

# Citizens Development Business Finance PLC

## Interim Financial Statements for the Six Months Ended 30<sup>th</sup> September 2022

### Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30<sup>th</sup> September

	2022 Rs.'000	2021 Rs.'000	Change %
<b>Revenue</b>	<b>9,540,417</b>	<b>8,144,257</b>	<b>17%</b>
Interest income	8,890,293	6,897,520	29%
Less: Interest expenses	5,237,293	3,025,174	73%
<b>Net interest income</b>	<b>3,653,000</b>	<b>3,872,346</b>	<b>-6%</b>
Fees and commission income	121,016	138,746	-13%
Other operating income	529,108	1,107,991	-52%
<b>Total operating income</b>	<b>4,303,124</b>	<b>5,119,083</b>	<b>-16%</b>
Less: Impairment charges and other credit losses on financial assets	152,901	712,711	-79%
<b>Net operating income</b>	<b>4,150,223</b>	<b>4,406,372</b>	<b>-6%</b>
<b>Less: Operating expenses</b>			
Personnel expenses	973,091	888,921	9%
Premises, equipment and establishment expenses	1,298,894	1,012,701	28%
Other expenses	412,365	224,821	83%
<b>Total operating expenses</b>	<b>2,684,350</b>	<b>2,126,443</b>	<b>26%</b>
<b>Operating profit before taxes on financial services</b>	<b>1,465,873</b>	<b>2,279,929</b>	<b>-36%</b>
Less: Taxes on financial services	175,494	355,929	-51%
<b>Profit before tax</b>	<b>1,290,379</b>	<b>1,924,000</b>	<b>-33%</b>
Less: Income tax expense	330,000	535,000	-38%
<b>Profit for the period</b>	<b>960,379</b>	<b>1,389,000</b>	<b>-31%</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Fair Value Changes in Hedge Reserve	255,325	161,596	58%
<b>Item that will not be reclassified to profit or loss</b>			
Equity investments at FVOCI - Net change in fair value	(285,542)	(33,904)	-742%
Net actuarial gain/(loss) on defined benefit plan	(12,000)	(12,000)	0%
<b>Total other comprehensive income</b>	<b>(42,217)</b>	<b>115,692</b>	<b>-136%</b>
<b>Total comprehensive income for the period</b>	<b>918,162</b>	<b>1,504,692</b>	<b>-39%</b>
<b>Earnings per share</b>			
Basic earnings per share (Rs.)	13.75	19.90	
Diluted earnings per share (Rs.)*	13.42	19.65	

### Statement of Financial Position

As at	30.09.2022 Rs.'000	30.09.2021 Rs.'000	Audited 31.03.2022 Rs.'000
<b>Assets</b>			
Cash and cash equivalents	2,168,258	1,398,578	2,023,974
Financial assets measured at fair value through profit or loss (FVTPL)	144,331	156,422	148,685
Derivative financial assets	1,669,605	122,204	1,121,320
Loans and receivables to banks	284,257	2,019,444	240,435
Deposits with financial institutions	8,183,010	2,927,398	8,292,576
Loans and receivables to customers	80,564,008	74,080,553	78,725,310
Other investment securities	6,116,447	3,998,159	6,576,030
Investment property	-	20,198	-
Property, plant and equipment	3,345,895	3,026,138	3,351,990
Intangible assets	129,497	125,857	136,078
Goodwill on amalgamation	156,489	244,180	156,489
Retirement benefit asset	345,807	-	407,807
Right-of-use assets	792,204	738,200	768,480
Other assets	3,609,857	3,826,676	3,470,809
<b>Total assets</b>	<b>107,509,665</b>	<b>92,684,007</b>	<b>105,419,983</b>
<b>Liabilities</b>			
Deposits from customers	56,075,767	48,812,304	52,216,802
Debt securities issued and subordinated debt	5,419,192	5,403,461	5,726,897
Other interest-bearing borrowings	21,891,299	19,296,248	24,709,737
Lease liabilities	824,447	773,530	802,503
Current tax liabilities	589,925	845,475	1,400,532
Deferred tax liabilities	630,110	376,460	630,110
Retirement benefit obligation	-	71,098	-
Other liabilities	4,489,701	2,038,754	2,285,327
<b>Total liabilities</b>	<b>89,920,441</b>	<b>77,617,330</b>	<b>87,771,908</b>
<b>Equity</b>			
Stated capital	2,361,947	2,350,363	2,361,947
Reserves	2,747,235	2,646,838	2,829,785
Retained earnings	12,480,042	10,069,476	12,456,343
<b>Total equity</b>	<b>17,589,224</b>	<b>15,066,677</b>	<b>17,648,075</b>
<b>Total liabilities and equity</b>	<b>107,509,665</b>	<b>92,684,007</b>	<b>105,419,983</b>
<b>Net assets value per share (Rs.)</b>	<b>251.79</b>	<b>215.88</b>	<b>252.63</b>

### Selected Performance Indicators as per Regulatory Requirements

Indicator	As at	As at
	30-09-2022	31-03-2022
<b>Asset Quality (Rs. 000)*</b>		
Gross Non-Performing Accommodations	8,547,692	6,103,002
Gross Non-Performing Accommodations Ratio	10.25%	7.48%
Net Non-Performing Accommodations Ratio	4.67%	1.78%
Net Non-Performing Loans to Core Capital Ratio	26.28%	9.72%
Provision Coverage Ratio	57.08%	77.55%
<b>Liquidity (Rs. 000)</b>		
Required Minimum Amount of Liquid Assets	6,985,721	6,426,391
Available Amount of Liquid Assets	8,809,557	8,874,907
Required Minimum Amount of Government Securities	4,317,212	4,049,192
Available Amount of Government Securities	4,531,824	4,977,408
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	126.11%	138.10%
Liquid Assets to External Funds**	10.56%	10.74%
<b>Capital Adequacy</b>		
Core Capital (Tier-1 Capital)	13,985,838	14,091,706
Total Capital Base	15,904,398	15,870,325
Core Capital to Risk Weighted Assets Ratio (Minimum 10%***)	15.17%	15.16%
Total Capital to Risk Weighted Assets Ratio (Minimum 14%***)	17.28%	17.07%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%***)	28.36%	30.39%
<b>Profitability</b>		
Net Interest Margin	6.86%	9.05%
Return on Average Assets-After Tax (Annualized)	1.80%	3.62%
Return on Average Equity-After Tax (Annualized)	10.90%	22.79%
Cost to Income Ratio	62.38%	38.65%
<b>Memorandum information</b>		
External Credit Rating	BBB+	BBB+
Number of Employees	1,804	2,073
Number of Branches	71	70
Number of Service Centers	-	1

\* Asset quality ratios have computed based on 120 days past due basis  
 \*\* External funds include deposits and borrowings  
 \*\*\* Including current year unaudited profit

Figures in brackets indicate deductions.

The above figures are subject to audit unless specified

\*Diluted EPS has been 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,

  
 C.M. Nanayakkara  
 Managing Director/ CEO  
 11<sup>th</sup> November 2022 Colombo

  
 Damith Tennakoon  
 Director/ Chief Financial Officer

  
 Darshana Amerasinghe  
 Compliance Officer

# CDB

## Your Friend

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