

**INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**



LB Finance PLC
STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2020	FOR THE 3 MONTHS ENDED						FOR THE YEAR ENDED					
	Company			Group			Company			Group		
	31.03.2020 Rs.('000)	31.03.2019 Rs.('000)	Change %	31.03.2020 Rs.('000)	31.03.2019 Rs.('000)	Change %	31.03.2020 Rs.('000)	31.03.2019 Rs.('000)	Change %	31.03.2020 Rs.('000)	31.03.2019 Rs.('000)	Change %
Income	7,448,757	7,703,273	(3)	7,483,364	7,730,736	(3)	31,222,860	29,278,024	7	31,359,418	29,342,212	7
Interest Income	6,869,655	7,129,538	(4)	6,906,863	7,155,449	(3)	29,160,292	27,363,768	7	29,297,103	27,420,842	7
Less : Interest Expenses	3,404,850	3,355,238	1	3,409,817	3,356,114	2	13,615,391	12,951,323	5	13,631,371	12,953,155	5
Net Interest Income	3,464,805	3,774,300	(8)	3,497,046	3,799,335	(8)	15,544,901	14,412,445	8	15,665,732	14,467,687	8
Fee and Commission Income	559,806	557,397	1	563,075	559,135	1	1,941,626	1,782,072	9	1,950,180	1,786,919	9
Net Trading Income	(2,369)	(1,243)	91	(2,369)	(1,243)		(2,099)	(2,558)	(18)	(2,558)	(2,558)	(18)
Other Operating Income	21,664	17,580	23	15,796	17,395	(9)	123,041	134,742	(9)	114,234	137,009	(17)
Total Operating Income	4,043,906	4,348,035	(7)	4,073,548	4,374,622	(7)	17,607,469	16,326,701	8	17,728,047	16,389,057	8
Less : Impairment Charges and Other Losses	1,172,319	60,241	>100	1,178,257	61,621	>100	1,831,057	983,154	86	1,856,495	986,892	88
Net Operating Income	2,871,587	4,287,794	(33)	2,895,291	4,313,001	(33)	15,776,412	15,343,547	3	15,871,552	15,402,165	3
Less : Operating Expenses												
Personnel Expenses	769,163	650,561	18	778,448	655,789	19	3,005,189	2,693,563	12	3,034,198	2,707,937	12
Depreciation of Property, Plant and Equipment	357,238	113,325	>100	357,602	113,508	>100	697,508	417,888	67	698,639	418,437	67
Amortisation of Intangible Assets	3,858	4,001	(4)	4,652	4,261	9	15,882	17,487	(9)	18,125	18,492	(2)
Other Operating Expenses	174,713	629,477	(72)	180,740	632,929	(71)	2,168,986	2,458,340	(12)	2,188,842	2,468,485	(11)
Operating Profit before Tax on Financial Services	1,566,615	2,890,431	(46)	1,573,849	2,906,514	(46)	9,888,847	9,756,268	1	9,931,748	9,788,813	1
Less : Tax on Financial Services	279,217	420,685	(34)	279,217	420,685	(34)	1,593,848	1,614,088	(1)	1,593,848	1,614,088	(1)
Less : Debt Repayment Levy	(1,218)	243,086	>(100)	(1,218)	243,086	>(100)	684,712	401,531	71	684,712	401,531	71
Profit before Taxation	1,288,616	2,226,660	(42)	1,295,850	2,242,743	(42)	7,610,287	7,740,649	(2)	7,653,188	7,773,194	(2)
Less : Income Tax Expense	21,843	667,267	(97)	26,144	675,334	(96)	2,423,234	2,685,989	(10)	2,442,327	2,693,771	(9)
Profit for the Period	1,266,773	1,559,394	(19)	1,269,706	1,567,409	(19)	5,187,053	5,054,660	3	5,210,861	5,079,423	3
Profit Attributable to:												
Equity Holders of the Company	1,266,773	1,559,394	(19)	1,269,706	1,567,385	(19)	5,187,053	5,054,660	3	5,210,861	5,079,349	3
Non-Controlling Interest	-	-	-	-	24	-	-	-	-	-	74	(100)
Profit for the Period	1,266,773	1,559,394	(19)	1,269,706	1,567,409	(19)	5,187,053	5,054,660	3	5,210,861	5,079,423	3
Basic Earnings Per Share (Rs.)	9.15	11.26	(19)	9.17	11.32	(19)	37.45	36.49	3	37.62	36.67	3
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	-	-	-	64,382	(7,616)	>(100)	-	-	-	96,608	15,594	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement				64,382	(7,616)	>(100)	-	-	-	96,608	15,594	>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	(28,669)	(7,504)	>100	(28,669)	(7,504)	>100	(30,569)	(31,913)	(4)	(30,569)	(31,913)	(4)
Actuarial Gains/(Losses) on Defined Benefit Plans	(41,707)	23,969	>(100)	(41,707)	23,969	>(100)	(41,707)	23,969	>(100)	(41,707)	23,969	>(100)
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	(11,678)	6,712	>(100)	(11,678)	6,712	>(100)	(11,678)	6,712	>(100)	(11,678)	6,712	>(100)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	(30,029)	17,257	>(100)	(30,029)	17,257	>(100)	(30,029)	17,257	>(100)	(30,029)	17,257	>(100)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(58,698)	9,753	>(100)	(58,698)	9,753	>(100)	(60,598)	(14,656)	>100	(60,598)	(14,656)	>(100)
Other Comprehensive Income for the Period, Net of Tax	(58,698)	9,753	>(100)	5,684	2,137	>100	(60,598)	(14,656)	>100	36,010	938	>100
Total Comprehensive Income for the Period, Net of Tax	1,208,075	1,569,147	(23)	1,275,390	1,569,547	(19)	5,126,455	5,040,004	2	5,246,871	5,080,361	3
Attributable to:												
Equity Holders of the Company	1,208,075	1,569,147	(23)	1,275,390	1,569,546	(19)	5,126,455	5,040,004	2	5,246,871	5,080,240	3
Non-Controlling Interest	-	-	-	-	1	(100)	-	-	-	-	121	(100)
Total Comprehensive Income for the Period, Net of Tax	1,208,075	1,569,147	(23)	1,275,390	1,569,547	(19)	5,126,455	5,040,004	2	5,246,871	5,080,361	3

LB Finance PLC**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2020

	Company		Group	
	31.03.2020 Rs.(‘000)	Audited 31.03.2019 Rs.(‘000)	31.03.2020 Rs.(‘000)	Audited 31.03.2019 Rs.(‘000)
Assets				
Cash and Cash Equivalents	6,162,637	4,040,586	6,472,312	4,058,610
Financial Assets Recognised Through Profit or Loss	4,648	6,866	4,648	6,866
Financial Assets at Amortised Cost - Loans and Receivables	58,239,254	47,395,025	58,793,344	47,773,705
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	60,626,670	66,050,429	60,626,670	66,050,429
Financial Assets Measured at Fair Value Through Other Comprehensive Income	59,141	89,710	59,141	89,710
Other Financial Assets	9,119,681	10,804,517	9,105,761	10,794,673
Other Non Financial Assets	967,469	1,067,360	976,489	1,073,065
Investment in Subsidiary	521,162	318,999	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,221,248	6,577,379	8,228,222	6,580,725
Intangible Assets	41,809	39,847	55,064	43,523
Total Assets	143,963,719	136,390,718	144,321,651	136,471,306
Liabilities				
Due to Banks	22,771,085	24,633,508	22,882,941	24,633,508
Financial Liabilities at Amortised Cost - Due to Depositors	89,256,435	83,214,949	89,315,097	83,242,617
Debt Instruments Issued and Other Borrowed Funds	3,111,186	3,107,783	3,111,186	3,107,783
Other Financial Liabilities	2,766,410	1,974,490	2,766,775	1,974,490
Other Non Financial Liabilities	909,266	2,070,632	925,778	2,075,791
Current Tax Liabilities	766,751	1,395,971	777,057	1,403,916
Deferred Tax Liabilities	1,037,580	1,309,722	1,037,580	1,309,721
Post Employment Benefit Liability	345,456	256,512	345,456	256,512
Total Liabilities	120,964,169	117,963,567	121,161,870	118,004,339
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	6,216,939	5,210,097	6,334,326	5,230,876
Retained Earnings	15,944,329	12,378,772	15,987,173	12,397,809
Total Equity Attributable to Equity Holders of the Company	22,999,550	18,427,151	23,159,781	18,466,967
Non Controlling Interest	-	-	-	-
Total Equity	22,999,550	18,427,151	23,159,781	18,466,967
Total Liabilities and Equity	143,963,719	136,390,718	144,321,651	136,471,306
Net Asset Value per Share (Rs.)	166.04	133.03	167.20	133.32
Commitments and Contingencies	1,928,805	1,820,856	1,816,950	1,820,856

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****Assistant General Manager-Finance**

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**28th May 2020

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)	Available for Sale Reserve Rs.('000)	Total Equity Rs.('000)
Balance as at 01 April 2018	838,282	10,240,092	4,274,827	-	(4,305)	15,348,896
Impact of Adoption of SLFRS 09	-	(299,578)	-	-	-	(299,578)
Transfer of Available for Sale Reserve built on Impairment of Financial Investments - Available for Sale	-	39,444	-	-	(39,444)	-
Transfer of Available for Sale Reserve to Fair Value Reserve	-	-	-	(43,749)	43,749	-
Restated Opening Balance as at 1 April 2018	838,282	9,979,958	4,274,827	(43,749)	-	15,049,318
Net Profit for the Year	-	5,054,660	-	-	-	5,054,660
Other Comprehensive Income, Net of Tax	-	17,258	-	(31,913)	-	(14,655)
Transfers During the Year	-	(1,010,932)	1,010,932	-	-	-
Final Dividend for 2017/18	-	(554,057)	-	-	-	(554,057)
Interim Dividend for 2018/19	-	(1,108,114)	-	-	-	(1,108,114)
Balance as at 31 March 2019	838,282	12,378,773	5,285,759	(75,662)	-	18,427,152
Balance as at 01 April 2019	838,282	12,378,773	5,285,759	(75,662)	-	18,427,152
Net Profit for the Year	-	5,187,053	-	-	-	5,187,053
Other Comprehensive Income, Net of Tax	-	(30,029)	-	(30,569)	-	(60,598)
Transfers During the Year	-	(1,037,411)	1,037,411	-	-	-
Final Dividend for 2018/19	-	(554,057)	-	-	-	(554,057)
Balance as at 31 March 2020	838,282	15,944,329	6,323,170	(106,231)	-	22,999,550

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs.('000)	Retained Earnings Rs.('000)	Statutory Reserve Rs.('000)	Available for Sale 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 2018	838,282	10,234,440	4,274,827	(4,305)	5,231	-	15,348,475	459	15,348,934
Impact of Adoption of SLFRS 09	-	(299,578)	-	-	-	-	(299,578)	-	(299,578)
Transfer of Available for Sale Reserve built on Impairment of Financial Investments - Available for Sale	-	39,444	-	(39,444)	-	-	-	-	-
Transfer of Available for Sale Reserve to Fair Value Reserve	-	-	-	43,749	-	(43,749)	-	-	-
Restated Opening Balance as at 1 April 2018	838,282	9,974,306	4,274,827	-	5,231	(43,749)	15,048,897	459	15,049,356
Net Profit for the Year	-	5,079,349	-	-	-	-	5,079,349	74	5,079,423
Other Comprehensive Income, Net of Tax	-	17,257	-	-	15,548	(31,913)	891	47	938
Transfers During the Year	-	(1,010,932)	1,010,932	-	-	-	-	-	-
Final Dividend for 2017/18	-	(554,057)	-	-	-	-	(554,057)	-	(554,057)
Interim Dividend for 2018/19	-	(1,108,114)	-	-	-	-	(1,108,114)	-	(1,108,114)
Disposal of Shares	-	-	-	-	-	-	-	(580)	(580)
Balance as at 31 March 2019	838,282	12,397,809	5,285,759	-	20,779	(75,662)	18,466,967	(0)	18,466,967
Balance as at 01 April 2019	838,282	12,397,809	5,285,759	-	20,779	(75,662)	18,466,967	(0)	18,466,967
Net Profit for the Year	-	5,210,861	-	-	-	-	5,210,861	-	5,210,861
Other Comprehensive Income, Net of Tax	-	(30,029)	-	-	96,608	(30,569)	36,010	-	36,010
Transfers During the Year	-	(1,037,411)	1,037,411	-	-	-	-	-	-
Final Dividend for 2018/19	-	(554,057)	-	-	-	-	(554,057)	-	(554,057)
Balance as at 31 March 2020	838,282	15,987,173	6,323,170	-	117,387	(106,231)	23,159,781	-	23,159,781

LB Finance PLC

CASH FLOW STATEMENT

Year ended 31 March 2020

	FOR THE YEAR ENDED			
	Company		Group	
	31.03.2020 Rs.(‘000)	Audited 31.03.2019 Rs.(‘000)	31.03.2020 Rs.(‘000)	Audited 31.03.2019 Rs.(‘000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	7,538,010	7,732,705	7,677,520	7,780,843
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	697,508	417,889	698,639	418,438
Amortisation of Intangible Assets	15,882	17,487	18,125	18,492
Impairment Charges and Other Losses	1,831,057	983,154	1,856,495	986,892
Diminution/(Appreciation) in Value of Investments	32,786	34,730	32,786	34,730
Loss/(Profit) on Disposal of Property, Plant and Equipment	(4,110)	(4,664)	(4,110)	(4,664)
Provision/(Reversal) for Defined Benefit Plans	117,650	39,130	117,650	39,130
Foreign Currency Exchange (Gain)/Loss	-	-	8,807	286
Dividend Received	(6,777)	(9,831)	(6,777)	(9,831)
Interest Income on Investing Activities	(1,342,283)	(1,140,938)	(1,342,283)	(1,140,938)
Withholding Tax Attributed to Fixed Deposits	-	(25,181)	-	(25,181)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(96,608)	(15,594)
Operating Profit before Changes in Operating Assets and Liabilities	8,879,723	8,044,480	8,960,243	8,082,601
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(11,958,602)	(8,207,244)	(12,159,450)	(8,550,784)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	4,714,850	(4,167,949)	4,714,850	(4,167,949)
(Increase)/Decrease in Other Financial Assets	1,905,052	(4,124,208)	1,909,128	(4,124,208)
(Increase)/Decrease in Other Non Financial Assets	99,892	(226,371)	193,185	(216,030)
Increase/(Decrease) in Operating Liabilities	(5,238,808)	(16,725,772)	(5,342,287)	(17,058,971)
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	6,041,485	10,271,116	6,072,480	10,296,606
Increase/(Decrease) in Other Financial Liabilities	(620,905)	213,072	(620,539)	213,072
Increase/(Decrease) in Other Non Financial Liabilities	(1,599,038)	11,949	(1,591,413)	20,242
Cash Generated from Operations	3,821,542	10,496,137	3,860,528	10,529,920
Retirement Benefit Liabilities Paid	(28,706)	(13,857)	(28,706)	(13,857)
Income Tax Paid	(2,875,243)	(1,588,320)	(2,897,059)	(1,588,320)
Net Cash from/(Used in) Operating Activities	4,558,508	212,667	4,552,720	(48,627)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(934,230)	(2,317,320)	(938,987)	(2,320,005)
Acquisition of Intangible Assets	(17,844)	(9,215)	(29,666)	(9,215)
Proceeds from Sale of Property, Plant and Equipment	13,189	7,335	13,189	7,335
Investment in Subsidiary	(202,162)	(166,084)	-	-
Interest Received	1,114,292	1,232,632	1,114,292	1,232,632
Dividend Received	6,777	9,831	6,777	9,831
Net Cash Flows from/(Used in) Investing Activities	(19,978)	(1,242,821)	165,605	(1,079,422)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	(1,514,472)	2,012,464	(1,402,616)	2,012,464
Net Cash Flow from Debt Issued and Other Borrowed fund	-	(2,045,049)	-	(2,045,049)
Dividends Paid	(554,056)	(554,057)	(554,056)	(554,057)
Net Cash Flows from/(Used in) Financing Activities	(2,068,528)	(586,642)	(1,956,672)	(586,642)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,470,003	(1,616,796)	2,761,654	(1,714,691)
Cash and Cash Equivalents at the Beginning of the Year	2,972,224	4,589,020	2,990,248	4,704,939
Cash and Cash Equivalents at the End of the Year	5,442,227	2,972,224	5,751,902	2,990,248
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	936,078	873,073	936,605	873,251
Balances with Banks	3,683,717	1,403,820	3,992,865	1,421,665
Treasury Bills Repurchase Agreements	1,542,842	1,763,693	1,542,842	1,763,694
Bank Overdrafts	(720,410)	(1,068,362)	(720,410)	(1,068,362)
Net Cash and Cash Equivalents	5,442,227	2,972,224	5,751,902	2,990,248

LB Finance PLC

SEGMENTAL INFORMATION

For management purposes, the Group is organised into four operating segments based on services offered to customers as follows. The following table presents income and profit and certain asset and liability information regarding the Group's operating segments.

	Leasing & Stock out on Hire		Loans and Receivables		Others		International operation		Total	
	Audited		Audited		Audited		Audited		Audited	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)	Rs.('000)
Interest Income	15,900,624	16,374,704	11,917,386	9,822,944	1,342,282	1,166,119	136,811	57,074	29,297,103	27,420,842
Less: Interest Expenses	6,804,199	7,085,779	5,734,218	4,801,088	1,076,974	1,064,457	15,980	1,832	13,631,371	12,953,155
Net Interest Income/(Expenses)	9,096,425	9,288,925	6,183,168	5,021,857	265,308	101,662	120,831	55,242	15,665,732	14,467,687
Fee and Commission Income	827,288	534,268	1,102,697	1,064,976	11,641	182,827	8,554	4,847	1,950,180	1,786,919
Net Trading Income and Other Operating Income	33,092	30,791	305	2,430	87,545	101,231	(8,807)	-	112,135	134,452
Total Operating Income	9,956,805	9,853,984	7,286,170	6,089,263	364,494	385,720	120,578	60,089	17,728,047	16,389,057
Less: Impairment Charges and Other Losses	725,603	632,703	1,094,543	350,451	10,910	-	25,439	3,738	1,856,495	986,892
Net Operating Income	9,231,202	9,221,281	6,191,627	5,738,812	353,584	385,720	95,139	56,351	15,871,552	15,402,165
Less: Other Costs	2,742,002	2,957,517	2,385,355	2,147,796	46,818	46,590	48,865	24,520	5,223,040	5,176,423
Less: Depreciation	364,106	235,340	342,489	192,853	6,794	7,182	3,375	1,553	716,764	436,928
Operating Profits before Taxes	6,125,094	6,028,425	3,463,783	3,398,163	299,972	331,948	42,899	30,278	9,931,748	9,788,814
Less: Taxes									4,720,887	4,709,390
Profits for the Year									5,210,861	5,079,423
Less: Non-Controlling Interest									-	74
Profit Attributable to Equity Holders of the Company									5,210,861	5,079,349
Profits for the Year									5,210,861	5,079,423
Segmental Assets	64,783,204	69,998,724	62,466,252	50,547,893	16,714,263	15,844,101	895,372	399,587	144,859,091	136,790,305
Elimination					(537,440)	(318,999)	-	-	(537,440)	(318,999)
Total Segmental Assets	64,783,204	69,998,724	62,466,252	50,547,893	16,176,823	15,525,102	895,372	399,587	144,321,651	136,471,306
Segmental Liabilities	54,387,225	60,525,910	52,544,874	43,737,712	14,032,067	13,699,945	213,981	50,617	121,178,147	118,014,183
Elimination							(16,278)	(9,844)	(16,277)	(9,844)
Total Segmental Liabilities	54,387,225	60,525,910	52,544,874	43,737,712	14,032,067	13,699,945	197,703	40,772	121,161,870	118,004,339

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. Income taxes are managed on a group basis and are not allocated to operating segments.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue during the year ended 31st March 2020 or 2019.

EXPLANATORY NOTES

01. These Interim Financial Statements have been prepared based on the new accounting policies and methods which have been revised in line with the requirements of the SLFRS 9 - Financial Instruments. The Company complied with LKAS - 39, Financial Instruments : Recognition and measurements up to 31 March 2018, in the preparation of its Financial Statements. In order to recognise the impact on the transition, the Company has adopted the modified retrospective approach in line with SLFRS 9 - Financial Instruments for the financial year ended 31 March 2019. The accounting policies and methods of computation followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2019.

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

03. The outbreak of COVID 19 has caused disruptions to business and economic activities, and uncertainty to the global and local economy. The resulting financial and economic market uncertainty could have a significant adverse impact on the future operations of the Company and cause significant adverse changes to assets and liabilities of the Company. However, management is continuously monitoring the impact of COVID-19 on its financial performance, finance position and cashflow of the Company. As a prudential measure, the company had considered the arrears position, Probability of Default (PD) and Loss Given Default (LGD) as at 31 March 2020 which partially include the impact of Covid 19 for the impairment calculations although it was allowed to use the position before the Covid 19 as per the Guidance note issued by the CA Sri Lanka.

04. The Company's shares were last traded on 20 March 2020 which was the last traded date of the CSE before the period ended 31 March 2020. CSE was closed from 20 March 2020 to 06 May 2020 due to the Covid 19 pandemic. it should be noted that the last traded price may not be a representative of the actual market price of the share, considering the market conditions that may have prevailed at that time. Therefore, last traded price may not reflect the fair values of the Company's share as at 31 March 2020.

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

06. The Commitments and Contingencies as at 31st March 2020 was Rs. 1,929 Mn and as at 31st March 2019 was Rs. 1,821 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES			For the Quarter ended	
			31.03.2020	31.03.2019
Share Price	Highest	Rs.	167.50	129.90
	Lowest	Rs.	119.00	118.00
	Closing	Rs.	120.50	120.10
			As at	As at
			31.03.2020	31.03.2019
Number of Ordinary Shares Issued			138,514,284	138,514,284

INFORMATION ON LISTED DEBENTURES			For the Quarter ended	
			31.03.2020	31.03.2019
Debenture Prices				
Debentures Issued - December 2017				
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				
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			9.29%	10.93%
			As at	As at
			31.03.2020	31.03.2019
Ratios				
Debt Equity Ratio			140.31%	167.98%
Quick Asset Ratio			17.73%	17.77%
Interest Cover			1.55	1.60

SELECTED PERFORMANCE INDICATORS

	As at	As at
	31.03.2020	31.03.2019
Capital Adequacy		
Core Capital to Risk Weighted Asset Ratio (Minimum 7%)	19.04%	13.26%
Total Capital to Risk Weighted Asset Ratio (Minimum 11%)	20.75%	15.39%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	23.98%	22.14%
Profitability		
Return on Average Shareholders' Funds (After Tax)	24.75%	29.84%
Return on Average Assets (After Tax)	3.66%	3.92%
Asset Quality		
Gross Non-Performing Accommodations Ratio	3.93%	2.69%
Net Non-Performing Accommodations Ratio	-0.12%	-0.21%
Liquidity (Rs. Mn)		
Required Minimum Amount of Liquid Assets	9,317	8,762
Available Amount of Liquid Assets	14,307	13,354
Required Minimum Amount of Government Securities	6,120	5,284
Available Amount of Government Securities	6,790	6,740

L B Finance PLC

Interim Financial Statements for the period ended 31st March 2020

Additional Notes

Twenty largest shareholders as at 31st March 2020

Name		<u>No. of Shares</u>	<u>(%)</u>
1 Vallibel One PLC		71,682,400	51.751
2 Royal Ceramics Lanka PLC	31,427,232	36,123,232	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	4,696,000		
3 Esna Holdings (Pvt) Ltd		14,062,400	10.152
4 BNYM Re-Frontaura Global Frontier Fund LLC		2,290,135	1.653
5 Pershing LLC S/A Averbach Grauson & Co.		2,006,078	1.448
6 SBI Ven Holdings Pte Ltd		1,600,000	1.155
7 BBH-Matthews Emerging Asia Fund		1,054,684	0.761
8 Janashakthi Insurance PLC - Non Par		500,000	0.361
9 Mr. K D A Perera		438,996	0.317
10 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		401,249	0.290
11 Mr. N Udage		329,135	0.238
12 Mr. A A Page		314,800	0.227
13 Mr. N P De A Samaranyake		240,000	0.173
14 J B Cocoshell (Pvt) Ltd		237,626	0.172
15 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		230,816	0.167
16 Mrs. P C Cooray		208,632	0.151
17 DFCC Bank PLC/ Mr. W G D C Ranaweera		191,275	0.138
18 Mr. T Jeremiah		155,164	0.112
19 Mr. K Karunanayake & Mis. P N Karunanayake		148,324	0.107
20 Mr P.Somadasa		138,051	0.100
		<u>132,352,997</u>	<u>95.551</u>
Others		<u>6,161,287</u>	<u>4.449</u>
Total		<u>138,514,284</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 31st March 2020

Name	<u>No. of Shares</u>	<u>(%)</u>
Mrs. A K Gunawardhana	-	-
Mr. K D D Perera	-	-
Mr. J A S S Adhihetty	106,120	0.077
Mr. N Udage	329,135	0.238
Mr. B D A Perera	-	-
Mr. R S Yatawara	905	0.001
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-

Public Holding percentage as at 31st March 2020 being 21.83% comprising of 1,877 shareholders.

The Float adjusted market capitalization as at 31st March 2020 - Rs. 3,643,822,154.00

The Float adjusted market capitalization of the Company falls under Option 4 of Rule 7.13.1 (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.