

Citizens Development Business Finance PLC

Interim Financial Statements for the Six Months Ended 30th September 2016

Consolidated Statement of Financial Position

As at	Company			Group		
	30.09.2016 Rs.	Audited 31.03.2016 Rs.	30.09.2015 Rs.	30.09.2016 Rs.	Audited 31.03.2016 Rs.	30.09.2015 Rs.
Assets						
Cash and Cash Equivalents	317,449,982	722,351,389	353,143,855	345,785,909	729,789,337	368,131,014
Financial Instruments held for Trading	131,236,264	121,963,136	160,570,690	131,236,264	121,963,136	160,570,690
Loans and Receivable to Banks	424,609,354	2,967,869,560	108,000,000	424,609,354	2,979,124,401	108,000,000
Deposits with Licensed Commercial Banks	1,803,520,847	1,602,179,104	1,790,098,577	1,803,520,846	1,610,310,601	1,790,098,577
Loans and Advances to Customers	39,918,332,923	38,538,920,189	34,790,011,768	40,249,475,856	38,753,565,171	34,977,227,128
Investment Securities	3,177,386,495	3,272,075,270	2,974,382,899	3,218,863,586	3,305,826,584	3,013,488,741
Investment in Subsidiary	509,917,733	509,917,734	427,745,447	-	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,553,953,705	1,606,958,136	1,528,361,671	1,559,142,271	1,610,637,819	1,536,290,277
Intangible Assets	61,898,876	68,319,145	77,285,105	61,898,876	71,364,171	77,285,105
Goodwill on Consolidation	-	-	-	244,179,431	244,179,431	244,179,431
Other Assets	1,509,867,503	1,195,560,588	1,158,640,144	1,510,021,139	1,199,128,682	1,165,251,974
Total Assets	49,428,371,659	50,626,312,228	43,388,438,133	49,568,931,509	50,646,087,310	43,460,720,913
Liabilities						
Deposits From Customers	29,363,858,173	30,887,693,800	28,624,076,455	29,363,858,171	30,803,916,225	28,624,076,455
Debt Securities Issued	2,117,415,205	1,044,135,005	1,096,879,357	2,117,415,204	1,044,135,005	1,096,879,357
Other Interest Bearing Borrowings	10,316,704,961	11,301,685,401	6,710,276,678	10,367,241,422	11,309,582,401	6,723,796,911
Current Tax Liabilities	209,657,459	109,133,435	252,613,151	211,842,642	111,020,227	255,995,209
Deferred Tax Liabilities	479,764,584	479,764,584	282,079,148	481,839,850	481,839,851	283,654,115
Retirement Benefit Obligations	87,518,378	53,036,495	24,068,177	87,518,378	53,036,495	24,068,177
Other Liabilities	1,617,540,883	1,698,895,014	2,048,434,547	1,648,378,107	1,736,886,058	2,053,768,916
Total Liabilities	44,192,459,643	45,574,343,734	39,038,427,513	44,278,093,774	45,540,416,262	39,062,239,140
Equity						
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	1,740,643,681	1,802,100,577	1,497,531,005	1,740,746,550	1,803,892,583	1,498,009,412
Retained Earnings	2,310,206,690	2,064,806,272	1,667,417,970	2,334,439,769	2,086,228,841	1,684,076,693
Total Equity Attributable to Equity Holders of the Company	5,235,912,016	5,051,968,494	4,350,010,620	5,260,247,964	5,075,183,069	4,367,147,750
Non-controlling Interests	-	-	-	30,589,771	30,487,979	31,334,023
Total Equity	5,235,912,016	5,051,968,494	4,350,010,620	5,290,837,735	5,105,671,048	4,398,481,773
Total Equity and Liabilities	49,428,371,659	50,626,312,228	43,388,438,133	49,568,931,509	50,646,087,310	43,460,720,913
Net Assets Value per Share	96.42	93.03	80.10	96.86	93.46	80.42

Selected Performance Indicators

Indicator	Company		
	As at 30-09-2016	As at 31-03-2016	As at 30-09-2015
Asset Quality (Rs. 000)			
Gross Non-Performing Accommodations **	1,494,868	1,412,121	1,848,165
Gross Non-Performing Accommodations Ratio, %	3.7%	3.6%	5.2%
Net Non-Performing Accommodations Ratio, %	1.7%	1.6%	2.7%
Liquidity (Rs. 000)			
Required Minimum amount of Liquid Assets	3,302,365	3,403,962	3,068,220
Available amount of Liquid Assets	4,208,963	6,664,229	3,877,825
Required Minimum amount of Government Securities	2,250,269	2,068,234	2,068,234
Available amount of Government Securities	2,516,832	5,115,654	2,120,254
Capital Adequacy			
Core Capital (Tier 1 Capital)	5,022,240	4,838,296	4,178,938
Total Capital Base	6,028,431	4,845,213	4,471,377
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	11.8%	11.7%	11.1%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	14.1%	11.7%	11.9%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	22.4%	15.7%	15.6%
Profitability			
Net Interest Margin (Annualized %)	5.78%	6.90%	7.33%
Return on Average Assets-After Tax (Annualized %)	1.78%	2.27%	2.03%
Return on Average Equity-After Tax (Annualized %)	17.3%	21.5%	19.1%
Memorandum information			
Number of Employees	1,318	1,167	1,278
Number of branches	57	50	48
Number of service centers	11	11	11
Number of pawning centers	1	1	1

* Including current year unaudited profit
** Net of Interest In Suspense

Certification

We, the undersigned, being the Chief Executive Officer and the Financial Controller 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.
- The information contained in these statements have been extracted from the unaudited financial statements of Citizens Development Business Finance PLC unless indicated as audited.

Sgd
C.M. Nanayakkara
Managing Director / CEO

Sgd
Damith Tennakoon
Director/Deputy CEO/CFO

20th October 2016, Colombo

Consolidated Statement of Comprehensive Income

	Company			Group		
	For the Six Months Ended 30 th September			For the Six Months Ended 30 th September		
	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %
Revenue	4,101,567,370	3,534,526,917	16%	4,141,797,605	3,563,885,247	16%
Interest Income	3,628,547,241	3,180,180,629	14%	3,664,174,740	3,209,436,208	14%
Less: Interest Expenses	2,183,027,678	1,688,305,720	29%	2,183,025,229	1,690,342,496	29%
Net Interest Income	1,445,519,563	1,491,874,909	-3%	1,481,149,511	1,519,093,712	-2%
Fees and Commission Income	100,372,308	99,590,938	1%	105,597,469	99,590,939	6%
Net Interest, Fee and Commission Income	1,545,891,871	1,591,465,848	-3%	1,586,746,980	1,618,684,651	-2%
Other Operating Income	372,647,821	254,755,350	46%	371,774,361	254,858,100	46%
Total Operating Income	1,918,539,692	1,846,221,198	4%	1,958,521,341	1,873,542,751	5%
Less: Impairment Charge on Financial Assets & Other Credit Losses	127,199,392	239,017,227	-47%	132,019,295	239,645,563	-45%
Net Operating Income	1,791,340,300	1,607,203,971	11%	1,826,502,046	1,633,897,188	12%
Less:						
Personnel Expenses	448,422,506	346,300,094	29%	459,946,699	350,120,815	31%
Premises, Equipment and Establishment Expenses	513,266,079	485,068,282	6%	522,506,089	489,243,479	7%
Other Expenses	168,721,381	164,462,315	3%	176,481,898	165,419,470	7%
Total Operating Expenses	1,130,409,965	995,830,691	14%	1,158,934,686	1,004,783,764	15%
Operating Profit Before Value Added Tax (VAT) on Financial Service, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)	660,930,334	611,373,280	8%	667,567,360	629,113,424	6%
Less: VAT, NBT and CIL	96,510,062	71,562,265	35%	97,496,757	73,867,415	32%
Profit Before Tax	564,420,272	539,811,015	5%	570,070,603	555,246,009	3%
Income Tax Expense	119,980,447	126,711,672	-5%	122,363,019	131,043,757	-7%
Profit for the Period	444,439,825	413,099,342	8%	447,707,584	424,202,252	6%
Profit attributable to:						
Equity Holders of the Company	444,439,825	413,099,342	8%	447,250,335	422,651,799	6%
Non-controlling Interests	-	-	-	457,249	1,550,453	-71%
Profit for the Period	444,439,825	413,099,342	8%	447,707,584	424,202,252	6%
Other Comprehensive Income:						
Items that will never be reclassified to profit or loss						
Net Actuarial Gains/(Losses) on Defined Benefit Plan	(8,971,182)	(8,971,184)	0%	(8,971,182)	(8,971,184)	0%
Items that are or may be reclassified to profit or loss						
Net change in Fair Value of Available for Sale Financial Asset	(61,456,896)	(166,052,854)	-63%	(63,325,824)	(166,052,854)	-62%
Other Comprehensive Income	(70,428,078)	(175,024,038)	-60%	(72,297,006)	(175,024,038)	-59%
Total Comprehensive Income	374,011,747	238,075,304	57%	375,410,578	249,178,214	51%
Total Comprehensive Income Attributable to:						
Equity Holders of the Company	374,011,747	238,075,304	57%	375,133,121	247,627,761	51%
Non-controlling interests	-	-	-	277,458	1,550,453	-82%
Total Comprehensive Income	374,011,747	238,075,304	57%	375,410,578	249,178,214	51%
Earnings per share:						
Basic Earnings per Share	8.18	7.61		8.24	7.78	

Figures in brackets indicate deductions.

CDB
Citizens Development
Your Friend

Citizens Development Business Finance PLC

No. 123, Orabipasha Mawatha, Colombo 10.

Registration no. PB232PQ

Date of incorporation: 07th 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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Interim Financial Statements can be accessed on our website www.cdb.lk