

INTERIM FINANCIAL STATEMENTS
For the nine months ended 31st December 2012



PEOPLE'S LEASING & FINANCE PLC

INCOME STATEMENT - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Revenue	11,585	10,170	13.9	3,937	3,722	5.8
Interest income	10,627	8,819	20.5	3,706	3,215	15.3
Interest expenses	6,097	4,424	37.8	2,190	1,646	33.0
Net interest income	4,530	4,395	3.1	1,516	1,569	(3.4)
Other operating income						
Net trading income from sale of vehicles	3	58	(94.8)	-	2	(100.0)
Fees and commission income	552	378	46.0	228	142	60.6
Net income from Islamic finance	4	36	(88.9)	1	9	(88.9)
Others	258	152	69.7	(4)	31	(112.9)
Total income	5,347	5,019	6.5	1,741	1,753	(0.7)
Less : Operating expenses						
Personnel cost	661	540	22.4	206	176	17.0
Depreciation	112	90	24.4	37	34	8.8
Amortisation of intangible assets	9	8	12.5	3	3	-
Directors' emoluments	1	1	-	-	-	-
Establishment expenses	2	8	(75.0)	1	2	(50.0)
Other expenses	1,125	910	23.6	445	348	27.9
Profit from operations before provision for taxation & possible losses	3,437	3,462	(0.7)	1,049	1,190	(11.8)
Provision charge/ (reversal) for bad and doubtful debts and fall in value of investments	728	(1,399)	(152.0)	365	105	247.6
Operating profit after provision for possible losses	2,709	4,861	(44.3)	684	1,085	(37.0)
Less: Value Added Tax on Financial Services	170	296	(42.6)	45	56	(19.6)
Profit before taxation	2,539	4,565	(44.4)	639	1,029	(37.9)
Income tax expense	768	1,427	(46.2)	202	334	(39.5)
Profit after taxation	1,771	3,138	(43.6)	437	695	(37.1)
Attributable to:						
Equity holders of the parent	1,771	3,138	(43.6)	437	695	(37.1)
Minority interest	-	-	-	-	-	-
Net profit for the period	1,771	3,138	(43.6)	437	695	(37.1)
Earnings per share (Basic/ Diluted) (Rs.)	1.07	2.48	(56.9)	0.26	0.50	(48.0)

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

INCOME STATEMENT - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2012	31.12.2011	Growth	31.12.2012	31.12.2011	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	13,648	11,414	19.6	4,645	4,218	10.1
Interest income	12,098	9,780	23.7	4,233	3,588	18.0
Interest expenses	7,392	5,009	47.6	2,658	1,891	40.6
Net interest income	4,706	4,771	(1.4)	1,575	1,697	(7.2)
Other operating income						
Net trading income from sale of vehicles	3	58	(94.8)	-	2	(100.0)
Fees and commission income	375	195	92.3	179	34	426.5
Net income from Islamic finance	568	266	113.5	199	114	74.6
Others	438	222	97.3	30	95	(68.4)
Total income	6,090	5,512	10.5	1,983	1,942	2.1
Less : Operating expenses						
Personnel cost	811	647	25.3	259	210	23.3
Depreciation	201	153	31.4	69	63	9.5
Amortisation of intangible assets	5	6	(16.7)	-	1	(100.0)
Directors' emoluments	2	2	-	-	-	-
Establishment expenses	2	8	(75.0)	1	1	-
Other operating expenses	1,010	776	30.2	410	234	75.2
Profit from operations before provision for taxation & possible losses	4,059	3,920	3.5	1,244	1,433	(13.2)
Provision charge/ (reversal) for bad and doubtful debts and fall in value of investments	825	(1,357)	(160.8)	411	126	226.2
Operating profit after provision for possible losses	3,234	5,277	(38.7)	833	1,307	(36.3)
Less: Value Added Tax on Financial Services	196	327	(40.1)	50	68	(26.5)
Profit before taxation	3,038	4,950	(38.6)	783	1,239	(36.8)
Income tax expense	971	1,573	(38.3)	242	396	(38.9)
Profit after taxation	2,067	3,377	(38.8)	541	843	(35.8)
Attributable to:						
Equity holders of the parent	2,039	3,350	(39.1)	534	832	(35.8)
Minority interest	28	27	3.7	7	11	(36.4)
Net profit for the period	2,067	3,377	(38.8)	541	843	(35.8)
Earnings per share (Basic/ Diluted) (Rs.)	1.24	2.66	(53.4)	0.32	0.61	(47.5)

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

BALANCE SHEET

As at	Group			Company		
	31.12.2012	31.03.2012	Growth	31.12.2012	31.03.2012	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Audited		Unaudited	Audited	
LIABILITIES & SHAREHOLDERS' FUNDS						
LIABILITIES						
Deposits from customers	12,347	8,684	42.2	2,740	-	100.0
Bank overdrafts	2,238	2,309	(3.1)	1,992	2,073	(3.9)
Other liabilities evidenced by paper	24,450	28,689	(14.8)	22,687	26,509	(14.4)
Total interest payable	3,862	3,220	19.9	3,274	2,754	18.9
Tax payable	272	279	(2.5)	185	225	(17.8)
Deferred tax liabilities	903	766	17.9	762	720	5.8
Borrowings	27,399	26,911	1.8	25,612	24,702	3.7
Other liabilities	4,880	4,495	8.6	2,825	2,370	19.2
Debentures	1,893	2,005	(5.6)	1,893	2,005	(5.6)
Total liabilities	78,244	77,358	1.1	61,970	61,358	1.0
SHAREHOLDERS' FUNDS						
Stated capital	12,958	12,958	-	12,958	12,958	-
General reserve	300	300	-	300	300	-
Tax equalisation fund	100	100	-	100	100	-
Reserve fund	793	654	21.3	654	565	15.8
Investment fund reserve	809	543	49.0	765	517	48.0
Retained earnings	3,410	3,948	(13.6)	3,092	3,830	(19.3)
	18,370	18,503	(0.7)	17,869	18,270	(2.2)
Minority interest	175	212	(17.5)	-	-	-
Total shareholders' funds	18,545	18,715	(0.9)	17,869	18,270	(2.2)
Total liabilities & shareholders' funds	96,789	96,073	0.7	79,839	79,628	0.3
ASSETS						
Cash and short term funds	2,214	2,693	(17.8)	1,213	1,338	(9.3)
Investments in government securities	1,598	1,563	2.2	-	-	-
Deposits with banks & financial institutions	1,179	896	31.6	136	393	(65.4)
Inventories	19	115	(83.5)	14	112	(87.5)
Dealing securities	207	112	84.8	54	29	86.2
Investment securities	305	305	-	305	305	-
Loans and other advances	7,255	5,580	30.0	5,377	4,170	28.9
Rentals receivable on lease	43,635	40,305	8.3	39,305	36,265	8.4
Rentals receivable on hire-purchase	30,961	34,291	(9.7)	28,003	31,007	(9.7)
Other accommodation	4,152	4,319	(3.9)	35	115	(69.6)
Deferred tax assets	-	1	(100.0)	-	-	-
Investment in subsidiaries	-	-	-	3,163	3,118	1.4
Investment in associate	-	-	-	-	-	-
Other assets	2,220	2,731	(18.7)	1,557	2,062	(24.5)
Property, plant & equipment	2,683	2,811	(4.6)	583	621	(6.1)
Investment property	-	-	-	56	56	-
Intangible assets	361	351	2.8	38	37	2.7
Total assets	96,789	96,073	0.7	79,839	79,628	0.3
Contingencies	1,549	377	310.9	1,534	352	335.8
Capital commitments	1,604	1,724	(7.0)	411	476	(13.7)
Net assets value per ordinary share (Rs.)	11.29	11.28	0.1	10.97	11.13	(1.4)
Memorandum Information						
Number of employees				1,082	1,050	
Number of branches				33	34	

CERTIFICATION

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 31st December 2012 and its profit for the nine months ended 31st December 2012.

(Sgd.)

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.

Approved and Signed for and on behalf of the Board:

(Sgd.)

Director

(Sgd.)

Director

(Sgd.)

Chief Executive Officer

30th January 2013

Colombo.

The above figures are provisional and subject to audit.

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	General Reserve	Tax Equalization Fund	Reserve Fund	Investment Fund Reserve	Retained Earnings	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2011	1,850	300	100	355	70	5,767	8,442
Redemption of preference shares	-	-	-	-	-	(100)	(100)
Capitalisation of reserves	4,088	-	-	-	-	(4,088)	-
Issue of share capital	7,020	-	-	-	-	-	7,020
Share issue expenses	-	-	-	-	-	(205)	(205)
Net profit for the nine months ended 31.12.2011	-	-	-	-	-	3,138	3,138
Transfer into / (out) from reserve	-	-	-	84	244	(328)	-
Dividends - Preference shares	-	-	-	-	-	(88)	(88)
- Ordinary shares	-	-	-	-	-	(855)	(855)
Balance as at 31.12.2011	12,958	300	100	439	314	3,241	17,352
Redemption of preference shares	-	-	-	-	-	(50)	(50)
Share issue expenses	-	-	-	-	-	(16)	(16)
Net profit for the three months ended 31.03.2012	-	-	-	-	-	1,069	1,069
Transfer into / (out) from reserve	-	-	-	126	203	(329)	-
Dividends - Preference shares	-	-	-	-	-	(85)	(85)
Balance as at 31.03.2012	12,958	300	100	565	517	3,830	18,270
Redemption of preference shares	-	-	-	-	-	(150)	(150)
Net profit for the nine months ended 31.12.2012	-	-	-	-	-	1,771	1,771
Transfer into / (out) from reserve	-	-	-	89	248	(337)	-
Dividends - Preference shares	-	-	-	-	-	(72)	(72)
- Ordinary shares	-	-	-	-	-	(1,950)	(1,950)
Balance as at 31.12.2012	12,958	300	100	654	765	3,092	17,869

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

STATEMENT OF CHANGES IN EQUITY - GROUP

	Attributable to Equity Holders of the Company						Minority Interest	Total	
	Stated Capital	General Reserve	Tax Equalization Fund	Reserve Fund	Investment Fund Reserve	Retained Earnings			Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.			Rs. Mn.
Balance as at 01.04.2011	1,850	300	100	376	70	5,686	8,382	100	8,482
Redemption of preference shares	-	-	-	-	-	(100)	(100)	-	(100)
Capitalisation of reserves	4,088	-	-	-	-	(4,088)	-	-	-
Issue of share capital	7,020	-	-	-	-	-	7,020	-	7,020
Share issue expenses	-	-	-	-	-	(209)	(209)	-	(209)
Disposals and changes in holding	-	-	-	-	-	-	-	65	65
Net profit for the nine months ended 31.12.2011	-	-	-	-	-	3,350	3,350	27	3,377
Transfer into/ (out) from reserves	-	-	-	112	262	(374)	-	-	-
Dividends - Preference shares	-	-	-	-	-	(88)	(88)	-	(88)
- Ordinary shares	-	-	-	-	-	(855)	(855)	(10)	(865)
Balance as at 31.12.2011	12,958	300	100	488	332	3,322	17,500	182	17,682
Redemption of preference shares	-	-	-	-	-	(50)	(50)	-	(50)
Share issue expenses	-	-	-	-	-	(15)	(15)	-	(15)
Disposal and changes in holding	-	-	-	-	-	-	-	18	18
Net profit for the three months ended 31.03.2012	-	-	-	-	-	1,153	1,153	12	1,165
Transfer into / (out) from reserve	-	-	-	166	211	(377)	-	-	-
Dividends - Preference shares	-	-	-	-	-	(85)	(85)	-	(85)
Balance as at 31.03.2012	12,958	300	100	654	543	3,948	18,503	212	18,715
Redemption of preference shares	-	-	-	-	-	(150)	(150)	-	(150)
Acquisition of minority interest	-	-	-	-	-	-	-	(44)	(44)
Net profit for the nine months ended 31.12.2012	-	-	-	-	-	2,039	2,039	28	2,067
Transfer into / (out) from reserve	-	-	-	139	266	(405)	-	-	-
Dividends - Preference shares	-	-	-	-	-	(72)	(72)	-	(72)
- Ordinary shares	-	-	-	-	-	(1,950)	(1,950)	(21)	(1,971)
Balance as at 31.12.2012	12,958	300	100	793	809	3,410	18,370	175	18,545

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

CASH FLOW STATEMENT

Nine months ended 31st December,	Group		Company	
	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.
Cash Flow from Operating Activities				
Interest and similar income	11,654	9,968	10,183	9,006
Interest and similar expenses	(6,750)	(5,731)	(5,577)	(5,016)
Net trading income from sale of vehicles	4	58	4	58
Fees and commission income	375	195	552	378
Income from Islamic credits	569	263	5	33
Other operating income	427	222	93	152
Cash payments to employees and suppliers	(1,824)	(1,801)	(1,789)	(1,762)
Operating profit before changes in operating assets and liabilities	4,455	3,174	3,471	2,849
(Increase)/decrease in other assets	488	(674)	414	(523)
Decrease in inventories	96	194	98	215
Net investment in advances	(2,167)	(26,938)	(1,756)	(21,170)
Increase in amounts payable	385	1,023	455	1,090
Net cash used for operations	3,257	(23,221)	2,682	(17,539)
Tax paid	(819)	(1,509)	(528)	(1,156)
Gratuity paid	(2)	(2)	(1)	(1)
Net cash flow from/ (used in) operating activities	2,436	(24,732)	2,153	(18,696)
Cash flow from Investing Activities				
Acquisition of property, plant & equipment	(204)	(344)	(121)	(296)
Investments in subsidiaries	-	-	(45)	(235)
Purchase of rights in subsidiaries	-	-	-	(503)
Investments in securities/dealing securities	(95)	(277)	(24)	-
Proceeds on sale of shares	-	-	-	-
Deposits with banks & financial institutions	(282)	(1,039)	256	(340)
Proceeds on disposal of property, plant & equipment	120	31	24	29
Dividend/ interest received	10	6	170	72
Net cash flow from/ (used in) investing activities	(451)	(1,623)	260	(1,273)
Cash flow from Financing Activities				
Proceeds form share issue	-	7,020	-	7,020
Proceeds from rights issue	-	65	-	-
Deposits from customers	3,663	3,891	2,740	-
Borrowings	(3,863)	14,998	(3,024)	13,074
Dividends paid	(2,043)	(953)	(2,022)	(943)
Redemption of preference shares	(150)	(100)	(150)	(100)
Net cash flow from/ (used in) financing activities	(2,393)	24,921	(2,456)	19,051
Net increase/ (decrease) in cash & cash equivalents	(408)	(1,434)	(43)	(918)
Cash & cash equivalents at the beginning of the period	384	971	(735)	(304)
Cash & cash equivalents at the end of the period	(24)	(463)	(778)	(1,222)
Analysis of Cash & Cash Equivalents at the End of the Period				
Cash in hand	484	434	153	60
Cash at bank	1,156	996	1,061	915
Bank overdraft	(2,239)	(2,939)	(1,992)	(2,507)
Deposit at call on short notice	574	1,046	-	310
	(24)	(463)	(778)	(1,222)

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

SEGMENTAL ANALYSIS - GROUP

	Advances & Leases		Sale of Imported Vehicles		Fee based Activities		Other Activities		Total	
	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.	2012 Rs. Mn.	2011 Rs. Mn.
For the nine months ended 31st December										
Revenue										
Interest and similar income	12,098	9,780	-	-	-	-	-	-	12,098	9,780
Trading income from sale of vehicles	-	-	139	777	-	-	-	-	139	777
Fees and commission income	-	-	-	-	375	195	-	-	375	195
Other operating income	-	-	-	-	-	-	1,036	662	1,036	662
Segment revenue	12,098	9,780	139	777	375	195	1,036	662	13,648	11,414
Inter segment revenue	7	1	(7)	(1)	-	-	-	-	-	-
Total segment revenue	12,105	9,781	132	776	375	195	1,036	662	13,648	11,414
Segment result									3,038	4,950
Income tax expenses									971	1,573
Net profit									2,067	3,377
Total assets	85,797	81,034	986	6,441	2,659	1,619	7,347	5,476	96,789	94,570
Total liabilities	69,358	65,881	797	5,237	2,150	1,317	5,939	4,452	78,244	76,887

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

INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

Market Prices per ordinary share for the quarter ended 31st December 2012 were as follows;

	<u>Rs.</u>
Highest :	14.00
Lowest :	10.50
Closing :	13.20

Stated Capital

Stated Capital as at 31st December 2012 was represented by the number of shares in issue as given below;

	<u>Number</u>	<u>Rs.</u>
Ordinary shares		
Ordinary shares as at 31st December 2012	1,560,000,160	11,608,000,800
Fully paid cumulative redeemable preference shares	75,000,000	1,350,000,000
Total	<u><u>1,635,000,160</u></u>	<u><u>12,958,000,800</u></u>

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 31st December 2012

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

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,172,766,337	75.18
2	Employees' Provident Fund	61,884,490	3.97
3	National Savings Bank	58,809,840	3.77
4	Distilleries Company of Sri Lanka PLC	24,517,300	1.57
5	HSBC INTL Nominees Ltd- Credit Suisse AG Zurich	18,000,000	1.15
6	HSBC INTL NOM Ltd JPMCB-J.P. Morgan Clearing Corp	14,176,666	0.91
7	Bank of Ceylon No. 1 Account	11,453,600	0.73
8	HSBC International Nominees Limited-SSBT The Ashmoreemm Umbrella Funds Trust	10,797,914	0.69
9	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.64
10	Sanasa Development Bank Limited	9,864,800	0.63
11	Capital Alliance Holdings Ltd	9,295,200	0.60
12	Ceylon Guardian Investment Trust PLC A/C # 01	8,640,800	0.55
13	Ceylon Investment PLC A/C # 01	6,954,891	0.45
14	Sampath Bank Limited A/C No. 1	5,901,600	0.38
15	Mr . D. P. Kumarage	5,000,000	0.32
16	Gampaha District Co-operative Rural Bank Union Ltd.	4,921,800	0.32
17	NDB Capital Holdings PLC	3,288,800	0.21
18	HSBC INTL NOM Ltd- Jpmire-GAM Star Fund PLS	3,000,000	0.19
19	David Pieris Motor Company Limited	2,300,000	0.15
20	Ms. N.T.M.S. Cooray	1,786,500	0.11

Public Holdings

The percentage of ordinary shares held by the public as at 31st December 2012 was 24.42%.

Directors'/ CEO's Holding in Shares as at 31st December 2012

The number of ordinary shares held by the directors and CEO as at 31st December 2012 was as follows;

Name	Position	No. of Shares
Mr. Weraduwa Karunajeewa	Chairman	-
Seylan Bank PLC/ Dr. Don Joseph Douglas Jayakody	Director	50,000
Mr. Hennek Gedara Wajira Swarna Sri Bandara	Director	-
Mr. Namasivayam Vasantha Kumar	Director	1,000,000
Mr. Palihawadana Arachchige Irenius Sirinimal Perera	Director	20,000
Mrs. Manoli Gonaduwa Jinadasa	Director	-
Mr. Don Padmasiri Kumarage	CEO	5,000,000

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 2011/12. The presentation and the classification of the financial statements of the previous period have been adjusted where relevant to conform to the current presentation.
2. The Interim Financial Statements for the nine months ended 31st December 2012 are drawn up from unaudited accounts of the Company, its subsidiary companies and its associate.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standards 35: 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. According to the new ruling issued by the Institute of Chartered Accountants of Sri Lanka, Companies are required to prepare interim financial statements as per LKAS 34 for financial periods beginning on or after 1st January 2012. However, the Institute of Chartered Accountants of Sri Lanka has allowed Companies to prepare interim financial statements during the first financial year commencing on or after 1st January 2012 in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 1st January 2012, with disclosures on the impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/ LKAS.

The Company is in the process of quantifying the impact to the Net Assets as well as to the Statement of Comprehensive Income for the period based on SLFRS/ LKAS, which will be disclosed in future reporting.

5. The consolidated Financial Statements of the Company comprises of the Company and its subsidiaries: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Finance PLC, People's Insurance Limited, People's Leasing Havelock Properties Limited, People's Microfinance Limited and the Group's interest in its associate: City Finance Corporation Limited (formerly known as Industrial Finance Limited).
6. All known expenses including management fees and similar expenses have been provided for in these financial statements.
7. There has been no significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2012.
8. The Company did not raise funds through a share issue, rights issue or debenture issue during the period ended 31st December 2012.
9. In June 2011, upon the continuous review of lending portfolio, the remaining general provision of Rs. 1,611,476,404/- was reversed to the Income Statement due to continuous increase in the quality of the Company's lending portfolio and the improved economic conditions of the country in all key sectors including leasing industry and low exposure to market risk. (nine months period ended 31st December 2012- Nil)
10. During the nine months ended 31st December 2012 the Company redeemed 15,000,000 preference shares (5,000,000 on 30th April 2012, 5,000,000 on 30th September 2012 and 5,000,000 on 31st October 2012) at Rs. 10/- each. The Company also paid a preference dividend of Rs. 72,250,000/- on the 31st of October 2012.
11. Pursuant to the approval given by the shareholders of the Company at the 16th Annual General Meeting held on the 29th of June 2012, the Company paid a final dividend of Rs. 0.50 per ordinary share on the 11th of July 2012 for the financial year ended 31st March 2012.
12. On the 5th of April 2012 the Company received a sum of Rs. 10,823,199/- from People's Insurance Limited, a subsidiary of the Company, as the final dividend of Rs. 0.20 per share for the financial year 2011.
13. On the 29th of June 2012, People's Finance PLC, a subsidiary of the Company, paid a sum of Rs. 186,442,448/- as the interim dividend of Rs. 2.50 per share for the financial year 2012/2013. Accordingly, the Company has received a net dividend of Rs. 148,975,388/-.
14. Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2012.

15. Basic earnings per share is calculated by dividing the net profit attributable to equity holders after deducting the accrued preference dividend for the period by the weighted average number of ordinary shares in issue during the period. As required by the Sri Lanka Accounting Standard 34 (Revised 2005) on "Earnings per Share" the weighted average number of ordinary shares outstanding during the period and the corresponding period were adjusted on account of the events that have changed the number of ordinary shares outstanding without a corresponding change in the resources, such as share splits. Furthermore, in accordance with paragraph 20 of SLAS 34, which allows companies to use a reasonable approximation of the weighted average number of ordinary shares, the Company has considered 30th November 2011 as the date on which funds were received from the IPO in calculating the weighted average number of shares for the nine months ended 31st December 2011.

The following table illustrates the earnings and number of shares used in the basic and diluted earnings per share calculation

<i>Group</i>	2012		2011	
	April to Dec	Oct to Dec	April to Dec	Oct to Dec
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Net profit attributable to equity holders of the parent	2,039	534	3,350	832
Less: Preference dividend	106	33	128	41
Net profit attributable to ordinary shareholders for basic and diluted	1,933	501	3,222	791
Weighted average number of ordinary shares in issue applicable to basic	1,560	1,560	1,213	1,300
Basic and Diluted earnings per share (Rs.)	1.24	0.32	2.66	0.61

<i>Company</i>	2012		2011	
	April to Dec	Oct to Dec	April to Dec	Oct to Dec
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Net profit attributable to equity holders of the parent	1,771	437	3,138	695
Less: Preference dividend	106	33	128	41
Net profit attributable to ordinary shareholders for basic and diluted	1,665	404	3,010	654
Weighted average number of ordinary shares in issue applicable to basic	1,560	1,560	1,213	1,300
Basic and Diluted earnings per share (Rs.)	1.07	0.26	2.48	0.50

16. On the 5th of July 2012, Fitch Ratings Lanka upgraded the Company's National Long-Term rating to 'AA-(lka)' from 'A+(lka)'; Stable Outlook.
17. On the 18th of July 2012 Fitch Ratings has assigned the Company, Long Term Foreign and Local Currency Issuer Default Ratings (IDRs) of "B+" with a Stable Outlook. Moreover, Standard & Poor's Rating Services has also assigned "B+" Long Term and "B" Short Term issuer credit ratings to the Company. The outlook on the long-term rating is stable.
18. At the Extraordinary General Meeting held on the 27th of September 2012 shareholders approved the adoption of the new Articles of Association and the change of name of the Company from "People's Leasing Company PLC" to "People's Leasing & Finance PLC".
19. Upon application made to the Monetary Board of the Central Bank of Sri Lanka on the 12th of June 2012, the Company received the license to conduct finance business under the finance business Act No. 42 of 2011 on the 12th of November 2012. Accordingly, the Company officially commenced business as a licensed finance company under its new name People's Leasing & Finance PLC on the 5th of December 2012.
20. As a condition to the issue of Finance Business License, the Monetary Board has required the Company to merge with People's Finance PLC. Accordingly, the Company will initiate steps for People's Finance PLC to merge with the Company and will endeavour to complete such merger by 1st April 2013, subject to receiving all approvals required thereof.
21. On the 21st of December 2012, the Company paid an interim dividend of Rs.0.75 per share for the financial year 2012/13 and the total dividend paid amounted to Rs. 1,170,000,120/-
22. The Company purchased 1,300,092 shares of People's Finance PLC during the quarter increasing its holding to 90.45%
23. There have been no material events subsequent to the balance sheet date, which require adjustments to or disclosures in the interim financial statements.

SELECTED PERFORMANCE INDICATORS

	Company	
	As at 31.12.2012	As at 31.03.2012
Asset Quality (Rs. Mn)		
Total Accommodations (Net of interest in suspense)	73,894	72,122
Net Total Accommodation (Net of provision for bad and doubtful debts & interest in suspense)	72,720	71,540
Non- Performing Accommodations (Net of interest in suspense)	867	466
Gross Non-Performing Advances Ratio (%)	1.17	0.65
Net Non-Performing Advances Ratio (%)	-0.42	-0.16
Capital Adequacy		
Core Capital (Tier1 Capital) - Rs. Mn **	15,336	15,552
Total Capital Base - Rs.Mn **	14,946	15,552
Core Capital to Risk Weighted Assets Ratio (Minimum 5%) **	19.42%	25.50%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%) **	18.92%	25.50%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) ***	608.71%	-
Profitability (Annualized)		
Interest Margin	8.32%	10.02%
Return on Assets (before Tax)	4.25%	8.83%
Return on Equity	12.88%	32.62%
Debt Security Related Ratios		
Debt Equity Ratio (Times)	*4.59	3.23
Interest Cover (Times)	1.42	1.97

* Until December 2012 People's Leasing & Finance PLC was operated as a leasing establishment and hence the gearing ratio was calculated according to the Finance Leasing (Gearing Ratio) Direction No. 02 of 2012.

** Figures as at 31/03/2012 has been computed as per the Finance Leasing (Capital Adequacy Ratio) Direction No. 01 of 2011 where as the figures as at 31/12/2012 has been computed as per the Finance Companies (Risk Weighted Capital Adequacy Ratio) Direction No: 02 of 2006.

*** The Company started accepting fixed deposits after it commenced commercial operations as a finance establishment on the 5th of December 2012. Hence Capital Funds to Total Deposit Liabilities Ratio was not existed as at 31/03/2012.