

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED DECEMBER 31, 2022



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 31 December 2022

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	Change %	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	Change %
Income	11,496,971	8,387,950	37	30,408,809	22,022,273	38
Interest Income	10,805,229	7,674,622	41	28,083,297	20,292,523	38
Less : Interest Expenses	6,107,231	2,169,073	>100	14,236,646	6,445,926	>100
Net Interest Income	4,697,998	5,505,549	(15)	13,846,651	13,846,597	0
Fee and Commission Income	672,177	673,975	(0)	2,175,206	1,617,900	34
Net Trading Income	(5,285)	14,326	(>100)	(2,741)	11,743	(>100)
Other Operating Income	24,850	25,027	(1)	153,047	100,108	53
Total Operating Income	5,389,740	6,218,877	(13)	16,172,163	15,576,348	4
Less : Impairment Charges and Other Losses	88,543	(160,711)	>100	527,257	599,739	(12)
Net Operating Income	5,301,197	6,379,588	(17)	15,644,906	14,976,609	4
Less : Operating Expenses						
Personnel Expenses	867,700	862,105	1	2,617,141	2,409,700	9
Depreciation of Property, Plant and Equipment	204,049	205,953	(1)	611,292	586,935	4
Amortisation of Intangible Assets	1,639	2,459	(33)	5,932	8,882	(33)
Other Operating Expenses	751,406	609,231	23	2,012,586	1,612,048	25
Total Operating Expenses	1,824,794	1,679,748	9	5,246,951	4,617,565	14
Operating Profit before Tax on Financial Services	3,476,403	4,699,840	(26)	10,397,955	10,359,044	0
Less : Tax on Financial Services	692,881	667,228	4	1,905,254	1,538,864	24
Profit before Taxation	2,783,522	4,032,612	(31)	8,492,701	8,820,180	(4)
Less : Income Tax Expense	1,038,205	1,150,470	(10)	2,710,147	2,525,249	7
Profit for the Period	1,745,317	2,882,142	(39)	5,782,554	6,294,931	(8)
Basic Earnings per Share (Rs.)	3.15	5.20	(39)	10.44	11.36	(8)
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	(9,971)	38,047	(>100)	13,943	33,824	(59)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(9,971)	38,047	(>100)	13,943	33,824	(59)
Other Comprehensive Income for the Period, Net of Tax	(9,971)	38,047	(>100)	13,943	33,824	(59)
Total Comprehensive Income for the Period, Net of Tax	1,735,346	2,920,189	(41)	5,796,497	6,328,755	(8)

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2022

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	Change %	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	Change %
Income	11,594,361	8,384,970	38	30,676,351	22,055,030	39
Interest Income	10,889,053	7,669,319	42	28,322,075	20,327,572	39
Less : Interest Expenses	6,118,286	2,172,743	>100	14,273,691	6,457,885	>100
Net Interest Income	4,770,767	5,496,576	(13)	14,048,384	13,869,687	1
Fee and Commission Income	679,688	676,455	0	2,195,659	1,621,623	35
Net Trading Income	(5,285)	14,326	(>100)	(2,741)	11,743	(>100)
Other Operating Income	30,905	24,870	24	161,358	94,092	71
Total Operating Income	5,476,075	6,212,227	(12)	16,402,660	15,597,145	5
Less : Impairment Charges and Other Losses	95,294	(115,119)	>100	499,984	592,995	(16)
Net Operating Income	5,380,781	6,327,346	(15)	15,902,676	15,004,150	6
Less : Operating Expenses						
Personnel Expenses	900,262	872,176	3	2,716,003	2,441,868	11
Depreciation of Property, Plant and Equipment	207,867	206,464	1	624,942	588,557	6
Amortisation of Intangible Assets	2,861	3,178	(10)	9,740	11,194	(13)
Other Operating Expenses	777,646	616,059	26	2,087,656	1,631,937	28
Total Operating Expenses	1,888,636	1,697,877	11	5,438,341	4,673,556	16
Operating Profit before Tax on Financial Services	3,492,145	4,629,469	(25)	10,464,335	10,330,594	1
Less : Tax on Financial Services	694,296	667,228	4	1,909,334	1,538,864	24
Profit before Taxation	2,797,849	3,962,241	(29)	8,555,001	8,791,730	(3)
Less : Income Tax Expense	1,041,856	1,147,727	(9)	2,721,715	2,521,039	8
Profit for the Period	1,755,993	2,814,514	(38)	5,833,286	6,270,691	(7)
Profit Attributable to:						
Equity Holders of the Company	1,756,237	2,814,514	(38)	5,837,623	6,270,691	(7)
Non-Controlling Interest	(244)	-	(100)	(4,337)	-	(100)
Profit for the Period	1,755,993	2,814,514	(38)	5,833,286	6,270,691	(7)
Basic Earnings per Share (Rs.)	3.17	5.08	(38)	10.54	11.32	(7)
Other Comprehensive Income						
Other Comprehensive Income that will be Reclassified to Income Statement						
Net Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	1,076	35,726	97	17,158	(148,634)	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement	1,076	35,726	97	17,158	(148,634)	>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	(9,971)	38,047	(>100)	13,943	33,824	(59)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(9,971)	38,047	(>100)	13,943	33,824	(59)
Other Comprehensive Income for the Period, Net of Tax	(8,895)	73,773	(>100)	31,101	(114,810)	(>100)
Total Comprehensive Income for the Period, Net of Tax	1,747,098	2,888,287	(40)	5,864,387	6,155,881	(5)
Attributable to:						
Equity Holders of the Company	1,747,342	2,888,287	(40)	5,868,724	6,155,881	(5)
Non-Controlling Interest	(244)	-	(100)	(4,337)	-	(100)
Total Comprehensive Income for the Period, Net of Tax	1,747,098	2,888,287	(40)	5,864,387	6,155,881	(5)

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

	Company		Group	
	31.12.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)	31.12.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)
Assets				
Cash and Cash Equivalents	5,843,040	14,458,986	5,928,558	14,634,136
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	10,467	13,208	10,467	13,208
Financial Assets at Amortised Cost - Loans and Receivables	112,140,521	92,837,601	113,336,990	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	35,441,300	41,558,002	35,494,047	41,640,197
Financial Assets Measured at Fair Value Through Other Comprehensive Income	99,968	86,102	99,971	86,104
Other Financial Assets	13,057,631	5,598,624	13,169,079	5,655,767
Other Non Financial Assets	587,502	454,711	637,967	500,581
Investment in Subsidiary	921,998	921,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,590,201	8,421,741	8,628,095	8,448,930
Investment Properties	-	-	4,150	71,150
Intangible Assets	17,581	14,875	130,873	131,000
Total Assets	176,710,209	164,365,012	177,440,197	165,078,277
Liabilities				
Due to Banks	23,700,712	26,858,737	23,704,427	26,861,944
Financial Liabilities at Amortised Cost - Due to Depositors	107,635,568	89,143,982	107,893,320	89,478,506
Debt Instruments Issued and Other Borrowed Funds	3,968,260	8,564,617	3,968,260	8,564,617
Other Financial Liabilities	3,224,748	3,305,112	3,268,235	3,343,419
Other Non Financial Liabilities	1,022,903	1,134,771	1,082,877	1,182,279
Current Tax Liabilities	1,289,975	1,882,242	1,296,272	1,875,082
Deferred Tax Liabilities	111,486	111,486	111,486	111,486
Post Employment Benefit Liability	341,292	316,973	342,537	323,833
Total Liabilities	141,294,944	131,317,920	141,667,414	131,741,166
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,341,729	8,038,658	8,627,525	8,307,296
Retained Earnings	26,235,254	24,170,152	26,206,015	24,085,844
Total Equity Attributable to Equity Holders of the Company	35,415,265	33,047,092	35,671,822	33,231,422
Non Controlling Interest	-	-	100,961	105,689
Total Equity	35,415,265	33,047,092	35,772,783	33,337,111
Total Liabilities and Equity	176,710,209	164,365,012	177,440,197	165,078,277
Net Asset Value per Share (Rs.)	63.92	59.65	64.38	59.98
Commitments and Contingencies	2,379,453	1,694,463	2,379,507	1,694,463

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.)

J A S Sumith Adhihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

18 January 2023

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 2021 (Audited)	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Net Profit for the Period	-	6,294,931	-	-	6,294,931
Other Comprehensive Income, Net of Tax	-	-	-	33,824	33,824
Transfers During the Period	-	(1,258,986)	1,258,986	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Balance as at 31 December 2021	838,282	22,574,616	8,942,675	(53,759)	32,301,814
Balance as at 01 April 2022 (Audited)	838,282	24,170,152	8,116,782	(78,124)	33,047,092
Surcharge Tax	-	(2,320,210)	-	-	(2,320,210)
Balance After Surcharge Tax	838,282	21,849,942	8,116,782	(78,124)	30,726,882
Net Profit for the Period	-	5,782,554	-	-	5,782,554
Other Comprehensive Income, Net of Tax	-	-	-	13,943	13,943
Transfers During the Period	-	(289,128)	289,128	-	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
Balance as at 31 December 2022	838,282	26,235,254	8,405,910	(64,181)	35,415,265

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs.('000)	Retained Earnings Rs.('000)	Statutory Reserve Rs.('000)	Foreign Currency Translation Reserve Rs.('000)	Fair Value 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 2021 (Audited)	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Net Profit for the Period	-	6,270,691	-	-	-	6,270,691	-	6,270,691
Other Comprehensive Income, Net of Tax	-	-	-	(148,634)	33,824	(114,810)	-	(114,810)
Transfers During the Period	-	(1,258,986)	1,258,986	-	-	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Balance as at 31 December 2021	838,282	22,597,429	8,942,675	2,267	(53,759)	32,326,894	-	32,326,894
Balance as at 01 April 2022 (Audited)	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111
Surcharge Tax	-	(2,320,210)	-	-	-	(2,320,210)	-	(2,320,210)
Balance After Surcharge Tax	838,282	21,765,634	8,116,782	268,638	(78,124)	30,911,212	105,689	31,016,901
Net Profit for the Period	-	5,837,623	-	-	-	5,837,623	(4,337)	5,833,286
Other Comprehensive Income, Net of Tax	-	-	-	17,158	13,943	31,101	-	31,101
Transfers During the Period	-	(289,128)	289,128	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	(391)	(391)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Balance as at 31 December 2022	838,282	26,206,015	8,405,910	285,796	(64,181)	35,671,822	100,961	35,772,783

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 31 December 2022

FOR THE 9 MONTHS ENDED

	FOR THE 9 MONTHS ENDED			
	Company		Group	
	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	8,506,644	8,854,004	8,586,102	8,676,921
Adjustments for				
Depreciation of Property, Plant and Equipment	611,292	586,935	624,942	588,557
Amortisation of Intangible Assets	5,932	8,882	9,740	11,194
Impairment Charges and Other Losses	527,257	599,739	499,984	592,995
Diminution/(Appreciation) in Value of Investments	(11,127)	(45,569)	(11,127)	(45,569)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(11,762)	(2,062)	(11,762)	(2,062)
Loss/(Profit) on Disposal of Investment Property	-	-	(1,894)	-
Provision/(Reversal) for Defined Benefit Plans	56,110	52,635	56,799	52,635
Foreign Currency Exchange (Gain)/Loss	-	-	(498)	6,015
Dividend Received	(3,230)	(2,983)	(3,230)	(2,983)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(17,158)	148,634
Operating Profit before Changes in Operating Assets and Liabilities	9,681,116	10,051,581	9,731,898	10,026,337
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(19,724,516)	(15,525,720)	(19,827,508)	(15,344,564)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	6,006,989	4,794,795	6,029,839	4,794,795
(Increase)/Decrease in Other Financial Assets	(7,449,320)	3,673,395	(7,503,626)	3,652,638
(Increase)/Decrease in Other Non Financial Assets	(138,426)	416,546	(140,207)	419,210
	(21,305,273)	(6,640,984)	(21,441,502)	(6,477,921)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	18,491,586	1,747,157	18,414,814	1,732,649
Increase/(Decrease) in Other Financial Liabilities	(281,129)	(125,190)	(258,791)	(274,638)
Increase/(Decrease) in Other Non Financial Liabilities	(2,700,663)	(35,967)	(2,687,941)	(42,573)
	15,509,794	1,586,000	15,468,082	1,415,438
Cash Generated from Operations	3,885,637	4,996,597	3,758,478	4,963,854
Retirement Benefit Liabilities Paid	(31,792)	(30,123)	(38,095)	(30,123)
Income Tax Paid	(3,033,827)	(3,126,631)	(3,033,827)	(3,132,266)
Net Cash from/(Used in) Operating Activities	820,018	1,839,843	686,556	1,801,465
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(580,479)	(643,838)	(603,074)	(644,450)
Acquisition of Intangible Assets	(8,638)	-	(9,244)	-
Proceeds from Sale of Property, Plant and Equipment	13,254	23,123	13,254	23,123
Proceeds from Sale of Investment Property	-	-	68,894	-
Investment in Subsidiary	(836)	-	-	-
Dividend Received	3,230	2,983	3,230	2,983
Net Cash Flows from/(Used in) Investing Activities	(573,469)	(617,732)	(526,940)	(618,344)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	10,000,000	10,300,000	10,000,000	10,300,000
Repayment of Debt Funding from Banks	(11,850,036)	(6,133,566)	(11,853,243)	(6,146,929)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	-	4,987,028	-	4,987,028
Repayment of Debt Instruments Issued and Other Borrowed Funds	(4,596,357)	(495,893)	(4,596,357)	(495,893)
Dividends Paid	(1,108,114)	(2,216,229)	(1,108,114)	(2,216,229)
Net Cash Flows from/(Used in) Financing Activities	(7,554,507)	6,441,340	(7,557,714)	6,427,977
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,307,958)	7,663,451	(7,398,098)	7,611,098
Cash and Cash Equivalents at the Beginning of the Period	12,709,843	5,199,201	12,881,785	5,392,687
Cash and Cash Equivalents at the End of the Period	5,401,885	12,862,652	5,483,687	13,003,785
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,745,225	1,184,948	1,773,136	1,196,938
Balances with Banks	3,171,323	4,091,785	3,228,930	4,220,928
Securities under Reverse Repurchase Agreements	409,281	8,634,220	409,281	8,634,220
Investment in Trust certificates	517,211	-	517,211	-
Bank Overdrafts	(441,155)	(1,048,301)	(444,871)	(1,048,301)
Net Cash and Cash Equivalents	5,401,885	12,862,652	5,483,687	13,003,785

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 31.12.2022					As at 31.03.2022 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,745,225	-	-	1,745,225	1,745,225	-	-	1,159,669	-	1,159,669
Balances with Banks		3,171,323	-	-	3,171,323	3,171,323	-	-	2,279,843	-	2,279,843
Securities under Reverse Repurchase Agreements		-	409,281	-	409,281	409,281	-	9,993,533	-	-	9,993,533
Investment in Trust certificates		-	517,211	-	517,211	517,211	-	-	-	-	-
Investment in Treasury Bills		-	-	-	-	-	-	-	1,025,941	-	1,025,941
Financial Assets Recognised Through Profit or Loss	FVTPL	10,467	-	-	10,467	10,467	-	-	13,208	-	13,208
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	104,192,399	104,192,399	112,140,521	-	-	90,913,262	-	92,837,601
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	29,696,818	29,696,818	35,441,300	-	-	40,386,998	-	41,558,002
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI										
Quoted Equities		99,663	-	-	99,663	99,663	-	-	85,796	-	85,796
Unquoted Equities		-	-	305	305	305	-	-	-	305	305
Other Financial Assets	Amortised Cost	-	13,057,631	-	13,057,631	13,057,631	-	5,598,624	-	5,598,624	5,598,624
		<u>5,026,678</u>	<u>13,984,123</u>	<u>133,889,522</u>	<u>152,900,323</u>	<u>166,592,927</u>	<u>4,564,457</u>	<u>15,592,157</u>	<u>131,300,565</u>	<u>151,457,179</u>	<u>154,552,522</u>
Financial Liabilities											
Due to Banks	Amortised Cost	-	21,087,375	-	21,087,375	23,700,712	-	26,130,900	-	26,130,900	26,858,737
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	106,882,589	106,882,589	107,635,568	-	-	86,981,677	-	89,143,982
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,407,528	-	3,407,528	3,968,260	-	8,267,254	-	8,267,254	8,564,617
Other Financial Liabilities	Amortised Cost	-	3,224,748	-	3,224,748	3,224,748	-	3,305,112	-	3,305,112	3,305,112
		<u>-</u>	<u>27,719,651</u>	<u>106,882,589</u>	<u>134,602,240</u>	<u>138,529,288</u>	<u>-</u>	<u>37,703,266</u>	<u>86,981,677</u>	<u>124,684,943</u>	<u>127,872,448</u>

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 31.12.2022					As at 31.03.2022 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,773,136	-	-	1,773,136	1,773,136	-	-	1,173,595	-	1,173,595
Balances with Banks		3,228,930	-	-	3,228,930	3,228,930	-	-	2,356,956	-	2,356,956
Securities under Reverse Repurchase Agreements		-	409,281	-	409,281	409,281	-	10,069,607	-	-	10,069,607
Investment in Trust certificates		-	517,211	-	517,211	517,211	-	-	-	-	-
Investment in Treasury Bills		-	-	-	-	-	-	-	1,033,978	-	1,033,978
Financial Assets Recognised Through Profit or Loss	FVTPL	10,467	-	-	10,467	10,467	-	-	13,208	-	13,208
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	105,388,868	105,388,868	113,336,990	-	-	91,972,865	-	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	29,749,565	29,749,565	35,494,047	-	-	40,469,194	-	41,640,198
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI										
Quoted Equities		99,664	-	-	99,664	99,664	-	-	85,796	-	85,796
Unquoted Equities		-	-	307	307	307	-	-	-	307	307
Other Financial Assets	Amortised Cost	-	13,169,079	-	13,169,079	13,169,079	-	5,655,767	-	5,655,767	5,655,767
		<u>5,112,197</u>	<u>14,095,571</u>	<u>135,138,740</u>	<u>154,346,508</u>	<u>168,039,112</u>	<u>4,663,533</u>	<u>15,725,374</u>	<u>132,442,366</u>	<u>152,831,273</u>	<u>155,926,616</u>
Financial Liabilities											
Due to Banks	Amortised Cost	-	21,091,091	-	21,091,091	23,704,427	-	26,134,109	-	26,134,109	26,861,946
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	107,140,341	107,140,341	107,893,320	-	-	87,316,202	-	89,478,506
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,407,528	-	3,407,528	3,968,260	-	8,267,254	-	8,267,254	8,564,617
Other Financial Liabilities	Amortised Cost	-	3,268,235	-	3,268,235	3,268,235	-	3,343,419	-	3,343,419	3,343,419
		<u>-</u>	<u>27,766,854</u>	<u>107,140,341</u>	<u>134,907,195</u>	<u>138,834,242</u>	<u>-</u>	<u>37,744,782</u>	<u>87,316,202</u>	<u>125,060,984</u>	<u>128,248,488</u>

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 & Stock out on Hire		Loans and Receivables		Others		International Operation		Total	
	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)	31.12.2022 Rs.('000)	31.12.2021 Rs.('000)
Interest Income	7,085,552	9,098,929	18,680,562	10,531,666	2,398,423	661,928	157,538	35,049	28,322,075	20,327,572
Less: Interest Expenses	3,474,789	2,254,596	9,334,309	3,632,237	1,455,304	559,093	9,289	11,959	14,273,691	6,457,885
Net Interest Income	3,610,763	6,844,333	9,346,253	6,899,429	943,119	102,835	148,249	23,090	14,048,384	13,869,687
Fee and Commission Income	383,017	478,418	1,792,972	1,110,928	4,711	28,555	14,959	3,722	2,195,659	1,621,623
Net Trading Income and Other Operating Income	1,883	1,656	96,456	69,377	59,780	40,817	498	(6,015)	158,617	105,835
Total Operating Income	3,995,663	7,324,407	11,235,681	8,079,734	1,007,610	172,207	163,706	20,797	16,402,660	15,597,145
Less: Impairment Charges and Other Losses	113,592	286,027	387,792	313,712	24,629	-	(26,029)	(6,744)	499,984	592,995
Net Operating Income	3,882,071	7,038,380	10,847,889	7,766,022	982,981	172,207	189,735	27,541	15,902,676	15,004,150
Less: Other Costs	1,295,283	1,562,594	3,375,215	2,428,904	24,673	30,249	108,488	52,058	4,803,659	4,073,805
Less: Depreciation and Amortisation	154,216	199,347	471,282	389,367	2,544	7,104	6,640	3,933	634,682	599,751
Operating Profits before Taxes	2,432,572	5,276,439	7,001,392	4,947,751	955,764	134,854	74,607	(28,450)	10,464,335	10,330,594
Less: Taxes	1,081,658	2,070,079	3,113,246	1,941,127	424,578	52,907	11,567	(4,210)	4,631,049	4,059,903
Profits for the Period	1,350,914	3,206,360	3,888,146	3,006,624	531,186	81,947	63,040	(24,240)	5,833,286	6,270,691
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	4,337	-
Profit Attributable to Equity Holders of the Company	1,350,914	3,206,360	3,888,146	3,006,624	531,186	81,947	63,040	(24,240)	5,837,623	6,270,691
Profits for the Period	1,350,914	3,206,360	3,888,146	3,006,624	531,186	81,947	63,040	(24,240)	5,833,286	6,270,691
Segmental Assets	37,508,347	44,910,068	118,680,905	87,072,224	21,152,421	22,639,479	1,020,522	672,238	178,362,195	155,294,009
Elimination					(921,998)	(521,162)	-	-	(921,998)	(521,162)
Total Segmental Assets	37,508,347	44,910,068	118,680,905	87,072,224	20,230,423	22,118,317	1,020,522	672,238	177,440,197	154,772,847
Segmental Liabilities	30,109,813	35,648,124	95,271,056	69,115,046	16,151,234	17,556,786	135,311	125,997	141,667,414	122,445,953
Elimination							-	-	-	-
Total Segmental Liabilities	30,109,813	35,648,124	95,271,056	69,115,046	16,151,234	17,556,786	135,311	125,997	141,667,414	122,445,953

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 31st December 2022 or 2021.

LB FINANCE PLC

Interim Financial Statements for the period ended 31 December 2022

EXPLANATORY NOTES

01. 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 2022.

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

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

04. The Commitments and Contingencies as at 31 December 2022 was Rs. 2,379 Mn and as at 31 March 2022 was Rs. 1,694 Mn.

05. The Government of Sri Lanka in its Budget for 2022 proposed a one-time tax, referred to as a surcharge tax, at the rate of 25% to be imposed on any company that have earned a taxable income in excess of Rs. 2,000 Mn for the year of assessment 2020/2021. The tax is imposed by the Surcharge Tax Act No. 14 of 2022 which was passed by the Parliament of Sri Lanka on 7th April 2022. The law imposing the surcharge tax was enacted during the reporting period, the interim financial statements for the period ended 31 December 2022 reflect the surcharge tax paid amounted to Rs. 2,320,209,910/-.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

	For the Quarter ended		
	31.12.2022	31.12.2021	
Share Price	Highest	Rs. 47.50	69.50
	Lowest	Rs. 36.30	60.10
	Last Traded	Rs. 40.00	68.00
Number of Ordinary Shares Issued	554,057,136	554,057,136	

INFORMATION ON LISTED DEBENTURES

	For the Quarter ended		
	31.12.2022	31.12.2021	
Debtenture Prices Debtentures Issued - December 2017	Highest	Rs. Not Traded	Not Traded
	Lowest	Rs. Not Traded	Not Traded
	Closing	Rs. Not Traded	Not Traded
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)	Highest	Rs. Not Traded	Not Traded
	Lowest	Rs. Not Traded	Not Traded
	Closing	Rs. Not Traded	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually)	Highest	Rs. Not Traded	Not Traded
	Lowest	Rs. Not Traded	Not Traded
	Closing	Rs. Not Traded	Not Traded
Interest Yield		Not Traded	Not Traded
		Not Traded	Not Traded
		Not Traded	Not Traded
Yield of Comparable Government Securities (%)			
	05 Year Treasury Bond	26.76%	10.70%

	As at	
	31.12.2022	31.12.2021
Ratios		
Debt Equity Ratio	85.88%	92.94%
Quick Asset Ratio	17.41%	23.06%
Interest Cover	1.60	2.37

SELECTED PERFORMANCE INDICATORS

	As at	
	31.12.2022	31.12.2021
Capital Adequacy		
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)	24.79%	20.34%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)	25.41%	21.46%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	32.90%	36.87%
Profitability		
Return on Average Shareholders' Funds (After Tax) - Annualized	22.52%	25.98%
Return on Average Assets (After Tax) - Annualized	4.52%	5.69%
Asset Quality		
Gross Non-Performing Accommodations Ratio	4.44%	5.39%
Net Non-Performing Accommodations Ratio	-0.67%	-0.03%
Liquidity (Rs. Mn)		
Required Minimum Amount of Liquid Assets	11,047	9,237
Available Amount of Liquid Assets	15,071	18,304
Required Minimum Amount of Government Securities	6,725	6,820
Available Amount of Government Securities	6,849	8,555

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 31 December 2022

Name		<u>No. of Shares</u>	<u>(%)</u>
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 Esna Holdings (Pvt) Ltd		56,249,600	10.152
4 Pershing LLC S/A Averbach Grauson & Co.		9,535,325	1.721
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		4,319,233	0.780
6 Janashakthi Insurance PLC - Shareholders		1,952,700	0.352
7 Mr. N Udage		1,816,540	0.328
8 Mr. K A D A Perera		1,708,116	0.308
9 Mr. F N Herft		1,423,563	0.257
10 Mr. A A Page		1,259,200	0.227
11 Phantom Investments (Private) Limited		1,253,809	0.226
12 Mrs. V Saraswathi & Mr. S Vasudevan		1,121,750	0.202
13 Seylan Bank PLC/Mr. W D N H Perera		1,000,000	0.180
14 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		936,264	0.169
15 Seylan Bank PLC/Sarath Bandara Rangamuwa		835,000	0.151
16 Mrs. P C Cooray		834,528	0.151
17 Mr. J A N R Adhietty		813,845	0.147
18 Mr. K R E M D M B Jayasundara		743,999	0.134
19 Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K Withanapathirana		742,000	0.134
20 Mrs. P A S K Beruwalage		733,327	0.132
		<u>518,501,327</u>	<u>93.583</u>
Others		35,555,809	6.417
Total		<u>554,057,136</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 31 December 2022

Name	<u>No. of Shares</u>	<u>(%)</u>
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhietty	424,480	0.077
Mr. N Udage	1,816,540	0.328
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	-	-
Ms. Yanika Amarasekara	-	-

Public Holding percentage as at 31 December 2022 being 21.74% comprising of 5,168 shareholders.

The Float adjusted market capitalization as at 31 December 2022 - Rs. 4,817,654,200/-

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.14.1 (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. The ordinary shares and senior and subordinated unsecured, redeemable rated, debentures redeemable in 2022 of the Company are listed on the Colombo Stock Exchange.

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

PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Maintenance of Savings Accounts, Providing Finance Lease and operating leases, Hire Purchase, Mortgage Loans, Gold Loans, Personal Loans, Factoring, Other Credit Facilities, Digital Financial Services and Value-Added Services.

Company's subsidiaries, L B Microfinance Myanmar Company Limited carried on microfinance lending in Myanmar and Multi Finance PLC provides financial services encompassing acceptance of Fixed Deposits, Maintenance of Savings Accounts, Providing Finance Leases, Hire Purchase, Business Loans, Mortgage Loans, God Loans and Personal Loans.

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 - 190

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

The Company has been assigned A- lka (RWN) by Fitch Ratings Lanka Limited

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna
(Chairman)
Mr. Sumith Adhietty
(Managing Director)
Mr. Niroschan Udage
(Deputy Managing Director)
Mr. B D A Perera
(Executive Director)
Mr. Ravindra Yatawara
(Executive Director)
Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)
Mr. Ashane Jayasekara
(Independent Non-Executive Director)
Mrs. Ashwini Natesan
(Independent Non-Executive Director)
Mr. Dharmadasa Rangalle
(Non-Executive Director)
Ms. Yanika Amarasekera
(Independent Non-Executive Director)

Audit Committee

Mrs. Yogadinusha Bhaskaran
(Chairperson)
Mrs. Ashwini Natesan
Mr. Ashane Jayasekara

Remuneration Committee

Mr. Ashane Jayasekara (Chairman)
Mr. G A R D Prasanna
Ms. Yanika Amarasekera

Nomination Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Ashwini Natesan
Mr. G A R D Prasanna

Related Party Transaction Review Committee

Mrs. Ashwini Natesan (Chairperson)
Mr. Ashane Jayasekara
Mr. Dharmadasa Rangalle

Integrated Risk Management Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Yogadinusha Bhaskaran
Mrs. Ashwini Natesan

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd.
No. 3/17, Kynsey Road, Colombo 08
Tel: 011- 4640360-3
Fax: 011- 4740588
Email: pwcs@pwcs.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

Ernst & Young

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
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
Deutsche Bank

SUBSIDIARY COMPANIES

1. L B Microfinance
Myanmar Company
Limited (Company
incorporated in the Union
of the Republic 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. Sumith Adhihetty
Mr. Nirosan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mrs. Daw Khin Than Win
Mr. U Kyaw Kyaw

2. Multi Finance PLC**COMPANY REGISTRATION NUMBER OF SUBSIDIARY**
PB 891 PQ**REGISTERED OFFICE OF SUBSIDIARY**

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

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. G A R D Prasanna
Mr. Ashane Jayasekara
Mrs. Yogadinusha Bhaskaran
Mr. Sumith Adhihetty
Mr. Nirosan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Dharmadasa Rangalle
Mrs. Ashwini Natesan
Ms. Yanika Amarasekera

INTERIM FINANCIAL STATEMENTS

