



Interim Financial Results for the Three months Ended 31 March 2020

- Advances grew by LKR 20 Bn to 292 Bn (7% growth)
- Deposits grew by LKR 9 Bn to 256 Bn (3% growth)
- DFCC Group recorded a PAT of LKR 1 Bn for Q1 2020
- Impairment charge of 0.6 Bn for Q1 2020

The following commentary relates to the non-audited financial statements for the period ended 31 March 2020, presented in accordance with Sri Lanka Accounting Standard 34 (LKAS 34) on “Interim Financial Statements”. The DFCC Group comprises of DFCC Bank PLC (DFCC), and its subsidiaries – Lanka Industrial Estates Limited (LINDEL), DFCC Consulting (Pvt) Limited (DCPL) and Synapsys Limited (SL), the joint venture company – Acuity Partners (Pvt) Limited (APL) and associate company – National Asset Management Limited (NAMAL).

Contributing to efforts by the Sri Lankan government to manage the spread of the COVID-19 global pandemic, DFCC Bank continued its committed service to customers across the country by providing essential banking services without interruption during the lockdown. The Bank has also implemented several digital systems and procedures in order to facilitate online banking at the convenience of customers, in addition to implementing various relief schemes in line with government directives.

Profitability

DFCC Bank, the largest entity within the group, recorded a profit after tax (PAT) of LKR 925 Million for the period ended 31 March 2020 in comparison to profit after tax of LKR 541 Million recorded in the comparative period. However, profit recorded in the comparable period includes the fair value loss on investment in Commercial Bank’s equity securities of LKR 583 Million. With the view of concentrating on core banking profitability, the Bank has reclassified the investment made in the equity securities of Commercial Bank of Ceylon PLC from fair value through profit or loss to fair value through other comprehensive income with the option given as per the Section 3 of the “COVID-19 Pandemic: The Implications on Financial Reporting” guidance issued by the Institute of Chartered accountants of Sri Lanka. This reclassification helped the Bank to refocus its efforts to ensure core business profitability. The Group recorded a profit after tax of LKR 1,014 Million for the period ended 31 March 2020 compared to LKR 612 Million (after fair value loss on investment in Commercial Bank equity securities) in the comparative period.

NII and fee income

The Bank recorded LKR 2,984 Million in net interest income (NII) which is a 9% decline year on year primarily due to a drop in AWPLR nearly by 300bps over the past 12 months and due to the business implications that arose after 18th March 2020. As a result of the concentrated effort to increase non-funded business, the fees and commission income grew by 25% to LKR 586 Million for the period ended 31 March 2020 from LKR 467 Million in the comparative period despite the adverse impact of the COVID-19 pandemic.

Operating Expenses

Despite its successful growth strategy of expanding branch network over the past year, DFCC Bank was able to maintain its operating expenses at a similar level. In addition, even with the prevailing crisis situation and despite the strain on its operating performance due to the pandemic, the Bank has been successful in deploying new facilities such as Bank of wheels, as well as implementing safety measures at all branches in order to provide a seamless service to customers. Investments have also been made in introducing digitally enabled products and platforms to the local market, which in turn have helped the Bank to provide a continuous service to its loyal customers, especially amid the COVID-19 lockdown period.

Impairment

The Bank's NPL ratio as at 31 March 2020 maintained at same level of 4.9% compared to 31 December 2019 despite customers making only essential transactions and having limited access to cash. Due to lack of reliable information with regard to the impact of COVID-19 on its loans and advances portfolio at the reporting date and as the impact of the economic downturn cannot be reasonably estimated as of yet, the Bank has considered the long-term economic trend in calculating the impairment provision for the quarter in line with the guideline issued by the Institute of Chartered Accountants of Sri Lanka. Accordingly, the Bank has made LKR 637 Million impairment charge for the quarter ended 31 March 2020.

Business Growth

Due to the unprecedented COVID-19 situation, banks can expect adverse impacts on credit growth, credit quality, liquidity and revenue growth, which would ultimately impact profitability. However, reflecting its growth strategy, DFCC Bank's total assets increased by LKR 27,940 Million recording a growth of 7% from December 2019 until the slowdown of business activities till mid March 2020. This constitutes a loan portfolio growth of LKR 19,511 Million to LKR 292,329 Million compared to LKR 272,818 Million as at 31 December 2019 recording an increase of 7%. The Bank's deposit base as at 31 March 2020 increased to LKR 256,396 Million from LKR 247,787 Million as at 31 December 2019, which is a growth of 3%.

Accordingly, the Bank reported a loan-to-deposit ratio of 114% in March 2020 compared to 110% in December 2019. The Bank's CASA ratio, which represents the proportion of low-cost deposits, improved to 23.84% by 31 March 2020 compared 22.72% in December 2019. Bank's advance portfolio is partly funded through long-term concessionary credit lines enjoyed by the Bank for a long period. When these concessionary term borrowings are considered, the ratio improved to 29.88% as at 31 March 2020.

Capital Management

The bank expects the debt moratorium and concessionary working capital loans introduced by the Central Bank of Sri Lanka would help the businesses to recover back to normalcy. However, reduction in the cash flows from moratorium and delayed payments by customers who do not enjoy moratorium would likely to have a negative impact on the earnings, cash flows and liquidity position of the Bank. However, based on the internal assessment undertaken by the Bank, there is no significant adverse impact to the regulatory capital ratios maintained by the Bank. 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 31 March 2020, the Bank Recorded Tier 1 and total capital adequacy ratios of 10.43% and 14.58%, respectively, which is well above the minimum regulatory requirements of 8% and 12%, respectively

Looking ahead, DFCC Bank will continue its uninterrupted service to customers and safety initiatives implemented to combat the current crisis. In addition, the Bank will continue to monitor the business environment and global trends in order to provide the necessary support for government initiatives to manage the COVID-19 pandemic in the country and to move forward.

Lakshman Silva
Director/Chief Executive Officer

27th May 2020

DFCC Bank PLC
Income Statement

For the three months ended 31 March

	Notes	Bank			Group		
		2020 LKR 000	2019 LKR 000	Change %	2020 LKR 000	2019 LKR 000	Change %
Gross Income		11,296,439	10,184,834	11	11,433,870	10,299,655	11
Interest income		10,251,046	10,208,040	0	10,251,380	10,208,623	0
Interest expense		7,267,224	6,946,533	5	7,258,368	6,936,563	5
Net interest income		2,983,822	3,261,507	(9)	2,993,012	3,272,060	(9)
Fee and commission income		586,092	467,277	25	585,668	467,203	25
Fee and commission expenses		38,580	23,125	67	38,580	23,125	67
Net fee and commission income		547,512	444,152	23	547,088	444,078	23
Net gain/(loss) from trading	6	153,023	(413,667)	(137)	153,023	(413,667)	(137)
Net loss from financial instruments at fair value through profit or loss	7	(403,887)	(2,282,532)	82	(403,887)	(2,282,532)	82
Net gains from derecognition of financial assets							
Fair value through other comprehensive income		10	61,618	(100)	10	61,618	(100)
Net other operating income	8	710,155	2,144,098	67	847,676	2,258,410	(62)
Total operating income		3,990,635	3,215,176	24	4,136,922	3,339,967	24
Impairment charge for loans and other losses							
Loans to and receivables from other customers		573,547	23,008	2,393	573,547	23,008	2,393
Other financial assets		41,099	(28,437)	(245)	41,099	(28,437)	(245)
Others		22,039	16,870	31	22,039	16,870	31
Net operating income		3,353,950	3,203,735	5	3,500,237	3,328,526	5
Operating expenses							
Personnel expenses		825,748	893,561	(8)	870,239	937,852	(7)
Depreciation and amortisation		220,474	188,909	17	234,344	203,238	15
Other expenses		704,380	644,190	9	714,417	654,128	9
Total operating expenses		1,750,602	1,726,660	1	1,819,000	1,795,218	1
Operating profit before taxes on financial services		1,603,348	1,477,075	9	1,681,237	1,533,308	10
Taxes on financial services		308,674	475,610	(35)	308,674	475,610	(35)
Operating profit after taxes on financial services		1,294,674	1,001,465	29	1,372,563	1,057,698	30
Share of profits of associate and joint venture		-	-	-	35,364	33,817	5
Profit before income tax		1,294,674	1,001,465	29	1,407,927	1,091,515	29
Income tax expense		369,226	460,873	(20)	394,220	479,443	(18)
Profit for the period		925,448	540,592	71	1,013,707	612,072	66
Profit attributable to:							
Equity holders of the Bank		925,448	540,592	71	983,218	590,532	66
Non-controlling interests		-	-	-	30,489	21,540	42
Profit for the period*		925,448	540,592	71	1,013,707	612,072	66
Basic/Diluted earnings per ordinary share (LKR)		3.04	2.04	49	3.33	2.23	49

* Profit for the period ended 31 March 2019 (Bank and Group) include a marked-to-market loss on equity shares of Commercial Bank of Ceylon PLC (net of taxes) amounting to LKR 583 Million.

DFCC Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March

	Bank			Group		
	2020 LKR 000	2019 LKR 000	Change %	2020 LKR 000	2019 LKR 000	Change %
Profit for the period	925,448	540,592	71	1,013,707	612,072	66
Other comprehensive income / (expenses) for the period, net of tax items that are or may be reclassified subsequently to income statement						
Movement in fair value reserve(fair value through other comprehensive income debt instrument):						
Net change in fair value	567,310	713,316	20	567,310	713,316	20
Reclassified to income statement	-	(110,241)	100	-	(110,241)	100
Share of other comprehensive income/ (expense) of equity accounted associate and joint venture	-	-	-	35,171	(21,175)	266
Movement in hedging reserve:						
Cash flow hedge - effective portion of changes in fair value	(654,031)	(293,903)	(123)	(654,031)	(293,903)	(123)
Cash flow hedge - reclassified to income statement	462,545	225,600	(105)	462,545	225,600	(105)
Related deferred tax	(100,436)	(149,719)	(33)	(100,436)	(149,719)	33
Total other comprehensive income / (expenses) that are or may be reclassified subsequently to income statement	275,388	385,053	28	310,559	363,878	15
Items that will not be reclassified to income statement						
Equity investments at fair value through other comprehensive income - net change in fair value	363	(1,407,340)	(100)	363	(1,407,340)	(100)
Share of other comprehensive income of equity accounted associate and joint venture	-	-	-	46	-	100
Total other comprehensive income/(expenses) on items that will not be reclassified to income statement	363	(1,407,340)	(100)	409	(1,407,340)	(100)
Other comprehensive income/(expense) for the period , net of tax	275,751	(1,022,287)	127	310,968	(1,043,462)	130
Total comprehensive income/(expenses) for the period	1,201,199	(481,695)	(349)	1,324,675	(431,390)	(407)
Total comprehensive income/(expenses) attributable to:						
Equity holders of the Bank	1,201,199	(481,695)	(349)	1,294,186	(452,930)	(386)
Non-controlling interests	-	-	-	30,489	21,540	42
Total comprehensive income/(expenses) for the period	1,201,199	(481,695)	(349)	1,324,675	(431,390)	(407)

DFCC Bank PLC
Statement of Financial Position

As at	Notes	Bank			Group		
		31.03.2020 LKR 000	31.12.2019 (Audited) LKR 000	Change %	31.03.2020 LKR 000	31.12.2019 (Audited) LKR 000	Change %
Assets							
Cash and cash equivalents		11,136,459	5,450,209	104	11,147,546	5,459,359	104
Balances with Central Bank of Sri Lanka		7,506,249	8,666,547	(13)	7,506,249	8,666,547	(13)
Placements with banks		-	165,030	(100)	24,432	200,441	(88)
Derivative financial assets		1,821,935	631,438	189	1,821,935	631,438	189
Financial assets measured at fair value through profit or loss		583,491	5,307,066	(89)	583,491	5,307,066	(89)
Financial assets at amortised cost - Loans to and receivables from banks		5,355,113	8,403,175	(36)	5,355,113	8,403,175	(36)
Financial assets at amortised cost -Loans to and receivables from other customers	9	292,329,277	272,818,311	7	292,329,277	272,818,311	7
Financial assets at amortised cost - Debt and other instruments		20,866,615	21,743,857	(4)	20,866,615	21,743,857	(4)
Financial assets measured at fair value through other comprehensive income		85,417,838	72,716,407	17	85,417,839	72,716,407	17
Investments in subsidiaries		187,436	187,436	-	-	-	-
Investments in associate		35,270	35,270	-	29,730	31,293	(5)
Investments in joint venture		755,000	755,000	-	2,137,260	2,065,116	3
Investment property		9,879	9,879	-	485,803	466,977	4
Property, plant and equipment		3,264,852	3,230,843	1	3,358,926	3,312,641	1
Intangible assets and goodwill		1,276,645	1,184,659	8	1,452,686	1,362,149	7
Deferred tax asset		353,083	308,853	14	358,259	314,029	14
Other assets		1,937,801	3,283,300	(41)	2,076,140	3,372,786	(38)
Asset held for Sale		-	-	-	19,600	40,000	(51)
Total assets		432,836,943	404,897,280	7	434,970,901	406,911,592	7
Liabilities							
Due to banks		41,888,308	24,594,828	70	41,888,308	24,594,828	70
Derivative financial liabilities		492,569	518,731	(5)	492,569	518,731	(5)
Financial liabilities at amortised cost - Due to depositors	10	256,395,947	247,786,974	3	255,966,507	247,457,696	3
Financial liabilities at amortised cost - Due to other borrowers		50,202,225	47,307,556	6	50,202,225	47,307,556	6
Debt securities in issue		13,203,719	14,148,198	(7)	13,203,719	14,148,198	(7)
Retirement benefit obligation		582,369	561,104	4	607,507	586,351	4
Current tax liabilities		781,034	581,269	34	825,734	648,178	27
Deferred tax liability		-	-	-	92,047	96,714	(5)
Other liabilities		3,976,163	5,059,187	(21)	4,307,227	5,266,934	(18)
Subordinated term debt		16,633,891	16,859,914	(1)	16,633,891	16,859,914	(1)
Total liabilities		384,156,225	357,417,761	7	384,219,734	357,485,100	7
Equity							
Stated capital		7,530,371	7,530,371	-	7,530,371	7,530,371	-
Statutory reserve		2,461,968	2,461,968	-	2,461,968	2,461,968	-
Retained earnings		19,156,855	18,228,086	5	22,264,873	21,278,288	5
Other reserves		19,531,524	19,259,094	1	18,200,501	17,892,900	2
Total equity attributable to equity holders of the Bank		48,680,718	47,479,519	3	50,457,713	49,163,527	3
Non-controlling interests		-	-	-	293,454	262,965	12
Total equity		48,680,718	47,479,519	3	50,751,167	49,426,492	3
Total equity and liabilities		432,836,943	404,897,280	7	434,970,901	406,911,592	7
Contingent liabilities and commitments		133,131,946	130,590,400	2	133,131,946	130,590,400	2
Net assets value per share, LKR		160.03	156.09	3	165.88	161.62	3

Memorandum Information	Bank		Group	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Number of Employees	2,114	2,076	2,236	2,192
Number of Branches	125	124		
Extension offices and postal units	14	15		

Statement of Cash Flows

	Bank		Group	
	2020 LKR 000	2019 LKR 000	2020 LKR 000	2019 LKR 000
For the three months ended 31 March				
Cash flows from operating activities				
Interest receipts	7,744,709	7,698,765	7,743,536	7,697,734
Interest payments	(9,230,885)	(8,742,658)	(9,223,631)	(8,733,727)
Net commission receipts	568,179	391,285	568,179	391,285
Net trading income	2,394	1,776	2,394	1,776
Receipts from other operating activities	925,508	556,093	1,100,030	688,373
Payments on other operating activities	(866,467)	(781,020)	(861,427)	(864,781)
Cash payments to employees	(869,047)	(974,076)	(1,006,156)	(1,011,141)
Taxes on financial services	(225,753)	(248,189)	(225,753)	(127,363)
Operating Cash flows before changes in operating assets and liabilities	(1,951,362)	(2,098,024)	(1,902,828)	(1,957,844)
(Increase) / decrease in operating assets:				
Balances with Central Bank / Deposits held for regulatory or monetary control purposes	1,160,298	376,154	1,160,298	376,154
Financial Assets at amortised cost - Loans to and receivables from other customers	(18,736,858)	(12,349,528)	(18,736,858)	(12,349,528)
Others	1,199,177	50,533	1,695,487	37,919
Increase / (decrease) in operating liabilities:				
Financial liabilities at amortised cost - Due to depositors	9,115,856	7,898,043	8,764,366	7,852,027
Negotiable certificates of deposits	96,797	(132,182)	96,797	(132,182)
Others	(375,969)	1,423,499	(550,288)	1,365,102
Net cash flows used in operating activities before income tax	(9,492,061)	(4,831,505)	(9,473,026)	(4,808,352)
Income tax paid	(242,691)	(390,244)	(298,686)	(438,910)
Net cash flows used in operating activities	(9,734,752)	(5,221,749)	(9,771,712)	(5,247,262)
Cash flows from investing activities				
Dividends received from investment in subsidiaries, joint venture, and associate	403,834	345,240	403,834	345,240
Interest received	2,039,697	2,030,004	2,047,222	2,034,375
Government Securities- net	(3,989,532)	(4,561,243)	(3,989,532)	(4,561,243)
Proceeds from sale and redemption of securities	415,974	61,866	436,373	86,845
Purchase of financial investments	(156,634)	(21,930)	(156,634)	(21,930)
Purchase of property, equipment, intangibles and investment property	(121,954)	(31,899)	(121,960)	(32,570)
Proceeds from sale of equipment and investment property	-	45	-	45
Net cash flows used in investing activities	(1,408,615)	(2,177,917)	(1,380,697)	(2,149,238)
Cash flows from financing activities				
Issue of debentures	-	10,000,000	-	10,000,000
Redemption of debentures	-	(5,315,450)	-	(5,315,450)
Borrowing, medium and long - term	7,270,220	511,355	7,270,220	511,355
Other borrowings - net	12,143,210	4,293,570	12,143,210	4,293,570
Repayment of borrowing, medium and long - term	(2,748,615)	(832,696)	(2,748,615)	(832,696)
Dividends paid	(228)	(914,322)	(228)	(914,322)
Net Cash flows from financing activities	16,664,587	7,742,457	16,664,587	7,742,457
Net increase in cash and cash equivalents	5,521,220	342,791	5,512,178	345,957
Cash and cash equivalents at the beginning of the year	5,615,239	5,464,716	5,659,800	5,489,550
Cash and cash equivalents at the end of period	11,136,459	5,807,507	11,171,978	5,835,507
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	11,136,459	5,007,008	11,147,546	5,019,793
Placements with banks	-	800,499	24,432	815,714
	11,136,459	5,807,507	11,171,978	5,835,507

The Statement of Cash Flows 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.

Statement of Changes in Equity

	Stated capital LKR 000	Statutory reserve	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 January 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	-	-	-	-	-	540,592	540,592
Other comprehensive (expenses) / income, net of tax	-	-	(973,109)	(49,178)	-	-	(1,022,287)
Total comprehensive (expenses) / income for the period	-	-	(973,109)	(49,178)	-	540,592	(481,695)
Transfer of gains / (losses) on disposal / write off of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	4,886	4,886
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend approved on 18 February 2019	-	-	-	-	-	(927,841)	(927,841)
Total contributions from and distribution to equity holders	-	-	-	-	-	(927,841)	(927,841)
Balance as at 31 March 2019	4,715,814	2,358,275	4,771,916	10,990	13,779,839	16,804,899	42,441,733
Balance as at 01 January 2020							
Balance as at 01 January 2020	7,530,371	2,461,968	5,704,644	(225,389)	13,779,839	18,228,086	47,479,519
Profit for the period	-	-	-	-	-	925,448	925,448
Other comprehensive income/(expenses), net of tax	-	-	413,621	(137,870)	-	-	275,751
Total comprehensive (expenses) / income for the period	-	-	413,621	(137,870)	-	925,448	1,201,199
Transfer of gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(3,321)	-	-	3,321	-
Balance as at 31 March 2020	7,530,371	2,461,968	6,114,944	(363,259)	13,779,839	19,156,855	48,680,718

Statement of Changes in Equity

Group	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserve		Other reserves			Retained earnings	Total	Non- controlling interests	Total equity
		Reserve fund	Fair value reserve	Exchange equalization 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 January 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	-	-	-	-	-	-	590,532	590,532	21,540	612,072
Other comprehensive expense, net of tax	-	-	(975,325)	(18,959)	(49,178)	-	-	(1,043,462)	-	(1,043,462)
Total comprehensive (expense) / income for the period	-	-	(975,325)	(18,959)	(49,178)	-	590,532	(452,930)	21,540	(431,390)
Transfer of gains / (losses) on disposal / write off of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	4,886	4,886	-	4,886
Transactions with equity holders of the Bank, recognized directly in equity										
Final dividend approved on 19 February 2018	-	-	-	-	-	-	(927,841)	(927,841)	-	(927,841)
Total contributions from and distribution to equity holders	-	-	-	-	-	-	(927,841)	(927,841)	-	(927,841)
Balance as at 31 March 2019	4,715,814	2,358,275	3,318,522	63,876	10,990	13,779,839	19,774,727	44,022,043	279,764	44,301,807
Balance at 01 January 2020	7,530,371	2,461,968	4,260,073	78,377	(225,389)	13,779,839	21,278,288	49,163,527	262,965	49,426,492
Profit for the period	-	-	-	-	-	-	983,218	983,218	30,489	1,013,707
Other comprehensive income/(expense), net of tax	-	-	416,170	32,622	(137,870)	-	46	310,968	-	310,968
Total comprehensive (expense) / income for the period	-	-	416,170	32,622	(137,870)	-	983,264	1,294,186	30,489	1,324,675
Transfer of gains / (losses) on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(3,321)	-	-	-	3,321	-	-	-
Balance as at 31 March 2020	7,530,371	2,461,968	4,672,922	110,999	(363,259)	13,779,839	22,264,873	50,457,713	293,454	50,751,167

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.

Note 3. Impact due to corporate income tax rate change

As provided for in LKAS 12 – Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the reporting date.

As per the announcement made by IRD on dated 12th February 2020, income tax rate applicable for the Banking sector has been revised to 24% with effect from 01st January 2020. However, given the fact that the proposed rates are yet to be enacted, both income tax and deferred tax were calculated at the rate of 28% for the period ended 31st March 2020. If the revised rate of 24% had been used, the income tax charge recognised in the income statement would have been reduced by LKR 65 Mn. Further, deferred tax asset and deferred tax liability would have decreased by resulting in a net deferred tax charge to the income statement by LKR 109 Mn and net deferred tax reversal of LKR 59 Mn to other comprehensive income respectively.

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. Impact due to Covid 19

The 2019 Novel Coronavirus infection ('coronavirus') or 'COVID-19' outbreak poses a serious public health threat. It has interrupted the movement of people and goods throughout the world, and many jurisdictions have imposed restrictions on individuals and businesses. Furthermore, the quarantine measures taken by respective Governments have curtailed global supply chains and brought pressure on global trade, in turn affecting a large cross section of the Bank's clientele in various industries and sectors. The Bank expects the debt moratorium and concessionary working capital loans introduced by the Central Bank of Sri Lanka, to help the businesses to recover back to normalcy. However, the fact that there will be minimal cash inflows during moratorium period and delayed payments by customers who do not enjoy moratorium would likely to have a negative impact on the earnings, cash flows and liquidity position of the Bank. Based on the internal assessment undertaken by the Bank, there is no significant adverse impact to the regulatory capital ratios maintained by the Bank.

"COVID - 19 Pandemic: Guidance Notes on the Implications on Financial Reporting" issued by the institute of chartered accountants of Sri Lanka has provided reporting guidelines including the following measures;

Section 1 of the financial reporting guideline - Expected Credit Loss calculation

The Bank considered the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) computed as at December 31, 2019, in order to estimate the Expected Credit Loss (ECL) as at March 31, 2020, due to uncertainty and lack of sufficient information to make any adjustments to capture the potential impact of COVID 19. However, the Bank increased weightage assigned for worst case scenario by reducing the weightage assigned to base case and best case scenarios when assessing the probability weighted forward looking macro-economic indicators.

Section 2 of the financial reporting guideline - Reclassification of debt and equity portfolios

Based on Section 3 of the "Covid 19 Pandemic: Guidance Note on the Implication of Financial Reporting" issued by the Institute of Chartered Accountants of Sri Lanka, the Bank has carried out an assessment of the Business model and has made a one off reclassification of investment made in the equity securities with the fair value of LKR 4,777 Mn from fair value through profit or loss to fair value through other comprehensive income. The fair value was considered to be the market value prevailed as at 31 December 2019.

Section 3 of the financial reporting guideline - Fair Value Measurements

As per the Section 2 of the guideline, issued by CA Sri Lanka, the mark-to-market gains or losses on Government and equity securities for the quarter of March 2020 have been ignored and considered the prices prevailed as at 31 December 2019 when preparing the Financial Statements. This is based on the assumption that the mark-to-market valuations as at 31st March 2020 could not be accepted as realistic, due to the turmoil that prevailed during the latter part of the quarter due to COVID 19 outbreak.

Note 6. Net gain/(loss) from trading

For the period ended 31 March	Bank		Group	
	2020	2019	2020	2019
	LKR 000	LKR 000	LKR 000	LKR 000
Foreign exchange from banks	150,763	125,186	150,763	125,186
Government securities				
- Net marked to market loss	695	-	695	-
- Net capital gain/(loss)	1,565	1,776	1,565	1,776
Equity securities				
- Net marked to market loss	-	(743,180)	-	(743,180)
- Dividend income	-	202,551	-	202,551
	153,023	(413,667)	153,023	(413,667)

Note 7. Net loss from financial instruments at fair value through profit or loss

For the period ended 31 March	Bank		Group	
	2020	2019	2020	2019
	LKR 000	LKR 000	LKR 000	LKR 000
Forward exchange fair value changes				
Contracts with commercial banks	(403,887)	(2,246,982)	(403,887)	(2,246,982)
Interest rate swap fair value changes	-	(2,396)	-	(2,396)
Loss on financial assets fair value through profit or loss - equity securities	-	(33,154)	-	(33,154)
	(403,887)	(2,282,532)	(403,887)	(2,282,532)

Note 8. Net Other Operating Income

For the period ended 31 March	Bank		Group	
	2020	2019	2020	2019
	LKR 000	LKR 000	LKR 000	LKR 000
Financial assets measured at fair value through other comprehensive income				
Dividend income	417,656	-	417,656	-
Equities measured at fair value through Profit or Loss				
Dividend income	-	379,461	-	379,461
Net gain from repurchase transactions	127,190	73,117	127,190	73,117
Gains /(Losses) on revaluation of foreign exchange	164,662	1,674,121	164,662	1,674,121
Others	647	17,399	138,168	131,711
	710,155	2,144,098	847,676	2,258,410

Note 9. Financial Assets at Amortized Cost - Loans to and Receivables from Other Customers

As at	Bank		Group	
	31.03.2020	31.12.2019 (Audited)	31.03.2020	31.12.2019 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and receivables (Note 9.1)	305,321,608	285,224,793	305,321,608	285,224,793
Less: Allowance for impairment (Note 9.2)	(12,992,331)	(12,406,482)	(12,992,331)	(12,406,482)
Net loans and receivables	292,329,277	272,818,311	292,329,277	272,818,311

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

As at	Bank		Group	
	31.03.2020	31.12.2019 (Audited)	31.03.2020	31.12.2019 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Overdrafts	43,373,877	41,339,121	43,373,877	41,339,121
Trade finance	26,941,586	26,160,309	26,941,586	26,160,309
Credit cards	1,624,938	1,448,853	1,624,938	1,448,853
Pawning	3,733,118	3,620,611	3,733,118	3,620,611
Staff loans	2,247,677	2,096,715	2,247,677	2,096,715
Term loans	162,332,131	151,565,262	162,332,131	151,565,262
Lease rentals receivable	23,328,275	22,173,952	23,328,275	22,173,952
Commercial papers and asset back notes	2,591,728	2,227,583	2,591,728	2,227,583
Preference shares	-	37,500	-	37,500
	266,173,330	250,669,906	266,173,330	250,669,906
By product-Foreign Currency				
Overdrafts	352,320	352,423	352,320	352,423
Trade finance	11,829,820	9,477,336	11,829,820	9,477,336
Term loans	26,966,138	24,725,128	26,966,138	24,725,128
	39,148,278	34,554,887	39,148,278	34,554,887
Gross loans and receivables	305,321,608	285,224,793	305,321,608	285,224,793

Note 9.2 Movement in Impairment during the period

	Bank		Group	
	31.03.2020	31.12.2019 (Audited)	31.03.2020	31.12.2019 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Stage 1				
Balance at beginning	901,871	786,161	901,871	786,161
Charge / (write back) to income statement	279,554	116,321	279,554	116,321
Write-off during the period	(4)	(611)	(4)	(611)
Balance at end	1,181,421	901,871	1,181,421	901,871
Stage 2				
Balance at beginning	1,563,877	2,355,958	1,563,877	2,355,958
(Write back) / charge to income statement	(138,688)	(790,380)	(138,688)	(790,380)
Write-off during the period	(2,312)	(1,701)	(2,312)	(1,701)
Balance at end	1,422,877	1,563,877	1,422,877	1,563,877
Stage 3				
Balance at beginning	9,940,734	8,423,457	8,423,457	8,423,457
Charge to income statement	432,680	2,264,451	432,680	2,264,451
Effect of foreign currency movement	17,010	9,475	17,010	9,475
Write-off during the period	(2,391)	(741,068)	(2,391)	(741,068)
Other movements	-	(15,581)	-	(15,581)
Balance at end	10,388,033	9,940,734	10,388,033	9,940,734
Total Impairment	12,992,331	12,406,482	12,992,331	12,406,482

Note 9.3 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

The Bank has adopted the above circular from 1 January 2019 to exercise the option to rebut the 30-day rebuttable presumption on significant increase in credit risk to 60 days for the customers and facilities eligible as per the circular.

Note 10. Financial liabilities at amortized cost - Due to depositors

As at	Bank		Group	
	31.03.2020 LKR 000	31.12.2019 (Audited) LKR 000	31.03.2020 LKR 000	31.12.2019 (Audited) LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	4,904,961	4,661,209	4,904,911	4,661,159
Savings deposits	26,923,157	25,191,169	26,880,177	25,164,855
Fixed deposits	177,029,210	169,371,525	176,663,926	169,078,333
Other deposits	588,233	871,054	588,233	871,054
Certificate of deposits	947,347	838,979	947,347	838,979
	210,392,908	200,933,936	209,984,594	200,614,380
By product- Foreign Currency				
Demand deposits (current accounts)	466,776	360,700	466,776	360,700
Savings deposits	28,260,351	25,656,648	28,243,889	25,651,322
Fixed deposits	17,076,279	20,806,572	17,071,615	20,802,176
Other deposits	199,633	29,118	199,633	29,118
	46,003,039	46,853,038	45,981,913	46,843,316
Total	256,395,947	247,786,974	255,966,507	247,457,696

Note 11 Proposed Debenture Issue

The Board of Directors decided to issue up to Seventy Million (70,00,000) Basel III compliant, Subordinated, Listed, Rated, Unsecured, Redeemable Debentures with a Non-Viability conversion option, each at an issue price (par value) of LKR 100/- with a term of up to 7 years subject to obtaining all necessary regulatory and other approvals.

Note 12 Postponement of Annual General meeting and Proposed Dividend for the Financial Year 2019

Considering the prevailing situation in the country, on 19th March 2020 the Board of Directors of the Bank decided to postpone its 64th Annual General Meeting (AGM) which was scheduled to be held on 30th March 2020. The Bank made an announcement to the Colombo Stock Exchange rescheduling the AGM to 24th June 2020. Owing to the postponement of the AGM, the Final dividend recommended by the Board of Directors for the financial year 2019 is yet to be approved by the Shareholders and as such provisions have not been made in the Financial Statements as per the Sri Lanka Accounting Standard – LKAS 10 on “Events after the reporting period”.

Note 13. Events after the reporting period

There are no material events that took place after the reporting date which require adjustment to or disclosure in the Financial Statements.

Note 14. Disclosures under Listing Rules

14.1 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 Financial Statements

14.2 Stated capital

As at	Number of shares	
	31.03.2020	31.12.2019
Number of shares of the Bank	304,188,756	304,188,756

14.3 Market price of a share

Information on shares of the Bank for the quarter ended	31.03.2020	31.12.2019
- Highest price LKR	91.80	99.90
- Lowest price LKR	58.00	86.10
- Market price LKR	60.60	91.90

* Last trading date was 20th March 2020, as Colombo Stock Exchange (CSE) was closed from 20th March 2020 to 6th May 2020 due to Covid 19 Pandemic. It should be further noted that an active market may not have existed on the last traded date due to the uncertain conditions that may have prevailed at that time. Therefore the last traded share price may not be an accurate representation of the fair value of the Bank's shares as at that date.

14.4 Twenty Major Shareholders as at 31.03.2020

	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	13,018,323	4.28
9	Citi Bank New York S/A Norges Bank Account 2	9,049,301	2.97
10	CB London S/A Aberdeen Asia Pacific Equity Fund	7,356,792	2.42
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	5,214,933	1.71
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	1,898,290	0.62
19	Stassen Exports (Pvt) Limited	1,896,791	0.62
20	Anverally International (Pvt) Limited	1,682,148	0.55

14.5 Public Holdings as at 31.03.2020

Public holdings percentage	62.56%
Number of Public shareholders	9,041
Float adjusted market capitalisation	LKR 11,532 million
Applicable option as per CSE Listing Rule 7.13.1 (a)	Option 1

14.6 Directors' Interests in Shares

	No of Shares As at 31.03.2020
P M B Fernando	2,000
K.P Cooray	Nil
S.R Thambiayah (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

27-May-20

Listed Debentures

Debenture Category	Interest rate Frequency	Applicable Interest Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 31.03.2020 LKR 000	Market price LKR			Yield Last Traded %	Last Traded Date
					Highest	Lowest	Last Traded		
Fixed Rate									
2015/2020	Annually	9.40	6.99	2,151,130	N/T	N/T	N/T	N/A	N/A
2015/2020	Annually	9.10	6.99	3,219,496	N/T	N/T	N/T	N/A	N/A
2016/2021	Annually	12.15	8.27	999,573	N/T	N/T	N/T	N/A	N/A
2016/2023	Annually	12.75	9.08	6,321,819	N/T	N/T	N/T	N/A	N/A
2018/2023	Annually	12.60	8.90	2,908,688	N/T	N/T	N/T	N/A	N/A
2018/2025	Annually	13.00	9.41	4,078,018	N/T	N/T	N/T	N/A	N/A
2019/2024	Annually	13.50	9.10	3,799,158	N/T	N/T	N/T	N/A	N/A
2019/2026	Annually	13.75	9.43	1,781,140	N/T	N/T	N/T	N/A	N/A
2019/2029	Annually	13.90	9.66	4,403,285	N/T	N/T	N/T	N/A	N/A

N/T -Not traded

Selected Performance Indicators

	Bank		Group	
	31.03.2020	31.12.2019	31.03.2020	31.12.2018
Regulatory Capital (LKR '000)				
Common Equity Tier I	33,514,618	34,824,554	33,708,413	34,908,304
Tier 1 Capital	33,514,618	34,824,554	33,708,413	34,908,304
Total Capital	46,859,345	48,542,925	47,053,140	48,626,675
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.5%)	10.425	N/A	10.455	N/A
(Minimum Requirement - 7%)	N/A	11.342	N/A	11.327
Tier 1 Capital Ratio (Minimum Requirement - 8%)	10.425	N/A	10.455	N/A
(Minimum Requirement - 8.5%)	N/A	11.342	N/A	11.327
Total Capital Ratio (Minimum Requirement - 12%)	14.576	N/A	14.593	N/A
(Minimum Requirement - 12.5%)	N/A	15.810	N/A	15.778
Leverage Ratio (Minimum requirement is 3%)	6.65	7.56	6.68	7.60
Regulatory Liquidity				
Statutory liquid assets LKR 000				
Domestic Banking Unit	77,921,281	75,974,164		
Off-Shore Banking Unit	20,700,914	14,690,750		
Statutory liquid assets ratio % (Minimum requirement 20%)				
Domestic Banking Unit	23.70	23.55		
Off-Shore Banking Unit	71.28	53.07		
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	169.60	234.22		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 100%)	127.48	140.53		
Net Stable Funding Ratio (%) (minimum requirement 100%)	105.10	113.41		
Asset Quality				
Non-performing loans and advances - Gross exposure % (Net of interest in suspense)	4.92	4.85		
Non-performing loans and advances - Net exposure % (Net of interest in suspense and provisions)	2.15	2.07		
Profitability				
Interest margin %	2.9	3.2		
Return on assets (profit before tax) %	0.9	0.8		
Return on equity %	4.8	4.5		
Other Ratios				
Debt to equity ratio (times)	1.89	2.03		
Interest cover (times)	1.91	1.44		

Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 March 2020	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	11,136,459	11,136,459	-	-	11,147,546	11,147,546
Balances with Central Bank of Sri Lanka	-	-	7,506,249	7,506,249	-	-	7,506,249	7,506,249
Placements with banks	-	-	(0)	(0)	-	-	24,432	24,432
Derivative financial assets	1,821,935	-	-	1,821,935	1,821,935	-	-	1,821,935
Financial assets measured at fair value through profit or loss	583,491	-	-	583,491	583,491	-	-	583,491
Financial assets at amortised cost - Loans to and receivables from banks	-	-	5,355,113	5,355,113	-	-	5,355,113	5,355,113
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	292,329,277	292,329,277	-	-	292,329,277	292,329,277
Financial assets at amortised cost - Debt and other instruments	-	-	20,866,615	20,866,615	-	-	20,866,615	20,866,615
Financial assets measured at fair value through other comprehensive income	-	85,417,838	-	85,417,838	-	85,417,839	-	85,417,839
Other assets	-	-	697,769	697,769	-	-	830,950	830,950
Total financial assets	2,405,426	85,417,838	337,891,481	425,714,747	2,405,426	85,417,839	338,060,182	425,883,447
Financial Liabilities								
Due to banks	-	-	41,888,308	41,888,308	-	-	41,888,308	41,888,308
Derivative financial liabilities	492,569	-	-	492,569	492,569	-	-	492,569
Financial liabilities at amortised cost -Due to depositors	-	-	256,395,947	256,395,947	-	-	255,966,507	255,966,507
Financial liabilities at amortised cost - Due to other borrowers	-	-	50,202,225	50,202,225	-	-	50,202,225	50,202,225
Debt securities issued	-	-	13,203,719	13,203,719	-	-	13,203,719	13,203,719
Other liabilities	-	-	2,753,650	2,753,650	-	-	3,029,752	3,029,752
Subordinated term debt	-	-	16,633,891	16,633,891	-	-	16,633,891	16,633,891
Total financial liabilities	492,569	-	381,077,740	381,570,309	492,569	-	380,924,402	381,416,971

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2019	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	5,450,209	5,450,209	-	-	5,459,359	5,459,359
Balances with Central Bank of Sri Lanka	-	-	8,666,547	8,666,547	-	-	8,666,547	8,666,547
Placements with banks	-	-	165,030	165,030	-	-	200,441	200,441
Derivative financial assets	631,438	-	-	631,438	631,438	-	-	631,438
Financial assets measured at fair value through profit or loss	5,307,066	-	-	5,307,066	5,307,066	-	-	5,307,066
Financial assets at amortised cost - Loans to and receivables from banks	-	-	8,403,175	8,403,175	-	-	8,403,175	8,403,175
Financial assets at amortised cost -Loans to and receivables from other customers	-	-	272,818,311	272,818,311	-	-	272,818,311	272,818,311
Financial assets at amortised cost - Debt and other instruments	-	-	21,743,857	21,743,857	-	-	21,743,857	21,743,857
Financial assets measured at fair value through other comprehensive income	-	72,716,407	-	72,716,407	-	72,716,407	-	72,716,407
Other assets	-	-	2,148,567	2,148,567	-	-	2,238,051	2,238,051
Total financial assets	5,938,504	72,716,407	319,395,696	398,050,607	5,938,504	72,716,407	319,529,741	398,184,652
Financial Liabilities								
Due to banks	-	-	24,594,828	24,594,828	-	-	24,594,828	24,594,828
Derivative financial liabilities	518,731	-	-	518,731	518,731	-	-	518,731
Financial liabilities at amortised cost -Due to depositors	-	-	247,786,974	247,786,974	-	-	247,457,696	247,457,696
Financial liabilities at amortised cost - Due to other borrowers	-	-	47,307,556	47,307,556	-	-	47,307,556	47,307,556
Debt securities issued	-	-	14,148,198	14,148,198	-	-	14,148,198	14,148,198
Other liabilities	-	-	3,786,445	3,786,445	-	-	3,907,977	3,907,977
Subordinated term debt	-	-	16,859,914	16,859,914	-	-	16,859,914	16,859,914
Total financial liabilities	518,731	-	354,483,915	355,002,646	518,731	-	354,276,169	354,794,900

OPERATING SEGMENTS - GROUP
Information about reportable segments

	Corporate Banking		Retail Banking		Central Treasury		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
External revenue										
Interest income	3,049,195	3,388,858	5,465,226	4,995,505	1,642,204	1,577,393	9,544	10,554	10,166,169	9,972,309
Net fees and commission income	95,755	110,487	334,163	288,618	-	-	-	-	429,917	399,105
Net (loss) / (gain) from trading	-	-	-	-	2,388	(413,667)	-	-	2,388	(413,667)
Net gain / (loss) from financial instruments at fair value through profit or loss	-	-	-	-	(403,887)	(2,282,532)	-	-	(403,887)	(2,282,532)
Net gain from derecognition of financial assets	-	-	-	-	-	61,618	-	-	-	61,618
Other (losses) / income - net	-	1,250	145	729	291,155	2,181,734	163,651	140,574	454,952	2,324,287
Income from external customers	3,144,950	3,500,594	5,799,534	5,284,853	1,531,861	1,124,545	173,195	-	10,649,539	10,061,120
Inter segment revenue	(2,103)	(3,158)	(7,107)	(6,812)	-	-	(35,764)	(36,307)	(44,974)	(46,277)
Total segment revenue	3,142,847	3,497,436	5,792,426	5,278,041	1,531,861	1,124,545	137,432	-	10,604,566	10,014,843
Segment assets	134,327,468	123,032,800	157,702,025	138,937,994	118,387,699	120,175,273	2,582,838	1,100,488	413,000,029	383,246,554
Segment liabilities	76,563,461	68,162,963	161,762,440	137,824,056	132,933,395	133,895,535	443,517	460,438	371,702,813	340,342,992
Information on cash flows										
Cash flows from operating activities									(9,771,712)	(5,247,262)
Cash flows from investing activities									(1,380,697)	(2,149,238)
Cash flows from financing activities									16,664,587	7,742,457
Net cash flows generated during the year									5,512,178	345,957
Capital expenditure:										
Property, plant and equipment	148	75	70,785	17,792	3,183	783	10,154	12,546	84,270	31,196
Intangible assets	-	-	176	-	-	129,503	9,074	8,498	9,250	138,001

Reconciliations of information on reportable segments to the amounts reported in the financial statements

	2020	2019
	Rs.'000	Rs.'000
i. Revenues		
Total revenue for reportable segments	10,649,539	10,061,120
Unallocated amounts	820,094	274,841
Elimination of inter-segment revenue	(35,764)	(36,307)
Consolidated revenue	11,433,870	10,299,655
ii. Assets		
Total assets for reportable segments	413,000,029	383,246,554
Other unallocated amounts	22,419,752	7,845,383
Consolidated total assets	435,419,781	391,091,937
iii. Liabilities		
Total liabilities for reportable segments	371,702,813	340,342,992
Other unallocated amounts	12,404,360	8,235,299
Consolidated total liabilities	384,107,173	348,578,291

Segment performance is evaluated based on operating profits or losses which are measured differently from operating profits or losses in the consolidated financial statements. Expenses are managed on a group basis and are not allocated to operating segment.

Eliminations are the consolidation adjustments for inter company transactions.