



## Results for the Six months Ended 30 September 2015

This commentary relates to the interim non-audited financial statements for 6 months ended 30 September 2015. These Financial Statements are presented in accordance with Sri Lanka Financial Reporting Standards (SLFRS) aligned with International Financial Reporting Standards (IFRS).

### GROUP PERFORMANCE

The DFCC Group recorded a consolidated profit after tax of LKR 1,189m for the six months ended 30 September 2015 compared with LKR 2,071m in the corresponding period of the previous year (comparable period). The prior period included a one off adjustment due to a change to the impairment assessment process.

The Banking Business comprising the DFCC Bank (DFCC), a licensed specialized bank and its 99% owned subsidiary DFCC Vardhana Bank PLC (DVB), a licensed commercial bank contributed LKR 1,164m to profit after tax. The contribution from all other subsidiaries, joint venture and associate company collectively was LKR 25m (LKR 69m in the comparable period)

### BANKING BUSINESS

The Banking Business of the DFCC Group is undertaken by DFCC and DVB. Both banks function as one economic entity and as such it is appropriate to analyse the consolidated performance of the two banks as DFCC Banking Business (DBB). A consolidated Income statement for DBB has been released to the Colombo Stock Exchange as supplementary financial information. This statement was derived from the interim financial statements. Since the financial year of DVB ends in December, the accounts of DVB are consolidated with a 3 month lag.

Net Interest Income (NII) of DBB for the period increased by 5% from LKR 3,364m to LKR 3,529m. DBB also achieved a credit growth of 12% during the period to 30 September 2015.

Net fee and commission income of DBB in the current period increased by 18% to LKR 534m compared to LKR 453m in the previous comparable period. Fee income is generated largely by DVB the commercial banking subsidiary from trade finance and commercial banking services.

DBB recorded a profit after tax (PAT) of LKR 1,164 m during the current period. The PAT for the previous comparable period included an adjustment arising from a change to the impairment assessment processes which contributed LKR 697m to PAT. The PAT for the current period of LKR 1,164 is a decrease of 11% over that for the previous period excluding

the one off adjustment referred to above. The adjusted PAT excluding any gain on sale of securities however recorded an increase of 9% over that of the preceding period.

The forward exchange contracts are accounted as a derivative and its fair value changes are reported as net gain/loss) from financial instruments at fair value through profit or loss in the income statement.

The cumulative allowance for impairment for loans and advances was maintained at a healthy level of 69% as a percentage of impaired loans and advances of DBB on 30 September 2015.

Due to stringent cost management DBB was able to contain the overall operating cost increases to only 11% over that of the comparable period. The main increase in operating cost was due to an increase in personnel cost as a result of a salary revision that was effected during the second half of last year. In common with banking industry, personnel cost is a significant proportion of the operating expenses.

## **INVESTMENTS**

Listed shares are classified as available for sale and carried at fair value. Fair value changes that represent unrealized gains/(loss) are recognized in other comprehensive income. During the period ended 30 September 2015, due to adverse market conditions the available for sale securities recorded a fair value loss of LKR 916 m. In the comparable period the fair value gain was LKR 4,679 m.

## **EQUITY CAPITAL**

Under SLFRS, the total income for the period comprises the income reported in the income statement and other comprehensive income. The equity capital is significantly augmented due to the gain as a result of the recognition of shares listed in the Colombo Stock Exchange and owned by the bank at fair value.

## **PRUDENTIAL INDICATORS**

The capital adequacy and liquidity ratios continued to be well above the stipulated regulatory minimum. The regulatory capital computation excludes fair value changes on financial assets classified as available for sale.

## **AMALGAMATION OF DFCC BANK PLC AND DFCC VARDHANA BANK PLC**

The Registrar General of Companies on 1 October 2015 issued the Certificate of Amalgamation in terms of Section 244 (1) (a) of the Companies Act No. 7 of 2007 that DFCC Vardhana Bank PLC has been amalgamated with DFCC Bank PLC in accordance with the provisions of Part VIII of the Companies Act, with DFCC Bank PLC surviving as the amalgamated entity.

DFCC Bank PLC also obtained a commercial banking license from the Monetary Board of the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988, as amended, and accordingly upon the amalgamation now operates as a licensed commercial bank with effect from 1 October 2015.

Arjun Fernando  
Chief Executive Officer

13 November 2015

**DFCC Bank PLC**  
**Income Statement**

	Notes	Bank				Group			
		For the period ended		For the quarter ended		For the period ended		For the quarter ended	
		30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000
<b>For the period ended</b>									
Interest income		4,241,568	4,130,220	2,192,873	2,054,138	8,335,959	8,426,988	4,324,951	4,130,376
Interest expense		2,685,299	2,310,248	1,416,873	1,175,397	4,796,211	5,041,185	2,549,403	2,446,664
<b>Net interest income</b>		<b>1,556,269</b>	<b>1,819,972</b>	<b>776,000</b>	<b>878,741</b>	<b>3,539,748</b>	<b>3,385,803</b>	<b>1,775,548</b>	<b>1,683,712</b>
Fees and commission Income		83,896	81,605	53,611	41,625	571,692	511,111	302,586	267,711
Less- Fees and commission expenses		-	-	-	-	6,322	9,071	4,191	4,902
<b>Net fees and commission income</b>		<b>83,896</b>	<b>81,605</b>	<b>53,611</b>	<b>41,625</b>	<b>565,370</b>	<b>502,040</b>	<b>298,395</b>	<b>262,809</b>
Net gain/(loss) from trading		(4,832)	218,338	(23,405)	171,911	133,418	333,442	71,508	254,496
Net gain/(loss) from financial instruments at fair value through profit or loss	7	446,315	(310,805)	577,075	(57,582)	385,496	(403,288)	577,867	(134,167)
Net gain from financial investments	8	372,784	540,013	85,826	281,084	224,195	454,195	102,042	281,595
Other operating (loss) /income (net)	9	(510,789)	242,976	(655,266)	22,395	(271,654)	439,896	(587,107)	148,860
<b>Total operating income</b>		<b>1,943,643</b>	<b>2,592,099</b>	<b>813,841</b>	<b>1,338,174</b>	<b>4,576,573</b>	<b>4,712,088</b>	<b>2,238,254</b>	<b>2,497,305</b>
Impairment for Loans and other losses									
- Individual impairment		151,420	134,305	111,440	236,187	335,675	511,121	213,788	469,248
- Collective impairment		14,390	(783,455)	11,826	(220,357)	100,640	(779,487)	48,952	(395,757)
- Others		3,060	6,981	3,939	3,619	10,298	6,981	9,137	3,619
Investment - impairment losses		1,681	11,000	-	11,000	-	-	-	-
<b>Net operating income</b>		<b>1,773,092</b>	<b>3,223,268</b>	<b>686,636</b>	<b>1,307,725</b>	<b>4,129,960</b>	<b>4,973,473</b>	<b>1,966,377</b>	<b>2,420,195</b>
<b>Operational expenses</b>									
Personnel expenses		333,406	342,605	165,803	161,330	1,130,716	908,661	580,524	456,259
Depreciation and amortisation		71,271	69,576	35,949	34,731	197,386	185,704	100,897	93,957
Other expenses		267,388	243,632	130,446	121,942	817,249	838,795	419,624	439,275
<b>Operating profit before value added tax and nation building tax on financial services</b>		<b>1,101,027</b>	<b>2,567,455</b>	<b>354,438</b>	<b>989,722</b>	<b>1,984,609</b>	<b>3,040,313</b>	<b>865,332</b>	<b>1,430,704</b>
<b>Value added tax and nation building tax on financial services</b>		<b>150,198</b>	<b>310,246</b>	<b>49,584</b>	<b>133,172</b>	<b>320,421</b>	<b>355,926</b>	<b>132,459</b>	<b>153,254</b>
<b>Operating profit after value added tax and nation building tax on financial services</b>		<b>950,829</b>	<b>2,257,209</b>	<b>304,854</b>	<b>856,550</b>	<b>1,664,188</b>	<b>2,684,387</b>	<b>732,873</b>	<b>1,277,450</b>
Share of profits of associate and joint venture		-	-	-	-	41,755	38,591	62,858	33,049
<b>Profit before tax</b>		<b>950,829</b>	<b>2,257,209</b>	<b>304,854</b>	<b>856,550</b>	<b>1,705,943</b>	<b>2,722,978</b>	<b>795,731</b>	<b>1,310,499</b>
Income tax expense		168,852	458,772	57,497	222,415	516,597	651,813	243,423	377,435
<b>Profit for the period</b>		<b>781,977</b>	<b>1,798,437</b>	<b>247,357</b>	<b>634,135</b>	<b>1,189,346</b>	<b>2,071,165</b>	<b>552,308</b>	<b>933,064</b>
<b>Profit attributable to</b>									
Equity holders of the Bank		781,977	1,798,437	247,357	634,135	1,156,835	2,035,024	534,678	912,291
Non-controlling interests		-	-	-	-	32,511	36,141	17,629	20,773
<b>Profit for the period</b>		<b>781,977</b>	<b>1,798,437</b>	<b>247,357</b>	<b>634,135</b>	<b>1,189,346</b>	<b>2,071,165</b>	<b>552,309</b>	<b>933,064</b>
Basic earnings per ordinary share - LKR		2.95	6.78	0.93	2.39	4.36	7.68	2.02	3.44

Statement of Profit or Loss and Other Comprehensive Income

	Bank				Group			
	For the period ended		For the quarter ended		For the period ended		For the quarter ended	
For the period ended	30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000	30.09.15 LKR 000	30.09.14 LKR 000
<b>Profit for the period</b>	<b>781,977</b>	1,798,437	<b>247,357</b>	634,135	<b>1,189,346</b>	2,071,165	<b>552,309</b>	933,064
<b>Other comprehensive income, net of tax</b>								
<b>Other comprehensive income to be reclassified to income statement</b>								
Available for sale financial assets								
Net change in fair value of available-for-sale financial assets	(835,729)	4,954,765	(281,597)	2,591,461	(874,955)	4,931,653	(227,152)	2,579,973
Net amount transferred to income statement on disposal of available-for-sale financial assets	(36,874)	(247,324)	-	(186,189)	(50,915)	(247,324)	(1,008)	(186,189)
Tax expense relating to available for sale financial assets	(908)	-	-	-	9,592	(5,205)	(19,549)	(5,205)
Share of other comprehensive income of associate and joint venture	-	-	-	-	(196)		388	1,068
<b>Total Other comprehensive income to be reclassified to income statement</b>	<b>(873,511)</b>	4,707,441	<b>(281,597)</b>	2,405,272	<b>(916,474)</b>	4,679,124	<b>(247,321)</b>	2,389,647
<b>Other comprehensive income not to be reclassified to income statement</b>								
Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	-	-
Tax expense relating to Actuarial gains and losses on defined benefit plans	-	-	-	-	-	-	-	-
<b>Total Other comprehensive income not to be reclassified to income statement</b>	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(873,511)</b>	4,707,441	<b>(281,597)</b>	2,405,272	<b>(916,474)</b>	4,679,124	<b>(247,321)</b>	2,389,647
<b>Total comprehensive income for the period</b>	<b>(91,534)</b>	6,505,878	<b>(34,240)</b>	3,039,407	<b>272,872</b>	6,750,289	<b>304,987</b>	3,322,711
Total comprehensive income attributable to:								
Equity holders of the Bank	(91,534)	6,505,878	(34,240)	3,039,407	240,585	6,714,340	286,941	3,302,034
Non-controlling interests	-	-	-	-	32,287	35,949	18,046	20,677
<b>Total comprehensive income for the period</b>	<b>(91,534)</b>	6,505,878	<b>(34,240)</b>	3,039,407	<b>272,872</b>	6,750,289	<b>304,987</b>	3,322,711

## Statement of Financial Position

As at	Notes	BANK		GROUP	
		30.09.2015 LKR 000	31.03.2015 LKR 000 Audited	30.09.2015 LKR 000	31.03.2015 LKR 000 Audited
<b>Assets</b>					
Cash and cash equivalents		19,990	110,576	3,122,425	4,060,820
Balances with Central Bank		-	-	3,546,951	2,616,406
Placements with banks		1,750,065	716,622	2,118,681	1,324,892
Derivative assets held for risk management		123,419	29,335	129,407	89,861
Other financial assets held-for-trading		1,215,275	1,469,166	2,877,990	1,469,166
Loans to and receivables from banks		5,369,799	484,067	8,906,054	3,563,647
Loans to and receivables from other customers	10	78,424,778	73,448,705	147,232,331	135,322,723
Financial investments - available-for-sale		29,708,532	27,823,496	47,998,364	45,826,878
Financial investments - held-to-maturity		4,511,434	2,085,921	14,813,414	10,872,287
Investments in subsidiaries		5,955,883	5,957,564	-	-
Investments in associates		35,270	35,270	60,037	63,960
Investments in joint ventures		655,000	655,000	1,154,543	1,124,025
Due from subsidiaries		134,819	135,091	-	-
Investment properties		-	-	213,481	186,070
Property, plant and equipment		308,143	351,207	1,011,097	1,051,932
Intangible assets		86,818	82,380	268,908	280,196
Goodwill on consolidation		-	-	156,226	156,226
Government grant receivable	12.1	834,345	483,727	834,345	483,727
Deferred tax asset		-	-	1,518	1,562
Income tax refund due		-	-	-	1,178
Prepayments		22,367	26,342	22,367	26,342
Other assets		467,903	717,125	2,095,432	2,088,401
<b>Total assets</b>		<b>129,623,840</b>	<b>114,611,594</b>	<b>236,563,571</b>	<b>210,610,299</b>
<b>Liabilities</b>					
Due to banks		12,943,433	1,928,867	18,632,669	5,972,567
Derivative liabilities held for risk management		123	1,737	41,050	37,153
Due to other customers	11	28,524,496	22,484,652	100,900,010	92,711,793
Other borrowing		23,652,506	24,361,797	39,427,733	38,846,172
Debt securities issued		20,161,683	19,445,924	23,176,754	19,445,924
Current tax liability		171,012	53,211	464,767	191,598
Deferred tax liability		429,743	486,855	619,622	642,021
Government grant deferred income	12.2	65,595	303,727	65,595	303,727
Other liabilities		609,062	840,156	2,673,522	2,586,927
Due to subsidiaries		-	31	-	-
Subordinated term debt		653,043	609,373	3,663,700	1,609,664
<b>Total liabilities</b>		<b>87,210,696</b>	<b>70,516,330</b>	<b>189,665,422</b>	<b>162,347,546</b>
<b>Equity</b>					
Stated capital	15.2	4,715,814	4,715,814	4,715,814	4,715,814
Statutory reserves		1,545,000	1,545,000	1,545,000	1,545,000
Retained earnings		5,733,042	6,541,651	12,331,435	12,755,357
Other reserves		30,419,288	31,292,799	27,976,449	28,892,700
<b>Total equity attributable to equity holders of the Bank</b>		<b>42,413,144</b>	<b>44,095,264</b>	<b>46,568,698</b>	<b>47,908,871</b>
<b>Non-controlling interests</b>				<b>329,451</b>	<b>353,882</b>
<b>Total equity</b>		<b>42,413,144</b>	<b>44,095,264</b>	<b>46,898,149</b>	<b>48,262,753</b>
Total equity and liabilities		129,623,840	114,611,594	236,563,571	210,610,299
Contingent liabilities and commitments		48,705,866	40,979,686	84,046,193	75,072,548
<b>Net asset value per share, LKR</b>		<b>159.99</b>	<b>166.34</b>	<b>175.67</b>	<b>180.72</b>

The highest, the lowest and the last traded market price recorded during the period ended

	30.09.2015	30.09.2014
- Highest price Rs.	206.50	203.00
- Lowest price Rs.	182.10	152.10
- Last traded price Rs.	182.90	200.30

## Statement of Changes in Equity

For the period ended 30 Sep 2015

	Stated capital LKR 000	Statutory reserves		Other reserves		Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Investment fund account LKR 000	Fair value reserve LKR 000	General reserves LKR 000		
<b>Bank</b>							
<b>Balance as at 01.04.2014</b>	4,715,814	1,380,000	1,001,648	12,443,175	13,779,839	4,089,601	37,410,077
Profit for the period		-	-	-	-	1,798,437	1,798,437
Other comprehensive income		-	-	4,707,441	-	-	4,707,441
<b>Total comprehensive income for the period</b>		-	-	4,707,441	-	1,798,437	6,505,878
Transfers			22,553	-	-	(22,553)	-
<b>Transactions with equity holders, recognised directly in equity</b>							
Final dividend approved on 30.06.2014		-	-	-	-	(1,458,037)	(1,458,037)
<b>Total contributions from and distribution to equity holders</b>		-	-	-	-	(1,458,037)	(1,458,037)
<b>Balance as at 30.09.2014</b>	<b>4,715,814</b>	<b>1,380,000</b>	<b>1,024,201</b>	<b>17,150,616</b>	<b>13,779,839</b>	<b>4,407,448</b>	<b>42,457,918</b>
<b>Balance as at 01.04.2015</b>	4,715,814	1,545,000	-	17,512,960	13,779,839	6,541,651	44,095,264
Profit for the period		-	-	-	-	781,977	781,977
Other comprehensive income		-	-	(873,511)	-	-	(873,511)
<b>Total comprehensive income for the period</b>		-	-	(873,511)	-	781,977	(91,534)
Transfers				-	-	-	-
<b>Transactions with equity holders, recognised directly in equity</b>							
Final dividend approved on 30.06.2015		-	-	-	-	(1,590,586)	(1,590,586)
<b>Total contributions from and distribution to equity holders</b>		-	-	-	-	(1,590,586)	(1,590,586)
<b>Balance as at 30.09.2015</b>	<b>4,715,814</b>	<b>1,545,000</b>	<b>-</b>	<b>16,639,449</b>	<b>13,779,839</b>	<b>5,733,042</b>	<b>42,413,144</b>

## Statement of Changes in Equity

For the period ended 30 Sep 2015

	Attributable to the equity holders of the Bank								Total
	Stated Capital	Statutory reserves		Other reserves		Retained earnings	Total	Non- controlling interests	
		Reserve fund	Investment fund account	Fair value reserve	General reserve				
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
<b>Group</b>									
<b>Balance as at 01.04.2014</b>	<b>4,715,814</b>	<b>1,380,000</b>	<b>1,001,648</b>	<b>10,079,975</b>	<b>13,779,839</b>	<b>9,163,494</b>	<b>40,120,770</b>	<b>333,728</b>	<b>40,454,498</b>
Profit for the period		-	-	-	-	2,035,024	2,035,024	36,141	2,071,165
Other comprehensive income net of tax		-	-	4,679,316	-	-	4,679,316	(192)	4,679,124
<b>Total comprehensive income for the period</b>		-	-	4,679,316	-	2,035,024	6,714,340	35,949	6,750,289
Transfers			22,553	-	-	(22,553)	-	-	-
<b>Transactions with equity holders, recognised directly in equity</b>									
Change in holding through joint venture						20,828	20,828	-	20,828
Final Dividend approved on 30.06.2014						(1,458,037)	(1,458,037)	(55,777)	(1,513,814)
<b>Total contributions from and distribution to equity holders</b>						(1,437,209)	(1,437,209)	(55,777)	(1,492,986)
<b>Balance as at 30.09.2014</b>	<b>4,715,814</b>	<b>1,380,000</b>	<b>1,024,201</b>	<b>14,759,291</b>	<b>13,779,839</b>	<b>9,738,756</b>	<b>45,397,901</b>	<b>313,900</b>	<b>45,711,801</b>
<b>Balance as at 01.04.2015</b>	<b>4,715,814</b>	<b>1,545,000</b>		<b>15,112,861</b>	<b>13,779,839</b>	<b>12,755,357</b>	<b>47,908,871</b>	<b>353,882</b>	<b>48,262,753</b>
Profit for the period		-	-	-	-	1,156,835	1,156,835	32,511	1,189,346
Other comprehensive income net of tax		-	-	(916,251)	-	-	(916,250)	(224)	(916,473)
<b>Total comprehensive income for the period</b>		-	-	(916,251)	-	1,156,835	240,585	32,287	272,873
Transfers			-	-	-	-	-	-	-
<b>Transactions with equity holders, recognised directly in equity</b>									
Change in holding through joint venture						9,830	9,830	-	9,830
Final dividend approved on 30.06.2015						(1,590,586)	(1,590,586)	-	(1,590,586)
<b>Total contributions from and distribution to equity holders</b>						(1,580,757)	(1,580,757)	(56,718)	(1,637,475)
<b>Balance as at 30.09.2015</b>	<b>4,715,814</b>	<b>1,545,000</b>	<b>-</b>	<b>14,196,610</b>	<b>13,779,839</b>	<b>12,331,435</b>	<b>46,568,698</b>	<b>329,451</b>	<b>46,898,149</b>

## Cash Flow Statement

<i>For the period ended</i>	<b>Bank</b>		<b>Group</b>	
	<b>30.09.2015</b>	<b>30.09.2014</b>	<b>30.09.2015</b>	<b>30.09.2014</b>
	<b>LKR 000</b>	<b>LKR 000</b>	<b>LKR 000</b>	<b>LKR 000</b>
<b>Cash flow from operating activities</b>				
Interest Receipts	3,423,700	3,599,287	7,132,203	7,210,802
Interest payments	(2,578,441)	(2,319,095)	(4,644,565)	(5,073,671)
Recoveries on loans previously written off	17,943	15,344	25,741	18,013
Receipts from other operating activities	1,634,811	(10,122)	2,535,423	738,931
Cash payments to employees & suppliers	(826,726)	(756,702)	(1,983,473)	(1,892,207)
Value added tax	(238,935)	(245,430)	(427,016)	(296,477)
Other taxes and levies		(59,557)		(71,432)
Operating Cash flow before changes in operating assets and liabilities	1,432,352	223,725	2,638,313	633,959
<b>(Increase )/decrease in operating assets:</b>				
Deposits held for regulatory or monetary control purposes	-	-	(930,545)	(234,725)
Funds advanced to customers	(10,098,651)	(6,157,131)	(18,519,413)	(11,250,542)
Others	(431,416)	192,786	(493,918)	(260,857)
<b>Increase /(decrease ) in operating liabilities:</b>				
Security deposits from customers	-	-	-	(57,375)
Deposits from customers	5,912,657	1,301,875	7,918,677	158,499
Negotiable certificates of deposit	-	-	74,355	29,834
Others	(325,824)	100,395	(136,085)	736,621
Net cash flow from operating activities before income tax	(3,510,882)	(4,338,350)	(9,448,615)	(10,244,586)
Income tax paid	(103,801)	(314,836)	(201,071)	(372,615)
Net cash flow from/(used in )operating activities	(3,614,682)	(4,653,186)	(9,649,687)	(10,617,201)
<b>Cash flow from investing activities</b>				
Dividends received	377,334	762,277	97,727	579,578
Interest received	396,637	313,657	622,505	940,517
Government Securities	(3,777,581)	1,288,449	(6,602,894)	(7,822,220)
Proceeds from sale and redemption of securities	433,085	821,037	732,539	821,037
Purchase of securities	(1,142,830)	(564,280)	(1,311,322)	(3,455,102)
Investment in associate by joint venture	-	-	-	-
Investment in additional shares of subsidiaries- DFCC Vardhana Bank Plc	-	-	-	-
Investment in additional shares of subsidiaries- Synapsys Ltd	-	-	-	0
Purchase of property , equipment ,intangibles and investment property	(32,533)	(3,793)	(171,965)	(142,512)
Proceeds from sale of equipment and investment property	-	605	-	605
Net cash from/(used in) investing activities	(3,745,889)	2,617,952	(6,633,411)	(9,078,098)
<b>Cash flow from financing activities</b>				
Issue of new shares bt Subsidiary				
Issue of new shares bt Subsidiary of joint venture				
Share issue expenses				
Issue of debentures	-	5,000,000	5,000,000	5,000,000
Borrowing , medium and long - term	817,371	153,702	817,371	157,034
Other borrowings(Net)	11,335,000	(1,402,000)	14,232,551	12,107,002
Repayment of borrowing ,medium and long - term	(1,943,156)	(1,937,016)	(1,944,583)	(1,937,016)
Dividends paid	(1,579,078)	(1,449,167)	(1,630,083)	(1,499,227)
Net Cash flow from/(used in) financing activities	8,630,137	365,519	16,475,256	13,827,793
Net increase/(decrease) in cash & cash equivalents	1,269,566	(1,669,715)	192,159	(5,867,506)
Cash & cash equivalents/(overdraft-net) at the beginning of period	498,619	3,242,119	5,205,170	9,953,112
Cash & cash equivalents at the end of period	1,768,185	1,572,404	5,397,328	4,085,607
<b>Reconciliation of cash &amp; cash equivalents with items reported in the statement of financial position</b>				
Cash and cash equivalents	18,120	154,979	3,035,035	2,281,442
Placements with banks	1,750,065	1,417,425	2,362,293	1,804,165
	1,768,185	1,572,404	5,397,328	4,085,607

## EXPLANATORY NOTES

### Note 1. Reporting Entity

In terms of the DFCC Bank (Repeal and Consequential Provisions) Act No 39 of 2014 the DFCC Bank was incorporated under the Companies Act as a public company listed in the Colombo Stock Exchange with the name "DFCC Bank PLC" (Company Registration No: PQ 233) with effect from 6 January 2015 and continues to carry on its business as a licensed specialized bank without any interruption.

### Note 2. Statement of Compliance

The consolidated financial statements of the Bank (Group) and the separate financial statements of the Bank (Bank) have been prepared in accordance with relevant Sri Lanka Financial Reporting Standards (SLFRS) adopted by The Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of the Companies Act No 07 of 2007 and Banking Act No. 30 of 1988 and amendments thereto.

### Note 3 Accounting policies and accounting estimates

The accounting policies, estimates and methods of computation are consistent with those policies and methods followed during the previous financial year

### Note 4. Accounting for investments in associate company and subsidiary companies

Accounted under cost method in Bank's financial statements. Amounts are based on unaudited financial statements of the associate and subsidiary companies.

### Note 5. Accounting for investment in joint venture company

Accounted under equity method in group's financial statements. Amounts are based on unaudited financial statements of the joint venture company.

### Note 6. 31 December financial year companies

These are DFCC Vardhana Bank PLC, Synapsys Ltd (subsidiaries) and Acuity Partners (Pvt) Limited (joint venture) and National Asset Management Limited (associate). The accounts of these companies are consolidated with a 3 month lag.

For the period ended 30 Sep	Bank		Group	
	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000

### Note 7 Net gain/(loss) from financial instruments at fair value through profit or loss

Forward exchange fair value changes	95,697	(79,805)	34,878	(172,288)
Gain/(loss) on CBSL Swap	350,618	(231,000)	350,618	(231,000)
Total	<u>446,315</u>	<u>(310,805)</u>	<u>385,496</u>	<u>(403,288)</u>

### Note 8. Net Gain/(Loss) from Financial Investments

Gain on sale of securities	37,018	300,195	37,230	300,195
Dividend income	319,135	219,056	31,239	30,942
Net gain from repurchase transactions	16,632	20,762	155,727	123,058
	<u>372,784</u>	<u>540,013</u>	<u>224,195</u>	<u>454,195</u>

### Note 9. Other Operating (Loss)/Income-net

Foreign exchange gain/(loss)	(824,726)	(66,006)	(690,185)	34,360
Amortisation of deferred income on Government grant-CBSL swap	238,133	249,750	238,133	249,750
Others	75,804	59,232	180,399	155,786
	<u>(510,789)</u>	<u>242,976</u>	<u>(271,654)</u>	<u>439,896</u>

Foreign exchange gain/(loss) does not include the offsetting effect of exchange rate movements on forward exchange contracts used as hedging instruments to mitigate market risk of open positions arising from US dollar/LKR funding swaps. This effect is included under 'Net gain/ (loss) from financial instruments at fair value through profit or loss' in the income statement.

As at	Bank		Group	
	30-09-2015	31-03-2015	30-09-2015	31-03-2015
	LKR 000	LKR 000	LKR 000	LKR 000

**Note 10. Loans and Receivables to Other Customers**

Gross loans and receivables (Note 10.1)	81,334,214	76,350,160	153,264,930	141,332,579
Less: Individual impairment (Note 10.2.1)	(1,995,932)	(1,932,635)	(4,015,223)	(4,001,868)
Collective impairment (Note 10.2.2)	(913,504)	(968,820)	(2,017,375)	(2,007,988)
<b>Net loans and receivables</b>	<b>78,424,778</b>	<b>73,448,705</b>	<b>147,232,331</b>	<b>135,322,723</b>

**Note 10.1 Loans and Receivables to Other Customers - By product**

**By product-Domestic Currency**

Overdrafts	-	-	21,370,017	20,143,752
Trade finance	-	-	11,045,842	9,289,157
Lease rentals receivable	8,865,850	8,250,091	13,154,271	10,962,838
Credit cards	-	-	175,350	172,537
Pawning	-	-	1,420,323	1,720,937
Staff loans	616,000	583,621	1,143,319	1,028,735
Term loans	62,961,035	57,751,597	89,255,695	80,319,652
Commercial papers and asset back notes	2,191,792	2,385,756	2,191,792	2,385,756
Debenture loans	577,654	577,347	577,654	577,347
Preference shares unquoted	965,000	1,270,982	965,000	1,270,982
Securities purchased under resale agreements	-	-	-	753,683
	<b>76,177,332</b>	<b>70,819,394</b>	<b>141,299,264</b>	<b>128,625,376</b>

**By product-Foreign Currency**

Overdrafts	-	-	334,384	283,075
Trade finance	-	-	5,495,980	6,027,978
Term loans	5,156,881	5,530,766	6,135,301	6,396,150
	<b>5,156,881</b>	<b>5,530,766</b>	<b>11,965,665</b>	<b>12,707,203</b>

Gross Loans and Receivables

**81,334,214**    **76,350,160**    **153,264,930**    **141,332,579**

**Note 10.2 Movement in Individual and Collective Impairment during the period for Loans and Receivable to Other Customers**

**10.2.1 Individual Impairment**

Opening balance	1,932,635	1,486,838	4,001,868	3,794,550
Charge to income statement	151,420	556,493	335,675	1,143,903
Effect of foreign currency movements	-	-	2,847	1,884
Write-off during the year	(88,123)	(110,696)	(325,167)	(938,469)
Closing balance	<b>1,995,932</b>	<b>1,932,635</b>	<b>4,015,223</b>	<b>4,001,868</b>

**10.2.2 Collective Impairment**

Opening balance	968,820	1,905,442	2,007,988	3,097,218
Charge to income statement	14,390	(887,547)	100,640	(957,842)
Effect of foreign currency movements	-	-	536	(53)
Transfers to dues on terminated leases	(7,339)	(17,016)	(7,339)	(17,016)
Write-off during the year	(62,367)	(32,059)	(84,450)	(114,319)
Closing balance	<b>913,504</b>	<b>968,820</b>	<b>2,017,375</b>	<b>2,007,988</b>

Total Individual and Collective impairment

**2,909,436**    **2,901,455**    **6,032,598**    **6,009,856**

As at	Bank		Group	
	30-09-2015 LKR 000	31-03-2015 LKR 000	30-09-2015 LKR 000	31-03-2015 LKR 000
<b>Note 11. Due to Other Customers - By product</b>				
By product-Domestic Currency				
Demand deposits (current accounts)	-	-	3,495,896	3,187,948
Savings deposits	-	-	13,423,472	14,544,344
Fixed deposits	28,524,496	22,484,652	73,127,440	65,679,561
Margin deposits	-	-	262,120	219,472
Certificate of deposits	-	-	625,211	546,523
	<b>28,524,496</b>	<b>22,484,652</b>	<b>90,934,140</b>	<b>84,177,849</b>
By product- Foreign Currency				
Demand deposits (current accounts)	-	-	347,168	417,516
Savings deposits	-	-	1,210,050	1,105,905
Fixed deposits	-	-	8,366,586	7,003,041
Margin deposits	-	-	42,067	7,483
	-	-	<b>9,965,871</b>	<b>8,533,945</b>
<b>Total</b>	<b>28,524,496</b>	<b>22,484,652</b>	<b>100,900,010</b>	<b>92,711,793</b>

#### Note 12. Government Grant

DFCC Bank in October 2013 raised USD 100 million by Issue of Notes abroad repayable in October 2018. The proceeds of this note issue are to be deployed predominantly in LKR denominated monetary assets. In order to hedge the resulting net open foreign currency liability position, DFCC Bank has entered in to an annually renewable currency SWAP arrangement with Central Bank of Sri Lanka (CBSL) in November 2013 for 75% of the US Dollar (USD) denominated liability. Accordingly this contract was renewed in 30 October 2014.

	Bank		Group	
	30-09-2015 LKR 000	31-03-2015 LKR 000	30-09-2015 LKR 000	31-03-2015 LKR 000
<b>12.1 Government grant- Receivable</b>				
Fair value at the Beginning of the period/initial contract date	483,727	276,878	483,727	276,878
Change in fair value on renewal of contract	-	(368,086)	-	(368,086)
Change in fair value during the period	350,618	574,935	350,618	574,935
<b>Fair value at the end of period</b>	<b>834,345</b>	<b>483,727</b>	<b>834,345</b>	<b>483,727</b>
<b>12.2 Government grant - Deferred Income</b>				
Fair value at the Beginning of the period/initial contract date	303,727	295,628	303,727	295,628
Change in fair value on renewal of contract	-	(368,086)	-	(368,086)
Change in fair value during the period	350,618	574,935	350,618	574,935
Foreign exchange (loss)/gain on revaluation	(588,750)	(198,750)	(588,750)	(198,750)
Amortisation of deferred income on Government grant- CBSL swap	(238,133)	376,185	(238,133)	376,185
<b>Fair value at the end of period</b>	<b>65,595</b>	<b>303,727</b>	<b>65,595</b>	<b>303,727</b>

### **Note 13. Events Occurring after the reporting period**

#### **13.1 Amalgamation of DFCC Bank PLC and DFCC Vardhana Bank PLC**

The Registrar General of Companies on 1 October 2015 issued the Certificate of Amalgamation in terms of Section 244 (1) (a) of the Companies Act No. 7 of 2007 that DFCC Vardhana Bank PLC (DVB) has been amalgamated with DFCC Bank PLC in accordance with the provisions of Part VIII of the Companies Act, with DFCC Bank PLC surviving as the amalgamated entity.

DFCC Bank PLC (DFCC) also obtained a commercial banking license from the Monetary Board of the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988, as amended, and accordingly upon the amalgamation now operates as a licensed commercial bank. Hence with effect from 01 October 2015 the net assets of DVB were absorbed into DFCC and in terms of the amalgamation proposal the minority shareholders of DVB were paid LKR 52 per each voting ordinary share held by them.

#### **13.2. Super Gain Tax**

The interim budget presented by the Honorable Minister of Finance on 29th January 2015, proposed an additional one off tax of 25% on entities that earned a profit before income tax in excess of Rs 2,000 Mn during the year of assessment 2013/14. The Finance Bill incorporating this proposal was presented to the parliament on 22nd September 2015 and passed on 20th October 2015.

The consolidated profit before tax of the Group and that of the Bank exceeds the above threshold of Rs. 2,000Mn. Accordingly, the Bank's and Group's liability is calculated at Rs. 533 Mn and Rs. 837 Mn respectively. This has not been adjusted in the interim financial statements as the bill was not enacted as at the reporting date.

No other circumstances have arisen which would require disclosure or adjustment to the financial statements.

### **Note 14. Other Matters**

#### **14.1 Change of Financial Year End**

Subsequent to the Bank being issued with a Commercial Banking license, an application was made to the Registrar of Companies to change the financial year end to 31 December and the approval was received for same on 13 October 2015. Accordingly the financial year will end on 31 December commencing the year 2015.

#### **14.2 Consolidated financial position as at 30 September 2015 of DFCC Bank PLC**

The consolidated financial statements of DFCC Bank PLC (DFCC) for the Quarter ended 30 September 2015 contains the operating results of DFCC Vardhana Bank (DVB) for the quarter ended 30 June 2015 and the financial position of DVB as at 30 June 2015. Accordingly, the consolidated financial statements have been prepared with a three months gap between the reporting dates of DFCC and DVB which has been consistently applied in line with group accounting policies.

The selected balances in the consolidated statement of financial position of DFCC as at 30th September 2015, if the consolidated financial position was prepared using the financial position of DVB as at 30th September 2015 is given below with DVB Profit (including OCI) for the quarter ending 30 Sep 2015 amounting to LKR 73 Mn been added to total equity attributable to shareholders .

	<b>LKR Mn</b>
Total Assets	237,771
Total Liabilities	190,800
Total Equity attributable to equity holders of the Bank	46,641
Non-controlling interests	330

### **Note 15. Disclosures under Appendix 7B of the Listing Rules**

#### **15.1 Bank has not incurred management fees or any other similar expenditure**

#### **15.2 Stated capital**

	<b>Number of shares</b>
Number of shares of the Bank on 30 Sep 2015 (No change from 31 March 2015)	<u><u>265,097,688</u></u>

### 15.3 Twenty Major Shareholders as at 30.09.2015

	Name of Shareholder/Company	Shareholding	%
1	Bank of Ceylon No.2 A/c.	38,039,994	14.35
2	Hatton National Bank PLC A/c No.1	32,396,140	12.22
3	Sri Lanka Insurance Corporation Ltd-Life Fund	26,509,832	10.00
4	Employees Provident Fund	24,368,995	9.19
5	Mr. M A Yaseen	19,246,700	7.26
6	Melstacorp Limited	17,042,856	6.43
7	Seafeld International Limited	15,286,794	5.77
8	HSBC Intl Nom. Ltd-BPSS Lux-Aberdeen Global Asia Pacific Equity Fund	12,216,146	4.61
9	Renuka City Hotels PLC	6,926,870	2.61
10	HSBC Intl Nom Ltd-BPSS LDN-Aberdeen Asia Pacific Equity Fund	6,750,000	2.55
11	HSBC Intl Nominees Ltd-BP2S London-Edinburg Dragon Trust PLC	5,620,164	2.12
12	Renuka Hotels Limited	4,073,360	1.54
13	HSBC Intl Nominees Ltd-BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,889,870	1.47
14	Employees Trust Fund Board	3,559,446	1.34
15	Mrs. L.E.M. Yaseen	3,500,000	1.32
16	HSBC Intl Nominees Ltd-BP2S Luxembourg-Aberdeen Global Frontier Markets Equity Fund	2,284,584	0.86
17	Cargo Boat Development Company PLC	2,098,200	0.79
18	HSBC Intl Nominees Ltd-BP2S-London - Aberdeen New Dawn Investment Trust XCC6	1,800,000	0.68
19	Renuka Consultants & Services Limited	1,097,992	0.41
20	Anverally and sons (pvt) Ltd A/C No 01	1,092,319	0.41

15.4 Public holding % and number of public share holders as at 30.09.2015 is 63.40% and 8,623 respectively.

### 15.5 Directors' Interests in Shares

	No of Shares As at 30.09.2015
Jansz, C R	1,000
Fernando, A R	4,470
Fernando P.M.B	1,000
Asoka, K.D.N.R	Nil
Dharmarajah, T	500
Cooray, K P	Nil
Thambiyah, S.R.	Nil
Atukorala A.W	14,500
Senaratne V J	1,296

### Certification

We, the undersigned, being the Chairman, the Chief Executive Officer and the Chief Financial Officer of DFCC Bank PLC certify that:

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- (b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank unless indicated as audited .

C R Jansz  
Chairman

A R Fernando  
Director & Chief Executive Officer

D S J Wettasinghe  
Chief Financial Officer

28.10.2015

DFCC Listed Debenture

Debtenture Category	Interest Payable Frequency	Applicable Interest Rate	Interest rate of Comparative Government Securites (Gross) p.a.	Balance as at 30-09-2015 LKR 000	Market price			Yield Last Traded %
					Highest	Lowest	Last Traded	
<b>Fixed Rate</b>								
2006/2016	Annually	14.00%	8.15%	653,043	N/T	N/T	N/T	N/T
20014/2017	Annually	8.50%	8.98%	3,815,594	100.34	100.34	100.34	8.30
20014/2017	Semi annually	8.33%	8.98%	872,184	100.30	100.30	100.30	8.21
20014/2017	Quarterly	8.24%	8.98%	297,874	N/T	N/T	N/T	N/T

N/T -Not traded

Other Ratios	30.09.2015	31.03.2015
Debt to equity Ratio	1.10	1.05
Interest cover	1.35	1.38
Liquid Asset Ratio (%)	55.3	47.6

Business Segment Information  
For the period ended 30 Sep 2015

	Lending		Financial Leasing		Investing in Equity		Commercial Banking		Other		Unallocated		Eliminations		Total	
	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000	2015 LKR 000	2014 LKR 000
Revenue																
Interest income	3,698,947	3,527,739	741,283	725,455	-	-	3,920,904	4,170,556	15,384	22,289	-	-	(40,560)	(19,052)	8,335,959	8,426,988
Net fees and commission income	83,896	81,605	-	-	-	-	449,707	371,029	132,486	142,007	-	-	(100,719)	(92,601)	565,370	502,040
Net gain/(loss) from trading	-	-	-	-	-	-	138,250	115,104	-	0	(4,832)	218,338	-	-	133,418	333,442
Net gain/(loss) from financial instruments designated at fair value through PL	-	-	-	-	-	-	(60,819)	(92,483)	-	-	446,315	(310,805)	-	-	385,496	(403,288)
Net gain/(loss) from financial invest	-	-	-	-	286,599	519,251	134,318	102,404	4,990	0	86,185	20,762	(287,897)	(188,222)	224,195	454,195
Other income	(17,545)	(23,645)	-	-	69,554	-	144,522	104,042	111,097	107,843	(562,798)	266,621	(16,484)	(14,965)	(271,654)	439,896
Income from external customers	3,765,298	3,585,699	741,283	725,455	356,153	519,251	4,726,882	4,770,652	263,957	272,140	(35,130)	194,916	(445,660)	(314,840)	9,372,783	9,753,274
<b>Total income</b>	<b>3,765,298</b>	<b>3,585,699</b>	<b>741,283</b>	<b>725,455</b>	<b>356,153</b>	<b>519,251</b>	<b>4,726,882</b>	<b>4,770,652</b>	<b>263,957</b>	<b>272,140</b>	<b>(35,130)</b>	<b>194,916</b>	<b>(445,660)</b>	<b>(314,840)</b>	<b>9,372,783</b>	<b>9,753,274</b>
Percentage *	40	37	8	7	4	5	50	49	3	3	(0)	2	(5)	(3)	100	100
Expense																
Segment losses	150,711	(638,431)	34,591	15,284	-	-	262,992	372,762	-	-	-	-	(1,681)	(11,000)	446,613	(261,385)
Depreciation	-	-	-	-	-	-	109,964	100,976	16,151	15,151	-	-	-	-	126,115	116,127
Other operating & interest expense	2,179,903	1,908,557	336,334	270,536	-	-	3,372,109	3,766,222	177,741	162,122	(157,963)	(126,618)	5,908,124	5,980,819	-	-
	<b>2,330,614</b>	<b>1,270,126</b>	<b>370,925</b>	<b>285,820</b>	<b>-</b>	<b>-</b>	<b>3,745,065</b>	<b>4,239,960</b>	<b>193,892</b>	<b>177,273</b>	<b>-</b>	<b>-</b>	<b>(159,644)</b>	<b>(137,618)</b>	<b>6,480,852</b>	<b>5,835,561</b>
<b>Result</b>	<b>1,434,684</b>	<b>2,315,573</b>	<b>370,358</b>	<b>439,635</b>	<b>356,153</b>	<b>519,251</b>	<b>981,817</b>	<b>530,692</b>	<b>70,065</b>	<b>94,867</b>	<b>(35,130)</b>	<b>194,916</b>	<b>(286,016)</b>	<b>(177,222)</b>	<b>2,891,931</b>	<b>3,917,713</b>
Unallocated expenses																907,322
Value added tax and Nation building tax on financial services																320,421
Share of profits/(loss) of associates and joint venture																41,755
Profit before tax																1,705,943
Income tax on profit on ordinary activities																516,597
Profit after tax																1,189,346
Non controlling interests																32,511
Profit for the Equity Holders of the Bank																1,156,835
Profits for the year																1,189,346
Other Comprehensive Income net of tax					(836,195)	4,707,440	(27,004)	(23,111)	(53,274)	(5,205)					(916,474)	4,679,124
<b>Total Comprehensive Income</b>																<b>272,872</b>
Total Comprehensive Income - Non controlling interests																<b>32,287</b>
Profit for the Equity Holders of the Bank																<b>240,585</b>
Assets	<b>84,752,107</b>	<b>68,300,633</b>	<b>13,154,271</b>	<b>9,219,852</b>	<b>28,247,970</b>	<b>29,290,710</b>	<b>107,563,941</b>	<b>91,438,923</b>	<b>739,496</b>	<b>768,166</b>	<b>7,193,018</b>	<b>3,258,726</b>	<b>(6,301,813)</b>	<b>(6,774,056)</b>	<b>235,348,990</b>	<b>195,502,954</b>
Percentage*	36	35	6	5	12	15	46	47	0	0	3	7	(3)	(3)	100	100
Investment in associate & Joint venture company																1,214,580
																236,563,570
<b>Liabilities</b>	<b>62,048,635</b>	<b>54,137,823</b>	<b>7,979,265</b>	<b>6,772,146</b>	<b>-</b>	<b>-</b>	<b>102,660,771</b>	<b>85,033,817</b>	<b>170,177</b>	<b>200,905</b>	<b>17,139,822</b>	<b>5,540,830</b>	<b>(333,249)</b>	<b>(631,806)</b>	<b>189,665,421</b>	<b>151,053,715</b>

\* Net of eliminations

Revenue and expenses attributable to the incorporated business segments of industrial estate management, unit trust management, stockbroking and consultancy services are included in the column for other.

Revenues and expenses attributable to the business segment of DFCC Vardhana PLC is included in the column for commercial banking

Property & equipment and depreciation attributable to an incorporated business segment is included in the relevant segment and the balance is unallocated

Eliminations are the consolidation adjustments for inter company transactions, dividend and dividend payable attributable to minority shareholders.

## Supplementary Financial Information (Consolidated Income Statement of DFCC & DVB (DBB))

This information relates to the consolidation of DFCC Bank PLC (DFCC) and DFCC Vardhana Bank PLC (DVB) for purpose of internal review and analysis of the banking business and is derived from total Group financial statements

Income statement of DVB for the 6 months ended 30 June is consolidated with income statements of DFCC for the 6 months ended 30 Sep

*For the six months ended 30 Sep*

	<b>2015</b>	<b>2014</b>
	<b>LKR 000</b>	<b>LKR 000</b>
<b>Income</b>	<b>9,288,604</b>	<b>9,657,955</b>
Interest income	8,332,274	8,417,894
Interest expenses	4,802,921	5,054,381
<b>Net Interest Income</b>	<b>3,529,353</b>	<b>3,363,513</b>
Fee and commission income	539,925	461,705
Less: Fee and commission expenses	6,322	9,071
<b>Net Fee and Commission Income</b>	<b>533,603</b>	<b>452,634</b>
Net gain/(loss) from trading	133,418	333,442
Net gain/(loss) from financial instruments at fair value through profit or loss	385,496	(403,288)
Net gain from financial investments	278,799	515,576
Other operating income (net)	(381,307)	332,626
	<b>4,479,362</b>	<b>4,594,503</b>
Charge of Impairment for loans and other losses	448,293	(250,385)
<b>Net Operating Income</b>	<b>4,031,069</b>	<b>4,844,888</b>
<b>Less: Operating Expenses</b>		
Personnel expenses	1,023,317	809,323
Other operating expenses	1,035,496	1,039,736
<b>Operating profit before value added tax and nation building tax on financial services</b>	<b>1,972,256</b>	<b>2,995,829</b>
Value added tax and nation building tax on financial services	320,421	355,926
<b>Profit Before Tax</b>	<b>1,651,835</b>	<b>2,639,903</b>
Tax expenses	487,987	638,165
<b>Profit for the period</b>	<b>1,163,848</b>	<b>2,001,738</b>

### Reconciliation with Group profit

*For the six months ended 30 Sep*

	<b>2015</b>	<b>2014</b>
	<b>LKR 000</b>	<b>LKR 000</b>
Profit for the period - DBB	1,163,848	2,001,738
Consolidation adjustments		
Dividend from subsidiaries & JV accounted in DBB	(59,593)	(61,381)
WHT on dividend received	(6,590)	(6,218)
Reversal of provision for fall in value of investments in subsidiary	1,681	11,000
	1,099,346	1,945,139
Add: Profit from other subsidiaries and Joint venture attributable to equity holders of DFCC Bank		
Subsidiaries	48,245	87,436
Share of profits of Joint venture	36,483	33,191
Share of profits of associate	5,272	5,399
<b>Profit for the period</b>	<b>1,189,346</b>	<b>2,071,165</b>