

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

30 September 2016

COMMERCIAL **CREDIT** AND FINANCE PLC



COMMERCIAL CREDIT & FINANCE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	COMPANY		GROUP	
	As at 30-Sep-16 (Unaudited) LKR	As at 31-Mar-16 (Audited) LKR	As at 30-Sep-16 (Unaudited) LKR	As at 31-Mar-16 (Audited) LKR
Assets				
Cash and Bank Balances	1,403,186,922	1,142,136,273	1,517,757,326	1,155,203,533
Reverse Repurchase Agreements	1,471,920,078	1,925,144,718	1,471,920,078	1,982,653,373
Placement with Banks	1,274,390,062	1,119,605,985	1,313,124,390	1,300,959,257
Financial Investments - Held for Trading	2,700,045,031	1,812,157,612	2,700,045,031	1,812,157,612
Loans and Receivables	34,260,034,876	34,242,665,204	34,260,034,876	34,275,651,403
Lease Rentals Receivable & Stock out on Hire	26,648,646,172	24,521,395,709	29,212,193,815	26,691,534,278
Financial Investments - Available for Sale	273,445,810	564,348,733	380,703,993	633,421,441
Other Financial Assets	733,347,230	437,672,839	733,347,230	437,672,839
Inventories	314,292,453	327,369,203	314,292,453	327,369,203
Other Assets	588,666,599	205,174,266	697,840,393	243,646,292
Investment in Subsidiaries	1,599,788,796	1,599,788,796	-	-
Investment in Associates	173,756,976	173,756,976	172,352,792	216,351,778
Investment Property	815,024,000	815,024,000	815,024,000	815,024,000
Property, Plant and Equipment	1,593,707,262	1,393,908,990	1,627,935,060	1,421,200,558
Intangible Assets & Goodwill	129,003,335	105,725,753	888,997,406	858,955,887
Prepaid Rent	8,433,517	8,433,517	8,433,517	8,433,517
Deferred Tax Asset	313,456,033	313,456,034	322,350,178	314,129,565
Total Assets	74,301,145,153	70,707,764,608	76,436,352,540	72,494,364,536
Liabilities				
Due to Banks	8,305,159,619	6,803,304,586	8,734,374,272	7,148,470,197
Due to Customers	50,297,193,720	49,297,298,909	51,380,417,195	50,381,349,521
Debt Instruments issued and other Borrowed Funds	3,653,250,000	3,596,019,761	3,653,250,000	3,596,019,761
Other Financial Liabilities	1,985,323,639	2,015,434,230	1,985,323,640	2,056,994,495
Other Liabilities	259,573,115	213,858,106	562,302,871	213,858,106
Post Employment Benefit Obligations	111,846,729	84,564,979	122,847,358	93,837,608
Current Tax Liabilities	913,700,908	915,407,326	943,166,541	989,638,243
Total Liabilities	65,526,047,732	62,925,887,897	67,381,681,877	64,480,167,931
Shareholders' Funds				
Stated Capital	2,150,640,315	2,150,640,315	2,150,640,315	2,150,640,315
Reserves	6,624,457,107	5,631,236,396	6,882,132,757	5,843,646,942
Total Shareholders' Funds	8,775,097,422	7,781,876,711	9,032,773,072	7,994,287,257
Non - controlling interest	-	-	21,897,591	19,909,347
Total Liabilities & Shareholders' Funds	74,301,145,153	70,707,764,608	76,436,352,540	72,494,364,536
Commitments & Contingencies	860,509,000	358,806,372	860,509,000	358,806,372
Net Assets per Share (LKR)	27.59	24.47	28.40	25.13

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

C. Perera
Chairman

Sgd

R. S. Egodage
Director/Chief Executive Officer

These figures are provisional and subject to audit.

Date : 8th November, 2016

COMMERCIAL CREDIT & FINANCE PLC

STATEMENT OF PROFIT OR LOSS

COMPANY	Three months ended				Six months ended			
	30-Sep-16 (Unaudited) LKR	30-Sep-15 (Unaudited) LKR	Variance		30-Sep-16 (Unaudited) LKR	30-Sep-15 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
Income								
Interest Income	4,716,212,721	3,867,963,405	848,249,316	22%	9,153,733,198	7,620,333,846	1,533,399,352	20%
Interest Expense	(1,898,221,313)	(1,534,288,877)	(363,932,436)	24%	(3,480,360,541)	(2,893,380,007)	(586,980,534)	20%
Net Interest Income	2,817,991,408	2,333,674,528	484,316,880	21%	5,673,372,657	4,726,953,839	946,418,818	20%
Fee & Commission Income	364,247,768	339,817,120	24,430,648	7%	567,361,182	463,699,719	103,661,464	22%
Net Income from Real Estate	10,246,515	35,451,224	(25,204,708)	-71%	13,909,272	42,064,588	(28,155,315)	-67%
Total Operating Income	3,192,485,691	2,708,942,872	483,542,819	18%	6,254,643,112	5,232,718,145	1,021,924,967	20%
Impairment Charges of Loans and Advances, Lease and Financial Assets	(599,686,180)	(495,500,106)	(104,186,074)	21%	(1,255,067,171)	(974,688,666)	(280,378,505)	29%
Losses from disposal of repossessed securities	-	(15,603,467)			-	(15,603,467)		
Net Operating Income	2,592,799,511	2,197,839,299	379,356,745	17%	4,999,575,941	4,242,426,012	741,546,462	17%
Operating Expenses								
Personnel Costs	(740,258,982)	(897,640,443)	157,381,461	-18%	(1,580,685,669)	(1,706,036,604)	125,350,935	-7%
Depreciation	(60,000,000)	(44,997,755)	(15,002,245)	33%	(115,000,000)	(75,000,000)	(40,000,000)	53%
Other Operating Expense	(709,387,752)	(474,421,281)	(234,966,471)	50%	(1,253,236,295)	(810,174,978)	(443,061,316)	55%
Profit before Value added tax on Financial Services	1,083,152,777	780,779,820	286,769,489	37%	2,050,653,977	1,651,214,430	383,836,080	23%
Value Added Tax on Financial Services	(142,481,980)	(99,403,601)	(43,078,379)	43%	(287,578,888)	(220,940,098)	(66,638,790)	30%
Profit Before Income Tax	940,670,797	681,376,219	243,691,111	36%	1,763,075,088	1,430,274,332	317,197,290	22%
Income Tax	(226,510,934)	(145,920,621)	(80,590,313)	55%	(441,958,472)	(330,240,722)	(111,717,750)	34%
Profit for the Period	714,159,863	535,455,598	163,100,798	30%	1,321,116,616	1,100,033,610	205,479,540	19%

STATEMENT OF PROFIT OR LOSS

GROUP	Three months ended				Six months ended			
	30-Sep-16 (Unaudited) LKR	30-Sep-15 (Unaudited) LKR	Variance		30-Sep-16 (Unaudited) LKR	30-Sep-15 (Unaudited) LKR	Variance	
			LKR	%			LKR	%
Income								
Interest Income	4,905,338,564	3,867,963,405	1,037,375,159	27%	9,527,591,621	7,932,570,537	1,595,021,084	20%
Interest Expense	(1,936,095,611)	(1,388,632,422)	(547,463,188)	-39%	(3,555,565,268)	(2,955,562,172)	(600,003,097)	20%
Net Interest Income	2,969,242,954	2,479,330,983	489,911,971	20%	5,972,026,352	4,977,008,365	995,017,987	20%
Fee & Commission Income	278,920,840	144,549,142	134,371,698	93%	494,465,931	401,255,168	93,210,763	23%
Net Income from Real Estate	10,246,515	6,613,364	3,633,151	55%	13,909,272	42,064,588	(28,155,315)	-67%
3,258,410,309	2,630,493,488	627,916,820	24%	6,480,401,556	5,420,328,121	1,060,073,435	20%	
Impairment Charges of Loans and Advances, Lease and Financial Assets	(594,902,833)	(485,219,759)	(109,683,074)	23%	(1,258,323,867)	(993,441,523)	(264,882,344)	27%
Losses from disposal of repossessed securities	-	(15,603,467)			-	(15,603,467)		
Net Operating Income	2,663,507,476	2,145,273,729	518,233,746	24%	5,222,077,689	4,411,283,131	810,794,558	18%
Operating Expenses								
Personnel Costs	(768,518,153)	(828,475,382)	59,957,228	-7%	(1,631,077,504)	(1,747,687,980)	116,610,477	-7%
Depreciation	(60,000,000)	(33,538,911)	(26,461,089)	79%	(115,000,000)	(82,677,333)	(32,322,667)	39%
Other Operating Expense	(738,586,308)	(350,853,322)	(387,732,986)	111%	(1,308,113,263)	(842,396,210)	(465,717,053)	55%
Profit before Value added tax on Financial Services	1,096,403,014	932,406,114	163,996,900	18%	2,167,886,922	1,738,521,608	429,365,315	25%
Value Added Tax on Financial Services	(152,922,128)	(124,958,214)	(27,963,914)	22%	(310,445,018)	(228,914,431)	(81,530,587)	36%
Profit after Value Added Tax on Financial Services	943,480,886	807,447,901	136,032,986	17%	1,857,441,904	1,509,607,177	347,834,727	23%
Share of Associates Profit (net of taxes)	(937,288)	993,345	(1,930,632)	-194%	1,226,014	1,603,888	(377,873)	-24%
Profit Before Income Tax	942,543,598	808,441,245	134,102,353	17%	1,858,667,918	1,511,211,064	347,456,854	23%
Income Tax	(248,715,340)	(211,898,378)	(36,816,962)	17%	(489,656,333)	(390,902,882)	(98,753,451)	25%
Profit for the Period	693,828,259	596,542,867	97,285,391	16%	1,369,011,586	1,120,308,182	248,703,403	22%
Profit Attributable to:								
Equity holders of the parent	692,930,059	622,389,060	70,540,999	11%	1,367,023,342	1,120,308,182	246,715,160	22%
Non - Controlling interest	898,200	953,220	(55,021)	-6%	1,988,244	-	1,988,244	100%
	693,828,259	623,342,280	70,485,978	11%	1,369,011,586	1,120,308,182	248,703,403	22%

Earning per Share (LKR)

2.18 1.88

4.30 3.52

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-16 LKR	30-Sep-15 LKR	30-Sep-16 LKR	30-Sep-15 LKR
Profit for the period	714,159,863	535,455,598	1,321,116,616	1,100,033,610
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	(4,020,138)	-	(9,821,541)	(12,260,964)
Total Comprehensive Income for the period	710,139,724	535,455,598	1,311,295,075	1,100,033,610

GROUP

	Three months ended		Six months ended	
	30-Sep-16 LKR	30-Sep-15 LKR	30-Sep-16 LKR	30-Sep-15 LKR
Profit for the period	693,828,259	596,542,867	1,369,011,586	1,120,308,182
Net Gains/(Losses) on remeasuring Available-for-sale financial assets	(2,617,335)	790,663	(10,463,163)	(11,282,118)
Total Comprehensive Income for the period	691,210,923	597,333,530	1,358,548,422	1,109,026,064

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-16 Unaudited LKR	30-Sep-15 Unaudited LKR	30-Sep-16 Unaudited LKR	30-Sep-15 Unaudited LKR
Cash Flows From / (Used in) Operating Activities				
Profit before Income Tax Expense	1,763,075,088	1,430,274,332	1,858,667,918	1,509,607,177
Adjustments for				
Depreciation	115,000,000	75,000,000	115,000,000	82,677,333
Impairment provision	1,255,067,171	974,688,666	1,258,323,867	993,441,523.00
Provision for Defined benefit plans	30,000,000	30,000,000	31,728,000	31,728,000.00
Operating profit before working capital changes	3,163,142,260	2,509,962,998	3,263,719,785	2,617,454,033
(Increase)/Decrease in Inventories	13,076,750	(267,588,391)	13,076,750	(267,588,391)
(Increase)/Decrease in Loans and Advances	(647,475,910)	2,710,945,154	(613,545,406)	2,722,351,402
(Increase)/ Decrease in Lease Rentals Receivable & Stock out on hire	(2,762,032,936)	(4,126,153,846)	(3,149,821,470)	(3,920,979,774)
(Increase)/Decrease in Other Financial Assets	(295,674,391)	(141,488,647)	(304,733,369)	(8,102,122)
(Increase)/Decrease in Other Assets	(383,492,334)	(91,296,852)	(454,194,102)	(99,612,074)
(Increase)/Decrease in Loans & Receivables	-	-	-	-
Increase/(Decrease) in Amounts Due to Customers	999,894,811	7,726,741,282	999,067,674	7,925,639,484
Increase/(Decrease) in Other Financial Liabilities	(30,110,591)	(778,998,897)	(71,670,856)	(828,096,865)
Increase/(Decrease) in Other Liabilities	45,715,010	(25,245,591)	348,444,765	36,559,889
Cash generated from Operations	103,042,668	7,516,877,210	30,343,770	8,177,625,582
Retirement Benefit Liabilities paid	(2,718,250)	(325,000)	(2,718,250)	(325,000)
Taxes paid	(443,664,889)	(389,625,639)	(544,348,648)	(470,372,351)
Net cash flows from/(used in) Operating activities	(343,340,471)	7,126,926,571	(516,723,128)	7,706,928,231
Cash flows from / (used in) Investing activities				
Acquisition of Property, plant and equipment	(314,798,272)	(119,725,445)	(321,734,502)	(141,479,046)
Acquisition of Intangible assets	(23,277,582)	(3,409,182)	(30,041,519)	(3,409,182)
Net investments in placements with banks	(62,811,658)	(328,889,649)	79,807,286	(500,050,380)
Net investment in financial instruments- held for trading	(887,887,419)	(4,168,224,266)	(887,887,419)	(4,168,224,266)
Net investment in financial instruments- Available for sale	290,902,923	(288,671,419)	295,312,250	(420,148,677)
Net cash flows from/(used in) Investing activities	(997,872,009)	(4,908,919,961)	(864,543,905)	(5,233,311,551)
Cash flows from / (used in) Financing activities				
Net cash flow from Debt Instruments issued and other Borrowings	57,230,239	957,454,096	57,230,239	1,147,040,196
Net Proceeds from Loans obtained	2,175,750,135	(932,312,619)	2,150,758,334	(1,186,359,594)
Dividend Paid	(318,074,365)	(318,074,365)	(318,074,365)	(329,384,155)
Net cash flows from/(used in) Financing activities	1,914,906,010	(292,932,888)	1,889,914,208	(368,703,553)
Net increase in Cash and Cash equivalents	573,693,530	1,925,073,722	508,647,176	2,104,913,127
Cash and Cash equivalents at the beginning of the year	2,496,131,776	3,464,568,321	2,386,136,380	3,424,399,777
Cash and Cash equivalents at the end of the year	3,069,825,306	5,389,642,043	2,894,783,556	5,529,312,904
Cash in hand	1,403,186,922	2,168,482,097	1,517,757,326	2,308,152,958
Reverse repurchase agreements	1,471,920,078	3,400,792,427	1,471,920,078	3,400,792,427
Placements with Bank	779,511,654	-	779,511,654	-
Bank Overdrafts	(584,793,348)	(179,632,481)	(874,405,501)	(179,632,481)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	3,069,825,306	5,389,642,043	2,894,783,556	5,529,312,904

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 LKR	Available for Sale Reserve LKR	Total LKR
Balance as at 1 April 2015	2,150,640,315	126,002,604	58,751,125	2,482,040,674	1,093,001,815	(12,085,858)	5,898,350,675
Net profit for the period	-	-	-	1,100,033,610	-	-	1,100,033,610
Dividend Paid	-	-	-	(318,074,365)	-	-	(318,074,365)
Other comprehensive income net of tax	-	-	-	-	-	(12,260,964)	(12,260,964)
Balance as at 30 September 2015	2,150,640,315	126,002,604	58,751,125	3,263,999,919	1,093,001,815	(24,346,822)	6,668,048,956
Balance as at 1 April 2016	2,150,640,315	182,447,399	58,751,125	3,896,527,996	1,523,340,660	(29,830,783)	7,781,876,712
Net profit for the period	-	-	-	1,321,116,616	-	-	1,321,116,616
Dividend Paid	-	-	-	(318,074,365)	-	-	(318,074,365)
Other comprehensive income net of tax	-	-	-	-	-	(9,821,541)	(9,821,541)
Balance as at 30 September 2016	2,150,640,315	182,447,399	58,751,125	4,899,570,247	1,523,340,660	(39,652,324)	8,775,097,422

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 2015	2,150,640,315	126,002,604	58,751,125	2,522,259,614	1,102,855,929	(6,131,462)	15,352,872	5,969,730,997
Net Profit for the period	-	-	-	1,120,308,182	-	-	-	1,120,308,182
Other Comprehensive Income net of Tax	-	-	-	-	-	(11,282,118)	-	(11,282,118)
Dividend Paid	-	-	-	(318,074,365)	-	-	-	(318,074,365)
Transfer of Realized loss on disposal of Available Sale Financial Assets	-	-	-	-	-	(5,651,829)	-	(5,651,829)
Balance as at 30 September 2015	2,150,640,315	126,002,604	58,751,125	3,324,493,431	1,102,855,929	(23,065,409)	15,352,872	6,755,030,867
Balance as at 1 April 2016	2,150,640,315	182,447,399	58,751,125	4,087,708,290	1,547,002,277	(32,262,148)	19,909,347	8,014,196,605
Net profit for the year	-	-	-	1,367,023,342	-	-	1,988,244	1,369,011,586
Dividend Paid	-	-	-	(318,074,365)	-	-	-	(318,074,365)
Other comprehensive income net of tax	-	-	-	-	-	(10,463,163)	-	(10,463,163)
Balance as at 30th September 2016	2,150,640,315	182,447,399	58,751,125	5,136,657,267	1,547,002,277	(42,725,311)	21,897,591	9,054,670,662

These figures are provisional and subject to audit.

COMMERCIAL CREDIT & FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

For the Six months ended 30 September 2016 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	2,176,887,016	996,355,636	2,989,559,314	147,261,872	853,380,618	1,290,374,448	255,178,789	-	8,708,997,692
Fee Based Income & others	90,222,688	51,076,039	65,458,053	2,722,919	8,858,463	-	352,755	-	218,690,916
Unallocated Revenue	-	-	-	-	-	-	-	940,524,716	940,524,716
Total Revenue	2,267,109,704	1,047,431,675	3,055,017,367	149,984,791	862,239,080	1,290,374,448	255,531,544	940,524,716	9,868,213,325
Segmental Result	495,324,011	226,708,537	680,237,651	33,507,638	194,176,320	293,608,920	58,062,812	186,261,035	2,167,886,923
VAT on Financial Institutions	-	-	-	-	-	-	-	-	(310,445,018)
Profits from Operations	-	-	-	-	-	-	-	-	1,857,441,904
Share of Associate Profit	-	-	-	-	-	-	-	-	1,226,014
Profit Before Tax	-	-	-	-	-	-	-	-	1,858,667,919
Income Tax Expenses	-	-	-	-	-	-	-	-	(489,656,333)
Net profit for the period	-	-	-	-	-	-	-	-	1,369,011,586
Segment Asset	24,201,112,854	5,049,801,637	13,317,680,074	1,537,416,508	8,853,809,588	4,014,723,792	5,280,813,208	14,180,994,879	76,436,352,540
Segment Liabilities	20,495,693,204	4,387,441,932	11,624,701,780	1,341,976,103	7,728,290,175	3,504,361,612	4,485,451,770	13,813,765,300	76,436,352,540
Total Liabilities									67,381,681,877

For the three months ended 30 September 2015	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	1,741,606,691	684,524,863	3,666,405,418	113,858,369	346,378,563	623,515,850	213,852,027	-	7,390,141,781
Fee Based Income & others	89,162,529	25,053,338	136,459,450	4,237,679	12,891,817	23,206,552	11,912,222	-	302,923,588
Unallocated Revenue	-	-	-	-	-	-	-	540,709,049	540,709,049
Total Revenue	1,830,769,220	709,578,201	3,802,864,868	118,096,048	359,270,380	646,722,403	225,764,250	540,709,049	8,233,774,418
Segmental Result	386,558,058	149,824,002	802,956,507	24,935,409	75,858,201	136,552,304	47,669,028	114,168,098	1,738,521,608
VAT on Financial Institutions	-	-	-	-	-	-	-	-	(124,958,214)
Profits from Operations	-	-	-	-	-	-	-	-	1,613,563,394
Share of Associate Profit	-	-	-	-	-	-	-	-	(937,288)
Profit Before Tax	-	-	-	-	-	-	-	-	1,612,626,106
Income Tax Expenses	-	-	-	-	-	-	-	-	(211,898,378)
Net profit for the period	-	-	-	-	-	-	-	-	1,400,727,728
Segment Asset	18,929,410,077	4,678,385,189	15,157,894,108	1,301,457,141	3,816,539,459	2,518,004,175	12,547,174,213	8,060,509,158	67,009,373,521
Segment Liabilities	17,021,188,247	4,206,770,030	13,629,868,442	1,170,260,822	3,431,804,600	2,264,171,091	11,282,328,049	7,247,951,372	67,009,373,521
Total Liabilities									60,254,342,654

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).

There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the year ended 31st March 2016. Further, These interim financial statements are prepared in compliance with the Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

2 These Financial Statements are in compliance with Sri Lanka Accounting Standard No. 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

3 Trade Finance and Investments PLC (TFIL) pursuant to the mandatory offer made by Commercial Credit and Finance PLC (CCFP) to purchase all the remaining ordinary shares of TFIL under the Company Takeovers and Mergers Code 1995 (as amended in 2003), transferred 825,340 shares held by the shareholders who accepted the offer to CCF on 12th February 2015.

Consequent thereof, CCFP sought to utilize the provisions of section 246 of the Companies Act No.7 of 2007 to compulsorily purchase the remainder of the 937,906 shares of TFIL and forwarded a circular to its minority shareholders to this effect along with the purchase consideration for such remaining shares at the same price of Rs.28 per share.

The Securities & Exchange Commission of Sri Lanka (SEC) by letter dated 04th July 2016 informed TFIL that section 246 referred to aforesaid cannot be read on a standalone basis and should be read in conjunction with the provisions of Part VIII of the Companies Act which deals with 'amalgamations' and accordingly the SEC has directed CCFP and TFIL to give the former minority shareholders of TFIL the opportunity continue as shareholders of TFIL if they so desire.

Accordingly, CCFP and TFIL have made a joint announcement in Colombo Stock Exchange ("CSE") regarding the acquisition of the remaining ordinary shares of TFIL by the CCF. By this announcement CCFP and TFIL have given the following options to relevant shareholders.

1. Persons who have accepted payment under the compulsory purchase offer made by the CCFP by encashing the cheques sent to them as purchase consideration
 - a. Such persons will be given the option to purchase their previous shareholding in TFIL from CCFP at the same price of Rs.28 per share
 - b. Any person who does not exercise their option to so purchase and/or have failed to deposit the purchase consideration by the due date specified in the share holder communication letter shall be deemed to have voluntarily sold and transferred their shares in TFIL to CCFP and shall thereupon cease to have any right, interest or entitlement in such shares.
2. Person who have not accepted payment under the compulsory purchase offer made by the CCFP and have not encashed the cheques sent to them as purchase consideration.
 - a. Any person who have not encashed the cheques sent to them as aforesaid can visit the CCFP's office on or before such date as maybe specified in share holder communication and request for new cheques to be issued in their name after signing the relevant share transfer documentation if favour of the CCFP
 - b. Any person who have not requested for new cheques as aforesaid by the date specified in the shareholder communication shall be deemed to have chosen to continue as shareholders of TFIL.

The Company and TFIL has dispatched detailed notices to the aforesaid persons in relation to the above.

Consequent to carrying out the above process requested by SEC by their letter dated 4th July 2016, seventy (70) share holders holding 177,614 shares opted to remain as shareholder and two share holders holding 2,500 shares, who are deceased will also remain as share holder pending their transfers.

TFI thereafter made application for off the floor transaction for 757,792 shares and obtained SEC approval for the said transfer to CCFP and have submitted same to CSE to effect the transfer.

The trading of shares of TFIL has been suspended since 4th December 2014.

4 Subsequent to the balance sheet date no circumstances has arisen that would require disclosure in the financial statements except as explained below

a. Company entered into a Share Purchase Agreement (SPA) to sell its stake of 28.1% in the issued share capital of BG Myanmar Microfinance Company Limited, a company incorporated as a Limited Liability Company under the Companies act of the Republic of the Union of Myanmar to Group Lease Holdings (GLH), a Singapore based Company for a consideration of USD 2.248 Million. The carrying value of the investment in the Balance sheet as of 30 September 2016 is Rs. 52.9 Million. Based on an exchange rate of Rs. 145.00 per USD, Company would realise a profit of Rs. 273 Million before taxes if the transaction is successfully completed. The successful completion of the transaction is dependent on obtaining approval from relevant authorities in Myanmar. Company has obtained the approval of all the regulatory bodies of Sri Lanka of the said transaction.

b. Three shareholders of Commercial Credit and Finance PLC (CCFP), namely BG Investments (Pvt.) Ltd (BGI), Creations Investments Sri Lanka (Pvt.) Limited (CISL) and Mr. S.L. La France have entered into a Share Purchase Agreement (SPA) to dispose part of their shareholdings to Group Lease Holdings (GLH), a Singapore based Company at a price of Rs. 111.00 per share. The shares to be divested by BGI, CISL and Mr. La France will amount to 6.98%, 22.26% and 0.74% respectively of the issued share capital of the Company. Thus GLH will acquire 29.99% of the share capital of CCFP. GLH is a 100% owned subsidiary of Group Lease Public Company Limited (GLPCL), a company listed on the Stock Exchange of Thailand (SET). Mr. Patrick Fisher, Non-Executive Director of CCF is also a Non-Executive Director of GLPCL, which is the holding company of GLH. According to the SPA, the transaction will be completed only after all conditions precedent are met which include regulatory and other approvals as required by GLH and GLPCL.

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

	30th Sept 2016	30th Sept 2015
Issued and fully paid Ordinary Shares (Quoted)	318,074,365	318,074,365

6 Market value of Shares

	30th Sept 2016 LKR	30th Sept 2015 LKR
Highest traded price	56.50	71.90
Lowest traded price	45.00	49.00
Last traded price	52.70	64.00

COMMERCIAL CREDIT & FINANCE PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Information on Listed Debentures

	30th Sept 2016				30th Sept 2015	
	COCR-BD-10/12/20-C2336	COCR-BD-10/12/20-C2335	COCR-BD-01/06/20-C2299	COCR-BC-18/02/18A20	COCR-BD-01/06/20-C2299	COCR-BC-18/02/18A20
Highest Traded Price	Not Traded	Not Traded	97	Not Traded	103.87	123.95
Lowest Traded Price	Not Traded	Not Traded	97	Not Traded	100.81	110.00
Last Traded Price	Not Traded	Not Traded	97	Not Traded	103.87	123.95
Interest Yield as at date of last trade	Not Traded	Not Traded	11.48%	Not Traded	10.92%	21.55%
Yield to maturity of trade done	8.56%	10.40%	10.50%	20%	10.50%	20%
Debt Equity Ratio	7.09				8.38	
Quick Asset Ratio	.57				2.06	
Interest Cover	1.50				1.45	
Interest Rates of Comparable Government Securities						
5 Year Treasury Bond (Excluding 10% WHT)	11.76%				9.75%	

8 Major twenty shareholders as at 30 September 2016

	Name of the Shareholder	No. of Shares	% of Shareholding
1	M/S B G INVESTMENTS (PVT) LTD	142,676,872	44.86
2	CREATION INVESTMENT SRI LANKA LLC	91,169,757	28.66
3	LANKA ORIX FINANCE PLC/ B G INVESTMENTS (PVT) LTD	26,700,000	8.39
4	DR. E FERNANDO	12,791,774	4.02
5	MR G G HEMACHANDRA	7,184,282	2.26
6	ASSETLINE LEASING CO. LTD/BG INVESTMENTS (PVT) LTD	7,003,224	2.20
7	PEOPLES LEASING & FINANCE /MS S N EGODAGE	4,264,380	1.34
8	CEYLINCO INSURANCE PLC A/C NO.1 (LIFE FUND)	4,014,843	1.26
9	FIRST CAPITAL MARKETS LIMITED / BG INVESTMENTS (PVT) LTD	3,750,000	1.18
10	MR S L LAFRANCE JR	2,367,963	0.74
11	MRS H H J HEWAGE	1,851,024	0.58
12	MR T K HEMACHANDRA	1,555,689	0.49
13	PEOPLES LEASING & FINANCE /BG INVESTMENTS (PVT) LTD	1,502,496	0.47
14	MELLON BANK N.A -ACADIAN FRONTIER MARKETS EQUITY FUND	1,097,764	0.35
15	MR S K SEMAGE	833,231	0.26
16	MR M E WICKREMESINGHE	675,738	0.21
17	MRS L S SEMAGE	451,429	0.14
18	CODEGEN INTERNATIONAL (PVT) LTD	450,000	0.14
19	WALDOCK MACKENZIE LIMITED/P S R CASIE CHITTY	429,808	0.14
20	MR D H FERNANDO	320,437	0.10

Public Shareholding

Percentage	14.52%
Number	1498

9 Directors' shareholding as at 30 September 2016

Name of the Shareholder	No. of Shares	% of Shareholding
Mr. C Perera	Nil	-
Mr. R S Egodage	Nil	-
MR. P.S.R.C Chitty	429,808	0.034
Mr. S Gunaratne	109,171	0.013
Mrs. G R Egodage	Nil	-
Mr. S Pinto	42,000	0.052
Mr. D Soosaipillai	Nil	-
Mr. P Fisher	Nil	-
Mr. K Vander Weele	Nil	-

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@ccl.lk
9 Website	www.ccl.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 Mr. S.K. Gunaratne (Non-Executive Director) 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 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. S.K. Gunaratne Mr. K.J.C. Perera
16 Integrated Risk Management Committee	Mr. K.J.C. Perera (Chairman) Mr. D. Soosaipillai Mr. S.K. Gunaratne Mr. R.S. Egodage Mr. P.S.R.C. Chitty Mr. K.L.A. Senevirathne Mr. L. Fernando Mr. M.A.D.J. Deshapriya Ms. A.V. Sathiyakeerthi
17 Remuneration Committee	Mr. S.K. Gunaratne (Chairman) Mr. K.J.C. Perera
18 Related Party Transaction Review Committee	Mr. M.S.D. Pinto (Chairman) Mr. S.K. Gunaratne Mr. P.S.R.C. Chitty