

Statement of Cash Flows

	BANK		GROUP	
	9 months ended 31 December 2015 LKR 000	Year ended 31 March 2015 LKR 000	9 months ended 31 December 2015 LKR 000	Year ended 31 March 2015 LKR 000
Cash flow from operating activities				
Interest receipts	7,238,360	6,873,761	12,887,530	13,921,453
Interest payments	(5,375,259)	(4,292,672)	(8,432,834)	(9,144,115)
Recoveries on loans previously written-off	23,267	42,471	31,463	46,244
Receipts from other operating activities	2,237,257	72,612	3,556,605	2,105,965
Cash payments to employees and suppliers	(1,790,725)	(1,405,580)	(3,669,959)	(3,562,254)
Value added tax and nation building tax on financial services	(327,844)	(600,176)	(589,020)	(871,983)
Other levies	(29,199)	(34,187)	(37,844)	(37,699)
Operating cash flow before changes in operating assets and liabilities	1,975,857	656,229	3,745,941	2,457,611
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	(2,308,744)	–	(2,937,403)	254,086
Funds advanced to customers	(12,925,166)	(10,941,817)	(27,448,299)	(23,632,764)
Others	576,482	(229,292)	660,963	(321,067)
Increase/(decrease) in operating liabilities				
Deposits from customers	13,298,437	5,549,600	17,122,636	11,727,396
Negotiable certificates of deposit	18,055	–	143,675	(37,703)
Others	135,829	96,982	137,817	223,154
Net cash flow from/(used in) operating activities before income tax	770,750	(4,868,298)	(8,574,670)	(9,329,287)
Income tax paid	(951,490)	(576,581)	(1,248,318)	(810,755)
Net cash flow used in operating activities	(180,740)	(5,444,879)	(9,822,988)	(10,140,042)
Cash flow from investing activities				
Dividend received	563,704	1,565,746	284,255	1,383,206
Interest received	1,104,679	663,278	1,398,108	1,239,098
Government Securities – net	(4,818,751)	1,019,756	(9,002,938)	(2,707,313)
Proceeds from sale and redemption of securities	558,085	3,138,109	558,085	3,138,109
Purchase of securities	(2,496,929)	(2,451,221)	(2,214,741)	(10,920,313)
Purchase of property, equipment, intangibles and investment property	(118,534)	(60,774)	(313,883)	(389,311)
Proceeds from sale of equipment and investment property	2,810	1,940	(1,445)	1,962
Net cash (used in)/from investing activities	(5,204,936)	3,876,834	(9,292,559)	(8,254,562)

	BANK		GROUP	
	9 months ended 31 December 2015 LKR 000	Year ended 31 March 2015 LKR 000	9 months ended 31 December 2015 LKR 000	Year ended 31 March 2015 LKR 000
Cash flow from financing activities				
Payment to minority shareholders on amalgamation	(122,408)	–	(122,408)	–
Issue of debentures	–	4,963,600	–	4,963,600
Borrowing, medium and long term	3,318,581	2,662,392	3,315,727	2,662,392
Other borrowing – net	7,094,903	(3,552,000)	20,167,940	11,364,228
Repayment of borrowing, medium and long term	(3,505,648)	(3,798,259)	(3,505,649)	(3,801,057)
Dividends paid	(1,572,012)	(1,451,188)	(1,628,735)	(1,506,965)
Net cash flow from/(used in) financing activities	5,213,416	(1,175,455)	18,226,875	13,682,198
Net decrease in cash and cash equivalents	(172,260)	(2,743,500)	(888,672)	(4,712,406)
Cash and cash equivalents at the beginning of period	498,619	3,242,119	5,205,167	9,917,573
Cash and cash equivalents of DFCC Vardhana Bank PLC as at the date of amalgamation	3,978,888	–	–	–
Cash and cash equivalents at the end of period	4,305,247	498,619	4,316,495	5,205,167
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents (Note 26)	4,305,247	110,576	4,314,777	4,060,820
Bank overdrafts (Note 46)	–	(328,579)	–	(330,545)
Placements with banks (Note 28)	–	716,622	1,718	1,324,892
Government Securities – less than 3 months	–	–	–	150,000
	4,305,247	498,619	4,316,495	5,205,167

Reconciliation of profit for the period to net cash flows used in operating activities.

	BANK		GROUP	
	9 months ended	Year ended	9 months ended	Year ended
	31 December 2015 LKR 000	31 March 2015 LKR 000	31 December 2015 LKR 000	31 March 2015 LKR 000
Profit for the period	1,068,350	3,240,348	1,641,628	4,438,612
Add/(deduct) items not using (providing) cash:	326,785	(143,036)	798,376	133,871
Depreciation – Property, equipment and investment property	114,781	116,673	247,234	279,899
Amortisation – Intangible assets	42,538	23,682	102,158	100,232
Unrealised gain on Treasury Bills and Bonds	(95,558)	(146,679)	(96,659)	(335,559)
Net loss/gain from financial instruments at fair value				
– Contracts with commercial banks	14,368	(81,577)	(60,545)	(96,819)
– CBSL Swap	(14,038)	(574,935)	(14,038)	(574,935)
Amortisation of deferred income on Government grant	130,288	376,185	130,288	376,185
Foreign exchange loss	(17,139)	500,677	(77,984)	465,807
Impairment for loans and other losses	224,939	(307,564)	795,327	246,556
Notional tax credit on Treasury Bills and Bonds	(73,394)	(49,498)	(148,712)	(174,225)
Share of profits of associate and joint venture	–	–	(78,693)	(153,270)
Deduct items reported gross under investing activities:	(575,948)	(2,128,729)	(258,637)	(1,913,934)
Dividend income	(536,276)	(991,958)	(218,569)	(777,803)
Gains on sale of financial investment	(37,018)	(1,135,054)	(37,018)	(1,135,054)
Gain on sale of equipment and investment property	(2,654)	(1,717)	(3,050)	(1,077)
Deduct changes in operating assets and liabilities:	(995,429)	(6,413,462)	(12,004,255)	(12,798,591)
Decrease/(increase) in account receivables	99,234	(1,300,683)	(491,604)	(1,749,264)
Increase in account payables	540,522	457,387	1,143,801	570,968
Increase in income tax payable	(36,940)	7,981	(94,908)	255,237
Decrease in deferred tax	(393,634)	(53,620)	(241,568)	(88,634)
Increase in operating assets	(14,657,430)	(11,171,109)	(29,724,203)	(23,699,745)
Increase in operating liabilities	13,452,321	5,646,582	17,404,127	11,912,847
Net cash used in operating activities	(180,740)	(5,444,879)	(9,822,988)	(10,140,042)