

Citizens Development Business Finance PLC

Interim Financial Statements for the Six Months Ended 30th September 2020

Consolidated Statement of Financial Position ('000)

As at	Company		Group	
	30.09.2020 Rs.	Audited 31.03.2020 Rs.	30.09.2020 Rs.	Audited 31.03.2020 Rs.
Assets				
Cash and cash equivalents	1,422,298	1,347,303	1,425,633	1,391,919
Financial assets measured at fair value through profit or loss (FVTPL)	57,938	56,442	57,938	56,442
Loans and receivables to banks	2,679,739	3,671,353	2,679,739	3,691,374
Deposits with financial institutions	4,673,535	4,387,464	4,673,535	4,387,464
Loans and receivables to customers	74,778,363	71,218,455	74,778,363	72,422,827
Other investment securities	2,081,971	2,319,634	2,081,971	2,362,194
Investment in subsidiaries	2,745	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant and equipment	2,986,731	2,938,155	2,986,731	2,950,554
Intangible assets	100,520	80,146	100,520	92,837
Right-of-use assets	795,891	840,868	795,891	840,868
Goodwill on consolidation	-	-	-	244,180
Other assets	4,616,067	4,458,554	4,616,067	4,734,292
Total assets	94,215,996	91,848,490	94,216,586	93,195,149
Liabilities				
Derivative financial liabilities	92,426	60,440	92,426	60,440
Deposits from customers	46,202,516	43,327,576	46,202,516	43,305,775
Debt securities issued	5,249,652	5,092,096	5,249,652	5,092,096
Other interest-bearing borrowings	25,736,321	26,675,062	25,736,321	27,505,136
Lease liabilities	797,188	804,390	797,188	804,390
Current tax liabilities	635,684	1,519,031	635,684	1,603,146
Deferred tax liabilities	650,401	650,401	650,401	609,271
Retirement benefit obligation	62,932	28,931	62,932	28,931
Other liabilities	2,606,992	2,463,793	2,608,131	2,629,604
Total liabilities	82,034,112	80,621,720	82,035,251	81,638,789
Equity				
Stated capital	2,350,363	2,350,363	2,350,363	2,350,363
Reserves	2,279,650	2,295,877	2,279,650	2,301,336
Retained earnings	7,551,871	6,580,530	7,551,322	6,847,068
Total equity attributable to equity holders of the Company	12,181,884	11,226,770	12,181,335	11,498,767
Non-controlling interest	-	-	-	57,593
Total equity	12,181,884	11,226,770	12,181,335	11,556,360
Total liabilities and equity	94,215,996	91,848,490	94,216,586	93,195,149
Net assets value per share (Rs.)	174.54	160.86	174.54	164.76

Selected Performance Indicators

Indicator	Company	
	As at 30-09-2020	As at 31-03-2020
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations	4,738,287	5,405,326
Gross Non- Performing Accommodations Ratio	6.24%	7.54%
Net Non- Performing Accommodations Ratio	2.04%	4.24%
Net Non-Performing Loans to Core Capital Ratio	15.51%	33.43%
Provision Coverage Ratio	68.66%	45.73%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	3,459,631	3,362,939
Available Amount of Liquid Assets	8,273,448	8,674,662
Required Minimum Amount of Government Securities	2,831,945	2,700,775
Available Amount of Government Securities	3,169,121	4,140,960
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	239.14%	257.95%
Liquid Assets to External Funds **	10.72%	11.55%
Capital Adequacy		
Core Capital (Tier 1 Capital)	9,570,964	8,774,785
Total Capital Base	12,005,633	11,368,181
Core Capital to Risk Weighted Assets Ratio (Minimum 6.5%)*	10.79%	10.25%
Total Capital to Risk Weighted Assets Ratio (Minimum 10.5%)*	13.53%	13.29%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	25.98%	26.24%
Profitability		
Net Interest Margin (Annualized)	7.28%	6.91%
Return on Average Assets- After Tax (Annualized)	2.15%	1.89%
Return on Average Equity- After Tax (Annualized)	17.12%	17.21%
Cost to Income Ratio	49.37%	50.58%
Memorandum information		
Number of Employees	1,741	1,789
External Credit Rating	BBB+	BBB+
Number of Branches	69	69
Number of Service Centers	1	1
Number of Pawning Centers	1	1

* Including current year unaudited profit
** External funds includes deposits and borrowings

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

	Company			Group		
	For the Six Months Ended 30 th September 2020		2019 Change	For the Six Months Ended 30 th September 2020		2019 Change
	Rs.	Rs.	%	Rs.	Rs.	%
Revenue	8,263,503	8,070,190	2%	8,300,680	8,417,862	-1%
Interest income	7,374,214	7,464,238	-1%	7,406,355	7,808,839	-5%
Less: Interest expenses	3,987,150	4,551,504	-12%	4,002,400	4,689,384	-15%
Net interest income	3,387,064	2,912,734	16%	3,403,955	3,119,455	9%
Fees and commission income	255,991	240,429	6%	261,091	276,217	-5%
Other operating income	633,298	365,523	73%	633,234	332,806	90%
Total operating income	4,276,353	3,518,686	22%	4,298,280	3,728,478	15%
Less: Impairment charges and other credit losses on financial assets	750,494	687,358	9%	762,788	699,369	9%
Net operating income	3,525,859	2,831,328	25%	3,535,492	3,029,109	17%
Less:						
Personnel expenses	694,991	792,643	-12%	695,058	826,000	-16%
Premises, equipment and establishment expenses	907,933	921,245	-1%	914,894	957,112	-4%
Other expenses	239,450	224,259	7%	244,040	246,215	-1%
Total operating expenses	1,842,374	1,938,147	-5%	1,853,992	2,029,327	-9%
Operating profit before taxes on financial services	1,683,485	893,181	88%	1,681,500	999,782	68%
Less: Taxes on financial services	269,001	195,500	38%	269,317	215,548	25%
Profit before tax	1,414,484	697,681	103%	1,412,183	784,234	80%
Less: Income tax expense	412,355	76,912	436%	413,169	104,609	295%
Profit for the period	1,002,129	620,769	61%	999,014	679,625	47%
Profit attributable to:						
Equity holders of the Company				999,314	673,963	48%
Non-controlling interest				(300)	5,662	-105%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Equity investments at FVOCI - Net change in fair value	(33,935)	(12,000)	-100%	(33,935)	(12,000)	-100%
Net actuarial gain/(loss) on defined benefit plan	(12,000)	(12,000)	0%	(12,000)	(12,000)	0%
Total other comprehensive income	(45,935)	(12,000)	283%	(45,935)	(12,000)	283%
Total comprehensive income for the period	956,194	608,769	57%	953,079	667,625	43%
Total comprehensive income attributable to:						
Equity holders of the Company				953,379	661,963	44%
Non-controlling interest				(300)	5,662	-105%
Earnings per share						
Basic earnings per share (Rs.)	14.36	8.89		14.32	9.66	

Figures in brackets indicate deductions.

Certification

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

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- the information contained in these statements have been extracted from the unaudited financial statements of the Licensed Finance Company unless indicated as audited,

Sgd.
C.M.Nanayakkara
Managing Director/ CEO

Sgd.
Damith Tennakoon
Director/ Chief Financial Officer

Sgd.
Darshana Amerasinghe
Compliance Officer

11th November 2020, Colombo.

CDB

Your Friend

No. 123, Orabipasha Mawatha, Colombo 10.

Registration No. PB232PQ

Date of incorporation: 07 September 1995

Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

Hotline: 011 7 388 388 ICRA[SL] BBB+

Interim Financial Statements can be accessed on our website www.cdb.lk