**People’s Leasing & Finance PLC**

**(A Subsidiary of People’s Bank)**

Rated AA-(lka) by Fitch Ratings Lanka and Internationally rated B+/B by Standard & Poor’s and B by Fitch Ratings International.

**Interim Financial Statements for the six months ended 30th September 2016**

**STATEMENT OF PROFIT OR LOSS**

**For the period ended 30th September 2016**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | **For the six months ended 30th September** |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   |  |  | **Company** |  | **Group** |   |
|   |  |  | **2016** |  | **2015** |  | **Change** |  | **2016** |  | **2015** |  | **Change** |   |
|   |  |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |   |
|   |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |   |
|   | Interest income  |   |  10,082,342  |   |  8,997,913  |   |  12.1  |   |  10,444,128  |   |  9,184,984  |   |  13.7  |   |
|   | Less: Interest expense |   |  5,224,058  |   |  3,873,987  |   |  34.8  |   |  5,269,402  |   |  3,921,071  |   |  34.4  |   |
|  | **Net interest income**  |  |  **4,858,284**  |  |  **5,123,926**  |  |  (5.2) |  |  **5,174,726**  |  |  **5,263,913**  |  |  (1.7) |  |
|  | Fee and commission income |  |  535,262  |  |  435,702  |  |  22.9  |  |  294,922  |  |  223,159  |  |  32.2  |  |
|  | Fee and commission expenses |  |  **-**  |  |  **-**  |  |  -  |  |  **-**  |  |  **-**  |  |  -  |  |
|  | **Net fee and commission income** |  |  **535,262**  |  |  **435,702**  |  |  **22.9**  |  |  **294,922**  |  |  **223,159**  |  |  **32.2**  |  |
|  | Net earned premiums  |  |  -  |   |  -  |  |  **-**  |  |  1,774,169  |   |  1,584,803  |   |  11.9  |  |
|  | Net gain/(loss) from trading |  |  27,787  |   |  11,623  |  |  139.1  |  |  82,987  |   |  19,518  |   |  325.2  |  |
|  | Net gain/(loss) from financial investments |  |  -  |   |  -  |  |  **-**  |  |  -  |   |  -  |   |  -  |  |
|   | Other operating income (net) |   |  380,962  |   |  258,740  |   |  47.2  |   |  321,124  |   |  246,101  |   |  30.5  |   |
|  | **Total operating income**  |  |  **5,802,295**  |  |  **5,829,991**  |  |  (0.5) |  |  **7,647,928**  |  |  **7,337,494**  |  |  4.2  |  |
|   | Less: Impairment for loans and other losses  |  |   |   |   |  |   |  |   |   |   |   |   |   |
|   |  Individual impairment |  |  21,157  |   |  (51,833) |  |  (140.8) |  |  21,157  |   |  (51,833) |   |  (140.8) |   |
|   |  Collective impairment |  |  (152,760) |   |  168,862  |  |  (190.5) |  |  (125,556) |   |  184,696  |   |  (168.0) |   |
|   |  Other losses |  |  65,781  |  |  262,901  |  |  (75.0) |  |  65,781  |  |  262,901  |  |  (75.0) |   |
|  | **Net operating income**  |  |  **5,868,117**  |  |  **5,450,061**  |  |  7.7  |  |  **7,686,546**  |  |  **6,941,730**  |  |  10.7  |  |
|  | Less: |  |   |   |   |  |   |  |   |   |   |   |   |  |
|   | Personnel expenses  |   |  1,227,217  |   |  856,084  |   |  43.4  |   |  1,403,217  |   |  984,272  |   |  42.6  |   |
|   | Depreciation of property, plant and equipment |   |  91,011  |   |  96,745  |   |  (5.9) |   |  138,403  |   |  137,030  |   |  1.0  |   |
|   | Amortisation and impairment of intangible assets  |  5,590  |   |  1,273  |   |  339.1  |   |  1,761  |   |  2,771  |   |  (36.4) |   |
|   | Benefits, claims and underwriting expenditure |   |  -  |   |  -  |   |  -  |   |  1,309,582  |   |  1,107,321  |   |  18.3  |   |
|   | Other operating expenses  |  |  1,266,532  |  |  1,059,082  |  |  19.6  |  |  1,325,509  |  |  1,068,735  |  |  24.0  |   |
|   | Total operating expenses  |   |  2,590,350  |   |  2,013,184  |   |  28.7  |   |  4,178,472  |   |  3,300,129  |   |  26.6  |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|  | **Operating profit before value added tax (VAT)**  |  **3,277,767**  |  |  **3,436,877**  |  |  (4.6) |  |  **3,508,074**  |  |  **3,641,601**  |  |  (3.7) |  |
|   | Less: Value added tax (VAT) on financial services  |  340,523  |   |  246,456  |   |  38.2  |   |  350,523  |   |  251,956  |   |  39.1  |   |
|  | **Operating profit after value added tax (VAT)**  |  |  **2,937,244**  |  |  **3,190,421**  |  |  (7.9) |  |  **3,157,551**  |  |  **3,389,645**  |  |  (6.8) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share of profit/(loss) of an associate (net of tax) |   |  -  |   |  -  |   |  -  |   |  (17,970) |   |  (7,142) |   |  (100.0) |  |
|  | **Operating profit after value added tax (VAT)**  |  |  **2,937,244**  |  |  **3,190,421**  |  |  (7.9) |  |  **3,139,581**  |  |  **3,382,503**  |  |  (7.2) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   | Less: Income tax expense  |  |  780,956  |  |  928,370  |  |  (15.9) |  |  865,226  |  |  1,033,844  |  |  (16.3) |   |
|  | **Profit for the period**  |  |  **2,156,288**  |  |  **2,262,051**  |  |  (4.7) |  |  **2,274,355**  |  |  **2,348,659**  |  |  (3.2) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit attributable to:**  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity holders of the parent  |   |  2,156,288  |   |  2,262,051  |   |  (4.7) |   |  2,193,314  |   |  2,348,659  |   |  (6.6) |  |
|  | Minority interest |  |  -  |  |  -  |  |  -  |  |  81,041  |  |  -  |  |  -  |  |
|   |   |   |  2,156,288  |   |  2,262,051  |   |  (4.7) |   |  2,274,355  |   |  2,348,659  |   |  (3.2) |   |
|   | Basic/Diluted earnings per ordinary share (Rs.) |   |  1.36  |   |  1.43  |   |  (5.0) |   |  1.44  |   |  1.49  |   |  (3.4) |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | The above figures are provisional and subject to audit. |  |  |  |  |  |  |  |  |  |  |   |
|   | Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |   |

|  |
| --- |
| **STATEMENT OF COMPREHENSIVE INCOME** |
| **For the period ended 30th September** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|   |  |  | **Company** |  | **Group** |   |
|   | **For the six months ended 30th September** |  | **2016** |  | **2015** |  | **Change** |  | **2015** |  | **2015** |  | **Change** |   |
|   |  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |   |
|   |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |   |   |
|   |  |  |   |  |  |  |  |  |   |  |  |  |  |   |
|  | **Profit for the period** |  |  **2,156,288**  |  |  **2,262,051**  |  |  (4.7) |  |  **2,274,355**  |  |  **2,348,659**  |  |  (3.2) |  |
|   |  |  |   |  |  |  |  |  |  |  |  |  |  |   |
|  | **Other comprehensive income/(expenses) (net of tax)** |  |  |  |  |  |   |  |  |  |  |  |   |  |
|  | Actuarial gains and losses on defined benefit plans  |   |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |
|  | Gains/ (losses) on derivative financial assets  |   |  9,951  |  |  14,746  |  |  (32.5) |  |  9,951  |  |  14,746  |  |  (100.0) |  |
|   | Gains/ (losses) on re-measuring available-for-sale financial assets  |   |  (60,626) |   |  69,843  |   |  (186.8) |   |  (47,170) |   |  70,122  |   |  (167.3) |   |
|   | Revaluation of land and buildings |  |  -  |  |  13,811  |   |  100.0  |  |  -  |  |  -  |  |  -  |   |
|   | Less: Tax expense/(income) relating to components of other comprehensive income  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |   |
|  | **Other comprehensive income for the period, net of taxes**  |  **(50,675)** |  |  **98,400**  |  |  (151.5) |  |  **(37,219)** |  |  **84,868**  |  |  (143.9) |  |
|  | **Total comprehensive income for the period** |  |  **2,105,613**  |  |  **2,360,451**  |  |  (10.8) |  |  **2,237,136**  |  |  **2,433,527**  |  |  (8.1) |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | The above figures are provisional and subject to audit. |  |  |  |  |  |  |  |  |  |  |  |  |   |
|   | Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |   |

**DEBENTURE INFORMATION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **Market Prices for the quarter ended 30th September 2016** |  |  |  |
|   |  |  |  |  |  |
|   | **Debenture Type** | **Highest** | **Lowest**  | **Last Traded** |  |
|   | **Rs.** | **Rs.** | **Rs.** |  |
|   | 2013 - 4 Years - 16.50% p.a. payable semi-annually |  101.89  |  101.41  |  101.41  |   |
|   | 2013 - 5 Years - 16.75% p.a. payable semi-annually |  Traded only once  |  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  |   |
|   |  |  |  |  |   |
|   |  |  |  |  |   |
|   | **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  |   |
|   |  |  |  |  |   |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **Interest Rates of Comparable Government Securities** |  |   |   |
|   | 6 Months Treasury Bill | **9.39%** |  |   |   |
|   | 1 Year Treasury Bill | **10.11%** |  |   |   |
|   | 2 Year Treasury Bond | **11.04%** |  |   |   |
|   | 3 Year Treasury Bond | **11.62%** |  |   |   |
|   | 4 Year Treasury Bond | **11.93%** |  |   |   |
|   | 5 Year Treasury Bond | **11.76%** |  |  |  |
|   | ( Above rates are excluding 10% withholding tax) |  |  |  |  |
|   |  |  |  |  |  |
|   | **Current Yield & Yield to Maturity**  |  |  |   |   |
|   |  |  |  |  |   |
|   | **Debenture Type** |   | **Current Yield (%)** | **Yield to Maturity (%)** |  |
|   | 2013 - 4 Years - 16.50% p.a. payable semi-annually |   | 16.27% | 14.24% |   |
|   | 2013 - 5 Years - 16.75% p.a. payable semi-annually |   | 15.88% | 13.06% |   |
|   | 2013 - 5 Years - 17.00% p.a. payable annually |   | 15.81% | 12.01% |   |
|   | 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% |   |
|   |  |  |  |  |   |
|   | **Ratios** |  |  |   |   |
|   |  |  |  |  |   |
|   |  |  | **As at**  | **As at**  |  |
|   |  |   | **30.09.2016** | **31.03.2016** |  |
|   | Debt to Equity Ratio (Times) |   |  **3.05**  |  2.68  |   |
|   | Interest Cover (Times) |   |  **1.56**  |  1.77  |   |
|   | Quick Asset Ratio (%) |   |  **82.98**  |  78.41  |   |

**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Market Price**  |   |   |   |   |   |   |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **2016** | **2015** |
|   |   |   |   |   |   |   | **Rs.** | **Rs.** |
| Highest price during the quarter ended 30th September :  |   |  19.30  |  26.50  |
| Lowest price during the quarter ended 30th September :  |   |  17.80  |  21.90  |
| Closing price as at 30th September :  |   |   |   |  18.70  |  22.10  |
|  |  |  |  |  |  |  |   |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Capital** |   |   |   |   |   |   |   |
| Capital as at 30th September 2016 was represented by the number of shares in issue as given below; |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **As at 30th September 2016** | **As at 30th September 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  |  -  |  1,150,000,000  |
|  |  |  |  |  |   |   |  |  |
| **Total** |   |   |   | **1,579,862,482** | **13,236,073,308** | **1,579,862,482** | **13,036,073,308** |

**STATEMENT OF FINANCIAL POSITION**

**As at 30th September 2016**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  **Company**  |  | **Group**  |
| **As at** |  |  **30.09.2016**  |  |  **30.09.2015**  |  |  **Change**  |  |  **31.03.2016**  |  |  **30.09.2016**  |  |  **30.09.2015**  |  |  **Change**  |  |  **31.03.2016**  |
|  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |
|  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Audited**  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Audited**  |
| **Assets**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Cash and cash equivalents |  5,051,163  |   |  1,711,889  |   |  195.1  |   |  3,206,733  |   |  5,522,694  |   |  2,020,894  |   |  173.3  |   |  3,555,643  |
| Balances with banks & financial institutions  |  81,415  |   |  335,498  |   |  (75.7) |   |  847,448  |   |  1,691,833  |   |  1,749,782  |   |  (3.3) |   |  2,543,016  |
| Derivative financial instrument  |  -  |   |  23,925  |   |  (100.0) |   |  -  |   |  -  |   |  23,925  |   |  (100.0) |   |  -  |
| Financial assets held-for-trading  |  221,042  |   |  261,141  |   |  (15.4) |   |  211,651  |   |  557,703  |   |  589,021  |   |  (5.3) |   |  527,438  |
| Loans and receivables - Leases |  70,015,776  |   |  60,162,979  |   |  16.4  |   |  63,349,941  |   |  70,015,776  |   |  60,162,980  |   |  16.4  |   |  63,349,941  |
| Loans and receivables - Hire purchase |  7,598,443  |   |  15,870,632  |   |  (52.1) |   |  11,017,047  |   |  8,893,425  |   |  16,338,399  |   |  (45.6) |   |  11,896,883  |
| Loans and receivables - Others |  48,902,322  |   |  27,268,009  |   |  79.3  |   |  35,505,427  |   |  49,001,264  |   |  26,985,144  |   |  81.6  |   |  35,909,613  |
| Insurance and reinsurance receivables |  -  |   |  -  |   |  -  |   |  -  |   |  310,168  |   |  260,571  |   |  19.0  |   |  206,303  |
| Financial investments – Available-for-sale  |  308,849  |   |  821,590  |   |  (62.4) |   |  500,357  |   |  1,641,480  |   |  1,930,409  |   |  (15.0) |   |  1,739,956  |
| Financial investments – Held-to-maturity  |  4,994,347  |   |  5,469,200  |   |  (8.7) |   |  4,930,236  |   |  4,994,347  |   |  5,469,200  |   |  (8.7) |   |  4,930,236  |
| Investments in subsidiaries  |  1,975,000  |   |  1,875,000  |   |  5.3  |   |  1,875,000  |   |  -  |   |  -  |   |  -  |   |  -  |
| Investments in associates  |  586,427  |   |  586,427  |   |  -  |   |  586,427  |   |  532,287  |   |  579,285  |   |  (8.1) |   |  550,257  |
| Investment property |  90,752  |   |  82,503  |   |  10.0  |   |  90,752  |   |  -  |   |  -  |   |  -  |   |  -  |
| Property, plant and equipment  |  1,174,859  |   |  1,139,336  |   |  3.1  |   |  1,120,600  |   |  4,614,211  |   |  3,965,442  |   |  16.4  |   |  4,209,533  |
| Goodwill and intangible assets  |  324,373  |   |  338,189  |   |  (4.1) |   |  329,963  |   |  326,089  |   |  344,685  |   |  (5.4) |   |  333,175  |
| Other assets  |  |  2,869,708  |  |  693,040  |  |  314.1  |  |  764,066  |  |  2,911,295  |  |  1,240,415  |  |  134.7  |   |  1,334,274  |
| **Total assets**  |  |  **144,194,476**  |  |  **116,639,358**  |  |  23.6  |  |  **124,335,648**  |  |  **151,012,572**  |  |  **121,660,152**  |  |  24.1  |  |  **131,086,268**  |
|  |  |   |  |  |  |  |  |  |  |   |  |  |  |  |  |  |
| **Liabilities**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Due to banks |   |  37,447,898  |   |  25,036,269  |   |  49.6  |   |  26,431,628  |   |  39,182,775  |   |  26,159,606  |   |  49.8  |   |  28,059,677  |
| Due to customers |   |  39,257,406  |   |  34,286,855  |   |  14.5  |   |  33,836,428  |   |  39,037,020  |   |  34,180,073  |   |  14.2  |   |  33,677,260  |
| Debt securities issued |  35,618,645  |   |  27,245,441  |   |  30.7  |   |  34,387,677  |   |  35,510,283  |   |  27,137,109  |   |  30.9  |   |  34,283,621  |
| Other financial liabilities  |  3,765,810  |   |  4,604,555  |   |  (18.2) |   |  2,730,484  |   |  3,684,494  |   |  4,494,215  |   |  (18.0) |   |  2,888,399  |
| Derivative financial instrument  |  10,550  |   |  -  |   |  100.0  |   |  -  |   |  10,550  |   |  -  |   |  100.0  |   |  -  |
| Insurance and reinsurance payable  |  -  |   |  -  |   |  -  |   |  -  |   |  3,433,059  |   |  3,101,546  |   |  10.7  |   |  3,181,588  |
| Current tax liabilities  |  531,969  |   |  580,861  |   |  (8.4) |   |  937,999  |   |  576,382  |   |  658,879  |   |  (12.5) |   |  1,017,694  |
| Deferred tax liabilities  |  1,821,897  |   |  1,949,490  |   |  (6.5) |   |  1,821,897  |   |  1,836,263  |   |  1,976,105  |   |  (7.1) |   |  1,840,724  |
| Other liabilities  |   |  1,652,751  |   |  229,576  |   |  619.9  |   |  1,417,667  |   |  1,691,769  |   |  256,261  |   |  560.2  |   |  1,467,033  |
| **Total liabilities**  |  |  **120,106,926**  |  |  **93,933,047**  |  |  27.9  |  |  **101,563,780**  |  |  **124,962,595**  |  |  **97,963,794**  |  |  27.6  |  |  **106,415,996**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity**  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital |   |  13,236,073  |   |  13,036,073  |   |  1.5  |   |  13,136,073  |   |  13,236,073  |   |  13,036,073  |   |  1.5  |   |  13,136,073  |
| Statutory reserve fund  |  1,529,298  |   |  1,317,218  |   |  16.1  |   |  1,421,483  |   |  1,529,298  |   |  1,317,218  |   |  16.1  |   |  1,421,483  |
| Retained earnings  |  8,840,771  |   |  7,748,620  |   |  14.1  |   |  7,682,230  |   |  9,792,301  |   |  8,749,310  |   |  11.9  |   |  8,600,098  |
| Other reserves  |   |  481,408  |   |  604,400  |   |  (20.3) |   |  532,082  |   |  472,356  |   |  593,757  |   |  (20.4) |   |  509,575  |
| **Total Equity attributable to equity holders of the Company** |  **24,087,550**  |  |  **22,706,311**  |  |  **6.1**  |  |  **22,771,868**  |  |  **25,030,028**  |  |  **23,696,358**  |  |  **5.6**  |  |  **23,667,229**  |
| Non-controlling interest |  -  |  |  -  |  |  -  |  |  -  |  |  1,019,949  |  |  -  |  |  100.0  |  |  1,003,043  |
| **Total Equity** |  |  **24,087,550**  |  |  **22,706,311**  |  |  **6.1**  |  |  **22,771,868**  |  |  **26,049,977**  |  |  **23,696,358**  |  |  **9.9**  |  |  **24,670,272**  |
| **Total liabilities and equity**  |  **144,194,476**  |  |  **116,639,358**  |  |  **23.6**  |  |  **124,335,648**  |  |  **151,012,572**  |  |  **121,660,152**  |  |  **24.1**  |  |  **131,086,268**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingencies |  |  820,937  |  |  457,316  |   |  79.5  |   |  783,168  |  |  820,937  |  |  457,316  |  |  79.5  |   |  783,168  |
| Commitments |  |  5,013,894  |  |  3,060,520  |   |  63.8  |   |  1,568,642  |  |  5,612,186  |  |  3,914,208  |  |  43.4  |   |  2,167,322  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets value per ordinary share (Rs.) |  15.25  |  |  14.37  |   |  6.1  |   |  14.41  |  |  15.84  |  |  15.00  |  |  5.6  |   |  14.98  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CERTIFICATION** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| We, the undersigned, being the Chief Executive Officer and the Chief Financial Officerof People's Leasing & Finance PLC certify jointly that: |
| a) the above statements have been prepared in compliance with the format and the definitions prescribed by the Central Bank of Sri Lanka; |
| b) the information contained in these statements have been extracted from the unaudited financial statements of People's Leasing & Finance PLC unless indicated as audited. |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Sgd.) |  |  |  |  |  |  |  | (Sgd.) |  |  |  |  |  |  |  |  |
| **D.P. Kumarage** |  |  |  |  |  |  |  | **SanjeewaBandaranayake** |  |  |  |  |  |  |
| *Chief Executive Officer* |  |  |  |  |  |  | *Chief Financial Officer* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| The Board of Directors is responsible for the preparation and presentation of these Financial Statements. |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Approved and signed for and on behalf of the Board by; |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Sgd.) |  |  |  |  |  |  |  | (Sgd.) |  |  |  |  |  |  |  |  |
| **Hemasiri Fernando**  |  |  |  |  |  |  |  | **M.P. Amirthanayagam** |  |  |  |  |  |  |
| Chairman |  |  |  |  |  |  |  | Deputy Chairman |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10/25/2016 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Colombo |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**SELECTED PERFORMANCE INDICATORS**

**As at 30th September 2016**

|  | **Company** |
| --- | --- |
|  | **As at**  | **As at**  |
|  | **30.09.2016** | **30.09.2015** |
| **Regulatory Capital Adequacy** |  |  |
|  |  |  |
| Core Capital (Tier1 Capital) - Rs. '000 |  **21,432,961**  |  19,819,964  |
| Total Capital Base - Rs. '000 |  **19,845,619**  |  18,139,377  |
| Core Capital to Risk Weighted Assets Ratio (Minimum 5%) (%) |  **16.28**  |  18.64  |
| Total Capital to Risk Weighted Assets Ratio (Minimum 10%) (%) |  **15.08**  |  17.06  |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) (%) |  **167.60**  |  151.00  |
|   |  |  |
| **Asset Quality (Quality of Loan Portfolio)** |  |  |
|  |  |  |
| Gross Non-Performing Advances - Rs. '000 |  **2,004,942**  |  3,316,414  |
| Gross Non-Performing Advances Ratio (%) |  **1.57**  |  2.69  |
| Net- Non-Performing Advances Ratio (%) |  **0.24**  |  0.61  |
|   |  |   |
| **Profitability***(Annualized)* |  |  |
|  |  |  |
| Interest Margin (%) |  **7.70**  |  9.53  |
| Return on Average Assets (before Tax) (%) |  **3.96**  |  5.57  |
| Return on Average Equity (after tax) (%) |  **22.73**  |  20.64  |
|   |  |   |
| **Regulatory Liquidity - Rs. '000** |  |  |
|  |  |  |
| Required Minimum Amount of Liquid Assets |  **6,524,214**  |  5,349,465  |
| Available Amount of Liquid Assets |  **9,558,372**  |  6,930,432  |
| Required Minimum Amount of Government Securities |  **3,856,800**  |  4,005,926  |
| Available Amount of Government Securities |  **8,283,494**  |  5,648,864  |
|   |  |   |
| **Memorandum information** |  |   |
|  |  |   |
| Number of employees |  **2,014**  |  1,709  |
| Number of branches |  **92**  |  89  |
| Number of service centers |  **111**  |  111  |
| Number of pawning centers |  **-**  |  -  |
|  |  |  |

**SHAREHOLDERS' INFORMATION**

**Twenty Largest Ordinary Shareholders as at 30th September 2016**

Twenty largest ordinary shareholders of the Company as at 30th September 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-Neon Liberty Lorikeet Master Fund LP |  63,069,853  |  3.99  |
| 4 | National Savings Bank |  43,668,157  |  2.76  |
| 5 | Citi Bank 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 | BNYM SA/NV-NLCF Fund LP |  4,916,003  |  0.31  |
| 10 | Sri Lanka Insurance Corporation Ltd-General Fund |  4,033,000  |  0.26  |
| 11 | Union Assurance PLC/No-01A/C |  3,821,672  |  0.24  |
| 12 | Caceis Bank Luxembourg-Intereffekt Investments Funds N.V. |  2,887,743  |  0.18  |
| 13 | The Ceylon Guardian Investment Trust PLC A/C # 02 |  2,733,505  |  0.17  |
| 14 | Deutsche Bank AG as Trustee to Candor Growth Fund |  2,388,804  |  0.15  |
| 15 | Employees Trust Fund Board |  2,356,087  |  0.15  |
| 16 | Deutsche Bank AG as Trustee to Candor Opportunities Fund |  2,000,000  |  0.13  |
| 17 | Dr. ThirugnanasambandarSenthilverl |  1,957,684  |  0.12  |
| 18 | Akbar Brothers Pvt Ltd A/C No 1 |  1,847,829  |  0.12  |
| 19 | Seylan Bank PLC/Arc Capital (Pvt) Ltd |  1,756,616  |  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 30th September 2016 was 24.89% and the number of shareholders representing the public holding was 9,239. |
|  |  |  |  |
| **Directors'/ CEO's Holding in Shares as at 30th September 2016** |   |   |
| The number of ordinary shares held by the directors and CEO as at 30th September 2016 were as follows; |   |
|  |  |  |  |
| **Name**  | **Position** | **No. of Shares** |
| Mr. Hemasiri Fernando  | Chairman |  -  |
| Mr. Michael Pradeep Amirthanayagam | Deputy Chairman |  10,000  |
| Mr. JehanPrasannaAmaratunga | Director |  -  |
| Mr. GoluhewageBinduRasithaPoojithaGunawardana | Director |  -  |
| Mr. Johnson Anthony Fernando | Director |  -  |
| Mr. Mohamed Anise Mohamed Rizwan | Director |  -  |
| Mr. RathnayakeMudiyanselageJayasena | Director |  -  |
| Dr. Ali AsgarShabbirGulamhusein | Director |  110,000  |
| Mr. Don PadmasiriKumarage | CEO |  713,258  |