

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the three months ended 30th June 2019

Contents

Financial Information

Statement of Financial Position	01
Statement of Profit or Loss - Company & Group	02
Statement of Comprehensive Income - Company & Group	03
Statement of Changes in Equity - Company	04
Statement of Changes in Equity - Group	05
Statement of Cash Flows	06
Analysis of Financial Instruments by Measurement Basis - Company	07
Analysis of Financial Instruments by Measurement Basis - Group	08
Segmental Analysis	09
Information on Ordinary Shares of the Company	10
Shareholders' Information	11
Explanatory Notes	12, 13
Debenture Information	14, 15
Related Party Disclosure - Company	16
Corporate Information	17

**INTERIM
FINANCIAL
STATEMENTS**

STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.06.2019 Rs. Mn. Unaudited*	31.03.2019 Rs. Mn. Audited	Change %	30.06.2019 Rs. Mn. Unaudited*	31.03.2019 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	2,519	3,294	(23.5)	2,891	4,311	(32.9)
Balances with banks & financial institutions	3,499	3,405	2.8	7,352	7,375	(0.3)
Financial assets -Fair value through profit or loss	239	23	939.1	592	72	722.2
Loans and receivables	149,263	151,708	(1.6)	154,692	156,956	(1.4)
Insurance and reinsurance receivables	-	-	-	1,213	885	37.1
Financial assets - Fair value other comprehensive income	126	126	-	126	126	-
Debt instrument at amortised cost	8,172	8,003	2.1	9,253	9,092	1.8
Investments in subsidiaries	3,214	3,214	-	-	-	-
Investments in associates	-	238	(100.0)	-	238	(100.0)
Investment property	-	-	-	1,132	1,132	-
Property, plant and equipment	1,069	1,098	(2.6)	4,156	4,017	3.5
Goodwill and intangible assets	308	325	(5.2)	414	432	(4.2)
Leasehold Property	83	84	(1.2)	83	84	(1.2)
Deferred tax assets	-	-	-	32	48	(33.3)
Other assets	891	1,023	(12.9)	1,155	1,165	(0.9)
Total assets	169,383	172,541	(1.8)	183,091	185,933	(1.5)
Liabilities						
Due to banks	17,207	27,274	(36.9)	19,896	30,475	(34.7)
Due to customers	95,792	88,369	8.4	96,608	88,923	8.6
Debt securities issued	20,504	21,275	(3.6)	20,375	21,134	(3.6)
Other financial liabilities	2,282	2,480	(8.0)	2,354	2,465	(4.5)
Insurance and reinsurance payable	-	-	-	5,069	4,881	3.9
Current tax liabilities	2,242	2,238	0.2	2,395	2,324	3.1
Deferred tax liabilities	837	837	-	1,142	1,142	-
Other liabilities	1,436	1,465	(2.0)	1,563	1,607	(2.7)
Total liabilities	140,300	143,938	(2.5)	149,402	152,951	(2.3)
Equity						
Stated Capital	13,236	13,236	-	13,236	13,236	-
Statutory reserve fund	2,082	2,058	1.2	2,095	2,071	1.2
Retained earnings	13,818	13,362	3.4	15,831	15,198	4.2
Other reserves	(53)	(53)	-	201	207	(2.9)
Total equity attributable to equity holders of the Company	29,083	28,603	1.7	31,363	30,712	2.1
Non-controlling interest	-	-	-	2,326	2,270	2.5
Total equity	29,083	28,603	1.7	33,689	32,982	2.1
Total liabilities and equity	169,383	172,541	(1.8)	183,091	185,933	(1.5)
Contingencies	610	514	18.7	610	514	18.7
Commitments	7,357	7,262	1.3	7,415	7,274	1.9
Net assets value per ordinary share (Rs.)	18.41	18.10	1.7	19.85	19.44	2.1

CERTIFICATION

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

(sgd.)

Sanjeewa Bandaranayake

Chief Financial Officer

The Board of Directors is responsible for these Interim Financial Statements.

Approved and Signed for and on behalf of the Board:

(sgd.)

Director

31st July 2019

Colombo.

* The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

(sgd.)

A.S. Ibrahim

Chief Executive Officer

(sgd.)

Director

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

For the three months ended 30th June	Company			Group		
	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*	Change %	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*	Change %
Interest income	7,931	7,142	11.0	8,333	7,439	12.0
Less: Interest expense	4,117	3,683	11.8	4,208	3,729	12.8
Net interest income	3,814	3,459	10.3	4,125	3,710	11.2
Net earned premiums	-	-	-	1,273	1,106	15.1
Net fee and commission income	373	301	23.9	262	197	33.0
Net trading income	(17)	(9)	88.9	(17)	(21)	(19.0)
Other operating income	4	22	(81.8)	74	122	(39.3)
Total operating income	4,174	3,773	10.6	5,717	5,114	11.8
Less: Impairment charges for loans and receivables	1,298	590	120.0	1,336	631	111.7
Net operating income	2,876	3,183	(9.6)	4,381	4,483	(2.3)
Less:						
Personnel expenses	944	808	16.8	1,151	972	18.4
Depreciation & Amortisation	59	46	28.3	107	77	39.0
Benefits, claims and underwriting expenditure	-	-	-	815	821	(0.7)
Other operating expenses	698	708	(1.4)	770	732	5.2
Total operating expenses	1,701	1,562	8.9	2,843	2,602	9.3
Operating profit before tax on financial services	1,175	1,621	(27.5)	1,538	1,881	(18.2)
Less: Tax on financial services	442	396	11.6	450	404	11.4
Operating profit after tax on financial services	733	1,225	(40.2)	1,088	1,477	(26.3)
Share of profit/(loss) of an associate	-	-	-	-	1	(100.0)
Profit before income tax	733	1,225	(40.2)	1,088	1,478	(26.4)
Less: Income tax expense	253	341	(25.8)	375	388	(3.4)
Profit for the period	480	884	(45.7)	713	1,090	(34.6)
Profit Attributable to :						
Equity holders	480	884	(45.7)	657	1,061	(38.1)
Non-controlling interest	-	-	-	56	29	93.1
Profit for the period	480	884	(45.7)	713	1,090	(34.6)
Basic/Diluted earnings per ordinary share (Rs.)	0.30	0.56	(45.7)	0.42	0.67	(38.1)

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

INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	Company			Group		
	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*	Change %	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*	Change %
Profit for the period	480	884	(45.7)	713	1,090	(34.6)
Other comprehensive income/(expenses)						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Cash flow hedges						
Gains/(losses) on derivative financial assets	-	-	-	-	-	-
Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary	-	-	-	(7)	36	(119.4)
Financial assets-FVOCI						
Gains/ (losses) on re-measuring FVOCI financial assets	-	(28)	100.0	1	(29)	103.4
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-	(28)	100.0	(6)	7	(185.7)
<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	-	-	-	-	-	-
Other comprehensive income for the period, net of taxes	-	(28)	100.0	(6)	7	(185.7)
Total comprehensive income for the period	480	856	(43.9)	707	1,097	(35.6)
Profit Attributable to :						
Equity holders	480	856	(43.9)	707	1,097	(35.6)
Non-controlling interest	-	-	-	-	-	-
Profit for the period	480	856	(43.9)	707	1,097	(35.6)

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

INTERIM
FINANCIAL
STATEMENTS

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			Fair Value Reserve
Balance as at 01.04.2018	13,236	1,838	300	100	7	47	-	11,502	27,030
Recognition of SLFRS 9 Expected Credit Loss on those measured at amortized cost	-	-	-	-	-	-	-	(1,007)	(1,007)
Deferred tax on transitional adjustment	-	-	-	-	-	-	-	251	251
Transfer of AFS reserve to fair value reserve	-	-	-	-	-	(47)	47	-	-
Balance as at 01.04.2018 - Restated	13236	1838	300	100	7	-	47	10,746	26274
Total comprehensive income for the three months ended 30.06.2018									
Profit for the three months ended 30.06.2018	-	-	-	-	-	-	-	884	884
Other comprehensive income (net of tax)	-	-	-	-	-	-	(28)	-	(28)
Total comprehensive income for the three months ended 30.06.2018	-	-	-	-	-	-	(28)	884	856
Transactions with equity holders, recognised directly in equity									
Transfers to reserves during the period	-	39	-	-	-	-	-	(39)	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)
Total transactions with equity holders	-	39	-	-	-	-	-	(829)	(790)
Balance as at 30.06.2018	13,236	1,877	300	100	7	-	19	10,801	26,340
Balance as at 01.04.2019	13,236	2,058	-	-	-	-	(53)	13,362	28,603
Total comprehensive income for the three months ended 30.06.2019									
Profit for the three months ended 30.06.2019	-	-	-	-	-	-	-	480	480
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended 30.06.2019	-	-	-	-	-	-	-	480	480
Transactions with equity holders, recognised directly in equity									
Transfers to reserves during the period	-	24	-	-	-	-	-	(24)	-
Dividend paid	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	24	-	-	-	-	-	(24)	-
Balance as at 30.06.2019	13,236	2,082	-	-	-	-	(53)	13,818	29,083

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				Fair Value Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
			General Reserve	Tax Equalisation Fund	Exchange Equalisation Fund	Available for Sale Reserve					
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
Balance as at 01.04.2018	13,236	1,837	300	100	3	46	-	13,167	28,689	2,165	30,854
Recognition of SLFRS 9 Expected Credit Loss on those measured at amortized cost	-	-	-	-	-	-	-	(1,067)	(1,067)	-	(1,067)
Deferred tax on transitional adjustment	-	-	-	-	-	-	-	266	266	-	266
Transfer of AFS reserve to fair value reserve	-	-	-	-	-	(46)	46	-	-	-	-
Balance as at 01.04.2018 - Restated	13,236	1,837	300	100	3	-	46	12,367	27,889	2,165	30,054
Total comprehensive income for the three months ended 30.06.2018											
Profit for the three months ended 30.06.2018	-	-	-	-	-	-	-	1,061	1,061	29	1,090
Other comprehensive income (net of tax)	-	-	-	-	36	-	(29)	-	7	-	7
Total comprehensive income for the three months ended 30.06.2018	-	-	-	-	36	-	(29)	1,061	1,068	29	1,097
Transactions with equity holders, recognised directly in equity											
Transfers to reserves during the period	-	23	-	-	-	-	-	(23)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)	-	(790)
Total transactions with equity holders	-	23	-	-	-	-	-	(813)	(790)	-	(790)
Balance as at 30.06.2018	13,236	1,860	300	100	39	-	17	12,615	28,167	2,194	30,361
Balance as at 01.04.2019	13,236	2,071	-	-	262	-	(55)	15,198	30,712	2,270	32,982
Total comprehensive income for the three months ended 30.06.2019											
Profit for the three months ended 30.06.2019	-	-	-	-	-	-	-	657	657	56	713
Other comprehensive income (net of tax)	-	-	-	-	(7)	-	1	-	(6)	-	(6)
Total comprehensive income for the three months ended 30.06.2019	-	-	-	-	(7)	-	1	657	651	56	707
Transactions with equity holders, recognised directly in equity											
Transfers to reserves during the period	-	24	-	-	-	-	-	(24)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	24	-	-	-	-	-	(24)	-	-	-
Balance as at 30.06.2019	13,236	2,095	-	-	255	-	(54)	15,831	31,363	2,326	33,689

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

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the three months ended 30th June	Company		Group	
	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*	2019 Rs. Mn. Unaudited*	2018 Rs. Mn. Restated Unaudited*
Cash flows from operating activities				
Profit before tax	733	1,225	1,088	1,478
Adjustment for:				
Non-cash items included in profit before tax	1,495	804	1,661	933
Change in operating assets	1,055	(4,684)	210	(4,961)
Change in operating liabilities	7,123	(530)	7,612	(511)
Share of (profit)/loss in associate (net of tax)	-	-	-	(1)
Dividend income from investments	-	(12)	-	(13)
Net unrealised gains/(losses) arising from translating the Financial Statements of foreign subsidiary	-	-	(7)	36
Gratuity paid	(4)	(3)	(4)	(22)
Income tax paid	(199)	(108)	(210)	(123)
Net cash generated from/(used in) operating activities	10,203	(3,308)	10,350	(3,184)
Cash flows from investing activities				
Purchase of property, plant and equipment	(141)	(21)	(429)	(37)
Proceeds from the sale of property, plant and equipment	1	-	1	1
Purchase of intangible assets	(1)	(1)	(1)	(1)
Proceeds from the sale of investment property	-	141	-	141
Dividend received from investments	-	12	-	13
Net cash (used in)/generated from investing activities	(141)	131	(429)	117
Cash flows from financing activities				
Net borrowings	(10,601)	2,365	(10,363)	2,328
Dividend paid to shareholders	-	(790)	-	(790)
Net cash (used in)/generated from financing activities	(10,601)	1,575	(10,363)	1,538
Net (decrease) in cash & cash equivalents	(539)	(1,602)	(442)	(1,529)
Cash and cash equivalents at the beginning of the year	2,943	3,149	3,037	3,162
Cash and cash equivalents at the end of the period	2,404	1,547	2,595	1,633
Cash and cash equivalents	2,519	2,180	2,891	2,762
Bank overdraft	(115)	(633)	(296)	(1,129)
	2,404	1,547	2,595	1,633

* 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 2019	Financial assets recognised through profit or loss (FVTPL Rs. Mn.	Financial assets at amortised cost (AC) Rs. Mn.	Financial assets at fair value through other comprehensive income(FVOCI) Rs. Mn.	Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	2,519	-	2,519
Balances with banks & financial institutions	-	3,499	-	3,499
Financial assets -Fair value through profit or loss	239	-	-	239
Loans and receivables	-	149,263	-	149,263
Financial assets - Fair value other comprehensive income	-	-	126	126
Debt instrument at amortised cost	-	8,172	-	8,172
Other financial assets	-	178	-	178
Total financial assets	239	163,631	126	163,996

As at 30th June 2019	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	17,207	17,207
Due to customers	-	95,792	95,792
Debt securities issued	-	20,504	20,504
Other financial liabilities	-	2,282	2,282
Total financial liabilities	-	135,785	135,785

Company				
As at 31st March 2019	Financial assets recognised through profit or loss (FVTPL Rs. Mn.	Financial assets at amortised cost (AC) Rs. Mn.	Financial assets at fair value through other comprehensive income(FVOCI) Rs. Mn.	Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	3,294	-	3,294
Balances with banks & financial institutions	-	3,405	-	3,405
Financial assets -Fair value through profit or loss	23	-	-	23
Loans and receivables	-	151,708	-	151,708
Financial assets - Fair value other comprehensive income	-	-	126	126
Debt instrument at amortised cost	-	8,003	-	8,003
Other financial assets	-	144	-	144
Total financial assets	23	166,554	126	166,703

As at 31st March 2019	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	27,274	27,274
Due to customers	-	88,369	88,369
Debt securities issued	-	21,275	21,275
Other financial liabilities	-	2,480	2,480
Total financial liabilities	-	139,398	139,398

**INTERIM
FINANCIAL
STATEMENTS**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group				
As at 30th June 2019				
	Financial assets recognised through profit or loss (FVTPL) Rs. Mn.	Financial assets at amortised cost (AC) Rs. Mn.	Financial assets at fair value through other comprehensive income(FVOCI) Rs. Mn.	Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	2,891	-	2,891
Balances with banks & financial institutions	-	7,352	-	7,352
Financial assets -Fair value through profit or loss	592	-	-	592
Loans and receivables	-	154,692	-	154,692
Insurance and reinsurance receivables	-	1,213	-	1,213
Financial assets - Fair value other comprehensive income	-	-	126	126
Debt instrument at amortised cost	-	9,253	-	9,253
Total financial assets	592	175,401	126	176,119

As at 30th June 2019			
	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	19,896	19,896
Due to customers	-	96,608	96,608
Debt securities issued	-	20,375	20,375
Other financial liabilities	-	2,354	2,354
Insurance and reinsurance payable	-	5,069	5,069
Total financial liabilities	-	144,302	144,302

Group				
As at 31st March 2019				
	Financial assets recognised through profit or loss (FVTPL) Rs. Mn.	Financial assets at amortised cost (AC) Rs. Mn.	Financial assets at fair value through other comprehensive income(FVOCI) Rs. Mn.	Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	4,311	-	4,311
Balances with banks & financial institutions	-	7,375	-	7,375
Financial assets -Fair value through profit or loss	72	-	-	72
Loans and receivables	-	156,956	-	156,956
Insurance and reinsurance receivables	-	885	-	885
Financial assets - Fair value other comprehensive income	-	-	126	126
Debt instrument at amortised cost	-	9,092	-	9,092
Total financial assets	72	178,619	126	178,817

As at 31st March 2019			
	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	30,475	30,475
Due to customers	-	88,923	88,923
Debt securities issued	-	21,134	21,134
Other financial liabilities	-	2,465	2,465
Insurance and reinsurance payable	-	4,881	4,881
Total financial liabilities	-	147,878	147,878

**INTERIM
FINANCIAL
STATEMENTS**

SEGMENTAL ANALYSIS - GROUP

For the three month ended 30th June	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.	2019 Rs. Mn.	2018 Rs. Mn.
Interest income	4,224	4,068	3,304	2,676	381	346	185	157	321	259	(82)	(67)	8,333	7,439
Net earned premiums	-	-	-	-	-	-	1,311	1,143	-	-	(39)	(37)	1,273	1,106
Net fee and commission income	233	209	183	138	21	18	-	-	69	71	(245)	(239)	262	197
Net trading income	-	-	-	-	-	-	(2)	(12)	(15)	(9)	-	-	(17)	(21)
Other operating income	4	16	3	10	-	1	19	15	68	97	(18)	(17)	74	122
Gross revenue	4,461	4,293	3,490	2,824	402	365	1,513	1,303	443	418	(384)	(360)	9,925	8,843
Interest expenses	2,176	2,065	1,702	1,357	196	177	-	-	216	198	(82)	(68)	4,208	3,729
Total operating income	2,285	2,228	1,788	1,467	206	188	1,513	1,303	227	220	(302)	(292)	5,717	5,114
Credit losses	809	355	461	235	61	37	-	-	5	4	-	-	1,336	631
Net operating income	1,476	1,873	1,327	1,232	145	151	1,513	1,303	222	216	(302)	(292)	4,381	4,483
Depreciation	36	34	29	21	3	5	22	6	5	4	12	11	107	81
Segment result	652	930	498	657	59	72	279	153	65	85	(15)	(16)	1,538	1,881
Tax on financial services													450	404
Share of (loss) of an associate (net of tax)													-	1
Income tax expenses													375	388
Profit attributable to equity holder													713	1,090
As at 30th June														
Segment Assets	87,183	90,217	70,947	56,301	7,734	12,859	9,609	7,947	13,201	11,073	(5,583)	(5,613)	183,091	172,784
Total Assets	87,183	90,217	70,947	56,301	7,734	12,859	9,609	7,947	13,201	11,073	(5,583)	(5,613)	183,091	172,784
Segment Liabilities	71,368	74,158	58,077	46,280	6,331	10,570	6,122	4,804	10,806	9,102	(3,302)	(3,227)	149,402	141,687
Total Liabilities	71,368	74,158	58,077	46,280	6,331	10,570	6,122	4,804	10,806	9,102	(3,302)	(3,227)	149,402	141,687

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

	2019 Rs.	2018 Rs.
Highest price during the quarter ended 30th June :	14.50	16.10
Lowest price during the quarter ended 30th June :	13.00	15.00
Closing price as at 30th June :	14.00	15.30

Issued Capital

Issued Capital as at 30th June 2019 was represented by the number of shares in issue as given below;

	As at 30th June 2019		As at 30th June 2018	
	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

INTERIM FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 30th June 2019

Twenty largest ordinary shareholders of the Company as at 30th June 2019 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	16,861,361	1.07
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	Ceylon Guardian Investment Trust PLC A/C # 02	3,340,505	0.21
12	Caceis Bank, Luxembourg Branch-Tcm Investment Funds Luxembourg	2,887,743	0.18
13	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	2,719,743	0.17
14	Employees Trust Fund Board	2,356,087	0.15
15	Union Assurance PLC- Universal Life Fund	2,293,003	0.15
16	Akbar Brothers Pvt Ltd A/C No 1	2,004,514	0.13
17	First Capital Limited	1,700,000	0.11
18	Pershing Llc S/A Averbach Grauson & Co.	1,680,000	0.11
19	Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund	1,638,092	0.10
20	Guardian Fund Management Limited/The Aitken Spence And Associated Companies Executive Staff Providen	1,616,715	0.10

Public Holding

The percentage of ordinary shares held by the public as at 30th June 2019 was 24.96% and the number of shareholders representing the public holding was 8,938.

Directors/ CEO's Holding in Shares as at 30th June 2019

The number of ordinary shares held by the directors and CEO as at 30th June 2019 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 June 2019 - Rs. 5,521,541,508

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 2018/19.
2. The Interim Financial Statements for the three months ended 30th June 2019 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. Directors recommended a final dividend of Rs. 0.50 per share for the year ended 31 March 2019. This will be paid in the form of a scrip dividend. Further, in compliance with the Company's Articles of Association, this dividend is to be approved by the shareholders at the Annual General Meeting to be held on 31 July 2019.
6. 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 quarter ended June 30, 2018 have been restated due to the adoption of SLFRS 9.

	Note	Company			Group		
		As disclosed	Current	Adjustment	As disclosed	Current	Adjustment
		previously	Presentation		previously	Presentation	
		(Restated)			(Restated)		
		Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Interest income	A	7,221	7,142	(79)	7,518	7,439	(79)
Less: Interest expense		3,683	3,683	-	3,729	3,729	-
Net interest income		3,538	3,459	(79)	3,789	3,710	(79)
Net earned premiums		-	-	-	1,106	1,106	-
Net fee and commission income	B	263	301	38	159	197	38
Net trading income		(9)	(9)	-	(21)	(21)	-
Other operating income	C	46	22	(24)	146	122	(24)
Total operating income		3,838	3,773	(65)	5,179	5,114	(65)
Less: Impairment charges for loans and receivables	C/D	818	590	(228)	859	631	(228)
Net operating income		3,020	3,183	163	4,320	4,483	163
Less:							
Personnel expenses		808	808	-	972	972	-
Depreciation & Amortisation		46	46	-	77	77	-
Benefits, claims and underwriting expenditure		-	-	-	821	821	-
Other operating expenses	B	670	708	38	694	732	38
Total operating expenses		1,524	1,562	38	2,564	2,602	38
Operating profit before tax on financial services		1,496	1,621	125	1,756	1,881	125
Less: Tax on financial services	E	335	396	61	343	404	61
Operating profit after Tax on financial services		1,161	1,225	64	1,413	1,477	64
Share of profit/(loss) of an associate		-	-	-	1	1	-
Profit before income tax		1,161	1,225	64	1,414	1,478	64
Less: Income tax expense		341	341	-	388	388	-
Profit for the period		820	884	64	1,026	1,090	64

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

Note A - Revenue can be recognized only when it is probable that the economic benefit associate with the transaction will flow to the entity. However when uncertainty arise about the recoverability, revenue recognition should be ceased. With the adoption of SLFRS 9 –“Financial instrument” replacing LKAS 39 “Financial instrument” during the financial year, Customer default point (Uncertainty about the recoverability) has been change to 90 days past due rather than 6 months past due applied in previous standard(LKAS 39). Accordingly interest income can be recognized only up to 90 days past due in accordance with SLFRS 9, instead of recognizing up to 6 months past due as per the LKAS 39.

Note B- Recovery of VAT and NBT on other income of Rs.38 Mn included in fee and commission income, reclassified to other operating expenses.

Note C - Recovery of written-off debts of Rs.24 Mn included in Other operating income reclassified to Impairment charges for loans and receivables.

Note D - Impact on changing from Incurred loss model (LKAS 39) to expected credit loss model (SLFRS 9) is amounted to Rs 204 Mn.

Note E -Tax on financial service impact on changing from LKAS 39 to SLFRS 9 is amounted to Rs 61 Mn.

- 7 The resolutions pertaining to the 'Private Placement of Ordinary Shares' and the 'Right issue of Ordinary Shares' of People's Merchant Finance PLC were duly approved and passed by the shareholders of the Company at the Extraordinary General Meeting held on 27th March 2019. Subsequent to the said private placement and right issue, People's Leasing & Finance PLC's stake is reduced to 11.86%. Accordingly status of associate changed as Financial investments -Fair value through profit or loss (FVTPL) of PLC after April 2019.
- 8 Mr. Rohan Pathirage was appointed to the Board of the Company as Non-Executive Non-Independent Director with effect from 10th July 2019.
- 9 There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
- 10 There has been no significant change in the nature of the contingent liabilities for the three months ended 30th June 2019 which were disclosed in the Annual Report for the year ended 31st March 2019.

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Market Prices for the quarter ended 30th June 2019

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded 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	100.00	100.00	100.00
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	8.49%
1 Year Treasury Bill	8.70%
2 Year Treasury Bond	9.92%
3 Year Treasury Bond	10.72%
5 Year Treasury Bond	10.98%

(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

**INTERIM
FINANCIAL
STATEMENTS**

DEBENTURE INFORMATION

Ratios								As at 30.06.2019	As at 31.03.2019
Debt to Equity Ratio (Times)								1.30	1.70
Interest Cover (Times)								1.18	1.42
Quick Asset Ratio (%)								72.98	73.35
Utilisation of Funds Raised via Capital Market									
Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.'000	Proposed date of utilisation as per Prospectus	Amount allocated from proceeds in Rs.'000 (A)	% of total proceeds	Amounts utilised in Rs.'000 (B)	% of utilisation against allocation (B/A)	Clarification if not fully utilised including where the funds are invested	
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2015									
1	The funds raised through this Debenture Issue 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	
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2016									
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	
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2018									
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

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	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Items in Statement of Profit or Loss						
Interest income	291,100	180,485	15,394	12,543	-	6,154
Interest expense	148,169	210,367	65,458	55,057	-	-
Fee & Commission income	-	-	159,041	144,116	-	-
Other operating income	-	-	13,553	10,812	-	-
Benefits, claims and underwriting expenditure	-	-	32,486	33,233	-	-
Other operating expenses	9,341	8,847	63,354	72,348	-	-
Items in Statement of Financial Position						
Assets						
Cash and cash equivalents	1,674,588	1,449,995	-	-	-	-
Balances with banks & financial institutions	3,119,335	2,117,048	-	-	-	-
Loans and receivables	-	-	1,796,862	1,649,479	-	-
Financial investments - Held-to-maturity	8,171,880	5,262,549	-	-	-	-
Investments in subsidiaries/ Associate	-	-	3,213,788	3,213,788	-	586,427
Other assets	-	-	169,305	166,137	-	-
Liabilities						
Due to banks	3,903,833	6,663,179	-	-	-	-
Due to customers	-	-	468,129	492,448	-	-
Debt Securities issued	-	1,854,867	128,897	-	-	-
Other Financial liabilities	-	-	632,979	799,550	-	-
Other liabilities	2,959	4,292	4,311	8,541	-	-
Transactions						
Transaction cost on debenture issue and securitisation	-	-	-	-	-	-
Dividend paid	-	540,383	-	-	-	-
Off- Balance Sheet Items						
Guarantees	-	-	300,000	550,000	-	-

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
(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.

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

Mr. Vishwamithra Kadurugamuwa

Company Secretary

Mrs. Lakmini Kottegoda

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

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

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
MCB bank

Branch Offices

Akuressa, Ambalangoda, Ambalanthota,
Ampara, Anuradhapura, Awissawella,
Badulla, Balangoda, Bandarawela,
Battaramulla, Batticaloa, Benthot, Chilaw,
Chunnakam, Colpetty, Dambulla, Dehiwala,
Deniyaya, Digana, Elpitiya, Embilipitiya, Galle,
Gampaha, Gampola, Giriulla, Godakawela,
Grandpass, Hambantota, Hanwell, 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, Kuliyapitiya,
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. Amaratunga
Mr. G.B.R.P. Gunawardana
Mr. J.A. Fernando
Mr. M.A.M. Rizwan
Dr. Kennedy D. Gunawardana
Mr. N.W.A.M.U.K.K.E Weerasinghe
Mr. Rohan Pathirage

Board Sub-Committees

Integrated Risk Management Committee

Mr. M.P. Amirthanayagam - Chairman
Mr. G.B.R.P. Gunawardana
Mr. M.A.M. Rizwan
Mr. A.S. Ibrahim
Mr. Sanjeewa Bandaranayake
Mr. L. Fernando
Mr. R. Tennakoon

Board Audit Committee

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

Remuneration & Nomination Committee

Mr. J.P. Amaratunga - 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 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

'AA-' (Ika) stable by Fitch Ratings Lanka
Limited
'B-' stable by Fitch Ratings International

INTERIM
FINANCIAL
STATEMENTS



PEOPLE'S LEASING & FINANCE PLC