on Assets



BFN	-2.41%
ARPI	1.54%
NIFL	0.03%
AAF	0.71%
TFIL	3.85%
AMCL	2.79%

Return on Assets =
Profit After Tax / Average Assets

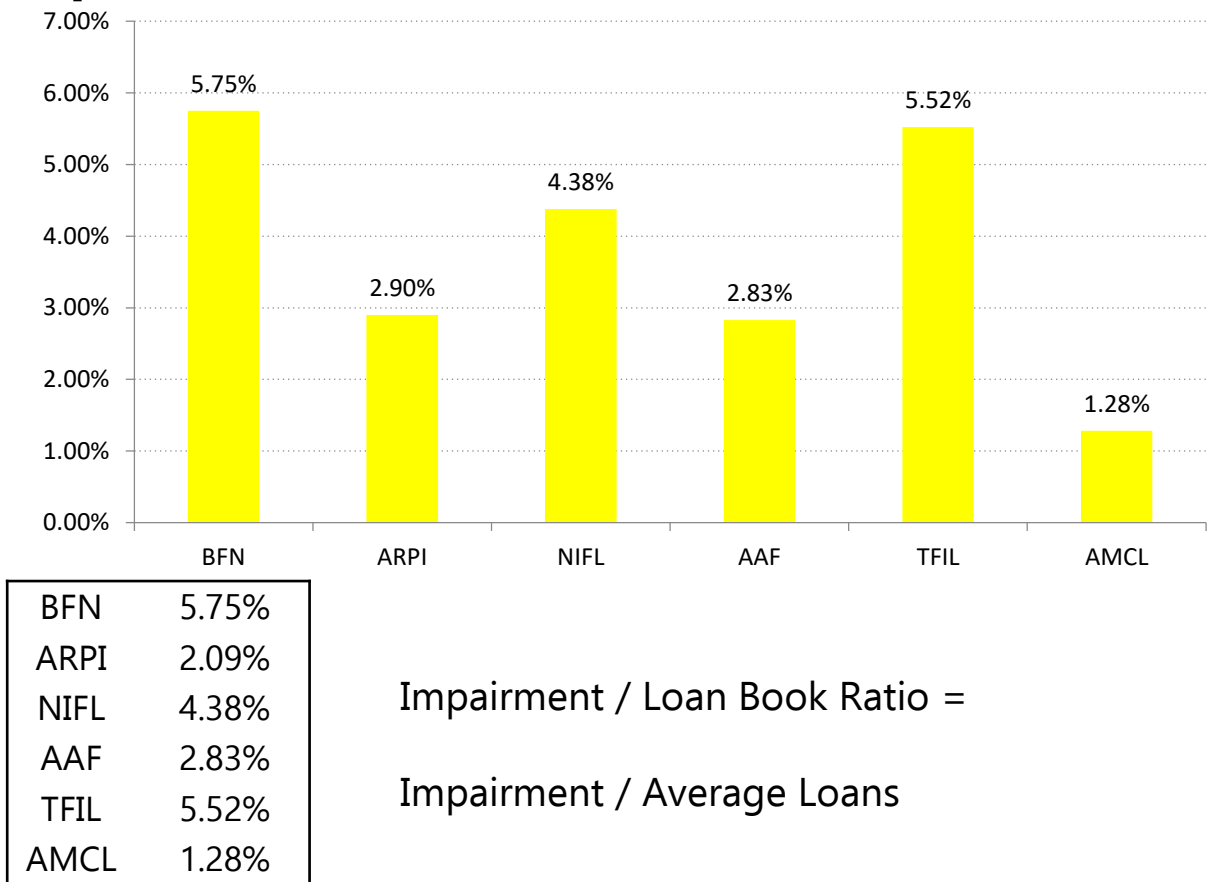
Net Profit Margin



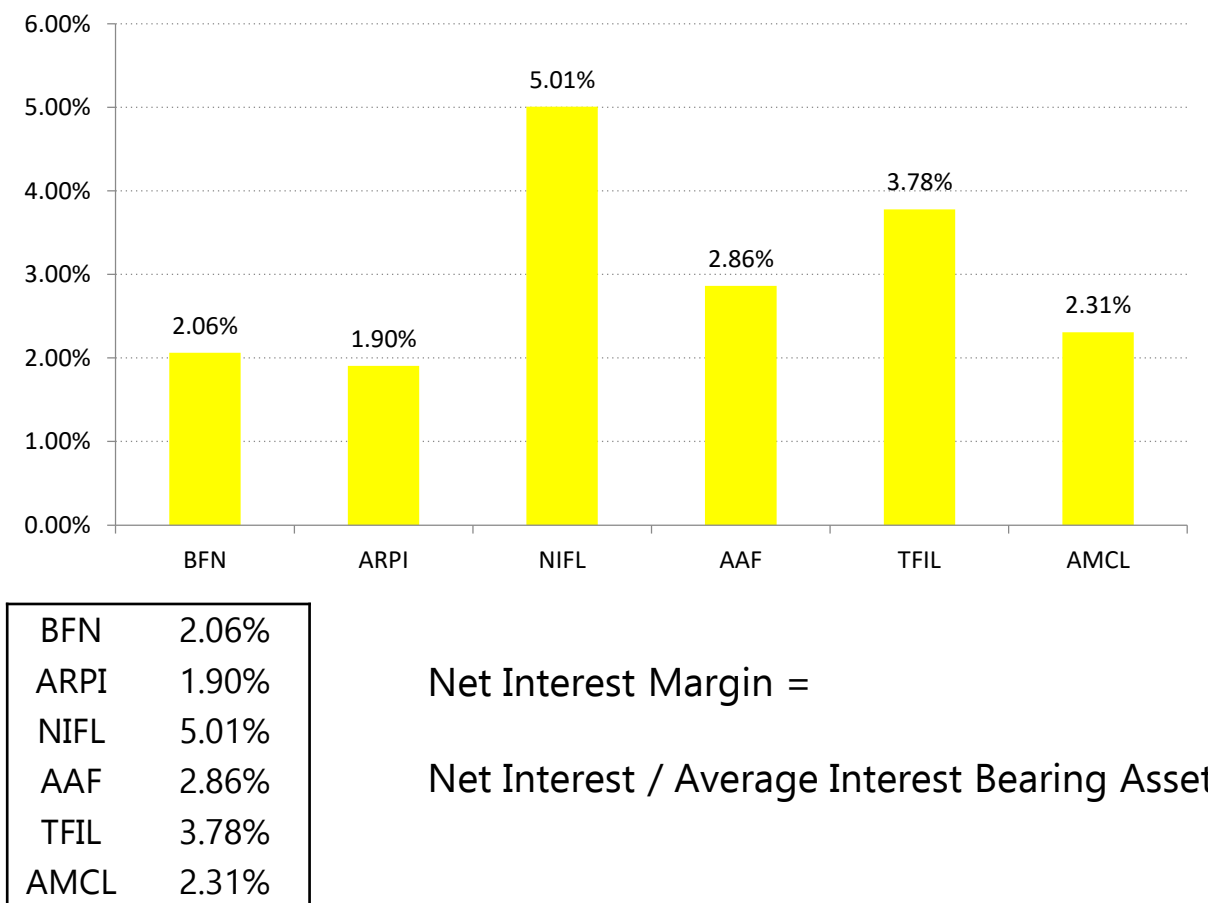
BFN	-12.48%
ARPI	6.72%
NIFL	0.11%
AAF	3.13%
TFIL	14.26%
AMCL	13.52%

Net Profit Margin =
Profit After Tax / Operating Income

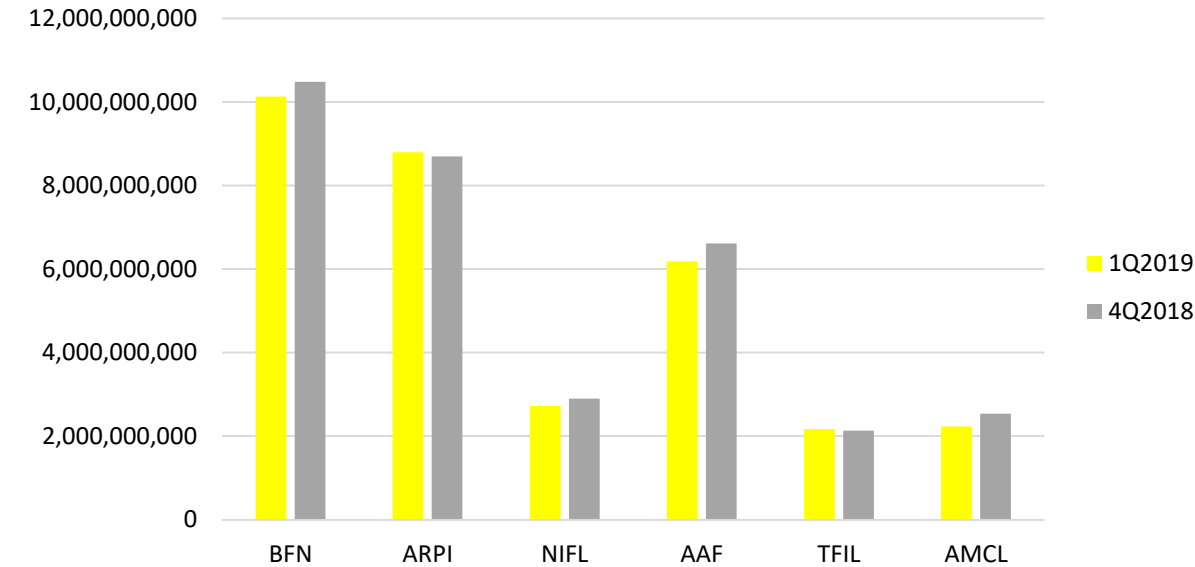
Impairment to Loan Book



Net Interest Margin



Deposit Growth

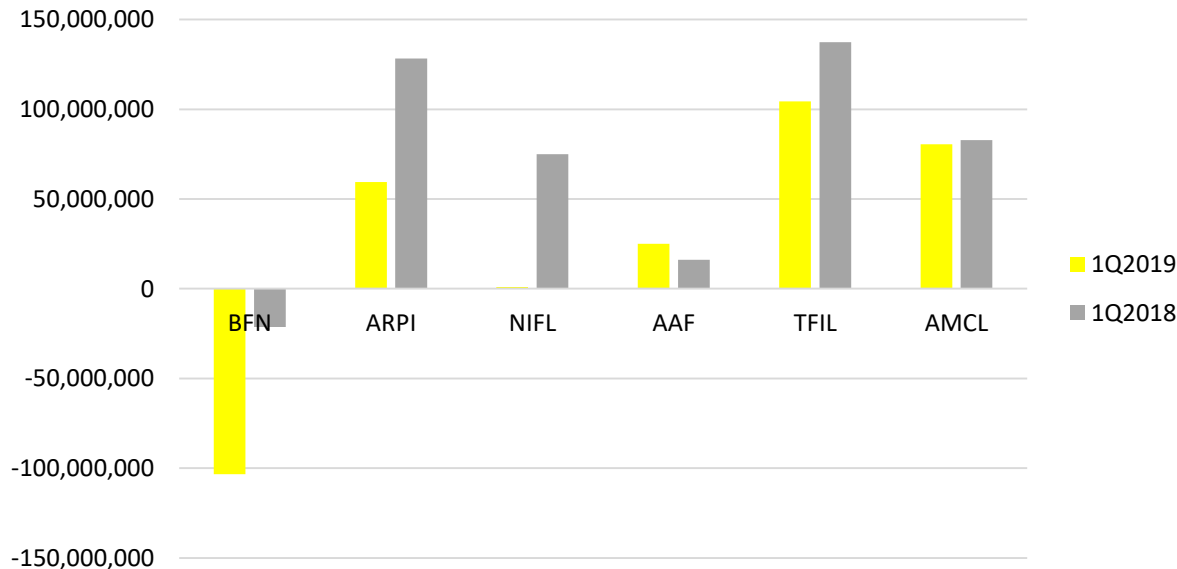


	1Q2019	4Q2018
BFN	10,128,208,476	11,601,144,821
ARPI	8,794,157,000	8,695,369,000
NIFL	2,721,741,000	4,867,932,000
AAF	6,182,130,813	6,240,138,763
TFIL	2,170,489,070	2,131,348,090
AMCL	2,229,825,059	2,538,274,881

Deposit QOQ =

(Deposit base 1Q2019 /
Deposits 4Q2018) - 1

Profit Growth



	1Q2019	4Q2018
BFN	-103,236,483	-21,252,724
ARPI	59,476,000	128,302,000
NIFL	1,045,000	74,901,000
AAF	25,014,301	16,043,398
TFIL	104,406,992	137,388,071
AMCL	80,446,706	82,849,573

Net Profit Growth =

(Net profit 1Q2019 /
Net profit 1Q2018) - 1

A dark, architectural rendering of a modern building with a glass facade and a staircase. The building is shown in silhouette against a dark background, with some light reflecting off the glass panels. The staircase is visible on the right side of the building.

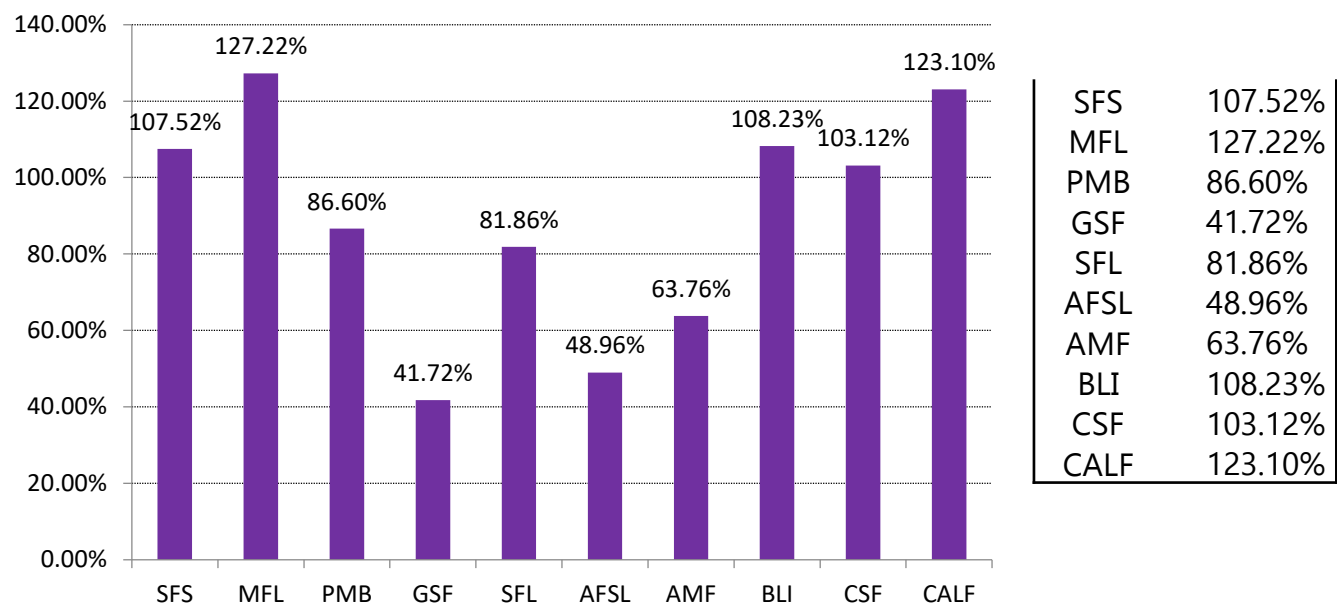
Ranking for Category 4

- 
- 1 Nation Lanka Finance PLC (CSF)
 - 2 Abans Finance PLC (AFSL)
 - 3 Sinhaputra Finance (SFL)
 - 4 Prime Finance (GSF)
 - 5 Swarnamahar Finance PLC (SFS)
 - 6 Associated Motor Finance (AMF)
 - 7 People's Merchant Finance (CSF)
 - 8 Dialog Finance (CALF)
 - 9 Bimpuh Finance (BLI)
 - 10 Multi Finance (MLF)

Note

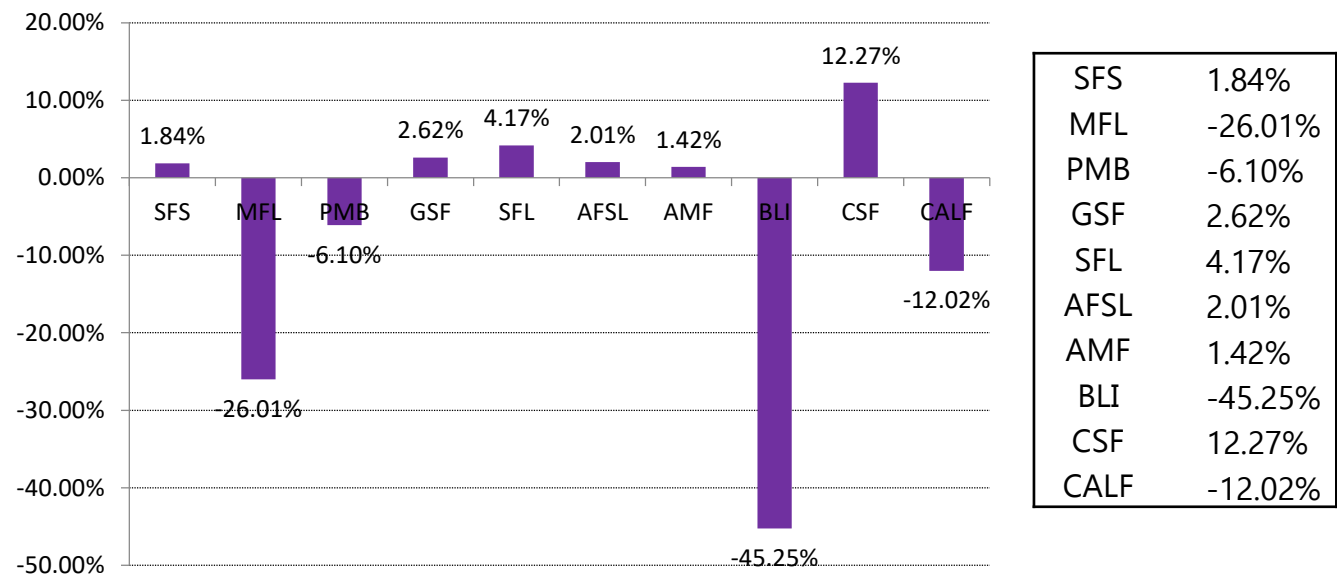
In terms of Section 8.5 of CSE listing rules, Sinhaputra Finance has received a notice of cancellation of the license granted to carry on finance business under Finance Business Act No 42 of 2011.

Cost to Income



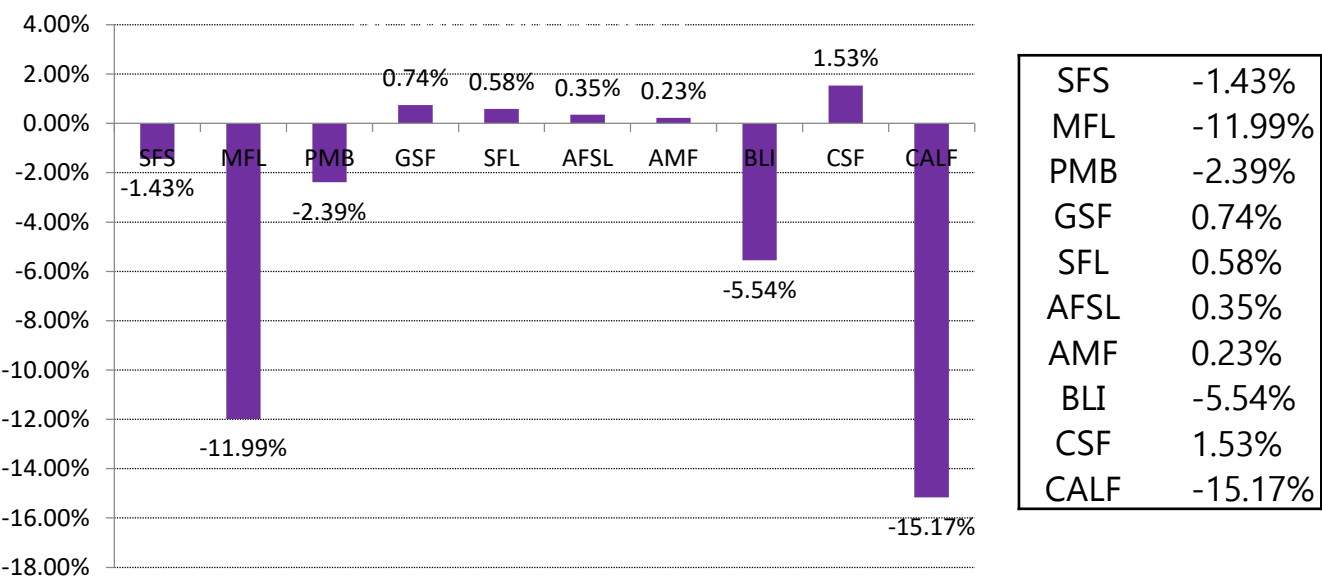
Cost / Income Ratio =
Operating Cost / Operating Income (Net of Interest Expense)

Return on Equity



Return on Equity =
Profit After Tax / Average Equity

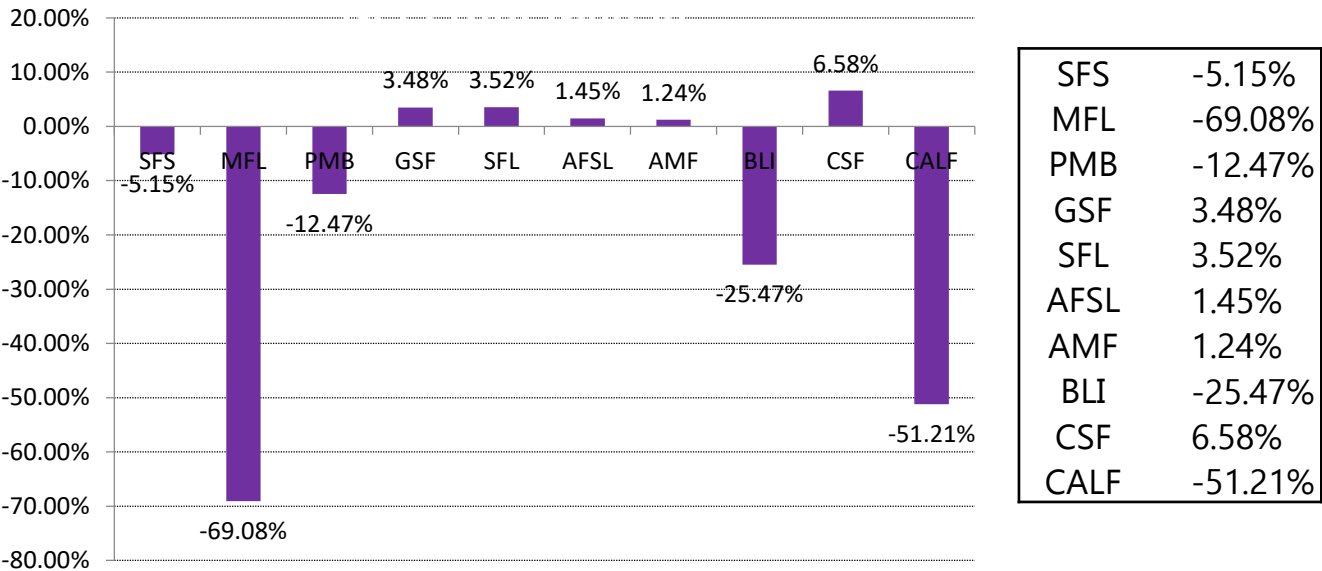
Return on Assets



Return on Assets =

Profit After Tax / Average Assets

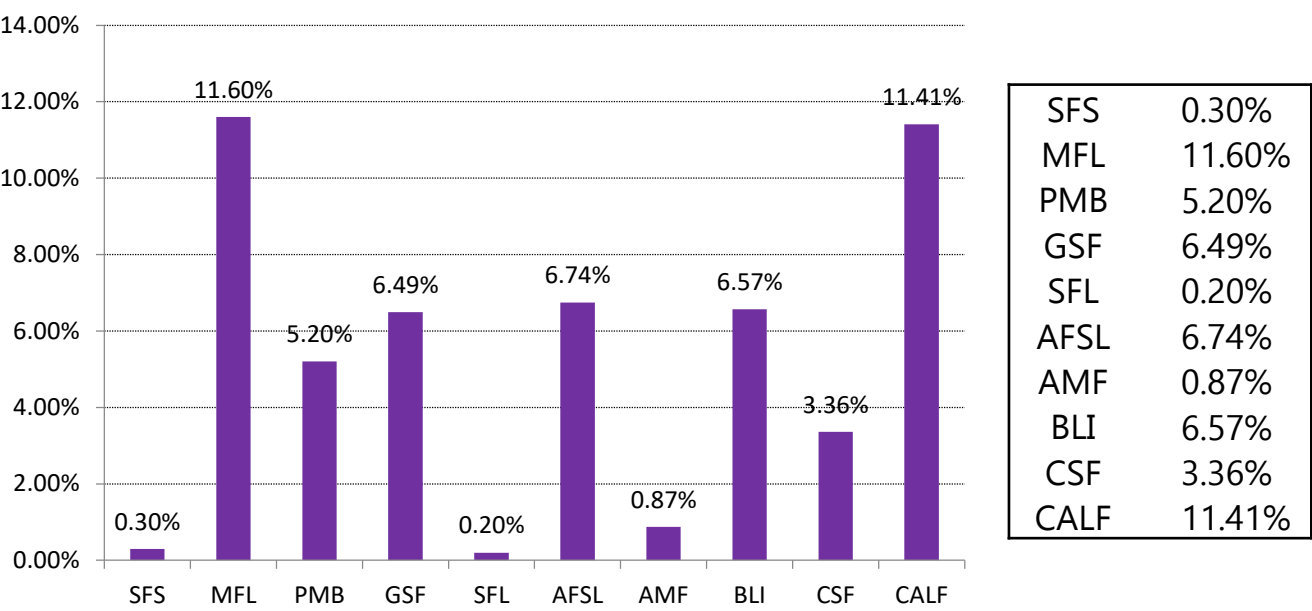
Net Profit Margin



Net Profit Margin =

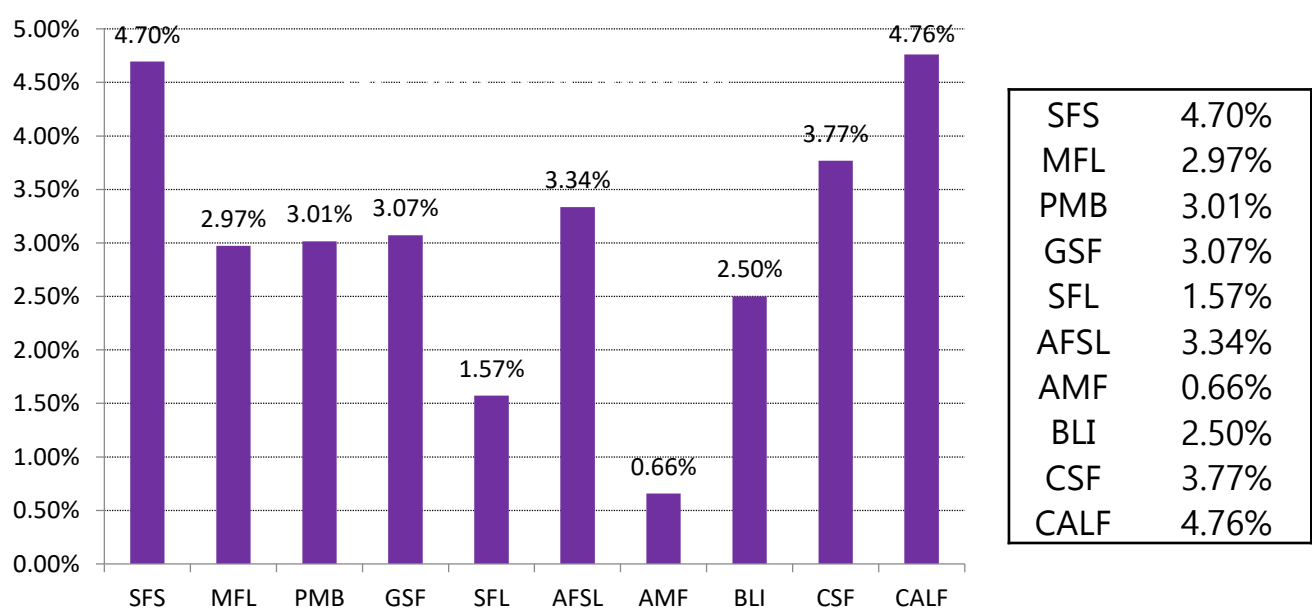
Profit After Tax / Operating Income

Impairment to Loan Book



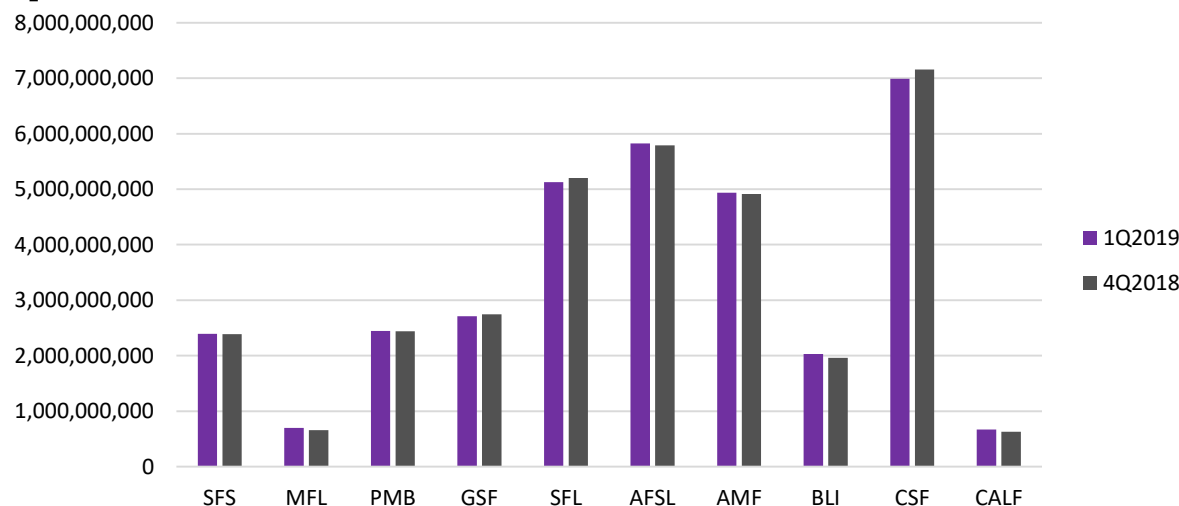
$$\text{Impairment / Loan Book Ratio} = \frac{\text{Impairment}}{\text{Average Loans}}$$

Net Interest Margin



$$\text{Net Interest Margin} = \frac{\text{Net Interest}}{\text{Average Interest Bearing Assets}}$$

Deposit Growth

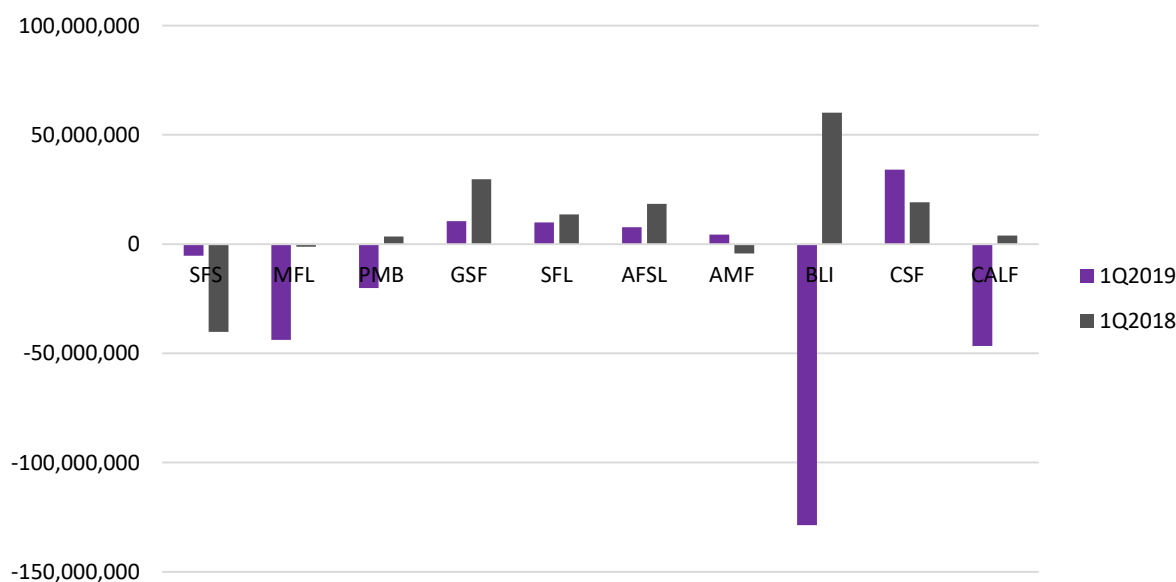


	4Q2018	1Q2019
SFS	2,391,556,294	2,389,472,931
MFL	701,404,842	660,625,888
PMB	2,447,847,000	2,438,729,000
GSF	2,712,187,123	2,746,322,013
SFL	5,128,543,930	5,200,880,599
AFSL	5,826,762,523	5,792,966,524
AMF	4,936,652,954	4,914,785,274
BLI	2,029,508,551	1,960,810,565
CSF	6,991,638,000	7,155,318,000
CALF	668,512,000	632,209,000

Deposit QOQ =

(Deposit base 1Q2019 /
Deposits 4Q2018) - 1

Profit Growth



	1Q2018	1Q2019
SFS	(5,373,683)	(40,245,489)
MFL	(43,863,614)	(1,166,159)
PMB	(20,189,000)	3,422,000
GSF	10,550,066	29,683,767
SFL	9,857,782	13,542,043
AFSL	7,732,218	18,386,296
AMF	4,286,947	(4,335,824)
BLI	(128,737,467)	60,111,479
CSF	34,052,000	19,177,000
CALF	(46,600,000)	3,912,665

Net Profit Growth =

(Net profit 1Q2019 /
Net profit 1Q2018) - 1

Directions, Circulars and Guidelines for Non-Banking Licensed Financial Companies

- 18.07.2019 Explanatory Note No. 1 of 2019 [Interpretations for Circular No.01 of 2019 on Concessions Granted to Tourism Industry](#)
- 04.06.2019 Finance Business Act Direction No. 2 of 2019 [Amendments to Directions on Loan to Value Ratios for Credit Facilities Granted in Respect of Motor Vehicles](#)
- 31.05.2019 Regulations No. 01 of 2019 [Priority of Claims in a winding up of Finance Company](#)
- 21.05.2019 Circular No. 1 of 2019 [Concessions Granted to Tourism Industry](#)
- 26.04.2019 Finance Business Act Direction No. 1 of 2019 [Maximum Interest Rates on Deposits and Debt Instruments](#)



News and Announcements

Company	Ticker	Date	Announcement
Senkadagala Finance	SFCL	12th April 2019	Cash Dividend - Final Dividend - Rs 0.60 per share
Alliance Finance	ALLI	28th June 2019	Cash Dividend - Final Dividend - Rs 1.00 per share
Softlogic Finance	CRL	06th April 2019	Private Placement of shares 2019
Arpico Finance	ARPI	24th May 2019	Corporate Disclosure - Arpico Finance Company PLC - Change in Rating
People's Merchant Finance PLC	PMB	08th May 2019	Corporate Disclosure - The Company Take-overs and Mergers
		10th May 2019	Corporate Disclosure - (01) Background to the Offer (02) Terms & Condition of offer (03) The Offeror (04) The Existing shareholding in the offeree (05) Furthur details of the Offer
		13th June 2019	Corporate Disclosure - Mandatory offer by Sterling Capital Investments (Private) Limited to Purchase all the remaining issued and paid up ordinary voting shares of People's Merchant Finance
		28th June 2019	MANDATORY OFFER BY STERLING CAPITAL INVESTMENTS (PRIVATE) LIMITED TO ACQUIRtr ALL THE REMAINING ORDINARY SHARES OF PEOPLE'S MERCHANT FINANCE
Dialog Finance	CALF	11th April 2019	Right Issue - 2019 Fianl figures in respect of the application processed
		26th April 2019	Right Issue - Notification on the Listing of Shares
Swarnamahahal Financial Services PLC	SFS	07th May 2019	Corporate Disclosure - Sale of Subsidiaries sub-subsidiaries and investments propreties of ETI Finance Ltd
		12th June 2019	Corporate Disclosure - Market Announcements on non-compliance with CSE Listing rules
Senkadagala Finance	SFCL	12th April 2019	Cash Dividend - Final Dividend - Rs 0.60 per share

Company	Ticker	Date	Announcement
LB Finance	LFIN	27th May 2019	Final Dividend - Rs 4.00 per share
Vallibel Finance PLC	VFIN	3rd June 2019	Final Dividend - Rs 4.00 per share
LOLC Finance PLC	LOLC	16th May 2019	Rights Issue- One (01) new Ordinary Share for every Four (04) Ordinary Shares, number of shares issued 1,050,000,000 consideration - 4.65
	LOLC	12th June 2019	Corporate Disclosure - (01) Subordinated, Unsecured, Listed, Redeemable, Rated Debenture Issue (2018/2023)- Proceeds utilization as at 31st March 2019
			(02) Right Issue - proceeds utilization as at 31st March 2019
	LOLC	20th June 2019	Right Issue - Granting in principle approval for the application for Listing of up to 1,050,000,000 ordinary voting shares subject to the conditions referred
	LOLC	28th June 2019	Right Issue - Issue of 1,050,000,000 ordinary shares by way of rights, to infuse equity capital of Rs.4,882,500,000
Central Finance	CF	27th May 2019	Scrip Dividend - Final Dividend - Rs 1.60 per share
		27th May 2019	Cash Dividend - Final Dividend - Rs 0.70 per share
Citizens Development Business Finance PLC	CDB	08th April 2019	Corporate Disclosure - CDB to amalgamate Unisons Capital Leasing limited and Fortune Properties Private limited
		24th June 2019	Right Issue - 2019 Fianl figures in respect of the application processed
Siyapatha Finance	SLFL	31st May 2019	Corporate Disclosure - Declaration of Scrip Dividend of Rs 0.50 per share for the year ended 31st December 2018
		13th June 2019	Debenture Issue - Issue Listed, Rated, Unsecured, Subordinated five (05) year Debentures upto a minimum of Rs. 1.0 Bn with an option to increase by a furrher Rs. 500.0 Mn



Share Price Details

Category 1

Share Price		LOLC		PLC		LB		CF	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	3.8	4.2	14.5	16.1	129	126	94	103
Lowest	Rs.	4.1	3.4	13	15	114	118.5	83	80.1
Closing	Rs.	2.8	3.5	14	15.3	120	120.3	87.5	84.5
Number of Ordinary Shares Issued		4,200,000,000		1,579,862,482		138,514,284		220,674,367	

Category 2

Share Price		CDB		CC		CLC		VF	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	83	94	29.9	45	3	3	73.1	72
Lowest	Rs.	65.8	80	21.7	42.5	2	2.3	64	63.1
Closing	Rs.	81.4	85.1	27.9	34.2	2.8	2.3	64.5	65
Number of Ordinary Shares Issued		67,881,508		318,074,365		6,377,711,170		58,863,350	

Share Price		MI		Siyapatha		MBSL		Senkadagala	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	2600	0	10.7	14				
Lowest	Rs.	2600	0	8.3	9.5				
Closing	Rs.	2600	0	8.5	10				
		*Not Traded				*Not Traded			
Number of Ordinary Shares Issued		3,006,000		73,312,409		165,874,541		72,475,061	

Share Price		Alliance		Softlogic		Singer Finance	
		30.06.19	30.06.18	30.06.2019	30.06.18	30.06.19	30.06.18
Highest	Rs.	54.5	72.5	25	37	13.6	16.4
Lowest	Rs.	45	65.2	19	25.1	11.9	14.1
Closing	Rs.	48.1	68	23.4	30	12.3	14.3
Number of Ordinary Shares Issued		33,696,000		67928384		202,074,075	

Category 3

Share Price		Orient		Arpico		LOLC Dev.	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	13.7	19.5	174.4	165	49	
Lowest	Rs.	10.2	12.6	145	140	30.4	
Closing	Rs.	11.8	13.1	146.2	150	40	
Number of Ordinary Shares Issued		148,018,370		7,437,500		237,943,274	

Share Price		Asia Asset		Trade		AMW	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	8.8	9	82.5	71	22.4	22.4
Lowest	Rs.	7	7.8	50	65	22.4	22.4
Closing	Rs.	7.5	8.4	70	68	22.4	22.4
*Not Traded							
Number of Ordinary Shares Issued		124,195,533		56800400			

Category 4

Share Price		Bimputh		Nation Lanka		Abans	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	28.3	40	0.7	1	17.5	
Lowest	Rs.	18.5	30	0.4	0.7	12	
Closing	Rs.	19.2	39.7	0.5	0.8	16.5	
Number of Ordinary Shares Issued		107,733,344		1,353,792,606		66,561,573	

Share Price		Sinhaputhra		Prime Finance		People's Merchant	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	10.4	12.8	19	24	9.8	13.5
Lowest	Rs.	7.3	8.5	14.2	18.8	8.8	10.1
Closing	Rs.	9	9.1	16.5	19.9	8.9	10.2
Number of Ordinary Shares Issued		62958930		79,200,000		210875000	

Share Price		Associated Motor		Dialog		Multi		Swarnamahahal	
		30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18	30.06.19	30.06.18
Highest	Rs.	518	450	41.6	78.7	19.9	16.5	-	2.6
Lowest	Rs.	351.2	400.1	30	28.6	12.3	12	-	1.4
Closing	Rs.	437.4	400	34.9	39.9	13	13.1	-	1.7
Number of Ordinary Shares Issued		5,608,355		91,336,974		63,610,181		500,000,140	

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