

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER, 2025



LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 31 December 2025

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change %	31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change %
Income	15,496,622	11,693,722	33	42,565,753	34,546,428	23
Interest Income	13,470,136	10,577,284	27	37,109,029	31,358,618	18
Less : Interest Expenses	5,943,149	4,146,272	43	15,388,521	12,582,748	22
Net Interest Income	7,526,987	6,431,012	17	21,720,508	18,775,870	16
Fee and Commission Income	1,970,550	1,054,250	87	5,248,468	3,021,090	74
Net Trading Income	12,451	28,978	(57)	58,483	99,144	(41)
Other Operating Income	43,485	33,210	31	149,773	67,576	>100
Total Operating Income	9,553,473	7,547,450	27	27,177,232	21,963,680	24
Less : Impairment Charges/(Reversals)	372,089	17,277	>100	806,142	174,470	>100
Net Operating Income	9,181,384	7,530,173	22	26,371,090	21,789,210	21
Less : Operating Expenses						
Personnel Expenses	1,450,273	1,286,553	13	4,228,031	3,751,409	13
Depreciation of Property, Plant and Equipment	294,023	247,788	19	840,994	723,538	16
Amortisation of Intangible Assets	5,472	3,872	41	14,380	8,991	60
Other Operating Expenses	1,099,828	922,650	19	3,171,619	2,751,164	15
Total Operating Expenses	2,849,596	2,460,863	16	8,255,024	7,235,102	14
Operating Profit before Tax on Financial Services	6,331,788	5,069,310	25	18,116,066	14,554,108	24
Less : Tax on Financial Services	1,291,866	1,057,636	22	3,723,537	2,995,402	24
Profit before Taxation	5,039,922	4,011,674	26	14,392,529	11,558,706	25
Less : Income Tax Expense	1,908,930	1,525,901	25	5,461,373	4,385,076	25
Profit for the Period	3,130,992	2,485,773	26	8,931,156	7,173,630	24
Basic Earnings per Share (Rs.)	5.65	4.49	26	16.12	12.95	24
Other Comprehensive Income						
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	(23,454)	39,386	>(100)	26,964	44,306	(39)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(23,454)	39,386	>(100)	26,964	44,306	(39)
Other Comprehensive Income for the Period, Net of Tax	(23,454)	39,386	>(100)	26,964	44,306	(39)
Total Comprehensive Income for the Period, Net of Tax	3,107,538	2,525,159	23	8,958,120	7,217,936	24

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2025

Income

Interest Income
Less : Interest Expenses
Net Interest Income

Fee and Commission Income
Net Trading Income
Other Operating Income
Total Operating Income

Less : Impairment Charges/(Reversals)
Net Operating Income

Less : Operating Expenses

Personnel Expenses
Depreciation of Property, Plant and Equipment
Amortisation of Intangible Assets
Other Operating Expenses
Total Operating Expenses

Operating Profit before Tax on Financial Services

Less : Tax on Financial Services

Profit before Taxation

Less : Income Tax Expense
Profit for the Period

Profit Attributable to:

Equity Holders of the Company
Non-Controlling Interest
Profit for the Period

Basic Earnings per Share (Rs.)

Other Comprehensive Income

Other Comprehensive Income that will be Reclassified to Income Statement

Gains/(Losses) from Translating the Financial Statements of the Foreign Operations

Net Other Comprehensive Income that will be Reclassified to Income Statement

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

Net Other Comprehensive Income that will never be Reclassified to Income Statement

Other Comprehensive Income for the Period, Net of Tax

Total Comprehensive Income for the Period, Net of Tax

Attributable to:

Equity Holders of the Company
Non-Controlling Interest
Total Comprehensive Income for the Period, Net of Tax

GROUP					
FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change %	31.12.2025 Rs. '000	31.12.2024 Rs. '000	Change %
16,226,595	11,795,634	38	43,557,734	34,855,304	25
14,021,147	10,667,692	31	37,884,715	31,636,044	20
6,129,261	4,169,940	47	15,634,462	12,649,295	24
7,891,886	6,497,752	21	22,250,253	18,986,749	17
2,000,759	1,065,701	88	5,315,470	3,057,625	74
12,451	28,978	(57)	58,483	99,144	(41)
192,238	33,263	>100	299,066	62,491	>100
10,097,334	7,625,694	32	27,923,272	22,206,009	26
621,729	21,202	>100	1,059,704	168,807	>100
9,475,605	7,604,492	25	26,863,568	22,037,202	22
1,605,441	1,318,366	22	4,471,043	3,855,401	16
302,306	249,338	21	852,873	729,222	17
5,721	3,861	48	14,629	10,258	43
1,147,247	948,355	21	3,270,412	2,843,479	15
3,060,715	2,519,920	21	8,608,957	7,438,360	16
6,414,890	5,084,572	26	18,254,611	14,598,842	25
1,304,830	1,057,636	23	3,736,501	3,000,998	25
5,110,060	4,026,936	27	14,518,110	11,597,844	25
1,909,281	1,530,824	25	5,478,154	4,396,505	25
3,200,779	2,496,112	28	9,039,956	7,201,339	26
3,189,882	2,496,112	28	9,029,059	7,199,407	25
10,897	-	100	10,897	1,932	>100
3,200,779	2,496,112	28	9,039,956	7,201,339	26
5.76	4.51	28	16.30	13.00	25
43,622	(18,962)	>100	61,870	(23,561)	>100
43,622	(18,962)	>100	61,870	(23,561)	>100
(23,454)	39,386	>(100)	26,964	44,306	(39)
(23,454)	39,386	>(100)	26,964	44,306	(39)
20,168	20,424	(1)	88,834	20,745	>100
3,220,947	2,516,536	28	9,128,790	7,222,084	26
3,210,050	2,516,536	28	9,117,893	7,220,152	26
10,897	-	100	10,897	1,932	>100
3,220,947	2,516,536	28	9,128,790	7,222,084	26

LB FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Company		Group	
	31.12.2025 Rs. '000	Audited 31.03.2025 Rs. '000	31.12.2025 Rs. '000	Audited 31.03.2025 Rs. '000
Assets				
Cash and Cash Equivalents	14,620,752	9,024,016	14,909,213	9,074,745
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	928,583	718,402	928,583	718,402
Financial Assets at Amortised Cost - Loans and Receivables	282,249,476	197,766,691	301,799,699	199,271,047
Financial Assets Measured at Fair Value Through Other Comprehensive Income	191,993	165,024	203,039	165,024
Other Financial Assets	33,884,836	21,201,500	36,330,177	21,188,612
Other Non Financial Assets	769,942	439,475	901,410	480,168
Investment in Subsidiaries	4,694,583	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	10,453,467	9,725,513	11,578,940	9,751,574
Investment Properties	5,385	5,385	166,485	5,385
Intangible Assets	99,506	67,113	1,132,116	67,113
Deferred Tax Assets	1,469,555	1,255,960	1,476,228	1,262,343
Total Assets	349,368,078	240,890,241	369,425,890	241,984,413
Liabilities				
Due to Banks	83,347,335	37,411,682	83,806,373	37,799,707
Financial Liabilities at Amortised Cost - Due to Depositors	158,332,467	138,496,872	174,733,107	138,823,896
Debt Instruments Issued and Other Borrowed Funds	39,110,779	5,005,405	39,110,779	5,005,405
Other Financial Liabilities	5,693,510	4,303,422	6,187,981	4,305,386
Other Non Financial Liabilities	1,721,905	1,671,989	2,325,673	1,718,969
Current Tax Liabilities	2,728,510	2,182,738	3,020,246	2,188,770
Deferred Tax Liabilities	-	-	9,619	-
Post Employment Benefit Liability	564,197	552,135	720,903	552,135
Total Liabilities	291,498,703	189,624,243	309,914,681	190,394,268
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	9,994,883	9,521,361	10,168,546	9,633,154
Retained Earnings	47,036,210	40,906,355	47,346,467	41,118,709
Total Equity Attributable to Equity Holders of the Company	57,869,375	51,265,998	58,353,295	51,590,145
Non Controlling Interest	-	-	1,157,914	-
Total Equity	57,869,375	51,265,998	59,511,209	51,590,145
Total Liabilities and Equity	349,368,078	240,890,241	369,425,890	241,984,413
Net Asset Value per Share (Rs.)	104.45	92.53	105.32	93.11
Commitments and Contingencies	10,952,131	4,209,020	10,694,006	3,962,095

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.

Mrs. Yogadinusha Bhaskaran
Director

21 January 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	Total Equity Rs. '000
Balance as at 01 April 2024 (Audited)	838,282	33,815,357	9,017,981	(45,551)	43,626,069
Net Profit for the Period	-	7,173,630	-	-	7,173,630
Other Comprehensive Income for the Period, Net of Tax	-	-	-	44,306	44,306
Total Comprehensive Income for the Period, Net of Tax	-	7,173,630	-	44,306	7,217,936
Transactions with Owners, Recognised Directly in Equity					
Transfers During the Period	-	(358,682)	358,682	-	-
Final Dividend for 2023/24	-	(1,939,200)	-	-	(1,939,200)
Total Transactions with Equity Holders	-	(2,297,882)	358,682	-	(1,939,200)
Balance as at 31 December 2024	838,282	38,691,105	9,376,663	(1,245)	48,904,805
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	-	8,931,156	-	-	8,931,156
Other Comprehensive Income for the Period, Net of Tax	-	-	-	26,964	26,964
Total Comprehensive Income for the Period, Net of Tax	-	8,931,156	-	26,964	8,958,120
Transactions with Owners, Recognised Directly in Equity					
Transfers During the Period	-	(446,558)	446,558	-	-
Final Dividend for 2024/25	-	(2,354,743)	-	-	(2,354,743)
Total Transactions with Equity Holders	-	(2,801,301)	446,558	-	(2,354,743)
Balance as at 31 December 2025	838,282	47,036,210	10,004,821	(9,938)	57,869,375

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	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 2024 (Audited)	838,282	33,975,540	9,017,981	(45,551)	125,003	43,911,255	96,738	44,007,993
Net Profit for the Period	-	7,199,407	-	-	-	7,199,407	1,932	7,201,339
Other Comprehensive Income for the Period, Net of Tax	-	-	-	44,306	(23,561)	20,745	-	20,745
Total Comprehensive Income for the Period, Net of Tax	-	7,199,407	-	44,306	(23,561)	7,220,152	1,932	7,222,084
Transactions with Owners, Recognised Directly in Equity								
Transfers During the Period	-	(358,682)	358,682	-	-	-	(98,670)	(98,670)
Final Dividend for 2023/24	-	(1,939,200)	-	-	-	(1,939,200)	-	(1,939,200)
Total Transactions with Equity Holders	-	(2,297,882)	358,682	-	-	(1,939,200)	(98,670)	(2,037,870)
Balance as at 31 December 2024	838,282	38,877,065	9,376,663	(1,245)	101,442	49,192,207	-	49,192,207
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
Non-Controlling Interest on Acquisition of Subsidiary	-	-	-	-	-	-	1,147,017	1,147,017
Net Profit for the Period	-	9,029,059	-	-	-	9,029,059	10,897	9,039,956
Other Comprehensive Income for the Period, Net of Tax	-	-	-	26,964	61,870	88,834	-	88,834
Total Comprehensive Income for the Period, Net of Tax	-	9,029,059	-	26,964	61,870	9,117,893	10,897	9,128,790
Transactions with Owners, Recognised Directly in Equity								
Transfers During the Period	-	(446,558)	446,558	-	-	-	-	-
Final Dividend for 2024/25	-	(2,354,743)	-	-	-	(2,354,743)	-	(2,354,743)
Total Transactions with Equity Holders	-	(2,801,301)	446,558	-	-	(2,354,743)	-	(2,354,743)
Balance as at 31 December 2025	838,282	47,346,467	10,004,821	(9,938)	173,663	58,353,295	1,157,914	59,511,209

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 31 December 2025

	FOR THE 9 MONTHS ENDED			
	Company		Group	
	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000
Cash Flows from/(Used in) Operating Activities				
Profit before Taxation	14,392,529	11,558,706	14,518,110	11,597,844
Adjustments for				
Depreciation of Property, Plant and Equipment	840,994	723,538	852,873	729,222
Amortisation of Intangible Assets	14,380	8,991	14,629	10,258
Impairment Charges/(Reversals)	806,142	174,470	1,059,704	168,807
Diminution/(Appreciation) in Value of Investments	(8,938)	(4,259)	(8,938)	(4,259)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(88,504)	(31,806)	(221,656)	(31,937)
Provision/(Reversal) for Defined Benefit Plans	92,778	79,675	94,778	79,675
Foreign Currency Exchange (Gain)/Losses	-	-	578	(217)
Dividend Received	(4,141)	(4,047)	(4,141)	(4,047)
Operating Profit before Changes in Operating Assets and Liabilities	16,045,240	12,505,268	16,305,937	12,545,346
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(85,287,974)	(24,531,122)	(86,382,853)	(24,771,205)
(Increase)/Decrease in Other Financial Assets	(12,684,696)	5,685,459	(11,876,321)	5,762,958
(Increase)/Decrease in Other Non Financial Assets	(330,472)	(113,816)	(284,349)	(126,033)
	(98,303,142)	(18,959,479)	(98,543,523)	(19,134,280)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	19,835,595	9,414,221	20,116,060	9,525,864
Increase/(Decrease) in Other Financial Liabilities	1,129,727	464,314	743,722	430,479
Increase/(Decrease) in Other Non Financial Liabilities	(484,940)	(140,178)	(480,546)	(113,665)
	20,480,382	9,738,357	20,379,236	9,842,678
Cash Generated from Operations	(61,777,520)	3,284,146	(61,858,350)	3,253,744
Retirement Benefit Liabilities Paid	(80,716)	(42,202)	(89,887)	(42,202)
Income Tax Paid	(4,593,933)	(5,081,866)	(4,616,493)	(5,092,780)
Net Cash from/(Used in) Operating Activities	(66,452,169)	(1,839,922)	(66,564,730)	(1,881,238)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(1,024,069)	(1,316,280)	(1,029,440)	(1,332,594)
Acquisition of Intangible Assets	(46,773)	(40,347)	(46,773)	(40,347)
Proceeds from Sale of Property, Plant and Equipment	84,609	152,962	271,747	153,093
Sale/(Purchase) of Financial Investments - Held for Trading	(201,243)	809,830	(201,243)	809,830
Sale/(Purchase) of Financial Investments - Available for Sale	-	(37,785)	-	(37,785)
Investment in Subsidiaries	(4,173,421)	(100,867)	(4,142,446)	(100,867)
Net Cash and Cash Equivalents on Acquisition of Subsidiary	-	-	84,138	-
Dividend Received	4,141	4,047	4,141	4,047
Net Cash Flows from/(Used in) Investing Activities	(5,356,756)	(528,440)	(5,059,876)	(544,623)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	81,270,061	14,187,777	81,270,061	14,329,327
Repayment of Debt Funding from Banks	(35,359,543)	(11,321,851)	(35,359,543)	(11,321,851)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	36,883,371	2,453,179	36,883,371	2,453,179
Repayment of Debt Instruments Issued and Other Borrowed Funds	(2,777,997)	(2,643,276)	(2,777,997)	(2,643,276)
Payment of Lease Liabilities/Advance Payment for Right-of-Use Assets	(280,623)	(270,684)	(280,623)	(270,684)
Dividends Paid	(2,354,743)	(1,964,275)	(2,354,743)	(1,964,275)
Net Cash Flows from/(Used in) Financing Activities	77,380,526	440,870	77,380,526	582,420
Net Increase/(Decrease) in Cash and Cash Equivalents	5,571,601	(1,927,492)	5,755,920	(1,843,441)
Addition on Merger with Subsidiary	-	277,659	-	-
Cash and Cash Equivalents at the Beginning of the Period	7,858,442	6,370,533	7,909,171	6,612,815
Cash and Cash Equivalents at the End of the Period	13,430,043	4,720,700	13,665,091	4,769,374
Cash and Cash Equivalents in the Cash Flow Statement				
Notes and Coins Held	2,339,872	2,037,598	2,393,997	2,054,233
Balances with Banks	3,390,350	1,180,926	3,624,686	1,226,673
Securities under Reverse Repurchase Agreements	8,890,530	1,919,811	8,890,530	1,919,811
Bank Overdrafts	(1,190,709)	(417,635)	(1,244,122)	(431,343)
Net Cash and Cash Equivalents	13,430,043	4,720,700	13,665,091	4,769,374

LB FINANCE PLC

FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

As at 31 December 2025

Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		2,339,872	-	-	2,339,872	2,339,872
Balances with Banks		3,390,350	-	-	3,390,350	3,390,350
Securities under Reverse Repurchase Agreements		-	8,890,530	-	8,890,530	8,890,530
Financial Assets Recognised Through Profit or Loss	FVTPL	26,454	902,129	-	928,583	928,583
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	281,019,635	281,019,635	282,249,476
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		153,900	-	-	153,900	153,900
Unquoted Equities		-	-	38,093	38,093	38,093
Other Financial Assets	Amortised Cost	946,243	32,939,947	-	33,886,190	33,884,836
Investment Properties	FVTPL	-	-	5,385	5,385	5,385
		6,856,819	42,732,606	281,063,113	330,652,538	331,881,025
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		1,190,709	-	-	1,190,709	1,190,709
Debt Funding from Banks		-	81,505,241	-	81,505,241	82,156,626
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	159,539,660	159,539,660	158,332,467
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	40,204,731	-	40,204,731	39,110,779
Other Financial Liabilities	Amortised Cost	-	5,693,510	-	5,693,510	5,693,510
		1,190,709	127,403,482	159,539,660	288,133,851	286,484,091

As at 31 March 2025 (Audited)

Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
Financial Assets						
Cash and Cash Equivalents	Amortised Cost					
Notes and Coins Held		2,514,962	-	-	2,514,962	2,514,962
Balances with Banks		2,600,716	-	-	2,600,716	2,600,716
Securities under Reverse Repurchase Agreements		-	3,908,338	-	3,908,338	3,908,338
Financial Assets Recognised Through Profit or Loss	FVTPL	17,350	701,052	-	718,402	718,402
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	201,330,884	201,330,884	197,766,691
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI					
Quoted Equities		126,931	-	-	126,931	126,931
Unquoted Equities		-	-	38,093	38,093	38,093
Other Financial Assets	Amortised Cost	7,517,610	13,712,219	-	21,229,829	21,201,500
Investment Properties	FVTPL	-	-	5,385	5,385	5,385
		12,777,569	18,321,609	201,374,362	232,473,540	228,881,018
Financial Liabilities						
Due to Banks	Amortised Cost					
Bank Overdrafts		1,165,574	-	-	1,165,574	1,165,574
Debt Funding from Banks		-	37,381,878	-	37,381,878	36,246,108
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	141,651,088	141,651,088	138,496,872
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	5,217,194	-	5,217,194	5,005,405
Other Financial Liabilities	Amortised Cost	-	4,303,422	-	4,303,422	4,303,422
		1,165,574	46,902,494	141,651,088	189,719,156	185,217,381

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 31 December 2025

Financial Instruments Measurement Basis	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3		
	Rs. '000	Rs. '000	Rs. '000		
Financial Assets					
Cash and Cash Equivalents	Amortised Cost				
Notes and Coins Held	2,393,997	-	-	2,393,997	2,393,997
Balances with Banks	3,624,686	-	-	3,624,686	3,624,686
Securities under Reverse Repurchase Agreements	-	8,890,530	-	8,890,530	8,890,530
Financial Assets Recognised Through Profit or Loss	FVTPL	26,454	902,129	-	928,583
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	300,559,530	301,799,699
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI				
Quoted Equities	153,900	-	-	153,900	153,900
Unquoted Equities	-	-	49,139	49,139	49,139
Other Financial Assets	Amortised Cost	946,243	35,385,287	-	36,331,530
Investment Properties	FVTPL	-	-	166,485	166,485
		7,145,280	45,177,946	300,775,154	353,098,380
					354,337,196
Financial Liabilities					
Due to Banks	Amortised Cost				
Bank Overdrafts	1,244,122	-	-	1,244,122	1,244,122
Debt Funding from Banks	-	81,910,866	-	81,910,866	82,562,251
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	176,513,467	174,733,107
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	40,204,731	-	39,110,779
Other Financial Liabilities	Amortised Cost	-	6,187,981	-	6,187,981
		1,244,122	128,303,578	176,513,467	306,061,167
					303,838,240

As at 31 March 2025 (Audited)

Financial Instruments Measurement Basis	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3		
	Rs. '000	Rs. '000	Rs. '000		
Financial Assets					
Cash and Cash Equivalents	Amortised Cost				
Notes and Coins Held	2,534,474	-	-	2,534,474	2,534,474
Balances with Banks	2,631,933	-	-	2,631,933	2,631,933
Securities under Reverse Repurchase Agreements	-	3,908,338	-	3,908,338	3,908,338
Financial Assets Recognised Through Profit or Loss	FVTPL	17,350	701,052	-	718,402
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	202,835,240	199,271,047
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI				
Quoted Equities	126,931	-	-	126,931	126,931
Unquoted Equities	-	-	38,093	38,093	38,093
Other Financial Assets	Amortised Cost	7,517,610	13,699,331	-	21,216,941
Investment Properties	FVTPL	-	-	5,385	5,385
		12,828,298	18,308,721	202,878,718	234,015,737
					230,423,215
Financial Liabilities					
Due to Banks	Amortised Cost				
Bank Overdrafts	1,165,574	-	-	1,165,574	1,165,574
Debt Funding from Banks	-	38,020,853	-	38,020,853	36,634,133
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	142,128,942	138,823,896
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	5,217,194	-	5,005,405
Other Financial Liabilities	Amortised Cost	-	4,305,386	-	4,305,386
		1,165,574	47,543,433	142,128,942	190,837,949
					185,934,394

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	
	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000	31.12.2025 Rs. '000	31.12.2024 Rs. '000
Interest Income	7,677,697	7,091,765	28,311,238	22,865,740	1,542,654	1,427,241	353,126	251,298	37,884,715	31,636,044
Less: Interest Expenses	2,387,486	2,119,877	12,303,422	9,557,327	849,460	910,219	94,094	61,872	15,634,462	12,649,295
Net Interest Income	5,290,211	4,971,888	16,007,816	13,308,413	693,194	517,022	259,032	189,426	22,250,253	18,986,749
Fee and Commission Income	421,956	440,637	4,760,843	2,594,215	74,273	(4,849)	58,398	27,622	5,315,470	3,057,625
Net Trading Income and Other Operating Income	197,654	4,289	45,062	2,213	114,356	155,146	477	(13)	357,549	161,635
Total Operating Income	5,909,821	5,416,814	20,813,721	15,904,841	881,823	667,319	317,907	217,035	27,923,272	22,206,009
Less : Impairment Charges/(Reversals)	(45,448)	(163,651)	1,097,430	325,218	1,350	(1,938)	6,372	9,178	1,059,704	168,807
Net Operating Income	5,955,269	5,580,465	19,716,291	15,579,623	880,473	669,257	311,535	207,857	26,863,568	22,037,202
Less: Operating Expenses	1,365,367	1,255,195	6,118,254	5,238,167	48,768	40,193	209,066	165,325	7,741,455	6,698,880
Less: Depreciation and Amortisation	124,574	115,690	733,924	616,606	3,564	1,867	5,440	5,317	867,502	739,480
Operating Profit before Taxes	4,465,328	4,209,580	12,864,113	9,724,850	828,141	627,197	97,029	37,215	18,254,611	14,598,842
Less: Taxes	2,256,166	2,135,218	6,510,607	4,932,722	419,128	318,134	28,754	11,429	9,214,655	7,397,503
Profit for the Period	2,209,162	2,074,362	6,353,506	4,792,128	409,013	309,063	68,275	25,786	9,039,956	7,201,339
Non-Controlling Interest									10,897	1,932
Profit Attributable to Equity Holders of the Company									9,029,059	7,199,407
Profit for the Period									9,039,956	7,201,339
Segmental Assets	59,849,662	35,140,632	253,731,725	159,556,235	57,488,830	23,610,071	2,067,426	1,549,168	373,137,643	219,856,106
Elimination	-	-	-	-	(3,711,753)	(530,771)	-	-	(3,711,753)	(530,771)
Total Segmental Assets	59,849,662	35,140,632	253,731,725	159,556,235	53,777,077	23,079,300	2,067,426	1,549,168	369,425,890	219,325,335
Segmental Liabilities	49,796,958	27,451,330	215,509,266	124,642,914	43,588,500	17,307,892	1,061,002	740,601	309,955,726	170,142,737
Elimination	-	-	-	-	-	-	(41,045)	(9,609)	(41,045)	(9,609)
Total Segmental Liabilities	49,796,958	27,451,330	215,509,266	124,642,914	43,588,500	17,307,892	1,019,957	730,992	309,914,681	170,133,128

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 31 December 2025 or 2024.

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 2025.
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. Acquisition of Associated Motor Finance Company PLC

During the period under review, LB Finance PLC acquired a controlling interest in Associated Motor Finance Company PLC (AMF) through a voluntary offer subsequently converted into a mandatory offer, in accordance with the Company Take-overs and Mergers Code.

Although acceptances under the offer were received in stages and the offer formally closed on 24 November 2025, control over AMF was obtained on 17 November 2025, following the appointment of a new Board of Directors with the approval of the Central Bank of Sri Lanka (CBSL). From this date, the Group obtained the ability to direct the relevant activities of AMF and to affect returns therefrom.

Accordingly, the acquisition has been accounted for as a single business combination in accordance with SLFRS 3 - Business Combinations, with 17 November 2025 identified as the acquisition date. AMF has been consolidated into the Group financial statements from this date.

06.01 Fair Value of Identifiable Assets and Liabilities

The identifiable assets acquired and liabilities assumed of AMF have been recognised at their fair values as at 17 November 2025, the date on which control was obtained.

Assets	Rs. '000
Cash and Cash Equivalents	121,955
Financial Assets at Amortised Cost - Loans and Receivables	17,204,550
Financial Assets Measured at Fair Value Through Other Comprehensive Income	11,046
Other Financial Assets	3,266,604
Other Non Financial Assets	75,028
Property, Plant and Equipment and Right-of-Use Assets	1,159,906
Investment Properties	161,100
Intangible Assets	8,984
Total Assets	22,009,173
Liabilities	
Due to Banks	37,817
Financial Liabilities at Amortised Cost - Due to Depositors	15,793,151
Other Financial Liabilities	878,512
Other Non Financial Liabilities	569,677
Current Tax Liabilities	288,463
Deferred Tax Liabilities	12,089
Post Employment Benefit Liability	163,877
Total Liabilities	17,743,586
Fair value of identifiable net assets as at the date control was obtained	4,265,588

06.02 Goodwill on Acquisition

Goodwill arising on acquisition has been determined as follows:

Rs. '000

Total purchase consideration	4,142,446
Fair value of identifiable net assets as at the acquisition date	4,265,588
Control holding acquired	73.11%
Fair value of identifiable net assets acquired	3,118,571
Goodwill on acquisition	1,023,875

06.03 Net Cash Used in Acquisition of Associated Motor Finance Company PLC

The net cash outflow arising from the acquisition of Associated Motor Finance Company PLC is as follows:

Rs. '000

Fair value of the purchase consideration paid	4,142,446
Less: cash and cash equivalents acquired	84,138
Net cash used in acquisition	4,058,308

INFORMATION ON SHARES

		For the Quarter ended	
		31.12.2025	31.12.2024
Share Price			
Highest	Rs.	174.00	91.50
Lowest	Rs.	136.50	68.00
Last Traded	Rs.	157.00	89.50
Number of Ordinary Shares Issued		554,057,136	554,057,136
		As at	
		31.12.2025	31.12.2024
Ratios			
Debt Equity Ratio - No of Times		4.85	3.30
Quick Asset Ratio - No of Times		0.64	0.58
Interest Cover - No of Times		1.94	1.92

SELECTED PERFORMANCE INDICATORS

		As at	
		31.12.2025	31.12.2024
Capital Adequacy			
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)		19.93%	25.79%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)		19.86%	26.63%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		36.55%	36.97%
Profitability			
Return on Average Shareholders' Funds (After Tax) - Annualized		21.82%	20.67%
Return on Average Assets (After Tax) - Annualized		4.03%	4.55%
Asset Quality			
Gross Non-Performing Accommodations Ratio		1.46%	2.53%
Net Non-Performing Accommodations Ratio		-1.29%	-1.42%
Liquidity (Rs. Mn)			
Required Minimum Amount of Liquid Assets		18,411	13,612
Available Amount of Liquid Assets		31,653	18,400
Required Minimum Amount of Government Securities		9,785	8,704
Available Amount of Government Securities		16,998	10,537

LB FINANCE PLC

ADDITIONAL NOTES

Twenty largest shareholders as at 31 December 2025

Name of the Shareholder	No. of Shares	(%)
1 Vallibel One PLC	286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	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	9,124,446	1.647
5 Mr. K.R.E.M.D.M.B. Jayasundara	5,000,000	0.902
6 Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	4,674,738	0.844
7 Mr. K.D.A. Perera	4,289,735	0.774
8 Mr. W.G.D.C. Ranaweera	3,200,002	0.578
9 Mr. N. Udage	2,861,235	0.516
10 J.B. Cocoshell (Pvt) Ltd	2,812,962	0.508
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	2,061,200	0.372
14 Rosewood (Pvt) Limited-Account No.1	1,600,000	0.289
15 DFCC Bank PLC A/C 1	1,529,567	0.276
16 Hatton National Bank PLC/JN Lanka Holdings Company (Pvt) Ltd	1,508,010	0.272
17 Mr. A.A. Page	1,259,200	0.227
18 Mr. M. Keil	1,100,000	0.199
19 Mr. M.A.T. Raaymakers	1,096,646	0.198
20 Sri Lanka Insurance Corporation Life Ltd Participating Portfolio A/C 01	1,094,254	0.197
	494,705,023	89.288
Others	59,352,113	10.712
Total	554,057,136	100.000

Directors' and Chief Executive Officer's holding in shares as at 31 December 2025

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 (appointed w.e.f. 29.10.2025)	-	-

Public Shareholding

Public Holding percentage as at 31 December 2025 being 21.44% comprising of 6,881 shareholders.

The Float adjusted market capitalisation as at 31 December 2025 – Rs.18,441,986,661.00

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 by Fitch Ratings

Lanka Limited

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)
(Appointed w.e.f 29 October 2025)

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)



www.lbfinance.com