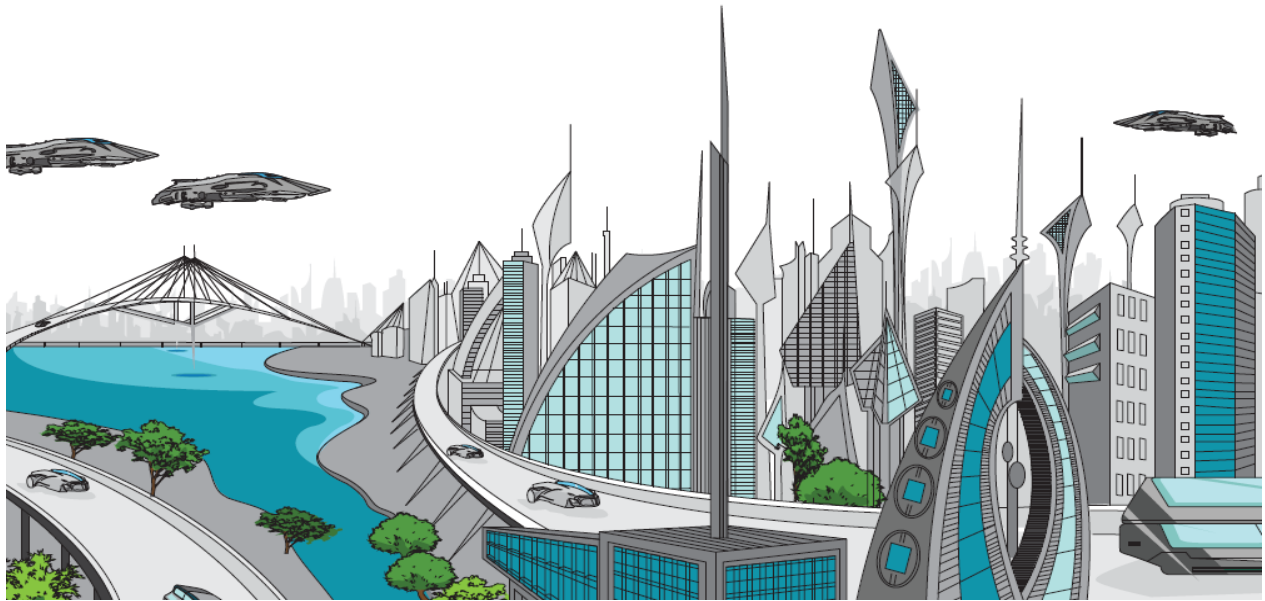


# INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2019

## ENVISIONING



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Company					
	For the quarter ended			For the nine months ended		
	31 December			31 December		
	2019	2018	Change	2019	2018	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
<b>Revenue</b>	<b>4,344,988</b>	<b>4,339,334</b>	<b>0%</b>	<b>12,415,178</b>	<b>12,150,801</b>	<b>2%</b>
Interest income	3,802,043	3,822,799	-1%	11,266,281	10,562,751	7%
Interest expense	2,153,745	2,312,499	-7%	6,705,249	6,607,586	1%
<b>Net interest income</b>	<b>1,648,298</b>	<b>1,510,300</b>	<b>9%</b>	<b>4,561,032</b>	<b>3,955,165</b>	<b>15%</b>
Fee and commission income	105,309	130,319	-19%	345,738	389,345	-11%
Other operating income	437,636	386,216	13%	803,159	1,198,705	-33%
<b>Total operating income</b>	<b>2,191,243</b>	<b>2,026,835</b>	<b>8%</b>	<b>5,709,929</b>	<b>5,543,215</b>	<b>3%</b>
Less : Impairment charges and other credit losses on financial assets	484,585	357,728	35%	1,171,943	1,104,620	6%
<b>Net operating income</b>	<b>1,706,658</b>	<b>1,669,107</b>	<b>2%</b>	<b>4,537,986</b>	<b>4,438,595</b>	<b>2%</b>
<b>Less : Operating expenses</b>						
Personnel expenses	454,785	396,613	15%	1,247,428	1,086,944	15%
Premises, equipment and establishment expenses	457,850	445,920	3%	1,379,095	1,264,060	9%
Other expenses	179,745	166,584	8%	404,004	404,711	0%
Total operating expenses	1,092,380	1,009,117	8%	3,030,527	2,755,715	10%
<b>Operating profit before taxes on financial</b>	<b>614,278</b>	<b>659,990</b>	<b>-7%</b>	<b>1,507,459</b>	<b>1,682,880</b>	<b>-10%</b>
Less : Taxes on financial services	126,000	153,476	-18%	321,500	327,140	-2%
<b>Profit before tax</b>	<b>488,278</b>	<b>506,514</b>	<b>-4%</b>	<b>1,185,959</b>	<b>1,355,740</b>	<b>-13%</b>
Less : Income tax expense	120,000	129,088	-7%	196,912	315,173	-38%
<b>Profit for the period</b>	<b>368,278</b>	<b>377,426</b>	<b>-2%</b>	<b>989,047</b>	<b>1,040,567</b>	<b>-5%</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or</b>						
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(45,179)	-87%	(18,000)	(54,149)	-67%
Total other comprehensive income	(6,000)	(45,179)	-87%	(18,000)	(54,149)	-67%
<b>Total comprehensive income for the period</b>	<b>362,278</b>	<b>332,247</b>	<b>9%</b>	<b>971,047</b>	<b>986,418</b>	<b>-2%</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	5.28	6.63*		14.17	18.28*	

Figures in brackets indicate deductions.

\* Earnings per share for the period ended 31 December 2018 has been restated considering the effect of Right Issue and the Scrip Dividend

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

	Group					
	For the quarter ended			For the nine months ended		
	31 December			31 December		
	2019	2018	Change	2019	2018	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
<b>Revenue</b>	<b>4,485,898</b>	<b>4,549,054</b>	<b>-1%</b>	<b>12,903,760</b>	<b>12,626,436</b>	<b>2%</b>
Interest income	3,935,983	4,021,914	-2%	11,744,822	10,996,297	7%
Interest expense	2,202,390	2,415,152	-9%	6,891,774	6,808,128	1%
<b>Net interest income</b>	<b>1,733,593</b>	<b>1,606,762</b>	<b>8%</b>	<b>4,853,048</b>	<b>4,188,169</b>	<b>16%</b>
Fee and commission income	126,307	153,023	-17%	402,524	449,263	-10%
Other operating income	423,608	374,117	13%	756,414	1,180,876	-36%
<b>Total operating income</b>	<b>2,283,508</b>	<b>2,133,902</b>	<b>7%</b>	<b>6,011,986</b>	<b>5,818,308</b>	<b>3%</b>
Less : Impairment charges and other credit losses on financial assets	480,011	363,808	32%	1,179,380	1,137,110	4%
<b>Net operating income</b>	<b>1,803,497</b>	<b>1,770,094</b>	<b>2%</b>	<b>4,832,606</b>	<b>4,681,198</b>	<b>3%</b>
<b>Less : Operating expenses</b>						
Personnel expenses	450,636	412,523	9%	1,276,636	1,131,237	13%
Premises, equipment and establishment expenses	465,955	464,829	0%	1,423,067	1,313,279	8%
Other expenses	186,851	182,028	3%	433,066	438,861	-1%
Total operating expenses	1,103,442	1,059,380	4%	3,132,769	2,883,377	9%
<b>Operating profit before taxes on financial services</b>	<b>700,055</b>	<b>710,714</b>	<b>-1%</b>	<b>1,699,837</b>	<b>1,797,821</b>	<b>-5%</b>
Less : Taxes on financial services	137,876	162,986	-15%	353,424	350,637	1%
<b>Profit before tax</b>	<b>562,179</b>	<b>547,728</b>	<b>3%</b>	<b>1,346,413</b>	<b>1,447,184</b>	<b>-7%</b>
Less : Income tax expense	141,982	140,620	1%	246,591	343,962	-28%
<b>Profit for the period</b>	<b>420,197</b>	<b>407,108</b>	<b>3%</b>	<b>1,099,822</b>	<b>1,103,222</b>	<b>0%</b>
<b>Profit attributable to :</b>						
Equity holders of the Company	415,049	404,255	3%	1,089,012	1,096,718	-1%
Non-controlling interest	5,148	2,853	80%	10,810	6,504	66%
<b>Profit for the period</b>	<b>420,197</b>	<b>407,108</b>	<b>3%</b>	<b>1,099,822</b>	<b>1,103,222</b>	<b>0%</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Net actuarial gain/(loss) on defined benefit plan	(6,000)	(45,179)	-87%	(18,000)	(54,149)	-67%
Total other comprehensive income	(6,000)	(45,179)	-87%	(18,000)	(54,149)	-67%
<b>Total comprehensive income for the period</b>	<b>414,197</b>	<b>361,929</b>	<b>14%</b>	<b>1,081,822</b>	<b>1,049,073</b>	<b>3%</b>
<b>Total comprehensive income attributable to :</b>						
Equity holders of the Company	409,049	359,076	14%	1,071,012	1,042,569	3%
Non-controlling interest	5,148	2,853	80%	10,810	6,504	66%
<b>Total comprehensive income for the period</b>	<b>414,197</b>	<b>361,929</b>	<b>14%</b>	<b>1,081,822</b>	<b>1,049,073</b>	<b>3%</b>
<b>Earnings per share</b>						
Basic earnings per share (Rs.)	5.95	7.16*		15.60	19.28*	

Figures in brackets indicate deductions.

\* Earnings per share for the period ended 31 December 2018 has been restated considering the effect of Right Issue and the Scrip Dividend

**CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements**

**Statement of Financial Position**

As at	Company		Group	
	31-12-2019 Rs. '000	Audited 31-03-2019 Rs. '000	31-12-2019 Rs. '000	Audited 31-03-2019 Rs. '000
<b>Assets</b>				
Cash and cash equivalents	962,129	1,093,874	1,027,841	1,189,251
Financial assets measured at fair value through profit or loss (FVTPL)	1,468,189	1,687,004	1,505,746	1,727,013
Loans and receivables to banks	4,235,231	3,094,312	4,235,231	3,195,205
Deposits with financial institutions	4,805,163	6,719,704	4,805,163	6,719,704
Loans and receivables to customers	70,024,026	69,133,049	71,450,998	71,582,081
Other investment securities	227,816	1,313,861	283,805	1,319,177
Investment in subsidiaries	509,918	509,918	-	-
Investment property	20,198	20,198	20,198	20,198
Property, plant & equipment	2,921,695	2,369,187	2,948,135	2,384,016
Intangible assets	79,878	82,791	79,878	97,838
Rights-of-use assets	877,199	-	895,390	-
Goodwill on consolidation	-	-	244,180	244,180
Other assets	4,163,101	3,408,541	4,488,253	3,499,958
<b>Total assets</b>	<b>90,294,543</b>	<b>89,432,439</b>	<b>91,984,818</b>	<b>91,978,621</b>
<b>Liabilities</b>				
Derivative financial liabilities	622,422	363,153	622,422	363,153
Deposits from customers	42,667,159	47,236,367	42,663,876	47,222,578
Debt securities issued	5,246,303	3,980,483	5,246,303	3,980,483
Other interest-bearing borrowings	26,264,772	24,509,877	27,328,455	26,473,852
Lease liabilities	817,021	-	836,813	-
Current tax liabilities	732,038	556,748	780,461	633,142
Deferred tax liabilities	1,357,419	1,357,419	1,336,061	1,336,061
Retirement benefit obligation	15,369	7,369	15,369	7,681
Other liabilities	2,109,696	2,755,620	2,377,073	3,091,402
<b>Total liabilities</b>	<b>79,832,199</b>	<b>80,767,036</b>	<b>81,206,833</b>	<b>83,108,352</b>
<b>Equity</b>				
Stated capital	2,350,362	1,185,062	2,350,362	1,185,062
Reserves	2,240,486	2,240,486	2,240,471	2,240,471
Retained earnings	5,871,496	5,239,855	6,130,747	5,399,141
Total equity attributable to equity holders of the Company	10,462,344	8,665,403	10,721,580	8,824,674
Non-controlling interest	-	-	56,405	45,595
<b>Total equity</b>	<b>10,462,344</b>	<b>8,665,403</b>	<b>10,777,985</b>	<b>8,870,269</b>
<b>Total liabilities and equity</b>	<b>90,294,543</b>	<b>89,432,439</b>	<b>91,984,818</b>	<b>91,978,621</b>
<b>Net assets value per share (Rs.)</b>	<b>149.91</b>	<b>159.57</b>	<b>154.43</b>	<b>162.50</b>

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

12 February 2020

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		
		Rs. '000	Fund Rs. '000		
Balance as at 1 April 2018	1,185,062	432,995	1,320,873	4,213,469	7,152,399
<b>Total comprehensive income for the period</b>					
Profit for the period				1,040,567	1,040,567
Other comprehensive income for the period					
Remeasurement of defined benefit liability/(asset)				(54,149)	(54,149)
<b>Transactions with equity holders of the Company</b>					
Dividends to equity holders				(271,526)	(271,526)
<b>Balance as at 31 December 2018</b>	<b>1,185,062</b>	<b>432,995</b>	<b>1,320,873</b>	<b>4,928,361</b>	<b>7,867,291</b>
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
<b>Total comprehensive income for the period</b>					
Profit for the period				989,047	989,047
Other comprehensive income for the period					
Remeasurement of defined benefit liability/(asset)				(18,000)	(18,000)
<b>Transactions with equity holders of the Company</b>					
Dividends to equity holders : Cash				(169,703)	(169,703)
Dividends to equity holders : Scrip	145,945			(169,703)	(23,758)
<b>Balance as at 31 December 2019</b>	<b>2,350,362</b>	<b>577,574</b>	<b>1,662,912</b>	<b>5,871,496</b>	<b>10,462,344</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated Capital  Rs. '000	Reserves		Retained Earnings  Rs. '000	Shareholders' Equity  Rs. '000	Non- Controlling Interest  Rs. '000	Total Equity  Rs. '000
		Revaluation Reserve  Rs. '000	Statutory Reserve Fund 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
<b>Total comprehensive income for the period</b>							
Profit for the period				1,096,718	1,096,718	6,504	1,103,222
Other comprehensive income for the period							
Remeasurement of defined benefit liability/(asset)				(54,149)	(54,149)		(54,149)
<b>Transactions with equity holders of the Copmany</b>							
Dividends to equity holders				(271,526)	(271,526)	(527)	(272,053)
<b>Balance as at 31 December 2018</b>	<b>1,185,062</b>	<b>432,995</b>	<b>1,326,004</b>	<b>5,050,511</b>	<b>7,994,572</b>	<b>42,185</b>	<b>8,036,757</b>
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
<b>Total comprehensive income for the period</b>							
Profit for the period				1,089,012	1,089,012	10,810	1,099,822
Other comprehensive income for the period							
Remeasurement of defined benefit liability/(asset)				(18,000)	(18,000)		(18,000)
<b>Transactions with equity holders of the Copmany</b>							
Dividends to equity holders : Cash				(169,703)	(169,703)		(169,703)
Dividends to equity holders : Scrip	145,945			(169,703)	(23,758)		(23,758)
<b>Balance as at 31 December 2019</b>	<b>2,350,362</b>	<b>577,574</b>	<b>1,662,897</b>	<b>6,130,747</b>	<b>10,721,580</b>	<b>56,405</b>	<b>10,777,985</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the period ended	Company		Group	
	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000
<b>Cash flow from operating activities</b>				
Interest receipts	11,370,130	10,561,208	11,813,540	10,999,343
Commission receipts	136,395	130,654	181,198	190,572
Other income receipts	1,374,040	1,063,146	1,467,183	1,049,959
Interest payments	(6,558,858)	(6,572,776)	(6,768,923)	(6,779,075)
Fee and business promotion expenses	(303,152)	(343,001)	(315,786)	(343,001)
Employee related payments	(1,174,477)	(1,049,444)	(1,190,692)	(1,093,738)
Supplier payments	(1,794,259)	(1,482,108)	(1,992,180)	(1,563,215)
Financial expenses	(20,313)	(66,930)	(23,342)	(69,193)
<b>Operating profit before changes in operating assets</b>	<b>3,029,506</b>	<b>2,240,749</b>	<b>3,170,998</b>	<b>2,391,652</b>
<i>(Increase)/Decrease in operating assets</i>				
Investments in financial institutions	773,622	(1,448,205)	773,622	(1,448,205)
Investment in Government Securities/Quoted Shares- FVTPL	138,957	(43,762)	138,957	(73,668)
Net funds advanced to customers	(2,166,768)	(10,326,151)	(1,532,535)	(11,463,771)
Changes in other short-term assets	(653,299)	(552,502)	(621,631)	(561,985)
Inventories	(14,120)	(9,883)	(14,120)	(9,883)
	(1,921,608)	(12,380,503)	(1,255,707)	(13,557,512)
<i>Increase/(Decrease) in operating liabilities</i>				
Borrowings	1,462,394	9,769,237	710,216	10,790,596
Deposits from customers	(4,715,599)	3,401,445	(4,715,599)	3,401,445
	(3,253,205)	13,170,682	(4,005,383)	14,192,041
<b>Net Cash Generated / (used in) from operating activities</b>	<b>(2,145,307)</b>	<b>3,030,928</b>	<b>(2,090,092)</b>	<b>3,026,181</b>
Contribution to Plan Assets	(85,000)	(100,000)	(85,000)	(100,000)
Taxation	(62,623)	(56,999)	(62,623)	(78,745)
	(2,292,930)	2,873,929	(2,237,715)	2,847,436
<b>Cash flow from investing activities</b>				
Dividend receipts	27,091	33,434	28,030	34,267
Right Issue	1,019,355		1,019,355	
Investment in other investment securities	1,086,045	975,454	1,036,065	975,454
Purchase of property, plant & equipment	(721,340)	(337,492)	(721,933)	(341,850)
Proceed from sale of property, plant & equipment	5	5,559	5	5,559
<b>Net cash (used in)/ from investing activities</b>	<b>1,411,156</b>	<b>676,955</b>	<b>1,361,522</b>	<b>673,430</b>
<b>Cash flow from financing activities</b>				
Dividend paid	(193,461)	(271,526)	(193,461)	(277,531)
Net change debentures	1,265,820	(944,892)	1,265,820	(944,892)
<b>Net cash inflows/ (out flows) from financing activities</b>	<b>1,072,359</b>	<b>(1,216,418)</b>	<b>1,072,359</b>	<b>(1,222,423)</b>
Net increase/(decrease) in cash and cash equivalents	190,585	2,334,466	196,166	2,298,443
Cash and cash equivalents at the beginning of the period	585,413	2,205,081	643,219	2,233,378
<b>Cash and cash equivalents at the end of the period</b>	<b>775,998</b>	<b>4,539,547</b>	<b>839,385</b>	<b>4,531,821</b>
<b>Cash and cash equivalents at the beginning of the period</b>				
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
<b>Cash and cash equivalents at the end of the period</b>				
Cash at bank and in hand	962,129	4,649,664	1,027,841	4,690,813
Bank overdraft	(186,131)	(110,117)	(188,456)	(158,992)
	<b>775,998</b>	<b>4,539,547</b>	<b>839,385</b>	<b>4,531,821</b>

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Company

	Lease and Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000
Interest	7,691,748	7,207,070	2,883,498	2,858,891	691,035	496,790	11,266,281	10,562,751
Non interest income							1,148,897	1,588,050
Segment revenue	7,691,748	7,207,070	2,883,498	2,858,891	691,035	496,790	12,415,178	12,150,801
<b>Total revenue</b>	<b>7,691,748</b>	<b>7,207,070</b>	<b>2,883,498</b>	<b>2,858,891</b>	<b>691,035</b>	<b>496,790</b>	<b>12,415,178</b>	<b>12,150,801</b>
Unallocated expenses							11,229,219	10,795,061
Profit from operations							1,185,959	1,355,740
Income tax expense							196,912	315,173
<b>Profit for the period</b>							<b>989,047</b>	<b>1,040,567</b>
Segment assets	48,720,868	47,489,468	21,303,158	21,171,953	11,698,528	13,037,191	81,722,554	81,698,612
Unallocated assets							8,571,989	6,269,855
<b>Total assets</b>	<b>48,720,868</b>	<b>47,489,468</b>	<b>21,303,158</b>	<b>21,171,953</b>	<b>11,698,528</b>	<b>13,037,191</b>	<b>90,294,543</b>	<b>87,968,467</b>



CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease and Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000	31-12-2019 Rs. '000	31-12-2018 Rs. '000
Interest	8,199,820	7,628,257	2,844,752	2,857,742	700,250	510,298	11,744,822	10,996,297
Non interest income							1,158,938	1,630,139
Segment revenue	8,199,820	7,628,257	2,844,752	2,857,742	700,250	510,298	12,903,760	12,626,436
<b>Total revenue</b>	<b>8,199,820</b>	<b>7,628,257</b>	<b>2,844,752</b>	<b>2,857,742</b>	<b>700,250</b>	<b>510,298</b>	<b>12,903,760</b>	<b>12,626,436</b>
Unallocated expenses							11,557,347	11,179,252
Profit from operations							1,346,413	1,447,184
Income tax expense							246,591	343,962
<b>Profit for the period</b>							<b>1,099,822</b>	<b>1,103,222</b>
Segment assets	50,430,170	49,918,119	21,020,828	20,902,509	11,857,786	13,201,216	83,308,784	84,021,844
Unallocated assets							8,676,034	6,411,895
<b>Total assets</b>	<b>50,430,170</b>	<b>49,918,119</b>	<b>21,020,828</b>	<b>20,902,509</b>	<b>11,857,786</b>	<b>13,201,216</b>	<b>91,984,818</b>	<b>90,433,739</b>

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Shareholders' Information

Twenty Largest Shareholders as at 31 December 2019

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	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	2,379,654	4.00
7	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	2,194,152	3.69
8	SEYLAN BANK PLC./JANASHAKTHI PLC	2,173,952	3.66
9	COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI LIMITED	1,662,584	2.80
10	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	1,375,772	2.31
11	PEOPLE'S LEASING & FINANCE PLC/MR.S.V.MUNASINGHE	1,316,247	2.21
12	PEOPLE'S LEASING & FINANCE PLC/ MR. R.H.ABEYGOONEWARDENA & MRS. V.F. ABEYGOONEWARDENA	1,301,785	2.19
13	SEYLAN BANK PLC/TENNAKOOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOOON	1,200,888	2.02
14	CEYLINCO LIFE INSURANCE LIMITED ACCOUNT NO.3	892,146	1.50
15	PEOPLE'S LEASING & FINANCE PLC/MR.H.M.L.M.B.HEENKENDA	606,390	1.02
16	MR. KARTHIK ELANGO VAN	551,486	0.93
17	PEOPLE'S LEASING & FINANCE PLC/MRS.N.D.KODAGODA	503,972	0.85
18	PEOPLE'S LEASING & FINANCE PLC/MR. H.K. DASSANAYAKE	349,115	0.59
19	PEOPLE'S LEASING & FINANCE PLC/MR.I.M.KOTIGALA	327,798	0.55
20	NATION DEVELOPMENT BANK PLC/ ASIA MANAGEMENT CONSULTANCY	325,000	0.55
	<b>Sub total of Top 20 Share Holders</b>	<b>48,628,325</b>	<b>81.80</b>
		10,820,755	18.20
	<b>Total</b>	<b>59,449,080</b>	<b>100.00</b>

The percentage of shares held by the public as at 31 December 2019 is 45.15% (with 1,889 public share holders)

Ordinary Non Voting Shares

No	NAME	SHAREHOLDING	(%)
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,381,493	13.36
2	J.B. COCOSHHELL (PVT) LTD	1,302,738	12.59
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	PEOPLE'S LEASING & FINANCE PLC/MR.H.M. ABDULHUSSEIN	274,402	2.65
7	MISS RUKAIYA HUSSEINALLY ABDULHUSSEIN	260,653	2.52
8	MR. MURTAZA ALI JAFFERJEE	256,380	2.48
9	ASKOLD (PRIVATE) LIMITED	248,062	2.40
10	ESSAJEE CARIMJEE INSURANCE BROKERS (PVT) LTD	246,520	2.38
11	MR. ABBASALLY NURUDDIN ESUFALLY	217,551	2.10
12	MR. MALIK JOSEPH FERNANDO	216,020	2.09
13	MR.MURTAZAALI ABIDHUSSEN HASSANALY ESUFALLY	165,375	1.60
14	SEYLAN BANK PLC/TENNAKOOON MUDIYANSELAGE DAMITH PRASANNA TENNAKOOON	141,165	1.36
15	MR.SABAPATHI MUDIYANSELAGE PRADEEP LAL JAYARATNE	128,966	1.25
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
19	MR.MUKESH ABHAYKUMAR VALABHI	108,009	1.04
19	JAFFERJEE'S INVESTMENTS (PVT) LTD.	108,009	1.04
	<b>Sub total of Top 20 Share Holders</b>	<b>7,154,995</b>	<b>69.15</b>
		3,188,673	30.85
	<b>Total</b>	<b>10,343,668</b>	<b>100.00</b>

The percentage of shares held by the public as at 31 December 2019 is 76.51% (with 1,745 public share holders)

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

Ordinary Voting Shares

Name	Share Holding
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. TENNAKON	-
ASSETLINE LEASING COMPANY LTD/MR.T.M.D.P.TENNAKON	170,151
SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	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. R. MOHAMED	-
MR. S.P.P. AMARATUNGE	-
MR. J.R.A. CORERA	1,027
PEOPLE'S LEASING & FINANCE PLC/MR.J.R.A. CORERA	21,622
	<b>6,536,675</b>

Ordinary Non Voting Shares

Name	Share Holding
MR W.P.C.M. NANAYAKKARA	56
MR. T.M.D.P. TENNAKON	-
SEYLAN BANK PLC/TENNAKON MUDIYANSELAGE DAMITH PRASANNA TENNAKON	141,165
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. R. MOHAMED	-
MR. S.P.P. AMARATUNGE	-
MR. J.R.A. CORERA	10,335
	<b>314,081</b>

Market prices for the quarter ended 31 December 2019

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Highest Price	94.40	85.00	69.90	74.90
Lowest Price	83.50	79.10	61.40	66.00
Last Traded	83.90	79.10	67.50	70.00

Floating Adjusted Market Capitalization as at 31 December 2019

	Number of shares	Market price per share	Market Capitalization (Rs.)	Percentage of public holders	Floating Adjusted Market Capitalization (Rs.)
Voting Share	59,449,080	83.90	4,987,777,812	45.15%	2,251,981,682
Non Voting Share	10,343,668	67.50	698,197,590	76.51%	534,190,976
			<b>5,685,975,402</b>		<b>2,786,172,658</b>

Note -

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

## 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 policy 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 As at 31 December 2019 stated capital represents 59,449,080 ordinary voting shares and 10,343,668 ordinary non voting shares.
- 6 The Company has issued 10,752,000 subordinated unsecured listed redeemable rated five year (2019/2024) debentures at a price of Rs. 100 each on 10 December 2019 which are qualifying under Tier II capital. The debentures were listed on 17 December 2019.
- 7 Mr.Jagath Priyantha Abhayaratne has been appointed as a Non-executive director of the Company with effect from 1 January 2020.
- 8 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.
- 9 Since 31 December 2019, there were no material events other than the above, that require adjustment to or disclosure in these financial statements.
- 10 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Information on Listed Debentures

Market Price For the Quarter ended 31 December 2019

**Rated Subordinated Guaranteed Redeemable Debentures June 2016-June 2021**

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
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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
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Debenture Type		%	%
Type A	Semi- annually	13.75	14.22
Type B	Annually	14.20	14.20

**Subordinated Listed Rated Unsecured Redeemable Debentures January 2019-January 2024**

Debenture Type	Highest Price Rs.	Lowest Price Rs.	Last Traded Rs.
Type A		NOT TRADED	
Type B	100.50	101.50	101.50

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

**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	

Interest Rates	Interest Payment Frequency	Coupon Rate	Annual Effective Rate
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Debenture Type		%	%
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)	9.80%
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**Information on Listed Debentures**

**Current Yield & Yield to Maturity**

**Guaranteed Listed Rated Unsecured Redeemable Debentures June 2016-June 2021**

Debenture Type	Current Yield %	Yield to Maturity %
Type A		NOT TRADED
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	17.53%	19.71%

**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

Debt Equity Ratio	250%
Quick Asset Ratio (Times)	0.88
Interest Cover (Times)	1.18

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					

Debenture Issue December 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 1,075,200,000	Within the 06 months from date of cash receipt	LKR 1,075,200,000	100%	-	0%	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			LKR, 1,075,200,000	100%	
3	Reducing the mismatch of maturity periods between assets and liabilities		Within 12 months from date of cash receipt			0	100%	

## Selected Performance Indicators as per regulatory requirements

Indicator	Company	
	As at 31-12-2019	As at 31-03-2019
<b>Asset Quality (Rs. 000)</b>		
Gross Non- Performing Accommodations	5,335,261	4,678,121
Gross Non- Performing Accommodations Ratio %	7.52%	6.68%
Net Non- Performing Accommodations Ratio %	4.18%	3.84%
<b>Liquidity (Rs. 000)</b>		
Required Minimum Amount of Liquid Assets	5,640,031	5,942,582
Available Amount of Liquid Assets	9,019,643	10,786,904
Required Minimum Amount of Government Securities	4,051,163	3,166,118
Available Amount of Government Securities	4,303,483	4,220,581
<b>Capital Adequacy</b>		
Core Capital ( Tier 1 Capital)	8,307,120	6,631,751
Total Capital Base	11,623,430	9,067,690
Core Capital to Risk Weighted Assets Ratio (Minimum 6.5%)*	9.89%	8.09%
Total Capital to Risk Weighted Assets Ratio (Minimum 10.5%)*	13.84%	11.07%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%)*	27.24%	19.20%
<b>Profitability</b>		
Net Interest Margin (Annualized %)	6.77%	6.34%
Return on Average Assets- After Tax (Annualized %)	1.47%	2.07%
Return on Average Equity- After Tax (Annualized %)	13.79%	21.62%
<b>Memorandum information</b>		
Number of Employees	1,940	1,670
Number of Branches	69	59
Number of Service Centers	1	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. 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. Razik Mohamed *ACA*  
*Independent 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) (SIP); 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*

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

*\*\* (With effect from 01 January 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 spsec@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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