

Citizens Development Business Finance PLC

Interim Financial Statements for the Six Months Ended 30th September 2019

Consolidated Statement of Financial Position ('000)

As at	Company		Group	
	30.09.2019 Rs.	Audited 31.03.2019 Rs.	30.09.2019 Rs.	Audited 31.03.2019 Rs.
Assets				
Cash and cash equivalents	765,945	1,093,874	827,975	1,189,251
Financial assets measured at fair value through profit or loss (FVTPL)	1,418,788	1,687,004	1,454,708	1,727,013
Loans and receivables to banks	4,106,482	3,094,312	4,106,482	3,195,205
Deposits with financial institutions	4,365,272	6,719,704	4,365,272	6,719,704
Loans and receivables to customers	71,118,408	69,133,049	72,785,550	71,582,081
Other investment securities	200,307	1,313,861	388,089	1,319,177
Investment in subsidiaries	509,918	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant & equipment	2,951,404	2,369,187	2,966,281	2,384,016
Intangible assets	85,542	82,791	99,663	97,838
Rights-of-use assets	788,826	-	808,722	-
Goodwill on consolidation	-	-	244,179	244,180
Other assets	4,210,270	3,408,541	4,528,789	3,499,958
Total assets	90,541,360	89,432,439	92,595,908	91,978,621
Liabilities				
Derivative financial liabilities	463,097	363,153	463,097	363,153
Deposits from customers	43,829,927	47,236,367	43,805,444	47,222,578
Debt securities issued	4,086,293	3,980,483	4,086,293	3,980,483
Other interest-bearing borrowings	26,325,487	24,509,877	27,760,305	26,473,852
Lease liabilities	822,866	-	843,969	-
Current tax liabilities	612,153	556,748	638,139	633,142
Deferred tax liabilities	1,357,419	1,357,419	1,336,061	1,336,061
Retirement benefit obligation	(15,631)	7,369	(15,631)	7,681
Other liabilities	2,959,683	2,755,620	3,314,443	3,091,402
Total liabilities	80,441,294	80,767,036	82,232,120	83,108,352
Equity				
Stated capital	2,350,362	1,185,062	2,350,362	1,185,062
Reserves	2,240,486	2,240,486	2,240,471	2,240,471
Retained earnings	5,509,218	5,239,855	5,721,698	5,399,141
Total equity attributable to equity holders of the Company	10,100,066	8,665,403	10,312,531	8,824,674
Non-controlling interest	-	-	51,257	45,595
Total equity	10,100,066	8,665,403	10,363,788	8,870,269
Total liabilities and equity	90,541,360	89,432,439	92,595,908	91,978,621
Net Assets Value per Share (Rs.)	144.72	159.57	147.76	162.50

Selected Performance Indicators

Indicator	Company	
	As at 30-09-2019	As at 31-03-2019
Asset Quality (Rs. 000)		
Gross Non-Performing Accommodations	5,698,851	4,678,121
Gross Non-Performing Accommodations Ratio, %	7.93%	6.68%
Net Non-Performing Accommodations Ratio, %	4.85%	3.84%
Liquidity (Rs. 000)		
Required Minimum amount of Liquid Assets	5,841,287	5,942,582
Available amount of Liquid Assets	8,363,051	10,786,904
Required Minimum amount of Government Securities	4,051,163	3,166,118
Available amount of Government Securities	4,173,048	4,220,581
Capital Adequacy		
Core Capital (Tier 1 Capital) (Rs. '000)	8,004,865	6,631,751
Total Capital (Rs. '000)	10,244,452	9,067,690
Core Capital to Risk Weighted Assets ratio (Minimum 6.5%)*	9.51%	8.09%
Total Capital to Risk Weighted Assets ratio (Minimum 10.5%)*	12.17%	11.07%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	23.37%	19.20%
Profitability		
Net Interest Margin (Annualised %)	6.50%	6.34%
Return on Average Assets-After Tax (Annualised %)	1.39%	2.07%
Return on Average Equity-After Tax (Annualised %)	13.23%	21.62%
Memorandum information		
Number of Employees	1,860	1,670
Number of branches	59	59
Number of service centres	11	11
Number of pawning centres	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:

- 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

17th October 2019, Colombo.

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

	Company			Group		
	For the Six Months Ended 30 th September 2019		Change	For the Six Months Ended 30 th September 2019		Change
	Rs.	Rs.	%	Rs.	Rs.	%
Revenue	8,070,190	7,811,440	3%	8,417,862	8,077,382	4%
Interest income	7,464,238	6,739,952	11%	7,808,839	6,974,383	12%
Less: Interest expenses	4,551,504	4,295,087	6%	4,689,384	4,392,976	7%
Net interest income	2,912,734	2,444,865	19%	3,119,455	2,581,407	21%
Fees and commission income	240,429	259,026	-7%	276,217	296,240	-7%
Other operating income	365,523	812,462	-55%	332,806	806,759	-59%
Total operating income	3,518,686	3,516,353	0%	3,728,478	3,684,406	1%
Less: Impairment charges and other credit losses on financial assets	687,358	746,892	-8%	699,369	773,302	-10%
Net operating income	2,831,328	2,769,461	2%	3,029,109	2,911,104	4%
Less:						
Personnel expenses	792,643	690,331	15%	826,000	718,714	15%
Premises, equipment and establishment expenses	921,245	818,140	13%	957,112	848,450	13%
Other expenses	224,259	238,126	-6%	246,215	256,833	-4%
Total operating expenses	1,938,147	1,746,597	11%	2,029,327	1,823,997	11%
Operating profit before taxes on financial services	893,181	1,022,864	-13%	999,782	1,087,107	-8%
Less: Taxes on financial services	195,500	173,664	13%	215,548	187,651	15%
Profit before tax	697,681	849,200	-18%	784,234	899,456	-13%
Less: Income tax expense	76,912	186,085	-59%	104,609	203,342	-49%
Profit for the period	620,769	663,115	-6%	679,625	696,114	-2%
Profit attributable to:						
Equity holders of the Company	620,769	663,115	-6%	673,963	692,463	-3%
Non-controlling interest	-	-	-	5,662	3,651	55%
Profit for the period	620,769	663,115	-6%	679,625	696,114	-2%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	(12,000)	(8,970)	34%	(12,000)	(8,970)	34%
Total other comprehensive income	(12,000)	(8,970)	34%	(12,000)	(8,970)	34%
Total comprehensive income for the period	608,769	654,145	-7%	667,625	687,144	-3%
Total comprehensive income attributable to:						
Equity holders of the Company	608,769	654,145	-7%	661,963	683,493	-3%
Non-controlling interest	-	-	-	5,662	3,651	55%
Total comprehensive income for the period	608,769	654,145	-7%	667,625	687,144	-3%
Earnings per share:						
Basic earnings per share (Rs.)	8.89	11.65*		9.66	12.00*	

* Earnings per share for the period ended 30 September 2018 has been restated considering the effect of Right Issue and the Scrip Dividend

CDB

Your Friend

No. 123, Orabipasha Mawatha, Colombo 10.

Registration No. PB232PO

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+ (Negative Outlook)

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