

 Early Warning System

ADB-49188-001

LOLC Finance and LOLC Micro Credit



Quick Facts

Countries	Sri Lanka
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2015-11-19
Borrower	LOLC Finance and LOLC Micro Credit
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 55.00 million
Loan Amount (USD)	\$ 55.00 million



Project Description

Approximately 59% of Sri Lankans do not have access to credit. To improve access to finance for MSMEs and strengthen the leasing sector in Sri Lanka, a project consisting of (i) a senior loan of up to \$25 million to LOLC Micro Credit Ltd. (LOMC) and (ii) a senior loan of up to \$30 million to Lanka Orix Finance PLC (LOFC) is proposed. LOMC and LOFC are subsidiaries of Lanka Orix Leasing PLC (LOLC), a well-known, diversified company listed on the stock exchange with assets of over \$1.65 billion. The loans will also target underserved geographical areas to promote greater access to finance.



Early Warning System Project Analysis

As stated by the ADB, the investment is classified as category FI treated as C.



Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [LOLC MicroCredit Limited](#) (Financial Intermediary) **is owned by** [Lanka Orix Leasing Company PLC](#) (Parent Company)



Private Actors Description

As stated on the company's website, LOLC Finance, the largest Non-Banking Financial Institution in Sri Lanka, provides a comprehensive range of deposit and lending products including technology-backed financial services ranging from microcredit to enterprise solutions.



Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>

CONTACTS

Responsible ADB Department Private Sector Operations Department
Responsible ADB Division Portfolio Management Division, PSOD
Responsible ADB Officer Gunawardhena, Manohari



Bank Documents

- [LOLC Finance and LOLC Micro Credit: Initial Poverty and Social Analysis](#) [Original Source]
- [LOLC Finance and LOLC Micro Credit: Project Data Sheet \(Sinhala Translation\)](#)
- [LOLC Finance and LOLC Micro Credit: Project Data Sheet \(Tamil Translation\)](#) [Original Source]
- [LOLC Finance and LOLC Micro Credit: Report and Recommendation of the President](#) [Original Source]
- [Project Disclosure PDF](#)