



EMPOWERING A SMARTER
& SUSTAINABLE SRI LANKA

Q2

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30 SEPTEMBER 2020

Statement of Profit or Loss and Other Comprehensive Income

COMPANY

	For the quarter ended			For the six months ended		
	30 September			30 September		
	2020 Rs. '000	2019 Rs. '000	Change %	2020 Rs. '000	2019 Rs. '000	Change %
Revenue	4,379,258	4,069,339	8%	8,263,503	8,070,190	2%
Interest income	3,708,009	3,716,576	0%	7,374,214	7,464,238	-1%
Less: Interest expense	1,969,240	2,222,281	-11%	3,987,150	4,551,504	-12%
Net interest income	1,738,769	1,494,295	16%	3,387,064	2,912,734	16%
Fee and commission income	143,593	121,181	18%	255,991	240,429	6%
Other operating income	527,656	231,582	128%	633,298	365,523	73%
Total operating income	2,410,018	1,847,058	30%	4,276,353	3,518,686	22%
Less : Impairment charges and other credit losses on financial assets	532,368	249,212	114%	750,494	687,358	9%
Net operating income	1,877,650	1,597,846	18%	3,525,859	2,831,328	25%
Less : Operating expenses						
Personnel expenses	396,573	431,119	-8%	694,991	792,643	-12%
Premises, equipment and establishment expenses	475,171	468,436	1%	907,933	921,245	-1%
Other expenses	147,271	120,029	23%	239,450	224,259	7%
Total operating expenses	1,019,015	1,019,584	0%	1,842,374	1,938,147	-5%
Operating profit before taxes on financial services	858,635	578,262	48%	1,683,485	893,181	88%
Less : Taxes on financial services	125,750	117,000	7%	269,001	195,500	38%
Profit before tax	732,885	461,262	59%	1,414,484	697,681	103%
Less : Income tax expense	221,753	115,000	93%	412,355	76,912	436%
Profit for the period	511,132	346,262	48%	1,002,129	620,769	61%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Equity investments at FVOCI - Net change in fair value	(25,880)		-100%	(33,935)		-100%
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(6,000)	0%	(12,000)	(12,000)	0%
Total other comprehensive income	(31,880)	(6,000)	431%	(45,935)	(12,000)	283%
Total comprehensive income for the period	479,252	340,262	41%	956,194	608,769	57%
Earnings per share						
Basic earnings per share (Rs.)	7.32	4.96		14.36	8.89	

Figures in brackets indicate deductions.

Statement of Profit or Loss and Other Comprehensive Income

	GROUP					
	For the quarter ended			For the six months ended		
	30 September			30 September		
	2020	2019	Change	2020	2019	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	4,379,258	4,234,732	3%	8,300,680	8,417,862	-1%
Interest income	3,708,009	3,881,142	-4%	7,406,355	7,808,839	-5%
Less: Interest expense	1,969,240	2,288,562	-14%	4,002,400	4,689,384	-15%
Net interest income	1,738,769	1,592,580	9%	3,403,955	3,119,455	9%
Fee and commission income	143,593	141,166	2%	261,091	276,217	-5%
Other operating income	527,656	212,424	148%	633,234	332,806	90%
Total operating income	2,410,018	1,946,170	24%	4,298,280	3,728,478	15%
Less : Impairment charges and other credit losses on financial assets	532,368	238,499	123%	762,788	699,369	9%
Net operating income	1,877,650	1,707,671	10%	3,535,492	3,029,109	17%
Less : Operating expenses						
Personnel expenses	396,573	448,474	-12%	695,058	826,000	-16%
Premises, equipment and establishment expenses	475,171	516,154	-8%	914,894	957,112	-4%
Other expenses	147,271	103,571	42%	244,040	246,215	-1%
Total operating expenses	1,019,015	1,068,199	-5%	1,853,992	2,029,327	-9%
Operating profit before taxes on financial services	858,635	639,472	34%	1,681,500	999,782	68%
Less : Taxes on financial services	125,750	128,289	-2%	269,317	215,548	25%
Profit before tax	732,885	511,183	43%	1,412,183	784,234	80%
Less : Income tax expense	221,753	130,974	69%	413,169	104,609	295%
Profit for the period	511,132	380,209	34%	999,014	679,625	47%
Profit attributable to :						
Equity holders of the Company	511,132	376,943	36%	999,314	673,963	48%
Non-controlling interest		3,266	-100%	(300)	5,662	-105%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Equity investments at FVOCI - Net change in fair value	(25,880)		-100%	(33,935)		-100%
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(6,000)	0%	(12,000)	(12,000)	0%
Total other comprehensive income	(31,880)	(6,000)	431%	(45,935)	(12,000)	283%
Total comprehensive income for the period	479,252	374,209	28%	953,079	667,625	43%
Total comprehensive income attributable to :						
Equity holders of the Company	479,252	370,943	29%	953,379	661,963	44%
Non-controlling interest		3,266	-100%	(300)	5,662	-105%
Earnings per share						
Basic earnings per share (Rs.)	7.32	5.40		14.32	9.66	

Figures in brackets indicate deductions.

Statement of Financial Position

As at	COMPANY		GROUP	
	30-09-2020 Rs. '000	Audited 31-03-2020 Rs. '000	30-09-2020 Rs. '000	Audited 31-03-2020 Rs. '000
Assets				
Cash and cash equivalents	1,422,298	1,347,303	1,425,633	1,391,919
Financial assets measured at fair value through profit or loss (FVTPL)	57,938	56,442	57,938	56,442
Loans and receivables to banks	2,679,739	3,671,353	2,679,739	3,691,374
Deposits with financial institutions	4,673,535	4,387,464	4,673,535	4,387,464
Loans and receivables to customers	74,778,363	71,218,455	74,778,363	72,422,827
Other investment securities	2,081,971	2,319,634	2,081,971	2,362,194
Investment in subsidiaries	2,745	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant and equipment	2,986,731	2,938,155	2,986,731	2,950,554
Intangible assets	100,520	80,146	100,520	92,837
Right-of-use assets	795,891	840,868	795,891	840,868
Goodwill on consolidation	-	-	-	244,180
Other assets	4,616,067	4,458,554	4,616,067	4,734,292
Total assets	94,215,996	91,848,490	94,216,586	93,195,149
Liabilities				
Derivative financial liabilities	92,426	60,440	92,426	60,440
Deposits from customers	46,202,516	43,327,576	46,202,516	43,305,775
Debt securities issued	5,249,652	5,092,096	5,249,652	5,092,096
Other interest-bearing borrowings	25,736,321	26,675,062	25,736,321	27,505,136
Lease liabilities	797,188	804,390	797,188	804,390
Current tax liabilities	635,684	1,519,031	635,684	1,603,146
Deferred tax liabilities	650,401	650,401	650,401	609,271
Retirement benefit obligation	62,932	28,931	62,932	28,931
Other liabilities	2,606,992	2,463,793	2,608,131	2,629,604
Total liabilities	82,034,112	80,621,720	82,035,251	81,638,789
Equity				
Stated capital	2,350,363	2,350,363	2,350,363	2,350,363
Reserves	2,279,650	2,295,877	2,279,650	2,301,336
Retained earnings	7,551,871	6,580,530	7,551,322	6,847,068
Total equity attributable to equity holders of the Company	12,181,884	11,226,770	12,181,335	11,498,767
Non-controlling interest	-	-	-	57,593
Total equity	12,181,884	11,226,770	12,181,335	11,556,360
Total liabilities and equity	94,215,996	91,848,490	94,216,586	93,195,149
Net assets value per share (Rs.)	174.54	160.86	174.54	164.76

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.

Ranga Abeynayake

Chairman

Sgd.

C M Nanayakkara

Managing Director/CEO

11 November 2020

Colombo

Statement of Changes in Equity

COMPANY

	Stated Capital	Reserves			Retained Earnings	Total Equity
		Revaluation Reserve	Fair Value Reserve	Statutory Reserve Fund		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2019	1,185,062	577,574	-	1,662,912	5,239,855	8,665,403
Rights Issue	1,019,356					1,019,356
Total comprehensive income for the period						
Profit for the period					620,769	620,769
Other comprehensive income for the period						
Remeasurement of defined benefit liability/(asset)					(12,000)	(12,000)
Transactions with equity holders of the Company						
Dividends to equity holders					(169,703)	(169,703)
Transfers during the period	145,945				(169,703)	(23,758)
Balance as at 30 September 2019	2,350,363	577,574	-	1,662,912	5,509,218	10,100,067
Balance as at 1 April 2020	2,350,363	577,574	(30,216)	1,748,519	6,580,530	11,226,770
Impact of Amalgamation *					(1,080)	(1,080)
Total comprehensive income for the period						
Profit for the period					1,002,129	1,002,129
Other comprehensive income for the period						
Equity investments at FVOCI - net change in fair value			(33,935)			(33,935)
Remeasurement of defined benefit liability/(asset)					(12,000)	(12,000)
Transactions with equity holders of the Company						
Transfers during the period			17,708		(17,708)	-
Balance as at 30 September 2020	2,350,363	577,574	(46,443)	1,748,519	7,551,871	12,181,884

Figures in brackets indicate deductions.

*Unisons Capital Leasing Limited has amalgamated with Citizens Development Business Finance PLC with effect from 18 May 2020.

Statement of Changes in Equity

GROUP

	Stated Capital	Reserves			Retained Earnings	Shareholders' Equity	Non- Controlling Interest	Total Equity
		Revaluation Reserve	Fair Value Reserve	Statutory Reserve Fund				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
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
Rights Issue	1,019,356					1,019,356		1,019,356
Total comprehensive income for the period								
Profit for the period					673,963	673,963	5,662	679,625
Other comprehensive income for the period								
Remeasurement of defined benefit liability/(asset)					(12,000)	(12,000)		(12,000)
Transactions with equity holders of the Company								
Dividends to equity holders					(169,703)	(169,703)		(169,703)
Transfers during the period	145,945				(169,703)	(23,758)		(23,758)
Balance as at 30 September 2019	2,350,363	577,574	-	1,662,897	5,721,698	10,312,532	51,257	10,363,789
Balance as at 1 April 2020	2,350,363	577,574	(30,386)	1,754,148	6,847,068	11,498,767	57,593	11,556,360
Impact of Amalgamation *			170	(5,629)	(265,352)	(270,811)	(57,293)	(328,104)
Total comprehensive income for the period								
Profit for the period					999,314	999,314	(300)	999,014
Other comprehensive income for the period								
Equity investments at FVOCI - net change in fair value			(33,935)			(33,935)		(33,935)
Remeasurement of defined benefit liability/(asset)					(12,000)	(12,000)		(12,000)
Transactions with equity holders of the Company								
Transfers during the period			17,708		(17,708)			
Balance as at 30 September 2020	2,350,363	577,574	(46,443)	1,748,519	7,551,322	12,181,335	-	12,181,335

Figures in brackets indicate deductions.

*Unisons Capital Leasing Limited has amalgamated with Citizens Development Business Finance PLC with effect from 18 May 2020.

Statement of Cash Flows

For the period ended	COMPANY		GROUP	
	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000
Cash flow from operating activities				
Interest receipts	4,549,654	7,510,104	4,581,795	7,829,341
Commission receipts	93,904	90,949	99,004	104,375
Other income receipts	671,364	932,085	671,428	991,706
Interest payments	(4,162,973)	(4,518,376)	(4,178,223)	(4,659,315)
Fee and business promotion expenses	(168,788)	(959,467)	(173,160)	(974,611)
Employee related payments	(644,991)	(742,643)	(645,058)	(758,858)
Supplier payments	(471,592)	(501,256)	(485,627)	(585,426)
Financial expenses	(14,915)	(38,222)	(15,132)	(40,176)
Operating profit before changes in operating assets	(148,337)	1,773,174	(144,973)	1,907,036
<i>(Increase)/Decrease in operating assets</i>				
Investments in financial institutions	705,543	1,342,262	705,543	1,342,262
Investment in Government Securities	(4)	125,808	(4)	125,808
Net funds advanced to customers	(1,485,842)	(2,718,583)	(1,538,392)	(2,278,740)
Changes in other short-term assets	4,350	(635,085)	12,168	(493,041)
Changes in inventories	223	(17,164)	223	(17,164)
	(775,730)	(1,902,762)	(820,462)	(1,320,875)
<i>Increase/(Decrease) in operating liabilities</i>				
Net borrowings	(996,866)	1,915,553	(1,076,717)	1,286,532
Net deposits from customers	3,050,763	(3,439,568)	3,050,763	(3,439,568)
	2,053,897	(1,524,015)	1,974,046	(2,153,036)
Net Cash Generated from / (used in) operating activities	1,129,830	(1,653,603)	1,008,611	(1,566,875)
Contribution to plan assets	(28,000)	(85,000)	(28,000)	(85,000)
Taxation	(909,126)	(21,130)	(909,126)	(98,643)
	192,704	(1,759,733)	71,485	(1,750,518)
Cash flow from investing activities				
Dividend receipts	28,554	25,790	28,554	26,729
Proceed from the rights issue	-	1,019,355	-	1,019,355
Investment in other investment securities	237,663	1,113,554	317,727	1,031,857
Purchase of property, plant and equipment	(216,292)	(685,088)	(216,292)	(685,681)
Proceed from sale of property, plant and equipment	-	-	-	-
Net cash from / (used in) investing activities	49,925	1,473,611	129,989	1,392,260
Cash flow from financing activities				
Dividend paid	-	(193,461)	-	(193,461)
Net change debentures	157,556	105,810	157,556	105,810
Net cash inflows/ (outflows) from financing activities	157,556	(87,651)	157,556	(87,651)
Net increase/(decrease) in cash and cash equivalents	400,185	(373,773)	359,030	(445,909)
Cash and cash equivalents at the beginning of the period	873,631	585,413	918,121	643,219
Cash and cash equivalents at the end of the period	1,273,816	211,640	1,277,151	197,310
Cash and cash equivalents at the beginning of the period				
Cash at bank and cash in hand	1,347,303	1,093,874	1,391,919	1,189,251
Bank overdrafts	(473,672)	(508,461)	(473,798)	(546,032)
	873,631	585,413	918,121	643,219
Cash and cash equivalents at the end of the period				
Cash at bank and cash in hand	1,422,298	765,945	1,425,633	827,975
Bank overdrafts	(148,482)	(554,305)	(148,482)	(630,665)
	1,273,816	211,640	1,277,151	197,310

Figures in brackets indicate deductions.

Segmental Analysis

COMPANY

	Lease and stock out on hire		Loans and advances		Others		Total	
	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000
Interest	5,078,072	4,981,372	1,952,184	1,994,373	343,958	488,493	7,374,214	7,464,238
Non interest income							889,289	605,952
Segmented revenue	5,078,072	4,981,372	1,952,184	1,994,373	343,958	488,493	8,263,503	8,070,190
Total revenue	5,078,072	4,981,372	1,952,184	1,994,373	343,958	488,493	8,263,503	8,070,190
Unallocated expenses							6,849,019	7,372,509
Profit from operations							1,414,484	697,681
Income tax expenses							412,355	76,912
Profit for the period							1,002,129	620,769
Segmented assets	52,907,694	49,613,117	21,870,669	21,505,291	10,915,481	10,856,794	85,693,844	81,975,202
Unallocated assets							8,522,152	8,566,158
Total assets	52,907,694	49,613,117	21,870,669	21,505,291	10,915,481	10,856,794	94,215,996	90,541,360

Segmental Analysis

GROUP

	Lease and stock out on hire		Loans and advances		Others		Total	
	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000	30-09-2020 Rs. '000	30-09-2019 Rs. '000
Interest	5,072,148	5,347,272	1,990,249	1,966,760	343,958	494,807	7,406,355	7,808,839
Non interest income							894,325	609,023
Segmented revenue	5,072,148	5,347,272	1,990,249	1,966,760	343,958	494,807	8,300,680	8,417,862
Total revenue	5,072,148	5,347,272	1,990,249	1,966,760	343,958	494,807	8,300,680	8,417,862
Unallocated expenses							6,888,497	7,633,628
Profit from operations							1,412,183	784,234
Income tax expenses							413,169	104,609
Profit for the period							999,014	679,625
Segmented assets	52,907,694	51,613,412	21,870,669	21,172,138	10,918,816	11,142,526	85,697,179	83,928,076
Unallocated assets							8,519,407	8,667,832
Total assets	52,907,694	51,613,412	21,870,669	21,172,138	10,918,816	11,142,526	94,216,586	92,595,908

Fair Value Measurement

COMPANY

	30-09-2020				31-03-2020 (Audited)			
	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
Financial assets								
Financial assets measured at FVTPL								
- Government Securities - Treasury Bonds	57,939			57,939	56,442			56,442
Other investment securities								
- Equity Instruments - Quoted Shares		1,430,556		1,430,556		1,392,259		1,392,259
- Equity Instruments - Unquoted Shares **								
Total financial assets disclosed at fair value	57,939	1,430,556		1,488,495	56,442	1,392,259		1,448,701
Other non-financial assets								
Property Plant and Equipment - Free hold land			1,900,175	1,900,175			1,868,867	1,868,867
Total non-financial assets disclosed at fair value			1,900,175	1,900,175			1,868,867	1,868,867
Assets not disclosed at fair value				90,827,326				88,530,922
Total assets	57,939	1,430,556	1,900,175	94,215,996	56,442	1,392,259	1,868,867	91,848,490
Financial Liabilities								
Derivative financial liabilities	92,426			92,426	60,440			60,440
Total financial liabilities disclosed at fair value	92,426			92,426	60,440			60,440
Liabilities not disclosed at fair value				81,941,686				80,561,280
Total liabilities				82,034,112				80,621,720

Level 1 : Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 : Inputs that are unobservable.

Shareholders' Information

TWENTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2020

Ordinary Voting Shares

No	NAME	SHAREHOLDING	(%)
1	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.1	20,605,950	34.66
2	JANASHAKTHI INSURANCE PLC-SHAREHOLDERS	3,044,855	5.12
3	JANASHAKTHI INSURANCE PLC - NON PAR	2,972,453	5.00
4	PEOPLE'S LEASING & FINANCE PLC/ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	2,444,169	4.11
5	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	2,399,957	4.04
6	COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI PLC	2,384,787	4.01
7	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	2,379,654	4.00
8	SEYLAN BANK PLC./JANASHAKTHI PLC	2,218,996	3.73
9	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	2,194,152	3.69
10	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	2,164,020	3.64
11	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,316,247	2.21
12	PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	1,301,785	2.19
13	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	1,200,888	2.02
14	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	892,146	1.50
15	MR. ELANGO VAN KARTHIK	551,486	0.93
16	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	503,972	0.85
17	PEOPLE'S LEASING & FINANCE PLC/MR. H.K. DASSANAYAKE	349,115	0.59
18	PEOPLE'S LEASING & FINANCE PLC/MR.I.M.KOTIGALA	327,798	0.55
19	NATION DEVELOPMENT BANK PLC/ ASIA MANAGEMENT CONSULTANCY	325,000	0.55
20	JANASHAKTHI PLC ACCOUNT NO. 1	301,588	0.51
	Sub total of Top 20 Share Holders	49,879,018	83.90
		9,570,062	16.10
	Total	59,449,080	100.00

The percentage of shares held by the public as at 30 September 2020 is 44.22% (with 1,839 public share holders)

Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	J.B. COCOSHELL (PVT) LTD	1,458,251	14.10
2	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,381,493	13.36
3	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	804,625	7.78
4	MR. AMARAKOON MUDIYANSELAGE WEERASINGHE	635,095	6.14
5	MR. YUSUF HUSSEINALLY ABDULHUSSEIN	315,554	3.05
6	ASKOLD (PRIVATE) LIMITED	276,062	2.67
7	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	274,402	2.65
8	MISS RUKAIYA HUSSEINALLY ABDULHUSSEIN	260,653	2.52
9	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	260,520	2.52
10	MR. MURTAZA ALI JAFFERJEE	256,380	2.48
11	MR. ABBASALLY NURUDDINESUFALLY	217,551	2.10
12	MRS.AVANTI MANOJA MOONESINGHE	165,375	1.60
13	MR. DUELEEP FAIRLIE GEORGE DALPETHADO	139,258	1.35
14	SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	135,740	1.31
15	MR. SABAPATHI MUDIYANSELAGE PRADEEP LAL JAYARATNE	133,966	1.30
16	MR. ISANKA MADHAWA KOTIGALA	119,060	1.15
17	MR. SENARATHNA SAMARATHUNGA RUWAN NISHANTHA CHANDRAJITH	117,309	1.13
18	GOLD INVESTMENT LIMITED	108,009	1.04
18	MR. MUKESH ABHAYKUMAR VALABHJI	108,009	1.04
18	JAFFERJEE'S INVESTMENTS (PVT) LTD	108,009	1.04
	Sub total of Top 20 Share Holders	7,275,321	70.34
		3,068,347	29.66
	Total	10,343,668	100.00

The percentage of shares held by the public as at 30 September 2020 is 75.06% (with 1,737 public share holders)

Shareholders' Information

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING AS AT 30 SEPTEMBER 2020

Ordinary Voting Shares

NAME	SHAREHOLDING
MR W.P.C.M. NANAYAKKARA	1,283
PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	2,399,957
MR. T.M.D.P. TENNAKOON	-
ASSETLINE LEASING COMPANY LTD/MR.T.M.D.P.TENNAKOON	170,151
SEYLAN BANK PLC/TENNAKOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOON	1,200,888
MR. S.V. MUNASINGHE	-
PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,316,247
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	5,652
PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	1,301,785
MR P.A.J. JAYAWARDENA	513
MR. S.R. ABEYNAYAKE	-
MR. D.A. DE SILVA	-
DIALOG FINANCE PLC/D.A. DE SILVA	117,550
DR. A. DHARMASIRI	-
MR. S.P.P. AMARATUNGE	-
MR. J.R.A. CORERA	1,027
PEOPLE'S LEASING & FINANCE PLC/MR.J.R.A. CORERA	21,622
MR. J.P. ABHAYARATNE	-
MR. E.KARTHIK	551,486
MRS. P.R.W.PERERA	-
MR. S. KUMARAPPERUMA *	-
Total	7,088,161

*With effect from 25 October 2020

Ordinary Non Voting Shares

NAME	SHAREHOLDING
MR W.P.C.M. NANAYAKKARA	56
MR. T.M.D.P. TENNAKOON	-
SEYLAN BANK PLC/TENNAKOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOON	135,740
MR. S.V. MUNASINGHE	-
MR. R.H. ABEYGOONEWARDENA / MRS. V.F. ABEYGOONEWARDENA	99,653
PEOPLES'S LEASING & FINANCE PLC/ MR. R.H. ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	62,850
MR P.A.J. JAYAWARDENA	22
MR. S.R. ABEYNAYAKE	-
MR. D.A. DE SILVA	-
DR. A. DHARMASIRI	-
MR. S.P.P. AMARATUNGE	-
MR. J.R.A. CORERA	10,335
MR. J.P. ABHAYARATNE	-
MR. E.KARTHIK	-
MRS. P.R.W.PERERA	-
MR. S. KUMARAPPERUMA *	-
Total	308,656

*With effect from 25 October 2020

MARKET PRICES FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30/09/2020 Rs.	30/09/2019 Rs.	30/09/2020 Rs.	30/09/2019 Rs.
Highest Price	92.00	101.10	69.00	78.90
Lowest Price	74.40	79.90	51.50	63.00
Last Traded	91.10	94.10	67.50	63.60

FLOATING ADJUSTED MARKET CAPITALIZATION AS AT 30 SEPTEMBER 2020

	Number of shares	Market price per share	Market Capitalization (Rs.)	Percentage of public holders	Floating Adjusted Market Capitalization
Voting Share	59,449,080	91.10	5,415,811,188	44.22%	2,394,871,707
Non Voting Share	10,343,668	67.50	698,197,590	75.06%	524,067,111
Total Shares			6,114,008,778		2,918,938,818

The Float adjusted market capitalization of the Company falls under Option 3 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option

Explanatory Notes

- 1 The Company has used the same accounting policies and method of computing described in the audited financial statements of the company for 2019/20 in the preparation of these interim financial statements.
- 2 Group financial statements as at 30 September 2020 comprises the consolidation of the Company and its subsidiary Fortune Properties Limited.
- 3 As at 30 September 2020 stated capital represents 59,449,080 ordinary voting shares and 10,343,668 ordinary non voting shares.
- 4 All known expenses have been provided in these financial statements and management fees are not applicable to the Company.

5 **Assessment of Expected Credit Losses**

The COVID-19 outbreak and the measures taken to contain the pandemic may severely affect the economic activities of the country and the pandemic may also impact the cash flow generating ability of many entities in a timely manner as per the contractual terms. These payment reliefs are generally available to customers as a whole owing to the wide spread impact of the Covid 19 and not borrow specific in nature. Company have estimated the impact of Covid 19 on its client's, together with the relief and other measures taken by the regulatory authorities which may have an impact on their ability to meet the payments on a timely manner, and the impact of deferments in cash flows to the company. Accordingly, we have made adjustments to the methodology used in estimating the Expected Credit Losses and its key variables based on guidelines issued by CA Sri Lanka which are described below.

Assessment of Expected credit losses as at 31 March 2020 (Audited Financial Statements)

In line with practical expedient issued by CA Sri Lanka, company has used Audited Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment computed as at 31 December 2019 to assess the expected credit losses as at 31 March 2020 due to uncertainties and lack of sufficient information available to make any adjustments to factor the impact of COVID 19. However, Company has used the staging of contracts as at 31 March 2020 based on the days past due data as at that date and has increased the weightage assigned to worst case scenario as at 31 March 2020 to capture potential impact of COVID 19.

Assessment of Expected credit losses for periods after 31 March 2020

As more information available on the probable impact of Covid 19 on economy and its impact to the repayment capacity of clients, without considering the practical expedient issued by CA Sri Lanka Company has used Probability of Default (PD), Loss Given Default (LGD), Economic Factor Adjustment as at each quarter end using most recent available economic forecast as of the reporting date to assess the expected credit losses as at 30 June 2020 and 30 September 2020. The staging of contracts has been performed considering the days past due and other qualitative factors as at end of each reporting period in computing the ECL. To factor the impact of COVID 19, on prudence basis the Company has consistently assigned a higher weightage to worst case scenario during the assessment of expected credit losses and additional provision has been made as a management overlay to reflect any possible uncertainties and resulting impact on expected credit losses arising out of COVID 19.

- 6 With a view to meeting the challenges faced by business and individuals due to the second wave of Covid-19 the Central Bank of Sri Lanka have issued a circular on 09 November 2020 in relation to a debt moratorium for affected business and individuals. Company is in the process of reviewing the circular and its related relief measures.
- 7 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.
- 8 Mr. Razik Mohamed, Independent Non-Executive Director stepped down from the Board with effect from 16 August 2020 due to reaching 70 years of age.
- 9 Mrs. Pandithasudara Rajitha Wajirangani Perera has been appointed as an Independent Non-Executive Director of the Company with effect from 16 August 2020.
- 10 Mr. P. A. J. Jayawardena, Non-Executive Director stepped down from the Board with effect from 25 October 2020 due to reaching 09 years of service.
- 11 Mr. Sujeewa Kumarapperuma has been appointed as a Non-Executive Director of the Company with effect from 25 October 2020.
- 12 Since 30 September 2020, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.
- 13 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 SEPTEMBER 2020

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A	102.62	102.60	102.60
Type B	NOT TRADED		

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%)

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	103.00	103.00	103.00

Debenture Type	Interest Payment Frequency	Coupon Rate (%)	Annual Effective Rate (%)
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		

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

Subordinated Listed Rated Unsecured Redeemable Debentures December 2019-December 2024

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

Debenture Type	Interest Payment Frequency	Coupon Rate (%)	Annual Effective Rate (%)
Type A	Semi- annually	13.43	13.88
Type B	Annually	13.88	13.88

Interest Rates of Comparable Government Securities

5 Year Treasury Bond (Excluding 10% withholding Tax)	6.74%
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Information on Listed Debentures

CURRENT YIELD AND YIELD TO MATURITY

Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021

Debenture Type	Current Yield %	Yield to Maturity %
Type A	12.64	11.98
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	14.51	15.13

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	

Subordinated Listed Rated Unsecured Redeemable Debentures December 2019-December 2024

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

Ratios

Debt Equity Ratio (Times)	6.41
Quick Asset Ratio (Times)	0.93
Interest Cover (Times)	1.37

Selected Performance Indicators as per regulatory requirements

Indicator	COMPANY	
	As at 30-09-2020	As at 31-03-2020
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations	4,738,287	5,405,326
Gross Non- Performing Accommodations Ratio	6.24%	7.54%
Net Non- Performing Accommodations Ratio	2.04%	4.24%
Net Non-Performing Loans to Core Capital Ratio	15.51%	33.43%
Provision Coverage Ratio	68.66%	45.73%
Liquidity (Rs. 000)		
Required Minimum Amount of Liquid Assets	3,459,631	3,362,939
Available Amount of Liquid Assets	8,273,448	8,674,662
Required Minimum Amount of Government Securities	2,831,945	2,700,775
Available Amount of Government Securities	3,169,121	4,140,960
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	239.14%	257.95%
Liquid Assets to External Funds **	10.72%	11.55%
Capital Adequacy		
Core Capital (Tier 1 Capital)	9,570,964	8,774,785
Total Capital Base	12,005,633	11,368,181
Core Capital to Risk Weighted Assets Ratio (Minimum 6.5%)*	10.79%	10.25%
Total Capital to Risk Weighted Assets Ratio (Minimum 10.5%)*	13.53%	13.29%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	25.98%	26.24%
Profitability		
Net Interest Margin (Annualized)	7.28%	6.91%
Return on Average Assets- After Tax (Annualized)	2.15%	1.89%
Return on Average Equity- After Tax (Annualized)	17.12%	17.21%
Cost to Income Ratio	49.37%	50.58%
Memorandum information		
Number of Employees	1,741	1,789
Number of Branches	69	69
Number of Service Centers	1	1
Number of Pawning Centers	1	1

* Including current year unaudited profit

** External funds includes deposits and borrowings

Corporate Information

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

07 September 1995

Registration Number

PB 232 PQ

Accounting Year

March 31

Board of Directors

Mr. S.R.Abeynayake *MBA(Sri J), FCA, FCMA*
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. T.M.D.P. Tennakoon *FCMA(UK), CGMA*
Deputy CEO / Chief Financial Officer / Executive Director

Mr. R.H.Abeygoonewardena *FCMA(UK), ACMA(Sri), MCPM, CGMA*
Executive Director - Corporate Finance

Mr. Jagath Priyantha Abhayaratne *MBA, B.Sc (Admin)*
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

Mr. Joseph Rene Alastair Corera *CFA (USA), FCMA (UK)*
Independent Non-Executive Director

Prof. A. Dharmasri *B.Sc.Eng., MBA(Sri J),PhD(Sri J), MCM(UK)*
Senior Independent Non-Executive Director

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

Elangovan Karthik *FCIM, FSLIM, B.Sc(Mgt),MBA(PIM), CGMA*
Executive Director - Chief Officer Corporate Affairs

Mr. S. Kumarapperuma *B.Sc (Science), MBA(Colombo), AASL*
Non Executive Director
with effect from 25 October 2020

Mr. S.V.Munasinghe *MBA (Fed. Uni. Aus)*
Executive Director - Sales and Business Development

Mrs. P.R.W. Perera *FCA, ACMA*
Independent Non-Executive Director
with effect from 16 August 2020

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



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