

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED SEPTEMBER 30, 2020



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2020

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	Change %	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	Change %
Income	7,597,826	8,025,906	(5)	14,222,877	15,749,753	(10)
Interest Income	6,908,276	7,532,438	(8)	13,162,243	14,794,238	(11)
Less : Interest Expenses	3,235,782	3,445,264	(6)	6,476,397	6,884,966	(6)
Net Interest Income	3,672,494	4,087,174	(10)	6,685,846	7,909,272	(15)
Fee and Commission Income	649,448	452,567	44	1,003,815	885,561	13
Net Trading Income	1,473	52	>100	2,899	(709)	>100
Other Operating Income	38,629	40,849	(5)	53,920	70,663	(24)
Total Operating Income	4,362,044	4,580,642	(5)	7,746,480	8,864,787	(13)
Less : Impairment Charges and Other Losses	108,137	76,167	42	1,127,710	433,200	>100
Net Operating Income	4,253,907	4,504,475	(6)	6,618,770	8,431,587	(22)
Less : Operating Expenses						
Personnel Expenses	785,960	766,062	3	1,456,630	1,469,416	(1)
Depreciation of Property, Plant and Equipment	185,665	113,499	64	362,321	223,724	62
Amortisation of Intangible Assets	4,127	3,994	3	8,614	8,134	6
Other Operating Expenses	481,699	690,950	(30)	876,867	1,354,423	(35)
Operating Profit before Tax on Financial Services	2,796,456	2,929,970	(5)	3,914,338	5,375,890	(27)
Less : Tax on Financial Services	424,215	465,134	(9)	640,206	864,227	(26)
Less : Debt Repayment Levy	-	239,784	(100)	-	445,504	(100)
Profit before Taxation	2,372,241	2,225,052	7	3,274,132	4,066,159	(19)
Less : Income Tax Expense	730,818	853,069	(14)	994,015	1,558,976	(36)
Profit for the Period	1,641,423	1,371,983	20	2,280,117	2,507,183	(9)
Basic Earnings per Share (Rs.)	11.85	9.90	20	16.46	18.10	(9)
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	(135)	(12,600)	99	12,361	(10,960)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(135)	(12,600)	99	12,361	(10,960)	>100
Other Comprehensive Income for the Period, Net of Tax	(135)	(12,600)	99	12,361	(10,960)	>100
Total Comprehensive Income for the Period, Net of Tax	1,641,288	1,359,383	21	2,292,478	2,496,223	(8)

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2020

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2020 Rs.(‘000)	30.09.2019 Rs.(‘000)	Change %	30.09.2020 Rs.(‘000)	30.09.2019 Rs.(‘000)	Change %
Income	7,634,950	8,060,382	(5)	14,301,431	15,816,083	(10)
Interest Income	6,938,763	7,564,943	(8)	13,233,182	14,857,306	(11)
Less : Interest Expenses	3,241,365	3,448,954	(6)	6,485,468	6,891,238	(6)
Net Interest Income	3,697,398	4,115,989	(10)	6,747,714	7,966,068	(15)
Fee and Commission Income	655,425	454,231	44	1,010,877	888,465	14
Net Trading Income	1,473	52	>100	2,899	(709)	>100
Other Operating Income	39,289	41,156	(5)	54,473	71,021	(23)
Total Operating Income	4,393,585	4,611,428	(5)	7,815,963	8,924,845	(12)
Less : Impairment Charges and Other Losses	108,993	83,379	31	1,127,984	443,046	>100
Net Operating Income	4,284,592	4,528,049	(5)	6,687,979	8,481,799	(21)
Less : Operating Expenses						
Personnel Expenses	798,443	772,261	3	1,479,798	1,481,596	(0)
Depreciation of Property, Plant and Equipment	186,185	113,755	64	363,266	224,200	62
Amortisation of Intangible Assets	5,011	4,421	13	10,366	8,816	18
Other Operating Expenses	492,746	695,320	(29)	894,226	1,363,555	(34)
Operating Profit before Tax on Financial Services	2,802,207	2,942,292	(5)	3,940,323	5,403,632	(27)
Less : Tax on Financial Services	424,215	465,134	(9)	640,206	864,227	(26)
Less : Debt Repayment Levy	-	239,784	(100)	-	445,504	(100)
Profit before Taxation	2,377,992	2,237,374	6	3,300,117	4,093,901	(19)
Less : Income Tax Expense	734,029	856,595	(14)	1,003,435	1,567,122	(36)
Profit for the Period	1,643,963	1,380,779	19	2,296,682	2,526,779	(9)
Profit Attributable to:						
Equity Holders of the Company	1,643,963	1,380,779	19	2,296,682	2,526,779	(9)
Non-Controlling Interest	-	-	-	-	-	-
Profit for the Period	1,643,963	1,380,779	19	2,296,682	2,526,779	(9)
Basic Earnings per Share (Rs.)	11.87	9.97	19	16.58	18.24	(9)
Other Comprehensive Income						
Other Comprehensive Income that will be Reclassified to Income Statement						
Net Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	35,793	8,080	>100	30,929	9,965	>100
Net Other Comprehensive Income that will be Reclassified to Income Statement	35,793	8,080	>100	30,929	9,965	>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	(135)	(12,600)	99	12,361	(10,960)	>100
Net Other Comprehensive Income that will never be Reclassified to Income Statement	(135)	(12,600)	99	12,361	(10,960)	>100
Other Comprehensive Income for the Period, Net of Tax	35,658	(4,520)	>100	43,290	(995)	>100
Total Comprehensive Income for the Period, Net of Tax	1,679,621	1,376,259	22	2,339,972	2,525,784	(7)
Attributable to:						
Equity Holders of the Company	1,679,621	1,376,259	22	2,339,972	2,525,784	(7)
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period, Net of Tax	1,679,621	1,376,259	22	2,339,972	2,525,784	(7)

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 30 September 2020

	Company		Group	
	30.09.2020 Rs.('000)	Audited 31.03.2020 Rs.('000)	30.09.2020 Rs.('000)	Audited 31.03.2020 Rs.('000)
Assets				
Cash and Cash Equivalents	9,675,531	6,162,637	9,911,339	6,472,312
Financial Assets Recognised Through Profit or Loss	7,547	4,648	7,547	4,648
Financial Assets at Amortised Cost - Loans and Receivables	62,372,238	58,239,254	63,066,376	58,793,344
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	52,394,925	60,626,670	52,394,925	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	71,503	59,141	71,503	59,141
Other Financial Assets	12,841,145	9,119,681	12,821,917	9,105,761
Other Non Financial Assets	830,335	967,469	838,983	976,489
Investment in Subsidiary	521,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,193,515	8,221,248	8,202,678	8,228,222
Intangible Assets	34,460	41,809	46,508	55,064
Total Assets	146,942,361	143,963,719	147,361,776	144,321,651
Liabilities				
Due to Banks	22,390,055	22,771,085	22,505,498	22,882,941
Financial Liabilities at Amortised Cost - Due to Depositors	89,692,374	89,256,435	89,764,478	89,315,097
Debt Instruments Issued and Other Borrowed Funds	3,112,985	3,111,186	3,112,985	3,111,186
Other Financial Liabilities	3,066,111	2,766,410	3,046,882	2,766,775
Other Non Financial Liabilities	1,412,630	909,266	1,454,309	925,778
Current Tax Liabilities	579,984	766,752	581,676	777,057
Deferred Tax Liabilities	1,037,580	1,037,580	1,037,580	1,037,580
Post Employment Benefit Liability	358,615	345,456	358,615	345,456
Total Liabilities	121,650,334	120,964,170	121,862,023	121,161,870
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	6,685,323	6,216,939	6,833,639	6,334,326
Retained Earnings	17,768,422	15,944,328	17,827,832	15,987,173
Total Equity Attributable to Equity Holders of the Company	25,292,027	22,999,549	25,499,753	23,159,781
Non Controlling Interest	-	-	-	-
Total Equity	25,292,027	22,999,549	25,499,753	23,159,781
Total Liabilities and Equity	146,942,361	143,963,719	147,361,776	144,321,651
Net Asset Value per Share (Rs.)	182.60	166.04	184.09	167.20
Commitments and Contingencies	1,572,250	1,928,805	1,456,807	1,816,949

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**21 October 2020****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 2019 (Audited)	838,282	12,378,772	5,285,759	(75,662)	18,427,151
Net Profit for the Period	-	2,507,183	-	-	2,507,183
Other Comprehensive Income, Net of Tax	-	-	-	(10,960)	(10,960)
Transfers During the Period	-	(501,437)	501,437	-	-
Final Dividend for 2018/19	-	(554,057)	-	-	(554,057)
Balance as at 30 September 2019	838,282	13,830,461	5,787,196	(86,622)	20,369,317
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	-	2,280,117	-	-	2,280,117
Other Comprehensive Income, Net of Tax	-	-	-	12,361	12,361
Transfers During the Period	-	(456,023)	456,023	-	-
Balance as at 30 September 2020	838,282	17,768,422	6,779,193	(93,870)	25,292,027

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 2019 (Audited)	838,282	12,397,809	5,285,759	20,779	(75,662)	18,466,967	-	18,466,967
Net Profit for the Period	-	2,526,779	-	-	-	2,526,779	-	2,526,779
Other Comprehensive Income, Net of Tax	-	-	-	9,965	(10,960)	(995)	-	(995)
Transfers During the Period	-	(501,437)	501,437	-	-	-	-	-
Final Dividend for 2018/19	-	(554,057)	-	-	-	(554,057)	-	(554,057)
Balance as at 30 September 2019	838,282	13,869,094	5,787,196	30,744	(86,622)	20,438,694	-	20,438,694
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	-	2,296,682	-	-	-	2,296,682	-	2,296,682
Other Comprehensive Income, Net of Tax	-	-	-	30,929	12,361	43,290	-	43,290
Transfers During the Period	-	(456,023)	456,023	-	-	-	-	-
Balance as at 30 September 2020	838,282	17,827,832	6,779,193	148,316	(93,870)	25,499,753	-	25,499,753

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 30 September 2020

	FOR THE 6 MONTHS ENDED			
	Company		Group	
	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	3,286,493	4,055,198	3,343,407	4,092,906
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	362,321	223,724	363,266	224,199
Amortisation of Intangible Assets	8,614	8,134	10,366	8,816
Impairment Charges and Other Losses	1,127,710	433,200	1,127,984	443,046
Diminution/(Appreciation) in Value of Investments	(15,261)	11,669	(15,261)	11,669
Loss/(Profit) on Disposal of Property, Plant and Equipment	(722)	(4,209)	(722)	(4,209)
Provision/(Reversal) for Defined Benefit Plans	32,809	32,494	32,809	32,494
Foreign Currency Exchange (Gain)/Loss	-	-	(553)	(358)
Dividend Received	(117)	(6,645)	(117)	(6,645)
Interest Income on Investing Activities	(741,569)	(685,628)	(741,569)	(685,628)
Withholding Tax Attributed to Fixed Deposits	-	(7,068)	-	(7,068)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	(30,929)	(9,965)
Operating Profit before Changes in Operating Assets and Liabilities	4,060,278	4,060,869	4,088,681	4,099,257
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(4,503,991)	(4,989,545)	(4,644,313)	(5,083,803)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	7,475,042	2,588,819	7,475,042	2,588,819
(Increase)/Decrease in Other Financial Assets	(3,303,742)	(53,678)	(3,301,280)	(53,705)
(Increase)/Decrease in Other Non Financial Assets	137,134	58,974	168,988	69,336
	(195,557)	(2,395,430)	(301,563)	(2,479,353)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	435,939	3,847,930	449,381	3,862,030
Increase/(Decrease) in Other Financial Liabilities	299,702	(233,287)	282,955	(233,287)
Increase/(Decrease) in Other Non Financial Liabilities	498,109	26,505	512,928	48,446
	1,233,750	3,641,148	1,245,264	3,677,189
Cash Generated from Operations	5,098,471	5,306,587	5,032,382	5,297,093
Retirement Benefit Liabilities Paid	(19,649)	(14,464)	(19,649)	(14,464)
Income Tax Paid	(1,175,529)	(1,743,029)	(1,183,213)	(1,752,427)
Net Cash from/(Used in) Operating Activities	3,903,293	3,549,094	3,829,520	3,530,202
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(372,149)	(602,392)	(375,283)	(604,299)
Acquisition of Intangible Assets	(1,264)	(17,333)	(1,810)	(27,293)
Proceeds from Sale of Property, Plant and Equipment	38,284	14,505	38,284	14,505
Interest Received	323,845	388,754	323,845	388,754
Dividend Received	117	6,645	117	6,645
Net Cash Flows from/(Used in) Investing Activities	(11,167)	(209,821)	(14,847)	(221,688)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	(730,206)	3,547,948	(726,619)	3,645,239
Net Cash Flow from Debt Issued and Other Borrowed fund	1,798	2,614	1,798	2,614
Dividends Paid	-	(1,662,171)	-	(1,662,171)
Net Cash Flows from/(Used in) Financing Activities	(728,408)	1,888,391	(724,821)	1,985,682
21 October 2020	3,163,718	5,227,664	3,089,852	5,294,196
Cash and Cash Equivalents at the Beginning of the Period	5,442,226	2,972,222	5,751,901	2,990,248
Cash and Cash Equivalents at the End of the Period	8,605,944	8,199,886	8,841,753	8,284,444
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,158,794	987,383	1,159,290	987,960
Balances with Banks	4,240,876	4,870,409	4,476,189	4,954,390
Treasury Bills Repurchase Agreements	4,275,861	3,165,586	4,275,861	3,165,586
Bank Overdrafts	(1,069,587)	(823,492)	(1,069,587)	(823,492)
Net Cash and Cash Equivalents	8,605,944	8,199,886	8,841,753	8,284,444

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 30.09.2020					As at 31.03.2020 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value at Amortised Cost Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value at Amortised Cost 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		
		Cash and Cash Equivalents	Amortised Cost								
	Notes and Coins Held	1,158,794	-	-	1,158,794	1,158,794	936,075	-	-	936,075	936,075
	Balances with Banks	4,240,876	-	-	4,240,876	4,240,876	3,683,718	-	-	3,683,718	3,683,718
	Treasury Bills Repurchase Agreements	-	4,275,861	-	4,275,861	4,275,861	-	1,542,844	-	1,542,844	1,542,844
Financial Assets Recognised Through Profit or Loss	FVTPL	7,547	-	-	7,547	7,547	4,648	-	-	4,648	4,648
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	64,334,873	64,334,873	62,372,238	-	-	59,282,434	59,282,434	58,239,254
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on	Amortised Cost	-	-	56,603,903	56,603,903	52,394,925	-	-	62,563,940	62,563,940	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
	Quoted Equities	71,503	-	-	71,503	71,503	58,836	-	-	58,836	58,836
	Unquoted Equities	-	-	-	-	-	-	-	305	305	305
Other Financial Assets	Amortised Cost	-	12,841,146	-	12,841,146	12,841,145	-	9,119,681	-	9,119,681	9,119,681
		5,478,720	17,117,007	120,938,776	143,534,503	137,362,889	4,683,278	10,662,524	121,846,679	137,192,481	134,212,030
Due to Banks	Amortised Cost	-	22,958,736	-	22,958,736	22,390,055	-	24,816,902	-	24,816,902	22,771,085
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	91,827,077	91,827,077	89,692,374	-	-	89,847,604	89,847,604	89,256,435
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,422,148	-	3,422,148	3,112,985	-	3,215,338	-	3,215,338	3,111,186
Other Financial Liabilities	Amortised Cost	-	3,066,111	-	3,066,111	3,066,111	-	2,766,410	-	2,766,410	2,766,410
		-	29,446,995	91,827,077	121,274,072	118,261,525	-	30,798,650	89,847,604	120,646,254	117,905,116

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 30.09.2020					As at 31.03.2020 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value at Amortised Cost Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value at Amortised Cost 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		
		Cash and Cash Equivalents	Amortised Cost								
	Notes and Coins Held	1,159,290	-	-	1,159,290	1,159,290	936,604	-	-	936,604	936,604
	Balances with Banks	4,476,189	-	-	4,476,189	4,476,189	3,992,864	-	-	3,992,864	3,992,864
	Treasury Bills Repurchase Agreements	-	4,275,861	-	4,275,861	4,275,861	-	1,542,844	-	1,542,844	1,542,844
Financial Assets Recognised Through Profit or Loss	FVTPL	7,547	-	-	7,547	7,547	4,648	-	-	4,648	4,648
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	65,029,011	65,029,011	63,066,376	-	-	59,836,524	59,836,524	58,793,344
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on	Amortised Cost	-	-	56,603,903	56,603,903	52,394,925	-	-	62,563,940	62,563,940	60,626,670
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	-
	Quoted Equities	71,503	-	-	71,503	71,503	58,836	-	-	58,836	58,836
	Unquoted Equities	-	-	-	-	-	-	-	305	305	305
Other Financial Assets	Amortised Cost	-	12,821,917	-	12,821,917	12,821,917	-	9,105,761	-	9,105,761	9,105,761
		5,714,529	17,097,778	121,632,914	144,445,221	138,273,608	4,992,953	10,648,605	122,400,768	138,042,326	135,061,876
Due to Banks	Amortised Cost	-	23,074,179	-	23,074,179	22,505,498	-	24,928,759	-	24,928,759	22,882,941
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	91,899,181	91,899,181	89,764,478	-	-	89,906,266	89,906,266	89,315,097
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	3,422,148	-	3,422,148	3,112,985	-	3,215,338	-	3,215,338	3,111,186
Other Financial Liabilities	Amortised Cost	-	3,046,882	-	3,046,882	3,046,882	-	2,766,775	-	2,766,775	2,766,775
21 October 2020		-	29,543,209	91,899,181	121,442,390	118,429,843	-	30,910,872	89,906,266	120,817,138	118,075,998

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	
	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)	30.09.2020 Rs.('000)	30.09.2019 Rs.('000)
Interest Income	6,320,977	8,310,131	6,099,691	5,791,410	741,569	692,696	70,945	63,068	13,233,182	14,857,305
Less: Interest Expenses	2,716,576	3,556,280	3,037,398	2,741,514	722,423	587,172	9,071	6,272	6,485,468	6,891,238
Net Interest Income	3,604,401	4,753,851	3,062,293	3,049,896	19,146	105,524	61,874	56,796	6,747,714	7,966,067
Fee and Commission Income	326,799	375,827	670,515	503,498	6,500	6,236	7,063	2,904	1,010,877	888,465
Net Trading Income and Other Operating Income	29,038	16,592	206	108	27,581	53,254	547	358	57,372	70,312
Total Operating Income	3,960,238	5,146,270	3,733,014	3,553,502	53,227	165,014	69,484	60,058	7,815,963	8,924,844
Less: Impairment Charges and Other Losses	756,703	226,576	371,008	201,748	-	4,876	273	9,846	1,127,984	443,046
Net Operating Income	3,203,535	4,919,694	3,362,006	3,351,754	53,227	160,138	69,211	50,212	6,687,979	8,481,798
Less: Other Costs	1,130,716	1,540,759	1,185,556	1,259,236	17,225	23,844	40,527	21,312	2,374,024	2,845,151
Less: Depreciation	157,455	118,229	211,172	110,591	2,308	3,039	2,697	1,157	373,632	233,016
Operating Profits before Taxes	1,915,364	3,260,706	1,965,278	1,981,927	33,694	133,255	25,987	27,743	3,940,323	5,403,631
Less: Taxes	799,658	1,739,994	820,496	1,057,606	14,067	71,107	9,420	8,145	1,643,641	2,876,852
Profits for the Period	1,115,706	1,520,712	1,144,782	924,321	19,627	62,148	16,567	19,598	2,296,682	2,526,779
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Equity Holders of the Company	1,115,706	1,520,712	1,144,782	924,321	19,627	62,148	16,565	19,598	2,296,682	2,526,779
Profits for the Period	1,115,706	1,520,712	1,144,782	924,321	19,627	62,148	16,565	19,598	2,296,682	2,526,779
Segmental Assets	55,850,076	66,968,400	66,485,337	54,923,981	24,606,949	22,113,219	959,804	562,928	147,902,166	144,568,528
Elimination					(540,390)	(334,527)	-	-	(540,390)	(334,527)
Total Segmental Assets	55,850,076	66,968,400	66,485,337	54,923,981	24,066,559	21,778,692	959,804	562,928	147,361,776	144,234,001
Segmental Liabilities	46,401,617	57,623,494	55,237,653	47,532,097	20,011,063	18,480,692	230,918	174,549	121,881,251	123,810,832
Elimination							(19,228)	(15,528)	(19,228)	(15,528)
Total Segmental Liabilities	46,401,617	57,623,494	55,237,653	47,532,097	20,011,063	18,480,692	211,690	159,021	121,862,023	123,795,304

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 September 2020 or 2019.

LB FINANCE PLC

Interim Financial Statements for the period ended 30 September 2020

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 2020.
02. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 on 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 September 2020 was Rs. 1,572 Mn and as at 31 March 2020 was Rs. 1,929 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

			For the Quarter ended	
			30.09.2020	30.09.2019
Share Price	Highest	Rs.	154.00	138.00
	Lowest	Rs.	128.00	120.10
	Closing	Rs.	143.70	129.60
Number of Ordinary Shares Issued			138,514,284	138,514,284

INFORMATION ON LISTED DEBENTURES

			For the Quarter ended	
			30.09.2020	30.09.2019
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	Not Traded
	Lowest	Rs.	Not Traded	Not Traded
	Closing	Rs.	Not Traded	Not Traded
Interest Yield				
5 Year Fixed Rate (12.75 % p.a. Payable Semi-Annually)			Not Traded	Not Traded
5 Year Fixed Rate (13.25 % p.a. Payable Semi-Annually)			Not Traded	Not Traded
Yield of Comparable Government Securities (%)				
05 Year Treasury Bond			6.37%	10.31%

			As at	
			30.09.2020	30.09.2019
Ratios				
Debt Equity Ratio			112.75%	190.81%
Quick Asset Ratio			24.78%	24.63%
Interest Cover			1.51	1.59

SELECTED PERFORMANCE INDICATORS

			As at	
			30.09.2020	30.09.2019
21 October 2020				
Core Capital to Risk Weighted Asset Ratio (Minimum 7%)			19.12%	15.22%
Total Capital to Risk Weighted Asset Ratio (Minimum 11%)			20.85%	17.28%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)			28.20%	23.40%
Profitability				
Return on Average Shareholders' Funds (After Tax) - Annualized			18.89%	25.74%
Return on Average Assets (After Tax) - Annualized			3.14%	3.56%
Asset Quality				
Gross Non-Performing Accommodations Ratio			7.90%	3.09%
Net Non-Performing Accommodations Ratio			2.91%	-0.17%
Liquidity (Rs. Mn)				
Required Minimum Amount of Liquid Assets			5,702	9,063
Available Amount of Liquid Assets			18,613	18,547
Required Minimum Amount of Government Securities			4,438	6,120
Available Amount of Government Securities			6,660	7,640

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 30 September 2020

Name		<u>No. of Shares</u>	<u>(%)</u>
1 Vallibel One PLC		71,682,400	51.751
2 Royal Ceramics Lanka PLC	31,427,232	36,123,232	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	4,696,000		
3 Esna Holdings (Pvt) Ltd		14,062,400	10.152
4 BNYM Re-Frontaura Global Frontier Fund LLC		2,252,585	1.626
5 Pershing LLC S/A Averbach Grauson & Co.		2,006,078	1.448
6 SBI Ven Holdings Pte Ltd		1,600,000	1.155
7 BBH-Matthews Emerging Asia Fund		753,156	0.544
8 Janashakthi Insurance PLC - Non Par		500,000	0.361
9 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara		500,000	0.361
10 Mr. K D A Perera		438,996	0.317
11 Mr. N Udage		404,135	0.292
12 Mr. A A Page		314,800	0.227
13 J B Cocoshell (Pvt) Ltd		306,792	0.221
14 Mr. N P De A Samaranyake		265,666	0.192
15 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa		230,816	0.167
16 Mrs. P C Cooray		208,632	0.151
17 Mr. T Jeremiah		155,164	0.112
18 Mr. K Karunanayake & Mis. P N Karunanayake		148,324	0.107
19 Mr. D F G Dalpethado & Mrs. H F A K D Fonseka		148,063	0.107
20 Mr P.Somadasa		138,551	0.100
		<u>132,239,790</u>	<u>95.470</u>
Others		6,274,494	4.530
Total		<u>138,514,284</u>	<u>100.000</u>

Directors' and Chief Executive Officer's holding in shares as at 30 September 2020

Name	<u>No. of Shares</u>	<u>(%)</u>
Mrs. A K Gunawardhana	-	-
Mr. K D D Perera	-	-
Mr. J A S S Adhihetty	106,120	0.077
Mr. N Udage	404,135	0.292
Mr. B D A Perera	-	-
Mr. R S Yatawara	905	0.001
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-

Public Holding percentage as at 30 September 2020 being 21.78% comprising of 2,380 shareholders.

The Float adjusted market capitalization as at 30 September 2020 - Rs. 3,861,182,976.00

The Float adjusted market capitalization of the Company falls under Option 4 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

Acceptance of fixed deposits, maintenance of savings accounts, providing finance lease, hire purchase and vehicle loan facilities, mortgage loans, gold loans, margin trading facilities, factoring and trade finance facilities, other credit facilities and value added services.

Company 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 - 130
Gold loan centres - 36

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

The Company has been assigned A- (lka) stable outlook by Fitch Ratings Lanka Limited

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mrs. Anandhiy Gunawardhana
(Chairperson)

Mr. Dhammika Perera
(Executive Deputy Chairman)

Mr. Sumith Adhihetty
(Managing Director)

Mr. Niroschan Udage
(Executive 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
Mrs. Zairaa Kaleel (Resigned w.e.f
31.08.2020)
Mr. D Warnakulasuriya (Joined w.e.f
01.09.2020)
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
NDB 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

844 FC of 2016-2017 (YGN)

REGISTERED OFFICE

Myawaddy Bank
Luxury Complex, 4th Floor, Apt
401 Bo Gyoke Road cnr, W a Dan
Street, Lanmadaw Township, Yangon,
Myanmar

BOARD OF DIRECTORS

Mr. Dhammika Perera
Mr. Sumith Adhihetty
Mr. Niroschan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Dulan de Silva

INTERIM FINANCIAL STATEMENTS

