EMPOWERING PROGRESS

INTERIM FINANCIAL STATEMENTS

2026

FOR THE SIX MONTHS ENDED 30 JUNE 2026

Cargills Bank
Banking on the Human Spirit

Classification : Public

Cargills Bank posts Profit after Tax Rs. 181 Million for the six months ended 30 June 2026

Financial Highlights

- Profit after tax stands at Rs. 181 Mn for the 1st Half 2026
- Net loan book grows by 15% (Rs. 9.2 Bn) compared to December 2025 to reach Rs. 72.3 Bn (YoY growth of 28%)
- The stage 3 loans (net of stage 3 impairment) to total loans ratio at 6.53%
- Total assets grow by 14% compared to December 2025 to reach Rs. 104.7 Bn (YoY growth of 24%)
- Customer deposits grow by 18% to reach Rs. 77.9 Bn compared to December 2025 (YoY growth of 32%)
- Total Capital Ratio at 17.66%
- Capital base strengthened following the equity capital raise of Rs. 2.5 Bn through a Rights Issue earlier in the year

Cargills Bank's results for the six months ended 30 June 2026 reported a profit before tax of Rs. 362 Mn reflecting a 22% drop when compared to the corresponding period in 2025. This was primarily driven by a significant Rs. 422 Mn reduction in total other income alongside an 11% increase in total operating expenses which impact was partially offset by growth in both net interest income and net fee and commission income.

Net interest income rose to Rs. 2,207 Mn, a 20% increase over 1H 2025. This growth was primarily driven by loan growth reinforced with a strategic focus on repricing of deposits and advances to reflect the market conditions to manage the NIM in an optimal manner, as reflected by the increase in NIM from 4.38% as at end 2025 to 4.64% in the period under review.

Net fee and commission income recorded an increase of Rs. 76 Mn compared to corresponding period in 2025. This 17% increase was supported by growth in fee income from deposits, credit cards, and trade-related services.

Conversely, total other income for the period decreased by 89% to Rs. 55 Mn. This was largely due to higher realized capital gains on the derecognition of financial assets and net gains from financial assets at fair value through profit or loss reported in 1H 2025.

Total operating expenses increased by 11% to Rs. 2,039 Mn. Personnel expenses rose by 17% due to salary increments and adjustments aimed at reflecting market conditions and retaining talent. Depreciation and amortization grew by 35%, primarily driven by investments in information technology and other infrastructure upgrades. The Bank's Cost-to-Income Ratio stood at 73.43%, compared to 70.68% as at 31 December 2025.

The Bank significantly narrowed its Other Comprehensive Loss to Rs. 137.4 Mn, a 69% improvement from the Rs. 440.7 Mn loss in 1H 2025. This was supported by lower fair value losses on financial assets measured at fair value through OCI. Consequently, Total Comprehensive Income turned positive at Rs. 43.2 Mn, reflecting a 122% recovery in comparison to the corresponding period in 2025.

The Banking segment of the operating segments was the primary driver of performance, with profit before tax rising to Rs. 306 Mn from a loss of Rs. 27 Mn in 1H 2025. This growth was fueled by a 42% increase in segment net interest income, which reached Rs. 2,055 Mn. The Treasury and Investments segment contributed Rs. 56 Mn in profit before tax, a decrease from the previous period's high base of Rs. 491 Mn. This decrease was primarily due to lower realized capital gains on the derecognition of financial assets and reduced net gains from financial assets at fair value through profit or loss.

The Bank demonstrated improvement in asset quality through rigorous scrutiny and recovery actions. Total impairment charge for the period was Rs. 100 Mn, representing a decrease of Rs. 80 Mn from the Rs. 180 Mn charge in 1H 2025.

The Bank's gross asset quality showed an underlying improvement as the Gross Stage 3 Ratio (Impaired Loans to Total Loans on a Gross basis) dropped to 11.30% from 12.00% as at end 2025. The Stage 3 Loans (Net of Stage 3 Impairment) to Total Loans Ratio stood at 6.53% as of 30 June 2026 compared to 6.52% in December 2025 and 7.85% in June 2025. The Stage 3 Provision Cover was maintained at 42.26% vs 45.65% as at end 2025.

Cargills Bank continues to maintain Capital Adequacy and Liquid Assets Ratios well within regulatory requirements. The Total Capital Ratio marginally improved to 17.66% from 17.12% as at end 2025. The Liquidity Coverage Ratio (LCR) - Rupee was at 156.27% while the LCR - All Currency was at 150.95%. The Net Stable Funding Ratio (NSFR) stood at 120.85% as at the reporting date.

Total assets of the Bank as of 30 June 2026 at Rs. 104.7 Bn reflected an increase of Rs. 13.0 Bn or 14% since December 2025 (YoY growth of 24% since June 2025). The net loan book posted a steady growth of Rs. 9.2 Bn or 15%, from Rs. 63.1 Bn to Rs. 72.3 Bn (YoY growth of 28% since June 2025).

Customer deposits grew by 18% to reach Rs. 77.9 Bn as at the reporting date (YoY growth of 32% since June 2025), reflecting deepening customer trust, successful deposit mobilization strategies and onboarding new customers.

Earlier in the year, the Bank successfully raised equity capital of Rs. 2.5 Bn by way of a Rights issue of ordinary voting shares with the objectives of meeting regulatory requirements, enhancing its capital base and supporting loan growth. In concluding this exercise, the trust and confidence placed by the investors is appreciated and acknowledged.

Cargills Bank PLC
Statement of Profit or Loss

	For the six months ended			For the Quarter ended		
	30-Jun-26 Rs. '000	30-Jun-25 Rs. '000	Change %	30-Jun-26 Rs. '000	30-Jun-25 Rs. '000	Change %
Interest income	**5,173,946**	4,301,492	20	**2,716,705**	2,220,112	22
Interest expenses	**(2,967,254)**	(2,465,284)	(20)	**(1,550,860)**	(1,249,326)	(24)
Net interest income	**2,206,692**	1,836,208	20	**1,165,845**	970,786	20
Fees and commission income	**731,726**	756,980	(3)	**372,463**	364,007	2
Fees and commission expenses	**(216,105)**	(317,355)	32	**(104,313)**	(178,807)	42
Net fees and commission income	**515,621**	439,625	17	**268,150**	185,200	45
Net gains/(losses) from trading	**(1,048)**	22	(4,864)	**152**	48	217
Net gains/(losses) from financial assets at fair value through profit or loss	**1,966**	67,000	(97)	**1,966**	20,664	(90)
Net gains/(losses) from derecognition of financial assets	**127**	360,768	(100)	**23**	22,444	(100)
Net other operating income	**53,622**	49,190	9	**37,662**	22,351	69
Total other income	**54,667**	476,980	(89)	**39,803**	65,507	(39)
Total operating income	**2,776,980**	2,752,813	1	**1,473,798**	1,221,493	21
Impairment (charges)/reversals for loans and other losses	**(99,743)**	(180,095)	45	**(75,559)**	(53,878)	(40)
Net operating income	**2,677,237**	2,572,718	4	**1,398,239**	1,167,615	20
Personnel expenses	**(866,336)**	(742,831)	(17)	**(445,070)**	(376,484)	(18)
Depreciation and amortization	**(224,340)**	(166,229)	(35)	**(113,655)**	(84,846)	(34)
Other operating expenses	**(948,355)**	(923,929)	(3)	**(501,118)**	(457,102)	(10)
Total operating expenses	**(2,039,031)**	(1,832,989)	(11)	**(1,059,843)**	(918,432)	(15)
Operating profit before taxes on financial services	**638,206**	739,729	(14)	**338,396**	249,183	36
Taxes on financial services	**(275,789)**	(275,677)	(0)	**(161,419)**	(104,935)	(54)
Profit before tax	**362,418**	464,053	(22)	**176,977**	144,248	23
Income tax expenses	**(181,760)**	(223,679)	19	**(101,158)**	(66,225)	(53)
Profit for the period	**180,658**	240,374	(25)	**75,819**	78,023	(3)
Attributable to:						
Equity holders of the Bank	**180,658**	240,374	(25)	**75,819**	78,023	(3)
Non-controlling interest	**-**	-	-	**-**	-	-
Profit for the period	**180,658**	240,374	(25)	**75,819**	78,023	(3)
Basic earnings per share (Rs.)	**0.16**	**0.28**	(42)	**0.06**	**0.09**	(32)
Diluted earning per share (Rs.)	**0.16**	**0.28**	**(42)**	**0.06**	**0.09**	**(32)**

Cargills Bank PLC
Statement of Profit or Loss and Other Comprehensive Income

	For the six months ended			For the Quarter ended		
	30-Jun-26 Rs. '000	30-Jun-25 Rs. '000	Change %	30-Jun-26 Rs. '000	30-Jun-25 Rs. '000	Change %
Profit for the period	**180,658**	240,374	(25)	**75,819**	78,023	(3)
Other comprehensive income, net of tax						
Items that will never be reclassified to profit or loss						
Net actuarial gains/(losses) on defined benefit obligations	-	-	-	-	-	-
Change in fair value of investment in equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-
Deferred tax charge/(reversal) related to the above	-	-	-	-	-	-
	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss						
Net gains/(lossess) on investments in debt instruments measured at fair value through other comprehensive income						
Fair value gains/(losses) that arose during the period	**(196,226)**	(268,740)	27	**(110,031)**	(168,022)	35
Fair value (gains)/losses realised to Statement of Profit or Loss on disposal	**(127)**	(360,768)	100	**(23)**	(22,444)	100
Net gains/(losses) on re-measuring Financial Instruments at FVOCI						
Deferred tax (charge)/ reversal related to the above	**58,906**	188,852	(69)	**33,016**	57,140	(42)
Net other comprehensive income/(loss) for the period on items that are or may be reclassifed to Statement of Profit or Loss	**(137,447)**	(440,656)	69	**(77,038)**	(133,326)	42
Total other comprehensive income/(loss) for the period, net of tax	**(137,447)**	(440,656)	69	**(77,038)**	(133,326)	42
Total comprehensive income/(loss) for the period, net of tax	**43,211**	(200,282)	122	**(1,219)**	(55,303)	98
Attributable to:						
Equity holders of the Bank	**43,211**	(200,282)	122	**(1,219)**	(55,303)	98
Non-controlling interest	-	-	-	-	-	-
Total comprehensive income/(loss) for the period, net of tax	**43,211**	(200,282)	122	**(1,219)**	(55,303)	98

Cargills Bank PLC
Statement of Financial Position

As at	30-Jun-26 Rs. '000	31-Dec-25 (Audited) Rs. '000	Growth %
Assets			
Cash and cash equivalents	**2,522,470**	3,436,287	(27)
Balances with Central Bank of Sri Lanka	**1,520,260**	1,175,982	29
Placements with banks	**1,500,375**	-	-
Securities purchased under resale agreements	**703,145**	300,144	134
Derivative financial assets	**154**	1,380	(89)
Financial assets measured at fair value through profit or loss	**-**	-	-
Financial assets at amortised costs - Loans and advances to other customers	**72,306,114**	63,121,257	15
Financial assets at amortised costs - Debt and other financial instruments	**4,605,119**	4,531,863	2
Financial assets measured at fair value through other comprehensive income	**17,769,699**	15,836,333	12
Property, plant & equipment and right-of-use assets	**1,005,317**	883,217	14
Intangible assets	**196,294**	218,214	(10)
Deferred tax assets	**767,376**	683,336	12
Other assets	**1,811,109**	1,535,338	18
Total assets	**104,707,432**	91,723,351	14
Liabilities and equity			
Due to banks	**6,676,408**	8,207,261	(19)
Derivative financial liabilities	**2**	180	(99)
Other financial liabilities at fair value through proft or loss	**-**	-	-
Financial liabilities at amortised cost - Due to depositors	**77,855,724**	66,190,039	18
Financial liabilities at amortised cost - Due to other borrowers	**1,576,266**	1,500,000	5
Retirement benefit obligation	**200,838**	188,940	6
Lease liability	**614,161**	566,231	8
Other liabilities	**3,141,970**	2,948,460	7
Total liabilities	**90,065,369**	79,601,111	13
Equity			
Stated capital	**14,395,121**	11,894,421	21
Statutory reserves fund	**138,392**	138,392	-
Fair value through other comprehensive income reserve	**17,935**	155,382	(88)
Retained earnings/(losses)	**90,615**	(65,955)	237
Total equity attributable to equity holders of the Bank	**14,642,063**	12,122,240	21
Non-controlling interests	**-**	-	-
Total equity	**14,642,063**	12,122,240	21
Total liabilities and equity	**104,707,432**	91,723,351	14
Contingent liabilities & commitments	**28,927,464**	21,991,326	32
Net assets value per share (Rs.)	**11.81**	12.82	(8)
Memorandum information:			
No. of employees	**717**	715	
No. of branches	**26**	26	

Certification:

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

Sgd.

D. Gajanayaka

Assistant General Manager - Finance

We, the undersigned, being the Managing Director and the Chairman of Cargills Bank PLC, certify jointly that;

(A) the above statements have been prepared in compliance with the formats 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 Bank, unless indicated as audited.

Sgd.

K. B. S. Bandara

Managing Director/Chief Executive Officer

Sgd.

Y. Kanagasabai

Director

13 August 2026

Colombo

Cargills Bank PLC
Statement of Changes in Equity

	Stated capital Rs. '000	Statutory reserve Rs. '000	Fair value through other comprehensive income reserve Rs. '000	Retained earnings/(losses) Rs. '000	Total Rs. '000
Balance as at 01.01.2025 - Audited	**11,894,421**	**111,315**	**737,445**	**(575,548)**	**12,167,633**
Total comprehensive income for the period ended 30.06.2025					
Profit for the period	-	-	-	240,374	**240,374**
Other comprehensive income/(loss), net of tax	-	-	(440,656)	-	**(440,656)**
Total comprehensive income/(loss) for the period	-	-	**(440,656)**	**240,374**	**(200,282)**
Transactions with owners in their capacity as owners					
Transfer to the statutory reserve fund	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 30.06.2025	**11,894,421**	**111,315**	**296,790**	**(335,174)**	**11,967,352**
Total comprehensive income for the period from 01.07.2025 to 31.12.2025					
Profit for the period	-	-	-	301,172	**301,172**
Other comprehensive income/(loss), net of tax	-	-	(141,407)	(4,876)	**(146,283)**
Total comprehensive income/(loss) for the period	-	-	**(141,407)**	**296,296**	**154,889**
Transactions with owners in their capacity as owners					
Transfer to the statutory reserve fund	-	27,077		(27,077)	-
Total transactions with owners	-	**27,077**	-	**(27,077)**	-
Balance as at 31.12.2025 - Audited	**11,894,421**	**138,392**	**155,382**	**(65,955)**	**12,122,240**
Total comprehensive income for the period ended 30.06.2026					
Profit for the period	-	-	-	180,658	**180,658**
Other comprehensive income/(loss), net of tax	-	-	(137,447)	-	**(137,447)**
Total comprehensive income/(loss) for the period	-	-	**(137,447)**	**180,658**	**43,211**
Transactions with owners in their capacity as owners					
Rights issue of Ordinary Shares	2,500,700	-	-	-	**2,500,700**
Rights issue expenses	-	-	-	(24,086)	**(24,086)**
Total Contributions and distributions	**2,500,700**	-	-	**(24,086)**	**2,476,614**
Balance as at 30.06.2026	**14,395,121**	**138,392**	**17,935**	**90,615**	**14,642,062**

Cargills Bank PLC
Statement of Cash Flows

	For the period ended	
	30-Jun-26	30-Jun-25
	Rs. '000	Rs. '000
Cash flows from operating activities		
Profit before income tax	**362,418**	464,053
Adjustments for:		
Non-cash items included in profit/(loss) before tax	**526,834**	545,674
Income tax paid	**(181,540)**	(306,303)
Interest paid on lease liability	**(38,639)**	(41,860)
Benefits paid on defined benefit plan	**(2,995)**	(3,281)
Change in operating assets	**(14,071,640)**	(4,583,145)
Change in operating liabilities	**10,404,172**	4,389,813
Net cash generated from/(used in) operating activities	**(3,001,391)**	464,951
Cash flows from investing activities		
Net purchase of property, plant and equipment	**(299,179)**	(63,010)
Proceeds from sale of property, plant and equipment	**9,345**	-
Net purchase of intangible assets	**(25,341)**	(12,106)
Net cash generated from/(used in) investing activities	**(315,175)**	(75,116)
Cash flows from financing activities		
Proceeds from Rights issue	**2,500,700**	-
Payment of lease liability	**(83,133)**	(68,347)
Interest paid	**(68,308)**	(127,429)
Net cash generated from/(used in) financing activities	**2,349,259**	(195,776)
Net increase/(decrease) in cash and cash equivalents	**(967,307)**	194,059
Cash and cash equivalents at the beginning of the period	**3,509,896**	1,743,581
Cash and cash equivalents at the end of the period	**2,542,589**	1,937,640
Less: Provision for impairment	**(20,119)**	(23,760)
Cash and cash equivalents at the end of the period (Net)	**2,522,470**	1,913,880

Cargills Bank PLC
Assets and Liabilities Measured at Fair Value - Fair Value Hierarchy

Fair Value Hierarchy

The Bank measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement.

• Level 1 : Fair value measurement using unadjusted quoted market prices

Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.

• Level 2 : Fair value measurement using significant observable inputs

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using;

(a) quoted prices in active markets for similar instruments,

(b) quoted prices for identical or similar instruments in markets that are considered to be less active, or

(c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

•Level 3 : Fair value measurement using significant unobservable inputs

Inputs that are unobservable.

This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Bank believes that a third party market participant would take them into account in pricing a transaction.

Financial instruments measured at fair value - fair value hierarchy

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position.

	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
As at 30 June 2026				
Financial Assets				
Derivative financial assets	-	154	-	**154**
Financial assets measured at fair value through profit or loss	-	-	-	**-**
Financial assets measured at fair value through other comprehensive income				
Goverment securities	17,742,634	-	-	**17,742,634**
Equity securities	-	-	27,065	**27,065**
Total assets at fair value	17,742,634	154	27,065	**17,769,853**
Financial Liabilities				
Derivative financial liabilities	-	2	-	**2**
Total liabilities at fair value	-	2	-	2

	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
As at 31 December 2025 - Audited				
Financial Assets				
Derivative financial assets	-	1,380	-	**1,380**
Financial assets measured at fair value through profit or loss	-	-	-	**-**
Financial assets measured at fair value through other comprehensive income				
Goverment securities	15,809,268	-	-	**15,809,268**
Equity securities	-	-	27,065	**27,065**
Total assets at fair value	15,809,268	1,380	27,065	**15,837,713**
Financial Liabilities				
Derivative financial liabilities	-	180	-	**180**
Total liabilities at fair value	-	180	-	**180**

Cargills Bank PLC
Assets and Liabilities Measured at Fair Value - Fair Value Hierarchy

Financial instruments not measured at fair value - fair value hierarchy

For financial assets and liabilities with short term maturities or with short term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings deposits which do not have a specific maturity.

The following table provides an analysis of assets and liabilities not measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000
As at 30 June 2026					
Assets					
Cash and cash equivalents	-	2,522,470	-	2,522,470	**2,522,470**
Balances with Central Bank of Sri Lanka	-	1,520,260	-	1,520,260	**1,520,260**
Placements with Banks	-	1,500,375	-	1,500,375	**1,500,375**
Securities purchased under resale agreements	-	703,145	-	703,145	**703,145**
Derivative financial assets	-	154	-	154	**154**
Financial assets at amortised cost - Loans and advances to other customers	-	-	77,258,752	77,258,752	**72,306,114**
Financial assets at amortised cost - Debt and other financial instruments	4,718,001	-	-	4,718,001	**4,605,119**
Other assets	-	1,772,591	38,518	1,811,109	**1,811,109**
Total financial assets not at fair value	**4,718,001**	**8,018,995**	**77,297,270**	**90,034,266**	**84,968,745**
Liabilities					
Due to banks	-	6,676,408	-	6,676,408	**6,676,408**
Derivative financial liabilities	-	2	-	2	**2**
Financial liabilities at amortised cost - Due to depositors	-	-	83,924,334	83,924,334	**77,855,724**
Financial liabilities at amortised cost - Due to other borrowers	-	1,576,266	-	1,576,266	**1,576,266**
Lease liability	-	-	614,161	614,161	**614,161**
Other liabilities	-	-	2,388,375	2,388,375	**2,388,375**
Total financial liabilities not at fair value	**-**	**8,252,676**	**86,926,870**	**95,179,547**	**89,110,937**

	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000
As at 31 December 2025 - Audited					
Assets					
Cash and cash equivalents	-	3,436,287	-	3,436,287	**3,436,287**
Balances with Central Bank of Sri Lanka	-	1,175,982	-	1,175,982	**1,175,982**
Placements with Banks	-	-	-	-	**-**
Securities purchased under resale agreements	-	300,144	-	300,144	**300,144**
Derivative financial assets	-	1,380	-	1,380	**1,380**
Financial assets at amortised cost - Loans and advances to other customers	-	-	63,577,117	63,577,117	**63,121,257**
Financial assets at amortised cost - Debt and other financial instruments	4,511,326	-	-	4,511,326	**4,531,863**
Other assets	-	-	842,584	842,584	**842,584**
Total financial assets not at fair value	**4,511,326**	**4,913,793**	**64,419,701**	**73,844,820**	**73,409,497**
Liabilities					
Due to banks	-	8,207,261	-	8,207,261	**8,207,261**
Derivative financial liabilities	-	180	-	180	**180**
Financial liabilities at amortised cost - Due to depositors	-	-	72,906,171	72,906,171	**66,190,039**
Financial liabilities at amortised cost - Due to other borrowers	-	1,500,000	-	1,500,000	**1,500,000**
Lease liability	-	-	566,231	566,231	**566,231**
Other liabilities	-	-	2,110,047	2,110,047	**2,110,047**
Total financial liabilities not at fair value	**-**	**9,707,441**	**75,582,449**	**85,289,890**	**78,573,758**

Cargills Bank PLC
Selected Performance Indicators/ Key Financial Data (Based on Regulatory Reporting)

As at	30-Jun-26	31-Dec-25
Regulatory Capital (Rs'000)		
Common Equity Tier 1	**13,569,636**	11,206,383
Total Tier 1 Capital	**15,069,636**	12,706,383
Total Capital	**15,571,793**	13,208,540
Regulatory Capital Ratios (%) (Refer Explanatory Note 3)		
Common Equity Tier 1 Capital Ratio - (Minimum Requirement - 7%)	**15.39**	14.52
Tier 1 capital Ratio - (Minimum Requirement - 8.5%)	**17.09**	16.46
Total Capital Ratio - (Minimum Requirement - 12.5%)	**17.66**	17.12
Basel III leverage Ratio - (Minimum Requirement - 3%)	**12.94**	12.70
Regulatory Liquidity		
Total Stock of High-Quality Liquid Assets (Rs '000)	**21,589,567**	17,025,869
Liquidity Coverage Ratio, % - (Minimum Requirement - 100%)		
Rupee, %	**156.27**	145.45
All currency, %	**150.95**	163.90
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	**120.85**	129.64
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) to total Loans (Gross basis) *	**11.30**	12.00
Impaired Loans (Net of Stage 3 Impairment) to total Loans (Net basis) *	**6.53**	6.52
Stage 3 Impairment to Stage 3 Loans (Stage 3 Provision Cover) *	**42.26**	45.65
Profitability		
Interest Margin, %	**4.64**	4.38
Return on Assets (before Tax), %	**0.72**	1.15
Return on Equity, %	**2.66**	4.51
Cost to Income Ratio (%)	**73.43**	70.68

* Including undrawn portion of credit

Explanatory Notes

1) The Financial Statements of the Bank have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). There were no changes to Accounting Policies and methods of computation since publication of the Annual Report for the year ended 31 December 2025.
2) These Interim Financial Statements of the Bank have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting' and provide the information as required in terms of Listing Rule 7.4 of the Colombo Stock Exchange.
3) The Bank should maintain a Total Tier 1 Capital Ratio 250 basis points above the minimum applicable until it complies with a regulatory minimum capital requirement of LKR 20 Billion. It has been granted until the end of 2029 to comply with this requirement with time-based targets to enhance minimum capital balance and to reduce the combined shareholding of the major shareholders as stated in Note 8 below.
4) The Bank continued to reassess its individually significant loan portfolio as of 30 June 2026 and incorporated adequate impairment provisions on identified customer segments to reflect increased credit risk since initial recognition. Accordingly, the impairment provision also includes management overlays where higher impairment charges were considered as a prudential measure in assessing the elevated risk profiles of borrowers.

   Additionally, the Bank revised the cash flow assumptions for customers who were previously impaired, ensuring that any deterioration/improvement in the credit quality of such customers has been appropriately addressed during the period.

   The Bank estimated its Expected Credit Loss (ECL) for collective impairment as at the reporting date based on the updated Probability of Default flow rates as at 31 December 2025, Economic Factor Adjustment (EFA) and Loss Given Default (LGD) values as at 30 June 2026.

   The exchange impact on impairment charges on loans and advances denominated in foreign currency was recognised in Net Other Operating Income where the corresponding exchange gains/(losses) are recognised.
5) During the quarter, there were no material changes in the composition of assets, liabilities and/or contingent liabilities, other than those disclosed above.
6) There was no pending litigation of a material nature against the Bank.
7) All known expenses have been provided for in these Interim Financial Statements.
8) Central Bank of Sri Lanka (CBSL) vide its letter to the Bank dated 31 December 2025 provided an extension to Cargills Bank PLC to raise approximately Rs. 2.5 Bn in external capital through market mechanisms, with the objective of reducing the major shareholders' stake to 50% by 31 March 2026.

   The Bank complied with the aforesaid requirement at the reporting date, refer section on 'Rights issue of ordinary shares' for more information.

   Further, CBSL vide its letter to the Bank dated 19 February 2026 directed the Board of Directors of Cargills Bank PLC to meet interim capital targets and the shareholding limits of the major shareholders, Cargills (Ceylon) PLC and CT Holdings PLC, as set out in the table below in order to meet the minimum capital requirement of Rs. 20 Bn by end 2029.

   Interim Targets on Capital Augmentation & Shareholding Limits

By end of	Requirement to maintain the minimum balance of total capital	Target to reduce the combined shareholding of the major shareholders
31.03.2027	Rs.16.0Bn	45%
31.03.2028	Rs.17.5Bn	35%
31.03.2029	Rs.19.0Bn	25%
31.12.2029	Rs.20.0 Bn	15%

9) No circumstances have arisen since the reporting date which would require disclosure in these Financial Statements.

Cargills Bank PLC
Analysis of Loans and Advances, Commitments, Contingencies and Impairment

As at	30-Jun-26 Rs. '000	31-Dec-25 (Audited) Rs. '000
Loans and advances to other customers		
Gross loans and advances	**77,590,387**	**68,250,119**
Less: Stage-wise impairment		
Stage 1	**323,195**	242,405
Stage 2	**548,787**	519,504
Stage 3	**4,412,292**	4,366,954
Total impairment for loans and advances	**5,284,274**	**5,128,863**
Net loans and advances	**72,306,114**	**63,121,256**
Product wise Gross Loans and advances to other customers		
By product - Domestic Currency		
Overdrafts	**9,758,613**	8,098,989
Trade finance	**6,388,301**	6,795,764
Housing loans	**1,474,546**	1,735,826
Personal loans	**3,887,697**	3,804,705
Staff loans	**603,288**	481,430
Term loans	**29,181,138**	25,741,709
Loans against property	**1,904,520**	1,767,999
Agriculture loans	**852,656**	861,741
Money market loans	**12,660,824**	9,650,618
Vehicle loans	**1,007,205**	879,569
Credit cards	**2,052,137**	1,859,637
Micro finance	**100,101**	95,416
Others	**1,596,234**	955,449
Sub total	**71,467,261**	**62,728,851**
By product - Foreign Currency		
Trade finance	**4,787,087**	4,211,303
Housing loans	**45,308**	47,430
Term loans	**1,279,620**	1,253,565
Overdrafts	**8,970**	8,970
Others	**2,141**	-
Sub total	**6,123,126**	5,521,268
Total Gross Loans & Advances	**77,590,387**	**68,250,119**

Movement in impairment during the period for loans and advances to other customers - 2026

	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01 January 2026 - Audited	**242,405**	**519,504**	**4,366,954**	**5,128,863**
Charge/ (write back) to income statement	92,984	33,438	92,622	219,043
Write off during the period	-	-	(7,037)	(7,037)
Exchange rate variance on foreign currency provisions	(12,193)	(4,155)	(40,247)	(56,595)
Closing balance as at 30 June 2026	**323,195**	**548,787**	**4,412,292**	**5,284,274**

Movement in impairment during the year for loans and advances to other customers - 2025

	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01 January 2025 - Audited	**219,164**	**474,977**	**4,640,872**	**5,335,014**
Charge/ (write back) to income statement	12,827	43,004	(276,172)	(220,341)
Write off during the year	-	-	(22,171)	(22,171)
Exchange rate variance on foreign currency provisions	10,414	1,523	24,424	36,361
Closing balance as at 31 December 2025 - Audited	**242,405**	**519,504**	**4,366,954**	**5,128,863**

Cargills Bank PLC

Analysis of Loans and Advances, Commitments, Contingencies and Impairment

Commitments and Contingencies		
Gross commitments and contingencies	**29,084,318**	**22,115,526**
Less: Stage-wise impairment		
Stage 1	**86,716**	60,813
Stage 2	**70,138**	63,387
Stage 3	**-**	-
Total impairment for commitments and contingencies	**156,854**	**124,200**
Net commitments and contingencies	**28,927,464**	**21,991,326**
Product- wise Commitments and Contingencies		
By product - Domestic Currency		
Guarantees	8,836,868	7,158,623
Letters of credit	151,424	349,905
Undrawn commitments	14,760,688	11,482,765
Capital commitments and other	429,348	222,886
Sub total	**24,178,328**	**19,214,179**
By product - Foreign Currency		
Guarantees	688,090	350,110
Letters of credit	3,979,480	1,320,641
Bills for collection	44,557	21,338
Forward purchase	21,161	232,395
Spot purchase	172,701	976,862
Sub total	**4,905,990**	**2,901,347**
Total Commitments and Contingencies	**29,084,318**	**22,115,526**

Movement in impairment during the period for Commitments and Contingencies - 2026

	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01 January 2026 - Audited	**60,813**	**63,387**	**-**	**124,200**
Charge/ (write back) to income statement	25,903	6,751	-	32,654
Closing balance as at 30 June 2026	**86,716**	**70,138**	**-**	**156,854**

Movement in impairment during the year for Commitments and Contingencies - 2025

	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 01 January 2025 - Audited	**68,050**	**44,823**	**1,250**	**114,123**
Charge/ (write back) to income statement	(7,237)	18,564	(1,250)	10,077
Closing balance as at 31 December 2025 - Audited	**60,813**	**63,387**	**-**	**124,200**

Cargills Bank PLC

Analysis of Deposits

Due to Depositors		
By product - Domestic Currency		
Current account deposits	**3,744,960**	2,972,572
Savings deposits	**9,854,917**	9,641,475
Call Deposits	**1,047**	4,864
Time deposits	**60,141,323**	49,477,138
Certificate of deposits	**12,751**	56,513
Margin deposits	**64,583**	57,207
Sub total	**73,819,581**	62,209,771
By product - Foreign Currency		
Current account deposits	**170,013**	122,754
Savings deposits	**646,972**	657,647
Time deposits	**3,209,036**	3,199,787
Margin deposits	**10,121**	78
Sub total	**4,036,142**	3,980,268
Total Due to Depositors	**77,855,724**	**66,190,039**

Cargills Bank PLC
Operating Segments

For the year ended 30 June	Banking 2026	Banking 2025	Treasury/ Investments 2026	Treasury/ Investments 2025	Total 2026	Total 2025
Net interest income	**2,054,839**	**1,449,414**	**151,853**	**386,794**	**2,206,692**	**1,836,208**
Net fees and commission income	509,474	432,934	6,147	6,691	515,621	439,625
Foreign exchange profit	(45,018)	(10,281)	98,639	59,471	53,622	49,190
Other income	-	22	1,045	427,768	1,045	427,790
Operating income by segment	**2,519,295**	**1,872,088**	**257,684**	**880,725**	**2,776,980**	**2,752,813**
Impairment (charges)/reversals for loans and other losses	(153,242)	(184,901)	53,499	4,806	(99,743)	(180,095)
Net operating income	**2,366,053**	**1,687,187**	**311,183**	**885,531**	**2,677,237**	**2,572,718**
Personnel and other operating expenses	(1,662,898)	(1,459,764)	(151,792)	(206,996)	(1,814,691)	(1,666,760)
Depreciation and amortisation	(179,247)	(116,746)	(45,093)	(49,483)	(224,340)	(166,229)
Total operating expenses	**(1,842,145)**	**(1,576,511)**	**(196,885)**	**(256,478)**	**(2,039,031)**	**(1,832,989)**
Operating profit/(loss) by segment	**523,908**	**110,677**	**114,298**	**629,052**	**638,206**	**739,729**
Taxes on financial services	(217,946)	(137,935)	(57,842)	(137,741)	(275,789)	(275,677)
Profit/(Loss) before Tax by segment	**305,961**	**(27,258)**	**56,455**	**491,311**	**362,417**	**464,053**
Tax (expense)/reversal					(181,760)	(223,679)
Profit for the period					**180,658**	**240,374**

Other information	**30-Jun-2026**	**31-Dec-2025**	**30-Jun-2026**	**31-Dec-2025**	**30-Jun-2026**	**31-Dec-2025**
Segment assets	82,891,968	71,335,449	21,815,464	20,387,902	**104,707,432**	**91,723,351**
Segment liabilities	88,273,076	71,434,561	1,792,293	8,166,546	**90,065,369**	**79,601,107**

Cargills Bank PLC
DIRECTORS' INTEREST IN SHARES OF CARGILLS BANK PLC

	Directors' Name	No. of shares held As at 30 June 2026	No. of shares held As at 31 December 2025
1	Mr. Asoka Pieris - Chairman	Nil	Nil
2	Mr. Senarath Bandara - Managing Director/CEO	200,000	112,500
3	Ms. Marianne Page	Nil	Nil
4	Mr. Yudhishtran Kanagasabai	Nil	Nil
5	Mr. Buwanekabahu Perera	Nil	Nil
6	Mr. Ravindra Jayawardena	Nil	Nil
7	Mrs. Shanti Gnanapragasam	Nil	Nil
8	Mr. Arjuna Herath	Nil	Nil
9	Mr. Rajitha Basnayake	Nil	N/A

RIGHTS ISSUE OF ORDINARY SHARES

At the Extraordinary General Meeting held on 20 February 2026, shareholders of the Bank approved the resolution to issue ordinary voting shares by way of a Rights issue to the existing shareholders of the Bank in the proportion of 14 shares for every 45 shares held as at the end of trading on 24 February 2026 at an issue price of Rs. 8.50 per share. Accordingly, the Bank raised Rs. 2,500,700,000 through the issue of 294,200,000 ordinary voting shares. The new ordinary shares under Rights issue were listed in the Colombo Stock Exchange on 09 April 2026.

The status of the fund utilization as at 30 June 2026 in terms of the objective stated in the Rights issue circular is tabulated below:

Objectives as per circular	Amount allocated as per the circular in Rs.	Proposed date of utilization as per the circular	Amount allocated upon the receipt of proceeds in Rs. (A)	% of total proceeds	Amount Utilized in Rs. (B)	% utilization against allocation (B/A)	Clarification if not fully utilized
To enhance the capital base of the Bank with the intention to partially meet the minimum capital requirement of Rs. 20 Bn set forth in Banking Act Direction No. 05 of 2017 and comply with the CBSL's direction, as set out in its letter dated 31 December 2025, to raise approximately Rs. 2.5 Bn by 31 March 2026.	2,500,700,000	Subsequent to the allotment of Rights Shares	2,476,614,018 **	99%	2,476,614,018 **	100%	
Support lending activities*		Within Three Months from the date of allotment	2,476,614,018 **	99%	2,476,614,018 **	100%	

* Out of the total proceeds from the Rights issue of Rs. 2,500,700,000, Rs. 50,000,000 was reserved for the cost of the Rights Issue. Cost of the issue is within the threshold.

** Net of the cost of the Rights issue

Cargills Bank PLC

INFORMATION ON ORDINARY SHARES OF THE BANK

TOP 25 REGISTERED SHAREHOLDERS - ORDINARY VOTING SHARES AS AT 30 JUNE 2026

No.	Shareholder Name	No. of shares	%
1	Cargills (Ceylon) PLC*	378,725,254	30.55 *
2	CT Holdings PLC*	241,196,174	19.45 *
3	Asia Pacific Institute of Information Technology Lanka (Pvt) Ltd	122,744,443	9.90
4	Sampath Bank PLC/Yaden Capital (Private) Limited	72,999,880	5.89
5	First Capital Asset Management/MJF Charitable Foundation	23,024,002	1.86
6	Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	19,568,627	1.58
7	Mrs. P.D.A.S. Beruwalage	13,544,654	1.09
8	Over Land Automobiles (Pvt) Ltd	11,500,000	0.93
9	AIA Holdings Lanka (Private) Limited	11,000,000	0.89
9	Aindri Holdings PTE Limited	11,000,000	0.89
11	Capstone Real Estate (Private) Limited	9,528,195	0.77
12	GF Capital Global Limited	9,454,291	0.76
13	Seylan Bank PLC./Sarath Kumara Wijekoon	8,296,202	0.67
14	Simonas Trust Service (Pvt) Ltd	8,000,000	0.65
15	Global Stanford Campus (Pvt) Ltd	7,786,455	0.63
16	Mulitex Investments Limited	7,346,664	0.59
17	Commercial Bank of Ceylon PLC/ S.K. Wijekoon	7,000,000	0.56
18	First Capital Asset Management/ Mr. D. C. Fernando	6,260,000	0.50
19	Mr. I.C. Nanayakkara	5,768,888	0.47
19	Lalan Rubber Holdings (Pvt) Ltd	5,768,888	0.47
21	J.B. Cocoshell (Pvt) Ltd	5,463,888	0.44
22	Mr. H. Beruwalage	5,370,281	0.43
23	Commercial Bank of Ceylon PLC A/C No. 04	5,088,888	0.41
24	Mr. G.L.H. Premaratne	5,000,000	0.40
25	Mr. W.A.S.P. De Saram	4,876,148	0.39
Sub Total		1,006,311,822	81.17
	Other Shareholders	233,531,036	18.83
Total		**1,239,842,858**	**100.00**

* 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.

PUBLIC HOLDING PERCENTAGE

	As at 30 June 2026	As at 31 December 2025
Float adjusted market capitalization (LKR)	4,946,477,066.28	3,553,196,300.00
Public holding percentage	49.87%	39.14%
Number of public shareholders	8,450	6,742
Option under which the Listed Entity complies with the Minimum Public Holding requirement	Option 4	Option 4

SHARE PRICE INFORMATION

As At	As at 30 June 2026	As at 31 December 2025
Number of shares	1,239,842,858	945,642,858
Last traded price (LKR)	8.00	9.60
Highest price per share (LKR)	9.00	11.50
Lowest price per share (LKR)	7.90	9.20

Quoted shares of the Bank are only traded in Sri Lankan Rupees.

Cargills Bank PLC
CORPORATE INFORMATION

NAME OF THE COMPANY
Cargills Bank PLC

LEGAL FORM
A public limited liability company incorporated in Sri Lanka on 3 November 2011 under the Companies Act No.7 of 2007. A licensed Commercial Bank under the Banking Act No. 30 of 1988 as amended from time to time.

STOCK EXCHANGE LISTING
The ordinary shares are listed on the Colombo Stock Exchange.

REGISTRATION NUMBER
PQ00293614

ACCOUNTING YEAR-END
December 31

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Fitch Rating
A (lka)

TAXPAYER IDENTIFICATION NUMBER (TIN)
134048476

BOARD OF DIRECTORS
Mr. Asoka Pieris - Chairman
Mr. Senarath Bandara - Managing Director /CEO
Ms. Marianne Page
Mr. Yudhishtran Kanagasabai
Mr. Buwanekabahu Perera
Mr. Ravindra Jayawardena
Mrs. Shanti Gnanapragasam
Mr. Arjuna Herath
Mr. Rajitha Basnayake

OTHER INFORMATION

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Messrs. Ernst & Young,
Chartered Accountants,
Rotunda Towers, No. 109, Galle Road,
Colombo 3
Sri Lanka

LAWYERS
Messrs. Julius & Creasy
No. 371, R.A. de Mel Mawatha,
Colombo 03
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COMPLIANCE OFFICER
Mr. Gayantha Wijekoon

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