

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE YEAR ENDED MARCH 31, 2023



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2023

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE YEAR ENDED		
	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	Change %	31.03.2023 Rs.('000)	Audited 31.03.2022 Rs.('000)	Change %
Income	12,347,648	8,137,202	52	42,756,458	30,159,476	42
Interest Income	11,560,637	7,218,007	60	39,643,934	27,510,530	44
Less : Interest Expenses	6,378,939	2,400,682	>100	20,615,585	8,846,608	>100
Net Interest Income	5,181,698	4,817,325	8	19,028,349	18,663,922	2
Fee and Commission Income	775,859	849,811	(9)	2,951,065	2,467,711	20
Net Trading Income	644	(9,350)	>(100)	(2,096)	2,393	>(100)
Other Operating Income	10,508	78,734	(87)	163,555	178,842	(9)
Total Operating Income	5,968,709	5,736,520	4	22,140,873	21,312,868	4
Less : Impairment Charges and Other Losses	18,487	426,242	(96)	545,744	1,025,981	(47)
Net Operating Income	5,950,222	5,310,278	12	21,595,129	20,286,887	6
Less : Operating Expenses						
Personnel Expenses	927,996	790,255	17	3,545,137	3,199,954	11
Depreciation of Property, Plant and Equipment	205,441	202,775	1	816,734	789,710	3
Amortisation of Intangible Assets	2,251	2,263	(1)	8,183	11,146	(27)
Other Operating Expenses	795,363	627,017	27	2,807,948	2,239,064	25
Total Operating Expenses	1,931,051	1,622,310	19	7,178,002	6,239,874	15
Operating Profit before Tax on Financial Services	4,019,171	3,687,968	9	14,417,127	14,047,013	3
Less : Tax on Financial Services	765,321	597,686	28	2,670,575	2,136,551	25
Profit before Taxation	3,253,850	3,090,282	5	11,746,552	11,910,462	(1)
Less : Income Tax Expense	576,074	723,354	(20)	3,286,221	3,248,604	1
Profit for the Year	2,677,776	2,366,928	13	8,460,331	8,661,858	(2)
Basic Earnings per Share (Rs.)	4.83	4.27	13	15.27	15.63	(2)
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	17,421	(24,841)	>(100)	31,364	8,984	>100
Actuarial Gains/(Losses) on Defined Benefit Plans	7,539	86,003	(91)	7,539	86,003	(91)
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	2,262	20,641	(89)	2,262	20,641	(89)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	5,277	65,362	(92)	5,277	65,362	(92)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	22,698	40,521	(44)	36,641	74,346	(51)
Other Comprehensive Income for the Year, Net of Tax	22,698	40,521	(44)	36,641	74,346	(51)
Total Comprehensive Income for the Year, Net of Tax	2,700,474	2,407,449	12	8,496,972	8,736,204	(3)

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 March 2023

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE YEAR ENDED		
	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	Change %	31.03.2023 Rs.('000)	Audited 31.03.2022 Rs.('000)	Change %
Income	12,457,091	8,102,372	54	43,133,443	30,157,403	43
Interest Income	11,651,480	7,178,535	62	39,973,555	27,506,107	45
Less : Interest Expenses	6,390,265	2,404,814	>100	20,663,956	8,862,699	>100
Net Interest Income	5,261,215	4,773,721	10	19,309,599	18,643,408	4
Fee and Commission Income	790,743	853,442	(7)	2,986,402	2,475,065	21
Net Trading Income	644	(9,350)	>(100)	(2,096)	2,393	>(100)
Other Operating Income	14,224	79,745	(82)	175,582	173,838	1
Total Operating Income	6,066,826	5,697,558	6	22,469,487	21,294,704	6
Less : Impairment Charges and Other Losses	19,149	518,772	(96)	519,133	1,111,767	(53)
Net Operating Income	6,047,677	5,178,786	17	21,950,354	20,182,937	9
Less : Operating Expenses						
Personnel Expenses	953,534	805,395	18	3,669,537	3,247,263	13
Depreciation of Property, Plant and Equipment	209,213	204,358	2	834,155	792,914	5
Amortisation of Intangible Assets	3,544	3,083	15	13,284	14,277	(7)
Other Operating Expenses	825,052	639,041	29	2,912,708	2,270,978	28
Total Operating Expenses	1,991,343	1,651,877	21	7,429,684	6,325,432	17
Operating Profit before Tax on Financial Services	4,056,334	3,526,909	15	14,520,670	13,857,505	5
Less : Tax on Financial Services	768,272	597,686	29	2,677,606	2,136,551	25
Profit before Taxation	3,288,062	2,929,223	12	11,843,064	11,720,954	1
Less : Income Tax Expense	568,463	723,884	(21)	3,290,178	3,244,923	1
Profit for the Year	2,719,599	2,205,339	23	8,552,886	8,476,031	1
Profit Attributable to:						
Equity Holders of the Company	2,716,919	2,259,805	20	8,554,543	8,530,497	0
Non-Controlling Interest	2,680	(54,466)	>(100)	(1,657)	(54,466)	(97)
Profit for the Year	2,719,599	2,205,339	23	8,552,886	8,476,031	1
Basic Earnings per Share (Rs.)	4.90	3.98	23	15.44	15.40	0
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	(87,744)	266,372	>(100)	(70,587)	117,737	>(100)
Net Other Comprehensive Income that will be Reclassified to Income Statement	(87,744)	266,372	>(100)	(70,587)	117,737	>(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	17,421	(24,841)	>(100)	31,364	8,984	>100
Actuarial Gains/(Losses) on Defined Benefit Plans	8,166	86,003	(91)	8,166	86,003	(91)
Less: Deferred Tax Charge/(Reversal) on Actuarial Gains and Losses	2,262	20,641	(89)	2,262	20,641	(89)
Net Actuarial Gains/(Losses) on Defined Benefit Plans	5,904	65,362	(91)	5,904	65,362	(91)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	23,325	40,521	(42)	37,268	74,346	(50)
Other Comprehensive Income for the Year, Net of Tax	(64,419)	306,893	>(100)	(33,319)	192,083	>(100)
Total Comprehensive Income for the Year, Net of Tax	2,655,180	2,512,232	6	8,519,567	8,668,114	(2)
Attributable to:						
Equity Holders of the Company	2,652,279	2,566,698	3	8,521,003	8,722,580	(2)
Non-Controlling Interest	2,901	(54,466)	>(100)	(1,436)	(54,466)	(97)
Total Comprehensive Income for the Year, Net of Tax	2,655,180	2,512,232	6	8,519,567	8,668,114	(2)

LB FINANCE PLC

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Company		Group	
	31.03.2023 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)	31.03.2023 Rs.(‘000)	Audited 31.03.2022 Rs.(‘000)
Assets				
Cash and Cash Equivalents	4,524,032	14,458,986	4,680,955	14,634,136
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	10,653	13,208	10,653	13,208
Financial Assets at Amortised Cost - Loans and Receivables	111,093,620	92,837,601	112,231,789	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	34,095,554	41,558,002	34,139,808	41,640,197
Financial Assets Measured at Fair Value Through Other Comprehensive Income	117,388	86,102	117,390	86,104
Other Financial Assets	21,685,834	5,598,624	21,710,810	5,655,767
Other Non Financial Assets	474,347	454,711	552,469	500,581
Investment in Subsidiaries	921,998	921,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,633,347	8,421,741	8,667,202	8,448,930
Investment Properties	-	-	4,550	71,150
Intangible Assets	22,628	14,875	135,255	131,000
Deferred Tax Assets	767,186	-	767,186	-
Total Assets	182,346,587	164,365,012	183,018,067	165,078,277
Liabilities				
Due to Banks	19,369,784	26,858,737	19,392,536	26,861,944
Financial Liabilities at Amortised Cost - Due to Depositors	114,011,699	89,143,982	114,248,253	89,478,506
Debt Instruments Issued and Other Borrowed Funds	3,882,024	8,564,617	3,882,024	8,564,617
Other Financial Liabilities	3,255,862	3,305,112	3,283,059	3,343,419
Other Non Financial Liabilities	1,090,091	1,134,771	1,154,729	1,182,279
Current Tax Liabilities	2,255,830	1,882,242	2,261,996	1,875,082
Deferred Tax Liabilities	-	111,486	-	111,486
Post Employment Benefit Liability	365,557	316,973	367,504	323,833
Total Liabilities	144,230,847	131,317,920	144,590,101	131,741,166
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,493,049	8,038,658	8,691,100	8,307,296
Retained Earnings	28,784,409	24,170,152	28,794,719	24,085,844
Total Equity Attributable to Equity Holders of the Company	38,115,740	33,047,092	38,324,101	33,231,422
Non Controlling Interest	-	-	103,865	105,689
Total Equity	38,115,740	33,047,092	38,427,966	33,337,111
Total Liabilities and Equity	182,346,587	164,365,012	183,018,067	165,078,277
Net Asset Value per Share (Rs.)	68.79	59.65	69.17	59.98
Commitments and Contingencies	2,403,948	1,694,463	2,403,948	1,694,463

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

CERTIFICATION:

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

(Sgd.)

Malith Hewage
Chief Financial Officer

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

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

(Sgd.)

J A S Sumith Adhihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

17 May 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 2021 (Audited)	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Net Profit for the Year	-	8,661,858	-	-	8,661,858
Other Comprehensive Income, Net of Tax	-	65,362	-	8,984	74,346
Transfers During the Year	-	(433,568)	433,093	475	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Interim Dividend for 2021/22	-	(1,662,171)	-	-	(1,662,171)
Balance as at 31 March 2022	838,282	24,170,152	8,116,782	(78,124)	33,047,092
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 Year	-	8,460,331	-	-	8,460,331
Other Comprehensive Income, Net of Tax	-	5,277	-	31,364	36,641
Transfers During the Year	-	(423,027)	423,017	10	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
Balance as at 31 March 2023	838,282	28,784,409	8,539,799	(46,750)	38,115,740

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs.(‘000)	Retained Earnings Rs.(‘000)	Statutory Reserve Rs.(‘000)	Foreign Currency Translation Reserve Rs.(‘000)	Fair Value Reserve Rs.(‘000)	Total Equity Attributable to Equity Holders of the Company Rs.(‘000)	Non-Controlling Interest Rs.(‘000)	Total Equity Rs.(‘000)
Balance as at 01 April 2021 (Audited)	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Non Controlling Interest on Acquisition of Multi Finance PLC	-	-	-	-	-	-	160,155	160,155
Net Profit for the Year	-	8,530,497	-	-	-	8,530,497	(54,466)	8,476,031
Other Comprehensive Income, Net of Tax	-	65,362	-	117,737	8,984	192,083	-	192,083
Transfers During the Year	-	(433,568)	433,093	-	475	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Interim Dividend for 2021/22	-	(1,662,171)	-	-	-	(1,662,171)	-	(1,662,171)
Balance as at 31 March 2022	838,282	24,085,844	8,116,782	268,638	(78,124)	33,231,422	105,689	33,337,111
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 Year	-	8,554,543	-	-	-	8,554,543	(1,657)	8,552,886
Other Comprehensive Income, Net of Tax	-	5,683	-	(70,587)	31,364	(33,540)	221	(33,319)
Transfers During the Year	-	(423,027)	423,017	-	10	-	-	-
Disposal of Shares	-	-	-	-	-	-	(388)	(388)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Balance as at 31 March 2023	838,282	28,794,719	8,539,799	198,051	(46,750)	38,324,101	103,865	38,427,966

LB FINANCE PLC**CASH FLOW STATEMENT**

Year ended 31 March 2023

	FOR THE YEAR ENDED			
	Company		Group	
	31.03.2023 Rs.('000)	Audited 31.03.2022 Rs.('000)	31.03.2023 Rs.('000)	Audited 31.03.2022 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	11,783,193	12,005,449	11,812,007	11,933,678
Adjustments for				
Depreciation of Property, Plant and Equipment	816,734	789,710	834,155	792,914
Amortisation of Intangible Assets	8,183	11,146	13,284	14,277
Impairment Charges and Other Losses	545,744	1,025,981	519,133	1,111,767
Diminution/(Appreciation) in Value of Investments	(28,732)	(10,658)	(28,732)	(10,656)
Gain/(Losses) from fair value changes of Investment Properties	-	-	(400)	-
Loss/(Profit) on Disposal of Property, Plant and Equipment	(11,137)	(3,941)	(11,137)	(3,941)
Provision/(Reversal) for Defined Benefit Plans	95,235	(6,391)	96,761	(6,391)
Foreign Currency Exchange (Gain)/Loss	-	-	6,015	5,349
Dividend Received	(3,230)	(2,983)	(3,230)	(2,983)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	70,587	(117,737)
Operating Profit before Changes in Operating Assets and Liabilities	13,205,990	13,808,313	13,308,443	13,716,277
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(18,943,799)	(27,063,500)	(18,995,754)	(27,282,824)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	7,604,485	5,779,739	7,642,426	5,796,734
(Increase)/Decrease in Other Financial Assets	(16,087,209)	4,855,278	(16,080,881)	4,918,079
(Increase)/Decrease in Other Non Financial Assets	(786,823)	465,693	(823,618)	466,686
	(28,213,346)	(15,962,790)	(28,257,827)	(16,101,324)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	24,867,717	3,283,912	24,769,747	3,284,468
Increase/(Decrease) in Other Financial Liabilities	(418,689)	17,794	(484,819)	(9,077)
Increase/(Decrease) in Other Non Financial Liabilities	853,333	160,928	874,083	164,712
	25,302,361	3,462,634	25,159,011	3,440,103
Cash Generated from Operations	10,295,005	1,308,157	10,209,627	1,055,056
Retirement Benefit Liabilities Paid	(46,651)	(41,901)	(53,090)	(41,901)
Income Tax Paid	(3,922,132)	(3,838,953)	(3,922,132)	(3,847,363)
Surcharge Tax Paid	(2,320,210)	-	(2,320,210)	-
Net Cash from/(Used in) Operating Activities	4,006,012	(2,572,697)	3,914,195	(2,834,208)
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(675,637)	(770,700)	(689,702)	(772,467)
Acquisition of Intangible Assets	(15,937)	-	(17,558)	(107,355)
Proceeds from Sale of Property, Plant and Equipment	27,874	48,241	27,874	48,241
Proceeds from Sale of Investment Properties	-	-	68,894	-
Investment in Subsidiary	(836)	(400,000)	-	-
Net Cash and Cash Equivalents on Acquisition of Subsidiaries	-	-	-	8,569
Dividend Received	3,230	2,983	3,230	2,983
Net Cash Flows from/(Used in) Investing Activities	(661,306)	(1,119,476)	(607,262)	(820,029)
Cash Flows from/(Used in) Financing Activities				
Cash Flows from Debt Funding from Banks	15,969,854	23,254,581	15,991,450	23,259,071
Repayment of Debt Funding from Banks	(22,200,525)	(13,624,068)	(22,200,525)	(13,688,036)
Cash Flows from Debt Instruments Issued and Other Borrowed Funds	-	5,450,701	-	5,450,701
Repayment of Debt Instruments and Other Borrowed Funds	(4,682,593)	-	(4,682,593)	-
Dividends Paid	(1,108,114)	(3,878,400)	(1,108,114)	(3,878,400)
Net Cash Flows from/(Used in) Financing Activities	(12,021,378)	11,202,814	(11,999,782)	11,143,336
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,676,672)	7,510,641	(8,692,849)	7,489,099
Cash and Cash Equivalents at the Beginning of the Year	12,709,842	5,199,201	12,881,785	5,392,686
Cash and Cash Equivalents at the End of the Year	4,033,170	12,709,842	4,188,936	12,881,785
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,810,836	1,159,669	1,830,304	1,173,595
Balances with Banks	1,338,660	2,279,843	1,357,186	2,356,956
Securities under Reverse Repurchase Agreements	830,880	9,993,533	949,809	10,069,607
Investment in Trust Certificates	543,656	-	543,656	-
Investment in Treasury Bills	-	1,025,941	-	1,033,978
Bank Overdrafts	(490,862)	(1,749,144)	(492,019)	(1,752,351)
Net Cash and Cash Equivalents	4,033,170	12,709,842	4,188,936	12,881,785

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 31.03.2023					As at 31.03.2022 (Audited)				
Financial Instruments	Measurement Basis	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,810,836	-	-	1,810,836	1,810,836	1,159,669	-	-	1,159,669	1,159,669
Balances with Banks		1,338,660	-	-	1,338,660	1,338,660	2,279,843	-	-	2,279,843	2,279,843
Securities under Reverse Repurchase Agreements		-	830,880	-	830,880	830,880	-	9,993,533	-	9,993,533	9,993,533
Investment in Trust Certificates		-	543,656	-	543,656	543,656	-	-	-	-	-
Investment in Treasury Bills		-	-	-	-	-	1,025,941	-	-	1,025,941	1,025,941
Financial Assets Recognised Through Profit or Loss	FVTPL	10,653	-	-	10,653	10,653	13,208	-	-	13,208	13,208
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	106,120,535	106,120,535	111,093,620	-	-	90,913,262	90,913,262	92,837,601
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	29,977,124	29,977,124	34,095,554	-	-	40,386,998	40,386,998	41,558,002
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		117,083	-	-	117,083	117,083	85,796	-	-	85,796	85,796
Unquoted Equities		-	-	305	305	305	-	-	305	305	305
Other Financial Assets	Amortised Cost	7,578,396	14,147,257	-	21,725,653	21,685,834	-	5,598,624	-	5,598,624	5,598,624
		10,855,628	15,521,793	136,097,964	162,475,385	171,527,081	4,564,457	15,592,157	131,300,565	151,457,179	154,552,522
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,488,092	-	17,488,092	19,369,784	-	26,130,900	-	26,130,900	26,858,737
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	111,849,395	111,849,395	114,011,699	-	-	86,981,677	86,981,677	89,143,982
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,775,257	-	3,775,257	3,882,024	-	8,267,254	-	8,267,254	8,564,617
Other Financial Liabilities	Amortised Cost	-	3,255,862	-	3,255,862	3,255,862	-	3,305,112	-	3,305,112	3,305,112
		-	24,519,211	111,849,395	136,368,606	140,519,369	-	37,703,266	86,981,677	124,684,943	127,872,448

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 31.03.2023					As at 31.03.2022 (Audited)				
Financial Instruments	Measurement Basis	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs			Quoted Prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs		
		Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000			Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000		
Financial Assets											
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,830,304	-	-	1,830,304	1,830,304	1,173,595	-	-	1,173,595	1,173,595
Balances with Banks		1,357,186	-	-	1,357,186	1,357,186	2,356,956	-	-	2,356,956	2,356,956
Securities under Reverse Repurchase Agreements		-	949,809	-	949,809	949,809	-	10,069,607	-	10,069,607	10,069,607
Investment in Trust Certificates		-	543,656	-	543,656	543,656	-	-	-	-	-
Investment in Treasury Bills		-	-	-	-	-	1,033,978	-	-	1,033,978	1,033,978
Financial Assets Recognised Through Profit or Loss	FVTPL	10,653	-	-	10,653	10,653	13,208	-	-	13,208	13,208
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	107,258,706	107,258,706	112,231,789	-	-	91,972,865	91,972,865	93,897,204
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	30,021,378	30,021,378	34,139,807	-	-	40,469,194	40,469,194	41,640,197
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		117,083	-	-	117,083	117,083	85,797	-	-	85,797	85,797
Unquoted Equities		-	-	307	307	307	-	-	307	307	307
Other Financial Assets	Amortised Cost	7,546,614	14,164,195	-	21,710,810	21,710,810	-	5,655,767	-	5,655,767	5,655,767
		10,861,840	15,657,660	137,280,391	163,799,892	172,891,404	4,663,534	15,725,374	132,442,366	152,831,274	155,926,616
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,532,436	-	17,532,436	19,392,536	-	26,134,107	-	26,134,107	26,861,944
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	112,236,779	112,236,779	114,248,253	-	-	87,316,202	87,316,202	89,478,506
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,775,257	-	3,775,257	3,882,024	-	8,267,254	-	8,267,254	8,564,617
Other Financial Liabilities	Amortised Cost	-	3,283,059	-	3,283,059	3,283,059	-	3,343,419	-	3,343,419	3,343,419
		-	24,590,752	112,236,779	136,827,531	140,805,872	-	37,744,780	87,316,202	125,060,982	128,248,486

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	
	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)	31.03.2023 Rs.('000)	31.03.2022 Rs.('000)
Interest Income	9,395,408	12,121,008	26,877,211	14,344,309	3,483,857	981,917	217,079	58,873	39,973,555	27,506,107
Less: Interest Expenses	4,569,051	2,950,426	12,786,012	5,040,397	3,296,192	856,812	12,701	15,064	20,663,956	8,862,699
Net Interest Income	4,826,357	9,170,582	14,091,199	9,303,912	187,665	125,105	204,378	43,809	19,309,599	18,643,408
Fee and Commission Income	549,700	706,248	2,408,464	1,726,260	7,078	35,528	21,160	7,029	2,986,402	2,475,065
Net Trading Income and Other Operating Income	4,782	2,421	113,040	76,717	55,287	102,442	377	(5,349)	173,486	176,231
Total Operating Income	5,380,839	9,879,251	16,612,703	11,106,889	250,030	263,075	225,915	45,489	22,469,487	21,294,704
Less: Impairment Charges and Other Losses	(137,134)	19,172	661,804	1,035,050	22,597	55,793	(28,134)	1,752	519,133	1,111,767
Net Operating Income	5,517,975	9,860,079	15,950,897	10,071,839	227,433	207,282	254,049	43,737	21,950,354	20,182,937
Less: Other Costs	1,727,877	2,050,019	4,676,015	3,353,957	32,543	40,358	145,810	73,907	6,582,245	5,518,241
Less: Depreciation and Amortisation	199,311	257,177	640,926	536,686	2,833	7,979	4,369	5,349	847,439	807,191
Operating Profits before Taxes	3,590,787	7,552,883	10,633,956	6,181,196	192,057	158,945	103,870	(35,519)	14,520,670	13,857,505
Less: Taxes	1,485,407	2,927,616	4,398,971	2,395,930	79,449	61,609	3,957	(3,681)	5,967,784	5,381,474
Profits for the Year	2,105,380	4,625,267	6,234,985	3,785,266	112,608	97,336	99,913	(31,838)	8,552,886	8,476,031
Less: Non-Controlling Interest									(1,657)	(54,466)
Profit Attributable to Equity Holders of the Company									8,554,543	8,530,497
Profits for the Year									8,552,886	8,476,031
Segmental Assets	35,988,679	44,028,049	117,445,065	98,433,169	29,536,855	22,628,676	995,305	909,545	183,965,904	165,999,439
Elimination	-	-	-	-	(947,837)	(921,162)	-	-	(947,837)	(921,162)
Total Segmental Assets	35,988,679	44,028,049	117,445,065	98,433,169	28,589,018	21,707,514	995,305	909,545	183,018,067	165,078,277
Segmental Liabilities	28,714,166	35,321,582	93,591,570	79,037,994	22,146,582	17,277,059	163,622	104,531	144,615,940	131,741,166
Elimination	-	-	-	-	-	-	(25,839)	-	(25,839)	-
Total Segmental Liabilities	28,714,166	35,321,582	93,591,570	79,037,994	22,146,582	17,277,059	137,783	104,531	144,590,101	131,741,166

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 year ended 31st March 2023 or 2022.

LB FINANCE PLC

Interim Financial Statements for the year ended 31 March 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. Subsequent to the reporting date, the Board of Directors of the Company declared the payment of an interim dividend of Rs. 2.00 per share for the year ended 31 March 2023. In accordance with the Sri Lanka Accounting Standard – LKAS 10 (Events After the Reporting Period), this interim dividend has not been recognised as a liability as at 31 March 2023.
04. There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.
05. The Commitments and Contingencies as at 31 March 2023 was Rs. 2,404 Mn and as at 31 March 2022 was Rs. 1,694 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

		For the Quarter ended	
		31.03.2023	31.03.2022
Share Price	Highest	Rs. 56.50	92.10
	Lowest	Rs. 37.90	54.50
	Last Traded	Rs. 55.00	58.00
Number of Ordinary Shares Issued		554,057,136	554,057,136

INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		31.03.2023	31.03.2022
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	14.83%

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.

		As at	
		31.03.2023	31.03.2022
Ratios			
Debt Equity Ratio		67.79%	101.40%
Quick Asset Ratio		22.74%	21.09%
Interest Cover		1.57	2.35

SELECTED PERFORMANCE INDICATORS

		As at	
		31.03.2023	31.03.2022
Capital Adequacy			
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)		24.51%	18.99%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)		25.13%	19.94%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		33.43%	37.07%
Profitability			
Return on Average Shareholders' Funds (After Tax)		23.78%	28.29%
Return on Average Assets (After Tax)		4.88%	5.68%
Asset Quality			
Gross Non-Performing Accommodations Ratio		4.45%	4.44%
Net Non-Performing Accommodations Ratio		-0.65%	-0.80%
Liquidity (Rs. Mn)			
Required Minimum Amount of Liquid Assets		11,528	9,461
Available Amount of Liquid Assets		22,018	16,318
Required Minimum Amount of Government Securities		6,725	6,820
Available Amount of Government Securities		12,283	10,840

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 31 March 2023

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 Auerbach Grayson And Co.		9,535,325	1.721
5 People's Leasing & Finance PLC/K.R.E.M.D.M.B.Jayasundara		5,000,222	0.902
6 Mr N. Udage		2,161,235	0.390
7 Mr K.D.A. Perera		2,072,687	0.374
8 Janashakthi Insurance PLC-Shareholders		1,952,700	0.352
9 Mr W.G.D.C. Ranaweera		1,787,405	0.323
10 Mr F.N. Herft		1,481,808	0.267
11 Mr A.A. Page		1,259,200	0.227
12 Phantom Investments (Pvt) Ltd		1,253,809	0.226
13 Mrs V. Saraswathi & Mr S. Vasudevan		1,220,716	0.220
14 Mr M.A.T. Raaymakers		1,001,787	0.181
15 People's Leasing & Finance PLC/Dr.H.S.D.Soyas & Mrs.G.Soyas		936,264	0.169
16 Seylan Bank PLC/Sarath Bandara Rangamuwa		835,000	0.151
17 Mrs P.C. Cooray		834,528	0.151
18 Mr J.A.N.R. Adhihetty		813,845	0.147
19 Dr W.P. Somasiri & Mrs D.V.A. Wijewardana & Mr K. Withanapathirana		742,000	0.134
20 Mrs P.D.A.S. Beruwalage		733,327	0.132
		<hr/>	<hr/>
		521,093,986	94.051
Others		32,963,150	5.949
Total		554,057,136	100.000

Directors' and Chief Executive Officer's holding in shares as at 31 March 2023

Name	No. of Shares	(%)
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	424,480	0.077
Mr. N Udage	2,161,235	0.390
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 31 March 2023 being 21.70% comprising of 4,930 shareholders.

The Float adjusted market capitalisation as at 31 March 2023 – Rs. 6,612,971,420/-

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.14.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

NAME OF COMPANY

L B Finance PLC

LEGAL FORM

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

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

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

STOCK EXCHANGE LISTING

The Company was admitted to the official List of the Colombo Stock Exchange on 30th December 1997.

The ordinary shares and senior and subordinated unsecured, redeemable rated, debentures redeemable in 2022 of the Company are listed on the Colombo Stock Exchange.

DATE OF INCORPORATION

30th May 1971

COMPANY REGISTRATION NUMBER

PQ 156

TAX PAYER IDENTIFICATION NUMBER

104033431

VAT REGISTRATION NUMBER

104033431 7000

CENTRAL BANK REGISTRATION NUMBER

RFC 1003

PRINCIPAL ACTIVITIES

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

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

OUTLETS

Branches - 192

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

The Company has been assigned A-(Ika) Rating Watch Negative (RWN) by Fitch Ratings Lanka Limited

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mr. G A R D Prasanna (Chairman/ Non-Independent Non-Executive Director)

Mr. Sumith Adhietty (Managing Director)

Mr. Niroschan Udage (Deputy Managing Director)

Mr. B D A Perera (Executive Director)

Mr. Ravindra Yatawara (Executive Director)

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

Mrs. Yogadinusha Bhaskaran (Non-Independent Non-Executive Director)

Mrs. Ashwini Natesan (Independent Non-Executive Director)

Mr. Dharmadasa Rangalle (Non-Independent Non-Executive Director)

Ms. Yanika Amarasekera (Independent Non-Executive Director)

Audit Committee

Mrs. Yogadinusha Bhaskaran (Chairperson)

Mrs. Ashwini Natesan

Mr. Ashane Jayasekara

Remuneration Committee

Mr. Ashane Jayasekara (Chairman)

Mr. G A R D Prasanna

Ms. Yanika Amarasekera

Nomination Committee

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

Related Party Transaction Review Committee

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

Integrated Risk Management Committee

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

SECRETARIES

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

CORPORATE MEMBERSHIPS AND ASSOCIATIONS

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

AUDITORS

Ernst & Young
No. 201, De Saram Place,
Colombo 10

BANKERS

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

SUBSIDIARY COMPANIES

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

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

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

BOARD OF DIRECTORS OF SUBSIDIARY

Mr. G A R D Prasanna
Mr. Sumith Adhietty
Mrs. Yogadinusha Bhaskaran
Mr. Sumith Adhietty
Mr. Niroshan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Dharmadasa Rangalle

INTERIM FINANCIAL STATEMENTS

