



Condensed Interim Statement of Financial Position- 30 June 2015

	Unaudited 30 June 2015 Rs' 000	Audited 31 December 2014 Rs' 000
ASSETS		
Cash and cash equivalents	4,578,426	4,724,580
Derivative assets held for risk management	2,570	982
Loans and advances to banks	874,392	313,830
Loans and advances to customers	10,481,012	10,543,587
Investment securities	1,540,354	1,294,424
Property and equipment	327,167	328,056
Intangible assets	31,419	37,728
Deferred tax assets	74,073	59,641
Other assets	791,059	750,487
Total assets	18,700,472	18,053,315
LIABILITIES		
Deposits from customers	16,040,515	15,470,040
Derivative liabilities held for risk management	3,521	13,477
Subordinated liabilities	427,398	426,732
Other borrowed funds	368,019	372,642
Current tax liabilities	7,906	20,504
Other liabilities	285,716	277,239
Total liabilities	17,133,075	16,580,634
Equity		
Stated capital	731,456	731,456
Retained earnings	556,411	471,510
Other reserves	279,530	269,715
	1,567,397	1,472,681
Total equity and liabilities	18,700,472	18,053,315

Condensed Interim Statement of Cash Flows for the six months ended 30 June 2015

	Unaudited Six months ended 30 June 2015 Rs' 000	Unaudited Six months ended 30 June 2014 Rs' 000
Net cash from operating activities	144,616	540,182
Net cash (used in) / from investing activities	(259,937)	18,650
Net cash (used in) financing activities	(30,833)	(79,104)
Net (decrease)/ increase in cash and cash equivalents	(146,154)	479,728
Cash and cash equivalents at beginning of period	4,724,580	3,267,226
Cash and cash equivalents at end of period	4,578,426	3,746,954

Growth

- Total assets closed at Rs18.7bn as at June 2015 compared to Rs17.5bn as at June 2014 – an increase of 7%.
- Gross Loans and advances has increased by 4% from Rs11.5bn for the same period last year to close at Rs12.1bn as at June 2015. Segment A advances went down by 8% while Segment B advances grew by 36%.
- Total Deposits base went up from Rs15bn as at June 2014 to Rs16bn as at June 2015 (increase of 7%).
- Fall of 4% in Segment A deposits compensated by an increase of

18% in Segment B.

- Impaired advances increased by 48% from Rs809m in June 2014 to Rs1,195m in June 2015 with the classification of some additional non performing accounts thus deteriorating the impaired ratio from 7% in June 2014 to 9.9% in June 2015. To address this situation, the Recovery Department has been reengineered and a dedicated Head has been recruited reporting to the Chief Risk Officer.
- Cash and Cash Equivalents includes short term interest earning placements.

Condensed interim Statement of Changes in Equity for the six months ended 30 June 2015

	Stated capital Rs' 000	Revaluation surplus Rs' 000	Statutory reserve Rs' 000	General banking reserve Rs' 000	Fair value reserve Rs' 000	Retirement benefit plan reserve Rs' 000	Retained earnings Rs' 000	Total Rs' 000
Balance as at 01 January 2015	731,456	78,895	111,044	92,093	13,512	(25,829)	471,510	1,472,681
Profit for the period	-	-	-	-	-	-	98,461	98,461
Other comprehensive income	-	-	-	-	(3,745)	-	-	(3,745)
Total comprehensive income	-	-	-	-	(3,745)	-	98,461	94,716
Transfer to general banking reserve	-	-	-	13,560	-	-	(13,560)	-
Balance as at 30 June 2015	731,456	78,895	111,044	105,653	9,767	(25,829)	556,411	1,567,397
Balance as at 01 January 2014	731,456	75,687	93,476	-	3,215	-	444,655	1,348,489
Profit for the period	-	-	-	-	-	-	62,307	62,307
Total comprehensive income	-	-	-	-	-	-	62,307	62,307
Balance as at 30 June 2014	731,456	75,687	93,476	-	3,215	-	506,962	1,410,796

Condensed Interim Statement of Comprehensive Income for the three months ended 30 June 2015

	Unaudited Three months ended 30 June 2015 Rs' 000	Unaudited Six months ended 30 June 2015 Rs' 000	Unaudited Three months ended 30 June 2014 Rs' 000	Unaudited Six months ended 30 June 2014 Rs' 000
Interest income	215,635	437,878	228,616	456,122
Interest expense	(73,817)	(149,658)	(89,302)	(185,152)
Net interest income	141,818	288,220	139,314	270,970
Fee and commission income	76,751	127,105	40,184	71,388
Fee and commission expense	(36,495)	(59,677)	(15,193)	(27,778)
Net fee and commission income	40,256	67,428	24,991	43,610
Net gain on dealing in foreign currencies and derivatives	14,161	35,297	10,496	19,930
Other operating income	1,261	9,511	-	1,246
	15,422	44,808	10,496	21,176
Operating income	197,496	400,456	174,801	335,756
Net impairment loss on financial assets	(40,939)	(76,928)	(26,824)	(51,370)
Personnel expenses	(71,375)	(146,335)	(63,136)	(126,684)
Depreciation and amortisation	(9,023)	(17,785)	(9,309)	(18,412)
Other expenses	(31,533)	(64,462)	(30,268)	(61,383)
Non interest expense	(152,870)	(305,510)	(129,537)	(257,849)
Profit before income tax	44,626	94,946	45,264	77,907
Income tax credit / (expense)	1,644	3,515	(9,300)	(15,600)
Profit for the period	46,270	98,461	35,964	62,307
Other Comprehensive Income	-	-	-	-
Net fair value loss on available for sale investment securities	(2,732)	(3,745)	-	-
Other Comprehensive Income for the period	(2,732)	(3,745)	-	-
Total Comprehensive Income for the period	43,538	94,716	35,964	62,307

Performance

- The Bank reported profit before impairment and tax of Rs86m for the quarter under review compared to Rs72m for same period last year.
- After net impairment provisions of Rs41m, the bank closed Q2 2015 with PAT of Rs46m compared to Rs36m for the same period last year.
- Net Interest income progressed from Rs139m in Q2 2014 to Rs142m in Q2 2015 despite an increase in the impaired assets portfolio.

- Net fees and commission income of Rs40m was generated during the quarter under review compared to Rs25m for the same quarter last year.
- Income generated on trading and derivatives stood at Rs14m in Q1 2015 as compared to Rs10m for the same quarter last year.
- Non-interest expenses increased from Rs103m in Q2 2014 to Rs112m in Q2 2015 - (mainly on staff and staff related costs).
- The Bank Capital Adequacy Ratio closed at 12.47% as at June 2015 (including Q2 2015 profits).