Citizens Development Business Finance PLC

Interim Financial Statements for the Six Months Ended 30th September 2017

Consolidated Statement of Financial Position

		Company		Group					
	Audited				Audited				
	30.09.2017	31.03.2017	30.09.2016	30.09.2017	31.03.2017	30.09.2016			
As at	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
Assets									
Cash and cash equivalents	1,019,576,911	454,060,886	317,449,982	1,051,529,898	507,020,353	345,785,909			
Financial instruments held-for-trading	217,673,036	163,041,242	131,236,264	217,673,036	163,041,242	131,236,264			
Loans and receivables to banks	885,064,533	655,672,752	424,609,354	885,064,533	655,672,752	424,609,354			
Deposits with licensed commercial banks	2,255,139,040	1,893,614,973	1,803,520,847	2,255,139,040	1,893,614,973	1,803,520,846			
Loans and receivables to customers	50,315,862,420	43,189,010,000	39,918,332,923	50,870,383,650	43,605,197,173	40,249,475,856			
Investment securities	3,836,812,725	3,563,432,005	3,177,386,495	3,922,149,347	3,637,044,991	3,218,863,586			
Investment in subsidiaries	509,917,733	509,917,734	509,917,733	-	-	-			
Investment property	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977			
Property, plant & equipment	1,884,702,645	1,839,091,339	1,553,953,705	1,912,682,959	1,841,767,912	1,559,142,271			
Intangible assets	85,898,703	65,684,057	61,898,876	85,898,703	84,567,862	61,898,876			
Goodwi ll on consolidation	-	-	-	244,179,431	244,179,431	244,179,431			
Other assets	2,042,785,516	1,580,562,177	1,509,867,503	2,120,983,622	1,581,148,187	1,510,021,139			
Total assets	63,073,631,239	53,934,285,142	49,428,371,659	63,585,882,196	54,233,452,853	49,568,931,509			
Liabilities									
Deposits from customers	40,737,069,840	32,601,835,772	29,363,858,173	40,717,614,624	32,590,453,434	29,363,858,171			
Debt securities issued	2,130,607,415	2,075,631,256	2,117,415,205	2,130,607,415	2,075,631,256	2,117,415,204			
Other interest-bearing borrowings	10,834,798,184	10,957,016,763	10,316,704,961	11,077,799,689	11,117,537,538	10,367,241,422			
Current tax liabilities	330,166,604	178,702,459	209,657,459	335,597,899	179,107,537	211,842,642			
Deferred tax liabilities	628,721,154	628,721,153	479,764,584	639,986,723	638,986,722	481,839,850			
Retirement benefit obligation	50,264,964	15,793,782	87,518,378	50,264,964	15,860,949	87,518,378			
Other liabilities	1,934,911,022	1,235,419,457	1,617,540,883	2,118,117,978	1,300,953,577	1,648,378,107			
Total liabilities	56,646,539,183	47,693,120,642	44,192,459,643	57,069,989,292	47,918,531,013	44,278,093,774			
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	2,270,838,676	2,402,087,846	1,740,643,681	2,271,972,964	2,406,392,166	1,740,746,550			
Retained earnings	2,971,191,735	2,654,015,009	2,310,206,690	3,024,629,155	2,690,686,075	2,334,439,769			
Total equity attributable to equity									
holders of the Company	6,427,092,056	6,241,164,500	5,235,912,016	6,481,663,764	6,282,139,886	5,260,247,964			
Non-controlling interest	-	-	<u> </u>	34,229,140	32,781,954	30,589,771			
Total equity	6,427,092,056	6,241,164,500	5,235,912,016	6,515,892,904	6,314,921,840	5,290,837,735			
Total liabilities and equity	63,073,631,239	53,934,285,142	49,428,371,659	63,585,882,196	54,233,452,853	49,568,931,509			
Net Assets Value per Share	118.35	114.93	96.42	119.36	115.68	96.86			

Selected Performance Indicators

	Company				
	As at	As at	As at		
Indicator	30-09-2017	31-03-2017	30-09-2016		
Asset Quality (Rs. 000)					
Gross Non-Performing Accommodations **	1,652,640	1,347,155	1,494,868		
Gross Non-Performing Accommodations Ratio, %	3,25%	3.08%	3.7%		
Net Non-Performing Accommodations Ratio, %	1.73%	1.05%	1.7%		
Liquidity (Rs. 000)					
Required Minimum amount of Liquid Assets	4,282,750	3,648,520	3,302,365		
Available amount of Liquid Assets	5,902,023	4,650,390	4,208,963		
Required Minimum amount of Government Securities	2,468,228	2,250,269	2,250,269		
Available amount of Government Securities	3,531,141	2,945,424	2,516,832		
Capital Adequacy					
Core Capital (Tier 1 Capital)	5,885,349	5,699,421	5,022,240		
Total Capital Base	6,522,128	6,527,801	6,028,431		
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	11.00%	12.32%	11.8%		
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	12.19%	14.12%	14.1%		
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	17.29%	21.65%	22.4%		
Profitability					
Net Interest Margin (Annualised %)	5,23%	5,52%	5,78%		
Return on Average Assets-After Tax (Annualised %)	1.76%	1.93%	1.78%		
Return on Average Equity-After Tax (Annualised %)	16.30%	17.83%	17.3%		
Memorandum information					
Number of Employees	1,518	1,439	1,318		
Number of branches	57	57	57		
Number of service centres	11	11	11		
Number of pawning centres	1	1	1		

^{*} Including current year unaudited profit

Certification

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

- a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- b) The information contained in these statements have been extracted from the unaudited Financial Statements of Citizens Development Business Finance PLC unless indicated as audited.

Consolidated Statement of Profit or Loss and other Comprehensive Income

	Company Group					
		Months Ended 30 th S				
	2017 2016 Change		2017	2016	Change	
	Rs.	Rs.	%	Rs.	Rs.	%
Revenue	5,234,635,513	4,101,567,370	28%	5,350,378,147	4,141,546,570	29%
Interest income	4,529,983,192	3,628,547,241	25%	4,629,373,553	3,664,174,740	26%
Less: Interest expenses	3,001,457,017	2,183,027,678	37%	3,030,363,211	2,183,025,229	39%
Net interest income	1,528,526,175	1,445,519,563	6%	1,599,010,342	1,481,149,511	8%
Fees and commission income	180,399,922	100,372,308	80%	195,921,146	105,597,469	86%
Net interest, fee and commission income	180,399,922	100,372,308	80%	195,921,146	105,597,469	86%
Other operating income	524,252,399	372,647,821	41%	525,083,448	371,774,361	41%
Total operating income	2,233,178,496	1,918,539,692	16%	2,320,014,936	1,958,521,341	18%
Less : Impairment charges and		, , ,		, , ,	, , ,	
other credit losses on financial assets	28,412,211	127,199,392	-78%	37,090,742	132,019,295	-72%
Net operating income	2,204,766,285	1,791,340,300		2,282,924,194	, ,	25%
Less:		1,101,010,000			1,000,000,000	
Personnel expenses	541,331,374	448,422,506	21%	558,088,827	459,946,699	21%
Premises, equipment and establishment expenses	637,920,721	513,266,079	24%	656,410,912	522,506,089	26%
Other expenses	243,594,719	168,721,381	44%	252,558,116	176,481,898	43%
Total operating expenses	1,422,846,814	1,130,409,966	26%	1,467,057,855	1,158,934,686	27%
Operating profit before value added tax (VAT),	1,122,010,011	1,100,100,000	2070	1,107,007,000	1,100,001,000	2170
Nation Building Tax (NBT) on financial services and						
Crop Insurance Levy (CIL)	781,919,471	660,930,334	18%	815,866,339	667,567,360	22%
Less: Value added tax and other taxes	121,512,883	96,510,062	26%	127,954,587	97,496,757	31%
Profit before tax	660,406,588	564,420,272	17%	687,911,752	570,070,603	21%
Less : Income tax expense	144,190,455	119,980,447	20%	153,144,663	122,363,019	25%
Profit for the period	516,216,133	444,439,825	16%	534,767,089	447,707,584	19%
Destit attributable to						
Profit attributable to:	F10 010 100	444 400 005	1.00/	500 000 407	447.050.005	1.00/
Equity holders of the Company	516,216,133	444,439,825	16%	532,982,487	447,250,335	19%
Non-controlling interest	-	-	4.004	1,784,602	457,249	290%
Profit for the period	516,216,133	444,439,825	16%	534,767,089	447,707,584	19%
Other comprehensive income (net of tax)						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	(8,971,182)	(8,971,182)	0%	(8,971,182)	(8,971,182)	0%
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial asset	(131,249,170)	(61,456,896)	114%	(134,756,618)	(63,325,824)	113%
Other comprehensive income	(140,220,352)	(70,428,078)	99%	(143,727,800)	(72,297,006)	99%
Total comprehensive income	375,995,781	374,011,747	1%	391,039,289	375,410,578	4%
Total comprehensive income attributable to:						
Equity holders of the company	375,995,781	374,011,747	1%	389,592,103	375,133,120	4%
Non-controlling interest	_	_		1,447,186	277,458	422%
Total comprehensive income	375,995,781	374,011,747	1%	391,039,289	375,410,578	4%
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Earnings per share:						
Basic earnings per share	9.51	8.18		9.81	8.24	
Figures in brackets indicate deductions.						
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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.

Hotline: 011 7 388 388 ICRA[SL] BBB (stable)

Sgd **C.M. Nanayakkara** Managing Director/CEO Damith Tennakoon
Deputy CEO/Director/CFO

^{**} Net of Interest in Suspense