

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

31 DECEMBER 2019

COMMERCIAL CREDIT AND FINANCE PLC



**COMMERCIAL
CREDIT**

COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | COMPANY | | GROUP | |
|--|--|--|--|--|
| | As at 31-Dec-19 (Unaudited) LKR | As at 31-Mar-19 (Audited) LKR | As at 31-Dec-19 (Unaudited) LKR | As at 31-Mar-19 (Audited) LKR |
| | Assets | | | |
| Cash and Bank Balances | 2,217,609,140 | 1,748,596,904 | 2,680,188,779 | 2,340,080,214 |
| Reverse Repurchase Agreements | 2,974,314,056 | 3,662,522,772 | 3,110,694,337 | 3,787,893,629 |
| Placements with Banks | 3,985,509,586 | 3,603,184,738 | 4,887,717,414 | 3,513,125,045 |
| Financial assets measured at fair value through profit or loss | 2,057,050,103 | 2,112,157,240 | 2,213,626,654 | 2,116,671,777 |
| Financial assets at amortised cost | | | | |
| Loans and Receivables | 19,003,987,642 | 23,704,115,396 | 19,151,592,882 | 24,000,337,936 |
| Lease Rentals Receivable & Stock out on Hire | 42,347,026,007 | 37,150,447,901 | 51,752,028,363 | 46,081,967,198 |
| Debt & Other instruments | 122,685,960 | 187,244,522 | 122,685,960 | 187,244,522 |
| Financial assets measured at fair value through other comprehensive income | 4,310,479 | 4,310,479 | 65,709,276 | 63,107,921 |
| Other Financial Assets | 745,945,671 | 630,157,553 | 745,945,671 | 630,157,553 |
| Inventories | 71,796,740 | 77,133,325 | 71,796,740 | 77,133,325 |
| Other Assets | 392,504,495 | 314,795,373 | 523,968,611 | 381,805,639 |
| Investment in Subsidiaries | 1,599,288,321 | 1,599,288,321 | - | - |
| Investment in Associates | 390,000,000 | 390,000,000 | 374,109,867 | 379,914,143 |
| Investment Property | 1,638,026,738 | 1,448,351,320 | 1,638,026,738 | 1,448,351,320 |
| Property, Plant and Equipment | 2,865,167,854 | 3,059,953,319 | 2,944,206,063 | 3,131,138,603 |
| Intangible Assets & Goodwill | 272,542,680 | 176,116,081 | 1,034,645,221 | 941,044,854 |
| Prepaid Rent | 8,065,102 | 8,065,102 | 8,065,102 | 8,065,102 |
| Current tax assets | 272,679,045 | 234,306,485 | 253,097,131 | 54,594,333 |
| Total Assets | 80,968,509,620 | 80,110,746,831 | 91,578,104,810 | 89,142,633,114 |
| Liabilities | | | | |
| Due to Banks | 12,867,852,998 | 9,241,472,974 | 20,326,099,315 | 15,027,515,792 |
| Due to Customers | 48,764,687,743 | 51,908,367,338 | 50,560,030,714 | 53,936,319,168 |
| Debt Instruments issued and other Borrowed Funds | 3,190,068,341 | 3,011,533,608 | 3,190,068,341 | 3,011,533,608 |
| Other Financial Liabilities | 2,050,621,163 | 2,162,248,713 | 2,403,870,680 | 2,546,086,231 |
| Other Liabilities | 673,159,502 | 1,239,959,914 | 673,086,331 | 1,398,867,679 |
| Post Employment Benefit Obligations | 206,876,353 | 175,608,858 | 228,290,751 | 189,283,759 |
| Deferred tax liabilities | 291,068,932 | 384,558,207 | 103,920,926 | 207,060,291 |
| Total Liabilities | 68,044,335,032 | 68,123,749,792 | 77,485,367,057 | 76,316,666,528 |
| Shareholders' Funds | | | | |
| Stated Capital | 2,150,640,315 | 2,150,640,315 | 2,150,640,315 | 2,150,640,315 |
| Reserves | 10,773,534,273 | 9,836,356,724 | 11,934,783,963 | 10,669,184,619 |
| Total Shareholders' Funds | 12,924,174,588 | 11,986,997,039 | 14,085,424,278 | 12,819,824,934 |
| Non - Controlling Interest | - | - | 7,313,474 | 6,141,652 |
| Total Liabilities & Shareholders' Funds | 80,968,509,620 | 80,110,746,831 | 91,578,104,810 | 89,142,633,114 |
| Commitments & Contingencies | 603,572,000 | 964,694,781 | 603,572,000 | 964,694,781 |
| Net Assets per Share (LKR) | 40.63 | 37.69 | 44.28 | 40.30 |

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 : 13th February 2020

COMMERCIAL CREDIT & FINANCE PLC

STATEMENT OF PROFIT OR LOSS

| COMPANY | Three months ended | | | | Nine months ended | | | |
|--|---------------------------------|---------------------------------|----------------------|-------------|---------------------------------|---------------------------------|------------------------|---------------|
| | 31-Dec-19 (Unaudited) LKR | 31-Dec-18 (Unaudited) LKR | Variance | | 31-Dec-19 (Unaudited) LKR | 31-Dec-18 (Unaudited) LKR | Variance | |
| | | | LKR | % | | | LKR | % |
| Income | | | | | | | | |
| Interest Income | 4,647,936,526 | 4,907,220,818 | (259,284,292) | -5% | 13,387,245,780 | 14,953,552,479 | (1,566,306,699) | -10% |
| Interest Expense | (2,115,105,325) | (2,190,726,156) | 75,620,832 | 3% | (6,453,215,632) | (6,624,171,128) | 170,955,495 | 3% |
| Net Interest Income | 2,532,831,202 | 2,716,494,662 | (183,663,460) | -7% | 6,934,030,147 | 8,329,381,351 | (1,395,351,204) | -17% |
| Fee & Commission Income | 337,309,423 | 334,060,619 | 3,248,804 | 1% | 908,422,054 | 1,028,528,537 | (120,106,484) | -12% |
| Net Income from Real Estate | 2,243,961 | 8,540,304 | (6,296,343) | -74% | 5,843,295 | 21,841,915 | (15,998,619) | -73% |
| Net gain from trading | 3,070,506 | 32,012,034 | (28,941,527) | -90% | 16,141,709 | (5,150,515) | 21,292,224 | 413% |
| Other operating income | 169,547,207 | 113,810,682 | 55,736,525 | 49% | 470,236,482 | 392,951,646 | 77,284,836 | 19.7% |
| Total Operating Income | 3,045,002,298 | 3,204,918,300 | (159,916,002) | -5% | 8,334,673,687 | 9,767,552,934 | (1,432,879,247) | -14.7% |
| Impairment Charges of Loans and Advances, Lease and Financial Assets | (564,453,319) | (374,140,797) | (190,312,523) | -51% | (1,674,600,715) | (2,370,768,627) | 696,167,912 | 29% |
| Net Operating Income | 2,480,548,979 | 2,830,777,503 | (350,228,525) | -12% | 6,660,072,972 | 7,396,784,307 | (736,711,335) | -10% |
| Operating Expenses | | | | | | | | |
| Personnel Costs | (618,605,482) | (721,677,213) | 103,071,730 | 14% | (1,902,268,231) | (2,157,827,063) | 255,558,831 | 12% |
| Depreciation | (84,000,000) | (84,000,000) | - | 0% | (252,000,000) | (252,122,805) | 122,805 | 0.0% |
| Other Operating Expenses | (871,762,697) | (715,300,663) | (156,462,034) | -22% | (2,351,632,169) | (2,167,571,304) | (184,060,865) | -8% |
| Profit before Value added tax on Financial Services | 906,180,799 | 1,309,799,628 | (403,618,829) | -31% | 2,154,172,571 | 2,819,263,136 | (665,090,564) | -24% |
| Value Added Tax on Financial Services | (170,507,715) | (210,841,214) | 40,333,499 | 19% | (458,086,762) | (603,300,203) | 145,213,441 | 24% |
| Debt Repayment Levy | (100,213,108) | (118,331,293) | 18,118,185 | 15% | (269,463,668) | (118,331,293) | (151,132,375) | -128% |
| Profit Before Income Tax | 635,459,977 | 980,627,121 | (345,167,145) | -35% | 1,426,622,142 | 2,097,631,640 | (671,009,498) | -32% |
| Income Tax | (181,407,326) | (326,931,113) | 145,523,787 | 45% | (171,370,405) | (565,468,003) | 394,097,598 | 70% |
| Profit for the Period | 454,052,651 | 653,696,008 | (199,643,357) | -31% | 1,255,251,737 | 1,532,163,637 | (276,911,900) | -18% |

STATEMENT OF PROFIT OR LOSS

| GROUP | Three months ended | | | | Nine months ended | | | |
|--|---------------------------------|---------------------------------|----------------------|-------------|---------------------------------|---------------------------------|------------------------|-------------|
| | 31-Dec-19 (Unaudited) LKR | 31-Dec-18 (Unaudited) LKR | Variance | | 31-Dec-19 (Unaudited) LKR | 31-Dec-18 (Unaudited) LKR | Variance | |
| | | | LKR | % | | | LKR | % |
| Income | | | | | | | | |
| Interest Income | 5,403,989,810 | 5,610,439,968 | (206,450,158) | -4% | 15,594,071,914 | 16,844,814,117 | (1,250,742,203) | -7% |
| Interest Expense | (2,454,898,259) | (2,462,138,270) | 7,240,011 | 0% | (7,458,166,765) | (7,282,403,685) | (175,763,081) | -2% |
| Net Interest Income | 2,949,091,551 | 3,148,301,698 | (199,210,147) | -6% | 8,135,905,149 | 9,562,410,433 | (1,426,505,284) | -15% |
| Fee & Commission Income | 337,309,423 | 334,060,619 | 3,248,804 | 1% | 908,422,054 | 1,028,528,537 | (120,106,484) | -12% |
| Net Income from Real Estate | 2,243,961 | 8,540,304 | (6,296,343) | -74% | 5,843,295 | 21,841,915 | (15,998,619) | -73% |
| Net gain from trading | 3,070,506 | 15,645,061 | (12,574,555) | 80% | 16,141,709 | (5,150,515) | 21,292,224 | 413% |
| Other operating income | 239,892,121 | 142,041,086 | 97,851,036 | 69% | 641,692,894 | 419,237,695 | 222,455,199 | 53% |
| Net gains from Financial Instruments at Fair Value through Profit Loss | 8,938,697 | - | 8,938,697 | 100% | 8,938,697 | - | 8,938,697 | 100% |
| Net Operating Income | 3,540,546,259 | 3,648,588,766 | (108,042,508) | -3% | 9,716,943,798 | 11,026,868,065 | (1,309,924,267) | -12% |
| Impairment Charges of Loans and Advances, Lease and Financial Assets | (709,742,060) | (452,961,786) | (256,780,274) | -57% | (2,153,780,064) | (2,603,068,031) | 449,287,967 | 17% |
| Net Operating Income | 2,830,804,199 | 3,195,626,980 | (364,822,782) | -11% | 7,563,163,734 | 8,423,800,034 | (860,636,300) | -10% |
| Operating Expenses | | | | | | | | |
| Personnel Costs | (707,102,232) | (784,667,814) | 77,565,582 | 10% | (2,115,111,291) | (2,373,497,425) | 258,386,134 | 11% |
| Depreciation | (93,087,728) | (92,184,170) | (903,558) | -1.0% | (275,715,974) | (274,442,701) | (1,273,273) | -0.5% |
| Other Operating Expenses | (937,468,432) | (762,662,574) | (174,805,858) | -23% | (2,548,760,002) | (2,302,911,692) | (245,848,311) | -11% |
| Profit before Value added tax on Financial Services | 1,093,145,808 | 1,556,112,423 | (462,966,616) | -30% | 2,623,576,467 | 3,472,948,216 | (849,371,749) | -24% |
| Value Added Tax on Financial Services | (193,192,098) | (249,814,476) | 56,622,378 | 23% | (517,748,594) | (720,393,083) | 202,644,489 | 28% |
| Debt Repayment Levy | (117,442,311) | (121,130,832) | 3,688,521 | 3% | (304,892,098) | (121,130,832) | (183,761,266) | -152% |
| Profit after Value Added Tax on Financial Services | 782,511,399 | 1,185,167,115 | (402,655,717) | -34% | 1,800,935,774 | 2,631,424,301 | (830,488,527) | -32% |
| Share of Associates Profit/(Loss) (net of taxes) | (8,395,724) | - | (8,395,724) | 100% | (5,804,276) | - | (5,804,276) | 100% |
| Profit Before Income Tax | 774,115,675 | 1,185,167,115 | (411,051,441) | -35% | 1,795,131,498 | 2,631,424,301 | (836,292,802) | -32% |
| Income Tax | (214,041,073) | (376,741,869) | 162,700,796 | 43% | (211,012,608) | (740,716,934) | 529,704,326 | 72% |
| Profit for the Period | 560,074,602 | 808,425,246 | (248,350,644) | -31% | 1,584,118,890 | 1,890,707,367 | (306,588,476) | -16% |
| Profit Attributable to: | | | | | | | | |
| Equity holders of the parent | 559,672,171 | 807,884,465 | | | 1,582,946,569 | 1,889,256,273 | | |
| Non - Controlling interest | 402,431 | 540,781 | | | 1,172,322 | 1,451,094 | | |
| | 560,074,602 | 808,425,246 | | | 1,584,118,890 | 1,890,707,367 | | |

Earning per Share (LKR)

1.76

2.54

4.98

5.94

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-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | LKR | LKR | LKR | LKR |
| Profit for the period | 454,052,651 | 653,696,009 | 1,255,251,737 | 1,532,163,637 |
| Actuarial gains on defined benefit plans | - | - | - | - |
| Net Gains/(Losses) on remeasuring at fair value through other comprehensive income | - | - | - | (19,601,987) |
| Total Comprehensive Income for the period | 454,052,651 | 653,696,009 | 1,255,251,737 | 1,512,561,650 |

GROUP

| | Three months ended | | Nine months ended | |
|--|--------------------|--------------------|----------------------|----------------------|
| | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | LKR | LKR | LKR | LKR |
| Profit for the period | 560,074,602 | 808,425,246 | 1,584,118,890 | 1,890,707,367 |
| Actuarial gains on defined benefit plans | - | - | - | - |
| Net Gains/(Losses) on remeasuring at fair value through other comprehensive income | 485,975 | 410,414 | 726,646 | (19,499,383) |
| Total Comprehensive Income for the period | 560,560,578 | 808,835,660 | 1,584,845,536 | 1,871,207,984 |

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 | FVOCI Reserve LKR | Total LKR |
|---------------------------------------|-----------------------|----------------------------|------------------------|--------------------------|--------------------------|-----------------------------------|----------------------|-----------------------|
| Balance as at 1 April 2018 | 2,150,640,315 | 181,972,474 | 58,751,125 | 7,284,658,283 | 2,574,074,957 | 13,339,829 | - | 12,263,436,983 |
| Impact of adopting SLFRS - 9 | | | | (2,109,232,265) | | (13,339,829) | 13,339,829 | (2,109,232,265) |
| Net profit for the period | | | | 5,175,426,018 | 2,574,074,957 | - | 13,339,829 | 10,154,204,718 |
| Dividend Paid | | | | 1,532,163,637 | - | - | - | 1,532,163,637 |
| Other comprehensive income net of tax | | | | (238,555,774) | - | - | - | (238,555,774) |
| | | | | - | - | - | (19,601,987) | (19,601,987) |
| Balance as at 31 December 2018 | 2,150,640,315 | 181,972,474 | 58,751,125 | 6,469,033,881 | 2,574,074,957 | - | (6,262,158) | 11,428,210,596 |
| Balance as at 1 April 2019 | 2,150,640,315 | 181,972,474 | 58,751,125 | 6,612,084,610 | 2,989,810,673 | - | (6,262,158) | 11,986,997,039 |
| Net profit for the period | | | | 1,255,251,737 | - | - | - | 1,255,251,737 |
| Dividend Paid | | | | (318,074,370) | - | - | - | (318,074,370) |
| Other comprehensive income net of tax | | | | - | - | - | - | - |
| | | | | 937,177,367 | - | - | - | 937,177,367 |
| Balance as at 31 December 2019 | 2,150,640,315 | 181,972,474 | 58,751,125 | 7,549,261,977 | 2,989,810,673 | - | (6,262,158) | 12,924,174,588 |

| GROUP | Stated Capital LKR | Revaluation Reserve LKR | General Reserve LKR | Retained Earnings LKR | Statutory Reserve LKR | Available for Sale Reserve LKR | FVOCI Reserve LKR | Non Controlling Interest LKR | Total |
|---------------------------------------|-----------------------|----------------------------|------------------------|--------------------------|--------------------------|-----------------------------------|----------------------|---------------------------------|-----------------------|
| Balance as at 1 April 2018 | 2,150,640,315 | 181,972,474 | 58,751,125 | 7,859,293,595 | 2,635,234,429 | 12,505,786 | - | 5,407,510 | 12,903,805,235 |
| Impact of adopting SLFRS - 9 | | | | (2,465,963,389) | | (12,505,786) | 11,002,546 | | (2,468,718,665) |
| Net Profit for the period | | | | 5,393,330,206 | 2,635,234,429 | - | 11,002,546 | 4,155,474 | 10,435,086,570 |
| Dividend Paid | | | | 1,889,256,273 | - | - | - | 1,451,094 | 1,890,707,368 |
| Other comprehensive income net of tax | | | | (238,555,774) | - | - | - | (154,806) | (238,710,579) |
| | | | | - | - | - | (19,499,742) | 359 | (19,499,383) |
| Balance as at 31 December 2018 | 2,150,640,315 | 181,972,474 | 58,751,125 | 7,044,030,705 | 2,635,234,429 | - | (8,497,196) | 5,452,121 | 12,067,519,536 |
| Balance as at 1 April 2019 | 2,150,640,315 | 181,972,474 | 58,751,125 | 7,356,688,195 | 3,079,067,381 | - | (7,294,557) | 6,141,152 | 12,825,966,586 |
| Net profit for the year | | | | 1,582,946,569 | - | - | - | 1,172,322 | 1,584,118,890 |
| Other comprehensive income net of tax | | | | 724,106 | - | - | - | 2,540 | 726,646 |
| | | | | 1,583,670,675 | - | - | - | 1,174,861 | 1,584,845,536 |
| Dividend Paid | | | | (318,074,370) | - | - | - | - | (318,074,370) |
| Balance as at 31 December 2019 | 2,150,640,315 | 181,972,474 | 58,751,125 | 8,622,284,500 | 3,079,067,381 | - | (7,294,557) | 7,316,013 | 14,092,737,752 |

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED CASH FLOW STATEMENT

| For the Nine months ended | COMPANY | | GROUP | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31-Dec-19 Unaudited LKR | 31-Dec-18 Unaudited LKR | 31-Dec-19 Unaudited LKR | 31-Dec-18 Unaudited LKR |
| Cash Flows From / (Used in) Operating Activities | | | | |
| Profit before Income Tax Expense | 1,426,622,142 | 2,097,631,640 | 1,795,131,498 | 2,631,424,301 |
| Adjustments for | | | | |
| Depreciation and amortisation | 252,000,000 | 252,122,805 | 275,715,974 | 274,442,701 |
| Impairment charge of loans and advances, lease,hire purchase | 1,674,600,715 | 2,370,768,627 | 2,153,780,064 | 2,603,068,031 |
| Share of profit of associate | - | - | 5,804,276 | - |
| Provision for defined benefit plans | 45,000,000 | 45,000,000 | 53,301,447 | 51,400,160 |
| Operating profit before working capital changes | 3,398,222,857 | 4,765,523,072 | 4,283,733,259 | 5,560,335,193 |
| (Increase)/Decrease in Inventories | 5,336,585 | 46,976,363 | 5,336,585 | 46,976,363 |
| (Increase)/Decrease in Loans and Advances | 4,181,406,230 | 5,865,864,682 | 4,267,719,764 | 5,879,431,170 |
| Decrease/(Increase) in Lease Rentals Receivable & Stock out on hire | (6,352,457,298) | (4,311,241,331) | (7,242,089,293) | (6,730,009,836) |
| Decrease/(Increase) in Other Financial Assets | (115,788,118) | (408,833,768) | (115,788,118) | (408,833,768) |
| (Increase)/Decrease in Other Assets | (77,709,122) | (136,400,056) | (142,162,972) | (214,843,931) |
| (Decrease)/Increase in Amounts Due to Customers | (3,143,679,595) | (2,863,041,288) | (3,376,288,454) | (2,087,781,482) |
| (Decrease)/Increase in Other Financial Liabilities | (114,256,988) | (1,019,343,370) | (144,844,990) | (1,659,618,560) |
| (Decrease)/Increase in Other Liabilities | (566,800,412) | 161,313,397 | (725,781,348) | 521,529,527 |
| Cash generated from Operations | (2,785,725,861) | 2,100,817,701 | (3,190,165,566) | 907,184,676 |
| Retirement Benefit obligation paid | (13,732,505) | (8,988,937) | (14,294,455) | (9,788,938) |
| Taxes paid | (303,232,240) | (983,216,786) | (512,654,771) | (1,148,599,376) |
| Net cash flows from/(used in) Operating activities | (3,102,690,606) | 1,108,611,978 | (3,717,114,792) | (251,203,638) |
| Cash flows from / (used in) Investing activities | | | | |
| Acquisition of Investment Property | (189,675,418) | (237,756,405) | (189,675,418) | (237,756,405) |
| Acquisition of Property, plant and equipments | (57,214,535) | (355,174,358) | (88,783,434) | (411,635,095) |
| Investments in Debt & Other instruments | 64,558,562 | | 64,558,562 | |
| Acquisition of Intangible assets | (96,426,599) | 121,418,875 | (93,600,367) | 131,514,703 |
| Net investment in placements with banks | 82,229,313 | (704,358,438) | (910,038,208) | (938,431,693) |
| Decrease/(Increase) in Placements and Reverse repurchase agreements | - | 1,386,407,526 | - | 1,386,407,526 |
| Net investment in financial assets measured at fair value through profit or loss | 1,561,844,064 | (62,773,221) | 1,409,782,049 | (62,773,221) |
| Net investment in financial assets measured at fair value through other comprehensive income | - | (231,401,985) | (2,601,355) | (327,825,404) |
| Net cash flows from/(used in) Investing activities | 1,365,315,386 | (83,638,006) | 189,641,830 | (460,499,590) |
| Cash flows from / (used in) Financing activities | | | | |
| Net cash flow from/(used in) Debt Instruments issued and Other borrowings | 178,534,736 | (48,373,430) | 178,534,733 | 5,392,766,436 |
| Proceeds from Loans obtained | 3,726,108,086 | 1,660,372,790 | 5,543,713,665 | (1,381,883,016) |
| Dividend paid | (315,444,932) | (236,075,712) | (315,444,932) | (236,230,519) |
| Net cash flows from/(used in) Financing activities | 3,589,197,890 | 1,375,923,648 | 5,406,803,466 | 3,774,652,901 |
| Net increase in Cash and Cash equivalents | 1,851,822,670 | 2,400,897,620 | 1,879,330,504 | 3,062,949,672 |
| Net foreign exchange difference | - | - | - | - |
| Cash and Cash equivalents at the beginning of the year | 6,521,496,139 | 3,950,012,861 | 7,092,948,226 | 3,557,742,340 |
| Cash and Cash equivalents at the end of the year | 8,373,318,809 | 6,350,910,481 | 8,972,278,730 | 6,620,692,012 |
| Cash in hand | 2,217,609,140 | 2,585,028,157 | 2,680,188,779 | 2,973,250,742 |
| Reverse repurchase agreements | 4,481,050,983 | 2,384,817,181 | 4,617,431,264 | 2,384,817,181 |
| Placements with Bank | 2,082,678,245 | 1,536,949,144 | 2,082,678,245 | 1,536,949,144 |
| Bank Overdrafts | (408,019,558) | (155,884,000) | (408,019,558) | (274,325,054) |
| Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement | 8,373,318,809 | 6,350,910,481 | 8,972,278,730 | 6,620,692,012 |

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

| For the Nine months ended 31 December 2019 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 | 8,728,737,687 | 2,145,149,535 | 1,005,233,389 | 1,206,056,250 | 1,158,205,970 | 43,033,761 | 751,359,055 | 556,865,193 | 15,594,640,840 |
| Fee Based Income & others | 879,946,402 | 216,253,104 | 101,337,849 | 121,582,856 | 116,759,056 | 4,338,245 | 75,744,709 | 56,137,730 | 1,572,099,952 |
| Unallocated Revenue | - | - | - | - | - | - | - | - | - |
| Total Revenue | 9,608,684,089 | 2,361,402,639 | 1,106,571,238 | 1,327,639,106 | 1,274,965,027 | 47,372,006 | 827,103,764 | 613,002,924 | 17,166,740,792 |
| Segmental Result | 1,468,485,938 | 360,890,892 | 169,116,217 | 202,901,806 | 194,851,677 | 7,239,818 | 126,405,472 | 93,684,647 | 2,623,576,467 |
| VAT on Financial services | - | - | - | - | - | - | - | - | (517,748,594) |
| Debt Recovery Levy | - | - | - | - | - | - | - | - | (304,892,098) |
| Profits from Operations | - | - | - | - | - | - | - | - | 1,800,935,774 |
| Share of Associate Profit | - | - | - | - | - | - | - | - | (5,804,276) |
| Profit Before Tax | - | - | - | - | - | - | - | - | 1,795,131,498 |
| Income Tax Expenses | - | - | - | - | - | - | - | - | (211,012,608) |
| Net profit for the period | - | - | - | - | - | - | - | - | 1,584,118,890 |
| Segment Asset | 42,755,495,614 | 8,996,532,749 | 3,644,176,574 | 5,621,956,035 | 6,501,712,246 | 308,795,239 | 13,158,515,917 | 10,590,920,435 | 91,578,104,810 |
| Total Liabilities | 36,175,953,611 | 7,612,077,622 | 3,083,382,868 | 4,756,806,530 | 5,501,179,140 | 261,275,471 | 11,133,583,053 | 8,961,108,762 | 77,485,367,057 |

| 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 | 16,844,814,118 |
| 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 | - | - | - | - | - | - | - | - | - |
| Total Revenue | 7,241,507,974 | 2,129,749,944 | 3,487,258,904 | 1,051,865,154 | 1,952,580,130 | 1,033,828,774 | 698,639,200 | 713,841,670 | 18,309,271,751 |
| 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) |
| Profits from Operations | - | - | - | - | - | - | - | - | 2,631,424,301 |
| Share of Associate Profit | - | - | - | - | - | - | - | - | - |
| Profit Before Tax | - | - | - | - | - | - | - | - | 2,631,424,301 |
| Income Tax Expenses | - | - | - | - | - | - | - | - | (740,716,934) |
| Net profit for the period | - | - | - | - | - | - | - | - | 1,890,707,367 |
| 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 | 88,067,722,163 |
| Total Liabilities | 30,249,444,571 | 6,275,247,341 | 6,745,639,506 | 4,191,095,408 | 8,312,644,549 | 925,447,957 | 9,399,017,761 | 9,552,765,289 | 75,651,302,382 |

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 2019. Certain accounting estimates and assumptions relating to impairment applied by the subsidiary of the company differ from those applied by the company due to the differing risk management practices of the subsidiary.
- 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 they provide the information as required in terms of rule 7.4 of the Colombo Stocks Exchange
- 4 **SLFRS 16 - Leases**
The company is in the process of quantifying the probable impact on the implementation of the above satandard as at 01.04.2019
- 5 Subsequent to the balance sheet date no circumstances has arisen that would require disclosure in the financial statements.
- 6 **Stated Capital is represented by number of shares in issue as follows;**

| Issued and fully paid Ordinary Shares (Quoted) | 31-Dec-2019 | 31-Dec-2018 |
|---|-------------|-------------|
| | 318,074,365 | 318,074,365 |

7 **Market value of Shares**

| | 31-Dec-2019 LKR | 31-Dec-2018 LKR |
|----------------------|--------------------|--------------------|
| Highest traded price | 33.80 | 34.30 |
| Lowest traded price | 26.00 | 25.20 |
| Last traded price | 29.50 | 28.50 |

8 **Information on Listed Debentures**

| | 31-Dec-2019 | | | 31-Dec-2018 | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 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 |
| Highest Traded Price | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded |
| Lowest Traded Price | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded |
| Last Traded Price | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded |
| Interest Yield as at date of last trade | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded |
| Coupon Rate | 10.37% | 10.40% | 10.50% | 12.99% | 10.40% | 10.50% |
| Current Yield & Yield to Maturity | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded | Not Traded |
| Debt Equity Ratio | 5.17 | | | 5.61 | | |
| Quick Asset Ratio | 0.67 | | | 0.77 | | |
| Interest Cover Ratio | 1.22 | | | 1.32 | | |
| Interest Rates of Comparable Government Securities | 10.23% | | | 11.70% | | |

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 | 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% | - |

9 Major twenty shareholders as at 31 December 2019

| 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 | DR. E. FERNANDO | 6,500,000 | 2.04 |
| 7 | PEOPLE'S LEASING & FINANCE PLC /MS.S.N.EGODAGE | 5,093,438 | 1.60 |
| 8 | CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1 | 4,014,843 | 1.26 |
| 9 | MRS. H.H.J. HEWAGE | 1,937,800 | 0.61 |
| 10 | MR. S.B. HEMACHANDRA | 1,796,320 | 0.56 |
| 11 | MR. N.Y. HEMACHANDRA | 1,796,072 | 0.56 |
| 12 | MRS. H.N. HEMACHANDRA | 1,796,070 | 0.56 |
| 13 | MR. S.M. HEMACHANDRA | 1,796,070 | 0.56 |
| 14 | MR. T.K. HEMACHANDRA | 1,555,689 | 0.49 |
| 15 | MR. S.K. SEMAGE | 737,049 | 0.23 |
| 16 | PEOPLE'S LEASING & FINANCE PLC/BG INVESTMENTS (PVT | 602,079 | 0.19 |
| 17 | DFCC BANK PLC/P.S.R.CASIE CHITTY | 429,808 | 0.14 |
| 18 | MRS. L.S.SEMAGE | 423,429 | 0.13 |
| 19 | CODE-GEN INTERNATIONAL PVT LTD | 405,000 | 0.13 |
| 20 | SEYLAN BANK PLC/W.D.N.H.PERERA | 383,087 | 0.12 |

Public Shareholding

| | |
|------------|--------|
| Percentage | 13.21% |
| Number | 1,538 |

10 Directors' shareholding as at 31 December 2019

| 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. K. Vander Weele | Nil | - |
| Mr. P. Fisher | Nil | - |
| Mr. Boris Zschorsch | Nil | - |
| Mr. A.J.P. Dufes | Nil | - |
| Mr. Lasantha Wickremasinghe | Nil | - |

11 The Float adjusted Market Capitalisation as at 31 December 2019 - Rs.1,239,519,897/-

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. K. Vander Weele (Non-Executive Director) Mr. P. Fisher (Non-Executive Director) Mr. Boris Zschorsch (Non-Executive Director) Mr. A.J.P. Dufes (None - Executive Director) Mr. L.L.S. Wickremasinghe (Independent 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 Nations Trust Bank PLC DFCC 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 Mr. L.L.S. Wickremasinghe |
| 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 Mr. L.L.S. Wickremasinghe Mr. Janaka Deshapriya Mr. K.L.A. Senevirathne Mr. K.A. Buddhika |
| 17 Remuneration Committee | Mr. M.S.D. Pinto (Chairman) Mr. K.J.C. Perera |
| 18 Related Party Transaction Review Committee | Mr. M.S.D. Pinto (Chairman) Mr. K.J.C. Perera Mr. P.S.R.C. Chitty |