

ABANS FINANCE PLC

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

| STATEMENT OF COMPREHENSIVE INCOME | | | STATEMENT OF FINANCIAL POSITION | | | KEY PERFORMANCE INDICATORS | | |
|--|--------------------|--------------------|--|----------------------|----------------------|--|-----------|---------|
| YEAR ENDED 31 ST MARCH | 2017 Rs. | 2016 Rs. | AS AT 31 ST MARCH | 2017 Rs. | 2016 Rs. | INDICATORS AS AT 31 ST MARCH | 2017 | 2016 |
| Income | 1,620,506,380 | 1,317,233,363 | Assets | | | Regulatory Capital Adequacy | | |
| Interest Income | 1,494,673,696 | 1,189,278,894 | Cash and Bank Balances | 376,968,804 | 73,385,295 | Core Capital (Tier 1 Capital) Rs.'000 | 1,190,266 | 594,525 |
| Interest Expenses | (623,639,761) | (481,221,503) | Placement with Banks | 384,100,772 | 224,098,165 | Total Capital Base Rs.'000 | 1,187,382 | 594,525 |
| Net Interest Income | 871,033,935 | 708,057,391 | Repurchase Agreements | 250,809,890 | 630,158,527 | Core Capital to Risk weighted Asset Ratio % (Minimum 5%) | 19.37 | 11.59 |
| Fee and Commission Income | 104,114,176 | 111,586,810 | Financial Investments - Held for Trading | 7,624,408 | 6,915,241 | Total Capital to Risk weighted Asset Ratio % (Minimum 10%) | 19.32 | 11.59 |
| Fee and Commission Expenses | (84,747,252) | (76,888,915) | Loans and Advances | 2,145,676,031 | 1,188,546,845 | Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) | 21.80 | 13.54 |
| Net Fee and Commission Income | 19,366,924 | 34,697,895 | Lease rentals receivable & Stock out on hire | 3,679,965,646 | 3,596,251,779 | Asset Quality (Quality of Loan Portfolio) | | |
| Net Gain/(Loss) From Trading | 948,394 | (582,293) | Financial Investments - Available for Sale | 80,400 | 80,400 | Gross Non Performing Accommodations, Rs.'000 * | 699,623 | 605,420 |
| Other Operating Income (net) | 20,770,114 | 16,949,952 | Financial Investments - Held to Maturity | 238,572,963 | 21,669,813 | Gross Non Performing Accommodations, Ratio (%) * | 11.18 | 12.11 |
| Total Operating Income | 912,119,367 | 758,122,945 | Other Financial assets | 108,507,477 | 73,802,179 | Net-Non Performing Accommodations, Ratio (%) * | 3.76 | 3.83 |
| Impairment (charges)/Reversal for loans and other losses | | | Real Estate Stock | 40,725,064 | 97,894,824 | * Computed as per the CBSL Guidelines | | |
| Individual | (21,441,585) | (35,826,562) | Other Non Financial Assets | 40,725,064 | 97,894,824 | Profitability | | |
| Collective | (167,927,808) | (190,013,555) | Tax Recoverable | 20,800,270 | | Interest Margin (%) | 12.78 | 12.96 |
| Net Operating Income | 722,749,974 | 533,282,828 | Property, Plant & Equipment | 85,843,673 | 75,811,265 | Return on Average Assets (%) (Before Tax) | 2.90 | 2.39 |
| Operating Expenses | | | Intangible Assets | 22,681,042 | 15,608,896 | Return on Average Equity (%) (After Tax) | 14.92 | 15.74 |
| Personnel Costs | (217,088,659) | (166,916,649) | Deferred Tax Assets | 57,800,324 | 61,419,536 | Regulatory Liquidity (Rs. '000) | | |
| Depreciation & Amortization | (18,660,549) | (12,908,611) | Total Assets | 7,486,207,457 | 6,148,709,246 | Required Minimum amount of Liquid Assets | 556,197 | 458,740 |
| Other Operating Expenses | (234,275,675) | (192,788,213) | Liabilities | | | Available amount of Liquid Assets | 1,210,305 | 882,359 |
| Operating Profit before Value Added Tax on Financial Services | 252,725,091 | 160,669,355 | Due to Banks | 213,738,920 | 47,004,092 | Required Minimum amount of Government Securities | 330,935 | 245,025 |
| WAT & NBT on Financial Services | (55,318,763) | (30,188,461) | Due to Customers | 5,550,552,545 | 4,539,362,221 | Available amount of Government Securities | 467,132 | 630,159 |
| Profit before Taxation from Operations | 197,406,328 | 130,480,894 | Debt Instruments Issued and Other borrowed funds | | 31,110,631 | Memorandum Information | | |
| Provision for Income Taxation | (63,842,188) | (40,356,230) | Other Financial Liabilities | 482,649,541 | 837,025,511 | Number of Employees | 374 | 366 |
| Profit for the Year | 133,564,140 | 90,124,664 | Other Non Financial Liabilities | 13,862,374 | 8,086,521 | No. of Branches | 10 | 10 |
| Other Comprehensive Income (OCI) Items that are or may be reclassified subsequently to profit or loss | | | Current Tax Liabilities | | 56,345,826 | No. of Service Centers | 13 | 13 |
| Available for sale financial asset - Reclassified to profit or loss | | (130,255) | Retirement Benefit Liability | 15,138,320 | 15,249,338 | No. of Pawning Centers | - | - |
| Items that will not be reclassified to profit or loss | | (130,255) | Total Liabilities | 6,275,941,700 | 5,534,184,140 | | | |
| Actuarial Gains/(Losses) on Defined Benefit Plan | 3,531,254 | (471,493) | Shareholders' Funds | | | | | |
| Deferred Tax effect of above | (988,751) | 132,018 | Stated Capital | 844,073,080 | 382,373,630 | | | |
| | 2,542,503 | (339,475) | Statutory Reserve Fund | 89,266,829 | 62,554,000 | | | |
| Other Comprehensive Loss for the Year, Net of Tax | 2,542,503 | (469,730) | Retained Earnings | 276,925,848 | 169,597,476 | | | |
| Total Comprehensive Income for the Year | 136,106,643 | 89,654,934 | Total Shareholders' Funds | 1,210,265,757 | 614,525,106 | | | |
| Basic Earnings Per Share (Rs) | 2.75 | 2.29 | Total Liabilities and Shareholders' Funds | 7,486,207,457 | 6,148,709,246 | | | |
| | | | Commitments and Contingencies | 172,609,297 | 210,778,208 | | | |

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,

K.B. Wanigasekara (Sgnd)
Director

Rusi Pestonjee (Sgnd)
Director

22 June 2017, Colombo

Abans Finance PLC, No. 456, R. A. De Mel Mawatha, Colombo 03. Tel: 011 2208888, Fax: 011 2375517
Licensed Finance Company by the Monetary Board of Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABANS FINANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Abans Finance PLC, ("the Company"), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 3 to 57.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

Report on other legal and regulatory requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

a) The basis of opinion, Scope and Limitations of the audit are as stated above.

b) In our opinion:

- We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company, and
- The financial statements of the Company comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.

22 June 2017
Colombo



அபரான்ஸ் பினான்ஸ் பிளஸ்

2017 மார்ச் 31 இல் முடிவுற்ற ஆண்டிற்கான கணக்காய்வு செய்வப்பட்ட நிதிக்கூற்றுக்கள்

| அனைத்துமூலாளர்களின் அங்கீகரிக்கப்பட்ட முடிவுறு காலப்பகுதிகளின் | 2017 (ரூ) | 2016 (ரூ) |
|--|---------------|---------------|
| வருமானம் | 1,620,306,380 | 1,317,233,363 |
| உட்புல வருமானம் | 1,494,671,696 | 1,189,278,894 |
| வருமான செலவுகளின் | (623,639,761) | (481,221,503) |
| ஒட்டுமொத்த வருமானம் | 871,033,935 | 708,057,391 |
| வட்டி செலவுகள் | 104,114,176 | 111,586,810 |
| வட்டி வருமானம் | (84,747,252) | (76,888,915) |
| வருமானம் | 19,366,924 | 34,697,895 |
| வருமான செலவுகள் | 948,394 | (582,293) |
| வருமானம் | 20,770,114 | 16,949,952 |
| வருமான செலவுகள் | 912,119,367 | 759,122,945 |
| வருமானம் | (21,441,585) | (35,826,562) |
| வருமான செலவுகள் | (167,927,808) | (190,013,555) |
| வருமானம் | 722,749,974 | 533,282,828 |
| வருமான செலவுகள் | (217,088,659) | (166,916,649) |
| வருமானம் | 18,660,549 | (12,908,611) |
| வருமான செலவுகள் | (234,275,675) | (192,788,213) |
| வருமானம் | 252,725,091 | 160,669,355 |
| வருமான செலவுகள் | (55,318,763) | (30,188,461) |
| வருமானம் | 197,406,328 | 130,480,894 |
| வருமான செலவுகள் | (63,842,188) | (40,356,230) |
| வருமானம் | 133,564,140 | 90,124,664 |
| வருமான செலவுகள் | | |
| வருமானம் | | 130,255 |
| வருமான செலவுகள் | | 130,255 |
| வருமானம் | | (471,493) |
| வருமான செலவுகள் | | 132,018 |
| வருமானம் | | (339,475) |
| வருமான செலவுகள் | | (469,730) |
| வருமானம் | | 89,654,934 |
| வருமான செலவுகள் | | 2,75 |

| நிதியியல் நிலைமைக்கற்ற | 2017 (ரூ) | 2016 (ரூ) |
|---------------------------------------|---------------|---------------|
| மார்ச் 31 இல் திகழியல் உடனடி வருமானம் | 376,968,804 | 73,385,295 |
| வருமான செலவுகளின் | 384,100,772 | 224,098,165 |
| ஒட்டுமொத்த வருமானம் | 250,869,890 | 630,158,527 |
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| வருமானம் | 40,725,064 | 97,994,824 |
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| மார்ச் 31 இல் திகழியல் உடனடி வருமானம் | 2017 | 2016 |
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| வருமானம் | 12,78 | 12,96 |
| வருமான செலவுகள் | 2,90 | 2,39 |
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| வருமானம் | 467,132 | 630,159 |
| வருமான செலவுகள் | 114 | 56 |
| வருமானம் | 13 | 10 |
| வருமான செலவுகள் | 13 | 13 |

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARANS FINANCE PLC.

Report on the Financial Statements

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

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The financial statements of the Company comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.

22 June 2017
Colombo

இந்த நிதிக்கூற்றுக்கள் 2007 ஆம் ஆண்டு 7 ஆம் இலக்க கம்பனி எட்டிக்கூற்றுக்களும் கம்பனி சட்டத்தின்படி உடனடி வருமானம் கணக்காய்வு செய்து தயாரிக்கப்பட்டன.

இந்த நிதிக்கூற்றுக்களின் தயாரிப்புக்கும் வழங்குவதற்கான பொறுப்பு கம்பனிக்குரியது. கணக்காய்வு செய்து தயாரிக்கப்பட்ட இந்த நிதிக்கூற்றுக்கள் கம்பனியின் சார்பில் சார்பற்ற அகவரம்பலுமே தே.க.ப.ச.யின் கையாண்டு (ஒப்ப) பணிப்பாளர்

ஓசி குமாரகுமாரே (ஒப்ப) பணிப்பாளர்

22 ஜூன் 2017
கொழும்பு

இலங்கை, மத்திய வங்கியின் நரமய சபையினால் 2011ம் ஆண்டில் 42ம் இலக்க விவரப் நிதிச் சட்டத்தின் கீழ் அதிக வங்கியாக பதிவுசெய்யப்பட்டது.

அபரான்ஸ் பினான்ஸ் பிளஸ்