

INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 JUNE 2019



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Company			Group		
	For the quarter ended 30 June			For the quarter ended 30 June		
	2019 Rs. '000	2018 Rs. '000	Change %	2019 Rs. '000	2018 Rs. '000	Change %
Revenue	4,000,851	3,586,980	12%	4,183,130	3,701,093	13%
Interest income	3,747,662	3,222,424	16%	3,927,697	3,322,744	18%
Interest expense	2,329,223	2,086,018	12%	2,400,822	2,123,376	13%
Net interest income	1,418,439	1,136,406	25%	1,526,875	1,199,368	27%
Fee and commission income	119,248	123,870	-4%	135,051	140,082	-4%
Other operating income	133,941	240,686	-44%	120,382	238,267	-49%
Total operating income	1,671,628	1,500,962	11%	1,782,308	1,577,717	13%
Less : Impairment charges and other credit losses on financial assets	438,146	204,065	115%	460,870	213,530	116%
Net operating income	1,233,482	1,296,897	-5%	1,321,438	1,364,187	-3%
Less : Operating expenses						
Personnel expenses	361,524	337,152	7%	377,526	351,065	8%
Premises, equipment and establishment expenses	424,288	380,783	11%	440,958	394,183	12%
Other expenses	132,751	105,891	25%	142,643	112,710	27%
Total operating expenses	918,563	823,826	11%	961,127	857,958	12%
Operating profit before taxes on financial services	314,919	473,071	-33%	360,311	506,229	-29%
Less : Taxes on financial services	78,500	72,101	9%	87,259	78,819	11%
Profit before tax	236,419	400,970	-41%	273,052	427,410	-36%
Less : Income tax expense	(38,088)	80,224	-147%	(26,365)	88,278	-130%
Profit for the period	274,507	320,746	-14%	299,417	339,132	-12%
Profit attributable to :						
Equity holders of the Company	274,507	320,746	-14%	297,021	337,364	-12%
Non-controlling interest	-	-		2,396	1,768	
Profit for the period	274,507	320,746	-14%	299,417	339,132	-12%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(4,485)	34%	(6,000)	(4,485)	34%
Total other comprehensive income	(6,000)	(4,485)	34%	(6,000)	(4,485)	34%
Total comprehensive income for the period	268,507	316,261	-15%	293,417	334,647	-12%
Total comprehensive income attributable to :						
Equity holders of the Company	268,507	316,261	-15%	291,021	332,879	-13%
Non-controlling interest	-	-		2,396	1,768	
Total comprehensive income for the period	268,507	316,261	-15%	293,417	334,647	-12%
Earnings per share						
Basic earnings per share (Rs.)	4.04	5.80*		4.41	6.12*	

Figures in brackets indicate deductions.

* Earnings per share for the period ended 30 June 2018 has been restated considering the effect of Right Issue

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Financial Position

As at	Company		Group	
	30-06-2019 Rs. '000	Audited 31-03-2019 Rs. '000	30-06-2019 Rs. '000	Audited 31-03-2019 Rs. '000
Assets				
Cash and cash equivalents	1,045,857	1,093,874	1,092,614	1,189,251
Financial assets measured at fair value through profit or loss (FVTPL)	1,555,909	1,687,004	1,592,476	1,727,013
Loans and receivables to banks	3,581,753	3,094,312	3,581,753	3,195,205
Deposits with financial institutions	4,898,282	6,719,704	4,898,282	6,719,704
Loans and receivables to customers	69,651,600	69,133,049	71,567,375	71,582,081
Other investment securities	912,876	1,313,861	1,028,077	1,319,177
Investment in subsidiaries	509,918	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant & equipment	2,973,623	2,369,187	2,989,110	2,384,016
Intangible assets	77,865	82,791	244,179	97,838
Rights-of-use assets	827,961	-	849,563	-
Goodwill on consolidation	-	-	92,060	244,180
Other assets	3,650,319	3,408,541	4,044,697	3,499,958
Total assets	89,706,161	89,432,439	92,000,384	91,978,621
Liabilities				
Derivative financial liabilities	578,821	363,153	578,821	363,153
Deposits from customers	46,210,190	47,236,367	46,202,806	47,222,578
Debt securities issued	4,052,786	3,980,483	4,052,786	3,980,483
Other interest-bearing borrowings	23,891,983	24,509,877	25,608,777	26,473,852
Lease liabilities	845,686	-	867,939	-
Current tax liabilities	490,372	556,748	577,482	633,142
Deferred tax liabilities	1,357,419	1,357,419	1,336,061	1,336,061
Retirement benefit obligation	(46,631)	7,369	(46,631)	7,681
Other liabilities	2,372,270	2,755,620	2,639,302	3,091,402
Total liabilities	79,752,896	80,767,036	81,817,343	83,108,352
Equity				
Stated capital	2,204,417	1,185,062	2,204,417	1,185,062
Reserves	2,240,486	2,240,486	2,240,471	2,240,471
Retained earnings	5,508,362	5,239,855	5,690,162	5,399,141
Total equity attributable to equity holders of the Company	9,953,265	8,665,403	10,135,050	8,824,674
Non-controlling interest	-	-	47,991	45,595
Total equity	9,953,265	8,665,403	10,183,041	8,870,269
Total liabilities and equity	89,706,161	89,432,439	92,000,384	91,978,621
Net assets value per share (Rs.)	146.63	159.57	150.01	162.50

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

13 August 2019

Colombo

Sgd.

C.M. Nanayakkara

Managing Director/CEO

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Company

	Stated Capital	Reserves		Retained Earnings	Total Equity
		Revaluation Reserve	Statutory Reserve Fund		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
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 period					
Profit for the period				320,746	320,746
Other comprehensive income for the period					
Remeasurement of defined benefit liability/(asset)				(4,485)	(4,485)
Balance as at 30 June 2018	1,185,062	432,995	1,320,873	4,529,730	7,468,660
Balance as at 1 April 2019	1,185,062	577,574	1,662,912	5,239,855	8,665,403
Right Issue	1,019,355				1,019,355
Total comprehensive income for the period					
Profit for the period				274,507	274,507
Other comprehensive income for the period					
Remeasurement of defined benefit liability/(asset)				(6,000)	(6,000)
Balance as at 30 June 2019	2,204,417	577,574	1,662,912	5,508,362	9,953,265

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	Statutory Reserve Fund				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
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 period							
Profit for the period				337,364	337,364	1,768	339,132
Other comprehensive income for the period							
Remeasurement of defined benefit liability/(asset)				(4,485)	(4,485)		(4,485)
Balance as at 30 June 2018	1,185,062	432,995	1,326,004	4,612,347	7,556,408	37,976	7,594,384
Balance as at 1 April 2019	1,185,062	577,574	1,662,897	5,399,141	8,824,674	45,595	8,870,269
Right Issue	1,019,355				1,019,355		1,019,355
Total comprehensive income for the period							
Profit for the period				297,021	297,021	2,396	299,417
Other comprehensive income for the period							
Remeasurement of defined benefit liability/(asset)				(6,000)	(6,000)	-	(6,000)
Balance as at 30 June 2019	2,204,417	577,574	1,662,897	5,690,162	10,135,050	47,991	10,183,041

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the period ended	Company		Group	
	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000
Cash flow from operating activities				
Interest receipts	3,763,709	3,211,786	3,923,817	3,328,566
Commission receipts	43,067	40,939	49,169	57,150
Other income receipts	16,742	316,506	45,488	317,099
Interest payments	(2,224,507)	(1,964,548)	(2,300,106)	(2,016,522)
Fee and business promotion expenses	(99,903)	(95,822)	(103,165)	(95,822)
Employee related payments	(361,524)	(324,652)	(364,107)	(336,752)
Supplier payments	(433,755)	(307,826)	(517,928)	(317,111)
Financial expenses	(4,327)	(10,069)	(5,338)	(10,547)
Operating profit before changes in operating assets	699,502	866,314	727,830	926,061
<i>(Increase)/Decrease in operating assets</i>				
Investments in financial institutions	1,333,981	(341,309)	1,333,981	(341,309)
Investment in Government Securities/Quoted Shares- Trading	303,907	(111,461)	303,907	(121,396)
Net funds advanced to customers	(972,744)	(4,741,387)	(771,596)	(5,070,061)
Changes in other short-term assets	(148,433)	(538,663)	(94,642)	(1,002,896)
Inventories	(17,164)	120	(17,164)	120
	499,547	(5,732,700)	754,486	(6,535,542)
<i>Increase/(Decrease) in operating liabilities</i>				
Borrowings	(402,227)	1,432,176	(698,210)	2,195,406
Deposits from customers	(1,130,893)	2,138,968	(1,130,893)	2,138,968
	(1,533,120)	3,571,144	(1,829,103)	4,334,374
Net Cash Generated / (used in) from operating activities	(334,071)	(1,295,242)	(346,787)	(1,275,107)
Contribution to Plan Assets	(85,000)	-	(85,000)	-
Taxation	(21,130)	(16,999)	(24,607)	(26,624)
	(440,201)	(1,312,241)	(456,394)	(1,301,731)
Cash flow from investing activities				
Dividend receipts	25,790	20,904	26,449	21,498
Right Issue	1,019,355	-	1,019,355	-
Investment in other investment securities	400,985	550,915	400,985	550,915
Purchase of property, plant & equipment	(846,561)	(224,911)	(847,046)	(225,932)
Proceed from sale of property, plant & equipment	-	5,559	-	5,559
Net cash (used in)/ from investing activities	599,569	352,467	599,743	352,040
Cash flow from financing activities				
Net change debentures	72,303	44,017	72,303	44,017
Net cash inflows/ (out flows) from financing activities	72,303	44,017	72,303	44,017
Net increase/(decrease) in cash and cash equivalents	231,671	(915,757)	215,652	(905,674)
Cash and cash equivalents at the beginning of the period	585,413	2,205,081	643,219	2,233,378
Cash and cash equivalents at the end of the period	817,084	1,289,324	858,871	1,327,704
Cash and cash equivalents at the beginning of the period				
Cash at bank and in hand	1,093,874	2,974,825	1,189,251	3,039,663
Bank overdraft	(508,461)	(769,744)	(546,032)	(806,285)
	585,413	2,205,081	643,219	2,233,378
Cash and cash equivalents at the end of the period				
Cash at bank and in hand	1,045,857	1,481,864	1,092,614	1,558,107
Bank overdraft	(228,773)	(192,540)	(233,743)	(230,403)
	817,084	1,289,324	858,871	1,327,704

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	
	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000
Interest	2,477,381	2,214,955	1,006,878	862,134	263,403	145,335	3,747,662	3,222,424
Non interest income							253,189	364,556
Segment revenue	2,477,381	2,214,955	1,006,878	862,134	263,403	145,335	4,000,851	3,586,980
Total revenue	2,477,381	2,214,955	1,006,878	862,134	263,403	145,335	4,000,851	3,586,980
Unallocated expenses							3,764,432	3,186,010
Profit from operations							236,419	400,970
Income tax expense							(38,088)	80,224
Profit for the period							274,507	320,746
Segment assets	48,516,112	44,647,762	21,135,488	19,338,546	11,994,677	9,056,161	81,646,277	73,042,469
Unallocated assets							8,059,884	5,935,869
Total assets							89,706,161	78,978,338

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000	30-06-2019 Rs. '000	30-06-2018 Rs. '000
Interest	2,673,352	2,327,528	988,541	846,731	265,804	148,485	3,927,697	3,322,744
Non interest income							255,433	378,349
Segment revenue	2,673,352	2,327,528	988,541	846,731	265,804	148,485	4,183,130	3,701,093
Total revenue	2,673,352	2,327,528	988,541	846,731	265,804	148,485	4,183,130	3,701,093
Unallocated expenses							3,910,078	3,273,683
Profit from operations							273,052	427,410
Income tax expense							(26,365)	88,278
Profit for the period							299,417	339,132
Segment assets	50,814,992	46,352,367	20,752,383	19,002,916	12,193,202	9,639,624	83,760,577	74,994,907
Unallocated assets							8,239,807	5,919,788
Total assets							92,000,384	80,914,695

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 05 July 2019

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	20,060,014	34.66%
2	JANASHAKTHI INSURANCE PLC-SHAREHOLDERS	2,964,185	5.12%
3	JANASHAKTHI INSURANCE PLC - NON PAR	2,893,701	5.00%
4	PEOPLE'S LEASING & FINANCE PLC/ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	2,379,413	4.11%
5	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	2,336,373	4.04%
6	CEYLINCO GENERAL INSURANCE LIMITED	2,316,608	4.00%
7	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	2,136,020	3.69%
8	SEYLAN BANK PLC./JANASHAKTHI PLC	2,098,611	3.63%
9	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	1,460,181	2.52%
10	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,281,375	2.21%
11	PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. & MRS. V.F. ABEYGOONEWARDENA	1,267,296	2.19%
12	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	1,169,072	2.02%
13	FIRST CAPITAL LIMITED	570,247	0.99%
14	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	544,295	0.94%
15	MR. E. KARTHIK	536,875	0.93%
16	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	490,620	0.85%
17	MR. W.W.K.M. WEERASOORIYA	487,803	0.84%
18	PEOPLE'S LEASING & FINANCE PLC/MR.H.M.L.M.B.HEENKENDA	472,260	0.82%
19	COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI LIMITED	431,039	0.74%
20	PEOPLE'S LEASING & FINANCE PLC/MR.M.N.M.IMDAAD	309,727	0.54%
	Sub total of Top 20 Share Holders	46,205,715	79.84%
	Others	11,668,313	20.16%
	Total	57,874,028	100.00%

The percentage of shares held by the public as at 05 July 2019 is 44.32% (with 1,939 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	13.36%
2	J.B. COCOSHELL (PVT) LTD	1,260,397	12.59%
3	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	778,474	7.78%
4	MR. A.M. WEERASINGHE	614,454	6.14%
5	MR. Y.H. ABDULHUSSEIN	305,298	3.05%
6	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	275,000	2.75%
7	MISS R.H. ABDULHUSSEIN	252,182	2.52%
8	MR. M.A. JAFFERJEE	248,048	2.48%
9	ASKOLD (PRIVATE) LIMITED	240,000	2.40%
10	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	238,508	2.38%
11	MR. A.N. ESUFALLY	210,481	2.10%
12	MR. M.J. FERNANDO	208,999	2.09%
13	MR. M.A.A.H. ESUFALLY	160,000	1.60%
14	MR. D.F.G. DALPETHADO	158,575	1.58%
14	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	136,577	1.36%
14	MR J.L. PRIYANTHA	119,071	1.19%
17	MR. I.M. KOTIGALA	115,240	1.15%
18	MR. S.S.R.N. CHANDRAJITH	113,497	1.13%
19	MR. H.K. DASSANAYAKE	110,961	1.11%
20	MR. H.M.H. DHARMADASA	107,042	1.07%
	Sub total of Top 20 Share Holders	6,989,396	69.84%
	Others	3,018,084	30.16%
	Total	10,007,480	100.00%

The percentage of shares held by the public as at 05 July 2019 is 76.51% (with 1,737 public share holders)

Note -

The Rights Issue share allotment was made on 27 June 2019. The Rights Issue shares were uploaded to Central Depository System (Private) Limited on 04 July 2019.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Directors' and Chief Executive Officer's Shareholding as at 30 June 2019

Ordinary Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	1,250
PEOPLE'S LEASING & FINANCE PLC/MR.W.P.C.M.NANAYAKKARA	2,336,373
Mr. T.M.D.P. Tennakoon	-
ASSETLINE LEASING COMPANY LTD/MR.T.M.D.P.TENNAKOON	165,643
SEYLAN BANK PLC/Tennakoon Mudiyanseleage Damith Prasanna Tennakoon	1,169,072
Mr. S.V. Munasinghe	-
PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,281,375
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	5,503
PEOPLES LEASING & FINANCE PLC/MR.R.H.ABEYGOONEWARDENA & MRS.V.F.ABEYGOONEWARDENA	1,267,296
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. J.R.A.Corera	1,000
People's Leasing & Finance PLC / Mr. J.R.A.Corera	21,050
	6,249,062

Ordinary Non Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	55
Mr. T.M.D.P. Tennakoon	-
Seylan Bank PLC/Tennakoon Mudiyanseleage Damith Prasanna Tennakoon	136,577
Mr. S.V. Munasinghe	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	96,415
Peoples Leasing & Finance PLC /Mr.R.H.Abeygoonewardena & Mrs.V.F.Abeygoonewardena	60,808
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. J.R.A.Corera	10,000
	303,877

Market prices for the quarter ended 30 June 2019

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
Highest Price	83.00	94.00	68.00	82.50
Lowest Price	65.80	80.00	57.10	73.00
Last Traded	81.40	85.10	63.10	77.10

Floating Adjusted Market Capitalization as at 05 July 2019

	Number of shares	Market price per share	Market Capitalization (Rs.)	Percentage of public holders	Floating Adjusted Market
Voting Share	57,874,028	85.80	4,965,591,602	44.32%	2,200,750,198
Non Voting Share	10,007,480	63.00	630,471,240	76.51%	482,373,546
			4,252,347,744		2,683,123,744

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Explanatory Notes

- 1 The Company has adopted Sri Lanka Accounting Standard - SLFRS 16 - "Leases" with effect from 01 April 2019
- 2 The Company has used the same accounting policies and method of computing described in the audited financial statements of the company for 2018/19 in the preparation of these interim financial statements except the policies and method of computing adopted under SLFRS 16 - "Leases".
- 3 All known expenses have been provided in these financial statements and management fees are not applicable to the Company.
- 4 Group financial statements comprises the consolidation of the Company and its subsidiaries Fortune Properties Limited and Unisons Capital Leasing Limited.
- 5 No of Shares as at 30 June 2019 is as follows.

Ordinary Voting Shares	57,874,028
Ordinary Non Voting Shares	10,007,480
- 6 On 26 March 2019 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 was approved by the shareholders at the Extraordinary General Meeting (EGM) held on 28 May 2019, and allotment was made on 27 June 2019.
- 7 The Board has proposed a first and final dividend of Rs. 5 per share for its voting and non-voting ordinary shares for the year ended 31 March 2019. This will be paid in the form of a cash dividend of Rs. 2.50 and in the form of a scrip dividend of Rs. 2.50.
- 8 Central Bank of Sri Lanka (CBSL) has informed the company to deduct the fair value of the investment in Ceylinco Insurance PLC from the computation of Capital Adequacy ratios by their letter dated 26 July 2019. At the request of the company, CBSL permitted to deduct the said investment in three equal annual tranches beginning from 31 March 2019. Further, as per the CBSL dividend approval letter dated 26 July 2019, quote "However, declaring and distributing any cash dividends by Citizens Development Business Finance PLC (CDBFP) has been restricted for the next two financial years (2019/20 and 2020/21) during the period the forbearance given above is in effect" unquote.
- 9 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.
- 10 Since 30 June 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 30 June 2019

Rated Subordinated Guaranteed Redeemable Debentures June 2016-June 2021

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	100.39	95.00	100.39
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	14.2	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)	9.95%
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Current Yield & Yield to Maturity

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Current Yield %	Yield to Maturity %
Type A	12.81	13.41
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	200%
Quick Asset Ratio (Times)	0.86
Interest Cover (Times)	2.12

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 regulatory requirements

Indicator	Company	
	As at 30-06-2019	As at 31-03-2019
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations	5,623,827	4,678,121
Gross Non- Performing Accommodations Ratio %	7.96%	6.68%
Net Non- Performing Accommodations Ratio %	4.83%	3.84%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	5,923,552	5,942,582
Available Amount of Liquid Assets	9,252,075	10,786,904
Required Minimum Amount of Government Securities	4,051,163	3,166,118
Available Amount of Government Securities	4,381,229	4,220,581
Capital Adequacy		
Core Capital (Tier 1 Capital)	7,757,114	6,631,751
Total Capital Base	9,993,786	9,067,690
Core Capital to Risk Weighted Assets Ratio (Minimum 6%)*	9.35%	8.09%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%)*	12.05%	11.07%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	21.63%	19.20%
Profitability		
Net Interest Margin (Annualized %)	6.36%	6.34%
Return on Average Assets- After Tax (Annualized %)	1.23%	2.07%
Return on Average Equity- After Tax (Annualized %)	11.79%	21.62%
Memorandum information		
Number of Employees	1,777	1,670
Number of Branches	59	59
Number of Service Centers	11	11
Number of Pawning Centers	1	1

* Including current year unaudited profit

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

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. 07 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 and CDB is an approved credit agency under mortgage Act No. 06 of 1949 and 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

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 Agency

ICRA Lanka Limited

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