

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED MARCH 31, 2021



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2021

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE YEAR ENDED		
	31.03.2021 Rs.('000)	31.03.2020 Rs.('000)	Change %	31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Change %
Income	8,070,683	7,448,756	8	29,766,124	31,222,860	(5)
Interest Income	7,323,122	6,869,655	7	27,457,741	29,160,292	(6)
Less : Interest Expenses	2,356,262	3,404,850	(31)	11,522,802	13,615,391	(15)
Net Interest Income	4,966,860	3,464,805	43	15,934,939	15,544,901	3
Fee and Commission Income	734,501	559,806	31	2,184,947	1,941,626	13
Net Trading Income	1,458	(2,369)	>100	6,323	(2,099)	>100
Other Operating Income	11,602	21,664	(46)	117,113	123,041	(5)
Total Operating Income	5,714,421	4,043,906	41	18,243,322	17,607,469	4
Less : Impairment Charges and Other Losses	123,930	1,172,319	(89)	1,691,734	1,831,057	(8)
Net Operating Income	5,590,491	2,871,587	95	16,551,588	15,776,412	5
Less : Operating Expenses						
Personnel Expenses	735,962	769,163	(4)	2,959,823	3,005,189	(2)
Depreciation of Property, Plant and Equipment	179,014	357,238	(50)	728,793	697,508	4
Amortisation of Intangible Assets	3,806	3,858	(1)	16,446	15,882	4
Other Operating Expenses	524,480	174,713	>100	1,870,828	2,168,986	(14)
Total Operating Expenses	1,443,262	1,304,972	11	5,575,890	5,887,565	(5)
Operating Profit before Tax on Financial Services	4,147,229	1,566,615	>100	10,975,698	9,888,847	11
Less : Tax on Financial Services	578,985	279,217	>100	1,669,323	1,593,848	5
Less : Debt Repayment Levy	-	(1,218)	100	-	684,712	(100)
Profit before Taxation	3,568,244	1,288,616	>100	9,306,375	7,610,287	22
Less : Income Tax Expense	743,672	21,843	>100	2,503,778	2,423,234	3
Profit for the Period	2,824,572	1,266,773	>100	6,802,597	5,187,053	31
Basic Earnings per Share (Rs.) [Note 04]	5.10	2.29	123	12.28	9.36	31
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	(6,145)	(28,669)	(79)	18,648	(30,569)	>100
Actuarial Gains/(Losses) on Defined Benefit Plans	40,349	(41,707)	>100	40,349	(41,707)	>100
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	9,684	(11,678)	>100	9,684	(11,678)	>100
Net Actuarial Gains/(Losses) on Defined Benefit Plans	30,665	(30,029)	>100	30,665	(30,029)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	24,520	(58,698)	>100	49,313	(60,598)	>100
Other Comprehensive Income for the Period, Net of Tax	24,520	(58,698)	>100	49,313	(60,598)	>100
Total Comprehensive Income for the Period, Net of Tax	2,849,092	1,208,075	>100	6,851,910	5,126,455	34

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2021

GROUP

	FOR THE 3 MONTHS ENDED		FOR THE YEAR ENDED			
	31.03.2021 Rs.('000)	31.03.2020 Rs.('000)	Change %	31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Change %
Income	8,107,046	7,483,365	8	29,930,319	31,359,418	(5)
Interest Income	7,358,558	6,906,863	7	27,610,976	29,297,103	(6)
Less : Interest Expenses	2,357,537	3,409,817	(31)	11,543,326	13,631,371	(15)
Net Interest Income	5,001,021	3,497,046	43	16,067,650	15,665,732	3
Fee and Commission Income	736,577	563,075	31	2,196,387	1,950,180	13
Net Trading Income	1,458	(2,369)	>100	6,323	(2,099)	>100
Other Operating Income	10,453	15,796	(34)	116,633	114,234	2
Total Operating Income	5,749,509	4,073,548	41	18,386,993	17,728,047	4
Less : Impairment Charges and Other Losses	151,934	1,178,257	(87)	1,727,907	1,856,495	(7)
Net Operating Income	5,597,575	2,895,291	93	16,659,086	15,871,552	5
Less : Operating Expenses						
Personnel Expenses	747,214	778,448	(4)	3,007,941	3,034,198	(1)
Depreciation of Property, Plant and Equipment	179,617	357,602	(50)	730,913	698,639	5
Amortisation of Intangible Assets	4,712	4,652	1	20,019	18,125	10
Other Operating Expenses	538,088	180,740	>100	1,903,077	2,188,842	(13)
Total Operating Expenses	1,469,631	1,321,442	11	5,661,950	5,939,804	(5)
Operating Profit before Tax on Financial Services	4,127,944	1,573,849	>100	10,997,136	9,931,748	11
Less : Tax on Financial Services	578,986	279,217	>100	1,669,324	1,593,848	5
Less : Debt Repayment Levy	-	(1,218)	100	-	684,712	(100)
Profit before Taxation	3,548,958	1,295,850	>100	9,327,812	7,653,188	22
Less : Income Tax Expense	748,120	26,144	>100	2,521,007	2,442,327	3
Profit for the Period	2,800,838	1,269,706	>100	6,806,805	5,210,861	31
Profit Attributable to:						
Equity Holders of the Company	2,800,838	1,269,706	>100	6,806,805	5,210,861	31
Non-Controlling Interest	-	-	-	-	-	-
Profit for the Period	2,800,838	1,269,706	>100	6,806,805	5,210,861	31
Basic Earnings per Share (Rs.) [Note 04]	5.06	2.29	>100	12.29	9.40	31
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	12,306	64,382	(81)	33,514	96,608	(65)
Net Other Comprehensive Income that will be Reclassified to Income Statement	12,306	64,382	(81)	33,514	96,608	(65)
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	(6,145)	(28,669)	(79)	18,648	(30,569)	>100
Actuarial Gains/(Losses) on Defined Benefit Plans	40,349	(41,707)	>100	40,349	(41,707)	>100
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	9,684	(11,678)	>100	9,684	(11,678)	>100
Net Actuarial Gains/(Losses) on Defined Benefit Plans	30,665	(30,029)	>100	30,665	(30,029)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	24,520	(58,698)	>100	49,313	(60,598)	>100
Other Comprehensive Income for the Period, Net of Tax	36,826	5,684	>100	82,827	36,010	>100
Total Comprehensive Income for the Period, Net of Tax	2,837,664	1,275,390	>100	6,889,632	5,246,871	31
Attributable to:						
Equity Holders of the Company	2,837,664	1,275,390	>100	6,889,632	5,246,871	31
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period, Net of Tax	2,837,664	1,275,390	>100	6,889,632	5,246,871	31

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

	Company		Group	
	31.03.2021 Rs.(‘000)	Audited 31.03.2020 Rs.(‘000)	31.03.2021 Rs.(‘000)	Audited 31.03.2020 Rs.(‘000)
Assets				
Cash and Cash Equivalents	6,187,300	6,162,637	6,380,786	6,472,312
Financial Assets Recognised Through Profit or Loss	10,862	4,648	10,862	4,648
Financial Assets at Amortised Cost - Loans and Receivables	66,778,188	58,239,254	67,466,581	58,793,344
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	47,359,635	60,626,670	47,359,635	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	77,789	59,141	77,789	59,141
Other Financial Assets	10,453,903	9,119,681	10,433,149	9,105,761
Other Non Financial Assets	920,406	967,469	927,830	976,489
Investment in Subsidiary	521,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,241,259	8,221,248	8,250,546	8,228,222
Intangible Assets	26,021	41,809	36,271	55,064
Total Assets	140,576,525	143,963,719	140,943,449	144,321,651
Liabilities				
Due to Banks	16,467,179	22,771,085	16,526,657	22,882,941
Financial Liabilities at Amortised Cost - Due to Depositors	85,860,070	89,256,435	85,940,213	89,315,097
Debt Instruments Issued and Other Borrowed Funds	3,113,916	3,111,186	3,113,916	3,111,186
Other Financial Liabilities	3,043,526	2,766,410	3,044,340	2,766,775
Other Non Financial Liabilities	1,028,054	909,266	1,051,185	925,778
Current Tax Liabilities	1,872,154	766,752	1,877,558	777,057
Deferred Tax Liabilities	637,073	1,037,580	637,073	1,037,580
Post Employment Benefit Liability	365,265	345,456	365,265	345,456
Total Liabilities	112,387,237	120,964,170	112,556,207	121,161,870
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	7,596,106	6,216,939	7,747,007	6,334,326
Retained Earnings	19,754,900	15,944,328	19,801,953	15,987,173
Total Equity Attributable to Equity Holders of the Company	28,189,288	22,999,549	28,387,242	23,159,781
Non Controlling Interest	-	-	-	-
Total Equity	28,189,288	22,999,549	28,387,242	23,159,781
Total Liabilities and Equity	140,576,525	143,963,719	140,943,449	144,321,651
Net Asset Value per Share (Rs.) [Note 04]	50.88	41.51	51.24	41.80
Commitments and Contingencies	903,553	1,928,805	844,075	1,816,949

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 Adhietty**
Managing Director*(Sgd.)***Mrs. Yogadinusha Bhaskaran**
Director

19 May 2021

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 2019 (Audited)	838,282	12,378,772	5,285,759	(75,662)	18,427,151
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	15,944,328	6,323,170	(106,231)	22,999,549
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

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 2019 (Audited)	838,282	12,397,809	5,285,759	20,779	(75,662)	18,466,967	-	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
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

LB FINANCE PLC**CASH FLOW STATEMENT**

Year ended 31 March 2021

	FOR THE YEAR ENDED			
	Company		Group	
	31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	9,365,372	7,538,011	9,420,324	7,677,520
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	728,793	697,508	730,913	698,639
Amortisation of Intangible Assets	16,446	15,882	20,019	18,125
Impairment Charges and Other Losses	1,691,734	1,831,057	1,727,907	1,856,495
Diminution/(Appreciation) in Value of Investments	(24,862)	32,786	(24,862)	32,786
Loss/(Profit) on Disposal of Property, Plant and Equipment	(24,425)	(4,110)	(24,425)	(4,110)
Provision/(Reversal) for Defined Benefit Plans	53,568	117,650	53,568	117,650
Foreign Currency Exchange (Gain)/Loss	-	-	479	8,807
Dividend Received	(3,496)	(6,777)	(3,496)	(6,777)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(33,514)	(96,608)
Operating Profit before Changes in Operating Assets and Liabilities	11,803,130	10,222,007	11,866,913	10,302,527
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(9,654,407)	(11,958,602)	(9,824,884)	(12,159,450)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	12,699,246	4,714,850	12,699,246	4,714,850
(Increase)/Decrease in Other Financial Assets	(1,342,692)	1,677,062	(1,335,857)	1,681,137
(Increase)/Decrease in Other Non Financial Assets	47,063	99,892	48,659	193,185
	1,749,210	(5,466,798)	1,587,164	(5,570,278)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	(3,396,365)	6,041,485	(3,374,884)	6,072,480
Increase/(Decrease) in Other Financial Liabilities	(20,411)	(620,905)	13,552	(620,539)
Increase/(Decrease) in Other Non Financial Liabilities	327,910	(1,599,038)	335,809	(1,591,413)
	(3,088,866)	3,821,542	(3,025,523)	3,860,528
Cash Generated from Operations	10,463,474	8,576,751	10,428,554	8,592,777
Retirement Benefit Liabilities Paid	(33,760)	(28,707)	(33,760)	(28,706)
Income Tax Paid	(2,017,689)	(2,875,243)	(2,042,147)	(2,897,059)
Net Cash from/(Used in) Operating Activities	8,412,025	5,672,801	8,352,647	5,667,012
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(535,961)	(934,230)	(540,394)	(938,987)
Acquisition of Intangible Assets	(658)	(17,844)	(658)	(29,666)
Proceeds from Sale of Property, Plant and Equipment	111,838	13,189	111,838	13,189
Investment in Subsidiary	-	(202,163)	-	-
Dividend Received	3,496	6,777	3,496	6,777
Net Cash Flows from/(Used in) Investing Activities	(421,285)	(1,134,271)	(425,718)	(948,687)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	(6,571,594)	(1,514,471)	(6,623,972)	(1,402,615)
Dividends Paid	(1,662,171)	(554,057)	(1,662,171)	(554,057)
Net Cash Flows from/(Used in) Financing Activities	(8,233,765)	(2,068,528)	(8,286,143)	(1,956,672)
	(243,025)	2,470,002	(359,214)	2,761,653
Cash and Cash Equivalents at the Beginning of the Year	5,442,226	2,972,224	5,751,901	2,990,248
Cash and Cash Equivalents at the End of the Year	5,199,201	5,442,226	5,392,687	5,751,901
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,126,735	936,075	1,132,788	936,604
Balances with Banks	1,660,900	3,683,718	1,848,333	3,992,864
Treasury Bills Repurchase Agreements	3,399,665	1,542,844	3,399,665	1,542,844
Bank Overdrafts	(988,099)	(720,411)	(988,099)	(720,411)
Net Cash and Cash Equivalents	5,199,201	5,442,226	5,392,687	5,751,901

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 31.03.2021					As at 31.03.2020 (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		1,126,735	-	-	1,126,735	1,126,735	-	-	936,075	-	936,075
Balances with Banks		1,660,900	-	-	1,660,900	1,660,900	-	-	3,683,718	-	3,683,718
Treasury Bills Repurchase Agreements		-	3,399,665	-	3,399,665	3,399,665	-	1,542,844	-	1,542,844	1,542,844
Financial Assets Recognised Through Profit or Loss	FVTPL	10,862	-	-	10,862	10,862	4,648	-	-	-	4,648
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	68,019,519	68,019,519	66,778,188	-	-	59,282,434	-	58,239,254
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	49,448,937	49,448,937	47,359,635	-	-	62,563,940	-	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		77,484	-	-	77,484	77,484	58,836	-	-	-	58,836
Unquoted Equities		-	-	305	305	305	-	-	305	-	305
Other Financial Assets	Amortised Cost	-	10,453,903	-	10,453,903	10,453,903	-	9,119,681	-	9,119,681	9,119,681
		2,875,981	13,853,568	117,468,761	134,198,310	130,867,677	4,683,277	10,662,525	121,846,679	137,192,481	134,212,031
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,083,937	-	17,083,937	16,467,179	-	24,816,902	-	24,816,902	22,771,085
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,194,929	87,194,929	85,860,070	-	-	89,847,604	-	89,256,435
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,405,315	-	3,405,315	3,113,916	-	3,215,338	-	3,215,338	3,111,186
Other Financial Liabilities	Amortised Cost	-	3,043,526	-	3,043,526	3,043,526	-	2,766,410	-	2,766,410	2,766,410
		-	23,532,778	87,194,929	110,727,707	108,484,691	-	30,798,650	89,847,604	120,646,254	117,905,116

There were no transfers into and transfers out of the hierarchy levels during 2020 & 2021.

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 31.03.2021					As at 31.03.2020 (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		1,132,788	-	-	1,132,788	1,132,788	-	-	936,604	-	936,604
Balances with Banks		1,848,333	-	-	1,848,333	1,848,333	3,992,864	-	-	3,992,864	3,992,864
Treasury Bills Repurchase Agreements		-	3,399,665	-	3,399,665	3,399,665	-	1,542,844	-	1,542,844	1,542,844
Financial Assets Recognised Through Profit or Loss	FVTPL	10,862	-	-	10,862	10,862	4,648	-	-	-	4,648
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	68,707,912	68,707,912	67,466,581	-	-	59,836,524	-	58,793,344
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	49,448,937	49,448,937	47,359,635	-	-	62,563,940	-	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		77,484	-	-	77,484	77,484	58,836	-	-	-	58,836
Unquoted Equities		-	-	305	305	305	-	-	305	-	305
Other Financial Assets	Amortised Cost	-	10,433,149	-	10,433,149	10,433,149	-	9,105,761	-	9,105,761	9,105,761
		3,069,467	13,832,814	118,157,154	135,059,435	131,728,802	4,992,952	10,648,605	122,400,769	138,042,326	135,061,876
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,143,415	-	17,143,415	16,526,657	-	24,928,759	-	24,928,759	22,882,941
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,275,072	87,275,072	85,940,213	-	-	89,906,266	-	89,315,097
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,405,315	-	3,405,315	3,113,916	-	3,215,338	-	3,215,338	3,111,186
Other Financial Liabilities	Amortised Cost	-	3,044,340	-	3,044,340	3,044,340	-	2,766,775	-	2,766,775	2,766,775
		-	23,593,070	87,275,072	110,868,142	108,625,126	-	30,910,872	89,906,266	120,817,138	118,075,999

There were no transfers into and transfers out of the hierarchy levels during 2020 & 2021.

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	
	Audited 31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Audited 31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Audited 31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Audited 31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)	Audited 31.03.2021 Rs.('000)	Audited 31.03.2020 Rs.('000)
Interest Income	13,562,554	15,900,624	12,582,425	11,917,386	1,312,762	1,342,282	153,235	136,811	27,610,976	29,297,103
Less: Interest Expenses	4,931,629	6,804,199	5,523,308	5,734,218	1,067,864	1,076,974	20,525	15,980	11,543,326	13,631,371
Net Interest Income	8,630,925	9,096,425	7,059,117	6,183,168	244,898	265,308	132,710	120,831	16,067,650	15,665,732
Fee and Commission Income	771,882	827,288	1,407,428	1,102,697	5,637	11,641	11,440	8,554	2,196,387	1,950,180
Net Trading Income and Other Operating Income	2,203	33,092	82,398	305	38,834	87,545	(479)	(8,807)	122,956	112,135
Total Operating Income	9,405,010	9,956,805	8,548,943	7,286,170	289,369	364,494	143,671	120,578	18,386,993	17,728,047
Less: Impairment Charges and Other Losses	570,708	725,603	1,113,404	1,094,543	7,622	10,910	36,173	25,439	1,727,907	1,856,495
Net Operating Income	8,834,302	9,231,202	7,435,539	6,191,627	281,747	353,584	107,498	95,139	16,659,086	15,871,552
Less: Other Costs	2,227,868	2,742,002	2,578,945	2,385,355	23,838	46,818	80,368	48,865	4,911,019	5,223,040
Less: Depreciation & Amortisation	295,795	364,106	448,465	342,489	979	6,794	5,692	3,375	750,931	716,764
Operating Profits before Taxes	6,310,639	6,125,094	4,408,129	3,463,783	256,930	299,972	21,438	42,899	10,997,136	9,931,748
Less: Taxes	2,430,533	2,912,262	1,769,030	1,646,904	(26,462)	142,626	17,230	19,095	4,190,331	4,720,887
Profits for the Period	3,880,106	3,212,832	2,639,099	1,816,879	283,392	157,346	4,208	23,804	6,806,805	5,210,861
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Equity Holders of the Company	3,880,106	3,212,832	2,639,099	1,816,879	283,392	157,346	4,208	23,804	6,806,805	5,210,861
Profits for the Period	3,880,106	3,212,832	2,639,099	1,816,879	283,392	157,346	4,208	23,804	6,806,805	5,210,861
Segmental Assets	50,684,560	64,783,204	71,466,410	62,466,252	18,425,553	16,714,262	909,935	895,372	141,486,458	144,859,090
Elimination					(543,009)	(537,439)	-	-	(543,009)	(537,439)
Total Segmental Assets	50,684,560	64,783,204	71,466,410	62,466,252	17,882,544	16,176,823	909,935	895,372	140,943,449	144,321,651
Segmental Liabilities	40,671,757	54,387,225	57,348,123	52,544,874	14,367,355	14,032,068	190,820	213,981	112,578,055	121,178,148
Elimination							(21,848)	(16,278)	(21,848)	(16,278)
Total Segmental Liabilities	40,671,757	54,387,225	57,348,123	52,544,874	14,367,355	14,032,068	168,972	197,703	112,556,207	121,161,870

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 year ended 31st March 2021 or 2020.

LB FINANCE PLC

Interim Financial Statements for the period ended 31 March 2021

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 2020.

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. 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.

05. The Commitments and Contingencies as at 31 March 2021 was Rs. 904 Mn and as at 31 March 2020 was Rs. 1,929 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES**INFORMATION ON SHARES**

		For the Quarter ended	
		31.03.2021	31.03.2020
Share Price	Highest	Rs. *348.75	167.50
	Lowest	Rs. 42.60	119.00
	Closing	Rs. 47.40	120.50
*Before sub-division of shares			
Number of Ordinary Shares Issued		554,057,136	138,514,284

INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		31.03.2021	31.03.2020
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		6.88%	9.29%

		As at	
		31.03.2021	31.03.2020
Ratios			
Debt Equity Ratio		85.78%	140.31%
Quick Asset Ratio		19.59%	17.73%
Interest Cover		1.81	1.55

SELECTED PERFORMANCE INDICATORS

		As at	
		31.03.2021	31.03.2020
Capital Adequacy			
Core Capital to Risk Weighted Asset Ratio (Minimum 7%)		19.96%	19.04%
Total Capital to Risk Weighted Asset Ratio (Minimum 11%)		21.40%	20.75%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		32.83%	27.80%
Profitability			
Return on Average Shareholders' Funds (After Tax)		24.13%	24.75%
Return on Average Assets (After Tax)		4.78%	3.66%
Asset Quality			
Gross Non-Performing Accommodations Ratio		5.36%	3.93%
Net Non-Performing Accommodations Ratio		0.10%	-0.12%
Liquidity (Rs. Mn)			
Required Minimum Amount of Liquid Assets		5,423	9,317
Available Amount of Liquid Assets		15,768	14,307
Required Minimum Amount of Government Securities		4,438	6,120
Available Amount of Government Securities		6,840	6,790

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 31 March 2021

Name		<u>No. of Shares</u>	<u>(%)</u>
1 Vallibel One PLC		286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	144,492,928	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000		
3 Esna Holdings (Pvt) Ltd		56,249,600	10.152
4 BNYM Re-Frontaura Global Frontier Fund LLC		8,853,464	1.598
5 Pershing LLC S/A Averbach Grauson & Co.		8,024,312	1.448
6 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		2,600,000	0.469
7 Janashakthi Insurance PLC - Non Par		2,000,000	0.361
8 Mr. K D A Perera		1,708,116	0.308
9 Mr. N Udage		1,616,540	0.292
10 Finco Holdings (Private) Limited		1,566,358	0.283
11 Seylan Bank Plc/W.D.N.H.Perera		1,280,000	0.231
12 Mr. A A Page		1,259,200	0.227
13 Mr. A M Weerasinghe		1,220,944	0.220
14 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		923,264	0.167
15 Mrs. P C Cooray		834,528	0.151
16 J B Cocoshell (Pvt) Ltd		803,712	0.145
17 Mr. N P D E Samaranyake		800,000	0.144
18 Commercial Bank Of Ceylon Plc/Janashakthi Capital Limited		640,000	0.116
19 Mr. W D N H Perera		638,180	0.115
20 Mr. P Somadasa		578,700	0.104
		<u>522,819,446</u>	<u>94.362</u>
Others		<u>31,237,690</u>	<u>5.638</u>
Total		<u>554,057,136</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 31 March 2021

Name	<u>No. of Shares</u>	<u>(%)</u>
Mrs. A K Gunawardhana	-	-
Mr. K D D Perera	-	-
Mr. J A S S Adhietty	424,480	0.077
Mr. N Udage	1,616,540	0.292
Mr. B D A Perera	-	-
Mr. R S Yatawara	7,620	0.001
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-

Public Holding percentage as at 31 March 2021 being 21.76% comprising of 3,582 shareholders.

The Float adjusted market capitalization as at 31 March 2021 - Rs. 5,714,447,683.20

The Float adjusted market capitalization of the Company falls under Option 5 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.

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 subsidiary, LB Microfinance Myanmar Company Limited carried on microfinance lending in Myanmar.

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 - 152
Gold loan centres - 17

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

Mrs. Anandhiy Gunawardhana
(Chairperson)

Mr. Dhammika Perera
(Executive Deputy Chairman)

Mr. Sumith Adhihetty
(Managing Director)

Mr. Niroschan Udage
(Deputy Managing Director)

Mr. B D A Perera
(Executive Director)

Mr. Ravindra Yatawara
(Executive Director)

Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)

Mr. Ashane Jayasekara
(Independent Non-Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Mr. Dharmadasa Rangalle
(Non-Executive Director)

Audit Committee

Mrs. Yogadinusha Bhaskaran
(Chairperson)

Mrs. Anandhiy Gunawardhana

Mr. Ashane Jayasekara

Remuneration Committee

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

Nomination Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mr. Sumith Adhihetty

Related Party Transaction Review Committee

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

Integrated Risk Management Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mrs. Ashwini Natesan
Mr. Sumith Adhihetty
Mr. Niroschan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Bimal Perera
Mr. Malith Hewage
Mr. B S Pulle
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 COMPANY

LB Microfinance Myanmar Company Limited (Company incorporated in the Union of the Republic of Myanmar)

COMPANY REGISTRATION NUMBER OF SUBSIDIARY

844 FC of 2016-2017 (YGN)

REGISTERED OFFICE OF SUBSIDIARY

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
Mr. Dulan de Silva

INTERIM FINANCIAL STATEMENTS

