**People’s Leasing & Finance PLC**

**(A Subsidiary of People’s Bank)**

Rated AA-(lka) by Fitch Ratings Lanka and Internationally rated B+/B by Standard & Poor’s and B by Fitch Ratings International.

**Interim Financial Statements for the six months ended 30th September 2018**

**STATEMENT OF PROFIT OR LOSS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |  |  | **Company** |  | **Group** |   |
|   | **For the six months ended 30th September** |  | **2018** |  | **2017** |  | **Change** |  | **2018** |  | **2017** |  | **Change** |   |
|   |  |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |   |
|   |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |   |
|   | Interest income  |   |  14,851,156  |   |  12,825,790  |   |  15.8  |   |  15,488,570  |   |  13,207,631  |   |  17.3  |   |
|   | Less: Interest expense |   |  7,508,114  |   |  7,146,674  |   |  5.1  |   |  7,594,647  |   |  7,203,016  |   |  5.4  |   |
|  | **Net interest income**  |  |  **7,343,042**  |  |  **5,679,116**  |  |  29.3  |  |  **7,893,923**  |  |  **6,004,615**  |  |  31.5  |  |
|  | Fee and commission income |  |  608,835  |  |  559,655  |  |  8.8  |  |  388,416  |  |  295,290  |  |  31.5  |  |
|  | Fee and commission expenses |  |  **-**  |  |  **-**  |  |  -  |  |  **-**  |  |  **-**  |  |  -  |  |
|  | **Net fee and commission income** |  |  **608,835**  |  |  **559,655**  |  |  **8.8**  |  |  **388,416**  |  |  **295,290**  |  |  **31.5**  |  |
|  | Net earned premiums  |  |  -  |   |  -  |  |  **-**  |  |  2,284,688  |   |  1,967,639  |   |  16.1  |  |
|  | Net gain/(loss) from trading |  |  (22,843) |   |  20,178  |  |  (213.2) |  |  (46,238) |   |  58,522  |   |  (179.0) |  |
|  | Net gain/(loss) from financial investments |  |  -  |   |  -  |  |  **-**  |  |  -  |   |  -  |   |  -  |  |
|   | Other operating income (net) |   |  197,290  |   |  240,332  |   |  (17.9) |   |  248,391  |   |  212,231  |   |  17.0  |   |
|  | **Total operating income**  |  |  **8,126,324**  |  |  **6,499,281**  |  |  25.0  |  |  **10,769,180**  |  |  **8,538,297**  |  |  26.1  |  |
|   | Less: Impairment for loans and other losses  |  |   |   |   |  |   |  |   |   |   |   |   |   |
|   |  Individual impairment |  |  58,540  |   |  31,826  |  |  83.9  |  |  58,540  |   |  31,826  |   |  83.9  |   |
|   |  Collective impairment |  |  914,068  |   |  860,376  |  |  6.2  |  |  989,784  |   |  882,650  |   |  12.1  |   |
|   |  Other losses |  |  149,805  |  |  44,614  |  |  235.8  |  |  149,805  |  |  44,614  |  |  235.8  |   |
|  | **Net operating income**  |  |  **7,003,911**  |  |  **5,562,465**  |  |  25.9  |  |  **9,571,051**  |  |  **7,579,207**  |  |  26.3  |  |
|  | Less: |  |   |   |   |  |   |  |   |   |   |   |   |  |
|   | Personnel expenses  |   |  1,706,606  |   |  1,534,114  |   |  11.2  |   |  2,047,622  |   |  1,725,558  |   |  18.7  |   |
|   | Depreciation of property, plant and equipment  |   |  84,176  |   |  89,660  |   |  (6.1) |   |  144,327  |   |  136,463  |   |  5.8  |   |
|   | Amortisation and impairment of intangible assets  |  5,808  |   |  4,787  |   |  21.3  |   |  6,890  |   |  6,040  |   |  14.1  |   |
|   | Benefits, claims and underwriting expenditure |   |  -  |   |  -  |   |  -  |   |  1,644,018  |   |  1,396,712  |   |  17.7  |   |
|   | Other operating expenses  |  |  1,363,849  |  |  1,198,872  |  |  13.8  |  |  1,418,554  |  |  1,228,100  |  |  15.5  |   |
|   | Total operating expenses  |   |  3,160,439  |   |  2,827,433  |   |  11.8  |   |  5,261,411  |   |  4,492,873  |   |  17.1  |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|  | **Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services**  |  |  **3,843,472**  |  |  **2,735,032**  |  |  40.5  |  |  **4,309,640**  |  |  **3,086,334**  |  |  39.6  |  |
|   | Less: VAT & NBT on financial services  |   |  784,087  |   |  548,581  |   |  42.9  |   |  799,787  |   |  559,781  |   |  42.9  |   |
|  | **Operating profit after VAT & NBT on financial services** |  |  **3,059,385**  |  |  **2,186,451**  |  |  39.9  |  |  **3,509,853**  |  |  **2,526,553**  |  |  38.9  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share of profit/(loss) of an associate (net of tax) |   |  -  |   |  -  |   |  -  |   |  (1,110) |   |  (25,121) |   |  (95.6) |  |
|  | **Profit before income tax** |  |  **3,059,385**  |  |  **2,186,451**  |  |  39.9  |  |  **3,508,743**  |  |  **2,501,432**  |  |  40.3  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   | Less: Income tax expense  |  |  892,863  |  |  599,006  |  |  49.1  |  |  1,028,584  |  |  674,330  |  |  52.5  |   |
|  | **Profit for the period**  |  |  **2,166,522**  |  |  **1,587,445**  |  |  36.5  |  |  **2,480,159**  |  |  **1,827,102**  |  |  35.7  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit attributable to:**  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity holders of the parent  |   |  2,166,522  |   |  1,587,445  |   |  36.5  |   |  2,390,894  |   |  1,733,873  |   |  37.9  |  |
|  | Minority interest |  |  -  |  |  -  |  |  -  |  |  89,265  |  |  93,229  |  |  (4.3) |  |
|   |   |   |  2,166,522  |   |  1,587,445  |   |  36.5  |   |  2,480,159  |   |  1,827,102  |   |  35.7  |   |
|   | Basic/Diluted earnings per ordinary share (Rs.) |   |  1.37  |   |  1.00  |   |  37.0  |   |  1.51  |   |  1.10  |   |  37.3  |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | The above figures are provisional and subject to audit. Figures in brackets indicate deductions. |  |  |  |  |   |

|  |
| --- |
| **STATEMENT OF COMPREHENSIVE INCOME** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |  |  | **Company** |  | **Group** |   |
|   | **For the six months ended 30th September** |  | **2018** |  | **2017** |  | **Change** |  | **2018** |  | **2017** |  | **Change** |   |
|   |  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |   |
|   |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |   |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|  | **Profit for the period** |  |  **2,166,522**  |  |  **1,587,445**  |  |  36.5  |  |  **2,480,159**  |  |  **1,827,102**  |  |  35.7  |  |
|   |  |  |   |  |  |  |  |  |  |  |  |  |  |   |
|  | **Other comprehensive income/(expenses) (net of tax)** |  |  |  |  |  |   |  |  |  |  |  |   |  |
|  | Actuarial gains and losses on defined benefit plans  |   |  -  |  |  -  |  |  -  |  |  (324) |  |  -  |  |  (100.0) |  |
|  | Gains/ (losses) on derivative financial assets  |   |  -  |  |  (879) |  |  (100.0) |  |  -  |  |  (879) |  |  (100.0) |  |
|  | Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary |   |  -  |  |  -  |  |  -  |  |  182,248  |  |  -  |  |  100.0  |  |
|   | Gains/ (losses) on re-measuring available-for-sale financial assets  |   |  (75,111) |   |  (7,401) |   |  914.9  |   |  (75,242) |   |  (358) |   |  20,917.3  |   |
|   | Revaluation of land and buildings |   |  7,302  |   |  -  |   |  100.0  |   |  7,302  |   |  -  |   |  100.0  |   |
|   | Capital gain tax |   |  -  |   |  -  |   |  -  |   |  (83,461) |   |  -  |   |  (100.0) |   |
|   | Less: Tax expense/(income) relating to components of other comprehensive income  |  |  2,045  |  |  -  |  |  (100.0) |  |  2,045  |  |  -  |  |  (100.0) |   |
|  | **Other comprehensive income for the period, net of taxes**  |  **(69,854)** |  |  **(8,280)** |  |  743.6  |  |  **28,478**  |  |  **(1,237)** |  |  (2,402.2) |  |
|  | **Total comprehensive income for the period** |  |  **2,096,668**  |  |  **1,579,165**  |  |  32.8  |  |  **2,508,637**  |  |  **1,825,865**  |  |  37.4  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit attributable to:**  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity holders of the parent  |   |  (69,854) |   |  (8,280) |   |  743.6  |   |  28,511  |   |  (2,998) |   |  (1,051.0) |  |
|  | Minority interest |  |  -  |  |  -  |  |  -  |  |  (33) |  |  1,761  |  |  (101.9) |  |
|  |  |  |  **(69,854)** |  |  **(8,280)** |  |  743.6  |  |  **28,478**  |  |  **(1,237)** |  |  (2,402.2) |  |
|   |   |   |  2,096,668  |   |  1,579,165  |   |  32.8  |   |  2,508,637  |   |  1,825,865  |   |  37.4  |   |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | The above figures are provisional and subject to audit. Figures in brackets indicate deductions. |  |  |  |  |  |  |   |

|  |
| --- |
| **DEBENTURE INFORMATION** |
|  |  |  |  |
|   |   |   |   |
| **Market Prices for the quarter ended 30th September 2018** |  |  |
|  |  |  |  |
| **Debenture Type** | **Highest** | **Lowest**  | **Last Traded** |
| **Rs.** | **Rs.** | **Rs.** |
| 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  |
| 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  |
|  |  |  |  |
|  |  |  |  |
| **Interest Rates** |  |  |   |
|  |  |  |  |
| **Debenture Type** |   |  **Coupon Rate (%)**  |  **Annual Effective Rate (%)**  |
| 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  |
| 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  |
|  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **Interest Rates of Comparable Government Securities** |  |   |
| 6 Months Treasury Bill | **8.60%** |  |   |
| 1 Year Treasury Bill | **9.51%** |  |   |
| 2 Year Treasury Bond | **9.92%** |  |   |
| 3 Year Treasury Bond | **10.03%** |  |   |
| 5 Year Treasury Bond | **9.91%** |  |  |
| ( Above rates are excluding withholding tax) |  |  |  |
|  |  |  |  |
| **Current Yield & Yield to Maturity**  |  |  |   |
|  |  |  |  |
| **Debenture Type** |   | **Current Yield (%)** | **Yield to Maturity (%)** |
| 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  |
| 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  |

**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **2018** | **2017** |
| **Market Price**  | **Rs.** | **Rs.** |
| Highest price during the quarter ended 30th September :  |   |  15.50  |  18.00  |
| Lowest price during the quarter ended 30th September :  |   |  14.00  |  16.70  |
| Closing price as at 30th September :  |   |   |   |  14.20  |  17.00  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Issued Capital** |   |   |   |   |   |   |
| Issued Capital as at 30th September 2018 was represented by the number of shares in issue as given below; |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **As at 30th September 2018** | **As at 30th September 2017** |
|   |   |   |   |   | **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  |  -  |  1,350,000,000  |
| **Total** |   |   |   | **1,579,862,482** | **13,236,073,308** | **1,579,862,482** | **13,236,073,308** |

**STATEMENT OF FINANCIAL POSITION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  **Company**  |  | **Group**  |
| **As at** |  |  **30.09.2018**  |  |  **30.09.2017**  |  |  **Change**  |  |  **31.03.2018**  |  |  **30.09.2018**  |  |  **30.09.2017**  |  |  **Change**  |  |  **31.03.2018**  |
|  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |
|  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Audited**  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Audited**  |
| **Assets**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Cash and cash equivalents |  2,528,905  |   |  3,681,684  |   |  (31.3) |   |  4,414,083  |   |  2,860,811  |   |  4,071,184  |   |  (29.7) |   |  4,766,920  |
| Balances with banks & financial institutions  |  3,075,670  |   |  3,475,730  |   |  (11.5) |   |  4,370,473  |   |  6,526,534  |   |  5,750,322  |   |  13.5  |   |  8,758,715  |
| Financial assets - Held-for-trading  |  104,988  |   |  188,081  |   |  (44.2) |   |  174,736  |   |  211,140  |   |  412,107  |   |  (48.8) |   |  315,485  |
| Loans and receivables - Leases |  87,858,342  |   |  80,371,567  |   |  9.3  |   |  85,227,987  |   |  87,858,342  |   |  80,371,567  |   |  9.3  |   |  85,227,987  |
| Loans and receivables - Hire purchase |  514,639  |   |  3,060,438  |   |  (83.2) |   |  1,010,802  |   |  2,538,739  |   |  4,377,334  |   |  (42.0) |   |  2,656,330  |
| Loans and receivables - Others |  60,848,407  |   |  51,454,175  |   |  18.3  |   |  54,724,147  |   |  63,254,467  |   |  51,564,921  |   |  22.7  |   |  54,828,259  |
| Insurance and reinsurance receivables |  -  |   |  -  |   |  -  |   |  -  |   |  460,287  |   |  329,126  |   |  39.9  |   |  406,687  |
| Financial investments – Available-for-sale  |  150,151  |   |  277,082  |   |  (45.8) |   |  219,132  |   |  1,061,742  |   |  1,302,607  |   |  (18.5) |   |  1,343,454  |
| Financial investments – Held-to-maturity  |  6,883,339  |   |  5,176,535  |   |  33.0  |   |  4,889,641  |   |  6,883,339  |   |  5,176,535  |   |  33.0  |   |  4,889,641  |
| Current tax receivables |  -  |   |  -  |   |  -  |   |  89,849  |   |  -  |   |  -  |   |  -  |   |  89,849  |
| Investments in subsidiaries  |  3,213,788  |   |  2,075,000  |   |  54.9  |   |  3,213,788  |   |  -  |   |  -  |   |  -  |   |  -  |
| Investments in associate |  586,427  |   |  586,427  |   |  -  |   |  586,427  |   |  422,330  |   |  451,261  |   |  (6.4) |   |  423,439  |
| Investment property |  -  |   |  100,800  |   |  (100.0) |   |  134,400  |   |  1,131,704  |   |  -  |   |  100.0  |   |  1,265,996  |
| Property, plant and equipment  |  1,077,916  |   |  1,208,201  |   |  (10.8) |   |  1,166,883  |   |  4,011,169  |   |  4,989,788  |   |  (19.6) |   |  4,112,715  |
| Goodwill and intangible assets  |  341,987  |   |  333,220  |   |  2.6  |   |  346,395  |   |  450,877  |   |  332,194  |   |  35.7  |   |  452,883  |
| Leasehold property |  85,597  |   |  87,131  |   |  (1.8) |   |  87,131  |   |  85,597  |   |  87,131  |   |  (1.8) |   |  87,131  |
| Deferred tax assets  |  -  |   |  -  |   |  -  |   |  -  |   |  35,427  |   |  26,196  |   |  35.2  |   |  28,155  |
| Other assets  |  |  981,256  |  |  963,895  |  |  1.8  |  |  832,219  |  |  1,080,059  |  |  1,027,504  |  |  5.1  |   |  1,299,753  |
| **Total assets**  |  |  **168,251,412**  |  |  **153,039,966**  |  |  9.9  |  |  **161,488,093**  |  |  **178,872,564**  |  |  **160,269,777**  |  |  11.6  |  |  **170,953,399**  |
|  |  |   |  |  |  |  |  |  |  |   |  |  |  |  |  |  |
| **Liabilities**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Due to banks |   |  29,548,505  |   |  28,437,313  |   |  3.9  |   |  29,423,568  |   |  32,019,639  |   |  29,948,487  |   |  6.9  |   |  31,336,173  |
| Due to customers |   |  71,517,915  |   |  58,542,589  |   |  22.2  |   |  69,763,219  |   |  71,180,557  |   |  58,170,972  |   |  22.4  |   |  69,377,794  |
| Debt securities issued |  30,598,540  |   |  33,441,730  |   |  (8.5) |   |  26,281,723  |   |  30,465,766  |   |  33,333,382  |   |  (8.6) |   |  26,281,723  |
| Other financial liabilities  |  3,673,198  |   |  3,379,946  |   |  8.7  |   |  4,645,818  |   |  3,477,620  |   |  3,164,392  |   |  9.9  |   |  4,473,552  |
| Insurance and reinsurance payable  |  -  |   |  -  |   |  -  |   |  -  |   |  4,271,098  |   |  3,769,993  |   |  13.3  |   |  4,054,586  |
| Current tax liabilities  |  307,813  |   |  263,073  |   |  17.0  |   |  -  |   |  360,077  |   |  312,614  |   |  15.2  |   |  62,673  |
| Deferred tax liabilities  |  2,275,868  |   |  1,797,331  |   |  26.6  |   |  2,275,868  |   |  2,446,559  |   |  1,849,672  |   |  32.3  |   |  2,338,807  |
| Other liabilities  |   |  1,993,008  |   |  1,691,459  |   |  17.8  |   |  2,068,075  |   |  2,116,287  |   |  1,809,048  |   |  17.0  |   |  2,173,950  |
| **Total liabilities**  |  |  **139,914,847**  |  |  **127,553,441**  |  |  9.7  |  |  **134,458,271**  |  |  **146,337,603**  |  |  **132,358,560**  |  |  10.6  |  |  **140,099,258**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity**  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital |   |  13,236,073  |   |  13,236,073  |   |  -  |   |  13,236,073  |   |  13,236,073  |   |  13,236,073  |   |  -  |   |  13,236,073  |
| Statutory reserve fund  |  1,938,538  |   |  1,701,319  |   |  13.9  |   |  1,837,413  |   |  1,938,538  |   |  1,701,319  |   |  13.9  |   |  1,837,413  |
| Retained earnings  |  13,190,196  |   |  10,118,223  |   |  30.4  |   |  11,502,165  |   |  14,988,629  |   |  11,424,145  |   |  31.2  |   |  13,167,172  |
| Other reserves  |   |  (28,242) |   |  430,910  |   |  (106.6) |   |  454,171  |   |  154,918  |   |  419,721  |   |  (63.1) |   |  448,413  |
| **Total Equity attributable to equity holders of the Company** |  **28,336,565**  |  |  **25,486,525**  |  |  **11.2**  |  |  **27,029,822**  |  |  **30,318,158**  |  |  **26,781,258**  |  |  **13.2**  |  |  **28,689,071**  |
| Non-controlling interest |  -  |   |  -  |   |  -  |   |  -  |   |  2,216,803  |   |  1,129,959  |   |  96.2  |   |  2,165,070  |
| **Total Equity** |  |  **28,336,565**  |  |  **25,486,525**  |  |  **11.2**  |  |  **27,029,822**  |  |  **32,534,961**  |  |  **27,911,217**  |  |  **16.6**  |  |  **30,854,141**  |
| **Total liabilities and equity**  |  **168,251,412**  |  |  **153,039,966**  |  |  **9.9**  |  |  **161,488,093**  |  |  **178,872,564**  |  |  **160,269,777**  |  |  **11.6**  |  |  **170,953,399**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingencies |  |  775,952  |  |  824,103  |   |  (5.8) |   |  757,492  |  |  775,952  |  |  824,103  |  |  (5.8) |   |  757,492  |
| Commitments |  |  6,654,060  |  |  3,788,254  |   |  75.6  |   |  6,713,373  |  |  6,712,685  |  |  3,926,492  |  |  71.0  |   |  6,865,862  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets value per ordinary share (Rs.) |  17.94  |  |  16.13  |   |  11.2  |   |  17.11  |  |  19.19  |  |  16.95  |  |  13.2  |   |  18.16  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CERTIFICATION** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of People's Leasing & Finance PLC certify jointly that: |
| a) the above statements have been prepared in compliance with the format and the definitions prescribed by the Central Bank of Sri Lanka; |
| b) the information contained in these statements have been extracted from the unaudited financial statements of People's Leasing & Finance PLC unless indicated as audited. |
| *(sgd.)* |  |  |  |  |  |  |  | *(sgd.)* |  |  |  |  |  |  |  |  |
| **A.S. Ibrahim** |  |  |  |  |  |  |  | **Sanjeewa Bandaranayake** |  |  |  |  |  |  |
| *Chief Executive Officer* |  |  |  |  |  |  | *Chief Financial Officer* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| The Board of Directors is responsible for these Financial Statements. |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Approved and signed for and on behalf of the Board by; |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *(sgd.)* |  |  |  |  |  |  |  | *(sgd.)* |  |  |  |  |  |  |  |  |
| **Hemasiri Fernando**  |  |  |  |  |  |  | **M.P. Amirthanayagam** |  |  |  |  |  |  |
| *Chairman* |  |  |  |  |  |  |  | *Deputy Chairman* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 26/10/2018 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Colombo |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**SELECTED PERFORMANCE INDICATORS**

|  |  |
| --- | --- |
|  | **Company** |
|  | **As at**  | **As at**  |
|  | **30.09.2018** | **30.09.2017** |
| **Regulatory Capital Adequacy** |  |  |
|  |  |  |
| Core Capital (Tier1 Capital) - Rs. '000 |  **24,430,476**  |  23,441,231  |
| Total Capital Base - Rs. '000 |  **25,737,546**  |  21,811,046  |
| Core Capital to Risk Weighted Assets Ratio (Minimum 5%) (%) |  **13.58**  |  16.93  |
| Total Capital to Risk Weighted Assets Ratio (Minimum 10%) (%) |  **14.31**  |  15.76  |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) (%) |  **38.37**  |  44.81  |
|   |  |  |
| **Asset Quality (Quality of Loan Portfolio)** |  |  |
|  |  |  |
| Gross Non-Performing Advances - Rs. '000 |  **6,500,756**  |  3,700,044  |
| Gross Non-Performing Advances Ratio (%) |  **4.23**  |  2.69  |
| Net- Non-Performing Advances Ratio (%) |  **0.80**  |  0.60  |
|   |  |   |
| **Profitability** *(Annualized)* |  |  |
|  |  |  |
| Interest Margin (%) |  **9.77**  |  7.96  |
| Return on Average Assets (before Tax) (%) |  **3.71**  |  2.88  |
| Return on Average Equity (after tax) (%) |  **15.65**  |  12.65  |
|   |  |   |
| **Regulatory Liquidity - Rs. '000** |  |  |
|  |  |  |
| Required Minimum Amount of Liquid Assets |  **10,610,957**  |  9,212,159  |
| Available Amount of Liquid Assets |  **11,043,030**  |  10,236,015  |
| Required Minimum Amount of Government Securities |  **6,813,138**  |  4,939,014  |
| Available Amount of Government Securities |  **6,966,535**  |  5,460,529  |
|   |  |   |
| **Memorandum information** |  |   |
|  |  |   |
| Number of employees |  **2,187**  |  2,100  |
| Number of branches |  **103**  |  103  |
| Number of service centers |  **101**  |  101  |
| Number of pawning centers |  **-**  |  -  |

**SHAREHOLDERS' INFORMATION**

|  |  |  |
| --- | --- | --- |
| **Twenty Largest Ordinary Shareholders as at 30th September 2018** |   |   |
| Twenty largest ordinary shareholders of the Company as at 30th September 2018 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 |  73,084,030  |  4.63  |
| 4 | National Savings Bank |  43,668,157  |  2.76  |
| 5 | Rubber Investment Trust Limited A/C # 01 |  16,361,361  |  1.04  |
| 6 | CitiBank Newyork S/A Norges Bank Account 2 |  15,775,303  |  1.00  |
| 7 | Bank of Ceylon No. 1 Account |  11,453,600  |  0.72  |
| 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 | Ceylon Guardian Investment Trust PLC A/C # 02 |  3,340,505  |  0.21  |
| 13 | Caceis Bank Luxembourg-Intereffekt Investments Funds Luxembourg |  2,887,743  |  0.18  |
| 14 | Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund) |  2,719,743  |  0.17  |
| 15 | Employees Trust Fund Board |  2,356,087  |  0.15  |
| 16 | Akbar Brothers Pvt Ltd A/C No 1 |  1,894,014  |  0.12  |
| 17 | Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund |  1,715,000  |  0.11  |
| 18 | First Capital Limited |  1,700,000  |  0.11  |
| 19 | Mr. Merrill Joseph Fernando |  1,600,000  |  0.10  |
| 20 | Ceylon Investment PLC |  1,583,145  |  0.10  |
|  |  |  |  |
| **Public Holding** |   |   |
| The percentage of ordinary shares held by the public as at 30th September 2018 was 24.96% and the number of shareholders representing the public holding was 8,906. |
|  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **Directors'/ CEO's Holding in Shares as at 30th September 2018** |   |   |
| The number of ordinary shares held by the directors and CEO as at 30th September 2018 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 |  -  |
| Dr. Kennedy D. Gunawardena | Director |  -  |
| Mr. N.W.A.M.U.K.K.E Weerasinghe | Director |  -  |
| Mr. Ahamed Sabry Ibrahim | CEO |  -  |
|  |  |  |  |
|  |  |  |  |
| **Float adjusted Market Capitalisation** |   |   |
| The Float adjusted market capitalization as at 30th September 2018 - Rs. 5,600,420,672.40 |
|  |  |  |  |
| 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. |