

# LB FINANCE PLC

PUBLICATION OF FINANCIAL STATEMENTS AS PER CENTRAL BANK GUIDELINES NO.02 OF 2006

Key Financial Data for the Period Ended 30 September (Unaudited) In Rupees Million	Company		Group	
	Current Period	Previous Period	Current Period	Previous Period
	From 01.04.2020 to 30.09.2020	From 01.04.2019 to 30.09.2019	From 01.04.2020 to 30.09.2020	From 01.04.2019 to 30.09.2019
Interest Income	13,162	14,794	13,233	14,857
Interest Expenses	(6,476)	(6,885)	(6,485)	(6,891)
<b>Net Interest Income</b>	<b>6,686</b>	<b>7,909</b>	<b>6,748</b>	<b>7,966</b>
Other Income	1,058	956	1,065	959
Gains/(Losses) from Trading Activities	3	(1)	3	(1)
Operating Expenses (Excluding Impairment)	(2,704)	(3,056)	(2,748)	(3,078)
Impairment	(1,128)	(433)	(1,128)	(443)
<b>Profit/(Loss) before Tax</b>	<b>3,915</b>	<b>5,375</b>	<b>3,940</b>	<b>5,403</b>
Taxes	(1,634)	(2,869)	(1,644)	(2,877)
<b>Profit/(Loss) after Tax</b>	<b>2,281</b>	<b>2,506</b>	<b>2,296</b>	<b>2,526</b>

Key Financial Data as at 30 September (Unaudited)	Company		Group	
	30.09.2020 Rs.(Mn)	30.09.2019 Rs.(Mn)	30.09.2020 Rs.(Mn)	30.09.2019 Rs.(Mn)
<b>Assets</b>				
Cash and Bank Balance	9,675	9,023	9,911	9,108
Due from Related Parties	62	76	43	61
Loans (Excluding Due from Related Parties)	114,724	115,352	115,418	115,806
Investments in Equity	600	404	79	85
Term Placements with Banks and other Institutions	12,469	10,831	12,469	10,831
Property, Plant and Equipment	8,228	6,995	8,249	7,013
Other Assets	1,183	1,324	1,191	1,329
<b>Total Assets</b>	<b>146,941</b>	<b>144,005</b>	<b>147,360</b>	<b>144,233</b>
<b>Liabilities</b>				
Due to Banks	22,390	27,937	22,505	28,034
Deposits from Customers	89,692	87,063	89,764	87,105
Other Borrowings	3,113	3,111	3,113	3,110
Other Liabilities	6,455	5,526	6,479	5,546
<b>Total Liabilities</b>	<b>121,650</b>	<b>123,637</b>	<b>121,861</b>	<b>123,795</b>
<b>Equity</b>				
Stated Capital	838	838	838	838
Statutory Reserve Fund	6,779	5,787	6,779	5,787
Retained Earnings	17,768	13,830	17,828	13,869
Other Reserves	(94)	(87)	54	(56)
<b>Total Equity</b>	<b>25,291</b>	<b>20,368</b>	<b>25,499</b>	<b>20,438</b>
<b>Total Liabilities and Equity</b>	<b>146,941</b>	<b>144,005</b>	<b>147,360</b>	<b>144,233</b>
<b>Net Assets Value per Share (Rs.)</b>	<b>182.60</b>	<b>166.04</b>	<b>184.09</b>	<b>167.20</b>

Selected Key Performance Indicators Item	Company			
	30.09.2020 Required	30.09.2020 Actual	30.09.2019 Required	30.09.2019 Actual
<b>Regulatory Capital Adequacy (%)</b>				
Tier 1 Capital Adequacy Ratio	7.00%	19.12%	7.00%	15.22%
Total Capital Adequacy Ratio	11.00%	20.85%	11.00%	17.28%
Capital Funds to Deposit Liabilities Ratio	10.00%	28.20%	10.00%	23.40%
<b>Quality of Loan Portfolio (%)</b>				
Gross Non-Performing Loans Ratio		7.90%		3.09%
Net Non-Performing Loans Ratio		2.91%		-0.17%
Net Non-Performing Loans to Core Capital Ratio		15.47%		-1.16%
Provision Coverage Ratio		63.75%		105.12%
<b>Profitability (%)</b>				
Net Interest Margin		9.19%		11.28%
Return on Assets		5.38%		7.67%
Return on Equity		18.03%		25.74%
Cost to Income Ratio		34.91%		34.47%
<b>Liquidity (%)</b>				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)		326.43%		204.65%
Liquid Assets to External Funds		16.16%		15.70%
<b>Memorandum Information</b>				
Number of Branches (Including 36 Gold Loan Centers)		166		164
External Credit Rating (Fitch Ratings)		A- (lka)		A- (lka)
The Company does not have any regulatory penalties or regulatory restrictions on deposits, borrowings and lending during the period ended 30th September 2020 and 2019.				
<b>CERTIFICATION:</b>				
We, the undersigned, being the Managing Director, the Assistant General Manager-Finance and the Compliance Officer of LB Finance PLC certify jointly that:				
(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);				
(b) the information contained in these statements have been extracted from the unaudited financial statements of LB Finance PLC unless indicated as audited.				
(Sgd)				
J. A. S. S. Adhihetty				
<b>Managing Director</b>				
21 October 2020				
(Sgd)		(Sgd)		
Malith Hewage		Dayan Warnakulasuriya		
<b>Assistant General Manager-Finance</b>		<b>Compliance Officer</b>		
21 October 2020		21 October 2020		



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A- (lka) rating with a stable outlook by Fitch Ratings

- Gold award winner in Finance and Leasing Sector for the third consecutive year at the CA Sri Lanka Annual Report Awards
- Peoples Award for Best Financial Services Provider of the year at the SLIM-Nielsen Peoples Awards