

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2015

A decorative graphic in the bottom right corner of the page. It features a purple triangular shape pointing towards the bottom left. Inside this shape, the text "Abans FINANCE" is written in white. Above the purple shape, there is a collage of various currency notes, including a yellow 5 Euro note and a silver 2 Euro note, partially overlapping the purple area.

Abans
FINANCE

ABANS FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

	For the Nine Months Ended December		For the Quarter Ended December	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Income	973,354,477	694,817,895	325,746,860	240,354,303
Interest Income	878,875,290	622,089,494	305,383,207	216,035,791
Interest Expenses	(356,051,427)	(309,762,778)	(128,938,666)	(101,518,829)
Net Interest Income	522,823,863	312,326,716	176,444,541	114,516,962
Fee and Commission Income	85,388,219	65,552,639	18,253,419	23,861,216
Fee and Commission Expenses	(63,868,471)	(31,115,221)	(19,006,208)	(10,900,953)
Net Fee and Commission Income	21,519,748	34,437,418	(752,789)	12,960,263
Net Gain/(Loss) From Trading	474,967	2,483,663	(67,334)	(359,309)
Other Operating Income (net)	8,616,001	4,692,100	2,177,568	816,605
Total Operating Income	553,434,579	353,939,897	177,801,986	127,934,521
Impairment (Charges) / Reversal	(149,368,854)	(68,431,939)	(53,108,257)	(29,219,755)
Net Operating Income	404,065,725	285,507,958	124,693,729	98,714,766
Operating Expenses				
Personnel Costs	(114,336,723)	(81,863,978)	(49,570,849)	(29,404,598)
Other Operating Expenses	(162,886,707)	(120,259,048)	(56,878,750)	(41,519,090)
Operating Profit/(Loss) before VAT on FS	126,842,295	83,384,932	18,244,130	27,791,078
Value Added Tax on Financial Services	(20,572,342)	(7,125,230)	(6,510,601)	(2,137,996)
Profit / (Loss) before Taxation from Operations	106,269,953	76,259,702	11,733,529	25,653,082
Income Tax (Expence)/Reversal	(31,870,000)	(16,690,000)	(4,450,000)	(6,100,000)
Profit/(Loss) for the Period	74,399,953	59,569,702	7,283,529	19,553,082
Other Comprehensive Income				
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	2,095,461	2,375,557	2,201,178	1,479,057
Other Comprehensive Income for the Period, Net of Tax	2,095,461	2,375,557	2,201,178	1,479,057
Total Comprehensive Income for the Period	76,495,414	61,945,259	9,484,707	21,032,139
Earnings Per Share	2.01	1.61	0.20	0.53

The figures presented above are provisional and subject to Audit.

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2015

	DECEMBER '2015	MARCH '2015
	Rs.	Rs.
Assets		(Audited)
Cash and Bank Balances	63,891,650	68,497,383
Placements with Banks	223,381,264	283,645,333
Securities Purchased under Repurchase Agreement	520,877,575	426,888,521
Financial Assets - Held for Trading	7,631,382	7,370,358
Financial Investments - Debt Securities	49,307,793	49,278,340
Loans and Advances	613,649,386	637,248,600
Lease Rentals Receivable & Stock Out on Hire	3,875,614,649	2,903,285,248
Financial Investments - Available for Sale	102,306,116	100,210,655
Financial Investments - Held to Maturity	21,905,245	21,150,414
Other Financial Assets	62,444,138	42,129,334
Real Estate Stock	67,231,407	97,139,978
Other Non Financial Assets	30,738,899	81,785,327
Deferred Tax Asset	18,446,150	18,446,150
Intangible Assets	9,584,050	10,241,083
Property, Plant & Equipment	77,192,149	26,807,373
Total Assets	<u>5,744,201,853</u>	<u>4,774,124,097</u>
Liabilities		
Due to Banks	115,988,683	155,850,542
Due to Customers	4,485,609,028	3,591,961,005
Debt Inst. Issued and Other Borrowed Funds	30,366,394	-
Other Financial Liabilities	478,078,005	461,616,857
Other Non Financial Liabilities	6,823,567	1,859,218
Retirement Benefit Liability	12,734,889	11,474,701
Current Tax Liabilities	13,235,702	26,491,603
Total Liabilities	<u>5,142,836,268</u>	<u>4,249,253,926</u>
Shareholders' Funds		
Stated Capital	382,373,630	382,373,630
Statutory Reserve	44,529,000	44,529,000
Retained Earnings	172,237,239	97,837,286
Available for Sale Reserve	2,225,716	130,255
Total Shareholders' Funds	<u>601,365,585</u>	<u>524,870,171</u>
Total Liabilities and Shareholders' Funds	<u>5,744,201,853</u>	<u>4,774,124,097</u>
Commitments and Contingencies	<u>-</u>	<u>-</u>
Net Assets Per Share	<u>16.25</u>	<u>14.19</u>

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

P.W.K.Roshan (Sgnd.)
Head Of Finance

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

Rusi Pestonjee (Sgnd.)
Director

K.B.Wanigasekara (Sgnd.)
Director

26th January 2016
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 2014	382,373,630	22,099,123	29,968,000	18,454,242	-	452,894,995
Net Profit / (Loss) for the Period	-	59,569,702	-	-	-	59,569,702
Other Comprehensive Income Net of Tax	-	-	-	-	2,375,557	2,375,557
Transfer to / (from) during the Period	-	(1,558,250)	-	1,558,250	-	-
Balance as at 31 December 2014	<u>382,373,630</u>	<u>80,110,575</u>	<u>29,968,000</u>	<u>20,012,492</u>	<u>2,375,557</u>	<u>514,840,254</u>
Balance as at 1 April 2015	382,373,630	97,837,286	44,529,000	-	130,255	524,870,171
Net Profit / (Loss) for the Period	-	74,399,953	-	-	-	74,399,953
Other Comprehensive Income Net of Tax	-	-	-	-	2,095,461	2,095,461
Transfer to / (from) during the Period	-	-	-	-	-	-
Balances as at 31 December 2015	<u>382,373,630</u>	<u>172,237,239</u>	<u>44,529,000</u>	<u>-</u>	<u>2,225,716</u>	<u>601,365,585</u>

26th January 2016
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	31st DECEMBER '2015 Rs.	31st DECEMBER '2014 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	106,269,953	76,259,702
Adjustments for		
Depreciation	7,902,270	5,561,730
Amortisation of Intangible Assets	7,516,562	3,390,416
Impairment Chargers	149,368,854	68,431,939
Loss/(Profit) from Sale of Investments	-	3,032,079
Loss/(Profit) from Sale of Unit Trust	(4,500,941)	-
Diminution/(Appreciation) in value of investments	(236,479)	(5,257,482)
Loss/(Profit) on Disposal of Property, Plant & Equipment	19,829	-
Provision/(reversal) for Defined Benefit Plans	1,620,000	1,620,000
Dividend Received	(238,487)	(258,259)
Operating Profit before Working Capital Changes	267,721,561	152,780,125
(Increase)/Decrease in Real Estate Stock	1,814,497	13,885,808
(Increase)/Decrease in Loans and Advances	24,191,785	108,364,689
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(1,068,034,837)	(498,448,432)
(Increase)/Decrease in Other Financial Assets	(74,570,790)	(64,805,578)
(Increase)/Decrease in Other Non Financial Assets	51,046,428	(25,261,776)
Increase/(Decrease) in Amounts Due to Customers	893,648,023	780,105,901
Increase/(Decrease) in Other Financial Liabilities	16,461,149	101,290,315
Increase/(Decrease) in Other Non Financial Liabilities	4,964,351	(1,027,081)
Cash Generated from Operations	117,242,167	566,883,971
Retirement Benefit Liabilities Paid	(359,813)	(69,000)
Taxes Paid	(45,125,900)	(17,083,882)
Net Cash From/(Used in) Operating Activities	71,756,454	549,731,089
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(30,245,051)	(9,866,928)
Acquisition of Intangible Assets	(6,859,530)	(4,221,062)
Proceeds from Sales of Property , Plant & Equipment	32,250	-
Acquisition of Financial Investment Held - for -Trading	(24,546)	(5,164,166)
Proceeds from Sale of Financial Investments Held -for-Trading	-	6,406,047
Sale/(Purchase) of Placement with banks	(2,025)	(2,644)
Sale/(Purchase) of Financial Investments-Held to Maturity	(754,831)	(709,960)
Acquisition of Financial Investments - Available for Sale	(100,000,000)	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	104,500,941	-
Investment in Debt Securities	(29,454)	90,593
Dividends Received	238,487	258,259
Net Cash Flows from/(Used in) Investing Activities	(33,143,759)	(113,209,861)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(74,859,752)	(76,704,109)
Cash Flow from Debt Instruments Issued and Other borrowings	30,366,394	(122,265,623)
Net Cash Flows from/(Used in) Financing Activities	(44,493,358)	(198,969,732)
Net Increase in Cash and Cash Equivalents	(5,880,663)	237,551,496
Cash and Cash Equivalents at the beginning of the year	745,027,801	499,567,951
Cash and Cash Equivalents at the end of the year	739,147,134	737,119,447

The figures presented above are provisional and subject to Audit.

26th January 2016

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	
	31.12.2015 Rs.	31.03.2015 Rs.	31.12.2015 Rs.	31.03.2015 Rs.	31.12.2015 Rs.	31.03.2015 Rs.	31.12.2015 Rs.	31.03.2015 Rs.	31.12.2015 Rs.	31.03.2015 Rs.
Assets										
Cash and Bank Balances	-	-	-	-	63,891,650	68,497,383	-	-	63,891,650	68,497,383
Placements with Banks	-	-	-	-	223,381,264	283,645,333	-	-	223,381,264	283,645,333
Repurchase Agreements	-	-	-	-	520,877,575	426,888,521	-	-	520,877,575	426,888,521
Financial Investments - Held for Trading	7,631,382	7,370,358	-	-	-	-	-	-	7,631,382	7,370,358
Financial Investments - Debt Securities	-	-	-	-	49,307,793	49,278,340	-	-	49,307,793	49,278,340
Loans and Advances	-	-	-	-	613,649,386	637,248,600	-	-	613,649,386	637,248,600
Lease rentals receivable & Stock out on hire	-	-	-	-	3,875,614,649	2,903,285,248	-	-	3,875,614,649	2,903,285,248
Financial Investments - Available for Sale	-	-	-	-	-	-	102,306,116	100,210,655	102,306,116	100,210,655
Financial Investments - Held to Maturity	-	-	21,905,245	21,150,414	-	-	-	-	21,905,245	21,150,414
Other financial assets	-	-	-	-	62,444,138	42,129,334	-	-	62,444,138	42,129,334
Total Financial Assets	7,631,382	7,370,358	21,905,245	21,150,414	5,409,166,455	4,410,972,759	102,306,116	100,210,655	5,541,009,198	4,539,704,186

	OFL		Total	
	31.12.2015 Rs.	31.03.2015 Rs.	31.12.2015 Rs.	31.03.2015 Rs.
Liabilities				
Due to Banks	115,988,683	155,850,542	115,988,683	155,850,542
Due to Customers	4,485,609,028	3,591,961,005	4,485,609,028	3,591,961,005
Debt Instruments Issued & Other borrowed funds	30,366,394	-	30,366,394	-
Other Financial Liabilities	478,078,005	461,616,857	478,078,005	461,616,857
Total Financial Liabilities	5,110,042,110	4,209,428,404	5,110,042,110	4,209,428,404

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 31 DECEMBER	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Interest Income	685,822,783	348,749,586	47,092,690	98,770,794	96,190,518	134,805,278	49,769,299	39,763,836	878,875,290	622,089,494
Fee Based Income & Others	81,570,272	52,856,694	822,821	6,185,522	2,995,126	6,510,422	1,157,405	1,473,355	86,545,624	67,025,993
Unallocated Income							7,933,563	5,702,408	7,933,563	5,702,408
Total Revenue	767,393,055	401,606,280	47,915,511	104,956,316	99,185,644	141,315,700	58,860,267	46,939,599	973,354,477	694,817,895
Interest Expences	(224,789,012)	(146,445,619)	(19,057,414)	(44,360,577)	(44,996,535)	(56,815,859)	(67,208,466)	(62,140,723)	(356,051,427)	(309,762,778)
Fee Based Expences & Others	(45,680,097)	(25,713,083)	-	(187,075)	(85,653)	(149,450)	(18,102,721)	(5,065,612)	(63,868,471)	(31,115,220)
Impairment Reversal / (Provision)	(87,341,215)	(34,486,610)	(8,364,222)	27,739,925	424,988	(13,869,056)	(54,088,405)	(47,816,198)	(149,368,854)	(68,431,939)
Net Operating Income	409,582,731	194,960,968	20,493,875	88,148,589	54,528,444	70,481,335	(80,539,325)	(68,082,934)	404,065,725	285,507,958
Unallocated Expenses									(297,795,772)	(209,248,256)
Profits/ (Loss) before Tax									106,269,953	76,259,702
Income Tax expenses									(31,870,000)	(16,690,000)
Net Profit / (Loss) for the period									74,399,953	59,569,702
Segment Assets	3,702,657,827	2,124,376,953	172,956,822	440,913,211	613,649,386	620,015,994	882,703,284	850,627,246	5,371,967,319	4,035,933,404
Unallocated Assets									372,234,534	418,587,896
Total Assets	3,702,657,827	2,124,376,953	172,956,822	440,913,211	613,649,386	620,015,994	882,703,284	850,627,246	5,744,201,853	4,454,521,300
Unallocated Liabilities									5,744,201,853	4,454,521,300
Total Liabilities									5,744,201,853	4,454,521,300

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

(a). MARKET VALUE PER SHARE FOR THE QUARTER ENDED,

	31st DECEMBER 2015	31st MARCH 2015
Highest	Rs.44.00	Rs.28.70
Lowest	Rs.34.10	Rs.24.00
Closing	Rs.40.00	Rs.25.50

(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/LKAS). 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 2015.

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 reporting date.

(d). PUBLIC HOLDING

- Public Share holding as at 31st December 2015 is, 10.33%
- Number of Public Share Holders as at 31 December 2015 is, 632.

(e). EVENTS OCCURRING AFTER THE REPORTING DATE

The recent growth in Assets of the Company has weakened the statutory ratios related to Capital, namely Total Risk Weighted Capital Ratio, Core Capital Ratio and the Capital Funds to Deposits ratio that require infusion of Capital to comply with regulatory requirements.

Accordingly, The Board of Directors resolved on 18th December, 2015 to issue 7,400,000 ordinary shares, in the proportion of One (01) Ordinary Share for every Five (05) Ordinary Shares in the capital of the Company by way of a Rights Issue to holders of the ordinary shares of the Company at a price of Rs. 25.00 per share, amounting to Rs. 185,000,000.00, and which new shares shall rank pari passu with the existing Ordinary Shares of the Company, subject to approval of Director, Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka in terms of the Finance Companies (Structural Changes) Direction No. 1 of 2013, the shareholders and Colombo Stock Exchange approving in principle the issue and listing of shares in order to increase the Core Capital and the Capital Funds of the Company which will ensure the continuous compliance with the Finance Companies (Risk Weighted Capital Adequacy Ratio) Direction No. 2 of 2006 and Finance Companies (Capital Funds) Direction No. 01 of 2003. The approval of the Central Bank of Sri Lanka for the proposed issue has been granted by their letter dated 28th December, 2015.

(f). DIRECTORS AND CEO'S SHAREHOLDING

NAME OF THE DIRECTOR	31st December 2015		31st MARCH 2015	
	NO.OF SHARES	(%)	NO.OF SHARES	(%)
Mr. R Pestonjee	153,237 *	0.41	147,887 *	0.4
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.

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE PERIOD ENDED 31 DECEMBER 2015****(g). TWENTY LARGEST SHAREHOLDERS**

NAME OF THE SHAREHOLDER	31st DECEMBER 2015	
	NO.OF SHARES	(%)
ABANS PLC	33,025,006	89.26
MR. K KUNENTHIRAN	634,316	1.71
MR. P N PESTONJEE	633,000	1.71
MR. P K PESTONJEE	370,100	1.00
MRS. H G S CHANDRAKANTHI	370,000	1.00
MRS. C V SUMANADASA	370,000	1.00
MRS. S DUBASH	133,334	0.36
MR. R PESTONJEE	133,237	0.36
A B COLD STORAGE (PRIVATE) LIMITED	100,000	0.27
AB SECURITAS (PRIVATE) LIMITED	100,000	0.27
CLEANTECH (PVT) LTD	100,000	0.27
MRS. A PESTONJEE	66,667	0.18
MRS. H I SALGADO	66,600	0.18
MRS. R A C DEEPANEE	64,163	0.17
MR. G C GOONETILLEKE	40,000	0.11
TKS FINANCE LTD/K JAYAKODY	38,785	0.10
MRS. K S RODRIGO	32,900	0.09
MR. K POOLOGASUNDRAM	25,000	0.07
MRS. W G S D CHANDRATHILAKA	21,710	0.06
TKS FINANCE LTD/R P VIJEDASA	20,015	0.05
	36,344,833	98.23
OTHERS	655,167	1.77
TOTAL	37,000,000	100.00