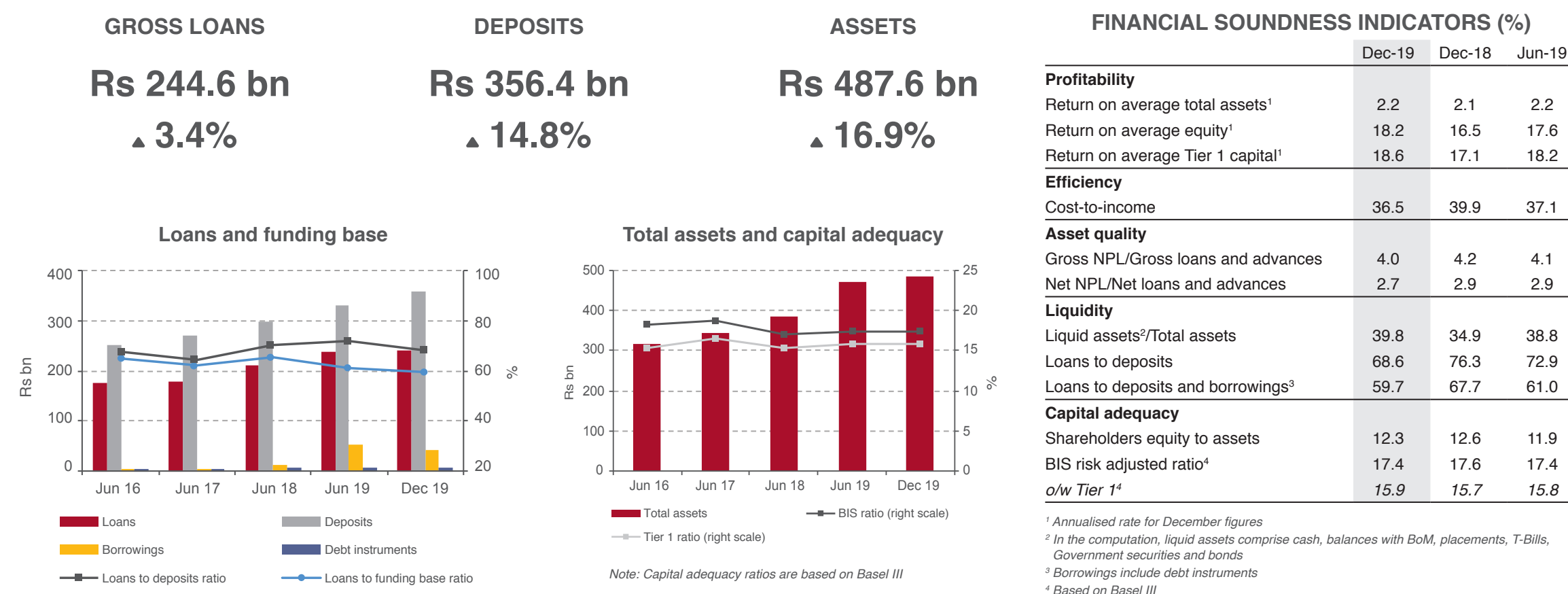
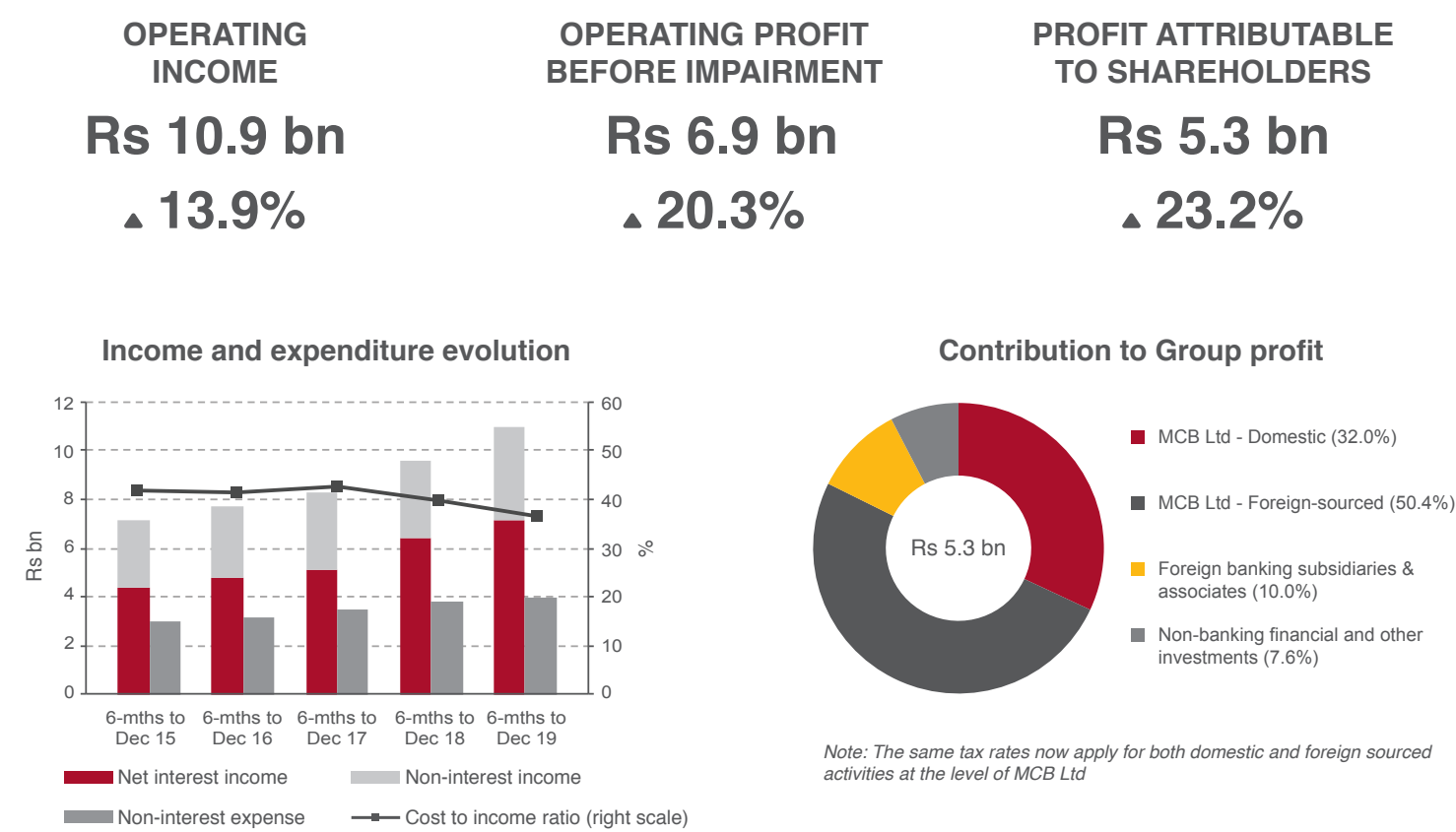


HIGHLIGHTS

- Rise of 12.0% in net interest income
- Increase of 1.5% in net fee and commission income
- 'Other income' up by 41.3%
- Growth of 4.3% in operating expenses
- Impairment charges up by 10.2%, with gross NPL ratio standing at 4.0%
- Share of profit of associates higher by Rs 103 million
- Y-o-y growth of 14.8% in deposits and of 3.4% in gross loans



FINANCIAL SOUNDNESS INDICATORS (%)	Dec-19	Dec-18	Jun-19
	Profitability		
Return on average total assets ¹	2.2	2.1	2.2
Return on average equity ¹	18.2	16.5	17.6
Return on average Tier 1 capital ¹	18.6	17.1	18.2
Efficiency			
Cost-to-income	36.5	39.9	37.1
Asset quality			
Gross NPL/Gross loans and advances	4.0	4.2	4.1
Net NPL/Net loans and advances	2.7	2.9	2.9
Liquidity			
Liquid assets ² /Total assets	39.8	34.9	38.8
Loans to deposits	68.6	76.3	72.9
Loans to deposits and borrowings ³	59.7	67.7	61.0
Capital adequacy			
Shareholders equity to assets	12.3	12.6	11.9
BIS risk adjusted ratio ⁴	17.4	17.6	17.4
<i>o/w Tier 1⁴</i>	15.9	15.7	15.8

¹ Annualised rate for December figures
² In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bills, Government securities and bonds
³ Borrowings include debt instruments
⁴ Based on Basel III

Consolidated summary statement of financial position as at 31 December 2019

	31-Dec-19	31-Dec-18	30-Jun-19
	Rs'M	Rs'M	Rs'M
ASSETS			
Cash and cash equivalents	58,847.2	31,191.8	49,333.5
Mandatory balances with Central Banks	22,358.2	19,876.3	21,075.1
Derivative financial instruments	932.0	410.3	695.8
Loans to and placements with banks	14,427.1	16,601.1	19,672.8
Loans and advances to customers	230,887.4	223,576.2	227,040.4
Investment securities	132,929.7	98,987.8	126,204.0
Investments in associates	10,375.3	9,704.2	9,961.5
Investment properties	4,039.1	3,774.7	3,991.7
Goodwill and other intangible assets	1,524.3	1,236.4	1,462.9
Property, plant and equipment	6,560.6	6,185.0	6,437.8
Deferred tax assets	382.8	325.3	291.9
Other assets	4,317.0	5,309.9	4,993.9
Total assets	487,580.7	417,179.0	471,161.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from banks	3,201.7	3,257.0	3,850.9
Deposits from customers	353,244.6	307,101.3	327,649.5
Derivative financial instruments	865.0	443.8	935.0
Other borrowed funds	45,770.2	31,707.8	56,886.3
Subordinated liabilities	5,536.0	5,588.2	5,571.8
Debt securities	2,012.8	2,013.0	2,012.7
Current tax liabilities	1,057.7	769.6	986.6
Deferred tax liabilities	305.9	247.6	287.9
Other liabilities	12,955.3	11,171.8	14,202.7
Total liabilities	424,949.2	362,300.1	412,383.4
Shareholders' equity			
Stated capital	2,679.3	2,593.7	2,608.3
Retained earnings	48,032.2	42,206.4	44,536.0
Other components of equity	9,323.9	7,655.6	9,109.9
Equity attributable to the ordinary equity holders of the parent	60,035.4	52,455.7	56,254.2
Non-controlling interests	2,596.1	2,423.2	2,523.7
Total equity	62,631.5	54,878.9	58,777.9
Total equity and liabilities	487,580.7	417,179.0	471,161.3

Consolidated summary statement of profit or loss for the period ended 31 December 2019

	Quarter to 31-Dec-19	Quarter to 31-Dec-18	6 mths to 31-Dec-19	6 mths to 31-Dec-18	Year to 30-Jun-19
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
Interest income	5,189.3	4,692.6	10,393.6	9,062.6	18,841.4
Interest expense	(1,548.8)	(1,400.3)	(3,214.2)	(2,649.8)	(5,884.6)
Net interest income	3,640.5	3,292.3	7,179.4	6,412.8	12,956.8
Fee and commission income	1,386.7	1,365.6	2,650.4	2,510.5	5,135.0
Fee and commission expense	(375.9)	(333.5)	(738.0)	(625.6)	(1,348.9)
Net fee and commission income	1,010.8	1,032.1	1,912.4	1,884.9	3,786.1
Other income	1,034.8	616.4	1,853.1	1,311.8	3,483.5
Operating income	5,686.1	4,940.8	10,944.9	9,609.5	20,226.4
Non-interest expense	(2,032.5)	(1,974.1)	(3,998.5)	(3,834.1)	(7,510.7)
Operating profit before impairment	3,653.6	2,966.7	6,946.4	5,775.4	12,715.7
Net impairment of financial assets	(493.2)	(433.2)	(874.1)	(793.4)	(1,596.9)
Operating profit	3,160.4	2,533.5	6,072.3	4,982.0	11,118.8
Share of profit of associates	137.0	77.0	329.8	227.3	403.9
Profit before tax	3,297.4	2,610.5	6,402.1	5,209.3	11,522.7
Income tax expense	(536.2)	(443.0)	(1,072.3)	(886.4)	(1,930.2)
Profit for the period	2,761.2	2,167.5	5,329.8	4,322.9	9,592.5
Profit for the period attributable to:					
Ordinary equity holders of the parent	2,754.5	2,160.0	5,287.4	4,290.9	9,482.2
Non-controlling interests	6.7	7.5	42.4	32.0	110.3
Total comprehensive income for the period	2,761.2	2,167.5	5,329.8	4,322.9	9,592.5

Consolidated summary statement of comprehensive income for the period ended 31 December 2019

	6 mths to 31-Dec-19	6 mths to 31-Dec-18	Year to 30-Jun-19
	Rs'M	Rs'M	Rs'M
Profit for the period	2,761.2	2,167.5	5,329.8
Other comprehensive income:			
Items that will not be reclassified to profit or loss	185.3	(4.1)	186.7
Items that may be reclassified subsequently to profit or loss	110.0	(22.9)	114.8
Other comprehensive income/(expense) for the period	295.3	(27.0)	301.5
Total comprehensive income for the period	3,056.5	2,140.5	5,631.3
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	2,990.0	2,138.5	5,528.1
Non-controlling interests	66.5	2.0	103.2
Total comprehensive income	3,056.5	2,140.5	5,631.3
Earnings per share:			
Basic (Rs)	11.53	9.05	22.13
Diluted (Rs)	11.52	9.05	22.12
Basic weighted average number of shares (thousands)	238,977	238,719	238,943
Diluted weighted average number of shares (thousands)	239,075	238,774	239,041

Our share of profit of associates grew by Rs 103 million, notably on the back of an improved performance at the level of BFCOL.

Our capitalisation level remains comfortable with shareholders' funds increasing to Rs 60.0 billion, contributing to a capital adequacy ratio of 17.4% as at December 2019, of which 15.9% in the form of Tier 1.

Whilst the operating context remains difficult amidst adverse developments on the international scene, full year results for FY 2019/20 are projected to improve compared to last year given the current level of business activity.

By order of the Board
13 February 2020

CONTINGENT LIABILITIES

	31-Dec-19	31-Dec-18	30-Jun-19
	Rs'M	Rs'M	Rs'M
Acceptances, guarantees, letters of credit and other obligations on account of customers	73,669.5	61,726.8	69,002.5
Others	9,437.4	11,080.9	8,302.0
Total	83,106.9	72,807.7	77,304.5

COMMENTS ON RESULTS

Group attributable profits for the semester ended December 2019 grew by 23.2% to reach Rs 5,287 million, with the combined contribution from foreign sources and non-banking operations standing at 68% thereof.

Operating income increased by 13.9% to reach Rs 10,945 million. Net interest income grew by 12.0%, reflecting an expansion in loans and advances across banking subsidiaries and higher investment in Government securities. Net fee and commission income edged up by 1.5%, driven primarily by higher revenues from payment activities. 'Other income' went up by 41.3% to Rs 1,853 million, on account of a rise of some 50% in profit on exchange and fair value gains on financial instruments as well as increased revenues in some non-banking business lines.

Growth in operating expenses was contained at 4.3% leading to our cost to income ratio falling to 36.5% as compared to 39.9% for the corresponding period in the previous year. Net impairment charges grew by Rs 81 million to reach Rs 874 million, resulting in an increase of the annualised cost of risk to 65 basis points of gross loans and advances while the gross non-performing loan ratio declined further to reach 4.0%.

Consolidated summary statement of changes in equity for the period ended 31 December 2019

	Attributable to ordinary equity holders of the parent								
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total	Non-Controlling Interests	Total Equity
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
At 01 July 2018	2,547.9	39,224.4	2,227.4	(395.0)	5,980.8	0.5	49,586.0	2,445.0	52,031.0
Profit for the period	-	4,290.9	-	-	-	-	4,290.9	32.0	4,322.9
Other comprehensive income/(expense) for the period	-	-	21.7	(175.8)	-	-	(154.1)	(13.2)	(167.3)
Total comprehensive income/(expense) for the period	-	4,290.9	21.7	(175.8)	-	-	4,136.8	18.8	4,155.6
Dividends	-	(1,312.9)	-	-	-	-	(1,312.9)	(40.6)	(1,353.5)
Issue of shares following the exercise of Group Employee Share Options Scheme	45.8	-	-	-	-	-	45.8	-	45.8
Transactions with owners	45.8	(1,312.9)	-	-	-	-	(1,267.1)	(40.6)	(1,307.7)
Transfers/movements in reserves	-	4.0	(4.0)	-	-	-	-	-	-
At 31 December 2018	2,593.7	42,206.4	2,245.1	(570.8)	5,980.8	0.5	52,455.7	2,423.2	54,878.9
At 01 July 2019	2,547.9	39,224.4	2,227.4	(395.0)	5,980.8	0.5	49,586.0	2,445.0	52,031.0
Profit for the year	-	9,482.2	-	-	-	-	9,482.2	110.3	9,592.5
Other comprehensive (expense)/income for the year	-	(400.7)	71.9	58.9	-	-	(269.9)	0.7	(269.2)
Total comprehensive income for the year	-	9,081.5	71.9	58.9	-	-	9,212.3	111.0	9,323.3
Dividends	-	(2,602.9)	-	-	-	-	(2,602.9)	(48.4)	(2,651.3)
Investment in subsidiary	-	-	-	-	-	-	-	4.0	4.0
Impact of rights issue exercised by minority shareholders in subsidiary	-	-	-	-	-	-	-	13.3	13.3
Issue of shares following the exercise of Group Employee Share Options Scheme	60.4	-	-	-	-	-	60.4	-	60.4
Transactions with owners	60.4	(2,602.9)	-	-	-	-	(2,542.5)	(31.1)	(2,573.6)
Transfers/movements in reserves	-	(1,167.0)	(37.3)	-	954.0	248.7	(1.6)	(1.2)	(2.8)
At 30 June 2019	2,608.3	44,536.0	2,262.0	(336.1)	6,934.8	249.2	56,254.2	2,523.7	58,777.9
Profit for the period	-	5,287.4	-	-	-	-	5,287.4	42.4	5,329.8
Other comprehensive income for the period	-	0.2	146.4	94.1	-	-	240.7	60.8	301.5
Total comprehensive income for the period	-	5,287.6	146.4	94.1	-	-	5,528.1	103.2	5,631.3
Dividends	-	(1,816.1)	-	-	-	-	(1,816.1)	(29.4)	(1,845.5)
Issue of shares following the exercise of Group Employee Share Options Scheme	71.0	-	-	-	-	-	71.0	-	71.0
Transactions with owners	71.0	(1,816.1)	-	-	-	-	(1,745.1)	(29.4)	(1,774.5)
Transfers/movements in reserves	-	24.7	(12.6)	-	7.8	(21.7)	(1.8)	(1.4)	(3.2)
At 31 December 2019	2,679.3	48,032.2	2,395.8	(242.0)	6,942.6	227.5	60,035.4	2,596.1	62,631.5

Consolidated summary statement of cash flows for the period ended 31 December 2019

	6 mths to 31-Dec-19	6 mths to 31-Dec-18	Year to 30-Jun-19
	Rs'M	Rs'M	Rs'M
Operating activities			
Net cash flows from trading activities	10,057.6	8,301.8	18,125.1
Net cash flows from other operating activities	15,464.9	(7,668.5)	(11,484.9)
Dividends received from associates	79.6	55.2	249.4
Dividends paid	(3,106.2)	(2,386.9)	(2,386.9)
Dividends paid to non-controlling interests in subsidiaries	(29.4)	(40.6)	(48.4)