

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2012



Citizens Development Business Finance PLC

No 18, Sri Sangaraja Mawatha, Colombo 10

INCOME STATEMENT

	COMPANY					
	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2012	2011	Variance	2012	2011	Variance
Rs.	Rs.	%	Rs.	Rs.	%	
Income	1,146,623,206	731,722,292	57%	3,062,627,423	2,027,869,411	51%
Interest Income	1,073,225,248	673,958,489	59%	2,859,979,949	1,803,822,934	59%
Less: Interest Expenses	645,727,015	339,309,539	90%	1,677,652,077	917,355,146	83%
Net Interest Income	427,498,233	334,648,950	28%	1,182,327,872	886,467,788	33%
Other Income	73,397,958	57,763,803	27%	202,647,474	224,046,477	-10%
	500,896,191	392,412,753	28%	1,384,975,346	1,110,514,265	25%
Less : Operating Expenses						
Personnel Expenses	100,682,110	78,004,292	29%	286,266,146	212,678,739	35%
Premises, Equipment and Administration Expenses	114,758,359	89,247,873	29%	321,102,418	253,978,236	26%
Marketing and Business Promotion Expenses	60,133,615	75,300,757	-20%	187,327,463	199,492,923	-6%
Finance Charges	2,112,033	3,279,706	-36%	5,648,134	7,672,499	-26%
	277,686,117	245,832,628	13%	800,344,161	673,822,397	19%
Profit before Loan Loss Provision	223,210,074	146,580,125	52%	584,631,185	436,691,868	34%
Less - Provision for loan losses	3,245,750	(36,882,785)	-109%	55,813,014	(23,847,454)	-334%
Profit Before VAT on Financial Services and Tax	219,964,324	183,462,910	20%	528,818,171	460,539,322	15%
Less - VAT on Financial Services	12,498,531	8,357,196	50%	28,282,701	24,868,923	14%
Profit Before Income Tax	207,465,793	175,105,714	18%	500,535,470	435,670,399	15%
Less -Income Tax Expenses	37,500,000	18,091,920	107%	85,050,917	37,454,613	127%
Net Profit for the period	169,965,793	157,013,794	8%	415,484,553	398,215,786	4%
Attributable to						
Shareholders of the parent Company	169,965,793	157,013,794	8%	415,484,553	398,215,786	4%
Minority Interest						
Net Profit for the period	169,965,793	157,013,794	8%	415,484,553	398,215,786	4%
Earnings Per Share (EPS)	3.27	2.93		7.76	7.44	

Note :

Earnings per share for the previous periods presented have been restated to reflect the effect of Scrip Dividend issue. An estimated provision has been made for income tax expenses.

INCOME STATEMENT

GROUP

	For the Quarter ended 31st December			For the Nine Months ended 31st December		
	2012	2011	Variance	2012	2011	Variance
	Rs.	Rs.	%	Rs.	Rs.	%
Income	1,146,623,206	731,739,564	57%	3,062,627,423	2,028,077,224	51%
Interest Income	1,073,225,248	673,958,489	59%	2,859,979,949	1,803,822,934	59%
Less: Interest Expenses	645,727,015	339,309,538	90%	1,677,652,077	917,355,146	83%
Net Interest Income	427,498,233	334,648,951	28%	1,182,327,872	886,467,788	33%
Other Income	73,397,958	57,781,075	27%	202,647,474	224,254,290	-10%
	500,896,191	392,430,026	28%	1,384,975,346	1,110,722,078	25%
Less : Operating Expenses						
Personnel Expenses	100,682,110	78,004,292	29%	286,266,146	212,678,739	35%
Premises, Equipment and Administration Expenses	114,758,359	89,247,873	29%	321,102,418	253,894,032	26%
Marketing and Business Promotion Expenses	60,133,615	75,300,757	-20%	187,327,463	199,492,923	-6%
Finance Charges	2,112,033	3,279,706	-36%	5,648,134	7,672,499	-26%
	277,686,117	245,832,628	13%	800,344,161	673,738,193	19%
Profit before Loan Loss Provision	223,210,074	146,597,398	52%	584,631,185	436,983,885	34%
Less - Provision for loan losses	3,245,750	(36,882,784)	-109%	55,813,014	(23,847,454)	-334%
Profit Before VAT on Financial Services and Tax	219,964,324	183,480,182	20%	528,818,171	460,831,339	15%
Less - VAT on Financial Services	12,498,531	8,357,196	50%	28,282,701	24,868,923	14%
Profit Before Income Tax	207,465,793	175,122,986	18%	500,535,470	435,962,416	15%
Less -Income Tax Expenses	37,500,000	18,091,920	107%	85,050,917	37,454,613	127%
Net Profit for the period	169,965,793	157,031,066	8%	415,484,553	398,507,803	4%
Attributable to						
Shareholders of the parent Company	169,965,793	157,031,066	8%	415,484,553	398,507,803	4%
Minority Interest						
Net Profit for the period	169,965,793	157,031,066	8%	415,484,553	398,507,803	4%
Earnings Per Share (EPS)	3.27	2.93		7.76	7.45	

Note :

Earnings per share for the previous periods presented have been restated to reflect the effect of Scrip Dividend issue.

An estimated provision has been made for income tax expenses.

BALANCE SHEET

As at	COMPANY		GROUP	
	31/12/2012 Rs.	Audited 31/03/2012 Rs.	31/12/2012 Rs.	Audited 31/03/2012 Rs.
Assets				
Cash and Cash Equivalents	108,975,174	121,343,098	112,310,698	124,678,624
Investment in Government Securities	501,718,260	576,963,367	501,718,260	576,963,367
Deposits with Licensed Commercial Banks & Financial Institutions	1,298,718,409	490,589,920	1,298,718,409	490,589,920
Securities Purchase under Resale Agreements	222,718,691	326,000,000	222,718,691	326,000,000
Loans & Advances	4,445,679,398	3,307,640,589	4,445,679,398	3,307,640,589
Net Investments in Leases	9,647,742,970	7,095,726,690	9,647,742,970	7,095,726,690
Net Investments in Hiring Contracts	3,710,702,695	2,846,241,640	3,710,702,695	2,846,241,640
Investment Securities	482,727,600	459,193,600	482,727,600	459,193,600
Tax Recoverable	255,087,049	261,080,749	255,087,049	261,080,749
Trade and Other Receivables	488,053,757	354,744,904	488,053,757	354,744,104
Inventories	379,450,978	210,693,612	379,450,978	210,693,612
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	607,282,770	470,979,957	607,282,770	470,979,957
Total Assets	22,171,801,175	16,544,141,550	22,172,391,252	16,544,730,829
Liabilities				
Deposits From Customers	15,596,839,154	11,388,775,587	15,596,839,154	11,388,775,587
Borrowings	1,637,426,047	1,730,205,633	1,637,426,047	1,730,205,633
Debentures	250,000,000	250,000,000	250,000,000	250,000,000
Retirement Benefit Obligations	42,767,600	28,606,687	42,767,600	28,606,687
Tax Payable	122,819,219	62,853,091	123,410,095	63,258,167
Other Liabilities	1,871,929,400	789,344,790	1,871,929,400	789,529,792
	19,521,781,420	14,249,785,788	19,522,372,296	14,250,375,866
Shareholders' Funds				
Stated Capital	1,185,061,645	1,114,960,915	1,185,061,645	1,114,960,915
Reserve Funds	278,736,884	278,736,884	278,736,884	278,736,884
Revaluation Reserve	12,066,286	12,066,286	12,066,286	12,066,286
Investment Fund Reserve	38,226,665	21,102,343	38,226,665	21,102,343
Accumulated Profit	1,135,928,275	867,489,334	1,135,927,476	867,488,535
Shareholders' Funds	2,650,019,755	2,294,355,762	2,650,018,956	2,294,354,963
Minority Interest	-	-	-	-
Total Equity	2,650,019,755	2,294,355,762	2,650,018,956	2,294,354,963
Total Liabilities & Equity	22,171,801,175	16,544,141,550	22,172,391,252	16,544,730,829
Net Assets Value per Ordinary Share	48.80	44.15	48.80	44.15

Note

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.

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

Colombo

14th February 2013

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital Rs	Revaluation Reserve Rs	Retained Earnings Rs	Reserve Fund Rs	Investment Fund Reserve Rs	Total Rs
Balance as at April 01, 2011	396,850,480	15,082,857	457,586,666	152,650,304	3,012,215	1,025,182,522
Issue of Shares	718,110,435					718,110,435
Net Profit For the period			398,215,785			398,215,785
Dividend Paid			(79,370,096)			(79,370,096)
Transfer into/(out) from reserve			(9,445,401)		9,445,401	-
Balance as at December 31, 2011	1,114,960,915	15,082,857	766,986,954	152,650,304	12,457,616	2,062,138,646
Balance as at April 01, 2012	1,114,960,915	12,066,286	867,489,334	278,736,884	21,102,343	2,294,355,762
Issue of Shares	70,100,730					70,100,730
Net Profit For the period			415,484,553			415,484,553
Dividend			(129,921,290)			(129,921,290)
Transfer into/(out) from reserve			(17,124,322)		17,124,322	-
Balance as at December 31, 2012	1,185,061,645	12,066,286	1,135,928,275	278,736,884	38,226,665	2,650,019,755

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital Rs	Revaluation Reserve Rs	Retained Earnings Rs	Reserve Fund Rs	Investment Fund Reserve Rs	Total Rs	Minority Interest Rs	Total Equity Rs
Balance as at April 01, 2011	396,850,480	15,082,857	455,243,921	152,650,304	3,012,215	1,022,839,777	-	1,022,839,777
Issue of Shares	718,110,435					718,110,435	-	718,110,435
Net Profit for the Period			398,507,803			398,507,803	-	398,507,803
Dividend Paid			(79,370,096)			(79,370,096)	-	(79,370,096)
Transfer into/(out) from reserve			(9,445,401)		9,445,401	-	-	-
Balance as at December 31, 2011	1,114,960,915	15,082,857	764,936,227	152,650,304	12,457,616	2,060,087,919	-	2,060,087,919
Balance as at April 01, 2012	1,114,960,915	12,066,286	867,488,535	278,736,884	21,102,343	2,294,354,963	-	2,294,354,963
Issue of Shares	70,100,730					70,100,730	-	70,100,730
Net Profit for the Period			415,484,553			415,484,553	-	415,484,553
Dividend 2011/2012			(129,921,290)			(129,921,290)	-	(129,921,290)
Transfer into/(out) from reserve			(17,124,322)		17,124,322	-	-	-
Balance as at December 31, 2012	1,185,061,645	12,066,286	1,135,927,476	278,736,884	38,226,665	2,650,018,956	-	2,650,018,956

CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIOD ENDED	Company		Group	
	12/31/2012 Rs.	12/31/2011 Rs.	12/31/2012 Rs.	12/31/2011 Rs.
Cash Flow from Operating Activities				
Interest Receipts	3,009,517,253	1,758,737,673	3,009,517,253	1,758,737,673
Commission Receipts	86,806,526	73,791,574	86,806,526	73,791,574
Other Income	86,862,668	132,587,855	86,862,668	132,587,855
Interest Payments	(1,456,134,388)	(809,428,916)	(1,456,134,388)	(809,428,916)
Fees and Business Promotion Expenses	(44,083,750)	(104,717,319)	(44,083,750)	(104,717,319)
Employees Related Payments	(271,866,146)	(204,755,301)	(271,866,146)	(204,755,301)
Suppliers Payment	(349,292,602)	(342,085,158)	(349,292,602)	(342,085,158)
Financial Expenses	(5,648,134)	(7,672,499)	(5,648,134)	(7,672,499)
Operating Profit/ (Loss) Before Changes in Operating Assets	1,056,161,427	496,457,909	1,056,161,427	496,457,909
(Increase)/ Decrease in Operating Assets				
Investments Licensed Commercial banks and other Financial Institutions	(808,128,489)	(95,738,064)	(808,128,489)	(95,738,064)
Investment in Government Securities	178,526,416	(3,763,312)	178,526,416	(3,763,312)
Net Funds Advance to Customers	(4,589,267,548)	(4,030,459,246)	(4,589,267,548)	(4,030,459,246)
Other Short Term Assets	67,339,372	(15,664,892)	67,339,372	(15,664,892)
Inventories	(189,673,397)	(132,634,111)	(189,673,397)	(132,634,111)
Increase/ (Decrease) in Operating Liabilities	(4,285,042,219)	(3,781,801,716)	(4,285,042,219)	(3,781,801,716)
Borrowings	(92,779,586)	432,314,048	(92,779,586)	432,314,048
Deposits from customers	4,208,063,567	3,024,514,885	4,208,063,567	3,024,514,885
	4,115,283,981	3,456,828,933	4,115,283,981	3,456,828,933
Cash (used in)/generated from Operations	(169,758,238)	(324,972,783)	(169,758,238)	(324,972,783)
Gratuity paid	(239,087)	(305,650)	(239,087)	(305,650)
Value Added Tax	(23,191,712)	(19,623,089)	(23,191,712)	(19,623,089)
Economic Service Charge	29,185,413	(350,144)	29,185,413	(350,144)
Tax Paid				
	(164,003,626)	(345,251,666)	(164,003,625)	(345,251,666)
Cash Flow from Investing Activities				
Dividend receipts	3,684,000	3,102,000	3,684,000	3,102,000
Purchase of Property, Plant & Equipment	(198,841,351)	(277,776,320)	(198,841,351)	(277,776,320)
Proceeds from sale of Property Plant & equipments		98,820		98,820
Net Cash Inflows/(Outflows) Investing Activities	(195,157,351)	(274,575,500)	(195,157,351)	(274,575,500)
Cash Flow from Financing Activities				
Issue of Shares	70,100,730	718,110,435	70,100,730	718,110,435
Dividend paid	(129,921,290)	(79,370,096)	(129,921,290)	(79,370,096)
Redemption of Debentures	-	(16,113,564)	-	(16,113,564)
Net Cash Inflow (out flows) from Financing Activities	(59,820,560)	622,626,775	(59,820,560)	622,626,775
Net Increase/(Decrease) In Cash & Cash Equivalents	(418,981,537)	2,799,609	(418,981,537)	2,799,609
Cash & Cash Equivalents at the beginning of the Year	(48,733,659)	(149,932,205)	(45,398,134)	(146,982,288)
Cash & Cash Equivalents at the end of the Year	(467,715,197)	(147,132,596)	(464,379,671)	(144,182,679)
Cash and Cash Equivalents at the beginning of the year				
Cash at Bank and In Hand	121,343,098	49,343,058	124,678,624	52,292,975
Bank Overdraft	(170,076,757)	(199,275,263)	(170,076,757)	(199,275,263)
	(48,733,659)	(149,932,205)	(45,398,133)	(146,982,288)
Cash and Cash Equivalents at the end of the year				
Cash at Bank and In Hand	108,975,174	41,477,636	112,310,699	44,427,553
Bank Overdraft	(576,690,371)	(188,610,232)	(576,690,371)	(188,610,232)
	(467,715,197)	(147,132,596)	(464,379,671)	(144,182,679)

* Figures in brackets indicates deductions

SEGMENTAL ANALYSIS - COMPANY

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.
Interest	2,013,612,735	1,330,717,665	261,645,448	162,558,912	98,851,293	41,579,174	485,870,473	268,967,184	2,859,979,949	1,803,822,934
Non Interest Income								214,507,678	178,113,474	214,507,678
Mark to market value adjustment on Quoted Shares								9,538,800	24,534,000	9,538,800
Total Revenue	2,013,612,735	1,330,717,665	261,645,448	162,558,912	98,851,293	41,579,174	485,870,473	493,013,662	3,062,627,423	2,027,869,412
Segmental Results	2,013,612,735	1,330,717,665	261,645,448	162,558,912	98,851,293	41,579,174	485,870,473	493,013,662	3,062,627,423	2,027,869,412
Unallocated Expenses									2,562,091,953	1,592,199,014
Profit from Operations									500,535,470	435,670,398
Income Tax expenses									85,050,917	37,454,613
Net Profit for the Period									415,484,553	398,215,785
Segment Assets	13,358,445,665	8,845,691,019	2,047,510,538	1,676,697,715	938,419,389	485,656,437	1,459,749,471	902,056,502	17,804,125,064	11,910,101,673
Unallocated Assets									4,367,676,110	2,920,642,180
Total Assets									22,171,801,174	14,830,743,853

SEGMENTAL ANALYSIS - GROUP

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.	31/12/2012 Rs.	31/12/2011 Rs.
Interest	2,013,612,735	1,330,717,665	261,645,448	162,558,912	98,851,293	41,579,174	485,870,473	268,967,184	2,859,979,949	1,803,822,935
Non Interest Income								214,715,490	178,113,474	214,715,490
Mark to market value adjustment on Quoted Shares								9,538,800	24,534,000	9,538,800
Total Revenue		1,330,717,665		162,558,912		41,579,174		493,221,474		2,028,077,224
Segmental Results	2,013,612,735	1,330,717,665	261,645,448	162,558,912	98,851,293	41,579,174	485,870,473	493,221,474	3,062,627,423	2,028,077,224
Unallocated Expenses									2,562,091,953	(1,592,114,808)
Profit from Operations									500,535,470	435,962,416
Income Tax expenses									85,050,917	(37,454,613)
Net Profit for the Period									415,484,553	398,507,803
Segment Assets	13,358,445,665	8,845,691,019	2,047,510,538	1,677,988,015	938,419,389	485,656,437	1,459,749,471	900,766,202	17,804,125,064	11,910,101,672
Unallocated Assets									4,368,266,190	2,918,592,099
Total Assets									22,172,391,253	14,828,693,771

SHAREHOLDERS' INFORMATION**Twenty Largest Share Holders as at 31 December 2012****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	NATIONAL DEVELOPMENT BANK PLC/T.SENTHILVERL	1,775,000	3.83%
5	PERPETUAL CAPITAL (PRIVATE) LIMITED	1,583,300	3.42%
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	516,319	1.12%
9	LITTLE SMILE ORGANIC (PVT) LTD	416,500	0.90%
10	MAS CAPITAL (PRIVATE) LIMITED	289,492	0.63%
11	PREMIUM BRANDS (PVT) LIMITED	243,833	0.53%
12	SEYLAN BANK PLC/THIRUGNANASAMBANDAR SENTHILVERL	196,700	0.42%
13	MR. W. S. R. FERNANDO	137,900	0.30%
14	DR. C. GUNASEKARA	131,700	0.28%
15	E.W. BALASURIYA & CO. (PVT) LTD	129,163	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. SUBRAMANIUM & S.RAGULAN	122,500	0.26%
19	MRS. W. M. N. DABARERA	118,942	0.26%
20	MR. J. A. LEANAGE	113,319	0.24%
Sub total of Top 20 Share Holders		36,976,740	79.87%
Others		9,322,483	20.13%
Total		46,299,223	100.00%

The percentage of shares held by the public as at 31st December 2012 is 36.94%

Ordinary Non Voting Shares

No	Name	Shareholding	Percentage
1	J.B. COCOSHELL (PVT) LTD	1,031,291	12.88%
2	CDB ESOP TRUST FUND (PRIVATE) LIMITED	562,499	7.03%
3	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY	481,053	6.01%
4	SEYLAN BANK PLC/HVA LANKA EXPORTS (PRIVATE) LIMITED	388,896	4.86%
5	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	320,541	4.00%
6	COMMERCIAL BANK OF CEYLON PLC/R.E.SELLAMUTTU	246,580	3.08%
7	MR. H. N. ESUFALLY	208,999	2.61%
8	MR. M. J. FERNANDO	208,999	2.61%
9	MR. J. A. LEANAGE	200,326	2.50%
10	MR. S. PRABAGAR	198,800	2.48%
11	MR. G. H. I. JAFFERJEE	156,749	1.96%
12	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	123,950	1.55%
13	MR. S. R. FERNANDO	120,000	1.50%
14	ASKOLD (PRIVATE) LIMITED	117,949	1.47%
15	CAPTAIN M. A. L. RATNAYAKE	116,845	1.46%
16	JAFFERJEES INVESTMENTS (PVT) LTD.	104,499	1.31%
17	MR. M. A. VALABJI	104,499	1.31%
18	GOLD INVESTMENT LIMITED.	104,499	1.31%
19	GULF CROWN INVESTMENTS LIMITED	104,499	1.31%
20	MR. I. M. DABAH	104,499	1.31%
Sub total of Top 20 Share Holders		5,005,972	62.55%
Others		3,000,012	37.45%
Total		8,005,984	100.00%

The percentage of shares held by the public as at 31st December 2012 is 86.44%

Directors' and Chief Executive Officer's Share holding as at 31 December 2012.**Ordinary Voting Shares**

Name	Share Holding	Percentage
Mr.D H J Gunawardena - Chairman	-	-
Mr.C M Nanayakkara - MD/CEO	29,660	0.064%
Mr.R H Abeygoonewardena	31,500	0.068%
Mr.S R Abeynayake	-	-
Dr.A Dharmasiri	-	-
Mr.P A J Jayawardena	500	0.001%
Mr.Razik Mohamed	-	-
Mr.S V Munasinghe	40,000	0.086%
Mr.D A De Silva	-	-
Mr.T M D P Tennakoon	42,000	0.091%
Mr.W W K M Weerasooriya	7,000	0.015%
	150,660	0.3254%

Ordinary Non Voting Shares

Name	Share Holding	Percentage
Mr.D H J Gunawardena - Chairman		
Mr.C M Nanayakkara - MD/CEO	28,941	0.361%
Mr.R H Abeygoonewardena	5,447	0.068%
Mr. S R Abeynayake		
Dr A Dharmasiri		
Mr. P A J Jayawardena	22	0.00%
Mr. Razik Mohamed		
Mr.S V Munasinghe	9,411	0.118%
Mr. D A De Silva		
Mr.T M D P Tennakoon	7,262	0.091%
Mr.W W K M Weerasooriya	1,209	0.015%
	52,292	0.653%

Share Information for the Nine Months ended 31 December 2012**Market Value of the Shares**

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Highest Price	45.00	73.00	33.90	69.00
Lowest Price	37.90	61.00	27.50	48.00
Last Traded	40.80	65.00	30.00	56.10

SELECTED PERFORMANCE INDICATORS

Indicator	Company		Group	
	As at 31/12/2012	As at 03/31/2012	As at 31/12/2012	As at 03/31/2012
Asset Quality (Rs. 000)				
Total Accommodations (Net of Interest in Suspense)	18,046,394	13,457,125	18,050,140	13,460,871
Net total Accommodations (Net of Provision for Bad and Doubtful Debts & Interest in Suspense)	17,804,125	13,249,609	17,804,125	13,249,609
Non-performing Accommodations(Net of Interest in Suspense)	506,760	224,907	506,760	224,907
Liquidity (Rs. 000)				
Required Minimum amount of Liquid Assets	1,574,429	1,142,699	1,574,429	1,142,699
Available amount of Liquid Assets	1,857,131	1,515,794	1,860,466	1,518,232
Required Minimum amount of Government Securities	719,566	463,347	719,566	463,347
Available amount of Government Securities	724,437	902,963	724,437	902,963
Capital Adequacy				
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	14.58%	16.79%	14.58%	16.79%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	14.58%	17.03%	14.58%	17.03%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)	16.99%	19.91%	16.99%	19.91%
Profitability				
Return on Average Assets(%) (Annualized)	2.86%	4.71%	2.86%	4.73%
Return on Average Equity(%) (Annualized)	22.41%	37.98%	22.41%	38.15%

* Including current year unaudited profit

EXPLANATORY NOTES

- 01) The Institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after 1st January 2012. However in accordance with the ruling issued by the Institute of Chartered Accountants of Sri Lanka on “Comparative figures in the interim financial statements”, we have adopted option 2 as given in such ruling whereby these interim financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLAS) existed immediately prior to 1st January 2012, with disclosures on impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/LKAS. The impact is given below.

Impact on SLFRS/LKAS adoption - Company**Impact to the Statement of Comprehensive Income**

Net profit for the 9 months ended 31st December 2012	415,484,553
(as per SLAS applicable immediately prior to 01st January 2012)	
Add/(less) : Impact on SLFRS/LKAS adoption	
Impairment of loans and advances	(69,790,601)
Recognition of interest in suspense	51,529,567
Measurement of customer deposits and Borrowings at effective interest rate	12,785,673
Amortization of transaction cost	(3,098,992)
Amortization of interest on value added savings deposits	982,015
Marked to market investment categorized as Available for Sale securities	(24,534,000)
Adjusted net profit for the 9 months ended 31st December 2012	383,358,216

Impact on Other Comprehensive Income

Measurement of Available For Sale securities at fair value	24,534,000
Total comprehensive income for the 9 months ended 31st December 2012	407,892,216

Impact to the Net Assets

Net assets as at 31st December 2012	2,650,019,755
(as per SLAS applicable immediately prior to 1st January 2012)	
Add/(less) : Impact on SLFRS/LKAS adoption	
Impairment on loans & advances	(69,790,601)
Recognition of interest in suspense	103,934,885
Measurement of customer deposits and Borrowings at effective interest rate	23,099,873
Amortization of transaction cost	(3,098,992)
Amortization of interest on value added savings deposits	982,015
Adjusted net assets as at 31st December 2012	2,705,146,934

The above figures are provisional and subject to the review by auditors.

The tax impact on the above adjustments relating to the adoption of SLFRS/LKAS has not been considered in computing the adjusted comprehensive income for the 9 months ended 31st December 2012 and the adjusted net assets as at 31st December 2012.

EXPLANATORY NOTES

- 2) All known Expenses have been provided in these Financial Statements and Management Fees are not applicable to the Company
- 3) During the period there were no material changes in the composition of assets, liabilities and contingent liabilities.
- 4) Group Financial statements comprises the consolidation of the company and its subsidiary CDB Micro Finance Ltd.
- 5) No of Shares as at 31 December 2012 is as follows.
- | | |
|----------------------------|------------|
| Ordinary Voting Shares | 46,299,223 |
| Ordinary Non Voting Shares | 8,005,984 |
- 6) There were no material events that took place other than above since March 31,2012, that require adjustment to or disclosure in these Financial Statements.

Corporate Information

Name of the Company

Citizens Development Business Finance PLC

Registered Office

No 18, Sri Sangaraja Mawatha,
Colombo 10
Tel : 011 7388388
Fax : 011 2429888
E mail : cdb@cdb.lk
Web : www.cdb.lk

Incorporation & 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 by the monetary board of the Central Bank of Sri Lanka 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

7 th September 1995.

Company Registration Number

PB - 232 PQ

Board of Directors

Chairman

Mr. . D.H.J. Gunawardana -FCMA (UK)

Managing Director/Chief Executive Officer

Mr. C.M. Nanayakkara - B.Sc (Mgt),FCMA (UK),MBA (Sri J)

Directors

Mr. R. H Abeygoonewardana - ACMA(UK), ACMA (Sri),MCPM
Mr. S.R. Abeynayake - MBA (Sri J),FCA,FCMA
Dr. A.S Dharmasiri - B.Sc. Eng(Moratuwa),C. Eng.,MBA(Sri J),PhD(Sri J),MCMi(UK)
Mr. P.A.J. Jayawardena - LUTCF(USA),CIAM,CMFA
Mr. Razik Mohamed - ACA
Mr. S.V Munasinghe
Mr. D.A De Silva - B.Sc(Hons),ACMA(UK)
Mr. T.M.D.P Tennakoon -ACMA(UK)
Mr. W.W.K.M Weerasuriya -B.Com.(Sp.)

Company Secretary

S.S.P Corporate Services (Private) Ltd
101, Inner Flower Road,
Colombo 03

Company Auditors

KPMG
(Chartered Accountants)
32 A, Sir Mohamed Macan Marker Mawatha,
Colombo 03

Lawyers of the Company

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

Bankers of the Company

Bank of Ceylon
Commercial Bank of Ceylon PLC
Deutsche Bank
Hatton National Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC