



Visionary **Banking**

Cargills Bank Limited Interim Financial Statements 2017

For the Six Months Ended 30 June 2017

Income Statement

	Bank For the Six months ended			Bank For the quarter ended		
	30-Jun-17 Rs. '000	30-Jun-16 Rs. '000	Change %	30-Jun-17 Rs. '000	30-Jun-16 Rs. '000	Change %
Interest income	1,233,144	563,622	119	654,201	322,358	103
Interest expenses	(547,272)	(226,356)	(142)	(296,523)	(128,981)	(130)
Net interest income	685,872	337,266	103	357,678	193,377	85
Fees and commission income	69,203	38,943	78	31,975	24,941	28
Fees and commission expenses	(17,661)	(10,439)	(69)	(9,455)	(5,825)	(62)
Net fees and commission income	51,542	28,504	81	22,520	19,116	18
Net gains / (losses) from trading	3,204	(1,981)	262	(600)	(2,619)	77
Net gains / (losses) from financial instruments at fair value through profit & loss	-	-	-	-	-	-
Net gains / (losses) from financial investments	5,972	2,905	106	4,437	1,742	155
Other income	53,366	18,396	190	25,380	4,016	532
Total other income	62,542	19,320	224	29,217	3,139	831
Total operating income	799,956	385,090	108	409,415	215,632	90
Impairment for loans and other losses						
Individual impairment	(28,836)	(1,173)	(2,358)	(14,251)	(596)	(2,291)
Collective impairment	(15,180)	(16,409)	7	(18,284)	(7,361)	(148)
Others	2,493	-	-	(975)	-	-
Total impairment for loans and other losses	(41,523)	(17,582)	(136)	(33,510)	(7,957)	(321)
Net operating income	758,433	367,508	106	375,905	207,675	81
Personnel expenses	(254,051)	(207,838)	(22)	(127,453)	(98,673)	(29)
Depreciation and amortisation	(68,230)	(73,659)	7	(34,579)	(36,979)	6
Other operating expenses	(275,503)	(203,298)	(36)	(145,769)	(101,717)	(43)
Total operating Expenses	(597,784)	(484,795)	(23)	(307,801)	(237,369)	(30)
Operating profit/ (loss) before Value Added						
Tax (VAT) and Nation Building Tax (NBT)	160,649	(117,287)	237	68,104	(29,694)	329
VAT and NBT on financial services	(54,328)	(8,776)	(519)	(29,001)	(7,211)	(302)
Profit/ (loss) before tax	106,321	(126,063)	184	39,103	(36,905)	206
Tax expenses	(44,544)	-	-	(19,448)	-	-
Profit/(loss) for the period	61,777	(126,063)	149	19,655	(36,905)	153
Attributable to:						
Equity holders of the bank	61,777	(126,063)	149	19,655	(36,905)	153
Non-controlling interest	-	-	-	-	-	-
Profit/(loss) for the period	61,777	(126,063)	149	19,655	(36,905)	153
Earnings/ (loss) per share (Rs.)	0.07	(0.24)	129	0.02	(0.06)	137

	Group			Group		
	For the Six months ended		Change	For the quarter ended		Change
	30-Jun-17	30-Jun-16		30-Jun-17	30-Jun-16	
Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	
Interest income	1,303,681	640,928	103	694,238	359,050	93
Interest expenses	(565,540)	(255,510)	(121)	(305,794)	(141,970)	(115)
Net interest income	738,141	385,418	92	388,444	217,080	79
Fees and commission income	70,317	38,882	81	32,711	25,323	29
Fees and commission expenses	(17,711)	(10,586)	(67)	(9,477)	(5,974)	(59)
Net fees and commission income	52,606	28,296	86	23,234	19,349	20
Net gains / (losses) from trading	3,204	(1,981)	262	(600)	(2,619)	77
Net gains / (losses) from financial instruments at fair value through profit & loss	270	(258)	205	270	133	103
Net gains / (losses) from financial investments	5,973	2,905	106	4,438	1,742	155
Other income	56,907	23,395	143	27,327	6,015	354
Total other income	66,354	24,061	176	31,436	5,271	496
Total operating income	857,101	437,775	96	443,114	241,700	83
Impairment for loans and other losses						
Individual impairment	(30,387)	(13,585)	(124)	(19,347)	(60,958)	68
Collective impairment	(14,067)	(9,103)	(55)	(17,877)	47,923	(137)
Others	2,858	-	-	(975)	-	-
Total impairment for loans and other losses	(41,596)	(22,689)	(83)	(38,199)	(13,035)	(193)
Net operating income	815,505	415,086	96	404,915	228,665	77
Personnel expenses	(279,509)	(226,961)	(23)	(142,175)	(108,686)	(31)
Depreciation and amortisation	(71,530)	(77,445)	8	(36,026)	(39,611)	9
Other operating expenses	(294,041)	(224,944)	(31)	(155,161)	(112,314)	(38)
Total operating Expenses	(645,080)	(529,350)	(22)	(333,362)	(260,611)	(28)
Operating profit/ (loss) before Value Added						
Tax (VAT) and Nation Building Tax (NBT)	170,425	(114,264)	249	71,553	(31,946)	324
VAT and NBT on financial services	(59,429)	(11,107)	(435)	(31,255)	(8,612)	(263)
Profit/ (loss) before tax	110,996	(125,371)	189	40,298	(40,558)	199
Tax expenses	(49,662)	2,320	(2,241)	(24,566)	2,320	(1,159)
Profit/(loss) for the period	61,334	(123,051)	150	15,733	(38,238)	141
Attributable to:						
Equity holders of the bank	61,421	(123,643)	150	16,504	(37,976)	143
Non-controlling interest	(87)	592	(115)	(771)	(262)	(194)
Profit/(loss) for the period	61,334	(123,051)	150	15,733	(38,238)	141
Earnings/ (loss) per share (Rs.)	0.07	0.23	(70)	0.02	(0.07)	125

Statement of Profit or Loss and Other Comprehensive Income

	Bank			Bank		
	For the Six months ended			For the quarter ended		
	30-Jun-17	30-Jun-16	Change	30-Jun-17	30-Jun-16	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Profit/ (loss) for the period	61,777	(126,063)	149	19,655	(36,905)	153
Other comprehensive income, net of tax						
Items that will never be reclassified to profit & loss						
Net actuarial gains/(losses) on defined benefit obligation	-	-	-	-	-	-
Deferred tax asset/ (liability) on net actuarial gains/ (losses) on defined benefit plans	-	-	-	-	-	-
Items that are or may be reclassified to profit & loss						
Net gains / (losses) on re-measuring available for sale financial assets						
Treasury Bills	(1,395)	(8,913)	84	294	7,391	(96)
Treasury Bonds	12,719	(11,516)	210	15,741	11,372	38
Sri Lanka government securities	11,324	(20,429)	155	16,035	18,763	(15)
Deferred tax asset on available for sale reserve	(3,171)	5,720	(155)	(4,490)	(5,254)	15
	8,153	(14,709)	155	11,545	13,509	(15)
Other comprehensive income for the period, net of tax	8,153	(14,709)	155	11,545	13,509	(15)
Total comprehensive income for the period, net of tax	69,930	(140,772)	150	31,200	(23,396)	233
Attributable to:						
Equity holders of the bank	69,930	(140,772)	150	31,200	(23,396)	233
Non-controlling interest	-	-	-	-	-	-
Profit/(loss) for the period	69,930	(140,772)	150	31,200	(23,396)	233

	Group			Group		
	For the Six months ended			For the quarter ended		
	30-Jun-17	30-Jun-16	Change	30-Jun-17	30-Jun-16	Change
Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	
Profit/ (loss) for the period	61,334	(123,051)	150	15,733	(38,238)	141
Other comprehensive income, net of tax						
Items that will never be reclassified to profit & loss						
Net actuarial gains/(losses) on defined benefit obligation	133	846	(84)	133	846	(84)
Deferred tax asset/ (liability) on net actuarial gains/ (losses) on defined benefit plans	(37)	(237)	84	(37)	(237)	84
	96	609	(84)	96	609	(84)
Items that are or may be reclassified to profit & loss						
Net gains / (losses) on re-measuring available for sale financial assets						
Treasury Bills	(1,395)	(8,913)	84	294	7,391	(96)
Treasury Bonds	12,719	(11,516)	210	15,741	11,372	38
Sri Lanka government securities	11,324	(20,429)	155	16,035	18,763	(15)
Deferred tax asset on available for sale reserve	(3,171)	5,720	(155)	(4,490)	(5,254)	15
	8,153	(14,709)	155	11,545	13,509	(15)
Other comprehensive income for the period, net of tax	8,249	(14,100)	159	11,640	14,118	(18)
Total comprehensive income for the period, net of tax	69,583	(137,151)	151	27,373	(24,120)	213
Attributable to:						
Equity holders of the bank	69,651	(137,863)	151	28,125	(23,978)	217
Non-controlling interest	(68)	712	(110)	(752)	(142)	(430)
Profit/(loss) for the period	69,583	(137,151)	151	27,373	(24,120)	213

Statement of Financial Position

As at	Bank		Group	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
	Rs. '000	(Audited) Rs. '000	Rs. '000	(Audited) Rs. '000
Assets				
Cash and cash equivalents	618,877	618,120	363,898	356,183
Balances with Central Bank	705,672	417,161	705,672	417,161
Placements with banks	3,053,027	2,118,462	3,053,027	2,118,462
Securities purchased under resale agreements	500,123	1,350,759	514,064	1,389,397
Derivative financial instruments	80	-	80	-
Other financial instruments held for trading	-	-	1,616	1,345
Loans and receivables to banks	168,702	158,367	168,702	158,367
Loans and receivables to other customers	16,578,786	13,424,038	17,481,908	14,313,169
Financial investments available for sale	1,395,565	1,569,722	1,395,911	1,570,068
Financial investments held to maturity	-	-	57,454	42,402
Investment in subsidiary	566,917	566,917	-	-
Property, plant & equipment	263,609	213,253	312,044	261,727
Intangible assets	186,100	166,728	396,515	377,516
Deferred tax assets	180,935	200,360	186,392	210,337
Other assets	213,186	185,411	230,125	200,772
Total assets	24,431,579	20,989,298	24,867,408	21,416,906
Liabilities and equity				
Due to banks	189,229	282,533	192,540	305,314
Derivative financial instruments	8	2,915	8	2,915
Due to other customers	12,975,167	9,435,089	13,291,916	9,729,111
Securities sold under repurchase agreements	207,496	340,702	207,496	340,702
Deferred tax liabilities	-	-	-	-
Other liabilities	336,570	274,880	363,081	296,080
Total liabilities	13,708,470	10,336,119	14,055,041	10,674,122

As at	Bank		Group	
	30-Jun-17	31-Dec-16	30-Jun-17	31-Dec-16
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Equity				
Stated capital	11,394,421	11,394,421	11,394,421	11,394,421
Statutory reserves	603	603	938	938
Other reserves	(7,945)	(16,098)	(7,945)	(16,098)
Accumulated loss	(663,970)	(725,747)	(664,284)	(725,782)
Total equity attributable to equity holders of the bank	10,723,109	10,653,179	10,723,130	10,653,479
Non controlling interest	-	-	89,237	89,305
Total equity	10,723,109	10,653,179	10,812,367	10,742,784
Total liabilities and equity	24,431,579	20,989,298	24,867,408	21,416,906
Contingent liabilities & commitments	15,671,103	10,619,325	15,671,103	10,619,325
Net assets value per ordinary share (Rs.)	12.14	12.06	12.14	12.06
Memorandum information:				
No. of employees	412	430	453	471
No. of branches	14	15	16	17

Certification:

These Financial Statements have been prepared in compliance with requirements of the Companies Act No. 07 of 2007.

(Sgd.)

A R M I Sanjeevanie

Head of Finance

We, the undersigned, being the Managing Director and the Senior Director of Cargills Bank Limited, certify jointly 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 Group and the Bank, unless indicated as audited.

(Sgd.)

P S Mathavan

Managing Director/ Chief Executive Officer

(Sgd.)

E M M Boyagoda

Senior Director

28-Jul-2017

Colombo

Statement of Changes in Equity

	Stated capital	Statutory reserve	Bank Available -for- sale reserve	Accumulated loss	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.01.2016-Audited	5,592,350	-	(11,402)	(737,703)	4,843,245
Total comprehensive income for the six months ended 30.06.2016					
Loss for the period	-	-	-	(126,063)	(126,063)
Other comprehensive income/ (loss) net of tax	-	-	(14,709)	-	(14,709)
Total comprehensive income for the period	-	-	(14,709)	(126,063)	(140,772)
Transactions with owners of the bank					
Contributions and distributions					
Issue of shares	5,802,071	-	-	-	5,802,071
Total Contributions and distributions	5,802,071	-	-	-	5,802,071
Balance as at 30.06.2016	11,394,421	-	(26,111)	(863,766)	10,504,544
Total comprehensive income for the period 01.07.2016 to 31.12.2016					
Profit for the period	-	-	-	138,130	138,130
Other comprehensive income/ (loss) net of tax	-	-	10,013	492	10,505
Total comprehensive income for the period	-	-	10,013	138,622	148,635
Transactions with owners of the bank					
Contributions and distributions					
Transfer to statutory reserve	-	603	-	(603)	-
Total Contributions and distributions	-	603	-	(603)	-
Balance as at 01.01.2017-Audited	11,394,421	603	(16,098)	(725,747)	10,653,179
Total comprehensive income for the period ended 30.06.2017					
Profit for the period	-	-	-	61,777	61,777
Other comprehensive income/ (loss) net of tax	-	-	8,153	-	8,153
Total comprehensive income for the period	-	-	8,153	61,777	69,930
Transactions with owners of the bank					
Contributions and distributions					
Transfer to statutory reserve	-	-	-	-	-
Total Contributions and distributions	-	-	-	-	-
Balance as at 30.06.2017	11,394,421	603	(7,945)	(663,970)	10,723,109

	Group						
	Stated capital	Statutory reserve	Available-for-sale reserve	Accumulated loss	Attributable to owners of the bank	of Non controlling interest	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.01.2016-Audited	5,592,350	335	(11,402)	(741,767)	4,839,516	77,735	4,917,251
Total comprehensive income for the Period ended 30.06.2016							
Loss for the period	-	-	-	(123,643)	(123,643)	592	(123,051)
Other comprehensive income/ (loss) net of tax	-	-	(14,709)	489	(14,220)	120	(14,100)
Total comprehensive income for the period	-	-	(14,709)	(123,154)	(137,863)	712	(137,151)
Transactions with owners of the bank							
Contributions and distributions							
Issue of shares	5,802,071	-	-	-	5,802,071	-	5,802,071
Movement due to change in shareholding	-	-	-	(9,609)	(9,609)	10,190	581
Expense on right issue	-	-	-	(798)	(798)	(195)	(993)
Transfer to statutory reserve	-	80	-	(80)	-	-	-
Total Contributions and distributions	5,802,071	80	-	(10,487)	5,791,664	9,995	5,801,659
Balance as at 30.06.2016	11,394,421	415	(26,111)	(875,408)	10,493,317	88,442	10,581,759
Total comprehensive income for the period 01.07.2016 to 31.12.2016							
Profit for the period	-	-	-	149,761	149,761	888	150,649
Other comprehensive income/ (loss) net of tax	-	-	10,013	492	10,505	-	10,505
Total comprehensive income for the period	-	-	10,013	150,253	160,266	888	161,154
Transactions with owners of the bank							
Contributions and distributions							
Expense on right issue	-	-	-	(104)	(104)	(25)	(129)
Transfer to statutory reserve	-	523	-	(523)	-	-	-
Total Contributions and distributions	-	523	-	(627)	(104)	(25)	(129)
Balance as at 01.01.2017-Audited	11,394,421	938	(16,098)	(725,782)	10,653,479	89,305	10,742,784
Total comprehensive income for the six months ended 30.06.2017							
Profit for the period	-	-	-	61,421	61,421	(87)	61,334
Other comprehensive income/ (loss) net of tax	-	-	8,153	77	8,230	19	8,249
Total comprehensive income for the period	-	-	8,153	61,498	69,651	(68)	69,584
Transactions with owners of the bank							
Contributions and distributions							
Transfer to statutory reserve	-	-	-	-	-	-	-
Total Contributions and distributions	-	-	-	-	-	-	-
Balance as at 30.06.2017	11,394,421	938	(7,945)	(664,284)	10,723,130	89,237	10,812,368

Note

Cargills Bank Limited participated in the rights issue of Colombo Trust Finance PLC, whereby its holding increased from 76.51% to 80.34% as at 5 January 2016.

As per SLFRS 10 on 'Consolidated Financial Statements', changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control are equity transactions and hence, recognized directly in equity.

Statement of Cash Flows

	Bank			
	For the Six months ended		For the quarter ended	
	30-Jun-17	30-Jun-16	30-Jun-17	29-Jun-16
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Profit/ loss before tax	106,321	(126,063)	39,103	(36,905)
Adjustments for:				
Non-cash items included in profit/ loss before tax	108,038	96,121	65,516	47,435
Change in operating assets	(3,421,054)	(4,653,259)	(2,750,658)	(3,848,464)
Change in operating liabilities	3,477,208	535,894	2,671,465	(1,953,876)
Dividend income	-	(100)	-	(100)
Benefits paid on defined benefit plans	(2,342)	-	(410)	-
Net cash from/ (used in) operating activities	268,171	(4,147,407)	25,016	(5,791,910)
Cash flows from investing activities				
Net purchase of property, plant and equipment	(94,091)	(36,427)	(20,726)	(10,073)
Proceeds from sale of property, plant and equipment	3,750	-	3,750	-
Investment in subsidiary right issue	-	(115,717)	-	-
Net purchase of intangible assets	(43,867)	(12,597)	(41,913)	(5,022)
Dividend received	-	100	-	100
Net cash from/ (used in) investing activities	(134,208)	(164,641)	(58,889)	(14,995)
Cash flows from financing activities				
Proceeds from issue of shares	-	5,802,071	-	5,802,071
Expenses on right issue	-	-	-	-
Net proceeds from borrowings	(133,206)	(1,474,040)	(31,613)	35,189
Net cash from/ (used in) financing activities	(133,206)	4,328,031	(31,613)	5,837,260
Net increase (decrease) in cash and cash equivalents	757	15,983	(65,486)	30,355
Cash and cash equivalents at the beginning of the period	618,120	174,129	684,363	159,757
Cash and cash equivalents at the end of the period	618,877	190,112	618,877	190,112

	Group			
	For the Six months ended		For the quarter ended	
	30-Jun-17	30-Jun-16	30-Jun-17	29-Jun-16
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Profit/ loss before tax	110,996	(125,371)	40,298	(40,558)
Adjustments for:				
Non-cash items included in profit/ loss before tax	112,100	105,650	72,074	55,539
Change in operating assets	(3,652,126)	(4,427,326)	(3,004,555)	(3,599,614)
Change in operating liabilities	3,709,521	177,926	2,924,609	(2,211,314)
Dividend income	(10)	(103)	(10)	(103)
Benefits paid on defined benefit plans	(2,475)	-	(543)	-
Net cash from/ (used in) operating activities	278,007	(4,269,224)	31,874	(5,796,050)
Cash flows from investing activities				
Net purchase of property, plant and equipment	(96,490)	(36,306)	(20,951)	(9,673)
Proceeds from sale of property, plant and equipment	3,750	-	3,750	-
Investment in subsidiary right issue	-	-	-	-
Net purchase of intangible assets	(44,355)	(13,794)	(41,913)	(6,220)
Dividend received	10	103	10	103
Net cash from/ (used in) investing activities	(137,085)	(49,997)	(59,104)	(15,790)
Cash flows from financing activities				
Proceeds from issue of shares	-	5,802,652	-	5,802,071
Expenses on right issue	-	(993)	-	(129)
Net proceeds from borrowings	(133,206)	(1,474,040)	(31,613)	35,189
Net cash from/ (used in) financing activities	(133,206)	4,327,619	(31,613)	5,837,131
Net increase (decrease) in cash and cash equivalents	7,715	8,398	(58,844)	25,291
Cash and cash equivalents at the beginning of the period	356,183	196,157	422,742	179,264
Cash and cash equivalents at the end of the period	363,898	204,555	363,898	204,555

Classification of Financial Assets and Financial Liabilities

	Held for trading Rs. '000	Loans and receivables Rs. '000	Bank Available for sale Rs. '000	Other amortized cost Rs. '000	Total Rs. '000
As at 30.06.2017					
Financial assets					
Cash and cash equivalents	-	618,877	-	-	618,877
Balance with Central Bank	-	705,672	-	-	705,672
Placements with banks	-	3,053,027	-	-	3,053,027
Securities purchased under resale agreements	-	500,123	-	-	500,123
Derivative financial instruments	80	-	-	-	80
Loans and receivables to banks	-	168,702	-	-	168,702
Loans and receivables to other customers	-	16,578,786	-	-	16,578,786
Financial investments available for sale	-	-	1,395,565	-	1,395,565
Other assets	-	28,096	-	-	28,096
Total financial assets	80	21,653,283	1,395,565	-	23,048,928
Financial liabilities					
Due to banks	-	-	-	189,229	189,229
Derivative financial instruments	8	-	-	-	8
Due to other customers	-	-	-	12,975,167	12,975,167
Securities sold under repurchase agreements	-	-	-	207,496	207,496
Other liabilities	-	-	-	99,921	99,921
Total financial liabilities	8	-	-	13,471,813	13,471,821
As at 31.12.2016-Audited					
Financial assets					
Cash and cash equivalents	-	618,120	-	-	618,120
Balance with Central Bank	-	417,161	-	-	417,161
Placements with banks	-	2,118,462	-	-	2,118,462
Securities purchased under resale agreements	-	1,350,759	-	-	1,350,759
Loans and receivables to banks	-	158,367	-	-	158,367
Loans and receivables to other customers	-	13,424,038	-	-	13,424,038
Financial investments available for sale	-	-	1,569,722	-	1,569,722
Financial investments held to maturity	-	-	-	-	-
Other assets	-	31,226	-	-	31,226
Total financial assets	-	18,118,133	1,569,722	-	19,687,855
Financial liabilities					
Due to banks	-	-	-	282,533	282,533
Derivative financial instruments	2,915	-	-	-	2,915
Due to other customers	-	-	-	9,435,089	9,435,089
Securities sold under repurchase agreements	-	-	-	340,702	340,702
Other liabilities	-	-	-	106,391	106,391
Total financial liabilities	2,915	-	-	10,164,715	10,167,630

	Group					
	Held for trading	Held for maturity	Loans and receivables	Available for sale	Other amortized cost	Total
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 30.06.2017						
Financial assets						
Cash and cash equivalents	-	-	363,898	-	-	363,898
Balance with Central Bank	-	-	705,672	-	-	705,672
Placements with banks	-	-	3,053,027	-	-	3,053,027
Securities purchased under resale agreements	-	-	514,064	-	-	514,064
Derivative financial instruments	80	-	-	-	-	80
Other financial instruments held for trading	1,616	-	-	-	-	1,616
Loans and receivables to banks	-	-	168,702	-	-	168,702
Loans and receivables to other customers	-	-	17,481,908	-	-	17,481,908
Financial investments available for sale	-	-	-	1,395,911	-	1,395,911
Financial investments held to maturity	-	57,454	-	-	-	57,454
Other assets	-	-	32,946	-	-	32,946
Total financial assets	1,696	57,454	22,320,217	1,395,911	-	23,775,277
Financial liabilities						
Due to banks	-	-	-	-	192,540	192,540
Derivative financial instruments	8	-	-	-	-	8
Due to other customers	-	-	-	-	13,291,916	13,291,916
Securities sold under repurchase agreements	-	-	-	-	207,496	207,496
Other liabilities	-	-	-	-	119,414	119,414
Total financial liabilities	8	-	-	-	13,811,366	13,811,374
As at 31.12.2016-Audited						
Financial assets						
Cash and cash equivalents	-	-	356,183	-	-	356,183
Balance with Central Bank	-	-	417,161	-	-	417,161
Placements with banks	-	-	2,118,462	-	-	2,118,462
Securities purchased under resale agreements	-	-	1,389,397	-	-	1,389,397
Other financial instruments held for trading	1,345	-	-	-	-	1,345
Loans and receivables to banks	-	-	158,367	-	-	158,367
Loans and receivables to other customers	-	-	14,313,169	-	-	14,313,169
Financial investments available for sale	-	-	-	1,570,068	-	1,570,068
Financial investments held to maturity	-	42,402	-	-	-	42,402
Other assets	-	-	36,076	-	-	36,076
Total financial assets	1,345	42,402	18,788,815	1,570,068	-	20,402,630
Financial liabilities						
Due to banks	-	-	-	-	305,314	305,314
Derivative financial instruments	2,915	-	-	-	-	2,915
Due to other customers	-	-	-	-	9,729,111	9,729,111
Securities sold under repurchase agreements	-	-	-	-	340,702	340,702
Other liabilities	-	-	-	-	110,560	110,560
Total financial liabilities	2,915	-	-	-	10,485,687	10,488,602

Selected Performance Indicators

As at	Bank		Group	
	30-Jun-2017	31-Dec-2016	30-Jun-2017	31-Dec-2016
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	10,669,277	10,669,277	10,758,814	10,742,784
Total Capital Base, Rs. '000	9,806,415	9,802,653	10,266,189	10,231,104
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement,5%)	42.34%	51.93%	41.61%	51.80%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement,10%)	41.49%	50.81%	41.98%	52.19%
Assets Quality (Quality of Loan Portfolio)				
Gross non-Performing Advances Ratio,% (net of interest in suspense)	2.24%	0.94%	2.46%	1.50%
Net non-Performing Advances Ratio,% (net of interest in suspense and provision)	2.13%	0.89%	2.06%	0.89%
Profitability				
Interest Margin,%	6.96%	6.47%	7.2%	6.75%
Return on Assets (before Tax),%	0.97%	(0.34%)	0.99%	(0.25%)
Return on Equity,%	1.16%	0.15%	1.14%	0.34%
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	4,581,760	4,793,804	4,678,695	4,894,381
Statutory Liquid Assets Ratio, % (Minimum requirement,20%)				
Domestic Banking Unit	38%	55.98%	37%	52.50%

Explanatory Notes

1). The Consolidated Financial Statements of the Group and the separate Financial Statements of the Bank, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 7 of 2007 and the Banking Act No. 30 of 1988 and amendments thereto. These Financial Statements, except for information on Cash Flows have been prepared following the accrual basis of accounting.

The formats used in the preparation of the Financial Statements and the Disclosures made therein also comply with the specified format prescribed by CBSL for the preparation, presentation and publication of Annual Audited Financial Statements of Licensed Commercial Banks.

2). The total temporary differences arising from tax losses and tax credits amounted to Rs. 1,105 Mn resulting in a deferred tax asset of Rs. 309 Mn as at 30 June 2017. Based on the 5 years forecast prepared by the management and internal assessment carried out by the Board of directors, the recognition of deferred tax asset has been limited to Rs. 180 Mn. The unrecognized deferred tax asset as at 30 June 2017 was Rs 128 Mn.

3). All known expenses have been provided for in these Interim Financial Statements.

4). There were no pending litigation of a material nature against the bank.

5). The Bank had entered into Repo borrowing transactions with Entrust Securities PLC. The carrying value of borrowings as at 30 June 2017 amounted to Rs. 177 Mn and the market value of securities pledged to Entrust Securities PLC as collateral was Rs. 193 Mn as at that date. Entrust Securities PLC failed to return the securities when the borrowings matured in 2016. These borrowings have been rolled forward at the request of Entrust Securities PLC.

A provision of Rs.1.9 Mn has been made in the Financial Statements as at 30 June 2017 in respect of the potential exposure of Rs. 5.8 Mn based on the internal assessment carried out by the Board of Directors. Provisions made for the transactions settled during the year has been reversed during the period as appropriate.

6). A provision of Rs. 8 Mn for impairment loss on investment in subsidiary has been made during the prior year, based on an internal assessment carried out by the Board of Directors. The impairment losses have been applied to reduce the carrying amount of investment in subsidiary. There is no change in provision made for impairment in investments in subsidiary as at 30 June 2017.

7). No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.

Additional Disclosures

As at	Bank		Group	
	30-Jun-	31-Dec-	30-Jun-	31-Dec-
	2017	2016	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
1) Loans and receivables to other customers				
Gross loans and receivables	16,759,983	13,561,176	17,732,381	14,551,473
(Less): Individual impairment	97,785	68,949	160,192	162,131
(Less): Collective impairment	83,412	68,189	90,282	76,173
Net loans and receivables	16,578,786	13,424,038	17,481,908	14,313,169
2) Loans and receivables to other customers - By product				
By product - Domestic Currency				
Loans and advances				
Overdrafts	3,762,821	2,953,568	3,537,977	2,761,584
Trade finance	1,942,376	1,984,091	1,942,376	1,984,091
Lease rentals receivable	-	-	337,725	347,225
Hire purchase	-	-	63,533	103,949
Staff Loans	139,958	134,581	139,958	134,581
Housing loans	652,338	428,407	652,338	428,407
Personal loans	2,570,093	1,702,903	2,570,093	1,702,903
Term loans	4,181,583	3,289,172	4,181,583	3,289,172
Agriculture loans	188,817	71,027	188,817	71,027
Vehicle loans	44,169	40,124	44,169	40,124
Loans against Property	58,129	-	58,128	-
Money market loans	2,646,273	2,666,208	2,830,800	2,830,208
Bills receivable	4,541	15,225	182,923	155,541
Margin trading	-	-	167,090	187,423
Others	-	-	265,984	239,368
Sub total	16,191,098	13,285,306	17,163,496	14,275,603
By product - Foreign Currency				
Trade finance	568,787	275,769.15	568,785	275,769
Money market loans	100	101	100	101
Sub total	568,885	275,870	568,885	275,870
Total Gross Loans & Advances	16,759,983	13,561,176	17,732,381	14,551,473

As at	Bank		Group	
	30-Jun-	31-Dec-	30-Jun-	31-Dec-
	2017	2016	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000

3) Movement in individual and collective impairment during the period for loans and receivables to other customers

Movement in allowance for individual impairment

Opening balance	68,949	9,209	162,130	90,603
Charge/(Write back) to income statement	28,836	59,740	29,982	71,528
Net write-off (recoveries) during the period	-	-	(31,920)	-
Closing balance	97,785	68,949	160,192	162,131

Movement in allowance for collective impairment

Opening balance	68,189	22,618	76,173	36,336
Charge/(Write back) to income statement	15,179	45,516	14,064	39,782
Exchange rate variance on foreign currency provisions	44	55	44	55
Closing balance	83,412	68,189	90,281	76,173
Total impairment	181,197	137,138	250,474	238,304

4) Due to other customers - By product

By product - Domestic Currency

Current account deposits	468,390	1,344,859	468,390	1,344,859
Savings deposits	1,242,337	788,265	1,242,337	788,265
Time deposits	8,867,435	5,420,128	9,184,182	5,714,150
Certificate of deposits	862,341	750,482	862,341	750,482
Margin deposits	7,749	30,656	7,749	30,656
Sub total	11,448,252	8,334,390	11,764,999	8,628,412

By product - Foreign Currency

Current account deposits	11,311	18,392	11,313	18,392
Savings deposits	178,755	415,436	178,755	415,436
Time deposits	1,336,849	666,871	1,336,849	666,871
Sub total	1,526,915	1,100,699	1,526,917	1,100,699
Total deposits	12,975,167	9,435,089	13,291,916	9,729,111

Shareholders' Information

Twenty three largest shareholders as at 30 June 2017		No. of shares	%
1	Cargills (Ceylon) PLC	350,696,905	39.71*
2	CT Holdings PLC	223,345,953	25.29*
3	Monetary Board of Sri Lanka - On Behalf of EPF	44,000,000	4.98
4	Multitex Investment Limited	30,800,000	3.49
5	MJF Foundation Investments (Pvt) Ltd	28,000,000	3.17
6	Asian Alliance Insurance PLC	26,600,000	3.01
7	MAS Capital (Private) Limited	22,000,000	2.49
8	Rosewood (Pvt) Ltd	16,000,000	1.81
9	Phoenix Ventures Limited	13,200,000	1.49
10	Aindri Holdings Pte Ltd	11,000,000	1.25
11	A I A Holdings Lanka (Pvt) Ltd	11,000,000	1.25
12	Softlogic Holdings PLC	10,000,000	1.13
13	Gardiya Lokuge Harris Premaratne	9,089,000	1.03
14	Merrill Joseph Fernando	7,800,000	0.88
15	Softlogic Finance PLC	7,400,000	0.84
16	GF Capital Global Limited	6,100,000	0.69
17	Periyasamipillai Barathakumar	4,400,000	0.50
18	Periyasamipillai Muruganandhan	4,400,000	0.50
19	Periyasamipillai Anandarajah	4,400,000	0.50
20	Periyasamipillai Devaraj	4,400,000	0.50
21	Periyasamipillai Barathanickam	4,400,000	0.50
22	Rajah Mahinda Nanayakkara	4,400,000	0.50
23	Lalan Rubber Holdings (Pvt) Ltd	4,400,000	0.50
Sub total		847,831,858	31
Other Shareholders		35,311,000	4
Total		883,142,858	35

* No voting rights will be exercised by Cargills (Ceylon) PLC and CT Holdings PLC on any shares held in excess of 30% of the issued capital of the bank carrying voting rights.

Corporate Information

Name of the Company

Cargills Bank Limited

Legal Form

A public limited liability incorporated in Sri Lanka on 3 November 2011 under the Companies Act No. 7 of 2007.

A licensed Commercial Bank under the Banking Act No. 30 of 1988.

Registration Number

PB 4847

Accounting Year-end

December 31

Head Office & Registered Office

No. 696, Galle Road, Colombo 03.

Telephone

011 - 7 640 000

Facsimile

011 - 2 055 575

SWIFT Code

CGRBLK LX

E-mail

info@cargillsbank.com

Web Page

www.cargillsbank.com

Tax Payer Identification Number (TIN)

134 048 476

Subsidiary Companies

Name of the Company
Colombo Trust Finance PLC
Holding : 80.34%

Nature of Business

Finance Company

Auditors

KPMG
Chartered Accountants,
No. 31 A,
Sir Mohammed Macan Markar Mw,
Colombo 03.

Lawyers

Julius & Creasy
No. 41, Janadhipathi Mawatha,
Colombo 01.

Compliance Officer

Summaiya Macan Markar (Ms)

Company Secretary

Kamalini De Silva (Ms.)

Board of Directors

Louis R Page - Chairman
Ranjit Page - Joint Deputy Chairman
Rajendra Theagarajah - Joint Deputy
Chairman
Prabhu Mathavan - Managing
Director / CEO
Mangala Boyagoda - Senior Director
Kamalini De Silva (Ms.) - Company
Secretary
Faizal Salieh
Richard Ebell

Board Sub-Committees

Board Human Resources & Remuneration Committee

Rajendra Theagarajah - Chairman
Ranjit Page
Faizal Salieh
Kamalini De Silva (Ms.) - Secretary

Board Integrated Risk Management Committee

Rajendra Theagarajah - Chairman
Mangala Boyagoda
Faizal Salieh
Richard Ebell
Summaiya Macan Markar (Ms.)
- Secretary

Board Nomination Committee

Mangala Boyagoda - Chairman
Rajendra Theagarajah
Ranjit Page
Faizal Salieh
Kamalini De Silva (Ms.) - Secretary

Board Audit Committee

Richard Ebell - Chairman
Ranjit Page
Mangala Boyagoda
C Samarasinghe - Secretary

Board Credit Committee

Faizal Salieh - Chairman
Ranjit Page
Rajendra Theagarajah
Mangala Boyagoda
Ms Jayani Senanayake - Secretary

Board Strategic Planning Committee

Ranjit Page - Chairman
Rajendra Theagarajah
Prabhu Mathavan - Managing
Director/ CEO
Mangala Boyagoda - Senior Director
Faizal Salieh
Richard Ebell
Kamalini De Silva (Ms.) - Secretary



Cargills Bank Limited 696, Galle Road, Colombo 03, Sri Lanka.