

ICRA Lanka withdraws the rating on the Subordinated Debenture Programme of Citizens Development Business Finance Company PLC

January 17, 2019

Instrument*	Previous Rated Amount (LKR Mn)	Current Rated Amount (LKR Mn)	Rating Action
Subordinated, unsecured, listed redeemable debentures program	1,000	-	[SL]BBB (Negative); withdrawn
Issuer rating	N/A	N/A	[SL]BBB+ (Negative); Outstanding
Proposed Subordinated, unsecured, listed redeemable debentures program	1,250	1,250	[SL]BBB (Negative); Outstanding
Trust Certificates Programme of Citizens Development Business Finance PLC Trust-03	628	628	[SL]A-(SO) (Negative); Outstanding
Subordinated, unsecured, listed redeemable debentures program	2,000	2,000	[SL]BBB (Negative); Outstanding
Subordinated guaranteed listed redeemable debentures	1,000	1,000	[SL]A-(SO) (Stable); Outstanding
Total	5,878	4,878	

Rating action

ICRA Lanka Limited, subsidiary of ICRA Limited, a group company of Moody's Investors Service, has withdrawn the issue rating of [SL]BBB (pronounced SL triple B) with Negative outlook on the LKR 1,000 Mn unsecured subordinated redeemable debentures of Citizens Development Business Finance Company PLC, at the request of the company, as the same has been fully redeemed and there are no amounts outstanding against the rated instrument.

Please refer to ICRA Lanka's Rating Rationale dated October 26, 2018 for more details on the issuer.

Company Profile

Citizens Development Business Finance PLC, a registered finance company, offers leasing, hire purchase, mortgage loans, gold loans and other personal loans apart from accepting deposits (fixed and savings). The company was established in 1995 as Ceylinco Development Bank Limited. In 2009 CDB was registered under the Finance Companies Act and re-branded as Citizens Development Business Finance PLC. It was listed on the Colombo Stock Exchange in September 2010. As of Sep-18, CDB's largest shareholders were Ceylinco Insurance PLC (with an effective holding of 40%), CDB's corporate management (about 16%) and Janashakthi group (about 12%). The company operates 71 outlets (including service centres) and has access to over 600 ATMs (in alliance with Commercial Bank) across the island as of June 2018. The company acquired controlling stake in Unison Capital Leasing (previously known as Laughs Capital Limited) in October 2014 and currently holds about 90% shares of the company.

During the year ended March 31, 2018 CDB (stand-alone) reported a net profit of LKR 1,401 Mn on a total asset base of LKR 75.5 Bn as compared to net profit of LKR 1,007 Mn on a total asset base of LKR 53.9 Bn in the previous fiscal year. For the six months ended September 30, 2018 CDB reported a net profit of LKR 654 Mn on a total asset base of LKR 82.3 Bn.

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