

9th February 2022

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
The Colombo Stock Exchange
4th Floor, World Trade Centre
Echelon Square
Colombo-01,

Dear Sir,

CORPORATE DISCLOSURE: LOLC'S GLOBAL EXPANSION STRATEGY CEMENTS THE GROUP'S POSITION AS THE WORLD'S LARGEST MULTI-CURRENCY, MULTI-GEOGRAPHIC MICROFINANCE SERVICE PROVIDER

Further to the disclosure made on 30th August 2021 on the above, we are pleased to announce that the LOLC group continues to expand its presence across the globe and has concluded two more financial institution acquisitions in Kenya and Tajikistan, imprinting its footprint firmly as the largest Micro, Small and Medium Enterprises lending platform in the world.

LOLC Group, through its fully owned subsidiary LOLC Mauritius Holdings Limited, has obtained approval to acquire a majority stake (73.29%) in a micro finance bank, Key Micro Finance Bank (KMFB) in Kenya. KMFB conducts deposit taking micro financing business under a licence issued by the Central Bank of Kenya (CBK). KMFB has three branches and one deposit taking marketing unit located in Nairobi and Meru countries. Its primary market is provision of financial services to small and medium enterprises (SMEs). The proposed acquisition follows the CBK's approval on 22nd December 2021 under section 19 (4) of the Microfinance Act, and the approval of the Cabinet Secretary for the National Treasury and Planning dated 7th January 2022 under section 19(3)(b) of the Microfinance Act.

Additionally, the Group further consolidated its position in Tajikistan by acquiring the remaining 25% of Karat, (LLC LTMKh and LLCTMKhL) which has a license authorizing them to conduct micro lending and gold loan business in Tajikistan. Post this transaction the Group now owns 100% of Karat. Further, the Group also acquired 100% in Fazo-S Microcredit Deposit Organization, a deposit taking financial institution in Tajikistan. With 100% ownership in both these entities, LOLC Group is well positioned to

roll out its business model and offer a wide range of products to the Tajikistani market. Tajikistan, with a population of 9.5+Mn people and a lower GDP Per capita of US\$859 presents tremendous potential for rolling out the LOLC's highly successful MSME model that specializes in serving bottom-of- the- pyramid clientele.

Yours faithfully,



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