

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the nine months ended 31st December 2016



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STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	31.12.2016 Rs. Mn. Unaudited*	31.03.2016 Rs. Mn. Audited	Change %	31.12.2016 Rs. Mn. Unaudited*	31.03.2016 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	7,292	3,207	127.4	7,836	3,556	120.4
Balances with banks & financial institutions	83	847	(90.2)	1,434	2,543	(43.6)
Derivative financial instrument	6	-	100.0	6	-	100.0
Financial assets held-for-trading	211	212	(0.5)	538	527	2.1
Loans and receivables	132,755	109,872	20.8	134,335	111,156	20.9
Insurance and reinsurance receivables	-	-	-	281	206	36.4
Financial investments - Available-for-sale	285	500	(43.0)	1,732	1,740	(0.5)
Financial investments - Held-to-maturity	4,898	4,930	(0.6)	4,898	4,930	(0.6)
Investments in subsidiaries	2,075	1,875	10.7	-	-	-
Investments in associates	586	586	-	518	550	(5.8)
Property, plant and equipment	1,218	1,121	8.7	4,841	4,210	15.0
Goodwill and intangible assets	322	330	(2.4)	323	333	(3.0)
Investment property	91	91	-	-	-	-
Other assets	982	765	28.4	915	1,335	(31.5)
Total assets	150,804	124,336	21.3	157,657	131,086	20.3
Liabilities						
Due to banks	32,476	26,432	22.9	34,088	28,060	21.5
Due to customers	42,637	33,836	26.0	42,414	33,677	25.9
Debt securities issued	43,139	34,388	25.4	43,026	34,284	25.5
Other financial liabilities	4,712	2,731	72.5	4,464	2,888	54.6
Insurance and reinsurance payable	-	-	-	3,533	3,182	11.0
Current tax liabilities	456	938	(51.4)	503	1,018	(50.6)
Deferred tax liabilities	1,822	1,820	0.1	1,846	1,841	0.3
Other liabilities	1,830	1,419	29.0	1,887	1,466	28.7
Total liabilities	127,072	101,564	25.1	131,761	106,416	23.8
Equity						
Capital	13,236	13,136	0.8	13,236	13,136	0.8
Statutory reserve fund	1,572	1,421	10.6	1,572	1,421	10.6
Retained earnings	8,460	7,683	10.1	9,571	8,600	11.3
Other reserves	464	532	(12.8)	450	510	(11.8)
Total Equity attributable to equity holders of the Company	23,732	22,772	4.2	24,829	23,667	4.9
Non-controlling interest	-	-	-	1,067	1,003	6.4
Total Equity	23,732	22,772	4.2	25,896	24,670	5.0
Total liabilities and equity	150,804	124,336	21.3	157,657	131,086	20.3
Contingencies	836	783	6.8	836	783	6.8
Commitments	5,382	1,569	243.0	5,816	2,167	168.4
Net assets value per ordinary share (Rs.)	15.02	14.41	4.2	15.72	14.98	4.9

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 31st December 2016 and its profit for the nine months ended 31st December 2016.

(sgd.)

Sanjeeva 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.)

Hemasiri Fernando

Chairman

26th January 2017

Colombo.

* The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

(sgd.)

D.P. Kumarage

Chief Executive Officer

(sgd.)

M.P. Amirthanayagam

Deputy Chairman

INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %
Interest income	15,890	13,440	18.2	5,808	4,442	30.8
Less: Interest expense	8,461	5,866	44.2	3,237	1,992	62.5
Net interest income	7,429	7,574	(1.9)	2,571	2,450	4.9
Net fee and commission income	848	687	23.4	313	252	24.2
Net trading income	20	(6)	(433.3)	(8)	(18)	(55.6)
Other operating income	429	304	41.1	48	46	4.3
Total operating income	8,726	8,559	2.0	2,924	2,730	7.1
Less: Impairment charges for loans and receivables	56	291	(80.8)	121	(89)	(236.0)
Net operating income	8,670	8,268	4.9	2,803	2,819	(0.6)
Less:						
Personnel expenses	1,876	1,320	42.1	649	464	39.9
Depreciation of property, plant and equipment	133	146	(8.9)	42	49	(14.3)
Amortisation and impairment of intangible assets	8	9	(11.1)	2	7	(71.4)
Other operating expenses	1,968	1,662	18.4	702	602	16.6
Total operating expenses	3,985	3,137	27.0	1,395	1,122	24.3
Operating profit before value added tax (VAT)	4,685	5,131	(8.7)	1,408	1,697	(17.0)
Less: Value added tax (VAT) on financial services	552	399	38.3	212	153	38.6
Operating profit after value added tax (VAT)	4,133	4,732	(12.7)	1,196	1,544	(22.5)
Less: Income tax expense	1,130	1,416	(20.2)	349	487	(28.3)
Profit for the period	3,003	3,316	(9.4)	847	1,057	(19.9)
Basic/Diluted earnings per ordinary share (Rs.)	1.90	2.10	(9.5)	0.54	0.67	(19.4)

* The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

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STATEMENT OF PROFIT OR LOSS - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %
Interest income	16,440	13,741	19.6	5,996	4,556	31.6
Less: Interest expense	8,524	5,927	43.8	3,254	2,006	62.2
Net interest income	7,916	7,814	1.3	2,742	2,550	7.5
Net earned premiums	2,707	2,439	11.0	933	854	9.3
Net fee and commission income	472	366	29.0	177	143	23.8
Net trading income	65	(4)	(1,725.0)	(17)	(23)	(26.1)
Other operating income	445	374	19.0	124	128	(3.1)
Total operating income	11,605	10,989	5.6	3,959	3,652	8.4
Less: Impairment charges for loans and receivables	95	314	(69.7)	134	(81)	(265.4)
Net operating income	11,510	10,675	7.8	3,825	3,733	2.5
Less:						
Personnel expenses	2,148	1,510	42.3	745	526	41.6
Depreciation of property, plant and equipment	206	206	-	68	69	(1.4)
Amortisation and impairment of intangible assets	2	11	(81.8)	-	8	(100.0)
Benefits, claims and underwriting expenditure	1,938	1,685	15.0	628	577	8.8
Other operating expenses	2,030	1,702	19.3	705	633	11.4
Total operating expenses	6,324	5,114	23.7	2,146	1,813	18.4
Operating profit before value added tax (VAT)	5,186	5,561	(6.7)	1,679	1,920	(12.6)
Less: Value added tax (VAT) on financial services	567	409	38.6	217	158	37.3
Operating profit after value added tax (VAT)	4,619	5,152	(10.3)	1,462	1,762	(17.0)
Share of profit/(loss) of an associate (net of tax)	(32)	(25)	28.0	(14)	(18)	(22.2)
Profit before income tax	4,587	5,127	(10.5)	1,448	1,744	(17.0)
Less: Income tax expense	1,259	1,568	(19.7)	395	534	(26.0)
Profit for the period	3,328	3,559	(6.5)	1,053	1,210	(13.0)
Profit attributable to:						
Equity holders of the parent	3,199	3,559	(10.1)	1,005	1,210	(16.9)
Minority interest	129	-	100.0	48	-	100.0
	3,328	3,559	(6.5)	1,053	1,210	(13.0)
Basic/Diluted earnings per ordinary share (Rs.)	2.11	2.25	(6.2)	0.67	0.77	(13.0)

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

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STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %
Profit for the period	3,003	3,316	(9.4)	847	1,057	(19.9)
Other comprehensive income/(expenses)						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Cash flow hedges						
Gains/ (losses) on derivative financial assets	16	3	433.3	6	(12)	(150.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	(84)	91	(192.3)	(23)	22	(204.5)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(68)	94	(172.3)	(17)	10	(270.0)
<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	-	-	-	-	-	-
Revaluation of land and buildings	-	14	(100.0)	-	-	-
Recycling to Statement of Profit or Loss for impairment	-	-	-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	14	(100.0)	-	-	-
Other comprehensive income for the period, net of taxes	(68)	108	(163.0)	(17)	10	(270.0)
Total comprehensive income for the period	2,935	3,424	(14.3)	830	1,067	(22.2)

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

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STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %	31.12.2016 Rs. Mn. Unaudited*	31.12.2015 Rs. Mn. Unaudited*	Change %
Profit for the period	3,328	3,559	(6.5)	1,053	1,210	(13.0)
Other comprehensive income/(expenses)						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Cash flow hedges						
Gains/ (losses) on derivative financial assets	16	3	433.3	6	(12)	(150.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	(76)	91	(183.5)	(29)	21	(238.1)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(60)	94	(163.8)	(23)	9	(355.6)
<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	(60)	94	(163.8)	(23)	9	(355.6)
Total comprehensive income for the period	3,268	3,653	(10.5)	1,030	1,219	(15.5)
Profit attributable to:						
Equity holders of the parent	(62)	94	(166.0)	(22)	9	(344.4)
Minority interest	2	-	100.0	(1)	-	(100.0)
	(60)	94	(163.8)	(23)	9	(355.6)
	3,268	3,653	(10.5)	1,030	1,219	(15.5)

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

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STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital	Statutory Reserve Fund	Other Reserves						Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Investment Fund	Available for Sale Reserve	Revaluation Reserve	Cash Flow Hedge Reserve		
Balance as at 01.04.2015	12,936	1,204	300	100	-	99	-	7	6,490	21,136
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	-	(741)	(741)
Balance as at 01.04.2015 - Restated	12,936	1,204	300	100	-	99	-	7	5,749	20,395
Total comprehensive income for the nine months ended 31.12.2015										
Profit for the nine months ended 31.12.2015	-	-	-	-	-	-	-	-	3,316	3,316
Other comprehensive income (net of tax)	-	-	-	-	-	91	14	3	-	108
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	91	14	3	3,316	3,424
Transactions with equity holders, recognised directly in equity										
Transfer from preference shares on redemption	150	-	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	166	-	-	-	-	-	-	(166)	-
Transfer of investment fund reserve	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	150	166	-	-	-	-	-	-	(2,291)	(1,975)
Balance as at 31.12.2015	13,086	1,370	300	100	-	190	14	10	6,774	21,844
Balance as at 01.04.2016	13,136	1,421	300	100	-	7	125	-	7,683	22,772
Total comprehensive income for the nine months ended 31.12.2016										
Profit for the nine months ended 31.12.2016	-	-	-	-	-	-	-	-	3,003	3,003
Other comprehensive income (net of tax)	-	-	-	-	-	(84)	-	16	-	(68)
Total comprehensive income for the nine months ended 31.12.2016	-	-	-	-	-	(84)	-	16	3,003	2,935
Transactions with equity holders, recognised directly in equity										
Transfer from preference shares on redemption	100	-	-	-	-	-	-	-	(100)	-
Transfers to reserves during the period	-	151	-	-	-	-	-	-	(151)	-
Dividend paid	-	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	100	151	-	-	-	-	-	-	(2,226)	(1,975)
Balance as at 31.12.2016	13,236	1,572	300	100	-	(77)	125	16	8,460	23,732

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

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STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital	Statutory Reserve Fund	Other Reserves				Cash Flow Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
			General Reserve	Tax Equalisation Fund	Investment Fund	Available for Sale Reserve					
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
Balance as at 01.04.2015	12,936	1,204	300	100	-	102	7	7,404	22,053	-	22,053
Adjustment of Super Gain Tax	-	-	-	-	-	-	-	(857)	(857)	-	(857)
Balance as at 01.04.2015 - Restated	12,936	1,204	300	100	-	102	7	6,547	21,196	-	21,196
Total comprehensive income for the nine months ended 31.12.2015											
Profit for the nine months ended 31.12.2015	-	-	-	-	-	-	-	3,559	3,559	-	3,559
Other comprehensive income (net of tax)	-	-	-	-	-	91	3	-	94	-	-
Total comprehensive income for the nine months ended 31.12.2015	-	-	-	-	-	91	3	3,559	3,653	-	3,559
Transactions with equity holders, recognised directly in equity											
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
Transfer from preference shares on redemption	150	-	-	-	-	-	-	(150)	-	-	-
Transfers to reserves during the period	-	166	-	-	-	-	-	(166)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)	-	(1,975)
Total transactions with equity holders	150	166	-	-	-	-	-	(2,291)	(1,975)	-	(1,975)
Balance as at 31.12.2015	13,086	1,370	300	100	-	193	10	7,815	22,874	-	22,780
Balance as at 01.04.2016	13,136	1,421	300	100	-	110	-	8,600	23,667	1,003	24,670
Total comprehensive income for the nine months ended 31.12.2016											
Profit for the nine months ended 31.12.2016	-	-	-	-	-	-	-	3,199	3,199	129	3,328
Other comprehensive income (net of tax)	-	-	-	-	-	(76)	16	(2)	(62)	2	(60)
Total comprehensive income for the nine months ended 31.12.2016	-	-	-	-	-	(76)	16	3,197	3,137	131	3,268
Transactions with equity holders, recognised directly in equity											
Transfer from preference shares on redemption	100	-	-	-	-	-	-	(100)	-	-	-
Transfers to reserves during the period	-	151	-	-	-	-	-	(151)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)	(67)	(2,042)
Total transactions with equity holders	100	151	-	-	-	-	-	(2,226)	(1,975)	(67)	(2,042)
Balance as at 31.12.2016	13,236	1,572	300	100	-	34	16	9,571	24,829	1,067	25,896

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

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STATEMENT OF CASH FLOWS

For the nine months ended 31st December	Company		Group	
	2016 Rs. Mn. Unaudited	2015 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited	2015 Rs. Mn. Unaudited
Cash flows from operating activities				
Profit before tax	4,133	4,732	4,619	5,152
Adjustment for:				
Non-cash items included in profit before tax	222	448	375	539
Change in operating assets	(22,240)	(8,831)	(21,924)	(8,989)
Change in operating liabilities	9,809	(706)	9,593	(1)
Dividend income from investments	(250)	(162)	(29)	(28)
Gratuity paid	(2)	(2)	(2)	(2)
Tax paid	(1,444)	(1,919)	(1,496)	(2,009)
Net cash (used in) operating activities	(9,772)	(6,440)	(8,864)	(5,338)
Cash flows from investing activities				
Purchase of property, plant and equipment	(231)	(231)	(830)	(444)
Proceeds from the sale of property, plant and equipment	32	4	32	4
Improvement of investment property	-	(2)	-	(2)
Investment in Subsidiaries	(200)	-	-	-
Investment in Associate	-	(285)	-	(285)
Dividend received from investments	250	162	29	28
Net cash (used in) investing activities	(149)	(352)	(769)	(699)
Cash flows from financing activities				
Net borrowings	13,625	8,011	13,632	7,944
Dividend paid to shareholders	(790)	(895)	(857)	(895)
Pending allotment	-	-	-	750
Redemption of preference shares	(100)	(150)	(100)	(150)
Net cash generated from financing activities	12,735	6,966	12,675	7,649
Net increase in cash & cash equivalents	2,814	174	3,042	1,612
Cash and cash equivalents at the beginning of the period	3,206	2,443	3,179	2,641
Cash and cash equivalents at the end of the period	6,020	2,617	6,221	4,253
Cash and cash equivalents	7,292	3,147	7,836	4,879
Bank overdraft	(1,272)	(530)	(1,615)	(626)
	6,020	2,617	6,221	4,253

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

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Company					
As at 31st December 2016	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	7,292	-	7,292
Balances with banks & financial institutions	-	-	83	-	83
Derivative financial instruments	6	-	-	-	6
Financial investments - Held-for-trading	211	-	-	-	211
Loans and receivables	-	-	132,755	-	132,755
Financial investments - Available-for-sale	-	-	-	285	285
Financial investments - Held-to maturity	-	4,898	-	-	4,898
Other financial assets	-	-	185	-	185
Total financial assets	217	4,898	140,315	285	145,715

As at 31st December 2016	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	32,476	32,476
Due to customers	-	42,637	42,637
Debt Securities issued	-	43,139	43,139
Other Financial liabilities	-	4,712	4,712
Derivative financial instruments	-	-	-
Total financial liabilities	-	122,964	122,964

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

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

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group					
As at 31st December 2016	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	7,836	-	7,836
Balances with banks & financial institutions	-	-	1,434	-	1,434
Derivative financial instruments	6	-	-	-	6
Financial investments - Held-for-trading	538	-	-	-	538
Loans and receivables	-	-	134,335	-	134,335
Financial investments - Available-for-sale	-	-	-	1,732	1,732
Financial investments - Held-to maturity	-	4,898	-	-	4,898
Total financial assets	544	4,898	143,605	1,732	150,779

As at 31st December 2016	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	34,088	34,088
Due to customers	-	42,414	42,414
Debt Securities issued	-	43,026	43,026
Other Financial liabilities	-	4,464	4,464
Derivative financial instruments	-	-	-
Total financial liabilities	-	123,992	123,992

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

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

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SEGMENTAL ANALYSIS - GROUP

For the nine months ended 31st December	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.	2016 Rs. Mn.	2015 Rs. Mn.
Interest income	9,256	9,642	5,679	3,108	836	612	367	215	509	335	(207)	(171)	16,440	13,741
Net earned premiums	-	-	-	-	-	-	2,805	2,489	-	-	(98)	(50)	2,707	2,439
Net fee and commission income	513	512	315	165	46	32	-	-	208	207	(610)	(550)	472	366
Net trading income	-	-	-	-	-	-	45	3	20	(7)	-	-	65	(4)
Other operating income	240	224	147	72	22	14	68	51	248	204	(280)	(191)	445	374
Gross revenue	10,009	10,378	6,141	3,345	904	658	3,285	2,758	985	739	(1,195)	(962)	20,129	16,916
Interest expenses	4,845	4,171	2,972	1,344	438	265	-	-	476	297	(207)	(150)	8,524	5,927
Total operating income	5,164	6,207	3,169	2,001	466	393	3,285	2,758	509	442	(988)	(812)	11,605	10,989
Credit losses	(110)	246	173	137	32	1	-	-	-	-	-	-	95	384
Net operating income	5,274	5,961	2,996	1,864	434	392	3,285	2,758	509	442	(988)	(812)	11,510	10,605
Depreciation	89	118	55	45	11	12	15	8	6	1	32	33	208	217
Segment result	2,550	3,334	1,564	1,075	230	212	837	886	251	238	(246)	(184)	5,186	5,561
VAT on financial services													567	409
Share of profit/(loss) of an associate (net of tax)													(32)	(25)
Income tax expenses													1,259	1,568
Profit attributable to equity holder													3,328	3,559
As at 31st December														
Segment Assets	85,452	80,754	54,016	30,767	10,988	8,496	6,757	6,671	6,197	6,419	(5,753)	(5,310)	157,657	127,797
Total Assets	85,452	80,754	54,016	30,767	10,988	8,496	6,757	6,671	6,197	6,419	(5,753)	(5,310)	157,657	127,797
Segment Liabilities	71,336	65,627	45,093	25,004	9,173	6,904	4,138	4,402	5,174	5,217	(3,153)	(2,981)	131,761	104,173
Total Liabilities	71,336	65,627	45,093	25,004	9,173	6,904	4,138	4,402	5,174	5,217	(3,153)	(2,981)	131,761	104,173

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

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INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

	2016 Rs.	2015 Rs.
Highest price during the quarter ended 31st December :	19.20	23.00
Lowest price during the quarter ended 31st December :	16.90	20.40
Closing price as at 31st December :	17.20	22.00

Issued Capital

Issued Capital as at 31st December 2016 was represented by the number of shares in issue as given below;

	As at 31st December 2016		As at 31st December 2015	
	Number	Rs.	Number	Rs.
Ordinary shares	1,579,862,482	11,886,073,308	1,579,862,482	11,886,073,308
Transfer from preference shares on redemption	-	1,350,000,000	-	1,200,000,000
Total	1,579,862,482	13,236,073,308	1,579,862,482	13,086,073,308

INTERIM FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 31st December 2016

Twenty largest ordinary shareholders of the Company as at 31st December 2016 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	85,748,846	5.43
3	BNYM SA/NV RE-Neon Liberty Lorikeet Master Fund LP	64,180,467	4.06
4	National Savings Bank	43,668,157	2.76
5	CitiBank Newyork S/A Norges Bank Account 2	23,775,303	1.50
6	Bank of Ceylon No. 1 Account	11,453,600	0.72
7	AIA Insurance Lanka PLC A/C No.07	5,476,721	0.35
8	Ceylon Investment PLC A/C # 01	4,954,891	0.31
9	Sri Lanka Insurance Corporation Ltd-General Fund	4,033,000	0.26
10	Union Assurance PLC/No-01A/C	3,821,672	0.24
11	BNYM SA/NV RE-NLCF Fund LP	3,805,389	0.24
12	The Ceylon Guardian Investment Trust PLC A/C # 02	3,340,505	0.21
13	Caceis Bank Luxembourg-Intereffekt Investments Funds N.V.	2,887,743	0.18
14	Employees Trust Fund Board	2,356,087	0.15
15	Deutsche Bank AG as Trustee to Candor Opportunities Fund	2,000,000	0.13
16	Dr. Thirugnanasambandar Senthilvel	1,965,184	0.12
17	Deutsche Bank AG as Trustee to Candor Growth Fund	1,900,000	0.12
18	Akbar Brothers Pvt Ltd A/C No 1	1,882,829	0.12
19	Seylan Bank PLC/Lasantha Chandika Ranaweera Pathirana	1,672,700	0.11
20	Union Assurance PLC/Account No. 05 (Unit-Linked Life Insurance Fund-Equity Tracker Fund)	1,617,917	0.10

Public Holding

The percentage of ordinary shares held by the public as at 31st December 2016 was 24.88% and the number of shareholders representing the public holding was 9,290.

Directors/ CEO's Holding in Shares as at 31st December 2016

The number of ordinary shares held by the directors and CEO as at 31st December 2016 were as follows;

Name	Position	No. of Shares
Mr. Hemasiri Fernando	Chairman	-
Mr. Michael Pradeep Amirthanayagam	Deputy Chairman	10,000
Mr. Jehan Prasanna Amaratunga	Director	-
Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana	Director	-
Mr. Johnson Anthony Fernando	Director	-
Mr. Mohamed Anise Mohamed Rizwan	Director	-
Mr. Rathnayake Mudiyanseelage Jayasena	Director	-
Dr. Ali Asgar Shabbir Gulamhusein	Director	110,000
Mr. Don Padmasiri Kumarage	CEO	713,258

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2015/16.
2. The Interim Financial Statements for the nine months ended 31st December 2016 are drawn up from unaudited accounts of the Company, its subsidiary companies: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance PLC, People's Leasing Havelock Properties Limited, People's Microfinance Limited and its associate: People's Merchant Finance PLC.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. All known expenses including management fees and similar expenses have been provided for in these financial statements.
5. During the nine months ended 31st December 2016 the Company redeemed 10,000,000 preference shares at Rs. 10/- each. (5,000,000 on 30th April 2016 and 5,000,000 on 30th September 2016).
6. On 15th May 2016 People's Leasing & Finance PLC has entered into an agreement with Alliance Leasing and Finance Company Limited ("ALFCL"), a company incorporated in Bangladesh proposing to carry on the finance business under the Financial Institution Act, 1993 of Bangladesh, for the acquisition of 51,000,000 Ordinary Shares, being 51% of the total issued capital of ALFCL. As the majority shareholder of ALFCL, the Company will have an entitlement to nominate a majority of the Directors of ALFCL.
7. In June 2016 the Company received Rs. 81,527,631/- from People's Insurance PLC as the final dividend for the financial year 2015. In September 2016 the Company received Rs. 102,145,433/- as an interim dividend for the financial year 2016.

In September 2016 the Company received Rs. 29,000,000/-, Rs. 6,750,000/- and Rs. 6,750,000/- 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 2015/16.
8. The Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2015/16 on 11th July 2016.
9. Pursuant to direction issued by the Monetary Board of the Central Bank of Sri Lanka to amalgamate People's Merchant Finance PLC with People's Leasing & Finance PLC ("the Company"), the company has made an announcement thereon to the Colombo Stock Exchange on 29th July 2016.
10. Mr. Namasivayam Vasantha Kumar has ceased from the office of Non- Executive Director of the Company with effect from 24th July 2016 upon completion of the term of nine years and Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana was appointed to the Board of the Company as a Non-Independent Non-Executive Director with effect from 29th August 2016.
11. On the 7th November 2016 the Company opened the issue of 60,000,000 Senior Unsecured Redeemable Debentures of Rs. 100/- each with an option to issue up to a further 20,000,000 in the event of an oversubscription. The issue was oversubscribed and closed on the 8th November 2016. Objectives of the issue were to utilize to finance the budgeted lending portfolio and working capital requirements of the Company. Debentures were allocated among applicants on 15th November 2016 and listed on the Debt Securities Main Board of the Colombo Stock Exchange on 23rd November 2016.

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

12. On 16th December 2016, the Company declared an interim dividend of Rs. 0.75 per share for the financial year 2016/17 and the same was paid on 6th January 2017. The total dividend paid amounted to Rs. 1,184,896,862/-.
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 nine months ended 31st December 2016 which were disclosed in the Annual Report for the year ended 31st March 2016.

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Market Prices for the quarter ended 31st December 2016

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
2013 - 4 Years - 16.50% p.a. payable semi-annually	102.51	101.41	102.51
2013 - 5 Years - 16.75% p.a. payable semi-annually	105.80	100.00	105.50
2013 - 5 Years - 17.00% p.a. payable annually	107.50	107.00	107.50
2014 - 3 Years - 8.75% p.a. payable annually	Has not been traded		
2014 - 4 Years - 9.63% p.a. payable annually	Has not been traded		
2015 - 4 Years - 9.60% p.a. payable semi-annually	Has not been traded		
2015 - 5 Years - 9.95% p.a. payable annually	Has not been traded		
2016 - 5 Years - 11.90% p.a. payable semi-annually	Has not been traded		
2016 - 5 Years - 12.25% p.a. payable semi-annually	100.00	100.00	100.00
2016 - 5 Years - 12.60% p.a. payable semi-annually	100.00	100.00	100.00

Interest Rates

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
2013 - 4 Years - 16.50% p.a. payable semi annually	16.50	17.18
2013 - 5 Years - 16.75% p.a. payable semi annually	16.75	17.45
2013 - 5 Years - 17.00% p.a. payable annually	17.00	17.00
2014 - 3 Years - 8.75% p.a. payable annually	8.75	8.75
2014 - 4 Years - 9.63% p.a. payable annually	9.63	9.63
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60	9.83
2015 - 5 Years - 9.95% p.a. payable annually	9.95	9.95
2016 - 5 Years - 11.90% p.a. payable semi-annually	11.90	12.25
2016 - 5 Years - 12.25% p.a. payable semi-annually	12.25	12.63
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60	13.00

Interest Rates of Comparable Government Securities

6 Months Treasury Bill	9.63%
1 Year Treasury Bill	10.17%
2 Year Treasury Bond	11.41%
3 Year Treasury Bond	11.62%
4 Year Treasury Bond	11.94%
5 Year Treasury Bond	12.16%

(Above rates are excluding 10% withholding tax)

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Current Yield & Yield to Maturity		
Debenture Type	Current Yield (%)	Yield to Maturity (%)
2013 - 4 Years - 16.50% p.a. payable semi-annually	16.10%	10.10%
2013 - 5 Years - 16.75% p.a. payable semi-annually	15.88%	12.48%
2013 - 5 Years - 17.00% p.a. payable annually	15.81%	11.22%
2014 - 3 Years - 8.75% p.a. payable annually	8.59%	7.97%
2014 - 4 Years - 9.63% p.a. payable annually	9.27%	8.36%
2015 - 4 Years - 9.60% p.a. payable semi-annually	9.60%	9.60%
2015 - 5 Years - 9.95% p.a. payable annually	9.95%	9.95%
2016 - 5 Years - 11.90% p.a. payable semi-annually	11.90%	11.90%
2016 - 5 Years - 12.25% p.a. payable semi-annually	12.25%	12.25%
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.60%	12.60%
Ratios		
	As at 31.12.2016	As at 31.03.2016
Debt to Equity Ratio (Times)	3.20	2.68
Interest Cover (Times)	1.49	1.77
Quick Asset Ratio (%)	88.51	78.41

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

	Immediate Parent		Subsidiaries		Associate	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
Transactions with Related entities						
Company						
The Company had the under mentioned financial dealings during the period with the following related entities.						
Items in Statement of Profit or Loss						
Interest income	382,595	187,146	16,318	5,468	-	-
Interest expense	848,554	418,962	176,316	169,294	-	-
Fee & Commission income	343	-	424,500	334,018	-	-
Other operating income	-	-	286,512	189,839	-	-
Benefits, claims and underwriting expenditure	-	-	87,460	42,497	-	-
Other operating expenses	22,507	23,359	185,014	185,014	-	-
Items in Statement of Financial Position						
Assets						
Cash and cash equivalents	4,729,042	1,908,286	-	-	-	-
Balances with banks & financial institutions	82,800	94,771	-	-	-	-
Loans and receivables	-	25,367	1,928,988	1,969,010	-	-
Financial investments - Held-to-maturity	3,597,661	3,308,225	-	-	-	-
Investments in subsidiaries/ Associate	-	-	2,075,000	1,875,000	586,427	586,427
Other assets	15,769	-	185,464	164,417	-	-
Liabilities						
Due to banks	10,885,770	7,356,654	-	-	-	-
Due to customers	-	-	222,605	134,577	-	-
Debt Securities issued	1,065,714	1,065,714	112,806	112,771	-	-
Other Financial liabilities	-	-	656,945	577,346	-	-
Other liabilities	2,472	4,004	-	-	-	-
Transactions						
Transaction cost on debenture issue and securitisation	23,935	23,935	-	-	-	-
Off- Balance Sheet Items						
Guarantees	-	-	625,000	325,000	-	-

CORPORATE INFORMATION

Name of Company

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

Legal Form

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

Date of Incorporation

22nd August 1995

Company Registration Number

PB 647 PQ

Accounting Year-end

31st March

Stock Exchange Listing

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

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

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

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

Senior, Unsecured, Redeemable, three year
(2016/19), four year (2016/20) and five year
(2016/21) Debentures were listed on the Debt
Securities Main Board of Colombo Stock Exchange
on 23rd November 2016.

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: plclease@plc.lk](mailto:plclease@plc.lk)
[Web Address: www.plc.lk](http://www.plc.lk)

Company Secretary

Mr. Rohan Pathirage

Registrars

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

Auditors

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

Bankers

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

Branch Offices

Akuressa, Ambalangoda, Ambalanthota,
Ampara, Anuradhapura, Awissawella,
Badulla, Balangoda, Bandarawela,
Battaramulla, Batticaloa, Benthot, Chilaw,
Chunnakam, Colpetty, Dambulla, Dehiwala,
Deniyaya, Digana, Elpitiya, Embilipitiya, Galle,
Gampaha, Gampola, Giriulla, Godakawela,
Grandpass, Hambantota, Hanwella, Hatton,
Havelock, Homagama, Horana, Ja-Ela, Jaffna,
Kadawatha, Kaduwela, Kalawanchikudi,
Kalawana, Kalmunai, Kalutara, Kamburupitiya,
Kandy, Kandy - Alsafa, Kandy II, Kanthale,
Kattankudy, Kegalle, Kekirawa, Kelaniya,
Kilinochchi, Kinniya, Kirindiwela, Kuliyapitiya,
Kurunegala, Mahaiyawa, Maharagama,
Mahiyanganaya, Mannar, Matale, Matara,
Medawachchiya, Mathugama, Mawanella,
Melsiripura, Merigama, Metropolitan,
Minuwangoda, Monaragala, Moratuwa, Mutur,
Narammala, Nattandiya, Nawalapitiya, Negombo,
Neluwa, Nittambuwa, Nugegoda, Nuwara Eliya,
Panadura, Pelmadulla, Pettah, Pilimathalawa,
Piliyandala, Polonnaruwa, Puttalam, Ratnapura,
Tangalle, Thambuttegama, Thissamaharamaya,
Trincomalee, Union Place, Urubokka, Vavuniya,
Walasmulla, Ward Place, Warakapola,
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. G.B.R.P. Gunawardana
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. G.B.R.P. Gunawardana
Mr. D. P. Kumarage
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

Subsidiary and Associate Companies

Subsidiary Companies

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

Associate Company

People's Merchant Finance PLC

Corporate Memberships

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

Vehicle Yards

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

Tax Payer Identity Number (TIN)

114 156396 0000

VAT Registration Number

114 156396 7000

Central Bank Registration Number

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

Credit Agency Status

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

Credit Rating

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

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PEOPLE'S LEASING & FINANCE PLC