CITIZENS DEVELOPMENT BUSINESS FINANCE PLC

Audited Financial Statements for the Year Ended 31st March 2022

For the year ended 31 st March	2022 Rs. '000	2021 Rs. '000
Revenue	17,572,154	16,622,791
Interest income	15,194,413	14,877,242
Interest expense	6,156,858	7,282,499
Net interest income	9,037,555	7,594,743
Fee and commission income	311,128	406,234
Other operating income	2,066,613	1,339,315
Total operating income	11.415.296	9,340,292
Less: Impairment charges and other credit losses	1,195,145	1,421,500
Net operating income	10,220,151	7,918,792
Less: Operating expenses Personnel expenses Premises, equipment and establishment expenses	1,772,596 2,103,505	1,402,328 1,896,625
Other expenses	536.362	530.885
Total operating expenses	4,412,463	3,829,838
Operating profit before taxes on financial services	5,807,688	4,088,954
Less: Taxes on financial services	539,744	622,001
Profit before tax	5.267.944	3,466,953
Less: Income tax expense	1,655,864	909,999
Profit for the year	3,612,080	2.556.954
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss Fair value changes in hedge reserve Items that will not be reclassified to profit or loss	(145,759)	(74,806)
Change in deferred tax on revaluation due to rate change increase in revaluation surplus Less: Deferred tax on revaluation Equity investments at PVOC! - net change in fair value Net actuarial gain/(loss) on defined benefit plan	284,076 (68,178) 75,240 319,405	32,087 - - 68,116 (74,806)
Total other comprehensive income Total comprehensive income for the year	464,784 4,076,864	25,397 2,582,351
Earnings per share Basic earnings per share (Rs.) Diluted earnings per share (Rs.)	51.75 51.14	36.64 36.20



(Chartered Accountants), 32A, Sir Mohamed Macan Markar Maw P. O. Box 186. Colombo 00300, Sri Lanka.

STATEMENT OF FINANCIAL POSITION

As at 31 st March	2022 Rs. '000	2021 Rs. '000
Assets		
Cash and cash equivalents	2.023.974	2,090,509
Financial assets measured at fair value through profit or loss (FVTPL)	148.685	160,639
Derivative financial assets	1,121,320	198,046
Loans and receivables to banks	240,435	2,966,711
Deposits with financial institutions	8,292,576	3,003,275
Loans and receivables to customers	78,725,310	75,058,331
Other investment securities	6,576,030	2,669,959
Investment property	-	20.198
Property, plant and equipment	3,351,990	3,090,338
Intangible assets	136,078	116,476
Goodwill on amalgamation	156,489	244,180
Retirement benefit assets	407,807	
Right-of-Use assets	768,480	797,001
Other assets	3,470,809	3,915,306
Total assets	105,419,983	94,330,969
Liabilities		
Derivative financial liabilities		13,142
Deposits from customers	52,216,802	48,999,341
Debt securities issued and subordinated debt	5,726,897	6,273,163
Other interest-bearing borrowings	24,709,737	20,536,662
Lease liabilities	802,503	810,682
Current tax liabilities	1,400,532	1,220,992
Deferred tax liabilities	630,110	376,460
Retirement benefit obligation		9,098
Other liabilities	2,285,327	2,039,209
Total liabilities	87,771,908	80,278,749
Equity		
Stated capital	2,361,947	2,350,363
Reserves	2,829,785	2,495,581
Retained earnings	12,456,343	9,206,276
Total equity	17,648,075	14,052,220
Total liabilities and equity	105,419,983	94,330,969
Net assets value per share (Rs.)	252.63	201.34

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Risk Description	Our Response		
31st March 2022, 75% of its total assets of	Our audit procedures included:		
ompany consisted of loans and receivables	Obtaining and understanding of an		

The disclosures regarding the Company's application of SLFRS 9 and SLFRS 7 are key to explaining the key judgements and material inputs to the SLFRS 9 ECL results.

We identified assessing impairment of loans and receivables to customers as a key audit matter because there is a high degree of complexity and judgment involved for the Company in estimating individual and collective credit impairment provisions against these loans. These features resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions.

We identified IT systems and controls over financial reporting as a key audit matter because the Company's financial accounting and reporting systems are fundamentally reliant on complex IT systems and control processes which are driven by significant transaction volumes caused by the size of the customer heart for the customer heart for the systems are control processes.

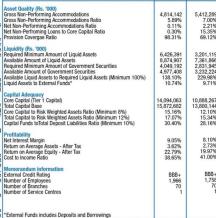
Report on Other Legal and Regulatory Requirements

CA Sri Lanka membership number of the engagement partner responditor's report is 3272 (FCA). LW A

CHARTERED ACCOUNTANTS Colombo, Sri Lanka, 17th June 2022 Selected Performance Indicators as per regulatory requirements

Responsibilities of Management and Those Charged with Governance for the Financial Sta

misstaltement, wnerure our or new or a management is responsible for assessing the Com In preparing the financial statements, management is responsible for assessing the Com to continue as a going concern, disclosing, as applicable, matters related to pring concern the going concern basis of accounting unless management other Intends to liquidate the to cease operations, or has no realistic alternative but to do so.





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