

LOLC DEVELOPMENT FINANCE PLC

FINANCIAL STATEMENTS



For The Period Ended 30th September 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - FOR THE PERIOD ENDED 30TH SEPTEMBER

	2020 Rs. '000 Unaudited	2019 Rs. '000 Unaudited (Re-stated)
Interest income	2,153,680	1,930,415
Interest expense	(858,592)	(753,506)
Net interest income	1,295,087	1,176,909
Other operating income	103,980	127,148
Total operating income	1,399,067	1,304,057
Impairment for loans and other losses		
Individual impairment	-	-
Collective impairment	(480,565)	(184,143)
Net operating income	918,502	1,119,913
Personnel expenses	(343,949)	(437,014)
Depreciation and amortization	(50,939)	(53,394)
Other expenses	(448,617)	(493,842)
Operating profit before Value Added Tax (VAT) NBT and DRL	74,998	135,663
VAT on financial services, NBT and DRL	(31,989)	(69,315)
Profit before tax	43,009	66,348
Tax expenses	(12,034)	(18,578)
Profit for the year	30,975	47,770
Other comprehensive income ,net of tax		
Net Change in fair value of available for sale finance assets	4,649	4,099
Other comprehensive income for the period, net of taxes	4,649	4,099
Total comprehensive income for the period	35,624	51,869
Basic earnings per ordinary share (Rs.)	0.13	0.20

Figures in brackets indicate deductions

SELECTED PERFORMANCE INDICATORS

Item	As at 30.09.2020	As at 30.09.2019
Regulatory Capital Adequacy		
Core Capital (Tier 1 Capital), Rs.'000	2,662,316	2,558,248
Total Capital Base, Rs.'000	2,783,977	2,764,859
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	11.07%	12.52%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 10.5%)	11.58%	13.54%
Capital Funds to Deposit Liabilities Ratio (Minimum requirement, 10%)	87.78%	105.84%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Accommodations, Rs.'000	1,731,292	1,093,914
Gross Non-Performing Accommodations Ratio, %	9.83%	7.71%
Net-non performing Accommodations Ratio, %	1.40%	0.00%
Net-non performing loans to Core capital Ratio, %	9.26%	0.00%
Provision coverage Ratio, %	85.76%	103.86%
Profitability (%)		
Net Interest Margin	15.74%	14.13%
Return on Assets (before tax)	0.23%	0.41%
Return on Equity (after Tax)	1.15%	1.83%
Cost to Income Ratio	59.04%	76.78%
Regulatory Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	492,345	788,235
Available amount of Liquid Assets	992,839	1,203,716
Available Liquid Assets to Required Liquid Assets, % (Minimum 100%)	201.66%	152.71%
Liquid Assets to External Funds, %	8.41%	11.05%
Required minimum amount of Government Securities	658,754	858,390
Available amount of Government Securities	734,103	896,456
Memorandum information		
Number of employees	829	881
Number of branches	46	31
Number of service centers	19	39
External Credit Rating	A- (Stable)	A- (Stable)

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

	As at 30.09.2020 Unaudited	As at 30.09.2019 Unaudited (Re-stated)
Assets		
Cash and cash equivalents	297,214	446,878
Placements with banks	896,408	1,201,115
Securities purchased under resale agreements	-	225,499
Financial assets measured at fair value through other comprehensive income	734,114	670,969
Financial assets at amortised cost/ lease rental receivables and hire purchases	5,597,618	2,596,534
Financial assets at amortised cost/ loans and receivables	10,527,403	10,456,996
Amount due from related companies	5,892	5,799
Other receivables	414,497	271,256
Inventory	15,873	35,010
Deferred tax assets	3,021	-
Right to Use Asset	192,093	235,490
Investment properties	28,000	-
Property, plant and equipment	101,116	159,820
Total assets	18,813,249	16,305,366
Liabilities		
Due to banks	74,616	281,551
Financial liabilities at amortised cost/Due to customers	3,071,772	2,471,931
Interest bearing loans and borrowings	8,739,887	8,425,761
Current tax liabilities	103,401	46,277
Amounts due to related companies	3,621,248	1,966,503
Obligation on lease liability	209,892	241,552
Accrued charges and other payables	255,068	229,770
Employee benefits	39,801	25,734
Deferred tax liabilities	-	5,384
Total liabilities	16,115,685	13,694,463
Equity		
Statutory reserve	109,201	103,732
Other reserves	113,474	108,617
Retained earnings	1,091,002	1,009,198
Equity attributable to shareholders of the Company	2,697,564	2,610,903
Total equity and liabilities	18,813,249	16,305,366
Net assets value per ordinary share (Rs.)	11.34	10.97

Figures in brackets indicate deductions

Comparative Information;

Comparative figures have been re-stated where necessary, to conform to the current period presentation.

These figures in the Interim financial statements have been re-stated due to the adoption of SLFRS-16 Leases.

We, the undersigned, being the Chief Executive Officer, Head of finance and the Compliance Officer of LOLC Development 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;

(b) the information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company.

26 October 2020
Colombo.

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(Mr) Rohana Kumara
Director/Chief Executive Officer

(sgd)
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(Mr) Gayan Herath
Assistant Manager -
Finance/Compliance Officer

LOLC DEVELOPMENT FINANCE PLC

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