

# INTERIM FINANCIAL STATEMENTS

*FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017*

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**Citizens Development Business Finance PLC**  
No 123, Orabipasha Mawatha, Colombo 10



## Statement of Profit or Loss and Other Comprehensive Income

	Company					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2017 Rs.	2016 Rs.	Change %	2017 Rs.	2016 Rs.	Change %
<b>Revenue</b>	<b>3,119,387,500</b>	<b>2,168,481,147</b>	<b>44%</b>	<b>8,354,023,011</b>	<b>6,270,048,518</b>	<b>33%</b>
Interest income	2,714,058,179	1,910,900,491	42%	7,244,041,370	5,539,447,733	31%
Interest expense	1,775,919,653	1,219,431,707	46%	4,777,376,670	3,402,459,386	40%
<b>Net interest income</b>	<b>938,138,526</b>	<b>691,468,784</b>	<b>36%</b>	<b>2,466,664,700</b>	<b>2,136,988,347</b>	<b>15%</b>
Net fee and commission income	112,518,902	61,318,216	83%	292,918,824	161,690,524	81%
Other operating income	292,810,419	196,262,440	49%	817,062,817	568,910,261	44%
<b>Total operating income</b>	<b>1,343,467,847</b>	<b>949,049,440</b>	<b>42%</b>	<b>3,576,646,341</b>	<b>2,867,589,132</b>	<b>25%</b>
Less : Impairment charges and other credit losses on financial assets	126,109,410	43,580,027	189%	154,521,621	170,779,419	-10%
<b>Net operating income</b>	<b>1,217,358,437</b>	<b>905,469,413</b>	<b>34%</b>	<b>3,422,124,720</b>	<b>2,696,809,713</b>	<b>27%</b>
<b>Less : Operating expenses</b>						
Personnel expenses	288,018,924	250,737,267	15%	829,350,299	699,159,772	19%
Premises, equipment and establishment expenses	359,799,795	291,170,598	24%	997,720,517	804,436,677	24%
Other expenses	58,151,026	96,688,499	-40%	301,745,745	265,409,880	14%
Total operating expenses	705,969,745	638,596,364	11%	2,128,816,561	1,769,006,329	20%
<b>Operating profit before value added tax (VAT), nation building tax (NBT) on financial services and crop insurance levy (CIL)</b>	<b>511,388,692</b>	<b>266,873,049</b>	<b>92%</b>	<b>1,293,308,159</b>	<b>927,803,384</b>	<b>39%</b>
Less : Value added tax and other taxes	96,183,196	46,262,418	108%	217,696,079	142,772,480	52%
<b>Profit before tax</b>	<b>415,205,496</b>	<b>220,610,631</b>	<b>88%</b>	<b>1,075,612,080</b>	<b>785,030,904</b>	<b>37%</b>
Less : Income tax expense	100,980,787	45,992,740	120%	245,171,242	165,973,187	48%
<b>Profit for the period</b>	<b>314,224,709</b>	<b>174,617,891</b>	<b>80%</b>	<b>830,440,838</b>	<b>619,057,717</b>	<b>34%</b>
<b>Profit attributable to :</b>						
Equity holders of the Company	314,224,709	174,617,891	80%	830,440,838	619,057,717	34%
Non-controlling interest	-	-		-	-	
<b>Profit for the period</b>	<b>314,224,709</b>	<b>174,617,891</b>	<b>80%</b>	<b>830,440,838</b>	<b>619,057,717</b>	<b>34%</b>
<b>Other comprehensive income (net of tax)</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Net actuarial gain/(loss) on defined benefit plan	(4,485,591)	6,424,630	-170%	(13,456,773)	(13,456,773)	0%
Net change in revaluation surplus	-	-		-	-	
	(4,485,591)	6,424,630	-170%	(13,456,773)	(13,456,773)	0%
<b>Items that are or may be reclassified to profit or loss</b>						
Net gain/(loss) on available-for-sale financial assets	130,733,928	48,000,123	172%	(515,242)	(2,546,552)	-80%
	130,733,928	48,000,123	172%	(515,242)	(2,546,552)	-80%
<b>Other comprehensive income (net of tax)</b>	<b>126,248,337</b>	<b>54,424,753</b>	<b>132%</b>	<b>(13,972,015)</b>	<b>(16,003,325)</b>	<b>-13%</b>
<b>Total comprehensive income for the period</b>	<b>440,473,046</b>	<b>229,042,644</b>	<b>92%</b>	<b>816,468,823</b>	<b>603,054,392</b>	<b>35%</b>
<b>Total comprehensive income attributable to :</b>						
Equity holders of the Company	440,473,046	229,042,645	92%	816,468,823	603,054,392	35%
Non-controlling interest	-	-		-	-	
<b>Total comprehensive income for the period</b>	<b>440,473,046</b>	<b>229,042,645</b>	<b>92%</b>	<b>816,468,823</b>	<b>603,054,392</b>	<b>35%</b>
<b>Earnings per share</b>						
Basic earnings per share	5.79	3.22		15.29	11.40	

Figures in brackets indicate deductions.

## Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2017 Rs.	2016 Rs.	Change %	2017 Rs.	2016 Rs.	Change %
<b>Revenue</b>	<b>3,199,705,688</b>	<b>2,202,212,120</b>	<b>45%</b>	<b>8,550,083,835</b>	<b>6,343,758,689</b>	<b>35%</b>
Interest income	2,784,973,705	1,940,610,104	44%	7,414,347,258	5,604,784,843	32%
Interest expense	1,801,976,572	1,223,305,943	47%	4,832,339,783	3,406,331,172	42%
<b>Net interest income</b>	<b>982,997,133</b>	<b>717,304,161</b>	<b>37%</b>	<b>2,582,007,475</b>	<b>2,198,453,671</b>	<b>17%</b>
Net fee and commission income	124,083,848	65,444,300	90%	320,004,994	171,041,769	87%
Other operating income	290,648,135	196,157,716	48%	815,731,583	567,932,077	44%
<b>Total operating income</b>	<b>1,397,729,116</b>	<b>978,906,177</b>	<b>43%</b>	<b>3,717,744,052</b>	<b>2,937,427,517</b>	<b>27%</b>
Less : Impairment charges and other credit losses on financial assets	127,160,312	46,416,959	174%	164,251,054	178,436,254	-8%
<b>Net operating income</b>	<b>1,270,568,804</b>	<b>932,489,218</b>	<b>36%</b>	<b>3,553,492,998</b>	<b>2,758,991,263</b>	<b>29%</b>
<b>Less : Operating expenses</b>						
Personnel expenses	298,243,515	257,058,991	16%	856,332,342	717,005,690	19%
Premises, equipment and establishment expenses	370,588,316	298,339,495	24%	1,026,999,228	820,845,584	25%
Other expenses	62,704,315	99,216,512	-37%	315,262,431	275,698,410	14%
Total operating expenses	731,536,146	654,614,998	12%	2,198,594,001	1,813,549,684	21%
<b>Operating profit before value added tax (VAT), nation building tax (NBT) on financial services and crop insurance levy (CIL)</b>	<b>539,032,658</b>	<b>329,965,079</b>	<b>63%</b>	<b>1,354,898,997</b>	<b>945,441,579</b>	<b>43%</b>
Less : Value added tax and other taxes	102,699,721	47,203,241	118%	230,654,308	144,699,997	59%
<b>Profit before tax</b>	<b>436,332,937</b>	<b>282,761,838</b>	<b>54%</b>	<b>1,124,244,689</b>	<b>800,741,582</b>	<b>40%</b>
Less : Income tax expense	107,424,350	48,837,318	120%	260,569,013	171,200,337	52%
<b>Profit for the period</b>	<b>328,908,587</b>	<b>233,924,520</b>	<b>41%</b>	<b>863,675,676</b>	<b>629,541,245</b>	<b>37%</b>
<b>Profit attributable to :</b>						
Equity holders of the Company	327,314,634	181,123,239	81%	860,297,121	628,373,574	37%
Non-controlling interest	1,593,953	710,422	124%	3,378,555	1,167,671	189%
<b>Profit for the period</b>	<b>328,908,587</b>	<b>181,833,661</b>	<b>81%</b>	<b>863,675,676</b>	<b>629,541,245</b>	<b>37%</b>
<b>Other comprehensive income (net of tax)</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Net actuarial gain/(loss) on defined benefit plan	(4,485,591)	(4,485,593)	0%	(13,456,773)	(13,456,775)	0%
Net change in revaluation surplus	-	-		-	-	
	(4,485,591)	(4,485,593)	0%	(13,456,773)	(13,456,775)	0%
<b>Items that are or may be reclassified to profit or loss</b>						
Net gain/(loss) on available-for-sale financial assets	134,445,408	60,628,554	122%	(311,210)	(2,697,270)	-88%
	134,445,408	60,628,554	122%	(311,210)	(2,697,270)	-88%
<b>Other comprehensive income (net of tax)</b>	<b>129,959,817</b>	<b>56,142,961</b>	<b>131%</b>	<b>(13,767,983)</b>	<b>(16,154,045)</b>	<b>-15%</b>
<b>Total comprehensive income for the period</b>	<b>458,868,404</b>	<b>237,976,622</b>	<b>93%</b>	<b>849,907,693</b>	<b>613,387,200</b>	<b>39%</b>
<b>Total comprehensive income attributable to :</b>						
Equity holders of the Company	456,195,991	237,100,907	92%	846,509,510	612,234,028	38%
Non-controlling interest	2,672,413	875,715	205%	3,398,183	1,153,172	195%
<b>Total comprehensive income for the period</b>	<b>458,868,404</b>	<b>237,976,622</b>	<b>93%</b>	<b>849,907,693</b>	<b>613,387,200</b>	<b>39%</b>
<b>Earnings per share</b>						
Basic earnings per share	6.03	3.34		15.84	11.57	

Figures in brackets indicate deductions.

**CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements**

**Statement of Financial Position**

As at	Company		Group	
	31-12-2017 Rs.	Audited 31-03-2017 Rs.	31-12-2017 Rs.	Audited 31-03-2017 Rs.
<b>Assets</b>				
Cash and cash equivalents	1,169,538,596	454,060,886	1,210,334,650	507,020,353
Financial instruments held-for-trading	256,853,384	163,041,242	256,853,384	163,041,242
Loans and receivables to banks	350,000,000	655,672,752	350,000,000	655,672,752
Deposits with licensed commercial banks	2,369,888,474	1,893,614,973	2,369,888,474	1,893,614,973
Loans and receivables to customers	54,493,083,594	43,189,010,000	55,175,335,623	43,605,197,173
Investment securities	3,855,273,066	3,563,432,005	3,935,540,349	3,637,044,991
Investment in subsidiaries	509,917,733	509,917,734	-	-
Investment property	20,197,977	20,197,977	20,197,977	20,197,977
Property, plant & equipment	1,874,285,859	1,839,091,339	1,904,048,058	1,841,767,912
Intangible assets	83,147,266	65,684,057	83,147,266	84,567,862
Goodwill on consolidation	-	-	244,179,431	244,179,431
Other assets	2,322,041,511	1,580,562,177	2,455,203,901	1,581,148,187
<b>Total assets</b>	<b>67,304,227,460</b>	<b>53,934,285,142</b>	<b>68,004,729,113</b>	<b>54,233,452,853</b>
<b>Liabilities</b>				
Deposits from customers	43,911,516,911	32,601,835,772	43,911,516,911	32,590,453,434
Debt securities issued	2,008,104,864	2,075,631,256	2,008,104,864	2,075,631,256
Other interest-bearing borrowings	11,109,475,608	10,957,016,763	11,476,125,285	11,117,537,538
Current tax liabilities	430,723,055	178,702,459	443,196,349	179,107,537
Deferred tax liabilities	628,721,154	628,721,153	639,986,723	638,986,722
Retirement benefit obligation	67,500,555	15,793,782	67,500,555	15,860,949
Other liabilities	2,280,620,215	1,235,419,457	2,483,737,879	1,300,953,577
<b>Total liabilities</b>	<b>60,436,662,362</b>	<b>47,693,120,642</b>	<b>61,030,168,566</b>	<b>47,918,531,013</b>
<b>Equity</b>				
Stated capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	2,401,572,604	2,402,087,846	2,406,061,328	2,406,392,166
Retained earnings	3,280,930,849	2,654,015,009	3,347,458,198	2,690,686,075
Total equity attributable to equity holders of the Company	6,867,565,098	6,241,164,500	6,938,581,171	6,282,139,886
Non-controlling interest	-	-	35,979,376	32,781,954
<b>Total equity</b>	<b>6,867,565,098</b>	<b>6,241,164,500</b>	<b>6,974,560,547</b>	<b>6,314,921,840</b>
<b>Total liabilities and equity</b>	<b>67,304,227,460</b>	<b>53,934,285,142</b>	<b>68,004,729,113</b>	<b>54,233,452,853</b>
<b>Net assets value per share</b>	<b>126.46</b>	<b>114.93</b>	<b>127.77</b>	<b>115.68</b>

The above figures are subject to audit unless specified.

The financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and Finance Business Act No. 42 of 2011.

Sgd.

**Damith Tennakoon**

Deputy CEO/Director/CFO

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.

Approved and signed for and on behalf of the Board

Sgd.

**D.H.J. Gunawardena**

Chairman

Sgd.

**C.M. Nanayakkara**

Managing Director/CEO

14th February 2018

Colombo

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Company

	Stated Capital	Reserves			Retained Earnings	Total Equity
		Revaluation Reserve	Available-for-Sale Reserve	Statutory Reserve Fund		
		Rs.	Rs.	Rs.		
Balance as at 1st April 2016	1,185,061,645	213,672,991	749,095,814	839,331,772	2,064,806,272	5,051,968,494
<b>Total comprehensive income for the period</b>						
Profit for the period					619,057,717	619,057,717
Other comprehensive income for the period (net of tax)						
Remeasurement of defined benefit liability/(asset)					(13,456,773)	(13,456,773)
Net change in available-for-sale financial assets			(2,546,552)			(2,546,552)
Net change in revaluation surplus						-
<b>Transactions with equity holders of the Company</b>						
Dividends to equity holders					(190,068,225)	(190,068,225)
Net transfers during the period						-
<b>Balance as at 31st December 2016</b>	<b>1,185,061,645</b>	<b>213,672,991</b>	<b>746,549,262</b>	<b>839,331,772</b>	<b>2,480,338,991</b>	<b>5,464,954,661</b>
Balance as at 1st April 2017	1,185,061,645	541,743,991	819,709,093	1,040,634,762	2,654,015,009	6,241,164,500
<b>Total comprehensive income for the period</b>						
Profit for the period					830,440,838	830,440,838
Other comprehensive income for the period (net of tax)						
Remeasurement of defined benefit liability/(asset)					(13,456,773)	(13,456,773)
Net change in available-for-sale financial assets			(515,242)			(515,242)
Net change in revaluation surplus						-
<b>Transactions with equity holders of the Company</b>						
Dividends to equity holders					(190,068,225)	(190,068,225)
Net transfers during the period						-
<b>Balance as at 31st December 2017</b>	<b>1,185,061,645</b>	<b>541,743,991</b>	<b>819,193,851</b>	<b>1,040,634,762</b>	<b>3,280,930,849</b>	<b>6,867,565,098</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated	Reserves			Retained	Shareholders' Equity	Non-Controlling Interest	Total Equity
	Capital	Revaluation Reserve	Available-for-sale reserve	Statutory Reserve Fund	Earnings			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2016	1,185,061,645	213,672,991	749,625,851	840,593,741	2,086,228,841	5,075,183,069	30,487,979	5,105,671,048
<b>Total comprehensive income for the period</b>								
Profit for the period					628,373,574	628,373,574	1,167,671	629,541,245
Other comprehensive income for the period (net of tax)								
Remeasurement of defined benefit liability/(asset)					(13,456,775)	(13,456,775)		(13,456,775)
Net change in available-for-sale financial assets			(2,682,771)			(2,682,771)	(14,499)	(2,697,270)
Net change in revaluation surplus								-
<b>Transactions with equity holders of the Company</b>								
Dividends to equity holders					(190,068,225)	(190,068,225)	(175,666)	(190,243,891)
Net transfers during the period								-
<b>Balance as at 31st December 2016</b>	<b>1,185,061,645</b>	<b>213,672,991</b>	<b>746,943,080</b>	<b>840,593,741</b>	<b>2,511,077,415</b>	<b>5,497,348,872</b>	<b>31,465,485</b>	<b>5,528,814,357</b>
Balance as at 1st April 2017	1,185,061,645	541,743,991	821,740,455	1,042,907,720	2,690,686,075	6,282,139,886	32,781,954	6,314,921,840
<b>Total comprehensive income for the period</b>								
Profit for the period					860,297,121	860,297,121	3,378,555	863,675,676
Other comprehensive income for the period (net of tax)								
Remeasurement of defined benefit liability/(asset)					(13,456,773)	(13,456,773)		(13,456,773)
Net change in available-for-sale financial assets			(330,838)			(330,838)	19,628	(311,210)
Net change in revaluation surplus								
<b>Transactions with equity holders of the Company</b>								
Dividends to equity holders					(190,068,225)	(190,068,225)	(200,761)	(190,268,986)
Net transfers during the period								
<b>Balance as at 31st December 2017</b>	<b>1,185,061,645</b>	<b>541,743,991</b>	<b>821,409,617</b>	<b>1,042,907,720</b>	<b>3,347,458,198</b>	<b>6,938,581,171</b>	<b>35,979,376</b>	<b>6,974,560,547</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the period ended	Company		Group	
	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.
<b>Cash flow from operating activities</b>				
Interest receipts	7,176,110,114	5,515,933,607	7,346,416,003	5,585,577,248
Commission receipts	255,949,460	165,941,043	283,035,629	175,285,788
Other income receipts	800,359,167	548,122,109	800,913,214	548,621,835
Interest payments	(4,431,035,903)	(3,436,022,076)	(4,485,999,016)	(3,441,904,175)
Fee and business promotion expenses	(118,956,165)	(70,436,064)	(128,685,598)	(70,436,064)
Employee related payments	(791,100,299)	(660,893,734)	(818,082,342)	(678,739,652)
Supplier payments	(825,258,118)	(449,400,364)	(890,149,468)	(464,746,367)
Financial expenses	(14,010,848)	(19,898,043)	(14,010,848)	(20,106,642)
<b>Operating profit before changes in operating assets</b>	<b>2,052,057,408</b>	<b>1,593,346,478</b>	<b>2,093,437,574</b>	<b>1,633,551,971</b>
(Increase)/Decrease in operating assets				
Investments in licensed commercial banks and other financial institutions	(170,600,749)	2,591,253,834	(170,600,749)	2,673,696,120
Investments in Government securities	(266,247,289)	10,042,269	(273,966,075)	21,297,111
Net funds advanced to customers	(10,791,719,349)	(3,651,320,751)	(11,364,107,148)	(3,898,786,817)
Changes in other short-term assets	(712,433,302)	(165,078,125)	(832,489,213)	(164,682,480)
Inventories	7,633,522	(44,397,079)	15,267,045	(44,397,079)
	(11,933,367,167)	333,846,626	(12,625,896,140)	220,678,826
Increase/(Decrease) in operating liabilities				
Borrowings	152,458,846	(159,818,146)	792,605,090	(22,710,602)
Deposits from customers	10,963,340,372	(868,219,610)	10,963,340,372	(817,365,299)
	11,115,799,218	(1,028,037,756)	11,755,945,462	(840,075,901)
<b>Net Cash Generated / (used in) from operating activities</b>	<b>1,234,489,459</b>	<b>(694,191,130)</b>	<b>1,223,486,896</b>	<b>(619,397,075)</b>
Taxation	(56,371,993)	(30,151,800)	(56,371,993)	(35,185,240)
	1,178,117,466	(724,342,930)	1,167,114,903	(654,582,315)
<b>Cash flow from investing activities</b>				
Dividend receipts	19,853,759	21,077,134	19,853,759	21,576,859
Investment in Government securities/quoted shares- Trading	(99,372,441)	(14,696,816)	(99,372,441)	(14,696,816)
Investment in quoted shares - AFS	(26,109,014)	(52,846,766)	(26,109,014)	(52,846,766)
Purchase of property, plant & equipment	(239,810,476)	(86,239,548)	(248,012,298)	(86,239,548)
Proceed from sale of property, plant & equipment	2,700,000	11,025,000	2,700,000	10,505,964
<b>Net cash (used in)/ from investing activities</b>	<b>(342,738,172)</b>	<b>(121,680,996)</b>	<b>(350,939,994)</b>	<b>(121,700,307)</b>
<b>Cash flow from financing activities</b>				
Dividend paid	(190,068,225)	(190,068,225)	(190,268,986)	(191,894,276)
Net change debentures	(67,526,392)	950,946,633	(67,526,392)	950,946,633
<b>Net cash inflows/ (out flows) from financing activities</b>	<b>(257,594,617)</b>	<b>760,878,408</b>	<b>(257,795,378)</b>	<b>759,052,357</b>
Net increase/(decrease) in cash and cash equivalents	577,784,677	(85,145,518)	558,379,531	(17,230,266)
Cash and cash equivalents at the beginning of the period	245,626,908	(133,172,907)	296,179,527	(131,469,364)
<b>Cash and cash equivalents at the end of the period</b>	<b>823,411,585</b>	<b>(218,318,425)</b>	<b>854,559,058</b>	<b>(148,699,630)</b>
<b>Cash and cash equivalents at the beginning of the period</b>				
Cash at bank and in hand	454,060,886	722,351,389	507,020,353	729,789,337
Bank overdraft	(208,433,978)	(855,524,296)	(210,840,826)	(861,258,701)
	245,626,908	(133,172,907)	296,179,527	(131,469,364)
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand	1,169,538,596	425,165,750	1,210,334,650	495,877,390
Bank overdraft	(346,127,011)	(643,484,175)	(355,775,592)	(644,577,020)
	<b>823,411,585</b>	<b>(218,318,425)</b>	<b>854,559,058</b>	<b>(148,699,630)</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Company

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.
Interest	5,031,250,371	4,263,198,869	1,787,115,327	969,801,090	425,675,672	306,447,774	7,244,041,370	5,539,447,733
Non interest income							1,109,981,641	730,600,785
Segment revenue	5,031,250,371	4,263,198,869	1,787,115,327	969,801,090	275,710,297	306,447,774	8,354,023,011	6,270,048,518
<b>Total revenue</b>	<b>5,031,250,371</b>	<b>4,263,198,869</b>	<b>1,787,115,327</b>	<b>969,801,090</b>	<b>275,710,297</b>	<b>306,447,774</b>	<b>8,354,023,011</b>	<b>6,270,048,518</b>
Unallocated expenses							7,278,410,931	5,485,017,613
Profit from operations							1,075,612,080	785,030,904
Income tax expense							245,171,242	165,973,187
<b>Profit for the period</b>							<b>830,440,838</b>	<b>619,057,717</b>
Segment assets	37,657,986,011	32,184,322,514	16,835,097,583	9,858,653,133	8,001,553,520	4,477,460,885	62,494,637,114	46,520,436,532
Unallocated assets							4,809,590,346	4,899,993,334
<b>Total assets</b>							<b>67,304,227,460</b>	<b>51,420,429,866</b>



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.	31-12-2017 Rs.	31-12-2016 Rs.
Interest	5,190,204,202	4,312,798,472	1,792,087,210	982,118,369	432,055,846	309,868,002	7,414,347,258	5,604,784,843
Non interest income							1,135,736,577	738,973,846
Segment revenue	5,190,204,202	2,847,711,150	1,792,087,210	615,786,676	432,055,846	309,868,002	8,550,083,835	6,343,758,689
<b>Total revenue</b>	<b>5,190,204,202</b>	<b>2,847,711,150</b>	<b>1,792,087,210</b>	<b>615,786,676</b>	<b>432,055,846</b>	<b>309,868,002</b>	<b>8,550,083,835</b>	<b>6,343,758,689</b>
Unallocated expenses							4,662,466,395	5,543,017,107
Profit from operations							1,124,244,689	800,741,582
Income tax expense							260,569,013	171,200,337
<b>Profit for the period</b>							<b>863,675,676</b>	<b>629,541,245</b>
Segment assets	38,736,611,256	32,496,940,279	16,438,724,368	10,150,404,229	8,122,616,857	4,492,460,885	63,297,952,481	47,139,805,392
Unallocated assets							4,706,776,632	4,517,039,765
<b>Total assets</b>							<b>68,004,729,113</b>	<b>51,656,845,157</b>

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 31st December 2017

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	15,529,116	33.54
2	JANASHAKTHI GENERAL INSURANCE LIMITED	2,387,947	5.16
3	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	2,314,961	5.00
4	CEYLINCO GENERAL INSURANCE LIMITED	1,853,287	4.00
5	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	1,789,725	3.87
6	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,708,816	3.69
7	PEOPLE'S LEASING & FINANCE PLC/ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	1,605,059	3.47
8	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,000,100	2.16
9	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	935,258	2.02
10	PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. & MRS. V.F. ABEYGOONWARDENA	917,837	1.98
11	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	900,000	1.94
12	MR.WARNAKULA WEERASOORIYA KINGSLY MALCOM WEERASOORIYA	487,803	1.05
13	MR. HEENKENDA MUDIYANSELAGE LUCKSRI MADURANGA BANDARA HEENKENDA	472,260	1.02
14	MR.ELANGOVAN KARTHIK	429,500	0.93
15	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	392,496	0.85
16	MR.HASITHA KAUSHALYA DASSANAYAKE	285,653	0.62
17	MR.ISANKA MADHAWA KOTIGALA	256,224	0.55
18	PEOPLE'S LEASING & FINANCE PLC/MR.M.N.MIMDAAD	247,782	0.54
19	MR. KURUPPU ARACHCHIGE DON RANJITH GUNASINGHE	227,167	0.49
20	MR. PILANA VITHARAMA RAVINDRA SURAIN ABEYSEKERA	215,833	0.47
	<b>Sub total of Top 20 Share Holders</b>	<b>33,956,824</b>	<b>73.35</b>
	Others	12,342,399	26.65
	<b>Total</b>	<b>46,299,223</b>	<b>100.00</b>

The percentage of shares held by the public as at 31st December 2017 is 46.49% (with 2,149 public share holders)

Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,336,592	16.69
2	J.B. COCOSHELL (PVT) LTD	1,041,431	13.01
3	MR.AMARAKOON MUDIYANSELAGE WEERASINGHE	614,454	7.67
4	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	300,944	3.76
5	ASKOLD (PRIVATE) LIMITED	240,000	3.00
6	MR.MALIK JOSEPH FERNANDO	208,999	2.61
7	MR.HUSEIN NURUDDIN ESUFALLY	208,999	2.61
8	MR.YUSUF HUSSEINALLY ABDULHUSSEIN	179,309	2.24
9	MR.MURTAZAALI ABIDHUSSEN HASSANALY ESUFALLY	160,000	2.00
10	MR.ABBASALLY NURUDDIN ESUFALLY	160,000	2.00
11	MR.GULZAR HUSSEIN IBRAHIM JAFFERJEE(DECEASED)	156,749	1.96
12	MISS.RUKAIYA HUSSEINALLY ABDULHUSSEIN	156,182	1.95
13	SEYLAN BANK PLC/S.R. FERNANDO	131,051	1.64
14	E.W. BALASURIYA & CO. (PVT) LTD	121,897	1.52
15	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	116,300	1.45
16	JAFFERJEE INVESTMENTS (PVT) LTD.	104,499	1.31
17	GOLD INVESTMENT LIMITED.	104,499	1.31
18	MR.MUKESH ABHAYKUMAR VALABHJI	104,499	1.31
19	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	101,965	1.27
20	LAKDHANAVI LIMITED	100,000	1.25
	<b>Sub total of Top 20 Share Holders</b>	<b>5,648,369</b>	<b>70.56</b>
	Others	2,357,615	29.44
	<b>Total</b>	<b>8,005,984</b>	<b>100.00</b>

The percentage of shares held by the public as at 31st December 2017 is 86.78% (with 1,837 public share holders)

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Directors' and Chief Executive Officer's Shareholding as at 31st December 2017

Ordinary Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	1,000
PEOPLE'S LEASING & FINANCE PLC/MR.W.P.C.M.NANAYAKKARA	1,789,725
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	4,403
PEOPLES LEASING & FINANCE PLC/MR.R.H. ABEYGOONEWARDENA & MRS.V.F.ABEYGOONEWARDENA	917,837
Dr. A. Dharmasiri	-
Mr. D.A. De Silva	-
Mr. T.M.D.P. Tennakoon	-
ASSETLINE LEASING COMPANY LTD/MR.T.M.D.P.TENNAKOON	132,515
SEYLAN BANK PLC/T.M.D.P. TENNAKOON	935,258
Mr. P.A.J. Jayawardena	500
Mr. S.V. Munasinghe	-
PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,000,100
Ms. U.R. Seneviratne	-
Mr. S.P.P. Amaraturunge	-
	<b>4,781,338</b>

Ordinary Non Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	44
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	2,132
Peoples Leasing & Finance PLC /Mr.R.H. Abeygoonewardena & Mrs.V.F.Abeygoonewardena	5,447
Dr. A. Dharmasiri	-
Mr. D.A. De Silva	-
Mr. T.M.D.P. Tennakoon	-
Seylan Bank PLC/Tennakoon Mudiyanseelage Damith Prasanna Tennakoon	7,262
Mr. P.A.J. Jayawardena	22
Mr. S.V. Munasinghe	-
Ms. U.R. Seneviratne	-
Mr. S.P.P. Amaraturunge	-
	<b>14,907</b>

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Highest Price	71.00	82.50	67.00	76.00
Lowest Price	61.00	68.00	55.00	62.00
Last Traded	63.40	70.00	56.00	62.10

## CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

### Explanatory Notes

- 1 The Company has used the same accounting policies and method of computing described in the annual report of the Company for 2016/17 in the preparation of these interim financial statements.
- 2 All known expenses have been provided in these financial statements and management fees are not applicable to the Company.
- 3 Group financial statements comprises the consolidation of the Company and its subsidiaries CDB Micro Finance Limited and Unisons Capital Leasing Limited.
- 4 No of Shares as at 31st December 2017 is as follows.

Ordinary Voting Shares	46,299,223
Ordinary Non Voting Shares	8,005,984
- 5 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicity affecting the interim operation.
- 6 Since 31st December 2017, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.
- 7 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".

Information on Listed Debentures

Market Price For the Quarter ended 31st December 2017

**Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018**

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	100.10	96.60	100.10
Type B		NOT TRADED	
Type C		NOT TRADED	

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate %	Annual Effective Rate %
Type A	Annually	16.00	16.00
Type B	Semi- annually	15.50	16.10
Type C	Quarterly	15.00	15.87

**Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021**

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	99.99	99.83	99.99
Type B		NOT TRADED	

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate %	Annual Effective Rate %
Type A	Semi- annually	12.75	13.16
Type B	Semi- annually	06 months net Treasury Bill rate plus 1.50%	

\* **Type B** will have a ceiling of 15% (AER 15.56%) and a floor of 10% (AER 10.25%)

Interest Rates of Comparable Government Securities

5 Year Treasury Bond (Excluding 10% withholding Tax)	9.44%
---------------------------------------------------------	-------

Current Yield & Yield to Maturity

**Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018**

Debenture Type	Current Yield %	Yield to Maturity %
Type A	17.59%	34.62%
Type B		NOT TRADED
Type C		NOT TRADED

**Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021**

Debenture Type	Current Yield %	Yield to Maturity %
Type A	13.50%	15.35%
Type B		NOT TRADED

Debt Equity Ratio	108%
Quick Asset Ratio (Times)	0.71
Interest Cover (Times)	1.23

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Utilization of Funds Raised Via Capital Market

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc)
1	To expand the leasing portfolio	LKR 1 BN	Within the 06 months from date of cash receipt	LKR 1 BN	100%	LKR 1 BN	100%	N/A
2	Improve the Tier II Capital base thus, increasing the Capital Adequacy Ratio (CAR)		With effect from the closure of issue					
3	Reduce the Assets and Liability mismatch		Within 12 months from date of cash receipt					

**Selected Performance Indicators**

Indicator	Company	
	As at 31-12-2017	As at 31-03-2017
<b>Asset Quality (Rs. 000)</b>		
Gross Non- Performing Accommodations **	1,886,558	1,347,155
Gross Non- Performing Accommodations Ratio %	3.41%	3.08%
Net Non- Performing Accommodations Ratio %	1.54%	1.05%
<b>Liquidity (Rs. 000)</b>		
Required Minimum Amount of Liquid Assets	4,643,371	3,648,520
Available Amount of Liquid Assets	5,213,747	4,650,390
Required Minimum Amount of Government Securities	2,468,228	2,250,269
Available Amount of Government Securities	2,898,813	2,945,424
<b>Capital Adequacy</b>		
Core Capital ( Tier 1 Capital)	6,325,822	5,699,421
Total Capital Base	6,784,023	6,527,801
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)*	10.93%	12.32%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)*	11.73%	14.12%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	16.64%	21.65%
<b>Profitability</b>		
Net Interest Margin (Annualized %)	5.43%	5.52%
Return on Average Assets- After Tax (Annualized %)	1.83%	1.93%
Return on Average Equity- After Tax (Annualized %)	16.89%	17.83%
<b>Memorandum information</b>		
Number of Employees	1,541	1,439
Number of Branches	57	57
Number of Service Centers	11	11
Number of Pawning Centers	1	1

\* Including current year unaudited profit

\*\* Net of Interest In Suspense

## Corporate Information

### Name of the Company

Citizens Development Business Finance PLC

### Legal Form

A Public Quoted Company incorporated in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007

The Company is licensed under the Finance Business Act No. 42 of 2011.

The Company is registered under the Finance Leasing Act No. 56 of 2000

### Approved Credit Agency Under the

Mortgage Act No 06 of 1949  
Trust Receipt Ordinance No 12 of 1947

### Date of Incorporation

07th September 1995

### Registration Number

PB 232 PQ

### Accounting Year

March 31

### Board of Directors

**Mr. D.H.J.Gunawardena** *FCMA (UK), CGMA*  
**Chairman / Non Executive Director**

**Mr. W.P.C.M.Nanayakkara** *B.Sc(Mgt), FCMA(UK), MBA(Sri J), CGMA*  
**Managing Director / Chief Executive Officer/ Executive Director**

Mr. Razik Mohamed *ACA*  
*Independent Non Executive Director*

Mr. S.R.Abeynayake *MBA(Sri J), FCA, FCMA*  
*Non Executive Director*

Prof. A. Dharmasri *B.Sc.Eng., MBA(Sri J), PhD(Sri J), MCMI(UK)*  
*Independent Non Executive Director (Senior Director)*

Prof. S.P.P.Amaratunge *B.A. (Econ) (Sp) (SJP); M.A. Econ (Colombo); M.Sc.Econ. of Rural Dev. (Saga, Japan); Ph.D. (Kogoshima, Japan)*  
*Independent Non Executive Director*

Mr. P.A.J.Jayawardena *LUTCF(USA), CIAM, CMFA*  
*Non Executive Director*

Ms. U. R. Seneviratne *LLB*  
*Independent Non Executive Director*

Mr. T.M.D.P. Tennakoon *FCMA(UK), CGMA*  
*Executive Director / Chief Financial Officer / Deputy CEO*

Mr. R.H.Abeygoonewardena *FCMA(UK), ACMA(Sri), MCPM, CGMA*  
*Executive Director / Chief Operating Officer*

Mr. S.V.Munasinghe  
*Executive Director / Chief Credit and Marketing Officer*

Mr. D.A.De Silva *B. Sc.(Hons), ACMA, CGMA*  
*Executive Director / Business Operations*

### Registered Address of Head Office

No 123, Orabipasha Mawatha,  
Colombo 10  
Sri Lanka  
Tel 0094117388388  
Fax 0094112429888  
E mail cdb@cdb.lk  
Web www.cdb.lk

### Company Secretary

S.S.P Corporate Services (Private) Ltd  
101, Inner Flower Road,  
Colombo 03  
Sri Lanka  
Tel 0094112573894, 0094112576871  
Fax 0094112573609  
E mail sspsec@sltnet.lk

### Company Auditors

KPMG  
(Chartered Accountants)  
32 A, Sir Mohamed Macan Marker Mawatha,  
Colombo 03  
Sri Lanka  
Tel 0094115426426

### Lawyers of the Company

Nithya Partners  
No 97A, Galle Road,  
Colombo 03.  
Sri Lanka

**Credit Rating**  
**[SL]BBB+ with stable outlook**  
ICRA Lanka

### Bankers

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Deutsche Bank  
Hatton National Bank PLC  
National Development Bank PLC  
Nations Trust Bank PLC  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC





Citizens Development Business Finance PLC  
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