

# INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

*For the three months ended 30th June 2017*



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### Financial Information

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**STATEMENT OF FINANCIAL POSITION**

As at	Company			Group		
	30.06.2017 Rs. Mn. Unaudited*	31.03.2017 Rs. Mn. Audited	Change %	30.06.2017 Rs. Mn. Unaudited*	31.03.2017 Rs. Mn. Audited	Change %
<b>Assets</b>						
Cash and cash equivalents	4,541	5,591	(18.8)	5,108	6,380	(19.9)
Balances with banks & financial institutions	2,755	2,090	31.8	4,868	3,789	28.5
Financial assets held-for-trading	238	201	18.4	500	529	(5.5)
Loans and receivables	133,661	134,055	(0.3)	134,911	135,470	(0.4)
Insurance and reinsurance receivables	-	-	-	370	268	38.1
Financial investments - Available-for-sale	294	276	6.5	1,287	1,095	17.5
Financial investments - Held-to-maturity	3,992	2,968	34.5	3,992	2,968	34.5
Investments in subsidiaries	2,075	2,075	-	-	-	-
Investments in associates	586	586	-	461	476	(3.2)
Property, plant and equipment	1,247	1,255	(0.6)	5,054	5,016	0.8
Goodwill and intangible assets	336	320	5.0	335	320	4.7
Investment property	101	101	-	-	-	-
Deferred tax assets	-	-	-	26	26	-
Other assets	1,004	939	6.9	1,057	1,026	3.0
<b>Total assets</b>	<b>150,830</b>	<b>150,457</b>	<b>0.2</b>	<b>157,969</b>	<b>157,363</b>	<b>0.4</b>
<b>Liabilities</b>						
Due to banks	33,363	35,584	(6.2)	34,741	37,085	(6.3)
Due to customers	48,202	44,723	7.8	47,935	44,466	7.8
Debt securities issued	36,767	38,673	(4.9)	36,663	38,569	(4.9)
Other financial liabilities	3,704	2,725	35.9	3,513	2,563	37.1
Derivative financial instrument	-	8	(100.0)	-	8	(100.0)
Insurance and reinsurance payable	-	-	-	3,758	3,537	6.2
Current tax liabilities	309	290	6.6	364	337	8.0
Deferred tax liabilities	1,923	1,923	-	1,976	1,976	-
Other liabilities	1,961	1,834	6.9	2,032	1,897	7.1
<b>Total liabilities</b>	<b>126,229</b>	<b>125,760</b>	<b>0.4</b>	<b>130,982</b>	<b>130,438</b>	<b>0.4</b>
<b>Equity</b>						
Capital	13,236	13,236	-	13,236	13,236	-
Statutory reserve fund	1,656	1,622	2.1	1,656	1,622	2.1
Retained earnings	9,262	9,400	(1.5)	10,532	10,561	(0.3)
Other reserves	447	439	1.8	434	421	3.1
<b>Total Equity attributable to equity holders of the Company</b>	<b>24,601</b>	<b>24,697</b>	<b>(0.4)</b>	<b>25,858</b>	<b>25,840</b>	<b>0.1</b>
Non-controlling interest	-	-	-	1,129	1,085	4.1
<b>Total Equity</b>	<b>24,601</b>	<b>24,697</b>	<b>(0.4)</b>	<b>26,987</b>	<b>26,925</b>	<b>0.2</b>
<b>Total liabilities and equity</b>	<b>150,830</b>	<b>150,457</b>	<b>0.2</b>	<b>157,969</b>	<b>157,363</b>	<b>0.4</b>
Contingencies	906	978	(7.4)	906	978	(7.4)
Commitments	3,905	5,462	(28.5)	4,080	5,738	(28.9)
Net assets value per ordinary share (Rs.)	15.57	15.63	(0.4)	16.37	16.36	0.1

**CERTIFICATION**

We 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 30th June 2017 and its profit for the three months ended 30th June 2017.

(sgd.)  
**Sanjeewa Bandaranayake**  
Chief Financial Officer

(sgd.)  
**A.S. Ibrahim**  
Chief Executive 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.)  
**Hemasiri Fernando**  
Chairman  
25th July 2017  
Colombo.

(sgd.)  
**M.P. Amirthanayagam**  
Deputy Chairman

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

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS

For the three months ended 30th June	Company			Group		
	2017 Rs. Mn. Unaudited*	2016 Rs. Mn. Unaudited*	Change %	2017 Rs. Mn. Unaudited*	2016 Rs. Mn. Unaudited*	Change %
Interest income	6,260	4,819	29.9	6,452	4,990	29.3
Less: Interest expense	3,512	2,396	46.6	3,539	2,419	46.3
<b>Net interest income</b>	<b>2,748</b>	<b>2,423</b>	<b>13.4</b>	<b>2,913</b>	<b>2,571</b>	<b>13.3</b>
Net earned premiums	-	-	-	953	857	11.2
Net fee and commission income	237	244	(2.9)	101	128	(21.1)
Net trading income	32	(3)	1,166.7	75	5	1,400.0
Other operating income	80	147	(45.6)	93	158	(41.1)
<b>Total operating income</b>	<b>3,097</b>	<b>2,811</b>	<b>10.2</b>	<b>4,135</b>	<b>3,719</b>	<b>11.2</b>
Less: Impairment charges for loans and receivables	539	(13)	4,246.2	549	(1)	55,000.0
<b>Net operating income</b>	<b>2,558</b>	<b>2,824</b>	<b>(9.4)</b>	<b>3,586</b>	<b>3,720</b>	<b>(3.6)</b>
<b>Less:</b>						
Personnel expenses	660	610	8.2	754	689	9.4
Depreciation of property, plant and equipment	43	48	(10.4)	66	71	(7.0)
Amortisation and impairment of intangible assets	2	3	(33.3)	3	3	-
Benefits, claims and underwriting expenditure	-	-	-	682	621	9.8
Other operating expenses	684	559	22.4	689	580	18.8
Total operating expenses	1,389	1,220	13.9	2,194	1,964	11.7
<b>Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services</b>	<b>1,169</b>	<b>1,604</b>	<b>(27.1)</b>	<b>1,392</b>	<b>1,756</b>	<b>(20.7)</b>
Less: VAT & NBT on financial services	224	195	14.9	230	200	15.0
<b>Operating profit after VAT &amp; NBT on financial services</b>	<b>945</b>	<b>1,409</b>	<b>(32.9)</b>	<b>1,162</b>	<b>1,556</b>	<b>(25.3)</b>
Share of (loss) of an associate	-	-	-	(16)	(8)	100.0
<b>Profit before income tax</b>	<b>945</b>	<b>1,409</b>	<b>(32.9)</b>	<b>1,146</b>	<b>1,548</b>	<b>(26.0)</b>
Less: Income tax expense	259	395	(34.4)	295	436	(32.3)
<b>Profit for the period</b>	<b>686</b>	<b>1,014</b>	<b>(32.3)</b>	<b>851</b>	<b>1,112</b>	<b>(23.5)</b>
<b>Profit Attributable to :</b>						
Equity holders	686	1,014	(32.3)	796	1,074	(25.9)
Non-controlling interest	-	-	-	55	38	44.7
<b>Profit for the period</b>	<b>686</b>	<b>1,014</b>	<b>(32.3)</b>	<b>851</b>	<b>1,112</b>	<b>(23.5)</b>
Basic/Diluted earnings per ordinary share (Rs.)	0.43	0.64	(32.3)	0.54	0.70	(23.5)

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

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**STATEMENT OF COMPREHENSIVE INCOME**

For the three months ended 30th June	Company			Group		
	2017 Rs. Mn. Unaudited*	2016 Rs. Mn. Unaudited*	Change %	2017 Rs. Mn. Unaudited*	2016 Rs. Mn. Unaudited*	Change %
<b>Profit for the period</b>	686	1,014	(32.3)	851	1,112	(23.5)
<b>Other comprehensive income/(expenses)</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Cash flow hedges						
Gains and losses on derivative financial assets	(1)	-	(100.0)	(1)	-	(100.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	9	(38)	123.7	14	(35)	140.0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	8	(38)	121.1	13	(35)	137.1
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-
Deferred tax effect on above	-	-	-	-	-	-
Recycling to Statement of Profit or Loss for impairment	-	-	-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of taxes</b>	8	(38)	121.1	13	(35)	137.1
<b>Total comprehensive income for the period</b>	694	976	(28.9)	864	1,077	(19.8)
<b>Profit Attributable to :</b>						
Equity holders	694	976	(28.9)	862	1,076	(19.9)
Non-controlling interest	-	-	-	2	1	100.0
<b>Profit for the period</b>	694	976	(28.9)	864	1,077	(19.8)

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**STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Capital	Statutory Reserve Fund	Other Reserves					Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Revaluation Reserve	Available for Sale Reserve	Cash Flow Hedge Reserve		
			Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.		
<b>Balance as at 01.04.2016</b>	13,136	1,421	300	100	7	125	-	7,683	22,772
<b>Total comprehensive income for the three months ended 30.06.2016</b>									
Profit for the three months ended 30.06.2016	-	-	-	-	-	-	-	1,014	1,014
Other comprehensive income (net of tax)	-	-	-	-	-	(38)	-	-	(38)
<b>Total comprehensive income for the three months ended 30.06.2016</b>	-	-	-	-	-	(38)	-	1,014	976
<b>Transactions with equity holders, recognised directly in equity</b>									
Transfer from preference shares on redemption	50	-	-	-	-	-	-	(50)	-
Transfers to reserves during the period	-	51	-	-	-	-	-	(51)	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)
<b>Total transactions with equity holders</b>	50	51	-	-	-	-	-	(891)	(790)
<b>Balance as at 30.06.2016</b>	13,186	1,472	300	100	7	87	-	7,806	22,958
<b>Balance as at 01.04.2017</b>	13,236	1,622	300	100	7	31	1	9,400	24,697
<b>Total comprehensive income for the three months ended 30.06.2017</b>									
Profit for the three months ended 30.06.2017	-	-	-	-	-	-	-	686	686
Other comprehensive income (net of tax)	-	-	-	-	-	9	(1)	-	8
<b>Total comprehensive income for the three months ended 30.06.2017</b>	-	-	-	-	-	9	(1)	686	694
<b>Transactions with equity holders, recognised directly in equity</b>									
Transfers to reserves during the period	-	34	-	-	-	-	-	(34)	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)
<b>Total transactions with equity holders</b>	-	34	-	-	-	-	-	(824)	(790)
<b>Balance as at 30.06.2017</b>	13,236	1,656	300	100	7	40	-	9,262	24,601

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Figures in brackets indicate deductions.

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**STATEMENT OF CHANGES IN EQUITY - GROUP**

	Capital	Statutory Reserve Fund	Other Reserves				Retained Earnings	Total	Non-controlling Interest	Total Equity
			General Reserve	Tax Equalisation Fund	Available for Sale Reserve	Cash Flow Hedge Reserve				
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
<b>Balance as at 01.04.2016</b>	<b>13,136</b>	<b>1,421</b>	<b>300</b>	<b>100</b>	<b>110</b>	<b>-</b>	<b>8,600</b>	<b>23,667</b>	<b>1,003</b>	<b>24,670</b>
<b>Total comprehensive income for the three months ended 30.06.2016</b>										
Profit for the three months ended 30.06.2016	-	-	-	-	-	-	1,074	1,074	38	1,112
Other comprehensive income (net of tax)	-	-	-	-	(35)	-	(1)	(36)	1	(35)
<b>Total comprehensive income for the three months ended 30.06.2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35)</b>	<b>-</b>	<b>1,073</b>	<b>1,038</b>	<b>39</b>	<b>1,077</b>
<b>Transactions with equity holders, recognised directly in equity</b>										
Transfer from preference shares on redemption	50	-	-	-	-	-	(50)	-	-	-
Transfers to reserves during the period	-	51	-	-	-	-	(51)	-	-	-
Dividend paid	-	-	-	-	-	-	(790)	(790)	(30)	(820)
<b>Total transactions with equity holders</b>	<b>50</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(891)</b>	<b>(790)</b>	<b>(30)</b>	<b>(820)</b>
<b>Balance as at 30.06.2016</b>	<b>13,186</b>	<b>1,472</b>	<b>300</b>	<b>100</b>	<b>75</b>	<b>-</b>	<b>8,782</b>	<b>23,915</b>	<b>1,012</b>	<b>24,927</b>
<b>Balance as at 01.04.2017</b>	<b>13,236</b>	<b>1,622</b>	<b>300</b>	<b>100</b>	<b>20</b>	<b>1</b>	<b>10,561</b>	<b>25,840</b>	<b>1,085</b>	<b>26,925</b>
<b>Total comprehensive income for the three months ended 30.06.2017</b>										
Profit for the three months ended 30.06.2017	-	-	-	-	-	-	796	796	55	851
Other comprehensive income (net of tax)	-	-	-	-	14	(1)	(1)	12	2	14
<b>Total comprehensive income for the three months ended 30.06.2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>(1)</b>	<b>795</b>	<b>808</b>	<b>57</b>	<b>865</b>
<b>Transactions with equity holders, recognised directly in equity</b>										
Transfers to reserves during the period	-	34	-	-	-	-	(34)	-	-	-
Dividend paid	-	-	-	-	-	-	(790)	(790)	(13)	(803)
<b>Total transactions with equity holders</b>	<b>-</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(824)</b>	<b>(790)</b>	<b>(13)</b>	<b>(803)</b>
<b>Balance as at 30.06.2017</b>	<b>13,236</b>	<b>1,656</b>	<b>300</b>	<b>100</b>	<b>34</b>	<b>-</b>	<b>10,532</b>	<b>25,858</b>	<b>1,129</b>	<b>26,987</b>

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

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## STATEMENT OF CASH FLOWS

For the three months ended 30th June	Company		Group	
	2017 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited	2017 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited
<b>Cash flows from operating activities</b>				
Profit before tax	945	1,409	1,146	1,548
Adjustment for:				
Non-cash items included in profit before tax	565	312	558	376
Change in operating assets	(1,924)	(6,573)	(2,310)	(6,647)
Change in operating liabilities	4,487	1,750	4,659	1,768
Share of loss in associate (net of tax)	-	-	16	8
Dividend income from investments	(50)	(103)	(17)	(22)
Gratuity paid	(1)	(2)	(1)	(2)
Income tax paid	(152)	(266)	(164)	(298)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,870</b>	<b>(3,473)</b>	<b>3,887</b>	<b>(3,269)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(35)	(107)	(104)	(209)
Proceeds from the sale of property, plant and equipment	-	7	-	7
Purchase of intangible assets	(18)	-	(18)	-
Dividend received from investments	50	103	17	22
<b>Net cash (used in)/generated from investing activities</b>	<b>(3)</b>	<b>3</b>	<b>(105)</b>	<b>(180)</b>
<b>Cash flows from financing activities</b>				
Net borrowings	(4,198)	3,546	(4,128)	3,540
Dividend paid to shareholders	(790)	(790)	(790)	(820)
Dividend paid to non-controlling interest	-	-	(13)	-
Redemption of preference shares	-	(50)	-	(50)
<b>Net cash (used in)/generated from financing activities</b>	<b>(4,988)</b>	<b>2,706</b>	<b>(4,931)</b>	<b>2,670</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(1,121)</b>	<b>(764)</b>	<b>(1,149)</b>	<b>(779)</b>
Cash and cash equivalents at the beginning of the year	5,142	3,206	5,518	3,179
<b>Cash and cash equivalents at the end of the year</b>	<b>4,021</b>	<b>2,442</b>	<b>4,369</b>	<b>2,400</b>
Cash and cash equivalents	4,541	2,891	5,108	3,261
Bank overdraft	(520)	(449)	(739)	(861)
	4,021	2,442	4,369	2,400

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



# INTERIM FINANCIAL STATEMENTS

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Company					
As at 30th June 2017	FVTPL	HTM	L & R	AFS	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	4,541	-	4,541
Balances with banks & financial institutions	-	-	2,755	-	2,755
Financial investments - Held-for-trading	238	-	-	-	238
Loans and receivables	-	-	133,661	-	133,661
Financial investments - Available-for-sale	-	-	-	294	294
Financial investments - Held-to maturity	-	3,992	-	-	3,992
Other financial assets	-	-	122	-	122
<b>Total financial assets</b>	<b>238</b>	<b>3,992</b>	<b>141,079</b>	<b>294</b>	<b>145,603</b>
As at 30th June 2017	FVTPL	Other Financial Liabilities at amortized cost		Total	
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
<b>LIABILITIES</b>					
Due to banks	-	33,363	-	33,363	
Due to customers	-	48,202	-	48,202	
Debt Securities issued	-	36,767	-	36,767	
Other Financial liabilities	-	3,704	-	3,704	
<b>Total financial liabilities</b>	<b>-</b>	<b>122,036</b>	<b>-</b>	<b>122,036</b>	
Company					
As at 31st March 2017	FVTPL	HTM	L & R	AFS	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	5,591	-	5,591
Balances with banks & financial institutions	-	-	2,090	-	2,090
Financial investments - Held-for-trading	201	-	-	-	201
Loans and receivables	-	-	134,055	-	134,055
Financial investments - Available-for-sale	-	-	-	276	276
Financial investments - Held-to maturity	-	2,968	-	-	2,968
Other financial assets	-	-	122	-	122
<b>Total financial assets</b>	<b>201</b>	<b>2,968</b>	<b>141,858</b>	<b>276</b>	<b>145,303</b>
As at 31st March 2017	FVTPL	Other Financial Liabilities at amortized cost		Total	
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
<b>LIABILITIES</b>					
Due to banks	-	35,584	-	35,584	
Due to customers	-	44,723	-	44,723	
Debt Securities issued	-	38,673	-	38,673	
Other Financial liabilities	-	2,725	-	2,725	
Derivative financial instruments	8	-	-	-	8
<b>Total financial liabilities</b>	<b>8</b>	<b>121,705</b>	<b>-</b>	<b>121,713</b>	

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## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group					
As at 30th June 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	5,108	-	5,108
Balances with banks & financial institutions	-	-	4,868	-	4,868
Financial investments - Held-for-trading	500	-	-	-	500
Loans and receivables	-	-	134,911	-	134,911
Financial investments - Available-for-sale	-	-	-	1,287	1,287
Financial investments - Held-to maturity	-	3,992	-	-	3,992
<b>Total financial assets</b>	500	3,992	144,887	1,287	150,666

  

As at 30th June 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
Due to banks	-	34,741	34,741
Due to customers	-	47,935	47,935
Debt Securities issued	-	36,663	36,663
Other Financial liabilities	-	3,513	3,513
<b>Total financial liabilities</b>	-	122,852	122,852

  

Group					
As at 31st March 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	6,380	-	6,380
Balances with banks & financial institutions	-	-	3,789	-	3,789
Financial investments - Held-for-trading	529	-	-	-	529
Loans and receivables	-	-	135,470	-	135,470
Financial investments - Available-for-sale	-	-	-	1,095	1,095
Financial investments - Held-to maturity	-	2,968	-	-	2,968
<b>Total financial assets</b>	529	2,968	145,639	1,095	150,231

  

As at 31st March 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
Due to banks	-	37,085	37,085
Due to customers	-	44,466	44,466
Debt Securities issued	-	38,569	38,569
Other Financial liabilities	-	2,563	2,563
Derivative financial instruments	8	-	8
<b>Total financial liabilities</b>	8	122,683	122,691

**INTERIM**  
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**SEGMENTAL ANALYSIS - GROUP**

For the three months ended 30th June	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.
Interest income	3,473	2,996	2,368	1,532	338	242	147	111	200	166	(74)	(57)	6,452	4,990
Net earned premiums	-	-	-	-	-	-	988	887	-	-	(35)	(30)	953	857
Net fee and commission income	137	160	93	82	13	13	-	-	69	69	(211)	(196)	101	128
Net trading income	-	-	-	-	-	-	43	8	32	(3)	-	-	75	5
Other operating income	26	94	18	48	3	8	12	31	87	79	(53)	(102)	93	158
<b>Gross revenue</b>	<b>3,636</b>	<b>3,250</b>	<b>2,479</b>	<b>1,662</b>	<b>354</b>	<b>263</b>	<b>1,190</b>	<b>1,037</b>	<b>388</b>	<b>311</b>	<b>(373)</b>	<b>(385)</b>	<b>7,674</b>	<b>6,138</b>
Interest expenses	1,915	1,466	1,306	749	187	118	-	-	204	142	(73)	(56)	3,539	2,419
<b>Total operating income</b>	<b>1,721</b>	<b>1,784</b>	<b>1,173</b>	<b>913</b>	<b>167</b>	<b>145</b>	<b>1,190</b>	<b>1,037</b>	<b>184</b>	<b>169</b>	<b>(300)</b>	<b>(329)</b>	<b>4,135</b>	<b>3,719</b>
Credit losses	(64)	(131)	696	120	25	10	-	-	-	-	-	-	657	(1)
<b>Net operating income</b>	<b>1,785</b>	<b>1,915</b>	<b>477</b>	<b>793</b>	<b>142</b>	<b>135</b>	<b>1,190</b>	<b>1,037</b>	<b>184</b>	<b>169</b>	<b>(300)</b>	<b>(329)</b>	<b>3,478</b>	<b>3,720</b>
Depreciation	30	34	19	18	4	4	3	4	3	3	10	11	69	74
<b>Segment result</b>	<b>648</b>	<b>921</b>	<b>442</b>	<b>471</b>	<b>63</b>	<b>74</b>	<b>212</b>	<b>292</b>	<b>69</b>	<b>89</b>	<b>(42)</b>	<b>(91)</b>	<b>1,392</b>	<b>1,756</b>
VAT & NBT on financial services													230	200
Share of (loss) of an associate (net of tax)													(16)	(8)
Income tax expenses													295	436
<b>Profit attributable to equity holder</b>													<b>851</b>	<b>1,112</b>
<b>As at 30th June</b>														
Segment Assets	85,064	78,609	52,749	41,418	10,886	9,657	7,141	6,385	7,878	6,302	(5,749)	(5,136)	157,969	137,235
<b>Total Assets</b>	<b>85,064</b>	<b>78,609</b>	<b>52,749</b>	<b>41,418</b>	<b>10,886</b>	<b>9,657</b>	<b>7,141</b>	<b>6,385</b>	<b>7,878</b>	<b>6,302</b>	<b>(5,749)</b>	<b>(5,136)</b>	<b>157,969</b>	<b>137,235</b>
Segment Liabilities	70,543	64,220	43,745	33,837	9,028	7,889	4,276	3,986	6,533	5,148	(3,143)	(2,772)	130,982	112,308
<b>Total Liabilities</b>	<b>70,543</b>	<b>64,220</b>	<b>43,745</b>	<b>33,837</b>	<b>9,028</b>	<b>7,889</b>	<b>4,276</b>	<b>3,986</b>	<b>6,533</b>	<b>5,148</b>	<b>(3,143)</b>	<b>(2,772)</b>	<b>130,982</b>	<b>112,308</b>

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

# INTERIM FINANCIAL STATEMENTS

## INFORMATION ON ORDINARY SHARES OF THE COMPANY

### Market Price

	2017 Rs.	2016 Rs.
Highest price during the quarter ended 30th June :	19.20	23.00
Lowest price during the quarter ended 30th June :	15.50	20.40
Closing price as at 30th June :	18.00	22.00

### Issued Capital

Issued Capital as at 30th June 2017 was represented by the number of shares in issue as given below;

	As at 30th June 2017		As at 30th June 2016	
	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	-	1,350,000,000	-	1,200,000,000
<b>Total</b>	<b>1,579,862,482</b>	<b>13,236,073,308</b>	<b>1,579,862,482</b>	<b>13,086,073,308</b>

# INTERIM FINANCIAL STATEMENTS

## SHAREHOLDERS' INFORMATION

### **Twenty Largest Ordinary Shareholders as at 30th June 2017**

Twenty largest ordinary shareholders of the Company as at 30th June 2017 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,184,896,862	75.00
2	Employees Provident Fund	85,748,846	5.43
3	BNYM SA/NV RE-Neon Liberty Lorikeet Master Fund LP	69,278,641	4.39
4	National Savings Bank	43,668,157	2.76
5	CitiBank Newyork S/A Norges Bank Account 2	23,775,303	1.50
6	Bank of Ceylon No. 1 Account	11,453,600	0.72
7	Rubber Investment Trust Limited A/C # 01	7,898,883	0.50
8	Sri Lanka Insurance Corporation Ltd-General Fund	7,022,962	0.44
9	AIA Insurance Lanka PLC A/C No.07	5,197,515	0.33
10	Ceylon Investment PLC A/C # 01	4,954,891	0.31
11	Union Assurance PLC/No-01A/C	3,821,672	0.24
12	BNYM SA/NV RE-NLCF Fund LP	3,805,389	0.24
13	The Ceylon Guardian Investment Trust PLC A/C # 02	3,340,505	0.21
14	Caceis Bank Luxembourg-Intereffekt Investments Funds N.V.	2,887,743	0.18
15	Employees Trust Fund Board	2,356,087	0.15
16	Sampath Bank PLC/Dr. Thirugnanasambandar Senthilverl	1,909,975	0.12
17	Akbar Brothers Pvt Ltd A/C No 1	1,894,014	0.12
18	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	1,793,700	0.11
19	Mr. Merrill Joseph Fernando	1,600,000	0.10
20	Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund	1,455,000	0.09

### **Public Holding**

The percentage of ordinary shares held by the public as at 30th June 2017 was 24.89% and the number of shareholders representing the public holding was 8,957.

### **Directors/ CEO's Holding in Shares as at 30th June 2017**

The number of ordinary shares held by the directors and CEO as at 30th June 2017 were as follows;

Name	Position	No. of Shares
Mr. Hemasiri Fernando	Chairman	-
Mr. Michael Pradeep Amirthanayagam	Deputy Chairman	10,000
Mr. Jehan Prasanna Amaratunga	Director	-
Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana	Director	-
Mr. Johnson Anthony Fernando	Director	-
Mr. Mohamed Anise Mohamed Rizwan	Director	-
Mr. Rathnayake Mudiyansele Jayasena	Director	-
Dr. Ali Asgar Shabbir Gulamhusein	Director	-
Mr. Don Padmasiri Kumaraage ( Retired with effect from 30th June 2017)	CEO	713,258
Mr. Ahamed Sabry Ibrahim ( Appointed with effect from 1st July 2017)	CEO	-

# 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 2016/17.
2. The Interim Financial Statements for the three months ended 30th June 2017 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 Microfinance Limited and its associate: People's Merchant Finance PLC.
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. In June 2017, the Company received Rs. 33,750,000/- from People's Insurance PLC as the final dividend for the financial year 2016.
6. On 11th July 2017, the Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2016/17.
7. At the Annual General Meeting held on 30th June 2017, Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana was re-elected as a Non- Executive Director of the Company.
8. Mr. D.P. Kumarage retired from the office of Chief Executive Officer/General Manager of the Company with effect from 30th June 2017 and Mr. Ahamed Sabry Ibrahim was appointed as the new Chief Executive Officer/General Manager of the Company with effect from 1st July 2017.

The Central Bank of Sri Lanka has by its letter dated 3rd July 2017 granted approval for the retirement of Mr. Kumarage and the appointment of Mr. Ibrahim as aforesaid.

9. The presentation and classification of the following items in these financial statements are amended to ensure the comparability with the current period.

	<b>Company</b>			<b>Group</b>		
	As disclosed previously	Current Presentation	Adjustment	As disclosed previously	Current Presentation	Adjustment
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

**Statement of Profit or Loss**

Other operating expenses	587	559	28	608	580	28
VAT & NBT on financial services	167	195	(28)	172	200	(28)

NBT on financial services included in other operating expenses reclassified to VAT & NBT on financial services.

10. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
11. There has been no significant change in the nature of the contingent liabilities for the three months ended 30th June 2017 which were disclosed in the Annual Report for the year ended 31st March 2017.

# INTERIM FINANCIAL STATEMENTS

## DEBENTURE INFORMATION

### Market Prices for the quarter ended 31st March 2017

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
2013 - 5 Years - 16.75% p.a. payable semi-annually			Has not been traded
2013 - 5 Years - 17.00% p.a. payable annually			Has not been traded
2014 - 3 Years - 8.75% p.a. payable annually			Has not been traded
2014 - 4 Years - 9.63% p.a. payable annually			Has not been traded
2015 - 4 Years - 9.60% p.a. payable semi-annually			Has not been traded
2015 - 5 Years - 9.95% p.a. payable annually			Has not been traded
2016 - 3 Years - 11.90% p.a. payable semi-annually			Has not been traded
2016 - 4 Years - 12.25% p.a. payable semi-annually			Has not been traded
2016 - 5 Years - 12.60% p.a. payable semi-annually			Has not been traded

### Interest Rates

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
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
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60	9.83
2015 - 5 Years - 9.95% p.a. payable annually	9.95	9.95
2016 - 3 Years - 11.90% p.a. payable semi-annually	11.90	12.25
2016 - 4 Years - 12.25% p.a. payable semi-annually	12.25	12.63
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60	13.00

### Interest Rates of Comparable Government Securities

6 Months Treasury Bill	10.29%
1 Year Treasury Bill	10.47%
2 Year Treasury Bond	11.07%
3 Year Treasury Bond	11.62%
4 Year Treasury Bond	11.37%
5 Year Treasury Bond	11.42%

( Above rates are excluding 10% withholding tax)

### Current Yield & Yield to Maturity

Debenture Type	Current Yield (%)	Yield to Maturity (%)
2013 - 5 Years - 16.75% p.a. payable semi-annually	15.88%	12.48%
2013 - 5 Years - 17.00% p.a. payable annually	15.81%	11.22%
2014 - 3 Years - 8.75% p.a. payable annually	8.59%	7.97%
2014 - 4 Years - 9.63% p.a. payable annually	9.27%	8.36%
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60%	9.60%
2015 - 5 Years - 9.95% p.a. payable annually	9.95%	9.95%
2016 - 3 Years - 11.90% p.a. payable semi-annually	11.90%	11.90%
2016 - 4 Years - 12.25% p.a. payable semi-annually	12.25%	12.25%
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60%	12.60%

# INTERIM FINANCIAL STATEMENTS

## DEBENTURE INFORMATION

<b>Ratios</b>								
							As at 30.06.2017	As at 31.03.2017
Debt to Equity Ratio (Times)							2.87	3.02
Interest Cover (Times)							1.27	1.46
Quick Asset Ratio (%)							84.48	80.87
<b>Utilisation of Funds Raised via Capital Market</b>								
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
<b>Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2015</b>								
1	The funds raised through this Debenture Issue will be utilized to finance working capital requirements to match the medium to long term lending of PLC and to minimize the interest rate risk.	6,000,000	Within 12 months from the date of allotment	6,000,000	100%	6,000,000	100%	N/A
<b>Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2016</b>								
1	The funds raised through this Debenture Issue will be utilized to finance the budgeted lending portfolio and working capital requirements	8,000,000	Within 12 months from the date of allotment	8,000,000	100%	8,000,000	100%	N/A



# INTERIM FINANCIAL STATEMENTS

## RELATED PARTY DISCLOSURE

### Transactions with Related entities

#### Company

The Company had the under mentioned financial dealings during the period with the following related entities.

	Immediate Parent		Subsidiaries		Associate	
	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
<b>Items in Statement of Profit or Loss</b>						
Interest income	146,871	119,526	7,587	3,624	-	-
Interest expense	283,852	93,355	52,414	50,076	-	-
Fee & Commission income	-	343	148,176	134,309	-	-
Other operating income	-	-	46,448	100,544	-	-
Benefits, claims and underwriting expenditure	-	-	31,322	26,598	-	-
Other operating expenses	7,211	7,848	61,671	61,671	-	-
<b>Items in Statement of Financial Position</b>						
<b>Assets</b>						
Cash and cash equivalents	1,754,688	1,450,247	-	-	-	-
Balances with banks & financial institutions	2,755,005	79,964	-	-	-	-
Loans and receivables	-	6,851	1,894,729	1,700,741	-	-
Financial investments - Held-to-maturity	3,524,615	3,442,052	-	-	-	-
Investments in subsidiaries/ Associate	-	-	2,075,000	1,875,000	586,427	586,427
Other assets	-	15,769	148,021	154,497	-	-
<b>Liabilities</b>						
Due to banks	7,628,024	11,648,360	-	-	-	-
Due to customers	-	-	246,254	190,365	-	-
Debt Securities issued	1,443,261	1,065,714	104,223	108,277	-	-
Other Financial liabilities	-	-	552,575	505,506	-	-
Other liabilities	5,843	5,476	-	-	-	-
<b>Transactions</b>						
Transaction cost on debenture issue and securitisation	23,935	23,935	-	-	-	-
Dividend paid	544,876	533,203	-	-	-	-
<b>Off- Balance Sheet Items</b>						
Gauarantees	-	-	550,000	625,000	-	-

## 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.

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.

Senior, Unsecured, Redeemable, four year (2015/19) and five year (2015/20) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 20th November 2015.

Senior, Unsecured, Redeemable, three year (2016/19), four year (2016/20) and five year (2016/21) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 23rd November 2016.

### **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: plclease@plc.lk](mailto:plclease@plc.lk)  
[Web Address: www.plc.lk](http://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@sltnet.lk](mailto:sspsec@sltnet.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, Godakawela, Grandpass, Hambantota, Hanwellia, Hatton, Havelock, Homagama, Horana, Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalawanchikudi, Kalawana, Kalmunai, Kalutara, Kamburupitiya, Kandy, Kandy - Alsafa, Kandy II, Kanthale, Kattankudy, Kegalle, Kekirawa, Kelaniya, Kilinochchi, Kinniya, Kirindiwela, Kuliyaipitiya, Kurunegala, Mahaiyawa, Maharagama, Mahiyanganaya, Mannar, Matale, Matara, Medawachchiya, Mathugama, Mawanella, Melsiripura, Merigama, Metropolitan, Minuwangoda, Monaragala, Moratuwa, Mutur, Narammala, Nattandiya, Nawalapitiya, Negombo, Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya, Panadura, Pelmadulla, Pettah, Pilimathalawa, Piliyandala, Polonnaruwa, Puttalam, Ratnapura, Tangalle, Thambuttegama, Thissamaharamaya, Trincomalee, Union Place, Urubokka, Vavuniya, Walasmulla, Ward Place, Warakapola, Wariyapola, Wattala, Welimada, Wellawaya, Wellawatta, Wennappuwa

### **Board of Directors and Board Sub-Committees**

#### **Board of Directors**

Mr. Hemasiri Fernando - Chairman  
Mr. M.P. Amirthanayagam - Deputy Chairman  
Mr. J.P. Amararatunga  
Mr. G.B.R.P. Gunawardana  
Mr. J.A. Fernando  
Mr. M.A.M. Rizwan  
Mr. R.M. Jayasena  
Dr. A.A.S. Gulamhusein

#### **Board Sub-Committees**

##### **Integrated Risk Management Committee**

Mr. M.P. Amirthanayagam - Chairman  
Mr. G.B.R.P. Gunawardana  
Mr. M.A.M. Rizwan  
Mr. D. P. Kumaraige (Retired with effect from 30th June 2017)  
Mr. A.S. Ibrahim (Appointed with effect from 1st July 2017)  
Mr. Sanjeeva Bandaranayake  
Mr. L. Fernando  
Mr. R. Tennakoon

### **Board Audit Committee**

Mr. J.P. Amararatunga - Chairman  
Mr. M.P. Amirthanayagam  
Mr. M.A.M. Rizwan

### **Remuneration & Nomination Committee**

Mr. J.P. Amararatunga - Chairman  
Mr. M.P. Amirthanayagam  
Mr. J.A. Fernando

### **Related Party Transactions Review Committee**

Mr. M.P. Amirthanayagam - Chairman  
Mr. J.A. Fernando  
Mr. M.A.M. Rizwan

### **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 PLC  
People's Microfinance Limited

#### **Associate Company**

People's Merchant Finance PLC

#### **Corporate Memberships**

Asian Leasing and Finance 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-' (lka) stable by Fitch Ratings Lanka Limited  
'B+/B' by Standard & Poor's Rating Services  
'B' stable by Fitch Ratings International

**INTERIM**  
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**STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC