

LOLC FINANCE PLC

INTERIM FINANCIAL STATEMENTS

For the nine months ended

31st December 2020

LOLC Finance PLC

CONTENTS

As at 31st December 2020

	Page
1 Statement of Financial Position	1
2 Statement of Profit or Loss and Other Comprehensive Income	2
3 Statement of Changes in Equity	3
4 Statement of Cash flows	4
5 Operating Segments	5
6 Notes to the Interim Financial Statements	6
7 Statement of Directors' and Chief Executive Officer's holding in Shares of the Entity	11
8 Top 20 Shareholders	12

LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 31st December 2020

	As at 31.12.2020 (Unaudited) Rs. '000	As at 31.03.2020 (Audited) Rs. '000
ASSETS		
Cash and bank balances	13,672,354	8,333,561
Deposits with banks and other financial institutions	4,328,439	17,282,277
Investment in government securities and others	20,115,054	10,790,843
Derivative assets	398,879	273,195
Financial assets at amortized cost		
Rentals receivable on leased assets	46,599,048	43,842,381
Loans and advances	67,853,643	87,112,949
Factoring receivable	-	2,998,752
Margin trading receivable	-	1,768
Investment securities	1,597,612	2,958,199
Other receivables	835,926	914,073
Amount due from related companies	35,906	63,233
Inventories	6,669	2,023
Investment properties	20,260,463	15,963,886
Property plant and equipment	1,191,491	1,351,207
Total assets	176,895,484	191,888,346
LIABILITIES		
Bank overdraft	1,289,178	1,283,201
Interest bearing borrowings	24,874,110	51,558,593
Deposits from customers	102,961,659	99,261,181
Trade payables	907,511	1,048,944
Accruals and other payables	5,927,162	3,331,643
Derivative liabilities	58,303	114,349
Amount due to related companies	2,245,737	854,198
Current tax payable	971,886	960,255
Deferred tax liability	1,736,365	1,888,186
Defined benefit obligations	390,499	298,142
Total liabilities	141,362,409	160,598,693
EQUITY		
Stated capital	12,762,500	12,762,500
Statutory reserve	3,378,282	3,378,282
Revaluation reserve	324,259	241,528
Cash flow hedge reserve	(74,438)	(77,310)
Fair Value Reserve	31,261	11,957
Retained earnings	19,111,210	14,972,696
Total equity	35,533,075	31,289,653
Total liabilities and equity	176,895,484	191,888,346
Net asset value per share (Rs.)	6.77	5.96

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 Conrad Dias - Director / CEO

Sgd.

Mrs K.U. Amarasinghe - Executive Director

8th February 2021
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31st December 2020

	For the period ended			For the quarter ended		
	31.12.2020 (Unaudited) Rs '000	31.12.2019 (Unaudited) Rs '000	Variance %	31.12.2020 (Unaudited) Rs '000	31.12.2019 (Unaudited) Rs '000	Variance %
Interest income	25,721,964	28,721,918	-10%	8,176,160	9,557,285	-14%
Interest expense	(9,874,301)	(14,746,877)	33%	(2,927,237)	(4,483,816)	35%
Net interest income	15,847,663	13,975,041	13%	5,248,923	5,073,470	3%
Net other operating income	8,688,621	1,312,655	562%	4,046,762	465,725	769%
Total income	24,536,284	15,287,696	60%	9,295,685	5,539,195	68%
Operating expenses						
Direct expenses excluding interest cost	(700,470)	(827,112)	15%	(152,591)	(359,826)	58%
Allowance for impairment & write-offs	(11,661,560)	(5,529,738)	-111%	(2,029,136)	(2,652,731)	24%
Personnel expenses	(2,403,809)	(2,109,731)	-14%	(990,717)	(678,347)	-46%
Depreciation	(110,017)	(150,156)	27%	(31,030)	(53,484)	42%
General & administration expenses	(4,381,789)	(4,711,502)	7%	(1,442,630)	(1,695,541)	15%
Profit from operations	5,278,639	1,959,457	169%	4,649,580	99,267	4584%
Value added tax on financial services	(885,360)	(625,429)	-42%	(506,854)	(55,358)	-816%
Profit before income tax expense	4,393,280	1,334,028	229%	4,142,726	43,909	9335%
Income tax expense	(222,597)	(373,528)	40%	(152,442)	(14,906)	-923%
Profit for the period	4,170,682	960,500	334%	3,990,284	29,003	13658%
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Remeasurements of defined benefit liability - gain / (loss)	(44,678)	-	-	(44,678)	-	-
Related tax	12,510	-	-	12,510	-	-
	(32,168)	-	-	(32,168)	-	-
Revaluation of property, plant and equipment	96,208	-	-	96,208	-	-
Related tax	(13,476)	-	-	(13,476)	-	-
	82,732	-	-	82,732	-	-
Total of items that will never be reclassified to profit or loss	50,563	-	-	50,563	-	-
Items that are or may be reclassified to profit or loss						
Movement in fair value reserves	19,305	32,206	-40%	-	1,593	100%
Movement in hedge reserves	53,779	(29,988)	-279%	(2,785)	36,481	-108%
Related tax	(50,907)	-	-	(50,907)	-	-
	2,872	(29,988)	-110%	(53,693)	36,481	-110%
Total of items that are or may be reclassified to profit or loss	22,176	2,218	900%	(53,693)	38,075	-241%
Total comprehensive income, net of tax	72,740	2,218	3180%	(3,129)	38,075	-108%
Total comprehensive income for the period	4,243,422	962,718	341%	3,987,155	67,077	5844%
Basic earnings per share (Rs.)	0.79	0.18		0.76	0.01	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 2020

	Stated Capital	Statutory Reserve	Revaluation Reserve	Cash flow Hedge Reserve	Fair Value Reserve	Retained Earnings	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 01 April 2019	7,880,000	3,189,298	241,528	(39,059)	(21,756)	11,516,579	22,766,588
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	960,500	960,500
Other comprehensive income, net of income tax							
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	32,206	-	32,206
Net movement of cashflow hedges	-	-	-	(29,988)	-	-	(29,988)
Total other comprehensive income for the period	-	-	-	(29,988)	32,206	-	2,218
Total comprehensive income for the period	-	-	-	(29,988)	32,206	960,500	962,718
Balance as at 31 December 2019	7,880,000	3,189,298	241,528	(69,047)	10,449	12,477,079	23,729,306
Balance as at 01 January 2020	7,880,000	3,189,298	241,528	(69,047)	10,449	12,477,079	23,729,306
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,819,184	2,819,184
Other comprehensive income, net of income tax							
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	(134,583)	(134,583)
Revaluation gain on fair value through OCI investments	-	-	-	-	11,029	-	11,029
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	(9,522)	-	(9,522)
Net movement of cashflow hedges	-	-	-	(8,262)	-	-	(8,262)
Total other comprehensive income for the period	-	-	-	(8,262)	1,507	(134,583)	(141,338)
Total comprehensive income for the period	-	-	-	(8,262)	1,507	2,684,601	2,677,846
Transactions recorded directly in equity							
Shares issued during the year	4,882,500	-	-	-	-	-	4,882,500
Transfer to Statutory Reserve Fund	-	188,984	-	-	-	(188,984)	-
Total transactions recorded directly in equity	4,882,500	188,984	-	-	-	(188,984)	4,882,500
Balance as at 31 March 2020	12,762,500	3,378,282	241,528	(77,310)	11,957	14,972,696	31,289,653
Balance as at 01 April 2020	12,762,500	3,378,282	241,528	(77,310)	11,957	14,972,696	31,289,653
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,170,682	4,170,682
Other comprehensive income, net of income tax							
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	(32,168)	(32,168)
Revaluation gain on property, plant and equipment	-	-	82,732	-	-	-	82,732
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	19,305	-	19,305
Net movement of cashflow hedges	-	-	-	2,872	-	-	2,872
Total other comprehensive income for the period	-	-	82,732	2,872	19,305	(32,168)	72,740
Total comprehensive income for the period	-	-	82,732	2,872	19,305	4,138,514	4,243,422
Balance as at 31 December 2020	12,762,500	3,378,282	324,259	(74,438)	31,261	19,111,210	35,533,075

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the nine months ended 31st December 2020

	2020 Rs '000	2019 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	4,393,280	1,334,028
Adjustments for:		
Depreciation	110,017	150,156
(Profit)/Loss on Sales of PPE/ Investment properties	68,453	(12,870)
Change in fair value of derivatives - forward contracts	53,696	94,183
Change in fair value of Trading Gold Stock	(42,650)	(8,521)
Provision for fall / (increase) in value of investments	(27,250)	(900)
Change in fair value of investment property	(3,281,337)	-
Impairment provision for the period	6,558,388	1,500,950
Provision for defined benefit plans	56,727	-
Investment income	(1,455,141)	(1,694,282)
Finance costs	9,874,301	14,746,877
Operating profit / (loss) before working capital changes	16,308,484	16,109,621
Change in other receivables	(78,148)	(295,418)
Change in Inventories	4,646	1,426
Change in trade and other payables	2,417,840	4,331,644
Change in amounts due to/ due from related parties	1,418,866	19,203
Change in lease receivables	(4,716,180)	167,837
Change in loans and advances	12,540,282	(1,626,085)
Change in factoring receivables	3,995,625	690,448
Change in margin trading advances	1,768	-
Change in fixed deposits from customers	(476,281)	(10,655,024)
Change in savings deposits from customers	4,843,002	114,932
Cash generated from / (used in) operations	36,259,903	8,858,585
Finance cost paid on deposits	(7,877,453)	(9,318,144)
Gratuity paid	(9,779)	(4,539)
Income tax paid	(332,410)	(861,164)
Net cash from / (used in) operating activities	28,040,261	(1,325,262)
Cash flows from / (used in) investing activities		
Acquisition of Property, Plant & Equipment & Investment property	(199,286)	(1,076,795)
Proceeds from disposal of PPE/ Investment properties	233,535	74,000
Net proceeds from investments in term deposits	12,963,687	4,864,594
Net proceeds from investments in government securities	(9,304,907)	5,881,089
Net Proceeds from investments in Debenture	-	308,446
Net proceeds from Investments in unit trust	1,636,604	198,935
Interest received	1,455,141	1,694,282
Net cash flows used in investing activities	6,784,774	11,944,551
Cash flows from / (used in) financing activities		
Proceeds from issuance of new shares (Right issue)	-	4,882,500
Net proceeds from interest bearing loans & borrowings	(26,921,758)	(9,580,849)
Lease rentals paid - principal	(80,322)	(149,790)
Finance cost paid on borrowings	(2,490,138)	(4,470,409)
Net cash flows from / (used in) financing activities	(29,492,218)	(9,318,548)
Net increase / (decrease) in cash and cash equivalents	5,332,816	1,300,740
Cash and cash equivalents at the beginning of the year	7,050,360	15,293,042
Cash and cash equivalents at the end of the period	12,383,176	16,593,782
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	13,672,354	21,484,084
Bank overdraft	(1,289,178)	(4,890,302)
	12,383,176	16,593,782

LOLC Finance PLC

OPERATING SEGMENTS

For the nine months ended 31st December 2020

	SME Finance Rs '000	Development Finance Rs '000	Alternative Financial Services Rs '000	Total Rs '000
For the nine months ended 31st December 2020				
Total revenue	18,877,523	13,616,530	1,916,531	34,410,585
Inter-segmental revenue	-	-	-	-
External revenue	18,877,523	13,616,530	1,916,531	34,410,585
Net interest cost	(5,250,326)	(3,885,154)	(738,820)	(9,874,301)
Profit before operating expenses	13,627,197	9,731,376	1,177,711	24,536,284
Operating expenses	(4,010,018)	(2,967,347)	(618,720)	(7,596,085)
Allowance for impairment & write-offs	(5,480,782)	(5,939,528)	(241,249)	(11,661,560)
Value added tax on financial services	(673,169)	(123,675)	(88,516)	(885,360)
Profit before income tax	3,463,227	700,826	229,226	4,393,280
For the nine months ended 31st December 2019				
Total revenue	12,933,302	13,779,967	2,008,650	28,721,918
Inter-segmental revenue	-	-	-	-
External revenue	12,933,302	13,779,967	2,008,650	28,721,918
Net interest cost	(8,798,130)	(5,119,283)	(829,464)	(14,746,877)
Profit before operating expenses	4,135,171	8,660,684	1,179,186	13,975,041
Operating expenses	(4,573,650)	(2,661,225)	(563,626)	(7,798,502)
Allowance for impairment & write-offs	(2,620,762)	(2,620,015)	(276,451)	(5,517,228)
Value added tax on financial services	(64,468)	(506,917)	(86,212)	(657,597)
Profit before income tax	(3,123,710)	2,872,527	252,897	1,714
As at 31.12.2020				
Total assets	106,661,861	54,333,822	15,899,801	176,895,484
Total liabilities	73,890,219	54,333,822	13,138,369	141,362,409
As at 31.03.2020				
Total assets	124,662,951	51,287,023	15,938,371	191,888,346
Total liabilities	95,977,607	51,287,023	13,334,063	160,598,693

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2020

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 financials for the year 2019/20 are followed in the preparation of these Interim Financial Statements.
- Accounting policies and method of computation as stated in the audited financial statements for the year 2018/19 are followed in the preparation of these Interim Financial Statements except for the accounting policies and methods of computation adopted to be compliant with SLFRS 16 - Leases, which became effective from 01 January 2019.

Impact of Covid 19 Pandemic

The COVID 19 lockdown affected the collections thereby increasing the NPL position of the company. With the return of normalcy, the company has seen positive trends in interactions with the clients in both new business and collections.

The Government and Central Bank of Sri Lanka has issued several guidelines and directions to support the affected borrowers due to COVID-19 which includes moratorium on advances granted to certain businesses and individuals. The Company has granted moratorium for such clients. The quarterly financials reflect the impact of minimal business operations during the lockdown period, due to COVID-19 pandemic.

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 2020 are as follows:

	Rs'
Last traded price	3.60
Highest Price	4.10
Lowest Price	3.20

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	Semi-annually	14.75%	14.75%	14.84%	6.63%
Type B - 5 Years Tenor	At maturity	20.13%	20.13%	20.13%	6.63%

- Market prices & issue prices of debentures recorded during the quarter ended 31st December 2020 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. 101.19	Rs. 101.19	Rs. 101.19	17-Dec-19
Type B - 5 Years Tenor	Rs. 49.83	Not Traded	Not Traded	Not Traded	N/A

- Debt security related ratios

	As at 31.12.2020	As at 31.03.2020
Debt to equity ratio (With Deposits)	3.63 times	7.86 times
Quick asset ratio	0.89 times	0.94 times
Interest cover	1.44 times	1.34 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 2020

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 31st December 2020

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

						Rs. '000
Description	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost / Not measured at fair value	Total Carrying amount	Fair value	Fair value measurement level
Cash and cash equivalents	-	-	13,672,354	13,672,354	13,672,354	
Deposits with banks and other financial institutions	-	-	4,328,439	4,328,439	4,328,439	
Investment in government securities						
- Measured at fair value	-	14,186,812	-	14,186,812	14,186,812	Level 1
- Measured at amortized cost	-		5,928,243	5,928,243	5,928,243	
Derivative assets	398,879	-	-	398,879	398,879	Level 2
Investment securities	1,408,690	188,384	537	1,597,612	1,597,612	Level 1
Rentals receivable on leased assets	-	-	46,599,048	46,599,048	48,026,367	Level 2
Hire purchases, loans and advances	-	-	67,853,643	67,853,643	69,160,421	Level 2
Amount due from related companies	-	-	35,906	35,906	35,906	
Other financial assets	-	-	384,819	384,819	384,819	
Total financial assets	1,807,569	14,375,196	138,802,989	154,985,754	157,719,850	
Bank overdraft	-	-	1,289,178	1,289,178	1,289,178	
Interest bearing borrowings	-	-	24,874,110	24,874,110	26,542,995	Level 2
Deposits from customers	-	-	102,961,659	102,961,659	104,732,684	Level 2
Trade payables	-	-	907,511	907,511	907,511	
Accruals and other payables	-	-	5,692,635	5,692,635	5,692,635	
Derivative liabilities	58,303	-	-	58,303	58,303	Level 2
Amount due to related companies	-	-	2,245,737	2,245,737	2,245,737	
Total financial liabilities	58,303	-	137,970,829	138,029,132	141,469,043	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2020

Financial assets and liabilities (Cont.)

7.1 Accounting classifications and fair values

As at 31st March 2020

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	-	-	8,333,561	8,333,561	8,333,561	
Deposits with banks	-	-	17,282,277	17,282,277	17,282,277	
Investment in government securities						
- Measured at fair value	-	9,608,599	-	9,608,599	9,608,599	Level 1
- Measured at amortized cost	-	-	1,182,245	1,182,245	1,182,245	
Derivative assets	273,195	-	-	273,195	273,195	Level 2
Investment securities	2,769,277	188,384	537	2,958,199	2,958,199	Level 1
Rentals receivable on leased assets	-	-	43,842,381	43,842,381	45,449,584	Level 2
Hire purchases, loans and advances	-	-	87,112,949	87,112,949	85,874,401	Level 2
Factoring receivable	-	-	2,998,752	2,998,752	2,998,752	
Margin trading receivables	-	-	1,768	1,768	1,768	
Amount due from related companies	-	-	63,233	63,233	63,233	
Other financial assets	-	-	535,859	535,859	535,859	
Total financial assets	3,042,472	9,796,983	161,353,561	174,193,016	174,561,671	
Bank overdraft	-	-	1,283,201	1,283,201	1,283,201	
Interest bearing borrowings	-	-	51,558,593	51,558,593	52,511,891	Level 2
Deposits from customers	-	-	99,261,181	99,261,181	99,376,970	Level 2
Trade payables	-	-	1,048,944	1,048,944	1,048,944	
Accruals and other payables	-	-	3,256,333	3,256,333	3,256,333	
Derivative liabilities	114,349	-	-	114,349	114,349	Level 2
Amount due to related companies	-	-	854,198	854,198	854,198	
Total financial liabilities	114,349	-	157,262,450	157,376,799	158,445,885	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 2020

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

Regulatory Capital Adequacy		31.12.2020	31.03.2020	31.12.2019
- Total Tier I Core Capital	Rs. '000	26,265,353	26,265,353	25,219,520
- Total Capital Base	Rs. '000	28,405,913	29,061,713	28,983,056
- Core capital adequacy ratio (Minimum requirement 7%)		15.36%	13.25%	12.92%
- Total capital adequacy ratio (Minimum requirement 11%)		16.61%	14.66%	14.84%
Asset Quality Ratios		31.12.2020	31.03.2020	31.12.2019
- Net Non-Performing Advances Ratio		5.40%	5.64%	5.48%
Regulatory Liquidity		31.12.2020	31.03.2020	31.12.2019
- Available Liquid Assets	Rs. '000	22,371,489	15,796,485	20,339,624
- Required Liquid Assets	Rs. '000	6,295,225	11,734,217	12,848,655
- Liquid assets to Deposits ratio		21.73%	15.91%	19.22%

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 2020.

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 2020

12. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 31st December 2020 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 2020 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

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

As at 31st December 2020

Directors Name	No. of shares	%
Mr B.C.G. de Zylva (Non- Executive Chairman)	Nil	Nil
Mr F K C P N Dias Director / CEO	400,000	0.008%
Mrs K.U. Amarasinghe (Executive Director)	Nil	Nil
Mr A. Nissanka (Executive Director)	1,300,800	0.025%
Mrs D.P. Pieris (Senior Independent Director)	Nil	Nil
Mr P.A. Wijeratne (Independent Director)	5,000	0.00%
Mr K Sundararaj (Independent Director)	Nil	Nil

LOLC Finance PLC

TOP 20 SHAREHOLDERS

As at 31st December 2020

	Shareholder	No. of Shares	% of Issued Capital
1	LOLC Private Limited	2,614,934,919	49.81%
2	LOLC Holdings PLC	1,622,584,913	30.91%
	Hatton National Bank PLC / LOLC Holdings PLC	625,000,000	11.90%
	LOLC Holdings PLC A/C No.02	103,728,649	1.98%
3	Saakya Capital (Private) Ltd	137,455,320	2.62%
4	Satya Capital (Pvt) Ltd	52,000,000	0.99%
5	Dr R.R.De Silva	11,371,515	0.22%
6	National Savings Bank	3,628,769	0.07%
7	Hatton National Bank PLC / Subramaniam Vasudevan	2,797,936	0.05%
8	Mrs V. Saraswathi & Mr. S. Vasudevan	2,051,000	0.04%
9	Mr R.E. Rambukwella	1,798,522	0.03%
10	Dr A.R. Wikramanayake	1,688,500	0.03%
11	Merchant Bank of Sri Lanka & Finance PLC / S. Gobinath	1,500,000	0.03%
12	Hatton National Bank PLC / Sri Dhaman Rajendram Arudpragasam	1,311,283	0.02%
13	Bansei Securities Capital (Pvt) Ltd / A. Nissanka	1,300,800	0.02%
14	Mr. G.Wickremasinghe	1,050,000	0.02%
15	Miss. L.K. Gunatilake	1,012,500	0.02%
16	Hatton National Bank PLC / Sanka Ramoorthy Nadaraj Kumar	1,000,139	0.02%
17	Hatton National Bank PLC / Ravindra Erle Rambukwelle	990,000	0.02%
18	People's Leasing & Finance PLC / Mr. K.K. Shujeevan	972,471	0.02%
19	Bansei Securities Capital (Pvt) Ltd / M.I.Y. Dharmawardhana	700,000	0.01%
20	Patronus Wealth Private Ltd	670,000	0.01%
Total shares held by Top 20 Shareholders		5,189,547,236	98.85%

Public shareholding

Information pertaining to public shareholding as at 31st December 2020 is as follows:

	31-Dec-20	31-Mar-20
Public holding percentage	5.37%	5.37%
Number of public shareholders	3,368	3,036
Float Adjusted Market Capitalization	1,014,320,588	619,642,582

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.