

Income Statement

	Bank			Group		
	For the three months ended			For the three months ended		
	31-Mar-16 Rs. '000	31-Mar-15 Rs. '000	Change %	31-Mar-16 Rs. '000	31-Mar-15 Rs. '000	Change %
Interest income	241,263	96,840	149	281,877	137,516	105
Interest expenses	(97,376)	(24,754)	(293)	(113,542)	(40,428)	(181)
Net interest income	143,887	72,086	100	168,335	97,088	73
Fees and commission income	14,001	8,951	56	13,558	9,575	42
Fees and commission expenses	(4,614)	(1,669)	(176)	(4,612)	(1,819)	(154)
Net fees and commission income	9,387	7,282	29	8,946	7,756	15
Net gains / (losses) from trading	638	2,486	(74)	638	2,486	(74)
Net gains / (losses) from financial instruments at fair value through profit & loss	-	-	-	(391)	(163)	(140)
Net gains / (losses) from financial investments	1,163	190	512	1,163	190	512
Other income	14,380	198	7,163	17,381	2,333	645
Total other income	16,181	2,874	463	18,791	4,846	288
Total operating income	169,455	82,242	106	196,072	109,690	79
Impairment for loans and other losses	(575)	(63)	(792)	47,374	(1,248)	3,897
Individual impairment	(575)	(63)	(792)	47,374	(1,248)	3,897
Collective impairment	(9,048)	(3,004)	(201)	(57,027)	(8,825)	(546)
Others	-	-	-	-	-	-
Total impairment for loans and other losses	(9,623)	(3,067)	(214)	(9,653)	(10,073)	4
Net operating income	159,832	79,175	102	186,419	99,617	87
Personnel expenses	(109,165)	(51,964)	(110)	(118,275)	(63,917)	(85)
Depreciation and amortisation	(36,680)	(30,590)	(20)	(37,834)	(31,370)	(21)
Other operating expenses	(101,583)	(69,636)	(46)	(112,632)	(81,006)	(39)
Total operating expenses	(247,428)	(152,190)	(63)	(268,741)	(176,293)	(52)
Operating profit/ (loss) before Value Added Tax (VAT) and Nation Building Tax (NBT)	(87,596)	(73,015)	(20)	(82,322)	(76,676)	(7)
VAT and NBT on financial services	(1,565)	-	-	(2,495)	(993)	(151)
Profit/ (loss) before tax	(89,161)	(73,015)	(22)	(84,817)	(77,669)	(9)
Tax expenses	-	-	-	-	7,499	(100)
Profit/(loss) for the period	(89,161)	(73,015)	(22)	(84,817)	(70,170)	(21)
Attributable to:						
Equity holders of the bank	-	-	-	(85,671)	(70,838)	(21)
Non-controlling interest	-	-	-	854	668	28
Profit/(loss) for the period				(84,817)	(70,170)	(21)
Earnings/ (loss) per share						
Equity shareholders of the parent for the period:						
Earnings/(loss) per share (Rs.)	(0.18)	(0.17)	(11)	(0.18)	(0.16)	(21)

Statement of Changes in Equity

	Bank				Group						
	Stated capital	Available-for-sale reserve	Accumulated loss	Total	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	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.01.2015-Audited	4,968,850	(502)	(420,515)	4,547,833	4,968,850	-	(502)	(424,694)	4,543,654	77,597	4,621,251
Total comprehensive income for the three months ended 31.03.2015	-	-	(73,015)	(73,015)	-	-	-	(70,838)	(70,838)	668	(70,170)
Loss for the period	-	-	(73,015)	(73,015)	-	-	-	(70,838)	(70,838)	668	(70,170)
Other comprehensive income/ (loss) net of tax	-	(16,170)	-	(16,170)	-	-	(16,170)	67	(16,103)	20	(16,083)
Total comprehensive income for the period	-	(16,170)	(73,015)	(89,185)	-	-	(16,170)	(70,771)	(86,941)	688	(86,253)
Balance as at 31.03.2015	4,968,850	(16,672)	(493,530)	4,458,648	4,968,850	-	(16,672)	(495,465)	4,456,713	78,285	4,534,998
Total comprehensive income for the period 01.04.2015 to 31.12.2015	-	-	(244,173)	(244,173)	-	-	-	(244,987)	(244,987)	(550)	(245,537)
Loss for the period	-	-	(244,173)	(244,173)	-	-	-	(244,987)	(244,987)	(550)	(245,537)
Other comprehensive income/ (loss) net of tax	-	5,270	-	5,270	-	-	5,270	(980)	4,290	-	4,290
Total comprehensive income for the period	-	5,270	(244,173)	(238,903)	-	-	5,270	(245,967)	(240,697)	(550)	(241,247)
Transactions with owners of the bank											
Contributions and distributions											
Issue of share capital	623,500	-	-	623,500	623,500	-	-	(335)	623,500	-	623,500
Transfer to statutory reserve	-	-	-	-	-	335	-	(335)	-	-	-
Total contributions and distributions	623,500	-	-	623,500	623,500	335	-	(335)	623,500	-	623,500
Balance as at 01.01.2016-Audited	5,592,350	(11,402)	(737,703)	4,843,245	5,592,350	335	(11,402)	(741,767)	4,839,516	77,735	4,917,251
Total comprehensive income for the three months ended 31.03.2016	-	-	(89,161)	(89,161)	-	-	-	(85,671)	(85,671)	854	(84,817)
Loss for the period	-	-	(89,161)	(89,161)	-	-	-	(85,671)	(85,671)	854	(84,817)
Other comprehensive income/ (loss) net of tax	-	(28,219)	-	(28,219)	-	-	(28,219)	-	(28,219)	-	(28,219)
Total comprehensive income for the period	-	(28,219)	(89,161)	(117,380)	-	-	(28,219)	(85,671)	(113,890)	854	(113,036)
Transactions with owners of the bank											
Contributions and distributions											
Movement due to change in shareholding	-	-	-	-	-	-	-	(9,609)	(9,609)	10,190	581
Expense on right issue	-	-	-	-	-	-	-	(694)	(694)	(170)	(864)
Transfer to statutory reserve	-	-	-	-	80	-	-	(80)	-	-	-
Total contributions and distributions	-	-	-	-	80	-	-	(10,383)	(10,303)	10,020	(283)
Balance as at 31.03.2016	5,592,350	(39,621)	(826,864)	4,725,865	5,592,350	415	(39,621)	(837,821)	4,715,323	88,609	4,803,932

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 Profit or Loss and Other Comprehensive Income

	Bank			Group		
	For the three months ended			For the three months ended		
	31-Mar-16 Audited Rs. '000	31-Mar-15 Audited Rs. '000	Change %	31-Mar-16 Audited Rs. '000	31-Mar-15 Audited Rs. '000	Change %
Profit/(loss) for the period	(89,161)	(73,015)	(22)	(84,817)	(70,170)	(21)
Other comprehensive income, net of tax						
Items that will never be reclassified to profit & loss						
Actuarial gains/(losses) on defined benefit obligation	-	-	-	-	121	(100)
Deferred tax on actuarial gain	-	-	-	-	(34)	100
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	(39,193)	(16,170)	(142)	(39,193)	(16,170)	(142)
Deferred tax charge/ (reverse) on available for sale reserve	10,974	-	-	10,974	-	-
Total other comprehensive income for the period, net of tax	(28,219)	(16,170)	(75)	(28,219)	(16,170)	(75)
Other comprehensive income for the period, net of tax	(28,219)	(16,170)	(75)	(28,219)	(16,083)	(75)
Total comprehensive income for the period, net of tax	(117,380)	(89,185)	(32)	(113,036)	(86,253)	(31)
Attributable to:						
Equity holders of the bank	-	-	-	(113,890)	(86,942)	(31)
Non-controlling interest	-	-	-	854	689	(31)
Profit/(loss) for the period				(113,036)	(86,253)	(31)

Statement of Financial Position

	Bank		Group	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at				
Assets				
Cash and cash equivalents	159,757	174,129	179,264	196,157
Balances with Central Bank	318,368	139,342	318,368	139,342
Placements with banks	2,106,923	2,018,773	2,106,923	2,018,773
Other financial instruments held for trading	-	-	1,908	2,300
Loans and receivables to banks	500,000	1,000,172	520,000	1,022,172
Loans and receivables to other customers	8,173,997	7,206,375	9,080,150	8,084,912
Financial investments available for sale	1,744,677	1,604,080	1,745,023	1,604,426
Financial investments held to maturity	-	-	40,137	40,036
Investment in subsidiary	574,917	459,200	-	-
Property, plant & equipment	244,100	242,350	297,589	296,324
Intangible assets	205,190	209,692	415,868	420,760
Deferred tax assets	131,789	120,815	134,775	124,834
Other assets	154,211	273,463	182,588	303,248
Total assets	14,313,929	13,448,391	15,022,593	14,253,284
Liabilities and equity				
Due to banks	33,521	5,347	33,543	6,507
Due to other customers	6,240,757	3,870,200	6,857,986	4,587,188
Other borrowings	484,154	1,993,383	484,154	1,993,383
Deferred tax liabilities	-	-	-	-
Other liabilities	2,829,632	2,736,216	2,842,978	2,748,955
Total liabilities	9,588,064	8,605,146	10,218,661	9,336,033
Equity				
Stated capital	5,592,350	5,592,350	5,592,350	5,592,350
Statutory reserves	-	-	415	335
Available-for-sale reserve	(39,621)	(11,402)	(39,621)	(11,402)
Other reserves	-	-	-	-
Accumulated loss	(826,864)	(737,703)	(837,821)	(741,767)
Total equity attributable to equity holders of the bank	4,725,865	4,843,245	4,715,323	4,839,516
Non controlling interest	-	-	88,609	77,735
Total equity	4,725,865	4,843,245	4,803,932	4,917,251
Total liabilities and equity	14,313,929	13,448,391	15,022,593	14,253,284
Contingent liabilities & commitments	6,380,294	5,807,041	6,380,294	5,807,041
Net assets value per ordinary share (Rs.)	9.78	10.03	9.76	10.02
Memorandum information				
Number of employees	304	266	347	311
Number 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

10-May-2016
Colombo

Selected Performance Indicators

	Bank		Group	
	31-Mar-2016	31-Dec-15	31-Mar-2016	31-Dec-15
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Regulatory capital adequacy				
Core capital (tier 1 capital), Rs. '000	4,101,			