



# INTERIM FINANCIAL STATEMENTS

For the nine months ended

31st December 2021

# LOLC Finance PLC

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As at 31st December 2021

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# LOLC Finance PLC

## STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

	As at 31.12.2021 (Unaudited) Rs. '000	As at 31.03.2021 (Audited) Rs. '000
<b>ASSETS</b>		
Cash and bank balances	8,731,152	13,422,690
Deposits with banks and other financial institutions	1,849,120	7,203,306
Investment in government securities and others	15,330,917	15,838,455
Derivative assets	100,568	325,029
Financial assets at amortized cost :		
Rentals receivable on leased assets	45,167,156	43,098,407
Loans and advances	76,629,446	61,550,510
Investment securities	3,599,853	5,498,000
Other receivables	753,203	731,692
Amount due from related companies	18,130	33,222
Inventories	52,009	271,727
Investment properties	25,072,691	21,088,740
Property plant and equipment	2,158,988	1,163,218
<b>Total assets</b>	<b>179,463,231</b>	<b>170,224,996</b>
<b>LIABILITIES</b>		
Bank overdraft	2,431,393	1,861,003
Interest bearing borrowings	13,013,588	16,437,442
Deposits from customers	106,157,038	107,791,136
Trade payables	334,165	144,788
Accruals and other payables	5,916,873	4,557,547
Derivative liabilities	32,970	-
Amount due to related companies	280,892	620,862
Current tax payable	1,168,307	857,903
Deferred tax liability	1,733,249	1,733,249
Defined benefit obligations	359,943	332,532
<b>Total liabilities</b>	<b>131,428,419</b>	<b>134,336,462</b>
<b>EQUITY</b>		
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 Reserve	45,446	45,446
Retained earnings	31,277,596	19,127,563
<b>Total equity</b>	<b>48,034,812</b>	<b>35,888,534</b>
<b>Total liabilities and equity</b>	<b>179,463,231</b>	<b>170,224,996</b>
Net asset value per share (Rs.)	9.15	6.84

### Certification :

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

*Sgd.*

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Mr Buddhika Weeraratunga  
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 Conrad Dias - Director / CEO

14th February 2022  
Rajagiriya (Greater Colombo)

*Sgd.*

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

# LOLC Finance PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31st December 2021

	For the period ended			For the quarter ended		
	31.12.2021 (Unaudited) Rs '000	31.12.2020 (Unaudited) Rs '000	Variance %	31.12.2021 (Unaudited) Rs '000	31.12.2020 (Unaudited) Rs '000	Variance %
Interest income	22,921,427	25,492,731	-10%	7,929,390	8,176,160	-3%
Interest expense	(6,626,802)	(9,874,301)	33%	(2,161,230)	(2,927,237)	26%
<b>Net interest income</b>	<b>16,294,625</b>	<b>15,618,430</b>	<b>4%</b>	<b>5,768,160</b>	<b>5,248,923</b>	<b>10%</b>
Net other operating income	6,374,021	8,935,264	-29%	4,761,873	4,064,173	17%
<b>Total income</b>	<b>22,668,646</b>	<b>24,553,695</b>	<b>-8%</b>	<b>10,530,033</b>	<b>9,313,096</b>	<b>13%</b>
<b>Operating expenses</b>						
Direct expenses excluding interest cost	(591,035)	(700,470)	16%	(246,270)	(152,591)	-61%
Allowance for impairment & write-offs	(845,930)	(11,661,560)	93%	1,979,159	(1,849,136)	207%
Personnel expenses	(2,412,939)	(2,421,220)	0%	(838,200)	(1,008,128)	17%
Depreciation	(148,405)	(110,017)	-35%	(60,573)	(31,030)	-95%
General & administration expenses	(4,238,599)	(4,381,789)	3%	(1,498,960)	(1,442,630)	-4%
<b>Profit before tax</b>	<b>14,431,737</b>	<b>5,278,639</b>	<b>173%</b>	<b>9,865,189</b>	<b>4,829,580</b>	<b>104%</b>
<b>Taxes on profits</b>						
Income tax expense / value added tax on financial services	(2,281,704)	(1,107,957)	-106%	(688,322)	(839,297)	18%
<b>Profit for the period</b>	<b>12,150,033</b>	<b>4,170,682</b>	<b>191%</b>	<b>9,176,867</b>	<b>3,990,284</b>	<b>130%</b>
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified to profit or loss</b>						
Movement in fair value through OCI reserve	-	19,305	-100%	-	(174,146)	100%
Movement in hedge reserves	(3,754)	56,564	-107%	-	11,088	-100%
<b>Total of items that are or may be reclassified to profit or loss</b>	<b>(3,754)</b>	<b>75,869</b>	<b>-105%</b>	<b>-</b>	<b>(163,058)</b>	<b>-100%</b>
<b>Total comprehensive income, net of tax</b>	<b>(3,754)</b>	<b>75,869</b>	<b>-105%</b>	<b>-</b>	<b>(163,058)</b>	<b>-100%</b>
<b>Total comprehensive income for the period</b>	<b>12,146,278</b>	<b>4,246,551</b>	<b>186%</b>	<b>9,176,867</b>	<b>3,827,226</b>	<b>140%</b>
<b>Basic earnings per share (Rs.)</b>	<b>2.31</b>	<b>0.79</b>		<b>1.75</b>	<b>0.76</b>	

Figures in brackets indicate deductions.

## LOLC Finance PLC

### STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2021

	Stated Capital Rs '000	Statutory Reserve Rs '000	Revaluation Reserve Rs '000	Cash flow Hedge Reserve Rs '000	Fair Value Reserve Rs '000	Retained Earnings Rs '000	Total Equity Rs '000
<b>Balance as at 01 April 2020</b>	<b>12,762,500</b>	<b>3,378,282</b>	<b>241,528</b>	<b>(77,310)</b>	<b>11,957</b>	<b>14,972,696</b>	<b>31,289,653</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	4,170,682	4,170,682
<i>Other comprehensive income, net of income tax</i>							
Movement in fair value through OCI reserve	-	-	-	-	19,305	-	19,305
Net movement of cashflow hedges	-	-	-	56,564	-	-	56,564
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,564</b>	<b>19,305</b>	<b>-</b>	<b>75,869</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,564</b>	<b>19,305</b>	<b>4,170,682</b>	<b>4,246,551</b>
<b>Balance as at 31 December 2020</b>	<b>12,762,500</b>	<b>3,378,282</b>	<b>241,528</b>	<b>(20,745)</b>	<b>31,261</b>	<b>19,143,379</b>	<b>35,536,204</b>
<b>Balance as at 01 January 2021</b>	<b>12,762,500</b>	<b>3,378,282</b>	<b>241,528</b>	<b>(20,745)</b>	<b>31,261</b>	<b>19,143,379</b>	<b>35,536,204</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	195,256	195,256
<i>Other comprehensive income, net of income tax</i>							
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	7,225	7,225
Revaluation gain on property, plant and equipment	-	-	87,311	-	-	-	87,311
Revaluation gain on fair value through OCI investments	-	-	-	-	14,185	-	14,185
Net movement of cashflow hedges	-	-	-	48,353	-	-	48,353
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>87,311</b>	<b>48,353</b>	<b>14,185</b>	<b>7,225</b>	<b>157,073</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>87,311</b>	<b>48,353</b>	<b>14,185</b>	<b>202,481</b>	<b>352,330</b>
<b>Transactions recorded directly in equity</b>							
Transfer to Statutory Reserve Fund	-	218,297	-	-	-	(218,297)	-
<b>Total transactions recorded directly in equity</b>	<b>-</b>	<b>218,297</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(218,297)</b>	<b>-</b>
<b>Balance as at 31 March 2021</b>	<b>12,762,500</b>	<b>3,596,579</b>	<b>328,838</b>	<b>27,608</b>	<b>45,446</b>	<b>19,127,563</b>	<b>35,888,534</b>
<b>Balance as at 01 April 2021</b>	<b>12,762,500</b>	<b>3,596,579</b>	<b>328,838</b>	<b>27,608</b>	<b>45,446</b>	<b>19,127,563</b>	<b>35,888,534</b>
<b>Total comprehensive income for the period</b>							
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)
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,754)</b>	<b>-</b>	<b>-</b>	<b>(3,754)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,754)</b>	<b>-</b>	<b>12,150,033</b>	<b>12,146,278</b>
<b>Balance as at 31 December 2021</b>	<b>12,762,500</b>	<b>3,596,579</b>	<b>328,838</b>	<b>23,853</b>	<b>45,446</b>	<b>31,277,596</b>	<b>48,034,812</b>

# LOLC Finance PLC

## STATEMENT OF CASH FLOWS

For the nine months ended 31st December 2021

	2021 Rs '000	2020 Rs '000
<b>Cash flows from / (used in) operating activities</b>		
Profit before income tax expense	14,431,737	5,278,639
<b>Adjustments for:</b>		
Depreciation	148,405	110,017
(Profit) / Loss on Sales of PPE / Investment properties	(13,051)	68,453
Change in fair value of derivatives - forward contracts	257,432	53,696
Provision for fall / (increase) in value of investments	(264,444)	(69,900)
Change in fair value of investment property	(3,477,209)	(3,281,337)
Impairment provision for the period	(6,468,575)	6,558,388
Provision for defined benefit plans	45,000	56,727
Investment income	(1,901,919)	(1,455,141)
Finance costs	6,626,802	9,874,301
<b>Operating profit / (loss) before working capital changes</b>	<b>9,384,178</b>	<b>17,193,844</b>
Change in other receivables	(31,727)	(78,148)
Change in Inventories	219,719	4,646
Change in trade and other payables	(337,940)	1,532,480
Change in amounts due to/ due from related parties	(324,878)	1,418,866
Change in lease receivables	141,321	(4,716,180)
Change in loans and advances	(2,378,097)	12,540,282
Change in factoring receivables	-	3,995,625
Change in margin trading advances	(8,379,522)	1,768
Change in fixed deposits from customers	1,781,975	(476,281)
Change in savings deposits from customers	(2,936,583)	4,843,002
<b>Cash generated from / (used in) operations</b>	<b>(2,861,553)</b>	<b>36,259,903</b>
Finance cost paid on deposits	(6,226,002)	(7,877,453)
Gratuity paid	(17,588)	(9,779)
Income tax paid	(69,484)	(332,410)
<b>Net cash from / (used in) operating activities</b>	<b>(9,174,628)</b>	<b>28,040,261</b>
<b>Cash flows from / (used in) investing activities</b>		
Acquisition of Property, Plant & Equipment & Investment property	(1,650,932)	(199,286)
Proceeds from disposal of PPE / Investment properties	13,066	233,535
Purchase of government securities	(15,374,511)	(9,304,907)
Proceeds from sale of government securities	15,919,862	-
Net proceeds from investments in term deposits	5,319,800	12,963,687
Net proceeds from Investment securities	2,162,591	1,636,604
Interest received	1,830,725	1,455,141
<b>Net cash flows used in investing activities</b>	<b>8,220,599</b>	<b>6,784,774</b>
<b>Cash flows from / (used in) financing activities</b>		
Net proceeds from interest bearing loans & borrowings	(3,429,017)	(26,921,758)
Repayment of principal portion of lease liabilities	(67,843)	(80,322)
Finance cost paid on borrowings	(811,040)	(2,490,138)
<b>Net cash flows from / (used in) financing activities</b>	<b>(4,307,899)</b>	<b>(29,492,218)</b>
Net increase / (decrease) in cash and cash equivalents	(5,261,927)	5,332,816
Cash and cash equivalents at the beginning of the year	11,561,687	7,050,360
<b>Cash and cash equivalents at the end of the period</b>	<b>6,299,759</b>	<b>12,383,176</b>
<b>Analysis of cash and cash equivalents at the end of the period</b>		
Cash and bank balances	8,731,152	13,672,354
Bank overdraft	(2,431,393)	(1,289,178)
	<b>6,299,759</b>	<b>12,383,176</b>

# LOLC Finance PLC

## OPERATING SEGMENTS

For the nine months ended 31st December 2021

	SME Finance Rs '000	Development Finance Rs '000	Alternative Financial Services Rs '000	Total Rs '000
<b>For the nine months ended 31st December 2021</b>				
Total revenue	14,901,022	12,439,247	1,955,180	29,295,448
Inter-segmental revenue	-	-	-	-
<b>External revenue</b>	<b>14,901,022</b>	<b>12,439,247</b>	<b>1,955,180</b>	<b>29,295,448</b>
Net interest cost	(3,435,756)	(2,623,393)	(567,653)	(6,626,802)
<b>Profit before operating expenses</b>	<b>11,465,266</b>	<b>9,815,853</b>	<b>1,387,527</b>	<b>22,668,646</b>
Operating expenses	(3,723,346)	(2,842,984)	(824,649)	(7,390,979)
Allowance for impairment & write-offs	(175,261)	(543,081)	(127,588)	(845,930)
<b>Profit before income tax</b>	<b>7,566,659</b>	<b>6,429,788</b>	<b>435,290</b>	<b>14,431,737</b>
<b>For the nine months ended 31st December 2020</b>				
Total revenue	19,961,566	12,549,898	1,916,531	34,427,995
Inter-segmental revenue	-	-	-	-
<b>External revenue</b>	<b>19,961,566</b>	<b>12,549,898</b>	<b>1,916,531</b>	<b>34,427,995</b>
Net interest cost	(5,253,322)	(3,882,159)	(738,820)	(9,874,301)
<b>Profit before operating expenses</b>	<b>14,708,244</b>	<b>8,667,739</b>	<b>1,177,711</b>	<b>24,553,695</b>
Operating expenses	(4,022,318)	(2,972,458)	(618,720)	(7,613,495)
Allowance for impairment & write-offs	(5,491,260)	(5,929,051)	(241,249)	(11,661,560)
<b>Profit before income tax</b>	<b>5,194,667</b>	<b>(233,770)</b>	<b>317,742</b>	<b>5,278,639</b>
<b>As at 31.12.2021</b>				
Total assets	119,993,477	44,097,795	15,371,960	179,463,231
Total liabilities	75,121,552	44,097,795	12,209,072	131,428,419
<b>As at 31.03.2021</b>				
Total assets	105,466,676	48,749,759	16,008,561	170,224,996
Total liabilities	72,460,768	48,749,759	13,125,935	134,336,462

# LOLC Finance PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2021

### 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 unaudited financial records of the Company.
- Accounting policies and methods of computation as stated in the audited financial statements for the year 2020/21 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.
- The profit before tax (PBT) of the Company for the period ended 31.12.2021 was Rs.14.4 Bn, increased by Rs.9.1 Bn reported for the last comparative period with the expanded business activities during the period. Net lending portfolio of the Company has increased by Rs.8 Bn from Rs.114 Bn to Rs.122 Bn compared to 31.12.2020 despite of the prevailing pandemic situation of the country. LOFC has managed to enhance deposit base also from Rs.103 Bn to Rs.106 Bn as at 31st December 2021.

### 2. Stated Capital

The Stated Capital of the Company is represented by 5,250,000,000 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 2021 are as follows:

	Rs'
Last traded price	20.00
Highest Price	39.90
Lowest Price	9.10

### 5. Debenture information

The debt capital of the company comprises of thirty four million (34,110,193) rated unsecured subordinated redeemable debentures issued in July, 2018. 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%	7.85%	10.70%
Type B - 5 Years Tenor	At maturity	20.13%	20.13%	20.13%	10.70%

- Market prices & issue prices of debentures recorded during the quarter ended 31st December 2021 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. 112.75	Rs. 112.75	Rs. 112.75	6-Aug-21
Type B - 5 Years Tenor	Rs. 49.83	Not Traded	Not Traded	Not Traded	N/A

- Debt security related ratios

	As at 31.12.2021	As at 31.03.2021
Debt to equity ratio (With Deposits)	2.53 times	3.51 times
Quick asset ratio	0.85 times	0.88 times
Interest cover	3.18 times	1.36 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 2021

### 7 Financial assets and liabilities

#### 7.1 Accounting classifications and fair values

As at 31st December 2021

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	-	-	8,731,152	8,731,152	8,731,152	
Deposits with banks and other financial institutions	-	-	1,849,120	1,849,120	1,849,120	
Investment in government securities	-	-	15,330,917	15,330,917	12,470,877	Level 1
Derivative assets	100,568	-	-	100,568	100,568	Level 2
Investment securities	3,400,221	199,096	537	3,599,853	3,599,853	Level 1
Financial assets at amortized cost						
Rentals receivable on leased assets	-	-	45,167,156	45,167,156	47,338,496	Level 2
Loans and advances	-	-	76,629,446	76,629,446	77,295,668	Level 2
Amount due from related companies	-	-	18,130	18,130	18,130	
Other financial assets	-	-	284,703	284,703	284,703	
<b>Total financial assets</b>	<b>3,500,788</b>	<b>199,096</b>	<b>148,011,159</b>	<b>151,711,043</b>	<b>151,688,566</b>	
Bank overdraft	-	-	2,431,393	2,431,393	2,431,393	
Interest bearing borrowings	-	-	13,013,588	13,013,588	13,113,289	Level 2
Deposits from customers	-	-	106,157,038	106,157,038	107,487,439	Level 2
Trade payables	-	-	334,165	334,165	334,165	
Accruals and other payables	-	-	5,908,516	5,908,516	5,908,516	
Derivative liabilities	32,970	-	-	32,970	32,970	Level 2
Amount due to related companies	-	-	280,892	280,892	280,892	
<b>Total financial liabilities</b>	<b>32,970</b>	<b>-</b>	<b>128,125,592</b>	<b>128,158,562</b>	<b>129,588,663</b>	

# LOLC Finance PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2021

### Financial assets and liabilities (Cont.)

#### 7.1 Accounting classifications and fair values

As at 31st March 2021

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	-	-	13,422,690	13,422,690	13,422,690	
Deposits with banks and other financial institutions	-	-	7,203,306	7,203,306	7,203,306	
Investment in government securities	-	-	15,838,455	15,838,455	15,511,580	
Derivative assets	325,029	-	-	325,029	325,029	Level 2
Investment securities	5,298,367	199,096	537	5,498,000	5,498,000	Level 1
Financial assets at amortized cost						
Rentals receivable on leased assets	-	-	43,098,407	43,098,407	45,903,004	Level 2
Loans and advances	-	-	61,550,510	61,550,510	63,907,289	Level 2
Amount due from related companies	-	-	33,222	33,222	33,222	
Other financial assets	-	-	297,674	297,674	297,674	
<b>Total financial assets</b>	<b>5,623,396</b>	<b>199,096</b>	<b>141,444,801</b>	<b>147,267,292</b>	<b>152,101,794</b>	
Bank overdraft	-	-	1,861,003	1,861,003	1,861,003	
Interest bearing borrowings	-	-	16,437,442	16,437,442	16,883,528	Level 2
Deposits from customers	-	-	107,791,136	107,791,136	109,750,841	Level 2
Trade payables	-	-	144,788	144,788	144,788	
Accruals and other payables	-	-	4,490,003	4,490,003	4,490,003	
Derivative liabilities	-	-	-	-	-	Level 2
Amount due to related companies	-	-	620,862	620,862	620,862	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>131,345,235</b>	<b>131,345,235</b>	<b>133,751,025</b>	

**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.

**9. Selected performance indicators**

<b>Regulatory Capital Adequacy</b>	<b>31.12.2021</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
- Total Tier I Core Capital Rs. '000	27,242,787	27,242,787	26,265,353
- Total Capital Base Rs. '000	30,351,980	31,435,831	28,405,913
- Core capital adequacy ratio (Minimum requirement 8%)	15.03%	15.88%	15.36%
- Total capital adequacy ratio (Minimum requirement 12%)	16.74%	18.32%	16.61%
<b>Asset Quality Ratios</b>	<b>31.12.2021</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
- Net Non-Performing Advances Ratio	2.97%	1.17%	4.26%
<b>Regulatory Liquidity</b>	<b>31.12.2021</b>	<b>31.03.2021</b>	<b>31.12.2020</b>
- Available Liquid Assets Rs. '000	20,042,035	27,912,884	29,623,414
- Required Liquid Assets Rs. '000	11,976,027	7,305,101	7,251,925
- Liquid assets to Deposits ratio	18.88%	25.90%	16.68%

**10. 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 2021.

**11. Comparative information**

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

**12. Other Disclosure Information**

Changes in fair values of investment properties are recognised as gains in profit or loss and included in 'Net other operating income'.

## LOLC Finance PLC

### NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2021

#### 12. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 31st December 2021 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

#### 13. Rights Issue - proceeds utilization as at 31st December 2021 are as follows. (Issued on 16th March 2018)

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 portolio growth & invest in T Bill/ Repo's	4.88 Billion	100%	N/A

## LOLC Finance PLC

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

As at 31st December 2021

Directors Name	No. of shares	%
<b>Mr B.C.G. de Zylva</b> (Non - Executive Chairman)	Nil	Nil
<b>Mr F K C P N Dias</b> Director / CEO	Nil	Nil
<b>Mrs K.U. Amarasinghe</b> (Executive Director)	Nil	Nil
<b>Mr P.A. Wijeratne</b> (Independent Director)	5,000	0.00%
<b>Mr K Sundararaj</b> (Independent Director)	Nil	Nil

# LOLC Finance PLC

## TOP 20 SHAREHOLDERS

As at 31st December 2021

	Shareholder	No. of Shares	% of Issued Capital
1	LOLC Asia Private Limited	2,614,934,919	49.81%
2	LOLC Ceylon Holdings PLC	2,286,339,438	43.55%
3	Hatton National Bank PLC / Rizmy Ahamed Rishard	5,349,949	0.10%
4	People's Merchant Finance PLC / L.P. Wickramasooriya	5,177,220	0.10%
5	Ranfer Teas Private Limited	4,567,375	0.09%
6	Hatton National Bank PLC / Saravanantharajah Paramanathan	4,500,000	0.09%
7	Nuwara Eliya Property Developers (Pvt) Ltd	4,334,744	0.08%
8	Hatton National Bank PLC / Jude Nishantha Weerakoon	3,454,003	0.07%
9	Mr. S.J. Amarasekera	3,147,272	0.06%
10	People's Leasing & Finance PLC / Mr.S.Gobinath	2,835,000	0.05%
11	Hatton National Bank PLC / Hennasy Geeth Balasuriya	2,800,000	0.05%
12	Merchant Bank Of Sri Lanka & Finance PLC / R.M.S.P. Gunasekara	2,800,000	0.05%
13	Merchant Bank Of Sri Lanka & Finance PLC / T.M.P. Gunasekara	2,800,000	0.05%
14	Mr. K.K. Karunamoorthy	2,600,000	0.05%
15	Mr. J.N. Weerakoon	2,513,009	0.05%
16	Hatton National Bank PLC / Palaniyandy Muralitharan	2,451,662	0.05%
17	Merchant Bank Of Sri Lanka & Finance PLC / D.L.J. Priyadarshana	2,437,701	0.05%
18	People's Leasing & Finance PLC / Mr.D.M.P.Disanayake	2,331,648	0.04%
19	Merchant Bank Of Sri Lanka & Finance PLC / C.C.Y. Abeywardena	2,290,937	0.04%
20	Hatton National Bank PLC / Muhandiramlage Lasantha Kumara	2,093,772	0.04%
<b>Total shares held by Top 20 Shareholders</b>		<b>4,959,758,649</b>	<b>94.47%</b>

### Public shareholding

Information pertaining to public shareholding as at 31st December 2021 is as follows:

	31-Dec-21	31-Mar-21
Public holding percentage	6.64%	5.39%
Number of public shareholders	11,437	4,154
Float Adjusted Market Capitalization	6,969,902,860	1,585,617,706

The Company is not compliant with the minimum public holding requirement stipulated in the Listing Rule 17.13.1.(b) (Option 1) of the Colombo Stock Exchange. This arose consequent to the rights issue made by the Company in March 2018 & Aug 2019 and the subscription by the public shareholders was less than their entitlement.

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