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9 February 2018

The Board of Directors  
Citizen Development Business Finance PLC  
No.123  
Orabipasha Mawatha  
Colombo 10.

Dear Sirs,

## **ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF CITIZEN DEVELOPMENT BUSINESS FINANCE PLC**

This report has been prepared for the inclusion in the Prospectus issued in connection with the Public Offer of Rated, Subordinated, Unsecured, Listed and Redeemable Debentures of Rs. 1 Billion, with an option to issue up to a further Rs. 1 Billion of said debentures.

We have examined the financial statements of Citizen Development Business Finance PLC ("the Company") for the financial years ended 31<sup>st</sup> March 2013 to 31<sup>st</sup> March 2017, included in the prospectus and report as follows.

### **1. INCORPORATION**

Citizen Development Business Finance PLC ("the Company") is a public limited liability company incorporated on 7th September 1995 and domiciled in Sri Lanka. The debentures of the Company have a primary listing on the Colombo Stock Exchange. It is licensed by Monetary Board of the Central Bank of Sri Lanka to provide vast range of financial services under the Finance Business Act No. 42 of 2011 and also registered under the Finance Leasing Act No. 56 of 2000. As per section 487(2) of Companies Act No 7 of 2007 the Company has been re-registered. The registered office of the Company is situated at No. 123, Orabipasha Mawatha, Colombo 10.



## 2. FINANCIAL STATEMENTS

### 2.1 Five Years Summary of Financial Statements

A summary of Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of Citizen Development Business Finance PLC for the years ended 31st March 2013 to 31st March 2017, based on the audited financial statements of the Company are set out in Annexure 1.

Summaries presented for Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31st March 2013 to 31st March 2017 are based on the financial statements prepared in accordance with SLFRSs and LKASs.

### 2.2 Audit Reports

We have audited the financial statements of the Company for the years ended 31st March 2013 to 31st March 2017. Unqualified audit opinions have been issued for the said financial years.

### 2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Company for the financial years ended 31st March 2013 to 31st March 2017 complied with the applicable Sri Lanka Accounting Standards.

The accounting policies of the Company are stated in detail in the audited financial statements of Citizen Development Business Finance PLC for the year ended 31st March 2017. The adoption of revised/new accounting standards and a summary of related amendments to the accounting policies of the Company from financial years ended 31st March 2013 to 31st March 2017 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31st March 2013	<p>The Institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards which became applicable for the annual financial periods beginning on or after 1st January 2012. The Financial Statements which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes thereto have been prepared in accordance with these Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the institute of Chartered Accountants of Sri Lanka. The financial statements prepared for the year ended 31st March 2013 are the Company's first Financial Statements prepared in accordance with SLFRSs and SLFRS 1 "First-Time Adoption of Sri Lanka Financial Reporting Standards" has been applied. An explanation of how the transition to SLFRS has affected the reported statement of financial position, comprehensive income and cash flows of the Company is provided in the financial statements for the year ended 31st March 2013.</p> <p>Resulting implications of adopting SLFRSs were as follows;</p>



	<p><b>Loans and receivables to customers</b></p> <ul style="list-style-type: none"> <li>• Initial recognition of all Loans and receivables is at fair value plus directly attributable transaction costs.</li> <li>• Loans and receivables are subsequently measured at amortized cost using effective interest method net of provision for impairment.</li> <li>• Impairment of Loans and receivables are determined based on the objective evidence of impairment. The Company assesses the impairment on individual basis with respect to individually significant customers. For other customers, impairment is determined on collective basis using the incurred loss model.</li> <li>• Interest income continued to be recognized on impaired loans on EIR basis.</li> </ul> <p><b>Deposits</b></p> <ul style="list-style-type: none"> <li>• Deposits are subsequently measured at amortized cost using effective interest rate over the estimated terms of the deposits.</li> </ul> <p><b>Investment Securities</b></p> <ul style="list-style-type: none"> <li>• Investment securities where management has the intention and the ability to hold till maturity are classified as held to maturity investments. Those investments are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost.</li> <li>• Equity securities not held for trading are classified as Available for Sale and are measured at their fair value with the changes in fair value being taken to Other Comprehensive Income.</li> <li>• Unquoted equity securities whose fair value cannot be reliably measured are carried at cost.</li> <li>• Quoted Treasury Bills/Bonds are classified as Available for Sale and are measured at fair value with the changes in fair value being taken to Other Comprehensive Income.</li> <li>• If available for sale financial asset is impaired, the difference between the carrying amount and the fair value less any previous impairment loss recognized in the income statement, is removed from Other Comprehensive Income and recognized in the income statement.</li> </ul> <p><b>Dealing Securities</b></p> <ul style="list-style-type: none"> <li>• Dealing securities are classified as "Fair Value through Profit or Loss" which are measured at fair value with the changes in fair value being taken through profit or loss.</li> </ul>
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	<p><b>Interest Income /expense</b></p> <ul style="list-style-type: none"> <li>• Interest income and expenses are recognized in profit or loss using the effective interest method.</li> <li>• Interest in suspense which had been made in accordance with Central Bank of Sri Lanka regulations has been reversed</li> </ul> <p><b>Fee and commission income</b></p> <ul style="list-style-type: none"> <li>• All fees, points paid or received, transaction costs and other premiums or discounts are amortized over the expected life of the instrument.</li> <li>• Fee income on financial guarantee contracts, insurance commission, commission on money remittances and commission on debit card transactions are recognized as revenue over the period that the related services are provided.</li> </ul>
31 <sup>st</sup> March 2014	<p><b>Defined Benefit Plans</b></p> <p>The Company has adopted LKAS 19 Employee Benefits (Revised in 2013) with effect from 1<sup>st</sup> April 2013 in accordance with the transitional provisions in the standard and changed its basis for determining the expenses related to defined benefit plans.</p> <p>As a result of the change, the Company now recognizes all the re measurements of the net defined liability in other comprehensive income. Re measurements of the net defined benefit liability comprise actuarial gain or losses. Previously, the Company recognized actuarial gain or losses in the Income Statement. The impact on change in the accounting policy has been applied retrospectively.</p>
31 <sup>st</sup> March 2015	<p>The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1<sup>st</sup> April 2014.</p> <ul style="list-style-type: none"> <li>(a) SLFRS 10 -Consolidated Financial Statements</li> <li>(b) SLFRS 12 -Disclosure of Interests in Other Entities</li> <li>(c) SLFRS 13 -Fair Value Measurement</li> <li>(d) Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to SLFRS 7)</li> <li>(e) Presentation of items of Other Comprehensive Income (Amendments to LKAS 1)</li> </ul> <p>The nature and the effects of the changes are explained below:</p>



	<p><b>Fair Value Measurement</b></p> <p>In accordance with the transitional provisions of SLFRS 13, the Company has applied the new definition of fair value, prospectively. The change had no significant impact on the measurement of the Company's assets and liabilities, but the Company has included new disclosures in the Financial Statements which are required under SLFRS 13.</p> <p><b>Offsetting Financial Assets and Financial Liabilities</b></p> <p>As a result of the amendments to SLFRS 7, the Company has expanded disclosure about offsetting financial assets and liabilities</p> <p><b>Presentation of Items of Other Comprehensive Income</b></p> <p>As a result of the amendments to LKAS 1, the Company has modified the presentation of items of other comprehensive income in its Statement of Profit or Loss and Other Comprehensive Income, to present items that would be reclassified to profit in the future separately from those that would be never be. Comparative information has been represented on the same basis.</p>
31 <sup>st</sup> March 2016	There were no material changes.
31 <sup>st</sup> March 2017	There were no material changes.

## 2.4 Dividends

The Company has paid the following dividends in respect of Ordinary Shares during the years ended 31<sup>st</sup> March 2013 to 31<sup>st</sup> March 2017.

Year ended 31 <sup>st</sup> March	Dividend Paid Rs. 000	Dividend Per Share Rs.
2013	149,339	2.75
2014	162,916	3.00
2015	190,068	3.50
2016	190,068	3.50
2017	190,068	3.50

Yours faithfully,

*KPMG*

**Chartered Accountants**  
Colombo



## Annexure I

## Five Year Summary

Citizen Development Business Finance PLC  
Financial Performance

For the year Ended 31st March	
Gross Income	8,591,218,471
Profit Before Taxation	1,227,501,126
Taxation	220,986,176
Profit after Taxation	1,006,514,950
Other Comprehensive Income, Net of Income Tax	372,749,280
Total Comprehensive Income	1,379,264,230

Citizen Development Business Finance PLC  
Financial Position  
As At 31st March

	Company					Group				
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Income	8,591,218,471	7,486,004,737	6,907,077,362	6,267,603,700	4,311,850,070	8,703,057,323	7,549,279,021	6,940,752,486	6,267,603,700	4,311,850,070
Profit Before Taxation	1,227,501,126	1,253,943,503	951,420,464	729,968,049	624,282,545	1,259,778,955	1,278,467,112	968,250,999	729,968,049	624,182,545
Taxation	220,986,176	248,790,365	249,686,559	168,755,278	135,118,484	234,694,679	257,692,714	257,828,764	168,755,278	135,118,484
Profit after Taxation	1,006,514,950	1,005,153,138	701,733,905	561,212,771	534,874,627	1,025,084,276	1,020,774,398	710,422,235	561,112,771	534,774,627
Other Comprehensive Income, Net of Income Tax	372,749,280	(65,119,961)	186,271,144	199,942,458	233,252,070	374,410,406	(64,406,909)	186,349,694	199,942,458	233,252,070
Total Comprehensive Income	1,379,264,230	940,033,177	888,005,049	761,155,229	761,323,354	1,399,494,682	956,367,489	896,771,929	761,055,229	761,223,354

## Assets

Cash and Cash Equivalents  
Deposits with Commercial Banks  
Financial Instruments - Held for trading  
Loans and receivables to customers  
Loans and receivables to bank  
Financial Investments - Available for sale  
Financial Instruments - Held to maturity  
Financial Instruments - Loans and  
Investment securities  
Investment in subsidiaries  
Investment Properties  
Property, Plant and Equipment  
Goodwill on consolidation  
Intangible Assets  
Deferred tax assets  
Other Assets  
Total Assets

	Company					Group				
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cash and Cash Equivalents	454,060,886	722,351,389	313,394,279	462,555,296	205,326,279	507,020,353	729,789,337	334,358,488	465,890,822	208,661,805
Deposits with Commercial Banks	1,893,614,973	1,602,179,104	1,933,216,541	2,706,172,054	1,335,271,762	1,893,614,973	1,610,310,601	1,943,406,672	2,706,172,054	1,335,271,762
Financial Instruments - Held for trading	163,041,242	121,963,136	56,220,230	-	-	163,041,242	121,963,136	56,220,230	-	-
Loans and receivables to customers	43,189,010,000	38,538,920,189	29,378,799,251	25,724,944,295	19,450,586,882	43,605,197,173	38,753,565,171	29,620,437,218	25,724,944,295	19,450,586,882
Loans and receivables to bank	655,672,752	2,967,869,560	301,700,000	227,999,991	563,943,600	655,672,752	2,979,124,401	301,700,000	227,999,991	-
Financial Investments - Available for sale	-	-	-	-	-	-	-	-	-	-
Financial Instruments - Held to maturity	-	-	-	-	1,150,590,251	-	-	-	-	1,150,590,251
Financial Instruments - Loans and	-	-	-	-	140,164,014	-	-	-	-	140,164,014
Investment securities	3,563,432,005	3,272,075,270	3,140,348,599	2,624,291,042	-	3,637,044,991	3,305,826,584	3,146,426,620	2,624,291,042	-
Investment in subsidiaries	509,917,734	509,917,734	427,745,447	2,745,447	2,745,447	-	-	-	-	-
Investment Properties	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,839,091,339	1,606,958,136	1,421,342,866	1,004,470,809	657,717,807	1,841,767,912	1,610,637,819	1,426,432,810	1,004,470,809	657,717,807
Goodwill on consolidation	-	-	-	-	-	244,179,431	244,179,431	244,179,431	-	-
Intangible Assets	65,684,057	68,319,145	71,159,770	77,783,761	69,115,379	84,567,862	71,364,171	75,792,298	77,783,761	69,115,379
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other Assets	1,580,562,177	1,195,560,588	949,583,620	917,381,613	858,272,042	1,581,148,187	1,199,128,682	955,914,234	917,380,813	858,272,042
Total Assets	53,934,285,142	50,626,312,228	38,013,708,580	33,768,542,285	24,453,931,440	54,233,452,853	50,646,087,310	38,125,065,978	33,769,131,564	24,454,521,519

\*Brackets indicate negative numbers

Five Year Summary (Continued)

Citizen Development Business Finance PLC  
Financial Position (Continued)

	Company					Group				
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Liabilities</b>										
Due to banks	32,601,835,772	30,887,693,800	27,079,133,660	24,518,192,737	17,771,172,664	32,590,453,434	30,803,916,225	27,079,133,660	24,518,192,737	17,771,172,664
Due to customers	2,075,631,256	1,044,135,005	1,043,481,193	1,172,332,835	259,378,311	2,075,631,256	1,044,135,005	1,043,481,193	1,172,332,835	259,378,311
Debtentures	10,957,016,763	11,301,685,401	3,780,763,484	3,142,005,650	2,503,704,580	11,117,537,538	11,509,582,401	3,838,570,678	3,142,005,650	2,503,704,580
Other borrowings	178,702,459	109,133,435	111,513,609	48,333,210	92,965,307	179,107,537	111,020,227	117,226,977	48,738,286	93,370,384
Current tax liability	628,721,153	479,764,584	282,079,149	145,383,295	31,912,358	638,986,722	481,839,851	283,654,115	145,383,295	31,912,358
Deferred tax liabilities	15,793,782	53,036,495	45,298,838	159,241,654	103,164,100	15,860,949	53,036,495	45,425,460	159,241,654	103,164,100
Retirement benefit obligations	1,235,419,457	1,698,895,014	1,369,435,106	1,006,138,792	726,535,918	1,300,953,577	1,736,886,058	1,378,202,112	1,006,523,795	726,821,720
Other liabilities	47,693,120,642	45,574,343,734	33,711,705,039	30,191,628,173	21,488,833,238	47,918,531,013	45,540,416,262	33,785,694,195	30,192,418,252	21,489,524,117
<b>Total Liabilities</b>										
<b>Equity</b>										
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserve Fund	2,402,087,846	1,802,100,577	1,663,583,860	1,408,155,750	385,711,809	2,406,592,166	1,803,892,583	1,664,062,266	1,408,155,750	385,711,809
Revaluation Reserve	-	-	-	-	132,765,013	-	-	-	-	132,765,013
Investment Fund Reserve	-	-	-	-	50,933,191	-	-	-	-	50,933,191
Available for fund reserve	-	-	-	-	464,034,525	-	-	-	-	464,034,525
Retained Earnings	2,654,015,009	2,064,806,272	1,453,558,036	983,696,717	746,592,019	2,690,686,075	2,086,228,841	1,460,464,302	983,495,917	746,491,219
Total parent company shareholders' equity	6,241,164,500	5,051,968,494	4,302,003,541	3,576,914,112	2,965,098,202	6,282,139,886	5,075,183,069	4,309,588,213	3,576,713,312	2,964,997,402
Non-controlling interests	-	-	-	-	-	32,781,954	30,487,979	29,783,570	-	-
<b>Total Equity</b>	6,241,164,500	5,051,968,494	4,302,003,541	3,576,914,112	2,965,098,202	6,314,921,840	5,105,671,048	4,339,371,783	3,576,713,312	2,964,997,402
<b>Total Liabilities &amp; Equity</b>	53,934,285,142	50,626,312,228	38,013,708,580	33,768,542,285	24,453,931,440	54,233,452,853	50,646,087,310	38,125,065,978	33,769,131,564	24,454,521,119

\*Brackets indicate negative numbers



Five Year Summary (Continued)

Citizen Development Finance PLC  
Statement of Changes in Equity (Group)

Balance as at 1st April 2012  
Restated profit for the year  
Restated other comprehensive income for the year  
Transactions with equity holders, recognized directly in equity contribution by and distribution to equity holders

Final dividends for the year - script 2011/12  
Final dividends for the year - cash 2012/13  
Transfers during the year  
Total contribution by and distributions to equity holders  
Balance as at 31st March 2013  
Balance as at 1st April 2013  
Profit for the year Period

Other Comprehensive Income  
Remeasurement of defined benefit liability (asset)  
Net actuarial gain or loss of defined benefit plan  
Net change in fair value of available for sale financial assets  
Transaction with equity holders of the company contribution and distributions

Contribution or distributions  
Dividend to equity holders  
Transfers during the year  
Balance as at 31 March 2014  
Balance as at 1st April 2014  
Profit for the year Period  
Other Comprehensive Income  
Remeasurement of defined benefit liability (asset)  
Net actuarial gain or loss of defined benefit plan  
Expected return of plan asset  
Fair value reserve (available for sale financial assets)  
Net change in fair value  
Revaluation surplus  
Transaction with equity holders of the company contribution and distributions  
Dividend to equity holders  
Acquisition made during the year  
Net transfers during the year  
Balance as at 31 March 2015

\*Brackets indicate negative numbers

Five Year Summary (Continued)

Stated Capital	Revaluation Reserve	Available-for-sale reserve	Investment Fund Reserve	Statutory Reserve Fund	Retained Earnings	Total	Minority Interest	Total Equity
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,114,960,915	12,066,286	358,284,525	21,102,344	278,736,884	517,350,877	2,302,501,831	-	2,302,501,831
-	-	-	-	-	489,064,061	489,064,061	-	489,064,061
-	120,698,727	105,750,000	-	-	6,803,343	233,252,070	-	233,252,070
-	-	-	-	-	-	-	-	-
-	120,698,727	105,750,000	-	-	495,867,404	722,316,131	-	722,316,131
-	-	-	-	-	984,931,465	1,211,380,192	-	1,211,380,192
70,100,730	-	-	-	-	(70,100,730)	-	-	-
-	-	-	-	-	(59,820,560)	(59,820,560)	-	(59,820,560)
-	-	-	29,830,847	106,974,925	(136,805,772)	-	-	-
1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	746,491,219	2,964,997,402	-	2,964,997,402
1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	746,491,219	2,964,997,402	-	2,964,997,402
1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	746,491,219	2,964,997,402	-	2,964,997,402
-	-	-	-	-	561,112,771	561,112,771	-	561,112,771
1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	1,307,603,990	3,526,110,173	-	3,526,110,173
-	-	-	-	-	(25,713,942)	(25,713,942)	-	(25,713,942)
-	-	-	-	-	-	-	-	-
-	-	225,656,400	-	-	-	225,656,400	-	225,656,400
1,185,061,645	132,765,013	689,690,925	50,933,191	385,711,809	1,281,890,048	3,726,052,631	-	3,726,052,631
-	-	-	-	-	(149,339,319)	(149,339,319)	-	(149,339,319)
-	-	-	36,812,258	112,242,554	(149,054,812)	-	-	-
1,185,061,645	132,765,013	689,690,925	87,745,449	497,954,363	983,495,917	3,576,713,312	-	3,576,713,312
1,185,061,645	132,765,013	689,690,925	87,745,449	497,954,363	983,495,917	3,576,713,312	-	3,576,713,312
-	-	-	-	-	709,451,620	709,451,620	970,615	710,422,235
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(26,997,825)	(26,997,825)	10,792	(26,987,033)
-	-	-	-	-	10,509,949	10,509,949	-	10,509,949
-	-	164,518,800	-	-	-	164,518,800	-	164,518,800
-	-	-	-	-	-	-	-	-
-	38,307,978	-	-	-	-	38,307,978	-	38,307,978
1,185,061,645	171,072,991	854,209,725	87,745,449	497,954,363	1,676,459,661	4,472,503,834	981,407	4,473,485,241
-	-	-	-	-	(162,915,621)	(162,915,621)	-	(162,915,621)
-	-	-	-	-	-	-	28,802,163	28,802,163
-	-	-	(87,745,449)	140,825,187	(53,079,738)	-	-	-
1,185,061,645	171,072,991	854,209,725	-	638,779,550	1,460,464,302	4,309,588,213	29,785,570	4,339,373,783



**Citizen Development Business Finance PLC**  
**Statement of Changes in Equity (Group) (Continued)**

	Stated Capital	Revaluation Reserve	Available-for-sale reserve	Investment fund Reserve	Statutory Reserve Fund	Retained Earnings	Total	Minority Interest	Total Equity
Balance as at 1st April 2015	1,185,061,645	171,072,991	854,209,725	-	638,779,550	1,460,464,302	4,309,588,113	29,783,370	4,339,371,783
Profit for the year Period	-	-	-	-	-	1,018,620,020	1,018,620,020	2,154,378	1,020,774,398
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Remeasurement of defined benefit liability (asset)	-	-	-	-	-	-	-	-	-
Net actuarial gain or loss of defined benefit plan	-	-	-	-	-	(2,491,604)	(2,491,604)	12,176	(2,479,428)
Expected return of plan asset	-	-	-	-	-	-	-	-	-
Fair value reserve (available for sale financial assets)	-	-	(104,583,874)	-	-	-	(104,583,874)	56,393	(104,527,481)
Net change in fair value	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	42,600,000	-	-	-	-	42,600,000	-	42,600,000
Total comprehensive income for the year 2015/16	-	42,600,000	(104,583,874)	-	-	1,016,128,416	954,144,542	2,222,947	956,367,489
Transaction with equity holders of the company contribution and distributions	-	-	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	(190,068,224)	(190,068,224)	-	(190,068,224)
Net transfers during the year	-	-	-	-	201,814,191	(201,814,191)	-	-	-
Changes in Non-Controlling Interest	-	-	-	-	-	1,518,538	1,518,538	(1,518,538)	-
Balance as at 31 March 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
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 year Period	-	-	-	-	-	1,022,774,436	1,022,774,436	2,309,840	1,025,084,276
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
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
Total comprehensive income for the year 2016/17	-	328,071,000	72,114,604	-	-	996,839,437	1,397,025,041	2,469,641	1,399,494,682
Transaction with equity holders of the company contribution and distributions	-	-	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	(190,068,224)	(190,068,224)	-	(190,068,224)
Net transfers during the year	-	-	-	-	202,313,979	(202,313,979)	-	-	-
Changes in Non-controlling interests	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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

\* Brackets indicate negative numbers

Five Year Summary (Continued)

Citizen Development Business Finance PLC  
Statement Of Cash Flow  
Year Ended 31st March

	Company					Group				
	2016/2017 Rs.	2015/2016 Rs.	2014/2015 Rs.	2013/2014 Rs.	2012/2013 Rs.	2016/2017 Rs.	2015/2016 Rs.	2014/2015 Rs.	2013/2014 Rs.	2012/2013 Rs.
<i>Cash Flow from Operating Activities</i>										
Interest Receipts	7,539,230,995	6,611,990,360	6,297,268,127	5,786,355,711	4,154,193,935	7,645,620,304	6,667,797,606	6,329,183,076	5,786,355,711	4,154,193,935
Commission Receipts	234,890,612	181,146,278	172,003,223	165,333,038	114,708,002	247,842,623	185,623,075	172,003,223	165,333,038	114,708,002
Other Income	765,885,519	607,313,338	271,976,768	59,600,783	106,833,228	767,258,143	610,096,157	272,012,768	59,600,783	106,833,228
Interest Payments	(4,727,522,361)	(2,928,454,670)	(3,363,410,589)	(3,251,950,602)	(2,070,883,097)	(4,740,024,405)	(2,931,641,835)	(3,369,414,261)	(3,251,950,602)	(2,070,883,097)
Fees and Business promotion Expenses	(67,036,477)	(114,494,976)	(68,182,557)	(64,973,151)	(62,884,584)	(80,472,783)	(115,502,869)	(68,182,557)	(64,973,151)	(62,884,584)
Employees Related Payments	(842,786,728)	(675,737,667)	(558,873,852)	(491,755,275)	(343,678,781)	(865,068,221)	(684,465,608)	(559,914,045)	(491,755,275)	(343,678,781)
Suppliers Payment	(1,051,732,324)	(1,622,318,102)	(672,688,627)	(616,951,912)	(154,777,607)	(1,079,705,143)	(1,629,640,178)	(680,868,140)	(616,951,912)	(154,777,607)
Financial Expenses	(27,767,926)	(18,556,604)	(15,471,148)	(24,560,204)	(17,148,050)	(27,497,261)	(18,620,297)	(15,471,148)	(24,560,204)	(17,148,050)
<b>Operating Profit/(Loss) Before Changes in Operating Assets</b>	<b>1,823,161,310</b>	<b>2,040,887,957</b>	<b>2,062,621,345</b>	<b>1,561,098,388</b>	<b>1,726,363,046</b>	<b>1,867,953,257</b>	<b>2,083,646,051</b>	<b>2,079,348,916</b>	<b>1,561,098,388</b>	<b>1,726,363,046</b>
<i>(Increase)/ Decrease in Operating Assets</i>										
Investments in License Commercial banks and other Financial Institution	2,020,760,939	329,548,862	772,955,513	(1,261,652,466)	(832,681,347)	2,062,075,425	329,548,862	833,830,968	(1,261,652,466)	(832,681,347)
Investment in Government Securities	(177,737,385)	(2,794,898,082)	(486,561,195)	(771,936,768)	(374,632,094)	(177,737,385)	(2,802,062,308)	(492,516,516)	(771,936,768)	(374,632,094)
Net Funds Advanced to Customers	(4,828,411,219)	(9,559,510,326)	(4,131,429,693)	(6,613,344,388)	(6,169,188,965)	(5,125,891,137)	(9,515,890,195)	(4,035,683,491)	(6,613,344,388)	(6,169,188,965)
Changes in Other Short Term Assets	(241,335,448)	(202,043,240)	4,118,216	(192,953,232)	(174,615,468)	(248,573,256)	(205,476,158)	7,950,250	(192,953,232)	(174,615,468)
Inventories	(103,843,496)	(14,482,853)	(83,015,976)	27,240,730	(212,632,452)	(103,843,496)	(14,482,853)	(83,015,976)	27,240,730	(212,632,452)
<b>Increase/ (Decrease) in Operating Liabilities</b>	<b>(1,507,405,299)</b>	<b>(10,200,497,682)</b>	<b>(1,861,311,790)</b>	<b>(7,251,547,736)</b>	<b>(6,037,387,280)</b>	<b>(1,726,016,592)</b>	<b>(10,124,716,601)</b>	<b>(1,690,085,849)</b>	<b>(7,251,547,736)</b>	<b>(6,037,387,280)</b>
Borrowings	(344,668,639)	7,316,946,275	700,875,813	638,301,070	586,438,656	(45,529,318)	7,241,933,275	540,846,761	638,301,070	586,438,656
Deposits from customers	1,742,182,451	3,353,230,990	2,480,778,103	6,445,567,918	5,808,594,701	1,742,182,451	3,268,900,599	2,480,778,103	6,445,567,918	5,808,594,701
Net Cash (used in)/ generated from operating Activities	1,397,513,812	10,670,177,265	3,181,653,916	7,083,868,988	6,395,033,357	1,696,653,133	10,510,833,874	3,021,624,864	7,083,868,988	6,395,033,357
Gratuity paid / Contribution to plan assets	(109,891,487)	469,679,583	1,320,342,126	(167,678,748)	357,646,077	(29,263,459)	386,117,273	1,331,440,015	(167,678,748)	357,646,077
Value Added Tax	(90,272,803)	(61,764,784)	(179,784,827)	(827,877)	(493,460)	(90,272,803)	(61,764,784)	(179,784,827)	(827,877)	(493,460)
Taxation	-	-	-	-	-	-	-	-	-	-
Economic Service Charge	(85,438,521)	(77,985,153)	(43,372,004)	1,062,256	31,338,880	(97,420,755)	(90,213,779)	(44,364,495)	1,062,256	31,338,880
<i>Cash Flow from Investing Activities</i>	<b>(285,602,811)</b>	<b>329,929,646</b>	<b>1,097,185,295</b>	<b>(167,444,369)</b>	<b>388,491,497</b>	<b>(217,057,017)</b>	<b>224,138,710</b>	<b>1,107,290,693</b>	<b>(167,444,369)</b>	<b>388,491,497</b>
Investment Property	-	-	-	-	-	-	-	-	-	-
Investment in subsidiary	-	(82,172,287)	(425,000,000)	-	-	-	-	(425,000,000)	-	-
Dividend receipts	16,428,043	11,638,818	9,064,000	7,068,000	3,684,000	16,882,339	11,692,818	9,064,000	7,068,000	3,684,000
Investment in Government Securities/Quoted shares-Trading	(44,236,306)	(80,730,305)	-	-	-	(44,236,306)	(80,730,305)	-	-	-
Investment in Quoted shares-AFS	(43,006,072)	(71,589,518)	-	-	-	(43,006,072)	(76,589,518)	-	-	-
Net Investment in Debtsecurities	-	-	5,102,199	-	(4,000,000)	-	-	5,102,199	-	(4,000,000)
Purchase of Property, Plant & Equipment	(117,236,065)	(143,507,978)	(528,218,833)	(469,608,957)	(220,758,047)	(135,561,028)	(144,024,709)	(531,350,523)	(469,608,957)	(220,758,047)
Proceeds from sale of Property, Plant & Equipment	11,025,000	27,751,834	122,851	4,531,250	2,062,499	11,025,000	27,751,834	122,851	4,531,250	2,062,499
<b>Net Cash Inflows( Outflows) Investing Activities</b>	<b>(177,025,100)</b>	<b>(338,609,436)</b>	<b>(938,929,783)</b>	<b>(458,009,707)</b>	<b>(219,011,548)</b>	<b>(194,896,067)</b>	<b>(261,899,880)</b>	<b>(942,061,473)</b>	<b>(458,009,707)</b>	<b>(219,011,548)</b>

\* Brackets indicate negative numbers

Five Year Summary (Continued)

Citizen Development Business Finance PLC  
Statement Of Cash Flow (Continued)  
Year Ended 31st March

	Company					Group				
	2016/2017 Rs.	2015/2016 Rs.	2014/2015 Rs.	2013/2014 Rs.	2012/2013 Rs.	2016/2017 Rs.	2015/2016 Rs.	2014/2015 Rs.	2013/2014 Rs.	2012/2013 Rs.
<i>Cash Flow from Financing Activities</i>										
Dividend Paid	(190,068,225)	(190,068,225)	(162,915,621)	(149,339,319)	(59,820,560)	(191,894,276)	(190,068,225)	(162,815,621)	(149,339,319)	(59,820,560)
Issue of Shares	-	-	-	-	-	-	-	-	-	-
Net change in Debentures	1,031,496,251	-	(128,851,642)	912,954,524	-	1,031,496,251	-	(128,851,642)	912,954,524	-
Net Cash Inflow (out flows) from Financing Activities	841,428,026	(190,068,225)	(291,767,263)	763,615,205	(59,820,560)	839,601,975	(190,068,225)	(291,667,263)	763,615,205	(59,820,560)
<b>Net Increase/(Decrease) In Cash and Cash Equivalents</b>	<b>378,799,815</b>	<b>(198,748,015)</b>	<b>(133,511,751)</b>	<b>138,161,129</b>	<b>109,659,389</b>	<b>427,648,891</b>	<b>(217,829,395)</b>	<b>(126,438,042)</b>	<b>138,161,129</b>	<b>109,659,389</b>
Cash and Cash Equivalents at the beginning of the Year	(133,172,907)	65,575,108	199,086,859	60,925,730	(48,733,659)	(131,469,364)	86,360,031	202,422,385	64,261,256	(45,598,133)
Cash and Cash Equivalents at the end of the Year	245,626,908	(133,172,907)	65,575,108	199,086,859	60,925,730	296,179,527	(131,469,364)	75,984,343	202,422,385	64,261,256
<b>Cash and Cash Equivalents at the beginning of the</b>										
<b>Cash at bank and in hand</b>	<b>722,351,389</b>	<b>313,394,279</b>	<b>462,555,296</b>	<b>205,326,279</b>	<b>121,343,098</b>	<b>729,789,337</b>	<b>334,358,488</b>	<b>465,890,822</b>	<b>208,661,805</b>	<b>124,678,624</b>
<b>Bank overdraft</b>	<b>(855,524,296)</b>	<b>(247,819,171)</b>	<b>(263,468,437)</b>	<b>(144,400,549)</b>	<b>(170,076,757)</b>	<b>(861,258,701)</b>	<b>(247,998,457)</b>	<b>(263,468,437)</b>	<b>(144,400,549)</b>	<b>(170,076,757)</b>
	(133,172,907)	65,575,108	199,086,859	60,925,730	(48,733,659)	(131,469,364)	86,360,031	202,422,385	64,261,256	(45,598,133)
<b>Cash and Cash Equivalents at the end of the Year</b>										
<b>Cash at bank and in hand</b>	<b>454,060,886</b>	<b>722,351,389</b>	<b>313,394,279</b>	<b>462,555,296</b>	<b>205,326,279</b>	<b>507,020,353</b>	<b>729,789,337</b>	<b>321,425,914</b>	<b>465,890,822</b>	<b>208,661,805</b>
<b>Bank overdraft</b>	<b>(208,433,978)</b>	<b>(855,524,296)</b>	<b>(247,819,171)</b>	<b>(263,468,437)</b>	<b>(144,400,549)</b>	<b>(210,840,826)</b>	<b>(861,258,701)</b>	<b>(245,441,571)</b>	<b>(263,468,437)</b>	<b>(144,400,549)</b>
	245,626,908	(133,172,907)	65,575,108	199,086,859	60,925,730	296,179,527	(131,469,364)	75,984,343	202,422,385	64,261,256

\* Brackets indicate negative numbers



Five Year Summary (Continued)

Citizen Development Business Finance PLC  
Performance Indicators (Company)

	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Return on Average Assets	1.93%	2.27%	1.96%	1.93%	2.60%
Return on Average Equity	17.83%	21.49%	17.81%	17.16%	20.31%
Income Growth	14.76%	8.38%	10.20%	45.36%	52.19%
Dividends Cover	5.30	5.29	3.69	3.44	3.63
Property, Plant and equipment to Shareholders funds	29.47%	31.81%	33.04%	28.08%	22.18%
Total Assets to Shareholders Funds	8.64	10.02	8.84	9.44	8.25
Total Deposit Liabilities to Capital	3.63%	3.84%	4.38%	4.83%	6.67%
Capital funds to liabilities (including contingent liabilities)	2.48%	2.60%	3.52%	3.93%	5.51%
Liquid Assets to Liabilities	9.75%	14.62%	3.91%	4.57%	4.95%
<b>Share Information</b>					
Market Value per Share					
- Voting	LKR				
- Non Voting	64.20	75.00	85.00	46.00	40.10
Earnings per Share	LKR				
	48.10	68.00	73.90	37.50	29.10
Dividends per Share	LKR				
	18.53	18.51	12.92	10.33	9.99
Net Assets per Share	LKR				
	3.50	3.50	3.50	3.00	2.75
	114.93	93.03	79.22	65.87	54.60
<b>Other Information</b>					
Number of Branches	69	62	59	59	44
Number of Staff	1,439	1,136	1,167	1,109	825

\*Brackets indicate negative numbers