



TRADE FINANCE



Interim Financial Statements

For the Quarter ended
30th June 2018

TRADE FINANCE & INVESTMENTS PLC

Subsidiary of COMMERCIAL CREDIT & FINANCE PLC

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STATEMENT OF COMPREHENSIVE INCOME

	For the Quarter Ended		
	30/06/2018	30/06/2017	Change
	Rs.	Rs.	%
	"Unaudited"	"Unaudited"	
Income	600,125,246	321,189,093	87%
Interest Income	577,450,478	291,340,203	98%
Less : Interest Expense	(190,984,506)	(81,445,017)	134%
Net Interest Income	386,465,973	209,895,186	84%
Other Operating Income	22,674,768	29,848,890	-24%
Total Operating Income	409,140,740	239,744,076	71%
Less : Impairment Charge for Loans and Receivables	(58,714,445)	(13,384,154)	339%
Net Operating Income	350,426,296	226,359,922	55%
Less : Operating Expenses			
Personnel Costs	(72,096,490)	(40,293,874)	79%
Other Operating Expenses	(43,387,353)	(35,670,378)	22%
Operating Profit Before Value Added Tax on Financial Services	234,942,453	150,395,670	56%
Less : Value added tax on financial services and NBT	(39,228,828)	(26,517,771)	48%
Profit Before Taxation	195,713,625	123,877,899	58%
Less : Income Tax Expense	(58,325,554)	(31,440,594)	86%
Profit for the Period	137,388,070	92,437,305	49%
Other Comprehensive Income			
Fair Value Gain on Available for Sale Investments	(283,045)	304,626	-193%
	(283,045)	304,626	-193%
Total Comprehensive Income	137,105,025	92,741,931	48%
Basic Earnings Per Share	2.42	1.63	49%

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

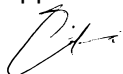
As at	30/06/2018 Rs. "Unaudited"	31/03/2018 Rs. " Audited"
ASSETS		
Cash and Cash Equivalents	223,762,959	50,946,478
Reverse Repurchase Agreement	91,608,640	91,608,640
Placements with Banks and other Finance Companies	21,276,495	13,621,970
Loans and Receivables	8,215,687,894	7,125,304,701
Available for Sale Investments	60,149,946	63,451,521
Property and Equipment	61,772,552	46,584,559
Intangible Assets	15,326,677	15,326,677
Deferred Tax Asset	22,123,914	4,353,888
Other Assets	205,379,413	56,977,452
Total Assets	8,917,088,490	7,468,175,886
LIABILITIES		
Due to Banks	4,491,854,791	3,292,786,909
Due to Customers	1,958,853,703	1,918,936,640
Other Liabilities	669,794,943	653,917,610
Provision for Retiring Gratuity	12,493,546	10,561,864
Current Tax Liabilities	148,860,204	93,846,586
Total Liabilities	7,281,857,187	5,970,049,609
EQUITY		
Stated Capital	247,001,000	247,001,000
Statutory Reserve Fund	141,867,261	134,997,857
Other Reserves	1,142,524	1,425,569
Retained Earnings	1,245,220,518	1,114,701,851
Total Equity	1,635,231,303	1,498,126,277
Total Equity and Liabilities	8,917,088,490	7,468,175,886

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

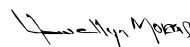


R.D.R.U. Wijesinghe
Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements
Approved and signed for and on behalf of the Board.



L.G.S. Perera
Chairman



L.A.J.F Morais
Managing Director

Colombo.
09 August 2018

STATEMENT OF CHANGES IN EQUITY

Interim Financial Statements

For the Quarter ended
30th June 2018

	Stated Capital	Statutory Reserve Fund	Available for Sale Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2017	247,001,000	114,103,066	1,384,653	943,853,811	1,306,342,530
<u>Total Comprehensive Income for the Year</u>					
Profit for the Year	-	-	-	417,895,819	417,895,819
<u>Other Comprehensive Income / (Expense)</u>					
Actuarial Gain on Defined Benefit Obligation	-	-	-	1,456,406	1,456,406
Deferred Tax effect on Defined Benefit Obligation	-	-	-	(407,794)	(407,794)
Changes in Fair Value in Available-for-Sale Financial Investments	-	-	56,828	-	56,828
Deferred Tax effect on Fair Valuation of AFS Financial Investments	-	-	(15,912)	-	(15,912)
Total Other Comprehensive Income for the Year	-	-	40,916	1,048,612	1,089,528
Total Comprehensive Income for the Year	-	-	40,916	418,944,431	418,985,347
<u>Transactions with Owners directly recorded in the Equity</u>					
<u>Contributions by and Distributions to Owners</u>					
Dividends Paid	-	-	-	(227,201,600)	(227,201,600)
Total Contributions by and Distributions to Owners	-	-	-	(227,201,600)	(227,201,600)
<u>Other Movements in Equity</u>					
Transferred to Statutory Reserve Fund	-	20,894,791	-	(20,894,791)	-
Balance as at 31 March 2018	247,001,000	134,997,857	1,425,569	1,114,701,851	1,498,126,277
Balance as at 31 March 2018	247,001,000	134,997,857	1,425,569	1,114,701,851	1,498,126,277
<u>Total Comprehensive Income for the Period</u>					
Profit for the Period	-	-	-	137,388,070	137,388,070
<u>Other Comprehensive Income / (Expense)</u>					
Changes in Fair Value in Available-for-Sale Financial Investments	-	-	(283,045)	-	(283,045)
Total Other Comprehensive Income for the Period	-	-	(283,045)	-	(283,046)
Total Comprehensive Income for the Period	-	-	(283,045)	137,388,070	137,105,025
<u>Transactions with Owners directly recorded in the Equity</u>					
<u>Contributions by and Distributions to Owners</u>					
Dividends Paid	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-
<u>Other Movements in Equity</u>					
Transferred to Statutory Reserve Fund	-	6,869,404	-	(6,869,404)	-
Balance as at 30th June 2018	247,001,000	141,867,261	1,142,524	1,245,220,518	1,635,231,303

CASH FLOW STATEMENT

For the Quarter Ended 30th June	2018	2017
	"Unaudited"	"Unaudited"
Cash Flows from Operating Activities		
Interest Received	598,155,488	246,549,492
Interest Payments	(180,968,263)	(79,513,915)
Fees, Commission and Other Income Received	22,411,470	29,666,017
Employees Related Payments	(48,720,807)	(29,600,396)
Payment of Other Operating Expenses	(36,211,453)	(31,137,801)
Net Cash Inflows Before Changes In Operating Assets	354,666,434	135,963,396
Decrease/(Increase) in Operating Assets		
Net Fund Advanced to Customers	(1,159,044,271)	(568,274,733)
Gratuity Paid	(100,000)	-
Other Receivables	(177,546,369)	(24,843,762)
	(1,336,690,640)	(593,118,495)
Increase/(Decrease) in Operating Liabilities		
Deposit From Customers	29,900,820	20,225,450
Other Short Term Liabilities	9,116,124	133,915,446
	39,016,944	154,140,896
Net Cash used for Operating Activities	(943,007,262)	(303,014,203)
Income Tax Paid	(21,081,959)	(8,143,901)
Payment of VAT on Financial Services	(39,228,828)	(26,517,771)
Net Cash Inflow / (Outflow) from Operating Activities	(1,003,318,050)	(337,675,875)
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(21,581,947)	(6,235,063)
Proceed from sale of Property, Plant and Equipment	-	570,000
Net Change in Placements with banks and other finance companies	(141,413)	(50,389,718)
Net Investment in Available for Sale Investments	(691,343)	304,626
Net Cash Inflow / (Outflow) from Investing Activities	(22,414,703)	(55,750,154)
Cash Flows from Financing Activities		
Net Movement of Bank Borrowings	896,962,801	517,216,212
Financial Expenses	(518,648)	(336,758)
Net Cash Inflow / (Outflow) from Financing Activities	896,444,153	516,879,454
Net Cash Inflow / (Outflow) from Investing and Financing Act	874,029,450	461,129,300
Increase in Cash and Cash Equivalents	(129,288,599)	123,453,425
Cash and Cash Equivalents at the Beginning of the Period	(199,584,624)	(17,618,522)
Cash and Cash Equivalents at the End of the Period	(328,873,223)	105,834,904
Cash and Cash Equivalents		
Cash in Hand and at Bank	223,762,959	227,505,867
Due to Bank - Bank Overdraft	(552,636,183)	(121,670,963)
	(328,873,223)	105,834,904

Figures in brackets indicate deductions.

SEGMENT ANALYSIS

SEGMENT ANALYSIS	Finance Lease		Micro Finance and other Loans		Investments		Unallocated		Total	
For the Period ended 30th June	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest	514,631,513	267,011,086	56,814,270	17,597,100	6,004,695	6,732,017	-	-	577,450,478	291,340,203
Other Operating Income	18,385,732	26,744,547	3,163,200	906,584	43,949	188,123	1,081,888	2,009,636	22,674,768	29,848,890
Total Income	533,017,245	293,755,633	59,977,470	18,503,684	6,048,644	6,920,140	1,081,888	2,009,636	600,125,246	321,189,093
Profit Before Taxation	173,828,276	113,297,218	19,559,930	7,136,598	1,972,592	2,668,996	352,827	775,087	195,713,625	123,877,899
Income Tax Expense	-	-	-	-	-	-	-	-	(58,325,554)	(31,440,594)
Profit After Taxation	-	-	-	-	-	-	-	-	137,388,070	92,437,305
Other Comprehensive Income	-	-	-	-	(283,045)	-	-	-	(283,045)	304,626
Total Comprehensive Income	-	-	-	-	-	-	-	-	137,105,025	92,741,931
Segment Assets	7,659,217,436	3,836,615,852	556,470,459	195,074,425	158,030,547	164,100,729	543,370,050	359,681,928	8,917,088,491	4,555,472,934
Segment Liabilities	6,254,656,730	2,658,307,979	454,423,931	135,162,842	129,050,628	113,701,839	443,725,899	249,215,813	7,281,857,188	3,156,388,473

INFORMATION ON ORDINARY SHARES OF THE COMPANY

1 Market Prices of Shares Recorded During the Period

	Quarter Ended 30 th June		Year Ended 31 st March	
	2018	2017	2018	2017
Highest Price (Rs.)	71.00	57.40	73.00	57.40
Lowest Price (Rs.)	65.00	35.00	42.00	35.00
Closing Price (Rs.)	68.00	40.00	67.10	44.00

2 Stated Capital

Stated Capital as at 30th June was represented by the number of shares in issue as given below;

	Number	Rs.
Ordinary Shares	56,800,400	247,001,000

3 Directors' and Chief Executive Officer's Holding in Shares as at 30th June 2018

Name of the Director	Number of Shares	% Holding
Mr. R.S. Egodage	-	0.00%
Mr. L.G.S. Perera	-	0.00%
Mr. I.G.S.K. Gunaratne	-	0.00%
Mr.D.A.Rodrigo	-	0.00%
Mr.L.A.J.F.Morais (Chief Executive Officer)	-	0.00%

4 Net Assets Value per Share as at 30th June 2018 is Rs.28.96 (As at 30th June 2017 was Rs. 24.63)

5 Top 20 Shareholder as at 30th June 2018

Name of the Shareholder	Number of Shares	% Holding
Commercial Credit and Finance PLC	56,602,573	99.65%
Dfcc Bank Plc/Mr.K.S.D.Senaweera	58,777	0.10%
Miss. S.N.Egodage	25,477	0.04%
Mrs. C.A.D.S.Woodward	25,100	0.04%
Mr. K.S.D.Senaweera	17,601	0.03%
Mr. M.R.Ratnasabapathy	17,182	0.03%
Commercial Bank Of Ceylon Plc/R.S. Fernando	10,000	0.02%
Mr. R.De Silva	6,842	0.01%
Mr. K.H.B.Haputhanthri	5,000	0.01%
Mr. W.D.J.M.De Silva	4,995	0.01%
Miss. M.S.Fernando	2,000	0.00%
Mr. S.Muhunthan	2,000	0.00%
Mr. A.Wickramatunge(Deceased)	2,000	0.00%
Mr. M.P.D.Jayathilaka	1,825	0.00%
Mr. K.P.S.S.M.K.M.Ferdinando	1,703	0.00%
Mr. S.A.J.Rodrigo	1,500	0.00%

5 Top 20 Shareholder as at 30th June 2018 Contd.

Mr. M.R.D.S.D.Gunarathne	1,425	0.00%
Mr. A.P.Kumanayake	1,281	0.00%
Mr. T.Jainudeen	1,152	0.00%
Mr. R.G.Siriwardena	1,027	0.00%

Percentage of Public Holding as at 30th June 2018 was 0.35%.

Number of Public Share Holders as at 30th June 2017 was 136.

6 EXPLANATORY NOTES

6.1 Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company for the Period ended 30th June 2018 are drawn up from unaudited accounts of the Company. Company provides information as required by the Colombo Stock Exchange and LKAS 34 - 'Interim Financial Reporting'. Further, provision of the Companies Act No. 7 of 2007 has been considered in preparing the said financial statements of the Company.

6.2 The profit of the Company are liable for income tax at the rate of 28%.

6.3 Prior period figures have been reclassified wherever necessary to conform current period presentation.

6.4 The Sri Lanka Accounting Standard - SLFRS 9 Financial Instruments is effective for annual periods beginning on or after 01st January 2018 and will replace LKAS 39 - Financial Instruments: Recognition and Measurement. Accordingly, in reporting the interim results, the company is required to adopt SLFRS 9 and to be in compliance with the same.

However as per the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements", issued by Institute of Chartered Accountants of Sri Lanka has granted the option to prepare the interim financial statements continuing the application of LKAS 39 Financial Instruments: Recognition and Measurement. Accordingly, the accounting policies and method of computations adopted for the preparation and presentation of the financial statements for the period ended 30 June 2018, are consistent with LKAS 39 Financial Instruments: Recognition and Measurement.

The company has assessed the impact of SLFRS 9 for the quarter ended 30 June 2018 and it is expected that impairment provision will be Increase by 40% to 50%.

The preliminary impact of SLFRS 9 as at 31 March 2018 has been assessed at 190%-200% over the impairment provision as at 31 March 2018

6.5 During the period there were no material changes in composition of assets, liabilities and contingent liabilities other than those required by LKASs/SLFRSs.

6.6 There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

CORPORATE INFORMATION

Name of Company

Trade Finance & Investments PLC

Statutory Status Quoted Public Limited Liability Company

The Company was incorporated as a public limited liability Company in Sri Lanka on 05th January, 1978 under Companies Ordinance No.51 of 1938 and re-registered under The Companies Act No.07 of 2007 on 04th September, 2008.

Company Registration

PB 445 PQ

Registered Office

459, Union Place, Colombo 02, Sri Lanka.

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Website

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Branches

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E-Mail : Tradefin@sltnet.lk

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Maligawatta

No 65, Maligawatta Road, Colombo 10

Tel : 0112333533 , 0112333104 Fax : 0112333098

E-Mail :tradefimg@tfil.lk

Board of Directors

Mr. L.G.S. Perera - Chairman

Mr. R.S. Egodage - Director

Mr. I.G.S.K. Guneratne - Director

Mr. L.A.J.F. Morais - Managing Director/ CEO

Mr. D.A. Rodrigo - Director

Audit Committee

Mr. D.A. Rodrigo - Chairman

Mr. L.G.S. Perera

Mr. I.G.S.K. Guneratne

Remuneration Committee

Mr. I.G.S.K. Guneratne - Chairman

Mr. L.G.S. Perera

Integrated Risk Management Committee

Mr. L.G.S. Perera - Chairman

Mr. D.A. Rodrigo

Mr. I.G.S.K. Guneratne

Mr. L.A.J.F. Morais

Mr. S.S. Pereira

Mr. R.D.R.U. Wijesinghe

Auditors

KPMG,

Chartered Accountants

32/A, Sir Mohamed Macan Markar Mawatha,

Colombo 03.

Internal Auditors

M/s. H.L.B. Edirisinghe & Co.

Chartered Accountants

No. 45, (2nd Floor), Braybrooke Street,

Colombo 02.

Legal Consultants

R.D.N. Lenora (LL.B Sri Lanka)

Attorney-at-Law & Notary Public

Secretaries

Corporate Services (Private) Limited

216, De Saram Place, Colombo 10

Bankers

Commercial Bank of Ceylon PLC

Sampath Bank PLC

Bank of Ceylon

Cargils Bank

Credit Ratings

ICRA Lanka Limited

National Long -Term Rating – (SL) BBB-

Interim Financial Statements

For the Quarter ended
30th June 2018