

# Commercial Leasing & Finance PLC

# FINANCIAL STATEMENTS



**COMMERCIAL LEASING & FINANCE**

For the Six Months Ended 30th September 2020

	6 months Ended 30th September	
	2020 Rs.000 Unaudited	2019 Rs.000 Unaudited (Restated)
Interest income	6,138,670	6,358,982
Interest expense	(2,569,386)	(3,257,722)
<b>Net interest income</b>	<b>3,569,284</b>	<b>3,101,260</b>
Net income from other financial instruments at fair value through profit or loss	170,470	186,710
Other operating income	639,395	802,777
<b>Total operating income</b>	<b>4,379,149</b>	<b>4,090,747</b>
Impairment for loans and other losses		
Individual impairment	(586,239)	(383,000)
Collective impairment	(1,649,798)	(662,148)
<b>Net operating income</b>	<b>2,143,112</b>	<b>3,045,599</b>
Personnel expenses	(651,710)	(722,454)
Depreciation and amortization	(142,074)	(135,690)
Other expenses	(1,015,915)	(996,682)
<b>Operating profit before Value Added Tax</b>	<b>333,413</b>	<b>1,190,772</b>
Value added Tax on financial services	(105,544)	(257,178)
<b>Operating profit after Value added Tax</b>	<b>227,869</b>	<b>933,594</b>
Share of profits of equity accounted investee (Net of Tax)	21,210	36,820
<b>Profit before tax</b>	<b>249,079</b>	<b>970,414</b>
Tax expenses	(59,779)	(266,408)
<b>Profit for the period</b>	<b>189,300</b>	<b>704,006</b>
Basic /Diluted earnings per ordinary share (Rs.)	0.03	0.11

Figures in Brackets indicate Deductions

COMPANY	Stated Capital Rs. 000	Revaluation Reserves Rs. 000	Hedging Reserve Rs. 000	Fair Value Reserve on AFS Rs. 000	General Reserve Rs. 000	Statutory Reserves Rs. 000	Retained Earnings Rs. 000	Total Rs. 000
Balance as at 01st April 2019	1,425,947	944,502	(30,233)	18,725	288,080	796,040	14,015,472	17,458,532
Total comprehensive income for the period	-	-	-	-	-	-	704,006	704,006
Profit for the period	-	-	-	-	-	-	704,006	704,006
Other comprehensive income	-	-	(42,961)	92	-	-	-	(42,869)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(42,961)</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>704,006</b>	<b>661,137</b>
Balance as at 30th September 2019	1,425,947	944,502	(73,194)	18,817	288,080	796,040	14,719,478	18,119,669
Total comprehensive income for the period	-	-	-	-	-	-	842,841	842,841
Profit for the period	-	-	-	-	-	-	842,841	842,841
Other comprehensive income	-	-	(11,084)	(18,885)	-	-	(28,325)	(58,294)
Share of Other Comprehensive Income from Equity accounted investee	-	-	-	-	-	-	(2,838)	(2,838)
Tax on Other Comprehensive Income	-	-	15,133	120	-	-	7,931	23,184
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,048</b>	<b>(18,764)</b>	<b>-</b>	<b>-</b>	<b>819,608</b>	<b>804,892</b>
Transferred to/(from) during the period	-	-	-	-	-	77,342	(77,342)	-
Balance as at 31st March 2020	1,425,947	944,502	(69,145)	53	288,080	873,383	15,461,744	18,924,561
Balance as at 01st April 2020	1,425,947	944,502	(69,145)	53	288,080	873,383	15,461,744	18,924,561
Total comprehensive income for the period	-	-	-	-	-	-	189,300	189,300
Profit for the period	-	-	-	-	-	-	189,300	189,300
Other comprehensive income	-	-	89,206	(3,853)	-	-	-	85,353
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>89,206</b>	<b>(3,853)</b>	<b>-</b>	<b>-</b>	<b>189,300</b>	<b>274,653</b>
Balance as at 30th September 2020	1,425,947	944,502	20,061	(3,800)	288,080	873,383	15,651,044	19,199,216

Figures in Brackets indicate Deductions

	6 months ended 30th September	
	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited (Restated)
<b>Profit for the period</b>	<b>189,300</b>	<b>704,006</b>
<b>Other comprehensive income</b>		
Items that will not be classified to profit or loss		
Effective Portion of changes in fair value of cash flow	89,206	(42,961)
Items that are or may be reclassified subsequently to profit or loss		
Net change in fair value of available for sale finance assets	(3,853)	92
<b>Other comprehensive income/(Expense) for the period, net of taxes</b>	<b>85,353</b>	<b>(42,869)</b>
<b>Total comprehensive income for the period</b>	<b>274,653</b>	<b>661,137</b>

Figures in Brackets indicate Deductions

	Company	
	As at 30.09.2020 Rs. '000 Unaudited	As at 30.09.2019 Rs. '000 Unaudited (Restated)
<b>Assets</b>		
Cash and cash equivalents	3,011,835	2,966,471
Financial assets measured at fair value through profit or loss (FVTPL)	2,527,958	5,813,204
Government Securities	6,373,406	4,990,925
Due from related companies	1,821,911	1,820,338
Financial assets measured at amortised cost - Finance leases receivables and hire purchase	12,123,067	12,258,696
Financial assets measured at amortised cost - Loans, advances and factoring receivables	40,915,890	38,191,025
Other assets	209,167	175,965
Equity accounted investees	1,517,639	1,477,685
Investment properties	2,768,230	2,315,655
Intangible Assets	20	886
Property, plant and equipment	1,164,075	1,224,376
Right to Use Asset	510,495	567,913
<b>Total assets</b>	<b>72,943,693</b>	<b>71,803,140</b>
<b>Liabilities</b>		
Due to banks	2,608,730	1,965,672
Derivative financial instruments	26,021	164,095
Financial liabilities measured at amortised cost - Deposit from customers	28,987,111	25,227,586
Other borrowings	18,274,027	22,978,104
Lease Liability	500,024	528,760
Current tax liabilities	552,641	548,910
Deferred tax liabilities	404,636	597,568
Amounts due to related companies	168,317	70,648
Retirement benefit obligations	175,827	117,767
Other liabilities	2,047,143	1,484,360
<b>Total liabilities</b>	<b>53,744,477</b>	<b>53,683,471</b>
<b>Equity</b>		
Stated capital	1,425,947	1,425,947
Statutory reserve fund	873,383	796,040
Retained earnings	15,651,044	14,719,478
Other reserves	1,248,842	1,178,206
<b>Equity attributable to shareholders of the Company</b>	<b>19,199,216</b>	<b>18,119,669</b>
<b>Total equity and liabilities</b>	<b>72,943,693</b>	<b>71,803,140</b>
Net assets value per ordinary share (Rs.)	3.01	2.84

## SELECTED KEY PERFORMANCE INDICATORS

Item	As at 30.09.2020		As at 30.09.2019	
	Actual	Required	Actual	Required
<b>Regulatory Capital Adequacy (%)</b>				
Tier 1 Capital Adequacy Ratio	21.65%	10.50%	20.35%	10.50%
Total Capital Adequacy Ratio	20.84%	6.50%	19.37%	6.50%
Capital Funds to Deposit Liabilities Ratio	56.39%	10.00%	58.19%	10.00%
<b>Assets Quality (Quality of Loan Portfolio) (%)</b>				
Gross Non-Performing Loans Ratio	7.29%		5.72%	
Net Non-Performing Loans Ratio	1.63%		1.60%	
Net Non-Performing Loans to Core Capital Ratio	5.68%		5.65%	
Provision Coverage Ratio	68%		61.71%	
<b>Profitability (%)</b>				
Net Interest Margin	13.10%		11.85%	
Return on Assets (before tax)	0.70%		2.72%	
Return on Equity (after Tax)	1.99%		7.92%	
Cost to Income ratio	95.00%		77.00%	
<b>Liquidity (%)</b>				
Available Liquid Assets to required liquid assets ( Minimum 100 %)	315.45%		197.16%	
Liquid Assets to external funds	13.14%		12.75%	
<b>Memorandum information</b>				
Number of branches	68		65	
External Credit rating	(SL) A (Stable outlook)		(SL) A (Stable outlook)	

We, the undersigned, being the Chief Executive Officer, the Head of Finance and the Compliance Officer of COMMERCIAL LEASING & FINANCE PLC certify jointly that:

(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;

(b) The information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company.

(sgd) Mr. D.M.D.K.Thilakarathne  
Director/Chief Executive Officer

(sgd) Ms. R.R.D.D. Punsara  
Head of Finance

(sgd) Mr. Roshan Hewage  
Compliance Officer

10th November 2020  
Colombo

## Commercial Leasing & Finance PLC

No. 68, Baudhaloka Mawatha, Colombo 04, Sri Lanka  
Tel: 4526526 Fax: 2559510 E-mail: info@clc.lk Web: www.clc.lk  
Credit Rating : [SL]A Stable Outlook : ICRA Lanka

ok to proceed

DESHANGI PUNSARA RANASINGHE  
Manager - Finance  
COMMERCIAL LEASING & FINANCE PLC