

# Citizens Development Business Finance PLC

## Interim Financial Statements for the period ended 30<sup>th</sup> September 2025

### Statement of Financial Position

As at	30.09.2025 Rs.'000	Audited 31.03.2025 Rs.'000
<b>Assets</b>		
Cash and cash equivalents	2,744,579	4,582,802
Financial assets measured at fair value through profit or loss (FVTPL)	539,139	-
Derivative financial assets	-	31,712
Loans and receivables to banks	7,040,719	3,671,842
Deposits with financial institutions	14,508,643	18,069,873
Loans and receivables to customers	136,019,544	110,866,909
Other investment securities	6,124,418	9,498,082
Investment properties	495,416	558,091
Property, plant and equipment	4,930,308	4,657,677
Right-of-use assets	908,503	955,841
Intangible assets	343,556	333,470
Other assets	4,544,763	3,710,047
<b>Total Assets</b>	<b>178,199,588</b>	<b>156,936,346</b>
<b>Liabilities</b>		
Derivative financial liabilities	7,990	-
Due to banks and financial institutions	49,672,785	32,142,375
Deposits from customers	88,391,141	86,849,204
Debt securities issued and subordinated debt	8,599,867	6,969,330
Lease liabilities	964,774	982,001
Current tax liabilities	1,753,348	2,950,940
Deferred tax liabilities	399,104	565,271
Retirement benefit obligation	440,891	553,890
Other liabilities	2,300,141	1,987,046
<b>Total Liabilities</b>	<b>152,530,041</b>	<b>133,000,057</b>
<b>Equity</b>		
Stated capital	2,743,565	2,550,492
Reserves	7,124,019	7,352,802
Retained earnings	15,801,963	14,032,995
<b>Total Equity</b>	<b>25,669,547</b>	<b>23,936,289</b>
<b>Total Liabilities and Equity</b>	<b>178,199,588</b>	<b>156,936,346</b>
<b>Net assets value per share (Rs.)</b>	<b>357.92</b>	<b>337.84</b>
<b>Contingencies and commitments</b>	<b>4,664,710</b>	<b>5,252,610</b>

The above figures are subject to audit unless specified.

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

- a) The above statements have been prepared in compliance with the format and the definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- b) The information contained in these financial statements have been extracted from the unaudited financial statements of the licensed finance company unless indicated as audited.

  
**C.M. Nanayakkara**  
Managing Director/CEO  
7 November 2025  
Colombo

  
**Ruwan Chandrajith**  
Chief Financial Officer

  
**Darshana Amerasinghe**  
Compliance Officer

### Statement of Profit or Loss and Other Comprehensive Income

	For the quarter ended 30 <sup>th</sup> September			For the six months ended 30 <sup>th</sup> September		
	2025 Rs.'000	2024 Rs.'000	Change %	2025 Rs.'000	2024 Rs.'000	Change %
<b>Revenue</b>	<b>7,390,978</b>	<b>6,487,980</b>	<b>14%</b>	<b>14,272,477</b>	<b>12,672,418</b>	<b>13%</b>
Interest income	6,347,158	5,728,151	11%	12,347,384	11,316,525	9%
Less: Interest expenses	3,142,428	2,845,002	10%	6,060,430	5,813,141	4%
<b>Net Interest Income</b>	<b>3,204,730</b>	<b>2,883,149</b>	<b>11%</b>	<b>6,286,954</b>	<b>5,503,384</b>	<b>14%</b>
Fees and commission income	86,129	64,193	34%	176,347	128,462	37%
Other operating income	957,691	695,636	38%	1,748,746	1,227,431	42%
<b>Total Operating Income</b>	<b>4,248,550</b>	<b>3,642,978</b>	<b>17%</b>	<b>8,212,047</b>	<b>6,859,277</b>	<b>20%</b>
Less: impairment charges and other credit losses	2,737	(92,419)	-103%	242,684	45,821	430%
<b>Net Operating Income</b>	<b>4,245,813</b>	<b>3,735,397</b>	<b>14%</b>	<b>7,969,363</b>	<b>6,813,456</b>	<b>17%</b>
<b>Less: Operating expenses</b>						
Personnel expenses	794,580	651,977	22%	1,604,895	1,291,474	24%
Premises, equipment and establishment expenses	930,224	897,151	4%	1,825,805	1,673,429	9%
Other expenses	243,022	212,449	14%	427,260	371,818	15%
<b>Total Operating Expenses</b>	<b>1,967,826</b>	<b>1,761,577</b>	<b>12%</b>	<b>3,857,960</b>	<b>3,336,721</b>	<b>16%</b>
<b>Operating profit before taxes on financial services</b>	<b>2,277,987</b>	<b>1,973,820</b>	<b>15%</b>	<b>4,111,403</b>	<b>3,476,735</b>	<b>18%</b>
Less: taxes on financial services	659,669	607,975	9%	1,236,691	1,052,975	17%
<b>Profit before tax</b>	<b>1,618,318</b>	<b>1,365,845</b>	<b>18%</b>	<b>2,874,712</b>	<b>2,423,760</b>	<b>19%</b>
Less: income tax expense	284,990	405,000	-30%	665,565	711,000	-6%
<b>Profit for the Period</b>	<b>1,333,328</b>	<b>960,845</b>	<b>39%</b>	<b>2,209,147</b>	<b>1,712,760</b>	<b>29%</b>
<b>Other comprehensive income</b>						
Items that are or may be reclassified subsequently to profit or loss						
Fair value changes in hedge reserve	(46,340)	-	-100%	(70,936)	-	-100%
Item that will not be reclassified to profit or loss						
Equity investments at FVOCI - net change in fair value	(13,815)	(129,975)	89%	134,853	(20,951)	744%
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(6,000)	0%	(12,000)	(12,000)	0%
Total other comprehensive income	(66,155)	(135,975)	51%	51,917	(32,951)	258%
<b>Total Comprehensive Income for the Period</b>	<b>1,267,173</b>	<b>824,870</b>	<b>54%</b>	<b>2,261,064</b>	<b>1,679,809</b>	<b>35%</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	18.59	13.56		30.80	24.17	
Diluted earnings per share (Rs.)*	18.32	13.20		30.36	23.54	

Figures in brackets indicate deductions.  
The above figures are subject to audit unless specified.  
\*Diluted EPS has computed considering the effect of employee share option scheme.

### Selected Performance Indicators as per Regulatory Requirements

Indicator	As at 30-09-2025	As at 31-03-2025
<b>Asset Quality (Rs. '000)</b>		
Gross non-performing accommodations	7,286,353	7,139,900
Gross non-performing accommodations ratio	5.27%	6.32%
Net non-performing accommodations ratio	2.59%	3.10%
Net non-performing loans to core capital ratio	17.06%	19.02%
Provision coverage ratio	52.17%	52.53%
<b>Liquidity (Rs. '000)</b>		
Required minimum amount of liquid assets	11,162,206	10,572,131
Available amount of liquid assets	15,510,218	20,256,078
Required minimum amount of government securities	7,174,338	5,731,512
Available amount of government securities	9,605,933	9,381,123
Available liquid assets to required liquid assets (minimum 100%)	138.95%	191.60%
Liquid assets to external funds**	10.58%	16.08%
<b>Capital Adequacy (Rs. '000)</b>		
Core capital (tier 1 capital)	20,432,838	17,821,571
Total capital base	25,960,966	22,276,671
Core capital to risk weighted assets ratio (minimum 10%)*	13.53%	14.47%
Total capital to risk weighted assets ratio (minimum 14%)*	17.19%	18.09%
Capital funds to total deposit liabilities ratio (minimum 10%)*	29.37%	25.65%
<b>Profitability</b>		
Net interest margin	7.50%	7.97%
Return on average assets-after tax	2.64%	2.80%
Return on average equity-after tax	17.81%	18.15%
Cost to income ratio	46.98%	48.40%
<b>Memorandum Information</b>		
Number of employees	2,185	1,939
Number of branches	71	71
External credit rating (Fitch Ratings Lanka Ltd.)	BBB (Ika)/Stable	BBB (Ika)/Stable

\*\*External funds includes deposits and borrowings  
\*\*\*Includes current year unaudited profit