

# BRAC Lanka Finance PLC FINANCIAL STATEMENTS

**brac** Lanka  
Finance

For the six months ended 30<sup>th</sup> September 2018

## STATEMENT OF PROFIT OR LOSS

	6 Months Ended	
	30.09.2018 Rs. '000 (Unaudited)	30.09.2017 Rs. '000 (Unaudited)
Interest income	2,233,410	1,976,031
Interest expense	(731,945)	(672,829)
<b>Net interest income</b>	<b>1,501,465</b>	<b>1,303,202</b>
Other operating income (net)	60,290	75,463
<b>Total operating income</b>	<b>1,561,755</b>	<b>1,378,665</b>
(Impairment) / reversal of impairment for loans and other losses		
Individual impairment	-	-
Collective impairment	(455,835)	(369,930)
Written off	(78,610)	(3,706)
<b>Net operating income</b>	<b>1,027,310</b>	<b>1,005,029</b>
Personnel expenses	(455,242)	(334,653)
Other expenses	(549,258)	(389,732)
<b>Operating profit/(loss) before value added tax (VAT)</b>	<b>22,810</b>	<b>280,644</b>
VAT on financial services	(56,888)	(56,367)
<b>Profit/(loss) before tax</b>	<b>(34,078)</b>	<b>224,277</b>
Tax expenses	-	(62,798)
<b>Profit/(loss) for the period</b>	<b>(34,078)</b>	<b>161,479</b>
<b>Earnings per share on profit / (loss)</b>		
Basic earnings per ordinary share (Rs)	(0.14)	0.83

Figures in brackets indicate deductions.

## STATEMENT OF FINANCIAL POSITION

As at	As at 30.09.2018 Rs. '000 (Unaudited)	As at 30.09.2017 Rs. '000 (Unaudited)
<b>ASSETS</b>		
Cash and cash equivalents	198,127	193,321
Investment in term deposits	1,203,588	1,329,714
Loans and receivables - Leases	1,059,706	250,144
Loans and receivables - Hire purchase	3,534	7,753
Loans and receivables - Others	10,711,634	11,871,471
Financial investments - Available-for-sale	917,602	1,202,958
Property, plant and equipment	172,623	166,708
Inventories	729	-
Other assets	112,201	163,614
<b>Total assets</b>	<b>14,379,744</b>	<b>15,185,683</b>
<b>Liabilities</b>		
Bank overdrafts	531,925	319,313
Due to customers	2,103,414	6,367,964
Other borrowings	8,379,177	5,126,261
Current tax liabilities	34,837	149,361
Dividend Payable	-	9,518
Deferred tax liabilities	32,288	10,822
Amount due to related companies	350,315	447,909
Other liabilities	181,360	155,119
<b>Total liabilities</b>	<b>11,613,316</b>	<b>12,586,267</b>
<b>Equity</b>		
Stated capital	1,493,088	1,493,088
Statutory reserve fund	103,732	85,648
Retained earnings	1,170,289	1,021,346
Other reserves	(681)	(666)
<b>Total equity</b>	<b>2,766,428</b>	<b>2,599,416</b>
<b>Total equity and liabilities</b>	<b>14,379,744</b>	<b>15,185,683</b>

## STATEMENT OF OTHER COMPREHENSIVE INCOME

	6 Months Ended	
	30.09.2018 Rs. '000 (Unaudited)	30.09.2017 Rs. '000 (Unaudited)
<b>Profit/(loss) for the period</b>	<b>(34,078)</b>	<b>161,479</b>
<b>Other comprehensive income, net of tax</b>		
Gains and (losses) on re-measuring available-for-sale financial assets	(25,152)	1,686
<b>Other comprehensive income for the period, net of taxes</b>	<b>(25,152)</b>	<b>1,686</b>
<b>Total comprehensive income for the period</b>	<b>(59,230)</b>	<b>163,165</b>

Figures in brackets indicate deductions.

## SELECTED PERFORMANCE INDICATORS (as per regulatory reporting)

Item	As at 30.09.2018	As at 30.09.2017
<b>Regulatory Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs '000	2,801,187	2,438,602
Total Capital Base, Rs '000	2,989,705	2,599,925
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	15.27%	18.90%
Total Capital Adequacy Ratio, as% of Risk Weighted Assets (Minimum requirement, 10%)	16.30%	20.15%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	131.52%	40.82%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non-Performing Accommodations, Rs.'000	652,658	389,068
Gross Non-Performing Accommodations Ratio, %	5.18%	3.06%
Net-non performing Accommodations Ratio, %	0.00%	0.00%
<b>Profitability(%)</b>		
Interest Margin	22.32%	17.53%
Return on Assets (before tax)	-0.47%	2.95%
Return on Equity (after Tax)	-2.46%	12.42%
<b>Regulatory Liquidity (Rs. '000)</b>		
Required minimum amount of Liquid Assets	789,076	1,152,989
Available amount of Liquid Assets	1,100,862	1,380,620
Required minimum amount of Government Securities	906,733	803,745
Available amount of Government Securities	914,436	1,192,271
<b>Memorandum information</b>		
Number of employees	994	831
Number of branches	16	16
Number of service centers	60	60

### Comparative information

Comparative information has not been reclassified or restated.

ICRA Lanka reaffirms the Issuer and Issue Ratings of BRAC Lanka Finance PLC A - (Stable)

### CERTIFICATION :

We, the undersigned, being the Chief Executive Officer of BRAC Lanka Finance PLC, Director of BRAC Lanka Finance PLC and the Assistant Manager - Finance of BRAC Lanka 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.

## BRAC Lanka Finance PLC

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(sgd)  
.....  
**Mr. Rohan Kumara**  
Director / Chief Executive Officer

(sgd)  
.....  
**Mr. Ravi Tissera**  
Director

(sgd)  
.....  
**Mr. Gayan Herath**  
Assistant Manager - Finance