



INTERIM FINANCIAL STATEMENTS

For the six months ended
30th September 2016

LOLC FINANCE PLC

LOLC Finance PLC

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As at 30th September 2016

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LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th September 2016

| | As at 30.09.2016 (Unaudited) Rs. '000 | As at 31.03.2016 (Audited) Rs. '000 |
|--|---|---|
| ASSETS | | |
| Cash and bank balances | 2,816,466 | 3,497,994 |
| Deposits with banks and other financial institutions | 9,990,938 | 10,206,771 |
| Investment in government securities | 9,251,846 | 8,397,496 |
| Derivative assets | 13,190 | 98,163 |
| Rentals receivable on leased assets | 18,273,407 | 17,243,862 |
| Hire purchases, loans and advances | 60,799,485 | 53,335,175 |
| Factoring receivable | 16,730,096 | 13,598,601 |
| Margin trading receivables | 91,213 | 85,597 |
| Other receivables | 886,093 | 694,055 |
| Investment securities | 73,168 | 1,083,471 |
| Amount due from related companies | 7,832 | 3,271 |
| Investment properties | 937,004 | 930,200 |
| Property plant and equipment | 2,023,424 | 1,210,407 |
| Total assets | 121,894,162 | 110,385,065 |
| LIABILITIES | | |
| Bank overdraft | 1,682,358 | 1,941,608 |
| Interest bearing borrowings | 33,337,796 | 35,070,152 |
| Deposits from customers | 69,173,908 | 60,197,201 |
| Trade payables | 825,059 | 637,850 |
| Accruals and other payables | 1,421,239 | 1,018,603 |
| Derivative liabilities | 69,543 | 17,859 |
| Amount due to related companies | 3,809,040 | 996,781 |
| Current tax payable | 525,148 | 309,888 |
| Deferred tax liability | 984,741 | 984,741 |
| Defined benefit obligations | 12,707 | 12,249 |
| Total liabilities | 111,841,539 | 101,186,931 |
| EQUITY | | |
| Stated capital | 2,000,000 | 2,000,000 |
| Statutory reserve | 1,239,075 | 1,239,075 |
| Cash flow hedge reserve | 18,076 | 22,748 |
| Available for sale investment reserve | (15,404) | (160,154) |
| Retained earnings | 6,810,876 | 6,096,465 |
| Total equity | 10,052,623 | 9,198,134 |
| Total liabilities and equity | 121,894,162 | 110,385,065 |
| Net assets per share (Rs.) | 3.59 | 3.29 |

Certification :

These financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

(Mrs.) S.S.Kotakadeniya
Chief Financial Officer - LOLC Group

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board

Sgd.

I.C.Nanayakkara - Deputy Chairman

Sgd.

Ashan Nissanka - Director/ CEO

28th October 2016
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September 2016

| | For the period ended | | | For the quarter ended | | |
|--|--------------------------------------|--------------------------------------|---------------|--------------------------------------|--------------------------------------|---------------|
| | 30.09.2016 (Unaudited) Rs '000 | 30.09.2015 (Unaudited) Rs '000 | Variance % | 30.09.2016 (Unaudited) Rs '000 | 30.09.2015 (Unaudited) Rs '000 | Variance % |
| Interest income | 8,465,161 | 5,923,143 | 43% | 4,559,667 | 3,123,239 | 46% |
| Interest expense | (5,247,293) | (2,772,386) | 89% | (2,795,555) | (1,491,001) | 87% |
| Net interest income | 3,217,868 | 3,150,757 | 2% | 1,764,112 | 1,632,238 | 8% |
| Net other operating income | 1,090,107 | 518,658 | 110% | 569,273 | 306,246 | 86% |
| Total income | 4,307,975 | 3,669,415 | 17% | 2,333,385 | 1,938,484 | 20% |
| Operating expenses | | | | | | |
| Direct expenses excluding interest cost | (635,884) | (333,928) | 90% | (345,012) | (171,752) | 101% |
| Allowance for impairment & write-offs | (465,640) | (540,826) | -14% | (286,456) | (258,605) | 11% |
| Personnel expenses | (628,806) | (514,823) | 22% | (313,352) | (246,232) | 27% |
| Depreciation | (63,144) | (8,337) | 657% | (37,772) | (4,798) | 687% |
| General & administration expenses | (1,369,353) | (970,026) | 41% | (756,732) | (548,589) | 38% |
| Profit from operations | 1,145,149 | 1,301,475 | -12% | 594,061 | 708,508 | -16% |
| Value added tax on financial services | (140,477) | (147,891) | -5% | (74,076) | (88,585) | -16% |
| Profit before income tax expense | 1,004,671 | 1,153,584 | -13% | 519,985 | 619,923 | -16% |
| Income tax expense | (290,260) | (380,020) | -24% | (128,531) | (210,835) | -39% |
| Profit for the period | 714,411 | 773,563 | -8% | 391,455 | 409,087 | -4% |
| Items that are or may be reclassified to profit or loss | | | | | | |
| Available-for-sale financial assets net change in fair value | 144,750 | (13,628) | -1162% | 90,381 | (41,720) | -317% |
| Gain / (loss) on cash flow hedges | (4,672) | - | - | 20,817 | - | - |
| | 140,078 | (13,628) | | 111,199 | (41,720) | |
| Total comprehensive income | 854,489 | 759,935 | 12% | 502,654 | 367,367 | 37% |
| Basic earnings per share (Rs.) | 0.26 | 0.28 | | 0.14 | 0.15 | |

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2016

| | Stated Capital Rs '000 | Statutory Reserve Rs '000 | Cash flow Hedge Reserve Rs '000 | Available for Sale Investment Reserve Rs '000 | Retained Earnings Rs '000 | Total Equity Rs '000 |
|---|---------------------------|---------------------------------|---------------------------------------|---|---------------------------------|-------------------------|
| Balance as at 01 April 2015 | 2,000,000 | 953,677 | - | 86,037 | 4,953,882 | 7,993,596 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 773,563 | 773,563 |
| <i>Other comprehensive income, net of income tax</i> | | | | | | |
| Net change in fair value of AFS investments | - | - | - | (13,628) | - | (13,628) |
| Total other comprehensive income for the period | - | - | - | (13,628) | - | (13,628) |
| Total comprehensive income for the period | - | - | - | (13,628) | 773,563 | 759,935 |
| Balance as at 30 September 2015 | 2,000,000 | 953,677 | - | 72,409 | 5,727,446 | 8,753,531 |
| Balance as at 01 October 2015 | 2,000,000 | 953,677 | - | 72,409 | 5,727,446 | 8,753,531 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 653,430 | 653,430 |
| <i>Other comprehensive income, net of income tax</i> | | | | | | |
| Net change in fair value of AFS investments | - | - | - | (232,562) | - | (232,562) |
| Remeasurements of defined benefit liability - gain / (loss) | - | - | - | - | 988 | 988 |
| Net movement of cashflow hedges | - | - | 22,748 | - | - | 22,748 |
| Total other comprehensive income for the period | - | - | 22,748 | (232,562) | 988 | (208,827) |
| Total comprehensive income for the period | - | - | 22,748 | (232,562) | 654,418 | 444,603 |
| Transactions recorded directly in equity | | | | | | |
| Transfer to Statutory Reserve Fund | - | 285,399 | - | - | (285,399) | - |
| Total transactions recorded directly in equity | - | 285,399 | - | - | (285,399) | - |
| Balance as at 31 March 2016 | 2,000,000 | 1,239,075 | 22,748 | (160,154) | 6,096,465 | 9,198,134 |
| Balance as at 01 April 2016 | 2,000,000 | 1,239,075 | 22,748 | (160,154) | 6,096,465 | 9,198,134 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 714,411 | 714,411 |
| <i>Other comprehensive income, net of income tax</i> | | | | | | |
| Net change in fair value of AFS investments | - | - | - | 144,750 | - | 144,750 |
| Net movement of cashflow hedges | - | - | (4,672) | - | - | (4,672) |
| Total other comprehensive income for the period | - | - | (4,672) | 144,750 | - | 140,078 |
| Total comprehensive income for the period | - | - | (4,672) | 144,750 | 714,411 | 854,489 |
| Balance as at 30 September 2016 | 2,000,000 | 1,239,075 | 18,076 | (15,404) | 6,810,876 | 10,052,623 |

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the six months ended 30th September 2016

| | 2016 Rs '000 | 2015 Rs '000 |
|---|--------------------|--------------------|
| Cash flows from / (used in) operating activities | | |
| Profit before income tax expense | 1,004,671 | 1,153,584 |
| Adjustments for: | | |
| Depreciation | 63,144 | 8,337 |
| (Profit) / Loss on Sales of Investment property | - | 3,000 |
| Change in fair value of derivatives - forward contracts | 136,656 | (57,806) |
| Provision for fall / (increase) in value of investments | (30,491) | 300 |
| Impairment provision for the period | 111,330 | 108,986 |
| Provision for defined benefit plans | 900 | - |
| Investment income | (684,063) | (36,989) |
| Finance costs | 5,186,907 | 2,747,605 |
| Operating profit / (loss) before working capital changes | 5,789,055 | 3,927,016 |
| Change in other receivables | (192,038) | (63,545) |
| Change in trade and other payables | 589,846 | 184,138 |
| Change in amounts due to / due from related parties | 2,807,699 | (821,199) |
| Change in lease receivables | (1,042,247) | (3,091,712) |
| Change in hire purchase, loans and advances | (7,633,677) | (8,089,620) |
| Change in factoring receivables | (3,060,756) | (2,909,423) |
| Change in margin trading advances | (5,616) | 117,508 |
| Change in fixed deposits from customers | 8,444,764 | 9,068,953 |
| Change in savings deposits from customers | 289,381 | 711,828 |
| Cash generated from / (used in) operations | 5,986,411 | (966,055) |
| Finance cost paid | (3,350,577) | (1,653,525) |
| Gratuity paid | (442) | (85) |
| Income tax paid | (75,000) | (301,344) |
| Net cash from / (used in) operating activities | 2,560,393 | (2,921,009) |
| Cash flows from / (used in) investing activities | | |
| Acquisition of property, plant & equipment | (530,308) | (177,703) |
| Net proceeds from investments in term deposits | 215,833 | 476,444 |
| Proceeds from sale of investment property | - | 80,000 |
| Investments in companies | - | (66,125) |
| Net proceeds from Investments in unit trust | 1,040,793 | - |
| Net proceeds from investments in government securities | (709,600) | (1,201,390) |
| Interest received | 684,063 | 36,989 |
| Net cash flows used in investing activities | 700,781 | (851,785) |
| Cash flows from / (used in) financing activities | | |
| Net proceeds from interest bearing loans & borrowings | (2,118,215) | 3,802,116 |
| Lease rentals paid | (238,582) | (63,372) |
| Finance cost paid on bank loans and over draft | (1,326,654) | (429,462) |
| Net cash flows from / (used in) financing activities | (3,683,452) | 3,309,283 |
| Net increase / (decrease) in cash and cash equivalents | (422,278) | (463,512) |
| Cash and cash equivalents at the beginning of the year | 1,556,386 | 642,243 |
| Cash and cash equivalents at the end of the period | 1,134,108 | 178,731 |
| Analysis of cash and cash equivalents at the end of the period | | |
| Cash and bank balances | 2,816,466 | 2,056,857 |
| Bank overdraft | (1,682,358) | (1,878,126) |
| | 1,134,108 | 178,731 |

LOLC Finance PLC

OPERATING SEGMENTS

For the six months ended 30th September 2016

| | Conventional Financial Services Rs '000 | Islamic Financial Services Rs '000 | Factoring Business Rs '000 | Others/ Adjustments Rs '000 | Total Rs '000 |
|---|---|--|----------------------------------|-----------------------------------|------------------|
| For the six months ended 30th September 2016 | | | | | |
| Total revenue | 6,924,831 | 1,031,799 | 1,598,639 | - | 9,555,268 |
| Inter segmental revenue | - | - | - | - | - |
| External revenue | 6,924,831 | 1,031,799 | 1,598,639 | - | 9,555,268 |
| Net interest cost | (3,932,769) | (396,216) | (918,309) | - | (5,247,293) |
| Profit before operating expenses | 2,992,062 | 635,583 | 680,330 | - | 4,307,975 |
| Operating expenses | (2,005,859) | (234,192) | (457,136) | - | (2,697,186) |
| Allowance for impairment & write-offs | (369,650) | (28,720) | (67,269) | - | (465,640) |
| Value added tax on financial services | (58,397) | (48,602) | (33,479) | - | (140,477) |
| Profit before income tax | 558,156 | 324,070 | 122,446 | - | 1,004,671 |
| For the six months ended 30th September 2015 | | | | | |
| Total revenue | 5,271,573 | 770,639 | 399,589 | - | 6,441,801 |
| Inter segmental revenue | - | - | - | - | - |
| External revenue | 5,271,573 | 770,639 | 399,589 | - | 6,441,801 |
| Net interest cost | (2,156,053) | (231,824) | (384,510) | - | (2,772,386) |
| Profit before operating expenses | 3,115,521 | 538,815 | 15,080 | - | 3,669,415 |
| Operating expenses | (1,596,561) | (159,154) | (71,400) | - | (1,827,115) |
| Allowance for impairment & write-offs | (463,550) | (60,439) | (16,837) | - | (540,826) |
| Value added tax on financial services | (117,869) | (23,827) | (6,195) | - | (147,891) |
| Profit before income tax | 937,540 | 295,396 | (79,352) | - | 1,153,584 |
| As at 30.09.2016 | | | | | |
| Total assets | 96,729,981 | 12,245,540 | 16,730,096 | (3,811,455) | 121,894,162 |
| Total liabilities | 88,253,009 | 10,669,890 | 16,730,096 | (3,811,455) | 111,841,539 |
| As at 31.03.2016 | | | | | |
| Total assets | 88,717,036 | 11,043,205 | 13,598,601 | (2,973,777) | 110,385,065 |
| Total liabilities | 80,834,237 | 9,727,871 | 13,598,601 | (2,973,777) | 101,186,931 |

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2016

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 annual report for the year 2015/16 are followed in the preparation of these Interim Financial Statements

2. Stated Capital

The Stated Capital of the Company is represented by 2,800,000,000 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 2016 are as follows:

| | Rs' |
|--|------|
| Market price as at 30th September 2016 | 3.00 |
| Highest Price | 3.20 |
| Lowest Price | 2.70 |

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.

- 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 Government Security |
|------------------------|--------------------|-------------------|------------------------------------|---|--|
| Type A - 5 Years Tenor | Quarterly | 9.00% | 10.39% | 13.03% | 11.27% |
| Type B - 5 Years Tenor | Semi Annually | 9.10% | 9.10% | 9.10% | 11.27% |
| Type C - 5 Years Tenor | Annually | 9.25% | 9.25% | 9.25% | 11.27% |

- Market prices & issue prices of debentures recorded during the quarter ended 30th September 2016 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 | Rs. 86.63 | Rs. 86.63 | Rs. 86.63 | 26-Aug-16 |
| 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 |

- Debt security related ratios

| | As at 30.09.2016 | As at 31.03.2016 |
|----------------------|------------------|------------------|
| Debt to equity ratio | 10.36 times | 10.57 times |
| Quick asset ratio | 0.77 times | 0.83 times |
| Interest cover | 1.19 times | 1.31 times |

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2016

6 Financial assets and liabilities

6.1 Accounting classifications and fair values

As at 30th September 2016

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 | - | - | - | 2,816,466 | 2,816,466 | 2,816,466 | |
| Deposits with banks | - | - | - | 9,990,938 | 9,990,938 | 9,990,938 | |
| Investment in government securities | | | | | | | |
| - Measured at fair value | - | - | 2,381,846 | - | 2,381,846 | 2,381,846 | Level 1 |
| - Measured at amortized cost | - | - | - | 6,870,000 | 6,870,000 | 6,870,000 | |
| Derivative assets | 13,190 | - | - | - | 13,190 | 13,190 | Level 2 |
| Investment securities | - | 6,700 | 66,468 | - | 73,168 | 73,168 | Level 1 |
| Rentals receivable on leased assets | - | - | - | 18,273,407 | 18,273,407 | 18,034,614 | Level 2 |
| Hire purchases, loans and advances | - | - | - | 60,799,485 | 60,799,485 | 59,894,732 | Level 2 |
| Factoring receivable | - | - | - | 16,730,096 | 16,730,096 | 16,730,096 | |
| Margin trading receivables | - | - | - | 91,213 | 91,213 | 91,213 | |
| Amount due from related companies | - | - | - | 7,832 | 7,832 | 7,832 | |
| Other financial assets | - | - | - | 435,907 | 435,907 | 435,907 | |
| Total financial assets | 13,190 | 6,700 | 2,448,314 | 116,015,344 | 118,483,549 | 117,340,002 | |
| Bank overdraft | - | - | - | 1,682,358 | 1,682,358 | 1,682,358 | |
| Interest bearing borrowings | - | - | - | 33,337,796 | 33,337,796 | 32,854,920 | Level 2 |
| Deposits from customers | - | - | - | 69,173,908 | 69,173,908 | 68,127,160 | Level 2 |
| Trade payables | - | - | - | 825,059 | 825,059 | 825,059 | |
| Accruals and other payables | - | - | - | 1,393,526 | 1,393,526 | 1,393,526 | |
| Derivative liabilities | 69,543 | - | - | - | 69,543 | 69,543 | Level 2 |
| Amount due to related companies | - | - | - | 3,809,040 | 3,809,040 | 3,809,040 | |
| Total financial liabilities | 69,543 | - | - | 110,221,687 | 110,291,230 | 108,761,605 | |

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2016

Financial assets and liabilities (Cont.)

6.1 Accounting classifications and fair values

As at 31st March 2016

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 | - | - | - | 3,497,994 | 3,497,994 | 3,497,994 | |
| Deposits with banks | - | - | - | 10,206,771 | 10,206,771 | 10,206,771 | |
| Investment in government securities | | | | | | | |
| - Measured at fair value | - | - | 2,187,792 | - | 2,187,792 | 2,187,792 | Level 1 |
| - Measured at amortized cost | - | - | - | 6,209,705 | 6,209,705 | 6,209,705 | |
| Derivative assets | 98,163 | - | - | - | 98,163 | 98,163 | Level 2 |
| Investment securities | - | - | - | 17,243,862 | 17,243,862 | 17,325,394 | Level 2 |
| Rentals receivable on leased assets | - | - | - | 53,335,175 | 53,335,175 | 53,271,076 | Level 2 |
| Hire purchases, loans and advances | - | - | - | 13,598,601 | 13,598,601 | 13,598,601 | |
| Factoring receivable | - | - | - | 85,597 | 85,597 | 85,597 | |
| Margin trading receivables | - | 1,017,003 | 66,468 | - | 1,083,471 | 1,083,471 | Level 1 |
| Amount due from related companies | - | - | - | 3,271 | 3,271 | 3,271 | |
| Other financial assets | - | - | - | 251,507 | 251,507 | 251,507 | |
| Total financial assets | 98,163 | 1,017,003 | 2,254,260 | 104,432,484 | 107,801,909 | 107,819,343 | |
| Bank overdraft | - | - | - | 1,941,608 | 1,941,608 | 1,941,608 | |
| Interest bearing borrowings | - | - | - | 35,070,152 | 35,070,152 | 34,937,608 | Level 2 |
| Deposits from customers | - | - | - | 60,197,201 | 60,197,201 | 59,832,205 | Level 2 |
| Trade payables | - | - | - | 637,850 | 637,850 | 637,850 | |
| Accruals and other payables | - | - | - | 659,679 | 659,679 | 659,679 | |
| Derivative liabilities | 17,859 | - | - | - | 17,859 | 17,859 | Level 2 |
| Amount due to related companies | - | - | - | 996,781 | 996,781 | 996,781 | |
| Total financial liabilities | 17,859 | - | - | 99,503,271 | 99,521,130 | 99,023,590 | |

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th September 2016

6.2 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 transaction in similar instrument

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 been used to derive the fair value.

7. Selected performance indicators

| Regulatory Capital Adequacy | 30.09.2016 | 31.03.2016 | 30.09.2015 |
|---|-------------------|-------------------|-------------------|
| - Total Tier I Core Capital Rs. '000 | 9,600,962 | 9,175,386 | 7,907,559 |
| - Total Capital Base Rs. '000 | 12,697,860 | 12,272,285 | 10,857,597 |
| - Core capital adequacy ratio (Minimum requirement 5%) | 9.39% | 10.07% | 10.77% |
| - Total capital adequacy ratio (Minimum requirement 10%) | 12.41% | 13.47% | 14.79% |
| Asset Quality Ratios | 30.09.2016 | 31.03.2016 | 30.09.2015 |
| - Gross Non-Performing Advances Ratio | 4.10% | 4.15% | 4.47% |
| - Net Non-Performing Advances Ratio | 0.77% | 0.50% | 2.03% |
| Regulatory Liquidity | 30.09.2016 | 31.03.2016 | 30.09.2015 |
| - Available Liquid Assets Rs. '000 | 9,341,086 | 8,041,208 | 6,133,996 |
| - Required Liquid Assets Rs. '000 | 8,808,382 | 7,689,912 | 5,711,576 |
| - Liquid assets to Deposits ratio | 13.50% | 13.36% | 11.91% |

8. Contingent liabilities

There are no significant changes in the nature of the contingent liabilities disclosed in the annual report for the year ended 31 March 2016.

9. Comparative information

Comparative information has been reclassified to conform to the current period's presentation, where necessary. No information has been restated.

10. 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.

LOLC Finance PLC

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

As at 30th September 2016

| Directors Name | No. of shares | % |
|--|----------------------|----------|
| Mr. R.K.S.S Chandra (Chairman) | Nil | Nil |
| Mr. I. C. Nanayakkara (Deputy Chairman) | Nil | Nil |
| Bansei Securities Capital (Pvt) Ltd / Mr A. Nissanka (Director / CEO) | 1,300,800 | 0.05% |
| Mrs. K. U. Amarasinghe | Nil | Nil |
| Mrs. D.P Pieris | 1,000,000 | 0.04% |
| Dr. L. M. J. S.H. Cabral | Nil | Nil |

LOLC Finance PLC

TOP 20 SHAREHOLDERS

As at 30th September 2016

| | Shareholder | No. of Shares | % of Issued Capital |
|----|--|----------------------|---------------------|
| 1 | Lanka ORIX Leasing Company PLC | 2,520,000,000 | 90.00% |
| 2 | Saakya Capital (Pvt) Ltd | 128,045,234 | 4.57% |
| 3 | Satya Capital (Pvt) Ltd | 52,000,000 | 1.86% |
| 4 | Capital Alliance Holdings Ltd | 28,000,000 | 1.00% |
| 5 | Dr. R.R.De Silva | 11,371,515 | 0.41% |
| 6 | National Savings Bank | 4,550,000 | 0.16% |
| 7 | DPMC Assetline Holdings (Pvt) Ltd | 3,443,923 | 0.12% |
| 8 | Mr D. Kotthoff | 1,900,000 | 0.07% |
| 9 | Dr A R Wikramanayake | 1,688,500 | 0.06% |
| 10 | Mr S V Somasunderam | 1,500,000 | 0.05% |
| 11 | Bansei Securities Capital (Pvt) Ltd / Mr A. Nissanka | 1,300,800 | 0.05% |
| 12 | Mr.L.A.J.F. Morais | 1,061,449 | 0.04% |
| 13 | Assetline Leasing Company Ltd / Mr J.T. Waas | 1,000,000 | 0.04% |
| 14 | Mrs. D.P. Pieris | 1,000,000 | 0.04% |
| 15 | Mr.P.M.M. Pieris | 1,000,000 | 0.04% |
| 16 | Mr W.A.S.P. De Saram | 916,389 | 0.03% |
| 17 | People's Leasing and Finance PLC / Mr D.K.L. Chandrasena | 843,899 | 0.03% |
| 18 | Pan Asia Banking Corporation PLC / Mr S.S. Weerabahu | 800,460 | 0.03% |
| 19 | Mr A.W.A.L. Dharmaprema | 800,012 | 0.03% |
| 20 | Mrs.B.C.R Wickramaratne | 765,000 | 0.03% |
| | Total shares held by Top 20 Shareholders | 2,761,987,181 | 98.64% |

Public share holding as at 30th September 2016 was 10% comprising of 2,682 shareholders.