



INTERIM FINANCIAL STATEMENTS

for the six months ended

30th September 2019

LOLC FINANCE PLC

LOLC Finance PLC

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As at 30th September 2019

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th September 2019

	As at 30.09.2019 (Unaudited) Rs. '000	As at 31.03.2019 (Audited) Rs. '000
ASSETS		
Cash and bank balances	22,623,550	17,535,538
Deposits with banks and other financial institutions	16,546,575	21,637,176
Investment in government securities and others	12,732,070	18,150,996
Derivative assets	48,068	568,530
Financial assets at amortized cost		
Rentals receivable on leased assets	41,873,927	42,941,837
Loans and advances	87,619,213	88,995,842
Factoring receivable	5,209,288	4,253,668
Investment securities	2,672,170	2,809,229
Other receivables	1,234,922	5,569
Amount due from related companies	31,096	937,941
Inventories	4,930	4,811
Investment properties	12,707,997	11,635,211
Property plant and equipment	1,419,016	1,559,025
Intangible assets	7,321	-
Total assets	204,730,142	211,035,373
LIABILITIES		
Bank overdraft	2,955,631	2,242,496
Interest bearing borrowings	48,228,445	61,086,897
Deposits from customers	111,662,565	115,365,141
Trade payables	3,793,434	1,161,094
Accruals and other payables	3,362,865	3,072,454
Derivative liabilities	633,957	661,931
Amount due to related companies	1,411,811	817,644
Current tax payable	1,779,914	1,501,293
Deferred tax liability	2,272,773	2,272,773
Defined benefit obligations	84,017	87,061
Total liabilities	176,185,413	188,268,784
EQUITY		
Stated capital	12,762,500	7,880,000
Statutory reserve	3,189,298	3,189,298
Revaluation reserve	241,528	241,528
Cash flow hedge reserve	(105,529)	(39,059)
Fair Value Reserve	8,856	(21,756)
Retained earnings	12,448,076	11,516,579
Total equity	28,544,729	22,766,588
Total liabilities and equity	204,730,142	211,035,373
Net asset value per share (Rs.)	5.44	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

23rd October 2019
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September 2019

	for the six months ended			For the quarter ended		
	30.09.2019 (Unaudited) Rs '000	30.09.2018 (Unaudited) Rs '000	Variance %	30.09.2019 (Unaudited) Rs '000	30.09.2018 (Unaudited) Rs '000	Variance %
Interest income	19,164,633	21,460,465	-11%	9,574,842	10,792,035	-11%
Interest expense	(10,263,062)	(10,382,227)	1%	(4,888,725)	(5,283,594)	7%
Net interest income	8,901,571	11,078,238	-20%	4,686,117	5,508,441	-15%
Net other operating income	846,930	917,876	-8%	586,702	449,048	31%
Total income	9,748,501	11,996,114	-19%	5,272,820	5,957,489	-11%
Operating expenses						
Direct expenses excluding interest cost	(467,287)	(1,025,697)	54%	(282,829)	(527,906)	46%
Allowance for impairment & write-offs	(2,877,007)	(3,312,878)	13%	(2,393,156)	(1,477,831)	-62%
Personnel expenses	(1,431,385)	(1,694,764)	16%	(643,128)	(843,011)	24%
Depreciation	(96,672)	(79,351)	-22%	(51,441)	(38,342)	-34%
General & administration expenses	(3,015,961)	(3,119,029)	3%	(1,539,811)	(1,596,838)	4%
Profit from operations	1,860,190	2,764,395	-33%	362,454	1,473,561	-75%
Value added tax on financial services	(570,071)	(350,582)	-63%	(190,071)	(241,825)	21%
Profit before income tax expense	1,290,119	2,413,813	-47%	172,383	1,231,735	-86%
Income tax expense	(358,622)	(733,186)	51%	(33,438)	(402,204)	92%
Profit for the period	931,498	1,680,627	-45%	138,945	829,531	-83%
Items that are or may be reclassified to profit or loss						
Available-for-sale financial assets - net change in fair value	-	-	-	-	-	-
Movement in fair value reserves	30,612	(14,946)	-305%	(9,509)	1,292	836%
Net amount transferred to profit or loss	-	-	-	-	-	-
Related tax	-	-	-	-	-	-
	30,612	(14,946)	-305%	(9,509)	1,292	-836%
Movement in hedge reserves	(66,469)	24,867	-367%	7,986	72,052	-89%
Related tax	-	-	-	-	-	-
	(66,469)	24,867	-367%	7,986	72,052	-367%
Total of items that are or may be reclassified to profit or loss	(35,857)	9,921	-461%	(1,523)	73,344	-102%
Total comprehensive income, net of tax	(35,857)	9,921	-461%	(1,523)	73,344	-102%
Total comprehensive income for the period	895,641	1,690,548	-47%	137,422	902,875	-85%
Basic earnings per share (Rs.)	0.18	0.40		0.03	0.20	

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STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 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	-	-	-	-	-	1,680,627	1,680,627
Other comprehensive income, net of income tax							
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	-	(14,946.10)	(14,946)
Net movement of cashflow hedges	-	-	-	(47,185)	-	-	(47,185)
Total other comprehensive income for the period	-	-	-	(47,185)	(14,946)	-	(62,131)
Total comprehensive income for the period	-	-	-	(47,185)	(14,946)	1,680,627	1,618,496
Total transactions recorded directly in equity	-	-	-	-	-	-	-
Balance as at 30 September 2018	7,880,000	1,996,724	241,528	(53,518)	(22,112)	8,429,862	18,472,483
Balance as at 01 October 2018	7,880,000	1,996,724	241,528	(53,518)	(22,112)	8,429,862	18,472,483
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	4,282,241	4,282,241
Other comprehensive income, net of income tax							
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	-	-	-	-	(19,876)	-	(19,876)
Net movement of cashflow hedges	-	-	-	14,459	-	-	14,459
Total other comprehensive income for the period	-	-	-	14,459	356	(2,950)	11,865
Total comprehensive income for the period	-	-	-	14,459	356	4,279,291	4,294,106
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	-	-	-	-	-	931,498	931,498
Other comprehensive income, net of income tax							
Shares issued during the year	4,882,500	-	-	-	-	-	4,882,500
Net fair value gains/(losses) on remeasuring financial assets measured at fair value through other comprehensive income	-	-	-	-	30,612	-	30,612
Net movement of cashflow hedges	-	-	-	(66,469)	-	-	(66,469)
Total other comprehensive income for the period	4,882,500	-	-	(66,469)	30,612	-	4,846,643
Total comprehensive income for the period	4,882,500	-	-	(66,469)	30,612	931,498	5,778,141
Balance as at 30 September 2019	12,762,500	3,189,298	241,528	(105,529)	8,856	12,448,076	28,544,729

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the six months ended 30th September 2019

	2019 Rs '000	2018 Rs '000
Cash flows from / (used in) operating activities		
Profit before income tax expense	1,290,119	2,413,813
Adjustments for:		
Depreciation	96,672	79,351
(Profit)/Loss on Sales of PPE/ Investment properties	(12,870)	(1,982)
Change in fair value of derivatives - forward contracts	492,488	(1,236,187)
Change in fair value of Trading Gold Stock	(7,666)	-
Provision for fall / (increase) in value of investments	(1,000)	900
Impairment provision for the period	235,013	1,122,174
Investment income	(1,231,990)	(1,138,595)
Finance costs	10,263,062	10,382,227
Operating profit / (loss) before working capital changes	11,123,828	11,621,701
Change in other receivables	(296,981)	(112,735)
Change in Inventories	(118)	855
Change in trade and other payables	2,922,751	1,159,561
Change in amounts due to/ due from related parties	568,640	(950,714)
Change in lease receivables	827,890	(2,274,408)
Change in loans and advances	(871,606)	(1,709,271)
Change in factoring receivables	652,481	2,524,976
Change in margin trading advances	-	(30,256)
Change in fixed deposits from customers	(4,524,508)	7,170,295
Change in savings deposits from customers	429,057	3,628,364
Cash generated from / (used in) operations	10,831,433	21,028,367
Finance cost paid on deposits	(6,743,934)	(6,897,235)
Gratuity paid	(3,044)	(2,993)
Income tax paid	(80,000)	(30,000)
Net cash from / (used in) operating activities	4,004,455	14,098,139
Cash flows from / (used in) investing activities		
Acquisition of Property, Plant & Equipment & Investment property	(491,456)	(178,513)
Proceeds from disposal of PPE/ Investment properties	74,000	6,785
Net proceeds from investments in term deposits	5,090,643	95,390
Net proceeds from investments in government securities	5,449,497	-
Net Proceeds from investments in Debenture	308,446	-
Net proceeds from Investments in unit trust	(124,024)	(75,977)
Proceeds from sale of investment property	-	1,492,798
Interest received	1,231,990	1,138,595
Net cash flows used in investing activities	11,539,095	2,479,079
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	(12,819,464)	(6,819,428)
Proceeds from issue of debentures	-	2,500,000
Lease rentals paid - principal	(114,158)	(148,476)
Finance cost paid on borrowings	(3,117,552)	(3,201,707)
Net cash flows from / (used in) financing activities	(11,168,674)	(7,669,611)
Net increase / (decrease) in cash and cash equivalents	4,374,876	8,907,607
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	19,667,920	15,987,804
Analysis of cash and cash equivalents at the end of the period		
Cash and bank balances	22,623,550	19,239,248
Bank overdraft	(2,955,631)	(3,251,444)
	19,667,920	15,987,804

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OPERATING SEGMENTS

For the six months ended 30th September 2019

	Conventional Financial Services Rs '000	Alternative Financial Services Rs '000	Factoring Business Rs '000	Others/ Adjustments Rs '000	Total Rs '000
For the six months ended 30th September 2019					
Total revenue	18,057,570	1,339,620	614,373	-	20,011,563
Inter-segmental revenue	-	-	-	-	-
External revenue	18,057,570	1,339,620	614,373	-	20,011,563
Net interest cost	(9,330,336)	(564,325)	(368,401)	-	(10,263,062)
Profit before operating expenses	8,727,234	775,295	245,972	-	9,748,501
Operating expenses	(4,680,697)	(330,608)	-	-	(5,011,305)
Allowance for impairment & write-offs	(2,166,152)	(200,590)	(510,265)	-	(2,877,007)
Value added tax on financial services	(509,526)	(60,545)	-	-	(570,071)
Profit before income tax	1,370,859	183,553	(264,293)	-	1,290,119
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	(1,849,123)	(208,165)	(1,255,589)	-	(3,312,878)
Value added tax on financial services	(300,498)	(50,083)	-	-	(350,582)
Profit before income tax	3,022,108	176,391	(784,686)	-	2,413,813
As at 30.09.2019					
Total assets	186,432,423	12,919,900	5,209,288	168,532	204,730,142
Total liabilities	160,435,652	10,371,941	5,209,288	168,532	176,185,413
As at 31.03.2019					
Total assets	194,500,970	12,824,664	4,253,668	(543,929)	211,035,373
Total liabilities	174,153,307	10,405,738	4,253,668	(543,929)	188,268,784

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 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 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.

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 30th September 2019 are as follows:

	Rs'
Last traded price	3.70
Highest Price	4.10
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
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%	13.29%	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 September 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	Rs. 100	Rs. 100	Rs. 100	1-Aug-19
Type B - 5 Years Tenor	Rs. 49.83	Not Traded	Not Traded	Not Traded	N/A

- Debt security related ratios

	As at 30.09.2019	As at 31.03.2019
Debt to equity ratio (With Deposits)	5.7 times	7.86 times
Quick asset ratio	0.86 times	0.94 times
Interest cover	1.13 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 September 2019

7 Financial assets and liabilities

7.1 Accounting classifications and fair values

As at 30th September 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	-	-	22,623,550	22,623,550	22,623,550	
Deposits with banks and other financial institutions	-	-	16,546,575	16,546,575	16,546,575	
Investment in government securities						
- Measured at fair value	-	8,553,738	-	8,553,738	8,553,738	Level 1
- Measured at amortized cost	-	-	4,178,332	4,178,332	4,178,332	
Derivative assets	48,068	-	-	48,068	48,068	Level 2
Investment securities	2,495,502	176,130	537	2,672,169	2,672,169	Level 1
Rentals receivable on leased assets	-	-	41,873,927	41,873,927	43,565,017	Level 2
Hire purchases, loans and advances	-	-	87,619,213	87,619,213	87,586,649	Level 2
Factoring receivable	-	-	5,209,288	5,209,288	5,209,288	
Amount due from related companies	-	-	31,096	31,096	31,096	
Other financial assets	-	-	545,312	545,312	545,312	
Total financial assets	2,543,570	8,729,868	178,627,830	189,901,267	191,559,794	
Bank overdraft	-	-	2,955,631	2,955,631	2,955,631	
Interest bearing borrowings	-	-	48,228,445	48,228,445	49,194,350	Level 2
Deposits from customers	-	-	111,662,565	111,662,565	113,418,260	Level 2
Trade payables	-	-	3,793,434	3,793,434	3,793,434	
Accruals and other payables	-	-	3,123,129	3,123,129	3,123,129	
Derivative liabilities	633,957	-	-	633,957	633,957	Level 2
Amount due to related companies	-	-	1,411,811	1,411,811	1,411,811	
Total financial liabilities	633,957	-	171,175,016	171,808,973	174,530,573	

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 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 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	-	-	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	1,878,527	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	

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.

9. Selected performance indicators

Regulatory Capital Adequacy		30.09.2019	31.03.2019	30.09.2018
- Total Tier I Core Capital	Rs. '000	25,219,520	20,337,020	16,864,106
- Total Capital Base	Rs. '000	28,967,186	24,568,596	18,445,618
- Core capital adequacy ratio (Minimum requirement 7%)		13.10%	10.22%	10.01%
- Total capital adequacy ratio (Minimum requirement 11%)		15.04%	12.34%	10.95%
Asset Quality Ratios		30.09.2019	31.03.2019	30.09.2018
- Net Non-Performing Advances Ratio		3.97%	2.66%	2.51%
Regulatory Liquidity		30.09.2019	31.03.2019	30.09.2018
- Available Liquid Assets	Rs. '000	21,386,471	29,743,825	22,629,971
- Required Liquid Assets	Rs. '000	13,087,015	13,504,784	16,433,336
- Liquid assets to Deposits ratio		19.15%	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 six months ended have been re-stated/re-classified due to the adoption of SLFRS 9.

	30.09.2018 (Re-Stated/ Re- classified) Rs '000	30.09.2018 (As Reported Previously) Rs '000
Interest income	21,460,465	20,322,349
Net interest income	11,078,238	9,940,123
Net other operating income	917,876	2,055,991
Allowance for impairment & write-offs	(3,312,878)	(2,878,435)
Profit from operations	2,764,395	3,198,838
Value added tax on financial services	(350,582)	(419,994)
Profit before income tax expense	2,413,813	2,778,844
Income tax expense	(733,186)	(694,718)
Profit for the period	1,680,627	2,084,126
Total comprehensive income for the period	1,690,548	2,094,047

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2019

12. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 30th September 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 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 30th September 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
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 30th September 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	0.02%
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 2019

	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	Capital Trust Holdings LTD	8,218,597	0.16%
7	Hatton National Bank Plc- Astrue Alpha Fund	5,702,615	0.11%
8	National Savings Bank	3,814,822	0.07%
9	Mr R.E. Rambukwella	1,870,000	0.04%
10	Mr P.Tillakaratne	1,783,407	0.03%
11	Dr A.R.Wikramanayake	1,688,500	0.03%
12	Commercial Bank Of Ceylon Plc/S V Somasunderam	1,500,000	0.03%
13	Mr. S. Vasudevan & Mrs. V. Saraswathi	1,500,000	0.03%
14	Hatton National Bank Plc/Capital Trust Holdings Limited	1,307,300	0.02%
15	Bansei Securities Capital (Pvt) Ltd/A Nissanka	1,300,800	0.02%
16	Mr L.A.J.F.Morais	1,236,128	0.02%
17	Mr G.Wickremasinghe	1,100,000	0.02%
18	Hatton National Bank Plc/Sanka Ramoorthy Nadaraj Kumar	1,003,526	0.02%
19	Mr. K.D. Gunarathne	930,000	0.02%
20	Mr. K.K. Shujeevan	890,471	0.02%
Total shares held by Top 20 Shareholders		5,200,921,482	99.07%

Public shareholding

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

	30-Sep-19	30-Sep-18
Public holding percentage	5.37%	6.63%
Number of public shareholders	2,839	2,682
Float Adjusted Market Capitalization	1,043,606,160	1,029,922,820

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.