

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30, JUNE 2014

Citizens Development Business Finance PLC

No 18, Sri Sangaraja Mawatha, Colombo 10

Consolidated Statement of Comprehensive Income

	Company			Group		
	For the Quarter ended 30th June			For the Quarter ended 30th June		
	2014/15 Rs.	2013/14 Rs.	Change %	2014/15 Rs.	2013/14 Rs.	Change %
Income	1,682,763,473	1,383,684,126	22%	1,682,763,473	1,383,684,126	22%
Interest Income	1,593,435,687	1,337,680,660	19%	1,593,435,687	1,337,680,660	19%
Interest Expenses	900,258,376	796,234,381	13%	900,258,376	796,234,381	13%
Net Interest Income	693,177,311	541,446,279	28%	693,177,311	541,446,279	28%
Fees and Commission Income	37,670,180	34,731,621	8%	37,670,180	34,731,621	8%
Net fee and Commission Income	37,670,180	34,731,621	8%	37,670,180	34,731,621	8%
Net Interest, Fee and Commission Income	730,847,491	576,177,900	27%	730,847,491	576,177,900	27%
Other Operating Income	51,657,606	11,271,845	358%	51,657,606	11,271,845	358%
Total Operating Income	782,505,097	587,449,745	33%	782,505,097	587,449,745	33%
Less: Impairment Charges for Loans and other Losses	141,003,499	59,186,985	138%	141,003,499	59,186,985	138%
Net Operating Income	641,501,598	528,262,760	21%	641,501,598	528,262,760	21%
Less:						
Operating Expenses						
Staff Costs	158,206,713	126,368,328	25%	158,206,713	126,368,328	25%
Premises, Equipment and Establishment Expenses	194,843,649	138,997,085	40%	194,843,649	138,997,085	40%
Other Operating Expenses	70,098,147	80,332,214	-13%	70,098,147	80,332,214	-13%
	423,148,509	345,697,627	22%	423,148,509	345,697,627	22%
Operating Profit Before Value Added Tax	218,353,089	182,565,133	20%	218,353,089	182,565,133	20%
Value Added Tax (vat) on Financial Services	19,833,264	13,093,822	51%	19,833,264	13,093,822	51%
Profit Before Taxation	198,519,825	169,471,311	17%	198,519,825	169,471,311	17%
Income Tax Expense	40,986,840	34,451,190	19%	40,986,840	34,451,190	19%
Profit for the Period	157,532,985	135,020,121	17%	157,532,985	135,020,121	17%
Profit attributable to:						
Non-controlling Interests						
Parent Company Shareholders	157,532,985	135,020,121		157,532,985	135,020,121	
Profit for the Period	157,532,985	135,020,121		157,532,985	135,020,121	
Other Comprehensive Income:						
Available-for-sale investments:						
Net valuation (losses)/gains taken to equity Reclassified to income statement	(28,200,000)	84,656,400		(28,200,000)	84,656,400	
Net Actuarial gains/(losses) on Defined Benefit plans	(1,668,345)			(1,668,345)		
Other comprehensive income for the period,	(29,868,345)	84,656,400		(29,868,345)	84,656,400	
Total Comprehensive Income for the Period	127,664,640	219,676,521		127,664,640	219,676,521	
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	127,664,640	219,676,521		127,664,640	219,676,521	
Total Comprehensive Income for the Period	127,664,640	219,676,521		127,664,640	219,676,521	
Earnings per share:						
Basic Earnings per Ordinary Share	2.90	2.49		2.90	2.49	

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Consolidated Statement of Financial Position

As At	Company		Group	
	30-06-2014 Rs.	31-03-2014 Audited Rs.	30-06-2014 Rs.	31-03-2014 Audited Rs.
Assets				
Cash and Cash Equivalents	435,432,405	462,555,296	438,767,930	465,890,822
Deposits in Commercial Banks	1,931,074,333	2,706,172,054	1,931,074,333	2,706,172,054
Loans and Receivables to Customers	26,174,185,222	25,724,944,295	26,174,185,222	25,724,944,295
Financial Investments - Available for Sale	761,400,000	789,600,000	761,400,000	789,600,000
Financial Investments - Held - to- Maturity	1,954,997,639	1,834,691,042	1,954,997,639	1,834,691,042
Financial Investments - Loans and Receivable	179,000,000	227,999,991	179,000,000	227,999,991
Investment in Subsidiaries	2,745,447	2,745,447	-	-
Investment Properties	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,165,762,897	1,004,470,809	1,165,762,897	1,004,470,809
Intangible Assets	78,270,536	77,783,761	78,270,536	77,783,761
Other Assets	998,964,733	917,381,613	998,964,733	917,380,813
Total Assets	33,702,031,189	33,768,542,285	33,702,621,267	33,769,131,564
Liabilities				
Due to Banks	1,294,709,751	1,471,953,259	1,294,709,751	1,471,953,259
Deposits From Customers	25,089,022,466	24,518,192,737	25,089,022,466	24,518,192,737
Debentures	1,120,515,759	1,172,332,835	1,120,515,759	1,172,332,835
Other Borrowings	1,336,958,130	1,670,052,391	1,336,958,130	1,670,052,391
Current Tax Liabilities	93,855,198	48,333,210	94,260,275	48,738,286
Deferred Tax Liabilities	145,383,294	145,383,295	145,383,294	145,383,295
Retirement Benefit Obligations	11,571,188	159,241,654	11,571,188	159,241,654
Other Liabilities	1,068,352,272	1,006,138,792	1,068,838,073	1,006,523,795
Total Liabilities	30,160,368,058	30,191,628,173	30,161,258,936	30,192,418,252
Equity				
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Statutory Reserve Fund	497,954,363	497,954,363	497,954,363	497,954,363
Revaluation Reserve	132,765,013	132,765,013	132,765,013	132,765,013
Investment Fund Account	94,136,466	87,745,449	94,136,466	87,745,449
Available for Sale Reserve	661,490,925	689,690,925	661,490,925	689,690,925
Retained Earnings	970,254,719	983,696,717	970,053,919	983,495,917
Total Equity attributable to Equity holders of the Parent	3,541,663,131	3,576,914,112	3,541,462,331	3,576,713,312
Non-controlling Interests	-	-	-	-
Total Equity	3,541,663,131	3,576,914,112	3,541,462,331	3,576,713,312
Total Equity and Liabilities	33,702,031,189	33,768,542,285	33,702,721,267	33,769,131,564
Net Assets Value per Ordinary Share	65.22	65.87	65.22	65.87

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

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

23rd July 2014

Colombo

Sgd.

C.M Nanayakkara

Managing Director/ CEO

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity - Company

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-sale reserve Rs	Investment Fund reserve Rs	Reserve Fund Rs	Retained Earnings Rs	Minority Interest Rs	Total Rs
Balance as at 1st April 2013	1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	746,592,019	-	2,965,098,202
Profit for the Period 2013/14						135,020,121		135,020,121
Other comprehensive income for the Period 2013/14			84,656,400					84,656,400
Total comprehensive income for the Period 2013/2014	1,185,061,645	132,765,013	548,690,925	50,933,191	385,711,809	881,612,140	-	3,184,774,723

Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders

Final dividends for year- Cash 2013/2014						(149,339,319)		(149,339,319)
Transfers during the period				4,662,696		(4,662,696)		-
Balance as at 30th June 2013	1,185,061,645	132,765,013	548,690,925	55,595,887	385,711,809	727,610,125	-	3,035,435,404

Balance as at 1st April 2014	1,185,061,645	132,765,013	689,690,925	87,745,449	497,954,363	983,696,717		3,576,914,112
Profit for the period 2014/15						157,532,985		157,532,985
Other comprehensive income for the Period 2014/15			(28,200,000)			(1,668,345)		(29,868,345)
Total comprehensive income for the Period 2014/2015	1,185,061,645	132,765,013	661,490,925	87,745,449	497,954,363	1,139,561,357	-	3,704,578,752

Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders

Final dividends for year- 2013/2014						(162,915,621)		(162,915,621)
Transfer into/(out) from reserves				6,391,017		(6,391,017)		-
Balance as at 30th June 2014	1,185,061,645	132,765,013	661,490,925	94,136,466	497,954,363	970,254,719	-	3,541,663,131

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	Investment Fund reserve Rs	Reserve Fund Rs	Retained Earnings Rs	Minority Interest Rs	Total Rs
Balance as at 1st April 2013	1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	746,491,219	-	2,964,997,402
Profit for the Period 2013/14						135,020,121		135,020,121
Other comprehensive income for the Period 2013/14			84,656,400					84,656,400
Total comprehensive income for the Period 2013/2014	1,185,061,645	132,765,013	548,690,925	50,933,191	385,711,809	881,511,340	-	3,184,673,923

Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders

Final dividends for year- Cash 2013/2014						(149,339,319)		(149,339,319)
Transfers during the period				4,662,696		(4,662,696)		-
Balance as at 30th June 2013	1,185,061,645	132,765,013	548,690,925	55,595,887	385,711,809	727,509,325	-	3,035,334,604

Balance as at 1st April 2014	1,185,061,645	132,765,013	689,690,925	87,745,449	497,954,363	983,495,917		3,576,713,312
Profit for the period 2014/15						157,532,985		157,532,985
Other comprehensive income for the Period 2014/15			(28,200,000)			(1,668,345)		(29,868,345)
Total comprehensive income for the Period 2014/2015	1,185,061,645	132,765,013	661,490,925	87,745,449	497,954,363	1,139,360,557	-	3,704,377,952

Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders

Final dividends for year- 2013/2014						(162,915,621)		(162,915,621)
Transfer into/(out) from reserves				6,391,017		(6,391,017)		-
Balance as at 30th June 2014	1,185,061,645	132,765,013	661,490,925	94,136,466	497,954,363	970,053,919	-	3,541,462,331

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Period ended	Company		Group	
	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.
<i>Cash flow from Operating Activities</i>				
Interest Receipts	1,627,362,117	1,298,565,290	1,627,362,117	1,298,565,290
Commission Receipts	36,644,222	37,869,232	36,644,222	37,869,232
Other Income Receipts	42,593,606	4,203,845	42,593,606	4,203,845
Interest Payments	(2,027,858,741)	(701,529,083)	(2,027,858,741)	(701,529,083)
Fee and Business Promotion Expenses	(13,828,009)	(70,705,420)	(13,828,009)	(70,705,420)
Employee Related Payments	(147,943,427)	(117,368,328)	(147,943,427)	(117,368,328)
Supplier Payments	(269,241,570)	(138,089,653)	(269,241,570)	(138,089,653)
Financial Expenses	(2,190,201)	(9,626,794)	(2,190,201)	(9,626,794)
Operating Profit before changes in Operating Assets	(754,462,003)	303,319,089	(754,462,003)	303,319,089
<i>(Increase)/Decrease in Operating Assets</i>				
Investments in Licensed Commercial Bank and other Financial Institutions	775,097,721	87,234,959	775,097,721	87,234,959
Investments in Government Securities	(105,233,036)	(63,012,515)	(105,233,036)	(63,012,515)
Net Funds Advanced to Customers	(590,244,426)	(1,858,655,214)	(590,244,426)	(1,858,655,214)
Changes in Other Short Term Assets	(80,557,163)	(94,151,163)	(80,557,163)	(94,151,163)
Inventories		(5,685,592)		(5,685,592)
	(755,398,907)	(1,630,950,436)	(755,398,907)	(1,630,950,436)
<i>Increase/(Decrease) in Operating Liabilities</i>				
Borrowings	(562,154,846)	238,230,183	(562,154,846)	238,230,183
Deposits from Customers	1,698,430,094	1,552,579,392	1,698,430,094	1,552,579,392
	1,136,275,248	1,790,809,575	1,136,275,248	1,790,809,575
Net Cash Generated / (used in) from operating Activities	380,876,341	159,859,139	380,876,341	159,859,139
Gratuity paid	(360,443)	(376,990)	(360,443)	(376,990)
Contribution to Plan Assets	(159,241,654)	-	(159,241,654)	-
Taxation	4,535,148	2,927,139	4,535,148	2,927,139
	225,809,392	162,409,288	225,809,392	162,409,288
Cash Flow from Investing Activities				
Dividend Receipts	9,064,000	7,068,000	9,064,000	7,068,000
Purchase of Property, Plant & Equipment	(195,983,864)	(140,929,015)	(195,983,864)	(140,929,015)
Net Cash (used in)/ from Investing Activities	(186,919,864)	(133,861,015)	(186,919,864)	(133,861,015)
Cash Flow from Financing Activities				
Dividend Paid	-	-	-	-
Net change Debentures	-	-	-	-
Net Cash Inflows/ (out flows) from Financing Activities	-	-	-	-
Net Increase/(Decrease) In Cash & Cash Equivalents	38,889,528	28,548,273	38,889,528	28,548,273
Cash and Cash Equivalents at the beginning of the Year	199,086,859	60,925,730	202,422,385	64,261,256
Cash and Cash Equivalents at the end of the Year	237,976,387	89,474,003	241,311,913	92,809,529
Cash and Cash Equivalents at the beginning of the year				
Cash at Bank and In Hand	462,555,296	205,326,279	465,890,822	208,661,805
Bank Overdraft	(263,468,437)	(144,400,549)	(263,468,437)	(144,400,549)
	199,086,859	60,925,730	202,422,385	64,261,256
Cash and Cash Equivalents at the end of the year				
Cash at Bank and In Hand	435,432,405	175,015,157	438,767,931	178,350,683
Bank Overdraft	(197,456,018)	(85,541,154)	(197,456,018)	(85,541,154)
	237,976,387	89,474,003	241,311,913	92,809,529

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis - Company

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.
Interest	1,217,484,863	936,637,394	214,872,680	127,810,262	12,148,353	53,315,748	148,929,791	219,917,256	1,593,435,687	1,337,680,660
Non Interest Income									89,327,786	46,003,466
Total Revenue	1,217,484,863	936,637,394	214,872,680	127,810,262	12,148,353	53,315,748	148,929,791	219,917,256	1,682,763,473	1,383,684,126
Segmental Results	1,217,484,863	936,637,394	214,872,680	127,810,262	12,148,353	53,315,748	148,929,791	219,917,256	1,682,763,473	1,383,684,126
Unallocated Expenses									1,484,243,648	1,214,212,815
Profit from Operations									198,519,825	169,471,311
Income Tax expenses									40,986,840	34,451,190
Net Profit for the Period									157,532,985	135,020,121
Segment Assets	19,940,681,773	15,976,601,401	4,076,933,274	2,416,208,393	550,555,656	1,143,100,585	1,606,014,519	1,714,125,732	26,174,185,222	21,250,036,111
Unallocated Assets									7,527,845,966	5,309,670,869
Total Assets									33,702,031,189	26,559,706,980

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis - Group

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.	30-06-2014 Rs.	30-06-2013 Rs.
Interest	1,217,484,863	936,637,394	214,872,680	127,810,262	12,148,353	53,315,748	148,929,791	219,917,256	1,593,435,687	1,337,680,660
Non Interest Income									89,327,786	46,003,466
Total Revenue									1,682,763,473	1,383,684,126
Segmental Results									1,682,763,473	1,383,684,126
Unallocated Expenses									1,484,243,648	1,214,212,815
Profit from Operations									198,519,825	169,471,311
Income Tax expenses									40,986,840	34,451,190
Net Profit for the Period									157,532,985	135,020,121
Segment Assets	19,940,681,773	15,976,601,401	4,076,933,274	2,416,208,393	550,555,656	1,143,100,585	1,606,014,519	1,714,125,732	26,174,185,222	21,250,036,111
Unallocated Assets									7,528,436,045	5,310,260,947
Total Assets									33,702,621,267	26,560,297,058

Shareholders' Information

Twenty Largest Shareholders as at 30th June 2014

Ordinary Voting Shares

No	Name	Shareholding	Percentage
1	CEYLINCO INSURANCE PLC A/C NO 1 (LIFE FUND)	14,642,163	31.63%
2	CDB ESOP TRUST FUND (PRIVATE) LIMITED	12,500,000	27.00%
3	PERPETUAL CAPITAL (PRIVATE) LIMITED	2,069,251	4.47%
4	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	1,853,287	4.00%
5	SAMPATH BANK PLC/ DR.T.SENTHILVERL	1,664,100	3.59%
6	THE FINANCE COMPANY PLC A/C NO 1	1,250,000	2.70%
7	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	706,622	1.53%
8	MR. D. KOTTHOFF	543,073	1.17%
9	E.W. BALASURIYA & CO. (PVT) LTD	535,103	1.16%
10	LITTLE SMILE ORGANIC (PVT) LTD	416,500	0.90%
11	MAS CAPITAL (PRIVATE) LIMITED	289,492	0.63%
12	EAST INDIA HOLDING (PVT) LTD	243,833	0.53%
13	MR. K. SABARATNAM	149,000	0.32%
14	MR. W. S. R. FERNANDO	137,900	0.30%
15	DR. C. GUNASEKARA	131,700	0.28%
16	PAN ASIA BANKING COPORATION PLC/MR.S.M.P.L.JAYARATNE	125,000	0.27%
17	REV. J. N. FERNANDO	125,000	0.27%
18	MR. A. M. SUBRAMANIAM & MR. S. RAGULAN	122,500	0.26%
19	MRS. W. M. N. DABARERA	118,942	0.26%
20	ELGIN INVESTMENTS LIMITED	112,782	0.24%
	Sub total of Top 20 Share Holders	37,736,248	81.51%
	Others	8,562,975	18.49%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 30th June 2014 is 36.73%

Ordinary Non Voting Shares

No	Name	Shareholding	Percentage
1	J.B. COCOSHELL (PVT) LTD	1,051,291	13.13%
2	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	866,492	10.82%
3	CDB ESOP TRUST FUND (PRIVATE) LIMITED	562,499	7.03%
4	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	320,541	4.00%
5	ASKOLD (PRIVATE) LIMITED	247,224	3.09%
6	MR. M. J. FERNANDO	208,999	2.61%
7	MR. H. N. ESUFALLY	208,999	2.61%
8	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
9	MR. M. A. H. ESUFALLY	194,000	2.42%
10	MR. G. H. I. JAFFERJEE	156,749	1.96%
11	MR. I. M. DABAH	154,499	1.93%
12	MR. S. PRABAGAR	125,450	1.57%
13	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	123,950	1.55%
14	MR. S. R. FERNANDO	111,919	1.40%
15	GOLD INVESTMENT LIMITED.	104,499	1.31%
16	MR. M. A. VALABJI	104,499	1.31%
17	JAFFERJEES INVESTMENTS (PVT) LTD.	104,499	1.31%
18	CAPTAIN M. A. L. RATNAYAKE	103,730	1.30%
19	TRADING PARTNERS (PVT) LTD	100,000	1.25%
20	MRS. S. E. LOKHANDWALLA	88,000	1.10%
	Sub total of Top 20 Share Holders	5,142,252	64.23%
	Others	2,863,732	35.77%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 30th June 2014 is 75.13%

Directors' and Chief Executive Officer's Shareholding as at 30th June 2014

Ordinary Voting Shares

Name	Share Holding	Percentage
Mr. P.A.J. Jayawardena	500	0.001%
Mr. W.P.C.M. Nanayakkara	29,660	0.064%
Mr. T.M.D.P. Tennakoon	42,000	0.091%
Mr. W.W.K.M. Weerasuriya	7,000	0.015%
Mr. R.H. Abeygoonewardena	35,903	0.078%
Mr. S.V. Munasinghe	40,500	0.087%
Mr. D.H.J. Gunawardena	-	0.000%
Mr. S.R. Abeynayake	-	0.000%
Mr. R. Mohamed	-	0.000%
Dr. A. Dharmasiri	-	0.000%
Mr. D.A. De Silva	-	0.000%
Assetline Leasing Company Ltd/ Mr. T.M.D.P. Tennakoon	23,000	0.050%
Assetline Leasing Company Ltd/ Mr. R.H. Abeygoonewardena	23,000	0.050%
Assetline Leasing Company Ltd /Mr. S.V. Munasinghe	43,000	0.093%
	244,563	0.528%

Ordinary Non Voting Shares

Name	Share Holding	Percentage
Mr. P.A.J. Jayawardena	22	0.000%
Mr. W.P.C.M. Nanayakkara	28,941	0.361%
Mr. T.M.D.P. Tennakoon	7,262	0.091%
Mr. W.W.K.M. Weerasuriya	1,209	0.015%
Mr. R.H. Abeygoonewardena	7,579	0.095%
Mr. S.V. Munasinghe	9,411	0.118%
Mr. D.H.J. Gunawardena	-	0.000%
Mr. S.R. Abeynayake	-	0.000%
Mr. R. Mohamed	-	0.000%
Dr. A. Dharmasiri	-	0.000%
Mr. D.A. De Silva	-	0.000%
	54,424	0.680%

Market Value of the Shares

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30-06-2014	30-06-2013	30-06-2014	30-06-2013
Highest Price	67.00	54.90	53.00	43.10
Lowest Price	46.00	38.00	37.50	28.00
Last Traded	66.50	43.50	51.40	35.00

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 2013/14 in the preparation of these interim financial statements except for Accounting Policy changes described below.
- 2 The net defined benefit obligation is arrived at by deducting the fair value of the plan asset from the present value of the defined benefit obligation. The return on plan asset excluding the amount included in net interest on net defined benefit liability is recognized in the other comprehensive income.

The defined benefit liability is externally funded and the assets of this fund are held separately from those of the company and are independently administered by the trustees as per the provisions of the trust deed.
- 3 The Company has declared a dividend of Rs. 3.00 per share on its ordinary Voting and Non Voting shares amounting to Rs. 162,915,621/-
- 4 All known Expenses have been provided in these Financial Statements and Management Fees are not applicable to the Company
- 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 Group Financial statements comprises the consolidation of the company and its subsidiary CDB Micro Finance Ltd.
- 7 No of Shares as at 30 th June 2014 is as follows.

Ordinary Voting Shares	46,299,223
Ordinary Non Voting Shares	8,005,984
- 8 There were no material events that took place since 30th June 2014, that require disclosure in these Financial Statements.
- 9 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".

Information on Listed Debentures

Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018

Market Price For the Quarter ended 30 th June 2014

Debenture Type	Highest Price	Lowest Price	Last Traded
	Rs.	Rs.	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

Interest Rates of Comparable Government Securities

5 Year Treasury Bond (Excluding 10% withholding Tax)	10.64%
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Current Yield & Yield to Maturity

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

Ratios

Debt Equity Ratio	68%
Quick Asset Ratio (Times)	0.79
Interest Cover (Times)	1.22

Selected Performance Indicators

Indicator	Company		Group	
	As at 30-06-2014	As at 30-06-2013	As at 30-06-2014	As at 30-06-2013
Asset Quality (Rs. 000)				
Gross Non- Performing Accommodations,	1,757,316	895,498	1,757,316	895,498
Gross Non- Performing Accommodations Ratio, %	6.58%	4.23%	6.58%	4.23%
Net Non- Performing Accommodations Ratio, %	3.70%	2.59%	3.70%	2.59%
Liquidity (Rs. 000)				
Required Minimum amount of Liquid Assets	2,617,474	1,894,538	2,617,474	1,894,538
Available amount of Liquid Assets	3,852,344	2,372,232	3,855,679	2,375,567
Required Minimum amount of Government Securities	1,679,439	1,088,490	1,679,439	1,088,490
Available amount of Government Securities	1,934,843	1,280,653	1,934,843	1,280,653
Capital Adequacy				
Core Capital (Tier 1 Capital)	3,314,762	2,973,183	3,314,762	2,973,183
Total Capital Base	4,214,992	2,973,183	4,214,992	2,973,183
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	12.04%	13.98%	12.04%	13.98%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	15.31%	13.98%	15.31%	13.98%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)	16.80%	15.88%	16.80%	15.88%
Profitability				
Interest Margin (Annualized %)	8.21%	8.49%	8.21%	8.49%
Return on Average Assets-Before Tax (Annualized %)	2.35%	2.66%	2.35%	2.66%
Return on Average Equity- After Tax (Annualized %)	17.70%	17.77%	17.70%	17.77%
Memorandum information				
Number of Employees	1037	938	1037	938
Number of branches	47	38	47	38
Number of service centers	11	6	11	6
Number of pawning centers	1	1	1	1

* Including current year unaudited profit

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

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 *ACMA(UK), ACMA(Sri), MCPM, CGMA*
Executive Director / Chief Operating Officer

Mr. S.R.Abeynayake *MBA(Sri J), FCA, FCMA*
Non Executive Director

Dr. A. Dharmasri *B.Sc.Eng., MBA(Sri J), PhD(Sri J), MCMI(UK)*
Independent Non Executive Director

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

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

Mr. Razik Mohamed *ACA*
Independent Non Executive Director (Senior Director)

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

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

Mr. W.W.K.M.Weerasooriya *B.Com (Sp)*
Executive Director / Chief Marketing Officer

Registered address of Head Office

No 18, Sri Sangaraja 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 00942573894, 00942576871
Fax 00942573609
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

BBB/P2 (RAM)

Bankers

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



Citizens Development Business Finance PLC
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