

# INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

LB Finance PLC



**LB FINANCE**

**LB FINANCE PLC****STATEMENT OF COMPREHENSIVE INCOME**

Period ended 30 September 2023

	COMPANY					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2023 Rs.(‘000)	30.09.2022 Rs.(‘000)	Change %	30.09.2023 Rs.(‘000)	30.09.2022 Rs.(‘000)	Change %
<b>Income</b>	<b>12,410,733</b>	10,387,022	19	<b>24,848,732</b>	18,911,838	31
Interest Income	11,630,768	9,539,093	22	23,451,299	17,278,068	36
Less : Interest Expenses	5,543,510	5,046,984	10	11,656,354	8,129,415	43
<b>Net Interest Income</b>	<b>6,087,258</b>	4,492,109	36	<b>11,794,945</b>	9,148,653	29
Fee and Commission Income	754,800	747,088	1	1,360,881	1,503,029	(9)
Net Trading Income	4,839	6,304	(23)	5,571	2,544	>100
Other Operating Income	20,326	94,537	(78)	30,981	128,197	(76)
<b>Total Operating Income</b>	<b>6,867,223</b>	5,340,038	29	<b>13,192,378</b>	10,782,423	22
Less : Impairment Charges	157,521	247,717	(36)	257,004	438,714	(41)
<b>Net Operating Income</b>	<b>6,709,702</b>	5,092,321	32	<b>12,935,374</b>	10,343,709	25
<b>Less : Operating Expenses</b>						
Personnel Expenses	1,112,020	880,132	26	2,121,937	1,749,441	21
Depreciation of Property, Plant and Equipment	215,441	199,705	8	425,491	407,243	4
Amortisation of Intangible Assets	2,032	2,035	(0)	4,189	4,293	(2)
Other Operating Expenses	790,551	630,659	25	1,584,393	1,261,179	26
<b>Total Operating Expenses</b>	<b>2,120,044</b>	1,712,531	24	<b>4,136,010</b>	3,422,156	21
<b>Operating Profit before Tax on Financial Services</b>	<b>4,589,658</b>	3,379,790	36	<b>8,799,364</b>	6,921,553	27
Less : Tax on Financial Services	902,531	598,294	51	1,743,342	1,212,373	44
<b>Profit before Taxation</b>	<b>3,687,127</b>	2,781,496	33	<b>7,056,022</b>	5,709,180	24
Less : Income Tax Expense	1,385,506	815,940	70	2,654,717	1,671,942	59
<b>Profit for the Period</b>	<b>2,301,621</b>	1,965,556	17	<b>4,401,305</b>	4,037,238	9
<b>Basic Earnings per Share (Rs.)</b>	<b>4.15</b>	3.55	17	<b>7.94</b>	7.29	9
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income that will never be Reclassified to Income Statement</b>						
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	(3,214)	38,572	>(100)	(8,106)	23,914	>(100)
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(3,214)</b>	38,572	>(100)	<b>(8,106)</b>	23,914	>(100)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(3,214)</b>	38,572	>(100)	<b>(8,106)</b>	23,914	>(100)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,298,407</b>	2,004,128	15	<b>4,393,199</b>	4,061,152	8

# LB FINANCE PLC

## STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2023

	GROUP					
	FOR THE 3 MONTHS ENDED			FOR THE 6 MONTHS ENDED		
	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	Change %	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	Change %
<b>Income</b>	<b>12,510,295</b>	10,478,645	19	<b>25,037,581</b>	19,081,641	31
Interest Income	11,723,144	9,622,441	22	23,624,679	17,432,701	36
Less : Interest Expenses	5,564,296	5,062,136	10	11,696,193	8,155,396	43
<b>Net Interest Income</b>	<b>6,158,848</b>	4,560,305	35	<b>11,928,486</b>	9,277,305	29
Fee and Commission Income	761,672	754,446	1	1,375,619	1,515,932	(9)
Net Trading Income	4,839	6,304	(23)	5,571	2,544	>100
Other Operating Income	20,640	95,454	(78)	31,712	130,464	(76)
<b>Total Operating Income</b>	<b>6,945,999</b>	5,416,509	28	<b>13,341,388</b>	10,926,245	22
Less : Impairment Charges	158,339	228,269	(31)	263,233	404,113	(35)
<b>Net Operating Income</b>	<b>6,787,660</b>	5,188,240	31	<b>13,078,155</b>	10,522,132	24
<b>Less : Operating Expenses</b>						
Personnel Expenses	1,142,439	913,247	25	2,182,221	1,815,578	20
Depreciation of Property, Plant and Equipment	219,111	204,070	7	432,593	417,065	
Amortisation of Intangible Assets	2,880	3,313	(13)	6,185	6,878	4
Other Operating Expenses	824,132	657,066	25	1,638,752	1,309,847	25
<b>Total Operating Expenses</b>	<b>2,188,562</b>	1,777,696	23	<b>4,259,751</b>	3,549,368	20
<b>Operating Profit before Tax on Financial Services</b>	<b>4,599,098</b>	3,410,545	35	<b>8,818,404</b>	6,972,764	26
Less : Tax on Financial Services	903,363	599,638	51	1,745,479	1,215,038	44
<b>Profit before Taxation</b>	<b>3,695,735</b>	2,810,906	31	<b>7,072,925</b>	5,757,726	23
Less : Income Tax Expense	1,389,449	819,859	69	2,662,025	1,679,859	58
<b>Profit for the Period</b>	<b>2,306,286</b>	1,991,047	16	<b>4,410,900</b>	4,077,867	8
<b>Profit Attributable to:</b>						
Equity Holders of the Company	2,308,923	1,992,581	16	4,413,950	4,081,960	8
Non-Controlling Interest	(2,637)	(1,534)	72	(3,050)	(4,093)	(25)
<b>Profit for the Period</b>	<b>2,306,286</b>	1,991,047	16	<b>4,410,900</b>	4,077,867	8
<b>Basic Earnings per Share (Rs.)</b>	<b>4.17</b>	3.59	16	<b>7.96</b>	7.37	8
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income that will be Reclassified to Income Statement</b>						
Net Gains/(Losses) from Translating the Financial Statements of the Foreign Operations	39,999	(110,063)	>100	(6,971)	16,082	>(100)
<b>Net Other Comprehensive Income that will be Reclassified to Income Statement</b>	<b>39,999</b>	(110,063)	>100	<b>(6,971)</b>	16,082	>(100)
<b>Other Comprehensive Income that will never be Reclassified to Income Statement</b>						
Net Gains/(Losses) on Investment in Equity Instruments - Fair Value Through Other Comprehensive Income	(3,214)	38,572	>(100)	(8,106)	23,914	>(100)
<b>Net Other Comprehensive Income that will never be Reclassified to Income Statement</b>	<b>(3,214)</b>	38,572	>(100)	<b>(8,106)</b>	23,914	>(100)
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>36,785</b>	(71,491)	>100	<b>(15,077)</b>	39,996	>(100)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,343,071</b>	1,919,556	22	<b>4,395,823</b>	4,117,863	7
<b>Attributable to:</b>						
Equity Holders of the Company	2,345,708	1,922,125	22	4,398,873	4,121,956	7
Non-Controlling Interest	(2,637)	(2,569)	3	(3,050)	(4,093)	(25)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>2,343,071</b>	1,919,556	22	<b>4,395,823</b>	4,117,863	7

# LB FINANCE PLC

## STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Company		Group	
	30.09.2023 Rs.('000)	Audited 31.03.2023 Rs.('000)	30.09.2023 Rs.('000)	Audited 31.03.2023 Rs.('000)
<b>Assets</b>				
Cash and Cash Equivalents	5,124,972	4,524,032	5,361,989	4,680,955
Financial Assets Recognised Through Profit or Loss - Measured at Fair Value	15,366	10,653	15,366	10,653
Financial Assets at Amortised Cost - Loans and Receivables	115,967,321	111,093,620	117,173,643	112,231,789
Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	30,686,902	34,095,554	30,714,675	34,139,808
Financial Assets Measured at Fair Value Through Other Comprehensive Income	109,282	117,388	109,284	117,390
Other Financial Assets	16,468,650	21,685,834	16,541,956	21,710,810
Other Non Financial Assets	653,132	474,347	737,855	552,469
Investment in Subsidiaries	921,998	921,998	-	-
Property, Plant and Equipment and Right-of-Use Assets	8,714,842	8,633,347	8,759,140	8,667,202
Investment Properties	-	-	4,550	4,550
Intangible Assets	18,424	22,628	128,983	135,255
Deferred Tax Assets	767,186	767,186	767,186	767,186
<b>Total Assets</b>	<b>179,448,075</b>	<b>182,346,587</b>	<b>180,314,627</b>	<b>183,018,067</b>
<b>Liabilities</b>				
Due to Banks	14,864,031	19,369,784	15,099,490	19,392,536
Financial Liabilities at Amortised Cost - Due to Depositors	114,836,202	114,011,699	115,045,541	114,248,253
Debt Instruments Issued and Other Borrowed Funds	2,704,739	3,882,024	2,704,739	3,882,024
Other Financial Liabilities	3,753,231	3,255,862	3,806,970	3,283,059
Other Non Financial Liabilities	1,554,352	1,090,091	1,599,047	1,154,729
Current Tax Liabilities	1,615,755	2,255,830	1,621,816	2,261,996
Post Employment Benefit Liability	381,113	365,557	383,522	367,504
<b>Total Liabilities</b>	<b>139,709,423</b>	<b>144,230,847</b>	<b>140,261,125</b>	<b>144,590,101</b>
<b>Equity</b>				
Stated Capital	838,282	838,282	838,282	838,282
Reserves	8,705,008	8,493,049	8,896,088	8,691,100
Retained Earnings	30,195,362	28,784,409	30,218,317	28,794,719
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>39,738,652</b>	<b>38,115,740</b>	<b>39,952,687</b>	<b>38,324,101</b>
<b>Non Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>100,815</b>	<b>103,865</b>
<b>Total Equity</b>	<b>39,738,652</b>	<b>38,115,740</b>	<b>40,053,502</b>	<b>38,427,966</b>
<b>Total Liabilities and Equity</b>	<b>179,448,075</b>	<b>182,346,587</b>	<b>180,314,627</b>	<b>183,018,067</b>
<b>Net Asset Value per Share (Rs.)</b>	<b>71.72</b>	<b>68.79</b>	<b>72.11</b>	<b>69.17</b>
<b>Commitments and Contingencies</b>	<b>2,196,919</b>	<b>2,403,948</b>	<b>1,965,169</b>	<b>2,403,948</b>

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.

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**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

18 October 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)
<b>Balance as at 01 April 2022 (Audited)</b>	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)
<b>Balance After Surcharge Tax</b>	838,282	21,849,942	8,116,782	(78,124)	30,726,882
Net Profit for the Period	-	4,037,238	-	-	4,037,238
Other Comprehensive Income, Net of Tax	-	-	-	23,914	23,914
Transfers During the Period	-	(201,862)	201,862	-	-
Final Dividend for 2021/22	-	(1,108,114)	-	-	(1,108,114)
<b>Balance as at 30 September 2022</b>	838,282	24,577,204	8,318,644	(54,210)	33,679,920
<b>Balance as at 01 April 2023 (Audited)</b>	838,282	28,784,409	8,539,799	(46,750)	38,115,740
Net Profit for the Period	-	4,401,305	-	-	4,401,305
Other Comprehensive Income, Net of Tax	-	-	-	(8,106)	(8,106)
Transfers During the Period	-	(220,065)	220,065	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	(1,662,173)
<b>Balance as at 30 September 2023</b>	838,282	30,195,362	8,759,864	(54,856)	39,738,652

**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)
<b>Balance as at 01 April 2022 (Audited)</b>	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)
<b>Balance After Surcharge Tax</b>	838,282	21,765,634	8,116,782	268,638	(78,124)	30,911,212	105,689	31,016,901
Net Profit for the Period	-	4,081,960	-	-	-	4,081,960	(4,093)	4,077,867
Other Comprehensive Income, Net of Tax	-	-	-	16,082	23,914	39,996	-	39,996
Transfers During the Period	-	(201,862)	201,862	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	(391)	(391)
Final Dividend for 2021/22	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
<b>Balance as at 30 September 2022</b>	838,282	24,537,618	8,318,644	284,720	(54,210)	33,925,054	101,205	34,026,259
<b>Balance as at 01 April 2023 (Audited)</b>	838,282	28,794,719	8,539,799	198,051	(46,750)	38,324,101	103,865	38,427,966
Net Profit for the Period	-	4,413,950	-	-	-	4,413,950	(3,050)	4,410,900
Other Comprehensive Income, Net of Tax	-	-	-	(6,971)	(8,106)	(15,077)	-	(15,077)
Transfers During the Period	-	(220,065)	220,065	-	-	-	-	-
Disposal of Shares	-	-	-	-	-	-	-	-
Interim Dividend for 2022/23	-	(1,108,114)	-	-	-	(1,108,114)	-	(1,108,114)
Final Dividend for 2022/23	-	(1,662,173)	-	-	-	(1,662,173)	-	(1,662,173)
<b>Balance as at 30 September 2023</b>	838,282	30,218,317	8,759,864	191,080	(54,856)	39,952,687	100,815	40,053,502

**LB FINANCE PLC****CASH FLOW STATEMENT**

Period ended 30 September 2023

	FOR THE 6 MONTHS ENDED			
	Company		Group	
	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)
<b>Cash Flows from/(Used in) Operating Activities</b>				
Profit and Other Comprehensive Income before Taxation	7,047,916	5,733,095	7,057,848	5,797,722
Adjustments for				
Depreciation of Property, Plant and Equipment	425,491	407,243	432,593	417,065
Amortisation of Intangible Assets	4,189	4,293	6,185	6,878
Impairment Charges	257,004	438,714	263,233	404,113
Diminution/(Appreciation) in Value of Investments	3,393	(26,383)	3,392	(26,382)
Loss/(Profit) on Disposal of Property, Plant and Equipment	(2,071)	(688)	(2,071)	(688)
Provision/(Reversal) for Defined Benefit Plans	41,818	37,206	42,280	36,746
Foreign Currency Exchange (Gain)/Loss	-	-	15	(510)
Dividend Received	(1,776)	(717)	(1,776)	(717)
Net Unrealised (Gains)/Losses Arising from Translating the Financial Statements of Foreign Operations	-	-	6,971	(16,082)
Operating Profit before Changes in Operating Assets and Liabilities	7,775,964	6,592,763	7,808,670	6,618,145
(Increase)/Decrease in Operating Assets				
(Increase)/Decrease in Financial Assets at Amortised Cost - Loans and Receivables	(5,630,811)	(14,982,646)	(5,705,193)	(14,983,200)
(Increase)/Decrease in Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire	3,908,758	4,392,581	3,925,238	4,407,758
(Increase)/Decrease in Other Financial Assets	5,217,183	(8,430,107)	5,174,081	(8,574,296)
(Increase)/Decrease in Other Non Financial Assets	(178,788)	(148,357)	(190,614)	(132,302)
Increase/(Decrease) in Operating Liabilities	3,316,342	(19,168,529)	3,203,512	(19,282,040)
Increase/(Decrease) in Financial Liabilities at Amortised Cost - Due to Depositors	824,503	11,397,886	797,288	11,400,543
Increase/(Decrease) in Other Financial Liabilities	497,368	(208,361)	516,940	(186,677)
Increase/(Decrease) in Other Non Financial Liabilities	(831,637)	(2,005,685)	(856,710)	(2,000,972)
Cash Generated from Operations	490,234	9,183,840	457,518	9,212,894
Retirement Benefit Liabilities Paid	(26,244)	(20,193)	(26,262)	(23,955)
Income Tax Paid	(1,998,896)	(2,770,920)	(2,001,189)	(2,770,920)
Net Cash from/(Used in) Operating Activities	9,557,400	(6,183,039)	9,442,249	(6,245,876)
<b>Cash Flows from/(Used in) Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Right-of-Use Assets	(515,144)	(364,713)	(532,604)	(382,605)
Acquisition of Intangible Assets	-	-	-	(607)
Proceeds from Sale of Property, Plant and Equipment	10,230	4,474	10,230	4,474
Investment in Subsidiary	-	(836)	-	-
Dividend Received	1,776	717	1,776	717
Net Cash Flows from/(Used in) Investing Activities	(503,138)	(360,358)	(520,598)	(378,021)
<b>Cash Flows from/(Used in) Financing Activities</b>				
Cash Flows from Debt Funding from Banks	6,235,586	8,500,000	6,601,135	8,500,000
Repayment of Debt Funding from Banks	(11,189,709)	(7,557,466)	(11,200,897)	(7,560,673)
Repayment of Debt Instruments and Other Borrowed Funds	(1,033,076)	(162,572)	(1,177,285)	(162,572)
Dividends Paid	(2,770,286)	(1,108,114)	(2,770,286)	(1,108,114)
Net Cash Flows from/(Used in) Financing Activities	(8,757,485)	(328,152)	(8,547,333)	(331,359)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>296,777</b>	<b>(6,871,549)</b>	<b>374,318</b>	<b>(6,955,256)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>4,033,170</b>	<b>12,709,843</b>	<b>4,188,936</b>	<b>12,881,785</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,329,947</b>	<b>5,838,294</b>	<b>4,563,254</b>	<b>5,926,529</b>
<b>CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>				
Notes and Coins Held	2,036,936	1,723,283	2,084,387	1,768,806
Balances with Banks	1,831,889	2,192,737	1,911,313	2,239,670
Securities under Reverse Repurchase Agreements	1,246,934	2,397,809	1,357,076	2,397,809
Investment in Unit Trusts	9,212	-	9,212	-
Bank Overdrafts	(795,024)	(475,535)	(798,734)	(479,756)
<b>Net Cash and Cash Equivalents</b>	<b>4,329,947</b>	<b>5,838,294</b>	<b>4,563,254</b>	<b>5,926,529</b>

**LB FINANCE PLC**
**FAIR VALUE MEASUREMENT HIERARCHY - COMPANY**

		As at 30.09.2023					As at 31.03.2023 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
<b>Financial Assets</b>											
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		2,036,936	-	-	2,036,936	2,036,936	1,810,836	-	-	1,810,836	1,810,836
Balances with Banks		1,831,889	-	-	1,831,889	1,831,889	1,338,660	-	-	1,338,660	1,338,660
Securities under Reverse Repurchase Agreements		-	1,246,934	-	1,246,934	1,246,934	-	830,880	-	830,880	830,880
Investment in Unit Trusts		-	9,212	-	9,212	9,212	-	543,656	-	543,656	543,656
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	15,366	-	-	15,366	15,366	10,653	-	-	10,653	10,653
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	116,095,914	116,095,914	115,967,321	-	-	106,120,536	106,120,536	111,093,620
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	30,152,485	30,152,485	30,686,902	-	-	29,977,126	29,977,126	34,095,554
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		108,978	-	-	108,978	108,978	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	304	304	304	-	-	305	305	305
<b>Other Financial Assets</b>	Amortised Cost	10,085,000	6,891,657	-	16,976,657	16,468,650	7,578,396	14,147,257	-	21,725,653	21,685,834
		14,078,169	8,147,803	146,248,703	168,474,675	168,372,492	10,855,629	15,521,793	136,097,967	162,475,388	171,527,081
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	14,463,978	-	14,463,978	14,864,031	-	17,488,092	-	17,488,092	19,369,784
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	111,112,789	111,112,789	114,836,202	-	-	111,849,395	111,849,395	114,011,699
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	2,669,597	-	2,669,597	2,704,739	-	3,775,257	-	3,775,257	3,882,024
<b>Other Financial Liabilities</b>	Amortised Cost	-	3,753,231	-	3,753,231	3,753,231	-	3,255,862	-	3,255,862	3,255,862
		-	20,886,806	111,112,789	131,999,595	136,158,203	-	24,519,211	111,849,395	136,368,606	140,519,369

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

**FAIR VALUE MEASUREMENT HIERARCHY - GROUP**

		As at 30.09.2023					As at 31.03.2023 (Audited)				
Financial Instruments Measurement Basis		Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000	Fair Value Measurement Using			Total Fair Value Rs. '000	Carrying Value Rs. '000
		Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000			Quoted Prices in Active Markets Level 1 Rs. '000	Significant Observable Inputs Level 2 Rs. '000	Significant Unobservable Inputs Level 3 Rs. '000		
<b>Financial Assets</b>					55						
<b>Cash and Cash Equivalents</b>	Amortised Cost										
Notes and Coins Held		2,084,387	-	-	2,084,387	2,084,387	1,830,304	-	-	1,830,304	1,830,304
Balances with Banks		1,911,313	-	-	1,911,313	1,911,313	1,357,186	-	-	1,357,186	1,357,186
Securities under Reverse Repurchase Agreements		-	1,357,076	-	1,357,076	1,357,076	-	949,809	-	949,809	949,809
Investment in Unit Trusts		-	9,212	-	9,212	9,212	-	543,656	-	543,656	543,656
<b>Financial Assets Recognised Through Profit or Loss</b>	FVTPL	15,366	-	-	15,366	15,366	10,653	-	-	10,653	10,653
<b>Financial Assets at Amortised Cost - Loans and Receivables</b>	Amortised Cost	-	-	117,302,236	117,302,236	117,173,643	-	-	107,258,706	107,258,706	112,231,789
<b>Financial Assets at Amortised Cost - Lease Rentals Receivable and Stock out on Hire</b>	Amortised Cost	-	-	30,180,259	30,180,259	30,714,675	-	-	30,021,380	30,021,380	34,139,808
<b>Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	FVOCI	-	-	-	-	-	-	-	-	-	-
Quoted Equities		108,978	-	-	108,978	108,978	117,083	-	-	117,083	117,083
Unquoted Equities		-	-	306	306	306	-	-	307	307	307
<b>Other Financial Assets</b>	Amortised Cost	10,085,000	7,780,341	-	17,865,341	16,541,956	7,586,433	14,164,196	-	21,750,629	21,710,810
		14,205,044	9,146,629	147,482,801	170,834,474	169,916,912	10,901,659	15,657,661	137,280,393	163,839,713	172,891,405
<b>Financial Liabilities</b>											
<b>Due to Banks</b>	Amortised Cost	-	14,699,438	-	14,699,438	15,099,490	-	17,532,438	-	17,532,438	19,392,536
<b>Financial Liabilities at Amortised Cost - Due to Depositors</b>	Amortised Cost	-	-	111,322,129	111,322,129	115,045,541	-	-	112,236,779	112,236,779	114,248,253
<b>Debt Instruments Issued and Other Borrowed Funds</b>	Amortised Cost	-	2,669,597	-	2,669,597	2,704,739	-	3,775,257	-	3,775,257	3,882,024
<b>Other Financial Liabilities</b>	Amortised Cost	-	3,806,970	-	3,806,970	3,806,970	-	3,283,060	-	3,283,060	3,283,060
		-	21,176,005	111,322,129	132,498,134	136,656,740	-	24,590,755	112,236,779	136,827,534	140,805,873

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	
	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)	30.09.2023 Rs.('000)	30.09.2022 Rs.('000)
Interest Income	4,794,817	4,729,678	16,412,288	11,236,090	2,290,965	1,364,168	126,609	102,765	23,624,679	17,432,701
Less: Interest Expenses	2,362,723	1,977,374	7,864,767	4,864,491	1,441,629	1,307,315	27,074	6,216	11,696,193	8,155,396
Net Interest Income	2,432,094	2,752,304	8,547,521	6,371,599	849,336	56,853	99,535	96,549	11,928,486	9,277,305
Fee and Commission Income	268,423	234,087	1,092,548	1,270,912	1,445	1,319	13,203	9,614	1,375,619	1,515,932
Net Trading Income and Other Operating Income	2,009	1,125	4,396	91,559	30,878	39,815	-	509	37,283	133,008
Total Operating Income	2,702,526	2,987,516	9,644,465	7,734,070	881,659	97,987	112,738	106,672	13,341,388	10,926,245
Less: Impairment Charges	10,491	117,059	268,441	284,744	(22,235)	29,279	6,536	(26,969)	263,233	404,113
Net Operating Income	2,692,035	2,870,457	9,376,024	7,449,326	903,894	68,708	106,202	133,641	13,078,155	10,522,132
Less: Other Costs	904,471	868,616	2,798,450	2,172,570	41,116	15,133	76,936	69,106	3,820,973	3,125,425
Less: Depreciation and Amortisation	86,394	106,028	344,090	311,378	4,586	2,163	3,708	4,374	438,778	423,943
Operating Profits before Taxes	1,701,170	1,895,813	6,233,484	4,965,378	858,192	51,412	25,558	60,161	8,818,404	6,972,764
Less: Taxes	851,046	791,769	3,118,687	2,073,760	430,463	21,452	7,308	7,916	4,407,504	2,894,897
Profits for the Period	850,124	1,104,044	3,114,797	2,891,618	427,729	29,960	18,250	52,245	4,410,900	4,077,867
Less: Non-Controlling Interest									3,050	4,093
Profit Attributable to Equity Holders of the Company									4,413,950	4,081,960
Profits for the Period									4,410,900	4,077,867
Segmental Assets	32,569,695	39,229,753	123,135,098	113,859,097	24,326,171	22,675,182	1,212,562	994,491	181,243,526	176,758,523
Elimination	-	-	-	-	(928,899)	(921,997)	-	-	(928,899)	(921,997)
Total Segmental Assets	32,569,695	39,229,753	123,135,098	113,859,097	23,397,272	21,753,185	1,212,562	994,491	180,314,627	175,836,526
Segmental Liabilities	25,475,711	31,811,343	96,294,903	92,328,157	18,127,812	17,549,617	369,600	121,150	140,268,026	141,810,267
Elimination	-	-	-	-	(6,901)	-	-	-	(6,901)	-
Total Segmental Liabilities	25,475,711	31,811,343	96,294,903	92,328,157	18,120,911	17,549,617	369,600	121,150	140,261,125	141,810,267

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 2023 or 2022.

## LB FINANCE PLC

Interim Financial Statements for the period ended 30 September 2023

### EXPLANATORY NOTES

01. The accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2023.
02. These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 Interim Financial Reporting.
03. There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.
04. The Commitments and Contingencies as at 30 September 2023 was Rs. 2,197 Mn and as at 31 March 2023 was Rs. 2,404 Mn.

### INFORMATION ON SHARES AND LISTED DEBENTURES

#### INFORMATION ON SHARES

		For the Quarter ended	
		30.09.2023	30.09.2022
Share Price	Highest	Rs. 73.00	52.00
	Lowest	Rs. 58.10	37.30
	Last Traded	Rs. 66.70	47.70
Number of Ordinary Shares Issued		554,057,136	554,057,136

#### INFORMATION ON LISTED DEBENTURES

		For the Quarter ended	
		30.09.2023	30.09.2022
<b>Debenture Prices</b>			
<b>Debentures Issued - December 2017</b>			
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
<b>Interest Yield</b>			
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
<b>Yield of Comparable Government Securities (%)</b>			
05 Year Treasury Bond		N/A	25.22%

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	
		30.09.2023	30.09.2022
<b>Ratios</b>			
Debt Equity Ratio		60.41%	127.99%
Quick Asset Ratio		19.09%	21.09%
Interest Cover		1.60	1.71

### SELECTED PERFORMANCE INDICATORS

		As at	
		30.09.2023	30.09.2022
<b>Capital Adequacy</b>			
Core Capital to Risk Weighted Asset Ratio (Minimum 10%)		26.67%	23.84%
Total Capital to Risk Weighted Asset Ratio (Minimum 14%)		27.31%	24.81%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)		34.60%	33.50%
<b>Profitability</b>			
Return on Average Shareholders' Funds (After Tax) - Annualized		22.61%	24.20%
Return on Average Assets (After Tax) - Annualized		4.87%	4.76%
<b>Asset Quality</b>			
Gross Non-Performing Accommodations Ratio		6.39%	4.81%
Net Non-Performing Accommodations Ratio		1.56%	-0.33%
<b>Liquidity (Rs. Mn)</b>			
Required Minimum Amount of Liquid Assets		11,633	10,607
Available Amount of Liquid Assets		18,623	16,540
Required Minimum Amount of Government Securities		7,897	6,725
Available Amount of Government Securities		11,217	7,020

## LB FINANCE PLC

### Additional Notes

#### Twenty largest shareholders as at 30 September 2023

Name		<u>No. of Shares</u>	<u>(%)</u>
1 Vallibel One PLC		286,729,600	51.751
2 Royal Ceramics Lanka PLC	125,708,928	144,492,928	26.079
Commercial Bank of Ceylon PLC/Royal Ceramics Lanka PLC	18,784,000		
3 Esna Holdings (Pvt) Ltd		56,249,600	10.152
4 People's Leasing & Finance PLC/K.R.E.M.D.M.B.Jayasundara		5,956,152	1.075
5 Mr W.G.D.C. Ranaweera		3,974,276	0.717
6 Mr N. Udage		2,861,235	0.516
7 Mr K.D.A Perera		2,289,735	0.413
8 David Pieris Holdings (Private) Limited		2,000,000	0.361
9 Janashakthi Insurance PLC-Shareholders		1,952,700	0.352
10 Mr F.N. Herft		1,583,819	0.286
11 Mr A.A. Page		1,259,200	0.227
12 Mr M.A.T. Raaymakers		1,189,245	0.215
13 Mrs M Gunaratne		1,000,000	0.180
14 Mrs S. Vasudevan & Mr S. Vasudevan		1,000,000	0.180
15 People's Leasing & Finance PLC/Dr.H.S.D.Soyasa & Mrs.G.Soyasa		936,264	0.169
16 Mr J.A.N.R. Adhihetty		913,845	0.165
17 Hatton National Bank PLC-Senfin Growth Fund		900,000	0.162
18 Seylan Bank PLC/Mr. S B Rangamuwa		835,000	0.151
19 Mrs P.C. Cooray		834,528	0.151
20 Mrs P.D.A.S. Beruwalage		733,327	0.132
		<u>517,691,454</u>	<u>93.436</u>
Others		36,365,682	6.564
<b>Total</b>		<b><u>554,057,136</u></b>	<b><u>100.000</u></b>

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

Name	<u>No. of Shares</u>	<u>(%)</u>
Mr. G A R D Prasanna	-	-
Mr. J A S S Adhihetty	424,480	0.077
Mr. N Udage	2,861,235	0.516
Mr. B D A Perera	-	-
Mr. R S Yatawara	8,593	0.002
Mrs. Y Bhaskaran	-	-
Mr. M A J W Jayasekara	-	-
Mrs. Ashwini Natesan	-	-
Mr. D Rangalle	-	-
Ms. Yanika Amarasekara	-	-

Public Holding percentage as at 30 September 2023 being 21.39% comprising of 4,659 shareholders.

The Float adjusted market capitalisation as at 30 September 2023 – Rs. 7,906,340,794.80/-

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

# Corporate Information

## NAME OF COMPANY

L B Finance PLC

## LEGAL FORM

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

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

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

## STOCK EXCHANGE LISTING

The Company was admitted to the official list of the Colombo Stock Exchange on 30th December, 1997, in which the Company's Ordinary Shares are listed currently.

## DATE OF INCORPORATION

30th May 1971

## COMPANY REGISTRATION NUMBER

PQ 156

## TAX PAYER IDENTIFICATION NUMBER

104033431

## VAT REGISTRATION NUMBER

104033431 7000

## CENTRAL BANK REGISTRATION NUMBER

RFC 1003

## PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing acceptance of Fixed Deposits, maintenance of Savings Accounts, providing Finance Leases and Vehicle Loan Facilities, Mortgage Loans, Gold Loans, Personal Loans, other Credit Facilities, Digital Financial Services and Value Added Services.

## Principal Activities of the Company's Subsidiaries

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

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## OUTLETS

Branches - 194

## WEBSITE

[www.lbfinance.com](http://www.lbfinance.com)

## FINANCIAL YEAR END

31 March

## CREDIT RATING

The Company has been assigned BBB+(lka) Stable by Fitch Ratings Lanka Limited

## BOARD OF DIRECTORS AND BOARD APPOINTED COMMITTEES

### Board of Directors

**Mr. G A R D Prasanna**  
(Chairman)

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

**Mr. Sumith Adhihetty**  
(Managing Director)

**Mr. Niroshan Udage**  
(Deputy Managing Director)

**Mr. B D A Perera**  
(Executive Director)

**Mr. Ravindra Yatawara**  
(Executive Director)

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

**Mrs. Ashwini Natesan**  
(Independent Non-Executive Director)

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

**Ms. Yanika Amarasekera**  
(Independent Non-Executive Director)

### Board Audit Committee

Mrs. Yogadinusha Bhaskaran  
(Chairperson)

Mrs. Ashwini Natesan

Mr. Ashane Jayasekara

### Board Human Resource and Remuneration Committee

Mr. Ashane Jayasekara (Chairman)

Mr. G A R D Prasanna

Ms. Yanika Amarasekera

**Board Nomination Committee**

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

**Board Related Party Transaction Review Committee**

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

**Board Integrated Risk Management Committee**

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

**SECRETARIES**

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

**EXTERNAL AUDITORS**

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

**INTERNAL AUDITORS**

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

**BANKERS**

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

**SUBSIDIARY COMPANIES****LB Microfinance Myanmar Company Limited**

(Company incorporated in the  
Union of the Republic of  
Myanmar)

**COMPANY REGISTRATION NUMBER OF SUBSIDIARY**

844 FC of 2016-2017 (YGN)

**REGISTERED OFFICE OF SUBSIDIARY**

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

**BOARD OF DIRECTORS OF SUBSIDIARY**

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

**Multi Finance PLC**

**COMPANY REGISTRATION  
NUMBER OF SUBSIDIARY  
PB 891 PQ**

**REGISTERED OFFICE OF SUBSIDIARY**

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

**BOARD OF DIRECTORS OF SUBSIDIARY**

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

# INTERIM FINANCIAL STATEMENTS

