

GENERATION

# Interim Financial Statements

For the year ended 31 March 2022



## Statement of Profit or Loss and Other Comprehensive Income

	For the quarter ended 31 March			For the year ended 31 March		
	2022 Rs. '000	2021 Rs. '000	Change %	2022 Rs. '000	2021 Rs. '000	Change %
<b>Revenue</b>	<b>4,999,978</b>	<b>4,211,546</b>	<b>19%</b>	<b>17,572,154</b>	<b>16,622,791</b>	<b>6%</b>
Interest income	4,439,282	3,828,690	16%	15,194,413	14,877,242	2%
Less: Interest expense	1,655,749	1,486,651	11%	6,156,858	7,282,499	-15%
<b>Net interest income</b>	<b>2,783,533</b>	<b>2,342,039</b>	<b>19%</b>	<b>9,037,555</b>	<b>7,594,743</b>	<b>19%</b>
Fee and commission income	84,406	72,264	17%	311,128	406,234	-23%
Other operating income	476,290	310,592	53%	2,066,613	1,339,315	54%
<b>Total operating income</b>	<b>3,344,229</b>	<b>2,724,895</b>	<b>23%</b>	<b>11,415,296</b>	<b>9,340,292</b>	<b>22%</b>
Less : Impairment charges and other credit losses on financial assets	340,464	201,828	69%	1,195,145	1,421,500	-16%
<b>Net operating income</b>	<b>3,003,765</b>	<b>2,523,067</b>	<b>19%</b>	<b>10,220,151</b>	<b>7,918,792</b>	<b>29%</b>
<b>Less : Operating expenses</b>						
Personnel expenses	399,026	283,731	41%	1,772,596	1,402,328	26%
Premises, equipment and establishment expenses	576,218	545,726	6%	2,103,505	1,896,625	11%
Other expenses	167,914	159,724	5%	536,362	530,885	1%
Total operating expenses	1,143,158	989,181	16%	4,412,463	3,829,838	15%
<b>Operating profit before taxes on financial services</b>	<b>1,860,607</b>	<b>1,533,886</b>	<b>21%</b>	<b>5,807,688</b>	<b>4,088,954</b>	<b>42%</b>
Less : Taxes on financial services	(73,185)	242,000	-130%	539,744	622,001	-13%
<b>Profit before tax</b>	<b>1,933,792</b>	<b>1,291,886</b>	<b>50%</b>	<b>5,267,944</b>	<b>3,466,953</b>	<b>52%</b>
Less : Income tax expense	772,314	272,644	183%	1,655,864	909,999	82%
<b>Profit after tax</b>	<b>1,161,478</b>	<b>1,019,242</b>	<b>14%</b>	<b>3,612,080</b>	<b>2,556,954</b>	<b>41%</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Fair value changes in hedge reserve	(322,618)	-	100%	(145,759)	-	-100%
<b>Items that will not be reclassified to profit or loss</b>						
Net change in revaluation surplus	215,898	32,087	573%	215,898	32,087	573%
Financial assets at FVOCI - Net change in fair value	(70,553)	56,060	-226%	75,240	68,116	10%
Net actuarial gain/(loss) on defined benefit plan	337,405	(56,806)	694%	319,405	(74,806)	527%
Total other comprehensive income	160,132	31,341	411%	464,784	25,397	1730%
<b>Total comprehensive income</b>	<b>1,321,610</b>	<b>1,050,583</b>	<b>26%</b>	<b>4,076,864</b>	<b>2,582,351</b>	<b>58%</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	16.63	14.60		51.71	36.64	
Diluted earnings per share (Rs.) *	16.43	14.42		51.10	36.17	

Figures in brackets indicate deductions.

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

## Statement of Financial Position

As at	31-03-2022	Audited
	Rs. '000	31-03-2021 Rs. '000
<b>Assets</b>		
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	78,686,953	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 asset	407,807	-
Right-of-use assets	768,480	797,001
Other assets	3,509,166	3,915,306
<b>Total assets</b>	<b>105,419,983</b>	<b>94,330,969</b>
<b>Liabilities</b>		
Derivative financial liabilities	-	13,142
Deposits from customers	52,216,802	48,999,341
Debt securities issued	5,248,329	5,089,839
Other interest-bearing borrowings	25,188,305	21,719,986
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
<b>Total liabilities</b>	<b>87,771,908</b>	<b>80,278,749</b>
<b>Equity</b>		
Stated capital	2,361,947	2,350,363
Reserves	2,829,785	2,495,581
Retained earnings	12,456,343	9,206,276
<b>Total equity</b>	<b>17,648,075</b>	<b>14,052,220</b>
<b>Total liabilities and equity</b>	<b>105,419,983</b>	<b>94,330,969</b>
<b>Net assets value per share (Rs.)</b>	<b>252.63</b>	201.34

The above figures are subject to audit unless specified.

The financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and Finance Business Act No. 42 of 2011.

*Sgd.*

**Damith Tennakoon**

Deputy CEO/Director/CFO

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

*Sgd.*

**J R Alastair Corera**

Chairman

*Sgd.*

**C M Nanayakkara**

Managing Director/CEO

30 May 2022

Colombo

## Statement of Changes in Equity

	Stated Capital	Reserves				Statutory Reserve Fund Rs. '000	Retained Earnings	Total Equity
		Other Capital Reserve	Revaluation Reserve	Fair Value Reserve	Hedge Reserve			
		Rs. '000	Rs. '000	Rs. '000	Rs. '000			
Balance as at 1 April 2020	2,350,363	-	577,574	(30,405)	-	1,754,148	6,904,680	11,556,360
Impact of Amalgamation *							(86,491)	(86,491)
<b>Total comprehensive income for the year</b>								
Profit for the year							2,556,954	2,556,954
Other comprehensive income for the year								
Financial assets at FVOCI - net change in fair value				68,116				68,116
Remeasurement of defined benefit liability/(asset)							(74,806)	(74,806)
Adjustment in Deferred tax on revaluation			32,087					32,087
<b>Transactions with equity holders of the Company</b>								
Transfers during the year				(33,787)		127,848	(94,061)	
<b>Balance as at 31 March 2021</b>	<b>2,350,363</b>	<b>-</b>	<b>609,661</b>	<b>3,924</b>	<b>-</b>	<b>1,881,996</b>	<b>9,206,276</b>	<b>14,052,220</b>
Balance as at 1 April 2021	2,350,363	-	609,661	3,924	-	1,881,996	9,206,276	14,052,220
<b>Total comprehensive income for the year</b>								
Profit for the year							3,612,080	3,612,080
Other comprehensive income for the year								
Increase in revaluation surplus			284,076					284,076
Less: Deferred tax on revaluation surplus			(68,178)					(68,178)
Fair value changes in hedge reserve					(145,759)			(145,759)
Financial assets at FVOCI - net change in fair value				75,240				75,240
Remeasurement of defined benefit liability/(asset)							319,405	319,405
<b>Transactions with equity holders of the Company</b>								
Employee share option plan		33,211						33,211
Exercise of share options	11,584	(2,357)						9,227
Dividend to equity holders for the year - 2020/21							(523,447)	(523,447)
Transfers during the year				(22,633)		180,604	(157,971)	-
<b>Balance as at 31 March 2022</b>	<b>2,361,947</b>	<b>30,854</b>	<b>825,559</b>	<b>56,531</b>	<b>(145,759)</b>	<b>2,062,600</b>	<b>12,456,343</b>	<b>17,648,075</b>

Figures in brackets indicate deductions.

## Statement of Cash Flows

For the year ended	31-03-2022 Rs. '000	31-03-2021 Rs. '000
<b>Cash flow from operating activities</b>		
Interest receipts	15,053,780	12,529,193
Commission receipts	353,404	68,839
Other income receipts	1,748,011	1,606,503
Interest payments	(6,405,376)	(7,479,942)
Fee and business promotion expenses	(404,044)	(387,487)
Employee related payments	(1,770,097)	(1,328,968)
Supplier payments	(2,311,093)	(2,979,723)
Financial expenses	(30,059)	(35,968)
<b>Operating profit before changes in operating assets</b>	<b>6,234,526</b>	<b>1,992,447</b>
<i>(Increase)/Decrease in operating assets</i>		
Investments in financial institutions	(2,563,025)	2,108,852
Investment in Government Securities	935	(102,320)
Net funds advanced to customers	(4,683,134)	(1,708,955)
Changes in other short-term assets	388,714	1,326,438
Changes in inventories	24,850	(170,055)
	(6,831,660)	1,453,960
Net borrowings	4,305,812	(6,366,190)
Net deposits from customers	3,457,741	5,882,777
	7,763,554	(483,413)
<b>Net Cash Generated from / (used in) operating activities</b>	<b>7,166,420</b>	<b>2,962,994</b>
Contribution to plan assets	(100,000)	(168,000)
Taxation	(1,715,046)	(1,105,094)
	5,351,374	1,689,900
<b>Cash flow from investing activities</b>		
Dividend receipts	32,852	31,548
Share Issue	9,227	-
Investment in other investment securities	(3,906,071)	(307,765)
Purchase of property, plant and equipment	(123,651)	(413,675)
Proceed from sale of property, plant and equipment	81,571	41,342
<b>Net cash from / (used in) investing activities</b>	<b>(3,906,073)</b>	<b>(648,550)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(523,446)	-
Payment to NCI on amalgamation	-	(42,645)
Net change in debentures	(1,067,341)	(2,257)
<b>Net cash inflows/ (outflows) from financing activities</b>	<b>(1,590,787)</b>	<b>(44,902)</b>
Net increase/(decrease) in cash and cash equivalents	(145,486)	996,448
Cash and cash equivalents at the beginning of the year	1,914,569	918,121
<b>Cash and cash equivalents at the end of the year</b>	<b>1,769,083</b>	<b>1,914,569</b>
<b>Cash and cash equivalents at the beginning of the year</b>		
Cash at bank and cash in hand	2,090,509	1,391,919
Bank overdrafts	(175,940)	(473,798)
	1,914,569	918,121
<b>Cash and cash equivalents at the end of the year</b>		
Cash at bank and cash in hand	2,023,974	2,090,509
Bank overdrafts	(254,891)	(175,940)
	<b>1,769,083</b>	<b>1,914,569</b>

Figures in brackets indicate deductions.

## Segmental Analysis

	Lease and stock out on hire		Loans and advances		Others		Total	
	31-03-2022 Rs. '000	31-03-2021 Rs. '000	31-03-2022 Rs. '000	31-03-2021 Rs. '000	31-03-2022 Rs. '000	31-03-2021 Rs. '000	31-03-2022 Rs. '000	31-03-2021 Rs. '000
Interest	10,393,688	10,476,518	4,303,656	3,833,674	497,069	567,050	15,194,413	14,877,242
Non interest income							2,377,741	1,745,549
Segmented revenue	10,393,688	10,476,518	4,303,656	3,833,674	497,069	567,050	17,572,154	16,622,791
<b>Total revenue</b>	<b>10,393,688</b>	<b>10,476,518</b>	<b>4,303,656</b>	<b>3,833,674</b>	<b>497,069</b>	<b>567,050</b>	<b>17,572,154</b>	<b>16,622,791</b>
Unallocated expenses							12,304,210	13,155,838
Profit from operations							5,267,944	3,466,953
Income tax expenses							1,655,864	909,999
<b>Profit for the year</b>							<b>3,612,080</b>	<b>2,556,954</b>
Segmented assets	51,664,652	51,134,558	27,022,301	23,923,771	18,403,020	11,089,139	97,089,973	86,147,468
Unallocated assets							8,330,010	8,183,501
<b>Total assets</b>	<b>51,664,652</b>	<b>51,134,558</b>	<b>27,022,301</b>	<b>23,923,771</b>	<b>18,403,020</b>	<b>11,089,139</b>	<b>105,419,983</b>	<b>94,330,969</b>

## Fair Value Measurement

	31-03-2022				31-03-2021 (Audited)			
	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
<b>Financial assets</b>								
Financial assets measured at FVTPL								
- Government Securities - Treasury Bonds	148,685			148,685	160,639			160,639
Derivative financial assets	1,121,320			1,121,320	198,046			198,046
Other investment securities								
- Equity Instruments - Quoted Shares	1,686,514			1,686,514	1,630,090			1,630,090
Total financial assets disclosed at fair value	2,956,519			2,956,519	1,988,775			1,988,775
<b>Other non-financial assets</b>								
Property Plant and Equipment - Free hold land			2,184,250	2,184,250			1,900,175	1,900,175
Total non-financial assets disclosed at fair value			2,184,250	2,184,250			1,900,175	1,900,175
Assets not disclosed at fair value				100,279,214				90,442,019
<b>Total assets</b>	<b>2,956,519</b>		<b>2,184,250</b>	<b>105,419,983</b>	<b>1,988,775</b>		<b>1,900,175</b>	<b>94,330,969</b>
<b>Financial liabilities</b>								
Derivative financial liabilities					13,142			13,142
Total financial liabilities disclosed at fair value					13,142			13,142
Liabilities not disclosed at fair value				87,771,908				80,265,607
<b>Total liabilities</b>				<b>87,771,908</b>	<b>13,142</b>			<b>80,278,749</b>

Level 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 : Inputs that are unobservable.

## Shareholders' Information

### TWENTY LARGEST SHAREHOLDERS AS AT 31 MARCH 2022

#### Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	19,120,225	32.16
2	JANASHAKTHI INSURANCE PLC-SHAREHOLDERS	6,022,308	10.13
3	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	3,143,360	5.28
4	JANASHAKTHI INSURANCE PLC - NON PAR	2,800,000	4.70
5	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	2,449,957	4.12
6	CARGILLS BANK LIMITED/ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	2,444,169	4.11
7	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	2,379,654	4.00
8	COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI PLC	2,334,010	3.93
9	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	2,194,152	3.69
10	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	1,423,548	2.39
11	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,316,247	2.21
12	PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	1,301,785	2.19
13	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	1,200,888	2.02
14	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.2	954,323	1.61
15	MR.K ELANGOVA	551,486	0.93
16	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	503,972	0.85
17	PATTON INVESTMENTS PRIVATE LIMITED	354,680	0.60
18	PEOPLE'S LEASING & FINANCE PLC/MR. H.K. DASSANAYAKE	349,115	0.59
19	PEOPLE'S LEASING & FINANCE PLC/MR.I.M.KOTIGALA	327,798	0.55
20	NATION DEVELOPMENT BANK PLC/ ASIA MANAGEMENT CONSULTANCY	325,000	0.55
	<b>Sub total of Top 20 Share Holders</b>	<b>51,496,677</b>	<b>86.61</b>
		8,015,698	13.39
	<b>Total</b>	<b>59,512,375</b>	<b>100.00</b>

The percentage of shares held by the public as at 31 March 2022 is 44.20% (with 1,620 public share holders)

#### Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	J.B. COCOSHELL (PVT) LTD	1,492,697	14.43
2	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,381,493	13.36
3	MR. WEERASINGHE AMARAKOON MUDIYANSELAGE	635,095	6.14
4	MR. ABDULHUSSEIN YUSUF HUSSEINALLY	415,000	4.01
5	MR. JAFFERJEE MURTAZA ALI	356,380	3.45
6	MISS ABDULHUSSEIN RUKAIYA HUSSEINALLY	334,947	3.24
7	ASKOLD (PRIVATE) LIMITED	320,000	3.09
8	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	300,402	2.90
9	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	263,520	2.55
10	MR. ESUFALLY ABBASALLY NURUDDIN	217,551	2.10
11	MR. A. SITHAMPALAM	196,509	1.90
12	MRS. MOONESINGHE AVANTI MANOJA & MR. M.A.H. ESUFALLY	165,375	1.60
13	MR. JAYARATNE SABAPATHI MUDIYANSELAGE PRADEEP LAL	133,966	1.30
14	GOLD INVESTMENT LIMITED.	108,009	1.04
15	JAFFERJEES INVESTMENTS (PVT) LTD.	108,009	1.04
16	MR. VALABHJI MUKESH ABHAYKUMAR	108,009	1.04
17	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	105,390	1.02
18	LAKDHANAVI LIMITED	103,359	1.00
19	WIJEWICKRAMA PATHINAYAKAGE ASANKA DINUNUWAN GUNATHILAKA	100,000	0.97
20	MR.KANAGASINGAM SABARATNAM	100,000	0.97
		<b>6,945,711</b>	<b>67.15</b>
		3,397,957	32.85
	<b>Total</b>	<b>10,343,668</b>	<b>100.00</b>

The percentage of shares held by the public as at 31 March 2022 is 84.22% (with 2,010 public share holders)



## Shareholders' Information

### DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING AS AT 31 MARCH 2022

#### Ordinary Voting Shares

NAME	SHAREHOLDING
MR. J.R.A. CORERA	1,027
PEOPLE'S LEASING & FINANCE PLC/MR.J.R.A. CORERA	21,622
MR W.P.C.M. NANAYAKKARA	1,283
PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	2,449,957
MR. T.M.D.P. TENNAKON	-
PEOPLE'S LEASING & FINANCE PLC/MR.T.M.D.P.TENNAKON	170,151
SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	1,200,888
MR. S.V. MUNASINGHE	-
PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,316,247
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	5,652
PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. & MRS. V.F.ABEYGOONEWARDENA	1,301,785
MR. D.A. DE SILVA	-
DIALOG FINANCE PLC/D.A. DE SILVA	117,550
MR. K. ELANGO VAN	551,486
MR. J.P. ABHAYARATNE	-
MR. S.P.P. AMARATUNGE	-
MRS. P.R.W. PERERA	-
MR. E.R.S.G.S. HEMACHANDRA	-
MR. S. KUMARAPPERUMA	-
PROF P.N. GAMAGE	-
<b>Total</b>	<b>7,137,648</b>

#### Ordinary Non Voting Shares

NAME	SHAREHOLDING
MR. J.R.A. CORERA	10,335
MR W.P.C.M. NANAYAKKARA	56
MR. T.M.D.P. TENNAKON	-
MR. S.V. MUNASINGHE	-
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	82,842
PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. & MRS. V.F.ABEYGOONEWARDENA	37,850
MR. D.A. DE SILVA	-
MR. K. ELANGO VAN	-
MR. J.P. ABHAYARATNE	-
MR. S.P.P. AMARATUNGE	-
MRS. P.R.W. PERERA	-
MR. E.R.S.G.S. HEMACHANDRA	-
MR. S. KUMARAPPERUMA	-
PROF P.N. GAMAGE	-
<b>Total</b>	<b>131,083</b>

### MARKET PRICES FOR THE QUARTER ENDED 31 MARCH 2022

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31/03/2022 Rs.	31/03/2021 Rs.	31/03/2022 Rs.	31/03/2021 Rs.
Highest Price	275.00	94.00	135.00	69.90
Lowest Price	100.00	78.60	70.00	57.00
Last Traded	230.75	89.10	86.10	65.00

### FLOATING ADJUSTED MARKET CAPITALIZATION AS AT 31 MARCH 2022

	Number of shares	Market price per share	Market Capitalization (Rs.)	Percentage of public holders	Floating Adjusted Market Capitalization
Voting Share	59,512,375	230.75	13,732,480,531	44.20%	6,069,756,395
Non Voting Share	10,343,668	86.10	890,589,815	84.22%	750,054,742
<b>Total Shares</b>			<b>14,623,070,346</b>		<b>6,819,811,137</b>

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option

## Explanatory Notes

- 1 The Company has used the same accounting policies and method of computing described in the audited financial statements of the Company for 2020/21 in the preparation of these interim financial statements except the policies and method of computing mentioned below ;

### **Hedge Accounting**

The Company has applied hedge accounting for the forward contracts with financial institutions to cover the exchange rate risk exposed from the foreign borrowings with effect from 1 August 2021.

### **Employee Share Option Plan**

Board of directors of the Company has duly resolved to establish an employee share option plan to grant total number of share options of 2,972,454 ordinary voting shares for the period commencing from 1 September 2021 to 1 September 2023. The scheme was approved by shareholders at the Extraordinary General Meeting held on 30 July 2021.

Accordingly on 1 September 2021 share options of 891,736 (1.5% of the voting shares) were immediately vested and remained exercisable for a period of three years ending 31 August 2024.

Shares under the scheme will be offered to the qualified employees at a volume weighted average price of all share transactions during the thirty market days immediately preceding the grant date and the Company has used Binominal Option Pricing Model to value the share options as at 1 September 2021 under the requirements of SLFRS 2 - "Share Based Payments"

Accordingly the Company has recognized a employee cost of Rs. 33 Mn arising from the above in this interim financial statements.

- 2 63,295 Ordinary shares were listed during the March 2022, consequent to the exercising of options under employee share option schemes.
- 3 As at 31 March 2022 stated capital represents 59,512,375 ordinary voting shares and 10,343,668 ordinary non voting shares.

### **Surcharge Tax**

The Government of Sri Lanka in its Budget for 2022 proposed a one-time Surcharge Tax, at a rate of 25% to be imposed on companies that have earned a taxable income in excess of Rs. 2 Bn for the year of assessment 2020/21. The tax was imposed by No.14 of 2022 Surcharge Tax Act which was passed by the Parliament of Sri Lanka on 7 April 2022. As the law imposing the surcharge tax was enacted after the end of the reporting period, the financial statements ended 31 March 2022 do not reflect the tax liability that would arise in consequences. The estimated tax liability is amounting to Rs. 715,053,464 and the Company has paid its first instalment of Rs. 357,526,733 on 20 April 2022.

- 5 The board has proposed a first and final dividend of Rs. 3.75 per share for it voting and non-voting share holders for the Financial Year ended 31 March 2022.
- 6 All known expenses have been provided in these financial statements and management fees are not applicable to the Company.
- 7 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicity affecting the interim operation.
- 8 Since 31 March 2022, there were no material events other than the above, that required adjustment or disclosure in these financial statements.
- 9 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".

## Information on Listed Debentures

### MARKET PRICE FOR THE QUARTER ENDED 31 MARCH 2022

#### Subordinated Listed Rated Unsecured Redeemable Debentures March 2018-March 2023

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	NOT TRADED		
Type B	NOT TRADED		

Debenture Type	Interest Payment Frequency	Coupon Rate (%)	Annual Effective Rate (%)
Type A	Semi- annually	13.75	14.22
Type B	Annually	14.20	14.20

#### Subordinated Listed Rated Unsecured Redeemable Debentures January 2019-January 2024

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	NOT TRADED		
Type B	NOT TRADED		

Debenture Type	Interest Payment Frequency	Coupon Rate (%)	Annual Effective Rate (%)
Type A	Semi- annually	15.00	15.56
Type B	Annually	15.50	15.50

#### Subordinated Listed Rated Unsecured Redeemable Debentures December 2019-December 2024

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	NOT TRADED		
Type B	NOT TRADED		

Debenture Type	Interest Payment Frequency	Coupon Rate (%)	Annual Effective Rate (%)
Type A	Semi- annually	13.43	13.88
Type B	Annually	13.88	13.88

#### Interest Rates of Comparable Government Securities

5 Year Treasury Bond		11.92%
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## Information on Listed Debentures

### CURRENT YIELD AND YIELD TO MATURITY

#### Subordinated Listed Rated Unsecured Redeemable Debentures March 2018-March 2023

Debenture Type	Current Yield %	Yield to Maturity %
Type A	NOT TRADED	
Type B	NOT TRADED	

#### Subordinated Listed Rated Unsecured Redeemable Debentures January 2019-January 2024

Debenture Type	Current Yield %	Yield to Maturity %
Type A	NOT TRADED	
Type B	NOT TRADED	

#### Subordinated Listed Rated Unsecured Redeemable Debentures December 2019-December 2024

Debenture Type	Current Yield %	Yield to Maturity %
Type A	NOT TRADED	
Type B	NOT TRADED	

#### Ratios

Debt Equity Ratio (Times)	4.96
Quick Asset Ratio (Times)	0.96
Interest Cover (Times)	1.83

## Selected Performance Indicators as per regulatory requirements

Indicator	As at 31-03-2022	As at 31-03-2021
<b>Asset Quality (Rs. 000)</b>		
Gross Non- Performing Accommodations	4,814,142	5,412,289
Gross Non- Performing Accommodations Ratio	5.89%	7.00%
Net Non- Performing Accommodations Ratio	0.06%	2.21%
Net Non-Performing Loans to Core Capital Ratio	0.30%	15.35%
Provision Coverage Ratio	99.11%	69.12%
<b>Liquidity (Rs. 000)</b>		
Required Minimum Amount of Liquid Assets	6,426,391	3,201,119
Available Amount of Liquid Assets	8,874,907	7,361,866
Required Minimum Amount of Government Securities	4,049,192	2,831,945
Available Amount of Government Securities	4,977,408	3,232,224
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	138.10%	229.98%
Liquid Assets to External Funds *	10.74%	9.71%
<b>Capital Adequacy</b>		
Core Capital ( Tier 1 Capital)	14,091,706	10,888,267
Total Capital Base	15,870,325	13,800,144
Core Capital to Risk Weighted Assets Ratio (Minimum 8%)**	15.16%	12.10%
Total Capital to Risk Weighted Assets Ratio (Minimum 12%)**	17.07%	15.34%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)**	30.39%	28.16%
<b>Profitability</b>		
Net Interest Margin	9.05%	8.10%
Return on Average Assets- After Tax (Annualized)	3.62%	2.73%
Return on Average Equity- After Tax (Annualized)	22.79%	19.99%
Cost to Income Ratio	38.65%	41.00%
<b>Memorandum information</b>		
Number of Employees	2,073	1,842
Number of Branches	70	70
Number of Service Centers	1	1

\* External funds includes deposits and borrowings

\*\* Including current year unaudited profit

## Corporate Information

### Corporate Information

#### Name of the Company

Citizens Development Business Finance PLC

#### Legal Form

A public quoted company incorporated in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The Company is licensed under the Finance Business Act No. 42 of 2011. The Company is registered under the Finance Leasing Act No. 56 of 2000 and CDB is an approved credit agency under mortgage Act No. 06 of 1949 and Trust Receipt Ordinance No. 12 of 1947.

#### Date of Incorporation

07 September 1995

#### Registration Number

PB 232 PQ

#### Accounting Year

March 31

#### Board of Directors

Mr. Joseph Rene Alastair Corera *CFA (USA), FCMA (UK)*  
*Chairman / Independent Non-Executive Director*

Mr. W.P.C.M.Nanayakkara *B.Sc(Mgt), FCMA(UK), MBA(Sri J), CGMA*  
*Managing Director / Chief Executive Officer/ Executive Director*

Mr. T.M.D.P. Tennakoon *FCMA(UK), CGMA*  
*Deputy CEO / Chief Financial Officer / Executive Director*

Mr. R.H.Abeygoonewardena *FCMA(UK), ACMA(Sri), MCPM , CGMA*  
*Executive Director - Corporate Finance*

Mr. Jagath Priyantha Abhayaratne *MBA, B.Sc (Admin)*  
*Non-Executive Director*

Prof. S.P.P.Amaratunge *B.A. (Econ) (Sp) (SJP), M.A. Econ (Colombo), M.Sc.Econ. of Rural Dev. (Saga, Japan); Ph.D. (Kogoshima,Japan)*  
*Independent Non-Executive Director*

Mr. E.R.S.G.S. Hemachandra *MBA (Australia), Dip M (UK), FCIM(UK)*  
*Non Executive Director*

Mr. D.A.De Silva *B. Sc.(Hons) , ACMA, CGMA*  
*Executive Director - Business Operations*

Elangovan Karthik *FCIM, FSLIM, B.Sc(Mgt),MBA(PIM), CGMA*  
*Executive Director - Chief Emergent Business Officer*

Mr. S. Kumarapperuma *B.Sc (Science), MBA(Colombo), PG Dip (Actuarial Science)*  
*Independent Non-Executive Director*

Mr. S.V.Munasinghe *MBA (Fed. Uni. Aus)*  
*Executive Director - Sales and Business Development*

Mrs. P.R.W. Perera *FCA, ACMA*  
*Independent Non-Executive Director*

Prof. Prasadani Naganika Gamage *B.Sc (Admin), PhD (HRM), M.Sc (Management), Attorney-at-Law*  
*Independent Non-Executive Director*

#### Registered Address of Head Office

No 123, Orabipasha Mawatha,  
Colombo 10  
Sri Lanka  
Tel 0094117388388  
Fax 0094112429888  
E mail [cdb@cdb.lk](mailto:cdb@cdb.lk)  
Web [www.cdb.lk](http://www.cdb.lk)

#### Company Secretary

Ms. Mihiri Shashikala Senaratne  
No 123, Orabipasha Mawatha,  
Colombo 10  
Sri Lanka  
Tel 0094117388388  
Fax 0094112429888  
E mail [mihiri.senaratne@cdb.lk](mailto:mihiri.senaratne@cdb.lk)

#### Company Registrar

S.S.P Corporate Services (Private) Ltd  
101, Inner Flower Road,  
Colombo 03  
Sri Lanka  
Tel 0094112573894, 0094112576871  
Fax 0094112573609  
E mail [sspsec@sltnet.lk](mailto:sspsec@sltnet.lk)

#### Company Auditors

KPMG  
(Chartered Accountants)  
32 A, Sir Mohamed Macan Marker Mawatha,  
Colombo 03  
Sri Lanka  
Tel 0094115426426

#### Lawyers of the Company

Nithya Partners  
No 97A, Galle Road,  
Colombo 03.  
Sri Lanka

#### Credit Rating Agency

ICRA Lanka Limited

#### Bankers

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Deutsche Bank  
DFCC Bank PLC  
Hatton National Bank PLC  
National Development Bank PLC  
Nations Trust Bank PLC  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC  
Union Bank PLC

The top half of the page features a dark brown background. On the left, a stylized line-art illustration of a multi-story building with 'CDB' on top is shown. Below the building is a large, diverse crowd of people of various ages and ethnicities, also rendered in a simple line-art style. The text 'A generation of services, imparted to several generations, assuring value generation for all.' is positioned to the right of the building and crowd.

**A generation of services,  
imparted to several  
generations, assuring value  
generation for all.**



Citizens Development Business Finance PLC  
No. 123, Orabipasha Mawatha, Colombo 10, Sri Lanka  
[www.cdb.lk](http://www.cdb.lk)