



Results for the year ended 31 December 2017

DFCC Bank continued to demonstrate positive momentum across businesses in 2017 as a rapidly growing commercial bank completing its second year after the amalgamation.

Despite a backdrop of higher taxes, volatile interest rates, tight margins and intensifying competition, the Bank closed the financial year ended 31 December 2017 with a profit before tax of LKR 5,792 million a growth of 31% and profit after tax of LKR 4,415 million a growth of 34% over the year ended 31 December 2016.

The Bank's net interest income rose by 27%, to LKR 11,343 million improving the net interest margin from 3.3% in 2016 to 3.6% in 2017. In addition, the Bank's net fee and commission income grew by 22% to LKR 1,591 million, while it recorded a growth in most of its income segments with a 25% increase in total operating income year-on-year.

The successful blending of development and commercial banking has resulted in a unique commercial banking institution with a distinct development banking bias as a consequence of DFCC being the oldest development bank in Asia and a pioneer in the country's development projects.

DFCC has been recognised by S&P and the international rating outlook has been revised to "stable" from "negative" while maintaining our rating at B/B. This was closely followed by Fitch who also upgraded DFCC's international and long term outlook from "negative" to "stable" while maintaining the rating at B+ and AA- respectively. During a year within which the bank had to face many challenges, this is a very significant achievement.

It was a year in which DFCC excelled due to the mix of complementary strategies that were employed. The upward trend in key numbers is especially noteworthy.

The Bank's financial position saw the total assets of the Bank grow by LKR 43,047 million (15%) during year 2017 mainly from LKR 27,891 million growth in loans and receivables. Total loans and receivables was LKR 213,676 million compared to LKR 185,785 million as at 31st December 2016.

The Bank's deposit base reported a substantial increase of 38% from LKR 140,514 million in 2016 to LKR 193,308 million in December 2017. The Bank's low cost deposits (CASA) ratio increased to 21.3% from 20.2% in 2016. This was aided by a successful drive to increase the current and savings base in the retail banking

space with a range of innovative products and services, an aggressive sales force and an expansion of delivery channels which contributed to enhanced business volumes.

During the year, the Bank relocated many branches to more customer friendly locations with enhanced facilities. The Bank's CASA deposits increased by LKR 9.4 Bn during the 4th quarter whilst the Bank continued to enjoy long term concessionary credit lines which improved the ratio from 21.3% to 30.1% as at December 2017.

The Net loss from financial instruments at fair value through profit and loss from other operating income increased mainly due to the marked to market impact and volume increase in foreign currency swaps year-on-year, which is managed through the higher interest income from increased lending of advances funded through swaps.

The Bank's impairment charge has increased by LKR 239 million (26%) over the previous year mainly due to the growth in loan portfolio. The Bank's non-performing advances (NPA) ratio as at 31st December 2017 improved to 2.77% compared to 2.97% in December 2016. Due to the prudent recovery processes implemented and close monitoring, the Bank has been able to contain the build-up of non performing advances.

The incremental cost that had to be incurred for above business growth contributed to a 15% increase in operating expenses which were a result of the amalgamation synergies required for investments in people, IT and branch expansion. Careful monitoring and effective cost control measures adopted along with additional revenues generated during the year helped the Bank to record a lower cost to income ratio of 41.1% in 2017 compared to 44.7% in the previous year.

The Bank's return on assets (ROA) before tax improved to 1.9% by December 2017 from 1.6% in December 2016, while the return on equity (ROE) increased by 27% to 9.4%, from 7.4% in December 2016. The Bank has comfortably met minimum capital requirement ratios under Basel III which came in to effect from 1st July 2017. As at 31 December 2017, the Group's Tier 1 capital adequacy ratio stood at 13.09% while the total capital adequacy ratio stood at 16.53%. DFCC Bank recorded Tier 1 and total capital adequacy ratios of 12.68% and 16.13% respectively. The ratios are well above the minimum regulatory requirements of 7.25% and 11.25%. Despite an additional head count and an increase in overhead expenses, net profit per employee rose by 25% over the previous year.

Banking industry faced many challenges during the year both from business and regulatory fronts. The adverse weather conditions and adverse economic conditions due to lower GDP environment prevailed during the year became constraints for the growth in equity. The minimum capital requirements became more stringent with the adoption of BASEL III during the year. The full year impact of the increase in Financial Vat rate by 4% (introduced in May 2016) was felt in the year 2017. Board of Directors, having considered above external factors and the growth plan of the bank has approved a dividend of LKR 5.00 per share for the year ended 31 December 2017.

DFCC Group

DFCC Group recorded profit before tax of LKR 5,891 million in the year 2017, a 26% growth over LKR 4,674 million in the comparable year 2016. The Group recorded a consolidated profit after tax (PAT) of LKR 4,434 million up 28% over the LKR 3,469 million in the comparable period. PAT for the quarter ended 31th December 2017 was LKR 1,043 million which reflects a growth of 34% over LKR 777 million reported in the final quarter of 2016. The total assets of the Group grew by 15 % year on year to LKR 334,468 million.

The DFCC Group comprises DFCC Bank PLC (DFCC), and its subsidiaries - Lanka Industrial Estates Limited (LINDEL), DFCC Consulting (Pvt) Limited (DCPL) and Synapsys Limited (SL), a joint venture company - Acuity Partners (Pvt) Limited (APL) and associate company - National Asset Management Limited (NAMAL).

The Bank's 62nd Annual General Meeting is scheduled to be held on 28th March 2018.

Lakshman Silva

Director/Chief Executive Officer

19 February 2018

DFCC Bank PLC
Income Statement

Notes	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12. 2017 (Audited) LKR 000	31.12. 2016 (Audited) LKR 000	Change %	31.12. 2017 LKR 000	31.12. 2016 LKR 000	Change %	31.12. 2017 (Audited) LKR 000	31.12. 2016 (Audited) LKR 000	Change %	31.12. 2017 LKR 000	31.12.2016 LKR 000	Change %
Income	35,941,612	26,753,895	34	9,578,515	7,874,153	22	35,987,091	26,980,083	33	9,599,485	7,915,187	21
Interest income	32,986,590	24,194,158	36	9,033,906	7,203,399	25	32,994,636	24,206,112	36	9,034,502	7,206,254	25
Interest expense	21,643,982	15,293,022	42	5,918,861	4,533,672	31	21,597,373	15,262,906	42	5,907,547	4,525,204	31
Net interest income	11,342,608	8,901,136	27	3,115,045	2,669,727	17	11,397,263	8,943,206	27	3,126,955	2,681,050	17
Fee and commission income	1,591,336	1,309,049	22	481,225	358,509	34	1,591,943	1,309,049	22	481,998	358,509	34
Fee and commission expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net fee and commission income	1,591,336	1,309,049	22	481,225	358,509	34	1,591,943	1,309,049	22	481,998	358,509	34
Net gain / (loss) from trading	361,647	340,456	6	128,714	24,640	422	361,647	340,456	6	128,714	24,640	422
Net loss from financial instruments at fair value through profit or loss	(404,586)	(179,727)	(125)	495,266	92,716	(434)	(404,586)	(179,727)	(125)	495,266	92,716	(434)
Net gain from financial investments	2,238,166	1,165,389	92	300,922	374,616	(20)	1,945,118	1,081,129	80	267,702	344,416	(22)
Other operating income / (loss)- net	(831,541)	(75,430)	1,002	(861,518)	(179,727)	379	(501,667)	223,064	(325)	(808,698)	(111,348)	626
Total operating income	14,297,630	11,460,873	25	3,659,654	3,340,481	10	14,389,718	11,717,177	23	3,691,937	3,389,983	9
Impairment for loans and other losses												
- Individual impairment	729,881	792,389	(8)	103,476	(69,598)	(249)	729,881	792,389	(8)	103,476	(69,598)	(249)
- Collective impairment	405,973	81,772	396	73,127	53,597	36	405,973	81,772	396	73,127	53,597	36
- Others	17,748	8,254	115	3,845	4,671	(18)	21,597	8,254	162	7,694	4,671	65
Investment - impairment losses	22,811	54,852	(58)	(21,021)	38,382	(155)	12,915	33,929	100	(21,020)	33,929	-
Net operating income	13,121,217	10,523,606	25	3,500,226	3,313,429	6	13,219,352	10,800,833	22	3,528,660	3,367,384	5
Operating expenses												
Personnel expenses	3,166,509	2,809,742	13	901,090	1,130,684	(20)	3,302,793	2,980,069	11	902,904	1,158,830	(22)
Depreciation and amortisation	369,121	331,341	11	107,950	82,406	31	410,947	369,899	11	114,665	92,562	24
Other expenses	2,334,525	1,982,883	18	670,890	614,891	9	2,340,483	1,951,738	20	673,261	612,551	10
Operating profit before value added tax and nation building Tax on financial services	7,251,062	5,399,640	34	1,820,296	1,485,448	23	7,165,129	5,499,127	30	1,837,830	1,503,441	22
Value added tax and nation building tax on financial services	1,458,749	986,110	48	368,855	375,930	(2)	1,458,749	986,110	48	368,855	375,930	(2)
Operating profit after value added tax and nation building tax on financial services	5,792,313	4,413,530	31	1,451,441	1,109,518	31	5,706,380	4,513,017	26	1,468,975	1,127,511	30
Share of profits of associate and joint venture	-	-	-	-	-	-	185,030	161,151	15	45,867	10,963	318
Profit before tax	5,792,313	4,413,530	31	1,451,441	1,109,518	31	5,891,410	4,674,168	26	1,514,842	1,138,474	33
Income Tax expense	1,377,349	1,124,807	22	454,920	347,576	31	1,457,653	1,205,094	21	472,113	361,832	30
Profit for the year	4,414,964	3,288,723	34	996,520	761,942	31	4,433,757	3,469,074	28	1,042,729	776,642	34
Profit attributable to:												
Equity holders of the Bank	4,414,964	3,288,723	34	996,520	761,942	31	4,362,407	3,414,980	28	1,025,025	759,141	35
Non-controlling interests	-	-	-	-	-	-	71,350	54,094	-	17,706	17,500	1
Profit for the year	4,414,964	3,288,723	34	996,520	761,942	31	4,433,757	3,469,074	28	1,042,729	776,642	34
Basic earnings per ordinary share (LKR)	16.65	12.41	34	3.75	2.87	31	16.45	12.88	28	5.84	2.86	104

DFCC Bank PLC
Statement of Profit or Loss and Other Comprehensive Income

	BANK						GROUP					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12. 2017 (Audited) LKR 000	31.12. 2016 (Audited) LKR 000	Change %	31.12. 2017 LKR 000	31.12. 2016 LKR 000	Change %	31.12. 2017 (Audited) LKR 000	31.12. 2016 (Audited) LKR 000	Change %	31.12. 2017 LKR 000	31.12. 2016 LKR 000	Change %
Profit for the period	4,414,964	3,288,723	34	996,520	761,942	31	4,433,757	3,469,074	28	1,042,731	776,642	34
Other comprehensive income / (expenses) for the period, net of tax												
Items that are or may be re classified subsequently to income statements												
Available for sale financial assets:												
Net change in fair value of available-for-sale financial assets	206,651	206,916	0	(361,026)	(103,441)	249	206,651	206,916	(0)	(361,026)	(103,441)	249
Net amount transferred to income statement on disposal of available-for-sale financial assets	(1,188,907)	(8,533)	(100)	-	(8,533)	-	(987,323)	(8,533)	(100)	0	(8,533)	100
Tax expense relating to available-for-sale financial assets	(268,545)	65,447	510	(20,834)	100,291	121	(268,545)	65,447	510	(516,254)	100,291	615
Share of other comprehensive (expenses) / income of equity accounted joint venture and associates		-		-	-	-	(21,657)	(24,513)	12	(8,920)	3,836	(333)
Total other comprehensive (expenses) / income that are or may be re classified subsequently to income statement	(1,250,801)	263,830	(574)	(381,861)	(11,883)	3,114	(1,070,874)	239,317	(547)	(390,781)	(7,847)	4,880
Items that will not be reclassified to income statement												
Actuarial gains and losses on defined benefit plans	32,399	137,764		32,399	137,764		36,411	140,509	(74)	36,138	139,993	(74)
Tax expense relating to actuarial gains and losses on defined benefit plans	2,600	3,082		2,600	3,082		2,028	2,844		2,028	2,844	
Total other comprehensive (expenses) / income not to be reclassified to income statement	34,999	140,846	-	-	140,846	-	38,439	143,353	(73)	(153)	142,837	(70)
Other comprehensive (expenses) / income for the period, net of tax	(1,215,802)	404,676	(400)	(346,862)	128,963	(369)	(1,032,435)	382,670	(370)	(352,614)	134,990	(361)
Total comprehensive (expenses) / income for the period	3,199,162	3,693,399	(13)	649,659	890,905	(27)	3,401,322	3,851,744	(12)	690,116	911,632	(24)
Total comprehensive (expenses) / income attributable to:												
Equity holders of the Bank	3,199,162	3,693,399	(13)	649,659	890,905	(27)	3,329,750	3,797,474	(12)	672,317	894,208	(25)
Non-Controlling interests	-	-		-	-		71,572	54,270	32	17,797	17,424	2
Total comprehensive (expenses) / income for the year	3,199,162	3,693,399	(13)	649,659	890,905	(27)	3,401,322	3,851,744	(12)	690,114	911,632	(24)

DFCC Bank PLC
Statement of Financial Position

As at	Notes	BANK			GROUP		
		31.12.2017 (Audited) LKR 000	31.12.2016 (Audited) LKR 000	Change %	31.12.2017 (Audited) LKR 000	31.12.2016 (Audited) LKR 000	Change %
Assets							
		4,106,225	4,330,934	(5)	4,120,230	4,344,260	(5)
		10,557,688	8,062,567	31	10,557,688	8,062,567	31
		6,691,381	1,351,117	395	6,712,131	1,415,985	374
		66,440	122,977	(46)	66,440	122,977	(46)
		310,922	-	100	310,922	-	100
		10,984,266	12,300,398	(11)	10,984,266	12,300,398	(11)
	8	213,675,866	185,784,979	15	213,675,866	185,784,979	15
		56,866,054	49,272,243	15	56,866,054	49,272,243	15
		23,507,632	23,189,085	1	23,507,632	23,189,085	1
		167,036	111,932	49	-	-	-
		35,270	35,270	0	67,266	64,873	4
		755,000	755,000	0	1,616,711	1,378,254	17
		12,083	19,855	(39)	-	-	-
		-	-	-	318,653	231,352	38
		1,273,250	927,857	37	1,371,161	1,042,619	32
		498,084	203,742	144	502,411	208,382	141
		-	-	-	156,226	156,226	-
	10.1	642,583	861,915	(25)	642,583	861,915	(25)
		-	-	-	3,160	628	403
		2,957,562	2,730,999	8	2,988,462	2,777,676	8
		333,107,342	290,060,870	15	334,467,862	291,214,419	15
Liabilities							
		9,640,735	18,103,587	(47)	9,640,735	18,103,587	(47)
		367,435	105,741	247	367,435	105,741	247
	9	193,307,534	140,514,373	38	192,920,147	140,219,872	38
		41,319,591	40,751,346	1	41,290,874	40,736,300	1
		24,443,767	29,179,185	(16)	24,443,767	29,179,185	(16)
		633,636	607,333	4	655,488	626,470	5
		1,194,027	851,662	40	1,232,478	873,912	41
	10.2	654,583	701,665	(7)	654,583	701,665	(7)
		4,466,398	4,190,675	7	4,657,628	4,352,331	0
		9,202,870	9,205,637	(0)	9,202,870	9,205,637	(0)
		285,230,576	244,211,204	17	285,066,005	244,104,700	17
Equity							
	12	4,715,814	4,715,814	0	4,715,814	4,715,814	0
		2,224,275	2,004,275	11	2,224,275	2,004,275	11
		13,858,152	10,800,251	28	17,359,513	14,231,009	22
		27,078,525	28,329,326	(4)	24,825,383	25,898,721	(4)
		47,876,766	45,849,666	4	49,124,985	46,849,819	5
		-	-	-	276,872	259,900	7
		47,876,766	45,849,666	4	49,401,857	47,109,719	5
		333,107,342	290,060,870	15	334,467,862	291,214,419	15
Contingent liabilities and commitments							
		135,571,324	101,452,101	34	135,571,324	101,452,101	34
Net assets value per share, LKR							
		180.60	172.95	4	185.31	176.73	5

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

	31.12.2017	31.12.2016
- Highest price Rs.	138.20	132.40
- Lowest price Rs.	118.30	116.10
- Last traded price Rs.	122.80	122.50

Statement of Changes in Equity

	Stated Capital LKR 000	Statutory reserves		Other reserves		Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Fair value reserve LKR 000	General reserves LKR 000			
Bank							
Balance as at 31.12.2015	4,715,814	1,834,275	14,285,657	13,779,839	8,203,426	42,819,011	
Profit for the year	-	-	-	-	3,288,723	3,288,723	
Other comprehensive income net of tax	-	-	263,830	-	140,846	404,676	
Total comprehensive income for the year	-	-	263,830	-	3,429,569	3,693,399	
Transfers	-	170,000	-	-	(170,000)	-	
Transactions with equity holders, recognised directly in equity							
Final dividend approved on 24.02.2016	-	-	-	-	(662,744)	(662,744)	
Total contributions from and distribution to equity holders	-	-	-	-	(662,744)	(662,744)	
Balance as at 31.12.2016	4,715,814	2,004,275	14,549,487	13,779,839	10,800,251	45,849,666	
Profit for the year					4,414,964	4,414,964	
Other comprehensive (expenses) / income net of tax			(1,250,801)		34,999	(1,215,802)	
Total comprehensive income for the year			(1,250,801)		4,449,963	3,199,162	
Transfers		220,000			(220,000)	-	
Transactions with equity holders, recognised directly in equity							
Forfeiture of unclaimed dividends					20,878	20,878	
Final dividend approved on 20.02.2017					(1,192,940)	(1,192,940)	
Total contributions from and distribution to equity holders					(1,172,062)	(1,172,062)	
Balance as at 31.12.2017	4,715,814	2,224,275	13,298,686	13,779,839	13,858,152	47,876,766	

Statement of Changes in Equity

	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserves		Other reserves		General reserve	Retained earnings	Total	Non- controlling interests	Total
		Reserve fund	Fair value reserve	Exchange equalisation reserve						
LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	
Group										
Balance as at 31.12.2015	4,715,814	1,834,275	11,857,655	21,910	13,779,839	11,506,206	43,715,699	252,426	43,968,125	
Profit for the year	-	-	-	-	-	3,414,980	3,414,980	54,094	3,469,074	
Other comprehensive income net of tax	-	-	227,799	11,518	-	143,177	382,494	176	382,670	
Total comprehensive income for the year	-	-	227,799	11,518	-	3,558,157	3,797,474	54,270	3,851,744	
Transfers	-	170,000	-	-	-	(170,000)	-	-	-	
Transactions with equity holders, recognised directly in equity										
Change in holding through joint venture	-	-	-	-	-	(610)	(610)	-	(610)	
Final dividend approved on 24.02.2016	-	-	-	-	-	(662,744)	(662,744)	-	(662,744)	
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	(46,796)	(46,796)	
Total contributions from and distribution to equity holders	-	-	-	-	-	(663,354)	(663,354)	(46,796)	(710,150)	
Balance as at 31.12.2016	4,715,814	2,004,275	12,085,454	33,428	13,779,839	14,231,009	46,849,819	259,900	47,109,719	
Profit for the year						4,362,407	4,362,407	71,350	4,433,757	
Other comprehensive income net of tax			(1,052,971)	(20,367)		40,681	(1,032,657)	222	(1,032,435)	
Total comprehensive income for the year			(1,052,971)	(20,367)		4,403,088	3,329,750	71,572	3,401,322	
Transfers		220,000				(220,000)	-		-	
Transactions with equity holders, recognised directly in equity										
Forfeiture of unclaimed dividends						20,878	20,878		20,878	
Change in holding through joint venture						117,478	117,478		117,478	
Final dividend approved on 20.02.2017						(1,192,940)	(1,192,940)		(1,192,940)	
Dividend distributed to non-controlling interest by subsidiaries								(54,600)	(54,600)	
Total contributions from and distribution to equity holders						(1,054,584)	(1,054,584)	(54,600)	(1,109,184)	
Balance as at 31.12.2017	4,715,814	2,224,275	11,032,483	13,061	13,779,839	17,359,513	49,124,985	276,872	49,401,857	

Statement of Cash Flows

	Bank		Group	
	2017 (Audited) LKR 000	2016 (Audited) LKR 000	2017 (Audited) LKR 000	2016 (Audited) LKR 000
<i>for the year ended 31 December</i>				
Cash flows from operating activities				
Interest receipts	25,632,064	19,317,134	25,630,823	19,315,252
Interest payments	(19,308,381)	(13,071,125)	(19,267,517)	(13,039,859)
Recoveries on loans previously written off	36,769	24,499	36,769	24,499
Receipts from other operating activities	1,338,987	1,643,470	1,813,361	1,923,001
Cash payments to employees & suppliers	(5,409,931)	(4,657,702)	(5,695,191)	(4,802,292)
Value added tax and nation building on tax on financial services	(1,298,496)	(798,410)	(1,298,496)	(798,410)
Other levies	(185,529)	(157,564)	(185,529)	(157,564)
Operating Cash flows before changes in operating assets and liabilities	805,483	2,300,302	1,034,220	2,464,627
Increase in operating assets:				
Deposits held for regulatory or monetary control purposes	(2,495,124)	(2,508,759)	(2,495,124)	(2,508,757)
Funds advanced to customers	(26,935,976)	(33,070,446)	(26,935,976)	(33,070,447)
Others	690,454	(339,086)	723,357	(330,443)
Increase in operating liabilities:				
Deposits from customers	50,738,651	27,978,909	50,599,577	28,239,834
Negotiable certificates of deposit	(259,665)	32,898	(259,665)	32,898
Others	206,374	668,519	206,374	668,834
Net cash flows from/(used in) operating activities before income tax	22,750,197	(4,937,663)	22,872,763	(4,503,454)
Income tax paid	(1,404,889)	(649,287)	(1,455,337)	(694,286)
Net cash flows from / (used in) in operating activities	21,345,308	(5,586,950)	21,417,426	(5,197,740)
Cash flows from investing activities				
Dividends received	680,893	688,785	629,428	604,526
Interest received	6,122,521	3,190,625	6,171,449	3,226,799
Government Securities- net	(9,062,415)	(4,102,903)	(9,062,415)	(4,102,903)
Proceeds from sale and redemption of securities	2,960,619	748,838	2,960,619	748,838
Purchase of securities	(1,661,972)	(778,566)	(1,674,972)	(778,566)
Investment in joint venture	-	(100,000)	-	(100,000)
Investment in additional shares of subsidiaries - (Synapsys Ltd)	(65,000)	-	-	-
Purchase of property , equipment ,intangibles and investment property	(880,905)	(277,384)	(992,879)	(370,960)
Proceeds from sale of equipment and investment property	8,944	10,647	16,215	10,654
Net cash used in investing activities	(1,897,315)	(619,958)	(1,952,555)	(761,612)
Cash flows from financing activities				
Issue of debentures	-	12,315,450	-	12,315,450
Redemption of debentures	(5,000,000)	(2,096,000)	(5,000,000)	(2,096,000)
Borrowing , medium and long - term	11,510,776	4,484,011	11,510,776	4,484,011
Other borrowings - net	(15,718,589)	(2,628,484)	(15,718,589)	(2,628,484)
Repayment of borrowing ,medium and long - term	(3,943,757)	(3,836,433)	(3,943,757)	(3,836,433)
Dividends paid	(1,180,868)	(654,832)	(1,241,185)	(835,442)
Net Cash flows (used in)/from financing activities	(14,332,438)	7,583,712	(14,392,755)	7,403,102
Net (decrease) in cash & cash equivalents	5,115,555	1,376,804	5,072,116	1,443,750
Cash & cash equivalents at the beginning of year	5,682,051	4,305,247	5,760,245	4,316,495
Cash & cash equivalents at the end of year	10,797,606	5,682,051	10,832,361	5,760,245
Reconciliation of cash & cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	4,106,225	4,330,934	4,120,230	4,344,260
Placements with banks	6,691,381	1,351,117	6,712,131	1,415,985
	10,797,606	5,682,051	10,832,361	5,760,245

The Cash Flow Statement of the bank includes the results of associate, joint venture and subsidiary companies only to the extent of the cash flows between Bank and respective companies as required by Sri Lanka Accounting Standards

EXPLANATORY NOTES

Note 1. 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 the Sri Lanka Accounting Standards 34 (LKAS 34) on "Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act, No. 07 of 2007 and the Banking Act No. 30 of 1988 and amendments thereto.

During the year, there were no material changes in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.

Note 2. Accounting policies

The accounting policies and methods of computations are consistent with those policies and methods followed during the previous financial year.

Note 3. Group Financial Statements

The Group Financial Statements comprise the Bank and its subsidiaries DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited and group interest in associate Company National asset Management Limited and group interest in joint venture Acuity Partners (Pvt) Ltd. Investments in Subsidiaries, joint venture and associate Companies are accounted under cost method in Bank's financial statements. Investment in associate and joint venture are accounted under equity method in group's financial statements.

Note 4. 31 March financial year company

This is Lanka Industrial Estates Ltd.

Note 5. Net Loss from Financial Instruments at Fair Value Through Profit or Loss

For the year ended 31 December	Bank		Group	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
Forward exchange fair value changes				
Contracts with commercial banks	(314,489)	(93,944)	(314,489)	(93,944)
Contracts with CBSL	(86,277)	(83,606)	(86,277)	(83,606)
Interest rate swap fair value changes	(3,820)	(2,177)	(3,820)	(2,177)
	(404,586)	(179,727)	(404,588)	(179,727)

Note 6. Net Gain from Financial Investments

For the year ended 31 December	Bank		Group	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
Assets available for sale				
Gain on sale of securities (Note 6.1)	1,151,927	156,388	950,342	156,388
Dividend income	889,883	856,306	798,419	772,046
Net gain from repurchase transactions	196,356	152,695	196,356	152,695
	2,238,166	1,165,389	1,945,118	1,081,129

Note 6.1

The gain on sale of securities includes the gain on sale of Commercial Bank of Ceylon PLC shares. The gain recorded in the Bank is LKR 1,073 Million and in the Group is LKR 871 Million.

The difference in the realized gain in the Group is lower than the Bank due to the equity accounted carrying value related to the disposal of Commercial Bank of Ceylon PLC shares which took place during the second quarter 2017 which has been adjusted in the 3rd quarter Financials.

Note 7. Other Operating (Loss)/Income-net

For the year ended 31 December	Bank		Group	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
Foreign exchange (loss)/gain	(849,494)	(330,157)	(849,295)	(330,154)
Amortisation of deferred income on Government grant-CBSL swap	(85,973)	180,106	(85,973)	180,106
Others	103,926	74,621	433,601	373,112
	(831,541)	(75,430)	(501,667)	223,064

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.

Note 8 Loans to and Receivables from Other Customers

As at	Bank		Group	
	31.12.2017 LKR 000	31.12.2016 LKR 000	31.12.2017 LKR 000	31.12.2016 LKR 000
Gross loans and receivables (Note 8.1)	221,309,571	192,454,529	221,309,571	192,454,529
Less: Allowance for individual impairment (Note 8.2.1)	(5,388,754)	(4,778,752)	(5,388,754)	(4,778,752)
Allowance for collective impairment (Note 8.2.2)	(2,244,951)	(1,890,798)	(2,244,951)	(1,890,798)
Net loans and receivables	213,675,866	185,784,979	213,675,866	185,784,979

Note 8.1 Loans and Receivables from Other Customers - By product

As at	Bank		Group	
	31.12.2017 LKR 000	31.12.2016 LKR 000	31.12.2017 LKR 000	31.12.2016 LKR 000
By product-Domestic Currency				
Overdrafts	39,950,160	28,824,199	39,950,160	28,824,199
Trade finance	20,785,139	16,895,812	20,785,139	16,895,812
Credit cards	276,432	242,091	276,432	242,091
Pawning	2,597,441	2,109,667	2,597,441	2,109,667
Staff loans	1,544,400	1,397,579	1,544,400	1,397,579
Term loans	116,604,844	107,903,581	116,604,844	107,903,581
Lease rentals receivable	16,493,374	15,909,152	16,493,374	15,909,152
Commercial papers and asset back notes	1,140,486	962,763	1,140,486	962,763
Debenture loans	-	71,119	-	71,119
Preference shares	187,500	517,500	187,500	517,500
Securities purchased under resale agreements	-	1,007,220	-	1,007,220
	199,579,776	175,840,683	199,579,776	175,840,683
By product-Foreign Currency				
Overdrafts	254,385	291,021	254,385	291,021
Trade finance	8,993,313	7,831,178	8,993,313	7,831,178
Term loans	12,482,097	8,491,648	12,482,097	8,491,648
	21,729,795	16,613,847	21,729,795	16,613,847
Gross loans and receivables	221,309,571	192,454,530	221,309,571	192,454,530

Note 8.2 Movement in Individual and Collective Impairment during the period for Loans and Receivable to Other Customers

As at	Bank		Group	
	31.12.2017 LKR 000	31.12.2016 LKR 000	31.12.2017 LKR 000	31.12.2016 LKR 000
8.2.1 Allowance for Individual Impairment				
Balance at beginning	4,778,752	4,240,756	4,778,752	4,240,756
Charge to income statement	724,402	792,389	724,402	792,389
Write-off loans and receivables	(136,182)	(277,296)	(136,182)	(277,296)
Effect of foreign currency movement	21,782	22,903	21,782	22,903
Balance at end	5,388,754	4,778,752	5,388,754	4,778,752
8.2.2 Allowance for Collective Impairment				
Balance at beginning	1,890,798	1,924,882	1,890,798	1,924,882
Charge / (Write back) to income statement	405,973	81,772	405,973	81,772
Write-off loans and receivables	(47,531)	(116,224)	(47,531)	(116,224)
Effect of foreign currency movement	382	3,712	382	3,712
Transfers to dues on terminated leases	(4,671)	(3,344)	(4,671)	(3,344)
Balance at end	2,244,951	1,890,798	2,244,951	1,890,798
Total Individual and Collective impairment	7,633,705	6,669,550	7,633,705	6,669,550

Note 9. Due to Other Customers - By product

As at	Bank		Group	
	31.12.2017 LKR 000	31.12.2016 LKR 000	31.12.2017 LKR 000	31.12.2016 LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	3,954,166	4,056,706	3,953,567	4,056,051
Savings deposits	20,839,127	20,392,185	20,836,179	20,369,906
Fixed deposits	125,871,514	86,707,366	125,494,970	86,442,739
Other deposits	409,678	272,957	409,678	272,957
Certificate of deposits	477,711	739,483	477,711	739,483
	151,552,196	112,168,697	151,172,105	111,881,136
By product- Foreign Currency				
Demand deposits (current accounts)	514,704	592,663	514,625	592,663
Savings deposits	15,821,186	3,406,307	15,821,186	3,406,307
Fixed deposits	25,412,783	24,345,451	25,405,566	24,338,511
Other deposits	6,665	1,255	6,665	1,255
	41,755,338	28,345,676	41,748,042	28,338,736
Total	193,307,534	140,514,373	192,920,147	140,219,872

Note 10. 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 November 2016.

As at	Bank		Group	
	31.12.2017 LKR 000	31.12.2016 LKR 000	31.12.2017 LKR 000	31.12.2016 LKR 000
10.1 Government Grant- Receivable				
Fair value at beginning	861,915	539,758	861,915	539,758
Change in fair value on renewal of contract	(133,055)	405,763	(133,055)	405,763
Change in fair value during the period	(86,277)	(83,606)	(86,277)	(83,606)
Fair value at end	642,583	861,915	642,583	861,915
10.2 Government Grant - Deferred Income				
Fair value at beginning	701,665	476,008	701,665	476,008
Change in fair value on renewal of contract	(133,055)	405,763	(133,055)	405,763
Change in fair value during the period	(86,277)	(83,606)	(86,277)	(83,606)
Foreign exchange (loss)/gain on revaluation	172,250	(96,500)	172,250	(96,500)
Amortisation of deferred income on Government grant- CBSL swap	85,973	(180,106)	85,973	(180,106)
Fair value at end	654,583	701,665	654,583	701,665

Note 11. Events after the reporting period**11.1 First and Final Dividend**

The Directors have approved the payment of a first and final dividend of LKR 5/- per share for the year ended 31 December 2017. The Board of Directors confirms that the Bank has satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 and has obtained the certificate from the Auditors.

11.2 Proposed Debenture Issue

The Bank will issue fifty million (50,000,000) Basel III compliant, subordinated, listed, rated, unsecured, redeemable debentures with a non-viability conversion option, each at an issue price (par value) of LKR 100/- with a term up to 7 years ("Debentures"), with an option to issue a further twenty million (20,000,000) of said Debentures in the event of an oversubscription. After regulatory approvals, the resolution was taken up at the Extraordinary General Meeting held on 19 February 2018, and was approved by the shareholders.

No other circumstances have arisen which would require disclosure or adjustment to the Financial Statements.

Note 12. Disclosures under Appendix 7B of the Listing Rules**12.1 There is no management fees or similar expenditure provided for in the interim financial statements****12.2 Stated capital**

	Number of shares
Number of shares of the Bank on 31 December 2017 (No change from 31 December 2016).	<u>265,097,688</u>

12.3 Twenty Major Shareholders as at 31.12.2017

	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	Melstacorp Limited	22,175,280	8.36
6	Mr. M.A. Yaseen	20,996,700	7.92
7	Seafeld International Limited	15,286,794	5.77
8	HSBC Intl Nom. Ltd-BPSS Lux-Aberdeen Global Asia Pacific Equity Fund	9,901,281	3.73
9	Renuka City Hotels PLC	6,926,870	2.61
10	HSBC Intl. Nom Ltd-BP2S LDN-Aberdeen Asia Pacific Equity Fund	5,470,928	2.06
11	Commercial Bank Of Ceylon PLC /M.A. Yaseen	5,300,000	2.00
12	HSBC Intl. Nom Ltd-BP2S London-Edinburg Dragon Trust PLC	4,555,187	1.72
13	Renuka Hotels Limited	4,073,360	1.54
14	Employees Trust Fund Board	3,987,952	1.50
15	HSBC Intl.Nominees Ltd-BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,889,870	1.47
16	Akbar Brothers Pvt Ltd A/C No.01	2,552,270	0.96
17	Cargo Boat Development Company PLC	2,498,200	0.94
18	Anverally International (pvt) Limited	1,553,415	0.59
19	Crescent Launderers and Dry Cleaners PVT Limited	1,482,548	0.56
20	HSBC Intl Nominees Ltd-BP2S-London - Aberdeen New Dawn Investment Trust XCC6	1,458,914	0.55

12.4 Public holding % and number of public share holders as at 31.12.2017 is 63.4% and 8,715 respectively.

The float adjusted market capitalization of the Bank as at 31st December 2017 is LKR 20,639 million and accordingly, the Bank has complied with the minimum requirement as per option I of Listing Rule No. 7.13.1(a).

12.5 Directors' Interests in Shares

	No of Shares As at 31.12.2017
C R Jansz	1,000
P M B Fernando	1,000
T Dharmarajah	500
K.P Cooray	Nil
S.R Thambiayah (Ms)	Nil
V J Senaratne (Miss.)	1,296
L H A L Silva	3,476
L.K.A.H. Fernando (Mrs.)	Nil

Certification

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

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- the information contained in these statements have been extracted from the audited financial statements of the Bank and Group.

Royle Jansz
Chairman

Lakshman Silva
Director & Chief Executive

Ashok Goonesekere
Chief Financial Officer

19-Feb-18

Listed Debentures

Debtenture Category	Interest rate Frequency	Applicable Interest Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 31.12.2017 LKR 000	Market price			Yield Last Traded %
					Highest	Lowest	Last Traded	
Fixed Rate								
2015/2020	Annually	9.1	9.62	3,136,708	N/T	N/T	N/T	N/A
2015/2020	Annually	9.4	9.62	2,103,367	N/T	N/T	N/T	N/A
2016/2019	Annually	10.63	9.29	5,747,779	N/T	N/T	N/T	N/A
2016/2021	Annually	12.15	9.75	970,023	N/T	N/T	N/T	N/A
2016/2023	Annually	12.75	10.01	6,129,480	100.5	100	100	12.71

N/T -Not traded

Other Ratios (Bank)	31.12.2017	31.12.2016
Debt to equity ratio (times)	1.77	2.12
Interest cover (times)	0.99	1.01

Business Segment Information

For the year ended 31 December	Banking		Financial Leasing		Investing in Equity		Other		Unallocated		Eliminations		Total	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
Revenue														
Interest income	30,912,425	22,360,944	2,074,165	1,833,214	-	-	54,654	42,070	-	-	(46,608)	(30,116)	32,994,636	24,206,112
Net fees and commission income	1,591,336	1,309,049	-	-	-	-	607	-	-	-	-	-	1,591,943	1,309,049
Net gain/(loss) from trading	361,647	340,456	-	-	-	-	-	-	-	-	-	-	361,647	340,456
Net gain/(loss) from financial instruments designated at fair value through PL	(404,586)	(179,727)	-	-	-	-	-	-	-	-	-	-	(404,586)	(179,727)
Net gain/(loss) from financial investments	197,915	152,695	-	-	2,040,251	1,012,694	-	-	-	(293,048)	(84,260)	(84,260)	1,945,118	1,081,129
Other Operating (loss) / income	(831,541)	(125,552)	-	-	-	-	497,772	469,396	-	50,123	(167,898)	(170,902)	(501,667)	223,064
Total Income	31,827,196	23,857,864	2,074,165	1,833,214	2,040,251	1,012,694	553,033	511,466	-	50,123	(507,554)	(285,278)	35,987,091	26,980,082
Percentage *	88	88	6	7	5	4	2	2	-	-	(1)	(1)	100	100
Expense														
Segment losses / Reversal of losses	1,121,003	882,415	32,598	-	22,811	-	54,852	3,850	-	-	(9,896)	20,923	1,170,366	916,344
Depreciation	-	-	-	-	-	-	41,836	38,254	-	-	-	-	41,836	38,254
Other operating & interest expenses	24,782,926	18,399,505	1,591,944	1,300,127	-	-	326,677	310,902	-	-	(231,054)	201,532	26,470,493	19,809,003
	25,903,929	19,281,920	1,624,542	1,300,127	22,811	54,852	372,363	349,156	-	-	(240,950)	222,455	27,682,695	20,763,601
Result	5,923,267	4,575,944	449,623	533,087	2,017,440	957,842	180,670	162,310	-	50,123	(266,604)	(62,823)	8,304,396	6,216,481
Unallocated expenses													1,139,267	717,355
Value Added Tax													1,458,749	986,110
Share of profits of associates & Joint venture													5,706,380	4,513,017
Profit before tax													185,030	161,151
Income tax on profit on ordinary activities													5,891,410	4,674,168
Profit after tax													1,457,653	1,205,094
Non controlling interests													4,433,757	3,469,074
Profit for the Equity Holders of the Bank													71,350	54,094
Profits for the year													4,362,407	3,414,980
Other Comprehensive Income net of tax													4,433,757	3,469,074
Total Comprehensive Income													(1,032,435)	382,670
Total Comprehensive Income - Non controlling interests													3,401,322	3,851,744
Profit for the Equity Holders of the Bank													71,572	54,270
													3,329,750	3,797,474
Assets	269,505,984	236,081,684	16,493,374	15,909,152	19,201,495	20,018,918	915,651	790,936	27,271,248	17,367,961	(603,868)	(446,216)	332,783,885	289,722,436
Percentage*	81	81	5	6	6	7	-	-	8	6	-	-	100	100
Investment in associate & Joint venture													1,683,977	1,247,799
													334,467,862	247,108,602
Liabilities	242,555,385	212,473,516	14,844,037	14,318,237	-	-	258,360	228,080	27,845,355	17,470,595	(437,132)	(334,584)	285,066,005	244,155,844

* Net of eliminations

Revenue and expenses attributable to the incorporated business segments of industrial estate management, information technology services and consultancy services are included in the column for others.

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.

SELECTED PERFORMANCE INDICATORS

	Bank		Group	
	31.12.2017	31.12.16	31.12.2017	31.12.16
Regulatory Capital (LKR '000)				
Common Equity Tier I (Basel III)	33,017,170	N/A	34,211,431	N/A
Tier 1 Capital (Basel III / Basel II)	33,017,170	29,064,210	34,211,431	31,327,840
Total Capital (Basel III / Basel II)	41,993,352	36,475,370	43,187,613	37,473,643

Regulatory Capital Ratios %

Common Equity Tier 1 Capital Ratio (Minimum Requirement as per Basel III -5.75%)	12.68%	N/A	13.09%	N/A
Tier 1 Capital Ratio (Minimum Requirement as per Basel III - 7.25%)	12.68%	N/A	13.09%	N/A
(Minimum Requirement as per Basel II - 5%)	N/A	13.62%	N/A	14.60%
Total Capital Ratio (Minimum Requirement as per Basel III - 11.25%)	16.13%	N/A	16.53%	N/A
(Minimum Requirement as per Basel II - 10%)	N/A	17.09%	N/A	17.47%

	Bank	
	31.12.2017	31.12.16
Asset Quality		
Non-performing loans and advances - Gross exposure % (Net of interest in suspense)	2.77	2.97
Non-performing loans and advances - Net exposure % (Net of interest in suspense and provisions)	0.8	0.8
Profitability		
Interest margin %	3.6	3.3
Return on assets (Profit before Tax) %	1.9	1.6
Return on equity %	9.4	7.4

	Bank	
	31.12.2017	31.12.16
Regulatory Liquidity		
Statutory liquid assets LKR 000		
Domestic Banking Unit	62,095,324	50,695,653
Off-Shore Banking Unit	9,576,960	8,564,256
Statutory liquid assets ratio % (Minimum requirement 20%)		
Domestic Banking Unit	24.34	24.56
Off-Shore Banking Unit	67.70	73.20
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 2017 -80% , 2016 - 70%)	127.84%	197.26%
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 2017 -80% , 2016 - 70%)	108.51%	168.76%

	Fair value through profit or loss - mandatory	Fair value- held-for- trading	Fair value through other comprehensive income	Amortised cost	Held-to- maturity	Total
<i>As at 31 December 2017</i>	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
25. Analysis of Financial Instruments by Measurement Basis						
25.1 Bank						
Financial Assets						
Cash and cash equivalents	-	-	-	4,106,225	-	4,106,225
Balances with Central Bank of Sri Lanka	-	-	-	10,557,688	-	10,557,688
Placements with banks	-	-	-	6,691,381	-	6,691,381
Derivative assets held-for-risk management	66,440	-	-	-	-	66,440
Other financial assets held for trading	-	310,922	-	-	-	310,922
Loans to and receivables from banks	-	-	-	10,984,266	-	10,984,266
Loans to and receivables from other customers	-	-	-	213,675,866	-	213,675,866
Financial investments	-	-	56,866,054	-	23,507,632	80,373,687
Government grant receivable	642,583	-	-	-	-	642,583
Other assets	-	-	-	2,775,741	-	2,775,741
	709,023	310,922	56,866,054	248,791,167	23,507,632	330,184,799
Financial Liabilities						
Due to banks	-	-	-	9,640,735	-	9,640,735
Derivative liabilities held-for-risk management	367,435	-	-	-	-	367,435
Due to other customers	-	-	-	193,307,534	-	193,307,534
Other borrowing	-	-	-	41,319,591	-	41,319,591
Debt securities issued	-	-	-	24,443,767	-	24,443,767
Subordinated term debt	-	-	-	9,202,870	-	9,202,870
Other liabilities	-	-	-	4,078,654	-	4,078,654
	367,435	-	-	281,993,151	-	282,360,586
As at 31 December 2016						
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
25.2 Bank						
Financial Assets						
Cash and cash equivalents	-	-	-	4,330,934	-	4,330,934
Balances with Central Bank of Sri Lanka	-	-	-	8,062,567	-	8,062,567
Placements with banks	-	-	-	1,351,117	-	1,351,117
Derivative assets held-for-risk management	122,977	-	-	-	-	122,977
Loans to and receivables from banks	-	-	-	12,300,398	-	12,300,398
Loans to and receivables from other customers	-	-	-	185,784,979	-	185,784,979
Financial investments	-	-	49,272,243	-	23,189,085	72,461,328
Due from subsidiaries	-	-	-	19,855	-	19,855
Government grant receivable	861,915	-	-	-	-	861,915
Other assets	-	-	-	2,562,978	-	2,562,978
	984,892	-	49,272,243	214,412,828	23,189,085	287,859,048
Financial Liabilities						
Due to banks	-	-	-	18,103,587	-	18,103,587
Derivative liabilities held-for-risk management	105,741	-	-	-	-	105,741
Due to other customers	-	-	-	140,514,373	-	140,514,373
Other borrowing	-	-	-	40,802,490	-	40,802,490
Debt securities issued	-	-	-	29,179,185	-	29,179,185
Subordinated term debt	-	-	-	9,205,637	-	9,205,637
Other liabilities	-	-	-	3,850,825	-	3,850,825
	105,741	-	-	241,656,097	-	241,761,838

	Fair value through profit or loss - mandatory	Fair value-held-for-trading	Fair value through other comprehensive income	Amortised cost	Held-to-maturity	Total
<i>As at 31 December 2017</i>						
25.3 Group						
Financial Assets						
Cash and cash equivalents	-	-	-	4,120,230	-	4,120,230
Balances with Central Bank of Sri Lanka	-	-	-	10,557,688	-	10,557,688
Placements with banks	-	-	-	6,712,131	-	6,712,131
Derivative assets held-for-risk management	66,440	-	-	-	-	66,440
Other financial assets held for trading	310,922	-	-	-	-	310,922
Loans to and receivables from banks	-	-	-	10,984,266	-	10,984,266
Loans to and receivables from other customers	-	-	-	213,675,866	-	213,675,866
Financial investments	-	-	56,866,054	-	23,507,632	80,373,686
Government grant receivable	642,583	-	-	-	-	642,583
Other assets	-	-	-	2,804,798	-	2,804,798
	1,019,945	-	56,866,054	248,854,979	23,507,632	330,248,610
Financial Liabilities						
Due to banks	-	-	-	9,640,735	-	9,640,735
Derivative liabilities held-for-risk management	367,435	-	-	-	-	367,435
Due to other customers	-	-	-	192,920,147	-	192,920,147
Other borrowing	-	-	-	41,290,874	-	41,290,874
Debt securities issued	-	-	-	24,443,767	-	24,443,767
Subordinated term debt	-	-	-	9,202,869	-	9,202,869
Other liabilities	-	-	-	4,195,610	-	4,195,610
	367,435	-	-	281,694,002	-	282,061,437
	Fair value through profit or loss - mandatory	Fair value-held-for-trading	Fair value through other comprehensive income	Amortised cost	Held-to-maturity	Total
<i>As at 31 December 2016</i>						
25.4 Group						
Financial Assets						
Cash and cash equivalents	-	-	-	4,344,260	-	4,344,260
Balances with Central Bank of Sri Lanka	-	-	-	8,062,567	-	8,062,567
Placements with banks	-	-	-	1,415,985	-	1,415,985
Derivative assets held-for-risk management	122,977	-	-	-	-	122,977
Loans to and receivables from banks	-	-	-	12,300,398	-	12,300,398
Loans to and receivables from other customers	-	-	-	185,784,979	-	185,784,979
Financial investments	-	-	49,272,243	-	23,189,085	72,461,328
Government grant receivable	861,914	-	-	-	-	861,914
Other assets	-	-	-	2,609,655	-	2,609,655
	984,891	-	49,272,243	214,517,844	23,189,085	287,964,063
Financial Liabilities						
Due to banks	-	-	-	18,103,587	-	18,103,587
Derivative liabilities held-for-risk management	105,741	-	-	-	-	105,741
Due to other customers	-	-	-	140,219,872	-	140,219,872
Other borrowing	-	-	-	40,787,444	-	40,787,444
Debt securities issued	-	-	-	29,179,185	-	29,179,185
Subordinated term debt	-	-	-	9,205,637	-	9,205,637
Other liabilities	-	-	-	3,961,249	-	3,961,249
	105,741	-	-	241,456,974	-	241,562,715