

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2022



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

03 Months
Ended 30 June

	2022 Rs. Unaudited	2021 Rs. Unaudited	Change
Income	615,846,931	484,961,917	27.0%
Interest Income	585,048,208	448,362,312	30.5%
Interest Expenses	(225,485,623)	(139,858,804)	61%
Net Interest Income	359,562,585	308,503,508	17%
Fee and Commission Income	27,967,764	35,222,245	-21%
Fee and Commission Expenses	(6,206,119)	(6,123,407)	1%
Net Fee and Commission Income	21,761,645	29,098,838	-25%
Net Gain /(Loss) from Trading	240	-	
Other Operating Income (net)	2,830,719	1,377,361	106%
Total Operating Income	384,155,190	338,979,707	13%
Credit Loss Expense on Financial Assets and Other Losses	(39,087,721)	(105,940,310)	-63%
Net Operating Income	345,067,468	233,039,397	48%
Operating Expenses			
Personnel Costs	(89,843,121)	(75,250,648)	19%
Depreciation & Amortization	(15,897,683)	(16,440,760)	-3%
Other Operating Expenses	(93,915,141)	(61,185,551)	53%
Operating Profit before Value Added Tax on FS & Levy	145,411,524	80,162,438	81%
Taxes on Financial Services	(31,321,689)	(19,438,090)	61%
Profit / (Loss) before Taxation from Operations	114,089,835	60,724,348	88%
Income Tax (Expense)/Reversal	(40,545,594)	(20,039,034)	102%
Profit/(Loss) for the Period	73,544,241	40,685,314	81%
Other Comprehensive Income			
Items that will not be reclassified 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	-	-	
Items that will be reclassified to profit or loss			
Surplus from Revaluation of Property, Plant & Equipment	-	-	
Deferred Tax Effect of above	-	-	
	-	-	
Other Comprehensive Income for the Period, Net of Tax	-	-	
Total Comprehensive Income for the Period	73,544,241	40,685,314	81%
Earnings Per Share	1.10	0.61	

The figures presented above are provisional and subject to Audit.

09th August 2022
Colombo

ABANS FINANCE PLC
STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2022

	Change	June' 2022 Rs. (Unaudited)	March '2022 Rs. (Audited)
Assets			
Cash and Bank Balances	-39.6%	111,065,992	183,803,274
Placements with Banks	-45.7%	263,755,034	485,662,416
Securities Purchased under Repurchase Agreement	243.9%	877,056,844	255,049,144
Loans and Advances	2.1%	1,132,670,023	1,109,139,474
Lease Rentals Receivable & Stock Out on Hire	-5.5%	6,616,100,316	6,999,758,895
Financial Investments at Fair Value through P&L	100.0%	6,630,703	291,202,975
Equity Instruments at Fair Value through OCI	0.0%	80,400	80,400
Debt instruments at Amortised Cost	134.0%	1,373,987,643	587,159,325
Other Financial Assets	-28.4%	79,452,469	110,968,742
Real Estate Stock	0.0%	32,066,726	32,066,726
Other Non Financial Assets	26.3%	73,041,813	57,812,919
Property, Plant & Equipment	-5.3%	26,471,851	27,950,766
Intangible Assets	-2.1%	149,549,659	152,722,069
Right of use Asset	-0.6%	174,036,038	175,125,283
Total Assets	4.3%	10,915,965,511	10,468,502,408
Liabilities			
Due to Banks	5.4%	146,147,828	138,597,100
Due to Customers	-2.1%	4,355,199,980	4,448,008,287
Debt Inst. Issued and Other Borrowed Funds	24.8%	3,186,002,683	2,552,107,092
Other Financial Liabilities	-33.3%	429,993,517	644,871,381
Other Non Financial Liabilities	-3.0%	42,500,533	43,821,143
Retirement Benefit Liability	3.4%	28,534,340	27,600,613
Current Tax Liabilities	23.2%	215,626,051	175,080,456
Deferred Tax Liability	100.0%	13,298,362	13,298,360
Total Liabilities	4.6%	8,417,303,294	8,043,384,432
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	0.0%	277,169,198	277,169,198
Revaluation Reserve	0.0%	70,403,907	70,403,907
Retained Earnings	7.7%	1,029,676,157	956,131,916
Total Shareholders' Funds	3.0%	2,498,662,217	2,425,117,976
Total Liabilities and Shareholders' Funds	4.3%	10,915,965,511	10,468,502,408
Net Assets Per Share		37.54	36.43


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


BGP Samantha
 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,


KJC Perera
 Director


HC Embuldeniya
 Director

 09th August 2022
 Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Revaluation Reserve	Statutory Reserve Rs.	Total Rs.
Balance as at 01 April 2021	1,121,412,955	610,075,860	70,403,907	191,107,440	1,993,000,162
Net Profit / (Loss) for the Period	-	40,685,314			40,685,314
Balance as at 30 June 2021	<u>1,121,412,955</u>	<u>650,761,174</u>	<u>70,403,907</u>	<u>191,107,440</u>	<u>2,033,685,476</u>
Balance as at 01 April 2022	1,121,412,955	956,131,916	70,403,907	277,169,198	2,425,117,976
Net Profit / (Loss) for the Period	-	73,544,241	-	-	73,544,241
Balances as at 30 June 2022	<u>1,121,412,955</u>	<u>1,029,676,157</u>	<u>70,403,907</u>	<u>277,169,198</u>	<u>2,498,662,217</u>

09th August 2022
Colombo

CASH FLOW STATEMENT

FOR THE PERIOD ENDED

Cash Flows From / (Used in) Operating Activities

Profit / (Loss) Before Income Tax Expense

Adjustments for

Depreciation

Amortisation of Intangible Assets

Amortization of Right of use Assets

Interest Expense on Borrowings

Interest Expense on Lease Liability

Allowance for impairment

Loss/(Profit) from Sale of Unit Trust

Provision/(reversal) for Defined Benefit Plans

Dividend Received

Operating Profit before Working Capital Changes

(Increase)/Decrease in Real Estate Stock

(Increase)/Decrease in Loans and Advances

(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire

(Increase)/Decrease in Other Financial Assets

(Increase)/Decrease in Other Non Financial Assets

Increase/(Decrease) in Amounts Due to Customers

Increase/(Decrease) in Other Financial Liabilities

Increase/(Decrease) in Other Non Financial Liabilities

Cash Generated from Operations

Interest Expense Paid

Retirement Benefit Liabilities Paid

Taxes Paid

Net Cash From/(Used in) Operating Activities**Cash Flows from / (Used in) Investing Activities**

Acquisition of Property, Plant & Equipment

Cash Flow from/(Used in) Fixed Deposits

Disposal/(Acquisition) of Debt instruments at amortised cost

Acquisition of Financial Investments - Available for Sale

Dividends Received

Net Cash Flows from/(Used in) Investing Activities**Cash Flows from / (Used in) Financing Activities**

Cash Outflow from Long Term Bank Borrowings

Cash Inflow from Other Borrowings

Cash outflow from Other Borrowings

Payment of Capital portion of Lease Liabilities

Net Cash Flows from/(Used in) Financing Activities**Net Increase in Cash and Cash Equivalents****Cash and Cash Equivalents at the beginning of the year****Cash and Cash Equivalents at the end of the year**

	30th June 2022 Rs.	30th June 2021 Rs.
Profit / (Loss) Before Income Tax Expense	114,089,835	60,724,348
Adjustments for		
Depreciation	3,619,486	4,227,927
Amortisation of Intangible Assets	1,478,914	1,478,914
Amortization of Right of use Assets	10,799,284	10,733,919
Interest Expense on Borrowings	85,220,077	36,825,757
Interest Expense on Lease Liability	4,516,193	1,945,772
Allowance for impairment	39,087,720	105,940,310
Loss/(Profit) from Sale of Unit Trust	(427,728)	-
Provision/(reversal) for Defined Benefit Plans	1,625,000	2,250,000
Dividend Received	(240)	-
Operating Profit before Working Capital Changes	260,008,541	224,126,946
(Increase)/Decrease in Real Estate Stock	-	-
(Increase)/Decrease in Loans and Advances	(5,059,226)	102,647,246
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	327,161,877	(173,408,764)
(Increase)/Decrease in Other Financial Assets	30,453,934	16,794,767
(Increase)/Decrease in Other Non Financial Assets	(15,228,894)	1,691,861
Increase/(Decrease) in Amounts Due to Customers	(92,808,307)	74,228,404
Increase/(Decrease) in Other Financial Liabilities	(274,244,997)	(199,052,384)
Increase/(Decrease) in Other Non Financial Liabilities	56,558,438	1,346,423
Cash Generated from Operations	286,841,365	48,374,499
Interest Expense Paid	(27,288,100)	(25,831,909)
Retirement Benefit Liabilities Paid	(691,273)	(134,250)
Taxes Paid	-	(29,999,999)
Net Cash From/(Used in) Operating Activities	258,861,991	(7,591,659)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(447,075)	(13,098,835)
Cash Flow from/(Used in) Fixed Deposits	(4,917,285)	(100,393,412)
Disposal/(Acquisition) of Debt instruments at amortised cost	(663,711,169)	(321,121)
Acquisition of Financial Investments - Available for Sale	284,572,272	-
Dividends Received	240	-
Net Cash Flows from/(Used in) Investing Activities	(384,503,016)	(113,813,368)
Cash Flows from / (Used in) Financing Activities		
Cash Outflow from Long Term Bank Borrowings	(32,100,000)	(32,100,000)
Cash Inflow from Other Borrowings	957,335,655	-
Cash outflow from Other Borrowings	(381,372,041)	(125,000,000)
Payment of Capital portion of Lease Liabilities	(12,738,145)	(12,815,782)
Net Cash Flows from/(Used in) Financing Activities	531,125,469	(169,915,782)
Net Increase in Cash and Cash Equivalents	405,484,444	(291,320,809)
Cash and Cash Equivalents at the beginning of the year	1,427,457,256	1,225,146,193
Cash and Cash Equivalents at the end of the year	1,832,941,700	933,825,384

The figures presented above are provisional and subject to Audit.

ABANS FINANCE PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Financial Investment FVP&L		Equity Instruments -FVOCI		Total	
As at	30.06.2022 Rs.	31.03.2022 Rs.	30.06.2022	31.03.2022	30.06.2022 Rs.	31.03.2022 Rs.	30.06.2022 Rs.	31.03.2022 Rs.
Assets								
Cash and Bank Balances	111,065,992	183,803,274			-	-	111,065,992	183,803,274
Placements with Banks	263,755,034	485,662,416			-	-	263,755,034	485,662,416
Repurchase Agreements	877,056,844	255,049,144			-	-	877,056,844	255,049,144
Loans and Advances	1,132,670,023	1,109,139,474			-	-	1,132,670,023	1,109,139,474
Lease rentals receivable & Stock out on hire	6,616,100,316	6,999,758,895			-	-	6,616,100,316	6,999,758,895
Financial Investments at Fair Value through P&L	-	-	6,630,703	291,202,975			6,630,703	291,202,975
Equity instruments at fair value through OCI	-	-			80,400	80,400	80,400	80,400
Debt instruments at amortised cost	1,373,987,643	587,159,325					1,373,987,643	587,159,325
Other financial assets	79,452,469	110,968,742			-	-	79,452,469	110,968,742
Total Financial Assets	10,454,088,322	9,731,541,269	6,630,703	291,202,975	80,400	80,400	10,460,799,425	10,022,824,645

	OFL at Amortized Cost		Total	
	30.06.2022 Rs.	31.03.2022 Rs.	30.06.2022 Rs.	31.03.2022 Rs.
Liabilities				
Due to Banks	146,147,828	138,597,100	146,147,828	138,597,100
Due to Customers	4,355,199,980	4,448,008,287	4,355,199,980	4,448,008,287
Debt Instruments Issued & Other borrowed funds	3,186,002,683	2,552,107,092	3,186,002,683	2,552,107,092
Other Financial Liabilities	429,993,517	644,871,382	429,993,517	644,871,382
Total Financial Liabilities	8,117,344,008	7,783,583,861	8,117,344,008	7,783,583,861

FVOCI - Fair Value Through Other Comprehensive Income

OFL - Other Financial Liabilities

ABANS FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

FOR THE PERIOD ENDED 30 JUNE

	Leasing		Hirepurchase		Term Loans		Others		Total	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest Income	478,215,343	374,562,391	78,269	251,918	44,959,470	61,151,739	61,795,126	12,396,265	585,048,208	448,362,313
Fee Based Income & Others	26,478,921	33,813,602	634,243	1,090,316	843,292	299,577	11,308	18,750	27,967,764	35,222,245
Unallocated Income							2,830,959	1,377,361	2,830,959	1,377,361
Total Revenue	504,694,264	408,375,993	712,512	1,342,234	45,802,762	61,451,315	64,637,393	13,792,376	615,846,931	484,961,918
Interest Expenses	(150,771,515)	(99,261,341)	(299,083)	(391,169)	(30,017,345)	(21,736,492)	(44,397,680)	(18,469,802)	(225,485,623)	(139,858,804)
Fee Based Expenses & Others	(337,055)	(3,317,000)	-	-	-	-	(5,869,064)	(2,806,407)	(6,206,119)	(6,123,407)
Impairment Reversal / (Allowance)	(55,262,366)	(92,507,086)	(1,234,336)	(423,535)	18,471,321	(9,504,206)	(1,062,339)	(3,505,484)	(39,087,721)	(105,940,310)
Net Operating Income	298,323,328	213,290,566	(820,907)	527,529	34,256,737	30,210,617	13,308,310	(10,989,316)	345,067,468	233,039,397
Unallocated Expenses									(230,977,633)	(172,315,049)
Profits/ (Loss) before Tax									114,089,835	60,724,348
Income Tax expenses									(40,545,594)	(20,039,034)
Net Profit / (Loss) for the period									73,544,241	40,685,314
Other Comprehensive Income										
Total Comprehensive Income for the Year									73,544,241	40,685,314
Segment Assets	6,611,659,888	6,080,569,275	4,440,428	27,042,817	1,132,670,023	1,267,357,140	2,521,430,224	1,054,827,275	10,270,200,563	8,429,796,508
Unallocated Assets									645,764,948	615,249,994
Total Assets	6,611,659,888	6,080,569,275	4,440,428	27,042,817	1,132,670,023	1,267,357,140	2,521,430,224	1,054,827,275	10,915,965,511	9,045,046,502
Unallocated Liabilities									8,417,303,294	7,011,361,026
Total Liabilities									8,417,303,294	7,011,361,026

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022****(a) . BASIS OF PREPARATION**

These Interim Financial Statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 Interim Financial Reporting, and present information required by Listing Rules of the Colombo Stock Exchange.

The accounting policies followed in the preparation of these financial statements are the same as those used in the audited financial statements for the year ended 30 June 2022, except as described in these notes.

These Financial Statements are provisional and subject to audit.

(b). EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date which require disclosure except as described in the notes.

(c). CORE CAPITAL

Direction No. 02 of 2017 issued under the Finance Business Act as amended up to 31 December 2020 requires a finance company to have a core capital of at least Rs. 2.5 Bn whereas Abans Finance pls is only having Rs. 2.35Bn and as per the Direction of Central Bank of Sri Lanka it requires the amount of deposits accepted by the company not to exceed Rs. 5 billion by the reporting date. The amount of deposits held by the company as at the end of the reporting period was Rs. 4.4 Bn.

(d). CREDIT RATING

A - (Ika) /RWN, by FITCH Ratings Lanka Ltd.

(e). Proposed rights issue

The Board of the Directors of the Company resolved on 29 June 2022 to issue up to 7,131,598 shares by way of a Rights Issue for which shareholder approval to be obtained at an Extraordinary General Meeting scheduled to be held on 18 August 2022. The purpose of the Rights Issue is to increase the core capital in compliance with the Finance Business Act (Minimum Core Capital) No 02 of 2017 issued by the Central Bank of Sri Lanka. These shares are to be issued at a price of Rs. 28 per ordinary share, and the proportion in which shares are to be issued is 3 (Three) new ordinary shares for every 28 (Twenty Eight) ordinary shares held.

(f). TRADED PRICE PER SHARE

	03 Months Ended 30 June 2022	03 Months Ended 30 June 2021
Highest	Rs. 26.50	Rs.34.00
Lowest	Rs. 18.50	Rs.25.20
Closing	Rs. 18.90	Rs.29.30

(g). MARKET CAPITALIZATION

- Market Capitalization (Rs.)	1,258,013,730
- Float Adjusted Market Capitalization (Rs.)	101,885,364

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (Cont..)
FOR THE PERIOD ENDED 30 JUNE 2022

(h). SHARES HELD BY PUBLIC

- Public Share holding as at 30 June 2022 is, 8.10%
- Number of Public Share Holders as at 30 June 2022 is, 743

(i). SHARES HELD BY DIRECTORS

Name of The Director	30 June 2022	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr. A S Ratnayake	NIL	-
Mr. H C Embuldeniya	NIL	-
Mr. W B W M R A M T G Aluwihare	NIL	-
Mr. K J C Perera	NIL	-
Ms. D S Ratnayake	NIL	-

* This includes 28,800 Shares Held Jointly.

j). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	30 June 2022	
	No.of Shares	(%)
1 ABANS PLC	33,063,877	49.67
2 IRONWOOD INVESTMENT HOLDING PVT LTD	27,881,236	41.89
3 MR B. PESTONJEE	1,219,680	1.83
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 R. PESTONJEE	220,660	0.33
9 MRS S. DUBASH	192,423	0.29
10 PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	180,793	0.27
11 A B COLD STORAGE (PVT) LIMITED	144,000	0.22
12 AB SECURITAS (PRIVATE) LIMITED	144,000	0.22
13 CLEANTECH PVT LTD	144,000	0.22
14 SEYLAN BANK PLC/SHERMAL HEMAKA JAYASURIYA	122,754	0.18
15 MRS A. PESTONJEE	80,000	0.12
16 MRS H.I. SALGADO	66,600	0.10
17 PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MF	52,584	0.08
18 MR G.C. GOONETILLEKE	48,105	0.07
19 DR K. POOLOGASUNDRAM	36,000	0.05
20 MR R.E. RAMBUKWELLE	34,517	0.05
	65,792,962	98.85
Others	768,611	1.15
Total	66,561,573	100.00