

DIALOG FINANCE PLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2018

INCOME STATEMENT

In Rupees Thousand	Current Period	Previous Period
	From 01.04.2018 to 30.09.2018	From 01.04.2017 to 30.09.2017
Interest income	109,514	103,320
Interest expense	(42,797)	(48,591)
Net interest income	66,717	54,729
Fee and commission income	58,175	1,202
Fee and commission expenses	-	(25)
Net fee and commission income	58,175	1,177
Net gain/(loss) from financial instruments at fair value through profit or loss	(529)	509
Net gain/(loss) from financial investments	-	-
Other operating income	3,194	3,966
Total operating income	127,557	60,381
Impairment for loans and other losses		
Individual impairment	(49,579)	1,218
Collective impairment	(24,895)	(2,265)
Net operating income	53,083	59,333
Personnel expenses	(59,524)	(25,355)
Depreciation and amortization	(2,530)	(2,849)
Other expenses	(26,214)	(18,858)
Operating profit/(loss) before Value Added Tax (VAT) on financial services	(35,185)	12,271
Value Added Tax (VAT) on financial services	-	(4,717)
Operating profit/(loss) after Value Added Tax (VAT) on financial services	(35,185)	7,554
Share of profits of associates and joint ventures	-	-
Profit / (loss) before tax	(35,185)	7,554
Tax expenses	-	(3,261)
Profit/(loss) for the period	(35,185)	4,293

Earnings per share on profit		
Basic earnings per ordinary share	(0.97)	0.18

SELECTED PERFORMANCE INDICATORS

ITEM	As at 30.09.2018	As at 30.09.2017
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital) Rs.'000	1,009,166	432,999
Total Capital Base Rs.'000	985,202	435,624
Core Capital Adequacy Ratio (As a % of Risk Weighted Assets - Minimum requirement - 5%)	48.00%	37.65%
Total Capital Adequacy Ratio (As a % of Risk Weighted Assets - Minimum requirement - 10%)	48.06%	37.88%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	108.40%	62.09%
Asset Quality (Quality of Loan Portfolio)		
Gross Non Performing Accommodations, Rs.'000	154,801	72,932
Gross Non Performing Accommodations Ratio %	11.40%	6.31%
Net Non Performing Accommodations Ratio %	1.75%	0.92%
Profitability		
Interest Margin, %	8.68%	8.71%
Return on Assets (before tax), %	-4.23%	1.17%
Return on Equity (before tax), %	-7.63%	1.91%
Regulatory Liquidity (Rs.'000)		
Required minimum amount of Liquid Assets	85,353	81,728
Available amount of Liquid Assets	118,566	134,328
Required minimum amount of Government Securities	61,582	51,990
Available amount of Government Securities	76,654	83,541
Memorandum Information		
Number of employees	65	40
Number of branches	02	02

STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousand	Current Period	Previous Period
	From 01.04.2018 to 30.09.2018	From 01.04.2017 to 30.09.2017
Profit/(Loss) for the period	(35,185)	4,293
Other comprehensive income, net of tax		
Actuarial gains and losses on defined benefit plans	-	-
Deferred tax on actuarial gain	-	-
Total comprehensive income for the period	(35,185)	4,293

STATEMENT OF FINANCIAL POSITION

In Rupees Thousand	As at 30.09.2018	As at 30.09.2017
Assets		
Cash and cash equivalents	34,355	47,849
Placements with banks and financial institutions	399,000	-
Securities purchased under repurchase agreements	14,680	26,864
Asset held for sale	-	542
Financial assets designated at fair value through profit or loss	1,039	1,852
Loans and receivables-Leases	146,807	284,780
Loans and receivables-Hire purchase	6,911	30,084
Loans and receivables-Other	1,006,115	770,724
Financial investments - Available-for-sale	346	346
Financial investments - Held to maturity	63,881	58,853
Property, plant and equipment	102,832	43,343
Intangible assets	5,475	7,044
Other assets	125,854	15,436
Deferred tax assets	19,455	5,347
Total assets	1,926,750	1,293,064
Liabilities		
Due to bank	278,183	513,478
Due to customers	598,843	303,557
Retirement benefit obligations	7,444	4,918
Other liabilities	69,526	19,632
Total liabilities	953,996	841,585
Equity		
Stated capital	907,812	309,889
Statutory reserve fund	11,361	11,361
Retained earnings	(6,419)	56,042
Other reserves	60,000	74,187
Total equity	972,754	451,479
Total equity and liabilities	1,926,750	1,293,064

Note: Amounts stated are in net of impairment and depreciation

Certification:

We, the undersigned, being the Director/Chief Executive Officer and Manager Finance of Dialog Finance PLC 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.

(Sgd.)
Udeshika Koswatta
Manager - Finance
Date : 12-11-2018

(Sgd.)
Asanga Priyadarshana
Director/Chief Executive Officer
Date : 12-11-2018

(Sgd.)
Director
Date : 12-11-2018

(Sgd.)
Director
Date : 12-11-2018

Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011
Date of Incorporation - 25th November 1981.

Registered Office: No. 475, Union Place, Colombo 2. Tel: 011 4 317 317
Credit rating fitch AA(Ika) stable