

Central Finance Company PLC

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

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2017

CENTRAL FINANCE COMPANY PLC CONSOLIDATED INCOME STATEMENT						
For the six months ended 30th September	Group			Company		
	2017	2016	Increase	2017	2016	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Income	9,944,277	8,719,275	14.05	8,590,544	7,400,263	16.08
Interest income	7,830,558	6,816,591	14.87	7,794,956	6,790,163	14.80
Less: Interest expenses	2,505,809	1,982,491	26.40	2,515,647	1,992,525	26.25
Net interest income	5,324,749	4,834,100	10.15	5,279,309	4,797,638	10.04
Other revenue	1,386,139	1,369,623	1.21	-	-	
Less: cost of sales	991,055	918,424	7.91	-	-	
Gross profit	395,084	451,199	(12.44)	-	-	
Other operating income	369,551	217,497	69.91	369,733	217,497	69.99
Other income	358,029	315,564	13.46	425,855	392,603	8.47
	6,447,413	5,818,360	10.81	6,074,897	5,407,738	12.34
Less: Operating expenses						
Personnel expenses	933,391	838,117	11.37	802,533	715,568	12.15
Premises, equipment and establishment expenses	894,249	792,398	12.85	861,178	768,726	12.03
Employee retirement benefit expenses	98,046	89,039	10.12	86,500	79,400	8.94
Other expenses	564,922	510,514	10.66	522,986	457,669	14.27
	2,490,608	2,230,068	11.68	2,273,197	2,021,363	12.46
Profit before impairment on loans and other credit losses	3,956,805	3,588,292	10.27	3,801,700	3,386,375	12.26
Less: Impairment on loans and other credit losses	104,154	55,750	86.82	103,903	55,902	85.87
	3,852,651	3,532,542	9.06	3,697,797	3,330,473	11.03
Share of profit of associates	582,633	450,370	29.37	-	-	
Profit before VAT on financial services, NBT and income tax	4,435,284	3,982,912	11.36	3,697,797	3,330,473	11.03
Less: VAT on financial services and NBT	531,707	372,366	42.79	531,707	372,036	42.92
Profit before income tax	3,903,577	3,610,546	8.12	3,166,090	2,958,437	7.02
Less: Income tax expense	1,323,419	1,063,993	24.38	1,041,136	828,363	25.69
Profit after income tax	2,580,158	2,546,553	1.32	2,124,954	2,130,074	(0.24)
Attributable to equity holders of the parent	2,549,953	2,486,207	2.56	2,124,954	2,130,074	(0.24)
Attributable to non-controlling interest	30,205	60,346	(49.95)	-	-	
Net profit for the period	2,580,158	2,546,553	1.32	2,124,954	2,130,074	(0.24)
Basic and diluted earnings per share - Rs.	11.76	11.47				

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

CENTRAL FINANCE COMPANY PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
For the six months ended 30th September	Group			Company		
	2017	2016	Increase	2017	2016	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	2,580,158	2,546,553	1.32	2,124,954	2,130,074	(0.24)
Other comprehensive income to be reclassified to income statement						
Fair value changes in available for sale investments						
Equity securities - quoted	50,003	20,083	148.98	50,003	20,083	148.98
	50,003	20,083	148.98	50,003	20,083	148.98
Add / (less): share of other comprehensive income / (losses) of associates	119,247	84,781	40.65	-	-	-
Income tax effect	(33,389)	(23,739)	(40.65)	-	-	-
	85,858	61,042	40.65	-	-	-
Total other comprehensive income to be reclassified to income statement	135,861	81,125	67.47	50,003	20,083	148.98
Other comprehensive income for the period (net of tax)	135,861	81,125	67.47	50,003	20,083	148.98
Total comprehensive income for the period	2,716,019	2,627,678	3.36	2,174,957	2,150,157	1.15
Attributable to equity holders of the parent	2,685,814	2,567,332	4.61	2,174,957	2,150,157	1.15
Attributable to non-controlling interest	30,205	60,346	(49.95)	-	-	-
Total comprehensive income for the period	2,716,019	2,627,678	3.36	2,174,957	2,150,157	1.15

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

CENTRAL FINANCE COMPANY PLC CONSOLIDATED INCOME STATEMENT						
For the three months ended 30th September	Group			Company		
	2017	2016	Increase	2017	2016	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Income	5,133,478	4,497,661	14.14	4,388,333	3,794,778	15.64
Interest income	4,003,490	3,479,233	15.07	3,984,455	3,463,501	15.04
Less: Interest expenses	1,284,613	1,022,881	25.59	1,289,422	1,027,989	25.43
Net interest income	2,718,877	2,456,352	10.69	2,695,033	2,435,512	10.66
Other revenue	762,492	748,264	1.90	-	-	
Less: cost of sales	541,745	503,567	7.58	-	-	
Gross profit	220,747	244,697	(9.79)	-	-	
Other operating income	189,717	108,872	74.26	189,822	108,872	74.35
Other income	177,779	161,292	10.22	214,056	222,405	(3.75)
	3,307,120	2,971,213	11.31	3,098,911	2,766,789	12.00
Less: Operating expenses						
Personnel expenses	477,929	422,482	13.12	412,564	361,064	14.26
Premises, equipment and establishment expenses	460,170	413,524	11.28	445,165	407,524	9.24
Employee retirement benefit expenses	49,062	45,222	8.49	43,500	40,500	7.41
Other expenses	291,703	265,333	9.94	269,334	230,942	16.62
	1,278,864	1,146,561	11.54	1,170,563	1,040,030	12.55
Profit before impairment on loans and other credit losses	2,028,256	1,824,652	11.16	1,928,348	1,726,759	11.67
Less: Impairment on loans and other credit losses	86,544	891	9,613.13	86,020	1,063	7,992.19
	1,941,712	1,823,761	6.47	1,842,328	1,725,696	6.76
Share of profit of associates	336,187	236,110	42.39	-	-	
Profit before VAT on financial services, NBT and income tax	2,277,899	2,059,871	10.58	1,842,328	1,725,696	6.76
Less: VAT on financial services and NBT	266,892	182,358	46.36	266,892	182,248	46.44
Profit before income tax	2,011,007	1,877,513	7.11	1,575,436	1,543,448	2.07
Less: Income tax expense	682,791	567,285	20.36	518,729	432,166	20.03
Profit after income tax	1,328,216	1,310,228	1.37	1,056,707	1,111,282	(4.91)
Attributable to equity holders of the parent	1,306,858	1,274,968	2.50	1,056,707	1,111,282	(4.91)
Attributable to non-controlling interest	21,358	35,260	(39.43)	-	-	
Net profit for the period	1,328,216	1,310,228	1.37	1,056,707	1,111,282	(4.91)
Basic and diluted earnings per share - Rs.	6.03	5.88				

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

CENTRAL FINANCE COMPANY PLC CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
For the three months ended 30th September	Group			Company		
	2017	2016	Increase	2017	2016	Increase
	Unaudited	Unaudited	(decrease)	Unaudited	Unaudited	(decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the period	1,328,216	1,310,228	1.37	1,056,707	1,111,282	(4.91)
Other comprehensive income to be reclassified to income statement						
Fair value changes in available for sale investments						
Equity securities - quoted	3,291	9,360	(64.84)	3,291	9,360	(64.84)
	3,291	9,360	(64.84)	3,291	9,360	(64.84)
Add / (less): share of other comprehensive income / (losses) of associates	60,267	47,525	26.81	-	-	-
Income tax effect	(16,875)	(13,307)	(26.81)	-	-	-
	43,392	34,218	26.81	-	-	-
Total other comprehensive income to be reclassified to income statement	46,683	43,578	7.13	3,291	9,360	(64.84)
Other comprehensive income for the period (net of tax)	46,683	43,578	7.13	3,291	9,360	(64.84)
Total comprehensive income for the period	1,374,899	1,353,806	1.56	1,059,998	1,120,642	(5.41)
Attributable to equity holders of the parent	1,353,541	1,318,546	2.65	1,059,998	1,120,642	(5.41)
Attributable to non-controlling interest	21,358	35,260	(39.43)	-	-	-
Total comprehensive income for the period	1,374,899	1,353,806	1.56	1,059,998	1,120,642	(5.41)

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CENTRAL FINANCE COMPANY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	30.09.2017	31.03.2017	30.09.2017	31.03.2017
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.000	Rs.'000	Rs.'000
ASSETS				
Cash in hand and at banks	719,377	501,267	686,185	444,940
Fair value through profit or loss financial assets	253,442	106,143	231,021	96,125
Tax receivables	4,446	1,775	-	-
Trade and other receivables	1,130,703	982,218	398,858	309,749
Available for sale investments	296,834	246,773	290,504	240,443
Inventories and other stocks	1,283,225	1,275,049	710,132	679,714
Securities bought under repurchase agreements	2,861,309	2,949,728	2,861,309	2,949,728
Loans and receivables from banks	1,131,106	926,394	1,125,347	920,818
Loans and receivables from others	823,051	1,063,880	64,603	398,326
Loans and receivables from customers	7,138,039	6,968,950	7,233,189	7,067,199
Net investment in leases and hire purchase	60,547,425	58,017,827	60,547,425	58,017,827
Investments in real estate	64,251	65,051	64,251	65,051
Investments in associates	4,490,623	4,075,059	523,458	523,458
Investments in subsidiaries	-	-	306,456	306,456
Deferred tax asset	12,045	11,920	-	-
Property, plant and equipment	7,984,801	7,134,854	6,745,049	5,921,176
Intangible assets	97,287	100,366	96,125	99,963
Total assets	88,837,964	84,427,254	81,883,912	78,040,973
LIABILITIES				
Bank overdrafts	786,016	1,059,332	755,554	1,047,908
Tax payables	784,409	889,101	752,769	834,693
Trade and other payables	1,741,424	1,642,932	1,378,421	1,292,203
Amounts due to subsidiaries	-	-	185,311	187,987
Short term borrowings	898,351	1,845,352	677,273	1,699,196
Deposits	38,540,430	35,527,936	38,748,285	35,707,147
Long term borrowings	5,525	5,425	-	-
Debentures	5,994,582	6,140,818	5,994,582	6,140,818
Employee benefit obligations	1,074,386	995,545	959,187	875,120
Deferred tax liability	3,947,604	3,755,583	3,875,970	3,690,053
Total liabilities	53,772,727	51,862,024	53,327,352	51,475,125
SHAREHOLDERS' FUNDS				
Stated capital	1,337,564	1,337,564	1,337,564	1,337,564
Capital reserves	2,508,038	2,510,631	1,917,810	1,919,787
Reserve fund	1,599,000	1,599,000	1,599,000	1,599,000
Available for sale reserve	165,609	29,748	116,774	66,771
Loan loss reserve	920,000	-	920,000	-
Revenue reserves	27,652,699	26,204,347	22,665,412	21,642,726
Funds attributable to equity holders of the parent	34,182,910	31,681,290	28,556,560	26,565,848
Non-controlling interest	882,327	883,940	-	-
	35,065,237	32,565,230	28,556,560	26,565,848
Total liabilities, shareholders' funds and non-controlling interest	88,837,964	84,427,254	81,883,912	78,040,973
Net asset value per share - Rs.	157.70	146.16	131.74	122.56

I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.



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

08th November 2017



G.S.N. Peiris
Director (Finance)

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

CENTRAL FINANCE COMPANY PLC
STATEMENT OF CHANGES IN EQUITY

Group equity statement for the six months ended 30th September 2017	Attributable to equity holders of the company								Total
	Stated capital	Revaluation reserve	Reserve fund	Available for sale reserve	Loan loss reserve	General reserves	Retained earnings	Non-controlling interest	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
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 six months ended 30th September 2016	-	-	-	-	-	-	2,486,207	60,346	2,546,553
Other comprehensive income	-	-	-	81,125	-	-	-	-	81,125
Total comprehensive income for the six months ended 30th September 2016	-	-	-	81,125	-	-	2,486,207	60,346	2,627,678
Depreciation on revaluation surplus	-	(2,433)	-	-	-	-	2,433	-	-
Deferred tax attributable to revaluation surplus due to change in corporate tax rate	-	(3,901)	-	-	-	-	-	(1,958)	(5,859)
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)
Balance as at 30th September 2016	1,337,564	2,503,545	1,396,000	81,216	-	18,381,957	5,952,745	864,905	30,517,932
Balance as at 1st April 2017	1,337,564	2,510,631	1,599,000	29,748	-	21,643,957	4,560,390	883,940	32,565,230
Net profit for the six months ended 30th September 2017	-	-	-	-	-	-	2,549,953	30,205	2,580,158
Other comprehensive income	-	-	-	135,861	-	-	-	-	135,861
Total comprehensive income for the six months ended 30th September 2017	-	-	-	135,861	-	-	2,549,953	30,205	2,716,019
Depreciation on revaluation surplus	-	(2,593)	-	-	-	-	2,593	-	-
Transfers during the period	-	-	-	-	920,000	(920,000)	-	-	-
Unclaimed dividends written back	-	-	-	-	-	-	51	51	102
Dividends for the year ended 31st March 2017	-	-	-	-	-	-	(184,245)	(31,869)	(216,114)
Balance as at 30th September 2017	1,337,564	2,508,038	1,599,000	165,609	920,000	20,723,957	6,928,742	882,327	35,065,237

Company equity statement for the six months ended 30th September 2017	Stated capital	Revaluation reserve	Reserve fund	Available for sale reserve	Loan loss reserve	General reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
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 six months ended 30th September 2016	-	-	-	-	-	-	2,130,074	2,130,074
Other comprehensive income	-	-	-	20,083	-	-	-	20,083
Total comprehensive income for the six months ended 30th September 2016	-	-	-	20,083	-	-	2,130,074	2,150,157
Depreciation on revaluation surplus	-	(1,977)	-	-	-	-	1,977	-
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)
Balance as at 30th September 2016	1,337,564	1,928,674	1,396,000	74,408	-	18,370,776	1,827,031	24,934,453
Balance as at 1st April 2017	1,337,564	1,919,787	1,599,000	66,771	-	21,632,776	9,950	26,565,848
Net profit for the six months ended 30th September 2017	-	-	-	-	-	-	2,124,954	2,124,954
Other comprehensive income	-	-	-	50,003	-	-	-	50,003
Total comprehensive income for the six months ended 30th September 2017	-	-	-	50,003	-	-	2,124,954	2,174,957
Depreciation on revaluation surplus	-	(1,977)	-	-	-	-	1,977	-
Transfers during the period	-	-	-	-	920,000	(920,000)	-	-
Dividends for the year ended 31st March 2017	-	-	-	-	-	-	(184,245)	(184,245)
Balance as at 30th September 2017	1,337,564	1,917,810	1,599,000	116,774	920,000	20,712,776	1,952,636	-
The annexed notes form an integral part of these interim financial statements								
Figures in brackets indicate deductions								

CENTRAL FINANCE COMPANY PLC
CASH FLOW STATEMENT

For the six months ended 30th September

	Group		Company	
	2017 Unaudited Rs.'000	2016 Unaudited Rs.'000	2017 Unaudited Rs.'000	2016 Unaudited Rs.'000
Cash flows from operating activities				
Interest receipts	7,089,801	6,248,695	7,071,367	6,239,032
Interest payments	(1,100,518)	(931,928)	(1,108,773)	(939,449)
Recoveries on bad debts previously written off	65,020	86,139	65,020	86,139
Receipts from other operating activities	3,140,153	2,924,055	489,366	287,257
Cash payments to employees and suppliers	(4,171,751)	(3,932,709)	(1,681,124)	(1,641,411)
Operating profit before changes in operating assets	5,022,705	4,394,252	4,835,856	4,031,568
(Increase) / decrease in operating assets:				
Investments in government securities and receivables from banks maturing after 90 days	(2,205,000)	(1,200,000)	(2,205,000)	(1,200,000)
Loans to customers	(17,986,032)	(16,576,099)	(17,986,032)	(16,616,099)
Recoveries from customers	16,288,253	15,011,646	16,291,753	15,107,045
Others	(1,315,049)	(876,259)	(1,309,775)	(862,102)
Increase / (decrease) in operating liabilities:				
Net cash effect on deposits	2,186,446	163,796	2,214,912	212,872
Net cash from operating activities before income tax	1,991,323	917,336	1,841,714	673,284
Income tax paid	(981,290)	(993,582)	(911,989)	(890,702)
Net cash inflow/ (outflow)/ from operating activities	1,010,033	(76,246)	929,725	(217,418)
Cash flows from investing activities				
Dividends received from subsidiaries and associates	23,679	113,744	48,575	102,861
Dividends received from other companies	16,779	7,601	14,655	4,610
Investments in fixed deposits	(204,500)	(42,783)	-	-
Investments in unit trusts	(14,480)	(81,250)	-	-
Investments in debentures	-	(144,110)	-	-
Divestment of unit trusts	2,964	128,759	-	-
Divestment of fixed deposits	127,298	-	-	-
Purchase of property, plant and equipment	(1,100,366)	(467,947)	(1,046,091)	(433,237)
Disposal of property, plant and equipment	27,458	32,456	27,429	29,441
Net cash outflow from investing activities	(1,121,168)	(453,530)	(955,432)	(296,325)
Cash flows from financing activities				
Borrowings	5,742,190	2,840,000	5,285,000	2,840,000
Repayment of borrowings	(6,977,168)	(3,340,000)	(6,595,000)	(3,340,000)
Unclaimed dividends written back	102	159	-	-
Dividends paid to equity holders of the parent	(181,218)	(310,888)	(181,218)	(310,888)
Dividends paid to non-controlling interest	(31,869)	(49,382)	-	-
Net cash outflow from financing activities	(1,447,963)	(860,111)	(1,491,218)	(810,888)
Net decrease in cash and cash equivalents	(1,559,098)	(1,389,887)	(1,516,925)	(1,324,631)
Cash and cash equivalents at the beginning of the period	3,207,463	3,465,977	3,162,560	3,413,614
Cash and cash equivalents at the end of the period	1,648,365	2,076,090	1,645,635	2,088,983
Analysis of cash and cash equivalents				
Cash in hand and at banks	719,377	518,042	686,185	477,110
Investments in government securities	2,861,309	2,781,820	2,861,309	2,781,820
Investments in government securities maturing after 90 days	(2,205,000)	(1,200,000)	(2,205,000)	(1,200,000)
Receivables from banks	1,131,106	919,336	1,125,347	914,090
Receivables from banks maturing after 90 days	(5,500)	(4,000)	-	-
Effect of amortised interest cost	(66,911)	(76,156)	(66,652)	(74,910)
Bank overdrafts	(786,016)	(862,952)	(755,554)	(809,127)
Cash and cash equivalents at the end of the period	1,648,365	2,076,090	1,645,635	2,088,983
Movement of borrowings (short term, long term loans and debentures)				
Balance at the beginning of the period	7,991,595	7,833,388	7,840,014	7,833,388
Amount borrowed during the period	5,742,190	2,840,000	5,285,000	2,840,000
Capital repaid during the period	(6,977,168)	(3,340,000)	(6,595,000)	(3,340,000)
Amortised interest payable	141,841	152,175	141,841	152,175
Balance at the end of the period	6,898,458	7,485,563	6,671,855	7,485,563

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 2017 and provide the information as required by the Colombo Stock Exchange and LKAS 34-Interim Financial Reporting.

2 The presentation and classification of the 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 30.09.2017	As at 30.06.2017
Ordinary shares	216,758,888	216,758,888

4 Market price per share

	Quarter ended 30.09.2017 Rs.	Quarter ended 30.06.2017 Rs.
Highest	91.00	99.00
Lowest	84.50	86.00
Last traded	86.00	91.00

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

	As at 30.09.2017	As at 30.06.2017
C.L.K.P. Jayasuriya	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
S.C.S. Wickramasinghe	Nil	Nil
A.D.B.Talwatte	Nil	Nil
Dr.(Mrs).A.D.N.de Zoysa	Nil	Nil
A.R.Fernando (appointed to the board with effect from 16.08.2017)	Nil	-

6 Twenty largest shareholders of the Company are as follows:

	As at 30.09.2017		As at 30.06.2017	
	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 N.W. Wijegoonawardene	4,468,863	2.06	4,468,863	2.06
7 J.B. Cocoshell (Pvt) Ltd.	3,821,098	1.76	3,271,661	1.51
8 G.S.N. Peiris	3,778,213	1.74	3,778,213	1.74
9 B.P.De Silva Holdings (Pte) Ltd.	3,622,660	1.67	3,622,660	1.67
10 C.R. Dunuwille	2,787,069	1.29	2,787,069	1.29
11 N.M. Gunawardana	2,687,382	1.24	2,687,382	1.24
12 P.R. Munasinha	2,535,759	1.17	2,535,759	1.17
13 The Ceylon Investment PLC A/C No.02	2,410,136	1.11	2,410,136	1.11
14 Employees Trust Fund Board	2,263,347	1.04	2,263,347	1.04
15 Perpetual Equities (Pvt) Ltd.	2,179,822	1.01	4,479,880	2.07
16 P.M. Wijenaik	2,100,105	0.97	2,100,105	0.97
17 Deutsche Bank AG -National Equity Fund	2,049,373	0.95	2,049,373	0.95
18 R.E. Rambukwelle	2,035,473	0.94	2,035,473	0.94
19 The Ceylon Guardian Investment Trust PLC A/C No.02	2,013,107	0.93	2,013,107	0.93
20 C.Kiriella	2,000,287	0.92	2,000,287	0.92

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Information on listed debentures

7.1 Market value and traded yield

Quarter ended 30.09.2017

	Market value			Traded yield (%)		
	Highest	Lowest	Last traded	Highest	Lowest	Last traded
	Rs.	Rs.	Rs.			
Debentures issued on 17th June 2013 (issue price -Rs.1,000/-)						
5 year fixed rate (14.75 % p.a.payable quarterly)	N/T	N/T	N/T	-	-	-
Debentures issued on 12th December 2013 (issue price -Rs.100/-)						
4 year fixed rate (13.25 % p.a.payable semi-annually)	N/T	N/T	N/T	-	-	-
5 year fixed rate (13.50 % p.a.payable semi-annually)	98.00	98.00	98.00	15.31	15.31	15.31
5 year fixed rate (13.95 % p.a.payable annually)	N/T	N/T	N/T	-	-	-
Debentures issued on 01st June 2015 (issue price -Rs.100/-)						
3 year fixed rate (8.35 % p.a.payable semi-annually)	N/T	N/T	N/T	-	-	-
4 year fixed rate (9.00 % p.a.payable semi-annually)	N/T	N/T	N/T	-	-	-
5 year fixed rate (9.52 % p.a.payable annually)	N/T	N/T	N/T	-	-	-

N/T- not traded during the quarter

Above debentures were not traded during the preceding quarter.

7.2 Yield to maturity of last trade done during the quarter (%)

Debentures issued on 12th December 2013 (issue price -Rs.100/-)	
5 year fixed rate (13.50 % p.a.payable semi-annually)	17.77%

7.3 Yield of comparable government securities(%)

	As at 30.09.2017	As at 30.06.2017
03 year treasury bonds	9.70%	10.96%
04 year treasury bonds	9.89%	11.65%
05 year treasury bonds	9.89%	11.31%

Debt related ratios

	As at 30.09.2017	As at 30.06.2017
Debt/equity ratio (times)	1.62	1.62
Quick assets ratio (%)	81.89	78.71
Interest cover (times)	2.47	2.30

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

8 Public holding	As at	As at
	30.09.2017	30.06.2017
% public holding	59.92	59.92
Number of shareholders	3,029	3,014
9 Contingent liabilities	As at	As at
	30.09.2017	30.06.2017
	Rs.000	Rs.000
Guarantees issued		
Guarantees issued on behalf of depositors, fully secured on their deposits	25,515	30,815
Letter of Credit facilities	11,832	1,668
Other guarantees	10,015	10,015
	47,362	42,498

10 Rs.920 million was transferred from the General Reserve to a Loan Loss Reserve to match the gap between regulatory time-based provision and impairment based on Sri Lanka Financial Reporting Standards (SLFRS) on loans and advances.

11 Group's shareholding in Nations Trust Bank PLC

Nations Trust Bank PLC(NTB), which is an associate company of the Central Finance (CF) Group, has announced a rights issue of 4 convertible non-voting shares per 23 ordinary voting shares held, at Rs. 80.00 per share to supplement enhanced capital requirements arising from the introduction of Basel III. These shares will be convertible to ordinary voting shares on a quarterly basis at a conversion ratio of one voting share for every one convertible non-voting share.

The CF Group currently holds 20 per cent of the issued share capital of NTB.

NTB expects to raise a total of Rs. 3.21 billion, of which the CF Group's share would amount to Rs. 641.69 million. CF Group intends to fully subscribe to its entitlement.

The Director of Bank Supervision of the Central Bank of Sri Lanka (CBSL) has by letter dated 12th October 2017 informed NTB that the Monetary Board of the CBSL has permitted the CF Group to retain its current shareholdings in the Bank till 31st December 2020 and to reduce it to 15 per cent with effect from that date. The Monetary Board has also required NTB to limit the voting rights of CF Group to 10 per cent with effect from 31st March 2018. NTB will continue to be an associate company of the CF Group. The Group's External Auditor has concurred with the position that NTB can continue to be treated as an associate company.

12 According to the best of the knowledge and belief of the Directors, there have been no other 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 six months ended 30th September																		
	Leasing, hire purchase and other advances		Medical services		Power generation		Manufacturing		Insurance broking		Investments		Real estate		Intra segmental adjustments		Total	
All figures in Rs.000	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue																		
Interest income	7,568,223	6,578,511	6,770	1,314	-	-	911	3,226	28,010	15,759	224,697	215,167	1,947	2,614	-	-	7,830,558	6,816,591
Other revenue	-	-	59,491	59,745	36,417	36,661	1,143,052	1,139,626	147,179	133,591	-	-	-	-	-	-	1,386,139	1,369,623
Other operating income	369,551	217,497	-	-	-	-	-	-	-	-	-	-	-	-	-	-	369,551	217,497
Other income	334,388	304,044	202	277	-	-	1,151	977	142	974	41,778	33,280	4,048	2,212	(23,680)	(26,200)	358,029	315,564
Income from external customers	8,272,162	7,100,052	66,463	61,336	36,417	36,661	1,145,114	1,143,829	175,331	150,324	266,475	248,447	5,995	4,826	(23,680)	(26,200)	9,944,277	8,719,275
Inter - segment income	19,385	15,466	1	2,072	4,448	3,093	4	65	4,385	11,450	62,306	73,712	19,614	18,028	(110,143)	(123,886)	-	-
Total income	8,291,547	7,115,518	66,464	63,408	40,865	39,754	1,145,118	1,143,894	179,716	161,774	328,781	322,159	25,609	22,854	(133,823)	(150,086)	9,944,277	8,719,275
Expenses																		
Interest expenses	2,361,925	1,831,099	-	-	-	-	-	-	-	-	141,760	149,804	2,124	1,588	-	-	2,505,809	1,982,491
Depreciation & amortisation	234,717	182,394	4,710	4,848	1,932	1,932	19,765	19,229	614	702	-	-	1,240	1,240	-	-	262,978	210,345
Cost of sales	-	-	22,910	23,806	9,026	9,400	941,253	867,471	-	-	-	-	-	-	-	-	973,189	900,677
Impairment on loans and other credit losses	103,903	56,171	-	-	-	-	251	(421)	-	-	-	-	-	-	-	-	104,154	55,750
Other operating and administrative expenses	2,018,416	1,825,434	27,042	27,166	2,021	1,813	144,033	128,631	50,808	51,416	167	181	3,009	2,829	-	-	2,245,496	2,037,470
	4,718,961	3,895,098	54,662	55,820	12,979	13,145	1,105,302	1,014,910	51,422	52,118	141,927	149,985	6,373	5,657	-	-	6,091,626	5,186,733
Inter - segment expenses	28,389	29,273	-	-	-	-	182	-	10,636	4,994	7,569	7,487	-	-	(46,776)	(41,754)	-	-
Total expenses	4,747,350	3,924,371	54,662	55,820	12,979	13,145	1,105,484	1,014,910	62,058	57,112	149,496	157,472	6,373	5,657	(46,776)	(41,754)	6,091,626	5,186,733
Segment results	3,544,197	3,191,147	11,802	7,588	27,886	26,609	39,634	128,984	117,658	104,662	179,285	164,687	19,236	17,197	(87,047)	(108,332)	3,852,651	3,532,542
Share of profit of associates																	582,633	450,370
Profit before VAT on financial services, NBT and income tax																	4,435,284	3,982,912
Less: VAT on financial services and NBT																	531,707	372,366
Profit before income tax																	3,903,577	3,610,546
Less: Income tax expense																	1,323,419	1,063,993
Profit after income tax																	2,580,158	2,546,553
Non-controlling interest																	30,205	60,346
Profit attributable to equity holders of the parent																	2,549,953	2,486,207

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

C. L. K. P. Jayasuriya	- Non - executive Director / Chairman
E. H. Wijenaikie	- 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)
S. C. S. Wickramasinghe	- Independent Non - executive Director
A.D.B.Talwatte	- Independent Non - executive Director
Dr.(Mrs).A.D.N.de Zoysa	- Independent Non - executive Director
A.R.Fernando	- Independent Non - executive Director

STOCK EXCHANGE LISTING

The ordinary shares of the Company, the Rated Unsecured Redeemable Debentures issued in June 2013 and the Rated Secured Redeemable Debentures issued in December 2013 and June 2015 are listed on the Colombo Stock Exchange.

HEAD / REGISTERED OFFICE

84, Raja Veediya, Kandy.
Telephone : 081 - 2227000
Facsimile : 081 - 2232047

CITY OFFICE

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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, Kuliyaipitiya, 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
Seylan Bank PLC
Standard Chartered Bank
DFCC Bank PLC

AUDITOR

SJMS Associates,
Chartered Accountants,
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Colombo 04.

LEGAL ADVISER

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COMPANY SECRETARY

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