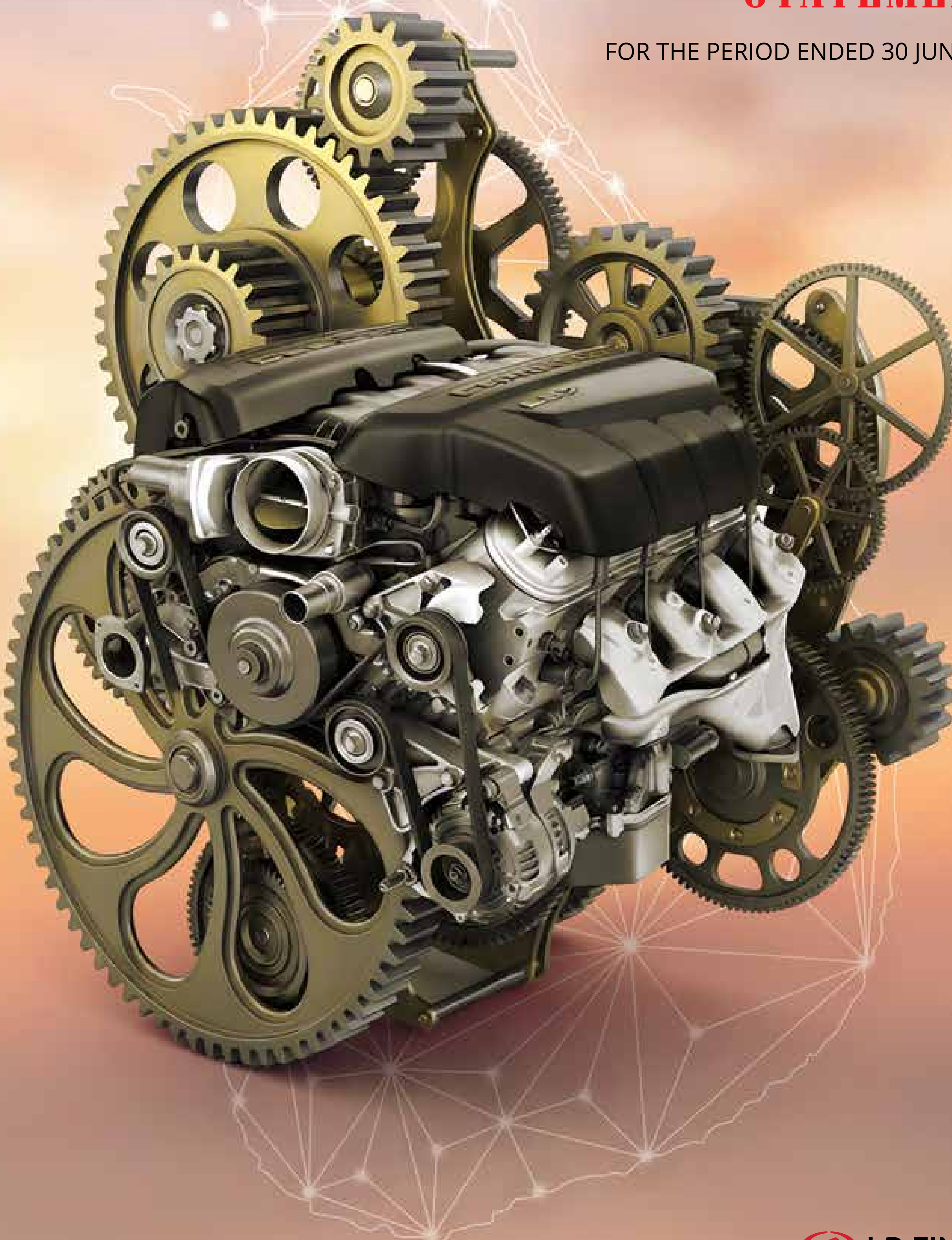
INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE, 2026



LB FINANCE

LB FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2026

	COMPANY		
	FOR THE 3 MONTHS ENDED		
	30.06.2026 Rs. '000	30.06.2025 Rs. '000	Change %
Income	**18,756,984**	12,741,864	47
Interest Income	**16,957,101**	11,227,010	51
Less : Interest Expenses	**8,018,422**	4,389,083	83
Net Interest Income	**8,938,679**	6,837,927	31
Fee and Commission Income	**1,696,242**	1,489,213	14
Net Trading Income	**53,735**	15,097	>100
Other Operating Income	**49,906**	10,544	>100
Total Operating Income	**10,738,562**	8,352,781	29
Less : Impairment Charges/(Reversals)	**439,209**	259,918	69
Net Operating Income	**10,299,353**	8,092,863	27
Less : Operating Expenses			
Personnel Expenses	**1,665,554**	1,354,504	23
Depreciation of Property, Plant and Equipment	**308,683**	264,574	17
Amortisation of Intangible Assets	**8,006**	4,126	94
Other Operating Expenses	**1,148,913**	945,489	22
Total Operating Expenses	**3,131,156**	2,568,693	22
Operating Profit before Tax on Financial Services	**7,168,197**	5,524,170	30
Less : Tax on Financial Services	**1,469,572**	1,155,722	27
Profit before Taxation	**5,698,625**	4,368,448	30
Less : Income Tax Expense	**2,161,072**	1,665,693	30
Profit for the Period	**3,537,553**	2,702,755	31
Basic Earnings per Share (Rs.)	**6.38**	4.88	31
Other Comprehensive Income			
Other Comprehensive Income that will be Reclassified to Income Statement			
Changes in Fair Value of Hedge Reserve	**240,994**	-	100
Net Other Comprehensive Income that will be Reclassified to Income Statement	**240,994**	-	100
Other Comprehensive Income that will never be Reclassified to Income Statement			
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	**18,086**	22,319	(19)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	**18,086**	22,319	(19)
Other Comprehensive Income for the Period, Net of Tax	**259,080**	22,319	>100
Total Comprehensive Income for the Period, Net of Tax	**3,796,633**	2,725,074	39

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2026

	GROUP		
	FOR THE 3 MONTHS ENDED		
	30.06.2026 Rs. '000	30.06.2025 Rs. '000	Change %
Income	**20,588,060**	12,864,074	60
Interest Income	**18,667,765**	11,333,901	65
Less : Interest Expenses	**8,494,795**	4,417,292	92
Net Interest Income	**10,172,970**	6,916,609	47
Fee and Commission Income	**1,750,694**	1,504,273	16
Net Trading Income	**56,559**	15,097	>100
Other Operating Income	**113,042**	10,803	>100
Total Operating Income	**12,093,265**	8,446,782	43
Less : Impairment Charges/(Reversals)	**841,425**	261,650	>100
Net Operating Income	**11,251,840**	8,185,132	37
Less : Operating Expenses			
Personnel Expenses	**1,899,561**	1,394,954	36
Depreciation of Property, Plant and Equipment	**325,997**	266,369	22
Amortisation of Intangible Assets	**8,736**	4,126	>100
Other Operating Expenses	**1,282,051**	971,995	32
Total Operating Expenses	**3,516,345**	2,637,444	33
Operating Profit before Tax on Financial Services	**7,735,495**	5,547,688	39
Less : Tax on Financial Services	**1,582,681**	1,155,722	37
Profit before Taxation	**6,152,814**	4,391,966	40
Less : Income Tax Expense	**2,324,638**	1,671,747	39
Profit for the Period	**3,828,176**	2,720,219	41
Profit Attributable to:			
Equity Holders of the Company	**3,760,995**	2,720,219	38
Non-Controlling Interest	**67,181**	-	100
Profit for the Period	**3,828,176**	2,720,219	41
Basic Earnings per Share (Rs.)	**6.79**	4.91	38
Other Comprehensive Income			
Other Comprehensive Income that will be Reclassified to Income Statement			
Changes in Fair Value of Hedge Reserve	**240,994**	-	100
Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	**73,418**	10,219	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement	**314,412**	10,219	>100
Other Comprehensive Income that will never be Reclassified to Income Statement			
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	**18,086**	22,319	(19)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	**18,086**	22,319	(19)
Other Comprehensive Income for the Period, Net of Tax	**332,498**	32,538	>100
Total Comprehensive Income for the Period, Net of Tax	**4,160,674**	2,752,757	51
Attributable to:			
Equity Holders of the Company	**4,093,493**	2,752,757	49
Non-Controlling Interest	**67,181**	-	100
Total Comprehensive Income for the Period, Net of Tax	**4,160,674**	2,752,757	51

LB FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Company		Group	
	30.06.2026 Rs. '000	**Audited 31.03.2026 Rs. '000**	**30.06.2026 Rs. '000**	**Audited 31.03.2026 Rs. '000**
Assets				
Cash and Cash Equivalents	**23,359,800**	18,718,916	**23,741,729**	19,108,410
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	**3,839,374**	4,250,311	**3,839,374**	4,250,311
Derivative Financial Assets	**1,031,169**	82,705	**1,031,169**	82,705
Financial Assets at Amortised Cost - Loans and Receivables	**341,962,329**	312,660,305	**361,311,212**	332,998,816
Financial Assets Measured at Fair Value Through Other Comprehensive Income	**211,581**	193,495	**224,319**	206,233
Other Financial Assets	**44,581,708**	40,543,044	**46,175,631**	42,360,809
Other Non Financial Assets	**1,019,926**	860,805	**1,140,285**	962,564
Investment in Subsidiaries	**4,694,583**	4,694,583	**-**	-
Property, Plant and Equipment and Right-of-Use Assets	**11,094,052**	10,743,488	**12,359,938**	11,994,893
Investment Properties	**4,150**	4,150	**4,150**	4,150
Intangible Assets	**136,760**	126,337	**1,095,940**	1,086,247
Deferred Tax Assets	**2,017,658**	2,453,348	**2,056,889**	2,513,157
Total Assets	**433,953,090**	395,331,487	**452,980,636**	415,568,295
Liabilities				
Due to Banks	**118,029,303**	102,967,004	**118,559,431**	103,456,500
Financial Liabilities at Amortised Cost - Due to Depositors	**181,107,568**	173,329,148	**196,079,660**	189,559,700
Debt Instruments Issued and Other Borrowed Funds	**57,235,473**	45,400,377	**57,235,473**	45,400,377
Other Financial Liabilities	**5,928,474**	5,935,737	**5,969,320**	6,245,743
Other Non Financial Liabilities	**5,185,855**	2,127,361	**5,714,347**	2,697,107
Current Tax Liabilities	**3,916,213**	3,550,887	**4,414,603**	4,098,071
Post Employment Benefit Liability	**666,888**	637,650	**795,292**	762,321
Total Liabilities	**372,069,774**	333,948,164	**388,768,126**	352,219,819
Equity				
Stated Capital	**838,282**	838,282	**838,282**	838,282
Reserves	**10,703,720**	10,267,762	**10,969,912**	10,460,536
Retained Earnings	**50,341,314**	50,277,279	**51,087,092**	50,799,615
Total Equity Attributable to Equity Holders of the Company	**61,883,316**	61,383,323	**62,895,286**	62,098,433
Non Controlling Interest	**-**	-	**1,317,224**	1,250,043
Total Equity	**61,883,316**	61,383,323	**64,212,510**	63,348,476
Total Liabilities and Equity	**433,953,090**	395,331,487	**452,980,636**	415,568,295
Net Asset Value per Share (Rs.)	**111.69**	110.79	**113.52**	112.08
Commitments and Contingencies	**347,950**	9,815,262	**67,775**	9,502,462

The information contained in these statements have been extracted from the unaudited Financial Statements unless indicated as "Audited".

CERTIFICATION:
These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

sgd.
Malith Hewage
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board of Directors by,

sgd.
Niroshan Udage
Managing Director

sgd.
Ashane Jayasekara
Director

16 July 2026
Colombo

LB FINANCE PLC

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Statutory Reserve Rs. '000	Fair Value Reserve Rs. '000	Cash Flow Hedge Reserve Rs. '000	Total Equity Rs. '000
Balance as at 01 April 2025 (Audited)	**838,282**	**40,906,355**	**9,558,263**	**(36,902)**	**-**	**51,265,998**
Net Profit for the Period	-	2,702,755	-	-	-	2,702,755
Other Comprehensive Income for the Period, Net of Tax	-	-	-	22,319	-	22,319
Total Comprehensive Income for the Period, Net of Tax	-	2,702,755	-	22,319	-	2,725,074
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners						
Transfers During the Period	-	(135,138)	135,138	-	-	-
Final Dividend for 2024/25	-	(2,354,743)	-	-	-	(2,354,743)
Total Transactions with Equity Holders	-	(2,489,881)	135,138	-	-	(2,354,743)
Balance as at 30 June 2025	**838,282**	**41,119,229**	**9,693,401**	**(14,583)**	**-**	**51,636,329**
Balance as at 01 April 2026 (Audited)	**838,282**	**50,277,279**	**10,241,906**	**(8,437)**	**34,293**	**61,383,323**
Net Profit for the Period	-	3,537,553	-	-	-	3,537,553
Other Comprehensive Income for the Period, Net of Tax	-	-	-	18,086	240,994	259,080
Total Comprehensive Income for the Period, Net of Tax	-	3,537,553	-	18,086	240,994	3,796,633
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners						
Transfers During the Period	-	(176,878)	176,878	-	-	-
Final Dividend for 2025/26	-	(3,296,640)	-	-	-	(3,296,640)
Total Transactions with Equity Holders	-	(3,473,518)	176,878	-	-	(3,296,640)
Balance as at 31 March 2026	**838,282**	**50,341,314**	**10,418,784**	**9,649**	**275,287**	**61,883,316**

LB FINANCE PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Statutory Reserve Rs. '000	Fair Value Reserve Rs. '000	Cash Flow Hedge Reserve Rs. '000	Foreign Currency Translation Reserve Rs. '000	Total Equity Attributable to Equity Holders of the Company Rs. '000	Non-Controlling Interest Rs. '000	Total Equity Rs. '000
Balance as at 01 April 2025 (Audited)	**838,282**	**41,118,709**	**9,558,263**	**(36,902)**	**-**	**111,793**	**51,590,145**	**-**	**51,590,145**
Net Profit for the Period	-	2,720,219	-	-	-	-	2,720,219	-	2,720,219
Other Comprehensive Income for the Period, Net of Tax	-	-	-	22,319	-	10,219	32,538	-	32,538
Total Comprehensive Income for the Period, Net of Tax	-	2,720,219	-	22,319	-	10,219	2,752,757	-	2,752,757
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners									
Transfers During the Period	-	(135,138)	135,138	-	-	-	-	-	-
Adjustments due to Amalgamation with Subsidiary	-	-	-	-	-	-	-	-	-
Final Dividend for 2024/25	-	(2,354,743)	-	-	-	-	(2,354,743)	-	(2,354,743)
Total Transactions with Equity Holders	-	(2,489,881)	135,138	-	-	-	(2,354,743)	-	(2,354,743)
Balance as at 30 June 2025	**838,282**	**41,349,047**	**9,693,401**	**(14,583)**	**-**	**122,012**	**51,988,159**	**-**	**51,988,159**
Balance as at 01 April 2026 (Audited)	**838,282**	**50,799,615**	**10,241,906**	**(7,439)**	**34,293**	**191,776**	**62,098,433**	**1,250,043**	**63,348,476**
Non-Controlling Interest on Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-
Net Profit for the Period	-	3,760,995	-	-		-	3,760,995	67,181	3,828,176
Other Comprehensive Income for the Period, Net of Tax	-	-	-	18,086	240,994	73,418	332,498	-	332,498
Total Comprehensive Income for the Period, Net of Tax	-	3,760,995	-	18,086	240,994	73,418	4,093,493	67,181	4,160,674
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners									
Transfers During the Period	-	(176,878)	176,878	-	-	-	-	-	-
Final Dividend for 2025/26	-	(3,296,640)	-	-	-	-	(3,296,640)	-	(3,296,640)
Total Transactions with Equity Holders	-	(3,473,518)	176,878	-	-	-	(3,296,640)	-	(3,296,640)
Balance as at 30 June 2026	**838,282**	**51,087,092**	**10,418,784**	**10,647**	**275,287**	**265,194**	**62,895,286**	**1,317,224**	**64,212,510**

LB FINANCE PLC

CASH FLOW STATEMENT

Period ended 30 June 2026

	FOR THE 3 MONTHS ENDED			
	Company		Group	
	30.06.2026 Rs. '000	30.06.2025 Rs. '000	30.06.2026 Rs. '000	30.06.2025 Rs. '000
Cash Flows from/(Used in) Operating Activities				
Profit before Taxation	**5,698,625**	4,368,448	**6,152,814**	4,391,966
Adjustments for				
Depreciation of Property, Plant and Equipment	**308,683**	264,574	**325,997**	266,369
Amortisation of Intangible Assets	**8,006**	4,126	**8,736**	4,126
Impairment Charges/(Reversals) excluding recoveries from written-off exposures	**484,939**	339,034	**887,204**	340,766
Fair value (gains)/losses on financial investments	**(2,160)**	(2,149)	**(2,160)**	(2,149)
Net Exchange (Gain)/Loss on of USD Borrowing (Post Hedge)	**9,281**	-	**9,281**	-
Loss/(Profit) on Disposal of Property, Plant and Equipment	**(19,962)**	2,754	**(19,782)**	2,654
Provision/(Reversal) for Defined Benefit Plans	**44,197**	28,776	**50,197**	28,776
Foreign Currency Exchange (Gain)/Losses	**-**	-	**(5,524)**	(159)
Dividend Received	**(842)**	(1,177)	**(842)**	(1,177)
Operating Profit before Changes in Operating Assets and Liabilities	**6,530,767**	5,004,386	**7,405,921**	5,031,172
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	**(29,808,129)**	(24,623,688)	**(29,220,766)**	(24,751,580)
(Increase)/Decrease in Other Financial Assets	**(3,008,134)**	3,175,394	**(2,784,291)**	3,178,535
(Increase)/Decrease in Other Non Financial Assets	**(159,120)**	(226,890)	**(105,752)**	(205,152)
	(32,975,383)	(21,675,184)	**(32,110,809)**	(21,778,197)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	**7,778,420**	6,474,173	**6,519,960**	6,552,038
Increase/(Decrease) in Other Financial Liabilities	**(278,476)**	921,066	**(561,769)**	922,158
Increase/(Decrease) in Other Non Financial Liabilities	**(244,757)**	(341,671)	**(303,048)**	(341,649)
	7,255,187	7,053,568	**5,655,143**	7,132,547
Cash Generated from Operations	**(19,189,429)**	(9,617,230)	**(19,049,745)**	(9,614,478)
Retirement Benefit Liabilities Paid	**(14,959)**	(45,419)	**(17,226)**	(45,419)
Income Tax Paid	**(1,331,760)**	(1,050,000)	**(1,468,762)**	(1,056,093)
Net Cash from/(Used in) Operating Activities	**(20,536,148)**	(10,712,649)	**(20,535,733)**	(10,715,990)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	**(435,720)**	(231,370)	**(445,204)**	(231,670)
Acquisition of Intangible Assets	**(18,429)**	(31,578)	**(18,429)**	(31,578)
Proceeds from Sale of Property, Plant and Equipment	**141,296**	1,827	**141,296**	1,934
Sale/(Purchase) of Financial Investments - Held for Trading	**413,097**	(1,204,332)	**413,097**	(1,204,332)
Dividend Received	**842**	1,177	**842**	1,177
Net Cash Flows from/(Used in) Investing Activities	**101,086**	(1,464,276)	**91,602**	(1,464,469)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	**30,747,314**	17,785,772	**30,747,314**	17,790,447
Repayment of Debt Funding from Banks	**(15,657,133)**	(8,943,370)	**(15,657,133)**	(8,943,370)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	**11,624,845**	16,112,289	**11,624,845**	16,112,289
Repayment of Debt Instruments Issued and Other Borrowed Funds	**(1,537,550)**	(1,315,705)	**(1,537,550)**	(1,315,705)
Payment of Lease Liabilities/Advance Payment for Right-of-Use Assets	**(73,648)**	(98,403)	**(80,557)**	(98,403)
Net Cash Flows from/(Used in) Financing Activities	**25,103,828**	23,540,583	**25,096,919**	23,545,258
Net Increase/(Decrease) in Cash and Cash Equivalents	**4,668,766**	11,363,658	**4,652,788**	11,364,799
Cash and Cash Equivalents at the Beginning of the Period	**17,342,684**	7,858,442	**17,707,162**	7,909,171
Cash and Cash Equivalents at the End of the Period	**22,011,450**	19,222,100	**22,359,950**	19,273,970
Cash and Cash Equivalents in the Cash Flow Statement				
Notes and Coins Held	**2,393,656**	2,288,159	**2,484,524**	2,309,518
Balances with Banks	**3,374,948**	9,973,636	**3,666,009**	10,004,147
Securities under Reverse Repurchase Agreements	**17,591,196**	8,394,823	**17,591,196**	8,394,823
Bank Overdrafts	**(1,348,350)**	(1,434,518)	**(1,381,779)**	(1,434,518)
Net Cash and Cash Equivalents	**22,011,450**	19,222,100	**22,359,950**	19,273,970

LB FINANCE PLC

FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

As at 30 June 2026	Financial Instruments Measurement Basis	*Fair Value Measurement Using*				
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000	Total Fair Value Rs. '000	Carrying Value Rs. '000
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		**2,393,656**	**-**	**-**	**2,393,656**	**2,393,656**
Balances with Banks		**3,374,948**	**-**	**-**	**3,374,948**	**3,374,948**
Securities under Reverse Repurchase Agreements		**-**	**17,591,196**	**-**	**17,591,196**	**17,591,196**
Financial Assets Recognised Through Profit or Loss	FVTPL	**26,657**	**3,812,717**	**-**	**3,839,374**	**3,839,374**
Derivative Financial Assets	FVTPL	**-**	**1,031,169**	**-**	**1,031,169**	**1,031,169**
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	**-**	**-**	**336,684,336**	**336,684,336**	**341,962,329**
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		**141,349**	**-**	**-**	**141,349**	**141,349**
Unquoted Equities		**-**	**-**	**70,232**	**70,232**	**70,232**
Other Financial Assets	Amortised Cost	**287,704**	**44,294,947**	**-**	**44,582,651**	**44,581,708**
Investment Properties	FVTPL	**-**	**-**	**4,150**	**4,150**	**4,150**
		6,224,314	**66,730,029**	**336,758,718**	**409,713,061**	**414,990,111**
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		**1,348,350**	**-**	**-**	**1,348,350**	**1,348,350**
Debt Funding from Banks		**-**	**114,939,874**	**-**	**114,939,874**	**116,680,953**
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	**-**	**-**	**180,350,611**	**180,350,611**	**181,107,568**
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	**-**	**55,410,730**	**-**	**55,410,730**	**57,235,473**
Other Financial Liabilities	Amortised Cost	**-**	**5,928,474**	**-**	**5,928,474**	**5,928,474**
		1,348,350	**176,279,078**	**180,350,611**	**357,978,039**	**362,300,818**

As at 31 March 2026 (Audited)	Financial Instruments Measurement Basis	*Fair Value Measurement Using*				
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000	Total Fair Value Rs. '000	Carrying Value Rs. '000
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		2,463,356	-	-	2,463,356	2,463,356
Balances with Banks		3,657,441	-	-	3,657,441	3,657,441
Securities under Reverse Repurchase Agreements		-	12,598,119	-	12,598,119	12,598,119
Financial Assets Recognised Through Profit or Loss	FVTPL	24,497	4,225,814	-	4,250,311	4,250,311
Derivative Financial Assets	FVTPL	-	82,705	-	82,705	82,705
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	309,247,280	309,247,280	312,660,305
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		123,263	-	-	123,263	123,263
Unquoted Equities		-	-	70,232	70,232	70,232
Other Financial Assets	Amortised Cost	18,201	40,524,861	-	40,543,062	40,543,044
Investment Properties	FVTPL	-	-	4,150	4,150	4,150
		6,286,758	57,431,499	309,321,662	373,039,919	376,452,926
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		1,376,232	-	-	1,376,232	1,376,232
Debt Funding from Banks		-	100,471,446	-	100,471,446	101,590,772
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	173,432,460	173,432,460	173,329,148
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	45,370,179	-	45,370,179	45,400,377
Other Financial Liabilities	Amortised Cost	-	5,935,737	-	5,935,737	5,935,737
		1,376,232	151,777,362	173,432,460	326,586,054	327,632,266

There were no transfers into and transfers out of the hierarchy levels during Periods reported herein.

LB FINANCE PLC

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

As at 30 June 2026	Financial Instruments Measurement Basis	*Fair Value Measurement Using* Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000	Total Fair Value Rs. '000	Carrying Value Rs. '000
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		**2,484,524**	**-**	**-**	**2,484,524**	**2,484,524**
Balances with Banks		**3,666,009**	**-**	**-**	**3,666,009**	**3,666,009**
Securities under Reverse Repurchase Agreements		**-**	**17,591,196**	**-**	**17,591,196**	**17,591,196**
Financial Assets Recognised Through Profit or Loss	FVTPL	**26,657**	**3,812,717**	**-**	**3,839,374**	**3,839,374**
Derivative Financial Assets	FVTPL	**-**	**1,031,169**	**-**	**1,031,169**	**1,031,169**
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	**-**	**-**	**356,013,855**	**356,013,855**	**361,311,212**
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		**141,349**	**-**	**-**	**141,349**	**141,349**
Unquoted Equities		**-**	**-**	**82,970**	**82,970**	**82,970**
Other Financial Assets	Amortised Cost	**287,704**	**45,888,870**	**-**	**46,176,574**	**46,175,631**
Investment Properties	FVTPL	**-**	**-**	**4,150**	**4,150**	**4,150**
		6,606,243	**68,323,952**	**356,100,975**	**431,031,170**	**436,327,584**
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		**1,381,779**	**-**	**-**	**1,381,779**	**1,381,779**
Debt Funding from Banks		**-**	**115,403,702**	**-**	**115,403,702**	**117,177,652**
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	**-**	**-**	**195,354,597**	**195,354,597**	**196,079,660**
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	**-**	**55,410,730**	**-**	**55,410,730**	**57,235,473**
Other Financial Liabilities	Amortised Cost	**-**	**5,969,320**	**-**	**5,969,320**	**5,969,320**
		1,381,779	**176,783,752**	**195,354,597**	**373,520,128**	**377,843,884**

As at 31 March 2026 (Audited)	Financial Instruments Measurement Basis	*Fair Value Measurement Using* Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000	Total Fair Value Rs. '000	Carrying Value Rs. '000
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		2,525,728	-	-	2,525,728	2,525,728
Balances with Banks		3,984,563	-	-	3,984,563	3,984,563
Securities under Reverse Repurchase Agreements		-	12,598,119	-	12,598,119	12,598,119
Financial Assets Recognised Through Profit or Loss	FVTPL	24,497	4,225,814	-	4,250,311	4,250,311
Derivative Financial Assets	FVTPL	-	82,705	-	82,705	82,705
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	329,628,542	329,628,542	332,998,816
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		123,263	-	-	123,263	123,263
Unquoted Equities		-	-	82,970	82,970	82,970
Other Financial Assets	Amortised Cost	23,717	42,337,110	-	42,360,827	42,360,809
Investment Properties	FVTPL	-	-	4,150	4,150	4,150
		6,681,768	59,243,748	329,715,662	395,641,178	399,011,434
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		1,401,248	-	-	1,401,248	1,401,248
Debt Funding from Banks		-	100,897,060	-	100,897,060	102,055,252
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	190,041,978	190,041,978	189,559,700
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	45,370,179	-	45,370,179	45,400,377
Other Financial Liabilities	Amortised Cost	-	6,245,743	-	6,245,743	6,245,743
		1,401,248	152,512,982	190,041,978	343,956,208	344,662,320

There were no transfers into and transfers out of the hierarchy levels during Periods reported herein.

LB FINANCE PLC

SEGMENTAL INFORMATION

For management purposes, the Group is organised into four operating segments based on services offered and geographical operations as follows. The following table presents income, profit, asset and liability information of the Group's operating segments.

	Leasing		Loans and Advances		Investments		International Operation		Total	
	30.06.2026 Rs. '000	**30.06.2025 Rs.('000)**	**30.06.2026 Rs. '000**	**30.06.2025 Rs.('000)**	**30.06.2026 Rs. '000**	**30.06.2025 Rs.('000)**	**30.06.2026 Rs. '000**	**30.06.2025 Rs.('000)**	**30.06.2026 Rs. '000**	**30.06.2025 Rs. '000**
Interest Income	**4,104,470**	2,390,793	**13,470,199**	8,401,825	**939,203**	433,791	**153,893**	107,492	**18,667,765**	11,333,901
Less: Interest Expenses	**1,311,113**	696,977	**6,241,910**	3,308,726	**899,425**	383,380	**42,347**	28,209	**8,494,795**	4,417,292
Net Interest Income	**2,793,357**	1,693,816	**7,228,289**	5,093,099	**39,778**	50,411	**111,546**	79,283	**10,172,970**	6,916,609
Fee and Commission Income	**245,299**	121,231	**1,414,366**	1,358,950	**64,223**	9,032	**26,806**	15,060	**1,750,694**	1,504,273
Net Trading Income and Other Operating Income	**65,478**	1,278	**38,228**	732	**60,371**	23,631	**5,524**	259	**169,601**	25,900
Total Operating Income	**3,104,134**	1,816,325	**8,680,883**	6,452,781	**164,372**	83,074	**143,876**	94,602	**12,093,265**	8,446,782
Less : Impairment Charges/(Reversals)	**403,565**	(61,468)	**431,253**	321,308	**519**	78	**6,088**	1,732	**841,425**	261,650
Net Operating Income	**2,700,569**	1,877,793	**8,249,630**	6,131,473	**163,853**	82,996	**137,788**	92,870	**11,251,840**	8,185,132
Less: Operating Expenses	**673,685**	437,493	**2,406,445**	1,847,148	**18,362**	15,352	**83,120**	66,956	**3,181,612**	2,366,949
Less: Depreciation and Amortisation	**58,184**	41,389	**273,005**	225,949	**1,577**	1,362	**1,967**	1,795	**334,733**	270,495
Operating Profit before Taxes	**1,968,700**	1,398,911	**5,570,180**	4,058,376	**143,914**	66,282	**52,701**	24,119	**7,735,495**	5,547,688
Less: Taxes	**1,002,727**	714,480	**2,819,823**	2,072,775	**72,854**	34,160	**11,915**	6,054	**3,907,319**	2,827,469
Profit for the Period	**965,973**	684,431	**2,750,357**	1,985,601	**71,060**	32,122	**40,786**	18,065	**3,828,176**	2,720,219
Non-Controlling Interest									**67,181**	-
Profit Attributable to Equity Holders of the Company									**3,760,995**	2,720,219
Profit for the Period									**3,828,176**	2,720,219
Segmental Assets	**63,431,115**	37,896,915	**310,058,815**	193,052,972	**81,895,742**	44,265,608	**2,558,581**	1,743,143	**457,944,253**	276,958,638
Elimination	**-**	-	**(1,169,320)**	-	**(3,794,297)**	(537,835)	**-**	-	**(4,963,617)**	(537,835)
Total Segmental Assets	**63,431,115**	37,896,915	**308,889,495**	193,052,972	**78,101,445**	43,727,773	**2,558,581**	1,743,143	**452,980,636**	276,420,803
Segmental Liabilities	**53,109,494**	30,993,377	**270,022,471**	157,885,252	**65,471,820**	34,700,532	**1,385,297**	870,156	**389,989,082**	224,449,317
Elimination	**(1,169,320)**	-	**-**	-	**-**	-	**(51,636)**	(16,673)	**(1,220,956)**	(16,673)
Total Segmental Liabilities	**51,940,174**	30,993,377	**270,022,471**	157,885,252	**65,471,820**	34,700,532	**1,333,661**	853,483	**388,768,126**	224,432,644

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the financial statements.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue during the period ended 30 June 2026 or 2025.

LB FINANCE PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

EXPLANATORY NOTES

01. The Interim Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and are in compliance with the requirements of the Companies Act No. 07 of 2007. In addition, these Interim Financial Statements complies with the requirements of the Finance Business Act No. 42 of 2011, the Listing Rules of the Colombo Stock Exchange, and the guidelines issued by the Central Bank of Sri Lanka (CBSL).

02. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 Interim Financial Reporting.

03. The accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2026.

04. The Consolidated Financial Statements comprise the LB Finance PLC (Parent Company), LB Microfinance Myanmar Company Limited (Subsidiary) and Associated Motor Finance Company PLC (Subsidiary). The Company's parent undertaking is Vallibel One PLC. The Company's ultimate parent undertaking is Vallibel One PLC, which is incorporated in Sri Lanka. The Company's ultimate controlling party is Mr. Dhammika Perera.

05. There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

06. At the Extraordinary General Meeting held on 30th June 2026, the Special Resolution for the amalgamation of Associated Motor Finance Company PLC with L B Finance PLC was duly passed by the shareholders. The proposed amalgamation is to be completed at a consideration of Rs.55/- per share of AMF. The shares of AMF will not be converted to LB shares through the amalgamation, and instead, AMF shareholders, except LB, will be paid a cash consideration of Rs.55/- for each share held by the shareholders in AMF. The date on which the amalgamation is intended to become effective, as set out in the Amalgamation Proposal, is 31s July 2026. Accordingly, dealings in shares of Associated Motor Finance Company PLC will be suspended at the end of trading on 27th July 2026, being the third (3rd) Market Day immediately preceding and excluding the effective date of amalgamation.

INFORMATION ON SHARES

		For the Quarter ended	
Share Price		**30.06.2026**	**30.06.2025**
Highest	Rs.	179.00	130.00
Lowest	Rs.	138.25	77.00
Last Traded	Rs.	173.00	130.00
Number of Ordinary Shares Issued		554,057,136	554,057,136

	As at	
Ratios	**30.06.2026**	**30.06.2025**
Debt Equity Ratio - No of Times	5.76	4.09
Quick Asset Ratio - No of Times	0.70	0.66
Interest Cover - No of Times	1.71	2.00

SELECTED PERFORMANCE INDICATORS

	As at	
	30.06.2026	**30.06.2025**
Capital Adequacy		
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)	18.89%	25.53%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)	18.59%	26.43%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	34.17%	35.62%
Profitability		
Return on Average Shareholders' Funds (After Tax) - Annualized	22.96%	21.01%
Return on Average Assets (After Tax) - Annualized	3.41%	4.19%
Asset Quality		
Gross Non-Performing Accommodations Ratio	1.41%	1.91%
Net Non-Performing Accommodations Ratio	-1.10%	-1.34%
Liquidity (Rs. Mn)		
Required Minimum Amount of Liquid Assets	23,143	15,824
Available Amount of Liquid Assets	43,837	36,781
Required Minimum Amount of Government Securities	12,404	9,785
Available Amount of Government Securities	25,238	17,043

LB FINANCE PLC
ADDITIONAL NOTES

Twenty largest shareholders as at 30 June 2026

	Name of the Shareholder		No. of Shares	(%)
1	Vallibel One PLC		286,729,600	51.751
2	Royal Ceramics Lanka PLC	125,708,928	144,492,928	26.079
	Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000		
3	Hatton National Bank PLC/Esna Holdings (Pvt) Ltd		15,248,000	2.752
4	Seylan Bank PLC/JN Lanka Holdings Company (Pvt) Ltd		10,655,496	1.923
5	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund		5,239,405	0.946
6	Commercial Bank of Ceylon PLC/ K.R.E.M.D.M.B. Jayasundara		5,000,000	0.902
7	Mr. K.D.A. Perera		4,289,735	0.774
8	Mr. W.G.D.C. Ranaweera		3,125,002	0.564
9	Mr. N. Udage		2,861,235	0.516
10	J.B. Cocoshell (Pvt) Ltd		2,612,962	0.472
11	Mr. Y.S.H.R.S. Silva		2,522,500	0.455
12	DFCC Bank PLC/J N Lanka Holdings Company (Pvt) Ltd		2,500,000	0.451
13	Mr. F.N. Herft		2,146,559	0.387
14	Hatton National Bank PLC/JN Lanka Holdings Company (Pvt) Ltd		1,532,564	0.277
15	DFCC Bank PLC A/C 1		1,529,567	0.276
16	Rosewood (Pvt) Limited-Account No.1		1,366,696	0.247
17	Mr. M. Keil		1,365,000	0.246
18	DFCC Bank PLC A/C No.02		1,275,027	0.230
19	Mr. A.A. Page		1,259,200	0.227
20	Mr. M.A.T. Raaymakers		1,125,126	0.203
			496,876,602	89.680
	Others		57,180,534	10.320
	Total		**554,057,136**	**100.000**

Directors' and Chief Executive Officer's holding in shares as at 30 June 2026

Name of the Director	No. of Shares	(%)
Mr. G A R D Prasanna	-	-
Mr. N Udage	2,861,235	0.516
Mr. B D A Perera	-	-
Mr. R S Yatawara	8,593	0.002
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-
Mr. Piyal Dushantha Hennayake	25,000	0.005
Mr. Priyantha Bandara Talwatte	-	-
Mr. R D Tissera	150,000	0.027
Prof. T N K De Zoysa	-	-

Public Shareholding

Public Holding percentage as at 30 June 2026 being 21.44% comprising of 7,596 shareholders.

The Float adjusted market capitalisation as at 30 June 2026 – Rs.20,580,188,013.00

The Float adjusted market capitalization of the Company falls under Option 1 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

NAME OF COMPANY

L B Finance PLC

LEGAL FORM

Public Limited Liability Company Incorporated in Sri Lanka under the provisions of the Companies Ordinance No. 51 of 1938 (Cap 145) and reregistered as per the Companies Act No. 07 of 2007 on 6th June 2008.

A Licensed Finance Company under the Finance Business Act No. 42 of 2011.

A registered Financed Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000.

STOCK EXCHANGE LISTING

The Company was admitted to the official list of the Colombo Stock Exchange on 30th December 1997, in which the Company's Ordinary Shares are listed currently.

DATE OF INCORPORATION

30th May 1971

COMPANY REGISTRATION NUMBER

PQ 156

TAX PAYER IDENTIFICATION NUMBER

104033431

VAT REGISTRATION NUMBER

104033431 7000

CENTRAL BANK REGISTRATION NUMBER

RFC 1003

CREDIT RATING

The Company has been assigned A-(lka) Stable outlook by Fitch Ratings Lanka Limited and A+ with a Stable outlook by Lanka Rating Agency Limited (LRA) respectively.

PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing acceptance of Public Deposits, providing Finance Leases and Vehicle Loan Facilities, Mortgage Loans, Gold Loans, Personal Loans, other Credit Facilities, Digital Financial Services and Value-Added Services.

Principal Activities of the Company's Subsidiaries

L B Microfinance Myanmar Company Limited - Carries on Microfinance lending in Myanmar.

Associated Motor Finance Company PLC - Acceptance of public deposits, leasing and hire purchase and trading of private and commercial vehicles by offering various financing solutions.

REGISTERED OFFICE

No. 275/75, Prof. Stanley Wijesundara Mawatha, Colombo 07.
Tel: 011- 2 200 000 Fax: 011-5 345 327

CORPORATE OFFICE

No. 20, Dharmapala Mawatha, Colombo 03.
Tel: 011-2 155 000 Fax: 011-2 575 098

OUTLETS

Branches - 223

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna
(Chairman)

Mr. Ashane Jayasekara
(Independent Non-Executive Director/ Senior Director)

Mr. Niroshan Udage
(Managing Director)

Mr. B D A Perera
(Executive Director)

Mr. Ravindra Yatawara
(Executive Director)

Mr. Ravindra Dhammika Tissera
(Executive Director)

Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Mr. Dharmadasa Rangalle
(Non-Executive Director)

Mr. P B Talwatte
(Non-Executive Director)

Mr. P D Hennayake
(Independent Non-Executive Director)

Prof. Thirimadura Nandika Kasun De Zoysa
(Independent Non-Executive Director)

Company Secretary

Mrs. Deborah Corera

Board Audit Committee

Mr. Ashane Jayasekara (Chairman)

Mrs. Yogadinusha Bhaskaran

Mrs. Ashwini Natesan

Board Human Resource and Remuneration Committee

Mr. Ashane Jayasekara (Chairman)

Mr. G A R D Prasanna

Mr. P D Hennayake

Board Nomination and Governance Committee

Mr. Ashane Jayasekara (Chairman)

Mrs. Ashwini Natesan

Mr. G A R D Prasanna

Board Related Party Transaction Review Committee

Mrs. Ashwini Natesan (Chairperson)

Mr. Dharmadasa Rangalle

Mr. P D Hennayake

Board Integrated Risk Management Committee

Mrs. Ashwini Natesan (Chairperson)

Mr. Ashane Jayasekara

Mrs. Yogadinusha Bhaskaran

REGISTRARS

Central Depository Systems (Pvt) Limited
Ground Floor, M & M Centre,
341/5, Kotte Road, Rajagiriya.
Tel: 011-2356444
Fax: 011-2440396
Email: registrars@cse.lk

CORPORATE MEMBERSHIPS AND ASSOCIATIONS

The Finance Houses

Association of Sri Lanka

Leasing Association of Sri Lanka

The Ombudsman Sri Lanka

(Guarantee) Limited

Mercantile Cricket Association

Mercantile Football Association

EXTERNAL AUDITORS

Messrs KPMG
Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03.

INTERNAL AUDITORS

Internal Audit Department of the Company under the scrutiny of the Chief Internal Auditor.

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

Cargills Bank PLC

DFCC Bank PLC

Hatton National Bank PLC

MCB Bank Limited

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Standard Chartered Bank

Union Bank of Colombo PLC

Habib Bank Limited

Public Bank Berhad

SUBSIDIARY COMPANIES

LB Microfinance Myanmar Company Limited

(Company incorporated in the Republic of the Union of Myanmar)

Company Registration Number of Subsidiary

844 FC of 2016-2017 (YGN)

Registered Office of Subsidiary

No 40,
Mulashwedagar Street,
Khittaya Myothit Quarter,
Pyay Township,
Bago Region,
Myanmar

Board of Directors of Subsidiary

Mr. Niroshan Udage

Mr. B D A Perera

Mr. Ravindra Yatawara

Mrs. Daw Khin Than Win

Mr. U Kyaw Kyaw

Associated Motor Finance Company PLC

Company Registration Number of Subsidiary

PB 733 PQ

Registered Office of Subsidiary

No. 275/75, Prof. Stanley Wijesundera Mawatha, Colombo 07

Board of Directors of Subsidiary

Mr. G A R D Prasanna
(Non-Executive Director - Chairman)

Mr. Niroshan Udage
(Executive Director - Deputy Chairman)

Mr. T.M.A. Sallay
(Executive Director Chief Executive Officer)

Mr. P D Hennayake
Independent Non-Executive Director Senior Director

Mr. B D A Perera
(Non-Independent Non -Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Prof. Thirimadura Nandika Kasun De Zoysa
(Independent Non-Executive Director)

LB FINANCE