



Interim Financial Results for the Nine Months Ended 30 September 2019

The following commentary relates to the interim non-audited financial statements for the nine months ended 30 September 2019, presented in accordance with Sri Lanka Accounting Standard 34 (LKAS 34) on “Interim Financial Statements”. DFCC Group is a diversified financial organisation involved in commercial banking, development banking, investment banking, wealth management, information technology, industrial park management and consultancy businesses.

Profitability

DFCC Bank recorded a profit after tax of LKR 2,217 million for the period ended 30 September 2019 before the adjustment for the fair value loss on Commercial Bank of Ceylon PLC (CBC) in comparison to profit after tax of LKR 2,723 million recorded in the comparative period. The Bank’s profit after tax with the adjustment for the fair value loss on CBC shares amounted to LKR 1,594 million for the current period against LKR 1,791 million in the comparative period. On the same basis, the Group recorded a profit after tax of LKR 1,765 million for the period ended 30 September 2019 compared to LKR 1,955 million in the comparative period.

Operating Income

The Bank recorded a total operating income amounting to LKR 9,839 million for the period ended 30 September 2019, compared to LKR 9,296 million for the comparative period, recording an increase of 6%. Fees and commission income grew by 3% to LKR 1,468 million for the period ended 30 September 2019 from LKR 1,422 million in the comparative period.

Operating Expenses

DFCC Bank sustained its branch expansion while driving many digital initiatives during the period. Operating expenses increased to LKR 5,531 million from LKR 4,862 million in the comparative period. This increase was mainly due to aggressive network expansion, as well as rolling out “My Space” self banking locations that include ATMs and Cash Recyclers etc; in order to deliver a convenient customer experience. “DFCC MySpace” self-banking platforms have attracted a significant number of new customers due to the facilities being available 24x7/365 days of the year.

Impairment

Challenging business environment faced by most industries resulted in delay or non-payment of dues on time by clients. As a result, the impairment provision during the period ending 30 September 2019 increased to LKR 795 million which is an increase of 26% compared to LKR 633 million recorded in the comparable period. The Bank's NPL ratio as at 30 September 2019 was 4.84% compared to 3.28% recorded as at 31 December 2018.

Other Comprehensive Income

Investments in equity securities and treasury bills and bonds (fixed income securities) are classified as financial assets and the change in fair value is recorded through Other Comprehensive Income. Accordingly, fair value losses of LKR 1,400 million and a net fair value gain of LKR 1,675 million were recorded on account of equity and fixed income securities, respectively. The drop in the share price of Commercial Bank of Ceylon PLC during the period mainly contributed to the reported fair value loss in equity securities, whilst the movement of interest rates of treasury bills and bonds favourably resulted in the fair value gain that was recorded during the period.

Statement of Financial Position

Assets

DFCC Bank's Total Assets showed a growth of 7% since December 2018 by LKR 27,547 million to LKR 402,455 million as of 30 September 2019. Within this, the Bank's loan portfolio grew by LKR 20,273 million to LKR 270,007 million compared to LKR 249,734 million as at 31 December 2018 recording an increase of 8%. The Bank did not pursue aggressive growth particularly to sectors that exhibited stress, as a result of its stance on prudent lending.

Liabilities

The Bank's deposit base as at 30 September 2019 amounted to LKR 232,834 million, which is a 4% decline from LKR 242,238 million as at 31 December 2018. This is largely due to the Bank's strategy to reduce the concentration risk on a few institutional deposits & the increase in retail deposit base to reach the long term objective of achieving one million customers by 2020.

As a result of the declining trend in overall deposit base, the Bank recorded a loan-to-deposit ratio of 116% in September 2019 from 103% in December 2018. The Bank's CASA ratio, which represents the proportion of low-cost deposits from total deposits, stood at 24.5% on 30 September 2019. The Bank has access to medium- to long-term concessionary credit lines. When these concessionary term borrowings are added to deposits, the ratio improved to 31.2% as at 30 September 2019.

Capital Management

DFCC Bank has always been a prudent lender. Therefore, in order to support future growth as a full service retail bank with a development banking focus, the Bank has consistently maintained a capital ratio above the Basel III minimum capital requirements. As at 30 September 2019, the Bank recorded Tier 1 and total capital adequacy ratios of 11.03% and 16.06%, respectively, which is well over the minimum regulatory requirements of 8.5% and 12.5%, respectively.

Lakshman Silva
Director/Chief Executive Officer
14 November 2019

DFCC Bank PLC
Income Statement

Notes	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09. 2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09. 2019 LKR 000	30.09. 2018 LKR 000 (Restated)	Change %
Income	31,967,427	28,188,311	13	11,433,565	9,659,573	18	32,235,615	28,430,595	13	11,475,609	9,729,335	18
Interest income	31,646,305	27,837,574	14	10,662,856	9,715,073	10	31,647,903	27,842,698	14	10,663,337	9,715,138	10
Interest expense	22,128,329	18,892,406	17	7,546,858	6,610,752	14	22,098,151	18,890,720	17	7,537,202	6,628,799	14
Net interest income	9,517,976	8,945,168	6	3,115,998	3,104,321	0	9,549,752	8,951,978	7	3,126,135	3,086,339	1
Fee and commission income	1,467,621	1,421,720	3	522,308	515,579	1	1,467,384	1,421,633	3	523,595	515,559	2
Fee and commission expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net fee and commission income	1,467,621	1,421,720	3	522,308	515,579	1	1,467,384	1,421,633	3	523,595	515,559	2
Net (loss)/gain from trading	(172,133)	(759,206)	(77)	431,166	(520,664)	(183)	(172,133)	(759,206)	(77)	431,166	(520,664)	(183)
Net fair value (losses) / gains from financial instruments at fair value through profit or loss	(2,526,149)	2,180,325	216	(796,351)	2,115,352	138	(2,526,149)	2,180,325	216	(796,351)	2,115,352	138
Net gains from derecognition of financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss	-	5,438	(100)	-	-	-	-	5,438	(100)	-	-	-
Fair value through other comprehensive income	115,668	2,772	4,073	49,232	-	100	115,668	2,772	4,073	49,232	-	100
Net other operating income	1,436,115	(2,500,312)	157	564,354	(2,165,767)	126	1,702,942	(2,263,065)	(175)	604,630	(2,096,053)	(129)
Total operating income	9,839,098	9,295,905	6	3,886,707	3,048,821	27	10,137,464	9,539,875	6	3,938,407	3,100,533	27
Impairment charge / (reversal) for loans and other losses	-	-	-	-	-	-	-	-	-	-	-	-
- Loans to and receivables from other customers	797,296	677,289	18	304,794	43,063	608	797,296	677,289	18	304,794	43,063	608
- Other financial assets	(51,075)	(73,080)	(30)	(1,327)	(72,668)	(98)	(51,075)	(73,080)	(30)	(1,327)	(72,668)	(98)
- Others	49,122	28,523	72	15,944	13,723	16	49,122	28,523	72	15,944	13,723	16
Net operating income	9,043,755	8,663,173	4	3,567,296	3,064,703	16	9,342,121	8,907,143	5	3,618,996	3,116,415	16
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Personnel expenses	2,711,894	2,582,745	5	929,236	861,851	8	2,842,872	2,697,608	5	970,739	903,918	7
Depreciation and amortisation	595,981	337,747	76	205,139	122,729	67	636,691	372,321	71	218,356	128,604	70
Other expenses	2,222,992	1,941,466	15	873,706	702,676	24	2,246,242	1,941,961	16	891,408	717,977	24
Total operating expenses	5,530,867	4,861,958	14	2,008,081	1,687,256	19	5,725,806	5,011,890	14	2,080,503	1,750,499	19
Operating profit before value added tax, nation building tax and debt repayment levy on financial services	3,512,888	3,801,215	(8)	1,559,215	1,377,447	13	3,616,316	3,895,253	(7)	1,538,493	1,365,916	13
Value added tax, nation building tax and debt repayment levy on financial services	1,156,801	899,465	29	407,982	318,776	28	1,156,801	899,465	29	407,982	318,776	28
Operating profit after value added tax, nation building tax and debt repayment levy on financial services	2,356,087	2,901,750	(19)	1,151,233	1,058,671	9	2,459,515	2,995,788	(18)	1,130,511	1,047,140	8
Share of profits of associate and joint venture	-	-	-	-	-	-	143,144	149,912	(5)	59,755	61,325	(3)
Profit before tax	2,356,087	2,901,750	(19)	1,151,233	1,058,671	9	2,602,659	3,145,700	(17)	1,190,266	1,108,465	7
Income tax expense	762,169	1,110,808	(31)	294,732	575,283	(49)	837,860	1,191,140	(30)	331,752	612,200	(46)
Profit for the period	1,593,918	1,790,942	(11.0)	856,501	483,388	77	1,764,799	1,954,560	(9.7)	858,514	496,265	73
Profit attributable to:												
Equity holders of the Bank	1,593,918	1,790,942	(11)	856,501	483,388	77	1,697,391	1,896,885	(11)	835,546	474,319	76
Non-controlling interests	-	-	-	-	-	-	67,408	57,675	17	22,968	21,946	5
Profit for the period	1,593,918	1,790,942	(11)	856,501	483,388	77	1,764,799	1,954,560	(10)	858,514	496,265	73
Basic earnings per ordinary share (LKR)	5.58	6.76	(17)	3.00	1.82	64	6.18	7.37	(16)	3.00	1.87	61

Comparison of results - Core Business

	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09. 2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09. 2019 LKR 000	30.09. 2018 LKR 000 (Restated)	Change %
Profit for the period – reported	1,593,918	1,790,942	(11)	856,501	483,388	77	1,764,799	1,954,560	(10)	858,514	496,265	73
Marked-to-market loss / (gain) on equity shares of Commercial Bank of Ceylon PLC, net of taxes	622,788	931,920	(33)	(228,278)	402,346	(157)	622,788	931,920	(33)	(228,278)	402,346	(157)
Profit for the period from core activities	2,216,706	2,722,862	(19)	628,223	885,734	(29)	2,387,587	2,886,480	(17)	630,236	898,611	(30)

DFCC Bank PLC
Statement of Comprehensive Income

	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %	30.09.2019 LKR 000	30.09.2018 LKR 000 (Restated)	Change %
Profit for the period	1,593,918	1,790,942	(11)	856,501	483,388	77	1,764,799	1,954,560	(10)	858,514	496,265	73
Other comprehensive income / (expenses) for the period, net of tax												
Items that will be reclassified to income statement												
Net change in fair value through other comprehensive income financial assets	1,808,862	(637,829)	384	(90,299)	(266,669)	(66)	1,784,955	(637,829)	380	(114,206)	(266,669)	(57)
Net amount transferred to income statement on disposal of fair value through other comprehensive income financial assets	(134,148)	(53,972)	(149)	(23,907)	(11,175)	114	(110,241)	(53,972)	(104)	-	(11,175)	(100)
Share of other comprehensive expenses of equity accounted joint venture and associate	-	-	-	-	-	-	(4,604)	25,467	118	11,047	19,433	(43)
Net (loss)/gain on cash flow hedges												
Effective portion of changes in fair value	(272,271)	86,792	414	104,874	86,792	21	(272,271)	86,792	414	104,874	86,792	21
Reclassified to profit or loss	(177,732)	-	100	(372,132)	-	(100)	(177,732)	-	100	(372,132)	-	(100)
Deferred tax effect relating to fair value through other comprehensive income financial assets	(343,543)	193,204	(278)	106,168	77,296	(37)	(343,543)	193,204	278	106,168	77,296	(37)
Total other comprehensive income / (expenses) that will be reclassified to income statement	881,168	(411,805)	314	(275,296)	(113,756)	142	876,564	(386,338)	327	(264,249)	(94,323)	180
Items that will not be reclassified to income statement												
Losses on remeasurement of defined benefit plans	-	-	-	-	-	-	(49)	(119)	(59)	-	-	-
Net (loss)/gain on equity instruments measured at fair value through other comprehensive income	(1,400,032)	(2,204,758)	(36)	615,153	(943,818)	(165)	(1,400,032)	(2,204,758)	(36)	615,153	(943,818)	(165)
Deferred tax effect relating to items that will not be reclassified to income statement	-	-	-	-	-	-	15	-	100	-	-	-
Total other comprehensive expenses on items that will not be reclassified to income statement	(1,400,032)	(2,204,758)	(36)	615,153	(943,818)	(165)	(1,400,066)	(2,204,877)	(37)	615,153	(943,818)	(165)
Other comprehensive (expenses)/income for the period, net of tax	(518,864)	(2,616,563)	80	339,857	(1,057,574)	(132)	(523,502)	(2,591,215)	80	350,904	(1,038,141)	(134)
Total comprehensive income/(expenses) for the period	1,075,054	(825,621)	(230)	1,196,358	(574,185)	(308)	1,241,297	(636,655)	(295)	1,209,418	(541,873)	(323)
Total comprehensive income/(expenses) attributable to:												
Equity holders of the Bank	1,075,054	(825,621)	(230)	1,196,358	(574,185)	(308)	1,173,906	(694,272)	(269)	1,186,450	(563,761)	(310)
Non-controlling interests	-	-	-	-	-	-	67,391	57,617	17	22,968	21,888	5
Total comprehensive income/(expenses) for the period	1,075,054	(825,621)	(230)	1,196,358	(574,185)	(308)	1,241,297	(636,655)	(295)	1,209,418	(541,873)	(323)

DFCC Bank PLC
Statement of Financial Position

As at	Bank			Group		
	30.09.2019	31.12.2018	Change	30.09.2019	31.12.2018	Change
Notes	LKR 000	(Audited) LKR 000	%	LKR 000	(Audited) LKR 000	%
Assets						
Cash and cash equivalents	4,996,980	5,039,629	(1)	5,005,501	5,049,823	(1)
Balances with Central Bank of Sri Lanka	10,156,687	11,841,814	(14)	10,156,687	11,841,814	(14)
Placements with banks	-	425,087	(100)	12,008	439,727	(97)
Derivative assets held - for - risk - management	845,198	3,414,549	(75)	845,198	3,414,549	(75)
Financial assets measured at fair value through profit or loss	5,430,633	6,078,862	(11)	5,430,633	6,078,862	(11)
Financial assets at amortised cost - Loans to and receivables from banks	8,405,009	12,854,880	(35)	8,405,009	12,854,880	(35)
Financial assets at amortised cost -Loans to and receivables from other customers	8	270,006,632	249,733,718	8	270,006,632	249,733,718
Financial assets at amortised cost - Debt and other instruments.	23,817,763	22,874,088	4	23,817,763	22,874,088	4
Financial assets measured at fair value through other comprehensive income	69,944,880	55,313,553	26	69,944,880	55,313,553	26
Investments in subsidiaries	167,036	167,036	-	-	-	-
Investments in associate	35,270	35,270	-	31,705	31,107	2
Investments in joint venture	755,000	755,000	-	2,095,432	1,957,455	7
Due from subsidiaries	6,657	9,505	(30)	-	-	-
Investment properties	9,879	9,879	-	472,427	496,559	(5)
Property, plant and equipment	2,946,540	1,620,375	82	3,029,091	1,718,904	76
Intangible assets	704,641	668,834	5	725,395	686,288	6
Goodwill on consolidation	-	-	-	156,226	156,226	-
Deferred tax asset	422,278	491,523	(14)	423,359	492,678	(14)
Other assets	3,803,607	3,574,276	6	3,909,191	3,621,780	8
Total assets	402,454,690	374,907,878	7	404,467,137	376,762,011	7
Liabilities						
Due to banks	38,372,420	9,446,464	306	38,372,420	9,446,464	306
Derivative liabilities held- for- risk -management	478,035	121,373	294	478,035	121,373	294
Financial liabilities at amortised cost - Due to depositors	232,834,252	242,237,596	(4)	232,524,235	241,914,870	(4)
Financial liabilities at amortised cost - Due to other borrowers	46,323,197	47,413,727	(2)	46,323,197	47,388,679	(2)
Debt securities issued	13,723,871	8,898,441	54	13,723,871	8,898,441	54
Retirement benefit obligation	437,851	408,704	7	462,462	433,315	7
Current tax liability	813,624	1,221,117	(33)	813,420	1,294,540	(37)
Deferred tax liability	-	-	-	95,326	90,402	5
Other liabilities	5,424,955	4,458,721	22	5,733,542	4,662,423	23
Subordinated term debt	17,247,581	16,855,352	2	17,247,581	16,855,352	2
Total liabilities	355,655,786	331,061,495	7	355,774,089	331,105,859	7
Equity						
Stated capital	7,530,371	4,715,814	60	7,530,371	4,715,814	60
Statutory reserves	2,358,275	2,358,275	-	2,358,275	2,358,275	-
Retained earnings	17,854,312	17,187,262	4	20,873,386	20,107,150	4
Other reserves	19,055,946	19,585,032	(3)	17,687,301	18,216,689	(3)
Total equity attributable to equity holders of the Bank	46,798,904	43,846,383	7	48,449,333	45,397,928	7
Non-controlling interests	-	-	-	243,715	258,224	(6)
Total equity	46,798,904	43,846,383	7	48,693,048	45,656,152	7
Total equity and liabilities	402,454,690	374,907,878	7	404,467,137	376,762,011	7
Contingent liabilities and commitments	126,552,110	137,143,668	(8)	126,552,110	137,143,668	(8)
Net assets value per share, LKR	153.85	165.40	(7)	159.27	171.25	(7)

Information on shares of the Bank for the quarter ended

	30.09.2019	31.12.2018
- Highest price LKR	101	101
- Lowest price LKR	71	87
- Market price LKR	89	93

Memorandum Information	Bank		Group	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Number of Employees	2,075	1,860	2,195	1,963
Number of Branches	117	110		
Extension offices and postal units	22	28		

Statement of Changes in Equity

	Stated Capital LKR 000	Statutory reserves		Other reserves		Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Fair value reserve LKR 000	Hedging reserve LKR 000	General reserves LKR 000		
Bank							
Balance as at 01.01.2018	4,715,814	2,224,275	13,298,686	-	13,779,839	13,858,152	47,876,766
Adjustment on initial application of SLFRS 9, net of tax	-	-	(4,551,014)	-	-	2,017,938	(2,533,076)
Restated balance as at 01.01.2018	4,715,814	2,224,275	8,747,672	-	13,779,839	15,876,090	45,343,690
Profit for the period	-	-	-	-	-	1,790,942	1,790,942
Other comprehensive expenses, net of tax	-	-	(2,616,563)	-	-	-	(2,616,563)
Total comprehensive (expenses)/income for the period	-	-	(2,616,563)	-	-	1,790,942	(825,621)
Transfer of gains / (losses) on disposal / write off of equity investments at fair value through other comprehensive income to retained earnings	-	-	(62,673)	-	-	62,673	-
Transactions with equity holders, recognised directly in equity							
Final dividend approved on 20.02.2018	-	-	-	-	-	(1,325,489)	(1,325,489)
Total contributions from and distribution to equity holders	-	-	-	-	-	(1,325,489)	(1,325,489)
Balance as at 30.09.2018	4,715,814	2,224,275	6,068,436	-	13,779,839	16,404,217	43,192,580
Balance as at 01.01.2019	4,715,814	2,358,275	5,745,025	60,168	13,779,839	17,187,262	43,846,383
Profit for the period	-	-	-	-	-	1,593,918	1,593,918
Other comprehensive expenses, net of tax	-	-	(194,862)	(324,002)	-	-	(518,864)
Total comprehensive (expenses) / income for the period	-	-	(194,862)	(324,002)	-	1,593,918	1,075,054
Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(10,222)	-	-	10,222	-
Transactions with equity holders, recognised directly in equity							
Final dividend approved on 18.02.2019	-	-	-	-	-	(927,841)	(927,841)
Rights issue	2,814,557	-	-	-	-	(9,249)	2,805,308
Total contributions from and distribution to equity holders	2,814,557	-	-	-	-	(937,090)	1,877,467
Balance as at 30.09.2019	7,530,371	2,358,275	5,539,941	(263,834)	13,779,839	17,854,312	46,798,904

Statement of Changes in Equity

Group	Attributable to the equity holders of the Bank									
	Statutory reserves			Other reserves			Retained earnings	Total	Non- controlling interests	Total
	Stated Capital	Reserve fund	Fair value reserve	Exchange equalisation reserve	Hedging reserve	General reserve				
LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	
Balance as at 01.01.2018	4,715,814	2,224,275	11,032,483	13,061	-	13,779,839	17,359,513	49,124,985	276,872	49,401,857
Adjustment on initial application of SLFRS 9, net of tax	-	-	(3,707,124)	-	-	-	1,189,617	(2,517,507)	-	(2,517,507)
Restated balance at 01.01.2018	4,715,814	2,224,275	7,325,359	13,061	-	13,779,839	18,549,130	46,607,478	276,872	46,884,350
Profit for the period	-	-	-	-	-	-	1,896,885	1,896,885	57,675	1,954,560
Other comprehensive (expenses) / income, net of tax	-	-	(2,713,259)	35,370	86,792	-	(60)	(2,591,157)	(58)	(2,591,215)
Total comprehensive (expenses) / income for the period	-	-	(2,713,259)	35,370	86,792	-	1,896,825	(694,272)	57,617	(636,655)
Transfer of gains / (losses) on disposal / write off of equity investments at fair value through other comprehensive income to retained earnings	-	-	(62,673)	-	-	-	62,673	-	-	-
Transactions with equity holders, recognised directly in equity										
Change in holding through joint venture	-	-	-	-	-	-	107	107	-	107
Final dividend approved on 20.02.2018	-	-	-	-	-	-	(1,325,489)	(1,325,489)	-	(1,325,489)
Total contributions from and distribution to equity holders	-	-	-	-	-	-	(1,325,382)	(1,325,382)	-	(1,325,382)
Balance as at 30.09.2018	4,715,814	2,224,275	4,549,427	48,431	86,792	13,779,839	19,183,247	44,587,824	334,489	44,922,313
Balance at 01.01.2019	4,715,814	2,358,275	4,293,847	82,835	60,168	13,779,839	20,107,150	45,397,928	258,224	45,656,152
Profit for the period	-	-	-	-	-	-	1,697,391	1,697,391	67,408	1,764,799
Other comprehensive (expenses) / income, net of tax	-	-	(191,411)	(8,053)	(324,002)	-	(19)	(523,485)	(17)	(523,502)
Total comprehensive (expenses) / income for the period	-	-	(191,411)	(8,053)	(324,002)	-	1,697,372	1,173,906	67,391	1,241,297
Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(5,921)	-	-	-	5,921	-	-	-
Transactions with equity holders, recognised directly in equity										
Change in holding through joint venture	-	-	-	-	-	-	33	33	-	33
Final dividend approved on 18.02.2019	-	-	-	-	-	-	(927,841)	(927,841)	-	(927,841)
Rights issue	2,814,557	-	-	-	-	-	(9,249)	2,805,308	-	2,805,308
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	-	(81,900)	(81,900)
Total contributions from and distribution to equity holders	2,814,557	-	-	-	-	-	(937,057)	1,877,500	(81,900)	1,795,600
Balance as at 30.09.2019	7,530,371	2,358,275	4,096,515	74,782	(263,834)	13,779,839	20,873,386	48,449,333	243,715	48,693,048

Statement of Cash Flows

For the nine months ended 30th September	Bank		Group	
	2019 LKR 000	2018 LKR 000	2019 LKR 000	2018 LKR 000
Cash flows from operating activities				
Interest receipts	23,932,943	17,851,313	23,929,845	17,849,543
Interest payments	(23,555,615)	(17,370,344)	(23,528,646)	(17,331,108)
Net commission receipts	1,248,889	1,169,286	1,248,889	1,169,286
Net trading Income	26,023	3,467,917	26,023	3,467,917
Recoveries on loans previously written off	6,386	8,350	6,386	8,350
Receipts from other operating activities	692,001	3,318,864	1,140,025	3,763,312
Payments on other operating activities	(2,776,818)	(2,812,811)	(3,047,429)	(3,053,471)
Cash payments to employees	(2,368,601)	(2,108,656)	(2,368,601)	(2,108,656)
Value Added Tax, Nation Building Tax and Debt Repayment Levy on financial services	(1,211,064)	(1,045,376)	(1,211,075)	(1,045,319)
Operating Cash flows before changes in operating assets and liabilities	(4,005,856)	2,478,543	(3,804,583)	2,719,854
(Increase) / decrease in operating assets:				
Balances with Central Bank / Deposits held for regulatory or monetary control purposes	1,685,124	(1,860,596)	1,685,124	(1,860,596)
Financial Assets at amortised cost - Loans to and receivables from other customers	(20,399,975)	(31,185,846)	(20,399,975)	(31,185,846)
Others	866,674	(429,828)	968,104	(465,405)
Increase /(decrease) in operating liabilities:				
Financial liabilities at amortised cost - due to depositors	(7,549,109)	37,014,183	(7,533,569)	36,963,396
Negotiable certificates of deposits	239,377	5,563	239,377	5,563
Others	(423,084)	(2,963,349)	(423,859)	(2,963,709)
Net cash flows (used in)/from operating activities before income tax	(29,586,849)	3,058,670	(29,269,381)	3,213,257
Income Tax paid	(1,337,186)	(780,616)	(1,419,161)	(796,261)
Net cash flows (used in)/from operating activities	(30,924,035)	2,278,054	(30,688,542)	2,416,996
Cash flows from investing activities				
Dividends received	460,141	495,109	383,265	495,109
Interest received	5,739,892	5,042,931	5,766,716	5,071,692
Government Securities- net	(12,217,027)	(9,631,182)	(12,217,025)	(9,631,182)
Proceeds from sale and redemption of securities	199,067	980,741	224,067	993,796
Purchase of financial investments	(184,184)	(340,857)	(184,184)	(340,857)
Purchase of property , equipment ,intangibles and investment property	(229,093)	(744,743)	(268,936)	(911,621)
Proceeds from sale of equipment and investment property	20,981	690	20,962	690
Net cash flows used in investing activities	(6,210,223)	(4,197,311)	(6,275,135)	(4,322,373)
Cash flows from financing activities				
Issue of new shares under Right Issue	2,814,557	-	2,814,557	-
Issue of debentures	10,000,000	7,000,000	10,000,000	7,000,000
Redemption of debentures	(5,315,450)	-	(5,315,450)	-
Borrowing , medium and long - term	8,451,759	6,977,886	8,451,759	6,977,886
Other borrowings - net	26,003,552	(4,321,065)	26,003,552	(4,321,065)
Repayment of borrowing ,medium and long - term	(4,365,423)	(2,546,629)	(4,365,423)	(2,546,629)
Dividends paid	(922,473)	(1,281,132)	(1,097,359)	(1,282,881)
Net Cash flows from financing activities	36,666,522	5,829,060	36,491,636	5,827,311
Net (decrease)/ increase in cash and cash equivalents	(467,736)	3,909,803	(472,041)	3,921,934
Cash and cash equivalents at the beginning of the period	5,464,716	10,797,606	5,489,550	10,832,361
Cash and cash equivalents at the end of period	4,996,980	14,707,409	5,017,509	14,754,295
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	4,996,980	4,455,715	5,005,501	4,486,156
Placements with banks	-	10,251,694	12,008	10,268,139
	4,996,980	14,707,409	5,017,509	14,754,295

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 Group and the separate financial statements of the Bank have been presented in accordance with the Sri Lanka Accounting Standards 34 (LKAS 34) "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.

Note 2. Accounting Policies and Accounting Estimates

There are no changes to the accounting policies and method of computation since the publication of the last annual financial statements except for;

1. SLFRS 16 - "Leases" effective from 1st January 2019 requires recognizing lease liabilities and right-of-use assets for some leases classified as operating leases under LKAS 17 "Leases".
2. Circular No 6 of 2019 on the adoption of Sri Lanka Accounting Standard - SLFRS 9 "Financial Instruments" issued by the Bank Supervision Department of Central Bank of Sri Lanka.

Note 3. Comparative Figures

Comparative figures have been re-stated/re-classified where necessary, to conform to the current period presentation.

The following line items of the Interim Financial Statements for the quarter ended 30.09.2018 were restated due to the adoption of SLFRS 9 and the circular No. 02 of 2019 issued by the Bank Supervision Department of the Central Bank of Sri Lanka.

	Restated	As previously
	LKR 000	Reported
		LKR 000
Income	28,188,311	30,501,898
Interest income	27,837,574	28,911,956
Net (loss) / gain from trading	(759,206)	121,675
Net fair value gains from financial instruments at fair value through profit or loss	2,180,325	2,271,752
Net gain from financial investments	-	968,992
Net gains from derecognition of financial assets		
Fair value through profit or loss	5,438	-
Fair value through other comprehensive income	2,772	-
Net other operating income	(2,500,312)	(3,194,197)
Impairment charge for loans and other losses	632,732	1,897,622
Other expenses	1,941,466	1,949,344
Value added tax, nation building tax and debt repayment levy on financial services	899,465	1,050,145
Profit before tax	2,901,750	3,791,889
Income tax expense	1,110,808	1,262,076
Profit for the period	1,790,942	2,529,813
Other comprehensive expenses for the period, net of tax	(2,616,563)	(3,793,172)

* Group Financial Statements also have been restated accordingly.

Note 4. 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 4.1 31 March Financial Year Company

This is Lanka Industrial Estates Ltd.

Note 5. Net loss from trading

	Bank		Group	
	2019 LKR 000	2018 LKR 000 (Restated)	2019 LKR 000	2018 LKR 000 (Restated)
For the nine months ended 30th September				
Foreign exchange from banks	392,955	157,108	392,955	157,108
Government securities				-
- Net marked to market loss	-	(726)	-	(726)
- Net capital gain/(loss)	20,448	(41,984)	20,448	(41,984)
Equity securities				-
- Net marked to market loss	(793,662)	(1,090,347)	(793,662)	(1,090,347)
- Net capital gain	5,576	7,080	5,576	7,080
Dividend income	202,550	209,663	202,550	209,663
	(172,133)	(759,206)	(172,133)	(759,206)

Note 6. Net fair value (losses) / gains from financial instruments at fair value through profit or loss

	Bank		Group	
	2019 LKR 000	2018 LKR 000 (Restated)	2019 LKR 000	2018 LKR 000 (Restated)
For the nine months ended 30th September				
Forward exchange fair value changes				
Contracts with commercial banks	(2,520,425)	1,656,121	(2,520,425)	1,656,121
Contracts with CBSL	-	600,780	-	600,780
Interest rate swap fair value changes	(6,055)	14,851	(6,055)	14,851
Gain/(Loss) on financial assets fair value through profit or loss - equity securities	331	(91,427)	331	(91,427)
	(2,526,149)	2,180,325	(2,526,149)	2,180,325

Note 7. Net Other Operating Income

	Bank		Group	
	2019 LKR 000	2018 LKR 000 (Restated)	2019 LKR 000	2018 LKR 000 (Restated)
For the nine months ended 30th September				
Financial assets measured at fair value through other comprehensive income				
Gain on sale of equity shares	-	5,438	-	5,438
Dividend income	412,838	418,662	412,838	418,662
Equities measured at fair value through Profit or Loss				
Dividend income	125	1,287	125	1,287
Dividend income from subsidiaries, joint venture and associate	76,876	98,797	-	-
Net gain from repurchase transactions	220,208	169,702	220,208	169,702
Gains /(Losses) on revaluation of foreign exchange	663,278	(3,823,610)	663,278	(3,823,610)
Amortization of deferred Income Government Grant - CBSL swap	-	580,470	-	580,470
Others	62,790	48,942	406,493	384,986
	1,436,115	(2,500,312)	1,702,942	(2,263,065)

Note 8. Financial Assets at Amortized Cost Loans to and Receivables from Other Customers

As at	Bank		Group	
	30.09.2019 LKR 000	31.12.2018 LKR 000	30.09.2019 LKR 000	31.12.2018 LKR 000
Gross loans and receivables (Note 8.1)	281,635,517	261,299,294	281,635,517	261,299,294
Less: Allowance for impairment (Note 8.2.)	(11,628,884)	(11,565,576)	(11,628,884)	(11,565,576)
Net loans and receivables	270,006,632	249,733,718	270,006,632	249,733,718

Note 8.1 Loans to and Receivables from Other Customers - By product

As at	Bank		Group	
	30.09.2019 LKR 000	31.12.2018 LKR 000	30.09.2019 LKR 000	31.12.2018 LKR 000
By product-Domestic Currency				
Overdrafts	42,023,456	40,503,314	42,023,456	40,503,314
Trade finance	26,152,773	28,411,748	26,152,773	28,411,748
Credit cards	1,017,855	504,613	1,017,855	504,613
Pawning	3,492,021	3,194,318	3,492,021	3,194,318
Staff loans	2,112,546	1,966,944	2,112,546	1,966,944
Term loans	152,673,611	133,524,069	152,673,611	133,524,069
Lease rentals receivable	20,732,515	18,312,071	20,732,515	18,312,071
Commercial papers and asset back notes	2,366,213	1,329,351	2,366,213	1,329,351
Preference shares	37,500	112,500	37,500	112,500
Securities purchased under resale agreements	1,018,505	-	1,018,505	-
	251,626,995	227,858,928	251,626,995	227,858,928
By product-Foreign Currency				
Overdrafts	296,713	282,662	296,713	282,662
Trade finance	10,613,986	11,530,783	10,613,986	11,530,783
Term loans	19,097,823	21,626,921	19,097,823	21,626,921
	30,008,522	33,440,366	30,008,522	33,440,366
Gross loans and receivables	281,635,517	261,299,294	281,635,517	261,299,294

Note 8.2 Movement in Impairment during the period

	Bank		Group	
	30.09.2019 LKR 000	31.12.2018 LKR 000	30.09.2019 LKR 000	31.12.2018 LKR 000
Stage 1				
Balance at beginning	786,160	805,471	786,160	805,471
Charge / (write back) to income statement	39,591	(12,651)	39,591	(12,651)
Write-off during the period	(255)	(6,660)	(255)	(6,660)
Balance at end	825,496	786,160	825,496	786,160
Stage 2				
Balance at beginning	2,355,960	2,347,630	2,355,960	2,347,630
(Write back) / charge to income statement	(636,934)	10,491	(636,934)	10,491
Write-off during the period	(1,512)	(2,161)	(1,512)	(2,161)
Balance at end	1,717,514	2,355,960	1,717,514	2,355,960
Stage 3				
Balance at beginning	8,423,456	7,966,994	8,423,456	7,966,994
Charge to income statement	1,394,638	988,089	1,394,638	988,089
Effect of foreign currency movement	(4,060)	166,694	(4,060)	166,694
Write-off during the period	(723,823)	(696,652)	(723,823)	(696,652)
Other movements	(4,338)	(1,669)	(4,338)	(1,669)
Balance at end	9,085,874	8,423,456	9,085,874	8,423,456
Total Impairment	11,628,884	11,565,576	11,628,884	11,565,576

Note 9. Financial liabilities at amortized cost - Due to depositors

As at	Bank		Group	
	30.09.2019 LKR 000	31.12.2018 LKR 000	30.09.2019 LKR 000	31.12.2018 LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	4,819,482	4,002,920	4,819,501	4,002,630
Savings deposits	25,346,146	21,605,527	25,311,817	21,593,927
Fixed deposits	156,016,031	152,022,880	155,745,773	151,722,204
Other deposits	337,567	2,523,726	337,567	2,523,726
Certificate of deposits	790,987	553,593	790,987	553,593
	187,310,213	180,708,646	187,005,645	180,396,080
By product- Foreign Currency				
Demand deposits (current accounts)	440,681	337,898	440,681	337,898
Savings deposits	26,040,559	24,234,949	26,039,479	24,232,892
Fixed deposits	19,018,763	36,915,668	19,014,394	36,907,565
Other deposits	24,036	40,435	24,036	40,435
	45,524,039	61,528,950	45,518,590	61,518,790
Total	232,834,252	242,237,596	232,524,235	241,914,870

Note 10. Events after the reporting period

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

Note 11. Disclosures under Appendix 7B of the Listing Rules

11.1 During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities and use of fund raised through debentures. All known expenditure items have been provided for.

There is no management fees or similar expenditure provided for in the interim Financial Statements

11.2 Stated capital

As at	Number of shares	
	30.09.2019	31.12.2018
Number of shares of the Bank	304,188,756	265,097,688

11.3 Twenty Major Shareholders as at 30.09.2019

	Name of Shareholder/Company	Shareholding	%
1	Hatton National Bank PLC A/c No.1	45,354,596	14.91
2	Bank of Ceylon No.2 - A/C (BOC PTF)	38,039,994	12.51
3	Mr.M.A. Yaseen	30,418,875	10.00
4	Sri Lanka Insurance Corporation Ltd-Life Fund	26,509,832	8.71
5	Employees Provident Fund	24,368,995	8.01
6	Melstacorp PLC	22,383,614	7.36
7	Seafeld International Limited	17,716,794	5.82
8	BPSS Lux- Aberdeen standard sicav I-Asia Pacific Equity Fund	13,750,899	4.52
9	Citi Bank New York S/A Norges Bank Account 2	7,624,937	2.51
10	CB London S/A Aberdeen Asia Pacific Equity Fund	7,604,284	2.50
11	Renuka City Hotels PLC	6,926,870	2.28
12	BP2S London - Edinburgh Dragon Trust PLC	6,339,659	2.08
13	BP2S London - Aberdeen Standard Asia Focus PLC	5,413,710	1.78
14	Renuka Hotels PLC	4,073,360	1.34
15	Employees Trust Fund Board	3,987,952	1.31
16	Akbar Brothers Pvt Ltd A/C No.01	2,578,688	0.85
17	Cargo Boat Development Company PLC	2,498,200	0.82
18	BP2S London - Aberdeen New Dawn Investment Trust XCC6	2,019,445	0.66
19	Stassen Exports (Pvt) Ltd	1,896,791	0.62
20	Anverally International (Pvt) Limited	1,682,148	0.55

11.4 Public Holdings as at 30.09.2019

Public holdings percentage	62.55%
Number of Public shareholders	9,064
Float adjusted market capitalisation	LKR 16,857 million
Applicable option as per CSE Listing Rule 7.13.1 (a)	Option 1

11.5 Directors' Interests in Shares

	No of Shares As at 30.09.2019
P M B Fernando	2,000
T Dharmarajah	2,700
K.P Cooray	Nil
S.R Thambiyah (Ms.)	Nil
V J Senaratne (Ms.)	1,814
L H A L Silva	24,866
L.K.A.H. Fernando (Ms.)	Nil
N.K.G.K. Nemmawatta	Nil
J. Durairatnam	Nil
N.H.T.I.Perera	16,800

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 and the Group, unless indicated as audited.

J. Durairatnam
Chairman

Lakshman Silva
Director & Chief Executive Officer

Chinthika Amarasekera
Chief Financial Officer

30-Oct-19

Listed Debentures

Debenture Category	Interest rate Frequency	Applicable Interest Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 30.09.2019 LKR 000	Market price LKR			Yield Last Traded %	Last Traded Date	
					Highest	Lowest	Last Traded			
Fixed Rate										
	2015/2020	Annually	9.40	8.22	2,054,964	N/T	N/T	N/T	N/A	N/A
	2015/2020	Annually	9.10	8.22	3,079,811	N/T	N/T	N/T	N/A	N/A
	2016/2021	Annually	12.15	8.78	1,058,284	N/T	N/T	N/T	N/A	N/A
	2016/2023	Annually	12.75	9.92	6,711,990	99.80	99.80	99.80	12.75	6-Jun-19
	2018/2023	Annually	12.60	9.70	3,085,743	101.58	99.73	101.58	12.00	8-Jul-19
	2018/2025	Annually	13.00	10.34	4,334,675	N/T	N/T	N/T	N/A	N/A
	2019/2024	Annually	13.50	10.10	4,046,896	N/T	N/T	N/T	N/A	N/A
	2019/2026	Annually	13.75	10.40	1,899,606	N/T	N/T	N/T	N/A	N/A
	2019/2029	Annually	13.90	10.55	4,699,473	N/T	N/T	N/T	N/A	N/A

N/T -Not traded

Other Ratios (Bank)	30.09.2019	31.12.2018
Debt to equity ratio (times)	2.13	1.83
Interest cover (times)	1.41	1.64

Disclosures regarding the utilization of funds as per the objectives stated in the Debenture Prospectus

Objective as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (LKR)(A)	% of Total Proceeds	Amount utilized as at 30.09.2019 (LKR)(B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: Whether lent to related party/s etc.)
To support the lending activities of the bank.	Over the period of twelve months from the date of allotment.	LKR 10 Billion	100%	LKR 10 Billion	100%	N/A

Disclosures regarding the utilization of funds as per the objectives stated in the Rights issue Circular

Objective as per Circular	Proposed Date of utilization as per Circular	Amount allocated from Proceeds (LKR)(A)	% of Total Proceeds	Amount utilized as at 30.09.2019 (LKR)(B)	% of utilization against allocation (B/A)	Clarification if not fully utilized
To improve the capital adequacy ratio(CAR) of the Bank in the light of regulatory requirement introduced in line with the Basel III accord.	By 31 December 2019	LKR 2.814 Billion	100%	LKR 2.814 Billion	100%	N/A
Support the Bank's asset growth.	Over the period of twelve months from the date of allotment.	LKR 2.814 Billion	100%	LKR 2.814 Billion	100%	N/A

Selected Performance Indicators

	Bank		Group	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Regulatory Capital (LKR '000)				
Common Equity Tier I	33,154,976	31,633,211	32,967,414	32,106,706
Tier 1 Capital	33,154,976	31,633,211	32,967,414	32,106,706
Total Capital	48,273,791	47,203,364	48,086,229	47,676,859
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum Requirement -7%)	11.028	N/A	10.929	N/A
(Minimum Requirement -6.375%)	N/A	10.766	N/A	10.888
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	11.028	N/A	10.929	N/A
(Minimum Requirement - 7.875%)	N/A	10.766	N/A	10.888
Total Capital Ratio (Minimum Requirement - 12.5%)	16.057	N/A	15.941	N/A
(Minimum Requirement - 11.875%)	N/A	16.065	N/A	16.168
Leverage Ratio (Minimum requirement is 3%)	7.15	N/A	7.13	N/A
Regulatory Liquidity				
Statutory liquid assets LKR 000				
Domestic Banking Unit	74,623,355	65,391,771		
Off-Shore Banking Unit	12,232,806	9,267,388		
Statutory liquid assets ratio % (Minimum requirement 20%)				
Domestic Banking Unit	22.16	22.24		
Off-Shore Banking Unit	51.72	44.36		
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 2019 - 100%, 2018 -90%)	248.31	195.71		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 2019 - 100%, 2018 -90%)	151.26	113.49		
Net Stable Funding Ratio (%) (minimum requirement 100%)	110.14	N/A		
Asset Quality				
Non-performing loans and advances - Gross exposure % (Net of interest in suspense)	4.84	3.28		
Non-performing loans and advances - Net exposure % (Net of interest in suspense and provisions)	2.16	1.20		
Profitability				
Interest margin %	3.3	3.5		
Return on assets (profit before tax) %	0.8	1.2		
Return on equity %	4.8	6.0		

	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
As at 30 September 2019	LKR 000	LKR 000	LKR 000	LKR 000
Analysis of Financial Instruments by Measurement Basis				
Bank				
Financial Assets				
Cash and cash equivalents	-	-	4,996,980	4,996,980
Balances with Central Bank of Sri Lanka	-	-	10,156,687	10,156,687
Derivative assets held-for-risk management	845,198	-	-	845,198
Financial assets measured at fair value through profit or loss	5,430,634	-	-	5,430,634
Financial assets at amortised cost - Loans to and receivables from banks	-	-	8,405,009	8,405,009
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	270,006,632	270,006,632
Due from subsidiaries	-	-	6,657	6,657
Financial investments	-	69,944,880	23,817,763	93,762,643
Other assets	-	-	4,235,763	4,235,763
	6,275,832	69,944,880	321,625,491	397,846,203

Financial Liabilities

Due to banks	-	-	38,372,420	38,372,420
Derivative liabilities held-for-risk management	478,035	-	-	478,035
Financial liabilities at amortised cost - Due to depositors	-	-	232,834,252	232,834,252
Financial liabilities at amortised cost - Due to other borrowers	-	-	46,323,197	46,323,197
Debt securities issued	-	-	13,723,871	13,723,871
Subordinated term debt	-	-	17,247,581	17,247,581
Other liabilities	-	-	5,862,806	5,862,806
	478,035	-	354,364,126	354,842,162

	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2018	LKR 000	LKR 000	LKR 000	LKR 000
Bank				
Financial Assets				
Cash and cash equivalents	-	-	5,039,629	5,039,629
Balances with Central Bank of Sri Lanka	-	-	11,841,814	11,841,814
Placements with banks	-	-	425,087	425,087
Derivative assets held-for-risk management	3,414,549	-	-	3,414,549
Financial assets measured at fair value through profit or loss	6,078,862	-	-	6,078,862
Financial assets at amortised cost - Loans to and receivables from banks	-	-	12,854,880	12,854,880
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	249,733,718	249,733,718
Financial investments	-	55,313,553	22,874,088	78,187,641
Due from subsidiaries	-	-	9,505	9,505
Other assets	-	-	3,431,061	3,431,061
	9,493,411	55,313,553	306,209,782	371,016,746
Financial Liabilities				
Due to banks	-	-	9,446,464	9,446,464
Derivative liabilities held-for-risk management	121,373	-	-	121,373
Financial liabilities at amortised cost - Due to depositors	-	-	242,237,596	242,237,596
Financial liabilities at amortised cost - Due to other borrowers	-	-	47,413,727	47,413,727
Debt securities issued	-	-	8,898,441	8,898,441
Subordinated term debt	-	-	16,855,352	16,855,352
Other liabilities	-	-	4,211,302	4,211,302
	121,373	-	329,062,882	329,184,256

	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 30 September 2019				
Group				
Financial Assets				
Cash and cash equivalents	-	-	5,005,501	5,005,501
Balances with Central Bank of Sri Lanka	-	-	10,156,687	10,156,687
Placements with banks	-	-	12,008	12,008
Derivative assets held-for-risk management	845,198	-	-	845,198
Financial assets measured at fair value through profit or loss	5,430,633	-	-	5,430,633
Financial assets at amortised cost - Loans to and receivables from banks	-	-	8,405,009	8,405,009
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	270,006,632	270,006,632
Financial investments	-	69,944,880	23,817,763	93,762,643
Other assets	-	-	3,909,191	3,909,191
	6,275,831	69,944,880	321,312,791	397,533,502

Financial Liabilities				
Due to banks	-	-	38,372,420	38,372,420
Derivative liabilities held-for-risk management	478,035	-	-	478,035
Financial liabilities at amortised cost - Due to depositors	-	-	232,524,235	232,524,235
Financial liabilities at amortised cost - Due to other borrowers	-	-	46,323,197	46,323,197
Debt securities issued	-	-	13,723,871	13,723,871
Subordinated term debt	-	-	17,247,581	17,247,581
Other liabilities	-	-	5,961,431	5,961,431
	478,035	-	354,152,735	354,630,770

	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2018				
Group				
Financial Assets				
Cash and cash equivalents	-	-	5,049,823	5,049,823
Balances with Central Bank of Sri Lanka	-	-	11,841,814	11,841,814
Placements with banks	-	-	439,727	439,727
Derivative assets held-for-risk management	3,414,549	-	-	3,414,549
Financial assets measured at fair value through profit or loss	6,078,862	-	-	6,078,862
Financial assets at amortised cost - Loans to and receivables from banks	-	-	12,854,880	12,854,880
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	249,733,718	249,733,718
Financial investments	-	55,313,553	22,874,088	78,187,641
Other assets	-	-	3,478,564	3,478,564
	9,493,411	55,313,553	306,272,614	371,079,578

Financial Liabilities				
Due to banks	-	-	9,446,464	9,446,464
Derivative liabilities held-for-risk management	121,373	-	-	121,373
Financial liabilities at amortised cost - Due to depositors	-	-	241,914,870	241,914,870
Financial liabilities at amortised cost - Due to other borrowers	-	-	47,388,679	47,388,679
Debt securities issued	-	-	8,898,441	8,898,441
Subordinated term debt	-	-	16,855,352	16,855,352
Other liabilities	-	-	4,379,370	4,379,370
	121,373	-	328,883,176	329,004,549

Business Segment Information

	Banking		Financial Leasing		Investing in Equity		Other		Unallocated		Eliminations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
For the nine months ended 30th September	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Group														
Revenue														(Restated)
Interest income	29,651,756	26,045,802	1,994,550	1,791,772	-	-	31,775	36,811	-	-	(30,178)	(31,687)	31,647,903	27,842,698
Net fees and commission income	1,467,622	1,421,720	-	-	-	-	-	-	-	-	(238)	(87)	1,467,384	1,421,633
Net (loss)/gain from trading	416,531	114,398	-	-	(588,664)	(873,604)	-	-	-	-	-	-	(172,133)	(759,206)
Net fair value (losses) / gains from financial instruments at fair value through profit or loss	(2,526,149)	2,180,325	-	-	-	-	-	-	-	-	-	-	(2,526,149)	2,180,325
Net gains from derecognition of financial assets														
Fair value through profit or loss	-	-	-	-	-	5,438	-	-	-	-	-	-	-	5,438
Fair value through other comprehensive income	115,668	2,772	-	-	-	-	-	-	-	-	-	-	115,668	2,772
Net other operating income	946,277	(3,093,346)	-	-	489,838	524,184	458,257	441,511	-	-	(191,430)	(135,414)	1,702,942	(2,263,065)
Total Income	30,071,705	26,671,671	1,994,550	1,791,772	(98,826)	(343,982)	490,032	478,322	-	-	(221,845)	(167,188)	32,235,615	28,430,595
Percentage *	94	87	6	6	(1)	7	2	1	-	-	(1)	(1)	100	100
Expense														
Impairment charge / (reversal) for loans and other	751,853	713,849	43,490	(81,117)	-	-	-	-	-	-	-	-	795,343	632,732
Depreciation	-	-	-	-	-	-	40,710	28,654	-	-	-	-	40,710	28,654
Other operating and interest expenses	24,966,767	21,491,899	1,553,610	1,298,103	-	-	269,018	250,909	-	-	(144,969)	(167,239)	26,644,426	22,873,672
	25,718,620	22,205,748	1,597,100	1,216,986	-	-	309,728	279,563	-	-	(144,969)	(167,239)	27,480,479	23,535,058
Result	4,353,085	4,465,923	397,450	574,786	(98,826)	(343,982)	180,305	198,759	-	-	(76,877)	51	4,755,136	4,895,537
Unallocated expenses													1,138,818	1,000,284
Value added tax													1,156,801	899,465
													2,459,516	2,995,788
Share of profits of associates and Joint venture													143,144	149,912
Profit before tax													2,602,659	3,145,700
Income tax on profit on ordinary activities													837,860	1,191,140
Profit after tax													1,764,799	1,954,560
Other Comprehensive Income / (expense) net of tax													(523,502)	(2,591,215)
Total Comprehensive Income / (expense)													1,241,297	(636,655)
Total Comprehensive Income - Non controlling interests													67,391	57,617
Total comprehensive income / (expense) for the Equity Holders of the Bank													1,173,906	(694,272)
Assets	336,833,630	299,437,292	20,732,515	17,812,477	14,775,176	16,132,644	1,011,917	1,066,616	29,479,327	40,114,021	(492,565)	(616,307)	402,340,000	373,946,743
Percentage*	74	82	5	5	13	6	-	-	7	7	-	-	100	100
Investment in associate and Joint venture													2,127,137	1,988,562
													404,467,137	375,935,305
Liabilities	267,665,504	269,493,563	18,659,264	15,448,343	-	-	407,627	347,521	69,366,956	46,265,417	(325,261)	(448,985)	355,774,089	331,105,859

* 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.