

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2018

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		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Revenue	3,320,248,443	2,321,169,953	43%	11,674,271,454	8,591,218,471	36%
Interest income	2,896,717,330	2,047,732,487	41%	10,140,758,700	7,587,180,220	34%
Interest expense	1,885,451,559	1,297,022,496	45%	6,662,828,229	4,699,481,882	42%
Net interest income	1,011,265,771	750,709,991	35%	3,477,930,471	2,887,698,338	20%
Net fee and commission income	113,067,533	57,812,876	96%	405,986,357	219,503,400	85%
Other operating income	310,463,580	215,624,590	44%	1,127,526,397	784,534,851	44%
Total operating income	1,434,796,884	1,024,147,457	40%	5,011,443,225	3,891,736,589	29%
Less : Impairment charges and other credit losses on financial assets	84,669,389	55,491,214	53%	239,191,010	226,270,633	6%
Net operating income	1,350,127,495	968,656,243	39%	4,772,252,215	3,665,465,956	30%
Less : Operating expenses						
Personnel expenses	217,803,678	180,449,235	21%	1,047,153,977	879,609,007	19%
Premises, equipment and establishment expenses	338,824,122	293,317,405	16%	1,336,544,639	1,097,754,082	22%
Other expenses	107,204,672	25,275,648	324%	408,950,417	290,685,528	41%
Total operating expenses	663,832,472	499,042,288	33%	2,792,649,033	2,268,048,617	23%
Operating profit before value added tax (VAT), nation building tax (NBT) on financial services and crop insurance levy (CIL)	686,295,023	469,613,955	46%	1,979,603,182	1,397,417,339	42%
Less : Value added tax and other taxes	55,000,000	27,143,733	103%	272,696,079	169,916,213	60%
Profit before tax	631,295,023	442,470,222	43%	1,706,907,103	1,227,501,126	39%
Less : Income tax expense	40,457,918	55,012,989	-26%	285,629,160	220,986,176	29%
Profit for the period	590,837,105	387,457,233	52%	1,421,277,943	1,006,514,950	41%
Profit attributable to :						
Equity holders of the Company	590,837,105	387,457,233	52%	1,421,277,943	1,006,514,950	41%
Non-controlling interest	-	-		-	-	
Profit for the period	590,837,105	387,457,233	52%	1,421,277,943	1,006,514,950	41%
Other comprehensive income (net of tax)						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	8,488,082	(12,478,226)	-168%	(4,968,691)	(25,934,999)	-81%
Net change in revaluation surplus	59,638,000	328,071,000	-82%	59,638,000	328,071,000	-82%
Deferred tax on revaluation surplus	(168,386,957)	-		(168,386,957)	-	-100%
	(100,260,875)	315,592,774	-132%	(113,717,648)	302,136,001	-138%
Items that are or may be reclassified to profit or loss						
Net gain/(loss) on available-for-sale financial assets	134,715,672	73,159,831	84%	134,200,430	70,613,279	90%
	134,715,672	73,159,831	84%	134,200,430	70,613,279	90%
Other comprehensive income (net of tax)	34,454,797	388,752,605	-91%	20,482,782	372,749,280	-95%
Total comprehensive income for the period	625,291,902	776,209,838	-19%	1,441,760,725	1,379,264,230	5%
Total comprehensive income attributable to :						
Equity holders of the Company	625,291,902	776,209,838	-19%	1,441,760,725	1,379,264,230	5%
Non-controlling interest	-	-		-	-	
Total comprehensive income for the period	625,291,902	776,209,838	-19%	1,441,760,725	1,379,264,230	5%
Earnings per share						
Basic earnings per share	10.88	7.13		26.17	18.53	

Figures in brackets indicate deductions.

Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the Quarter ended 31st March			For the Year ended 31st March		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Revenue	3,385,281,861	2,359,298,634	43%	11,935,365,696	8,703,057,323	37%
Interest income	2,929,350,736	2,081,038,732	41%	10,343,697,994	7,685,823,575	35%
Interest expense	1,872,786,826	1,301,377,156	44%	6,705,126,609	4,707,708,328	42%
Net interest income	1,056,563,910	779,661,576	36%	3,638,571,385	2,978,115,247	22%
Net fee and commission income	144,585,950	61,588,767	135%	464,590,944	232,630,536	100%
Other operating income	311,345,175	216,671,135	44%	1,127,076,758	784,603,212	44%
Total operating income	1,512,495,035	1,057,921,478	43%	5,230,239,087	3,995,348,995	31%
Less : Impairment charges and other credit losses on financial assets	83,657,195	53,769,830	56%	247,908,249	232,206,084	7%
Net operating income	1,428,837,840	1,004,151,648	42%	4,982,330,838	3,763,142,911	32%
Less : Operating expenses						
Personnel expenses	227,252,730	184,951,977	23%	1,083,585,072	901,957,667	20%
Premises, equipment and establishment expenses	331,789,094	291,781,511	14%	1,358,788,322	1,112,627,095	22%
Other expenses	133,508,653	40,455,158	230%	448,771,084	316,153,568	42%
Total operating expenses	692,550,477	517,188,646	34%	2,891,144,478	2,330,738,330	24%
Operating profit before value added tax (VAT), nation building tax (NBT) on financial services and crop insurance levy (CIL)	736,287,363	486,963,002	51%	2,091,186,360	1,432,404,581	46%
Less : Value added tax and other taxes	62,743,396	27,925,629	125%	293,397,704	172,625,626	70%
Profit before tax	673,543,967	459,037,373	47%	1,797,788,656	1,259,778,955	43%
Less : Income tax expense	49,494,774	63,494,342	-22%	310,063,787	234,694,679	32%
Profit for the period	624,049,193	395,543,031	58%	1,487,724,869	1,025,084,276	45%
Profit attributable to :						
Equity holders of the Company	622,538,925	394,400,862	58%	1,482,836,046	1,022,774,436	45%
Non-controlling interest	1,510,268	1,142,169	32%	4,888,823	2,309,840	112%
Profit for the period	624,049,193	395,543,031	58%	1,487,724,869	1,025,084,276	45%
Other comprehensive income (net of tax)						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	8,432,747	(12,478,224)	-168%	(5,024,026)	(25,934,999)	-81%
Net change in revaluation surplus	59,638,000	328,071,000		59,638,000	328,071,000	
Deferred tax on revaluation surplus	(168,386,957)			(168,386,957)		
	(100,316,210)	315,592,776	-132%	(113,772,983)	302,136,001	-138%
Items that are or may be reclassified to profit or loss						
Net gain/(loss) on available-for-sale financial assets	138,540,192	74,971,675	85%	138,228,982	72,274,405	91%
	138,540,192	74,971,675	85%	138,228,982	72,274,405	91%
Other comprehensive income (net of tax)	38,223,982	390,564,451	-90%	24,455,999	374,410,406	-93%
Total comprehensive income for the period	662,273,175	786,107,482	-16%	1,512,180,868	1,399,494,682	8%
Total comprehensive income attributable to :						
Equity holders of the Company	660,787,858	784,791,013	-16%	1,507,297,368	1,397,025,041	8%
Non-controlling interest	1,485,317	1,316,469	13%	4,883,500	2,469,641	98%
Total comprehensive income for the period	662,273,175	786,107,482	-16%	1,512,180,868	1,399,494,682	8%
Earnings per share						
Basic earnings per share	11.46	7.26		27.31	18.83	

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Financial Position

As at	Company		Group	
	31-03-2018 Rs.	Audited 31-03-2017 Rs.	31-03-2018 Rs.	Audited 31-03-2017 Rs.
Assets				
Cash and cash equivalents	2,974,824,982	454,060,886	3,039,663,028	507,020,353
Financial instruments held-for-trading	290,791,892	163,041,242	324,703,892	163,041,242
Loans and receivables to banks	1,425,000,000	655,672,752	1,475,355,535	655,672,752
Deposits with licensed commercial banks	2,393,087,719	1,893,614,973	2,393,093,917	1,893,614,973
Loans and receivables to customers	59,778,546,682	43,189,010,000	60,962,225,567	43,605,197,173
Investment securities	3,665,829,631	3,563,432,005	3,671,107,016	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	2,029,221,923	1,839,091,339	2,042,775,516	1,841,767,912
Intangible assets	86,149,495	65,684,057	101,691,966	84,567,862
Goodwill on consolidation	-	-	244,179,431	244,179,431
Other assets	2,669,001,600	1,580,562,177	2,699,661,501	1,581,148,187
Total assets	75,842,569,634	53,934,285,142	76,974,655,346	54,233,452,853
Liabilities				
Deposits from customers	44,709,832,033	32,601,835,772	44,705,408,631	32,590,453,434
Debt securities issued	4,081,032,885	2,075,631,256	4,081,032,885	2,075,631,256
Other interest-bearing borrowings	15,114,485,597	10,957,016,763	15,831,489,545	11,117,537,538
Current tax liabilities	506,791,135	178,702,459	509,117,526	179,107,537
Deferred tax liabilities	797,108,112	628,721,153	823,489,261	638,986,722
Retirement benefit obligation	60,726,732	15,793,782	61,017,444	15,860,949
Other liabilities	3,079,736,140	1,235,419,457	3,326,266,332	1,300,953,577
Total liabilities	68,349,712,634	47,693,120,642	69,337,821,624	47,918,531,013
Equity				
Stated capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	2,711,794,908	2,402,087,846	2,722,991,141	2,406,392,166
Retained earnings	3,596,000,447	2,654,015,009	3,691,316,243	2,690,686,075
Total equity attributable to equity holders of the Company	7,492,857,000	6,241,164,500	7,599,369,029	6,282,139,886
Non-controlling interest	-	-	37,464,693	32,781,954
Total equity	7,492,857,000	6,241,164,500	7,636,833,722	6,314,921,840
Total liabilities and equity	75,842,569,634	53,934,285,142	76,974,655,346	54,233,452,853
Net assets value per share	137.98	114.93	139.94	115.68

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

30th May 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
Total comprehensive income for the period						
Profit for the period					1,006,514,950	1,006,514,950
Other comprehensive income for the period (net of tax)						
Remeasurement of defined benefit liability/(asset)					(25,934,999)	(25,934,999)
Net change in available-for-sale financial assets			70,613,279			70,613,279
Net change in revaluation surplus		328,071,000				328,071,000
Transactions with equity holders of the Company						
Dividends to equity holders					(190,068,224)	(190,068,224)
Net transfers during the period				201,302,990	(201,302,990)	-
Balance as at 31st March 2017	1,185,061,645	541,743,991	819,709,093	1,040,634,762	2,654,015,009	6,241,164,500
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
Total comprehensive income for the period						
Profit for the period					1,421,277,943	1,421,277,943
Other comprehensive income for the period (net of tax)						
Remeasurement of defined benefit liability/(asset)					(4,968,691)	(4,968,691)
Net change in available-for-sale financial assets			134,200,430			134,200,430
Deferred tax on revaluation surplus		(168,386,957)				(168,386,957)
Net change in revaluation surplus		59,638,000				59,638,000
Transactions with equity holders of the Company						
Dividends to equity holders					(190,068,225)	(190,068,225)
Net transfers during the period				284,255,589	(284,255,589)	-
Balance as at 31st March 2018	1,185,061,645	432,995,034	953,909,523	1,324,890,351	3,596,000,447	7,492,857,000

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
Total comprehensive income for the period								
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 (net of tax)								
Remeasurement of defined benefit liability/(asset)					(25,934,999)	(25,934,999)		(25,934,999)
Net change in available-for-sale financial assets			72,114,604			72,114,604	159,801	72,274,405
Net change in revaluation surplus		328,071,000				328,071,000		328,071,000
Transactions with equity holders of the Company								
Dividends to equity holders					(190,068,224)	(190,068,224)	(175,666)	(190,243,890)
Net transfers during the period				202,313,979	(202,313,979)			-
Balance as at 31st December 2016	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
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
Total comprehensive income for the period								
Profit for the period					1,482,836,046	1,482,836,046	4,888,823	1,487,724,869
Other comprehensive income for the period								
Remeasurement of defined benefit liability/(asset)					(5,024,026)	(5,024,026)		(5,024,026)
Net change in available-for-sale financial assets			138,234,305			138,234,305	(5,323)	138,228,982
Deferred tax on revaluation surplus		(168,386,957)				(168,386,957)		(168,386,957)
Net change in revaluation surplus		59,638,000				59,638,000		59,638,000
Transactions with equity holders of the Company								
Dividends to equity holders					(190,068,225)	(190,068,225)	(200,761)	(190,268,986)
Net transfers during the period				287,113,627	(287,113,627)			
Balance as at 31st March 2018	1,185,061,645	432,995,034	959,974,760	1,330,021,347	3,691,316,243	7,599,369,029	37,464,693	7,636,833,722

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the year ended	Company		Group	
	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.
Cash flow from operating activities				
Interest receipts	10,071,309,775	7,539,230,995	10,331,713,506	7,645,620,304
Commission receipts	354,773,127	234,890,612	386,076,119	247,842,623
Other income receipts	1,126,899,271	765,885,519	1,128,334,914	767,258,143
Interest payments	(5,708,842,548)	(4,727,522,361)	(5,784,897,039)	(4,740,024,405)
Fee and business promotion expenses	(99,363,786)	(67,036,477)	(99,363,786)	(80,472,783)
Employee related payments	(1,007,189,718)	(842,786,728)	(1,046,446,962)	(865,068,221)
Supplier payments	(1,099,449,615)	(1,051,732,325)	(1,123,485,951)	(1,079,705,143)
Financial expenses	(21,182,944)	(27,767,926)	(24,333,617)	(27,497,261)
Operating profit before changes in operating assets	3,616,953,562	1,823,161,309	3,767,597,184	1,867,953,257
(Increase)/Decrease in operating assets				
Investments in licensed commercial banks and other financial institutions	(455,156,388)	2,020,760,939	(455,156,388)	2,062,075,425
Investments in Government securities	(709,631,013)	(177,737,385)	(721,380,709)	(177,737,385)
Net funds advanced to customers	(16,001,859,923)	(4,828,411,219)	(16,900,485,486)	(5,125,891,137)
Changes in other short-term assets	(1,045,177,520)	(241,335,448)	(1,134,794,730)	(248,573,256)
Inventories	7,952,327	(103,843,496)	7,952,327	(103,843,496)
	(14,586,918,955)	(1,507,405,300)	(15,436,267,802)	(1,726,016,592)
Increase/(Decrease) in operating liabilities				
Borrowings	3,683,083,330	(344,668,639)	4,526,346,888	(45,529,318)
Deposits from customers	11,628,396,085	1,742,182,452	11,627,537,704	1,742,182,451
	15,311,479,415	1,397,513,813	16,153,884,592	1,696,653,133
Net Cash Generated / (used in) from operating activities	724,560,460	(109,891,487)	717,616,790	(29,363,459)
Contribution to Plan Assets	-	(90,272,803)	-	(90,272,803)
Taxation	(39,708,942)	(85,438,521)	(42,646,991)	(97,420,755)
	684,851,518	(285,602,811)	674,969,799	(217,057,017)
Cash flow from investing activities				
Dividend receipts	20,410,653	16,428,043	21,128,753	16,882,339
Investment in Government securities/quoted shares- Trading	(176,343,191)	(44,236,306)	(176,343,191)	(44,236,306)
Investment in quoted shares - AFS	-	(43,006,072)	-	(43,006,072)
Purchase of property, plant & equipment	(390,797,000)	(117,236,065)	(403,689,751)	(135,561,028)
Proceed from sale of property, plant & equipment	6,000,000	11,025,000	6,000,000	11,025,000
Net cash (used in)/ from investing activities	(540,729,538)	(177,025,400)	(552,904,189)	(194,896,067)
Cash flow from financing activities				
Dividend paid	(190,068,225)	(190,068,225)	(190,268,986)	(191,894,276)
Net change debentures	2,005,401,629	1,031,496,251	2,005,401,629	1,031,496,251
Net cash inflows/ (out flows) from financing activities	1,815,333,404	841,428,026	1,815,132,643	839,601,975
Net increase/(decrease) in cash and cash equivalents	1,959,455,384	378,799,815	1,937,198,253	427,648,891
Cash and cash equivalents at the beginning of the period	245,626,908	(133,172,907)	296,179,527	(131,469,364)
Cash and cash equivalents at the end of the period	2,205,082,292	245,626,908	2,233,377,780	296,179,527
Cash and cash equivalents at the beginning of the period				
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)
Cash and cash equivalents at the end of the period				
Cash at bank and in hand	2,974,824,982	454,060,886	3,039,663,028	507,020,353
Bank overdraft	(769,742,690)	(208,433,978)	(806,285,248)	(210,840,826)
	2,205,082,292	245,626,908	2,233,377,780	296,179,527

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	
	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.
Interest	6,983,232,739	5,744,819,479	2,598,829,681	1,399,160,562	558,696,280	443,200,179	10,140,758,700	7,587,180,220
Non interest income							1,533,512,754	1,004,038,251
Segment revenue	6,983,232,739	5,744,819,479	2,598,829,681	1,399,160,562	558,696,280	443,200,179	11,674,271,454	8,591,218,471
Total revenue	6,983,232,739	5,744,819,479	2,598,829,681	1,399,160,562	558,696,280	443,200,179	11,674,271,454	8,591,218,471
Unallocated expenses							9,967,364,351	7,363,717,345
Profit from operations							1,706,907,102	1,227,501,126
Income tax expense							285,629,160	220,986,176
Profit for the period							1,421,277,942	1,006,514,950
Segment assets	41,441,014,395	32,293,567,779	18,337,532,287	10,895,442,221	10,749,534,224	6,785,678,705	70,528,080,907	49,974,688,705
Unallocated assets							5,314,488,727	3,959,596,437
Total assets							75,842,569,634	53,934,285,142

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.	31-03-2018 Rs.	31-03-2017 Rs.
Interest	7,215,541,298	5,831,664,857	2,560,910,886	1,406,322,644	567,245,810	447,836,074	10,343,697,994	7,685,823,575
Non interest income							1,591,667,702	1,017,233,748
Segment revenue	7,215,541,298	2,847,711,150	2,560,910,886	615,786,676	567,245,810	447,836,074	11,935,365,696	8,703,057,323
Total revenue	7,215,541,298	2,847,711,150	2,560,910,886	615,786,676	567,245,810	447,836,074	11,935,365,696	8,703,057,323
Unallocated expenses							10,137,577,040	7,443,278,368
Profit from operations							1,797,788,656	1,259,778,955
Income tax expense							310,063,787	234,694,679
Profit for the period							1,487,724,869	1,025,084,276
Segment assets	42,612,704,764	32,739,517,335	18,349,520,805	10,865,679,838	10,903,923,388	5,122,111,809	71,866,148,956	48,727,308,982
Unallocated assets							5,108,506,390	5,506,143,871
Total assets							76,974,655,346	54,233,452,853

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 31st March 2018

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	15,529,116	33.54
2	JANASHAKTHI INSURANCE PLC-EQUITY FUND	2,371,348	5.12
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	1,812,883	3.92
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	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	1,100,000	2.38
9	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,000,100	2.16
10	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	935,258	2.02
11	PEOPLE'S LEASING & FINANCE PLC/ MR. R.H. & MRS. V.F. ABEYGOONEWARDENA	917,837	1.98
12	FIRST CAPITAL LIMITED	570,247	1.23
13	MR.WARNAKULA WEERASOORIYA KINGSLY MALCOM WEERASOORIYA	487,803	1.05
14	MR. HEENKENDA MUDIYANSELAGE LUCKSRI MADURANGA BANDARA HEENKENDA	472,260	1.02
15	MR.ELANGO VAN KARTHIK	429,500	0.93
16	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	392,496	0.85
17	MR.HASITHA KAUSHALYA DASSANAYAKE	285,653	0.62
18	MR.ISANKA MADHAWA KOTIGALA	256,224	0.55
19	PEOPLE'S LEASING & FINANCE PLC/MR.M.N.M.IMDAAD	247,782	0.54
20	MR. KURUPPU ARACHCHIGE DON RANJITH GUNASINGHE	227,167	0.49
	Sub total of Top 20 Share Holders	34,517,797	74.55
	Others	11,781,426	25.45
	Total	46,299,223	100.00

The percentage of shares held by the public as at 31st March 2018 is 46.01% (with 2,030 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	1,163,318	14.53
3	MR.AMARAKOON MUDIYANSELAGE WEERASINGHE	614,454	7.67
4	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	310,944	3.88
5	ASKOLD (PRIVATE) LIMITED	240,000	3.00
6	MR.HUSEIN NURUDDIN ESUFALLY	208,999	2.61
6	MR.MALIK JOSEPH FERNANDO	208,999	2.61
8	MR.YUSUF HUSSEINALLY ABDULHUSSEIN	205,032	2.56
9	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	161,683	2.02
10	MR.ABBASALLY NURUDDIN ESUFALLY	160,000	2.00
10	MR.MURTAZAALI ABIDHUSSEN HASSANALLY ESUFALLY	160,000	2.00
12	MR.GULZAR HUSSEIN IBRAHIM JAFFERJEE(DECEASED)	156,749	1.96
13	MISS.RUKAIYA HUSSEINALLY ABDULHUSSEIN	156,182	1.95
14	SEYLAN BANK PLC/S.R. FERNANDO	131,051	1.64
15	JAFFERJEE'S INVESTMENTS (PVT) LTD.	104,499	1.31
15	GOLD INVESTMENT LIMITED.	104,499	1.31
15	MR. MUKESH ABHAYKUMAR VALABHI	104,499	1.31
18	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	101,965	1.27
19	LAKDHANAVI LIMITED	100,000	1.25
20	SEYLAN BANK PLC/MR.DULEEP NISSANKA DALUWATTE	83,493	1.04
	Sub total of Top 20 Share Holders	5,812,958	72.61
	Others	2,193,026	27.39
	Total	8,005,984	100.00

The percentage of shares held by the public as at 31st March 2018 is 85.26% (with 1,788 public share holders)

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Directors' and Chief Executive Officer's Shareholding as at 31st March 2018

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	1,812,883
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
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/Tennakoon Mudiyanseelage Damith Prasanna 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. Amaratunge	-
	4,804,496

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. Amaratunge	-
	14,907

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Highest Price	85.00	72.00	76.00	67.50
Lowest Price	60.10	56.10	49.90	48.00
Last Traded	84.90	64.20	74.00	48.10

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 March 2018 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 Ms. U.R. Seneviratne has resigned as an Independent Non Executive Director with effect from 23 April 2018.
- 7 Twenty million (20,000,000) Subordinated, Listed, Rated (BBB) , Unsecured, Redeemable debentures at a price of 100/= were issued on 28 March 2018.
- 8 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".
- 9 The Board of Directors is considering an early adoption of SLFRS 9 - "Financial Instruments" with effect from 1 April 2017
- 10 Impact assessment on SLFRS 9 - "Financial Instruments" has been given in the subsequent notes to the Financial Statements.
- 11 Since 31st March 2018, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Impact Assessment on SLFRS 9 - "Financial Instruments"

The SLFRS 9 - "Financial Instruments" issued in 2014 with a date of initial application of 1 January 2018 with early adoption permitted. The requirements of SLFRS 9 - "Financial Instruments" represent a significant change from LKAS 39 - "Financial Instruments: Recognition and Measurement"

The nature and possible effects of the key changes to the Group's accounting policies resulting from transition to SLFRS 9 - "Financial Instruments" are summarized below.

Impact Area	SLFRS 9 Requirements	Group Stance	Possible Impact on Group's net assets as at 1 April 2017
Classification of Financial Assets	SLFRS 9 contains a new classification and measurement approach for financial assets which reflect the business model in which assets are managed and their cash flow characteristics. SLFRS 9 contains three initial recognition categories for financial assets namely financial assets measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) which replaces the existing categories in LKAS 39.	Both equity investments and debt securities that classified as held-for-trading as per LKAS 39 has been measured at FVTPL under SLFRS 9.	Possible increase in retained earnings and decrease in available for sale reserve by Rs. 822 Mn due to reclassification of available-for-sale equity shares as financial assets at FVTPL
		Quoted equity instruments that were classified under available-for-sale has been reclassified as financial assets at FVTPL based on the business model objectives and their cash flow characteristics.	
		Loans and receivables and Held-to-maturity investment securities has continued to be measured at amortized cost under SLFRS 9	
Impairment of Financial Assets	SLFRS 9 replaces the "Incurred Loss" model in LKAS 39 with a forward-looking "Expected Credit Loss" (ECL) model. This will require considerable judgment over how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.	The Group recognizes loss allowances for ECL on loans and receivables to customers, other financial assets measured at amortised cost and debt investments at FVOCI. Group measures loss allowance at an amount equal to life time ECL, except debt investments that are determined to have low credit risk at the reporting date.	Possible decrease in retained earnings by Rs. 203 Mn resulting from ECL on loans and receivables to customers. Further Rs. 0.36 Mn negative impact on retained earnings from ECL on other assets measured at amortised cost
		For credit impaired loans and receivables interest is recognized based on credit loss adjusted EIR.	
Hedge Accounting	The new hedge accounting requirements in SLFRS 9 are widely considered to represent a significant improvement compared to the complex and rules-based requirements in LKAS 39. SLFRS 9 is more principles-based, provides a better link to risk management and treasury operations and should result in more hedging strategies qualifying for hedge accounting.	No Impact since the Group is not exposed to any derivative financial instruments during the current reporting period	No significant impact

Information on Listed Debentures

Market Price For the Quarter ended 31st March 2018

Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	101.55	96.60	101.55
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		NOT TRADED	
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%)

Subordinated Listed Rated Unsecured Redeemable Debentures March 2018-March 2023

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

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate %	Annual Effective Rate %
Type A	Semi- annually	13.75	14.22%
Type B	Annually	14.2	14.20%

Interest Rates of Comparable Government Securities

5 Year Treasury Bond (Excluding 10% withholding Tax)	10.32%
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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	15.96%	15.60%
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		NOT TRADED
Type B		NOT TRADED

Subordinated Listed Rated Unsecured Redeemable Debentures March 2018-March 2023

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

Debt Equity Ratio	138%
Quick Asset Ratio (Times)	0.75
Interest Cover (Times)	1.82

Utilization of Funds Raised Via Capital Market

Debenture Issue March 2016

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					

Debenture Issue March 2018

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	Supporting the general business growth opportunities of the Company	LKR 2 BN	Within the 06 months from date of cash receipt	LKR 2 BN	100%	**LKR 2 BN	**100%	N/A
2	improving the Capital Adequacy of the Company's Balance Sheet, by strengthening its Tier II Capital		With effect from the closure of issue					
3	Reducing the mismatch of maturity periods between assets and liabilities		Within 12 months from date of cash receipt					

**

Debenture was allotted on 28th March 2018. Therefore the utilization of funds for objective 1 and 3 cannot be clearly mentioned

Selected Performance Indicators

Indicator	Company	
	As at 31-03-2018	As at 31-03-2017
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations **	1,866,028	1,347,155
Gross Non- Performing Accommodations Ratio %	3.07%	3.08%
Net Non- Performing Accommodations Ratio %	1.29%	1.05%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	4,994,271	3,648,520
Available Amount of Liquid Assets	7,032,569	4,650,390
Required Minimum Amount of Government Securities	2,468,228	2,250,269
Available Amount of Government Securities	3,660,306	2,945,424
Capital Adequacy		
Core Capital (Tier 1 Capital)	7,059,862	5,699,421
Total Capital Base	9,132,681	6,527,801
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)*	11.12%	12.32%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)*	14.39%	14.12%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	21.60%	21.65%
Profitability		
Net Interest Margin (Annualized %)	5.36%	5.52%
Return on Average Assets- After Tax (Annualized %)	2.19%	1.93%
Return on Average Equity- After Tax (Annualized %)	20.70%	17.83%
Memorandum information		
Number of Employees	1,588	1,439
Number of Branches	59	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 (Resigned w.e.f 23.04.2018)*
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 - Corporate Finance

Mr. S.V.Munasinghe
Executive Director - Sales

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
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank PLC



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