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Customized News Summary

Banking and Finance News Weekly

Week ending 09th May

This Weekly newsletter is a focused curation on the Banking and Finance related news with the aim of providing all the news related to the sector in one place. It may include stories which are already covered in our daily Time Twister updates as well as additional stories which are not covered due to curation for general business news interests under Time Twister. We have indicated the section of stories which are repeated from Time Twister as well for your ease.

(The Time Twister product provides the readers daily email newsletter covering all the important local news, delivered to clients either as a two newsletter version (broken by source) by 7.30 a.m. or as a combined newsletter version by 8.00 a.m. every morning, to help clients 'fly through' the news.)

News on Banking Sector

HNB to empower and enable Micro, Small and Medium Enterprises in Sri Lanka through e-commerce partners with WEBXPAY

May 09. Sri Lanka's most digitally innovative bank, HNB PLC announced a breakthrough partnership with e-commerce Software as a Service (SaaS) provider, WEBXPAY, to launch an integrated e-commerce platform aimed at empowering Micro, Small and Medium businesses in Sri Lanka to adapt to e-commerce.

With technology driven paradigms engulfing all walks of life in Sri Lanka, Micro, Small and Medium Enterprises (MSMEs) too are seeking cost effective solutions capable of serving as a gateway into the island's rapidly expanding e-commerce market.

Having consistently served as a 'Partner in Progress' to SMEs across the country for decades, HNB announced that it would be launching an island-wide program across all of its 252 Customer Centre, the bank is ideally positioned to enable a cashless payments revolution in Sri Lanka.

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B Type Stories

NDB wins 3 accolades from Global Banking & Finance Review

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NDB's opens 106th branch in Kottawa

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People's Bank Self Banking Unit for Kandy

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HNB's brand new Hulftsdorp Customer Centre opens to customers

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Bank of Ceylon relocates its Disaster Recovery Centre

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HNB launches new Electronic Banking Centre at Trace Expert City, Panchikawatte

[Read More – Daily FT](#)

DFCC Bank inaugurates new branch in Aralaganwila

[Read More – Daily FT](#)

Amana Bank opens offsite ATM at South Eastern University, Oluvil

[Read More – Daily FT](#)

Stories Already covered in Daily Time Twister Updates – Banking Sector

Banking sector capital levels slip amid record private credit in 2016

May 03. Record levels of private credit extended in 2016 has resulted in further slippage in capital adequacy ratios (CARS) of the Sri Lankan banking sector ahead of the implementation of the first stage of higher CARS under the Basel III requirements this July.

The latest Central Bank data indicated that the total Car—which compares regulatory capital to risk weighted assets such as loans—of the country’s banking system stood at 14.3 percent at the end of 2016, down from 15.4 percent Year-on-year (YOY) and significantly below the 17.6 percent recorded in 2013.

Core capital, which pits shareholder funds such as stated capital and reserves against risk weighted assets, fell to 11.4 percent from 13 percent YOY.

Source: Daily Mirror

Nations Trust Bank posts Rs 725 mn profit in first quarter 2017

May 09. The Nations Trust Bank has closed the first quarter ending March 31, 2017 with a post-tax profit of Rs.725 million, up by 22 percent over the corresponding period in the previous year.

Pre-tax profits increased by 33 percent. Profitability growth was underpinned by a 9 percent growth in loans and advances during the period under review despite the narrowing of net interest margins, the bank said.

CEO and Executive Director Renuka Fernando said the performance of the first quarter was well balanced across the business pillars with support functions collaborating and equally contributing towards the growth and achievements in the businesses. SME and corporate loan portfolios recorded good growth during the quarter thereby cementing a strong base for further growth in the ensuing months. CASA growth was significant for the quarter recording a 10 percent growth and contributing to 25 percent of the total deposit growth.

[Read more: Daily News](#)

Pan Asia Bank Chairman ups stake; but disclosures yet to arrive at CSE

May 09. Pan Asia Banking Corporation (PABC) Chairman Eshana De Silva has increased his shareholding in the bank over the last quarter, the recently released interim financial accounts of the mid-sized bank showed.

However, De Silva has not filed any disclosures with the Colombo Stock Exchange (CSE) of any new share purchases under the Section 7.8 of the CSE Listing Rules.

De Silva, who has held 1.29 million shares comprising of 0.44 percent of the total shares of PABC since May 2013 until December 2016 was found holding 6.8 million shares equal to 1.54

percent of the bank's total shares, at the end of the first quarter of 2017, according to PABC's latest interim financial report.

Source: Daily Mirror

Sampath Bank surpasses Rs. 2 b mark in 1Q post-tax profit

May 08. Starting 2017 on a positive note, Sampath Bank has surpassed the Rs. 2 billion mark to achieve a post-tax profit of Rs. 2.3 billion for the quarter ended 31 March 2017.

This registered an impressive 34.6% growth in comparison to the profit after tax (PAT) of Rs. 1.7 billion recorded for 1Q 2016. Profit before tax (PBT) too grew by 36.4% YoY and reached Rs. 3.5 billion in 1Q 2017. The Sampath Group, which comprises Sampath Bank and four fully-owned subsidiary companies, has also posted a growth of 33.3% and 29.5% at the PBT and PAT levels respectively.

The bank achieved substantial growth in all key business pillars in the first quarter of 2017.

Net Interest Income (NII), which is the main source of income, representing more than 70% of the total operating income of the bank, recorded an increase of Rs. 1.7 billion (36.1%) during the period under review. Accordingly, the bank recorded Rs. 6.3 billion as NII for 1Q 2017, as against Rs. 4.7 billion recorded in the corresponding period of 2016.

[Read More: Daily FT](#)

NDB profits top Rs 1.1 bn Q1

May 04. National Development Bank has recorded a profit after tax (PAT) of Rs 1,159 million for the three months ended March 31,2017, an impressive growth of 45% over the corresponding period of Q1 in 2016.

During the quarter, the total assets of the Bank grew up to Rs 347 billion (4% from December 2016). Loans and receivables to customers recorded a notable growth of Rs 14 billion (6%) to reach Rs 241 billion.

Customer deposits also achieved an impressive growth of Rs 24 billion (12%), thereby bringing the total customer deposits to Rs 228 billion.

NDB Chief Executive Officer Dimantha Seneviratne said the results are encouraging and reflects the potential of the Bank to record enhanced performance throughout the year. He attributed the

impressive results to the strong teamwork and the firm focus on generating enhanced value from all fronts to all its stakeholders.

[Read More: Daily News](#)

Sri Lanka's DFCC bank net up 43-pct in March

May 05. Profits at Sri Lanka's DFCC group rose 42 percent to 1.36 billion rupees in the March 2017 quarter from a year earlier, helped by higher interest income and sharply lower provisioning interim accounts show.

The group reported earnings of 5.13 rupees per share for the quarter. Group interest income rose 45 percent to 7.2 billion rupees while interest expenses kept pace up 46 percent to 4.6 billion rupees, but the bank also grew net interest income 44 percent to 2.59 billion rupees. Fee income rose 12 percent to 342 billion rupees.

[Read More: EconomyNext](#)

Pan Asia Bank posts rs 350m pat - first quarter 2017

May 07. Pan Asia Banking Corporation PLC reported an after tax profit of Rs. 353.4 million for its January-March quarter (1Q'17) recording an increase of 16 percent from the same period last year.

The performance was largely supported by the significant increase in the fee and commission income, slightly lower tax liability and the closer tab kept on the costs.

The bank's earnings per share was Rs. 3.41 by the end of the 1Q'17, slightly less than Rs. 3.91 reported in same period of 2016 due to the increase in bank's equity resulted by the Rs.2.0 billion rights issue in March 2017 which was promptly oversubscribed.

Meanwhile the income tax expense for the period came down by 12% to little under Rs.160 million for the quarter from a year ago as a result of effective tax management.

[Read More: The Sunday Observer](#)

Amana Bank Q1 profit tops Rs 66 mn

May 09. Amana Bank recorded a successful first quarter in which the bank achieved a profit before tax of Rs. 92.5 million, reflecting a remarkable YoY growth of 83 percent from the corresponding period in 2016.

The bank's profit after tax for the same period grew by 74 percent to reach Rs 66.6 million.

CEO Mohamed Azmeer said, "I am happy to note that in line with its five-year strategic plan, the bank has been successful in maintaining its upward momentum. This reflects the growing acceptance of our people friendly banking model. I am confident the numbers we have achieved will add impetus to our forthcoming rights issue, which in turn, will support the future expansion of business."

[Read More: Daily News](#)

Amana Bank goes for Rs. 4.8 b Rights

May 04. Amana Bank (ABL) has announced a 1:1 rights issue amounting to 1.3 billion shares at Rs. 3.8 per share to raise Rs. 4.8 billion.

The net asset value per share of Amana Bank is Rs. 4.63. The proceeds of the issue are to be utilised to raise the core capital of the bank to Rs. 7.5 billion by 30 June 2017 as required by the Central Bank of Sri Lanka and to meet the capital adequacy requirement in line with the growth of the business.

The current stated capital of the bank is Rs. 5.86 billion and post Rights it will increase to Rs. 10.619 billion.

[Read More: Daily FT](#)

Expected ratings withdrawn

May 07. Fitch Ratings has withdrawn the '(A-EXP)(lka)' expected rating assigned to Seylan Bank's (A-(lka)/stable) proposed senior Debenture issue as the debt issuance is no longer expected to convert to final ratings.

[Read More: The Sunday Observer](#)

B Type Stories

HSBC celebrates 11th successive Sovereign Bond issuance with Govt.

[Read More: Daily FT](#)

Lanka Financial Services Bureau among top 5 SWIFT Infrastructures in Asia

[Read More: The Sunday Times](#)

Commercial Bank's 'e-Passbook' wins Gold in Mumbai

[Read More: Ada Derana](#)

News on Finance Companies

ADL Capital secures \$ 10 m facility for LOLC Al-Falaah in landmark transaction

May 09. Adl Capital Ltd. was successful in securing a \$ 10 million funding line for LOLC Finance's Islamic Business Unit, Al-Falaah from a leading Islamic financial institution based in the Middle East. Adl Capital Ltd. acting as the Lead Arranger, is a company that specialises in advisory and structuring turnkey IF solutions to the local industry.

[Read More: Daily FT](#)

B Type Stories

Trevine Fernandopulle new Chairman of AMW Capital Leasing

[Read More – Daily FT](#)

SDB opens 90th branch in Tissamaharama

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Stories Already covered in Daily Time Twister Updates – Finance Companies

People's Leasing 4Q hurt by sharp drop in leases, compressed margins and higher VAT

May 09. People's Leasing & Finance PLC (PLC), a licensed finance company with an asset base of Rs.150 billion, saw its performance for the March quarter being impacted by narrowing margins, slower growth in loans and leases and higher provisions for possible bad loans.

But the largest impact came from the higher financial services value added tax (VAT) as full impact of the VAT increase felt on the company's bottom-line.

According to the interim financial results, the PLC group reported earnings of 71 cents a share or little over a billion rupees for the January - March quarter (4Q17), down 8.0 percent from the same quarter last year.

Source: Daily Mirror

Summit Finance goes for Rs. 283.5 m Rights

May 08. Summit Finance, now owned by Prime Lands, has announced a Rights Issue to raise Rs. 283.5 million. The Rights will be on the basis of three for five held offering 13.5 million shares at Rs. 21 each.

Proceeds from the issue will be used to comply with the Central Bank requirement of minimum capital infusion of Rs. 275 million. Summit Finance's current stated capital is Rs. 225 million. The share closed on Friday at Rs. 28.90 whilst net asset per share is Rs. 14.54 as at end 2016.

[Read More: Daily FT](#)

Richard Pieris Finance Ltd seals merger with Chilaw Finance PLC

May 07. The merger will see Richard Pieris Finance asset base grow by Rs. 16 Billion with a projected growth of Rs. 1.6 Billion Profit before tax by 2020. Richard Pieris Finance Ltd (RPFL), a trusted name in the field of financial services and the only finance company owned by the Richard Pieris Group, announced its amalgamation with Chilaw Finance Plc (CFP).

The merger will consolidate the RPFL presence in the market through strength, security and stability. It will see a rapid growth of Rs 1.6 Billion in Profit before tax within the next three

years and an asset base that will grow by Rs 16 Billion. According to the merger, RPFL will take over all the assets and liabilities of CFP, which will cease to exist.

"The deal was initiated under the Central Bank Financial Sector Consolidation Plan of 2014 which seeks to consolidate the financial landscape of the country. Through this merger, we estimate the portfolio to be worth Rs 27 Billion and a customer base that will double to nearly 10,000 within the next three years," said Richard Pieris Finance Ltd Executive Director and CEO, K. M. M. Jabir. "Additionally, our combined talent and capital base will allow us to better serve both RPFL and Chilaw Finance customers through newer products and services, improved technology and more locations", he added.

[Read More: Ceylon Today](#)

B Type Stories

MBSL and Finance PLC among top 10 financial services providers in Sri Lanka

[Read More: Ceylon Today](#)

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