

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2011



Citizens Development Business Finance PLC
No 18, Sri sangaraja Mawatha, Colombo 10

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
STATEMENT OF INCOME

	COMPANY		
	FOR THE THREE MONTHS ENDED		
	30-Jun-11	30-Jun-10	Variance
	Rs.	Rs.	%
Income	572,567,171	416,485,061	37%
Interest Income	532,491,275	379,766,436	40%
Less: Interest Expenses	272,878,386	217,914,026	25%
Net Interest Income	259,612,889	161,852,410	60%
Other Income	40,075,896	36,718,625	9%
	299,688,785	198,571,035	51%
Less : Operating Expenses			
Personnel Expenses	64,667,029	45,461,215	42%
Premises, Equipment and Administration Expenses	79,548,539	55,046,510	45%
Marketing and Business Promotion Expenses	52,440,392	37,731,903	39%
Finance Charges	1,993,240	1,896,571	5%
	198,649,200	140,136,199	42%
Profit before Loan Loss Provision	101,039,585	58,434,836	73%
Less - Provision for Loan Losses	7,950,000	12,000,000	-34%
Operating Profit Before VAT on Financial Services and Tax	93,089,585	46,434,836	100%
Less - Value added tax on Financial Services	6,986,038	5,929,861	18%
Profit Before Income Tax	86,103,547	40,504,975	113%
Less -Income Tax Expenses	6,028,814	6,000,000	0%
Net Profit for the period	80,074,733	34,504,975	132%
Earnings Per Share (EPS)	2.02	0.87	

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
STATEMENT OF INCOME

	GROUP		
	FOR THE THREE MONTHS ENDED		
	30-Jun-11	30-Jun-10	Variance
	Rs.	Rs.	%
Income	572,697,121	416,543,897	37%
Interest Income	532,491,275	379,825,272	40%
Less: Interest Expenses	272,878,386	217,914,026	25%
Net Interest Income	259,612,889	161,911,246	60%
Other Income	40,205,846	36,718,625	9%
	299,818,735	198,629,871	51%
Less : Operating Expenses			
Personnel Expenses	64,667,029	45,461,215	42%
Premises, Equipment and Administration Expenses	79,548,539	55,046,510	45%
Marketing and Business Promotion Expenses	52,440,392	37,731,903	39%
Finance Charges	1,993,240	1,896,571	5%
	198,649,200	140,136,199	42%
Profit before Loan Loss Provision	101,169,535	58,493,672	73%
Less - Provision for Loan Losses	7,950,000	12,000,000	-34%
Operating Profit Before VAT on Financial Services and Tax	93,219,535	46,493,672	100%
Less -Value added tax on Financial Services	6,986,038	5,929,861	18%
Profit Before Income Tax	86,233,497	40,563,811	113%
Less - Income Tax Expenses	6,028,814	6,000,000	0.5%
Net Profit for the period	80,204,683	34,563,811	132%
Attributable to			
Minority Interest	-	-	
Net profit attributable to shareholders of the parent Company	80,204,683	34,563,811	132%
Net profit for the period	80,204,683	34,563,811	132%
Earnings Per Share (EPS)	2.02	0.87	

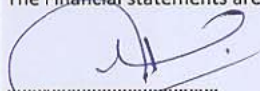
CITIZENS DEVELOPMENT BUSINESS FINANCE PLC

BALANCE SHEET AS AT	COMPANY		GROUP	
	30-Jun-11 Rs.	Audited 31-Mar-11 Rs.	30-Jun-11 Rs.	Audited 31-Mar-11 Rs.
Assets				
Cash and Cash Equivalents	60,731,720	49,343,058	63,681,637	52,292,975
Investment in Government Securities	419,998,249	511,573,349	419,998,249	511,573,349
Deposits with Licensed Commercial Banks & Financial Institutions	235,094,355	263,094,355	235,094,355	263,094,355
Securities Purchase under Resale Agreements	133,000,000	187,379,059	133,000,000	187,379,059
Loans & Advances	2,223,135,236	1,824,790,687	2,223,135,236	1,824,790,687
Net Investments in Leases	5,079,063,924	4,731,429,215	5,079,063,924	4,731,429,215
Net Investments in Hiring Contracts	1,530,805,426	1,299,575,070	1,530,805,426	1,299,575,070
Investment Securities	395,680,000	412,600,000	395,680,000	412,600,000
Tax Receivable	219,460,829	203,492,588	219,460,829	203,492,588
Trade and Other Receivables	333,490,781	323,220,322	333,489,981	323,220,322
Inventories	216,463,089	150,707,893	216,463,089	150,707,893
Investment in Subsidiaries	5,000,000	5,000,000	-	-
Investment Properties	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	287,516,047	237,821,921	287,516,047	237,821,921
Total Assets	11,159,637,633	10,220,225,494	11,157,586,750	10,218,175,411
Liabilities				
Deposits From Customers	8,296,544,948	7,488,743,205	8,296,544,948	7,488,743,205
Borrowings	672,292,052	735,077,881	672,292,052	735,077,881
Debentures	261,423,917	267,069,000	261,423,917	267,069,000
Retirement Benefit Obligations	23,317,375	20,676,229	23,317,375	20,676,229
Tax Payable	46,730,766	44,429,014	46,730,766	44,814,473
Other Liabilities	754,071,320	639,047,644	754,233,232	638,954,848
	10,054,380,378	9,195,042,973	10,054,542,290	9,195,335,636
Shareholders' Funds				
Stated Capital	396,850,480	396,850,480	396,850,480	396,850,480
Reserve Funds	152,650,304	152,650,304	152,650,304	152,650,304
Revaluation Reserve	15,082,857	15,082,857	15,082,857	15,082,857
Investment Fund Reserve	6,393,521	3,012,215	6,393,521	3,012,215
Accumulated Profit	534,280,093	457,586,665	532,067,298	455,243,919
Shareholders' Fund	1,105,257,255	1,025,182,521	1,103,044,460	1,022,839,775
Minority Interest			-	-
Total Equity	1,105,257,255	1,025,182,521	1,103,044,460	1,022,839,775
Total Liabilities & Equity	11,159,637,633	10,220,225,494	11,157,586,750	10,218,175,411
Net Assets Value per Ordinary Share	27.85	25.83	27.79	25.77

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.

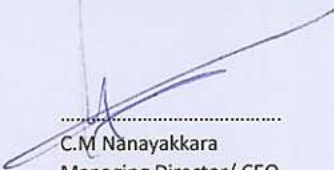

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Damith Tennakoon

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,


.....
R. Renganathan
Chairman
Colombo
28 th July 2011


.....
C.M Nanayakkara
Managing Director/ CEO

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 TH JUNE 2011

COMPANY	Stated Capital Rs	Revaluation Reserve Rs	Accumulated Profit Rs	Reserve Fund Rs	Investment Fund Reserve Rs	Total Rs
Balance as at April 01, 2010	396,850,480	15,082,857	54,993,404	46,288,304		513,215,045
Net Profit For the period			34,504,975			34,504,975
Balance as at June 30, 2010	396,850,480	15,082,857	89,498,379	46,288,304	-	547,720,020
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
Net Profit For the period			80,074,733			80,074,733
Dividend Paid						
Transfer into/(out) from reserve			(3,381,306)		3,381,306	
Balance as at June 30, 2011	396,850,480	15,082,857	534,280,093	152,650,304	6,393,521	1,105,257,255

FOR THE THREE MONTHS ENDED 30 TH JUNE 2011

GROUP	Stated Capital Rs	Revaluation Reserve Rs	Accumulated Profit Rs	Reserve Fund Rs	Investment Fund Reserve Rs	Total Rs	Minority Interest Rs	Total Equity Rs
Balance as at April 01, 2010	396,850,480	15,082,857	55,912,766	46,288,304		514,134,407		514,134,407
Net Profit For the Period			34,563,811			34,563,811		34,563,811
Dividend Paid 2009/2010								
Transfer into/(out) from reserve								
Balance as at June 30, 2010	396,850,480	15,082,857	90,476,577	46,288,304	-	548,698,218	-	548,698,218
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
Net Profit For the Period			80,204,683			80,204,683		80,204,683
Dividend Paid								
Transfer into/(out) from reserve			(3,381,306)		3,381,306			
Balance as at June 30, 2011	396,850,480	15,082,857	532,067,298	152,650,304	6,393,521	1,103,044,460	-	1,103,044,460

* Number of Ordinary Shares as at 30th June 2011, Voting- 39,685,048

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
CASH FLOW STATEMENT

FOR THE THREE MONTHS ENDED	Company		Group	
	30-Jun-11 Rs.	30-Jun-10 Rs.	30-Jun-11 Rs.	30-Jun-10 Rs.
Cash Flow from Operating Activities				
Interest Receipts	516,416,431	370,607,316	516,416,431	370,666,152
Commission Receipts	18,743,079	19,236,885	18,743,079	19,236,885
Other Income	35,703,855	16,935,875	35,833,806	16,935,875
Interest Payments	(227,732,889)	(192,154,728)	(227,732,889)	(192,154,728)
Fees and Business Promotion Expenses	(52,440,392)	(28,348,506)	(52,440,392)	(28,348,506)
Employees Related Payments	(64,320,731)	(39,226,521)	(64,320,731)	(39,226,521)
Suppliers Payment	(80,408,633)	(69,006,689)	(80,408,633)	(69,006,689)
Financial Expenses	(1,993,240)	(1,896,571)	(1,993,240)	(1,896,571)
Operating Profit/ (Loss) Before Changes in Operating Assets	143,967,476	76,147,061	144,097,427	76,205,897
(Increase)/ Decrease in Operating Assets				
Investments Licensed Commercial banks and other Financial Institutions	28,000,001	68,762,101	28,000,001	68,762,101
Investment in Government Securities	91,575,100	(93,009,573)	91,575,100	(93,009,573)
Net Funds Advance to Customers	(977,209,614)	(407,719,199)	(977,209,614)	(407,475,009)
Repossessed Stock	(9,187,063)		(9,187,063)	
Other Short Term Assets	44,073,539	(5,697,557)	43,943,588	(6,000,582)
Inventories	(52,968,133)	(779,989)	(52,968,133)	(779,989)
	(731,748,694)	(362,297,156)	(731,748,694)	(362,297,155)
Increase/ (Decrease) in Operating Liabilities				
Borrowings	(62,785,829)	(106,397,567)	(62,785,829)	(106,397,567)
Deposits from customers	807,801,743	531,450,202	807,801,743	531,450,202
	745,015,914	425,052,635	745,015,914	425,052,635
Cash (used in)/generated from Operations	13,267,220	62,755,479	13,267,220	62,755,480
Gratuity paid	-		-	
Value Added Tax	(10,692,091)		(10,692,091)	
Economic Service Charge	(8,876,150)	(12,750,906)	(8,876,150)	(12,750,906)
	(6,301,021)	50,004,573	(6,301,021)	50,004,574

Cash Flow from Investing Activities				
Investment Property	-		-	
Dividend receipts	-	2,560,735	-	2,560,735
Purchase of Property, Plant & Equipment	(60,353,520)	(10,012,320)	(60,353,519)	(10,012,321)
Proceeds from sale of Property, Plant & Equipment	-		-	-
Net Cash Inflows/(Outflows) Investing Activities	(60,353,520)	(7,451,585)	(60,353,519)	(7,451,586)
Cash Flow from Financing Activities				
Dividend Paid	-		-	-
Redemption of Debentures	(5,645,083)	(20,184,729)	(5,645,083)	(20,184,729)
Net Cash Inflow (out flows) from Financing Activities	(5,645,083)	(20,184,729)	(5,645,083)	(20,184,729)
Net Increase/(Decrease) In Cash & Cash Equivalents	(72,299,624)	22,368,259	(72,299,623)	22,368,259
Cash & Cash Equivalents at the beginning of the Year	(149,932,205)	(106,647,074)	(149,932,205)	(106,344,680)
Cash & Cash Equivalents at the end of the Year	(222,231,829)	(84,278,815)	(222,231,829)	(83,976,421)
Cash and Cash Equivalents at the beginning of the year				
Cash at Bank and In Hand	49,343,058	7,165,259	49,343,058	7,467,653
Bank Overdraft	(199,275,263)	(113,812,333)	(199,275,263)	(113,812,333)
	(149,932,205)	(106,647,074)	(149,932,205)	(106,344,680)
Cash and Cash Equivalents at the end of the year				
Cash at Bank and In Hand	60,731,720	4,227,533	60,731,720	4,529,927
Bank Overdraft	(282,963,549)	(88,506,348)	(282,963,549)	(88,506,348)
	(222,231,829)	(84,278,815)	(222,231,829)	(83,976,421)

* Figures in brackets indicates deductions

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
SEGMENTAL ANALYSIS(GROUP)
FOR THE THREE MONTHS ENDED

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	30-06-2011 Rs.	30/06/2010 Rs.	30/06/2011 Rs.	30/06/2010 Rs.	30/06/2011 Rs.	30/06/2010 Rs.	30/06/2011 Rs.	30/06/2010 Rs.	30/06/2011 Rs.	30/06/2010 Rs.
Interest	393,705,768	271,902,170	48,991,584	49,510,395	9,385,335	375,282	80,408,588	58,037,425	532,491,275	379,825,272
Fee Based Income & Others	-	-	-	-	-	-	-	-	57,125,846	36,718,625
Mark to market investment			-		-		-		(16,920,000)	-
Total Revenue	393,705,768	271,902,170	48,991,584	49,510,395	9,385,335	375,282	80,408,588	58,037,425	572,697,121	416,543,897
Segmental Results	393,705,768	271,902,170	48,991,584	49,510,395	9,385,335	375,282	80,408,588	58,037,425	572,697,121	416,543,897
Unallocated Expenses		-		-		-		-	(486,463,624)	(375,989,086)
Profit from Operations		-		-		-		-	86,233,497	40,554,811
Income Tax expenses		-		-		-		-	(6,028,814)	(6,000,000)
Net Profit for the Period		-		-		-		-	80,204,683	34,554,811
Segment Assets	6,609,869,350	4,166,428,707	1,377,879,859	929,413,913	289,420,298	14,146,856	555,835,080	327,482,361	8,833,004,586	5,437,471,837
Unallocated Assets		-		-		-		-	2,324,582,163	4,780,703,574
Total Assets		-		-		-		-	11,157,586,750	10,218,175,411

Twenty Largest Share Holders as at 30th June 2011

	Share Holding	Percentage
1 Ceylinco Insurance PLC	14,138,958	35.63%
2 CDB ESOP Trust Fund (Private) Limited	12,500,000	31.50%
3 Perpetual Capital (Private) Limited	1,518,300	3.83%
4 TFC Homes (Private) Limited	1,250,000	3.15%
5 The Finance Property Fund Company Limited	1,250,000	3.15%
6 Asia Management Consultancy (Private) Limited	661,400	1.67%
7 Mr. D. Kotthoff	450,100	1.13%
8 Mr. L.M.S.H Alnaqib	250,000	0.63%
9 Dr. T.Senthilverl	224,600	0.57%
10 Premium Brands (Private) Limited	209,000	0.53%
11 Pan Asia Banking Corporation PLC/Mrs. S.M.P.L. Jayaratne	125,000	0.31%
12 Mrs. W.M.N. Dabarera	111,800	0.28%
13 Mrs. W.S.N. Kurera	105,100	0.26%
14 Mr. A.M. Subramaniam & Mr. S.R. Subramaniam	105,000	0.26%
15 Ceylinco Homes International (Lotus Tower) Ltd	100,000	0.25%
16 Dr. C. Gunasekara	100,000	0.25%
17 Mr. A.M. Ananda & Mrs.K.M.H.G.C. Menike	100,000	0.25%
18 Mr. P.K.D.G Jayananda	84,700	0.21%
19 The Bishop of Galle	80,000	0.20%
20 Mr. M.T.T. Al- Nakib	80,000	0.20%
Sub total - Top 20 Share Holders	33,443,958	84.26%
Others	6,241,090	15.74%
Total	39,685,048	100.00%

The percentage of shares held by the public as at 30th June 2011 is 31.88%

Director's and Chief Executive Officer's Share holding as at 30th June 2011

Name	Share Holding
MR R RENGANATHAN	-
MR W.P.C.M. NANAYAKKARA	1,000
MR E.T.L. RANASINGHE	1,000
MR P.A. JAYAWARDENA	15,500
DR. T. SENTHILVERL	224,600
MR P.N.C. GOMES	-
MR H.P.G.V. GOONAWARDENA	-
MR. T.M.D.P. TENNAKOON	36,000
MR. R.H. ABEYGOONEWARDENA	27,000
MR S.V. MUNASINGHE	30,000
MR W.W.K.M. WEERASURIYA	6,000

Share information for the Three months ended 30th June 2011

	30-Jun-11
Highest Price	109.00
Lowest Price	76.00
Last Traded	81.00

SELECTED PERFORMANCE INDICATORS

Indicator	Company		Group	
	as at 30.06.2011	as at 31.03.2011	as at 30.06.2011	as at 31.03.2011
Asset Quality (Rs. 000)				
Total accommodations (Net of interest in suspense)	9,131,212	8,146,053	9,134,958	8,149,799
Net total accommodations (Net of provision for bad and doubtful debts & interest in suspense)	8,833,004	7,855,794	8,833,004	7,855,794
Non-performing accommodations(Net of interest in suspense)	289,016	290,068	289,016	290,068
Liquidity (Rs. 000)				
Required minimum amount of liquid assets	829,655	748,874	829,655	748,874
Available amount of liquid assets	848,824	1,011,389	851,774	1,014,339
Required minimum amount of Government securities	463,347	233,411	463,347	233,411
Available amount of Government securities	552,998	698,952	552,998	698,952
Capital Adequacy				
Core capital to risk weighted assets ratio (Minimum 5%)*	11.46%	11.75%	11.44%	11.72%
Total capital to risk weighted assets ratio (Minimum 10%)*	12.25%	12.56%	12.23%	12.53%
Capital funds to total deposit liabilities ratio (minimum 10%)	13.32%	13.69%	13.30%	13.66%
Profitability				
Return on average assets(%)	3.0%	6.3%	3.0%	6.3%
Return on average equity(%)	30.1%	69.1%	30.2%	68.8%

* Including current year unaudited profit

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC
EXPLANATORY NOTES

- 1) There were no changes in the accounting policies since the publication of financial statements in the Annual Report -2010/2011
- 2) These interim financial statements are prepared and presented in accordance with the SLAS 35- "Interim Financial Reporting" and information has been provided as required in terms of rule 7.4 of the Colombo Stock Exchange
- 3) All known Expenses have been provided in these financial statements and management fees are not applicable to the company
- 4) During the period there were no material changes in the composition of assets , liabilities and contingent liabilities.
- 5) Company has decided to issue shares by way of Rights issue on the following basis,
 - i) The number of shares to be issued - Voting 6,614,175 Shares
- Non Voting 5,669,293 Shares
 - ii) The proportion in which shares are to be issued

Ordinary Voting Shares

One (01) Ordinary Voting share for every Six (06) Ordinary Voting Shares held

Ordinary Non Voting Shares

One (01) Ordinary Non Voting Share for every Seven (07) Ordinary Voting Shares held
 - iii) The consideration for which the shares are to be issued - Voting Rs. 70/-
- Non Voting Rs. 45/-
 - iv) The proceeds to be utilized to part finance the Leasing, Hire Purchase and Loan disbursements during the financial year 2011/12 whilst strengthening the Balance Sheet.

The Rights Issue was approved by the Share Holders at the Extraordinary General Meeting held on 25th July 2011.

- 6) The company paid the First and Final Dividend of Rs. 2.00 for the year ended 31st March 2011 on 11th July 2011.
- 7) There were no material events that took place other than disclosed above since June 30,2011, that required 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 registered under the Finance Companies
Act No 78 of 1988.

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. R. Renganathan

Managing Director/Chief Executive Officer Mr. C.M. Nanayakkara

Directors

Mr. P.N.C. Gomes
Mr. H.P.G.V. Gunawardena
Mr. P.A. Jayawardena
Mr. E. T. L. Ranasinghe
Dr. T. Senthilverl
Mr. T.M.D.P Tennakoon
Mr. W.W.K.M Weerasuriya
Mr. S.V Munasinghe
Mr. R. H Abeygoonewardana

Company Secretary

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

Tel : 011 2576871

Fax : 011 2573609

Company Auditors

KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
32 A, Sir Mohamed Macan Marker Mawatha,
Colombo 03

Tel : 011 5426426

Fax : 011 2541249

Lawyers of the Company

Nithya Partners
51, Gregory's Road
Colombo 07.

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
Seylan Bank PLC
Sampath Bank PLC