

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED JUNE 30, 2021



LB FINANCE

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2021

	COMPANY		
	FOR THE 3 MONTHS ENDED		
	30.06.2021	30.06.2020	Change
	Rs.('000)	Rs.('000)	%
Income	6,519,387	6,625,051	(2)
Interest Income	6,082,300	6,253,967	(3)
Less : Interest Expenses	2,192,548	3,240,614	(32)
Net Interest Income	3,889,752	3,013,353	29
Fee and Commission Income	402,466	354,366	14
Net Trading Income	(2,737)	1,426	>(100)
Other Operating Income	37,358	15,292	>100
Total Operating Income	4,326,839	3,384,437	28
Less : Impairment Charges and Other Losses	593,955	1,019,574	(42)
Net Operating Income	3,732,884	2,364,863	58
Less : Operating Expenses			
Personnel Expenses	763,260	670,670	14
Depreciation of Property, Plant and Equipment	180,062	176,656	2
Amortisation of Intangible Assets	3,529	4,487	(21)
Other Operating Expenses	530,654	395,168	34
Total Operating Expenses	1,477,505	1,246,981	18
Operating Profit before Tax on Financial Services	2,255,379	1,117,882	>100
Less : Tax on Financial Services	367,975	215,991	70
Profit before Taxation	1,887,404	901,891	>100
Less : Income Tax Expense	544,514	263,197	>100
Profit for the Period	1,342,890	638,694	>100
Basic Earnings per Share (Rs.) [Note 04]	2.42	1.15	>100
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	(13,405)	12,495	>(100)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(13,405)	12,495	>(100)
Other Comprehensive Income for the Period, Net of Tax	(13,405)	12,495	>(100)
Total Comprehensive Income for the Period, Net of Tax	1,329,485	651,189	>100

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 June 2021

	GROUP		
	FOR THE 3 MONTHS ENDED		
	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	Change %
Income	6,533,270	6,666,380	(2)
Interest Income	6,097,306	6,294,267	(3)
Less : Interest Expenses	2,196,380	3,244,117	(32)
Net Interest Income	3,900,926	3,050,150	28
Fee and Commission Income	403,405	355,495	13
Net Trading Income	(2,737)	1,426	>(100)
Other Operating Income	35,296	15,192	>100
Total Operating Income	4,336,890	3,422,263	27
Less : Impairment Charges and Other Losses	577,352	1,019,006	(43)
Net Operating Income	3,759,538	2,403,257	56
Less : Operating Expenses			
Personnel Expenses	775,163	681,355	14
Depreciation of Property, Plant and Equipment	180,631	177,081	2
Amortisation of Intangible Assets	4,356	5,354	(19)
Other Operating Expenses	537,858	401,514	34
Total Operating Expenses	1,498,008	1,265,304	18
Operating Profit before Tax on Financial Services	2,261,530	1,137,953	99
Less : Tax on Financial Services	367,975	215,991	70
Profit before Taxation	1,893,555	921,962	>100
Less : Income Tax Expense	542,463	269,368	>100
Profit for the Period	1,351,092	652,594	>100
Profit Attributable to:			
Equity Holders of the Company	1,351,092	652,594	>100
Non-Controlling Interest	-	-	
Profit for the Period	1,351,092	652,594	>100
Basic Earnings per Share (Rs.) [Note 04]	2.44	1.18	>100
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	(102,381)	(4,864)	>(100)
Net Other Comprehensive Income that will be Reclassified to Income Statement	(102,381)	(4,864)	>(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	(13,405)	12,495	>(100)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(13,405)	12,495	>(100)
Other Comprehensive Income for the Period, Net of Tax	(115,786)	7,631	>(100)
Total Comprehensive Income for the Period, Net of Tax	1,235,306	660,225	87
Attributable to:			
Equity Holders of the Company	1,235,306	660,225	87
Non-Controlling Interest	-	-	
Total Comprehensive Income for the Period, Net of Tax	1,235,306	660,225	87

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2021

	Company		Group	
	30.06.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)	30.06.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)
Assets				
Cash and Cash Equivalents	10,715,053	6,187,300	10,932,922	6,380,786
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	8,126	10,862	8,126	10,862
Financial Assets at Amortised Cost - Loans and Receivables	69,311,663	66,778,188	69,854,905	67,466,581
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	45,497,073	47,359,635	45,497,073	47,359,635
Financial Assets Measured at Fair Value Through Other Comprehensive Income	64,385	77,789	64,385	77,789
Other Financial Assets	8,903,760	10,453,903	8,881,912	10,433,149
Other Non Financial Assets	720,849	920,406	725,928	927,830
Investment in Subsidiary	521,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,428,955	8,241,259	8,436,678	8,250,546
Intangible Assets	22,492	26,021	30,499	36,271
Total Assets	144,193,518	140,576,525	144,432,428	140,943,449
Liabilities				
Due to Banks	15,499,407	16,467,179	15,549,379	16,526,657
Financial Liabilities at Amortised Cost - Due to Depositors	86,800,380	85,860,070	86,869,283	85,940,213
Debt Instruments Issued and Other Borrowed Funds	5,991,918	3,113,916	5,991,918	3,113,916
Other Financial Liabilities	2,963,143	3,043,526	2,941,296	3,044,340
Other Non Financial Liabilities	1,205,927	1,028,054	1,247,465	1,051,186
Current Tax Liabilities	1,202,292	1,872,154	1,198,861	1,877,558
Deferred Tax Liabilities	637,073	637,073	637,073	637,073
Post Employment Benefit Liability	374,605	365,265	374,605	365,265
Total Liabilities	114,674,745	112,387,237	114,809,880	112,556,208
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	7,851,279	7,596,106	7,899,799	7,747,007
Retained Earnings	20,829,212	19,754,900	20,884,467	19,801,953
Total Equity Attributable to Equity Holders of the Company	29,518,773	28,189,288	29,622,548	28,387,242
Non Controlling Interest	-	-	-	-
Total Equity	29,518,773	28,189,288	29,622,548	28,387,242
Total Liabilities and Equity	144,193,518	140,576,525	144,432,428	140,943,449
Net Asset Value per Share (Rs.) [Note 04]	53.28	50.88	53.46	51.24
Commitments and Contingencies	1,117,240	903,553	1,067,268	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****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**28 July 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 2020 (Audited)	838,282	15,944,328	6,323,170	(106,231)	22,999,549
Net Profit for the Period	-	638,694	-	-	638,694
Other Comprehensive Income, Net of Tax	-	-	-	12,495	12,495
Transfers During the Period	-	(127,739)	127,739	-	-
Balance as at 30 June 2020	838,282	16,455,283	6,450,909	(93,736)	23,650,738
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	-	1,342,890	-	-	1,342,890
Other Comprehensive Income, Net of Tax	-	-	-	(13,405)	(13,405)
Transfers During the Period	-	(268,578)	268,578	-	-
Balance as at 30 June 2021	838,282	20,829,212	7,952,267	(100,988)	29,518,773

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	-	652,594	-	-	-	652,594	-	652,594
Other Comprehensive Income, Net of Tax	-	-	-	(4,864)	12,495	7,631	-	7,631
Transfers During the Period	-	(127,739)	127,739	-	-	-	-	-
Balance as at 30 June 2020	838,282	16,512,028	6,450,909	112,523	(93,736)	23,820,006	-	23,820,006
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	-	1,351,092	-	-	-	1,351,092	-	1,351,092
Other Comprehensive Income, Net of Tax	-	-	-	(102,381)	(13,405)	(115,786)	-	(115,786)
Transfers During the Period	-	(268,578)	268,578	-	-	-	-	-
Balance as at 30 June 2021	838,282	20,884,467	7,952,267	48,520	(100,988)	29,622,548	-	29,622,548

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 30 June 2021

	FOR THE PERIOD ENDED			
	Company		Group	
	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	1,873,999	914,387	1,777,769	929,597
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	180,062	176,656	180,631	177,081
Amortisation of Intangible Assets	3,529	4,487	4,356	5,354
Impairment Charges and Other Losses	593,955	1,019,574	577,352	1,019,006
Diminution/(Appreciation) in Value of Investments	16,140	(13,921)	16,140	(13,921)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(680)	2,313	(680)	2,313
Provision/(Reversal) for Defined Benefit Plans	16,360	16,650	16,360	16,650
Foreign Currency Exchange (Gain)/Loss	-	-	2,061	100
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	102,381	4,864
Operating Profit before Changes in Operating Assets and Liabilities	2,683,365	2,120,145	2,676,370	2,141,044
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(2,814,269)	1,265,312	(2,652,515)	1,284,573
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	1,549,399	2,303,518	1,549,399	2,303,518
(Increase)/Decrease in Other Financial Assets	1,550,143	(2,677,890)	1,551,236	(2,691,809)
(Increase)/Decrease in Other Non Financial Assets	199,556	70,654	201,905	62,147
	484,829	961,594	650,025	958,429
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	940,310	(526,260)	929,070	(523,901)
Increase/(Decrease) in Other Financial Liabilities	(126,650)	74,915	(251,693)	74,550
Increase/(Decrease) in Other Non Financial Liabilities	(36,502)	268,897	(18,124)	272,915
	777,158	(182,448)	659,253	(176,436)
Cash Generated from Operations	3,945,352	2,899,291	3,985,648	2,923,037
Retirement Benefit Liabilities Paid	(7,020)	(3,477)	(7,020)	(3,477)
Income Tax Paid	(1,000,000)	(625,659)	(1,006,110)	(625,664)
Net Cash from/(Used in) Operating Activities	2,938,332	2,270,156	2,972,518	2,293,896
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(328,600)	(131,094)	(328,897)	(131,471)
Proceeds from Sale of Property, Plant and Equipment	7,790	258	7,790	258
Net Cash Flows from/(Used in) Investing Activities	(320,810)	(130,836)	(321,107)	(131,213)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	(1,044,786)	3,141,635	(1,054,292)	3,139,134
Net Cash Flow from Debt Issued and Other Borrowed fund	2,878,003	-	2,878,003	-
Net Cash Flows from/(Used in) Financing Activities	1,833,217	3,141,635	1,823,711	3,139,134
Net Increase/(Decrease) in Cash and Cash Equivalents	4,450,739	5,280,954	4,475,122	5,301,817
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	9,649,940	10,723,180	9,867,809	11,053,718
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,137,379	1,068,887	1,170,323	1,070,071
Balances with Banks	4,209,522	9,422,325	4,394,447	9,751,674
Treasury Bills Repurchase Agreements	5,368,152	1,048,452	5,368,152	1,048,452
Bank Overdrafts	(1,065,113)	(816,484)	(1,065,113)	(816,479)
Net Cash and Cash Equivalents	9,649,940	10,723,180	9,867,809	11,053,718

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 30.06.2021					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		1,137,379	-	-	1,137,379	1,137,379	-	-	1,126,735	1,126,735	
Balances with Banks		4,209,522	-	-	4,209,522	4,209,522	-	-	1,660,900	1,660,900	
Treasury Bills Repurchase Agreements		-	5,368,152	-	5,368,152	5,368,152	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	8,126	-	-	8,126	8,126	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	70,429,293	70,429,293	69,311,663	-	68,019,519	68,019,519	66,778,188	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	47,873,243	47,873,243	45,497,073	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		64,080	-	-	64,080	64,080	77,484	-	77,484	77,484	
Unquoted Equities		-	-	305	305	305	-	305	305	305	
Other Financial Assets	Amortised Cost	-	8,903,760	-	8,903,760	8,903,760	-	10,453,903	-	10,453,903	
		5,419,107	14,271,912	118,302,841	137,993,860	134,500,060	2,875,981	13,853,568	117,468,761	130,867,677	
Financial Liabilities											
Due to Banks	Amortised Cost	-	16,142,840	-	16,142,840	15,499,407	-	17,083,937	-	17,083,937	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	87,983,433	87,983,433	86,800,380	-	87,194,929	87,194,929	85,860,070	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	6,160,889	-	6,160,889	5,991,918	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	2,963,143	-	2,963,143	2,963,143	-	3,043,526	-	3,043,526	
		-	25,266,872	87,983,433	113,250,304	111,254,848	-	23,532,778	87,194,929	110,727,707	
										108,484,691	

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 30.06.2021					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		1,170,323	-	-	1,170,323	1,170,323	-	-	1,132,788	1,132,788	
Balances with Banks		4,394,447	-	-	4,394,447	4,394,447	1,848,333	-	1,848,333	1,848,333	
Treasury Bills Repurchase Agreements		-	5,368,152	-	5,368,152	5,368,152	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	8,126	-	-	8,126	8,126	10,862	-	-	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	70,972,535	70,972,535	69,854,905	-	68,707,912	68,707,912	67,466,581	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	47,873,243	47,873,243	45,497,073	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		64,080	-	-	64,080	64,080	77,484	-	77,484	77,484	
Unquoted Equities		-	-	305	305	305	-	305	305	305	
Other Financial Assets	Amortised Cost	-	8,881,912	-	8,881,912	8,881,912	-	10,433,149	-	10,433,149	
		5,636,976	14,250,064	118,846,083	138,733,123	135,239,323	3,069,467	13,832,814	118,157,154	135,059,435	
Financial Liabilities											
Due to Banks	Amortised Cost	-	16,192,812	-	16,192,812	15,549,379	-	17,143,415	-	17,143,415	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	88,052,335	88,052,335	86,869,283	-	87,275,072	87,275,072	85,940,213	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	6,160,889	-	6,160,889	5,991,918	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	2,941,296	-	2,941,296	2,941,296	-	3,044,340	-	3,044,340	
		-	25,294,996	88,052,335	113,347,331	111,351,876	-	23,593,070	87,275,072	110,868,142	
										108,625,126	

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	
	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)	30.06.2021 Rs.('000)	30.06.2020 Rs.('000)
Interest Income	2,762,382	3,017,964	3,098,383	2,881,230	221,535	354,773	15,006	40,300	6,097,306	6,294,267
Less: Interest Expenses	809,755	1,480,549	1,179,224	1,429,762	203,569	330,303	3,832	3,503	2,196,380	3,244,117
Net Interest Income	1,952,627	1,537,415	1,919,159	1,451,468	17,966	24,470	11,174	36,797	3,900,926	3,050,150
Fee and Commission Income	129,732	143,370	268,321	207,975	4,413	3,021	939	1,129	403,405	355,495
Net Trading Income and Other Operating Income	307	(4,022)	31,243	50	3,070	20,690	(2,061)	(100)	32,559	16,618
Total Operating Income	2,082,666	1,676,763	2,218,723	1,659,493	25,449	48,181	10,052	37,826	4,336,890	3,422,263
Less: Impairment Charges and Other Losses	313,853	788,841	280,102	230,733	-	-	(16,603)	(568)	577,352	1,019,006
Net Operating Income	1,768,813	887,922	1,938,621	1,428,760	25,449	48,181	26,655	38,394	3,759,538	2,403,257
Less: Other Costs	544,467	555,496	742,015	502,561	7,433	7,780	19,106	17,032	1,313,021	1,082,869
Less: Depreciation and Amortisation	66,658	85,470	115,541	94,341	1,391	1,332	1,397	1,292	184,987	182,435
Operating Profits before Taxes	1,157,688	246,956	1,081,065	831,858	16,625	39,069	6,152	20,070	2,261,530	1,137,953
Less: Taxes	468,381	105,859	437,381	356,582	6,727	16,747	(2,051)	6,171	910,438	485,359
Profits for the Period	689,307	141,097	643,684	475,276	9,898	22,322	8,203	13,899	1,351,092	652,594
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Equity Holders of the Company	689,307	141,097	643,684	475,276	9,898	22,322	8,203	13,899	1,351,092	652,594
Profits for the Period	689,307	141,097	643,684	475,276	9,898	22,322	8,203	13,899	1,351,092	652,594
Segmental Assets	48,599,768	61,339,744	74,038,405	60,496,318	21,555,345	25,484,817	781,919	897,905	144,975,437	148,218,784
Elimination					(543,009)	(537,543)	-	-	(543,009)	(537,543)
Total Segmental Assets	48,599,768	61,339,744	74,038,405	60,496,318	21,012,336	24,947,274	781,919	897,905	144,432,428	147,681,241
Segmental Liabilities	38,790,803	51,675,132	59,095,121	50,964,595	16,788,822	21,030,414	156,982	207,476	114,831,728	123,877,617
Elimination							(21,848)	(16,382)	(21,848)	(16,382)
Total Segmental Liabilities	38,790,803	51,675,132	59,095,121	50,964,595	16,788,822	21,030,414	135,134	191,094	114,809,880	123,861,235

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 June 2021 or 2020.

LB FINANCE PLC

Interim Financial Statements for the period ended 30 June 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 30 June 2021 was Rs. 1,117 Mn and as at 31 March 2021 was Rs. 903 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

			For the Quarter ended	
			30.06.2021	30.06.2020
Share Price	Highest	Rs.	70.80	142.00
	Lowest	Rs.	47.50	114.80
	Closing	Rs.	67.60	140.00
Number of Ordinary Shares Issued			554,057,136	138,514,284

INFORMATION ON LISTED DEBENTURES

			For the Quarter ended	
			30.06.2021	30.06.2020
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	100.00
	Lowest	Rs.	Not Traded	100.00
	Closing	Rs.	Not Traded	100.00
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	13.25%
Yield of Comparable Government Securities (%)				
05 Year Treasury Bond			7.27%	7.12%

			As at	
			30.06.2021	30.06.2020
Ratios				
Debt Equity Ratio			87.20%	138.46%
Quick Asset Ratio			22.70%	26.26%
Interest Cover			1.85	1.28

SELECTED PERFORMANCE INDICATORS

			As at	
			30.06.2021	30.06.2020
Capital Adequacy				
Core Capital to Risk Weighted Asset Ratio (Minimum 7%)			23.81%	19.16%
Total Capital to Risk Weighted Asset Ratio (Minimum 11%)			25.25%	20.67%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)			34.01%	26.65%
Profitability				
Return on Average Shareholders' Funds (After Tax)			18.20%	10.95%
Return on Average Assets (After Tax)			3.77%	1.75%
Asset Quality				
Gross Non-Performing Accommodations Ratio			6.08%	6.61%
Net Non-Performing Accommodations Ratio			0.35%	1.56%
Liquidity (Rs. Mn)				
Required Minimum Amount of Liquid Assets			5,478	5,636
Available Amount of Liquid Assets			18,777	21,857
Required Minimum Amount of Government Securities			4,547	4,438
Available Amount of Government Securities			9,970	6,090

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 30 June 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 Pershing LLC S/A Averbach Grauson & Co.		8,024,312	1.448
5 BNYM Re-Frontaura Global Frontier Fund LLC		7,739,000	1.397
6 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		2,250,000	0.406
7 Janashakthi Insurance PLC - Non Par		2,000,000	0.361
8 Mr. N Udage		1,816,540	0.328
9 Mr. K D A Perera		1,708,116	0.308
10 Mr. A A Page		1,259,200	0.227
11 Mr. W D N H Perera		1,105,000	0.199
12 Mr. A M Weerasinghe		1,055,008	0.190
13 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		923,264	0.167
14 Mrs. P C Cooray		834,528	0.151
Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K			
15 Withanapathirana		747,000	0.135
16 Seylan Bank PLC/Sarath Bandara Rangamuwa		675,000	0.122
17 Commercial Bank Of Ceylon Plc/Janashakthi Capital Limited		640,000	0.116
18 Mr. N P D A Samaranyake		600,000	0.108
19 Mr. P Somadasa		519,384	0.094
20 Mr. K Karunanayake & Mis. P N Karunanayake		495,000	0.089
		<u>519,863,480</u>	<u>93.828</u>
Others		<u>34,193,656</u>	<u>6.172</u>
Total		<u>554,057,136</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 30 June 2021

Name	<u>No. of Shares</u>	<u>(%)</u>
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	-	-

Public Holding percentage as at 30 June 2021 being 21.72% comprising of 4,436 shareholders.

The Float adjusted market capitalization as at 30 June 2021 - Rs. 8,136,132,862.00

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 - 153
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. Niroshan Udage
(Deputy Managing Director)

Mr. B D A Perera
(Executive Director)

Mr. Ravindra Yatawara
(Executive Director)

Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)

Mr. Ashane Jayasekara
(Independent Non-Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Mr. Dharmadasa Rangalle
(Non-Executive Director)

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

INTERIM FINANCIAL STATEMENTS

