

Citizens Development Business Finance PLC

Interim Financial Statements for the Six Months Ended 30th September 2023

Statement of Financial Position ('000)

As at	31.03.2023		
	30.09.2023 Rs.'000	30.09.2022 Rs.'000	Rs.'000 Audited
Assets			
Cash and cash equivalents	2,936,797	2,168,258	3,267,193
Financial assets measured at fair value through profit or loss (FVTPL)	-	144,331	37,041
Derivative financial assets	426,912	1,669,605	925,656
Loans and receivables to banks	1,312,638	284,257	1,166,430
Deposits with financial institutions	6,527,486	8,183,010	7,218,324
Loans and receivables to customers	77,456,479	80,564,008	76,476,889
Other investment securities	6,691,541	6,116,447	7,519,968
Investment property	535,000	-	535,000
Property, plant and equipment	3,382,135	3,345,895	3,382,065
Intangible assets	276,862	129,497	265,691
Goodwill on amalgamation	45,225	156,489	45,225
Retirement benefit asset	269,313	345,807	331,313
Right-of-use assets	850,748	792,204	782,533
Other assets	3,579,424	3,609,857	3,212,383
Total assets	104,290,560	107,509,665	105,165,711
Liabilities			
Deposits from customers	65,606,233	56,075,767	62,875,226
Debt securities issued and subordinated debt	3,358,218	5,419,192	3,850,182
Other interest-bearing borrowings	13,470,112	21,891,299	16,610,517
Lease liabilities	877,883	824,447	832,102
Current tax liabilities	317,400	589,925	1,053,990
Deferred tax liabilities	403,901	630,110	403,901
Other liabilities	1,505,857	4,489,701	1,349,572
Total liabilities	85,539,604	89,920,441	86,975,490
Equity			
Stated capital	2,366,683	2,361,947	2,361,947
Reserves	5,602,003	2,747,235	4,531,003
Retained earnings	10,782,270	12,480,042	11,297,271
Total equity	18,750,956	17,589,224	18,190,221
Total liabilities and equity	104,290,560	107,509,665	105,165,711
Net assets value per share (Rs.)	268.32	251.79	260.40

Selected Performance Indicators as per Regulatory Requirements

Indicator	Company	
	As at 30-09-2023	As at 31-03-2023
Asset Quality (Rs. 000)*		
Gross Non-Performing Accommodations	11,668,157	8,755,534
Gross Non-Performing Accommodations Ratio	14.51%	10.99%
Net Non-Performing Accommodations Ratio	8.79%	5.12%
Net Non-Performing Loans to Core Capital Ratio	46.37%	26.49%
Provision Coverage Ratio	43.24%	56.30%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	7,374,896	7,381,141
Available Amount of Liquid Assets	11,673,323	11,705,814
Required Minimum Amount of Government Securities	5,191,119	4,317,212
Available Amount of Government Securities	5,654,458	6,105,510
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	158.28%	158.59%
Liquid Assets to External Funds**	14.16%	14.05%
Capital Adequacy		
Core Capital (Tier 1 Capital)	14,286,670	14,445,941
Total Capital Base	15,283,040	15,438,459
Core Capital to Risk Weighted Assets Ratio (Minimum 10%)***	15.44%	16.23%
Total Capital to Risk Weighted Assets Ratio (Minimum 14%)***	16.52%	17.35%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)***	23.30%	24.55%
Profitability		
Net Interest Margin	6.84%	7.18%
Return on Average Assets-After Tax (Annualized)	1.24%	1.55%
Return on Average Equity-After Tax (Annualized)	7.04%	9.08%
Cost to Income Ratio	60.81%	56.47%
Memorandum information		
Number of Employees	1,817	1,683
Number of Branches	71	71
External Credit Rating	BBB(ka)/Stable	BBB(ka)/RWN

* Asset quality ratios have computed based on 90 Days Past Due in September 2023 and 120 Days Past Due in March 2023.
** External funds includes deposits and borrowings
*** Including current year unaudited profit

Statement of Profit or Loss and Other Comprehensive Income ('000)

	For the six months ended 30 th SEPTEMBER		
	2023 Rs.'000	2022 Rs.'000	Change %
Revenue	11,250,406	9,540,417	18%
Interest income	10,529,779	8,890,293	18%
Less: Interest expenses	6,945,695	5,237,293	33%
Net interest income	3,584,084	3,653,000	-2%
Fees and commission income	114,676	121,016	-5%
Other operating income	605,951	529,108	15%
Total operating income	4,304,711	4,303,124	0%
Less: Impairment charges and other credit losses on financial assets	540,612	152,901	254%
Net operating income	3,764,099	4,150,223	-9%
Less: Operating expenses			
Personnel expenses	995,074	973,091	2%
Premises, equipment and establishment expenses	1,409,530	1,298,894	9%
Other expenses	213,214	412,365	-48%
Total operating expenses	2,617,818	2,684,350	-2%
Operating profit before taxes on financial services	1,146,281	1,465,873	-22%
Less: Taxes on financial services	245,000	175,494	40%
Profit before tax	901,281	1,290,379	-30%
Less: Income tax expense	251,000	330,000	-24%
Profit for the period	650,281	960,379	-32%
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value changes in hedge reserve	(94,120)	255,325	-137%
Item that will not be reclassified to profit or loss			
Equity investments at FVOCI - Net change in fair value	362,082	(285,542)	227%
Net actuarial gain/(loss) on defined benefit plan	(12,000)	(12,000)	0%
Total other comprehensive income	255,962	(42,217)	706%
Total comprehensive income for the period	906,243	918,162	-1%
Earnings per share			
Basic earnings per share (Rs.)	9.31	13.75	
Diluted earnings per share (Rs.)*	8.94	13.42	

Figures in brackets indicate deductions.

The above figures are subject to audit unless specified.

*Diluted EPS has computed considering the effect of employee share option scheme.

Certification

We, the undersigned, being the Chief Executive Officer, the Financial Controller and the Compliance Officer of Citizens Development Business Finance PLC certify jointly that:

a) the above statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and Finance Business Act No. 42 of 2011.

b) the information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited.

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements. Approved and signed for and on behalf of the Board


C.M. Nanayakkara
Managing Director/ CEO


Damith Tennakoon
Director/ Chief Financial Officer


Darshana Amerasinghe
Compliance Officer

9th November 2023 Colombo

CDB 

Your Friend

Registration No. PB232PQ.
Date of incorporation: 07th September 1995.
Licensed by the Central Bank of Sri Lanka under
the Finance Business Act No. 42 of 2011.
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