

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2016

Citizens Development Business Finance PLC

No 123, Orabipasha Mawatha, Colombo 10



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Company					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %
Revenue	2,168,481,148	1,886,265,567	15%	6,270,048,519	5,277,592,662	19%
Interest Income	1,910,900,491	1,703,934,866	12%	5,539,447,733	4,884,115,495	13%
Less: Interest Expenses	1,219,431,707	950,475,437	28%	3,402,459,386	2,638,781,156	29%
Net Interest Income	691,468,784	753,459,429	-8%	2,136,988,347	2,245,334,339	-5%
Fees and Commission Income	61,318,217	63,660,702	-4%	161,690,524	163,251,640	-1%
Net Interest, Fee and Commission Income	752,787,001	817,120,131	-8%	2,298,678,871	2,408,585,979	-5%
Other Operating Income	196,262,440	118,669,999	65%	568,910,262	230,225,527	147%
Total Operating Income	949,049,441	935,790,131	1%	2,867,589,133	2,638,811,506	9%
Less : Impairment Charge on Financial Assets & Other Credit Losses	43,580,027	(12,842,550)	-439%	170,779,419	82,974,854	106%
Net Operating Income	905,469,414	948,632,680	-5%	2,696,809,714	2,555,836,652	6%
Less:						
Personnel Expenses	250,737,267	192,073,740	31%	699,159,772	538,373,834	30%
Premises, Equipment and Establishment Expenses	291,170,597	251,783,752	16%	804,436,676	736,852,034	9%
Other Expenses	96,688,498	105,927,206	-9%	265,409,880	270,389,521	-2%
Total Operating Expenses	638,596,362	549,784,698	16%	1,769,006,328	1,545,615,389	14%
Operating Profit Before Value Added Tax (VAT) on Financial Service, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)	266,873,052	398,847,983	-33%	927,803,386	1,010,221,263	-8%
Less: VAT, NBT and CIL	46,262,419	48,559,773	-5%	142,772,481	120,122,039	19%
Profit Before Tax	220,610,633	350,288,209	-37%	785,030,905	890,099,224	-12%
Income Tax Expense	45,992,740	82,100,377	-44%	165,973,187	208,812,050	-21%
Profit for the Period	174,617,893	268,187,832	-35%	619,057,718	681,287,174	-9%
Profit Attributable to:						
Equity Holders of the Company	174,617,893	268,187,832	-35%	619,057,718	681,287,174	-9%
Non-Controlling Interests						
Profit for the Period	174,617,893	268,187,832	-35%	619,057,718	681,287,174	-9%
Other Comprehensive Income:						
Items that will never be Reclassified to Profit or Loss						
Net Actuarial Gains/(Losses) on Defined Benefit Plan	(4,485,592)	(4,485,591)	0%	(13,456,775)	(13,456,775)	0%
Items that are or may be Reclassified to Profit or Loss						
Net change in Fair Value of Available for Sale Financial Asset	58,910,344	7,038,505	737%	(2,546,551)	(159,014,349)	-98%
Other Comprehensive Income	54,424,752	2,552,914	2032%	(16,003,326)	(172,471,124)	-91%
Total Comprehensive Income	229,042,645	270,740,746	-15%	603,054,392	508,816,050	19%
Total Comprehensive Income Attributable to:						
Equity Holders of the Company	229,042,645	270,740,746	-15%	603,054,392	508,816,050	19%
Non-Controlling Interests						
Total Comprehensive Income	229,042,645	270,740,746	-15%	603,054,392	508,816,050	19%
Earnings per Share:						
Basic Earnings per Share	3.22	4.94		11.40	12.55	

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %
Revenue	2,202,212,120	1,903,083,595	16%	6,343,758,689	5,323,769,019	19%
Interest Income	1,940,610,104	1,716,363,218	13%	5,604,784,843	4,925,799,426	14%
Less: Interest Expenses	1,223,305,943	951,042,836	29%	3,406,331,172	2,641,385,332	29%
Net Interest Income	717,304,161	765,320,382	-6%	2,198,453,671	2,284,414,094	-4%
Fees and Commission Income	65,444,300	63,660,700	3%	171,041,769	163,251,639	5%
Net Interest, Fee and Commission Income	782,748,461	828,981,082	-6%	2,369,495,440	2,447,665,733	-3%
Other Operating Income	196,157,716	123,059,677	59%	567,932,077	234,717,954	142%
Total Operating Income	978,906,177	952,040,760	3%	2,937,427,517	2,682,383,687	10%
Less : Impairment Charge on Financial Assets & Other Credit Losses	46,416,959	(11,075,997)	-519%	178,436,254	85,369,743	109%
Net Operating Income	932,489,218	963,116,756	-3%	2,758,991,263	2,597,013,944	6%
Less:						
Personnel Expenses	257,058,991	194,331,684	32%	717,005,690	544,452,499	32%
Premises, Equipment and Establishment Expenses	298,339,495	256,770,371	16%	820,845,584	746,013,850	10%
Other Expenses	99,216,512	106,858,742	-7%	275,698,410	272,278,212	1%
Total Operating Expenses	654,614,998	557,960,797	17%	1,813,549,684	1,562,744,561	16%
Operating Profit Before Value Added Tax (VAT) on Financial Service, Nation Building Tax (NBT) and Crop Insurance Levy (CIL)	277,874,220	405,155,959	-31%	945,441,579	1,034,269,383	-9%
Less: VAT, NBT and CIL	47,203,241	49,529,976	-5%	144,699,997	123,397,391	17%
Profit Before Tax	230,670,979	355,625,983	-35%	800,741,582	910,871,992	-12%
Income Tax Expense	48,837,318	83,599,022	-42%	171,200,337	214,642,779	-20%
Profit for the Period	181,833,661	272,026,961	-33%	629,541,245	696,229,213	-10%
Profit Attributable to:						
Equity Holders of the Company	181,123,239	271,524,377	-33%	628,373,574	694,176,176	-9%
Non-Controlling Interests	710,422	502,584	41%	1,167,671	2,053,037	-43%
Profit for the Period	181,833,661	272,026,961	-33%	629,541,245	696,229,213	-10%
Other Comprehensive Income:						
Items that will never be Reclassified to Profit or Loss						
Net Actuarial Gains/(Losses) on Defined Benefit Plan	(4,485,593)	(4,485,591)	0%	(13,456,775)	(13,456,775)	0%
Items that are or may be Reclassified to Profit or Loss						
Net change in Fair Value of Available for Sale Financial Asset	60,628,554	7,038,505	761%	(2,697,270)	(159,014,349)	-98%
Other Comprehensive Income	56,142,961	2,552,914	2099%	(16,154,045)	(172,471,124)	-91%
Total Comprehensive Income	237,976,622	274,579,875	-13%	613,387,200	523,758,089	17%
Total Comprehensive Income Attributable to:						
Equity Holders of the Company	237,100,907	274,077,291	-13%	612,234,028	521,705,052	17%
Non-Controlling Interests	875,715	502,584	74%	1,153,172	2,053,037	-44%
Total Comprehensive Income	237,976,622	274,579,875	-13%	613,387,200	523,758,089	17%
Earnings per Share:						
Basic Earnings per Share	3.34	5.00		11.57	12.78	

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Financial Position

As at	Company		Group	
	31-12-2016 Rs.	Audited 31-03-2016 Rs.	31-12-2016 Rs.	Audited 31-03-2016 Rs.
Assets				
Cash and Cash Equivalents	425,165,750	722,351,389	495,877,390	729,789,337
Financial Instruments Held for Trading	136,970,721	121,963,136	136,970,721	121,963,136
Loans and Receivable to Banks	172,233,515	2,967,869,560	172,233,515	2,979,124,401
Deposits with Licensed Commercial Banks	1,806,561,315	1,602,179,104	1,806,561,315	1,610,310,601
Loans and Advances to Customers	42,042,975,648	38,538,920,189	42,441,975,551	38,753,565,171
Investment Securities	3,312,333,215	3,272,075,270	3,345,528,515	3,305,826,584
Investment in Subsidiaries	509,917,733	509,917,734	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipments	1,540,320,315	1,606,958,136	1,544,969,341	1,610,637,819
Intangible Assets	59,024,507	68,319,145	59,024,507	71,364,171
Goodwill on Consolidation			244,179,431	244,179,431
Other Assets	1,394,729,170	1,195,560,588	1,389,326,894	1,199,128,682
Total Assets	51,420,429,866	50,626,312,228	51,656,845,157	50,646,087,310
Liabilities				
Deposits From Customers	29,985,911,499	30,887,693,800	29,985,911,499	30,803,916,225
Debt Securities Issued	1,995,081,638	1,044,135,005	1,995,081,638	1,044,135,005
Other Interest Bearing Borrowings	11,141,867,255	11,301,685,401	11,270,391,567	11,309,582,401
Current Tax Liabilities	280,527,812	109,133,435	285,201,184	111,020,227
Deferred Tax Liabilities	479,764,584	479,764,584	481,839,851	481,839,851
Retirement Benefit Obligations	104,759,315	53,036,495	104,759,315	53,036,495
Other Liabilities	1,967,563,102	1,698,895,014	2,004,845,746	1,736,886,058
Total Liabilities	45,955,475,205	45,574,343,734	46,128,030,800	45,540,416,262
Equity				
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserves	1,799,554,026	1,802,100,577	1,801,209,812	1,803,892,583
Retained Earnings	2,480,338,990	2,064,806,272	2,511,077,415	2,086,228,841
Total Equity Attributable to Equity Holders of the Company	5,464,954,661	5,051,968,494	5,497,348,872	5,075,183,069
Non-Controlling Interests			31,465,485	30,487,979
Total Equity	5,464,954,661	5,051,968,494	5,528,814,357	5,105,671,048
Total Equity and Liabilities	51,420,429,866	50,626,312,228	51,656,845,157	50,646,087,310
Net Assets Value per Share	100.63	93.03	101.23	93.46

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

Director/ CFO / Deputy CEO

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

14th February 2017

Colombo

Sgd.

C.M Nanayakkara

Managing Director/ CEO

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Company

	Stated Capital	Revaluation Reserve	Available-for-Sale Reserve	Statutory Reserve Fund	Retained Earnings	Total
	Rs	Rs	Rs	Rs	Rs	Rs
Balance as at 1st April 2015	1,185,061,645	171,072,990	854,209,725	638,301,144	1,453,358,036	4,302,003,540
Profit for the Period					681,287,174	681,287,174
Other Comprehensive Income for the Period						
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(13,456,775)	(13,456,775)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(159,014,349)			(159,014,349)
	1,185,061,645	171,072,990	695,195,376	638,301,144	2,121,188,435	4,810,819,590
Transactions with Equity Holders of the Company						
Dividends to Equity Holders for Year- 2014/2015					(190,068,224)	(190,068,224)
Balance as at 31st December 2015	1,185,061,645	171,072,990	695,195,376	638,301,144	1,931,120,211	4,620,751,366
Balance as at 1st April 2016	1,185,061,645	213,672,991	749,095,814	839,331,772	2,064,806,272	5,051,968,494
Profit for the Period					619,057,718	619,057,718
Other Comprehensive Income for the Period						
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(13,456,775)	(13,456,775)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(2,546,551)			(2,546,551)
	1,185,061,645	213,672,991	746,549,263	839,331,772	2,670,407,215	5,655,022,886
Transactions with Equity Holders of the Company						
Dividends to Equity Holders for Year- 2015/2016					(190,068,225)	(190,068,225)
Balance as at 31st December 2016	1,185,061,645	213,672,991	746,549,263	839,331,772	2,480,338,990	5,464,954,661

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-Sale Reserve Rs	Statutory Reserve Fund Rs	Retained Earnings Rs	Total Rs	Non- Controlling Interest Rs	Total Equity Rs
Balance as at 1st April 2015	1,185,061,645	171,072,990	854,209,725	638,779,551	1,460,464,302	4,309,588,213	29,783,570	4,339,371,783
Profit for the Period					694,176,176	694,176,176	2,053,037	696,229,213
Other Comprehensive Income for the Period								
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(13,456,775)	(13,456,775)		(13,456,775)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(159,014,349)			(159,014,349)		(159,014,349)
	1,185,061,645	171,072,990	695,195,376	638,779,551	2,141,183,703	4,831,293,265	31,836,607	4,863,129,872
Transactions with Equity Holders of the Group								
Dividends to Equity Holders for Year- 2014/2015					(190,068,224)	(190,068,224)		(190,068,224)
Net Transfers During the Period				293,237	(293,237)			-
Balance as at 31st December 2015	1,185,061,645	171,072,990	695,195,376	639,072,788	1,950,822,242	4,641,225,041	31,836,607	4,673,061,648
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 Period					628,373,574	628,373,574	1,167,671	629,541,245
Other Comprehensive Income for the Period								
Remeasurement of Defined Benefit Liability/(Asset) Net Actuarial Gains/(Losses) on Defined Benefit Plan					(13,456,775)	(13,456,775)		(13,456,775)
Fair Value Reserve (Available for Sale Financial Assets) Net Change in Fair Value			(2,682,771)			(2,682,771)	(14,499)	(2,697,270)
	1,185,061,645	213,672,991	746,943,080	840,593,741	2,701,145,640	5,687,417,097	31,641,151	5,719,058,248
Transactions with Equity Holders of the Group								
Dividend Paid During the Period					(190,068,225)	(190,068,225)	(175,666)	(190,243,891)
Net Transfers During the Period								
Balance as at 31st December 2016	1,185,061,645	213,672,991	746,943,080	840,593,741	2,511,077,415	5,497,348,872	31,465,485	5,528,814,357

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Period ended	Company		Group	
	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.
Cash Flow from Operating Activities				
Interest Receipts	5,515,933,607	4,843,870,675	5,585,577,248	4,883,435,687
Commission Receipts	165,941,043	138,676,789	175,285,788	138,676,789
Other Income Receipts	548,122,109	206,480,193	548,621,835	210,801,358
Interest Payments	(3,436,022,076)	(2,169,624,761)	(3,441,904,175)	(2,172,777,598)
Fee and Business Promotion Expenses	(70,436,064)	(258,359,871)	(70,436,064)	(258,359,871)
Employee Related Payments	(660,893,734)	(513,596,386)	(678,739,652)	(519,675,051)
Supplier Payments	(449,400,364)	(525,577,941)	(464,746,367)	(533,744,278)
Financial Expenses	(19,898,043)	(12,029,651)	(20,106,642)	(12,072,454)
Operating Profit before changes in Operating Assets	1,593,346,478	1,709,839,047	1,633,551,971	1,736,284,582
(Increase)/Decrease in Operating Assets				
Investments in Licensed Commercial Bank	2,591,253,834	96,822,930	2,673,696,120	110,141,894
Investments in Government Securities	10,042,269	117,009,771	21,297,111	83,993,999
Net Funds Advanced to Customers	(3,651,320,751)	(8,925,791,376)	(3,898,786,817)	(8,845,631,307)
Changes in Other Short Term Assets	(165,078,125)	(279,944,268)	(164,682,480)	(282,794,654)
Inventories	(44,397,079)	(263,556,509)	(44,397,079)	(263,556,509)
	333,846,626	(7,545,620,405)	220,678,826	(7,461,561,995)
Increase/(Decrease) in Operating Liabilities				
Borrowings	(159,818,146)	5,342,425,633	(22,710,602)	5,283,846,347
Deposits from Customers	(868,219,610)	2,338,175,227	(817,365,299)	2,319,865,227
	(1,028,037,756)	7,680,600,860	(840,075,901)	7,603,711,574
Net Cash Generated / (Used in) from Operating Activities	(694,191,130)	134,980,455	(619,397,075)	142,149,579
Contribution to Plan Assets	-	(45,979,293)	-	(45,979,293)
Taxation	(30,151,800)	16,899,455	(35,185,240)	8,211,809
	(724,342,930)	105,900,617	(654,582,315)	104,382,095
Cash Flow from Investing Activities				
Dividend Receipts	21,077,134	11,617,141	21,576,859	11,671,141
Investment in Government Securities/Quoted Shares- Trading	(14,696,816)	(84,100,474)	(14,696,816)	(84,100,474)
Investment in Quoted Shares - AFS	(52,846,766)	(61,357,857)	(52,846,766)	(61,357,857)
Purchase of Property, Plant & Equipment	(86,239,548)	(293,658,733)	(86,239,548)	(293,658,733)
Proceed from Sale of Property, Plant and Equipment	11,025,000	22,593,500	10,505,964	22,593,500
Net Cash (Used in)/ from Investing Activities	(121,680,996)	(404,906,423)	(121,700,307)	(404,852,423)
Cash Flow from Financing Activities				
Dividend Paid	(190,068,225)	(190,068,225)	(191,894,276)	(190,068,225)
Net Change in Debentures	950,946,633	-	950,946,633	-
Net Cash Inflows/ (Outflows) from Financing Activities	760,878,408	(190,068,225)	759,052,357	(190,068,225)
Net Increase/(Decrease) In Cash & Cash Equivalents	(85,145,518)	(489,074,031)	(17,230,265)	(490,538,553)
Cash and Cash Equivalents at the Beginning of the Year	(133,172,907)	65,575,108	(131,469,364)	75,984,343
Cash and Cash Equivalents at the End of the Year	(218,318,425)	(423,498,923)	(148,699,629)	(414,554,210)
Cash and Cash Equivalents at the Beginning of the Year				
Cash at Bank and In Hand	722,351,389	313,394,279	729,789,337	321,425,914
Bank Overdraft	(855,524,296)	(247,819,171)	(861,258,701)	(245,441,571)
	(133,172,907)	65,575,108	(131,469,364)	75,984,343
Cash and Cash Equivalents at the End of the Year				
Cash at Bank and In Hand	425,165,750	336,898,422	495,877,390	345,843,135
Bank Overdraft	(643,484,175)	(760,397,345)	(644,577,019)	(760,397,345)
	(218,318,425)	(423,498,923)	(148,699,629)	(414,554,210)

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	
	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.
Interest	4,263,198,869	3,837,591,020	969,801,090	820,802,862	306,447,774	225,721,613	5,539,447,733	4,884,115,495
Non Interest Income							730,600,785	393,477,167
Total Revenue	4,263,198,869	3,837,591,020	969,801,090	820,802,862	306,447,774	225,721,613	6,270,048,518	5,277,592,662
Segmental Results	4,263,198,869	3,837,591,020	969,801,090	820,802,862	306,447,774	225,721,613	6,270,048,518	5,277,592,662
Unallocated Expenses							5,485,017,613	4,387,493,438
Profit from Operations							785,030,905	890,099,224
Income Tax expenses							165,973,187	208,812,050
Profit for the Period							619,057,718	681,287,174
Segment Assets	32,184,322,514	31,618,751,397	9,858,653,133	5,529,924,038	4,477,460,885	2,909,333,949	46,520,436,532	40,058,009,384
Unallocated Assets							4,899,993,334	7,339,298,748
Total Assets							51,420,429,866	47,397,308,133

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.	31-12-2016 Rs.	31-12-2015 Rs.
Interest	4,312,798,472	3,848,939,434	982,118,369	757,635,478	309,868,002	319,224,515	5,604,784,843	4,925,799,426
Non Interest Income							738,973,846	397,969,593
Total Revenue	4,312,798,472	3,848,939,434	982,118,369	757,635,478	309,868,002	319,224,515	6,343,758,689	5,323,769,019
Segmental Results	4,312,798,472	3,848,939,434	982,118,369	757,635,478	309,868,002	319,224,515	6,343,758,689	5,323,769,019
Unallocated Expenses							5,543,017,107	4,412,897,027
Profit from Operations							800,741,582	910,871,992
Income Tax expenses							171,200,337	214,642,779
Profit for the Period							629,541,245	696,229,213
Segment Assets	32,496,940,279	28,379,199,668	10,150,404,229	5,471,021,080	4,492,460,885	5,230,529,998	47,139,805,392	40,292,119,758
Unallocated Assets							4,517,039,765	7,182,645,528
Total Assets							51,656,845,157	47,474,765,286

Shareholders' Information

Twenty Largest Shareholders as at 31st December 2016

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	15,529,116	33.54%
2	JANASHAKTHI GENERAL INSURANCE LIMITED	2,387,947	5.16%
3	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	2,314,961	5.00%
4	CEYLINCO GENERAL INSURANCE LIMITED	1,853,287	4.00%
5	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,708,816	3.69%
6	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	1,676,512	3.62%
7	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	976,000	2.11%
8	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	935,258	2.02%
9	PEOPLES'S LEASING & FINANCE PLC/MR.R.H.ABEYGOONEWARDENA & Ms.V.F.ABEYGOONEWARDENA	917,837	1.98%
10	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	900,000	1.94%
11	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	706,622	1.53%
12	MR.W.W.K.M.WEERASOORIYA	482,803	1.04%
13	MR.H.M.L.M.B.HEENKENDA	472,260	1.02%
14	MR.E.KARTHIK	428,817	0.93%
15	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	362,496	0.78%
16	THE FINANCE COMPANY PLC A/C NO 1	350,000	0.76%
17	MR.H.K.DASSANAYAKE	265,653	0.57%
18	HOTEL INTERNATIONAL LTD.	260,000	0.56%
19	MR. I.M.KOTIGALA	256,224	0.55%
20	MR.K.A.D.R. GUNASINGHE	224,167	0.48%
	Sub total of Top 20 Share Holders	33,008,776	71.29%
	Others	13,290,447	28.71%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 31st December 2016 is 46.79% (with 2,039 public share holders)

Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,336,592	16.69%
2	J.B. COCOSHELL (PVT) LTD	1,041,431	13.01%
3	MR.A.M.WEERASINGHE	614,454	7.67%
4	ASKOLD (PRIVATE) LIMITED	240,000	3.00%
5	MR.M.J. FERNANDO	208,999	2.61%
5	MR.H.N.ESUFALLY	208,999	2.61%
7	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
8	WALDOCK MACKENZIE LTD/MR. H.M. ABDULHUSSEIN	179,304	2.24%
9	MR. M.A.H.ESUFALLY	160,000	2.00%
10	MR.A.N.ESUFALLY	160,000	2.00%
11	MR.G.H.I.JAFFERJEE	156,749	1.96%
12	MR.Y.H.ABDULHUSSEIN	146,106	1.82%
13	PAN ASIA BANKING CORPORATION PLC/S.R.FERNANDO	129,153	1.61%
14	MRS. S.E. LOKHANDWALLA	119,869	1.50%
15	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	114,000	1.42%
15	JAFFERJEE INVESTMENTS (PVT) LTD.	104,499	1.31%
15	GOLD INVESTMENT LIMITED.	104,499	1.31%
18	MR.M.A.VALABHI	104,499	1.31%
19	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	101,965	1.27%
20	LAKDHANAVI LIMITED	100,000	1.25%
	Sub total of Top 20 Share Holders	5,535,531	69.14%
	Others	2,470,453	30.86%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 31st December 2016 is 86.77% (with 1,841 public share holders)

Directors' and Chief Executive Officer's Shareholding as at 31st December 2016

Ordinary Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	1,000
Peoples Leasing & Finance PLC/Mr.W.P.C.M.Nanayakkara	1,676,512
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	4,403
Peoples Leasing & Finance PLC/Mr.R.H. & Mrs.V.F.Abeygoonewardena	917,837
Prof. A. Dharmasiri	-
Mr. D.A. De Silva	-
Assetline Leasing Company LTD/Mr.T.M.D.P.Tennakoon	132,515
Seylan Bank PLC/T.M.D.P. Tennakoon	935,258
Mr. P.A.J. Jayawardena	500
Peoples Leasing & Finance PLC/Mr.S.V.Munasinghe	976,000
Ms. U.R. Seneviratne	-
Mr. S.P.P. Amaratunge	-
	4,644,025

Ordinary Non Voting Shares

Name	Share Holding
Mr. D.H.J. Gunawardana	-
Mr. W.P.C.M. Nanayakkara	44
Mr. S.R. Abeynayake	-
Mr. R. Mohamed	-
Mr. R.H. Abeygoonewardena / Mrs. V.F. Abeygoonewardena	2,132
Peoples Leasing & Finance PLC/Mr.R.H. & Mrs.V.F.Abeygoonewardena	5,447
Prof. A. Dharmasiri	-
Mr. D.A. De Silva	-
Seylan Bank PLC/T.M.D.P. Tennakoon	7,262
Mr. P.A.J. Jayawardena	22
Mr. S.V. Munasinghe	-
Ms. U.R. Seneviratne	-
Mr. S.P.P. Amaratunge	-
	14,907

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
Highest Price	82.50	103.90	76.00	92.50
Lowest Price	68.00	94.00	62.00	78.60
Last Traded	70.00	100.00	62.10	80.00

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Explanatory Notes

- 1 The Company has used the same accounting policies and method of computing described in the annual report of the Company for 2015/16 in the preparation of these interim financial statements.
- 2 All known expenses have been provided in these financial statements and management fees are not applicable to the Company.
- 3 Group financial statements comprises the consolidation of the Company and its subsidiaries CDB Micro Finance Limited and Unisons Capital Leasing Limited.

- 4 No of Shares as at 31st December 2016 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 Since 31st December 2016, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.
- 7 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 31st December 2016

Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A		Not Traded	
Type B		Not Traded	
Type C		Not Traded	

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate %	Annual Effective Rate %
Type A	Annually	16.00	16.00
Type B	Semi- annually	15.50	16.10
Type C	Quarterly	15.00	15.87

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	99.96	99.96	99.96
Type B		Not Traded	

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate %	Annual Effective Rate %
Type A	Semi- annually	12.75	13.16
Type B	Semi- annually	06 months net Treasury Bill rate plus 1.50%	

* **Type B** will have a ceiling of 15% (AER 15.56%) and a floor of 10% (AER 10.25%)

Interest Rates of Comparable Government Securities

5 Year Treasury Bond (Excluding 10% withholding Tax)	11.76%
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Current Yield & Yield to Maturity

Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018

Debenture Type	Current Yield %	Yield to Maturity %
Type A		Not Traded
Type B		Not Traded
Type C		Not Traded

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Current Yield %	Yield to Maturity %
Type A	13.34%	14.57%
Type B		Not Traded

Debt Equity Ratio	132%
Quick Asset Ratio (Times)	0.70
Interest Cover (Times)	1.18

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Selected Performance Indicators

Indicator	Company	
	As at 31-12-2016	As at 31-03-2016
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations **	1,620,708	1,412,121
Gross Non- Performing Accommodations Ratio, %	3.8%	3.6%
Net Non- Performing Accommodations Ratio, %	1.9%	1.6%
Liquidity (Rs. 000)		
Required Minimum amount of Liquid Assets	3,368,511	3,403,962
Available amount of Liquid Assets	3,626,232	6,664,229
Required Minimum amount of Government Securities	2,250,269	2,068,234
Available amount of Government Securities	2,311,736	5,115,654
Capital Adequacy		
Core Capital (Tier 1 Capital)	5,251,277	4,838,296
Total Capital Base	6,078,145	4,845,213
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	11.8%	11.7%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	13.6%	11.7%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	22.0%	15.7%
Profitability		
Net Interest Margin (Annualized %)	5.6%	6.90%
Return on Average Assets- After Tax (Annualized %)	1.6%	2.27%
Return on Average Equity- After Tax (Annualized %)	15.7%	21.5%
Memorandum information		
Number of Employees	1,380	1,167
Number of Branches	57	50
Number of Service Centers	11	11
Number of Pawning Centers	1	1

* Including current year unaudited profit

** Net of Interest In Suspense

Corporate Information

Name of the Company

Citizens Development Business Finance PLC

Legal Form

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

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

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

Approved Credit Agency Under the

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

Date of Incorporation

07th September 1995

Registration Number

PB 232 PQ

Accounting Year

March 31

Board of Directors

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

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

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

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)

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

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

Mr. Razik Mohamed *ACA*
Independent Non Executive Director

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

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

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

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@slt.net.lk

Company Auditors

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

Lawyers of the Company

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

Credit Rating [SL]BBB

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank
Habib Bank
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Union Bank PLC



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