LOLC FINANCE

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30TH SEPTEMBER 2025

LOLC FINANCE PLC

LOLC Finance PLC

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1. FINANCIAL REVIEW

Sustains leadership as the largest NBFI with strong profitability and portfolio expansion, backed by solid asset growth and efficient cost management

- Profit After Tax surges 72% YoY to Rs. 14.02 Bn.
- Loan book expands by Rs. 54.42 Bn. in six months to Rs. 351.93 Bn
- Net interest income up 16% YoY to Rs. 23.94 Bn.
- Total assets increase to Rs. 466.26 Bn., growing 8.5% since March 2025
- Borrowings rise to Rs. 50.16 Bn. to fuel lending portfolio growth

Strong Profitability and Income Growth

LOLC Finance PLC, Sri Lanka's largest non-bank financial institution (NBFI), continued its strong performance in the first half of FY2025/26, delivering robust profitability and steady balance sheet expansion for the quarter ended 30 September 2025.

The Company reported a profit after tax (PAT) of Rs. 14.02 billion, reflecting a remarkable 72% year-on-year growth, driven by higher net interest margins, improved asset quality, and enhanced operational efficiency.

Gross income for the period increased by 8% year-on-year to Rs. 39.51 billion, supported by both lending growth and higher fee-based income. Interest income grew by 8% to Rs. 36.83 billion, while interest expenses declined by 5% to Rs. 12.89 billion, resulting in a 16% increase in net interest income to Rs. 23.94 billion.

Net fee and commission income rose by 15% to Rs. 1.50 billion, reflecting continued expansion in service-related activities and higher transaction volumes. Although net gain from trading declined by 44%, other operating income remained resilient, supported by improved collections and recoveries. Consequently, total operating income reached Rs. 25.91 billion, up 15% compared to the previous year.

Impairment and Cost Management

The Company recorded a net impairment reversal of Rs. 3.2 million, compared to a charge of Rs. 1.15 billion in the corresponding period last year, underscoring a significant improvement in credit quality and recoveries across portfolios.

Operating expenses increased moderately by 10% year-on-year to Rs. 12.02 billion. Despite this, LOLC Finance maintained strong cost discipline, with improved productivity and operating efficiency across its extensive branch network.

As a result, profit from operating activities rose by 34% to Rs. 13.90 billion, reflecting robust operational performance.

Financial Position and Lending Growth

As at 30 September 2025, total assets stood at Rs. 466.26 billion, an increase of Rs. 36.53 billion (8.5%) since 31 March 2025, driven by loan book expansion and higher placements with banks.

The net loan portfolio grew by Rs. 54.42 billion during the six months to reach Rs. 351.93 billion, reaffirming LOLC Finance's leadership in credit intermediation and its ability to capture market demand across key lending segments.

Customer deposits rose to Rs. 238.58 billion, reflecting continued customer confidence, while borrowings increased sharply to Rs. 50.16 billion from Rs. 15.68 billion, supporting portfolio growth and liquidity needs.

On the equity side, total shareholders' funds stood at Rs. 142.43 billion, compared to Rs. 149.52 billion at the beginning of the year, primarily reflecting the impact of share repurchase made during the period.

Capital & Liquidity

LOLC Finance remains exceptionally well-capitalized with a strong equity base of over Rs. 142.43 billion, reflecting its prudent risk management practices and strong retained earnings base. As at 30th September 2025, the Company reported a Tier 1 Capital Ratio of 19.08%, significantly above the regulatory minimum of 10%, and a Total Capital Ratio of 18.85%, 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 a network of 204 branches and continued focus on digital innovation, LOLC Finance remains agile in expanding access to credit, mobilizing deposits, and delivering enhanced value to stakeholders.

LOLC Finance's strong first-half performance underscores 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 six months ended 30th September 2025

For the period / quarter ended	For the period ended			For the quarter ended		
	30.09.2025 (Unaudited) Rs.	30.09.2024 (Unaudited) Rs.	Change %	30.09.2025 (Unaudited) Rs.	30.09.2024 (Unaudited) Rs.	Change %
Gross income	**39,506,583,976**	**36,454,228,403**	**8**	**20,579,661,865**	**17,936,972,979**	**15**
Interest income	36,828,126,924	34,213,411,347	8	19,269,881,765	17,245,516,219	12
Interest expense	(12,889,990,785)	(13,582,897,741)	(5)	(6,785,594,902)	(6,442,697,058)	5
Net interest income	**23,938,136,140**	**20,630,513,606**	**16**	**12,484,286,863**	**10,802,819,161**	**16**
Fee and commission income	2,197,064,788	1,720,950,075	28	1,182,018,772	911,758,474	30
Less: Fee and commission expense	(701,892,156)	(419,890,754)	67	(415,646,838)	(170,568,888)	144
Net fee and commission income	**1,495,172,632**	**1,301,059,321**	**15**	**766,371,934**	**741,189,586**	**3**
Net gains / (losses) from trading	184,055,447	328,565,482	(44)	(97,870,965)	(308,440,649)	(68)
Net other operating income	297,336,817	191,301,500	55	225,632,293	88,138,935	156
Other operating income	**481,392,264**	**519,866,982**	**(7)**	**127,761,327**	**(220,301,714)**	**(158)**
Total operating income	**25,914,701,035**	**22,451,439,909**	**15**	**13,378,420,124**	**11,323,707,033**	**18**
Less: Impairment (charges) / reversal						
Loans and advances	12,589,426	(2,061,507,117)	(101)	234,402,279	(125,664,403)	(287)
Sri Lanka International Sovereign Bonds	7,096,977	580,907,466	(99)	7,096,977	-	-
Other financial assets and credit related commitments	(22,915,840)	330,355,385	(107)	(64,597,906)	(657,316)	9,728
Total impairment (charge) / reversal	**(3,229,437)**	**(1,150,244,266)**	**(100)**	**176,901,350**	**(126,321,719)**	**(240)**
Net operating income	**25,911,471,598**	**21,301,195,643**	**22**	**13,555,321,474**	**11,197,385,314**	**21**
Less: Expenses						
Personnel expenses	(4,350,511,060)	(3,680,938,294)	18	(2,389,701,106)	(1,944,521,938)	23
Depreciation and amortisation	(898,448,758)	(636,427,152)	41	(490,921,639)	(310,257,294)	58
Other operating expenses	(6,766,801,313)	(6,640,782,140)	2	(3,294,399,056)	(3,462,311,239)	(5)
Total operating expenses	**(12,015,761,131)**	**(10,958,147,586)**	**10**	**(6,175,021,801)**	**(5,717,090,471)**	**8**
Profit from operating activities	**13,895,710,467**	**10,343,048,057**	34	**7,380,299,672**	**5,480,294,843**	35
Share of profit of equity accounted investee	-	7,515,942	(100)	-	2,995,113	(100)
Profit before tax expense	**13,895,710,467**	**10,350,563,999**	**34**	**7,380,299,672**	**5,483,289,955**	**35**
Taxes on financial services	124,454,649	(2,205,415,611)	(106)	1,436,548,177	(1,205,540,509)	(219)
Profit for the period	**14,020,165,115**	**8,145,148,388**	**72**	**8,816,847,849**	**4,277,749,446**	**106**
Total other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**14,020,165,115**	**8,145,148,388**	**72**	**8,816,847,849**	**4,277,749,446**	**106**
Basic earnings per share (Rs.)	**0.44**	**0.25**		**0.29**	**0.13**	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th September 2025

As at	30.09.2025 (Unaudited) Rs.	31.03.2025 (Audited) Rs.
ASSETS		
Cash and cash equivalents	8,300,752,700	8,578,933,549
Placements with banks	4,371,355,335	2,794,250,923
Securities purchased under resale agreements	320,069,261	280,245,480
Derivative financial instruments	301,630	6,499,209
Financial assets recognised through profit or loss – measured at fair value	14,720,481,939	33,324,963,786
Financial assets at amortised cost – loans and advances to customers	351,927,194,701	297,509,139,851
Financial assets at amortised cost – debt and other financial instruments	13,236,628,682	14,828,164,580
Financial assets measured at fair value through other comprehensive income	323,720,733	323,720,733
Property, plant and equipment	15,274,122,741	14,238,536,561
Intangible assets	59,004,764	60,107,649
Right-of-use assets	1,402,138,804	1,481,201,307
Investment properties	54,792,535,461	55,029,900,000
Other assets	1,532,155,751	1,278,500,772
Total assets	**466,260,462,502**	**429,734,164,399**
LIABILITIES		
Bank overdraft	6,703,207,970	8,516,663,167
Derivative financial instruments	6,319,470	1,937,593
Securities sold under repurchase agreements	1,403,106,849	-
Financial liabilities at amortised cost – due to depositors	238,584,746,185	225,717,328,979
Financial liabilities at amortised cost – borrowings	50,162,121,695	15,680,980,318
Retirement benefit obligation	814,968,673	752,325,773
Current tax liabilities	1,960,980,539	2,011,921,307
Deferred tax liabilities	-	2,992,430,889
Other liabilities	24,195,288,476	24,536,628,015
Total liabilities	**323,830,739,857**	**280,210,216,041**
EQUITY		
Stated capital	44,078,915,852	44,078,915,852
Reserves		
Statutory reserve fund	7,545,403,164	7,545,403,164
Other reserves	9,141,916,960	9,154,257,761
Retained earnings	81,663,486,670	88,745,371,582
Total equity	**142,429,722,645**	**149,523,948,358**
Total liabilities and equity	**466,260,462,502**	**429,734,164,399**
Net asset value per share	**4.82**	**4.52**

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.) Conrad Dias
Chairman / Non Executive Director

Sgd.
……...
(Mrs.) K. T. Chamila Priyangani
Independent Director

10th November 2025
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September 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.
Balance as at 01 April 2024 (Audited)	**306,993,805,501**	**6,291,146,123**	**1,247,187,997**	**41,014,495**	**302,199,666**	**6,816,123,553**	**(262,914,889,649)**	**63,568,883,512**	**122,345,471,198**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	8,145,148,388	8,145,148,388
Transactions recorded directly in equity									
Transferred to stated capital during the period	(262,914,889,649)	-	-	-	-	-	262,914,889,649	-	-
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	-	149,095,384	-	(149,095,384)	-
Total transactions recorded directly in equity	**(262,914,889,649)**	**-**	**-**	**-**	**-**	**149,095,384**	**262,914,889,649**	**(149,095,384)**	**-**
Balance as at 30 September 2024	**44,078,915,852**	**6,291,146,123**	**1,247,187,997**	**41,014,495**	**302,199,666**	**6,965,218,936**	**-**	**71,564,936,516**	**130,490,619,586**
Balance as at 01 October 2024	**44,078,915,852**	**6,291,146,123**	**1,247,187,997**	**41,014,495**	**302,199,666**	**6,965,218,936**	**-**	**71,564,936,516**	**130,490,619,586**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	16,939,992,409	16,939,992,409
Other comprehensive income, net of income tax									
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
Total other comprehensive income for the period	-	-	2,010,650,199	-	45,393,288	-	-	37,292,878	2,093,336,365
Total comprehensive income for the period	-	-	2,010,650,199	-	45,393,288	-	-	16,977,285,287	19,033,328,774
Transactions recorded directly in equity									
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	-	-	-	-	-	(721,339,867)	-	721,339,867	-
Transferred to retained earnings during the period	-	-	(424,641,896)	(41,014,495)	(178,499,439)	-	-	644,155,830	-
Total transactions recorded directly in equity	**-**	**1,254,257,040**	**(516,553,019)**	**(41,014,495)**	**(178,499,439)**	**(721,339,867)**	**-**	**203,149,780**	**-**
Balance as at 31 March 2025 (Audited)	**44,078,915,852**	**7,545,403,163**	**2,741,285,176**	**-**	**169,093,515**	**6,243,879,069**	**-**	**88,745,371,584**	**149,523,948,359**
Balance as at 01 April 2025 (Audited)	**44,078,915,852**	**7,545,403,163**	**2,741,285,176**	**-**	**169,093,515**	**6,243,879,069**	**-**	**88,745,371,584**	**149,523,948,359**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	14,020,165,115	14,020,165,115
Transactions recorded directly in equity									
Purchase consideration of the share buyback transaction	-	-	-	-	-	-	-	(21,114,390,828)	(21,114,390,828)
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	-	(12,340,801)	-	12,340,801	-
Transferred to retained earnings during the period	-	-	-	-	-	-	-	-	-
Total transactions recorded directly in equity	**-**	**-**	**-**	**-**	**-**	**(12,340,801)**	**-**	**(21,102,050,027)**	**(21,114,390,828)**
Balance as at 30 September 2025	**44,078,915,852**	**7,545,403,163**	**2,741,285,176**	**-**	**169,093,515**	**6,231,538,268**	**-**	**81,663,486,670**	**142,429,722,645**

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the period ended 30th September 2025

For the period ended	30-Sep-25 Rs.	30-Sep-24 Rs.
Cash flows from operating activities		
Profit before income tax expense	11,029,324,527	8,145,148,388
Adjustments for:		
Depreciation & amortisation expenses	898,448,758	636,427,152
(Profit) / loss on sales of investment property and PPE	15,054,674	(14,517,908)
Change in fair value of derivatives - forward contracts	10,579,456	-
Net mark-to-market gains - government & debt securities	(283,271,522)	(913,081,839)
Fair value gains / (losses) from government securities	118,092,390	405,043,844
Impairment charges / (reversal)	609,472,253	341,390,767
Provision for defined benefit plans	90,000,000	90,000,000
Share of (profit)/loss of associate, net of tax	-	(7,515,942)
Investment income	(1,712,513,294)	(2,014,918,602)
Interest expense	12,889,990,785	13,582,897,741
Operating profit before working capital changes	**23,685,878,027**	**20,250,873,601**
Change in other receivables	(178,923,502)	(412,960,450)
Change in trade payables	1,605,414,458	506,491,804
Change in other liabilities	(1,624,668,251)	3,130,899,890
Change in amounts due to / due from related parties	(356,552,423)	74,500,913
Change in financial assets at amortised cost – loans and advances	(55,002,832,015)	(15,086,863,129)
Change in financial liabilities at amortised cost – due to depositors	14,103,384,408	9,983,162,307
Cash (used in) / generated from operations	**(17,768,299,298)**	**18,446,104,937**
Finance cost paid on deposits	(12,472,424,230)	(16,748,338,081)
Gratuity paid	(27,357,100)	(28,989,113)
Income tax paid	(50,940,768)	(115,733,941)
Net cash from / (used in) operating activities	**(30,319,021,396)**	**1,553,043,802**
Cash flows from investing activities		
Acquisition of property, plant & equipment & investment property	(1,789,373,060)	(1,185,268,729)
Proceeds from sale of property, plant & equipment & investment property	137,113,375	143,303,889
Purchase of government securities	(6,395,098,377)	(10,925,780,597)
Proceeds from sale of government securities	8,796,062,205	11,510,974,493
Net proceeds from placements with banks	(1,526,522,219)	284,432,715
Net proceeds from investments / debt securities	17,790,532,782	(610,461,460)
Interest received from financial assets	1,798,904,563	1,966,651,351
Net cash flows used in investing activities	**18,811,619,269**	**1,183,851,663**
Cash flows from financing activities		
Cash flows from interest bearing borrowings	52,552,702,740	13,200,000,000
Share repurchase	(21,114,390,828)	-
Repayment of interest bearing borrowings	(11,602,484,188)	(15,019,507,277)
Proceeds from issue / (disposal) of debentures	(5,000,000,000)	-
Repayment of principal portion of lease liabilities	(331,835,329)	(422,449,084)
Interest paid on borrowings	(1,461,315,920)	(1,211,345,307)
Net cash flows from / (used in) financing activities	**13,042,676,475**	**(3,453,301,669)**
Net increase / (decrease) in cash and cash equivalents	**1,535,274,349**	**(716,406,204)**
Cash and cash equivalents at the beginning of the period	**62,270,382**	**6,469,266,659**
Cash and cash equivalents at the end of the period	**1,597,544,730**	**5,752,860,455**

LOLC Finance PLC

OPERATING SEGMENTS

For the period ended 30th September 2025

For the period ended 30th September 2025

Item	SME Finance Rs.	Personal Finance Rs.	Alternate Finance Rs.	Gold Loans Rs.	Others Rs.	(Eliminations) / Unallocated Rs.	Total / Consolidated Rs.
Interest income	22,545,166,774	4,180,797,073	4,257,377,528	3,546,857,665	2,003,371,831	294,556,052	36,828,126,924
Interest expense	(8,469,783,953)	(1,037,893,669)	(1,199,304,268)	(1,673,729,873)	(688,424,961)	179,145,939	(12,889,990,785)
Net interest income	**14,075,382,821**	**3,142,903,404**	**3,058,073,260**	**1,873,127,792**	**1,314,946,871**	**473,701,991**	**23,938,136,140**
Net fee and commission income	655,588,585	81,987,271	158,042,965	131,304,627	468,249,184	-	1,495,172,632
Net gains / (losses) from trading	-	-	-	-	-	184,055,447	184,055,447
Net other operating income	209,044,170	26,142,860	40,981,354	41,868,433	15,232,219	(20,700,000)	297,336,817
Total other operating income	**864,632,754**	**108,130,131**	**199,024,319**	**173,173,060**	**483,481,404**	**163,355,447**	**1,976,564,895**
Net operating income	**14,940,015,576**	**3,251,033,535**	**3,257,097,580**	**2,046,300,852**	**1,798,428,274**	**637,057,438**	**25,914,701,035**
Less: Expenses							
Impairment (charge) / reversal	581,723,207	445,993,714	(1,892,218)	(1,590,677)	(372,687,264)	(654,776,198)	(3,229,437)
Total operating expenses	(7,106,127,789)	(1,431,099,187)	(1,393,691,547)	(1,042,196,566)	(922,327,197)	(120,318,845)	(12,015,761,131)
VAT and other taxes on financial services	(1,789,608,100)	(475,481,165)	(433,936,466)	(211,409,555)	(100,759,922)	3,135,649,857	124,454,649
Profit from operating activities	**6,626,002,894**	**1,790,446,896**	**1,427,577,348**	**791,104,054**	**402,653,891**	**2,997,612,252**	**14,020,165,115**
Share of profit of equity accounted investee	-	-	-	-	-	-	-
Profit before income tax expense	**6,626,002,894**	**1,790,446,896**	**1,427,577,348**	**791,104,054**	**402,653,891**	**2,997,612,252**	**14,020,165,115**
Other information							
Depreciation	428,623,218	53,512,610	98,213,654	89,562,778	29,857,094	198,679,404	**898,448,758**
Capital expenditure - Property Plant and equipment	363,656,713	45,401,694	77,306,091	75,987,730	25,331,648	168,565,529	**756,249,405**
Total assets	224,210,090,308	27,992,107,603	47,662,548,401	46,849,721,646	15,618,056,512	103,927,938,032	**466,260,462,502**
Total liabilities	153,552,211,011	19,170,635,930	37,150,353,857	32,085,435,290	10,696,160,489	71,175,943,280	**323,830,739,857**

For the period ended 30th September 2024

Item	SME Finance Rs.	Personal Finance Rs.	Alternate Finance Rs.	Gold Loans Rs.	Others Rs.	(Eliminations) / Unallocated Rs.	Total / Consolidated Rs.
Interest income	22,754,151,057	3,462,958,878	3,412,308,665	2,688,723,935	2,426,390,275	(531,121,463)	34,213,411,347
Interest expense	(8,941,680,685)	(1,043,957,514)	(1,169,393,802)	(1,469,655,355)	(886,762,013)	(71,448,372)	(13,582,897,741)
Net interest income	**13,812,470,372**	**2,419,001,364**	**2,242,914,863**	**1,219,068,580**	**1,539,628,262**	**(602,569,835)**	**20,630,513,606**
Net fee and commission income	670,128,881	79,660,274	112,213,611	112,053,929	327,002,626	-	1,301,059,321
Net gains / (losses) from trading	-	-	-	-	-	328,565,482	328,565,482
Net other operating income	98,558,074	11,715,900	76,574,066	16,480,142	8,673,317	(20,700,000)	191,301,500
Total other operating income	**768,686,955**	**91,376,175**	**188,787,677**	**128,534,071**	**335,675,943**	**307,865,482**	**1,820,926,302**
Net operating income	**14,581,157,327**	**2,510,377,538**	**2,431,702,540**	**1,347,602,651**	**1,875,304,205**	**(294,704,353)**	**22,451,439,909**
Less: Expenses							
Impairment (charge) / reversal	(1,963,425,793)	350,681,948	(120,551,331)	20,641,079	(103,754,179)	666,164,011	(1,150,244,266)
Total operating expenses	(6,597,411,593)	(1,259,372,429)	(1,093,230,764)	(845,182,721)	(693,175,883)	(469,774,197)	(10,958,147,586)
VAT and other taxes on financial services	(1,357,592,212)	(350,354,343)	(265,735,511)	(112,654,437)	(213,671,524)	94,592,417	(2,205,415,611)
Profit from operating activities	**4,662,727,729**	**1,251,332,714**	**952,184,933**	**410,406,572**	**864,702,619**	**(3,722,121)**	**8,137,632,446**
Share of profit of equity accounted investee	-	-	-	-	-	7,515,942	7,515,942
Profit before income tax expense	**4,662,727,729**	**1,251,332,714**	**952,184,933**	**410,406,572**	**864,702,619**	**3,793,821**	**8,145,148,388**
Other information							
Depreciation	398,962,413	49,105,334	71,835,622	68,690,923	38,191,744	271,662,721	**898,448,758**
Capital expenditure - Property Plant and equipment	136,525,664	16,803,935	28,166,523	23,506,159	13,069,284	92,963,478	**311,035,043**
Total assets	172,404,896,533	21,220,044,329	35,568,744,528	29,683,627,175	16,503,919,679	117,394,475,864	**392,775,708,108**
Total liabilities	113,121,606,693	13,923,302,394	27,907,605,895	19,476,590,665	10,828,868,254	77,027,114,622	**262,285,088,523**

2. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

For the period ended 30th September 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.
Financial Assets				
Cash and cash equivalents	-	8,300,752,700	-	8,300,752,700
Placements with banks	-	4,371,355,335	-	4,371,355,335
Securities purchased under resale agreements	-	320,069,261	-	320,069,261
Derivative financial instruments	301,630	-	-	301,630
Financial assets - fair value through profit or loss	14,720,481,939	-	-	14,720,481,939
Financial assets at amortised cost – loans and advances	-	351,927,194,701	-	351,927,194,701
Financial assets at amortised cost – debt instruments	-	13,236,628,682	-	13,236,628,682
Financial assets - fair value through OCI	-	-	323,720,733	323,720,733
Other financial assets	-	541,470,924	-	541,470,924
Total financial assets	**14,720,783,569**	**378,697,471,604**	**323,720,733**	**393,741,975,905**
Financial Liabilities				
Bank overdraft	-	6,703,207,970	-	6,703,207,970
Derivative financial instruments	6,319,470	-	-	6,319,470
Securities sold under repurchase agreements	-	1,403,106,849	-	1,403,106,849
Financial liabilities at amortised cost – due to depositors	-	238,584,746,185	-	238,584,746,185
Financial liabilities at amortised cost – borrowings	-	50,162,121,695	-	50,162,121,695
Other financial liabilities	-	5,932,413,420	-	5,932,413,420
Total financial liabilities	**6,319,470**	**302,785,596,119**	**-**	**302,791,915,589**

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.
Financial Assets				
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	-	297,509,139,851	-	297,509,139,851
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
Total financial assets	**33,331,462,995**	**324,526,089,821**	**323,720,733**	**358,181,273,548**
Financial Liabilities				
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
Total financial liabilities	**1,937,593**	**254,694,271,261**	**-**	**254,696,208,854**

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 September 2025

Item	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total fair value Rs.	Total carrying amount Rs.
Financial Assets					
Cash and cash equivalents	-	8,300,752,700	-	8,300,752,700	8,300,752,700
Placements with banks	-	4,371,355,335	-	4,371,355,335	4,371,355,335
Securities purchased under resale agreements	-	320,069,261	-	320,069,261	320,069,261
Derivative financial instruments	-	301,630	-	301,630	301,630
Financial assets - fair value through profit or loss	12,577,044,209	-	2,143,437,730	14,720,481,939	14,720,481,939
Financial assets at amortised cost – loans and advances	-	350,717,770,011	-	350,717,770,011	351,927,194,701
Financial assets at amortised cost – debt instruments	12,656,419,748	-	-	12,656,419,748	13,236,628,682
Financial assets - fair value through OCI	-	323,720,733	-	323,720,733	323,720,733
Other financial assets	-	541,470,924		541,470,924	541,470,924
Total financial assets	**25,233,463,957**	**364,575,440,594**	**2,143,437,730**	**391,952,342,282**	**393,741,975,905**
Financial Liabilities					
Bank overdraft	-	6,703,207,970	-	6,703,207,970	6,703,207,970
Derivative financial instruments	-	6,319,470	-	6,319,470	6,319,470
Securities sold under repurchase agreements	-	1,403,106,849	-	1,403,106,849	1,403,106,849
Financial liabilities at amortised cost – due to depositors	-	240,219,888,254	-	240,219,888,254	238,584,746,185
Financial liabilities at amortised cost – borrowings	-	49,828,776,409	-	49,828,776,409	50,162,121,695
Other financial liabilities	-	5,932,413,420	-	5,932,413,420	5,932,413,420
Total financial liabilities	-	**304,093,712,372**	-	**304,093,712,372**	**302,791,915,589**

For the period ended 31st March 2025 (Audited)

Item	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total fair value Rs.	Total carrying amount Rs.
Financial Assets					
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	297,509,139,851
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
Total financial assets	**44,445,176,710**	**310,646,072,227**	**2,143,437,730**	**357,234,686,667**	**358,181,273,548**
Financial Liabilities					
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
Total financial liabilities	-	**259,413,430,364**	-	**259,413,430,364**	**254,696,208,854**

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 29,560,147,161 ordinary shares. Market prices of ordinary shares recorded for the quarter ended 30th September 2025 are as follows:

	30-Sep-25 Rs.	30-Sep-24 Rs.
Last traded price	5.90	6.40
Highest Price	6.30	6.70
Lowest Price	5.70	4.80

6. OTHER DISCLOSURE INFORMATION

The proceeds derived from debenture and rights issues

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. During the quarter, the debenture was fully settled.

Share Repurchase

The Company successfully completed the share repurchase approved by the Board of Directors at a price of Rs. 6.00 per share. The offer period commenced on 30th June 2025 and closed on 8th July 2025, with payments to shareholders made on 23rd July 2025 and the effective date of the transaction being 30th July 2025.

A total of 3,519,065,138 ordinary shares were repurchased under the offer, amounting to a total consideration of Rs. 21,114,390,828. The repurchase was carried out in accordance 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.

As required by Section 64(2) of the Act, the Company obtained a Solvency Certificate and a Fair Value Opinion from its external auditors prior to execution. The Board of Directors confirmed that the repurchase was in the best interest of the Company and that the consideration offered to shareholders was fair and reasonable. The repurchased shares were subsequently cancelled, and the number of shares in issue and retained earnings were adjusted accordingly to reflect the repurchase made.

7. COMPARATIVE INFORMATION

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

8. EVENTS AFTER THE REPORTING PERIOD

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

9. SELECTED KEY PERFORMANCE INDICATORS

Item	30-Sep-25	31-Mar-25	30-Sep-24
Regulatory Capital Adequacy (Rs. 000)			
Tier 1 Core Capital	88,755,473	109,866,746	85,825,133
Total Capital Base	87,670,500	108,785,841	84,753,519
Regulatory Capital Adequacy (%)			
Tier 1 Capital Adequacy Ratio - Minimum requirement 10%	19.08	26.18	21.77
Total Capital Adequacy Ratio - Minimum requirement 17%	18.85	25.92	21.50
Capital Funds to Deposit Liabilities Ratio - Minimum requirement 10%	36.75	48.20	39.97
Debt to equity ratio (with Deposits)	2.08 times	1.67 times	1.81 times
Assets Quality (Quality of Loan Portfolio) (%)			
Net Non-Performing Loans Ratio	4.85	4.81	8.73
Net Non-Performing Loans to Core Capital Ratio	19.70	13.35	27.81
Provision Coverage Ratio	32.24	34.51	28.98
Profitability (%)			
Net Interest Margin	13.05	12.94	13.40
Return on Assets (before tax)	6.26	6.22	4.23
Return on Equity (after Tax)	19.21	18.45	12.89
Cost to Income ratio	46.37	43.36	49.49
Liquidity (%)			
Available Liquid Assets to required liquid assets (Minimum 100%)	104.20	140.17	157.54
Liquid Assets to external funds	9.49	13.59	15.31
Interest Cover (Times)	2.09 times	1.96 times	1.6 times
Memorandum information			
Number of branches	204	203	203
External Credit rating	*(SL) A+ Stable	(SL) A Positive	(SL) A Positive

*The Company has been assigned A+ Stable outlook by Lanka Rating Agency.

10. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

As at	30-Sep-25 Rs.	31-Mar-25 Rs.
Gross loans and advances	**360,243,494,360**	**305,240,662,345**
Less: Provision for impairment	**(8,316,299,658)**	**(7,731,522,493)**
Stage 1	(388,927,121)	(336,811,868)
Stage 2	(180,229,191)	(418,726,450)
Stage 3	(7,747,143,346)	(6,975,984,175)
Net loans and advances	**351,927,194,701**	**297,509,139,851**

Analysis of loans and advances to customers by product

As at	30-Sep-25 Rs.	31-Mar-25 Rs.
Speed drafts	83,803,212,671	63,732,794,336
Finance lease receivable	76,258,081,174	71,107,219,176
Credit cards	7,191,192,191	6,889,568,113
Gold Loan	50,924,152,738	39,367,336,123
Staff loans	404,710,087	435,481,449
Housing development loans	2,168,845,477	2,231,365,078
Personal loans	21,344,358,067	17,002,768,157
Individual loans	5,973,887,985	6,125,200,232
Factoring	4,370,656,115	3,727,382,041
Loans against fixed deposits	9,451,959,035	8,563,109,648
Margin trading	4,402,244,553	4,184,372,895
Alternate finance portfolio - Other receivables (Murabaha, Musharakah etc.)	34,226,243,284	28,578,336,533
Term loans		
Short term	86,438,501	68,642,074
Long term	59,637,512,482	53,227,086,489
Total	**360,243,494,360**	**305,240,662,345**

11. ANALYSIS OF DEPOSITS

As at	30-Sep-25 Rs.	31-Mar-25 Rs.
Local currency deposits	**234,170,080,952**	**221,927,067,305**
Savings deposits	16,549,722,798	14,031,260,049
Fixed deposits	217,620,358,154	207,895,807,256
Foreign currency deposits	**4,414,665,233**	**3,790,261,673**
Savings deposits	288,470,018	272,704,508
Fixed deposits	4,126,195,215	3,517,557,165
Total	**238,584,746,185**	**225,717,328,979**

12. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES

As at Sep 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	Mrs. K. T. Chamila Priyangani - Independent Director	-	-
6	Mr. A. J. L. Peiris - Independent Director	-	-
7	Mr. S. Lankathilake - Independent Director	-	-
	Total	**455,998**	**0.00**

13. TWENTY LARGEST SHAREHOLDERS

As at Sep 30, 2025

	Name of the Shareholder	No. of shares	%
1	LOLC Ceylon Holdings Limited	27,553,165,444	93.21
2	Hatton National Bank PLC / LOLC Ceylon Holdings Limited	909,523,810	3.08
3	Commercial Bank of Ceylon PLC / Phantom Investments (Private) Limited	108,430,628	0.37
4	Sampath Bank PLC / Andaradeniya Estate Private Limited	25,059,524	0.08
5	Mr. S. Vasudevan	20,917,827	0.07
6	Mr. V.R. Ramanan	20,900,000	0.07
7	Mr. M.C. Pushpakumara	13,342,479	0.05
8	Mr. W.A.S.P. De Saram	13,319,729	0.05
9	Mr. B.C.S.T.I. Rodrigo	11,000,000	0.04
10	Mr. R.E. Rambukwelle	10,803,752	0.04
11	CIC Holdings PLC / CIC Charitable & Educational Trust Fund	8,707,200	0.03
12	Assetline Finance Ltd / M.D.N.P. Fonseka & W.H. Nawodya	7,998,773	0.03
13	Ms. M.I. Thanudara	7,913,276	0.03
14	Merchant Bank of Sri Lanka & Finance PLC / Maweli Finance (Pvt) Ltd	6,500,000	0.02
15	Mr. H.A.S. Appuhamy	6,314,600	0.02
16	Mr. A.B.V.U. Alaharuwan	6,000,000	0.02
17	Mr. B.W. Kundanmal	5,750,000	0.02
18	Mr. A.A. Sunil	5,665,468	0.02
19	Hatton National Bank PLC / Ramaraj Kuhan	5,500,000	0.02
20	Assetline Finance Limited / M.W.A.Lakmal	4,900,000	0.02
	Total shares held by twenty largest shareholders	**28,751,712,510**	**97.27**
	Others	**808,434,651**	**2.73**
	Total	**29,560,147,161**	**100.00**

Public shareholding

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

	30-Sep-25	30-Sep-24
Public holding percentage	3.71%	3.31%
Number of public shareholders	17,762	17,665
Float Adjusted Market Capitalization - Rs.	6,355,263,539	7,016,384,710

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.

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 (Stable) 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
Mrs. 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

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