

AMW CAPITAL LEASING AND FINANCE PLC

Publication of Financial Statements



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Colombo Branch
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Sri Lanka

AMW/PL/AM/17M

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMW CAPITAL LEASING AND FINANCE PLC

Report on the Financial Statements

We have audited the accompanying financial statements of AMW Capital Leasing and Finance PLC, ("the Company"), which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 control 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. These 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 management, 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:

- The basis of opinion and scope and limitations of the audit are as stated above.
- 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.
 - The financial statements of the Company give a true and fair view of its financial position 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, and
 - The financial statements of the Company, comply with the requirements of sections 152 of the Companies Act No. 97 of 2007.

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27 June 2017
Colombo

Selected Performance Indicators	31.03.2017	31.03.2016
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) Rs. '000	1,714,479	1,467,752
Total Capital Base Rs. '000	1,714,479	1,467,752
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum 5%)	15.84%	15.96%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum 10%)	15.84%	15.92%
Capital Funds to Deposit Liabilities Ratio (Minimum 10%)	30%	77%
Asset Quality (Quality of Loan Portfolio)		
Gross Non Performing Accommodations, Rs. '000	194,241	197,460
Gross Non Performing Accommodations Ratio, %	1.78%	2.18%
Net Non Performing Accommodations Ratio, %	0.08%	0.00%
Profitability (%)		
Interest Margin	7.50%	9.14%
Return on Assets (before tax)	4.81%	5.06%
Return on Equity (after tax)	20.28%	19.87%
Regulatory Liquidity (Rs. '000)		
Required Minimum Amount of Liquid Assets	521,920	376,901
Available Amount of Liquid Assets	506,551	394,267
Required Minimum Amount of Government Securities	242,500	150,791
Available Amount of Government Securities	526,452	302,417
Workforce Information		
No of Employees	250	267
No of Branches	15	15
Number of Service Centers	7	6
Number of Partner Centers		

Statement of Financial Position

As at	31.03.2017	31.03.2016
	Rs. '000	Rs. '000
Assets		
Cash and Cash Equivalents	85,911	52,720
Loans and Receivables - Loans	7,296,256	6,400,623
Loans and Receivables - Hire Purchase	80,605	235,642
Loans and Advances	3,392,128	2,395,175
Financial Investments - Available-for-Sale	80	80
Financial Investments - Held-to-Maturity	508,930	362,296
Property Plant and Equipment	46,025	45,919
Goodwill and Intangible Assets	12,412	16,553
Other Assets	77,902	93,378
Total Assets	11,329,371	8,612,306
Liabilities		
Due to Banks	2,387,976	3,003,219
Due to Customers	1,744,997	2,031,409
Other Borrowings	4,655,263	2,142,517
Current Tax Liabilities	196,411	63,744
Deferred Tax Liabilities	174,605	179,683
Other Provisions	202,490	174,952
Other Liabilities	453,146	549,110
Total Liabilities	8,814,882	6,144,634
Equity		
Share Capital	200,000	200,000
Statutory Reserve Fund	84,983	68,845
Retained Earnings	1,429,496	1,198,907
Other Reserves		
Total Equity	1,714,479	1,467,752
Total Equity and Liabilities	11,329,371	8,612,306
Contingent Liabilities and Commitments		

We, the undersigned, being the Chief Executive Officer and the Senior Accountant of AMW Capital Leasing and Finance PLC certify that:

(a) the above statements have been prepared in compliance with the format and disclosures prescribed by the Central Bank of Sri Lanka;

(b) the information contained in these statements have been extracted from the audited financial statements of the Licensed Finance Company

Company

Director/CEO

Director/CEO

Director/Treasurer (Cpt.)

Senior Accountant

27.06.2017

Colombo

Statement of Comprehensive Income

For the year ended	31.03.2017	31.03.2016
	Rs. '000	Rs. '000
Interest Income	1,605,937	1,413,318
Interest Expenses	(881,340)	(624,210)
Net Interest Income	784,597	789,108
Fee and Commission Income	57,296	35,344
Fee and Commission Expenses		
Net Fee and Commission Income	57,296	35,344
Net Gain/(Loss) from trading		
Other Operating Income (net)	279,381	211,067
Total Operating Income	1,112,674	1,035,519
Impairment for loans and other assets		
Individual Impairment	(21,454)	(41,221)
Collective Impairment		
Others		
Net Operating Income	1,090,220	994,298
Personnel Cost	(229,250)	(221,513)
Depreciation and Amortization	(76,634)	(77,212)
Other Expenses	(234,453)	(229,322)
Operating Profit/(Loss) before Value Added Tax (VAT)	590,083	586,243
VAT on Financial Services	(84,022)	(51,763)
Operating Profit/(Loss) after Value Added Tax (VAT)	506,061	534,480
Share of profits of associates and joint ventures		
Profit Before Taxation	506,061	448,442
Tax Expenses	(185,313)	(181,363)
Profit for the period	322,748	267,079
Other Comprehensive Income, net of tax		
Actuarial Gain/(Loss) on Employee Benefit Obligation	4,416	1,396
Tax Effect on Actuarial Gain/(Loss) on Defined Benefit Plans	(1,237)	(680)
Total Comprehensive Income, net of tax	325,927	268,115
Earnings Per Share - Basic	16.14	13.16



AMW Capital Leasing and Finance PLC

(PBI)PCP

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Licensed by the Prudential Board of the Central Bank of Sri Lanka under the Finance Companies Act No. 76 of 1988

Finch Rating BBB+ (Ba)