

DFCC Bank

Based on Previous Sri Lanka Accounting Standard (SLAS)

Income Statement

For the period ended	Notes	Bank				Group			
		For the year ended		For the quarter ended		For the year ended		For the quarter ended	
		31.03.13 LKR 000	31.03.12 LKR 000	31.03.13 LKR 000	31.03.12 LKR 000	31.03.13 LKR 000	31.03.12 LKR 000	31.03.13 LKR 000	31.03.12 LKR 000
Income		10,087,685	7,314,901	3,113,937	2,224,196	17,647,691	12,021,681	5,261,773	3,628,616
Interest income		8,803,943	5,871,820	2,412,588	1,615,785	15,367,312	9,646,419	4,309,278	2,799,599
Interest income on loans & advances		8,074,349	5,501,493	2,164,469	1,550,155	13,687,870	8,770,633	3,823,123	2,600,986
Interest income on other interest earning assets		729,594	370,327	248,119	65,630	1,679,442	875,786	486,155	198,613
Less : Interest expenses		5,022,023	2,880,428	1,370,518	910,464	9,134,870	4,719,007	2,548,923	1,513,730
Interest expense on deposits		2,029,543	635,526	587,000	259,528	5,843,270	2,253,571	1,702,918	780,274
Interest expense on other interest bearing liabilities		2,992,480	2,244,902	783,518	650,936	3,291,600	2,465,436	846,005	733,456
Net interest income		3,781,920	2,991,392	1,042,070	705,321	6,232,442	4,927,412	1,760,355	1,285,869
Non interest income	6	1,283,742	1,443,081	701,349	608,411	2,280,379	2,375,262	952,495	829,017
Foreign exchange income	5	(173,259)	35,375	(81,871)	40,323	(107,398)	118,872	(69,383)	60,580
Other income		1,457,001	1,407,706	783,220	568,088	2,387,777	2,256,390	1,021,878	768,437
Less : Non interest expenses		1,543,428	1,441,126	599,542	539,486	3,598,494	3,261,620	1,175,021	1,088,977
Personnel costs		847,582	742,549	388,349	344,958	1,777,050	1,589,298	654,500	621,016
Provision for staff retirement benefits		105,967	90,956	37,749	39,663	115,747	90,956	47,529	39,663
Premises, equipment & establishment expenses		282,543	264,584	75,792	66,673	762,674	691,902	213,325	188,708
Loss on trading / investment securities		0	0	0	0	0	0	-	-
Other operating expenses		285,538	325,247	90,340	84,518	860,856	823,078	236,651	221,779
Amortization of intangible assets									
Software		21,798	17,790	7,312	3,674	82,167	66,386	23,016	17,811
Less : Provision for bad & doubtful debts and loans written off		(211,016)	(120,021)	(68,563)	79,450	51,966	(55,870)	(13,230)	20,816
Provisions - general		(16,856)	(104,816)	(6,977)	3,192	(621)	(103,089)	(5,234)	(7,167)
Provisions - specific		251,147	428,577	20,179	147,463	651,229	672,611	129,718	201,508
Recoveries		(445,715)	(446,985)	(75,277)	(71,786)	(604,070)	(656,139)	(131,555)	(198,311)
Loans written off		408	3,203	(6,488)	581	5,428	30,747	(6,159)	24,786
Less : Provision for fall in value of dealing & investment securities losses		13,633	29,132	13,633	11,084	4,500	11,765	4,500	11,084
Operating profit on ordinary activities before taxes		3,719,617	3,084,236	1,198,807	683,712	4,857,861	4,085,159	1,546,559	994,009
Less : Value added tax on financial services	7	232,299	336,338	148,999	89,215	388,364	461,476	194,082	142,189
Operating profit on ordinary activities before corporate tax		3,487,318	2,747,898	1,049,808	594,497	4,469,497	3,623,683	1,352,477	851,820
Share of profits/(Loss) of associates after tax				-	-	24,150	5,649	3,340	2,520
Less : Income tax on profit on ordinary activities	8	570,558	430,429	39,486	51,364	869,212	656,493	105,207	85,078
Profit for the period		2,916,760	2,317,469	1,010,322	543,133	3,624,435	2,972,839	1,250,610	769,262
Attributable to									
Equity holders of the Bank						3,523,197	2,900,206	1,226,629	750,759
Minority interest						101,238	72,633	23,981	18,503
		2,916,760	2,317,469	1,010,322	543,133	3,624,435	2,972,839	1,250,610	769,262
Basic earnings per share -LKR		11.00	6.69	3.81	2.05	13.29	10.94	4.63	2.83
Dividend per share - LKR		5.00	4.00			5.00	4.00		

Balance Sheet

Based on Previous Sri Lanka Accounting Standard (SLAS)

As at	Bank		Group	
	31.03.13 LKR 000	31.03.12 LKR 000 Audited	31.03.13 LKR 000	31.03.12 LKR 000 Audited
On-Balance Sheet Assets				
Cash in hand	301	280	2,114,792	1,430,388
Balances with Central Bank of Sri Lanka	0	0	2,620,790	1,596,066
Due from Banks and other financial institutions	7,263,358	3,534,481	12,801,699	5,399,603
Investments - trading account	485,147	189,113	751,362	719,023
Government securities	409,275	123,806	675,490	653,716
Other securities	75,872	65,307	75,872	65,307
Investments - held to maturity (net of provisions)	9,855,548	8,320,830	22,689,724	19,474,088
Government securities	2,477,918	1,413,713	12,672,279	9,914,652
Investments in ordinary shares	5,103,018	4,922,464	7,621,727	7,452,543
Investments in preference shares	1,775,500	1,568,000	1,791,990	1,596,990
Investments in debentures	74,850	0	156,966	80,750
Investments in unit trusts	424,262	416,653	446,762	441,653
Less : Provision for decline in value of Investments	0	0	0	12,500
Investment in associate companies	35,270	35,270	409,474	370,799
Investment in subsidiary companies	3,782,453	3,777,907	-	-
Investment in joint venture company	655,000	655,000	-	-
Less : Provision for decline in value of Investments in Subsidiaries	(26,500)	(17,367)	-	-
Total loans and advances				
Total performing loans and advances	57,176,289	52,941,881	94,547,689	84,557,383
Bills of exchange discounted	0	0	305,461	527,476
Overdrafts	0	0	13,992,388	11,939,734
Finance leases	9,218,538	8,985,856	10,459,143	9,481,351
Other loans	47,957,751	43,956,025	69,790,697	62,608,822
Total non performing loans and advances	4,049,876	3,721,145	7,486,451	6,407,272
Bills of exchange discounted	0	0	56,582	32,661
Overdrafts	0	0	1,686,429	1,261,820
Finance leases	253,158	171,340	246,593	171,780
Other loans	2,400,981	2,218,735	3,420,599	3,029,448
Loan interest receivable	1,395,737	1,331,070	2,076,248	1,911,563
Total gross loans and advances	61,226,165	56,663,026	102,034,140	90,964,655
Less :				
Interest in suspense	1,395,737	1,331,070	2,924,024	2,564,083
Provision for credit losses - specific	1,557,784	1,747,151	2,559,701	2,588,509
Provision for credit losses - general	338,067	354,923	486,774	485,825
Net loans and advances	57,934,577	53,229,882	96,063,641	85,326,238
Group balances receivable	39,204	41,597	(0)	0
Prepayments	36,920	43,810	36,920	43,810
Other receivables	1,382,713	1,294,674	3,241,805	2,457,182
Deferred tax asset	0	0	834	5,583
Assets held for sale	0	0	2,875	2,875
Intangible assets	80,078	29,978	261,668	203,861
Investment property	0	0	169,485	147,981
Goodwill on consolidation	-	-	226,411	226,411
Property and equipment (Net of accumulated depreciation)	438,260	431,606	1,027,655	936,250
Income tax refund due	0	139,574	1,629	161,020
Total On Balance Sheet Assets	81,962,329	71,706,635	142,420,764	118,501,178
On Balance Sheet Liabilities				
Total deposits	14,900,066	11,710,526	61,034,615	44,420,013
Demand deposits	0	0	1,438,681	1,256,908
Savings deposits	0	0	10,005,847	7,172,688
Time deposits	14,900,066	11,710,526	49,106,299	35,521,883
Margin deposits	0	0	131,513	274,006
Other deposits	0	0	352,275	194,528
Total borrowings	40,707,203	36,106,592	47,000,145	43,991,927
Borrowings from CBSL	494,592	564,675	496,662	564,675
Borrowings from Banks and financial institutions in Sri Lanka	6,109,000	7,271,270	7,703,738	8,588,671
Borrowings from Banks and financial institutions abroad	7,120,238	1,855,514	8,080,536	1,943,369
Borrowings under repurchase agreements	-	-	2,732,723	5,480,078
Debentures - Subordinated	590,000	590,000	1,590,000	1,590,000
Debentures - Others	542,400	700,000	542,400	700,000
Other Borrowings	25,850,973	25,125,133	25,854,086	25,125,134
Group balances payable	525	222	-	-
Interest accrued	1,383,736	1,144,954	2,478,362	1,731,630
Current taxation	85,936	-	209,191	56,665
Deferred taxation	382,796	328,039	461,154	376,284
Other liabilities	881,426	662,750	2,443,711	1,842,545
Total On Balance Sheet Liabilities	58,341,688	49,953,083	113,627,178	92,419,064
Equity				
Share capital	2,650,977	2,650,977	2,650,977	2,650,977
Share premium	2,064,837	2,064,837	2,064,837	2,064,837
Stated Capital	4,715,814	4,715,814	4,715,814	4,715,814
Statutory reserves	2,006,025	1,485,215	2,006,025	1,485,215
General reserves	13,779,839	13,779,839	13,779,839	13,779,839
Retained profit	3,118,963	1,772,684	7,637,109	5,686,342
Shareholders' equity	23,620,641	21,753,552	28,138,787	25,667,210
Minority interest	-	-	654,799	414,904
Total equity	23,620,641	21,753,552	28,793,586	26,082,114
Total equity and liabilities	81,962,329	71,706,635	142,420,764	118,501,178
Off-Balance Sheet Items and Contra Accounts				
Contingencies	7,498,754	3,778,802	21,476,171	18,379,290
Commitments	8,593,074	14,916,351	17,826,314	22,543,390
Net assets value per share, LKR	89.10	82.06	106.14	96.82
Memorandum Information				
Number of employees	458	466	1,460	1,396
Number of branches and extension offices	19	19	148	146
The highest, the lowest and the last traded market price recorded during the period ended	31.03.2013	31.03.2012		
- Highest price LKR	131.80	115.00		
- Lowest price LKR	112.60	98.00		
- Last traded price LKR	131.10	112.60		

Statement of Changes in Equity - Bank

Based on Previous Sri Lanka Accounting Standard (SLAS)

	Ordinary Shares LKR 000	Share Premium LKR 000	Statutory Reserves LKR 000	General Reserve LKR 000	Retained Earnings LKR 000	Total LKR 000
Balance as at 01.04.2012	2,648,838	2,054,546	1,068,600	11,379,839	3,067,038	20,218,861
Issue of shares under employee share option plan	2,139	10,424				12,563
Profit for the period					2,317,469	2,317,469
Final dividends approved on 30.06.2011					(795,208)	(795,208)
Share issue expenses		(133)				(133)
Bonus issue of shares						-
Transfers			416,615	2,400,000	(2,816,615)	-
Balance as at 31.03.2012	2,650,977	2,064,837	1,485,215	13,779,839	1,772,684	21,753,552
Balance as at 01.04.2012	2,650,977	2,064,837	1,485,215	13,779,839	1,772,684	21,753,552
Profit for the period					2,916,760	2,916,760
Final dividends approved on 29.06.2012					(1,060,391)	(1,060,391)
Dividend written back					10,720	10,720
Transfers			520,810		(520,810)	-
Balance as at 31.03.2013	2,650,977	2,064,837	2,006,025	13,779,839	3,118,963	23,620,641

Statement of Changes in Equity - Group

	Attributable to equity holders of the bank					Minority Interest	Total
	Ordinary Shares LKR 000	Share Premium LKR 000	Statutory Reserves LKR 000	General Reserve LKR 000	Retained Earnings LKR 000	LKR 000	LKR 000
Balance as at 01 04 2012	2,648,838	2,054,546	1,068,600	11,379,839	6,530,865	486,666	24,169,354
Issue of shares under employee share option plan	2,139	10,424					12,563
Profit for the period					2,900,206	72,633	2,972,839
Right issue of shares					-	11,682	11,682
Increase in ownership interest by the bank that does not result in change of control					(132,906)	(110,230)	(243,136)
Final dividends approved on 30.06.2011					(795,208)		(795,208)
Dividends distributed to minority interest by subsidiaries						(45,847)	(45,847)
Share issue expenses		(133)					(133)
Transfers			416,615	2,400,000	(2,816,615)		-
Balance as at 31.03.2012	2,650,977	2,064,837	1,485,215	13,779,839	5,686,342	414,904	26,082,114
Balance as at 01.04.2012	2,650,977	2,064,837	1,485,215	13,779,839	5,686,342	414,904	26,082,114
Profit for the period					3,523,197	101,238	3,624,435
Increase in Minority Interest on Deemed Disposal of holding in Subsidiary of JV						47,921	47,921
Final dividends approved on 29.06.2012					(1,060,391)		(1,060,391)
Dividend written back					10,720		10,720
Dividends distributed to minority interest by subsidiaries						(56,667)	(56,667)
Increase in ownership interest by the bank that does not result in change of control					(1,949)	(2,597)	(4,546)
Preference share issue - Joint venture						150,000	150,000
Transfers			520,810		(520,810)		-
Balance as at 31.03.2013	2,650,977	2,064,837	2,006,025	13,779,839	7,637,109	654,799	28,793,586

Cash Flow Statement

Based on Previous Sri Lanka Accounting Standard (SLAS)

For the year ended	Bank		Group	
	31-03-2013 LKR 000	31-03-2012 LKR 000	31-03-2013 LKR 000	31-03-2012 LKR 000
Cash flow from operating activities				
Interest Receipts	7,866,593	5,413,741	13,875,531	8,641,544
Interest payments	(4,803,007)	(2,577,612)	(8,592,679)	(4,329,432)
Recoveries on loans previously written off	71,087	119,074	73,223	119,074
Receipts from other operating activities	313,458	958,768	905,411	1,908,138
Cash payments to employees & suppliers	(1,536,083)	(1,428,550)	(3,280,489)	(2,981,734)
Value added tax	(232,299)	(359,454)	(395,414)	(463,147)
Operating Cash flow before changes in operating assets and liabilities	1,679,749	2,125,967	2,585,583	2,894,443
(Increase)/decrease in operating assets:				
Deposits held for regulatory or monetary control purposes	0	0	(1,024,915)	(701,360)
Funds advanced to customers	(4,390,245)	(13,728,756)	(10,713,304)	(27,853,251)
Others	(116,656)	(14,931)	(454,147)	(92,452)
Increase /(decrease) in operating liabilities:				
Security deposits from customers	0	(950)	16,522	(754)
Deposits from customers	3,189,540	8,023,779	16,670,298	18,906,550
Negotiable certificates of deposit	0	(1,436)	194,683	93,939
Others	187,894	92,909	395,639	146,323
Net cash flow from operating activities before income tax	550,282	(3,503,418)	7,670,359	(6,606,562)
Income tax paid	(247,718)	(721,066)	(364,053)	(1,018,881)
Net cash flow from/(used in)operating activities	302,564	(4,224,484)	7,306,306	(7,625,443)
Cash flow from investing activities				
Dividends received	1,048,955	719,660	944,714	667,799
Interest received	615,088	308,560	1,223,833	827,328
Treasury bills eligible for rediscounting with Central Bank	(1,813,085)	9,591,161	(6,918,756)	7,853,433
Proceeds from sale and redemption of securities	691,925	717,479	691,925	809,240
Purchase of securities	(1,046,930)	(3,308,198)	(1,012,490)	(3,316,498)
Investment in associates by Joint Venture			(20,000)	(192,000)
Investment in additional shares of subsidiaries-DFCC Vardhana Bank PLC	(4,546)	(1,336,587)	(4,546)	(243,136)
Purchase of property , equipment ,intangibles and investment property	(185,044)	(49,568)	(506,752)	(333,882)
Proceeds from sale of equipment and investment property	3,086	4,796	32,043	104,305
Net cash from investing activities	(690,551)	6,647,303	(5,570,029)	6,176,589
Cash flow from financing activities				
Issue/redemption of debentures	(157,600)	(1,910,000)	(157,600)	(910,000)
Issue of new shares under option	0	12,563	0	12,563
Issue of new shares by subsidiary (Rights issue)	0	0	0	11,681
Issue of new shares by joint venture		0	291,913	0
Share issue expenses	0	(133)	0	(133)
Borrowing , medium and long - term	13,524,738	13,748,692	14,749,693	13,748,692
Other borrowings	3,521,750	(2,625,500)	909,201	627,458
Repayment of borrowing ,medium and long - term	(12,179,341)	(6,217,274)	(12,180,124)	(6,004,059)
Dividends paid	(1,056,071)	(2,638,552)	(1,112,739)	(2,684,393)
Net Cash flow from/(used in) financing activities	3,653,476	369,796	2,500,344	4,801,809
Net increase/(decrease) in cash & cash equivalents	3,265,489	2,792,615	4,236,621	3,352,955
Cash & cash equivalents/(overdraft-net) at the beginning of period as previously stated	4,163,425	1,370,810	8,146,931	4,777,976
Consolidated adjustment -Synapsys Limited	0	0	0	16,000
Cash & cash equivalents /(overdraft-net)at the beginning of the period	4,163,425	1,370,810	8,146,931	4,793,976
Cash & cash equivalents at the end of period	7,428,914	4,163,425	12,383,552	8,146,931
Reconciliation of cash & cash equivalents				
Cash & short - term funds	6,595,659	3,534,762	9,758,382	4,945,199
Placements with & loans to banks & financial institutions	0	0	1,795,604	0
Treasury bills & other securities eligible for rediscounting with Central Bank	833,255	628,663	833,256	3,059,179
Securities purchased under resale agreements	0	0	0	220,994
Borrowing short term - Bank overdrafts	0	0	(3,690)	(78,441)
	7,428,914	4,163,425	12,383,552	8,146,931

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. Accounting policies

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

Note 2. Accounting for investments in associate company and subsidiary companies

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

Note 3. Accounting for investment in Joint Venture Company

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

Note 4. 31 December financial year companies

These are DFCC Vardhana Bank PLC, Synapsys Ltd (subsidiaries) and Acuity Partners (Pvt) Limited (joint venture) and National Asset Management Limited (associate).

Results of these companies are consolidated with DFCC Bank with a three months gap. Thus the consolidated results for the period ended 31.03.2013 include profits of these companies for the period 01.01.2012 to 31.12.2012.

Note 5. Foreign Exchange Income

All forward exchange contracts of the bank are in respect of funding swaps (SWAP of foreign currency for LKR). The income derived from LKR is included under net interest income while the premium on forward purchases to cover foreign exchange risk is expensed to foreign exchange income. The Commercial Banking subsidiary trades with counterparties for authorised transactions in addition to entering into funding swaps.

Note 6. Non-Interest Income

	Bank		Group	
	31.03.2013 LKR 000	31.03.2012 LKR 000	31.03.2013 LKR 000	31.03.2012 LKR 000
Dividend income	1,150,309	930,272	1,046,069	874,271
Net gain on sale of other investment securities	120,008	295,417	120,008	295,417
Marked to market (loss)/ gain on other dealing securities	10,394	(19,957)	10,644	(20,029)
Other income	3,031	237,349	1,103,658	1,225,603
Non-interest income	<u>1,283,742</u>	<u>1,443,081</u>	<u>2,280,379</u>	<u>2,375,262</u>

Note 7. Value added tax on financial services

	Bank		Group	
	31.03.2013 LKR 000	31.03.2012 LKR 000	31.03.2013 LKR 000	31.03.2012 LKR 000
VAT on Financial Services expense-Current year	415,883	336,338	571,948	461,476
Over provision of VAT on Financial Services-Prior years	(183,584)	-	(183,584)	-
	<u>232,299</u>	<u>336,338</u>	<u>388,364</u>	<u>461,476</u>

Note 8. Taxation

	Bank		Group	
	31.03.2013 LKR 000	31.03.2012 LKR 000	31.03.2013 LKR 000	31.03.2012 LKR 000
Current Income Tax	520,714	405,384	785,273	631,620
Over Provision of Income Tax	(4,912)	(27,873)	(771)	(32,294)
Deferred tax	54,756	52,918	84,710	57,167
	<u>570,558</u>	<u>430,429</u>	<u>869,212</u>	<u>656,493</u>

Note 9. Investment in Quoted Ordinary Shares

	Bank	
	31.03.2013	31.03.2012
	LKR 000	LKR 000
Cost	4,958,560	4,786,760
Unrecognized gain	11,004,134	9,304,328
Market Value	<u>15,962,694</u>	<u>14,091,088</u>

Market value on 29/05/2013 was LKR 17,445 million

Note 10. Post balance sheet events

The Directors have recommended the payment of a final dividend of Rs 5 per share for the year ended 31 March 2013, which require the approval of the shareholders at the Annual General Meeting to be held on 28 June 2013. The Board of Directors confirms that the Bank has satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 and have obtained the certificate from the Auditors.

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

No other circumstances have arisen which would require disclosure or adjustments to the accounts.

Note 11.

The Institute of Chartered Accountants of Sri Lanka has issued a new Sri Lanka Financial Reporting Standards (SLFRS) which have become applicable for financial periods beginning on or after 1st January 2012. However in accordance with the ruling dated 11 April 2013 issued by the Institute of Chartered Accountants of Sri Lanka on "Comparative figures in the interim financial statements", the Bank has adopted option 2 as given in such ruling where by these interim financial statements were prepared in accordance with Sri Lanka Accounting Standards (SLAS) that existed immediately prior to 1st January 2012, with disclosures on impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/LKAS. The impact is given below;

	Bank		Group	
	As at 31 March 2013 LKR. Mn	As at 31 March 2012 LKR. Mn	As at 31 March 2013 LKR. Mn	As at 31 March 2012 LKR. Mn
Net assets as reported under previous Sri Lanka Accounting Standards (SLAS)	23,621	21,754	28,794	26,082
Consolidation adjustment on part disposal of investment in associate company			(2,499)	(2,499)
Fee income derecognised	(14)	(12)	(81)	(71)
Increase in impairment allowance on loans and advances	(39)	(22)	(10)	(7)
Fair value adjustment	11,112	9,386	11,164	9,436
Effective interest rate adjustment	28	32	56	(31)
Others	(1)	(3)	(171)	18
Net assets as per Sri Lanka Financial Reporting Standards (SLFRS)	34,707	31,135	37,253	32,928
Total Comprehensive Income				
Profit for the year as reported under previous Sri Lanka Accounting Standards (SLAS)	2,917	2,317	3,624	2,973
Impact on adoption of SLFRS to the income statement	(32)	136	(86)	65
Impact on adoption of SLFRS to Other Comprehensive Income	1,736	(4,377)	1,757	(4,468)
Total Comprehensive Income as per SLFRS	4,621	(1,924)	5,295	(1,430)

Note 12. Disclosures under Appendix 7B of the Listing Rules**12.1 Bank has not incurred management fees or any other similar expenditure****12.2 Share Capital****Number of shares**

Number of shares of the Bank on 31 March 2013
(No increase from 31 March 2012)

265,097,688

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

12.3 Twenty Major Shareholders as at 31.03.2013

	Name of Shareholder/Company	Shareholding	%
1	Bank of Ceylon No.2 A/c.	38,039,994	14.35
2	Hatton National Bank PLC A/c No.1	32,396,140	12.22
3	Sri Lanka Insurance Corporation Ltd-Life Fund	26,509,832	10.00
4	Employees Provident Fund	24,368,995	9.19
5	Mr M A Yaseen	22,886,700	8.63
6	Distilleries Company of Sri Lanka PLC	17,042,856	6.43
7	Seafeld International Limited	15,286,794	5.77
8	HSBC Intl Nom. Ltd-BPSS Lux-Aberdeen Global Asia Pacific Equity Fund	12,216,146	4.61
9	Renuka City Hotels PLC	6,926,870	2.61
10	HSBC Intl Nom Ltd-BPSS LDN-Aberdeen Asia Pacific Fund	6,750,000	2.55
11	HSBC Intl Nominees Ltd-BP2S London-Edinburg Dragon Trust PLC	5,620,164	2.12
12	Renuka Hotels Limited	4,073,360	1.54
13	HSBC Intl Nominees Ltd-BP2S London-Aberdeen Asia Smaller Companies Investment Trust	3,889,870	1.47
14	HSBC Intl Nominees Ltd-BP2S Luxembourg-Aberdeen Global Frontier Markets Equity Fund	3,133,300	1.18
15	Employees Trust Fund Board	2,474,528	0.93
16	Cargo Boat Development Company PLC	2,098,200	0.79
17	HSBC Intl Nominees Ltd-BP2S-London - Aberdeen New Dawn Investment Trust XCC6		
18	Dawn Investment Trust XCC6	1,800,000	0.68
	Mellon Bank N.A. - Florida Retirement System	1,500,000	0.57
19	National Savings Bank	1,342,024	0.51
20	Aviva NDB Insurance PLC a/c No.07	1,338,804	0.51

12.4 Public holding as at 31.03.2013 is 63.26%

12.5 Directors' Interests in Shares

	No of Shares As at 31.03.2013
Brito, J M S - Chairman	38,760
Fonseka, A N – Ex-officio Director	142,006*
Abeywardena, A S	10,380
Dayasri, G K	1,036
Gunawardana, H M N S	Nil
Jansz, C R	1,000
Thambiyah, R B	211,200
Thambiyah, S.R – Alternative Director	Nil
Chandradasa L P	500
Perumal, J E A	42,475

*Directors' shareholding includes shares held by the spouse.

Certification

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

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

J M S Brito
Chairman

A.N Fonseka
Ex-officio Director
& Chief Executive

S. Nagarajah
Chief Financial Officer

30/05/2013

Listed Debentures Note

	Interest Payable Frequency	Applicable	Comparative Govt. Sec.
		Interest Rate	Interest Rate (Gross)
Debenture Categories		March-13	March-13
Fixed Rate			
2006/2016 - 14.00% p.a.	Annually	14.00%	12.39%
Other Ratios		31.03.2013	31.03.2012
Debt Equity Ratio		1.72	1.56
Interest cover		1.38	1.72
Liquid Asset Ratio (%)		52.8	52

Business Segment Information

For the year ended 31 March	Lending		Financial Leasing		Investing in Equity		Commercial Banking		Other		Unallocated		Eliminations		Total	
	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000	2013 Rs 000	2012 Rs 000
Revenue																
Interest income	7,398,790	4,737,661	1,561,722	1,145,503	-	-	6,415,991	3,721,795	314,078	144,601	-	-	(126,658)	(299,753)	15,367,312	9,646,419
Other income	153,218	86,960	-	-	1,270,316	1,223,685	705,383	604,374	561,248	554,139	(139,792)	132,435	(315,378)	(180,947)	2,280,379	2,375,262
Income from external customers	7,552,008	4,824,621	1,561,722	1,145,503	1,270,316	1,223,685	7,121,374	4,326,169	875,326	698,740	(139,792)	132,435	(442,036)	(329,473)	17,798,918	12,021,681
Inter segment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income	7,552,008	4,824,621	1,561,722	1,145,503	1,270,316	1,223,685	7,121,374	4,326,169	875,326	698,740	(139,792)	132,435	(442,036)	(329,473)	17,798,919	12,021,680
Percentage *	42	40	9	9	7	10	40	36	5	6	1	2	-	-	100	100
Expense																
Segment losses	(177,153)	(10,632)	(30,140)	(109,392)	13,633	-	259,259	64,151	-	-	-	-	-	-	65,599	(55,873)
Depreciation	-	-	-	-	-	-	167,127	145,380	37,208	34,417	-	-	-	-	204,335	179,797
Other operating & interest expenses	5,011,189	3,467,950	1,042,631	637,976	-	-	5,799,000	3,294,341	386,690	416,031	-	-	(142,549)	(248,466)	12,096,960	7,567,833
Inter segment expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,834,036	3,457,318	1,012,491	528,584	13,633	-	6,225,386	3,503,872	423,898	450,448	-	-	(142,549)	(248,465)	12,366,894	7,691,757
Result	2,717,972	1,367,303	549,231	616,919	1,256,683	1,223,685	895,988	822,297	451,428	248,292	-	-	-	-	5,432,025	4,329,924
Unallocated expenses															574,164	244,763
Value Added Tax on financial services															388,364	461,476
Share of profits/(Loss) of associates															4,469,497	3,623,683
Profit on ordinary activities before tax															24,150	5,649
Income tax on profit on ordinary activities															4,493,647	3,629,332
Profit on ordinary activities after tax															869,212	656,493
Minority interest															3,624,435	2,972,839
Profit for the period															101,238	72,633
															3,523,197	2,900,206
Assets	52,397,704	44,660,584	10,831,794	9,194,559	6,998,629	6,907,117	58,332,495	45,675,437	4,040,964	3,893,272	10,523,244	8,895,700	(1,113,540)	(1,096,291)	142,011,290	118,130,378
Percentage	37	38	8	8	5	6	41	39	3	3	7	8	-	-	100	100
Investment in associate company															409,474	370,800
															142,420,764	118,501,178
Liabilities	41,093,971	37,765,719	8,774,764	8,036,976	-	-	54,249,135	41,260,091	2,093,171	2,316,002	8,529,677	4,136,567	(1,113,540)	(1,096,291)	113,627,178	92,419,064

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

Revenue and expenses attributable to the business segment of DFCC Vardhana Bank Limited is included in the column for Commercial Banking.

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

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

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

* Net of eliminations