

# **Central Finance Company PLC**

Rated A+(Ika) by Fitch Ratings Lanka Ltd.

## **INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 2016**

CENTRAL FINANCE COMPANY PLC CONSOLIDATED INCOME STATEMENT						
For the nine months ended 31st December	Group			Company		
	2016 Unaudited Rs.'000	2015 Unaudited Rs.'000	Increase (decrease) %	2016 Unaudited Rs.'000	2015 Unaudited Rs.'000	Increase (decrease) %
Income	13,344,733	12,131,580	10.00	11,293,010	10,168,178	11.06
Interest income	10,385,346	9,372,211	10.81	10,342,445	9,362,554	10.47
Less: Interest expenses	3,082,367	2,737,088	12.61	3,096,220	2,750,815	12.56
Net interest income	7,302,979	6,635,123	10.07	7,246,225	6,611,739	9.60
Other revenue	2,087,659	2,011,096	3.81	-	-	-
Less: cost of sales	1,415,361	1,333,916	6.11	-	-	-
Gross profit	672,298	677,180	(0.72)	-	-	-
Other operating income	347,693	265,245	31.08	347,693	265,383	31.02
Other income	524,035	483,028	8.49	602,872	540,241	11.59
	8,847,005	8,060,576	9.76	8,196,790	7,417,363	10.51
Less: Operating expenses						
Personnel expenses	1,256,996	1,183,807	6.18	1,070,430	1,019,746	4.97
Premises, equipment and establishment expenses	1,220,434	1,163,257	4.92	1,163,022	1,097,944	5.93
Employee retirement benefit expenses	131,923	122,407	7.77	119,900	107,100	11.95
Impairment of goodwill	-	15,925	(100.00)	-	-	-
Other expenses	768,224	646,419	18.84	713,340	582,911	22.38
	3,377,577	3,131,815	7.85	3,066,692	2,807,701	9.22
Profit before impairment on loans and other credit losses	5,469,428	4,928,761	10.97	5,130,098	4,609,662	11.29
Less: Impairment on loans and other credit losses	84,163	561,596	(85.01)	84,423	561,640	(84.97)
	5,385,265	4,367,165	23.31	5,045,675	4,048,022	24.65
Share of profit of associates	718,160	651,296	10.27	-	-	-
Profit before VAT on financial services, NBT and income tax	6,103,425	5,018,461	21.62	5,045,675	4,048,022	24.65
Less: VAT on financial services and NBT	584,367	322,078	81.44	583,398	321,818	81.28
Profit before income tax	5,519,058	4,696,383	17.52	4,462,277	3,726,204	19.75
Less: Income tax expense	1,721,786	1,376,877	25.05	1,366,122	1,043,312	30.94
Profit after income tax	3,797,272	3,319,506	14.39	3,096,155	2,682,892	15.40
Attributable to equity holders of the parent	3,711,032	3,229,194	14.92	3,096,155	2,682,892	15.40
Attributable to non-controlling interest	86,240	90,312	(4.51)	-	-	-
Net profit for the period	3,797,272	3,319,506	14.39	3,096,155	2,682,892	15.40
Basic and diluted earnings per share - Rs.	17.12	14.90				

The annexed notes form an integral part of these interim financial statements.

CENTRAL FINANCE COMPANY PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
For the nine months ended 31st December	Group			Company		
	2016 Unaudited Rs.'000	2015 Unaudited Rs.'000	Increase (decrease) %	2016 Unaudited Rs.'000	2015 Unaudited Rs.'000	Increase (decrease) %
Profit for the period	3,797,272	3,319,506	14.39	3,096,155	2,682,892	15.40
<b>Other comprehensive income to be reclassified to income statement</b>						
Fair value changes in AFS financial assets						
Equity securities - quoted	33,023	11,131	196.68	33,023	11,131	196.68
	33,023	11,131	196.68	33,023	11,131	196.68
Add / (less): share of other comprehensive income / (losses) of associates	25,860	(1,813)	1,526.37	-	-	-
Income tax effect	(7,241)	100	(7,341.00)	-	-	-
	18,619	(1,713)	1,186.92	-	-	-
<b>Total other comprehensive income to be reclassified to income statement</b>	51,642	9,418	448.33	33,023	11,131	196.68
<b>Other Comprehensive income not to be reclassified to income statement</b>						
Actuarial gains / (losses) on defined benefit plans						
Add / (less) :share of other comprehensive income / (losses) of associates	4,365	1,751	149.29	-	-	-
Income tax effect	(1,222)	(339)	(260.47)	-	-	-
	3,143	1,412	122.59	-	-	-
<b>Total other comprehensive income not to be reclassified to income statement</b>	3,143	1,412	122.59	-	-	-
<b>Other comprehensive income for the period (net of tax)</b>	54,785	10,830	405.86	33,023	11,131	196.68
<b>Total comprehensive income for the period</b>	3,852,057	3,330,336	15.67	3,129,178	2,694,023	16.15
Attributable to equity holders of the parent	3,765,817	3,240,024	16.23	3,129,178	2,694,023	16.15
Attributable to non-controlling interest	86,240	90,312	(4.51)	-	-	-
<b>Total comprehensive income for the period</b>	3,852,057	3,330,336	15.67	3,129,178	2,694,023	16.15

The annexed notes form an integral part of these interim financial statements.

<b>CENTRAL FINANCE COMPANY PLC CONSOLIDATED INCOME STATEMENT</b>						
	<b>Group</b>			<b>Company</b>		
For the three months ended 31st December	2016	2015	Increase	2016	2015	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Income	4,625,458	4,117,854	12.33	3,892,747	3,450,513	12.82
Interest income	3,568,755	3,206,188	11.31	3,552,282	3,200,145	11.00
Less: Interest expenses	1,095,598	925,272	18.41	1,099,417	928,744	18.38
Net interest income	2,473,157	2,280,916	8.43	2,452,865	2,271,401	7.99
Other revenue	718,036	658,992	8.96	-	-	-
Less: cost of sales	495,418	432,444	14.56	-	-	-
Gross profit	222,618	226,548	(1.73)	-	-	-
Other operating income	130,196	87,903	48.11	130,196	87,903	48.11
Other income	208,471	164,771	26.52	210,269	162,465	29.42
	3,034,442	2,760,138	9.94	2,793,330	2,521,769	10.77
Less: Operating expenses						
Personnel expenses	418,879	386,911	8.26	354,862	334,323	6.14
Premises, equipment and establishment expenses	428,036	400,238	6.95	394,296	377,341	4.49
Employee retirement benefit expenses	44,403	44,596	(0.43)	40,500	35,700	13.45
Impairment of goodwill	-	1,946	(100.00)	-	-	-
Other expenses	261,988	219,661	19.27	259,949	209,483	24.09
	1,153,306	1,053,352	9.49	1,049,607	956,847	9.69
Profit before impairment on loans and other credit losses	1,881,136	1,706,786	10.22	1,743,723	1,564,922	11.43
Less: Impairment on loans and other credit losses	28,413	154,334	(81.59)	28,521	152,976	(81.36)
	1,852,723	1,552,452	19.34	1,715,202	1,411,946	21.48
Share of profit of associates	267,790	219,965	21.74	-	-	-
Profit before VAT on financial services, NBT and income tax	2,120,513	1,772,417	19.64	1,715,202	1,411,946	21.48
Less: VAT on financial services and NBT	212,001	118,399	79.06	211,362	118,399	78.52
<b>Profit before income tax</b>	<b>1,908,512</b>	<b>1,654,018</b>	<b>15.39</b>	<b>1,503,840</b>	<b>1,293,547</b>	<b>16.26</b>
Less: Income tax expense	657,793	476,220	38.13	537,759	362,168	48.48
<b>Profit after income tax</b>	<b>1,250,719</b>	<b>1,177,798</b>	<b>6.19</b>	<b>966,081</b>	<b>931,379</b>	<b>3.73</b>
Attributable to equity holders of the parent	1,224,825	1,148,075	6.69	966,081	931,379	3.73
Attributable to non-controlling interest	25,894	29,723	(12.88)	-	-	-
<b>Net profit for the period</b>	<b>1,250,719</b>	<b>1,177,798</b>	<b>6.19</b>	<b>966,081</b>	<b>931,379</b>	<b>3.73</b>
Basic and diluted earnings per share - Rs.	5.65	5.30				
The annexed notes form an integral part of these interim financial statements.						

<b>CENTRAL FINANCE COMPANY PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
	<b>Group</b>			<b>Company</b>		
For the three months ended 31st December	2016	2015	Increase	2016	2015	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	1,250,719	1,177,798	6.19	966,081	931,379	3.73
<b>Other comprehensive income to be reclassified to income statement</b>						
Fair value changes in AFS financial assets						
Equity securities - quoted	12,940	(48,636)	126.61	12,940	(48,636)	126.61
	12,940	(48,636)	126.61	12,940	(48,636)	126.61
Add / (less):share of other comprehensive income / (losses) of associates	(58,921)	11,516	(611.64)	-	-	-
Income tax effect	16,498	(3,632)	554.24	-	-	-
	(42,423)	7,884	(638.10)	-	-	-
<b>Total other comprehensive income to be reclassified to income statement</b>	<b>(29,483)</b>	<b>(40,752)</b>	<b>27.65</b>	<b>12,940</b>	<b>(48,636)</b>	<b>126.61</b>
<b>Other Comprehensive income not to be reclassified to income statement</b>						
Actuarial gains / (losses) on defined benefit plans						
Add / (less):share of other comprehensive income / (losses) of associates	4,365	1,751	149.29	-	-	-
Income tax effect	(1,222)	(339)	(260.47)	-	-	-
	3,143	1,412	122.59	-	-	-
<b>Total other comprehensive income not to be reclassified to income statement</b>	<b>3,143</b>	<b>1,412</b>	<b>122.59</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period (net of tax)</b>	<b>(26,340)</b>	<b>(39,340)</b>	<b>33.05</b>	<b>12,940</b>	<b>(48,636)</b>	<b>126.61</b>
<b>Total comprehensive income for the period</b>	<b>1,224,379</b>	<b>1,138,458</b>	<b>7.55</b>	<b>979,021</b>	<b>882,743</b>	<b>10.91</b>
Attributable to equity holders of the parent	1,198,485	1,108,735	8.09	979,021	882,743	10.91
Attributable to non-controlling interest	25,894	29,723	(12.88)	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,224,379</b>	<b>1,138,458</b>	<b>7.55</b>	<b>979,021</b>	<b>882,743</b>	<b>10.91</b>
The annexed notes form an integral part of these interim financial statements.						

**CENTRAL FINANCE COMPANY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**


As at	Group		Company	
	31.12.2016	31.03.2016	31.12.2016	31.03.2016
	Unaudited Rs.'000	Audited Rs.'000	Unaudited Rs.'000	Audited Rs.'000
<b>ASSETS</b>				
Cash in hand and at banks	619,618	520,603	558,569	463,385
Fair value through profit or loss financial assets	46,482	39,992	31,200	33,760
Tax receivables	1,259	1,774	-	-
Trade and other receivables	914,085	1,111,206	262,569	361,365
Equity investments classified as AFS investments	267,851	234,820	261,357	228,326
Inventories and other stocks	1,306,423	1,191,974	722,984	706,605
Securities bought under repurchase agreements	2,806,734	2,787,948	2,806,734	2,787,948
Loans and receivables from banks	921,046	844,425	915,585	839,263
Loans and receivables from others	992,522	968,679	271,054	465,932
Loans and receivables from customers	6,154,036	4,400,698	6,258,978	4,562,610
Net investment in leases and hire purchase	57,603,981	56,045,775	57,599,728	56,031,948
Investments in real estate	33,636	37,549	27,764	30,874
Investment property	41,250	41,250	-	-
Investments in associates	4,003,366	3,537,114	523,458	523,458
Investments in subsidiaries	-	-	620,964	620,964
Deferred tax asset	11,728	11,789	-	-
Property, plant and equipment	6,817,278	5,925,833	5,490,115	4,620,447
Intangible assets	100,770	106,099	100,257	105,392
<b>Total assets</b>	<b>82,642,065</b>	<b>77,807,528</b>	<b>76,451,316</b>	<b>72,382,277</b>
<b>LIABILITIES</b>				
Bank overdrafts	904,790	670,937	895,298	666,082
Tax payables	853,541	902,102	789,578	817,715
Trade and other payables	2,067,439	1,553,875	1,743,046	1,195,719
Amounts due to subsidiaries	-	-	147,827	172,922
Derivative financial instruments	-	61	-	61
Short term borrowings	1,107,286	1,194,407	1,008,571	1,194,407
Public deposits	35,297,571	34,299,143	35,478,638	34,483,812
Long term borrowings	5,750	-	-	-
Debentures	6,413,842	6,638,981	6,413,842	6,638,981
Employee benefit obligations	1,054,868	927,335	935,404	818,566
Deferred tax liability	3,517,867	3,276,382	3,454,697	3,210,747
<b>Total liabilities</b>	<b>51,222,954</b>	<b>49,463,223</b>	<b>50,866,901</b>	<b>49,199,012</b>
<b>SHAREHOLDERS' FUNDS</b>				
Stated capital	1,337,564	568,420	1,337,564	568,420
Capital reserves	2,502,619	2,509,879	1,923,765	1,930,651
Reserve fund	1,396,000	1,396,000	1,396,000	1,396,000
Available for sale reserve	51,733	91	87,348	54,325
Revenue reserves	25,238,438	23,014,096	20,839,738	19,233,869
Funds attributable to equity holders of the parent	30,526,354	27,488,486	25,584,415	23,183,265
Non-controlling interest	892,757	855,819	-	-
	<b>31,419,111</b>	<b>28,344,305</b>	<b>25,584,415</b>	<b>23,183,265</b>
Total liabilities, shareholders' funds and non-controlling interest	82,642,065	77,807,528	76,451,316	72,382,277
Net asset value per share - Rs.	140.83	126.82	118.03	106.95

I certify that the above interim financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st December 2016 and its profit for the nine months then ended.



**U. B. Elangasinha**  
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these interim financial statements.  
Approved and signed for and on behalf of the Board.



**E.H. Wijenaik**  
Managing Director



**G.S.N. Peiris**  
Director (Finance)

08th February 2017

The annexed notes form an integral part of these interim financial statements.

**CENTRAL FINANCE COMPANY PLC**  
**STATEMENT OF CHANGES IN EQUITY**

Attributable to equity holders of the company

Group equity statement for the nine months ended 31st December 2016	Stated capital	Capital reserves		Reserve fund	Available for sale reserve	General reserves	Retained earnings	Non-controlling interest	Total
	Rs.'000	Revaluation reserve	Other capital reserves	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Rs.'000	Rs.'000						
Balance as at 1st April 2015	568,420	2,509,555	17,899	1,229,000	102,499	16,798,420	3,092,803	795,979	25,114,575
Super gain tax	-	-	-	-	-	-	(423,126)	(1,295)	(424,421)
Net profit for the nine months ended 31st December 2015	-	-	-	-	-	-	3,229,194	90,312	3,319,506
Other comprehensive income	-	-	-	-	9,418	-	1,412	-	10,830
<b>Total comprehensive income for the nine months ended 31st December 2015</b>	-	-	-	-	<b>9,418</b>	-	<b>3,230,606</b>	<b>90,312</b>	<b>3,330,336</b>
Transfers during the period	-	-	(17,899)	-	-	-	17,899	-	-
Depreciation on revaluation surplus	-	(3,928)	-	-	-	-	3,928	-	-
Unclaimed dividends written back	-	-	-	-	-	-	356	320	676
Dividends for the year ended 31st March 2015	-	-	-	-	-	-	(277,941)	(49,499)	(327,440)
Dividends for the year ended 31st March 2016	-	-	-	-	-	-	(104,883)	-	(104,883)
<b>Balance as at 31st December 2015</b>	<b>568,420</b>	<b>2,505,627</b>	<b>-</b>	<b>1,229,000</b>	<b>111,917</b>	<b>16,798,420</b>	<b>5,539,642</b>	<b>835,817</b>	<b>27,588,843</b>
Balance as at 1st April 2016	568,420	2,509,879	-	1,396,000	91	19,235,420	3,778,676	855,819	28,344,305
Net profit for the nine months ended 31st December 2016	-	-	-	-	-	-	3,711,032	86,240	3,797,272
Other comprehensive income	-	-	-	-	51,642	-	3,143	-	54,785
<b>Total comprehensive income for the nine months ended 31st December 2016</b>	-	-	-	-	<b>51,642</b>	-	<b>3,714,175</b>	<b>86,240</b>	<b>3,852,057</b>
Depreciation on revaluation surplus	-	(3,339)	-	-	-	-	3,339	-	-
Reversal of revaluation surplus on disposal of land	-	(3,921)	-	-	-	-	-	-	(3,921)
Capitalisation of reserves on scrip issue of shares	769,144	-	-	-	-	(769,144)	-	-	-
Withholding tax on scrip issue of shares	-	-	-	-	-	(84,319)	-	-	(84,319)
Unclaimed dividends written back	-	-	-	-	-	-	79	80	159
Dividends for the year ended 31st March 2016	-	-	-	-	-	-	(314,650)	(49,382)	(364,032)
Dividends for the year ending 31st March 2017	-	-	-	-	-	-	(325,138)	-	(325,138)
<b>Balance as at 31st December 2016</b>	<b>1,337,564</b>	<b>2,502,619</b>	<b>-</b>	<b>1,396,000</b>	<b>51,733</b>	<b>18,381,957</b>	<b>6,856,481</b>	<b>892,757</b>	<b>31,419,111</b>

Company equity statement for the nine months ended 31st December 2016	Stated capital	Revaluation reserve	Reserve fund	Available for sale reserve	General reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2015	568,420	1,934,604	1,229,000	86,537	16,787,239	8,576	20,614,376
Super gain tax	-	-	-	-	-	(418,046)	(418,046)
Net profit for the nine months ended 31st December 2015	-	-	-	-	-	2,682,892	2,682,892
Other comprehensive income	-	-	-	11,131	-	-	11,131
<b>Total comprehensive income for the nine months ended 31st December 2015</b>	-	-	-	<b>11,131</b>	-	<b>2,682,892</b>	<b>2,694,023</b>
Depreciation on revaluation surplus	-	(2,965)	-	-	-	2,965	-
Dividends for the year ended 31st March 2015	-	-	-	-	-	(277,941)	(277,941)
Dividends for the year ended 31st March 2016	-	-	-	-	-	(104,883)	(104,883)
Balance as at 31st December 2015	568,420	1,931,639	1,229,000	97,668	16,787,239	1,893,563	22,507,529
Balance as at 1st April 2016	568,420	1,930,651	1,396,000	54,325	19,224,239	9,630	23,183,265
Net profit for the nine months ended 31st December 2016	-	-	-	-	-	3,096,155	3,096,155
Other comprehensive income	-	-	-	33,023	-	-	33,023
<b>Total comprehensive income for the nine months ended 31st December 2016</b>	-	-	-	<b>33,023</b>	-	<b>3,096,155</b>	<b>3,129,178</b>
Depreciation on revaluation surplus	-	(2,965)	-	-	-	2,965	-
Reversal of revaluation surplus on disposal of land	-	(3,921)	-	-	-	-	(3,921)
Capitalisation of reserves on scrip issue of shares	769,144	-	-	-	(769,144)	-	-
Withholding tax on scrip issue of shares	-	-	-	-	(84,319)	-	(84,319)
Dividends for the year ended 31st March 2016	-	-	-	-	-	(314,650)	(314,650)
Dividends for the year ending 31st March 2017	-	-	-	-	-	(325,138)	(325,138)
Balance as at 31st December 2016	<b>1,337,564</b>	<b>1,923,765</b>	<b>1,396,000</b>	<b>87,348</b>	<b>18,370,776</b>	<b>2,468,962</b>	<b>25,584,415</b>
Figures in brackets indicate deductions The annexed notes form an integral part of these interim financial statements.							

**CENTRAL FINANCE COMPANY PLC**  
**CASH FLOW STATEMENT**

For the nine months ended 31st December	Group		Company	
	2016	2015	2016	2015
	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000	Unaudited Rs.'000
<b>Cash flows from operating activities</b>				
Interest receipts	9,483,767	8,613,663	9,481,498	8,614,977
Interest payments	(1,351,070)	(1,513,550)	(1,361,892)	(1,521,173)
Recoveries on bad debts previously written off	128,045	113,210	128,045	113,121
Receipts from other operating activities	4,398,734	4,112,775	439,564	320,345
Cash payments to employees and suppliers	(6,106,286)	(5,745,171)	(2,496,428)	(2,362,668)
<b>Operating profit before changes in operating assets</b>	<b>6,553,190</b>	<b>5,580,927</b>	<b>6,190,787</b>	<b>5,164,602</b>
<b>(Increase) / decrease in operating assets:</b>				
(Investments) / divestments in government securities and receivables from banks maturing after 90 days	(640,000)	550,000	(640,000)	550,000
Loans to customers	(25,022,004)	(26,674,464)	(25,075,004)	(26,749,464)
Recoveries from customers	23,060,655	20,352,836	23,167,232	20,440,823
Others	(1,537,052)	(1,729,505)	(1,534,053)	(1,718,412)
<b>Increase / (decrease) in operating liabilities:</b>				
Net cash effect on public deposits	211,591	(455,436)	209,082	(548,991)
Net cash from operating activities before income tax	2,626,380	(2,375,642)	2,318,044	(2,861,442)
Income tax paid	(1,251,136)	(535,004)	(1,118,202)	(447,504)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>1,375,244</b>	<b>(2,910,646)</b>	<b>1,199,842</b>	<b>(3,308,946)</b>
<b>Cash flows from investing activities</b>				
Dividends received from subsidiaries and associates	113,744	105,824	102,861	96,120
Dividends received from other companies	11,746	26,370	8,754	20,022
Investments in fixed deposits	(24,600)	(151,000)	-	-
Proceeds on divestment of fixed deposits	13,801	-	-	-
Investments in unit trusts	(98,450)	(107,500)	-	-
Proceeds on divestment of unit trusts	146,515	162,909	-	-
Investments in debentures	(226,750)	(150,000)	-	-
Purchase of property, plant and equipment	(1,014,203)	(271,263)	(955,474)	(242,108)
Proceeds from disposal of property, plant and equipment	52,627	100,809	49,739	20,101
<b>Net cash outflow from investing activities</b>	<b>(1,025,570)</b>	<b>(283,851)</b>	<b>(794,120)</b>	<b>(105,865)</b>
<b>Cash flows from financing activities</b>				
Borrowings	3,972,880	9,272,092	3,840,000	8,580,000
Repayment of borrowings	(4,553,415)	(6,190,090)	(4,525,000)	(5,335,898)
Unclaimed dividends written back	159	676	-	-
Dividends paid to equity holders of the parent	(496,065)	(372,100)	(496,065)	(372,100)
Dividends paid to non-controlling interest	(49,382)	(49,499)	-	-
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(1,125,823)</b>	<b>2,661,079</b>	<b>(1,181,065)</b>	<b>2,872,002</b>
Net decrease in cash and cash equivalents	(776,149)	(533,418)	(775,343)	(542,809)
Cash and cash equivalents at the beginning of the period	3,465,977	3,994,638	3,413,614	3,977,997
<b>Cash and cash equivalents at the end of the period</b>	<b>2,689,828</b>	<b>3,461,220</b>	<b>2,638,271</b>	<b>3,435,188</b>
<b>Analysis of cash and cash equivalents</b>				
Cash in hand and at banks	619,618	465,812	558,569	429,382
Investments in government securities	2,806,734	2,767,786	2,806,734	2,767,786
Receivables from banks	921,046	880,008	915,585	874,933
Effect of amortised interest cost	(108,780)	(17,309)	(107,319)	(16,234)
Receivables from banks maturing after 90 days	(644,000)	(4,000)	(640,000)	-
Bank overdrafts	(904,790)	(631,077)	(895,298)	(620,679)
<b>Cash and cash equivalents at the end of the period</b>	<b>2,689,828</b>	<b>3,461,220</b>	<b>2,638,271</b>	<b>3,435,188</b>

Figures in brackets indicate outflows.

The annexed notes form an integral part of these interim financial statements.

**CENTRAL FINANCE COMPANY PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

1 The interim financial statements of the Company and the Group have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31st March 2016 and provide the information as required by the Colombo Stock Exchange and LKAS 34 - Interim Financial Reporting.

2 The presentation and classification of the financial statements for previous period has been amended where relevant for better presentation and to be comparable with those of the current period.

3 Stated capital is represented by number of shares in issue as given below:

	As at 31.12.2016	As at 30.09.2016
Ordinary shares	216,758,888	216,758,888

4 Market price per share

	Quarter ended 31.12.2016	Quarter ended 30.09.2016
	Rs.	Rs.
Highest	115.10	*231.90
Lowest	97.00	110.00
Last traded	100.00	115.00

\* The highest market price of Rs.231.90 was recorded prior to the subdivision of shares and capitalisation of reserves as reported in the interim financial statements for the six months ended 30.09.2016.

5 Number of shares held by individual Directors are as follows:

	As at 31.12.2016	As at 30.09.2016
J.D. Bandaranayake	Nil	Nil
E.H. Wijenaik	33,405,854	33,405,854
G.S.N. Peiris	3,778,213	3,778,213
R.E. Rambukwelle	2,035,473	2,035,473
A.K. Gunaratne	1,726,233	1,726,233
D.P. de Silva	214,623	214,623
C.L.K.P. Jayasuriya	Nil	Nil
S.C.S. Wickramasinghe	Nil	Nil
F. Mohideen	Nil	Nil
A.D.B.Talwatte	Nil	Nil

6 Twenty largest shareholders of the Company are as follows:

	As at 31.12.2016		As at 30.09.2016	
	Number of shares	%	Number of shares	%
1 Corporate Services (Pvt) Ltd.A/C No.01	34,917,287	16.11	34,917,287	16.11
2 E.H. Wijenaik	33,405,854	15.41	33,405,854	15.41
3 Employees' Provident Fund	23,280,525	10.74	23,280,525	10.74
4 Thurston Investments Limited	12,622,582	5.82	12,622,582	5.82
5 A.J. Wijenaik	6,760,804	3.12	6,760,804	3.12
6 Perpetual Equities (Pvt) Ltd.	4,555,555	2.10	4,770,555	2.20
7 N.W. Wijegoonawardene	4,468,863	2.06	4,468,863	2.06
8 Waldock Mackenzie Limited / Perpetual Equities (Pvt) Limited	4,236,070	1.95	5,118,070	2.36
9 G.S.N. Peiris	3,778,213	1.74	3,778,213	1.74
10 B.P.De Silva Holdings (Pte) Ltd.	3,622,660	1.67	3,622,660	1.67
11 J.B. Cocoshell (Pvt) Ltd.	3,011,661	1.39	2,911,661	1.34
12 C.R. Dunuwille	2,787,069	1.29	2,787,069	1.29
13 N.M. Gunawardana	2,687,382	1.24	2,687,382	1.24
14 P.R. Munasinha	2,535,759	1.17	2,535,759	1.17
15 The Ceylon Investment PLC A/C No.02	2,410,136	1.11	2,410,136	1.11
16 Employees Trust Fund Board	2,263,347	1.04	1,371,995	0.63
17 P.M. Wijenaik	2,100,105	0.97	2,100,105	0.97
18 Deutsche Bank AG - National Equity Fund	2,049,373	0.95	2,049,373	0.95
19 R.E. Rambukwelle	2,035,473	0.94	2,035,473	0.94
20 The Ceylon Guardian Investment Trust PLC A/C No.02	2,013,107	0.93	2,013,107	0.93



**NOTES TO THE INTERIM FINANCIAL STATEMENTS****7 Information on listed debentures****7.1 Market value and traded yield**

There were no debenture trades during the quarter ended 31.12.2016 and the preceding quarter.

**7.2 Yield of comparable government securities (%)**

	As at <b>31.12.2016</b>	As at 30.09.2016
03 year treasury bonds	<b>11.95%</b>	11.15%
04 year treasury bonds	<b>11.69%</b>	11.23%
05 year treasury bonds	<b>12.04%</b>	11.19%

**7.3 Debt related ratios**

	As at <b>31.12.2016</b>	As at 30.09.2016
Debt/equity ratio (times)	<b>1.71</b>	1.74
Quick assets ratio (%)	<b>78.32</b>	80.53
Interest cover (times)	<b>2.44</b>	2.48

**CENTRAL FINANCE COMPANY PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

<b>8 Public holding</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2016</b>	<b>30.09.2016</b>
% Public holding	<b>59.92%</b>	59.92%
Number of shareholders	<b>2,801</b>	2,730
<b>9 Contingent liabilities</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2016</b>	<b>30.09.2016</b>
	<b>Rs.000</b>	<b>Rs.000</b>
<b>Guarantees issued</b>		
Guarantees issued on behalf of depositors, fully secured on their deposits	<b>21,115</b>	76,715
Performance bonds and warranties in respect of Letter of Credit facilities	<b>47,361</b>	51,133
Other guarantees	<b>10,897</b>	10,897
	<b>79,373</b>	138,745
<b>10</b> Interest expenses of the Group other than the parent & subsidiary, Isuru Leasing Company Limited are categorised under other expenses.		
<b>11</b> According to the best of the knowledge and belief of the Directors, there have been no events subsequent to this interim period, which require adjustments to or disclosure in the Interim Financial Statements at the time of the issue of these financial statements to the shareholders.		

**BUSINESS SEGMENT INFORMATION**
**For the nine months ended 31st December**

	Leasing, hire purchase and other advances		Medical services		Power generation		Manufacturing		Insurance broking		Investments		Real estate		Intra segmental adjustments		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>All figures in Rs.000</b>																		
<b>Revenue</b>																		
Interest income	10,026,813	9,127,921	4,144	732	-	-	3,502	584	25,478	8,586	322,047	233,757	3,362	631	-	-	10,385,346	9,372,211
Other revenue	-	-	92,590	86,578	48,149	52,917	1,736,104	1,684,312	210,816	187,289	-	-	-	-	-	-	2,087,659	2,011,096
Other operating income	347,693	265,245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347,693	265,245
Other income	509,134	454,287	368	741	-	-	1,271	5,804	970	2,387	35,412	35,185	3,080	3,038	(26,200)	(18,414)	524,035	483,028
Income from external customers	10,883,640	9,847,453	97,102	88,051	48,149	52,917	1,740,877	1,690,700	237,264	198,262	357,459	268,942	6,442	3,669	(26,200)	(18,414)	13,344,733	12,131,580
Inter - segment income	23,457	23,599	1,525	4,970	5,602	2,534	108	248	11,661	13,139	74,817	69,488	26,736	27,238	(143,906)	(141,216)	-	-
<b>Total income</b>	<b>10,907,097</b>	<b>9,871,052</b>	<b>98,627</b>	<b>93,021</b>	<b>53,751</b>	<b>55,451</b>	<b>1,740,985</b>	<b>1,690,948</b>	<b>248,925</b>	<b>211,401</b>	<b>432,276</b>	<b>338,430</b>	<b>33,178</b>	<b>30,907</b>	<b>(170,106)</b>	<b>(159,630)</b>	<b>13,344,733</b>	<b>12,131,580</b>
<b>Expenses</b>																		
Interest expenses	2,847,620	2,533,588	-	-	-	-	-	-	-	-	232,285	199,752	2,462	3,748	-	-	3,082,367	2,737,088
Depreciation & amortisation	278,832	280,294	7,281	6,223	2,899	2,899	28,979	29,087	1,053	1,107	-	-	1,860	1,863	-	-	320,904	321,473
Cost of sales	-	-	35,397	33,779	14,418	13,873	1,338,901	1,259,485	-	-	-	-	-	-	-	-	1,388,716	1,307,137
Impairment on loans and other credit losses	84,588	560,112	-	-	-	-	(425)	1,484	-	-	-	-	-	-	-	-	84,163	561,596
Impairment of goodwill	-	15,925	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,925
Other operating and administrative expenses	2,768,059	2,497,937	41,617	41,807	2,638	3,103	189,126	203,930	78,216	68,718	223	146	3,439	5,555	-	-	3,083,318	2,821,196
Inter - segment expenses	5,979,099	5,887,856	84,295	81,809	19,955	19,875	1,556,581	1,493,986	79,269	69,825	232,508	199,898	7,761	11,166	-	-	7,959,468	7,764,415
	42,573	42,612	-	-	-	-	59	239	7,255	6,929	11,886	12,578	-	-	(61,773)	(62,358)	-	-
<b>Total expenses</b>	<b>6,021,672</b>	<b>5,930,468</b>	<b>84,295</b>	<b>81,809</b>	<b>19,955</b>	<b>19,875</b>	<b>1,556,640</b>	<b>1,494,225</b>	<b>86,524</b>	<b>76,754</b>	<b>244,394</b>	<b>212,476</b>	<b>7,761</b>	<b>11,166</b>	<b>(61,773)</b>	<b>(62,358)</b>	<b>7,959,468</b>	<b>7,764,415</b>
<b>Segment results</b>	<b>4,885,425</b>	<b>3,940,584</b>	<b>14,332</b>	<b>11,212</b>	<b>33,796</b>	<b>35,576</b>	<b>184,345</b>	<b>196,723</b>	<b>162,401</b>	<b>134,647</b>	<b>187,882</b>	<b>125,954</b>	<b>25,417</b>	<b>19,741</b>	<b>(108,333)</b>	<b>(97,272)</b>	<b>5,385,265</b>	<b>4,367,165</b>
Share of profit of associates																	718,160	651,296
Profit before VAT on financial services, NBT and income tax																	6,103,425	5,018,461
Less: VAT on financial services and NBT																	584,367	322,078
Profit before income tax																	5,519,058	4,696,383
Less: Income tax expense																	1,721,786	1,376,877
Profit after income tax																	3,797,272	3,319,506
Non-controlling interest																	86,240	90,312
Profit attributable to equity holders of the parent																	3,711,032	3,229,194

## CORPORATE INFORMATION

### NAME OF COMPANY

Central Finance Company PLC

### LEGAL FORM

A Quoted Public Company with limited liability incorporated in Sri Lanka on 5th December 1957 and registered under the Companies Act No.07 of 2007.

Registered under Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000.

Approved Credit Agency under:

- Mortgage Act No.6 of 1949
- Trust Receipt Ordinance No.12 of 1947

### COMPANY REGISTRATION NUMBER

PQ 67

### DIRECTORS

J. D. Bandaranayake	- Independent Non - executive Director / Chairman
E. H. Wijenaik	- Managing Director / Chief Executive Officer
G. S. N. Peiris	- Director (Finance)
R. E. Rambukwelle	- Director (Marketing and Operations)
A. K. Gunaratne	- Director (Group Co-ordination)
D. P. de Silva	- Director (Credit)
C. L. K. P. Jayasuriya	- Non - executive Director
S. C. S. Wickramasinghe	- Independent Non - executive Director
F. Mohideen	- Independent Non - executive Director
A.D.B.Talwatte	- Independent Non - executive Director

### STOCK EXCHANGE LISTING

The ordinary shares of the Company and the debentures are listed on the Colombo Stock Exchange.

### HEAD / REGISTERED OFFICE

84, Raja Veediya, Kandy.

Telephone : 081 - 2227000

Facsimile : 081 - 2232047

### CITY OFFICE

270, Vauxhall Street, Colombo 2.

Telephone : 011 - 2300555

Facsimile : 011 - 2300441

E-mail : cenfin@cf.lk

Website : www.centralfinance.lk

### BRANCH OFFICES

Akuressa, Alawwa, Aluthgama, Ambalangoda, Ampara, Anuradhapura, Aralaganwila, Avissawella, Badulla, Bakamuna, Balangoda, Bandaragama, Bandarawela, Batticaloa, Chilaw, Dambulla, Dehiattakandiya, Digana, Divulapitiya, Elpitiya, Embilipitiya, Galewela, Galle, Gampaha, Gampola, Giriulla, Godakawela, Hambantota, Hanwella, Hatton, Hingurakgoda, Hiripitiya, Homagama, Horana, Ja-Ela, Jaffna, Kaduwela, Kalmunai, Kalutara, Kantale, Kegalle, Kekirawa, Killinochchi, Kiribathgoda, Kirindiwela, Kuliypitiya, Kurunegala, Maharagama, Mahiyanganaya, Maho, Malabe, Mannar, Maradana, Matale, Matara, Matugama, Mawanella, Mawathagama, Melsiripura, Minuwangoda, Mirigama, Monaragala, Narammala, Nawalapitiya, Negombo, Nikaweratiya, Nittambuwa, Nochchiyagama, Nugegoda, Nuwaraeliya, Panadura, Pilimathalawa, Piliyandala, Polonnaruwa, Pottuvil, Puttalam, Ragama, Rambukkana, Ratmalana, Ratnapura, Rikillagaskada, Talawathugoda, Tambuttegama, Tissamaharama, Trincomalee, Vavuniya, Warakapola, Wariyapola, Wattala, Welimada, Wellawaya, Wennappuwa.

### BANKERS

Bank of Ceylon  
Citibank N.A.  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC  
NDB Bank PLC  
Nations Trust Bank PLC  
People's Bank  
Sampath Bank PLC  
Standard Chartered Bank  
Seylan Bank PLC  
DFCC Bank PLC