



INTERIM FINANCIAL STATEMENTS

For the nine months ended

31st December 2022

LOLC FINANCE PLC

LOLC Finance PLC

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As at 31st December 2022

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 31st December 2022

	As at 31.12.2022 (Unaudited) Rs. '000	As at 31.03.2022 (Audited) Rs. '000
ASSETS		
Cash and bank balances	3,761,876	12,282,960
Deposits with banks and other financial institutions	2,767,389	8,885,611
Investment in government securities and others	33,091,243	23,841,483
Derivative assets	662,114	3,450,266
Financial assets at amortized cost :		
Rentals receivable on leased assets	51,537,265	56,960,215
Loans and advances	183,481,128	149,849,871
Investment securities	430,893	6,288,566
Investment in associates	3,700,677	1,833,661
Other receivables	8,169,854	47,382
Amount due from related companies	146,062	1,084,330
Inventories	147,445	428,032
Investment properties	41,763,950	38,287,958
Property plant and equipment	10,509,766	8,326,735
Total assets	340,169,664	311,567,068
LIABILITIES		
Bank overdraft	10,337,430	5,675,768
Interest bearing borrowings	35,698,738	44,309,903
Deposits from customers	185,064,811	159,252,382
Trade payables	332,094	1,141,928
Accruals and other payables	5,544,030	7,835,593
Derivative liabilities	10,698	13,176
Amount due to related companies	2,357,802	3,719,368
Current tax payable	2,807,164	2,525,556
Deferred tax liability	3,184,283	2,974,781
Defined benefit obligations	616,318	565,709
Total liabilities	245,953,368	228,014,165
EQUITY		
Stated capital	211,581,448	211,581,448
Statutory reserve	4,444,108	4,444,108
Revaluation reserve	1,318,935	1,505,632
Cash flow hedge reserve	(114,881)	(83,702)
Fair Value Reserve	129,454	140,753
Merger Reserve	(169,284,517)	(169,284,517)
Retained earnings	46,141,749	35,249,180
Total equity	94,216,296	83,552,903
Total liabilities and equity	340,169,664	311,567,068
Net asset value per share (Rs.)	4.89	4.34

Certification :

These financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

.....
(Mr.) Buddhika Weeratunga
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board

Sgd.

.....
(Mr.) Krishan Thilakaratne - Director / CEO

Sgd.

.....
(Mrs.) K.U. Amarasinghe - Executive Director

14th February 2023
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31st December 2022

	For the period ended			For the quarter ended		
	31.12.2022 (Unaudited) Rs '000	31.12.2021 (Unaudited) Rs '000	Variance %	31.12.2022 (Unaudited) Rs '000	31.12.2021 (Unaudited) Rs '000	Variance %
Interest income	48,685,520	22,921,427	112%	18,193,282	7,929,390	129%
Interest expense	(25,337,891)	(6,626,802)	-282%	(9,752,762)	(2,161,230)	-351%
Net interest income	23,347,629	16,294,625	43%	8,440,520	5,768,160	46%
Net other operating income	9,301,794	6,386,896	46%	6,162,075	4,774,748	29%
Total income	32,649,423	22,681,521	44%	14,602,596	10,542,908	39%
Operating expenses						
Direct expenses excluding interest cost	(537,582)	(591,035)	9%	(254,869)	(246,270)	-3%
Allowance for impairment & write-offs	(6,269,930)	(845,930)	-641%	(1,058,565)	1,979,159	153%
Personnel expenses	(3,925,851)	(2,412,939)	-63%	(1,279,450)	(838,200)	-53%
Depreciation	(481,221)	(148,405)	-224%	(152,175)	(60,573)	-151%
General & administration expenses	(7,962,672)	(4,251,474)	-87%	(2,916,960)	(1,511,834)	-93%
Profit from operations before VAT on financial services	13,472,168	14,431,737	-7%	8,940,576	9,865,189	9%
Value added tax on financial services	(2,043,798)	(1,901,816)	-7%	(917,295)	(1,247,328)	26%
Profit from operating activities	11,428,369	12,529,921	-9%	8,023,281	8,617,861	-7%
Share of profit of equity accounted investee	(263,322)	-	-	(177,897)	-	-
Profit before income tax expense	11,165,047	12,529,921	-11%	7,845,384	8,617,861	-9%
Income tax expense	(281,608)	(379,888)	26%	(148,896)	319,013	147%
Profit for the period	10,883,439	12,150,033	-10%	7,696,488	8,936,874	-14%
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Related tax on remeasurements of defined benefit liability	9,129	-	-	9,129	-	-
Related tax on revaluation of property, plant and equipment	(186,697)	-	-	(186,697)	-	-
Total of items that will never be reclassified to profit or loss	(177,568)	-	-	(177,568)	-	-
Items that are or may be reclassified to profit or loss						
Movement in fair value through OCI reserve	(10,545)	-	-	(1,776)	-	-
Related tax	(755)	-	-	(755)	-	-
	(11,299)	-	-	(2,531)	-	-
Movement in hedge reserves	-	(3,754)	-100%	-	-	-
Related tax on movement in hedge reserves	(31,179)	-	-	(31,179)	-	-
	(31,179)	(3,754)	730%	(31,179)	-	-
Total of items that are or may be reclassified to profit or loss	(42,478)	(3,754)	1031%	(33,710)	-	-
Total other comprehensive income, net of tax	(220,046)	(3,754)	5761%	(211,277)	-	-
Total comprehensive income for the period	10,663,393	12,146,278	-12%	7,485,211	8,936,874	-16%
Basic earnings per share (Rs.)	0.57	2.31		0.40	1.70	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2022

	Stated Capital Rs '000	Statutory Reserve Rs '000	Revaluation Reserve Rs '000	Cash flow Hedge Reserve Rs '000	Fair Value Reserve Rs '000	Merger Reserve Rs '000	Retained Earnings Rs '000	Total Equity Rs '000
Balance as at 01 April 2021	12,762,500	3,596,579	328,838	27,608	45,446	-	19,127,563	35,888,534
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	12,150,033	12,150,033
<i>Other comprehensive income, net of income tax</i>								
Net movement of cashflow hedges	-	-	-	(3,754)	-	-	-	(3,754)
Total other comprehensive income for the period	-	-	-	(3,754)	-	-	-	(3,754)
Total comprehensive income for the period	-	-	-	(3,754)	-	-	12,150,033	12,146,278
Balance as at 31 December 2021	12,762,500	3,596,579	328,838	23,853	45,446	-	31,277,596	48,034,812
Balance as at 01 January 2022	12,762,500	3,596,579	328,838	23,853	45,446	-	31,277,596	48,034,812
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	4,800,553	4,800,553
<i>Other comprehensive income, net of income tax</i>								
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	-	18,561	18,561
Revaluation gain on property, plant and equipment	-	-	1,176,794	-	-	-	-	1,176,794
Revaluation gain on fair value through OCI investments	-	-	-	-	95,307	-	-	95,307
Net movement of cashflow hedges	-	-	-	(107,555)	-	-	-	(107,555)
Total other comprehensive income for the period	-	-	1,176,794	(107,555)	95,307	-	18,561	1,183,107
Total comprehensive income for the period	-	-	1,176,794	(107,555)	95,307	-	4,819,114	5,983,660
Transactions recorded directly in equity								
Shares issued during the year	198,818,948	-	-	-	-	-	-	198,818,948
Transfer to Statutory Reserve Fund	-	847,529	-	-	-	-	(847,529)	-
Excess of the investment and other adjustments on merger with subsidiary	-	-	-	-	-	(169,284,517)	-	(169,284,517)
Total transactions recorded directly in equity	198,818,948	847,529	-	-	-	(169,284,517)	(847,529)	29,534,431
Balance as at 31 March 2022	211,581,448	4,444,108	1,505,632	(83,702)	140,753	(169,284,517)	35,249,180	83,552,903
Balance as at 01 April 2022	211,581,448	4,444,108	1,505,632	(83,702)	140,753	(169,284,517)	35,249,180	83,552,903
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	10,883,439	10,883,439
<i>Other comprehensive income, net of income tax</i>								
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	-	9,129	9,129
Revaluation gain on property, plant and equipment	-	-	(186,697)	-	-	-	-	(186,697)
Movement in fair value through OCI reserve	-	-	-	-	(11,299)	-	-	(11,299)
Net movement of cashflow hedges	-	-	-	(31,179)	-	-	-	(31,179)
Total other comprehensive income for the period	-	-	(186,697)	(31,179)	(11,299)	-	9,129	(220,046)
Total comprehensive income for the period	-	-	(186,697)	(31,179)	(11,299)	-	10,892,569	10,663,393
Balance as at 31 December 2022	211,581,448	4,444,108	1,318,935	(114,881)	129,454	(169,284,517)	46,141,749	94,216,296

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the nine months ended 31st December 2022

	2022 Rs '000	2021 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	11,165,047	12,529,921
Adjustments for:		
Depreciation	481,221	148,405
(Profit) / loss on sales of investment property and PPE	(46,990)	(13,051)
Change in fair value of derivatives - forward contracts	2,785,674	257,432
Provision for fall / (increase) in value of investments	89,369	(264,444)
Change in fair value of investment property	(4,083,196)	(3,477,209)
Impairment provision for the period	2,806,262	(6,468,575)
Provision for defined benefit plans	80,374	45,000
Share profit of equity accounted investee	263,322	-
Investment income	(4,261,481)	(1,901,919)
Finance costs	25,337,891	6,626,802
Operating profit / (loss) before working capital changes	34,617,493	7,482,362
Change in other receivables	(6,946,840)	(31,727)
Change in Inventories	280,586	219,719
Change in trade and other payables	(2,874,511)	1,563,877
Change in amounts due to/ due from related parties	(1,460,246)	(324,878)
Change in lease receivables	4,322,606	141,321
Change in loans and advances	(33,391,429)	(2,378,097)
Change in factoring receivables	(769,629)	-
Change in margin trading advances	33,047	(8,379,522)
Change in fixed deposits from customers	27,214,728	1,781,975
Change in savings deposits from customers	(5,299,873)	(2,936,583)
Cash generated from / (used in) operations	15,725,932	(2,861,553)
Finance cost paid on deposits	(17,184,100)	(6,226,002)
Gratuity paid	(20,636)	(17,588)
Income tax paid	-	(69,484)
Net cash from / (used in) operating activities	(1,478,804)	(9,174,627)
Cash flows from / (used in) investing activities		
Acquisition of Property, Plant & Equipment & Investment property	(2,586,756)	(1,650,932)
Proceeds from sale of property, plant & equipment & investment property	390,000	13,066
Purchase of government securities	(65,619,036)	-
Proceeds from sale of government securities	59,398,274	(15,374,511)
Net proceeds from investments in commercial papers	(3,178,824)	15,919,862
Net proceeds from investments in term deposits	6,129,336	-
Net proceeds from investments securities	3,974,742	2,162,591
Investment in associates / subsidiaries	(348,075)	-
Interest received	3,034,959	1,830,725
Net cash flows used in investing activities	1,194,620	8,220,599
Cash flows from / (used in) financing activities		
Net proceeds from interest bearing loans & borrowings	(8,572,357)	(3,429,017)
Repayment of principal portion of lease liabilities	(231,112)	(67,843)
Finance cost paid on borrowings	(4,095,092)	(811,040)
Net cash flows from / (used in) financing activities	(12,898,561)	(4,307,899)
Net increase / (decrease) in cash and cash equivalents	(13,182,745)	(5,261,927)
Cash and cash equivalents at the beginning of the year	6,607,192	11,561,686
Cash and cash equivalents at the end of the period	(6,575,554)	6,299,759
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	3,761,876	8,731,152
Bank overdraft	(10,337,430)	(2,431,393)
	(6,575,554)	6,299,759

LOLC Finance PLC

OPERATING SEGMENTS

For the nine months ended 31st December 2022

	SME Finance Rs '000	Development Finance Rs '000	Alternative Financial Services Rs '000	Total Rs '000
For the nine months ended 31st December 2022				
Total revenue	39,381,038	14,991,669	3,614,607	57,987,314
Inter-segmental revenue	-	-	-	-
External revenue	39,381,038	14,991,669	3,614,607	57,987,314
Net interest cost	(16,885,730)	(6,586,448)	(1,865,713)	(25,337,891)
Profit before operating expenses	22,495,308	8,405,221	1,748,894	32,649,423
Operating expenses	(8,478,647)	(3,307,181)	(1,121,497)	(12,907,326)
Allowance for impairment & write-offs	(3,553,912)	(2,582,651)	(133,367)	(6,269,930)
Value added tax on financial services	(1,500,095)	(383,703)	(160,000)	(2,043,798)
Profit before income tax	8,962,653	2,131,685	334,031	11,428,369
For the nine months ended 31st December 2021				
Total revenue	14,913,896	12,439,247	1,955,180	29,308,323
Inter-segmental revenue	-	-	-	-
External revenue	14,913,896	12,439,247	1,955,180	29,308,323
Net interest cost	(3,433,172)	(2,625,978)	(567,653)	(6,626,802)
Profit before operating expenses	11,480,725	9,813,268	1,387,527	22,681,521
Operating expenses	(3,727,839)	(2,851,365)	(824,649)	(7,403,853)
Allowance for impairment & write-offs	(175,261)	(543,081)	(127,588)	(845,930)
Value added tax on financial services	(856,274)	(979,142)	(66,400)	(1,901,816)
Profit before income tax	6,721,351	5,439,680	368,890	12,529,921
As at 31.12.2022				
Total assets	265,526,502	51,715,132	22,928,030	340,169,664
Total liabilities	171,310,206	51,715,132	22,928,030	245,953,368
As at 31.03.2022				
Total assets	229,856,186	57,951,732	23,759,150	311,567,068
Total liabilities	146,303,283	57,951,732	23,759,150	228,014,165

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2022

1. General

- These interim financial statements have been prepared in accordance with LKAS 34 Interim Financial Reporting and do not include all of the information required for a full set of financial statements.
- The requirements of the Colombo Stock Exchange and the Companies Act No.7 of 2007 have also been considered in preparing these financial statements
- The information for the preparation of these interim financial statements has been drawn up from the audited financial records of the Company.
- Accounting policies and methods of computation as stated in the audited financial statements for the year 2021/22 are followed in the preparation of these Interim Financial Statements.
- Interest income recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. Other operating income includes commission income, capital gains and losses arising from marked to market valuation of quoted shares held for trading purposes, dividends, fee income, collections from contracts written off and other sundry income.
- Profit before tax (PBT) of the Company for the period ended 31.12.2022 was Rs.11Bn, slightly lower than the amount reported for the last comparative period. Net lending portfolio of the Company has increased by Rs.28Bn from Rs.207Bn to Rs.235Bn compared to 31.03.2022. Due to the high level of customer confidence in the company, LOFC has been able to increase its deposit base from Rs.159Bn of March 31,2022 to Rs.185Bn as of December 31, 2022, despite the challenging economic environment.

2. Stated Capital

The Stated Capital of the Company is represented by 19,251,334,334 ordinary shares.

3. Provision for management expenditure

All expenses related to management expenditure are fully provided for in these Interim Financial Statements.

4. Share information

Market prices of ordinary shares recorded during the quarter ended 31st December 2022 are as follows:

	Rs'
Last traded price	8.20
Highest Price	8.80
Lowest Price	5.50

5. Debenture information

The debt capital of the company comprises rated unsecured subordinated redeemable debentures thirty four million (34,110,193) issued in July 2018 and fifty million (50,000,000) issued in Sep 2020. These debentures are listed in the Colombo Stock Exchange and ICRA Lanka Ltd rated these debentures as [SL]A-(Stable).

- Interest rates of the debentures

Instrument type	Interest frequency	Coupon (% p.a)	Interest yield as at last trade	Yield to maturity of last trade done	Interest rate of comparable Government Security
Type A - 5 Years Tenor	Semi-annually	14.75%	14.75%	12.44%	26.76%
Type B - 5 Years Tenor	At maturity	20.13%	20.13%	20.13%	26.76%
Type A - 5 Years Tenor	Semi-annually	10.50%	10.50%	8.38%	26.76%
Type B - 5 Years Tenor	Semi-annually	16.23%	16.23%	16.23%	26.76%

- Market prices & issue prices of debentures recorded during the quarter ended 31st December 2022 are as follows.

Instrument Type	Issue Price	Highest Price	Lowest Price	Last Traded Price	Last Traded Date
Type A - 5 Years Tenor	Rs.100.00	Rs. 103.45	Rs. 103.45	Rs. 103.45	23-Feb-22
Type B - 5 Years Tenor	Rs. 49.83	Not Traded	Not Traded	Not Traded	N/A
Type A - 5 Years Tenor	Rs.100.00	Rs. 105.00	Rs. 101.75	Rs. 105.00	13-Jul-21
Type B - 5 Years Tenor	Rs.100.00	Not Traded	Not Traded	Not Traded	N/A

- Debt security related ratios

	As at 31.12.2022	As at 31.03.2022
Debt to equity ratio (With Deposits)	2.45 times	2.5 times
Quick asset ratio	0.94 times	0.75 times
Interest cover	1.53 times	3.18 times

6. Issuer rating - ICRA

ICRA Lanka assigned the company an issuer rating of (SL) A (Stable outlook).

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2022

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 31st December 2022

The table below sets out the carrying amounts of the Company's financial assets and financial liabilities.

Description	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost / Not measured at fair value	Total Carrying amount	Rs. '000	
					Fair value	Fair value measurement level
Cash and cash equivalents	-	-	3,761,876	3,761,876	3,761,876	
Deposits with banks and other financial institutions	-	-	2,767,389	2,767,389	2,767,389	
Investment in government securities and others	-	-	33,091,243	33,091,243	23,137,609	Level 1
Derivative assets	662,114	-	-	662,114	662,114	Level 2
Investment securities	429,927	-	966	430,893	430,893	Level 1
Financial assets at amortized cost						
Rentals receivable on leased assets	-	-	51,537,265	51,537,265	51,984,902	Level 2
Loans and advances	-	-	183,481,128	183,481,128	183,525,083	Level 2
Amount due from related companies	-	-	146,062	146,062	146,062	
Other financial assets	-	-	684,302	684,302	684,302	
Total financial assets	1,092,041	-	275,470,233	276,562,274	267,100,231	
Bank overdraft	-	-	10,337,430	10,337,430	10,337,430	
Interest bearing borrowings	-	-	35,698,738	35,698,738	31,998,677	Level 2
Deposits from customers	-	-	185,064,811	185,064,811	187,992,697	Level 2
Trade payables	-	-	332,094	332,094	332,094	
Accruals and other payables	-	-	5,544,030	5,544,030	5,544,030	
Derivative liabilities	10,698	-	-	10,698	10,698	Level 2
Amount due to related companies	-	-	2,357,802	2,357,802	2,357,802	
Total financial liabilities	10,698	-	239,334,906	239,345,603	238,573,428	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2022

Financial assets and liabilities (Cont.)

7.1 Accounting classifications and fair values

As at 31st March 2022

The table below sets out the carrying amounts of the Company's financial assets and financial liabilities.

Description	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost / Not measured at fair value	Total Carrying amount	Rs. '000	
					Fair value	Fair value measurement level
Cash and cash equivalents	-	-	12,282,960	12,282,960	12,282,960	
Deposits with banks and other financial institutions	-	-	8,885,611	8,885,611	8,885,611	
Investment in government securities and others	-	-	23,841,483	23,841,483	19,921,875	Level 1
Derivative assets	3,450,266	-	-	3,450,266	3,450,266	Level 2
Investment securities	5,993,197	294,403	966	6,288,566	6,288,566	Level 1
Financial assets at amortized cost						
Rentals receivable on leased assets	-	-	56,960,215	56,960,215	57,594,761	Level 2
Loans and advances	-	-	149,849,871	149,849,871	146,754,436	Level 2
Amount due from related companies	-	-	1,084,330	1,084,330	1,084,330	
Other financial assets	-	-	198,818	198,818	198,818	
Total financial assets	9,443,463	294,403	253,104,253	262,842,119	256,461,623	
Bank overdraft	-	-	5,675,768	5,675,768	5,675,768	
Interest bearing borrowings	-	-	44,309,903	44,309,903	43,737,350	Level 2
Deposits from customers	-	-	159,252,382	159,252,382	157,835,302	Level 2
Trade payables	-	-	1,141,928	1,141,928	1,141,928	
Accruals and other payables	-	-	6,863,858	6,863,858	6,863,858	
Derivative liabilities	13,176	-	-	13,176	13,176	Level 2
Amount due to related companies	-	-	3,719,368	3,719,368	3,719,368	
Total financial liabilities	13,176	-	220,963,208	220,976,384	218,986,750	

7.2 Financial assets and liabilities- Valuation technique

Level 2 fair value – market comparison technique

- Derivative assets and liabilities / Forward exchange contracts – fair value is based on broker quotes of similar contracts and the quotes reflect the actual transaction in similar instrument

Level 2 fair value – discounted cash flows

- Financial instruments not measured at fair value
- For the purpose of disclosing fair value of the financial instruments not measured at fair value (carried at amortized cost) discounted cash flows has been used to derive the fair value.

8. Events after reporting date

There have been no material events occurring after the reporting date that require adjustment to or disclosure in these Financial Statements except for the following.

In terms of the Master Plan for Consolidation of Non-Bank Financial Institutions of the Central Bank of Sri Lanka, LOLC Development Finance PLC (LODF) has been amalgamated with LOL Finance PLC (LOFC) with effect from 31st January 2023.

9. Selected performance indicators

Regulatory Capital Adequacy		31.12.2022	31.03.2022	31.12.2021
- Total Tier I Core Capital	Rs. '000	66,035,449	64,969,174	27,242,787
- Total Capital Base	Rs. '000	66,538,455	65,653,398	30,351,980
- Core capital adequacy ratio (Minimum requirement 8%)		20.01%	20.49%	15.03%
- Total capital adequacy ratio (Minimum requirement 12%)		20.16%	20.71%	16.74%
Asset Quality Ratios		31.12.2022	31.03.2022	31.12.2021
- Net Non-Performing Advances Ratio		8.25% *	2.41%	2.97%
Regulatory Liquidity		31.12.2022	31.03.2022	31.12.2021
- Available Liquid Assets	Rs. '000	28,360,093	39,238,387	20,042,035
- Required Liquid Assets	Rs. '000	21,324,809	19,813,507	11,976,027
- Liquid assets to Deposits ratio		15.32%	24.64%	18.88%

* With effect from 1st April 2022, criteria for classification of credit facilities as non-performing loans has been changed from 180 days past due to 120 days past due.

10. Inland Revenue (Amendment) Act, No. 45 of 2022 certified on December 19, 2022 effected several tax changes including increase in corporate tax rates with effect from 1st October 2022. The Company has assessed the impact of such changes on income tax rates and the resultant deferred tax. The cumulative impact on income tax and deferred tax arising from the rate changes has been assessed and adjusted in the financial statements for the period ended 31st December 2022.

11. Contingent liabilities

There are no significant changes in the nature of the contingent liabilities disclosed in the audited financials for the year ended 31 March 2022.

12. Comparative information

Comparative information has been reclassified to conform to the current period's presentation, where necessary. No information has been restated.

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2022

13. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 31st December 2022 are as follows.

Objective as per Prospect	Amount allocated as per prospect in LKR	Proposed date of utilization	Amount allocated in LKR (a)	% of total proceed	Amount utilized in LKR (b)	% of utilized against allocation (b/a)	Clarification if not fully utilized including where the funds invested (e.g. whether lent to related party/s etc.)
Supporting the general business growth opportunities of the Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reducing the mismatch of maturity periods between assets and liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Improve the capital Adequacy of the company's balance sheet, by strengthening its Tier II Capital, Subject to the CBSL's approval as mentioned below. Such an increase in the Tier II capital will enable the company to significantly expand its lending portfolio in conformity with the CBSL's capital requirements.	2.5 Billion	From the date of allotment	2.5 Billion	100%	2.5 Billion	100%	N/A

Senior, Unsecured, Listed, Redeemable, Rated Debentures Issue (2020/2025) - Proceeds utilization as at 31st December 2022 are as follows.

Objective as per Prospect	Amount allocated as per prospect in LKR	Proposed date of utilization	Amount allocated in LKR (a)	% of total proceed	Amount utilized in LKR (b)	% of utilized against allocation (b/a)	Clarification if not fully utilized including where the funds invested (e.g. whether lent to related party/s etc.)
To support the expansion of the lending portfolio of the company	3,371,250	Immediately upon receipt of the issue	3,371,250	100%	3,371,250	N/A	N/A
To support the expansion of the lending portfolio of the company	1,628,750	Immediately upon receipt of the issue	1,628,750	100%	1,628,750	N/A	N/A

14. Rights Issue - proceeds utilization as at 31st December 2022 are as follows.

Objective as per Circular	Amount allocated as per circular in Rs.	Proposed date of utilization as per circular	Amount allocated from proceeds in Rs.(a)	% of total proceeds	Amount utilized in Rs. (b)	% of utilize against allocation (b/a)	Clarification if not fully utilized including where the funds are invested (e.g. whether lent to related party/s etc.)
To comply with CBSL Direction No. 02 of 2006 (Risk Weighted Capital Adequacy Ratio) to facilitate the acquisition and merger of LOLC Micro Credit Ltd.	5.88 Billion	Within Two months from Allotment (26th March 2018)	5.88 Billion	100% by 26th March 2018	5.88 Billion	100%	N/A
To comply with the minimum capital adequacy requirement for every licensed finance company is required to maintain by 1st July 2019, in terms of the of the finance business act direction no. 3 of 2018 dated 6th June 2018	4.88 Billion	Within 15 - 18 month from Allotment	4.88 Billion	100% utilised for portfolio growth & invest in T Bill/ Repo's	4.88 Billion	100%	N/A
To facilitate the acquisition and merger of Commercial Leasing and Finance PLC.	198.82 Billion	6th April 2022	198.82 Billion	100% by 6th April 2022	198.82 Billion	100%	N/A

LOLC Finance PLC

STATEMENT OF DIRECTORS' HOLDING AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES OF THE ENTITY

As at 31st December 2022

Directors Name	No. of shares	%
Mr F K C P N Dias (Chairman / Non Executive Director)	Nil	Nil
Mr D.M.D.K.Thilakaratne (Director / CEO)	Nil	Nil
Mrs K.U. Amarasinghe (Executive Director)	Nil	Nil
Mr B.C.G. de Zylva (Non Executive Director)	Nil	Nil
Mr P.A. Wijeratne (Independent Director)	455,998	0.001%
Mr K Sundararaj (Independent Director)	Nil	Nil

LOLC Finance PLC

TOP 20 SHAREHOLDERS

As at 31st December 2022

	Shareholder	No. of Shares	% of Issued Capital
1	LOLC Ceylon Holdings PLC	15,602,122,026	81.04%
2	LOLC Asia Private Limited	2,614,934,919	13.58%
3	Phantom Investments (Private) Limited	76,644,002	0.40%
4	Saakya Capital Private Ltd	55,170,414	0.29%
5	Andaradeniya Estate Private Limited	23,809,524	0.12%
6	Mr V.R. Ramanan	20,100,000	0.10%
7	Maweli Finance (Pvt) Ltd	11,926,530	0.06%
8	CIC Holdings PLC / CIC Charitable & Educational Trust Fund	8,707,200	0.05%
9	People's Leasing and Finance PLC / Mr.D.M.P.Disanayake	5,833,647	0.03%
10	Mr A.J. Tissera	5,670,000	0.03%
11	Mr A.A. Sunil	5,665,468	0.03%
12	Nuwara Eliya Property Developers (Pvt) Ltd	5,334,744	0.03%
13	Merchant Bank Of Sri Lanka & Finance PLC / K.K. Karunamoorthy	4,635,410	0.02%
14	People's Leasing and Finance PLC / S.Gobinath	4,400,000	0.02%
15	Mr S. Selvarajah	4,169,638	0.02%
16	Merchant Bank Of Sri Lanka & Finance PLC / G.K.G.L Wijayathilake	4,159,400	0.02%
17	Merchant Bank Of Sri Lanka & Finance PLC / C.C.Y. Abeywardena	4,037,072	0.02%
18	Mr D.G. Wirasekara	4,000,000	0.02%
19	Dr A.M.A.D.S. Abeysinghe	3,999,500	0.02%
20	Mrs M. Arudpragasam & Mr A.M. Arudpragasam	3,887,814	0.02%
Total shares held by Top 20 Shareholders		18,469,207,308	95.94%

Public shareholding

Information pertaining to public shareholding as at 31st December 2022 is as follows:

	31-Dec-22	31-Mar-22
Public holding percentage	5.37%	5.11%
Number of public shareholders	19,522	15,620
Float Adjusted Market Capitalization	8,473,842,223	13,969,655,708

The Company is not compliant with the minimum public holding requirement stipulated in the Listing Rule 7.14.1.(b) (Option 1) of the Colombo Stock Exchange. This arose consequent to the merger with subsidiary (Commercial Leasing and Finance PLC) took place on 31st March 2022.

The Board of Directors of the Company is in the process of evaluating options in this regard.