

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED SEPTEMBER 30, 2022



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2022

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2022 Rs.('000)	30.09.2021 Rs.('000)	Change %	30.09.2022 Rs.('000)	30.09.2021 Rs.('000)	Change %
Income	10,387,022	7,114,937	46	18,911,838	13,634,323	39
Interest Income	9,539,093	6,535,601	46	17,278,068	12,617,901	37
Less : Interest Expenses	5,046,984	2,084,304	>100	8,129,415	4,276,853	90
Net Interest Income	4,492,109	4,451,297	1	9,148,653	8,341,048	10
Fee and Commission Income	747,088	541,459	38	1,503,029	943,925	59
Net Trading Income	6,304	154	>100	2,544	(2,583)	>100
Other Operating Income	94,537	37,723	>100	128,197	75,080	71
Total Operating Income	5,340,038	5,030,633	6	10,782,423	9,357,470	15
Less : Impairment Charges and Other Losses	247,717	166,496	49	438,714	760,450	(42)
Net Operating Income	5,092,321	4,864,137	5	10,343,709	8,597,020	20
Less : Operating Expenses						
Personnel Expenses	880,132	784,335	12	1,749,441	1,547,595	13
Depreciation of Property, Plant and Equipment	199,705	200,920	(1)	407,243	380,982	7
Amortisation of Intangible Assets	2,035	2,894	(30)	4,293	6,423	(33)
Other Operating Expenses	630,659	472,163	34	1,261,179	1,002,817	26
Total Operating Expenses	1,712,531	1,460,312	17	3,422,156	2,937,817	16
Operating Profit before Tax on Financial Services	3,379,790	3,403,825	(1)	6,921,553	5,659,203	22
Less : Tax on Financial Services	598,294	503,661	19	1,212,373	871,636	39
Profit before Taxation	2,781,496	2,900,164	(4)	5,709,180	4,787,567	19
Less : Income Tax Expense	815,940	830,265	(2)	1,671,942	1,374,779	22
Profit for the Period	1,965,556	2,069,899	(5)	4,037,238	3,412,788	18
Basic Earnings per Share (Rs.)	3.55	3.74	(5)	7.29	6.16	18
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	38,572	9,182	>100	23,914	(4,223)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	38,572	9,182	>100	23,914	(4,223)	>100
Other Comprehensive Income for the Period, Net of Tax	38,572	9,182	>100	23,914	(4,223)	>100
Total Comprehensive Income for the Period, Net of Tax	2,004,128	2,079,081	(4)	4,061,152	3,408,565	19

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2022

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2022 Rs.('000)	30.09.2021 Rs.('000)	Change %	30.09.2022 Rs.('000)	30.09.2021 Rs.('000)	Change %
Income	10,478,645	7,124,108	47	19,081,641	13,657,203	40
Interest Income	9,622,441	6,548,508	47	17,432,701	12,645,727	38
Less : Interest Expenses	5,062,136	2,088,759	>100	8,155,396	4,285,156	90
Net Interest Income	4,560,305	4,459,749	2	9,277,305	8,360,571	11
Fee and Commission Income	754,446	541,649	39	1,515,932	945,027	60
Net Trading Income	6,304	154	>100	2,544	(2,583)	>100
Other Operating Income	95,454	33,797	>100	130,464	69,032	89
Total Operating Income	5,416,509	5,035,349	8	10,926,245	9,372,047	17
Less : Impairment Charges and Other Losses	228,269	126,381	81	404,113	702,942	(43)
Net Operating Income	5,188,240	4,908,968	6	10,522,132	8,669,105	21
Less : Operating Expenses						
Personnel Expenses	913,247	794,615	15	1,815,578	1,569,710	16
Depreciation of Property, Plant and Equipment	204,070	201,463	1	417,065	382,093	9
Amortisation of Intangible Assets	3,313	3,664	(10)	6,878	8,017	(14)
Other Operating Expenses	657,066	477,948	37	1,309,847	1,015,749	29
Total Operating Expenses	1,777,696	1,477,690	20	3,549,368	2,975,569	19
Operating Profit before Tax on Financial Services	3,410,544	3,431,278	(1)	6,972,764	5,693,536	22
Less : Tax on Financial Services	599,638	503,661	19	1,215,038	871,636	39
Profit before Taxation	2,810,906	2,927,617	(4)	5,757,726	4,821,900	19
Less : Income Tax Expense	819,859	828,708	(1)	1,679,859	1,371,190	23
Profit for the Period	1,991,047	2,098,909	(5)	4,077,867	3,450,710	18
Profit Attributable to:						
Equity Holders of the Company	1,992,581	2,098,909	(5)	4,081,960	3,450,710	18
Non-Controlling Interest	(1,534)	-	(100)	(4,093)	-	(100)
Profit for the Period	1,991,047	2,098,909	(5)	4,077,867	3,450,710	18
Basic Earnings per Share (Rs.)	3.59	3.79	(5)	7.36	6.23	18
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	(110,063)	(81,979)	(34)	16,082	(184,361)	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement	(110,063)	(81,979)	(34)	16,082	(184,361)	>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	38,572	9,182	>100	23,914	(4,223)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	38,572	9,182	>100	23,914	(4,224)	>100
Other Comprehensive Income for the Period, Net of Tax	(71,491)	(72,797)	(2)	39,996	(188,584)	>100
Total Comprehensive Income for the Period, Net of Tax	1,919,556	2,026,112	(5)	4,117,863	3,262,126	26
Attributable to:						
Equity Holders of the Company	1,921,090	2,026,112	(5)	4,121,956	3,262,126	26
Non-Controlling Interest	(1,534)	-	(100)	(4,093)	-	(100)
Total Comprehensive Income for the Period, Net of Tax	1,919,556	2,026,112	(5)	4,117,863	3,262,126	26

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 30 September 2022

	Company		Group	
	30.09.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)	30.09.2022 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)
Assets				
Cash and Cash Equivalents	6,313,830	14,458,986	6,406,285	14,634,136
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	15,752	13,208	15,752	13,208
Financial Assets at Amortised Cost - Loans and Receivables	107,528,012	92,837,601	108,621,624	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	37,048,400	41,558,002	37,116,566	41,640,197
Financial Assets Measured at Fair Value Through Other Comprehensive Income	109,940	86,102	109,942	86,104
Other Financial Assets	13,999,273	5,598,624	14,200,605	5,655,767
Other Non Financial Assets	603,070	454,711	632,883	500,581
Investment in Subsidiary	921,998	921,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,499,623	8,421,741	8,536,626	8,448,930
Investment Properties	-	-	71,150	71,150
Intangible Assets	10,583	14,875	125,093	131,000
Total Assets	175,050,481	164,365,012	175,836,526	165,078,277
Liabilities				
Due to Banks	26,527,662	26,858,737	26,531,883	26,861,944
Financial Liabilities at Amortised Cost - Due to Depositors	100,541,867	89,143,982	100,879,049	89,478,506
Debt Instruments Issued and Other Borrowed Funds	8,402,045	8,564,617	8,402,045	8,564,617
Other Financial Liabilities	3,220,951	3,305,112	3,264,858	3,343,419
Other Non Financial Liabilities	1,270,104	1,134,771	1,318,298	1,182,279
Current Tax Liabilities	962,460	1,882,242	965,105	1,875,082
Deferred Tax Liabilities	111,486	111,486	111,486	111,486
Post Employment Benefit Liability	333,986	316,973	337,543	323,833
Total Liabilities	141,370,561	131,317,920	141,810,267	131,741,166
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,264,434	8,038,658	8,549,154	8,307,296
Retained Earnings	24,577,204	24,170,152	24,537,618	24,085,844
Total Equity Attributable to Equity Holders of the Company	33,679,920	33,047,092	33,925,054	33,231,422
Non Controlling Interest	-	-	101,205	105,689
Total Equity	33,679,920	33,047,092	34,026,259	33,337,111
Total Liabilities and Equity	175,050,481	164,365,012	175,836,526	165,078,277
Net Asset Value per Share (Rs.)	60.79	59.65	61.23	59.98
Commitments and Contingencies	2,633,454	1,694,463	2,633,454	1,694,463

The information contained in these statements have been extracted from the unaudited Financial Statements unless indicated as "Audited".

CERTIFICATION:

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

Malith Hewage
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board of Directors by,

(Sgd.)

J A S Sumith Adhihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

19 October 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 2021 (Audited)	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Net Profit for the Period	-	3,412,788	-	-	3,412,788
Other Comprehensive Income, Net of Tax	-	-	-	(4,223)	(4,223)
Transfers During the Period	-	(682,558)	682,558	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Balance as at 30 September 2021	838,282	20,268,901	8,366,247	(91,806)	29,381,624
Balance as at 01 April 2022 (Audited)	838,282	24,170,152	8,116,782	(78,124)	33,047,092
Surcharge Tax	-	(2,320,210)	-	-	(2,320,210)
Balance After Surcharge Tax	838,282	21,849,942	8,116,782	(78,124)	30,726,882
Net Profit for the Period	-	4,037,238	-	-	4,037,238
Other Comprehensive Income, Net of Tax	-	-	-	23,914	23,914
Transfers During the Period	-	(201,862)	201,862	-	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
Balance as at 30 September 2022	838,282	24,577,204	8,318,644	(54,210)	33,679,920

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 2021 (Audited)	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Net Profit for the Period	-	3,450,710	-	-	-	3,450,710	-	3,450,710
Other Comprehensive Income, Net of Tax	-	-	-	(184,361)	(4,223)	(188,584)	-	(188,584)
Transfers During the Period	-	(682,558)	682,558	-	-	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Balance as at 30 September 2021	838,282	20,353,876	8,366,247	(33,460)	(91,806)	29,433,139	-	29,433,139
Balance as at 01 April 2022 (Audited)	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111
Surcharge Tax	-	(2,320,210)	-	-	-	(2,320,210)	-	(2,320,210)
Balance After Surcharge Tax	838,282	21,765,634	8,116,782	268,638	(78,124)	30,911,212	105,689	31,016,901
Net Profit for the Period	-	4,081,960	-	-	-	4,081,960	(4,093)	4,077,867
Other Comprehensive Income, Net of Tax	-	-	-	16,082	23,914	39,996	-	39,996
Transfers During the Period	-	(201,862)	201,862	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	(391)	(391)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Balance as at 30 September 2022	838,282	24,537,618	8,318,644	284,720	(54,210)	33,925,054	101,205	34,026,259

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 30 September 2022

	FOR THE 6 MONTHS ENDED			
	Company		Group	
	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	5,733,095	4,783,345	5,797,722	4,633,316
Adjustments for				
Depreciation of Property, Plant and Equipment	407,243	380,982	417,065	382,093
Amortisation of Intangible Assets	4,293	6,423	6,878	8,017
Impairment Charges and Other Losses	438,714	760,450	404,113	702,942
Diminution/(Appreciation) in Value of Investments	(26,383)	6,804	(26,382)	6,804
Loss/(Profit) on Disposal of Property, Plant and Equipment	(688)	(1,783)	(688)	(1,783)
Provision/(Reversal) for Defined Benefit Plans	37,206	34,481	36,746	34,481
Foreign Currency Exchange (Gain)/Loss	-	-	(509)	6,048
Dividend Received	(717)	-	(717)	-
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(16,083)	184,362
Operating Profit before Changes in Operating Assets and Liabilities	6,592,763	5,970,702	6,618,145	5,956,280
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(14,982,646)	(8,032,965)	(14,983,200)	(7,783,417)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	4,392,581	3,520,014	4,407,758	3,520,014
(Increase)/Decrease in Other Financial Assets	(8,430,107)	6,283,213	(8,574,296)	6,284,307
(Increase)/Decrease in Other Non Financial Assets	(148,357)	346,566	(132,302)	349,526
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	11,397,886	(1,637,713)	11,400,543	(1,655,624)
Increase/(Decrease) in Other Financial Liabilities	(208,361)	810	(186,677)	(206,214)
Increase/(Decrease) in Other Non Financial Liabilities	(2,005,685)	(114,493)	(2,000,972)	(98,167)
Cash Generated from Operations	(3,391,926)	6,336,134	(3,451,001)	6,366,705
Retirement Benefit Liabilities Paid	(20,193)	(16,368)	(23,955)	(16,368)
Income Tax Paid	(2,770,920)	(2,394,449)	(2,770,920)	(2,399,794)
Net Cash from/(Used in) Operating Activities	(6,183,039)	3,925,317	(6,245,876)	3,950,543
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(364,713)	(526,770)	(382,605)	(527,029)
Acquisition of Intangible Assets	-	-	(607)	-
Proceeds from Sale of Property, Plant and Equipment	4,474	10,245	4,474	10,245
Investment in Subsidiary	(836)	-	-	-
Dividend Received	717	-	717	-
Net Cash Flows from/(Used in) Investing Activities	(360,358)	(516,525)	(378,021)	(516,784)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	8,500,000	4,700,000	8,500,000	4,700,000
Repayment of Debt Funding from Banks	(7,557,466)	(3,825,757)	(7,560,673)	(3,841,520)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	-	3,235,030	-	3,235,030
Repayment of Debt Instruments Issued and Other Borrowed Funds	(162,572)	(196,250)	(162,572)	(196,250)
Dividends Paid	(1,108,114)	(2,216,229)	(1,108,114)	(2,216,229)
Net Cash Flows from/(Used in) Financing Activities	(328,152)	1,696,794	(331,359)	1,681,031
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,871,549)	5,105,586	(6,955,256)	5,114,790
Cash and Cash Equivalents at the Beginning of the Period	12,709,843	5,199,201	12,881,785	5,392,687
Cash and Cash Equivalents at the End of the Period	5,838,294	10,304,787	5,926,529	10,507,477
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,723,283	1,097,606	1,768,806	1,127,216
Balances with Banks	2,192,737	4,501,610	2,239,670	4,674,690
Securities under Reverse Repurchase Agreements	2,397,809	6,054,120	2,397,809	6,054,120
Bank Overdrafts	(475,535)	(1,348,549)	(479,756)	(1,348,549)
Net Cash and Cash Equivalents	5,838,294	10,304,787	5,926,529	10,507,477

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 30.09.2022					As at 31.03.2022 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
	Notes and Coins Held	1,723,283	-	-	1,723,283	1,723,283	1,159,669	-	-	1,159,669	1,159,669
	Balances with Banks	2,192,737	-	-	2,192,737	2,192,737	2,279,843	-	-	2,279,843	2,279,843
	Securities under Reverse Repurchase Agreements	-	2,397,809	-	2,397,809	2,397,809	-	9,993,533	-	9,993,533	9,993,533
	Investment in Treasury Bills	-	-	-	-	-	1,025,941	-	-	1,025,941	1,025,941
	Financial Assets Recognised Through Profit or Loss	15,752	-	-	15,752	15,752	13,208	-	-	13,208	13,208
	FVTPL	15,752	-	-	15,752	15,752	13,208	-	-	13,208	13,208
	Financial Assets at Amortised Cost - Loans and Receivables	-	-	99,542,712	99,542,712	107,528,012	-	-	90,913,262	90,913,262	92,837,601
	Amortised Cost	-	-	31,117,330	31,117,330	37,048,400	-	-	40,386,998	40,386,998	41,558,002
	Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	-	-	-	-	-	-	-	-	-	-
	Amortised Cost	-	-	-	-	-	-	-	-	-	-
	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
	FVOCI	-	-	-	-	-	-	-	-	-	-
	Quoted Equities	109,635	-	-	109,635	109,635	85,796	-	-	85,796	85,796
	Unquoted Equities	-	-	305	305	305	-	-	305	305	305
	Other Financial Assets	-	13,999,273	-	13,999,273	13,999,273	-	5,598,624	-	5,598,624	5,598,624
	Amortised Cost	-	13,999,273	-	13,999,273	13,999,273	-	5,598,624	-	5,598,624	5,598,624
		4,041,407	16,397,082	130,660,347	151,098,836	165,015,206	4,564,457	15,592,157	131,300,565	151,457,179	154,552,522
Financial Liabilities											
Due to Banks	Amortised Cost	-	22,815,972	-	22,815,972	26,527,662	-	26,130,900	-	26,130,900	26,858,737
	Amortised Cost	-	-	99,137,312	99,137,312	100,541,867	-	-	86,981,677	86,981,677	89,143,982
	Financial Liabilities at Amortised Cost - Due to Depositors	-	-	-	-	-	-	-	86,981,677	86,981,677	89,143,982
	Amortised Cost	-	7,799,619	-	7,799,619	8,402,045	-	8,267,254	-	8,267,254	8,564,617
	Debt Instruments Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-
	Amortised Cost	-	-	-	-	-	-	-	-	-	-
	Other Financial Liabilities	-	3,220,951	-	3,220,951	3,220,951	-	3,305,112	-	3,305,112	3,305,112
	Amortised Cost	-	3,220,951	-	3,220,951	3,220,951	-	3,305,112	-	3,305,112	3,305,112
		-	33,836,542	99,137,312	132,973,854	138,692,525	-	37,703,266	86,981,677	124,684,943	127,872,448

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 30.09.2022					As at 31.03.2022 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
	Notes and Coins Held	1,768,806	-	-	1,768,806	1,768,806	1,173,595	-	-	1,173,595	1,173,595
	Balances with Banks	2,239,670	-	-	2,239,670	2,239,670	2,356,956	-	-	2,356,956	2,356,956
	Securities under Reverse Repurchase Agreements	-	2,397,809	-	2,397,809	2,397,809	-	10,069,607	-	10,069,607	10,069,607
	Investment in Treasury Bills	-	-	-	-	-	1,033,978	-	-	1,033,978	1,033,978
	Financial Assets Recognised Through Profit or Loss	15,752	-	-	15,752	15,752	13,208	-	-	13,208	13,208
	FVTPL	15,752	-	-	15,752	15,752	13,208	-	-	13,208	13,208
	Financial Assets at Amortised Cost - Loans and Receivables	-	-	100,636,323	100,636,323	108,621,624	-	-	91,972,865	91,972,865	93,897,204
	Amortised Cost	-	-	31,185,496	31,185,496	37,116,566	-	-	40,469,194	40,469,194	41,640,198
	Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	-	-	-	-	-	-	-	-	-	-
	Amortised Cost	-	-	-	-	-	-	-	-	-	-
	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
	FVOCI	-	-	-	-	-	-	-	-	-	-
	Quoted Equities	109,635	-	-	109,635	109,635	85,796	-	-	85,796	85,796
	Unquoted Equities	-	-	307	307	307	-	-	307	307	307
	Other Financial Assets	-	14,200,605	-	14,200,605	14,200,605	-	5,655,767	-	5,655,767	5,655,767
	Amortised Cost	-	14,200,605	-	14,200,605	14,200,605	-	5,655,767	-	5,655,767	5,655,767
		4,133,863	16,598,414	131,822,126	152,554,403	166,470,774	4,663,533	15,725,374	132,442,366	152,831,273	155,926,616
Financial Liabilities											
Due to Banks	Amortised Cost	-	22,820,193	-	22,820,193	26,531,883	-	26,134,109	-	26,134,109	26,861,946
	Amortised Cost	-	-	99,474,494	99,474,494	100,879,049	-	-	87,316,202	87,316,202	89,478,506
	Financial Liabilities at Amortised Cost - Due to Depositors	-	-	-	-	-	-	-	87,316,202	87,316,202	89,478,506
	Amortised Cost	-	7,799,619	-	7,799,619	8,402,045	-	8,267,254	-	8,267,254	8,564,617
	Debt Instruments Issued and Other Borrowed Funds	-	-	-	-	-	-	-	-	-	-
	Amortised Cost	-	-	-	-	-	-	-	-	-	-
	Other Financial Liabilities	-	3,264,858	-	3,264,858	3,264,858	-	3,343,419	-	3,343,419	3,343,419
	Amortised Cost	-	3,264,858	-	3,264,858	3,264,858	-	3,343,419	-	3,343,419	3,343,419
		-	33,884,670	99,474,494	133,359,164	139,077,835	-	37,744,782	87,316,202	125,060,984	128,248,488

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

LB FINANCE PLC

SEGMENTAL INFORMATION

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

	Leasing & Stock out on Hire		Loans and Receivables		Others		International Operation		Total	
	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)	30.09.2022 Rs.(‘000)	30.09.2021 Rs.(‘000)
Interest Income	4,729,678	5,715,359	11,236,090	6,486,081	1,364,168	416,461	102,765	27,826	17,432,701	12,645,727
Less: Interest Expenses	1,977,374	1,534,542	4,864,491	2,344,233	1,307,315	398,077	6,216	8,304	8,155,396	4,285,156
Net Interest Income	2,752,304	4,180,817	6,371,599	4,141,848	56,853	18,384	96,549	19,522	9,277,305	8,360,571
Fee and Commission Income	234,087	290,238	1,270,912	645,004	1,319	8,684	9,614	1,101	1,515,932	945,027
Net Trading Income and Other Operating Income	1,125	847	91,559	62,353	39,815	9,297	509	(6,048)	133,008	66,449
Total Operating Income	2,987,516	4,471,902	7,734,070	4,849,205	97,987	36,365	106,672	14,575	10,926,245	9,372,047
Less: Impairment Charges and Other Losses	117,059	417,169	284,744	343,281	29,279	-	(26,969)	(57,508)	404,113	702,942
Net Operating Income	2,870,457	4,054,733	7,449,326	4,505,924	68,708	36,365	133,641	72,083	10,522,132	8,669,105
Less: Other Costs	868,616	1,042,352	2,172,570	1,491,479	15,133	16,581	69,106	35,047	3,125,425	2,585,459
Less: Depreciation and Amortisation	106,028	135,922	311,378	247,478	2,163	4,006	4,374	2,704	423,943	390,110
Operating Profits before Taxes	1,895,813	2,876,459	4,965,378	2,766,967	51,412	15,778	60,161	34,332	6,972,764	5,693,536
Less: Taxes	791,769	1,141,807	2,073,760	1,098,345	21,452	6,264	7,916	(3,590)	2,894,897	2,242,826
Profits for the Period	1,104,044	1,734,652	2,891,618	1,668,622	29,960	9,514	52,245	37,922	4,077,867	3,450,710
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	(4,093)	-
Profit Attributable to Equity Holders of the Company	1,104,044	1,734,652	2,891,618	1,668,622	29,960	9,514	52,245	37,922	4,081,960	3,450,710
Profits for the Period	1,104,044	1,734,652	2,891,618	1,668,622	29,960	9,514	52,245	37,922	4,077,867	3,450,710
Segmental Assets	39,229,753	46,381,898	113,859,097	79,535,774	22,675,182	17,510,091	994,491	716,094	176,758,523	144,143,857
Elimination					(921,998)	(543,765)	-	-	(921,998)	(543,765)
Total Segmental Assets	39,229,753	46,381,898	113,859,097	79,535,774	21,753,184	16,966,326	994,491	716,094	175,836,525	143,600,092
Segmental Liabilities	31,811,343	37,014,920	92,328,157	63,473,261	17,549,617	13,557,959	121,150	143,417	141,810,267	114,189,557
Elimination							-	(22,604)	-	(22,604)
Total Segmental Liabilities	31,811,343	37,014,920	92,328,157	63,473,261	17,549,617	13,557,959	121,150	120,813	141,810,267	114,166,953

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the financial statements.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue during the period ended 30th September 2022 or 2021.

LB FINANCE PLC

Interim Financial Statements for the period ended 30 September 2022

EXPLANATORY NOTES

01. The accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2022.

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

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

04. The Commitments and Contingencies as at 30 September 2022 was Rs. 2,633 Mn and as at 31 March 2022 was Rs. 1,694 Mn.

05. The Government of Sri Lanka in its Budget for 2022 proposed a one-time tax, referred to as a surcharge tax, at the rate of 25% to be imposed on any company that have earned a taxable income in excess of Rs. 2,000 Mn for the year of assessment 2020/2021. The tax is imposed by the Surcharge Tax Act No. 14 of 2022 which was passed by the Parliament of Sri Lanka on 7th April 2022. The law imposing the surcharge tax was enacted during the reporting period, the interim financial statements for the period ended 30 September 2022 reflect the surcharge tax paid amounted to Rs. 2,320,209,910/-. The total surcharge tax liability of the Company is Rs. 2,320,209,910.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

			For the Quarter ended	
			30.09.2022	30.09.2021
Share Price	Highest	Rs.	52.00	67.10
	Lowest	Rs.	37.30	59.90
	Last Traded	Rs.	47.70	61.00
Number of Ordinary Shares Issued			554,057,136	554,057,136

INFORMATION ON LISTED DEBENTURES

			For the Quarter ended		
			30.09.2022	30.09.2021	
Debtenture Prices Debtentures 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			25.22%	9.33%

	As at		
	30.09.2022	30.09.2021	
Ratios			
	Debt Equity Ratio	127.99%	93.89%
	Quick Asset Ratio	21.09%	18.75%
Interest Cover	1.56	2.12	

SELECTED PERFORMANCE INDICATORS

	As at	
	30.09.2022	30.09.2021
Capital Adequacy		
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)	23.84%	21.48%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)	24.81%	22.94%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	33.50%	34.89%
Profitability		
Return on Average Shareholders' Funds (After Tax) - Annualized	24.20%	23.23%
Return on Average Assets (After Tax) - Annualized	4.76%	4.81%
Asset Quality		
Gross Non-Performing Accommodations Ratio	4.81%	6.65%
Net Non-Performing Accommodations Ratio	-0.33%	0.88%
Liquidity (Rs. Mn)		
Required Minimum Amount of Liquid Assets	10,607	8,956
Available Amount of Liquid Assets	16,540	14,834
Required Minimum Amount of Government Securities	6,725	6,820
Available Amount of Government Securities	7,020	6,840

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 30 September 2022

Name		No. of Shares	(%)
1 Vallibel One PLC		286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	144,492,928	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000		
3 Esna Holdings (Pvt) Ltd		56,249,600	10.152
4 Pershing LLC S/A Averbach Grauson & Co.		9,535,325	1.721
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		4,601,213	0.830
6 Janashakthi Insurance PLC - Shareholders		1,952,700	0.352
7 Mr. N Udage		1,816,540	0.328
8 Mr. K A D A Perera		1,708,116	0.308
9 Mr. A A Page		1,259,200	0.228
10 Phantom Investments (Private) Limited		1,253,809	0.227
11 Mr. F N Herft		1,250,504	0.226
12 Mrs. V Saraswathi & Mr. S Vasudevan		1,121,750	0.203
13 Seylan Bank PLC/Mr. W D N H Perera		1,000,000	0.180
14 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		936,264	0.169
15 Mrs. P C Cooray		834,528	0.151
16 Mr. J A N R Adhihetty		813,845	0.147
17 Seylan Bank PLC/Sarath Bandara Rangamuwa		792,141	0.143
18 DFCC Bank PLC/Mrs. A A Raaymakers		760,933	0.137
19 Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K Withanapathirana		742,000	0.134
20 Mrs. P A S K Beruwalage		733,327	0.132
		<u>518,584,323</u>	<u>93.598</u>
Others		35,472,813	6.402
Total		<u>554,057,136</u>	<u>100.000</u>

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

Name	No. of Shares	(%)
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	424,480	0.077
Mr. N Udage	1,816,540	0.328
Mr. B D A Perera	-	-
Mr. R S Yatawara	8,593	0.002
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-
Ms. Yanika Amarasekara	-	-

Public Holding percentage as at 30 September 2022 being 21.74% comprising of 5,186 shareholders.

The Float adjusted market capitalization as at 30 September 2022 - Rs. 5,745,052,633.50

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.14.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

NAME OF COMPANY

L B Finance PLC

LEGAL FORM

Public Limited Liability Company
Incorporated in Sri Lanka under the provisions of the Companies Ordinance No. 51 of 1938 (Cap 145) and reregistered as per the Companies Act No. 07 of 2007 on 6th June 2008.

A Licensed Finance Company under the Finance Business Act No. 42 of 2011.

A registered Financed Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000.

STOCK EXCHANGE LISTING

The Company was admitted to the official List of the Colombo Stock Exchange on 30th December 1997. The ordinary shares and senior and subordinated unsecured, redeemable rated, debentures redeemable in 2022 of the Company are listed on the Colombo Stock Exchange.

DATE OF INCORPORATION

30th May 1971

COMPANY REGISTRATION NUMBER

PQ 156

TAX PAYER IDENTIFICATION NUMBER

104033431

VAT REGISTRATION NUMBER

104033431 7000

CENTRAL BANK REGISTRATION NUMBER

RFC 1003

PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Maintenance of Savings Accounts, Providing Finance Lease and operating leases, Hire Purchase, Mortgage Loans, Gold Loans, Personal Loans, Factoring, Other Credit Facilities, Digital Financial Services and Value-Added Services.

Company's subsidiaries, L B Microfinance Myanmar Company Limited carried on microfinance lending in Myanmar and Multi Finance PLC provides financial services encompassing acceptance of Fixed Deposits, Maintenance of Savings Accounts, Providing Finance Leases, Hire Purchase, Business Loans, Mortgage Loans, God Loans and Personal Loans.

REGISTERED OFFICE

No. 275/75, Prof. Stanley Wijesundara Mawatha, Colombo 07.
Tel: 011- 2 200 000 Fax: 011-5 345 327

CORPORATE OFFICE

No. 20, Dharmapala Mawatha, Colombo 03.
Tel: 011-2 155 000 Fax: 011-2 575 098

OUTLETS

Branches - 188

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

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

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna
(Chairman)
Mr. Sumith Adhietty
(Managing Director)
Mr. 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)
Ms. Yanika Amarasekera
(Independent Non-Executive Director)

Audit Committee

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

Remuneration Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Yogadinusha Bhaskaran
Mr. G A R D Prasanna
Mrs. Ashwini Natesan
Ms. Yanika Amarasekera

Nomination Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Ashwini Natesan
Mr. G A R D Prasanna

Related Party Transaction Review Committee

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

Integrated Risk Management Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Yogadinusha Bhaskaran
Mrs. Ashwini Natesan
Mr. Sumith Adhihetty
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd.
No. 3/17, Kynsey Road, Colombo 08
Tel: 011- 4640360-3
Fax: 011- 4740588
Email: pwcs@pwcs.lk

CORPORATE MEMBERSHIPS AND ASSOCIATIONS

The Finance Houses
Association of Sri Lanka
Leasing Association of Sri Lanka
The Ombudsman Sri Lanka
(Guarantee) Limited
Mercantile Cricket Association
Mercantile Football Association

EXTERNAL AUDITORS

Ernst & Young

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
National Development
Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Union Bank of Colombo PLC
Habib Bank Limited
Public Bank Berhad
Deutsche Bank

SUBSIDIARY COMPANIES

1. L B Microfinance
Myanmar Company
Limited (Company
incorporated in the Union
of the Republic of
Myanmar)

COMPANY REGISTRATION NUMBER OF SUBSIDIARY

844 FC of 2016-2017 (YGN)

REGISTERED OFFICE OF SUBSIDIARY

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

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. Sumith Adhihetty
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara

2. Multi Finance PLC**COMPANY REGISTRATION NUMBER OF SUBSIDIARY**
PB 891 PQ**REGISTERED OFFICE OF SUBSIDIARY**

No. 275/75, Prof. Stanley Wijesundara
Mawatha, Colombo 07.
Tel: 011- 2 200 000 Fax: 011-5 345 327

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. G A R D Prasanna
Mr. Ashane Jayasekara
Mrs. Yogadinusha Bhaskaran
Mr. Sumith Adhihetty
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Dharmadasa Rangalle
Mrs. Ashwini Natesan
Ms. Yanika Amarasekera

INTERIM FINANCIAL STATEMENTS

