

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2014



Abans
FINANCE

ABANS FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

	For the Six Months Ended 30 September		For the Quarter Ended 30 September	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Income	454,463,592	340,978,238	241,428,275	173,129,974
Interest Income	406,053,704	323,336,084	211,147,767	163,298,289
Interest Expenses	(208,243,949)	(190,622,177)	(103,935,502)	(96,530,235)
Net Interest Income	197,809,755	132,713,907	107,212,265	66,768,054
Fee and Commission Income	41,691,422	15,672,296	23,968,085	9,835,240
Fee and Commission Expenses	(20,214,268)	(5,621,696)	(10,139,198)	(3,359,817)
Net Fee and Commission Income	21,477,154	10,050,600	13,828,887	6,475,423
Net Gain/(Loss) From Trading	2,842,971	(182,826)	1,882,383	(829,550)
Other Operating Income (net)	3,875,495	2,152,684	4,430,040	825,994
Total Operating Income	226,005,375	144,734,365	127,353,575	73,239,921
Impairment (Charges) / Reversal	(39,212,184)	(65,433,831)	(9,685,735)	(43,383,195)
Net Operating Income	186,793,191	79,300,534	117,667,840	29,856,726
Operating Expenses				
Personnel Costs	(52,459,379)	(38,309,418)	(28,812,374)	(18,024,602)
Other Operating Expenses	(78,739,958)	(51,240,014)	(39,626,472)	(26,559,689)
Operating Profit/(Loss) before VAT on FS	55,593,854	(10,248,898)	49,228,993	(14,727,565)
Value Added Tax on Financial Services	(4,987,234)	(1,418,716)	(4,439,663)	(174,960)
Profit / (Loss) before Taxation from Operations	50,606,619	(11,667,614)	44,789,330	(14,902,525)
Income Tax (Expense)/Reversal	(10,590,000)	-	(9,170,000)	1,115,595
Profit/(Loss) for the Period	40,016,619	(11,667,614)	35,619,330	(13,786,930)
Other Comprehensive Income				
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	896,500	-	896,500	-
Other Comprehensive Income for the Period, Net of Tax	896,500	-	896,500	-
Total Comprehensive Income for the Period	40,913,119	(11,667,614)	36,515,830	(13,786,930)
Earnings Per Share	2.16	(0.63)	1.93	(0.75)

The figures presented above are provisional and subject to Audit.

28th October 2014
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As At	30 September 2014	31 March 2014 (Audited)
	Rs.	Rs.
Assets		
Cash and Bank Balances	55,682,025	105,135,491
Placements with Banks	289,540,559	127,536,938
Securities Purchased under Repurchase Agreement	424,545,300	268,997,323
Financial Assets - Held for Trading	12,624,747	7,050,137
Financial Investments - Debt Securities	49,328,773	49,436,762
Loans and Advances	711,217,428	742,249,739
Lease Rentals Receivable & Stock Out on Hire	2,390,995,397	2,073,588,418
Financial Investments - Available for Sale	50,976,900	80,400
Financial Investments - Held to Maturity	20,920,232	57,074,657
Other Financial Assets	33,225,635	22,578,323
Real Estate Stock	116,975,049	130,860,857
Other Non Financial Assets	132,339,648	95,297,612
Deferred Tax Asset	155,429	155,429
Intangible Assets	11,334,388	9,340,722
Property, Plant & Equipment	21,063,164	17,957,131
Total Assets	4,320,924,674	3,707,339,938
Liabilities		
Due to Banks	211,030,814	263,270,844
Due to Customers	3,271,623,976	2,600,119,545
Debt Inst. Issued and Other Borrowed Funds	-	122,265,623
Other Financial Liabilities	329,399,463	252,620,558
Other Non Financial Liabilities	2,246,927	2,879,760
Retirement Benefit Liability	8,422,816	7,411,816
Current Tax Liabilities	4,392,563	5,876,797
Deferred Tax Liability	-	-
Total Liabilities	3,827,116,559	3,254,444,942
Shareholders' Funds		
Stated Capital	382,373,630	382,373,630
Statutory Reserve	29,968,000	29,968,000
Investment Fund	20,012,493	18,454,243
Retained Earnings	60,557,492	22,099,123
Available for Sale Reserve	896,500	-
Total Shareholders' Funds	493,808,115	452,894,996
Total Liabilities and Shareholders' Funds	4,320,924,674	3,707,339,938
Commitments and Contingencies	-	-
Net Assets Per Share	13.35	12.24

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.K. Nambiyarooran (Sgnd.)
Chief Finance Officer

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

V K Choksy (Sgnd.)
Director

28th October 2014
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Total Rs.
Balance as at 1 April 2013	382,373,630	18,899,588	28,228,500	14,723,671	-	444,225,389
Net Profit / (Loss) 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	-	-
Balance 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>-</u>	<u>432,557,775</u>
Balance as at 1 April 2014	382,373,630	22,099,123	29,968,000	18,454,242	-	452,894,995
Net Profit / (Loss) for the Period	-	40,016,619	-	-	-	40,016,619
Other Comprehensive Income Net of Tax	-	-	-	-	896,500	896,500
Transfer to / (from) during the Period	-	(1,558,250)	-	1,558,250		-
Balances as at 30 September 2014	<u>382,373,630</u>	<u>60,557,492</u>	<u>29,968,000</u>	<u>20,012,493</u>	<u>896,500</u>	<u>493,808,114</u>

28th October 2014
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	30 September 2014 Rs.	30 September 2013 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	50,606,619	(11,667,614)
Adjustments for		
Depreciation	3,649,092	2,777,008
Amortisation of Intangible Assets	2,227,395	2,068,591
Impairment Chargers	39,212,184	65,433,831
Loss/(Profit) from Sale of Investments	-	(365,337)
Diminution/(Appreciation) in value of investments	(2,615,553)	625,243
Provision/(reversal) for Defined Benefit Plans	1,080,000	1,080,000
Dividend Received	(227,418)	(77,079)
Operating Profit before Working Capital Changes	93,932,319	59,874,642
(Increase)/Decrease in Real Estate Stock	13,885,808	1,985,439
(Increase)/Decrease in Loans and Advances	21,701,254	(18,115,954)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(331,906,755)	(134,489,373)
(Increase)/Decrease in Other Financial Assets	(26,028,665)	(8,439,694)
(Increase)/Decrease in Other Non Financial Assets	(37,042,037)	(19,782,719)
Increase/(Decrease) in Amounts Due to Customers	671,504,431	192,648,452
Increase/(Decrease) in Other Financial Liabilities	76,778,904	(23,164,719)
Increase/(Decrease) in Other Non Financial Liabilities	(632,832)	(997,637)
Cash Generated from Operations	482,192,427	49,518,436
Retirement Benefit Liabilities Paid	(69,000)	-
Taxes Paid	(12,074,233)	(8,071,410)
Net Cash From/(Used in) Operating Activities	470,049,194	41,447,026
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(6,755,124)	(1,784,428)
Acquisition of Intangible Assets	(4,221,062)	(974,309)
Acquisition of Financial Investment Held - for -Trading	(2,959,058)	(829,783)
Proceeds from Sale of Financial Investments Held -for-Trading	-	2,037,972
Sale/(Purchase) of Placement with banks	(1,793)	(67,090,614)
Sale/(Purchase) of Financial Investments-Held to Maturity	(224,490)	(122,610,535)
Sale/(Purchase) of Financial Investments- Unit Trust	(50,000,000)	-
Investment in Debt Securities	107,988	-
Dividends Received	227,418	77,079
Net Cash Flows from/(Used in) Investing Activities	(63,826,120)	(191,174,618)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(50,865,227)	112,712,995
Cash Flow from Debt Instruments Issued and Other borrowings	(122,265,622)	(6,734,696)
Dividends Paid	-	-
Net Cash Flows from/(Used in) Financing Activities	(173,130,849)	105,978,299
Net Increase in Cash and Cash Equivalents	233,092,225	(43,749,293)
Cash and Cash Equivalents at the beginning of the year	499,567,951	179,932,942
Cash and Cash Equivalents at the end of the year	732,660,176	136,183,650

The figures presented above are provisional and subject to Audit.

28th October 2014
Colombo

ABANS FINANCE PLC

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

As at	HFT at Fair Value		HTM at Amortized Cost		L&R at Amortized Cost		AFS at Fair Value		Total	
	30.09.2014	31.03.2014	30.09.2014	31.03.2014	30.09.2014	31.03.2014	30.09.2014	31.03.2014	30.09.2014	31.03.2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets										
Cash and Bank Balances	-	-	-	-	55,682,025	105,135,491	-	-	55,682,025	105,135,491
Placements with Banks	-	-	-	-	289,540,559	127,536,938	-	-	289,540,559	127,536,938
Repurchase Agreements	-	-	-	-	424,545,300	268,997,323	-	-	424,545,300	268,997,323
Financial Investments - Held for Trading	12,624,747	7,050,137	-	-	-	-	-	-	12,624,747	7,050,137
Financial Investments - Debt Securities	-	-	-	-	49,328,773	49,436,762	-	-	49,328,773	49,436,762
Loans and Advances	-	-	-	-	711,217,428	742,249,739	-	-	711,217,428	742,249,739
Lease rentals receivable & Stock out on hire	-	-	-	-	2,390,995,397	2,073,588,418	-	-	2,390,995,397	2,073,588,418
Financial Investments - Available for Sale	-	-	-	-	-	-	50,976,900	80,400	50,976,900	80,400
Financial Investments - Held to Maturity	-	-	20,920,232	57,074,657	-	-	-	-	20,920,232	57,074,657
Other financial assets	-	-	-	-	33,225,636	22,578,323	-	-	33,225,636	22,578,323
Total Financial Assets	<u>12,624,747</u>	<u>7,050,137</u>	<u>20,920,232</u>	<u>57,074,657</u>	<u>3,954,535,117</u>	<u>3,389,522,993</u>	<u>50,976,900</u>	<u>80,400</u>	<u>4,039,056,996</u>	<u>3,453,728,187</u>

	OFL		Total	
	30.09.2014	31.03.2014	30.09.2014	31.03.2014
	Rs.	Rs.	Rs.	Rs.
Liabilities				
Due to Banks	211,030,814	263,270,844	211,030,814	263,270,844
Due to Customers	3,271,623,976	2,600,119,545	3,271,623,976	2,600,119,545
Debt Instruments Issued & Other borrowed funds	-	122,265,623	-	122,265,623
Other Financial Liabilities	329,399,462	252,620,558	329,399,462	252,620,558
Total Financial Liabilities	<u>3,812,054,252</u>	<u>3,238,276,570</u>	<u>3,812,054,252</u>	<u>3,238,276,570</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

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 30 SEPTEMBER	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Interest Income	217,421,603	95,904,941	70,018,863	103,049,537	91,901,380	107,847,591	26,711,859	16,534,014	406,053,704	323,336,084
Fee Based Income & Others	33,339,581	11,538,318	4,892,121	2,975,364	3,459,719	1,158,615	1,832,663	81,735	43,524,085	15,754,031
Unallocated Income							4,885,803	1,888,123	4,885,803	1,888,123
Total Revenue	250,761,184	107,443,259	74,910,984	106,024,901	95,361,099	109,006,206	33,430,325	18,503,872	454,463,592	340,978,238
Interest Expences	(91,343,997)	(52,668,599)	(32,588,039)	(52,720,526)	(40,928,115)	(54,929,712)	(43,383,799)	(30,303,340)	(208,243,949)	(190,622,177)
Fee Based Expences & Others	(16,626,066)	(3,866,771)	108,870	(404,725)	(101,980)	(115,660)	(3,595,091)	(1,234,540)	(20,214,268)	(5,621,696)
Impairment Reversal / (Provision)	(30,942,886)	(18,735,147)	16,443,111	(20,066,117)	(9,331,057)	(24,628,904)	(15,381,352)	(2,003,663)	(39,212,184)	(65,433,831)
Net Operating Income	111,848,236	32,172,742	58,874,925	32,833,533	44,999,947	29,331,930	(28,929,917)	(15,037,671)	186,793,191	79,300,534
Unallocated Expenses									(136,186,572)	(90,968,148)
Profits/ (Loss) before Tax									50,606,619	(11,667,614)
Income Tax expenses									(10,590,000)	-
Net Profit /(Loss) for the period									40,016,619	(11,667,614)
Segment Assets	1,856,396,342	903,420,748	534,599,055	741,714,652	711,217,428	829,543,152	901,309,913	482,948,031	4,003,522,737	2,957,626,584
Unallocated Assets									317,401,937	151,741,725
Total Assets	1,856,396,342	903,420,748	534,599,055	741,714,652	711,217,428	829,543,152	901,309,913	482,948,031	4,320,924,674	3,109,368,309
Unallocated Liabilities									4,320,924,674	3,109,368,309
Total Liabilities									4,320,924,674	3,109,368,309

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014****(a). MARKET VALUE PER SHARE FOR THE QUARTER ENDED,**

	30 September 2014
Highest	Rs.31.80
Lowest	Rs.26.10
Closing	Rs.27.30

(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 2014.

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 reporting date.

(d). PUBLIC HOLDING

- Public Share holding as at 30th September 2014 is, 10.34%.
- Number of Public Share Holders as at 30th September 2014 is, 681.

(e). EVENTS AFTER THE REPORTING DATE

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

(f). DIRECTORS AND CEO'S SHAREHOLDING

Name of the Director	30 September 2014	
	No.of Shares	(%)
Mr. R Pestonjee *	147,887	0.40
Mr. C D Pathirana	NIL	NIL
Mr. K B Wanigasekara	NIL	NIL
Mr. V K Choksy	NIL	NIL
Mr. A S Ratnayake	NIL	NIL

* This includes 20,000 Shares Held Jointly.

(g). TWENTY LARGEST SHAREHOLDERS

Name of the Shareholder	30 September 2014	
	No. of Shares	(%)
1 Abans Limited	33,025,006	89.26
2 Mr. P N Pestonjee	669,939	1.81
3 Mr. P K Pestonjee	370,100	1.00
4 Mrs. H G S Chandrakanthi	370,000	1.00
5 Mr. K Kunenthiran	370,000	1.00
6 Mrs. C V Sumanadasa	370,000	1.00
7 Mrs. S Dubash	133,334	0.36
8 Mr. R Pestonjee	127,887	0.35
9 A B Cold Storage (Private) Limited	100,000	0.27
10 Ab Securitas (Private) Limited	100,000	0.27
11 Cleantech (Private) Limited	100,000	0.27
12 Mrs. K S Rodrigo	90,000	0.24
13 Mrs. A Pestonjee	66,667	0.18
14 Mrs. H I Salgado	66,600	0.18
15 Mrs. S F Zubair	50,000	0.14
16 Mr. G C Goonetilleke	34,044	0.09
17 Mr. K Poologasundram	25,000	0.07
18 Mr. A W A Kumaradasa	23,463	0.06
19 Mr. G G Thilakarathna	23,000	0.06
20 Mr. R Pestonjee & Miss J E S Fernando	20,000	0.05
Mr. N W G Tissa Chandrasiri	20,000	0.05
	36,155,040	97.72
Others	844,960	2.28
Total	37,000,000	100

ABANS FINANCE PLC

SIX MONTHS FINANCIAL DATA & KEY PERFORMANCE INDICATORS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER	2014	2013	AS AT 30 SEPTEMBER	2014	2013	INDICATOR AS AT SEPTEMBER	
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	2014	2013
Income	454,464	340,978	Assets			Regulatory Capital Adequacy	
Interest Income	406,054	323,336	Cash and Bank Balances	55,682	45,692	Core Capital (Tier 1 Capital) Rs.'000	
Interest Expenses	(208,244)	(190,622)	Placements with Banks	289,541	162,009	Total Capital Base Rs.'000	
Net Interest Income	197,810	132,714	Financial Assets - Held for Trading	12,625	6,864	Core Capital to Risk weighted Asset Ratio % (Minimum 5%)	
Fee and Commission Income	41,691	15,672	Financial Investments - Debt Securities	49,329	-	Total Capital to Risk weighted Asset Ratio % (Minimum 10%)	
Fee and Commission Expenses	(20,214)	(5,622)	Loans and Receivables - Leases	1,856,396	903,421	Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	
Net Fee and Commission Income	21,477	10,051	Loans and Receivables - Hire Purchase	534,599	741,715	Asset Quality (Quality Of Loan Portfolio)	
Net Gain/(Loss) From Trading	2,843	(183)	Loans and Receivables - Others	711,217	829,543	Gross Non Performing Accommodations, Rs.'000 *	
Other Operating Income (net)	3,875	2,153	Financial Investments - Available for Sale	50,977	80	Gross Non Performing Accommodations, Ratio (%) *	
Total Operating Income	226,005	144,734	Financial Investments - Held to Maturity	445,466	189,083	Net-Non Performing Accommodations, Ratio (%) *	
Impairment (Charges) / Reversal	(39,212)	(65,434)	Other Financial Assets	33,226	22,370	<i>* Computed as per the CBSL Guidelines</i>	
Net Operating Income	186,793	79,301	Real Estate Stock	116,975	131,856	Profitability	
Operating Expenses			Tax Recoverable	132,340	45,250	Interest Margin (%)	
Personnel Costs	(52,459)	(38,309)	Intangible Assets	-	4,695	Return on Average Assets (%) (Before Tax)	
Depreciation of Property, Plant & Equipment	(3,649)	(2,777)	Property, Plant & Equipment	11,334	11,175	Return on Average Equity (%) (After Tax)	
Amortization of Intangible Assets	(2,227)	(2,069)	Defered Tax Asset	21,063	15,616	Regulatory Liquidity (Rs. '000)	
Other Operating Expenses	(72,863)	(46,394)	Total Assets	155	-	Required Minimum amount of Liquid Assets	
Operating Profit before Value Added Tax on FS	55,594	(10,249)	Liabilities	4,320,925	3,109,368	Available amount of Liquid Assets	
Value Added Tax on Financial Services	(4,987)	(1,419)	Due to Banks	211,031	395,319	Required Minimum amount of Government Securities	
Profit before Taxation from Operations	50,607	(11,668)	Due to Customers	3,271,624	1,958,531	Available amount of Government Securities	
Provision for Income Taxation	(10,590)	-	Debt Inst. Issued and Other Borrowed Funds		167,783	Memorandum Information	
Profit for the Period	40,017	(11,668)	Other Financial Liabilities	329,399	145,212	Number of Employees	
Other Comprehensive Income	897	-	Other Non Financial Liabilities	2,247	462	No Of Branches	
Other Comprehensive Income for the Period, Net of Tax	897	-	Retirement Benefit Liability	8,423	6,914	No Of Service Centers	
Total Comprehensive Income for the Period	40,913	(11,668)	Current Tax Liabilities	4,393	-		
Basic/ Diluted Earnings Per Share (Rs)	2.16	(0.63)	Deferred Tax Liability	-	2,590		
			Total Liabilities	3,827,117	2,676,811		
			Shareholders' Funds				
			Stated Capital	382,374	382,374		
			Statutory Reserve	29,968	28,229		
			Investment Fund	20,012	16,877		
			Retained Earnings	60,557	5,078		
			Available for Sale Reserve	897	-		
			Total Shareholders' Funds	493,808	432,558		
			Total Liabilities and Shareholders' Funds	4,320,925	3,109,368		