

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 September 2018

COMMERCIAL CREDIT AND FINANCE PLC



COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	COMPANY		GROUP	
	As at 30-Sep-18 (Unaudited) LKR	As at 31-Mar-18 (Audited) LKR	As at 30-Sep-18 (Unaudited) LKR	As at 31-Mar-18 (Audited) LKR
Assets				
Cash and Bank Balances	1,751,233,927	1,695,964,449	2,021,528,884	1,746,910,928
Reverse Repurchase Agreements	2,282,107,543	2,210,648,881	2,456,449,115	2,302,257,521
Placements with Banks	2,401,259,551	2,284,987,693	2,120,366,960	2,014,315,126
Financial Investments - Held for Trading	-	2,646,859,663	-	2,646,859,663
Financial assets at fair value through profit or loss	2,691,851,088	-	2,899,317,808	-
Loans and Receivables	30,404,073,568	35,198,129,656	30,859,305,987	35,720,435,557
Lease Rentals Receivable & Stock out on Hire	32,416,396,365	31,707,315,784	40,690,817,223	38,310,314,585
Financial Investments - Available for Sale	4,310,479	182,510,479	4,055,038	245,706,559
Other Financial Assets	896,761,443	712,714,972	896,761,443	712,714,972
Inventories	103,804,112	128,327,562	103,804,112	128,327,562
Other Assets	353,378,702	242,503,478	445,826,968	299,480,931
Investment in Subsidiaries	1,599,288,321	1,599,288,321	-	-
Investment Property	2,207,534,673	1,983,431,494	2,207,534,673	1,983,431,494
Property, Plant and Equipment	1,686,192,751	1,765,510,672	1,763,766,335	1,812,095,231
Intangible Assets & Goodwill	179,127,302	166,427,661	927,904,125	923,466,905
Prepaid Rent	8,187,911	8,187,907	8,187,911	8,187,907
Deferred Tax Asset	246,877,877	1,260,138,949	255,300,017	1,264,497,849
Total Assets	79,232,385,615	83,792,947,621	87,660,926,598	90,119,002,790
Liabilities				
Due to Banks	10,247,258,366	8,581,999,107	10,476,571,854	11,874,786,015
Due to Customers	52,121,069,661	54,224,084,983	54,346,863,745	55,858,727,085
Debt Instruments issued and other Borrowed Funds	2,939,185,248	2,972,221,709	7,585,510,516	2,972,221,709
Other Financial Liabilities	1,686,683,637	2,399,558,467	1,686,683,637	3,039,833,657
Other Liabilities	570,168,340	520,322,162	1,231,415,354	533,896,429
Post Employment Benefit Obligations	179,794,723	2,675,490,550	194,424,417	2,769,337,136
Current Tax Liabilities	435,309,103	155,833,660	516,948,044	166,395,524
Total Liabilities	68,179,469,078	71,529,510,638	76,038,417,566	77,215,197,555
Shareholders' Funds				
Stated Capital	2,150,640,315	2,150,640,315	2,150,640,315	2,150,640,315
Reserves	8,902,276,223	10,112,796,668	9,465,551,970	10,747,757,410
Total Shareholders' Funds	11,052,916,538	12,263,436,983	11,616,192,285	12,898,397,725
Non - Controlling Interest	-	-	6,316,747	5,407,510
Total Liabilities & Shareholders' Funds	79,232,385,615	83,792,947,621	87,660,926,598	90,119,002,790
Commitments & Contingencies	1,078,039,000	1,561,499,590	1,078,039,000	1,561,499,590
Net Assets per Share (LKR)	34.75	38.56	36.52	40.55

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

Sgd.

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.
Chairman

Sgd.
Director/ Chief Executive Officer

These figures are provisional and subject to audit.

Date : 12 November, 2018

COMMERCIAL CREDIT & FINANCE PLC

STATEMENT OF PROFIT OR LOSS

COMPANY	Three months ended				Six months ended			
	30-Sep-18 (Unaudited) LKR	30-Sep-17 (Unaudited) LKR	Variance		30-Sep-18 (Unaudited) LKR	30-Sep-17 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
Income								
Interest Income	5,078,639,242	5,114,992,528	(36,353,286)	-1%	10,046,331,661	9,934,942,373	111,389,288	1%
Interest Expense	(2,208,463,713)	(2,355,035,307)	146,571,594	6%	(4,433,444,971)	(4,671,494,463)	238,049,492	5%
Net Interest Income	2,870,175,528	2,759,957,221	110,218,307	4%	5,612,886,690	5,263,447,911	349,438,779	7%
Fee & Commission Income	428,452,522	484,866,627	(56,414,105)	-12%	936,446,333	886,114,823	50,331,510	6%
Net Income from Real Estate	6,612,426	9,926,995	(3,314,569)	-33%	13,301,611	14,097,998	(796,387)	-6%
Total Operating Income	3,305,240,477	3,254,750,843	50,489,633	2%	6,562,634,634	6,163,660,732	398,973,902	6%
Impairment Charges of Loans and Advances, Lease and Financial Assets	(1,045,871,359)	(798,444,191)	(247,427,168)	-31%	(1,996,627,831)	(1,568,444,191)	(428,183,640)	-27%
Net Operating Income	2,259,369,118	2,456,306,652	(196,937,534)	-8%	4,566,006,804	4,595,216,541	(29,209,737)	-1%
Operating Expenses								
Personnel Costs	(874,193,681)	(759,392,664)	(114,801,017)	-15%	(1,683,076,142)	(1,530,760,280)	(152,315,862)	10%
Depreciation	(84,000,000)	(60,000,000)	(24,000,000)	40%	(168,122,805)	(120,000,000)	(48,122,805)	-40%
Other Operating Expenses	(647,223,458)	(542,408,823)	(104,814,635)	19%	(1,205,344,349)	(1,038,865,054)	(166,479,295)	-16%
Profit before Value added tax on Financial Services	653,951,979	1,094,505,165	(440,553,187)	-40%	1,509,463,508	1,905,591,207	(396,127,699)	-21%
Value Added Tax on Financial Services	(185,094,140)	(231,262,622)	46,168,482	20%	(392,458,989)	(420,830,632)	28,371,643	7%
Profit Before Income Tax	468,857,838	863,242,543	(394,384,705)	-46%	1,117,004,519	1,484,760,574	(367,756,056)	-25%
Income Tax	(60,864,005)	(297,748,444)	236,884,439	80%	(238,536,889)	(467,141,205)	228,604,315	49%
Profit for the Period	407,993,834	565,494,099	(157,500,265)	-28%	878,467,629	1,017,619,370	(139,151,740)	-14%

STATEMENT OF PROFIT OR LOSS

GROUP	Three months ended				Six months ended			
	30-Sep-18 (Unaudited) LKR	30-Sep-17 (Unaudited) LKR	Variance		30-Sep-18 (Unaudited) LKR	30-Sep-17 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
Income								
Interest Income	5,701,088,503	5,449,005,546	252,082,957	5%	11,234,374,150	10,560,295,594	674,078,556	6%
Interest Expense	(2,416,156,902)	(2,456,766,426)	40,609,524	2%	(4,820,265,415)	(4,854,670,599)	34,405,184	1%
Net Interest Income	3,284,931,601	2,992,239,120	292,692,481	10%	6,414,108,735	5,705,624,995	708,483,740	12%
Fee & Commission Income	420,200,373	422,932,237	(2,731,864)	-1%	950,868,952	854,029,323	96,839,628	11%
Net Income from Real Estate	6,612,426	9,926,995	(3,314,569)	-33%	13,301,611	14,097,998	(796,387)	-6%
	3,711,744,400	3,425,098,352	286,646,047	8%	7,378,279,298	6,573,752,316	804,526,981	12%
Impairment Charges of Loans and Advances, Lease and Financial Assets	(1,140,635,329)	(812,608,031)	(328,027,298)	-40%	(2,150,106,245)	(1,595,992,185)	(554,114,060)	-35%
Net Operating Income	2,571,109,071	2,612,490,321	(41,381,250)	-2%	5,228,173,052	4,977,760,131	250,412,921	5%
Operating Expenses								
Personnel Costs	(954,776,952)	(797,673,988)	(157,102,964)	-20%	(1,835,755,903)	(1,609,335,478)	(226,420,425)	-14%
Depreciation	(91,478,475)	(65,385,005)	(26,093,470)	-40%	(182,258,531)	(130,318,828)	(51,939,703)	-40%
Other Operating Expenses	(698,471,834)	(581,933,970)	(116,537,864)	20%	(1,293,322,826)	(1,109,126,756)	(184,196,070)	-17%
Profit before Value added tax on Financial Services	826,381,811	1,167,497,358	(341,115,548)	-29%	1,916,835,792	2,128,979,069	(212,143,277)	-10%
Value Added Tax on Financial Services	(223,984,931)	(257,160,359)	33,175,428	13%	(470,578,608)	(473,246,140)	2,667,532	1%
Profit after Value Added Tax on Financial Services	602,396,880	910,336,999	(307,940,120)	-34%	1,446,257,185	1,655,732,929	(209,475,745)	-13%
Profit Before Income Tax	602,396,880	910,336,999	(307,940,120)	-34%	1,446,257,185	1,655,732,929	(209,475,745)	-13%
Income Tax	(127,976,625)	(350,640,593)	222,663,968	64%	(363,975,064)	(551,473,948)	187,498,884	34%
Profit for the Period	474,420,254	559,696,407	(85,276,152)	-15%	1,082,282,120	1,104,258,982	(21,976,861)	-2%
Profit Attributable to:								
Equity holders of the parent	473,990,115	559,322,105			1,081,371,808	1,103,562,735		
Non - Controlling interest	430,139	374,302			910,313	696,247		
	474,420,254	559,696,407			1,082,282,120	1,104,258,982		

Earning per Share (LKR)

1.49 1.76

3.40 3.47

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME COMPANY

	Three months ended		Six months ended	
	30-Sep-18 LKR	30-Sep-17 LKR	30-Sep-18 LKR	30-Sep-17 LKR
Profit for the period	407,993,834	565,494,099	878,467,629	1,017,619,370
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	-	(19,473,299)	(19,601,987)	(18,434,536)
Total Comprehensive Income for the period	407,993,834	546,020,800	858,865,642	999,184,834

GROUP

	Three months ended		Six months ended	
	30-Sep-18 LKR	30-Sep-17 LKR	30-Sep-18 LKR	30-Sep-17 LKR
Profit for the period	474,420,254	559,696,407	1,082,282,120	1,104,258,982
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	(24,765)	(19,633,690)	(19,909,797)	(18,290,301)
Total Comprehensive Income for the period	474,395,489	540,062,717	1,062,372,323	1,085,968,681

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	Reserve LKR	Available for Sale Reserve LKR	Total LKR
Balance as at 1 April 2017	2,150,640,315	192,547,399	58,751,125	5,749,765,773	2,103,936,254	(7,826,371)	10,247,814,495
Net profit for the period	-	-	-	1,017,619,370	-	-	1,017,619,370
Other comprehensive income net of tax	-	-	-	-	-	(18,434,536)	(18,434,536)
Dividend Paid	-	-	-	1,017,619,370	-	(18,434,536)	999,184,834
	-	-	-	(318,074,365)	-	-	(318,074,365)
Balance as at 30 September 2017	2,150,640,315	192,547,399	58,751,125	6,449,310,778	2,103,936,254	(26,260,907)	10,928,924,964
Balance as at 31 March 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 (Note -2)	-	-	-	(1,830,830,315)	-	-	(1,830,830,315)
Restated Opening Balance Under SLFRS -9	2,150,640,315	181,972,474	58,751,125	5,453,827,968	2,574,074,957	13,339,829	10,432,606,668
Net profit for the period	-	-	-	878,467,629	-	-	878,467,629
Other comprehensive income net of tax	-	-	-	-	-	(19,601,987)	(19,601,987)
Dividend Paid	-	-	-	878,467,629	-	(19,601,987)	858,865,642
	-	-	-	(238,555,774)	-	-	(238,555,774)
Balance as at 30 September 2018	2,150,640,315	181,972,474	58,751,125	6,093,739,823	2,574,074,957	(6,262,158)	11,052,916,538

GROUP	Stated Capital LKR	Revaluation Reserve LKR	General Reserve LKR	Retained Earnings LKR	Statutory Reserve LKR	Available for Sale Reserve LKR	Non Controlling Interest LKR	Total
Balance as at 1 April 2017	2,150,640,315	192,547,399	58,751,125	6,154,648,604	2,143,831,916	(8,706,142)	4,180,295	10,695,893,512
Net Profit for the period	-	-	-	1,103,562,735	-	-	696,248	1,104,258,983
Other comprehensive income net of tax	-	-	-	-	-	(18,290,803)	502	(18,290,301)
Dividend Paid	-	-	-	1,103,562,735	-	(18,290,803)	696,750	1,085,968,682
Effect of change in equity interest in subsidiary	-	-	-	(318,074,365)	-	-	-	(318,074,365)
	-	-	-	25,354	-	-	(25,354)	-
Balance as at 30 September 2017	2,150,640,315	192,547,399	58,751,125	6,940,162,328	2,143,831,916	(26,996,945)	4,851,691	11,463,787,830
Balance as at 31 March 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 (Note -2)	-	-	-	(2,105,112,753)	-	-	-	(2,105,112,753)
Restated Opening Balance Under SLFRS -9	2,150,640,315	181,972,474	58,751,125	5,754,180,842	2,635,234,429	12,505,786	5,407,510	10,798,692,482
Net profit for the year	-	-	-	1,081,371,808	-	-	910,313	1,082,282,120
Other comprehensive income net of tax	-	-	-	-	-	(19,908,721)	(1,076)	(19,909,797)
Dividend Paid	-	-	-	1,081,371,808	-	(19,908,721)	909,237	1,062,372,323
	-	-	-	(238,555,774)	-	-	-	(238,555,774)
Balance as at 30 September 2018	2,150,640,315	181,972,474	58,751,125	6,596,996,876	2,635,234,429	(7,402,935)	6,316,747	11,622,509,032

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended	COMPANY		GROUP	
	30-Sep-18 Unaudited LKR	30-Sep-17 Unaudited LKR	30-Sep-18 Unaudited LKR	30-Sep-17 Unaudited LKR
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	1,117,004,519	1,484,760,574	1,446,257,185	1,655,732,929
Adjustments for				
Depreciation	168,122,805	120,000,000	182,258,531	130,318,828
Impairment Charges of Loans and Advances, Lease and Financial Assets	2,000,139,482	1,480,971,500	2,153,617,896	1,595,992,185
Provision for Defined benefit obligation	30,000,000	24,000,000	30,869,193	26,264,061
Operating profit before working capital changes	3,315,266,805	3,109,732,074	3,813,002,806	3,408,308,004
(Increase)/Decrease in Inventories	24,523,450	7,845,354	24,523,450	7,845,354
(Increase)/Decrease in Loans and Advances	4,768,006,228	2,283,355,656	4,587,111,122	2,030,019,488
(Increase)/ Decrease in Lease Rentals Receivable & Stock out on hire	(1,741,185,472)	(92,837,270)	(3,605,273,026)	(1,343,259,765)
(Increase)/Decrease in Other Financial Assets	(184,046,471)	(215,496,740)	(184,046,471)	(215,496,740)
(Increase)/Decrease in Other Assets	(110,875,223)	(574,665,368)	(146,346,037)	(625,758,124)
Increase/(Decrease) in Amounts Due to Customers	(2,103,015,322)	2,432,053,041	(1,511,863,340)	2,772,084,187
Increase/(Decrease) in Other Financial Liabilities	(715,354,891)	(839,491,601)	(1,355,630,081)	(1,134,878,872)
Increase/(Decrease) in Other Liabilities	49,846,178	75,799,816	697,518,925	608,686,266
Cash generated from Operations	3,303,165,282	6,186,294,962	2,318,997,347	5,507,549,800
Retirement Benefit obligation paid	(6,038,937)	(5,505,250)	(2,840,300)	(6,517,750)
Taxes paid	(1,465,457,265)	(436,192,732)	(1,607,166,324)	(511,897,395)
Net cash flows from/(used in) Operating activities	1,831,669,080	5,744,596,980	708,990,723	4,989,134,655
Cash flows from / (used in) Investing activities				
Acquisition of Property, plant and equipment	(88,804,884)	(83,698,583)	(133,929,636)	(107,546,344)
Investments in subsidiaries		500,475		-
Proceed from sales of Reverse repurchase agreements	(1,386,407,526)		(1,386,407,526)	
Acquisition of Intangible assets	(12,699,641)	(33,745,297)	(4,437,220)	(26,903,838)
Acquisition of Investment property	(224,103,179)	(151,000,501)	(224,103,179)	(151,000,501)
Net investments in placements with banks	(567,567,477)	97,218,369	(273,052,915)	(60,765,970)
Net investment in financial instruments- held for trading	(44,991,426)	(1,233,166,285)	(252,458,145)	(1,233,166,285)
Net investment in financial instruments- Available for sale	158,598,015	148,159,667	234,614,959	179,467,912
Net cash flows from/(used in) Investing activities	(2,165,976,118)	(1,255,732,155)	(2,039,773,662)	(1,399,915,025)
Cash flows from / (used in) Financing activities				
Net cash flow from Debt Instruments issued and other Borrowings	(33,036,461)	(44,639,007)	4,613,288,807	(710,261,325)
Proceeds from Loans obtained	1,432,138,423	(1,536,480,555)	(1,610,117,383)	-
Dividend Paid	(236,075,712)	-	(236,075,712)	-
Net cash flows from/(used in) Financing activities	1,163,026,250	(1,581,119,563)	2,767,095,712	(710,261,325)
Net increase in Cash and Cash equivalents	828,719,212	2,907,745,263	1,436,312,773	2,878,958,305
Cash and Cash equivalents at the beginning of the year	3,950,012,861	4,061,611,856	3,557,742,340	4,043,993,334
Cash and Cash equivalents at the end of the year	4,778,732,073	6,969,357,119	4,994,055,113	6,922,951,639
Cash in hand	1,751,233,927	3,863,072,186	2,021,528,884	4,002,535,471
Reverse repurchase agreements	2,282,107,543	2,530,587,066	2,456,449,115	2,530,587,066
Placements with Bank	1,352,383,741	1,101,088,767	1,352,383,741	1,101,088,767
Bank Overdrafts	(606,993,139)	(525,390,900)	(836,306,627)	(711,259,664)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	4,778,732,073	6,969,357,119	4,994,055,113	6,922,951,639

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

For the six months ended 30 September 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	4,546,824,352	1,109,525,064	2,341,576,605	569,728,559	1,158,081,961	690,308,138	389,258,749	429,070,721	11,234,374,150
Fee Based Income & others	390,223,268	95,223,053	200,961,727	48,895,960	99,390,364	59,244,492	33,407,453	36,824,246	964,170,563
Unallocated Revenue	-	-	-	-	-	-	-	-	-
Total Revenue	4,937,047,620	1,204,748,117	2,542,538,332	618,624,519	1,257,472,325	749,552,630	422,666,202	465,894,967	12,198,544,712
Segmental Result	775,790,048	189,309,821	399,525,402	97,208,450	197,594,715	117,782,026	66,416,259	73,209,073	1,916,835,792
VAT on Financial services	-	-	-	-	-	-	-	-	(470,578,608)
Profits from Operations	-	-	-	-	-	-	-	-	1,446,257,185
Share of Associate Profit	-	-	-	-	-	-	-	-	-
Profit Before Tax	-	-	-	-	-	-	-	-	1,446,257,185
Income Tax Expenses	-	-	-	-	-	-	-	-	(363,975,064)
Net profit for the period	-	-	-	-	-	-	-	-	1,082,282,120
Segment Asset	32,570,323,646	6,948,118,266	9,482,946,344	5,091,205,049	9,932,658,573	2,462,631,806	10,584,485,036	10,588,557,876	87,660,926,598
Segment Liabilities	30,774,596,262	7,509,677,798	15,848,660,307	3,856,134,532	7,838,328,913	4,672,261,913	2,634,647,814	2,904,110,028	76,038,417,566
Total Liabilities									76,038,417,566

For the six months ended 30 September 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	3,043,477,507	903,802,211	2,559,876,966	295,566,231	1,444,928,605	856,130,019	407,910,607	1,048,603,449	10,560,295,593
Fee Based Income & others	250,194,320	74,298,620	210,439,103	24,297,532	118,782,849	70,379,645	33,532,995	86,202,256	868,127,320
Unallocated Revenue	-	-	-	-	-	-	-	-	-
Total Revenue	3,293,671,827	978,100,831	2,770,316,069	319,863,763	1,563,711,454	926,509,664	441,443,602	1,134,805,705	11,428,422,913
Segmental Result	613,571,832	182,208,535	516,076,888	59,586,809	291,300,819	172,597,715	82,235,685	211,400,787	2,128,979,070
VAT on Financial services	-	-	-	-	-	-	-	-	(473,246,140)
Profits from Operations	-	-	-	-	-	-	-	-	1,655,732,930
Share of Associate Profit	-	-	-	-	-	-	-	-	-
Profit Before Tax	-	-	-	-	-	-	-	-	1,655,732,930
Income Tax Expenses	-	-	-	-	-	-	-	-	(551,473,948)
Net profit for the period	-	-	-	-	-	-	-	-	1,104,258,982
Segment Asset	25,605,590,721	7,603,929,864	21,536,929,958	2,486,677,793	12,156,571,025	7,202,850,954	3,431,861,096	8,822,181,432	88,846,592,843
Segment Liabilities	22,301,726,725	6,622,802,329	18,758,041,228	2,165,824,222	10,588,020,713	6,273,474,233	2,989,051,460	7,683,864,105	77,382,805,013
Total Liabilities									77,382,805,013

These figures are provisional and subject to audit

- 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 2017/2018 for financial instruments in the scope of SLFRS 9. Therefore, comparative information for 2017/2018 is reported under LKAS 39 and is not comparable to the information presented for the six month ended 30 September 2018. 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 SLFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 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 easurement 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 Earning 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)	(2,817,102,321)
Deferred tax in relation to the above	711,989,568	711,989,568
Adjusted Retained Earnings as at 1 April 2018	5,453,827,968	5,754,180,842

- 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 the 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;**

	30-Sep-2018	30-Sep-2017
Issued and fully paid Ordinary Shares (Quoted)	318,074,365	318,074,365

- 6 **Market value of Shares**

	30-Sep-2018 LKR	30-Sep-2017 LKR
Highest traded price	36.90	45.40
Lowest traded price	27.00	37.00
Last traded price	27.00	43.00

7 Information on Listed Debentures

	30-Sep-2018			30-Sep-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-BD-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	20.04%
Coupon Rate	10.37%	10.40%	10.50%	12.99%	10.40%	10.50%	20%
Debt Equity Ratio	6.17			6.71			
Quick Asset Ratio	0.61			0.85			
Interest Cover	1.34			1.41			
Interest Rates of Comparable Government Securities	10.01%			10.01%			

8 Major twenty shareholders as at 30 September 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	4,264,380	1.34
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	MS. S.N. EGODAGE	829,058	0.26
14	MR. S.K. SEMAGE	737,049	0.23
15	PEOPLE'S LEASING & FINANCE PLC/BG INVESTMENTS (PVT	602,079	0.19
16	DFCC BANK PLC/P.S.R.CASIE CHITTY	429,808	0.14
17	MRS. L.S.SEMAGE	425,929	0.13
18	CODE-GEN INTERNATIONAL PVT LTD	405,000	0.13
19	MR. N.A. PEIRIS	200,000	0.06
20	MR. D.K. GUNARATNE	180,132	0.06

Public Shareholding

Percentage	13.18%
Number	1,586

9 Directors' shareholding as at 30 September 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
Mr. S. Gunaratne	109,171	0.034
Mrs. G.R. Egodage	Nil	-
Mr. S. Pinto	42,000	0.013
Mr. D. Soosaipillai	Nil	-
Mr. P. Fisher	Nil	-
Mr. R.R. Martin	Nil	-
Mr. K. Vander Weele	Nil	-

10 The Float adjusted Market Capitalisation as at 30th September 2018 - Rs. 1,131,899,435

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. K. Vander Weele (Non-Executive Director)
11 Company Secretary	Jacey & Company No. 9/5, Thambiah Avenue, Colombo 07
12 Lawyers of the Company	Julies & Creasy Attorneys - at - law No. 41, Janadhipathi Mawatha,
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 Deutsche Bank 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%	-