

INTERIM FINANCIAL STATEMENTS

PEOPLE'S LEASING & FINANCE PLC

For the nine months ended 31st December 2017



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STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	31.12.2017 Rs. Mn. Unaudited*	31.03.2017 Rs. Mn. Audited	Change %	31.12.2017 Rs. Mn. Unaudited*	31.03.2017 Rs. Mn. Audited	Change %
Assets						
Cash and cash equivalents	3,908	5,591	(30.1)	4,712	6,380	(26.1)
Balances with banks & financial institutions	4,079	2,090	95.2	8,533	3,789	125.2
Financial assets held-for-trading	174	201	(13.4)	310	529	(41.4)
Loans and receivables	137,368	134,055	2.5	139,107	135,470	2.7
Insurance and reinsurance receivables	-	-	-	315	268	17.5
Financial investments - Available-for-sale	208	276	(24.6)	1,069	1,095	(2.4)
Financial investments - Held-to-maturity	4,787	2,968	61.3	4,787	2,968	61.3
Investments in subsidiaries	3,214	2,075	54.9	-	-	-
Investments in associates	586	586	-	432	476	(9.2)
Property, plant and equipment	1,199	1,255	(4.5)	5,084	5,016	1.4
Goodwill and intangible assets	340	320	6.3	447	320	39.7
Investment property	101	101	-	-	-	-
Deferred tax assets	-	-	-	30	26	15.4
Other assets	1,035	939	10.2	1,062	1,026	3.5
Total assets	156,999	150,457	4.3	165,888	157,363	5.4
Liabilities						
Due to banks	27,155	35,584	(23.7)	28,958	37,085	(21.9)
Due to customers	65,110	44,723	45.6	64,736	44,466	45.6
Debt securities issued	32,196	38,673	(16.7)	32,084	38,569	(16.8)
Other financial liabilities	3,553	2,725	30.4	3,392	2,563	32.3
Derivative financial instrument	-	8	(100.0)	-	8	(100.0)
Insurance and reinsurance payable	-	-	-	3,890	3,537	10.0
Current tax liabilities	239	290	(17.6)	302	337	(10.4)
Deferred tax liabilities	1,797	1,923	(6.6)	1,866	1,976	(5.6)
Other liabilities	1,722	1,834	(6.1)	1,815	1,897	(4.3)
Total liabilities	131,772	125,760	4.8	137,043	130,438	5.1
Equity						
Capital	13,236	13,236	-	13,236	13,236	-
Statutory reserve fund	1,747	1,622	7.7	1,747	1,622	7.7
Retained earnings	9,801	9,400	4.3	11,266	10,561	6.7
Other reserves	443	439	0.9	428	421	1.7
Total Equity attributable to equity holders of the Company	25,227	24,697	2.1	26,677	25,840	3.2
Non-controlling interest	-	-	-	2,168	1,085	99.8
Total Equity	25,227	24,697	2.1	28,845	26,925	7.1
Total liabilities and equity	156,999	150,457	4.3	165,888	157,363	5.4
Contingencies	758	978	(22.5)	758	978	(22.5)
Commitments	5,119	5,462	(6.3)	5,243	5,738	(8.6)
Net assets value per ordinary share (Rs.)	15.97	15.63	2.2	16.89	16.36	3.2

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 2017 and its profit for the nine months ended 31st December 2017.

(sgd.)
Sanjeewa Bandaranayake
Chief Financial Officer

(sgd.)
A.S. Ibrahim
Chief Executive Officer

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

(sgd.)
Hemasiri Fernando
Chairman
25th January 2018
Colombo.

(sgd.)
M.P. Amirthanayagam
Deputy Chairman

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

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STATEMENT OF PROFIT OR LOSS - COMPANY

	For the nine months ended			For the quarter ended		
	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %
Interest income	19,571	15,890	23.2	6,745	5,808	16.1
Less: Interest expense	10,828	8,461	28.0	3,681	3,237	13.7
Net interest income	8,743	7,429	17.7	3,064	2,571	19.2
Net fee and commission income	860	848	1.4	300	313	(4.2)
Net trading income	13	20	(35.0)	(7)	(8)	(12.5)
Other operating income	277	429	(35.4)	37	48	(22.9)
Total operating income	9,893	8,726	13.4	3,394	2,924	16.1
Less: Impairment charges for loans and receivables	1,382	56	2,367.9	445	121	267.8
Net operating income	8,511	8,670	(1.8)	2,949	2,803	5.2
Less:						
Personnel expenses	1,998	1,876	6.5	661	649	1.8
Depreciation of property, plant and equipment	135	133	1.5	46	42	9.5
Amortisation and impairment of intangible assets	8	8	-	3	2	50.0
Other operating expenses	2,078	1,874	10.9	681	608	12.0
Total operating expenses	4,219	3,891	8.4	1,391	1,301	6.9
Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services	4,292	4,779	(10.2)	1,558	1,502	3.7
Less: VAT & NBT on financial services	850	646	31.6	301	306	(1.6)
Profit before income tax	3,442	4,133	(16.7)	1,257	1,196	5.1
Less: Income tax expense	941	1,130	(16.7)	342	349	(2.0)
Profit for the period	2,501	3,003	(16.7)	915	847	8.0
Basic/Diluted earnings per ordinary share (Rs.)	1.58	1.90	(16.8)	0.58	0.54	7.4

* 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		
	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %
Interest income	20,182	16,440	22.8	6,974	5,996	16.3
Less: Interest expense	10,919	8,524	28.1	3,716	3,254	14.2
Net interest income	9,263	7,916	17.0	3,258	2,742	18.8
Net earned premiums	2,997	2,707	10.7	1,030	933	10.4
Net fee and commission income	484	472	2.5	189	177	6.8
Net trading income	52	65	(20.0)	(7)	(17)	(58.8)
Other operating income	295	445	(33.7)	85	124	(31.5)
Total operating income	13,091	11,605	12.8	4,555	3,959	15.1
Less: Impairment charges for loans and receivables	1,413	95	1,387.4	454	134	238.8
Net operating income	11,678	11,510	1.5	4,101	3,825	7.2
Less:						
Personnel expenses	2,288	2,148	6.5	762	745	2.3
Depreciation of property, plant and equipment	207	206	0.5	71	68	4.4
Amortisation and impairment of intangible assets	9	2	350.0	3	-	100.0
Benefits, claims and underwriting expenditure	2,068	1,938	6.7	671	628	6.8
Other operating expenses	2,169	1,936	12.0	743	611	21.6
Total operating expenses	6,741	6,230	8.2	2,250	2,052	9.6
Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services	4,937	5,280	(6.5)	1,851	1,773	4.4
Less: VAT & NBT on financial services	866	661	31.0	306	311	(1.6)
Operating profit after VAT & NBT on financial services	4,071	4,619	(11.9)	1,545	1,462	5.7
Share of (loss) of an associate (net of tax)	(45)	(32)	40.6	(19)	(14)	35.7
Profit before income tax	4,026	4,587	(12.2)	1,526	1,448	5.4
Less: Income tax expense	1,079	1,259	(14.3)	404	395	2.3
Profit for the period	2,947	3,328	(11.4)	1,122	1,053	6.6
Profit attributable to:						
Equity holders of the parent	2,807	3,199	(12.3)	1,076	1,005	7.1
Minority interest	140	129	8.5	46	48	(4.2)
	2,947	3,328	(11.4)	1,122	1,053	6.6
Basic/Diluted earnings per ordinary share (Rs.)	1.87	2.11	(11.4)	0.71	0.67	6.0

* 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		
	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %
Profit for the period	2,501	3,003	(16.7)	915	847	8.0
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	(1)	16	(106.3)	-	6	(100.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	5	(84)	(106.0)	12	(23)	(152.2)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	4	(68)	(105.9)	12	(17)	(170.6)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Actuarial gains/ (losses) on defined benefit plans	-	-	-	-	-	-
Deferred tax effect on above	-	-	-	-	-	-
Revaluation of land and buildings	-	-	-	-	-	-
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/(expenses) for the period, net of taxes	4	(68)	(105.9)	12	(17)	(170.6)
Total comprehensive income for the period	2,505	2,935	(14.7)	927	830	11.7

*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		
	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %	31.12.2017 Rs. Mn. Unaudited*	31.12.2016 Rs. Mn. Unaudited*	Change %
Profit for the period	2,947	3,328	(11.4)	1,122	1,053	6.6
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	(1)	16	(106.3)	-	6	(100.0)
Available-for-sale financial assets						
Gains/ (losses) on re-measuring available-for-sale financial assets	17	(76)	(122.4)	17	(29)	(158.6)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	16	(60)	(126.7)	17	(23)	(173.9)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>						
Actuarial gains/(losses) on defined benefit plans	1	-	100.0	-	-	-
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	1	-	100.0	-	-	-
Other comprehensive income/(expenses) for the period, net of taxes	17	(60)	(128.3)	17	(23)	(173.9)
Total comprehensive income for the period	2,964	3,268	(9.3)	1,139	1,030	10.6
Profit attributable to:						
Equity holders of the parent	14	(62)	(122.6)	16	(22)	(172.7)
Minority interest	3	2	50.0	1	(1)	(200.0)
	17	(60)	(128.3)	17	(23)	(173.9)
	2,964	3,268	(9.3)	1,139	1,030	10.6

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STATEMENT OF CHANGES IN EQUITY - COMPANY

	Capital	Statutory Reserve Fund	Other Reserves				Cash Flow Hedge Reserve	Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Available for Sale Reserve	Revaluation Reserve			
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
Balance as at 01.04.2016	13,136	1,421	300	100	125	7	-	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	41	7	16	8,460	23,732
Balance as at 01.04.2017	13,236	1,622	300	100	31	7	1	9,400	24,697
Total comprehensive income for the nine months ended 31.12.2017									
Profit for the nine months ended 31.12.2017	-	-	-	-	-	-	-	2,501	2,501
Other comprehensive income (net of tax)	-	-	-	-	5	-	(1)	-	4
Total comprehensive income for the nine months ended 31.12.2017	-	-	-	-	5	-	(1)	2,501	2,505
Transactions with equity holders, recognised directly in equity									
Transfers to reserves during the period	-	125	-	-	-	-	-	(125)	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)
Total transactions with equity holders	-	125	-	-	-	-	-	(2,100)	(1,975)
Balance as at 31.12.2017	13,236	1,747	300	100	36	7	-	9,801	25,227

The above figures are provisional and subject to audit.
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STATEMENT OF CHANGES IN EQUITY - GROUP

	Capital	Statutory Reserve Fund	General Reserve	Other Reserves			Exchange Equalisation Fund	Retained Earnings	Total	Non-controlling Interest	Total Equity
				Tax Equalisation Fund	Available for Sale Reserve	Cash Flow Hedge Reserve					
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2016	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
Balance as at 01.04.2017	13,236	1,622	300	100	20	1	-	10,561	25,840	1,085	26,925
Acquisition of Subsidiaries	-	-	-	-	-	-	(9)	-	(9)	990	981
Profit for the nine months ended 31.12.2017	-	-	-	-	-	-	-	2,807	2,807	140	2,947
Other comprehensive income (net of tax)	-	-	-	-	17	(1)	-	(2)	14	3	17
Total comprehensive income for the nine months ended 31.12.2017	-	-	-	-	17	(1)	(9)	2,805	2,812	1,133	3,945
Transactions with equity holders, recognised directly in equity											
Transfers to reserves during the period	-	125	-	-	-	-	-	(125)	-	-	-
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)	(50)	(2,025)
Total transactions with equity holders	-	125	-	-	-	-	-	(2,100)	(1,975)	(50)	(2,025)
Balance as at 31.12.2017	13,236	1,747	300	100	37	-	(9)	11,266	26,677	2,168	28,845

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Figures in brackets indicate deductions.

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STATEMENT OF CASH FLOWS

For the nine months ended 31st December	Company		Group	
	2017 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited	2017 Rs. Mn. Unaudited	2016 Rs. Mn. Unaudited
Cash flows from operating activities				
Profit before tax	3,442	4,133	4,026	4,619
Adjustment for:				
Non-cash items included in profit before tax	1,035	222	1,167	375
Change in operating assets	(7,991)	(22,240)	(8,919)	(21,956)
Change in operating liabilities	20,692	9,809	20,832	9,593
Share of loss in associate (net of tax)	-	-	45	32
Dividend income from investments	(155)	(250)	(21)	(29)
Gratuity paid	(17)	(2)	(17)	(2)
Income tax paid	(717)	(1,444)	(767)	(1,496)
Net cash generated from/(used in) operating activities	16,289	(9,772)	16,346	(8,864)
Cash flows from investing activities				
Purchase of property, plant and equipment	(79)	(231)	(255)	(830)
Proceeds from the sale of property, plant and equipment	-	32	-	32
Purchase of intangible assets	(28)	-	(28)	-
Investment in Subsidiaries	(1,139)	(200)	-	-
Net cash and cash equivalents on acquisition of subsidiary	-	-	(1,114)	-
Dividend received from investments	155	250	21	29
Net cash (used in)/generated from investing activities	(1,091)	(149)	(1,376)	(769)
Cash flows from financing activities				
Net borrowings	(15,619)	13,625	(15,413)	13,632
Dividend paid to shareholders	(1,975)	(790)	(1,975)	(790)
Dividend paid to non-controlling interest	-	-	(50)	(67)
Redemption of preference shares	-	(100)	-	(100)
Net cash (used in)/generated from financing activities	(17,594)	12,735	(17,438)	12,675
Net (decrease)/increase in cash & cash equivalents	(2,396)	2,814	(2,468)	3,042
Cash and cash equivalents at the beginning of the period	4,975	3,206	5,717	3,179
Cash and cash equivalents at the end of the period	2,579	6,020	3,249	6,221
Cash and cash equivalents	3,908	7,292	4,712	7,836
Bank overdraft	(1,329)	(1,272)	(1,463)	(1,615)
	2,579	6,020	3,249	6,221

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 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	3,908	-	3,908
Balances with banks & financial institutions	-	-	4,079	-	4,079
Financial investments - Held-for-trading	174	-	-	-	174
Loans and receivables	-	-	137,368	-	137,368
Financial investments - Available-for-sale	-	-	-	208	208
Financial investments - Held-to maturity	-	4,787	-	-	4,787
Other financial assets	-	-	192	-	192
Total financial assets	174	4,787	145,547	208	150,716

As at 31st December 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	27,155	27,155
Due to customers	-	65,110	65,110
Debt Securities issued	-	32,196	32,196
Other Financial liabilities	-	3,553	3,553
Total financial liabilities	-	128,014	128,014

Company					
As at 31st March 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	5,591	-	5,591
Balances with banks & financial institutions	-	-	2,090	-	2,090
Financial investments - Held-for-trading	201	-	-	-	201
Loans and receivables	-	-	134,055	-	134,055
Financial investments - Available-for-sale	-	-	-	276	276
Financial investments - Held-to maturity	-	2,968	-	-	2,968
Other financial assets	-	-	122	-	122
Total financial assets	201	2,968	141,858	276	145,303

As at 31st March 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	35,584	35,584
Due to customers	-	44,723	44,723
Debt Securities issued	-	38,673	38,673
Other Financial liabilities	-	2,725	2,725
Derivative financial instruments	8	-	8
Total financial liabilities	8	121,705	121,713

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Group					
As at 31st December 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	4,712	-	4,712
Balances with banks & financial institutions	-	-	8,533	-	8,533
Financial investments - Held-for-trading	310	-	-	-	310
Loans and receivables	-	-	139,107	-	139,107
Financial investments - Available-for-sale	-	-	-	1,069	1,069
Financial investments - Held-to maturity	-	4,787	-	-	4,787
Total financial assets	310	4,787	152,352	1,069	158,518

As at 31st December 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	28,958	28,958
Due to customers	-	64,736	64,736
Debt Securities issued	-	32,084	32,084
Other Financial liabilities	-	3,392	3,392
Total financial liabilities	-	129,170	129,170

Group					
As at 31st March 2017	FVTPL Rs. Mn.	HTM Rs. Mn.	L & R Rs. Mn.	AFS Rs. Mn.	Total Rs. Mn.
ASSETS					
Cash and cash equivalents	-	-	6,380	-	6,380
Balances with banks & financial institutions	-	-	3,789	-	3,789
Financial investments - Held-for-trading	529	-	-	-	529
Loans and receivables	-	-	135,470	-	135,470
Financial investments - Available-for-sale	-	-	-	1,095	1,095
Financial investments - Held-to maturity	-	2,968	-	-	2,968
Total financial assets	529	2,968	145,639	1,095	150,231

As at 31st March 2017	FVTPL Rs. Mn.	Other Financial Liabilities at amortized cost Rs. Mn.	Total Rs. Mn.
LIABILITIES			
Due to banks	-	37,085	37,085
Due to customers	-	44,466	44,466
Debt Securities issued	-	38,569	38,569
Other Financial liabilities	-	2,563	2,563
Derivative financial instruments	8	-	8
Total financial liabilities	8	122,683	122,691

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SEGMENTAL ANALYSIS - GROUP

For the nine months ended 31st December	Lease & HP		Loans		Islamic		Insurance		Other		Eliminations		Group	
	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.	2017 Rs. Mn.	2016 Rs. Mn.
Interest income	10,952	9,256	7,243	5,679	1,015	836	467	367	719	509	(214)	(207)	20,182	16,440
Net earned premiums	-	-	-	-	-	-	3,108	2,805	-	-	(111)	(98)	2,997	2,707
Net fee and commission income	564	513	373	315	52	46	-	-	208	208	(713)	(610)	484	472
Net trading income	-	-	-	-	-	-	39	45	13	20	-	-	52	65
Other operating income	151	240	100	147	14	22	32	68	190	248	(192)	(280)	295	445
Gross revenue	11,667	10,009	7,716	6,141	1,081	904	3,646	3,285	1,130	985	(1,230)	(1,195)	24,010	20,129
Interest expenses	6,021	4,845	3,982	2,972	558	438	-	-	583	476	(225)	(207)	10,919	8,524
Total operating income	5,646	5,164	3,734	3,169	523	466	3,646	3,285	547	509	(1,005)	(988)	13,091	11,605
Credit losses	331	(110)	1,020	173	62	32	-	-	-	-	-	-	1,413	95
Net operating income	5,315	5,274	2,714	2,996	461	434	3,646	3,285	547	509	(1,005)	(988)	11,678	11,510
Depreciation	92	89	54	55	12	11	13	15	12	6	33	32	216	208
Segment result	2,413	2,690	1,596	1,651	224	243	635	583	234	265	(165)	(152)	4,937	5,280
VAT & NBT on financial services													866	661
Share of (loss) of an associate (net of tax)													(45)	(32)
Income tax expenses													1,079	1,259
Profit attributable to equity holder													2,947	3,328
As at 31st December														
Segment Assets	88,204	85,452	52,223	54,016	11,963	10,988	7,617	6,757	11,707	6,197	(5,826)	(5,753)	165,888	157,657
Total Assets	88,204	85,452	52,223	54,016	11,963	10,988	7,617	6,757	11,707	6,197	(5,826)	(5,753)	165,888	157,657
Segment Liabilities	72,919	71,336	43,173	45,093	9,890	9,173	4,559	4,138	9,678	5,174	(3,176)	(3,153)	137,043	131,761
Total Liabilities	72,919	71,336	43,173	45,093	9,890	9,173	4,559	4,138	9,678	5,174	(3,176)	(3,153)	137,043	131,761

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

	2017 Rs.	2016 Rs.
Highest price during the quarter ended 31st December :	18.10	19.30
Lowest price during the quarter ended 31st December :	16.40	17.80
Closing price as at 31st December :	17.00	18.70

Issued Capital

Issued Capital as at 31st December 2017 was represented by the number of shares in issue as given below;

	As at 31st December 2017		As at 31st December 2016	
	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	-	1,350,000,000
Total	1,579,862,482	13,236,073,308	1,579,862,482	13,236,073,308

INTERIM FINANCIAL STATEMENTS

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 31st December 2017

Twenty largest ordinary shareholders of the Company as at 31st December 2017 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	69,278,641	4.39
4	National Savings Bank	43,668,157	2.76
5	CitiBank Newyork S/A Norges Bank Account 2	15,775,303	1.00
6	Rubber Investment Trust Limited A/C # 01	15,323,883	0.97
7	Bank of Ceylon No. 1 Account	11,453,600	0.72
8	Sri Lanka Insurance Corporation Ltd-General Fund	7,022,962	0.44
9	AIA Insurance Lanka PLC A/C No.07	5,197,515	0.33
10	Ceylon Investment PLC A/C # 01	4,954,891	0.31
11	Union Assurance PLC/No-01A/C	3,821,672	0.24
12	BNYM SA/NV RE-NLCF Fund LP	3,805,389	0.24
13	The Ceylon Guardian Investment Trust PLC A/C # 02	3,340,505	0.21
14	Caceis Bank Luxembourg-Intereffekt Investments Funds N.V.	2,887,743	0.18
15	Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	2,719,743	0.17
16	Employees Trust Fund Board	2,356,087	0.15
17	Sampath Bank PLC/Dr. Thirugnanasambandar Senthilverl	1,909,975	0.12
18	Akbar Brothers Pvt Ltd A/C No 1	1,894,014	0.12
19	Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund	1,715,000	0.11
20	First Capital Limited	1,700,000	0.11

Public Holding

The percentage of ordinary shares held by the public as at 31st December 2017 was 24.94% and the number of shareholders representing the public holding was 8,776.

Directors/ CEO's Holding in Shares as at 31st December 2017

The number of ordinary shares held by the directors and CEO as at 31st December 2017 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 Mudiyansele Jayasena	Director	-
Dr. Ali Asgar Shabbir Gulamhusein	Director	-
Mr. Ahamed Sabry Ibrahim	CEO	-

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 2016/17.
2. The Interim Financial Statements for the nine months ended 31st December 2017 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, Lankan Alliance Finance 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. In June 2017, the Company received Rs. 33,750,000/- from People's Insurance PLC as the final dividend for the financial year 2016. In September 2017, the Company received Rs. 102,601,982/- as an interim dividend for the financial year 2017.
6. On 11th July 2017, the Company paid a final dividend of Rs. 0.50 (Cents Fifty) per share totaling to Rs. 789.9 million for the financial year 2016/17.
7. At the Annual General Meeting held on 30th June 2017, Mr. Goluhewage Bindu Rasitha Poojitha Gunawardana was re-elected as a Non- Executive Director of the Company.
8. Mr. D.P. Kumarage retired from the office of Chief Executive Officer/General Manager of the Company with effect from 30th June 2017 and Mr. Ahamed Sabry Ibrahim was appointed as the new Chief Executive Officer/General Manager of the Company with effect from 1st July 2017.

The Central Bank of Sri Lanka has by its letter dated 3rd July 2017 granted approval for the retirement of Mr. Kumarage and the appointment of Mr. Ibrahim as aforesaid.

9. The presentation and classification of the following items in these financial statements are amended to ensure the comparability with the current period.

	Company			Group		
	As disclosed previously	Current Presentation	Adjustment	As disclosed previously	Current Presentation	Adjustment
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

Statement of Profit or Loss

Other operating expenses	1,968	1,874	94	2,030	1,936	94
VAT & NBT on financial services	552	646	(94)	567	661	(94)

NBT on financial services included in other operating expenses reclassified to VAT & NBT on financial services.

10. On 30th September 2017 the Company redeemed 18,000,700 Senior Unsecured Redeemable Debentures issued in 2014 of Rs. 100/- each upon maturity.
11. On 26th December 2017, the Company paid a interim dividend of Rs. 0.75 (Cents Seventy five) per share totaling to Rs. 1,184.8 million for the financial year 2017/18.

INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

12. On 3rd December 2017, the Company completed acquisition of 51% of total issued capital equivalent to 51,000,000 ordinary shares of Alliance Leasing and Finance Company Limited, a company incorporated in Bangladesh to carry on finance business under the Financial Institution Act, 1993 of Bangladesh.
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 2017 which were disclosed in the Annual Report for the year ended 31st March 2017.

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Market Prices for the quarter ended 31st December 2017

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

Interest Rates

Debenture Type	Coupon Rate (%)	Annual Effective Rate (%)
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 - 3 Years - 11.90% p.a. payable semi-annually	11.90	12.25
2016 - 4 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	8.30%
1 Year Treasury Bill	8.90%
2 Year Treasury Bond	9.92%
3 Year Treasury Bond	9.55%
5 Year Treasury Bond	10.20%

(Above rates are excluding 10% withholding tax)

Current Yield & Yield to Maturity

Debenture Type	Current Yield (%)	Yield to Maturity (%)
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 - 3 Years - 11.90% p.a. payable semi-annually	11.90%	11.90%
2016 - 4 Years - 12.25% p.a. payable semi-annually	12.25%	12.25%
2016 - 5 Years - 12.60% p.a. payable semi-annually	12.61%	12.61%

INTERIM FINANCIAL STATEMENTS

DEBENTURE INFORMATION

Ratios								
							As at 31.12.2017	As at 31.03.2017
Debt to Equity Ratio (Times)							2.37	3.02
Interest Cover (Times)							1.32	1.46
Quick Asset Ratio (%)							74.71	80.87
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 2015								
1	The funds raised through this Debenture Issue will be utilized to finance working capital requirements to match the medium to long term lending of PLC and to minimize the interest rate risk.	6,000,000	Within 12 months from the date of allotment	6,000,000	100%	6,000,000	100%	N/A
Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2016								
1	The funds raised through this Debenture Issue will be 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

INTERIM FINANCIAL STATEMENTS

RELATED PARTY DISCLOSURE

Transactions with Related entities						
Company						
The Company had the under mentioned financial dealings during the period with the following related entities.						
	Immediate Parent		Subsidiaries		Associate	
	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
Items in Statement of Profit or Loss						
Interest income	574,264	382,595	28,159	16,318	-	-
Interest expense	748,896	848,554	197,442	176,316	4,107	-
Fee & Commission income	-	343	460,195	424,500	-	-
Other operating income	-	-	187,572	286,512	-	-
Benefits, claims and underwriting expenditure	-	-	97,267	87,460	-	-
Other operating expenses	20,941	22,507	208,284	185,014	-	-
Items in Statement of Financial Position						
Assets						
Cash and cash equivalents	3,228,703	4,729,042	-	-	-	-
Balances with banks & financial institutions	3,456,714	82,800	-	-	-	-
Loans and receivables	-	-	1,642,816	1,928,988	-	-
Financial investments - Held-to-maturity	3,167,585	3,597,661	-	-	-	-
Investments in subsidiaries/ Associate	-	-	3,213,788	2,075,000	586,427	586,427
Other assets	-	15,769	192,360	185,464	-	-
Liabilities						
Due to banks	8,890,147	10,885,770	-	-	-	-
Due to customers	-	-	373,878	222,605	104,107	-
Debt Securities issued	899,390	1,065,714	112,796	112,806	-	-
Other Financial liabilities	-	-	719,407	656,945	-	-
Other liabilities	2,958	2,472	4,567	-	-	-
Transactions						
Transaction cost on debenture issue and securitisation	23,935	23,935	-	-	-	-
Off- Balance Sheet Items						
Gauarantees	-	-	550,000	625,000	-	-

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 (2014/18) 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 (2015/18) 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

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
MCB 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, 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, Kuliypitiya, Kurunegala, Mahaiyawa, Maharagama, Mahiyanganaya, Mannar, Matale, Matara, Medawachchiya, Mathugama, Mawanela, 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. Amararatunga
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. M.A.M. Rizwan
Mr. A.S. Ibrahim
Mr. Sanjeewa Bandaranayake
Mr. L. Fernando
Mr. R. Tennakoon

Board Audit Committee

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

Remuneration & Nomination Committee

Mr. J.P. Amararatunga - 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
Lankan Alliance Finance 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' by Standard & Poor's Rating Services
'B' stable by Fitch Ratings International

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PEOPLE'S LEASING & FINANCE PLC