

**INTERIM FINANCIAL STATEMENTS**  
**For the nine months ended 31st December 2013**



**PEOPLE'S LEASING & FINANCE PLC**

**STATEMENT OF FINANCIAL POSITION**

As at	Company			Group		
	31.12.2013	31.03.2013	Change	31.12.2013	31.03.2013	Change
	Rs. Mn. Unaudited	Rs. Mn. Audited*	%	Rs. Mn. Unaudited	Rs. Mn. Audited*	%
<b>Assets</b>						
Cash in hand	300	517	(42.0)	313	520	(39.8)
Securities purchase under resale agreement	1,167	1,659	(29.7)	1,375	1,934	(28.9)
Balances with banks & financial institutions	8,851	2,528	250.1	10,037	3,743	168.2
Financial investments - held-for-trading	177	142	24.6	308	238	29.4
Loans and receivables	92,583	88,405	4.7	92,199	88,298	4.4
Reinsurance and insurance receivable	-	-	-	130	159	(18.2)
Financial investments – available-for-sale	176	184	(4.3)	1,524	1,174	29.8
Financial investments – held-to-maturity	2,539	540	370.2	2,539	540	370.2
Investments in subsidiaries	1,475	1,475	-	-	-	-
Investments in associates	-	-	-	-	-	-
Goodwill and intangible assets	349	357	(2.2)	359	357	0.6
Property, plant and equipment	801	690	16.1	2,843	2,641	7.6
Investment property	56	56	-	-	-	-
Deferred tax assets	-	-	-	4	-	100.0
Other assets	896	903	(0.8)	1,811	1,539	17.7
<b>Total assets</b>	<b>109,370</b>	<b>97,456</b>	<b>12.2</b>	<b>113,442</b>	<b>101,143</b>	<b>12.2</b>
<b>Liabilities</b>						
Financial liabilities	89,163	78,151	14.1	90,353	79,299	13.9
Insurance liabilities and reinsurance payable	-	-	-	2,421	2,217	9.2
Current tax liabilities	711	40	1,677.5	793	86	822.1
Deferred tax liabilities	1,201	1,201	-	1,213	1,210	0.2
Other liabilities	67	54	24.1	90	81	11.1
<b>Total liabilities</b>	<b>91,142</b>	<b>79,446</b>	<b>14.7</b>	<b>94,870</b>	<b>82,893</b>	<b>14.4</b>
<b>Equity</b>						
Capital	12,686	12,536	1.2	12,686	12,536	1.2
Statutory reserve fund	970	860	12.8	970	860	12.8
Retained earnings	3,252	3,483	(6.6)	3,594	3,721	(3.4)
Other reserves	1,320	1,131	16.7	1,322	1,133	16.7
<b>Total equity</b>	<b>18,228</b>	<b>18,010</b>	<b>1.2</b>	<b>18,572</b>	<b>18,250</b>	<b>1.8</b>
<b>Total liabilities and equity</b>	<b>109,370</b>	<b>97,456</b>	<b>12.2</b>	<b>113,442</b>	<b>101,143</b>	<b>12.2</b>
Contingencies	377	1,803	(79.1)	377	1,803	(79.1)
Capital commitments	28	227	(87.7)	714	1,602	(55.4)
Net assets value per ordinary share (Rs.)	<b>11.54</b>	11.54	-	<b>11.76</b>	11.70	0.5

\* Since People's Leasing & Finance PLC merged with its subsidiary People's Finance PLC with effect from 2nd April 2013 figures as at 31st March 2013 are shown after amalgamating the separately audited financial statements of two entities.

**CERTIFICATION**

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 31st December 2013 and its profit for the nine months ended 31st December 2013.

(Sgd.)

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.)

Chairman

(Sgd.)

Director

(Sgd.)

Chief Executive Officer

31st January 2014  
Colombo.

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

**INCOME STATEMENT - COMPANY**

	For the nine months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Interest income	14,446	12,703	13.7	4,965	4,492	10.5
Less: Interest expense	8,264	7,423	11.3	2,720	2,594	4.9
<b>Net interest income</b>	<b>6,182</b>	<b>5,280</b>	17.1	<b>2,245</b>	<b>1,898</b>	18.3
Net fee and commission income	628	557	12.7	281	232	21.1
Other operating income	158	144	9.7	33	2	1,550.0
<b>Total operating income</b>	<b>6,968</b>	<b>5,981</b>	16.5	<b>2,559</b>	<b>2,132</b>	20.0
Less: Impairment charges for loans and receivables	1,115	604	84.6	428	258	65.9
<b>Net operating income</b>	<b>5,853</b>	<b>5,377</b>	8.9	<b>2,131</b>	<b>1,874</b>	13.7
<b>Less:</b>						
Personnel expenses	984	742	32.6	365	233	56.7
Depreciation of property, plant and equipment	139	133	4.5	44	44	-
Amortisation and impairment of intangible assets	11	9	22.2	4	3	33.3
Other operating expenses	1,392	1,287	8.2	507	503	0.8
Total operating expenses	2,526	2,171	16.4	920	783	17.5
<b>Operating profit before value added tax (VAT)</b>	<b>3,327</b>	<b>3,206</b>	3.8	<b>1,211</b>	<b>1,091</b>	11.0
Less: Value added tax (VAT) on financial services	215	195	10.3	81	49	65.3
<b>Operating profit after value added tax (VAT)</b>	<b>3,112</b>	<b>3,011</b>	3.4	<b>1,130</b>	<b>1,042</b>	8.4
Less: Income tax expense	911	890	2.4	333	309	7.8
<b>Profit for the period</b>	<b>2,201</b>	<b>2,121</b>	3.8	<b>797</b>	<b>733</b>	8.7
<b>Earnings per share</b>						
Basic earnings per ordinary share (Rs.)	1.39	1.34	3.7	0.50	0.46	8.7

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 Figures in brackets indicate deductions.

## INCOME STATEMENT - GROUP

	For the nine months ended			For the quarter ended		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Interest income	14,771	12,849	15.0	5,081	4,559	11.4
Less: Interest expense	8,386	7,534	11.3	2,744	2,636	4.1
<b>Net interest income</b>	<b>6,385</b>	<b>5,315</b>	20.1	<b>2,337</b>	<b>1,923</b>	21.5
Net earned premiums	2,039	1,790	13.9	709	627	13.1
Net fee and commission income	321	375	(14.4)	128	179	(28.5)
Other operating income	129	278	(53.6)	66	39	69.2
<b>Total operating income</b>	<b>8,874</b>	<b>7,758</b>	14.4	<b>3,240</b>	<b>2,768</b>	17.1
Less: Impairment charges for loans and receivables	1,125	604	86.3	434	257	68.9
<b>Net operating income</b>	<b>7,749</b>	<b>7,154</b>	8.3	<b>2,806</b>	<b>2,511</b>	11.7
<b>Less:</b>						
Personnel expenses	1,101	811	35.8	406	259	56.8
Depreciation of property, plant and equipment	196	198	(1.0)	64	69	(7.2)
Amortisation and impairment of intangible assets	11	9	22.2	3	1	200.0
Benefits, claims and underwriting expenditure	1,535	1,446	6.2	543	547	(0.7)
Other operating expenses	1,333	1,195	11.5	500	465	7.5
Total operating expenses	4,176	3,659	14.1	1,516	1,341	13.0
<b>Operating profit before value added tax (VAT)</b>	<b>3,573</b>	<b>3,495</b>	2.2	<b>1,290</b>	<b>1,170</b>	10.3
Less: Value added tax (VAT) on financial services	222	208	6.7	84	62	35.5
<b>Operating profit after value added tax (VAT)</b>	<b>3,351</b>	<b>3,287</b>	1.9	<b>1,206</b>	<b>1,108</b>	8.8
Less: Income tax expense	1,046	1,036	1.0	368	330	11.5
<b>Profit for the period</b>	<b>2,305</b>	<b>2,251</b>	2.4	<b>838</b>	<b>778</b>	7.7
<b>Earnings per share</b>						
Basic earnings per ordinary share (Rs.)	1.46	1.42	2.8	0.53	0.49	8.2

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

**STATEMENT OF COMPREHENSIVE INCOME - COMPANY**

	For the nine months ended			For the quarter ended		
	31.12.2013 Rs. Mn. Unaudited	31.12.2012 Rs. Mn. Unaudited	Change %	31.12.2013 Rs. Mn. Unaudited	31.12.2012 Rs. Mn. Unaudited	Change %
<b>Profit for the period</b>	<b>2,201</b>	<b>2,121</b>	3.8	<b>797</b>	<b>733</b>	8.7
<b>Other comprehensive income/(expenses)</b>						
Gains/ (losses) on re-measuring available-for-sale financial assets	(8)	(3)	166.7	(14)	(20)	(30.0)
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	-	-	-
<b>Other comprehensive income for the period, net of taxes</b>	<b>(8)</b>	<b>(3)</b>	166.7	<b>(14)</b>	<b>(20)</b>	(30.0)
<b>Total comprehensive income for the period</b>	<b>2,193</b>	<b>2,118</b>	3.5	<b>783</b>	<b>713</b>	9.8
<b>Attributable to:</b>						
Equity holders of the parent	<b>2,193</b>	<b>2,118</b>	3.5	<b>783</b>	<b>713</b>	9.8

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

**STATEMENT OF COMPREHENSIVE INCOME - GROUP**

	For the nine months ended			For the quarter ended		
	31.12.2013 Rs. Mn. Unaudited	31.12.2012 Rs. Mn. Unaudited	Change %	31.12.2013 Rs. Mn. Unaudited	31.12.2012 Rs. Mn. Unaudited	Change %
<b>Profit for the period</b>	<b>2,305</b>	<b>2,251</b>	2.4	<b>838</b>	<b>778</b>	7.7
<b>Other comprehensive income/(expenses)</b>						
Gains/ (losses) on re-measuring available-for-sale financial assets	(9)	(3)	200.0	(11)	(20)	(45.0)
Less: Tax expense/(income) relating to components of other comprehensive income	-	-	-	1	-	100.0
<b>Other comprehensive income for the period, net of taxes</b>	<b>(9)</b>	<b>(3)</b>	200.0	<b>(10)</b>	<b>(20)</b>	(50.0)
<b>Total comprehensive income for the period</b>	<b>2,296</b>	<b>2,248</b>	2.1	<b>828</b>	<b>758</b>	9.2
<b>Attributable to:</b>						
Equity holders of the parent	<b>2,296</b>	<b>2,248</b>	2.1	<b>828</b>	<b>758</b>	9.2

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

**STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Capital	Statutory Reserve Fund	Other Reserves			Available for Sale Reserve	Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Investment Fund			
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	
<b>Balance as at 01.04.2012</b>	<b>12,058</b>	<b>659</b>	<b>300</b>	<b>100</b>	<b>543</b>	<b>(91)</b>	<b>3,620</b>	<b>17,189</b>
<b>Total comprehensive income for the nine months ended 31.12.2012</b>								
Profit for the nine months ended 31.12.2012	-	-	-	-	-	-	2,121	2,121
Other comprehensive income (net of tax)	-	-	-	-	-	(3)	-	(3)
<b>Transactions with equity holders, recognised directly in equity</b>								
Transfer from preference shares on redemption	150	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	137	-	-	265	-	(402)	-
Dividend paid	-	-	-	-	-	-	(1,950)	(1,950)
<b>Balance as at 31.12.2012</b>	<b>12,208</b>	<b>796</b>	<b>300</b>	<b>100</b>	<b>808</b>	<b>(94)</b>	<b>3,239</b>	<b>17,357</b>
<b>Balance as at 01.04.2013</b>	<b>12,536</b>	<b>860</b>	<b>300</b>	<b>100</b>	<b>852</b>	<b>(121)</b>	<b>3,483</b>	<b>18,010</b>
<b>Total comprehensive income for the nine months ended 31.12.2013</b>								
Profit for the nine months ended 31.12.2013	-	-	-	-	-	-	2,201	2,201
Other comprehensive income (net of tax)	-	-	-	-	-	(8)	-	(8)
<b>Transactions with equity holders, recognised directly in equity</b>								
Transfer from preference shares on redemption	150	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	110	-	-	197	-	(307)	-
Dividend paid	-	-	-	-	-	-	(1,975)	(1,975)
<b>Balance as at 31.12.2013</b>	<b>12,686</b>	<b>970</b>	<b>300</b>	<b>100</b>	<b>1,049</b>	<b>(129)</b>	<b>3,252</b>	<b>18,228</b>

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Figures in brackets indicate deductions.

**STATEMENT OF CHANGES IN EQUITY - GROUP**

	Capital	Statutory Reserve Fund	Other Reserves				Available for Sale Reserve	Retained Earnings	Total Equity
			General Reserve	Tax Equalisation Fund	Investment Fund	Capital Contribution Reserve			
			Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.			
<b>Balance as at 01.04.2012</b>	<b>12,058</b>	<b>659</b>	<b>300</b>	<b>100</b>	<b>543</b>	<b>-</b>	<b>(95)</b>	<b>3,567</b>	<b>17,132</b>
<b>Total comprehensive income for the nine months ended 31.12.2012</b>									
Profit for the nine months ended 31.12.2012	-	-	-	-	-	-	-	2,251	2,251
Other comprehensive income (net of tax)	-	-	-	-	-	-	(3)	-	(3)
<b>Transactions with equity holders, recognised directly in equity</b>									
Transfer from preference shares on redemption	150	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	137	-	-	265	-	-	(402)	-
Dividend paid	-	-	-	-	-	-	-	(1,950)	(1,950)
<b>Balance as at 31.12.2012</b>	<b>12,208</b>	<b>796</b>	<b>300</b>	<b>100</b>	<b>808</b>	<b>-</b>	<b>(98)</b>	<b>3,316</b>	<b>17,430</b>
<b>Balance as at 01.04.2013</b>	<b>12,536</b>	<b>860</b>	<b>300</b>	<b>100</b>	<b>852</b>	<b>-</b>	<b>(119)</b>	<b>3,721</b>	<b>18,250</b>
<b>Total comprehensive income for the nine months ended 31.12.2013</b>									
Profit for the nine months ended 31.12.2013	-	-	-	-	-	-	-	2,305	2,305
Other comprehensive income (net of tax)	-	-	-	-	-	-	(9)	-	(9)
<b>Transactions with equity holders, recognised directly in equity</b>									
Transfer from preference shares on redemption	150	-	-	-	-	-	-	(150)	-
Transfers to reserves during the period	-	110	-	-	197	-	-	(307)	-
Transfers to capital contribution reserve	-	-	-	-	-	1	-	-	1
Dividend paid	-	-	-	-	-	-	-	(1,975)	(1,975)
<b>Balance as at 31.12.2013</b>	<b>12,686</b>	<b>970</b>	<b>300</b>	<b>100</b>	<b>1,049</b>	<b>1</b>	<b>(128)</b>	<b>3,594</b>	<b>18,572</b>

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 Figures in brackets indicate deductions.



## CASH FLOW STATEMENT

For the nine months ended 31st December	Company		Group	
	2013	2012	2013	2012
	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited	Rs. Mn. Unaudited
<b>Cash flows from operating activities</b>				
Profit before tax	3,112	3,011	3,350	3,287
Adjustment for:				
Non-cash items included in profits before tax	900	640	960	615
Change in operating assets	(4,852)	(1,905)	(4,834)	(1,676)
Change in operating liabilities	10,135	258	9,886	986
Dividend income from investments	(93)	(23)	(13)	(13)
Gratuity paid	(7)	(2)	(7)	(2)
Tax paid	(159)	(445)	(222)	(445)
<b>Net cash generated from operating activities</b>	<b>9,036</b>	<b>1,534</b>	<b>9,120</b>	<b>2,752</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(269)	(145)	(300)	(204)
Proceeds from the sale of property, plant and equipment	13	24	26	120
Net investment in Sri Lanka government securities	(1,999)	440	(1,999)	(519)
Dividends received from investments	93	23	13	13
Investment in financial assets held-for-trading	(35)	(43)	(78)	(117)
Net change in deposits with banks and financial institutions	(4,501)	217	(4,469)	(277)
<b>Net cash generated from/ (used in) investing activities</b>	<b>(6,698)</b>	<b>516</b>	<b>(6,807)</b>	<b>(984)</b>
<b>Cash flows from financing activities</b>				
Dividend paid to shareholders	(882)	(2,043)	(882)	(2,022)
Redemption of preference shares	(150)	(150)	(150)	(150)
<b>Net cash (used in) financing activities</b>	<b>(1,032)</b>	<b>(2,193)</b>	<b>(1,032)</b>	<b>(2,172)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>1,306</b>	<b>(143)</b>	<b>1,281</b>	<b>(404)</b>
Cash and cash equivalents at the beginning of the period	3,178	(51)	3,342	379
<b>Cash and cash equivalents at the end of the period</b>	<b>4,484</b>	<b>(194)</b>	<b>4,623</b>	<b>(25)</b>

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Figures in brackets indicate deductions.

**SEGMENTAL ANALYSIS - GROUP**

For the nine months ended 31st December	Lease & Advances		Insurance		Other		Eliminations		Group	
	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.
Interest income	14,433	12,593	-	-	483	340	(145)	(84)	14,771	12,849
Net earned premiums	-	-	2,080	1,822	-	-	(41)	(32)	2,039	1,790
Net fee and commission income	610	473	-	-	243	302	(532)	(400)	321	375
Other operating income	37	37	26	27	243	245	(177)	(31)	129	278
<b>Total revenue</b>	<b>15,080</b>	<b>13,103</b>	<b>2,106</b>	<b>1,849</b>	<b>969</b>	<b>887</b>	<b>(895)</b>	<b>(547)</b>	<b>17,260</b>	<b>15,292</b>
Profit from operation	2,955	2,916	382	298	188	191	(174)	(118)	3,351	3,287
Income tax expenses									1,046	1,036
<b>Profit attributable to equity holders</b>									<b>2,305</b>	<b>2,251</b>
Segment Assets	110,347	93,796	3,751	2,885	3,207	2,614	(3,863)	(3,145)	113,442	96,150
<b>Total Assets</b>	<b>110,347</b>	<b>93,796</b>	<b>3,751</b>	<b>2,885</b>	<b>3,207</b>	<b>2,614</b>	<b>(3,863)</b>	<b>(3,145)</b>	<b>113,442</b>	<b>96,150</b>
Segment Liabilities	92,030	76,737	2,755	2,086	2,182	1,691	(2,097)	(1,444)	94,870	79,070
<b>Total Liability</b>	<b>92,030</b>	<b>76,737</b>	<b>2,755</b>	<b>2,086</b>	<b>2,182</b>	<b>1,691</b>	<b>(2,097)</b>	<b>(1,444)</b>	<b>94,870</b>	<b>79,070</b>

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 Figures in brackets indicate deductions.

## INFORMATION ON ORDINARY SHARES OF THE COMPANY

### Market Price

	2013 Rs.	2012 Rs.
Highest price during the quarter ended 31st December :	14.40	14.00
Lowest price during the quarter ended 31st December :	13.10	10.50
Closing price as at 31st December :	13.40	13.20

### Stated Capital

Stated Capital as at 31st December 2013 was represented by the number of shares in issue as given below;

	As at 31st December 2013		As at 31st December 2012	
	Number	Rs.	Number	Rs.
<b>Ordinary shares</b>	1,579,862,482	11,886,073,308	1,560,000,160	11,608,000,800
<b>Transfer from preference shares on redemption</b>	-	800,000,000	-	600,000,000
<b>Total</b>	<b>1,579,862,482</b>	<b>12,686,073,308</b>	<b>1,560,000,160</b>	<b>12,208,000,800</b>

## SHAREHOLDERS' INFORMATION

### Twenty Largest Ordinary Shareholders as at 31st December 2013

Twenty largest ordinary shareholders of the Company as at 31st December 2013 were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,184,896,862	75.00
2	Employees' Provident Fund	75,410,119	4.77
3	National Savings Bank	59,237,340	3.75
4	Distilleries Company of Sri Lanka PLC	24,517,300	1.55
5	HSBC INTL Nominees Ltd- Credit Suisse AG Zurich	18,000,000	1.14
6	HSBC INTL NOM Ltd - JPMCB-J.P. Morgan Clearing Corp	14,176,666	0.90
7	Bank of Ceylon No. 1 Account	11,453,600	0.72
8	Northern Trust Company S/A The Ashmoreemm Umbrella Funds Trust	10,797,914	0.68
9	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.63
10	Sanasa Development Bank Limited	9,864,800	0.62
11	Waldock Mackenzie Limited/ Capital Alliance Holdings Ltd	9,295,200	0.59
12	Ceylon Investment PLC A/C # 01	6,954,891	0.44
13	AIA Insurance Lanka PLC A/C No. 07	5,395,270	0.34
14	Sampath Bank Limited A/C No. 1	5,000,000	0.32
15	Gampaha District Co-operative Rural Bank Union Ltd.	4,921,800	0.31
16	Ceylon Guardian Investment Trust PLC A/C # 01	3,640,800	0.23
17	NDB Capital Holdings PLC	3,288,800	0.21
18	The Ceylon Chamber of Commerce Account No. 02	3,007,996	0.19
19	David Pieris Motor Company Limited	2,250,000	0.14
20	The Ceylon Guardian Investment Trust PLC A/C # 02	2,202,395	0.14

### Public Holdings

The percentage of ordinary shares held by the public as at 31st December 2013 was 24.91%.

### Directors'/ CEO's Holding in Shares as at 31st December 2013

The number of ordinary shares held by the directors and CEO as at 31st December 2013 was as follows;

Name	Position	No. of Shares
Mr. Gamini Sedara Senarath	Chairman	-
Mr. Namasivayam Vasantha Kumar	Director	1,000,000
Mr. Palihawadana Arachchige Irenius Sirinimal Perera	Director	20,000
Mr. Piyadasa Kudabalage	Director	-
Mr. Heyara Hewage Anura Chandrasiri	Director	-
Mr. Don Padmasiri Kumarage	CEO	232,116

## 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 2012/13. As the Company merged with its subsidiary People's Finance PLC with effect from 2nd April 2013 the comparative figures of the Company have been merged with the financials of People's Finance PLC to conform to the current presentation.
2. The Interim Financial Statements for the nine months ended 31st December 2013 are drawn up from unaudited accounts of the Company, its subsidiary companies and its associate.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
4. The consolidated financial statements of the Company comprise of the Company and its subsidiaries: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Insurance Limited, People's Leasing Havelock Properties Limited, People's Microfinance Limited and the Group's interest in its associate: City Finance Corporation Limited (formerly known as Industrial Finance Limited).
5. All known expenses including management fees and similar expenses have been provided for in these financial statements.
6. Corporate guarantee issued to Sampath Bank PLC by People's Leasing & Finance PLC on behalf of People's Leasing Property Development Ltd amounting to Rs. 1,475,000,000 expired during the period. Except that there has been no significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2013.
7. Registrar General of Companies issued the Certificate of Amalgamation confirming the amalgamation of People's Finance PLC with People's Leasing & Finance PLC effective from 02nd April 2013.
8. Rs. 6,000,000,000 worth Debentures which were allocated among applicants on 27th March 2013 were listed on the Debt Securities Main Board of the Colombo Stock Exchange on 04th April 2013. Objectives of the issue were to utilize the proceeds for the working capital purposes of the Company, access to additional source of funds from non deposit sources, to minimize the mismatch in funding exposure, to minimize the interest rate risk and the gap exposure in assets/ liabilities portfolio and provide investors a structure that meet their risk-return and maturity needs.
9. Pursuant to the amalgamation of People's Finance PLC with the Company 19,862,322 number of shares of People's Leasing & Finance PLC (the Amalgamated Company) were issued on 05th April 2013 to the minority shareholders of People's Finance PLC in the proportion of three shares for every one share held in People's Finance PLC. Aforesaid shares were listed on the Main Board of the Colombo Stock Exchange on 10th April 2013.
10. The Company did not raise funds through a share issue, debenture or a rights issue during the period ended 31st December 2013 except for the shares issued to minority shareholders of People's Finance PLC as described in note 9 and there is no material change in the utilisation of funds during the period.
11. On the 31st of October 2013, the Company paid preference dividend of Rs. 55,250,000 for the financial year 2013/2014.
12. During the nine months ended 31st December 2013 the Company redeemed 15,000,000 preference shares at Rs. 10/- each (5,000,000 on 30th April 2013, 5,000,000 on 30th September 2013 and 5,000,000 on 31st October 2013).
13. Pursuant to the approval given by the shareholders of the Company at the 17th Annual General Meeting held on 18th July 2013, the Company paid a final dividend of Rs. 0.50 per ordinary share on 30th July 2013 for the financial year ended 31st March 2013.
14. The Central Bank of Sri Lanka appointed People's Leasing & Finance PLC as the managing agent of Central Investments & Finance PLC with effect from 1st July 2013.
15. Mr. Piyadasa Kudabalage and Mr. Heyara Hewage Anura Chandrasiri were appointed to the Board of the Company as Non-Independent Non-Executive Director and Independent Non-Executive Director respectively with effect from 18th July 2013.

## EXPLANATORY NOTES

16. Ms. M. G. Jinadasa, Dr. Don Joseph Douglas Jayakody and Mr. Hennek Gedara Wajira Swarna Sri Bandara have resigned from the office of Non- Executive Director of the Company with effect from 18th April 2013, 27th September 2013 and 14th October 2013 respectively.
17. On the 30th of September 2013 the Company received Rs. 81,440,305/- from People's Insurance Limited as an interim dividend for the financial year ending 31st December 2013.
18. On the 11th of December 2013, the Company declared an interim dividend of Rs. 0.75 per share for the financial year 2013/2014 and the same was paid on the 3rd of January 2014. The total dividend paid amounted to Rs. 1,184,896,862/-.
19. Pursuant to the approval given by the Controller of Exchange therefor, the Board of Directors of People's Leasing & Finance PLC on 24th December 2013 duly approved the availing itself of a syndicated term loan of US\$ 50,000,000 from Emirates NBD Bank PJSC of United Arab Emirates and The Commercial Bank of Qatar of State of Qatar.  
  
A facility agreement was entered into by the Company with aforesaid banks on 24th December 2013 and the proceeds thereof were received by the Company on 31st December 2013.
20. There have been no material events subsequent to the reporting date except for the note 18, which require adjustments to or disclosures in the interim financial statements.

## DEBENTURE INFORMATION

### Market Prices for the quarter ended 31st December 2013

Debenture Type	Highest Rs.	Lowest Rs.	Last Traded Rs.
4 Years - 16.50% p.a. payable semi-annually	100.00	100.00	100.00
5 Years - 16.75% p.a. payable semi-annually	110.00	105.00	108.61
5 Years - 17.00% p.a. payable annually	Not traded during the period		

### Interest Rates

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

### Interest Rates of Comparable Government Securities

6 Months Treasury Bill	<b>7.85%</b>
1 Year Treasury Bill	<b>8.29%</b>
4 Year Treasury Bond	<b>14.10%</b>
5 Year Treasury Bond	<b>10.64%</b>

( Above rates are excluding 10% withholding tax)

### Current Yield & Yield to Maturity

Debenture Type	Current Yield (%)	Yield to Maturity (%)
4 Years - 16.50% p.a. payable semi-annually	16.50	16.50
5 Years - 16.75% p.a. payable semi-annually	15.42	14.12
5 Years - 17.00% p.a. payable annually	Not traded during the period	

### Ratios

	As at 31.12.2013	As at 31.03.2013
Debt to Equity Ratio (Times)	<b>4.64</b>	3.52
Interest Cover (Times)	<b>1.38</b>	1.47
Quick Asset Ratio (%)	<b>67.22</b>	76.10