

Interim Financial Results for the six months ended 30 June 2017

This commentary relates to the interim non audited financial statements for the six months ended 30 June 2017 (the current period) presented in accordance with Sri Lanka Financial Reporting Standards (SLFRS) aligned with the International Financial Reporting Standards (IFRS).

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).

Overview of Financial Performance of the Group

DFCC Group recorded profit before tax of LKR 3,616 million in the first six months of 2017, a 68% growth over LKR 2,151 million in the comparable period in 2016. The Group recorded a consolidated profit after tax (PAT) of LKR 2,944 million up 71% over the LKR 1,721 million recorded in the comparable period. PAT for the quarter ended 30th June 2017 was LKR 1,571 million which reflects a growth of 14.4% over LKR 1,373 million reported in the first quarter of 2017.

Banking Business

DFCC Bank completed yet another successful first half year by reporting profit before tax of LKR 3,446 million a 74% growth and profit after tax of LKR 2,815 million a 76% growth over the period ended 30 June 2016 despite increased taxes and narrowing margins due to fluctuating interest rates which prevailed during the period.

The Bank's Net interest income recorded a satisfactory growth of 38% from LKR 3,831 million in the comparable period to LKR 5,303 million during the current period while net fee and commission income grew by 16% to LKR 699 million from LKR 600 million. Net interest margin improved to 3.6% in June 2017 from 3.3% in December 2016. Net gain from financial investment has increased by 164% during the six months period ended 30th June 2017. This includes a gain of LKR 1,073 Million (before taxes) from the sale of voting shares of Commercial Bank of Ceylon PLC. Trading gains however reduced by LKR 39.6 million during the same period. Overall improvement in the income growth contributed to a 44% growth in operating income year on year. The growth in operating income adjusted for the exceptional gain arising from the sale of Commercial Bank of Ceylon PLC shares was 24%.

The Bank's impairment charge has declined by LKR 157 million (24%) over the previous year mainly due to the provisions made for few accounts during the period ended 30 June 2016. The Bank's non performing advances (NPA) ratio as at 30th June 2017 was 3.02% compared with 2.97% in December 2016 but is an improvement when compared with March 2017 NPA ratio of 3.34%. Improved recovery process and prudent loan appraisals helped to contain the accumulation of non performing advances.

The improvement in impairment charge boosted the growth in operating income of 44% to record 54% growth in net operating income.

The Bank's operating expenses increased by 28% from LKR 2,178 million to LKR 2,783 million in the comparable period on June 2016 due to branch expansion, business promotions and IT related expenses that had contributed to expand delivery channels and to improve service deliverables. Over the first six months, the bank's branch network increased by 9 new branches opened in Kahawatte, Kochchikade, Giriulla, Wennappuwa, Hikkaduwa, Nawalapitiya, Dankotuwa, Ambalanthota and Wattegama. Despite the above increase, the Bank has been able to maintain a cost to income ratio of 47.1% after adjusting for the exceptional gain.(The cost to income ratio before adjusting for the exceptional gain from the sale of voting shares of Commercial Bank of Ceylon PLC was 37.0%).

Other Comprehensive Income-Bank

Listed shares, Investments in treasury bills and bonds are classified as available for sale and carried at fair value. The fair value changes that represent unrealized gains/losses of such investments are recognized in other comprehensive income (OCI). The fair value losses reduced from LKR 2,943 million recorded in the comparable period to a gain of LKR 188 million in the current period mainly due to positive gains from investment in equity and Government securities year on year.

The net amount transferred from OCI to the income statement during the six months period was LKR 1,189 million. A Major part of this amount was accounted for by the sale of shares of the investment in Commercial Bank of Ceylon PLC which is classified under available for sales (AFS) asset.

Financial Position

The Bank's Loans portfolio grew by LKR 31,694 million to LKR 198,438 million compared to LKR 166,744 million as at 30 June 2017, reflecting a growth of 19% year on year. The year to date growth in loan portfolio was LKR 12,652 million (7%). The Bank's deposit base increased to LKR 168,357 up 40% from LKR 120,089 million in June 2016. The growth in customer deposits during the first half year 2017 was LKR 27,843 million (20%) which was well above the growth in loan portfolio during the same period. The Bank's CASA ratio, which represents low cost deposits over the total deposits of the Bank, has declined to 15.9% from 20.2% in December 2016. This was mainly due to the increase in fixed deposits by LKR 29,806 million during the period which was used to fund the lending growth of the Bank. The DFCC bank continues to enjoy medium to long term low cost borrowing lines that helped to reduce the funding cost. When these term borrowings are added to deposits, the ratio improves to 26.1% as at 30th June 2017.

The Bank undertook a new-year promotion for savings products in April 2017 that helped to increase the growth in savings deposits by LKR 1,480 Million during the second quarter 2017. The Bank has launched more savings products in July 2017 to improve the CASA ratio.

Total assets of the Bank grew by 14,814 million (5%) during the first half 2017. The total assets growth compared to June 2016 was LKR 42,829 Million (16%).

The Bank's return on assets (ROA) improved to 1.9% in June 2017 when compared with 1.6% in December 2016. Return on equity (ROE) also increased by 24% to 9.2% as at June 2017 from 7.4% in December 2016.

Prudential Indicators

The DFCC Group and Bank capital adequacy ratios are reported well above the minimum requirements. As at 30 June 2017, the Group Tier 1 capital adequacy ratio was 13.39% and the total capital adequacy ratio was 15.64% compared with 14.60% and 17.47% reported in December 2016. The Bank's Tier 1 and total capital adequacy ratios were 12.41% and 15.24% respectively as at 30

June 2017 compared with 13.62% and 17.09% respectively as at December 2016. The Decline in ratios was due to a dividend payment of LKR 1,193 million and the increase in the loan portfolio by LKR 12,652 million during the first six months in 2017.

The Bank is also well within the minimum capital requirement for Basel III reporting which will be effective from July 2017.

Arjun Fernando Chief Executive Officer

31 July 2017

DFCC Bank PLC Income Statement

| | | | Bank | | | | | | Group | | | |
|---|------------------|---|-----------|------------|---------------|-------------|-----------------|----------------|--------------|-------------|-------------|--------|
| | For the | six months en | ded | For th | e quarter end | ed | For the | six months end | ded | For the qua | arter ended | |
| Notes | 30.06. 2017 | 30.06.2016 | Change | | 30.06. 2016 | Change | 30.06. 2017 | 30.06. 2016 | Change | 30.06. 2017 | 30.06. 2016 | Change |
| | LKR 000 | LKR 000 | % | LKR 000 | LKR 000 | % | LKR 000 | LKR 000 | % | LKR 000 | LKR 000 | % |
| Income | 17,448,116 | 12,021,681 | 45 | 9,268,097 | 6,094,595 | 52 | 17,661,053 | 12,174,564 | 45 | 9,394,809 | 6,182,770 | 52 |
| Interest income | 15,217,938 | 10.632.384 | 43 | 7,960,017 | 5.655.471 | 41 | 15.225.050 | 10.638.417 | 43 | 7,963,603 | 5,659,782 | 41 |
| Interest expense | 9,915,100 | 6,801,266 | 46 | 5,238,564 | 3,612,481 | 45 | 9,894,304 | 6,788,723 | 46 | 5,226,907 | 3,606,728 | 45 |
| Net interest income | 5,302,838 | 3,831,118 | 38 | 2,721,453 | 2,042,990 | 33 | 5,330,746 | 3,849,694 | 38 | 2,736,696 | 2,053,054 | 33 |
| | 0,002,000 | 5,051,110 | 20 | 2,721,100 | 2,012,000 | 00 | 0,000,110 | 5,617,671 | 50 | 2,700,020 | 2,000,001 | |
| Fee and commission income | 698,844 | 599,917 | 16 | 355,856 | 303,447 | 17 | 698,678 | 600.462 | 16 | 355,702 | 295,334 | 20 |
| Fee and commission expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Net fee and commission income | 698,844 | 599,917 | 16 | 355,856 | 303,447 | 17 | 698,678 | 600,462 | 16 | 355,702 | 295,334 | 20 |
| Net gain / (loss) from trading | 150,279 | 189,882 | (21) | 119,308 | 209,357 | (43) | 150,279 | 189,882 | (21) | 119,308 | 209,357 | (43) |
| Net loss from financial instruments at fair | | | | | | | - | | | | | |
| value through profit or loss 5 | (63,071) | (205,663) | 69 | (252,110) | (437,372) | 42 | (63,071) | (205,663) | 69 | (252,110) | (437,372) | 42 |
| Net gain from financial investments 6 | 1,794,882 | 680,957 | 164 | 1,163,701 | 47,826 | 2,333 | 1,788,105 | 671,494 | 166 | 1,156,924 | 47,826 | 2,319 |
| Other operating (loss) /income- net 7 | (350,756) | 124,204 | (382) | (78,675) | 315,866 | (125) | (137,988) | 279,972 | (149) | 51,382 | 407,843 | (87) |
| Total operating income | 7,533,016 | 5,220,415 | 44 | 4,029,533 | 2,482,114 | 62 | 7,766,749 | 5,385,841 | 44 | 4,167,902 | 2,576,042 | 62 |
| | | | | | | | | | | | | |
| Impairment for loans and other losses | 212.262 | 624,417 | (51) | 100.002 | 157 (07 | (20) | 212.262 | 624.417 | (51) | 100.002 | 157 (07 | (20) |
| - Individual impairment | 312,362 | 634,417 | (51) | 100,982 | 157,607 | (36) | 312,362 | 634,417 | (51) | 100,982 | 157,607 | (36) |
| - Collective impairment | 149,553 | 4,801 | 3,015 | 193,821 | 26,013 | 645 226 | 149,553 | 4,801 | 3,015 | 193,821 | 26,013 | 645 |
| - Others | 10,465 14,832 | 951 | 1,000 | 5,063 | 1,552 | 226 | 10,465 | 951 | 1,000 100 | 5,063 | 1,551 | 226 |
| Investment - impairment losses Net operating income | 7,045,804 | 4,268 | 248 54 | 3,729,667 | 4,268 | (100) 63 | 4,935 7,289,434 | 4,745,672 | 54 | 3,868,036 | 2,390,871 | 62 |
| Net operating income | 7,045,004 | 4,373,978 | 54 | 3,729,007 | 2,292,074 | 05 | 7,209,434 | 4,745,072 | 54 | 3,000,030 | 2,390,871 | 02 |
| Operating expenses | | | | | | | | | | | | |
| Personnel expenses | 1,502,601 | 1,117,652 | 34 | 877,837 | 557,132 | 58 | 1,589,434 | 1,216,602 | 31 | 919,903 | 626,759 | 47 |
| Depreciation and amortisation | 1,302,001 | 1,117,032 | 4 | 87,887 | 83,252 | 6 | 208,367 | 1,210,002 | 14 | 113,062 | 90.874 | 24 |
| Other expenses | 1,108,010 | 894,092 | 24 | 574,561 | 475,242 | 21 | 1,128,191 | 873,754 | 29 | 588,461 | 460,831 | 28 |
| Operating profit before value added tax and | 1,100,010 | 0)4,0)2 | 24 | 574,501 | 475,242 | 21 | 1,120,171 | 075,754 | 27 | 200,401 | 400,001 | 20 |
| nation building Tax on financial services | 4,261,937 | 2,398,117 | 78 | 2,189,382 | 1,177,048 | 86 | 4,363,442 | 2,472,538 | 76 | 2,246,610 | 1,212,407 | 85 |
| Value added tax and nation building tax on | , - , - | ,, | | ,, | , , | | , , | , . , | | , ., | , , | |
| financial services | 816,322 | 414,947 | 97 | 436,243 | 222,651 | 96 | 816,322 | 414,947 | 97 | 436,243 | 222,652 | 96 |
| | 010,022 | 11,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 71 | 100,210 | 222,001 | ,,, | 010,022 | | 71 | 100,210 | 222,002 | ,,, |
| Operating profit after value added tax and | | | | | | | | | | | | |
| nation building tax on financial services | 2 445 615 | 1 002 170 | 74 | 1 752 120 | 054 207 | 0.4 | 2 5 45 120 | 2 057 501 | 70 | 1 010 2/7 | 000 755 | 02 |
| | 3,445,615 | 1,983,170 | 74 | 1,753,139 | 954,397 | 84 | 3,547,120 | 2,057,591 | 72 | 1,810,367 | 989,755 | 83 |
| Channel and Change of a second state and in interventions | | _ | | | _ | | 68.006 | 02.061 | 00 | - | 76 100 | (22) |
| Share of profits of associate and joint venture | - | - | | - | - | | 68,996 | 92,961 | (26) | 58,743 | 76,102 | (23) |
| Profit before tax | 3,445,615 | 1,983,170 | 74 | 1,753,139 | 954,397 | 84 | 3,616,116 | 2,150,552 | 68 | 1,869,110 | 1,065,857 | 75 |
| From before tax | 3,443,015 | 1,985,170 | /4 | 1,755,159 | 934,397 | 04 | 3,010,110 | 2,150,552 | 08 | 1,009,110 | 1,005,857 | 15 |
| Income Tax expense | 630,384 | 383,631 | 64 | 276,935 | 280,592 | (1) | 672,048 | 430.031 | 56 | 298.301 | 314.957 | (5) |
| Profit for the period | 2,815,231 | 1,599,539 | 76 | 1,476,204 | 673,805 | 119 | 2,944,068 | 1,720,521 | 71 | 1,570,809 | 750,900 | 109 |
| rione for the period | 4,010,401 | 1,077,009 | 70 | 1,77,0,404 | 075,005 | 117 | 2,777,000 | 1,720,521 | /1 | 1,570,009 | 750,700 | 107 |
| Profit attributable to: | | | | | | | | | | | | |
| Equity holders of the Bank | 2,815,231 | 1,599,539 | 76 | 1,476,204 | 673,805 | 119 | 2,909,985 | 1,702,052 | 71 | 1,549,358 | 747,009 | 107 |
| Non-controlling interests | - | - | . 0 | - | | | 34,083 | 18,469 | | 21,451 | 3,891 | 451 |
| Profit for the period | 2,815,231 | 1,599,539 | 76 | 1,476,204 | 673,805 | 119 | 2,944,068 | 1.720.521 | 71 | 1.570.809 | 750,900 | 109 |
| Basic earnings per ordinary share (LKR) | 10.62 | 6.03 | 76 | 5.57 | 2.54 | 119 | 10.98 | 6.42 | 71 | 5.84 | 2.82 | 107 |
| (Sime (Sime) | 10.02 | 0.00 | .0 | 2.07 | 2.54 | | 10.90 | 0.12 | ,1 | 2.04 | 2.52 | 107 |

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

| | BANK For the six months ended For the guarter ended Fo | | | | GROUP For the six months ended For the quarter ended | | | | | | | |
|---|---|------------------------|------------|---------------------------------|---|--------------|----------------------------------|--------------------------------------|------------------|----------------------------------|-----------------------------|-------------------|
| | 30.06. 2017 LKR 000 | 30.06. 2016 LKR 000 | | 30.06. 2017 LKR 000 | 30.06. 2016 LKR 000 | Change % | | 30.06. 2016 LKR 000 | Change % | | 30.06. 2016 LKR 000 | Change % |
| Profit for the period | 2,815,231 | 1,599,539 | 76 | 1,476,204 | 673,805 | 119 | 2,944,068 | 1,720,521 | 71 | 1,570,809 | 750,900 | 109 |
| Other comprehensive income / (expenses) for the period, net of tax | | | | | | | | | | | | |
| Items that are or may be re classified subsequently to profit or loss Available for sale financial assets: | | | | | | | | | | | | |
| Net change in fair value of available-for-sale financial assets Net amount transferred to income statement on disposal of available-for-sale financial assets | 188,418 (1,188,907) | (2,943,094) | 106 100 | 1,879,551 (1,171,435) | (167,800) | 1,220 100 | 188,418 (1,188,907) | (2,943,094) | 106 100 | 1,879,551 (1,171,435) | (167,800) - | 1,220 100 |
| Tax expense relating to available-for-sale financial assets Share of other comprehensive expenses of equity accounted joint venture and associates | (88,043) | - | 100 | (92,814) | - | 100 | (88,043) (13,920) | - (41,880) | 100 67 | (92,814) 4,542 | - (29,220) | 100 116 |
| Total other comprehensive (expenses) / income that are or may be re classified subsequently | (1,088,532) | (2,943,094) | 63 | 615,302 | (167,800) | 467 | (1,102,453) | (2,984,974) | 63 | - 619,843 | (197,020) | 415 |
| Items that will not to be reclassified to income statement Actuarial gains and losses on defined benefit plans Tax expense relating to actuarial gains and losses on defined benefit plans | | - | | - | - | | 272 | - | 100 | (153) | (515) | 70 |
| Total other comprehensive (expenses) / income not to be reclassified to income statement Other comprehensive (expenses) / income for the period, | - (1,088,532) | - (2,943,094) | - 63 | - 615,302 | - (167,800) | - 467 | 272 (1,102,181) | (2,984,974) | 100 63 | (153) 619,691 | (515) (197,535) | 70 414 |
| Total comprehensive (expenses) / income for the period Total comprehensive (expenses) / income attributable to: | 1,726,699 | (1,343,555) | 229 | 2,091,506 | 506,005 | 313 | 1,841,887 | (1,264,453) | 246 | 2,190,499 | 553,365 | 296 |
| Equity holders of the Bank Non-Controlling interests Total comprehensive (expenses) / income for the period | 1,726,699 - 1,726,699 | (1,343,555) | 229 | 2,091,506 | 506,005 - 506,005 | 313 | 1,807,674 34,213 1,841,887 | (1,282,922) 18,469 (1,264,453) | 241 85 246 | 2,169,124 21,375 2,190,499 | 549,726 3,639 553,365 | 295 487 296 |
| r orar comprehensive (expenses) / income for the period | 1,720,099 | (1,343,355) | 229 | 2,091,500 | 300,005 | 515 | 1,041,887 | (1,204,455) | 240 | 2,190,499 | 333,303 | 290 |

DFCC Bank PLC Statement of Financial Position

| | BANK GROUP | | | | | | |
|--|------------|--------------------------|------------------------|---------|------------------------|---------------------|-------------------------------------|
| As at | | 30.06.2017 | 31.12.2016 | Change | 30.06.2017 | 31.12.2016 | Change |
| | | | (Audited) | Ū. | | (Audited) | |
| | Notes | LKR 000 | LKR 000 | % | LKR 000 | LKR 000 | % |
| | | | | | | | |
| Assets | | | | | | | |
| Cash and cash equivalents | | 3,320,291 | 4,330,934 | (23) | 3,330,682 | 4,344,260 | (23) |
| Balances with Central Bank of Sri Lanka | | 9,911,085 | 8,062,567 | 23 | 9,911,085 | 8,062,567 | 23 |
| Placements with banks | | 435,085 | 1,351,117 | (68) | 445,253 | 1,415,985 | (69) |
| Derivative assets held for risk management | | 96,452 | 122,977 | (22) | 96,452 | 122,977 | (22) |
| Other financial assets held-for-trading | | 139,500 | - | 100 | 139,500 | - | 100 |
| Loans to and receivables from banks | | 14,955,771 | 12,300,398 | 22 | 14,955,771 | 12,300,398 | 22 |
| Loans to and receivables from other customers | 8 | 198,437,129 | 185,784,979 | 7 | 198,437,129 | 185,784,979 | 7 |
| Financial investments - available-for-sale | | 47,714,908 | 49,272,243 | (3) | 47,714,908 | 49,272,243 | (3) |
| Financial investments - held-to-maturity | | 23,669,115 | 23,189,085 | 2 | 23,669,115 | 23,189,085 | 2 |
| Investments in subsidiaries | | 102,035 | 111,932 | (9) | - | - | - |
| Investments in associate | | 35,270 | 35,270 | 0 | 62,900 | 64,873 | (3) |
| Investments in joint venture | | 755,000 | 755,000 | 0 | 1,427,803 | 1,378,254 | 4 |
| Due from subsidiaries | | 32,528 | 19,855 | 64 | _, , | -, | _ |
| Investment Property | | | - | - | 259,032 | 231,352 | 12 |
| Property, plant and equipment | | 936,786 | 927,857 | 1 | 1,045,767 | 1,042,619 | 0 |
| Intangible assets | | 281,065 | 203,742 | 38 | 286,064 | 208,382 | 37 |
| Goodwill on consolidation | | 201,005 | 203,742 | 50 | 156,226 | 156,226 | 57 |
| Government grant receivable | 10.1 | 797,750 | 861,915 | (7) | 797,750 | 861,915 | (7) |
| Deferred tax asset | 10.1 | 191,150 | 801,915 | (i) | 589 | 628 | (7) |
| Prepayments | | 55,055 | 53,803 | 2 | 55,055 | 53,803 | 2 |
| Other assets | | · · · | | 19 | 3,329,238 | | |
| Total assets | | 3,251,018 304,925,843 | 2,728,340 | 19 | , , | 2,775,017 | 20 5 |
| 1 otal assets | | 304,925,645 | 290,112,014 | 5 | 306,120,319 | 291,265,563 | 5 |
| Liabilities | | | | | | | |
| Due to banks | | 9,339,073 | 18,103,587 | (48) | 9,339,073 | 18,103,587 | (48) |
| Derivative liabilities held- for- risk -management | | 78,052 | 105,741 | (46) | 78,052 | 105,741 | (46) |
| Due to other customers | 9 | 168,357,071 | 140,514,373 | 20 | 167,889,373 | 140,219,872 | 20 |
| | 2 | | | (13) | , , | | |
| Other borrowing | | 35,663,917 | 40,802,490 | . , | 35,663,917 | 40,787,444 | (13) |
| Debt securities issued Current tax liability | | 29,298,956 | 29,179,185 | 0 48 | 29,298,956 | 29,179,185 | 0 |
| | | 898,389 871.064 | 607,333 | 48 | 923,765 | 626,470 872,012 | 47 |
| Deferred tax liability | 10.2 | 871,064 382 500 | 851,662 | | 910,235 382 500 | 873,912 | 4 |
| Government grant - deferred Income | 10.2 | 382,500 | 701,665 | (45) | 382,500 | 701,665 | (45) |
| Other liabilities | | 4,110,800 | 4,190,675 | (2) | 4,333,185 | 4,352,331 | 0 |
| Subordinated term debt | | 9,542,596 | 9,205,637 | 4 | 9,542,596 | 9,205,637 | 4 |
| Total liabilities | | 258,542,418 | 244,262,348 | 6 | 258,361,652 | 244,155,844 | 6 |
| Fauity | | | | | | | |
| Equity Stated capital | 12 | 4,715,814 | 1 715 914 | 0 | 1 715 914 | 4,715,814 | 0 |
| Stated capital Statutory reserves | 12 | 4,715,814 2,004,275 | 4,715,814 2,004,275 | 0 0 | 4,715,814 2,004,275 | 4,715,814 2,004,275 | $\begin{array}{c} 0\\ 0\end{array}$ |
| • | | | , , | | 2,004,275 | | |
| Retained earnings | | 12,422,542 | 10,800,251 | 15 | , , | 14,231,009 | 12 |
| Other reserves | | 27,240,794 | 28,329,326 | (4) | 24,796,269 | 25,898,721 | (4) |
| Total equity attributable to | | 46 202 425 | 15 040 000 | 1 | AT ACA 220 | 46.040.010 | 1 |
| equity holders of the Bank | | 46,383,425 | 45,849,666 | 1 | 47,464,553 | 46,849,819 | 12 |
| Non-controlling interests | | - | - | 1 | 294,114 | 259,900 | 13 |
| Total equity | | 46,383,425 | 45,849,666 | 1 | 47,758,667 | 47,109,719 | 1 |
| Total equity and liabilities | | 304,925,843 | 290,112,014 | 5 | 306,120,319 | 291,265,563 | 5 |
| | | 105 520 (00 | 101 452 101 | | 108 830 200 | 101 452 101 | |
| Contingent liabilities and commitments | | 107,730,690 | 101,452,101 | 6 | 107,730,690 | 101,452,101 | 6 |
| Not agent value non share. I VD | | 174.07 | 172.05 | 1 | 170.05 | 176 70 | 1 |
| Net asset value per share, LKR | | 174.97 | 172.95 | 1 | 179.05 | 176.73 | 1 |

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

| | 30.06.2017 | 31.12.2016 |
|-------------------------|------------|------------|
| - Highest price Rs. | 133.90 | 132.40 |
| - Lowest price Rs. | 112.00 | 116.10 |
| - Last traded price Rs. | 129.00 | 122.50 |

DFCC Bank PLC

Statement of Changes in Equity

| | | Statutory reserves | Other r | eserves | | | |
|---|-----------|--------------------|-------------|------------|-------------|-------------|--|
| | Stated | Reserve | Fair value | General | Retained | Total | |
| | Capital | fund | reserve | reserves | earnings | equity | |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| Bank | | | | | | | |
| Balance as at 01.01.2016 | 4,715,814 | 1,834,275 | 14,285,657 | 13,779,839 | 8,203,426 | 42,819,011 | |
| Total comprehensive income/(expenses) for the period | | | | | | | |
| Profit for the period | | - | - | - | 1,599,539 | 1,599,539 | |
| Other comprehensive expenses net of tax | | - | (2,943,094) | - | - | (2,943,094) | |
| Total comprehensive income/(expenses) for the period | | - | (2,943,094) | - | 1,599,539 | (1,343,555) | |
| 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 30.06.2016 | 4,715,814 | 1,834,275 | 11,342,563 | 13,779,839 | 9,140,221 | 40,812,712 | |
| Balance as at 01.01.2017 | 4,715,814 | 2,004,275 | 14,549,487 | 13,779,839 | 10,800,251 | 45,849,666 | |
| Profit for the period | | | | | 2,815,231 | 2,815,231 | |
| Other comprehensive expenses net of tax | - | - | (1,088,532) | - | - | (1,088,532) | |
| Total comprehensive (expenses) / income for the period | - | - | (1,088,532) | - | 2,815,231 | 1,726,699 | |
| Transactions with equity holders, recognised directly in equity | | | | | | | |
| Final Dividend approved on 20.02.2017 | - | - | - | - | (1,192,940) | (1,192,940) | |
| Total contributions from and distribution to equity holders | - | - | - | - | (1,192,940) | (1,192,940) | |
| Balance as at 30.06.2017 | 4,715,814 | 2,004,275 | 13,460,955 | 13,779,839 | 12,422,542 | 46,383,425 | |

DFCC Bank PLC Statement of Changes in Equity

| Suitement of Changes in Equity | | | Attributable (| to the equity holde | ng of the Douly | | | | |
|---|-------------------|-----------------------|-----------------------|-------------------------------------|--------------------|----------------------|-------------|-------------------------------|-------------|
| | | Statutory reserves | | Other reserves | rs of the bank | | | | |
| | Stated Capital | Reserve | Fair value reserve | Exchange equalisation reserve | General reserve | Retained earnings | Total | Non- controlling interests | Total |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 | LKR 000 |
| Group | | | | | | | | | |
| Balance as at 01.01.2016 | 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 period | - | - | - | - | - | 1,702,052 | 1,702,052 | 18,469 | 1,720,521 |
| Other comprehensive (expenses) / income net of tax | - | - | (2,986,625) | 1,651 | - | - | (2,984,974) | - | (2,984,974) |
| Total comprehensive expenses) / income for the period | | | (2,986,625) | 1,651 | - | 1,702,052 | (1,282,922) | 18,469 | (1,264,453) |
| Transactions with equity holders, recognised directly in equity | | | | | | | | | |
| Change in holding through joint venture | - | - | - | - | - | (322) | (322) | - | (322) |
| Preference share dividend paid by subsidiary of joint venture | - | - | _ | - | - | (1,256) | (1,256) | - | (1,256) |
| Final dividend approved on 24.02.2016 | - | - | - | - | - | (662,744) | (662,744) | - | (662,744) |
| Total contributions from and distribution to equity holders | - | _ | _ | - | | (664,322) | (664,322) | | (664,322) |
| Balance as at 30.06.2016 | 4,745,814 | 1,834,275 | 8,871,030 | 23,561 | 13,779,839 | 12,543,936 | 41,768,455 | 270,895 | 42,039,350 |
| Balance as at 01.01.2017 | 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 period | - | - | - | - | - | 2,909,986 | 2,909,986 | 34,083 | 2,944,069 |
| Other comprehensive (expenses) / income net of tax | - | - | (1,093,649) | (8,803) | - | 140 | (1,102,312) | 131 | (1,102,180) |
| Total comprehensive income for the period | | | (1.093.649) | (8,803) | - | 2.910.125 | 1.807.674 | 34,214 | 1,841,888 |
| Transactions with equity holders, recognised directly in equity | | | | | | , , , | , , | - / | ,. , |
| Change in holding through joint venture | - | - | - | - | - | | | | |
| Final dividend approved on 20.02.2017 | - | - | - | - | - | (1,192,940) | (1,192,940) | | (1,192,940) |
| Total contributions from and distribution to equity holders | | | | | | (1,192,940) | (1,192,940) | - | (1,192,940) |
| Balance as at 30.06.2017 | 4,715,814 | 2,004,275 | 10,991,805 | 24,625 | 13,779,839 | 15,948,195 | 47,464,553 | 294,114 | 47,758,667 |

| For the six months ended 2017 LKR 000 2016 LKR 000 2017 LKR 000 2016 LKR 000 2017 LKR 000 2016 LKR 000 2017 LKR 000 2016 LKR 000 2 | | Bar | ık | Group | | |
|--|---|---------------------------------------|--------------|--------------|--------------|--|
| Cash Bows from operating activities 11,942,066 8,646,416 11,941,361 8,630,006 Interest acceipts 11,942,066 8,646,416 11,941,361 8,630,006 Recorepts on loans previously written off 28,688 9,301 28,688 9,301 Recorepts on loans previously written off 28,688 9,301 28,688 9,301 Stab pryments to employes & suppliers (3,078,784) (43,728 794,025 1,000,337 Operating Cash Hows before changes in operating assets: 010,8741 (44,994) (138,872) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) (1,848,521) (1,210,388) <th>For the six months ended</th> <th>2017</th> <th>2016</th> <th>2017</th> <th>2016</th> | For the six months ended | 2017 | 2016 | 2017 | 2016 | |
| Interest Recipts 11.942,066 8,646,416 11.941,361 8,630,006 Interest Recipts 28,688 9,301 28,688 9,301 Recepts from other operating activities 57,454 94,722 794,025 1,003,37 Cash payments to employees & suppliers (3078,786 (2,527,384) (32,02795) (2,603,930) Other levies (109,874) (44,994) (109,874) - Operating Cash flows before changes in operating assets and liabilities (38,5211) 379,936 (266,645) 449,997 Deposits held for regulatory or monetary control purposes (18,85,211) (1,210,388) (1,848,521) (1,210,388) Deposits held for regulatory or monetary control purposes (18,45,221) (1,210,388) (1,848,521) (1,210,388) Deposits from customers (18,45,221) (1,210,388) (1,848,521) (1,210,388) Deposits from customers (18,411) (14,524,054) (15,522,198) (14,14,522) Others (19,414) (13,4822) (19,414) (14,822) (19,414) (14,822) Others (19,414) <th>Cash flows from anorating activities</th> <th>LKR 000</th> <th>LKR 000</th> <th>LKR 000</th> <th>LKR 000</th> | Cash flows from anorating activities | LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| Interest payments (8,977,754) (6,033,251) (8,956,956) (6,200,844) Receipts from other operating activities 28,688 9,301 28,688 9,301 Receipts from other operating activities 574,454 943,728 794,025 1,090,357 Cash payments to employees & suppliers (764,094) (343,880) (764,094) (388,880) (764,094) (388,880) (764,094) (388,880) (764,094) (388,880) (764,094) (388,986) (764,094) (388,980) (764,094) (388,980) (764,094) (388,871) (190,874) - - (190,874) - (190,874) - (190,874) - (190,874) - (190,874) - (1,210,388) (11,210,388) (11,210,388) (11,210,388) (11,210,388) (11,210,388) (11,210,388) (11,210,388) (14,210,318) (12,20,210,13) (14,220,20) (14,220,20) (14,220,20) (14,220,20) (14,210,220) (14,210,220,273) (14,210,238) (11,210,388) (14,210,31,31,99,20,215,81,01,20,223) (14,210,221,310,12,30,223,223) (14,210,221,310,12,30, | Cash nows nom operating activities | | | | | |
| Recorrise on loans previously written off 28,688 9,301 28,688 9,301 Receipts from other operating activities (30,78,766) (2,527,384) (32,02,795) (2,003,337) Cash paynetts to employees. & suppliers. (109,87,766) (2,527,384) (32,02,795) (2,603,300) Operating Cash flows before changes in operating assets and liabilities (109,874) (4,4994) (109,874) - Operating Cash flows before changes in operating assets: Borrowings under repurchase agreements (269,645) 449,997 Charcrase /idecrease in operating assets: Borrowings under repurchase agreements (288,716) (1,524,052) Paynets McI for regulatory or moteratry control purposes (1,848,521) (1,210,388) (1,848,521) (1,210,388) Paynets McI form customers (10,84,711) 128,006 26,939,723 9,402,836 Negotiable certificates of deposit (194,414) (114,422) (194,414) (134,822) Others 12,99,737 9,402,836 (262,337) (425,351) (206,628) Net cash flows from i/ (used in) operating activities before income tax (10,99,731) 9,242,936< | Interest Receipts | 11,942,066 | 8,646,416 | 11,941,361 | 8,634,006 | |
| Receips from other openning activities 574,543 943,728 794,025 1,000,337 Cash payments to employees & suppliers (3,078,786 (2,527,384) (3,202,795) (2,603,930) Operating Cash flows before changes in operating assets and liabilities (764,094) (333,880) (764,094) (38,97,786) Operating Cash flows before changes in operating assets (199,771) (44,994) (109,973) - Operating Cash flows before changes in operating assets (198,771) (149,994) (1210,388) (1,848,521) (1,210,388) Deposits held for regulatory or monetary control parposes (1,848,521) (1,210,388) (14,524,052) (14,524,052) Others 288,716 6.66,513 294,586 (208,311) Darcease (Accrease) in operating activities before income tax (19,414) (13,482,02) (14,524,052) Others (194,414) (13,482,01) (19,420,71) (14,524,052) (19,414) (13,482,02) (19,414) (13,482,02) (19,414) (13,420,02) (19,414) (13,422,02) (19,414) (13,422,02) (19,414) (13,420,02) (19, | Interest payments | (8,977,754) | (6,303,251) | (8,956,956) | (6,290,844) | |
| Cash payments to employes & suppliers (3,078,786) (2,227,384) (3,202,795) (2,603,390) Value added tax and nation building on tax finacial services (764,094) (343,880) (764,094) (388,873) Operating Cash flows before changes in operating assets and liabilities (19,874) (44,994) (109,874) - Operating Cash flows before changes in operating assets: (385,211) 379,936 (269,645) 449,997 Operating Cash flows before changes in operating assets: (14,524,014) (11,4524,020) (12,552,198) (14,524,020) Others (28,87,16) (14,524,020) (15,352,198) (14,524,020) (14,524,020) (13,276) 50,627 13,019 Operating customers (27,399,317) 9,128,006 26,939,723 9,402,836 (13,422) 00ers 13,076 50,627 13,019 0,622,1581 (14,624,902) 13,796 50,627 13,019 9,622,837 (425,851) (306,428) 9,539,923 (6,518,789) 0,821,856 (20,23,81) 14,924,01 (14,822) 0,92,158 (6,518,789) 12,12,067 13,019 14,224,021 (14,78,009) 9,194,307 (6,518,789) 12,12 | | 28,688 | 9,301 | 28,688 | 9,301 | |
| Value added tax and nation building on tax finacial services (764,094) (388,873) Other levies (109,874) (44,994) (109,874) . Other levies (385,211) 379,336 (269,645) 449,997 (Increase /decrease in operating assets: (385,211) 379,336 (269,645) 449,997 (Increase /decrease in operating insufficience (15,352,198) (14,524,054) (15,352,198) (14,524,052) Penosits field for regulatory or monetary control purposes (18,48,521) (1,210,388) (14,484,521) (1,210,388) Penosits from customers (27,399,317 9,128,006 26,939,723 9,402,835 Negotiable certificates of deposit (14,48,22) (194,414) (134,822) (14,414) (134,822) Others 40,201 13,796 50,627 13,019 9,947,891 (6,213,61) (6,213,61) (6,213,61) (6,213,61) (6,518,789) (14,224,064) 189,912 626,464 189,912 626,464 189,912 626,464 189,912 626,464 189,912 626,464 189,912 626, | | 574,543 | 943,728 | 794,025 | 1,090,337 | |
| Other levies (109,874) (44,994) (109,874) - Operating Cash flows before changes in operating assets: 335,211) 379,936 (269,645) 449,997 (Increase)/decrease in operating assets: Borrowings under repurchase agreements (1,848,521) (1,210,388) (1,210,382) Deposits flord for regulatory or monetary control purposes (1,848,521) (1,240,388) (1,542,4051) (1,210,382) Deposits from customers (19,372,108) (14,524,052) (15,352,108) (14,524,052) (1,210,382) Deposits from customers (19,414) (13,48,22) (19,414) (13,48,22) (14,414) (13,48,22) (14,414) (13,48,22) (14,414) (13,48,22) (14,414) (14,82,2) (14,414) (13,48,22) (14,414) (13,48,22) (14,414) (13,48,22) (14,414) (14,82,2) (14,414) (14,82,2) (14,414) (14,82,2) (14,414) (13,48,2) (14,414) (13,48,2) (14,414) (13,422) (14,424,514) (14,624,61) (14,614,61) (14,614,61) (14,614,61) (14,614,61) (14,614,61) | | | | | (2,603,930) | |
| Operating Cash flows before changes in operating assets and liabilities $(385,211)$ $379,936$ $(269,645)$ $449,997$ (Increase /decrease in operating assets: Borrowings under repurchase agreements Deposits held for regulatory on monetary control purposes (Increase /decrease) in operating liabilities: Deposits from customers $(1848,521)$ $(1,210,388)$ $(1.848,521)$ $(1,210,388)$ Increase /decrease) in operating liabilities: Deposits from customers $27399,317$ $9,128,006$ $269,39,723$ $9,402,836$ Others $27399,317$ $9,128,006$ $269,39,723$ $9,402,836$ Others $10944,114$ $(134,822)$ $(194,414)$ $(134,822)$ $(194,414)$ $(134,822)$ Others $40,201$ $13,796$ $50,627$ $13,019$ Income tax pid $402,918,737$ $(422,881)$ $(203,486)$ $(249,487)$ $(194,414)$ $(134,822)$ Net cash flows from / (used in) operating activities $9,539,923$ $(6573,850)$ $9,194,307$ $(65,18,789)$ Cash flows from investing activities $1,805,164$ $190,500$ $1,805,164$ $190,500$ $1,805,164$ $190,500$ Dividend | Value added tax and nation building on tax finacial services | | , | . , , | (388,873) | |
| $ \begin{array}{llllllllllllllllllllllllllllllllllll$ | | | | | - | |
| $\begin{array}{l lllllllllllllllllllllllllllllllllll$ | Operating Cash flows before changes in operating assets and liabilities | (385,211) | 379,936 | (269,645) | 449,997 | |
| Funds advanced to customers(15,352,198)(14,524,054)(15,352,198)(14,524,052)Others 1ncrease (/decrease) in operating liabilities: Deposits from customers 27,399,317 9,128,006 26,939,723 9,402,836Negotiable certificates of deposit(194,414)(134,822)(194,414)(134,822)Others 40,201 13,796 50,627 13,019Net cash flows from / (used in) operating activities before income tax 9,947,891 (6,281,013) 9,620,158 (6,212,361)Income tax paid 9,020,158 (6,573,850) 9,194,007 (6,518,789) Cash flows from / (used in) operating activities9,539,923 (6,573,850) 9,194,007 (6,518,789) Cash flows from investing activities9,539,912 $626,464$ 389,912 $626,464$ Interest received 389,912 $626,464$ 389,912 $626,464$ Interest received 1,805,164 196,300 1,805,164 | | | | | | |
| Others 288,716 66,513 294,586 (208,311) Increase /(decrease) in operating liabilities: Deposits from customers 27,399,317 9,128,006 26,939,723 9,402,836 Negotiable certificates of deposit (194,414) (134,822) (194,414) (134,822) Others 9,027,831 9,128,006 26,939,723 9,402,836 Net cash flows from / (used in) operating activities before income tax paid (407,968) (292,837) (425,851) (306,428) Net cash flows from / (used in) operating activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 9,539,923 (6,26,464 389,912 626,464 Interest received 2,897,401 1,195,711 3,227,898 1,212,067 Government Securities 1,805,164 196,300 1,805,164 196,300 Proceeds from sale and redemption of securities 1,805,164 196,300 1,805,164 196,300 Proceeds from sale of equipment and investment property 7,84,429 (1,787,009) 784,429 (1,787,009) Pr | Deposits held for regulatory or monetary control purposes | (1,848,521) | (1,210,388) | (1,848,521) | (1,210,388) | |
| Increase /(decrease) in operating liabilities: 27,399,317 9,128,006 26,939,723 9,402,836 Deposits from customers (194,414) (134,822) (194,414) (134,822) Others 40,201 13,796 50,627 13,019 Net cash flows from / (used in) operating activities 9,947,891 (6,281,013) 9,620,158 (6,212,351) Net cash flows from / (used in) operating activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 2,897,401 1,195,711 3,227,898 1,212,067 Government Securities - net 784,429 (1,787,009) 784,429 (1,787,009) Purchase of property , equipment , intangibles and investment property 1,805,164 196,300 1,805,164 196,300 Purchase of property , equipment , intangibles and investment property 3,544 - 3,544 16,981 Net cash flows from funancing activities - 5,315,450 - 5,315,450 - 5,315,450 Borrowing , medium and long - term 1,679,719 | Funds advanced to customers | (15,352,198) | (14,524,054) | (15,352,198) | (14,524,692) | |
| Deposits from customers27,399,3179,128,00626,939,7239,402,836Negotiable certificates of deposit $(194,414)$ $(134,822)$ $(194,414)$ $(134,822)$ Others $40,201$ $13,796$ $50,627$ $13,019$ Net cash flows from / (used in) operating activities $9,947,891$ $(6,281,013)$ $9,620,158$ $(6,212,361)$ Income tax paid $(407,968)$ $(292,837)$ $(425,851)$ $(306,428)$ Net cash flows from investing activities $9,539,923$ $(6,573,850)$ $9,194,307$ $(6,518,789)$ Cash flows from investing activities $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Dividend received $389,912$ $626,464$ $389,912$ $626,464$ Interest received $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Government Securities - net $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ Proceeds from sale and redemption of securities $1,805,164$ $196,300$ $1805,164$ $196,300$ Purchase of property, equipment and investment property $2,5344$ $ 3,544$ $ 3,544$ $16,981$ Net cash flows from financing activities $ 5,315,450$ $ 5,315,450$ $ 5,315,450$ Borrowing, medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,996,237$ $(1,4169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ Net (decrease) / increase in cash and cash equivalents $(1,926,675)$ $308,935$ $(1,984,310)$ | Others | 288,716 | 66,513 | 294,586 | (208,311) | |
| Negotiable certificates of deposit (194,414) (134,822) (194,414) (134,822) Others 40,201 13,796 50,627 13,019 Net cash flows from / (used in) operating activities before income tax paid 9,947,891 (6,281,013) 9,620,158 (6,212,361) Income tax paid (407,968) (292,837) (425,851) (306,428) Net cash flows from investing activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 389,912 626,464 389,912 626,464 Interest received 389,912 (17,87,009) 784,429 (1,787,009) Proceeds from sale and redemption of securities 1,805,164 196,300 1,805,164 196,300 Purchase of property, equipment, intangibles and investment property 3,544 - 3,544 16,931 (51,873) Proceeds from sale of equipment and investment property 3,544 - 3,51,450 5,315,450 5,315,450 5,315,450 Borrowing, medium and long - term 1,679,719 2,813,853 1,679,719 2,96,237 Other borrowing, medium and long - term 1,679,719 <t< td=""><td>Increase /(decrease) in operating liabilities:</td><td></td><td></td><td></td><td></td></t<> | Increase /(decrease) in operating liabilities: | | | | | |
| Others $40,201$ $13,796$ $50,627$ $13,019$ Net cash flows from / (used in) operating activities before income tax paid $9,947,891$ $(6.228,1013)$ $9,620,158$ $(6.212,361)$ Net cash flows from / (used in) operating activities $9,539,923$ $(6.573,350)$ $9,194,307$ $(6.518,789)$ Cash flows from investing activities $389,912$ $626,464$ $389,912$ $626,464$ $389,912$ $626,464$ $389,912$ $626,464$ $389,912$ $626,464$ Interest received $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Government Securities - net $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ Purchase of securities - net $18,05,164$ $196,300$ $1,805,164$ $196,300$ Purchase of grouperty, equipment, intangibles and investment property $253,855$ $(67,085)$ $(302,381)$ $(81,874)$ Net cash flows from financing activities $4,079,551$ $427,192$ $4,367,533$ $(408,644)$ Cash flows from financing activities $5,315,450$ $5,315,450$ $5,315,450$ $5,329,177$ </td <td>1</td> <td>27,399,317</td> <td>9,128,006</td> <td>, ,</td> <td></td> | 1 | 27,399,317 | 9,128,006 | , , | | |
| Net cash flows from / (used in) operating activities before income tax paid $9,947,891$ $(6,281,013)$ $9,620,158$ $(6,212,361)$ $(407,968)$ Net cash flows from / (used in) operating activities $9,539,923$ $(6,573,850)$ $9,194,307$ $(6,518,789)$ Cash flows from investing activities $9,539,923$ $(6,573,850)$ $9,194,307$ $(6,518,789)$ Cash flows from investing activities $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Government Securities net $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities $-5,315,450$ $-5,315,450$ $-5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing , medium and long - term $1,659,730$ $(1,188,945)$ $(659,502)$ Net (decrease) / increase in cash and cash equivalents $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents with items $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Paconciliation of cash and cash equivalents $3,320,291$ $4,275,123$ $3,330,6$ | | (194,414) | | (194,414) | | |
| Income tax paid (407,968) (292,837) (425,851) (306,428) Net cash flows from / (used in) operating activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 9,539,923 (6,573,850) 9,194,307 (6,518,789) Cash flows from investing activities 2,897,401 1,195,711 3,227,898 1,212,067 Government Securities - net 784,429 (1,787,009) 784,429 (1,787,009) Purchase of property, equipment intangibles and investment property 1,651,64 196,300 1,805,164 196,300 Purchase of property, equipment and investment property (1,541,033) (591,573) (1,541,033) (591,573) Net cash flows from financing activities 4,079,551 (427,192) 4,367,533 (408,644) Cash flows from financing activities - 5,315,450 - 5,315,450 Borrowing - net 1,679,719 2,813,853 1,679,719 2,969,237 Other borrowing - net 1,679,719 2,813,853 1,679,719 2,969,237 Net (decrease) / increase in cash and | | · · · · · · · · · · · · · · · · · · · | | | | |
| Net cash flows from / (used in) operating activities $9,539,923$ $(6,573,850)$ $9,194,307$ $(6,518,789)$ Cash flows from investing activities 389,912 $626,464$ 389,912 $626,464$ Interest received 1,195,711 3,227,898 1,212,067 Government Securities- net 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ 784,429 $(1,787,009)$ $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ $784,429$ $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ $(1,69,670)$ $2,92,177$ $(1,59,51)$ $427,512$ $(2,453,$ | | | | · · · | | |
| Cash flows from investing activities 389,912 626,464 389,912 626,464 Interest received 389,912 626,464 389,912 626,464 Interest received 2,897,401 1,195,711 3,227,898 1,212,067 Government Securities - net 784,429 (1,787,009) 784,429 (1,787,009) Proceeds from sale and redemption of securities 1,805,164 196,300 1,805,164 196,300 Purchase of property, equipment intangibles and investment property 1,854,1033 (591,573) (1,541,033) (591,573) Purchase of property, equipment and investment property 3,544 - 3,544 16,981 Net cash flows from / (used in) investing activities 4,079,551 (427,192) 4,367,533 (408,644) Cash flows from financing activities - 5,315,450 - 5,315,450 Borrowing - net 1,679,719 2,813,853 1,679,719 2,969,237 Other borrowing - net (1,189,7254) (2,453,002) (1,887,254) (2,453,003) Dividends paid (1,158,945) (659,499) | - | | | | | |
| Dividend received $389,912$ $626,464$ $389,912$ $626,464$ Interest received $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Government Securities net $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ Proceeds from sale and redemption of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ Purchase of property , equipment , intangibles and investment property $3,544$ - $3,544$ 16,981Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities- $5,315,450$ - $5,315,450$ - $5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,169,670)$ $2,293,177$ $(14,254,160)$ $7,455,359$ Net (decrease) / increase in ca | Net cash flows from / (used in) operating activities | 9,539,923 | (6,5/3,850) | 9,194,307 | (6,518,789) | |
| Interest received $2,897,401$ $1,195,711$ $3,227,898$ $1,212,067$ Government Securities net $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ Proceeds from sale and redemption of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ Purchase of property, equipment, intangibles and investment property $259,865)$ $(67,085)$ $(302,381)$ $(81,874)$ Proceeds from sale of equipment and investment property $3,544$ - $3,544$ $16,981$ Net cash flows from financing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities- $5,315,450$ - $5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing , medium and long - term $(1,4169,670)$ $2,293,175$ $(14,169,670)$ $2,293,177$ Repayment of borrowing , medium and long - term $(1,897,254)$ $(2,453,002)$ $(1,897,254)$ $(2,453,003)$ Dividends paid $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,502)$ Net (decrease) / increase in cash and cash equivalents $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the edging of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents with items $75,376$ $4,407,512$ $3,330,682$ $4,297,666$ Plac | Cash flows from investing activities | | | | | |
| Government Securities- net $784,429$ $(1,787,009)$ $784,429$ $(1,787,009)$ Proceeds from sale and redemption of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ Purchase of property, equipment intangibles and investment property $3,544$ - $3,544$ $16,981$ Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities- $5,315,450$ - $5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing s - net $(1,189,7254)$ $(2,453,002)$ $(1,58,945)$ $(659,502)$ Net Cash flows (used in) / from financing activities $(1,524,6150)$ $7,309,977$ $(1,5546,150)$ $7,465,359$ Net (decrease) / increase in cash and cash equivalents $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents at the end of period $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ | Dividend received | 389,912 | 626,464 | 389,912 | 626,464 | |
| Proceeds from sale and redemption of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of securities $1,805,164$ $196,300$ $1,805,164$ $196,300$ Purchase of property , equipment , intangibles and investment property $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ Purchase of property , equipment and investment property $3,544$ $ 3,544$ $16,981$ Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities $ 5,315,450$ $ 5,315,450$ $-$ Issue of debentures $ 5,315,450$ $ 5,315,450$ $-$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing , medium and long - term $(1,158,945)$ $(659,702)$ $(1,158,945)$ $(629,499)$ Dividends paid $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,502)$ Net Cash flows (used in) / from financing activities $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents with items $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ | Interest received | 2,897,401 | 1,195,711 | 3,227,898 | 1,212,067 | |
| Purchase of securities $(1,541,033)$ $(591,573)$ $(1,541,033)$ $(591,573)$ Purchase of property, equipment, intangibles and investment property $(259,865)$ $(67,085)$ $(302,381)$ $(81,874)$ Proceeds from sale of equipment and investment property $3,544$ $ 3,544$ $16,981$ Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities $ 5,315,450$ $ 5,315,450$ Borrowing, medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing s - net $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,177$ Repayment of borrowing medium and long - term $(1,897,254)$ $(2,453,002)$ $(1,897,254)$ $(2,453,003)$ Dividends paid $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,502)$ Net (act cash flows (used in) / from financing activities $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents with items $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ | Government Securities- net | 784,429 | (1,787,009) | 784,429 | (1,787,009) | |
| Purchase of property , equipment , intangibles and investment property Proceeds from sale of equipment and investment property $(259,865)$ $(67,085)$ $(302,381)$ $(81,874)$ $3,544$ Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities $ 5,315,450$ $ 5,315,450$ $ 5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowing , medium and long - term $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ Dividends paid $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,502)$ Net (acrease) / increase in cash and cash equivalents $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents at the end of period $5,320,524$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ | Proceeds from sale and redemption of securities | 1,805,164 | 196,300 | 1,805,164 | 196,300 | |
| Proceeds from sale of equipment and investment property $3,544$ - $3,544$ 16,981Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activities $ 5,315,450$ $ 5,315,450$ Borrowing, medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowings - net $(14,169,670)$ $2,293,175$ $(144,169,670)$ $2,293,177$ Repayment of borrowing, medium and long - term $(1,897,254)$ $(2,453,002)$ $(1,897,254)$ $(2,453,003)$ Dividends paid $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,502)$ Net Cash flows (used in) / from financing activities $(1,926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents at the end of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Reconciliation of cash and cash equivalents with items reported in the statement of financial position $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $33,20,291$ $4,275,123$ $3,330,682$ $4,297,666$ | Purchase of securities | (1,541,033) | (591,573) | (1,541,033) | (591,573) | |
| Net cash flows from / (used in) investing activities $4,079,551$ $(427,192)$ $4,367,533$ $(408,644)$ Cash flows from financing activitiesIssue of debenturesIssue of debenturesSorrowing , medium and long - term $0,679,719$ $2,813,853$ $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowings - net $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(14,169,670)$ $2,293,175$ $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(659,499)$ $(1,158,945)$ $(1926,675)$ $308,935$ $(1,984,310)$ $537,926$ Cash and cash equivalents with itemsreported in the statement of financial positionCash and cash equivalents $3,320,291$ | | (259,865) | (67,085) | (302,381) | (81,874) | |
| Cash flows from financing activitiesIssue of debentures- $5,315,450$ - $5,315,450$ Borrowing , medium and long - term $1,679,719$ $2,813,853$ $1,679,719$ $2,969,237$ Other borrowings - net(14,169,670) $2,293,175$ (14,169,670) $2,293,177$ Repayment of borrowing , medium and long - term($1,897,254$)($2,453,002$)($1,897,254$)($2,453,003$)Dividends paid($1,158,945$)($659,499$)($1,158,945$)($659,502$)Net Cash flows (used in) / from financing activities($15,546,150$) $7,309,977$ ($15,546,150$) $7,465,359$ Net (decrease) / increase in cash and cash equivalents($1,926,675$) $308,935$ ($1,984,310$) $537,926$ Cash and cash equivalents at the beginning of period $5,682,051$ $4,305,247$ $5,760,245$ $4,267,083$ Cash and cash equivalents at the end of period $3,755,376$ $4,614,182$ $3,775,935$ $4,805,009$ Reconciliation of cash and cash equivalents with items $3,320,291$ $4,275,123$ $3,330,682$ $4,297,666$ Placements with banks $335,085$ $339,059$ $445,253$ $507,343$ | Proceeds from sale of equipment and investment property | 3,544 | - | 3,544 | 16,981 | |
| Issue of debentures - 5,315,450 - 5,315,450 Borrowing , medium and long - term 1,679,719 2,813,853 1,679,719 2,969,237 Other borrowings - net (14,169,670) 2,293,175 (14,169,670) 2,293,175 Repayment of borrowing , medium and long - term (1,897,254) (2,453,002) (1,897,254) (2,453,003) Dividends paid (1,158,945) (659,499) (1,158,945) (659,502) Net Cash flows (used in) / from financing activities (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents with items 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 335,085 339,059 445,253 507,343 | Net cash flows from / (used in) investing activities | 4,079,551 | (427,192) | 4,367,533 | (408,644) | |
| Borrowing , medium and long - term 1,679,719 2,813,853 1,679,719 2,969,237 Other borrowings - net (14,169,670) 2,293,175 (14,169,670) 2,293,175 Repayment of borrowing , medium and long - term (1,897,254) (2,453,002) (1,897,254) (2,453,003) Dividends paid (1,158,945) (659,499) (1,158,945) (659,502) Net Cash flows (used in) / from financing activities (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents at the end of period 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents with items 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | Cash flows from financing activities | | | | | |
| Other borrowings - net (14,169,670) 2,293,175 (14,169,670) 2,293,177 Repayment of borrowing ,medium and long - term (1,897,254) (2,453,002) (1,897,254) (2,453,003) Dividends paid (1,158,945) (659,499) (1,158,945) (659,502) Net Cash flows (used in) / from financing activities (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents at the end of period 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents with items 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 335,085 339,059 445,253 507,343 | Issue of debentures | - | 5,315,450 | - | 5,315,450 | |
| Repayment of borrowing ,medium and long - term (1,897,254) (2,453,002) (1,897,254) (2,453,003) Dividends paid (1,158,945) (659,499) (1,158,945) (659,502) Net Cash flows (used in) / from financing activities (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents at the end of period 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents with items reported in the statement of financial position 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | Borrowing, medium and long - term | 1,679,719 | 2,813,853 | 1,679,719 | 2,969,237 | |
| Dividends paid (1,158,945) (659,499) (1,158,945) (659,502) Net Cash flows (used in) / from financing activities (1,5546,150) 7,309,977 (15,546,150) 7,465,359 Net (decrease) / increase in cash and cash equivalents (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents at the end of period 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents with items reported in the statement of financial position 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | Other borrowings - net | (14,169,670) | 2,293,175 | (14,169,670) | 2,293,177 | |
| Net Cash flows (used in) / from financing activities (15,546,150) 7,309,977 (15,546,150) 7,465,359 Net (decrease) / increase in cash and cash equivalents (1,926,675) 308,935 (1,984,310) 537,926 Cash and cash equivalents at the beginning of period 5,682,051 4,305,247 5,760,245 4,267,083 Cash and cash equivalents at the end of period 3,755,376 4,614,182 3,775,935 4,805,009 Reconciliation of cash and cash equivalents with items reported in the statement of financial position 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | Repayment of borrowing ,medium and long - term | (1,897,254) | (2,453,002) | (1,897,254) | (2,453,003) | |
| Net (decrease) / increase in cash and cash equivalents(1,926,675)308,935(1,984,310)537,926Cash and cash equivalents at the beginning of period5,682,0514,305,2475,760,2454,267,083Cash and cash equivalents at the end of period3,755,3764,614,1823,775,9354,805,009Reconciliation of cash and cash equivalents with items reported in the statement of financial position3,320,2914,275,1233,330,6824,297,666Placements with banks435,085339,059445,253507,343 | | (1,158,945) | (659,499) | (1,158,945) | (659,502) | |
| Cash and cash equivalents at the beginning of period5,682,0514,305,2475,760,2454,267,083Cash and cash equivalents at the end of period3,755,3764,614,1823,775,9354,805,009Reconciliation of cash and cash equivalents with items reported in the statement of financial position3,320,2914,275,1233,330,6824,297,666Placements with banks435,085339,059445,253507,343 | Net Cash flows (used in) / from financing activities | (15,546,150) | 7,309,977 | (15,546,150) | 7,465,359 | |
| Cash and cash equivalents at the end of period3,755,3764,614,1823,775,9354,805,009Reconciliation of cash and cash equivalents with items reported in the statement of financial position3,320,2914,275,1233,330,6824,297,666Cash and cash equivalents3,320,885339,059445,253507,343 | Net (decrease) / increase in cash and cash equivalents | (1,926,675) | 308,935 | (1,984,310) | 537,926 | |
| Reconciliation of cash and cash equivalents with items reported in the statement of financial position Cash and cash equivalents 3,320,291 4,275,123 3,330,682 4,297,666Placements with banks 435,085 339,059 445,253 507,343 | Cash and cash equivalents at the beginning of period | 5,682,051 | 4,305,247 | 5,760,245 | 4,267,083 | |
| reported in the statement of financial position 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | | 3,755,376 | 4,614,182 | 3,775,935 | 4,805,009 | |
| Cash and cash equivalents 3,320,291 4,275,123 3,330,682 4,297,666 Placements with banks 435,085 339,059 445,253 507,343 | Reconciliation of cash and cash equivalents with items | | | | | |
| Placements with banks 435,085 339,059 445,253 507,343 | | | | | | |
| | | | | | 4,297,666 | |
| 3,755,376 4,614,182 3,775,935 4,805,009 | Placements with banks | | | | | |
| | | 3,755,376 | 4,614,182 | 3,775,935 | 4,805,009 | |

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 period, 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 Gain from Financial Instruments at Fair Value Through Profit or Loss

| | Bank | | Gro | սթ |
|-------------------------------------|----------|-----------|----------|-----------|
| For the six months ended 30th June | 2017 | 2016 | 2017 | 2016 |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 |
| Forward exchange fair value changes | | | | |
| Contracts with commercial banks | 1,093 | (149,615) | 1,093 | (149,615) |
| Contract with CBSL | (64,164) | (56,048) | (64,164) | (56,048) |
| | (63,071) | (205,663) | (63,071) | (205,663) |

Note 6. Net Gain from Financial Investments

| | Bank | Group | | |
|---------------------------------------|-----------|---------|-----------|---------|
| For the six months ended 30th June | 2017 | 2016 | 2017 | 2016 |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 |
| Assets available for sale | | | | |
| Gain on sale of securities * | 1,115,345 | 2,570 | 1,115,345 | 2,570 |
| Dividend income | 594,045 | 586,324 | 587,268 | 576,861 |
| Net gain from repurchase transactions | 85,491 | 92,063 | 85,491 | 92,063 |
| | 1,794,882 | 680,957 | 1,788,105 | 671,494 |

* Gain on sale of securities include gain of Rs 1,073 Million from sale of 10,024,888 voting shares of Commercial Bank of Ceylon PLC.

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

| | Bank | I | Group | | |
|---|-----------|-----------|-----------|-----------|--|
| For the six months ended 30th June | 2017 | 2016 | 2017 | 2016 | |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| Foreign exchange (loss)/gain | (724,564) | (119,111) | (724,365) | (119,111) | |
| Amortisation of deferred income on Government grant-CBSL swap | 319,164 | 194,798 | 319,164 | 194,798 | |
| Others | 54,643 | 48,517 | 267,212 | 204,285 | |
| | (350,756) | 124,204 | (137,988) | 279,972 | |

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

| | Banl | κ. | Group | | |
|--|-------------|-------------|-------------|-------------|--|
| As at | 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 | |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| Gross loans and receivables (Note 8.1) | 205,508,622 | 192,454,529 | 205,508,622 | 192,454,529 | |
| Less: Allowance for individual impairment (Note 8.2.1) | (5,048,991) | (4,778,752) | (5,048,991) | (4,778,752) | |
| Allowance for collective impairment (Note 8.2.2) | (2,022,502) | (1,890,798) | (2,022,502) | (1,890,798) | |
| Net loans and receivables | 198,437,129 | 185,784,979 | 198,437,129 | 185,784,979 | |

Note 8.1 Loans and Receivables from Other Customers - By product

| | Ban | Group | | |
|--|-------------|-------------|-------------|-------------|
| As at | 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 |
| By product-Domestic Currency | | | | |
| Overdrafts | 33,755,261 | 28,824,199 | 33,755,261 | 28,824,199 |
| Trade finance | 15,851,650 | 16,895,812 | 15,851,650 | 16,895,812 |
| Credit cards | 236,993 | 242,091 | 236,993 | 242,091 |
| Pawning | 2,238,270 | 2,109,667 | 2,238,270 | 2,109,667 |
| Staff loans | 1,519,983 | 1,397,579 | 1,519,983 | 1,397,579 |
| Term loans | 112,583,280 | 107,903,581 | 112,583,280 | 107,903,581 |
| Lease rentals receivable | 15,507,476 | 15,909,152 | 15,507,476 | 15,909,152 |
| Commercial papers and asset back notes | 879,846 | 962,763 | 879,846 | 962,763 |
| Debenture loans | 71,074 | 71,119 | 71,074 | 71,119 |
| Preference shares | 430,000 | 517,500 | 430,000 | 517,500 |
| Securities purchased under resale agreements | 4,519,865 | 1,007,220 | 4,519,865 | 1,007,220 |
| | 187,593,699 | 175,840,683 | 187,593,699 | 175,840,683 |
| By product-Foreign Currency | | | | |
| Overdrafts | 279,476 | 291,021 | 279,476 | 291,021 |
| Trade finance | 7,910,455 | 7,831,178 | 7,910,455 | 7,831,178 |
| Term loans | 9,724,992 | 8,491,648 | 9,724,992 | 8,491,648 |
| | 17,914,923 | 16,613,847 | 17,914,923 | 16,613,847 |
| Gross loans and receivables | 205,508,622 | 192,454,529 | 205,508,622 | 192,454,529 |

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

| Banl | K | Group | | |
|------------|---|--|--|--|
| 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 | |
| LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| | | | | |
| 4,778,752 | 4,240,756 | 4,778,752 | 4,240,756 | |
| 312,362 | 792,389 | 312,362 | 792,389 | |
| (58,491) | (277,296) | (58,491) | (277,296) | |
| 16,368 | 22,903 | 16,368 | 22,903 | |
| 5,048,991 | 4,778,752 | 5,048,991 | 4,778,752 | |
| | | | | |
| 1,890,798 | 1,924,882 | 1,890,798 | 1,924,882 | |
| 149,553 | 81,772 | 149,553 | 81,772 | |
| (19,301) | (116,224) | (19,301) | (116,224) | |
| 1,774 | 3,712 | 1,774 | 3,712 | |
| (322) | (3,344) | (322) | (3,344) | |
| 2,022,502 | 1,890,798 | 2,022,502 | 1,890,798 | |
| 7,071,493 | 6,669,550 | 7,071,493 | 6,669,550 | |
| | 30.06.2017 LKR 000 4,778,752 312,362 (58,491) 16,368 5,048,991 1,890,798 149,553 (19,301) 1,774 (322) 2,022,502 | LKR 000 LKR 000 4,778,752 4,240,756 312,362 792,389 (58,491) (277,296) 16,368 22,903 5,048,991 4,778,752 1,890,798 1,924,882 149,553 81,772 (19,301) (116,224) 1,774 3,712 (322) (3,344) 2,022,502 1,890,798 | 30.06.2017 31.12.2016 30.06.2017 LKR 000 LKR 000 LKR 000 LKR 000 4,778,752 4,240,756 4,778,752 312,362 792,389 312,362 (58,491) (277,296) (58,491) 16,368 22,903 16,368 5,048,991 4,778,752 5,048,991 1,890,798 1,924,882 1,890,798 149,553 81,772 149,553 (19,301) (116,224) (19,301) 1,774 3,712 1,774 (322) (3,344) (322) 2,022,502 1,890,798 2,022,502 | |

Note 9. Due to Other Customers - By product

| | Ban | k | Group | | |
|------------------------------------|-------------|-------------|-------------|-------------|--|
| As at | 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 | |
| | LKR 000 | LKR 000 | LKR 000 | LKR 000 | |
| By product-Domestic Currency | | | | | |
| Demand deposits (current accounts) | 3,820,346 | 4,056,706 | 3,820,346 | 4,056,051 | |
| Savings deposits | 19,824,992 | 20,392,185 | 19,791,998 | 20,369,906 | |
| Fixed deposits | 111,799,391 | 86,707,366 | 111,373,597 | 86,442,739 | |
| Other deposits | 251,139 | 272,957 | 251,139 | 272,957 | |
| Certificate of deposits | 538,765 | 739,483 | 538,765 | 739,483 | |
| | 136,234,633 | 112,168,697 | 135,775,845 | 111,881,136 | |
| By product- Foreign Currency | | | | | |
| Demand deposits (current accounts) | 275,708 | 592,663 | 275,708 | 592,663 | |
| Savings deposits | 2,779,736 | 3,406,307 | 2,777,923 | 3,406,307 | |
| Fixed deposits | 29,053,277 | 24,345,451 | 29,046,180 | 24,338,511 | |
| Other deposits | 13,717 | 1,255 | 13,717 | 1,255 | |
| | 32,122,438 | 28,345,676 | 32,113,528 | 28,338,736 | |
| Total | 168,357,071 | 140,514,373 | 167,889,373 | 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.

| | Banl | Σ. | Gro | up |
|--|------------|------------|------------|------------|
| As at | 30.06.2017 | 31.12.2016 | 30.06.2017 | 31.12.2016 |
| | LKR 000 | LKR 000 | LKR 000 | 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 | - | 405,763 | - | 405,763 |
| Change in fair value during the period | (64,165) | (83,606) | (64,165) | (83,606) |
| Fair value at end | 797,750 | 861,915 | 797,750 | 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 | - | 405,763 | - | 405,763 |
| Change in fair value during the period | (64,165) | (83,606) | (64,165) | (83,606) |
| Foreign exchange (loss)/gain on revaluation | (255,000) | (96,500) | (255,000) | (96,500) |
| Amortisation of deferred income on Government grant- CBSL swap | (319,164) | (180,106) | (319,164) | (180,106) |
| Fair value at end | 382,500 | 701,665 | 382,500 | 701,665 |

Note 11. Events after the reporting period

No 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 Liability to management fees or any other similar expenditure not provided for in the interim financial sttaements by the Bank.

12.2 Stated capital

Number of shares

Number of shares of the Bank on 30th June 2017 (No change from 31 December 2016) 265,097,688

12.3 Twenty Major Shareholders as at 30.06.2017

| | 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 | Mr. M.A. Yaseen | 22,296,700 | 8.41 |
| 6 | Melstacorp Limited | 22,175,280 | 8.36 |
| 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-BP2S LDN-Aberdeen Asia Pacific Equity Fund | 6,750,000 | 2.55 |
| 11 | HSBC Intl. Nom Ltd-BP2S London-Edinburg Dragon Trust PLC | 5,620,164 | 2.12 |
| 12 | Renuka Hotels Limited | 4,073,360 | 1.54 |
| 13 | Employees Trust Fund Board | 3,987,952 | 1.50 |
| 14 | HSBC Intl.Nominees Ltd-BP2S London-Aberdeen Asia | 3,889,870 | 1.47 |
| | Smaller Companies Investment Trust | | |
| 15 | Cargo Boat Development Company PLC | 2,498,200 | 0.94 |
| 16 | HSBC Intl Nominees Ltd-BP2S-London - Aberdeen New Dawn Investment | 1,800,000 | 0.68 |
| 17 | Anverally International (pvt) Limited | 1,553,415 | 0.59 |
| 18 | Crescent Launderers and Dry Cleaners PVT Limited | 1,482,548 | 0.56 |
| 19 | Akbar Brothers Pvt Ltd A/C No.01 | 1,395,258 | 0.53 |
| 20 | Renuka Consultants & Services Ltd | 1,097,992 | 0.41 |

12.4 Public holding % and number of public share holders as at 30.06.2017 is 63.40% and 8,767 respectively.

12.5 Directors' Interests in Shares

| Directors interests in Shares | |
|-------------------------------|--------------|
| | No of Shares |
| | As at |
| | 30.06.2017 |
| C R Jansz | 1,000 |
| A R Fernando | 4,470 |
| P M B Fernando | 1,000 |
| K D N R Asoka | Nil |
| T Dharmarajah | 500 |
| K.P Cooray | Nil |
| S.R Thambiayah | Nil |
| V J Senaratne | 1,296 |
| L H A L Silva | 3,476 |
| L N De Silva Wijeyeratne | Nil |
| | |

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 Ashok Goonesekere Chief Financial Officer

26-Jul-17

Listed Debentures

| | Interest rate Frequency | Applicable Interest Rate % | Interest rate of Comparative Government Securities (Gross) p.a. % | Balance as at 30.06.2017 | | Market p | rice | Yield |
|--------------------|----------------------------|-------------------------------------|---|-----------------------------|---------|----------|-------------|---------------|
| Debenture Cotogory | | | | LKR 000 | Highest | Lowest | Last Traded | Last Traded % |
| Debenture Category | | | | | | | | |
| Fixed Rate | | | | | | | | |
| 2014/2017 | 7 Annually | 8.50 | 10.15 | 4,105,809 | N/T | N/T | N/T | N/A |
| 2014/2017 | 7 Semi-annually | 8.33 | 10.15 | 901,408 | N/T | N/T | N/T | N/A |
| 2014/2017 | 7 Quarterly | 8.24 | 10.15 | 301,500 | N/T | N/T | N/T | N/A |
| 2015/2020 |) Annually | 9.1 | 12.22 | 3,005,345 | N/T | N/T | N/T | N/A |
| 2015/2020 |) Annually | 9.4 | 11.76 | 5,458,202 | N/T | N/T | N/T | N/A |
| 2016/2019 | 9 Semi-annually | 10.63 | 12.22 | 2,003,768 | N/T | N/T | N/T | N/A |
| 2016/2023 | Annually | 12.15 | 12.38 | 1,026,670 | N/T | N/T | N/T | N/A |
| 2016/2023 | 3 Annually | 12.75 | 12.73 | 6,505,526 | 100 | 100 | 100 | 12.71 |

N/T -Not traded

| Other Ratios (Bank) | 30.06.2017 | 31.12.2016 |
|------------------------------|------------|------------|
| Debt to equity ratio (times) | 1.81 | 2.12 |
| Interest cover (times) | 1.07 | 1.01 |

SELECTED PERFORMANCE INDICATERS

| | Bank | | Group | | |
|--|------------|------------|------------|------------|--|
| | 30.06.2017 | 31.12.16 | 30.06.2017 | 31.12.16 | |
| Regulatory Capital Adequacy (Basel II) | | | | | |
| Core capital (Tier - 1 Capital) LKR 000 | 28,038,029 | 29,064,210 | 30,336,779 | 31,327,840 | |
| Total capital base LKR 000 | 34,414,557 | 36,475,370 | 35,448,820 | 37,473,467 | |
| Core capital ratio (Minimum requirement 5%) | 12.41 | 13.62 | 13.39 | 14.60 | |
| Total capital ratio (Minimum requirement 10%) | 15.24 | 17.09 | 15.64 | 17.47 | |
| Asset Quality | | | | | |
| Non-performing loans and advances - Gross exposure % (Net of interest in suspense) | 3.02 | 2.97 | 3.02 | 2.97 | |
| Non-performing loans and advances - Net exposure % | 1.0 | 0.8 | 1.2 | 0.8 | |
| (Net of interest in suspense and provisions) | | | | | |
| Profitability | | | | | |
| Interest margin % | 3.6 | 3.3 | 3.6 | 3.3 | |
| Return on assets (Profit before Tax) % | 1.9 | 1.6 | 2.0 | 1.7 | |
| Return on equity % | 9.2 | 7.4 | 9.5 | 7.6 | |
| Requlatory Liquidity | | | | | |
| Statutory liquid assets LKR 000 | | | | | |
| Domestic Banking Unit | 65,681,187 | 50,695,653 | | | |
| Off-Shore Banking Unit | 10,474,380 | 8,564,256 | | | |
| Statutory liquid assets ratio % (Minimum requirement 20%) | | | | | |
| Domestic Banking Unit | 29.24 | 24.56 | | | |
| Off-Shore Banking Unit | 87.94 | 73.20 | | | |
| Bank | 32.39 | 27.20 | | | |

Business Segment Information

| For the six months ended 30th June Revenue Interest income Net gain/(loss) from trading Net gain/(loss) from financial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income Total Income | 2017 LKR 000 14,226,080 698,844 150,279 (63,071) 11,930 (350,756) 14,673,306 | 2016 LKR 000 9,777,413 599,917 189,882 (205,663) 100,633 | Leasi 2017 LKR 000 991,858 | 2016 LKR 000 854,972 - - | Equit 2017 LKR 000 | 2016 LKR 000 | 2017 LKR 000 27,909 | 2016 LKR 000 18,577 | 2017 LKR 000 | 2016 LKR 000 | 2017 LKR 000 | 2016 LKR 000 | 2017 LKR 000 | 2016 LKR 000 |
|--|--|--|-------------------------------------|--------------------------------------|--------------------------|-----------------|---------------------------|---------------------------|-----------------|-----------------|----------------------|---------------------|------------------------|--------------------|
| Revenue Interest income Net fees and commision income Net gain/(loss) from financial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | LKR 000 14,226,080 698,844 150,279 (63,071) 11,930 (350,756) | LKR 000 9,777,413 599,917 189,882 (205,663) 100,633 | LKR 000 | LKR 000 | | | LKR 000 | LKR 000 | | | LKR 000 | LKR 000 | LKR 000 | |
| Interest income Net fees and commision income Net gain/(loss) from francial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | 698,844 150,279 (63,071) 11,930 (350,756) | 599,917 189,882 (205,663) 100,633 | 991,858 | 854,972 - - | | | 27.909 | 10.677 | | | (20.505) | | | |
| Net fees and commision income Net gain/(loss) from trading Net gain/(loss) from financial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | 698,844 150,279 (63,071) 11,930 (350,756) | 599,917 189,882 (205,663) 100,633 | 991,858 | 854,972 - - | | - | 27.909 | 10 577 | | | (20 505) | | | |
| Net gain/(loss) from trading Net gain/(loss) from financial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | 150,279 (63,071) 11,930 (350,756) | 189,882 (205,663) 100,633 | | - | | | | | | - | (20,797) | (12,544) | 15,225,050 | 10,638,417 |
| Net gain/(loss) from financial instruments designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | (63,071) 11,930 (350,756) | (205,663) 100,633 | | - | | - | | 600 | | - | (166) | (54) | 698,678 | 600,462 |
| designated at fair value through PL Net gain/(loss) from financial investments Other Operating (loss) / income | 11,930 (350,756) | 100,633 | | | | - | | - | | - | | | 150,279 | 189,882 |
| Net gain/(loss) from financial investments Other Operating (loss) / income | 11,930 (350,756) | 100,633 | | | | | | | | | | | (62.071) | (205.672) |
| Other Operating (loss) / income | (350,756) | | | - | 1 500 050 | - | | - | | - | (4.000) | - | (63,071) | (205,663) |
| 1 0 1 1 | | 105,500 | | - | 1,782,952 | 580,324 | 259,019 | - 246,099 | | - 18,704 | (6,777) (46,251) | (9,463) (90,331) | 1,788,105 (137,988) | 671,494 279,972 |
| Total Income | | 105,500 | 991,858 | - 854,972 | 1,782,952 | 580,324 | 259,019 286,928 | 246,099 | | 18,704 | (46,251) (73,991) | (112,392) | 17,661,053 | 12,174,564 |
| | 11,070,000 | 10,507,082 | <i>331,838</i> | 854,972 | 1,762,752 | 380,324 | 280,928 | 203,270 | - | 18,704 | (75,551) | (112,392) | 17,001,055 | 12,174,304 |
| Percentage * | 83 | 85 | 6 | 7 | 9 | 5 | 2 | 2 | | 1 | | | 100 | 100 |
| Ermoneo | | | | | | | | | | | | | | |
| Expense Segment losses / Reversal of losses | 439,782 | 643,012 | 32,598 | 1,425 | 14,832 | | | | | | (9,896) | (4,268) | 477,317 | 640,169 |
| Depreciation | 439,782 | 045,012 | 52,598 | 1,423 | 14,852 | - | 35,111 | - 9,008 | - | - | (9,890) | (4,208) | 35,111 | 9,008 |
| Other operating & interest expenses | - 11,424,917 | 7.946.362 | 761,415 | 605,120 | - | - | 153,431 | 204.065 | - | - | (67,215) | (102,929) | 12.272.548 | 8,652,618 |
| Other operating & interest expenses | 11,864,699 | 8,589,374 | 794,013 | 606,545 | 14.832 | | 188,542 | 204,003 | | - | (77,111) | (102,929) | 12,784,976 | 9,301,795 |
| Result | 2,808,607 | 1,978,308 | 197,845 | 248,427 | 1,768,120 | 580,324 | 98,386 | 52,203 | - | - | 3,120 | (5,195) | 4,876,077 | 2,872,769 |
| | , , | , , | , | , | | , | , | , | | | · · · · · | ., , | , , | |
| Unallocated expenses | | | | | | | | | | | | | 512,635 | 400,231 |
| Value Added Tax | | | | | | | | | | | | _ | 816,322 | 414,947 |
| | | | | | | | | | | | | | 3,547,120 | 2,057,591 |
| Share of profits of associates & Joint venture | | | | | | | | | | | | _ | 68,996 | 92,961 |
| Profit before tax | | | | | | | | | | | | | 3,616,116 | 2,150,552 |
| Income tax on profit on ordinary activities | | | | | | | | | | | | _ | 672,048 | 430,031 |
| Profit after tax | | | | | | | | | | | | | 2,944,068 | 1,720,521 |
| Other Comprehensive Income net of tax Total Comprehensive Income | | | | | | | | | | | | — | (1,102,181) | (2,984,974) |
| Total Comprehensive Income - Non | | | | | | | | | | | | | 1,841,887 | (1,264,453) |
| controlling interests | | | | | | | | | | | | | 34,213 | 18,469 |
| Profit for the Equity Holders of the Bank | | | | | | | | | | | | | 1,807,674 | (1,282,922) |
| From for the Equity fromero of the Dame | | | | | | | | | | | | = | 1,007,071 | (1,202,722) |
| Assets | 249,622,656 | 220,161,592 | 15,507,476 | 15,570,175 | 19,888,326 | 15,693,004 | 915,651 | 777,409 | 19,273,341 | 14,477,680 | (577,834) | (353,487) | 304,629,616 | 261,947,535 |
| Percentage* | 82 | 83 | 5 | 6 | 7 | 7 | - | - | 6 | 4 | | | 100 | 100 |
| | | | | | | | | | | | | | _ | |
| Investment in associate & Joint venture | | | | | | | | | | | | | 1,490,703 | 1,425,964 |
| | | | | | | | | | | | | | 306,120,319 | 256,140,343 |
| Liabilities | 224,660,391 | 188,071,842 | 13,956,728 | 13,812,711 | | | 285,062 | 170,177 | 19,935,314 | 12,950,847 | (475,843) | (315,377) | 258,361,652 | 214,653,102 |

* 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.

| As at 30 June 2017 | Fair value through profit or loss - mandatory | Fair value- held-for- trading | Fair value through other comprehensive income | Amortised cost | Held-to- maturity | Total |
|---|--|-------------------------------------|--|---------------------------------------|----------------------|---------------------------------------|
| 115 th 50 5 km 2017 | 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 | - | - | - | 3,320,291 | - | 3,320,291 |
| Balances with Central Bank of Sri Lanka | - | - | - | 9,911,085 | - | 9,911,085 |
| Placements with banks | - | - | - | 435,085 | - | 435,085 |
| Derivative assets held-for-risk management | 96,452 | - | - | - | - | 96,452 |
| Other financial assets held for trading | 139,500 | | | 14.055 771 | | 139,500 |
| Loans to and receivables from banks | - | - | - | 14,955,771 | - | 14,955,771 |
| Loans to and receivables from other customers | - | - | - | 198,437,129 | - | 198,437,129 |
| Financial investments | - | - | 47,714,908 | - | 23,669,115 | 71,384,023 |
| Due from subsidiaries | - | - | - | 32,528 | - | 32,528 |
| Government grant receivable | 797,750 | - | - | - | | 797,750 |
| Other assets | 1,033,702 | | 47,714,908 | 3,251,018 230,342,907 | - 23,669,115 | 3,251,018 302,760,632 |
| | 1,055,702 | - | 47,714,908 | 230,542,907 | 25,009,115 | 302,700,032 |
| Financial Liabilities | | | | | | |
| Due to banks | - | - | - | 9,339,073 | - | 9,339,073 |
| Derivative liabilities held-for-risk management | 78,052 | | | | - | 78,052 |
| Due to other customers | - | - | - | 168,357,071 | - | 168,357,071 |
| Other borrowing | - | - | - | 35,663,917 | - | 35,663,917 |
| Debt securities issued | - | - | - | 29,298,956 | - | 29,298,956 |
| Subordinated term debt | - | - | - | 9,542,596 | - | 9,542,596 |
| Other liabilities | 70.050 | | | 3,876,227 | | 3,876,227 |
| | 78,052 | - | - | 256,077,841 | - | 256,155,893 |
| | Fair value | Fair value- | Fair value | Amortised | Held-to- | Total |
| | through | held-for- | through other | cost | maturity | |
| | profit or loss - | trading | comprehensive | | | |
| As at 31 December 2016 | mandatory | L 12 D 000 | income | L K D 000 | L 12 D 000 | L KD 000 |
| | 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 | - 984,892 | | 49,272,243 | 2,562,978 214,412,828 | - 23,189,085 | 2,562,978 287,859,048 |
| | | | -, - , - | , ,- * | -,,- | |
| 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 | 100,741 | _ | - | 140,514,373 | - | 140,514,373 |
| and eutomoto | - | | | | | |
| Other borrowing | - | - | - | 40,802.490 | - | 40,802.490 |
| Other borrowing Debt securities issued | - | - | - | 40,802,490 29,179,185 | - | 40,802,490 29,179,185 |
| Other borrowing Debt securities issued Subordinated term debt | | - | - - | 40,802,490 29,179,185 9,205,637 | | 40,802,490 29,179,185 9,205,637 |
| Debt securities issued | | | - - - | 29,179,185 | - | 29,179,185 |

| | Fair value through profit or loss - | Fair value- held-for- trading | Fair value through other comprehensive | Amortised cost | Held-to- maturity | Total |
|---|---|-------------------------------------|--|--|------------------------|--|
| As at 30 June 2017 | mandatory | | income | | | |
| 25.3 Group | | | | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | - | - | - | 3,330,682 | - | 3,330,682 |
| Balances with Central Bank of Sri Lanka | - | - | - | 9,911,085 | - | 9,911,085 |
| Placements with banks | - | - | - | 445,253 | - | 445,253 |
| Derivative assets held-for-risk management | 96,452 | - | - | - | - | 96,452 |
| Other financial assets held for trading | 139,500 | | | | | 139,500 |
| Loans to and receivables from banks | - | - | - | 14,955,771 | - | 14,955,771 |
| Loans to and receivables from other customers | - | - | - | 198,437,129 | - | 198,437,129 |
| Financial investments | - | - | 47,714,908 | | 23,669,115 | 71,384,023 |
| Government grant receivable | 797,750 | - | | | | 797,750 |
| Other assets | - | - | | 3,329,238 | | 3,329,238 |
| | 1,033,702 | - | 47,714,908 | 230,409,158 | 23,669,115 | 302,826,883 |
| | | | | | | |
| Financial Liabilities | | | | | | |
| Due to banks | - | | - | 9,339,073 | - | 9,339,073 |
| Derivative liabilities held-for-risk management | 78,052 | - | - | | - | 78,052 |
| Due to other customers | | | - | 167,889,373 | - | 167,889,373 |
| Other borrowing | | | - | 35,663,917 | - | 35,663,917 |
| Debt securities issued | | | - | 29,298,956 | - | 29,298,956 |
| Subordinated term debt | | | - | 9,542,596 | - | 9,542,596 |
| Other liabilities | 78.052 | | | 4,098,612 255,832,526 | - | 4,098,612 255,910,578 |
| | -, | | - | 255,652,520 | - | 255,910,578 |
| | Fair value | Fair value. | Fair value | Amortised | Held_to- | Total |
| | Fair value through | Fair value- held-for- | Fair value through other | Amortised cost | Held-to- maturity | Total |
| | through | held-for- | through other | Amortised cost | Held-to- maturity | Total |
| As at 21 December 2016 | | | | | | Total |
| As at 31 December 2016 | through profit or loss - | held-for- | through other comprehensive | | | Total |
| 25.4 Group | through profit or loss - | held-for- | through other comprehensive | | | Total |
| 25.4 Group Financial Assets | through profit or loss - | held-for- | through other comprehensive | cost | | |
| 25.4 Group Financial Assets Cash and cash equivalents | through profit or loss - | held-for- | through other comprehensive | cost 4,344,260 | | 4,344,260 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka | through profit or loss - | held-for- | through other comprehensive | cost 4,344,260 8,062,567 | | 4,344,260 8,062,567 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks | through profit or loss - mandatory | held-for- | through other comprehensive | cost 4,344,260 | | 4,344,260 8,062,567 1,415,985 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management | through profit or loss - | held-for- | through other comprehensive | cost 4,344,260 8,062,567 1,415,985 | | 4,344,260 8,062,567 1,415,985 122,977 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks | through profit or loss - mandatory | held-for- | through other comprehensive | cost 4,344,260 8,062,567 1,415,985 12,300,398 | | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers | through profit or loss - mandatory | held-for- | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 | maturity | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments | through profit or loss - mandatory 122,977 | held-for- | through other comprehensive | cost 4,344,260 8,062,567 1,415,985 12,300,398 | | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments Government grant receivable | through profit or loss - mandatory | held-for- | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 | maturity | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments | through profit or loss - mandatory 122,977 861,914 | held-for- | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments Government grant receivable | through profit or loss - mandatory 122,977 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 | maturity | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments Government grant receivable Other assets | through profit or loss - mandatory 122,977 861,914 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from banks Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management | through profit or loss - mandatory 122,977 861,914 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management Due to other customers | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 140,219,872 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 140,219,872 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management Due to other customers Other borrowing | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 140,219,872 40,787,444 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 140,219,872 40,787,444 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management Due to other customers Other borrowing Debt securities issued | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 140,219,872 40,787,444 29,179,185 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 140,219,872 40,787,444 29,179,185 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management Due to other customers Other borrowing Debt securities issued Subordinated term debt | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 140,219,872 40,787,444 29,179,185 9,205,637 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 140,219,872 40,787,444 29,179,185 9,205,637 |
| 25.4 Group Financial Assets Cash and cash equivalents Balances with Central Bank of Sri Lanka Placements with banks Derivative assets held-for-risk management Loans to and receivables from other customers Financial investments Government grant receivable Other assets Financial Liabilities Due to banks Derivative liabilities held-for-risk management Due to other customers Other borrowing Debt securities issued | through profit or loss - mandatory 122,977 861,914 984,891 | held-for- trading | through other comprehensive income | cost 4,344,260 8,062,567 1,415,985 12,300,398 185,784,979 2,609,655 214,517,844 18,103,587 140,219,872 40,787,444 29,179,185 | maturity 23,189,085 | 4,344,260 8,062,567 1,415,985 122,977 12,300,398 185,784,979 72,461,328 861,914 2,609,655 287,964,063 18,103,587 105,741 140,219,872 40,787,444 29,179,185 |