

LOLC Finance PLC FINANCIAL STATEMENTS



For the six months ended 30th September 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company		Variance* %
	For the six months ended 30 September 2021		
	30.09.2021 (Unaudited) Rs '000	30.09.2020 (Unaudited) Rs '000	
Interest income	14,992,037	17,316,571	(13.42)
Interest expense	(4,465,572)	(6,947,064)	(35.72)
Net interest income	10,526,465	10,369,507	1.51
Net other operating income	1,612,148	4,871,092	(66.90)
Total Income	12,138,613	15,240,599	(20.35)
Operating Expenses			
Direct expenses excluding interest cost	(344,765)	(547,879)	(37.07)
Personnel expenses	(1,574,739)	(1,413,092)	11.44
Depreciation	(87,831)	(78,987)	11.20
General & administration expenses	(2,739,640)	(2,939,158)	(6.79)
Profit from operations before provision for taxatain and possible losses	7,391,637	10,261,482	(27.97)
Allowance for impairment & write-offs	(2,825,089)	(9,812,423)	(71.21)
Operating profit after provision for possible losses	4,566,548	449,059	916.91
Value added tax on financial services	(654,488)	(198,506)	229.71
Profit before income tax expense	3,912,060	250,553	1,461.37
Income tax (expense) / reversal	(938,894)	(70,155)	1,238.32
Profit after taxation	2,973,166	180,398	1,548.11
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Movement in fair value through OCI reserve	-	19,305	(100.00)
Movement in hedge reserve	(3,754)	56,564	(106.64)
Total of items that are or may be reclassified to profit or loss	(3,754)	75,869	(104.95)
Total other comprehensive income, net of tax	(3,754)	75,869	(104.95)
Total comprehensive income for the year	2,969,411	256,267	1,058.72
Basic earnings per share	0.57	0.03	

Figures in brackets indicate deductions

*Please note that the variance percentages have been corrected from the previous publication.

STATEMENT OF FINANCIAL POSITION

As at	30.09.2021 (Unaudited) Rs '000	31.03.2021 (Audited) Rs '000
ASSETS		
Cash and bank balances	20,033,868	13,422,690
Deposits with banks and other financial institutions	3,615,015	7,203,306
Investment in government securities and others	14,185,008	15,838,455
Derivative financial instruments	210,625	325,029
Financial assets at amortised cost :		
Rentals receivable on leased assets	44,797,724	43,098,407
Loans and advances	63,627,055	61,550,510
Investment securities	1,455,794	5,498,000
Other receivables	608,089	731,692
Amount due from related companies	40,570	33,222
Inventories	267,867	271,727
Investment properties	21,601,563	21,088,740
Property plant and equipment	1,662,863	1,163,218
Total assets	172,106,043	170,224,996
LIABILITIES		
Bank overdraft	2,681,925	1,861,003
Interest bearing borrowings	16,548,857	16,437,442
Deposits from customers	103,950,327	107,791,136
Trade payables	712,003	144,788
Accruals and other payables	5,426,273	4,557,547
Derivative financial instruments	2,304	-
Amount due to related companies	94,262	620,862
Current tax payable	1,747,314	857,903
Deferred tax liability	1,733,249	1,733,249
Employee benefits	351,583	332,532
Total liabilities	133,248,098	134,336,462
SHAREHOLDERS' FUNDS		
Stated capital	12,762,500	12,762,500
Statutory reserve	3,596,579	3,596,579
Revaluation Reserve	328,838	328,838
Cash flow hedge reserve	23,853	27,608
Fair value through OCI reserve	45,446	45,446
Retained earnings	22,100,729	19,127,563
Total equity	38,857,945	35,888,534
Total liabilities and equity	172,106,043	170,224,996
Net asset value per share	7.40	6.84

Figures in brackets indicate deductions

SELECTED PERFORMANCE INDICATORS

Item	As at 30.09.2021		As at 30.09.2020	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	15.98%	8.00%	14.14%	7.00%
Total Capital Adequacy Ratio	17.73%	12.00%	15.37%	11.00%
Capital Funds to Deposit Liabilities Ratio	29.08%	10.00%	30.01%	10.00%
Assets Quality (Quality of Loan Portfolio) (%)				
Gross Non-Performing Loans Ratio	13.80%		15.19%	
Net Non-Performing Loans Ratio	3.32%		6.77%	
Net Non-Performing Loans to Core Capital Ratio	18.31%		32.92%	
Provision Coverage Ratio	69.87%		58.26%	
Profitability(%)				
Net Interest Margin	14.73%		11.51%	
Return on Assets (before tax)	27.43%		0.27%	
Return on Equity (after Tax)	15.91%		1.17%	
Cost to Income ratio	39.11%		33.97%	
Liquidity (%)				
Available Liquid Assets to required liquid assets (Minimum 100%)	291.21%		224.26%	
Liquid Assets to external funds	28.53%		12.10%	
Memorandum information				
Number of branches	133		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	-		-	

ICRA Lanka assigned the company and issuer rating of [SL]A (Stable outlook).

We, the undersigned, being the Chief Executive Officer, the Head of Finance and the Compliance Officer of LOLC 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 (CBSL)
- 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

08-November-2021
Rajagiriya (Greater Colombo)

LOLC Finance PLC

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