

# INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED  
30TH JUNE 2025

 LOLC FINANCE PLC

# LOLC Finance PLC

## CONTENTS

Financial Statements for the period ended 30th June 2025

|  | <b>Page</b> |
|--|-------------|
| <b>Financial Review</b>                                    | 1           |
| <b>Financial Statements</b>                                |             |
| Statement of Financial Position                            | 2           |
| Statement of Profit or Loss and Other Comprehensive Income | 3           |
| Statement of Changes in Equity                             | 4           |
| Statement of Cash flows                                    | 5           |
| Operating Segments   | 6           |
| Classification of Financial Assets and Liabilities         | 7           |
| Fair Value of Assets & Liabilities                         | 8           |
| <b>Notes to the Financial Statements</b>                   |             |
| Explanatory Notes  | 9           |
| Share Information  | 9           |
| Debenture Information                                      | 9           |
| Other Disclosure Information                               | 9           |
| Comparative Information                                    | 9           |
| Events After the Reporting Period                          | 9           |
| <b>Other Information</b>                                   |             |
| Selected Key Performance Indicators                        | 10          |
| Analysis of Loans and Advances to Customers                | 10          |
| Analysis of Deposits                                       | 11          |
| Directors' and Chief Executive Officer's Holding in Shares | 11          |
| Twenty Largest Shareholders                                | 11          |
| <b>Corporate Information</b>                               | 12          |

### 1. FINANCIAL REVIEW

#### *Continues dominance as the largest NBF1 with strong profit, asset, and portfolio growth across efficient branch network*

- Loan book expanded by Rs. 23.18 Bn. in 3 months to Rs. 320.69 Bn.
- Net interest income grows 16.55% YoY to Rs. 11.45 Bn.
- Reports Profit After Tax of Rs. 5.20 Bn. for the period
- Total assets surpassed Rs. 448 Bn., growing 4.34% in the quarter
- Borrowings rise to Rs. 31.13 Bn. to fuel lending portfolio growth

LOLC Finance PLC, Sri Lanka's largest non-bank financial institution (NBF1), began the 2025/26 financial year on a strong note, recording significant improvements in profitability, lending volumes, and balance sheet strength in the quarter ended June 30, 2025.

The Company reported a profit after tax (PAT) of Rs. 5.20 billion, representing a year-on-year increase of 34.54%, driven by strong core business growth and enhanced cost efficiency.

#### *Income and Profitability*

Gross income for the quarter rose to Rs. 18.93 billion, up from Rs. 18.52 billion in Q1 FY24. Interest income grew 3.48% year-on-year to Rs. 17.56 billion, while interest expenses declined by 14.50% to Rs. 6.10 billion, resulting in net interest income of Rs. 11.45 billion, a healthy increase of 16.55% from the previous year.

Non-interest income also showed improvement. Net fee and commission income grew by 30.17% YoY to Rs. 728.80 million, while net trading and other operating income totaled Rs. 353.63 million. As a result, total operating income stood at Rs. 12.54 billion, an increase of 12.67% year-on-year.

Impairment charges on financial assets reduced significantly, with total provisions amounting to Rs. 180.13 million, compared to Rs. 1.02 billion in Q1 FY24, driven by improved asset quality and recoveries. This supported a net operating income of Rs. 12.36 billion, up by 22.28% YoY.

Operating expenses rose by 11.45% to Rs. 5.84 billion, including Rs. 1.96 billion in personnel expenses. However, LOLC Finance maintained strong cost controls across its extensive branch network, preserving its operating profit margins.

After accounting for taxes on financial services of Rs. 1.31 billion, the Company posted a net profit of Rs. 5.20 billion, representing a 34.54% increase compared to Rs. 3.87 billion in Q1 FY24. Basic earnings per share improved to Rs. 0.16 from Rs. 0.12 a year earlier.

#### *Financial Position and Lending Growth*

LOLC Finance's total assets reached Rs. 448.43 billion as at June 30, 2025, growing by Rs. 18.70 billion or 4.34% over the three months. The net loan portfolio saw a strong quarterly increase of Rs. 23.18 billion, ending at Rs. 320.69 billion, reflecting continued demand for credit and the Company's dominant market position.

Deposits from customers stood at Rs. 226.34 billion, remaining broadly stable over the quarter, while borrowings increased to Rs. 31.13 billion from Rs. 15.68 billion, indicating strategic capital management to support lending expansion.

The Company's equity base strengthened to Rs. 154.73 billion, from Rs. 149.52 billion at the beginning of the quarter, supported by retained earnings of over Rs. 93.50 billion.

#### *Capital & Liquidity*

LOLC Finance remains exceptionally well-capitalized, reflecting its prudent risk management practices and strong retained earnings base. As at 30th June 2025, the Company reported a Tier 1 Capital Ratio of 24.96%, significantly above the regulatory minimum of 10%, and a Total Capital Ratio of 24.71%, well in excess of the 17% minimum requirement. This substantial capital buffer enhances the Company's resilience to economic volatility and underpins sustainable growth in its lending operations. With strong internal capital generation and effective management of risk-weighted assets, LOLC Finance is well-positioned to support future expansion while continuing to meet all prudential regulatory norms.

With 201 branches across Sri Lanka and digital transformation initiatives underway, LOLC Finance remains agile in mobilizing deposits, expanding credit, and delivering strong shareholder value.

LOLC Finance's Q1 performance affirms its leadership in the non-bank financial sector, marked by robust profitability, solid balance sheet growth, and sound asset quality. With strategic lending momentum and prudent risk management, the Company is well-positioned to deliver strong results for the remainder of the financial year.

# LOLC Finance PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30th June 2025

| For the period / quarter ended                        | For the period ended             |                                  | Change<br>% |
|---|----------------------------------|----------------------------------|-------------|
|   | 30.06.2025<br>(Unaudited)<br>Rs. | 30.06.2024<br>(Unaudited)<br>Rs. |             |
| <b>Gross income</b>                                   | <b>18,926,922,111</b>            | <b>18,517,255,424</b>            | <b>2</b>    |
| Interest income                                       | 17,558,245,160                   | 16,967,895,128                   | 3           |
| Interest expense                                      | (6,104,395,882)                  | (7,140,200,683)                  | (15)        |
| <b>Net interest income</b>                            | <b>11,453,849,277</b>            | <b>9,827,694,445</b>             | <b>17</b>   |
| Fee and commission income                             | 1,015,046,015                    | 809,191,601                      | 25          |
| Less: Fee and commission expense                      | (286,245,318)                    | (249,321,866)                    | 15          |
| <b>Net fee and commission income</b>                  | <b>728,800,697</b>               | <b>559,869,735</b>               | <b>30</b>   |
| Net gains / (losses) from trading                     | 281,926,412                      | 637,006,130                      | (56)        |
| Net other operating income                            | 71,704,524                       | 103,162,565                      | (30)        |
| <b>Other operating income</b>                         | <b>353,630,936</b>               | <b>740,168,695</b>               | <b>(52)</b> |
| <b>Total operating income</b>                         | <b>12,536,280,911</b>            | <b>11,127,732,876</b>            | <b>13</b>   |
| Less: Impairment (charges) / reversal                 |                                  |                                  |             |
| Loans and advances                                    | (221,812,853)                    | (1,935,842,713)                  | (89)        |
| Sri Lanka International Sovereign Bonds               | -                                | 580,907,466                      | (100)       |
| Other financial assets and credit related commitments | 41,682,066                       | 331,012,701                      | (87)        |
| <b>Total impairment (charge) / reversal</b>           | <b>(180,130,787)</b>             | <b>(1,023,922,546)</b>           | <b>(82)</b> |
| <b>Net operating income</b>                           | <b>12,356,150,124</b>            | <b>10,103,810,329</b>            | <b>22</b>   |
| Less: Expenses  |                                  |                                  |             |
| Personnel expenses                                    | (1,960,809,954)                  | (1,736,416,356)                  | 13          |
| Depreciation and amortisation                         | (407,527,118)                    | (326,169,858)                    | 25          |
| Other operating expenses                              | (3,472,402,257)                  | (3,178,470,901)                  | 9           |
| <b>Total operating expenses</b>                       | <b>(5,840,739,330)</b>           | <b>(5,241,057,115)</b>           | <b>11</b>   |
| <b>Profit from operating activities</b>               | <b>6,515,410,794</b>             | <b>4,862,753,214</b>             | <b>34</b>   |
| Share of profit of equity accounted investee          | -                                | 4,520,830                        | (100)       |
| <b>Profit before tax expense</b>                      | <b>6,515,410,794</b>             | <b>4,867,274,044</b>             | <b>34</b>   |
| Taxes on financial services                           | (1,312,093,528)                  | (999,875,102)                    | 31          |
| <b>Profit for the period</b>                          | <b>5,203,317,266</b>             | <b>3,867,398,942</b>             | <b>35</b>   |
| <b>Total other comprehensive income, net of tax</b>   | <b>-</b>                         | <b>-</b>                         | <b>-</b>    |
| <b>Total comprehensive income for the period</b>      | <b>5,203,317,266</b>             | <b>3,867,398,942</b>             | <b>35</b>   |
| <b>Basic earnings per share (Rs.)</b>                 | <b>0.16</b>                      | <b>0.12</b>                      |             |

Figures in brackets indicate deductions.

# LOLC Finance PLC

## STATEMENT OF FINANCIAL POSITION

As at 30th June 2025

| As at   | 30.06.2025<br>(Unaudited)<br>Rs. | 31.03.2025<br>(Audited)<br>Rs. |
|---|----------------------------------|--------------------------------|
| <b>ASSETS</b>   |                                  |                                |
| Cash and cash equivalents   | 10,857,083,100                   | 8,578,933,549                  |
| Placements with banks   | 4,278,953,167                    | 2,794,250,923                  |
| Securities purchased under resale agreements                                | 1,075,228,255                    | 280,245,480                    |
| Derivative financial instruments  | 15,495,958                       | 6,499,209                      |
| Financial assets recognised through profit or loss – measured at fair value | 24,843,685,545                   | 33,324,963,786                 |
| Financial assets at amortised cost – loans and advances to customers        | 320,691,887,024                  | 297,509,139,758                |
| Financial assets at amortised cost – debt and other financial instruments   | 13,805,725,658                   | 14,828,164,580                 |
| Financial assets measured at fair value through other comprehensive income  | 323,720,733                      | 323,720,733                    |
| Property, plant and equipment   | 14,529,767,197                   | 14,238,536,561                 |
| Intangible assets   | 59,356,171                       | 60,107,649                     |
| Right-of-use assets   | 1,508,900,479                    | 1,481,201,307                  |
| Investment properties   | 55,020,200,000                   | 55,029,900,000                 |
| Other assets  | 1,423,591,320                    | 1,278,500,865                  |
| <b>Total assets</b>   | <b>448,433,594,606</b>           | <b>429,734,164,399</b>         |
| <b>LIABILITIES</b>  |                                  |                                |
| Bank overdraft  | 5,625,691,433                    | 8,516,663,167                  |
| Derivative financial instruments  | 811,849                          | 1,937,593                      |
| Securities sold under repurchase agreements                                 | 2,403,994,521                    | -                              |
| Financial liabilities at amortised cost – due to depositors                 | 226,338,072,179                  | 225,717,328,979                |
| Financial liabilities at amortised cost – borrowings                        | 31,129,229,837                   | 15,680,980,318                 |
| Retirement benefit obligation   | 785,206,736                      | 752,325,773                    |
| Current tax liabilities   | 1,994,941,051                    | 2,011,921,307                  |
| Deferred tax liabilities  | 2,992,430,889                    | 2,992,430,889                  |
| Other liabilities   | 22,435,950,487                   | 24,536,628,016                 |
| <b>Total liabilities</b>  | <b>293,706,328,982</b>           | <b>280,210,216,041</b>         |
| <b>EQUITY</b>   |                                  |                                |
| Stated capital  | 44,078,915,852                   | 44,078,915,852                 |
| Reserves  |                                  |                                |
| Statutory reserve fund  | 7,545,403,164                    | 7,545,403,164                  |
| Other reserves  | 9,601,841,541                    | 9,154,257,761                  |
| Retained earnings   | 93,501,105,068                   | 88,745,371,582                 |
| <b>Total equity</b>   | <b>154,727,265,624</b>           | <b>149,523,948,358</b>         |
| <b>Total liabilities and equity</b>   | <b>448,433,594,606</b>           | <b>429,734,164,399</b>         |
| <b>Net asset value per share</b>  | <b>4.68</b>                      | <b>4.52</b>                    |

### 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.  
Approved and signed for and on behalf of the Board,

*Sgd.*

(Mr.) Krishan Thilakarathne  
Director / CEO

13th August 2025  
Rajagiriya (Greater Colombo)

*Sgd.*

(Mr.) Conrad Dias  
Chairman / Non Executive Director

# LOLC Finance PLC

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th June 2025

|  | Stated Capital           | Statutory Reserve    | Revaluation Reserve  | Cash flow Hedge Reserve | Fair Value Reserve   | Regulatory loss Allowance Reserve | Merger Reserve           | Retained Earnings      | Total Equity           |
|--|--------------------------|----------------------|----------------------|-------------------------|----------------------|-----------------------------------|--------------------------|------------------------|------------------------|
|  | Rs.                      | Rs.                  | Rs.                  | Rs.                     | Rs.                  | Rs.                               | Rs.                      | Rs.                    | Rs.                    |
| <b>Balance as at 01 April 2024 (Audited)</b>   | <b>306,993,805,501</b>   | <b>6,291,146,123</b> | <b>1,247,187,997</b> | <b>41,014,495</b>       | <b>302,199,666</b>   | <b>6,816,123,553</b>              | <b>(262,914,889,649)</b> | <b>63,568,883,512</b>  | <b>122,345,471,198</b> |
| <b>Total comprehensive income for the period</b>                                       |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Profit for the period  | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | 3,867,398,942          | 3,867,398,942          |
| <b>Transactions recorded directly in equity</b>  |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Transferred to / (from) regulatory loss allowance reserve                              | -                        | -                    | -                    | -                       | -                    | (1,316,669,238)                   | -                        | 1,316,669,238          | -                      |
| Transferred to retained earnings during the period                                     | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | -                      | -                      |
| <b>Total transactions recorded directly in equity</b>                                  | <b>-</b>                 | <b>-</b>             | <b>-</b>             | <b>-</b>                | <b>-</b>             | <b>(1,316,669,238)</b>            | <b>-</b>                 | <b>1,316,669,238</b>   | <b>-</b>               |
| <b>Balance as at 30 June 2024</b>  | <b>306,993,805,501</b>   | <b>6,291,146,123</b> | <b>1,247,187,997</b> | <b>41,014,495</b>       | <b>302,199,666</b>   | <b>5,499,454,315</b>              | <b>(262,914,889,649)</b> | <b>68,752,951,692</b>  | <b>126,212,870,139</b> |
| <b>Balance as at 01 July 2024</b>  | <b>306,993,805,501</b>   | <b>6,291,146,123</b> | <b>1,247,187,997</b> | <b>41,014,495</b>       | <b>302,199,666</b>   | <b>5,499,454,315</b>              | <b>(262,914,889,649)</b> | <b>68,752,951,692</b>  | <b>126,212,870,139</b> |
| <b>Total comprehensive income for the period</b>                                       |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Profit for the period  | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | 21,217,741,855         | 21,217,741,855         |
| <b>Other comprehensive income, net of income tax</b>                                   |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Remeasurements of defined benefit liability  | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | 37,292,878             | 37,292,878             |
| Revaluation gain on property, plant and equipment                                      | -                        | -                    | 2,010,650,199        | -                       | -                    | -                                 | -                        | -                      | 2,010,650,199          |
| Revaluation loss on fair value through OCI investments                                 | -                        | -                    | -                    | -                       | 45,393,288           | -                                 | -                        | -                      | 45,393,288             |
| <b>Total other comprehensive income for the period</b>                                 | <b>-</b>                 | <b>-</b>             | <b>2,010,650,199</b> | <b>-</b>                | <b>45,393,288</b>    | <b>-</b>                          | <b>-</b>                 | <b>37,292,878</b>      | <b>2,093,336,365</b>   |
| <b>Total comprehensive income for the period</b>                                       | <b>-</b>                 | <b>-</b>             | <b>2,010,650,199</b> | <b>-</b>                | <b>45,393,288</b>    | <b>-</b>                          | <b>-</b>                 | <b>21,255,034,733</b>  | <b>23,311,078,220</b>  |
| <b>Transactions recorded directly in equity</b>  |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Transferred to stated capital during the period  | (262,914,889,649)        | -                    | -                    | -                       | -                    | -                                 | 262,914,889,649          | -                      | -                      |
| Transfer to Statutory Reserve Fund   | -                        | 1,254,257,040        | -                    | -                       | -                    | -                                 | -                        | (1,254,257,040)        | -                      |
| Revaluation surplus transferred to retained earnings upon the disposal of fixed assets | -                        | -                    | (91,911,123)         | -                       | -                    | -                                 | -                        | 91,911,123             | -                      |
| Transferred to / (from) regulatory loss allowance reserve                              | -                        | -                    | -                    | -                       | -                    | 744,424,754                       | -                        | (744,424,754)          | -                      |
| Transferred to retained earnings during the period                                     | -                        | -                    | (424,641,896)        | (41,014,495)            | (178,499,439)        | -                                 | -                        | 644,155,830            | -                      |
| <b>Total transactions recorded directly in equity</b>                                  | <b>(262,914,889,649)</b> | <b>1,254,257,040</b> | <b>(516,553,019)</b> | <b>(41,014,495)</b>     | <b>(178,499,439)</b> | <b>744,424,754</b>                | <b>262,914,889,649</b>   | <b>(1,262,614,842)</b> | <b>-</b>               |
| <b>Balance as at 31 March 2025 (Audited)</b>   | <b>44,078,915,852</b>    | <b>7,545,403,163</b> | <b>2,741,285,176</b> | <b>-</b>                | <b>169,093,515</b>   | <b>6,243,879,069</b>              | <b>-</b>                 | <b>88,745,371,584</b>  | <b>149,523,948,359</b> |
| <b>Balance as at 01 April 2025 (Audited)</b>   | <b>44,078,915,852</b>    | <b>7,545,403,163</b> | <b>2,741,285,176</b> | <b>-</b>                | <b>169,093,515</b>   | <b>6,243,879,069</b>              | <b>-</b>                 | <b>88,745,371,584</b>  | <b>149,523,948,359</b> |
| <b>Total comprehensive income for the period</b>                                       |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Profit for the period  | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | 5,203,317,266          | 5,203,317,266          |
| <b>Transactions recorded directly in equity</b>  |                          |                      |                      |                         |                      |                                   |                          |                        |                        |
| Transferred to / (from) regulatory loss allowance reserve                              | -                        | -                    | -                    | -                       | -                    | 447,583,780                       | -                        | (447,583,780)          | -                      |
| Transferred to retained earnings during the period                                     | -                        | -                    | -                    | -                       | -                    | -                                 | -                        | -                      | -                      |
| <b>Total transactions recorded directly in equity</b>                                  | <b>-</b>                 | <b>-</b>             | <b>-</b>             | <b>-</b>                | <b>-</b>             | <b>447,583,780</b>                | <b>-</b>                 | <b>(447,583,780)</b>   | <b>-</b>               |
| <b>Balance as at 30 June 2025</b>  | <b>44,078,915,852</b>    | <b>7,545,403,163</b> | <b>2,741,285,176</b> | <b>-</b>                | <b>169,093,515</b>   | <b>6,691,462,849</b>              | <b>-</b>                 | <b>93,501,105,068</b>  | <b>154,727,265,624</b> |

# LOLC Finance PLC

## STATEMENT OF CASH FLOWS

For the period ended 30th June 2025

| For the period ended  | 30-Jun-25<br>Rs.        | 30-Jun-24<br>Rs.       |
|---|-------------------------|------------------------|
| <b>Cash flows from operating activities</b>                             |                         |                        |
| Profit before income tax expense  | 5,203,317,266           | 3,867,398,942          |
| Adjustments for:  |                         |                        |
| Depreciation & amortisation expenses                                    | 407,527,118             | 326,169,858            |
| (Profit) / loss on sales of investment property and PPE                 | 5,957,308               | (2,700,386)            |
| Change in fair value of derivatives - forward contracts                 | (10,122,493)            | -                      |
| Net mark-to-market gains - government & debt securities                 | (234,979,942)           | (476,560,760)          |
| Fair value gains / (losses) from government securities                  | (22,816,976)            | (24,100,739)           |
| Impairment charges / (reversal)   | 200,917,994             | 401,024,207            |
| Provision for defined benefit plans                                     | 45,000,000              | 45,000,000             |
| Share of (profit)/loss of associate, net of tax                         | -                       | (4,520,830)            |
| Investment income   | (899,378,155)           | (1,033,487,461)        |
| Interest expense  | 6,104,395,882           | 7,140,200,683          |
| <b>Operating profit before working capital changes</b>                  | <b>10,799,818,003</b>   | <b>10,238,423,514</b>  |
| Change in other receivables   | 74,683,723              | 11,131,732             |
| Change in trade payables  | (22,182,766)            | 403,205,812            |
| Change in other liabilities   | (1,967,423,419)         | 345,159,122            |
| Change in amounts due to / due from related parties                     | (322,527,617)           | 96,233,793             |
| Change in financial assets at amortised cost – loans and advances       | (23,425,362,083)        | (5,994,517,666)        |
| Change in financial liabilities at amortised cost – due to depositors   | 2,453,548,358           | 10,205,901,306         |
| <b>Cash (used in) / generated from operations</b>                       | <b>(12,409,445,800)</b> | <b>15,305,537,613</b>  |
| Finance cost paid on deposits   | (7,367,497,350)         | (10,932,567,442)       |
| Gratuity paid   | (12,119,037)            | -                      |
| Income tax paid   | (16,980,256)            | -                      |
| <b>Net cash from / (used in) operating activities</b>                   | <b>(19,806,042,443)</b> | <b>4,372,970,171</b>   |
| <b>Cash flows from investing activities</b>                             |                         |                        |
| Acquisition of property, plant & equipment & investment property        | (737,774,294)           | (926,616,284)          |
| Proceeds from sale of property, plant & equipment & investment property | 15,811,536              | 9,523,700              |
| Purchase of government securities                                       | (1,681,157,188)         | (6,823,938,994)        |
| Proceeds from sale of government securities                             | 2,247,398,103           | 5,108,375,000          |
| Net proceeds from placements with banks                                 | (1,491,053,506)         | (1,739,155,285)        |
| Net proceeds from investments / debt securities                         | 8,737,920,308           | (2,482,880,045)        |
| Interest received from financial assets                                 | 568,099,501             | 471,716,820            |
| <b>Net cash flows used in investing activities</b>                      | <b>7,659,244,461</b>    | <b>(6,382,975,088)</b> |
| <b>Cash flows from financing activities</b>                             |                         |                        |
| Cash flows from interest bearing borrowings                             | 22,299,100,000          | 7,200,000,000          |
| Repayment of interest bearing borrowings                                | (4,459,596,279)         | (8,093,077,067)        |
| Repayment of principal portion of lease liabilities                     | (134,327,871)           | (136,003,621)          |
| Interest paid on borrowings   | (389,256,582)           | (585,545,753)          |
| <b>Net cash flows from / (used in) financing activities</b>             | <b>17,315,919,268</b>   | <b>(1,614,626,441)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b>           | <b>5,169,121,286</b>    | <b>(3,624,631,358)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>         | <b>62,270,382</b>       | <b>6,469,266,659</b>   |
| <b>Cash and cash equivalents at the end of the period</b>               | <b>5,231,391,667</b>    | <b>2,844,635,302</b>   |

# LOLC Finance PLC

## OPERATING SEGMENTS

For the period ended 30th June 2025

For the period ended 30th June 2025

| Item   | SME Finance<br>Rs.   | Personal<br>Finance<br>Rs. | Alternate<br>Finance<br>Rs. | Gold<br>Loans<br>Rs. | Others<br>Rs.      | (Eliminations) /<br>Unallocated<br>Rs. | Total /<br>Consolidated<br>Rs. |
|--|----------------------|----------------------------|-----------------------------|----------------------|--------------------|--|--------------------------------|
| Interest income                                    | 11,053,721,257       | 2,007,170,512              | 2,006,679,198               | 1,679,300,637        | 956,945,682        | (145,572,127)                          | 17,558,245,160                 |
| Interest expense                                   | (4,016,311,275)      | (492,293,750)              | (528,231,991)               | (775,298,721)        | (326,803,357)      | 34,543,213                             | (6,104,395,882)                |
| <b>Net interest income</b>                         | <b>7,037,409,982</b> | <b>1,514,876,762</b>       | <b>1,478,447,207</b>        | <b>904,001,916</b>   | <b>630,142,325</b> | <b>(111,028,914)</b>                   | <b>11,453,849,277</b>          |
| Net fee and commission income                      | 326,839,770          | 40,654,641                 | 70,505,168                  | 63,888,512           | 226,912,607        | -                                      | 728,800,697                    |
| Net gains / (losses) from trading                  | -                    | -                          | -                           | -                    | -                  | 281,926,412                            | 281,926,412                    |
| Net other operating income                         | 47,756,972           | 5,940,350                  | 8,671,980                   | 9,335,222            | 3,557,542          | -                                      | 71,704,524                     |
| <b>Total other operating income</b>                | <b>374,596,742</b>   | <b>46,594,990</b>          | <b>79,177,148</b>           | <b>73,223,734</b>    | <b>230,470,149</b> | <b>281,926,412</b>                     | <b>1,082,431,634</b>           |
| <b>Net operating income</b>                        | <b>7,412,006,723</b> | <b>1,561,471,752</b>       | <b>1,557,624,355</b>        | <b>977,225,650</b>   | <b>860,612,474</b> | <b>170,897,498</b>                     | <b>12,536,280,911</b>          |
| Less: Expenses                                     |                      |                            |                             |                      |                    |  |                                |
| Impairment (charge) / reversal                     | (17,955,541)         | 118,453,171                | 9,707,547                   | 5,683,133            | (145,783,034)      | (150,236,064)                          | (180,130,787)                  |
| Total operating expenses                           | (3,508,529,990)      | (672,964,055)              | (641,358,150)               | (542,010,285)        | (437,435,222)      | (38,441,628)                           | (5,840,739,330)                |
| VAT and other taxes on financial services          | (825,407,147)        | (211,250,987)              | (200,597,869)               | (93,389,310)         | (49,458,877)       | 68,010,662                             | (1,312,093,528)                |
| <b>Profit from operating activities</b>            | <b>3,060,114,047</b> | <b>795,709,881</b>         | <b>725,375,883</b>          | <b>347,509,189</b>   | <b>227,935,340</b> | <b>50,230,469</b>                      | <b>5,203,317,266</b>           |
| Share of profit of equity accounted investee       | -                    | -                          | -                           | -                    | -                  | -                                      | -                              |
| <b>Profit before income tax expense</b>            | <b>3,060,114,047</b> | <b>795,709,881</b>         | <b>725,375,883</b>          | <b>347,509,189</b>   | <b>227,935,340</b> | <b>50,230,469</b>                      | <b>5,203,317,266</b>           |
| <b>Other information</b>                           |                      |                            |                             |                      |                    |  |                                |
| Depreciation                                       | 183,745,764          | 22,698,289                 | 46,057,529                  | 36,824,363           | 13,325,766         | 104,875,408                            | 407,527,118                    |
| Capital expenditure - Property Plant and equipment | 347,935,607          | 42,980,817                 | 71,781,156                  | 69,729,538           | 25,233,281         | 198,589,007                            | 756,249,405                    |
| Total assets                                       | 206,315,553,955      | 25,486,356,937             | 42,564,108,358              | 41,347,559,538       | 14,962,591,206     | 117,757,424,613                        | 448,433,594,606                |
| Total liabilities                                  | 132,663,569,957      | 16,388,057,185             | 32,726,999,260              | 26,587,015,628       | 9,621,139,692      | 75,719,547,259                         | 293,706,328,982                |

For the period ended 30th June 2024

| Item   | SME Finance<br>Rs.   | Personal<br>Finance<br>Rs. | Alternate<br>Finance<br>Rs. | Gold<br>Loans<br>Rs. | Others<br>Rs.        | (Eliminations) /<br>Unallocated<br>Rs. | Total /<br>Consolidated<br>Rs. |
|--|----------------------|----------------------------|-----------------------------|----------------------|----------------------|--|--------------------------------|
| Interest income                                    | 11,845,724,370       | 1,741,127,949              | 1,714,121,222               | 1,401,926,405        | 1,324,515,222        | (1,059,520,039)                        | 16,967,895,128                 |
| Interest expense                                   | (4,712,779,349)      | (542,034,068)              | (625,644,975)               | (763,951,931)        | (460,757,935)        | (35,032,425)                           | (7,140,200,683)                |
| <b>Net interest income</b>                         | <b>7,132,945,020</b> | <b>1,199,093,881</b>       | <b>1,088,476,247</b>        | <b>637,974,473</b>   | <b>863,757,287</b>   | <b>(1,094,552,464)</b>                 | <b>9,827,694,445</b>           |
| Net fee and commission income                      | 268,539,524          | 32,304,121                 | 46,823,693                  | 47,563,694           | 164,638,704          | -                                      | 559,869,735                    |
| Net gains / (losses) from trading                  | -                    | -                          | -                           | -                    | -                    | 637,006,130                            | 637,006,130                    |
| Net other operating income                         | 71,126,879           | 8,556,250                  | 5,319,302                   | 12,597,986           | 5,562,150            | -                                      | 103,162,565                    |
| <b>Total other operating income</b>                | <b>339,666,403</b>   | <b>40,860,370</b>          | <b>52,142,994</b>           | <b>60,161,679</b>    | <b>170,200,853</b>   | <b>637,006,130</b>                     | <b>1,300,038,430</b>           |
| <b>Net operating income</b>                        | <b>7,472,611,423</b> | <b>1,239,954,251</b>       | <b>1,140,619,242</b>        | <b>698,136,153</b>   | <b>1,033,958,141</b> | <b>(457,546,333)</b>                   | <b>11,127,732,876</b>          |
| Less: Expenses                                     |                      |                            |                             |                      |                      |  |                                |
| Impairment (charge) / reversal                     | (1,681,468,494)      | 84,864,120                 | (105,937,492)               | (11,543,996)         | 2,362,869            | 687,800,447                            | (1,023,922,546)                |
| Total operating expenses                           | (3,145,673,583)      | (583,530,145)              | (537,847,168)               | (395,214,932)        | (338,819,583)        | (239,971,703)                          | (5,241,057,115)                |
| VAT and other taxes on financial services          | (590,795,889)        | (155,868,490)              | (113,432,645)               | (60,234,950)         | (114,957,113)        | 35,413,985                             | (999,875,102)                  |
| <b>Profit from operating activities</b>            | <b>2,054,673,457</b> | <b>585,419,736</b>         | <b>383,401,937</b>          | <b>231,142,274</b>   | <b>582,544,314</b>   | <b>25,696,394</b>                      | <b>3,862,878,112</b>           |
| Share of profit of equity accounted investee       | -                    | -                          | -                           | -                    | -                    | 4,520,830                              | 4,520,830                      |
| <b>Profit before income tax expense</b>            | <b>2,054,673,457</b> | <b>585,419,736</b>         | <b>383,401,937</b>          | <b>231,142,274</b>   | <b>582,544,314</b>   | <b>30,217,224</b>                      | <b>3,867,398,942</b>           |
| <b>Other information</b>                           |                      |                            |                             |                      |                      |  |                                |
| Depreciation                                       | 201,216,885          | 25,213,564                 | 37,288,931                  | 38,267,208           | 15,414,331           | 90,126,199                             | 407,527,118                    |
| Capital expenditure - Property Plant and equipment | 154,568,991          | 19,368,331                 | 26,628,775                  | 29,395,763           | 11,840,843           | 69,232,340                             | 311,035,043                    |
| Total assets                                       | 192,335,650,616      | 24,100,697,504             | 33,135,124,574              | 36,578,184,781       | 14,733,979,338       | 86,148,243,645                         | 387,031,880,458                |
| Total liabilities                                  | 127,596,086,667      | 15,988,479,918             | 26,042,768,938              | 24,266,084,943       | 9,774,569,086        | 57,151,020,766                         | 260,819,010,319                |

# LOLC Finance PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30th June 2025

### 2. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

For the period ended 30th June 2025

| Item  | Financial instruments recognised through profit or loss (FVTPL) | Financial instruments at Amortised Cost (AC) | Financial instruments at fair value through other comprehensive income (FVOCI) | Total carrying amount  |
|---|---|--|--|------------------------|
|   | Rs.   | Rs.  | Rs.  | Rs.                    |
| <b>Financial Assets</b>                                     |   |  |  |                        |
| Cash and cash equivalents                                   | -   | 10,857,083,100                               | -  | 10,857,083,100         |
| Placements with banks                                       | -   | 4,278,953,167                                | -  | 4,278,953,167          |
| Securities purchased under resale agreements                | -   | 1,075,228,255                                | -  | 1,075,228,255          |
| Derivative financial instruments                            | 15,495,958  | -  | -  | 15,495,958             |
| Financial assets - fair value through profit or loss        | 24,843,685,545  | -  | -  | 24,843,685,545         |
| Financial assets at amortised cost – loans and advances     | -   | 320,691,887,024                              | -  | 320,691,887,024        |
| Financial assets at amortised cost – debt instruments       | -   | 13,805,725,658                               | -  | 13,805,725,658         |
| Financial assets - fair value through OCI                   | -   | -  | 323,720,733  | 323,720,733            |
| Other financial assets                                      | -   | 573,450,765                                  | -  | 573,450,765            |
| <b>Total financial assets</b>                               | <b>24,859,181,503</b>   | <b>351,282,327,968</b>                       | <b>323,720,733</b>   | <b>376,465,230,204</b> |
| <b>Financial Liabilities</b>                                |   |  |  |                        |
| Bank overdraft  | -   | 5,625,691,433                                | -  | 5,625,691,433          |
| Derivative financial instruments                            | 811,849   | -  | -  | 811,849                |
| Securities sold under repurchase agreements                 | -   | 2,403,994,521                                | -  | 2,403,994,521          |
| Financial liabilities at amortised cost – due to depositors | -   | 226,338,072,179                              | -  | 226,338,072,179        |
| Financial liabilities at amortised cost – borrowings        | -   | 31,129,229,837                               | -  | 31,129,229,837         |
| Other financial liabilities                                 | -   | 4,523,419,981                                | -  | 4,523,419,981          |
| <b>Total financial liabilities</b>                          | <b>811,849</b>  | <b>270,020,407,951</b>                       | <b>-</b>   | <b>270,021,219,800</b> |

For the period ended 31st March 2025 (Audited)

| Item  | Financial instruments recognised through profit or loss (FVTPL) | Financial instruments at Amortised Cost (AC) | Financial instruments at fair value through other comprehensive income (FVOCI) | Total carrying amount  |
|---|---|--|--|------------------------|
|   | Rs.   | Rs.  | Rs.  | Rs.                    |
| <b>Financial Assets</b>                                     |   |  |  |                        |
| Cash and cash equivalents                                   | -   | 8,578,933,549                                | -  | 8,578,933,549          |
| Placements with banks                                       | -   | 2,794,250,923                                | -  | 2,794,250,923          |
| Securities purchased under resale agreements                | -   | 280,245,480                                  | -  | 280,245,480            |
| Derivative financial instruments                            | 6,499,209   | -  | -  | 6,499,209              |
| Financial assets - fair value through profit or loss        | 33,324,963,786  | -  | -  | 33,324,963,786         |
| Financial assets at amortised cost – loans and advances     | -   | 297,509,139,758                              | -  | 297,509,139,758        |
| Financial assets at amortised cost – debt instruments       | -   | 14,828,164,580                               | -  | 14,828,164,580         |
| Financial assets - fair value through OCI                   | -   | -  | 323,720,733  | 323,720,733            |
| Other financial assets                                      | -   | 535,355,437                                  | -  | 535,355,437            |
| <b>Total financial assets</b>                               | <b>33,331,462,995</b>   | <b>324,526,089,728</b>                       | <b>323,720,733</b>   | <b>358,181,273,455</b> |
| <b>Financial Liabilities</b>                                |   |  |  |                        |
| Bank overdraft  | -   | 8,516,663,167                                | -  | 8,516,663,167          |
| Derivative financial instruments                            | 1,937,593   | -  | -  | 1,937,593              |
| Financial liabilities at amortised cost – due to depositors | -   | 225,717,328,979                              | -  | 225,717,328,979        |
| Financial liabilities at amortised cost – borrowings        | -   | 15,680,980,318                               | -  | 15,680,980,318         |
| Other financial liabilities                                 | -   | 4,779,298,797                                | -  | 4,779,298,797          |
| <b>Total financial liabilities</b>                          | <b>1,937,593</b>  | <b>254,694,271,261</b>                       | <b>-</b>   | <b>254,696,208,854</b> |

# LOLC Finance PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30th June 2025

### 3. FAIR VALUE OF ASSETS & LIABILITIES

The Company measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement. An analysis of fair value measurement of financial and non-financial assets and liabilities is provided below:

#### Level 1

Inputs that are quoted market prices (unadjusted) in an active market for identical instruments. When available, the Company measures the fair value of an instrument using active quoted prices or dealer price quotations, without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### Level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

This category includes instruments valued using:

- (a) quoted prices in active markets for similar instruments,
- (b) quoted prices for identical or similar instruments in markets that are considered to be less active, or
- (c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

#### Level 3

Inputs that are unobservable.

This category includes financial instruments valued using techniques that rely on significant unobservable inputs. These may involve adjustments to quoted prices of similar instruments or models such as discounted cash flows. Key inputs and assumptions include interest rates, risk premiums, market prices, exchange rates, and price volatilities.

Observable prices or model inputs such as market interest rates are usually available in the market for listed equity securities and Government Securities such as Treasury Bills and Treasury Bonds. Availability of observable prices and model inputs reduces the need for Management judgement and estimation while reducing uncertainty associated in determining the fair values.

For the period ended 30th June 2025

| Item  | Level 1<br>Rs.        | Level 2<br>Rs.         | Level 3<br>Rs.       | Total fair value<br>Rs. | Total carrying amount<br>Rs. |
|---|-----------------------|------------------------|----------------------|-------------------------|------------------------------|
| <b>Financial Assets</b>                                     |                       |                        |                      |                         |                              |
| Cash and cash equivalents                                   | -                     | 10,857,083,100         | -                    | 10,857,083,100          | 10,857,083,100               |
| Placements with banks                                       | -                     | 4,278,953,167          | -                    | 4,278,953,167           | 4,278,953,167                |
| Securities purchased under resale agreements                | -                     | 1,075,228,255          | -                    | 1,075,228,255           | 1,075,228,255                |
| Derivative financial instruments                            | -                     | 15,495,958             | -                    | 15,495,958              | 15,495,958                   |
| Financial assets - fair value through profit or loss        | 22,700,247,815        | -                      | 2,143,437,730        | 24,843,685,545          | 24,843,685,545               |
| Financial assets at amortised cost – loans and advances     | -                     | 320,235,743,147        | -                    | 320,235,743,147         | 320,691,887,024              |
| Financial assets at amortised cost – debt instruments       | 12,878,352,502        | -                      | -                    | 12,878,352,502          | 13,805,725,658               |
| Financial assets - fair value through OCI                   | -                     | 323,720,733            | -                    | 323,720,733             | 323,720,733                  |
| Other financial assets                                      | -                     | 573,450,765            | -                    | 573,450,765             | 573,450,765                  |
| <b>Total financial assets</b>                               | <b>35,578,600,317</b> | <b>337,359,675,124</b> | <b>2,143,437,730</b> | <b>375,081,713,171</b>  | <b>376,465,230,204</b>       |
| <b>Financial Liabilities</b>                                |                       |                        |                      |                         |                              |
| Bank overdraft  | -                     | 5,625,691,433          | -                    | 5,625,691,433           | 5,625,691,433                |
| Derivative financial instruments                            | -                     | 811,849                | -                    | 811,849                 | 811,849                      |
| Securities sold under repurchase agreements                 | -                     | 2,403,994,521          | -                    | 2,403,994,521           | 2,403,994,521                |
| Financial liabilities at amortised cost – due to depositors | -                     | 228,963,926,059        | -                    | 228,963,926,059         | 226,338,072,179              |
| Financial liabilities at amortised cost – borrowings        | -                     | 31,442,734,525         | -                    | 31,442,734,525          | 31,129,229,837               |
| Other financial liabilities                                 | -                     | 4,523,419,981          | -                    | 4,523,419,981           | 4,523,419,981                |
| <b>Total financial liabilities</b>                          | <b>-</b>              | <b>272,960,578,368</b> | <b>-</b>             | <b>272,960,578,368</b>  | <b>270,021,219,800</b>       |

For the period ended 31st March 2025 (Audited)

| Item  | Level 1<br>Rs.        | Level 2<br>Rs.         | Level 3<br>Rs.       | Total fair value<br>Rs. | Total carrying amount<br>Rs. |
|---|-----------------------|------------------------|----------------------|-------------------------|------------------------------|
| <b>Financial Assets</b>                                     |                       |                        |                      |                         |                              |
| Cash and cash equivalents                                   | -                     | 8,578,933,549          | -                    | 8,578,933,549           | 8,578,933,549                |
| Placements with banks                                       | -                     | 2,794,250,923          | -                    | 2,794,250,923           | 2,794,250,923                |
| Securities purchased under resale agreements                | -                     | 280,245,480            | -                    | 280,245,480             | 280,245,480                  |
| Derivative financial instruments                            | -                     | 6,499,209              | -                    | 6,499,209               | 6,499,209                    |
| Financial assets - fair value through profit or loss        | 31,181,526,056        | -                      | 2,143,437,730        | 33,324,963,786          | 33,324,963,786               |
| Financial assets at amortised cost – loans and advances     | -                     | 297,486,139,772        | -                    | 297,486,139,772         | 297,509,139,758              |
| Financial assets at amortised cost – debt instruments       | 13,263,650,655        | 640,927,123            | -                    | 13,904,577,778          | 14,828,164,580               |
| Financial assets - fair value through OCI                   | -                     | 323,720,733            | -                    | 323,720,733             | 323,720,733                  |
| Other financial assets                                      | -                     | 535,355,437            | -                    | 535,355,437             | 535,355,437                  |
| <b>Total financial assets</b>                               | <b>44,445,176,710</b> | <b>310,646,072,227</b> | <b>2,143,437,730</b> | <b>357,234,686,667</b>  | <b>358,181,273,455</b>       |
| <b>Financial Liabilities</b>                                |                       |                        |                      |                         |                              |
| Bank overdraft  | -                     | 8,516,663,167          | -                    | 8,516,663,167           | 8,516,663,167                |
| Derivative financial instruments                            | -                     | 1,937,593              | -                    | 1,937,593               | 1,937,593                    |
| Financial liabilities at amortised cost – due to depositors | -                     | 230,572,571,747        | -                    | 230,572,571,747         | 225,717,328,979              |
| Financial liabilities at amortised cost – borrowings        | -                     | 15,542,959,060         | -                    | 15,542,959,060          | 15,680,980,318               |
| Other financial liabilities                                 | -                     | 4,779,298,797          | -                    | 4,779,298,797           | 4,779,298,797                |
| <b>Total financial liabilities</b>                          | <b>-</b>              | <b>259,413,430,364</b> | <b>-</b>             | <b>259,413,430,364</b>  | <b>254,696,208,854</b>       |

**4. EXPLANATORY NOTES**

- 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 previous year's audited financial records of the Company. Accounting policies and methods of computation as stated in the audited financial statements for the year 2024/25 are followed in the preparation of these Interim Financial Statements.
- There are no significant changes in the nature of the contingent liabilities other than disclosed in the audited financials for the year ended 31 March 2025. All expenses related to management expenditure are fully provided for in these Interim Financial Statements.

**5. SHARE INFORMATION**

The Stated Capital of the Company is represented by 33,079,212,299 ordinary shares. Market prices of ordinary shares recorded for the quarter ended 30th June 2025 are as follows:

|                   | 30-Jun-25<br>Rs. | 30-Jun-24<br>Rs. |
|-------------------|------------------|------------------|
| Last traded price | 6.00             | 5.50             |
| Highest Price     | 6.50             | 7.50             |
| Lowest Price      | 5.40             | 5.20             |

**6. DEBENTURE INFORMATION**

These represent unsecured, subordinated, redeemable debentures amounting to 50 million units, issued in September 2020. The debentures are listed on the Colombo Stock Exchange and are rated A (Positive) by Lanka Rating Agency.

- Interest rates of the debentures

| Instrument type        | Interest frequency | Rate of interest (% 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 | Semi-annually      | 10.50%                   | 10.50%                          | 8.86%                                | 9.67%   |
| Type B - 5 Years Tenor | Semi-annually      | 19.63%                   | 19.63%                          | 19.63%                               | 9.67%   |

- Market prices & issue prices of debentures recorded during the quarter ended 30th June 2025 are as follows.

| Instrument Type        | Issue Price Rs. | Highest Price Rs. | Lowest Price Rs. | Last Traded Price Rs. | Last Traded Date |
|------------------------|-----------------|-------------------|------------------|-----------------------|------------------|
| Type A - 5 Years Tenor | 100.00          | Not Traded        | Not Traded       | Not Traded            | N/A              |
| Type B - 5 Years Tenor | 100.00          | Not Traded        | Not Traded       | Not Traded            | N/A              |

**7. OTHER DISCLOSURE INFORMATION**

The proceeds derived from debenture and rights issues in previous periods have been wholly allocated to the objectives delineated in the respective prospectuses. Consequently, in conformity with the stipulations set forth in Rules 7.6 (XIII) and Appendix 7A Part (a) Item 3 of the Listing Rules of the pertinent Colombo Stock Exchange (CSE), there exists no obligatory requirement for additional disclosures.

**8. COMPARATIVE INFORMATION**

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

**9. EVENTS AFTER THE REPORTING PERIOD**

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the Financial Statements other than disclosed below.

**Proposed Share Repurchase**

The Board of Directors of the Company had approved a proposal to undertake a share repurchase at a price of Rs. 6.00 per share, after obtaining the necessary regulatory approvals. The maximum number of shares to be repurchased under this offer was 3,519,065,138, with the offer period having commenced on 30th June 2025 and closed on 8th July 2025. The latest date for payment to shareholders was 23rd July 2025, and the effective date was 30th July 2025.

The repurchase was carried out in compliance with the provisions of Section 64 of the Companies Act No. 07 of 2007 and the guidelines issued by the Central Bank of Sri Lanka relating to profit distributions by Licensed Finance Companies. In accordance with Section 64(2) of the Act, the Company had obtained a Solvency Certificate and a Fair Value Opinion from its external auditors. The Board of Directors had confirmed that the repurchase was in the best interest of the Company and that the consideration offered to shareholders was fair and reasonable.

# LOLC Finance PLC

## NOTES TO INTERIM FINANCIAL STATEMENTS

As at 30th June 2025

### 10. SELECTED KEY PERFORMANCE INDICATORS

| Item   | 30-Jun-25        | 31-Mar-25       | 30-Jun-24     |
|--|------------------|-----------------|---------------|
| <b>Regulatory Capital Adequacy (Rs. 000)</b>                         |                  |                 |               |
| Tier 1 Core Capital  | 109,866,172      | 109,866,746     | 87,039,140    |
| Total Capital Base   | 108,783,940      | 108,785,841     | 87,032,438    |
| <b>Regulatory Capital Adequacy (%)</b>                               |                  |                 |               |
| Tier 1 Capital Adequacy Ratio - Minimum requirement 10%              | 24.96            | 26.18           | 22.45         |
| Total Capital Adequacy Ratio - Minimum requirement 17%               | 24.71            | 25.92           | 22.45         |
| Capital Funds to Deposit Liabilities Ratio - Minimum requirement 10% | 48.06            | 48.20           | 41.02         |
| Debt to equity ratio (with Deposits)                                 | 1.72 times       | 1.67 times      | 1.88 times    |
| <b>Assets Quality (Quality of Loan Portfolio) (%)</b>                |                  |                 |               |
| Net Non-Performing Loans Ratio                                       | 5.49             | 4.81            | 10.25         |
| Net Non-Performing Loans to Core Capital Ratio                       | 16.42            | 13.35           | 31.13         |
| Provision Coverage Ratio   | 30.66            | 34.51           | 26.57         |
| <b>Profitability (%)</b>   |                  |                 |               |
| Net Interest Margin  | 12.83            | 12.94           | 12.88         |
| Return on Assets (before tax)  | 4.74             | 6.22            | 4.05          |
| Return on Equity (after Tax)   | 13.68            | 18.45           | 12.45         |
| Cost to Income ratio   | 46.59            | 43.36           | 47.10         |
| <b>Liquidity (%)</b>   |                  |                 |               |
| Available Liquid Assets to required liquid assets (Minimum 100%)     | 120.78           | 140.17          | 184.30        |
| Liquid Assets to external funds                                      | 11.48            | 13.59           | 17.76         |
| Interest Cover (Times)   | 1.85 times       | 1.96 times      | 1.54 times    |
| <b>Memorandum information</b>  |                  |                 |               |
| Number of branches   | 201              | 203             | 208           |
| External Credit rating   | *(SL) A Positive | (SL) A Positive | (SL) A Stable |

\*The Company has been assigned A positive by Lanka Rating Agency.

### 11. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

| As at   | 30-Jun-25<br>Rs.       | 31-Mar-25<br>Rs.       |
|---|------------------------|------------------------|
| <b>Gross loans and advances</b>   | <b>328,666,024,334</b> | <b>305,240,662,252</b> |
| <b>Less: Provision for impairment</b>                                       | <b>(7,974,137,311)</b> | <b>(7,731,522,493)</b> |
| Stage 1   | (389,059,371)          | (336,811,868)          |
| Stage 2   | (208,325,639)          | (418,726,450)          |
| Stage 3   | (7,376,752,301)        | (6,975,984,175)        |
| <b>Net loans and advances</b>   | <b>320,691,887,024</b> | <b>297,509,139,758</b> |
| <b>Analysis of loans and advances to customers by product</b>               |                        |                        |
| As at   | 30-Jun-25<br>Rs.       | 31-Mar-25<br>Rs.       |
| Speed drafts  | 73,052,175,220         | 63,732,794,336         |
| Finance lease receivable  | 72,268,615,890         | 71,107,219,176         |
| Credit cards  | 7,071,949,370          | 6,889,568,113          |
| Gold Loan   | 44,703,039,700         | 39,367,336,123         |
| Staff loans   | 402,679,835            | 435,481,449            |
| Housing development loans   | 2,203,535,476          | 2,231,365,078          |
| Personal loans  | 18,679,056,793         | 17,002,768,157         |
| Individual loans  | 5,984,990,726          | 6,125,200,232          |
| Factoring   | 3,455,919,533          | 3,727,382,041          |
| Loans against fixed deposits  | 8,460,163,933          | 8,563,109,648          |
| Margin trading  | 4,509,785,598          | 4,184,372,895          |
| Alternate finance portfolio - Other receivables (Murabaha, Musharakah etc.) | 31,128,580,568         | 28,578,336,533         |
| Term loans  |                        |                        |
| Short term  | 47,437,504             | 68,642,074             |
| Long term   | 56,698,094,188         | 53,227,086,396         |
| <b>Total</b>  | <b>328,666,024,334</b> | <b>305,240,662,252</b> |

# LOLC Finance PLC

## SHAREHOLDERS' INFORMATION

As at 30th June 2025

### 12. ANALYSIS OF DEPOSITS

| As at                            | 30-Jun-25<br>Rs.       | 31-Mar-25<br>Rs.       |
|----------------------------------|------------------------|------------------------|
| <b>Local currency deposits</b>   | <b>222,096,511,335</b> | <b>221,927,067,305</b> |
| Savings deposits                 | 15,904,656,918         | 14,031,260,049         |
| Fixed deposits                   | 206,191,854,418        | 207,895,807,256        |
| <b>Foreign currency deposits</b> | <b>4,241,560,843</b>   | <b>3,790,261,673</b>   |
| Savings deposits                 | 280,291,092            | 272,704,508            |
| Fixed deposits                   | 3,961,269,751          | 3,517,557,165          |
| <b>Total</b>                     | <b>226,338,072,179</b> | <b>225,717,328,979</b> |

### 13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES

As at Jun 30, 2025

| Name of the Director  | No. of shares  | %           |
|---|----------------|-------------|
| 1 Mr. F. K. C. P. N. Dias - Chairman / Non Executive Director | -              | -           |
| 2 Mr. D. M. D. K. Thilakaratne - Director / CEO               | -              | -           |
| 3 Mr. B. C. G. de Zylva - Non Executive Director              | -              | -           |
| 4 Mr. P. A. Wijeratne - Independent Director                  | 455,998        | 0.00        |
| 5 Ms. K. T. Chamila Priyangani - Independent Director         | -              | -           |
| 6 Mr. A. J. L. Peiris - Independent Director                  | -              | -           |
| 7 Mr. S. Lankathilake - Independent Director                  | -              | -           |
| <b>Total</b>  | <b>455,998</b> | <b>0.00</b> |

### 14. TWENTY LARGEST SHAREHOLDERS

As at Jun 30, 2025

| Name of the Shareholder   | No. of shares         | %             |
|---|-----------------------|---------------|
| 1 LOLC Ceylon Holdings Limited  | 29,179,995,406        | 88.21         |
| 2 LOLC Asia Private Limited   | 1,892,235,176         | 5.72          |
| 3 Hatton National Bank PLC / LOLC Ceylon Holdings Limited               | 909,523,810           | 2.75          |
| 4 Commercial Bank of Ceylon PLC / Phantom Investments (Private) Limited | 108,430,628           | 0.33          |
| 5 Sampath Bank PLC / Andaradeniya Estate Private Limited                | 25,059,524            | 0.08          |
| 6 Mr. S. Vasudevan  | 20,917,827            | 0.06          |
| 7 Mr. V.R. Ramanan  | 20,900,000            | 0.06          |
| 8 Mr. M.C. Pushpakumara   | 12,028,495            | 0.04          |
| 9 Mr. R.E. Rambukwelle  | 10,363,752            | 0.03          |
| 10 Mr. B.C.S.T.I. Rodrigo   | 9,040,000             | 0.03          |
| 11 Mr. A.J. Tissera   | 8,759,900             | 0.03          |
| 12 Mr. W.A.S.P. De Saram  | 8,757,938             | 0.03          |
| 13 CIC Holdings PLC / CIC Charitable & Educational Trust Fund           | 8,707,200             | 0.03          |
| 14 Ms. M.I. Thanudara   | 7,913,276             | 0.02          |
| 15 Mr. B.W. Kundanmal   | 6,750,000             | 0.02          |
| 16 Merchant Bank of Sri Lanka & Finance PLC / Maweli Finance (Pvt) Ltd  | 6,500,000             | 0.02          |
| 17 Assetline Finance Ltd / M.D.N.P. Fonseka & W.H. Nawodya              | 5,765,461             | 0.02          |
| 18 Mr. A.A. Sunil   | 5,665,468             | 0.02          |
| 19 Hatton National Bank PLC / Ramaraj Kuhan                             | 5,000,000             | 0.02          |
| 20 Hatton National Bank PLC / Anuja Chamila Jayasinghe                  | 4,930,000             | 0.01          |
| <b>Total shares held by twenty largest shareholders</b>                 | <b>32,257,243,861</b> | <b>97.52</b>  |
| <b>Others</b>   | <b>821,968,438</b>    | <b>2.48</b>   |
| <b>Total</b>  | <b>33,079,212,299</b> | <b>100.00</b> |

#### Public shareholding

Information pertaining to public shareholding as at 30th June 2025 is as follows:

|  | 30-Jun-25     | 30-Jun-24     |
|--|---------------|---------------|
| Public holding percentage                  | 3.31%         | 3.31%         |
| Number of public shareholders              | 17,693        | 17,758        |
| Float Adjusted Market Capitalization - Rs. | 6,577,642,008 | 6,687,430,677 |

The Company is not compliant with the minimum public holding requirement stipulated in the Listing Rule 7.13.1.i (b) of the Colombo Stock Exchange. This arose consequent to the merger with subsidiaries (Commercial Leasing and Finance PLC and LOLC Development Finance PLC) took place on 31st March 2022 and 31st January 2023 respectively.

# LOLC Finance PLC

---

## CORPORATE INFORMATION

### NAME OF THE COMPANY

LOLC Finance PLC

### COUNTRY OF INCORPORATION

Sri Lanka

### DATE OF INCORPORATION

13th December 2001

### LEGAL FORM

A quoted public Company with limited liability

### COMPANY REGISTRATION NO.

PB 244 PQ

### TAX PAYER IDENTIFICATION NO.

134009578

### VAT REGISTRATION NO.

134009578 7000

### STOCK EXCHANGE LISTING

The ordinary shares of the Company were listed on the Diri Savi Board of the Colombo Stock Exchange (CSE) on 7th July 2011.

### CREDIT RATING

Lanka Rating Agency assigned the Company with a long-term rating of 'A' with a (Positive) outlook.

### REGISTERED OFFICE AND HEAD OFFICE

No. 100/1, Sri Jayewardenepura Mawatha, Rajagiriya

Tel: 011 7248248

Fax: 011 2865606

Website: <https://www.lolcfinance.com/>

Swift: LOFCKLC

### DIRECTORS

Mr. F. K. C. P. N. Dias - Chairman / Non Executive Director

Mr. D. M. D. K. Thilakaratne - Director / CEO

Mr. B. C. G. de Zylva - Non Executive Director

Mr. P. A. Wijeratne - Independent Director

Ms. K. T. Chamila Priyangani - Independent Director

Mr. A. J. L. Peiris - Independent Director

Mr. S. Lankathilake - Independent Director

### THE COMPANY SECRETARY

Mrs M V S C Rodrigo

100/1, Sri Jayawardenapura Mawatha, Rajagiriya

Tel: 0117 248 578

Email: [veronicac@lolcfinance.com](mailto:veronicac@lolcfinance.com)

### AUDITORS

Deloitte Partners, Chartered Accountants

### LAWYERS

Julius & Creasy, Attorneys-at-Law

Nithya Partners

### REGISTRARS

Central Depository System (Pvt) Limited

# 04 - 01, West Block, World Trade Centre, Echelon Square, Colombo 01.

Tel: 011 244 0396

### PRINCIPAL ACTIVITIES

During the period the principal activities of the Company comprised; Finance Business, Finance leasing, Islamic Finance, issue of Payment Cards, Micro Finance Loans, Gold Loans and Advances for Margin Trading in the Colombo Stock Exchange.

### BANKERS

Standard Chartered Bank

Nations Trust Bank PLC

Citi Bank N.A.

Commercial Bank of Ceylon PLC

NDB Bank PLC

Bank of Ceylon

Seylan Bank PLC

MCB Bank

Deutsche Bank

Hatton National Bank PLC

Pan Asia Bank PLC

Hong Kong & Shanghai Banking Corporation

Sampath Bank PLC

DFCC Bank

Peoples Bank

Cargills Bank Limited

Union Bank of Colombo PLC