

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2022



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	06 Months Ended 30 September			03 Months Ended 30 September		
	2022 Rs. Unaudited	2021 Rs. Unaudited	Change	2022 Rs. Unaudited	2021 Rs. Unaudited	Change
Income	1,269,722,486	948,931,550	33.81%	653,875,555	463,969,632	40.9%
Interest Income	1,199,702,148	884,683,648	35.6%	615,461,139	436,321,336	41.1%
Interest Expense	(529,455,116)	(270,455,893)	95.8%	(303,969,493)	(130,597,089)	133%
Net Interest Income	670,247,032	614,227,756	9.1%	311,491,646	305,724,247	2%
Fee and Commission Income	65,473,213	61,074,166	7.2%	37,505,449	25,851,921	45%
Fee and Commission Expense	(9,651,128)	(10,892,349)	-11.4%	(3,445,009)	(4,768,941)	-28%
Net Fee and Commission Income	55,822,085	50,181,817	11.2%	34,060,440	21,082,980	62%
Net Gain from Trading	807,439	-		-	-	
Other Operating Income (net)	3,739,687	3,173,736	17.8%	908,967	1,796,375	-49%
Total Operating Income	730,616,243	667,583,309	9.4%	346,461,053	328,603,602	5%
Credit Loss Expense on Financial Assets and Other Losses	(70,194,708)	(73,791,614)	-4.9%	(31,106,987)	32,148,696	-197%
Net Operating Income	660,421,534	593,791,694	11.2%	315,354,066	360,752,298	-13%
Operating Expenses						
Personnel Costs	(193,056,814)	(155,612,149)	24.1%	(103,213,693)	(80,361,500)	28%
Depreciation & Amortization	(31,875,735)	(32,470,884)	-1.8%	(15,978,051)	(16,030,125)	0%
Other Operating Expenses	(180,377,543)	(139,392,812)	29.4%	(86,462,402)	(78,207,262)	11%
Operating Profit before Value Added Tax on Financial Services	255,111,443	266,315,849	-4.2%	109,699,920	186,153,411	-41%
Taxes on Financial Services	(55,599,849)	(49,899,745)	11.4%	(24,278,160)	(30,461,655)	-20%
Profit before Taxation from Operations	199,511,594	216,416,104	-7.8%	85,421,760	155,691,757	-45%
Income Tax Expense	(68,583,470)	(55,813,215)	22.9%	(28,037,876)	(35,774,180)	-22%
Profit for the Period	130,928,124	160,602,890	-18.5%	57,383,884	119,917,577	-52%
Total Comprehensive Income for the Period	130,928,124	160,602,890	-18.5%	57,383,884	119,917,577	-52%
Earnings Per Share	1.97	2.41		0.86	1.80	

The figures presented above are provisional and subject to Audit.

08th November'2022
Colombo

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Change	SEPTEMBER'2022 Rs. (Un Audited)	MARCH '2022 Rs. (Audited)
Assets			
Cash and Bank Balances	-35.7%	118,174,881	183,803,274
Placements with Banks	-16.6%	404,851,476	485,662,416
Repurchase Agreement	-79.6%	52,021,430	255,049,144
Loans and Advances	-7.4%	1,027,602,628	1,109,139,474
Lease Rentals Receivable & Stock Out on Hire	-0.8%	6,946,652,558	6,999,758,895
Financial Investment at Fair Value Through P&L	-97.6%	7,010,174	291,202,975
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	91.5%	1,124,287,566	587,159,325
Other Financial Assets	-36.0%	71,051,344	110,968,742
Real Estate Stock	0.0%	32,066,726	32,066,726
Other Non Financial Assets	64.5%	95,122,744	57,812,919
Property, Plant & Equipment	-1.1%	150,976,281	152,722,069
Intangible Assets	-6.5%	26,143,803	27,950,766
Right of use Asset	-6.8%	163,191,447	175,125,283
Total Assets	-2.4%	10,219,233,460	10,468,502,408
Liabilities			
Due to Banks	-12.7%	120,937,614	138,597,100
Due to Customers	-10.1%	3,999,528,250	4,448,008,287
Other Borrowed Funds	10.9%	2,829,982,369	2,552,107,092
Other Financial Liabilities	-19.7%	517,782,440	644,871,382
Other Non Financial Liabilities	-6.8%	40,862,423	43,821,143
Current Tax Liabilities	-36.2%	111,722,703	175,080,456
Deferred Tax Liability	0.0%	13,298,360	13,298,360
Retirement Benefit Liability	5.3%	29,073,201	27,600,613
Total Liabilities	-4.7%	7,663,187,360	8,043,384,432
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve Fund	0.0%	277,169,198	277,169,198
Revaluation Reserve	0.0%	70,403,907	70,403,907
Retained Earnings	13.7%	1,087,060,040	956,131,916
Total Shareholders' Funds	5.4%	2,556,046,100	2,425,117,976
Total Liabilities and Shareholders' Funds	-2.4%	10,219,233,460	10,468,502,408
Commitments and Contingencies		-	-
Net Assets Per Share		38.40	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

Sgd
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,

Sgd
Cecil Perera
Director

Sgd
Rusi Pestonjee
Director

08th November'2022
Colombo

ABANS FINANCE PLC**STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Revaluation Reserve	Statutory Reserve Rs.	Total Rs.
Balance as at 31 March 2021	1,121,412,955	610,075,861	70,403,907	191,107,440	1,993,000,162
Net Profit / (Loss) for the Period	-	160,602,890	-	-	160,602,890
Balance as at 30 September 2021	1,121,412,955	770,678,751	70,403,907	191,107,440	2,153,603,052
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	-	130,928,124	-	-	130,928,124
Balances as at 30 September 2022	1,121,412,955	1,087,060,040	70,403,907	277,169,198	2,556,046,100

08th November 2022
Colombo

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER

	30th September 2022 Rs.	30th September 2021 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit Before Income Tax Expense	199,511,594	216,416,104
Adjustments for		
Depreciation	7,244,524	8,255,185
Amortisation of Intangible Assets	2,987,337	2,957,827
Amortization of Right to use assets	21,643,874	21,257,872
Impairment Provision	70,194,708	73,791,614
Provision/(reversal) for Defined Benefit Plans	3,250,000	4,500,000
Loss/(Profit) from sale of unit Trust	(807,198)	-
Interest Expense on Lease Liability	8,698,804	3,710,792
Interest Expense on Borrowings	201,648,962	67,916,272
Dividend received	(240)	-
Operating Profit before Working Capital Changes	514,372,364	398,805,667
(Increase)/Decrease in Loans and Advances	118,242,438	228,095,688
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(52,303,031)	(62,297,528)
(Increase)/Decrease in Other Financial Assets	38,426,465	3,883,726
(Increase)/Decrease in Other Non Financial Assets	(34,741,556)	2,295,092
Increase/(Decrease) in Amounts Due to Customers	(448,480,037)	114,777,770
Increase/(Decrease) in Other Financial Liabilities	(120,618,196)	(157,376,393)
Increase/(Decrease) in Other Non Financial Liabilities	(2,958,720)	27,300,059
Cash Generated from Operations	11,939,728	555,484,081
Retirement Benefit Liabilities Paid	(1,777,413)	(134,250)
Interest paid on Bank and Other Borrowings	(73,830,176)	(53,186,039)
Taxes Paid	(131,941,220)	(92,542,598)
Net Cash From/(Used in) Operating Activities	(195,609,081)	409,621,194
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(5,498,734)	(17,198,946)
Acquisition of Intangible Assets	(1,180,375)	-
Cash Flow from /(Used in) Fixed Deposits	(6,021,355)	(252,703,530)
Disposal/(Acquisition) of Debt instruments at amortised cost	(772,419,539)	(48,469,800)
Proceeds from Disposal of Debt Securities	285,000,000	-
Dividend received	240	-
Net Cash Flows from/(Used in) Investing Activities	(500,119,763)	(318,372,276)
Cash Flows from / (Used in) Financing Activities		
Payment of Capital Portion of Lease liabilities	(27,447,859)	(24,447,026)
Cash Outflow Flow from Bank and Other borrowings	(64,200,000)	(64,200,000)
Cash Inflow Other Borrowing	735,434,655	263,775,174
Cash Outflow Other Borrowing	(585,378,163)	(308,000,000)
Net Cash Flows from/(Used in) Financing Activities	58,408,634	(132,871,852)
Net Increase in Cash and Cash Equivalents	(637,320,210)	(41,622,933)
Cash and Cash Equivalents at the beginning of the year	1,427,457,257	1,225,146,193
Cash and Cash Equivalents at the end of the year	790,137,047	1,183,523,260

Amortised Cost Financial Investment FVT P&L Equity Instruments -FVOCI Total

As at 30 September 2022

	30.09.2022	31.03.2022	30.09.2022	31.03.2022	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets								
Cash and Bank Balances	118,174,881	183,803,274			-	-	118,174,881	183,803,274
Placements with Banks	404,851,476	485,662,416			-	-	404,851,476	485,662,416
Repurchase Agreements	52,021,430	255,049,144					52,021,430	255,049,144
Loans and Advances	1,027,602,628	1,109,139,474			-	-	1,027,602,628	1,109,139,474
Lease rentals receivable & Stock out on hire	6,946,652,558	6,999,758,895			-	-	6,946,652,558	6,999,758,895
Financial Investments & Fair Value through P&L		-	7,010,174	291,202,975		-	7,010,174	291,202,975
Equity instruments at fair value through OCI	-	-			80,400	80,400	80,400	80,400
Debt instruments at amortised cost	1,124,287,565	587,159,325					1,124,287,565	587,159,325
Other financial assets	71,051,343	110,968,742			-	-	71,051,343	110,968,742
Total Financial Assets	9,744,641,884	9,731,541,270	7,010,174	291,202,975	80,400	80,400	9,751,732,457	10,022,824,645

OFL at Amortized Cost**Total**

	30.09.2022	31.03.2022		
	Rs.	Rs.	30.09.2022	31.03.2022
			Rs.	Rs.
Liabilities				
Due to Banks	120,937,614	138,597,100	120,937,614	138,597,100
Due to Customers	3,999,528,250	4,448,008,287	3,999,528,250	4,448,008,287
Other borrowed funds	2,829,982,369	2,552,107,092	2,829,982,369	2,552,107,092
Other Financial Liabilities	517,782,440	644,871,382	517,782,440	644,871,382
Total Financial Liabilities	7,468,230,673	7,783,583,861	7,468,230,673	7,783,583,861

FVTP&L -Fair Value Through P&L**FVOCI** - Fair Value Through Other Comprehensive Income**OFL** - Other Financial Liabilities

ABANS FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

	Leasing		Hire purchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 30 SEPTEMBER	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Interest Income	936,860,750	741,644,630	109,815	964,236	95,755,202	113,162,655	166,976,382	28,912,127	1,199,702,148	884,683,648
Fee Based Income & Others	61,500,067	57,610,957	2,434,823	2,267,865	1,427,842	1,159,714	110,481	35,629	65,473,213	61,074,166
Unallocated Income							4,547,125	3,173,736	4,547,125	3,173,736
Total Revenue	998,360,816	799,255,587	2,544,638	3,232,101	97,183,044	114,322,370	171,633,988	32,121,492	1,269,722,487	948,931,550
Interest Expenses	(381,682,805)	(189,391,240)	(1,237,402)	(736,684)	(58,667,546)	(39,713,608)	(87,867,363)	(40,614,361)	(529,455,116)	(270,455,893)
Fee Based Expenses & Others	(2,985,055)	(4,334,222)	-	-	-	-	(6,666,073)	(6,558,127)	(9,651,128)	(10,892,349)
Impairment Reversal / (Allowance)	(106,988,144)	(52,286,629)	127,176	(233,134)	36,666,259	(11,003,472)	-	(10,268,379)	(70,194,708)	(73,791,614)
Net Operating Income	506,704,813	553,243,496	1,434,412	2,262,283	75,181,757	63,605,289	77,100,552	(25,319,374)	660,421,535	593,791,694
Unallocated Expenses									(460,909,941)	(377,375,590)
Profits/ (Loss) before Tax									199,511,594	216,416,104
Income Tax expenses									(68,583,470)	(55,813,215)
Net Profit /(Loss) for the period									130,928,124	160,602,890
Segment Assets	6,925,919,843	6,010,757,573	20,732,715	26,154,141	1,027,602,628	1,140,409,432	1,581,160,473	1,382,821,232	9,555,415,660	8,560,142,378
Unallocated Assets									663,817,801	552,691,630
Total Assets	6,925,919,843	6,010,757,573	20,732,715	26,154,141	1,027,602,628	1,140,409,432	1,581,160,473	1,382,821,232	10,219,233,460	9,112,834,008
Unallocated Liabilities									7,663,187,361	6,959,230,955
Total Liabilities									7,663,187,361	6,959,230,955

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 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 31 March 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 below points (c) and (d)

(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 at least Rs. 2.5 Bn. As per this direction CBSL had imposed a deposit cap of Rs 5,000mn and deposit advertising restrictions to the completion of the rights issue the minimum core capital requirement was fulfilled, and the restrictions have been lifted by the CBSL with effect from 13 October 2022.

(d).RIGHTS ISSUE

The Company has completed the rights issue on 13th October 2022 in order to fulfill the minimum core capital requirement.

The Company has issued 7,131,598 shares by way of a rights issue in the proportion of Three (03) new shares for Twenty Eight (28) existing shares. The Shares were listed on 13th October 2022. The company raised Rs. 199,684,744/- from the rights issue which increased the Stated Capital of the Company from Rs.1,121,412,955/- which was representing 66,561,573 shares to Rs.1,321,097,699/- representing 73,693,171 shares.

(e). CREDIT RATING

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

(f). TRADED PRICE PER SHARE

	03 Months Ended 30 September 2022	03 Months Ended 30 September 2021
Highest	Rs. 28.40	Rs. 31.90
Lowest	Rs. 17.80	Rs. 24.00
Closing	Rs. 24.00	Rs. 28.10

(g). MARKET CAPITALIZATION

- Market Capitalization (Rs.)	1,597,477,752
- Float Adjusted Market Capitalization (Rs.)	125,922,240

ABANS FINANCE PLC

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

(h). SHARES HELD BY PUBLIC

- Public Share holding as at 30 September 2022 is, 7.88%
- Number of Public Share Holders as at 30 September 2022 is, 774

(i). SHARES HELD BY DIRECTORS

Name of The Director	30 September 2022	
	No.of Shares	(%)
MR. RUSI PESTONJEE *	220,660 *	0.33
MR. HIRAN CHAMINDA EMBULDENIYA	NIL	-
MR. AJITH SURENDRA RATNAYAKA	NIL	-
Mr. W B W M R A M T G ALUWIARE	NIL	-
Mr. KALUGAMAGE JOHN CECIL PERERA	NIL	-
Ms. DISHANA SIRINIMALI RATNAYAKE	NIL	-

**This includes 28,800 shares held jointly with Miss J E S Fernando.*

(j). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	30 September 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 LOGIRITE (PRIVATE) LIMITED	888,000	1.33
5 ABLE INVESTMENTS (PRIVATE) LIMITED	806,917	1.21
6 MR K. KUNENTHIRAN	466,816	0.70
7 MRS S. DUBASH	192,423	0.29
8 MR R. PESTONJEE	220,660	0.33
9 PEOPLE'S LEASING & FINANCE PLC/L.P.HAPANGAMA	180,793	0.27
10 A B COLD STORAGE (PVT) LIMITED	144,000	0.22
11 AB SECURITAS (PRIVATE) LIMITED	144,000	0.22
12 CLEANTECH PVT LTD	144,000	0.22
13 SEYLAN BANK PLC/SHERMAL HEMAKA JAYASURIYA	122,754	0.18
14 MRS A. PESTONJEE	80,000	0.12
15 MRS H.I. SALGADO	66,600	0.10
16 PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MF	52,584	0.08
17 MR G.C. GOONETILLEKE	48,105	0.07
18 DR K. POOLOGASUNDRAM	36,000	0.05
19 MR. R.E. RAMBUKWELLE	34,517	0.05
20 SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	31,882	0.05
	65,824,844	98.89
Others	736,729	1.11
Total	66,561,573	100.00

Explanations/Glossary	
Capital Adequacy ratios	Indicates the ability of the financial institution to absorb losses without affecting depositors and creditors. This ratio is computed by dividing capital by risk weighted assets as specified by the Direction, and high ratio indicates better loss absorption capacity.
Non-Performing Loans ratio	Indicates level of non-paying loans and advances included in the total loans portfolio of the financial institution. High ratio indicates poor assets quality and high credit risk.
Provision Coverage ratio	Indicates the adequacy level of provision to cover problem loans and advances. A higher ratio with a higher capital adequacy ratio means that the financial institution can withstand future credit losses better, including unexpected losses beyond the loan loss provision
Net Interest Margin	Indicates profitability of the core business operation of the financial institution. i.e. granting loans and advances and accepting deposits.
Cost to income ratio	Represents operating expense, excluding impairment charges on loans and advances as a percentage of net revenue (net interest income and other income). Lower ratio will result in higher profitability.
Liquid Assets	A liquid asset is an asset that can easily be converted into cash.
Tier 1 Capital	Represents permanent shareholder equity and reserves.
Total Capital	Represents Tier 1 and supplementary capital including instruments with characteristics of equity and debt, revaluation gains, impairment allowances.
Risk Weighted Assets	Sum of on-balance sheet risk weighted assets and the total credit equivalent of risk weighted off-balance sheet assets.
Tier 1 Capital ratio	Tier 1 capital as a percentage of risk weighted assets
Total Capital ratio	Total capital as a percentage of risk weighted assets.
Capital Funds	Paid up capital, permanent free reserves and any other securities approved by the CBSL.
Non-Performing Loan	A loan in which the borrower has defaulted and hasn't made scheduled payments of principal or and / interest as per the stipulated guidelines issued by CBSL.
Net Interest Margin	Annualised net interest income (interest income less interest expenses) as a percentage of total net assets (Based on Average value)
Return on Assets	Annualised profit before tax as a percentage of total net assets (Based on Average value)
Return on Equity	Annualised profit after tax as a percentage of total capital (Based on Average value)
External Funds	Includes only deposits and borrowings.

ABANS FINANCE PLC
Selected Key Performance Indicators for the Period Ended 30 September 2022

Item	As at 30/09/2022 (e)		As at 30/09/2021 (f)	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	18.10	8.50	13.66	7.00
Total Capital Adequacy Ratio	18.10	12.50	13.66	11.00
Capital Funds to Deposit Liabilities Ratio	64.00	10.00	41.39	10.00
Quality of Loan Portfolio (%)				
Gross Non-Performing Loans Ratio (g),	23.33		24.35	
Net-Non-Performing Loans Ratio (g),	5.26		4.24	
Net-Non-Performing Loans to Core Capital Ratio,	19.51		16.83	
Provision Coverage Ratio,	59.41		64.23	
Profitability (%)				
Net Interest Margin	13.35		13.00	
Return on Assets	4.13		3.61	
Return on Equity	11.21		15.49	
Cost to Income Ratio	55.48		49.05	
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (g) (Minimum 100%)	346.13		224.97	
Liquid Assets to External Funds	20.77		18.85	
Memorandum information				
Number of Branches	10		10	
Number of Service Centers	9		9	
External Credit Rating (FITCH Ratings Lanka Ltd)	A- (lka) RWN		A (lka) /Rating outlook evolving	
Regulatory Deposit Restrictions (h)				
Cap on total Deposits (Rs. mn)	5,000		6,000	

* This cap has been lifted on 21st Oct 2022, subsequent to the completion of rights issue and fulfilment of the required core capital level Rs 2.5bn as per the Direction No 02 of 2017 finance business act as amended up to 31 December 2020.

(e) Date as at which the balance sheet is represented (i.e. 30 September in the current financial year)

(f) Date as at which the balance sheet is represented (i.e. 30 September in the previous financial year)

(g) As per the prevailing regulatory requirements

(h) Disclose only if applicable