

Ranking of Listed Finance Companies in Sri Lanka

2nd Quarter 2019 – 1st July to 30th September

Issue 2 | November 2019



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Basis of Categorization of Listed Finance Companies

This report ranks the listed finance companies according to their performance from 1st July to 30th September 2019 across nine parameters: cost/income ratio, net profit margin, impairment to loan book, return on equity, return on assets, net interest margin, loan growth, deposit growth and net profit growth by weighting them and arriving at an aggregate score for each category.

The performance indicators are indicated for the quarter and certain indicators have been annualized.

The Categories 1, 2, 3 and 4 denotes the companies having an asset base more than 100 billion, between 20-100 billion, 10-20 billion, and less than 10 billion, respectively.

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

1. LOLC Finance (LOFC)
2. People's Leasing & Finance (PLC)
3. LB Finance Central Finance (LFIN)
4. Central Finance (CFIN)

Category 2

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

Category 3

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

Category 4

1. Bimputh Finance (BLI)
2. Nation Lanka Finance (CSF)
3. Abans Finance (AFSL)
4. Associated Motor Finance (AMF)
5. Sinhaputhra Finance (SFL)
6. Prime Finance (GSF)
7. People's Merchant Finance (PMB)
8. Dialog Finance (CALF)
9. Multi Finance (MFL)
10. Swarnamahal Financial Services (SFS)

Basis of Ranking

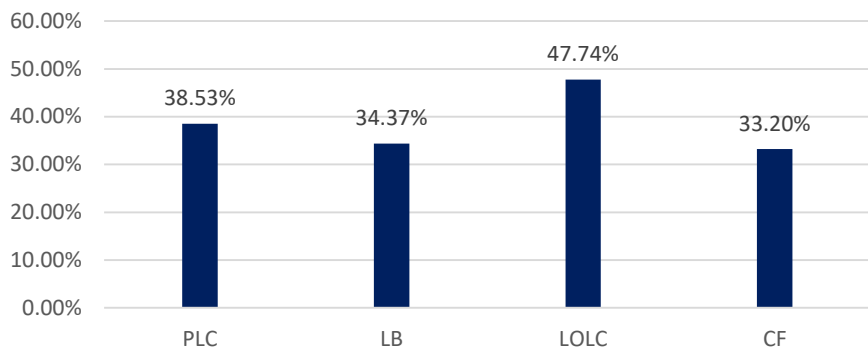
Ranking has been arrived at based on the following ratios and KPIs

- Cost/Income Ratio
(Excluding Impairment and annualized) $\frac{\text{Operating Cost}}{\text{Operating Income (Net of Interest Expense)}}$
- Return on Equity
(annualized) $\frac{\text{Profit After Tax}}{\text{Average Equity}}$
- Return on Assets
(annualized) $\frac{\text{Profit After Tax}}{\text{Average Assets}}$
- Net Profit Margin
(annualized) $\frac{\text{Profit After Tax}}{\text{Operating Income}}$
- Net Interest Margin
(annualized) $\frac{\text{Net Interest}}{\text{Average Interest Bearing Assets}}$
- Impairment to Loan Book
(annualized) $\frac{\text{Impairment}}{\text{Average Loans}}$
- Loan Growth $\frac{\text{Loan Growth 2Q2019}}{\text{Loan Growth 1Q2019}} - 1$
- Deposit Growth $\frac{\text{Deposit Base 2Q2019}}{\text{Deposit Base 1Q2019}} - 1$
- Net Profit Growth $\frac{\text{Net Profit 2Q2019}}{\text{Net Profit 2Q2018}} - 1$

Ranking for Category 1

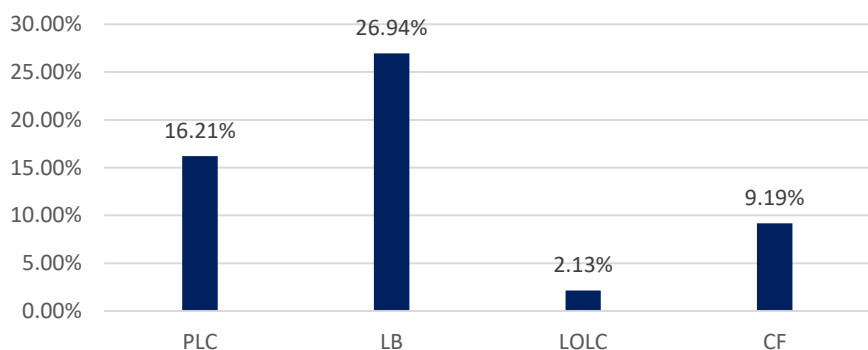
1. **LB Finance (LB)**
2. **Central Finance (CF)**
3. **People's Leasing and Finance (PLC)**
4. **LOLC Finance (LOLC)**

Cost to Income



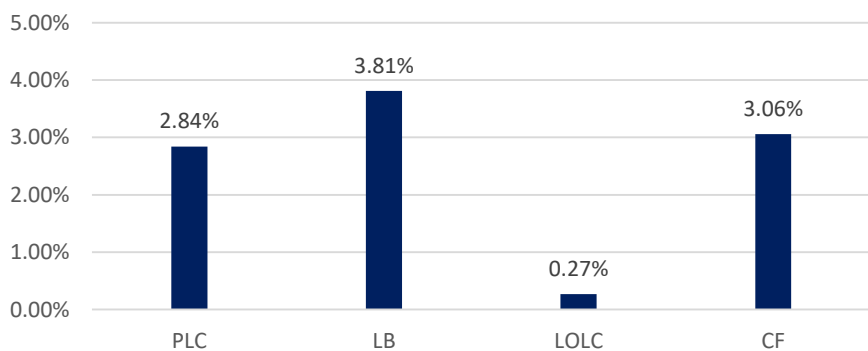
Company Code	2Q 2019
PLC	38.53%
LB	34.37%
LOLC	47.74%
CF	33.20%

Return on Equity



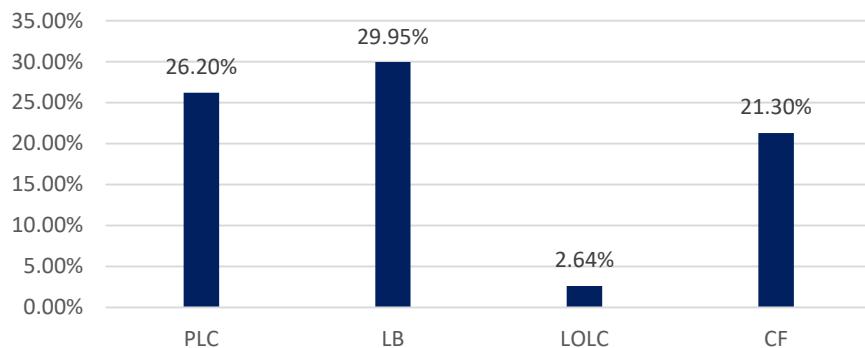
Company Code	2Q 2019
PLC	16.21%
LB	26.94%
LOLC	2.13%
CF	9.19%

Return on Assets



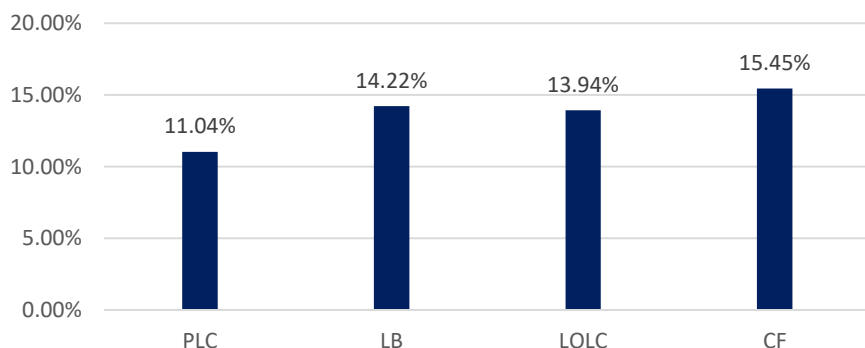
Company Code	2Q 2019
PLC	2.84%
LB	3.81%
LOLC	0.27%
CF	3.06%

Net Profit Margin



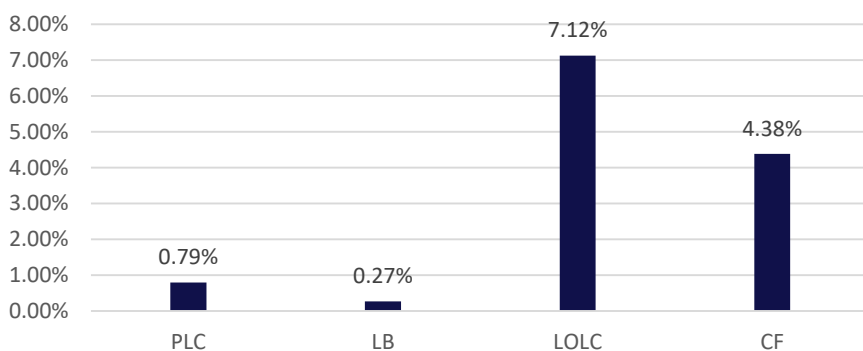
Company Code	2Q 2019
PLC	26.20%
LB	29.95%
LOLC	2.64%
CF	21.30%

Net Interest Margin



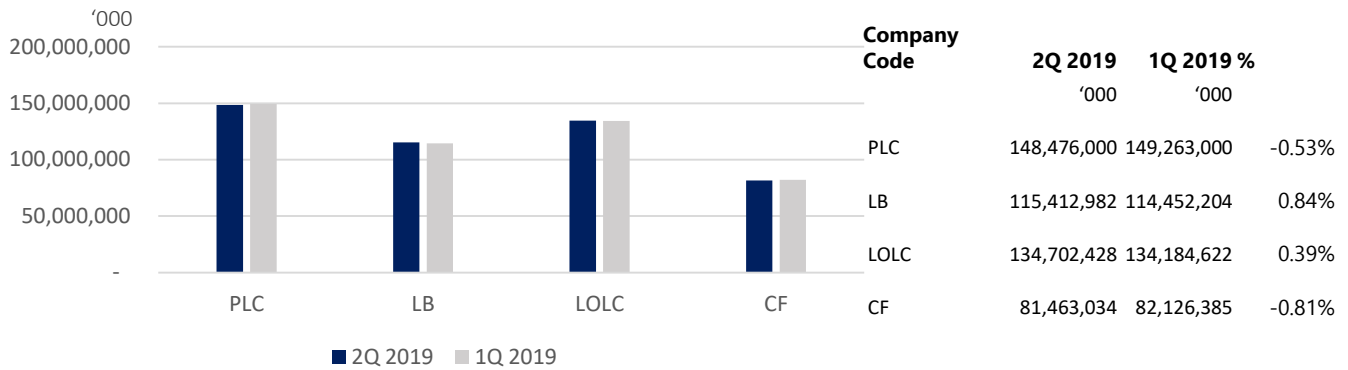
Company Code	2Q 2019
PLC	11.04%
LB	14.22%
LOLC	13.94%
CF	15.45%

Impairment to Loan Book

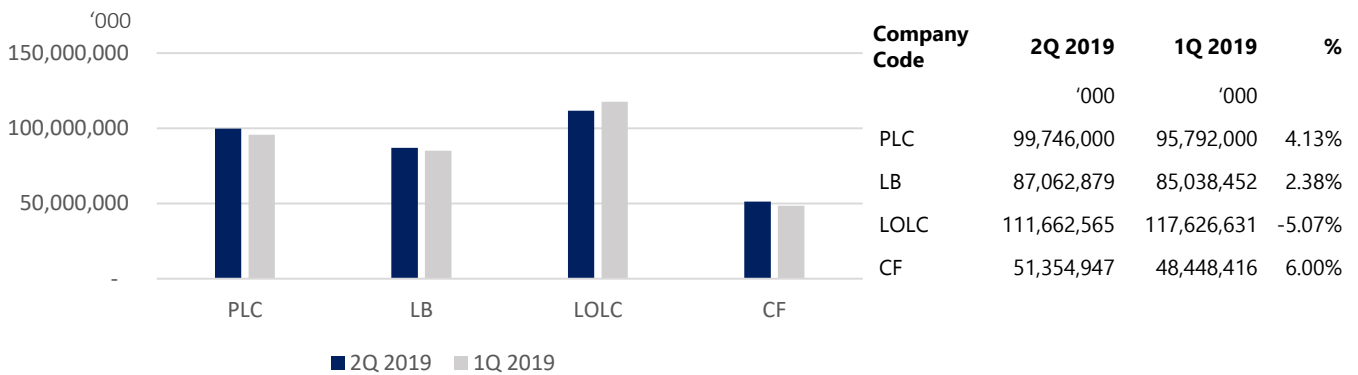


Company Code	2Q 2019
PLC	0.79%
LB	0.27%
LOLC	7.12%
CF	4.38%

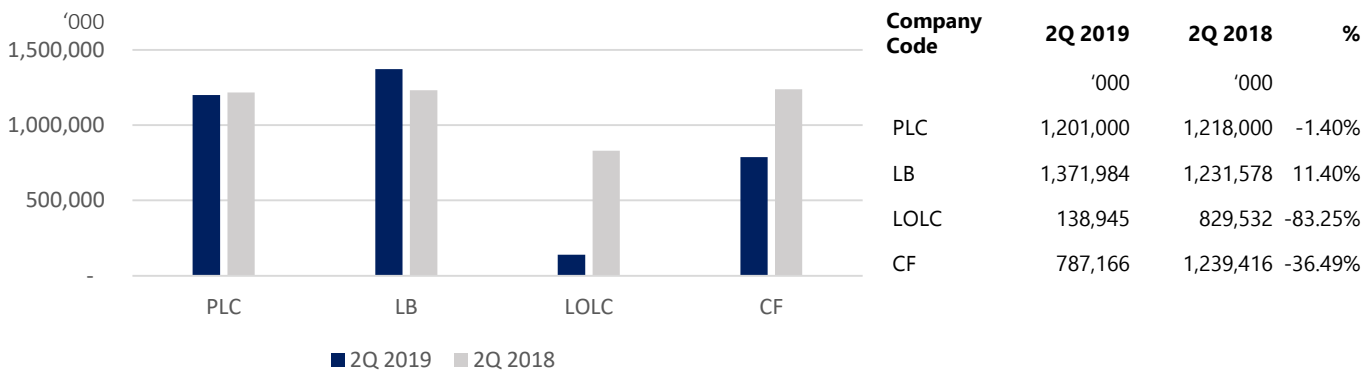
Loan Growth



Deposit Growth



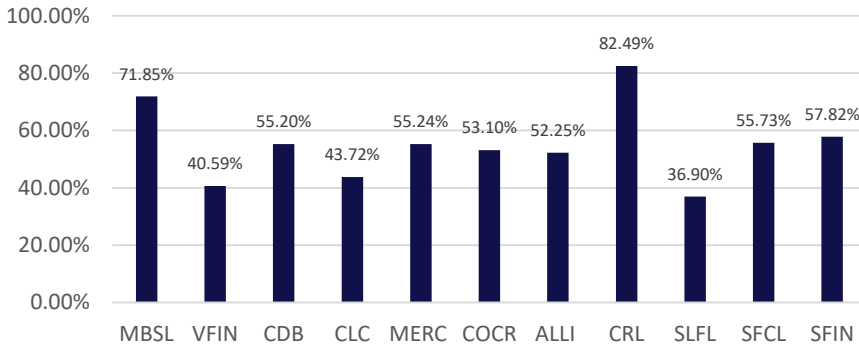
Net Profit Growth



Ranking for Category 2

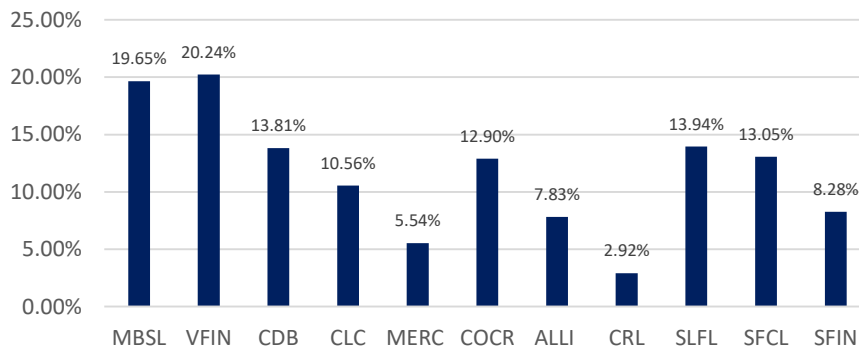
1. **Vallibel Finance (VFIN)**
2. **Commercial Leasing & Finance (CLC)**
3. **Siyapatha Finance (SLFL)**
4. **Senkadagala Finance (SFCL)**
5. **Merchant Bank of Sri Lanka (MBSL)**
6. **Citizens Development Business Finance (CDB)**
7. **Commercial Credit and Finance (COCR)**
8. **Alliance Finance (ALLI)**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

Cost to Income



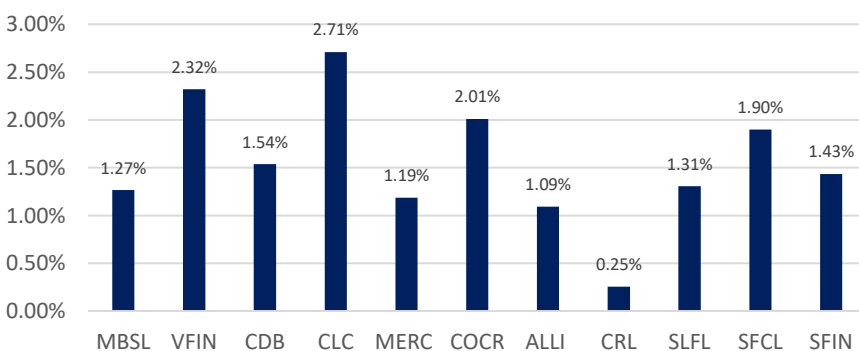
Company Code	2Q 2019
MBSL	71.85%
VFIN	40.59%
CDB	55.20%
CLC	43.72%
MERC	55.24%
COCR	53.10%
ALLI	52.25%
CRL	82.49%
SLFL	36.90%
SFCL	55.73%
SFIN	57.82%

Return on Equity



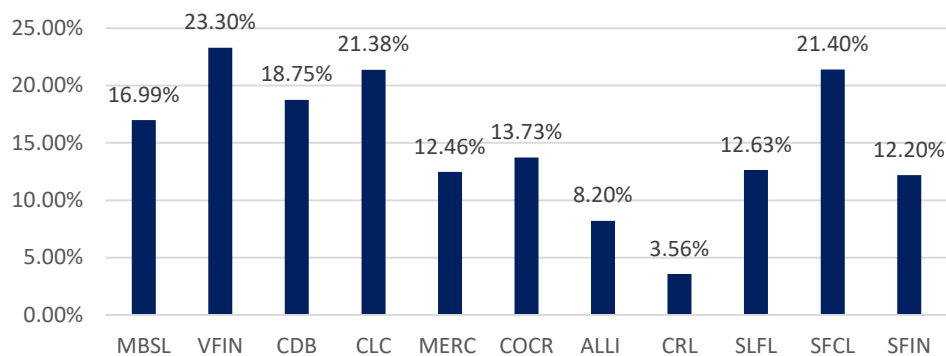
Company Code	2Q 2019
MBSL	19.65%
VFIN	20.24%
CDB	13.81%
CLC	10.56%
MERC	5.54%
COCR	12.90%
ALLI	7.83%
CRL	2.92%
SLFL	13.94%
SFCL	13.05%
SFIN	8.28%

Return on Assets



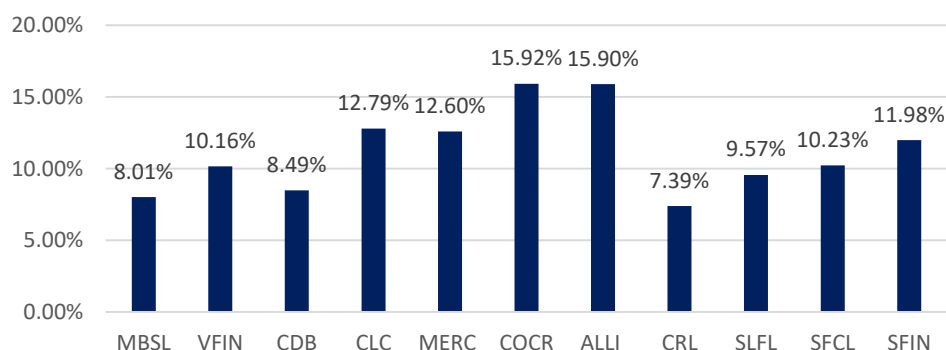
Company Code	2Q 2019
MBSL	1.27%
VFIN	2.32%
CDB	1.54%
CLC	2.71%
MERC	1.19%
COCR	2.01%
ALLI	1.09%
CRL	0.25%
SLFL	1.31%
SFCL	1.90%
SFIN	1.43%

Net Profit Margin



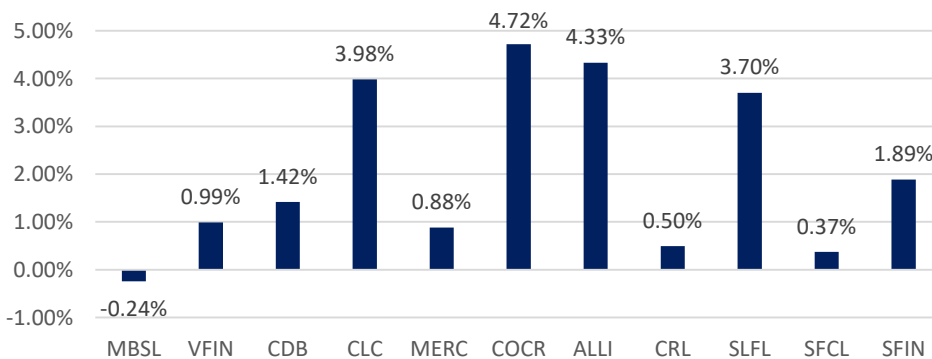
Company Code	2Q 2019
MBSL	16.99%
VFIN	23.30%
CDB	18.75%
CLC	21.38%
MERC	12.46%
COCR	13.73%
ALLI	8.20%
CRL	3.56%
SLFL	12.63%
SFCL	21.40%
SFIN	12.20%

Net Interest Margin



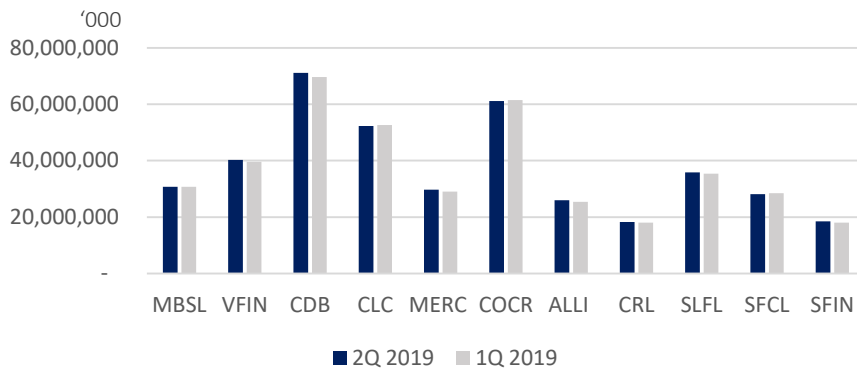
Company Code	2Q 2019
MBSL	8.01%
VFIN	10.16%
CDB	8.49%
CLC	12.79%
MERC	12.60%
COCR	15.92%
ALLI	15.90%
CRL	7.39%
SLFL	9.57%
SFCL	10.23%
SFIN	11.98%

Impairment to Loan Book



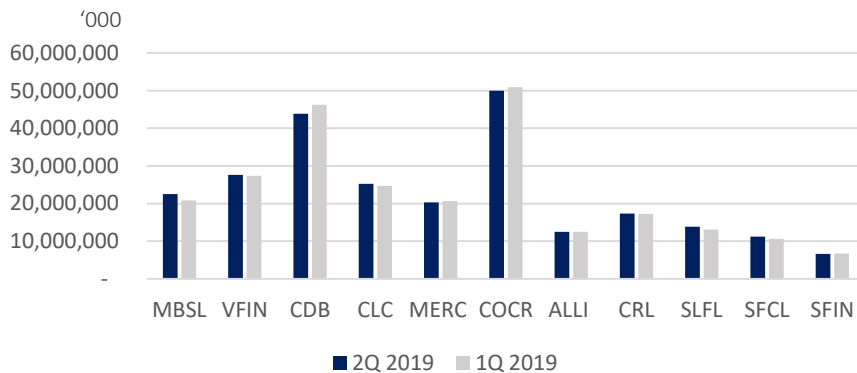
Company Code	2Q 2019
MBSL	-0.24%
VFIN	0.99%
CDB	1.42%
CLC	3.98%
MERC	0.88%
COCR	4.72%
ALLI	4.33%
CRL	0.50%
SLFL	3.70%
SFCL	0.37%
SFIN	1.89%

Loan Growth



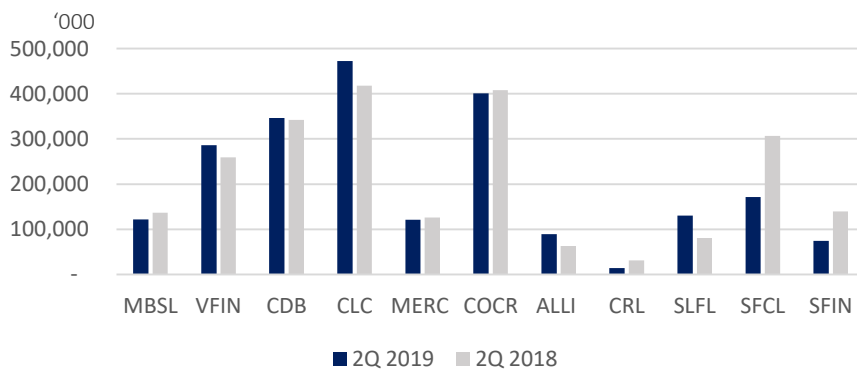
Company Code	2Q 2019 '000	1Q 2019 '000	%
MBSL	30,750,428	30,742,525	0.03%
VFIN	40,232,571	39,570,266	1.67%
CDB	71,118,408	69,651,600	2.11%
CLC	52,270,059	52,597,543	-0.62%
MERC	29,734,516	28,992,789	2.56%
COCR	61,126,078	61,406,744	-0.46%
ALLI	26,014,985	25,366,449	2.56%
CRL	18,204,137	17,990,824	1.19%
SLFL	35,854,671	35,436,231	1.18%
SFCL	28,176,293	28,486,802	-1.09%
SFIN	18,509,812	18,023,902	2.70%

Deposit Growth



Company Code	2Q 2019 '000	1Q 2019 '000	%
MBSL	22,502,975	20,831,021	8.03%
VFIN	27,591,596	27,335,875	0.94%
CDB	43,829,927	46,210,190	-5.15%
CLC	25,227,586	24,690,456	2.18%
MERC	20,287,714	20,663,887	-1.82%
COCR	50,009,430	50,929,193	-1.81%
ALLI	12,468,399	12,489,542	-0.17%
CRL	17,285,814	17,271,843	0.08%
SLFL	13,867,078	13,095,739	5.89%
SFCL	11,239,688	10,607,276	5.96%
SFIN	6,628,502	6,727,114	-1.47%

Net Profit Growth

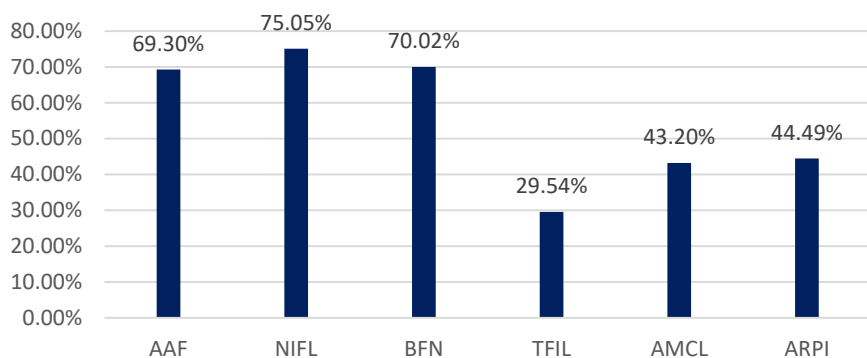


Company Code	2Q 2019 '000	2Q 2018 '000	%
MBSL	121,877	136,787	-10.90%
VFIN	285,995	258,954	10.44%
CDB	346,262	342,367	1.14%
CLC	472,735	418,129	13.06%
MERC	120,718	125,991	-4.19%
COCR	400,856	407,994	-1.75%
ALLI	89,377	62,850	42.21%
CRL	14,166	30,993	-54.29%
SLFL	130,118	80,357	61.92%
SFCL	171,128	306,747	-44.21%
SFIN	74,496	139,672	-46.66%

Ranking for Category 3

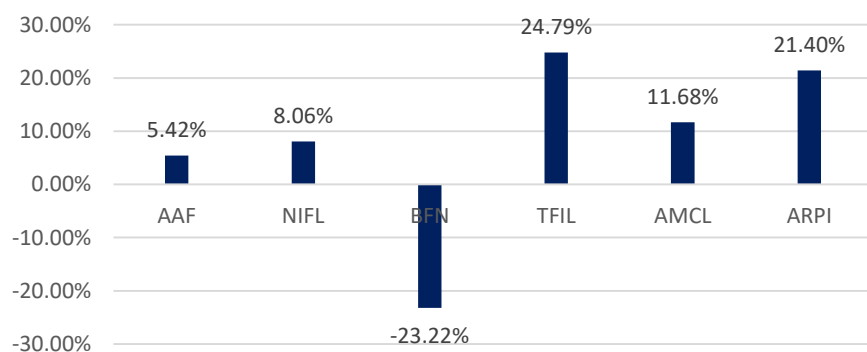
1. **Trade Finance (TFIL)**
2. **AMW Capital Leasing & Finance (AMCL)**
3. **Arpico Finance (ARPI)**
4. **LOLC Development Finance (NIFL)**
5. **Asia Asset Finance (AAF)**
6. **Orient Finance (BFN)**

Cost to Income



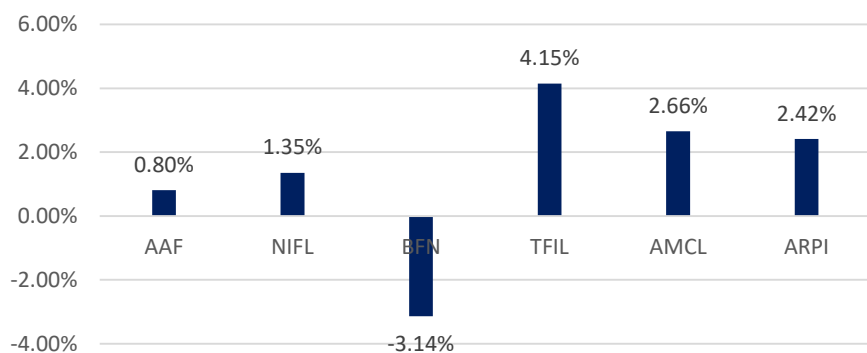
Company Code	2Q 2019
AAF	69.30%
NIFL	75.05%
BFN	70.02%
TFIL	29.54%
AMCL	43.20%
ARPI	44.49%

Return on Equity



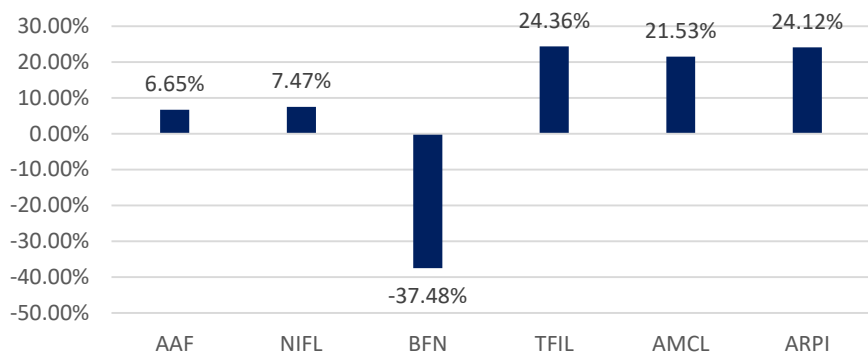
Company Code	2Q 2019
AAF	5.42%
NIFL	8.06%
BFN	-23.22%
TFIL	24.79%
AMCL	11.68%
ARPI	21.40%

Return on Assets



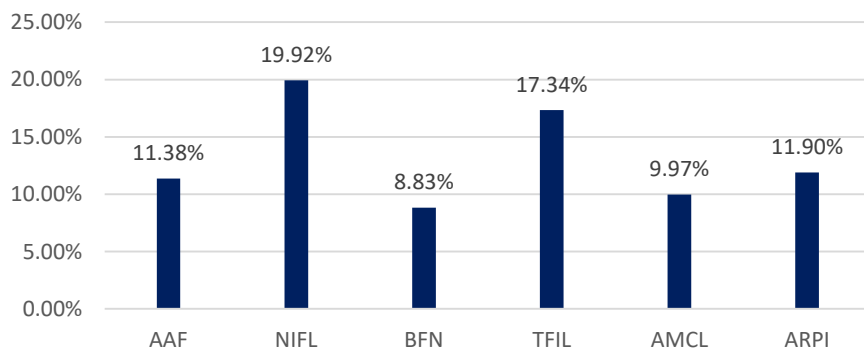
Company Code	2Q 2019
AAF	0.80%
NIFL	1.35%
BFN	-3.14%
TFIL	4.15%
AMCL	2.66%
ARPI	2.42%

Net Profit Margin



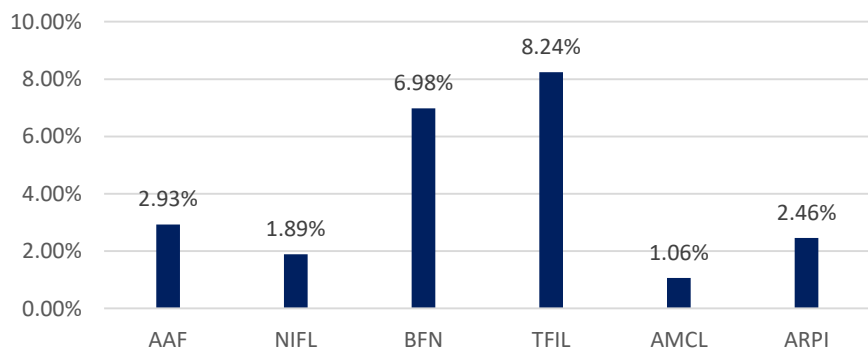
Company Code	2Q 2019
AAF	6.65%
NIFL	7.47%
BFN	-37.48%
TFIL	24.36%
AMCL	21.53%
ARPI	24.12%

Net Interest Margin



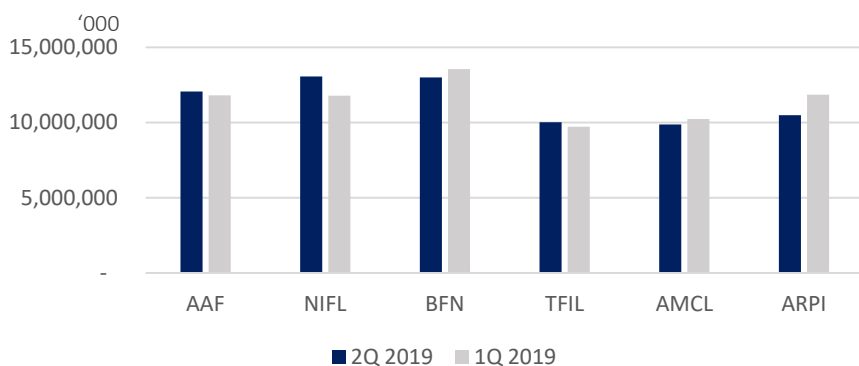
Company Code	2Q 2019
AAF	11.38%
NIFL	19.92%
BFN	8.83%
TFIL	17.34%
AMCL	9.97%
ARPI	11.90%

Impairment to Loan Book



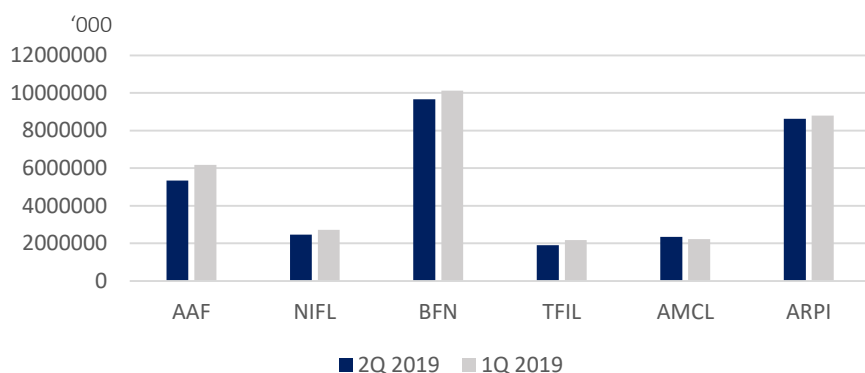
Company Code	2Q 2019
AAF	2.93%
NIFL	1.89%
BFN	6.98%
TFIL	8.24%
AMCL	1.06%
ARPI	2.46%

Loan Growth



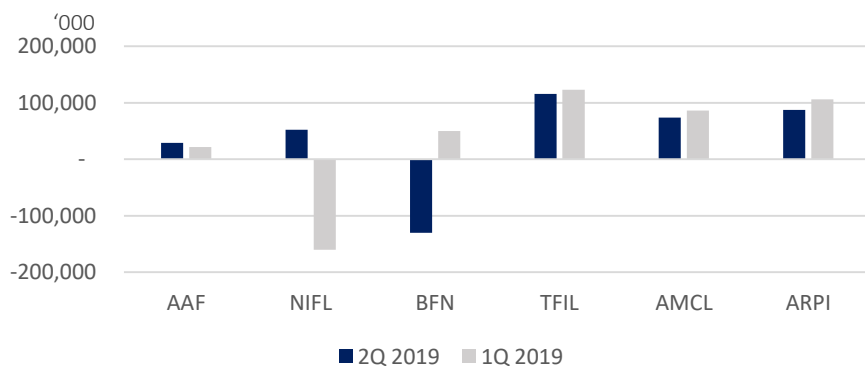
Company Code	2Q 2019	1Q 2019	%
AAF	12,059,433	11,811,837	2.10%
NIFL	13,053,530	11,777,743	10.83%
BFN	12,991,200	13,557,064	-4.17%
TFIL	10,017,915	9,721,047	3.05%
AMCL	9,876,078	10,227,595	-3.44%
ARPI	10,488,282	11,840,068	-11.42%

Deposit Growth



Company Code	2Q 2019	1Q 2019	%
AAF	5,338,671	6,182,131	-13.64%
NIFL	2,471,931	2,721,741	-9.18%
BFN	9,655,208	10,128,208	-4.67%
TFIL	1,904,092	2,170,489	-12.27%
AMCL	2,353,940	2,229,825	5.57%
ARPI	8,633,140	8,794,157	-1.83%

Net Profit Growth

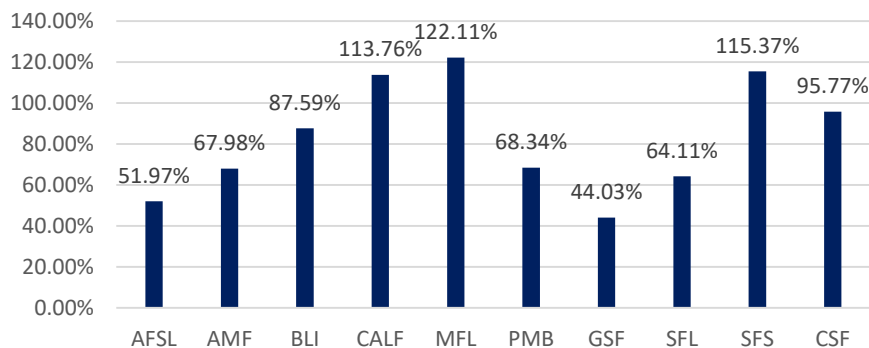


Company Code	2Q 2019	1Q 2019	%
AAF	29,037	21,786	33.28%
NIFL	52,217	160,366	-132.56%
BFN	130,299	49,878	-361.24%
TFIL	115,875	123,072	-5.85%
AMCL	73,800	86,541	-14.72%
ARPI	87,240	106,054	-17.74%

Ranking for Category 4

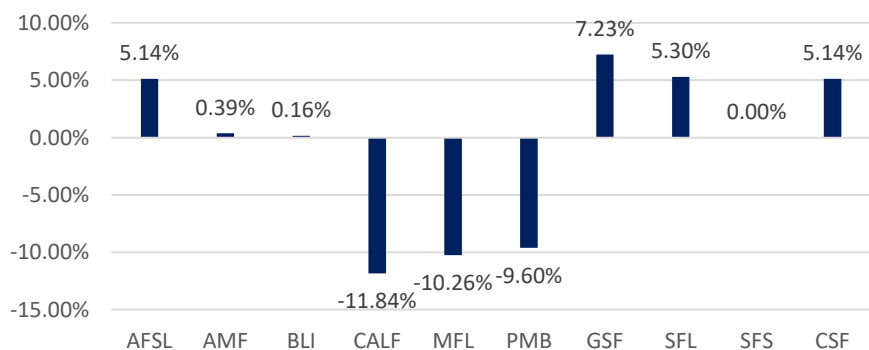
1. Prime Finance (GSF)
2. Nation Lanka Finance (CSF)
3. Abans Finance (AFSL)
4. Sinhaputhra Finance (SFL)
5. Associated Motor Finance (AMF)
6. Dialog Finance (CALF)
6. People's Merchant Finance (PMB)
8. Bimputh Finance (BLI)
9. Swarnamahal Finance (SFS)
10. Multi Finance (MFL)

Cost to Income



Company Code	2Q 2019
AFSL	51.97%
AMF	67.98%
BLI	87.59%
CALF	113.76%
MFL	122.11%
PMB	68.34%
GSF	44.03%
SFL	64.11%
SFS	115.37%
CSF	95.77%

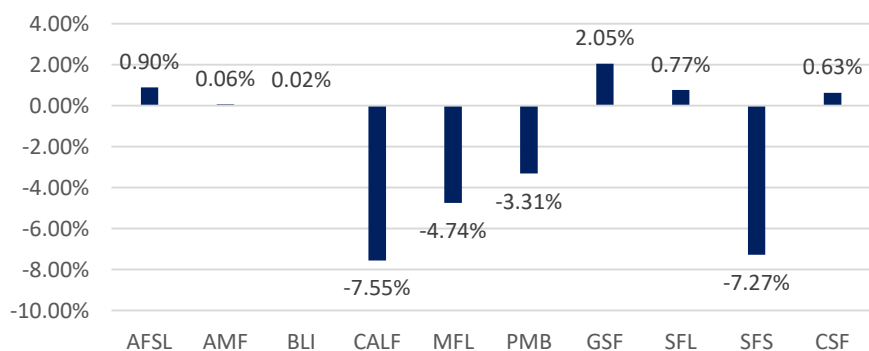
Return on Equity



Company Code	2Q 2019
AFSL	5.14%
AMF	0.39%
BLI	0.16%
CALF	-11.84%
MFL	-10.26%
PMB	-9.60%
GSF	7.23%
SFL	5.30%
SFS	0.00%*
CSF	5.14%

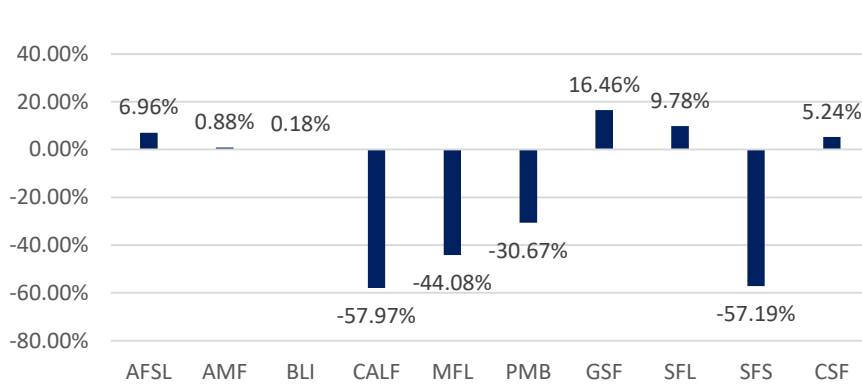
*As SFS has a negative net worth ROE isn't considered

Return on Assets



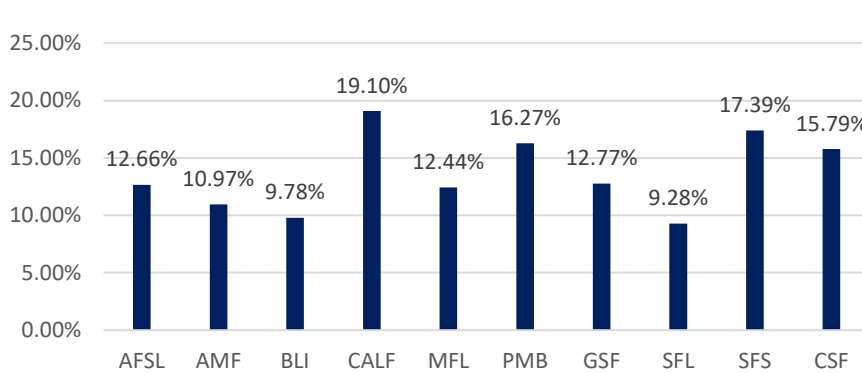
Company Code	2Q 2019
AFSL	0.90%
AMF	0.06%
BLI	0.02%
CALF	-7.55%
MFL	-4.74%
PMB	-3.31%
GSF	2.05%
SFL	0.77%
SFS	-7.27%
CSF	0.63%

Net Profit Margin



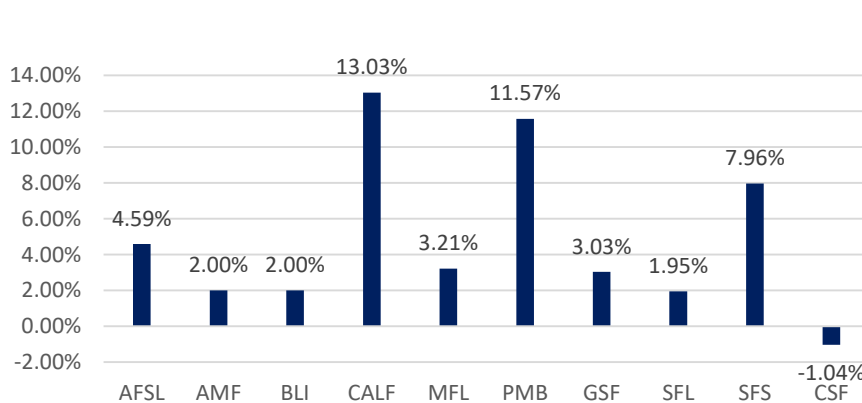
Company Code	2Q 2019
AFSL	6.96%
AMF	0.88%
BLI	0.18%
CALF	-57.97%
MFL	-44.08%
PMB	-30.67%
GSF	16.46%
SFL	9.78%
SFS	-57.19%
CSF	5.24%

Net Interest Margin



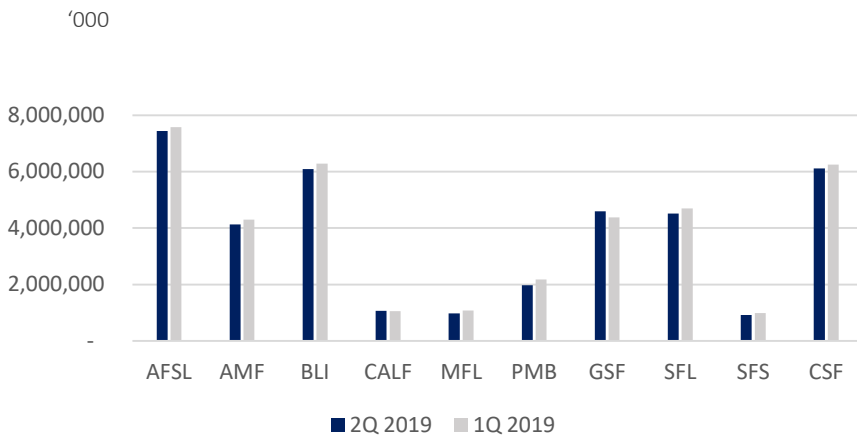
Company Code	2Q 2019
AFSL	12.66%
AMF	10.97%
BLI	9.78%
CALF	19.10%
MFL	12.44%
PMB	16.27%
GSF	12.77%
SFL	9.28%
SFS	17.39%
CSF	15.79%

Impairment to Loan Book



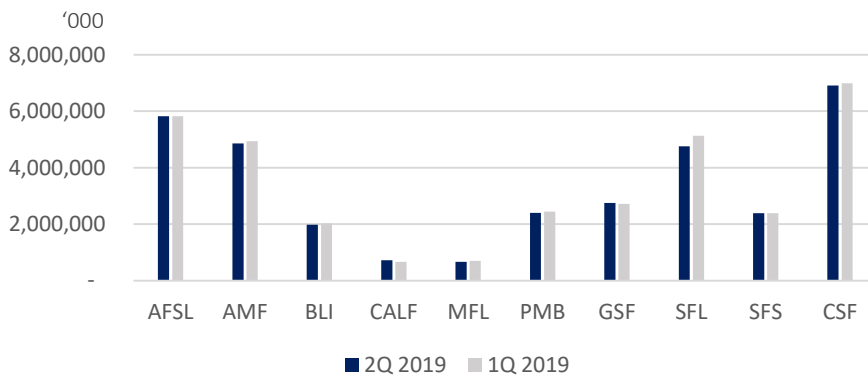
Company Code	2Q 2019
AFSL	4.59%
AMF	2.00%
BLI	2.00%
CALF	13.03%
MFL	3.21%
PMB	11.57%
GSF	3.03%
SFL	1.95%
SFS	7.96%
CSF	-1.04%

Loan Growth



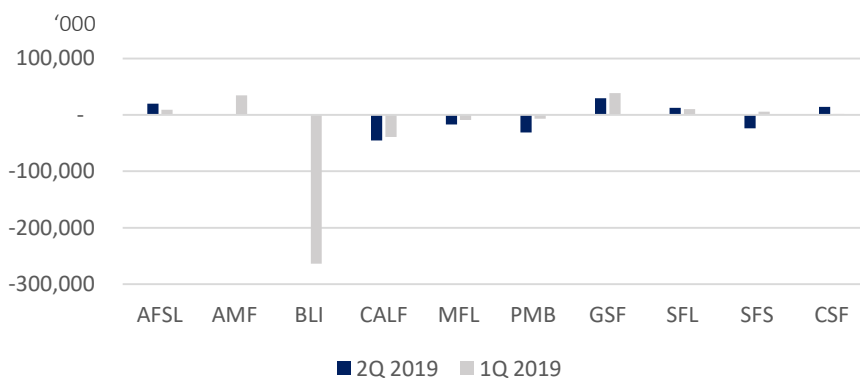
Company Code	2Q 2019 ('000)	1Q 2019 ('000)	%
AFSL	7,438,651	7,576,338	-1.82%
AMF	4,125,678	4,302,731	-4.11%
BLI	6,093,932	6,282,874	-3.01%
CALF	1,063,377	1,053,834	0.91%
MFL	977,604	1,076,749	-9.21%
PMB	1,969,175	2,177,507	-9.57%
GSF	4,588,316	4,379,272	4.77%
SFL	4,512,620	4,698,789	-3.96%
SFS	916,140	985,578	-7.05%
CSF	6,111,747	6,248,495	-2.19%

Deposit Growth



Company Code	2Q 2019 ('000)	1Q 2019 ('000)	%
AFSL	5,828,051	5,826,763	0.02%
AMF	4,860,559	4,936,653	-1.54%
BLI	1,978,200	2,029,509	-2.53%
CALF	725,697	668,512	8.55%
MFL	664,820	701,405	-5.22%
PMB	2,394,484	2,447,847	-2.18%
GSF	2,747,658	2,712,187	1.31%
SFL	4,762,101	5,128,544	-7.15%
SFS	2,393,291	2,391,556	0.07%
CSF	6,908,514	6,991,638	-1.19%

Net Profit Growth



Company Code	2Q 2019 ('000)	1Q 2019 ('000)	%
AFSL	19,921	9,290	114.43%
AMF	1,173	34,893	-96.64%
BLI	448	-263,818	-100.17%
CALF	-45,232	-39,098	15.69%
MFL	-17,082	-9,306	83.55%
PMB	-31,407	-6,565	378.40%
GSF	29,773	38,381	-22.43%
SFL	12,615	10,371	21.64%
SFS	-24,042	5,441	-541.84%
CSF	14,348	1,602	795.63%

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

- Finance Business Act Direction No. 3 of 2019 - Amendments to the Maximum Interest Rates on Deposits and Debt Instruments
- Explanatory Note No. 2 of 2019 - Interpretations for Circular No. 01 of 2019 on Concessions Granted to Tourism Industry

Share Price Details

	Market Price Highest (for the Quarter)		Market Price Lowest (for the Quarter)		Market Price as at 30th Sep 2019	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
LKR						
Category - 1						
LB Finance	138.00	120.00	120.10	113.00	129.60	115.00
Central Finance	97.30	100.00	85.00	89.00	92.60	91.20
LOLC Finance	4.10	3.90	3.40	3.00	3.70	3.70
People's Leasing & Finance	16.30	15.50	13.90	14.00	14.80	14.20
Category - 2						
Vallibel Finance	71.80	69.00	65.00	60.00	66.30	63.50
Commercial Credit and Finance	29.50	36.90	26.50	27.00	27.10	27.00
Commercial Leasing and Finance	3.30	3.00	2.50	1.90	3.20	2.70
Citizens Development and Business Finance	101.10	86.00	79.90	77.50	94.10	80.00
Singer Finance	14.70	16.40	11.90	13.00	13.00	13.00
Siyapatha Finance			Not traded			
Alliance Finance	51.80	67.40	40.00	62.00	43.20	62.60
Softlogic Finance	26.00	32.00	16.90	25.10	16.90	28.40
Senkadagala Finance			Not traded			
Mercantile Investments and Finance			Not traded			
Merchant Bank of Sri Lanka and Finance	10.50	10.40	8.50	7.70	8.60	8.10
Category - 3						
Trade Finance	84.50	75.00	70.00	52.00	78.40	59.90
AMW Finance			Not traded			
Asia Asset Finance	8.90	1.10	7.30	0.90	7.90	1.00
Arpico Finance	168.00	178.40	141.00	142.30	150.00	159.50
LOLC Development Finance	53.00	50.00	31.20	36.50	44.50	40.20
Orient Finance	15.80	15.00	11.90	10.50	13.60	12.00
Category - 4						
Nation Lanka Finance	0.80	1.00	0.50	0.70	0.70	0.70
Abans Finance	20.00	22.00	15.00	16.20	16.40	17.10
Sinhaputhra Finance	10.10	9.80	7.30	7.50	10.10	7.90
Prime Finance	17.50	21.50	15.50	14.40	15.50	18.00
Swarnamahala Finance			Not traded			
Associated Motor Finance	460.00	500.00	396.10	350.00	429.90	400.00
Peoples Merchant Finance	12.10	13.00	9.20	9.50	9.90	10.00
Dialog Finance	44.90	50.90	30.10	30.20	40.00	46.90
Bimputh Finance	22.20	38.90	16.60	26.50	17.60	33.50
Multi Finance	16.00	14.80	12.00	11.50	13.50	12.10

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