**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 2018**

**STATEMENT OF PROFIT OR LOSS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **Company** | | | | |  | **Group** | | | | |  |
|  | **For the six months ended 30th September** |  | **2018** |  | **2017** |  | **Change** |  | **2018** |  | **2017** |  | **Change** |  |
|  |  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  |
|  |  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Unaudited** |  | **Unaudited** |  |  |  |
|  | Interest income |  | 14,851,156 |  | 12,825,790 |  | 15.8 |  | 15,488,570 |  | 13,207,631 |  | 17.3 |  |
|  | Less: Interest expense |  | 7,508,114 |  | 7,146,674 |  | 5.1 |  | 7,594,647 |  | 7,203,016 |  | 5.4 |  |
|  | **Net interest income** |  | **7,343,042** |  | **5,679,116** |  | 29.3 |  | **7,893,923** |  | **6,004,615** |  | 31.5 |  |
|  | Fee and commission income |  | 608,835 |  | 559,655 |  | 8.8 |  | 388,416 |  | 295,290 |  | 31.5 |  |
|  | Fee and commission expenses |  | **-** |  | **-** |  | - |  | **-** |  | **-** |  | - |  |
|  | **Net fee and commission income** |  | **608,835** |  | **559,655** |  | **8.8** |  | **388,416** |  | **295,290** |  | **31.5** |  |
|  | Net earned premiums |  | - |  | - |  | **-** |  | 2,284,688 |  | 1,967,639 |  | 16.1 |  |
|  | Net gain/(loss) from trading |  | (22,843) |  | 20,178 |  | (213.2) |  | (46,238) |  | 58,522 |  | (179.0) |  |
|  | Net gain/(loss) from financial investments |  | - |  | - |  | **-** |  | - |  | - |  | - |  |
|  | Other operating income (net) |  | 197,290 |  | 240,332 |  | (17.9) |  | 248,391 |  | 212,231 |  | 17.0 |  |
|  | **Total operating income** |  | **8,126,324** |  | **6,499,281** |  | 25.0 |  | **10,769,180** |  | **8,538,297** |  | 26.1 |  |
|  | Less: Impairment for loans and other losses |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Individual impairment |  | 58,540 |  | 31,826 |  | 83.9 |  | 58,540 |  | 31,826 |  | 83.9 |  |
|  | Collective impairment |  | 914,068 |  | 860,376 |  | 6.2 |  | 989,784 |  | 882,650 |  | 12.1 |  |
|  | Other losses |  | 149,805 |  | 44,614 |  | 235.8 |  | 149,805 |  | 44,614 |  | 235.8 |  |
|  | **Net operating income** |  | **7,003,911** |  | **5,562,465** |  | 25.9 |  | **9,571,051** |  | **7,579,207** |  | 26.3 |  |
|  | Less: |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Personnel expenses |  | 1,706,606 |  | 1,534,114 |  | 11.2 |  | 2,047,622 |  | 1,725,558 |  | 18.7 |  |
|  | Depreciation of property, plant and equipment |  | 84,176 |  | 89,660 |  | (6.1) |  | 144,327 |  | 136,463 |  | 5.8 |  |
|  | Amortisation and impairment of intangible assets | | 5,808 |  | 4,787 |  | 21.3 |  | 6,890 |  | 6,040 |  | 14.1 |  |
|  | Benefits, claims and underwriting expenditure |  | - |  | - |  | - |  | 1,644,018 |  | 1,396,712 |  | 17.7 |  |
|  | Other operating expenses |  | 1,363,849 |  | 1,198,872 |  | 13.8 |  | 1,418,554 |  | 1,228,100 |  | 15.5 |  |
|  | Total operating expenses |  | 3,160,439 |  | 2,827,433 |  | 11.8 |  | 5,261,411 |  | 4,492,873 |  | 17.1 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services** |  | **3,843,472** |  | **2,735,032** |  | 40.5 |  | **4,309,640** |  | **3,086,334** |  | 39.6 |  |
|  | Less: VAT & NBT on financial services |  | 784,087 |  | 548,581 |  | 42.9 |  | 799,787 |  | 559,781 |  | 42.9 |  |
|  | **Operating profit after VAT & NBT on financial services** |  | **3,059,385** |  | **2,186,451** |  | 39.9 |  | **3,509,853** |  | **2,526,553** |  | 38.9 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Share of profit/(loss) of an associate (net of tax) |  | - |  | - |  | - |  | (1,110) |  | (25,121) |  | (95.6) |  |
|  | **Profit before income tax** |  | **3,059,385** |  | **2,186,451** |  | 39.9 |  | **3,508,743** |  | **2,501,432** |  | 40.3 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Less: Income tax expense |  | 892,863 |  | 599,006 |  | 49.1 |  | 1,028,584 |  | 674,330 |  | 52.5 |  |
|  | **Profit for the period** |  | **2,166,522** |  | **1,587,445** |  | 36.5 |  | **2,480,159** |  | **1,827,102** |  | 35.7 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit attributable to:** |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity holders of the parent |  | 2,166,522 |  | 1,587,445 |  | 36.5 |  | 2,390,894 |  | 1,733,873 |  | 37.9 |  |
|  | Minority interest |  | - |  | - |  | - |  | 89,265 |  | 93,229 |  | (4.3) |  |
|  |  |  | 2,166,522 |  | 1,587,445 |  | 36.5 |  | 2,480,159 |  | 1,827,102 |  | 35.7 |  |
|  | Basic/Diluted earnings per ordinary share (Rs.) |  | 1.37 |  | 1.00 |  | 37.0 |  | 1.51 |  | 1.10 |  | 37.3 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | The above figures are provisional and subject to audit. Figures in brackets indicate deductions. | | | | | | | | |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STATEMENT OF COMPREHENSIVE INCOME** | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | **Company** | | | | |  | **Group** | | | | |  |
|  | **For the six months ended 30th September** |  | **2018** |  | **2017** |  | **Change** |  | **2018** |  | **2017** |  | **Change** |  |
|  |  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  |
|  |  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Unaudited** |  | **Unaudited** |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit for the period** |  | **2,166,522** |  | **1,587,445** |  | 36.5 |  | **2,480,159** |  | **1,827,102** |  | 35.7 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Other comprehensive income/(expenses) (net of tax)** |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Actuarial gains and losses on defined benefit plans |  | - |  | - |  | - |  | (324) |  | - |  | (100.0) |  |
|  | Gains/ (losses) on derivative financial assets |  | - |  | (879) |  | (100.0) |  | - |  | (879) |  | (100.0) |  |
|  | Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary |  | - |  | - |  | - |  | 182,248 |  | - |  | 100.0 |  |
|  | Gains/ (losses) on re-measuring available-for-sale financial assets |  | (75,111) |  | (7,401) |  | 914.9 |  | (75,242) |  | (358) |  | 20,917.3 |  |
|  | Revaluation of land and buildings |  | 7,302 |  | - |  | 100.0 |  | 7,302 |  | - |  | 100.0 |  |
|  | Capital gain tax |  | - |  | - |  | - |  | (83,461) |  | - |  | (100.0) |  |
|  | Less: Tax expense/(income) relating to components of other comprehensive income |  | 2,045 |  | - |  | (100.0) |  | 2,045 |  | - |  | (100.0) |  |
|  | **Other comprehensive income for the period, net of taxes** | | **(69,854)** |  | **(8,280)** |  | 743.6 |  | **28,478** |  | **(1,237)** |  | (2,402.2) |  |
|  | **Total comprehensive income for the period** |  | **2,096,668** |  | **1,579,165** |  | 32.8 |  | **2,508,637** |  | **1,825,865** |  | 37.4 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Profit attributable to:** |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Equity holders of the parent |  | (69,854) |  | (8,280) |  | 743.6 |  | 28,511 |  | (2,998) |  | (1,051.0) |  |
|  | Minority interest |  | - |  | - |  | - |  | (33) |  | 1,761 |  | (101.9) |  |
|  |  |  | **(69,854)** |  | **(8,280)** |  | 743.6 |  | **28,478** |  | **(1,237)** |  | (2,402.2) |  |
|  |  |  | 2,096,668 |  | 1,579,165 |  | 32.8 |  | 2,508,637 |  | 1,825,865 |  | 37.4 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | The above figures are provisional and subject to audit. Figures in brackets indicate deductions. | | | | | | |  |  |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **DEBENTURE INFORMATION** | | | |
|  |  |  |  |
|  |  |  |  |
| **Market Prices for the quarter ended 30th September 2018** | |  |  |
|  |  |  |  |
| **Debenture Type** | **Highest** | **Lowest** | **Last Traded** |
| **Rs.** | **Rs.** | **Rs.** |
| 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 | | |
| 2018 - 4 Years - 12.40% p.a. payable annually | Has not been traded | | |
| 2018 - 5 Years - 12.80% p.a. payable annually | Has not been traded | | |
|  |  |  |  |
|  |  |  |  |
| **Interest Rates** |  |  |  |
|  |  |  |  |
| **Debenture Type** |  | **Coupon Rate  (%)** | **Annual Effective  Rate (%)** |
| 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 |
| 2018 - 4 Years - 12.40% p.a. payable annually |  | 12.40 | 12.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually |  | 12.80 | 12.80 |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Interest Rates of Comparable Government Securities** | |  |  |
| 6 Months Treasury Bill | **8.60%** |  |  |
| 1 Year Treasury Bill | **9.51%** |  |  |
| 2 Year Treasury Bond | **9.92%** |  |  |
| 3 Year Treasury Bond | **10.03%** |  |  |
| 5 Year Treasury Bond | **9.91%** |  |  |
| ( Above rates are excluding withholding tax) |  |  |  |
|  |  |  |  |
| **Current Yield & Yield to Maturity** |  |  |  |
|  |  |  |  |
| **Debenture Type** |  | **Current Yield (%)** | **Yield to Maturity (%)** |
| 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 |  | 12.60 | 12.60 |
| 2018 - 4 Years - 12.40% p.a. payable annually |  | 12.40 | 12.40 |
| 2018 - 5 Years - 12.80% p.a. payable annually |  | 12.80 | 12.80 |

**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  | **2018** | **2017** |
| **Market Price** | | | | | | | **Rs.** | **Rs.** |
| Highest price during the quarter ended 30th September : | | | | | |  | 15.50 | 18.00 |
| Lowest price during the quarter ended 30th September : | | | | | |  | 14.00 | 16.70 |
| Closing price as at 30th September : | | | |  |  |  | 14.20 | 17.00 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Issued Capital** |  |  |  |  |  |  |
| Issued Capital as at 30th September 2018 was represented by the number of shares in issue as given below; | | | | | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **As at 30th September 2018** | | **As at 30th September 2017** | |
|  |  |  |  |  | **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** |

**STATEMENT OF FINANCIAL POSITION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Company** | | | | | | |  | **Group** | | | | | | |
| **As at** |  | **30.09.2018** |  | **30.09.2017** |  | **Change** |  | **31.03.2018** |  | **30.09.2018** |  | **30.09.2017** |  | **Change** |  | **31.03.2018** |
|  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |
|  |  | **Unaudited** |  | **Unaudited** |  |  |  | **Audited** |  | **Unaudited** |  | **Unaudited** |  |  |  | **Audited** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents | | 2,528,905 |  | 3,681,684 |  | (31.3) |  | 4,414,083 |  | 2,860,811 |  | 4,071,184 |  | (29.7) |  | 4,766,920 |
| Balances with banks & financial institutions | | 3,075,670 |  | 3,475,730 |  | (11.5) |  | 4,370,473 |  | 6,526,534 |  | 5,750,322 |  | 13.5 |  | 8,758,715 |
| Financial assets - Held-for-trading | | 104,988 |  | 188,081 |  | (44.2) |  | 174,736 |  | 211,140 |  | 412,107 |  | (48.8) |  | 315,485 |
| Loans and receivables - Leases | | 87,858,342 |  | 80,371,567 |  | 9.3 |  | 85,227,987 |  | 87,858,342 |  | 80,371,567 |  | 9.3 |  | 85,227,987 |
| Loans and receivables - Hire purchase | | 514,639 |  | 3,060,438 |  | (83.2) |  | 1,010,802 |  | 2,538,739 |  | 4,377,334 |  | (42.0) |  | 2,656,330 |
| Loans and receivables - Others | | 60,848,407 |  | 51,454,175 |  | 18.3 |  | 54,724,147 |  | 63,254,467 |  | 51,564,921 |  | 22.7 |  | 54,828,259 |
| Insurance and reinsurance receivables | | - |  | - |  | - |  | - |  | 460,287 |  | 329,126 |  | 39.9 |  | 406,687 |
| Financial investments – Available-for-sale | | 150,151 |  | 277,082 |  | (45.8) |  | 219,132 |  | 1,061,742 |  | 1,302,607 |  | (18.5) |  | 1,343,454 |
| Financial investments – Held-to-maturity | | 6,883,339 |  | 5,176,535 |  | 33.0 |  | 4,889,641 |  | 6,883,339 |  | 5,176,535 |  | 33.0 |  | 4,889,641 |
| Current tax receivables | | - |  | - |  | - |  | 89,849 |  | - |  | - |  | - |  | 89,849 |
| Investments in subsidiaries | | 3,213,788 |  | 2,075,000 |  | 54.9 |  | 3,213,788 |  | - |  | - |  | - |  | - |
| Investments in associate | | 586,427 |  | 586,427 |  | - |  | 586,427 |  | 422,330 |  | 451,261 |  | (6.4) |  | 423,439 |
| Investment property | | - |  | 100,800 |  | (100.0) |  | 134,400 |  | 1,131,704 |  | - |  | 100.0 |  | 1,265,996 |
| Property, plant and equipment | | 1,077,916 |  | 1,208,201 |  | (10.8) |  | 1,166,883 |  | 4,011,169 |  | 4,989,788 |  | (19.6) |  | 4,112,715 |
| Goodwill and intangible assets | | 341,987 |  | 333,220 |  | 2.6 |  | 346,395 |  | 450,877 |  | 332,194 |  | 35.7 |  | 452,883 |
| Leasehold property | | 85,597 |  | 87,131 |  | (1.8) |  | 87,131 |  | 85,597 |  | 87,131 |  | (1.8) |  | 87,131 |
| Deferred tax assets | | - |  | - |  | - |  | - |  | 35,427 |  | 26,196 |  | 35.2 |  | 28,155 |
| Other assets |  | 981,256 |  | 963,895 |  | 1.8 |  | 832,219 |  | 1,080,059 |  | 1,027,504 |  | 5.1 |  | 1,299,753 |
| **Total assets** |  | **168,251,412** |  | **153,039,966** |  | 9.9 |  | **161,488,093** |  | **178,872,564** |  | **160,269,777** |  | 11.6 |  | **170,953,399** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Liabilities** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Due to banks |  | 29,548,505 |  | 28,437,313 |  | 3.9 |  | 29,423,568 |  | 32,019,639 |  | 29,948,487 |  | 6.9 |  | 31,336,173 |
| Due to customers |  | 71,517,915 |  | 58,542,589 |  | 22.2 |  | 69,763,219 |  | 71,180,557 |  | 58,170,972 |  | 22.4 |  | 69,377,794 |
| Debt securities issued | | 30,598,540 |  | 33,441,730 |  | (8.5) |  | 26,281,723 |  | 30,465,766 |  | 33,333,382 |  | (8.6) |  | 26,281,723 |
| Other financial liabilities | | 3,673,198 |  | 3,379,946 |  | 8.7 |  | 4,645,818 |  | 3,477,620 |  | 3,164,392 |  | 9.9 |  | 4,473,552 |
| Insurance and reinsurance payable | | - |  | - |  | - |  | - |  | 4,271,098 |  | 3,769,993 |  | 13.3 |  | 4,054,586 |
| Current tax liabilities | | 307,813 |  | 263,073 |  | 17.0 |  | - |  | 360,077 |  | 312,614 |  | 15.2 |  | 62,673 |
| Deferred tax liabilities | | 2,275,868 |  | 1,797,331 |  | 26.6 |  | 2,275,868 |  | 2,446,559 |  | 1,849,672 |  | 32.3 |  | 2,338,807 |
| Other liabilities |  | 1,993,008 |  | 1,691,459 |  | 17.8 |  | 2,068,075 |  | 2,116,287 |  | 1,809,048 |  | 17.0 |  | 2,173,950 |
| **Total liabilities** |  | **139,914,847** |  | **127,553,441** |  | 9.7 |  | **134,458,271** |  | **146,337,603** |  | **132,358,560** |  | 10.6 |  | **140,099,258** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital |  | 13,236,073 |  | 13,236,073 |  | - |  | 13,236,073 |  | 13,236,073 |  | 13,236,073 |  | - |  | 13,236,073 |
| Statutory reserve fund | | 1,938,538 |  | 1,701,319 |  | 13.9 |  | 1,837,413 |  | 1,938,538 |  | 1,701,319 |  | 13.9 |  | 1,837,413 |
| Retained earnings | | 13,190,196 |  | 10,118,223 |  | 30.4 |  | 11,502,165 |  | 14,988,629 |  | 11,424,145 |  | 31.2 |  | 13,167,172 |
| Other reserves |  | (28,242) |  | 430,910 |  | (106.6) |  | 454,171 |  | 154,918 |  | 419,721 |  | (63.1) |  | 448,413 |
| **Total Equity attributable to equity holders of the Company** | | **28,336,565** |  | **25,486,525** |  | **11.2** |  | **27,029,822** |  | **30,318,158** |  | **26,781,258** |  | **13.2** |  | **28,689,071** |
| Non-controlling interest | | - |  | - |  | - |  | - |  | 2,216,803 |  | 1,129,959 |  | 96.2 |  | 2,165,070 |
| **Total Equity** |  | **28,336,565** |  | **25,486,525** |  | **11.2** |  | **27,029,822** |  | **32,534,961** |  | **27,911,217** |  | **16.6** |  | **30,854,141** |
| **Total liabilities and equity** | | **168,251,412** |  | **153,039,966** |  | **9.9** |  | **161,488,093** |  | **178,872,564** |  | **160,269,777** |  | **11.6** |  | **170,953,399** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingencies |  | 775,952 |  | 824,103 |  | (5.8) |  | 757,492 |  | 775,952 |  | 824,103 |  | (5.8) |  | 757,492 |
| Commitments |  | 6,654,060 |  | 3,788,254 |  | 75.6 |  | 6,713,373 |  | 6,712,685 |  | 3,926,492 |  | 71.0 |  | 6,865,862 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets value per ordinary share (Rs.) | | 17.94 |  | 16.13 |  | 11.2 |  | 17.11 |  | 19.19 |  | 16.95 |  | 13.2 |  | 18.16 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CERTIFICATION** | |  | |  | |  | |  | | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  |
| We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of 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.)* | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| **A.S. Ibrahim** |  | |  | |  | |  | |  |  | | |  | **Sanjeewa Bandaranayake** | | | | | | |  |  | | |  |  | | | |  |  | | | |
| *Chief Executive Officer* | | |  | |  | |  | |  |  | | |  | *Chief Financial Officer* | | | | | | |  |  | | |  |  | | | |  |  | | | |
|  |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| The Board of Directors is responsible for these Financial Statements. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| Approved and signed for and on behalf of the Board by; | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| *(sgd.)* |  | |  | |  | |  | |  |  | | |  | *(sgd.)* | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| **Hemasiri Fernando** | | |  | |  | |  | |  |  | | |  | **M.P. Amirthanayagam** | | | | | | |  |  | | |  |  | | | |  |  | | | |
| *Chairman* |  | |  | |  | |  | |  |  | | |  | *Deputy Chairman* | | | | | | |  |  | | |  |  | | | |  |  | | | |
|  |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| 26/10/2018 |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |
| Colombo |  | |  | |  | |  | |  |  | | |  |  | | |  |  | | |  |  | | |  |  | | | |  |  | | | |

**SELECTED PERFORMANCE INDICATORS**

|  |  |  |
| --- | --- | --- |
|  | **Company** | |
|  | **As at** | **As at** |
|  | **30.09.2018** | **30.09.2017** |
| **Regulatory Capital Adequacy** |  |  |
|  |  |  |
| Core Capital (Tier1 Capital) - Rs. '000 | **24,430,476** | 23,441,231 |
| Total Capital Base - Rs. '000 | **25,737,546** | 21,811,046 |
| Core Capital to Risk Weighted Assets Ratio (Minimum 5%) (%) | **13.58** | 16.93 |
| Total Capital to Risk Weighted Assets Ratio (Minimum 10%) (%) | **14.31** | 15.76 |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) (%) | **38.37** | 44.81 |
|  |  |  |
| **Asset Quality (Quality of Loan Portfolio)** |  |  |
|  |  |  |
| Gross Non-Performing Advances - Rs. '000 | **6,500,756** | 3,700,044 |
| Gross Non-Performing Advances Ratio (%) | **4.23** | 2.69 |
| Net- Non-Performing Advances Ratio (%) | **0.80** | 0.60 |
|  |  |  |
| **Profitability** *(Annualized)* |  |  |
|  |  |  |
| Interest Margin (%) | **9.77** | 7.96 |
| Return on Average Assets (before Tax) (%) | **3.71** | 2.88 |
| Return on Average Equity (after tax) (%) | **15.65** | 12.65 |
|  |  |  |
| **Regulatory Liquidity - Rs. '000** |  |  |
|  |  |  |
| Required Minimum Amount of Liquid Assets | **10,610,957** | 9,212,159 |
| Available Amount of Liquid Assets | **11,043,030** | 10,236,015 |
| Required Minimum Amount of Government Securities | **6,813,138** | 4,939,014 |
| Available Amount of Government Securities | **6,966,535** | 5,460,529 |
|  |  |  |
| **Memorandum information** |  |  |
|  |  |  |
| Number of employees | **2,187** | 2,100 |
| Number of branches | **103** | 103 |
| Number of service centers | **101** | 101 |
| Number of pawning centers | **-** | - |

**SHAREHOLDERS' INFORMATION**

|  |  |  |
| --- | --- | --- |
| **Twenty Largest Ordinary Shareholders as at 30th September 2018** |  |  |
| Twenty largest ordinary shareholders of the Company as at 30th September 2018 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 | 73,084,030 | 4.63 |
| 4 | National Savings Bank | 43,668,157 | 2.76 |
| 5 | Rubber Investment Trust Limited A/C # 01 | 16,361,361 | 1.04 |
| 6 | CitiBank Newyork S/A Norges Bank Account 2 | 15,775,303 | 1.00 |
| 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 | Ceylon Guardian Investment Trust PLC A/C # 02 | 3,340,505 | 0.21 |
| 13 | Caceis Bank Luxembourg-Intereffekt Investments Funds Luxembourg | 2,887,743 | 0.18 |
| 14 | Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund) | 2,719,743 | 0.17 |
| 15 | Employees Trust Fund Board | 2,356,087 | 0.15 |
| 16 | Akbar Brothers Pvt Ltd A/C No 1 | 1,894,014 | 0.12 |
| 17 | Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund | 1,715,000 | 0.11 |
| 18 | First Capital Limited | 1,700,000 | 0.11 |
| 19 | Mr. Merrill Joseph Fernando | 1,600,000 | 0.10 |
| 20 | Ceylon Investment PLC | 1,583,145 | 0.10 |
|  |  |  |  |
| **Public Holding** | |  |  |
| The percentage of ordinary shares held by the public as at 30th September 2018 was 24.96% and the number of shareholders representing the public holding was 8,906. | | | |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Directors'/ CEO's Holding in Shares as at 30th September 2018** | |  |  |
| The number of ordinary shares held by the directors and CEO as at 30th September 2018 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 | - |
| Dr. Kennedy D. Gunawardena | | Director | - |
| Mr. N.W.A.M.U.K.K.E Weerasinghe | | Director | - |
| Mr. Ahamed Sabry Ibrahim | | CEO | - |
|  |  |  |  |
|  |  |  |  |
| **Float adjusted Market Capitalisation** | |  |  |
| The Float adjusted market capitalization as at 30th September 2018 - Rs. 5,600,420,672.40 | | | |
|  |  |  |  |
| The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option. | | | |