

INTERIM FINANCIAL STATEMENTS

LB FINANCE PLC

FOR THE PERIOD ENDED SEPTEMBER 30, 2021



LB FINANCE

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2021

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	Change %	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	Change %
Income	7,114,937	7,597,826	(6)	13,634,323	14,222,877	(4)
Interest Income	6,535,601	6,908,276	(5)	12,617,901	13,162,243	(4)
Less : Interest Expenses	2,084,304	3,235,782	(36)	4,276,853	6,476,397	(34)
Net Interest Income	4,451,297	3,672,494	21	8,341,048	6,685,846	25
Fee and Commission Income	541,459	649,448	(17)	943,925	1,003,815	(6)
Net Trading Income	154	1,473	(90)	(2,583)	2,899	>(100)
Other Operating Income	37,723	38,629	(2)	75,080	53,920	39
Total Operating Income	5,030,633	4,362,044	15	9,357,470	7,746,480	21
Less : Impairment Charges and Other Losses	166,496	108,137	54	760,450	1,127,710	(33)
Net Operating Income	4,864,137	4,253,907	14	8,597,020	6,618,770	30
Less : Operating Expenses						
Personnel Expenses	784,335	785,960	(0)	1,547,595	1,456,630	6
Depreciation of Property, Plant and Equipment	200,920	185,665	8	380,982	362,321	5
Amortisation of Intangible Assets	2,894	4,127	(30)	6,423	8,614	(25)
Other Operating Expenses	472,163	481,699	(2)	1,002,817	876,867	14
Total Operating Expenses	1,460,312	1,457,451	0	2,937,817	2,704,432	9
Operating Profit before Tax on Financial Services	3,403,825	2,796,456	22	5,659,203	3,914,338	45
Less : Tax on Financial Services	503,661	424,215	19	871,636	640,206	36
Profit before Taxation	2,900,164	2,372,241	22	4,787,567	3,274,132	46
Less : Income Tax Expense	830,265	730,818	14	1,374,779	994,015	38
Profit for the Period	2,069,899	1,641,423	26	3,412,788	2,280,117	50
Basic Earnings per Share (Rs.) [Note 04]	3.74	2.96	26	6.16	4.12	50
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	9,182	(135)	>100	(4,223)	12,361	>(100)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	9,182	(135)	>100	(4,223)	12,361	>(100)
Other Comprehensive Income for the Period, Net of Tax	9,182	(135)	>100	(4,223)	12,361	>(100)
Total Comprehensive Income for the Period, Net of Tax	2,079,081	1,641,288	27	3,408,565	2,292,478	49

LB FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2021

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	Change %	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	Change %
Income	7,124,108	7,634,950	(7)	13,657,203	14,301,431	(5)
Interest Income	6,548,508	6,938,763	(6)	12,645,727	13,233,182	(4)
Less : Interest Expenses	2,088,759	3,241,365	(36)	4,285,156	6,485,468	(34)
Net Interest Income	4,459,749	3,697,398	21	8,360,571	6,747,714	24
Fee and Commission Income	541,649	655,425	(17)	945,027	1,010,877	(7)
Net Trading Income	154	1,473	(90)	(2,583)	2,899	>(100)
Other Operating Income	33,797	39,289	(14)	69,032	54,473	27
Total Operating Income	5,035,349	4,393,585	15	9,372,047	7,815,963	20
Less : Impairment Charges and Other Losses	126,381	108,993	16	702,942	1,127,984	(38)
Net Operating Income	4,908,968	4,284,592	15	8,669,105	6,687,979	30
Less : Operating Expenses						
Personnel Expenses	794,615	798,443	(0)	1,569,710	1,479,798	6
Depreciation of Property, Plant and Equipment	201,463	186,185	8	382,093	363,266	5
Amortisation of Intangible Assets	3,664	5,011	(27)	8,017	10,366	(23)
Other Operating Expenses	477,948	492,746	(3)	1,015,749	894,226	14
Total Operating Expenses	1,477,690	1,482,385	(0)	2,975,569	2,747,656	8
Operating Profit before Tax on Financial Services	3,431,278	2,802,207	22	5,693,536	3,940,323	44
Less : Tax on Financial Services	503,661	424,215	19	871,636	640,206	36
Profit before Taxation	2,927,617	2,377,992	23	4,821,900	3,300,117	46
Less : Income Tax Expense	828,708	734,029	13	1,371,190	1,003,435	37
Profit for the Period	2,098,909	1,643,963	28	3,450,710	2,296,682	50
Profit Attributable to:						
Equity Holders of the Company	2,098,909	1,643,963	28	3,450,710	2,296,682	50
Non-Controlling Interest	-	-	-	-	-	-
Profit for the Period	2,098,909	1,643,963	28	3,450,710	2,296,682	50
Basic Earnings per Share (Rs.) [Note 04]	3.79	2.97	28	6.23	4.15	50
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	(81,979)	35,793	>(100)	(184,361)	30,929	>(100)
Net Other Comprehensive Income that will be Reclassified to Income Statement	(81,979)	35,793	>(100)	(184,361)	30,929	>(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	9,182	(135)	>100	(4,223)	12,361	>(100)
Net Other Comprehensive Income that will never be Reclassified to Income Statement	9,182	(135)	>100	(4,223)	12,361	>(100)
Other Comprehensive Income for the Period, Net of Tax	(72,797)	35,658	>(100)	(188,584)	43,290	>(100)
Total Comprehensive Income for the Period, Net of Tax	2,026,112	1,679,621	21	3,262,126	2,339,972	39
Attributable to:						
Equity Holders of the Company	2,026,112	1,679,621	21	3,262,126	2,339,972	39
Non-Controlling Interest	-	-	-	-	-	-
Total Comprehensive Income for the Period, Net of Tax	2,026,112	1,679,621	21	3,262,126	2,339,972	39

LB FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

As at 30 September 2021

	Company		Group	
	30.09.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)	30.09.2021 Rs.(‘000)	Audited 31.03.2021 Rs.(‘000)
Assets				
Cash and Cash Equivalents	11,653,336	6,187,300	11,856,026	6,380,786
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	8,280	10,862	8,280	10,862
Financial Assets at Amortised Cost - Loans and Receivables	74,465,307	66,778,188	74,961,660	67,466,581
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	43,425,016	47,359,635	43,425,016	47,359,635
Financial Assets Measured at Fair Value Through Other Comprehensive Income	73,567	77,789	73,567	77,789
Other Financial Assets	4,170,689	10,453,903	4,148,085	10,433,149
Other Non Financial Assets	573,839	920,406	578,304	927,830
Investment in Subsidiary	521,162	521,162	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,516,970	8,241,259	8,523,241	8,250,546
Intangible Assets	19,598	26,021	25,913	36,271
Total Assets	143,427,764	140,576,525	143,600,092	140,943,449
Liabilities				
Due to Banks	17,701,871	16,467,179	17,745,587	16,526,657
Financial Liabilities at Amortised Cost - Due to Depositors	84,222,357	85,860,070	84,284,589	85,940,213
Debt Instruments Issued and Other Borrowed Funds	6,152,696	3,113,916	6,152,696	3,113,916
Other Financial Liabilities	3,182,720	3,043,526	3,160,116	3,044,340
Other Non Financial Liabilities	1,127,937	1,028,055	1,169,802	1,051,186
Current Tax Liabilities	638,109	1,872,154	633,713	1,877,558
Deferred Tax Liabilities	637,072	637,072	637,072	637,072
Post Employment Benefit Liability	383,378	365,265	383,378	365,265
Total Liabilities	114,046,140	112,387,237	114,166,953	112,556,207
Equity				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,274,441	7,596,106	8,240,981	7,747,007
Retained Earnings	20,268,901	19,754,900	20,353,876	19,801,953
Total Equity Attributable to Equity Holders of the Company	29,381,624	28,189,288	29,433,139	28,387,242
Non Controlling Interest	-	-	-	-
Total Equity	29,381,624	28,189,288	29,433,139	28,387,242
Total Liabilities and Equity	143,427,764	140,576,525	143,600,092	140,943,449
Net Asset Value per Share (Rs.) [Note 04]	53.03	50.88	53.12	51.24
Commitments and Contingencies	1,005,462	903,553	961,746	844,075

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

CERTIFICATION:

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

(Sgd.)

Malith Hewage
Chief Financial Officer

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

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

(Sgd.)

J A S Sumith Adhihetty
Managing Director

(Sgd.)

Mrs. Yogadinusha Bhaskaran
Director

27 October 2021

Colombo

LB FINANCE PLC**STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Stated Capital Rs.(‘000)	Retained Earnings Rs.(‘000)	Statutory Reserve Rs.(‘000)	Fair Value Reserve Rs.(‘000)	Total Equity Rs.(‘000)
Balance as at 01 April 2020 (Audited)	838,282	15,944,328	6,323,170	(106,231)	22,999,549
Net Profit for the Period	-	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
Balance as at 01 April 2021 (Audited)	838,282	19,754,900	7,683,689	(87,583)	28,189,288
Net Profit for the Period	-	3,412,788	-	-	3,412,788
Other Comprehensive Income, Net of Tax	-	-	-	(4,223)	(4,223)
Transfers During the Period	-	(682,558)	682,558	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	(2,216,229)
Balance as at 30 September 2021	838,282	20,268,901	8,366,247	(91,806)	29,381,624

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs.(‘000)	Retained Earnings Rs.(‘000)	Statutory Reserve Rs.(‘000)	Foreign Currency Translation Reserve Rs.(‘000)	Fair Value Reserve Rs.(‘000)	Total Equity Attributable to Equity Holders of the Company Rs.(‘000)	Non-Controlling Interest Rs.(‘000)	Total Equity Rs.(‘000)
Balance as at 01 April 2020 (Audited)	838,282	15,987,173	6,323,170	117,387	(106,231)	23,159,781	-	23,159,781
Net Profit for the Period	-	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
Balance as at 01 April 2021 (Audited)	838,282	19,801,953	7,683,689	150,901	(87,583)	28,387,242	-	28,387,242
Net Profit for the Period	-	3,450,710	-	-	-	3,450,710	-	3,450,710
Other Comprehensive Income, Net of Tax	-	-	-	(184,361)	(4,223)	(188,584)	-	(188,584)
Transfers During the Period	-	(682,558)	682,558	-	-	-	-	-
Final Dividend for 2020/21	-	(2,216,229)	-	-	-	(2,216,229)	-	(2,216,229)
Balance as at 30 September 2021	838,282	20,353,876	8,366,247	(33,460)	(91,806)	29,433,139	-	29,433,139

LB FINANCE PLC**CASH FLOW STATEMENT**

Period ended 30 September 2021

	FOR THE 6 MONTHS ENDED			
	Company		Group	
	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)
Cash Flows from/(Used in) Operating Activities				
Profit and Other Comprehensive Income before Taxation	4,783,345	3,286,493	4,633,316	3,343,407
Adjustments for				
Depreciation of Property, Plant and Equipment and Right-of-Use Assets	380,982	362,321	382,093	363,266
Amortisation of Intangible Assets	6,423	8,614	8,017	10,366
Impairment Charges and Other Losses	760,450	1,127,710	702,942	1,127,984
Diminution/(Appreciation) in Value of Investments	6,804	(15,261)	6,804	(15,261)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(1,783)	(722)	(1,783)	(722)
Provision/(Reversal) for Defined Benefit Plans	34,481	32,809	34,481	32,809
Foreign Currency Exchange (Gain)/Loss	-	-	6,048	(553)
Dividend Received	-	(117)	-	(117)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	184,362	(30,929)
Operating Profit before Changes in Operating Assets and Liabilities	5,970,702	4,801,847	5,956,280	4,830,250
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost-Loans and Receivables	(8,032,965)	(4,503,991)	(7,783,417)	(4,644,313)
(Increase)/Decrease in Financial Assets at Amortised Cost-Lease Rentals Receivable and Stock out on Hire	3,520,014	7,475,042	3,520,014	7,475,042
(Increase)/Decrease in Other Financial Assets	6,283,213	(3,721,466)	6,284,307	(3,719,004)
(Increase)/Decrease in Other Non Financial Assets	346,566	137,134	349,526	168,988
	2,116,828	(613,281)	2,370,430	(719,287)
Increase/(Decrease) in Operating Liabilities				
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	(1,637,713)	435,939	(1,655,624)	449,381
Increase/(Decrease) in Other Financial Liabilities	810	299,702	(206,214)	282,955
Increase/(Decrease) in Other Non Financial Liabilities	(114,493)	498,109	(98,167)	512,928
	(1,751,396)	1,233,750	(1,960,005)	1,245,264
Cash Generated from Operations	6,336,134	5,422,316	6,366,705	5,356,227
Retirement Benefit Liabilities Paid	(16,368)	(19,649)	(16,368)	(19,649)
Income Tax Paid	(2,394,449)	(1,175,529)	(2,399,794)	(1,183,213)
Net Cash from/(Used in) Operating Activities	3,925,317	4,227,138	3,950,543	4,153,365
Cash Flows from/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(526,770)	(372,149)	(527,029)	(375,283)
Acquisition of Intangible Assets	-	(1,264)	-	(1,810)
Proceeds from Sale of Property, Plant and Equipment	10,245	38,284	10,245	38,284
Dividend Received	-	117	-	117
Net Cash Flows from/(Used in) Investing Activities	(516,525)	(335,012)	(516,784)	(338,692)
Cash Flows from/(Used in) Financing Activities				
Net Cash Flow from Syndicated Loans and Other Bank Facilities	874,243	(728,408)	858,480	(724,821)
Net Cash Flow from Debt Issued and Other Borrowed fund	3,038,780	-	3,038,780	-
Dividends Paid	(2,216,229)	-	(2,216,229)	-
Net Cash Flows from/(Used in) Financing Activities	1,696,794	(728,408)	1,681,031	(724,821)
Net Increase/(Decrease) in Cash and Cash Equivalents	5,105,586	3,163,718	5,114,790	3,089,852
Cash and Cash Equivalents at the Beginning of the Period	5,199,201	5,442,226	5,392,687	5,751,901
Cash and Cash Equivalents at the End of the Period	10,304,787	8,605,944	10,507,477	8,841,753
CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT				
Notes and Coins Held	1,097,606	1,158,794	1,127,216	1,159,290
Balances with Banks	4,501,610	4,240,876	4,674,690	4,476,189
Treasury Bills Repurchase Agreements	6,054,120	4,275,861	6,054,120	4,275,861
Bank Overdrafts	(1,348,549)	(1,069,587)	(1,348,549)	(1,069,587)
Net Cash and Cash Equivalents	10,304,787	8,605,944	10,507,477	8,841,753

LB FINANCE PLC
FAIR VALUE MEASUREMENT HIERARCHY - COMPANY

		As at 30.09.2021					As at 31.03.2021 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
		Financial Assets									
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,097,606	-	-	1,097,606	1,097,606	-	-	1,126,735	1,126,735	
Balances with Banks		4,501,610	-	-	4,501,610	4,501,610	-	-	1,660,900	1,660,900	
Treasury Bills Repurchase Agreements		-	6,054,120	-	6,054,120	6,054,120	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	8,280	-	-	8,280	8,280	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	75,609,958	75,609,958	74,465,307	-	68,019,519	68,019,519	66,778,188	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	45,801,186	45,801,186	43,425,016	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		73,262	-	-	73,262	73,262	-	-	77,484	77,484	
Unquoted Equities		-	-	305	305	305	-	305	-	305	
Other Financial Assets	Amortised Cost	-	4,170,689	-	4,170,689	4,170,689	-	10,453,903	-	10,453,903	
		5,680,758	10,224,809	121,411,449	137,317,016	133,796,195	2,875,981	13,853,568	117,468,761	134,198,310	
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,839,268	-	17,839,268	17,701,871	-	17,083,937	-	17,083,937	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	84,937,476	84,937,476	84,222,357	-	87,194,929	87,194,929	85,860,070	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	6,363,477	-	6,363,477	6,152,696	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,182,720	-	3,182,720	3,182,720	-	3,043,526	-	3,043,526	
		-	27,385,465	84,937,476	112,322,941	111,259,644	-	23,532,778	87,194,929	110,727,707	

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

FAIR VALUE MEASUREMENT HIERARCHY - GROUP

		As at 30.09.2021					As at 31.03.2021 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
		Financial Assets									
Cash and Cash Equivalents	Amortised Cost										
Notes and Coins Held		1,127,216	-	-	1,127,216	1,127,216	-	-	1,132,788	1,132,788	
Balances with Banks		4,674,690	-	-	4,674,690	4,674,690	-	-	1,848,333	1,848,333	
Treasury Bills Repurchase Agreements		-	6,054,120	-	6,054,120	6,054,120	-	3,399,665	-	3,399,665	
Financial Assets Recognised Through Profit or Loss	FVTPL	8,280	-	-	8,280	8,280	-	-	10,862	10,862	
Financial Assets at Amortised Cost - Loans and Receivables	Amortised Cost	-	-	76,106,312	76,106,312	74,961,660	-	68,707,912	68,707,912	67,466,581	
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	Amortised Cost	-	-	45,801,186	45,801,186	43,425,016	-	49,448,937	49,448,937	47,359,635	
Financial Assets Measured at Fair Value Through Other Comprehensive Income	FVOCI	-	-	-	-	-	-	-	-	-	
Quoted Equities		73,262	-	-	73,262	73,262	-	-	77,484	77,484	
Unquoted Equities		-	-	305	305	305	-	305	-	305	
Other Financial Assets	Amortised Cost	-	4,148,085	-	4,148,085	4,148,085	-	10,433,149	-	10,433,149	
		5,883,448	10,202,205	121,907,803	137,993,456	134,472,634	3,069,467	13,832,814	118,157,154	135,059,435	
Financial Liabilities											
Due to Banks	Amortised Cost	-	17,882,984	-	17,882,984	17,745,587	-	17,143,415	-	17,143,415	
Financial Liabilities at Amortised Cost - Due to Depositors	Amortised Cost	-	-	84,999,709	84,999,709	84,284,589	-	87,275,072	87,275,072	85,940,213	
Debt Instruments Issued and Other Borrowed Funds	Amortised Cost	-	6,363,477	-	6,363,477	6,152,696	-	3,405,315	-	3,405,315	
Other Financial Liabilities	Amortised Cost	-	3,160,116	-	3,160,116	3,160,116	-	3,044,340	-	3,044,340	
		-	27,406,577	84,999,709	112,406,286	111,342,988	-	23,593,070	87,275,072	110,868,142	

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

LB FINANCE PLC

SEGMENTAL INFORMATION

For management purposes, the Group is organised into four operating segments based on services offered and geographical operations as follows. The following table presents income, profit, asset and liability information of the Group's operating segments.

	Leasing & Stock out on Hire		Loans and Receivables		Others		International Operation		Total	
	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)	30.09.2021 Rs.('000)	30.09.2020 Rs.('000)
Interest Income	5,715,359	6,320,977	6,486,081	6,099,691	416,461	741,569	27,826	70,945	12,645,727	13,233,182
Less: Interest Expenses	1,534,542	2,716,576	2,344,233	3,037,398	398,077	722,423	8,304	9,071	4,285,156	6,485,468
Net Interest Income	4,180,817	3,604,401	4,141,848	3,062,293	18,384	19,146	19,522	61,874	8,360,571	6,747,714
Fee and Commission Income	290,238	326,799	645,004	670,515	8,684	6,500	1,101	7,063	945,027	1,010,877
Net Trading Income and Other Operating Income	847	29,038	62,353	206	9,297	27,581	(6,048)	547	66,449	57,372
Total Operating Income	4,471,902	3,960,238	4,849,205	3,733,014	36,365	53,227	14,575	69,484	9,372,047	7,815,963
Less: Impairment Charges and Other Losses	417,169	756,703	343,281	371,008	-	-	(57,508)	273	702,942	1,127,984
Net Operating Income	4,054,733	3,203,535	4,505,924	3,362,006	36,365	53,227	72,083	69,211	8,669,105	6,687,979
Less: Other Costs	1,042,352	1,130,716	1,491,479	1,185,556	16,581	17,225	35,047	40,527	2,585,459	2,374,024
Less: Depreciation and Amortisation	135,922	157,455	247,478	211,172	4,006	2,308	2,704	2,697	390,110	373,632
Operating Profits before Taxes	2,876,459	1,915,364	2,766,967	1,965,278	15,778	33,694	34,332	25,987	5,693,536	3,940,323
Less: Taxes	1,141,807	799,658	1,098,345	820,496	6,264	14,067	(3,590)	9,420	2,242,826	1,643,641
Profits for the Period	1,734,652	1,115,706	1,668,622	1,144,782	9,514	19,627	37,922	16,567	3,450,710	2,296,682
Less: Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Equity Holders of the Company	1,734,652	1,115,706	1,668,622	1,144,782	9,514	19,627	37,922	16,567	3,450,710	2,296,682
Profits for the Period	1,734,652	1,115,706	1,668,622	1,144,782	9,514	19,627	37,922	16,567	3,450,710	2,296,682
Segmental Assets	46,381,898	55,850,076	79,535,774	66,485,337	17,510,091	24,606,949	716,094	959,804	144,143,857	147,902,166
Elimination					(543,765)	(540,390)	-	-	(543,765)	(540,390)
Total Segmental Assets	46,381,898	55,850,076	79,535,774	66,485,337	16,966,326	24,066,559	716,094	959,804	143,600,092	147,361,776
Segmental Liabilities	37,014,920	46,401,617	63,473,261	55,237,653	13,557,959	20,011,063	143,417	230,918	114,189,557	121,881,251
Elimination							(22,604)	(19,228)	(22,604)	(19,228)
Total Segmental Liabilities	37,014,920	46,401,617	63,473,261	55,237,653	13,557,959	20,011,063	120,813	211,690	114,166,953	121,862,023

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 2021 or 2020.

LB FINANCE PLC

Interim Financial Statements for the period ended 30 September 2021

EXPLANATORY NOTES

01. The accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2021.
02. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 Interim Financial Reporting.
03. There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.
04. Sub-division of shares as recommended by the Board of Directors whereby each of the 138,514,284 ordinary shares in issue being subdivided into 4 Ordinary Shares thereby increasing the number of Ordinary Shares in issue to 554,057,136, was approved at the Extraordinary General Meeting of the shareholders held on 10 March 2021. Consequent to the sub-division of shares, the Basic Earnings per Ordinary Share (EPS) disclosed in the Statement of Comprehensive Income and the Net Asset Value (NAV) per Share disclosed in the Statement of Financial Position have been adjusted accordingly.
05. The Commitments and Contingencies as at 30 September 2021 was Rs. 1,005 Mn and as at 31 March 2021 was Rs. 903 Mn.

INFORMATION ON SHARES AND LISTED DEBENTURES

INFORMATION ON SHARES

		For the Quarter ended	
		30.09.2021	30.09.2020
Share Price	Highest	Rs. 67.10	154.00
	Lowest	Rs. 59.90	128.00
	Closing	Rs. 61.00	143.70
Number of Ordinary Shares Issued		554,057,136	138,514,284

INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		30.09.2021	30.09.2020
Debtenture 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	9.33%	6.37%

		As at	
		30.09.2021	30.09.2020
Ratios	Debt Equity Ratio	93.89%	112.75%
	Quick Asset Ratio	18.75%	24.78%
	Interest Cover	2.12	1.51

SELECTED PERFORMANCE INDICATORS

		As at	
		30.09.2021	30.09.2020
Capital Adequacy			
Core Capital to Risk Weighted Asset Ratio (Minimum 8%)		21.48%	19.12%
Total Capital to Risk Weighted Asset Ratio (Minimum 12%)		22.94%	20.85%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		34.89%	28.20%
Profitability			
Return on Average Shareholders' Funds (After Tax) - Annualized		23.23%	18.03%
Return on Average Assets (After Tax) - Annualized		4.81%	4.50%
Asset Quality			
Gross Non-Performing Accommodations Ratio		6.65%	7.90%
Net Non-Performing Accommodations Ratio		0.88%	2.91%
Liquidity (Rs. Mn)			
Required Minimum Amount of Liquid Assets		8,956	5,702
Available Amount of Liquid Assets		14,834	18,613
Required Minimum Amount of Government Securities		6,820	4,438
Available Amount of Government Securities		6,840	6,660

LB FINANCE PLC

Additional Notes

Twenty largest shareholders as at 30 September 2021

Name	No. of Shares	(%)
1 Vallibel One PLC	286,729,600	51.751
2 Royal Ceramics Lanka PLC	144,492,928	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000	
3 Esna Holdings (Pvt) Ltd	56,249,600	10.152
4 Pershing LLC S/A Averbach Grauson & Co.	7,064,312	1.275
5 Hatton National Bank PLC/Mr. K R E M D M B Jayasundara	3,500,000	0.632
6 Janashakthi Insurance PLC - Non Par	2,000,000	0.361
7 Mr. W D N H Perera	2,000,000	0.361
8 Mr. N Udage	1,816,540	0.328
9 Mr. K A D A Perera	1,708,116	0.308
10 Mr. A M Weerasinghe	1,305,008	0.236
11 Mr. A A Page	1,259,200	0.227
12 Phantom Investments (Private) Limited	1,253,809	0.226
13 Mr. T M J T S Dissanayake	990,000	0.179
14 People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa	923,264	0.166
15 Mrs. P C Cooray	834,528	0.151
16 Mr J A N R Adhihetty	813,845	0.147
17 Dr. W P Somasiri & Mrs. D V A Wijewardana & Mr. K Withanapathirana	747,000	0.135
18 Seylan Bank PLC/Sarath Bandara Rangamuwa	675,000	0.122
19 Commercial Bank Of Ceylon Plc/Janashakthi Capital Limited	640,000	0.115
20 Mr. P Somadasa	518,384	0.094
Others	515,521,134	93.045
Total	554,057,136	100.000

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

Name	No. of Shares	(%)
Mrs. A K Gunawardhana	-	-
Mr. K D D Perera	-	-
Mr. J A S S Adhihetty	424,480	0.077
Mr. N Udage	1,816,540	0.328
Mr. B D A Perera	-	-
Mr. R S Yatawara	8,593	0.002
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-
Ms. Yanika Amarasekara	-	-

Public Holding percentage as at 30 September 2021 being 21.73% comprising of 5,167 shareholders.

The Float adjusted market capitalization as at 30 September 2021 - Rs. 7,342,691,695.00

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

Corporate Information

NAME OF COMPANY

L B Finance PLC

LEGAL FORM

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

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

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

STOCK EXCHANGE LISTING

The Company was admitted to the official List of the Colombo Stock Exchange on 30th December 1997. The ordinary shares and senior and subordinated unsecured, redeemable rated, debentures redeemable in 2022 of the Company are listed on the Colombo Stock Exchange.

DATE OF INCORPORATION

30th May 1971

COMPANY REGISTRATION NUMBER

PQ 156

TAX PAYER IDENTIFICATION NUMBER

104033431

VAT REGISTRATION NUMBER

104033431 7000

CENTRAL BANK REGISTRATION NUMBER

RFC 1003

PRINCIPAL ACTIVITIES

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

Company's subsidiary, LB Microfinance Myanmar Company Limited carried on microfinance lending in Myanmar.

REGISTERED OFFICE

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

CORPORATE OFFICE

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

OUTLETS

Branches - 173

WEBSITE

www.lbfinance.com

FINANCIAL YEAR END

31 March

CREDIT RATING

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

BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

Board of Directors

Mrs. Anandhiy Gunawardhana
(Chairperson)

Mr. Dhammika Perera
(Executive Deputy Chairman)

Mr. Sumith Adhihetty
(Managing Director)

Mr. Niroschan Udage
(Deputy Managing Director)

Mr. B D A Perera
(Executive Director)

Mr. Ravindra Yatawara
(Executive Director)

Mrs. Yogadinusha Bhaskaran
(Non-Executive Director)

Mr. Ashane Jayasekara
(Independent Non-Executive Director)

Mrs. Ashwini Natesan
(Independent Non-Executive Director)

Mr. Dharmadasa Rangalle
(Non-Executive Director)

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

Audit Committee

Mrs. Yogadinusha Bhaskaran
(Chairperson)

Mrs. Anandhiy Gunawardhana

Mr. Ashane Jayasekara

Remuneration Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mrs. Yogadinusha Bhaskaran

Nomination Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mr. Sumith Adhihetty

Related Party Transaction Review Committee

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

Integrated Risk Management Committee

Mr. Ashane Jayasekara (Chairman)
Mrs. Anandhiy Gunawardhana
Mrs. Ashwini Natesan
Mr. Sumith Adhihetty
Mr. Niroschan Udage
Mr. B D A Perera
Mr. Ravindra Yatawara
Mr. Bimal Perera
Mr. Malith Hewage
Mr. B S Pulle
Mrs. Deshika Yatawara
Mrs. Waruni Perera

SECRETARIES

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

EXTERNAL AUDITORS

Ernst & Young

INTERNAL AUDITORS

KPMG

BANKERS

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

CORPORATE MEMBERSHIPS AND ASSOCIATIONS

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

SUBSIDIARY COMPANY

LB Microfinance Myanmar Company Limited (Company incorporated in the Union of the Republic of Myanmar)

COMPANY REGISTRATION NUMBER OF SUBSIDIARY

844 FC of 2016-2017 (YGN)

REGISTERED OFFICE OF SUBSIDIARY

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

BOARD OF DIRECTORS OF SUBSIDIARY

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

INTERIM FINANCIAL STATEMENTS

