

# INTERIM FINANCIAL STATEMENTS

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PEOPLE'S LEASING & FINANCE PLC

For the three months ended 30th June 2014



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# STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.06.2014 Rs. Mn. Unaudited*	31.03.2014 Rs. Mn. Audited	Change %	30.06.2014 Rs. Mn. Unaudited*	31.03.2014 Rs. Mn. Audited	Change %
<b>Assets</b>						
Cash and cash equivalents	7,232	11,453	(36.9)	7,507	11,696	(35.8)
Other balances with banks & financial institutions	312	3,330	(90.6)	1,747	4,726	(63.0)
Derivative financial instrument	-	-	-	-	-	-
Financial assets held-for-trading	200	184	8.7	448	378	18.5
Loans and receivables	92,732	90,218	2.8	91,992	90,342	1.8
Insurance and reinsurance receivables	-	-	-	136	138	(1.4)
Financial investments – Available-for-sale	269	224	20.1	1,533	1,317	16.4
Financial investments – Held-to-maturity	4,797	4,747	1.1	4,797	4,747	1.1
Investments in subsidiaries	1,475	1,475	-	-	-	-
Investments in associates	-	-	-	-	-	-
Goodwill and intangible assets	344	348	(1.1)	352	356	(1.1)
Property, plant and equipment	797	801	(0.5)	3,448	3,052	13.0
Investment property	55	55	-	-	-	-
Other assets	1,064	941	13.1	1,778	1,665	6.8
<b>Total assets</b>	<b>109,277</b>	<b>113,776</b>	<b>(4.0)</b>	<b>113,738</b>	<b>118,417</b>	<b>(4.0)</b>
<b>Liabilities</b>						
Due to banks	10,953	14,132	(22.5)	12,249	15,777	(22.4)
Due to customers	40,803	40,921	(0.3)	40,718	40,839	(0.3)
Debt securities issued	31,380	34,473	(9.0)	31,271	34,369	(9.0)
Other financial liabilities	4,676	2,870	62.9	4,505	2,759	63.3
Derivative financial instrument	131	-	-	131	-	-
Insurance and reinsurance payable	-	-	-	2,704	2,571	5.2
Current tax liabilities	557	447	24.6	658	541	21.6
Deferred tax liabilities	1,573	1,573	-	1,595	1,599	(0.3)
Other liabilities	165	165	-	183	194	(5.7)
<b>Total liabilities</b>	<b>90,238</b>	<b>94,581</b>	<b>(4.6)</b>	<b>94,014</b>	<b>98,649</b>	<b>(4.7)</b>
<b>Equity</b>						
Capital	12,786	12,736	0.4	12,786	12,736	0.4
Statutory reserve fund	1,050	1,016	3.3	1,050	1,016	3.3
Retained earnings	3,771	4,002	(5.8)	4,451	4,570	(2.6)
Other reserves	1,432	1,441	(0.6)	1,437	1,446	(0.6)
<b>Total equity</b>	<b>19,039</b>	<b>19,195</b>	<b>(0.8)</b>	<b>19,724</b>	<b>19,768</b>	<b>(0.2)</b>
<b>Total liabilities and equity</b>	<b>109,277</b>	<b>113,776</b>	<b>(4.0)</b>	<b>113,738</b>	<b>118,417</b>	<b>(4.0)</b>
Contingencies	6,016	2,302	161.3	6,016	2,302	161.3
Commitments	689	78	783.3	1,715	706	142.9
Net assets value per ordinary share (Rs.)	12.05	12.15	(0.8)	12.48	12.51	(0.2)

## CERTIFICATION

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 30th June 2014 and its profit for the three months ended 30th June 2014.

(sgd.)

**K.S. Bandaranayake**  
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.  
Approved and Signed for and on behalf of the Board:

(sgd.)

**Gamini S. Senarath**  
Chairman

(sgd.)

**P. Kudabalage**  
Director

(sgd.)

**D.P. Kumarage**  
Chief Executive Officer

28th July 2014  
Colombo.

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

## INCOME STATEMENT

For the three months ended 30th June	Company			Group		
	2014	2013	Change	2014	2013	Change
	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%
Interest income	4,934	4,725	4.4	5,034	4,826	4.3
Less: Interest expense	2,622	2,786	(5.9)	2,659	2,840	(6.4)
Net interest income	2,312	1,939	19.2	2,375	1,986	19.6
Net earned premiums	-	-	-	717	665	7.8
Net fee and commission income	186	143	30.1	97	76	27.6
Other operating income	43	26	65.4	106	10	960.0
Total operating income	2,541	2,108	20.5	3,295	2,737	20.4
Less: Impairment charges for loans and receivables	617	377	63.7	634	379	67.3
<b>Net operating income</b>	<b>1,924</b>	<b>1,731</b>	<b>11.1</b>	<b>2,661</b>	<b>2,358</b>	<b>12.8</b>
<b>Less:</b>						
Personnel expenses	380	276	37.7	437	313	39.6
Depreciation of property, plant and equipment	49	47	4.3	67	65	3.1
Amortisation and impairment of intangible assets	4	3	33.3	7	3	133.3
Benefits, claims and underwriting expenditure	-	-	-	510	595	(14.3)
Other operating expenses	479	419	14.3	476	336	41.7
<b>Total operating expenses</b>	<b>912</b>	<b>745</b>	<b>22.4</b>	<b>1,497</b>	<b>1,312</b>	<b>14.1</b>
<b>Operating profit before value added tax (VAT)</b>	<b>1,012</b>	<b>986</b>	<b>2.6</b>	<b>1,164</b>	<b>1,046</b>	<b>11.3</b>
Less: Value added tax (VAT) on financial services	66	60	10.0	67	62	8.1
<b>Operating profit after value added tax (VAT)</b>	<b>946</b>	<b>926</b>	<b>2.2</b>	<b>1,097</b>	<b>984</b>	<b>11.5</b>
Less: Income tax expense	275	270	1.9	314	303	3.6
<b>Profit for the period</b>	<b>671</b>	<b>656</b>	<b>2.3</b>	<b>783</b>	<b>681</b>	<b>15.0</b>
Basic/Diluted earnings per ordinary share (Rs.)	0.42	0.41	3.6	0.51	0.43	17.3

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

## STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	Company			Group		
	2014	2013	Change	2014	2013	Change
	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%	Rs. Mn. Unaudited*	Rs. Mn. Unaudited*	%
<b>Profit for the period</b>	<b>671</b>	<b>656</b>	<b>2.3</b>	<b>783</b>	<b>681</b>	<b>15.0</b>
<b>Other comprehensive income/(expenses)</b>						
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-
Gains and losses on derivative financial assets	(82)	-	-	(82)	-	-
Gains/ (losses) on re-measuring available-for-sale financial assets	45	12	275.0	45	11	309.1
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of taxes</b>	<b>(37)</b>	<b>12</b>	<b>(408.3)</b>	<b>(37)</b>	<b>11</b>	<b>(436.4)</b>
<b>Total comprehensive income for the period</b>	<b>634</b>	<b>668</b>	<b>(5.1)</b>	<b>746</b>	<b>692</b>	<b>7.8</b>

\* 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 01.04.2013 - Restated</b>	12,536	860	300	100	852	(121)	-	-	3,496	18,023						
<b>Total comprehensive income for the three months ended 30.06.2013</b>	-	-	-	-	-	-	-	-	656	656						
Profit for the three months ended 30.06.2013	-	-	-	-	-	-	-	-	656	656						
Other comprehensive income (net of tax)	-	-	-	-	-	12	-	-	-	12						
<b>Total comprehensive income for the three months ended 30.06.2013</b>	-	-	-	-	-	12	-	-	656	668						
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)	(50)						
Issue of shares	-	-	-	-	-	-	-	-	-	-						
Transfers to reserves during the period	-	34	-	-	88	-	-	-	(122)	(122)						
Dividend paid	-	-	-	-	-	-	-	-	-	-						
<b>Total transactions with equity holders</b>	50	34	-	-	88	-	-	-	(172)	(172)						
<b>Balance as at 30.06.2013</b>	12,586	894	300	100	940	(109)	-	-	3,980	18,691						
<b>Balance as at 01.04.2014</b>	12,736	1,016	300	100	1,097	(56)	1	4,002	19,196							
<b>Total comprehensive income for the three months ended 30.06.2014</b>	-	-	-	-	-	-	-	-	671	671						
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	-	-	671	634						
<b>Transactions with equity holders, recognised directly in equity</b>																
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	(50)	(50)						
Transfers to reserves during the period	-	34	-	-	27	-	-	-	(61)	(61)						
Dividend paid	-	-	-	-	-	-	-	-	(791)	(791)						
<b>Total transactions with equity holders</b>	50	34	-	-	27	-	-	-	(902)	(902)						
<b>Balance as at 30.06.2014</b>	12,786	1,050	300	100	1,124	(11)	(81)	3,771	19,039							

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		Investment Fund		Capital Contribution Reserve		Available for Sale Reserve		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.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
<b>Balance as at 01.04.2013</b>	12,536	860	300	100	852	-	(119)	-	-	-	-	-	-	-	-	-	3,724	-	-	18,253	
<b>Total comprehensive income for the three months ended 30.06.2013</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	681	-	-	681
Profit for the three months ended 30.06.2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	681	-	-	681
Other comprehensive income (net of tax)	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	11
<b>Total comprehensive income for the three months ended 30.06.2013</b>	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	681	-	-	692
<b>Transactions with equity holders, recognised directly in equity</b>																					
Transfer from preference shares on redemption	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50)	-	-	-
Disposal of changes in holding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	34	-	-	88	-	-	-	88	-	-	-	-	-	-	-	-	(122)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	50	34	-	-	88	-	-	-	88	-	-	-	-	-	-	-	-	(172)	-	-	-
<b>Balance as at 30.06.2013</b>	12,586	894	300	100	940	-	(108)	-	940	-	-	(108)	-	-	-	-	-	4,233	-	-	18,945
<b>Balance as at 01.04.2014</b>	12,736	1,016	300	100	1,097	-	(53)	-	1,097	-	-	(53)	-	-	1	-	-	4,570	-	-	19,767
<b>Total comprehensive income for the three months ended 30.06.2014</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	783	-	-	783
Profit for the three months ended 30.06.2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	783	-	-	783
Other comprehensive income (net of tax)	-	-	-	-	-	-	46	-	-	-	-	46	-	-	(82)	-	-	-	-	-	(36)
<b>Total comprehensive income for the three months ended 30.06.2014</b>	-	-	-	-	-	-	46	-	-	-	-	46	-	-	(82)	-	-	783	-	-	747
<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	-	-	-	28	-	-	-	-	-	-	-	-	(62)	-	-	-
Transfers to capital contribution reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(790)	-	-	(790)
<b>Total transactions with equity holders</b>	50	34	-	-	28	-	-	-	28	-	-	-	-	-	-	-	-	(902)	-	-	(790)
<b>Balance as at 30.06.2014</b>	12,786	1,050	300	100	1,125	-	(7)	-	1,125	-	-	(7)	-	(81)	-	-	-	4,451	-	-	19,724

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

## CASH FLOW STATEMENT

For the three Months ended 30th June	Company		Group	
	2014	2013	2014	2013
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited
<b>Cash flows from operating activities</b>				
Profit before tax	946	926	1,097	984
Adjustment for:				
Non-cash items included in profit before tax	656	428	679	438
Change in operating assets	(238)	(1,789)	374	(1,991)
Change in operating liabilities	871	5,521	914	5,508
Dividend income from investments	(10)	(57)	(10)	-
Gratuity paid	(1)	(4)	(1)	(4)
Tax paid	(141)	-	(163)	-
<b>Net cash generated from operating activities</b>	<b>2,083</b>	<b>5,025</b>	<b>2,890</b>	<b>4,935</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(45)	(88)	(466)	(92)
Proceeds from the sale of property, plant and equipment	5	13	5	13
Purchase of intangible assets	-	(12)	-	(12)
Dividend received from investments	10	57	10	-
<b>Net cash (used in) investing activities</b>	<b>(30)</b>	<b>(30)</b>	<b>(451)</b>	<b>(91)</b>
<b>Cash flows from financing activities</b>				
Net borrowings	(5,814)	(5,300)	(6,108)	(5,293)
Dividend paid to shareholders	(1)	-	(1)	-
Redemption of preference shares	(50)	(50)	(50)	(50)
<b>Net cash (used in) financing activities</b>	<b>(5,865)</b>	<b>(5,350)</b>	<b>(6,159)</b>	<b>(5,343)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(3,812)</b>	<b>(355)</b>	<b>(3,720)</b>	<b>(499)</b>
Cash and cash equivalents at the beginning of the period	10,713	3,178	10,827	3,342
<b>Cash and cash equivalents at the end of the period</b>	<b>6,901</b>	<b>2,823</b>	<b>7,107</b>	<b>2,843</b>
Cash and cash equivalents	7,232	3,563	7,507	3,711
Bank overdraft	(331)	(740)	(400)	(868)
	<b>6,901</b>	<b>2,823</b>	<b>7,107</b>	<b>2,843</b>

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



## SEGMENTAL ANALYSIS - GROUP

For the three months ended 30th June	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	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	3,785	3,996	783	538	194	171	77	85	259	74	(64)	(38)	5,034	4,826
Net earned premiums							731	665			(14)		717	665
Net fee and commission income	153	125	32	17	8	5	-	-	66	66	(162)	(137)	97	76
Other operating income	-	-	-	-	-	-	33	16	86	6	(13)	(12)	106	10
<b>Gross revenue</b>	<b>3,938</b>	<b>4,121</b>	<b>815</b>	<b>555</b>	<b>202</b>	<b>176</b>	<b>841</b>	<b>766</b>	<b>411</b>	<b>146</b>	<b>(253)</b>	<b>(187)</b>	<b>5,954</b>	<b>5,577</b>
Interest expenses	2,052	2,400	424	323	105	103	-	-	140	44	(62)	(30)	2,659	2,840
Total Operating income	1,886	1,721	391	232	97	73	841	766	271	102	(191)	(157)	3,295	2,737
Credit losses	614	367	18	11	2	1	-	-	-	-	-	-	634	379
Net operating income	1,272	1,354	373	221	95	72	841	766	271	102	(191)	(157)	2,661	2,358
<b>Segment result</b>	<b>523</b>	<b>804</b>	<b>153</b>	<b>108</b>	<b>39</b>	<b>34</b>	<b>346</b>	<b>149</b>	<b>112</b>	<b>28</b>	<b>(9)</b>	<b>(78)</b>	<b>1,164</b>	<b>1,046</b>
VAT on financial services													67	62
Income tax expenses													314	303
<b>Profit attributable to equity holder</b>													<b>783</b>	<b>681</b>
<b>As at 30th June</b>														
Segment Assets	92,063	83,358	15,634	12,754	5,450	4,052	4,423	3,510	747	1,758	(4,579)	(3,214)	113,738	102,218
<b>Total Assets</b>	<b>92,063</b>	<b>83,358</b>	<b>15,634</b>	<b>12,754</b>	<b>5,450</b>	<b>4,052</b>	<b>4,423</b>	<b>3,510</b>	<b>747</b>	<b>1,758</b>	<b>(4,579)</b>	<b>(3,214)</b>	<b>113,738</b>	<b>102,218</b>
Segment Liabilities	75,696	67,230	12,853	10,286	4,481	3,268	3,152	2,617	614	1,418	(2,782)	(1,546)	94,014	83,273
<b>Total Liabilities</b>	<b>75,696</b>	<b>67,230</b>	<b>12,853</b>	<b>10,286</b>	<b>4,481</b>	<b>3,268</b>	<b>3,152</b>	<b>2,617</b>	<b>614</b>	<b>1,418</b>	<b>(2,782)</b>	<b>(1,546)</b>	<b>94,014</b>	<b>83,273</b>

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

## INFORMATION ON ORDINARY SHARES OF THE COMPANY

### MARKET PRICE

	2014 Rs.	2013 Rs.
Highest price during the quarter ended 30th June :	16.40	15.60
Lowest price during the quarter ended 30th June :	14.20	13.10
Closing price as at 30th June :	16.00	14.70

### STATED CAPITAL

Stated Capital as at 30th June 2014 was represented by the number of shares in issue as given below;

	As at 30th June 2014		As at 30th June 2013	
	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	-	900,000,000	-	700,000,000
<b>Total</b>	<b>1,579,862,482</b>	<b>12,786,073,308</b>	<b>1,579,862,482</b>	<b>12,586,073,308</b>

## SHAREHOLDERS' INFORMATION

### TWENTY LARGEST ORDINARY SHAREHOLDERS AS AT 30TH JUNE 2014

Twenty largest ordinary shareholders of the Company as at 30th June 2014 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,184,896,862	75.00
2	Employees Provident Fund	75,477,861	4.78
3	National Savings Bank	59,237,340	3.75
4	Distilleries Company of Sri Lanka PLC	24,517,300	1.55
5	HSBC INTL Nominees Ltd- Credit Suisse AG Zurich	18,000,000	1.14
6	HSBC INTL NOM Ltd - JPMCB-J.P. Morgan Clearing Corp	13,420,466	0.85
7	Bank of Ceylon No. 1 Account	11,453,600	0.72
8	Northern Trust Global Services Luxembourg S/A Ashmore Sicav Indian Small-Cap Equity Fund	10,797,914	0.68
9	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.63
10	Sanasa Development Bank Limited	9,864,800	0.62
11	Waldock Mackenzie Limited/ Capital Alliance Holdings Ltd	9,295,200	0.59
12	AIA Insurance Lanka PLC A/C No. 07	7,113,607	0.45
13	Ceylon Investment PLC A/C # 01	6,954,891	0.44
14	Sampath Bank Limited A/C No. 1	5,000,000	0.32
15	Gampaha District Co-operative Rural Bank Union Ltd.	4,921,800	0.31
16	Ceylon Guardian Investment Trust PLC A/C # 01	3,640,800	0.23
17	NDB Capital Holdings PLC	3,388,800	0.21
18	The Ceylon Chamber of Commerce Account No. 02	3,007,996	0.19
19	David Pieris Motor Company Limited	2,250,000	0.14
20	The Ceylon Guardian Investment Trust PLC A/C # 02	2,202,395	0.14

### PUBLIC HOLDING

The percentage of ordinary shares held by the public as at 30th June 2014 was 24.85%.

### DIRECTORS'/ CEO'S HOLDING IN SHARES AS AT 30TH JUNE 2014

The number of ordinary shares held by the directors and CEO as at 30th June 2014 were as follows;

Name	Position	No. of Shares
Mr. Gamini Sedara Senarath	Chairman	-
Mr. Namasivayam Vasantha Kumar	Director	1,000,000
Mr. Piyadasa Kudabalage	Director	-
Mr. Heyara Hewage Anura Chandrasiri	Director	-
Mr. Don Padmasiri Kumarage	CEO	299,158

## 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 2013/14.
2. The Interim Financial Statements for the three months ended 30th June 2014 are drawn up from unaudited accounts of the Company, its subsidiary companies and its associate.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting 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. The consolidated financial statements of the Company comprise of the Company and its subsidiaries: 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 the Group's interest in its associate: City Finance Corporation Limited (formerly known as Industrial Finance Limited).
5. All known expenses including management fees and similar expenses have been provided for in these financial statements.
6. During the three month ended 30th June 2014 the Company redeemed 5,000,000 preference shares at Rs. 10/- each on 30th April 2014.
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 2013/14 on 8th July 2014.
8. Mr. Palihadawana Arachchige Irenius Sririmal Perera was retired from the office of Non-Executive Independent Director of the Company upon reaching the age of 70 years on 28th June 2014.
9. Mr. Sidath Sri Vidanage Fernando and Mr. Kuttikanelage Vidanelage Nihal Jayawardene were appointed to the Board of the Company as Independent Non-Executive Directors with effect from 3rd July 2014.
10. The Company makes use of forward rate agreement to manage exposures to foreign currency risks, including exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risk, the Company applies hedge accounting for transactions which meet specified criteria.  
  
The Company entered into forward rate agreements for US\$ 15.75 and US\$ 9.75 million with HSBC Bank on the date 11th April 2014 and 21st May 2014 respectively.
11. There have been no material events subsequent to the reporting date, which require adjustments to or disclosures in the interim financial statements.
12. Except for the note 10, there has been no significant change in the nature of the contingent liabilities for the three months period ended 30th June 2014 which were disclosed in the Annual Report for the year ended 31st March 2014.

## DEBENTURE INFORMATION

### MARKET PRICES FOR THE QUARTER ENDED 30TH JUNE 2014

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
4 Years - 16.50% p.a. payable semi-annually	114.98	113.00	114.95
5 Years - 16.75% p.a. payable semi-annually	Has not been traded		
5 Years - 17.00% p.a. payable annually	Has not been traded		

### INTEREST RATES

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
4 Years - 16.50% p.a. payable semi annually	16.50	17.18
5 Years - 16.75% p.a. payable semi annually	16.75	17.45
5 Years - 17.00% p.a. payable annually	17.00	17.00

### INTEREST RATES OF COMPARABLE GOVERNMENT SECURITIES

6 Months Treasury Bill	6.69%
1 Year Treasury Bill	6.99%
4 Year Treasury Bond	14.10%
5 Year Treasury Bond	8.93%
( Above rates are excluding 10% withholding tax)	

### CURRENT YIELD & YIELD TO MATURITY

Debenture Type	Current Yield (%)	Yield to Maturity (%)
4 Years - 16.50% p.a. payable semi-annually	14.35%	7.21%
5 Years - 16.75% p.a. payable semi-annually	14.14%	11.12%
5 Years - 17.00% p.a. payable annually	14.30%	11.23%

### RATIOS

	As at 30.06.2014	As at 31.03.2014
Debt to Equity Ratio (Times)	2.47	2.68
Interest Cover (Times)	1.36	1.39
Quick Asset Ratio (%)	78.77	88.39



# 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.

## 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 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,  
Kalmunai, Kalutara, Kandy, Kandy - Alsafa,  
Kanthale, Kattankudy, Kegalle, Kekirawa,  
Kelaniya, Kilinochchi, Kirindiwela, Kuliyapitiya,  
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. Gamini Senarath- Chairman  
Mr. P. Kudabalage  
Mr. N. Vasantha Kumar  
Mr. H.H. Anura Chandrasiri  
Mr. S.S.V. Fernando  
Mr. K.V.N. Jayawardene

### BOARD SUB-COMMITTEES

#### Integrated Risk Management Committee

Mr. K.V.N. Jayawardene - Chairman  
Mr. N. Vasantha Kumar  
Mr. D. P. Kumarage  
Mr. K. S. Bandaranayake  
Mr. L. Fernando

#### Audit Committee

Mr. P. Kudabalage - Chairman  
Mr. H.H. Anura Chandrasiri  
Mr. S.S.V. Fernando

#### Remuneration & Nomination Committee

Mr. P. Kudabalage - Chairman  
Mr. H.H. Anura Chandrasiri  
Mr. S.S.V. Fernando

## Related Party Transactions Review Committee

Mr. K.V.N. Jayawardene - Chairman  
Mr. P. Kudabalage  
Mr. H.H. Anura Chandrasiri

## 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 COMPANIES

City Finance Corporation Limited

### CORPORATE MEMBERSHIPS

Asian Leasing and Financial 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