

# INTERIM FINANCIAL STATEMENTS

## LB FINANCE PLC

FOR THE PERIOD ENDED 30 JUNE, 2022



**LB FINANCE**

## LB FINANCE PLC

### STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2022

	COMPANY		
	FOR THE 3 MONTHS ENDED		
	30.06.2022 Rs.('000)	30.06.2021 Rs.('000)	Change %
<b>Income</b>	<b>8,524,817</b>	<b>6,519,387</b>	<b>31</b>
Interest Income	7,738,975	6,082,300	27
Less : Interest Expenses	3,082,431	2,192,548	41
<b>Net Interest Income</b>	<b>4,656,544</b>	<b>3,889,752</b>	<b>20</b>
Fee and Commission Income	755,941	402,466	88
Net Trading Income	(3,759)	(2,737)	37
Other Operating Income	33,660	37,358	(10)
<b>Total Operating Income</b>	<b>5,442,386</b>	<b>4,326,839</b>	<b>26</b>
Less : Impairment Charges and Other Losses	190,998	593,955	(68)
<b>Net Operating Income</b>	<b>5,251,388</b>	<b>3,732,884</b>	<b>41</b>
<b>Less : Operating Expenses</b>			
Personnel Expenses	869,309	763,260	14
Depreciation of Property, Plant and Equipment	207,538	180,062	15
Amortisation of Intangible Assets	2,258	3,529	(36)
Other Operating Expenses	630,520	530,654	19
<b>Total Operating Expenses</b>	<b>1,709,625</b>	<b>1,477,505</b>	<b>16</b>
<b>Operating Profit before Tax on Financial Services</b>	<b>3,541,763</b>	<b>2,255,379</b>	<b>57</b>
Less : Tax on Financial Services	614,079	367,975	67
<b>Profit before Taxation</b>	<b>2,927,684</b>	<b>1,887,404</b>	<b>55</b>
Less : Income Tax Expense	856,002	544,514	57
<b>Profit for the Period</b>	<b>2,071,682</b>	<b>1,342,890</b>	<b>54</b>
<b>Basic Earnings per Share (Rs.)</b>	<b>3.74</b>	<b>2.42</b>	<b>54</b>
<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	(14,657)	(13,405)	9
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(14,657)</b>	<b>(13,405)</b>	<b>9</b>
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(14,657)</b>	<b>(13,405)</b>	<b>9</b>
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,057,025</b>	<b>1,329,485</b>	<b>55</b>

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

Period ended 30 June 2022

	GROUP		
	FOR THE 3 MONTHS ENDED		
	30.06.2022 Rs.('000)	30.06.2021 Rs.('000)	Change %
<b>Income</b>	<b>8,602,970</b>	6,533,270	32
Interest Income	7,810,215	6,097,306	28
Less : Interest Expenses	3,093,264	2,196,380	41
<b>Net Interest Income</b>	<b>4,716,951</b>	3,900,926	21
Fee and Commission Income	761,505	403,405	89
Net Trading Income	(3,759)	(2,737)	37
Other Operating Income	35,011	35,296	(1)
<b>Total Operating Income</b>	<b>5,509,707</b>	4,336,890	27
Less : Impairment Charges and Other Losses	175,951	577,352	(70)
<b>Net Operating Income</b>	<b>5,333,756</b>	3,759,538	42
<b>Less : Operating Expenses</b>			
Personnel Expenses	902,321	775,163	16
Depreciation of Property, Plant and Equipment	212,995	180,631	18
Amortisation of Intangible Assets	3,568	4,356	(18)
Other Operating Expenses	652,752	537,858	21
<b>Total Operating Expenses</b>	<b>1,771,637</b>	1,498,008	18
<b>Operating Profit before Tax on Financial Services</b>	<b>3,562,120</b>	<b>2,261,530</b>	58
Less : Tax on Financial Services	615,399	367,975	67
<b>Profit before Taxation</b>	<b>2,946,720</b>	1,893,555	56
Less : Income Tax Expense	860,006	542,463	59
<b>Profit for the Period</b>	<b>2,086,715</b>	1,351,092	54
<b>Profit Attributable to:</b>			
Equity Holders of the Company	2,089,284	1,351,092	55
Non-Controlling Interest	(2,569)	-	(100)
<b>Profit for the Period</b>	<b>2,086,715</b>	1,351,092	54
<b>Basic Earnings per Share (Rs.)</b>	<b>3.77</b>	<b>2.44</b>	54
<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	126,145	(102,381)	>100
<b>Net Other Comprehensive Income that will be Reclassified to Income Statement</b>	<b>126,145</b>	(102,381)	>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	(14,657)	(13,405)	9
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(14,657)</b>	(13,405)	9
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>111,488</b>	(115,786)	>100
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,198,202</b>	1,235,306	78
<b>Attributable to:</b>			
Equity Holders of the Company	2,200,771	1,235,306	78
Non-Controlling Interest	(2,569)	-	(100)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,198,202</b>	1,235,306	78

**LB FINANCE PLC****STATEMENT OF FINANCIAL POSITION**

As at 30 June 2022

	Company		Group	
	30.06.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)	30.06.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)
<b>Assets</b>				
Cash and Cash Equivalents	9,366,958	14,458,986	9,463,445	14,634,136
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	9,448	13,208	9,448	13,208
Financial Assets at Amortised Cost - Loans and Receivables	99,951,306	92,837,601	101,148,840	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	38,681,820	41,558,002	38,756,241	41,640,197
Financial Assets Measured at Fair Value Through Other Comprehensive Income	71,368	86,102	71,370	86,104
Other Financial Assets	8,231,082	5,598,624	8,414,501	5,655,767
Other Non Financial Assets	512,327	454,711	550,591	500,581
Investment in Subsidiary	921,997	921,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,488,014	8,421,741	8,512,430	8,448,930
Investment Properties	-	-	71,150	71,150
Intangible Assets	12,618	14,875	129,207	131,000
<b>Total Assets</b>	<b>166,246,938</b>	<b>164,365,012</b>	<b>167,127,223</b>	<b>165,078,277</b>
<b>Liabilities</b>				
Due to Banks	23,442,194	26,858,737	23,447,230	26,861,944
Financial Liabilities at Amortised Cost - Due to Depositors	94,049,620	89,143,982	94,406,265	89,478,506
Debt Instruments Issued and Other Borrowed Funds	8,201,488	8,564,617	8,201,488	8,564,617
Other Financial Liabilities	3,042,460	3,305,112	3,076,766	3,343,419
Other Non Financial Liabilities	3,638,864	1,134,771	3,692,393	1,182,278
Current Tax Liabilities	1,757,335	1,882,242	1,753,198	1,875,082
Deferred Tax Liabilities	111,486	111,486	111,486	111,487
Post Employment Benefit Liability	327,698	316,973	331,798	323,833
<b>Total Liabilities</b>	<b>134,571,145</b>	<b>131,317,920</b>	<b>135,020,624</b>	<b>131,741,166</b>
<b>Equity</b>				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,127,585	8,038,658	8,522,368	8,307,296
Retained Earnings	22,709,926	24,170,152	22,643,220	24,085,844
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>31,675,793</b>	<b>33,047,092</b>	<b>32,003,870</b>	<b>33,231,422</b>
<b>Non Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>102,729</b>	<b>105,689</b>
<b>Total Equity</b>	<b>31,675,793</b>	<b>33,047,092</b>	<b>32,106,599</b>	<b>33,337,111</b>
<b>Total Liabilities and Equity</b>	<b>166,246,938</b>	<b>164,365,012</b>	<b>167,127,223</b>	<b>165,078,277</b>
<b>Net Asset Value per Share (Rs.)</b>	<b>57.17</b>	<b>59.65</b>	<b>57.76</b>	<b>59.98</b>
<b>Commitments and Contingencies</b>	<b>2,090,846</b>	<b>1,694,463</b>	<b>2,090,846</b>	<b>1,694,463</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.

*(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.)*

**M A J W Jayasekara**  
Director

20 July 2022  
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 2021 (Audited)</b>	<b>838,282</b>	<b>19,754,900</b>	<b>7,683,689</b>	<b>(87,583)</b>	<b>28,189,288</b>
Net Profit for the Period	-	1,342,890	-	-	1,342,890
Other Comprehensive Income, Net of Tax	-	-	-	(13,405)	(13,405)
Transfers During the Period	-	(268,578)	268,578	-	-
<b>Balance as at 30 June 2021</b>	<b>838,282</b>	<b>20,829,212</b>	<b>7,952,267</b>	<b>(100,988)</b>	<b>29,518,773</b>
<b>Balance as at 01 April 2022 (Audited)</b>	<b>838,282</b>	<b>24,170,152</b>	<b>8,116,782</b>	<b>(78,124)</b>	<b>33,047,092</b>
Surcharge Tax	-	(2,320,210)	-	-	(2,320,210)
<b>Balance After Surcharge Tax</b>	<b>838,282</b>	<b>21,849,942</b>	<b>8,116,782</b>	<b>(78,124)</b>	<b>30,726,882</b>
Net Profit for the Period	-	2,071,682	-	-	2,071,682
Other Comprehensive Income, Net of Tax	-	-	-	(14,657)	(14,657)
Transfers During the Period	-	(103,584)	103,584	-	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
<b>Balance as at 30 June 2022</b>	<b>838,282</b>	<b>22,709,926</b>	<b>8,220,366</b>	<b>(92,781)</b>	<b>31,675,793</b>

### 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 2021 (Audited)</b>	<b>838,282</b>	<b>19,801,953</b>	<b>7,683,689</b>	<b>150,901</b>	<b>(87,583)</b>	<b>28,387,242</b>	<b>-</b>	<b>28,387,242</b>
Net Profit for the Period	-	1,351,092	-	-	-	1,351,092	-	1,351,092
Other Comprehensive Income, Net of Tax	-	-	-	(102,381)	(13,405)	(115,786)	-	(115,786)
Transfers During the Period	-	(268,578)	268,578	-	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>838,282</b>	<b>20,884,467</b>	<b>7,952,267</b>	<b>48,520</b>	<b>(100,988)</b>	<b>29,622,548</b>	<b>-</b>	<b>29,622,548</b>
<b>Balance as at 01 April 2022 (Audited)</b>	<b>838,282</b>	<b>24,085,844</b>	<b>8,116,782</b>	<b>268,638</b>	<b>(78,124)</b>	<b>33,231,422</b>	<b>105,689</b>	<b>33,337,111</b>
Surcharge Tax	-	(2,320,210)	-	-	-	(2,320,210)	-	(2,320,210)
<b>Balance After Surcharge Tax</b>	<b>838,282</b>	<b>21,765,634</b>	<b>8,116,782</b>	<b>268,638</b>	<b>(78,124)</b>	<b>30,911,212</b>	<b>105,689</b>	<b>31,016,901</b>
Net Profit for the Period	-	2,089,284	-	-	-	2,089,284	(2,569)	2,086,715
Other Comprehensive Income, Net of Tax	-	-	-	126,145	(14,657)	111,488	-	111,488
Transfers During the Period	-	(103,584)	103,584	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	(391)	(391)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
<b>Balance as at 30 June 2022</b>	<b>838,282</b>	<b>22,643,220</b>	<b>8,220,366</b>	<b>394,783</b>	<b>(92,781)</b>	<b>32,003,870</b>	<b>102,729</b>	<b>32,106,599</b>

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

Period ended 30 June 2022

	FOR THE 3 MONTHS ENDED			
	Company		Group	
	30.06.2022 Rs.('000)	30.06.2021 Rs.('000)	30.06.2022 Rs.('000)	30.06.2021 Rs.('000)
<b>Cash Flows from/(Used in) Operating Activities</b>				
Profit and Other Comprehensive Income before Taxation	2,913,027	1,873,999	3,058,208	1,777,769
Adjustments for				
Depreciation of Property, Plant and Equipment	207,538	180,062	212,995	180,631
Amortisation of Intangible Assets	2,258	3,529	3,568	4,356
Impairment Charges and Other Losses	190,998	593,955	175,951	577,352
Diminution/(Appreciation) in Value of Investments	18,493	16,140	18,493	16,140
Loss/(Profit) on Disposal of Property, Plant and Equipment	(678)	(680)	(678)	(680)
Provision/(Reversal) for Defined Benefit Plans	18,634	16,360	18,404	16,360
Foreign Currency Exchange (Gain)/Loss	-	-	(282)	2,061
Dividend Received	(78)	-	(78)	-
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(126,145)	102,381
Operating Profit before Changes in Operating Assets and Liabilities	3,350,192	2,683,365	3,360,434	2,676,370
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(7,180,746)	(2,814,269)	(7,304,281)	(2,652,515)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	2,782,444	1,549,399	2,790,872	1,549,399
(Increase)/Decrease in Other Financial Assets	(2,662,678)	1,550,143	(2,788,955)	1,551,236
(Increase)/Decrease in Other Non Financial Assets	(57,616)	199,556	(50,010)	201,905
	(7,118,596)	484,829	(7,352,374)	650,025
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	4,905,639	940,310	4,927,759	929,070
Increase/(Decrease) in Other Financial Liabilities	(358,269)	(126,650)	(236,125)	(251,693)
Increase/(Decrease) in Other Non Financial Liabilities	(32,713)	(36,502)	(28,767)	(18,124)
	4,514,657	777,158	4,662,867	659,253
Cash Generated from Operations	746,253	3,945,352	670,927	3,985,648
Retirement Benefit Liabilities Paid	(7,909)	(7,020)	(10,899)	(7,020)
Income Tax Paid	(1,872,427)	(1,000,000)	(1,872,427)	(1,006,110)
Net Cash from/(Used in) Operating Activities	(1,134,083)	2,938,332	(1,212,399)	2,972,518
<b>Cash Flows from/(Used in) Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(180,859)	(328,600)	(180,055)	(328,897)
Acquisition of Intangible Assets	-	-	(607)	-
Proceeds from Sale of Property, Plant and Equipment	3,342	7,790	3,342	7,790
Investment in Subsidiary	(835)	-	-	-
Dividend Received	78	-	78	-
Net Cash Flows from/(Used in) Investing Activities	(178,274)	(320,810)	(177,241)	(321,107)
<b>Cash Flows from/(Used in) Financing Activities</b>				
Cash Flows from Debt Funding from Banks	2,500,000	-	2,500,000	-
Repayment of Debt Funding from Banks	(4,583,592)	(1,044,786)	(4,586,799)	(1,054,292)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	-	2,996,250	-	2,996,250
Repayment of Debt Instruments Issued and Other Borrowed Funds	(363,129)	(118,247)	(363,129)	(118,247)
Net Cash Flows from/(Used in) Financing Activities	(2,446,721)	1,833,217	(2,449,928)	1,823,711
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	(3,759,078)	4,450,739	(3,839,569)	4,475,122
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	12,709,843	5,199,201	12,881,785	5,392,687
<b>Cash and Cash Equivalents at the End of the Period</b>	8,950,765	9,649,940	9,042,216	9,867,809
<b>CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>				
Notes and Coins Held	1,801,880	1,137,379	1,835,601	1,170,323
Balances with Banks	1,422,672	4,209,522	1,485,438	4,394,447
Securities under Reverse Repurchase Agreements	6,142,406	5,368,152	6,142,406	5,368,152
Bank Overdrafts	(416,193)	(1,065,113)	(421,229)	(1,065,113)
<b>Net Cash and Cash Equivalents</b>	8,950,765	9,649,940	9,042,216	9,867,809



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

		As at 30.06.2022					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 Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
		<b>Financial Assets</b>									
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		1,801,880	-	-	1,801,880	1,801,880	-	-	1,159,669	1,159,669	
Balances with Banks		1,422,672	-	-	1,422,672	1,422,672	-	-	2,279,843	2,279,843	
Securities under Reverse Repurchase Agreements		-	5,710,388	-	5,710,388	5,710,388	-	9,993,533	9,993,533	9,993,533	
Investment in Treasury Bills		432,018	-	-	432,018	432,018	-	-	1,025,941	1,025,941	
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	9,448	-	-	9,448	9,448	-	-	13,208	13,208	
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	92,218,994	92,218,994	99,951,306	-	90,913,262	90,913,262	92,837,601	
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	32,932,794	32,932,794	38,681,820	-	40,386,998	40,386,998	41,558,002	
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		71,063	-	-	71,063	71,063	-	-	85,796	85,796	
Unquoted Equities		-	-	305	305	305	-	305	-	305	
<b>Other Financial Assets</b>	Amortised Cost	-	8,231,082	-	8,231,082	8,231,082	-	5,598,624	5,598,624	5,598,624	
		<b>3,737,081</b>	<b>13,941,470</b>	<b>125,152,093</b>	<b>142,830,644</b>	<b>156,311,982</b>	<b>4,564,457</b>	<b>15,592,157</b>	<b>131,300,565</b>	<b>151,457,179</b>	
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	20,661,863	-	20,661,863	23,442,194	-	26,130,900	26,130,900	26,858,737	
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	91,874,523	91,874,523	94,049,620	-	86,981,677	86,981,677	89,143,982	
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	7,178,193	-	7,178,193	8,201,488	-	8,267,254	8,267,254	8,564,617	
<b>Other Financial Liabilities</b>	Amortised Cost	-	3,042,460	-	3,042,460	3,042,460	-	3,305,112	3,305,112	3,305,112	
		<b>-</b>	<b>30,882,516</b>	<b>91,874,523</b>	<b>122,757,039</b>	<b>128,735,762</b>	<b>-</b>	<b>37,703,266</b>	<b>86,981,677</b>	<b>124,684,943</b>	

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

**FAIR VALUE MEASUREMENT HIERARCHY - GROUP**

		As at 30.06.2022					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 Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
		<b>Financial Assets</b>									
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		1,835,601	-	-	1,835,601	1,835,601	-	-	1,173,595	1,173,595	
Balances with Banks		1,485,438	-	-	1,485,438	1,485,438	-	-	2,356,956	2,356,956	
Securities under Reverse Repurchase Agreements		-	5,710,388	-	5,710,388	5,710,388	-	10,069,607	10,069,607	10,069,607	
Investment in Treasury Bills		432,018	-	-	432,018	432,018	-	-	1,033,978	1,033,978	
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	9,448	-	-	9,448	9,448	-	-	13,208	13,208	
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	93,416,528	93,416,528	101,148,840	-	91,972,865	91,972,865	93,897,204	
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	33,007,215	33,007,215	38,756,241	-	40,469,194	40,469,194	41,640,198	
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		71,063	-	-	71,063	71,063	-	-	85,796	85,796	
Unquoted Equities		-	-	307	307	307	-	307	-	307	
<b>Other Financial Assets</b>	Amortised Cost	-	8,414,501	-	8,414,501	8,414,501	-	5,655,767	5,655,767	5,655,767	
		<b>3,833,568</b>	<b>14,124,889</b>	<b>126,424,050</b>	<b>144,382,507</b>	<b>157,863,845</b>	<b>4,663,533</b>	<b>15,725,374</b>	<b>132,442,366</b>	<b>152,831,273</b>	
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	20,666,899	-	20,666,899	23,447,230	-	26,134,109	26,134,109	26,861,946	
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	92,231,167	92,231,167	94,406,265	-	87,316,202	87,316,202	89,478,506	
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	7,178,193	-	7,178,193	8,201,488	-	8,267,254	8,267,254	8,564,617	
<b>Other Financial Liabilities</b>	Amortised Cost	-	3,076,766	-	3,076,766	3,076,766	-	3,343,419	3,343,419	3,343,419	
		<b>-</b>	<b>30,921,858</b>	<b>92,231,167</b>	<b>123,153,025</b>	<b>129,131,749</b>	<b>-</b>	<b>37,744,782</b>	<b>87,316,202</b>	<b>125,060,984</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	
	30.06.2022 Rs.( '000)	30.06.2021 Rs.( '000)	30.06.2022 Rs.( '000)	30.06.2021 Rs.( '000)	30.06.2022 Rs.( '000)	30.06.2021 Rs.( '000)	30.06.2022 Rs.( '000)	30.06.2021 Rs.( '000)	30.06.2022 Rs.( '000)	30.06.2021 Rs.( '000)
Interest Income	2,432,629	2,762,382	4,776,206	3,098,383	552,887	221,535	48,493	15,006	7,810,215	6,097,306
Less: Interest Expenses	824,109	809,755	1,937,972	1,179,224	328,050	203,569	3,133	3,832	3,093,264	2,196,380
Net Interest Income	1,608,520	1,952,627	2,838,234	1,919,159	224,837	17,966	45,360	11,174	4,716,951	3,900,926
Fee and Commission Income	112,357	129,732	642,558	268,321	1,379	4,413	5,211	939	761,505	403,405
Net Trading Income and Other Operating Income	634	307	7,568	31,243	22,767	3,070	282	(2,061)	31,251	32,559
Total Operating Income	1,721,511	2,082,666	3,488,360	2,218,723	248,983	25,449	50,853	10,052	5,509,707	4,336,890
Less: Impairment Charges and Other Losses	94,395	313,853	61,330	280,102	30,220	-	(9,994)	(16,603)	175,951	577,352
Net Operating Income	1,627,116	1,768,813	3,427,030	1,938,621	218,763	25,449	60,847	26,655	5,333,756	3,759,538
Less: Other Costs	446,685	544,467	1,054,234	742,015	21,794	7,433	32,360	19,106	1,555,073	1,313,021
Less: Depreciation and Amortisation	54,617	66,658	156,168	115,541	3,590	1,391	2,188	1,397	216,563	184,987
Operating Profits before Taxes	1,125,814	1,157,688	2,216,628	1,081,065	193,379	16,625	26,299	6,152	3,562,120	2,261,530
Less: Taxes	468,237	468,381	922,038	437,381	81,127	6,727	4,003	(2,051)	1,475,405	910,438
Profits for the Period	657,577	689,307	1,294,590	643,684	112,252	9,898	22,296	8,203	2,086,715	1,351,092
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	2,569	-
Profit Attributable to Equity Holders of the Company	657,577	689,307	1,294,590	643,684	112,252	9,898	22,296	8,203	2,089,283	1,351,092
Profits for the Period	657,577	689,307	1,294,590	643,684	112,252	9,898	22,296	8,203	2,086,715	1,351,092
Segmental Assets	40,986,637	48,599,768	105,917,249	74,038,405	20,066,014	21,555,345	1,079,320	781,919	168,049,220	144,975,437
Elimination					(921,997)	(543,009)	-	-	(921,997)	(543,009)
Total Segmental Assets	40,986,637	48,599,768	105,917,249	74,038,405	19,144,017	21,012,336	1,079,320	781,919	167,127,223	144,432,428
Segmental Liabilities	33,340,864	38,790,803	86,156,118	59,095,121	15,397,777	16,788,822	125,865	156,982	135,020,624	114,831,728
Elimination							-	(21,848)	-	(21,848)
Total Segmental Liabilities	33,340,864	38,790,803	86,156,118	59,095,121	15,397,777	16,788,822	125,865	135,134	135,020,624	114,809,880

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 30<sup>th</sup> June 2022 or 2021.



## LB FINANCE PLC

### Interim Financial Statements for the period ended 30 June 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 30 June 2022 was Rs. 2,091 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 30 June 2022 reflect the surcharge tax paid amounted to Rs. 1,160,105,215/- and the remaining tax liability (second instalment) of Rs. 1,160,104,695/-. The total surcharge tax liability of the Company is Rs. 2,320,209,910.

#### INFORMATION ON SHARES AND LISTED DEBENTURES

##### INFORMATION ON SHARES

	For the Quarter ended		
	30.06.2022	30.06.2021	
Share Price	Highest	Rs. 61.70	70.80
	Lowest	Rs. 42.70	47.50
	Last Traded	Rs. 43.10	67.60
Number of Ordinary Shares Issued	554,057,136	554,057,136	

##### INFORMATION ON LISTED DEBENTURES

	For the Quarter ended		
	30.06.2022	30.06.2021	
Debture Prices			
	Debentures Issued - December 2017		
	5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)	Highest	Rs. 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	5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)	Not Traded	Not Traded
	5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually)	Not Traded	Not Traded
Yield of Comparable Government Securities (%)	05 Year Treasury Bond	20.41%	7.27%

	As at	
	30.06.2022	30.06.2021
Ratios		
Debt Equity Ratio	127.62%	87.20%
Quick Asset Ratio	19.22%	22.70%
Interest Cover	1.95	1.85

#### SELECTED PERFORMANCE INDICATORS

	As at	
	30.06.2022	30.06.2021
<b>Capital Adequacy</b>		
Core Capital to Risk Weighted Asset Ratio (Minimum 8%)	24.00%	23.81%
Total Capital to Risk Weighted Asset Ratio (Minimum 12%)	24.94%	25.25%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	33.68%	34.01%
<b>Profitability</b>		
Return on Average Shareholders' Funds (After Tax) - Annualized	25.61%	18.20%
Return on Average Assets (After Tax) - Annualized	5.01%	3.77%
<b>Asset Quality</b>		
Gross Non-Performing Accommodations Ratio	5.07%	6.08%
Net Non-Performing Accommodations Ratio	-0.18%	0.35%
<b>Liquidity (Rs. Mn)</b>		
Required Minimum Amount of Liquid Assets	9,966	5,478
Available Amount of Liquid Assets	14,650	18,777
Required Minimum Amount of Government Securities	6,725	4,547
Available Amount of Government Securities	7,925	9,970

## LB FINANCE PLC

### Additional Notes

#### Twenty largest shareholders as at 30 June 2022

Name	No. of Shares	(%)
1 Vallibel One PLC	286,729,600	51.751
2 Royal Ceramics Lanka PLC	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.	9,410,325	1.698
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara	5,080,819	0.917
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. A A Page	1,259,200	0.227
10 Phantom Investments (Private) Limited	1,253,809	0.226
11 Mrs. V Saraswathi & Mr. S Vasudevan	1,121,750	0.202
12 Seylan Bank PLC	1,105,000	0.199
13 Mr. F N Herft	1,074,781	0.194
14 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa	928,264	0.168
15 Mrs. P C Cooray	834,528	0.151
16 Mr. J A N R Adhihetty	813,845	0.147
17 Seylan Bank PLC/Sarath Bandara Rangamuwa	791,141	0.143
18 DFCC Bank PLC/Mrs. A A Raaymakers	761,933	0.138
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
Others	518,860,206	93.646
<b>Total</b>	<b>554,057,136</b>	<b>100.000</b>

#### Directors' and Chief Executive Officer's holding in shares as at 30 June 2022

Name	No. of Shares	(%)
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	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	-	-
Mr. K D D Perera (resigned w. e. f. 10 June 2022)	-	-

Public Holding percentage as at 30 June 2022 being 21.73% comprising of 5,167 shareholders.

The Float adjusted market capitalization as at 30 June 2022 - Rs. 5,189,944,900.50

The Float adjusted market capitalization of the Company falls under Option 2 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 - 185

## WEBSITE

[www.lbfinance.com](http://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. Nirosan 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)  
Mr. Dhammika Perera  
(Executive Deputy Chairman)  
(Resigned w.e.f 10.06.2022)

### Audit Committee

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

### Remuneration Committee

Mr. Ashane Jayasekara (Chairman)  
Mrs. Yogadinusha Bhaskaran  
Mr. G A R D Prasanna  
Mrs. Ashwini Natesan  
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  
Mr. Sumith Adhihetty  
Mr. Niroschan Udage  
Mr. B D A Perera  
Mr. Ravindra Yatawara  
Mr. Bimal Perera  
Mr. Malith Hewage  
Mr. Leonard Perera  
Mrs. Deshika Yatawara  
Mrs. Waruni Perera

**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

**INTERNAL AUDITORS**

KPMG

**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**

Myawaddy Bank  
Luxury Complex, 4th  
Floor, Apt 401 Bo Gyoke  
Road cnr, W a Dan  
Street, Lanmadaw Township,  
Yangon, Myanmar

**BOARD OF DIRECTORS OF SUBSIDIARY**

Mr. Dhammika Perera  
(Resigned w.e.f 10.06.2022)  
Mr. Sumith Adhihetty  
Mr. Niroschan Udage  
Mr. B D A Perera  
Mr. Ravindra Yatawara

**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  
Mr. Niroschan Udage  
Mr. B D A Perera  
Mr. Ravindra Yatawara  
Mr. Dharmadasa Rangalle  
Mrs. Ashwini Natesan  
Ms. Yanika Amarasekera  
Mr. H F Imal Shamen Fonseka  
(Resigned w.e.f 28.06.2022)  
Mrs.Champika Jayanthi Atapattu  
(Resigned w.e.f 27.04.2022)  
Mr. Pushpika Jayasundera  
(Resigned w.e.f 28.06.2022)  
Mrs. Dulani Thanuja De Alwis  
(Resigned w.e.f 28.06.2022)  
Mr. Indraraj Ratnasabapathy  
(Resigned w.e.f 28.06.2022)  
Mr. Jayana Prasad Polwatte  
(Resigned w.e.f 28.06.2022)

# INTERIM FINANCIAL STATEMENTS

