

LOLC Finance PLC FINANCIAL STATEMENTS



For the six months ended 30th September 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company		Variance %
	For the Six months ended		
	30 Sep 2020 (Unaudited) Rs '000	30 Sep 2019 (Unaudited) Rs '000	
Interest income	17,545,804	19,164,633	-8%
Interest expenses	(6,947,064)	(10,263,062)	-32%
Net interest income	10,598,740	8,901,571	19%
Net other operating income	4,641,859	846,930	448%
Total income	15,240,599	9,748,501	56%
Operating expenses			
Direct expenses excluding interest cost	(547,879)	(467,287)	17%
Personnnel expenses	(1,413,092)	(1,431,385)	-1%
Depreciation	(78,987)	(96,672)	-18%
General & administration expenses	(2,939,158)	(3,015,961)	-3%
Profit from operations before provision for taxation & possible losses	10,261,482	4,737,197	117%
Allowance for impairment & write-offs	(9,812,423)	(2,877,007)	241%
Operating profit after provision for possible losses	449,059	1,860,190	-76%
Value Added Tax on Financial Services	(198,506)	(570,071)	-65%
Profit before income tax expense	250,553	1,290,119	-81%
Income tax (expense) / reversal	(70,155)	(358,622)	-80%
Profit after taxation	180,398	931,498	-81%
Other Comprehensive Income			
Items that are or may be reclassified to profit or loss			
Movement in fair value reserves	19,305	30,612	-37%
Movement in hedge reserves	56,564	(66,469)	-185%
Total of items that are or may be reclassified to profit or loss	75,869	(35,857)	-312%
Total other comprehensive income, net of Tax	75,869	(35,857)	-312%
Total comprehensive income for the year	256,267	895,641	-71%
Basic earnings per share (Rs.)	0.03	0.22	

Figures in brackets indicate deductions

SELECTED KEY PERFORMANCE INDICATORS

Item	As at 30.09.2020		As at 30.09.2019	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	14.14	7.00	13.10	7.00
Total Capital Adequacy Ratio	15.37	11.00	15.04	11.00
Capital Funds to Deposit Liabilities Ratio	30.01	10.00	28.35	10.00
Assets Quality (Quality of Loan Portfolio) (%)				
Gross Non-Performing Loans Ratio	15.19		8.31	
Net Non-Performing Loans Ratio	6.21		3.97	
Net Non-Performing Loans to Core Capital Ratio	32.92		22.28	
Provision Coverage Ratio	58.26		52.20	
Profitability (%)				
Net Interest Margin	11.51		10.35	
Return on Assets (before tax)	0.27		1.24	
Return on Equity (after Tax)	1.17		7.57	
Cost to Income ratio	33.97		57.25	
Liquidity (%)				
Available Liquid Assets to required				
Liquid Assets (Minimum 100 %)	224.26		163.42	
Liquid Assets to external funds	12.10		14.06	
Memorandum information				
Number of branches	107		103	
External credit rating	(SL) A (Stable outlook)		(SL) A (Stable outlook)	
Regulatory penalties imposed last 6 months				
Amount (Rs.Mn)	-		-	
Regulatory Deposit Restrictions				
Cap on total deposits (Rs. Mn)	-		-	
Downsizing of deposits-per month/ quarter/ year (Rs. Mn)	-		-	
Freezing of deposits	-		-	
Regulatory Borrowing Restrictions				
Cap on total borrowings (Rs. Mn)	-		-	
Downsizing of borrowings-per month/ quarter/ year (Rs. Mn)	-		-	
Freezing of borrowings	-		-	
Regulatory Lending Restrictions				
Cap on total lending portfolio (Rs. Mn)	-		-	
Downsizing of lending portfolio-per month/ quarter/ year (Rs. Mn)	-		-	
Restriction on granting new credit facilities and/or extending the terms of existing credit facilities	-		-	
Any Other Regulatory Restrictions				
Please specify	-		-	

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

As at	30.09.2020 (Unaudited) Rs. '000	30.09.2019 (Unaudited) Rs. '000
Assets		
Cash and bank balances	16,447,805	22,623,550
Government securities	14,234,450	12,732,070
Due from related parties	22,626	31,096
Derivative assets	154,161	48,068
Financial assets at amortized cost		
Rentals receivable on leased assets	48,256,750	41,873,927
Loans and advances	78,462,547	92,828,501
Investment securities	1,500,584	2,672,170
Other receivables	1,205,893	1,234,922
Investment properties and real estate	16,343,640	12,707,997
Property plant and equipment	1,129,106	1,419,016
Other Assets	2,016,764	16,558,825
Total assets	179,774,325	204,730,142
Liabilities		
Due to bank	15,496,948	16,819,958
Amount due to related companies	1,669,923	1,411,811
Deposits from customers	97,553,070	111,662,565
Other Borrowings	21,500,432	34,364,118
Accruals and other payables	6,942,148	3,362,865
Other liability	1,753,864	3,793,434
Derivative liabilities	74,511	633,957
Current tax payable	1,030,410	1,779,914
Deferred tax liability	1,888,186	2,272,773
Defined benefit obligations	318,914	84,017
Total liabilities	148,228,405	176,185,413
Equity		
Stated capital	12,762,500	12,762,500
Statutory reserve	3,378,282	3,189,298
Revaluation reserve	241,528	241,528
Cash flow hedge reserve	(20,745)	(105,529)
Fair Value Reserve	31,261	8,856
Retained earnings	15,153,095	12,448,076
Total Equity	31,545,920	28,544,729
Total equity and liabilities	179,774,325	204,730,142
Net asset value per share (Rs.)	6.01	5.44

Figures in brackets indicate deductions

We, the undersigned, being the Chief Executive Officer, the Head of Finance and the Compliance Officer of LOLC Finance PLC certify jointly that:

- (a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL)
- (b) The information contained in these statements have been extracted from the unaudited financial statements of the Company.

(sgd)

Mr. Conrad Dias
Director /CEO

(sgd)

Mr. Buddhika Weeratunga
Head of Finance

(sgd)

Mr. Jithendra Gunatilake
Compliance Officer

28-October-2020

Rajagiriya (Greater Colombo)

LOLC Finance PLC

No. 100/1 Sri Jayewardenepura Mawatha, Rajagiriya, Sri Lanka.
Tel: 011 5880880 Fax: 011 2865602 E-mail: lofin@lankaorix.com
web: www.lankaorix.com