

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the six months ended 30th September 2021

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**INTERIM
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STATEMENT OF FINANCIAL POSITION

| As at | Company | | | Group | | |
|---|-------------------------------------|----------------------------------|-------------|-------------------------------------|----------------------------------|-------------|
| | 30.09.2021 Rs. Mn. Unaudited* | 31.03.2021 Rs. Mn. Audited | Change % | 30.09.2021 Rs. Mn. Unaudited* | 31.03.2021 Rs. Mn. Audited | Change % |
| Assets | | | | | | |
| Cash and cash equivalents | 1,583 | 2,703 | (41.4) | 1,978 | 3,845 | (48.6) |
| Balances with banks and financial institutions | 12,239 | 5,399 | 126.7 | 15,620 | 8,231 | 89.8 |
| Financial assets - Fair value through profit or loss | 1,036 | 110 | 841.8 | 2,088 | 1,282 | 62.9 |
| Loans and receivables - Amortised cost | 140,524 | 141,388 | (0.6) | 148,443 | 149,342 | (0.6) |
| Insurance and reinsurance receivables | - | - | - | 1,357 | 1,024 | 32.5 |
| Financial assets - Fair value through other comprehensive income | 1,210 | 309 | 291.6 | 1,626 | 735 | 121.2 |
| Debt instrument - Amortised cost | 9,985 | 6,994 | 42.8 | 12,407 | 8,593 | 44.4 |
| Investments in subsidiaries | 3,214 | 3,214 | - | - | - | - |
| Investment property | - | - | - | 821 | 821 | - |
| Other assets | 759 | 576 | 31.8 | 860 | 933 | (7.8) |
| Property, plant and equipment | 1,368 | 1,049 | 30.4 | 4,081 | 4,034 | 1.2 |
| Right-of-use assets | 1,979 | 2,242 | (11.7) | 1,419 | 1,591 | (10.8) |
| Deferred tax assets | 595 | 416 | 43.0 | 836 | 594 | 40.7 |
| Goodwill and intangible assets | 83 | 146 | (43.2) | 203 | 266 | (23.7) |
| Total assets | 174,575 | 164,546 | 6.1 | 191,739 | 181,291 | 5.8 |
| Liabilities | | | | | | |
| Due to banks - Amortised cost | 6,742 | 6,439 | 4.7 | 9,282 | 9,004 | 3.1 |
| Due to customers - Amortised cost | 100,149 | 101,503 | (1.3) | 102,704 | 103,744 | (1.0) |
| Debt securities issued - Amortised cost | 23,544 | 13,826 | 70.3 | 23,411 | 13,685 | 71.1 |
| Other financial liabilities - Amortised cost | 4,533 | 4,132 | 9.7 | 4,593 | 4,111 | 11.7 |
| Insurance liabilities and reinsurance payable | - | - | - | 5,103 | 5,016 | 1.7 |
| Lease liabilities - Amortised cost | 2,183 | 2,286 | (4.5) | 1,529 | 1,615 | (5.3) |
| Current tax liabilities | 595 | 362 | 64.4 | 981 | 884 | 11.0 |
| Other liabilities | 790 | 1,070 | (26.2) | 858 | 1,154 | (25.6) |
| Retirement benefit obligation | 694 | 587 | 18.2 | 769 | 658 | 16.9 |
| Deferred tax liabilities | - | - | - | 295 | 298 | (1.0) |
| Total liabilities | 139,230 | 130,205 | 6.9 | 149,525 | 140,169 | 6.7 |
| Equity | | | | | | |
| Stated Capital | 16,170 | 14,892 | 8.6 | 16,170 | 14,892 | 8.6 |
| Statutory reserve fund | 2,407 | 2,407 | - | 2,465 | 2,465 | - |
| Retained earnings | 16,942 | 17,160 | (1.3) | 20,555 | 20,682 | (0.6) |
| Other reserves | (174) | (118) | (47.5) | 356 | 421 | (15.4) |
| Total equity attributable to equity holders of the Company | 35,345 | 34,341 | 2.9 | 39,546 | 38,460 | 2.8 |
| Non-controlling interest | - | - | - | 2,668 | 2,662 | 0.2 |
| Total equity | 35,345 | 34,341 | 2.9 | 42,214 | 41,122 | 2.7 |
| Total liabilities and equity | 174,575 | 164,546 | 6.1 | 191,739 | 181,291 | 5.8 |
| Contingencies | 720 | 697 | 3.4 | 767 | 744 | 3.1 |
| Commitments | 13,563 | 10,301 | 31.7 | 13,654 | 10,301 | 32.5 |
| Net assets value per ordinary share (Rs.) | 19.60 | 20.15 | (2.7) | 21.93 | 22.56 | (2.8) |

CERTIFICATION

We certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

(sgd.)
Omali Sumanasiri
Chief Manager Finance

(sgd.)
Shamindra Marcelline
Chief Executive Officer

The Board of Directors is responsible for these Interim Financial Statements.
Approved and Signed for and on behalf of the Board:

(sgd.)
Sujeewa Rajapakse
Chairman

(sgd.)
Rohan Pathirage
Director

9th November 2021
Colombo.

* The above figures are provisional and subject to audit.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS - COMPANY

| | For the six months ended | | | For the quarter ended | | |
|---|--------------------------|--------------|-------------|-----------------------|----------------------|--------------|
| | 30.09.2021 | 30.09.2020 | Change | 30.09.2021 | 30.09.2020 | Change |
| | Rs. Mn. | Rs. Mn. | % | Rs. Mn. | Rs. Mn. Restated* | % |
| | Unaudited** | Unaudited** | | Unaudited** | Unaudited** | |
| Interest income | 10,967 | 12,113 | (9.5) | 5,619 | 6,116 | (8.1) |
| Less: Interest expense | 5,278 | 6,992 | (24.5) | 2,636 | 3,432 | (23.2) |
| Net interest income | 5,689 | 5,121 | 11.1 | 2,983 | 2,684 | 11.1 |
| Fee and commission income | 825 | 838 | (1.6) | 505 | 559 | (9.7) |
| Net gain/ (losses) on financial assets - FVTPL | 29 | 50 | (42.0) | 19 | 37 | (48.6) |
| Other operating income | 459 | 14 | 3,178.6 | 4 | 14 | (71.4) |
| Total operating income | 7,002 | 6,023 | 16.3 | 3,511 | 3,294 | 6.6 |
| Less: Impairment charges and other losses for loans and receivables | 1,812 | 1,401 | 29.3 | 313 | 349 | (10.3) |
| Net operating income | 5,190 | 4,622 | 12.3 | 3,198 | 2,945 | 8.6 |
| Less: | | | | | | |
| Personnel expenses | 1,832 | 1,430 | 28.1 | 918 | 731 | 25.6 |
| Depreciation and Amortisation | 407 | 401 | 1.5 | 203 | 200 | 1.5 |
| Other operating expenses | 934 | 810 | 15.3 | 526 | 464 | 13.4 |
| Total operating expenses | 3,173 | 2,641 | 20.1 | 1,647 | 1,395 | 18.1 |
| Operating profit before Tax on financial services | 2,017 | 1,981 | 1.8 | 1,551 | 1,550 | 0.1 |
| Less: Taxes on financial services | 492 | 458 | 7.4 | 317 | 298 | 6.4 |
| Profit before income tax | 1,525 | 1,523 | 0.1 | 1,234 | 1,252 | (1.4) |
| Less: Income tax expense | 477 | 539 | (11.5) | 386 | 443 | (12.9) |
| Profit for the period | 1,048 | 984 | 6.5 | 848 | 809 | 4.8 |

* Comparative figures have been restated due to the reclassification of admin fee income on factoring as explained in explanatory note 11 in page 15.

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

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS - GROUP

| | For the six months ended | | | For the quarter ended | | |
|---|--------------------------|--------------|---------------|-----------------------|----------------------|-------------|
| | 30.09.2021 | 30.09.2020 | Change | 30.09.2021 | 30.09.2020 | Change |
| | Rs. Mn. | Rs. Mn. | % | Rs. Mn. | Rs. Mn. Restated* | % |
| | Unaudited** | Unaudited** | | Unaudited** | Unaudited** | |
| Interest income | 11,919 | 12,981 | (8.2) | 6,119 | 6,553 | (6.6) |
| Less: Interest expense | 5,444 | 7,142 | (23.8) | 2,733 | 3,507 | (22.1) |
| Net interest income | 6,475 | 5,839 | 10.9 | 3,386 | 3,046 | 11.2 |
| Net earned premiums | 2,523 | 2,550 | (1.1) | 1,242 | 1,259 | (1.4) |
| Fee and commission income | 571 | 550 | 3.8 | 387 | 412 | (6.1) |
| Net gain/ (losses) on financial assets - FVTPL | 69 | 89 | (22.5) | 39 | 61 | (36.1) |
| Other operating income | 99 | 100 | (1.0) | 57 | 68 | (16.2) |
| Total operating income | 9,737 | 9,128 | 6.7 | 5,111 | 4,846 | 5.5 |
| Less: Impairment charges and other losses for loans and receivables | 2,047 | 1,520 | 34.7 | 430 | 350 | 22.9 |
| Net operating income | 7,690 | 7,608 | 1.1 | 4,681 | 4,496 | 4.1 |
| Less: | | | | | | |
| Personnel expenses | 2,326 | 1,850 | 25.7 | 1,171 | 943 | 24.2 |
| Depreciation and Amortisation | 379 | 356 | 6.5 | 192 | 169 | 13.6 |
| Benefits, claims and underwriting expenditure | 1,282 | 1,268 | 1.1 | 596 | 863 | (30.9) |
| Other operating expenses | 1,120 | 979 | 14.4 | 636 | 557 | 14.2 |
| Total operating expenses | 5,107 | 4,453 | 14.7 | 2,595 | 2,532 | 2.5 |
| Operating profit before Tax on financial services | 2,583 | 3,155 | (18.1) | 2,086 | 1,964 | 6.2 |
| Less: Taxes on financial services | 504 | 472 | 6.8 | 325 | 306 | 6.2 |
| Profit before income tax | 2,079 | 2,683 | (22.5) | 1,761 | 1,658 | 6.2 |
| Less: Income tax expense | 776 | 848 | (8.5) | 564 | 559 | 0.9 |
| Profit for the period | 1,303 | 1,835 | (29.0) | 1,197 | 1,099 | 8.9 |
| Profit attributable to: | | | | | | |
| Equity holders of the parent | 1,138 | 1,651 | (31.1) | 1,112 | 1,060 | 4.9 |
| Non-controlling interest | 165 | 184 | (10.3) | 85 | 39 | 117.9 |
| Profit for the period | 1,303 | 1,835 | (29.0) | 1,197 | 1,099 | 8.9 |
| Basic/Diluted earnings per ordinary share (Rs.) | 0.63 | 0.92 | (31.5) | 0.62 | 0.59 | 5.1 |

* Comparative figures have been restated due to the reclassification of admin fee income on factoring as explained in explanatory note 11 in page 15.

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

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STATEMENT OF COMPREHENSIVE INCOME - COMPANY

| | For the six months ended | | | For the quarter ended | | |
|---|-------------------------------------|-------------------------------------|-------------|-------------------------------------|-------------------------------------|-------------|
| | 30.09.2021 Rs. Mn. Unaudited* | 30.09.2020 Rs. Mn. Unaudited* | Change % | 30.09.2021 Rs. Mn. Unaudited* | 30.09.2020 Rs. Mn. Unaudited* | Change % |
| Profit for the period | 1,048 | 984 | 6.5 | 848 | 809 | 4.8 |
| Other comprehensive income/(expenses) | | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent year (net of tax):</i> | | | | | | |
| Financial assets-FVOCI | | | | | | |
| Gains/ (losses) on re-measuring FVOCI financial assets | (56) | 51 | (209.8) | (42) | 38 | (210.5) |
| Deferred tax effect on above | 12 | - | 100.0 | 9 | - | 100.0 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent year | (44) | 51 | (186.3) | (33) | 38 | (186.8) |
| Other comprehensive income for the period, net of taxes | (44) | 51 | (186.3) | (33) | 38 | (186.8) |
| Total comprehensive income for the period | 1,004 | 1,035 | (3.0) | 815 | 847 | (3.8) |

*The above figures are provisional and subject to audit.

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STATEMENT OF COMPREHENSIVE INCOME - GROUP

| | For the six months ended | | | For the quarter ended | | |
|---|-------------------------------------|-------------------------------------|-------------|-------------------------------------|-------------------------------------|-------------|
| | 30.09.2021 Rs. Mn. Unaudited* | 30.09.2020 Rs. Mn. Unaudited* | Change % | 30.09.2021 Rs. Mn. Unaudited* | 30.09.2020 Rs. Mn. Unaudited* | Change % |
| Profit for the period | 1,303 | 1,835 | (29.0) | 1,197 | 1,099 | 8.9 |
| Other comprehensive income/(expenses) | | | | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent year (net of tax):</i> | | | | | | |
| Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary | (18) | (19) | 5.3 | (54) | 7 | (871.4) |
| Net other comprehensive income to be reclassified to profit or loss in subsequent year | (18) | (19) | 5.3 | (54) | 7 | (871.4) |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent year (net of tax):</i> | | | | | | |
| Financial assets - FVOCI | | | | | | |
| Gains/ (losses) on re-measuring FVOCI financial assets | (56) | 64 | (187.5) | (41) | 34 | (220.6) |
| Deferred tax effect on above | 13 | - | 100.0 | 9 | - | 100.0 |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent year | (43) | 64 | (167.2) | (32) | 34 | (194.1) |
| Other comprehensive income for the period, net of taxes | (61) | 45 | (235.6) | (86) | 41 | (309.8) |
| Total comprehensive income for the period | 1,242 | 1,880 | (33.9) | 1,111 | 1,140 | (2.5) |
| Profit Attributable to : | | | | | | |
| Equity holders | (52) | 42 | (223.8) | (60) | 41 | (246.3) |
| Non-controlling interest | (9) | 3 | (400.0) | (26) | - | (100.0) |
| Other comprehensive income for the period, net of taxes | (61) | 45 | (235.6) | (86) | 41 | (309.8) |
| Total comprehensive income for the period | 1,242 | 1,880 | (33.9) | 1,111 | 1,140 | (2.5) |

*The above figures are provisional and subject to audit.

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STATEMENT OF CHANGES IN EQUITY - COMPANY

| | Capital Rs. Mn. | Statutory Reserve Fund Rs. Mn. | Other Reserves Fair Value Reserve Rs. Mn. | Retained Earnings Rs. Mn. | Total Equity Rs. Mn. |
|--|--------------------|---|---|---------------------------------|----------------------------|
| Balance as at 01.04.2020 | 13,915 | 2,205 | (102) | 14,228 | 30,246 |
| Total comprehensive income for the six months ended 30.09.2020 | | | | | |
| Profit for the period ended 30.09.2020 | - | - | - | 984 | 984 |
| Other comprehensive income (net of tax) | - | - | 51 | - | 51 |
| Total comprehensive income for the six months ended 30.09.2020 | - | - | 51 | 984 | 1,035 |
| Balance as at 30.09.2020 | 13,915 | 2,205 | (51) | 15,212 | 31,281 |
| Balance as at 01.04.2021 | 14,892 | 2,407 | (118) | 17,160 | 34,341 |
| Total comprehensive income for the six months ended 30.09.2021 | | | | | |
| Profit for the period ended 30.09.2021 | - | - | - | 1,048 | 1,048 |
| Other comprehensive income (net of tax) | - | - | (56) | 12 | (44) |
| Total comprehensive income for the six months ended 30.09.2021 | - | - | (56) | 1,060 | 1,004 |
| Transactions with equity holders, recognised directly in equity | | | | | |
| Transfers to reserves during the year | - | - | - | - | - |
| Dividend paid - Final - Scrip | 1,278 | - | - | (1,278) | - |
| Total transactions with equity holders | 1,278 | - | - | (1,278) | - |
| Balance as at 30.09.2021 | 16,170 | 2,407 | (174) | 16,942 | 35,345 |

The above figures are provisional and subject to audit.

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STATEMENT OF CHANGES IN EQUITY - GROUP

| | Capital | Statutory Reserve Fund | Other Reserves | | Retained Earnings | Total | Non-controlling Interest | Total Equity |
|--|---------|------------------------|----------------|--------------------------------------|-------------------|--------|--------------------------|--------------|
| | | | FV Reserve | Foreign currency translation reserve | | | | |
| | | | Rs. Mn. | Rs. Mn. | | | | |
| Balance as at 01.04.2020 | 13,915 | 2,235 | (116) | 401 | 16,518 | 32,953 | 2,357 | 35,310 |
| Total comprehensive income for the six months ended 30.09.2020 | | | | | | | | |
| Profit for the period ended 30.09.2020 | - | - | - | - | 1,651 | 1,651 | 184 | 1,835 |
| Other comprehensive income (net of tax) | - | - | 64 | (19) | (3) | 42 | 3 | 45 |
| Total comprehensive income for the six months ended 30.09.2020 | - | - | 64 | (19) | 1,648 | 1,693 | 187 | 1,880 |
| Balance as at 30.09.2020 | 13,915 | 2,235 | (52) | 382 | 18,166 | 34,646 | 2,544 | 37,190 |
| Balance as at 01.04.2021 | 14,892 | 2,465 | (123) | 544 | 20,682 | 38,460 | 2,662 | 41,122 |
| Total comprehensive income for the six months ended 30.09.2021 | | | | | | | | |
| Profit for the period ended 30.09.2021 | - | - | - | - | 1,138 | 1,138 | 165 | 1,303 |
| Other comprehensive income (net of tax) | - | - | (56) | (9) | 13 | (52) | (9) | (61) |
| Total comprehensive income for the six months ended 30.09.2021 | - | - | (56) | (9) | 1,151 | 1,086 | 156 | 1,242 |
| Transactions with equity holders, recognised directly in equity | | | | | | | | |
| Transfers to reserves during the year | - | - | - | - | - | - | - | - |
| Dividend paid - Interim - Scrip | 1,278 | - | - | - | (1,278) | - | (150) | (150) |
| Total transactions with equity holders | 1,278 | - | - | - | (1,278) | - | (150) | (150) |
| Balance as at 30.09.2021 | 16,170 | 2,465 | (179) | 535 | 20,555 | 39,546 | 2,668 | 42,214 |

The above figures are provisional and subject to audit.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

| For the six months ended 30th September | Company | | Group | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 2021 Rs. Mn. Unaudited* | 2020 Rs. Mn. Unaudited* | 2021 Rs. Mn. Unaudited* | 2020 Rs. Mn. Unaudited* |
| Cash flows from operating activities | | | | |
| Income from cash and cash equivalent | 33 | 51 | 35 | 51 |
| Payments to loans and receivables | (47,868) | (14,346) | (48,347) | (15,598) |
| Receipts from loans and receivables | 58,139 | 32,810 | 58,918 | 33,756 |
| Investment in balances with banks & financial institutions | (15,555) | (11,067) | (16,174) | (11,270) |
| Receipts from balances with banks & financial institutions | 8,859 | 7,902 | 9,126 | 7,902 |
| Investment in debt instrument at amortized cost | (13,247) | (13,545) | (15,091) | (13,511) |
| Receipts from debt instrument at amortized cost | 10,463 | 9,651 | 11,485 | 9,651 |
| Payment for due to customers | (59,777) | (48,690) | (59,224) | (48,269) |
| Receipts from due to customers | 54,627 | 44,873 | 54,268 | 44,687 |
| Receipt from other income | 2 | - | 92 | 86 |
| Investment in financial assets - fair value through profit or loss | (4,534) | (4,000) | (5,053) | (4,415) |
| Proceeds from financial assets - fair value through profit or loss | 3,638 | 2,088 | 4,316 | 2,088 |
| Receipt from Financial assets - Fair value through OCI | 1 | - | 25 | 526 |
| Investment in Financial assets - Fair value through OCI | (918) | - | (932) | - |
| Payment for lease liabilities | (343) | (329) | (250) | (205) |
| Payment for personnel expenses | (1,818) | (1,362) | (2,313) | (1,691) |
| Payment for other operating activities | (1,280) | (1,341) | (1,275) | (1,986) |
| Premium received from customers | - | - | 1,965 | 1,753 |
| Reinsurance premium paid | - | - | (335) | (281) |
| Claims paid | - | - | (861) | (603) |
| Reinsurance receipts in respect of claims | - | - | 227 | 244 |
| Dividend income from investments | 455 | 1 | 5 | 1 |
| Gratuity paid | (8) | (5) | (9) | (7) |
| Income tax paid | (410) | (1,975) | (868) | (2,081) |
| Net cash generated from/(used in) operating activities | (9,541) | 716 | (10,270) | 828 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (253) | (55) | (42) | (66) |
| Proceeds from the sale of property, plant and equipment | - | 33 | 26 | 33 |
| Purchase of intangible assets | (3) | - | (4) | (11) |
| Net cash (used in)/generated from investing activities | (256) | (22) | (20) | (44) |
| Cash flows from financing activities | | | | |
| Payment for due to banks | (417) | (3,651) | (971) | (3,958) |
| Borrowing from due to banks | - | 1,000 | - | 1,050 |
| Payment for debt securities issued | (1,225) | (1,251) | (1,209) | (1,235) |
| Borrowing from debt securities issued | 10,000 | - | 10,000 | - |
| Dividend paid to shareholders | - | (1) | - | (1) |
| Dividend paid to non-controlling interest | - | - | (150) | - |
| Net cash (used in)/generated from financing activities | 8,358 | (3,903) | 7,670 | (4,144) |
| Net (decrease) in cash & cash equivalents | (1,439) | (3,209) | (2,620) | (3,360) |
| Cash and cash equivalents at the beginning of the period | 1,987 | 7,139 | 2,953 | 6,998 |
| Cash and cash equivalents at the end of the period | 548 | 3,930 | 333 | 3,638 |
| Cash and cash equivalents | 1,583 | 4,186 | 1,978 | 4,305 |
| Bank overdraft | (1,035) | (256) | (1,645) | (667) |
| Cash and cash equivalents at the end of the period | 548 | 3,930 | 333 | 3,638 |

*The above figures are provisional and subject to audit.

INTERIM FINANCIAL STATEMENTS

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

| Company | | | | |
|--|--|---|---|------------------|
| As at 30th September 2021 | Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn. | Total Rs. Mn. |
| ASSETS | | | | |
| Cash and cash equivalents | - | 1,583 | - | 1,583 |
| Balances with banks and financial institutions | - | 12,239 | - | 12,239 |
| Financial assets -Fair value through profit or loss | 1,036 | - | - | 1,036 |
| Loans and receivables - Amortised cost | - | 140,524 | - | 140,524 |
| Financial assets - Fair value through other comprehensive income | - | - | 1,210 | 1,210 |
| Debt instrument - Amortised cost | - | 9,985 | - | 9,985 |
| Other financial assets | - | 217 | - | 217 |
| Total financial assets | 1,036 | 164,548 | 1,210 | 166,794 |
| | | | | |
| As at 30th September 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| LIABILITIES | | | | |
| Due to banks - Amortised cost | - | 6,742 | - | 6,742 |
| Due to customers - Amortised cost | - | 100,149 | - | 100,149 |
| Debt securities issued - Amortised cost | - | 23,544 | - | 23,544 |
| Other financial liabilities - Amortised cost | - | 4,533 | - | 4,533 |
| Lease liabilities - Amortised cost | - | 2,183 | - | 2,183 |
| Total financial liabilities | - | 137,151 | - | 137,151 |
| | | | | |
| Company | | | | |
| As at 31st March 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| ASSETS | | | | |
| Cash and cash equivalents | - | 2,703 | - | 2,703 |
| Balances with banks & financial institutions | - | 5,399 | - | 5,399 |
| Financial assets -Fair value through profit or loss | 110 | - | - | 110 |
| Loans and receivables - Amortised cost | - | 141,388 | - | 141,388 |
| Financial assets - Fair value through other comprehensive income | - | - | 309 | 309 |
| Debt instrument - Amortised cost | - | 6,994 | - | 6,994 |
| Other financial assets | - | 127 | - | 127 |
| Total financial assets | 110 | 156,611 | 309 | 157,030 |
| | | | | |
| As at 31st March 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| LIABILITIES | | | | |
| Due to banks - Amortised cost | - | 6,439 | - | 6,439 |
| Due to customers - Amortised cost | - | 101,503 | - | 101,503 |
| Debt securities issued - Amortised cost | - | 13,826 | - | 13,826 |
| Other financial liabilities - Amortised cost | - | 4,132 | - | 4,132 |
| Lease liabilities - Amortised cost | - | 2,286 | - | 2,286 |
| Total financial liabilities | - | 128,186 | - | 128,186 |

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

| Group | | | | |
|--|--|---|---|------------------|
| As at 30th September 2021 | Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn. | Total Rs. Mn. |
| ASSETS | | | | |
| Cash and cash equivalents | - | 1,978 | - | 1,978 |
| Balances with banks & financial institutions | - | 15,620 | - | 15,620 |
| Financial assets -Fair value through profit or loss | 2,088 | - | - | 2,088 |
| Loans and receivables - Amortised cost | - | 148,443 | - | 148,443 |
| Insurance and reinsurance receivables | - | 1,357 | - | 1,357 |
| Financial assets - Fair value through other comprehensive income | - | - | 1,626 | 1,626 |
| Debt instrument - Amortised cost | - | 12,407 | - | 12,407 |
| Total financial assets | 2,088 | 179,805 | 1,626 | 183,519 |
| As at 30th September 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| LIABILITIES | | | | |
| Due to banks - Amortised cost | - | 9,282 | - | 9,282 |
| Due to customers - Amortised cost | - | 102,704 | - | 102,704 |
| Debt securities issued - Amortised cost | - | 23,411 | - | 23,411 |
| Other financial liabilities - Amortised cost | - | 4,593 | - | 4,593 |
| Lease liabilities - Amortised cost | - | 1,529 | - | 1,529 |
| Insurance liabilities and reinsurance payable | - | 5,103 | - | 5,103 |
| Total financial liabilities | - | 146,622 | - | 146,622 |
| Group | | | | |
| As at 31st March 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| ASSETS | | | | |
| Cash and cash equivalents | - | 3,845 | - | 3,845 |
| Balances with banks & financial institutions | - | 8,231 | - | 8,231 |
| Financial assets -Fair value through profit or loss | 1,282 | - | - | 1,282 |
| Loans and receivables - Amortised cost | - | 149,342 | - | 149,342 |
| Insurance and reinsurance receivables | - | 1,024 | - | 1,024 |
| Financial assets - Fair value through other comprehensive income | - | - | 735 | 735 |
| Debt instrument - Amortised cost | - | 8,593 | - | 8,593 |
| Total financial assets | 1,282 | 171,035 | 735 | 173,052 |
| As at 31st March 2021 | Financial instruments recognised at FVTPL Rs. Mn. | Financial instruments at amortised cost (AC) Rs. Mn. | Financial instruments at FVOCI Rs. Mn. | Total Rs. Mn. |
| LIABILITIES | | | | |
| Due to banks - Amortised cost | - | 9,004 | - | 9,004 |
| Due to customers - Amortised cost | - | 103,744 | - | 103,744 |
| Debt securities issued - Amortised cost | - | 13,685 | - | 13,685 |
| Other financial liabilities - Amortised cost | - | 4,111 | - | 4,111 |
| Insurance liabilities and reinsurance payable | - | 5,016 | - | 5,016 |
| Lease liabilities - Amortised cost | - | 1,615 | - | 1,615 |
| Total financial liabilities | - | 137,175 | - | 137,175 |

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FAIR VALUE HIERARCHY

| Company | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| As at 30th September 2021 | Rs. Mn. | Rs. Mn. | Rs. Mn. | Rs. Mn. |
| Financial assets | | | | |
| Financial assets -Fair value through profit or loss | | | | |
| Quoted Investments | 21 | - | - | 21 |
| Investment in unit trust | - | 1,015 | - | 1,015 |
| Sub total | 21 | 1,015 | - | 1,036 |
| Financial assets - Fair value through other comprehensive income | | | | |
| Quoted Investments | 1,210 | - | - | 1,210 |
| Sub total | 1,210 | - | - | 1,210 |
| Total | 1,231 | 1,015 | - | 2,246 |
| As at 31st March 2021 | Level 1 | Level 2 | Level 3 | Total |
| | Rs. Mn. | Rs. Mn. | Rs. Mn. | Rs. Mn. |
| Financial assets | | | | |
| Financial assets -Fair value through profit or loss | | | | |
| Quoted Investments | 10 | - | - | 10 |
| Investment in unit trust | - | 100 | - | 100 |
| Sub total | 10 | 100 | - | 110 |
| Financial assets - Fair value through other comprehensive income | | | | |
| Quoted Investments | 309 | - | - | 309 |
| Sub total | 309 | - | - | 309 |
| Total | 319 | 100 | - | 419 |
| Group | | | | |
| As at 30th September 2021 | Level 1 | Level 2 | Level 3 | Total |
| | Rs. Mn. | Rs. Mn. | Rs. Mn. | Rs. Mn. |
| Financial assets | | | | |
| Financial assets -Fair value through profit or loss | | | | |
| Quoted Investments | 129 | - | - | 129 |
| Investment in unit trust | - | 1,959 | - | 1,959 |
| Sub total | 129 | 1,959 | - | 2,088 |
| Financial assets - Fair value through other comprehensive income | | | | |
| Quoted Investments | 1,209 | - | - | 1,209 |
| Treasury bills | - | 417 | - | 417 |
| Sub total | 1,209 | 417 | - | 1,626 |
| Non financial assets - Investment property | | | | |
| Land and building | - | - | 821 | 821 |
| Sub total | - | - | 821 | 821 |
| Total | 1,338 | 2,376 | 821 | 4,535 |
| As at 31st March 2021 | Level 1 | Level 2 | Level 3 | Total |
| | Rs. Mn. | Rs. Mn. | Rs. Mn. | Rs. Mn. |
| Financial assets | | | | |
| Financial assets -Fair value through profit or loss | | | | |
| Quoted Investments | 25 | - | - | 25 |
| Investment in unit trust | - | 1,257 | - | 1,257 |
| Sub total | 25 | 1,257 | - | 1,282 |
| Financial assets - Fair value through other comprehensive income | | | | |
| Quoted Investments | 309 | - | - | 309 |
| Treasury bills | - | 426 | - | 426 |
| Sub total | 309 | 426 | - | 735 |
| Non financial assets - Investment property | | | | |
| Land and building | - | - | 821 | 821 |
| Sub total | - | - | 821 | 821 |
| Total | 334 | 1,683 | 821 | 2,838 |

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SEGMENTAL ANALYSIS - GROUP

| For the six months ended 30th September | Lease & HP | | Loans | | Islamic | | Insurance | | Other | | Eliminations | | Group | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. |
| Interest income | 5,867 | 6,773 | 4,856 | 4,977 | 499 | 528 | 317 | 371 | 484 | 447 | (104) | (115) | 11,919 | 12,981 |
| Net earned premiums | - | - | - | - | - | - | 2,615 | 2,631 | - | - | (92) | (81) | 2,523 | 2,550 |
| Fee and commission income | 499 | 525 | 413 | 385 | 42 | 41 | - | - | 139 | 143 | (522) | (544) | 571 | 550 |
| Net gains/(losses) on financial assets - FVTPL | - | - | - | - | - | - | 40 | 39 | 29 | 50 | - | - | 69 | 89 |
| Other operating income | 247 | 3 | 205 | 3 | 21 | 1 | 26 | 30 | 214 | 93 | (614) | (30) | 99 | 100 |
| Gross income | 6,613 | 7,301 | 5,474 | 5,365 | 562 | 570 | 2,998 | 3,071 | 866 | 733 | (1,332) | (770) | 15,181 | 16,270 |
| Interest expenses | 2,715 | 3,798 | 2,247 | 2,790 | 231 | 296 | - | - | 356 | 374 | (105) | (116) | 5,444 | 7,142 |
| Total operating income | 3,898 | 3,503 | 3,227 | 2,575 | 331 | 274 | 2,998 | 3,071 | 510 | 359 | (1,227) | (654) | 9,737 | 9,128 |
| Impairment and other losses for loans and receivables | 917 | 645 | 982 | 811 | 68 | 64 | - | - | 80 | - | - | - | 2,047 | 1,520 |
| Net operating income | 2,981 | 2,858 | 2,245 | 1,764 | 263 | 210 | 2,998 | 3,071 | 430 | 359 | (1,227) | (654) | 7,690 | 7,608 |
| Depreciation and amortisation | 169 | 193 | 172 | 160 | 15 | 13 | 50 | 46 | 58 | 43 | (85) | (99) | 379 | 356 |
| Segment result | 1,185 | 1,229 | 981 | 767 | 101 | 94 | 768 | 945 | 155 | 144 | (607) | (24) | 2,583 | 3,155 |
| Tax on financial services | | | | | | | | | | | | | 504 | 472 |
| Income tax expenses | | | | | | | | | | | | | 776 | 848 |
| Profit for the period | | | | | | | | | | | | | 1,303 | 1,835 |
| As at 30th September 2021 | | | | | | | | | | | | | | |
| Segment Assets | 76,423 | 84,920 | 77,805 | 70,505 | 6,924 | 5,910 | 11,369 | 10,252 | 26,233 | 19,185 | (7,015) | (6,194) | 191,739 | 184,578 |
| Total Assets | 76,423 | 84,920 | 77,805 | 70,505 | 6,924 | 5,910 | 11,369 | 10,252 | 26,233 | 19,185 | (7,015) | (6,194) | 191,739 | 184,578 |
| Segment Liabilities | 60,222 | 68,385 | 61,312 | 56,859 | 5,456 | 4,760 | 6,518 | 5,872 | 20,672 | 15,412 | (4,655) | (3,900) | 149,525 | 147,388 |
| Total Liabilities | 60,222 | 68,385 | 61,312 | 56,859 | 5,456 | 4,760 | 6,518 | 5,872 | 20,672 | 15,412 | (4,655) | (3,900) | 149,525 | 147,388 |

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

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INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

| | 2021 Rs. | 2020 Rs. |
|---|-------------|-------------|
| Highest price during the quarter ended 30th September : | 13.80 | 13.60 |
| Lowest price during the quarter ended 30th September : | 10.50 | 11.00 |
| Last traded price as at 30th September : | 10.70 | 13.10 |

Issued Capital

Issued Capital as at 30th September 2021 was represented by the number of shares in issue as given below;

| | As at 30th September 2021 | | As at 30th September 2020 | |
|---|---------------------------|-----------------------|---------------------------|-----------------------|
| | Number | Rs. | Number | Rs. |
| Ordinary shares issued for consideration | 1,579,862,482 | 11,886,073,308 | 1,579,862,482 | 11,886,073,308 |
| Transfer from preference shares on redemption | - | 1,350,000,000 | - | 1,350,000,000 |
| Ordinary shares issued as Scrip Dividend | 223,082,744 | 2,934,414,970 | 47,840,906 | 679,340,867 |
| Total | 1,802,945,226 | 16,170,488,278 | 1,627,703,388 | 13,915,414,175 |

INTERIM FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 30th September 2021

Twenty largest ordinary shareholders of the Company as at 30th September 2021 were as follows;

| No. | Name of the Shareholder | No. of Shares | % |
|-----|---|---------------|-------|
| 1 | People's Bank | 1,352,208,916 | 75.00 |
| 2 | Employee's Provident Fund | 97,856,915 | 5.43 |
| 3 | National Savings Bank | 49,834,269 | 2.76 |
| 4 | Sri Lanka Insurance Corporation Ltd-Life Fund | 22,213,597 | 1.23 |
| 5 | Rubber Investment Trust Ltd A/C No 01 | 17,916,291 | 0.99 |
| 6 | Employees Trust Fund Board | 17,178,983 | 0.95 |
| 7 | Bank of Ceylon No. 1 Account | 13,070,891 | 0.72 |
| 8 | Perera and Sons Bakers Pvt Limited | 10,576,923 | 0.59 |
| 9 | Sri Lanka Insurance Corporation Ltd-General Fund | 9,903,366 | 0.55 |
| 10 | Mercantile Investments and Finance PLC | 6,719,572 | 0.37 |
| 11 | AIA Insurance Lanka Limited A/C No.07 | 6,518,505 | 0.36 |
| 12 | Ceylon Investment PLC A/C # 01 | 5,459,463 | 0.30 |
| 13 | Mellon Bank N.A-Acadian Frontier Markets Equity Fund | 4,107,569 | 0.23 |
| 14 | Ceylon Guardian Investment Trust PLC A/C # 02 | 3,592,899 | 0.20 |
| 15 | Mr. H. Beruwalage | 3,410,129 | 0.19 |
| 16 | Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd | 3,322,985 | 0.18 |
| 17 | Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund) | 3,103,780 | 0.17 |
| 18 | J.B. Cocoshell (Pvt) Ltd | 3,082,754 | 0.17 |
| 19 | Mr. M.J. Fernando | 2,912,899 | 0.16 |
| 20 | Mr. W.A.S.P. De Saram | 2,652,165 | 0.15 |

Public Holding

The percentage of ordinary shares held by the public as at 30th September 2021 was 24.91% and the number of shareholders representing the public holding was 10,679.

Directors/ CEO's Holding in Shares as at 30th September 2021

The number of ordinary shares held by the directors and CEO as at 30th September 2021 were as follows;

| Name | Position | No. of Shares |
|--|----------|---------------|
| Mr. Sujeewa Rajapakse | Chairman | 158,454 |
| Mr. Rohan Pathirage | Director | 384,654 |
| Mr. Azzam A. Ahamat | Director | - |
| Mr. S. Ahangama (Resigned w.e.f. 24th August 2021) | Director | - |
| Mr. K.C.J.C. Fonseka | Director | 55,346 |
| Mr. C.J. Wijetillake | Director | 5,000 |
| Mr. U.L.A.W. Bandara | Director | - |
| Ms. M.C. Pietersz | Director | - |
| Mr. R. Kodituwakku | Director | - |
| Mr. Shamindra Marcelline | CEO | - |

Float adjusted Market Capitalisation

The Float adjusted market capitalization as at 30th September 2021 - Rs. 4,805,516,117/-

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2020/21.
2. The Interim Financial Statements for the six months ended 30th September 2021 are drawn up from unaudited accounts of the Company, its subsidiary companies: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance PLC, People's Leasing Havelock Properties Limited, People's Micro-commerce Ltd. and Lankan Alliance Finance Limited.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
5. On 16th June 2021, the Company declared a final dividend of Rs. 0.75 (Cents Seventy Five) per share for the financial year 2020/21, in the form of a Scrip Dividend. All Ordinary Resolutions as set out in the Notice of Meeting dated 7th July 2021, including the declaration of the Scrip Dividend, were unanimously adopted by the Shareholders of the Company at the Annual General Meeting held on 5th August 2021. Moreover Ninety-Eight Million, Three Hundred Forty-Two Thousand, Four Hundred Sixty-Six (98,342,466) Ordinary shares of the Company were listed with effect from 13th August 2021, pursuant to a Scrip Dividend in the proportion of one (1) share being issued for each existing seventeen decimal three three three three three three four nine six zero (17.3333334960) shares held by the shareholders at the end of trading on the Colombo Stock Exchange as at 5th August 2021.
6. In May 2021, People's Insurance PLC declared a final dividend of Rs. 3 (Rupees Three) per share for the financial year 2020, in the form of a cash dividend and the Company received Rupees Four Hundred and Fifty Million (450,000,000) on 07th July 2021.
7. On 17th June 2021, the Company decided to issue Listed, Rated, Unsecured, Senior, Redeemable Debentures amounting to Rupees Eight Billion (8,000,000,000/-). Further to this, on 14th July 2021 the Company decided to upsize the proposed Debenture issue to up to Rupees Ten Billion (10,000,000,000/-) worth of Debentures. The issue was opened on 29th July 2021, and subscriptions for a value of Rupees Fifteen Billion Three Hundred Ninety Six Million Seven Hundred Ninety Thousand and Five Hundred Twenty One (15,396,790,521/-) were received on the same day. The Company allocated 108,251,027 debentures, approximately amounting to Rupees Ten Billion (10,000,000,000/-), to investors on 5th August 2021 which were listed on 18th August 2021.
8. Ms. Mariene Shaalini Silva has been appointed as Company Secretary of the Company with effect from 15th July 2021 in place of Mrs. Kottegoda Gedara Lakmini Dilrukshi Kottegoda. The Central Bank of Sri Lanka (CBSL) has granted approval for the said appointment by letter dated on 14th July 2021.
9. Mr. Sudarshan Ahangama resigned as Non Executive/Non Independent Director of the Company with effect from 24th August 2021.
10. Fitch Ratings Lanka Limited reaffirmed the Company's National Long-Term Rating at 'A+(lka)' with a Stable Outlook on 1st September 2021.
11. Administration fee income on factoring has been reclassified from Interest Income to Fee and commission income for the quarter ended 30th June 2020. The restated figures for the quarter ended 30th September 2020 are as follows,

| | Company | | | Group | | |
|------------------------------------|---------------------------------------|------------------------------------|-----------------------|---------------------------------------|------------------------------------|-----------------------|
| | As disclosed previously Rs. Mn. | Current Presentation Rs. Mn. | Adjustment Rs. Mn. | As disclosed previously Rs. Mn. | Current Presentation Rs. Mn. | Adjustment Rs. Mn. |
| Statement of Profit or Loss | | | | | | |
| Interest income | 6,112 | 6,116 | 4 | 6,549 | 6,553 | 4 |
| Fee and commission income | 563 | 559 | (4) | 416 | 412 | (4) |

12. The outbreak and spread of the corona virus globally has caused disruption to business and economic activities and has created a widespread uncertainty to the global economy. Further the various quarantine measures adopted by different countries greatly affected global trade. The Company strictly followed the guidelines and instructions issued by the government health authorities when conducting its commercial operations.
13. Expected Credit Loss (ECL) at 30 September 2021 was estimated based on a range of forecast economic conditions prevailing as at that date. As the situation continues to evolve and timelines for a normalization of economic activity remains yet an unknown, the impact to our core markets and the Company's financial results cannot be reasonably estimated or reliably measured based on reasonable and supportable information that is available at the current stage.

Abnormal variances occurred in the data considered for ECL calculations due to the lockdowns imposed and moratoriums granted during the period. Therefore the Loss Given Default (LGD) as at 31 March 2021 and the Probability of Default (PD) as at 30 June 2021 was used with the aim of eliminating these variances.

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

14. The Covid 19 outbreak in March 2020 followed by the second and the third waves continues to pose challenges to businesses and industries both locally and globally due to uncertainties, restrictions and limitations associated with the pandemic. Considering the difficulties and constraints faced by businesses and individuals due to the ongoing COVID-19 pandemic, CBSL issued guidelines and instructions which the Company strictly adhered to when conducting its commercial operations.

In March and June 2021, CBSL requested licensed finance companies and specialised leasing companies (non-banking financial institutions), to extend concessions for credit facilities as follows.

* third moratorium: for affected businesses and individuals engaged in passenger transportation and tourism sectors from 1 April to 30 September 2021

* fourth moratorium: for affected businesses and individuals from 15 May 2021 to 30 September 2021

In October 2021, CBSL further requested non-banking financial institutions to extend concessions for credit facilities for COVID-19 affected businesses and individuals as follows,

* Option 1: restructure credit facilities as at 01 October 2021 over a longer period, with a minimum of 3 months grace period to commence repaying capital portion of instalments

* Option 2: facilitating early settlement on or before 31 March 2022 with future interest, fees and applicable charges fully waived off

* Option 3: extend moratoriums upto 31 March 2022, with the capital and interest falling due during the period converted into a term loan

15. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
16. There has been no significant change in the nature of the contingent liabilities for the six months ended 30th September 2021 which were disclosed in the Annual Report for the year ended 31st March 2021.

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ANALYSIS OF LOANS AND RECEIVABLES IMPAIRMENT

Analysis by stage wise

Company - 30th September 2021

| | Stage 1 Rs. Mn. | Stage 2 Rs. Mn. | Stage 3 Rs. Mn. | Total Rs. Mn. |
|----------------------------------|--------------------|--------------------|--------------------|------------------|
| Loans and receivables | 93,648 | 24,756 | 33,207 | 151,611 |
| (Less): | | | | |
| Individual impairment charges | - | - | 1,535 | 1,535 |
| Collective impairment charges | 1,402 | 1,327 | 6,823 | 9,552 |
| Net loans and receivables | 92,246 | 23,429 | 24,849 | 140,524 |

Company - 31st March 2021

| | | | | |
|----------------------------------|---------------|---------------|---------------|----------------|
| Loans and receivables | 91,722 | 30,256 | 28,678 | 150,656 |
| (Less): | | | | |
| Individual impairment charges | - | - | 1,168 | 1,168 |
| Collective impairment charges | 832 | 1,113 | 6,155 | 8,100 |
| Net loans and receivables | 90,890 | 29,143 | 21,355 | 141,388 |

Group - 30th September 2021

| | | | | |
|----------------------------------|---------------|---------------|---------------|----------------|
| Loans and receivables | 100,041 | 25,876 | 34,382 | 160,299 |
| (Less): | | | | |
| Individual impairment charges | - | - | 1,620 | 1,620 |
| Collective impairment charges | 1,547 | 1,532 | 7,157 | 10,236 |
| Net loans and receivables | 98,494 | 24,344 | 25,605 | 148,443 |

Group - 31st March 2021

| | | | | |
|----------------------------------|---------------|---------------|---------------|----------------|
| Loans and receivables | 92,517 | 35,085 | 31,623 | 159,225 |
| (Less): | | | | |
| Individual impairment charges | - | - | 1,168 | 1,168 |
| Collective impairment charges | 995 | 1,262 | 6,458 | 8,715 |
| Net loans and receivables | 91,522 | 33,823 | 23,997 | 149,342 |

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DEBENTURE INFORMATION

Market Prices for the quarter ended 30th September 2021

| Debenture Type | Highest Rs. | Lowest Rs. | Last Traded Rs. |
|--|---------------------|------------|-----------------|
| 2016 - 5 Years - 12.60% p.a. payable semi-annually | 101.50 | 101.50 | 101.50 |
| 2018 - 4 Years - 12.40% p.a. payable annually | Has not been traded | | |
| 2018 - 5 Years - 12.80% p.a. payable annually | Has not been traded | | |
| 2021 - 3 Years - 8.00% p.a. payable annually | Has not been traded | | |
| 2021 - 3 Years - 8.00% AER payable on redemption | Has not been traded | | |
| 2021 - 5 Years - 9.00% p.a. payable annually | Has not been traded | | |
| 2021 - 5 Years - 9.00% AER payable on redemption | Has not been traded | | |

Interest Rates

| Debenture Type | Coupon Rate (%) | Annual Effective Rate (%) |
|--|-----------------|---------------------------|
| 2016 - 5 Years - 12.60% p.a. payable semi-annually | 12.60 | 13.00 |
| 2018 - 4 Years - 12.40% p.a. payable annually | 12.40 | 12.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually | 12.80 | 12.80 |
| 2021 - 3 Years - 8.00% p.a. payable annually | 8.00 | 8.00 |
| 2021 - 3 Years - 8.00% AER payable on redemption | - | 8.00 |
| 2021 - 5 Years - 9.00% p.a. payable annually | 9.00 | 9.00 |
| 2021 - 5 Years - 9.00% AER payable on redemption | - | 9.00 |

Interest Rates of Comparable Government Securities

| | |
|------------------------|-------|
| 6 Months Treasury Bill | 6.27% |
| 1 Year Treasury Bill | 6.50% |
| 2 Year Treasury Bond | 6.75% |
| 3 Year Treasury Bond | 8.10% |
| 4 Year Treasury Bond | 8.55% |

Current Yield & Yield to Maturity

| Debenture Type | Current Yield (%) | Yield to Maturity (%) |
|--|-------------------|-----------------------|
| 2016 - 5 Years - 12.60% p.a. payable semi-annually | 12.41 | 8.20 |
| 2018 - 4 Years - 12.40% p.a. payable annually | 12.40 | 12.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually | 12.80 | 12.80 |
| 2021 - 3 Years - 8.00% p.a. payable annually | 8.00 | 8.00 |
| 2021 - 3 Years - 8.00% AER payable on redemption | - | 8.00 |
| 2021 - 5 Years - 9.00% p.a. payable annually | 9.00 | 9.00 |
| 2021 - 5 Years - 9.00% AER payable on redemption | - | 9.00 |

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DEBENTURE INFORMATION

| Ratios | | | | | | | | |
|--|---|---|--|---|---------------------|---------------------------------|---|--|
| | | | | | | | As at 30.09.2021 | As at 31.03.2021 |
| Debt to Equity Ratio (Times)* | | | | | | | 0.86 | 0.59 |
| Interest Cover (Times) | | | | | | | 1.29 | 1.45 |
| Quick Asset Ratio (%) | | | | | | | 69.42 | 62.66 |
| * Debt to Equity Ratio has been computed without considering Due to Customers balances. | | | | | | | | |
| Utilisation of Funds Raised via Capital Market | | | | | | | | |
| Objective Number | Objective as per Prospectus | Amount allocated as per Prospectus in Rs.'000 | Proposed date of utilisation as per Prospectus | Amount allocated from proceeds in Rs.'000 (A) | % of total proceeds | Amounts utilised in Rs.'000 (B) | % of utilisation against allocation (B/A) | Clarification if not fully utilised including where the funds are invested |
| Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2021 | | | | | | | | |
| 1 | Supporting the expansion of the lending portfolio of the Company. | 10,000,000 | Within 06 months from the date of allotment | 9,999,995 | 100% | 9,999,995 | 100% | N/A |

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RELATED PARTY DISCLOSURE

| | Parent | | Subsidiaries | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 2021 Rs. Mn. | 2020 Rs. Mn. | 2021 Rs. Mn. | 2020 Rs. Mn. |
| Transactions with Related entities | | | | |
| Company | | | | |
| The Company had the under mentioned financial dealings during the period with the following related entities. | | | | |
| For the period ended 30 September | | | | |
| Items in Statement of Profit or Loss | | | | |
| Interest income | 368 | 402 | 73 | 81 |
| Interest expense | 49 | 163 | 83 | 66 |
| Fee & Commission income | - | - | 330 | 358 |
| Other operating income | - | - | 458 | 10 |
| Benefits, claims and underwriting expenditure | - | - | 83 | 72 |
| Depreciation and amortisation | 11 | 11 | 108 | 115 |
| Other operating expenses | - | - | 19 | 21 |
| As at 30 September | | | | |
| Items in Statement of Financial Position | | | | |
| Assets | | | | |
| Cash and cash equivalents | 12 | 2,610 | - | - |
| Balances with banks & financial institutions | 12,239 | 6,534 | - | - |
| Loans and receivables | - | - | 1,560 | 1,503 |
| Financial assets - Amortised cost | 9,985 | 7,514 | - | - |
| Investments in subsidiaries | - | - | 3,214 | 3,214 |
| Other assets | - | - | 261 | 269 |
| Right of use asset | 123 | 144 | 691 | 401 |
| Total | 22,359 | 16,802 | 5,726 | 5,387 |
| Liabilities | | | | |
| Due to banks | 504 | 1,111 | - | - |
| Due to customers | 1,193 | 979 | 652 | 508 |
| Debt Securities issued | - | - | 133 | 133 |
| Other Financial liabilities | - | - | 643 | 810 |
| Lease liabilities | 140 | 155 | 745 | 439 |
| Other liabilities | 8 | 4 | 19 | 9 |
| Total | 1,845 | 2,249 | 2,192 | 1,899 |
| For the period ended 30 September | | | | |
| Transactions | | | | |
| Transaction cost on debenture issue and securitisation | - | 4 | - | - |
| Building rent paid | 18 | 16 | 141 | 140 |
| Building rent received | - | - | 9 | 10 |
| Cash and cash equivalents - Repo investments | 33,912 | 1,600 | - | - |
| Cash and cash equivalents - Repo settlements | 33,923 | 5,559 | - | - |
| Balances with banks and financial institutions - FD investments | 15,555 | 11,067 | - | - |
| Balances with banks and financial institutions - FD withdrawals | 8,859 | 7,902 | - | - |
| Loans and receivables - Grantings | - | - | 136 | 191 |
| Loans and receivables - Repayments | - | - | 113 | 348 |
| Debt instrument - Amortised cost - Investments | 13,247 | 13,501 | - | - |
| Debt instrument - Amortised cost - Settlements | 10,463 | 9,651 | - | - |
| Due to banks - Borrowings | - | 1,000 | - | - |
| Due to banks - Repayment | 197 | 1,512 | - | - |
| Due to customers - Investments | 67 | 353 | 567 | 185 |
| Due to customers - Settlements | 23 | 155 | 359 | 185 |
| Other financial liabilities - Services obtained | - | - | 25 | - |
| Other financial liabilities - Repayment | - | - | 22 | - |
| Dividend paid | 959 | - | - | - |
| Dividend received | - | - | 450 | - |
| Insurance premium paid in respect of customers introduced by People's Leasing & Finance PLC | - | - | 1,421 | 1,575 |
| Total | 117,223 | 52,320 | 3,243 | 2,634 |
| Off- Balance Sheet Items | | | | |
| Guarantees | - | - | 300 | 300 |

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

| | Parent | |
|---|-----------------|-----------------|
| | 2021 Rs. Mn. | 2020 Rs. Mn. |
| Transactions with other Related entities | | |
| Group | | |
| The group had the under mentioned financial dealings during the period with the following related entities. | | |
| For the period ended 30 September | | |
| Items in Statement of Profit or Loss | | |
| Interest income | 383 | 466 |
| Interest expenses | 56 | 168 |
| Net earned premiums | 77 | 232 |
| Fee and commission income | 16 | 48 |
| Other operating income | 55 | 146 |
| Benefits, claims and underwriting expenditure | 5 | 163 |
| Depreciation and amortisation | 11 | 11 |
| As at 30 September | | |
| Items in Statement of Financial Position | | |
| Assets | | |
| Cash and cash equivalents | 262 | 2,706 |
| Balances with banks & financial institutions | 12,786 | 7,070 |
| Loans and receivables | - | - |
| Insurance and reinsurance receivables | 35 | 273 |
| Financial investments - Amortised cost | 9,985 | 7,514 |
| Investments in associate | - | - |
| Other assets | 11 | 29 |
| Right of use assets | 123 | 144 |
| Total | 23,202 | 17,736 |
| Liabilities | | |
| Due to banks | 921 | 1,324 |
| Due to customers | 1,193 | 979 |
| Other liabilities | 18 | 11 |
| Lease liabilities | 140 | 155 |
| Total | 2,272 | 2,469 |

CORPORATE INFORMATION

Name of Company

People's Leasing & Finance PLC
(Subsidiary of People's Bank)

Legal Form

Public Limited Liability Company
(Incorporated and domiciled in Sri Lanka)
quoted in the Colombo Stock Exchange

Date of Incorporation

22nd August 1995

Company Registration Number

PB 647 PQ

Accounting Year-end

31st March

Stock Exchange Listing

The Ordinary shares of the Company were quoted on the Main Board of the Colombo Stock Exchange (CSE) on 24th November 2011.

47,840,906 Ordinary shares of the company were listed with effect from 9th August 2019, pursuant to a scrip dividend.

76,899,372 Ordinary shares of the company were listed with effect from 24th December 2020, pursuant to a scrip dividend.

98,342,466 Ordinary shares of the company were listed with effect from 13th August 2021, pursuant to a scrip dividend.

Senior, Unsecured, Redeemable, five year (2016/21) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 23rd November 2016.

Senior, Unsecured, Redeemable, four year (2018/22) and five year (2018/23) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 27th April 2018.

Senior, Unsecured, Redeemable, three year (2021/24) and five year (2021/26) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 18th August 2021.

Registered Office & Principal Place of Business

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code: 00800
Telephone +94 11 2631631
Fax +94 11 2631980/81
[Email: info@plc.lk](mailto:info@plc.lk)
[Web Address: www.plc.lk](http://www.plc.lk)

Compliance Officer

Ms. Zairaa Kaleel

Company Secretary

Ms. Shaalini Silva

Registrar

SSP Corporate Services (Pvt) Ltd
No. 101, Inner Flower Road,
Colombo 03, Sri Lanka.
Telephone: +94 11 2573894, +94 11 2576871
Fax: +94 11 2573609
[E-mail: sspsec@sltnet.lk](mailto:sspsec@sltnet.lk)

Auditor

Auditor General
Auditor General's Department,
No. 306/72, Polduwa Road,
Battaramulla.

Bankers

People's Bank
Sampath Bank PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Habib Bank Limited
Citi Bank N.A.
Indian Bank
Indian Overseas Bank
Pan Asia Banking Corporation PLC

Head Office & Branch Offices

Head Office, Akuressa, Ambalangoda, Ambalanthota, Ampara, Anamadua, Anuradapura, Awissawella, Badulla, Balangoda, Bandarawela, Battaramulla, Batticaloa, Benthotta, Chilaw, Chunnakam, Colpetty, Dambulla, Dehiwala, Deniyaya, Digana, Divulapitiya, Elpitiya, Embilipitiya, Galenbindunuwewa, Galle, Gampaha, Gampola, Giriulla, Godakawela, Grandpass, Hambantota, Hanwella, Hatton, Havelock, Hingurakgoda, Homagama, Horana, Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalawana, Kalawanchikudi, Kalmunai, Kalutara, Kamburupitiya, Kandy, Kandy Alsa, Kanthale Kattandudy, Kegalle, Kekirawa, Kelaniya Kilinocchi, Kiribathgoda, Kirindiwela, Kodikamam, Kuliyaipitiya, Kurunegala, Mahaiyawa, Maharagama, Mahiyanganaya, Mannar, Matale, Matara, Mathugama, Mawanella, Medawachchiya, Melsiripura, Merigama, Metropolitan, Minuwangoda, Monaragala, Moratuwa, Mutur, Narammala, Nattandiya, Nawalapitiya, Negombo, Negombo City, Nelliady, Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya, Panadura, Pelmadulla, Pettah, Pilimathalawa, Piliyandala, Polonnaruwa, Puttalam, Ragama, Ratnapura, Tangalle, Thabuttagama, Thissamaharama, Trincomalee, Udugama, Union Place, Urubokka, Vavuniya, Walasmulla, Warakapola, WardPlace, Wariyapola, Wattala, Welimada, Wellawaththa, Wellawaya, Wennappuwa

Board of Directors

Mr. Sujeewa Rajapakse - Chairman
Mr. Rohan Pathirage
Mr. Azzam A. Ahamat
Mr. S. Ahangama (Resigned w.e.f. 24th August 2021)
Mr. K.C.J.C. Fonseka
Mr. C.J.Wijetillake
Mr. U.L.A.W. Bandara
Ms. M.C. Pietersz
Mr. R. Kudituwakku

Board Audit Committee

Ms. M.C. Pietersz - Chairperson
Mr. U.L.A.W. Bandara - Member
Mr. Azzam A. Ahamat - Member

Board Integrated Risk Management Committee

Mr. C.J.Wijetillake - Chairman
Mr. Azzam A. Ahamat - Member
Mr. K.C.J.C. Fonseka - Member

Human Resources Remuneration and Nomination Committee

Mr. U.L.A.W. Bandara - Chairman
Ms. M.C. Pietersz - Member
Mr. Rohan Pathirage - Member

Related Party Transaction Review Committee

Mr. C.J.Wijetillake - Chairman
Mr. U.L.A.W. Bandara - Member
Mr. S. Ahangama - Member (Ceased w.e.f. 24th August 2021)
Mr. Rohan Pathirage - Member (Appointed w.e.f. 24th September 2021)

Local Subsidiary Companies

People's Leasing Fleet Management Limited
People's Leasing Property Development Limited
People's Leasing Havelock Properties Limited
People's Insurance PLC
People's Micro-commerce Ltd.

Foreign Subsidiary Companies

Lankan Alliance Finance Limited

Corporate Memberships

The Financial House Association of Sri Lanka
Credit Information Bureau of Sri Lanka
The Financial Ombudsman, Sri Lanka
The Leasing Association of Sri Lanka
The Association of Margin Providers
Biodiversity Sri Lanka (Patron Member)

Vehicle Yards

No. 429, 2nd Division, Darly Road, Colombo 10, Sri Lanka.
No. 496, Makola North, Makola, Sri Lanka.
No. 225/D, Nayagala Road, Heiyanthuduwa, Mabima, Sri Lanka.
No.8, Pothuvil Road, Monaragala, Sri Lanka
Ketalagolla, Beligamuwa, Galewela, Sri Lanka

Tax Payer Identity Number (TIN)

114 156396

Income Tax Identity Number

114 156396 0000

VAT Registration Number

114 156396 7000

Central Bank Registration Number

046 (Under the Finance Business Act No.42 of 2011)

Credit Agency Status

An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No.12 of 1947 by the Department of Commerce.

Credit Rating

"A+" (Ika) by Fitch Ratings Lanka Limited, with a Stable Outlook

**INTERIM
FINANCIAL
STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC