

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2017



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the Twelve Months Ended March			For the Quarter Ended March		
	2017 Rs.	2016 Rs.	Change	2017 Rs.	2016 Rs.	Change
Income	1,617,713,123	1,317,233,364	23%	425,666,039	341,397,982	25%
Interest Income	1,494,673,697	1,189,278,894	26%	386,284,138	310,403,604	24%
Interest Expenses	(623,639,761)	(481,221,503)	30%	(175,375,349)	(125,170,076)	40%
Net Interest Income	871,033,936	708,057,391	23%	210,908,789	185,233,528	14%
Fee and Commission Income	104,114,176	111,586,810	-7%	34,776,579	26,198,592	33%
Fee and Commission Expenses	(84,747,252)	(76,888,915)	10%	(26,301,434)	(13,020,443)	102%
Net Fee and Commission Income	19,366,924	34,697,895	-44%	8,475,145	13,178,148	-36%
Net Gain/(Loss) From Trading	948,395	(582,293)	-263%	(95,938)	(1,057,259)	-91%
Other Operating Income (net)	17,976,856	16,949,952	6%	4,701,260	5,853,046	-20%
Total Operating Income	909,326,110	759,122,945	20%	223,989,257	203,207,463	10%
Impairment (Charges) / Reversal	(164,191,353)	(225,840,117)	-27%	(40,521,770)	(76,471,262)	-47%
Net Operating Income	745,134,757	533,282,828	40%	183,467,486	126,736,200	45%
Operating Expenses						
Personnel Costs	(216,688,706)	(166,916,649)	30%	(59,530,107)	(50,479,476)	18%
Other Operating Expenses	(260,237,673)	(205,696,824)	27%	(67,608,210)	(47,318,215)	43%
Operating Profit/(Loss) before VAT on FS	268,208,378	160,669,355	67%	56,329,170	28,938,509	95%
Value Added Tax on Financial Services	(50,885,190)	(30,188,461)	69%	(14,492,787)	(5,400,470)	168%
Profit / (Loss) before Taxation from Operations	217,323,188	130,480,894	67%	41,836,382	23,538,039	78%
Income Tax (Expence)/Reversal	(71,912,946)	(40,356,230)	78%	(14,972,382)	(7,087,000)	111%
Profit/(Loss) for the Period	145,410,242	90,124,664	61%	26,864,000	16,451,039	63%
Other Comprehensive Income						
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	-	(130,255)		-	(2,225,716)	
Net Other Comprehensive Income to be re classified to profit or loss	-	(130,255)		-	(2,225,716)	
Other Comprehensive Income not To Be Classified to Profit or Loss						
Actuarial Gains/(Losses) on Defined Benefit Plan	-	(471,493)		-	(471,493)	
Deferred Tax effect on above	-	132,018		-	132,018	
Net Other Comprehensive Loss not to be re classified to profit or loss	-	(339,475)		-	(339,475)	
Other Comprehensive Income for the Period, Net of Tax	-	(469,730)		-	(2,565,191)	
Total Comprehensive Income for the Period	145,410,242	89,654,934	62%	26,864,000	13,885,848	93%
Earnings Per Share	3.00	2.44		0.48	0.44	

The figures presented above are provisional and subject to Audit.

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2017

	Change	MARCH '2017 Rs.	MARCH '2016 Rs. (Audited)
Assets			
Cash and Bank Balances	414%	376,968,804	73,385,295
Placements with Banks	71%	384,100,772	224,098,165
Securities Purchased under Repurchase Agreement	-56%	275,987,931	630,158,527
Financial Assets - Held for Trading	10%	7,624,408	6,915,241
Loans and Advances	81%	2,145,676,031	1,188,546,845
Lease Rentals Receivable & Stock Out on Hire	2%	3,679,967,552	3,596,251,779
Financial Investments - Available for Sale		80,400	80,400
Financial Investments - Held to Maturity	1001%	238,572,963	21,669,813
Other Financial Assets	47%	108,522,645	73,802,179
Real Estate Stock	-20%	66,050,693	83,066,481
Other Non Financial Assets	-58%	40,725,064	97,894,824
Tax Recoverable		10,099,048	-
Deferred Tax Asset		61,419,537	61,419,536
Intangible Assets	45%	22,681,041	15,608,896
Property, Plant & Equipment	13%	85,843,674	75,811,265
Total Assets	22%	7,504,320,563	6,148,709,246
Liabilities			
Due to Banks	355%	213,738,920	47,004,092
Due to Customers	22%	5,550,552,545	4,539,362,221
Debt Inst. Issued and Other Borrowed Funds		-	31,110,631
Other Financial Liabilities	-42%	485,444,704	837,025,511
Other Non Financial Liabilities	107%	16,730,250	8,086,521
Retirement Benefit Liability	20%	18,284,788	15,249,338
Current Tax Liabilities		-	56,345,826
Total Liabilities	14%	6,284,751,208	5,534,184,140
Shareholders' Funds			
Stated Capital	121%	844,073,080	382,373,630
Statutory Reserve		62,554,000	62,554,000
Retained Earnings	85%	312,942,275	169,597,476
Total Shareholders' Funds	98%	1,219,569,355	614,525,106
Total Liabilities and Shareholders' Funds	22%	7,504,320,563	6,148,709,246
Commitments and Contingencies		-	-
Net Assets Per Share		21.99	16.61

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

22nd May 2017
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Reserve on Available for Sale Financial Instruments Rs.	Total Rs.
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	-	90,124,664	-	-	90,124,664
Other Comprehensive Income Net of Tax	-	(339,475)	-	(130,255)	(469,730)
Transfer to / (from) during the Period	-	(18,025,000)	18,025,000	-	-
Balance as at 31 March 2016	<u>382,373,630</u>	<u>169,597,476</u>	<u>62,554,000</u>	<u>-</u>	<u>614,525,106</u>
Balance as at 1 April 2016	382,373,630	169,597,475	62,554,000	-	614,525,105
Issue of Shares	461,699,450	-	-	-	461,699,450
Direct Cost of Right Issue	-	(785,447)	-	-	(785,447)
Direct Cost on Private Placement	-	(1,279,995)	-	-	(1,279,995)
Net Profit / (Loss) for the Period	-	145,410,242	-	-	145,410,242
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	-	-	-	-
Balances as at 31 March 2017	<u>844,073,080</u>	<u>312,942,275</u>	<u>62,554,000</u>	<u>-</u>	<u>1,219,569,355</u>

22nd May 2017
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	31st March'2017 Rs.	31st March '2016 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	217,323,188	130,480,895
Adjustments for		
Depreciation	16,146,846	11,416,893
Amortisation of Intangible Assets	2,513,703	1,491,717
Impairment Chargers	164,191,353	225,840,117
Loss/(Profit) from Sale of Unit Trust	(2,142,786)	(8,924,199)
Diminution/(Appreciation) in value of investments	(674,167)	827,662
Loss/(Profit) on Disposal of Property, Plant & Equipment	-	19,829
Provision/(reversal) for Defined Benefit Plans	4,085,000	3,788,956
Dividend Received	(274,227)	(245,369)
Operating Profit before Working Capital Changes	401,168,909	364,696,501
(Increase)/Decrease in Real Estate Stock	17,015,788	(14,020,577)
(Increase)/Decrease in Loans and Advances	(1,017,572,990)	(552,542,106)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(83,842,936)	(838,856,351)
(Increase)/Decrease in Other Financial Assets	(138,340,851)	(110,379,280)
(Increase)/Decrease in Other Non Financial Assets	57,169,760	(16,109,497)
Increase/(Decrease) in Amounts Due to Customers	1,011,190,324	947,401,216
Increase/(Decrease) in Other Financial Liabilities	(351,580,807)	375,408,654
Increase/(Decrease) in Other Non Financial Liabilities	8,643,729	6,227,303
Cash Generated from Operations	(96,149,074)	161,825,862
Retirement Benefit Liabilities Paid	(1,049,501)	(485,813)
Taxes Paid	(138,357,820)	(53,343,375)
Net Cash From/(Used in) Operating Activities	(235,556,395)	107,996,674
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(26,179,255)	(32,378,791)
Acquisition of Intangible Assets	(9,585,849)	(6,859,530)
Proceeds from Sales of Property, Plant & Equipment	-	32,250
Acquisition of Financial Investment Held - for -Trading	(35,000)	(372,546)
Sale/(Purchase) of Placement with banks	(3,710)	(2,807)
Sale/(Purchase) of Financial Investments-Held to Maturity	(216,903,150)	(519,400)
Acquisition of Financial Investments - Available for Sale	(100,000,000)	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	102,142,786	208,924,199
Investment in Debt Securities	-	49,278,342
Dividends Received	274,227	245,369
Net Cash Flows from/(Used in) Investing Activities	(250,289,951)	118,347,087
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(73,861,378)	(96,643,162)
Borrowings from Banks	250,000,000	
Cash Flow from Debt Instruments Issued and Other borrowings	(31,110,631)	31,110,631
Cash Flow from Issue of Shares	461,699,450	-
Expences on Right Issue of Shares	(2,065,442)	
Dividends Paid	-	
Net Cash Flows from/(Used in) Financing Activities	604,661,998	(65,532,531)
Net Increase in Cash and Cash Equivalents	118,815,653	160,811,231
Cash and Cash Equivalents at the beginning of the year	905,839,030	745,027,800
Cash and Cash Equivalents at the end of the year	1,024,654,683	905,839,031

The figures presented above are provisional and subject to Audit.

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	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
Assets										
Cash and Bank Balances	-	-	-	-	376,968,804	73,385,295	-	-	376,968,804	73,385,295
Placements with Banks	-	-	-	-	384,100,772	224,098,165	-	-	384,100,772	224,098,165
Repurchase Agreements	-	-	-	-	275,987,931	630,158,527	-	-	275,987,931	630,158,527
Financial Investments - Held for Trading	7,624,408	6,915,241	-	-	-	-	-	-	7,624,408	6,915,241
Loans and Advances	-	-	-	-	2,145,676,031	1,188,546,843	-	-	2,145,676,031	1,188,546,843
Lease rentals receivable & Stock out on hire	-	-	-	-	3,679,967,552	3,596,251,779	-	-	3,679,967,552	3,596,251,779
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	238,572,963	21,669,813	-	-	-	-	238,572,963	21,669,813
Other financial assets	-	-	-	-	108,522,645	73,802,180	-	-	108,522,645	73,802,180
Total Financial Assets	7,624,408	6,915,241	238,572,963	21,669,813	6,971,223,735	5,786,242,790	80,400	80,400	7,217,501,506	5,814,908,243
	OFL								Total	

Liabilities	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
	Due to Banks	213,738,920	47,004,092	213,738,920
Due to Customers	5,550,552,545	4,539,362,221	5,550,552,545	4,539,362,221
Debt Instruments Issued & Other borrowed	-	31,110,631	-	31,110,631
Other Financial Liabilities	485,444,704	837,025,511	485,444,704	837,025,511
Total Financial Liabilities	6,249,736,170	5,454,502,455	6,249,736,170	5,454,502,455

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 MARCH	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Interest Income	904,576,211	933,631,256	20,046,954	56,032,551	453,946,296	130,926,781	116,104,236	68,688,307	1,494,673,697	1,189,278,894
Fee Based Income & Others	87,454,818	97,689,895	672,888	1,167,893	15,986,470	12,729,023	3,964,382	1,050,117	108,078,558	112,636,928
Unallocated Income							14,960,868	15,317,542	14,960,868	15,317,542
Total Revenue	992,031,030	1,031,321,151	20,719,842	57,200,444	469,932,766	143,655,804	135,029,486	85,055,966	1,617,713,123	1,317,233,364
Interest Expences	(354,506,318)	(282,782,421)	(7,523,862)	(21,766,189)	(165,895,123)	(85,551,242)	(95,714,458)	(91,121,652)	(623,639,761)	(481,221,503)
Fee Based Expences & Others	(57,823,136)	(52,012,635)	-	-	(215,708)	(109,903)	(26,708,408)	(24,766,377)	(84,747,252)	(76,888,915)
Impairment Reversal / (Provision)	(11,746,867)	(103,256,395)	11,619,704	(42,633,425)	(60,443,804)	(1,243,861)	(103,620,386)	(78,706,435)	(164,191,353)	(225,840,117)
Net Operating Income	567,954,709	593,269,699	24,815,684	(7,199,170)	243,378,130	56,750,798	(91,013,766)	(109,538,497)	745,134,757	533,282,830
Unallocated Expenses									(527,811,569)	(402,801,934)
Profits/ (Loss) before Tax									217,323,188	130,480,895
Income Tax expenses									(71,912,946)	(40,356,230)
Net Profit / (Loss) for the period									145,410,242	90,124,666
Segment Assets	3,636,437,293	3,488,564,623	43,530,259	107,687,158	2,145,676,031	1,188,546,842	964,712,358	958,992,986	6,790,355,942	5,743,791,609
Unallocated Assets									713,964,621	404,917,637
Total Assets	3,636,437,293	3,488,564,623	43,530,259	107,687,158	2,145,676,031	1,188,546,842	964,712,358	958,992,986	7,504,320,563	6,148,709,246
Unallocated Liabilities									7,504,320,563	6,148,709,246
Total Liabilities									7,504,320,563	6,148,709,246

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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

	31st March 2017
Highest	Rs.31.70
Lowest	Rs.23.00
Closing	Rs.24.10

(b).

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.

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 2016.

(c). COMMITMENTS AND CONTINGENCIES

There were no significant capital commitments as at the reporting date.

(d). PUBLIC HOLDING

- Public Share holding as at 31st March 2017 is, 8.11%
- Number of Public Share Holders as at 31st March 2017 is, 801.

(e). EVENTS OCCURRING AFTER THE REPORTING DATE

The Company issued 11,093,595 ordinary shares by way of a Rights Issue in the proportion of One (01) Ordinary Share for every Five (05) Ordinary shares held in the capital of the Company (which is ranked *pari passu*). The company raised Rs. 277,339,875/- from the Rights Issue and increased the Stated Capital of the company from Rupees Eight hundred and Forty Four Million Seventy Three Thousand and Eighty (Rs.844,073,080/-) representing Fifty Five Million Four Hundred and Sixty Seven thousand Nine Hundred and Seventy Eight (55,467,978) shares to Rupees One Billion One Hundred and Twenty One Million Four Hundred and Twelve Thousand Nine Hundred and Fifty Five (Rs.1,121,412,955/-) representing Sixty Six Million Five Hundred and Sixty One Thousand Five Hundred and Seventy Three (66,561,573) shares.

(f). DIRECTORS AND CEO'S SHAREHOLDING

Name Of The Director	31st March 2017	
	No.of Shares	(%)
Mr. R Pestonjee	183,884 *	0.33
Mr. K B Wanigasekara	NIL	-
Mr. V K Choksy	NIL	-
Mr. A S Ratnayake	NIL	-
Mr.C D Pathirana **	NIL	-
Mr. Mayank Pravin Parekh	NIL	-
Mr. Chanaka Wickramasuriya (Alternate Director to Mr. Mayank Pravin Parekh) ***	NIL	-

* This includes 24,000 Shares Held Jointly.

** Mr. C D Pathirana ceased to be a Director w.e.f. 26th November 2016.

***Appointed with effect from 14th December 2016

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

FOR THE PERIOD ENDED 31 MARCH 2017

(g). TWENTY LARGEST SHAREHOLDERS

Name Of The Shareholder	31st March 2017	
	No.of Shares	(%)
1 Abans PLC	39,717,534	71.60%
2 Ironwood Investment Holding (Pvt) Ltd	11,067,978	19.95%
3 Mr. P N Pestonjee	759,600	1.37%
4 Able Investments (Private) Limited	672,431	1.21%
5 Mr. K Kunenthiran	389,014	0.70%
6 Mrs. C V Sumanadasa	370,000	0.67%
7 Mrs. S C Henagama Gamage	370,000	0.67%
8 Mr. B Pestonjee	256,800	0.46%
9 Mr. R Pestonjee	183,884	0.33%
10 Mrs. S Dubash	160,353	0.29%
11 A B Cold Storage (Private) Limited	120,000	0.22%
12 Cleantech Pvt Ltd	120,000	0.22%
13 Ab Securitas (Private) Limited	120,000	0.22%
14 Mr. J S A Perera & Mrs. R N Perera	68,316	0.12%
15 Mrs. A Pestonjee	66,667	0.12%
16 Mrs. H I Salgado	66,600	0.12%
17 Mr. G C Goonetilleke	48,105	0.09%
18 Nation Lanka Capital Ltd/Karagoda Loku Gamage	32,300	0.06%
19 Miss. M F F Safina	30,624	0.06%
20 Mr. R E Rambukwelle	30,517	0.06%
	54,650,723	98.53%
Others	817,255	1.47%
Total	55,467,978	100.00%

(h). PRIVATE PLACEMENT PROCEEDS UTILIZATION AS AT 31.03.2017 (LISTED ON 18th NOVEMBER 2016)

Objective Number	Objective as per Circular	Amount allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR	Percentage of total proceeds	Amount utilized in LKR (B)	Percentage Utilized against allocation (B/A)	Clarification if funds are not fully utilized including where the funds are invested (Eg; whether lent to related
1	To expand the lending activities of the Company	246,699,450	3rd Quarter 2016/2017	246,699,450.00	89%	246,699,450.00	100%	-
2	Investment in IT systems (Hardware and Software)	30,000,000	3rd Quarter 2016/2017	30,000,000.00	11%	13,519,518.05	45%	Remaining funds are invested in Placements with Banks
		276,699,450		276,699,450.00	100%			

(i). RIGHTS ISSUE FUNDS UTILIZATION AS AT 31.03.2017 (LISTED ON 05th MAY 2016)

Objective Number	Objective as per Circular	Amount allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR (A)	Percentage of total proceeds	Amount utilized in LKR (B)	Percentage Utilized against allocation (B/A)	Clarification if funds are not fully utilized including where the funds are invested (Eg; whether lent to related party/s etc.)
1	To expand the lending activities of the Company	183,800,000	1st Quarter 2016/2017	184,214,553.09	100%	184,214,553.09	100%	N/A
2	Expences relating to the rights issue	1,200,000	1st Quarter 2016/2017	785,446.91	0%	785,446.91	100%	N/A
		185,000,000		185,000,000.00	100%			