

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST MARCH 2026

 LOLC FINANCE PLC

LOLC Finance PLC

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Financial Statements for the year ended 31st March 2026

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1. FINANCIAL REVIEW

Continues market leadership with strong profitability and accelerated balance sheet expansion, supported by robust lending growth, improved core income generation, and disciplined cost management

- Profit After Tax increased by 9% YoY to Rs. 27.41 Bn
- Gross lending portfolio expanded significantly reaching Rs. 423.05 Bn as at 31 March 2026
- Net interest income grew by 19% YoY to Rs. 49.93 Bn
- Total assets increased to Rs. 558.55 Bn, up 30% since March 2025
- Customer deposits reached Rs. 271.50 Bn while borrowings increased to Rs. 98.40 Bn to support portfolio expansion

Strong Profitability and Income Growth

LOLC Finance PLC, Sri Lanka's largest non-bank financial institution (NBFI), delivered another year of strong financial performance for the year ended 31 March 2026, recording robust profitability alongside significant balance sheet expansion, supported by accelerated lending growth and improved core income generation amid a gradually improving economic environment.

The Company reported a profit after tax (PAT) of Rs. 27.41 billion, representing a 9% year-on-year growth, driven primarily by higher net interest income, improved fee-based income, and sustained business volumes across key lending segments.

Gross income increased by 17% YoY to Rs. 85.95 billion, reflecting strong momentum in lending activities and business expansion. Interest income grew by 15% to Rs. 78.74 billion, while interest expenses increased by 10% to Rs. 28.81 billion, resulting in net interest income increasing by 19% to Rs. 49.93 billion. Net fee and commission income also recorded strong growth, increasing by 25% to Rs. 3.17 billion, supported by increased transactional volumes and higher service-related income streams. Other operating income increased significantly by 60% to Rs. 2.53 billion, further strengthening earnings diversification.

Despite the absence of substantial gains relating to Sri Lanka International Sovereign Bonds (SLISBs) of Rs. 3.6 billion recorded in the previous year, total operating income increased by 20% to Rs. 55.64 billion, reflecting the strength of the Company's core operating performance.

Impairment and Cost Management

The Company recorded a net impairment reversal of Rs. 630 million during the year compared to a net reversal of Rs. 7.73 billion in the previous year. The prior year performance was significantly supported by impairment reversals relating to SLISBs amounting to Rs. 7.31 billion, following debt restructuring arrangements.

Excluding these exceptional items, the underlying credit quality of the lending portfolio remained resilient, supported by improved recovery efforts, enhanced collection strategies, and disciplined credit underwriting practices. Loan impairment performance improved substantially with the Company recording a reversal of Rs. 1.05 billion on loans and advances during the year.

Operating expenses increased moderately by 10% year-on-year to Rs. 25.55 billion. Despite this, LOLC Finance maintained strong cost discipline, with improved productivity and operating efficiency across its extensive branch network. The Company maintained strong operating efficiency across its branch network and business operations, resulting in profit from operating activities remaining stable at Rs. 30.72 billion.

Financial Position and Lending Growth

As at 31 March 2026, total assets stood at Rs. 558.55 billion, representing an increase of Rs. 128.82 billion (30%) compared to Rs. 429.73 billion as at 31 March 2025. The growth was primarily driven by significant expansion in loans and advances, placements with banks, and liquidity investments.

Gross loans and advances to customers increased substantially to Rs. 423.05 billion, compared to Rs. 305.24 billion as at March 2025, reflecting strong portfolio growth across the Company's diversified lending products and reaffirming its leadership position within Sri Lanka's NBFI sector.

Customer deposits increased to Rs. 271.50 billion from Rs. 225.72 billion, reflecting continued depositor confidence and strong franchise value. Borrowings increased significantly to Rs. 98.40 billion from Rs. 15.68 billion, providing funding support for accelerated portfolio growth and asset expansion.

Capital & Liquidity

LOLC Finance continues to maintain a strong capital position supported by a robust equity base and prudent risk management practices. As at 31 March 2026, total equity stood at Rs. 155.40 billion, supported by strong retained earnings and reserves. The Company reported a Tier 1 Capital Ratio of 23.42% and a Total Capital Ratio of 23.20%, significantly above the respective regulatory minimum requirements of 10% and 17%, reflecting a strong capital buffer to support sustainable growth and resilience against economic volatility. The Company also maintained a strengthened liquidity position through higher cash balances, increased placements with banks, and diversified funding sources, enhancing its capacity to support continued business expansion.

With a network of 203 branches, continued investments in digital innovation, and operational infrastructure enhancements, LOLC Finance remains well-positioned to expand financial inclusion, strengthen market leadership, and deliver sustainable value to stakeholders.

The Company's performance for the year ended 31 March 2026 reflects continued resilience, strong profitability, accelerated balance sheet growth, and sound risk management, reinforcing its leadership position in Sri Lanka's non-bank financial sector and positioning it for sustained future growth.

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2026

	For the year ended			For the quarter ended		
	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Change %	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.	Change %
Gross income	85,954,010,109	73,499,764,573	17	25,207,897,059	20,808,565,069	21
Interest income	78,741,323,308	68,317,633,361	15	21,723,899,730	17,352,007,646	25
Interest expense	(28,808,645,803)	(26,211,477,746)	10	(8,329,322,751)	(6,199,449,471)	34
Net interest income	49,932,677,505	42,106,155,615	19	13,394,576,978	11,152,558,175	20
Fee and commission income	4,679,661,526	3,594,541,578	30	1,358,764,123	957,774,273	42
Less: Fee and commission expense	(1,508,049,575)	(1,052,011,108)	43	(447,794,873)	(411,556,622)	9
Net fee and commission income	3,171,611,950	2,542,530,470	25	910,969,249	546,217,652	67
Net gains / (losses) from trading	(159,875,012)	2,011,227,986	(108)	(206,824,357)	470,315,313	(144)
Net other operating income						
Sundry and other operating income	2,692,900,287	3,286,842,106	(18)	2,332,057,564	2,028,467,837	15
Derecognition loss on restructuring of SLISBs	-	(3,710,480,458)	(100)	-	-	-
Other operating income	2,533,025,275	1,587,589,634	60	2,125,233,207	2,498,783,150	(15)
Total operating income	55,637,314,731	46,236,275,719	20	16,430,779,435	14,197,558,976	16
Less: Impairment (charges) / reversal						
Loans and advances	1,053,732,627	(62,165,013)	(1,795)	1,330,280,834	2,543,169,948	(48)
Sri Lanka International Sovereign Bonds	24,007,168	7,311,700,500	(100)	16,910,191	(81,227,434)	(121)
Other financial assets and credit related commitments	(447,735,401)	477,534,701	(194)	(404,819,561)	147,179,316	(375)
Total impairment (charge) / reversal	630,004,395	7,727,070,189	(92)	942,371,464	2,609,121,830	(64)
Net operating income	56,267,319,125	53,963,345,908	4	17,373,150,899	16,806,680,806	3
Less: Expenses						
Personnel expenses	(9,536,656,435)	(7,940,798,668)	20	(2,995,561,657)	(2,434,241,078)	23
Depreciation and amortisation	(2,105,740,570)	(1,304,748,285)	61	(627,162,928)	(332,604,221)	89
Other operating expenses	(13,902,803,259)	(13,918,828,787)	(0)	(3,649,086,723)	(3,817,571,953)	(4)
Total operating expenses	(25,545,200,264)	(23,164,375,740)	10	(7,271,811,308)	(6,584,417,252)	10
Profit from operating activities	30,722,118,861	30,798,970,168	(0)	10,101,339,591	10,222,263,555	(1)
Share of profit of equity accounted investee	-	22,834,362	(100)	-	13,384,043	(100)
Profit before tax expense	30,722,118,861	30,821,804,529	(0)	10,101,339,591	10,235,647,598	(1)
Taxes on financial services	(3,316,187,622)	(5,736,663,732)	(42)	(2,045,745,177)	(1,772,825,780)	15
Profit for the period	27,405,931,239	25,085,140,797	9	8,055,594,414	8,462,821,818	(5)
Other comprehensive income						
Items that will never be reclassified to profit or loss						
(Loss) / gain arising on remeasurement of defined benefit liability	(485,183,301)	53,275,540	(1,011)	(418,485,769)	9,324,609	(4,588)
Less: Deferred tax effect on actuarial gains/(losses)	145,554,990	(15,982,662)	(1,011)	125,545,730	(2,797,383)	(4,588)
Net actuarial gains/(losses) on defined benefit plans	(339,628,310)	37,292,878	(1,011)	(292,940,038)	6,527,226	(4,588)
Revaluation gain on property, plant and equipment	-	2,037,975,138	(100)	-	2,037,975,138	(100)
Deferred tax adjustment / effect on revaluation surplus	(97,529,358)	(27,324,939)	257	-	(27,324,939)	(100)
Net change in revaluation surplus	(97,529,358)	2,010,650,199	(105)	-	2,010,650,199	(100)
Net change in fair value (equity investments at FVOCI)	26,006,866	45,393,288	(43)	26,006,866	45,393,288	(43)
Total of items that will never be reclassified to profit or loss	(411,150,802)	2,093,336,364	(120)	(266,933,172)	2,062,570,713	(113)
Total other comprehensive income, net of tax	(411,150,802)	2,093,336,364	(120)	(266,933,172)	2,062,570,713	(113)
Total comprehensive income for the period	26,994,780,437	27,178,477,161	(1)	7,788,661,241	10,525,392,531	(26)
Basic earnings per share (Rs.)	0.89	0.76		0.27	0.26	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 31st March 2026

As at	31.03.2026 (Unaudited) Rs.	31.03.2025 (Audited) Rs.
ASSETS		
Cash and cash equivalents	12,696,724,455	8,578,933,549
Placements with banks	15,229,187,243	2,794,250,923
Securities purchased under resale agreements	7,643,438,768	280,245,480
Derivative financial instruments	10,267,200	6,499,209
Financial assets recognised through profit or loss – measured at fair value	14,440,560,537	33,324,963,786
Financial assets at amortised cost – loans and advances to customers	415,532,352,695	297,509,139,757
Financial assets at amortised cost – debt and other financial instruments	14,284,100,082	14,828,164,580
Financial assets measured at fair value through other comprehensive income	349,727,598	323,720,733
Property, plant and equipment	18,864,794,815	14,238,536,560
Intangible assets	41,045,967	60,107,649
Right-of-use assets	2,017,018,631	1,481,201,306
Investment properties	55,315,600,000	55,029,900,000
Other assets	2,127,676,020	1,278,500,866
Total assets	558,552,494,011	429,734,164,397
LIABILITIES		
Bank overdraft	5,457,264,687	8,516,663,167
Derivative financial instruments	17,587,900	1,937,593
Financial liabilities at amortised cost – due to depositors	271,500,745,426	225,717,328,979
Financial liabilities at amortised cost – borrowings	98,400,336,751	15,680,980,318
Retirement benefit obligation	1,370,774,632	752,325,774
Current tax liabilities	1,960,980,539	2,011,921,307
Deferred tax liabilities	-	2,992,430,886
Other liabilities	24,440,466,109	24,536,628,015
Total liabilities	403,148,156,045	280,210,216,038
EQUITY		
Stated capital	44,078,915,852	44,078,915,852
Reserves		
Statutory reserve fund	8,915,699,725	7,545,403,163
Other reserves	9,337,260,068	9,154,257,760
Retained earnings	93,072,462,321	88,745,371,584
Total equity	155,404,337,966	149,523,948,359
Total liabilities and equity	558,552,494,011	429,734,164,397
Net asset value per share	5.26	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.) Krishan Thilakarathne
Director / CEO

28th May 2026
Rajagiriya (Greater Colombo)

Sgd.

(Mr.) Conrad Dias
Chairman / Non Executive Director

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2026

	Stated Capital Rs.	Statutory Reserve Rs.	Revaluation Reserve Rs.	Cash flow Hedge Reserve Rs.	Fair Value Reserve Rs.	Regulatory loss Allowance Reserve Rs.	Merger Reserve Rs.	Retained Earnings Rs.	Total Equity 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	-	-	-	-	-	-	-	25,085,140,797	25,085,140,797
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	-	-	25,122,433,675	27,178,477,162
Transactions recorded directly in equity									
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	-	-	-	-	-	(572,244,483)	-	572,244,483	-
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	(262,914,889,649)	1,254,257,040	(516,553,019)	(41,014,495)	(178,499,439)	(572,244,483)	262,914,889,649	54,054,396	-
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	-	-	-	-	-	-	-	27,405,931,239	27,405,931,239
Other comprehensive income, net of income tax									
Remeasurements of defined benefit liability	-	-	-	-	-	-	-	(339,628,310)	(339,628,310)
Revaluation gain on property, plant and equipment	-	-	(97,529,358)	-	-	-	-	-	(97,529,358)
Revaluation gain on fair value through OCI investments	-	-	-	-	26,006,866	-	-	-	26,006,866
Total other comprehensive income for the period	-	-	(97,529,358)	-	26,006,866	-	-	(339,628,310)	(411,150,802)
Total comprehensive income for the period	-	-	(97,529,358)	-	26,006,866	-	-	27,066,302,928	26,994,780,435
Transactions recorded directly in equity									
Transfer to Statutory Reserve Fund	-	1,370,296,562	-	-	-	-	-	(1,370,296,562)	-
Repurchase of shares	-	-	-	-	-	-	-	(21,114,390,828)	(21,114,390,828)
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	-	254,524,800	-	(254,524,800)	-
Total transactions recorded directly in equity	-	1,370,296,562	-	-	-	254,524,800	-	(22,739,212,190)	(21,114,390,828)
Balance as at 31 March 2026	44,078,915,852	8,915,699,725	2,643,755,818	-	195,100,381	6,498,403,869	-	93,072,462,321	155,404,337,966

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the year ended 31st March 2026

For the period ended	31-Mar-26 Rs.	31-Mar-25 Rs.
Cash flows from operating activities		
Profit before income tax expense	30,722,118,861	30,821,804,529
Adjustments for:		
Depreciation & amortisation expenses	2,105,740,570	1,304,748,285
(Profit) / loss on sales of investment property and PPE	4,821,098	26,217,207
Change in fair value of derivatives - forward contracts	11,882,316	(4,561,616)
Dividend income	(2,101,516)	(2,513,505)
Net mark-to-market gains - government & debt securities	(299,196,726)	(1,749,861,083)
Derecognition loss on restructuring of SLISBs	-	3,710,480,458
Fair value gains / (losses) from government securities	513,602,068	(139,495,367)
Impairment charges / (reversal)	(630,004,395)	(7,727,070,189)
Change in fair value of investment property	(1,933,674,033)	(2,740,806,466)
Provision for defined benefit plans	209,462,596	175,551,424
Share of (profit)/loss of associate, net of tax	-	(22,834,362)
Investment income	(3,664,102,817)	(4,204,282,232)
Interest expense	28,808,645,803	26,211,477,746
Operating profit before changes in operating assets and liabilities	55,847,193,826	45,658,854,830
Change in other receivables	(1,192,188,982)	2,711,503,888
Change in trade payables	(190,649,931)	(1,722,540,339)
Change in other liabilities	93,799,330	4,162,102,041
Change in amounts due to / due from related parties	127,690,956	548,027,175
Change in financial assets at amortised cost – loans and advances	(116,969,480,312)	(47,929,542,413)
Change in financial liabilities at amortised cost – due to depositors	45,548,864,033	21,846,681,188
Cash (used in) / generated from operations	(16,734,771,080)	25,275,086,369
Interest paid on deposits	(22,802,803,499)	(26,651,743,661)
Benefits paid on defined benefit plans	(76,197,038)	(80,911,060)
Taxes on financial services paid	(7,107,825,788)	(2,120,372,230)
Income tax paid	(50,940,769)	(669,788,818)
Net cash from / (used in) operating activities	(46,772,538,175)	(4,247,729,400)
Cash flows from investing activities		
Acquisition of property, plant & equipment & investment property	(6,724,336,815)	(7,826,438,197)
Proceeds from sale of property, plant & equipment & investment property	1,021,205,924	1,113,144,559
Purchase of government securities	(16,921,736,190)	(15,585,858,522)
Proceeds from sale of government securities	11,691,744,452	20,283,450,480
Net proceeds from placements with banks	(12,330,884,040)	1,167,980,595
Net proceeds from investments / debt securities	16,986,331,106	(183,423,165)
Net proceeds from the disposal of associate	-	272,777,655
Interest received from financial assets	3,678,587,456	4,370,399,315
Dividend received from financial assets	2,166,990	1,800,696
Net cash flows used in investing activities	(2,596,921,116)	3,613,833,414
Cash flows from financing activities		
Cash flows from interest bearing borrowings	71,800,450,000	31,937,195,314
Repayment of interest bearing borrowings	6,108,126,001	(35,133,919,467)
Repurchase of shares	(21,114,390,828)	-
Net proceeds from issue / (disposal) of debentures	5,000,000,000	-
Repayment of principal portion of lease liabilities	(493,354,980)	(414,378,532)
Interest paid on borrowings	(4,754,181,517)	(2,161,997,605)
Net cash flows from / (used in) financing activities	56,546,648,676	(5,773,100,291)
Net increase / (decrease) in cash and cash equivalents	7,177,189,385	(6,406,996,277)
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	7,239,459,767	62,270,382

LOLC Finance PLC

OPERATING SEGMENTS

For the year ended 31st March 2026

For the period ended 31st March 2026

Item	SME Finance Rs.	Personal Finance Rs.	Alternate Finance Rs.	Gold Loans Rs.	Others Rs.	(Eliminations) / Unallocated Rs.	Total / Consolidated Rs.
Interest income	48,134,345,944	9,172,890,839	9,272,929,560	8,629,132,683	5,434,208,731	(1,902,184,448)	78,741,323,308
Interest expense	(18,164,113,651)	(2,247,577,583)	(2,757,315,451)	(3,902,823,484)	(1,506,066,290)	(230,749,344)	(28,808,645,803)
Net interest income	29,970,232,293	6,925,313,256	6,515,614,109	4,726,309,199	3,928,142,441	(2,132,933,792)	49,932,677,505
Net fee and commission income	1,431,281,018	180,297,519	322,303,448	320,433,830	101,371,471	815,924,665	3,171,611,950
Net gains / (losses) from trading	-	-	-	-	-	(159,875,012)	(159,875,012)
Net other operating income	490,306,435	61,763,576	62,660,613	109,769,337	34,726,293	1,933,674,033	2,692,900,287
Total other operating income	1,921,587,453	242,061,094	384,964,061	430,203,168	136,097,764	2,589,723,686	5,704,637,226
Net operating income	31,891,819,746	7,167,374,350	6,900,578,169	5,156,512,367	4,064,240,205	456,789,894	55,637,314,731
Less: Expenses							
Impairment (charge) / reversal	1,860,009,721	1,102,693,424	(40,888,100)	(13,385,421)	(1,854,696,997)	(423,728,233)	630,004,395
Total operating expenses	(15,331,116,067)	(3,052,219,522)	(2,900,136,841)	(2,325,303,957)	(2,106,050,614)	169,626,738	(25,545,200,264)
Profit from operating activities	18,420,713,400	5,217,848,253	3,959,553,228	2,817,822,989	103,492,594	202,688,398	30,722,118,861
Share of profit of equity accounted investee	-	-	-	-	-	-	-
Profit for the period	18,420,713,400	5,217,848,253	3,959,553,228	2,817,822,989	103,492,594	202,688,398	30,722,118,861
Other information							
Depreciation	964,702,173	122,004,610	213,769,894	240,428,089	64,132,061	500,703,743	2,105,740,570
Capital expenditure - Property, plant and equipment	2,812,195,552	355,654,658	627,018,236	700,869,991	186,950,856	1,459,597,458	6,142,286,750
Total assets	255,728,672,879	32,341,667,541	57,018,275,747	63,734,028,935	17,000,487,134	132,729,361,776	558,552,494,011
Total liabilities	182,709,795,792	23,107,066,585	44,818,315,395	45,535,884,892	12,146,293,560	94,830,799,819	403,148,156,045

For the period ended 31st March 2025

Item	SME Finance Rs.	Personal Finance Rs.	Alternate Finance Rs.	Gold Loans Rs.	Others Rs.	(Eliminations) / Unallocated Rs.	Total / Consolidated Rs.
Interest income	47,128,896,422	7,545,014,958	7,054,981,214	5,907,090,814	5,171,618,925	(4,489,968,972)	68,317,633,361
Interest expense	(17,263,420,963)	(2,071,013,210)	(2,233,625,831)	(2,924,156,716)	(1,610,252,765)	(109,008,261)	(26,211,477,746)
Net interest income	29,865,475,459	5,474,001,748	4,821,355,384	2,982,934,098	3,561,366,160	(4,598,977,233)	42,106,155,615
Net fee and commission income	976,945,627	117,522,251	541,659,219	173,036,512	76,397,529	656,969,331	2,542,530,470
Net gains / (losses) from trading	-	-	-	-	-	2,011,227,986	2,011,227,986
Net other operating income	378,631,838	45,547,740	25,183,672	67,063,233	29,609,157	(969,673,992)	(423,638,352)
Total other operating income	1,355,577,465	163,069,991	566,842,891	240,099,745	106,006,687	1,698,523,326	4,130,120,104
Net operating income	31,221,052,924	5,637,071,739	5,388,198,274	3,223,033,842	3,667,372,847	(2,900,453,908)	46,236,275,719
Less: Expenses							
Impairment (charge) / reversal	(1,102,906,550)	1,211,440,201	(138,698,939)	17,919,997	(49,919,722)	7,789,235,201	7,727,070,189
Total operating expenses	(14,487,362,863)	(2,782,261,416)	(2,203,376,901)	(1,981,976,624)	(1,562,441,222)	(146,956,714)	(23,164,375,740)
Profit from operating activities	15,630,783,511	4,066,250,524	3,046,122,434	1,258,977,216	2,055,011,902	4,741,824,580	30,798,970,168
Share of profit of equity accounted investee	-	-	-	-	-	22,834,362	22,834,362
Profit for the period	15,630,783,511	4,066,250,524	3,046,122,434	1,258,977,216	2,055,011,902	4,764,658,941	30,821,804,529
Other information							
Depreciation	604,350,802	75,728,425	77,903,517	114,934,778	46,296,629	385,534,134	1,304,748,285
Capital expenditure - Property, plant and equipment	759,994,492	95,231,421	155,245,528	144,534,926	58,219,800	484,824,075	1,698,050,242
Total assets	192,335,650,616	24,100,697,504	39,288,771,029	36,578,184,781	14,733,979,338	122,696,881,129	429,734,164,397
Total liabilities	123,170,106,665	15,433,880,681	30,172,323,458	23,424,356,882	9,435,514,430	78,574,033,923	280,210,216,038

LOLC Finance PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2026

2. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

For the period ended 31st March 2026

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	-	12,696,724,455	-	12,696,724,455
Placements with banks	-	15,229,187,243	-	15,229,187,243
Derivative financial instruments	10,267,200	-	-	10,267,200
Financial assets - fair value through profit or loss	14,440,560,537	-	-	14,440,560,537
Financial assets at amortised cost – loans and advances	-	415,532,352,695	-	415,532,352,695
Financial assets at amortised cost – debt instruments	-	14,284,100,082	-	14,284,100,082
Financial assets - fair value through OCI	-	-	349,727,598	349,727,598
Other financial assets	-	227,545,674	-	227,545,674
Total financial assets	14,450,827,737	465,613,348,917	349,727,598	480,413,904,252
Financial Liabilities				
Bank overdraft	-	5,457,264,687	-	5,457,264,687
Derivative financial instruments	17,587,900	-	-	17,587,900
Financial liabilities at amortised cost – due to depositors	-	271,500,745,426	-	271,500,745,426
Financial liabilities at amortised cost – borrowings	-	98,400,336,751	-	98,400,336,751
Other financial liabilities	-	5,290,851,928	-	5,290,851,928
Total financial liabilities	17,587,900	380,649,198,793	-	380,666,786,693

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	-	297,509,139,757	-	297,509,139,757
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	324,526,089,726	323,720,733	358,181,273,454
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

LOLC Finance PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2026

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 31st March 2026

Item	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total fair value Rs.	Total carrying amount Rs.
Financial Assets					
Cash and cash equivalents	-	12,696,724,455	-	12,696,724,455	12,696,724,455
Placements with banks	-	15,229,187,243	-	15,229,187,243	15,229,187,243
Derivative financial instruments	-	10,267,200	-	10,267,200	10,267,200
Financial assets - fair value through profit or loss	12,291,193,625	-	2,149,366,912	14,440,560,537	14,440,560,537
Financial assets at amortised cost – loans and advances	-	414,852,071,761	-	414,852,071,761	415,532,352,695
Financial assets at amortised cost – debt instruments	12,542,485,906	514,889,890	-	13,057,375,796	14,284,100,082
Financial assets - fair value through OCI	-	349,727,598	-	349,727,598	349,727,598
Other financial assets	-	227,545,674	-	227,545,674	227,545,674
Total financial assets	24,833,679,531	451,523,852,589	2,149,366,912	478,506,899,032	480,413,904,252
Financial Liabilities					
Bank overdraft	-	5,457,264,687	-	5,457,264,687	5,457,264,687
Derivative financial instruments	-	17,587,900	-	17,587,900	17,587,900
Financial liabilities at amortised cost – due to depositors	-	271,956,161,326	-	271,956,161,326	271,500,745,426
Financial liabilities at amortised cost – borrowings	-	97,963,928,969	-	97,963,928,969	98,400,336,751
Other financial liabilities	-	5,290,851,928	-	5,290,851,928	5,290,851,928
Total financial liabilities	-	380,685,794,811	-	380,685,794,811	380,666,786,693

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	297,509,139,757
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	310,646,072,226	2,143,437,730	357,234,686,666	358,181,273,454
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 31st March 2026 are as follows:

	31-Mar-26 Rs.	31-Mar-25 Rs.
Last traded price	5.20	6.00
Highest Price	6.50	7.40
Lowest Price	4.90	5.50

6. DEBENTURE INFORMATION

These represent listed, rated, senior, unsecured, redeemable debentures amounting to 100 million units, issued in December 2025. The debentures are listed on the Colombo Stock Exchange and are rated A+ (Stable) 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	Annually	11.25%	11.25%	11.25%	9.83%
Type B - 5 Years Tenor	Semi-annually	10.95%	10.95%	10.95%	9.83%
Type C - 5 Years Tenor	Annually	T Bill + 2.50%	10.53%	10.53%	9.83%

- Market prices & issue prices of debentures recorded during the quarter ended 31st March 2026 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
Type C - 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

The proceeds derived from the debenture and rights issues, including those raised in previous periods, have been fully utilised in accordance with the objectives set out in the respective prospectuses. Accordingly, in compliance with Rule 7.6 (XIII) and Appendix 7A, Part (a), Item 3 of the Colombo Stock Exchange (CSE) Listing Rules, no further disclosures are required.

Repurchase of Shares

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.

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.

LOLC Finance PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

As at 31st March 2026

10. SELECTED KEY PERFORMANCE INDICATORS

Item	31-Mar-26	31-Mar-25
Regulatory Capital Adequacy (Rs. 000)		
Tier 1 Core Capital	113,933,001	109,866,746
Total Capital Base	112,845,522	108,785,841
Regulatory Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio - Minimum requirement 10%	23.42	26.18
Total Capital Adequacy Ratio - Minimum requirement 17%	23.20	25.92
Capital Funds to Deposit Liabilities Ratio - Minimum requirement 10%	41.56	48.20
Debt to equity ratio (with Deposits)	2.42 times	1.67 times
Assets Quality (Quality of Loan Portfolio) (%)		
Net Non-Performing Loans Ratio	3.24	4.81
Net Non-Performing Loans to Core Capital Ratio	12.03	13.35
Provision Coverage Ratio	35.43	34.51
Profitability (%)		
Net Interest Margin	12.24	12.94
Return on Assets (before tax)	4.96	6.22
Return on Equity (after Tax)	17.98	18.45
Cost to Income ratio	45.91	43.36
Liquidity (%)		
Available Liquid Assets to required liquid assets (Minimum 100%)	101.58	140.17
Liquid Assets to external funds	8.60	13.59
Interest Cover (Times)	1.95 times	1.96 times
Memorandum information		
Number of branches	203	203
External Credit rating	*(SL) A+ Stable	(SL) A Positive

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

11. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

As at	31-Mar-26 Rs.	31-Mar-25 Rs.
Gross loans and advances	423,054,809,510	305,240,662,251
Less: Provision for impairment	(7,522,456,812)	(7,731,522,493)
Stage 1	(513,323,654)	(336,811,868)
Stage 2	(232,854,765)	(418,726,450)
Stage 3	(6,776,278,393)	(6,975,984,175)
Net loans and advances	415,532,352,697	297,509,139,758
Analysis of loans and advances to customers by product		
As at	31-Mar-26 Rs.	31-Mar-25 Rs.
Speed drafts	98,087,171,065	63,732,794,336
Finance lease receivable	81,815,813,715	71,107,219,176
Credit cards	7,143,425,544	6,889,568,113
Gold Loan	70,236,343,556	39,367,336,123
Staff loans	366,140,130	435,481,449
Housing development loans	2,125,616,990	2,231,365,078
Personal loans	25,942,245,886	17,002,768,157
Individual loans	6,026,560,087	6,125,200,232
Factoring	5,215,384,449	3,727,382,041
Loans against fixed deposits	10,509,519,291	8,563,109,648
Margin trading	5,166,546,868	4,184,372,895
Alternate finance portfolio - Other receivables (Murabaha, Musharakah etc.)	39,185,722,407	28,578,336,533
Term loans		
Short term	81,977,997	68,642,074
Long term	71,152,341,526	53,227,086,395
Total	423,054,809,510	305,240,662,251

LOLC Finance PLC

SHAREHOLDERS' INFORMATION

As at 31st March 2026

12. ANALYSIS OF DEPOSITS

As at	31-Mar-26 Rs.	31-Mar-25 Rs.
Local currency deposits	266,153,475,744	221,927,067,305
Savings deposits	16,066,107,055	14,031,260,049
Fixed deposits	250,087,368,689	207,895,807,256
Foreign currency deposits	5,347,269,682	3,790,261,673
Savings deposits	315,815,025	272,704,508
Fixed deposits	5,031,454,657	3,517,557,165
Total	271,500,745,426	225,717,328,979

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

As at Mar 31, 2026

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. Thilakarathne - Director / CEO	-	-
3 Mr. B. C. G. de Zylva - Non Executive Director	-	-
4 Mr. P. A. Wijeratne - Independent Director	455,998	0.002
5 Mrs. K. T. Chamila Priyangani - Independent Director	-	-
6 Mr. J. T. Fernando - Independent Director	-	-
7 Mr. S. Lankathilake - Independent Director	-	-
Total	455,998	0.002

14. TWENTY LARGEST SHAREHOLDERS

As at Mar 31, 2026

Name of the Shareholder	No. of shares	%
1 LOLC Ceylon Holdings Limited	27,153,165,444	91.86
2 Hatton National Bank PLC / LOLC Ceylon Holdings Limited	1,309,523,810	4.43
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. V. R. Ramanan	20,900,000	0.07
6 Mr. S. Vasudevan	14,906,375	0.05
7 Assetline Finance Ltd / M.D.N.P. Fonseka & W.H. Nawodya	11,401,141	0.04
8 Mr. Y.R.T.S. Premachandra	10,000,010	0.03
9 Mr. B.C.S.T.I. Rodrigo	9,650,000	0.03
10 CIC Holdings PLC / CIC Charitable & Educational Trust Fund	8,707,200	0.03
11 Miss. M.I. Thanudara	7,885,776	0.03
12 Senkadagala Finance PLC / S.Gobinath	7,102,500	0.02
13 Mr. A.B.V.U. Alaharuwan	7,000,000	0.02
14 Mr. R.E. Rambukwelle	6,143,752	0.02
15 Mr. B.W. Kundanmal	5,750,000	0.02
16 Mr. A.A. Sunil	5,665,468	0.02
17 Hatton National Bank PLC / Ramaraj Kuhan	5,500,000	0.02
18 Hatton National Bank PLC / Ravindra Erle Rambukwelle	5,200,000	0.02
19 Assetline Finance PLC / M.W.A.Lakmal	4,900,000	0.02
20 Seylan Bank PLC. - A/C No. 3	4,470,000	0.02
Total shares held by twenty largest shareholders	28,731,361,628	97.20
Others	828,785,533	2.80
Total	29,560,147,161	100.00

Public shareholding

Information pertaining to public shareholding as at 31st March 2026 is as follows:

	31-Mar-26	31-Mar-25
Public holding percentage	3.69%	3.31%
Number of public shareholders	18,475	17,279
Float Adjusted Market Capitalization - Rs.	5,784,958,443	7,345,277,744

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 (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. J. T. Fernando - Independent Director

Mr. S. Lankathilake - Independent Director

THE COMPANY SECRETARY

Mrs M V S C Rodrigo

100/1, Sri Jayawardenepura 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, Advances for Margin Trading in the Colombo Stock Exchange and Renting of properties.

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

Sampath Bank PLC

DFCC Bank

Peoples Bank

Cargills Bank Limited

Union Bank of Colombo PLC