INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30 SEPTEMBER 2026

LOLC FINANCE PLC

LOLC Finance PLC

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For the six months ended 30th September 2026

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1. FINANCIAL REVIEW

Robust core income growth and strong balance sheet expansion during the first half of the financial year

- Profit before tax increased by 3% to Rs. 14.28 billion, while profit after tax amounted to Rs. 11.23 billion.
- Gross lending portfolio expanded to Rs. 454.82 billion as at 30 September 2026, an increase of Rs. 31.76 billion (7.5%) since 31 March 2026.
- Net interest income increased by 12% to Rs. 26.82 billion.
- Total assets expanded to Rs. 620.17 billion, an increase of Rs. 61.62 billion (11%) since 31 March 2026.
- Customer deposits and borrowings grew to Rs. 321.79 billion and Rs. 113.47 billion, respectively.

Strong Profitability and Income Growth

LOLC Finance PLC delivered a resilient financial performance for the six months ended 30 September 2026, reporting a profit before tax of Rs. 14.28 billion, an increase of 3% compared with the corresponding period of the previous year. Profit after tax was Rs. 11.23 billion, down 20%, mainly due to a tax charge of Rs. 3.05 billion compared with a net tax reversal of Rs. 106 million in the previous year.

Gross income increased by 27% to Rs. 50.38 billion, mainly driven by continued expansion of the lending portfolio. Interest income grew by 29% to Rs. 47.69 billion, reflecting higher lending volumes. Interest expenses increased by 62% to Rs. 20.87 billion, mainly due to higher funding costs arising from the growth in deposits and borrowings. Consequently, net interest income increased by 12% to Rs. 26.82 billion.

Net fee and commission income increased by 18% to Rs. 1.77 billion, while total operating income increased by 10% to Rs. 28.68 billion, supported by strong core business growth despite net trading losses of Rs. 311 million and lower other operating income.

Asset Quality and Cost Management

The Company recorded a net impairment charge of Rs. 237 million during the period, compared with Rs. 0.8 million in the corresponding period of the previous year, reflecting prudent provisioning in line with portfolio growth and prevailing macroeconomic conditions.

Operating expenses increased by 17% to Rs. 14.16 billion, mainly attributable to personnel costs, depreciation, and continued investments in business expansion and operational infrastructure. Despite the increase in operating expenses, disciplined cost management enabled the Company to report a 3% growth in profit before tax, which reached Rs. 14.28 billion.

Financial Position and Lending Growth

Total assets increased by Rs. 61.62 billion (11%) to Rs. 620.17 billion as at 30 September 2026, compared with Rs. 558.55 billion as at 31 March 2026. The growth was primarily driven by the expansion of the lending portfolio, increased placements with banks, and higher investments in financial assets measured at fair value through profit or loss.

Gross loans and advances to customers increased by Rs. 31.76 billion (7.5%) to Rs. 454.82 billion during the period, reflecting continued business growth across the Company's lending segments.

Customer deposits increased by Rs. 50.29 billion (19%) to Rs. 321.79 billion, while borrowings increased by Rs. 15.07 billion (15%) to Rs. 113.47 billion, providing funding to support continued asset growth. Total equity decreased by Rs. 4.96 billion to Rs. 150.44 billion, following the Rs. 16.09 billion share repurchase during the quarter, partly offset by the profit earned during the period. Following the reduction in the number of shares in issue, the net asset value per share improved to Rs. 5.52 from Rs. 5.26 as at 31 March 2026.

Capital & Liquidity

LOLC Finance continues to maintain a sound capital position, underpinned by a robust equity base and prudent risk management practices. As at 30 September 2026, total equity stood at Rs. 150.44 billion following the Rs. 16.09 billion share repurchase during the quarter, while the Tier 1 and Total Capital Adequacy Ratios were 19.74% and 20.15%, respectively, remaining above the regulatory minimum requirements of 10% and 17%. This capital position provides a solid foundation to support future business growth and withstand potential economic uncertainties.

The Company also maintained a healthy liquidity position, with available liquid assets at 116% of the regulatory requirement, supported by higher placements with banks and a well-diversified funding base.

With a network of 205 branches, ongoing investments in digital transformation, and continued enhancements to its operational infrastructure, LOLC Finance remains well positioned to strengthen its market leadership, promote financial inclusion, and deliver sustainable value to its stakeholders.

The Company has completed the first half of the financial year on a strong footing, with resilient core earnings and continued balance sheet expansion. Backed by its market leadership, diversified lending portfolio, sound capital and liquidity positions, and disciplined risk management, LOLC Finance is well positioned to sustain its growth momentum and create long-term value for all stakeholders.

LOLC Finance PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th September 2026

	For the period ended			For the quarter ended		
	30.09.2026 (Unaudited) Rs.	30.09.2025 (Unaudited) Rs.	Change %	30.09.2026 (Unaudited) Rs.	30.09.2025 (Unaudited) Rs.	Change %
Gross income	**50,382,459,066**	**39,558,267,525**	**27**	**26,392,827,244**	**20,631,345,414**	**28**
Interest income	47,689,740,235	36,877,251,602	29	24,772,241,713	19,319,006,442	28
Interest expense	(20,867,990,567)	(12,895,758,200)	62	(11,316,418,515)	(6,791,362,318)	67
Net interest income	**26,821,749,668**	**23,981,493,402**	**12**	**13,455,823,198**	**12,527,644,124**	**7**
Fee and commission income	2,606,119,842	2,199,638,666	18	1,452,893,703	1,184,592,651	23
Less: Fee and commission expense	(837,728,265)	(701,892,056)	19	(418,188,093)	(415,646,739)	1
Net fee and commission income	**1,768,391,578**	**1,497,746,610**	**18**	**1,034,705,609**	**768,945,913**	**35**
Net gains / (losses) from trading	(311,266,512)	184,032,047	>(100)	(132,174,419)	(97,894,365)	35
Sundry and other operating income	397,865,501	297,345,210	34	299,866,247	225,640,686	33
Other operating income	**86,598,989**	**481,377,257**	**(82)**	**167,691,827**	**127,746,321**	**31**
Total operating income	**28,676,740,234**	**25,960,617,269**	**10**	**14,658,220,635**	**13,424,336,358**	**9**
Less: Impairment (charges) / reversal						
Loans and advances	(305,757,904)	15,005,548	>(100)	(74,492,367)	236,818,401	>(100)
Sri Lanka International Sovereign Bonds	26,433,468	7,096,977	>100	30,532,723	7,096,977	>100
Other financial assets and credit related commitments	42,757,780	(22,915,840)	>(100)	42,152,466	(64,597,906)	>(100)
Total impairment (charge) / reversal	**(236,566,656)**	**(813,315)**	**>100**	**(1,807,178)**	**179,317,472**	**>(100)**
Net operating income	**28,440,173,578**	**25,959,803,954**	**10**	**14,656,413,457**	**13,603,653,830**	**8**
Less: Expenses						
Personnel expenses	(5,218,291,512)	(4,349,770,437)	20	(2,609,817,284)	(2,388,960,483)	9
Depreciation and amortisation	(1,440,537,207)	(924,348,557)	56	(774,566,281)	(516,821,439)	50
Other operating expenses	(7,505,643,451)	(6,798,267,786)	10	(3,840,218,667)	(3,325,865,529)	15
Total operating expenses	**(14,164,472,170)**	**(12,072,386,781)**	**17**	**(7,224,602,232)**	**(6,231,647,451)**	**16**
Profit before tax expense	**14,275,701,408**	**13,887,417,173**	**3**	**7,431,811,225**	**7,372,006,379**	**1**
Taxes on financial services	(3,046,939,471)	105,797,187	>(100)	(1,604,013,266)	1,417,890,715	>(100)
Profit for the period	**11,228,761,938**	**13,993,214,360**	**(20)**	**5,827,797,959**	**8,789,897,094**	**(34)**
Other comprehensive income						
Items that will never be reclassified to profit or loss						
(Loss) / gain arising on remeasurement of defined benefit liability	(141,350,595)	(66,697,532)	>100	(141,350,595)	(66,697,532)	>100
Less: Deferred tax effect on actuarial gains / (losses)	42,405,179	20,009,260	>100	42,405,179	20,009,260	>100
Net actuarial gains / (losses) on defined benefit plans	(98,945,416)	(46,688,272)	>100	(98,945,416)	(46,688,272)	>100
Deferred tax adjustment / effect on revaluation surplus	-	(97,529,358)	(100)	-	(97,529,358)	(100)
Total of items that will never be reclassified to profit or loss	**(98,945,416)**	**(144,217,630)**	**(31)**	**(98,945,416)**	**(144,217,630)**	**(31)**
Total other comprehensive income, net of tax	**(98,945,416)**	**(144,217,630)**	**(31)**	**(98,945,416)**	**(144,217,630)**	**(31)**
Total comprehensive income for the period	**11,129,816,522**	**13,848,996,730**	**(20)**	**5,728,852,543**	**8,645,679,464**	**(34)**
Basic earnings per share (Rs.)	**0.38**	**0.47**		**0.20**	**0.30**	

Figures in brackets indicate deductions.

LOLC Finance PLC

STATEMENT OF FINANCIAL POSITION

As at 30th September 2026

As at	30.09.2026 (Unaudited) Rs.	31.03.2026 (Audited) Rs.
ASSETS		
Cash and cash equivalents	11,816,805,926	12,696,724,455
Placements with banks	40,940,647,992	15,229,187,243
Securities purchased under resale agreements	3,032,450,116	7,643,438,768
Derivative financial instruments	17,277,631	10,267,200
Financial assets recognised through profit or loss – measured at fair value	19,349,430,423	14,440,560,537
Financial assets at amortised cost – loans and advances to customers	446,366,252,165	415,532,352,695
Financial assets at amortised cost – debt and other financial instruments	17,060,614,982	14,284,100,082
Financial assets measured at fair value through other comprehensive income	349,727,598	349,727,598
Property, plant and equipment	21,094,170,221	18,864,794,815
Intangible assets	38,677,156	41,045,967
Right-of-use assets	2,235,098,247	2,017,018,631
Investment properties	54,859,586,000	55,315,600,000
Deferred tax assets	42,405,179	-
Other assets	2,965,882,967	2,127,676,020
Total assets	**620,169,026,603**	**558,552,494,011**
LIABILITIES		
Bank overdraft	6,645,239,209	5,457,264,687
Derivative financial instruments	36,400	17,587,900
Financial liabilities at amortised cost – due to depositors	321,792,627,497	271,500,745,426
Financial liabilities at amortised cost – borrowings	113,470,555,129	98,400,336,751
Retirement benefit obligation	1,597,270,829	1,370,774,632
Current tax liabilities	1,960,980,539	1,960,980,539
Other liabilities	24,262,020,403	24,440,466,109
Total liabilities	**469,728,730,006**	**403,148,156,044**
EQUITY		
Stated capital	44,078,915,852	44,078,915,852
Reserves		
Statutory reserve fund	8,915,699,725	8,915,699,725
Other reserves	9,505,892,120	9,337,260,070
Retained earnings	87,939,788,901	93,072,462,320
Total equity	**150,440,296,597**	**155,404,337,967**
Total liabilities and equity	**620,169,026,603**	**558,552,494,011**
Net asset value per share	**5.52**	**5.26**

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 Thilakaratne
Director / CEO

Sgd.
……...
(Mr.) Conrad Dias
Chairman / Non Executive Director

13th November 2026
Rajagiriya (Greater Colombo)

LOLC Finance PLC

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2026

	Stated Capital Rs.	Statutory Reserve Rs.	Revaluation Reserve Rs.	Fair Value Reserve Rs.	Regulatory loss Allowance Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01 April 2025 (Audited)	**44,078,915,852**	**7,545,403,164**	**2,741,285,176**	**169,093,515**	**6,243,879,070**	**88,745,371,583**	**149,523,948,359**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	13,993,214,360	13,993,214,360
Other comprehensive income, net of income tax							
Remeasurements of defined benefit liability	-	-	-	-	-	(46,688,272)	(46,688,272)
Deferred tax adjustment on revaluation surplus	-	-	(97,529,358)	-	-	-	(97,529,358)
Total other comprehensive income for the period	-	-	(97,529,358)	-	-	(46,688,272)	(144,217,630)
Total comprehensive income for the period	-	-	(97,529,358)	-	-	13,946,526,088	13,848,996,730
Transactions recorded directly in equity							
Repurchase of shares	-	-	-	-	-	(21,114,390,828)	(21,114,390,828)
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	(12,340,801)	12,340,801	-
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**	**7,545,403,164**	**2,643,755,818**	**169,093,515**	**6,231,538,269**	**81,589,847,645**	**142,258,554,262**
Balance as at 01 October 2025	**44,078,915,852**	**7,545,403,164**	**2,643,755,818**	**169,093,515**	**6,231,538,269**	**81,589,847,645**	**142,258,554,262**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	13,412,716,879	13,412,716,879
Other comprehensive income, net of income tax							
Remeasurements of defined benefit liability	-	-	-	-	-	(292,940,039)	(292,940,039)
Revaluation gain on property, plant and equipment	-	-	-	-	-	-	-
Revaluation loss on fair value through OCI investments	-	-	-	26,006,865	-	-	26,006,865
Total other comprehensive income for the period	-	-	-	26,006,865	-	(292,940,039)	(266,933,174)
Total comprehensive income for the period	-	-	-	26,006,865	-	13,119,776,840	13,145,783,705
Transactions recorded directly in equity							
Transfer to Statutory Reserve Fund	-	1,370,296,562	-	-	-	(1,370,296,562)	-
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	266,865,601	(266,865,601)	-
Total transactions recorded directly in equity	**-**	**1,370,296,562**	**-**	**-**	**266,865,601**	**(1,637,162,163)**	**-**
Balance as at 31 March 2026 (Audited)	**44,078,915,852**	**8,915,699,726**	**2,643,755,818**	**195,100,380**	**6,498,403,870**	**93,072,462,322**	**155,404,337,967**
Balance as at 01 April 2026 (Audited)	**44,078,915,852**	**8,915,699,726**	**2,643,755,818**	**195,100,380**	**6,498,403,870**	**93,072,462,322**	**155,404,337,967**
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	11,228,761,938	11,228,761,938
Transactions recorded directly in equity							
Repurchase of shares	-	-	-	-	-	(16,093,857,892)	(16,093,857,892)
Transferred to / (from) regulatory loss allowance reserve	-	-	-	-	168,632,051	(168,632,051)	-
Total transactions recorded directly in equity	**-**	**-**	**-**	**-**	**168,632,051**	**(16,262,489,943)**	**(16,093,857,892)**
Balance as at 30 September 2026	**44,078,915,852**	**8,915,699,726**	**2,643,755,818**	**195,100,380**	**6,667,035,921**	**87,939,788,900**	**150,440,296,597**

LOLC Finance PLC

STATEMENT OF CASH FLOWS

For the six months ended 30th September 2026

For the period ended	30-Sep-26 Rs.	30-Sep-25 Rs.
Cash flows from operating activities		
Profit before income tax expense	14,275,701,408	13,887,417,173
Adjustments for:		
Depreciation & amortisation expenses	1,440,537,207	924,348,557
(Profit) / loss on sales of investment property and PPE	8,364,380	14,515,643
Change in fair value of derivatives - forward contracts	(24,561,931)	10,579,456
Dividend income	(596,023)	(1,298,116)
Net mark-to-market gains - government & debt securities	(151,136,160)	(283,271,522)
Fair value gains / (losses) from government securities	595,267,924	118,092,390
Impairment charges / (reversal)	236,566,656	813,315
Change in fair value of investment property	(173,334,000)	20,700,000
Provision for defined benefit plans	133,716,425	88,813,697
Investment income	(2,818,520,066)	(1,712,852,689)
Interest expense	20,867,990,567	12,895,758,200
Operating profit before changes in operating assets and liabilities	**34,389,996,388**	**25,963,616,104**
Change in other receivables	(618,822,475)	(40,246,775)
Change in trade payables	1,025,630,803	1,580,078,967
Change in other liabilities	(89,292,485)	(1,448,813,921)
Change in amounts due to / due from related parties	(487,426,049)	(356,618,777)
Change in financial assets at amortised cost – loans and advances	(31,139,657,374)	(54,489,786,682)
Change in financial liabilities at amortised cost – due to depositors	48,312,190,552	14,103,383,639
Cash (used in) / generated from operations	**51,392,619,360**	**(14,688,387,444)**
Interest paid on deposits	(13,809,574,253)	(12,472,424,230)
Benefits paid on defined benefit plans	(48,570,823)	(27,357,100)
Taxes on financial services paid	(4,087,586,900)	(2,962,563,500)
Income tax paid	(16,475,400)	(50,940,767)
Net cash from / (used in) operating activities	**33,430,411,985**	**(30,201,673,041)**
Cash flows from investing activities		
Acquisition of property, plant & equipment & investment property	(4,130,678,937)	(2,012,438,155)
Proceeds from sale of property, plant & equipment & investment property	866,039,139	137,113,375
Purchase of government securities	(18,225,740,192)	(6,395,098,377)
Proceeds from sale of government securities	23,401,664,877	8,796,062,205
Net proceeds from placements with banks	(25,376,827,502)	(1,526,522,219)
Net proceeds from investments / debt securities	(8,673,432,706)	17,790,532,782
Interest received from financial assets	2,489,300,410	1,799,243,958
Dividend received from financial assets	1,243,358	2,010,925
Net cash flows used in investing activities	**(29,648,431,554)**	**18,590,904,494**
Cash flows from financing activities		
Cash flows from interest bearing borrowings	25,999,685,000	52,552,702,740
Repayment of interest bearing borrowings	(11,418,115,609)	(11,578,827,520)
Repurchase of shares	(16,093,857,892)	(21,114,390,828)
Net proceeds from issue / (disposal) of debentures	-	(5,000,000,000)
Repayment of principal portion of lease liabilities	(259,718,321)	(237,497,062)
Interest paid on borrowings	(4,077,866,660)	(1,467,555,117)
Net cash flows from / (used in) financing activities	**(5,849,873,482)**	**13,154,432,213**
Net increase / (decrease) in cash and cash equivalents	**(2,067,893,051)**	**1,543,663,666**
Cash and cash equivalents at the beginning of the period	**7,239,459,767**	**62,270,382**
Cash and cash equivalents at the end of the period	**5,171,566,716**	**1,605,934,047**

LOLC Finance PLC

OPERATING SEGMENTS

For the six months ended 30th September 2026

For the period ended 30th September 2026

Item	SME Finance Rs.	Personal Finance Rs.	Alternate Finance Rs.	Gold Loans Rs.	Others Rs.	(Eliminations) / Unallocated Rs.	Total / Consolidated Rs.
Interest income	27,255,235,651	5,488,022,398	5,615,069,079	6,581,824,507	3,447,653,030	(698,064,430)	47,689,740,235
Interest expense	(12,641,138,696)	(1,657,353,387)	(2,061,107,497)	(3,257,489,718)	(1,116,156,015)	(134,745,254)	(20,867,990,567)
Net interest income	**14,614,096,955**	**3,830,669,011**	**3,553,961,582**	**3,324,334,789**	**2,331,497,015**	**(832,809,685)**	**26,821,749,668**
Net fee and commission income	775,262,855	102,701,330	211,430,053	194,180,553	50,287,805	434,528,981	1,768,391,578
Net gains / (losses) from trading	-	-	-	-	-	(311,266,512)	(311,266,512)
Net other operating income	140,738,042	18,643,979	20,769,696	35,250,742	9,129,042	173,334,000	397,865,501
Total other operating income	**916,000,898**	**121,345,308**	**232,199,749**	**229,431,295**	**59,416,848**	**296,596,469**	**1,854,990,566**
Net operating income	**15,530,097,853**	**3,952,014,319**	**3,786,161,331**	**3,553,766,084**	**2,390,913,863**	**(536,213,216)**	**28,676,740,234**
Less: Expenses							
Impairment (charge) / reversal	12,456,233	344,270,354	(108,950,190)	(219,484,442)	(334,049,859)	69,191,248	(236,566,656)
Total operating expenses	(8,478,647,677)	(1,732,173,955)	(1,746,319,885)	(1,379,084,870)	(1,380,061,499)	551,815,716	(14,164,472,170)
Profit before tax expense	**7,063,906,409**	**2,564,110,718**	**1,930,891,255**	**1,955,196,772**	**676,802,505**	**84,793,749**	**14,275,701,408**
Other information							
Depreciation	641,144,625	88,549,121	124,355,576	161,337,668	40,616,988	384,533,230	**1,440,537,207**
Capital expenditure - Property, plant and equipment	1,506,387,546	208,048,679	337,962,460	379,067,445	95,430,769	903,471,769	**3,430,368,669**
Total assets	272,336,587,828	37,612,676,466	61,099,511,442	68,530,793,889	17,252,725,015	163,336,731,963	**620,169,026,603**
Total liabilities	205,745,372,550	28,415,697,626	47,361,810,468	51,773,776,826	13,034,122,091	123,397,950,444	**469,728,730,006**

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	23,051,450,316	4,244,112,400	4,257,377,528	3,648,258,716	2,460,741,749	(784,689,108)	36,877,251,602
Interest expense	(8,469,783,953)	(1,037,893,669)	(1,199,304,268)	(1,673,729,873)	(688,424,961)	173,378,523	(12,895,758,200)
Net interest income	**14,581,666,363**	**3,206,218,731**	**3,058,073,260**	**1,974,528,843**	**1,772,316,788**	**(611,310,584)**	**23,981,493,402**
Net fee and commission income	689,785,508	86,263,905	158,042,965	138,153,761	50,261,934	375,238,538	1,497,746,610
Net gains / (losses) from trading	-	-	-	-	-	184,032,047	184,032,047
Net other operating income	198,156,088	24,781,208	40,981,354	39,687,712	14,438,848	(20,700,000)	297,345,210
Total other operating income	**887,941,596**	**111,045,112**	**199,024,319**	**177,841,474**	**64,700,782**	**538,570,584**	**1,979,123,867**
Net operating income	**15,469,607,959**	**3,317,263,843**	**3,257,097,580**	**2,152,370,317**	**1,837,017,570**	**(72,740,000)**	**25,960,617,269**
Less: Expenses							
Impairment (charge) / reversal	581,723,207	445,993,714	(1,892,218)	(1,590,677)	(1,009,228,477)	(15,818,863)	(813,315)
Total operating expenses	(7,635,720,172)	(1,497,329,495)	(1,393,691,547)	(1,148,266,031)	(960,916,493)	563,536,957	(12,072,386,781)
Profit before tax expense	**8,415,610,994**	**2,265,928,061**	**1,861,513,814**	**1,002,513,609**	**(133,127,399)**	**474,978,094**	**13,887,417,173**
Other information							
Depreciation	442,524,065	55,248,099	98,213,654	92,467,423	30,825,401	205,069,916	**924,348,557**
Capital expenditure - Property, plant and equipment	946,189,223	118,129,521	201,140,768	197,710,557	65,909,776	438,473,203	**1,967,553,047**
Total assets	224,210,090,308	27,992,107,603	47,662,548,401	46,849,721,646	15,618,056,512	103,901,116,178	**466,233,640,648**
Total liabilities	153,639,370,646	19,181,517,608	37,150,353,857	32,103,647,694	10,702,231,866	71,197,964,717	**323,975,086,388**

2. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

For the period ended 30th September 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	-	11,816,805,926	-	11,816,805,926
Placements with banks	-	40,940,647,992	-	40,940,647,992
Securities purchased under resale agreements	-	3,032,450,116	-	3,032,450,116
Derivative financial instruments	17,277,631	-	-	17,277,631
Financial assets - fair value through profit or loss	19,349,430,423	-	-	19,349,430,423
Financial assets at amortised cost – loans and advances	-	446,366,252,165	-	446,366,252,165
Financial assets at amortised cost – debt instruments	-	17,060,614,982	-	17,060,614,982
Financial assets - fair value through OCI	-	-	349,727,598	349,727,598
Other financial assets	-	690,779,607	-	690,779,607
Total financial assets	**19,366,708,054**	**519,907,550,787**	**349,727,598**	**539,623,986,439**
Financial Liabilities				
Bank overdraft	-	6,645,239,209	-	6,645,239,209
Derivative financial instruments	36,400	-	-	36,400
Securities sold under repurchase agreements	-	-	-	-
Financial liabilities at amortised cost – due to depositors	-	321,792,627,497	-	321,792,627,497
Financial liabilities at amortised cost – borrowings	-	113,470,555,129	-	113,470,555,129
Other financial liabilities	-	6,198,745,110	-	6,198,745,110
Total financial liabilities	**36,400**	**448,107,166,945**	**-**	**448,107,203,345**

For the period ended 31st March 2026 (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	-	12,696,724,455	-	12,696,724,455
Placements with banks	-	15,229,187,243	-	15,229,187,243
Securities purchased under resale agreements	-	7,643,438,768	-	7,643,438,768
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**

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 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	-	11,816,805,926	-	11,816,805,926	11,816,805,926
Placements with banks	-	40,940,647,992	-	40,940,647,992	40,940,647,992
Securities purchased under resale agreements	-	3,032,450,116	-	3,032,450,116	3,032,450,116
Derivative financial instruments	-	17,277,631	-	17,277,631	17,277,631
Financial assets - fair value through profit or loss	17,200,063,511	-	2,149,366,912	19,349,430,423	19,349,430,423
Financial assets at amortised cost – loans and advances	-	446,974,916,696	-	446,974,916,696	446,366,252,165
Financial assets at amortised cost – debt instruments	12,613,250,636	3,066,384,789	-	15,679,635,425	17,060,614,982
Financial assets - fair value through OCI	-	349,727,598	-	349,727,598	349,727,598
Other financial assets	-	690,779,607		690,779,607	690,779,607
Total financial assets	**29,813,314,147**	**506,888,990,354**	**2,149,366,912**	**538,851,671,413**	**539,623,986,439**
Financial Liabilities					
Bank overdraft	-	6,645,239,209	-	6,645,239,209	6,645,239,209
Derivative financial instruments	-	36,400	-	36,400	36,400
Financial liabilities at amortised cost – due to depositors	-	321,909,173,874	-	321,909,173,874	321,792,627,497
Financial liabilities at amortised cost – borrowings	-	112,585,263,159	-	112,585,263,159	113,470,555,129
Other financial liabilities	-	6,198,745,110	-	6,198,745,110	6,198,745,110
Total financial liabilities	**-**	**447,338,457,752**	**-**	**447,338,457,752**	**448,107,203,345**

For the period ended 31st March 2026 (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	-	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
Securities purchased under resale agreements	-	7,643,438,768	-	7,643,438,768	7,643,438,768
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	-	415,782,667,189	-	415,782,667,189	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**	**452,454,448,018**	**2,149,366,912**	**479,437,494,461**	**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**

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 2025/26 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 2026. 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 2026 are as follows:

	30-Sep-26 Rs.	30-Sep-25 Rs.
Last traded price	5.30	5.90
Highest Price	5.70	6.30
Lowest Price	4.90	5.70

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%	11.20%
Type B - 5 Years Tenor	Semi-annually	10.95%	10.95%	10.95%	11.20%
Type C - 5 Years Tenor	Annually	T Bill + 2.50%	10.53%	10.53%	11.20%

- Market prices & issue prices of debentures recorded during the quarter ended 30th September 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. 7.00 per share. The offer period commenced on 9 September 2026 and closed on 21 September 2026, with payments to shareholders being made by 5 October 2026.

A total of 2,299,122,556 ordinary shares were repurchased under the offer, for a total consideration of Rs. 16,093,857,892. The repurchase was carried out in accordance with the provisions of the Companies Act No. 7 of 2007 and other guidelines applicable. The repurchased shares were cancelled after the reporting date. Accordingly, the number of shares in issue as at 30 September 2026 remained 29,560,147,161, and reduced to 27,261,024,605 following the cancellation. The stated capital remained unchanged at Rs. 44,078,915,852 before and after the repurchase. Retained earnings were adjusted accordingly to reflect the repurchase made.

As required by Sections 57 and 64 (2) of the Companies 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.

Net asset value per share

Net assets value per share is computed on the 27,261,024,605 shares in issue after the cancellation of the repurchased shares, as the full repurchase consideration has been deducted from net assets at 30 September 2026.

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.

10. SELECTED KEY PERFORMANCE INDICATORS

Item	30-Sep-26	31-Mar-26	30-Sep-25
Regulatory Capital Adequacy (Rs. 000)			
Tier 1 Core Capital	109,885,859	113,933,001	88,755,473
Total Capital Base	112,155,471	112,845,522	87,670,500
Regulatory Capital Adequacy (%)			
Tier 1 Capital Adequacy Ratio - Minimum requirement 10%	19.74	23.54	19.08
Total Capital Adequacy Ratio - Minimum requirement 17%	20.15	23.31	18.85
Debt to equity ratio (with Deposits)	2.94 times	2.42 times	2.09 times
Assets Quality (Quality of Loan Portfolio) (%)			
Net Non-Performing Loans Ratio	5.02	3.24	4.85
Profitability (%)			
Return on Assets (before tax)	3.82	4.96	6.26
Return on Equity (after Tax)	14.69	17.98	19.21
Liquidity (%)			
Available Liquid Assets to required liquid assets (Minimum 100%)	116.07	101.58	104.20
Liquid Assets to external funds	10.30	8.60	9.49
Interest Cover (Times)	1.54 times	1.95 times	2.09 times
Memorandum information			
Number of branches	205	203	204
External Credit rating	*(SL) A+ Stable	(SL) A+ Stable	(SL) A+ Stable

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

11. ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT

As at	30-Sep-26 Rs.	31-Mar-26 Rs.
Speed drafts	100,872,757,616	98,087,171,065
Finance lease receivable	86,992,269,448	81,815,813,715
Credit cards	7,394,740,159	7,143,425,544
Gold Loan	76,442,837,428	70,236,343,556
Staff loans	377,324,378	366,140,130
Housing development loans	2,923,037,213	2,125,616,990
Personal loans	28,439,557,649	25,942,245,886
Individual loans	6,014,694,947	6,026,560,087
Factoring	5,715,431,654	5,215,384,449
Loans against fixed deposits	12,527,303,589	10,509,519,291
Margin trading	5,178,599,133	5,166,546,868
Alternate finance portfolio - Other receivables (Murabaha, Musharakah etc.)	40,585,814,553	39,185,722,407
Term loans		
Short term	967,560,756	81,977,997
Long term	80,386,317,990	71,152,341,524
Total	**454,818,246,513**	**423,054,809,508**

12. ANALYSIS OF DEPOSITS

As at	30-Sep-26 Rs.	31-Mar-26 Rs.
Local currency deposits	**316,519,116,224**	**266,153,147,603**
Savings deposits	16,565,490,080	16,066,107,055
Fixed deposits	299,953,626,144	250,087,040,548
Foreign currency deposits	**5,273,511,273**	**5,347,597,823**
Savings deposits	339,212,957	315,815,025
Fixed deposits	4,934,298,316	5,031,782,799
Total	**321,792,627,497**	**271,500,745,426**

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

As at Sep 30, 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. Thilakaratne - Director / CEO	-	-
3	Mr. B. C. G. de Zylva - Non Executive Director	-	-
4	Mr. Manruk Reshan Dewapura - Independent Director	-	-
5	Mrs. K. T. Chamila Priyangani - Independent Director	-	-
6	Mr. J. T. Fernando - Independent Director	-	-
7	Mr. S. Lankathilake - Independent Director	-	-
8	Mr. K. M. Janaka Rajeend Abeysinghe - Independent Director	-	-
	Total	**-**	**-**

14. TWENTY LARGEST SHAREHOLDERS

As at Sep 30, 2026

	Name of the Shareholder	No. of shares	%
1	LOLC Ceylon Holdings Limited	25,903,165,444	87.63
2	Hatton National Bank PLC / LOLC Ceylon Holdings Limited	1,309,523,810	4.43
3	Commercial Bank of Ceylon PLC / LOLC Ceylon Holdings Limited	1,250,000,000	4.23
4	Commercial Bank of Ceylon PLC / Phantom Investments (Private) Limited	108,430,628	0.37
5	Sampath Bank PLC / Andaradeniya Estate Private Limited	25,059,524	0.08
6	Mr. V.R. Ramanan	20,900,000	0.07
7	Mr. Y.R.T.S. Premachandra	15,065,663	0.05
8	Mr. S. Vasudevan	14,906,375	0.05
9	Mr. B.C.S.T.I. Rodrigo	11,475,000	0.04
10	Assetline Finance PLC / M.D.N.P. Fonseka & W.H. Nawodya	11,401,141	0.04
11	CIC Holdings PLC / CIC Charitable & Educational Trust Fund	8,707,200	0.03
12	Miss. M.I. Thanudara	8,319,655	0.03
13	Senkadagala Finance PLC / S.Gobinath	7,102,400	0.02
14	Mr. A.B.V.U. Alaharuwan	7,000,000	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	Dr. K.A.S.S. Rodrigo	5,226,000	0.02
19	Mr. R.E. Rambukwelle	4,787,253	0.02
20	Seylan Bank PLC - A/C No. 3	4,470,000	0.02
	Total shares held by twenty largest shareholders	**28,732,455,561**	**97.20**
	Others	**827,691,600**	**2.80**
	Total	**29,560,147,161**	**100.00**

Public shareholding

Information pertaining to public shareholding as at 30th September 2026 is as follows:

	30-Sep-26	30-Sep-25
Public holding percentage	3.71%	3.71%
Number of public shareholders	18,167	17,762
Float Adjusted Market Capitalization - Rs.	5,816,526,907	6,355,263,539

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. Manruk Reshan Dewapura - Independent Director
Mrs. K. T. Chamila Priyangani - Independent Director
Mr. J. T. Fernando - Independent Director
Mr. S. Lankathilake - Independent Director
Mr. K. M. Janaka Rajeend Abeysinghe - 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, 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
Hong Kong & Shanghai Banking Corporation
Sampath Bank PLC
DFCC Bank
Peoples Bank
Cargills Bank Limited
Union Bank of Colombo PLC
Habib Bank