

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30,SEPTEMBER 2014

Citizens Development Business Finance PLC

No 18, Sri Sangaraja Mawatha, Colombo 10

Consolidated Statement of Comprehensive Income

	Company					
	For the Quarter ended 30th September			For the Six Months ended 30th September		
	2014/15 Rs.	2013/14 Rs.	Change %	2014/15 Rs.	2013/14 Rs.	Change %
Income	1,669,712,469	1,517,687,308	10%	3,358,797,874	2,901,371,434	16%
Interest Income	1,575,208,819	1,427,837,049	10%	3,168,644,506	2,765,517,709	15%
Less: Interest Expenses	850,059,213	874,188,482	-3%	1,750,317,589	1,670,422,863	5%
Net Interest Income	725,149,606	553,648,567	31%	1,418,326,917	1,095,094,846	30%
Net fee and Commission Income	41,737,776	40,027,614	4%	79,407,956	74,759,235	6%
Net Interest, Fee and Commission Income	766,887,382	593,676,181	29%	1,497,734,873	1,169,854,081	28%
Other Operating Income	52,765,875	61,295,613	-14%	110,745,413	94,929,870	17%
Total Operating Income	819,653,257	654,971,794	25%	1,608,480,286	1,264,783,951	27%
Less Impairment and net losses from liquidation of loans and receivable to customers	123,429,472	82,963,969	49%	270,754,903	164,513,366	65%
Net Operating Income	696,223,785	572,007,825	22%	1,337,725,383	1,100,270,585	22%
Less:						
Operating Expenses						
Staff Costs	145,909,618	133,829,872	9%	304,116,331	260,198,200	17%
Premises, Equipment and Establishment Expenses	216,784,593	150,108,993	44%	411,628,241	289,106,078	42%
Other Operating Expenses	71,130,878	87,525,722	-19%	141,229,026	167,857,936	-16%
	433,825,089	371,464,587	17%	856,973,598	717,162,214	19%
Operating Profit Before Value Added Tax	262,398,696	200,543,238	31%	480,751,785	383,108,371	25%
Less: Value Added Tax (vat) on Financial Services	25,854,359	15,000,000	72%	45,687,623	28,093,822	63%
Profit Before Taxation	236,544,337	185,543,238	27%	435,064,162	355,014,549	23%
Less: Income Tax Expense	63,228,910	49,591,767	27%	104,215,750	84,042,957	24%
Profit for the Period	173,315,427	135,951,471	27%	330,848,412	270,971,592	22%
Profit attributable to:						
Non-controlling Interests						
Total Equity attributable to equity holders of the parent	173,315,427	135,951,471		330,848,412	270,971,592	
Profit for the Period	173,315,427	135,951,471		330,848,412	270,971,592	
Other Comprehensive Income:						
Net gain/(loss) on re measuring of available for sale financial investment	(26,056,800)	58,881,600		(54,256,800)	143,538,000	
Net Actuarial gains/(losses) on Defined Benefit plans	(1,889,688)			(3,558,033)		
Other comprehensive income for the period,	(27,946,488)	58,881,600		(57,814,833)	143,538,000	
Total Comprehensive Income for the Period	145,368,939	194,833,071		273,033,579	414,509,592	
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	145,368,939	194,833,071		273,033,579	414,509,592	
Total Comprehensive Income for the Period	145,368,939	194,833,071		273,033,579	414,509,592	
Earnings per share:						
Basic Earnings per Share	3.19	2.50		6.09	4.99	

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC -Interim Financial Statements

Consolidated Statement of Comprehensive Income

	Group					
	For the Quarter ended 30th September			For the Six Months ended 30th September		
	2014/15 Rs.	2013/14 Rs.	Change %	2014/15 Rs.	2013/14 Rs.	Change %
Income	1,669,712,469	1,517,687,308	10%	3,358,797,874	2,901,371,434	16%
Interest Income	1,575,208,819	1,427,837,049	10%	3,168,644,506	2,765,517,709	15%
Less: Interest Expenses	850,059,213	874,188,482	-3%	1,750,317,589	1,670,422,863	5%
Net Interest Income	725,149,606	553,648,567	31%	1,418,326,917	1,095,094,846	30%
Net fee and Commission Income	41,737,776	40,027,614	4%	79,407,956	74,759,235	6%
Net Interest, Fee and Commission Income	766,887,382	593,676,181	29%	1,497,734,873	1,169,854,081	28%
Other Operating Income	52,765,875	61,295,613	-14%	110,745,413	94,929,870	17%
Total Operating Income	819,653,257	654,971,794	25%	1,608,480,286	1,264,783,951	27%
Less :Impairment and Net losses from liquidation of Loans and Receivable to customers	123,429,472	82,963,969	49%	270,754,903	164,513,366	65%
Net Operating Income	696,223,785	572,007,825	22%	1,337,725,383	1,100,270,585	22%
Less:						
Operating Expenses						
Staff Costs	145,909,618	133,829,872	9%	304,116,331	260,198,200	17%
Premises, Equipment and Establishment Expenses	216,784,593	150,108,993	44%	411,628,241	289,106,078	42%
Other Operating Expenses	71,130,878	87,525,722	-19%	141,229,026	167,857,936	-16%
	433,825,089	371,464,587	17%	856,973,598	717,162,214	19%
Operating Profit Before Value Added Tax	262,398,696	200,543,238	31%	480,751,785	383,108,371	25%
Less: Value Added Tax (vat) on Financial Services	25,854,359	15,000,000	72%	45,687,623	28,093,822	63%
Profit Before Taxation	236,544,337	185,543,238	27%	435,064,162	355,014,549	23%
Less: Income Tax Expense	63,228,910	49,591,767	27%	104,215,750	84,042,957	24%
Profit for the Period	173,315,427	135,951,471	27%	330,848,412	270,971,592	22%
Profit attributable to:						
Non-controlling Interests						
Total Equity attributable to equity holders of the parent	173,315,427	135,951,471		330,848,412	270,971,592	
Profit for the Period	173,315,427	135,951,471		330,848,412	270,971,592	
Other Comprehensive Income:						
Net gain/(loss) on re measuring of available for sale financial investment	(26,056,800)	58,881,600		(54,256,800)	143,538,000	
Net Actuarial gains/(losses) on Defined Benefit plans	(1,889,688)			(3,558,033)		
Other comprehensive income for the period,	145,368,939	58,881,600		(57,814,833)	143,538,000	
Total Comprehensive Income for the Period	145,368,939	194,833,071		273,033,579	414,509,592	
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	145,368,939	194,833,071		273,033,579	414,509,592	
Total Comprehensive Income for the Period	145,368,939	194,833,071		273,033,579	414,509,592	
Earnings per share:						
Basic Earnings per Share	3.19	2.50		6.09	4.99	

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Consolidated Statement of Financial Position

	Company		Group	
	30-09-2014 Rs.	31-03-2014 Rs.	30-09-2014 Rs.	31-03-2014 Rs.
Assets				
Cash and Cash Equivalents	1,017,261,592	462,555,296	1,020,597,118	465,890,822
Deposits in Commercial Banks	1,867,875,109	2,706,172,054	1,867,875,109	2,706,172,054
Loans and Receivables to Customers	26,998,415,181	25,724,944,295	26,998,415,181	25,724,944,295
Financial Investments - Available for Sale	735,343,200	789,600,000	735,343,200	789,600,000
Financial Investments - Held - to- Maturity	1,953,897,479	1,834,691,042	1,953,897,479	1,834,691,042
Financial Investments - Loans and Receivable	229,500,000	227,999,991	229,500,000	227,999,991
Investment in Subsidiary	2,745,447	2,745,447	-	-
Investment Property	20,197,977	20,197,977	20,197,977	20,197,977
Property, Plant and Equipment	1,321,101,485	1,004,470,809	1,321,101,485	1,004,470,809
Intangible Assets	75,380,582	77,783,761	75,380,582	77,783,761
Other Assets	939,699,869	917,381,613	939,699,869	917,380,813
Total Assets	35,161,417,921	33,768,542,285	35,162,008,000	33,769,131,564
Liabilities				
Due to Banks	1,725,548,646	1,471,953,259	1,725,548,646	1,471,953,259
Deposits From Customers	26,399,341,220	24,518,192,737	26,399,341,220	24,518,192,737
Debentures	1,161,520,463	1,172,332,835	1,161,520,463	1,172,332,835
Other Borrowings	1,012,346,389	1,670,052,391	1,012,346,389	1,670,052,391
Current Tax Liabilities	157,238,345	48,333,210	157,643,422	48,738,286
Deferred Tax Liabilities	145,383,294	145,383,295	145,383,294	145,383,295
Retirement Benefit Obligations	2,214,417	159,241,654	2,214,417	159,241,654
Other Liabilities	870,793,077	1,006,138,792	871,178,881	1,006,523,795
Total Liabilities	31,474,385,851	30,191,628,173	31,475,176,730	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	103,819,846	87,745,449	103,819,846	87,745,449
Available for Sale Reserve	635,434,125	689,690,925	635,434,125	689,690,925
Retained Earnings	1,131,997,078	983,696,717	1,131,796,278	983,495,917
Total equity attributable to equity holders of the parent	3,687,032,070	3,576,914,112	3,686,831,270	3,576,713,312
Non-controlling Interests	-	-	-	-
Total Equity	3,687,032,070	3,576,914,112	3,686,831,270	3,576,713,312
Total Equity and Liabilities	35,161,417,921	33,768,542,285	35,162,008,000	33,769,131,564
Net Assets Value per Share	67.89	65.87	67.89	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

29th October 2014

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						270,971,592		270,971,592
Other comprehensive income for the Period 2013/14			143,538,000					143,538,000
Total comprehensive income for the Six Months Period 2013/2014	1,185,061,645	132,765,013	607,572,525	50,933,191	385,711,809	1,017,563,611	-	3,379,607,794
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				15,722,406		(15,722,406)		-
Balance as at 30th September 2013	1,185,061,645	132,765,013	607,572,525	66,655,597	385,711,809	852,501,886	-	3,230,268,475
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						330,848,412		330,848,412
Other comprehensive income for the Period 2014/15			(54,256,800)			(3,558,033)		(57,814,833)
Total comprehensive income for the Six Months Period 2014/2015	1,185,061,645	132,765,013	635,434,125	87,745,449	497,954,363	1,310,987,096	-	3,849,947,691
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)		-
Balance as at 30th September 2014	1,185,061,645	132,765,013	635,434,125	103,819,846	497,954,363	1,131,997,078	-	3,687,032,070

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						270,971,592		270,971,592
Other comprehensive income for the Period 2013/14			143,538,000					143,538,000
Total comprehensive income for the Six Months Period 2013/2014	1,185,061,645	132,765,013	607,572,525	50,933,191	385,711,809	1,017,462,811	-	3,379,506,994

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				15,722,406		(15,722,406)		-
Balance as at 30th September 2013	1,185,061,645	132,765,013	607,572,525	66,655,597	385,711,809	852,401,086	-	3,230,167,675

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						330,848,412		330,848,412
Other comprehensive income for the Period 2014/15			(54,256,800)			(3,558,033)		(57,814,833)
Total comprehensive income for the Six Months Period 2014/2015	1,185,061,645	132,765,013	635,434,125	87,745,449	497,954,363	1,310,786,296	-	3,849,746,891

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)		-
Balance as at 30th September 2014	1,185,061,645	132,765,013	635,434,125	103,819,846	497,954,363	1,131,796,278	-	3,686,831,270

Figures in brackets indicate deductions.

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Statement of Cash Flow

For the Period ended	Company		Group	
	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.
Cash flow from Operating Activities				
Interest Receipts	3,285,855,956	2,785,581,625	3,285,855,956	2,785,581,625
Commission Receipts	77,756,894	75,952,331	77,756,894	75,952,331
Other Income Receipts	101,681,413	54,026,490	101,681,413	54,026,490
Interest Payments	(1,888,518,111)	(1,563,235,796)	(1,888,518,111)	(1,563,235,796)
Fee and Business Promotion Expenses	(136,016,692)	(42,095,534)	(136,016,692)	(42,095,534)
Employee Related Payments	(284,916,774)	(242,198,192)	(284,916,774)	(242,198,192)
Supplier Payments	(375,248,678)	(280,115,676)	(375,248,678)	(280,115,675)
Financial Expenses	(5,212,334)	(13,586,077)	(5,212,334)	(13,586,077)
Operating Profit before changes in Operating Assets	775,381,674	774,329,171	775,381,674	774,329,172
(Increase)/Decrease in Operating Assets				
Investments in Licensed Commercial Bank	838,296,945	44,391,722	838,296,945	44,391,722
Investments in Government Securities	(120,706,446)	(169,698,689)	(120,706,446)	(169,698,689)
Net Funds Advanced to Customers	(1,544,225,789)	(3,884,153,199)	(1,544,225,789)	(3,884,153,199)
Changes in Other Short Term Assets	(83,500,478)	(209,241,644)	(83,500,478)	(209,241,644)
Inventories	(54,378,167)	(183,743,506)	(54,378,167)	(183,743,508)
	(189,132,261)	(3,628,116,145)	(189,132,261)	(3,628,116,146)
Increase/(Decrease) in Operating Liabilities				
Borrowings	(414,922,988)	618,198,805	(414,922,988)	618,198,805
Deposits from Customers	2,019,349,005	3,467,984,081	2,019,349,005	3,467,984,081
	1,604,426,017	4,086,182,886	1,604,426,017	4,086,182,886
Net Cash Generated / (used in) from operating Activities	1,415,293,756	458,066,741	1,415,293,756	458,066,740
Gratuity paid	(360,443)	(747,378)	(360,443)	(747,378)
Contribution to Plan Assets	(179,424,384)	-	(179,424,384)	-
Taxation	4,689,385	13,225,853	4,689,385	13,225,853
	1,240,198,314	470,545,216	1,240,198,314	470,545,215
Cash Flow from Investing Activities				
Dividend Receipts	9,064,000	7,068,000	9,064,000	7,068,000
Net investment in debentures	-	(64,357,068)	-	(64,357,068)
Purchase of Property, Plant & Equipment	(383,209,995)	(284,456,157)	(383,209,995)	(284,456,157)
Net Cash (used in)/ from Investing Activities	(374,145,995)	(341,745,225)	(374,145,995)	(341,745,225)
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	703,136,698	(20,539,328)	703,136,698	(20,539,329)
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	902,223,557	40,386,402	905,559,083	43,721,927
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	1,017,261,592	198,600,016	1,020,597,118	201,935,541
Bank Overdraft	(115,038,035)	(158,213,614)	(115,038,035)	(158,213,614)
	902,223,557	40,386,402	905,559,083	43,721,927

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	
	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.
Interest	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,168,644,506	2,765,517,709
Non Interest Income							190,153,368	169,689,105
Total Revenue	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,358,797,874	2,935,206,814
Segmental Results	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,358,797,874	2,935,206,814
Unallocated Expenses							2,923,733,713	2,580,192,265
Profit from Operations							435,064,162	355,014,549
Income Tax expenses							104,215,750	84,042,957
Net Profit for the Period							330,848,412	270,971,592
Segment Assets	20,493,967,322	17,568,262,718	5,055,166,423	3,838,743,810	1,449,281,436	1,797,055,567	26,998,415,181	23,204,062,095
Unallocated Assets							8,163,002,740	5,893,527,066
Total Assets							35,161,417,921	29,097,589,161

CITIZENS DEVELOPMENT BUSINESS FINANCE PLC - Interim Financial Statements

Segmental Analysis

Group

	Lease & Stock out on Hire		Loans and Advances		Others		Total	
	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.	30-09-2014 Rs.	30-09-2013 Rs.
Interest	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,168,644,506	2,765,517,709
Non Interest Income							190,153,368	169,689,105
Total Revenue	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,358,797,874	2,935,206,814
Segmental Results	2,227,212,392	1,952,146,877	453,547,243	370,427,902	487,884,871	442,942,930	3,358,797,874	2,935,206,814
Unallocated Expenses							2,923,733,713	2,580,192,265
Profit from Operations							435,064,162	355,014,549
Income Tax expenses							104,215,750	84,042,957
Net Profit for the Period							330,848,412	270,971,592
Segment Assets	20,493,967,322	17,568,262,718	5,055,166,423	3,838,743,810	1,449,281,436	1,797,055,567	26,998,415,181	23,204,062,095
Unallocated Assets							8,163,592,820	5,894,117,145
Total Assets							35,162,008,000	29,098,179,240

Shareholders' Information

Twenty Largest Shareholders as at 30th September 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	PERPETUAL CAPITAL (PRIVATE) LIMITED	1,519,251	3.28%
5	THE FINANCE COMPANY PLC A/C NO 1	1,250,000	2.70%
6	JANASHAKTHI INSURANCE PLC (SHARE HOLDERS)	1,227,947	2.65%
7	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC A/C 02 (CDB EMPLOYEE GRATUITY FUND)	900,000	1.94%
8	ASIA MANAGEMENT CONSULTANCY (PRIVATE) LIMITED	706,622	1.53%
9	E.W. BALASURIYA & CO. (PVT) LTD	535,103	1.16%
10	MR.D. KOTTHOFF	495,808	1.07%
11	LITTLE SMILE ORGANIC (PVT) LTD	416,500	0.90%
12	SAMPATH BANK PLC/ DR.T.SENTHILVERL	405,960	0.88%
13	MAS CAPITAL (PRIVATE) LIMITED	264,492	0.57%
14	EAST INDIA HOLDING (PVT) LTD	243,833	0.53%
15	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	200,000	0.43%
16	MR.K.SABARATNAM	149,000	0.32%
17	ELGIN INVESTMENTS LIMITED	131,897	0.28%
18	DR.C.GUNASEKARA	131,700	0.28%
19	MR.R.H. ABEYGOONEWARDENA	127,946	0.28%
20	PAN ASIA BANKING COPORATION PLC/MR.S.M.P.LJAYARATNE	125,000	0.27%
	Sub total of Top 20 Share Holders	37,826,509	81.70%
	Others	8,472,714	18.30%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 30th September 2014 is 36.13% (with 2017 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	MR. M. A. H. ESUFALLY	160,000	2.00%
9	MR. G. H. I. JAFFERJEE	156,749	1.96%
10	MR. I. M. DABAH	154,499	1.93%
11	LIFE INSURANCE CORPORATION (LANKA) LTD	153,166	1.91%
12	MR. S. R. FERNANDO	128,953	1.61%
13	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	123,950	1.55%
14	GOLD INVESTMENT LIMITED.	104,499	1.31%
15	JAFFERJEE'S INVESTMENTS (PVT) LTD	104,499	1.31%
16	MR. M.A.VALABJI	104,499	1.31%
17	TRADING PARTNERS (PVT) LTD	100,000	1.25%
18	MRS.S.E. LOKHANDWALLA	88,000	1.10%
19	MR.Y.H. ABDULHUSSEIN	85,606	1.07%
20	MR.M.A.JAFFERJEE	74,940	0.94%
	Sub total of Top 20 Share Holders	5,215,618	65.15%
	Others	2,790,366	34.85%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 30th September 2014 is 79.13% (with 1991 public share holders)

Directors' and Chief Executive Officer's Shareholding as at 30th September 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	7,000	0.015%
Mr. R.H. Abeygoonewardena	132,349	0.286%
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.R.H.Abeygoonewardena	23,000	0.050%
Assetline Leasing Company Ltd/Mr.S.V.Munasinghe	43,000	0.093%
People's Leasing & Finance PLC/Mr.W.P.C.M.Nanayakkara	88,660	0.191%
	522,485	

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%
People's Leasing & Finance PLC/Mr.W.P.C.M.Nanayakkara	28,897	0.361%
	54,424	

Market Value of the Shares

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	30-09-2014	30-09-2013	30-09-2014	30-09-2013
Highest Price	94.00	46.00	72.00	38.00
Lowest Price	60.60	38.00	48.20	30.00
Last Traded	89.40	41.00	69.90	35.30

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 During the period under review company reclassified the net losses from disposal of leased assets from other income and added in to the impairment from loans and other receivables to reflect more appropriate the economic substance based on the nature and function of the transactions.

Accordingly, Comparative figures of the financial statements have been reclassified to conform with current year's presentation

- 4 All known Expenses have been provided in these Financial Statements and Management Fees are not applicable to the Company
- 5 Group Financial statements comprises the consolidation of the company and its subsidiary CDB Micro Finance Ltd.
- 6 No of Shares as at 30 th September 2014 is as follows.

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

- 7 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.
- 8 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.
- 9 Since 30 th September 2014, there were no material events other than the above, that require adjustment to or disclosure in these Financial Statements.
- 10 These financial statements are prepared in accordance with the Sri Lanka Accounting Standard - LKAS 34 " Interim Financial Reporting".

Information on Listed Debentures

Subordinated Listed Rated Unsecured Redeemable Debentures December 2013- December 2018

Market Price For the Quarter ended 30 th September 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

*Traded on 10th Sep 2014 at Rs 110.00

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	71%
Quick Asset Ratio (Times)	0.82
Interest Cover (Times)	1.28

Selected Performance Indicators

Indicator	Company		Group	
	As at 30-09-2014	As at 30-09-2013	As at 30-09-2014	As at 30-09-2013
Asset Quality (Rs. 000)				
Gross Non- Performing Accommodations,	1,635,416	977,474	1,635,416	977,474
Gross Non- Performing Accommodations Ratio, %	5.95%	4.17%	5.95%	4.17%
Net Non- Performing Accommodations Ratio, %	3.30%	2.54%	3.30%	2.54%
Liquidity (Rs. 000)				
Required Minimum amount of Liquid Assets	2,858,503	2,170,409	2,858,503	2,170,409
Available amount of Liquid Assets	4,414,414	2,532,081	4,417,749	2,535,416
Required Minimum amount of Government Securities	1,679,439	1,252,444	1,679,439	1,252,444
Available amount of Government Securities	2,022,829	1,369,039	2,022,829	1,369,039
Capital Adequacy				
Core Capital (Tier 1 Capital)	3,450,447	3,070,362	3,450,447	3,070,362
Total Capital Base	4,350,677	3,070,362	4,350,677	3,070,362
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	12.00%	12.89%	12.00%	12.89%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	15.13%	12.89%	15.13%	12.89%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)*	16.48%	14.35%	16.48%	14.35%
Profitability				
Interest Margin (Annualized %)	8.23%	8.18%	8.23%	8.18%
Return on Average Assets-Before Tax (Annualized %)	2.52%	2.65%	2.52%	2.65%
Return on Average Equity- After Tax (Annualized %)	18.22%	17.28%	18.22%	17.28%
Memorandum information				
Number of Employees	1034	1024	1034	1024
Number of branches	47	41	47	41
Number of service centers	11	12	11	12
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 *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), 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 *FCMA(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



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