

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the three months ended 30th June 2021

Contents

Financial Information

Statement of Financial Position	01
Statement of Profit or Loss - Company & Group	02
Statement of Comprehensive Income - Company & Group	03
Statement of Changes in Equity - Company	04
Statement of Changes in Equity - Group	05
Statement of Cash Flows	06
Analysis of Financial Instruments by Measurement Basis - Company	07
Analysis of Financial Instruments by Measurement Basis - Group	08
Fair Value Hierarchy	09
Segmental Analysis	10
Information on Ordinary Shares of the Company	11
Shareholders' Information	12
Explanatory Notes	13
Analysis of Loans and Receivables Impairment	14
Debenture Information	15,16
Related Party Disclosure - Company	17
Related Party Disclosure - Group	18
Corporate Information	19

**INTERIM
FINANCIAL
STATEMENTS**

STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.06.2021 Rs. Mn. Unaudited*	31.03.2021 Rs. Mn. Audited	Change %	30.06.2021 Rs. Mn. Unaudited*	31.03.2021 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	3,049	2,703	12.8	3,752	3,845	(2.4)
Balances with banks and financial institutions	1,634	5,399	(69.7)	4,839	8,231	(41.2)
Financial assets - Fair value through profit or loss	2,520	110	2,190.9	3,962	1,282	209.0
Loans and receivables - Amortised cost	137,521	141,388	(2.7)	145,418	149,342	(2.6)
Insurance and reinsurance receivables	-	-	-	890	1,024	(13.1)
Financial assets - Fair value through other comprehensive income	1,230	309	298.1	1,647	735	124.1
Debt instrument - Amortised cost	6,696	6,994	(4.3)	8,359	8,593	(2.7)
Investments in subsidiaries	3,214	3,214	-	-	-	-
Investment property	-	-	-	821	821	-
Other assets	1,145	576	98.8	1,047	933	12.2
Property, plant and equipment	1,180	1,049	12.5	4,139	4,034	2.6
Right-of-use assets	2,117	2,242	(5.6)	1,512	1,591	(5.0)
Deferred tax assets	389	416	(6.5)	580	594	(2.4)
Goodwill and intangible assets	114	146	(21.9)	233	266	(12.4)
Total assets	160,809	164,546	(2.3)	177,199	181,291	(2.3)
Liabilities						
Due to banks - Amortised cost	5,705	6,439	(11.4)	8,256	9,004	(8.3)
Due to customers - Amortised cost	100,741	101,503	(0.8)	103,355	103,744	(0.4)
Debt securities issued - Amortised cost	13,049	13,826	(5.6)	12,920	13,685	(5.6)
Other financial liabilities - Amortised cost	2,557	4,132	(38.1)	2,209	4,111	(46.3)
Insurance liabilities and reinsurance payable	-	-	-	4,790	5,016	(4.5)
Lease liabilities - Amortised cost	2,194	2,286	(4.0)	1,561	1,615	(3.3)
Current tax liabilities	424	362	17.1	1,021	884	15.5
Other liabilities	966	1,070	(9.7)	974	1,154	(15.6)
Retirement benefit obligation	643	587	9.5	715	658	8.7
Deferred tax liabilities	-	-	-	296	298	(0.7)
Total liabilities	126,279	130,205	(3.0)	136,097	140,169	(2.9)
Equity						
Stated Capital	14,892	14,892	-	14,892	14,892	-
Statutory reserve fund	2,407	2,407	-	2,466	2,465	0.0
Retained earnings	17,363	17,160	1.2	20,711	20,682	0.1
Other reserves	(132)	(118)	(11.9)	424	421	0.7
Total equity attributable to equity holders of the Company	34,530	34,341	0.6	38,493	38,460	0.1
Non-controlling interest	-	-	-	2,609	2,662	(2.0)
Total equity	34,530	34,341	0.6	41,102	41,122	(0.0)
Total liabilities and equity	160,809	164,546	(2.3)	177,199	181,291	(2.3)
Contingencies	708	697	1.7	755	744	1.5
Commitments	11,702	10,301	13.6	11,796	10,301	14.5
Net assets value per ordinary share (Rs.)	20.26	20.15	0.5	22.58	22.56	0.1

CERTIFICATION

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

(sgd.)

Omal Sumanasiri

Chief Manager Finance

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

Approved and Signed for and on behalf of the Board:

(sgd.)

Sujeewa Rajapakse

Chairman

6th August 2021

Colombo.

* The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

(sgd.)

Shamindra Marcelline

Chief Executive Officer

(sgd.)

Rohan Pathirage

Director

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

For the three months ended 30th June	Company			Group		
	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	Change %	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	Change %
Interest income	5,348	5,997	(10.8)	5,800	6,428	(9.8)
Less: Interest expense	2,642	3,561	(25.8)	2,711	3,635	(25.4)
Net interest income	2,706	2,436	11.1	3,089	2,793	10.6
Net earned premiums	-	-	-	1,281	1,292	(0.9)
Fee and commission income	320	279	14.7	184	138	33.3
Net gains/(losses) on financial assets - FVTPL	11	14	(21.4)	30	27	11.1
Other operating income	455	-	100.0	41	32	28.1
Total operating income	3,492	2,729	28.0	4,625	4,282	8.0
Less: Impairment charges and other losses for loans and receivables	1,499	1,052	42.5	1,617	1,170	38.2
Net operating income	1,993	1,677	18.8	3,008	3,112	(3.3)
Less:						
Personnel expenses	914	699	30.8	1,154	907	27.2
Depreciation and amortisation	204	200	2.0	188	187	0.5
Benefits, claims and underwriting expenditure	-	-	-	686	405	69.4
Other operating expenses	410	348	17.8	483	422	14.5
Total operating expenses	1,528	1,247	22.5	2,511	1,921	30.7
Operating profit before tax on financial services	465	430	8.1	497	1,191	(58.3)
Less: Tax on financial services	174	160	8.7	179	165	8.5
Profit before income tax	291	270	7.8	318	1,026	(69.0)
Less: Income tax expense	91	96	(5.2)	212	289	(26.6)
Profit for the period	200	174	14.9	106	737	(85.6)
Profit Attributable to :						
Equity holders	200	174	14.9	26	593	(95.6)
Non-controlling interest	-	-	-	80	144	(44.4)
Profit for the period	200	174	14.9	106	737	(85.6)
Basic/Diluted earnings per ordinary share (Rs.)	0.12	0.10	14.9	0.02	0.35	(95.6)

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

INTERIM FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	Company			Group		
	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	Change %	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	Change %
Profit for the period	200	174	14.9	106	737	(85.6)
Other comprehensive income/(expenses), net of tax						
<i>Items to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary	-	-	-	35	(26)	234.6
Net items to be reclassified to profit or loss in subsequent periods	-	-	-	35	(26)	234.6
<i>Items not to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Financial assets-FVOCI						
Gains/(losses) on re-measuring	(14)	13	(207.7)	(15)	30	(150.0)
Deferred tax effect on above	3	-	100.0	4	(5)	180.0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	(11)	13	(184.6)	(11)	25	(144.0)
Other comprehensive income for the period, net of taxes	(11)	13	(184.6)	24	(1)	2,500.0
Total comprehensive income for the period	189	187	1.1	130	736	(82.3)
Profit Attributable to :						
Equity holders	(11)	13	(184.6)	7	(4)	275.0
Non-controlling interest	-	-	-	17	3	466.7
Other comprehensive income for the period, net of taxes	(11)	13	(184.6)	24	(1)	2,500.0
Total comprehensive income for the period	189	187	1.1	130	736	(82.3)

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

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	Statutory Reserve Fund	Other Reserves <u>Fair Value</u> Reserve	Retained Earnings	Total Equity
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2020	13,915	2,205	(102)	14,228	30,246
Total comprehensive income for the three months ended 30.06.2020					
Profit for the three months ended 30.06.2020	-	-	-	174	174
Other comprehensive income (net of tax)	-	-	13	-	13
Total comprehensive income for the three months ended 30.06.2020	-	-	13	174	187
Transactions with equity holders, recognised directly in equity					
Transfers to reserves during the period	-	-	-	-	-
Dividend paid	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-
Balance as at 30.06.2020	13,915	2,205	(89)	14,402	30,433
Balance as at 01.04.2021	14,892	2,407	(118)	17,160	34,341
Total comprehensive income for the three months ended 30.06.2021					
Profit for the three months ended 30.06.2021	-	-	-	200	200
Other comprehensive income (net of tax)	-	-	(14)	3	(11)
Total comprehensive income for the three months ended 30.06.2021	-	-	(14)	203	189
Transactions with equity holders, recognised directly in equity					
Transfers to reserves during the period	-	-	-	-	-
Dividend paid	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-
Balance as at 30.06.2021	14,892	2,407	(132)	17,363	34,530

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

INTERIM
FINANCIAL
STATEMENTS

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital	Statutory Reserve Fund	Other Reserves		Retained Earnings	Total	Non- controlling Interest	Total Equity
			Foreign Currency Translation Reserve	Fair Value Reserve				
			Rs. Mn.	Rs. Mn.				
Balance as at 01.04.2020	13,915	2,235	401	(116)	16,518	32,953	2,357	35,310
Total comprehensive income for the three months ended 30.06.2020								
Profit for the three months ended 30.06.2020	-	-	-	-	593	593	144	737
Other comprehensive income (net of tax)	-	-	(26)	30	(8)	(4)	3	(1)
Total comprehensive income for the three months ended 30.06.2020	-	-	(26)	30	585	589	147	736
Transactions with equity holders, recognised directly in equity								
Transfers to reserves during the period	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-	-
Balance as at 30.06.2020	13,915	2,235	375	(86)	17,103	33,542	2,504	36,046
Balance as at 01.04.2021	14,892	2,465	543	(122)	20,682	38,460	2,662	41,122
Total comprehensive income for the three months ended 30.06.2021								
Profit for the three months ended 30.06.2021	-	-	-	-	26	26	80	106
Other comprehensive income (net of tax)	-	-	18	(15)	4	7	17	24
Total comprehensive income for the three months ended 30.06.2021	-	-	18	(15)	30	33	97	130
Transactions with equity holders, recognised directly in equity								
Transfers to reserves during the period	-	1	-	-	(1)	-	-	-
Dividend paid	-	-	-	-	-	-	(150)	(150)
Total transactions with equity holders	-	1	-	-	(1)	-	(150)	(150)
Balance as at 30.06.2021	14,892	2,466	561	(137)	20,711	38,493	2,609	41,102

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the three months ended 30th June	Company		Group	
	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*	2021 Rs. Mn. Unaudited*	2020 Rs. Mn. Unaudited*
Cash flows from operating activities				
Income from cash and cash equivalent	7	7	7	7
Payments to loans and receivables	(16,048)	(4,852)	(16,775)	(5,531)
Receipts from loans and receivables	23,798	11,594	24,678	12,897
Investment in balances with banks & financial institutions	(2,555)	(3,455)	(3,897)	(3,874)
Receipts from balances with banks & financial institutions	6,349	2,428	7,420	2,648
Investment in debt instrument at amortized cost	(4,820)	(5,387)	(5,084)	(5,332)
Receipts from debt instrument at amortized cost	5,200	2,187	5,400	2,187
Payment of due to customers	(30,062)	(25,966)	(30,839)	(26,267)
Receipts from due to customers	27,333	22,956	28,437	22,936
Receipt from other income	320	279	184	134
Investment in financial assets - fair value through profit or loss	(3,503)	(1,250)	(4,003)	(1,208)
Proceeds from financial assets - fair value through profit or loss	1,104	1,798	1,353	1,798
Investment in Financial assets - Fair value through OCI	(918)	-	(918)	-
Payment for operating lease liability	(167)	(157)	(106)	(98)
Payment for personnel expenses	(1,097)	(847)	(1,371)	(1,067)
Receipts from/(payment for) other operating activities	(2,460)	(2,164)	(2,839)	(2,380)
Premium received from customers	-	-	1,064	1,155
Reinsurance premium paid	-	-	(209)	(81)
Claims paid	-	-	(562)	(551)
Reinsurance receipts in respect of claims	-	-	211	245
Dividend income from investments	5	-	5	-
Gratuity paid	(2)	(2)	(2)	(4)
Income tax paid	-	(360)	(59)	(420)
Net cash generated from/(used in) operating activities	2,484	(3,191)	2,095	(2,806)
Cash flows from investing activities				
Purchase of property, plant and equipment	(23)	(19)	(26)	(89)
Purchase of intangible assets	(1)	-	(1)	-
Dividends received from investments	-	165	-	-
Net cash (used in)/generated from investing activities	(24)	146	(27)	(89)
Cash flows from financing activities				
Payment for due to banks	(309)	(1,227)	(630)	(1,298)
Payment for debt securities issued	(1,182)	(1,247)	(1,166)	(1,230)
Net cash (used in)/generated from financing activities	(1,491)	(2,474)	(1,796)	(2,528)
Net (decrease) in cash & cash equivalents	969	(5,519)	272	(5,423)
Cash and cash equivalents at the beginning of the period	1,987	7,139	2,953	6,999
Cash and cash equivalents at the end of the period	2,956	1,620	3,225	1,576
Cash and cash equivalents	3,049	2,153	3,752	2,753
Bank overdraft	(93)	(533)	(527)	(1,177)
Cash and cash equivalents at the end of the period	2,956	1,620	3,225	1,576

*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	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn.	Total Rs. Mn.
As at 30th June 2021				
ASSETS				
Cash and cash equivalents	-	3,049	-	3,049
Balances with banks and financial institutions	-	1,634	-	1,634
Financial assets -Fair value through profit or loss	2,520	-	-	2,520
Loans and receivables - Amortised cost	-	137,521	-	137,521
Financial assets - Fair value through other comprehensive income	-	-	1,230	1,230
Debt instrument - Amortised cost	-	6,696	-	6,696
Other financial assets	-	185	-	185
Total financial assets	2,520	149,085	1,230	152,835
As at 30th June 2021				
LIABILITIES				
Due to banks - Amortised cost	-	5,705	-	5,705
Due to customers - Amortised cost	-	100,741	-	100,741
Debt securities issued - Amortised cost	-	13,049	-	13,049
Other financial liabilities - Amortised cost	-	2,557	-	2,557
Lease liabilities - Amortised cost	-	2,194	-	2,194
Total financial liabilities	-	124,246	-	124,246
Company				
As at 31st March 2021				
ASSETS				
Cash and cash equivalents	-	2,703	-	2,703
Balances with banks & financial institutions	-	5,399	-	5,399
Financial assets -Fair value through profit or loss	110	-	-	110
Loans and receivables - Amortised cost	-	141,388	-	141,388
Financial assets - Fair value through other comprehensive income	-	-	309	309
Debt instrument - Amortised cost	-	6,994	-	6,994
Other financial assets	-	127	-	127
Total financial assets	110	156,611	309	157,030
As at 31st March 2021				
LIABILITIES				
Due to banks - Amortised cost	-	6,439	-	6,439
Due to customers - Amortised cost	-	101,503	-	101,503
Debt securities issued - Amortised cost	-	13,826	-	13,826
Other financial liabilities - Amortised cost	-	4,132	-	4,132
Lease liabilities - Amortised cost	-	2,286	-	2,286
Total financial liabilities	-	128,186	-	128,186

**INTERIM
FINANCIAL
STATEMENTS**

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group				
		Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. Mn.
As at 30th June 2021				Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	3,752	-	3,752
Balances with banks & financial institutions	-	4,839	-	4,839
Financial assets -Fair value through profit or loss	3,962	-	-	3,962
Loans and receivables - Amortised cost	-	145,418	-	145,418
Insurance and reinsurance receivables	-	890	-	890
Financial assets - Fair value through other comprehensive income	-	-	1,647	1,647
Debt instrument - Amortised cost	-	8,359	-	8,359
Total financial assets	3,962	163,258	1,647	168,867
		Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.
As at 30th June 2021				Total Rs. Mn.
LIABILITIES				
Due to banks - Amortised cost	-	8,256	-	8,256
Due to customers - Amortised cost	-	103,355	-	103,355
Debt securities issued - Amortised cost	-	12,920	-	12,920
Other financial liabilities - Amortised cost	-	2,209	-	2,209
Lease liabilities - Amortised cost	-	1,561	-	1,561
Insurance liabilities and reinsurance payable	-	4,790	-	4,790
Total financial liabilities	-	133,091	-	133,091
		Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.
As at 31st March 2021				Total Rs. Mn.
ASSETS				
Cash and cash equivalents	-	3,845	-	3,845
Balances with banks & financial institutions	-	8,231	-	8,231
Financial assets -Fair value through profit or loss	1,282	-	-	1,282
Loans and receivables - Amortised cost	-	149,342	-	149,342
Insurance and reinsurance receivables	-	1,024	-	1,024
Financial assets - Fair value through other comprehensive income	-	-	735	735
Debt instrument - Amortised cost	-	8,593	-	8,593
Total financial assets	1,282	171,035	735	173,052
		Financial instruments recognised at FVTPL Rs. Mn.	Financial instruments at amortised cost (AC) Rs. Mn.	Financial instruments at FVOCI Rs. Mn.
As at 31st March 2021				Total Rs. Mn.
LIABILITIES				
Due to banks - Amortised cost	-	9,004	-	9,004
Due to customers - Amortised cost	-	103,744	-	103,744
Debt securities issued - Amortised cost	-	13,685	-	13,685
Other financial liabilities - Amortised cost	-	4,111	-	4,111
Insurance liabilities and reinsurance payable	-	5,016	-	5,016
Lease liabilities - Amortised cost	-	1,615	-	1,615
Total financial liabilities	-	137,175	-	137,175

**INTERIM
FINANCIAL
STATEMENTS**

FAIR VALUE HIERARCHY

Company				
As at 30th June 2021	Level 1	Level 2	Level 3	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Financial assets				
Financial assets -Fair value through profit or loss				
Quoted Investments	12	-	-	12
Investment in unit trust	-	2,508	-	2,508
Sub total	12	2,508	-	2,520
Financial assets - Fair value through other comprehensive income				
Quoted Investments	1,230	-	-	1,230
Sub total	1,230	-	-	1,230
Total	1,242	2,508	-	3,750
As at 31st March 2021	Level 1	Level 2	Level 3	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Financial assets				
Financial assets -Fair value through profit or loss				
Quoted Investments	10	-	-	10
Investment in unit trust	-	100	-	100
Sub total	10	100	-	110
Financial assets - Fair value through other comprehensive income				
Quoted Investments	309	-	-	309
Sub total	309	-	-	309
Total	319	100	-	419
Group				
As at 30th June 2021	Level 1	Level 2	Level 3	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Financial assets				
Financial assets -Fair value through profit or loss				
Quoted Investments	297	-	-	297
Investment in unit trust	-	3,665	-	3,665
Sub total	297	3,665	-	3,962
Financial assets - Fair value through other comprehensive income				
Quoted Investments	1,230	-	-	1,230
Treasury bills	-	417	-	417
Sub total	1,230	417	-	1,647
Non financial assets - Investment property				
Land and building	-	-	821	821
Sub total	-	-	821	821
Total	1,527	4,082	821	6,430
As at 31st March 2021	Level 1	Level 2	Level 3	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Financial assets				
Financial assets -Fair value through profit or loss				
Quoted Investments	25	-	-	25
Investment in unit trust	-	1,257	-	1,257
Sub total	25	1,257	-	1,282
Financial assets - Fair value through other comprehensive income				
Quoted Investments	309	-	-	309
Treasury bills	-	426	-	426
Sub total	309	426	-	735
Non financial assets - Investment property				
Land and building	-	-	821	821
Sub total	-	-	821	821
Total	334	1,683	821	2,838

**INTERIM
FINANCIAL
STATEMENTS**

SEGMENTAL ANALYSIS - GROUP

For the three months ended 30th June	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.
Interest income	2,811	3,271	2,475	2,548	239	261	160	190	166	223	(51)	(65)	5,800	6,428
Net earned premiums	-	-	-	-	-	-	1,326	1,331	-	-	(45)	(39)	1,281	1,292
Fee and commission income	195	177	172	142	17	14	-	-	69	69	(269)	(264)	184	138
Net gains/(losses) on financial assets - FVTPL	-	-	-	-	-	-	19	15	11	12	-	-	30	27
Other operating income	233	-	205	-	20	-	11	13	36	32	(464)	(13)	41	32
Gross income	3,239	3,448	2,852	2,690	276	275	1,516	1,549	282	336	(829)	(381)	7,336	7,917
Interest expenses	1,346	1,890	1,185	1,474	115	151	-	-	117	185	(52)	(65)	2,711	3,635
Total operating income	1,893	1,558	1,667	1,216	161	124	1,516	1,549	165	151	(777)	(316)	4,625	4,282
Impairment and other losses for loans and receivables	721	86	772	859	78	165	-	-	46	60	-	-	1,617	1,170
Net operating income	1,172	1,472	895	357	83	(41)	1,516	1,549	119	91	(777)	(316)	3,008	3,112
Depreciation and amortisation	89	103	92	82	8	7	25	23	16	15	(42)	(43)	188	187
Segment result	290	276	255	214	25	22	358	666	25	27	(456)	(14)	497	1,191
Tax on financial services													179	165
Income tax expenses													212	289
Profit for the period													106	737
As at 30th June 2021														
Segment Assets	75,256	87,414	77,678	70,524	6,953	7,916	10,754	10,293	13,497	12,888	(6,939)	(6,407)	177,199	182,628
Total Assets	75,256	87,414	77,678	70,524	6,953	7,916	10,754	10,293	13,497	12,888	(6,939)	(6,407)	177,199	182,628
Segment Liabilities	58,427	70,705	60,308	57,042	5,398	6,403	6,214	6,133	10,479	10,424	(4,729)	(4,125)	136,097	146,582
Total Liabilities	58,427	70,705	60,308	57,042	5,398	6,403	6,214	6,133	10,479	10,424	(4,729)	(4,125)	136,097	146,582

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

INTERIM FINANCIAL STATEMENTS

INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

	2021 Rs.	2020 Rs.
Highest price during the quarter ended 30th June :	13.70	13.30
Lowest price during the quarter ended 30th June :	11.70	9.10
Last traded price as at 30th June :	13.00	12.90

Issued Capital

Issued Capital as at 30th June 2021 was represented by the number of shares in issue as given below;

	As at 30th June 2021		As at 30th June 2020	
	Number	Rs.	Number	Rs.
Ordinary shares issued for consideration	1,579,862,482	11,886,073,308	1,579,862,482	11,886,073,308
Transfer from preference shares on redemption	-	1,350,000,000	-	1,350,000,000
Ordinary shares issued as Scrip Dividend	124,740,278	1,655,962,900	47,840,906	679,340,867
Total	1,704,602,760	14,892,036,208	1,627,703,388	13,915,414,175

INTERIM FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 30th June 2021

Twenty largest ordinary shareholders of the Company as at 30th June 2021 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,278,452,068	75.00
2	Employees Provident Fund	92,519,266	5.43
3	National Savings Bank	47,116,037	2.76
4	BNYM SA NV RE-Neon Liberty Lorikeet Master Fund LP	32,899,317	1.93
5	Rubber Investment Trust Limited A/C # 01	16,939,039	0.99
6	Employees Trust Fund Board	12,791,420	0.75
7	Bank of Ceylon No. 1 Account	12,357,934	0.72
8	Perera and Sons Bakers Pvt Limited	10,000,000	0.59
9	Sri Lanka Insurance Corporation Ltd-General Fund	7,577,469	0.44
10	AIA Insurance Lanka Limited A/C No.07	6,162,951	0.36
11	Ceylon Investment PLC A/C # 01	5,161,675	0.30
12	Mr. Herbert Beruwalage	4,373,469	0.26
13	Mercantile Investments and Finance PLC	3,500,000	0.21
14	Ceylon Guardian Investment Trust PLC A/C # 02	3,396,923	0.20
15	Commercial Bank of Ceylon PLC/Metrocorp (Pvt) Ltd	3,141,732	0.18
16	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	2,934,483	0.17
17	J.B. Cocoshell (Pvt) Ltd	2,914,604	0.17
18	Mr. Merrill Joseph Fernando	2,754,014	0.16
19	AIA Insurance Lanka Limited A/C No.06	2,451,774	0.14
20	Mr. Weerathunga Arachchige Sampath Palitha De Saram	2,427,455	0.14

Public Holding

The percentage of ordinary shares held by the public as at 30th June 2021 was 24.94% and the number of shareholders representing the public holding was 9,995.

Directors/ CEO's Holding in Shares as at 30th June 2021

The number of ordinary shares held by the directors and CEO as at 30th June 2021 were as follows;

Name	Position	No. of Shares
Mr. Sujeewa Rajapakse	Chairman	149,812
Mr. Rohan Pathirage	Director	363,673
Mr. Azzam A. Ahamat	Director	-
Mr. S. Ahangama	Director	-
Mr. K.C.J.C. Fonseka	Director	52,328
Mr. C.J. Wijetillake	Director	-
Mr. U.L.A.W. Bandara	Director	-
Ms. M.C. Pietersz	Director	-
Mr. R. Kodituwakku	Director	-
Mr. Shamindra Marcelline	CEO	-

Float adjusted Market Capitalisation

The Float adjusted market capitalization as at 30th June 2021 - Rs. 5,526,064,089/-

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2020/21.
2. The Interim Financial Statements for the three months ended 30th June 2021 are drawn up from unaudited accounts of the Company, its subsidiary companies: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance PLC, People's Leasing Havelock Properties Limited, People's Micro-commerce Ltd., Lankan Alliance Finance Limited.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
5. On 16th June 2021, the Company declared a final dividend of Rs. 0.75 (Cents Seventy Five) per share for the financial year 2020/21, in the form of a scrip dividend. The number of ordinary shares to be issued under the scrip dividend will be Ninety Eight Million Three Hundred Forty Two Thousand Four Hundred and Sixty Six (98,342,466) on the basis of Rs.13.00 per share which results in one (01) share being issued for each existing seventeen decimal three three three three three three four nine six zero (17.3333334960) held by the shareholders at the end of trading on the Colombo Stock Exchange as at the entitlement date.
6. In June 2021, People's Insurance PLC declared a final dividend of Rs. 3 (Rupees Three) per share for the financial year 2020, in the form of a cash dividend and the Company received Rupees Four Hundred and Fifty Million (450,000,000) on 07th July 2021.
7. On 17th June 2021, the Company has decided to issue Listed, Rated, Unsecured, Senior, Redeemable Debentures amounting to Rupees Eight Billion (8,000,000,000/-). Further to this, on 14th July 2021 the company has decided to upsize the proposed Debenture issue to up to Rupees Ten Billion (10,000,000,000/-) worth of Debentures. The issue was opened on 29th July 2021, and applications for over Rupees Ten Billion (10,000,000,000/-) were received on the same day and the Company allocated to investors on 5th August 2021.
8. Ms. Mariene Shaalini Silva has been appointed as Company Secretary of the Company with effect from 15th July 2021 in place of Mrs. Kottegoda Gedara Lakmini Dilrukshi Kottegoda. Central bank has granted approval for the said appointment by letter dated on 14th July 2021.
9. Admin fee income on factoring included in Interest income has been reclassified to Fee and commission income, and comparative figures have been re-classified accordingly as follows.

	Company			Group		
	As disclosed previously	Current Presentation	Adjustment	As disclosed previously	Current Presentation	Adjustment
Statement of Profit or Loss						
Interest income	6,001	5,997	(4)	6,432	6,428	(4)
Fee and commission income	275	279	4	134	138	4

10. The outbreak and spread of the coronavirus globally has caused disruption to business and economic activities and has created a widespread uncertainty to the global economy. Further the various quarantine measures adopted by different countries greatly affected global trade. PLC strictly followed the guidelines and instructions issued by the government health authorities and the Central Bank of Sri Lanka (CBSL) when conducting its commercial operations.
11. Expected Credit Loss at 30 June 2021 was estimated based on a range of forecast economic conditions prevailing as at that date. As the situation continues to evolve and timelines for a normalization of economic activity remains yet an unknown, the impact to our core markets and the Company's financial results cannot be reasonably estimated or reliably measured based on reasonable and supportable information that is available at the current stage.
12. The Covid 19 outbreak in March 2020 followed by the second and the third waves continues to pose challenges to businesses and industries both locally and globally due to uncertainties, restrictions and limitations associated with the pandemic. Considering the difficulties and constraints faced by businesses and individuals due to the ongoing COVID-19 pandemic, the Central Bank of Sri Lanka (CBSL) has requested licensed finance companies and specialised leasing companies (non-banking financial institutions), to extend concessions for credit facilities as follows,
 - * third moratorium: for affected businesses and individuals engaged in passenger transportation and tourism sectors from 1 April to 30 September 2021
 - * fourth moratorium: for affected businesses and individuals from 15 May 2021 to 31 August 2021
 The Company has quantified the impact of the above moratoriums and adjusted in the Financial Statements as at 30th June 2021.
13. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
14. There has been no significant change in the nature of the contingent liabilities for the three months ended 30th June 2021 which were disclosed in the Annual Report for the year ended 31st March 2021.

INTERIM FINANCIAL STATEMENTS

ANALYSIS OF LOANS AND RECEIVABLES IMPAIRMENT

Analysis by stage wise

Company - 30th June 2021

	Stage 1 Rs. Mn.	Stage 2 Rs. Mn.	Stage 3 Rs. Mn.	Total Rs. Mn.
Loans and receivables	89,249	26,671	32,369	148,289
(Less):				
Individual impairment charges	-	-	1,462	1,462
Collective impairment charges	1,338	1,384	6,584	9,306
Net loans and receivables	87,911	25,287	24,323	137,521

Company - 31st March 2021

Loans and receivables	91,722	30,256	28,678	150,656
(Less):				
Individual impairment charges	-	-	1,168	1,168
Collective impairment charges	832	1,113	6,155	8,100
Net loans and receivables	90,890	29,143	21,355	141,388

Group - 30th June 2021

Loans and receivables	96,212	27,689	32,971	156,872
(Less):				
Individual impairment charges	-	-	1,580	1,580
Collective impairment charges	1,483	1,594	6,797	9,874
Net loans and receivables	94,729	26,095	24,594	145,418

Group - 31st March 2021

Loans and receivables	92,517	35,085	31,623	159,225
(Less):				
Individual impairment charges	-	-	1,168	1,168
Collective impairment charges	995	1,262	6,458	8,715
Net loans and receivables	91,522	33,823	23,997	149,342

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Market Prices for the quarter ended 30th June 2021			
Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
2016 - 5 Years - 12.60% p.a. payable semi-annually	Has not been traded		
2018 - 4 Years - 12.40% p.a. payable annually	Has not been traded		
2018 - 5 Years - 12.80% p.a. payable annually	Has not been traded		
Interest Rates			
Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)	
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60	13.00	
2018 - 4 Years - 12.40% p.a. payable annually	12.40	12.40	
2018 - 5 Years - 12.80% p.a. payable annually	12.80	12.80	
Interest Rates of Comparable Government Securities			
6 Months Treasury Bill	5.17%		
1 Year Treasury Bill	5.21%		
2 Year Treasury Bond	6.35%		
3 Year Treasury Bond	6.50%		
4 Year Treasury Bond	7.04%		
5 Year Treasury Bond	7.31%		
Current Yield & Yield to Maturity			
Debenture Type	Current Yield (%)	Yield to Maturity (%)	
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60	12.60	
2018 - 4 Years - 12.40% p.a. payable annually	12.40	12.40	
2018 - 5 Years - 12.80% p.a. payable annually	12.80	12.80	

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Ratios								As at 30.06.2021	As at 31.03.2021
Debt to Equity Ratio (Times)*								0.54	0.59
Interest Cover (Times)								1.11	1.45
Quick Asset Ratio (%)								65.62	62.66
* Debt to Equity Ratio has been computed without considering Due to Customers balances.									
Utilisation of Funds Raised via Capital Market									
Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.'000	Proposed date of utilisation as per Prospectus	Amount allocated from proceeds in Rs.'000 (A)	% of total proceeds	Amounts utilised in Rs.'000 (B)	% of utilisation against allocation (B/A)	Clarification if not fully utilised including where the funds are invested	
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2016									
1	The funds raised through this Debenture Issue utilized to finance the budgeted lending portfolio and working capital requirements	8,000,000	Within 12 months from the date of allotment	8,000,000	100%	8,000,000	100%	N/A	
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2018									
1	The funds raised through this Debenture Issue utilized to repay the short term facilities obtained to settle the debentures matured on the 26th March 2018 and for Company's working capital requirements.	6,000,000	Within 12 months from the date of allotment	6,000,000	100%	6,000,000	100%	N/A	

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

	Parent		Subsidiaries	
	2021 Rs. Mn.	2020 Rs. Mn.	2021 Rs. Mn.	2020 Rs. Mn.
Transactions with Related entities				
Company				
The Company had the under mentioned financial dealings during the period with the following related entities.				
For the period ended 30 June				
Items in Statement of Profit or Loss				
Interest income	109	195	36	46
Interest expense	24	65	42	35
Fee & Commission income	-	-	173	181
Other operating income	-	-	454	4
Benefits, claims and underwriting expenditure	-	-	41	35
Depreciation and amortisation	6	6	54	57
Other operating expenses	-	-	9	9
As at 30 June				
Items in Statement of Financial Position				
Assets				
Cash and cash equivalents	1,656	1,339	-	-
Balances with banks & financial institutions	1,634	4,337	-	-
Loans and receivables	-	-	1,583	1,655
Financial assets - Amortised cost	6,013	7,412	-	-
Investments in subsidiaries	-	-	3,214	3,214
Other assets	-	-	680	368
Right of use asset	129	152	745	458
Total	9,432	13,240	6,222	5,695
Liabilities				
Due to banks	657	1,691	-	-
Due to customers	1,205	881	619	607
Debt Securities issued	-	-	129	129
Other Financial liabilities	-	-	457	586
Lease liabilities	145	165	792	495
Other liabilities	3	11	17	6
Total	2,010	2,747	2,014	1,822
For the period ended 30 June				
Transactions				
Transaction cost on debenture issue and securitisation	-	4	-	-
Building rent paid	9	9	70	70
Building rent received	-	-	5	4
Cash and cash equivalents - Repo investments	-	99,957	-	-
Cash and cash equivalents - Repo settlements	-	101,914	-	-
Balances with banks and financial institutions - FD investments	2,555	4,193	-	-
Balances with banks and financial institutions - FD withdrawals	6,349	3,126	-	-
Loans and receivables - Grantings	-	-	75	104
Loans and receivables - Repayments	-	-	24	143
Debt instrument - Amortised cost - Investments	4,820	5,387	-	-
Debt instrument - Amortised cost - Settlements	5,200	2,187	-	-
Due to banks - Borrowings	-	1,000	-	-
Due to banks - Repayment	129	1,210	-	-
Due to customers - Investments	67	169	245	143
Due to customers - Settlements	-	59	245	143
Other financial liabilities - Services obtained	-	-	12	-
Other financial liabilities - Repayment	-	-	3	-
Dividend received	-	-	450	-
Insurance premium paid in respect of customers introduced by People's Leasing & Finance PLC	-	-	527	666
Total	19,129	219,217	1,656	1,273
Off- Balance Sheet Items				
Guarantees	-	-	300	300

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

Transactions with other Related entities

Group

The group had the under mentioned financial dealings during the financial year with the following related entities.

	Parent	
	2021 Rs. Mn.	2020 Rs. Mn.
Items in Statement of Profit or Loss		
Interest income	121	207
Interest expenses	26	68
Net earned premiums	46	54
Fee and commission income	8	8
Other operating income	27	45
Benefits, claims and underwriting expenditure	2	17
Depreciation and amortisation	6	6
Items in Statement of Financial Position		
Assets		
Cash and cash equivalents	2,038	1,531
Balances with banks & financial institutions	2,163	5,141
Insurance and reinsurance receivables	4	59
Financial investments - Amortised cost	6,013	7,412
Other assets	21	18
Right of use assets	129	152
Total	10,368	14,313
Liabilities		
Due to banks	906	2,015
Due to customers	1,205	881
Other liabilities	14	16
Lease liabilities	145	165
Total	2,270	3,077

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.

47,840,906 Ordinary shares of the company were listed with effect from 9th August 2019, pursuant to a scrip dividend.

76,899,372 Ordinary shares of the company were listed with effect from 24th December 2020, pursuant to a scrip dividend.

Senior, Unsecured, Redeemable, five year (2016/21) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 23rd November 2016.

Senior, Unsecured, Redeemable, four year (2018/22) and five year (2018/23) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 27th April 2018.

Registered Office & Principal Place of Business

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code: 00800
Telephone +94 11 2631631
Fax +94 11 2631980/81
Email: info@plc.lk
Web Address: www.plc.lk

Compliance Officer

Ms. Zairaa Kaleel

Company Secretary

Ms. Shaalini Silva

Registrar

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

Auditor

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

Bankers

People's Bank
Sampath Bank PLC
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Habib Bank Limited
Citi Bank N.A.
Indian Bank
Indian Overseas Bank
Pan Asia Banking Corporation PLC

Head Office & Branch Offices

Head Office, Akuressa, Ambalangoda,
Ambalanthota, Ampara, Anamaduwa,
Anuradapura, Awissawella, Badulla, Balangoda,
Bandarawela, Battaramulla, Batticaloa, Benthotta,
Chilaw, Chunnakam, Colpetty, Dambulla,
Dehiwala, Deniyaya, Digana, Divulapitiya,
Elpitiya, Embilipitiya, Galenbindunuwewa, Galle,
Gampaha, Gampola, Giriulla, Godakawela,
Grandpass, Hambantota, Hanwellla, Hatton,
Havelock, Hingurakgoda, Homagama, Horana,
Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalawana,
Kalawanchikudi, Kalmunai, Kalutara,
Kamburupitiya, Kandy, Kandy II, Kandy Alsafa,
Kanthale, Kattandudy, Kegalle, Kekirawa,
Kelaniya, Kilinocchi, Kiribathgoda, Kirindiwela,
Kodikamam, Kuliapitiya, Kurunegala,
Mahaiyawa, Maharagama, Mahiyanganaya,
Mannar, Matale, Matara, Mathugama, Mawanella,
Medawachchiya, Melsiripura, Merigama,
Metropolitan, Minuwangoda, Monaragala,
Moratuwa, Mutur, Narammala, Nattandiya,
Nawalapitiya, Negombo, Negombo City, Nelliady,
Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya,
Panadura, Pelmadulla, Pettah, Pilimathalawa,
Piliyandala, Polonnaruwa, Puttalam, Ragama,
Ratnapura, Tangalle, Thabuttegama,
Thissamaharama, Trincomalee, Udugama,
Union Place, Urubokka, Vavuniya, Walasmulla,
Warakapola, WardPlace, Wariyapola, Wattala,
Welimada, Wellawatha, Wellawaya,
Wennappuwa

Board of Directors

Mr. Sujeewa Rajapakse - Chairman
Mr. Rohan Pathirage
Mr. Azzam A. Ahamat
Mr. S. Ahangama
Mr. K.C.J.C. Fonseka
Mr. C.J.Wijetillake
Mr. U.L.A.W. Bandara
Ms. M.C. Pietersz
Mr. R. Kodituwakku

Board Audit Committee

Ms. M.C. Pietersz - Chairperson
Mr. U.L.A.W. Bandara - Member
Mr. Azzam A. Ahamat - Member

Board Integrated Risk Management Committee

Mr. C.J.Wijetillake - Chairman
Mr. Azzam A. Ahamat - Member
Mr. K.C.J.C. Fonseka - Member

Human Resources Remuneration and Nomination Committee

Mr. U.L.A.W. Bandara - Chairman
Ms. M.C. Pietersz - Member
Mr. Rohan Pathirage - Member

Related Party Transaction Review Committee

Mr. C.J.Wijetillake - Chairman
Mr. U.L.A.W. Bandara - Member
Mr. S. Ahangama - Member

Subsidiary Companies

People's Leasing Fleet Management Limited
People's Leasing Property Development Limited
People's Leasing Havelock Properties Limited
People's Insurance PLC
People's Micro-commerce Ltd.
Lankan Alliance Finance Limited

Corporate Memberships

The Financial House Association of Sri Lanka
Credit Information Bureau of Sri Lanka
The Financial Ombudsman, Sri Lanka
The Leasing Association of Sri Lanka
The Association of Margin Providers
Biodiversity Sri Lanka (Patron Member)

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

Income Tax Identity Number

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

"A+" (Ika) by Fitch Ratings Lanka Limited

INTERIM
FINANCIAL
STATEMENTS



PEOPLE'S LEASING & FINANCE PLC