

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED DECEMBER 31, 2021



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 31 December 2021

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	Change %	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	Change %
Income	8,387,950	7,472,565	12	22,022,274	21,695,441	2
Interest Income	7,674,622	6,972,376	10	20,292,523	20,134,619	1
Less : Interest Expenses	2,169,073	2,690,142	(19)	6,445,926	9,166,539	(30)
Net Interest Income	5,505,549	4,282,234	29	13,846,597	10,968,080	26
Fee and Commission Income	673,975	446,631	51	1,617,900	1,450,446	12
Net Trading Income	14,326	1,967	>100	11,743	4,865	>100
Other Operating Income	25,027	51,591	(51)	100,108	105,511	(5)
Total Operating Income	6,218,877	4,782,423	30	15,576,348	12,528,902	24
Less : Impairment Charges and Other Losses	(160,711)	440,094	>(100)	599,739	1,567,804	(62)
Net Operating Income	6,379,588	4,342,329	47	14,976,609	10,961,098	37
Less : Operating Expenses						
Personnel Expenses	862,105	767,231	12	2,409,700	2,223,861	8
Depreciation of Property, Plant and Equipment	205,953	187,459	10	586,935	549,779	7
Amortisation of Intangible Assets	2,459	4,025	(39)	8,882	12,639	(30)
Other Operating Expenses	609,231	469,481	30	1,612,048	1,346,348	20
Total Operating Expenses	1,679,748	1,428,196	18	4,617,565	4,132,627	12
Operating Profit before Tax on Financial Services	4,699,840	2,914,133	61	10,359,044	6,828,471	52
Less : Tax on Financial Services	667,228	450,132	48	1,538,864	1,090,338	41
Profit before Taxation	4,032,612	2,464,001	64	8,820,180	5,738,133	54
Less : Income Tax Expense	1,150,470	766,091	50	2,525,249	1,760,106	43
Profit for the Period	2,882,142	1,697,910	70	6,294,931	3,978,027	58
Basic Earnings per Share (Rs.) [Note 04]	5.20	3.06	70	11.36	7.18	58
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	38,047	12,433	>100	33,824	24,793	36
Net Other Comprehensive Income that will never be Reclassified to Income Statement	38,047	12,433	>100	33,824	24,793	36
Other Comprehensive Income for the Period, Net of Tax	38,047	12,433	>100	33,824	24,793	36
Total Comprehensive Income for the Period, Net of Tax	2,920,189	1,710,343	71	6,328,755	4,002,820	58

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 December 2021

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 9 MONTHS ENDED		
	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	Change %	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	Change %
Income	8,384,970	7,522,029	11	22,055,030	21,823,274	1
Interest Income	7,669,319	7,019,465	9	20,327,572	20,252,418	0
Less : Interest Expenses	2,172,743	2,700,461	(20)	6,457,885	9,185,790	(30)
Net Interest Income	5,496,576	4,319,004	27	13,869,687	11,066,628	25
Fee and Commission Income	676,455	448,895	51	1,621,623	1,459,811	11
Net Trading Income	14,326	1,967	>100	11,743	4,865	>100
Other Operating Income	24,870	51,702	(52)	94,092	106,180	(11)
Total Operating Income	6,212,227	4,821,568	29	15,597,145	12,637,484	23
Less : Impairment Charges and Other Losses	(115,119)	448,193	>(100)	592,995	1,575,974	(62)
Net Operating Income	6,327,346	4,373,375	45	15,004,150	11,061,510	36
Less : Operating Expenses						
Personnel Expenses	872,176	780,962	12	2,441,868	2,260,727	8
Depreciation of Property, Plant and Equipment	206,464	188,031	10	588,557	551,296	7
Amortisation of Intangible Assets	3,178	4,940	(36)	11,194	15,307	(27)
Other Operating Expenses	616,059	470,552	31	1,631,937	1,364,990	20
Total Operating Expenses	1,697,877	1,444,485	18	4,673,556	4,192,320	11
Operating Profit before Tax on Financial Services	4,629,469	2,928,890	58	10,330,594	6,869,190	50
Less : Tax on Financial Services	667,228	450,132	48	1,538,864	1,090,338	41
Profit before Taxation	3,962,241	2,478,758	60	8,791,730	5,778,852	52
Less : Income Tax Expense	1,147,727	769,408	49	2,521,039	1,772,887	42
Profit for the Period	2,814,514	1,709,350	65	6,270,691	4,005,965	57
Profit Attributable to:						
Equity Holders of the Company	2,814,514	1,709,350	65	6,270,691	4,005,965	57
Non-Controlling Interest	-	-	-	-	-	-
Profit for the Period	2,814,514	1,709,350	65	6,270,691	4,005,965	57
Basic Earnings per Share (Rs.) [Note 04]	5.08	3.09	65	11.32	7.23	57
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	35,726	(9,720)	>100	(148,634)	21,208	>(100)
Net Other Comprehensive Income that will be Reclassified to Income Statement	35,726	(9,720)	>100	(148,634)	21,208	>(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	38,047	12,433	>100	33,824	24,793	36
Net Other Comprehensive Income that will never be Reclassified to Income Statement	38,047	12,433	>100	33,824	24,793	36
Other Comprehensive Income for the Period, Net of Tax	73,773	2,713	>(100)	(114,810)	46,001	>(100)
Total Comprehensive Income for the Period, Net of Tax	2,888,287	1,712,063	69	6,155,881	4,051,966	52
Attributable to:						
Equity Holders of the Company	2,888,287	1,712,063	69	6,155,881	4,051,966	52
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period, Net of Tax	2,888,287	1,712,063	69	6,155,881	4,051,966	52

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021

	Company		Group	
	31.12.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)	31.12.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)
Assets				
Cash and Cash Equivalents	13,910,952	6,187,300	14,052,087	6,380,786
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	22,606	10,862	22,606	10,862
Financial Assets at Amortised Cost - Loans and Receivables	81,983,566	66,778,188	82,497,548	67,466,581
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	42,285,442	47,359,635	42,285,442	47,359,635
Financial Assets Measured at Fair Value Through Other Comprehensive Income	111,614	77,789	111,614	77,789
Other Financial Assets	6,780,511	10,453,903	6,780,511	10,433,149
Other Non Financial Assets	503,859	920,406	508,620	927,830
Investment in Subsidiary	521,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,484,920	8,241,259	8,491,350	8,250,546
Intangible Assets	17,139	26,021	23,069	36,271
Total Assets	154,621,771	140,576,525	154,772,847	140,943,449
Liabilities				
Due to Banks	20,693,815	16,467,179	20,739,930	16,526,657
Financial Liabilities at Amortised Cost - Due to Depositors	87,607,227	85,860,070	87,672,862	85,940,213
Debt Instruments Issued and Other Borrowed Funds	7,605,051	3,113,916	7,605,051	3,113,916
Other Financial Liabilities	3,126,155	3,043,526	3,126,155	3,044,340
Other Non Financial Liabilities	1,206,463	1,028,055	1,226,043	1,051,186
Current Tax Liabilities	1,056,397	1,872,154	1,051,063	1,877,558
Deferred Tax Liabilities	637,072	637,072	637,072	637,072
Post Employment Benefit Liability	387,777	365,265	387,777	365,265
Total Liabilities	122,319,957	112,387,237	122,445,953	112,556,207
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,888,916	7,596,106	8,891,183	7,747,007
Retained Earnings	22,574,616	19,754,900	22,597,429	19,801,953
Total Equity Attributable to Equity Holders of the Company	32,301,814	28,189,288	32,326,894	28,387,242
Non Controlling Interest	-	-	-	-
Total Equity	32,301,814	28,189,288	32,326,894	28,387,242
Total Liabilities and Equity	154,621,771	140,576,525	154,772,847	140,943,449
Net Asset Value per Share (Rs.)	58.30	50.88	58.35	51.24
Commitments and Contingencies	1,304,811	903,553	1,258,697	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 Adhihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

26 January 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 Period	-	3,978,027	-	-	3,978,027
Other Comprehensive Income, Net of Tax	-	-	-	24,793	24,793
Transfers During the Period	-	(795,605)	795,605	-	-
Balance as at 31 December 2020	838,282	19,126,750	7,118,775	(81,438)	27,002,369
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	-	6,294,931	-	-	6,294,931
Other Comprehensive Income, Net of Tax	-	-	-	33,824	33,824
Transfers During the Period	-	(1,258,986)	1,258,986	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Balance as at 31 December 2021	838,282	22,574,616	8,942,675	(53,759)	32,301,814

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 Period	-	4,005,965	-	-	-	4,005,965	-	4,005,965
Other Comprehensive Income, Net of Tax	-	-	-	21,208	24,793	46,001	-	46,001
Transfers During the Period	-	(795,605)	795,605	-	-	-	-	-
Balance as at 31 December 2020	838,282	19,197,533	7,118,775	138,595	(81,438)	27,211,747	-	27,211,747
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	-	6,270,691	-	-	-	6,270,691	-	6,270,691
Other Comprehensive Income, Net of Tax	-	-	-	(148,634)	33,824	(114,810)	-	(114,810)
Transfers During the Period	-	(1,258,986)	1,258,986	-	-	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Balance as at 31 December 2021	838,282	22,597,429	8,942,675	2,267	(53,759)	32,326,894	-	32,326,894

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 31 December 2021

	FOR THE 9 MONTHS ENDED			
	Company		Group	
	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	8,854,004	5,762,925	8,676,921	5,824,853
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	586,935	549,779	588,557	551,296
Amortisation of Intangible Assets	8,882	12,639	11,194	15,307
Impairment Charges and Other Losses	599,739	1,567,804	592,995	1,575,974
Diminution/(Appreciation) in Value of Investments	(45,569)	(29,659)	(45,569)	(29,659)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(2,062)	(22,571)	(2,062)	(22,571)
Provision/(Reversal) for Defined Benefit Plans	52,635	48,873	52,635	48,873
Foreign Currency Exchange (Gain)/Loss	-	-	6,015	310
Dividend Received	(2,983)	(3,490)	(2,983)	(3,490)
Interest Income on Investing Activities	-	-	-	-
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	148,634	(21,208)
Operating Profit before Changes in Operating Assets and Liabilities	10,051,582	7,886,300	10,026,338	7,939,684
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(15,525,720)	(5,748,861)	(15,344,564)	(5,955,704)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	4,794,795	10,645,554	4,794,795	10,645,554
(Increase)/Decrease in Other Financial Assets	3,673,395	(4,284,738)	3,652,638	(4,276,952)
(Increase)/Decrease in Other Non Financial Assets	416,546	67,555	419,210	88,830
	(6,640,984)	679,510	(6,477,921)	501,728
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	1,747,157	(943,506)	1,732,649	(927,327)
Increase/(Decrease) in Other Financial Liabilities	(125,190)	272,961	(274,638)	250,577
Increase/(Decrease) in Other Non Financial Liabilities	(35,967)	664,859	(42,573)	694,990
	1,586,000	(5,686)	1,415,438	18,240
Cash Generated from Operations	4,996,597	8,560,123	4,963,854	8,459,653
Retirement Benefit Liabilities Paid	(30,123)	(28,086)	(30,123)	(28,086)
Income Tax Paid	(3,126,631)	(1,596,609)	(3,132,266)	(1,620,104)
Net Cash from/(Used in) Operating Activities	1,839,844	6,935,428	1,801,466	6,811,463
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(643,838)	(472,753)	(644,450)	(475,927)
Acquisition of Intangible Assets	-	(1,264)	-	(1,690)
Proceeds from Sale of Property, Plant and Equipment	23,123	66,594	23,123	66,594
Interest Received	-	-	-	-
Dividend Received	2,983	3,490	2,983	3,490
Net Cash Flows from/(Used in) Investing Activities	(617,732)	(403,933)	(618,345)	(407,533)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	4,166,434	(2,684,897)	4,153,071	(2,681,969)
Net Cash Flow from Debt Issued and Other Borrowed fund	4,491,135	(94,860)	4,491,135	(94,860)
Dividends Paid	(2,216,229)	-	(2,216,229)	-
Net Cash Flows from/(Used in) Financing Activities	6,441,340	(2,779,757)	6,427,977	(2,776,829)
Net Increase/(Decrease) in Cash and Cash Equivalents	7,663,451	3,751,738	7,611,098	3,627,101
Cash and Cash Equivalents at the Beginning of the Period	5,199,201	5,442,226	5,392,687	5,751,901
Cash and Cash Equivalents at the End of the Period	12,862,652	9,193,964	13,003,785	9,379,002
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,184,948	1,165,074	1,196,938	1,165,719
Balances with Banks	4,091,785	4,623,860	4,220,928	4,808,253
Treasury Bills Repurchase Agreements	8,634,220	4,211,015	8,634,220	4,211,015
Bank Overdrafts	(1,048,301)	(805,985)	(1,048,301)	(805,985)
Net Cash and Cash Equivalents	12,862,652	9,193,964	13,003,785	9,379,002

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 31.12.2021					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		1,184,948	-	-	1,184,948	1,184,948	-	-	1,126,735	1,126,735	
Balances with Banks		4,091,785	-	-	4,091,785	4,091,785	-	-	1,660,900	1,660,900	
Treasury Bills Repurchase Agreements		-	8,634,220	-	8,634,220	8,634,220	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	22,606	-	-	22,606	22,606	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	82,388,465	82,388,465	81,983,566	-	68,019,519	68,019,519	66,778,188	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	43,101,682	43,101,682	42,285,442	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		111,309	-	-	111,309	111,309	77,484	-	-	77,484	
Unquoted Equities		-	-	305	305	305	-	-	305	305	
Other Financial Assets	Amortised Cost	-	6,780,511	-	6,780,511	6,780,511	-	10,453,903	-	10,453,903	
		5,410,648	15,414,731	125,490,452	146,315,831	145,094,692	2,875,981	13,853,568	117,468,761	134,198,310	
Financial Liabilities											
Due to Banks	Amortised Cost	-	20,969,100	-	20,969,100	20,693,815	-	17,083,937	-	17,083,937	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,399,969	87,399,969	87,607,227	-	87,194,929	87,194,929	85,860,070	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	7,429,097	-	7,429,097	7,605,051	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,126,155	-	3,126,155	3,126,155	-	3,043,526	-	3,043,526	
		-	31,524,352	87,399,969	118,924,321	119,032,248	-	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 31.12.2021					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		1,196,938	-	-	1,196,938	1,196,938	-	-	1,132,788	1,132,788	
Balances with Banks		4,220,928	-	-	4,220,928	4,220,928	1,848,333	-	1,848,333	1,848,333	
Treasury Bills Repurchase Agreements		-	8,634,220	-	8,634,220	8,634,220	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	22,606	-	-	22,606	22,606	10,862	-	-	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	82,902,447	82,902,447	82,497,548	-	68,707,912	68,707,912	67,466,581	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	43,101,682	43,101,682	42,285,442	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		111,309	-	-	111,309	111,309	77,484	-	-	77,484	
Unquoted Equities		-	-	305	305	305	-	-	305	305	
Other Financial Assets	Amortised Cost	-	6,780,511	-	6,780,511	6,780,511	-	10,433,149	-	10,433,149	
		5,551,781	15,414,731	126,004,434	146,970,946	145,749,807	3,069,467	13,832,814	118,157,154	135,059,435	
Financial Liabilities											
Due to Banks	Amortised Cost	-	21,015,215	-	21,015,215	20,739,930	-	17,143,415	-	17,143,415	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,465,605	87,465,605	87,672,862	-	87,275,072	87,275,072	85,940,213	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	7,429,097	-	7,429,097	7,605,051	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,126,155	-	3,126,155	3,126,155	-	3,044,340	-	3,044,340	
		-	31,570,467	87,465,605	119,036,072	119,143,998	-	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	
	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)	31.12.2021 Rs.('000)	31.12.2020 Rs.('000)
Interest Income	9,098,929	9,783,482	10,531,666	9,271,125	661,928	1,080,012	35,049	117,799	20,327,572	20,252,418
Less: Interest Expenses	2,254,596	3,908,695	3,632,237	4,182,677	559,093	1,075,168	11,959	19,250	6,457,885	9,185,790
Net Interest Income	6,844,333	5,874,787	6,899,429	5,088,448	102,835	4,844	23,090	98,549	13,869,687	11,066,628
Fee and Commission Income	478,418	490,545	1,110,928	954,436	28,555	5,465	3,722	9,365	1,621,623	1,459,811
Net Trading Income and Other Operating Income	1,656	1,521	69,377	75,204	40,817	33,651	(6,015)	669	105,835	111,045
Total Operating Income	7,324,407	6,366,853	8,079,734	6,118,088	172,207	43,960	20,797	108,583	15,597,145	12,637,484
Less: Impairment Charges and Other Losses	286,027	887,284	313,712	680,520	-	-	(6,744)	8,170	592,995	1,575,974
Net Operating Income	7,038,380	5,479,569	7,766,022	5,437,568	172,207	43,960	27,541	100,413	15,004,150	11,061,510
Less: Other Costs	1,562,594	1,668,061	2,428,904	1,883,514	30,249	18,635	52,058	55,508	4,073,805	3,625,718
Less: Depreciation and Amortisation	199,347	225,152	389,367	336,572	7,104	694	3,933	4,184	599,751	566,602
Operating Profits before Taxes	5,276,439	3,586,356	4,947,751	3,217,482	134,854	24,631	(28,450)	40,721	10,330,594	6,869,190
Less: Taxes	2,070,079	1,538,235	1,941,127	1,303,955	52,907	8,254	(4,210)	12,781	4,059,903	2,863,225
Profits for the Period	3,206,360	2,048,121	3,006,624	1,913,527	81,947	16,377	(24,240)	27,940	6,270,691	4,005,965
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Equity Holders of the Company	3,206,360	2,048,121	3,006,624	1,913,527	81,947	16,377	(24,240)	27,940	6,270,691	4,005,965
Profits for the Period	3,206,360	2,048,121	3,006,624	1,913,527	81,947	16,377	(24,240)	27,940	6,270,691	4,005,965
Segmental Assets	44,910,068	52,363,738	87,072,224	67,506,799	22,639,479	25,580,416	672,238	966,399	155,294,009	146,417,352
Elimination					(521,162)	(543,177)	-	-	(521,162)	(543,177)
Total Segmental Assets	44,910,068	52,363,738	87,072,224	67,506,799	22,118,317	25,037,239	672,238	966,399	154,772,847	145,874,175
Segmental Liabilities	35,648,124	42,795,968	69,115,046	55,172,127	17,556,786	20,480,490	125,997	235,859	122,445,953	118,684,444
Elimination							-	(22,016)	-	(22,016)
Total Segmental Liabilities	35,648,124	42,795,968	69,115,046	55,172,127	17,556,786	20,480,490	125,997	213,843	122,445,953	118,662,428

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 31st December 2021 or 2020.

LB FINANCE PLC

Interim Financial Statements for the period ended 31 December 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 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. 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 December 2021 was Rs. 1,305 Mn and as at 31 March 2021 was Rs. 903 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

			For the Quarter ended	
			31.12.2021	31.12.2020
Share Price [Note 04]	Highest	Rs.	69.50	151.20
	Lowest	Rs.	60.10	129.00
	Closing	Rs.	68.00	146.00
Number of Ordinary Shares Issued			554,057,136	138,514,284

INFORMATION ON LISTED DEBENTURES

			For the Quarter ended	
			31.12.2021	31.12.2020
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	Not Traded
	Lowest	Rs. Not Traded	Not Traded	Not Traded
	Closing	Rs. Not Traded	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		10.70%	6.63%

			As at	
			31.12.2021	31.12.2020
Ratios				
	Debt Equity Ratio		92.94%	102.62%
	Quick Asset Ratio		23.06%	26.57%
Interest Cover		2.37	1.63	

SELECTED PERFORMANCE INDICATORS

			As at	
			31.12.2021	31.12.2020
Capital Adequacy				
Core Capital to Risk Weighted Asset Ratio (Minimum 8%)			20.34%	21.32%
Total Capital to Risk Weighted Asset Ratio (Minimum 12%)			21.46%	22.77%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)			36.87%	30.58%
Profitability				
Return on Average Shareholders' Funds (After Tax) - Annualized			25.98%	19.64%
Return on Average Assets (After Tax) - Annualized			5.69%	5.29%
Asset Quality				
Gross Non-Performing Accommodations Ratio			5.39%	7.95%
Net Non-Performing Accommodations Ratio			-0.03%	2.47%
Liquidity (Rs. Mn)				
Required Minimum Amount of Liquid Assets			9,237	5,613
Available Amount of Liquid Assets			18,304	19,735
Required Minimum Amount of Government Securities			6,820	4,438
Available Amount of Government Securities			8,555	7,340

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 31 December 2021

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.		7,064,312	1.275
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		4,223,896	0.762
6 Janashakthi Insurance PLC - Non Par		2,000,000	0.361
7 Mr. W D N H Perera		2,000,000	0.361
8 Mr. N Udage		1,816,540	0.328
9 Mr. K A D A Perera		1,708,116	0.308
10 Mr. A A Page		1,259,200	0.227
11 Phantom Investments (Private) Limited		1,253,809	0.226
12 Mrs. V Saraswathi & Mr. S Vasudevan		1,000,000	0.180
13 Mr. A M Weerasinghe		945,000	0.171
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 Mr J A N R Adhihetty		813,845	0.147
17 Seylan Bank PLC/Sarath Bandara Rangamuwa		750,000	0.135
18 Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K Withanapathirana		747,000	0.135
19 Mr. F N Herft		621,242	0.112
20 Commercial Bank Of Ceylon Plc/Janashakthi Capital Limited		600,000	0.108
		516,032,880	93.137
Others		38,024,256	6.863
Total		554,057,136	100.000

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

Name	No. of Shares	(%)
Mrs. A K Gunawardhana	-	-
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	-	-
Mr. G A R D Prasanna (w. e. f. 1 December 2021)	-	-

Public Holding percentage as at 31 December 2021 being 21.74% comprising of 4,927 shareholders.

The Float adjusted market capitalization as at 31 December 2021 - Rs. 8,189,375,659.92

The Float adjusted market capitalization of the Company falls under Option 2 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 - 179

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)

Ms. Yanika Amarasekera
(Independent Non-Executive Director)
(w.e.f 01.07.2021)

Mr. G A R D Prasanna
(Non-Executive Director)
(w.e.f 01.12.2021)

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. S. Pulle
(Resigned w.e.f
05.12.2021)
Mr. Leonard Perera
(w.e.f 06.12.2021)
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

INTERIM FINANCIAL STATEMENTS

