

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2013



Abans
FINANCE

ABANS FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

LKR

	For the Six Months Ended SEPTEMBER		For the Quarter Ended SEPTEMBER	
	2013	2012	2013	2012
Income	340,978,238	275,659,173	173,129,974	136,794,226
Interest Income	323,336,084	263,921,685	163,298,289	129,863,459
Interest Expenses	(190,622,177)	(154,094,521)	(96,530,235)	(80,259,191)
Net Interest Income	132,713,907	109,827,164	66,768,054	49,604,268
Fee and Commission Income	15,672,296	8,996,376	9,835,240	4,138,018
Fee and Commission Expenses	(5,621,696)	(2,708,579)	(3,359,817)	(1,345,701)
Net Fee and Commission Income	10,050,600	6,287,797	6,475,423	2,792,317
Net Gain/(Loss) From Trading	(182,826)	812,887	(829,550)	1,724,786
Other Operating Income (net)	2,152,684	1,928,225	825,994	1,067,963
Total Operating Income	144,734,365	118,856,073	73,239,921	55,189,334
Impairment (Charges) / Reversal	(65,433,831)	583,090	(43,383,195)	8,509,023
Net Operating Income	79,300,534	119,439,163	29,856,726	63,698,357
Operating Expenses				
Personnel Costs	(38,309,418)	(35,586,980)	(18,024,602)	(19,872,915)
Other Operating Expenses	(51,240,014)	(40,584,014)	(26,559,689)	(21,624,321)
Operating Profit before Value Added Tax on FS	(10,248,898)	43,268,169	(14,727,565)	22,201,121
Value Added Tax on Financial Services	(1,418,716)	(4,351,500)	(174,960)	(2,522,051)
Profit before Taxation from Operations	(11,667,614)	38,916,669	(14,902,525)	19,679,070
Provision for Income Taxation	-	(12,209,313)	1,115,595	(6,801,223)
Profit for the Period	(11,667,614)	26,707,356	(13,786,930)	12,877,847
Other Comprehensive Income	-	-	-	-
Other Comprehensive Income for the Period, Net of Tax	-	-	-	-
Total Comprehensive Income for the Period	(11,667,614)	26,707,356	(13,786,930)	12,877,847
Earnings Per Share (Rs)	(0.63)	1.44	(0.75)	0.70

The figures presented above are provisional and subject to Audit.

29th October 2013
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2013

	SEP '2013 Rs.	LKR ' MAR '2013 Rs.
Assets		
Cash and Bank Balances	45,692,132	33,802,530
Placements with Banks	162,008,964	125,140,325
Financial Assets - Held for Trading	6,864,294	8,336,546
Loans and Advances	829,543,152	836,056,102
Lease Rentals Receivable & Stock Out on Hire	1,645,135,400	1,549,447,291
Financial Investments - Available for Sale	80,400	80,400
Financial Investments - Held to Maturity	189,083,004	168,522,407
Other Financial Assets	22,369,503	15,933,472
Real Estate Stock	131,856,063	133,841,502
Other Non Financial Assets	45,249,790	25,467,071
Tax Recoverable	4,695,322	-
Intangible Assets	11,174,620	12,268,902
Property, Plant & Equipment	15,615,665	16,608,243
Total Assets	3,109,368,309	2,925,504,791
Liabilities		
Due to Banks	395,318,588	359,435,796
Due to Customers	1,958,530,999	1,765,882,547
Debt Inst. Issued and Other Borrowed Funds	167,783,391	174,325,059
Other Financial Liabilities	145,212,174	168,376,894
Other Non Financial Liabilities	461,883	1,459,519
Retirement Benefit Liability	6,913,972	5,833,972
Current Tax Liabilities	-	3,376,089
Deferred Tax Liability	2,589,527	2,589,526
Total Liabilities	2,676,810,534	2,481,279,402
Shareholders' Funds		
Stated Capital	382,373,630	382,373,630
Statutory Reserve	28,228,500	28,228,500
Investment Fund	16,877,399	14,723,671
Retained Earnings	5,078,246	18,899,588
Total Shareholders' Funds	432,557,775	444,225,389
Total Liabilities and Shareholders' Funds	3,109,368,309	2,925,504,791
Commitments and Contingencies	-	-
Net Assets Per Share (Rs.)	11.69	12.01

The figures presented above are provisional and subject to Audit.

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007

M.Suthakar (Sgnd.)
Finance Manager

The Board of Directors is responsible for the preparation & and presentation of these Financial Statements.
Signed for and on behalf of the Board by,

K.B.Wanigasekara (Sgnd.)
Director

Rusi Pestonjee (Sgnd.)
Director

ABANS FINANCE PLC**STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED	LKR '				
	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Investment Fund Reserve Rs.	Total Rs.
Balance as at 1 April 2012	382,373,630	(6,316,722)	20,201,500	7,833,381	404,091,789
Net profit for the Period	-	26,707,356	-	-	26,707,356
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	(3,675,076)		3,675,076	-
Balance as at 30 September 2012	<u>382,373,630</u>	<u>16,715,558</u>	<u>20,201,500</u>	<u>11,508,457</u>	<u>430,799,145</u>
Balance as at 1 April 2013	382,373,630	18,899,588	28,228,500	14,723,671	444,225,389
Net profit for the Period	-	(11,667,614)	-	-	(11,667,614)
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	(2,153,728)	-	2,153,728	-
Balances as at 30 September 2013	<u>382,373,630</u>	<u>5,078,246</u>	<u>28,228,500</u>	<u>16,877,399</u>	<u>432,557,775</u>

29th October 2013
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	30th SEP '2013 Rs.	LKR' 30th SEP '2012 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	(11,667,614)	38,916,669
Adjustments for		
Depreciation	2,777,007	3,045,563
Amortisation of Intangible Assets	2,068,591	1,160,255
Impairment provision	65,433,831	583,090
Loss/(Profit) from Sale of Investments	(365,337)	-
Diminution/(Appreciation) in value of investments	625,243	(666,868)
Loss/(Profit) on Disposal of Property, Plant & Equipment	-	(553)
Provision/(reversal) for Defined Benefit Plans	1,080,000	900,000
Dividend Received	(77,079)	(146,018)
Deferred Tax		
Withholding Tax attributed to Fixed Deposit & professional fees		
Operating Profit before Working Capital Changes	59,874,642	43,792,138
(Increase)/Decrease in Real Estate Stock	1,985,439	4,628,270
(Increase)/Decrease in Loans and Advances	(18,115,954)	214,368,314
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(134,489,373)	(149,449,124)
(Increase)/Decrease in Other Financial Assets	(8,439,694)	5,539,741
(Increase)/Decrease in Other Non Financial Assets	(19,782,719)	3,155,322
Increase/(Decrease) in Amounts Due to Customers	192,648,452	(75,481,489)
Increase/(Decrease) in Other Financial Liabilities	(23,164,719)	(54,099,032)
Increase/(Decrease) in Other Non Financial Liabilities	(997,636)	51,070
Cash Generated from Operations	49,518,436	(7,494,790)
Retirement Benefit Liabilities Paid	-	(150,638)
Taxes Paid	(8,071,410)	(3,109,707)
Net Cash From/(Used in) Operating Activities	41,447,026	(10,755,135)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(1,784,428)	(1,929,895)
Acquisition of Intangible Assets	(974,309)	
Proceeds from Sales of Property, Plant & Equipment		12,499
Income from investments		(6,891,918)
Acquisition of Financial Investment held - for - trading	(829,783)	-
Proceeds from Financial investments held -for- trading	2,037,972	-
Sale/(Purchase) of Placement with banks	(67,090,614)	15,984,368
Sale/(Purchase) of financial investments- held to maturity	(122,610,535)	17,179,017
Dividend Received	77,079	146,019
Net Cash Flows from/(Used in) Investing Activities	(191,174,618)	24,500,090
Cash Flows from / (Used in) Financing Activities		
Borrowings	112,712,995	4,284,224
Payment under Finance Lease Liabilities		
Cash Flow from Debt Instruments Issued and Other borrowings	(6,734,696)	74,011,321
Dividends Paid	-	
Net Cash Flows from/(Used in) Financing Activities	105,978,299	78,295,545
Net Increase in Cash and Cash Equivalents	(43,749,293)	92,040,500
Cash and Cash Equivalents at the beginning of the year	179,932,943	37,146,178
Cash and Cash Equivalents at the end of the year	136,183,650	129,186,678

The figures presented above are provisional and subject to Audit.

29th October 2013
Colombo

ABANS FINANCE PLC**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS***LKR'*

As at	HFT at Fair Value		HTM at Amortized Cost		L&R at Amortized Cost		AFS at Fair Value		Total	
	30.09.2013	31.03.2013	30.09.2013	31.03.2013	30.09.2013	31.03.2013	30.09.2013	31.03.2013	30.09.2013	31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets										
Cash and Bank Balances	-	-	-	-	45,692,132	33,802,530	-	-	45,692,132	33,802,530
Placements with Banks	-	-	-	-	162,008,964	125,140,325	-	-	162,008,964	125,140,325
Financial Investments - Held for Trading	6,864,294	8,336,547	-	-	-	-	-	-	6,864,294	8,336,547
Loans and Advances	-	-	-	-	829,543,152	836,056,102	-	-	829,543,152	836,056,102
Lease rentals receivable & Stock out on hire	-	-	-	-	1,645,135,400	1,549,447,291	-	-	1,645,135,400	1,549,447,291
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	189,083,004	168,522,407	-	-	-	-	189,083,004	168,522,407
Other financial assets	-	-	-	-	22,369,503	15,933,472	-	-	22,369,503	15,933,472
Total Financial Assets	<u>6,864,294</u>	<u>8,336,547</u>	<u>189,083,004</u>	<u>168,522,407</u>	<u>2,704,749,151</u>	<u>2,560,379,720</u>	<u>80,400</u>	<u>80,400</u>	<u>2,900,776,849</u>	<u>2,737,319,074</u>

	OFL		Total	
	30.09.2013	31.03.2013	30.06.2013	31.03.2013
	Rs.	Rs.	Rs.	Rs.
Liabilities				
Due to Banks	395,318,588	359,435,796	395,318,588	359,435,796
Due to Customers	1,958,530,999	1,765,882,547	1,958,530,999	1,765,882,547
Debt Instruments Issued & Other borrowed funds	167,783,391	174,325,059	167,783,391	174,325,059
Other Financial Liabilities	<u>145,212,175</u>	<u>168,376,894</u>	<u>145,212,175</u>	<u>168,376,894</u>
Total Financial Liabilities	<u>2,666,845,153</u>	<u>2,468,020,296</u>	<u>2,666,845,153</u>	<u>2,468,020,296</u>

HFT - Held for Trading

HTM - Held to Maturity

L & R - Loans and Receivables

AFS - Available for Sale

OFL - Other Financial Liabilities

ABANS FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

LKR'

	Leasing		Hireperchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 30 SEPTEMBER	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
Interest Income	95,904,941	47,887,880	103,049,537	91,512,618	107,847,591	110,365,493	16,798,575	14,155,695	323,600,644	263,921,686
Fee Based Income & Others	10,256,473	2,148,608	1,873,061	2,526,181	1,158,615	2,219,495	2,384,148	2,102,092	15,672,297	8,996,376
Unallocated Income							1,705,296	2,741,112	1,705,296	2,741,112
Total Revenue	106,161,414	50,036,488	104,922,598	94,038,799	109,006,206	112,584,988	20,888,019	18,998,899	340,978,237	275,659,174
Interest Expences	(52,668,599)	(29,741,259)	(52,720,526)	(49,373,569)	(54,929,712)	(52,180,022)	(30,303,340)	(22,799,671)	(190,622,177)	(154,094,521)
Fee Based Expences & Others	(3,866,771)	(1,129,345)	(404,725)	(892,470)	(115,660)	(164,255)	(1,234,540)	(522,508)	(5,621,696)	(2,708,578)
Impairment Reversal / (Provision)	(18,735,147)	(2,004,430)	(20,066,117)	1,461,230	(24,628,904)	418,285	(2,003,663)	(458,175)	(65,433,831)	583,090
Net Operating Income	30,890,897	17,161,454	31,731,230	45,233,990	29,331,930	60,658,996	(12,653,524)	(4,781,455)	79,300,534	119,439,165
Unallocated Expenses									(90,968,148)	(80,522,496)
Profits/ (Loss) before Tax									(11,667,614)	38,916,669
Income Tax expenses									-	(12,209,313)
Net Profit / (Loss) for the period									(11,667,614)	26,707,356
Segment Assets	903,420,748	520,172,049	741,714,652	865,470,305	829,543,152	758,383,660	482,948,030	369,738,574	2,957,626,582	2,513,764,588
Unallocated Assets									151,741,727	94,058,103
Total Assets	903,420,748	520,172,049	741,714,652	865,470,305	829,543,152	758,383,660	482,948,030	369,738,574	3,109,368,309	2,607,822,691
Unallocated Liabilities									3,109,368,309	2,607,822,691
Total Liabilities									3,109,368,309	2,607,822,691

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013****(a). MARKET VALUE PER SHARE FOR THE QUARTER ENDED,**

	30th Sep 2013
Highest	Rs.34.70
Lowest	Rs.28.00
Closing	Rs.31.50

(b).

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/SKAS). There were no changes to the Accounting Policies and method of computation since the publication of the Audited Financial Statements for the year ended 31st March 2013.

These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited financial Statements of the company unless otherwise indicated.

(c). COMMITMENTS AND CONTINGENCIES

There were no significant capital commitments as at the Balance Sheet date.

(d). PUBLIC HOLDING

Public Share holding as at 30th September 2013 is, 12.15%.

(e). EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require adjustment or disclosure in the Financial Statements

(f). DIRECTORS AND CEO's SHAREHOLDING

NAME OF THE DIRECTOR	30th September 2013	
	NO.OF SHARES	(%)
MRS. SAROSHI DUBASH	133,334	0.36
MR. R PESTONJEE	106,801	0.29
MR. C D PATHIRANA	NIL	0.00
MR. K B WANIGASEKARA	NIL	0.00
MR. V K CHOKSY	NIL	0.00
MR. T SOMESHWARAN	NIL	0.00

(g). TWENTY LARGEST SHAREHOLDERS

	30th September 2013	
	NAME OF THE SHAREHOLDER	NO.OF SHARES (%)
1	ABANS (PVT) LIMITED	31,195,367 84.31
2	MR. P N PESTONJEE	679,000 1.84
3	MR. D S KARUNAKARAN	375,000 1.01
4	MR. P K PESTONJEE	370,100 1.00
5	MRS. H G S CHANDRAKANTHI	370,000 1.00
6	MR. A H A JAYASINGHE	370,000 1.00
7	MR. K KUNENTHIRAN	370,000 1.00
8	MR. N N PERERA	370,000 1.00
9	MRS. C V SUMANADASA	370,000 1.00
10	MISS. I N JALALDEEN	366,400 0.99
11	MRS. M V I F FERNANDO	360,000 0.97
12	MRS. S DUBASH	133,334 0.36
13	MR. R PESTONJEE	106,801 0.29
14	A B COLD STORAGE (PRIVATE) LIMITED	100,000 0.27
15	AB SECURITAS (PRIVATE) LIMITED	100,000 0.27
16	CLEANTECH PVT LTD	100,000 0.27
17	MR. A W A KUMARADASA	90,638 0.24
18	MRS. A S RODRIGO	90,000 0.24
19	MRS. A PESTONJEE	66,667 0.18
20	MRS. H I SALGADO	66,600 0.18
		36,049,907 97.43
	OTHERS	950,093 2.57
	TOTAL	37,000,000 100

ABANS FINANCE PLC
SIX MONTHS FINANCIAL DATA & KEY PERFORMANCE INDICATORS (INFORMATION REQUIRED BY CBSL)

FOR THE SIX MONTHS ENDED SEPTEMBER	2013	2012	AS AT 30 SEPTEMBER	2013	2012	INDICATOR AS AT SEPTEMBER	
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	2013	2012
Income	340,978	275,659	Assets			Regulatory Capital Adequacy	
Interest Income	323,336	263,922	Cash and Bank Balances	45,692	25,556	Core Capital (Tier 1 Capital) Rs.'000	
Interest Expenses	(190,622)	(154,095)	Placements with Banks	162,009	56,132	Total Capital Base Rs.'000	
Net Interest Income	132,714	109,827	Financial Assets - Held for Trading	6,864	8,753	Core Capital to Risk weighted Asset Ratio % (Minimum 5%)	
Fee and Commission Income	15,672	8,996	Loans and Receivables - Leases	903,421	520,172	Total Capital to Risk weighted Asset Ratio % (Minimum 10%)	
Fee and Commission Expenses	(5,622)	(2,709)	Loans and Receivables - Hire Purchase	741,715	865,470	Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	
Net Fee and Commission Income	10,051	6,288	Loans and Receivables - Others	829,543	758,384	Asset Quality (Quality Of Loan Portfolio)	
Net Gain/(Loss) From Trading	(183)	813	Financial Investments - Available for Sale	80	80	Gross Non Performing Accommodations, Rs.'000	
Other Operating Income (net)	2,153	1,928	Financial Investments - Held to Maturity	189,083	173,617	Gross Non Performing Accommodations, Ratio (%)	
Total Operating Income	144,734	118,856	Other Financial Assets	22,370	9,379	Net-Non Performing Accommodations, Ratio (%)	
Impairment (Charges) / Reversal	(65,434)	583	Real Estate Stock	131,856	139,989	Profitability	
Net Operating Income	79,301	119,439	Other Non Financial Assets	45,250	22,833	Interest Margin (%)	
Operating Expenses			Tax Recoverable	4,695		Return on Average Assets (%) (Before Tax)	
Personnel Costs	(38,309)	(35,587)	Intangible Assets	11,175	9,046	Return on Average Equity (%) (After Tax)	
Depreciation of Property, Plant & Equipment	(2,777)	(3,046)	Property, Plant & Equipment	15,616	18,330	Regulatory Liquidity (Rs. '000)	
Amortization of Intangible Assets	(2,069)	(1,160)	Deferred Tax Asset		82	Required Minimum amount of Liquid Assets	
Other Operating Expenses	(46,394)	(36,378)	Total Assets	3,109,368	2,607,823	Available amount of Liquid Assets	
Operating Profit before Value Added Tax on FS	(10,249)	43,268	Liabilities			Required Minimum amount of Government Securities	
Value Added Tax on Financial Services	(1,419)	(4,351)	Due to Banks	395,319	318,532	Available amount of Government Securities	
Profit before Taxation from Operations	(11,668)	38,917	Due to Customers	1,958,531	1,596,627	Memorandum Information	
Provision for Income Taxation	-	(12,209)	Debt Inst. Issued and Other Borrowed Funds	167,783	173,572	Number of Employees	
Profit for the Period	(11,668)	26,707	Other Financial Liabilities	145,212	80,145	No Of Branches	
Other Comprehensive Income	-	-	Other Non Financial Liabilities	462	1,184	No Of Service Centers	
Other Comprehensive Income for the Period, Net of Tax	-	-	Retirement Benefit Liability	6,914	4,466		
Total Comprehensive Income for the Period	(11,668)	26,707	Current Tax Liabilities		2,497		
Basic/ Diluted Earnings Per Share (Rs)	(0.63)	1.44	Deferred Tax Liability	2,590			
			Total Liabilities	2,676,811	2,177,024		
			Shareholders' Funds				
			Stated Capital	382,374	382,374		
			Statutory Reserve	28,229	20,202		
			Investment Fund	16,877	11,508		
			Retained Earnings	5,078	16,716		
			Total Shareholders' Funds	432,558	430,799		
			Total Liabilities and Shareholders' Funds	3,109,368	2,607,823		