

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the three months ended 30th June 2016



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STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.06.2016 Rs. Mn. Unaudited*	31.03.2016 Rs. Mn. Audited	Change %	30.06.2016 Rs. Mn. Unaudited*	31.03.2016 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	2,891	3,207	(9.9)	3,261	3,556	(8.3)
Balances with banks & financial institutions	80	847	(90.6)	1,610	2,543	(36.7)
Financial assets held-for-trading	215	212	1.4	527	527	-
Loans and receivables	115,020	109,872	4.7	116,475	111,156	4.8
Insurance and reinsurance receivables	-	-	-	477	206	131.6
Financial investments – Available-for-sale	473	500	(5.4)	1,770	1,740	1.7
Financial investments – Held-to-maturity	4,887	4,930	(0.9)	4,887	4,930	(0.9)
Investments in subsidiaries	1,875	1,875	-	-	-	-
Investments in associates	586	586	-	542	550	(1.5)
Property, plant and equipment	1,179	1,121	5.2	4,350	4,210	3.3
Goodwill and intangible assets	327	330	(0.9)	328	333	(1.5)
Investment property	91	91	-	-	-	-
Other assets	2,731	765	257.0	3,008	1,335	125.3
Total assets	130,355	124,336	4.8	137,235	131,086	4.7
Liabilities						
Due to banks	33,038	26,432	25.0	34,701	28,060	23.7
Due to customers	34,875	33,836	3.1	34,685	33,677	3.0
Debt securities issued	31,726	34,388	(7.7)	31,618	34,284	(7.8)
Other financial liabilities	3,293	2,731	20.6	3,352	2,888	16.1
Insurance and reinsurance payable	-	-	-	3,369	3,182	5.9
Current tax liabilities	1,051	938	12.0	1,117	1,018	9.7
Deferred tax liabilities	1,822	1,820	0.1	1,836	1,841	(0.3)
Other liabilities	1,592	1,419	12.2	1,630	1,466	11.2
Total liabilities	107,397	101,564	5.7	112,308	106,416	5.5
Equity						
Capital	13,186	13,136	0.4	13,186	13,136	0.4
Statutory reserve fund	1,472	1,421	3.6	1,472	1,421	3.6
Retained earnings	7,806	7,683	1.6	8,782	8,600	2.1
Other reserves	494	532	(7.1)	475	510	(6.9)
Total Equity attributable to equity holders of the Company	22,958	22,772	0.8	23,915	23,667	1.0
Non-controlling interest	-	-	-	1,012	1,003	0.9
Total Equity	22,958	22,772	0.8	24,927	24,670	1.0
Total liabilities and equity	130,355	124,336	4.8	137,235	131,086	4.7
Contingencies	786	783	0.4	786	783	0.4
Commitments	2,728	1,569	73.9	3,311	2,167	52.8
Net assets value per ordinary share (Rs.)	14.53	14.41	0.8	15.14	14.98	1.1

CERTIFICATION

We certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 30th June 2016 and its profit for the three months ended 30th June 2016.

(sgd.)

Sanjeewa Bandaranayake

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.)

D.P. Kumarage

Chief Executive Officer

(sgd.)

Hemasiri Fernando

Chairman

27th July 2016

Colombo.

(sgd.)

J.A. Fernando

Director

* The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

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STATEMENT OF PROFIT OR LOSS

For the three months ended 30th June	Company			Group		
	2016 Rs. Mn. Unaudited*	2015 Rs. Mn. Unaudited*	Change %	2016 Rs. Mn. Unaudited*	2015 Rs. Mn. Unaudited*	Change %
Interest income	4,819	4,519	6.6	4,990	4,609	8.3
Less: Interest expense	2,396	1,987	20.6	2,419	2,011	20.3
Net interest income	2,423	2,532	(4.3)	2,571	2,598	(1.0)
Net earned premiums	-	-	-	857	767	11.7
Net fee and commission income	244	211	15.6	128	106	20.8
Net trading income	(3)	6	(150.0)	5	17	(70.6)
Other operating income	147	72	104.2	158	101	56.4
Total operating income	2,811	2,821	(0.4)	3,719	3,589	3.6
Less: Impairment charges for loans and receivables	(13)	298	(104.4)	(1)	309	(100.3)
Net operating income	2,824	2,523	11.9	3,720	3,280	13.4
Less:						
Personnel expenses	610	423	44.2	689	487	41.5
Depreciation of property, plant and equipment	48	50	(4.0)	71	70	1.4
Amortisation and impairment of intangible assets	3	1	200.0	3	1	200.0
Benefits, claims and underwriting expenditure	-	-	-	621	521	19.2
Other operating expenses	587	507	15.8	608	494	23.1
Total operating expenses	1,248	981	27.2	1,992	1,573	26.6
Operating profit before value added tax (VAT) on financial service	1,576	1,542	2.2	1,728	1,707	1.2
Less: Value added tax (VAT) on financial services	167	108	54.6	172	111	55.0
Operating profit after value added tax (VAT) on financial services	1,409	1,434	(1.7)	1,556	1,596	(2.5)
Share of profit/(loss) of an associate	-	-	-	(8)	-	-
Profit before income tax	1,409	1,434	(1.7)	1,548	1,596	(3.0)
Less: Income tax expense	395	428	(7.7)	436	486	(10.3)
Profit for the period	1,014	1,006	0.8	1,112	1,110	0.2
Profit Attributable to :						
Equity holders	1,014	1,006	0.8	1,074	1,110	(3.2)
Non-controlling interest	-	-	-	38	-	-
Profit for the period	1,014	1,006	0.8	1,112	1,110	0.2
Basic/Diluted earnings per ordinary share (Rs.)	0.64	0.64	0.8	0.70	0.70	0.2

* The above figures are provisional and subject to audit.

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STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	Company			Group		
	2016 Rs. Mn. Unaudited*	2015 Rs. Mn. Unaudited*	Change %	2016 Rs. Mn. Unaudited*	2015 Rs. Mn. Unaudited*	Change %
Profit for the period	1,014	1,006	0.8	1,112	1,110	0.2
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 and losses on derivative financial assets	-	2	(100.0)	-	2	(100.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	(38)	82	(146.3)	(35)	84	(141.7)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(38)	84	(145.2)	(35)	86	(140.7)
<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	(38)	84	(145.2)	(35)	86	(140.7)
Total comprehensive income for the period	976	1,090	(10.5)	1,077	1,196	(9.9)
Profit Attributable to :						
Equity holders	976	1,090	(10.5)	1,076	1,196	(10.0)
Non-controlling interest	-	-	-	1	-	-
Profit for the period	976	1,090	(10.5)	1,077	1,196	(9.9)

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STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital	Statutory Reserve Fund	Other Reserves					Cash Flow Hedge Reserve	Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Investment Fund	Revaluation Reserve	Available for Sale Reserve			
Balance as at 01.04.2015	12,936	1,204	300	100	-	-	99	7	6,490	21,136
Total comprehensive income for the three months ended 30.06.2015										
Profit for the three months ended 30.06.2015	-	-	-	-	-	-	-	-	1,006	1,006
Other comprehensive income (net of tax)	-	-	-	-	-	-	82	2	-	84
Total comprehensive income for the three months ended 30.06.2015	-	-	-	-	-	-	82	2	1,006	1,090
Transactions with equity holders, recognised directly in equity										
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)	-
Transfers to reserves during the period	-	50	-	-	-	-	-	-	(50)	-
Dividend paid	-	-	-	-	-	-	-	-	(790)	(790)
Total transactions with equity holders	50	50	-	-	-	-	-	-	(890)	(790)
Balance as at 30.06.2015	12,986	1,254	300	100	-	-	181	9	6,606	21,436
Balance as at 01.04.2016	13,136	1,421	300	100	-	7	125	-	7,683	22,772
Total comprehensive income for the three months ended 30.06.2016										
Profit for the three months ended 30.06.2016	-	-	-	-	-	-	-	-	1,014	1,014
Other comprehensive income (net of tax)	-	-	-	-	-	-	(38)	-	-	(38)
Total comprehensive income for the three months ended 30.06.2016	-	-	-	-	-	-	(38)	-	1,014	976
Transactions with equity holders, recognised directly in equity										
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)	-
Transfers to reserves during the period	-	51	-	-	-	-	-	-	(51)	-
Dividend paid	-	-	-	-	-	-	-	-	(790)	(790)
Total transactions with equity holders	50	51	-	-	-	-	-	-	(891)	(790)
Balance as at 30.06.2016	13,186	1,472	300	100	-	7	87	-	7,806	22,958

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

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STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital Rs. Mn.	Statutory Reserve Fund Rs. Mn.	Other Reserves					Retained Earnings Rs. Mn.	Total Rs. Mn.	Non- controlling Interest Rs. Mn.	Total Equity Rs. Mn.
			General Reserve Rs. Mn.	Tax Equalisation Fund Rs. Mn.	Investment Fund Rs. Mn.	Available for Sale Reserve Rs. Mn.	Cash Flow Hedge Reserve Rs. Mn.				
Balance as at 01.04.2015	12,936	1,204	300	100	-	102	7	7,404	22,053	-	22,053
Total comprehensive income for the three months ended 30.06.2015											
Profit for the three months ended 30.06.2015	-	-	-	-	-	-	-	1,110	1,110	-	1,110
Other comprehensive income (net of tax)	-	-	-	-	-	84	2	-	86	-	86
Total comprehensive income for the three months ended 30.06.2015	-	-	-	-	-	84	2	1,110	1,196	-	1,196
Transactions with equity holders, recognised directly in equity											
Transfer from preference shares on redemption	50	-	-	-	-	-	-	(50)	-	-	-
Transfers to reserves during the period	-	50	-	-	-	-	-	(50)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)	-	(790)
Total transactions with equity holders	50	50	-	-	-	-	-	(890)	(790)	-	(790)
Balance as at 30.06.2015	12,986	1,254	300	100	-	186	9	7,624	22,459	-	22,459
Balance as at 01.04.2016	13,136	1,421	300	100	-	110	-	8,600	23,667	1,003	24,670
Total comprehensive income for the three months ended 30.06.2016											
Profit for the three months ended 30.06.2016	-	-	-	-	-	-	-	1,074	1,074	38	1,112
Other comprehensive income (net of tax)	-	-	-	-	-	(35)	-	(1)	(36)	1	(35)
Total comprehensive income for the three months ended 30.06.2016	-	-	-	-	-	(35)	-	1,073	1,038	39	1,077
Transactions with equity holders, recognised directly in equity											
Transfer from preference shares on redemption	50	-	-	-	-	-	-	(50)	-	-	-
Transfers to reserves during the period	-	51	-	-	-	-	-	(51)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(790)	(790)	(30)	(820)
Total transactions with equity holders	50	51	-	-	-	-	-	(891)	(790)	(30)	(820)
Balance as at 30.06.2016	13,186	1,472	300	100	-	75	-	8,782	23,915	1,012	24,927

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Figures in brackets indicate deductions.

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STATEMENT OF CASH FLOWS

For the three months ended 30th June	Company		Group	
	2016 Rs. Mn. Unaudited	2015 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited	2015 Rs. Mn. Unaudited
Cash flows from operating activities				
Profit before tax	1,409	1,434	1,556	1,596
Adjustment for:				
Non-cash items included in profit before tax	312	347	376	368
Change in operating assets	(6,573)	(1,192)	(6,647)	(1,285)
Change in operating liabilities	1,750	172	1,768	190
Dividend income from investments	(103)	(35)	(22)	(10)
Gratuity paid	(2)	(1)	(2)	(1)
Tax paid	(266)	(205)	(298)	(205)
Net cash (used in) operating activities	(3,473)	520	(3,269)	653
Cash flows from investing activities				
Purchase of property, plant and equipment	(107)	(14)	(209)	(43)
Proceeds from the sale of property, plant and equipment	7	3	7	3
Improvement of investment property	-	(4)	-	(4)
Dividend received from investments	103	35	22	10
Net cash (used in) investing activities	3	20	(180)	(34)
Cash flows from financing activities				
Net borrowings	3,546	(1,234)	3,540	(1,259)
Dividend paid to shareholders	(790)	-	(820)	-
Redemption of preference shares	(50)	(50)	(50)	(50)
Net cash generated from/(used in) financing activities	2,706	(1,284)	2,670	(1,309)
Net increase/(decrease) in cash & cash equivalents	(764)	(744)	(779)	(690)
Cash and cash equivalents at the beginning of the period	3,206	2,808	3,179	3,014
Cash and cash equivalents at the end of the period	2,442	2,064	2,400	2,324
Cash and cash equivalents	2,891	2,278	3,261	2,615
Bank overdraft	(449)	(214)	(861)	(291)
	2,442	2,064	2,400	2,324

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 2016	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	2,891	-	2,891
Balances with banks & financial institutions	-	-	80	-	80
Financial investments - Held-for-trading	215	-	-	-	215
Loans and receivables	-	-	115,020	-	115,020
Financial investments - Available-for-sale	-	-	-	473	473
Financial investments - Held-to maturity	-	4,887	-	-	4,887
Other financial assets	-	-	154	-	154
Total financial assets	215	4,887	118,145	473	123,720

As at 30th June 2016	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	33,038	33,038
Due to customers	-	34,875	34,875
Debt Securities issued	-	31,726	31,726
Other Financial liabilities	-	3,293	3,293
Total financial liabilities	-	102,932	102,932

Company					
As at 31st March 2016	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,207	-	3,207
Balances with banks & financial institutions	-	-	847	-	847
Financial investments - Held-for-trading	212	-	-	-	212
Loans and receivables	-	-	109,872	-	109,872
Financial investments - Available-for-sale	-	-	-	500	500
Financial investments - Held-to maturity	-	4,930	-	-	4,930
Other financial assets	-	-	146	-	146
Total financial assets	212	4,930	114,072	500	119,714

As at 31st March 2016	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	26,432	26,432
Due to customers	-	33,836	33,836
Debt Securities issued	-	34,388	34,388
Other Financial liabilities	-	2,731	2,731
Total financial liabilities	-	97,387	97,387

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group					
As at 30th June 2016	FVTPL	HTM	L & R	AFS	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,261	-	3,261
Balances with banks & financial institutions	-	-	1,610	-	1,610
Financial investments - Held-for-trading	527	-	-	-	527
Loans and receivables	-	-	116,475	-	116,475
Financial investments - Available-for-sale	-	-	-	1,770	1,770
Financial investments - Held-to maturity	-	4,887	-	-	4,887
Total financial assets	527	4,887	121,346	1,770	128,530

As at 30th June 2016	FVTPL	Other Financial Liabilities at amortized cost	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.
LIABILITIES			
Due to banks	-	34,701	34,701
Due to customers	-	34,685	34,685
Debt Securities issued	-	31,618	31,618
Other Financial liabilities	-	3,352	3,352
Total financial liabilities	-	104,356	104,356

Group					
As at 31st March 2016	FVTPL	HTM	L & R	AFS	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,556	-	3,556
Balances with banks & financial institutions	-	-	2,543	-	2,543
Financial investments - Held-for-trading	527	-	-	-	527
Loans and receivables	-	-	111,156	-	111,156
Financial investments - Available-for-sale	-	-	-	1,740	1,740
Financial investments - Held-to maturity	-	4,930	-	-	4,930
Total financial assets	527	4,930	117,255	1,740	124,452

As at 31st March 2016	FVTPL	Other Financial Liabilities at amortized cost	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.
LIABILITIES			
Due to banks	-	28,060	28,060
Due to customers	-	33,677	33,677
Debt Securities issued	-	34,284	34,284
Other Financial liabilities	-	2,888	2,888
Total financial liabilities	-	98,909	98,909

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SEGMENTAL ANALYSIS - GROUP

For the three months ended 30th June	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.
Interest income	2,996	3,318	1,532	975	242	196	111	68	166	111	(57)	(59)	4,990	4,609
Net earned premiums	-	-	-	-	-	-	887	799	-	-	(30)	(32)	857	767
Net fee and commission income	160	161	82	47	13	10	-	-	69	69	(196)	(181)	128	106
Net trading income	-	-	-	-	-	-	8	11	(3)	6	-	-	5	17
Other operating income	94	53	48	16	8	3	31	16	79	58	(102)	(45)	158	101
Gross revenue	3,250	3,532	1,662	1,038	263	209	1,037	894	311	244	(385)	(317)	6,138	5,600
Interest expenses	1,466	1,449	749	426	118	86	-	-	142	100	(56)	(50)	2,419	2,011
Total Operating income	1,784	2,083	913	612	145	123	1,037	894	169	144	(329)	(267)	3,719	3,589
Credit losses	(131)	324	120	(17)	10	2	-	-	-	-	-	-	(1)	309
Net operating income	1,915	1,759	793	629	135	121	1,037	894	169	144	(329)	(267)	3,720	3,280
Depreciation	34	41	18	12	4	4	4	3	3	-	11	11	74	71
Segment result	907	1,045	464	307	73	62	287	265	88	72	(91)	(44)	1,728	1,707
VAT on financial services													172	111
Share of profit/(loss) of an associate (net of tax)													(8)	-
Income tax expenses													436	486
Profit attributable to equity holder													1,112	1,110
As at 30th June														
Segment Assets	78,609	83,057	41,418	25,071	9,657	7,998	6,385	4,992	6,302	845	(5,136)	(4,546)	137,235	117,417
Total Assets	78,609	83,057	41,418	25,071	9,657	7,998	6,385	4,992	6,302	845	(5,136)	(4,546)	137,235	117,417
Segment Liabilities	64,220	66,583	33,837	20,098	7,889	6,412	3,986	3,475	5,148	677	(2,772)	(2,287)	112,308	94,958
Total Liabilities	64,220	66,583	33,837	20,098	7,889	6,412	3,986	3,475	5,148	677	(2,772)	(2,287)	112,308	94,958

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

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INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

	2016 Rs.	2015 Rs.
Highest price during the quarter ended 30th June :	22.10	24.90
Lowest price during the quarter ended 30th June :	15.80	22.30
Closing price as at 30th June :	17.90	23.30

Issued Capital

Issued Capital as at 30th June 2016 was represented by the number of shares in issue as given below;

	As at 30th June 2016		As at 30th June 2015	
	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	-	1,300,000,000	-	1,100,000,000
Total	1,579,862,482	13,186,073,308	1,579,862,482	12,986,073,308

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SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 30th June 2016

Twenty largest ordinary shareholders of the Company as at 30th June 2016 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	Peoples Bank	1,184,896,862	75.00
2	Employees Provident Fund	85,118,846	5.39
3	BNYM SA/NV-Neon Liberty Lorikeet Master Fund LP	63,069,853	3.99
4	National Savings Bank	43,668,157	2.76
5	Citi Bank Newyork S/A Norges Bank Account 2	23,775,303	1.50
6	Bank of Ceylon No. 1 Account	11,453,600	0.72
7	AIA Insurance Lanka PLC A/C No.07	5,476,721	0.35
8	BNYM SA/NV-Frontier Market Opportunities Master FD,L.P.	5,104,500	0.32
9	Ceylon Investment PLC A/C # 01	4,954,891	0.31
10	BNYM SA/NV-NLCF Fund LP	4,916,003	0.31
11	Sri Lanka Insurance Corporation Ltd-General Fund	4,033,000	0.26
12	Union Assurance PLC/No-01A/C	3,821,672	0.24
13	Deutsche Bank AG as Trustee to Candor Growth Fund	2,388,804	0.15
14	Employees Trust Fund Board	2,356,087	0.15
15	Deutsche Bank AG as Trustee to Candor Opportunities Fund	2,000,000	0.13
16	Caceis Bank Luxembourg-Intereffekt Investments Funds N.V.	1,887,743	0.12
17	Akbar Brothers Pvt Ltd A/C No 1	1,847,829	0.12
18	Union Assurance PLC/Account No. 05 (Unit-Linked Life Insurance Fund-Equity Tracker Fund)	1,617,917	0.10
19	Mr. Merrill Joseph Fernando	1,600,000	0.10
20	Seylan Bank PLC/Lasantha Chandika Ranaweera Pathirana	1,550,000	0.10

Public Holding

The percentage of ordinary shares held by the public as at 30th June 2016 was 24.82% and the number of shareholders representing the public holding was 9,388.

Directors/ CEO's Holding in Shares as at 30th June 2016

The number of ordinary shares held by the directors and CEO as at 30th June 2016 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. N. Vasantha Kumar	Director	1,000,000
Mr. Johnson Anthony Fernando	Director	-
Mr. Mohamed Anise Mohamed Rizwan	Director	-
Mr. Rathnayake Mudiyansele Jayasena	Director	-
Dr. Ali Asgar Shabbir Gulamhusein	Director	110,000
Mr. Don Padmasiri Kumarage	CEO	708,258

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 2015/16.
2. The Interim Financial Statements for the three months ended 30th June 2016 are drawn up from unaudited accounts of the Company, its subsidiary companies: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance PLC, People's Leasing Havelock Properties Limited, People's Microfinance Limited and its associate: People's Merchant Finance PLC.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
5. During the three months ended 30th June 2016 the Company redeemed 5,000,000 preference shares at Rs. 10/- each on 30th April 2016.
6. On 15th May 2016 People's Leasing & Finance PLC has entered into an agreement with Alliance Leasing and Finance Company Limited ("ALFCL"), a company incorporated in Bangladesh proposing to carry on the finance business under the Financial Institution Act, 1993 of Bangladesh, for the acquisition of 51,000,000 Ordinary Shares, being 51% of the total issued capital of ALFCL. As the majority shareholder of ALFCL, the Company will have an entitlement to nominate a majority of the Directors of ALFCL.
7. In June 2016 the Company received Rs. 81,527,631/- from People's Insurance PLC as the final dividend for the financial year 2015.
8. The Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2015/16 on 11th July 2016.
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 2016 which were disclosed in the Annual Report for the year ended 31st March 2016.

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Market Prices for the quarter ended 30th June 2016

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
2013 - 4 Years - 16.50% p.a. payable semi-annually			Has not been traded
2013 - 5 Years - 16.75% p.a. payable semi-annually			Has not been traded
2013 - 5 Years - 17.00% p.a. payable annually			Has not been traded
2014 - 3 Years - 8.75% p.a. payable annually			Has not been traded
2014 - 4 Years - 9.63% p.a. payable annually			Has not been traded
2015 - 4 Years - 9.60% p.a. payable semi-annually			Has not been traded
2015 - 5 Years - 9.95% p.a. payable annually			Has not been traded

Interest Rates

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
2013 - 4 Years - 16.50% p.a. payable semi annually	16.50	17.18
2013 - 5 Years - 16.75% p.a. payable semi annually	16.75	17.45
2013 - 5 Years - 17.00% p.a. payable annually	17.00	17.00
2014 - 3 Years - 8.75% p.a. payable annually	8.75	8.75
2014 - 4 Years - 9.63% p.a. payable annually	9.63	9.63
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60	9.83
2015 - 5 Years - 9.95% p.a. payable annually	9.95	9.95

Interest Rates of Comparable Government Securities

6 Months Treasury Bill	9.83%
1 Year Treasury Bill	10.55%
2 Year Treasury Bond	11.42%
3 Year Treasury Bond	11.51%
4 Year Treasury Bond	12.11%
5 Year Treasury Bond	11.97%

(Above rates are excluding 10% withholding tax)

Current Yield & Yield to Maturity

Debenture Type	Current Yield (%)	Yield to Maturity (%)
2013 - 4 Years - 16.50% p.a. payable semi-annually	14.90%	9.51%
2013 - 5 Years - 16.75% p.a. payable semi-annually	14.11%	9.42%
2013 - 5 Years - 17.00% p.a. payable annually	13.84%	8.77%
2014 - 3 Years - 8.75% p.a. payable annually	8.59%	7.97%
2014 - 4 Years - 9.63% p.a. payable annually	9.27%	8.36%
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60%	9.60%
2015 - 5 Years - 9.95% p.a. payable annually	9.95%	9.95%

Ratios

	As at 30.06.2016	As at 31.03.2016
Debt to Equity Ratio (Times)	2.83	2.68
Interest Cover (Times)	1.59	1.77
Quick Asset Ratio (%)	79.41	78.41

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

	Immediate Parent		Subsidiaries		Affiliates	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
Transactions with Related entities						
Company						
The Company had the under mentioned financial dealings during the period with the following related entities.						
Items in Statement of Profit or Loss						
Interest income	119,526	65,247	3,624	1,654	-	-
Interest expense	93,355	105,702	50,076	58,049	-	-
Fee & Commission income	343	1,007	134,309	109,690	-	-
Other operating income	-	-	100,544	44,391	-	-
Benefits, claims and underwriting expenditure	-	-	26,598	29,154	-	-
Other operating expenses	7,848	7,525	61,671	61,671	-	-
Items in Statement of Financial Position						
Assets						
Cash and cash equivalents	1,450,247	1,275,054	-	-	-	-
Balances with banks & financial institutions	79,964	75,373	-	-	-	-
Loans and receivables	6,851	49,856	1,700,741	1,458,373	-	-
Financial investments - Held-to-maturity	3,442,052	3,831,353	-	-	-	-
Investments in subsidiaries	-	-	1,875,000	1,875,000	586,427	205,160
Other assets	15,769	-	154,497	165,712	-	-
Liabilities						
Due to banks	11,648,360	5,993,701	-	-	-	-
Due to customers	-	-	190,365	94,737	-	-
Debt Securities issued	1,065,714	1,065,714	108,277	108,225	-	-
Other Financial liabilities	-	-	505,506	466,745	-	-
Other liabilities	5,476	9,646	-	-	-	-
Transactions						
Transaction cost on debenture issue and securitisation	23,935	23,935	-	-	-	-
Dividend paid	592,448	592,448	-	-	-	-
Off- Balance Sheet Items						
Undrawn facilities	-	-	625,000	325,000	-	-

CORPORATE INFORMATION

Name of Company

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

Legal Form

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

Date of Incorporation

22nd August 1995

Company Registration Number

PB 647 PQ

Accounting Year-end

31st March

Stock Exchange Listing

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

Senior, Unsecured, Redeemable, four year (2013/17) and five year (2013/18) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 4th April 2013.

Senior, Unsecured, Redeemable, three year (2014/17) and four year (2014/18) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 3rd October 2014.

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

Registered Office

& Principal Place of Business

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code: 00200
Telephone +94 11 2631631
Fax +94 11 2631980/81
[Email: plclease@plc.lk](mailto:plclease@plc.lk)
[Web Address: www.plc.lk](http://www.plc.lk)

Company Secretary

Mr. Rohan Pathirage

Registrars

SSP Corporate Services (Pvt) Ltd
No. 101, Inner Flower Road,
Colombo 03, Sri Lanka.
Telephone: +94 11 2573894, +94 11 2576871
Fax: +94 11 2573609
[E-mail: sspsec@sltnet.lk](mailto:sspsec@sltnet.lk)

Auditors

M/s. Ernst & Young
Chartered Accountants,
201, De Saram Place,
P.O. Box 101,
Colombo 10,
Sri Lanka.

Bankers

People's Bank
Sampath Bank PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
HSBC
National Development Bank PLC
Nations Trust Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Deutsche Bank
Habib Bank
Union Bank of Colombo PLC
Public Bank Berhad
Citibank N.A.
Indian Bank
Indian Overseas Bank
Pan Asia Banking Corporation PLC
Axis Bank

Branch Offices

Akuressa, Ambalangoda, Ambalanthota, Ampara, Anuradhapura, Awissawella, Badulla, Balangoda, Bandarawela, Battaramulla, Batticaloa, Benthota, Chilaw, Chunnakam, Colpetty, Dambulla, Dehiwala, Deniyaya, Digana, Elpitiya, Embilipitiya, Galle, Gampaha, Gampola, Giriulla, Grandpass, Hambantota, Hatton, Havelock, Homagama, Horana, Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalawanchikudi, Kalawana, Kalmunai, Kalutara, Kandy, Kandy - Alsafa, Kanthale, Kattankudy, Kegalle, Kekirawa, Kelaniya, Kilinochchi, Kirindiwela, Kuliypitiya, Kurunegala, Mahaiyawa, Maharagama, Mahiyanganaya, Mannar, Matale, Matara, Medawachchiya, Mathugama, Melsiripura,

Merigama, Metropolitan, Minuwangoda, Monaragala, Moratuwa, Mutur, Nawalapitiya, Negombo, Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya, Panadura, Pelmadulla, Pettah, Pilimathalawa, Piliyandala, Polonnaruwa, Puttalam, Ratnapura, Tangalle, Thambuttegama, Thissamaharamaya, Trincomalee, Union Place, Vavuniya, Ward Place, 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. N.V. Kumar
Mr. J.A. Fernando
Mr. M.A.M. Rizwan
Mr. R.M. Jayasena
Dr. A.A.S. Gulamhusein

Board Sub-Committees

Integrated Risk Management Committee

Mr. M.P. Amirthanayagam - Chairman
Mr. N. Vasantha Kumar
Mr. D. P. Kumarage
Mr. Sanjeeva 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

Strategic Evaluation Committee

Mr. M.P. Amirthanayagam - Chairman
Mr. J.P. Amaratunga
Mr. N. Vasantha Kumar

Subsidiary and Associate Companies

Subsidiary Companies

People's Leasing Fleet Management Limited
People's Leasing Property Development Limited
People's Leasing Havelock Properties Limited
People's Insurance PLC
People's Microfinance Limited

Associate Company

People's Merchant Finance PLC

Corporate Memberships

Asian Leasing and Finance Association
Credit Information Bureau of Sri Lanka
Financial Ombudsman-Sri Lanka
Leasing Association of Sri Lanka

Vehicle Yards

No. 429, 2nd Division, Darly Road, Colombo 10, Sri Lanka.
No. 496, Makola North, Makola, Sri Lanka.
No. 225/D, Nayagala Road, Heiyanthuduwa, Mabima, Sri Lanka.
No.8, Pothuvil Road, Monaragala, Sri Lanka
Ketalagolla, Beligamuwa, Galewela, Sri Lanka

Tax Payer Identity Number (TIN)

114 156396 0000

VAT Registration Number

114 156396 7000

Central Bank Registration Number

046 (Under the Finance Business Act No.42 of 2011)

Credit Agency Status

An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No.12 of 1947 by the Department of Commerce.

Credit Rating

'AA-' (Ika) stable by Fitch Ratings Lanka Limited
'B+/B' negative by Standard & Poor's Rating Services
'B' negative by Fitch Ratings International

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STATEMENTS



PEOPLE'S LEASING & FINANCE PLC