



INTERIM FINANCIAL STATEMENTS

For the three month ended

30th June 2019

LOLC FINANCE PLC

LOLC Finance PLC

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As at 30th June 2019

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th June 2019

	As at 30.06.2019 (Unaudited) Rs. '000	As at 31.03.2019 (Audited) Rs. '000
ASSETS		
Cash and bank balances	25,452,019	17,535,538
Deposits with banks and other financial institutions	20,946,549	21,637,176
Investment in government securities and others	14,084,564	18,150,996
Derivative assets	123,910	568,530
Financial assets at amortized cost		
Rentals receivable on leased assets	41,905,023	42,941,837
Loans and advances	86,752,008	88,995,842
Factoring receivable	5,527,591	4,253,668
Investment securities	2,882,974	2,809,229
Other receivables	1,045,293	5,569
Amount due from related companies	109,577	937,941
Inventories	5,535	4,811
Intangible assets	7,722	-
Investment properties	12,204,628	11,635,211
Property plant and equipment	1,516,715	1,559,025
Total assets	212,564,107	211,035,373
LIABILITIES		
Bank overdraft	3,637,753	2,242,496
Interest bearing borrowings	55,924,205	61,086,897
Deposits from customers	117,626,631	115,365,141
Trade payables	2,253,604	1,161,094
Accruals and other payables	4,136,701	3,072,454
Derivative liabilities	508,604	661,931
Amount due to related companies	786,038	817,644
Current tax payable	1,806,476	1,501,293
Deferred tax liability	2,272,773	2,272,773
Defined benefit obligations	86,514	87,061
Total liabilities	189,039,300	188,268,784
EQUITY		
Stated capital	7,880,000	7,880,000
Statutory reserve	3,189,298	3,189,298
Revaluation reserve	241,528	241,528
Cash flow hedge reserve	(113,514)	(39,059)
Fair Value Reserve	18,365	(21,756)
Retained earnings	12,309,131	11,516,579
Total equity	23,524,807	22,766,588
Total liabilities and equity	212,564,107	211,035,373
Net asset value per share (Rs.)	5.60	5.42

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 - Deputy Chairman / CEO

Sgd.

(Mr.) Ashan Nissanka - Executive Director

24th July 2019
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30th June 2019

	For the three month ended		
	30.06.2019 (Unaudited) Rs '000	30.06.2018 (Unaudited) Rs '000	Variance %
Interest income	9,589,791	10,668,429	-10%
Interest expense	(5,374,337)	(5,098,632)	-5%
Net interest income	4,215,454	5,569,797	-24%
Net other operating income	260,228	468,828	-44%
Total income	4,475,682	6,038,625	-26%
Operating expenses			
Direct expenses excluding interest cost	(184,458)	(497,792)	63%
Allowance for impairment & write-offs	(483,851)	(1,835,046)	74%
Personnel expenses	(788,256)	(851,753)	7%
Depreciation	(45,231)	(41,008)	-10%
General & administration expenses	(1,476,150)	(1,522,190)	3%
Profit from operations	1,497,736	1,290,834	16%
Value added tax on financial services	(380,000)	(108,756)	-249%
Profit before income tax expense	1,117,736	1,182,078	-5%
Income tax expense	(325,184)	(330,982)	2%
Profit for the period	792,552	851,096	-7%
Items that are or may be reclassified to profit or loss			
Movement in fair value reserves	40,121	(16,238)	-347%
	40,121	(16,238)	-347%
Movement in hedge reserves	(74,455)	(47,185)	58%
	(74,455)	(47,185)	58%
Total of items that are or may be reclassified to profit or loss	(34,333)	(63,423)	-46%
Total comprehensive income, net of tax	(34,333)	(63,423)	-46%
Total comprehensive income for the period	758,219	787,673	
Profit for the period attributable to;			
Equity holders of the Company			
Non-controlling interests			
Profit for the period			
Total comprehensive income attributable to;			
Equity holders of the Company			
Non-controlling interests			
Total comprehensive income for the period			
Basic earnings per share (Rs.)	0.19	0.19	

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the three months ended 30th June 2019

	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
Balance as at 01 April 2018	7,880,000	1,996,724	241,528	(6,333)	(7,166)	6,749,235	16,853,987
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	851,096	851,096
<i>Other comprehensive income, net of income tax</i>							
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	-	(16,237.84)	(16,238)
Net movement of cashflow hedges	-	-	-	(47,185)	-	-	(47,185)
Total other comprehensive income for the period	-	-	-	(47,185)	(16,238)	-	(63,423)
Total comprehensive income for the period	-	-	-	(47,185)	(16,238)	851,096	787,673
Total transactions recorded directly in equity	-	-	-	-	-	-	-
Balance as at 30 June 2018	7,880,000	1,996,724	241,528	(53,518)	(23,404)	7,600,331	17,641,660
Balance as at 01 July 2018	7,880,000	1,996,724	241,528	(53,518)	(23,404)	7,600,331	17,641,660
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	5,111,772	5,111,772
<i>Other comprehensive income, net of income tax</i>							
Remeasurements of defined benefit liability - gain / (loss)	-	-	-	-	-	(2,950)	(2,950)
Revaluation gain on fair value through OCI investments	-	-	-	-	20,232	-	20,232
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	(18,584)	-	(18,584)
Net movement of cashflow hedges	-	-	-	14,459	-	-	14,459
Total other comprehensive income for the period	-	-	-	14,459	1,648	(2,950)	13,156
Total comprehensive income for the period	-	-	-	14,459	1,648	5,108,822	5,124,928
Transactions recorded directly in equity							
Transfer to Statutory Reserve Fund	-	1,192,574	-	-	-	(1,192,574)	-
Total transactions recorded directly in equity	-	1,192,574	-	-	-	(1,192,574)	-
Balance as at 31 March 2019	7,880,000	3,189,298	241,528	(39,059)	(21,756)	11,516,579	22,766,588
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	-	-	-	-	-	792,552	792,552
<i>Other comprehensive income, net of income tax</i>							
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	-	40,121.39	40,121
Net movement of cashflow hedges	-	-	-	(74,455)	-	-	(74,455)
Total other comprehensive income for the period	-	-	-	(74,455)	40,121	-	(34,333)
Total comprehensive income for the period	-	-	-	(74,455)	40,121	792,552	758,219
Balance as at 30 June 2019	7,880,000	3,189,298	241,528	(113,514)	18,365	12,309,131	23,524,807

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the three months ended 30th June 2019

	2019 Rs '000	2018 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	1,117,736	1,182,078
Adjustments for:		
Depreciation	45,231	41,008
Change in fair value of derivatives - forward contracts	291,292	212,938
Provision for fall / (increase) in value of investments	(1,600)	400
Impairment provision for the period	(551,333)	1,126,539
Investment income	(672,102)	(531,516)
Finance costs	5,374,337	5,098,632
Operating profit / (loss) before working capital changes	5,603,562	7,130,080
Change in other receivables	(107,744)	(74,895)
Change in Inventories	(724)	-
Change in trade and other payables	2,157,008	1,816,680
Change in amounts due to/ due from related parties	(135,472)	(728,892)
Change in factoring receivables	(65,822)	1,777,991
Change in lease receivables	653,796	(942,797)
Change in loans and advances	1,970,084	(2,432,344)
Change in margin trading advances	-	(16,016)
Change in fixed deposits from customers	1,466,229	4,537,276
Change in savings deposits from customers	609,101	(120,425)
Cash generated from / (used in) operations	12,150,019	10,946,658
Finance cost paid on deposits	(3,497,678)	(3,473,283)
Gratuity paid	(547)	(926)
Income tax paid	(20,000)	(30,000)
Net cash from / (used in) operating activities	8,631,793	7,442,449
Cash flows from / (used in) investing activities		
Acquisition of Property, Plant & Equipment & Investment property	(580,060)	(99,068)
Net proceeds from investments in term deposits	(1,645,773)	(377,905)
Net Proceeds from investments in Debenture	(9,925)	-
Net proceeds from Investments in unit trust	(62,220)	1,579,992
Net proceeds from investments in government securities	6,442,953	1,438,584
Interest received	672,102	531,516
Net cash flows used in investing activities	4,817,077	3,073,119
Cash flows from / (used in) financing activities		
Net proceeds from interest bearing loans & borrowings	(5,309,749)	(8,584,983)
Lease rentals paid - principal	(57,599)	(85,686)
Finance cost paid on borrowings	(1,560,299)	(1,617,721)
Net cash flows from / (used in) financing activities	(6,927,647)	(10,288,390)
Net increase / (decrease) in cash and cash equivalents	6,521,223	227,178
Addition on merger with subsidiary	-	-
Cash and cash equivalents at the beginning of the year	15,293,042	7,080,196
Cash and cash equivalents at the end of the period	21,814,267	7,307,374
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	25,452,019	13,969,383
Bank overdraft	(3,637,753)	(6,662,009)
	21,814,267	7,307,374

LOLC Finance PLC

OPERATING SEGMENTS

For the three months ended 30th June 2019

	Conventional Financial Services Rs '000	Islamic Financial Services Rs '000	Factoring Business Rs '000	Others/ Adjustments Rs '000	Total Rs '000
For the three months ended 30th June 2019					
Total revenue	8,881,436	661,349	307,234	-	9,850,019
Inter-segmental revenue	-	-	-	-	-
External revenue	8,881,436	661,349	307,234	-	9,850,019
Net interest cost	(5,026,208)	(286,436)	(61,693)	-	(5,374,337)
Profit before operating expenses	3,855,228	374,913	245,541	-	4,475,682
Operating expenses	(2,365,130)	(128,965)	-	-	(2,494,095)
Allowance for impairment & write-offs	(251,986)	(121,599)	(110,265)	-	(483,851)
Value added tax on financial services	(327,320)	(29,683)	(22,997)	-	(380,000)
Profit before income tax	910,792	94,665	112,278	-	1,117,736
For the three months ended 30th June 2018					
Total revenue	9,835,677	703,610	597,970	-	11,137,257
Inter-segmental revenue	-	-	-	-	-
External revenue	9,835,677	703,610	597,970	-	11,137,257
Net interest cost	(4,414,976)	(342,271)	(341,385)	-	(5,098,632)
Profit before operating expenses	5,420,701	361,339	256,585	-	6,038,625
Operating expenses	(2,772,996)	(139,749)	-	-	(2,912,744)
Allowance for impairment & write-offs	(1,463,330)	(99,394)	(272,323)	-	(1,835,046)
Value added tax on financial services	(84,892)	(23,864)	-	-	(108,756)
Profit before income tax	1,099,484	98,332	(15,738)	-	1,182,078
As at 30.06.2019					
Total assets	194,542,880	13,454,605	5,527,591	(960,969)	212,564,107
Total liabilities	173,505,159	10,967,520	5,527,591	(960,969)	189,039,300
As at 31.03.2019					
Total assets	192,598,904	14,631,612	4,253,668	(448,811)	211,035,373
Total liabilities	171,915,826	12,548,101	4,253,668	(448,811)	188,268,784

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th June 2019

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 2018/19 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.

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 June 2019 are as follows:

	Rs'
Last traded price	3.80
Highest Price	4.10
Lowest Price	2.80

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
Type A - 5 Years Tenor	Quarterly	9.00%	9.91%	11.43%	11.56%
Type B - 5 Years Tenor	Semi Annually	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-annually	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 30th June 2019 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	Not Traded	Not Traded	Not Traded	N/A
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 30.06.2019	As at 31.03.2019
Debt to equity ratio (With Deposits)	7.53 times	7.86 times
Quick asset ratio	0.86 times	0.94 times
Interest cover	1.21 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 30th June 2019

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 30th June 2019

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	Fair value	Rs. '000
						Fair value measurement level
Cash and cash equivalents	-	-	25,452,019	25,452,019	25,452,019	
Deposits with banks and other financial institutions	-	-	20,946,549	20,946,549	20,946,549	
Investment in government securities						
- Measured at fair value	-	6,828,853	-	6,828,853	6,828,853	Level 1
- Measured at amortized cost	-	-	8,255,711	8,255,711	8,255,711	
Derivative assets	123,910	-	-	123,910	123,910	Level 2
Investment securities	2,158,393	-	406,210	2,564,603	2,564,603	Level 1
Rentals receivable on leased assets	-	-	41,905,023	41,905,023	43,502,652	Level 2
Hire purchases, loans and advances	-	-	86,752,008	86,752,008	88,156,325	Level 2
Factoring receivable	-	-	5,527,591	5,527,591	5,527,591	
Amount due from related companies	-	-	109,577	109,577	109,577	
Other financial assets	-	-	543,448	543,448	543,448	
Total financial assets	2,282,304	6,828,853	189,898,134	199,009,291	202,011,237	
Bank overdraft	-	-	3,637,753	3,637,753	3,637,753	
Interest bearing borrowings	-	-	55,924,205	55,924,205	56,452,667	Level 2
Deposits from customers	-	-	117,626,631	117,626,631	117,638,707	Level 2
Trade payables	-	-	2,253,604	2,253,604	2,253,604	
Accruals and other payables	-	-	4,022,297	4,022,297	4,022,297	
Derivative liabilities	508,604	-	-	508,604	508,604	Level 2
Amount due to related companies	-	-	786,038	786,038	786,038	
Total financial liabilities	508,604	-	184,250,529	184,759,134	185,299,672	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th June 2019

Financial assets and liabilities (Cont.)

7.1 Accounting classifications and fair values

As at 31st March 2019

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	-	-	-	96,897,095	96,897,095	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	196,237,172	202,496,748	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	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th June 2019

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

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

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 other than those disclosed in note 8.1

8.1 Rights Issue

The right issue approved by the shareholders will be concluded In July 2019 to comply with the Finance Business Act Direction No.03 of 2018 (Capital Adequacy Requirements). Its details are as follows,

The number of shares to be issued	: Voting :1,050,000,000
The proportion in which the shares are to be used	: Voting :One (01) new Ordinary Share for every Four (04) Ordinary Shares
The consideration for which the shares are to be issued (Rs.)	: Voting :4.65

9. Selected performance indicators

Regulatory Capital Adequacy		30.06.2019	31.03.2019	30.06.2018
- Total Tier I Core Capital	Rs. '000	20,337,020	20,337,020	16,864,106
- Total Capital Base	Rs. '000	24,583,746	24,568,596	18,445,618
- Core capital adequacy ratio (Minimum requirement 6%)		10.45%	10.22%	10.01%
- Total capital adequacy ratio (Minimum requirement 10%)		12.63%	12.34%	10.95%
Asset Quality Ratios		30.06.2019	31.03.2019	30.06.2018
- Gross Non-Performing Advances Ratio		7.46%	6.38%	5.62%
- Net Non-Performing Advances Ratio		3.64%	2.66%	2.51%
Regulatory Liquidity		30.06.2019	31.03.2019	30.06.2018
- Available Liquid Assets	Rs. '000	21,838,049	29,743,825	22,629,971
- Required Liquid Assets	Rs. '000	13,768,703	13,504,784	16,433,336
- Liquid assets to Deposits ratio		18.57%	25.78%	19.78%

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 2019.

11. Comparative information

Comparative figures have been re-stated/re-classified according to conform the current period presentation. The following line items of the Interim Financial Statements for the three month ended in June 2018 have been re-stated/re-classified due to the adoption of SLFRS 9.

	30.06.2018 (Re-Styled/ Re- classified) Rs '000	30.06.2018 (As Reported Previously) Rs '000
Interest income	10,668,429	10,136,913
Net interest income	5,569,797	5,038,281
Net other operating income	468,828	1,000,344
Allowance for impairment & write-offs	(1,835,046)	(1,298,831)
Profit from operations	1,290,834	1,827,050
Value added tax on financial services	(108,756)	(202,594)
Profit before income tax expense	1,182,078	1,624,456
Income tax expense	(330,982)	(357,380)
Profit for the period	851,096	1,267,075
Total comprehensive income for the period	787,673	1,203,653

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th June 2019

12. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 30th June 2019 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 Tarty/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 30th June 2019 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

LOLC Finance PLC

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

As at 30th June 2019

Directors Name	No. of shares	%
Mr B.C.G. de Zylva (Non- Executive Chairman)	Nil	Nil
Mr R.D. Tissera (Deputy Chairman) / CEO	Nil	Nil
Mr A. Nissanka (Executive Director)	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 June 2019

	Shareholder	No. of Shares	% of Issued Capital
1	LOLC Holdings Plc	2,884,921,531	68.69%
	Hatton National Bank Plc/LOLC Holdings Plc	900,000,000	21.43%
	LOLC Holdings Plc A/C No.02	135,000,000	3.21%
2	Saakya Capital (Private) Ltd	137,455,320	3.27%
3	Satya Capital (Pvt) Ltd	52,000,000	1.24%
4	Dr R.R.De Silva	11,371,515	0.27%
5	Capital Alliance Holdings Ltd	10,879,641	0.26%
6	Capital Trust Holdings LTD	4,759,441	0.11%
7	Hatton National Bank Plc- Astrue Alpha Fund	4,678,115	0.11%
8	National Savings Bank	4,444,541	0.11%
9	Dr A.R.Wikramanayake	1,688,500	0.04%
10	Commercial Bank Of Ceylon Plc/S V Somasunderam	1,500,000	0.04%
11	Mr D.Kotthoff	1,500,000	0.04%
12	Mr R.E. Rambukwella	1,407,000	0.03%
13	Hatton National Bank Plc/Capital Trust Holdings Limited	1,307,300	0.03%
14	Bansei Securities Capital (Pvt) Ltd/A Nissanka	1,300,800	0.03%
15	Mr L.A.J.F.Morais	1,236,128	0.03%
16	Mr G.Wickremasinghe	1,100,000	0.03%
17	Hatton National Bank Plc/Sanka Ramoorthy Nadaraj Kumar	1,004,526	0.02%
18	Dialog Finance Plc/R Collom	844,111	0.02%
19	Sezeka Limited	785,000	0.02%
20	Mr P.Tillakaratne	710,000	0.02%
Total shares held by Top 20 Shareholders		4,159,893,469	99.05%

Public shareholding

Information pertaining to public shareholding as at 30th June 2019 is as follows:

	30-Jun-19	30-Jun-18
Public holding percentage	6.63%	6.59%
Number of public shareholders	2,739	2,679
Float Adjusted Market Capitalization	1,057,758,572	968,704,342

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.