

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the nine months ended 31st December 2015



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STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	31.12.2015	31.03.2015	Change	31.12.2015	31.03.2015	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited*	Audited		Unaudited*	Audited	
Assets						
Cash and cash equivalents	3,147	3,139	0.3	4,879	3,414	42.9
Balances with banks & financial institutions	340	326	4.3	1,799	1,831	(1.7)
Derivative financial instrument	21	-	100.0	21	-	100.0
Financial assets held-for-trading	243	196	24.0	577	503	14.7
Loans and receivables	107,424	98,411	9.2	107,680	97,997	9.9
Insurance and reinsurance receivables	-	-	-	192	187	2.7
Financial investments – Available-for-sale	843	939	(10.2)	1,913	2,043	(6.4)
Financial investments – Held-to-maturity	4,484	5,266	(14.8)	4,484	5,266	(14.8)
Investments in subsidiaries	1,875	1,875	-	-	-	-
Investments in associates	586	-	100.0	562	-	100.0
Property, plant and equipment	1,121	1,109	1.1	4,043	3,805	6.3
Goodwill and intangible assets	331	338	(2.1)	337	346	(2.6)
Investment property	87	-	100.0	-	-	-
Other assets	756	724	4.4	1,310	1,769	(25.9)
Total assets	121,258	112,323	8.0	127,797	117,161	9.1
Liabilities						
Due to banks	24,794	21,229	16.8	25,918	22,391	15.8
Due to customers	33,790	34,023	(0.7)	33,656	33,930	(0.8)
Debt securities issued	32,819	28,690	14.4	32,706	28,586	14.4
Other financial liabilities	3,799	3,234	17.5	4,403	3,166	39.1
Derivative financial instrument	-	92	(100.0)	-	92	(100.0)
Insurance and reinsurance payable	-	-	-	3,133	2,894	8.3
Current tax liabilities	755	550	37.3	849	618	37.4
Deferred tax liabilities	1,949	1,949	-	1,976	1,976	-
Other liabilities	1,508	1,420	6.2	1,532	1,455	5.3
Total liabilities	99,414	91,187	9.0	104,173	95,108	9.5
Equity						
Capital	13,086	12,936	1.2	13,086	12,936	1.2
Statutory reserve fund	1,370	1,204	13.8	1,370	1,204	13.8
Retained earnings	6,774	6,490	4.4	7,815	7,404	5.6
Other reserves	614	506	21.3	1,353	509	165.8
Total equity	21,844	21,136	3.3	23,624	22,053	7.1
Total liabilities and equity	121,258	112,323	8.0	127,797	117,161	9.1
Contingencies	443	426	4.0	443	426	4.0
Commitments	2,426	3,974	(39.0)	2,670	4,882	(45.3)
Net assets value per ordinary share (Rs.)	13.83	13.38	3.4	14.95	13.96	7.1

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 31st December 2015 and its profit for the nine months ended 31st December 2015.

(sgd.)
Sanjeewa Bandaranayake
 Chief Financial Officer

(sgd.)
D.P. Kumarage
 Chief Executive 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.)
Hemasiri Fernando
 Chairman

(sgd.)
M.P. Amirthanayagam
 Deputy Chairman

29th January 2016
 Colombo.

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

STATEMENT OF PROFIT OR LOSS - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2015	31.12.2014	Change	31.12.2015	31.12.2014	Change
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Interest income	13,440	14,611	(8.0)	4,442	4,760	(6.7)
Less: Interest expense	5,866	7,281	(19.4)	1,992	2,197	(9.3)
Net interest income	7,574	7,330	3.3	2,450	2,563	(4.4)
Net fee and commission income	687	638	7.7	252	217	16.1
Net trading income	(6)	56	(110.7)	(18)	10	(280.0)
Other operating income	304	197	54.3	46	28	64.3
Total operating income	8,559	8,221	4.1	2,730	2,818	(3.1)
Less: Impairment charges for loans and receivables	291	1,283	(77.3)	(89)	415	(121.4)
Net operating income	8,268	6,938	19.2	2,819	2,403	17.3
Less:						
Personnel expenses	1,320	1,172	12.6	464	409	13.4
Depreciation of property, plant and equipment	146	151	(3.3)	49	51	(3.9)
Amortisation and impairment of intangible assets	9	12	(25.0)	7	4	75.0
Other operating expenses	1,662	1,586	4.8	602	539	11.7
Total operating expenses	3,137	2,921	7.4	1,122	1,003	11.9
Operating profit before value added tax (VAT)	5,131	4,017	27.7	1,697	1,400	21.2
Less: Value added tax (VAT) on financial services	399	255	56.5	153	88	73.9
Operating profit after value added tax (VAT)	4,732	3,762	25.8	1,544	1,312	17.7
Less: Income tax expense	1,416	1,090	29.9	487	389	25.2
Profit for the period	3,316	2,672	24.1	1,057	923	14.5
Basic/Diluted earnings per ordinary share (Rs.)	2.10	1.69	24.3	0.67	0.58	15.5

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

STATEMENT OF PROFIT OR LOSS - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2015	31.12.2014	Change	31.12.2015	31.12.2014	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Interest income	13,741	14,883	(7.7)	4,556	4,841	(5.9)
Less: Interest expense	5,927	7,372	(19.6)	2,006	2,227	(9.9)
Net interest income	7,814	7,511	4.0	2,550	2,614	(2.4)
Net earned premiums	2,439	2,178	12.0	854	729	17.1
Net fee and commission income	366	425	(13.9)	143	183	(21.9)
Net trading income	(4)	118	(103.4)	(23)	15	(253.3)
Other operating income	374	231	61.9	128	71	80.3
Total operating income	10,989	10,463	5.0	3,652	3,612	1.1
Less: Impairment charges for loans and receivables	314	1,314	(76.1)	(81)	420	(119.3)
Net operating income	10,675	9,149	16.7	3,733	3,192	16.9
Less:						
Personnel expenses	1,510	1,345	12.3	526	467	12.6
Depreciation of property, plant and equipment	206	204	1.0	69	69	-
Amortisation and impairment of intangible assets	11	22	(50.0)	8	7	14.3
Benefits, claims and underwriting expenditure	1,685	1,587	6.2	577	511	12.9
Other operating expenses	1,702	1,529	11.3	633	495	27.9
Total operating expenses	5,114	4,687	9.1	1,813	1,549	17.0
Operating profit before value added tax (VAT)	5,561	4,462	24.6	1,920	1,643	16.9
Less: Value added tax (VAT) on financial services	409	260	57.3	158	90	75.6
Operating profit after value added tax (VAT)	5,152	4,202	22.6	1,762	1,553	13.5
Share of profit/(loss) of an associate (net of tax)	(25)	-	(100.0)	(18)	-	(100.0)
Profit before income tax	5,127	4,202	22.0	1,744	1,553	12.3
Less: Income tax expense	1,568	1,224	28.1	534	451	18.4
Profit for the period	3,559	2,978	19.5	1,210	1,102	9.8
Basic/Diluted earnings per ordinary share (Rs.)	2.25	1.88	19.7	0.77	0.70	10.0

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2015	31.12.2014	Change	31.12.2015	31.12.2014	Change
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Unaudited		Unaudited	Unaudited	
Profit for the period	3,316	2,672	24.1	1,057	923	14.5
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	3	(22)	(113.6)	(12)	37	(132.4)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	91	113	(19.5)	22	(38)	(157.9)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	94	91	3.3	10	(1)	(1,100.0)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Revaluation of land and buildings	14	-	100.0	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	14	-	100.0	-	-	-
Other comprehensive income for the period, net of taxes	108	91	18.7	10	(1)	(1,100.0)
Total comprehensive income for the period	3,424	2,763	23.9	1,067	922	15.7

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

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2015	31.12.2014	Change	31.12.2015	31.12.2014	Change
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Profit for the period	3,559	2,978	19.5	1,210	1,102	9.8
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	3	(22)	(113.6)	(12)	37	(132.4)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	91	120	(24.2)	21	(39)	(153.8)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	94	98	(4.1)	9	(2)	(550.0)
Other comprehensive income for the period, net of taxes	94	98	(4.1)	9	(2)	(550.0)
Total comprehensive income for the period	3,653	3,076	18.8	1,219	1,100	10.8

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

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital		Statutory Reserve		General Equalisation Reserve		Tax		Investment Fund		Available for Sale Reserve		Cash Flow Hedge Reserve		Total Equity	
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Fund	Rs. Mn.	Rs. Mn.	Rs. Mn.	Fund	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2014	12,736	1,016	300	100	1,096	(56)	-	-	-	-	-	-	-	1	4,002	19,195
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,672	2,672
Profit for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,672	2,672
Other comprehensive income (net of tax)	-	-	-	-	-	113	-	-	-	-	-	-	-	(22)	-	91
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	113	-	-	-	-	-	-	-	(22)	2,672	2,763
Transactions with equity holders, recognised directly in equity																
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	134	-	-	(1,097)	-	-	-	-	-	-	-	-	-	963	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	150	134	-	-	(1,097)	-	-	-	-	-	-	-	-	-	(1,162)	(1,975)
Balance as at 31.12.2014	12,886	1,150	300	100	(1)	57	-	-	-	(21)	-	-	-	-	5,512	19,983
Balance as at 01.04.2015	12,936	1,204	300	100	-	99	-	-	-	7	-	-	-	-	6,490	21,136
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(741)	(741)
Balance as at 01.04.2015 - Restated	12,936	1,204	300	100	-	99	-	-	-	7	-	-	-	-	5,749	20,395
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,316	3,316
Profit for the nine months ended 31.12.2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,316	3,316
Other comprehensive income (net of tax)	-	-	-	-	-	91	-	-	14	3	-	-	-	-	-	108
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	91	-	-	14	3	-	-	-	-	3,316	3,424
Transactions with equity holders, recognised directly in equity																
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	166	-	-	-	-	-	-	-	-	-	-	-	-	(166)	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	150	166	-	-	-	-	-	-	-	-	-	-	-	-	(2,291)	(1,975)
Balance as at 31.12.2015	13,086	1,370	300	100	-	190	-	-	14	10	-	-	-	-	6,774	21,844

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

STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital		Statutory Reserve		General Equalisation Reserve		Tax		Other Reserves		Cash Flow Hedge Reserve		Total Equity	
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2014	12,736	1,016	300	100	1,096	-	(51)	1	4,570	19,768				
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	2,978	2,978			
Profit for the nine months ended 31.12.2014	-	-	-	-	-	-	-	-	-	2,978	2,978			
Other comprehensive income (net of tax)	-	-	-	-	-	-	120	(22)	-	-	-			98
Total comprehensive income for the nine months ended 31.12.2014	-	-	-	-	-	-	120	(22)	-	2,978	3,076			
Transactions with equity holders, recognised directly in equity														
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	-	-	-	-	(150)	(150)
Transfers to reserves during the period	-	134	-	-	(1,097)	-	-	-	-	963	-	-	(1,975)	(1,975)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(1,164)	(1,164)
Total transactions with equity holders	150	134	-	-	(1,097)	-	-	-	-	963	-	-	(1,164)	(1,164)
Balance as at 31.12.2014	12,886	1,150	300	100	(1)	-	69	(21)	6,384	20,867				
Balance as at 01.04.2015	12,936	1,204	300	100	-	-	102	7	7,404	22,053				
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	-	(857)	(857)				
Balance as at 01.04.2015 - Restated	12,936	1,204	300	100	-	-	102	7	6,547	21,196				
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	-	91	3	3,559	3,559				
Profit for the nine months ended 31.12.2015	-	-	-	-	-	-	-	-	3,559	3,559				
Other comprehensive income (net of tax)	-	-	-	-	-	-	91	3	-	-				94
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	-	91	3	3,559	3,653				
Transactions with equity holders, recognised directly in equity														
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	(150)	(150)				
Pending allotment of shares	-	-	-	-	750	-	-	-	-	750				750
Transfers to reserves during the period	-	166	-	-	-	-	-	-	(166)	(166)				(166)
Dividend paid	-	-	-	-	-	-	-	-	-	-				(1,975)
Total transactions with equity holders	150	166	-	-	750	-	-	-	(2,291)	(1,225)				(1,225)
Balance as at 31.12.2015	13,086	1,370	300	100	-	750	193	10	7,815	23,624				

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

STATEMENT OF CASH FLOWS

For the nine months ended 31st December	Company		Group	
	2015	2014	2015	2014
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited
Cash flows from operating activities				
Profit before tax	4,732	3,762	5,152	4,202
Adjustment for:				
Non-cash items included in profit before tax	448	1,400	539	1,440
Change in operating assets	(8,831)	(6,222)	(8,989)	(6,069)
Change in operating liabilities	(706)	(1,361)	(1)	(1,145)
Dividend income from investments	(162)	(112)	(28)	(24)
Gratuity paid	(2)	(3)	(2)	(3)
Tax paid	(1,919)	(631)	(2,009)	(714)
Net cash (used in) operating activities	(6,440)	(3,167)	(5,338)	(2,313)
Cash flows from investing activities				
Purchase of property, plant and equipment	(231)	(419)	(444)	(950)
Proceeds from the sale of property, plant and equipment	4	5	4	5
Purchase of intangible assets	(2)	(6)	(2)	(13)
Investment in Subsidiaries	-	(400)	-	-
Investment in Associate	(285)	-	(285)	-
Dividend received from investments	162	112	28	24
Net cash (used in) investing activities	(352)	(708)	(699)	(934)
Cash flows from financing activities				
Net borrowings	8,011	(975)	7,944	(1,378)
Dividend paid to shareholders	(895)	(897)	(895)	(897)
Pending allotment	-	-	750	-
Redemption of preference shares	(150)	(150)	(150)	(150)
Net cash generated from/(used in) financing activities	6,966	(2,022)	7,649	(2,425)
Net increase/(decrease) in cash & cash equivalents	174	(5,897)	1,612	(5,672)
Cash and cash equivalents at the beginning of the period	2,443	10,818	2,641	10,956
Cash and cash equivalents at the end of the period	2,617	4,921	4,253	5,284
Cash and cash equivalents	3,147	5,617	4,879	6,057
Bank overdraft	(530)	(696)	(626)	(773)
	2,617	4,921	4,253	5,284

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

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

COMPANY

As at 31st December 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,147	-	3,147
Balances with banks & financial institutions	-	-	340	-	340
Derivative financial instruments	21	-	-	-	21
Financial investments - Held-for-trading	243	-	-	-	243
Loans and receivables	-	-	107,424	-	107,424
Financial investments – Available-for-sale	-	-	-	843	843
Financial investments – Held-to maturity	-	4,484	-	-	4,484
Other financial assets	-	-	164	-	164
Total financial assets	264	4,484	111,075	843	116,666

As at 31st December 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	24,794	24,794
Due to customers	-	33,790	33,790
Debt Securities issued	-	32,819	32,819
Other Financial liabilities	-	3,799	3,799
Total financial liabilities	-	95,202	95,202

COMPANY

As at 31st March 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,139	-	3,139
Balances with banks & financial institutions	-	-	326	-	326
Financial investments - Held-for-trading	196	-	-	-	196
Loans and receivables	-	-	98,411	-	98,411
Financial investments – Available-for-sale	-	-	-	939	939
Financial investments – Held-to maturity	-	5,266	-	-	5,266
Other financial assets	-	-	149	-	149
Total financial assets	196	5,266	102,025	939	108,426

As at 31st March 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	21,229	21,229
Due to customers	-	34,023	34,023
Debt Securities issued	-	28,690	28,690
Other Financial liabilities	-	3,234	3,234
Derivative financial instruments	92	-	92
Total financial liabilities	92	87,176	87,268

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

GROUP

As at 31st December 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	4,879	-	4,879
Balances with banks & financial institutions	-	-	1,799	-	1,799
Derivative financial instruments	21	-	-	-	21
Financial investments - Held-for-trading	577	-	-	-	577
Loans and receivables	-	-	107,680	-	107,680
Financial investments - Available-for-sale	-	-	-	1,913	1,913
Financial investments - Held-to maturity	-	4,484	-	-	4,484
Total financial assets	598	4,484	114,358	1,913	121,353

As at 31st December 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	25,918	25,918
Due to customers	-	33,656	33,656
Debt Securities issued	-	32,706	32,706
Other Financial liabilities	-	4,403	4,403
Total financial liabilities	-	96,683	96,683

GROUP

As at 31st March 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,414	-	3,414
Balances with banks & financial institutions	-	-	1,831	-	1,831
Financial investments - Held-for-trading	503	-	-	-	503
Loans and receivables	-	-	97,997	-	97,997
Financial investments - Available-for-sale	-	-	-	2,043	2,043
Financial investments - Held-to maturity	-	5,266	-	-	5,266
Total financial assets	503	5,266	103,242	2,043	111,054

As at 31st March 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	22,391	22,391
Due to customers	-	33,930	33,930
Debt Securities issued	-	28,586	28,586
Other Financial liabilities	-	3,166	3,166
Derivative financial instruments	92	-	92
Total financial liabilities	92	88,073	88,165

SEGMENTAL ANALYSIS - GROUP

For the nine months ended 31st December	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Interest income	9,642	11,290	3,108	2,446	612	579	215	223	335	547	(171)	(202)	13,741	14,883
Net earned premiums	-	-	-	-	-	-	2,489	2,259	-	-	(50)	(81)	2,439	2,178
Net fee and commission income	512	498	165	108	32	26	-	-	207	300	(550)	(507)	366	425
Net trading income	-	-	-	-	-	-	3	62	(7)	56	-	-	(4)	118
Other operating income	224	198	72	43	14	10	51	39	204	11	(191)	(70)	374	231
Gross revenue	10,378	11,986	3,345	2,597	658	615	2,758	2,583	739	914	(962)	(860)	16,916	17,835
Interest expenses	4,171	5,746	1,344	1,245	265	295	-	-	297	278	(150)	(192)	5,927	7,372
Total Operating income	6,207	6,240	2,001	1,352	393	320	2,758	2,583	442	636	(812)	(668)	10,989	10,463
Credit losses	246	1,243	137	88	1	(17)	-	-	-	-	-	-	384	1,314
Net operating income	5,961	4,997	1,864	1,264	392	337	2,758	2,583	442	636	(812)	(668)	10,605	9,149
Depreciation	118	129	45	33	12	8	8	18	1	12	33	26	217	226
Segment result	3,334	2,955	1,075	640	212	152	886	636	238	209	(184)	(130)	5,561	4,462
VAT on financial services	-	-	-	-	-	-	-	-	-	-	-	-	409	260
Share of profit/(loss) of an associate (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	(25)	-
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	1,568	1,224
Profit attributable to equity holder	-	-	-	-	-	-	-	-	-	-	-	-	3,559	2,978
As at 31st December														
Segment Assets	80,754	84,334	30,767	21,328	8,496	5,129	6,671	4,729	6,419	8,072	(5,310)	(4,974)	127,797	118,618
Total Assets	80,754	84,334	30,767	21,328	8,496	5,129	6,671	4,729	6,419	8,072	(5,310)	(4,974)	127,797	118,618
Segment Liabilities	65,627	68,962	25,004	17,439	6,904	4,193	4,402	3,308	5,217	6,600	(2,981)	(2,751)	104,173	97,751
Total Liabilities	65,627	68,962	25,004	17,439	6,904	4,193	4,402	3,308	5,217	6,600	(2,981)	(2,751)	104,173	97,751

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

INFORMATION ON ORDINARY SHARES OF THE COMPANY

MARKET PRICE

	2015 Rs.	2014 Rs.
Highest price during the quarter ended 31st December :	23.00	25.60
Lowest price during the quarter ended 31st December :	20.40	19.80
Closing price as at 31st December :	22.00	24.50

ISSUED CAPITAL

Issued Capital as at 31st December 2015 was represented by the number of shares in issue as given below;

	As at 31st December 2015		As at 31st December 2014	
	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	-	1,200,000,000	-	1,000,000,000
Total	1,579,862,482	13,086,073,308	1,579,862,482	12,886,073,308

SHAREHOLDERS' INFORMATION

TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 31ST DECEMBER 2015

Twenty largest ordinary shareholders of the Company as at 31st December 2015 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,184,896,862	75.00
2	BNYM SA/NV-Neon Liberty Lorikeet Master Fund LP	63,069,853	3.99
3	Employees Provident Fund	47,720,324	3.02
4	National Savings Bank	43,668,157	2.76
5	HSBC Intl Nom Ltd - SSBT -Wasatch Frontier Emerging Small Countries Fund	23,267,100	1.47
6	Citi Bank Newyork S/A Norges Bank Account 2	16,775,303	1.06
7	Bank of Ceylon No. 1 Account	11,453,600	0.72
8	BNYM SA/NV-Frontier Market Opportunities Master FD,L.P.	10,150,000	0.64
9	BNY-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.63
10	Northern Trust Company S/A Ashmore Emerging Markets Frontier Equity Fund	8,183,492	0.52
11	AIA Insurance Lanka PLC A/C No. 07	5,276,721	0.33
12	Ceylon Investment PLC A/C # 01	4,954,891	0.31
13	BNYM SA/NV-NLCF Fund LP	4,916,003	0.31
14	Sri Lanka Insurance Corporation Ltd - General Fund	4,033,000	0.26
15	BNYM SA/NV-Frontier Market Select Fund II L.P.	3,846,608	0.24
16	Union Assurance PLC/No - 01A/C	3,821,672	0.24
17	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	3,732,745	0.24
18	Northern Trust Global Services Ashmore Sicav Emerging Markets Frontier Equity Fund	2,383,305	0.15
19	Deutsche Bank AG as Trustee to Candor Growth Fund	2,368,804	0.15
20	Employees Trust Fund Board	2,356,087	0.15

PUBLIC HOLDING

The percentage of ordinary shares held by the public as at 31st December 2015 was 24.83% and the number of shareholders representing the public holding was 9,236.

DIRECTORS'/ CEO'S HOLDING IN SHARES AS AT 31ST DECEMBER 2015

The number of ordinary shares held by the directors and CEO as at 31st December 2015 were as follows;

Name	Position	No. of Shares
Mr. Hemasiri Fernando	Chairman	-
Mr. Michael Pradeep Amirthanayagam	Deputy Chairman	-
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	611,258

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 2014/15.
2. The Interim Financial Statements for the nine months ended 31st December 2015 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 Limited, 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 nine months ended 31st December 2015 the Company redeemed 15,000,000 preference shares at Rs. 10/- each. (5,000,000 on 30th April 2015, 5,000,000 on 30th September 2015 and 5,000,000 on 31st October 2015).
6. Mr. Rathnayake Mudiyansele Jayasena and Dr. Ali Asgar Shabbir Gulamhusein were appointed as Independent, Non-Executive Directors with effect from 7th May 2015 and 23rd July 2015 respectively.
7. The Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2014/15 on 10th July 2015.
8. In June 2015 the Company received Rs. 19,800,000/-, Rs. 6,750,000/- and Rs. 4,500,000/- from People's Leasing Property Development Limited, People's Leasing Fleet Management Limited and People's Microfinance Limited respectively as the final dividend for the financial year 2014/15.

On the 30th of September 2015 the Company received Rs. 108,626,843/- from People's Insurance Limited as an interim dividend for the financial year 2015.

9. People's Leasing & Finance PLC and People's Bank ('Joint Offerors') on 3rd July 2015 acquired a total of 6,461,543 ordinary shares at a price of Rs. 22 per share representing 9.57% of the voting rights in People's Merchant Finance PLC ('PMF'). Consequent to the aforesaid purchase of ordinary shares, the Joint Offerors owned 32,921,519 voting shares (48.77%) of PMF and as a result, the Joint Offerors were required to make a mandatory offer to the remaining shareholders of PMF.

On 7th July 2015 Joint Offerors announced a mandatory offer to purchase the remaining 34,578,481 ordinary shares aggregating to a total of 51.23% of the shares in issue of PMF at a price of Rs. 22 per share, being the highest price paid by the Joint Offerors during the period of one year prior to the date of the above acquisition.

On 28th August 2015 acceptances of the offer were received in respect of 25,948,729 ordinary shares. From such shares 12,974,364 ordinary shares were purchased by People's Leasing & Finance PLC thereby increasing its holding in PMF to 37.06% and PMF became an associate of People's Leasing & Finance PLC during the month of September 2015.

10. Pursuant to a direction issued by the Monetary Board of the Central Bank of Sri Lanka, the Company assumed duties as the Managing Agent of People's Merchant Finance PLC with effect from 14th July 2015.
11. On the 5th November 2015 the Company opened the issue of 40,000,000 Senior Unsecured Redeemable Debentures of Rs. 100/- each with an option to issue up to a further 20,000,000 in the event of an oversubscription. The issue was oversubscribed and closed on the same day. Objectives of the issue were to utilize the proceeds for the working capital purposes of the Company, create access to additional source of funds from non deposit source, minimize the mismatch in funding exposure, minimize the interest rate risk and the gap exposure in assets/ liabilities portfolio. Debentures were allocated among applicants on 13th November 2015 and listed on the Debt Securities Main Board of the Colombo Stock Exchange on 20th November 2015.
12. On 15th December 2015, the Company declared an interim dividend of Rs. 0.75 per share for the financial year 2015/16 and the same was paid on 7th January 2016. The total dividend paid amounted to Rs. 1,184,896,862/-.
13. On 12th January 2016, shares of People's Insurance Limited (PIL) was listed on the Main Board of the Colombo Stock Exchange (CSE) by the way of an Initial Public Offering of 50 million ordinary shares at Rs. 15 per share. However, People's Leasing & Finance PLC retained a 75% stake of PIL.
14. Except for note 13, there have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
15. There has been no significant change in the nature of the contingent liabilities for the nine months ended 31st December 2015 which were disclosed in the Annual Report for the year ended 31st March 2015.

DEBENTURE INFORMATION

MARKET PRICES FOR THE QUARTER ENDED 31ST DECEMBER 2015

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	6.69%
1 Year Treasury Bill	7.11%
3 Year Treasury Bond	8.18%
4 Year Treasury Bond	8.91%
5 Year Treasury Bond	9.79%
(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 31.12.2015	As at 31.03.2015
Debt to Equity Ratio (Times)	2.65	2.37
Interest Cover (Times)	1.81	1.58
Quick Asset Ratio (%)	79.13	69.62

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		Affiliates	
	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000	2015 Rs. '000	2014 Rs. '000
Items in Statement of Profit or Loss						
Interest on term loans & bank overdraft	317,524	5,150	169,294	200,284	-	-
Building rent income	-	-	-	306	-	-
Building rent expenses	23,359	20,774	185,014	183,573	-	-
Shared fee income	-	-	67,224	44,202	-	-
Interest on deposits and savings	3,980	3,656	5,468	7,185	-	-
Interest on repo investments	8,624	9,582	-	-	-	-
Interest on treasury bills	170,681	226,880	-	-	-	-
Interest on preference shares	31,328	58,155	-	-	-	-
Interest on Asset backed securities	70,110	3,717	-	-	-	-
Dividend income	-	-	154,500	109,750	-	-
Expense on vehicle services & hiring	-	-	35,339	31,229	-	-
Insurance premium paid in respect of own policies	-	-	42,497	73,642	-	-
Service charges received	-	-	266,066	251,665	-	-
Introducing commission	-	-	728	665	-	-
Income on lease	3,861	8,112	-	-	-	-
Items in Statement of Financial Position						
Assets						
Current account balance	1,908,286	1,794,555	-	-	-	-
Fixed deposits, savings & RFC	94,771	84,746	-	-	-	-
Insurance service charges receivable	-	-	164,417	163,873	-	-
Amount due from	-	-	1,064,347	1,322,238	-	-
Investment in shares	-	-	1,875,000	1,875,000	586,427	205,160
Investment in treasury bills	3,308,225	4,617,131	-	-	-	-
Lease rental	25,367	84,714	-	-	-	-
Term loans	-	-	904,663	554,925	-	-
Liabilities						
Term loans & bank overdraft	7,189,057	756,008	-	-	-	-
Insurance premium payable in respect of customers introduced by the Company	-	-	577,346	500,473	-	-
Debentures	-	-	112,771	112,764	-	-
Deposits and savings	-	-	134,577	90,641	-	-
Investment in Asset backed securities	1,052,000	1,052,000	-	-	-	-
Placement fees on Asset backed securities	13,714	13,714	-	-	-	-
Investment in preference shares	167,597	379,756	-	-	-	-
Building rent	4,004	3,396	-	-	-	-
Transactions						
Transaction cost on debenture issue and securitisation	-	-	-	-	-	-
Off- Balance Sheet Items						
Guarantees	-	2,500	-	-	-	-
Undrawn facilities	-	50,000	325,000	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)

DATE OF INCORPORATION

22nd August 1995

COMPANY REGISTRATION NUMBER

PB 647 PQ

ACCOUNTING YEAR-END

Mar-31

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
Web Address: 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

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, Muttur, Nawalapitiya, Negombo, Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya, Panadura, Pelmadulla, Pettah, Pilmathalawa, 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. Kumaraage
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 Limited
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-' (lka) stable by Fitch Ratings Lanka Limited
'B+/B' stable by Standard & Poor's Rating Services
'B+' stable by Fitch Ratings International

**INTERIM
FINANCIAL
STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC