

# Citizens Development Business Finance PLC

## Interim Financial Statements for the Six Months Ended 30th September 2015

### Consolidated Statement of Financial Position

As at	Company			Group		
	30.09.2015 Rs.	Audited 31.03.2015 Rs.	30.09.2014 Rs.	30.09.2015 Rs.	Audited 31.03.2015 Rs.	30.09.2014 Rs.
<b>Assets</b>						
Cash and Cash Equivalents	353,143,855	313,394,279	1,017,261,592	368,131,014	334,358,488	1,020,597,118
Financial Instruments held for Trading	160,570,690	56,220,230	-	160,570,690	56,220,230	-
Loans and Receivable to Banks	108,000,000	301,700,000	229,500,000	108,000,000	301,700,000	229,500,000
Deposits with licensed commercial banks	1,790,098,577	1,933,216,541	1,867,875,109	1,790,098,577	1,943,406,672	1,867,875,109
Loans and Advances to Customers	34,790,011,768	29,378,799,251	26,998,415,181	34,977,227,128	29,620,437,218	26,998,415,181
Investment Securities	2,974,382,899	3,140,348,599	2,689,240,679	3,013,488,741	3,146,426,620	2,689,240,679
Investment in Subsidiary	427,745,447	427,745,447	2,745,447	-	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,528,361,671	1,421,342,866	1,321,101,485	1,536,290,277	1,426,432,810	1,321,101,485
Intangible Assets	77,285,105	71,159,770	75,380,582	77,285,105	75,792,298	75,380,582
Goodwill on Consolidation	-	-	-	244,179,431	244,179,431	-
Other Assets	1,158,640,144	949,583,619	939,699,869	1,165,251,974	955,914,234	939,699,869
<b>Total Assets</b>	<b>43,388,438,133</b>	<b>38,013,708,579</b>	<b>35,161,417,921</b>	<b>43,460,720,913</b>	<b>38,125,065,978</b>	<b>35,162,008,000</b>
<b>Liabilities</b>						
Deposits From Customers	28,624,076,455	27,079,133,660	26,399,341,220	28,624,076,455	27,079,133,660	26,399,341,220
Debt Securities Issued	1,096,879,357	1,043,481,193	1,161,520,463	1,096,879,357	1,043,481,193	1,161,520,463
Other Interest bearing borrowings	6,710,276,678	3,780,763,484	2,737,895,036	6,723,796,911	3,838,570,678	2,737,895,034
Current Tax Liabilities	252,613,151	111,513,609	157,238,345	255,995,209	117,226,977	157,643,422
Deferred Tax Liabilities	282,079,148	282,079,149	145,383,294	283,654,115	283,654,115	145,383,293
Retirement Benefit Obligations	24,068,177	45,298,837	2,214,417	24,068,177	45,425,460	2,214,417
Other Liabilities	2,048,434,547	1,369,435,106	870,793,076	2,053,768,916	1,378,202,112	871,178,881
<b>Total Liabilities</b>	<b>39,038,427,513</b>	<b>33,711,705,038</b>	<b>31,474,385,851</b>	<b>39,062,239,140</b>	<b>33,785,694,195</b>	<b>31,475,176,730</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
Reserves	1,497,531,005	1,663,583,860	1,266,153,501	1,498,009,412	1,664,062,266	1,266,153,501
Investment Fund Account	-	-	103,819,846	-	-	103,819,846
Retained Earnings	1,667,417,970	1,453,358,036	1,131,997,078	1,684,076,693	1,460,464,302	1,131,796,278
<b>Total equity attributable to equity holders of the company</b>	<b>4,350,010,620</b>	<b>4,302,003,541</b>	<b>3,687,032,070</b>	<b>4,367,147,750</b>	<b>4,309,588,213</b>	<b>3,686,831,270</b>
Non-Controlling Interests	-	-	-	31,334,023	29,783,570	-
<b>Total Equity</b>	<b>4,350,010,620</b>	<b>4,302,003,541</b>	<b>3,687,032,070</b>	<b>4,398,481,773</b>	<b>4,339,371,783</b>	<b>3,686,831,270</b>
<b>Total Equity and Liabilities</b>	<b>43,388,438,133</b>	<b>38,013,708,579</b>	<b>35,161,417,921</b>	<b>43,460,720,913</b>	<b>38,125,065,978</b>	<b>35,162,008,000</b>
<b>Net Assets Value per Share</b>	<b>80.10</b>	<b>79.22</b>	<b>67.89</b>	<b>80.42</b>	<b>79.36</b>	<b>67.89</b>

### Selected Performance Indicators

Indicator	Company		
	As at 30-09-2015	As at 31-03-2015	As at 30-09-2014
<b>Asset Quality (Rs. 000)</b>			
Gross Non-Performing Accommodations,	1,848,165	1,727,617	1,635,416
Gross Non-Performing Accommodations Ratio, %	5.23%	5.78%	5.95%
Net Non-Performing Accommodations Ratio, %	2.72%	3.19%	3.30%
<b>Liquidity (Rs. 000)</b>			
Required Minimum amount of Liquid Assets	3,068,220	2,977,502	2,858,503
Available amount of Liquid Assets	3,877,825	4,262,267	4,414,414
Required Minimum amount of Government Securities	2,068,234	1,679,439	1,679,439
Available amount of Government Securities	2,120,254	2,322,464	2,022,829
<b>Capital Adequacy</b>			
Core Capital ( Tier 1 Capital)	4,178,938	4,130,931	3,450,447
Total Capital Base	4,471,377	5,031,161	4,350,677
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	11.11%	12.79%	12%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	11.88%	15.57%	15.13%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	15.62%	18.58%	16.48%
<b>Profitability</b>			
Interest Margin (Annualized %)	7.33%	8.00%	8.23%
Return on Average Assets- After Tax (Annualized %)	2.03%	1.96%	1.92%
Return on Average Equity- After Tax (Annualized %)	19.1%	17.8%	18.22%
<b>Memorandum information</b>			
Number of Employees	1,278	1,136	1,034
Number of branches	48	47	47
Number of service centers	11	11	11
Number of pawning centers	1	1	1

\* Including current year unaudited profit

### Certification

We, the undersigned, being the Chief Executive Officer and the Financial Controller of Citizens Development Business Finance PLC certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- The information contained in these statements have been extracted from the unaudited financial statements of Citizens Development Business Finance PLC unless indicated as audited.

Sgd  
C.M. Nanayakkara  
Managing Director / CEO

28th October 2015, Colombo.

Sgd  
Damith Tennakoon  
Director/CFO

### Consolidated Statement of Comprehensive Income

	Company			Group		
	For the Six Months Ended 30 September			For the Six Months Ended 30 September		
	2015/16 Rs.	2014/15 Rs.	Change %	2015/16 Rs.	2014/15 Rs.	Change %
<b>Revenue</b>	<b>3,391,327,095</b>	<b>3,358,797,874</b>	<b>1%</b>	<b>3,420,685,424</b>	<b>3,358,797,874</b>	<b>2%</b>
Interest Income	3,180,180,629	3,168,644,506	0%	3,209,436,208	3,168,644,506	1%
Less: Interest Expenses	1,688,305,720	1,750,317,589	-4%	1,690,342,496	1,750,317,589	-3%
<b>Net Interest Income</b>	<b>1,491,874,909</b>	<b>1,418,326,917</b>	<b>5%</b>	<b>1,519,093,712</b>	<b>1,418,326,917</b>	<b>7%</b>
Net fee and Commission Income	99,590,938	79,407,956	25%	99,590,939	79,407,956	25%
Other Operating Income	111,555,528	110,745,413	1%	111,658,277	110,745,413	1%
<b>Total Operating Income</b>	<b>1,703,021,375</b>	<b>1,608,480,286</b>	<b>6%</b>	<b>1,730,342,928</b>	<b>1,608,480,286</b>	<b>8%</b>
Less : Net impairment loss on financial assets	95,817,404	270,754,903	-65%	96,445,740	270,754,903	-64%
<b>Net Operating Income</b>	<b>1,607,203,971</b>	<b>1,337,725,383</b>	<b>20%</b>	<b>1,633,897,188</b>	<b>1,337,725,383</b>	<b>22%</b>
<b>Less:</b>						
Personnel expenses	346,300,094	304,116,331	14%	350,120,815	304,116,331	15%
Premises, equipment and establishment expenses	485,068,282	411,628,241	18%	489,243,479	411,628,241	19%
Other Expenses	164,462,315	141,229,026	16%	165,419,470	141,229,026	17%
<b>Total Operating Expenses</b>	<b>995,830,691</b>	<b>856,973,598</b>	<b>16%</b>	<b>1,004,783,764</b>	<b>856,973,598</b>	<b>17%</b>
<b>Operating Profit Before Value Added Tax(VAT) on financial service, Nation Building Tax (NBT) and crop Insurance Levy (CIL)</b>	<b>611,373,280</b>	<b>480,751,785</b>	<b>27%</b>	<b>629,113,424</b>	<b>480,751,785</b>	<b>31%</b>
Less: VAT, NBT and CIL	71,562,265	45,687,623	57%	73,867,415	45,687,623	62%
<b>Profit Before Tax</b>	<b>539,811,015</b>	<b>435,064,162</b>	<b>24%</b>	<b>555,246,009</b>	<b>435,064,162</b>	<b>28%</b>
Income Tax Expense	126,711,673	104,215,750	22%	131,043,757	104,215,750	26%
<b>Profit for the Period</b>	<b>413,099,342</b>	<b>330,848,412</b>	<b>25%</b>	<b>424,202,252</b>	<b>330,848,412</b>	<b>28%</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	413,099,342	330,848,412		422,651,799	330,848,412	
Non-controlling Interests	-	-		1,550,453	-	
<b>Profit for the Period</b>	<b>413,099,342</b>	<b>330,848,412</b>		<b>424,202,252</b>	<b>330,848,412</b>	
<b>Other Comprehensive Income:</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Net Actuarial gains/(losses) on Defined Benefit plan	(8,971,184)	(3,558,033)		(8,971,184)	(3,558,033)	
<b>Items that are or may be reclassified to profit or loss</b>						
Net change in fair value of available for sale financial asset	(166,052,854)	(54,256,800)		(166,052,854)	(54,256,800)	
Other comprehensive income net of tax	(175,024,038)	(57,814,833)		(175,024,038)	(57,814,833)	
<b>Total Comprehensive Income</b>	<b>238,075,304</b>	<b>273,033,579</b>		<b>249,178,214</b>	<b>273,033,579</b>	
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Company	238,075,304	273,033,579		247,627,761	273,033,579	
Non-controlling interests	-	-		1,550,453	-	
<b>Total Comprehensive Income</b>	<b>238,075,304</b>	<b>273,033,579</b>		<b>249,178,214</b>	<b>273,033,579</b>	
<b>Earnings per share:</b>						
Basic Earnings per Share	7.61	6.09		7.78	6.09	

Figures in brackets indicate deductions.

**CDB**  
Citizens Development  
Your Friend

**Citizens Development Business Finance PLC**

No. 123, Orabipasha Mawatha, Colombo 10.

Registration no. PB232PQ

Date of incorporation: 07th September 1995

Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

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Interim Financial Statements can be accessed on our website www.cdb.lk