

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the nine months ended 31st December 2014



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STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	31.12.2014 Rs. Mn. Unaudited*	31.03.2014 Rs. Mn. Audited	Change %	31.12.2014 Rs. Mn. Unaudited*	31.03.2014 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	5,617	11,453	(51.0)	6,057	11,696	(48.2)
Other balances with banks & financial institutions	322	3,330	(90.3)	1,801	4,726	(61.9)
Derivative financial instrument	-	-	-	-	-	-
Financial assets held-for-trading	193	184	4.9	422	378	11.6
Loans and receivables	96,929	90,218	7.4	96,652	90,342	7.0
Insurance and reinsurance receivables	-	-	-	173	138	25.4
Financial investments – Available-for-sale	897	224	300.4	1,849	1,317	40.4
Financial investments – Held-to-maturity	5,210	4,747	9.8	5,210	4,747	9.8
Investments in subsidiaries	1,875	1,475	27.1	-	-	-
Investments in associates	-	-	-	-	-	-
Goodwill and intangible assets	342	348	(1.7)	347	356	(2.5)
Property, plant and equipment	1,068	801	33.3	3,797	3,052	24.4
Investment property	55	55	-	-	-	-
Other assets	1,316	941	39.9	2,310	1,665	38.7
Total assets	113,824	113,776	0.0	118,618	118,417	0.2
Liabilities						
Due to banks	18,224	14,132	29.0	19,448	15,777	23.3
Due to customers	37,994	40,921	(7.2)	37,903	40,839	(7.2)
Debt securities issued	29,317	34,473	(15.0)	29,204	34,369	(15.0)
Other financial liabilities	5,839	2,870	103.4	5,643	2,759	104.5
Derivative financial instrument	131	-	100.0	131	-	100.0
Insurance and reinsurance payable	-	-	-	2,877	2,571	11.9
Current tax liabilities	573	447	28.2	659	541	21.8
Deferred tax liabilities	1,573	1,573	-	1,601	1,599	0.1
Other liabilities	190	165	15.2	286	194	47.4
Total liabilities	93,841	94,581	(0.8)	97,752	98,649	(0.9)
Equity						
Capital	12,886	12,736	1.2	12,886	12,736	1.2
Statutory reserve fund	1,150	1,016	13.2	1,150	1,016	13.2
Retained earnings	5,511	4,002	37.7	6,383	4,570	39.7
Other reserves	436	1,441	(69.7)	447	1,446	(69.1)
Total equity	19,983	19,195	4.1	20,866	19,768	5.6
Total liabilities and equity	113,824	113,776	0.0	118,618	118,417	0.2
Contingencies	431	350	23.1	431	350	23.1
Commitments	5,088	2,030	150.6	6,062	2,658	128.1
Net assets value per ordinary share (Rs.)	12.65	12.15	4.1	13.21	12.51	5.6

CERTIFICATION

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 31st December 2014 and its profit for the nine months ended 31st December 2014.

(Sgd.)

K.S. Bandaranayake
Chief Financial Officer

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

(Sgd.)

N.Vasantha Kumar
Director

(Sgd.)

K.V.N. Jayawardene
Director

(Sgd.)

D.P. Kumarage
Chief Executive Officer

13th February 2015
Colombo.

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

INCOME STATEMENT - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Interest income	14,611	14,446	1.1	4,760	4,965	(4.1)
Less: Interest expense	7,281	8,264	(11.9)	2,197	2,721	(19.3)
Net interest income	7,330	6,182	18.6	2,563	2,244	14.2
Net fee and commission income	638	628	1.6	217	281	(22.8)
Other operating income	253	158	60.1	38	34	11.8
Total operating income	8,221	6,968	18.0	2,818	2,559	10.1
Less: Impairment charges for loans and receivables	1,283	1,115	15.1	415	428	(3.0)
Net operating income	6,938	5,853	18.5	2,403	2,131	12.8
Less:						
Personnel expenses	1,172	984	19.1	409	365	12.1
Depreciation of property, plant and equipment	151	139	8.6	51	44	15.9
Amortisation and impairment of intangible assets	12	11	9.1	4	4	-
Other operating expenses	1,586	1,392	13.9	539	507	6.3
Total operating expenses	2,921	2,526	15.6	1,003	920	9.0
Operating profit before value added tax (VAT)	4,017	3,327	20.7	1,400	1,211	15.6
Less: Value added tax (VAT) on financial services	255	215	18.6	88	81	8.6
Operating profit after value added tax (VAT)	3,762	3,112	20.9	1,312	1,130	16.1
Less: Income tax expense	1,090	911	19.6	389	333	16.8
Profit for the period	2,672	2,201	21.4	923	797	15.8
Basic/Diluted earnings per ordinary share (Rs.)	1.69	1.39	21.6	0.58	0.50	16.0

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

INCOME STATEMENT - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Interest income	14,883	14,771	0.8	4,841	5,081	(4.7)
Less: Interest expense	7,372	8,386	(12.1)	2,227	2,744	(18.8)
Net interest income	7,511	6,385	17.6	2,614	2,337	11.9
Net earned premiums	2,178	2,039	6.8	729	709	2.8
Net fee and commission income	425	321	32.4	183	128	43.0
Other operating income	349	129	170.5	86	66	30.3
Total operating income	10,463	8,874	17.9	3,612	3,240	11.5
Less: Impairment charges for loans and receivables	1,314	1,125	16.8	420	434	(3.2)
Net operating income	9,149	7,749	18.1	3,192	2,806	13.8
Less:						
Personnel expenses	1,345	1,101	22.2	467	406	15.0
Depreciation of property, plant and equipment	204	196	4.1	69	64	7.8
Amortisation and impairment of intangible assets	22	11	100.0	7	3	133.3
Benefits, claims and underwriting expenditure	1,587	1,535	3.4	511	543	(5.9)
Other operating expenses	1,529	1,333	14.7	495	500	(1.0)
Total operating expenses	4,687	4,176	12.2	1,549	1,516	2.2
Operating profit before value added tax (VAT)	4,462	3,573	24.9	1,643	1,290	27.4
Less: Value added tax (VAT) on financial services	260	222	17.1	90	84	7.1
Operating profit after value added tax (VAT)	4,202	3,351	25.4	1,553	1,206	28.8
Less: Income tax expense	1,224	1,046	17.0	451	368	22.6
Profit for the period	2,978	2,305	29.2	1,102	838	31.5
Basic/Diluted earnings per ordinary share (Rs.)	1.88	1.46	28.8	0.70	0.53	32.1

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

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Profit for the period	2,672	2,201	21.4	923	797	15.8
Other comprehensive income/(expenses)						
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-
Gains/ (losses) on derivative financial Assets	(22)	-	(100.0)	37	-	100.0
Gains/ (losses) on re-measuring available-for-sale financial assets	113	(8)	(1,512.5)	(38)	(14)	171.4
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	-	-
Other comprehensive income for the period, net of taxes	91	(8)	(1,237.5)	(1)	(14)	(92.9)
Total comprehensive income for the period	2,763	2,193	26.0	922	783	17.8

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

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2014	31.12.2013	Change	31.12.2014	31.12.2013	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Profit for the period	2,978	2,305	29.2	1,102	838	31.5
Other comprehensive income/(expenses)						
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-
Gains/ (losses) on derivative financial Assets	(22)	-	(100.0)	37	-	100.0
Gains/ (losses) on re-measuring available-for-sale financial assets	119	(9)	(1,422.2)	(39)	(10)	290.0
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	1	(100.0)
Other comprehensive income for the period, net of taxes	97	(9)	(1,177.8)	(2)	(11)	(81.8)
Total comprehensive income for the period	3,075	2,296	33.9	1,100	827	33.0

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

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital		Other Reserves				Total Equity		
	Rs. Mn.	Statutory Reserve Fund	General Reserve	Tax Equalisation Fund		Cash Flow Hedge Reserve		Retained Earnings	
				Rs. Mn.	Rs. Mn.				Rs. Mn.
Balance as at 01.04.2013 - Restated	12,536	860	300	100	852	(121)	-	3,496	18,023
Total comprehensive income for the nine months ended 31.12.2013	-	-	-	-	-	-	-	2,201	2,201
Profit for the nine months ended 31.12.2013	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	(8)	-	-	(8)
Total comprehensive income for the nine months ended 31.12.2013	-	-	-	-	-	(8)	-	2,201	2,193
Transactions with equity holders, recognised directly in equity									
Transfer from preference shares on redemption	150	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	111	-	-	197	-	-	(308)	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	150	111	-	-	197	-	-	(2,433)	(1,975)
Balance as at 31.12.2013	12,686	971	300	100	1,049	(129)	-	3,264	18,241
Balance as at 01.04.2014	12,736	1,016	300	100	1,096	(56)	1	4,002	19,195
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	-	-	2,672	2,672
Profit for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	113	(22)	-	91
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	113	(22)	2,672	2,763
Transactions with equity holders, recognised directly in equity									
Transfer from preference shares on redemption	150	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	134	-	-	(1,096)	-	-	962	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	150	134	-	-	(1,096)	-	-	(1,163)	(1,975)
Balance as at 31.12.2014	12,886	1,150	300	100	-	57	(21)	5,511	19,983

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

STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital		Statutory Reserve Fund		General Equalisation Reserve		Tax Investment Fund		Other Reserves Available for Sale Reserve		Cash Flow Hedge Reserve		Total Equity	
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2013 - Restated	12,536	860	300	100	852	(119)	-	-	-	-	-	3,724	18,253	
Total comprehensive income for the nine months ended 31.12.2013	-	-	-	-	-	(9)	-	-	-	-	-	2,305	2,305	
Profit for the nine months ended 31.12.2013	-	-	-	-	-	(9)	-	-	-	-	-	-	(9)	
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31.12.2013	-	-	-	-	-	(9)	-	-	-	-	-	2,305	2,296	
Transactions with equity holders, recognised directly in equity														
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	-	-	-	(150)	-	
Transfers to reserves during the period	-	111	-	-	197	-	-	-	-	-	-	(308)	-	
Transfers to capital contribution reserves	-	-	-	-	-	-	-	-	1	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,975)	(1,975)	
Total transactions with equity holders	150	111	300	100	1,049	(128)	-	-	1	-	-	(2,433)	(1,975)	
Balance as at 31.12.2013	12,686	971	300	100	1,049	(128)	-	-	1	-	-	3,596	18,574	
Balance as at 01.04.2014	12,736	1,016	300	100	1,096	(52)	-	-	-	-	1	4,570	19,768	
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	-	-	2,978	2,978	
Profit for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	-	-	2,978	2,978	
Other comprehensive income (net of tax)	-	-	-	-	-	119	-	-	(22)	-	-	-	97	
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	119	-	-	(22)	-	-	2,978	3,075	
Transactions with equity holders, recognised directly in equity														
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)	
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	-	-	-	(150)	-	
Transfers to reserves during the period	-	134	-	-	(1,096)	-	-	-	-	-	-	962	-	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,975)	(1,975)	
Total transactions with equity holders	150	134	-	-	(1,096)	-	-	-	-	-	-	(1,165)	(1,977)	
Balance as at 31.12.2014	12,886	1,150	300	100	-	67	-	-	(21)	-	-	6,383	20,866	

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

CASH FLOW STATEMENT

For the nine months ended 31st December	Company		Group	
	2014	2013	2014	2013
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited
Cash flows from operating activities				
Profit before tax	3,762	3,112	4,202	3,351
Adjustment for:				
Non-cash items included in profit before tax	1,400	1,263	1,434	1,325
Change in operating assets	(6,221)	(11,821)	(6,062)	(12,153)
Change in operating liabilities	(1,362)	17,555	(1,146)	17,586
Dividend income from investments	(112)	(93)	(24)	(13)
Gratuity paid	(3)	(7)	(3)	(7)
Tax paid	(631)	(159)	(714)	(222)
Net cash generated from operating activities	(3,167)	9,850	(2,313)	9,867
Cash flows from investing activities				
Purchase of property, plant and equipment	(419)	(262)	(950)	(419)
Proceeds from the sale of property, plant and equipment	5	13	5	26
Purchase of intangible assets	(6)	(12)	(13)	(12)
Investment in subsidiaries	(400)	-	-	-
Dividend received from investments	112	93	24	13
Net cash (used in) investing activities	(708)	(168)	(934)	(392)
Cash flows from financing activities				
Net borrowings	(975)	(7,344)	(1,378)	(7,162)
Dividend paid to shareholders	(897)	(882)	(897)	(882)
Redemption of preference shares	(150)	(150)	(150)	(150)
Net cash (used in) financing activities	(2,022)	(8,376)	(2,425)	(8,194)
Net increase/(decrease) in cash & cash equivalents	(5,897)	1,306	(5,672)	1,281
Cash and cash equivalents at the beginning of the period	10,818	3,178	10,956	3,342
Cash and cash equivalents at the end of the period	4,921	4,484	5,284	4,623
Cash and cash equivalents	5,617	5,119	6,057	5,362
Bank overdraft	(696)	(635)	(773)	(739)
	4,921	4,484	5,284	4,623

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - GROUP

For the nine months ended 31st December	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Interest income	11,290	12,004	2,446	1,676	579	575	223	266	548	395	(203)	(145)	14,883	14,771
Net earned premiums							2,259	2,080			(81)	(41)	2,178	2,039
Net fee and commission income	498	687	108	96	26	33	-	-	301	23	(508)	(518)	425	321
Other operating income	198	230	43	32	10	11	101	26	11	9	(14)	(179)	349	129
Gross revenue	11,986	12,921	2,597	1,804	615	619	2,583	2,372	860	427	(806)	(883)	17,835	17,260
Interest expenses	5,746	6,968	1,245	973	295	334	-	-	278	228	(192)	(117)	7,372	8,386
Total Operating income	6,240	5,953	1,352	831	320	285	2,583	2,372	582	199	(614)	(766)	10,463	8,874
Credit losses	1,244	1,059	87	49	(17)	17	-	-	-	-	-	-	1,314	1,125
Net operating income	4,996	4,894	1,265	782	337	268	2,583	2,372	582	199	(614)	(766)	9,149	7,749
Depreciation	129	124	33	24	8	6	18	7	12	14	26	32	226	207
Segment result	2,090	1,851	528	259	141	89	1,587	1,535	243	61	(129)	(222)	4,460	3,573
VAT on financial services													260	222
Income tax expenses													1,224	1,046
Profit attributable to equity holder													2,976	2,305
As at 31st December														
Segment Assets	84,334	83,852	21,328	16,537	5,129	4,192	4,729	3,510	8,072	9,210	(4,974)	(3,861)	118,618	113,440
Total Assets	84,334	83,852	21,328	16,537	5,129	4,192	4,729	3,510	8,072	9,210	(4,974)	(3,861)	118,618	113,440
Segment Liabilities	68,962	69,523	17,439	13,711	4,193	3,476	3,308	2,617	6,600	7,636	(2,750)	(2,098)	97,752	94,865
Total Liabilities	68,962	69,523	17,439	13,711	4,193	3,476	3,308	2,617	6,600	7,636	(2,750)	(2,098)	97,752	94,865

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

INFORMATION ON ORDINARY SHARES OF THE COMPANY

MARKET PRICE

	2014 Rs.	2013 Rs.
Highest price during the quarter ended 31st December :	25.60	14.40
Lowest price during the quarter ended 31st December :	19.80	13.10
Closing price as at 31st December :	24.50	13.40

CAPITAL

Capital as at 31st December 2014 was represented by the number of shares in issue as given below;

	As at 31st December 2014		As at 31st December 2013	
	Number	Rs.	Number	Rs.
Ordinary shares	1,579,862,482	11,886,073,308	1,579,862,482	11,886,073,308
Transfer from preference shares on redemption	-	1,000,000,000	-	800,000,000
Total	1,579,862,482	12,886,073,308	1,579,862,482	12,686,073,308

SHAREHOLDERS' INFORMATION

TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 31ST DECEMBER 2014

Twenty largest ordinary shareholders of the Company as at 31st December 2014 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,184,896,862	75.00
2	National Savings Bank	48,323,927	3.06
3	Mr. Y.S.H.I. Silva	47,179,716	2.99
4	Employees Provident Fund	43,643,831	2.76
5	HSBC INTL NOM LTD - SSBT -Wasatch Frontier Emerging Small Countries Fund	24,753,100	1.57
6	BNYM SA/NV-Neon Liberty Lorikeet Master Fund LP	16,345,647	1.03
7	HSBC INTL NOM LTD - JPMCB-J.P. Morgan Clearing Corp	13,420,466	0.85
8	Bank of Ceylon No. 1 Account	11,453,600	0.72
9	Mellon Bank N.A. - Frontier Market Select Fund II L.P.	10,240,000	0.65
10	Mellon Bank N.A. - Frontier Market Opportunities Master Fund, L.P.	10,150,000	0.64
11	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.63
12	AIA Insurance Lanka PLC A/C No. 07	7,521,929	0.48
13	Northern Trust Global Services Luxembourg S/A Ashmore Sicav Indian Small-Cap Equity Fund	7,438,636	0.47
14	Mellon Bank N.A. - Acadian Frontier Markets Equity Fund	5,358,189	0.34
15	Ceylon Investment PLC A/C # 01	4,954,891	0.31
16	Union Assurance PLC/No - 01A/C	3,821,672	0.24
17	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	3,438,493	0.22
18	HSBC INTL NOM LTD - JPMCB - T. Rowe Price Institutional Frontier Markets Equity Fund	2,777,673	0.18
19	Mr. S.A. De Silva	2,000,000	0.13
20	BNYM SA/NV-NLCF Fund LP	1,922,744	0.12

PUBLIC HOLDING

The percentage of ordinary shares held by the public as at 31st December 2014 was 24.86% and the number of shareholders representing the public holding was 9,026.

DIRECTORS'/ CEO'S HOLDING IN SHARES AS AT 31ST DECEMBER 2014

The number of ordinary shares held by the directors and CEO as at 31st December 2014 were as follows;

Name	Position	No. of Shares
Mr. Gamini Sedara Senarath	Chairman	-
Mr. Namasivayan Vasantha Kumar	Director	1,000,000
Mr. Piyadasa Kudabalage	Director	-
Mr. Heyara Hewage Anura Chandrasiri	Director	-
Mr. Sidath Sri Vidanage Fernando	Director	-
Mr. Kuttikande Vidanelage Nihal Jayawardene	Director	-
Mr. Don Padmasiri Kumarage	CEO	374,158

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 2013/14.
2. The Interim Financial Statements for the nine months ended 31st December 2014 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 Limited, People's Leasing Havelock Properties Limited, People's Microfinance Limited and its associate: City Finance Corporation Limited (formerly known as Industrial 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. During the nine month ended 31st December 2014 the Company redeemed 15,000,000 preference shares at Rs. 10/- each. (5,000,000 on 30th April 2014, 5,000,000 on 30th September 2014 and 5,000,000 on 31st October 2014).
6. The Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2013/14 on 8th July 2014.
7. Mr. Paliawadana Arachchige Irenius Sririmal Perera retired from the office of Non-Executive Independent Director of the Company upon reaching the age of 70 years on 28th June 2014.
8. Mr. Sidath Sri Vidanage Fernando and Mr. Kuttikande Vidanelage Nihal Jayawardene were appointed to the Board of the Company as Independent Non-Executive Directors with effect from 3rd July 2014.
9. On the 15th September 2014 the Company opened the issue of 15,000,000 Senior Unsecured Redeemable Debentures of Rs. 100/- each with an option to issue up to a further 15,000,000 in the event of an oversubscription. The issue was oversubscribed and closed on the same day. Objectives of the issue were to utilize the proceeds for the working capital purposes of the Company, access to additional source of funds from non deposit source, to minimize the mismatch in funding exposure, to minimize the interest rate risk and the gap exposure in assets/ liabilities portfolio, provide investors a structure that meet their risk-return and maturity needs. Debentures were allocated among applicants on 24th September 2014 and listed on the Debt Securities Main Board of the Colombo Stock Exchange on 03rd October 2014.
10. On the 30th of September 2014 the Company received Rs. 82,090,197/- from People's Insurance Limited as an interim dividend for the financial year 2014 and Rs. 9,900,000/-, Rs. 7,200,000/- and Rs. 675,000/- from People's Leasing Property Development Limited, People's Microfinance Limited and People's Leasing Fleet Management Limited respectively as the final dividend for the financial year 2013/2014.
11. The Company makes use of forward rate agreement to manage exposures to foreign currency risks, including exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risk, the Company applies hedge accounting for transactions which meet specified criteria.

The Company entered into forward rate agreements for US\$ 15.75 and US\$ 9.75 million with HSBC Bank on 11th April 2014 and 21st May 2014 respectively.
12. As proposed in the interim budget presented to the parliament on 29 January 2015 one-off "Super Gain Tax" of 25% to be levied on any company which posted a profit exceeding Rs. 2,000 million for the year of assessment 2013/14. Having recorded a post-tax profit of Rs. 3,123.7 million for the financial year 2013/14 People's Leasing & Finance PLC is subject to this proposal. However, the impact cannot be assessed at this point as the details of the computation is not yet known.
13. On the 12th December 2014, the Company declared an interim dividend of Rs. 0.75 per share for the financial year 2014/15 and the same was paid on the 6th January 2015. The total dividend paid amounted to Rs. 1,184,896,862/-.
14. Except for note 12, there have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
15. Except for note 11, there has been no significant change in the nature of the contingent liabilities for the nine months period ended 31st December 2014 which were disclosed in the Annual Report for the year ended 31st March 2014.

DEBENTURE INFORMATION

MARKET PRICES FOR THE QUARTER ENDED 31ST DECEMBER 2014

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
2013 - 4 Years - 16.50% p.a. payable semi-annually	Has not been traded		
2013 - 5 Years - 16.75% p.a. payable semi-annually	124.35	117.50	119.85
2013 - 5 Years - 17.00% p.a. payable annually	120.31	119.25	120.31
2014 - 3 Years - 8.75% p.a. payable annually	101.91	101.91	101.91
2014 - 4 Years - 9.63% p.a. payable annually	104.18	100.00	104.18

INTEREST RATES

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
2013 - 4 Years - 16.50% p.a. payable semi annually	16.50	17.18
2013 - 5 Years - 16.75% p.a. payable semi annually	16.75	17.45
2013 - 5 Years - 17.00% p.a. payable annually	17.00	17.00
2014 - 3 Years - 8.75% p.a. payable annually	8.75	8.75
2014 - 4 Years - 9.63% p.a. payable annually	9.63	9.63

INTEREST RATES OF COMPARABLE GOVERNMENT SECURITIES

6 Months Treasury Bill	5.84%
1 Year Treasury Bill	6.00%
3 Year Treasury Bond	10.87%
4 Year Treasury Bond	14.10%
5 Year Treasury Bond	8.93%
(Above rates are excluding 10% withholding tax)	

CURRENT YIELD & YIELD TO MATURITY

Debenture Type	Current Yield (%)	Yield to Maturity (%)
2013 - 4 Years - 16.50% p.a. payable semi-annually	14.35%	10.57%
2013 - 5 Years - 16.75% p.a. payable semi-annually	13.98%	9.93%
2013 - 5 Years - 17.00% p.a. payable annually	14.13%	10.01%
2014 - 3 Years - 8.75% p.a. payable annually	8.59%	7.97%
2014 - 4 Years - 9.63% p.a. payable annually	9.24%	8.33%

RATIOS

	As at 31.12.2014	As at 31.03.2014
Debt to Equity Ratio (Times)	1.87	2.68
Interest Cover (Times)	1.52	1.39
Quick Asset Ratio (%)	79.64	88.39

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)

DATE OF INCORPORATION

22nd August 1995

COMPANY REGISTRATION NUMBER

PB 647 PQ

ACCOUNTING YEAR-END

Mar-31

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.

Senior, Unsecured, Redeemable, four year (2013/17) and five year (2013/18) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 4th April 2013.

Senior, Unsecured, Redeemable, three year (2014/17) and four year (2014/18) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 3rd October 2014.

REGISTERED OFFICE & PRINCIPLE PLACE OF BUSINESS

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code: 00200
Telephone +94 11 2631631
Fax +94 11 2631980/81
Email: plclease@plc.lk
Web Address: www.plc.lk

COMPANY SECRETARY

Mr. Rohan Pathirage

REGISTRARS

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@slt.net.lk

AUDITORS

M/s. Ernst & Young
Chartered Accountants,
201, De Saram Place,
P.O. Box 101,
Colombo 10,
Sri Lanka.

BANKERS

People's Bank
Sampath Bank PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

HSBC

National Development Bank PLC

Nations Trust Bank PLC

Seylan Bank PLC

Standard Chartered Bank

Deutsche Bank

Habib Bank

Union Bank of Colombo PLC

Public Bank Berhad

Citibank N.A.

Indian Bank

Indian Overseas Bank

Pan Asia Banking Corporation PLC

Axis Bank

BRANCH OFFICES

Akuressa, Ambalangoda, Ambalanthota,
Ampara, Anuradhapura, Awissawella, Badulla,
Balangoda, Bandarawela, Battaramulla,
Batticaloa, Benthota, Chilaw, Chunnakam,
Colpetty, Dambulla, Dehiwala, Deniyaya,
Digana, Elpitiya, Embilipitiya, Galle, Gampaha,
Gampola, Giriulla, Grandpass, Hambantota,
Hatton, Havelock, Homagama, Horana, Ja-Ela,
Jaffna, Kadawatha, Kaduwela, Kalawanchikudi,
Kalmunai, Kalutara, Kandy, Kandy - Alsafa,
Kanthale, Kattankudy, Kegalle, Kekirawa,
Kelaniya, Kilinochchi, Kirindiwela, Kuliyaipitiya,
Kurunegala, Mahaiyawa, Maharagama,
Mahiyanganaya, Mannar, Matale, Matara,
Mathugama, Melsiripura, Merigama,
Metropolitan, Minuwangoda, Monaragala,
Moratuwa, Mutur, Nawalapitiya, Negombo,
Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya,
Panadura, Pettah, Pilimathalawa, Piliyandala,
Polonnaruwa, Puttalam, Ratnapura, Tangalle,
Thambuttegama, Thissamaharamaya,
Trincomalee, Union Place, Vavuniya, Ward Place,
Wariyapola, Wattala, Welimada, Wellawaya,
Wellawatta, Wennappuwa

BOARD OF DIRECTORS AND BOARD SUB-COMMITTEES

BOARD OF DIRECTORS

Mr. Gamini Senarath- Chairman
Mr. P. Kudabalage
Mr. N. Vasantha Kumar
Mr. H.H. Anura Chandrasiri
Mr. S.S.V. Fernando
Mr. K.V.N. Jayawardene

BOARD SUB-COMMITTEES

Integrated Risk Management Committee

Mr. K.V.N. Jayawardene - Chairman
Mr. N. Vasantha Kumar
Mr. D. P. Kumarage
Mr. K. S. Bandaranayake
Mr. L. Fernando

Audit Committee

Mr. P. Kudabalage - Chairman
Mr. H.H. Anura Chandrasiri
Mr. S.S.V. Fernando

Remuneration & Nomination Committee

Mr. P. Kudabalage - Chairman
Mr. H.H. Anura Chandrasiri
Mr. S.S.V. Fernando

Related Party Transactions Review Committee

Mr. K.V.N. Jayawardene - Chairman
Mr. P. Kudabalage
Mr. H.H. Anura Chandrasiri

SUBSIDIARY AND ASSOCIATE COMPANIES

SUBSIDIARY COMPANIES

People's Leasing Fleet Management Limited
People's Leasing Property Development Limited
People's Leasing Havelock Properties Limited
People's Insurance Limited
People's Microfinance Limited

ASSOCIATE COMPANIES

City Finance Corporation Limited

CORPORATE MEMBERSHIPS

Asian Leasing and Financial Association
Credit Information Bureau of Sri Lanka
Financial Ombudsman-Sri Lanka
Leasing Association of Sri Lanka

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 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

'AA-' (Ika) stable by Fitch Ratings Lanka Limited
'B+/B' stable by Standard & Poor's Rating Services
'B+' stable by Fitch Ratings International

**INTERIM
FINANCIAL
STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC