

# INTERIM FINANCIAL STATEMENTS

*FOR THE QUARTER ENDED 30TH JUNE 2016*

**Citizens Development Business Finance PLC**

No 123, Orabipasha Mawatha, Colombo 10



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Company			Group		
	For the Quarter ended 30th June			For the Quarter ended 30th June		
	2016	2015	Change	2016	2015	Change
	Rs.	Rs.	%	Rs.	Rs.	%
<b>Revenue</b>	<b>2,033,994,575</b>	<b>1,744,255,102</b>	<b>17%</b>	<b>2,051,236,249</b>	<b>1,759,978,155</b>	<b>17%</b>
Interest Income	1,801,928,409	1,564,918,232	15%	1,816,402,649	1,580,587,285	15%
Less: Interest Expenses	1,057,151,545	830,610,255	27%	1,056,404,565	832,380,031	27%
<b>Net Interest Income</b>	<b>744,776,864</b>	<b>734,307,977</b>	<b>1%</b>	<b>759,998,084</b>	<b>748,207,254</b>	<b>2%</b>
Fees and Commission Income	46,811,702	46,917,077	0%	48,967,257	46,917,077	4%
<b>Net Interest, Fee and Commission Income</b>	<b>791,588,566</b>	<b>781,225,054</b>	<b>1%</b>	<b>808,965,341</b>	<b>795,124,331</b>	<b>2%</b>
Other Operating Income	185,254,464	132,419,793	40%	185,866,343	132,473,793	40%
<b>Total Operating Income</b>	<b>976,843,030</b>	<b>913,644,847</b>	<b>7%</b>	<b>994,831,684</b>	<b>927,598,124</b>	<b>7%</b>
Less : Impairment Charge on Financial Assets & Other Credit Lossess	94,982,523	114,913,282	-17%	96,282,523	114,969,166	-16%
<b>Net Operating Income</b>	<b>881,860,507</b>	<b>798,731,565</b>	<b>10%</b>	<b>898,549,161</b>	<b>812,628,958</b>	<b>11%</b>
<b>Less:</b>						
Personnel Expenses	214,458,787	168,035,398	28%	219,828,043	169,981,648	29%
Premises, Equipment and Establishment Expenses	246,672,193	242,308,011	2%	250,794,947	243,811,467	3%
Other Expenses	86,591,120	78,743,321	10%	90,323,890	79,663,591	13%
Total Operating Expenses	547,722,100	489,086,730	12%	560,946,880	493,456,706	14%
<b>Operating Profit Before Value Added Tax (VAT) on Financial Services, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)</b>	<b>334,138,407</b>	<b>309,644,835</b>	<b>8%</b>	<b>337,602,281</b>	<b>319,172,252</b>	<b>6%</b>
Less: VAT, NBT and CIL	56,834,323	39,618,705	43%	57,384,080	40,799,085	41%
<b>Profit Before Tax</b>	<b>277,304,084</b>	<b>270,026,130</b>	<b>3%</b>	<b>280,218,201</b>	<b>278,373,167</b>	<b>1%</b>
Income Tax Expense	60,675,389	58,237,124	4%	61,757,163	60,609,209	2%
<b>Profit for the Period</b>	<b>216,628,695</b>	<b>211,789,006</b>	<b>2%</b>	<b>218,461,038</b>	<b>217,763,958</b>	<b>0%</b>
<b>Profit Attributable to:</b>						
Equity Holders of the Company	216,628,695	211,789,006	2%	218,284,767	216,918,086	1%
Non-Controlling Interests	-	-		176,271	845,872	-79%
<b>Profit for the Period</b>	<b>216,628,695</b>	<b>211,789,006</b>	<b>2%</b>	<b>218,461,038</b>	<b>217,763,958</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	(4,485,591)	(4,485,593)	0%	(4,485,591)	(4,485,593)	0%
	(4,485,591)	(4,485,593)	0%	(4,485,591)	(4,485,593)	0%
<b>Items that are or may be reclassified to Profit or Loss</b>						
Net Change in Fair Value of Available for Sale Financial Asset	(36,196,713)	(65,311,200)	-45%	(37,300,737)	(65,311,200)	-43%
	(36,196,713)	(65,311,200)	-45%	(37,300,737)	(65,311,200)	-43%
Other Comprehensive Income	(40,682,304)	(69,796,793)	-42%	(41,786,328)	(69,796,793)	-40%
<b>Total Comprehensive Income</b>	<b>175,946,391</b>	<b>141,992,213</b>	<b>24%</b>	<b>176,674,710</b>	<b>147,967,165</b>	<b>19%</b>
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Company	175,946,391	141,992,213	24%	176,604,647	147,121,293	20%
Non-Controlling Interests	-	-		70,063	845,872	-92%
<b>Total Comprehensive Income</b>	<b>175,946,391</b>	<b>141,992,213</b>	<b>24%</b>	<b>176,674,710</b>	<b>147,967,165</b>	<b>19%</b>
<b>Earnings per share:</b>						
Basic Earnings per Share	3.99	3.90		4.02	4.01	

Figures in brackets indicate deductions.

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

**Statement of Financial Position**

As at	Company		Group	
	30-06-2016 Rs.	Audited 31-03-2016 Rs.	30-06-2016 Rs.	Audited 31-03-2016 Rs.
<b>Assets</b>				
Cash and Cash Equivalents	965,277,686	722,351,389	987,372,073	729,789,337
Financial Instruments Held for Trading	129,848,096	121,963,136	129,848,096	121,963,136
Loans and Receivable to Banks	1,549,609,355	2,967,869,560	1,549,609,355	2,979,124,401
Deposits with Licensed Commercial Banks	1,864,287,185	1,602,179,104	1,864,287,185	1,610,310,601
Loans and Advances to Customers	38,930,027,881	38,538,920,189	39,159,881,831	38,753,565,171
Investment Securities	3,438,417,021	3,272,075,270	3,490,683,081	3,305,826,584
Investment in Subsidiary	509,917,733	509,917,734	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,578,074,515	1,606,958,136	1,581,289,984	1,610,637,819
Intangible Assets	65,364,011	68,319,145	68,012,163	71,364,171
Goodwill on Consolidation	-	-	244,179,431	244,179,431
Other Assets	1,382,116,621	1,195,560,588	1,385,669,227	1,199,128,682
<b>Total Assets</b>	<b>50,433,138,081</b>	50,626,312,228	<b>50,481,030,403</b>	50,646,087,310
<b>Liabilities</b>				
Deposits From Customers	30,433,308,637	30,887,693,800	30,390,429,718	30,803,916,225
Debt Securities Issued	2,047,015,554	1,044,135,005	2,047,015,554	1,044,135,005
Other Interest Bearing Borrowings	10,279,565,454	11,301,685,401	10,291,669,759	11,309,582,401
Current Tax Liabilities	177,686,817	109,133,435	179,631,087	111,020,227
Deferred Tax Liabilities	479,764,585	479,764,584	481,839,852	481,839,851
Retirement Benefit Obligations	70,277,441	53,036,495	70,277,441	53,036,495
Other Liabilities	1,717,604,708	1,698,895,014	1,737,821,234	1,736,886,058
<b>Total Liabilities</b>	<b>45,205,223,196</b>	45,574,343,734	<b>45,198,684,645</b>	45,540,416,262
<b>Equity</b>				
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	1,765,903,864	1,802,100,577	1,766,698,054	1,803,892,583
Retained Earnings	2,276,949,376	2,064,806,272	2,300,028,017	2,086,228,841
Total Equity Attributable to Equity Holders of the Company	5,227,914,885	5,051,968,494	5,251,787,716	5,075,183,069
Non-Controlling Interests	-	-	30,558,042	30,487,979
<b>Total Equity</b>	<b>5,227,914,885</b>	5,051,968,494	<b>5,282,345,758</b>	5,105,671,048
<b>Total Equity and Liabilities</b>	<b>50,433,138,081</b>	50,626,312,228	<b>50,481,030,403</b>	50,646,087,310
<b>Net Assets Value per Share</b>	<b>96.27</b>	93.03	<b>96.71</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

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

27th July 2016

Colombo

**Sgd.**

**C.M Nanayakkara**

Managing Director/ CEO

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Company

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-sale reserve Rs	Statutory Reserve Fund Rs	Retained Earnings Rs	Total Rs
Balance as at 1st April 2015	1,185,061,645	171,072,990	854,209,725	638,301,144	1,453,358,036	4,302,003,540
Profit for the Period					211,789,006	211,789,006
Other comprehensive income for the Period						
Remeasurement of defined benefit liability/(asset) Net actuarial gains/(losses) on defined benefit plan					(4,485,593)	(4,485,593)
Fair value reserve (Available for sale financial assets) Net change in fair value			(65,311,200)			(65,311,200)
	1,185,061,645	171,072,990	788,898,525	638,301,144	1,660,661,449	4,443,995,753
<b>Transactions with equity holders of the Company</b>						
Dividends to equity holders for year- 2014/2015					(190,068,225)	(190,068,225)
Net transfers during the period						-
<b>Balance as at 30th June 2015</b>	<b>1,185,061,645</b>	<b>171,072,990</b>	<b>788,898,525</b>	<b>638,301,144</b>	<b>1,470,593,224</b>	<b>4,253,927,528</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					216,628,695	216,628,695
Other comprehensive income for the Period						
Remeasurement of defined benefit liability/(asset) Net actuarial gains/(losses) on defined benefit plan					(4,485,591)	(4,485,591)
Fair value reserve (Available for sale financial assets) Net change in fair value			(36,196,713)			(36,196,713)
	1,185,061,645	213,672,991	712,899,101	839,331,772	2,276,949,376	5,227,914,885
<b>Transactions with equity holders of the Company</b>						
Net transfers during the period						-
<b>Balance as at 30th June 2016</b>	<b>1,185,061,645</b>	<b>213,672,991</b>	<b>712,899,101</b>	<b>839,331,772</b>	<b>2,276,949,376</b>	<b>5,227,914,885</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	638,779,550	1,460,464,302	4,309,588,212	29,783,570	4,339,371,782
Profit for the Period					216,918,086	216,918,086	845,872	217,763,958
Other comprehensive income for the Period								
Remeasurement of defined benefit liability/(asset) Net actuarial gains/(losses) on defined benefit plan					(4,485,593)	(4,485,593)		(4,485,593)
Fair value reserve (Available for sale financial assets) Net change in fair value			(65,311,200)			(65,311,200)		(65,311,200)
	1,185,061,645	171,072,990	788,898,525	638,779,550	1,672,896,795	4,456,709,505	30,629,442	4,487,338,947
<b>Transactions with equity holders of the Company</b>								
Dividends to equity holders for year- 2014/2015					(190,068,225)	(190,068,225)		(190,068,225)
Net transfers during the period								-
<b>Balance as at 30th June 2015</b>	<b>1,185,061,645</b>	<b>171,072,990</b>	<b>788,898,525</b>	<b>638,779,550</b>	<b>1,482,828,570</b>	<b>4,266,641,280</b>	<b>30,629,442</b>	<b>4,297,270,722</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					218,284,767	218,284,767	176,271	218,461,038
Other comprehensive income for the Period								
Remeasurement of defined benefit liability/(asset) Net actuarial gains/(losses) on defined benefit plan					(4,485,591)	(4,485,591)		(4,485,591)
Fair value reserve ( available for sale financial assets) Net change in fair value			(37,194,529)			(37,194,529)	(106,208)	(37,300,737)
	1,185,061,645	213,672,991	712,431,322	840,593,741	2,300,028,017	5,251,787,716	30,558,042	5,282,345,758
<b>Transactions with equity holders of the Company</b>								
Net transfers during the period								-
<b>Balance as at 30th June 2016</b>	<b>1,185,061,645</b>	<b>213,672,991</b>	<b>712,431,322</b>	<b>840,593,741</b>	<b>2,300,028,017</b>	<b>5,251,787,716</b>	<b>30,558,042</b>	<b>5,282,345,758</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Period ended	Company		Group	
	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.
Cash Flow from Operating Activities				
Interest Receipts	1,772,760,411	1,555,939,550	1,789,749,541	1,572,047,339
Commission Receipts	56,544,422	44,900,621	58,663,780	44,900,621
Other Income Receipts	168,528,978	71,175,773	168,705,481	72,319,889
Interest Payments	(979,219,823)	(830,610,255)	(980,632,606)	(693,366,962)
Fee and Business Promotion Expenses	(28,034,021)	(15,148,862)	(28,034,021)	(15,148,862)
Employee Related Payments	(201,703,441)	(162,025,794)	(206,760,065)	(163,913,203)
Supplier Payments	(300,962,017)	(58,960,541)	(328,086,293)	(60,296,362)
Financial Expenses	(3,136,606)	(2,991,919)	(3,181,688)	(3,014,133)
<b>Operating Profit Before Changes in Operating Assets</b>	<b>484,777,903</b>	<b>602,278,573</b>	<b>470,424,130</b>	<b>753,528,327</b>
(Increase)/Decrease in Operating Assets				
Investments in Licensed Commercial Bank	(262,108,081)	(9,853,498)	(221,533,010)	254,942
Investments in Government Securities	1,226,878,423	89,052,827	1,229,364,041	76,675,843
Net Funds Advanced to Customers	(486,090,215)	(2,048,158,992)	(541,155,975)	(2,024,047,456)
Changes in Other Short Term Assets	(109,033,333)	(157,179,996)	(110,637,516)	(157,179,996)
Inventories	(58,087,413)	(84,119,860)	(58,087,413)	(84,119,860)
	796,337,284	(1,607,980,946)	768,374,257	(1,434,888,200)
Increase/(Decrease) in Operating Liabilities				
Borrowings	(1,100,051,669)	1,780,828,055	(1,057,975,974)	1,684,225,265
Deposits from Customers	(454,385,163)	44,239,034	(450,177,858)	(48,530,438)
	(1,554,436,832)	1,825,067,089	(1,508,153,832)	1,635,694,827
<b>Net Cash Generated / (used in) from Operating Activities</b>	<b>(758,099,548)</b>	<b>217,086,143</b>	<b>(739,779,575)</b>	<b>200,806,627</b>
Gratuity Paid / Contribution to Plan Assets	-	(45,211,448)	-	(45,211,448)
Taxation	-	(6,293,683)	-	(7,865,495)
	(758,099,548)	165,581,012	(739,779,575)	147,729,684
<b>Cash Flow from Investing Activities</b>				
Dividend Receipts	13,480,887	11,340,000	13,916,263	11,340,000
Investment in Government Securities/Quoted Shares- Trading	(8,365,362)	-	(8,365,362)	-
Investment in Quoted Shares - AFS	(11,156,682)	-	(11,156,682)	-
Purchase of Property, Plant & Equipment	(19,327,056)	(73,628,408)	(19,327,056)	(73,628,408)
Proceed from Sale of Property, Plant and Equipment	4,275,001	-	4,275,001	-
<b>Net Cash (used in)/ from Investing Activities</b>	<b>(21,093,212)</b>	<b>(62,288,408)</b>	<b>(20,657,836)</b>	<b>(62,288,408)</b>
<b>Cash Flow from Financing Activities</b>				
Dividend Paid	-	-	-	-
Net change in Debentures	1,002,880,549	-	1,002,880,549	-
<b>Net Cash Inflows/ (out flows) from Financing Activities</b>	<b>1,002,880,549</b>	<b>-</b>	<b>1,002,880,549</b>	<b>-</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	223,687,789	103,292,604	242,443,138	85,495,276
Cash and Cash Equivalents at the beginning of the Year	(133,172,907)	65,575,108	(131,469,364)	87,909,226
Cash and Cash Equivalents at the end of the Year	<b>90,514,882</b>	<b>168,867,712</b>	<b>110,973,774</b>	<b>173,404,502</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	335,728,397
Bank Overdraft	(855,524,296)	(247,819,171)	(861,258,701)	(247,819,171)
	(133,172,907)	65,575,108	(131,469,364)	87,909,226
Cash and Cash Equivalents at the end of the Year				
Cash at Bank and In Hand	965,277,686	491,044,285	987,372,073	495,581,075
Bank Overdraft	(874,762,804)	(322,176,573)	(876,398,299)	(322,176,573)
	<b>90,514,882</b>	<b>168,867,712</b>	<b>110,973,774</b>	<b>173,404,502</b>

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Company

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.
Interest	1,415,409,657	1,216,375,270	288,307,646	247,204,507	98,211,106	101,338,455	1,801,928,409	1,564,918,232
Non Interest Income							232,066,166	179,336,870
Total Revenue	1,415,409,657	1,216,375,270	288,307,646	247,204,507	98,211,106	101,338,455	2,033,994,575	1,744,255,102
<b>Segmental Results</b>	<b>1,415,409,657</b>	<b>1,216,375,270</b>	<b>288,307,646</b>	<b>247,204,507</b>	<b>98,211,106</b>	<b>101,338,455</b>	<b>2,033,994,575</b>	<b>1,744,255,102</b>
Unallocated Expenses							1,756,690,491	1,474,228,972
Profit from Operations							277,304,084	270,026,130
Income Tax Expenses							60,675,389	58,237,124
Profit for the Period							216,628,695	211,789,006
<b>Segment Assets</b>	<b>31,025,398,556</b>	24,843,302,042	<b>7,904,629,325</b>	5,427,894,986	<b>5,956,759,184</b>	5,439,820,006	<b>44,886,787,065</b>	35,711,017,034
<b>Unallocated Assets</b>							<b>5,546,351,016</b>	4,596,632,099
<b>Total Assets</b>							<b>50,433,138,081</b>	40,307,649,133

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.	30-06-2016 Rs.	30-06-2015 Rs.
Interest	1,425,300,666	1,220,334,934	292,130,029	258,544,448	98,971,954	101,707,903	1,816,402,649	1,580,587,285
Non Interest Income							234,833,600	179,390,870
Total Revenue	1,425,300,666	1,220,334,934	292,130,029	258,544,448	98,971,954	101,707,903	2,051,236,249	1,759,978,155
Segmental Results	1,425,300,666	1,220,334,934	292,130,029	258,544,448	98,971,954	101,707,903	2,051,236,249	1,759,978,155
Unallocated Expenses							1,771,018,048	1,481,604,988
Profit from Operations							280,218,201	278,373,167
Income Tax Expenses							61,757,163	60,609,209
Profit for the Period							218,461,038	217,763,958
Segment Assets	31,233,366,673	24,917,588,175	7,926,515,158	5,573,752,104	5,986,754,268	5,458,620,829	45,146,636,099	35,949,961,108
Unallocated Assets							5,334,394,304	4,436,131,227
Total Assets							50,481,030,403	40,386,092,335



## Shareholders' Information

## Twenty Largest Shareholders as at 30th June 2016

## Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED	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	1,393,669	3.01%
7	THE FINANCE COMPANY PLC A/C NO 1	1,250,000	2.70%
8	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	926,000	2.00%
9	MR.T.M.D.P. TENNAKON	858,258	1.85%
10	PEOPLES'S LEASING & FINANCE PLC/MR.R.H.ABEYGOONEWARDENA & Ms.V.F.ABEYGOONEWARDENA	843,318	1.82%
11	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	706,622	1.53%
12	MR.W.W.K.M.WEERASOORIYA	482,803	1.04%
13	MR.H.M.L.M.B.HEENKENDA	472,260	1.02%
14	MR.E.KARTHIK	428,817	0.93%
15	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	362,496	0.78%
16	MR.H.K.DASSANAYAKE	265,653	0.57%
17	MR.I.M.KOTIGALA	256,224	0.55%
18	MR.K.A.D.R.GUNASINGHE	216,167	0.47%
19	MR.P.V.R.S.ABEYSEKERA	215,833	0.47%
20	MR.A.A.S.KUMARA	206,167	0.45%
	<b>Sub total of Top 20 Share Holders</b>	<b>32,678,414</b>	<b>70.58%</b>
	Others	13,620,809	29.42%
	<b>Total</b>	<b>46,299,223</b>	<b>100.00%</b>

The percentage of shares held by the public as at 30th June 2016 is 49.78% (with 1997 public share holders)

## Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,182,093	14.77%
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	MR. M. A. H. ESUFALLY	160,000	2.00%
9	MR. G. H. I. JAFFERJEE	156,749	1.96%
10	MR. I.M. DABAH	154,499	1.93%
11	MR. YUSUF HUSSEINALLY ABDULHUSSEIN	131,106	1.64%
12	PAN ASIA BANKING CORPORATION PLC/S.R.FERNANDO	128,953	1.61%
13	WALDOCK MACKENZIE LTD/MR. H.M.S. ABDULHUSSEIN	115,028	1.44%
14	MRS. SAEMA ENAYAT LOKHANDWALLA	109,869	1.37%
15	JAFFERJEE'S INVESTMENTS (PVT) LTD.	104,499	1.31%
15	GOLD INVESTMENT LIMITED	104,499	1.31%
15	MR.M.A.VALABHJI	104,499	1.31%
18	DEUTSCHE BANK AG AS TRUSTEE TO CANDOR GROWTH FUND	104,365	1.30%
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>5,276,420</b>	<b>65.91%</b>
	Others	2,729,564	34.09%
	<b>Total</b>	<b>8,005,984</b>	<b>100.00%</b>

The percentage of shares held by the public as at 30th June 2016 is 86.78% (with 1872 public share holders)

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Directors' and Chief Executive Officer's Shareholding as at 30th June 2016

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	1,393,669
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	4,403
People's Leasing & Finance PLC/Mr. R.H. & Mrs. V.F. Abeygoonewardena	843,318
Prof. A. Dharmasiri	-
Mr. D.A. De Silva	-
Mr. T.M.D.P. Tennakoon	858,258
Assetline Leasing Company Ltd./Mr. T.M.D.P. Tennakoon	132,515
Mr. P.A.J. Jayawardena	500
People's Leasing & Finance PLC/Mr.S.V.Munasinghe	926,000
	<b>4,159,663</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
People's 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	7,262
Mr. P.A.J. Jayawardena	22
Mr. S.V. Munasinghe	-
	<b>14,907</b>

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
Highest Price	91.00	108.50	79.90	91.60
Lowest Price	74.50	84.60	65.00	72.60
Last Traded	83.00	102.20	74.00	89.50

## 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 The Company has declared a dividend of Rs. 3.50 per share on its Voting and Non Voting Ordinary shares amounting to Rs. 190,068,225/-
- 5 Number of Shares as at 30th June 2016 is as follows.

Ordinary Voting Shares	46,299,223
Ordinary Non Voting Shares	8,005,984
- 6 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.
- 7 Since 30th June 2016, there were no material events other than the above, that require adjustment to or disclosure in these Financial Statements.
- 8 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 30th June 2016**

**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	99.98	99.98	99.98
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)	11.89%
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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	12.85%	13.37%
Type B		Not Traded

Debt Equity Ratio	149%
Quick Asset Ratio (Times)	0.77
Interest Cover (Times)	1.26

## Selected Performance Indicators

Indicator	Company	
	As at 30-06-2016	As at 31-03-2016
<b>Asset Quality (Rs. 000)</b>		
Gross Non- Performing Accommodations, **	1,528,062	1,412,121
Gross Non- Performing Accommodations Ratio, %	3.87%	3.62%
Net Non- Performing Accommodations Ratio, %	1.79%	1.56%
<b>Liquidity (Rs. 000)</b>		
Required Minimum amount of Liquid Assets	3,325,323	3,403,962
Available amount of Liquid Assets	5,786,252	6,664,229
Required Minimum amount of Government Securities	2,250,269	2,068,234
Available amount of Government Securities	3,878,006	5,115,654
<b>Capital Adequacy (Rs. 000)</b>		
Core Capital ( Tier 1 Capital)	5,014,242	4,838,296
Total Capital Base	6,020,945	4,845,213
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	11.96%	11.72%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	14.37%	11.74%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	21.54%	15.69%
<b>Profitability</b>		
Interest Margin (Annualized %)	5.90%	6.90%
Return on Average Assets-After Tax (Annualized %)	1.71%	2.27%
Return on Average Equity- After Tax (Annualized %)	16.86%	21.49%
<b>Memorandum information</b>		
Number of Employees	1185	1167
Number of branches	54	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. Dharmasiri *B.Sc.Eng., MBA(Sri J), PhD(Sri J), MCMi(UK)*  
*Independent Non Executive Director*

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

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

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

Ms. U. R. Seneviratne *LLB*  
*Independent Non Executive Director*  
Appointed to the board with effect from 01 July 2016

### 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

### 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  
Union Bank PLC



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