

# INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2023  
LB Finance PLC



**LB FINANCE**

**LB FINANCE PLC****STATEMENT OF COMPREHENSIVE INCOME**

Period ended 31 December 2023

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	Change %	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	Change %
<b>Income</b>	<b>12,516,224</b>	11,496,971	9	<b>37,364,957</b>	30,408,809	23
Interest Income	11,637,426	10,805,229	8	35,088,726	28,083,297	25
Less : Interest Expenses	5,061,174	6,107,231	(17)	16,717,528	14,236,646	17
<b>Net Interest Income</b>	<b>6,576,252</b>	4,697,998	40	<b>18,371,198</b>	13,846,651	33
Fee and Commission Income	853,231	672,177	27	2,214,111	2,175,206	2
Net Trading Income	(1,748)	(5,285)	67	3,824	(2,741)	>100
Other Operating Income	27,315	24,850	10	58,296	153,047	(62)
<b>Total Operating Income</b>	<b>7,455,050</b>	5,389,740	38	<b>20,647,429</b>	16,172,163	28
Less : Impairment Charges	277,736	88,543	>100	534,740	527,257	1
<b>Net Operating Income</b>	<b>7,177,314</b>	5,301,197	35	<b>20,112,689</b>	15,644,906	29
<b>Less : Operating Expenses</b>						
Personnel Expenses	1,144,864	867,700	32	3,266,801	2,617,141	25
Depreciation of Property, Plant and Equipment	217,344	204,049	7	642,835	611,292	5
Amortisation of Intangible Assets	2,037	1,639	24	6,225	5,932	5
Other Operating Expenses	926,534	751,406	23	2,510,927	2,012,586	25
<b>Total Operating Expenses</b>	<b>2,290,779</b>	1,824,794	26	<b>6,426,788</b>	5,246,951	22
<b>Operating Profit before Tax on Financial Services</b>	<b>4,886,535</b>	3,476,403	41	<b>13,685,901</b>	10,397,955	32
Less : Tax on Financial Services	946,149	692,881	37	2,689,491	1,905,254	41
<b>Profit before Taxation</b>	<b>3,940,386</b>	2,783,522	42	<b>10,996,410</b>	8,492,701	29
Less : Income Tax Expense	1,478,500	1,038,205	42	4,133,217	2,710,147	53
<b>Profit for the Period</b>	<b>2,461,886</b>	1,745,317	41	<b>6,863,193</b>	5,782,554	19
<b>Basic Earnings per Share (Rs.)</b>	<b>4.44</b>	3.15	41	<b>12.39</b>	10.44	19
<b>Other Comprehensive Income</b>						
<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	(10,515)	(9,971)	(5)	(18,621)	13,943	>(100)
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(10,515)</b>	(9,971)	(5)	<b>(18,621)</b>	13,943	>(100)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(10,515)</b>	(9,971)	(5)	<b>(18,621)</b>	13,943	>(100)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,451,371</b>	1,735,346	41	<b>6,844,572</b>	5,796,497	18

## LB FINANCE PLC

### STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2023

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	Change %	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	Change %
<b>Income</b>	<b>12,618,398</b>	11,594,361	9	<b>37,660,574</b>	30,676,351	23
Interest Income	11,732,157	10,889,053	8	35,361,417	28,322,075	25
Less : Interest Expenses	5,081,729	6,118,286	(17)	16,777,913	14,273,691	18
<b>Net Interest Income</b>	<b>6,650,428</b>	4,770,767	39	<b>18,583,504</b>	14,048,384	32
Fee and Commission Income	860,393	679,688	27	2,236,026	2,195,659	2
Net Trading Income	(1,748)	(5,285)	(67)	3,824	(2,741)	>100
Other Operating Income	27,596	30,905	(11)	59,307	161,358	(63)
<b>Total Operating Income</b>	<b>7,536,669</b>	5,476,075	38	<b>20,882,661</b>	16,402,660	27
Less : Impairment Charges	282,254	95,294	196	545,557	499,984	9
<b>Net Operating Income</b>	<b>7,254,415</b>	5,380,781	35	<b>20,337,104</b>	15,902,676	28
<b>Less : Operating Expenses</b>						
Personnel Expenses	1,178,009	900,262	31	3,360,220	2,716,003	24
Depreciation of Property, Plant and Equipment	222,215	207,867	7	654,808	624,942	5
Amortisation of Intangible Assets	2,482	2,861	(13)	8,681	9,740	5
Other Operating Expenses	958,450	777,646	23	2,601,748	2,087,656	25
<b>Total Operating Expenses</b>	<b>2,361,156</b>	1,888,636	25	<b>6,625,457</b>	5,438,341	22
<b>Operating Profit before Tax on Financial Services</b>	<b>4,893,259</b>	3,492,145	40	<b>13,711,647</b>	10,464,335	31
Less : Tax on Financial Services	946,515	694,296	36	2,691,994	1,909,334	41
<b>Profit before Taxation</b>	<b>3,946,744</b>	2,797,849	41	<b>11,019,653</b>	8,555,001	29
Less : Income Tax Expense	1,482,606	1,041,856	42	4,144,631	2,721,715	52
<b>Profit for the Period</b>	<b>2,464,138</b>	1,755,993	40	<b>6,875,022</b>	5,833,286	18
<b>Profit Attributable to:</b>						
Equity Holders of the Company	2,467,182	1,756,237	40	6,881,116	5,837,623	18
Non-Controlling Interest	(3,044)	(244)	>100	(6,094)	(4,337)	41
<b>Profit for the Period</b>	<b>2,464,138</b>	1,755,993	40	<b>6,875,022</b>	5,833,286	18
<b>Basic Earnings per Share (Rs.)</b>	<b>4.45</b>	3.17	40	<b>12.41</b>	10.54	18
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income that will be Reclassified to Income Statement</b>						
Net Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	38,286	1,076	>100	(8,684)	17,158	>(100)
<b>Net Other Comprehensive Income that will be Reclassified to Income Statement</b>	<b>38,286</b>	1,076	>100	<b>(8,684)</b>	17,158	>(100)
<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	(10,515)	(9,971)	(5)	(18,621)	13,943	>(100)
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(10,515)</b>	(9,971)	(5)	<b>(18,621)</b>	13,943	>(100)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>27,771</b>	(8,895)	>100	<b>(27,305)</b>	31,101	>(100)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,491,909</b>	1,747,098	43	<b>6,847,717</b>	5,864,387	17
<b>Attributable to:</b>						
Equity Holders of the Company	2,494,953	1,747,342	43	6,853,812	5,868,724	17
Non-Controlling Interest	(3,044)	(244)	>(100)	(6,094)	(4,337)	(41)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,491,909</b>	1,747,098	43	<b>6,847,717</b>	5,864,387	17

## LB FINANCE PLC

### STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Company		Group	
	31.12.2023 Rs.(‘000)	Audited 31.03.2023 Rs.(‘000)	31.12.2023 Rs.(‘000)	Audited 31.03.2023 Rs.(‘000)
<b>Assets</b>				
Cash and Cash Equivalents	9,019,358	4,524,032	9,258,536	4,680,955
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	13,555	10,653	13,555	10,653
Financial Assets at Amortised Cost - Loans and Receivables	122,779,706	111,093,620	123,957,762	112,231,789
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	29,504,919	34,095,554	29,528,466	34,139,808
Financial Assets Measured at Fair Value Through Other Comprehensive Income	98,767	117,388	98,770	117,390
Other Financial Assets	12,700,562	21,685,834	12,815,438	21,710,810
Other Non Financial Assets	582,118	474,347	651,398	552,469
Investment in Subsidiaries	921,998	921,998	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,833,190	8,633,347	8,883,845	8,667,202
Investment Properties	-	-	4,550	4,550
Intangible Assets	22,859	22,628	133,025	135,255
Deferred Tax Assets	767,186	767,186	767,186	767,186
<b>Total Assets</b>	<b>185,244,218</b>	<b>182,346,587</b>	<b>186,112,531</b>	<b>183,018,067</b>
<b>Liabilities</b>				
Due to Banks	18,280,111	19,369,784	18,515,164	19,392,536
Financial Liabilities at Amortised Cost - Due to Depositors	115,404,940	114,011,699	115,610,959	114,248,253
Debt Instruments Issued and Other Borrowed Funds	1,509,076	3,882,024	1,509,076	3,882,024
Other Financial Liabilities	4,003,826	3,255,862	4,059,946	3,283,059
Other Non Financial Liabilities	1,546,557	1,090,091	1,594,875	1,154,729
Current Tax Liabilities	1,931,773	2,255,830	1,936,565	2,261,996
Post Employment Benefit Liability	377,910	365,557	380,550	367,504
<b>Total Liabilities</b>	<b>143,054,193</b>	<b>144,230,847</b>	<b>143,607,135</b>	<b>144,590,101</b>
<b>Equity</b>				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,817,588	8,493,049	9,006,955	8,691,100
Retained Earnings	32,534,155	28,784,409	32,562,388	28,794,719
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>42,190,025</b>	<b>38,115,740</b>	<b>42,407,625</b>	<b>38,324,101</b>
<b>Non Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>97,771</b>	<b>103,865</b>
<b>Total Equity</b>	<b>42,190,025</b>	<b>38,115,740</b>	<b>42,505,396</b>	<b>38,427,966</b>
<b>Total Liabilities and Equity</b>	<b>185,244,218</b>	<b>182,346,587</b>	<b>186,112,531</b>	<b>183,018,067</b>
<b>Net Asset Value per Share (Rs.)</b>	<b>76.15</b>	<b>68.79</b>	<b>76.54</b>	<b>69.17</b>
<b>Commitments and Contingencies</b>	<b>2,107,270</b>	<b>2,403,948</b>	<b>1,875,520</b>	<b>2,403,948</b>

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.

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**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 Adhietty**  
Managing Director

*sgd.*

**Mrs. Yogadinusha Bhaskaran**  
Director

17 January 2024

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)
<b>Balance as at 01 April 2022 (Audited)</b>	838,282	24,170,152	8,116,782	(78,124)	33,047,092
Adjustments for Surcharge Tax Levied under the Surcharge Tax Act No. 14 of 2022	-	(2,320,210)	-	-	(2,320,210)
<b>Balance After Surcharge Tax</b>	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)
<b>Balance as at 31 December 2022</b>	838,282	26,235,254	8,405,910	(64,181)	35,415,265
<b>Balance as at 01 April 2023 (Audited)</b>	838,282	28,784,409	8,539,799	(46,750)	38,115,740
Net Profit for the Period	-	6,863,193	-	-	6,863,193
Other Comprehensive Income, Net of Tax	-	-	-	(18,621)	(18,621)
Transfers During the Period	-	(343,160)	343,160	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	(1,662,173)
<b>Balance as at 31 December 2023</b>	838,282	32,534,155	8,882,959	(65,371)	42,190,025

### 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)
<b>Balance as at 01 April 2022 (Audited)</b>	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111
Adjustments for Surcharge Tax Levied under the Surcharge Tax Act No. 14 of 2022	-	(2,320,210)	-	-	-	(2,320,210)	-	(2,320,210)
<b>Balance After Surcharge Tax</b>	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)
<b>Balance as at 31 December 2022</b>	838,282	26,206,015	8,405,910	285,796	(64,181)	35,671,822	100,961	35,772,783
<b>Balance as at 01 April 2023 (Audited)</b>	838,282	28,794,719	8,539,799	198,051	(46,750)	38,324,101	103,865	38,427,966
Net Profit for the Period	-	6,881,116	-	-	-	6,881,116	(6,094)	6,875,022
Other Comprehensive Income, Net of Tax	-	-	-	(8,684)	(18,621)	(27,305)	-	(27,305)
Transfers During the Period	-	(343,160)	343,160	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	-	(1,662,173)	-	(1,662,173)
<b>Balance as at 31 December 2023</b>	838,282	32,562,388	8,882,959	189,367	(65,371)	42,407,625	97,771	42,505,396

**LB FINANCE PLC****CASH FLOW STATEMENT**

Period ended 31 December 2023

	FOR THE 9 MONTHS ENDED			
	Company		Group	
	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)
<b>Cash Flows from/(Used in) Operating Activities</b>				
Profit and Other Comprehensive Income before Taxation	10,977,789	8,506,644	10,992,347	8,586,102
Adjustments for				
Depreciation of Property, Plant and Equipment	642,835	611,292	654,808	624,942
Amortisation of Intangible Assets	6,225	5,932	8,681	9,740
Impairment Charges	534,740	527,257	545,557	499,984
Diminution/(Appreciation) in Value of Investments	15,720	(11,127)	15,718	(11,127)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(15,943)	(11,762)	(15,943)	(11,762)
Loss/(Profit) on Disposal of Investment Property	-	-	-	(1,894)
Provision/(Reversal) for Defined Benefit Plans	64,308	56,110	65,001	56,799
Foreign Currency Exchange (Gain)/Loss	-	-	15	(498)
Dividend Received	(3,720)	(3,230)	(3,720)	(3,230)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	8,684	(17,158)
Operating Profit before Changes in Operating Assets and Liabilities	12,221,954	9,681,116	12,271,149	9,731,898
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(12,747,421)	(19,724,516)	(12,798,124)	(19,827,508)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	5,117,229	6,006,989	5,137,936	6,029,839
(Increase)/Decrease in Other Financial Assets	8,985,271	(7,449,320)	8,895,372	(7,503,626)
(Increase)/Decrease in Other Non Financial Assets	(107,774)	(138,426)	(98,928)	(140,207)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	1,393,241	18,491,586	1,362,706	18,414,814
Increase/(Decrease) in Other Financial Liabilities	747,964	(281,129)	768,203	(258,791)
Increase/(Decrease) in Other Non Financial Liabilities	48,267	(2,700,663)	27,335	(2,687,941)
Cash Generated from Operations	15,658,731	3,885,637	15,565,648	3,758,478
Retirement Benefit Liabilities Paid	(51,955)	(31,792)	(51,955)	(38,095)
Income Tax Paid	(4,049,075)	(3,033,827)	(4,057,268)	(3,033,827)
Net Cash from/(Used in) Operating Activities	11,557,701	820,018	11,456,425	686,556
<b>Cash Flows from/(Used in) Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(856,941)	(580,479)	(885,710)	(603,074)
Acquisition of Intangible Assets	(6,456)	(8,638)	(6,456)	(9,244)
Proceeds from Sale of Property, Plant and Equipment	30,206	13,254	30,206	13,254
Proceeds from Sale of Investment Properties	-	-	-	68,894
Investment in Subsidiary	-	(836)	-	-
Dividend Received	3,720	3,230	3,720	3,230
Net Cash Flows from/(Used in) Investing Activities	(829,471)	(573,469)	(858,240)	(526,940)
<b>Cash Flows from/(Used in) Financing Activities</b>				
Cash Flows from Debt Funding from Banks	10,659,253	10,000,000	10,885,898	10,000,000
Repayment of Debt Funding from Banks	(11,946,500)	(11,850,036)	(11,963,442)	(11,853,243)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	-	-	-	-
Repayment of Debt Instruments and Other Borrowed Funds	(2,372,947)	(4,596,357)	(2,372,947)	(4,596,357)
Dividends Paid	(2,770,286)	(1,108,114)	(2,770,286)	(1,108,114)
Net Cash Flows from/(Used in) Financing Activities	(6,430,480)	(7,554,507)	(6,220,777)	(7,557,714)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>4,297,750</b>	<b>(7,307,958)</b>	<b>4,377,408</b>	<b>(7,398,098)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>4,033,170</b>	<b>12,709,843</b>	<b>4,188,938</b>	<b>12,881,785</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>8,330,920</b>	<b>5,401,885</b>	<b>8,566,346</b>	<b>5,483,687</b>
<b>CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>				
Notes and Coins Held	1,825,665	1,745,225	1,869,757	1,773,136
Balances with Banks	1,672,617	3,171,323	1,757,852	3,228,930
Securities under Reverse Repurchase Agreements	4,595,155	409,281	4,705,007	409,281
Investment in Unit Trusts	925,920	517,211	925,920	517,211
Bank Overdrafts	(688,437)	(441,155)	(692,190)	(444,871)
<b>Net Cash and Cash Equivalents</b>	<b>8,330,920</b>	<b>5,401,885</b>	<b>8,566,346</b>	<b>5,483,687</b>

**LB FINANCE PLC**
**FAIR VALUE MEASUREMENT HIERARCHY - COMPANY**

		As at 31.12.2023					As at 31.03.2023 (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		
<b>Financial Assets</b>											
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		1,825,665	-	-	1,825,665	1,825,665	1,810,836	-	-	1,810,836	1,810,836
Balances with Banks		1,672,617	-	-	1,672,617	1,672,617	1,338,660	-	-	1,338,660	1,338,660
Securities under Reverse Repurchase Agreements		-	4,595,155	-	4,595,155	4,595,155	-	830,880	-	830,880	830,880
Investment in Unit Trusts		-	925,920	-	925,920	925,920	-	543,656	-	543,656	543,656
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	13,555	-	-	13,555	13,555	10,653	-	-	10,653	10,653
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	124,005,957	124,005,957	122,779,706	-	-	106,120,536	106,120,536	111,093,620
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	29,721,857	29,721,857	29,504,919	-	-	29,977,126	29,977,126	34,095,554
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		98,463	-	-	98,463	98,463	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	305	305	305	-	-	305	305	305
<b>Other Financial Assets</b>	Amortised Cost	7,876,488	4,903,268	-	12,779,756	12,700,562	7,578,396	14,147,257	-	21,725,653	21,685,834
		<b>11,486,788</b>	<b>10,424,343</b>	<b>153,728,119</b>	<b>175,639,250</b>	<b>174,116,866</b>	<b>10,855,628</b>	<b>15,521,793</b>	<b>136,097,967</b>	<b>162,475,388</b>	<b>171,527,081</b>
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	18,390,004	-	18,390,004	18,280,111	-	17,488,092	-	17,488,092	19,369,784
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	112,318,590	112,318,590	115,404,940	-	-	111,849,395	111,849,395	114,011,699
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	1,453,828	-	1,453,828	1,509,076	-	3,775,257	-	3,775,257	3,882,024
<b>Other Financial Liabilities</b>	Amortised Cost	-	4,003,826	-	4,003,826	4,003,826	-	3,255,862	-	3,255,862	3,255,862
		<b>-</b>	<b>23,847,658</b>	<b>112,318,590</b>	<b>136,166,248</b>	<b>139,197,954</b>	<b>-</b>	<b>24,519,211</b>	<b>111,849,395</b>	<b>136,368,606</b>	<b>140,519,369</b>

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

**FAIR VALUE MEASUREMENT HIERARCHY - GROUP**

		As at 31.12.2023					As at 31.03.2023 (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		
<b>Financial Assets</b>					55						
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		1,869,757	-	-	1,869,757	1,869,757	1,830,304	-	-	1,830,304	1,830,304
Balances with Banks		1,757,852	-	-	1,757,852	1,757,852	1,357,186	-	-	1,357,186	1,357,186
Securities under Reverse Repurchase Agreements		-	4,705,007	-	4,705,007	4,705,007	-	949,809	-	949,809	949,809
Investment in Unit Trusts		-	925,920	-	925,920	925,920	-	543,656	-	543,656	543,656
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	13,555	-	-	13,555	13,555	10,653	-	-	10,653	10,653
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	125,184,013	125,184,013	123,957,762	-	-	107,258,706	107,258,706	112,231,789
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	29,745,404	29,745,404	29,528,466	-	-	30,021,380	30,021,380	34,139,808
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		98,463	-	-	98,463	98,463	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	307	307	307	-	-	307	307	307
<b>Other Financial Assets</b>	Amortised Cost	7,876,488	5,011,243	-	12,887,731	12,815,438	7,586,433	14,164,196	-	21,750,629	21,710,810
		<b>11,616,115</b>	<b>10,642,170</b>	<b>154,929,724</b>	<b>177,188,008</b>	<b>175,672,525</b>	<b>10,901,659</b>	<b>15,657,661</b>	<b>137,280,393</b>	<b>163,839,713</b>	<b>172,891,405</b>
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	18,625,057	-	18,625,057	18,515,164	-	17,532,438	-	17,532,438	19,392,536
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	112,524,610	112,524,610	115,610,959	-	-	112,236,779	112,236,779	114,248,253
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	1,453,828	-	1,453,828	1,509,076	-	3,775,257	-	3,775,257	3,882,024
<b>Other Financial Liabilities</b>	Amortised Cost	-	4,059,946	-	4,059,946	4,059,946	-	3,283,060	-	3,283,060	3,283,060
		<b>-</b>	<b>24,138,831</b>	<b>112,524,610</b>	<b>136,663,441</b>	<b>139,695,144</b>	<b>-</b>	<b>24,590,755</b>	<b>112,236,779</b>	<b>136,827,534</b>	<b>140,805,873</b>

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	
	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)	31.12.2023 Rs.('000)	31.12.2022 Rs.('000)
Interest Income	7,236,972	7,085,552	24,767,521	18,680,562	3,158,919	2,398,423	198,005	157,538	35,361,417	28,322,075
Less: Interest Expenses	3,362,652	3,474,789	11,690,310	9,334,309	1,682,391	1,455,304	42,560	9,289	16,777,913	14,273,691
Net Interest Income	3,874,320	3,610,763	13,077,211	9,346,253	1,476,528	943,119	155,445	148,249	18,583,504	14,048,384
Fee and Commission Income	436,600	383,017	1,777,421	1,792,972	2,064	4,711	19,941	14,959	2,236,026	2,195,659
Net Trading Income and Other Operating Income	3,524	1,883	4,488	96,456	55,134	59,780	(15)	498	63,131	158,617
Total Operating Income	4,314,444	3,995,663	14,859,120	11,235,681	1,533,726	1,007,610	175,371	163,706	20,882,661	16,402,660
Less: Impairment Charges	(50,554)	113,592	634,652	387,792	(45,511)	24,629	6,970	(26,029)	545,557	499,984
Net Operating Income	4,364,998	3,882,071	14,224,468	10,847,889	1,579,237	982,981	168,401	189,735	20,337,104	15,902,676
Less: Other Costs	1,341,747	1,295,283	4,419,230	3,375,215	78,262	24,673	122,730	108,488	5,961,968	4,803,659
Less: Depreciation and Amortisation	125,777	154,216	524,180	471,282	8,400	2,544	5,132	6,640	663,489	634,682
Operating Profits before Taxes	2,897,474	2,432,572	9,281,058	7,001,392	1,492,575	955,764	40,539	74,607	13,711,647	10,464,335
Less: Taxes	1,446,167	1,081,658	4,632,444	3,113,246	746,599	424,578	11,414	11,567	6,836,625	4,631,049
Profits for the Period	1,451,307	1,350,914	4,648,614	3,888,146	745,976	531,186	29,125	63,040	6,875,022	5,833,286
Less: Non-Controlling Interest									6,094	4,337
Profit Attributable to Equity Holders of the Company									6,881,116	5,837,623
Profits for the Period									6,875,022	5,833,286
Segmental Assets	31,261,550	37,508,347	130,090,074	118,680,905	24,449,274	21,152,421	1,235,931	1,020,522	187,036,829	178,362,195
Elimination	-	-	-	-	(924,298)	(921,998)	-	-	(924,298)	(921,998)
Total Segmental Assets	31,261,550	37,508,347	130,090,074	118,680,905	23,524,976	20,230,423	1,235,931	1,020,522	186,112,531	177,440,197
Segmental Liabilities	24,251,620	30,109,813	100,919,166	95,271,056	18,054,840	16,151,234	383,808	135,311	143,609,435	141,667,414
Elimination	-	-	-	-	(2,300)	-	-	-	(2,300)	-
Total Segmental Liabilities	24,251,620	30,109,813	100,919,166	95,271,056	18,052,540	16,151,234	383,808	135,311	143,607,135	141,667,414

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 2023 or 2022.



## LB FINANCE PLC

Interim Financial Statements for the period ended 31 December 2023

### 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 2023.

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 2023 was Rs. 2,107 Mn and as at 31 March 2023 was Rs. 2,404 Mn.

### INFORMATION ON SHARES AND LISTED DEBENTURES

#### INFORMATION ON SHARES

		For the Quarter ended	
		31.12.2023	31.12.2022
Share Price	Highest	Rs. 68.50	47.50
	Lowest	Rs. 60.00	36.30
	Last Traded	Rs. 62.30	40.00
Number of Ordinary Shares Issued		554,057,136	554,057,136

#### INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		31.12.2023	31.12.2022
<b>Debenture Prices</b>			
<b>Debentures Issued - December 2017</b>			
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually )	Highest	Rs. N/A	Not Traded
	Lowest	Rs. N/A	Not Traded
	Closing	Rs. N/A	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually )	Highest	Rs. N/A	Not Traded
	Lowest	Rs. N/A	Not Traded
	Closing	Rs. N/A	Not Traded
<b>Interest Yield</b>			
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually )		N/A	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually )		N/A	Not Traded
<b>Yield of Comparable Government Securities (%)</b>			
05 Year Treasury Bond		N/A	26.76%

Debenture prices, interest yield and yield of comparable government securities are no longer applicable as the afore mentioned debentures issued on December 2017, were matured in December 2022.

		As at	
		31.12.2023	31.12.2022
<b>Ratios</b>			
Debt Equity Ratio		77.89%	121.25%
Quick Asset Ratio		20.22%	19.67%
Interest Cover		1.66	1.60

### SELECTED PERFORMANCE INDICATORS

		As at	
		31.12.2023	31.12.2022
<b>Capital Adequacy</b>			
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)		26.89%	23.84%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)		27.52%	24.81%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		36.56%	32.90%
<b>Profitability</b>			
Return on Average Shareholders' Funds (After Tax) - Annualized		22.79%	22.52%
Return on Average Assets (After Tax) - Annualized		4.98%	4.52%
<b>Asset Quality</b>			
Gross Non-Performing Accommodations Ratio		4.53%	4.81%
Net Non-Performing Accommodations Ratio		-0.38%	-0.33%
<b>Liquidity (Rs. Mn)</b>			
Required Minimum Amount of Liquid Assets		11,800	10,607
Available Amount of Liquid Assets		18,797	16,540
Required Minimum Amount of Government Securities		7,897	6,725
Available Amount of Government Securities		12,276	7,020

## LB FINANCE PLC

### Additional Notes

#### Twenty largest shareholders as at 31 December 2023

Name		No. of Shares	(%)
1 Vallibel One PLC		286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	144,492,928	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000		
3 Esna Holdings (Pvt) Ltd		52,894,600	9.547
4 Mr. K.R.E.M.D.M.B.Jayasundara		5,956,152	1.075
5 Mr. W G D C Ranaweera		5,083,376	0.917
6 Mr K.D.A. Perera		3,289,735	0.594
7 Mr N. Udage		2,861,235	0.516
8 David Pieris Holdings (Private) Limited		2,000,000	0.361
9 Janashakthi Insurance PLC-Shareholders		1,952,700	0.352
10 Mr F.N. Herft		1,675,124	0.302
11 Mr A.A. Page		1,259,200	0.227
12 Mr M.A.T. Raaymakers		1,189,245	0.215
13 Mrs. M Gunaratne		1,000,000	0.180
14 Mrs. S Vasudevan & Mr. S.Vasudevan		1,000,000	0.180
15 J.B. Cocoshell (Pvt) Ltd		979,924	0.177
16 People's Leasing and Finance PLC/Dr. H.S.D.Soyso & Mrs. G. Soysa		936,264	0.169
17 Mr J.A.N.R. Adhihetty		913,845	0.165
18 Hatton National Bank PLC-Senfin Growth Fund		900,000	0.162
19 Seylan Bank PLC/Mr. S B Rangamuwa		835,000	0.151
20 Mrs P.C. Cooray		834,528	0.151
		516,783,456	93.273
Others		37,273,680	6.727
<b>Total</b>		<b>554,057,136</b>	<b>100.000</b>

#### Directors' and Chief Executive Officer's holding in shares as at 31 December 2023

Name	No. of Shares	(%)
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	424,480	0.077
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	-	-
Ms. Yanika Amarasekara	-	-

Public Holding percentage as at 31 December 2023 being 21.39% comprising of 4,698 shareholders.

The Float adjusted market capitalisation as at 31 December 2023 – Rs.7,384,783,081.20/-

The Float adjusted market capitalization of the Company falls under Option 3 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

## PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing acceptance of Fixed Deposits, maintenance of Savings Accounts, 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.

**Multi Finance PLC** – carries on business as a Licensed Finance Company and its business activities include acceptance of Fixed Deposits, maintenance of Savings Accounts, providing Finance Leases and Vehicle Loan Facilities, Mortgage Loans, Gold Loans, Personal Loans, other Credit Facilities.

## 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 - 196

## WEBSITE

[www.lbfinance.com](http://www.lbfinance.com)

## FINANCIAL YEAR END

31 March

## CREDIT RATING

The Company has been assigned BBB+(lka) Stable by Fitch Ratings Lanka Limited

## 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. Sumith Adhihetty**  
(Managing Director)

**Mr. Nirosan Udage**  
(Deputy Managing Director)

**Mr. B D A Perera**  
(Executive Director)

**Mr. Ravindra Yatawara**  
(Executive Director)

**Mrs. Yogadinusha Bhaskaran**  
(Non-Executive Director)

**Mrs. Ashwini Natesan**  
(Independent Non-Executive Director)

**Mr. Dharmadasa Rangalle**  
(Non-Executive Director)

**Ms. Yanika Amarasekera**  
(Independent Non-Executive Director)

### Board Audit Committee

Mrs. Yogadinusha Bhaskaran  
(Chairperson)

Mrs. Ashwini Natesan

Mr. Ashane Jayasekara

### Board Human Resource and Remuneration Committee

Mr. Ashane Jayasekara (Chairman)

Mr. G A R D Prasanna

Ms. Yanika Amarasekera

**Board Nomination 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. Ashane Jayasekara  
 Mr. Dharmadasa Rangalle

**Board 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  
 No. 201, De Saram Place,  
 Colombo 10

**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  
 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

**SUBSIDIARY COMPANIES****LB 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. Niroshan Udage  
 Mr. B D A Perera  
 Mr. Ravindra Yatawara  
 Mrs. Daw Khin Than Win  
 Mr. U Kyaw Kyaw

**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. Sumith Adhihetty  
 Mrs. Yogadinusha Bhaskaran  
 Mr. Niroshan Udage  
 Mr. B D A Perera  
 Mr. Ravindra Yatawara  
 Mr. Dharmadasa Rangalle

# INTERIM FINANCIAL STATEMENTS

