

LA PRUDENCE LEASING FINANCE CO. LTD

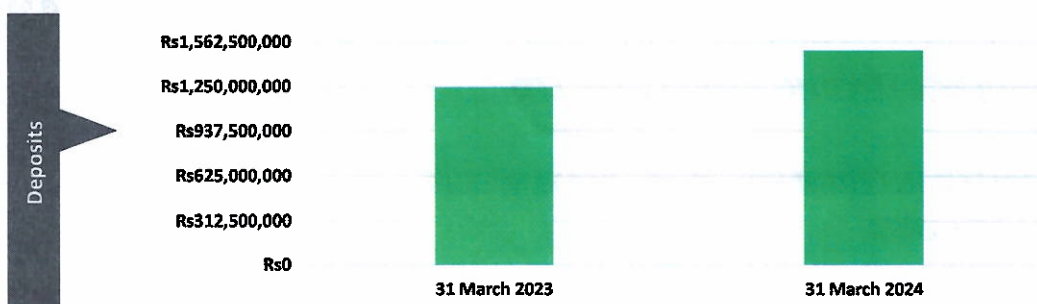
**UNAUDITED INTERIM FINANCIAL STATEMENTS
31 MARCH 2024**

**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 31 MARCH 2024**

5. FINANCIAL REVIEW

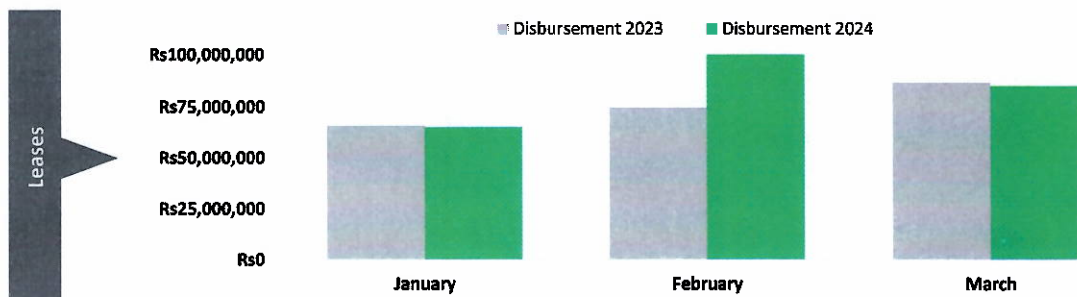
Deposits from customers

Total deposits grew by 20.70% and stood at Rs 1.501 billion as at 31 March 2024 as compared to Rs 1.243 billion as at March 2023.



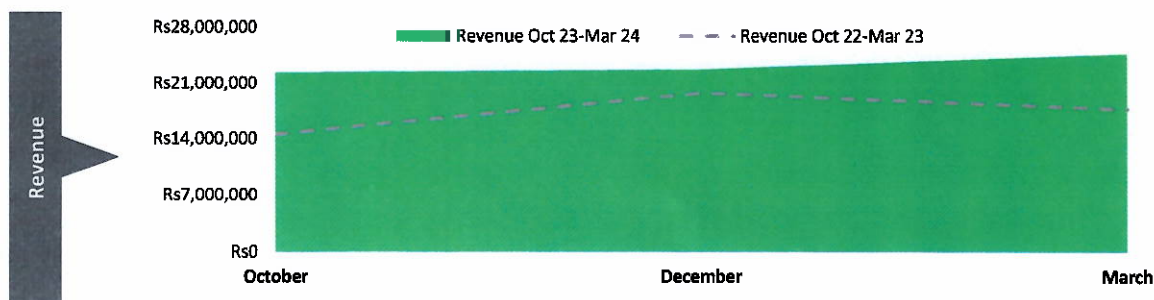
Leases disbursed

The amount of leases approved stood at Rs 255 million for the quarter ended 31 March 2024 while for the same quarter last year an amount of Rs 227 million was approved as new leases. The lease disbursed figures are higher and aligned with our growth strategy. The average monthly disbursement for the quarter under review is Rs 85 million compared to Rs 75.7 million for the same quarter last year.



Revenue

Revenue from finance and operating lease activities increased significantly by 39.41% to reach Rs 71.981 million for the quarter under review while it stood at Rs 51.631 million for the same quarter last year. The monthly revenue on average for the quarter under review is Rs 23.99 million compared to Rs 17.21 million for the same quarter last year.

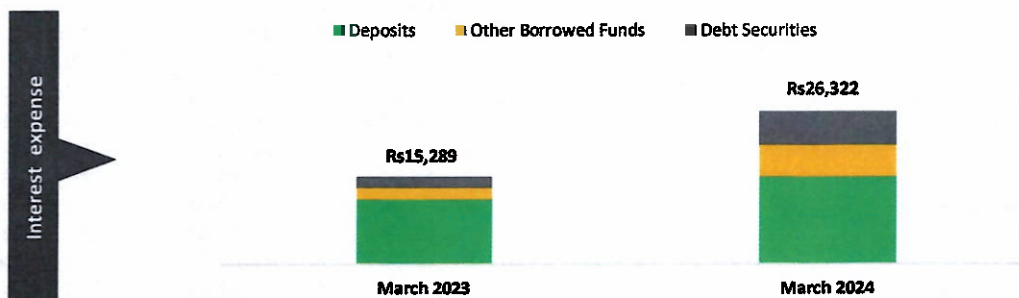


**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 31 MARCH 2024**

5. FINANCIAL REVIEW (CONTINUED)

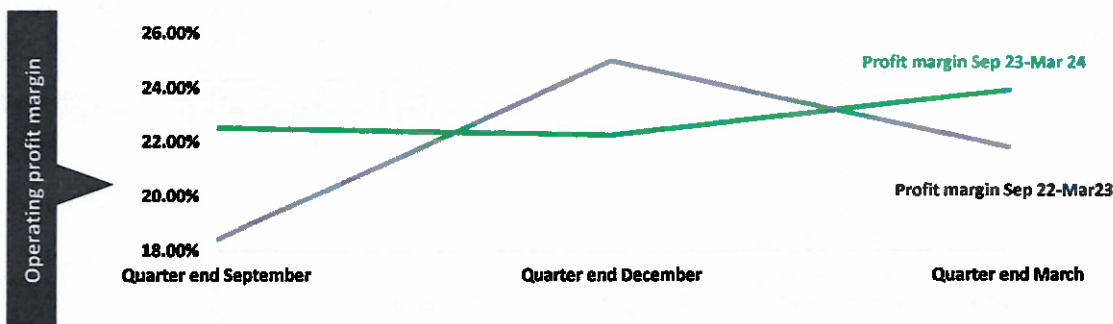
Interest expense

Interest expense increased by 72.16% to reach Rs 26.322 million for the quarter 31 March 2024 while it stood at Rs 15.289 million for the same quarter last year. The increase in interest expense is the result of increased borrowed funds and the raising of debt securities to support the Company's grow strategy. Interest paid to depositors has also increased to Rs 15.204 million for the quarter ended 31 March 2024 compared to Rs 11.357 million for the same quarter last year.



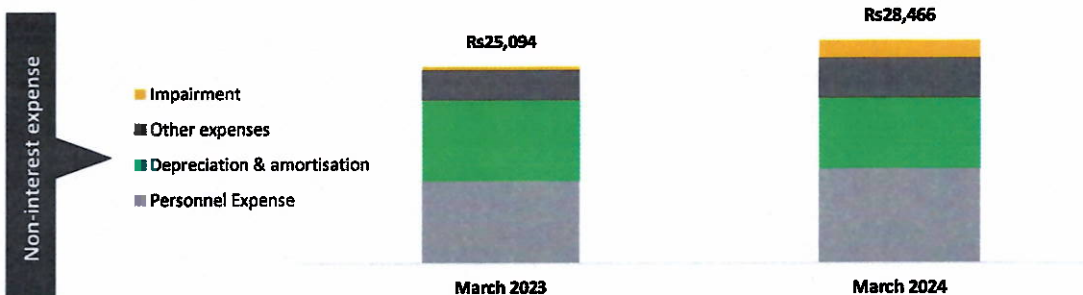
Operating Profit

The operating profit for the quarter ended 31 March 2024 is Rs 17.194 million as compared to Rs 11.248 million for the same quarter last year. Although the interest expense on bonds and term loans have impacted our margins in 2024, the operating profit margin for the quarter under review is higher at 23.89% compared to 21.79% for the same quarter last year.



Non-Interest Expense

Non-interest expense for the period ended 31 March 2024 stood at Rs 28.466 million compared to Rs 25.094 million for the same quarter last year. The increase of 13.43% in non-interest expense is mainly explained by an increase in provision for impairment, personnel expenses and professional fees.



**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 31 MARCH 2024**

5. FINANCIAL REVIEW (CONTINUED)

Credit Quality

Non-performing lease as a percentage of total lease portfolio is 1.57% as at 31 March 2024.

Sector-Wise distribution of the leasing portfolio

31 March 2024	Total capital outstanding	ECL	Net
	Rs	Rs	Rs
Agriculture and Fishing	47,293,626	330,003	46,963,623
Manufacturing and Textile	198,926,528	1,414,513	197,512,015
Tourism	201,111,439	1,041,592	200,069,847
Transport	313,719,373	2,100,740	311,618,633
Construction and Civil Engineering	169,175,760	1,461,744	167,714,016
Financial and Business Services	89,486,273	771,601	88,714,672
Traders & Commerce	391,499,045	12,312,651	379,186,394
Personal	38,485,597	526,655	37,958,942
Professional	63,327,420	394,971	62,932,449
Media entertainment and recreational Activities	51,004,043	328,423	50,675,620
Freeport Enterprise	86,826	242	86,584
Other	34,178,147	99,591	34,078,556
Infrastructure	7,155,914	26,971	7,128,943
Education	62,713,641	440,335	62,273,306
Modernisation and Expansion	173,848	484	173,364
ICT Services	85,553,429	393,603	85,159,826
Services Sector	430,029,909	4,577,459	425,452,450
Health Development	76,723,387	610,661	76,112,726
	2,260,644,205	26,832,239	2,233,811,966

Capital Structure

As a non-bank deposit taking institution, the company is required to:

- Maintain a minimum capital adequacy ratio of 10%.
The Company's CAR was 16.98% for quarter 31 March 2024 and 21.48% for 31 March 2023.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities.
The liquidity asset ratio was at 21.24% for quarter 31 March 2024 and 27.57% for the same quarter last year.

LA PRUDENCE LEASING FINANCE CO LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	31 March 2024	31 March 2023	December 2023
	Rs	Rs	Rs
	Unaudited	Unaudited (Revised)	Audited
ASSETS			
Cash and cash equivalents	89,411,645	160,543,456	76,648,737
Deposits with financial institutions	229,353,858	26,086,451	127,985,122
Investment in debt securities at amortised cost	-	156,228,250	98,924,506
Net investment in lease receivables*	2,233,811,966	1,587,556,079	2,117,630,859
Advance on finance leases	697,948	4,079,145	1,028,910
Property and equipment*	128,760,973	134,976,265	132,434,084
Right-of-use assets*	487,326	2,469,392	982,842
Intangible assets	10,867,480	16,070,569	11,902,981
Assets held for sale	2,863,757	1,775,770	3,230,500
Other assets*	8,210,015	9,802,215	6,145,046
Total assets	2,704,464,968	2,099,587,592	2,576,913,587
LIABILITIES, EQUITY AND RESERVES			
Deposits from customers*	1,500,840,773	1,243,422,158	1,422,904,517
Other borrowed funds	427,127,885	141,301,889	402,054,691
Debt securities	373,531,619	369,433,387	367,780,617
Lease liabilities	537,898	2,575,630	1,066,492
Other liabilities	40,744,411	27,735,472	38,618,953
Current tax liability	12,574,839	1,499,921	9,995,729
Deferred tax liabilities	1,920,622	1,936,268	1,920,622
Retirement benefit obligations	2,496,342	602,292	2,496,342
Total liabilities	2,359,774,389	1,788,507,017	2,246,837,963
EQUITY AND RESERVES			
Share capital	200,000,000	200,000,000	200,000,000
Statutory reserve	42,607,736	34,931,486	40,415,493
General risk reserve	24,878,590	7,544,911	24,878,590
Retained earnings	77,204,253	68,604,178	64,781,541
Total equity	344,690,579	311,080,575	330,075,624
Total equity and liabilities	2,704,464,968	2,099,587,592	2,576,913,587

Authorised for issue by the board of Directors on 13 May 2024 and signed on its behalf by :



.....
Mr. Mushtaq Oosman
Chairperson of the Board of Directors



.....
Mr. Clement Yue-Chi-Ming
Managing Director



.....
Mrs. Yeung Min (Christine) John Chuan
Chairperson of the Audit Committee

*Revised balances are due to reclassifications made at year end 31 December 2023 and applied for quarterly comparatives.

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 31 MARCH 2024

	Quarter Ended Unaudited 3 months 31-Mar 2024	Quarter Ended Unaudited 3 months 30-Mar 2023	Year Ended Audited 31-Dec 2023
Interest income			
Interest income calculated using the effective interest rate method	2,556,183	777,053	7,708,413
Interest income on investment in finance lease receivables	53,716,029	34,746,959	168,825,818
Interest expense*	(26,321,721)	(15,288,827)	(80,735,976)
Net interest income	29,950,491	20,235,185	95,798,255
Non-interest income			
Operating lease rental income	10,330,335	12,496,918	45,832,414
Fee and commission income	3,288,273	2,982,199	15,252,725
Other income	2,090,479	628,174	7,811,861
Net foreign exchange gain	-	-	25,642
Net non-interest income	15,709,087	16,107,291	68,922,642
Operating income*	45,659,578	36,342,476	164,720,897
Net impairment (loss)/gain on financial assets	(2,262,799)	(430,581)	3,668,461
Gain/(loss) on assets held for sale	75,386	-	(1,183,493)
Personnel expenses	(11,936,665)	(10,349,388)	(42,577,155)
Depreciation of property and equipment	(7,524,861)	(9,212,233)	(35,134,330)
Depreciation of right-of-use assets	(495,516)	(495,517)	(1,982,066)
Amortisation of intangible assets	(1,035,501)	(633,859)	(5,734,841)
Other expenses*	(5,285,557)	(3,972,837)	(24,069,731)
	(28,465,513)	(25,094,415)	(107,013,155)
Profit before income tax	17,194,065	11,248,061	57,707,742
Income tax expense	(2,579,110)	(1,687,209)	(11,586,832)
Profit for the period/year	14,614,955	9,560,852	46,120,910
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to Profit or loss in subsequent period</i>			
Remeasurement of net defined benefit liability	-	-	(3,090,372)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	525,363
Other comprehensive income for the period/year	-	-	(2,565,009)
Profit and total comprehensive income for the period/year, net of tax	14,614,955	9,560,852	43,555,901

*Revised balances are due to reclassifications made at year end 31 December 2023 and applied for quarterly comparatives.

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 MARCH 2024

	Share capital Rs	Statutory reserve Rs	General risk reserve Rs	Retained earnings Rs	Total Equity Rs
Balance at 1 January 2022	200,000,000	29,233,484	-	67,971,539	297,205,023
Profit for the year, net of tax	-	-	-	28,425,816	28,425,816
Other comprehensive income, net of tax	-	-	-	888,884	888,884
Total comprehensive income for the year, net of tax	-	-	-	29,314,700	29,314,700
<i>Transactions with owner</i>					
Dividends	-	-	-	(25,000,000)	(25,000,000)
Appropriation of retained earnings to general risk reserve	-	-	6,988,679	(6,988,679)	-
Transfer to statutory reserve	-	4,263,872	-	(4,263,872)	-
Balance at 31 December 2022	200,000,000	33,497,356	6,988,679	61,033,688	301,519,723
Profit for the year, net of tax	-	-	-	46,120,910	46,120,910
Other comprehensive income, net of tax	-	-	-	(2,565,009)	(2,565,009)
Total comprehensive income for the year, net of tax	-	-	-	43,555,901	43,555,901
<i>Transactions with owner</i>					
Dividends	-	-	-	(15,000,000)	(15,000,000)
Appropriation of retained earnings to general risk reserve	-	-	17,889,911	(17,889,911)	-
Transfer to statutory reserve	-	6,918,137	-	(6,918,137)	-
Balance at 31 December 2023	200,000,000	40,415,493	24,878,590	64,781,541	330,075,624
Profit for the period, net of tax	-	-	-	14,614,955	14,614,955
Total comprehensive income for the period, net of tax	-	-	-	14,614,955	14,614,955
Transfer to statutory reserve	-	2,192,243	-	(2,192,243)	-
Balance at 31 March 2024	200,000,000	42,607,736	24,878,590	77,204,253	344,690,579

