

CARGILLS BANK LIMITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2015

Income Statement

	Familia	Bank	1	Fandle	Group	4 - 4
	31-Mar-15	quarter en 31-Mar-14	Change	31-Mar-15	quarter en 31-Mar-14	Change
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Interest income Interest expenses	96,840 (24,754)	106,518 (8,862)	(9) (179)	137,516 (40.428)	106,518 (8,862)	29 (356)
Net interest income	72,086	97,656	(26)	97,088	97,656	(1)
Fees and commission income Fees and commission expenses	8,951 (1,669)	-	-	9,575 (1,819)	-	-
Net fees and commission income	7,282	-	-	7,756	-	-
Net gains / (losses) from trading Net gains / (losses) from financial instruments at fair value through profit & loss	2,486	-	-	2,486 (163)	-	-
Net gains / (losses) from financial investments Other operating income	190 198	135	- 47	190 2.333	135	1.629
Total other income	2,874		2,030	4,846	135	3,492
Total operating income	82,242	97,791	(16)	109,690	97,791	12
Impairment for loans and other losses	(3,067)	(3,673)	16	(4,841)	(3,673)	(32)
Net operating income	79,175	94,118	(16)	104,849	94,118	11
Personnel expenses	(51,964)	(47,512)	(9)	(64,018)	(47,512)	(35)
Other operating expenses Total operating Expenses	(100,226) (152,190)	(65,037) (112,549)		(110,948) (174,966)	(65,037) (112,549)	(71) (55)
Operating profit/ (loss) before Value Added Tax (VAT) and Nation Building Tax (NBT)	(73,015)	(18,431)	(296)	(70,117)	(18,431)	(280)
VAT and NBT on financial services	-	(2,182)	100	(863)	(2,182)	60
Profit/ (loss) before tax Tax expenses	(73,015)	(20,613)	(254)	(70,980) 236	(20,613)	(244)
Profit/(loss) for the period	(73.015)	(20.613)	(254)	(70,744)	(20.613)	(243)
Attributable to: Equity holders of the bank				(71,277)	(20,613)	(246)
Non-controlling interest Profit/(loss) for the period				533 (70.744)	(20.613)	(243)
				(10.174)	\20.013/	(243)
Earnings/ (loss) per share Equity shareholders of the parent for the period:						
Earnings/ (loss) per share (Rs.)	(0.17)	(0.05)	(254)	(0.16)	(0.05)	(243)

Statement of Profit or Loss and Other Comprehensive Income

		Bank			Group			
	For the	For the quarter ended			For the quarter ended			
	31-Mar-15	31-Mar-15 31-Mar-14 Change 3			1-Mar-15 31-Mar-14 Chan			
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%		
Profit/ loss for the period	(73,015)	(20,613)	(254)	(70,744)	(20,613)	(243)		
Other comprehensive income, net of tax Items that will never be reclassified to profit & loss Net actuarial gains/ (losses) on defined benefit plans	-	-	-	223	_	-		
Items that are or may be reclassified to profit & loss Net gains / (losses) on re-measuring available for sale financial assets Treasury Bills	(506)	_	_	(506)	_	_		
Treasury Bonds	(15,664)		_	(15.664)		_		
,	(16,170)		-	(16,170)		_		
Deferred tax asset on available for sale reserve	_		-	-				
Other comprehensive income for the period, net of tax	(16,170)		-	(15,947)				
Total comprehensive income for the period, net of tax	(89,185)	(20,613)	(333)	(86,691)	(20,613)	(321)		
Attributable to:				(07.077)	(00.010)	(0.00)		
Equity holders of the bank				(87,277)		(323)		
Non-controlling interest				(96 601)		(321)		
Profit/(loss) for the period				(86.691)	(20.013)	(321		

Statement of Financial Position

	Bank		Gro	ир
	31-Mar-15 31-Dec-14		31-Mar-15	31-Dec-14
		(Audited)		(Audited)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Cash and cash equivalents	65,228	39,039		61,239
Balances with Central Bank	73,806	55,886	73,806	55,886
Placements with banks	2,457,049	1,718,737		1,718,737
Other financial instruments held for trading Loans and receivables to banks	-	503.425	2,075 6.000	4,199 511.425
Loans and receivables to other customers	2,786,304	2,230,418		3,085,835
Financial investments available for sale	900,218	1,034,026	900,564	1,034,372
Financial investments held to maturity	-	-	40,565	25,415
Investment in subsidiary	459.200	459.200		,
Property, plant & equipment	240,659	252,354		309,492
Intangible assets	212,956	223,246	424,233	434,844
Deferred tax assets	116,195	116,195	116,195	116,195
Other assets	135,150	118,757		145,393
Total assets	7,446,765	6./51.283	8,231,714	7.503.032
Liabilities and equity				
Due to banks	133,611	279.242	133,611	279.242
Due to other customers	2.201.314	1.265.615		1.919.132
Other borrowings	520,017	551,083		551,083
Deferred tax liabilities	-	-	4,119	5,028
Other liabilities	133,172	107,507	157,651	127,293
Total liabilities	2,988,114	2,203,447	3,697,151	2,881,778
F ''				
Equity	4 000 050	4 000 000	4 000 050	4 000 050
Stated capital Statutory reserves	4,968,850	4,968,850	4,968,850	4,968,850
Available-for-sale reserve	(16,672)	(502)	(16,672)	(502)
Accumulated loss	(493.527)	(420.512)		(424,691)
Total equity attributable to equity holders of the bank	4,458,651		4,456,381	4.543.657
Non controlling interest	-,,		78.182	77,597
Total equity	4,458,651	4,547,836	4,534,563	4,621,254
Total liabilities and equity	7,446,765	6,751,283	8,231,714	7.503.032
Contingent liabilities & commitments	2 007 240	2 624 622	2 007 240	2 624 622
contingent naminies & continuitingnes	3,037,249	2.634.623	3.037.249	2.034.023
Net assets value per ordinary share (Rs.)	10.13	10.34	10.13	10.33
Memorandum information:				
No. of employees	142	141	186	188
No. of branches	3	3	5	5

Certification:

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

(sgd.) V S Premawardana Manager - Finance

We, the undersigned, being the Deputy Managing Director and the Managing Director of Cargills Bank Limited, certify

- (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.

(sgd.) P S Mathava

11 May 2015

Colombo

P S Mathavan Deputy Managing Director / Chief Financial Officer

(sgd.)
Prem Kumar
Managing Direc

nief Financial Officer Managing Director / Chief Executive Officer

Statemen	t of	Changes	in	Cauity
Statemen	I OT	Changes	m	Eamity

			Ва	nk				Grou			
		Stated capital	Available-for- sale reserve	Accumulated Loss	Total	Stated capital	Available-for- sale reserve	Accumulated loss	Attributable to owners of the company	Non controlling interest	Total
1		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
) }	Balance as at 01.01.2014-Audited	4,968,850	-	(301,460)	4,667,390	4,968,850	-	(301,460)	4,667,390	-	4,667,390
Ί	Total comprehensive income for the three months										
-	ended 31.03.2014 Loss for the period	_	_	(20.613)	(20.613)	_	_	(20,613)	(20.613)	_	(20.613)
-	Total comprehensive income for the period	-	-	(20,613)	(20,613)	-	-	(20,613)	(20,613)	-	(20,613)
_	Balance as at 31.03.2014	4,968,850	_	(322,073)	4,646,777	4,968,850		(322,073)	4,646,777	_	4,646,777
-	Total comprehensive income for the period										
9	01.04.2014 to 31.12.2014			(00.400)	(00.400)			(00.000)	(00,000)	1.070	(00 507)
2	Loss for the period Other comprehensive income/ (loss) net of tax	-	(502)	(98,439)	(98,439) (502)	-	(502)	(93,969)	(93,969) (502)	1,372	(92,597) (502)
2	Total comprehensive income for the period	-	(502)	(98,439)	(98,941)	-	(502)	(93,969)	(94,471)	1,372	(93,099)
	Transactions with owners of the bank										
	Contributions and distributions									00 217	00 217
l	Non-controlling interest on acquisition Acquisition of non controlling interest	-	-	-	-	-	-	-	-	86,317 (10,092)	86,317 (10.092)
)	Goodwill on change in shareholding		_		-			(8,649)	(8,649)		(17,298)
)	Total Contributions and distributions		-		-			(8,649)	(8,649)	76,225	(67,576)
	Balance as at 01.01.2015-Audited	4,968,850	(502)	(420,512)	4,547,836	4,968,850	(502)	(424,691)	4,543,657	77,597	4,621,254
)	Total comprehensive income for the three months										
	ended 31.03.2015			(70.015)	(70 01F)			(71.077)	(71.077)	F22	(70.744)
)	Loss for the period Other comprehensive income/ (loss) net of tax	-	(16.170)	(73,015)	(73,015) (16.170)	-	(16.170)	(71,277) 170	(71,277) (16.000)	533 53	(70,744) (15,947)
_	Total comprehensive income for the period	-	(16,170)	(73,015)	(89,185)	-	(16,170)	(71,107)	(87,277)	586	(86,691)
)	Balance as at 31.03.2015	4,968,850	(16,672)	(493,527)	4,458,651	4,968,850	(16,672)	(495,797)	4,456,381	78,182	4,534,563

Classification of Financial Assets and Financial Liabilities

3)			Ba	nk				Gro	up		
		Loans and Receivables	Available for Sale	Other Amortized Cost	Total	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Other Amortized Cost	Total
3)		Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(e 3)	As at 31 March 2015 Financial Assets Cash and cash equivalents Balance with Central Bank Placements with banks Other financial instruments held for trading Loans & receivables to banks Loans & receivables to other customers Financial investments available for sale Financial investments held to maturity	65,228 73,806 2,457,049 - 2,786,304	900,218	- - - - - - -	65,228 73,806 2,457,049 - 2,786,304 900,218	2,075	- - - - - 900,564	79,972 73,806 2,457,049 - 6,000 3,669,498	- - - - - - 40.565	- - - - - -	79,972 73,806 2,457,049 2,075 6,000 3,669,498 900,564 40,565
	Total financial assets	5,382,387	900.218		6,282,605	2.075	900 564	6,286,325	40,565		7,229,529
	Financial Liabilities Due to banks Due to other customers Other borrowings Total financial liabilities	- - - -	- - -	133,611 2,201,314 520,017 2,854,942	133,611 2,201,314 520,017 2,854,942	- - - -	- - - -	- - -	- - - -	133,611 2,881,753 520,017 3,535,381	133,611 2,881,753 520,017 3,535,381
1) 3) 1)	As at 31 December 2014-Audited Financial Assets Cash and cash equivalents Balance with Central Bank Placements with banks Other financial instruments held for trading Loans & receivables to banks Loans & receivables to other customers Financial investments available for sale Financial investments held to maturity Total financial assets	39,039 55,886 1,718,737 503,425 2,230,418 - - 4,547,505	1,034,026	- - - - - - -	39,039 55,886 1,718,737 503,425 2,230,418 1,034,026	4,199 - - - - - - - - - - - - - -	25,415	61,239 55,886 1,718,737 511,425 3,085,835	1,034,372 1,034,372	- - - - - - -	61,239 55,886 1,718,737 4,199 511,425 3,085,835 1,034,372 25,415 6,497,108
	Financial Liabilities Due to banks Due to other customers Other borrowings	- - -	- - -	279,242 1,265,615 551,083	279,242 1,265,615 551,083	- - -	- - -	- - -	- - -	279,242 1,919,132 551,083	279,242 1,919,132 551,083

Statement of Cash Flows

	Ba	Bank		up
	For the qua	For the quarter ended		rter ended
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Profit/ loss before tax	(73,015)	(20,613)	(70,980)	(20,613
Adjustments for:				
Non-cash items included in profit/loss before tax	34,910	25,285	38,425	25,28
Change in operating assets	(710,524)	(83,887)	(738,685)	(83,887
Change in operating liabilities	815,733	(5,919)	847,571	(5,919
Income tax reversal	-	-	(673)	
Profit on disposal of Property Plant & Equipment	-	-	22	
Provision for defined benefit plan	(1,253)	(1,789)	(2,214)	(1,789
Tax paid	-	-	-	
Net cash from/ (used in) operating activities	65,851	(86,923)	73,466	(86,923
Cash flows from investing activities				
Proceeds from sale of investment securities	-	-	(15,150)	
Net purchase of property, plant and equipment	(8,596)	(12,361)	(8,617)	(12,361
Proceeds from sale of property, plant and equipment	-	-	100	
Net purchase of intangible assets	-	(14,567)		(14,567
Net cash from/ (used in) investing activities	(8,596)	(26,928)	(23,667)	(26,928
Cash flows from financing activities	(21.000)	(070 000)	(21.000)	(070 CC0
Net proceeds from borrowings	(31,066)	(972,669)		(972,669
Net cash from/ (used in) financing activities	(31,066)	(972,669)	(31,066)	(972,669
Net increase (decrease) in cash and cash equivalents	26.189	(1,086,520)	18,733	(1,086,520
Cash and cash equivalents at the beginning of the period	39,039		61,239	
Cash and cash equivalents at the end of the period	65,228		79,972	4,059,82

Selected Performance Indicators

Domestic Banking Unit

	Ва	Bank		ир
As at	31-Mar- 2015	31-Dec- 2014 (Audited)	31-Mar- 2015	31-Dec- 2014 (Audited)
Regulatory Capital Adequacy Core Capital (Tier 1 Capital), Rs. '000 Total Capital Base, Rs. '000 Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement, 5%)	3,684,413 73.00%		3,944,194 61.30%	70.09%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement,10%)	68.96%	77.83%	61.67%	70.44%
Assets Quality (Quality of Loan Portfolio) Gross non-Performing Advances Ratio,% (net of interest in suspense)	0.0%	0.00%	4.05%	4.88%
Net non-Performing Advances Ratio,% (net of interest in suspense and provision)	0.0%	0.00%	3.73%	2.90%
Profitability Interest Margin,% Return on Assets (before Tax),% Return on Equity,%	4.06% (4.11%) (6.49%)		4.94% (3.61%) (6.29%)	5.24% (3.47%) (2.44%)
Regulatory Liquidity Statutory Liquid Assets, Rs. '000 Statutory Liquid Assets Ratio, % (Minimum requirement 20%)	1,850,028	2,880,871	1,960,354	2,971,596

Additional Disclosures as at 31 03 201

Additional Disclosures as at 31.03.2015								
	Bank	Group						
	31-Mar-2015							
	Rs. '000	Rs. '000						
1) Loans and receivables to other customers								
Gross loans and receivables	2,800,480	3,755,137						
(Less): Individual impairment	63	61,517						
(Less): Collective impairment	14,113							
	2,786,304							
Net loans and receivables	2,786,304	3,669,498						
2) Loans and receivables to other customers - By product								
By product - Domestic Currency								
Overdrafts	1,793,533	1,688,542						
Trade finance	640,944							
Lease rentals receivable	-	253,910						
Hire purchase	-	254,269						
Housing loans	26,089	26,089						
Personal loans	16,555	16,555						
Term loans	247,483	247,483						
Money market loans	75,876	75,876						
Margin trading	-	135,114						
Securities purchased under resale agreements	-	51,374						
Others	-	364,981						
Sub total	2,800,480	3,755,137						
3) Due to other customers - By product								
By product - Domestic Currency								
Current account deposits	127,783	127,783						
Savings deposits	101,884	101,884						
Time deposits	1,705,845	2,386,284						
Certificate of deposits	223,728	223,728						
Margin deposits	6,942	6,942						
Sub total	2,166,182	2,846,621						
By product - Foreign Currency								
Current account deposits	8,262	8,262						
Savings deposits	16,485	16,485						
Time deposits	10,385	10,385						
Sub total	35,132	35,132						
Total deposits	2,201,314	2,881,753						
เบเสเ นธุมบอเเอ	2,201,314	2,001,733						

Total deposits Explanatory Notes

- 1). These interim financial statements of the bank have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKAS). There were no significant changes to the accounting policies and methods of computation since the last audited financial statements for the year 2014. Further, these interim financial statements have been prepared in compliance with the requirement of Sri Lanka Accounting Standard LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
- 2). The total temporary differences arising from tax losses and tax credits amounted to Rs. 1,050 Mn. resulting in a deferred tax asset of Rs. 295 Mn. as at 31 March 2015. 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. 149 Mn. The unrecognized deferred tax asset as at 31 March 2015 was Rs 146 Mn.
- 3). There were no material events that took place since 31 March 2015, that require disclosure in these Interim Financial Statements.
- 4). All known expenses have been provided for in these Interim Financial Statements.5). There were no pending litigation of a material nature against the bank.
- 108.30% 237.10% 82.07% 154.59% 5). There were no pending litigation of a material nature against the bank.