



INTERIM FINANCIAL STATEMENTS

For the nine month ended

31st December 2018

LOLC FINANCE PLC

LOLC Finance PLC

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As at 31st December 2018

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 31st December 2018

	As at 31.12.2018 (Unaudited) Rs. '000	As at 31.03.2018 (Audited) Rs. '000
ASSETS		
Cash and bank balances	18,543,375	11,323,366
Deposits with banks and other financial institutions	21,319,605	26,346,552
Investment in government securities and others	12,331,566	10,871,768
Derivative assets	1,923,252	133,541
Rentals receivable on leased assets	45,670,852	43,605,124
Loans and advances	94,288,402	96,897,095
Factoring receivable	7,288,633	10,638,755
Margin trading receivables	217,880	175,570
Other receivables	1,152,054	1,122,496
Investment securities	1,915,619	1,965,299
Amount due from related companies	105,079	32,909
Inventories	6,445	9,078
Investment properties	6,604,701	6,278,187
Property plant and equipment	1,589,056	1,714,491
Total assets	212,956,520	211,114,232
LIABILITIES		
Bank overdraft	1,725,911	4,243,170
Interest bearing borrowings	66,071,812	70,490,432
Deposits from customers	116,289,533	110,027,420
Trade payables	2,080,959	1,593,496
Accruals and other payables	2,791,157	2,388,376
Derivative liabilities	3,511	482,464
Amount due to related companies	546,445	1,497,000
Current tax payable	1,437,228	813,718
Deferred tax liability	2,402,219	2,402,219
Defined benefit obligations	64,606	70,303
Total liabilities	193,413,381	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	6,416	(6,333)
Available for sale investment reserve	(63,270)	(7,166)
Retained earnings	9,481,741	7,000,882
Total equity	19,543,139	17,105,634
Total liabilities and equity	212,956,520	211,114,232
Net assets per share (Rs.)	4.65	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

29th Jan 2019
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 31st December 2018

	For the period ended			For the quarter ended		
	31.12.2018 (Unaudited) Rs '000	31.12.2017 (Unaudited) Rs '000	Variance %	31.12.2018 (Unaudited) Rs '000	31.12.2017 (Unaudited) Rs '000	Variance %
Interest income	30,392,364	16,229,105	87%	10,070,014	5,701,750	77%
Interest expense	(15,678,435)	(10,463,596)	-50%	(5,296,208)	(3,593,201)	-47%
Net interest income	14,713,929	5,765,509	155%	4,773,806	2,108,549	126%
Net other operating income	3,141,284	2,521,575	25%	1,085,292	897,805	21%
Total income	17,855,212	8,287,084	115%	5,859,098	3,006,354	95%
Operating expenses						
Direct expenses excluding interest cost	(1,316,019)	(1,314,014)	0%	(290,322)	(339,055)	14%
Allowance for impairment & write-offs	(4,940,512)	(2,107,326)	-134%	(2,062,078)	(1,081,778)	-91%
Personnel expenses	(2,571,840)	(1,149,075)	-124%	(877,076)	(394,927)	-122%
Depreciation	(120,486)	(131,490)	8%	(41,135)	(44,232)	7%
General & administration expenses	(4,875,782)	(2,139,759)	-128%	(1,756,753)	(790,168)	-122%
Profit from operations	4,030,572	1,445,421	179%	831,734	356,195	134%
Value added tax on financial services	(711,796)	(259,908)	-174%	(291,802)	(56,491)	-417%
Profit before income tax expense	3,318,777	1,185,512	180%	539,933	299,703	80%
Income tax expense	(837,918)	(281,394)	-198%	(143,199)	(16,259)	-781%
Profit for the period	2,480,859	904,119	174%	396,733	283,444	40%
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Available-for-sale financial assets-net change in fair value	(56,103)	138,722	-140%	(41,157)	(36,754)	12%
Gain / (loss) on cash flow hedges	12,749	(17,901)	171%	(12,118)	16,186	-175%
Total of items that are or may be reclassified to profit or loss	(43,354)	120,821	-136%	(53,275)	(20,568)	159%
Total comprehensive income	2,437,505	1,024,939	138%	343,458	262,876	31%
Basic earnings per share (Rs.)	0.59	0.32		0.09	0.07	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31st December 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	-	-	-	-	-	904,119	904,119
<i>Other comprehensive income, net of income tax</i>							
Net change in fair value of AFS investments	-	-	-	-	138,722	-	138,722
Net movement of cashflow hedges	-	-	-	(17,901)	-	-	(17,901)
Total other comprehensive income for the period	-	-	-	(17,901)	138,722	-	120,821
Total comprehensive income for the period	-	-	-	(17,901)	138,722	904,119	1,024,939
Balance as at 31 December 2017	2,000,000	1,556,439	206,230	(3,664)	23,237	8,268,955	12,051,196
Balance as at 01 January 2018	2,000,000	1,556,439	206,230	(3,664)	23,237	8,268,955	12,051,196
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	1,297,308	1,297,308
<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	-	-	-	-	(30,380)	-	(30,380)
Net movement of cashflow hedges	-	-	-	(1,287)	-	-	(1,287)
Total other comprehensive income for the period	-	-	-	(1,287)	(30,380)	(1,879)	(33,546)
Total comprehensive income for the period	-	-	-	(1,287)	(30,380)	1,295,429	1,263,762
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	-	-	-	-	-	2,480,859	2,480,859
<i>Other comprehensive income, net of income tax</i>							
Net change in fair value of AFS investments	-	-	-	-	(56,103)	-	(56,103)
Net movement of cashflow hedges	-	-	-	12,749	-	-	12,749
Total other comprehensive income for the period	-	-	-	12,749	(56,103)	-	(43,354)
Total comprehensive income for the period	-	-	-	12,749	(56,103)	2,480,859	2,437,505
Balance as at 31 December 2018	7,880,000	1,996,724	241,528	6,416	(63,270)	9,481,741	19,543,139

LOLC Finance PLC

OPERATING SEGMENTS

For the nine months ended 31st December 2018

	Conventional Financial Services Rs '000	Islamic Financial Services Rs '000	Factoring Business Rs '000	Others/ Adjustments Rs '000	Total Rs '000
For the nine months ended 31st December 2018					
Total revenue	29,847,083	2,096,895	1,589,670	-	33,533,647
Inter-segmental revenue	-	-	-	-	-
External revenue	29,847,083	2,096,895	1,589,670	-	33,533,647
Net interest cost	(13,964,268)	(994,981)	(719,185)	-	(15,678,435)
Profit before operating expenses	15,882,814	1,101,913	870,485	-	17,855,212
Operating expenses	(8,453,951)	(430,177)	-	-	(8,884,128)
Allowance for impairment & write-offs	(3,550,872)	(298,103)	(1,091,537)	-	(4,940,512)
Value added tax on financial services	(638,448)	(73,347)	-	-	(711,796)
Profit before income tax	3,239,543	300,286	(221,053)	-	3,318,777
For the nine months ended 31st December 2017					
Total revenue	13,893,819	1,892,375	2,964,486	-	18,750,680
Inter-segmental revenue	-	-	-	-	-
External revenue	13,893,819	1,892,375	2,964,486	-	18,750,680
Net interest cost	(8,596,083)	(951,931)	(915,582)	-	(10,463,596)
Profit before operating expenses	5,297,735	940,444	2,048,905	-	8,287,084
Operating expenses	(3,736,044)	(419,929)	(578,365)	-	(4,734,338)
Allowance for impairment & write-offs	(1,139,425)	(112,570)	(855,330)	-	(2,107,326)
Value added tax on financial services	(100,346)	(54,977)	(104,586)	-	(259,908)
Profit before income tax	321,921	352,968	510,624	-	1,185,512
As at 31.12.2018					
Total assets	193,267,433	12,707,736	7,288,633	(307,282)	212,956,520
Total liabilities	175,964,045	10,467,984	7,288,633	(307,282)	193,413,381
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

STATEMENT OF CASH FLOWS

For the nine months ended 31st December 2018

	2018 Rs '000	2017 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	3,318,777	1,185,512
Adjustments for:		
Depreciation	120,486	131,490
(Profit)/Loss on Sales of PPE/ Investment properties	(5,075)	-
Change in fair value of derivatives - forward contracts	(972,183)	101,315
Provision for fall / (increase) in value of investments	900	(18,525)
Impairment provision for the period	1,779,453	1,106,668
Investment income	(1,728,326)	(1,511,683)
Finance costs	15,678,435	10,463,596
Operating profit / (loss) before working capital changes	18,192,467	11,458,373
Change in other receivables	(1,326,040)	117,540
Change in Inventories	2,633	-
Change in trade and other payables	900,545	256,235
Change in amounts due to/ due from related parties	(1,022,725)	187,519
Change in factoring receivables	2,427,912	3,427,848
Change in lease receivables	(2,314,180)	(4,310,246)
Change in hire purchase, loans and advances	1,999,901	(4,035,372)
Change in margin trading advances	(42,310)	(129,447)
Change in fixed deposits from customers	2,729,442	17,921,252
Change in savings deposits from customers	3,731,463	5,506,112
Cash generated from / (used in) operations	25,279,109	30,399,814
Finance cost paid on deposits	(10,623,620)	(8,572,163)
Gratuity paid	(5,697)	(471)
Income tax paid	(214,408)	(148,431)
Net cash from / (used in) operating activities	14,435,385	21,678,749
Cash flows from / (used in) investing activities		
Acquisition of Property, Plant & Equipment & Investment property	(343,407)	(2,947,418)
Proceeds from disposal of PPE/ Investment properties	16,618	(4,566,438)
Net proceeds from investments in term deposits	1,704,759	-
Net proceeds from Investments in unit trust	48,780	(9,013,169)
Net proceeds from investments in government securities	1,806,286	6,345,541
Interest received	1,728,326	1,511,683
Net cash flows used in investing activities	4,961,360	(8,669,800)
Cash flows from / (used in) financing activities		
Net proceeds from interest bearing loans & borrowings	(6,649,468)	(7,796,117)
Proceeds from issue of debentures	2,500,000	-
Lease rentals paid - principal	(215,278)	(411,075)
Finance cost paid on borrowings	(5,294,734)	(1,118,623)
Net cash flows from / (used in) financing activities	(9,659,479)	(9,325,815)
Net increase / (decrease) in cash and cash equivalents	9,737,266	3,683,134
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	16,817,464	6,213,929
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	18,543,375	9,845,394
Bank overdraft	(1,725,911)	(3,631,465)
	16,817,464	6,213,929

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 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 31st December 2018 are as follows:

	Rs'
Market price as at 31st December 2018	3.40
Highest Price	3.90
Lowest Price	3.40

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%	11.56%
Type B - 5 Years Tenor	Semi Annual	9.10%	9.10%	9.10%	11.56%
Type C - 5 Years Tenor	Annually	9.25%	9.25%	9.25%	11.56%
Type A - 5 Years Tenor	Semi-annual	14.75%	14.75%	14.75%	11.56%
Type B - 5 Years Tenor	At maturity	20.13%	20.13%	20.13%	11.56%

- Market prices & issue prices of debentures recorded during the quarter ended 31st December 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 31.12.2018	As at 31.03.2018
Debt to equity ratio (With Deposits)	9.42 times	10.8 times
Quick asset ratio	0.92 times	0.88 times
Interest cover	1.21 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 31st December 2018

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 31st December 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	Rs. '000	
					Total Carrying amount	Fair value measurement level
Cash and cash equivalents	-	-	-	18,543,375	18,543,375	18,543,375
Deposits with banks	-	-	-	21,319,605	21,319,605	21,319,605
Investment in government securities & Others						
- Measured at fair value	-	-	7,701,434	-	7,701,434	7,701,434 Level 1
- Measured at amortized cost	-	-	-	4,630,132	4,630,132	4,630,132
Derivative assets	1,923,252	-	-	-	1,923,252	1,923,252 Level 2
Investment securities	-	1,695,307	-	220,312	1,915,619	1,915,619 Level 1
Rentals receivable on leased assets	-	-	-	45,670,852	45,670,852	47,020,313 Level 2
Hire purchases, loans and advances	-	-	-	94,288,402	94,288,402	93,614,382 Level 2
Factoring receivable	-	-	-	7,288,633	7,288,633	7,288,633
Margin trading receivables	-	-	-	217,880	217,880	217,880
Amount due from related companies	-	-	-	105,079	105,079	105,079
Other financial assets	-	-	-	584,738	584,738	584,738
Total financial assets	1,923,252	1,695,307	7,701,434	192,869,009	204,189,001	204,864,443
Bank overdraft	-	-	-	1,725,911	1,725,911	1,725,911
Interest bearing borrowings	-	-	-	66,071,812	66,071,812	66,604,968 Level 2
Deposits from customers	-	-	-	116,289,533	116,289,533	116,944,101 Level 2
Trade payables	-	-	-	2,080,959	2,080,959	2,080,959
Accruals and other payables	-	-	-	2,702,640	2,702,640	2,702,640
Derivative liabilities	3,511	-	-	-	3,511	3,511 Level 2
Amount due to related companies	-	-	-	546,445	546,445	546,445
Total financial liabilities	3,511	-	-	189,417,300	189,420,810	190,608,534

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 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	Rs. '000	
						Fair value	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	-	-	4,381,048	-	4,381,048	4,381,048	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	4,381,048	196,260,594	202,520,169	203,320,309	
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	

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

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st December 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	31.12.2018	31.03.2018	31.12.2017
- Total Tier I Core Capital Rs. '000	16,864,106	16,864,106	11,540,325
- Total Capital Base Rs. '000	22,148,386	18,445,618	13,912,593
- Core capital adequacy ratio (Minimum requirement 6%)	9.09%	10.15%	10.17%
- Total capital adequacy ratio (Minimum requirement 10%)	11.94%	11.10%	12.27%
Asset Quality Ratios	31.12.2018	31.03.2018	31.12.2017
- Gross Non-Performing Advances Ratio	7.30%	3.87%	5.99%
- Net Non-Performing Advances Ratio	3.35%	1.12%	1.40%
Regulatory Liquidity	31.12.2018	31.03.2018	31.12.2017
- Available Liquid Assets Rs. '000	16,662,932	26,016,200	23,552,264
- Required Liquid Assets Rs. '000	13,728,527	16,947,163	11,959,450
- Liquid assets to Deposits ratio	14.33%	23.65%	22.56%

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.

LOLC Finance PLC

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

As at 31st December 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 31st December 2018

	Shareholder	No. of Shares	% of Issued Capital
1	Lanka ORIX Leasing Company PLC	3,919,921,531	93.33%
2	Saakya Capital (Private) 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 Ltd	4,355,327	0.10%
8	Deutsche Bank Ag As Trustee To Astrue Alpha Fund	2,963,945	0.07%
9	Mr D.Kotti-Ioff	2,500,000	0.07%
10	Dr A R Wikramanayake	1,688,500	0.04%
11	Commercial Bank Of Ceylon Plc/S V Somasunderam	1,500,000	0.04%
12	Hatton National Bank Plc/Capital Trust Holdings Limited	1,307,738	0.03%
13	Bansei Securities Capital (Pvt) Ltd/A Nissanka	1,300,800	0.03%
14	Mr L.A.J.F.Morais	1,191,128	0.02%
15	People's Leasing & Finance Plc/Mr M I Samsudeen	1,128,259	0.02%
16	Mr R E Rambukwella	977,443	0.02%
17	R C Wijesena	975,000	0.02%
18	Dialog Finance Plc/R Collom	843,303	0.02%
19	Hatton National Bank Plc/Sanka Ramoorthy Nadaraj Kumar	827,776	0.02%
20	People'S Leasing & Finance Plc/Hi Line Trading (Pvt) Ltd	822,556	0.02%
Total shares held by Top 20 Shareholders		4,158,530,740	99.01%

Public shareholding

Information pertaining to public shareholding as at 31st December 2018 is as follows:

	31-Dec-18	31-Dec-17
Public holding percentage	6.63%	9.88%
Number of public shareholders	2,686	2,810
Float Adjusted Market Capitalization	946,415,565	1,023,568,000

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.