

# INTERIM FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31ST MARCH 2017*

**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 March			For the Year ended 31st March		
	2017 Rs.	Audited 2016 Rs.	Change %	2017 Rs.	Audited 2016 Rs.	Change %
<b>Revenue</b>	<b>2,321,169,952</b>	<b>2,208,412,075</b>	<b>5%</b>	<b>8,591,218,471</b>	<b>7,486,004,737</b>	<b>15%</b>
Interest Income	2,047,732,487	1,762,908,831	16%	7,587,180,220	6,647,024,326	14%
Less: Interest Expenses	1,297,022,496	949,632,118	37%	4,699,481,882	3,588,413,274	31%
<b>Net Interest Income</b>	<b>750,709,991</b>	<b>813,276,713</b>	<b>-8%</b>	<b>2,887,698,338</b>	<b>3,058,611,052</b>	<b>-6%</b>
Fees and Commission Income	57,812,876	47,345,513	22%	219,503,400	210,597,153	4%
<b>Net Interest, Fee and Commission Income</b>	<b>808,522,867</b>	<b>860,622,226</b>	<b>-6%</b>	<b>3,107,201,738</b>	<b>3,269,208,205</b>	<b>-5%</b>
Other Operating Income	215,624,589	398,157,731	-46%	784,534,851	628,383,258	25%
<b>Total Operating Income</b>	<b>1,024,147,456</b>	<b>1,258,779,957</b>	<b>-19%</b>	<b>3,891,736,589</b>	<b>3,897,591,463</b>	<b>0%</b>
Less : Impairment Charge on Financial Assets & Other Credit Losses	55,491,214	316,414,534	-82%	226,270,633	399,389,388	-43%
<b>Net Operating Income</b>	<b>968,656,242</b>	<b>942,365,423</b>	<b>3%</b>	<b>3,665,465,956</b>	<b>3,498,202,075</b>	<b>5%</b>
<b>Less:</b>						
Personnel Expenses	180,449,235	206,866,274	-13%	879,609,007	745,240,108	18%
Premises, Equipment and Establishment Expenses	293,317,406	242,366,308	21%	1,097,754,082	979,218,342	12%
Other Expenses	25,275,648	80,179,295	-68%	290,685,528	350,568,816	-17%
Total Operating Expenses	499,042,289	529,411,877	-6%	2,268,048,617	2,075,027,266	9%
<b>Operating Profit Before Value Added Tax (VAT) on Financial Service, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)</b>	<b>469,613,953</b>	<b>412,953,546</b>	<b>14%</b>	<b>1,397,417,339</b>	<b>1,423,174,809</b>	<b>-2%</b>
Less: VAT, NBT and CIL	27,143,732	49,109,267	-45%	169,916,213	169,231,306	0%
<b>Profit Before Tax</b>	<b>442,470,221</b>	<b>363,844,279</b>	<b>22%</b>	<b>1,227,501,126</b>	<b>1,253,943,503</b>	<b>-2%</b>
Income Tax Expense	55,012,989	39,978,315	38%	220,986,176	248,790,365	-11%
<b>Profit for the Period</b>	<b>387,457,232</b>	<b>323,865,966</b>	<b>20%</b>	<b>1,006,514,950</b>	<b>1,005,153,138</b>	<b>0%</b>
<b>Profit Attributable to:</b>						
Equity Holders of the Company	387,457,232	323,865,964	20%	1,006,514,950	1,005,153,138	0%
Non-Controlling Interests						
<b>Profit for the Period</b>	<b>387,457,232</b>	<b>323,865,964</b>	<b>20%</b>	<b>1,006,514,950</b>	<b>1,005,153,138</b>	<b>0%</b>
<b>Other Comprehensive Income:</b>						
<b>Items that will never be Reclassified to Profit or Loss</b>						
<b>Net Actuarial Gains/(Losses) on Defined Benefit Plan</b>	<b>(12,478,225)</b>	<b>10,850,725</b>	<b>-215%</b>	<b>(25,934,999)</b>	<b>(2,606,050)</b>	<b>895%</b>
<b>Items that are or may be Reclassified to Profit or Loss</b>						
Net change in Fair Value of Available for Sale Financial Asset	73,159,830	53,900,438	36%	70,613,279	(105,113,911)	-167%
Net change in Revaluation Surplus	328,071,000	42,600,000	670%	328,071,000	42,600,000	670%
Other Comprehensive Income	388,752,605	107,351,163	262%	372,749,280	(65,119,961)	-672%
<b>Total Comprehensive Income</b>	<b>776,209,837</b>	<b>431,217,127</b>	<b>80%</b>	<b>1,379,264,230</b>	<b>940,033,177</b>	<b>47%</b>
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Company	776,209,837	431,217,127	80%	1,379,264,230	940,033,177	47%
Non-Controlling Interests						
<b>Total Comprehensive Income</b>	<b>776,209,837</b>	<b>431,217,127</b>	<b>80%</b>	<b>1,379,264,230</b>	<b>940,033,177</b>	<b>47%</b>
<b>Earnings per Share:</b>						
Basic Earnings per Share	7.13	5.96		18.53	18.51	

Figures in brackets indicate deductions.

The above figures are subject to audit unless specified.

## Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the Quarter ended 31st March			For the Year ended 31st March		
	2017 Rs.	Audited 2016 Rs.	Change %	2017 Rs.	Audited 2016 Rs.	Change %
<b>Revenue</b>	<b>2,359,298,634</b>	<b>2,000,370,722</b>	<b>18%</b>	<b>8,703,057,323</b>	<b>7,549,279,020</b>	<b>15%</b>
Interest Income	2,081,038,732	1,777,084,610	17%	7,685,823,575	6,702,884,036	15%
Less: Interest Expenses	1,301,377,155	950,033,787	37%	4,707,708,328	3,591,419,119	31%
<b>Net Interest Income</b>	<b>779,661,577</b>	<b>827,050,823</b>	<b>-6%</b>	<b>2,978,115,247</b>	<b>3,111,464,917</b>	<b>-4%</b>
Fees and Commission Income	61,588,767	51,892,921	19%	232,630,536	215,144,560	8%
<b>Net Interest, Fee and Commission Income</b>	<b>841,250,344</b>	<b>878,943,744</b>	<b>-4%</b>	<b>3,210,745,783</b>	<b>3,326,609,477</b>	<b>-3%</b>
Other Operating Income	216,671,135	171,393,191	26%	784,603,212	631,250,425	24%
<b>Total Operating Income</b>	<b>1,057,921,479</b>	<b>1,050,336,935</b>	<b>1%</b>	<b>3,995,348,995</b>	<b>3,957,859,902</b>	<b>1%</b>
Less : Impairment Charge on Financial Assets & Other Credit Losses	53,769,830	94,046,795	-43%	232,206,084	404,555,817	-43%
<b>Net Operating Income</b>	<b>1,004,151,649</b>	<b>956,290,141</b>	<b>5%</b>	<b>3,763,142,911</b>	<b>3,553,304,085</b>	<b>6%</b>
<b>Less:</b>						
Personnel Expenses	184,951,977	209,386,929	-12%	901,957,667	753,839,428	20%
Premises, Equipment and Establishment Expenses	290,181,989	245,798,607	18%	1,111,027,573	991,812,457	12%
Other Expenses	42,054,680	84,047,638	-50%	317,753,090	356,325,850	-11%
Total Operating Expenses	517,188,646	539,233,174	-4%	2,330,738,330	2,101,977,735	11%
<b>Operating Profit Before Value Added Tax (VAT) on Financial Service, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)</b>	<b>486,963,003</b>	<b>417,056,967</b>	<b>17%</b>	<b>1,432,404,581</b>	<b>1,451,326,350</b>	<b>-1%</b>
Less: VAT, NBT and CIL	27,925,629	49,461,847	-44%	172,625,626	172,859,238	0%
<b>Profit Before Tax</b>	<b>459,037,374</b>	<b>367,595,120</b>	<b>25%</b>	<b>1,259,778,955</b>	<b>1,278,467,112</b>	<b>-1%</b>
Income Tax Expense	63,494,342	43,049,935	47%	234,694,679	257,692,714	-9%
<b>Profit for the Period</b>	<b>395,543,032</b>	<b>324,545,185</b>	<b>22%</b>	<b>1,025,084,276</b>	<b>1,020,774,398</b>	<b>0%</b>
<b>Profit Attributable to:</b>						
Equity Holders of the Company	394,400,863	324,443,843	22%	1,022,774,436	1,018,620,020	0%
Non-Controlling Interests	1,142,169	101,341	1027%	2,309,840	2,154,378	7%
<b>Profit for the Period</b>	<b>395,543,032</b>	<b>324,545,184</b>	<b>22%</b>	<b>1,025,084,276</b>	<b>1,020,774,398</b>	<b>0%</b>
<b>Other Comprehensive Income:</b>						
<b>Items that will never be Reclassified to Profit or Loss</b>						
Net Actuarial Gains/(Losses) on Defined Benefit Plan	(12,478,225)	10,977,347	-214%	(25,934,999)	(2,479,428)	946%
<b>Items that are or may be Reclassified to Profit or Loss</b>						
Net change in Fair Value of Available for Sale Financial Asset	74,971,675	54,486,868	38%	72,274,405	(104,527,481)	-169%
Changes in revaluation surplus	328,071,000	42,600,000	670%	328,071,000	42,600,000	670%
Other Comprehensive Income	390,564,450	108,064,215	261%	374,410,406	(64,406,909)	-681%
<b>Total Comprehensive Income</b>	<b>786,107,483</b>	<b>432,609,399</b>	<b>82%</b>	<b>1,399,494,682</b>	<b>956,367,488</b>	<b>46%</b>
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Company	784,791,013	432,439,491	81%	1,397,025,041	954,144,543	46%
Non-Controlling Interests	1,316,470	169,908	675%	2,469,641	2,222,945	11%
<b>Total Comprehensive Income</b>	<b>786,107,483</b>	<b>432,609,400</b>	<b>82%</b>	<b>1,399,494,682</b>	<b>956,367,488</b>	<b>46%</b>
<b>Earnings per Share:</b>						
Basic Earnings per Share	7.26	5.97		18.83	18.76	

Figures in brackets indicate deductions.

The above figures are subject to audit unless specified.

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

**Statement of Financial Position**

As at	Company		Group	
	31-03-2017 Rs.	Audited 31-03-2016 Rs.	31-03-2017 Rs.	Audited 31-03-2016 Rs.
<b>Assets</b>				
Cash and Cash Equivalents	454,060,886	722,351,389	507,020,353	729,789,337
Financial Instruments Held for Trading	163,041,242	121,963,136	163,041,242	121,963,136
Loans and Receivable to Banks	655,672,752	2,967,869,560	655,672,752	2,979,124,401
Deposits with Licensed Commercial Banks	1,893,614,973	1,602,179,104	1,893,614,973	1,610,310,601
Loans and Advances to Customers	43,189,010,000	38,538,920,189	43,605,197,173	38,753,565,171
Investment Securities	3,563,432,005	3,272,075,270	3,637,044,991	3,305,826,584
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 and Equipments	1,839,091,339	1,606,958,136	1,841,767,912	1,610,637,819
Intangible Assets	65,684,058	68,319,145	84,567,862	71,364,171
Goodwill on Consolidation	-	-	244,179,431	244,179,431
Other Assets	1,580,562,177	1,195,560,588	1,581,148,187	1,199,128,682
<b>Total Assets</b>	<b>53,934,285,142</b>	<b>50,626,312,228</b>	<b>54,233,452,853</b>	<b>50,646,087,310</b>
<b>Liabilities</b>				
Deposits From Customers	32,601,835,772	30,887,693,800	32,590,453,434	30,803,916,225
Debt Securities Issued	2,075,631,256	1,044,135,005	2,075,631,256	1,044,135,005
Other Interest Bearing Borrowings	10,957,016,761	11,301,685,401	11,117,537,538	11,309,582,401
Current Tax Liabilities	190,536,490	109,133,435	190,941,567	111,020,227
Deferred Tax Liabilities	616,887,124	479,764,584	627,152,691	481,839,851
Retirement Benefit Obligations	15,793,782	53,036,495	15,860,949	53,036,495
Other Liabilities	1,235,419,457	1,698,895,014	1,300,953,578	1,736,886,058
<b>Total Liabilities</b>	<b>47,693,120,642</b>	<b>45,574,343,734</b>	<b>47,918,531,013</b>	<b>45,540,416,262</b>
<b>Equity</b>				
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	2,402,087,846	1,802,100,577	2,406,392,166	1,803,892,583
Retained Earnings	2,654,015,009	2,064,806,272	2,690,686,075	2,086,228,841
Total Equity Attributable to Equity Holders of the Company	6,241,164,500	5,051,968,494	6,282,139,886	5,075,183,069
Non-Controlling Interests			32,781,954	30,487,979
<b>Total Equity</b>	<b>6,241,164,500</b>	<b>5,051,968,494</b>	<b>6,314,921,840</b>	<b>5,105,671,048</b>
<b>Total Equity and Liabilities</b>	<b>53,934,285,142</b>	<b>50,626,312,228</b>	<b>54,233,452,853</b>	<b>50,646,087,310</b>
<b>Net Assets Value per Share</b>	<b>114.93</b>	93.03	<b>115.68</b>	93.46

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**

Director/ CFO / Deputy CEO

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

30th May 2017

Colombo

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

**Statement of Changes in Equity**

**Company**

	Stated Capital	Revaluation Reserve	Available-for-Sale Reserve	Statutory Reserve Fund	Retained Earnings	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Balance as at 1st April 2015	1,185,061,645	171,072,991	854,209,725	638,301,144	1,453,358,036	4,302,003,541
Profit for the Period					1,005,153,138	1,005,153,138
<b>Other Comprehensive Income for the Period</b>						
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(2,606,050)	(2,606,050)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(105,113,911)			(105,113,911)
Surplus on revaluation of lands		42,600,000				42,600,000
	1,185,061,645	213,672,991	749,095,814	638,301,144	2,455,905,124	5,242,036,718
<b>Transactions with Equity Holders of the Company</b>						
Dividend Paid During the Period					(190,068,224)	(190,068,224)
<b>Balance as at 31st March 2016</b>	<b>1,185,061,645</b>	<b>213,672,991</b>	<b>749,095,814</b>	<b>638,301,144</b>	<b>2,265,836,900</b>	<b>5,051,968,494</b>
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
Profit for the Period					1,006,514,950	1,006,514,950
<b>Other Comprehensive Income for the Period</b>						
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(25,934,999)	(25,934,999)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			70,613,279			70,613,279
Surplus on revaluation of lands		328,071,000				328,071,000
	1,185,061,645	541,743,991	819,709,093	839,331,772	3,045,386,223	6,431,232,724
<b>Transactions with Equity Holders of the Company</b>						
Dividend Paid During the Period					(190,068,224)	(190,068,224)
Net Transfers During the Period				201,302,990	(201,302,990)	-
<b>Balance as at 31st March 2017</b>	<b>1,185,061,645</b>	<b>541,743,991</b>	<b>819,709,093</b>	<b>1,040,634,762</b>	<b>2,654,015,009</b>	<b>6,241,164,500</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-Sale Reserve Rs	Statutory Reserve Fund Rs	Retained Earnings Rs	Total Rs	Non- Controlling Interest Rs	Total Equity Rs
Balance as at 1st April 2015	1,185,061,645	171,072,990	854,209,725	638,779,551	1,460,464,302	4,309,588,213	29,783,570	4,339,371,783
Profit for the Period					1,018,620,020	1,018,620,020	2,154,378	1,020,774,398
Other Comprehensive Income for the Period								
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(2,491,604)	(2,491,604)	12,176	(2,479,428)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(104,583,874)			(104,583,874)	56,393	(104,527,481)
Surplus on revaluation of lands		42,600,000				42,600,000		42,600,000
	1,185,061,645	213,672,990	749,625,851	638,779,551	2,476,592,718	5,263,732,755	32,006,517	5,295,739,271
<b>Transactions with Equity Holders of the Group</b>								
Dividend Paid During the Period					(190,068,224)	(190,068,224)		(190,068,224)
Net Transfers During the Period				201,814,191	(201,814,191)	-		-
Change in non controlling interest					1,518,538	1,518,538	(1,518,538)	
<b>Balance as at 31st March 2016</b>	<b>1,185,061,645</b>	<b>213,672,990</b>	<b>749,625,851</b>	<b>840,593,742</b>	<b>2,086,228,841</b>	<b>5,075,183,069</b>	<b>30,487,979</b>	<b>5,105,671,047</b>
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
Profit for the Period					1,022,774,436	1,022,774,436	2,309,840	1,025,084,276
Other Comprehensive Income for the Period								
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(25,934,999)	(25,934,999)	-	(25,934,999)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			72,114,604			72,114,604	159,801	72,274,405
Surplus on revaluation of lands		328,071,000				328,071,000		328,071,000
	1,185,061,645	541,743,991	821,740,455	840,593,741	3,083,068,278	6,472,208,110	32,957,620	6,505,165,731
<b>Transactions with Equity Holders of the Group</b>								
Dividend Paid During the Period					(190,068,224)	(190,068,224)	(175,666)	(190,243,890)
Net Transfers During the Period				202,313,979	(202,313,979)	-	-	-
<b>Balance as at 31st March 2017</b>	<b>1,185,061,645</b>	<b>541,743,991</b>	<b>821,740,455</b>	<b>1,042,907,720</b>	<b>2,690,686,075</b>	<b>6,282,139,886</b>	<b>32,781,954</b>	<b>6,314,921,840</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Year ended	Company		Group	
	31-03-2017	Audited 31-03-2016	31-03-2017	Audited 31-03-2016
	Rs.	Rs.	Rs.	Rs.
Cash Flow from Operating Activities				
Interest Receipts	7,539,230,995	6,611,990,360	7,645,620,304	6,667,797,606
Commission Receipts	234,890,612	181,146,278	247,842,623	185,623,075
Other Income Receipts	765,885,519	607,313,338	767,258,143	610,096,157
Interest Payments	(4,727,522,361)	(2,928,454,670)	(4,740,024,405)	(2,931,641,835)
Fee and Business Promotion Expenses	(67,036,477)	(114,494,976)	(80,472,783)	(115,502,869)
Employee Related Payments	(842,786,728)	(675,737,667)	(865,068,221)	(684,465,608)
Supplier Payments	(1,051,732,326)	(1,622,318,102)	(1,079,705,144)	(1,629,640,178)
Financial Expenses	(27,767,926)	(18,556,604)	(27,497,261)	(18,620,297)
<b>Operating Profit before changes in Operating Assets</b>	<b>1,823,161,308</b>	<b>2,040,887,957</b>	<b>1,867,953,256</b>	<b>2,083,646,051</b>
(Increase)/Decrease in Operating Assets				
Investments in Licensed Commercial Bank	2,020,760,939	329,548,862	2,062,075,425	329,548,862
Investments in Government Securities	(177,737,385)	(2,794,898,082)	(177,737,385)	(2,802,062,308)
Net Funds Advanced to Customers	(4,828,411,219)	(9,559,510,326)	(5,125,891,137)	(9,515,890,195)
Changes in Other Short Term Assets	(241,335,448)	(202,043,240)	(248,573,256)	(205,476,158)
Inventories	(103,843,496)	(14,482,853)	(103,843,496)	(14,482,853)
	(1,507,405,301)	(10,200,497,682)	(1,726,016,593)	(10,124,716,601)
Increase/(Decrease) in Operating Liabilities				
Borrowings	(344,668,639)	7,316,946,275	(45,529,318)	7,241,933,275
Deposits from Customers	1,742,182,451	3,353,230,990	1,742,182,451	3,268,900,599
	1,397,513,812	10,670,177,265	1,696,653,133	10,510,833,874
<b>Net Cash Generated / (Used in) from Operating Activities</b>	<b>(109,891,489)</b>	<b>469,679,583</b>	<b>(29,363,458)</b>	<b>386,117,273</b>
Contribution to Plan Assets/ Gratuity Paid	(90,272,803)	(61,764,784)	(90,272,803)	(61,764,784)
Taxation	(85,438,521)	(77,985,153)	(97,420,755)	(90,213,779)
	(285,602,813)	329,929,646	(217,057,018)	234,138,710
<b>Cash Flow from Investing Activities</b>				
Dividend Receipts	16,428,044	11,638,818	16,882,341	11,692,818
Investment in Government Securities/Quoted Shares- Trading	(44,236,306)	(80,730,305)	(44,236,306)	(80,730,305)
Investment in Quoted Shares - AFS	(43,006,072)	(71,589,518)	(43,006,072)	(76,589,518)
Purchase of Property, Plant & Equipment	(117,236,065)	(143,507,978)	(135,561,028)	(144,024,709)
Proceed from Sale of Property, Plant and Equipment	11,025,000	27,751,834	11,025,000	27,751,834
Net Cash (Used in)/ from Investing Activities	(177,025,399)	(338,609,436)	(194,896,066)	(261,899,880)
<b>Cash Flow from Financing Activities</b>				
Dividend Paid	(190,068,224)	(190,068,225)	(191,894,276)	(190,068,225)
Net Change in Debentures	1,031,496,251	-	1,031,496,251	
Net Cash Inflows/ (Outflows) from Financing Activities	841,428,027	(190,068,225)	839,601,975	(190,068,225)
Net Increase/(Decrease) In Cash & Cash Equivalents	378,799,815	(198,748,015)	427,648,892	(217,829,395)
Cash and Cash Equivalents at the Beginning of the Year	(133,172,907)	65,575,108	(131,469,364)	86,360,031
Cash and Cash Equivalents at the End of the Year	<b>245,626,908</b>	<b>(133,172,907)</b>	<b>296,179,528</b>	<b>(131,469,364)</b>
Cash and Cash Equivalents at the Beginning of the Year				
Cash at Bank and In Hand	722,351,389	313,394,279	729,789,337	334,358,488
Bank Overdraft	(855,524,296)	(247,819,171)	(861,258,701)	(247,998,457)
	(133,172,907)	65,575,108	(131,469,364)	86,360,031
Cash and Cash Equivalents at the End of the Year				
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)	(210,840,825)	(861,258,701)
	<b>245,626,908</b>	<b>(133,172,907)</b>	<b>296,179,528</b>	<b>(131,469,364)</b>

Figures in brackets indicate deductions.

The above figures are subject to audit unless specified.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Company

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.
Interest	2,134,050,697	5,339,932,963	1,193,781,255	1,003,371,405	443,200,179	303,719,958	3,771,032,131	6,647,024,326
Non Interest Income							1,004,038,251	838,980,411
Total Revenue	2,134,050,697	5,339,932,963	1,193,781,255	1,003,371,405	443,200,179	303,719,958	4,775,070,382	7,486,004,737
<b>Segmental Results</b>	<b>2,134,050,697</b>	<b>5,339,932,963</b>	<b>1,193,781,255</b>	<b>1,003,371,405</b>	<b>443,200,179</b>	<b>303,719,958</b>	<b>4,775,070,382</b>	<b>7,486,004,737</b>
Unallocated Expenses							7,363,717,345	6,232,061,234
Profit from Operations							(2,588,646,963)	1,253,943,503
Income Tax expenses							220,986,176	248,790,365
Profit for the Period							(2,809,633,139)	1,005,153,138
<b>Segment Assets</b>	<b>32,243,608,713</b>	<b>31,044,502,322</b>	<b>10,945,401,287</b>	<b>7,494,417,855</b>	<b>5,078,505,972</b>	<b>3,957,060,113</b>	<b>48,267,515,972</b>	<b>42,495,980,290</b>
<b>Unallocated Assets</b>							<b>5,666,769,170</b>	<b>8,130,331,938</b>
<b>Total Assets</b>							<b>53,934,285,142</b>	<b>50,626,312,228</b>



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.	31-03-2017 Rs.	31-03-2016 Rs.
Interest	5,831,664,857	5,357,735,122	1,406,322,644	1,038,257,369	447,836,074	306,891,546	7,685,823,575	6,702,884,036
Non Interest Income							1,017,233,748	846,394,985
Total Revenue	5,831,664,857	5,357,735,122	1,406,322,644	1,038,257,369	447,836,074	306,891,546	8,703,057,323	7,549,279,021
Segmental Results	5,831,664,857	5,357,735,122	1,406,322,644	1,038,257,369	447,836,074	306,891,546	8,703,057,323	7,549,279,021
Unallocated Expenses							7,443,278,368	6,270,811,910
Profit from Operations							1,259,778,955	1,278,467,111
Income Tax expenses							234,694,679	257,692,714
Profit for the Period							1,025,084,275	1,020,774,398
Segment Assets	32,739,517,335	31,178,465,863	10,865,679,837	7,575,099,296	5,122,111,809	4,053,362,775	48,727,308,982	42,806,927,934
Unallocated Assets							5,506,143,871	7,839,159,376
Total Assets							54,233,452,853	50,646,087,310

## Shareholders' Information

## Twenty Largest Shareholders as at 31st March 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	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,708,816	3.69%
6	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	1,676,512	3.62%
7	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,000,100	2.16%
8	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	935,258	2.02%
9	PEOPLES'S LEASING & FINANCE PLC/MR.R.H.ABEYGOONEWARDENA & Ms.V.F.ABEYGOONEWARDENA	917,837	1.98%
10	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	900,000	1.94%
11	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	721,622	1.56%
12	MR.W.W.K.M.WEERASOORIYA	487,803	1.05%
13	MR.H.M.L.M.B.HEENKENDA	472,260	1.02%
14	MR.E.KARTHIK	429,500	0.93%
15	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	362,496	0.78%
16	THE FINANCE COMPANY PLC A/C NO 1	350,000	0.76%
17	MR.H.K.DASSANAYAKE	285,653	0.62%
18	HOTEL INTERNATIONAL LTD.	260,000	0.56%
19	MR. I.M.KOTIGALA	256,224	0.55%
20	PEOPLE'S LEASING & FINANCE PLC/MR.M.N.M.IMDAAD	247,782	0.54%
	<b>Sub total of Top 20 Share Holders</b>	<b>33,097,174</b>	<b>71.49%</b>
	Others	13,202,049	28.51%
	<b>Total</b>	<b>46,299,223</b>	<b>100.00%</b>

The percentage of shares held by the public as at 31st March 2017 is 46.74% (with 2,059 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.A.M.WEERASINGHE	614,454	7.67%
4	ASKOLD (PRIVATE) LIMITED	240,000	3.00%
5	MR.M.J. FERNANDO	208,999	2.61%
5	MR.H.N.ESUFALLY	208,999	2.61%
7	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
8	WALDOCK MACKENZIE LTD/MR. H.M. ABDULHUSSEIN	179,304	2.24%
9	MR. M.A.H.ESUFALLY	160,000	2.00%
9	MR. A.N.ESUFALLY	160,000	2.00%
11	MR.G.H.I.JAFFERJEE	156,749	1.96%
12	MR.Y.H.ABDULHUSSEIN	146,106	1.82%
13	SEYLAN BANK PLC/SASHIMAAL RUHASH FERNANDO	129,153	1.61%
14	MRS. S.E. LOKHANDWALLA	119,869	1.50%
15	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	114,000	1.42%
16	JAFFERJEE INVESTMENTS (PVT) LTD.	104,499	1.31%
16	GOLD INVESTMENT LIMITED.	104,499	1.31%
16	MR.M.A.VALABHI	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>5,535,531</b>	<b>69.14%</b>
	Others	2,470,453	30.86%
	<b>Total</b>	<b>8,005,984</b>	<b>100.00%</b>

The percentage of shares held by the public as at 31st March 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 March 2017

Ordinary Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	1,000
Peoples Leasing & Finance PLC/Mr. W.P.C.M. Nanayakkara	1,676,512
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	4,403
Peoples Leasing & Finance PLC /Mr.R.H. & Mrs.V.F.Abeygoonewardena	917,837
Prof. 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	-
Peoples Leasing & Finance PLC /Mr. S.V. Munasinghe	1,000,100
Ms. U.R. Seneviratne	-
Prof. S.P.P. Amaraturunge	-
	<b>4,668,125</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. & Mrs.V.F.Abeygoonewardena	5,447
Prof. 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	-
Prof. S.P.P. Amaraturunge	-
	<b>14,907</b>

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Highest Price	72.00	99.00	67.50	80.00
Lowest Price	56.10	72.00	48.00	61.00
Last Traded	64.20	75.00	48.10	68.00

## 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 2015/16 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 March 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 March 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 March 2017**

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

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A		Not Traded	
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	99.89	99.80	99.82
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)	12.6%
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**Current Yield & Yield to Maturity**

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

Debenture Type	Current Yield %	Yield to Maturity %
Type A		Not Traded
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	13.32%	14.64%
Type B		Not Traded

Debt Equity Ratio 123%

Quick Asset Ratio (Times) 0.73

Interest Cover (Times) 1.34

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
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					

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Selected Performance Indicators

Indicator	Company	
	As at 31-03-2017	As at 31-03-2016
<b>Asset Quality (Rs. 000)</b>		
Gross Non- Performing Accommodations **	1,347,155	1,412,121
Gross Non- Performing Accommodations Ratio, %	3.08%	3.62%
Net Non- Performing Accommodations Ratio, %	1.05%	1.56%
<b>Liquidity (Rs. 000)</b>		
Required Minimum amount of Liquid Assets	3,648,520	3,403,962
Available amount of Liquid Assets	4,650,390	6,664,229
Required Minimum amount of Government Securities	2,250,269	2,068,234
Available amount of Government Securities	2,945,424	5,115,654
<b>Capital Adequacy</b>		
Core Capital ( Tier 1 Capital)	5,699,421	4,838,296
Total Capital Base	6,527,801	4,845,213
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	12.3%	11.7%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	14.1%	11.7%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	21.7%	15.7%
<b>Profitability</b>		
Net Interest Margin (Annualized %)	5.5%	6.90%
Return on Average Assets- After Tax (Annualized %)	1.9%	2.27%
Return on Average Equity- After Tax (Annualized %)	17.8%	21.5%
<b>Memorandum information</b>		
Number of Employees	1,439	1,167
Number of Branches	57	50
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. R.H.Abeygoonewardena *FCMA(UK), ACMA(Sri), MCPM, CGMA*  
**Executive Director / Chief Operating Officer**

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)**

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

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

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

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

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

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

### 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@slt.net.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

### Bankers

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Deutsche Bank  
Habib Bank  
Hatton National Bank PLC  
National Development Bank PLC  
Nations Trust Bank PLC  
Pan Asia Banking Corporation  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC





Citizens Development Business Finance PLC  
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