ASSOCIATED MOTOR FINANCE COMPANY PLC.

No. 275/75, Prof. Stanley Wijesundera Mawatha, Colombo 07. Tel : 0115553663 E-mail : info@amf.lk Web : www.amf.lk (Incorporated in 1962)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

(PUBLICATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH SECTION 29 (2) OF FINANCE BUSINESS ACT NO.42 OF 2011)

INCOME STATEMENT

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Gross Income	6,414,281	5,619,992
Interest Income	5,912,056	5,252,779
Less: Interest Expenses	1,804,993	2,276,356
Net Interest Income	**4,107,063**	**2,976,423**
Fee and Commission Income	90,477	46,485
Net Trading Income	145,158	303,924
Other Operating Income	266,590	16,804
Total Operating Income	**4,609,288**	**3,343,636**
Less: Impairment Charges/ (Reversals)	1,586,054	340,247
Net Operating Income	**3,023,234**	**3,003,388**
Less: Operating Expenses		
Personnel Expenses	947,529	806,624
Depreciation of Property, Plant and Equipment	71,130	75,283
Amortisation of Intangible Assets	3,180	3,415
Other Operating Expenses	377,641	340,556
Total Operating Expenses	**1,399,480**	**1,225,878**
Operating Profit before Tax on Financial Services	**1,623,754**	**1,777,510**
Less: Tax on Financial Services	444,768	526,552
Profit before Taxation	**1,178,986**	**1,250,958**
Less: Income Tax Expense	613,703	500,859
Net profit for the year	**565,283**	**750,098**
Earnings per Share: Basic/Diluted (Rs.)	**4.99**	**6.62**

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Profit for the Year	565,283	750,098
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	1,365	(1,401)
Gain on -revaluation of land & building	140,597	-
Less: Deferred Tax Charge on revaluation gain of land and buildings	42,179	-
Net gain on revaluation of land and buildings	98,418	-
Actuarial Gains/(Losses) on Defined Benefit Plans	23,167	(33,753)
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	6,950	(10,126)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	16,217	(23,627)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	116,000	(25,028)
Other Comprehensive Income for the Year, Net of Tax	**116,000**	**(25,028)**
Total Comprehensive Income for the Year, Net of Tax	**681,283**	**725,070**

STATEMENT OF FINANCIAL POSITION

As at 31 March	2026 Rs. '000	2025 Rs. '000
Assets		
Cash and Cash Equivalents	256,366	150,733
Financial assets - amortised cost	1,854,228	5,587,989
Financial Assets at Amortised Cost - Loans and Receivables	18,824,661	13,608,268
Financial Assets Measured at Fair Value Through Other Comprehensive Income	12,738	11,046
Other Assets	64,877	69,206
Property, Plant and Equipment and Right-of-Use Assets	1,227,965	1,187,545
Investment Properties	-	161,100
Intangible Assets	7,989	11,181
Deferred Tax Assets	53,401	-
Goodwill	-	385,244
Total Assets	**22,302,225**	**21,172,310**
Liabilities		
Due to Banks and Other Financial Institutions	603,155	-
Financial Liabilities at Amortised Cost - Due to Depositors	15,592,547	15,548,876
Trade And Other Payables	856,501	1,074,346
Current Tax Liabilities	476,626	400,117
Deferred Tax Liabilities	-	41,732
Post Employment Benefit Liability	124,671	139,797
Total Liabilities	**17,653,500**	**17,204,868**
Equity		
Stated Capital	611,274	611,274
Reserves	361,890	233,842
Retained Earnings	3,675,561	3,122,325
Total Equity	**4,648,725**	**3,967,441**
Total Liabilities and Equity	**22,302,225**	**21,172,310**
Net Asset Value per Share (Rs.)	**41.02**	**35.01**

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

T.M.A. Sallay
Chief Executive Officer / Director

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 of Directors by,

Niroshan Udage
Director – Deputy Chairman

P D Hennayake
Director

Colombo
28th May 2026

SELECTED KEY PERFORMANCE INDICATORS

As at 31 March	2026		2025	
Item	**Actual**	**Required**	**Actual**	**Required**
REGULATORY CAPITAL ADEQUACY (%)				
Tier 1 Capital Adequacy Ratio	18.45%	8.50%	18.96%	8.50%
Total Capital Adequacy Ratio	18.45%	12.50%	19.24%	12.50%
Capital Funds to Deposit Liabilities Ratio	28.96%	10.00%	25.30%	10.00%
QUALITY OF LOAN PORTFOLIO (%)				
Gross stage 3 Loans Ratio	15.10%		15.87%	
Net stage 3 Loans Ratio	10.21%		9.47%	
Net stage 3 Loans to Core capital Ratio	46.27%		47.43%	
Stage 3 Impairment Coverage Ratio	32.41%		40.30%	
Total Impairment Coverage Ratio	8.04%		8.40%	
PROFITABILITY (%)				
Net Interest Margin (i)	18.89%		16.21%	
Return on Assets (ii)	7.47%		8.78%	
Return on Equity (iii)	13.12%		20.81%	
Cost to Income Ratio	30.36%		36.66%	
LIQUIDITY (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	133.41%		376.94%	
Liquid Assets to External Funds	13.35%		37.71%	
MEMORANDUM INFORMATION				
Number of branches	11		12	
External Credit Rating	[SL](BB) (Stable)		[SL](BB) (Stable)	
REGULATORY PENALTIES IMPOSED LAST 6 MONTHS				
Amount (Rs. Mn)	N/A		N/A	
REGULATORY DEPOSIT RESTRICTIONS				
Cap on total Deposits (Rs. Mn)	N/A		N/A	
Downsizing of Deposits-per month/quarter/year (Rs. Mn)	N/A		N/A	
Freezing of Deposits	N/A		N/A	
REGULATORY BORROWING RESTRICTIONS				
Cap on total Borrowings (Rs. Mn)	N/A		N/A	
Downsizing of Borrowings-per month/quarter/year (Rs. Mn)	N/A		N/A	
Freezing of Borrowings	N/A		N/A	
REGULATORY LENDING RESTRICTIONS				
Cap on total Lending portfolio (Rs. Mn)	N/A		N/A	
Downsizing of Lending portfolio-per month/quarter/year (Rs. Mn)	N/A		N/A	
Restrictions on granting new credit facilities and/or extending the terms of existing credit facilities	N/A		N/A	
ANY OTHER REGULATORY RESTRICTIONS				
Please specify	N/A		N/A	

i). The ratio of interest income less interest expenses to average interest-earning assets
ii). Profit before tax (Annualized) as a percentage of average assets
iii). Profit after tax (Annualized) as a percentage of average equity

KPMG
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Associated Motor Finance Company PLC

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Associated Motor Finance Company PLC ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion
We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter
We draw attention to Note 1.1.1 to the financial statements, which describes that on 23 September 2025, LB Finance PLC ("the Parent") obtained regulatory approval to acquire the Company and to complete an amalgamation, subject to the condition that the transaction be completed by 31 March 2027. Accordingly, LB Finance PLC will be the surviving entity upon completion of the amalgamation within the stipulated timeframe. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk Description	Our Responses
Allowances for Impairment Losses of Financial Assets at Amortized Cost - Loans and Receivables Allowances for expected credit losses of financial assets amounting to 1.6 Bn arising from loans and receivables of LKR 20.4 Bn (Note 23) is determined by the management based on the accounting policies described in Note 24. High degree of complexity and judgment are involved in estimating Expected Credit Loss (ECL) on Loans and receivables to the customers. Collective impairment is calculated using internally developed statistical models which are inherently complex, and judgment is required in developing the models. There is a number of key inputs and assumptions used by the Company in applying the requirements of SLFRS 9 to the models including definition of significant increase in credit risk (SICR), selection and input of forward-looking information, past due information, historical loss parameters etc. Some of these assumptions and inputs are heavily dependent upon the macroeconomic environment, also additional adjustments and overlays are provided to the model to reflect the effects of current economic developments to address known model limitations due to emerging trends in the economy and the portfolios. Accordingly, due to the significance of the value of the Financial Assets at Amortised Cost - Loans and Receivables relative to total assets, subjectivity and complexity of the significant judgments involved and estimation uncertainty associated with the impairment provision calculation, we considered impairment of loans and receivables as a Key Audit Matter.	Our audit procedures to assess the allowances for ECL included the following: Assessing adequacy of impairment for individually significant customers (ISL): Selecting a sample of customers (based on qualitative factors) and our procedures included the following: • Obtaining external collaterals valuations and comparing collaterals values used in management's impairment assessments. • Assessing the reasonableness of the valuers' assumptions by comparing the same with evidence of current market values. *Assessing the adequacy of collective impairment by:* • Assessing the accuracy of the data used in the ECL models by checking a sample of data fields such as account balance, days past due, interest rate to relevant source systems. • Working with our Financial Risk Management (FRM) specialist we carried out the following procedures: - Assessed the accuracy of the ECL model estimates by re-performing, for a sample of loans and comparing this to the amount recorded by the Company; - Examined the model design and calculation approach compared with industry standards. • Assessing the completeness of post-model adjustments by checking the consistency of overlay criteria we identified in the loan portfolios against the Company's assessment. We also assessed the appropriateness of the related disclosures in the financial statements using our understanding obtained from our testing and against the requirements of Sri Lanka Accounting Standards.
Risk Description	**Our Responses**
Information Technology (IT) systems and controls over financial reporting. The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems. The controls over access, changes to and operations, integrations of IT systems are key to the recording of financial transactions/ information and the preparation of financial statements which provide a true and fair view of the Company's financial position and performance. Key areas of importance are system calculations in relation to significant accounts including interest calculations, updating of the general ledger, interface between different modules within the system etc. The IT systems and controls, as they impact the recording and reporting of financial transactions, is a key audit matter as our audit approach could significantly differ depending on the effective operation of the Company's IT controls.	Our audit procedures included the following key procedures: We worked with KPMG IT Audit specialists to perform audit procedures to assess IT systems and controls over financial reporting, which included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of general IT controls in relation to financial accounting and reporting system involving restrictions on system access, permissions and responsibilities of the authorized users, process for approving changes to the systems etc. • Examining the framework of governance over the Company's IT organization and the controls over program development and changes, access to programs and data and IT operations, including compensating controls where required. • Evaluating the design, implementation and operating effectiveness of the specific application controls which are required to be operating effectively to mitigate the risk of misstatement in the financial statements. • Re-performing selected automated computations and comparing the results with the system calculations and the general ledger. • Testing the access rights given to staff by checking them to approved records, and inspecting the reports over the granting and removal of access rights. • Tested source data of the reports used to generate disclosures for accuracy and completeness.
Risk Description	**Our Responses**
Revaluation of Land and Building The Company carried freehold Land and Building classified under Property, Plant and Equipment at fair value amounting to Rs. 1,112 Mn as at 31 March 2026. Accordingly, the Company have recognized a fair value gain of Rs. 141 Mn during the year ended 31 March 2026. The assessment of fair value of these Land and Building are based on valuations performed by qualified independent property valuers. We considered this as a key audit matter because the valuation of Land and Building involved significant judgments exercised by external valuation experts and were subjected to significant level of estimation uncertainty and management bias.	Our audit procedures included the following key procedures: • Assessing the objectivity, competence, and qualifications of the external valuer engaged by the management. • Assessing the reasonableness of the valuers' assumptions and methods used in the valuation and comparing the same with evidence of current market values. • Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per perch value and square feet value. • Assessing the adequacy of disclosures made in relation to the revaluation of Land and Building in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.
Risk Description	**Our Responses**
Impairment assessment of goodwill Impairment on goodwill amounting to Rs. 385 Mn is determined by the management assessment as described in Note 30. We identified assessment of impairment of Goodwill as a key audit matter due to significant degree of management judgment involved in making this assessment and in forecasting the future cash flows of the companies which could have significant impact on the financial statements.	Our audit procedures included the following key procedures: • Obtaining an understanding of management's impairment assessment process. • Obtaining the board-approved impairment assessment and assessing the reasonableness of the board's conclusion on goodwill impairment. • Assessing the adequacy of disclosures made in the financial statements with the relevant accounting standards.

Other Matter
The financial statements of Associated Motor Finance Company PLC for the year ended 31 March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 08 May 2025.

Other Information
Management is responsible for the other information. These financial statements does not include the other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is FCA 3272.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
28th May 2026

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