**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 2019**

**STATEMENT OF PROFIT OR LOSS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Company** |  | **Group** |
| **For the six months ended 30th September** |  | **2019** |  | **2018** |  | **Change** |  | **2019** |  | **2018** |  | **Change** |
|  |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |  |  **Rs. '000**  |  | **Rs. '000** |  | **%** |
|  |  |  |  | **Restated** |  |  |  |  |  | **Restated** |  |  |
|  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |
| Interest income  |   |  15,942,849  |   |  14,759,445  |   |  8.0  |   |  16,809,667  |   |  15,396,860  |   |  9.2  |
| Less: Interest expense |   |  8,020,494  |   |  7,508,114  |   |  6.8  |   |  8,215,887  |   |  7,594,647  |   |  8.2  |
| **Net interest income**  |  |  **7,922,355**  |  |  **7,251,331**  |  |  9.3  |  |  **8,593,780**  |  |  **7,802,213**  |  |  10.1  |
| Fee and commission income |  |  833,822  |  |  694,112  |  |  20.1  |  |  624,819  |  |  473,691  |  |  31.9  |
| Fee and commission expenses |  |  **-**  |  |  **-**  |  |  -  |  |  **-**  |  |  **-**  |  |  -  |
| **Net fee and commission income** |  |  **833,822**  |  |  **694,112**  |  |  **20.1**  |  |  **624,819**  |  |  **473,691**  |  |  **31.9**  |
| Net earned premiums  |  |  -  |   |  -  |  |  **-**  |  |  2,564,114  |   |  2,284,688  |   |  12.2  |
| Net gain/(loss) from -FVTPL |  |  (1,487) |   |  (22,843) |  |  (93.5) |  |  (2,271) |   |  (46,238) |   |  (95.1) |
| Other operating income (net) |   |  4,457  |   |  137,396  |   |  (96.8) |   |  145,115  |   |  188,497  |   |  (23.0) |
| **Total operating income**  |  |  **8,759,147**  |  |  **8,059,996**  |  |  8.7  |  |  **11,925,557**  |  |  **10,702,851**  |  |  11.4  |
| Less: Impairment for loans and other losses  |  |   |   |   |  |   |  |   |   |   |   |   |
|  Individual impairment |  |  19,099  |   |  67,081  |  |  (71.5) |  |  19,099  |   |  67,081  |   |  (71.5) |
|  Collective impairment |  |  1,242,966  |   |  885,286  |  |  40.4  |  |  1,219,454  |   |  961,003  |   |  26.9  |
|  Other losses |  |  329,855  |  |  89,911  |  |  266.9  |  |  420,098  |  |  89,911  |  |  367.2  |
| **Net operating income**  |  |  **7,167,227**  |  |  **7,017,718**  |  |  2.1  |  |  **10,266,906**  |  |  **9,584,856**  |  |  7.1  |
| Less: |  |   |   |   |  |   |  |   |   |   |   |   |
| Personnel expenses  |   |  1,867,828  |   |  1,706,606  |   |  9.4  |   |  2,290,676  |   |  2,047,622  |   |  11.9  |
| Depreciation of property, plant and equipment  |   |  81,566  |   |  84,176  |   |  (3.1) |   |  175,187  |   |  144,327  |   |  21.4  |
| Amortisation and impairment of intangible assets  |  36,345  |   |  5,808  |   |  525.8  |   |  37,641  |   |  6,890  |   |  446.3  |
| Benefits, claims and underwriting expenditure |   |  -  |   |  -  |   |  -  |   |  1,764,822  |   |  1,644,018  |   |  7.3  |
| Other operating expenses  |  |  1,482,470  |  |  1,449,527  |  |  2.3  |  |  1,592,557  |  |  1,503,830  |  |  5.9  |
| Total operating expenses  |   |  3,468,209  |   |  3,246,117  |   |  6.8  |   |  5,860,883  |   |  5,346,687  |   |  9.6  |
|  |  |   |  |  |  |  |  |   |  |  |  |  |
| **Operating profit before value added tax (VAT) and nation building tax (NBT) on financial services**  |  |  **3,699,018**  |  |  **3,771,601**  |  |  (1.9) |  |  **4,406,023**  |  |  **4,238,169**  |  |  4.0  |
| Less: VAT & NBT on financial services  |   |  1,132,414  |   |  778,421  |   |  45.5  |   |  1,147,014  |   |  794,121  |   |  44.4  |
| **Operating profit after VAT & NBT on financial services** |  |  **2,566,604**  |  |  **2,993,180**  |  |  (14.3) |  |  **3,259,009**  |  |  **3,444,048**  |  |  (5.4) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Share of profit/(loss) of an associate (net of tax) |   |  -  |   |  -  |   |  -  |   |  -  |   |  (1,110) |   |  100.0  |
| **Profit before income tax** |  |  **2,566,604**  |  |  **2,993,180**  |  |  (14.3) |  |  **3,259,009**  |  |  **3,442,938**  |  |  (5.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Less: Income tax expense  |  |  885,575  |  |  892,863  |  |  (0.8) |  |  1,098,703  |  |  1,028,584  |  |  6.8  |
| **Profit for the period**  |  |  **1,681,029**  |  |  **2,100,317**  |  |  (20.0) |  |  **2,160,306**  |  |  **2,414,354**  |  |  (10.5) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit attributable to:**  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity holders of the parent  |   |  1,681,029  |   |  2,100,317  |   |  (20.0) |   |  2,053,415  |   |  2,325,089  |   |  (11.7) |
| Minority interest |  |  -  |  |  -  |  |  -  |  |  106,891  |  |  89,265  |  |  19.7  |
|   |   |  1,681,029  |   |  2,100,317  |   |  (20.0) |   |  2,160,306  |   |  2,414,354  |   |  (10.5) |
| Basic/Diluted earnings per ordinary share (Rs.) |   |  1.05  |   |  1.33  |   |  (21.1) |   |  1.29  |   |  1.47  |   |  (12.2) |
|  |  |   |  |  |  |  |  |   |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| 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** |  | **2019** |  | **2018** |  | **Change** |  | **2019** |  | **2018** |  | **Change** |
|  |  | **Rs. '000** |  | **Rs. '000** |  | **%** |  | **Rs. '000** |  | **Rs. '000** |  | **%** |
|  |  |  |  | **Restated** |  |  |  |  |  | **Restated** |  |  |
|  |  |  **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Unaudited**  |  |  **Unaudited**  |  |   |
|  |  |   |  |  |  |  |  |   |  |  |  |  |
| **Profit for the period** |  |  **1,681,029**  |  |  **2,100,317**  |  |  (20.0) |  |  **2,160,306**  |  |  **2,414,354**  |  |  (10.5) |
|  |  |   |  |  |  |  |  |  |  |  |  |  |
| **Other comprehensive income/(expenses) (net of tax)** |  |  |  |  |  |   |  |  |  |  |  |   |
| Actuarial gains and losses on defined benefit plans  |   |  -  |  |  -  |  |  -  |  |  -  |  |  (324) |  |  100.0  |
| Gains/ (losses) on re-measuring available-for-sale financial assets  |   |  12,310  |   |  (75,111) |   |  116.4  |   |  12,309  |   |  (75,242) |   |  116.4  |
| Revaluation of land and buildings |   |  -  |   |  7,302  |   |  (100.0) |   |  -  |   |  7,302  |   |  (100.0) |
| Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary |   |  -  |   |  -  |   |  -  |   |  66,127  |   |  181,748  |   |  (63.6) |
| 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**  |  **12,310**  |  |  (69,854) |  |  (117.6) |  |  **78,436**  |  |  27,978  |  |  180.3  |
| **Total comprehensive income for the period** |  |  **1,693,339**  |   |  2,030,463  |   |  (16.6) |  |  **2,238,742**  |  |  2,442,332  |  |  (8.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit attributable to:**  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity holders of the parent  |   |  12,310  |   |  (69,854) |   |  117.6  |   |  78,436  |   |  27,978  |   |  180.3  |
| Minority interest |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |  |  -  |
|  |  |  **12,310**  |  |  (69,854) |  |  117.6  |  |  **78,436**  |  |  27,978  |  |  180.3  |
|   |   |  1,693,339  |   |  2,100,358  |   |  (19.4) |   |  2,238,742  |   |  2,442,332  |   |  (8.3) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| The above figures are provisional and subject to audit. |  |  |  |  |  |  |  |  |  |  |
| Figures in brackets indicate deductions. |  |  |  |  |  |  |  |  |  |  |  |  |

**DEBENTURE INFORMATION**

|  |  |  |
| --- | --- | --- |
| **Market Prices for the quarter ended 30th September 2019** |  |  |
|  |  |  |  |
| **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 |  |  | **7.75%** |
| 1 Year Treasury Bill |  |  | **8.41%** |
| 2 Year Treasury Bond |  |  | **9.79%** |
| 5 Year Treasury Bond |  |  | **10.27%** |
| ( 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  |  2.60  |
| 2018 - 4 Years - 12.40% p.a. payable annually |   |  12.40  |  2.40  |
| 2018 - 5 Years - 12.80% p.a. payable annually |   |  12.80  |  2.80  |

**INFORMATION ON ORDINARY SHARES OF THE COMPANY**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Market Price**  |   |   |   |   |   |   |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | **2019** | **2018** |
|   |   |   |   |   |   |   | **Rs.** | **Rs.** |
| Highest price during the quarter ended 30th September :  |   |  16.30  |  15.50  |
| Lowest price during the quarter ended 30th September :  |   |  13.90  |  14.00  |
| Closing price as at 30th September :  |   |   |   |  14.80  |  14.20  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Issued Capital** |   |   |   |   |   |   |
| Issued Capital as at 30th September 2019 was represented by the number of shares in issue as given below; |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **As at 30th September 2019** | **As at 30th September 2018** |
|   |   |   |   |   | **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  |
| Scrip Dividend |  |  |  47,840,906  |  679,340,867  |  -  |  -  |
| **Total** |   |   |   | **1,627,703,388** | **13,915,414,175** | **1,579,862,482** | **13,236,073,308** |

**STATEMENT OF FINANCIAL POSITION**

| **As at** |  |  **30.09.2019**  |  |  **30.09.2018**  |  |  **Change**  |  |  **31.03.2019**  |  |  **30.09.2019**  |  |  **30.09.2018**  |  |  **Change**  |  |  **31.03.2019**  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **Rs. '000**  |  |  **%**  |  |  **Rs. '000**  |
|  |  |  |  |  **Restated**  |  |  |  |  |  |  |  |  **Restated**  |  |  |  |  |
|  |  | **Unaudited**  |  | **Unaudited**  |  |  |  |  **Audited**  |  | **Unaudited**  |  |  **Unaudited**  |  |  |  |  **Audited**  |
| **Assets**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Cash and cash equivalents |  2,359,330  |   |  2,527,476  |   |  (6.7) |   |  3,294,055  |   |  2,670,498  |   |  2,859,379  |   |  (6.6) |   |  4,310,595  |
| Balances with banks & financial institutions  |  3,583,329  |   |  3,075,670  |   |  16.5  |   |  3,404,533  |   |  7,136,355  |   |  6,526,534  |   |  9.3  |   |  7,375,423  |
| Financial assets - Held-for-trading  |  16,684  |   |  104,988  |   |  (84.1) |   |  23,190  |   |  548,480  |   |  211,140  |   |  159.8  |   |  72,386  |
| Loans and receivables - Leases |  83,842,404  |   |  87,521,449  |   |  (4.2) |   |  85,702,527  |   |  83,842,404  |   |  87,521,449  |   |  (4.2) |   |  85,702,527  |
| Loans and receivables - Hire purchase |  362,033  |   |  1,006,906  |   |  (64.0) |   |  582,278  |   |  2,565,963  |   |  2,970,960  |   |  (13.6) |   |  2,668,635  |
| Loans and receivables - Others |  64,271,736  |   |  59,614,939  |   |  7.8  |   |  65,423,097  |   |  68,069,140  |   |  62,021,000  |   |  9.8  |   |  68,584,676  |
| Insurance and reinsurance receivables |  -  |   |  -  |   |  -  |   |  -  |   |  1,068,712  |   |  460,287  |   |  132.2  |   |  885,395  |
| Financial investments – FVOCI |  375,593  |   |  150,151  |   |  150.1  |   |  125,651  |   |  375,593  |   |  150,151  |   |  150.1  |   |  125,651  |
| Financial investments – Amortised Cost |  8,370,290  |   |  6,883,339  |   |  21.6  |   |  8,002,625  |   |  9,811,051  |   |  7,794,930  |   |  25.9  |   |  9,091,945  |
| Investments in subsidiaries  |  3,213,788  |   |  3,213,788  |   |  -  |   |  3,213,788  |   |  -  |   |  -  |   |  -  |   |  -  |
| Investments in associate |  -  |   |  586,427  |   |  (100.0) |   |  237,633  |   |  -  |   |  422,330  |   |  (100.0) |   |  237,633  |
| Investment property |  -  |   |  -  |   |  -  |   |  -  |   |  1,131,596  |   |  1,131,704  |   |  (0.0) |   |  1,131,596  |
| Property, plant and equipment  |  1,080,021  |   |  1,077,916  |   |  0.2  |   |  1,098,286  |   |  4,146,867  |   |  4,011,169  |   |  3.4  |   |  4,017,301  |
| Goodwill and intangible assets  |  298,434  |   |  341,987  |   |  (12.7) |   |  324,905  |   |  403,808  |   |  450,877  |   |  (10.4) |   |  432,340  |
| Leasehold property |  82,531  |   |  85,597  |   |  (3.6) |   |  84,065  |   |  82,531  |   |  85,597  |   |  (3.6) |   |  84,064  |
| Deferred tax assets  |  -  |   |  -  |   |  -  |   |  -  |   |  63,779  |   |  35,427  |   |  80.0  |   |  47,584  |
| Other assets  |  |  975,316  |  |  983,184  |  |  (0.8) |  |  1,024,644  |  |  1,123,284  |  |  1,080,991  |  |  3.9  |   |  1,164,884  |
| **Total assets**  |  |  **168,831,489**  |  |  **167,173,817**  |  |  1.0  |  |  **172,541,277**  |  |  **183,040,061**  |  |  **177,733,925**  |  |  3.0  |  |  **185,932,635**  |
|  |  |   |  |  |  |  |  |  |  |   |  |  |  |  |  |  |
| **Liabilities**  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Due to banks |   |  11,896,677  |   |  39,019,636  |   |  (69.5) |   |  27,273,933  |   |  14,637,416  |   |  41,490,770  |   |  (64.7) |   |  30,475,326  |
| Due to customers |   |  99,746,450  |   |  71,517,915  |   |  39.5  |   |  88,368,656  |   |  100,659,844  |   |  71,180,557  |   |  41.4  |   |  88,923,196  |
| Debt securities issued |  21,096,652  |   |  21,127,408  |   |  (0.1) |   |  21,275,031  |   |  20,963,785  |   |  20,994,635  |   |  (0.1) |   |  21,134,040  |
| Other financial liabilities  |  2,931,732  |   |  3,673,198  |   |  (20.2) |   |  2,480,377  |   |  3,029,153  |   |  3,477,620  |   |  (12.9) |   |  2,464,936  |
| Insurance and reinsurance payable  |  -  |   |  -  |   |  -  |   |  -  |   |  5,113,841  |   |  4,271,098  |   |  19.7  |   |  4,880,873  |
| Current tax liabilities  |  667,283  |   |  307,813  |   |  116.8  |   |  2,238,257  |   |  736,721  |   |  360,077  |   |  104.6  |   |  2,323,647  |
| Deferred tax liabilities  |  837,179  |   |  2,025,139  |   |  (58.7) |   |  837,179  |   |  1,177,845  |   |  2,180,064  |   |  (46.0) |   |  1,141,973  |
| Other liabilities  |   |  1,469,441  |   |  1,993,508  |   |  (26.3) |   |  1,464,489  |   |  1,609,964  |   |  2,115,789  |   |  (23.9) |   |  1,606,686  |
| **Total liabilities**  |  |  **138,645,414**  |  |  **139,664,617**  |  |  (0.7) |  |  **143,937,922**  |  |  **147,928,569**  |  |  **146,070,610**  |  |  1.3  |  |  **152,950,677**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Equity**  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital |   |  13,915,414  |   |  13,236,073  |   |  5.1  |   |  13,236,073  |   |  13,915,414  |   |  13,236,073  |   |  5.1  |   |  13,236,073  |
| Statutory reserve fund  |  2,142,270  |   |  1,938,538  |   |  10.5  |   |  2,058,219  |   |  2,155,062  |   |  1,938,538  |   |  11.2  |   |  2,070,667  |
| Retained earnings  |  14,168,824  |   |  12,362,831  |   |  14.6  |   |  13,361,805  |   |  16,377,565  |   |  14,116,983  |   |  16.0  |   |  15,198,424  |
| Other reserves  |   |  (40,433) |   |  (28,242) |   |  43.2  |   |  (52,742) |   |  287,038  |   |  154,918  |   |  85.3  |   |  207,274  |
| **Total Equity attributable to equity holders of the Company** |  **30,186,075**  |  |  **27,509,200**  |  |  **9.7**  |  |  **28,603,355**  |  |  **32,735,079**  |  |  **29,446,512**  |  |  **11.2**  |  |  **30,712,438**  |
| Non-controlling interest |  -  |   |  -  |   |  -  |   |  -  |   |  2,376,413  |   |  2,216,803  |   |  7.2  |   |  2,269,520  |
| **Total Equity** |  |  **30,186,075**  |  |  **27,509,200**  |  |  **9.7**  |  |  **28,603,355**  |  |  **35,111,492**  |  |  **31,663,315**  |  |  **10.9**  |  |  **32,981,958**  |
| **Total liabilities and equity**  |  **168,831,489**  |  |  **167,173,817**  |  |  **1.0**  |  |  **172,541,277**  |  |  **183,040,061**  |  |  **177,733,925**  |  |  **3.0**  |  |  **185,932,635**  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Contingencies |  |  595,571  |  |  775,952  |   |  (23.2) |   |  514,014  |  |  595,571  |  |  775,952  |  |  (23.2) |   |  514,150  |
| Commitments |  |  7,975,009  |  |  6,654,060  |   |  19.9  |   |  7,261,850  |  |  8,017,122  |  |  6,712,685  |  |  19.4  |   |  7,274,558  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net assets value per ordinary share (Rs.) | 18.55 |  | 17.94 |  | 3.4 |  | 18.10 |  | 20.11 |  | 19.19 |  | 4.8 |  | 19.44 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **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 the preparation and presentation of these Financial Statements. |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Approved and signed for and on behalf of the Board by; |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (sgd.) |  |  |  |  |  |  |  | (sgd.) |  |  |  |  |  |  |  |  |
| **M.P. Amirthanayagam** |  |  |  |  |  |  | **J.P. Amaratunga** |  |  |  |  |  |  |
| Director |  |  |  |  |  |  |  | Director |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 25th October 2019 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| *Colombo* |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**SELECTED PERFORMANCE INDICATORS**

|  | **Company** |
| --- | --- |
|  | **As at**  | **As at**  |
|  | **30.09.2019** | **30.09.2018** |
| **Regulatory Capital Adequacy** |  |  |
| Core Capital – Rs.000 | **27,230,283** | **24,430,476** |
| Total Capital Base - Rs. '000 |  **28,697,455**  |  **25,737,546**  |
| Core Capital to Risk Weighted Assets Ratio (Minimum 7%) (%) |  **15.29**  |  13.58  |
| Total Capital to Risk Weighted Assets Ratio (Minimum 11%) (%) |  **16.11**  |  14.31  |
| Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) (%) |  **30.44**  |  38.37  |
|   |  |  |
| **Asset Quality (Quality of Loan Portfolio)** |  |  |
|  |  |  |
| Gross Non-Performing Advances - Rs. '000 |  **10,322,099**  |  6,500,756  |
| Gross Non-Performing Advances Ratio (%) |  **6.63**  |  4.23  |
| Net- Non-Performing Advances Ratio (%) |  **1.28**  |  0.80  |
|   |  |  |
| **Profitability** *(Annualized)* |  |  |
|  |  |  |
| Interest Margin (%) |  **9.78**  |  9.40  |
| Return on Average Assets (before Tax) (%) |  **3.01**  |  3.64  |
| Return on Average Equity (after tax) (%) |  **11.44**  |  15.36  |
|   |  |   |
| **Regulatory Liquidity - Rs. '000** |  |  |
|  |  |  |
| Required Minimum Amount of Liquid Assets |  **12,508,424**  |  10,610,957  |
| Available Amount of Liquid Assets | **13,011,180 13,011,180**  |  11,043,030  |
| Required Minimum Amount of Government Securities |  **8,012,870**  |  6,813,138  |
| Available Amount of Government Securities |  **8,401,890**  |  6,966,535  |
|   |  |   |
| **Memorandum information** |  |   |
|  |  |   |
| Number of employees |  **2,388**  |  2,187  |
| 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 2019** |   |   |
| Twenty largest ordinary shareholders of the Company as at 30th September 2019 were as follows; |   |   |

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Name of the Shareholder** | **No. of Shares** | **%** |
| 1 | People's Bank |  1,220,777,540  |  75.00  |
| 2 | Employees Provident Fund |  88,345,465  |  5.43  |
| 3 | BNYM SA/NV RE-Neon Liberty Lorikeet Master Fund LP |  75,297,137  |  4.63  |
| 4 | National Savings Bank |  44,990,502  |  2.76  |
| 5 | Rubber Investment Trust Limited A/C # 01 |  17,371,951  |  1.07  |
| 6 | CitiBank Newyork S/A Norges Bank Account 2 |  16,371,565  |  1.01  |
| 7 | Bank of Ceylon No. 1 Account |  11,800,434  |  0.72  |
| 8 | Sri Lanka Insurance Corporation Ltd-General Fund |  7,235,629  |  0.44  |
| 9 | AIA Insurance Lanka PLC A/C No.07 |  5,354,904  |  0.33  |
| 10 | Ceylon Investment PLC A/C # 01 |  5,104,933  |  0.31  |
| 11 | Ceylon Guardian Investment Trust PLC A/C # 02 |  3,341,661  |  0.21  |
| 12 | Caceis Bank, Luxembourg Branch-Tcm Investment Funds Luxembourg |  2,975,188  |  0.18  |
| 13 | Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund) |  2,802,101  |  0.17  |
| 14 | Employees Trust Fund Board |  2,427,433  |  0.15  |
| 15 | Union Assurance PLC- Universal Life Fund |  2,362,439  |  0.15  |
| 16 | Akbar Brothers Pvt Ltd A/C No 1 |  2,065,214  |  0.13  |
| 17 | First Capital Limited |  1,751,478  |  0.11  |
| 18 | Pershing Llc S/A Averbach Grauson & Co. |  1,730,873  |  0.11  |
| 19 | Deutsche Bank AG as Trustee for Guardian Acuity Equity Fund |  1,687,473  |  0.10  |
| 20 | Guardian Fund Management Limited/The Aitken Spence And Associated Companies Executive Staff Providen |  1,652,381  |  0.10  |
|  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **Public Holding** |   |   |
| The percentage of ordinary shares held by the public as at 30th September 2019 was 24.95% and the number of shareholders representing the public holding was 9,090. |
|  |  |  |  |
| **Directors'/ CEO's Holding in Shares as at 30th September 2019** |   |   |
| The number of ordinary shares held by the directors and CEO as at 30th September 2019 were as follows; |   |
|  |  |  |  |
| **Name**  | **Position** | **No. of Shares** |
| Mr. Hemasiri Fernando (Retired on 12th October 2019) | Chairman |  -  |
| Mr. Michael Pradeep Amirthanayagam | Deputy Chairman |  10,302  |
| 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. R. Pathirage | Director |  247,267  |
| Mr. Ahamed Sabry Ibrahim | CEO |  -  |
|  |  |  |  |
|  |  |  |  |
| **Float adjusted Market Capitalisation** |   |   |
| The Float adjusted market capitalization as at 30th September 2019 - Rs. 6,010,154,674 |
|  |  |  |  |
| 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. |