

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2019



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the Six Months Ended September			For the Quarter Ended September		
	2019 Rs. Unaudited	2018 Rs. Unaudited	Change	2019 Rs. Unaudited	2018 Rs. Unaudited	Change
Income	1,048,428,707	1,000,112,138	5%	516,666,961	485,260,610	6%
Interest Income	933,743,878	907,127,463	3%	462,890,347	443,238,959	4%
Interest Expenses	(446,418,387)	(435,659,320)	2%	(225,216,924)	(213,110,176)	6%
Net Interest Income	487,325,491	471,468,143	3%	237,673,423	230,128,783	3%
Fee and Commission Income	109,914,679	85,918,101	28%	51,901,438	38,501,418	35%
Fee and Commission Expenses	(9,617,641)	(59,409,996)	-84%	(5,077,363)	(25,136,799)	-80%
Net Fee and Commission Income	100,297,038	26,508,105	278%	46,824,075	13,364,619	250%
Net Gain/(Loss) From Trading	240,800	206,400		240,800	206,400	
Other Operating Income (net)	4,529,349	6,860,174	-34%	1,634,377	3,313,833	-51%
Total Operating Income	592,392,679	505,042,822	17%	286,372,676	247,013,635	16%
Impairment (Charges) / Reversal	(212,436,144)	(146,962,757)	45%	(86,229,064)	(73,736,493)	17%
Net Operating Income	379,956,535	358,080,065	6%	200,143,610	173,277,142	16%
Operating Expenses						
Personnel Costs	(135,795,812)	(135,570,969)	0%	(68,297,612)	(66,982,961)	2%
Depreciation & Amortization	(13,366,586)	(13,257,324)		(7,312,199)	(7,970,665)	
Other Operating Expenses	(149,483,992)	(144,255,317)	4%	(73,210,639)	(73,879,291)	-1%
Operating Profit before Value Added Tax on FS & Levy	81,310,145	64,996,455	25%	51,323,160	24,444,225	110%
Debt Repayment Levy	(14,754,499)	-		(8,206,450)	-	
Value Added Tax on Financial Services	(28,148,415)	(25,458,427)	11%	(15,448,672)	(11,172,333)	38%
Profit / (Loss) before Taxation from Operations	38,407,231	39,538,028	-3%	27,668,038	13,271,891	108%
Income Tax (Expense)/Reversal	(10,754,025)	(11,861,408)	-9%	(7,747,051)	(3,981,567)	95%
Profit/(Loss) for the Period	27,653,206	27,676,620	0%	19,920,987	9,290,324	114%
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	27,653,206	27,676,620	0%	19,920,987	9,290,324	114%
Earnings Per Share	0.42	0.42		0.30	0.14	

The figures presented above are provisional and subject to Audit.

28 October 2019
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2019

	Change	SEPTEMBER '2019 Rs. (Unaudited)	MARCH '2019 Rs. (Audited)
Assets			
Cash and Bank Balances	-46.4%	141,359,923	263,517,684
Placements with Banks	32.5%	330,808,496	249,659,017
Securities Purchased under Repurchase Agreement	40.9%	396,658,343	281,537,224
Loans and Advances	-3.3%	2,057,434,586	2,127,780,588
Lease Rentals Receivable & Stock Out on Hire	2.3%	5,381,216,724	5,261,624,352
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	-5.6%	222,626,491	235,914,339
Other Financial Assets	-52.4%	81,631,185	171,436,746
Real Estate Stock	0.0%	50,793,213	50,793,213
Other Non Financial Assets	-7.3%	59,502,194	64,153,394
Intangible Assets	-3.3%	31,671,095	32,758,834
Property, Plant & Equipment	-8.4%	78,162,789	85,287,696
Deferred Tax Asset		35,767,246	35,767,246
Total Assets	0.1%	8,867,712,684	8,860,310,735
Liabilities			
Due to Banks	-26.4%	376,403,952	511,760,291
Due to Customers	0.6%	5,828,050,790	5,792,966,524
Debt Inst. Issued and Other Borrowed Funds	80.2%	758,003,781	420,593,845
Other Financial Liabilities	-45.8%	301,299,171	555,894,435
Other Non Financial Liabilities	-24.6%	14,136,390	18,741,949
Retirement Benefit Liability	7.0%	18,685,572	17,471,182
Current Tax Liabilities	6.8%	9,419,562	8,822,246
Total Liabilities	-0.3%	7,305,999,218	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	9.2%	327,316,680	299,663,476
Total Shareholders' Funds	1.8%	1,561,713,467	1,534,060,263
Total Liabilities and Shareholders' Funds	0.1%	8,867,712,684	8,860,310,735
Commitments and Contingencies		108,609,034	119,300,467
Net Assets Per Share		23.46	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

28 October 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	-	27,676,620	-	27,676,620
Balance as at 30 September 2018	<u>1,121,412,955</u>	<u>365,652,026</u>	<u>108,239,567</u>	<u>1,595,304,548</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	-	27,653,206	-	27,653,206
Balances as at 30 September 2019	<u>1,121,412,955</u>	<u>327,316,680</u>	<u>112,983,831</u>	<u>1,561,713,467</u>

28 October 2019
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

Impairment Chargers

Loss/(Profit) on Disposal of Property, Plant & Equipment

Provision/(reversal) for Defined Benefit Plans

Dividend Received

Interest Accrued on Borrowings

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

Retirement Benefit Liabilities Paid

Interest paid on Bank and Other Borrowings

Taxes Paid

Net Cash From/(Used in) Operating Activities

Cash Flows from / (Used in) Investing Activities

Acquisition of Property, Plant & Equipment

Acquisition of Intangible Assets

Proceeds from Sales of Property, Plant & Equipment

Sale/(Purchase) of Placement with banks

Sale/(Purchase) of Financial Investments-Held to Maturity

Dividends Received

Net Cash Flows from/(Used in) Investing Activities

Cash Flows from / (Used in) Financing Activities

Repayment of Borrowings

Borrowings from Banks

Borrowings through Securitization

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

30 September 2019 Rs.	30 September 2018 Rs.
38,407,231	39,538,028
11,047,351	11,770,179
2,319,235	1,487,145
212,436,144	146,962,757
157,571	-
2,800,000	3,630,377
(240,800)	(206,400)
65,887,548	12,812,660
332,814,279	215,994,745
-	7,256,462
11,891,890	289,149,002
(213,170,217)	(396,528,600)
29,401,372	(119,099,352)
4,651,200	991,592
35,084,265	(483,508,174)
(254,595,263)	139,219,525
(4,605,559)	(1,429,891)
(58,528,032)	(347,954,691)
(1,585,610)	(2,467,100)
(28,477,611)	(12,812,660)
(10,754,025)	(10,807,384)
(99,345,279)	(374,041,834)
(4,369,013)	(11,587,523)
(1,231,497)	-
264,000	-
(5,766,822)	(30,891,609)
215,754,379	13,379,299
240,800	206,400
204,891,847	(28,893,433)
(237,622,222)	(51,666,666)
130,000,000	-
300,000,000	-
192,377,778	(51,666,666)
297,924,346	(454,601,933)
651,500,972	1,008,737,712
949,425,319	554,135,779

The figures presented above are provisional and subject to Audit.

28 October 2019

Colombo

ABANS FINANCE PLC

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Equity Instruments - FVOCI		Total	
As at	30.09.2019 Rs.	31.03.2019 Rs.	30.09.2019 Rs.	31.03.2019 Rs.	30.09.2019 Rs.	31.03.2019 Rs.
Assets						
Cash and Bank Balances	141,359,923	263,517,684	-	-	141,359,923	263,517,684
Placements with Banks	330,808,496	249,659,017	-	-	330,808,496	249,659,017
Repurchase Agreements	396,658,343	281,537,224	-	-	396,658,343	281,537,224
Loans and Advances	2,057,434,586	2,127,780,587	-	-	2,057,434,586	2,127,780,587
Lease rentals receivable & Stock out on hire	5,381,216,724	5,261,624,352	-	-	5,381,216,724	5,261,624,352
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	222,626,491	235,914,339	-	-	222,626,491	235,914,339
Other financial assets	81,631,185	171,436,746	-	-	81,631,185	171,436,746
Total Financial Assets	8,611,735,748	8,591,469,950	80,400	80,400	8,611,816,148	8,591,550,349

	OFL at Amortized Cost		Total	
	30.09.2019 Rs.	31.03.2019 Rs.	30.09.2019 Rs.	31.03.2019 Rs.
Liabilities				
Due to Banks	376,403,952	511,760,291	376,403,952	511,760,291
Due to Customers	5,828,050,790	5,792,966,524	5,828,050,790	5,792,966,524
Debt Instruments Issued & Other borrowed funds	758,003,781	420,593,845	758,003,781	420,593,845
Other Financial Liabilities	301,299,171	555,894,435	301,299,171	555,894,435
Total Financial Liabilities	7,263,757,694	7,281,215,095	7,263,757,694	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 SEPTEMBER	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	682,609,821	589,474,734	1,033,023	604,263	212,754,815	251,174,714	37,346,219	65,873,751	933,743,878	907,127,463
Fee Based Income & Others	104,690,498	82,500,514	463,935	181,699	4,760,246	3,235,888	265,290	269,247	110,179,969	86,187,348
Unallocated Income							4,504,860	6,797,327	4,504,860	6,797,327
Total Revenue	787,300,319	671,975,249	1,496,958	785,962	217,515,061	254,410,602	42,116,368	72,940,325	1,048,428,707	1,000,112,138
Interest Expenses	(284,121,742)	(252,208,714)	(1,288,190)	(746,608)	(112,235,254)	(123,823,016)	(48,773,201)	(58,880,982)	(446,418,387)	(435,659,320)
Fee Based Expences & Others	(348,768)	(50,730,428)	-	-	(19,373)	(27,000)	(9,249,500)	(8,652,569)	(9,617,641)	(59,409,996)
Impairment Reversal / (Provision)	(93,163,967)	(67,580,475)	(413,878)	3,924,138	(58,454,110)	(21,543,669)	(60,404,189)	(61,762,750)	(212,436,144)	(146,962,757)
Net Operating Income	409,665,842	301,455,632	(205,109)	3,963,492	46,806,323	109,016,917	(76,310,521)	(56,355,976)	379,956,535	358,080,065
Unallocated Expenses									(341,549,304)	(318,542,037)
Profits/ (Loss) before Tax									38,407,231	39,538,028
Income Tax expenses									(10,754,025)	(11,861,408)
Net Profit /(Loss) for the period									27,653,206	27,676,620
Segment Assets	5,358,000,365	4,816,773,652	23,216,359	8,394,805	2,057,434,586	2,125,128,673	1,000,886,542	958,318,327	8,439,537,853	7,908,615,457
Unallocated Assets									428,174,832	856,401,141
Total Assets	5,358,000,365	4,816,773,652	23,216,359	8,394,805	2,057,434,586	2,125,128,673	1,000,886,542	958,318,327	8,867,712,684	8,765,016,598
Unallocated Liabilities									7,305,999,218	7,169,712,050
Total Liabilities									7,305,999,218	7,169,712,050

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

	30 September 2019
Highest	Rs.20.00
Lowest	Rs.15.00
Closing	Rs.16.40

(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 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 quarters.

(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 September 2019 is, **8.099%**
- Number of Public Share Holders as at 30 September 2019 is, **814**.

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

- Market Capitalization (Rs.)	1,091,609,797
- Float Adjusted Market Capitalization (Rs.)	88,408,464

(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 September 2019	
	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

	30 September 2019	
	Name of The Shareholder	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%
		1,047,387 1.57%
	Total	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.