

# INTERIM FINANCIAL STATEMENTS

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PEOPLE'S LEASING & FINANCE PLC

For the three months ended 30th June 2015



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# STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.06.2015 Rs. Mn. Unaudited*	31.03.2015 Rs. Mn. Audited	Change %	30.06.2015 Rs. Mn. Unaudited*	31.03.2015 Rs. Mn. Audited	Change %
<b>Assets</b>						
Cash and cash equivalents	2,278	3,139	(27.4)	2,615	3,414	(23.4)
Balances with banks & financial institutions	331	326	1.5	1,769	1,831	(3.4)
Financial assets held-for-trading	191	196	(2.6)	494	503	(1.8)
Loans and receivables	99,268	98,411	0.9	99,541	97,997	1.6
Insurance and reinsurance receivables	-	-	-	193	187	3.2
Financial investments – Available-for-sale	1,021	939	8.7	2,195	2,043	7.4
Financial investments – Held-to-maturity	5,385	5,266	2.3	5,385	5,266	2.3
Investments in subsidiaries	1,875	1,875	-	-	-	-
Investments in associates	-	-	-	-	-	-
Property, plant and equipment	1,074	1,109	(3.2)	3,779	3,805	(0.7)
Goodwill and intangible assets	335	338	(0.9)	343	346	(0.9)
Investment property	4	-	100.0	4	-	100.0
Other assets	652	724	(9.9)	1,099	1,769	(37.9)
<b>Total assets</b>	<b>112,414</b>	<b>112,323</b>	<b>0.1</b>	<b>117,417</b>	<b>117,161</b>	<b>0.2</b>
<b>Liabilities</b>						
Due to banks	21,729	21,229	2.4	22,879	22,391	2.2
Due to customers	34,025	34,023	0.0	33,930	33,930	-
Debt securities issued	26,788	28,690	(6.6)	26,680	28,586	(6.7)
Other financial liabilities	4,256	3,234	31.6	4,136	3,166	30.6
Derivative financial instrument	93	92	1.1	93	92	1.1
Insurance and reinsurance payable	-	-	-	2,993	2,894	3.4
Current tax liabilities	763	550	38.7	856	618	38.5
Deferred tax liabilities	1,949	1,949	-	1,975	1,976	(0.1)
Other liabilities	1,375	1,420	(3.2)	1,416	1,455	(2.7)
<b>Total liabilities</b>	<b>90,978</b>	<b>91,187</b>	<b>(0.2)</b>	<b>94,958</b>	<b>95,108</b>	<b>(0.2)</b>
<b>Equity</b>						
Capital	12,986	12,936	0.4	12,986	12,936	0.4
Statutory reserve fund	1,254	1,204	4.2	1,254	1,204	4.2
Retained earnings	6,606	6,490	1.8	7,624	7,404	3.0
Other reserves	590	506	16.6	595	509	16.9
Total equity	21,436	21,136	1.4	22,459	22,053	1.8
<b>Total liabilities and equity</b>	<b>112,414</b>	<b>112,323</b>	<b>0.1</b>	<b>117,417</b>	<b>117,161</b>	<b>0.2</b>
Contingencies	448	426	5.2	448	426	5.2
Commitments	3,714	3,974	(6.5)	4,617	4,882	(5.4)
Net assets value per ordinary share (Rs.)	13.57	13.38	1.4	14.22	13.96	1.9

## 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 2015 and its profit for the three months ended 30th June 2015.

(sgd.)  
Sanjeeva 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

7th August 2015  
Colombo.

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

## STATEMENT OF PROFIT OR LOSS

For the three months ended 30th June	Company			Group		
	2015	2014	Change	2015	2014	Change
	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%
Interest income	4,519	4,934	(8.4)	4,609	5,034	(8.4)
Less: Interest expense	1,987	2,622	(24.2)	2,011	2,659	(24.4)
<b>Net interest income</b>	<b>2,532</b>	<b>2,312</b>	<b>9.5</b>	<b>2,598</b>	<b>2,375</b>	<b>9.4</b>
Net earned premiums	-	-	-	767	717	7.0
Net fee and commission income	211	186	13.4	106	97	9.3
Net trading income	6	15	(60.0)	17	31	(45.2)
Other operating income	72	28	157.1	101	75	34.7
<b>Total operating income</b>	<b>2,821</b>	<b>2,541</b>	<b>11.0</b>	<b>3,589</b>	<b>3,295</b>	<b>8.9</b>
Less: Impairment charges for loans and receivables	298	617	(51.7)	309	634	(51.3)
<b>Net operating income</b>	<b>2,523</b>	<b>1,924</b>	<b>31.1</b>	<b>3,280</b>	<b>2,661</b>	<b>23.3</b>
<b>Less:</b>						
Personnel expenses	423	380	11.3	487	437	11.4
Depreciation of property, plant and equipment	50	49	2.0	70	67	4.5
Amortisation and impairment of intangible assets	1	4	(75.0)	1	7	(85.7)
Benefits, claims and underwriting expenditure	-	-	-	521	510	2.2
Other operating expenses	507	479	5.8	494	476	3.8
Total operating expenses	981	912	7.6	1,573	1,497	5.1
<b>Operating profit before value added tax (VAT)</b>	<b>1,542</b>	<b>1,012</b>	<b>52.4</b>	<b>1,707</b>	<b>1,164</b>	<b>46.6</b>
Less: Value added tax (VAT) on financial services	108	66	63.6	111	67	65.7
<b>Operating profit before income tax</b>	<b>1,434</b>	<b>946</b>	<b>51.6</b>	<b>1,596</b>	<b>1,097</b>	<b>45.5</b>
Less: Income tax expense	428	275	55.6	486	314	54.8
<b>Profit for the period</b>	<b>1,006</b>	<b>671</b>	<b>49.9</b>	<b>1,110</b>	<b>783</b>	<b>41.8</b>
Basic/Diluted earnings per ordinary share (Rs.)	0.64	0.42	51.6	0.70	0.51	37.8

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

## STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	Company			Group		
	2015 Rs. Mn. Unaudited*	2014 Rs. Mn. Unaudited*	Change %	2015 Rs. Mn. Unaudited*	2014 Rs. Mn. Unaudited*	Change %
Profit for the period	1,006	671	49.9	1,110	783	41.8
<b>Other comprehensive income/(expenses)</b>						
<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	(82)	(102.4)	2	(82)	(102.4)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	82	45	82.2	84	45	86.7
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	84	(37)	(327.0)	86	(37)	(332.4)
<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	84	(37)	(327.0)	86	(37)	(332.4)
Total comprehensive income for the period	1,090	634	71.9	1,196	746	60.3

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

# STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital		Statutory Reserve		General Reserve		Tax Equalisation Fund		Other Reserves		Cash Flow Hedge Reserve		Retained Earnings		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.	Rs. Mn.	Rs. Mn.
<b>Balance as at 01.04.2014</b>	12,736	1,016	300	100	300	1,097	1	4,002	19,196							
<b>Total comprehensive income for the three months ended 30.06.2014</b>																
Profit for the three months ended 30.06.2014	-	-	-	-	-	-	-	671	671							
Other comprehensive income (net of tax)	-	-	-	-	-	-	45	(82)	(37)							
<b>Total comprehensive income for the three months ended 30.06.2014</b>	-	-	-	-	-	-	45	(82)	671							
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)							
Transfers to reserves during the period	-	34	-	-	-	27	-	-	(61)							
Dividend paid	-	-	-	-	-	-	-	-	(790)							
<b>Total transactions with equity holders</b>	50	34	-	-	-	27	-	-	(901)							
<b>Balance as at 30.06.2014</b>	12,786	1,050	300	100	300	1,124	(81)	3,772	19,040							
<b>Balance as at 01.04.2015</b>	12,936	1,204	300	100	300	-	99	7	21,136							
<b>Total comprehensive income for the three months ended 30.06.2015</b>																
Profit for the three months ended 30.06.2015	-	-	-	-	-	-	-	-	1,006							
Other comprehensive income (net of tax)	-	-	-	-	-	-	82	2	84							
<b>Total comprehensive income for the three months ended 30.06.2015</b>	-	-	-	-	-	-	82	2	1,090							
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)							
Transfers to reserves during the period	-	50	-	-	-	-	-	-	(50)							
Dividend paid	-	-	-	-	-	-	-	-	(790)							
<b>Total transactions with equity holders</b>	50	50	-	-	-	-	-	-	(890)							
<b>Balance as at 30.06.2015</b>	12,986	1,254	300	100	300	-	181	9	21,436							

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

# STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital		Statutory Reserve		General Reserve		Tax Equalisation Fund		Other Reserves		Cash Flow Hedge Reserve		Retained Earnings		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.	Rs. Mn.	Rs. Mn.
<b>Balance as at 01.04.2014</b>	12,736	1,016	300	100	300	1,097	100	100	(52)	1	4,570	19,768				
<b>Total comprehensive income for the three months ended 30.06.2014</b>																
Profit for the three months ended 30.06.2014	-	-	-	-	-	-	-	-	-	-	783	783				
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	45	(82)	-	(37)				
<b>Total comprehensive income for the three months ended 30.06.2014</b>	-	-	-	-	-	-	-	-	45	(82)	783	746				
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	-	-	(50)	-				
Transfers to reserves during the period	-	34	-	-	-	28	-	-	-	-	(62)	-				
Dividend paid	-	-	-	-	-	-	-	-	-	-	(790)	(790)				
<b>Total transactions with equity holders</b>	50	34	-	-	-	28	-	-	-	-	(902)	(790)				
<b>Balance as at 30.06.2014</b>	12,786	1,050	300	100	300	1,125	100	(7)	(81)	4,451	19,724					
<b>Balance as at 01.04.2015</b>	12,936	1,204	300	100	300	102	100	102	7	7,404	22,053					
<b>Total comprehensive income for the three months ended 30.06.2015</b>																
Profit for the three months ended 30.06.2015	-	-	-	-	-	-	-	-	-	-	1,110	1,110				
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	84	2	-	86				
<b>Total comprehensive income for the three months ended 30.06.2015</b>	-	-	-	-	-	-	-	-	84	2	1,110	1,196				
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	-	-	(50)	-				
Transfers to reserves during the period	-	50	-	-	-	-	-	-	-	-	(50)	-				
Dividend paid	-	-	-	-	-	-	-	-	-	-	(790)	(790)				
<b>Total transactions with equity holders</b>	50	50	-	-	-	-	-	-	-	-	(890)	(790)				
<b>Balance as at 30.06.2015</b>	12,986	1,254	300	100	300	186	100	186	9	7,624	22,459					

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

## STATEMENT OF CASH FLOWS

For the three months ended 30th June	Company		Group	
	2015	2014	2015	2014
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Profit before tax	1,434	946	1,596	1,097
Adjustment for:				
Non-cash items included in profit before tax	347	656	368	679
Change in operating assets	(1,192)	(238)	(1,285)	374
Change in operating liabilities	172	871	190	914
Dividend income from investments	(35)	(10)	(10)	(10)
Gratuity paid	(1)	(1)	(1)	(1)
Tax paid	(205)	(141)	(205)	(163)
<b>Net cash generated from operating activities</b>	<b>520</b>	<b>2,083</b>	<b>653</b>	<b>2,890</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(14)	(45)	(43)	(466)
Proceeds from the sale of property, plant and equipment	3	5	3	5
Improvement of investment property	(4)	-	(4)	-
Dividend received from investments	35	10	10	10
<b>Net cash (used in) investing activities</b>	<b>20</b>	<b>(30)</b>	<b>(34)</b>	<b>(451)</b>
<b>Cash flows from financing activities</b>				
Net borrowings	(1,234)	(5,814)	(1,259)	(6,108)
Dividend paid to shareholders	-	(1)	-	(1)
Redemption of preference shares	(50)	(50)	(50)	(50)
<b>Net cash (used in) financing activities</b>	<b>(1,284)</b>	<b>(5,865)</b>	<b>(1,309)</b>	<b>(6,159)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(744)</b>	<b>(3,812)</b>	<b>(690)</b>	<b>(3,720)</b>
Cash and cash equivalents at the beginning of the period	2,808	10,713	3,014	10,827
<b>Cash and cash equivalents at the end of the period</b>	<b>2,064</b>	<b>6,901</b>	<b>2,324</b>	<b>7,107</b>
Cash and cash equivalents	2,278	7,232	2,615	7,507
Bank overdraft	(214)	(331)	(291)	(400)
	2,064	6,901	2,324	7,107

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

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

### COMPANY

As at 30th June 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	2,278	-	2,278
Balances with banks & financial institutions	-	-	331	-	331
Financial investments - Held-for-trading	191	-	-	-	191
Loans and receivables	-	-	99,268	-	99,268
Financial investments - Available-for-sale	-	-	-	1,021	1,021
Financial investments - Held-to maturity	-	5,385	-	-	5,385
Other financial assets	-	-	166	-	166
<b>Total financial assets</b>	<b>191</b>	<b>5,385</b>	<b>102,043</b>	<b>1,021</b>	<b>108,474</b>

As at 30th June 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
Due to banks	-	21,729	21,729
Due to customers	-	34,025	34,025
Debt Securities issued	-	26,788	26,788
Other Financial liabilities	-	4,256	4,256
Derivative financial instruments	93	-	93
<b>Total financial liabilities</b>	<b>93</b>	<b>86,798</b>	<b>86,891</b>

### COMPANY

As at 31st March 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
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
<b>Total financial assets</b>	<b>196</b>	<b>5,266</b>	<b>102,025</b>	<b>939</b>	<b>108,426</b>

As at 31st March 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
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
<b>Total financial liabilities</b>	<b>-</b>	<b>87,176</b>	<b>87,176</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

### GROUP

As at 30th June 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
Cash and cash equivalents	-	-	2,615	-	2,615
Balances with banks & financial institutions	-	-	1,769	-	1,769
Financial investments - Held-for-trading	494	-	-	-	494
Loans and receivables	-	-	99,541	-	99,541
Financial investments – Available-for-sale	-	-	-	2,195	2,195
Financial investments – Held-to maturity	-	5,385	-	-	5,385
<b>Total financial assets</b>	<b>494</b>	<b>5,385</b>	<b>103,925</b>	<b>2,195</b>	<b>111,999</b>

As at 30th June 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
Due to banks	-	22,879	22,879
Due to customers	-	33,930	33,930
Debt Securities issued	-	26,680	26,680
Other Financial liabilities	-	4,136	4,136
Derivative financial instruments	93	-	93
<b>Total financial liabilities</b>	<b>93</b>	<b>87,625</b>	<b>87,718</b>

### GROUP

As at 31st March 2015	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
<b>ASSETS</b>					
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
<b>Total financial assets</b>	<b>503</b>	<b>5,266</b>	<b>103,242</b>	<b>2,043</b>	<b>111,054</b>

As at 31st March 2015	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
<b>LIABILITIES</b>			
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
<b>Total financial liabilities</b>	<b>-</b>	<b>88,073</b>	<b>88,073</b>

## SEGMENTAL ANALYSIS - GROUP

For the three months ended 30th June	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	3,318	3,785	975	783	196	194	68	77	111	259	(59)	(64)	4,609	5,034
Net earned premiums							799	731			(32)	(14)	767	717
Net fee and commission income	161	153	47	32	10	8	-	-	69	66	(181)	(162)	106	97
Net trading income	-	-	-	-	-	-	11	16	6	15	-	-	17	31
Other operating income	53	35	16	7	3	2	16	1	58	43	(45)	(13)	101	75
<b>Gross revenue</b>	<b>3,532</b>	<b>3,973</b>	<b>1,038</b>	<b>822</b>	<b>209</b>	<b>204</b>	<b>894</b>	<b>825</b>	<b>244</b>	<b>383</b>	<b>(317)</b>	<b>(253)</b>	<b>5,600</b>	<b>5,954</b>
Interest expenses	1,449	2,052	426	424	86	105	-	-	100	140	(50)	(62)	2,011	2,659
Total Operating income	2,083	1,921	612	398	123	99	894	825	144	243	(267)	(191)	3,589	3,295
Credit losses	324	614	(17)	18	2	2	-	-	-	-	-	-	309	634
Net operating income	1,759	1,307	629	380	121	97	894	825	144	243	(267)	(191)	3,280	2,661
Depreciation	41	49	12	8	4	3	3	2	-	-	11	12	71	74
<b>Segment result</b>	<b>1,045</b>	<b>744</b>	<b>307</b>	<b>154</b>	<b>62</b>	<b>38</b>	<b>265</b>	<b>159</b>	<b>72</b>	<b>79</b>	<b>(44)</b>	<b>(10)</b>	<b>1,707</b>	<b>1,164</b>
VAT on financial services													111	67
Income tax expenses													486	314
<b>Profit attributable to equity holder</b>													<b>1,110</b>	<b>783</b>
<b>As at 30th June</b>														
Segment Assets	83,057	92,063	25,071	15,634	7,998	5,450	4,992	4,423	845	747	(4,546)	(4,579)	117,417	113,738
<b>Total Assets</b>	<b>83,057</b>	<b>92,063</b>	<b>25,071</b>	<b>15,634</b>	<b>7,998</b>	<b>5,450</b>	<b>4,992</b>	<b>4,423</b>	<b>845</b>	<b>747</b>	<b>(4,546)</b>	<b>(4,579)</b>	<b>117,417</b>	<b>113,738</b>
Segment Liabilities	66,583	75,696	20,098	12,853	6,412	4,481	3,475	3,152	677	614	(2,287)	(2,782)	94,958	94,014
<b>Total Liabilities</b>	<b>66,583</b>	<b>75,696</b>	<b>20,098</b>	<b>12,853</b>	<b>6,412</b>	<b>4,481</b>	<b>3,475</b>	<b>3,152</b>	<b>677</b>	<b>614</b>	<b>(2,287)</b>	<b>(2,782)</b>	<b>94,958</b>	<b>94,014</b>

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 30th June :	24.90	16.40
Lowest price during the quarter ended 30th June :	22.30	14.20
Closing price as at 30th June :	23.30	16.00

### CAPITAL

Stated Capital as at 30th June 2015 was represented by the number of shares in issue as given below;

	As at 30th June 2015		As at 30th June 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	-	1,100,000,000	-	900,000,000
<b>Total</b>	<b>1,579,862,482</b>	<b>12,986,073,308</b>	<b>1,579,862,482</b>	<b>12,786,073,308</b>

## SHAREHOLDERS' INFORMATION

### TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 30TH JUNE 2015

Twenty largest ordinary shareholders of the Company as at 30th June 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	National Savings Bank	47,878,925	3.03
4	Employees Provident Fund	43,643,831	2.76
5	HSBC INTL NOM LTD - SSBT -Wasatch Frontier Emerging Small Countries Fund	24,753,100	1.57
6	Bank of Ceylon No. 1 Account	11,453,600	0.72
7	Mellon Bank N.A. - Acadian Frontier Markets Equity Fund	10,753,734	0.68
8	Mellon Bank N.A. - Frontier Market Select Fund II L.P.	10,240,000	0.65
9	Mellon Bank N.A. - Frontier Market Opportunities Master Fund, L.P.	10,150,000	0.64
10	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.63
11	Northern Trust Global Services Luxembourg S/A Ashmore Sicav Indian Small-Cap Equity Fund	6,083,492	0.39
12	AIA Insurance Lanka PLC A/C No. 07	5,526,721	0.35
13	Ceylon Investment PLC A/C # 01	4,954,891	0.31
14	BNYM SA/NV-NLCF Fund LP	4,916,003	0.31
15	Mr. Y. S. H. I. Silva	4,566,773	0.29
16	HSBC INTL NOM LTD - JPMCB - T. Rowe Price Institutional Frontier Markets Equity Fund	4,559,920	0.29
17	Union Assurance PLC/No - 01A/C	3,821,672	0.24
18	CB NY S/A Wasatch Frontier Emerging Small Countries CIT Fund	3,732,745	0.24
19	Employees Trust Fund Board	2,356,087	0.15
20	Deutsche Bank AG-Namal Growth Fund	2,110,000	0.13

### PUBLIC HOLDING

The percentage of ordinary shares held by the public as at 30th June 2015 was 24.85% and the number of shareholders representing the public holding was 9,014.

### DIRECTORS'/ CEO'S HOLDING IN SHARES AS AT 30TH JUNE 2015

The number of ordinary shares held by the directors and CEO as at 30th June 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 Mudiyanseelage Jayasena	Director	-
Mr. Don Padmasiri Kumarage	CEO	509,158

## 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 three months ended 30th June 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 and People's Microfinance Limited.
  3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
  4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
  5. During the three month ended 30th June 2015 the Company redeemed 5,000,000 preference shares at Rs. 10/- each on 30th April 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.
  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 ('PMB'). Consequent to the aforesaid purchase of ordinary shares, the Joint Offerors own 32,921,519 voting shares (48.77%) of PMB and as a result, the Joint Offerors will be making a mandatory offer to the remaining shareholders of PMB.
- 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 PMB 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.
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. As proposed in the interim budget presented to the parliament on 29th January 2015 one-off "Super Gain Tax" of 25% is to be levied on any company which posted a profit exceeding Rs. 2,000 million for the year of assessment 2013/14. Having recorded a post-tax profit of Rs. 3,123.7 million for the financial year 2013/14 People's Leasing & Finance PLC is subject to this proposal. However, the impact cannot be assessed at this point as the details of the computation is not yet known.
  12. Except for notes 9, 10 and 11, there have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
  13. There has been no significant change in the nature of the contingent liabilities for the three months ended 30th June 2015 which were disclosed in the Annual Report for the year ended 31st March 2015.

## DEBENTURE INFORMATION

### MARKET PRICES FOR THE QUARTER ENDED 30TH JUNE 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	118.74	118.15	118.74
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

### 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

### INTEREST RATES OF COMPARABLE GOVERNMENT SECURITIES

6 Months Treasury Bill	6.18%
1 Year Treasury Bill	6.28%
2 Year Treasury Bond	6.70%
3 Year Treasury Bond	7.18%
4 Year Treasury Bond	8.15%
5 Year Treasury Bond	8.11%
( 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	14.35%	10.57%
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%

### RATIOS

	As at 30.06.2015	As at 31.03.2015
Debt to Equity Ratio (Times)	2.27	2.37
Interest Cover (Times)	1.72	1.58
Quick Asset Ratio (%)	82.06	69.62

## RELATED PARTY DISCLOSURE

### TRANSACTIONS WITH OTHER RELATED ENTITIES

#### Company

The Company had the under mentioned financial dealings during the financial year 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
<b>Items in Statement of Profit or Loss</b>						
Interest on term loans & bank overdraft	74,776	55,763	58,049	62,129	-	-
Building rent income	-	-	-	153	-	-
Building rent expenses	7,525	11,700	61,671	57,321	-	-
Shared fee income	-	-	21,790	15,625	-	-
Interest income on deposits and savings	1,372	40,261	1,654	2,468	-	-
Interest on repo investments	2,381	13,415	-	-	-	-
Interest on treasury bills	59,857	129,450	-	-	-	-
Interest on preference shares	11,721	20,381	-	-	-	-
Interest on Asset backed securities	19,205	-	-	-	-	-
Dividend income	-	-	34,500	-	-	-
Expense on vehicle services & hiring	-	-	9,891	9,370	-	-
Insurance premium paid in respect of own policies	-	-	29,154	12,484	-	-
Service charges received	-	-	87,662	83,187	-	-
Introducing commission	-	-	238	-	-	-
LC commission	1,007	1,007	-	-	-	-
Income on lease	1,637	6,419	-	-	-	-
<b>Items in Statement of Financial Position</b>						
<b>Assets</b>						
Current account balance	1,258,180	1,553,207	-	-	-	-
Fixed deposits, savings & RFC	92,247	258,565	-	-	-	-
Repo investments	-	-	-	-	-	-
Vehicle hiring & service sales	-	-	-	-	-	-
Insurance service charges receivable	-	-	165,712	148,901	-	-
Amount due from	-	-	782,553	1,424,460	-	-
Investment in shares	-	-	1,875,000	1,475,000	205,160	205,160
Investment in treasury bills	3,831,353	3,601,352	-	-	-	-
Lease rental	49,856	104,101	-	-	-	-
Term loans	-	-	675,820	703,850	-	-
<b>Liabilities</b>						
Term loans & bank overdraft	5,724,461	330,094	-	-	-	-
Insurance premium payable in respect of customers introduced by the Company	-	-	466,745	410,043	-	-
Debentures	-	-	108,225	108,221	-	-
Deposits and savings	-	-	94,737	85,069	-	-
Investment in Asset backed securities	1,052,000	-	-	-	-	-
Placement fees on Asset backed securities	13,714	-	-	-	-	-
Investment in preference shares	269,240	480,232	-	-	-	-
Commercial papers	-	-	-	-	-	-
Building rent	9,646	2,400	-	-	-	-
<b>Transactions</b>						
Transaction cost on debenture issue and securitisation	23,935	-	-	-	-	-
<b>Off- Balance Sheet Items</b>						
Guarantees	2,500	2,500	-	-	-	-
Undrawn facilities	50,000	50,000	325,000	225,000	-	-

# 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.

## REGISTERED OFFICE

& Principle 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 Pathiraga

## 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@slt.net.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, Kalmunai, Kalutara, Kandy, Kandy - Alsafa, Kanthale, Kattankudy, Kegalle, Kekirawa, Kelaniya, Kilinochchi, Kirindiwela, Kuliypitiya, Kurunegala, Mahaiyawa, Maharagama, Mahiyanganaya, Mannar, Matale, Matara, Mathugama,, Melsiripura, Merigama, Metropolitan, Minuwangoda, Monaragala, Moratuwa,, Mutur, Nawalapitiya, Negombo, Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya, Panadura, 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. Kumaraage  
Mr. Sanjeewa Bandaranayake  
Mr. L. Fernando  
Mr. R. Tennakoon

## BOARD AUDIT COMMITTEE

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

## REMUNERATION & NOMINATION COMMITTEE

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

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

## 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

## 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' stable by Standard & Poor's Rating Services  
'B+' stable by Fitch Ratings International

**INTERIM  
FINANCIAL  
STATEMENTS**



PEOPLE'S LEASING & FINANCE PLC