

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED JUNE 30, 2023



LB FINANCE

LB FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 June 2023

	COMPANY		
	FOR THE 3 MONTHS ENDED		
	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)	Change %
Income	12,437,998	8,524,817	46
Interest Income	11,820,531	7,738,975	53
Less : Interest Expenses	6,112,844	3,082,431	98
Net Interest Income	5,707,687	4,656,544	23
Fee and Commission Income	606,080	755,941	(20)
Net Trading Income	732	(3,759)	>(100)
Other Operating Income	10,655	33,660	(68)
Total Operating Income	6,325,154	5,442,386	16
Less : Impairment Charges	99,483	190,998	(48)
Net Operating Income	6,225,671	5,251,388	19
Less : Operating Expenses			
Personnel Expenses	1,009,917	869,309	16
Depreciation of Property, Plant and Equipment	210,050	207,538	1
Amortisation of Intangible Assets	2,157	2,258	(4)
Other Operating Expenses	793,842	630,520	26
Total Operating Expenses	2,015,966	1,709,625	18
Operating Profit before Tax on Financial Services	4,209,705	3,541,763	19
Less : Tax on Financial Services	840,810	614,079	37
Profit before Taxation	3,368,895	2,927,684	15
Less : Income Tax Expense	1,269,211	856,002	48
Profit for the Period	2,099,684	2,071,682	1
Basic Earnings per Share (Rs.)	3.79	3.74	1
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	(4,892)	(14,657)	(67)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(4,892)	(14,657)	(67)
Other Comprehensive Income for the Period, Net of Tax	(4,892)	(14,657)	(67)
Total Comprehensive Income for the Period, Net of Tax	2,094,792	2,057,025	2

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 June 2023

	GROUP		
	FOR THE 3 MONTHS ENDED		
	30.06.2023 Rs.(‘000)	30.06.2022 Rs.(‘000)	Change %
Income	12,534,244	8,602,972	46
Interest Income	11,908,513	7,810,215	52
Less : Interest Expenses	6,131,929	3,093,264	98
Net Interest Income	5,776,584	4,716,951	22
Fee and Commission Income	613,925	761,505	(19)
Net Trading Income	732	(3,759)	>(100)
Other Operating Income	11,074	35,011	(68)
Total Operating Income	6,402,315	5,509,708	16
Less : Impairment Charges	104,792	175,951	(40)
Net Operating Income	6,297,523	5,333,757	18
Less : Operating Expenses			
Personnel Expenses	1,039,805	902,321	15
Depreciation of Property, Plant and Equipment	213,481	212,995	0
Amortisation of Intangible Assets	3,299	3,568	(8)
Other Operating Expenses	821,538	652,752	26
Total Operating Expenses	2,078,123	1,771,636	17
Operating Profit before Tax on Financial Services	4,219,400	3,562,121	18
Less : Tax on Financial Services	842,116	615,399	37
Profit before Taxation	3,377,284	2,946,722	15
Less : Income Tax Expense	1,272,581	860,006	48
Profit for the Period	2,104,703	2,086,716	1
Profit Attributable to:			
Equity Holders of the Company	2,105,117	2,089,285	1
Non-Controlling Interest	(414)	(2,569)	(84)
Profit for the Period	2,104,703	2,086,716	1
Basic Earnings per Share (Rs.)	3.80	3.77	1
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	(46,971)	126,145	>(100)
Net Other Comprehensive Income that will be Reclassified to Income Statement	(46,971)	126,145	>(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	(4,892)	(14,657)	(67)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(4,892)	(14,657)	(67)
Other Comprehensive Income for the Period, Net of Tax	(51,863)	111,488	>(100)
Total Comprehensive Income for the Period, Net of Tax	2,052,840	2,198,204	(7)
Attributable to:			
Equity Holders of the Company	2,053,254	2,200,773	(7)
Non-Controlling Interest	(414)	(2,569)	(84)
Total Comprehensive Income for the Period, Net of Tax	2,052,840	2,198,204	(7)

LB FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Company		Group	
	30.06.2023 Rs.(‘000)	Audited 31.03.2023 Rs.(‘000)	30.06.2023 Rs.(‘000)	Audited 31.03.2023 Rs.(‘000)
Assets				
Cash and Cash Equivalents	7,817,028	4,524,032	7,985,611	4,680,955
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	11,385	10,653	11,385	10,653
Financial Assets at Amortised Cost - Loans and Receivables	111,186,175	111,093,620	112,365,099	112,231,789
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	32,295,609	34,095,554	32,331,662	34,139,808
Financial Assets Measured at Fair Value Through Other Comprehensive Income	112,496	117,388	112,498	117,390
Other Financial Assets	15,653,272	21,685,834	15,777,420	21,710,810
Other Non Financial Assets	574,524	474,347	660,391	552,469
Investment in Subsidiaries	921,998	921,998	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,613,839	8,633,347	8,644,911	8,667,202
Investment Properties	-	-	4,550	4,550
Intangible Assets	20,472	22,628	131,782	135,255
Deferred Tax Assets	767,186	767,186	767,186	767,186
Total Assets	177,973,984	182,346,587	178,792,495	183,018,067
Liabilities				
Due to Banks	17,015,091	19,369,784	17,267,390	19,392,536
Financial Liabilities at Amortised Cost - Due to Depositors	111,999,687	114,011,699	112,201,321	114,248,253
Debt Instruments Issued and Other Borrowed Funds	2,616,962	3,882,024	2,616,962	3,882,024
Other Financial Liabilities	3,047,509	3,255,862	3,098,006	3,283,059
Other Non Financial Liabilities	3,255,709	1,090,091	3,293,175	1,154,729
Current Tax Liabilities	2,229,929	2,255,830	2,234,091	2,261,996
Post Employment Benefit Liability	368,852	365,557	371,031	367,504
Total Liabilities	140,533,739	144,230,847	141,081,976	144,590,101
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,593,141	8,493,049	8,744,221	8,691,100
Retained Earnings	28,008,822	28,784,409	28,024,565	28,794,719
Total Equity Attributable to Equity Holders of the Company	37,440,245	38,115,740	37,607,068	38,324,101
Non Controlling Interest	-	-	103,451	103,865
Total Equity	37,440,245	38,115,740	37,710,519	38,427,966
Total Liabilities and Equity	177,973,984	182,346,587	178,792,495	183,018,067
Net Asset Value per Share (Rs.)	67.57	68.79	67.88	69.17
Commitments and Contingencies	2,364,142	2,403,948	2,143,492	2,403,948

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 July 2023
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 2022 (Audited)	838,282	24,170,152	8,116,782	(78,124)	33,047,092
Adjustments for Surcharge Tax Levied under the Surcharge Tax Act No. 14 of 2022	-	(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	-	2,071,682	-	-	2,071,682
Other Comprehensive Income, Net of Tax	-	-	-	(14,657)	(14,657)
Transfers During the Period	-	(103,584)	103,584	-	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
Balance as at 30 June 2022	838,282	22,709,926	8,220,366	(92,781)	31,675,793
Balance as at 01 April 2023 (Audited)	838,282	28,784,409	8,539,799	(46,750)	38,115,740
Net Profit for the Period	-	2,099,684	-	-	2,099,684
Other Comprehensive Income, Net of Tax	-	-	-	(4,892)	(4,892)
Transfers During the Period	-	(104,984)	104,984	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	(1,662,173)
Balance as at 30 June 2023	838,282	28,008,822	8,644,783	(51,642)	37,440,245

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 2022 (Audited)	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111
Adjustments for Surcharge Tax Levied under the Surcharge Tax Act No. 14 of 2022	-	(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	-	2,089,285	-	-	-	2,089,285	(2,569)	2,086,716
Other Comprehensive Income, Net of Tax	-	-	-	126,145	(14,657)	111,488	-	111,488
Transfers During the Period	-	(103,584)	103,584	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	(391)	(391)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Balance as at 30 June 2022	838,282	22,643,221	8,220,366	394,783	(92,781)	32,003,871	102,730	32,106,600
Balance as at 01 April 2023 (Audited)	838,282	28,794,719	8,539,799	198,051	(46,750)	38,324,101	103,865	38,427,966
Net Profit for the Period	-	2,105,117	-	-	-	2,105,117	(414)	2,104,703
Other Comprehensive Income, Net of Tax	-	-	-	(46,971)	(4,892)	(51,863)	-	(51,863)
Transfers During the Period	-	(104,984)	104,984	-	-	-	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	-	(1,662,173)	-	(1,662,173)
Balance as at 30 June 2023	838,282	28,024,565	8,644,783	151,080	(51,642)	37,607,068	103,451	37,710,519

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 30 June 2023

	FOR THE 3 MONTHS ENDED			
	Company		Group	
	30.06.2023 Rs.(‘000)	30.06.2022 Rs.(‘000)	30.06.2023 Rs.(‘000)	30.06.2022 Rs.(‘000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	3,364,003	2,913,027	3,325,420	3,058,208
Adjustments for				
Depreciation of Property, Plant and Equipment	210,050	207,538	213,481	212,995
Amortisation of Intangible Assets	2,157	2,258	3,299	3,568
Impairment Charges	99,483	190,998	104,792	175,951
Diminution/(Appreciation) in Value of Investments	4,160	18,493	4,160	18,493
Loss/(Profit) on Disposal of Property, Plant and Equipment	(415)	(678)	(415)	(678)
Provision/(Reversal) for Defined Benefit Plans	19,241	18,634	19,472	18,404
Foreign Currency Exchange (Gain)/Loss	-	-	65	(282)
Dividend Received	(1,420)	(78)	(1,420)	(78)
Withholding Tax Attributed to Fixed Deposits	(1,299)	-	(1,299)	-
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	46,971	(126,145)
Operating Profit before Changes in Operating Assets and Liabilities	3,695,960	3,350,192	3,714,526	3,360,436
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(170,071)	(7,180,746)	(216,134)	(7,304,281)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	1,777,977	2,782,444	1,786,178	2,790,872
(Increase)/Decrease in Other Financial Assets	6,033,860	(2,662,678)	5,934,689	(2,788,955)
(Increase)/Decrease in Other Non Financial Assets	(100,180)	(57,616)	(107,920)	(50,010)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	(2,012,012)	4,905,639	(2,046,932)	4,927,759
Increase/(Decrease) in Other Financial Liabilities	(208,352)	(358,270)	(232,026)	(236,126)
Increase/(Decrease) in Other Non Financial Liabilities	96,640	(32,713)	66,560	(28,767)
Cash Generated from Operations	9,113,822	746,252	8,898,941	670,928
Retirement Benefit Liabilities Paid	(15,945)	(7,909)	(15,945)	(10,899)
Income Tax Paid	(888,305)	(1,872,427)	(890,663)	(1,872,427)
Net Cash from/(Used in) Operating Activities	8,209,572	(1,134,084)	7,992,333	(1,212,398)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(193,254)	(180,859)	(193,903)	(180,055)
Acquisition of Intangible Assets	-	-	-	(607)
Proceeds from Sale of Property, Plant and Equipment	3,128	3,342	3,128	3,342
Investment in Subsidiary	-	(835)	-	-
Dividend Received	1,420	78	1,420	78
Net Cash Flows from/(Used in) Investing Activities	(188,706)	(178,274)	(189,355)	(177,242)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	4,392,652	2,500,000	4,626,940	2,500,000
Repayment of Debt Funding from Banks	(7,169,697)	(4,583,592)	(7,175,100)	(4,586,799)
Repayment of Debt Instruments and Other Borrowed Funds	(1,265,061)	(363,129)	(1,265,061)	(363,129)
Dividends Paid	(1,108,114)	-	(1,108,114)	-
Net Cash Flows from/(Used in) Financing Activities	(5,150,220)	(2,446,721)	(4,921,335)	(2,449,928)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,870,645	(3,759,079)	2,881,643	(3,839,568)
Cash and Cash Equivalents at the Beginning of the Period	4,033,170	12,709,843	4,188,938	12,881,785
Cash and Cash Equivalents at the End of the Period	6,903,815	8,950,764	7,070,580	9,042,216
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	2,303,686	1,801,880	2,328,037	1,835,601
Balances with Banks	1,287,428	1,422,672	1,310,610	1,485,438
Securities under Reverse Repurchase Agreements	3,213,778	6,142,406	3,334,828	6,142,406
Investment in Trust Certificates	1,012,136	-	1,012,136	-
Bank Overdrafts	(913,213)	(416,193)	(915,031)	(421,229)
Net Cash and Cash Equivalents	6,903,815	8,950,764	7,070,580	9,042,216

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 30.06.2023					As at 31.03.2023 (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		2,303,686	-	-	2,303,686	2,303,686	1,810,836	-	-	1,810,836	1,810,836
Balances with Banks		1,287,428	-	-	1,287,428	1,287,428	1,338,660	-	-	1,338,660	1,338,660
Securities under Reverse Repurchase Agreements		-	3,213,778	-	3,213,778	3,213,778	-	830,880	-	830,880	830,880
Investment in Trust Certificates		-	1,012,136	-	1,012,136	1,012,136	-	543,656	-	543,656	543,656
Financial Assets Recognised Through Profit or Loss	FVTPL	11,385	-	-	11,385	11,385	10,653	-	-	10,653	10,653
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	108,559,155	108,559,155	111,186,175	-	-	106,120,536	106,120,536	111,093,620
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	29,899,834	29,899,834	32,295,609	-	-	29,977,126	29,977,126	34,095,554
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		112,191	-	-	112,191	112,191	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	305	305	305	-	-	305	305	305
Other Financial Assets	Amortised Cost	8,146,022	8,149,899	-	16,295,921	15,653,272	7,578,396	14,147,257	-	21,725,653	21,685,834
		11,860,712	12,375,813	138,459,294	162,695,819	167,075,965	10,855,628	15,521,793	136,097,967	162,475,388	171,527,081
Financial Liabilities											
Due to Banks	Amortised Cost	-	16,147,412	-	16,147,412	17,015,091	-	17,488,092	-	17,488,092	19,369,784
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	109,296,187	109,296,187	111,999,687	-	-	111,849,395	111,849,395	114,011,699
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	2,487,496	-	2,487,496	2,616,962	-	3,775,257	-	3,775,257	3,882,024
Other Financial Liabilities	Amortised Cost	-	3,047,509	-	3,047,509	3,047,509	-	3,255,862	-	3,255,862	3,255,862
		-	21,682,417	109,296,187	130,978,604	134,679,249	-	24,519,211	111,849,395	136,368,606	140,519,369

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 30.06.2023					As at 31.03.2023 (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		2,328,037	-	-	2,328,037	2,328,037	1,830,304	-	-	1,830,304	1,830,304
Balances with Banks		1,310,610	-	-	1,310,610	1,310,610	1,357,186	-	-	1,357,186	1,357,186
Securities under Reverse Repurchase Agreements		-	3,334,828	-	3,334,828	3,334,828	-	949,809	-	949,809	949,809
Investment in Trust Certificates		-	1,012,136	-	1,012,136	1,012,136	-	543,656	-	543,656	543,656
Financial Assets Recognised Through Profit or Loss	FVTPL	11,385	-	-	11,385	11,385	10,653	-	-	10,653	10,653
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	109,738,078	109,738,078	112,365,099	-	-	107,258,706	107,258,706	112,231,789
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	29,935,887	29,935,887	32,331,662	-	-	30,021,380	30,021,380	34,139,808
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		112,191	-	-	112,191	112,191	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	307	307	307	-	-	307	307	307
Other Financial Assets	Amortised Cost	8,146,022	8,274,046	-	16,420,068	15,777,420	7,586,433	14,164,196	-	21,750,629	21,710,810
		11,908,245	12,621,010	139,674,272	164,203,528	168,583,675	10,901,659	15,657,661	137,280,393	163,839,712	172,891,405
Financial Liabilities											
Due to Banks	Amortised Cost	-	16,399,711	-	16,399,711	17,267,390	-	17,532,438	-	17,532,438	19,392,536
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	109,497,821	109,497,821	112,201,321	-	-	112,236,779	112,236,779	114,248,253
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	2,487,496	-	2,487,496	2,616,962	-	3,775,257	-	3,775,257	3,882,024
Other Financial Liabilities	Amortised Cost	-	3,098,006	-	3,098,006	3,098,006	-	3,283,059	-	3,283,059	3,283,059
		-	21,985,213	109,497,821	131,483,034	135,183,679	-	24,590,754	112,236,779	136,827,533	140,805,872

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	
	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)	30.06.2023 Rs.('000)	30.06.2022 Rs.('000)
Interest Income	2,358,000	2,432,629	8,212,799	4,776,206	1,279,319	552,887	58,395	48,493	11,908,513	7,810,215
Less: Interest Expenses	1,268,515	824,109	4,053,582	1,937,972	797,756	328,050	12,076	3,133	6,131,929	3,093,264
Net Interest Income	1,089,485	1,608,520	4,159,217	2,838,234	481,563	224,837	46,319	45,360	5,776,584	4,716,951
Fee and Commission Income	126,901	112,357	478,144	642,558	1,966	1,379	6,914	5,211	613,925	761,505
Net Trading Income and Other Operating Income	801	634	1,643	7,568	9,362	22,767	-	282	11,806	31,251
Total Operating Income	1,217,187	1,721,511	4,639,004	3,488,360	492,891	248,983	53,233	50,853	6,402,315	5,509,708
Less: Impairment Charges	767	94,395	124,159	61,330	(26,147)	30,220	6,014	(9,994)	104,792	175,951
Net Operating Income	1,216,420	1,627,116	4,514,845	3,427,030	519,038	218,762	47,219	60,847	6,297,523	5,333,757
Less: Other Costs	445,604	446,685	1,361,093	1,054,234	18,970	21,794	35,676	32,360	1,861,343	1,555,073
Less: Depreciation and Amortisation	43,856	54,617	169,375	156,168	1,569	3,590	1,980	2,188	216,780	216,563
Operating Profits before Taxes	726,960	1,125,813	2,984,377	2,216,628	498,499	193,379	9,563	26,299	4,219,400	3,562,121
Less: Taxes	364,472	468,237	1,496,454	922,038	250,400	81,127	3,370	4,003	2,114,696	1,475,405
Profits for the Period	362,488	657,576	1,487,923	1,294,590	248,099	112,252	6,193	22,296	2,104,703	2,086,716
Less: Non-Controlling Interest									414	2,569
Profit Attributable to Equity Holders of the Company									2,105,117	2,089,285
Profits for the Period									2,104,703	2,086,716
Segmental Assets	34,264,028	40,986,637	118,060,052	105,917,249	26,230,616	20,066,014	1,159,798	1,079,320	179,714,493	168,049,220
Elimination	-	-	-	-	(921,998)	(921,998)	-	-	(921,998)	(921,997)
Total Segmental Assets	34,264,028	40,986,637	118,060,052	105,917,249	25,308,618	19,144,016	1,159,798	1,079,320	178,792,495	167,127,224
Segmental Liabilities	27,180,366	33,340,864	93,612,770	86,156,118	19,919,946	15,397,777	368,894	125,865	141,081,976	135,020,624
Elimination	-	-	-	-	-	-	-	-	-	-
Total Segmental Liabilities	27,180,366	33,340,864	93,612,770	86,156,118	19,919,946	15,397,777	368,894	125,865	141,081,976	135,020,624

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 2023 or 2022.

LB FINANCE PLC

Interim Financial Statements for the period ended 30 June 2023

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 2023.
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 June 2023 was Rs. 2,364 Mn and as at 31 March 2023 was Rs. 2,404 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

	For the Quarter ended		
	30.06.2023	30.06.2022	
Share Price	Highest Rs.	58.50	61.70
	Lowest Rs.	49.90	42.70
	Last Traded Rs.	58.40	43.10
Number of Ordinary Shares Issued		554,057,136	554,057,136

INFORMATION ON LISTED DEBENTURES

	For the Quarter ended		
	30.06.2023	30.06.2022	
Debenture Prices			
Debentures Issued - December 2017			
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)	Highest Rs.	N/A	Not Traded
	Lowest Rs.	N/A	Not Traded
	Closing Rs.	N/A	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually)	Highest Rs.	N/A	Not Traded
	Lowest Rs.	N/A	Not Traded
	Closing Rs.	N/A	Not Traded
Interest Yield			
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)		N/A	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually)		N/A	Not Traded
Yield of Comparable Government Securities (%)			
05 Year Treasury Bond		N/A	20.41%

Debenture prices, interest yield and yield of comparable government securities are no longer applicable as the afore mentioned debentures issued on December 2017, were matured in December 2022.

Ratios

	As at	
	30.06.2023	30.06.2022
Debt Equity Ratio	64.17%	127.62%
Quick Asset Ratio	20.70%	19.22%
Interest Cover	1.55	1.95

SELECTED PERFORMANCE INDICATORS

	As at	
	30.06.2023	30.06.2022
Capital Adequacy		
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)	27.76%	24.00%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)	28.40%	24.94%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	33.43%	33.68%
Profitability		
Return on Average Shareholders' Funds (After Tax) - Annualized	22.23%	25.61%
Return on Average Assets (After Tax) - Annualized	4.66%	5.01%
Asset Quality		
Gross Non-Performing Accommodations Ratio	6.69%	5.07%
Net Non-Performing Accommodations Ratio	1.37%	-0.18%
Liquidity (Rs. Mn)		
Required Minimum Amount of Liquid Assets	11,349	9,966
Available Amount of Liquid Assets	19,260	14,650
Required Minimum Amount of Government Securities	7,897	6,725
Available Amount of Government Securities	11,634	7,925

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 30 June 2023

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 People's Leasing & Finance PLC/K.R.E.M.D.M.B.Jayasundara		5,599,100	1.011
5 Mr W.G.D.C. Ranaweera		3,959,281	0.715
6 Mr N. Udage		2,861,235	0.516
7 Mr K.D.A Perera		2,077,487	0.375
8 David Pieris Holdings (Private) Limited		2,000,000	0.361
9 Janashakthi Insurance PLC-Shareholders		1,952,700	0.352
10 Mr F.N. Herft		1,511,808	0.273
11 Mrs V. Saraswathi & Mr S. Vasudevan		1,500,000	0.271
12 Mr A.A. Page		1,259,200	0.227
13 Phantom Investments (Pvt) Ltd		1,253,809	0.226
14 Mr M.A.T. Raaymakers		1,152,745	0.208
15 Mrs M Gunaratne		1,000,000	0.180
16 DFCC Bank PLC/J N Lanka Holdings Company (Pvt) Ltd		1,000,000	0.180
17 People's Leasing & Finance PLC/Dr.H.S.D.Soyasa & Mrs.G.Soyasa		936,264	0.169
18 Hatton National Bank PLC-Senfin Growth Fund		900,000	0.162
19 Seylan Bank PLC/Sarath Bandara Rangamuwa		835,000	0.151
20 Mrs P.C. Cooray		834,528	0.151
		<u>518,105,285</u>	<u>93.511</u>
Others		<u>35,951,851</u>	<u>6.489</u>
Total		<u>554,057,136</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 30 June 2023

Name	<u>No. of Shares</u>	<u>(%)</u>
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	424,480	0.077
Mr. N Udage	2,861,235	0.516
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 June 2023 being 21.39% comprising of 4,991 shareholders.

The Float adjusted market capitalisation as at 30 June 2023 – Rs. 6,922,493,289.60/-

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.14.1 (i) (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, in which the Company's Ordinary Shares are listed currently.

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 Leases and Vehicle Loan Facilities, Mortgage Loans, Gold Loans, Personal Loans, other Credit Facilities, Digital Financial Services and Value Added Services.

Principal Activities of the Company's Subsidiaries

L B Microfinance Myanmar Company Limited - carries on Microfinance lending in Myanmar.

Multi Finance PLC – carries on business as a Licensed Finance Company and its business activities include acceptance of Fixed Deposits, maintenance of Savings Accounts, providing Finance Leases and Vehicle Loan Facilities, Mortgage Loans, Gold Loans, Personal Loans, other Credit Facilities.

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 - 192

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

The Company has been affirmed a national long-term rating at A-(lka) Rating Watch Negative by Fitch Ratings Lanka Limited

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna
(Chairman)

Mr. Ashane Jayasekara
(Independent Non-Executive Director/
Senior Director)

Mr. Sumith Adhietty
(Managing Director)

Mr. Nirosan Udage
(Deputy Managing Director)

Mr. B D A Perera
(Executive Director)

Mr. Ravindra Yatawara
(Executive Director)

Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Mr. Dharmadasa Rangalle
(Non-Executive Director)

Ms. Yanika Amarasekera
(Independent Non-Executive Director)

Board Audit Committee

Mrs. Yogadinusha Bhaskaran
(Chairperson)

Mrs. Ashwini Natesan

Mr. Ashane Jayasekara

Board Human Resource and Remuneration Committee

Mr. Ashane Jayasekara (Chairman)

Mr. G A R D Prasanna

Ms. Yanika Amarasekera

Board Nomination Committee

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

Board Related Party Transaction Review Committee

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

Board Integrated Risk Management Committee

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

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd.
No. 3/17, Kynsey Road, Colombo 08
Tel: 011- 4640360-3
Fax: 011- 4740588
Email: pwcs@pwes.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
No. 201, De Saram Place,
Colombo 10

INTERNAL AUDITORS

Internal Audit Department of the
Company under the scrutiny of the
Chief Internal Auditor.

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

SUBSIDIARY COMPANIES**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

No 40,
Mulashwedagar Street,
Khittaya Myothit Quarter,
Pyay Township,
Bago Region,
Myanmar

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. Sumith Adhihetty
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mrs. Daw Khin Than Win
Mr. U Kyaw Kyaw

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. Sumith Adhihetty
Mrs. Yogadinusha Bhaskaran
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Dharmadasa Rangalle

INTERIM FINANCIAL STATEMENTS

