

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30TH JUNE 2017

Citizens Development Business Finance PLC

No 123, Orabipasha Mawatha, Colombo 10



Statement of Profit or Loss and Other Comprehensive Income

	Company			Group		
	For the Quarter ended 30th June			For the Quarter ended 30th June		
	2017 Rs.	2016 Rs.	Change %	2017 Rs.	2016 Rs.	Change %
Revenue	2,402,799,170	2,033,994,575	18%	2,451,851,162	2,051,236,249	20%
Interest income	2,115,318,790	1,801,928,409	17%	2,159,460,272	1,816,402,649	19%
Interest expense	1,397,725,940	1,057,151,545	32%	1,408,428,619	1,056,404,565	33%
Net interest income	717,592,850	744,776,864	-4%	751,031,653	759,998,084	-1%
Net fee and commission income	66,041,326	46,811,702	41%	70,481,364	48,967,257	44%
Other operating income	221,439,054	185,254,464	20%	221,909,526	185,866,343	19%
Total operating income	1,005,073,230	976,843,030	3%	1,043,422,543	994,831,684	5%
Less : Impairment charges and other credit losses on financial assets	13,211,054	94,982,523	-86%	17,640,180	96,282,523	-82%
Net operating income	991,862,176	881,860,507	12%	1,025,782,363	898,549,161	14%
Less : Operating expenses						
Personnel expenses	263,646,889	214,458,787	23%	271,288,289	219,828,043	23%
Premises, equipment and establishment expenses	297,263,418	246,672,193	21%	305,755,038	250,794,947	22%
Other expenses	103,326,816	86,591,120	19%	107,930,691	90,323,890	19%
Total operating expenses	664,237,123	547,722,100	21%	684,974,018	560,946,880	22%
Operating profit before value added tax (VAT), nation building tax (NBT) on financial services and crop insurance levy (CIL)	327,625,053	334,138,407	-2%	340,808,345	337,602,281	1%
Less : Value added tax and other taxes	53,012,883	56,834,323	-7%	55,641,559	57,384,080	-3%
Profit before tax	274,612,170	277,304,084	-1%	285,166,786	280,218,201	2%
Less : Income tax expense	63,473,185	60,675,389	5%	66,681,240	61,757,163	8%
Profit for the period	211,138,985	216,628,695	-3%	218,485,546	218,461,038	0%
Profit attributable to :						
Equity holders of the Company	211,138,985	216,628,695	-3%	217,778,807	218,284,767	0%
Non-controlling interest				706,739	176,271	301%
Profit for the period	211,138,985	216,628,695	-3%	218,485,546	218,461,038	0%
Other comprehensive income (net of tax)						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	(4,485,591)	(4,485,591)	0%	(4,485,591)	(4,485,591)	0%
	(4,485,591)	(4,485,591)	0%	(4,485,591)	(4,485,591)	0%
Items that are or may be reclassified to profit or loss						
Net gain/(loss) on available-for-sale financial assets	(714,329)	(36,196,713)	-98%	(516,509)	(37,300,737)	-99%
Net change in revaluation surplus						
	(714,329)	(36,196,713)	-98%	(516,509)	(37,300,737)	-99%
Other comprehensive income (net of tax)	(5,199,920)	(40,682,304)	-87%	(5,002,100)	(41,786,328)	-88%
Total comprehensive income for the period	205,939,065	175,946,391	17%	213,483,446	176,674,710	21%
Total comprehensive income attributable to :						
Equity holders of the Company	205,939,065	175,946,391	17%	212,757,676	176,604,647	20%
Non-controlling interest				725,770	70,063	936%
Total comprehensive income for the period	205,939,065	175,946,391	17%	213,483,446	176,674,710	21%
Earnings per share						
Basic earnings per share	3.89	3.99		4.01	4.02	

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Financial Position

As at	Company		Group	
	30-06-2017 Rs.	Audited 31-03-2017 Rs.	30-06-2017 Rs.	Audited 31-03-2017 Rs.
Assets				
Cash and cash equivalents	724,719,380	454,060,886	749,198,167	507,020,353
Financial instruments held-for-trading	191,348,393	163,041,242	191,348,393	163,041,242
Loans and receivables to banks	225,685,752	655,672,752	225,685,752	655,672,752
Deposits with licensed commercial banks	2,002,332,846	1,893,614,973	2,002,332,846	1,893,614,973
Loans and receivables to customers	45,311,119,991	43,189,010,000	45,838,341,289	43,605,197,173
Investment securities	3,620,234,470	3,563,432,005	3,753,189,987	3,637,044,991
Investment in subsidiaries	509,917,733	509,917,734		
Investment property	20,197,977	20,197,977	20,197,977	20,197,977
Property, plant & equipment	1,826,649,293	1,839,091,339	1,846,754,209	1,841,767,912
Intangible assets	63,832,007	65,684,057	63,832,007	84,567,862
Goodwill on consolidation	-	-	244,179,431	244,179,431
Other assets	1,898,916,383	1,580,562,177	1,934,301,328	1,581,148,187
Total assets	56,394,954,225	53,934,285,142	56,869,361,386	54,233,452,853
Liabilities				
Deposits from customers	35,043,125,668	32,601,835,772	35,043,125,668	32,590,453,434
Debt securities issued	2,058,906,162	2,075,631,256	2,058,906,162	2,075,631,256
Other interest-bearing borrowings	10,225,223,642	10,957,016,763	10,492,123,360	11,117,537,538
Current tax liabilities	258,418,740	178,702,459	265,814,148	179,107,537
Deferred tax liabilities	628,721,154	628,721,153	638,986,723	638,986,722
Retirement benefit obligation	33,029,373	15,793,782	33,029,373	15,860,949
Other liabilities	1,700,425,921	1,235,419,457	1,808,970,666	1,300,953,577
Total liabilities	49,947,850,660	47,693,120,642	50,340,956,100	47,918,531,013
Equity				
Stated capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	2,401,373,517	2,402,087,846	2,405,856,627	2,406,392,166
Retained earnings	2,860,668,403	2,654,015,009	2,903,979,291	2,690,686,075
Total equity attributable to equity holders of the Company	6,447,103,565	6,241,164,500	6,494,897,563	6,282,139,886
Non-controlling interest	-	-	33,507,723	32,781,954
Total equity	6,447,103,565	6,241,164,500	6,528,405,286	6,314,921,840
Total liabilities and equity	56,394,954,225	53,934,285,142	56,869,361,386	54,233,452,853
Net assets value per share	118.72	114.93	119.60	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

10th August 2017

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.	Reserves			Retained Earnings Rs.	Total Equity Rs.
		Revaluation Reserve Rs.	Available-for-Sale Reserve Rs.	Statutory Reserve Fund 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					216,628,695	216,628,695
Other comprehensive income for the period (net of tax)						
Re measurement of defined benefit liability/(asset)					(4,485,591)	(4,485,591)
Net change in available-for-sale financial assets			(36,196,713)			(36,196,713)
Net change in revaluation surplus						
Transactions with equity holders of the Company						
Dividends to equity holders						
Net transfers during the period						
Balance as at 30th June 2016	1,185,061,645	213,672,991	712,899,101	839,331,772	2,276,949,376	5,227,914,885
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					211,138,985	211,138,985
Other comprehensive income for the period (net of tax)						
Re measurement of defined benefit liability/(asset)					(4,485,591)	(4,485,591)
Net change in available-for-sale financial assets			(714,329)			(714,329)
Net change in revaluation surplus						
Transactions with equity holders of the Company						
Dividends to equity holders						
Net transfers during the period						
Balance as at 30th June 2017	1,185,061,645	541,743,991	818,994,764	1,040,634,762	2,860,668,403	6,447,103,565

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Reserves				Retained Earnings	Shareholders' Equity	Non-Controlling Interest	Total Equity
	Stated Capital	Revaluation Reserve	Available-for-sale reserve	Statutory Reserve Fund				
	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					218,284,767	218,284,767	176,271	218,461,038
Other comprehensive income for the period (net of tax)								
Remeasurement of defined benefit liability/(asset)					(4,485,591)	(4,485,591)		(4,485,591)
Net change in available-for-sale financial assets			(37,194,529)			(37,194,529)	(106,208)	(37,300,737)
Net change in revaluation surplus								
Transactions with equity holders of the Company								
Dividends to equity holders								
Net transfers during the period								
Balance as at 30th June 2016	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
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					217,778,807	217,778,807	706,739	218,485,546
Other comprehensive income for the period (net of tax)								
Remeasurement of defined benefit liability/(asset)					(4,485,591)	(4,485,591)		(4,485,591)
Net change in available-for-sale financial assets			(535,539)			(535,539)	19,030	(516,509)
Net change in revaluation surplus								
Transactions with equity holders of the Company								
Dividends to equity holders								
Net transfers during the period								
Balance as at 30th June 2017	1,185,061,645	541,743,991	821,204,916	1,042,907,720	2,903,979,291	6,494,897,563	33,507,723	6,528,405,286

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the period ended	Company		Group	
	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.
Cash flow from operating activities				
Interest receipts	2,095,135,790	1,772,760,411	2,139,152,403	1,789,749,541
Commission receipts	47,612,765	56,544,422	51,776,629	58,663,780
Other income receipts	196,528,021	168,528,978	197,046,121	168,705,481
Interest payments	(1,391,782,675)	(979,219,823)	(1,402,042,472)	(980,632,606)
Fee and business promotion expenses	(27,336,484)	(28,034,021)	(27,336,484)	(28,034,021)
Employee related payments	(250,896,889)	(201,703,441)	(258,454,917)	(206,760,065)
Supplier payments	(331,226,771)	(300,962,017)	(341,665,681)	(328,086,293)
Financial expenses	(5,688,690)	(3,136,606)	(5,715,806)	(3,181,688)
Operating profit before changes in operating assets	332,345,067	484,777,903	352,759,793	470,424,130
(Increase)/Decrease in operating assets				
Investments in licensed commercial banks and other financial institutions	321,269,128	(262,108,081)	321,269,128	(221,533,010)
Investments in Government securities	(31,407,780)	1,226,878,423	(91,821,012)	1,229,364,041
Net funds advanced to customers	(1,727,203,993)	(486,090,215)	(1,791,008,349)	(541,155,975)
Changes in other short-term assets	(302,697,723)	(109,033,333)	(300,164,024)	(110,637,516)
Inventories	2,482,268	(58,087,413)	2,482,268	(58,087,413)
	(1,737,558,100)	796,337,284	(1,859,241,989)	768,374,257
Increase/(Decrease) in operating liabilities				
Borrowings	(731,793,120)	(1,100,051,669)	(656,807,372)	(1,057,975,974)
Deposits from customers	2,435,346,631	(454,385,163)	2,435,346,631	(450,177,858)
	1,703,553,511	(1,554,436,832)	1,778,539,259	(1,508,153,832)
Net Cash Generated / (used in) from operating activities	298,340,478	(758,099,548)	272,057,063	(739,779,575)
Taxation	(16,243,096)	-	(17,875,653)	-
	282,097,382	(758,099,548)	254,181,410	(739,779,575)
Cash flow from investing activities				
Dividend receipts	18,191,990	13,480,887	18,710,090	13,916,263
Investment in Government securities/quoted shares- Trading	(21,298,299)	(8,365,362)	(21,298,299)	(8,365,362)
Investment in quoted shares - AFS	(26,109,014)	(11,156,682)	(26,109,014)	(11,156,682)
Purchase of property, plant & equipment	(42,570,884)	(19,327,056)	(42,570,884)	(19,327,056)
Proceed from sale of property, plant & equipment	-	4,275,001	-	4,275,001
Net cash (used in)/ from investing activities	(71,786,207)	(21,093,212)	(71,268,107)	(20,657,836)
Cash flow from financing activities				
Net change debentures	(16,725,094)	1,002,880,549	(16,725,094)	1,002,880,549
Net cash inflows/ (out flows) from financing activities	(16,725,094)	1,002,880,549	(16,725,094)	1,002,880,549
Net increase/(decrease) in cash and cash equivalents	193,586,081	223,687,789	166,188,209	242,443,138
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	439,212,989	90,514,882	462,367,736	110,973,774
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	724,719,380	965,277,686	749,198,167	987,372,073
Bank overdraft	(285,506,391)	(874,762,804)	(286,830,431)	(876,398,299)
	439,212,989	90,514,882	462,367,736	110,973,774

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	
	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.
Interest	1,503,652,599	1,415,409,657	484,477,255	288,307,646	127,188,937	98,211,106	2,115,318,790	1,801,928,409
Non Interest Income							287,480,380	232,066,166
Total Revenue	1,503,652,599	1,415,409,657	484,477,255	288,307,646	127,188,937	98,211,106	2,402,799,170	2,033,994,575
Segmental Results	1,503,652,599	1,415,409,657	484,477,255	288,307,646	127,188,937	98,211,106	2,402,799,170	2,033,994,575
Unallocated Expenses							2,128,187,000	1,756,690,491
Profit from Operations							274,612,170	277,304,084
Income Tax expenses							63,473,185	60,675,389
Profit for the Period							211,138,985	216,628,695
Segment Assets	32,948,203,082	31,025,398,556	12,362,916,908	7,904,629,325	4,788,644,625	5,956,759,184	50,099,764,615	44,886,787,065
Unallocated Assets							6,295,189,610	5,546,351,016
Total Assets							56,394,954,225	50,433,138,081

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.	30-06-2017 Rs.	30-06-2016 Rs.
Interest	1,541,812,854	1,425,300,666	486,094,848	292,130,029	131,552,570	98,971,954	2,159,460,272	1,816,402,649
Non Interest Income							292,390,890	234,833,600
Total Revenue	1,541,812,854	1,425,300,666	486,094,848	292,130,029	131,552,570	98,971,954	2,451,851,162	2,051,236,249
Segmental Results	1,541,812,854	1,425,300,666	486,094,848	292,130,029	131,552,570	98,971,954	2,451,851,162	2,051,236,249
Unallocated Expenses							2,166,684,376	1,771,018,048
Profit from Operations							285,166,786	280,218,201
Income Tax expenses							66,681,240	61,757,163
Profit for the Period							218,485,546	218,461,038
Segment Assets	33,552,034,326	31,233,366,673	12,379,744,183	7,926,515,158	4,891,395,173	5,986,754,268	50,823,173,682	45,146,636,099
Unallocated Assets							6,046,187,704	5,334,394,304
Total Assets							56,869,361,386	50,481,030,403

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 30th June 2017

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	15,529,116	33.54%
2	JANASHAKTHI GENERAL INSURANCE LIMITED	2,387,947	5.16%
3	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	2,314,961	5.00%
4	CEYLINCO GENERAL INSURANCE LIMITED	1,853,287	4.00%
5	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	1,789,725	3.87%
6	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,708,816	3.69%
7	PEOPLE'S LEASING & FINANCE PLC/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. & MRS. V.F. ABEGOONEWARDENA	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.WARNAKULA WEERASOORIYA KINGSLY MALCOM WEERASOORIYA	487,803	1.05%
13	MR.HEENKENDA MUDIYANSELAGE LUCKSRI MADURANGA BANDARA HEENKENDA	472,260	1.02%
14	MR.ELANGO VAN 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. HASITHA KAUSHALYA DASSANAYAKE	285,653	0.62%
18	HOTEL INTERNATIONAL (PRIVATE) LIMITED	260,000	0.56%
19	MR. ISANKA MADHAWA KOTIGALA	256,224	0.55%
20	PEOPLE'S LEASING & FINANCE PLC/MR.M.N.M.IMDAAD	247,782	0.54%
	Sub total of Top 20 Share Holders	33,210,387	71.73%
	Others	13,088,836	28.27%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 30th June 2017 is 46.49% (with 2,121 public share holders)

Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,336,592	16.69%
2	J.B. COCOSHELL (PVT) LTD	1,041,431	13.01%
3	MR.AMARAKOON MUDIYANSELAGE WEERASINGHE	614,454	7.67%
4	ASKOLD (PRIVATE) LIMITED	240,000	3.00%
5	WALDOCK MACKENZIE LTD/MR. H.M. ABDULHUSSEIN	213,304	2.66%
6	MR.HUSEIN NURUDDIN ESUFALLY	208,999	2.61%
7	MR. MALIK JOSEPH FERNANDO	208,999	2.61%
8	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
9	MR. ABBASALLY NURUDDIN ESUFALLY	160,000	2.00%
9	MR. MURTAZAALI ABIDHUSSEN HASSANALY ESUFALLY	160,000	2.00%
11	MR.GULZAR HUSSEIN IBRAHIM JAFFERJEE	156,749	1.96%
12	MR. YUSUF HUSSEINALLY ABDULHUSSEIN	151,106	1.89%
13	SEYLAN BANK PLC/S.R. FERNANDO	129,153	1.61%
14	MISS RUKAIYA HUSSEINALLY ABDULHUSSEIN	124,869	1.56%
15	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	116,300	1.45%
16	JAFFERJEE INVESTMENTS (PVT) LTD.	104,499	1.31%
16	GOLD INVESTMENT LIMITED.	104,499	1.31%
16	MR. VALABHJI MUKESH ABHAYKUMAR	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%
	Sub total of Top 20 Share Holders	5,581,831	69.72%
	Others	2,424,153	30.28%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 30th June 2017 is 86.78% (with 1,853 public share holders)

Directors' and Chief Executive Officer's Shareholding as at 30th June 2017

Ordinary Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	1,000
People's Leasing & Finance PLC/Mr.W.P.C.M.Nanayakkara	1,789,725
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	4,403
Peoples Leasing & Finance PLC/Mr.R.H. Abeygoonewardena & Mrs.V.F.Abeygoonewardena	917,837
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 / Mr.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	-
Prof. S.P.P. Amaraturunge	-
	4,781,338

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
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	-
	14,907

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30-06-2017	30-06-2016	30-06-2017	30-06-2016
Highest Price	76.00	91.00	66.50	79.90
Lowest Price	61.00	74.50	49.90	65.00
Last Traded	71.50	83.00	63.90	74.00

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 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 30th June 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 On 11th July 2017, the company paid its First and Final Dividend of Rs 3.50/- per share on its Voting and Non Voting Ordinary shares totalling to Rs. 190,068,225/- for financial year 2016/17.
- 7 Since 30th June 2017, 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 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	100.19	100.02	100.19
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)	11.42%
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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	13.51%	15.17%
Type B		Not Traded

Debt Equity Ratio	114%
Quick Asset Ratio (Times)	0.74
Interest Cover (Times)	1.28

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Utilization of Funds Raised Via Capital Market

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

Selected Performance Indicators

Indicator	Company	
	As at 30-06-2017	As at 31-03-2017
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations **	1,716,488	1,347,155
Gross Non- Performing Accommodations Ratio %	3.74%	3.08%
Net Non- Performing Accommodations Ratio %	1.79%	1.05%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	3,802,469	3,648,520
Available Amount of Liquid Assets	4,460,077	4,650,390
Required Minimum Amount of Government Securities	2,468,228	2,250,269
Available Amount of Government Securities	2,535,955	2,945,424
Capital Adequacy		
Core Capital (Tier 1 Capital)	5,905,360	5,699,421
Total Capital Base	6,541,841	6,527,801
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)*	12.16%	12.32%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)*	13.47%	14.12%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	20.16%	21.65%
Profitability		
Net Interest Margin (Annualized %)	5.20%	5.52%
Return on Average Assets- After Tax (Annualized %)	1.53%	1.93%
Return on Average Equity- After Tax (Annualized %)	13.31%	17.83%
Memorandum information		
Number of Employees	1,434	1,439
Number of Branches	57	57
Number of Service Centers	11	11
Number of Pawning Centers	1	1

* Including current year unaudited profit

** Net of Interest In Suspense

Corporate Information

Name of the Company

Citizens Development Business Finance PLC

Legal Form

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

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

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

Approved Credit Agency Under the

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

Date of Incorporation

07th September 1995

Registration Number

PB 232 PQ

Accounting Year

March 31

Board of Directors

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

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

Mr. Razik Mohamed *ACA*
Independent Non Executive Director

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

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

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

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

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

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

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

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

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

Registered Address of Head Office

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

Company Secretary

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

Company Auditors

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

Lawyers of the Company

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

Credit Rating [SL]BBB

Bankers

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



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