



COLOMBO TRUST FINANCE PLC

(Formerly known as 'Capital Alliance Finance PLC')

**INTERIM FINANCIAL STATEMENTS**  
For the quarter ended 30th September 2017

**COLOMBO TRUST FINANCE PLC**  
**Statement of Comprehensive Income**  
**For the period ended 30-09-2017**

	For the Six month ended (Unaudited)		Variance %	For the quarter ended (Unaudited)		Variance %
	30-Sep-17 Rs.	30-Sep-16 Rs.		30-Sep-17 Rs.	30-Sep-16 Rs.	
Interest Income	103,319,725	79,096,248	31	52,597,184	40,418,338	30
Interest Expense	(48,591,037)	(32,168,394)	51	(24,381,412)	(17,193,636)	42
<b>Net Interest Income</b>	<b>54,728,688</b>	<b>46,927,854</b>	<b>17</b>	<b>28,215,772</b>	<b>23,224,702</b>	<b>21</b>
Fee and commission income	1,202,021	907,304	32	527,926	512,405	3
Fee and commission expenses	(25,000)	(257,750)	(90)	-	(95,500)	(100)
<b>Net fee and commission income</b>	<b>1,177,021</b>	<b>649,554</b>	<b>81</b>	<b>527,926</b>	<b>416,905</b>	<b>27</b>
Net gain/(loss) from financial instruments at fair value through profit or loss	508,678	269,811	89	236,285	136,780	73
Other operating income	3,966,364	3,671,937	8	2,020,191	1,673,896	21
Impairment expenses for loans and advances and other losses	(1,047,689)	(800,033)	31	(829,820)	(1,458,079)	(43)
<b>Net operating income</b>	<b>59,333,062</b>	<b>50,719,123</b>	<b>17</b>	<b>30,170,354</b>	<b>23,994,203</b>	<b>26</b>
<b>Operating Expenses</b>						
Personnel Cost	(25,355,094)	(21,347,532)	19	(12,780,263)	(10,798,987)	18
Depreciation and Amortization of property plant and equipment	(2,848,977)	(3,377,946)	(16)	(1,402,110)	(1,628,885)	(14)
General and Administrative Expenses	(18,858,385)	(18,341,259)	3	(9,974,848)	(9,052,219)	10
<b>Operating profit before VAT on financial services and Income Tax</b>	<b>12,270,606</b>	<b>7,652,386</b>	<b>60</b>	<b>6,013,132</b>	<b>2,514,112</b>	<b>(139)</b>
Value added tax (VAT) on financial services	(4,717,440)	(2,386,849)	98	(2,463,825)	(985,966)	150
<b>Profit/(Loss) before Tax for the Period</b>	<b>7,553,166</b>	<b>5,265,537</b>	<b>43</b>	<b>3,549,307</b>	<b>1,528,146</b>	<b>(132)</b>
Income tax expenses	(3,260,570)	-	100	(1,457,809)	-	100
<b>Profit/(Loss) for the Period</b>	<b>4,292,596</b>	<b>5,265,537</b>	<b>(18)</b>	<b>2,091,498</b>	<b>1,528,146</b>	<b>(37)</b>
<b>Other Comprehensive Income</b>						
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Deferred tax on actuarial gain	-	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>4,292,596</b>	<b>5,265,537</b>	<b>(18)</b>	<b>2,091,498</b>	<b>1,528,146</b>	<b>(37)</b>
<b>Earnings/(loss) per share (Annualized)</b>	<b>0.18</b>	<b>0.23</b>		<b>0.18</b>	<b>0.13</b>	

Figures in brackets indicate deductions.

**COLOMBO TRUST FINANCE PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30.09.2017**

	30th September 2017 (Unaudited) Rs.	31st March 2017 (Audited) Rs.
<b>ASSETS</b>		
Cash and Cash Equivalents	47,849,343	16,557,401
Investment In Repurchase Agreement	26,864,079	31,536,017
Assets held for sale	542,204	696,056
Financial assets at fair value through profit or loss	1,851,896	1,343,218
Loans and receivables-Leases	284,779,674	301,128,960
Loans and receivables-Hire purchase	30,084,071	47,534,446
Loans and receivables-Other	770,724,301	778,722,105
Financial investments - Available-for-sale	345,775	345,775
Financial investments - Held To Maturity	58,852,529	43,534,435
Property, Plant & Equipment	43,343,142	44,649,446
Intangible assets	7,044,487	7,903,604
Other assets	15,435,898	16,876,445
Deferred tax assets	5,346,792	6,948,939
<b>Total Assets</b>	<b>1,293,064,191</b>	<b>1,297,776,847</b>
<b>LIABILITIES</b>		
Due to customers & bank	817,034,732	577,660,468
Other borrowings	-	254,143,054
Retirement Benefit Obligations	4,917,705	4,380,076
Trade & Other Payables	19,633,169	14,407,260
<b>Total Liabilities</b>	<b>841,585,606</b>	<b>850,590,858</b>
<b>CAPITAL AND RESERVES</b>		
Stated Capital	309,888,671	309,888,671
Statutory Reserve Fund	11,360,719	11,360,719
Other reserves	74,187,500	74,187,500
Retained Earnings	56,041,695	51,749,099
<b>Total Capital and Reserves</b>	<b>451,478,585</b>	<b>447,185,989</b>
<b>Total Equity and Liabilities</b>	<b>1,293,064,191</b>	<b>1,297,776,847</b>
<b>Net Asset Per Share Rs.</b>	9.71	9.61

*Figures in brackets indicate deductions.*

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

**K.M.U.Koswatta**  
**Manager-Finance (Sgd)**

**W.L.S Fonseka**  
**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-Nov-17**  
**Colombo**

**Director (Sgd)**

**COLOMBO TRUST FINANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Period ended 30.09.2017

For the Six month ended (Unaudited)	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Fund Rs.	Revaluation Reserve Rs.	General Reserve Rs.	Total Rs.
<b>Balance as at 01st April 2017 (Opening balance)</b>	<b>309,888,671</b>	<b>51,749,099</b>	<b>11,360,719</b>	<b>14,187,500</b>	<b>60,000,000</b>	<b>447,185,989</b>
Profit for the Period	-	4,292,596	-	-	-	4,292,596
Other comprehensive income	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-
<b>Balance as at 30th September 2017 (Closing balance)</b>	<b>309,888,671</b>	<b>56,041,695</b>	<b>11,360,719</b>	<b>14,187,500</b>	<b>60,000,000</b>	<b>451,478,586</b>
Balance as at 01st April 2016 (Opening Balance)	309,888,671	47,145,772	11,123,465	14,187,500	60,000,000	442,345,408
Profit for the Period	-	5,265,537	-	-	-	5,265,537
Other comprehensive income	-	-	-	-	-	-
Transferred to Statutory Reserve Fund	-	-	-	-	-	-
<b>Balance as at 30th September 2016 (Closing balance)</b>	<b>309,888,671</b>	<b>52,411,309</b>	<b>11,123,465</b>	<b>14,187,500</b>	<b>60,000,000</b>	<b>447,610,945</b>

**COLOMBO TRUST FINANCE PLC**  
**STATEMENT OF CASH FLOWS**  
For the Period Ended 30.09.2017

<b>For the Six month period Ended</b>	<b>30th September 2017 Rs. (Unaudited)</b>	<b>30th September 2016 Rs. (Unaudited)</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Income Tax	7,553,166	5,265,537
<b>Adjustment For,</b>		
Depreciation and amortization	2,848,977	3,377,946
Decrease/(Increase) in Value of trading stock	-	(12,550)
Investment Income	(3,851,119)	-
(Profit)/Loss on Assets held for sale	(378,944)	-
Provision for retirement benefits obligation	537,629	534,372
Net gain/(loss) from financial instruments at fair value through profit or loss	(508,678)	(269,811)
Impairment on loans and advances	1,047,689	800,033
<b>Operating Profit Before Working Capital Changes</b>	<b>7,248,721</b>	<b>9,695,527</b>
(Increase)/ Decrease in Loans and Advances	40,749,775	(95,446,256)
(Increase)/ Decrease in Inventories	-	1,862,810
(Increase) / Decrease in Other Assets	(217,876)	2,295,211
Increase / (Decrease) in deposits from Customers	239,374,264	(45,699,389)
Increase / (Decrease) in Trade and Other Payables	4,683,705	(19,910,852)
<b>Cash Generated from Operations</b>	<b>291,838,589</b>	<b>(147,202,950)</b>
Payment of retirement gratuity	-	-
Income Tax Paid	-	-
<b>Net Cash Flows from Operating Activities</b>	<b>291,838,589</b>	<b>(147,202,950)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Investment Securities	-	708,277
Proceeds from Sale of Assets held for sale	1,075,000	-
Acquisition of Property Plant & Equipment	(683,556)	(1,519,964)
Disposal of Property Plant & Equipment	-	-
Net (Investment)/Maturity in Treasury Bills	(15,318,094)	(1,333,603)
Investment Income Received	3,851,119	-
Net cash flow from Securities purchased under repurchased agreement	4,671,938	22,943,320
<b>Net Cash Flows from Investing Activities</b>	<b>(6,403,593)</b>	<b>20,798,031</b>
<b>Cash Flows from Financing Activities</b>		
Net Cash Received on Right issue	-	-
Cash Received from Borrowings	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>285,434,996</b>	<b>(126,404,919)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>16,557,401</b>	<b>19,506,639</b>
<b>Bank Overdraft at the Beginning of the Year</b>	<b>(254,143,054)</b>	<b>(25,658,498)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>47,849,343</b>	<b>(132,556,778)</b>
<b>Analysis of cash and cash equivalents at the end of the Period</b>		
Cash and Bank Balances	47,849,343	16,306,857
Bank Overdraft	-	(148,863,635)
	<b>47,849,343</b>	<b>(132,556,778)</b>

Figures in brackets indicate deductions.

## 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 30th September 2017 were as follows;

	<b>Rs.</b>
Highest Price	28.00
Lowest Price	12.30
Last Traded Price	27.30

#### SHAREHOLDERS' INFORMATION

##### Twenty Largest Shareholders as at 30.09.2017

	<b>No of Shares</b>	<b>% of Holding</b>
1 Dialog Axiata PLC	37,374,598	80.34%
2 Pan Asia Banking Corporation PLC/ Lankem Ceylon PLC	3,376,365	7.26%
3 Pan Asia Banking Corporation PLC/ Divasa Equity (Pvt) Ltd	1,119,053	2.41%
4 Seylan Bank PLC/ HVA Lanka Exports (Pvt) Ltd.	929,014	2.00%
5 Seylan Bank PLC/ Divasa Equity (Pvt) Ltd.	687,542	1.48%
6 Mr. A R H Fernando	251,620	0.54%
7 Mrs. S G De Silva	181,210	0.39%
8 Mutiara Holdings(Private) Ltd	154,462	0.33%
9 Mr. A Vidanagamage	125,000	0.27%
10 Deutsche Bank Ag As Trustee To Capital Alliance Quantitative Equity Fund	112,479	0.24%
11 Waldock Mackenzie Limited/Mr.D.B.N.Samaratunge	108,342	0.23%
12 Mrs. F F Hanifa/ M M fuad	100,000	0.21%
12 Mr. H T U R Siriwardana/ Miss C P Suriyaarachchi	100,000	0.21%
14 Miss. N T M S Coory	99,798	0.21%
15 Mr. D G Wijemanna	98,853	0.21%
16 Mr. Y J Perera	71,797	0.15%
17 Mr B R S Mendis	70,000	0.15%
18 Lankem Ceylon PLC	56,000	0.12%
19 Mr. T Govinthadas/ K Govinthadas	50,550	0.11%
20 Mr. H T U R Siriwardana	50,001	0.11%
	45,116,684	96.98%
Others	1,402,559	3.02%
<b>Total</b>	<b>46,519,243</b>	<b>100.00%</b>

## **COLOMBO TRUST FINANCE PLC**

### **Notes to the financial statements**

#### **Directors'/ CEO's Holding in Shares as at 30th September**

**2017**

Mr. R. Theagarajah	-
Mr. P.S. Mathavan	-
Ms. W.K.E.De Silva	-
Mr.L D R Hettiaratchi	-
Mr.P.P Edirisinghe	-
Mr.W.L.S Fonseka	-

Public shareholding percentage was 19.66% and number of shareholders representing the public holding was 661as at 30th September 2017

#### **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.

- Dialog Axiata PLC acquired by way of crossing transaction on the Colombo Stock Exchange (CSE) a total of 37,374,598 ordinary shares of the Company at a price of LKR 28.70 per share amounting to total consideration of LKR 1,072,650,962.60 representing 80.34% of the voting rights in Company on 12th September 2017.

- 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 2017

- 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.

**COLOMBO TRUST FINANCE PLC**  
**FINANCIAL REPORTING BY SEGMENT**  
**For the Period ended 30.09.2017**

**FINANCIAL REPORTING BY SEGMENT**

For the Six month ended 30th September	Leasing & Hire purchase		Treasury/ Investments		Margin Trading		Revolving/Cheque discounting & Factoring		Other loan and advance		Unallocated		Total	
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Net interest income	16,514,110	20,706,421	(1,768,484)	371,322	7,017,193	4,455,518	21,922,592	14,326,987	11,043,278	7,067,605	-	-	54,728,688	46,927,854
Net Fees and commission income	225,586	429,570	-	-	-	-	-	-	726,658	155,084	224,777	64,900	1,177,021	649,554
Other income	2,040,248	2,432,109	508,678	269,811	-	-	228,232	164,478	447,079	544,654	1,250,805	530,696	4,475,042	3,941,748
<b>Operating income by segment</b>	<b>18,779,944</b>	<b>23,568,100</b>	<b>(1,259,806)</b>	<b>641,133</b>	<b>7,017,193</b>	<b>4,455,518</b>	<b>22,150,824</b>	<b>14,491,465</b>	<b>12,217,015</b>	<b>7,767,343</b>	<b>1,475,582</b>	<b>595,596</b>	<b>60,380,751</b>	<b>51,519,156</b>
<b>Eliminations/ unallocated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating income</b>	<b>18,779,944</b>	<b>23,568,100</b>	<b>(1,259,806)</b>	<b>641,133</b>	<b>7,017,193</b>	<b>4,455,518</b>	<b>22,150,824</b>	<b>14,491,465</b>	<b>12,217,015</b>	<b>7,767,343</b>	<b>1,475,582</b>	<b>595,596</b>	<b>60,380,751</b>	<b>51,519,156</b>
Credit loss expenses	3,165,158	(1,137,813)	-	-	(756,868)	(38,004)	(1,462,768)	24,392	(1,993,212)	351,391	-	-	(1,047,689)	(800,033)
Net operating income	21,945,102	22,430,287	(1,259,806)	641,133	6,260,325	4,417,515	20,688,056	14,515,858	10,223,803	8,118,734	1,475,582	595,596	59,333,062	50,719,123
Operating expenses	(4,861,681)	(5,916,485)	(2,096,270)	(1,476,438)	(2,474,375)	(2,626,526)	(6,072,362)	(5,238,127)	(3,353,698)	(3,083,683)	-	-	(18,858,385)	(18,341,259)
Depreciation & amortization	(734,465)	(1,089,651)	(316,688)	(271,918)	(373,809)	(483,732)	(917,365)	(964,716)	(506,650)	(567,928)	-	-	(2,848,977)	(3,377,946)
<b>Segment result</b>	<b>16,348,957</b>	<b>15,424,151</b>	<b>(3,672,764)</b>	<b>(1,107,223)</b>	<b>3,412,140</b>	<b>1,307,257</b>	<b>13,698,329</b>	<b>8,313,014</b>	<b>6,363,455</b>	<b>4,467,123</b>	<b>1,475,582</b>	<b>595,596</b>	<b>37,625,700</b>	<b>28,999,917</b>
Personnel expenses													(25,355,094)	(21,347,532)
Profit/(Loss) from operations													12,270,606	7,652,386
VAT on Financial services													(4,717,440)	(2,386,849)
Income tax (expense)/reversal													(3,260,570)	-
<b>Net profit/(loss) for the year, attributable to equity holders of the parent</b>													<b>4,292,596</b>	<b>5,265,537</b>
<b>Other information</b>														
Segment assets	314,863,746	354,794,668	135,763,622	88,537,751	160,251,379	157,505,226	393,272,760	314,115,513	217,200,162	184,919,677	71,712,523	82,120,241	1,293,064,191	1,181,993,076
Total assets	314,863,746	354,794,668	135,763,622	88,537,751	160,251,379	157,505,226	393,272,760	314,115,513	217,200,162	184,919,677	71,712,523	82,120,241	1,293,064,191	1,181,993,076
Segment liabilities	216,960,277	236,895,445	93,549,395	59,116,418	110,422,950	105,165,815	270,988,858	209,734,082	149,664,126	123,470,370	-	-	841,585,606	676,252,863
Total liabilities	216,960,277	236,895,445	93,549,395	59,116,418	110,422,950	105,165,815	270,988,858	209,734,082	149,664,126	123,470,370	-	-	841,585,606	676,252,863