

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Company					
	For the quarter ended 31 March			For the year ended 31 March		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Revenue	4,089,719	3,455,891	18%	16,240,520	11,784,862	38%
Interest income	3,612,040	2,897,645	25%	14,174,791	10,117,149	40%
Interest expense	2,341,432	1,885,451	24%	8,949,018	6,662,828	34%
Net interest income	1,270,608	1,012,194	26%	5,225,773	3,454,321	51%
Fee and commission income	122,909	113,067	9%	512,254	405,986	26%
Other operating income	354,770	445,179	-20%	1,553,475	1,261,727	23%
Total operating income	1,748,287	1,570,440	11%	7,291,502	5,122,034	42%
Less : Impairment charges and other credit losses on financial assets	(40,010)	108,220	-137%	1,064,610	369,872	188%
Net operating income	1,788,297	1,462,220	22%	6,226,892	4,752,162	31%
Less : Operating expenses						
Personnel expenses	267,422	217,804	23%	1,354,366	1,047,154	29%
Premises, equipment and establishment expenses	453,313	338,824	34%	1,717,372	1,336,545	28%
Other expenses	147,404	107,204	37%	552,115	408,950	35%
Total operating expenses	868,139	663,832	31%	3,623,853	2,792,649	30%
Operating profit before taxes on financial services	920,158	798,388	15%	2,603,039	1,959,513	33%
Less : Value added tax and other taxes	164,533	55,000	199%	491,673	272,696	80%
Profit before tax	755,625	743,388	2%	2,111,366	1,686,817	25%
Less : Income tax expense	86,000	40,458	113%	401,173	285,629	40%
Profit for the year	669,625	702,930	-5%	1,710,193	1,401,188	22%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Increase in revaluation surplus	200,804	59,638	237%	200,804	59,638	237%
Deferred tax on revaluation surplus	(56,225)	(168,387)	-67%	(56,225)	(168,387)	-67%
Net actuarial gain/(loss) on defined benefit plan	(16,093)	8,488	-290%	(70,242)	(4,969)	1314%
Total other comprehensive income	128,486	(100,261)	-228%	74,337	(113,718)	-165%
Total comprehensive income for the year	798,111	602,669	32%	1,784,530	1,287,470	39%
Earnings per share						
Basic earnings per share (Rs.)	12.33	12.94		31.49	25.80	

Figures in brackets indicate deductions.

Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the quarter ended 31 March			For the year ended 31 March		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Revenue	4,294,357	3,524,750	22%	16,920,793	12,049,986	40%
Interest income	3,685,740	2,930,279	26%	14,682,037	10,320,089	42%
Interest expense	2,376,129	1,872,787	27%	9,184,257	6,705,127	37%
Net interest income	1,309,611	1,057,492	24%	5,497,780	3,614,962	52%
Fee and commission income	234,038	144,586	62%	683,301	464,591	47%
Other operating income	374,579	449,885	-17%	1,555,455	1,265,306	23%
Total operating income	1,918,228	1,651,963	16%	7,736,536	5,344,859	45%
Less : Impairment charges and other credit losses on financial assets	1,295	118,163	-99%	1,138,405	396,102	187%
Net operating income	1,916,933	1,533,800	25%	6,598,131	4,948,757	33%
Less : Operating expenses						
Personnel expenses	279,733	227,253	23%	1,410,970	1,083,585	30%
Premises, equipment and establishment expenses	497,157	331,789	50%	1,810,436	1,358,788	33%
Other expenses	178,805	133,510	34%	617,666	448,772	38%
Total operating expenses	955,695	692,552	38%	3,839,072	2,891,145	33%
Operating profit before taxes on financial services	961,238	841,248	14%	2,759,059	2,057,612	34%
Less : Value added tax and other taxes	172,146	62,744	174%	522,783	293,398	78%
Profit before tax	789,092	778,504	1%	2,236,276	1,764,214	27%
Less : Income tax expense	84,149	49,494	70%	428,111	310,063	38%
Profit for the year	704,943	729,010	-3%	1,808,165	1,454,151	24%
Profit attributable to :						
Equity holders of the Company	701,546	726,502	-3%	1,798,264	1,448,875	24%
Non-controlling interest	3,397	2,508	35%	9,901	5,276	88%
Profit for the year	704,943	729,010	-3%	1,808,165	1,454,151	24%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Increase in revaluation surplus	200,804	59,638	237%	200,804	59,638	237%
Deferred tax on revaluation surplus	(56,225)	(168,387)	-67%	(56,225)	(168,387)	-67%
Net actuarial gain/(loss) on defined benefit plan	(15,958)	8,433	-289%	(70,107)	(5,024)	1295%
Total other comprehensive income	128,621	(100,316)	-228%	74,472	(113,773)	-165%
Total comprehensive income for the year	833,564	628,694	33%	1,882,637	1,340,378	40%
Total comprehensive income attributable to :						
Equity holders of the Company	830,154	626,210	33%	1,872,723	1,335,107	40%
Non-controlling interest	3,410	2,484	37%	9,914	5,271	88%
Total comprehensive income for the year	833,564	628,694	33%	1,882,637	1,340,378	40%
Earnings per share						
Basic earnings per share (Rs.)	12.98	13.42		33.11	26.68	

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Financial Position

As at	Company		Group	
	31-03-2019 Rs. '000	Audited 31-03-2018 Rs. '000	31-03-2019 Rs. '000	Audited 31-03-2018 Rs. '000
Assets				
Cash and cash equivalents	1,091,877	2,974,825	1,201,043	3,039,663
Financial assets measured at fair value through profit or loss (FVTPL)	1,687,004	1,485,315	1,727,137	1,519,227
Loans and receivables to banks	3,094,312	1,425,000	3,195,205	1,475,356
Deposits with financial institutions	6,719,703	2,392,827	6,719,703	2,392,827
Loans and receivables to customers	69,133,048	59,438,349	71,582,081	60,585,395
Other investment securities	1,313,862	2,471,305	1,319,054	2,476,583
Investment in subsidiaries	509,918	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant & equipment	2,369,186	2,029,222	2,384,015	2,042,777
Intangible assets	82,791	86,149	97,838	101,692
Goodwill on consolidation	-	-	244,180	244,180
Other assets	3,408,543	2,669,002	3,486,173	2,699,662
Total assets	89,430,442	75,502,110	91,976,627	76,597,560
Liabilities				
Derivative financial liabilities	363,153	-	363,153	-
Deposits from customers	47,236,367	44,709,832	47,222,579	44,705,409
Debt securities issued	3,980,483	4,081,033	3,980,483	4,081,033
Other interest-bearing borrowings	24,509,878	15,114,486	26,511,424	15,831,490
Current tax liabilities	556,747	443,080	627,776	445,407
Deferred tax liabilities	1,357,419	860,819	1,336,061	887,200
Retirement benefit obligation	7,369	60,727	7,681	61,017
Other liabilities	2,753,623	3,079,734	3,057,149	3,326,267
Total liabilities	80,765,039	68,349,711	83,106,306	69,337,823
Equity				
Stated capital	1,185,062	1,185,062	1,185,062	1,185,062
Reserves	1,898,447	1,753,868	1,903,578	1,758,999
Retained earnings	5,581,894	4,213,469	5,736,086	4,279,468
Total equity attributable to equity holders of the Company	8,665,403	7,152,399	8,824,726	7,223,529
Non-controlling interest	-	-	45,595	36,208
Total equity	8,665,403	7,152,399	8,870,321	7,259,737
Total liabilities and equity	89,430,442	75,502,110	91,976,627	76,597,560
Net assets value per share (Rs.)	159.57	131.71	162.50	133.02

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

21 May 2019

Colombo

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Company

	Reserves				Retained Earnings	Total Equity
	Stated Capital	Revaluation Reserve	Available-for-Sale Reserve	Statutory Reserve Fund		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Balance as at 31 March 2017	1,185,062	541,744	819,709	1,040,635	2,654,015	6,241,165
Impact of adopting SLFRS 9 – “Financial Instruments” as at 1 April 2017			(819,709)		633,541	(186,168)
Restated Balance as at 1 April 2017	1,185,062	541,744	-	1,040,635	3,287,556	6,054,997
Total comprehensive income for the year						
Profit for the year					1,401,188	1,401,188
Other comprehensive income for the year						
Remeasurement of defined benefit liability/(asset)					(4,969)	(4,969)
Increase in revaluation surplus		59,638				59,638
Deferred tax on revaluation surplus		(168,387)				(168,387)
Transactions with equity holders of the Company						
Dividends to equity holders					(190,068)	(190,068)
Net transfers during the year				280,238	(280,238)	-
Balance as at 31 March 2018	1,185,062	432,995	-	1,320,873	4,213,469	7,152,399
Balance as at 1 April 2018	1,185,062	432,995	-	1,320,873	4,213,469	7,152,399
Total comprehensive income for the year						
Profit for the year					1,710,193	1,710,193
Other comprehensive income for the year						
Remeasurement of defined benefit liability/(asset)					(70,242)	(70,242)
Increase in revaluation surplus		200,804				200,804
Deferred tax on revaluation surplus		(56,225)				(56,225)
Transactions with equity holders of the Company						
Dividends to equity holders					(271,526)	(271,526)
Balance as at 31 March 2019	1,185,062	577,574	-	1,320,873	5,581,894	8,665,403

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated Capital	Reserves			Retained Earnings	Shareholders' Equity	Non- Controlling Interest	Total Equity
		Revaluation Reserve	Available-for- sale reserve	Statutory Reserve Fund				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Balance as at 31 March 2017	1,185,062	541,744	821,740	1,042,908	2,690,686	6,282,140	32,782	6,314,922
Impact of adopting SLFRS 9 – “Financial Instruments” as at 1 April 2017			(821,740)		618,090	(203,650)	(1,644)	(205,294)
Restated Balance as at 1 April 2017	1,185,062	541,744	-	1,042,908	3,308,776	6,078,490	31,138	6,109,628
Total comprehensive income for the year								
Profit for the year					1,448,875	1,448,875	5,276	1,454,151
Other comprehensive income for the year								
Remeasurement of defined benefit liability/(asset)					(5,019)	(5,019)	(5)	(5,024)
Increase in revaluation surplus		59,638				59,638		59,638
Deferred tax on revaluation surplus		(168,387)				(168,387)		(168,387)
Transactions with equity holders of the Group								
Dividends to equity holders					(190,068)	(190,068)	(201)	(190,269)
Net transfers during the year				283,096	(283,096)	-		-
Balance as at 31 March 2018	1,185,062	432,995	-	1,326,004	4,279,468	7,223,529	36,208	7,259,737
Balance as at 1 April 2018	1,185,062	432,995	-	1,326,004	4,279,468	7,223,529	36,208	7,259,737
Total comprehensive income for the year								
Profit for the year					1,798,264	1,798,264	9,901	1,808,165
Other comprehensive income for the year								
Remeasurement of defined benefit liability/(asset)					(70,120)	(70,120)	13	(70,107)
Increase in revaluation surplus		200,804				200,804		200,804
Deferred tax on revaluation surplus		(56,225)				(56,225)		(56,225)
Transactions with equity holders of the Group								
Dividends to equity holders					(271,526)	(271,526)	(527)	(272,053)
Balance as at 31 March 2019	1,185,062	577,574	-	1,326,004	5,736,086	8,824,726	45,595	8,870,321

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the year ended	Company		Group	
	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000
Cash flow from operating activities				
Interest receipts	14,091,470	10,071,310	14,631,161	10,331,714
Commission receipts	177,240	354,773	285,118	386,076
Other income receipts	1,424,026	1,126,899	1,446,722	1,128,335
Interest payments	(8,753,486)	(5,708,843)	(8,938,263)	(5,784,897)
Fee and business promotion expenses	(478,820)	(99,364)	(550,999)	(99,364)
Employee related payments	(1,297,965)	(1,007,190)	(1,367,125)	(1,046,447)
Supplier payments	(1,949,815)	(1,099,450)	(1,979,691)	(1,123,487)
Financial expenses	(73,295)	(21,183)	(76,388)	(24,334)
Operating profit before changes in operating assets	3,139,355	3,616,952	3,450,535	3,767,596
<i>(Increase)/Decrease in operating assets</i>				
Investments in financial institutions	(5,996,188)	(455,156)	(5,996,188)	(455,156)
Investment in Government Securities/Quoted Shares- Trading	(28,878)	(709,631)	(79,415)	(721,381)
Net funds advanced to customers	(10,675,988)	(16,001,860)	(12,172,564)	(16,900,485)
Changes in other short-term assets	(387,363)	(1,045,178)	(407,076)	(1,134,795)
Inventories	(17,164)	7,952	(17,164)	7,952
	(13,966,226)	(14,586,921)	(18,672,407)	(15,436,269)
<i>Increase/(Decrease) in operating liabilities</i>				
Borrowings	9,758,545	3,683,083	11,070,188	4,526,347
Deposits from customers	2,331,003	11,628,396	2,331,003	11,627,538
	12,089,548	15,311,479	13,401,191	16,153,885
Net Cash Generated / (used in) from operating activities	(1,876,678)	724,558	(1,820,681)	717,616
Contribution to Plan Assets	(180,000)	-	(180,000)	-
Taxation	-	(39,709)	(2,025)	(42,647)
	(2,056,678)	684,849	(2,002,706)	674,969
Cash flow from investing activities				
Dividend receipts	38,041	20,411	38,874	21,129
Investment in other investment securities	1,157,443	(176,343)	1,157,443	(176,343)
Purchase of property, plant & equipment	(393,954)	(390,797)	(399,454)	(403,690)
Proceed from sale of property, plant & equipment	5,559	6,000	5,559	6,000
Net cash (used in)/ from investing activities	807,089	(540,729)	802,422	(552,904)
Cash flow from financing activities				
Dividend paid	(271,526)	(190,068)	(277,531)	(190,269)
Net change in debentures	(100,550)	2,005,402	(100,550)	2,005,402
Net cash inflows/ (out flows) from financing activities	(372,076)	1,815,334	(378,081)	1,815,133
Net increase/(decrease) in cash and cash equivalents	(1,621,665)	1,959,454	(1,578,365)	1,937,198
Cash and cash equivalents at the beginning of the year	2,205,081	245,627	2,233,376	296,180
Cash and cash equivalents at the end of the year	583,416	2,205,081	655,011	2,233,378
Cash and cash equivalents at the beginning of the year				
Cash at bank and in hand	2,974,825	454,061	3,039,663	507,020
Bank overdraft	(769,744)	(208,434)	(806,287)	(210,840)
	2,205,081	245,627	2,233,376	296,180
Cash and cash equivalents at the end of the year				
Cash at bank and in hand	1,091,877	2,974,825	1,201,043	3,039,663
Bank overdraft	(508,461)	(769,744)	(546,032)	(806,285)
	583,416	2,205,081	655,011	2,233,378

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	
	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000
Interest	9,491,027	6,962,579	3,919,521	2,595,874	764,243	558,696	14,174,791	10,117,149
Non interest income				-			2,065,729	1,667,713
Segment revenue	9,491,027	6,962,579	3,919,521	1,079,450	764,243	265,011	16,240,520	11,784,862
Total revenue							16,240,520	11,784,862
Unallocated expenses							14,129,154	10,098,045
Profit from operations							2,111,366	1,686,817
Income tax expense							401,173	285,629
Profit for the year							1,710,193	1,401,188
Segment assets	47,583,129	41,187,889	21,549,919	18,250,460	13,906,758	10,749,273	83,039,806	70,187,622
Unallocated assets							6,390,636	5,314,488
Total assets							89,430,442	75,502,110

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000	31-03-2019 Rs. '000	31-03-2018 Rs. '000
Interest	10,043,108	7,194,888	3,857,379	2,557,955	781,550	567,246	14,682,037	10,320,089
Non interest income							2,238,756	1,729,897
Segment revenue	10,043,108	7,194,888	3,857,379	2,557,955	781,550	567,246	16,920,793	12,049,986
Total revenue							16,920,793	12,049,986
Unallocated expenses							14,684,517	10,285,771
Profit from operations							2,236,276	1,764,215
Income tax expense							428,111	310,064
Profit for the year							1,808,165	1,454,151
Segment assets	50,462,199	42,708,731	21,119,882	17,876,664	14,162,142	10,903,656	85,744,223	71,489,051
Unallocated assets							6,232,404	5,108,509
Total assets							91,976,627	76,597,560

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 31 March 2019

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	15,529,116	33.54%
2	JANASHAKTHI INSURANCE PLC-SHAREHOLDERS	2,371,348	5.12%
3	JANASHAKTHI INSURANCE PLC - NON PAR	2,314,961	5.00%
4	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	1,869,099	4.04%
5	CEYLINCO GENERAL INSURANCE LIMITED	1,853,287	4.00%
6	PEOPLE'S LEASING & FINANCE PLC/ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	1,745,837	3.77%
7	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,708,816	3.69%
8	SEYLAN BANK PLC./JANASHAKTHI PLC	1,612,945	3.48%
9	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	1,126,000	2.43%
10	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,025,100	2.21%
11	PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	941,837	2.03%
12	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	935,258	2.02%
13	FIRST CAPITAL LIMITED	570,247	1.23%
14	MR. W.W.K.M.WEERASOORIYA/MRS. R.C.T. HENNADIGE	487,803	1.05%
15	MR.H.M.L.M.B. HEENKENDA	472,260	1.02%
16	MR. E.KARTHIK	429,500	0.93%
17	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	392,496	0.85%
18	MR.H.K. DASSANAYAKE	285,653	0.62%
19	MR.I.M. 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	36,175,569	78.13%
	Others	10,123,654	21.87%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 31 March 2019 is 45.73% (with 1,929 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	1,008,318	12.59%
3	MR.AMARAKOON MUDIYANSELAGE WEERASINGHE	614,454	7.67%
4	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	346,565	4.33%
5	MR.YUSUF HUSSEINALLY ABDULHUSSEIN	305,298	3.81%
6	MISS RUKAIYA HUSSEINALLY ABDULHUSSEIN	252,182	3.15%
7	ASKOLD (PRIVATE) LIMITED	240,000	3.00%
8	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	238,508	2.98%
9	MR.MALIK JOSEPH FERNANDO	208,999	2.61%
10	MR. HUSEIN NURUDDIN ESUFALLY	208,999	2.61%
11	MR.MURTAZA ALI JAFFERJEE	167,189	2.09%
11	MR.MURTAZA ALI ABIDHUSSEN HASSANALLY ESUFALLY	160,000	2.00%
13	MR. ABBASALLY NURUDDIN ESUFALLY	160,000	2.00%
14	JAFFERJEE INVESTMENTS (PVT) LTD.	104,499	1.31%
15	GOLD INVESTMENT LIMITED	104,499	1.31%
15	MR. MUKESH ABHAYKUMAR VALABHJI	104,499	1.31%
15	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	101,965	1.27%
18	LAKDHANAVI LIMITED	100,000	1.25%
19	SEYLAN BANK PLC/MR.DULEEP NISSANKA DALUWATTE	83,493	1.04%
20	MAXWELL INSURANCEBROKERS (PVT) LIMITED A/C NO 2	73,149	0.91%
	Sub total of Top 20 Share Holders	5,919,208	73.93%
	Others	2,086,776	26.07%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 31 March 2019 is 87.19% (with 1,729 public share holders)

Directors' and Chief Executive Officer's Shareholding as at 31 March 2019

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	1,869,099
MR. T.M.D.P. TENNAKOON	-
ASSETLINE LEASING COMPANY LTD/MR.T.M.D.P.TENNAKOON	132,515
SEYLAN BANK PLC/TENNAKOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOON	935,258
MR. S.V. MUNASINGHE	-
PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,025,100
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	4,403
PEOPLES LEASING & FINANCE PLC/MR.R.H.ABEYGOONEWARDENA & MRS.V.F.ABEYGOONEWARDENA	941,837
MR. P.A.J. JAYAWARDENA	500
MR. S.R. ABEYNAYAKE	-
MR. D.A. DE SILVA	-
DR. A. DHARMASIRI	-
MR. R. MOHAMED	-
MR. S.P.P. AMARATUNGE	-
MR. JOSEPH RENE ALASTAIR CORERA*	17,840
	4,927,552

Ordinary Non Voting Shares

Name	Share Holding
MR. D.H.J. GUNAWARDANA	-
MR. W.P.C.M. NANAYAKKARA	44
MR. T.M.D.P. TENNAKOON	-
SEYLAN BANK PLC/TENNAKOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOON	7,262
MR. S.V. MUNASINGHE	-
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	2,132
PEOPLES LEASING & FINANCE PLC /MR.R.H.ABEYGOONEWARDENA & MRS.V.F.ABEYGOONEWARDENA	5,447
MR. P.A.J. JAYAWARDENA	22
MR. S.R. ABEYNAYAKE	-
MR. D.A. DE SILVA	-
DR. A. DHARMASIRI	-
MR. R. MOHAMED	-
MR. S.P.P. AMARATUNGE	-
MR. JOSEPH RENE ALASTAIR CORERA*	10,000
	24,907

*(Appointed with effect from 16 May 2019)

Market prices for the quarter ended 31 March 2019

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Highest Price	88.00	85.00	77.00	76.00
Lowest Price	76.10	60.10	61.00	49.90
Last Traded	77.10	84.90	61.10	74.00

Floating Adjusted Market Capitalization

	Number of shares	Market price per share	Market Capitalization (Rs.)	Percentage of public holders	Floating Adjusted Market Capitalization (Rs.)
Voting Share	46,299,223	77.10	3,569,670,093	45.73%	1,632,410,134
Non Voting Share	8,005,984	61.10	489,165,622	87.19%	426,503,506
			4,058,835,716		2,058,913,640

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 2017/18 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 Fortune Properties Limited and Unisons Capital Leasing Limited.
- 4 No of Shares as at 31 March 2019 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 The Company announced a right issue of 11,574,805 new ordinary voting shares on the basis of one new ordinary voting share for every four ordinary voting shares held at the price of Rs.77/- and 2,001,496 new ordinary non-voting shares on the basis of one new ordinary non-voting share for every four ordinary non-voting shares held at the price of Rs. 64/-. The right issue is to be approved by the shareholders at the extra ordinary general meeting (EGM) to be held on 28 May 2019.
- 7 Mr. Joseph Rene Alastair Corera has been appointed as an Independent Non-Executive Director of the Company with effect from 16 May 2019.
- 8 Central Bank of Sri Lanka (CBSL) requires the Company to amalgamate Unisons Capital Leasing Limited and Fortune Properties Limited where the Company shareholding is 90.38% and 99.98% respectively. Accordingly the board of directors of the Company resolved on 8 April 2019 to initiate the process of amalgamation and subsequent to the amalgamation Citizens Development Business Finance PLC will be the surviving entity.
- 9 Company has obtained an unsecured term loan facility of USD 25,000,000 from BlueOrchard Microfinance Fund on 14 February 2019
- 10 Since 31 March 2019, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.
- 11 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 31 March 2019

Rated Subordinated Guaranteed Redeemable Debentures June 2016-June 2021

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	100.42	92.00	100.42
Type B		NOT TRADED	

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

Subordinated Listed Rated Unsecured Redeemable Debentures January 2019-January 2024

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

Interest Rates	Interest Payment Frequency	Coupon Rate	Annual Effective Rate
Debenture Type		%	%
Type A	Semi- annually	15.00	15.56%
Type B	Annually	15.50	15.50%

Interest Rates of Comparable Government Securities

5 Year Treasury Bond
(Excluding 10% withholding Tax) 10.97%

Current Yield & Yield to Maturity

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Current Yield %	Yield to Maturity %
Type A	13.21%	15.17%
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

Subordinated Listed Rated Unsecured Redeemable Debentures January 2019-January 2024

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

Debt Equity Ratio 264%

Quick Asset Ratio (Times) 0.87

Interest Cover (Times) 1.32

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

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 Issue January 2019

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 927,770,000	Within the 06 months from date of cash receipt	LKR 927,770,000	100%	LKR 927,770,000	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					

Selected Performance Indicators as per CBSL Regulations

Indicator	Company	
	As at 31-03-2019	As at 31-03-2018
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations	4,678,121	1,866,028
Gross Non- Performing Accommodations Ratio %	6.68%	3.07%
Net Non- Performing Accommodations Ratio %	3.84%	0.89%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	5,942,582	4,994,271
Available Amount of Liquid Assets	10,786,904	7,032,569
Required Minimum Amount of Government Securities	3,166,118	2,468,228
Available Amount of Government Securities	4,220,581	3,660,306
Capital Adequacy		
Core Capital (Tier 1 Capital)	6,406,558	6,719,404
Total Capital Base	9,077,375	8,792,223
Core Capital to Risk Weighted Assets Ratio (Minimum 5%)	7.80%	10.64%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)	11.05%	13.93%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)	19.22%	20.84%
Profitability		
Net Interest Margin (Annualized %)	6.34%	5.34%
Return on Average Assets- After Tax (Annualized %)	2.07%	2.17%
Return on Average Equity- After Tax (Annualized %)	21.62%	20.92%
Memorandum information		
Number of Employees	1,670	1,588
Number of Branches	59	59
Number of Service Centers	11	11
Number of Pawning Centers	1	1

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), MCFI(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

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 and Business Development

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

Mr. Joseph Rene Alastair Corera *CFA (USA), FCMA (UK)*
Independent Non-Executive Director
*** (With effect from 16 May 2019)*

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

[S]BBB+ with negative 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



Citizens Development Business Finance PLC
No. 123, Orabipasha Mawatha, Colombo 10, Sri Lanka
www.cdb.lk

CDB's profit before taxes surpasses LKR 2.7 Bn – now among Top 5 largest NBFIs

- **Profit before taxes up by 34%**
- **Strong Asset base of LKR 91.9 Bn**

Citizens Development Business Finance PLC (CDB) reinforced its dominance as a disruptor in the financial intermediary business in Sri Lanka with its exceptional financial results for FY 2018/19, posting profit before taxes of LKR 2.7 Bn, an increase of 34% as per the interim group financial results released to the CSE. Within its relatively short journey in Sri Lanka's financial services industry, CDB has climbed the zenith to rank within the Top 5 largest Non-Bank Financial Institutions in the country, possessing an asset base of LKR 91.9 Bn, which at Company level is posted at LKR 89.4 Bn. Its strong balance sheet assets collates 93% of regular cash flow and income generating assets.

Being an ardent proponent of sustainability at the highest global compliance levels, CDB's two dimensional business model positions the Company as a disruptor in the financial intermediary business and a socially and environmentally responsible corporate steward. Being listed on the mainboard of Colombo Bourse, this two pronged approach adds immense value to its bottom line, given the strong foundation of business sustainability and the constant stakeholder engagement upon which the business thrives on.

The Group's revenue for this FY of LKR 16.9 Bn reflects a growth of 40%, while net interest income showcases an increase of 52%, at LKR 5.5 Bn. Profit before taxes recorded a figure of LKR 2.7 Bn reflecting a growth of 34%. Taxes amounting to LKR 951 Mn reflecting an increase of 58% in comparison to the corresponding previous period includes VAT on financial services, debt repayment levy, Nation Building tax, crop insurance levy & income tax. PAT stands thus at LKR 1.8 Bn, which too is a significant increase of 24%, achieved despite a threefold increase in impairment charge set aside for a higher impairment reserve. This is in line with regulatory requirements and accounting standards which CDB does not expect to translate into actual credit losses.

The Company recorded PAT of LKR 1.7 Bn, reflecting a growth of 22%, while Unison Capital Leasing Ltd (UCL) contributed LKR 98 Mn towards the Group's PAT figure. UCL is CDB's 90.3% owned specialized leasing subsidiary, and will merge with CDB as per regulatory requirements. A Stock Exchange announcement has already been made in this regard.

The gross NPL ratio recorded at 6.68%, and on net basis indicates at 3.84%. The net NPL ratio excluding revolving repossessed stock is reflected at 1.5%. Cost to income ratio declined to 49% during the period under review.

CDB's loan book recorded a modest growth of 18%, detailed at LKR 71.5 Bn, from which 97% represents an asset backed portfolio. CDB raised USD 60 Mn in foreign funding from Belgian Investment Company for Developing Countries (BIO), Dutch Development Bank of the Netherlands (FMO) and Blue Orchard Microfinance Fund during the financial year in bid to add

fillip to the country's SMEs. The deposit base as at the year end stood at LKR 47.2 Bn with a healthy deposits to debt funding combination of 60% to 40%. This composition also helped to record a healthy assets & liabilities maturity status. Shareholders' Funds recorded a figure of LKR 8.8 Bn, up by 22%, well above the regulatory threshold of LKR 1.5 Bn and the net book value per share stood at LKR 162.50. Earnings per share (EPS) recorded a figure of LKR 33.11 for the financial year. Tier I & II capital ratios stood at 7.78% and 11.05% respectively, computed under the revised direction issued by the Central Bank. CDB announced a rights issue of LKR 1 Bn recently, targeted on strengthening its capital base and in line with future growth aspirations.

CDB's sustainability drivers are founded on the three key goals of social inclusivity, zero carbon growth and resource efficiency. Having been acknowledged and commended globally and locally for its sustainability fundamentals, CDB focuses on the diversity of its clientele to deliver on the results of its business model, which combines 'Urban Funding with Rural Lending.' By becoming a net lender to the rural economy and touching the base of the pyramid markets that support a strong financial strength of economic value addition.

At present, CDB's business strategy embeds conventional business aspects under its deliberate strategy and disruptive aspects under its emergent strategy. CDB's new purpose statement, 'Empowering Aspirations' was recently rolled out to complement and further strengthen and reinforce its brand promise of being 'Your Friend.'

Explaining the rationale of this new purpose statement, MD/CEO Mahesh Nanayakkara said, "When our tagline of Your Friend was launched fifteen years ago, CDB was a relatively unknown entity and it best reflected our purpose at the time of being a true partner to the citizens of this country. However, having now become a financial services trailblazer and firmly etched our presence among the Top Five largest NBFIs in the country, the time is apt for us to take the concept of Your Friend to the next level, by empowering their aspirations. Empowering Aspirations therefore denotes our strong capacity to support our customers, team members and valued business partners." He added that this purpose statement also pushes the realms to make luxury accessible, "which we have further integrated into our entire ethos by gearing non-consumption disruption and being cognizant of elevating customer aspirations. Our firm belief is that the financial intermediary business will be subject to dramatic disruption within the next five years, where demarcated boundaries would be non-existent."

CDB's unrelenting commitment to ensure holistic sustainability through its business purpose infused into its business model has seen it being conferred with local and international accolades. This year it was included among the Top Ten Best Corporate Citizens and won in the category under the Rs. 15 Bn revenue at the Best Corporate Citizen Sustainability Awards organized by the Ceylon Chamber of Commerce. It continued its winning streak for a third consecutive year with a Gold Award in Financial Services at the National Business Excellence Awards of the National Chamber of Commerce. CDB is now ranked among the Top 50 Most Valuable Consumer Brands in Sri Lanka and recorded the highest percentage increase in brand value among the Top 50 Brands as per the latest rankings released by Brand Finance. CDB's

unwavering compliance to governance, ethics and business principles was reiterated with the Grand Award – Best of Sri Lanka at the ARC Awards USA for its 2017/18 Annual Report.

About us

Citizens Development Business Finance PLC (CDB) is a public quoted leader, standing among the Top Five largest Non-Banking Financial Institutions in Sri Lanka with an island wide branch network of 71 driven by a state of the art technological platform that has revolutionized the way financial transactions are performed in the country.

May 21, 2019