

# INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

*For the year ended 31st March 2021*

## Contents

### Financial Information

Statement of Financial Position	01
Statement of Profit or Loss - Company	02
Statement of Profit or Loss - Group	03
Statement of Comprehensive Income - Company	04
Statement of Comprehensive Income - Group	05
Statement of Changes in Equity - Company	06
Statement of Changes in Equity - Group	07
Statement of Cash Flows	08
Analysis of Financial Instruments by Measurement Basis - Company	09
Analysis of Financial Instruments by Measurement Basis - Group	10
Fair Value Hierarchy	11
Segmental Analysis	12
Information on Ordinary Shares of the Company	13
Shareholders' Information	14
Explanatory Notes	15,16,17
Analysis of Loans and Receivables Impairment	18
Debenture Information	19,20
Related Party Disclosure - Company	21
Related Party Disclosure - Group	22
Corporate Information	23

**INTERIM  
FINANCIAL  
STATEMENTS**

**STATEMENT OF FINANCIAL POSITION**

As at	Company			Group		
	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Audited	Change %	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Audited	Change %
<b>Assets</b>						
Cash and cash equivalents	2,703	7,164	(62.3)	3,845	7,693	(50.0)
Balances with banks & financial institutions	5,399	3,207	68.4	8,231	6,661	23.6
Financial assets - Fair value through profit or loss	110	1,032	(89.3)	1,282	1,199	6.9
Loans and receivables - Amortised cost	141,388	147,748	(4.3)	149,342	154,135	(3.1)
Insurance and reinsurance receivables	-	-	-	1,024	1,195	(14.3)
Financial assets - Fair value other comprehensive income	309	324	(4.6)	735	1,456	(49.5)
Debt instrument - Amortised cost	6,994	4,107	70.3	8,593	4,813	78.5
Investments in subsidiaries	3,214	3,214	-	-	-	-
Investment property	-	-	-	821	1,132	(27.5)
Right-of-use assets	2,242	1,939	15.6	1,591	1,639	(2.9)
Property, plant and equipment	1,049	1,144	(8.3)	4,034	3,998	0.9
Goodwill and intangible assets	146	258	(43.4)	266	369	(27.9)
Deferred tax assets	416	376	10.6	594	472	25.8
Other assets	576	1,147	(49.8)	933	1,235	(24.5)
<b>Total assets</b>	<b>164,546</b>	<b>171,660</b>	<b>(4.1)</b>	<b>181,291</b>	<b>185,997</b>	<b>(2.5)</b>
<b>Liabilities</b>						
Due to banks - Amortised cost	6,439	7,938	(18.9)	9,004	10,978	(18.0)
Due to customers - Amortised cost	101,503	106,701	(4.9)	103,744	107,686	(3.7)
Debt securities issued - Amortised cost	13,826	18,479	(25.2)	13,685	18,338	(25.4)
Other financial liabilities - Amortised cost	4,135	3,014	37.2	4,117	2,830	45.5
Insurance and reinsurance payable	-	-	-	5,016	5,065	(1.0)
Lease liabilities - Amortised cost	2,286	1,909	19.7	1,615	1,594	1.3
Current tax liabilities	362	1,803	(79.9)	884	2,077	(57.4)
Deferred tax liabilities	-	-	-	298	418	(28.7)
Other liabilities	1,653	1,570	5.3	1,805	1,701	6.1
<b>Total liabilities</b>	<b>130,204</b>	<b>141,414</b>	<b>(7.9)</b>	<b>140,168</b>	<b>150,687</b>	<b>(7.0)</b>
<b>Equity</b>						
Stated Capital	14,892	13,915	7.0	14,892	13,915	7.0
Statutory reserve fund	2,407	2,205	9.2	2,465	2,235	10.3
Retained earnings	17,160	14,228	20.6	20,683	16,518	25.2
Other reserves	(117)	(102)	(14.7)	421	285	47.7
<b>Total equity attributable to equity holders of the Company</b>	<b>34,342</b>	<b>30,246</b>	<b>13.5</b>	<b>38,461</b>	<b>32,953</b>	<b>16.7</b>
Non-controlling interest	-	-	-	2,662	2,357	12.9
<b>Total equity</b>	<b>34,342</b>	<b>30,246</b>	<b>13.5</b>	<b>41,123</b>	<b>35,310</b>	<b>16.5</b>
<b>Total liabilities and equity</b>	<b>164,546</b>	<b>171,660</b>	<b>(4.1)</b>	<b>181,291</b>	<b>185,997</b>	<b>(2.5)</b>
Contingencies	697	688	1.3	744	706	5.4
Commitments	10,302	4,629	122.6	10,302	4,645	121.8
Net assets value per ordinary share (Rs.)	20.15	18.58	8.4	22.56	20.25	11.4

**CERTIFICATION**

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

(sgd.)  
**Omal Sumanasiri**  
Chief Manager Finance

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

(sgd.)  
**Shamindra Marcelline**  
Chief Executive Officer

(sgd.)  
**Sujeewa Rajapakse**  
Chairman  
21st May 2021  
Colombo.

(sgd.)  
**Rohan Pathirage**  
Director

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

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS - COMPANY

	For the year ended			For the quarter ended		
	31.03.2021 Rs. Mn.	31.03.2020 Rs. Mn.	Change %	31.03.2021 Rs. Mn.	31.03.2020 Rs. Mn. Restated*	Change %
	Unaudited**	Audited		Unaudited**	Unaudited**	
Interest income	24,983	31,459	(20.6)	6,566	7,515	(12.6)
Less: Interest expense	13,064	15,787	(17.2)	2,849	3,782	(24.7)
<b>Net interest income</b>	<b>11,919</b>	<b>15,672</b>	<b>(23.9)</b>	<b>3,717</b>	<b>3,733</b>	<b>(0.4)</b>
Fee and commission income	1,819	1,694	7.4	535	411	30.2
Net gain/ (losses) on financial assets - FVTPL	163	11	1,381.8	39	12	225.0
Other operating income	139	435	(68.0)	123	328	(62.5)
<b>Total operating income</b>	<b>14,040</b>	<b>17,812</b>	<b>(21.2)</b>	<b>4,414</b>	<b>4,484</b>	<b>(1.6)</b>
Less: Impairment charges and other losses for loans and receivables	1,044	4,647	(77.5)	(1,896)	2,448	(177.5)
Impairment charges for right of use assets	-	37	(100.0)	-	37	(100.0)
Impairment charges for goodwill	99	68	45.6	36	25	44.0
<b>Net operating income</b>	<b>12,897</b>	<b>13,060</b>	<b>(1.2)</b>	<b>6,274</b>	<b>1,974</b>	<b>217.8</b>
<b>Less:</b>						
Personnel expenses	3,465	3,701	(6.4)	1,244	903	37.8
Depreciation and Amortisation	723	717	0.8	224	225	(0.4)
Other operating expenses	1,613	2,088	(22.7)	353	370	(4.6)
Total operating expenses	5,801	6,506	(10.8)	1,821	1,498	21.6
<b>Operating profit before Tax on financial services</b>	<b>7,096</b>	<b>6,554</b>	<b>8.3</b>	<b>4,453</b>	<b>476</b>	<b>835.5</b>
Less: Taxes on financial services	1,223	2,002	(38.9)	593	213	178.4
<b>Profit before income tax</b>	<b>5,873</b>	<b>4,552</b>	<b>29.0</b>	<b>3,860</b>	<b>263</b>	<b>1,367.7</b>
Less: Income tax expense	1,840	1,609	14.4	1,141	172	563.4
<b>Profit for the year</b>	<b>4,033</b>	<b>2,943</b>	<b>37.0</b>	<b>2,719</b>	<b>91</b>	<b>2,887.9</b>

\* Comparative figures have been restated due to the adoption of SLFRS 16 as explained in explanatory note 15 in page 16.

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

Figures in brackets indicate deductions.

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS - GROUP

	For the year ended			For the quarter ended		
	31.03.2021	31.03.2020	Change	31.03.2021	31.03.2020	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn. Restated*	%
	Unaudited**	Audited		Unaudited**	Unaudited**	
Interest income	26,821	33,283	(19.4)	7,074	8,011	(11.7)
Less: Interest expense	13,375	16,111	(17.0)	2,935	3,860	(24.0)
<b>Net interest income</b>	<b>13,446</b>	<b>17,172</b>	<b>(21.7)</b>	<b>4,139</b>	<b>4,151</b>	<b>(0.3)</b>
Net earned premiums	5,029	5,202	(3.3)	1,211	1,319	(8.2)
Fee and commission income	1,269	1,166	8.8	411	288	42.7
Net gain/ (losses) on financial assets - FVTPL	228	20	1,040.0	56	17	229.4
Other operating income	296	385	(23.1)	139	80	73.8
<b>Total operating income</b>	<b>20,268</b>	<b>23,945</b>	<b>(15.4)</b>	<b>5,956</b>	<b>5,855</b>	<b>1.7</b>
Less: Impairment charges and other losses for loans and receivables	1,353	4,902	(72.4)	(1,941)	2,595	(174.8)
Impairment charges for right of use assets	-	37	(100.0)	-	37	(100.0)
Impairment charges for goodwill	99	68	45.6	36	25	44.0
<b>Net operating income</b>	<b>18,816</b>	<b>18,938</b>	<b>(0.6)</b>	<b>7,861</b>	<b>3,198</b>	<b>145.8</b>
<b>Less:</b>						
Personnel expenses	4,355	4,561	(4.5)	1,500	1,124	33.5
Depreciation and Amortisation	648	636	1.9	178	152	17.1
Benefits, claims and underwriting expenditure	2,663	3,442	(22.6)	718	774	(7.2)
Other operating expenses	2,046	2,565	(20.2)	503	476	5.7
Total operating expenses	9,712	11,204	(13.3)	2,899	2,526	14.8
<b>Operating profit before Tax on financial services</b>	<b>9,104</b>	<b>7,734</b>	<b>17.7</b>	<b>4,962</b>	<b>672</b>	<b>638.4</b>
Less: Taxes on financial services	1,274	2,031	(37.3)	620	210	195.2
<b>Profit before income tax</b>	<b>7,830</b>	<b>5,703</b>	<b>37.3</b>	<b>4,342</b>	<b>462</b>	<b>839.8</b>
Less: Income tax expense	2,234	2,111	5.8	1,117	333	235.4
<b>Profit for the year</b>	<b>5,596</b>	<b>3,592</b>	<b>55.8</b>	<b>3,225</b>	<b>129</b>	<b>2,400.0</b>
<b>Profit attributable to:</b>						
Equity holders of the parent	5,294	3,409	55.3	3,157	104	2,935.6
Non-controlling interest	302	183	65.0	68	25	172.0
<b>Profit for the year</b>	<b>5,596</b>	<b>3,592</b>	<b>55.8</b>	<b>3,225</b>	<b>129</b>	<b>2,400.0</b>
Basic/Diluted earnings per ordinary share (Rs.)	3.11	2.00	55.5	1.85	0.06	2,983.3

\* Comparative figures have been restated due to the adoption of SLFRS 16 as explained in explanatory note 15 in page 16.

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

Figures in brackets indicate deductions.

**INTERIM**  
**FINANCIAL**  
**STATEMENTS**

**STATEMENT OF COMPREHENSIVE INCOME - COMPANY**

	For the year ended			For the quarter ended		
	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Audited	Change %	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Unaudited*	Change %
<b>Profit for the year</b>	4,033	2,943	37.0	2,719	91	2,887.9
<b>Other comprehensive income/(expenses)</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent year (net of tax):</i>						
Financial assets-FVOCI						
Gains/ (losses) on re-measuring FVOCI financial assets	(15)	(49)	69.4	(66)	(85)	22.4
Deferred tax effect on above	-	-	-	-	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent year	(15)	(49)	69.4	(66)	(85)	22.4
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent year (net of tax):</i>						
Actuarial gains/(losses) on defined benefit plans	107	-	100.0	107	-	100.0
Deferred tax effect on above	(29)	-	(100.0)	(29)	-	(100.0)
Recycling to Statement of Profit or Loss for impairment	-	-	-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent year	78	-	100.0	78	-	100.0
<b>Other comprehensive income for the year, net of taxes</b>	63	(49)	228.6	12	(85)	114.1
<b>Total comprehensive income for the year</b>	4,096	2,894	41.5	2,731	6	45,416.7

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

**INTERIM  
FINANCIAL  
STATEMENTS**

**STATEMENT OF COMPREHENSIVE INCOME - GROUP**

	For the year ended			For the quarter ended		
	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Audited	Change %	31.03.2021 Rs. Mn. Unaudited*	31.03.2020 Rs. Mn. Unaudited*	Change %
<b>Profit for the year</b>	5,596	3,592	55.8	3,225	129	2,400.0
<b>Other comprehensive income/(expenses)</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent year (net of tax):</i>						
Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary	142	140	1.4	163	89	83.1
Net other comprehensive income to be reclassified to profit or loss in subsequent year	142	140	1.4	163	89	83.1
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent year (net of tax):</i>						
Actuarial gains/(losses) on defined benefit plans	109	2	5,350.0	107	3	3,466.7
Deferred tax effect on above	(28)	-	(100.0)	(30)	-	(100.0)
Financial assets - FVOCI						
Gains/ (losses) on re-measuring FVOCI financial assets	(6)	(62)	90.3	(38)	(85)	55.3
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 year	75	(60)	225.0	39	(82)	147.6
<b>Other comprehensive income for the year, net of taxes</b>	217	80	171.3	202	7	2,785.7
<b>Total comprehensive income for the year</b>	5,813	3,672	58.3	3,427	136	2,419.9
<b>Profit Attributable to :</b>						
Equity holders	214	83	157.8	203	14	1,350.0
Non-controlling interest	3	(3)	200.0	(1)	(7)	85.7
<b>Other comprehensive income for the year, net of taxes</b>	217	80	171.3	202	7	2,785.7
<b>Total comprehensive income for the year</b>	5,813	3,672	58.3	3,427	136	2,419.9

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

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital Rs. Mn.	Statutory Reserve Fund Rs. Mn.	Other Reserves Fair Value Reserve Rs. Mn.	Retained Earnings Rs. Mn.	Total Equity Rs. Mn.
<b>Balance as at 01.04.2019</b>	13,236	2,058	(53)	13,362	28,603
<b>Total comprehensive income for the year ended 31.03.2020</b>					
Profit for the year ended 31.03.2020	-	-	-	2,943	2,943
Other comprehensive income (net of tax)	-	-	(49)	-	(49)
<b>Total comprehensive income for the year ended 31.03.2020</b>	-	-	(49)	2,943	2,894
<b>Transactions with equity holders, recognised directly in equity</b>					
Transfers to reserves during the year	-	147	-	(147)	-
Dividend paid - Interim	-	-	-	(1,139)	(1,139)
- Final	679	-	-	(791)	(112)
<b>Total transactions with equity holders</b>	679	147	-	(2,077)	(1,251)
<b>Balance as at 31.03.2020</b>	13,915	2,205	(102)	14,228	30,246
<b>Balance as at 01.04.2020</b>	13,915	2,205	(102)	14,228	30,246
<b>Total comprehensive income for the year ended 31.03.2021</b>					
Profit for the year ended 31.03.2021	-	-	-	4,033	4,033
Other comprehensive income (net of tax)	-	-	(15)	78	63
<b>Total comprehensive income for the year ended 31.03.2021</b>	-	-	(15)	4,111	4,096
<b>Transactions with equity holders, recognised directly in equity</b>					
Transfer of investment fund reserve	-	202	-	(202)	-
Dividend paid - Interim - Scrip	977	-	-	(977)	-
<b>Total transactions with equity holders</b>	977	202	-	(1,179)	-
<b>Balance as at 31.03.2021</b>	14,892	2,407	(117)	17,160	34,342

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



**INTERIM  
FINANCIAL  
STATEMENTS**

**STATEMENT OF CHANGES IN EQUITY - GROUP**

	Capital	Statutory Reserve Fund	Other Reserves		Retained Earnings	Total	Non-controlling Interest	Total Equity
			FV Reserve	Foreign currency translation reserve				
			Rs. Mn.	Rs. Mn.				
<b>Balance as at 01.04.2019</b>	<b>13,236</b>	<b>2,071</b>	<b>(55)</b>	<b>262</b>	<b>15,198</b>	<b>30,712</b>	<b>2,270</b>	<b>32,982</b>
<b>Total comprehensive income for the year ended 31.03.2020</b>								
Profit for the year ended 31.03.2020	-	-	-	-	3,409	3,409	183	3,592
Other comprehensive income (net of tax)	-	-	(62)	140	5	83	(3)	80
<b>Total comprehensive income for the year ended 31.03.2020</b>	<b>-</b>	<b>-</b>	<b>(62)</b>	<b>140</b>	<b>3,414</b>	<b>3,492</b>	<b>180</b>	<b>3,672</b>
<b>Transactions with equity holders, recognised directly in equity</b>								
Share issue expenses	-	-	-	-	-	-	-	-
Transfer from preference shares on redemption	-	-	-	-	-	-	-	-
Transfers to reserves during the year	-	164	-	-	(164)	-	-	-
Transfers to capital contribution reserves	-	-	-	-	-	-	-	-
Dividend paid - Interim	-	-	-	-	(1,139)	(1,139)	(93)	(1,232)
- Final	679	-	-	-	(791)	(112)	-	(112)
<b>Total transactions with equity holders</b>	<b>-</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>(2,094)</b>	<b>(1,251)</b>	<b>(93)</b>	<b>(1,344)</b>
<b>Balance as at 31.03.2020</b>	<b>13,236</b>	<b>2,235</b>	<b>(117)</b>	<b>402</b>	<b>16,518</b>	<b>32,953</b>	<b>2,357</b>	<b>35,310</b>
<b>Balance as at 01.04.2020</b>	<b>13,915</b>	<b>2,235</b>	<b>(117)</b>	<b>402</b>	<b>16,518</b>	<b>32,953</b>	<b>2,357</b>	<b>35,310</b>
<b>Total comprehensive income for the year ended 31.03.2021</b>								
Profit for the year ended 31.03.2021	-	-	-	-	5,294	5,294	302	5,596
Other comprehensive income (net of tax)	-	-	(6)	142	78	214	3	217
<b>Total comprehensive income for the year ended 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>142</b>	<b>5,372</b>	<b>5,508</b>	<b>305</b>	<b>5,813</b>
<b>Transactions with equity holders, recognised directly in equity</b>								
Transfers to reserves during the year	-	230	-	-	(230)	-	-	-
Dividend paid - Interim - Scrip	977	-	-	-	(977)	-	-	-
<b>Total transactions with equity holders</b>	<b>977</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>(1,207)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31.03.2021</b>	<b>14,892</b>	<b>2,465</b>	<b>(123)</b>	<b>544</b>	<b>20,683</b>	<b>38,461</b>	<b>2,662</b>	<b>41,123</b>

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

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS

For the year ended 31st March	Company		Group	
	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*
<b>Cash flows from operating activities</b>				
Income from cash and cash equivalent	74	40	74	40
Payments to loans and receivables	(47,647)	(57,215)	(50,863)	(60,513)
Receipts from loans and receivables	78,977	88,504	81,167	91,219
Investment in balances with banks & financial institutions	(24,145)	(5,346)	(26,225)	(7,915)
Receipts from balances with banks & financial institutions	22,294	5,928	25,435	9,588
Investment in debt instrument at amortized cost	(22,598)	(13,139)	(23,741)	(13,846)
Receipts from debt instrument at amortized cost	20,090	17,787	20,340	17,787
Payment of due to customers	(98,920)	(108,688)	(97,437)	(107,974)
Receipts from due to customers	83,653	115,740	83,337	115,393
Receipt from other income	2	6	216	271
Investment in financial assets - fair value through profit or loss	(8,882)	(1,753)	(10,029)	(1,753)
Proceeds from financial assets - fair value through profit or loss	9,966	755	10,174	646
Receipt from Financial assets - Fair value through OCI	-	-	979	(67)
Investment in Financial assets - Fair value through OCI	-	-	(264)	-
Payment for operating lease liability	(697)	(622)	(463)	(513)
Payment for personnel expenses	(3,575)	(3,589)	(4,378)	(4,440)
Payment for other operating activities	(829)	(3,812)	(1,803)	(4,591)
Premium received from customers	-	-	5,199	4,892
Claims paid	-	-	(2,713)	(3,258)
Net unrealised gains/(losses) arising from translating the Financial Statements of foreign subsidiary	-	-	142	139
Gratuity paid	(10)	(11)	(12)	(12)
Income tax paid	(3,350)	(3,072)	(3,378)	(3,339)
<b>Net cash generated from/(used in) operating activities</b>	<b>4,403</b>	<b>31,513</b>	<b>5,757</b>	<b>31,754</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(105)	(214)	(143)	(284)
Proceeds from the sale of property, plant and equipment	50	10	203	18
Purchase of intangible assets	-	(15)	(11)	(15)
Dividends received from investments	111	113	1	17
<b>Net cash (used in)/generated from investing activities</b>	<b>56</b>	<b>(106)</b>	<b>50</b>	<b>(264)</b>
<b>Cash flows from financing activities</b>				
Payment for due to banks	(4,021)	(33,945)	(4,330)	(34,187)
Borrowing from due to banks	1,000	12,950	1,050	12,950
Payment for debt securities issued	(6,589)	(5,077)	(6,571)	(5,061)
Dividend paid to shareholders	(1)	(1,137)	(1)	(1,137)
Dividend paid to non-controlling interest	-	-	-	(93)
<b>Net cash (used in)/generated from financing activities</b>	<b>(9,611)</b>	<b>(27,209)</b>	<b>(9,852)</b>	<b>(27,528)</b>
<b>Net (decrease) in cash &amp; cash equivalents</b>	<b>(5,152)</b>	<b>4,198</b>	<b>(4,045)</b>	<b>3,962</b>
Cash and cash equivalents at the beginning of the period	7,139	2,941	6,998	3,036
<b>Cash and cash equivalents at the end of the period</b>	<b>1,987</b>	<b>7,139</b>	<b>2,953</b>	<b>6,998</b>
Cash and cash equivalents	2,703	7,164	3,845	7,693
Bank overdraft	(716)	(25)	(892)	(695)
Cash and cash equivalents at the end of the period	1,987	7,139	2,953	6,998

\*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 31st March 2021	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>				
Cash and cash equivalents	-	2,703	-	2,703
Balances with banks & financial institutions	-	5,399	-	5,399
Financial assets -Fair value through profit or loss	110	-	-	110
Loans and receivables - Amortised cost	-	141,388	-	141,388
Financial assets - Fair value other comprehensive income	-	-	309	309
Debt instrument - Amortised cost	-	6,994	-	6,994
Other financial assets	-	127	-	127
<b>Total financial assets</b>	<b>110</b>	<b>156,611</b>	<b>309</b>	<b>157,030</b>
As at 31st March 2021	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>				
Due to banks - Amortised cost	-	6,439	-	6,439
Due to customers - Amortised cost	-	101,503	-	101,503
Debt securities issued - Amortised cost	-	13,826	-	13,826
Other financial liabilities - Amortised cost	-	4,135	-	4,135
Lease liabilities - Amortised cost	-	2,286	-	2,286
<b>Total financial liabilities</b>	<b>-</b>	<b>128,189</b>	<b>-</b>	<b>128,189</b>
Company As at 31st March 2020	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>				
Cash and cash equivalents	-	7,164	-	7,164
Balances with banks & financial institutions	-	3,207	-	3,207
Financial assets -Fair value through profit or loss	1,032	-	-	1,032
Loans and receivables - Amortised cost	-	147,748	-	147,748
Financial assets - Fair value other comprehensive income	-	-	324	324
Debt instrument - Amortised cost	-	4,107	-	4,107
Other financial assets	-	233	-	233
<b>Total financial assets</b>	<b>1,032</b>	<b>162,459</b>	<b>324</b>	<b>163,815</b>
As at 31st March 2020	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>				
Due to banks - Amortised cost	-	7,938	-	7,938
Due to customers - Amortised cost	-	106,701	-	106,701
Debt securities issued - Amortised cost	-	18,479	-	18,479
Other financial liabilities - Amortised cost	-	3,014	-	3,014
Lease liabilities - Amortised cost	-	1,909	-	1,909
<b>Total financial liabilities</b>	<b>-</b>	<b>138,041</b>	<b>-</b>	<b>138,041</b>

# INTERIM FINANCIAL STATEMENTS

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group As at 31st March 2021	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>				
Cash and cash equivalents	-	3,845	-	3,845
Balances with banks & financial institutions	-	8,231	-	8,231
Financial assets -Fair value through profit or loss	1,282	-	-	1,282
Loans and receivables - Amortised cost	-	149,342	-	149,342
Insurance and reinsurance receivables	-	1,024	-	1,024
Financial assets - Fair value other comprehensive income	-	-	735	735
Debt instrument - Amortised cost	-	8,593	-	8,593
<b>Total financial assets</b>	<b>1,282</b>	<b>171,035</b>	<b>735</b>	<b>173,052</b>
<b>As at 31st March 2021</b>				
	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>				
Due to banks - Amortised cost	-	9,004	-	9,004
Due to customers - Amortised cost	-	103,744	-	103,744
Debt securities issued - Amortised cost	-	13,685	-	13,685
Other financial liabilities - Amortised cost	-	4,117	-	4,117
Lease liabilities - Amortised cost	-	1,615	-	1,615
Insurance and reinsurance payable	-	5,016	-	5,016
<b>Total financial liabilities</b>	<b>-</b>	<b>137,181</b>	<b>-</b>	<b>137,181</b>
<b>Group As at 31st March 2020</b>				
	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>				
Cash and cash equivalents	-	7,693	-	7,693
Balances with banks & financial institutions	-	6,661	-	6,661
Financial assets -Fair value through profit or loss	1,199	-	-	1,199
Loans and receivables - Amortised cost	-	154,135	-	154,135
Insurance and reinsurance receivables	-	1,195	-	1,195
Financial assets - Fair value other comprehensive income	-	-	1,456	1,456
Debt instrument - Amortised cost	-	4,813	-	4,813
<b>Total financial assets</b>	<b>1,199</b>	<b>174,497</b>	<b>1,456</b>	<b>177,152</b>
<b>As at 31st March 2020</b>				
	Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>				
Due to banks - Amortised cost	-	10,978	-	10,978
Due to customers - Amortised cost	-	107,686	-	107,686
Debt securities issued - Amortised cost	-	18,338	-	18,338
Other financial liabilities - Amortised cost	-	2,830	-	2,830
Insurance and reinsurance payable	-	5,065	-	5,065
Lease liabilities - Amortised cost	-	1,594	-	1,594
<b>Total financial liabilities</b>	<b>-</b>	<b>146,491</b>	<b>-</b>	<b>146,491</b>

**INTERIM  
FINANCIAL  
STATEMENTS**

**FAIR VALUE HIERARCHY**

Company	Level 1	Level 2	Level 3	Total
As at 31st March 2021	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
<b>Financial assets</b>				
<b>Financial assets -Fair value through profit or loss</b>				
Quoted Investments	10	-	-	10
Investment in unit trust	-	100	-	100
Sub total	10	100	-	110
<b>Financial assets - Fair value through other comprehensive income</b>				
Quoted Investments	309	-	-	309
Sub total	309	-	-	309
<b>Total</b>	<b>319</b>	<b>100</b>	<b>-</b>	<b>419</b>
<b>As at 31st March 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>
<b>Financial assets</b>				
<b>Financial assets -Fair value through profit or loss</b>				
Quoted Investments	14	-	-	14
Investment in unit trust	-	1,018	-	1,018
Sub total	14	1,018	-	1,032
<b>Financial assets - Fair value through other comprehensive income</b>				
Quoted Investments	324	-	-	324
Sub total	324	-	-	324
<b>Total</b>	<b>338</b>	<b>1,018</b>	<b>-</b>	<b>1,356</b>
<b>Group</b>				
As at 31st March 2021	Level 1	Level 2	Level 3	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
<b>Financial assets</b>				
<b>Financial assets -Fair value through profit or loss</b>				
Quoted Investments	25	-	-	25
Investment in unit trust	-	1,257	-	1,257
Sub total	25	1,257	-	1,282
<b>Financial assets - Fair value through other comprehensive income</b>				
Quoted Investments	309	-	-	309
Treasury bills	-	426	-	426
Sub total	309	426	-	735
<b>Non financial assets - Investment property</b>				
Land and building	-	-	821	821
Sub total	-	-	821	821
<b>Total</b>	<b>334</b>	<b>1,683</b>	<b>821</b>	<b>2,838</b>
<b>As at 31st March 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>	<b>Rs. Mn.</b>
<b>Financial assets</b>				
<b>Financial assets -Fair value through profit or loss</b>				
Quoted Investments	27	-	-	27
Investment in unit trust	-	1,172	-	1,172
Sub total	27	1,172	-	1,199
<b>Financial assets - Fair value through other comprehensive income</b>				
Quoted Investments	325	-	-	325
Treasury bills	-	1,131	-	1,131
Sub total	325	1,131	-	1,456
<b>Non financial assets - Investment property</b>				
Land and building	-	-	1,132	1,132
Sub total	-	-	1,132	1,132
<b>Total</b>	<b>352</b>	<b>2,303</b>	<b>1,132</b>	<b>3,787</b>

**INTERIM  
FINANCIAL  
STATEMENTS**

**SEGMENTAL ANALYSIS - GROUP**

For the year ended 31st March	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.
Interest income	14,076	17,075	10,176	12,902	1,180	1,478	719	783	872	1,308	(202)	(263)	26,821	33,283
Net earned premiums	-	-	-	-	-	-	5,199	5,358	-	-	(171)	(157)	5,029	5,202
Net fee and commission income	1,147	1,082	830	818	96	94	-	-	282	191	(1,087)	(1,020)	1,269	1,166
Net trading income	-	-	-	-	-	-	67	10	161	10	-	-	228	20
Other operating income	83	237	60	179	8	21	62	79	251	352	(166)	(481)	296	385
<b>Gross revenue</b>	<b>15,306</b>	<b>18,394</b>	<b>11,066</b>	<b>13,899</b>	<b>1,284</b>	<b>1,593</b>	<b>6,047</b>	<b>6,230</b>	<b>1,566</b>	<b>1,861</b>	<b>(1,626)</b>	<b>(1,921)</b>	<b>33,643</b>	<b>40,056</b>
Interest expenses	7,114	8,425	5,143	6,367	596	729	-	-	723	853	(201)	(263)	13,375	16,111
<b>Total operating income</b>	<b>8,192</b>	<b>9,969</b>	<b>5,923</b>	<b>7,532</b>	<b>688</b>	<b>864</b>	<b>6,047</b>	<b>6,230</b>	<b>843</b>	<b>1,008</b>	<b>(1,425)</b>	<b>(1,658)</b>	<b>20,268</b>	<b>23,945</b>
Credit losses	671	2,769	694	1,930	(68)	169	-	-	56	34	-	-	1,353	4,902
<b>Net operating income</b>	<b>7,521</b>	<b>7,200</b>	<b>5,229</b>	<b>5,602</b>	<b>756</b>	<b>695</b>	<b>6,047</b>	<b>6,230</b>	<b>787</b>	<b>974</b>	<b>(1,425)</b>	<b>(1,658)</b>	<b>18,915</b>	<b>19,043</b>
Depreciation	344	355	317	293	22	28	97	90	57	39	(189)	(169)	648	636
<b>Segment result</b>	<b>4,037</b>	<b>3,648</b>	<b>2,919</b>	<b>2,757</b>	<b>338</b>	<b>316</b>	<b>1,570</b>	<b>1,054</b>	<b>410</b>	<b>369</b>	<b>(170)</b>	<b>(410)</b>	<b>9,104</b>	<b>7,734</b>
Tax on financial services													1,274	2,031
Income tax expenses													2,234	2,111
<b>Profit attributable to equity holder</b>													<b>5,596</b>	<b>3,592</b>
<b>As at 31st March 2021</b>														
Segment Assets	82,141	90,379	75,700	74,640	5,156	7,029	11,134	10,099	13,727	10,027	(6,567)	(6,177)	181,291	185,997
<b>Total Assets</b>	<b>82,141</b>	<b>90,379</b>	<b>75,700</b>	<b>74,640</b>	<b>5,156</b>	<b>7,029</b>	<b>11,134</b>	<b>10,099</b>	<b>13,727</b>	<b>10,027</b>	<b>(6,567)</b>	<b>(6,177)</b>	<b>181,291</b>	<b>185,997</b>
Segment Liabilities	64,266	73,523	59,226	60,719	4,034	5,718	6,267	6,449	10,740	8,157	(4,365)	(3,879)	140,168	150,687
<b>Total Liabilities</b>	<b>64,266</b>	<b>73,523</b>	<b>59,226</b>	<b>60,719</b>	<b>4,034</b>	<b>5,718</b>	<b>6,267</b>	<b>6,449</b>	<b>10,740</b>	<b>8,157</b>	<b>(4,365)</b>	<b>(3,879)</b>	<b>140,168</b>	<b>150,687</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

	2021 Rs.	2020 Rs.
Highest price during the quarter ended 31st March :	15.40	18.30
Lowest price during the quarter ended 31st March :	11.70	12.00
Last traded price as at 31st March :	11.80	12.20

### Issued Capital

Issued Capital as at 31st March 2021 was represented by the number of shares in issue as given below;

	As at 31st March 2021		As at 31st March 2020	
	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
Scrip Dividend	124,740,278	1,655,962,900	47,840,906	679,340,867
<b>Total</b>	<b>1,704,602,760</b>	<b>14,892,036,208</b>	<b>1,627,703,388</b>	<b>13,915,414,175</b>

# INTERIM FINANCIAL STATEMENTS

## SHAREHOLDERS' INFORMATION

### **Twenty Largest Ordinary Shareholders as at 31st March 2021**

Twenty largest ordinary shareholders of the Company as at 31st March 2021 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,278,452,068	75.00
2	Employees Provident Fund	92,519,266	5.43
3	BNYM SA NV RE-Neon Liberty Lorikeet Master Fund LP	64,088,463	3.76
4	National Savings Bank	47,116,037	2.76
5	Rubber Investment Trust Limited A/C # 01	17,713,821	1.04
6	Employees Trust Fund Board	12,482,939	0.73
7	Bank of Ceylon No. 1 Account	12,357,934	0.72
8	Perera And Sons Bakers Pvt Limited	8,000,000	0.47
9	Sri Lanka Insurance Corporation Ltd-General Fund	7,577,469	0.44
10	AIA Insurance Lanka Limited A/C No.07	5,204,702	0.31
11	Ceylon Investment PLC A/C # 01	5,161,675	0.30
12	Mr. Herbert Beruwalage	4,373,469	0.26
13	Ceylon Guardian Investment Trust PLC A/C # 02	3,396,923	0.20
14	Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd	3,141,732	0.18
15	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	2,934,483	0.17
16	Mr. Merrill Joseph Fernando	2,765,895	0.16
17	Mellom Bank N.A./Acadian Frontier Markets Equity Fund	2,735,108	0.16
18	Mr. Weerathunga Arachchige Sampath Palitha De Saram	2,388,626	0.14
19	Akbar Brothers Pvt Ltd A/C No 1	2,162,783	0.13
20	AIA Insurance Lanka Limited A/C No.06	2,151,774	0.13

### **Public Holding**

The percentage of ordinary shares held by the public as at 31st March 2021 was 24.94% and the number of shareholders representing the public holding was 10,018.

### **Directors/ CEO's Holding in Shares as at 31st March 2021**

The number of ordinary shares held by the directors and CEO as at 31st March 2021 were as follows;

Name	Position	No. of Shares
Mr.Sujeewa Rajapakse	Chairman	149,812
Mr. Rohan Pathirage	Director	363,673
Mr.Azzam A. Ahamat	Director	-
Mr.S. Ahangama	Director	-
Mr.K.C.J.C. Fonseka	Director	52,328
Mr.C.J.Wijetillake	Director	-
Mr.U.L.A.W. Bandara	Director	-
Ms.M.C. Pietersz	Director	-
Mr. R. Kodituwakku	Director	-
Mr. Shamindra Marcelline	CEO	-

### **Float adjusted Market Capitalisation**

The Float adjusted market capitalization as at 31st March 2021 - Rs. 5,015,965,865

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



# INTERIM FINANCIAL STATEMENTS

## EXPLANATORY NOTES

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2019/20.
2. The Interim Financial Statements for the year ended 31st March 2021 are drawn up from unaudited accounts of the Company, its subsidiary companies: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance PLC, People's Leasing Havelock Properties Limited, People's Micro-commerce Ltd., Lankan Alliance Finance Limited.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
5. On 04th December 2020, the Company declared an interim dividend of Rs. 0.60 (Cents Sixty) per share for the financial year 2020/21, in the form of a scrip dividend. Subsequently 76,899,372 Ordinary shares of the Company were listed with effect from 24th December 2020, pursuant to the said scrip dividend in the proportion of one (1) share being issued for each existing twenty one decimal one six six six six eight four eight seven (21.1666668487) held by the shareholders at the end of trading on the Colombo Stock Exchange as at 14th December 2020.
6. Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana, resigned from the post of Director of the Company with effect from 25th June 2020.
7. Mr. Ranjith Kodituwakku was appointed to the Board of the Company as Non-Independent Non-Executive Director with effect from 13th August 2020.
8. Mr. Ahamed Sabry Ibrahim resigned from the office of Chief Executive Officer/General Manager of the Company with effect from 25th November 2020 and Mr. Shamindra Joseph Marcus Marcelline was appointed as the new Chief Executive Officer/General Manager of the Company with effect from 25th November 2020.

The Central Bank of Sri Lanka has by its letter dated 13th November 2020 granted approval for the resignation of Mr. Ahamed Sabry Ibrahim and the appointment of Mr. Shamindra Joseph Marcus Marcelline as aforesaid.

9. In compliance with Section 7 (2) of the Finance Companies (Corporate Governance) Direction No. 03 of 2008, Ms. Miriam Coralie Pietersz, Non-Executive Independent Director has been designated as the Senior Independent Director of the Company on 20.02.2020 by the Board of Directors.

Accordingly, Ms. Miriam Coralie Pietersz functions as the Senior Independent Director of the Company with effect from 01st March 2020.

10. Considering the fact that non-availability of foreign funding sources at competitive rates at the moment the Company decided to withdraw its International rating from 30th April 2020 onwards.
11. On 16th November 2020 the Company redeemed 6,593,500 Senior Unsecured Redeemable Debentures issued in 2016 of Rs. 100/- each upon maturity.
12. Auditor General by his communication dated 18th January 2019 has informed the Company that according to section 55 of the National Audit Act No.19 of 2018, People's Leasing & Finance PLC falls under the definition of "auditee entity" of Auditor General and shall carry out the audit by the Auditor General or any person authorized by the Auditor General.

Accordingly, the Auditor General is the External Auditor of the Company with effect from the Financial Year 2018/19.

13. The outbreak and spread of the coronavirus globally has caused disruption to business and economic activities and has created a widespread uncertainty to the global economy. Further the various quarantine measures adopted by different countries greatly affected global trade. PLC strictly followed the guidelines and instructions issued by the government health authorities and the Central Bank of Sri Lanka (CBSL) when conducting its commercial operations.
14. Expected Credit Loss at 31 March 2021 was estimated based on a range of forecast economic conditions prevailing as at that date. As the situation continues to evolve and timelines for a normalization of economic activity remains yet an unknown, the impact to our core markets and the Company's financial results cannot be reasonably estimated or reliably measured based on reasonable and supportable information that is available at the current stage.

# INTERIM FINANCIAL STATEMENTS

## EXPLANATORY NOTES

15. Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation. The following line items of the Interim Financial Statements for the year ended 31st March 2020 have been restated due to the adoption of SLFRS 16.

### Impact for the quarter ended 31st March 2020 due to adoption of SLFRS 16 - Company

	Note	Company			Group		
		As disclosed previously	Current Presentation (Restated)	Adjustment	As disclosed previously	Current Presentation (Restated)	Adjustment
		Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Interest income		7,515	7,515	-	8,011	8,011	-
Less: Interest expense	A	3,965	3,782	(183)	3,994	3,860	(134)
<b>Net interest income</b>		<b>3,550</b>	<b>3,733</b>	<b>183</b>	<b>4,017</b>	<b>4,151</b>	<b>134</b>
Net earned premium		-	-	-	1,319	1,319	-
Net fee and commission income		411	411	-	288	288	-
Net trading income		12	12	-	17	17	-
Other operating income		328	328	-	80	80	-
<b>Total operating income</b>		<b>4,301</b>	<b>4,484</b>	<b>183</b>	<b>5,721</b>	<b>5,855</b>	<b>134</b>
Less: Impairment charges for loans and receivables		2,448	2,448	-	2,595	2,595	-
Impairment charges for right of use assets		37	37	-	37	37	-
Impairment charges for goodwill		25	25	-	25	25	-
<b>Net operating income</b>		<b>1,791</b>	<b>1,974</b>	<b>183</b>	<b>3,064</b>	<b>3,198</b>	<b>134</b>
<b>Less:</b>							
Personnel expenses		903	903	-	1,124	1,124	-
Depreciation & Amortisation	B	581	225	(356)	357	152	(205)
Benefits, claims and underwriting expenditure		-	-	-	774	774	-
Other operating expenses	C	(143)	370	513	146	476	330
Total operating expenses		1,341	1,498	157	2,401	2,526	125
Operating profit before tax on financial services		450	476	26	663	672	9
Less: Tax on financial services	D	196	213	17	200	210	10
<b>Profit before income tax</b>		<b>254</b>	<b>263</b>	<b>9</b>	<b>463</b>	<b>462</b>	<b>(1)</b>
Less: Income tax expense	E	149	172	23	314	333	19
<b>Profit for the period</b>		<b>105</b>	<b>91</b>	<b>(14)</b>	<b>149</b>	<b>129</b>	<b>(20)</b>

Note A - With the adoption of SLFRS 16 - "Leases" during the financial year, interest cost relating to lease liabilities has been charged to interest expense.

Note B - Depreciation relating to Right-of-use asset has been charged to Depreciation & Amortisation with the adoption of SLFRS 16.

Note C - Rent expense relating to lease agreement has been removed with the above adjustment.

Note D - Tax on financial services has been adjusted with the above adjustment.

Note E - Income tax expense has been adjusted with the above adjustment.

16. In March 2020, the Company received Rs. 110,000,000/- from People's Leasing Property Development Limited as the interim dividend for the financial year 2020/21.

# INTERIM FINANCIAL STATEMENTS

## EXPLANATORY NOTES

17. Since the first debt moratorium process impacted around 40% of the Company's portfolio resulting in a revision to the original average effective rate of the moratorium portfolio from 19.84% to 16.72% as well as a significant extension on the average maturity of the moratorium portfolio, the management is in the view that there is a substantial change of terms by this modification. Therefore the Company adjusted original effective rate for moratorium facilities and accounted accordingly.

Furthermore, required adjustments on the relief measures for affected businesses and individuals in line with the directions issued by the CBSL have been made by the Group.

Due to the second wave of Covid 19 the Central Bank of Sri Lanka issued a direction on 9th November 2020 extending debt moratorium by further six months period, starting from 01st of October 2020 to 31st March 2021, for affected business and individual. Interest income and impairment have been adjusted for the impact of the new direction.

18. The Covid 19 outbreak in March 2020 followed by the second and the third waves continues to pose challenges to businesses and industries both locally and globally due to uncertainties, restrictions and limitations associated with the pandemic. Considering the difficulties and constraints faced by businesses and individuals engaged in passenger transportation services and tourism industry due to the ongoing COVID-19 pandemic, the Central Bank of Sri Lanka (CBSL) has requested licensed commercial banks, licensed specialised banks, licensed finance companies and specialised leasing companies (financial institutions), to provide concessions for lease facilities obtained by such businesses and individuals for six months or a shorter period, as applicable, commencing from 1st April 2021. The eligible borrowers are businesses and individuals engaged in providing public passenger transportation, private passenger transportation, and tourism sector. The process of evaluating the requests for eligibility for these concessions is still underway.
19. It has been proposed to reduce income tax rate on companies from 28% to 24% pending formal approval from the Parliament as an amendment to the Inland Revenue Act No. 24 of 2017. As per the guideline issued by the Institute of Chartered Accountants of Sri Lanka on 23rd April 2021, it is considered as substantially enacted as at the reporting date. Substantively enacted means the Bill introducing the change being taken up at the Parliament for the first reading. The Bill was placed on the order paper of the Parliament for the first reading on 26th March 2021. Accordingly, Financial Statements having a period end after 26th March 2021, should use such proposed tax rules and rates in the bill for determination of current tax and deferred tax. Therefore the tax rate of 24% was adapted for the computation of current tax and deferred tax.
20. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements, other than disclosed in Notes 14 and 18.
21. There has been no significant change in the nature of the contingent liabilities for the year ended 31st March 2021 which were disclosed in the Annual Report for the year ended 31st March 2020.

# INTERIM FINANCIAL STATEMENTS

## ANALYSIS OF LOANS AND RECEIVABLES IMPAIRMENT

### Analysis by stage wise

#### Company - 31st March 2021

	Stage 1 Rs. Mn.	Stage 2 Rs. Mn.	Stage 3 Rs. Mn.	Total Rs. Mn.
Loans and receivables	91,721	30,263	28,672	150,656
(Less):				
Individual impairment charges	-	-	1,968	1,968
Collective impairment charges	831	1,113	5,356	7,300
Net loans and receivables	90,890	29,150	21,348	141,388

#### Company - 31st March 2020

Loans and receivables	85,843	38,428	32,227	156,498
(Less):				
Individual impairment charges	-	-	1,316	1,316
Collective impairment charges	675	1,183	5,576	7,434
Net loans and receivables	85,168	37,245	25,335	147,748

#### Group - 31st March 2021

Loans and receivables	98,527	31,249	29,449	159,225
(Less):				
Individual impairment charges	-	-	1,968	1,968
Collective impairment charges	998	1,262	5,655	7,915
Net loans and receivables	97,529	29,987	21,826	149,342

#### Group - 31st March 2020

Loans and receivables	88,208	41,813	33,284	163,305
(Less):				
Individual impairment charges	-	-	1,429	1,429
Collective impairment charges	750	1,333	5,658	7,741
Net loans and receivables	87,458	40,480	26,197	154,135

# INTERIM FINANCIAL STATEMENTS

## DEBENTURE INFORMATION

### Market Prices for the quarter ended 31st March 2021

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
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 (%)
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	5.08%
1 Year Treasury Bill	5.11%
2 Year Treasury Bond	6.19%
3 Year Treasury Bond	6.25%
4 Year Treasury Bond	6.70%
5 Year Treasury Bond	7.08%

### Current Yield & Yield to Maturity

Debenture Type	Current Yield (%)	Yield to Maturity (%)
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

# INTERIM FINANCIAL STATEMENTS

## DEBENTURE INFORMATION

<b>Ratios</b>									
								As at 31.03.2021	As at 31.03.2020
Debt to Equity Ratio (Times)*								0.59	0.87
Interest Cover (Times)								1.45	1.29
Quick Asset Ratio (%)								62.66	71.01
* Debt to Equity Ratio has been computed without considering Due to Customers balances.									
<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 2016</b>									
1	The funds raised through this Debenture Issue 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	
<b>Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2018</b>									
1	The funds raised through this Debenture Issue utilized to repay the short term facilities obtained to settle the debentures matured on the 26th March 2018 and for Company's working capital requirements.	6,000,000	Within 12 months from the date of allotment	6,000,000	100%	6,000,000	100%	N/A	

# INTERIM FINANCIAL STATEMENTS

## RELATED PARTY DISCLOSURE

<b>Transactions with Related entities</b>				
<b>Company</b>				
The Company had the under mentioned financial dealings during the year with the following related entities.				
For the year ended 31st March	Immediate Parent		Subsidiaries	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
<b>Items in Statement of Profit or Loss</b>				
Interest income	755,692	1,132,518	131,352	188,265
Interest expense	63,665	391,216	70,224	75,333
Fee & Commission income	-	-	715,240	680,264
Other operating income	-	-	110,000	475,829
Benefits, claims and underwriting expenditure	-	-	151,279	137,224
Other operating expenses	34,423	43,403	331,925	307,666
<b>Items in Statement of Financial Position</b>				
<b>Assets</b>				
Cash and cash equivalents	1,755,592	6,290,427	-	-
Balances with banks & financial institutions	5,399,071	2,801,890	-	-
Loans and receivables	-	-	1,509,160	1,772,088
Financial assets - Amortised cost	6,319,142	4,106,963	-	-
Investments in subsidiaries	-	-	3,213,788	3,213,788
Other assets	-	-	168,802	262,509
<b>Total</b>	<b>13,473,805</b>	<b>13,199,280</b>	<b>4,891,750</b>	<b>5,248,385</b>
<b>Liabilities</b>				
Due to banks	1,399,899	1,654,194	-	-
Due to customers	-	-	703,477	503,009
Debt Securities issued	-	-	141,037	141,222
Other Financial liabilities	-	-	685,294	703,566
Other liabilities	3,018	5,923	7,976	9,260
<b>Total</b>	<b>1,402,917</b>	<b>1,660,117</b>	<b>1,537,784</b>	<b>1,357,057</b>
<b>Transactions</b>				
Transaction cost on debenture issue and securitisation	478	4,850	-	-
Cash and cash equivalents - Repo investments	4,950,000	25,122,245	-	-
Cash and cash equivalents - Repo settlements	10,117,940	23,236,534	-	-
Balances with banks & financial institutions - FD investments	24,145,286	2,610,079	-	-
Balances with banks & financial institutions - FD withdrawals	22,294,433	4,060,829	-	-
Loans and receivables - Grantings	-	-	537,481	608,624
Loans and receivables - Repayments	-	-	663,796	507,911
Debt instruments - Amortised cost - Investments	22,598,347	13,164,970	-	-
Debt instruments - Amortised cost - Settlements	20,089,756	17,787,216	-	-
Due to banks - Borrowings	1,000,000	4,800,000	-	-
Due to banks - Repayment	1,575,922	7,625,383	-	-
Due to customers - Investments	-	-	702,487	470,485
Due to customers - Settlements	-	-	441,997	320,485
Dividend paid	732,467	1,446,993	-	-
Dividend received	-	-	110,000	406,750
Insurance premium paid in respect of customers introduced by People's Leasing & Finance PLC	-	-	3,397,566	3,595,939
<b>Total</b>	<b>107,504,628</b>	<b>99,859,099</b>	<b>5,853,327</b>	<b>5,910,194</b>
<b>Off- Balance Sheet Items</b>				
Guarantees	-	-	300,000	300,000

# INTERIM FINANCIAL STATEMENTS

## RELATED PARTY DISCLOSURE

### Transactions with other Related entities

#### Group

The group had the under mentioned financial dealings during the financial year with the following related entities.

	Immediate Parent	
	2021 Rs. '000	2020 Rs. '000
<b>Items in Statement of Profit or Loss</b>		
Interest income	800,369	1,196,187
Interest expenses	78,168	406,388
Net earned premiums	404,434	232,100
Fee and commission income	33,601	49,207
Other operating income	132,221	146,318
Benefits, claims and underwriting expenditure	74,736	162,557
Other operating expenses	35,323	44,303
<b>Items in Statement of Financial Position</b>		
<b>Assets</b>		
Cash and cash equivalents	2,054,940	6,517,002
Balances with banks & financial institutions	6,137,065	3,555,637
Loans and receivables	-	-
Insurance and reinsurance receivables	184,548	273,277
Financial investments - Held-to-maturity	6,319,142	4,106,963
Investments in associate	-	-
Other assets	10,166	28,528
<b>Liabilities</b>		
Due to banks	1,524,537	2,143,641
Debt Securities issued	-	-
Other liabilities	10,940	13,103



## CORPORATE INFORMATION

### **Name of Company**

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

### **Legal Form**

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

### **Date of Incorporation**

22nd August 1995

### **Company Registration Number**

PB 647 PQ

### **Accounting Year-end**

31st March

### **Stock Exchange Listing**

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

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

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

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

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

### **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)

### **Compliance Officer**

Ms. Zairaa Kaleel

### **Company Secretary**

Ms. Lakmini Kottegodu

### **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)

### **Auditor**

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

### **Bankers**

People's Bank  
Sampath Bank PLC  
Bank of Ceylon  
Commercial Bank of Ceylon PLC  
DFCC Bank PLC  
Hatton National Bank PLC  
National Development Bank PLC  
Nations Trust Bank PLC  
Seylan Bank PLC  
Standard Chartered Bank  
Deutsche Bank  
Habib Bank  
Union Bank of Colombo PLC  
City Bank  
Indian Bank  
Indian Overseas Bank  
Pan Asia Banking Corporation PLC  
MCB bank

### **Branch Offices**

Akuressa, Ambalangoda, Ambalanthota,  
Awissawella, Ampara, Anamaduwa,  
Anuradhapura, Badulla, Balangoda, Bandarawela,  
Battaramulla, Batticaloa, Benthota, Chilaw,  
Chunnamak, Colpetty, Dambulla, Dehiwala,  
Deniyaya, Digana, Elpitiya, Embilipitiya, Galle,  
Gampaha, Gampola, Giriulla, Godakawela,  
Grandpass, Hambantota, Hanwella, 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, Kirindiwela, Kuliypitiya,  
Kurunegala, Mahaiyawa, Maharagama,  
Mahiyanganaya, Mannar, Matale, Matara,  
Medawachchiya, Mathugama, Mawanella,  
Melsiripura, Merigama, Metropolitan,  
Minuwangoda, Monaragala, Moratuwa, Mutur,  
Narammala, Nattandiya, Nawalapitiya, Negombo,  
Nelliyadi, Neluwa, Nittambuwa, Nugegoda,  
Nuwara Eliya, Panadura, Pelmadulla, Pettah,  
Pilmathalawa, 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 - As at 31st March 2021**

Mr. Sujeewa Rajapakse - Chairman  
Mr. Rohan Pathirage  
Mr. Azzam A. Ahamat  
Mr. S. Ahangama  
Mr. K.C.J.C. Fonseka  
Mr. C.J. Wijetillake  
Mr. U.L.A.W. Bandara  
Ms. M.C. Pietersz  
Mr. R. Kodituwakku

### **Board Audit Committee**

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

### **Integrated Risk Management Committee**

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

### **Remuneration and Nomination Committee**

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

### **Related Party Transaction Review Committee**

Mr. C.J. Wijetillake - Chairman  
Mr. U.L.A.W. Bandara - Member  
Mr. S. Ahangama - Member

### **Subsidiary Companies**

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

### **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**

"A+" (Ika) by Fitch Ratings Lanka Limited

**INTERIM**  
**FINANCIAL**  
**STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC