



Cargills Bank Limited | Interim Financial Statement 2016

For The Six Months Ended 30 June 2016

INCOME STATEMENT

	Bank					
	For the six months ended			For the quarter ended		
	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %
Interest income	563,622	213,305	164	322,358	116,466	177
Interest expenses	(226,356)	(73,058)	(210)	(128,981)	(48,304)	(167)
Net interest income	337,266	140,247	140	193,377	68,162	184
Fees and commission income	38,943	17,774	119	24,941	8,823	183
Fees and commission expenses	(10,439)	(3,857)	(171)	(5,825)	(2,188)	(166)
Net fees and commission income	28,504	13,917	105	19,116	6,635	188
Net gains / (losses) from trading	(1,981)	29	(6,931)	(2,619)	27	(9,800)
Net gains / (losses) from financial instruments at fair value through profit & loss	-	-	-	-	-	-
Net gains / (losses) from financial investments	2,905	1,646	76	1,742	1,455	20
Other income	18,396	7,083	160	4,016	4,399	(9)
Total other income	19,320	8,758	121	3,139	5,881	(47)
Total operating income	385,090	162,922	136	215,632	80,678	167
Impairment for loans and other losses						
Individual impairment	(1,173)	(7,691)	85	(596)	(7,628)	92
Collective impairment	(16,409)	(7,677)	(114)	(7,361)	(4,673)	(58)
Others	-	-	-	-	-	-
Total impairment for loans and other losses	(17,582)	(15,368)	(14)	(7,957)	(12,301)	35
Net operating income	367,508	147,554	149	207,675	68,377	204
Personnel expenses	(207,838)	(112,061)	(85)	(98,673)	(60,097)	(64)
Depreciation and amortisation	(73,659)	(61,744)	(19)	(36,979)	(31,154)	(19)
Other operating expenses	(203,298)	(139,638)	(46)	(101,717)	(70,005)	(45)
Total operating Expenses	(484,795)	(313,443)	(55)	(237,369)	(161,256)	(47)
Operating profit/ (loss) before Value Added Tax (VAT) and Nation Building Tax (NBT)	(117,287)	(165,889)	29	(29,694)	(92,879)	68
VAT and NBT on financial services	(8,776)	-	-	(7,211)	-	-
Profit/ (loss) before tax	(126,063)	(165,889)	24	(36,905)	(92,879)	60
Tax expenses	-	-	-	-	-	-
Profit/(loss) for the period	(126,063)	(165,889)	24	(36,905)	(92,879)	60
Earnings/ (loss) per share Equity shareholders of the parent for the period:						
Earnings/ (loss) per share (Rs.)	(0.24)	(0.38)	37	(0.06)	(0.21)	70

Income Statement Contd.

	Group					
	For the six months ended			For the quarter ended		
	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %
Interest income	640,928	292,525	119	359,050	155,010	132
Interest expenses	(255,510)	(104,195)	(145)	(141,970)	(63,767)	(123)
Net interest income	385,418	188,330	105	217,080	91,243	138
Fees and commission income	38,882	19,146	103	25,323	9,571	165
Fees and commission expenses	(10,586)	(4,110)	(158)	(5,974)	(2,304)	(159)
Net fees and commission income	28,296	15,036	88	19,349	7,267	166
Net gains / (losses) from trading	(1,981)	29	(6,931)	(2,619)	27	(9,800)
Net gains / (losses) from financial instruments at fair value through profit & loss	(258)	(38)	(579)	133	125	6
Net gains / (losses) from financial investments	2,905	1,646	76	1,742	1,455	20
Other income	23,395	12,460	88	6,015	7,641	(21)
Total other income	24,061	14,097	71	5,271	9,248	(43)
Total operating income	437,775	217,463	101	241,700	107,758	124
Impairment for loans and other losses						
Individual impairment	(13,586)	(12,850)	(6)	(60,958)	(11,601)	(425)
Collective impairment	(9,103)	(14,033)	35	47,923	(5,208)	1,020
Others	-	-	-	-	-	-
Total impairment for loans and other losses	(22,689)	(26,883)	16	(13,035)	(16,809)	22
Net operating income	415,086	190,580	118	228,665	90,949	151
Personnel expenses	(226,961)	(132,841)	(71)	(108,686)	(68,925)	(58)
Depreciation and amortisation	(77,445)	(63,518)	(22)	(39,611)	(32,149)	(23)
Other operating expenses	(224,944)	(158,509)	(42)	(112,314)	(77,493)	(45)
Total operating Expenses	(529,350)	(354,868)	(49)	(260,611)	(178,567)	(46)
Operating profit/ (loss) before Value Added Tax (VAT) and Nation Building Tax (NBT)	(114,264)	(164,288)	30	(31,946)	(87,618)	64
VAT and NBT on financial services	(11,107)	(1,784)	(523)	(8,612)	(792)	(987)
Profit/ (loss) before tax	(125,371)	(166,072)	25	(40,558)	(88,410)	54
Tax expenses	2,320	7,499	(69)	2,320	-	-
Profit/(loss) for the period	(123,051)	(158,573)	22	(38,238)	(88,410)	57
Attributable to:						
Equity holders of the bank	(123,643)	(160,292)	23	(37,976)	(89,460)	58
Non-controlling interest	592	1,719	(66)	(262)	1,050	(125)
Profit/(loss) for the period	(123,051)	(158,573)	22	(38,238)	(88,410)	57
Earnings/ (loss) per share Equity shareholders of the parent for the period:						
Earnings/ (loss) per share (Rs.)	(0.23)	(0.36)	23	(0.07)	(0.20)	58

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Bank					
	For the six months ended			For the quarter ended		
	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %
Profit/ loss for the period	(126,063)	(165,889)	24	(36,905)	(92,879)	60
Other comprehensive income, net of tax						
Items that will never be reclassified to profit & loss						
Actuarial gains/(losses) on defined benefit obligation	-	-	-	-	-	-
Deferred tax on actuarial gain	-	-	-	-	-	-
	-	-	-	-	-	-
Items that are or may be reclassified to profit & loss						
Net gains / (losses) on re-measuring available for sale financial assets						
Sri Lanka government securities	(20,429)	(5,511)	(271)	18,763	10,658	76
Deferred tax charge/ (reverse) on available for sale reserve	5,720	1,543	271	(5,254)	1,543	(441)
	(14,709)	(3,968)	(271)	13,509	12,201	11
Other comprehensive income for the period, net of tax	(14,709)	(3,968)	(271)	13,509	12,201	11
Total comprehensive income for the period, net of tax	(140,772)	(169,857)	17	(23,396)	(80,678)	71

Statement of Profit or Loss and Other Comprehensive Income Contd.

	Group					
	For the six months ended			For the quarter ended		
	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %	30-Jun-16 Rs. '000	30-Jun-15 Rs. '000	Change %
Profit/ loss for the period	(123,051)	(158,573)	22	(38,238)	(88,410)	57
Other comprehensive income, net of tax						
Items that will never be reclassified to profit & loss						
Actuarial gains/(losses) on defined benefit obligation	846	121	599	846	-	-
Deferred tax on actuarial gain	(237)	(34)	(597)	(237)	-	-
	609	87	600	609	-	-
Items that are or may be reclassified to profit & loss						
Net gains / (losses) on re-measuring available for sale financial assets						
Sri Lanka government securities	(20,429)	(5,511)	(271)	18,763	10,658	76
Deferred tax charge/ (reverse) on available for sale reserve	5,720	1,543	271	(5,254)	1,543	(441)
	(14,709)	(3,968)	(271)	13,509	12,201	11
Other comprehensive income for the period, net of tax	(14,100)	(3,881)	(263)	14,118	12,201	16
Total comprehensive income for the period, net of tax	(137,151)	(162,454)	16	(24,120)	(76,209)	68
Attributable to:						
Equity holders of the bank	(137,863)	(164,193)	16	(23,978)	(77,259)	69
Non-controlling interest	712	1,739	(59)	(142)	1,050	(114)
Profit/(loss) for the period	(137,151)	(162,454)	16	(24,120)	(76,209)	68

STATEMENT OF FINANCIAL POSITION

As at	Bank		Group	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
	Rs. '000	(Audited) Rs. '000	Rs. '000	(Audited) Rs. '000
Assets				
Cash and cash equivalents	190,112	174,129	204,555	196,157
Balances with Central Bank	366,006	139,342	366,006	139,342
Placements with banks	2,837,347	2,018,773	2,837,347	2,018,773
Other financial instruments held for trading	-	-	1,333	2,300
Loans and receivables to banks	900,000	1,000,172	922,000	1,022,172
Loans and receivables to other customers	10,162,937	7,206,375	10,812,019	8,084,912
Financial investments available for sale	2,437,771	1,604,080	2,438,117	1,604,426
Financial investments held to maturity	-	-	40,755	40,036
Investment in subsidiary	574,917	459,200	-	-
Property, plant & equipment	229,810	242,350	280,687	296,324
Intangible assets	197,596	209,692	409,065	420,760
Deferred tax assets	126,535	120,815	134,518	124,834
Other assets	153,393	273,463	179,957	303,248
Total assets	18,176,424	13,448,391	18,626,359	14,253,284
Liabilities and equity				
Due to banks	19,894	5,347	66,431	6,507
Due to other customers	6,855,307	3,870,200	7,170,158	4,587,188
Other borrowings	519,343	1,993,383	519,343	1,993,383
Deferred tax liabilities	-	-	-	-
Other liabilities	277,336	2,736,216	288,668	2,748,955
Total liabilities	7,671,880	8,605,146	8,044,600	9,336,033

Statement of Financial Position Contd.

As at	Bank		Group	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Equity				
Stated capital	11,394,421	5,592,350	11,394,421	5,592,350
Statutory reserves	-	-	415	335
Available-for-sale reserve	(26,111)	(11,402)	(26,111)	(11,402)
Other reserves	-	-	-	-
Accumulated loss	(863,766)	(737,703)	(875,408)	(741,767)
Total equity attributable to equity holders of the bank	10,504,544	4,843,245	10,493,317	4,839,516
Non controlling interest	-	-	88,442	77,735
Total equity	10,504,544	4,843,245	10,581,759	4,917,251
Total liabilities and equity	18,176,424	13,448,391	18,626,359	14,253,284
Contingent liabilities & commitments	8,847,243	5,807,041	8,847,243	5,807,041

Net assets value per ordinary share (Rs.)	11.89	10.03	11.88	10.02
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Memorandum information:

No. of employees	306	266	349	311
No. of branches	11	11	13	13

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

29-Jul-2016

Colombo

STATEMENT OF CHANGES IN EQUITY

	Bank			Total
	Stated capital	Available -for-sale reserve	Accumulated loss	
	Rs. '000	Rs. '000	Rs. '000	
Balance as at 01.01.2015-Audited	4,968,850	(502)	(420,515)	4,547,833
Total comprehensive income for the six months ended 30.06.2015				
Loss for the period	-	-	(165,889)	(165,889)
Other comprehensive income/ (loss) net of tax	-	(3,968)	-	(3,968)
Total comprehensive income for the period	-	(3,968)	(165,889)	(169,857)
Balance as at 30.06.2015	4,968,850	(4,470)	(586,404)	4,377,976
Total comprehensive income for the period 01.07.2015 to 31.12.2015				
Loss for the period	-	-	(150,319)	(150,319)
Other comprehensive income/ (loss) net of tax	-	(6,932)	(980)	(7,912)
Total comprehensive income for the period	-	(6,932)	(151,299)	(158,231)
Transactions with owners of the bank				
Contributions and distributions				
Issue of share capital	623,500	-	-	623,500
Total Contributions and distributions	623,500	-	-	623,500
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 share capital	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

Statement of Changes in Equity Contd.

	Group						
	Stated capital	Statutory reserves	Available -for-sale reserve	Accumulated loss	Attributable to owners of the bank	Non controlling interest	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.01.2015-Audited	4,968,850	-	(502)	(424,694)	4,543,654	77,597	4,621,251
Total comprehensive income for the six months ended 30.06.2015							
Profit for the period	-	-	-	(160,292)	(160,292)	1,719	(158,573)
Other comprehensive income/ (loss) net of tax	-	-	(3,968)	67	(3,901)	20	(3,881)
Total comprehensive income for the period	-	-	(3,968)	(160,225)	(164,193)	1,739	(162,454)
Balance as at 30.06.2015	4,968,850	-	(4,470)	(584,919)	4,379,461	79,336	4,458,797
Total comprehensive income for the period 01.07.2015 to 31.12.2015							
Loss for the period	-	-	-	(155,533)	(155,533)	(1,601)	(157,134)
Other comprehensive income/ (loss) net of tax	-	-	(6,932)	(980)	(7,912)	-	(7,912)
Total comprehensive income for the period	-	-	(6,932)	(156,513)	(163,445)	(1,601)	(165,046)
Transactions with owners of the bank							
Contributions and distributions							
Issue of share capital	623,500	-	-	-	623,500	-	623,500
Transfer to statutory reserve	-	335	-	(335)	-	-	-
Total Contributions and distributions	623,500	335	-	(335)	623,500	-	623,500
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 six months ended 30.06.2016							
Profit 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 share capital	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

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-16	30-Jun-15	30-Jun-16	30-Jun-15
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Profit/ loss before tax	(126,063)	(165,889)	(36,905)	(92,879)
Adjustments for:				
Non-cash items included in profit/ loss before tax	96,121	79,049	47,435	44,588
Change in operating assets	(4,653,259)	(2,484,788)	(3,848,464)	(1,774,261)
Change in operating liabilities	535,894	1,168,199	(1,953,876)	353,271
Dividend income	(100)	(180)	(100)	(180)
Net cash from/ (used in) operating activities	(4,147,407)	(1,403,609)	(5,791,910)	(1,469,461)
Cash flows from investing activities				
Net purchase of property, plant and equipment	(36,427)	(10,388)	(10,073)	(1,792)
Net cash flow from acquisition of investment in subsidiary	(115,717)	-	-	-
Net purchase of intangible assets	(12,597)	(5,980)	(5,022)	(5,980)
Dividend received	100	180	100	180
Net cash from/ (used in) investing activities	(164,641)	(16,189)	(14,995)	(7,592)
Cash flows from financing activities				
Proceeds from issue of shares	5,802,071	-	5,802,071	-
Net proceeds from borrowings	(1,474,040)	1,441,546	35,189	1,472,612
Net cash from/ (used in) financing activities	4,328,031	1,441,546	5,837,260	1,472,612
Net increase (decrease) in cash and cash equivalents	15,983	21,748	30,355	(4,441)
Cash and cash equivalents at the beginning of the period	174,129	39,039	159,757	65,228
Cash and cash equivalents at the end of the period	190,112	60,787	190,112	60,787

Statement of Cash Flows Contd.

	Group			
	For the six months ended		For the quarter ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities				
Profit/ loss before tax	(125,371)	(166,072)	(40,558)	(88,410)
Adjustments for:				
Non-cash items included in profit/ loss before tax	105,663	93,406	55,552	50,300
Change in operating assets	(4,426,607)	(2,507,591)	(3,598,996)	(1,768,902)
Change in operating liabilities	177,926	1,183,861	(2,211,314)	336,622
Income tax reversal	-	(550)	-	-
Gains/ (losses) on sale of property, plant & equipment	(13)	22	(13)	-
Dividend income	(103)	(234)	(103)	(234)
Net cash from/ (used in) operating activities	(4,268,505)	(1,397,158)	(5,795,432)	(1,470,624)
Cash flows from investing activities				
Proceeds from sale of investment securities	(719)	(15,668)	(618)	(518)
Net purchase of property, plant and equipment	(36,306)	(7,653)	(9,673)	(1,911)
Net purchase of intangible assets	(13,794)	(8,203)	(6,220)	(5,428)
Dividend received	103	234	103	234
Net cash from/ (used in) investing activities	(50,716)	(31,290)	(16,408)	(7,623)
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	(1,474,040)	1,441,546	35,189	1,472,612
Net cash from/ (used in) financing activities	4,327,619	1,441,546	5,837,131	1,472,612
Net increase (decrease) in cash and cash equivalents	8,398	13,098	25,291	(5,635)
Cash and cash equivalents at the beginning of the period	196,157	61,239	179,264	79,972
Cash and cash equivalents at the end of the period	204,555	74,337	204,555	74,337

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Bank			Total
	Loans and receivables	Available for sale	Other amortized cost	
	Rs. '000	Rs. '000	Rs. '000	
As at 30.06.2016				
Financial assets				
Cash and cash equivalents	190,112	-	-	190,112
Balance with Central Bank	366,006	-	-	366,006
Placements with banks	2,837,347	-	-	2,837,347
Loans and receivables to banks	900,000	-	-	900,000
Loans and receivables to other customers	10,162,937	-	-	10,162,937
Financial investments available for sale	-	2,437,771	-	2,437,771
Total financial assets	14,456,402	2,437,771	-	16,894,173
Financial liabilities				
Due to banks	-	-	19,894	19,894
Due to other customers	-	-	6,855,307	6,855,307
Other borrowings	-	-	519,343	519,343
Total financial liabilities	-	-	7,394,544	7,394,544
As at 31.12.2015--Audited				
Financial assets				
Cash and cash equivalents	174,129	-	-	174,129
Balance with Central Bank	139,342	-	-	139,342
Placements with banks	2,018,773	-	-	2,018,773
Loans and receivables to banks	1,000,172	-	-	1,000,172
Loans and receivables to other customers	7,206,375	-	-	7,206,375
Financial investments available for sale	-	1,604,080	-	1,604,080
Total financial assets	10,538,791	1,604,080	-	12,142,871
Financial liabilities				
Due to banks	-	-	5,347	5,347
Due to other customers	-	-	3,870,200	3,870,200
Other borrowings	-	-	1,993,383	1,993,383
Total financial liabilities	-	-	5,868,930	5,868,930

Classification of Financial Assets and Financial Liabilities Contd.

	Group					Total
	Held for trading	Held to maturity	Loans and receivables	Available for sale	Other amortized cost	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
As at 30.06.2016						
Financial assets						
Cash and cash equivalents	-	-	204,555	-	-	204,555
Balance with Central Bank	-	-	366,006	-	-	366,006
Placements with banks	-	-	2,837,347	-	-	2,837,347
Other financial instruments held for trading	1,333	-	-	-	-	1,333
Loans and receivables to banks	-	-	922,000	-	-	922,000
Loans and receivables to other customers	-	-	10,812,019	-	-	10,812,019
Financial investments available for sale	-	-	-	2,438,117	-	2,438,117
Financial investments held to maturity	-	40,755	-	-	-	40,755
Total financial assets	1,333	40,755	15,141,927	2,438,117	-	17,622,132
Financial liabilities						
Due to banks	-	-	-	-	66,431	66,431
Due to other customers	-	-	-	-	7,170,158	7,170,158
Other borrowings	-	-	-	-	519,343	519,343
Total financial liabilities	-	-	-	-	7,755,932	7,755,932
As at 31.12.2015-Audited						
Financial assets						
Cash and cash equivalents	-	-	196,157	-	-	196,157
Balance with Central Bank	-	-	139,342	-	-	139,342
Placements with banks	-	-	2,018,773	-	-	2,018,773
Other financial instruments held for trading	2,300	-	-	-	-	2,300
Loans and receivables to banks	-	-	1,022,172	-	-	1,022,172
Loans and receivables to other customers	-	-	8,084,912	-	-	8,084,912
Financial investments available for sale	-	-	-	1,604,426	-	1,604,426
Financial investments held to maturity	-	40,036	-	-	-	40,036
Total financial assets	2,300	40,036	11,461,356	1,604,426	-	13,108,118
Financial liabilities						
Due to banks	-	-	-	-	6,507	6,507
Due to other customers	-	-	-	-	4,587,188	4,587,188
Other borrowings	-	-	-	-	1,993,383	1,993,383
Total financial liabilities	-	-	-	-	6,587,078	6,587,078

SELECTED PERFORMANCE INDICATORS

As at	Bank		Group	
	30-Jun -2016	31-Dec -2015	30-Jun -2016	31-Dec -2015
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	10,504,544	4,843,245	10,581,759	4,917,724
Total Capital Base, Rs. '000	9,644,516	4,076,156	10,083,609	4,408,466
Core Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement,5%)	76.15%	47.62%	72.68%	43.36%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets (Minimum requirement,10%)	74.24%	45.32%	73.01%	43.72%
Assets Quality (Quality of Loan Portfolio)				
Gross non-Performing Advances Ratio.% (net of interest in suspense)	0.60%	1.31%	1.39%	2.40%
Net non-Performing Advances Ratio.% (net of interest in suspense and provision)	0.52%	1.19%	0.54%	1.28%
Profitability				
Interest Margin.%	5.40%	3.22%	5.77%	3.83%
Return on Assets (before Tax).%	(1.74%)	(3.13%)	(1.66%)	(2.98%)
Return on Equity.%	(4.57%)	(5.01%)	(4.47%)	(6.67%)
Regulatory Liquidity				
Statutory Liquid Assets, Rs. '000	5,018,369	3,426,372	5,106,988	3,539,051
Statutory Liquid Assets Ratio, % (Minimum requirement,20%)	53.39%	93.27%	51.10%	80.61%

Explanatory Notes

- 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 2015. 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.
- The total temporary differences arising from tax losses and tax credits amounted to Rs. 1,462 Mn, resulting in a deferred tax asset of Rs. 409 Mn, as at 30 June 2016. 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. 167 Mn. The unrecognized deferred tax asset as at 30 June 2016 was Rs 242 Mn.
- All known expenses have been provided for in these Interim Financial Statements.
- There were no pending litigation of a material nature against the bank.
- During six months ended 30 June 2016, 400.14 Mn shares were allocated raising a capital of Rs. 5.8 Bn.
- No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements except for the following:

Repurchase agreement with Entrust Securities PLC (ES)

The Bank had entered into repo borrowing transactions with ES. The carrying value of borrowings amounted to Rs. 294.42 mn at 30 June 2016, and the market value of securities pledged to ES as collateral was Rs. 334.65 Mn at that date. ES failed to return the securities when the borrowings matured in 2016. These borrowings have been rolled forward at the request of National Savings Bank who have been appointed by CBSL to manage ES.

No provision has been made in the financial statements in respect of the potential exposure of Rs 40.23 Mn as at quarter-end, due to insufficient clarity on the status of ES- specifically on CBSL actions to address issues with ES.

ADDITIONAL DISCLOSURES

As at	Bank		Group	
	30-Jun	31-Dec	30-Jun	31-Dec
	- 2016	- 2015	- 2016	- 2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
1) Loans and receivables to other customers				
Gross loans and receivables	10,212,326	7,238,202	10,961,626	8,211,851
(Less): Individual impairment	10,368	9,209	104,174	90,603
(Less): Collective impairment	39,021	22,618	45,433	36,336
Net loans and receivables	10,162,937	7,206,375	10,812,019	8,084,912
2) Loans and receivables to other customers - By product-				
By product - Domestic Currency				
Loans and advances				
Overdrafts	2,595,917	1,989,501	2,578,932	1,862,917
Trade finance	1,290,185	1,375,161	1,290,185	1,375,161
Lease rentals receivable	-	-	314,316	320,841
Hire purchase	-	-	131,714	167,999
Staff Loans	82,401	30,415	82,401	30,415
Housing loans	208,090	117,570	208,090	117,570
Personal loans	920,073	509,530	920,073	509,530
Term loans	1,838,429	761,794	1,838,429	761,794
Agriculture loans	110,844	-	110,844	-
Vehicle loans	28,366	7,320	28,366	7,320
Money market loans	2,100,701	1,593,766	2,290,148	1,740,695
Bills receivable	4,317	3,766	81,422	72,953
Margin trading	-	-	104,745	194,141
Securities purchased under resale agreements	501,580	668,409	514,906	698,917
Others	-	-	195,632	170,628
Sub total	9,680,903	7,057,232	10,690,203	8,030,881
Others				
Investments	260,000	-	-	-
Sub total	260,000	-	-	-
Gross loans and receivables	9,940,903	7,057,232	10,690,203	8,030,881
By product - Foreign Currency				
Trade finance	271,345	180,970	271,345	180,970
Money market loans	78	-	78	-
Sub total	271,423	180,970	271,423	180,970
Total Gross Loans & Advances	10,212,326	7,238,202	10,961,626	8,211,851

As at	Bank		Group	
	30-Jun	31-Dec	30-Jun	31-Dec
	- 2016	- 2015	- 2016	- 2015
	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	9,209	-	90,603	59,998
Charge/(Write back) to income statement	1,159	9,209	13,571	25,740
Net write-off (recoveries) during the period	-	-	-	4,865
Closing balance	10,368	9,209	104,174	90,603
Movement in allowance for collective impairment				
Opening balance	22,618	11,110	36,336	20,802
Charge/(Write back) to income statement	16,409	11,476	9,103	19,079
Exchange rate variance on foreign currency provisions	(6)	32	(6)	32
Other movements	-	-	-	(3,577)
Closing balance	39,021	22,618	45,433	36,336
Total impairment	49,389	31,827	149,607	126,939
4) Due to other customers - By product				
By product - Domestic Currency				
Current account deposits	603,271	319,009	603,271	319,009
Savings deposits	638,201	448,629	638,201	448,629
Time deposits	4,176,263	2,394,122	4,491,114	3,111,110
Certificate of deposits	605,199	380,108	605,199	380,108
Margin deposits	17,218	13,933	17,218	13,933
Sub total	6,040,152	3,555,801	6,355,003	4,272,789
By product - Foreign Currency				
Current account deposits	23,389	5,488	23,389	5,488
Savings deposits	350,221	26,016	350,221	26,016
Time deposits	441,545	282,895	441,545	282,895
Sub total	815,155	314,399	815,155	314,399
Total deposits	6,855,307	3,870,200	7,170,158	4,587,188

SHAREHOLDERS' INFORMATION

Twenty three largest shareholders as at 30 June 2016

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	Sofflogic 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	Sofflogic Finance PLC	7,400,000	0.84
16	GF Capital Global Limited	6,100,000	0.69
17	Periyasampillai Barathakumar	4,400,000	0.50
18	Periyasampillai Muruganandhan	4,400,000	0.50
19	Periyasampillai Anandara jah	4,400,000	0.50
20	Periyasampillai Devaraj	4,400,000	0.50
21	Periyasampillai 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	96.00
Other Shareholders		35,311,000	4.00
Total		883,142,858	100.00

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. 07 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

011-76 40 000

FACSIMILE

011-76 40 606

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

R M P Rathnayake

COMPANY SECRETARY

S M Dunuwille (Ms.)

BOARD OF DIRECTORS

Louis R Page - Chairman
V R Page - Deputy Chairman
P S Mathavan - Managing
Director/ Chief Executive Officer
E M M Boyagoda- Senior Director
W K F De Silva (Ms.)
M O F Saleh
R A Ebell

BOARD SUB-COMMITTEES

Board Human Resources & Remuneration
Committee
V R Page - Chairman
M O F Saleh
R A Ebell
P S Mathavan - Managing
Director/ Chief Executive Officer
S M Dunuwille (Ms.) - Secretary

Board Integrated Risk Management Committee

E M M Boyagoda- Chairman
M O F Saleh
R A Ebell
P S Mathavan - Managing
Director/ Chief Executive Officer
Udana Fernando - Secretary

Board Nomination Committee

M O F Saleh - Chairman
V R Page
P S Mathavan - Managing
Director/ Chief Executive Officer
W K F De Silva (Ms.)
S M Dunuwille (Ms.) - Secretary

Board Audit Committee

R A Ebell -Chairman
V R Page
E M M Boyagoda
R Amarasinghe - Secretary

Board Credit Committee

V R Page - Chairman
E M M Boyagoda
M O F Saleh
P S Mathavan - Managing
Director/ Chief Executive Officer
P Rajanathan - Secretary

Board Strategic Planning Committee

V R Page - Chairman
P S Mathavan - Managing
Director/ Chief Executive Officer
E M M Boyagoda- Senior Director
M O F Saleh
R A Ebell
S M Dunuwille (Ms.) - Secretary



Cargills Bank Limited
No. 696, Galle Road, Colombo 03.