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Orient Finance PLC

(Formerly Bartleet Finance PLC)

Valuation Memorandum

18 August 2015

PRIVATE AND CONFIDENTIAL



The Board of Directors
Bartleet Finance PLC,
Level 3, No. 2,
Deal Place,
Colombo 03.

18 August 2015

Attn: Mr. Asela Wijayabandara

Dear Sir,

Final Report Regarding the Valuation of Bartleet Finance PLC

We enclose our final report with regard to valuation of Bartleet Finance PLC ("BFN") post amalgamation with Orient Finance PLC ("ORIN").

This report has been prepared on the basis of fieldwork carried out up to 05 August 2015. We have completed the work required to enable us to report fully in accordance with the terms of reference set out in the engagement letter dated 16 July 2015.

We have not undertaken to update our report for events and circumstances arising after 16 July 2015. In carrying out our work, we have relied upon information provided by the Management of BFN and have not audited the information provided therein. Accordingly, we make no representations as to its accuracy and completeness.

For our report to be quoted or referred to, in whole or in part, our prior written consent should be obtained on the same.

The terms of reference for this report, included as part of the Engagement Letter, have been agreed by you and we will not accept responsibility to any other party to whom the report may be shown or who may acquire a copy

The report should be read in conjunction with the Letter of Engagement signed by BFN and KPMG (refer Appendix 1).

Yours faithfully,



KPMG

Terms of Engagement

Terms of Engagement

- KPMG Deal Advisory (“KPMG”) was appointed by Bartleet Finance PLC (“BFN”, “Client”), to act as financial advisors in relation to carrying out a share valuation (“Project East”, “Engagement”) of BFN post their amalgamation with Orient Finance PLC
- KPMG’s role is to provide a Share Valuation Range for 100% of the equity of BFN as at 30 July 2015 (“Valuation Date”)
- This memorandum is prepared only for Management decision making purposes, in relation to the IPO of BFN. KPMG has given a range of values by providing an independent fair value range of the share, based on a number of methodologies. It will be the Management’s prerogative to select a value for the respective purpose. KPMG will not be responsible for the ultimate selection of the value.
- This memorandum is addressed to the BOD of BFN and is intended for their decision making purposes only. However, KPMG has agreed with the Client that this memorandum can be shared and communicated along with the Prospectus in connection to the IPO of BFN. Nevertheless, this report can not be communicated, in whole or in part, to any other third party without KPMG’s prior written consent.
- This memorandum is prepared based on the information sources listed in Appendix 2, KPMG has not independently verified the factual accuracy of the information presented in this memorandum, and has relied upon the directors of BFN to provide us with written representation that the information contained in this memorandum is materially accurate and complete, fair in the manner of its portrayal and therefore forms a reliable basis for the share valuation.
- This memorandum is based on information gathered or provided to KPMG which KPMG has not independently verified. KPMG, nor affiliated partnerships or bodies corporate, nor the directors, shareholders, managers, partners, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the report. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained herein, or errors or omissions from this memorandum or based on or relating to the use of this memorandum
- Further, the Client agrees to indemnify and hold harmless KPMG, its directors, employees and agents from and against any and all costs, expenses, losses, claims, demands, actions, suits or proceedings paid, incurred or suffered by or made or initiated against them or any of them by any third party arising out of or in connection with this engagement, except to the extent that any such costs, expenses, claims, demands, actions, suits or proceedings arise from our wilful default. In any event, our liability would be restricted to a maximum of one time our fees as per our Letter of Engagement.

Disclaimer

- Due to the inherent uncertainties and unforeseen factors affecting a share valuation, KPMG does not accept responsibility or liability for any loss or damage which may arise as a result of any decisions made based on the contents of this report.
- We have made all inquiries that we believe are desirable and appropriate in order to arrive at the conclusion of value range.
- It is the responsibility of the Company to decide the share price based on the value indications given in this report.
- As of the report date, the Company has obtained approval from the Central Bank of Sri Lanka for the name change from Bartleet Finance PLC to Orient Finance PLC. A copy of the certificate is available for reference in Appendix 7.

Glossary of Terms

BFN	Bartleet Finance PLC	MMM	Market Multiples Methodology
Bn	Billion	Mn	Million
CAPM	Capital Asset Pricing Model	NAV	Net Asset Value
Client	Bartleet Finance PLC	NBFI	Non Banking Financial Institutions
Company	Bartleet Finance PLC	NIM	Net Interest Margin
CSE	Colombo Stock Exchange	ORIN	Orient Finance PLC
FYE	Financial Year Ended	PBV	Price to Book Value
IPO	Initial Public Offer	PER	Price to Earnings Ratio
LKR	Sri Lankan Rupees	RI	Residual Income
LTTM	Latest Trailing Twelve Months	ROA	Return on Assets
Management	Management of Bartleet Finance PLC	ROE	Return on Equity

Contents

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Executive Summary

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Company Profile

Bartleet Finance PLC (BFN) was incorporated in 1981, under the Companies Act No.17 of 1982 and was re-registered in terms of the new Companies Act No. 07 of 2007 on 27th July 2009. Licensed by the Monetary Board of the Central Bank of Sri Lanka to accept fixed deposits from the public. The Company is registered under the Finance Leasing Act No. 56 of 2000 and Finance Business Act No. 42 of 2011. The Company in compliance with the Central Bank regulations, listed debenture notes and thus became a listed company.

Principal Activity of the Company

BFN provides full range of financial services including mobilization of deposits, hire purchase, leasing, pledge loans, trade financing, factoring, real estate development, equity investment, asset and portfolio management and related services.

Transaction Background

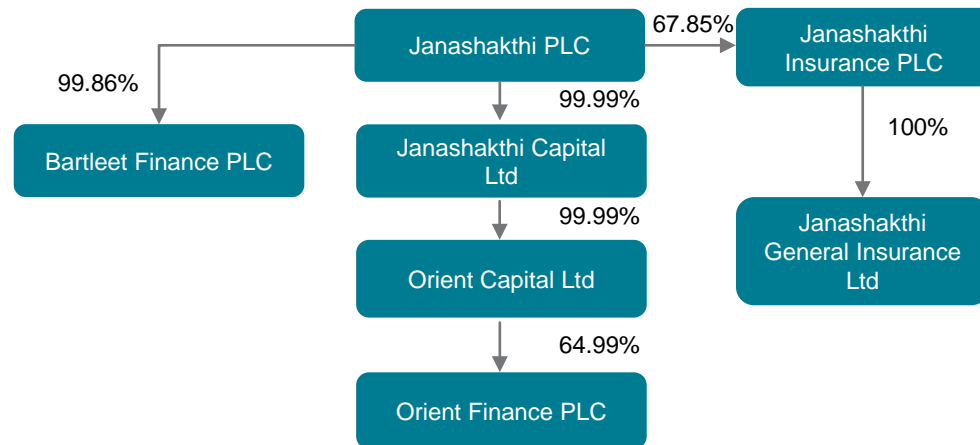
The Board of Directors of BFN and ORIN have resolved to amalgamate ORIN with BFN whereby the amalgamated entity will be BFN.

KPMG has been approached by BFN to carry out a Share Valuation of BFN as at 30 July 2015, post the amalgamation with Orient Finance PLC (ORIN).

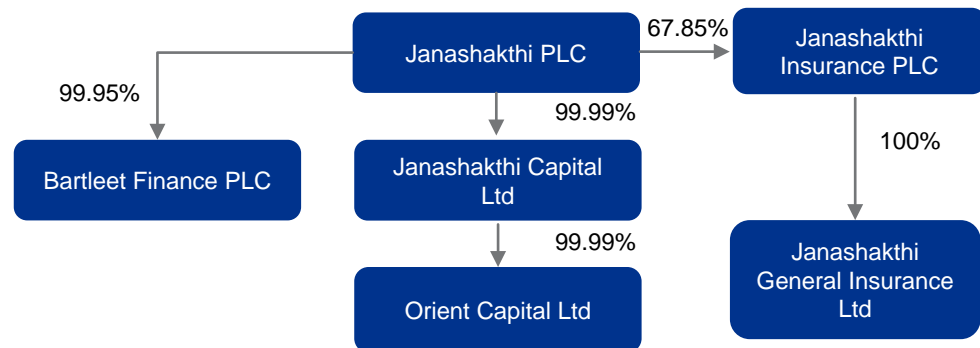
For every one ordinary voting share in ORIN as at the date of amalgamation, LKR 14.97 will be paid by BFN, to shareholders who will opt not to receive shares in BFN. This amount, in total is expected to be LKR 1.73Bn, and will be funded temporarily through a loan.

Prior to listing, there will be a share split where the post-amalgamation share of BFN will be split into 10 shares. Through the IPO, the Company plans to issue 71.5 Mn shares at LKR 15.00 each, raising LKR 1.08 Bn in new equity. The proceeds of the IPO will be used to settle a portion of the loan taken by BFN to acquire ORIN.

Group Structure - Pre Amalgamation



Group Structure - Post Amalgamation



Source – Management

Valuation Background

BFN has engaged KPMG to carry out an independent valuation of the Company, as per CSE listing rules section 3.1.4. pertaining to consideration of shares in an IPO (please refer Appendix 5 for additional details).

As such, KPMG has carried out the valuation of the BFN Group “as at the listing date”, and has considered the IPO proceeds in the valuation. The range of values given below provides an independent opinion on the fair value range as at the date of the IPO, and does not constitute a recommendation.

Methodologies Used – Share Valuation

The Share Valuation has been carried out utilizing the audited and unaudited financial statements of the Company. The methodologies considered for the Share Valuation are:

- Net asset based methodology
- Market multiples methodology
- Residual income methodology

Investment Tax Relief

The Management have indicated that this transaction will qualify for the investment relief as proposed by the Financial Sector Consolidation Plan.

We note that the tax bill for 2015 contains an investment relief in relation to finance sector consolidation where the purchase consideration could be claimed as a qualifying payment relief for tax purposes. However the bill has not been passed by the Parliament and therefore does not have legal validity as of the date of this report. Hence we have not considered the investment relief for the purpose of this valuation.

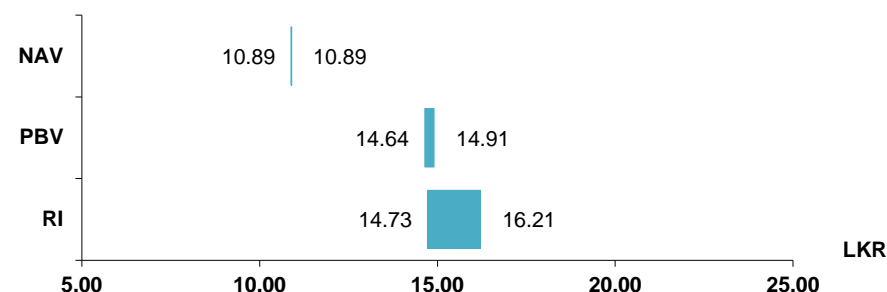
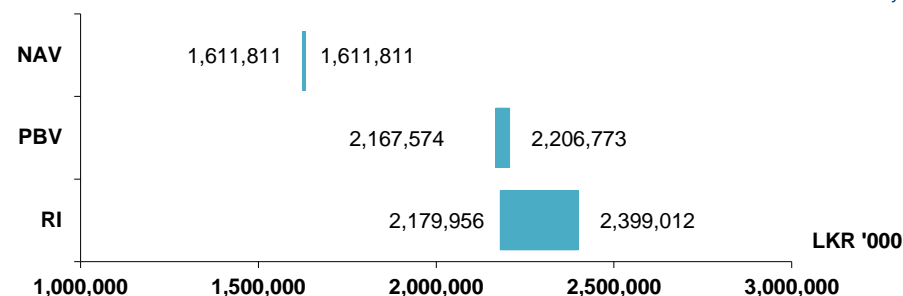
Key Points:

- The above value range does not constitute a recommendation as to whether to carry out the transaction based on this valuation.
- The value of BFN is in the range of LKR 1.61 Bn (NAV) to LKR 2.40 Bn (RI) indicating a per share value of LKR 10.89 (NAV) to LKR 16.21 (RI) as at 30 July 2015.
- The indicative PBV multiples for the above value range is between 1.00x to 1.49x based on the NAV of the share.
- Management assumptions made for the forecasts used in the RI method are available in Page 17.
- The Company was re-named as “Orient Finance PLC” on 14 August 2015 (refer Appendix 7).

Equity value of BFN post amalgamation

Equity valuation summary						
Methodology	Per share value in LKR		Total value in LKR '000		Implied PBV (x)	
	Min	Max	Min	Max	Min	Max
NAV	10.89	10.89	1,611,811	1,611,811	1.00	1.00
PBV	14.64	14.91	2,167,574	2,206,773	1.34	1.37
RI	14.73	16.21	2,179,956	2,399,012	1.35	1.49

Source – KPMG Analysis



Bartleet Finance PLC Post Amalgamation, Pre IPO

The equity position of the merged entity immediately following the amalgamation is as follows;

Equity	
Stated capital	306,190
Reserve fund	171,017
Revaluation reserve fund	116,472
AFS reserves	(3,374)
Accumulated profit/ (loss)	(50,995)
Total equity	539,310

Source – Management

Please refer Appendix 03 (page 29) for the balance sheet of the merged entity.

The balance sheet given for the merged entity has been prepared by the Management and the fair value of assets of ORIN was assumed to be equal to the book values by the Management. The resulting Goodwill is LKR 803.10 Mn.

Public Holding - Post IPO

The Client has confirmed that shares will be issued through the IPO at LKR 15.00 per share, with 71.5 Mn new shares being issued. This constitutes to approximately 48% of the ownership of BFN being held by the public.

No of Shares	
Currently in Issue	7,650,624
Offer Subscribed	1,213
	7,651,837
Share Split (1:10)	10
No. of Shares	76,518,370
Shares to be issued at IPO	71,500,000
No. of Shares after the IPO	148,018,370
No. of Shares ('000)	148,018
Percentage of public holding	48%

The Share Valuation was carried out taking into account/using the number of shares post the proposed share split which had been approved by the Board of Directors on 25 June 2015 and the Central Bank of Sri Lanka on 28 July 2015, pending the shareholders' approval at the Extraordinary General Meeting which will be held at a later date.

Source – KPMG Analysis

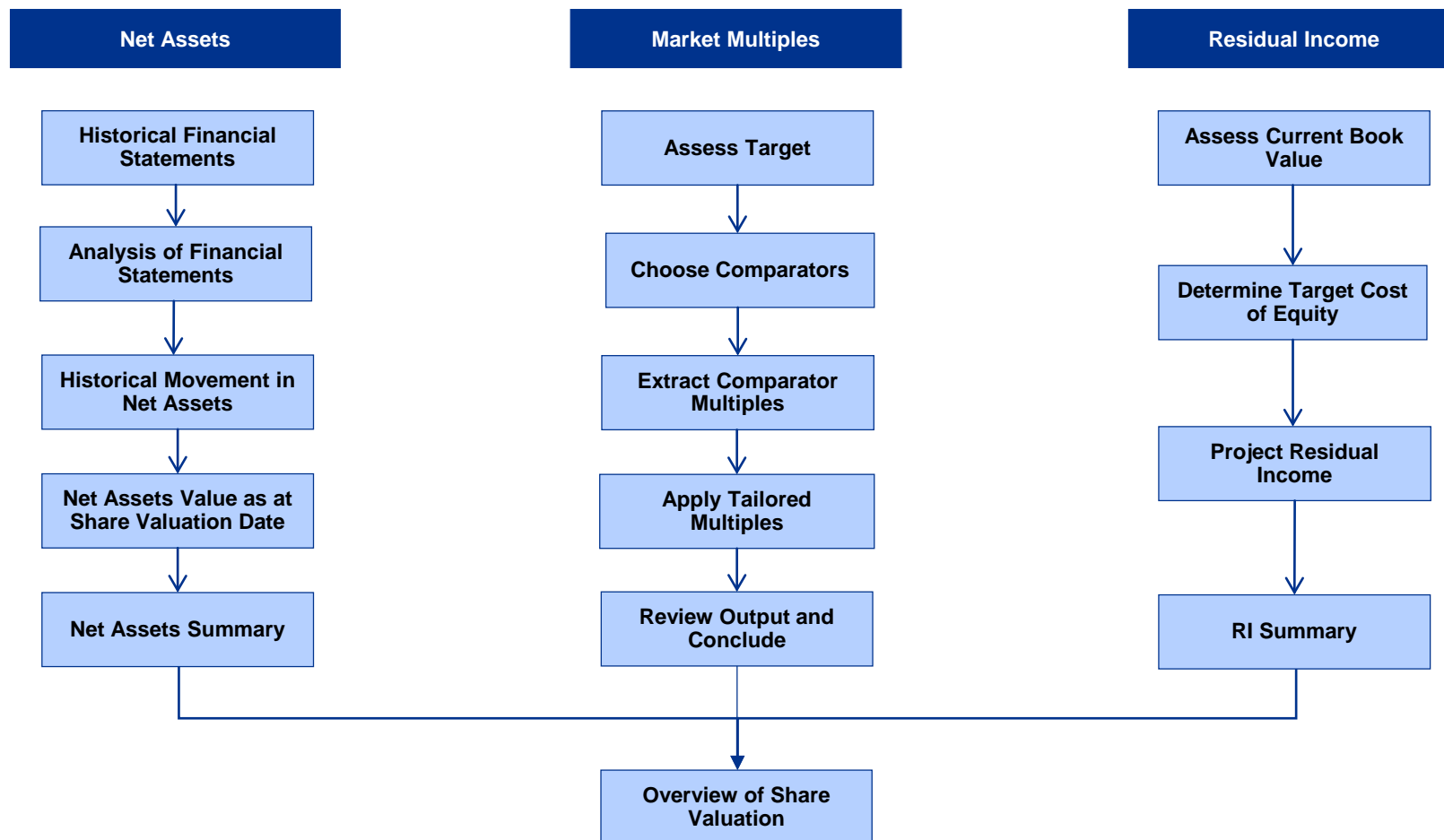
Key Points:

- It is the responsibility of BFN to decide the price at which shares are to be issued which is fair and reasonable to the entity and to all existing shareholders, based on the value indications given in this report.
- KPMG is neither a related party of the applicant entity as defined in SLAS nor has a significant interest or financial connection with the applicant entity/group.
- KPMG is a member of good standing in a professional association relevant to the valuation assignment undertaken and has the necessary skills and resources available at their disposal to arrive at a competent independent opinion in determining fair value range.
- The background, qualifications and experience of KPMG and the valuation team can be referred to in Appendix 6 (page 38).
- KPMG has made all the inquiries that they believe are desirable and appropriate in order to arrive at a competent independent opinion.

Methodology and Approach

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The methodology applied in carrying out the Share Valuation is summarised below:



Basis of Share Valuation

- This report values a 100% of the equity of BFN as at 30 July 2015.

Share Valuation methodology

- Value is derived by applying one or more of the following Share Valuation methodologies:
 - ❖ Net assets based methodology
 - ❖ Market multiples methodology
 - ❖ Residual income methodology

Net Assets Methodology	<ul style="list-style-type: none"> ■ Under a net assets approach, total value is based on the sum of net asset value plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet. ■ A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the “book” net asset value, to give a price to book multiple, which can then be compared to that of similar transactions or quoted companies. ■ A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net asset approach is also useful as a cross-check to assess relative risk of businesses (e.g. relative levels of tangible asset backing).
Market Multiples Methodology	<ul style="list-style-type: none"> ■ An earnings based approach estimates a sustainable level of future earnings for a business (“maintainable earnings”) and applies an appropriate multiple to those earnings, capitalizing them into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue, EBITDA, EBIT, PAT (P/E) and Equity (P/BV). ■ In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical. ■ An earnings approach is typically used to provide a market cross-check to the conclusions reached under a theoretical DCF approach.
Residual Income Methodology	<ul style="list-style-type: none"> ■ Residual Income is an approach to equity valuation that formally accounts for the cost of equity capital. “Residual Income” is the excess income after accounting for the opportunity costs measured relative to the book value of Shareholders’ equity. ■ Residual income is calculated by deducting a equity charge from the earnings during the year. The equity charge is calculated as the beginning book value multiplied by the cost of equity. ■ As per the Residual Income Methodology the intrinsic value of the company is its current book value of the Company plus the present value of future residual income

Expected Return

- In theoretical terms the cost of equity should reflect the average rate of return required by the equity holders
- The built up cost of equity is analogous to the Capital Asset Pricing Model (“CAPM”) in that the risk free interest rate as represented by the latest available 10 year treasury bond rate plus an equity risk premium attributed to the unsystematic risk specific to the company is considered

$$K_e = R_f + \text{Equity Risk Premium} + \text{Alpha}$$

- As such, we have considered for the Share Valuation a risk free rate of 8.89% which is the 10 year treasury bond rate as at 15 June 2015, to which an equity risk premium of 5.0% and an Alpha of 4.0% was added. Thus, for the purpose of this Share Valuation the required rate of return is 17.89%
- The Alpha of 4.0% was added to account for the business specific risks and forecasting risk in the financial projections provided by BFN given the aggressive growth in disbursements in the explicit period.



Key Points

- The computed cost of equity is 17.89%
- The required rate of return has been computed using a build up model where a risk premium and an alpha is considered over the risk free rate

Share Valuation and Interpretation

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Net asset computation	
As at 30 June 2015	Mgmt Accts
Currency LKR '000	
Total assets	15,068,127
Total liabilities	(14,528,816)
Net assets value	539,311
IPO proceeds	1,072,500
Net assets value (post IPO)	1,611,811
Number of shares '000	148,018
NAV per share (post IPO)	10.89

Assets	
As at 30 June 2015	Mgmt Accts
Currency LKR '000	
Property, plant and equipment	470,149
Goodwill - merger	803,101
Investment in CRIB	31
Land held for sale	-
Leasing, HP and loans	10,879,059
Factoring	808,555
Pawning	13,513
Deferred tax	43,794
Investment in treasury bond/bills	1,080,476
Other assets	333,104
Cash and cash equivalents	636,345
Total assets	15,068,127

Liabilities	
As at 30 June 2015	Mgmt Accts
Currency LKR '000	
Borrowing	3,210,870
Fixed deposits	8,334,855
Current tax liability	54,498
Security margin	2,586
Retirement benefit	54,152
Other liabilities	2,871,855
Total liabilities	14,528,816

Source – Management financial statements, KPMG analysis

Key Points

- The value of BFN based on the NAV methodology is LKR 1.61 Bn (post IPO) indicating a per share value of LKR 10.89

Price to Book Value Methodology

- Under PBV methodology, BFN was valued based on two scenarios.
- The following companies were selected as comparables due to the similarities of total asset size with the asset value of the post merged entity;
 - Alliance Finance Company PLC
 - Senkadagala Finance PLC
 - Softlogic Finance PLC
 - Vallibel Finance PLC
- Under scenario 1 a PBV multiple of 1.34 times was used, being the average PBV of the NBFi Industry as at 31 March 2015 (Refer Appendix 4 for the detailed workings).
- Under scenario 2 a PBV multiple of 1.37 times was used, being the average PBV multiple of the comparable companies excluding outliers as at 31 March 2015 (Refer Appendix 4 for the detailed workings).
- In the calculation of multiples for the industry and for the comparable companies, the closing share prices as at 15 July 2015 and the latest available trailing 12 month financial information were used (Refer Appendix 4 for multiple calculations of comparable companies).

Price to book value methodology	
Scenario 01	
Average PBV of NBFi industry (x)	1.34
Total equity (post IPO)	1,611,811
Value of Equity - '000	2,167,574
No of ordinary shares '000	148,018
Equity value per share	14.64

Price to book value methodology	
Scenario 02	
Average PBV of comparable companies (x)	1.37
Total equity (post IPO)	1,611,811
Value of Equity - '000	2,206,773
No of ordinary shares '000	148,018
Equity value per share	14.91

Source – Management accounts, forecasted financial statements, interim financial statements of comparable companies, KPMG Analysis

Key Points

- The value of BFN based on PBV methodology is in the range of LKR 2.17 Bn to LKR 2.21 Bn, indicating a per share value range of LKR 14.64 to LKR 14.91

Residual Income Methodology			
Period	Q2-Q4	FYE	FYE
LKR '000	2016	2017	2018
Explicit period			
Beginning book value	1,611,811	1,659,470	2,019,595
Net profit	53,249	400,139	566,696
Dividends	(5,589)	(40,014)	(56,670)
Forecast book value	1,659,470	2,019,595	2,529,621
Cost of equity	17.9%		
Equity charge	216,265	296,879	361,306
Residual income	(163,016)	103,260	205,390
Discount factor	0.8839	0.7497	0.6360
Discounted residual income	(144,086)	77,419	130,622
PV of residual income	63,955		
Terminal value			
Terminal residual income	205,390		
Adjustment for taxes	(56,670)		
Terminal residual income (post adj)	148,720		
Terminal growth rate	2.00%		
Terminal multiplier	6.42		
Terminal period residual income	954,656		
Discounted terminal year residual income	607,135		
Equity value		Composition	
Adjusted opening book value	1,611,811	71%	
Explicit period	63,955	3%	
Terminal period	607,135	27%	
Value of equity	2,282,900		
No of shares '000	148,018		
Equity value per share	15.42		

- Refer Appendix 3 for the detailed forecasted financial statements provided by the Management of BFN.
- The value of BFN as per RI methodology is subject to the achievability of the forecasts made by the Management.
- The assumptions provided by the Management relating to the forecasts are available in the following page.
- An alpha of 4.0% was added when estimating cost of equity, to account for the forecasting risk in the financial projections and the aggressive disbursements and cost reduction plans in the explicit period. Detailed workings for the methodology used to approximate cost of equity can be referred to in Page 12.
- RI was discounted using a cost of equity of 17.89%. Further, a 2.00% growth rate was assumed during the terminal period.
- The scenario analysis table below highlights the change in per share value in response to changes in both the cost of equity and the terminal growth rate.

Scenario Analysis - Excl Consolidation Tax Benefit						
		Cost of equity				
		16.9%	17.4%	17.9%	18.4%	18.9%
Terminal growth rate	1.0%	2,414,638	2,325,278	2,241,354	2,162,394	2,087,980
	1.5%	2,440,921	2,348,309	2,261,494	2,179,956	2,103,240
	2.0%	2,468,969	2,372,837	2,282,900	2,198,590	2,119,403
	2.5%	2,498,966	2,399,012	2,305,698	2,218,396	2,136,552
	3.0%	2,531,122	2,427,005	2,330,027	2,239,489	2,154,780

Source – Management financial statements, KPMG analysis

Key Points

- The value of BFN based on the RI methodology is in the range of LKR 2.18 Bn to LKR 2.40 Bn, indicating a per share value range of LKR 14.73 to LKR 16.21

Assumptions made by the Management

- An IPO at LKR 15.00 per share, with 71.5 Mn new shares to take place immediately after the amalgamation of BFN and ORIN. As per the Management, IPO funds will be utilized to retire short term borrowings and to improve capital base and the maturity mismatch.
- Dividend payout ratio of 10% for the next three years.
- Total number of business centers to be reduced to 32.
- As per the Management there won't be forced staff reductions and will be covered from normal staff turnover and back office staff to be reduced by 30-50.
- Overhead costs to be rationalized within two months of the amalgamation.
- It is assumed that during the forecasted period the impairment charges gradually increase from 3.0% to 3.5% of the total portfolio.
- Tax losses carried forward for ORIN was confirmed as LKR 616.70 Mn and for BFN as LKR 179.68 Mn. The statutory tax rate of 28% was assumed to be applicable in the terminal period.

Appendices

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 Deal Advisory Services – Bartlett Finance PLC*

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16th July 2015

The Board of Directors,
 Bartlett Finance PLC,
 Level 3, No. 2, Deal Place,
 Colombo 03.

Attn: Mr. Asela Wijayabandana

Dear Sir,

DEAL ADVISORY SERVICES – BARTLETT FINANCE PLC

We are writing in relation to the recent discussions between KPMG and Bartlett Finance PLC, ("BFN", "the Client") in connection with the Valuation ("Engagement") of Bartlett Finance PLC ("BFN", "the Target") post the acquisition of Orient Finance PLC ("ORIN"), and in this connection appointing KPMG to carry out the Valuation.

We are pleased to confirm that we are interested in assisting you as Financial Advisors in undertaking this engagement to provide you advisory services in connection with the Proposed Engagement.

This engagement letter ("this letter") sets out below, our understanding of and the proposed terms of reference for this engagement. This letter also specifies the services we are to deliver, the engagement team we have assigned to you, how you will remunerate us and the other terms and conditions governing our relationship.

We request you to read this letter carefully and confirm your agreement with its terms by signing and returning to us the enclosed duplicate.

1. Background

We understand that BFN, having its Registered Office at Level 3, No. 2, Deal Place, Colombo 03 has approached KPMG, to carry out a Valuation for internal decision making purposes. The Valuation will be carried out on the BFN Group, after the acquisition of ORIN.

KPMG would assist the Client in determining a range of prices by way of a valuation, which would be based on a number of methodologies. Based on this range of prices, it will be your prerogative to select a price for the respective purpose.

BFN will provide the necessary financial statements, forecasts and assumptions for the purpose of the engagement. KPMG will not take ownership of the projections; we will only assess the reasonability of the forecasts and assumptions considered in the preparation of the forecasted information.

2. Our scope of work

We have described below the scope of work that KPMG will undertake ("the services") for this engagement.

The determination of a Valuation would be driven by a host of industry and company related factors. Our work will utilise a variety of methodologies appropriate to the circumstances of this exercise and specifically may include methodologies based on:

Residual Income ("RI")

Residual Income is an approach to equity valuation that formally accounts for the cost of equity capital. "Residual Income" is the excess income after accounting for the opportunity costs measured relative to the book value of shareholders' equity.

Residual income is calculated by deducting an equity charge from the earnings during the year. The equity charge is calculated as the beginning book value multiplied by the cost of equity.

As per the Residual Income methodology, the intrinsic value of the Company is its current book value plus the present value of future residual income.

Market Multiple Methodology

Market multiples are derived from the comparable companies and/or the relevant industry trading multiples. An appropriate multiple is applied to the company's earnings and/or book value, which would result into a value for the business. The earnings bases to which a multiple is commonly applied include Revenue (multiple: P/Sales, EV/Sales), EBITDA (multiple: EV/EBITDA), EBIT (multiple: EV/EBIT), and PAT (multiple: P/E), whereas book value basis is commonly represented by the common shareholders' equity, where a P/BV multiple will be applied. An earnings approach is typically used to provide a market cross-check to the conclusions reached under a theoretical DCF approach.

Net Book value

The net book value method normally provides the floor valuation of a business and takes into consideration the book value of assets and liabilities.

BFN will be responsible for providing financial statements (prepared on the same basis as the audited financial statements) as at the Valuation date and the projections/budgeted information for a period of the said services/operations, and the underlying assumptions. We will depend on the projections and assumptions provided by you and will not verify the underlying assumptions. KPMG will only consider the reasonableness of the underlying assumptions used in preparing the projections.

3. Procedures

The procedures to be used in nature and extent will best meet your information needs, and will include interview and analysis, to gather relevant information. Furthermore, such procedures do not constitute an audit in accordance with Sri Lanka Auditing Standards and therefore, we do not express an opinion or make any other form of representation regarding the sufficiency of the procedures we performed for your informational needs. Unless otherwise indicated, our enquiries will be directed at, and the data gathered will be obtained from BFN's personnel.

4. Fees

Our fees are based upon our estimates of the time required for the individuals assigned to the engagement to complete their work and the necessary degree of skill and experience of the staff



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members concerned. In estimating the time required to perform the assignment we necessarily take account of such factors as the scope of the engagement and the time frame.

Based on the above, our fees for this engagement will be LKR 300,000/- plus applicable local taxes.

Our fees will be payable as follows:

- 50% of the total professional fee of LKR 300,000/-, plus applicable local taxes on your acceptance of this letter; and
- The balance, plus out of pocket expenses and applicable local taxes on submission of our draft report

5. Deliverable

Our Valuation of BFN would be reliant on the provision of information by BFN, which we would ask you to represent to us as being accurate and not misleading and without material omissions. We would then include this information within a factual memorandum prepared for BFN. The factual memorandums would include a section on the projected financial information.

The Valuation would be provided in the form of a written report which would set out the methodologies used, the assumptions underlying each methodology, the results of each methodology and a summary of the Valuation results.

Thus the deliverables would be:

- A Factual Memorandum
- A Valuation Memorandum

All our deliverables will be for internal decision making of BFN.

6. The Engagement Team we have assigned to you

We have selected a team of professionals and support staff to undertake this Engagement. These staff will be under the immediate supervision and control of the Engagement Partner, Mr. Shiluka Goonewardene. They will be assisted by other staff as necessary.

7. Timetable and responsibilities

We estimate that we will take two (2) working weeks from the receipt of the required information to provide you a draft report. Based on the correctness of its facts, you would sign factual accuracy letters furnished by us. An additional one (1) week will be taken to provide the final reports once BFN provides confirmation on the draft reports by signing the respective factual accuracy letters.

In order for us to carry out work in accordance with the required timetable, it will be important that we can be assured of the availability and co-operation of the management and staff of BFN in providing the information we may require.

Whilst it will be our endeavour to complete the engagement in as short time as possible, as set out above, you would appreciate, this may need to be revised and updated if there are undue delays in providing us the requested information.



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8. Arrangements relating to updating reports

Because of its special nature, our report may not be suited for any purpose other than to assist you in the Valuation of BFN for the purpose of internal decision making by the Client, as such will be restricted for the stated purposes only. Additionally, our reports will indicate that we have no obligation to update our report or to revise the information contained therein because of events and transactions occurring subsequent to the date of the reports.

9. Restrictions on distribution of KPMG's report

As is usual, our reports are provided on the basis that they are for your information only and that they will not be quoted or referred to, in whole or in part, without our prior written consent.

10. Information, documents and working papers

Files, work papers and correspondence generated by KPMG and relating to this engagement shall be the sole property of KPMG.

11. Third party rights

This engagement shall not create or give rise to, nor shall it be intended to create or give rise to any third party rights. No third party shall have any right to enforce or rely on any provision of this engagement letter, which does or may confer any right or benefit on any third party, directly or indirectly, expressly or impliedly. The application of any legislation giving to or conferring on third parties contractual or other rights in connection with this engagement letter shall be excluded. No KPMG person shall be deemed to be a third party for the purposes of this clause.

12. Circumstances beyond the control of BFN or KPMG

Neither BFN nor KPMG shall be in breach of their contractual obligations nor shall either party incur any liability to the other if BFN or KPMG are unable to comply with this engagement letter as a result of any cause beyond BFN or KPMG's reasonable control. In the event of any such occurrence affecting one of the parties, that one shall be obliged as soon as reasonably practicable to notify the other.

13. Waiver, assignment and sub-contractors

Failure by any one of us (i.e., BFN or KPMG) to exercise or enforce any rights available to us shall not amount to a waiver of any rights available to either of us.

Neither of us shall have the right to assign the benefit or burden of this engagement letter without the written consent of the other of us.

KPMG shall have the right to appoint sub-contractors to assist in delivering the services under this engagement letter as members of the engagement team but KPMG shall consult and obtain the approval of BFN before doing so.

14. Notices

Any notice to BFN or KPMG delivered under this engagement letter shall be in writing and delivered to our respective addresses appearing in this engagement letter (or such other address as may be notified in writing).



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15. Severability

Each clause or term of this engagement letter constitutes a separate and independent provision. If any of the provisions of this engagement letter are judged by any court or authority of competent jurisdiction to be void or unenforceable, the remaining provisions shall continue in full force and effect.

16. Entire agreement

This engagement letter and any documents incorporated hereto by reference sets out the entire agreement and understanding between BFN and KPMG in connection with the services mentioned above. Any modifications or variations to this letter must be in writing and signed by an authorised representative of BFN and KPMG.

17. Headings

The headings of the clauses contained in this engagement letter are for ease of reference only and shall not affect its interpretation hereof.

18. Standard terms and conditions

The standard terms set out in Appendix 1 (General Terms of Business - Advisory), will also govern the relationship between KPMG and the Client, on this engagement.

19. Indemnification and limitation of liability

By approving this assignment, you agree to indemnify us from certain risks inherent in projects of this nature. Specifically, you agree to indemnify and hold us harmless against and from any and all losses, claims, damages or liabilities to which we may become subject in connection with our report and other communication, under Sri Lankan law or otherwise. We shall not be indemnified to the extent of such losses, claims, damages or liabilities resulting from our bad faith or gross negligence (where BFN itself was not guilty of gross negligence or bad faith) in performing our services. In the event KPMG is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement for BFN in judicial or administrative proceedings to which KPMG is not a party, BFN shall reimburse KPMG at standard billing in responding to such a request.

You agree that the liability to you of this firm, its partners and employees (in contract or tort or under statute or otherwise) for any economic loss or damage suffered by you arising out of or in connection with this work, however the loss or damage is caused shall be limited to the amount of fees paid to us. We accept the benefit of this agreement as agent and trustee for each of our partners, employees and agents.



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20. Conclusion

We look forward to working with you in relation to this assignment. Your confirmation of the acceptance of these arrangements, by signing and returning a copy of this letter to us, would be appreciated.

If you wish to discuss the contents of this Engagement Letter, please contact Mr. Shilaka Gunewardene on +94 115 426 403.

Yours faithfully,



KPMG



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Acknowledgement

The terms and conditions of this engagement letter and attachments have been read and understood by the Board of Directors of SBH ("BOD") and I am authorised on behalf of the BOD to agree to and accept them.

On behalf of Bartlett Finance PLC,

Authorised Signature :

Name :

Designation :

Date :16th July 2015.....


ORIENT FINANCE PLC
Suresh M. Amerasinghe
CHIEF EXECUTIVE OFFICER



KPMG
Chartered Accountant
32A, Sir Mahanasa Mawatha,
P. O. Box 196,
Colombo 00300,
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Internet : www.kpmg.com

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31st August 2015

The Board of Directors,
Orient Finance PLC,
(Formerly Bartleet Finance PLC)
No.18, Sri Sangaraja Mawatha,
Colombo-10.

Attn: Ms. Azela Wijegobandara

Dear Sirs,

ADDENDUM TO THE ENGAGEMENT LETTER DATED 16th JULY 2015

Bartleet Finance PLC ("BFN") has engaged KPMG to carry out a valuation of BFN post the acquisition of Orient Finance PLC ("ORIN"). Bartleet Finance PLC as of 14th August 2015 has obtained approval from the Central Bank of Sri Lanka for the name change from Bartleet Finance PLC to Orient Finance PLC.

Further to the KPMG Letter of Engagement dated 16th July 2015, for the provision of Deal Advisory Services, we wish to bring to your kind attention, the following modifications to the original LoE.

Restrictions on distribution of KPMG's report

As the valuation will be required for purposes of fulfilling the CSE listing requirements, we hereby permit Orient Finance PLC to make references and to include extracts from the KPMG valuation report in the Prospectus, which will be published in relation to the IPO of Orient Finance PLC.

All other terms and conditions will remain the same as per the LoE dated 16th July 2015.

Conclusion and Acceptance

Once you have formally acknowledged acceptance of this Addendum, it will form part of the LoE and be governed by the Standard Terms and Conditions set out in Appendix 1 of the original LoE.

Please confirm your agreement to and acceptance of the terms of this letter by signing and returning to us the enclosed copy. If there are any aspects that you wish to discuss, please do not hesitate to contact Mr. Shiluka Goonewardene – Principal, KPMG on +94 115 426 404.

Yours faithfully,

KPMG

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.B. Minder PCA
T.J.S. Rajapakse PCA
Ms. S.M.S. Jayasinghe ACA
G.A.H. Karunaratne ACA
R.N. Peiris ACA
F.T.S. Perera PCA
M.P.A.C. Perera FCA
Ms. S.M.C. Jayasinghe ACA
P.M.S.B. Rajapakse ACA
R.S. Jayathilake FCA
Ms. S. Joseph FCA
E.S.D.L. Perera FCA
Ms. R.P.D.T.M. Rodrigo ACA
R.S. Soonesinghe ACA
Principal - S.A.L. Perera FCA/CA/LLM, Attorney-at-Law, U.S. Soonesinghe ACA



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Deal Advisory – Orient Finance PLC

Acknowledgement

The terms and conditions of this addendum have been read and understood by the Board of Directors of Orient Finance PLC ("BOD") and I am authorised on behalf of the BOD to agree to and accept them.

On behalf of Orient Finance PLC (formerly Bartleet Finance PLC):

ORIENT FINANCE PLC

Signature:
Name: Suresh M. Amarasikera
Designation: CHIEF EXECUTIVE OFFICER

Date: 31st August 2015

All the following documents and information sources have been considered for this Share Valuation:

- Audited financial statements for the years ended 31 March 2011- 2015
- Management accounts for the three months ended 30 June 2015
- Financial projections for three years from 2016-2018
- Information provided by the Management
- Central Bank of Sri Lanka – www.cbsl.lk
- Colombo Stock Exchange – www.cse.lk/home.do

Historical and Forecasted Financials - BFN

Income statement					
FYE 31 March	2011	2012	2013	2014	2015
LKR '000	Audited	Audited	Audited	Audited	Audited
Revenue	1,150,826	1,178,760	1,552,160	1,605,010	1,362,664
Interest income	780,287	1,054,055	1,336,170	1,465,703	1,283,087
Interest expenses	(487,491)	(614,026)	(964,202)	(1,039,248)	(805,279)
Net interest income	292,796	440,029	371,969	426,455	477,807
Fee and commission income	-	27,643	17,813	17,684	15,502
Net trading income/(expenses)	-	(250)	2,109	10,138	(1,253)
Other income	370,540	97,312	196,068	111,484	65,329
Total operating income	663,335	564,734	587,959	565,761	557,385
Impairment charges	-	(20,725)	(139,033)	(50,000)	(188,292)
Net operating income	663,335	544,008	448,926	515,761	369,093
Personnel costs	(98,103)	(167,838)	(159,305)	(143,566)	(134,102)
Depreciation of property, plant and equipment	-	(46,586)	(47,514)	(20,719)	(24,495)
Provision for staff retirement benefits cost	(4,063)	-	-	-	-
Other operating expenses	(83,792)	(239,063)	(220,931)	(281,095)	(206,314)
Finance costs	(236,361)	-	-	-	-
	(422,320)	(453,487)	(427,750)	(445,380)	(364,911)
Profit from operations	241,015	90,522	21,177	70,381	4,182
Value added tax on financial services	(14,049)	-	-	-	-
Profit before tax	226,966	90,522	21,177	70,381	4,182
Income tax expenses	(4,902)	(16,416)	(13,625)	(13,014)	-
Profit for the year	222,063	74,105	7,552	57,367	4,182

Source- Management

Historical and Forecasted Financials - BFN (cont...)

Balance Sheet					
As at 31 March	2011	2012	2013	2014	2015
LKR '000	Audited	Audited	Audited	Audited	Audited
Assets					
Cash and balances due from banks	123,477	118,154	161,989	200,985	194,035
Due from banks and other financial institutions	88,065	43,210	23,233	25,672	27,259
Loans and advances to customers	3,005,992	4,981,731	5,323,316	5,615,826	4,933,960
Financial investments- available for sale	339,300	355,016	186,024	11,120	3,200
Financial investments- held for maturity	588,493	729,076	1,061,579	1,165,133	695,741
Real estate stocks	134,959	108,662	90,754	78,299	47,227
Amount due from related party	4,000	5,000	147,236	-	265,826
Economic service charges recoverable	8,405	18,706	23,022	23,022	25,744
Other debtors, deposits and prepayments	123,825	56,843	79,000	78,969	92,794
Differed interest expense on securitization loans	22,191	39,034	-	-	-
Income tax- Refund	(3,300)	54	54	54	54
Three-w heeler stock	-	38,693	101	-	-
Property, plant and equipment	186,512	203,261	292,713	533,064	446,864
Investment property	42,882	42,882	59,000	128,000	-
Capital work in progress	218,514	248,718	255,105	-	-
Total assets	4,883,315	6,989,039	7,703,127	7,860,144	6,732,704
Equity and liabilities					
Liabilities					
Due to customers	3,630,633	5,075,410	5,747,762	6,463,960	5,580,072
Interest bearing borrowings	457,294	1,032,409	923,320	378,751	118,380
Differed tax	-	17,023	37,287	50,301	50,301
Subordinated term debt	-	204,000	204,000	204,000	204,000
Retirement benefit obligations	23,279	27,015	32,138	36,621	44,883
Other liabilities	177,734	193,470	254,573	165,098	165,069
Total liabilities	4,288,940	6,549,327	7,199,080	7,298,731	6,162,705
Shareholders funds					
Stated capital	61,205	61,205	306,025	306,025	306,025
Statutory reserve	142,375	157,196	158,707	170,180	171,017
Reverse reserve	70,000	70,000	-	-	-
Available for sale reserve	(1,380)	(185,667)	(191,901)	(7,778)	(3,374)
Investment fund reserve	685	1,868	1,868	1,868	-
Revaluation reserve	41,400	40,258	148,095	148,095	116,472
Retained earnings	280,089	294,852	81,252	(56,977)	(20,140)
Total equity	594,375	439,712	504,046	561,413	569,999
Total liabilities and equities	4,883,315	6,989,039	7,703,127	7,860,144	6,732,704

Source- Management

Historical and Forecasted Financials - ORIN (cont...)

Income statement					
FYE 31 March	2011	2012	2013	2014	2015
Currency LKR '000	Audited	Audited	Audited	Audited	Audited
Revenue	334,622	523,225	836,361	1,076,075	1,229,524
Interest income	295,693	432,324	738,462	992,642	1,121,811
Interest expenses	(128,398)	(140,496)	(349,903)	(486,905)	(500,466)
Net interest income	167,295	291,827	388,560	505,737	621,345
Impairment charge/(Write Back)	-	6,815	(31,080)	(146,371)	(252,233)
Other income	34,929	90,902	97,899	83,433	107,713
Net operating income	202,224	389,544	455,378	442,799	476,825
Personnel costs	(67,723)	(86,888)	(117,671)	(166,914)	(203,167)
Premises, equipment and establishment expenses	(26,227)	(29,885)	(40,575)	(49,913)	(61,562)
Other overhead expenses	(47,185)	(62,247)	(89,670)	(115,967)	(128,836)
Reversal of provision for doubtful debts	11,217	-	-	-	-
Profit from operations	72,306	210,524	207,463	110,006	83,260
Value added tax on financial services	(13,033)	(9,370)	(9,498)	(12,660)	(16,987)
Profit before tax	59,273	201,155	197,964	97,346	66,273
Income tax expenses	8,665	(66,571)	(29,106)	(18,788)	(16,742)
Profit for the year	67,937	134,584	168,859	78,558	49,530

Source- Management

Historical and Forecasted Financials - ORIN (cont...)

Balance Sheet					
As at 31 March	2011	2012	2013	2014	2015
LKR '000	Audited	Audited	Audited	Audited	Audited
Assets					
Cash and cash equivalents	5,914	10,288	26,423	38,065	51,903
Available for sale financial assets	-	-	18,913	81,335	224,841
Loans and receivables from customers	1,099,741	2,278,146	3,385,692	4,489,267	6,100,885
Trade and other receivables	60,792	91,241	-	61,071	131,034
Differed tax asset	102,311	57,246	49,912	43,794	43,794
Investment in CRIB	31	31	31	31	31
Intangible assets	5,110	3,406	3,501	1,768	1,143
Property, plant and equipment	12,910	23,033	47,632	46,267	32,722
Investment securities	-	70,633	32,325	127,937	498,339
Other receivables	-	-	75,651	3,886	-
Non current assets held for sale	-	-	10,000	10,000	10,000
Total assets	1,286,809	2,534,025	3,650,079	4,903,419	7,094,692
Equity and liabilities					
Liabilities					
Bank overdrafts	233,619	303,078	416,281	71,086	143,865
Deposits from customers	-	-	316,401	1,473,272	2,579,728
Interest bearing borrowings	584,404	1,382,956	1,934,036	2,285,675	1,963,715
Unsubordinated term debt	-	-	-	-	1,023,595
Related party payables	50	500	-	-	-
Current tax payable	13,818	4,593	21,506	-	12,212
Trade and other payable	141,444	185,750	150,097	203,665	465,916
Non interest bearing security deposits	11,488	2,040	2,712	3,547	2,813
Retirement benefit obligations	7,301	6,044	6,521	7,482	10,752
Total liabilities	992,123	1,884,963	2,847,553	4,044,727	6,202,596
Shareholders funds					
Stated capital	277,500	500,000	500,000	500,000	500,000
Reserve fund	6,742	13,567	22,010	25,938	28,414
Investment fund	-	11,294	20,772	27,796	-
Available for sale fair value reserve	-	-	2,234	2,994	(6)
Retained earnings	10,444	124,201	257,509	301,963	363,687
Total equity	294,686	649,062	802,525	858,691	892,096
Total liabilities and equities	1,286,809	2,534,025	3,650,079	4,903,419	7,094,692

Source- Management

Historical and Forecasted Financials – Combined Entity (cont...)

Combined Income Statement				
Period	3ME	FYE	FYE	FYE
LKR '000	30 June 2015	2016	2017	2018
Revenue	612,486	3,028,880	4,839,838	6,001,161
Interest income	544,132	2,785,389	4,659,838	5,794,161
Interest expenses	(287,673)	(1,665,976)	(2,749,938)	(3,405,897)
Net interest income	256,459	1,119,413	1,909,900	2,388,264
Fee and commission income	30,975			
Other income	37,379	243,491	180,000	207,000
Total operating income	324,813	1,362,904	2,089,900	2,595,264
Impairment charges	(123,844)	(564,996)	(827,967)	(1,021,167)
Net operating income	200,969	797,908	1,261,934	1,574,097
Direct staff costs	(40,908)	(150,397)	(156,960)	(188,352)
Other staff costs	(59,598)	(238,531)	(200,000)	(220,000)
Administration and establishment	(72,667)	(254,612)	(264,664)	(277,937)
Marketing expenses	(14,576)	(74,150)	(70,000)	(80,000)
Profit from operations	13,220	80,218	570,310	807,808
Value added tax on financial services	(3,557)	(10,355)	(70,136)	(99,439)
Profit before tax	9,663	69,864	500,174	708,369
Income tax expenses	(7,021)	(13,973)	(100,035)	(141,674)
Profit for the year	2,642	55,891	400,139	566,696
Dividends		5,589	40,014	56,670

Source- Management

Historical and Forecasted Financials – Combined Entity (cont...)

Combined Balance Sheet	
As at 30 June	2015
Currency LKR '000	Mgmt Acct
Assets	
Property, plant and equipment	470,149
Goodwill - merger	803,101
Investment in CRIB	31
Land held for sale	-
Leasing, HP and loans	10,879,059
Factoring	808,555
Pawning	13,513
Deferred tax	43,794
Investment in treasury bond/bills	1,080,476
Other assets	333,104
Cash and cash equivalents	636,345
Total assets	15,068,127
Liabilities	
Borrowing	3,210,870
Fixed deposits	8,334,855
Current tax liability	54,498
Security margin	2,586
Retirement benefit	54,152
Other liabilities	2,871,855
Total liabilities	14,528,816
Equity	
Stated capital	306,190
Reserve fund	171,017
Revaluation reserve fund	116,472
AFS reserves	(3,374)
Accumulated profit/ (loss)	(50,995)
Merger reserve	-
Total equity	539,310
Total liabilities and equity	15,068,127

Source- Management

Historical and Forecasted Financials – Ratio Analysis (cont...)

Bartleet Finance PLC				
	2012	2013	2014	2015
Key Ratios				
Net interest margin	9.1%	6.0%	6.3%	7.4%
ROE	14.3%	1.6%	10.8%	0.7%
ROA	1.2%	0.1%	0.7%	0.1%
Total assets growth	43.1%	10.2%	2.0%	-14.3%
Total deposit growth	39.8%	13.2%	12.5%	-13.7%
Impairment charges/Interest bearing assets	0.4%	2.1%	0.7%	3.2%
Advances to deposit	98.2%	92.6%	86.9%	88.4%
Interest income margin	21.8%	21.5%	21.6%	20.0%
Interest expense margin	11.8%	14.6%	14.9%	12.4%
Interest spread	10.0%	6.9%	6.7%	7.5%
Cost to income	40.2%	36.5%	30.9%	40.6%

Orient Finance PLC				
	2012	2013	2014	2015
Key Ratios				
Net interest margin	17.2%	13.6%	12.7%	11.6%
ROE	28.5%	23.3%	9.5%	5.7%
ROA	7.0%	5.5%	1.8%	0.8%
Total assets growth	96.9%	44.0%	34.3%	44.7%
Total deposit growth	N/A	N/A	365.6%	75.1%
Impairment charges/Interest bearing assets	-0.3%	0.9%	3.2%	4.1%
Advances to deposit	N/A	1070.1%	304.7%	236.5%
Interest income margin	25.5%	25.9%	25.0%	21.0%
Interest expense margin	11.2%	16.1%	15.0%	10.5%
Interest spread	14.3%	9.8%	10.0%	10.5%
Cost to income	32.9%	33.4%	44.5%	52.5%

Source- KPMG Analysis

Historical and Forecasted Financials – Ratio Analysis (cont...)

Common Size Analysis - BFN Income Statement

FYE 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Interest income	89.4%	86.1%	91.3%	94.2%
Interest expense	52.1%	62.1%	64.8%	59.1%
Net interest income	37.3%	24.0%	26.6%	35.1%
Fee and commission income	2.3%	1.1%	1.1%	1.1%
Net trading income/(expenses)	0.0%	0.1%	0.6%	-0.1%
Other income	8.3%	12.6%	6.9%	4.8%
Total operating income	47.9%	37.9%	35.2%	40.9%
Impairment charges	1.8%	9.0%	3.1%	13.8%
Net operating income	46.2%	28.9%	32.1%	27.1%
Personnel costs	14.2%	10.3%	8.9%	9.8%
Depreciation of property, plant and equipment	4.0%	3.1%	1.3%	1.8%
Other operating expenses	20.3%	14.2%	17.5%	15.1%
Profits from operation	7.7%	1.4%	4.4%	0.3%
PBT	7.7%	1.4%	4.4%	0.3%
PAT	6.3%	0.5%	3.6%	0.3%

YoY Growth Analysis - BFN Income Statement

FYE 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Interest income	35.1%	26.8%	9.7%	-12.5%
Interest expense	26.0%	57.0%	7.8%	-22.5%
Net interest income	50.3%	-15.5%	14.6%	12.0%
Fee and commission income	N/A	-35.6%	-0.7%	-12.3%
Net trading income/(expenses)	N/A	-943.8%	380.6%	-112.4%
Other income	-73.7%	101.5%	-43.1%	-41.4%
Total operating income	-14.9%	4.1%	-3.8%	-1.5%
Impairment charges	N/A	570.8%	-64.0%	276.6%
Net operating income	-18.0%	-17.5%	14.9%	-28.4%
Personnel costs	71.1%	-5.1%	-9.9%	-6.6%
Depreciation of property, plant and equipment	N/A	2.0%	-56.4%	18.2%
Other operating expenses	185.3%	-7.6%	27.2%	-26.6%
Profits from operation	-62.4%	-76.6%	232.4%	-94.1%
PBT	-60.1%	-76.6%	232.4%	-94.1%
PAT	-66.6%	-89.8%	659.6%	-92.7%

Source- KPMG Analysis

Historical and Forecasted Financials – Ratio Analysis (cont...)

Common Size Analysis - BFN Balance Sheet				
As at 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Cash and balances due from banks	1.7%	2.1%	2.6%	2.9%
Due from banks and other financial institutions	0.6%	0.3%	0.3%	0.4%
Loans and advances to customers	71.3%	69.1%	71.4%	73.3%
Financial investments- available for sale	5.1%	2.4%	0.1%	0.0%
Financial investments- held for maturity	10.4%	13.8%	14.8%	10.3%
Real estate stocks	1.6%	1.2%	1.0%	0.7%
Amount due from related party	0.1%	1.9%	0.0%	3.9%
Economic service charges recoverable	0.3%	0.3%	0.3%	0.4%
Other debtors, deposits and prepayments	0.8%	1.0%	1.0%	1.4%
Property, plant and equipment	2.9%	3.8%	6.8%	6.6%
Investment property	0.6%	0.8%	1.6%	0.0%
Capital work in progress	3.6%	3.3%	0.0%	0.0%
Due to customers	72.6%	74.6%	82.2%	82.9%
Interest bearing borrowings	14.8%	12.0%	4.8%	1.8%
Differed tax	0.2%	0.5%	0.6%	0.7%
Subordinated term debt	2.9%	2.6%	2.6%	3.0%
Retirement benefit obligations	0.4%	0.4%	0.5%	0.7%
Other liabilities	2.8%	3.3%	2.1%	2.5%
Stated capital	0.9%	4.0%	92.9%	4.5%
Statutory reserve	2.2%	2.1%	3.9%	2.5%
Reverse reserve	1.0%	0.0%	2.2%	0.0%
Available for sale reserve	-2.7%	-2.5%	0.0%	-0.1%
Revaluation reserve	0.6%	1.9%	0.0%	1.7%
Retained earnings	4.2%	1.1%	1.9%	-0.3%

YoY Growth Analysis - BFN Balance Sheet				
As at 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Cash and balances due from banks	-4.3%	37.1%	24.1%	-3.5%
Due from banks and other financial institutions	-50.9%	-46.2%	10.5%	6.2%
Loans and advances to customers	65.7%	6.9%	5.5%	-12.1%
Financial investments- available for sale	4.6%	-47.6%	-94.0%	-71.2%
Financial investments- held for maturity	23.9%	45.6%	9.8%	-40.3%
Real estate stocks	-19.5%	-16.5%	-13.7%	-39.7%
Amount due from related party	25.0%	2844.7%	-100.0%	N/A
Economic service charges recoverable	122.6%	23.1%	0.0%	11.8%
Other debtors, deposits and prepayments	-54.1%	39.0%	0.0%	17.5%
Income tax- Refund	-101.6%	0.0%	0.0%	0.0%
Property, plant and equipment	9.0%	44.0%	82.1%	-16.2%
Investment property	0.0%	37.6%	116.9%	-100.0%
Capital work in progress	13.8%	2.6%	-100.0%	N/A
Due to customers	39.8%	13.2%	12.5%	-13.7%
Interest bearing borrowings	125.8%	-10.6%	-59.0%	-68.7%
Differed tax	N/A	119.0%	34.9%	0.0%
Subordinated term debt	N/A	0.0%	0.0%	0.0%
Retirement benefit obligations	16.1%	19.0%	13.9%	22.6%
Other liabilities	8.9%	31.6%	-35.1%	0.0%
Stated capital	0.0%	400.0%	0.0%	0.0%
Statutory reserve	10.4%	1.0%	7.2%	0.5%
Available for sale reserve	13351.5%	3.4%	-95.9%	-56.6%
Investment fund reserve	172.8%	0.0%	0.0%	-100.0%
Revaluation reserve	-2.8%	267.9%	0.0%	-21.4%
Retained earnings	5.3%	-72.4%	-170.1%	-64.7%

Source- KPMG Analysis

Historical and Forecasted Financials – Ratio Analysis (cont...)

Common Size Analysis - ORIN Income Statement

FYE 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Interest income	82.6%	88.3%	92.2%	91.2%
Interest expenses	26.9%	41.8%	45.2%	40.7%
Net interest income	55.8%	46.5%	47.0%	50.5%
Impairment charge/(Write Back)	1.3%	3.7%	13.6%	20.5%
Other income	17.4%	11.7%	7.8%	8.8%
Net operating income	74.5%	54.4%	41.1%	38.8%
Personnel costs	16.6%	14.1%	15.5%	16.5%
Premises, equipment and establishment expenses	5.7%	4.9%	4.6%	5.0%
Other overhead expenses	11.9%	10.7%	10.8%	10.5%
Profit from operations	40.2%	24.8%	10.2%	6.8%
Profit before tax	46.5%	-1.1%	-1.2%	-1.4%
Profit for the year	46.1%	23.7%	9.0%	5.4%

YoY Growth Analysis - ORIN Income Statement

FYE 31 March	2012	2013	2014	2015
	Audited	Audited	Audited	Audited
Revenue	56.4%	59.8%	28.7%	14.3%
Interest income	46.2%	70.8%	34.4%	13.0%
Interest expenses	9.4%	149.0%	39.2%	2.8%
Net interest income	74.4%	33.1%	30.2%	22.9%
Impairment charge/(Write Back)	N/A	-556.1%	370.9%	72.3%
Other income	160.2%	7.7%	-14.8%	29.1%
Net operating income	92.6%	16.9%	-2.8%	7.7%
Personnel costs	28.3%	35.4%	41.8%	21.7%
Premises, equipment and establishment expenses	13.9%	35.8%	23.0%	23.3%
Other overhead expenses	31.9%	44.1%	29.3%	11.1%
Profit from operations	191.2%	-1.5%	-47.0%	-24.3%
Profit before tax	239.4%	-1.6%	-50.8%	-31.9%
Profit for the year	98.1%	25.5%	-53.5%	-37.0%

Source- KPMG Analysis

Historical and Forecasted Financials – Ratio Analysis (cont...)

Common Size Analysis - ORIN Balance Sheet

As at 31 March	2012 Audited	2013 Audited	2014 Audited	2015 Audited
Cash and cash equivalents	0.4%	0.7%	0.8%	0.7%
Available for sale financial assets	0.0%	0.5%	1.7%	3.2%
Loans and receivables from customers	89.9%	92.8%	91.6%	86.0%
Trade and other receivables	3.6%	0.0%	1.2%	1.8%
Differed tax asset	2.3%	1.4%	0.9%	0.6%
Intangible assets	0.1%	0.1%	0.0%	0.0%
Property, plant and equipment	0.9%	1.3%	0.9%	0.5%
Investment securities	2.8%	0.9%	2.6%	7.0%
Other receivables	0.0%	2.1%	0.1%	0.0%
Non current assets held for sale	0.0%	0.3%	0.2%	0.1%
Bank overdrafts	12.0%	11.4%	1.4%	2.0%
Deposits from customers	0.0%	8.7%	30.0%	36.4%
Interest bearing borrowings	54.6%	53.0%	46.6%	27.7%
Unsubordinated term debt	0.0%	0.0%	0.0%	14.4%
Current tax payable	0.2%	0.6%	0.0%	0.2%
Trade and other payable	7.3%	4.1%	4.2%	6.6%
Non interest bearing security deposits	0.1%	0.1%	0.1%	0.0%
Retirement benefit obligations	0.2%	0.2%	0.2%	0.2%
Stated capital	19.7%	13.7%	10.2%	7.0%
Reserve fund	0.5%	0.6%	0.5%	0.4%
Investment fund	0.4%	0.6%	0.6%	0.0%
Available for sale fair value reserve	0.0%	0.1%	0.1%	0.0%
Retained earnings	4.9%	7.1%	6.2%	5.1%

YoY Growth Analysis - ORIN Balance Sheet

As at 31 March	2012 Audited	2013 Audited	2014 Audited	2015 Audited
Cash and cash equivalents	74.0%	156.8%	44.1%	36.4%
Available for sale financial assets	N/A	N/A	330.0%	176.4%
Loans and receivables from customers	107.2%	48.6%	32.6%	35.9%
Trade and other receivables	50.1%	-100.0%	N/A	114.6%
Differed tax asset	-44.0%	-12.8%	-12.3%	0.0%
Investment in CRIB	0.0%	0.0%	0.0%	0.0%
Intangible assets	-33.3%	2.8%	-49.5%	-35.4%
Property, plant and equipment	78.4%	106.8%	-2.9%	-29.3%
Investment securities	N/A	-54.2%	295.8%	289.5%
Other receivables	N/A	N/A	-94.9%	-100.0%
Bank overdrafts	29.7%	37.4%	-82.9%	102.4%
Deposits from customers	N/A	N/A	365.6%	75.1%
Interest bearing borrowings	136.6%	39.8%	18.2%	-14.1%
Related party payables	905.3%	-100.0%	N/A	N/A
Current tax payable	-66.8%	368.2%	-100.0%	N/A
Trade and other payable	31.3%	-19.2%	35.7%	128.8%
Non interest bearing security deposits	-82.2%	32.9%	30.8%	-20.7%
Retirement benefit obligations	-17.2%	7.9%	14.7%	43.7%
Stated capital	80.2%	0.0%	0.0%	0.0%
Reserve fund	101.2%	62.2%	17.8%	9.5%
Investment fund	N/A	83.9%	33.8%	-100.0%
Available for sale fair value reserve	N/A	N/A	34.0%	-100.2%
Retained earnings	1089.2%	107.3%	17.3%	20.4%

Source- KPMG Analysis

Company	LTTM as of	Interest Income	Net Interest Income	Profit After Taxes	Total Assets	Total Equity	Market Capitalization	PER	PBV
Abans Finance PLC	3/31/2015	853,772	443,858	72,802	4,774,124	524,870	1,276,500	17.53	2.43
Alliance Finance Co. PLC	3/31/2015	3,575,629	1,753,897	364,061	20,004,773	2,480,125	2,065,500	5.67	0.83
AMW Capital Leasing and Finance PLC	3/31/2015	1,215,814	691,719	244,047	8,113,841	1,210,137	448,000	1.84	0.37
Arpico Finance Co. PLC	3/31/2015	1,014,164	488,056	269,320	6,210,207	891,634	1,190,000	4.42	1.33
Asia Asset Finance PLC	3/31/2015	850,447	369,450	101,186	5,344,408	1,285,710	1,426,653	14.10	1.11
Associated Motor Finance Co. PLC	3/31/2015	1,188,475	626,157	337,944	10,055,944	986,361	2,250,633	6.66	2.28
Bimpuh Finance PLC	3/31/2015	671,346	497,295	218,879	4,617,637	963,388	2,898,027	13.24	3.01
BRAC Lanka Finance PLC	3/31/2015	521,883	359,338	177,595	3,768,144	765,794	-	-	-
Capital Alliance Finance PLC	3/31/2015	173,414	86,365	8,766	1,151,017	329,526	550,478	62.79	1.67
Central Finance Co. PLC	3/31/2015	12,463,439	8,359,293	3,633,279	71,203,715	24,318,596	27,269,667	7.51	1.12
Chilaw Finance PLC	3/31/2015	187,802	103,372	24,152	1,282,863	537,642	867,874	35.93	1.61
Citizens Development Business Finance PLC	3/31/2015	6,285,172	2,895,989	709,452	38,125,066	4,309,588	4,745,670	6.69	1.10
Commercial Credit and Finance PLC	3/31/2015	11,471,859	7,255,332	2,192,083	59,026,607	5,954,378	19,847,840	9.05	3.33
Commercial Leasing & Finance PLC	3/31/2015	7,907,049	5,457,869	1,593,009	45,429,078	10,123,276	26,786,386	16.81	2.65
George Steaurt Finance PLC	3/31/2015	289,637	158,495	(44,741)	1,358,004	283,776	447,750	(10.01)	1.58

- The companies highlighted were taken as comparable companies while others were excluded as they were considered as outliers.
- Market capitalization is calculated by multiplying the number of voting shares by the price per voting share. The closing share price as at 15 July 2015 was used as the share price. The prices were extracted from the CSE website.
- PER ratio is calculated as market capitalization divided by the LTTM earnings attributable to equity holders of the Parent company. It should be noted that earnings have not been adjusted due to the limited information disclosed in the interim statements.
- PBV ratio is calculated as market capitalization divided by the net assets after deducting non controlling interest and preference shares.

Source- Interim Financial Statements, KPMG Analysis

Company	LTTM as of	Interest Income	Net Interest Income	Profit After Taxes	Total Assets	Total Equity	Market Capitalization	PER	PBV
LB Finance PLC	3/31/2015	13,687,071	7,737,574	2,182,126	67,542,519	7,927,092	15,707,519	7.20	1.98
Lanka ORIX Finance PLC	3/31/2015	10,871,227	5,892,915	1,483,582	67,861,900	7,993,596	11,759,999	7.93	1.47
Mercantile Investments and Finance PLC	3/31/2015	4,129,395	2,181,612	631,272	28,408,825	7,779,765	6,613,200	10.48	0.85
Merchant Bank of Sri Lanka PLC	3/31/2015	2,659,580	1,373,981	(67,480)	27,716,803	2,797,616	2,717,763	(40.28)	0.97
Multi Finance PLC	3/31/2015	202,410	83,355	3,319	1,022,341	320,919	534,597	161.07	1.67
Nation Lanka Finance PLC	3/31/2015	1,147,010	554,473	(428,650)	7,341,811	(144,200)	753,490	(1.76)	(5.23)
People's Leasing & Finance PLC	3/31/2015	19,595,091	10,244,819	4,101,542	117,160,979	22,052,859	36,968,783	9.01	1.68
Senkadagala Finance PLC	3/31/2015	3,584,911	1,838,616	482,364	18,027,000	2,481,714	3,913,653	8.11	1.58
Singer Finance (Lanka) PLC	3/31/2015	1,858,939	1,189,525	388,666	8,846,956	2,364,160	3,769,600	9.70	1.59
Sinhaputhra Finance PLC	3/31/2015	1,073,510	453,767	119,966	7,040,631	1,087,229	1,196,220	9.97	1.10
Softlogic Finance PLC	3/31/2015	3,673,995	1,592,619	216,490	20,013,834	1,949,635	2,694,009	12.44	1.38
Sw arnamahal Financial Services PLC	3/31/2015	652,226	81,190	(470,613)	3,027,560	(1,275,600)	950,000	(2.02)	(0.74)
SMB Leasing PLC	3/31/2015	172,219	142,895	86,097	1,348,816	1,075,835	1,310,943	15.23	1.22
The Finance Co. PLC	3/31/2015	2,144,191	(1,022,792)	(1,843,022)	24,614,584	(10,707,586)	799,934	(0.43)	(0.07)
Trade Finance & Investments PLC	3/31/2015	480,285	373,698	185,799	2,179,426	930,477	-	-	-
Vallibel Finance PLC	3/31/2015	2,799,746	1,455,408	372,787	16,893,507	1,514,170	2,551,207	6.84	1.68
Average - NBF1								8.90	1.34
Average - Comparables								8.27	1.37

Source- Interim Financial Statements, KPMG Analysis

CSE Listing Rules – Section 3.1.4.

According to CSE listing rule no. 3.1.4. pertaining to consideration of shares in an IPO, a Company should meet the following requirements and it should be stated in the prospectus;

- A statement that the consideration for which the shares are to be issued is fair and reasonable to the Entity and to all existing shareholders as required by the Companies Act.
- A disclosure on the basis of determination of the consideration for which shares are to be issued (IPO Price) / Price Band in the case of Offer through Book Building (Price Band).
- Disclosures pertaining to a competent independent valuation in determining and justifying the IPO Price/Price Band in summarized form and in the event the valuation report is issued by a Firm of Valuers, qualifications and relevant experience of the individuals responsible for preparing the valuation report.
- A Declaration by the independent valuer that; the valuer is neither a related party of the applicant Entity as defined in Sri Lanka Accounting Standards nor has a significant interest or financial connection with the applicant entity and/or the group;
- The valuer is a member of good standing in a professional association relevant to the valuation assignment undertaken and has the necessary skills and resources available at his disposal to arrive at a competent independent opinion in determining the IPO Price/Price Band; and,
- The valuer has made all the inquiries that he believes are desirable and appropriate in order to arrive at a competent independent opinion.

Background of the Independent Valuer – KPMG

Market Position and Reputation

KPMG is one of the oldest and largest professional practices in Sri Lanka with an illustrious history dating back over a century to inception 1897. Today, KPMG is one of the largest professional practices in the country with six offices across Sri Lanka in the districts of Colombo, Kandy, Kurunegala, Jaffna, Galle and Hambantota and having over 900 professionals and associates. KPMG has continued to lead THE LMD 50 Auditor League (Sri Lanka's only independent auditor ranking) for five consecutive years and in its most recent ratings audited 64% of THE LMD 50 companies. KPMG was also recognized as a "MOST RESPECTED ENTITY" in the year 2012 and is an ACCA Platinum Category Employer.

Clientele and Industry Insight

Our clients are key to our business and we are proud to have over 1,000 organization's in our clientele who have chosen KPMG in Sri Lanka as their advisor or auditor. Our clientele comprises over 40 multinational companies operating in Sri Lanka, over 50% of Colombo Stock Exchange listed companies and businesses across diversified industries and sectors. We understand our clients industries and the challenges they face, as well as the regulatory environment within which businesses operate. We leverage our skills, experiences and resources to provide quality advise and deliverables which help our clients to cut through complexity. Interestingly, KPMG has advised over a hundred inbound investments to Sri Lanka including a number of Strategic Development Projects.

KPMG Advisory Services in Sri Lanka

The Advisory Services Team in Sri Lanka comprise of over 100 qualified and experienced professionals with experience in carrying out a range of assignments for a large clientele. With over 20 years of experience in assisting some of the largest Multinationals, Conglomerates and Listed Companies, the team comprises of strong experience and capabilities which could deliver enhanced value to the engagement. The core competency lies in the firm's ability to provide advisory assistance across multiple areas whether it be Financials, IT, Internal Processes, Internal Controls, Data Security or related areas. Advisory resource personnel also undergo training in their focus areas both locally and overseas enabling them to keep up-to-date with global trends and developments.

In the sphere of transactions, our practice is one of the largest professional advisors to corporate and business transactions. Over the past decade, we have carried out over a hundred valuation and due diligence engagements across varied industries and also advised in a number of cross border transactions. Our Deal Advisory team extends to areas of Corporate Finance, Mergers & Acquisitions and Real Estate Advisory with in-house capabilities in business valuations, transaction advisory and real estate transaction advisory. Leveraging our experience and skill set, we strive to provide you with a value driven service focused on your business priorities.



Background of the Independent Valuer – KPMG : Recent Credentials

The following are some of the recent assignments carried out for clients in the Financial sector and other sectors;

Financial Sector

- **Valuation of Non-Banking Financial Institutes** – KPMG was approached by CBSL to carry out valuation of 11 NBFIs for the on going consolidation of NBFIs by CBSL. KPMG carried out valuation of these NBFIs using Discounted Cash Flows, Market Multiples and Residual Income Methodologies.
- **Valuation of a Large Listed Development Bank** – KPMG provided valuation assistance on a large development bank in Sri Lanka for a proposed merge. The valuation covered entities which were in to commercial banking, asset management, investment banking and stock brokering.
- **Valuation of an Islamic Financial Institute** – KPMG was approached by a local Islamic Financial Institute for a valuation of the entity for a private placement.
- **Valuation of overseas Branch of a local Commercial Bank** – KPMG in Sri Lanka carried out a valuation of the overseas branch of a local commercial bank, for internal restructuring purposes
- **Valuation of an Islamic Commercial Bank in Maldives** – KPMG in Sri Lanka was engaged by the only Sharia compliant commercial bank in Maldives to carry out a pricing analysis for financial reporting purposes
- **Valuation of Securities Companies and Stock Brokering Firm**– KPMG in Sri Lanka carried out a valuation of two securities companies and a stock brokering firm for use in the proposed merger of the three entities

Other Sectors

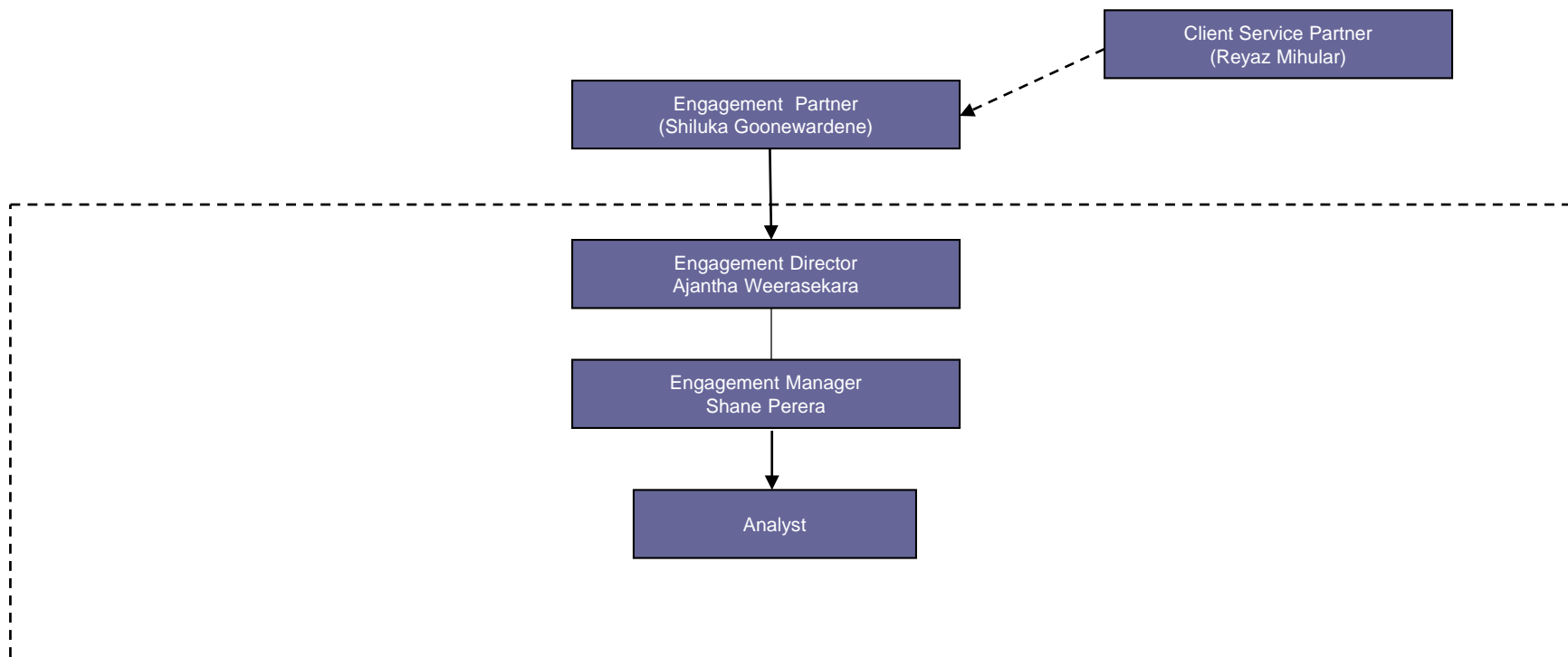
- **Valuation of an Engineering Company in Maldives** – The engagement was to value an engineering firm situated in Maldives for a divestment.
- **Valuation of a Investment Holding Company** – The valuation was carried out to determine the fair value of the holding company by valuing each subsidiary which were in hotels and investments sectors.
- **Valuation of an Infrastructure Development Entity** - The engagement involved valuing a leading infrastructure services provider in Sri Lanka for a proposed merger.
- **Valuation of a Leading Garment Manufacturer** - KPMG valued a popular shirt manufacturer in Sri Lanka for a private placement.
- **Valuation of a Beverage Manufacturing Company** – The assignment was to value the beer business of the target for a divestment. KPMG was approached by a large listed entity for the valuation.
- **Valuation of a Larger Conglomerate** - The engagement involved valuing a conglomerate which was in the business of freight, manufacturing, tourism and investments. KPMG carried out the valuation for a divestment of majority shares of the entity.

Background of the Independent Valuer – KPMG : Engagement Team

KPMG regards this proposed assignment as a key assignment and is committed to its success. Accordingly we would propose to conduct the engagement under the direct guidance and supervision of Engagement Partner, Mr. Shiluka Goonewardene Principal – Head of Deal Advisory - KPMG Sri Lanka.

The professionals selected for the engagement will comprise of a skilled team of individuals with strong experience in corporate finance including experience in business entity valuations. All key team members would be qualified professionals counting several years of experience in similar engagements.

The proposed engagement team is as follows:



Background of the Independent Valuer – KPMG : Engagement Team



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Name	Reyaz Mihular
Position	Managing Partner – KPMG Sri Lanka
Qualifications	<ul style="list-style-type: none"> ● Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) ● Fellow Member of the Chartered Institute of Management Accountants – UK (FCMA)
Experience	<ul style="list-style-type: none"> ● Reyaz is the Managing Partner of KPMG in Sri Lanka. He leads a team comprising of over 900 professionals and associates. He counts over 30 years of experience in Audit and Advisory areas having led engagements in business valuations, due diligences, restructuring, accounting advisory, infrastructure advisory, mergers & acquisitions and related service engagement. ● He previously served as the Regional Executive Officer of the KPMG Middle East & South Asia Regional Office where he was responsible for coordinating regional level strategy for KPMG member firms across 15 countries. He also served on KPMG’s Global Corporate Finance Board, as the Head of Advisory for the KPMG MESA region and presently continues to serve as the Head of IFRS for the KPMG MESA region. ● Reyaz has led engagement teams in due diligences and valuations for a vast number of cross border transactions covering both inbound investments to Sri Lanka and outbound investments by Sri Lankan companies. His experience in due diligences range from mass scale investments such as acquisitions of large state owned corporations and conglomerates to individual acquisitions of leisure properties and boutique hotels. He has also led a vast number of M&A Advisory engagements including functioning as the lead advisory in one of the single largest private placements raising over LKR 3bn for the formation of a banking entity in Sri Lanka. ● His experience covers both buy side and sell side due diligences, independent reviews and advisory assistance throughout the various phases of the transaction process. ● Reyaz is a Past President of the Institute of Chartered Accountants of Sri Lanka and served a five year term on the International Board of the International Accounting Standards Committee (IASC). He was also strongly involved in the development of a number of accounting standards.
Country Experience	UAE, Sri Lanka, United Kingdom, Maldives, Bangladesh, Pakistan
Domain experience	Financial Services, Infrastructure & Government, IT, Industrial Markets, Energy, Manufacturing, Consumer Markets, Leisure, Maritime & Freight

Background of the Independent Valuer – KPMG : Engagement Team



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Name	Shiluka Goonewardene
Position	Principal – Deal Advisory, KPMG in Sri Lanka.
Qualifications	<ul style="list-style-type: none"> ● Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA)
Experience	<ul style="list-style-type: none"> ● Shiluka is the Principal of the Financial Advisory Services division of KPMG in Sri Lanka. He counts over 18 years of experience in the spheres of Corporate Finance, Transaction Services, Mergers & Acquisitions and Real Estate Advisory Services and leads a team of 20 professionals and associates. ● Has served as the Engagement Partner / Director in numerous advisory engagements ranging from business valuations, financial due diligences, private placements, restructuring and mergers for companies in varied industries. ● Shiluka has recently led engagement teams in separate valuation engagements for three listed banking entities in Sri Lanka and a further series of valuations for leasing and financial services sector companies. ● Led engagement teams in the conduct of due diligences for an overseas acquisition of a financial services company in Sri Lanka, a due diligence for an inbound investment into a banking entity in Sri Lanka and advised on the structuring of capital in relation to the setting up of an Insurance company in Sri Lanka. ● Prior to rejoining KPMG, Shiluka served in the Mergers and Acquisitions Group of a multinational Fortune 500 company in the Middle East for a six year term where he was involved in a number of strategic acquisitions for the group. During his tenure with the group Shiluka was responsible for identifying viable business opportunities, evaluating and advising on due diligence, valuation and transaction structuring, presenting the financial aspects of the business case to the Executive Management and Board, and also involvement in the negotiation and closing process of transactions. ● Shiluka has carried out transaction and corporate finance related assignments and projects in the United States, United Kingdom, Netherlands, China, Turkey, Algeria, Egypt, Sri Lanka, Bangladesh, Pakistan, Dubai, Iran, India and the Maldives. ● Led the team that advised in a number of privatizations and restructuring engagements for several key State institutions in Sri Lanka, served as a key resource person in an advisory assignment involving the entry strategy for a multinational oil corporation in its entry to the petroleum and gas market in Sri Lanka and also led the due diligence for the divestment of a multinational financial services entity. ● Serves as a Director of KPMG Sri Lanka's company secretarial and registrar services arm which advises and assists quoted companies, multinationals, inbound investments and newly incorporate companies in corporate secretarial services including liaising with the Colombo Stock Exchange, Registrar of Companies, Department of Exchange Control and the Board of Investment on requisite areas.
Domain experience	Financial Services, Infrastructure & Government, Manufacturing, Industrial Markets, IT, Chemicals, Energy, Consumer Markets, Leisure, Maritime & Freight

Background of the Independent Valuer – KPMG : Engagement Team



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Name	Ajantha Weerasekara
Position	Director – Deal Advisory, KPMG Sri Lanka.
Qualifications	<ul style="list-style-type: none"> • Masters in Finance, London Business School • Chartered Financial Analyst (CFA) • Associate Member of the Chartered Institute of Management Accountants, UK (ACMA) • BSc. Finance (First Class), University of Sri Jayewardenepura, Sri Lanka
Experience	<ul style="list-style-type: none"> • Ajantha counts over eight years of experience in financial services in Sri Lanka and abroad, and has a successfully led and assisted in a range of advisory engagements including valuations, corporate finance, and restructuring transactions. • Has served as the Engagement Director in numerous advisory engagements ranging from business valuations, company restructuring, mergers and acquisition transactions for companies in a variety of industries. • Ajantha currently serves as the Engagement Director in a business restructuring transaction related to large listed conglomerate in Sri Lanka, which also involves detailed legal due diligence studies, accounting and tax advisory services and other transaction services. • Ajantha has recently led teams in a valuation engagement for a large banking group in relation to a merger transaction between two large banking groups in Sri Lanka. • He has lead several valuation engagements in the Non Banking Financial Institutions (NBFIs) sector in Sri Lanka, in relation to the regulator lead Financial Sector Consolidation program. With regards to the same program, Ajantha currently serves as the Engagement Director on tow restructuring engagements which involves preparing a business plan, valuations and providing transaction management services. • He also served as the Engagement Director in a large valuation transaction in the Beverages sector related to large conglomerates in Sri Lanka, which also involves intangible asset valuation, detailed financial due diligence, tax advisory services and accounting advisory services. • Ajantha also leads several Corporate Finance projects in Maldives by liaising with the KPMG Male office. • Prior to rejoining KPMG, Ajantha led the Corporate Finance division and Margin Trading operations in a diversified financial services company. He successfully coordinated the full-acquisition of this diversified financial services company in 2013 and was instrumental in introducing the parties to the transaction. • Ajantha has led valuation teams that have carried out earnings and asset based valuations of a number of companies across global markets such as UK, Europe, China, Hong Kong, India, Malaysia, etc. The sectors covered includes Insurance, Oil and Gas, Banks, Leisure, Retail, REITs, etc. • Experienced in leading teams to delegate responsibility, organize progress meetings to monitor performance with set milestones, prepare progress reports and deliver presentations while directly liaising with clients throughout the engagement process
Domain experience	Banking & Finance, Insurance, Financial Services, Telecommunication, Leisure, Manufacturing, Retail, Consumer goods, Food, Beverages and Tobacco

Background of the Independent Valuer – KPMG : Engagement Team



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Name	Shane Perera
Position	Assistant Manager – Deal Advisory, KPMG in Sri Lanka
Qualifications	<ul style="list-style-type: none"> ● BA Business Management and Economics (First Class) - Keele University, UK ● MSc Business and Management - Aston University, UK ● Associate Member - Chartered Institute of Marketing (CIM – UK) ● Passed Finalist - Chartered Institute of Management Accountants (CIMA – UK)
Experience	<ul style="list-style-type: none"> ● Shane counts for three years of experience in deal advisory services at KPMG Sri Lanka, and has successfully lead and assisted in a range of advisory engagements including mergers and acquisitions, valuations, corporate business plans and commercial fairness opinions and several real estate projects. ● Served as the team lead in the 100% divestiture of a manufacturing company in 2015. As team lead he liaised with the financial, tax, legal and technical due diligence teams to ensure a smooth transaction outcome. He also has significant exposure to various legal documentation such as the expression of interest, term sheet, share sales and purchase agreement and the escrow agreement. ● Served as the team lead in fund raise process for a start-up life insurance company. As team lead he was part of investor pitch presentations to numerous organizations and high net worth individuals. ● Served as a team member in carrying out a feasibility study for a large scale mixed development project worth USD 650 Mn. The project involved undertaking research into hotels, apartments, retail space and commercial office space to deliver a report and financial forecasts. ● Served as a team leader and member in the preparation of transaction marketing documents, financial forecasts, financial analysis, business valuations, market & competitor analysis and country reports. ● Assisted the Engagement Manager and Partner as team lead in several sell side engagements, in the investor search and identification process including short listing, contact and bid-evaluation process. ● Functioned in the role of team leader and member in several valuation engagements which involved valuation methodologies such as DCF, Market Multiples and Residual Income, for a number of leading conglomerates and organizations in Sri Lanka. Further he was also involved in similar capacities for several engagements concerning the valuation of intangible assets.
Domain Experience	Agriculture, Banking & Finance, Construction, Education, FMCG, Leisure, Manufacturing, Insurance, Power and Energy, and Real Estate



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