

11<sup>th</sup> June 2019

Mr. Renuke Wijayawardhane  
Chief Regulatory Officer  
Colombo Stock Exchange  
#04-01, West Block  
World Trade Centre  
Echelon Square  
Colombo 01

Dear Sir

**ANNOUNCEMENT TO THE EXCHANGE**  
**LOLC FINANCE PLC – UTILIZATION OF PROCEEDS**

At the time of raising capital through the Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) and the Rights Issue of Shares in 2018 the Company undertook to disclose the progress of the utilization of proceeds from the date of raising funds, until full utilization, in all future Interim and / or Annual Financial Statements, in the format setout below.

We regret, that the Company has not, inadvertently done so, in the interim, following raising such Funds.

We now disclose the following:

**1. Subordinated, Unsecured, Listed, Redeemable, Rated Debentures Issue (2018/2023) - Proceeds utilization as at 31<sup>st</sup>-03-2019**

Objective number	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization	Amount allocated in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Clarification if not fully utilized including where are the funds invested (e.g. whether lent to related party/s etc.).

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(LOLC සමූහ ව්‍යාපාරයට අනුබද්ධිතයි)

සමාගම ලියාපදිංචි අංකය: PB 244 PQ

අංක 100/1, ශ්‍රී ජයවර්ධනපුර මාවත,  
රාජගිරිය, ශ්‍රී ලංකාව.

LOLC FINANCE PLC

(An LOLC Group Company)

Company Registration No: PB 244 PQ

No.100/1, Sri Jayawardanepura Mawatha,  
Rajagiriya, Sri Lanka.

எல் ஒ எல் சி பி னான்ஸ் பீஎல்சீ

(LOLC கூட்டு நிறுவனத்துடன் இணைந்தது)

கம்பனி பதிவுலக்கம் : PB 244 PQ

இல. 100/1, ஸ்ரீ ஜயவர்தனபுர மாவத்தை,  
ராஜகிரியா, இலங்கை.

1	Supporting the general business growth opportunities of the Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Reducing the mismatch of maturity periods between assets and liabilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	improving 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 by 31 <sup>st</sup> July 2018	100%	N/A

**2. Rights Issue - proceeds utilization as at 31<sup>st</sup>-03-2019**

Objective	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 (eg. whether lent to related party/s etc)
1	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.	5,880,000,000	Withing Two months from Allotment (26 <sup>th</sup> -03-2018)	5,880,000,000	100% by 26 <sup>th</sup> March 2018	5,880,000,000	100%	N/A

Yours faithfully



LOLC Corporate Services (Pvt) Ltd  
Secretaries for LOLC Finance PLC