



INTERIM FINANCIAL STATEMENTS

For the six month ended

30th September 2018

LOLC FINANCE PLC

LOLC Finance PLC

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As at 30th September 2018

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th September 2018

	As at 30.09.2018 (Unaudited) Rs. '000	As at 31.03.2018 (Audited) Rs. '000
ASSETS		
Cash and bank balances	19,239,248	11,323,366
Deposits with banks and other financial institutions	21,513,859	26,346,552
Investment in government securities and others	14,272,693	10,871,768
Derivative assets	918,005	133,541
Rentals receivable on leased assets	45,695,055	43,605,124
Loans and advances	98,184,383	96,897,095
Factoring receivable	8,032,509	10,638,755
Margin trading receivables	205,826	175,570
Other receivables	1,235,203	1,122,496
Investment securities	1,869,009	1,965,299
Amount due from related companies	58,899	32,909
Inventories	8,223	9,078
Investment properties	6,447,836	6,278,187
Property plant and equipment	1,628,902	1,714,491
Total assets	219,309,649	211,114,232
LIABILITIES		
Bank overdraft	3,251,444	4,243,170
Interest bearing borrowings	66,220,152	70,490,432
Deposits from customers	120,886,873	110,027,420
Trade payables	2,066,933	1,593,496
Accruals and other payables	3,064,200	2,388,376
Derivative liabilities	30,741	482,464
Amount due to related companies	641,659	1,497,000
Current tax payable	1,478,436	813,718
Deferred tax liability	2,402,219	2,402,219
Defined benefit obligations	67,310	70,303
Total liabilities	200,109,968	194,008,598
EQUITY		
Stated capital	7,880,000	7,880,000
Statutory reserve	1,996,724	1,996,724
Revaluation reserve	241,528	241,528
Cash flow hedge reserve	18,534	(6,333)
Available for sale investment reserve	(22,112)	(7,166)
Retained earnings	9,085,007	7,000,882
Total equity	19,199,681	17,105,634
Total liabilities and equity	219,309,649	211,114,232
Net assets per share (Rs.)	4.57	4.07

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.) Ravi Tissera - Executive Deputy Chairman

Sgd.

(Mr.) Ashan Nissanka - Director / CEO

23rd Oct 2018
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September 2018

	For the period ended			For the quarter ended		
	30.09.2018 (Unaudited) Rs '000	30.09.2017 (Unaudited) Rs '000	Variance %	30.09.2018 (Unaudited) Rs '000	30.09.2017 (Unaudited) Rs '000	Variance %
Interest income	20,322,349	10,527,355	93%	10,185,773	5,426,821	88%
Interest expense	(10,382,227)	(6,870,395)	-51%	(5,283,594)	(3,494,679)	-51%
Net interest income	9,940,123	3,656,959	172%	4,902,179	1,932,141	154%
Net other operating income	2,055,991	1,623,770	27%	1,055,647	815,251	29%
Total income	11,996,114	5,280,730	127%	5,957,826	2,747,392	117%
Operating expenses						
Direct expenses excluding interest cost	(1,025,697)	(974,960)	-5%	(527,906)	(491,625)	-7%
Allowance for impairment & write-offs	(2,878,435)	(1,025,547)	-181%	(879,603)	(814,703)	-8%
Personnel expenses	(1,694,764)	(754,148)	-125%	(843,011)	(382,283)	-121%
Depreciation	(79,351)	(87,258)	9%	(38,342)	(43,511)	12%
General & administration expenses	(3,119,029)	(1,349,591)	-131%	(1,596,838)	(590,883)	-170%
Profit from operations	3,198,838	1,089,226	194%	2,072,125	424,388	388%
Value added tax on financial services	(419,994)	(203,417)	-106%	(217,400)	(93,223)	-133%
Profit before income tax expense	2,778,844	885,809	214%	1,854,725	331,164	460%
Income tax expense	(694,718)	(265,135)	-162%	(435,953)	(109,834)	-297%
Profit for the period	2,084,126	620,674	236%	1,418,772	221,330	541%
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Available-for-sale financial assets-net change in fair value	(14,946)	175,476	-109%	1,292	81,430	-98%
Gain / (loss) on cash flow hedges	24,867	(34,087)	173%	72,052	(15,585)	-562%
Total of items that are or may be reclassified to profit or loss	9,921	141,389	-93%	73,344	65,845	11%
Total comprehensive income	2,094,047	762,063	175%	1,492,116	287,175	420%
Basic earnings per share (Rs.)	0.50	0.22		0.34	0.05	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2018

	Stated Capital Rs '000	Statutory Reserve Rs '000	Revaluation Reserve Rs '000	Cash flow Hedge Reserve Rs '000	Available for Sale Investment Reserve Rs '000	Retained Earnings Rs '000	Total Equity Rs '000
Balance as at 01 April 2017	2,000,000	1,556,439	206,230	14,237	(115,485)	7,364,836	11,026,257
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	620,674	620,674
<i>Other comprehensive income, net of income tax</i>							
Net change in fair value of AFS investments	-	-	-	-	175,476	-	175,476
Net movement of cashflow hedges	-	-	-	(34,087)	-	-	(34,087)
Total other comprehensive income for the period	-	-	-	(34,087)	175,476	-	141,389
Total comprehensive income for the period	-	-	-	(34,087)	175,476	620,674	762,063
Balance as at 30 September 2017	2,000,000	1,556,439	206,230	(19,850)	59,991	7,985,510	11,788,320
Balance as at 01 October 2017	2,000,000	1,556,439	206,230	(19,850)	59,991	7,985,510	11,788,320
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,580,752	1,580,752
<i>Other comprehensive income, net of income tax</i>							
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	(1,879)	(1,879)
Net change in fair value of AFS investments	-	-	-	-	(67,135)	-	(67,135)
Net movement of cashflow hedges	-	-	-	14,899	-	-	14,899
Total other comprehensive income for the period	-	-	-	14,899	(67,135)	(1,879)	(54,114)
Total comprehensive income for the period	-	-	-	14,899	(67,135)	1,578,873	1,526,638
Transactions recorded directly in equity							
Shares issued during the year	5,880,000	-	-	-	-	-	5,880,000
Transfer to Statutory Reserve Fund	-	440,285	-	-	-	(440,285)	-
Excess of the investment and other adjustments on merger with subsidiary	-	-	35,298	(1,382)	(23)	(2,123,217)	(2,089,324)
Total transactions recorded directly in equity	5,880,000	440,285	35,298	(1,382)	(23)	(2,563,502)	3,790,676
Balance as at 31 March 2018	7,880,000	1,996,724	241,528	(6,333)	(7,166)	7,000,881	17,105,634
Balance as at 01 April 2018	7,880,000	1,996,724	241,528	(6,333)	(7,166)	7,000,881	17,105,634
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,084,126	2,084,126
<i>Other comprehensive income, net of income tax</i>							
Net change in fair value of AFS investments	-	-	-	-	(14,946)	-	(14,946)
Net movement of cashflow hedges	-	-	-	24,867	-	-	24,867
Total other comprehensive income for the period	-	-	-	24,867	(14,946)	-	9,921
Total comprehensive income for the period	-	-	-	24,867	(14,946)	2,084,126	2,094,047
Balance as at 30 September 2018	7,880,000	1,996,724	241,528	18,534	(22,112)	9,085,007	19,199,681

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the six months ended 30th September 2018

	2018 Rs '000	2017 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	2,778,844	885,809
Adjustments for:		
Depreciation	79,351	87,258
(Profit) / loss on Sales of Investment property	-	-
(Profit)/Loss on Sales of PPE/ Investment properties	(1,982)	86,805
Change in fair value of derivatives - forward contracts	(1,236,187)	(19,525)
Provision for fall / (increase) in value of investments	900	427,509
Impairment provision for the period	687,731	-
Provision for defined benefit plans	-	-
Investment income	(1,138,595)	(1,100,848)
Finance costs	10,382,227	6,870,395
Operating profit / (loss) before working capital changes	11,552,288	7,237,404
Change in other receivables	(112,735)	(109,127)
Change in Inventories	855	-
Change in Real estate Stocks	-	-
Change in trade and other payables	1,159,590	167,569
Change in amounts due to / due from related parties	(881,330)	200,672
Change in factoring receivables	2,221,731	(2,267,062)
Change in lease receivables	(2,286,403)	-
Change in loans and advances	(1,394,032)	(2,065,375)
Change in factoring receivables	(30,256)	385,813
Change in margin trading advances	7,170,295	(120,442)
Change in fixed deposits from customers	3,628,364	16,096,562
Change in savings deposits from customers	-	1,582,273
Cash generated from / (used in) operations	21,028,368	21,108,286
Finance cost paid on deposits	(6,897,235)	(5,508,824)
Gratuity paid	(2,993)	-
Income tax paid	(30,000)	(30,000)
Net cash from / (used in) operating activities	14,098,139	15,569,462
Cash flows from / (used in) investing activities		
(Acquisitions) / disposals of property, plant & equipment	(178,513)	(26,051)
Proceeds from disposal of PPE/ Investment properties	6,785	-
Investments in companies	-	-
Net proceeds from investments in term deposits	95,390	(3,359,381)
Proceeds from sale of investment property	1,492,798	-
Net proceeds from Investments in unit trust	(75,977)	(7,269,706)
Net proceeds from investments in government securities	-	6,096,381
Interest received	1,138,595	1,100,848
Net cash flows used in investing activities	2,479,079	(3,457,909)
Cash flows from / (used in) financing activities		
Net proceeds from interest bearing loans & borrowings	(6,819,428)	(7,698,980)
Proceeds from issue of debentures	2,500,000	-
Lease rentals paid	(148,476)	(274,466)
Finance cost paid on bank loans and over draft	(3,201,707)	(939,821)
Net cash flows from / (used in) financing activities	(7,669,611)	(8,913,268)
Net increase / (decrease) in cash and cash equivalents	8,907,607	3,198,285
Cash and cash equivalents at the beginning of the year	7,080,196	2,530,796
Cash and cash equivalents at the end of the period	15,987,804	5,729,081
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	19,239,248	8,919,082
Bank overdraft	(3,251,444)	(3,190,001)
	15,987,804	5,729,081

LOLC Finance PLC

OPERATING SEGMENTS

For the six months ended 30th September 2018

	Conventional Financial Services Rs '000	Islamic Financial Services Rs '000	Factoring Business Rs '000	Others/ Adjustments Rs '000	Total Rs '000
For the six months ended 30th September 2018					
Total revenue	19,850,714	1,406,930	1,120,696	-	22,378,341
Inter-segmental revenue	-	-	-	-	-
External revenue	19,850,714	1,406,930	1,120,696	-	22,378,341
Net interest cost	(9,049,251)	(683,182)	(649,793)	-	(10,382,227)
Profit before operating expenses	10,801,463	723,748	470,903	-	11,996,114
Operating expenses	(5,629,734)	(289,108)	-	-	(5,918,841)
Allowance for impairment & write-offs	(1,942,399)	(208,165)	(727,871)	-	(2,878,435)
Value added tax on financial services	(369,911)	(50,083)	-	-	(419,994)
Profit before income tax	2,859,420	176,391	(256,968)	-	2,778,844
For the six months ended 30th September 2017					
Total revenue	8,682,577	1,245,100	2,223,449	-	12,151,125
Inter-segmental revenue	-	-	-	-	-
External revenue	8,682,577	1,245,100	2,223,449	-	12,151,125
Net interest cost	(5,323,744)	(631,069)	(915,582)	-	(6,870,395)
Profit before operating expenses	3,358,832	614,030	1,307,868	-	5,280,730
Operating expenses	(2,346,590)	(275,951)	(543,416)	-	(3,165,957)
Allowance for impairment & write-offs	(598,035)	(78,333)	(349,180)	-	(1,025,547)
Value added tax on financial services	(97,704)	(35,117)	(70,596)	-	(203,417)
Profit before income tax	316,504	224,630	344,675	-	885,809
As at 30.09.2018					
Total assets	196,179,889	15,282,159	8,032,509	(184,908)	219,309,649
Total liabilities	179,131,072	13,131,294	8,032,509	(184,908)	200,109,968
As at 31.03.2018					
Total assets	185,999,357	14,631,612	10,638,755	(155,492)	211,114,232
Total liabilities	170,977,234	12,548,101	10,638,755	(155,492)	194,008,598

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2018

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 annual report for the year 2017/18 are followed in the preparation of these Interim Financial Statements

2. Stated Capital

The Stated Capital of the Company is represented by 4,200,000,000 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 30th September 2018 are as follows:

	Rs'
Market price as at 30th September 2018	3.70
Highest Price	3.90
Lowest Price	3.00

5. Debenture information

The debt capital of the company comprises of fifty million (50,000,000) rated unsecured subordinated redeemable debentures issued in January, 2015. These debentures are listed in the Colombo Stock Exchange. ICRA Lanka Ltd upgraded the credit rating of the above debentures to [SL]A- with stable outlook from [SL]BBB+ with stable outlook during the financial year 2015/16 and reaffirmed during this financial year as [SL]A-(Stable).

In addition, the company issued thirty four million (34,110,193) rated unsecured subordinated redeemable debentures in July 2018. These debentures are also listed in the Colombo Stock Exchange. 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	Quarterly	9.00%	9.91%	11.30%	10.58%
Type B - 5 Years Tenor	Semi Annually	9.10%	9.10%	9.10%	10.58%
Type C - 5 Years Tenor	Annually	9.25%	9.25%	9.25%	10.58%
Type A - 5 Years Tenor	Semi-annually	14.75%	14.75%	14.75%	10.58%
Type B - 5 Years Tenor	At maturity	20.13%	20.13%	20.13%	10.58%

- Market prices & issue prices of debentures recorded during the quarter ended 30th September 2018 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. 90.84	Rs. 90.84	Rs. 90.84	18-Apr-17
Type B - 5 Years Tenor	Rs.100.00	Not Traded	Not Traded	Not Traded	N/A
Type C - 5 Years Tenor	Rs.100.00	Not Traded	Not Traded	Not Traded	N/A
Type A - 5 Years Tenor	Rs.100.00	Not Traded	Not Traded	Not Traded	N/A
Type B - 5 Years Tenor	Rs. 49.83	Not Traded	Not Traded	Not Traded	N/A

- Debt security related ratios

	As at 30.09.2018	As at 31.03.2018
Debt to equity ratio	9.91 times	10.8 times
Quick asset ratio	0.93 times	0.88 times
Interest cover	1.27 times	1.14 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 30th September 2018

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 30th September 2018

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

Description	Fair value – derivatives	Fair value - held for trading	Fair value through other comprehensive income / carried at cost– available for sale	Amortized cost / Not measured at fair value	Total Carrying amount	Fair value	Rs. '000
							Fair value measurement level
Cash and cash equivalents	-	-	-	19,239,248	19,239,248	19,239,248	
Deposits with banks	-	-	-	21,513,859	21,513,859	21,513,859	
Investment in government securities & Others							
- Measured at fair value	-	-	6,044,942	-	6,044,942	6,044,942	Level 1
- Measured at amortized cost	-	-	-	8,227,751	8,227,751	8,227,751	
Derivative assets	918,005	-	-	-	918,005	918,005	Level 2
Investment securities	-	1,648,697	-	220,312	1,869,009	1,869,009	Level 1
Rentals receivable on leased assets	-	-	-	45,695,055	45,695,055	46,746,965	Level 2
Hire purchases, loans and advances	-	-	-	98,184,383	98,184,383	99,716,496	Level 2
Factoring receivable	-	-	-	8,032,509	8,032,509	8,032,509	
Margin trading receivables	-	-	-	205,826	205,826	205,826	
Amount due from related companies	-	-	-	58,899	58,899	58,899	
Other financial assets	-	-	-	536,860	536,860	536,860	
Total financial assets	918,005	1,648,697	6,044,942	201,914,702	210,526,346	213,110,369	
Bank overdraft	-	-	-	3,251,444	3,251,444	3,251,444	
Interest bearing borrowings	-	-	-	66,220,152	66,220,152	65,111,785	Level 2
Deposits from customers	-	-	-	120,886,873	120,886,873	120,286,983	Level 2
Trade payables	-	-	-	2,066,933	2,066,933	2,066,933	
Accruals and other payables	-	-	-	2,734,389	2,734,389	2,734,389	
Derivative liabilities	30,741	-	-	-	30,741	30,741	Level 2
Amount due to related companies	-	-	-	641,659	641,659	641,659	
Total financial liabilities	30,741	-	-	195,801,450	195,832,191	194,123,935	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2018

Financial assets and liabilities (Cont.)

7.1 Accounting classifications and fair values

As at 31st March 2018

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

Description	Fair value – derivatives	Fair value - held for trading	Fair value through other comprehensive income / carried at cost– available for sale	Amortized cost / Not measured at fair value	Total Carrying amount	Fair value	Rs. '000
							Fair value measurement level
Cash and cash equivalents	-	-	-	11,323,366	11,323,366	11,323,366	
Deposits with banks	-	-	-	26,346,552	26,346,552	26,346,552	
Investment in government securities							
- Measured at fair value	-	-	4,381,051	-	4,381,051	4,381,051	Level 1
- Measured at amortized cost	-	-	-	6,490,720	6,490,720	6,490,720	
Derivative assets	133,541	-	-	-	133,541	133,541	Level 2
Investment securities	-	1,744,987	-	220,312	1,965,299	1,965,299	Level 1
Rentals receivable on leased assets	-	-	-	43,605,125	43,605,125	45,322,689	Level 2
Hire purchases, loans and advances	-	-	-	96,920,517	96,920,517	96,003,092	Level 2
Factoring receivable	-	-	-	10,638,755	10,638,755	10,638,755	
Margin trading receivables	-	-	-	175,570	175,570	175,570	
Amount due from related companies	-	-	-	32,909	32,909	32,909	
Other financial assets	-	-	-	506,768	506,768	506,768	
Total financial assets	133,541	1,744,987	4,381,051	196,260,594	202,520,172	203,320,312	
Bank overdraft	-	-	-	4,243,170	4,243,170	4,243,170	
Interest bearing borrowings	-	-	-	70,490,432	70,490,432	69,755,139	Level 2
Deposits from customers	-	-	-	110,027,420	110,027,420	110,204,789	Level 2
Trade payables	-	-	-	1,593,496	1,593,496	1,593,496	
Accruals and other payables	-	-	-	2,206,129	2,206,129	2,206,129	
Derivative liabilities	482,464	-	-	-	482,464	482,464	Level 2
Amount due to related companies	-	-	-	1,497,000	1,497,000	1,497,000	
Total financial liabilities	482,464	-	-	190,057,647	190,540,111	189,982,186	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2018

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. Selected performance indicators

Regulatory Capital Adequacy	30.09.2018	31.03.2018	30.09.2017
- Total Tier I Core Capital Rs. '000	16,864,106	16,864,106	10,805,790
- Total Capital Base Rs. '000	20,945,618	18,445,618	13,178,058
- Core capital adequacy ratio (Minimum requirement 6%)	8.88%	10.15%	10.00%
- Total capital adequacy ratio (Minimum requirement 10%)	11.03%	11.10%	12.19%
Asset Quality Ratios	30.09.2018	31.03.2018	30.09.2017
- Gross Non-Performing Advances Ratio	6.07%	3.87%	5.96%
- Net Non-Performing Advances Ratio	2.90%	1.12%	1.69%
Regulatory Liquidity	30.09.2018	31.03.2018	30.09.2017
- Available Liquid Assets Rs. '000	22,468,817	26,016,200	21,019,280
- Required Liquid Assets Rs. '000	15,417,570	16,947,163	11,294,495
- Liquid assets to Deposits ratio	18.59%	23.65%	21.34%

9. Contingent liabilities

There are no significant changes in the nature of the contingent liabilities disclosed in the annual report for the year ended 31 March 2018.

10. Comparative information

Comparative information has not been reclassified or restated.

The current period results of the Company reflects the results of the merged entity subsequent to the merger between LOLC Finance PLC and LOLC Micro Credit Limited, which took place on 29th March 2018. However, the comparative information reflects the results of LOLC Finance PLC as a stand alone entity. Hence, the variances shown in the Statement of Profit or Loss should be read in such context.

11. SLFRS-9 Financial Instruments

The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the “Incurred Loss Model” in LKAS 39 with forward looking “Expected credit Loss Model (“ECL”) which requires considerable judgement over how changes in economic factors affect ECL, in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflect the business model in which assets are managed based on their cash flow characteristics.

Based on the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by The Institute of Chartered Accountants of Sri Lanka, entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the company has prepared the Interim Financial Statements for the quarter ended September 30, 2018 based on LKAS 39, and the Company is in the process of evaluating the impact on adoption of SLFRS 9.

12. 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

LOLC Finance PLC

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

As at 30th September 2018

Directors Name	No. of shares	%
Mr B.C.G. de Zylva (Non- Executive Chairman)	Nil	Nil
Mr R.D. Tissera (Executive Deputy Chairman)	Nil	Nil
Mr A. Nissanka (Executive Director/ CEO)	1,300,800	0.03%
Mrs K.U. Amarasinghe (Executive Director)	Nil	Nil
Mrs D.P. Pieris (Senior Independent Director)	Nil	Nil
Mr P.A. Wijeratne (Independent Director)	5,000	0.00%

LOLC Finance PLC

TOP 20 SHAREHOLDERS

As at 30th September 2018

	Shareholder	No. of Shares	% of Issued Capital
1	Lanka ORIX Leasing Company PLC	3,919,921,531	93.33%
2	Saakya Capital (Pvt) Ltd	136,255,320	3.24%
3	Satya Capital (Pvt) Ltd	52,000,000	1.24%
4	Capital Alliance Holdings Ltd	12,050,599	0.29%
5	Dr. R.R.De Silva	11,371,515	0.27%
6	National Savings Bank	4,550,000	0.11%
7	Capital Trust Holdings	4,281,924	0.10%
8	Mr D. Kotthoff	3,000,000	0.07%
9	Deutsche Bank / Trustee To Astrue Alpha Fund	2,963,945	0.07%
10	Dr A.R. Wikramanayake	1,688,500	0.04%
11	Mr S.V. Somasunderam	1,500,000	0.04%
12	Bansei Securities Capital (Pvt) Ltd / Mr A. Nissanka	1,300,800	0.03%
13	Mr L.A.J.F. Morais	1,181,128	0.03%
14	Mr M. I. Samsudeen	998,756	0.02%
15	MR. R.C. Wijesena	975,000	0.02%
16	MR. R.E. Rambukwella	915,443	0.02%
17	Hatton National Bank PLC/Capital Trust	876,718	0.02%
18	People's Leasing & Finance PLC/Hi Line Trading (PVT) LTD	822,556	0.02%
19	Sezeka Limited	818,900	0.02%
20	Dialog Finance PLC/R.Colloms	815,410	0.02%
Total shares held by Top 20 Shareholders		4,158,288,045	99.01%

Public shareholding

Information pertaining to public shareholding as at 30th September 2018 is as follows:

	30-Sep-18	30-Sep-17
Public holding percentage	6.63%	9.88%
Number of public shareholders	2,682	2,615
Float Adjusted Market Capitalization	1,029,922,820	1,078,896,000

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 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.