

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED MARCH 31, 2022



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2022

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE YEAR ENDED		
	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)	Change %	31.03.2022 Rs.('000)	Audited 31.03.2021 Rs.('000)	Change %
Income	8,137,202	8,070,683	1	30,159,476	29,766,124	1
Interest Income	7,218,007	7,323,122	(1)	27,510,530	27,457,741	0
Less : Interest Expenses	2,400,682	2,356,262	2	8,846,608	11,522,802	(23)
Net Interest Income	4,817,325	4,966,860	(3)	18,663,922	15,934,939	17
Fee and Commission Income	849,811	734,501	16	2,467,711	2,184,947	13
Net Trading Income	(9,350)	1,458	>(100)	2,393	6,323	(62)
Other Operating Income	78,734	11,602	>100	178,842	117,113	53
Total Operating Income	5,736,520	5,714,421	0	21,312,868	18,243,322	17
Less : Impairment Charges and Other Losses	426,242	123,930	>100	1,025,981	1,691,734	(39)
Net Operating Income	5,310,278	5,590,491	(5)	20,286,887	16,551,588	23
Less : Operating Expenses						
Personnel Expenses	790,255	735,962	7	3,199,954	2,959,823	8
Depreciation of Property, Plant and Equipment	202,775	179,014	13	789,710	728,793	8
Amortisation of Intangible Assets	2,263	3,806	(41)	11,146	16,446	(32)
Other Operating Expenses	627,017	524,480	20	2,239,064	1,870,828	20
Total Operating Expenses	1,622,310	1,443,262	12	6,239,874	5,575,890	12
Operating Profit before Tax on Financial Services	3,687,968	4,147,229	(11)	14,047,013	10,975,698	28
Less : Tax on Financial Services	597,686	578,985	3	2,136,551	1,669,323	28
Profit before Taxation	3,090,282	3,568,244	(13)	11,910,462	9,306,375	28
Less : Income Tax Expense	723,354	743,672	(3)	3,248,604	2,503,778	30
Profit for the Period	2,366,928	2,824,572	(16)	8,661,858	6,802,597	27
Basic Earnings per Share (Rs.)	4.27	5.10	(16)	15.63	12.28	27
Other Comprehensive Income						
Other Comprehensive Income that will never be Reclassified to Income Statement						
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	(24,841)	(6,145)	>(100)	8,984	18,648	(52)
Actuarial Gains/(Losses) on Defined Benefit Plans	86,003	40,349	>100	86,003	40,349	>100
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	20,641	9,684	>100	20,641	9,684	>100
Net Actuarial Gains/(Losses) on Defined Benefit Plans	65,362	30,665	>100	65,362	30,665	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	40,521	24,520	65	74,346	49,313	51
Other Comprehensive Income for the Period, Net of Tax	40,521	24,520	65	74,346	49,313	51
Total Comprehensive Income for the Period, Net of Tax	2,407,449	2,849,092	(16)	8,736,204	6,851,910	28

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2022

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE YEAR ENDED		
	31.03.2022 Rs.(‘000)	31.03.2021 Rs.(‘000)	Change %	31.03.2022 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)	Change %
Income	8,102,372	8,107,046	(0)	30,157,403	29,930,319	1
Interest Income	7,178,535	7,358,558	(2)	27,506,107	27,610,976	(0)
Less : Interest Expenses	2,404,814	2,357,537	2	8,862,699	11,543,326	(23)
Net Interest Income	4,773,721	5,001,021	(5)	18,643,408	16,067,650	16
Fee and Commission Income	853,442	736,577	16	2,475,065	2,196,387	13
Net Trading Income	(9,350)	1,458	>(100)	2,393	6,323	(62)
Other Operating Income	79,745	10,453	>100	173,838	116,633	49
Total Operating Income	5,697,558	5,749,509	(1)	21,294,704	18,386,993	16
Less : Impairment Charges and Other Losses	518,772	151,934	>100	1,111,767	1,727,907	(36)
Net Operating Income	5,178,786	5,597,575	(7)	20,182,937	16,659,086	21
Less : Operating Expenses						
Personnel Expenses	805,395	747,214	8	3,247,263	3,007,941	8
Depreciation of Property, Plant and Equipment	204,359	179,617	14	792,914	730,913	8
Amortisation of Intangible Assets	3,083	4,712	(35)	14,277	20,019	(29)
Other Operating Expenses	639,041	538,088	19	2,270,978	1,903,077	19
Total Operating Expenses	1,651,878	1,469,631	12	6,325,432	5,661,950	12
Operating Profit before Tax on Financial Services	3,526,908	4,127,944	(15)	13,857,505	10,997,136	26
Less : Tax on Financial Services	597,686	578,986	3	2,136,551	1,669,323	28
Profit before Taxation	2,929,222	3,548,958	(17)	11,720,954	9,327,813	26
Less : Income Tax Expense	723,884	748,120	(3)	3,244,923	2,521,008	29
Profit for the Period	2,205,338	2,800,838	(21)	8,476,031	6,806,805	25
Profit Attributable to:						
Equity Holders of the Company	2,259,804	2,800,838	(19)	8,530,497	6,806,805	25
Non-Controlling Interest	(54,466)	-	(100)	(54,466)	-	(100)
Profit for the Period	2,205,338	2,800,838	(21)	8,476,031	6,806,805	25
Basic Earnings per Share (Rs.)	3.98	5.06	(21)	15.40	12.29	25
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	266,372	12,306	>100	117,737	33,514	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement	266,372	12,306	>100	117,737	33,514	>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	(24,841)	(6,145)	>(100)	8,984	18,648	(52)
Actuarial Gains/(Losses) on Defined Benefit Plans	86,003	40,349	>100	86,003	40,349	>100
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	20,641	9,684	>100	20,641	9,684	>100
Net Actuarial Gains/(Losses) on Defined Benefit Plans	65,362	30,665	>100	65,362	30,665	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	40,521	24,520	65	74,346	49,313	51
Other Comprehensive Income for the Period, Net of Tax	306,893	36,827	>100	192,083	82,827	>100
Total Comprehensive Income for the Period, Net of Tax	2,512,231	2,837,665	(11)	8,668,114	6,889,632	26
Attributable to:						
Equity Holders of the Company	2,566,698	2,837,665	(10)	8,722,580	6,889,632	27
Non-Controlling Interest	(54,466)	-	(100)	(54,466)	-	(100)
Total Comprehensive Income for the Period, Net of Tax	2,512,232	2,837,665	(11)	8,668,114	6,889,632	26

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2022

	Company		Group	
	31.03.2022 Rs.('000)	Audited 31.03.2021 Rs.('000)	31.03.2022 Rs.('000)	Audited 31.03.2021 Rs.('000)
Assets				
Cash and Cash Equivalents	14,458,986	6,187,300	14,634,136	6,380,786
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	13,208	10,862	13,208	10,862
Financial Assets at Amortised Cost - Loans and Receivables	92,837,601	66,778,188	93,897,204	67,466,581
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	41,558,002	47,359,635	41,640,197	47,359,635
Financial Assets Measured at Fair Value Through Other Comprehensive Income	86,102	77,789	86,104	77,789
Other Financial Assets	5,598,624	10,453,903	5,655,767	10,433,149
Other Non Financial Assets	454,711	920,406	500,581	927,830
Investment in Subsidiary	921,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,421,741	8,241,259	8,448,930	8,250,546
Investment Properties	-	-	71,150	-
Intangible Assets	14,875	26,021	131,000	36,271
Total Assets	164,365,012	140,576,525	165,078,277	140,943,449
Liabilities				
Due to Banks	26,858,737	16,467,179	26,861,944	16,526,657
Financial Liabilities at Amortised Cost - Due to Depositors	89,143,982	85,860,070	89,478,506	85,940,213
Debt Instruments Issued and Other Borrowed Funds	8,564,617	3,113,916	8,564,617	3,113,916
Other Financial Liabilities	3,305,112	3,043,526	3,343,419	3,044,340
Other Non Financial Liabilities	1,134,771	1,028,055	1,182,278	1,051,186
Current Tax Liabilities	1,882,242	1,872,154	1,875,082	1,877,558
Deferred Tax Liabilities	111,486	637,072	111,487	637,072
Post Employment Benefit Liability	316,973	365,265	323,833	365,265
Total Liabilities	131,317,920	112,387,237	131,741,166	112,556,207
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,038,658	7,596,106	8,307,296	7,747,007
Retained Earnings	24,170,152	19,754,900	24,085,844	19,801,953
Total Equity Attributable to Equity Holders of the Company	33,047,092	28,189,288	33,231,422	28,387,242
Non Controlling Interest	-	-	105,689	-
Total Equity	33,047,092	28,189,288	33,337,111	28,387,242
Total Liabilities and Equity	164,365,012	140,576,525	165,078,277	140,943,449
Net Asset Value per Share (Rs.)	59.65	50.88	59.98	51.24
Commitments and Contingencies	1,694,463	903,553	1,694,463	844,075

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 Adihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

18 May 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)
Balance as at 01 April 2020 (Audited)	838,282	15,944,328	6,323,170	(106,231)	22,999,549
Net Profit for the Year	-	6,802,597	-	-	6,802,597
Other Comprehensive Income, Net of Tax	-	30,665	-	18,648	49,313
Transfers During the Year	-	(1,360,519)	1,360,519	-	-
Interim Dividend for 2020/21	-	(1,662,171)	-	-	(1,662,171)
Balance as at 31 March 2021	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Balance as at 01 April 2021 (Audited)	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Net Profit for the Year	-	8,661,858	-	-	8,661,858
Other Comprehensive Income, Net of Tax	-	65,362	-	8,984	74,346
Transfers During the Year	-	(433,568)	433,093	475	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Interim Dividend for 2021/22	-	(1,662,171)	-	-	(1,662,171)
Balance as at 31 March 2022	838,282	24,170,152	8,116,782	(78,124)	33,047,092

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs.(‘000)	Retained Earnings Rs.(‘000)	Statutory Reserve Rs.(‘000)	Foreign Currency Translation Reserve Rs.(‘000)	Fair Value Reserve Rs.(‘000)	Total Equity Attributable to Equity Holders of the Company Rs.(‘000)	Non- Controlling Interest Rs.(‘000)	Total Equity Rs.(‘000)
Balance as at 01 April 2020 (Audited)	838,282	15,987,173	6,323,170	117,387	(106,231)	23,159,781	-	23,159,781
Net Profit for the Year	-	6,806,805	-	-	-	6,806,805	-	6,806,805
Other Comprehensive Income, Net of Tax	-	30,665	-	33,514	18,648	82,827	-	82,827
Transfers During the Year	-	(1,360,519)	1,360,519	-	-	-	-	-
Interim Dividend for 2020/21	-	(1,662,171)	-	-	-	(1,662,171)	-	(1,662,171)
Balance as at 31 March 2021	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Balance as at 01 April 2021 (Audited)	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Non Controlling Interests recognised on Acquisition of Subsidiaries	-	-	-	-	-	-	160,155	160,155
Net Profit for the Year	-	8,530,497	-	-	-	8,530,497	(54,466)	8,476,031
Other Comprehensive Income, Net of Tax	-	65,362	-	117,737	8,984	192,083	-	192,083
Transfers During the Year	-	(433,568)	433,093	-	475	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Interim Dividend for 2021/22	-	(1,662,171)	-	-	-	(1,662,171)	-	(1,662,171)
Balance as at 31 March 2022	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111

LB FINANCE PLC**CASH FLOW STATEMENT**

Year ended 31 March 2022

	FOR THE YEAR ENDED			
	Company		Group	
	31.03.2022 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)	31.03.2022 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	12,005,449	9,365,372	11,933,678	9,420,324
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	789,710	728,793	792,914	730,913
Amortisation of Intangible Assets	11,146	16,446	14,277	20,019
Impairment Charges and Other Losses	1,025,981	1,691,734	1,111,767	1,727,907
Diminution/(Appreciation) in Value of Investments	(10,658)	(24,862)	(10,658)	(24,862)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(3,941)	(24,425)	(3,941)	(24,425)
Provision/(Reversal) for Defined Benefit Plans	(6,391)	53,569	(6,391)	53,569
Foreign Currency Exchange (Gain)/Loss	-	-	5,349	479
Dividend Received	(2,983)	(3,496)	(2,983)	(3,496)
Interest Income on Investing Activities	-	-	-	-
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(117,737)	(33,514)
Operating Profit before Changes in Operating Assets and Liabilities	13,808,313	11,803,132	13,716,275	11,866,914
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(27,063,500)	(9,654,407)	(27,282,824)	(9,824,884)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	5,779,739	12,699,246	5,796,734	12,699,246
(Increase)/Decrease in Other Financial Assets	4,855,279	(1,342,692)	4,918,079	(1,335,857)
(Increase)/Decrease in Other Non Financial Assets	465,693	47,063	466,705	48,659
	(15,962,789)	1,749,210	(16,101,306)	1,587,164
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	3,283,912	(3,396,365)	3,284,468	(3,374,884)
Increase/(Decrease) in Other Financial Liabilities	17,794	(20,411)	(9,077)	13,552
Increase/(Decrease) in Other Non Financial Liabilities	160,928	327,909	158,294	335,808
	3,462,634	(3,088,867)	3,433,685	(3,025,524)
Cash Generated from Operations	1,308,158	10,463,475	1,048,654	10,428,554
Retirement Benefit Liabilities Paid	(41,901)	(33,760)	(41,901)	(33,760)
Income Tax Paid	(3,838,953)	(2,017,689)	(3,847,363)	(2,042,147)
Net Cash from/(Used in) Operating Activities	(2,572,696)	8,412,026	(2,840,610)	8,352,647
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(770,700)	(535,961)	(772,467)	(540,394)
Acquisition of Intangible Assets	-	(658)	(16)	(658)
Goodwill on acquisition of Subsidiary	-	-	(107,355)	-
Proceeds from Sale of Property, Plant and Equipment	48,241	111,838	48,241	111,838
Investment in Subsidiary	(400,000)	-	-	-
Net cash and cash equivalents on acquisition of subsidiary	-	-	8,569	-
Interest Received	-	-	-	-
Dividend Received	2,983	3,496	2,983	3,496
Net Cash Flows from/(Used in) Investing Activities	(1,119,476)	(421,285)	(820,045)	(425,718)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	9,630,513	(6,571,594)	9,577,452	(6,623,972)
Net Cash Flow from Debt Issued and Other Borrowed funds	5,450,701	-	5,450,701	-
Dividends Paid	(3,878,400)	(1,662,171)	(3,878,400)	(1,662,171)
Net Cash Flows from/(Used in) Financing Activities	11,202,814	(8,233,766)	11,149,753	(8,286,143)
Net Increase/(Decrease) in Cash and Cash Equivalents	7,510,642	(243,025)	7,489,098	(359,214)
Cash and Cash Equivalents at the Beginning of the Year	5,199,201	5,442,226	5,392,687	5,751,901
Cash and Cash Equivalents at the End of the Year	12,709,843	5,199,201	12,881,785	5,392,687
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,159,669	1,126,735	1,173,595	1,132,788
Balances with Banks	2,279,843	1,660,900	2,356,956	1,848,333
Securities Under Reversed Repurchase Agreements	9,993,533	3,399,665	10,077,644	3,399,665
Investment in Treasury Bills	1,025,941	-	1,025,941	-
Bank Overdrafts	(1,749,143)	(988,099)	(1,752,351)	(988,099)
Net Cash and Cash Equivalents	12,709,843	5,199,201	12,881,785	5,392,687

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 31.03.2022					As at 31.03.2021 (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		
		Financial Assets									
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,159,669	-	-	1,159,669	1,159,669	-	-	1,126,735	1,126,735	
Balances with Banks		2,279,843	-	-	2,279,843	2,279,843	-	-	1,660,900	1,660,900	
Securities Under Reversed Repurchase Agreements		-	9,993,533	-	9,993,533	9,993,533	-	3,399,665	-	3,399,665	
Investment in Treasury Bills		1,025,941	-	-	1,025,941	1,025,941	-	-	-	-	
Financial Assets Recognised Through Profit or Loss	FVTPL	13,208	-	-	13,208	13,208	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	90,913,262	90,913,262	92,837,601	-	68,019,519	68,019,519	66,778,188	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	40,386,998	40,386,998	41,558,002	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		85,796	-	-	85,796	85,796	-	-	77,484	77,484	
Unquoted Equities		-	-	305	305	305	-	305	-	305	
Other Financial Assets	Amortised Cost	-	5,598,624	-	5,598,624	5,598,624	-	10,453,903	-	10,453,903	
		4,564,457	15,592,157	131,300,565	151,457,179	154,552,522	2,875,981	13,853,568	117,468,761	134,198,310	
Financial Liabilities											
Due to Banks	Amortised Cost	-	26,130,900	-	26,130,900	26,858,737	-	17,083,937	-	17,083,937	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	86,981,677	86,981,677	89,143,982	-	87,194,929	87,194,929	85,860,070	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	8,267,254	-	8,267,254	8,564,617	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,305,112	-	3,305,112	3,305,112	-	3,043,526	-	3,043,526	
		-	37,703,266	86,981,677	124,684,943	127,872,448	-	23,532,778	87,194,929	110,727,707	

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 31.03.2022					As at 31.03.2021 (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		
		Financial Assets									
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,173,595	-	-	1,173,595	1,173,595	-	-	1,132,788	1,132,788	
Balances with Banks		2,356,956	-	-	2,356,956	2,356,956	-	-	1,848,333	1,848,333	
Securities Under Reversed Repurchase Agreements		-	10,069,607	-	10,069,607	10,069,607	-	3,399,665	-	3,399,665	
Investment in Treasury Bills		1,033,978	-	-	1,033,978	1,033,978	-	-	-	-	
Financial Assets Recognised Through Profit or Loss	FVTPL	13,208	-	-	13,208	13,208	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	91,972,865	91,972,865	93,897,204	-	68,707,912	68,707,912	67,466,581	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	40,469,194	40,469,194	41,640,197	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		85,796	-	-	85,797	85,797	-	-	77,484	77,484	
Unquoted Equities		-	-	307	307	307	-	305	-	305	
Other Financial Assets	Amortised Cost	-	5,655,767	-	5,655,767	5,655,767	-	10,433,149	-	10,433,149	
		4,663,533	15,725,374	132,442,366	152,831,274	155,926,616	3,069,467	13,832,814	118,157,154	131,728,802	
Financial Liabilities											
Due to Banks	Amortised Cost	-	26,134,109	-	26,134,109	26,861,944	-	17,143,415	-	17,143,415	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,316,202	87,316,202	89,478,506	-	87,275,072	87,275,072	85,940,213	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	8,267,254	-	8,267,254	8,564,617	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,343,419	-	3,343,419	3,343,419	-	3,044,340	-	3,044,340	
		-	37,744,782	87,316,202	125,060,984	128,248,486	-	23,593,070	87,275,072	110,868,142	

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	
	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)	31.03.2022 Rs.('000)	31.03.2021 Rs.('000)
Interest Income	12,121,008	13,562,554	14,344,309	12,582,425	981,917	1,312,762	58,873	153,235	27,506,107	27,610,976
Less: Interest Expenses	2,950,426	4,931,629	5,040,397	5,523,308	856,812	1,067,864	15,064	20,525	8,862,699	11,543,326
Net Interest Income	9,170,582	8,630,925	9,303,912	7,059,117	125,105	244,898	43,809	132,710	18,643,408	16,067,650
Fee and Commission Income	706,248	771,882	1,726,260	1,407,428	35,528	5,637	7,029	11,440	2,475,065	2,196,387
Net Trading Income and Other Operating Income	2,421	2,203	76,717	82,398	102,442	38,834	(5,349)	(479)	176,231	122,956
Total Operating Income	9,879,251	9,405,010	11,106,889	8,548,943	263,075	289,369	45,489	143,671	21,294,704	18,386,993
Less: Impairment Charges and Other Losses	19,172	570,708	1,035,050	1,113,404	55,793	7,622	1,752	36,173	1,111,767	1,727,907
Net Operating Income	9,860,079	8,834,302	10,071,839	7,435,539	207,282	281,747	43,737	107,498	20,182,937	16,659,086
Less: Other Costs	2,050,019	2,227,868	3,353,957	2,578,945	40,358	23,838	73,907	80,367	5,518,241	4,911,018
Less: Depreciation and Amortisation	257,177	295,795	536,686	448,465	7,979	979	5,349	5,693	807,191	750,932
Operating Profits before Taxes	7,552,883	6,310,639	6,181,196	4,408,129	158,945	256,930	(35,519)	21,438	13,857,505	10,997,136
Less: Taxes	2,927,616	2,399,384	2,395,930	1,676,028	61,609	97,689	(3,681)	17,230	5,381,474	4,190,331
Profits for the Year	4,625,267	3,911,255	3,785,266	2,732,101	97,336	159,241	(31,838)	4,208	8,476,031	6,806,805
Less: Non-Controlling Interest									(54,466)	-
Profit Attributable to Equity Holders of the Company									8,530,497	6,806,805
Profits for the Year									8,476,031	6,806,805
Segmental Assets	44,028,049	50,684,560	98,433,169	71,466,410	22,628,676	18,425,552	909,545	909,935	165,999,439	141,486,457
Elimination					(921,162)	(543,008)	-	-	(921,162)	(543,008)
Total Segmental Assets	44,028,049	50,684,560	98,433,169	71,466,410	21,707,514	17,882,544	909,545	909,935	165,078,277	140,943,449
Segmental Liabilities	35,321,582	40,671,757	79,037,994	57,348,123	17,277,059	14,367,355	104,531	190,820	131,741,166	112,578,055
Elimination							-	(21,848)	-	(21,848)
Total Segmental Liabilities	35,321,582	40,671,757	79,037,994	57,348,123	17,277,059	14,367,355	104,531	168,972	131,741,166	112,556,207

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 Group's total revenue during the year ended 31st March 2022 or 2021.

LB FINANCE PLC

Interim Financial Statements for the period ended 31 March 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 2021.
02. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 Interim Financial Reporting.
03. Sub-division of shares as recommended by the Board of Directors whereby each of the 138,514,284 ordinary shares in issue being subdivided into 4 Ordinary Shares thereby increasing the number of Ordinary Shares in issue to 554,057,136, was approved at the Extraordinary General Meeting of the shareholders held on 10 March 2021. Consequent to the sub-division of shares, the Basic Earnings per Ordinary Share (EPS) disclosed in the Statement of Comprehensive Income and the Net Asset Value (NAV) per Share disclosed in the Statement of Financial Position have been adjusted accordingly.
04. 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. As the law imposing the surcharge tax was enacted after the reporting period end, the financial statements for the year ended 31 March 2022 do not reflect the tax liability that would arise in consequence, the amount of which is best estimated at Rs. 2,320 Mn.
05. The Commitments and Contingencies as at 31 March 2022 was Rs. 1,694 Mn and as at 31 March 2021 was Rs. 903 Mn.
06. There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.
07. Acquisition of Multi Finance PLC

On 16 March 2022, L B Finance PLC acquired 64.63% of ordinary voting shares of Multi Finance PLC by investing Rs. 400 Million. With the above acquisition L B Finance PLC became the controlling shareholder the Company. Multi Finance PLC was incorporated in Kandy on 14 October 1974 as a Limited Liability Company. It was listed in the Colombo Stock Exchange on 13 July 2011 and changed the status to a Public Quoted Company. The principal business activities of Multi Finance PLC include engaging diversified financing activities.

07.01 The fair values of the identifiable assets and liabilities of the Multi Finance PLC as at the date of acquisition were:

<i>Assets</i>	Rs. '000
Cash and Cash Equivalents	11,777
Financial Assets at Amortised Cost - Loans and Receivables / Lease Rentals	
Receivable and Stock out on Hire	492,730
Financial Assets Measured at Fair Value Through Other Comprehensive Income	2
Other Financial Assets	135,470
Other Non Financial Assets	42,762
Property, Plant and Equipment and Right-of-Use Assets	16,576
Investment Properties	71,150
Intangible Assets	1,008
Total Assets	<u>771,475</u>
<i>Liabilities</i>	
Due to Banks	3,208
Financial Liabilities at Amortised Cost - Due to Depositors	253,825
Other Financial Liabilities	37,026
Other Non Financial Liabilities	17,796
Post Employment Benefit Liability	6,820
Total Liabilities	<u>318,675</u>
Fair value of identifiable net assets as at the date of acquisition	<u>452,799</u>

07.02 Goodwill on Acquisition / (Gain on Bargain Purchase) is recognised as a result of the Acquisition as follows;

	Rs. '000
Consideration Paid	400,000
Fair value of identifiable net assets as at the date of acquisition	452,800
Control Holding Acquired	64.63%
Fair value of identifiable net assets acquired	<u>292,645</u>
Goodwill on Acquisition / (Gain on Bargain Purchase)	<u>107,355</u>

LB FINANCE PLC

Interim Financial Statements for the period ended 31 March 2022

07.03 Net Cash Used in Acquisition of Multi Finance PLC

Purchase Consideration Paid	
Fair Value of the Consideration Paid	400,000
Less: Cash and Cash Equivalents Acquired	
Positive Cash Balances	8,569
Net Cash Used in Acquisition	391,431

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

		For the Quarter ended	
		31.03.2022	31.03.2021
Share Price	Highest	Rs. 92.10	*348.75
	Lowest	Rs. 54.50	42.60
	Closing	Rs. 58.00	47.40
*Before sub-division of shares [Note 03]			
Number of Ordinary Shares Issued		554,057,136	554,057,136

INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		31.03.2022	31.03.2021
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		14.83%	6.88%

		As at	
		31.03.2022	31.03.2021
Ratios			
Debt Equity Ratio		101.40%	85.78%
Quick Asset Ratio		21.09%	19.59%
Interest Cover		2.35	1.81

SELECTED PERFORMANCE INDICATORS

		As at	
		31.03.2022	31.03.2021
Capital Adequacy			
Core Capital to Risk Weighted Asset Ratio (Minimum 8%)		18.99%	19.96%
Total Capital to Risk Weighted Asset Ratio (Minimum 12%)		19.94%	21.40%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		37.07%	32.83%
Profitability			
Return on Average Shareholders' Funds (After Tax)		28.29%	24.13%
Return on Average Assets (After Tax)		5.68%	4.78%
Asset Quality			
Gross Non-Performing Accommodations Ratio		4.44%	5.36%
Net Non-Performing Accommodations Ratio		-0.80%	0.10%
Liquidity (Rs. Mn)			
Required Minimum Amount of Liquid Assets		9,461	5,423
Available Amount of Liquid Assets		16,318	15,768
Required Minimum Amount of Government Securities		6,820	4,438
Available Amount of Government Securities		10,840	6,840

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 31 March 2022

Name	No. of Shares	(%)
1 Vallibel One PLC	286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	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.	7,859,965	1.419
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara	5,050,000	0.911
6 Janashakthi Insurance PLC - Non Par	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 Mr. W D N H Perera	1,105,000	0.199
12 Mrs. V Saraswathi & Mr. S Vasudevan	1,052,700	0.190
13 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa	923,264	0.167
14 Mr. A M Weerasinghe	900,000	0.162
15 Mr. F N Herft	865,889	0.156
16 Mrs. P C Cooray	834,528	0.151
17 Mr. J A N R Adhihetty	813,845	0.147
18 Seylan Bank PLC/Sarath Bandara Rangamuwa	791,141	0.143
19 Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K Withanapathirana	747,000	0.135
20 Mrs. P A S K Beruwalage	733,327	0.132
	517,139,152	93.335
Others	36,917,984	6.665
Total	554,057,136	100.000

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

Name	No. of Shares	(%)
Mrs. A K Gunawardhana (resigned w. e. f. 28 February 2022)	-	-
Mr. G A R D Prasanna	-	-
Mr. K D D Perera	-	-
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	-	-

Public Holding percentage as at 31 March 2022 being 21.73% comprising of 5,119 shareholders.

The Float adjusted market capitalization as at 31 March 2022 - Rs. 6,984,359,710.00

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 - 181

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

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

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna
(Chairman)

Mr. Dhammika Perera
(Executive Deputy Chairman)

Mr. Sumith Adhihetty
(Managing Director)

Mr. Niroshan 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)

Mrs. Anandhiy Gunawardhana
(Independent Non-Executive Director)
(Resigned w.e.f 28.02.2022)

Audit Committee

Mrs. Yogadinusha Bhaskaran
(Chairperson)

Mrs. Ashwini Natesan

Mr. Ashane Jayasekara

Remuneration Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mrs. Yogadinusha Bhaskaran

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

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

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

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
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

The Fairways, No.100,
Buthgamuwa Road, Rajagiriyaya

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. H F Imal Shamen Fonseka
Mrs. Champika Jayanthi Atapattu
Mr. Pushpike Jayasundera
Mrs. Dulani Thanuja De Alwis
Mr. Indraraj Ratnasabapathy
Mr. Jayana Prasad Polwatte

INTERIM FINANCIAL STATEMENTS

