

## STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

|  | In Rupees Thousands |                  |
|--|---------------------|------------------|
|  | As at 30-Sep-17     | As at 30-Sep-16  |
| <b>ASSETS</b>  |                     |                  |
| Cash and Bank Balances                                 | 50,179              | 21,154           |
| Investment in Government Securities                    | 24,564              | 22,462           |
| Placements with Banks and Other Financial Institutions | 18,238              | 16,172           |
| Lease Rentals Receivable and Stock out on Hire         | 2,034,408           | 1,514,070        |
| Loan Stock   | 438,787             | 156,650          |
| Gold Advances  | 27,532              | 12,758           |
| Other Financial Assets                                 | 40,677              | 24,041           |
| Other Non-Financial Assets                             | 54,320              | 39,595           |
| Financial Investments - Available for Sale             | 12,458              | 458              |
| Inventories  | 95,147              | 120,015          |
| Property, Plant and Equipment                          | 91,295              | 64,491           |
| Intangible Assets                                      | 24,390              | 27,335           |
| <b>TOTAL ASSETS</b>                                    | <b>2,911,995</b>    | <b>2,019,202</b> |
| <b>LIABILITIES</b>                                     |                     |                  |
| Due to Banks   | 1,454,691           | 825,836          |
| Due to the Customers                                   | 467,482             | 366,819          |
| Other Financial Liabilities                            | 125,409             | 73,641           |
| Other Non-Financial Liabilities                        | 60,255              | 26,195           |
| Retirement Benefit Liability                           | 5,577               | 4,018            |
| Deferred Tax Liabilities                               | 19,089              | 13,476           |
| <b>TOTAL LIABILITIES</b>                               | <b>2,132,504</b>    | <b>1,309,984</b> |
| <b>EQUITY</b>  |                     |                  |
| Stated Capital   | 603,247             | 603,247          |
| Retained Earnings                                      | 169,096             | 101,705          |
| Reserves   | 7,147               | 4,266            |
| <b>TOTAL EQUITY</b>                                    | <b>779,491</b>      | <b>709,218</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                    | <b>2,911,995</b>    | <b>2,019,202</b> |

## SELECTED PERFORMANCE INDICATORS

As at 30 September 2017

| Item  | In Rupees Thousands |                 |
|---|---------------------|-----------------|
|   | As at 30-Sep-17     | As at 30-Sep-16 |
| <b>Regulatory Capital Adequacy</b>  |                     |                 |
| Core Capital (Tier 1 Capital), Rs. '000   | 778,954             | 709,218         |
| Total Capital Base, Rs. '000  | 778,954             | 709,218         |
| Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)   | 27.63%              | 35.92%          |
| Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10%) | 27.63%              | 35.92%          |
| Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)                 | 77.49%              | 60.81%          |
| <b>Assets Quality (Quality of Loan Portfolio)</b>                                     |                     |                 |
| Gross Non-Performing Accommodations, Rs. '000   | 30,600              | 11,232          |
| Gross Non-Performing Accommodations Ratio, %  | 1.20%               | 0.67%           |
| <b>Profitability (%)</b>  |                     |                 |
| Interest Margin   | 5.24%               | 6.29%           |
| Return on Assets (before Tax)   | 2.14%               | 4.58%           |
| Return on Equity (after Tax)  | 5.49%               | 7.27%           |
| <b>Regulatory Liquidity (Rs. '000)</b>  |                     |                 |
| Required minimum amount of Liquid Assets  | 46,360              | 36,682          |
| Available amount of Liquid Assets   | 92,980              | 59,789          |
| Required minimum amount of Government Securities                                      | 20,372              | 20,372          |
| Available amount of Government Securities   | 24,564              | 22,462          |
| <b>Memorandum information</b>   |                     |                 |
| Number of employees   | 120                 | 87              |
| Number of branches  | 8                   | 7               |
| Number of service centres   | -                   | -               |
| Number of pawning centres   | -                   | -               |

## STATEMENT OF COMPREHENSIVE INCOME

Period Ended 30 September 2017

|  | In Rupees Thousands    |                        |
|--|------------------------|------------------------|
|  | Period Ended 30-Sep-17 | Period Ended 30-Sep-16 |
| <b>Income</b>  | <b>276,196</b>         | <b>168,160</b>         |
| Interest Income  | 254,997                | 149,965                |
| Interest Expenses  | (102,433)              | (50,355)               |
| <b>Net Interest Income</b>   | <b>152,565</b>         | <b>99,609</b>          |
| Fees and Commission Income   | 2,357                  | 1,969                  |
| <b>Net Fee and Commission Income</b>                                 | <b>2,357</b>           | <b>1,969</b>           |
| Other Operating Income   | 18,842                 | 16,227                 |
| <b>Total Operating Income</b>  | <b>173,763</b>         | <b>117,804</b>         |
| Impairment Charges for loans and other losses                        | (1,600)                | (1,200)                |
| <b>Net Operating Income</b>  | <b>172,163</b>         | <b>116,604</b>         |
| <b>Operating Expenses</b>  |                        |                        |
| Personnel Expenses   | (50,089)               | (41,223)               |
| Depreciation of Property Plant & Equipment                           | (8,992)                | (8,802)                |
| Amortization of Intangible Assets                                    | (2,304)                | (2,248)                |
| Other Operating Expenses   | (33,403)               | (20,981)               |
| <b>Operating Profit before Value Added Tax on Financial Services</b> | <b>77,375</b>          | <b>43,350</b>          |
| Value Added Tax & NBT on Financial Services                          | (15,154)               | (7,041)                |
| <b>Profit/(Loss) before Taxation</b>                                 | <b>62,222</b>          | <b>36,309</b>          |
| Income Tax Expenses  | (19,408)               | (10,544)               |
| <b>Profit/(Loss) for the period</b>                                  | <b>42,813</b>          | <b>25,765</b>          |
| Basic Earnings Per Share (Rs.)                                       | 0.54                   | 0.32                   |
| <b>Profit/(Loss) for the period</b>                                  | <b>42,813</b>          | <b>25,765</b>          |
| <b>Other Comprehensive Income</b>                                    |                        |                        |
| Actuarial Gain/(Loss) on Defined Benefit Obligations                 | -                      | -                      |
| Deferred Tax (Charge)/Reversal on Other Comprehensive Income         | -                      | -                      |
| <b>Other Comprehensive Income for the period, Net of Tax</b>         | <b>-</b>               | <b>-</b>               |
| <b>Total Comprehensive Income for the period, Net of Tax</b>         | <b>42,813</b>          | <b>25,765</b>          |

## CERTIFICATION:

We, the undersigned, being the Chief Executive Officer and the Accountant of Ideal Finance Limited certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- The information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

 D.M. Weerasekare  
 Chief Executive Officer

14-11-2017

 Madumali Munasinghe  
 Accountant

14-11-2017