

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2013

Citizens Development Business Finance PLC

No 18, Sri Sangaraja Mawatha, Colombo 10

Consolidated Statement of Comprehensive Income

	Company					
	For the Quarter ended 31 December			For the Nine Months ended 31 December		
	2013 Rs.	2012 Rs.	Change %	2013 Rs.	2012 Rs.	Change %
Income	1,647,280,746	1,183,321,581	39%	4,548,652,180	3,086,523,998	47%
Interest Income	1,522,277,117	1,124,299,815	35%	4,287,794,826	2,911,509,516	47%
Interest Expenses	931,348,099	637,997,326	46%	2,601,770,962	1,663,884,388	56%
Net Interest Income	590,929,018	486,302,488	22%	1,686,023,864	1,247,625,127	35%
Fees and Commission Income	45,585,773	35,701,692	28%	120,345,008	88,072,492	37%
Less :Fee and Commission Expense						
Net fee and Commission Income	45,585,773	35,701,692	28%	120,345,008	88,072,492	37%
Net Interest, Fee and Commission Income	636,514,791	522,004,180	22%	1,806,368,872	1,335,697,619	35%
Net Trading Income						
Other Operating Income	79,417,856	23,320,074	241%	140,512,346	86,941,990	62%
Total Operating Income	715,932,647	545,324,254	31%	1,946,881,218	1,422,639,609	37%
Less :Impairment Charges for Loans and other Losses	143,955,224	73,036,351	97%	274,633,210	125,603,615	119%
Net Operating Income	571,977,423	472,287,903	21%	1,672,248,008	1,297,035,994	29%
Less:						
Operating Expenses						
Staff Costs	143,455,622	100,682,110	42%	403,653,822	286,266,146	41%
Premises, Equipment and Establishment Expenses	169,225,749	114,758,359	47%	458,331,827	321,102,418	43%
Other Operating Expenses	61,787,348	62,245,648	-1%	229,645,284	192,975,597	19%
	374,468,719	277,686,117	35%	1,091,630,933	800,344,161	36%
Operating Profit Before Value Added Tax	197,508,704	194,601,786	1%	580,617,075	496,691,833	17%
Value Added Tax (vat) on Financial Services	11,274,373	12,498,531	-10%	39,368,195	28,282,701	39%
Profit Before Taxation	186,234,330	182,103,255	2%	541,248,880	468,409,132	16%
Income Tax Expense	28,369,493	37,500,000	-24%	112,412,450	85,050,917	32%
Profit for the Period	157,864,838	144,603,255	9%	428,836,430	383,358,215	12%
Profit attributable to:						
Non-controlling Interests						
Parent Company Shareholders	157,864,838	144,603,255		428,836,430	383,358,215	
Profit for the Period	157,864,838	144,603,255		428,836,430	383,358,215	
Other Comprehensive Income:						
Exchange differences on translation of foreign operations						
Actuarial (losses)/gains on retirement benefit obligations						
Share of other comprehensive income from associates						
Available-for-sale investments:						
Net valuation (losses)/gains taken to equity	48,278,400	19,909,200		191,816,400	24,534,000	
Reclassified to income statement						
Cash flow hedges:						
Net gains taken to equity						
Reclassified to income statement						
Changes in revaluation surplus net of taxation						
Taxation relating to components of other comprehensive income						
net of taxation	48,278,400	19,909,200		191,816,400	24,534,000	
Total Comprehensive Income for the Period	206,143,238	164,512,455		620,652,830	407,892,215	
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	206,143,238	164,512,455		620,652,830	407,892,215	
Total Comprehensive Income for the Period	206,143,238	164,512,455		620,652,830	407,892,215	
Earnings per share:						
Basic Earnings per Ordinary Share	2.91	2.66		7.90	7.16	

Consolidated Statement of Comprehensive Income

	Group					
	For the Quarter ended 31 December			For the Nine Months ended 31 December		
	2013 Rs.	2012 Rs.	Change %	2013 Rs.	2012 Rs.	Change %
Income	1,647,280,746	1,183,321,581	39%	4,548,652,180	3,086,523,998	47%
Interest Income	1,522,277,117	1,124,299,815	35%	4,287,794,826	2,911,509,516	47%
Interest Expenses	931,348,099	637,997,326	46%	2,601,770,962	1,663,884,388	56%
Net Interest Income	590,929,018	486,302,488	22%	1,686,023,864	1,247,625,127	35%
Fees and Commission Income	45,585,773	35,701,692	28%	120,345,008	88,072,492	37%
Less :Fee and Commission Expense						
Net fee and Commission Income	45,585,773	35,701,692	28%	120,345,008	88,072,492	37%
Net Interest, Fee and Commission Income	636,514,791	522,004,180	22%	1,806,368,872	1,335,697,619	35%
Net Trading Income						
Other Operating Income	79,417,856	23,320,074	241%	140,512,346	86,941,990	62%
Total Operating Income	715,932,647	545,324,254	31%	1,946,881,218	1,422,639,609	37%
Less :Impairment Charges for Loans and other Losses	143,955,224	73,036,351	97%	274,633,210	125,603,615	119%
Net Operating Income	571,977,423	472,287,903	21%	1,672,248,008	1,297,035,994	29%
Less:						
Operating Expenses						
Staff Costs	143,455,622	100,682,110	42%	403,653,822	286,266,146	41%
Premises, Equipment and Establishment Expenses	169,225,749	114,758,359	47%	458,331,827	321,102,418	43%
Other Operating Expenses	61,787,348	62,245,648	-1%	229,645,284	192,975,597	19%
	374,468,719	277,686,117	35%	1,091,630,933	800,344,161	36%
Operating Profit Before Value Added Tax	197,508,704	194,601,786	1%	580,617,075	496,691,833	17%
Value Added Tax (vat) on Financial Services	11,274,373	12,498,531	-10%	39,368,195	28,282,701	39%
Profit Before Taxation	186,234,331	182,103,255	2%	541,248,880	468,409,132	16%
Income Tax Expense	28,369,493	37,500,000	-24%	112,412,450	85,050,917	32%
Profit for the Period	157,864,838	144,603,255	9%	428,836,430	383,358,215	12%
Profit attributable to:						
Non-controlling Interests						
Parent Company Shareholders	157,864,838	144,603,255		428,836,430	383,358,215	
Profit for the Period	157,864,838	144,603,255		428,836,430	383,358,215	
Other Comprehensive Income:						
Exchange differences on translation of foreign operations						
Actuarial (losses)/gains on retirement benefit obligations						
Share of other comprehensive income from associates						
Available-for-sale investments:						
Net valuation (losses)/gains taken to equity	48,278,400	19,909,200		191,816,400	24,534,000	
Reclassified to income statement						
Cash flow hedges:						
Net gains taken to equity						
Reclassified to income statement						
Changes in revaluation surplus						
Other comprehensive income for the period, net of taxation						
Taxation relating to components of other comprehensive income						
Other comprehensive income for the period, net of taxation	48,278,400	19,909,200		191,816,400	24,534,000	
Total Comprehensive Income for the Period	206,143,238	164,512,455		620,652,830	407,892,215	
Total Comprehensive Income Attributable to:						
Non-controlling interests						
Parent Company Shareholders	206,143,238	164,512,455		620,652,830	407,892,215	
Total Comprehensive Income for the Period	206,143,238	164,512,455		620,652,830	407,892,215	
Earnings per share:						
Basic Earnings per Ordinary Share	2.91	2.66		7.90	7.16	

Consolidated Statement of Financial Position

	Company		Group	
	31-12-2013	Audited 31-03-2013	31-12-2013	Audited 31-03-2013
	Rs.	Rs.	Rs.	Rs.
Assets				
Cash and Cash Equivalents	230,424,380	205,326,279	233,759,906	208,661,805
Deposits in Commercial Banks	2,767,306,560	1,335,271,762	2,767,306,560	1,335,271,762
Loans and Receivables to Customers	24,369,282,206	19,450,586,882	24,369,282,206	19,450,586,882
Financial Investments - Available for Sale	755,760,000	563,943,600	755,760,000	563,943,600
Financial Investments - Held - to- Maturity	1,359,998,037	1,150,590,251	1,359,998,037	1,150,590,251
Financial Investments - Loans and Receivable	87,999,991	140,164,014	87,999,991	140,164,014
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	908,973,247	657,717,807	908,973,247	657,717,807
Intangible Assets	77,115,834	69,115,379	77,115,834	69,115,379
Other Assets	1,069,454,268	886,512,492	1,069,454,269	886,512,492
Total Assets	31,649,257,947	24,482,171,890	31,649,848,027	24,482,761,969
Liabilities				
Due to Banks	1,492,109,364	592,523,886	1,492,109,364	592,523,886
Deposits From Customers	22,536,713,862	17,799,413,114	22,536,713,862	17,799,413,114
Debentures	1,130,725,328	259,378,311	1,130,725,328	259,378,311
Other Borrowings	2,060,304,043	1,911,180,694	2,060,304,043	1,911,180,694
Current Tax Liabilities	165,434,830	92,965,307	165,839,907	93,370,384
Deferred Tax Liabilities	31,912,358	31,912,358	31,912,358	31,912,358
Retirement Benefit Obligations	90,509,500	64,256,877	90,509,500	64,256,877
Other Liabilities	666,229,726	726,535,918	666,515,529	726,821,720
Total Liabilities	28,173,939,011	21,478,166,465	28,174,629,891	21,478,857,344
Equity				
Stated Capital	1,185,061,645	1,185,061,645	1,185,061,645	1,185,061,645
Reserve Fund	385,711,809	385,711,809	385,711,809	385,711,809
Revaluation Reserve	132,765,013	132,765,013	132,765,013	132,765,013
Investment Fund Reserve	78,272,408	50,933,191	78,272,408	50,933,191
Available for Sale Reserve	655,850,925	464,034,525	655,850,925	464,034,525
Retained Earnings	1,037,657,136	785,499,242	1,037,556,336	785,398,442
Total Parent Company Shareholders' Equity	3,475,318,936	3,004,005,425	3,475,218,136	3,003,904,625
Non-controlling Interests	-	-	-	-
Total Equity	3,475,318,936	3,004,005,425	3,475,218,136	3,003,904,625
Total Equity and Liabilities	31,649,257,947	24,482,171,890	31,649,848,027	24,482,761,969
Net Assets Value per Ordinary Share	64.00	55.32	64.00	55.32

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

12th February 2014

Colombo

sgd.

C.M Nanayakkara

Managing Director/ CEO

Statement of Changes in Equity - Company

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-sale reserve Rs	Investment Fund reserve Rs	Reserve Fund Rs	Retained Earnings Rs	Minority Interest Rs	Total Rs
Balance as at 1st April 2012	1,114,960,915	12,066,286	358,284,525	21,102,344	278,736,884	517,351,677	-	2,302,502,631
Issue of Shares	70,100,730							70,100,730
Profit for the year Period			24,534,000			383,358,215		407,892,215
Dividend Paid 2011/2012						(129,921,290)		(129,921,290)
Transfer into/(out) from reserves				17,124,322		(17,124,322)		-
Balance as at 31st December 2012	1,185,061,645	12,066,286	382,818,525	38,226,666	278,736,884	753,664,280	-	2,650,574,286
Balance as at 1st April 2013	1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	785,499,242		3,004,005,425
Profit for the year Period			191,816,400			428,836,430		620,652,830
Dividend Paid 2012/13						(149,339,319)		(149,339,319)
Transfer into/(out) from reserves				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	1,037,657,136	-	3,475,318,936

Consolidated Statement of Changes in Equity - Group

	Stated Capital Rs	Revaluation Reserve Rs	Available-for-sale reserve Rs	Investment Fund reserve Rs	Reserve Fund Rs	Retained Earnings Rs	Minority Interest Rs	Total Rs
Balance as at 1st April 2012	1,114,960,915	12,066,286	358,284,525	21,102,344	278,736,884	517,350,877	-	2,302,501,831
Issue of Shares	70,100,730							70,100,730
Profit for the year Period			24,534,000			383,358,215		407,892,215
Dividend Paid 2011/2012						(129,921,290)		(129,921,290)
Transfer into/(out) from reserves				17,124,322		(17,124,322)		-
Balance as at 31st December 2012	1,185,061,645	12,066,286	382,818,525	38,226,666	278,736,884	753,663,480	-	2,650,573,486
Balance as at 1st April 2013	1,185,061,645	132,765,013	464,034,525	50,933,191	385,711,809	785,398,442		3,003,904,625
Profit for the year Period			191,816,400			428,836,430		620,652,830
Dividend Paid 2012/13						(149,339,319)		(149,339,319)
Transfer into/(out) from reserves				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	1,037,556,336	-	3,475,218,136

Cash Flow Statement

For the Period ended	Company		Group	
	31-12-2013 Rs.	31-12-2012 Rs.	31-12-2013 Rs.	31-12-2012 Rs.
Cash Flow from Operating Activities				
Interest Receipts	4,217,907,410	1,919,741,931	4,217,907,410	1,919,741,931
Commission Receipts	120,785,789	53,284,796	120,785,789	53,284,796
Other Income	133,444,346	68,864,092	133,444,346	68,864,092
Interest Payments	(2,420,711,050)	(837,449,058)	(2,420,711,050)	(837,449,058)
Fees and Business Promotion Expenses	(207,447,106)	(36,147,372)	(207,447,106)	(36,147,372)
Employees Related Payments	(376,653,822)	(175,984,036)	(376,653,822)	(175,984,036)
Suppliers Payment	(418,367,538)	(213,867,988)	(418,367,538)	(213,867,988)
Financial Expenses	(22,198,178)	(3,536,101)	(22,198,178)	(3,536,101)
Operating Profit/ (Loss) Before Changes in Operating Assets	1,026,759,851	774,906,264	1,026,759,851	774,906,264
(Increase)/ Decrease in Operating Assets				
Investments Licensed Commercial banks and other Financial Institutions	(1,432,034,798)	(843,232,093)	(1,432,034,798)	(843,232,093)
Investment in Government Securities	(157,243,763)	71,492,607	(157,243,763)	71,492,607
Net Funds Advance to Customers	(5,193,328,533)	(2,421,677,276)	(5,193,328,533)	(2,421,677,276)
Other Short Term Assets	(93,986,793)	32,734,517	(93,986,793)	32,734,517
Inventories	(20,854,588)	(97,339,434)	(20,854,588)	(97,339,434)
	(6,897,448,475)	(2,483,115,415)	(6,897,448,475)	(2,483,115,415)
Increase/ (Decrease) in Operating Liabilities				
Borrowings	1,943,910,054	(312,976,009)	1,943,910,054	(312,976,009)
Deposits from customers	4,533,954,182	2,952,870,013	4,533,954,182	2,952,870,013
	6,477,864,236	2,639,894,004	6,477,864,236	2,639,894,004
Cash (used in)/generated from Operations	607,175,612	156,778,589	607,175,614	156,778,589
Gratuity paid	(747,378)	(169,012)	(747,378)	(169,012)
Value Added Tax	(221,315)	(7,185,290)	(221,315)	(7,185,290)
Economic Service Charge		(12,841,533)	-	(12,841,533)
Tax Paid	(39,942,927)	-	(39,942,927)	-
	566,263,992	136,582,754	566,263,992	136,582,754
Cash Flow from Investing Activities				
Dividend receipts	7,068,000	3,684,000	7,068,000	3,684,000
Purchase of Property, Plant & Equipment	(346,005,510)	(140,734,446)	(346,005,510)	(140,734,446)
Proceeds from sale of Property, Plant & Equipment				
Net Cash Inflows/(Outflows) Investing Activities	(338,937,510)	(137,050,446)	(338,937,510)	(137,050,446)
Cash Flow from Financing Activities				
Issue of Shares		70,100,730	-	70,100,730
Dividend Paid	(149,339,319)	(129,921,290)	(149,339,319)	(129,921,290)
Net Cash Inflow (out flows) from Financing Activities	(149,339,319)	(59,820,560)	(149,339,319)	(59,820,560)
Net Increase/(Decrease) In Cash & Cash Equivalents	77,987,163	(60,288,252)	77,987,163	(60,288,252)
Cash & Cash Equivalents at the beginning of the Year	60,925,730	(48,733,659)	64,261,256	(45,398,133)
Cash & Cash Equivalents at the end of the Year	138,912,893	(109,021,911)	142,248,419	(105,686,385)
Cash and Cash Equivalents at the beginning of the year				
Cash at Bank and In Hand	205,326,279	121,343,098	208,661,805	124,678,624
Bank Overdraft	(144,400,549)	(170,076,757)	(144,400,549)	(170,076,757)
	60,925,730	(48,733,659)	64,261,256	(45,398,133)
Cash and Cash Equivalents at the end of the year				
Cash at Bank and In Hand	230,424,380	126,251,160	233,759,906	129,586,686
Bank Overdraft	(91,511,487)	(235,273,071)	(91,511,487)	(235,273,071)
	138,912,893	(109,021,911)	142,248,419	(105,686,385)

Segmental Analysis - Company

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.
Interest	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,287,794,826	2,859,979,949
Non Interest Income									260,857,354	178,507,678
Total Revenue	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,548,652,180	3,038,487,627
Segmental Results	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,548,652,180	3,038,487,627
Unallocated Expenses									4,007,403,301	2,562,091,953
Profit from Operations									541,248,880	500,535,470
Income Tax expenses									112,412,450	85,050,917
Net Profit for the Period									428,836,430	415,484,553
Segment Assets	18,416,040,110	13,358,445,665	3,256,491,011	2,047,510,538	798,867,662	938,419,389	1,897,883,424	1,459,749,471	24,369,282,206	17,804,125,064
Unallocated Assets									7,279,975,741	4,367,676,110
Total Assets									31,649,257,947	22,171,801,174

Segmental Analysis - Group

	Lease & Stock out on Hire		Loans		Pawning		Others		Total	
	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.	31-12-2013 Rs.
Interest	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,287,794,826	2,859,979,949
Non Interest Income									260,857,354	178,507,678
Total Revenue	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,548,652,180	3,038,487,627
Segmental Results	3,048,615,867	2,013,612,735	445,765,136	261,645,448	121,840,377	98,851,293	671,573,446	485,870,473	4,548,652,180	3,038,487,627
Unallocated Expenses									4,007,403,301	2,562,091,953
Profit from Operations									541,248,880	500,535,470
Income Tax expenses									112,412,450	85,050,917
Net Profit for the Period									428,836,430	415,484,553
Segment Assets	18,416,040,110	13,358,445,665	3,256,491,011	2,047,510,538	798,867,662	938,419,389	1,897,883,424	1,459,749,471	24,369,282,206	17,804,125,063
Unallocated Assets									7,280,565,821	4,368,266,190
Total Assets									31,649,848,027	22,172,391,253

Shareholders' Information

Twenty Largest Shareholders as at 31 December 2013

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	1,664,100	3.59%
5	PERPETUAL CAPITAL (PRIVATE) LIMITED	1,602,245	3.46%
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	E.W. BALASURIYA & CO. (PVT) LTD	535,103	1.16%
9	MR. D. KOTTHOFF	523,073	1.13%
10	LITTLE SMILE ORGANIC (PVT) LTD	416,500	0.90%
11	MAS CAPITAL (PRIVATE) LIMITED	289,492	0.63%
12	EAST INDIA HOLDING (PVT) LTD	243,833	0.53%
13	DAVID PIERIS MOTOR COMPANY LIMITED	221,867	0.48%
14	MR. K. SABARATNAM	164,000	0.35%
15	MR. W. S. R. FERNANDO	137,900	0.30%
16	DR. C. GUNASEKARA	131,700	0.28%
17	PAN ASIA BANKING COPORATION PLC/MR.S.M.P.LJAYARATNE	125,000	0.27%
18	REV. J. N. FERNANDO	125,000	0.27%
19	MR. A. M. SUBRAMANIUM & MR. S. RAGULAN	122,500	0.26%
20	MRS W. M. N. DABARERA	118,942	0.26%
	Sub total of Top 20 Share Holders	37,373,327	80.72%
	Others	8,925,896	19.28%
	Total	46,299,223	100.00%

The percentage of shares held by the public as at 31st December 2013 is 36.93%

Ordinary Non Voting Shares

No	Name	Shareholding	Percentage
1	J.B. COCOSHELL (PVT) LTD	1,051,291	13.13%
2	DEUTSCHE BANK AG AS TRUSTEE FOR JB VANTAGE VALUE EQUITY F	683,653	8.54%
3	CDB ESOP TRUST FUND (PRIVATE) LIMITED	562,499	7.03%
4	CEYLINCO INSURANCE PLC A/C NO 2 (GENERAL FUND)	320,541	4.00%
5	ASKOLD (PRIVATE) LIMITED	217,949	2.72%
6	MR. M. J. FERNANDO	208,999	2.61%
7	MR. H. N. ESUFALLY	208,999	2.61%
8	MR. S. PRABAGAR	207,000	2.59%
9	E.W. BALASURIYA & CO. (PVT) LTD	204,413	2.55%
10	MR. M. A. H. ESUFALLY	194,000	2.42%
11	MR. G. H. I. JAFFERJEE	156,749	1.96%
12	MR. I. M. DABAH	154,499	1.93%
13	COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	123,950	1.55%
14	MR. S. R. FERNANDO	120,000	1.50%
15	CAPTAIN M. A. L. RATNAYAKE	116,845	1.46%
16	MR. D. F. G. DALPETHADO & MRS. H.A.K.D. DALPETHADO	116,196	1.45%
17	JAFFERJEES INVESTMENTS (PVT) LTD.	104,499	1.31%
18	GOLD INVESTMENT LIMITED.	104,499	1.31%
19	MR. M. A. VALABJI	104,499	1.31%
20	TRADING PARTNERS (PVT) LTD	100,000	1.25%
	Sub total of Top 20 Share Holders	5,061,080	63.22%
	Others	2,944,904	36.78%
	Total	8,005,984	100.00%

The percentage of shares held by the public as at 31st December 2013 is 86.18%

Directors' and Chief Executive Officer's Shareholding as at 31st December 2013

Ordinary Voting Shares

Name	Share Holding	Percentage
Mr. D H J Gunawardana	-	0.000%
Mr. W P C M Nanayakkara	29,660	0.064%
Mr. S R Abeynayake	-	0.000%
Mr. Razik Mohamed	-	0.000%
Mr. R H Abeygoonewardena	34,103	0.074%
Dr. A Dharmasiri	-	0.000%
Mr. D A De Silva	-	0.000%
Mr. T M D P Tennakoon	42,000	0.091%
Mr. P A J Jayawardena	500	0.001%
Mr. W W K M Weerasooriya	7,000	0.015%
Mr. S V Munasinghe	40,500	0.087%
	153,763	0.332%

Ordinary Non Voting Shares

Name	Share Holding	Percentage
Mr. W P C M Nanayakkara	28,941	0.361%
Mr. D H J Gunawardana	-	0.000%
Mr. S R Abeynayake	-	0.000%
Mr. R H Abeygoonewardena	5,447	0.068%
Mr. T M D P Tennakoon	7,262	0.091%
Mr. W W K M Weerasooriya	1,209	0.015%
Mr. S V Munasinghe	9,411	0.118%
Mr. P A J Jayawardena	22	0.000%
Mr. Razik Mohamed	-	0.000%
Mr. D A De Silva	-	0.000%
Dr. A Dharmasiri	-	0.000%
	52,292	0.653%

Market Value of the Shares

	Ordinary Voting Shares		Ordinary Non Voting Shares	
	31-12-2013	31-12-2012	31-12-2013	31-12-2012
Highest Price	47.90	45.00	37.70	33.90
Lowest Price	40.50	37.90	34.00	27.50
Last Traded	42.00	40.80	35.60	30.00

Explanatory Notes

- 1 The Company has used the same accounting policies and method of computing described in the annual report of the company for 2012/13 in the preparation of these interim financial statements.
- 2 The Company has paid a dividend of Rs. 2.75 per share on its ordinary Voting and Non Voting shares amounting to Rs. 149,339,319/- on 08th July 2013.
- 3 The Company obtain a foreign funding line for US\$6Mn (equivalent of Rs. 780Mn) from Belgium Investment Company for Developing Countries based in Brussels, Belgium.
The interest rate of this loan is fixed and Tenor is for 4 years and the loan has been fully hedged against any foreign exchange rate fluctuations.
- 4 The Company issued 10,000,000 Subordinated Listed Rated Unsecured Redeemable Debentures of Rs. 100/- each during the period.
- 5 All known Expenses have been provided in these Financial Statements and Management Fees are not applicable to the Company
- 6 During the period there were no material changes in the composition of assets, liabilities and contingent liabilities and there is no seasonality and cyclicity affecting the interim operation.
- 7 Group Financial statements comprises the consolidation of the company and its subsidiary CDB Micro Finance Ltd.
- 8 No of Shares as at 31 st December 2013 is as follows.

Ordinary Voting Shares	46,299,223
Ordinary Non Voting Shares	8,005,984
- 9 Since 31 st December 2013, 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 31 December 2013**

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

Interest Rates

Debenture Type	Interest Payment Frequency	Coupon Rate	Annual Effective Rate
		%	%
Type A	Annually	16.00	16.00
Type B	Semi- annually	15.50	16.10
Type C	Quarterly	15.00	15.87

Interest Rates of Comparable Government Securities

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

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

Ratios

Debt Equity Ratio	79%
Quick Asset Ratio (Times)	0.79
Interest Cover (Times)	1.21

Selected Performance Indicators

Indicator	Company		Group	
	As at 31-12-2013	As at 31-12-2012	As at 31-12-2013	As at 31-12-2012
Asset Quality (Rs. 000)				
Gross Non- Performing Accommodations,	1,112,596	506,760	1,112,596	506,760
Gross Non- Performing Accommodations Ratio, %	4.53%	2.92%	4.53%	2.92%
Net Non- Performing Accommodations Ratio, %	2.78%	1.31%	2.78%	1.31%
Liquidity (Rs. 000)				
Required Minimum amount of Liquid Assets	2,286,860	1,574,429	2,286,860	1,574,429
Available amount of Liquid Assets	3,976,242	1,857,131	3,979,577	1,857,131
Required Minimum amount of Government Securities	1,252,444	719,566	1,252,444	719,566
Available amount of Government Securities	1,326,255	724,437	1,326,255	724,437
Capital Adequacy				
Core Capital (Tier 1 Capital)	3,264,282	2,637,954	3,264,282	2,637,954
Total Capital Base	4,164,512	2,637,954	4,164,512	2,637,954
Core Capital to Risk Weighted Assets ratio (Minimum 5%)*	12.97%	14.58%	12.97%	14.58%
Total Capital to Risk Weighted Assets ratio (Minimum 10%)*	16.55%	14.58%	16.55%	14.58%
Capital Funds to total Deposit Liabilities ratio (Minimum 10%)	18.48%	16.99%	18.48%	16.99%
Profitability				
Interest Margin (Annualized %)	7.16%	7.76%	7.16%	7.76%
Return on Average Assets-Before Tax (Annualized %)	2.04%	2.86%	2.04%	2.86%
Return on Average Equity- After Tax (Annualized %)	17.65%	22.41%	17.65%	22.41%
Memorandum information				
Number of Employees	1107	820	1107	820
Number of branches	44	38	44	38
Number of service centers	11	4	11	4
Number of pawning centers	1	1	1	1

* Including current year unaudited profit

Corporate Information

Name of the Company

Citizens Development Business Finance PLC

Legal Form

A public quoted company incorporated in Sri Lanka under the provisions of the Companies Act No 17 of 1982 and re-registered under the Companies Act No 7 of 2007

The Company is licensed under the Finance Business Act No 42 of 2011.

The Company is registered under the Finance Leasing Act No 56 of 2000

Date of Incorporation

07th September 1995

Registration Number

PB 232 PQ

Accounting Year

March 31

Board of Directors

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

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

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

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

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

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

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

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

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

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

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

Registered address of Head Office

No 18, Sri Sangaraja Mawatha,
Colombo 10
Sri Lanka
Tel 0094117388388
Fax 0094112429888
E mail cdb@cdb.lk
Web www.cdb.lk

Company Secretary

S.S.P Corporate Services (Private) Ltd
101, Inner Flower Road,
Colombo 03
Sri Lanka
Tel 00942573894, 00942576871
Fax 00942573609
E mail sspsec@sltnet.lk

Company Auditors

KPMG
(Chartered Accountants)
32 A, Sir Mohamed Macan Marker Mawatha,
Colombo 03
Sri Lanka
Tel 0094115426426

Lawyers of the Company

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

Credit Rating

BBB/P2 (RAM)

Bankers

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



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