

# INTERIM FINANCIAL STATEMENTS

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PEOPLE'S MERCHANT FINANCE PLC

*For the period ended 30th June 2019*



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**INTERIM  
FINANCIAL  
STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**

As at	Company			Group		
	30.06.19 Unaudited* Rs. '000	31.03.19 Audited Rs. '000	Change %	30.06.19 Unaudited* Rs. '000	31.03.19 Audited Rs. '000	Change %
<b>Assets</b>						
Cash and cash equivalents	524,667	226,281	131.9	524,923	226,537	131.7
Balances with banks and financial institutions	1,052,776	56,747	1,755.2	1,052,776	56,747	1,755.2
Financial assets measured at amortised cost - Loans and advances	2,177,507	2,504,264	(13.0)	2,177,507	2,504,264	(13.0)
Investments in securities	2,054	2,142	(4.1)	2,054	2,142	(4.1)
Property, plant and equipment	12,534	13,568	(7.6)	12,534	13,568	(7.6)
Intangible assets	4,315	5,125	(15.8)	4,315	5,125	(15.8)
Other Assets	95,282	85,256	11.8	95,282	85,256	11.8
<b>Total Assets</b>	<b>3,869,135</b>	<b>2,893,383</b>	<b>33.7</b>	<b>3,869,391</b>	<b>2,893,639</b>	<b>33.7</b>
<b>Liabilities</b>						
Due to banks	-	219,144	(100.0)	-	219,144	(100.0)
Financial liabilities at amortised cost - due to depositors	2,447,847	2,434,733	0.5	2,447,847	2,434,733	0.5
Debt securities issued	15,550	15,400	1.0	15,550	15,400	1.0
Other liabilities	80,980	81,147	(0.2)	81,258	81,425	(0.2)
<b>Total Liabilities</b>	<b>2,544,377</b>	<b>2,750,424</b>	<b>(7.5)</b>	<b>2,544,655</b>	<b>2,750,702</b>	<b>(7.5)</b>
<b>Equity</b>						
Stated capital	2,440,290	1,238,302	97.1	2,440,290	1,238,302	97.1
Statutory reserve fund	7,259	7,259	-	7,259	7,259	-
Accumulated losses	(1,122,791)	(1,102,602)	1.8	(1,122,813)	(1,102,624)	1.8
<b>Total Equity</b>	<b>1,324,758</b>	<b>142,959</b>	<b>826.7</b>	<b>1,324,736</b>	<b>142,937</b>	<b>826.8</b>
<b>Total Liabilities &amp; Equity</b>	<b>3,869,135</b>	<b>2,893,383</b>	<b>33.7</b>	<b>3,869,391</b>	<b>2,893,639</b>	<b>33.7</b>
Contingent liabilities and commitments	75,961	47,431	60.2	75,961	47,431	60.2
Net assets value per ordinary share (Rs.)	6.28	1.69	270.7	6.28	1.69	270.7

**CERTIFICATION**

We certify that the above interim financial statements are in compliance with the requirement of the Companies Act No 07 of 2007.

(Signed)

**Aloka Hewawasam**  
Manager - Finance

(Signed)

**Nishantha Gunasekera**  
Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.

Approved and signed for and on behalf of the Board of Directors.

(Signed)

**Chandula Abeywickrema**  
Chairman

(Signed)

**Channa Manoharan**  
Director

25th July 2019  
Colombo

Figures in brackets indicate deductions.

\*The above figures are provisional and subject to audit.

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**STATEMENT OF PROFIT OR LOSS**

For the three months ended 30th June	Company			Group		
	30/06/19	30/06/18	Change %	30/06/19	30/06/18	Change %
	Unaudited* Rs. '000	Unaudited* Rs. '000		Unaudited* Rs. '000	Unaudited* Rs. '000	
Interest income	153,033	117,115	30.7	153,033	117,115	30.7
Less: Interest expense	82,300	82,451	(0.2)	82,300	82,451	(0.2)
<b>Net interest income</b>	<b>70,733</b>	<b>34,664</b>	104.1	<b>70,733</b>	<b>34,664</b>	104.1
Fee and commission income	861	1,757	(51.0)	861	1,757	(51.0)
Net fair value gain/(loss) from financial assets at FVTPL	(87)	(123)	(29.1)	(87)	(123)	(29.1)
Other operating income	8,073	20,861	(61.3)	8,073	20,861	(61.3)
<b>Total operating income</b>	<b>79,580</b>	<b>57,159</b>	39.2	<b>79,580</b>	<b>57,159</b>	39.2
Less: Net impairment charges /(reversal) on financial assets	30,503	(3,870)	(888.2)	30,503	(3,870)	(888.2)
<b>Net operating income</b>	<b>49,077</b>	<b>61,029</b>	(19.6)	<b>49,077</b>	<b>61,029</b>	(19.6)
Less: Staff costs	31,845	27,948	13.9	31,845	27,948	13.9
Depreciation & Amortisation	1,906	1,544	23.4	1,906	1,544	23.4
Other expenses	35,164	28,115	25.1	35,164	28,115	25.1
<b>Operating profit/(loss) before VAT &amp; NBT on financial services</b>	<b>(19,838)</b>	<b>3,422</b>	679.7	<b>(19,838)</b>	<b>3,422</b>	679.7
Less : VAT & NBT on financial services	-	-	-	-	-	-
Debt Repayment Levy	351	-	100.0	351	-	100.0
<b>Profit/(Loss) before income tax</b>	<b>(20,189)</b>	<b>3,422</b>	690.0	<b>(20,189)</b>	<b>3,422</b>	690.0
Less: Income tax expense	-	-	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>(20,189)</b>	<b>3,422</b>	690.0	<b>(20,189)</b>	<b>3,422</b>	690.0
Basic loss per ordinary share - (Rs)	(0.10)	0.05	288.8	(0.10)	0.05	288.8
<i>Figures in brackets indicate deductions.</i>						
<i>*The above figures are provisional and subject to audit.</i>						

**INTERIM  
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**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the three months ended 30th June	Company			Group		
	30/06/19 Unaudited* Rs. '000	30/06/18 Unaudited* Rs. '000	Change %	30/06/19 Unaudited* Rs. '000	30/06/18 Unaudited* Rs. '000	Change %
<b>Profit / (Loss) for the period</b>	(20,189)	3,422	690.0	(20,189)	3,422	690.0
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified to profit or loss</b>						
Net change in fair value of available for sale reserve	-	-	-	-	-	-
Available for sale reserve re-classification to income statement	-	-	-	-	-	-
Related taxes	-	-	-	-	-	-
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Deffered tax effect on actuarial loss	-	-	-	-	-	-
<b>Other comprehensive income/(expense) for the period</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	(20,189)	3,422	690.0	(20,189)	3,422	690.0

*Figures in brackets indicate deductions.*

*\*The above figures are provisional and subject to audit.*

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**STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Stated Capital Rs. '000	Statutory Reserve Fund Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
<b>Balance as at 1st April 2018</b>	<b>1,078,227</b>	<b>7,259</b>	<b>(895,795)</b>	<b>189,691</b>
Profit/(Loss) for the quarter ended 30.06.2018	-	-	3,422	3,422
Other comprehensive income/(Loss) for the quarter (net of tax)	-	-	-	-
<b>Total comprehensive income/(expense) for the quarter ended 30.06.2018</b>	<b>-</b>	<b>-</b>	<b>3,422</b>	<b>3,422</b>
<b>Balance as at 30th June 2018</b>	<b>1,078,227</b>	<b>7,259</b>	<b>(892,373)</b>	<b>193,113</b>
<b>Balance as at 1st April 2019</b>	<b>1,238,302</b>	<b>7,259</b>	<b>(1,102,602)</b>	<b>142,959</b>
Profit/(Loss) for the quarter ended 30.06.2019	-	-	(20,189)	(20,189)
Right issue of Shares	1,201,988	-	-	1,201,988
Other comprehensive income/(Loss) for the quarter (net of tax)	-	-	-	-
<b>Total comprehensive income/(expense) for the quarter ended 30.06.2019</b>	<b>1,201,988</b>	<b>-</b>	<b>(20,189)</b>	<b>1,181,799</b>
<b>Balance as at 30th June 2019</b>	<b>2,440,290</b>	<b>7,259</b>	<b>(1,122,791)</b>	<b>1,324,758</b>
<i>Figures in brackets indicate deductions.</i>				
<i>*The above figures are provisional and subject to audit.</i>				

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**STATEMENT OF CHANGES IN EQUITY - GROUP**

	Stated Capital Rs. '000	Statutory Reserve Fund Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
<b>Balance as at 1st April 2018</b>	<b>1,078,227</b>	<b>7,259</b>	<b>(870,742)</b>	<b>214,744</b>
Profit/(Loss) for the quarter ended 30.06.2018	-	-	3,422	3,422
Other comprehensive income/(Loss) for the quarter (net of tax)	-	-	-	-
<b>Total comprehensive income/(expense) for the quarter ended 30.06.2018</b>	<b>-</b>	<b>-</b>	<b>3,422</b>	<b>3,422</b>
<b>Balance as at 30th June 2018</b>	<b>1,078,227</b>	<b>7,259</b>	<b>(867,320)</b>	<b>218,166</b>
<b>Balance as at 1st April 2019</b>	<b>1,238,302</b>	<b>7,259</b>	<b>(1,102,624)</b>	<b>142,937</b>
Profit/(Loss) for the quarter ended 30.06.2019	-	-	(20,189)	(20,189)
Right issue of Shares	1,201,988	-	-	1,201,988
Other comprehensive income/(Loss) for the quarter (net of tax)	-	-	-	-
<b>Total comprehensive income/(expense) for the quarter ended 30.06.2019</b>	<b>1,201,988</b>	<b>-</b>	<b>(20,189)</b>	<b>1,181,799</b>
<b>Balance as at 30th June 2019</b>	<b>2,440,290</b>	<b>7,259</b>	<b>(1,122,813)</b>	<b>1,324,736</b>
<i>Figures in brackets indicate deductions.</i>				
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**STATEMENT OF CASH FLOWS**

For the three months ended 30th June	COMPANY		GROUP	
	2019 Unaudited* Rs '000	2018 Unaudited Rs '000	2019 Unaudited* Rs '000	2018 Unaudited Rs '000
<b>Cash flows from operating activities</b>				
<b>Loss before taxation</b>	(20,189)	3,422	(20,189)	3,422
<b>Adjustment for:</b>				
<b>Non-cash items included in Loss before tax</b>				
Reversal of interest from investing activities	(21,676)	(5,981)	(21,676)	(5,981)
Reversal of fair value change on shares	88	124	88	124
Dividend income from investments	(11)	-	(11)	-
Depreciation of property, plant & equipment	1,095	807	1,095	807
Amortization of intangible assets	810	737	810	737
Gain on disposal of property, plant & equipment	231	-	231	-
Impairment on Loans and receivables and other losses	30,503	(3,870)	30,503	(3,870)
<b>Changes in</b>				
Loans and advances to customers	296,253	(139,852)	296,253	(139,852)
Other assets	(10,026)	(122)	(10,026)	(122)
Operating liabilities	(16)	(18,797)	(16)	(18,528)
Due to customers	13,114	23,113	13,114	23,113
Gratuity paid	-	(114)	-	(114)
Income Tax paid	-	-	-	-
<b>Net cash generated from/(used in) operating activities</b>	<b>290,176</b>	<b>(140,533)</b>	<b>290,176</b>	<b>(140,264)</b>
<b>Cash Flows from Investing Activities</b>				
Interest income on short term investment	21,676	5,981	21,676	5,981
Net investment in fixed deposits	(996,029)	(4,479)	(996,029)	(4,479)
Purchase of property, plant & equipment	(61)	(2,117)	(61)	(2,117)
Purchase of intangible assets	-	-	-	-
Proceeds from sale of property, plant & equipment	(231)	-	(231)	-
Dividend received from investments	11	-	11	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(974,634)</b>	<b>(615)</b>	<b>(974,634)</b>	<b>(615)</b>
<b>Cash Flows from Financing Activities</b>				
Issue of new shares	1,201,988	-	1,201,988	-
Net borrowings	-	-	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>1,201,988</b>	<b>-</b>	<b>1,201,988</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>517,530</b>	<b>(141,148)</b>	<b>517,530</b>	<b>(140,879)</b>
Cash and cash equivalents at the beginning of the period	7,137	193,389	7,393	193,389
<b>Cash and cash equivalents at the end of the period</b>	<b>524,667</b>	<b>52,241</b>	<b>524,923</b>	<b>52,510</b>
<b>Cash and cash equivalents at the end of the period</b>				
Cash, Current and Savings Accounts at the end of the period	524,667	255,320	524,923	255,589
Bank Overdraft at the end of the period	-	(203,079)	-	(203,079)
	<b>524,667</b>	<b>52,241</b>	<b>524,923</b>	<b>52,510</b>

Figures in brackets indicate deductions.

\*The above figures are provisional and subject to audit.



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**ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS**

As at 30th June 2019	Company		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>			
Cash and cash equivalents	-	524,667	524,667
Balances with banks and financial institutions	-	1,052,776	1,052,776
Financial assets measured at amortised cost - Loans and advances	-	2,177,507	2,177,507
Investments in securities	2,054	-	2,054
<b>Total Financial Assets</b>	<b>2,054</b>	<b>3,754,950</b>	<b>3,757,004</b>
<b>Liabilities</b>			
Due to banks	-	-	-
Financial liabilities at amortised cost - due to depositors	-	2,447,847	2,447,847
Debt securities issued	-	15,550	15,550
<b>Total Liabilities</b>	<b>-</b>	<b>2,463,397</b>	<b>2,463,397</b>
As at 31st March 2019	Company		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>			
Cash and cash equivalents	-	226,281	226,281
Balances with banks and financial institutions	-	56,747	56,747
Financial assets measured at amortised cost - Loans and advances	-	2,504,264	2,504,264
Investments in securities	2,142	-	2,142
<b>Total Financial Assets</b>	<b>2,142</b>	<b>2,787,292</b>	<b>2,789,434</b>
<b>Liabilities</b>			
Due to banks	-	219,144	219,144
Financial liabilities at amortised cost - due to depositors	-	2,434,733	2,434,733
Debt securities issued	-	15,400	15,400
<b>Total Liabilities</b>	<b>-</b>	<b>2,669,277</b>	<b>2,669,277</b>

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**ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS**

As at 30th June 2019	Group		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>			
Cash and cash equivalents	-	524,923	524,923
Balances with banks and financial institutions	-	1,052,776	1,052,776
Financial assets measured at amortised cost - Loans and advances	-	2,177,507	2,177,507
Investments in securities	2,054	-	2,054
<b>Total Financial Assets</b>	<b>2,054</b>	<b>3,755,206</b>	<b>3,757,260</b>
<b>Liabilities</b>			
Due to banks	-	-	-
Financial liabilities at amortised cost - due to depositors	-	2,447,847	2,447,847
Debt securities issued	-	15,550	15,550
<b>Total Liabilities</b>	<b>-</b>	<b>2,463,397</b>	<b>2,463,397</b>
As at 31st March 2019	Group		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>			
Cash and cash equivalents	-	226,537	226,537
Balances with banks and financial institutions	-	56,747	56,747
Financial assets measured at amortised cost - Loans and advances	-	2,504,264	2,504,264
Investments in securities	2,142	-	2,142
<b>Total Financial Assets</b>	<b>2,142</b>	<b>2,787,548</b>	<b>2,789,690</b>
<b>Liabilities</b>			
Due to banks	-	219,144	219,144
Financial liabilities at amortised cost - due to depositors	-	2,434,733	2,434,733
Debt securities issued	-	15,400	15,400
<b>Total Liabilities</b>	<b>-</b>	<b>2,669,277</b>	<b>2,669,277</b>

**INTERIM  
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SEGMENTAL ANALYSIS**

Rs. '000

For the quarter ended 30th June	Leasing & Hire Purchases		Loans and Pawning		Margin Trading		Other		Total Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Income</b>										
Interest income	83,753	71,585	31,436	27,000	6,146	6,334	31,698	12,196	153,033	117,115
Fee and commission income	686	1,757	174	-	-	-	-	-	861	1,757
Other operating income	1,219	9,830	6,462	11,105	-	-	305	(197)	7,986	20,738
<b>Gross revenue</b>	<b>85,658</b>	<b>83,172</b>	<b>38,072</b>	<b>38,105</b>	<b>6,146</b>	<b>6,334</b>	<b>32,003</b>	<b>11,999</b>	<b>161,879</b>	<b>139,610</b>
Less: Interest expenses	57,711	48,401	19,539	26,638	3,697	6,374	1,353	1,038	82,300	82,451
<b>Total operating income</b>	<b>27,947</b>	<b>34,771</b>	<b>18,533</b>	<b>11,467</b>	<b>2,449</b>	<b>(40)</b>	<b>30,650</b>	<b>10,961</b>	<b>79,579</b>	<b>57,159</b>
Net impairment charges/(reversal)	16,005	(5,009)	14,498	6,820	-	(5,681)	-	-	30,503	(3,870)
<b>Net operating income</b>	<b>11,942</b>	<b>39,780</b>	<b>4,035</b>	<b>4,647</b>	<b>2,449</b>	<b>5,641</b>	<b>30,650</b>	<b>10,961</b>	<b>49,076</b>	<b>61,029</b>
Less: Operating Expenses	48,325	33,817	16,361	18,611	3,095	4,454	1,133	725	68,915	57,607
<b>Segment results</b>	<b>(36,383)</b>	<b>5,963</b>	<b>(12,326)</b>	<b>(13,964)</b>	<b>(646)</b>	<b>1,187</b>	<b>29,517</b>	<b>10,236</b>	<b>(19,838)</b>	<b>3,422</b>
Less: VAT & NBT on financial services	-	-	-	-	-	-	-	-	-	-
Debt Repayment Levy									351	-
Less: Income tax expense									-	-
<b>Loss attributable to equity holders</b>									<b>(20,189)</b>	<b>3,422</b>
<b>As at 30th June</b>										
Segment Assets	2,713,318	1,785,953	918,642	982,907	173,800	235,210	63,631	38,285	3,869,391	3,042,355
<b>Total Assets</b>	<b>2,713,318</b>	<b>1,785,953</b>	<b>918,642</b>	<b>982,907</b>	<b>173,800</b>	<b>235,210</b>	<b>63,631</b>	<b>38,285</b>	<b>3,869,391</b>	<b>3,042,355</b>
Segment Liabilities	1,784,378	1,657,884	604,133	912,423	114,298	218,343	41,846	35,539	2,544,655	2,824,189
<b>Total Liabilities</b>	<b>1,784,378</b>	<b>1,657,884</b>	<b>604,133</b>	<b>912,423</b>	<b>114,298</b>	<b>218,343</b>	<b>41,846</b>	<b>35,539</b>	<b>2,544,655</b>	<b>2,824,189</b>

Figures in brackets indicate deductions.

\*The above figures are provisional and subject to audit.

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**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

<b><u>Market Price</u></b>	<b>2019 Rs.</b>	<b>2018 Rs.</b>
Highest price during the quarter ended 30th June	9.80	13.50
Lowest price during the quarter ended 30th June	8.80	10.10
Closing price as at 30th June	8.90	10.20
<b><u>Capital</u></b>	<b>2019</b>	<b>2018</b>
Ordinary Shares (Number of Shares)	210,875,000	67,500,000
Ordinary Shares (Value Rs.)	2,440,290,000	1,078,227,500
<b><u>Ratios</u></b>	<b>As at 30.06.2019</b>	<b>As at 31.03.2019</b>
Debt to equity ratio (times)	1.86	17.14
Interest cover (times)	0.75	1.04
Quick asset ratio (%)	46.24	9.28

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**RELATED PARTY DISCLOSURE**

<b>Transactions with Related entities</b>						
The Company had the under mentioned financial dealings during the period with the following related entities.						
<b>Items in Statement of Profit or Loss</b>						
For the quarter ended 30th June	Sterling Capital Investment (Pvt) Ltd		People's Bank		PMB Services Ltd	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
Interest Income	-	-	14,204	287	-	-
Interest Expense	-	-	2,449	1,444	-	-
Fees & commission income	-	-	-	-	-	-
Other operating Expense	-	-	3,857	3,857	-	-
<b>Items in Statement of Financial Position</b>						
As at 30th June	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<b>Assets</b>						
Cash and cash equivalents	-	-	110,906	39,881	-	-
Investment in fixed deposits	-	-	750,000	-	-	-
Investment in subsidiaries - Investment	-	-	-	-	175,000	175,000
Other Assets - Due from Subsidiary	-	-	-	-	19,140	18,906
- Provision made	-	-	-	-	(194,140)	(193,906)
<b>Liabilities</b>						
Due to banks	-	-	-	203,079	-	-
Debt Securities issued	-	-	15,550	14,950	-	-

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**SHAREHOLDERS' INFORMATION**

<b>Twenty Largest Ordinary Shareholders as at 30th June 2019</b>		
<b>Name of the Share Holder</b>	<b>No: of Shares</b>	<b>%</b>
1 Sterling Capital Investments (Pvt) Ltd	143,234,052	67.92%
2 People's Bank	33,856,246	16.06%
3 People's Leasing & Finance PLC	25,014,002	11.86%
4 Mr. L. De Fonseka	1,000,000	0.47%
5 Mandatory Offer by Sterling Capital Investments Pvt Ltd to Acquire the shares of People's Merchant F - CDS	364,611	0.17%
6 Mr.H.V.Pakianathan	340,993	0.16%
7 People's Leasing & Finance PLC/Dr. H.S.D.Soyas & Mrs.G.Soyas	310,704	0.15%
8 Mandatory Offer by Sterling Capital Investments Pvt Ltd to Acquire the shares of People's Merchant F - CDS	206,000	0.10%
9 Mr. Z.G.Carimjee	200,000	0.09%
10 Mr.H.Beruwalage	116,200	0.06%
11 Mr. H.P.G.N Pathirana	108,390	0.05%
12 Richard Pieris Financial Services (Pvt) Ltd/ Mr. C.Thalagahawatte	105,984	0.05%
13 Mr.B.W.Kundanmal	102,100	0.05%
14 Mrs. R.D. Jayawardana / Mr.S.Munaweera	100,987	0.05%
15 Mr. P.K. Biswas	100,000	0.05%
16 Asha Financial Services Limited/Mr.C.N.Pakianathan	92,975	0.04%
17 Mr. A.H. Munasinghe	84,084	0.04%
18 Mrs. R.D. Jayawardana	77,667	0.04%
19 Mr.S.Munaweera / Mrs.R.D. Jayawardana	77,667	0.04%
20 Mr. M.D.W.J.A Gunathilake	77,021	0.04%
	<b>205,569,683</b>	<b>97.48%</b>

<b>Directors' Shareholding</b>	<b>Position</b>	<b>No: of Shares</b>
Mr. C.P.Abeywickrama	Chairman	-
Mr. D.N.Daluwatte	Director	2,500
Mr. C.S.Manoharan	Director	-
Mr. K.R.P.Madusanka	Director	-
Mr. G.B.R.P.Gunawardana	Director	-
Mr. L. De Fonseka	Director	1,000,000
Mr.U.N.Gunasekara	CEO	-
<b>Total</b>		<b>1,002,500</b>

	<b>No: of Shares</b>
<b>Issued Share Capital as at 30th June 2019</b>	<b>210,875,000</b>
<i>Less:</i>	
Parent Company	143,234,052
Subsidiaries or Associate Companies of Parent	58,870,248
Directors shareholding	1,002,500
Spouses & Children under 18 and Close Family of Directors	-
Chief Executive Officers Shareholding	-
Spouse, Children under/over 18 & close family Members of CEO	-
Holding of 5% or more jointly or severally	-
Public Shareholding (9,943 Shareholders)	7,193,129
<b>Public Holding as a % of Shares Issued</b>	<b>3.41%</b>

Issued Share Capital as at 30th June 2019	210,875,000
Closing Mkt Price	8.90
Total Market Capitalization	1,876,787,500
Public Shareholding (9,943 Shareholders)	3.41%
<b>Float adjusted market capitalization</b>	<b>63,998,454</b>

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**EXPLANATORY NOTES**

- 1) The Interim Financial Statements for the quarter ended 30th June 2019 are drawn up from unaudited accounts of the Company, and its subsidiary, PMB Services limited.
- 2) The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of Colombo Stock Exchange .
- 3) The SLFRS 09 - Financial Instruments became effective for annual periods starting on or after 01 January 2018. The first day impact from the adoption of SLFRS 9 has been adjusted to the retained earnings as at 31st March 2018. The unaudited comparative figures of the statement of profit or loss are presented as per LKAS 39, where as the current period figures are presented in accordance with SLFRS 09. Both current year and comparative figures of the statement of financial position are presented in accordance with SLFRS 09.
- 4) There are no significant changes in the accounting policies and the methods of computation since the publication of 2018/19 Audited Financial Statements.
- 5) As per a direction issued by the Central Bank of Sri Lanka, People's Merchant Finance PLC (Company) is required to raise sufficient funding in order to meet the minimum capital requirements stipulated by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011. In this regard, the Company has completed a strategic investment to meet the core capital requirements by way of a Private Placement and a Rights Issue. Both the Private Placement & the Rights Issue were completed by 13th May 2019 and the mandatory offer has been made to the other shareholders.
- 6) There been no material events subsequent to the reporting date, other than mentioned above, which require adjustments to or disclosure in the interim financial statements.

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**CORPORATE INFORMATION**

<b>Name of Company</b> People's Merchant Finance PLC	<b>Branch Offices</b> Anuradhapura Kurunegala Negombo Trincomalee Kandy Matara Awissawella Matugama Elpitiya Gampaha Wellawatta Pawning Center	<b>Corporate Management</b> Mr. U.N. Gunasekara - CEO Mr. Charith Gunarathne - DGM - Credit & Asset Finance Mr. Yasas Ariyaratne -DGM - Business Promotions Mrs. Muditha Jayawickrema - DGM - Legal & HR
<b>Legal Form</b> Public Limited Liability Company (Incorporated and domiciled in Sri Lanka)		<b>Bankers</b> People's Bank Pan Asia Bank
<b>Date of Incorporation</b> 26 <sup>th</sup> January 1983		<b>Subsidiary Company</b> PMB Services Limited
<b>Company Registration Number</b> PQ 200	<b>Board of Directors and Board Sub-Committees</b> <b>Board of Directors</b> Mr. C.P.Abeywickrama - Chairman Mr. D.N.Daluwatte Mr. C.S.Manoharan Mr. K.R.P.Madusanka Mr. G.B.R.P.Gunawardana	<b>Vehicle Yards</b> No. 21, Nawam Mawatha, Colombo 02, Sri Lanka. Avinro Motors, Hiripitiya Road, Wellawa, Sri Lanka.
<b>Stock Exchange Listing</b> The ordinary shares of the Company were quoted on the Colombo Stock Exchange (CSE) on 11 <sup>th</sup> July 1994.  Ordinary Shares has been tranfered to Diri Savi Board with effect from July 02,2018	<b>Integrated Risk Management Committee</b> Mr. C.P.Abeywickrama - Chairman Mr. C.S.Manoharan Mr. U.N. Gunasekara - CEO Ms.Muditha Jayawickrema, DGM-Legal & HR Mr.Charith Guneratne,DGM- Credit & Asset Finance	<b>Tax Payer Identity Number (TIN)</b> 134000228  <b>VAT Registration Number</b> 134000228 7000
<b>Accounting Year-End</b> March -31	<b>Board Audit Committee</b> Mr. C.S.Manoharan - Chairman Mr. K.R.P.Madusanka	<b>Central Bank Registration Number</b> LFC/043 (Under the Finance Business Act No. 42 of 2011)
<b>Registered Office &amp; Principle Place of Business</b> No. 21, Nawam Mawatha, Colombo 02, Sri Lanka Telephone +94112300191 / +94117666333 Fax +94112300190 Email; <a href="mailto:info@pmb.lk">info@pmb.lk</a> Web Address; <a href="http://www.peoplesmerchant.lk">www.peoplesmerchant.lk</a>	<b>Related Party Transactions Review Committee</b> Mr. C.S.Manoharan - Chairman Mr. K.R.P.Madusanka	<b>Credit Agency Status</b> An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No.12 of 1947 by the department of Commerce.
<b>Registrars</b> SSP Corporate Services (Pvt) Ltd No. 101, Inner Flower Road, Colombo 03, Sri Lanka Telephone; +94112573894, +94112576871 Fax; +94112573609 Email; <a href="mailto:sspsec@slt.net.lk">sspsec@slt.net.lk</a>	<b>Remuneration &amp; Nomination Committee</b> Mr. C.P.Abeywickrama - Chairman Mr. C.S.Manoharan	<b>Credit Rating</b> [SL]B; rating put on watch with developing implications by ICRA Lanka Limited
<b>Auditors</b> M/s. KPMG Chartered Accountants 32A, Sir Mohamed Macan Maker Mawatha, Colombo 03.		