

CBC FINANCE LIMITED

(A FULLY OWNED SUBSIDIARY OF COMMERCIAL BANK OF CEYLON PLC)

PUBLICATION OF INTERIM FINANCIAL STATEMENTS AS PER THE CENTRAL BANK GUIDELINE NO.02 OF 2006

FitchRatings BBB+(lka)

Key financial data for the 06 months ended 30 June (Unaudited)	2023 (In Rupees Million)	As % of interest income	2022 (In Rupees Million)	As % of Interest Income
Interest income	825.82		631.39	
Interest expenses	(639.67)	-77.46%	(313.12)	-49.59%
Net interest income	186.15	22.54%	318.27	50.41%
Other income	96.91	11.74%	60.09	9.52%
Operating expenses	(229.53)	-27.79%	(158.96)	-25.18%
Impairment	(95.51)	-11.57%	(157.50)	-24.94%
Profit / (loss) before tax	(41.98)	-5.08%	61.90	9.80%
Taxes	4.09	0.50%	(44.64)	-7.07%
Profit / (loss) after tax	(37.89)	-4.59%	17.26	2.73%

Key financial data as at 30 June (Unaudited)	2023 (In Rupees Million)	As % of total assets	2022 (In Rupees Million)	As % of total assets
Assets				
Cash and bank balances	20.50	0.20%	9.15	0.08%
Government securities	670.14	6.64%	1,701.00	15.65%
Due from related parties	60.05	0.59%	90.70	0.83%
Loans	8,201.09	81.25%	8,348.05	76.79%
Investments in equity	2.12	0.02%	2.10	0.02%
Investment properties	370.55	3.67%	25.15	0.23%
Property, plant, equipment and right of use assets	436.01	4.32%	402.25	3.70%
Other assets	332.80	3.30%	292.45	2.69%
Total assets	10,093.27	100.00%	10,870.85	100.00%
Liabilities				
Due to banks	503.61	4.99%	163.84	1.51%
Due to related parties	1,946.36	19.28%	2,727.62	25.09%
Deposits from customers	4,301.35	42.62%	4,542.04	41.78%
Other liabilities	195.52	1.94%	289.12	2.66%
Total liabilities	6,946.85	68.83%	7,722.62	71.04%
Equity				
Stated capital	3,255.00	32.25%	3,255.00	29.94%
Statutory reserve fund	33.33	0.33%	31.35	0.29%
Retained earnings	(243.73)	-2.41%	(232.03)	-2.13%
Other reserves	101.82	1.01%	93.91	0.86%
Total equity	3,146.42	31.17%	3,148.23	28.96%
Total liabilities and equity	10,093.27	100.00%	10,870.85	100.00%
Net assets value per share (Rs.)	14.19		14.19	

Selected key performance indicators as at 30 June (Unaudited)	2023		2022	
Regulatory Capital Adequacy (%)	Actual	Required	Actual	Required
Tier 1 capital adequacy ratio	23.83	8.50	25.64	7.00
Total capital adequacy ratio	23.83	12.50	25.64	11.00
Capital funds to deposit liabilities ratio	58.29	10.00	57.46	10.00
Quality of Loan Portfolio (%)				
Gross stage 03 loans ratio	38.66		16.97	
Net stage 03 loans ratio	28.06		9.78	
Net stage 03 loans to core capital ratio	85.04		30.10	
Stage 03 impairment coverage ratio	27.43		42.38	
Total impairment coverage ratio	11.71		11.32	
Profitability (%)				
Net interest margin	3.69		6.47	
Return on assets	-0.83		0.79	
Return on equity	-2.41		1.10	
Cost to income ratio	81.09		42.01	
Liquidity (%)				
Available liquid assets to required liquid assets (minimum 100%)	113.29		325.00	
Liquid assets to external funds	9.80		24.08	
Memorandum Information				
Number of branches	14		13	
External credit rating	Fitch Rating BBB+(lka)		Fitch Rating A(lka)	

There are no regulatory restrictions imposed by the Central Bank of Sri Lanka on the operations of the Company.

Certification

We, the undersigned, being the Managing Director / Chief Executive Officer, the Head of Finance and the Compliance Officer of CBC Finance Limited 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 (CBSL);
- (B) The information contained in these statements has been extracted from the unaudited financial statements of the Company unless indicated as audited.

.....(Sgd.)

D.M.U.N. Dissanayake
Managing Director / Chief Executive Officer

Date:- 28.08.2023

.....(Sgd.)

M.G.A.S. Bandara
Head of Finance

Date:- 28.08.2023

.....(Sgd.)

Mahasen Kamathewatte
Compliance Officer

Date:- 28.08.2023

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A Fully Owned Subsidiary of Commercial Bank of Ceylon PLC