**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 |