

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

Notes	Bank				Group			
	For the year ended		For the quarter ended		For the year ended		For the quarter ended	
	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000
		Restated		Restated		Restated		Restated
Interest income	9,529,636	9,278,511	2,231,364	2,540,330	18,602,116	16,142,549	4,641,279	4,527,890
Interest expense	4,894,390	5,022,539	1,205,583	1,361,253	10,556,433	9,141,661	2,624,180	2,550,395
<b>Net interest income</b>	<b>4,635,246</b>	<b>4,255,972</b>	<b>1,025,781</b>	<b>1,179,077</b>	<b>8,045,683</b>	<b>7,000,888</b>	<b>2,017,099</b>	<b>1,977,495</b>
Fees and commission Income	115,296	82,132	26,209	20,956	920,001	719,924	243,402	136,201
Less- Fees and commission expenses	-	-	-	-	6,442	8,284	1,065	702
<b>Net fees and commission income</b>	<b>115,296</b>	<b>82,132</b>	<b>26,209</b>	<b>20,956</b>	<b>913,559</b>	<b>711,640</b>	<b>242,337</b>	<b>135,499</b>
Net gain/(loss) from trading	33,565	2,937	32,420	940	239,351	102,000	127,648	22,990
Net loss from financial instruments at fair value through profit or loss	(386,281)	(388,778)	(426,386)	(103,488)	(323,943)	(501,212)	(343,669)	(127,108)
Net gain from financial investments	1,211,493	1,090,454	716,318	672,500	1,154,361	1,097,694	654,084	732,021
Other operating (loss) /income (net)	(22,759)	367,773	396,699	56,357	15,255	636,305	322,696	134,198
<b>Total operating income</b>	<b>5,586,560</b>	<b>5,410,490</b>	<b>1,771,041</b>	<b>1,826,342</b>	<b>10,044,266</b>	<b>9,047,315</b>	<b>3,020,195</b>	<b>2,875,095</b>
Impairment for Loans and other losses								
- Individual impairment	11,308	52,988	(114,920)	(2,368)	569,034	417,218	30,868	64,076
- Collective impairment	281,123	104,388	125,971	(10,813)	621,595	243,222	213,613	3,901
- Others	31,093	11,298	(296)	8,736	31,093	2,165	(296)	(397)
<b>Net operating Income</b>	<b>5,263,036</b>	<b>5,241,816</b>	<b>1,760,286</b>	<b>1,830,787</b>	<b>8,822,544</b>	<b>8,384,710</b>	<b>2,776,010</b>	<b>2,807,515</b>
<b>Operational expenses</b>								
Personnel expenses	906,496	890,960	347,723	356,338	2,086,917	1,811,339	706,211	609,185
Depreciation and amortisation	136,986	128,291	35,493	34,978	351,091	323,759	87,770	79,740
Other expenses	600,915	498,082	204,727	174,896	1,747,110	1,423,441	531,316	440,646
<b>Operating profit before value added tax (VAT)</b>	<b>3,618,639</b>	<b>3,724,483</b>	<b>1,172,343</b>	<b>1,264,575</b>	<b>4,637,426</b>	<b>4,826,171</b>	<b>1,450,714</b>	<b>1,677,944</b>
Value added tax (VAT) on financial services	408,069	232,299	138,205	148,999	577,103	394,461	182,826	202,431
<b>Operating profit after value added tax</b>	<b>3,210,570</b>	<b>3,492,184</b>	<b>1,034,138</b>	<b>1,115,576</b>	<b>4,060,323</b>	<b>4,431,710</b>	<b>1,267,890</b>	<b>1,475,513</b>
Share of profits of associates	-	-	-	-	124,125	24,150	9,449	4,941
<b>Profit before tax</b>	<b>3,210,570</b>	<b>3,492,184</b>	<b>1,034,138</b>	<b>1,115,576</b>	<b>4,184,448</b>	<b>4,455,860</b>	<b>1,277,337</b>	<b>1,480,454</b>
Income tax expense	623,120	570,828	86,761	39,756	934,773	881,452	92,136	117,337
<b>Profit for the period</b>	<b>2,587,450</b>	<b>2,921,356</b>	<b>947,377</b>	<b>1,075,820</b>	<b>3,249,675</b>	<b>3,574,408</b>	<b>1,185,202</b>	<b>1,363,117</b>
<b>Profit attributable to</b>								
Equity holders of the Bank	2,587,450	2,921,356	947,377	1,075,820	3,151,400	3,493,961	1,172,057	1,343,228
Non-controlling interests	-	-	-	-	98,275	80,447	13,146	19,889
<b>Profit for the period</b>	<b>2,587,450</b>	<b>2,921,356</b>	<b>947,377</b>	<b>1,075,820</b>	<b>3,249,675</b>	<b>3,574,408</b>	<b>1,185,201</b>	<b>1,363,117</b>
Basic earnings per ordinary share - LKR	9.76	11.02	3.57	4.06	11.89	13.18	4.42	5.07
Dividend per share-LKR	5.50	5.00	-	-	5.50	5.00	-	-

**DFCC Bank**  
**Statement of Comprehensive Income**

	Bank				Group			
	For the year ended	For the quarter ended	For the year ended	For the quarter ended	For the year ended	For the quarter ended	For the year ended	For the quarter ended
	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000	31.03.14 LKR 000	31.03.13 LKR 000
	<b>2,587,450</b>	Restated 2,921,356	<b>947,377</b>	Restated 1,075,820	<b>3,249,675</b>	Restated 3,574,408	<b>1,185,201</b>	Restated 1,363,117
<b>Other comprehensive income, net of tax</b>								
Gains and losses on re-measuring available-for-sale financial assets								
Net change in fair value of available-for-sale financial assets	1,436,644	1,805,833	209,211	1,333,870	1,528,850	1,823,406	242,165	1,334,618
Net amount transferred to income statement on disposal of available-for-sale financial assets	(160,754)	(69,600)	(77,644)	(47,205)	(160,754)	(70,967)	(77,644)	(48,572)
Actuarial gains and losses on defined benefit plans	88,186	(77,867)	88,186	(77,867)	86,723	(79,853)	86,723	(79,853)
Share of profits of associates	-	-	-	-	363	4,322	(1,347)	2,656
Transferred to income on disposal					-	(986)	-	(986)
Tax expense relating to components of other comprehensive income	168	1,084	168	1,084	573	1,640	573	1,640
<b>Other comprehensive income for the period, net of taxes</b>	<b>1,364,244</b>	<b>1,659,450</b>	<b>219,921</b>	<b>1,209,882</b>	<b>1,455,755</b>	<b>1,677,562</b>	<b>250,470</b>	<b>1,209,503</b>
<b>Total comprehensive income for the period</b>	<b>3,951,694</b>	<b>4,580,806</b>	<b>1,167,298</b>	<b>2,285,702</b>	<b>4,705,430</b>	<b>5,251,970</b>	<b>1,435,671</b>	<b>2,572,620</b>
Total comprehensive income attributable to:								
Equity holders of the Bank	3,951,694	4,580,806	1,167,298	2,285,702	4,600,203	5,172,084	1,458,231	2,610,220
Non-controlling interests	-	-	-	-	105,227	79,886	(22,560)	(37,600)
<b>Total comprehensive income for the period</b>	<b>3,951,694</b>	<b>4,580,806</b>	<b>1,167,298</b>	<b>2,285,702</b>	<b>4,705,430</b>	<b>5,251,970</b>	<b>1,435,670</b>	<b>2,572,620</b>

## Statement of Financial Position

As at	Notes	BANK			GROUP		
		31.03.2014 LKR 000	31.03.2013 LKR 000 Restated	01.04.2012 LKR 000 Restated	31.03.2014 LKR 000	31.03.2013 LKR 000 Restated	01.04.2012 LKR 000 Restated
<b>Assets</b>							
Cash and cash equivalents		545,388	597,456	83,210	2,966,148	3,976,892	1,458,363
Balances with Central Bank		-	-	-	2,870,689	2,620,790	1,596,066
Placements with banks		2,681,779	6,128,245	3,505,346	3,140,735	7,541,088	3,545,159
Derivative assets held for risk management		1,630	45,145	243,001	183,892	119,642	341,662
Other financial assets held-for-trading		1,017,980	377,800	58,510	3,553,660	593,408	548,419
Non-current assets held-for-sale		-	-	-	-	2,875	2,875
Loans to and receivables from banks		1,233,617	1,822,838	1,955,604	5,958,055	5,633,902	4,132,131
Loans to and receivables from other customers	9	61,341,469	58,844,767	53,026,219	112,364,247	98,399,443	85,427,447
Financial investments - available-for-sale		25,073,488	19,222,842	16,276,691	40,135,705	27,659,665	24,597,428
Financial investments - held-to-maturity		535,958	75,022	-	1,146,523	157,963	82,028
Investments in subsidiaries		5,968,564	3,755,953	3,760,540	-	-	-
Investments in associates		35,270	35,270	35,270	607,415	415,251	373,227
Investments in joint ventures		655,000	655,000	655,000	-	-	-
Due from subsidiaries		43,028	39,204	41,597	-	-	-
Investment properties		-	-	-	183,281	169,485	147,981
Property, plant and equipment		453,015	438,259	431,606	1,110,469	1,027,655	936,250
Intangible assets		60,378	80,078	29,978	239,387	261,668	203,861
Goodwill on consolidation		-	-	-	226,411	226,411	226,411
Government Grant Receivable	11.1	276,878	-	-	276,878	-	-
Deferred tax asset		-	-	-	2,707	834	5,583
Income tax refund due		-	-	139,574	34,658	28,148	161,208
Prepayments		35,833	36,920	43,810	35,833	36,920	43,810
Other assets		982,007	1,005,307	910,554	2,296,716	2,322,253	1,776,601
<b>Total assets</b>		<b>100,941,282</b>	<b>93,160,106</b>	<b>81,196,510</b>	<b>177,333,409</b>	<b>151,194,293</b>	<b>125,606,510</b>
<b>Liabilities</b>							
Due to banks		5,153,754	6,399,595	7,356,266	7,105,310	8,040,422	11,139,181
Derivative liabilities held for risk management		55,609	190,922	-	227,994	307,094	104,754
Due to other customers	10	16,630,363	15,548,067	12,444,554	80,826,117	62,750,266	45,678,683
Other borrowing		25,434,080	33,846,282	27,805,261	29,347,292	37,530,202	30,924,126
Debt securities issued		14,009,017	558,257	718,513	14,009,017	558,257	718,513
Current tax liability		157,615	85,937	-	302,005	179,826	56,665
Deferred tax liability		433,068	378,560	324,618	553,222	455,684	372,185
Government Grant- Deferred Income	11.2	295,628	-	-	295,628	-	-
Other liabilities		752,698	758,717	684,967	2,309,517	2,436,204	1,924,252
Due to subsidiaries		-	525	222	-	-	-
Subordinated term debt		609,373	609,373	609,373	1,609,674	1,609,690	1,644,503
<b>Total liabilities</b>		<b>63,531,205</b>	<b>58,376,235</b>	<b>49,943,774</b>	<b>136,585,776</b>	<b>113,867,645</b>	<b>92,562,862</b>
<b>Equity</b>							
Share capital	15.2	2,650,977	2,650,977	2,650,977	2,650,977	2,650,977	2,650,977
Share premium		2,064,837	2,064,837	2,064,837	2,064,837	2,064,837	2,064,837
Stated capital		4,715,814	4,715,814	4,715,814	4,715,814	4,715,814	4,715,814
Statutory reserves		2,381,648	2,006,025	1,485,215	2,381,648	2,006,025	1,485,215
Retained earnings		4,089,601	3,114,908	1,840,816	9,163,494	7,594,136	5,676,436
Other reserves		26,223,014	24,947,124	23,210,891	23,859,814	22,498,324	20,741,563
Total equity attributable to equity holders of the Bank		37,410,077	34,783,871	31,252,736	40,120,770	36,814,299	32,619,028
Non-controlling interests		-	-	-	626,863	512,349	424,620
<b>Total equity</b>		<b>37,410,077</b>	<b>34,783,871</b>	<b>31,252,736</b>	<b>40,747,633</b>	<b>37,326,648</b>	<b>33,043,648</b>
<b>Total equity and liabilities</b>		<b>100,941,282</b>	<b>93,160,106</b>	<b>81,196,510</b>	<b>177,333,409</b>	<b>151,194,293</b>	<b>125,606,510</b>
Contingent liabilities and commitments		30,234,047	16,069,720	18,695,153	57,788,965	39,280,376	40,922,680
Net asset value per share, LKR		141.12	130.92	117.45	151.34	138.59	122.61

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

	31.03.2014	31.03.2013
- Highest price LKR	154.00	131.80
- Lowest price LKR	129.00	112.60
- Last traded price LKR	143.90	131.10

## Statement of Changes in Equity

For the years ended 31 March

	Share capital LKR 000	Share premium 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 31.03.2012 as previously stated</b>	2,650,977	2,064,837	1,135,000	350,215	9,431,052	13,779,839	1,723,107	31,135,027
<b>Impact of adopting LKAS 19 Employment Benefits</b>							117,709	117,709
<b>Restated balance as at 01.04.2012</b>	2,650,977	2,064,837	1,135,000	350,215	9,431,052	13,779,839	1,840,816	31,252,736
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	-	-	2,921,356	2,921,356
Other comprehensive income	-	-	-	-	1,736,233	-	(76,783)	1,659,450
<b>Total comprehensive income for the year</b>	-	-	-	-	1,736,233	-	2,844,573	4,580,806
Transfers	-	-	150,000	370,810	-	-	(520,810)	-
<b>Transactions with equity holders, recognised directly in equity</b>								
Forfeiture of unclaimed dividends	-	-	-	-	-	-	10,720	10,720
Final dividend approved on 29.06.2012	-	-	-	-	-	-	(1,060,391)	(1,060,391)
<b>Total contributions from and distribution to equity holders</b>	-	-	-	-	-	-	(1,049,671)	(1,049,671)
<b>Balance as at 31.03.2013</b>	<b>2,650,977</b>	<b>2,064,837</b>	<b>1,285,000</b>	<b>721,025</b>	<b>11,167,285</b>	<b>13,779,839</b>	<b>3,114,908</b>	<b>34,783,871</b>
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	-	-	-	2,587,450	2,587,450
Other comprehensive income	-	-	-	-	1,275,890	-	88,354	1,364,244
<b>Total comprehensive income for the year</b>	-	-	-	-	1,275,890	-	2,675,804	3,951,694
Transfers	-	-	95,000	280,623	-	-	(375,623)	-
<b>Transactions with equity holders, recognised directly in equity</b>								
Final dividend approved on 28.06.2013	-	-	-	-	-	-	(1,325,488)	(1,325,488)
<b>Total contributions from and distribution to equity holders</b>	-	-	-	-	-	-	(1,325,488)	(1,325,488)
<b>Balance as at 31.03.2014</b>	<b>2,650,977</b>	<b>2,064,837</b>	<b>1,380,000</b>	<b>1,001,648</b>	<b>12,443,175</b>	<b>13,779,839</b>	<b>4,089,601</b>	<b>37,410,077</b>

## Statement of Changes in Equity

For the years ended 31 March

	Attributable to the equity holders of the Bank										
	Share capital	Share premium	Statutory reserves		Other reserves			Retained earnings	Total	Non-controlling interests	Total
			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	LKR 000	LKR 000	
<b>Group</b>											
<b>Balance as at 31.03.2012 as previously stated</b>	2,650,977	2,064,837	1,135,000	350,215	6,961,724	13,779,839	5,560,454	32,503,046	424,635	32,927,681	
<b>Impact of adopting LKAS 19 Employment Benefits</b>							115,982	115,982	(15)	115,967	
<b>Restated Balance as at 01.04.2012</b>	2,650,977	2,064,837	1,135,000	350,215	6,961,724	13,779,839	5,676,436	32,619,028	424,620	33,043,648	
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	3,493,961	3,493,961	80,447	3,574,408	
Other comprehensive income net of tax	-	-	-	-	1,756,761	-	(78,638)	1,678,123	(561)	1,677,562	
<b>Total comprehensive income for the year</b>	-	-	-	-	1,756,761	-	3,415,323	5,172,084	79,886	5,251,970	
<b>Transactions with equity holders, recognised directly in equity</b>											
Transfers	-	-	150,000	370,810	-	-	(520,810)	-	-	-	
Forfeiture of unclaimed dividends	-	-	-	-	-	-	10,720	10,720	-	10,720	
Final dividend approved on 29.06.2012	-	-	-	-	-	-	(1,060,391)	(1,060,391)	-	(1,060,391)	
Increase in ownership interest by the Bank that does not result in change of control	-	-	-	-	-	-	(1,949)	(1,949)	(2,597)	(4,546)	
Deemed disposal gain-joint venture	-	-	-	-	-	-	74,807	74,807	67,107	141,914	
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	-	(56,667)	(56,667)	
<b>Total contributions from and distribution to equity holders</b>	-	-	-	-	-	-	(976,813)	(976,813)	7,843	(968,970)	
<b>Balance as at 31.03.2013</b>	<b>2,650,977</b>	<b>2,064,837</b>	<b>1,285,000</b>	<b>721,025</b>	<b>8,718,485</b>	<b>13,779,839</b>	<b>7,594,136</b>	<b>36,814,299</b>	<b>512,349</b>	<b>37,326,648</b>	
<b>Total comprehensive income for the year</b>											
Profit for the year	-	-	-	-	-	-	3,151,400	3,151,400	98,275	3,249,675	
Other comprehensive income net of tax	-	-	-	-	1,361,490	-	87,313	1,448,803	6,952	1,455,755	
<b>Total comprehensive income for the year</b>	-	-	-	-	1,361,490	-	3,238,713	4,600,203	105,227	4,705,430	
<b>Transactions with equity holders, recognised directly in equity</b>											
Transfers	-	-	95,000	280,623	-	-	(375,623)	-	-	-	
Share issue expenses written off- Subsidiary							(10,954)	(10,954)	(97)	(11,051)	
Right issue by Subsidiary									18,309	18,309	
Increase in ownership interest by the Bank that does not result in change of control							(956)	(956)	(2,698)	(3,654)	
Consolidation Adjustment through Joint venture							4,207	4,207	654	4,861	
Final dividend approved on 28.06.2013							(1,325,488)	(1,325,488)	-	(1,325,488)	
Deemed disposal gain- joint venture							39,459	39,459	64,125	103,584	
Dividend distributed to non-controlling interest by subsidiaries									(71,006)	(71,006)	
<b>Total contributions from and distribution to equity holders</b>	-	-	-	-	-	-	(1,293,732)	(1,293,732)	9,287	(1,284,445)	
<b>Balance as at 31.03.2014</b>	<b>2,650,977</b>	<b>2,064,837</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>626,863</b>	<b>40,747,633</b>	

For the year ended 31 March

	Bank		Group	
	2014 LKR 000	2013 LKR 000 Restated	2014 LKR 000	2013 LKR 000 Restated
<b>Cash flow from operating activities</b>				
Interest Receipts	8,031,204	7,866,593	15,656,472	13,875,532
Interest payments	(4,771,971)	(4,803,007)	(10,169,877)	(8,592,679)
Recoveries on loans previously written off	75,467	71,087	80,030	73,223
Receipts from other operating activities	286,418	313,458	1,231,466	905,411
Cash payments to employees & suppliers	(1,521,416)	(1,536,083)	(3,814,797)	(3,280,489)
Value added tax	(408,069)	(232,299)	(602,508)	(395,414)
Other taxes and levies	(53,355)	-	(56,614)	-
Operating Cash flow before changes in operating assets and liabilities	1,638,278	1,679,749	2,324,172	2,585,584
(Increase )/decrease in operating assets:				
Deposits held for regulatory or monetary control purposes	-	-	(249,983)	(1,024,915)
Funds advanced to customers	(2,113,890)	(4,390,245)	(13,108,614)	(10,713,304)
Others	(411,745)	(116,657)	(231,103)	(454,148)
Increase /(decrease ) in operating liabilities:				
Security deposits from customers	-	-	-	-
Deposits from customers	1,142,696	3,189,540	17,431,906	16,686,820
Negotiable certificates of deposit	-	-	157,885	194,683
Others	(113,978)	187,894	(202,307)	395,639
Net cash flow from operating activities before income tax	141,361	550,281	6,121,956	7,670,359
Income tax paid	(437,112)	(247,718)	(648,864)	(364,053)
Net cash flow from/(used in )operating activities	(295,751)	302,563	5,473,092	7,306,306
<b>Cash flow from investing activities</b>				
Dividends received	1,180,769	1,048,955	1,122,145	944,714
Interest received	850,068	691,337	1,017,921	1,086,632
Government Securities-Net	(5,891,816)	(1,813,085)	(11,642,253)	(6,654,890)
Proceeds from sale and redemption of securities	799,270	691,925	799,270	691,925
Purchase of securities	(825,716)	(1,046,930)	(854,027)	(1,012,490)
Investment in associates by Joint Venture	-	-	(126,136)	(20,000)
Investment in additional shares of subsidiaries-DFCC Vardhana Bank PLC - (Synapsys Ltd)	(2,195,611) (17,000)	(4,546)	-	(4,546)
Purchase of property , equipment ,intangibles and investment property	(134,731)	(185,044)	(442,348)	(506,752)
Proceeds from sale of equipment and investment property	23,014	3,086	36,999	32,043
Net cash from/(used in ) investing activities	(6,211,753)	(614,302)	(10,088,429)	(5,443,364)
<b>Cash flow from financing activities</b>				
Issue of new shares by subsidiary	-	-	14,655	-
Issue of new shares by Subsidiary of joint venture	-	-	101,758	291,913
Redemption of debentures	-	(157,600)	-	(157,600)
Share issue expenses	-	-	(11,051)	-
Borrowing , medium and long - term	13,477,741	13,524,738	13,474,943	14,749,693
Other borrowings(Net)	(556,250)	3,521,750	742,068	909,201
Repayment of borrowing ,medium and long - term	(9,411,130)	(12,179,341)	(10,710,770)	(12,180,124)
Dividends paid	(1,319,694)	(1,056,071)	(1,390,700)	(1,112,739)
Net Cash flow from/(used in ) financing activities	2,190,667	3,653,476	2,220,903	2,500,344
Net increase/(decrease) in cash & cash equivalents				
	(4,316,837)	3,341,737	(2,394,434)	4,363,286
Cash & cash equivalents/(overdraft-net) at the beginning of period				
	7,558,956	4,217,219	12,347,546	7,984,260
Cash & cash equivalents at the end of period				
	3,242,119	7,558,956	9,953,112	12,347,546
<b>Reconciliation of cash &amp; cash equivalents with items reported in the statement of financial position</b>				
Cash and cash equivalents	545,388	597,456	2,966,148	3,976,892
Placements with banks	2,681,779	6,128,245	3,140,735	7,541,088
Government Securities-less than 3 months	14,952	833,255	3,846,229	833,255
Borrowing short term - Bank overdrafts	-	-	-	(3,689)
	3,242,119	7,558,956	9,953,112	12,347,546

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 relevant Sri Lanka Financial Reporting Standards (SLFRS) adopted by The Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of Banking Act No. 30 of 1988 and amendments thereto.

### Note 2. Accounting policies

2.1 The accounting policies and methods of computations are consistent with those policies and methods followed during the previous financial year other than as disclosed below;

2.2 The Group adopted Sri Lanka Accounting Standards (LKAS 19) " Employee Benefits" (2013) with effect from 01 April 2013 as part of its mandatory application and changed its basis for determining the income or expense related to defined benefit plans.

2.3 The impact of change in accounting policy;

	Bank LKR 000	Group LKR 000
Impact to Statement of Financial Position as at 01 April 2012	117,709	115,967
Income Statement (personnel cost) for the year ended 31 March 2013	36,441	36,441
Other Comprehensive Income (Actuarial losses on defined benefit plans net of deferred tax) for the year ended 31 March 2013	(76,783)	(78,213)
Impact to Statement of Financial Position as at 31 March 2013	<u>77,367</u>	<u>74,195</u>

### Note 3. 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 4. Accounting for investment in Joint Venture Company

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

### Note 5. 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).

### Note 6 Net loss from financial instruments at fair value through profit or loss

For the year ended 31 March	Bank		Group	
	2014 LKR 000	2013 LKR 000	2014 LKR 000	2013 LKR 000
Forward exchange fair value changes - contracts with commercial banks	91,799	(388,778)	154,137	(501,212)
- contracts with CBSL	(478,080)	-	(478,080)	-
<b>Total</b>	<u>(386,281)</u>	<u>(388,778)</u>	<u>(323,943)</u>	<u>(501,212)</u>

### Note 7. Net Gain/(Loss) from Financial Investments

For the year ended 31 March	Bank		Group	
	2014 LKR 000	2013 LKR 000	2014 LKR 000	2013 LKR 000
Gain on sale of securities	188,995	120,008	188,995	127,567
Dividend income	991,912	962,840	832,629	853,140
Net gain from repurchase transactions	30,586	7,606	132,737	116,987
	<u>1,211,493</u>	<u>1,090,454</u>	<u>1,154,361</u>	<u>1,097,694</u>

### Note 8. Other Operating (Loss)/Income (net)

For the year ended 31 March	Bank		Group	
	2014 LKR 000	2013 LKR 000	2014 LKR 000	2013 LKR 000
Foreign exchange gain/(loss)	(651,397)	215,519	(800,191)	299,696
Amortisation of deferred income on Government Grant	459,330	-	459,330	-
Others	169,308	152,254	356,116	336,609
	<u>(22,759)</u>	<u>367,773</u>	<u>15,255</u>	<u>636,305</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.

### Note 9. Loans and Receivables to Other Customers

As at	Bank		Group	
	31-03-2014 LKR 000	31-03-2013 LKR 000	31-03-2014 LKR 000	31-03-2013 LKR 000
Gross loans and receivables (Note 9.1)	64,733,749	62,191,645	119,256,015	104,396,499
Less: Individual impairment (Note 9.2.1)	(1,486,838)	(1,477,986)	(3,794,550)	(3,229,925)
Collective impairment (Note 9.2.2)	(1,905,442)	(1,868,892)	(3,097,218)	(2,767,131)
<b>Net loans and receivables</b>	<u>61,341,469</u>	<u>58,844,767</u>	<u>112,364,247</u>	<u>98,399,443</u>

**Note 9.1 Loans and Receivables to Other Customers - By product**

As at	Bank		Group	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Overdrafts	-	-	19,230,658	15,122,703
Trade finance	-	-	8,258,437	6,842,089
Lease rentals receivable	8,109,397	9,487,857	9,611,637	10,722,720
Credit cards	-	-	114,956	62,118
Pawning	-	-	3,426,803	3,625,272
Staff loans	533,093	424,505	891,735	710,586
Term loans	47,269,519	44,539,949	61,840,826	53,668,261
Commercial papers and asset back notes	2,321,850	1,079,531	2,321,850	1,079,531
Debenture loans	886,132	1,096,741	886,132	1,096,741
Preference shares unquoted	1,500,401	1,792,405	1,369,290	1,642,405
Securities purchased under resale agreements	-	535,506	1,225,486	1,644,785
	<b>60,620,392</b>	<b>58,956,494</b>	<b>109,177,810</b>	<b>96,217,211</b>
By product-Foreign Currency				
Overdrafts	-	-	275,450	555,292
Trade finance	-	-	4,840,862	3,457,209
Term loans	4,113,357	3,235,151	4,961,893	4,166,787
	<b>4,113,357</b>	<b>3,235,151</b>	<b>10,078,205</b>	<b>8,179,288</b>
<b>Gross Loans and Receivables</b>	<b>64,733,749</b>	<b>62,191,645</b>	<b>119,256,015</b>	<b>104,396,499</b>

**Note 9.2 Movement in Individual and Collective Impairment during the period for Loans and Receivable to Other Customers**

As at	Bank		Group	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	LKR 000	LKR 000	LKR 000	LKR 000
<b>9.2.1 Individual Impairment</b>				
Opening balance	1,477,986	1,383,599	3,229,925	2,812,113
Charge to income statement	11,308	104,388	569,034	417,218
Effect of foreign currency movements	-	-	5,563	10,595
Effect of discounting	(2,456)	(10,001)	(2,456)	(10,001)
Write-off loan & receivable	-	-	(7,516)	-
Closing balance	<b>1,486,838</b>	<b>1,477,986</b>	<b>3,794,550</b>	<b>3,229,925</b>
<b>9.2.2 Collective Impairment</b>				
Opening balance	1,868,892	2,093,397	2,767,131	2,896,612
Charge to income statement	281,123	52,988	621,595	243,222
Effect of foreign currency movements	-	-	718	2,295
Transfers to dues on terminated leases	(15,460)	(38,702)	(15,460)	(38,702)
Write-off loan & receivable	(229,113)	(238,791)	(276,766)	(336,296)
Closing balance	<b>1,905,442</b>	<b>1,868,892</b>	<b>3,097,218</b>	<b>2,767,131</b>
<b>Total Individual and Collective impairment</b>	<b>3,392,280</b>	<b>3,346,878</b>	<b>6,891,768</b>	<b>5,997,056</b>



**Note 10. Due to Other Customers - By product**

As at	Bank		Group	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	-	-	1,810,023	1,351,536
Savings deposits	-	-	12,168,520	9,142,650
Fixed deposits	16,616,195	14,151,819	57,169,839	41,837,373
Margin deposits	-	-	648,251	126,907
Certificate of deposits	-	-	586,707	370,833
	<b>16,616,195</b>	<b>14,151,819</b>	<b>72,383,340</b>	<b>52,829,299</b>
By product- Foreign Currency				
Demand deposits (current accounts)	-	-	98,900	87,122
Savings deposits	-	-	813,145	863,198
Fixed deposits	14,168	1,396,248	7,529,571	8,966,042
Margin deposits	-	-	1,161	4,605
	<b>14,168</b>	<b>1,396,248</b>	<b>8,442,777</b>	<b>9,920,967</b>
<b>Total</b>	<b>16,630,363</b>	<b>15,548,067</b>	<b>80,826,117</b>	<b>62,750,266</b>

**Note 11. Government Grant**

	Bank		Group	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	LKR 000	LKR 000	LKR 000	LKR 000
<b>11.1 Government Grant- Receivable</b>				
Fair value on the contract date	754,958	-	754,958	-
Change in fair value for the period	(478,080)	-	(478,080)	-
Fair value on 31 March	<b>276,878</b>	<b>-</b>	<b>276,878</b>	<b>-</b>
<b>11.2 Government Grant - Deferred Income</b>				
Fair value on the contract date	754,958	-	754,958	-
Change in fair value for the period	(478,080)	-	(478,080)	-
Foreign exchange gain on revaluation	18,750	-	18,750	-
Amotisation of deferred income on government grant	(459,330)	-	(459,330)	-
Fair value on 31 March	<b>295,628</b>	<b>-</b>	<b>295,628</b>	<b>-</b>

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 a currency SWAP arrangement with Central Bank of Sri Lanka (CBSL) for 75% of the US Dollar (USD) denominated liability.

The currency SWAP arrangement, pursuant to Government policy for the principal amount only is designed to reimburse DFCC Bank by CBSL for any exchange loss incurred and conversely for DFCC Bank to pay CBSL any exchange gain arising from depreciation of LKR vis-avis USD or appreciation of LKR vis-a-vis USD respectively.

Although USD denominated notes are repayable at the end of 5 years, the currency SWAP arrangement contract is renewed annually up to the date of repayment of the notes so as to exchange cash flow arising from movement in USD/LKR spot exchange rate that occurs at the time of renewal of the annual contract.

The currency SWAP arrangement with CBSL provides for SWAP of LKR to USD at the end of the contract at the same spot rate as the initial SWAP of USD to LKR at the commencement of the annual contract. (i.e. CBSL SWAP arrangement amounts to a full discount to USD LKR spot rate at the end of the contract).

The hedging instrument for currency swap is deemed to be a derivative asset recognised at the fair value at the inception of the contract. The fair value of this derivative asset is measured by reference to forward exchange quotes for USD purchase contracts by commercial banks, who are the normal market participants. Thus the fair value gain at the inception of the contract is the full amount of the forward premium quote at the end of one year.

The subsequent change in fair value is recognised in the income statement.

CBSL normally does not enter in to forward exchange contracts with market participants providing 100% discount to the USD LKR spot rate at the time of the maturity of the contract. Thus this arrangement has features of both derivative instrument and Government grant through the agency of CBSL.

The initial gain by reference to forward price of an equivalent forward exchange dollar purchase contract is recognised as a Government grant and deferred income.

The deferred income is amortised on a systematic basis over the period in which the Bank recognises the fall in value of derivative which the grant is intended to compensate.

**Note 12. Debt Securities Issued**

DFCC Bank issued USD 100 million 5 year Notes in October 2013. In order to mitigate the foreign exchange risk the Central Bank of Sri Lanka (CBSL) has entered into a special arrangement with the DFCC Bank in respect of USD 75 million of this issue. By this arrangement the Bank will be compensated for losses arising from a depreciation of the LKR during the tenor of the Notes on USD 75 million. Conversely in the event the LKR appreciates during the period the DFCC Bank will pay the gain to the CBSL.

This arrangement will be in force throughout the life of the Notes and is based on annually renewable contracts with losses or gains settled at the time of each renewal.

**Note 13. Proposed consolidation of Banking Business**

In pursuance to the policies announced by Government to encourage consolidation of certain banking business, DFCC Bank and National Development Bank PLC have taken the initiative to explore the possibilities of amalgamating. Both banks have entered into a Memorandum of Understanding to work towards the proposed amalgamation.

**Note 14. Events occurring after the reporting period**

The Directors have recommended the payment of a final dividend of LKR 5.50/- per share for the year ended 31 March 2014, which require the approval of the shareholders at the Annual General Meeting to be held on 30 June 2014. 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 have obtained the certificate from the Auditors.

The proposed final dividend exceeds the minimum distribution mandated by the Inland Revenue Act No. 10 of 2006 and therefore the 10% deemed dividend tax, will not be imposed on the Bank.

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

**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 Share Capital**

	<b>Number of shares</b>
Number of shares of the Bank on 31 March 2014 (No increase from 31 March 2013)	<u><b>265,097,688</b></u>

The Financial Statements of the Bank has retained the concept of par value, authorized capital and share premium account instead of the Stated Capital introduced by the Companies Act No. 7 of 2007 in accordance with section 7 of the DFCC Bank Act No. 35 of 1955 as amended.

### 15.3 Twenty Major Shareholders as at 31.03.2014

	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	22,886,700	8.63
6	Distilleries Company of Sri Lanka PLC	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 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	HSBC Intl Nominees Ltd-BP2S Luxembourg-Aberdeen Global Frontier Markets Equity Fund	3,287,584	1.24
15	Employees Trust Fund Board	2,408,991	0.91
16	Cargo Boat Development Company PLC	2,098,200	0.79
17	HSBC Intl Nominees Ltd-BP2S-London - Aberdeen New Dawn Investment Trust XCC6 Dawn Investment Trust XCC6	1,800,000	0.68
18	Mellon Bank N.A. - Florida Retirement System	1,500,000	0.57
19	National Savings Bank	1,342,024	0.51
20	Renuka Consultants & Services Limited	1,097,992	0.41

15.4 Public holding as at 31.03.2014 is 63.31%

### 15.5 Directors' Interests in Shares

	No of Shares As at 31.03.2014
Jansz, C R	1,000
Fernando, A R –CEO/ Ex-officio Director	4,470
Dayasri, G K	1,036
Gunawardana, H M N S	Nil
Thambiyah, R B	211,200
Thambiyah, S.R – Alternative Director	Nil
Chandradasa L P	500
Perumal, J E A	42,475
Fernando P M B	1,000

### Certification

We, the undersigned, being the Chairman, the Chief Executive Officer and the Chief Financial Officer of DFCC Bank 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.

C R Jansz  
Chairman

A R Fernando  
Ex-officio Director  
& Chief Executive

Ms A Withana  
Chief Financial Officer

28.05.2014

**DFCC Listed Debenture**

	<b>Interest Payable Frequency</b>	<b>Applicable Interest Rate</b>	<b>Interest rate of Comparative Government Securites (Gross)</b>	<b>Balance as at 31.03.2014 LKR 000</b>
<b>Debenture Category</b>				
<b>Fixed Rate</b>				
2006/2016 - 14.00% p.a.	Annually	14.00%	8.79%	<u>609,373</u>
<b>Other Ratios</b>		<b>31.03.2014</b>	<b>31.03.2013</b>	
Debt to equity Ratio		1.07	1.72	
Interest cover		1.34	1.38	
Liquid Asset Ratio (%)		77.5	52.8	

Business Segment Information

For the year ended 31 March	Lending		Financial Leasing		Investing in Equity		Commercial Banking		Other		Unallocated		Eliminations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Revenue																
Interest income	8,169,118	7,873,358	1,575,227	1,561,722	-	-	8,773,840	6,713,226	212,779	120,558	-	-	(128,848)	(126,315)	18,602,116	16,142,549
Net fees and commission income	103,998	82,132	12,902	-	-	-	697,627	566,848	255,873	223,490	-	-	(156,841)	(160,830)	913,559	711,640
Net gain from trading	-	-	-	-	-	-	178,741	93,770	27,045	5,294	33,565	2,936	-	-	239,351	102,000
Net gain from financial instruments at fair value through	-	-	-	-	-	-	62,338	(112,434)	-	-	(386,281)	(388,778)	-	-	(323,943)	(501,212)
Net gain/(loss)/from financial investments	-	-	-	-	1,211,493	1,082,848	118,056	53,191	1,372	82,478	-	7,605	(176,560)	(128,428)	1,154,361	1,097,694
Other Operating income/(loss)-net	41,262	71,086	-	-	(31,297)	186,364	(141,527)	91,549	209,300	205,026	(32,724)	131,410	(29,759)	(49,130)	15,255	636,305
Total income	<b>8,314,378</b>	<b>8,026,576</b>	<b>1,588,129</b>	<b>1,561,722</b>	<b>1,180,196</b>	<b>1,269,212</b>	<b>9,689,075</b>	<b>7,406,150</b>	<b>706,369</b>	<b>636,846</b>	<b>(385,440)</b>	<b>(246,827)</b>	<b>(492,008)</b>	<b>(464,703)</b>	<b>20,600,699</b>	<b>18,188,976</b>
Percentage *	<b>40</b>	<b>44</b>	<b>8</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>47</b>	<b>41</b>	<b>3</b>	<b>4</b>	<b>(2)</b>	<b>(1)</b>	<b>(2)</b>	<b>-</b>	<b>100</b>	<b>100</b>
Expense																
Segment losses	357,304	172,106	(46,295)	(13,343)	13,786	13,633	896,927	499,342	-	-	-	-	-	(9,133)	1,221,722	662,605
Depreciation	-	-	-	-	-	-	182,549	167,127	31,557	37,208	-	-	-	-	214,106	204,335
Other operating & interest expenses	3,510,902	4,359,162	566,624	817,937	-	-	7,689,330	5,786,788	518,470	421,855	-	-	(315,448)	(315,320)	11,969,878	11,070,422
	<b>3,868,206</b>	<b>4,531,268</b>	<b>520,329</b>	<b>804,594</b>	<b>13,786</b>	<b>13,633</b>	<b>8,768,806</b>	<b>6,453,257</b>	<b>550,027</b>	<b>459,063</b>					<b>13,405,706</b>	<b>11,937,362</b>
Result	<b>4,446,172</b>	<b>3,495,308</b>	<b>1,067,800</b>	<b>757,128</b>	<b>1,166,410</b>	<b>1,255,579</b>	<b>920,269</b>	<b>952,893</b>	<b>156,342</b>	<b>177,783</b>					<b>7,194,993</b>	<b>6,251,614</b>
Unallocated expenses															2,557,567	1,425,443
Value Added Tax on financial services															577,103	394,461
Share of profits of associates															4,060,323	4,431,710
Profit before tax															124,125	24,150
Income tax on profit on ordinary activities															4,184,448	4,455,860
Profit after tax															934,773	881,452
Non-controlling interests															3,249,675	3,574,408
Profit for the equity holders of the bank															98,275	80,447
															<b>3,151,400</b>	<b>3,493,961</b>
Profits for the year															3,249,675	3,574,408
Other comprehensive income net of tax					1,296,603	1,736,345	70,814	18,986	88,338	(77,769)					1,455,755	1,677,562
Total comprehensive income															4,705,430	5,251,970
Total comprehensive income - non-controlling interests															105,227	79,886
Profit attributable to equity holders of the Bank															<b>4,600,203</b>	<b>5,172,084</b>
Assets	<b>61,615,401</b>	<b>53,591,385</b>	<b>9,617,324</b>	<b>10,569,913</b>	<b>24,547,340</b>	<b>21,113,405</b>	<b>78,429,809</b>	<b>58,492,636</b>	<b>4,580,186</b>	<b>4,078,017</b>	<b>5,539,329</b>	<b>8,684,967</b>	<b>(7,603,395)</b>	<b>(5,751,281)</b>	<b>176,725,994</b>	<b>150,779,042</b>
Percentage	<b>35</b>	<b>36</b>	<b>5</b>	<b>7</b>	<b>14</b>	<b>14</b>	<b>44</b>	<b>39</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>(4)</b>	<b>(5)</b>	<b>100</b>	<b>100</b>
Investment in associate company															607,415	415,251
															<b>177,333,409</b>	<b>151,194,293</b>
Liabilities	<b>47,429,081</b>	<b>45,710,013</b>	<b>7,298,457</b>	<b>8,539,071</b>	-	-	<b>72,016,398</b>	<b>54,434,141</b>	<b>2,530,344</b>	<b>2,251,416</b>	<b>8,761,638</b>	<b>4,273,331</b>	<b>(1,450,142)</b>	<b>(1,340,327)</b>	<b>136,585,776</b>	<b>113,867,645</b>
Capital expenditure - additions							194,563	194,481	17,977	21,815	130,511	113,283			343,051	329,579

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

Revenue and expenses attributable to the business segment of DFCC Vardhana Bank PLC excluding Finance leasing 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.

Assets held for sale is included in the segment, other.

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

\* Net of eliminations

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

This information relates to the consolidation of DFCC Bank (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 year ended 31 December is consolidated with income statements of DFCC for the year ended 31 March.

For the year ended 31 March

	2014 LKR 000	2013 LKR 000 Restated
<b>Income</b>	<b>20,214,370</b>	<b>17,837,031</b>
Interest income	18,466,668	16,085,307
Interest expenses	10,598,761	9,190,110
<b>Net Interest Income</b>	<b>7,867,907</b>	<b>6,895,197</b>
Fee and commission income	820,969	657,264
Less: Fee and commission expenses	6,442	8,284
<b>Net Fee and Commission Income</b>	<b>814,527</b>	<b>648,980</b>
Net gain/(loss) from trading	212,306	96,707
Net gain/(loss) from financial instruments at fair value through profit or loss	(323,943)	(501,212)
Net gain from financial investments	1,230,939	1,064,602
Other operating income (net)	(192,569)	434,363
	<b>9,609,167</b>	<b>8,638,637</b>
Charge of Impairment for loans and other losses	1,221,722	671,740
Individual Impairment	569,034	417,218
Collective Impairment	621,595	243,222
Others	31,093	11,300
Investment - impairment losses	-	-
<b>Net Operating Income</b>	<b>8,387,445</b>	<b>7,966,897</b>
<b>Less: Operating Expenses</b>		
Personnel expenses	1,829,807	1,659,883
Depreciation and Amortisation	319,535	310,840
Other operating expenses	1,679,068	1,307,342
<b>Operating Profit Before Value Added Tax</b>	<b>4,559,035</b>	<b>4,688,832</b>
Value added tax (VAT) on financial services	577,103	394,461
<b>Profit Before Tax</b>	<b>3,981,932</b>	<b>4,294,371</b>
Tax expenses	879,585	847,592
<b>Profit for the Year</b>	<b>3,102,347</b>	<b>3,446,779</b>

### Note 01 Reconciliation with Group profit

For the year ended 31 March

	2,014 LKR 000	2013 LKR 000
Profit for the period - DBB	3,102,347	3,446,779
Consolidation adjustments		
Dividend from subsidiaries & JV accounted in DBB	(77,951)	(49,574)
WHT on dividend received	(5,718)	(4,902)
Reversal of provision for fall in value of investments in subsidiary	-	9,135
	3,018,678	3,401,438
Add: Profit from other subsidiaries and Joint venture attributable to equity holders of DFCC Bank		
Subsidiaries	99,909	123,252
Joint venture	125,295	47,831
Share of profits of associate	5,793	1,887
<b>Profit for the Period</b>	<b>3,249,675</b>	<b>3,574,408</b>
<b>Composition of the Joint Venture Results</b>	<b>2,014 LKR 000</b>	<b>2013 LKR 000</b>
Joint venture and its subsidiaries	6,963	25,268
Associates of joint venture and its subsidiaries	118,332	22,263
	<b>125,295</b>	<b>47,831</b>