

# INTERIM FINANCIAL STATEMENTS

# 2020

FOR THE THREE MONTHS ENDED 31 MARCH 2020



## Cargills Bank Limited Income Statement

|  | For the three months ended |                       |             |
|--|----------------------------|-----------------------|-------------|
|  | 31-Mar-20<br>Rs. '000      | 31-Mar-19<br>Rs. '000 | Change<br>% |
| Interest income  | 1,096,059                  | 990,798               | 11          |
| Interest expenses  | (636,436)                  | (561,416)             | (13)        |
| <b>Net interest income</b>   | <b>459,623</b>             | <b>429,382</b>        | <b>7</b>    |
| Fees and commission income   | 120,533                    | 80,362                | 50          |
| Fees and commission expenses   | (48,274)                   | (26,872)              | (80)        |
| <b>Net fees and commission income</b>  | <b>72,259</b>              | <b>53,490</b>         | <b>35</b>   |
| Net gains / (losses) from trading  | (7,811)                    | 25,310                | (131)       |
| Net gains from derecognition of financial assets   | 10,033                     | (4,039)               | 348         |
| Net other operating income   | 30,843                     | (8,734)               | 453         |
| <b>Total other income</b>  | <b>33,065</b>              | <b>12,537</b>         | <b>164</b>  |
| <b>Total operating income</b>  | <b>564,947</b>             | <b>495,409</b>        | <b>14</b>   |
| <b>Impairment for loans and other losses</b>   |                            |                       |             |
| Loans and advances to customers  | (279,134)                  | (298,572)             | 7           |
| Financial assets   | 1,961                      | (24,774)              | 108         |
| <b>Total impairment for loans and other losses</b>   | <b>(277,173)</b>           | <b>(323,346)</b>      | <b>14</b>   |
| <b>Net operating income</b>  | <b>287,774</b>             | <b>172,063</b>        | <b>67</b>   |
| Personnel expenses   | (221,629)                  | (186,285)             | (19)        |
| Depreciation and amortisation  | (106,237)                  | (94,459)              | (12)        |
| Other operating expenses   | (210,578)                  | (196,797)             | (7)         |
| <b>Total operating Expenses</b>  | <b>(538,444)</b>           | <b>(477,541)</b>      | <b>(13)</b> |
| <b>Operating profit/ (Loss) before Value Added Tax (VAT) and Nation Building Tax (NBT)</b> | <b>(250,670)</b>           | <b>(305,478)</b>      | <b>18</b>   |
| VAT and NBT on financial services  | -                          | 15,070                | (100)       |
| Debt Repayment Levy  | -                          | 7,799                 | -           |
| <b>Profit / (Loss) before tax</b>  | <b>(250,670)</b>           | <b>(282,609)</b>      | <b>11</b>   |
| Tax expenses   | 8,074                      | 86,071                | (91)        |
| <b>Profit / (Loss) for the period</b>  | <b>(242,596)</b>           | <b>(196,538)</b>      | <b>(23)</b> |
| <b>Earnings per share (Rs.)</b>  | <b>(0.27)</b>              | <b>(0.22)</b>         | <b>(23)</b> |

**Cargills Bank Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**

|  | For the three months ended |                       |             |
|--|----------------------------|-----------------------|-------------|
|  | 31-Mar-20<br>Rs. '000      | 31-Mar-19<br>Rs. '000 | Change<br>% |
| <b>Profit/ (Loss) for the period</b>   | <b>(242,596)</b>           | <b>(196,538)</b>      | <b>(23)</b> |
| <b>Other comprehensive income, net of tax</b>  |                            |                       |             |
| <b>Items that will never be reclassified to profit &amp; loss</b>  |                            |                       |             |
| Net actuarial gains/(loss) on defined benefit obligation   | -                          | -                     | -           |
| Deferred tax related to the above  | -                          | -                     | -           |
| Fair valuation of Equity instruments   | -                          | -                     | -           |
| Deferred tax related to the above  | -                          | -                     | -           |
|  | -                          | -                     | -           |
| <b>Items that are or may be reclassified to profit &amp; loss</b>  |                            |                       |             |
| Net gains / (losses) on re-measuring in financial assets measured at fair value through other comprehensive income | <b>38,191</b>              | 36,235                | 5           |
| Deferred tax related to the above  | <b>(10,693)</b>            | (10,146)              | (5)         |
|  | <b>27,498</b>              | 26,089                | 5           |
|  |                            |                       | -           |
| <b>Other comprehensive income/ (expense) for the period, net of tax</b>  | <b>27,498</b>              | 26,089                | 5           |
|  |                            |                       | -           |
| <b>Total comprehensive income/ (expense) for the period, net of tax</b>  | <b>(215,098)</b>           | <b>(170,449)</b>      | <b>(26)</b> |

## Cargills Bank Limited Statement of Financial Position

| As at  | 31-Mar-20<br>Rs. '000 | 31-Dec-19<br>(Audited)<br>Rs. '000 |
|--|-----------------------|------------------------------------|
| <b>Assets</b>  |                       |                                    |
| Cash and cash equivalents  | 1,198,378             | 993,133                            |
| Balances with Central Bank   | 963,239               | 1,040,397                          |
| Placements with banks  | 273,672               | 689,336                            |
| Derivative financial instruments   | 7,641                 | 386                                |
| Financial assets at amortized costs- Loans & Advances to other customers   | 29,140,866            | 27,013,673                         |
| Financial assets at Amortized costs - Debt and other Instruments           | 477,696               | 477,663                            |
| Financial assets measured at fair value through other comprehensive income | 7,586,061             | 6,667,681                          |
| Property, plant & equipment  | 792,820               | 858,304                            |
| Intangible assets  | 443,566               | 457,570                            |
| Deferred tax assets  | 364,161               | 366,648                            |
| Other assets   | 927,633               | 573,743                            |
| <b>Total assets</b>  | <b>42,175,733</b>     | <b>39,138,534</b>                  |
| <b>Liabilities and equity</b>  |                       |                                    |
| Due to banks   | 1,233,581             | 1,517,942                          |
| Derivative financial instruments   | 17,428                | 2,281                              |
| Financial liabilities at amortized cost - Due to depositors                | 28,603,211            | 25,042,562                         |
| Financial liabilities at amortized cost - Due to other borrowers           | 973,520               | 948,298                            |
| Retirement benefit obligation  | 46,357                | 43,577                             |
| Lease Liability  | 410,984               | 444,214                            |
| Other liabilities  | 673,285               | 707,195                            |
| <b>Total liabilities</b>   | <b>31,958,366</b>     | <b>28,706,069</b>                  |
| <b>Equity</b>  |                       |                                    |
| Stated capital   | 11,394,421            | 11,394,421                         |
| Statutory reserves   | 32,386                | 32,386                             |
| Other reserves   | 63,268                | 35,770                             |
| Accumulated loss   | (1,272,708)           | (1,030,112)                        |
| <b>Total equity attributable to equity holders of the bank</b>             | <b>10,217,367</b>     | <b>10,432,465</b>                  |
| <b>Total liabilities and equity</b>  | <b>42,175,733</b>     | <b>39,138,534</b>                  |
| <b>Contingent liabilities &amp; commitments</b>                            | <b>13,443,224</b>     | <b>11,638,569</b>                  |
| <b>Net assets value per ordinary share (Rs.)</b>                           | <b>11.57</b>          | <b>11.81</b>                       |
| <b>Memorandum information:</b>   |                       |                                    |
| No. of employees   | 650                   | 650                                |
| No. of branches  | 20                    | 19                                 |

### Certification:

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

Sgd.

**A R M I Sanjeewanie**

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 the Bank, unless indicated as audited.

Sgd.

**R. Theagarajah**

Managing Director

26.06.2020

Colombo

Sgd.

**E M M Boyagoda**

Senior Director

**Cargills Bank Limited**  
**Statement of Changes in Equity**

|   | Stated capital    | Statutory reserve | Available-for-sale reserve | Accumulated loss   | Total             |
|---|-------------------|-------------------|----------------------------|--------------------|-------------------|
|   | Rs. '000          | Rs. '000          | Rs. '000                   | Rs. '000           | Rs. '000          |
| <b>Balance as at 01.01.2019-Audited</b>                                 | <b>11,394,421</b> | <b>32,386</b>     | <b>(28,237)</b>            | <b>(374,608)</b>   | <b>11,023,962</b> |
| <b>Total comprehensive income for the three months ended 31.03.2019</b> |                   |                   |                            |                    |                   |
| Profit for the period   | -                 | -                 | -                          | (196,538)          | (196,538)         |
| Other comprehensive income, net of tax                                  | -                 | -                 | 26,089                     | -                  | 26,089            |
| <b>Total comprehensive income for the period</b>                        | <b>-</b>          | <b>-</b>          | <b>26,089</b>              | <b>(196,538)</b>   | <b>(170,449)</b>  |
| <b>Transactions with owners of the bank</b>                             |                   |                   |                            |                    |                   |
| <b>Contributions and distributions</b>                                  |                   |                   |                            |                    |                   |
| Issue of shares   | -                 | -                 | -                          | -                  | -                 |
| Transfer to statutory reserves  | -                 | -                 | -                          | -                  | -                 |
| <b>Total Contributions and distributions</b>                            | <b>-</b>          | <b>-</b>          | <b>-</b>                   | <b>-</b>           | <b>-</b>          |
| <b>Balance as at 31.03.2019</b>   | <b>11,394,421</b> | <b>32,386</b>     | <b>(2,148)</b>             | <b>(571,146)</b>   | <b>10,853,514</b> |
| <b>Balance as at 01.01.2020-Audited</b>                                 | <b>11,394,421</b> | <b>32,386</b>     | <b>35,770</b>              | <b>(1,030,112)</b> | <b>10,432,465</b> |
| <b>Total comprehensive income for the three months ended 31.03.2020</b> |                   |                   |                            |                    |                   |
| Profit for the period   | -                 | -                 | -                          | (242,596)          | (242,596)         |
| Other comprehensive income, net of tax                                  | -                 | -                 | 27,498                     | -                  | 27,498            |
| <b>Total comprehensive income for the period</b>                        | <b>-</b>          | <b>-</b>          | <b>27,498</b>              | <b>(242,596)</b>   | <b>(215,098)</b>  |
| <b>Transactions with owners of the bank</b>                             |                   |                   |                            |                    |                   |
| <b>Contributions and distributions</b>                                  |                   |                   |                            |                    |                   |
| Transfer to statutory reserve   | -                 | -                 | -                          | -                  | -                 |
| <b>Total Contributions and distributions</b>                            | <b>-</b>          | <b>-</b>          | <b>-</b>                   | <b>-</b>           | <b>-</b>          |
| <b>Balance as at 31.03.2020</b>   | <b>11,394,421</b> | <b>32,386</b>     | <b>63,268</b>              | <b>(1,272,708)</b> | <b>10,217,367</b> |

**Cargills Bank Limited**  
**Statement of Cash Flows**

|   | For the Quarter ended |                       |
|---|-----------------------|-----------------------|
|   | 31-Mar-20<br>Rs. '000 | 31-Mar-19<br>Rs. '000 |
| <b><i>Cash flows from operating activities</i></b>                      |                       |                       |
| Profit / (Loss) before tax  | (250,670)             | (282,609)             |
| <b><i>Adjustments for:</i></b>  |                       |                       |
| Non-cash items included in profit before tax                            | 399,317               | 420,805               |
| Change in operating assets  | (3,152,938)           | (2,945,389)           |
| Change in operating liabilities   | 3,206,905             | 6,013,725             |
| Income tax reversal   | -                     | -                     |
| Interest paid on lease liability  | (12,970)              | -                     |
| Interest expense on borrowings  | -                     | -                     |
| Net gains from investing activities                                     | -                     | -                     |
| Gains/ (losses) on sale of property, plant & equipment and other assets | -                     | -                     |
| Benefits paid on defined benefit plans                                  | -                     | -                     |
| <b>Net cash from/ (used in) operating activities</b>                    | <b>202,613</b>        | <b>3,206,533</b>      |
| <b><i>Cash flows from investing activities</i></b>                      |                       |                       |
| Net purchase of property, plant and equipment                           | 55,652                | (43,290)              |
| Proceeds from sale of property, plant and equipment                     | 157                   | -                     |
| Net purchase of intangible assets                                       | (18,258)              | (2,546)               |
| <b>Net cash from/ (used in) investing activities</b>                    | <b>37,551</b>         | <b>(45,836)</b>       |
| <b><i>Cash flows from financing activities</i></b>                      |                       |                       |
| Payment of lease liability  | (33,229)              | -                     |
| Change in securities sold under repurchase agreements                   | (1,597)               | 372,226               |
| <b>Net cash from/ (used in) financing activities</b>                    | <b>(34,826)</b>       | <b>372,226</b>        |
| <b>Net increase (decrease) in cash and cash equivalents</b>             | <b>205,338</b>        | <b>3,532,923</b>      |
| Cash and cash equivalents at the beginning of the period                | 994,853               | 1,234,721             |
| <b>Cash and cash equivalents at the end of the period</b>               | <b>1,200,191</b>      | <b>4,767,644</b>      |

**Cargills Bank Limited**  
**Classification of Financial Assets and Financial Liabilities**

|  | Fair value<br>through P/L<br>Rs. '000 | Fair Value<br>through OCI<br>Rs. '000 | Amortized<br>Cost<br>Rs. '000 | Total<br>Rs. '000 |
|--|---------------------------------------|---------------------------------------|-------------------------------|-------------------|
| <b>As at 31.03.2020</b>  |                                       |                                       |                               |                   |
| <b>Financial assets</b>  |                                       |                                       |                               |                   |
| Cash and cash equivalents  | -                                     | -                                     | 1,198,378                     | 1,198,378         |
| Balances with Central Bank of Sri Lanka                                  | -                                     | -                                     | 963,239                       | 963,239           |
| Placements with Banks  | -                                     | -                                     | 273,672                       | 273,672           |
| Derivative financial instruments   | 7,641                                 | -                                     | -                             | 7,641             |
| Financial assets at Amortized costs-Loans & Advances to Banks            | -                                     | -                                     | -                             | -                 |
| Financial assets at Amortized costs- Loans & Advances to other customers | -                                     | -                                     | 29,140,866                    | 29,140,866        |
| Financial assets at Amortized costs - Debt and other Instruments         | -                                     | -                                     | 477,696                       | 477,696           |
| Financial assets -at fair value through other comprehensive income       | -                                     | 7,572,615                             | -                             | 7,572,615         |
| Equity Instruments   | -                                     | 13,446                                | -                             | 13,446            |
| Other assets*  | -                                     | -                                     | 592,395                       | 592,395           |
| <b>Total financial assets</b>  | <b>7,641</b>                          | <b>7,586,061</b>                      | <b>32,646,246</b>             | <b>40,239,948</b> |
| <b>Financial liabilities</b>   |                                       |                                       |                               |                   |
| Due to banks   | -                                     | -                                     | 1,233,581                     | 1,233,581         |
| Derivative financial instruments   | 17,428                                | -                                     | -                             | 17,428            |
| Financial liabilities at amortized cost - Due to depositors              | -                                     | -                                     | 28,603,211                    | 28,603,211        |
| Financial liabilities at amortized cost - Due to other borrowers         | -                                     | -                                     | 973,520                       | 973,520           |
| Lease Liability  | -                                     | -                                     | 410,984                       | 410,984           |
| Other liabilities**  | -                                     | -                                     | 310,770                       | 310,770           |
| <b>Total financial liabilities</b>                                       | <b>17,428</b>                         | <b>-</b>                              | <b>31,532,066</b>             | <b>31,549,494</b> |
| <b>As at 31.12.2019-Audited</b>  |                                       |                                       |                               |                   |
| <b>Financial assets</b>  |                                       |                                       |                               |                   |
| Cash and cash equivalents  | -                                     | -                                     | 993,133                       | 993,133           |
| Balances with Central Bank of Sri Lanka                                  | -                                     | -                                     | 1,040,397                     | 1,040,397         |
| Placements with Banks  | -                                     | -                                     | 689,336                       | 689,336           |
| Derivative financial instruments   | 386                                   | -                                     | -                             | 386               |
| Financial assets at Amortized costs- Loans & Advances to other customers | -                                     | -                                     | 27,013,674                    | 27,013,674        |
| Financial assets at Amortized costs - Debt and other Instruments         | -                                     | -                                     | 477,663                       | 477,663           |
| Financial assets -at fair value through other comprehensive income       | -                                     | 6,654,236                             | -                             | 6,654,236         |
| Equity Instruments   | -                                     | 13,446                                | -                             | 13,446            |
| Other assets*  | -                                     | -                                     | 327,094                       | 327,094           |
| <b>Total financial assets</b>  | <b>386</b>                            | <b>6,667,682</b>                      | <b>30,541,297</b>             | <b>37,209,365</b> |
| <b>Financial liabilities</b>   |                                       |                                       |                               |                   |
| Due to banks   | -                                     | -                                     | 1,517,942                     | 1,517,942         |
| Derivative financial instruments   | 2,281                                 | -                                     | -                             | 2,281             |
| Financial liabilities at amortized cost - Due to depositors              | -                                     | -                                     | 25,042,562                    | 25,042,562        |
| Financial liabilities at amortized cost - Due to other borrowers         | -                                     | -                                     | 948,298                       | 948,298           |
| Lease Liability  | -                                     | -                                     | 444,214                       | 444,214           |
| Other liabilities**  | -                                     | -                                     | 403,844                       | 403,844           |
| <b>Total financial liabilities</b>                                       | <b>2,281</b>                          | <b>-</b>                              | <b>28,356,860</b>             | <b>28,359,141</b> |

\*Other assets only include other receivables

\*\*Other liabilities excludes accrued expenditure and impairment on commitments and contingencies

**Cargills Bank Limited**  
**Selected Performance Indicators**

| As at  | 31-Mar-2020  | 31-Dec-2019 |
|--|--------------|-------------|
| <b>Regulatory Capital (LKR'000)</b>  |              |             |
| Common Equity Tier 1   | 9,349,208    | 10,355,341  |
| Tier 1 Capital   | 9,349,208    | 10,355,341  |
| Total Capital  | 9,532,486    | 10,541,765  |
| <b>Regulatory Capital Ratios (%)</b>   |              |             |
| Common Equity Tier 1 Capital Ratio - Minimum Requirement - 6.5% (2019- 7%)         | 23.14        | 28.73       |
| Tier 1 capital Ratio - Minimum Requirement - 8% (2019 - 8.5%)                      | 23.14        | 28.73       |
| Total Capital Ratio - Minimum Requirement - 12% (2019 - 12.5%)                     | 23.59        | 29.25       |
| <b>Leverage Ratio - Minimum Requirement- 3%</b>                                    | <b>19.96</b> | 23.57       |
| <b>Regulatory Liquidity</b>  |              |             |
| Statutory Liquid Assets, Rs. '000  | 9,380,434    | 8,413,619   |
| Statutory Liquid Assets Ratio, % (Minimum requirement,20%)                         |              |             |
| Domestic Banking Unit, %   | 33.50        | 32.65       |
| Off-Shore Banking Unit, %  | 103.77       | 1,115.25    |
| Total Stock of High-Quality Liquid Assets (LKR Million)                            | 7,887,192    | 7,034,760   |
| Liquidity coverage Ratio, % - Minimum requirement - 100%                           |              |             |
| Rupee, %   | 140          | 280.70      |
| All currency, %  | 123.81       | 203.59      |
| Net Stable Funding Ratio (%) - Minimum Requirement - 100%                          | 114.58       | 120.00      |
| <b>Assets Quality (Quality of Loan Portfolio)</b>                                  |              |             |
| Gross non-Performing Advances Ratio,%<br>(net of interest in suspense)             | 13.78        | 12.79       |
| Net non-Performing Advances Ratio,%<br>(net of interest in suspense and provision) | 10.62        | 10.01       |
| <b>Profitability</b>   |              |             |
| Interest Margin,%  | 4.65         | 5.55        |
| Return on Assets (before Tax),%  | -2.54        | -2.41       |
| Return on Equity,%   | -8.97        | -5.96       |

**Explanatory Notes**

- These Financial Statements are prepared in accordance with LKAS 34 - Interim Financial Reporting laid down by the Institute of Chartered Accountants of Sri Lanka. There were no changes to Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2019
- On 11 March 2020, the World Health Organization declared the Coronavirus-COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected and has resulted in disruptions to overall global economic activity effecting most industries and sub-sectors. Due to its potential impact on Sri Lankan individuals and businesses, Central Bank of Sri Lanka (CBSL) issued several circulars and guidelines introducing different relief measures to safeguard the affected. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest to eligible loan products and waving off certain fees and charges.
 

The Bank estimated Expected Credit Loss (ECL) as at 31 March 2020, based on the Probability of Default (PD) and Loss Given Default (LGD) computed as at 31 December 2019 in compliance with the guidance note issued by CA Sri Lanka on accounting implications of Coved 19, since there were no sufficient information available to estimate the impact of Coved 19 pandemic situation.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses and fair value measurement. A change to the Economic Factor Adjustment (EFA) was made to reflect the present economic conditions inline with the guidance issued by CA Sri Lanka and this would be reviewed in the ensuing quarters. The Bank would reassess its portfolio post moratorium and changes would be made in impairment provisioning in line with repayments after the relief period.

The COVID 19 pandemic would increase the non-performing loans and advances of the bank and coupled with the negative impact arising from the debt morotorium relief granted by CBSL on interest income, fee income and cashflows, will result in lower profitability of the Bank. The quantification of these have not been fully captured in these Financial statements.
- Total temporary differences arising from tax losses and tax credits amount to Rs. 981 Mn, resulting in a deferred tax asset of Rs. 275 Mn at 31 March 2020. Based on internal assessments carried out by the Board of Directors, recognition of the deferred tax asset has been limited to Rs. 159 Mn. The unrecognized deferred tax asset as at 31 March 2020 was Rs 115 Mn.
- The authorities have proposed a reduction in the income tax rate applicable to the banking sector 28% to 24% which is pending formal approval from the parliament as an amendment to the Inland Revenue Act No 24 of 2017. As it is not considered as substantially enacted as at the reporting date, both income tax and deferred tax were calculated at the rate of 28% for the period ended 31 March 2020.
- The Commissioner General of Inland Revenue (CGIR) issued a Notice of Assessment claiming Rs. 120 Mn for the Year of Assessment 2013/2014, disallowing some expenses and capital allowances claimed by the Bank, on the basis that it was not in commercial operation at the time and could not therefore make these deductions in arriving at Taxable Income for that Year of Assessment.
 

The Bank did not agree with the determination issued by the CGIR and therefore appealed to the Tax Appeals Commission. The Bank awaits the hearing of this appeal.
- There was no pending litigation of a material nature against the bank.
- All known expenses have been provided in these Interim Financial Statements.
- No circumstances have arisen since the reporting date which would require adjustment to or disclosure in the financial statements.



**Cargills Bank Limited**  
**Additional Disclosures**

| As at  | 31-Mar-2020<br>Rs. '000 | 31-Dec-2019<br>Rs. '000 |
|--|-------------------------|-------------------------|
| <b>Loans and receivables to other customers</b>                    |                         |                         |
| <b>Gross loans and receivables</b>                                 | <b>31,276,932</b>       | <b>28,870,614</b>       |
| <b>Less: Stage-wise Impairment</b>                                 |                         |                         |
| Stage 1  | 135,473                 | 90,053                  |
| Stage 2  | 409,926                 | 186,449                 |
| Stage 3  | 1,590,668               | 1,580,437               |
| <b>Total impairment for loans and advances</b>                     | <b>2,136,067</b>        | <b>1,856,940</b>        |
| <b>Net loans and receivables</b>                                   | <b>29,140,865</b>       | <b>27,013,674</b>       |
| <b>Product wise Gross Loans and receivables to other customers</b> |                         |                         |
| <b>By product - Domestic Currency</b>                              |                         |                         |
| Overdrafts   | 6,044,146               | 6,099,113               |
| Trade finance  | 1,735,245               | 1,625,997               |
| Staff Loans  | 222,156                 | 199,215                 |
| Housing loans  | 1,007,829               | 970,701                 |
| Personal loans   | 3,917,111               | 3,587,429               |
| Term loans   | 7,093,790               | 6,739,350               |
| Agriculture loans  | 421,954                 | 445,312                 |
| Vehicle loans  | 75,810                  | 64,915                  |
| Loans against Property   | 1,528,905               | 1,463,448               |
| Money market loans   | 5,031,388               | 4,008,163               |
| Bills receivable   | -                       | -                       |
| Credit Card  | 1,435,828               | 860,228                 |
| Micro Finance  | 62,474                  | 59,719                  |
| <b>Sub total</b>   | <b>28,576,636</b>       | <b>26,123,591</b>       |
| <b>By product - Foreign Currency</b>                               |                         |                         |
| Trade finance  | 1,018,584               | 1,017,315               |
| Housing loans  | 62,028                  | 63,186                  |
| Money market loans   | -                       | -                       |
| Term loans   | 1,609,254               | 1,656,838               |
| Overdrafts   | 10,430                  | 9,684                   |
| <b>Sub total</b>   | <b>2,700,296</b>        | <b>2,747,022</b>        |
| <b>Total Gross Loans &amp; Advances</b>                            | <b>31,276,932</b>       | <b>28,870,613</b>       |

**Movement in impairment during the period for loans and receivables to other customers- Q1 2020**

|  | Stage 1        | Stage 2        | Stage 3          | Total            |
|--|----------------|----------------|------------------|------------------|
| Opening balance as at 01 January 2020      | 90,053         | 186,449        | 1,580,437        | 1,856,940        |
| Charge/ (write back) to income statement   | 45,419         | 223,476        | 10,231           | 279,127          |
| <b>Closing balance as at 31 March 2020</b> | <b>135,473</b> | <b>409,926</b> | <b>1,590,668</b> | <b>2,136,067</b> |

**Movement in impairment during the period for loans and receivables to other customers - 2019**

|   | Stage 1       | Stage 2        | Stage 3          | Total            |
|---|---------------|----------------|------------------|------------------|
| Opening balance as at 01 January 2019         | 172,103       | 226,003        | 409,198          | 807,304          |
| Charge/ (write back) to income statement      | (82,050)      | (39,554)       | 1,171,239        | 1,049,636        |
| <b>Closing balance as at 31 December 2019</b> | <b>90,053</b> | <b>186,449</b> | <b>1,580,437</b> | <b>1,856,940</b> |

**Cargills Bank Limited**  
**Additional Disclosures**

| As at   | 31-Mar-2020<br>Rs. '000 | 31-Dec-2019<br>Rs. '000 |              |                   |
|---|-------------------------|-------------------------|--------------|-------------------|
| <b>Product wise Commitments and Contingencies</b>                                 |                         |                         |              |                   |
| <b>By product - Domestic Currency</b>   |                         |                         |              |                   |
| Guarantees  | 5,088,675               | 4,913,771               |              |                   |
| Letters of credit   | 55,481                  | 201,410                 |              |                   |
| Forward Purchase Fin Institutions   | 1,177,539               | 698,876                 |              |                   |
| Spots Purchase Fin Institutions   | -                       | 108,938                 |              |                   |
| Bills For Collection  | -                       | 139,053                 |              |                   |
| Undrawn credit lines  | 5,246,943               | 4,069,628               |              |                   |
| Other commitments   | 140,727                 | 64,628                  |              |                   |
| <b>Sub total</b>  | <b>11,709,365</b>       | <b>10,196,303</b>       |              |                   |
| <b>By product - Foreign Currency</b>  |                         |                         |              |                   |
| Guarantees  | 261,744                 | 159,303                 |              |                   |
| Letters of credit   | 856,795                 | 859,886                 |              |                   |
| Bills For Collection  | 212,417                 | 116,945                 |              |                   |
| Forward Purchase Fin Institutions   | 402,903                 | 299,460                 |              |                   |
| Spots Purchase Fin Institutions   | -                       | 6,671                   |              |                   |
| <b>Sub total</b>  | <b>1,733,859</b>        | <b>1,442,266</b>        |              |                   |
| <b>Total Commitments and Contingencies</b>  | <b>13,443,224</b>       | <b>11,638,569</b>       |              |                   |
| <b>Movement in impairment during the period for Commitments and Contingencies</b> |                         |                         |              |                   |
|   | Stage 1                 | Stage 2                 | Stage 3      | Total             |
| Opening balance as at 01 January 2020   | 24,711                  | 52,183                  | 14,070       | 90,964            |
| Charge/ (write back) to income statement  | 30,278                  | (17,974)                | (12,295)     | 9                 |
| <b>Closing balance as at 31 March 2020</b>  | <b>54,989</b>           | <b>34,209</b>           | <b>1,775</b> | <b>90,973</b>     |
| <b>Due to other customers</b>   |                         |                         |              |                   |
| <b>By product - Domestic Currency</b>   |                         |                         |              |                   |
| Current account deposits  | 1,941,105               |                         |              | 1,027,779         |
| Savings deposits  | 2,458,837               |                         |              | 2,352,232         |
| Call Deposits   | 240,156                 |                         |              | 242,486           |
| Time deposits   | 20,435,417              |                         |              | 18,081,372        |
| Certificate of deposits   | 1,568,494               |                         |              | 1,388,621         |
| Margin deposits   | 23,326                  |                         |              | 16,182            |
| <b>Sub total</b>  | <b>26,667,335</b>       |                         |              | <b>23,108,672</b> |
| <b>By product - Foreign Currency</b>  |                         |                         |              |                   |
| Current account deposits  | 68,127                  |                         |              | 93,131            |
| Savings deposits  | 546,055                 |                         |              | 591,154           |
| Time deposits   | 1,321,694               |                         |              | 1,249,604         |
| Certificate of deposits   | -                       |                         |              | -                 |
| <b>Sub total</b>  | <b>1,935,876</b>        |                         |              | <b>1,933,889</b>  |
| <b>Total deposits</b>   | <b>28,603,211</b>       |                         |              | <b>25,042,561</b> |

**Cargills Bank Limited**  
**Shareholders' Information**

| <b>Twenty three largest shareholders as at 31 March 2020</b> |  | <b>No. of shares</b> | <b>%</b>   |
|--|--|----------------------|------------|
| 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  | Softlogic Life Insurance PLC                   | 26,600,000           | 3.01       |
| 7  | MAS Amaliya (Pvt ) Ltd                         | 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 Capital 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   | Ishara Chinthaka Nanayakkara                   | 4,400,000            | 0.50       |
| 23   | Lalan Rubber Holdings (Pvt) Ltd                | 4,400,000            | 0.50       |
| <b>Sub total</b>   |  | <b>847,831,858</b>   | <b>96</b>  |
| Other Shareholders   |  | 35,311,000           | 4          |
| <b>Total</b>   |  | <b>883,142,858</b>   | <b>100</b> |

\* 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.