



COLOMBO TRUST FINANCE PLC

INTERIM FINANCIAL STATEMENTS
For the quarter ended 30th June 2018

COLOMBO TRUST FINANCE PLC
Statement of Comprehensive Income
For the period ended 30-06-2018

	For the Quarter ended (Unaudited)		Variance
	30-Jun-18 Rs.	30-Jun-17 Rs.	%
Interest Income	45,127,403	50,722,541	(11)
Interest Expense	(21,464,143)	(24,209,625)	(11)
Net Interest Income	23,663,260	26,512,916	(11)
Fee and commission income	37,133,686	674,095	5,409
Fee and commission expenses	-	(25,000)	(100)
Net fee and commission income	37,133,686	649,095	5,621
Net (loss) / gain from financial instruments at fair value through profit or loss	(306,312)	272,393	(212)
Other operating income	1,558,014	1,946,173	(20)
Impairment expenses for loans and advances and other losses	(11,266,506)	(217,869)	5,071
Net operating income	50,782,142	29,162,708	74
Operating Expenses			
Personnel Cost	(29,580,574)	(12,574,830)	135
Depreciation and Amortization of property plant and equipment	(1,278,017)	(1,446,867)	(12)
General and Administrative Expenses	(12,487,803)	(8,883,537)	41
Operating profit before VAT on financial services and Income Tax	7,435,749	6,257,474	19
Value added tax (VAT) on financial services	(2,001,492)	(2,253,615)	(11)
Profit before Tax for the Period	5,434,257	4,003,859	36
Income tax expenses	(1,521,592)	(1,802,761)	(16)
Profit for the Period	3,912,665	2,201,098	78
Other Comprehensive Income			
Actuarial gains/(losses) on defined benefit plans	-	-	
Deferred tax on actuarial gain	-	-	
Total Comprehensive Income for the Period	3,912,665	2,201,098	78

Earnings per share (Annualized)

0.34

0.19

COLOMBO TRUST FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30.06.2018

	30th June 2018 (Unaudited) Rs.	31st March 2018 (Audited) Rs.
ASSETS		
Cash and Cash Equivalents	728,975,254	33,074,004
Placements with Financial Institutions	36,627,982	207,706,325
Investment In Repurchase Agreement	34,613,207	26,609,192
Financial assets at fair value through profit or loss	1,261,922	1,568,234
Loans and receivables-Leases	185,158,951	224,445,936
Loans and receivables-Hire purchase	11,035,865	15,209,436
Loans and receivables-Other	762,819,630	611,281,652
Financial investments - Available-for-sale	345,775	345,775
Financial investments - Held To Maturity	62,542,285	60,468,036
Property, Plant & Equipment	57,858,989	27,677,460
Intangible assets	5,755,251	6,335,371
Amount due from Related Parties	43,489,483	-
Other assets	24,789,731	26,426,891
Deferred tax assets	19,455,168	19,455,168
Total Assets	1,974,729,493	1,260,603,480
LIABILITIES		
Amount due to customers and banks	472,364,296	536,421,636
Amount due to Related Parties	357,320,978	294,143,089
Retirement Benefit Obligations	7,457,027	6,797,372
Trade & Other Payables	124,508,586	13,224,992
Total Liabilities	961,650,887	850,587,089
CAPITAL AND RESERVES		
Stated Capital	909,038,222	309,888,671
Statutory Reserve Fund	11,360,719	11,360,719
Other reserves	60,000,000	60,000,000
Retained Earnings	32,679,665	28,767,000
Total Capital and Reserves	1,013,078,606	410,016,391
Total Equity and Liabilities	1,974,729,493	1,260,603,480

Net Asset Per Share Rs.

14.02

8.81

It is certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Udeshika Koswatta
Manager Finance (Sgd)

Asanga Priyadarshana
Director/Chief Executive Officer (Sgd)

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

Director (Sgd)
6-Aug-18
Colombo

Director (Sgd)

COLOMBO TRUST FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
For the Period ended 30.06.2018

For the three month ended(Unaudited)	Stated Capital	Retained Earnings	Statutory Reserve Fund	Revaluation Reserve	General Reserve	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2018 (Opening balance)	309,888,671	28,767,000	11,360,719	-	60,000,000	410,016,390
Right Issue During the Period	599,149,551	-	-	-	-	599,149,551
Profit for the Period	-	3,912,665	-	-	-	3,912,665
Balance as at 30th June 2018 (Closing balance)	909,038,222	32,679,665	11,360,719	-	60,000,000	1,013,078,606
Balance as at 01st April 2017 (Opening balance)	309,888,671	51,749,099	11,360,719	14,187,500	60,000,000	447,185,989
Profit for the Period	-	2,201,098	-	-	-	2,201,098
Balance as at 30th June 2017 (Closing balance)	309,888,671	53,950,197	11,360,719	14,187,500	60,000,000	449,387,087

COLOMBO TRUST FINANCE PLC
STATEMENT OF CASH FLOWS
For the Period Ended 30.06.2018

For the three month period Ended	30th June 2018 Rs. (Unaudited)	30th June 2017 Rs. (Unaudited)
Cash Flow From Operating Activities		
Profit Before Income Tax	5,434,257	4,003,859
Adjustment For,		
Depreciation and amortization	1,278,017	1,446,867
Decrease/(Increase) in value of trading stock	-	(378,944)
Provision for retirement benefits obligation	323,295	267,186
Net gain/(loss) from financial instruments at fair value through profit or loss	306,312	(272,393)
Impairment on loans and advances	11,266,506	217,869
Operating Profit Before Working Capital Changes	18,608,387	5,284,444
(Increase) in loans and advances	(119,343,929)	(798,491)
(Increase) in other assets	(41,852,323)	(180,515)
(Decrease) / Increase in deposits from customers	(879,451)	23,493,674
Increase in trade and other payables	110,098,362	7,455,140
Cash (used in) /Generated from Operations	(33,368,953)	35,254,251
Payment of retirement gratuity	-	-
Income Tax Paid	-	-
Net Cash Flows from Operating Activities	(33,368,953)	35,254,251
Cash Flows from Investing Activities		
Proceeds from sale of assets held for sale	-	153,852
Acquisition of property plant & equipment	(30,879,426)	(224,222)
Net (Investment) in treasury bills	(2,074,249)	(13,919,553)
Net cash flow from securities purchased under repurchased agreement	(8,004,015)	17,594,653
Placements with financial Institutions	171,078,343	-
Net Cash Flows from Investing Activities	130,120,653	3,604,730
Cash Flows from Financing Activities		
Cash received on right issue	599,149,551	-
Net Cash Flows from Financing Activities	599,149,551	-
Net Increase in Cash and Cash Equivalents	695,901,250	38,858,980
Cash and Cash Equivalents at the Beginning of the Year	33,074,004	16,557,401
Bank Overdraft at the Beginning of the Year	-	(254,143,054)
Cash and cash equivalents at the end of the period	728,975,254	(198,726,673)
Analysis of cash and cash equivalents at the end of the Period		
Cash and bank balances	728,975,254	16,557,401
Bank Overdraft	-	(254,143,054)
	728,975,254	(237,585,653)

COLOMBO TRUST FINANCE PLC
FINANCIAL REPORTING BY SEGMENT
For the Period ended 30.06.2018

FINANCIAL REPORTING BY SEGMENT

	For the Quarter ended 30th June		Leasing & Hire purchase		Treasury/ Investments		Margin Trading		Business Loan		Other loan and advance		Unallocated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net interest income	4,106,262	7,617,183	2,011,060	(95,742)	2,452,175	3,190,780	7,217,043	10,794,623	7,876,720	5,006,071	-	-	23,663,260	26,512,916		
Net Fees and commission income		125,120	-	-	-	-	-	-	37,099,383	457,472	34,303	91,503	37,133,686	674,095		
Other income	789,505	1,310,362	(306,312)	282,401	-	-	107,391	-	360,318	-	300,800	600,803	1,251,702	2,193,566		
Operating income by segment	4,895,767	9,052,665	1,704,748	186,659	2,452,175	3,190,780	7,324,434	10,794,623	45,336,421	5,463,543	335,103	692,306	62,048,648	29,380,577		
Total Operating income	4,895,767	9,052,665	1,704,748	186,659	2,452,175	3,190,780	7,324,434	10,794,623	45,336,421	5,463,543	335,103	692,306	62,048,648	29,380,577		
impairment loss expenses	(3,678,159)	384,277	-	-	16,471	(2,367)	(979,633)	(582,314)	(6,625,186)	(17,465)	-	-	(11,266,507)	(217,869)		
Net operating income	1,217,608	9,436,942	1,704,748	186,659	2,468,646	3,188,413	6,344,802	10,212,309	38,711,234	5,446,078	335,103	692,306	50,782,141	29,162,708		
Operating expenses	(1,312,379)	(8,981,709)	(5,781,889)	(2,403,879)	(557,365)	(4,416,095)	(2,127,153)	(9,370,094)	(2,709,017)	(6,274,005)	-	-	(12,487,803)	(8,883,537)		
Depreciation & amortization	(134,311)	(1,972,065)	(591,726)	(527,807)	(57,041)	(969,618)	(217,695)	(2,057,341)	(277,244)	(1,377,550)	-	-	(1,278,017)	(1,446,867)		
Segment result	(229,082)	(1,516,833)	(4,668,867)	(2,745,027)	1,854,240	(2,197,300)	3,999,954	(1,215,125)	35,724,974	(2,205,477)	335,103	692,306	37,016,321	18,832,304		
Personnel expenses													(29,580,574)	(12,574,830)		
Profit from operations													7,435,749	6,257,473		
VAT on Financial services													(2,001,492)	(2,253,615)		
Income tax (expense)													(1,521,592)	(1,802,761)		
Net profit for the period													3,912,664	2,201,099		
Other information																
Segment assets	196,194,817	340,286,276	864,366,425	73,356,738	83,323,547	164,584,717	317,999,759	380,100,059	404,985,808.03	301,501,091	107,859,138	45,376,936	1,974,729,494	1,305,205,817		
Total assets	196,194,817	340,286,276	864,366,425	73,356,738	83,323,547	164,584,717	317,999,759	380,100,059	404,985,808	301,501,091	107,859,138	45,376,936	1,974,729,494	1,305,205,817		
Segment liabilities	101,062,679	231,161,051	445,247,168	49,832,221	42,921,118	111,804,616	163,806,099	258,207,090	208,613,823	204,813,753	-	-	961,650,887	855,818,730		
Total liabilities	101,062,679	231,161,051	445,247,168	49,832,221	42,921,118	111,804,616	163,806,099	258,207,090	208,613,823	204,813,753	-	-	961,650,887	855,818,730		

COLOMBO TRUST FINANCE PLC

Notes to the financial statements

INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price Per Share

Market Prices per ordinary share for the quarter ended 29th June 2018 were as follows;

	Rs.
Highest Price	78.70
Lowest Price	28.60
Last Traded Price	39.90

SHAREHOLDERS' INFORMATION

Twenty Largest Shareholders as at 29.06.2018

	No of Shares	% of Holding
1 Dialog Axiata PLC	45,993,629	98.87%
2 Bansei Securities Capital (Pvt) Ltd/R.C.J Goonewardene	32,260	0.07%
3 Mr.L.C.Y Welikala	22,600	0.05%
4 Mr.P.S.M Fernando	18,028	0.04%
4 Mr. S L Paranamanage	13,700	0.03%
6 Mrs.A.A.Raaymakers	12,660	0.03%
7 Mr. K Nandasiri/T.B Ratna Sujeewa Tennakoon Banda	12,000	0.03%
8 Mr.R.L.G Fernando	12,000	0.03%
8 Mr. O W D Yasapala	11,000	0.02%
10 Mr.Rambukwella	10,400	0.02%
11 Mr.H.V.S.M Navaratne	10,000	0.02%
11 Mr. B C N Mendis	10,000	0.02%
11 Mr. B C V Mendis	10,000	0.02%
11 Mr. T Nagarajan	10,000	0.02%
15 Mr. T.D Mahaliyana	9,940	0.02%
16 Bansei Securities Capital (Pvt) Ltd/Dawi Investment Trust (Pvt) Ltd	8,797	0.02%
17 Mr. N S Wijesekara	7,479	0.02%
18 Mr.Thiruthanigainathan	7,000	0.02%
19 Mr.M.M.C.A.P Wijesekara	6,600	0.01%
20 Miss. K.R Perera	6,537	0.01%
	46,224,630	99.37%
Others	294,613	0.63%
Total	46,519,243	100.00%

COLOMBO TRUST FINANCE PLC

Notes to the financial statements

Directors'/ CEO's Holding in Shares as at 29th June

2018

Mr. S.S.H.Wijayasuriya	-
Mr. W.V.S.D.Weerasinghe	-
Mr. A.S.Abeykoon	-
Mr. P.P Edirisinghe	-
Mr. L. D. R. Hettiaratchi	-
Mr. M.K.A.Priyadarshana	-

Public shareholding percentage was 1.13% and number of shareholders representing the public holding was 917 as at 29th June 2018

EXPLANATORY NOTES

1 Events after the reporting period

No material events occurred after the balance sheet date that require adjustments to or disclosure in, the Financial Statements.

2 The Company issued during the period 25,714,573 ordinary shares by way of a Rights Issue in the proportion of three hundred and nine (309) Ordinary Shares for five hundred and fifty nine (559) Ordinary shares held in the capital of the Company and allotment of shares was finalized on 06th July 2018 . The company raised Rs. 599,149,550.90/- from the Rights Issue and increased the Stated Capital of the company from Rs.309,888,671/- representing 46,519,243 shares to Rs.909,038,221.90/- representing 72,233,816 shares.

3 There were no material contingent liabilities as at the reporting date which require adjustments to/or disclosures in the Financial Statements.

4 These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st April 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies since the publication of the Audited Financial Statements for the year ended 31st March 2018.

5 Further, these Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting.

6 “SLFRS 9 - Financial Instruments

The Sri Lanka Accounting Standard, SLFRS 9 - Financial Instruments, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after 01 January 2018.

Based on the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended 30 June 2018 based on LKAS 39.

Based on the assessments undertaken to date, the total estimated additional impairment provision on the financial statements for the period ended 30 June 2018 on adoption of SLFRS 9 is expected to be Rs 53.06 Mn.”

COLOMBO TRUST FINANCE PLC

Notes to the financial statements

As at 30th June, 2018

7 Fair Value of Financial Instruments

7.1 Valuation models

The determination of fair value for financial assets and financial liabilities for which there is no observable market price, requires the use of valuation techniques as described in Notes to the Financial Statements for financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

7.2 Valuation Framework

The Company has an established control framework with respect to the measurement of fair values of investments. The investment committee has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements carried out by the treasury division, which include :

- * Verification of observable pricing;
- * Re-performance of model valuations;
- * Quarterly calibration and back-testing of models against observed market transactions;
- * Analysis and investigation of significant daily valuation movements; and
- * Review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 as explained below

When third party information, such as broker quotes or pricing services, is used to measure fair value, documents of evidence obtained from third parties to support the conclusion that such valuations meet the requirements of SLFRS/LKAS.

Classification of financial assets and financial liabilities

As at 30th June 2018

	Held for trading	Held to maturity	Loans and receivables	Available for sale	Other amortized cost	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Cash and cash equivalents	-	-	728,975,254	-	-	728,975,254
Placements with Banks and Financial Institution	-	36,627,982	-	-	-	36,627,982
Securities purchased under repurchase agreements	-	-	34,613,207	-	-	34,613,207
Financial assets at fair value through profit or loss	1,261,922	-	-	-	-	1,261,922
Loans and advances	-	-	959,014,446	-	-	959,014,446
Financial investments available for sale	-	-	-	345,775	-	345,775
Financial investments held to maturity	-	62,542,285	-	-	-	62,542,285
Amount due from Related Parties	-	-	43,489,483	-	-	43,489,483
Total financial assets	1,261,922	99,170,267	1,766,092,391	345,775	-	1,866,870,354
Financial liabilities						
Amount due to customers and banks	-	-	-	-	472,364,296	472,364,296
Amount due to Related Parties	-	-	-	-	357,320,978	357,320,978
Total financial liabilities	-	-	-	-	829,685,274	829,685,274

COLOMBO TRUST FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS

As at 30th June, 2018

7.3 Financial instruments measured at fair value - fair value hierarchy

The amounts are based on the values recognized in the Statement of Financial Position.

	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
<i>As at 30th June 2018</i>				
Financial Assets				
Financial assets at fair value through profit or loss	1,261,922	-	-	1,261,922
Financial investments available for sale (*)	-	-	345,775	345,775
	<u>1,261,922</u>	<u>-</u>	<u>345,775</u>	<u>1,607,697</u>
<i>As at 31 March 2018</i>				
Financial Assets				
Financial assets at fair value through profit or loss	1,568,234	-	-	1,568,234
Financial investments available for sale (*)	-	-	345,775	345,775
	<u>1,568,234</u>	<u>-</u>	<u>345,775</u>	<u>1,914,009</u>

(*) Value of unquoted shares of Rs. 0.34 Mn as at end of the 30th June 2018 (Rs.0.34 Mn as at end of 31st March 2018) categorized under financial investments available for sale, whose fair value cannot be reliably measured is stated at cost in the Statement of Financial Position as permitted by the Sri Lanka Accounting Standards - LKAS 39 on "Financial Instruments: Recognition and Measurement".