

# LB FINANCE PLC

PUBLICATION OF FINANCIAL STATEMENT AS PER CENTRAL BANK GUIDELINES NO.02 OF 2006

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER	FOR THE 6 MONTHS ENDED			
	Company		Group	
	2019 Rs.('000)	2018 Rs.('000)	2019 Rs.('000)	2018 Rs.('000)
<b>Income</b>	15,749,753	14,152,073	15,816,083	14,169,722
Interest Income	14,794,238	13,292,443	14,857,306	13,306,543
Less: Interest Expenses	6,884,966	6,280,960	6,891,238	6,281,397
<b>Net Interest Income</b>	7,909,272	7,011,484	7,966,068	7,025,146
Fee and Commission Income	885,561	787,003	888,465	788,624
Net Trading Income	(709)	(1,724)	(709)	(1,724)
Other Operating Income	70,663	74,350	71,021	76,278
<b>Total Operating Income</b>	8,864,787	7,871,113	8,924,845	7,888,325
Less: Impairment Charges and Other Losses	433,180	605,085	443,026	606,382
Less: Gold Loan Auction Losses	20	819	20	819
<b>Net Operating Income</b>	8,431,587	7,265,208	8,481,799	7,281,123
<b>Less: Operating Expenses</b>				
Personnel Expenses	1,469,416	1,331,780	1,481,596	1,337,106
Depreciation of Property, Plant and Equipment	223,724	200,911	224,200	201,117
Amortisation of Intangible Assets	8,134	9,307	8,816	9,805
Other Operating Expenses	1,354,423	1,200,932	1,363,555	1,204,894
<b>Total Operating Expenses</b>	3,055,698	2,742,929	3,078,167	2,752,922
<b>Operating Profit before Tax on Financial Services</b>	5,375,888	4,522,279	5,403,632	4,528,201
Less: Tax on Financial Services	1,309,731	791,950	1,309,731	791,950
<b>Profit before Taxation</b>	4,066,157	3,730,329	4,093,901	3,736,252
Less: Income Tax Expense	1,558,976	1,340,097	1,567,122	1,340,097
<b>Profit for the Period</b>	2,507,181	2,390,233	2,526,779	2,396,155
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income to be Reclassified to Income Statement</b>				
Net Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	-	-	9,965	(13,654)
<b>Other Comprehensive Income that will never be Reclassified to Income Statement</b>				
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	(10,960)	(20,851)	(10,960)	(20,851)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	(10,960)	(20,851)	(995)	(34,505)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	2,496,222	2,369,382	2,525,785	2,361,650
<b>Attributable to:</b>				
Equity Holders of the Company	2,496,222	2,369,382	2,525,785	2,361,673
Non-Controlling Interest	-	-	-	(23)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	2,496,222	2,369,382	2,525,785	2,361,650
<b>Basic Earnings Per Share (Rs.)*</b>	18.10	17.26	18.24	17.30

\* Calculated based on the Profit for the Period.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER	FOR THE 6 MONTHS ENDED			
	Company		Group	
	2019 Rs.('000)	2018 Rs.('000)	2019 Rs.('000)	2018 Rs.('000)
<b>Assets</b>				
Cash and Cash Equivalents	9,023,378	6,091,115	9,107,936	6,254,634
Financial Assets Recognised Through Profit or Loss/ Financial Investments - Held for Trading	6,157	7,700	6,157	7,700
Financial Assets at Amortised Cost/Loans and Receivables	52,177,948	41,815,228	52,632,892	41,973,435
Financial Assets at Amortised Cost/ Lease Rentals Receivable and Stock out on Hire	63,235,034	64,988,823	63,235,034	64,988,823
Financial Assets Measured at Fair Value Through Other Comprehensive Income/Financial Investments - Available for Sale	78,751	100,772	78,751	100,772
Other Financial Assets	11,155,069	10,095,329	11,139,541	10,095,329
Other Non Financial Assets	1,015,470	1,055,245	1,021,137	1,050,074
Investment in Subsidiary	318,999	318,471	-	-
Property, Plant and Equipment	6,945,751	5,754,319	6,950,267	5,756,591
Intangible Assets	49,045	42,513	62,287	46,376
<b>Total Assets</b>	144,005,601	130,269,517	144,234,000	130,273,734
<b>Liabilities</b>				
Due to Banks	27,936,586	21,837,097	28,033,877	21,837,097
Financial Liabilities at Amortised Cost/Due to Depositors	87,062,879	77,960,292	87,104,646	77,970,399
Debt Instruments Issued and Other Borrowed Funds	3,110,397	8,218,807	3,110,397	8,218,807
Other Financial Liabilities	1,741,202	1,773,937	1,725,674	1,773,937
Other Non Financial Liabilities	1,253,125	953,941	1,282,007	955,746
Current Tax Liabilities	947,831	1,050,170	954,440	1,050,170
Deferred Tax Liabilities	1,309,721	1,058,750	1,309,721	1,058,750
Post Employment Benefit Liability	274,543	252,301	274,543	252,301
<b>Total Liabilities</b>	123,636,285	113,105,295	123,795,305	113,117,207
<b>Equity</b>				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	5,700,574	4,727,718	5,731,318	4,719,336
Retained Earnings	13,830,460	11,598,221	13,869,095	11,598,473
<b>Total Equity Attributable to Equity Holders of the Company</b>	20,369,316	17,164,221	20,438,695	17,156,092
Non-Controlling Interest	-	-	-	436
<b>Total Equity</b>	20,369,316	17,164,221	20,438,695	17,156,527
<b>Total Liabilities and Equity</b>	144,005,601	130,269,517	144,234,000	130,273,734
<b>Commitments and Contingencies</b>	1,987,735	1,432,063	1,987,735	1,432,063
<b>Net Asset Value per Share (Rs.)</b>	147.06	123.92	147.56	123.86

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

#### CERTIFICATION:

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

Sgd  
T Hasitha Athapattu  
Chief Financial Officer

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

Sgd  
J A S Sumith Adhietty  
Managing Director

Sgd  
Mrs. Yogadinusha Bhaskaran  
Director

29 October 2019  
Colombo

SELECTED PERFORMANCE INDICATORS - COMPANY AS AT 30 SEPTEMBER	2019	2018
<b>Capital Adequacy</b>		
Core Capital (Tier 1 Capital), Rs. '000	17,694,312	14,603,918
Total Capital Base, Rs. '000	20,085,941	17,871,088
Core Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum 7%)	15.22%	12.88%
Total Capital Adequacy Ratio, as a % of Risk Weighted Assets (Minimum 11%)	17.28%	15.76%
Capital Funds to Deposit Liabilities Ratio (Minimum 10%)	23.40%	22.02%
<b>Profitability (%)</b>		
Return on Avg Shareholders' Funds (After Tax) - Annualized	25.74%	29.15%
Return on Avg Assets (After Tax) - Annualized	3.56%	3.77%
Interest Margin	12.11%	11.90%

SELECTED PERFORMANCE INDICATORS - COMPANY AS AT 30 SEPTEMBER	2019	2018
<b>Asset Quality</b>		
Gross Non-Performing Accommodations, Rs. '000	4,365,004	3,680,017
Total Accommodations, Rs. '000	141,229,680	132,556,820
Gross Non-Performing Accommodations Ratio, %	3.09%	2.78%
Net Non-Performing Accommodations Ratio, %	-0.17%	0.06%
<b>Regulatory Liquidity (Rs. '000)</b>		
Required Minimum Amount of Liquid Assets	9,062,525	8,372,350
Available Amount of Liquid Assets	18,547,255	14,990,081
Required Minimum Amount of Government Securities	6,120,291	5,284,295
Available Amount of Government Securities	7,640,000	5,340,000
<b>Memorandum Information</b>		
Number of Employees	3,563	3,456
Number of Branches	128	124
Number of Gold Loan Centers	36	36



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