

# COMMERCIAL CREDIT AND FINANCE PLC

## Un Audited Financial Statements for the 6 months ended 30<sup>th</sup> September 2019

(Published in accordance with Section 29 (5) of the Finance Business Act No. 42 of 2011)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Company Rs.(000)		Group Rs.(000)	
	As at 30 <sup>th</sup> September 2019	As at 30 <sup>th</sup> September 2018	As at 30 <sup>th</sup> September 2019	As at 30 <sup>th</sup> September 2018
<b>Assets</b>				
Cash and Bank Balances	1,223,394	1,751,234	1,592,152	2,021,529
Reverse Repurchase Agreements	3,424,671	2,282,108	3,556,588	2,456,449
Placement with Banks	3,914,205	2,401,260	3,927,266	2,120,367
Financial assets measured at fair value through-profit or loss	2,012,594	2,691,851	2,016,685	2,899,318
Financial assets at amortised cost				
Loans and Receivables	19,911,199	30,404,074	20,068,282	30,859,306
Lease Rentals Receivable & Stock out on Hire Debt & Other instruments	41,214,879	32,416,396	51,075,711	40,690,817
	118,987	-	118,987	-
Financial assets measured at fair value through-other comprehensive income	4,310	4,310	64,694	4,055
Other Financial Assets	667,274	896,761	667,274	896,761
Inventories	74,851	103,804	74,851	103,804
Other Assets	370,613	353,379	473,508	445,827
Investment in Subsidiaries	1,599,288	1,599,288	-	-
Investment in Associates	390,000	-	382,506	-
Investment Property	1,568,507	2,207,535	1,568,507	2,207,535
Property, Plant and Equipment	2,914,831	1,686,193	2,994,197	1,763,766
Intangible Assets & Goodwill	259,510	179,127	1,021,944	927,904
Prepaid Rent	8,065	8,188	8,065	8,188
Current tax assets	329,734	246,878	309,943	255,300
<b>Total Assets</b>	<b>80,006,913</b>	<b>79,232,386</b>	<b>89,921,159</b>	<b>87,660,927</b>
<b>Liabilities</b>				
Due to Banks	10,801,744	10,247,258	17,487,263	10,476,572
Due to Customers	50,009,430	52,121,070	51,913,522	54,346,864
Debt Instruments issued and other Borrowed Funds	2,958,392	2,939,185	2,958,392	7,585,511
Other Financial Liabilities	2,626,962	1,686,684	2,626,962	1,686,684
Other Liabilities	650,854	570,168	1,081,799	1,231,415
Post Employment Benefit Obligations	198,341	179,795	216,988	194,424
Deferred tax liabilities	291,069	435,309	104,056	516,948
<b>Total Liabilities</b>	<b>67,536,791</b>	<b>68,179,469</b>	<b>76,388,982</b>	<b>76,038,418</b>
<b>Shareholders' Funds</b>				
Stated Capital	2,150,640	2,150,640	2,150,640	2,150,640
Reserves	10,319,482	8,902,276	11,374,625	9,465,552
<b>Total Shareholders' Funds</b>	<b>12,470,122</b>	<b>11,052,917</b>	<b>13,525,265</b>	<b>11,616,192</b>
Non - controlling interest	-	-	6,912	6,316,747
<b>Total Liabilities &amp; Shareholders' Funds</b>	<b>80,006,913</b>	<b>79,232,386</b>	<b>89,921,159</b>	<b>87,660,927</b>
Commitments & Contingencies	613,953	1,078,039	613,953	1,078,039

### SELECTED PERFORMANCE INDICATORS

	As at 30 <sup>th</sup> September 2019	As at 30 <sup>th</sup> September 2018
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs. '000	10,809,092	7,683,148
Total Capital Base, Rs. '000	11,880,861	9,407,012
"Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 6.5%)"	12.94	8.58
"Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10.5%)"	14.23	10.51
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	24.94	21.21
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non-Performing Accommodations, Rs. '000	7,865,828	4,801,440
Gross Non-Performing Accommodations Ratio, %	10.40	7.00
Net Non-Performing Accommodations Ratio, %	2.36	(1.56)
<b>Profitability (%)</b>		
Interest Margin	12.69	15.96
Return on Assets (before Tax)	2.00	2.76
Return on Equity (after Tax)	13.37	16.50
<b>Regulatory Liquidity (Rs. '000)</b>		
Required minimum amount of Liquid Assets	5,473,804	5,642,441
Available amount of Liquid Assets	8,417,581	7,149,862
Required minimum amount of Government Securities	4,571,121	4,778,922
Available amount of Government Securities	5,378,649	4,869,776
<b>Memorandum information</b>		
Number of employees	2,852	3,381
Number of branches	63	62
Number of service centers	55	55
Number of pawning centers	1	1

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Company Rs.(000)		Group Rs.(000)	
	"From 1 <sup>st</sup> April 2019 to 30 <sup>th</sup> September 2019"	"From 1 <sup>st</sup> April 2018 to 30 <sup>th</sup> September 2018"	"From 1 <sup>st</sup> April 2019 to 30 <sup>th</sup> September 2019"	"From 1 <sup>st</sup> April 2018 to 30 <sup>th</sup> September 2018"
<b>Income</b>				
Interest Income	8,739,309	10,046,332	10,190,082	11,234,374
Interest Expenses	(4,338,110)	(4,433,445)	(5,003,269)	(4,820,265)
<b>Net Interest Income</b>	<b>4,401,199</b>	<b>5,612,887</b>	<b>5,186,814</b>	<b>6,414,109</b>
Fee & Commission Income	571,113	694,468	571,113	694,468
Net Income from Real Estate	3,599	13,302	3,599	13,302
Net gain from trading	13,071	(37,163)	13,071	(20,796)
Other operating income	300,689	279,141	401,801	277,197
<b>Total Operating Income</b>	<b>5,289,671</b>	<b>6,562,635</b>	<b>6,176,398</b>	<b>7,378,279</b>
Impairment Charges of Loans and Advances, Lease and Financial Assets	(1,110,147)	(1,996,628)	(1,444,038)	(2,150,106)
<b>Net Operating Income</b>	<b>4,179,524</b>	<b>4,566,007</b>	<b>4,732,360</b>	<b>5,228,173</b>
<b>Operating Expenses</b>				
Personnel Costs	(1,283,663)	(1,436,150)	(1,408,009)	(1,588,830)
Depreciation	(168,000)	(168,123)	(182,628)	(182,259)
Other Operating Expenses	(1,479,869)	(1,452,271)	(1,611,292)	(1,540,249)
<b>Profit before Value added tax on Financial Services</b>	<b>1,247,992</b>	<b>1,509,464</b>	<b>1,530,431</b>	<b>1,916,836</b>
Value Added Tax on Financial Services	(287,579)	(392,459)	(324,556)	(470,579)
Debt Repayment Levy	(169,251)	-	(187,450)	-
<b>Operating profit/(loss) after VAT</b>	<b>791,162</b>	<b>1,117,005</b>	<b>1,018,424</b>	<b>1,446,257</b>
Share of Associates Profit (net of taxes)	-	-	2,591	-
<b>Profit Before Income Tax</b>	<b>791,162</b>	<b>1,117,005</b>	<b>1,021,016</b>	<b>1,446,257</b>
Income Tax	10,037	(238,537)	3,028	(363,975)
<b>Profit for the Period</b>	<b>801,199</b>	<b>878,468</b>	<b>1,024,044</b>	<b>1,082,282</b>
<b>Profit Attributable to:</b>				
Equity holders of the parent	801,199	878,468	1,023,274	1,081,372
Non - Controlling interest	-	-	770	910
	<b>801,199</b>	<b>878,468</b>	<b>1,024,044</b>	<b>1,082,282</b>
Earning per Share (LKR)			3.22	3.40

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Company Rs.(000)		Group Rs.(000)	
	"From 1 <sup>st</sup> April 2019 to 30 <sup>th</sup> September 2019"	"From 1 <sup>st</sup> April 2018 to 30 <sup>th</sup> September 2018"	"From 1 <sup>st</sup> April 2019 to 30 <sup>th</sup> September 2019"	"From 1 <sup>st</sup> April 2018 to 30 <sup>th</sup> September 2018"
<b>Profit for the period</b>	<b>801,199</b>	<b>878,468</b>	<b>1,024,044</b>	<b>1,082,282</b>
Net Gains/(losses) on remeasuring Available-for-sale financial assets	-	(19,602)	241	(19,910)
<b>Total Comprehensive Income for the period</b>	<b>801,199</b>	<b>858,866</b>	<b>1,024,285</b>	<b>1,062,372</b>

#### CERTIFICATION:

We, the undersigned, being the Chief Executive Officer and the Chief Financial Officer of Commercial Credit & Finance PLC certify jointly that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- the information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

(Sgd.)  
**R. S. Egodage**  
Chief Executive Officer

(Sgd.)  
**M. A. D. J. Deshapriya**  
Chief Financial Officer

**13<sup>th</sup> November 2019**  
**Colombo**

#### CITY OFFICE

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**COMMERCIAL**  
**CREDIT**