

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31, DECEMBER 2014

Citizens Development Business Finance PLC

No 123, Orabi Pasha Mawatha, Colombo 10

Consolidated Statement of Comprehensive Income

	Company					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2014/15 Rs.	2013/14 Rs.	Change %	2014/15 Rs.	2013/14 Rs.	Change %
Income	1,641,804,385	1,653,742,357	-1%	5,000,602,259	4,555,113,791	10%
Interest Income	1,542,560,106	1,522,277,117	1%	4,711,204,612	4,287,794,826	10%
Less: Interest Expenses	839,155,081	931,348,099	-10%	2,589,472,670	2,601,770,962	0%
Net Interest Income	703,405,025	590,929,018	19%	2,121,731,942	1,686,023,864	26%
Net fee and Commission Income	45,926,115	45,585,773	1%	125,334,071	120,345,008	4%
Net Interest, Fee and Commission Income	749,331,140	636,514,791	18%	2,247,066,013	1,806,368,872	24%
Other Operating Income	53,318,164	52,044,087	2%	164,063,577	146,973,957	12%
Total Operating Income	802,649,304	688,558,878	17%	2,411,129,590	1,953,342,829	23%
Less Impairment and net losses from liquidation of loans and receivable to customers	94,876,175	116,581,455	-19%	365,631,078	281,094,821	30%
Net Operating Income	707,773,129	571,977,423	24%	2,045,498,512	1,672,248,008	22%
Less:						
Operating Expenses						
Staff Costs	156,569,187	143,455,622	9%	460,685,518	403,653,822	14%
Premises, Equipment and Establishment Expenses	246,689,615	169,225,749	46%	658,317,857	458,331,827	44%
Other Operating Expenses	77,219,296	61,787,348	25%	218,448,322	229,645,284	-5%
	480,478,098	374,468,719	28%	1,337,451,696	1,091,630,933	23%
Operating Profit Before Value Added Tax	227,295,031	197,508,704	15%	708,046,816	580,617,075	22%
Less: Value Added Tax (vat) on Financial Services	19,315,534	11,274,373	71%	65,003,157	39,368,195	65%
Profit Before Taxation	207,979,497	186,234,331	12%	643,043,659	541,248,880	19%
Less: Income Tax Expense	73,862,649	28,369,493	160%	178,078,399	112,412,450	58%
Profit for the Period	134,116,848	157,864,838	-15%	464,965,260	428,836,430	8%
Profit attributable to:						
Non-controlling Interests						
Total Equity attributable to equity holders of the parent	134,116,848	157,864,838	-15%	464,965,260	428,836,430	8%
Profit for the Period	134,116,848	157,864,838	-15%	464,965,260	428,836,430	8%
Other Comprehensive Income:						
Net gain/(loss) on re measuring of available for sale financial investment	42,300,000	48,278,400	-12%	(11,956,800)	191,816,400	-106%
Net Actuarial gains/(losses) on Defined Benefit plans	(4,834,876)		100%	(8,392,908)		100%
Other comprehensive income for the period,	37,465,124	48,278,400	-22%	(20,349,708)	191,816,400	-111%
Total Comprehensive Income for the Period	171,581,972	206,143,238	-17%	444,615,552	191,816,400	132%
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	171,581,972	206,143,238	-17%	444,615,552	620,652,830	-28%
Total Comprehensive Income for the Period	171,581,972	206,143,238	-17%	444,615,552	620,652,830	-28%
Earnings per share:						
Basic Earnings per Share	2.47	2.91		8.56	7.90	

Consolidated Statement of Comprehensive Income

	Group					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2014/15 Rs.	2013/14 Rs.	Change %	2014/15 Rs.	2013/14 Rs.	Change %
Income	1,656,410,237	1,653,742,357	0%	5,015,208,112	4,555,113,791	10%
Interest Income	1,556,772,247	1,522,277,117	2%	4,725,416,753	4,287,794,826	10%
Less: Interest Expenses	842,295,809	931,348,099	-10%	2,592,613,398	2,601,770,962	0%
Net Interest Income	714,476,438	590,929,018	21%	2,132,803,355	1,686,023,864	26%
Net fee and Commission Income	45,926,115	45,585,773	1%	125,334,071	120,345,008	4%
Net Interest, Fee and Commission Income	760,402,553	636,514,791	19%	2,258,137,426	1,806,368,872	25%
Other Operating Income	53,711,875	52,044,087	3%	164,457,288	146,973,957	12%
Total Operating Income	814,114,428	688,558,878	18%	2,422,594,714	1,953,342,829	24%
Less: Impairment and Net losses from liquidation of Loans and Receivable to customers	95,176,175	116,581,455	-18%	365,931,078	281,094,821	30%
Net Operating Income	718,938,253	571,977,423	26%	2,056,663,636	1,672,248,008	23%
Less:						
Operating Expenses						
Staff Costs	161,133,605	143,455,622	12%	465,249,936	403,653,822	15%
Premises, Equipment and Establishment Expenses	247,484,526	169,225,749	46%	659,112,767	458,331,827	44%
Other Operating Expenses	78,208,928	61,787,348	27%	219,437,954	229,645,284	-4%
	486,827,059	374,468,719	30%	1,343,800,657	1,091,630,933	23%
Operating Profit Before Value Added Tax	232,111,194	197,508,704	18%	712,862,979	580,617,075	23%
Less: Value Added Tax (vat) on Financial Services	20,195,051	11,274,373	79%	65,882,674	39,368,195	67%
Profit Before Taxation	211,916,143	186,234,331	14%	646,980,305	541,248,880	20%
Less: Income Tax Expense	75,146,395	28,369,493	165%	179,362,145	112,412,450	60%
Profit for the Period	136,769,748	157,864,838	-13%	467,618,160	428,836,430	9%
Profit attributable to:						
Non-controlling Interests	321,703	-	100%	321,703	-	100%
Total Equity attributable to equity holders of the parent□	136,448,045	157,864,838	-14%	467,296,457	428,836,430	9%
Profit for the Period	136,769,748	157,864,838	-13%	467,618,160	428,836,430	9%
Other Comprehensive Income:						
Net gain/(loss) on re measuring of available for sale financial investment	42,300,000	48,278,400	-12%	(11,956,800)	191,816,400	-106%
Net Actuarial gains/(losses) on Defined Benefit plans	(4,834,876)	-	100%	(8,392,908)	-	100%
Other comprehensive income for the period,	37,465,124	48,278,400	-22%	(20,349,708)	191,816,400	-111%
Total Comprehensive Income for the Period	174,234,872	206,143,238	-15%	447,268,452	191,816,400	133%
Total Comprehensive Income Attributable to:						
Non-controlling interests	321,703	-	100%	321,703	-	100%
Parent Company Shareholders	173,913,169	206,143,238	-16%	446,946,749	620,652,830	-28%
Total Comprehensive Income for the Period	174,234,872	206,143,238	-15%	447,268,452	620,652,830	-28%
Earnings per share:						
Basic Earnings per Share	2.51	2.91		8.61	7.90	

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Consolidated Statement of Financial Position

	Company		Group	
	31-12-2014 Rs.	31-03-2014 Rs.	31-12-2014 Rs.	31-03-2014 Rs.
Assets				
Cash and Cash Equivalents	351,487,949	462,555,296	366,315,085	465,890,822
Deposits in Commercial Banks	2,435,440,554	2,706,172,054	2,444,791,562	2,706,172,054
Loans and Receivables to Customers	27,905,538,994	25,724,944,295	28,193,258,691	25,724,944,295
Financial Investments - Available for Sale	777,643,200	789,600,000	777,766,900	789,600,000
Financial Investments - Held - to- Maturity	2,091,413,357	1,834,691,042	2,061,264,492	1,834,691,042
Financial Investments - Loans and Receivable	35,000,000	227,999,991	35,000,000	227,999,991
Investment in Subsidiary	427,745,447	2,745,447	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977
Goodwill on Consolidation	-	-	237,880,755	-
Property, Plant and Equipment	1,396,996,071	1,004,470,809	1,407,397,814	1,004,470,809
Intangible Assets	72,496,324	77,783,761	72,496,324	77,783,761
Other Assets	1,094,724,935	917,381,613	1,134,002,310	917,380,813
Total Assets	36,608,684,808	33,768,542,285	36,750,371,910	33,769,131,564
Liabilities				
Due to Banks	1,872,474,035	1,471,953,259	1,924,681,198	1,471,953,259
Deposits from Customers	26,643,423,467	24,518,192,737	26,643,423,467	24,518,192,737
Debentures	1,005,585,227	1,172,332,835	1,005,585,227	1,172,332,835
Other Borrowings	1,772,075,269	1,670,052,391	1,812,432,269	1,670,052,391
Current Tax Liabilities	182,275,475	48,333,210	183,287,762	48,738,286
Deferred Tax Liabilities	145,383,294	145,383,295	145,383,294	145,383,295
Retirement Benefit Obligations	15,481,009	159,241,654	15,481,009	159,241,654
Other Liabilities	1,113,372,988	1,006,138,792	1,129,226,087	1,006,523,795
Total Liabilities	32,750,070,764	30,191,628,173	32,859,500,313	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	-	87,745,449	-	87,745,449
Available for Sale Reserve	677,734,125	689,690,925	677,734,125	689,690,925
Retained Earnings	1,365,098,898	983,696,717	1,367,229,294	983,495,917
Total equity attributable to equity holders of the parent	3,858,614,044	3,576,914,112	3,860,744,440	3,576,713,312
Non-controlling Interests	-	-	30,127,157	-
Total Equity	3,858,614,044	3,576,914,112	3,890,871,597	3,576,713,312
Total Equity and Liabilities	36,608,684,808	33,768,542,285	36,750,371,910	33,769,131,564
Net Assets Value per Share	71.05	65.87	71.65	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

Sgd.

C.M Nanayakkara

Managing Director/ CEO

13th February 2015

Colombo

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 Account Rs	Statutory 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						428,836,430		428,836,430
Other comprehensive income for the Period 2013/14			191,816,400					191,816,400
Total comprehensive income for the Nine Months Period 2013/2014			191,816,400			428,836,430	-	620,652,830
Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders								
Final dividend for year- 2012/2013						(149,339,319)		(149,339,319)
Transfers during the period				27,339,217		(27,339,217)		-
Balance as at 31st December 2013	1,185,061,645	132,765,013	655,850,925	78,272,408	385,711,809	998,749,913	-	3,436,411,713
Balance as at 1st April 2014	1,185,061,645	132,765,013	689,690,925	87,745,449	497,954,363	983,696,718		3,576,914,113
Profit for the period 2014/15						464,965,260		464,965,260
Other comprehensive income for the Period 2014/15			(11,956,800)			(8,392,908)		(20,349,708)
Total comprehensive income for the Nine Months Period 2014/2015			(11,956,800)			456,572,352		444,615,552
Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders								
Final dividend for year- 2013/2014						(162,915,621)		(162,915,621)
Transfer into/(out) from reserves				16,074,397		(16,074,397)		-
Transfer into/(out) from reserves				(103,819,846)		103,819,846		-
Balance as at 31st December 2014	1,185,061,645	132,765,013	677,734,125	-	497,954,363	1,365,098,898	-	3,858,614,044

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Changes in Equity

Group

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-sale reserve Rs	Investment Fund Account Rs	Statutory 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						428,836,430		428,836,430
Other comprehensive income for the Period 2013/14			191,816,400					191,816,400
Total comprehensive income for the Nine Months Period 2013/2014	-	-	191,816,400	-	-	428,836,430	-	620,652,830
Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders								
Final dividend for year- 2012/2013						(149,339,319)		(149,339,319)
Transfers during the period				27,339,217		(27,339,217)		-
Balance as at 31st December 2013	1,185,061,645	132,765,013	655,850,925	78,272,408	385,711,809	998,649,113	-	3,436,310,913
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						467,296,457	321,703	467,618,160
Other comprehensive income for the Period 2014/15			(11,956,800)			(8,392,908)		(20,349,708)
Total comprehensive income for the Nine Months Period 2014/2015	-	-	(11,956,800)	-	-	458,903,549	321,703	447,268,452
Transactions with equity holders, recognized directly in equity contributions by and distributions to equity holders								
Reserves Attributable to Non Controlling Interest							29,805,454	29,805,454
Final dividend for year- 2013/2014						(162,915,621)		(162,915,621)
Transfer into/(out) from reserves				16,074,397		(16,074,397)		-
Transfer into/(out) from reserves				(103,819,846)		103,819,846		-
Balance as at 31st December 2014	1,185,061,645	132,765,013	677,734,125	-	497,954,363	1,367,229,294	30,127,157	3,890,871,597

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Period ended	Company		Group	
	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.
Cash flow from Operating Activities				
Interest Receipts	4,714,202,950	4,217,907,410	4,727,332,953	4,217,907,410
Commission Receipts	123,527,164	120,785,789	123,527,164	120,785,789
Other Income Receipts	154,999,577	133,444,346	155,393,288	133,444,346
Interest Payments	(2,740,710,247)	(2,420,711,050)	(2,742,249,938)	(2,420,711,050)
Fee and Business Promotion Expenses	(143,501,862)	(207,447,106)	(143,501,862)	(207,447,106)
Employee Related Payments	(433,054,244)	(376,653,822)	(437,618,662)	(376,653,822)
Supplier Payments	(411,130,049)	(418,367,538)	(387,273,641)	(418,367,538)
Financial Expenses	(10,203,565)	(22,198,178)	(10,203,565)	(22,198,178)
Operating Profit before changes in Operating Assets	1,254,129,723	1,026,759,851	1,285,405,736	1,026,759,851
(Increase)/Decrease in Operating Assets				
Investments in Licensed Commercial Bank	270,731,500	(1,432,034,798)	332,446,078	(1,432,034,798)
Investments in Government Securities	(63,722,324)	(157,243,763)	(33,573,459)	(157,243,763)
Net Funds Advanced to Customers	(2,546,225,777)	(5,193,328,533)	(2,491,878,698)	(5,193,328,533)
Changes in Other Short Term Assets	(85,931,575)	(93,986,793)	(134,291,060)	(93,986,793)
Inventories	(92,603,178)	(20,854,588)	(92,603,178)	(20,854,588)
	(1,263,621,631)	(5,870,688,624)	(1,134,494,581)	(5,870,688,624)
Increase/(Decrease) in Operating Liabilities				
Borrowings	335,796,046	1,943,910,054	210,344,677	1,943,910,054
Deposits from Customers	2,276,468,307	4,533,954,182	2,274,867,270	4,533,954,182
	2,612,264,353	6,477,864,236	2,485,211,947	6,477,864,236
Net Cash Generated / (used in) from operating Activities	1,348,642,722	607,175,612	1,350,717,366	607,175,612
Gratuity paid	(540,905)	(747,378)	(540,905)	(747,378)
Contribution to Plan Assets	(179,243,923)	(221,315)	(179,243,922)	(221,315)
Taxation	(109,139,290)	(39,942,927)	(110,098,014)	(39,942,927)
	1,059,718,604	566,263,992	1,060,834,525	566,263,992
Cash Flow from Investing Activities				
Dividend Receipts	9,064,000	7,068,000	9,064,000	7,068,000
Investment in unquoted Shares	(425,000,000)	-	(425,000,000)	-
Purchase of Property, Plant & Equipment	(501,101,948)	(346,005,510)	(501,101,948)	(346,005,510)
Net Cash (used in)/ from Investing Activities	(917,037,948)	(338,937,510)	(917,037,948)	(338,937,510)
Cash Flow from Financing Activities				
Dividend Paid	(162,915,621)	(149,339,319)	(162,915,621)	(149,339,319)
Net Cash Inflows/ (out flows) from Financing Activities	(162,915,621)	(149,339,319)	(162,915,621)	(149,339,319)
Net Increase/(Decrease) In Cash & Cash Equivalents	(20,234,964)	77,987,163	(19,119,042)	77,987,163
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	178,851,895	138,912,893	183,303,343	142,248,419
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	351,487,949	230,242,380	353,382,511	233,759,906
Bank Overdraft	(172,636,054)	(91,511,487)	(170,079,168)	(91,511,487)
	178,851,895	138,730,893	183,303,343	142,248,419

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Company

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.
Interest	3,593,885,448	3,048,615,867	698,932,007	567,605,513	418,387,157	671,573,446	4,711,204,612	4,287,794,826
Non Interest Income							289,397,648	267,318,965
Total Revenue	3,593,885,448	3,048,615,867	698,932,007	567,605,513	418,387,157	671,573,446	5,000,602,259	4,555,113,791
Segmental Results	3,593,885,448	3,048,615,867	698,932,007	567,605,513	418,387,157	671,573,446	5,000,602,259	4,555,113,791
Unallocated Expenses							4,357,558,601	4,013,864,911
Profit from Operations							643,043,659	541,248,880
Income Tax expenses							178,078,399	112,412,450
Net Profit for the Period							464,965,260	428,836,430
Segment Assets	21,326,482,054	18,416,040,110	5,141,793,492	4,055,358,673	1,437,263,448	1,897,883,424	27,905,538,994	24,369,282,207
Unallocated Assets							8,703,145,813	7,279,975,740
Total Assets							36,608,684,808	31,649,257,947

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.	31-12-2014 Rs.	31-12-2013 Rs.
Interest	3,597,877,263	3,048,615,867	708,609,265	567,605,513	418,930,226	671,573,446	4,725,416,753	4,287,794,826
Non Interest Income							289,791,359	267,318,965
Total Revenue	3,593,885,448	3,048,615,867	698,932,007	567,605,513	418,387,157	671,573,446	5,015,208,112	4,555,113,791
Segmental Results	3,593,885,448	3,048,615,867	698,932,007	567,605,513	418,387,157	671,573,446	5,015,208,112	4,555,113,791
Unallocated Expenses							4,368,227,806	4,013,864,911
Profit from Operations							646,980,306	541,248,880
Income Tax expenses							179,362,145	112,412,450
Net Profit for the Period							467,618,161	428,836,430
Segment Assets	21,450,650,683	18,416,040,110	5,337,037,219	4,055,358,673	1,470,589,291	1,897,883,424	28,258,277,193	24,369,282,207
Unallocated Assets							8,492,094,717	7,280,565,820
Total Assets							36,750,371,910	31,649,848,027

Shareholders' Information

Twenty Largest Shareholders as at 31st December 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	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	1,853,287	4.00%
4	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	1,300,000	2.81%
5	THE FINANCE COMPANY PLC A/C NO 1	1,250,000	2.70%
6	JANASHAKTHI GENERAL INSURANCE LIMITED	1,227,947	2.65%
7	JANASHAKTHI LIMITED ACCOUNT NO. 1	1,019,251	2.20%
8	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	883,166	1.91%
9	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	706,622	1.53%
10	E.W. BALASURIYA & CO. (PVT) LTD	535,103	1.16%
11	JANASHAKTHI INSURANCE PLC-EQUITY FUND	500,000	1.08%
12	LIFE INSURANCE CORPORATION (LANKA) LTD	300,000	0.65%
13	LITTLE SMILE ORGANIC (PVT) LTD	266,500	0.58%
14	MR.H.A.PIERIS	181,005	0.39%
15	MR.U.G. MADANAYAKE	175,000	0.38%
16	DEUTSCHE BANK AG AS TRUSTEE TO CANDOR GROWTH FUND	151,799	0.33%
17	MR.R.H. ABEGOONWARDENA	150,946	0.33%
18	EAST INDIA HOLDING (PVT) LTD	150,833	0.33%
19	PEOPLE'S LEASING & FINANCE PLC / MR.W.P.C.M.NANAYAKKARA	138,660	0.30%
20	DR.C.GUNASEKARA	131,700	0.28%
	Sub total of Top 20 Share Holders	38,063,982	82.21%
	Others	8,235,241	17.79%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 31st December 2014 is 35.90% (with 1934 public share holders)

Ordinary Non Voting Shares

No	Name	Shareholding	Percentage
1	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY FUND	1,192,833	14.90%
2	J.B. COCOSHELL (PVT) LTD	1,051,291	13.13%
3	CDB ESOP TRUST FUND (PRIVATE) LIMITED	562,499	7.03%
4	ASKOLD (PRIVATE) LIMITED	247,224	3.09%
5	MR. M. J. FERNANDO	208,999	2.61%
6	MR. H. N. ESUFALLY	208,999	2.61%
7	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
8	LIFE INSURANCE CORPORATION (LANKA) LTD	200,000	2.50%
9	MR. M. A. H. ESUFALLY	160,000	2.00%
10	MR. G. H. I. JAFFERJEE	156,749	1.96%
11	MR. I. M. DABAH	154,499	1.93%
12	MR. S. R. FERNANDO	128,953	1.61%
13	EAST INDIA HOLDING (PVT) LTD	123,938	1.55%
14	DEUTSCHE BANK AG AS TRUSTEE TO CANDOR GROWTH FUND	108,000	1.35%
15	GOLD INVESTMENT LIMITED.	104,499	1.31%
16	MR. M.A.VALABJI	104,499	1.31%
17	JAFFERJEE'S INVESTMENTS (PVT) LTD	104,499	1.31%
18	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	101,965	1.27%
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	5,311,859	66.35%
	Others	2,694,125	33.65%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 31st December 2014 is 79.49% (with 1956 public share holders)

Directors' and Chief Executive Officer's Shareholding as at 31st December 2014

Ordinary Voting Shares

Name	Share Holding	Percentage
Mr. P.A.J. Jayawardena	500	0.001%
Mr. W.P.C.M. Nanayakkara	1,000	0.002%
Mr. T.M.D.P. Tennakoon	42,000	0.091%
M. W.W.K.M. Weerasuriya	66,600	0.144%
Mr. R.H. Abeygoonewardena	155,349	0.336%
Mr. S.V. Munasinghe	111,976	0.242%
Mr. D.H.J. Gunawardana	-	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	73,000	0.158%
ASSETLINE LEASING COMPANY LTD/MR.S.V.MUNASINGHE	43,000	0.093%
PEOPLE'S LEASING & FINANCE PLC/MR.W.P.C.M.NANAYAKKARA	138,660	0.299%
	632,085	

Ordinary Non Voting Shares

Name	Share Holding	Percentage
Mr. P.A.J. Jayawardena	22	0.000%
Mr. W.P.C.M. Nanayakkara	44	0.001%
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. S.R. Abeynayake	-	0.000%
Mr. R. Mohamed	-	0.000%
Dr. A. Dharmasiri	-	0.000%
Mr. D.A. De Silva	-	0.000%
Mr. D.H.J. Gunawardana	-	0.000%
	25,527	

Market Value of the Shares

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Highest Price	98.50	47.90	82.00	37.70
Lowest Price	85.10	40.50	66.50	34.00
Last Traded	93.70	42.00	74.00	35.60

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 described below.

The group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed, measured as at the acquisition date as required by the Sri Lanka Accounting standard - SLFRS 3, Business Combinations. The goodwill will be reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Non controlling interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of Financial Position, separate from the parent shareholders equity. Any losses applicable to the Non-controlling Interests are allocated against the interests of the Non-controlling Interest even if this results in a deficit balance.

The financial statements of the company's subsidiaries are prepared for the same reporting year using consistent Accounting policies.

- 2 Consequent the guideline issued by Central Bank of Sri Lanka the operation of Investment Fund Account was ceased with effect from 01 Oct 2014. As per the guideline the remaining balance in the investment fund account shall be transferred to the retained earnings through the statement of changes in equity. Accordingly Rs. 103,819,846 and Rs. 113,600,251/- have been transferred to the retained earnings in the company and group respectively.
- 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 subsidiary CDB Micro Finance Ltd and Laugfs Capital Limited.
- 5 No of Shares as at 31st December 2014 is as follows.

Ordinary Voting Shares	46,299,223
Ordinary Non Voting Shares	8,005,984

- 6 CDB complete the acquisition of 86.26% share holding in Laugfs Capital Limited for a consideration of Rs.425,000,000 on 24th October 2014 under the financial sector consolidation programme.
Laugfs Capital Limited is a limited liability Company, incorporated on 24 August 1999 under the Companies Act No. 07 of 2007 and domiciled in Sri Lanka.
Laugfs Capital Limited is licensed by Monetary Board of The Central Bank of Sri Lanka under the Finance Leasing Act No. 56 of 2000.
- 7 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities other than the above and there is no seasonality and cyclicity affecting the interim operation.
- 8 Since 31st December 2014, there were no material events other than the above, that require adjustment to or 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 31st December 2014

Debenture Type	Highest Price	Lowest Price	Last Traded
	Rs.	Rs.	Rs.
Type A		Not Traded	
Type B		Not Traded	
Type C	110.00	110.00	110.00

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)	8.93%
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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	14.07%	13.60%

Ratios

Debt Equity Ratio	78%
Quick Asset Ratio (Times)	0.81
Interest Cover (Times)	1.25

Selected Performance Indicators

Indicator	Company	
	As at 31-12-2014	As at 31-12-2013
Asset Quality (Rs. 000)		
Gross Non- Performing Accommodations,	1,676,945	1,112,596
Gross Non- Performing Accommodations Ratio, %	5.91%	4.53%
Net Non- Performing Accommodations Ratio, %	3.38%	2.78%
Liquidity (Rs. 000)		
Required Minimum amount of Liquid Assets	2,862,642	2,286,860
Available amount of Liquid Assets	3,770,524	3,976,242
Required Minimum amount of Government Securities	1,679,439	1,252,444
Available amount of Government Securities	1,844,001	1,326,255
Capital Adequacy		
Core Capital (Tier 1 Capital)	3,725,848	3,264,282
Total Capital Base	4,626,078	4,164,512
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	12.06%	12.97%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	14.98%	16.55%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	17.36%	18.48%
Profitability		
Interest Margin (Annualized %)	8.04%	7.16%
Return on Average Assets-Before Tax (Annualized %)	2.44%	2.04%
Return on Average Equity- After Tax (Annualized %)	16.68%	17.65%
Memorandum information		
Number of Employees	1064	1107
Number of branches	47	44
Number of service centers	11	11
Number of pawning centers	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

Approved Credit Agency Under

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

Date of Incorporation

07th September 1995

Registration Number

PB 232 PQ

Accounting Year

March 31

Board of Directors

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

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

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

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

Dr. A. Dharmasri *B.Sc.Eng., MBA(Sri J), PhD(Sri J), MCM(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 and Marketing Officer

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

Mr. W.W.K.M.Weerasooriya *B.Com (Sp)*
Executive Director

Registered address of Head Office

No 123, Orabi Pasha 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

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



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