

# INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 December 2018

COMMERCIAL **CREDIT** AND FINANCE PLC



COMMERCIAL  
CREDIT

# COMMERCIAL CREDIT & FINANCE PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	COMPANY		GROUP	
	As at 31-Dec-18 (Unaudited) LKR	As at 31-Mar-18 (Audited) LKR	As at 31-Dec-18 (Unaudited) LKR	As at 31-Mar-18 (Audited) LKR
<b>Assets</b>				
Cash and Bank Balances	2,585,028,157	1,695,964,449	2,973,250,742	1,746,910,928
Reverse Repurchase Agreements	2,384,817,181	2,210,648,881	2,384,817,181	2,302,257,521
Placements with Banks	2,722,615,914	2,284,987,693	2,970,311,141	2,014,315,126
Financial Investments - Held for Trading	-	2,646,859,663	-	2,646,859,663
Financial assets measured at fair value through profit or loss	2,709,632,883	-	2,709,632,883	-
Loans and Receivables	26,530,911,254	35,198,129,656	26,906,691,788	35,720,435,557
Lease Rentals Receivable & Stock out on Hire	33,906,322,325	31,707,315,784	42,519,379,285	38,310,314,585
Financial Investments - Available for Sale	-	182,510,479	-	245,706,559
Financial assets measured at fair value through other comprehensive income	394,310,479	-	574,349,857	-
Other Financial Assets	1,121,548,741	712,714,972	1,121,548,741	712,714,972
Inventories	81,351,199	128,327,562	81,351,199	128,327,562
Other Assets	378,903,534	242,503,478	514,324,863	299,480,931
Investment in Subsidiaries	1,599,288,321	1,599,288,321	-	-
Investment Property	2,221,187,899	1,983,431,494	2,221,187,899	1,983,431,494
Property, Plant and Equipment	1,868,562,225	1,765,510,672	1,949,287,625	1,812,095,231
Intangible Assets & Goodwill	45,008,786	166,427,661	791,952,202	923,466,905
Prepaid Rent	8,187,907	8,187,907	8,187,907	8,187,907
Deferred Tax Asset	246,877,878	1,260,138,949	341,448,850	1,264,497,849
<b>Total Assets</b>	<b>78,804,554,683</b>	<b>83,792,947,621</b>	<b>88,067,722,162</b>	<b>90,119,002,790</b>
<b>Liabilities</b>				
Due to Banks	10,024,383,595	8,581,999,107	10,142,824,648	11,874,786,015
Due to Customers	51,361,043,695	54,224,084,983	53,770,945,602	55,858,727,085
Debt Instruments issued and other Borrowed Funds	2,923,848,279	2,972,221,709	8,364,988,145	2,972,221,709
Other Financial Liabilities	1,382,695,158	2,399,558,467	1,382,695,158	3,039,833,657
Other Liabilities	681,635,559	520,322,162	1,055,425,956	533,896,429
Post Employment Benefit Obligations	191,844,723	2,675,490,550	208,006,746	2,769,337,136
Current Tax Liabilities	532,491,128	155,833,660	726,416,127	166,395,524
<b>Total Liabilities</b>	<b>67,097,942,137</b>	<b>71,529,510,638</b>	<b>75,651,302,382</b>	<b>77,215,197,555</b>
<b>Shareholders' Funds</b>				
Stated Capital	2,150,640,315	2,150,640,315	2,150,640,315	2,150,640,315
Reserves	9,555,972,231	10,112,796,668	10,259,075,309	10,747,757,410
<b>Total Shareholders' Funds</b>	<b>11,706,612,546</b>	<b>12,263,436,983</b>	<b>12,409,715,624</b>	<b>12,898,397,725</b>
Non - Controlling Interest	-	-	6,704,156	5,407,510
<b>Total Liabilities &amp; Shareholders' Funds</b>	<b>78,804,554,683</b>	<b>83,792,947,621</b>	<b>88,067,722,162</b>	<b>90,119,002,790</b>
Commitments & Contingencies	864,504	1,561,499,590	864,504	1,561,499,590
<b>Net Assets per Share (LKR)</b>	<b>36.80</b>	<b>38.56</b>	<b>39.02</b>	<b>40.55</b>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007

Sgd  
M. A. D. J. Deshapriya  
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
Signed for and on behalf of the Board by,

Sgd  
K.J.C. Perera  
Chairman

Sgd  
R. S. Egodage  
Director/ Chief Executive Officer

These figures are provisional and subject to audit.

Date : 12 February, 2019

# COMMERCIAL CREDIT & FINANCE PLC

## STATEMENT OF PROFIT OR LOSS

COMPANY	Three months ended				Nine months ended			
	31-Dec-18 (Unaudited) LKR	31-Dec-17 (Unaudited) LKR	Variance		31-Dec-18 (Unaudited) LKR	31-Dec-17 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
<b>Income</b>								
Interest Income	4,907,220,818	5,195,640,856	(288,420,038)	-6%	14,953,552,479	15,130,583,229	(177,030,750)	-1%
Interest Expense	(2,190,726,156)	(2,369,968,643)	179,242,486	8%	(6,624,171,128)	(7,041,463,106)	417,291,978	6%
<b>Net Interest Income</b>	<b>2,716,494,661</b>	<b>2,825,672,213</b>	<b>(109,177,552)</b>	<b>-4%</b>	<b>8,329,381,351</b>	<b>8,089,120,124</b>	<b>240,261,228</b>	<b>3%</b>
Fee & Commission Income	479,883,335	514,206,943	(34,323,608)	-7%	1,416,329,668	1,400,321,766	16,007,902	1%
Net Income from Real Estate	8,540,304	3,614,855	4,925,449	136%	21,841,915	17,712,853	4,129,062	23%
<b>Total Operating Income</b>	<b>3,204,918,300</b>	<b>3,343,494,011</b>	<b>(138,575,711)</b>	<b>-4%</b>	<b>9,767,552,934</b>	<b>9,507,154,743</b>	<b>260,398,192</b>	<b>3%</b>
Impairment Charges of Loans and Advances, Lease and Financial Assets	(374,140,797)	(809,239,835)	435,099,038	54%	(2,370,768,627)	(2,377,684,026)	6,915,399	0%
<b>Net Operating Income</b>	<b>2,830,777,503</b>	<b>2,534,254,176</b>	<b>296,523,327</b>	<b>12%</b>	<b>7,396,784,307</b>	<b>7,129,470,717</b>	<b>267,313,590</b>	<b>4%</b>
<b>Operating Expenses</b>								
Personnel Costs	(841,528,192)	(744,353,620)	(97,174,571)	-13%	(2,524,604,334)	(2,275,113,901)	(249,490,433)	11%
Depreciation	(84,000,000)	(78,000,000)	(6,000,000)	8%	(252,122,805)	(198,000,000)	(54,122,805)	-27%
Other Operating Expenses	(595,449,684)	(520,494,700)	(74,954,984)	14%	(1,800,794,033)	(1,559,359,754)	(241,434,278)	-15%
<b>Profit before Value added tax on Financial Services</b>	<b>1,309,799,628</b>	<b>1,191,405,855</b>	<b>118,393,773</b>	<b>10%</b>	<b>2,819,263,136</b>	<b>3,096,997,062</b>	<b>(277,733,926)</b>	<b>-9%</b>
Value Added Tax on Financial Services	(210,841,214)	(240,542,959)	29,701,745	12%	(603,300,203)	(661,373,591)	58,073,388	9%
Debt Repayment Levy	(118,331,293)	-	(118,331,293)	-100%	(118,331,293)	-	(118,331,293)	-100%
<b>Profit Before Income Tax</b>	<b>980,627,121</b>	<b>950,862,897</b>	<b>29,764,225</b>	<b>3%</b>	<b>2,097,631,640</b>	<b>2,435,623,471</b>	<b>(337,991,831)</b>	<b>-14%</b>
Income Tax	(326,931,113)	(291,946,421)	(34,984,693)	-12%	(565,468,003)	(759,087,626)	193,619,623	26%
<b>Profit for the Period</b>	<b>653,696,008</b>	<b>658,916,476</b>	<b>(5,220,468)</b>	<b>-1%</b>	<b>1,532,163,637</b>	<b>1,676,535,845</b>	<b>(144,372,208)</b>	<b>-9%</b>

## STATEMENT OF PROFIT OR LOSS

GROUP	Three months ended				Nine months ended			
	31-Dec-18 (Unaudited) LKR	31-Dec-17 (Unaudited) LKR	Variance		31-Dec-18 (Unaudited) LKR	31-Dec-17 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
<b>Income</b>								
Interest Income	5,610,439,968	5,604,993,297	5,446,671	0%	16,844,814,117	16,165,288,890	679,525,227	4%
Interest Expense	(2,462,138,270)	(2,500,592,940)	38,454,669	2%	(7,282,403,685)	(7,355,263,539)	72,859,854	1%
<b>Net Interest Income</b>	<b>3,148,301,698</b>	<b>3,104,400,357</b>	<b>43,901,341</b>	<b>1%</b>	<b>9,562,410,433</b>	<b>8,810,025,352</b>	<b>752,385,081</b>	<b>9%</b>
Fee & Commission Income	491,746,766	461,070,300	30,676,466	7%	1,442,615,717	1,315,099,623	127,516,095	10%
Net Income from Real Estate	8,540,304	3,614,855	4,925,449	136%	21,841,915	17,712,853	4,129,062	23%
	<b>3,648,588,767</b>	<b>3,569,085,511</b>	<b>79,503,256</b>	<b>2%</b>	<b>11,026,868,065</b>	<b>10,142,837,828</b>	<b>884,030,237</b>	<b>9%</b>
Impairment Charges of Loans and Advances, Lease and Financial Assets	(452,961,786)	(827,110,778)	374,148,992	45%	(2,603,068,031)	(2,423,102,963)	(179,965,068)	-7%
<b>Net Operating Income</b>	<b>3,195,626,981</b>	<b>2,741,974,733</b>	<b>453,652,248</b>	<b>17%</b>	<b>8,423,800,034</b>	<b>7,719,734,865</b>	<b>704,065,169</b>	<b>9%</b>
<b>Operating Expenses</b>								
Personnel Costs	(904,518,793)	(793,131,060)	(111,387,733)	-14%	(2,740,274,696)	(2,402,466,538)	(337,808,158)	-14%
Depreciation	(92,184,170)	(83,698,316)	(8,485,854)	-10%	(274,442,701)	(214,017,145)	(60,425,556)	-28%
Other Operating Expenses	(642,811,595)	(549,576,730)	(93,234,865)	17%	(1,936,134,421)	(1,658,703,486)	(277,430,935)	-17%
<b>Profit before Value added tax on Financial Services</b>	<b>1,556,112,424</b>	<b>1,315,568,628</b>	<b>240,543,796</b>	<b>18%</b>	<b>3,472,948,216</b>	<b>3,444,547,697</b>	<b>28,400,519</b>	<b>1%</b>
Value Added Tax on Financial Services	(249,814,476)	(287,118,963)	37,304,487	13%	(720,393,083)	(760,365,103)	39,972,020	5%
Debt Repayment Levy	(121,130,832)	-	(121,130,832)	-100%	(121,130,832)	-	(121,130,832)	-100%
<b>Profit after Value Added Tax on Financial Services</b>	<b>1,185,167,116</b>	<b>1,028,449,665</b>	<b>156,717,451</b>	<b>15%</b>	<b>2,631,424,301</b>	<b>2,684,182,594</b>	<b>(52,758,293)</b>	<b>-2%</b>
<b>Profit Before Income Tax</b>	<b>1,185,167,116</b>	<b>1,028,449,665</b>	<b>156,717,451</b>	<b>15%</b>	<b>2,631,424,301</b>	<b>2,684,182,594</b>	<b>(52,758,293)</b>	<b>-2%</b>
Income Tax	(376,741,869)	(350,353,915)	(26,387,954)	-8%	(740,716,934)	(901,827,863)	161,110,929	18%
<b>Profit for the Period</b>	<b>808,425,246</b>	<b>678,095,749</b>	<b>130,329,497</b>	<b>19%</b>	<b>1,890,707,367</b>	<b>1,782,354,731</b>	<b>108,352,636</b>	<b>6%</b>
<b>Profit Attributable to:</b>								
Equity holders of the parent	807,884,465	677,634,473			1,889,256,273	1,781,197,207		
Non - Controlling interest	540,781	461,277			1,451,094	1,157,524		
	<b>808,425,246</b>	<b>678,095,749</b>			<b>1,890,707,367</b>	<b>1,782,354,731</b>		

Earning per Share (LKR)

2.54

2.13

5.94

5.60

These figures are provisional and subject to audit.



# COMMERCIAL CREDIT & FINANCE PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME COMPANY

	Three months ended		Nine months ended	
	31-Dec-18 LKR	31-Dec-17 LKR	31-Dec-18 LKR	31-Dec-17 LKR
Profit for the period	653,696,008	658,916,476	1,532,163,637	1,676,535,845
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	-	19,503,000	(19,601,987)	1,068,464
<b>Total Comprehensive Income for the period</b>	<b>653,696,008</b>	<b>678,419,476</b>	<b>1,512,561,650</b>	<b>1,677,604,310</b>

## GROUP

	Three months ended		Nine months ended	
	31-Dec-18 LKR	31-Dec-17 LKR	31-Dec-18 LKR	31-Dec-17 LKR
Profit for the period	808,425,246	678,095,749	1,890,707,367	1,782,354,731
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	410,414	19,366,195	(19,499,383)	1,075,894
<b>Total Comprehensive Income for the period</b>	<b>808,835,660</b>	<b>697,461,944</b>	<b>1,871,207,984</b>	<b>1,783,430,626</b>

These figures are provisional and subject to audit.

**COMMERCIAL CREDIT & FINANCE PLC**
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

COMPANY	Stated Capital LKR	Revaluation Reserve LKR	General Reserve LKR	Retained Earnings LKR	Statutory Reserve LKR	Available for Sale Reserve LKR	Total LKR	
<b>Balance as at 1 April 2017</b>	<b>2,150,640,315</b>	<b>192,547,399</b>	<b>58,751,125</b>	<b>5,749,765,773</b>	<b>2,103,936,254</b>	<b>(7,826,371)</b>	<b>10,247,814,495</b>	
Net profit for the period	-	-	-	1,676,535,845	-	-	1,676,535,845	
Other comprehensive income net of tax	-	-	-	-	-	1,068,464	1,068,464	
Dividend Paid	-	-	-	1,676,535,845	-	1,068,464	1,677,604,310	
				(318,078,365)			(318,078,365)	
<b>Balance as at 31 December 2017</b>	<b>2,150,640,315</b>	<b>192,547,399</b>	<b>58,751,125</b>	<b>7,108,223,253</b>	<b>2,103,936,254</b>	<b>(6,757,907)</b>	<b>11,607,340,440</b>	
<b>Balance as at 31 March 2018</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>7,284,658,283</b>	<b>2,574,074,957</b>	<b>13,339,829</b>	<b>12,263,436,983</b>	
Impact of adopting SLFRS -9 (Note -2)	-	-	-	(1,830,830,315)	-	-	(1,830,830,315)	
<b>Restated Opening Balance Under SLFRS -9</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>5,453,827,968</b>	<b>2,574,074,957</b>	<b>13,339,829</b>	<b>10,432,606,668</b>	
Net profit for the period	-	-	-	1,532,163,637	-	-	1,532,163,637	
Other comprehensive income net of tax	-	-	-	-	-	(19,601,987)	(19,601,987)	
Dividend Paid	-	-	-	1,532,163,637	-	(19,601,987)	1,512,561,650	
				(238,555,774)			(238,555,774)	
<b>Balance as at 31 December 2018</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>6,747,435,831</b>	<b>2,574,074,957</b>	<b>(6,262,158)</b>	<b>11,706,612,546</b>	
<b>GROUP</b>	<b>Stated Capital LKR</b>	<b>Revaluation Reserve LKR</b>	<b>General Reserve LKR</b>	<b>Retained Earnings LKR</b>	<b>Statutory Reserve LKR</b>	<b>Available for Sale Reserve LKR</b>	<b>Non Controlling Interest LKR</b>	<b>Total</b>
<b>Balance as at 1 April 2017</b>	<b>2,150,640,315</b>	<b>192,547,399</b>	<b>58,751,125</b>	<b>6,154,648,604</b>	<b>2,143,831,916</b>	<b>(8,706,142)</b>	<b>4,180,295</b>	<b>10,695,893,512</b>
Net Profit for the period	-	-	-	1,781,197,207	-	-	1,157,524	1,782,354,732
Other comprehensive income net of tax	-	-	-	-	-	1,075,868	26	1,075,894
Dividend Paid	-	-	-	1,781,197,207	-	1,075,868	1,157,550	1,783,430,627
				(318,074,365)			(728,416)	(318,802,781)
Effect of change in equity interest in subsidiary	-	-	-	100,566	-	-	(100,566)	-
<b>Balance as at 31 December 2017</b>	<b>2,150,640,315</b>	<b>192,547,399</b>	<b>58,751,125</b>	<b>7,617,872,012</b>	<b>2,143,831,916</b>	<b>(7,630,274)</b>	<b>4,508,863</b>	<b>12,160,521,358</b>
<b>Balance as at 31 March 2018</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>7,859,293,595</b>	<b>2,635,234,429</b>	<b>12,505,786</b>	<b>5,407,510</b>	<b>12,903,805,235</b>
Impact of adopting SLFRS -9 (Note -2)	-	-	-	(2,119,882,859)	-	-	-	(2,119,882,859)
<b>Restated Opening Balance Under SLFRS -9</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>5,739,410,737</b>	<b>2,635,234,429</b>	<b>12,505,786</b>	<b>5,407,510</b>	<b>10,783,922,376</b>
Net profit for the year	-	-	-	1,889,256,273	-	-	1,451,094	1,890,707,367
Other comprehensive income net of tax	-	-	-	-	-	(19,499,742)	359	(19,499,383)
Dividend Paid	-	-	-	1,889,256,273	-	(19,499,742)	1,451,453	1,871,207,983
				(238,555,774)			(154,806)	(238,710,580)
<b>Balance as at 31 December 2018</b>	<b>2,150,640,315</b>	<b>181,972,474</b>	<b>58,751,125</b>	<b>7,390,111,236</b>	<b>2,635,234,429</b>	<b>(6,993,955)</b>	<b>6,704,157</b>	<b>12,416,419,780</b>

These figures are provisional and subject to audit.

# COMMERCIAL CREDIT & FINANCE PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the six months ended	COMPANY		GROUP	
	31-Dec-18 Unaudited LKR	31-Dec-17 Unaudited LKR	31-Dec-18 Unaudited LKR	31-Dec-17 Unaudited LKR
<b>Cash Flows From / (Used in) Operating Activities</b>				
<b>Profit before Income Tax Expense</b>	<b>2,097,631,640</b>	<b>2,435,623,471</b>	<b>2,631,424,301</b>	<b>2,684,182,594</b>
Adjustments for				
Depreciation	252,122,805	198,000,000	274,442,701	214,017,145
Impairment Charges of Loans and Advances, Lease and Financial Assets	2,370,768,627	2,377,684,026	2,603,068,031	2,423,102,963
Provision for Defined benefit obligation	45,000,000	30,000,000	51,400,160	33,395,061
<b>Operating profit before working capital changes</b>	<b>4,765,523,072</b>	<b>5,041,307,497</b>	<b>5,560,335,193</b>	<b>5,354,697,762</b>
(Increase)/Decrease in Inventories	46,976,363	24,675,575	46,976,363	24,675,575
(Increase)/Decrease in Loans and Advances	5,865,864,682	1,391,538,105	5,879,431,170	1,093,525,468
(Increase)/ Decrease in Lease Rentals Receivable & Stock out on hire	(4,311,241,331)	(931,168,434)	(6,730,009,836)	(3,146,254,930)
(Increase)/Decrease in Other Financial Assets	(408,833,768)	(354,398,026)	(408,833,768)	(354,398,026)
(Increase)/Decrease in Other Assets	(136,400,056)	(629,660,121)	(214,843,931)	(724,368,763)
Increase/(Decrease) in Amounts Due to Customers	(2,863,041,288)	2,911,552,562	(2,087,781,482)	3,924,487,472
Increase/(Decrease) in Other Financial Liabilities	(1,019,343,370)	(352,940,778)	(1,659,618,560)	(648,332,049)
Increase/(Decrease) in Other Liabilities	161,313,397	62,656,089	521,529,527	863,996,697
<b>Cash generated from Operations</b>	<b>2,100,817,701</b>	<b>7,163,562,469</b>	<b>907,184,676</b>	<b>6,388,029,205</b>
Retirement Benefit obligation paid	(8,988,937)	(14,141,156)	(9,788,938)	(15,258,656)
Taxes paid	(983,216,786)	(583,571,158)	(1,148,599,376)	(681,693,671)
<b>Net cash flows from/(used in) Operating activities</b>	<b>1,108,611,978</b>	<b>6,565,850,155</b>	<b>(251,203,638)</b>	<b>5,691,076,878</b>
<b>Cash flows from / (used in) Investing activities</b>				
Acquisition of Property, plant and equipment	(355,174,358)	(133,637,110)	(411,635,095)	(168,854,244)
Investments in subsidiaries	-	500,475	-	-
Proceed from sales of Reverse repurchase agreements	1,386,407,526	-	1,386,407,526	-
Acquisition of Intangible assets	121,418,875	(38,035,281)	131,514,703	(24,431,035)
Acquisition of Investment property	(237,756,405)	(223,500,501)	(237,756,405)	(223,500,501)
Net investments in placements with banks	(704,358,438)	575,708,942	(938,431,693)	466,449,504
Net investment in Financial assets at fair value through profit or loss	(62,773,221)	(1,307,262,491)	(62,773,221)	(1,307,262,491)
Net investment in Equity instruments at fair value through other comprehensive income	(231,401,985)	148,159,667	(327,825,404)	98,806,788
<b>Net cash flows from/(used in) Investing activities</b>	<b>(83,638,006)</b>	<b>(978,066,299)</b>	<b>(460,499,590)</b>	<b>(1,158,791,978)</b>
<b>Cash flows from / (used in) Financing activities</b>				
Net cash flow from Debt Instruments issued and other Borrowings	(48,373,430)	(110,009,342)	5,392,766,436	1,872,948,943
Proceeds from Loans obtained	1,660,372,790	(2,601,027,417)	(1,381,883,016)	(3,303,789,821)
Dividend Paid	(236,075,712)	(318,078,365)	(236,230,519)	(318,407,127)
<b>Net cash flows from/(used in) Financing activities</b>	<b>1,375,923,648</b>	<b>(3,029,115,124)</b>	<b>3,774,652,901</b>	<b>(1,749,248,005)</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>2,400,897,620</b>	<b>2,558,668,733</b>	<b>3,062,949,672</b>	<b>2,783,036,896</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>3,950,012,861</b>	<b>4,061,611,856</b>	<b>3,557,742,340</b>	<b>4,043,993,334</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>6,350,910,481</b>	<b>6,620,280,589</b>	<b>6,620,692,012</b>	<b>6,827,030,230</b>
Cash in hand	2,585,028,157	2,276,008,249	2,973,250,742	2,482,757,890
Reverse repurchase agreements	2,384,817,181	2,486,876,395	2,384,817,181	2,486,876,395
Placements with Bank	1,536,949,144	2,068,182,971	1,536,949,144	2,068,182,971
Bank Overdrafts	(155,884,000)	(210,787,027)	(274,325,054)	(210,787,027)
<b>Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<b>6,350,910,481</b>	<b>6,620,280,589</b>	<b>6,620,692,012</b>	<b>6,827,030,230</b>

These figures are provisional and subject to audit.

**COMMERCIAL CREDIT & FINANCE PLC**
**FINANCIAL REPORTING BY SEGMENT**

For the Nine months ended 31 December 2018 Group	Finance Lease	Hire Purchase	Micro Finance & SME	Pawning	Term Loan	Revolving Loans	Investments	Unallocated	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Interest income	6,662,299,704	1,959,402,996	3,208,332,304	967,732,264	1,796,404,018	951,138,514	642,758,905	656,745,413	16,844,814,117
Fee Based Income & others	579,208,270	170,346,948	278,926,600	84,132,890	156,176,112	82,690,260	55,880,295	57,096,257	1,464,457,632
Unallocated Revenue	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>7,241,507,974</b>	<b>2,129,749,944</b>	<b>3,487,258,904</b>	<b>1,051,865,154</b>	<b>1,952,580,130</b>	<b>1,033,828,774</b>	<b>698,639,200</b>	<b>713,841,670</b>	<b>18,309,271,750</b>
Segmental Result	1,373,587,248	403,976,268	661,471,945	199,520,399	370,370,257	196,099,214	132,519,622	135,403,264	3,472,948,216
VAT on Financial services	-	-	-	-	-	-	-	-	(720,393,083)
Debt Recovery Levy	-	-	-	-	-	-	-	-	(121,130,832)
<b>Profits from Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,631,424,301</b>
Share of Associate Profit	-	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,631,424,301</b>
Income Tax Expenses	-	-	-	-	-	-	-	-	(740,716,934)
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,890,707,367</b>
Segment Asset	35,214,194,550	7,305,184,735	7,852,780,945	4,878,967,240	9,676,973,793	1,077,338,935	10,941,650,160	11,120,631,805	88,067,722,162
Segment Liabilities	29,920,879,265	8,799,823,347	14,408,856,970	4,346,156,959	8,067,782,915	4,271,633,206	2,886,677,640	2,949,492,082	88,067,722,162
<b>Total Liabilities</b>									<b>75,651,302,382</b>

For the Nine months ended 31 December 2017 Group	Finance Lease	Hire Purchase	Micro Finance & SME	Pawning	Term Loan	Revolving Loans	Investments	Unallocated	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Interest income	4,774,955,899	1,463,006,558	3,848,318,690	498,347,989	2,115,136,869	1,240,861,114	643,477,135	1,581,184,635	16,165,288,890
Fee Based Income & others	393,690,508	120,623,479	317,290,164	41,088,311	174,390,995	102,307,802	53,054,069	130,367,148	1,332,812,476
Unallocated Revenue	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>5,168,646,407</b>	<b>1,583,630,038</b>	<b>4,165,608,854</b>	<b>539,436,300</b>	<b>2,289,527,863</b>	<b>1,343,168,916</b>	<b>696,531,204</b>	<b>1,711,551,783</b>	<b>17,498,101,366</b>
Segmental Result	1,017,461,764	311,741,776	820,011,159	106,189,467	450,699,637	264,406,366	137,114,016	336,923,511	3,444,547,697
VAT on Financial services	-	-	-	-	-	-	-	-	(760,365,103)
<b>Profits from Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,684,182,594</b>
Share of Associate Profit	-	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,684,182,594</b>
Income Tax Expenses	-	-	-	-	-	-	-	-	(901,827,863)
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,782,354,731</b>
Segment Asset	26,609,459,990	8,152,916,027	21,445,576,539	2,777,150,442	11,787,051,247	6,914,963,167	3,585,913,553	8,811,488,561	90,084,519,525
Segment Liabilities	23,017,445,421	7,052,352,800	18,550,635,290	2,402,262,532	10,195,915,620	5,981,511,363	3,101,850,602	7,622,024,540	90,084,519,525
<b>Total Liabilities</b>									<b>77,923,998,165</b>

These figures are provisional and subject to audit

**COMMERCIAL CREDIT & FINANCE PLC**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

1 The interim financial statements of the company have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS).

2 There are no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the year ended 31st March 2018 except for the adoption of SLFRS 9 as explained below

**Changes in Accounting Policies and Disclosures**

In these financial statements, the Company has applied SLFRS 9 effective for annual periods beginning on or after 1 January 2018, for the first time.

**SLFRS 9 Financial Instruments**

SLFRS 9 replaces LKAS 39 for annual periods on or after 1 January 2018. The Company has not restated comparative information for financial year 2017/2018 for financial instruments in the scope of SLFRS 9. Therefore, comparative information for financial year 2017/2018 is reported under LKAS 39 and is not comparable to the information presented for 2018 Q 3. Differences arising from the adoption of SLFRS 9 have been recognized directly in retained earnings as of 01 April 2018.

**Changes to Classification and Measurement**

To determine their classification and measurement category, SLFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics

The LKAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses or profit or loss on derecognition
- Financial assets FVPL

The accounting for financial liabilities remains largely the same as it was under LKAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the income statement.

**Changes to the impairment calculation**

The adoption of IFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

**Measurement categories of financial assets and liabilities**

From 1 April 2018, the Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVPL

The Company classifies and measures its trading portfolio at FVPL. The Company may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition.

Before 1 April 2018, the Company classified its financial assets as loans and receivables (amortised cost), FVPL, available-for-sale or held-to-maturity (amortised cost). Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading.

The quantitative impact of applying SLFRS 9 as at 1 April 2018 is as follows,

	Company	Group
Retained Earnings as at 1 April 2018	7,284,658,283	7,859,293,595
Impact of adoption of Expected Credit Loss model under SLFRS 9	(2,542,819,883)	(2,831,872,427)
Deferred tax in relation to the above	711,989,568	711,989,568
Adjusted Retained Earnings as at 1 April 2018	<b>5,453,827,968</b>	<b>5,739,410,737</b>

3 These Financial Statements are in accordance with Sri Lanka Accounting Standard No. 34: (LKAS 34) Interim Financial Reporting and provisions of the companies Act No 07 of 2007 and provide the information as required in terms of rule 7.4 of the Colombo Stocks Exchange

4 Subsequent to the balance sheet date no circumstances has arisen that would require disclosure in the financial statements.

5 Stated Capital is represented by number of shares in issue as follows;

	31-Dec-2018	31-Dec-2017
Issued and fully paid Ordinary Shares (Quoted)	318,074,365	318,074,365

6 Market value of Shares

	31-Dec-2018	31-Dec-2017
	LKR	LKR
Highest traded price	34.30	44.80
Lowest traded price	25.20	41.00
Last traded price	28.50	43.00



7 Information on Listed Debentures

	31-Dec-2018			31-Dec-2017			
	COCR-BD-10/12/20-C2336	COCR-BD-10/12/20-C2335	COCR-BD-01/06/20-C2299	COCR-BD-10/12/20-C2336	COCR-BD-10/12/20-C2335	COCR-BD-01/06/20-C2299	COCR-BC-18/02/18 A20
Highest Traded Price	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	100.00
Lowest Traded Price	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	100.00
Last Traded Price	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	100.00
Interest Yield as at date of last trade	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	20.02%
Coupon Rate	10.37%	10.40%	10.50%	12.99%	10.40%	10.50%	20%
Debt Equity Ratio	5.61			6.27			
Quick Asset Ratio	0.77			0.85			
Interest Cover Ratio	1.32			1.44			
Interest Rates of Comparable Government Securities	11.70%			10.00%			

8 Major twenty shareholders as at 31 December 2018

No	Name of the Shareholder	Total Holding	Percentage
1	B G INVESTMENTS (PVT) LIMITED	132,530,096	41.67
2	GROUP LEASE HOLDINGS PTE LTD	95,390,500	29.99
3	LANKA ORIX FINANCE PLC/B.G.INVESTMENTS (PVT) LTD	26,700,000	8.39
4	CREATION INVESTMENTS SRI LANKA,LLC	20,347,220	6.40
5	CREATION INVESTMENTS SL1 LLC	7,216,294	2.27
6	MR. G.G. HEMACHANDRA (DECEASED)	7,184,282	2.26
7	DR. E. FERNANDO	6,500,000	2.04
8	PEOPLE'S LEASING & FINANCE PLC /MS.S.N.EGODAGE	5,093,438	1.60
9	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	4,014,843	1.26
10	MRS. H.H.J. HEWAGE	1,851,024	0.58
11	MR. T.K. HEMACHANDRA	1,555,689	0.49
12	COMMERCIAL BANK OF CEYLON PLC/DUNAMIS CAPITAL PLC	1,492,682	0.47
13	MR. S.K. SEMAGE	737,049	0.23
14	PEOPLE'S LEASING & FINANCE PLC/BG INVESTMENTS (PVT)	602,079	0.19
15	DFCC BANK PLC/P.S.R.CASIE CHITTY	429,808	0.14
16	MRS. L.S.SEMAGE	425,929	0.13
17	CODE-GEN INTERNATIONAL PVT LTD	405,000	0.13
18	MR. N.A. PEIRIS	200,000	0.06
19	MR. D.K. GUNARATNE	180,132	0.06
20	Mr.DT SEMAGE	131,388	0.04

Public Shareholding

Percentage	13.21%
Number	1,580

9 Directors' shareholding as at 31 December 2018

Name of the Shareholder	No. of Shares	% of Shareholding
Mr. K.J.C. Perera	Nil	-
Mr. R.S. Egodage	Nil	-
MR. P.S.R.C. Chitty	429,808	0.135
Mrs. G.R. Egodage	Nil	-
Mr. S. Pinto	42,000	0.013
Mr. D. Soosaipillai	Nil	-
Mr. P. Fisher	Nil	-
Mr. Boris Zschorsch	Nil	-
Mr. K. Vander Weele	Nil	-

10 The Float adjusted Market Capitalisation as at 31st December 2018 - Rs.1,197,502,273/-

The Float adjusted market capitalization of the Company falls under Option 1 of Rule 7.13.1 (b), 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.

**COMMERCIAL CREDIT & FINANCE PLC**  
**CORPORATE INFORMATION**

1 Company Name	Commercial Credit and Finance PLC
2 Legal Form	Incorporated as a Private Limited Liability Company under the Companies Act No. 17 of 1982 on 4th October, 1982 and converted to a Public Company on 16th December 1989 and re-registered under the Companies Act No. 07 of 2007 on 8th April 2008. The Company is registered under the Finance Companies Act No.78 of 1988 and re-registered under the Finance Business Act No. 42 of 2011. The Company is registered under the Finance Leasing Act No. 56 of 2000.
3 New Registration No. (Under the Companies Act No. 7 of 2007)	PB 269 PQ
4 Place of Incorporation	Kandy, Sri Lanka
5 Registered Office	No. 106, Yatinuwara Veediya, Kandy
6 Telephone	081 4 655 655 081 2 000 000
7 Fax	081 2234390
8 E-mail	ccl@cclk.lk
9 Website	www.cclk.lk
10 Board of Directors of the Company	Mr. K.J.C. Perera (Independent Non-Executive Director) - Chairman Mr. R.S. Egodage (Executive Director) - Chief Executive Officer Mr. P.S.R.C. Chitty (Executive Director) - Chief Operating Officer Mrs. G.R. Egodage (Executive Director) Mr. M.S.D. Pinto (Independent Non-Executive Director) Mr. D. Soosaipillai (Independent Non-Executive Director) Mr. P. Fisher (Non-Executive Director) Mr. Boris Zschorsch (Non-Executive Director) Mr. K. Vander Weele (Non-Executive Director)
11 Company Secretary	Jacey & Company No. 9/5, Thambiah Avenue, Colombo 07
12 Lawyers of the Company	Julius & Creasy Attorneys - at - law Julius & Creasy Building, No. 371, RAD Mel Mawatha, Colombo 07
13 Company Auditors External:	Ernst & Young Chartered Accountants No. 201, De Saram Place, Colombo 10
14 Bankers of the Company	Commercial Bank of Ceylon PLC Hatton National Bank PLC Nations Trust Bank PLC Sampath Bank PLC National Development Bank PLC Seylan Bank PLC People's Bank Bank of Ceylon Cargills Bank Limited Pan Asia Banking Corporation PLC
15 Audit Committee	Mr. D. Soosaipillai (Chairman) Mr. M.S.D. Pinto Mr. K.J.C. Perera
16 Integrated Risk Management Committee	Mr. K.J.C. Perera (Chairman) Mr. D. Soosaipillai Mr. M.S.D. Pinto Mr. R.S. Egodage Mr. P.S.R.C. Chitty
17 Remuneration Committee	Mr. K.J.C. Perera Mr. M.S.D. Pinto
18 Related Party Transaction Review Committee	Mr. M.S.D. Pinto (Chairman) Mr. K.J.C. Perera Mr. P.S.R.C. Chitty

## COMMERCIAL CREDIT & FINANCE PLC

Disclosures regarding the utilization of funds as per the objectives stated in the Debenture Prospectus

### Debenture issue - June 2015

Objective Number	Objective as per prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Increase the Tier 2 capital of the Company	1,000,000,000	N/A	100%	100%	1,000,000,000	100%	-
2	Further strengthen the lending portfolio of the Company through loan disbursements	1,000,000,000	N/A	100%	100%	1,000,000,000	100%	-

### Debenture issue - December 2015

Objective Number	Objective as per prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	To further reinforce the Company's Tier II capital base	2,000,000,000	N/A	100%	100%	2,000,000,000	100%	-
2	To further strengthen the asset base and	2,000,000,000	N/A	100%	100%	2,000,000,000	100%	-
3	To reduce the interest rate risk by reducing the maturity mismatch of assets and liabilities	2,000,000,000	N/A	100%	100%	2,000,000,000	100%	-