

SRI LANKA

Helping LOMC develop microcredit and microleasing in Sri Lanka



LOMC

In Sri Lanka, LOMC offers its clients microcredits, as well as microleasing solutions for commercial vehicles. The allocated credit line will allow it to back its assets and finance its medium-term growth.

PROJECT DESCRIPTION

The project involves the allocation of a EUR 7m credit line to Lanka Orix Microcredit Ltd. (LOMC), the microfinance and microleasing subsidiary of Lanka Orix Leasing Company Group (LOLC). LOMC has been a client of Proparco since 2013. As a Specialized Leasing Company, LOMC cannot collect deposits and has recourse to bank and external financing to finance its activity. This loan from Proparco will provide resources for the medium-term financing required for the institution's growth, which can be used to back the longest maturities for its assets.

CLIENT PRESENTATION

LOMC is a Specialized Leasing Company, registered with the Central Bank. Its model is original in the country, as it operates on two markets at the same time: the microleasing and microfinance markets. It offers leasing products for agricultural or transport vehicles, microcredits, and pawnbroking. In December 2015, LOMC was serving 314,602 active clients via a network of 130 branches and service points for a loan portfolio of EUR 238m.

PROJECT IMPACT

By financing the leader in microleasing and microcredit in Sri Lanka, Proparco will be supporting employment and training in this country. The social impacts related to this project will be extremely high. Indeed, LOMC offers appropriate and affordable loan products to rural communities who are largely unbanked or excluded from traditional credit services. The project will support over 24,000 clients, mainly women.

22/08/2016

Date of signature of the project



Microfinance
sector(s)



Sri Lanka
Location



Loan
Financing tool



7 000 000 Euros
Amount of funding



Loan of 7 000 000 EUR
Financing details



LOLC Microcredit Ltd
Client

IF-C

CES

PROPARCO
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT