

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2019



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months Ended June		
	2019 Rs. Unaudited	2018 Rs. Unaudited	Change
Income	531,761,745	514,851,528	3%
Interest Income	470,853,532	463,888,504	2%
Interest Expenses	(221,201,464)	(222,549,144)	-1%
Net Interest Income	249,652,068	241,339,360	3%
Fee and Commission Income	58,013,241	47,416,683	22%
Fee and Commission Expenses	(4,540,278)	(34,273,197)	-87%
Net Fee and Commission Income	53,472,963	13,143,486	307%
Net Gain/(Loss) From Trading	-	-	
Other Operating Income (net)	2,894,973	3,546,341	-18%
Total Operating Income	306,020,004	258,029,187	19%
Impairment (Charges) / Reversal	(126,207,080)	(73,226,264)	72%
Net Operating Income	179,812,924	184,802,923	-3%
Operating Expenses			
Personnel Costs	(67,498,200)	(68,588,008)	-2%
Depreciation & Amortization	(6,708,208)	(6,508,690)	
Other Operating Expenses	(75,619,532)	(69,153,994)	9%
Operating Profit before Value Added Tax on FS & Levy	29,986,985	40,552,231	-26%
Debt Repayment Levy	(6,548,049)	-	
Value Added Tax on Financial Services	(12,699,743)	(14,286,094)	-11%
Profit / (Loss) before Taxation from Operations	10,739,192	26,266,137	-59%
Income Tax (Expense)/Reversal	(3,006,974)	(7,879,841)	-62%
Profit/(Loss) for the Period	7,732,218	18,386,296	-58%
Other Comprehensive Income			
Net Other Comprehensive Income to be re classified to profit or loss	-	-	
Other Comprehensive Income not To Be Classified to Profit or Loss			
Actuarial Gains/(Losses) on Defined Benefit Plan	-	-	
Deferred Tax effect on above	-	-	
Net Other Comprehensive Gain/Loss not to be re classified to profit or loss	-	-	
Other Comprehensive Income for the Period, Net of Tax	-	-	
Total Comprehensive Income for the Period	7,732,218	18,386,296	-58%
Earnings Per Share	0.12	0.28	

The figures presented above are provisional and subject to Audit.

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2019

	Change	JUNE '2019 Rs. (Unaudited)	MARCH '2019 Rs. (Audited)
Assets			
Cash and Bank Balances	-40.3%	157,286,317	263,517,684
Placements with Banks	-18.1%	204,576,709	249,659,017
Securities Purchased under Repurchase Agreement	-6.2%	264,195,165	281,537,224
Loans and Advances	0.3%	2,134,099,043	2,127,780,588
Lease Rentals Receivable & Stock Out on Hire	3.4%	5,442,239,109	5,261,624,352
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	2.2%	241,041,514	235,914,339
Other Financial Assets	-8.3%	157,133,486	171,436,746
Real Estate Stock	0.0%	50,793,213	50,793,213
Other Non Financial Assets	-3.6%	61,821,727	64,153,394
Intangible Assets	0.2%	32,836,933	32,758,834
Property, Plant & Equipment	-4.0%	81,851,818	85,287,696
Deferred Tax Asset		35,767,246	35,767,246
Total Assets	0.0%	8,863,722,681	8,860,310,735
Liabilities			
Due to Banks	17.3%	600,257,227	511,760,291
Due to Customers	0.6%	5,826,762,523	5,792,966,524
Debt Inst. Issued and Other Borrowed Funds	3.5%	435,169,407	420,593,845
Other Financial Liabilities	-27.1%	405,222,020	555,894,435
Other Non Financial Liabilities	50.5%	28,205,512	18,741,949
Retirement Benefit Liability	0.3%	17,528,622	17,471,182
Current Tax Liabilities	-0.4%	8,784,891	8,822,246
Total Liabilities	-0.1%	7,321,930,202	7,326,250,472
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	0.0%	112,983,831	112,983,832
Retained Earnings	2.6%	307,395,693	299,663,476
Total Shareholders' Funds	0.5%	1,541,792,479	1,534,060,263
Total Liabilities and Shareholders' Funds	0.0%	8,863,722,681	8,860,310,735
Commitments and Contingencies		108,051,864	119,300,467
Net Assets Per Share		23.16	23.05

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

Ivon Brohier (Sgnd.)
Chief Financial 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,

Roshan Nanayakkara (Sgnd.)
Director

Rusi Pestonjee (Sgnd.)
Director

12 August 2019
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Total Rs.
Balance as at 01 April 2018	1,121,412,955	337,975,406	108,239,567	1,567,627,927
Net Profit / (Loss) for the Period	-	18,386,296	-	18,386,296
Balance as at 30 June 2018	<u>1,121,412,955</u>	<u>356,361,702</u>	<u>108,239,567</u>	<u>1,586,014,223</u>
Balance as at 01 April 2019	1,121,412,955	299,663,475	112,983,831	1,534,060,261
Net Profit / (Loss) for the Period	-	7,732,218	-	7,732,218
Balances as at 30 June 2019	<u>1,121,412,955</u>	<u>307,395,693</u>	<u>112,983,831</u>	<u>1,541,792,479</u>

12 August 2019
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	30th June 2019 Rs.	30th June 2018 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	10,739,192	26,266,137
Adjustments for		
Depreciation	5,554,811	5,765,118
Amortisation of Intangible Assets	1,153,396	743,572
Impairment Chargers	126,207,080	73,226,264
Provision/(reversal) for Defined Benefit Plans	1,450,000	1,815,188
Interest Accrued on Borrowings	28,967,730	6,711,539
Operating Profit before Working Capital Changes	174,072,210	114,527,817
(Increase)/Decrease in Real Estate Stock	-	3,356,462
(Increase)/Decrease in Loans and Advances	(9,719,667)	265,307,099
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(281,493,748)	(121,826,909)
(Increase)/Decrease in Other Financial Assets	(7,623,617)	(59,560,781)
(Increase)/Decrease in Other Non Financial Assets	2,331,667	(1,095,559)
Increase/(Decrease) in Amounts Due to Customers	33,795,999	(153,111,906)
Increase/(Decrease) in Other Financial Liabilities	(150,672,415)	(50,957,138)
Increase/(Decrease) in Other Non Financial Liabilities	9,463,563	947,681
Cash Generated from Operations	(229,846,008)	(2,413,234)
Retirement Benefit Liabilities Paid	(1,392,560)	(550,250)
Interest paid on Bank and Other Borrowings	(14,392,168)	(6,711,538)
Taxes Paid	-	(3,946,407)
Net Cash From/(Used in) Operating Activities	(245,630,736)	(13,621,429)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(2,118,933)	(3,156,640)
Acquisition of Intangible Assets	(1,231,497)	-
Sale/(Purchase) of Placement with banks	-	(8,350,405)
Sale/(Purchase) of Financial Investments-Held to Maturity	220,330,547	12,957,374
Net Cash Flows from/(Used in) Investing Activities	216,980,117	1,450,329
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(70,832,240)	(25,833,333)
Borrowings from Banks	130,000,000	-
Net Cash Flows from/(Used in) Financing Activities	59,167,760	(25,833,333)
Net Increase in Cash and Cash Equivalents	30,517,141	(38,004,433)
Cash and Cash Equivalents at the beginning of the year	651,500,972	1,008,737,712
Cash and Cash Equivalents at the end of the year	682,018,114	970,733,279

The figures presented above are provisional and subject to Audit.

12 August 2019
Colombo

ABANS FINANCE PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

As at	Amortised Cost		Equity Instruments - FVOCI		Total	
	30.06.2019 Rs.	31.03.2019 Rs.	30.06.2019 Rs.	31.03.2019 Rs.	30.06.2019 Rs.	31.03.2019 Rs.
Assets						
Cash and Bank Balances	157,286,317	263,517,684	-	-	157,286,317	263,517,684
Placements with Banks	204,576,709	249,659,017	-	-	204,576,709	249,659,017
Repurchase Agreements	264,195,165	281,537,224	-	-	264,195,165	281,537,224
Loans and Advances	2,134,099,043	2,127,780,587	-	-	2,134,099,043	2,127,780,587
Lease rentals receivable & Stock out on hire	5,442,239,109	5,261,624,352	-	-	5,442,239,109	5,261,624,352
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	241,041,514	235,914,339	-	-	241,041,514	235,914,339
Other financial assets	157,133,486	171,436,746	-	-	157,133,486	171,436,746
Total Financial Assets	8,600,571,343	8,591,469,950	80,400	80,400	8,600,651,743	8,591,550,349

	OFL at Amortized Cost		Total	
	30.06.2019 Rs.	31.03.2019 Rs.	30.06.2019 Rs.	31.03.2019 Rs.
Liabilities				
Due to Banks	600,257,227	511,760,291	600,257,227	511,760,291
Due to Customers	5,826,762,523	5,792,966,524	5,826,762,523	5,792,966,524
Debt Instruments Issued & Other borrowed funds	435,169,407	420,593,845	435,169,407	420,593,845
Other Financial Liabilities	405,222,020	555,894,435	405,222,020	555,894,435
Total Financial Liabilities	7,267,411,177	7,281,215,095	7,267,411,177	7,281,215,095

FVOCI - Fair Value Through Other Comprehensive Income

OFL - Other Financial Liabilities

ABANS FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 30 JUNE	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	340,374,589	292,026,787	885,145	382,635	108,745,723	136,683,231	20,848,075	34,795,851	470,853,532	463,888,504
Fee Based Income & Others	54,943,261	46,192,303	170,514	83,064	2,899,466	1,141,316	11,881	52,906	58,025,122	47,469,589
Unallocated Income							2,883,092	3,493,435	2,883,092	3,493,435
Total Revenue	395,317,849	338,219,091	1,055,660	465,699	111,645,189	137,824,547	23,743,047	38,342,193	531,761,745	514,851,528
Interest Expences	(132,773,848)	(124,205,893)	(607,329)	(777,358)	(61,355,800)	(65,125,513)	(26,464,487)	(32,440,380)	(221,201,464)	(222,549,144)
Fee Based Expences & Others	(138,628)	(28,261,251)	-	-	(19,373)	(12,500)	(4,382,276)	(5,999,446)	(4,540,278)	(34,273,197)
Impairment Reversal / (Provision)	(100,878,992)	(30,733,765)	-	1,407,898	(3,401,211)	(9,637,883)	(21,926,877)	(34,262,514)	(126,207,080)	(73,226,264)
Net Operating Income	161,526,381	155,018,181	448,331	1,096,239	46,868,806	63,048,652	(29,030,593)	(34,360,147)	179,812,924	184,802,923
Unallocated Expenses									(169,073,732)	(158,536,787)
Profits/ (Loss) before Tax									10,739,192	26,266,137
Income Tax expenses									(3,006,974)	(7,879,841)
Net Profit / (Loss) for the period									7,732,218	18,386,296
Segment Assets	5,416,109,959	4,576,923,195	26,129,150	7,874,041	2,134,099,043	2,160,876,363	760,606,601	1,205,649,540	8,336,944,753	7,951,323,139
Unallocated Assets									526,777,928	856,252,570
Total Assets	5,416,109,959	4,576,923,195	26,129,150	7,874,041	2,134,099,043	2,160,876,363	760,606,601	1,205,649,540	8,863,722,681	8,807,575,709
Unallocated Liabilities									7,321,930,202	7,221,561,484
Total Liabilities									7,321,930,202	7,221,561,484

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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

	30 June 2019
Highest	Rs.17.50
Lowest	Rs.12.00
Closing	Rs.16.50

(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.

The accounting policies and methods of computation applied in the preparation of these financial statements are the same as those used in the financial statements for the year ended 31 March 2019.

SLFRS 9 –Financial Instruments

The company has applied SLFRS 9 in the financial statements effective for annual periods beginning on or after 01 January 2018, for the first time.

SLFRS 9 replaces LKAS 39 for annual periods on or after 1 January 2018. The company has not restated comparative information for 2018/19 first quarter on financial instruments in the scope of SLFRS 9. Therefore, the comparative information for 2018/19 is reported under LKAS 39 and is not comparable to the information presented for 2019/20 first quarter.

(c). SLFRS 16- LEASES

The Company will apply SLFRS 16 by using modified retrospective approach. Therefore, the cumulative effect of adopting SLFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

Also the company is in the process of quantifying the probable impact on the implementation of the above Standard as at 01.04.2019

(d). COMMITMENTS AND CONTINGENCIES

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

(e). PUBLIC HOLDING

- Public Share holding as at 30 June 2019 is, **8.099%**
- Number of Public Share Holders as at 30 June 2019 is, **818**.

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE PERIOD ENDED 30 JUNE 2019****(f). MARKET CAPITALIZATION**

- Market Capitalization (Rs.)	1,098,265,955
- Float Adjusted Market Capitalization (Rs.)	88,947,540

(g). EVENTS OCCURRING AFTER THE REPORTING DATE

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

(h). DIRECTORS SHAREHOLDING

Name of The Director	30.Jun.19	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr.R A Nanayakkara	NIL	-
Mr. V K Choksy	NIL	-
Mr. A S Ratnayake	NIL	-
Mr. M P Parekh	NIL	-
Mr. Chanaka Wickramasuriya (Alternate Director to Mr. Mayank Pravin Parekh, <i>resigned w.e.f 08th April 2019</i>)	NIL	-
Mr. Rashmika Nissanga (Alternate Director to Mr. Mayank Pravin Parekh, <i>Appointed w.e.f 21st June 2019</i>)	NIL	-

* This includes 28,800 Shares Held Jointly.

(i). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	30.Jun.19	
	No.of Shares	(%)
1 Abans PLC	33,063,877	49.67%
2 Ironwood Investment Holding Pvt Ltd	27,881,236	41.89%
3 Mr.P.N.Pestonjee (Deceased)	911,520	1.37%
4 Able Investments (Private) Limited	806,917	1.21%
5 Mr.K.Kunenthiran	466,816	0.70%
6 Mrs.S.C.Henagama Gamage	444,000	0.67%
7 Mrs.C.V.Sumanadasa	444,000	0.67%
8 Mr.B.Pestonjee	308,160	0.46%
9 Mr.R.Pestonjee*	220,660	0.33%
10 Mrs.S.Dubash	192,423	0.29%
11 A B Cold Storage (Pvt) Limited	144,000	0.22%
12 A B Securitas (Private) Limited	144,000	0.22%
13 Cleantech Pvt Ltd	144,000	0.22%
14 Mrs.A.Pestonjee	80,000	0.12%
15 Mrs.H.I.Salgado	66,600	0.10%
16 Mr.G.C.Goonetilleke	48,105	0.07%
17 Seylan Bank Plc/Karagoda Loku Gamage Udayananda	38,004	0.06%
18 Mr.R.E.Rambukwella	37,120	0.06%
19 Miss. M. F. F. Safina	36,748	0.06%
20 Dr. K. Poologasundram	36,000	0.05%
Others	65,514,186	98.43%
Total	1,047,387	1.57%
	66,561,573	100.00%

(j). CREDIT RATING

BB+(lka)/Stable by FITCH Ratings Lanka Ltd

(k). IMPOSING A CAP ON DEPOSITS

In terms of Section 2.1 of Finance Business Act Direction No. 02 of 2017 – Minimum Core Capital, a cap of Rs. Six Billion on total deposits including accrued interest has been imposed by the Central Bank of Sri Lanka.