MARKET DISCIPLINE
MINIMUM DISCLOSURE REQUIREMENTS
UNDER PILLAR III

FOR THE QUARTER ENDED 30 SEPTEMBER 2025

CargillsBank
BANKING ON THE HUMAN SPIRIT

Basel III - Pillar III Market Disclosures

Disclosures under pillar III as per the Banking Act Direction No. 01 of 2016 mainly include the regulatory capital requirements and liquidity, risk weighted assets, discussion on adequacy to meet current and future capital requirements of banks and linkages between financial statements and regulatory exposures. It is required to disclose the templates specified by the Central Bank of Sri Lanka as per Basel III – Minimum disclosure requirements with effective from July 1, 2017.

TEMPLATE 01
Key Regulatory Ratios – Capital and Liquidity

Item	30-Sep-2025	30-Jun-2025
Regulatory Capital (Rs. '000)		
Common Equity Tier 1	10,916,242	10,989,658
Tier 1 Capital	12,416,242	12,489,658
Total Capital	12,872,894	12,946,311
Regulatory Capital Ratios (%)*		
Common Equity Tier 1 Capital Ratio (Minimum Requirement – 2025: 7 & 2024: 7)	14.48	15.33
Tier 1 Capital Ratio (Minimum Requirement – 2025: 8.5 & 2024: 8.5)	16.47	17.42
Total Capital Ratio (Minimum Requirement – 2025: 12.5 & 2024: 12.5)	17.08	18.06
Leverage Ratio (Minimum Requirement - 2025: 3 & 2024: 3)	12.71	13.47
Regulatory Liquidity		
Statutory Liquid Assets (Rs. '000)**	N/A	N/A
Statutory Liquid Ratio (Minimum Requirement – 20%)		
Domestic Banking Unit (%)**	N/A	N/A
Off-Shore Banking Unit (%)**	N/A	N/A
Statutory Liquid Assets Ratio - Bank (%)**	N/A	N/A
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement – 2025: 100 & 2024: 100)	195.57	174.93
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement – 2025: 100 & 2024: 100)	159.90	138.68
Net Stable Funding Ratio (Minimum Requirement: 2025: 100 & 2024: 100)	125.06	127.71

* The Bank should maintain Total Tier 1 Capital Ratio 250 basis points above the minimum applicable until it complies with the regulatory minimum capital requirement of LKR 20 Bn. It has been granted until the end of 2029 to comply with this requirement.

** As per the section 5 of Banking Act Determination No. 01 of 2024 issued by CBSL, all the regulatory requirements relating to Statutory Liquid Assets Ratio by licensed banks are discontinued with effect from 15 June 2024.

TEMPLATE 02
Basel III Computation of Capital Ratios

Item	30-Sep-2025	30-Jun-2025
	Rs. '000	Rs. '000
Common Equity Tier 1 (CET1) Capital after Adjustment	**10,916,242**	**10,989,658**
Common Equity Tier 1 (CET1) Capital	**11,641,533**	**11,714,950**
Equity Capital (Stated Capital)/Assigned Capital	11,894,421	11,894,421
Reserve Fund	111,315	111,315
Published Retained Earnings/(Accumulated Retained Losses)	(575,548)	(575,548)
Published Accumulated Other Comprehensive Income (OCI)	725,418	725,418
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(514,072)	(440,655.60)
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	725,291	725,291
Goodwill (net)	-	-
Intangible Assets (net)	202,059	202,059
Others (specify) – Deferred tax asset	523,232	523,232
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Additional Tier 1 (AT1) Capital	1,500,000	1,500,000
Qualifying Additional Tier 1 Capital Instruments	1,500,000	1,500,000
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to AT1 Capital	-	-
Investment in Own Shares	-	-
Others (Specify)	-	-
Tier 2 Capital after Adjustments	456,652	456,652
Tier 2 Capital	456,652	456,652
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	456,652	456,652
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to Tier 2	-	-
Investment in Own Shares	-	-
Others (Specify)	-	-
CET1 Capital	**11,641,533**	**11,714,950**
Total Tier 1 Capital	**12,416,242**	**12,489,658**
Total Capital	**12,872,894**	**12,946,311**

	30-Sep-2025	30-Jun-2025
	Rs. '000	Rs. '000
Total Risk Weighted Assets (RWA)		
RWAs for Credit Risk	69,227,805	65,452,022
RWAs for Market Risk	5,688	958
RWAs for Operational Risk	6,151,847	6,245,681
CET1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	14.48	15.33
Of which: Capital Conservation Buffer (%)	2.50	2.50
Of which: Countercyclical Buffer (%)	-	-
Of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio	16.47	17.42
Total Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	17.08	18.06
Of which: Capital Conservation Buffer (%)	2.50	2.50
Of which: Countercyclical Buffer (%)	-	-
Of which: Capital Surcharge on D-SIBs (%)	-	-

TEMPLATE 03
Computation of Leverage Ratio

Item	30-Sep-2025 Rs. '000	30-Jun-2025 Rs. '000
Tier 1 Capital	12,416,242	12,489,658
Total Exposures	97,697,541	92,705,735
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	87,453,961	83,735,119
Derivative Exposure	-	-
Securities Financing Transaction Exposure	300,144	-
Other Off-Balance Sheet Exposure	9,943,436	8,970,616
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	12.71	13.47

TEMPLATE 04

4.1 Basel III Computation of Liquidity Coverage Ratio (Rupee)

Item	30-Sep-2025		30-Jun-2025	
	Rs. '000		Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	15,934,274	15,934,274	15,172,885	15,172,885
Total Adjusted Level 1 Assets	16,267,516	16,267,516	15,692,864	15,692,864
Level 1 Assets	15,934,274	15,934,274	15,172,885	15,172,885
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	74,705,167	14,155,422	70,748,055	14,421,230
Deposits	38,613,801	3,861,380	37,484,234	3,748,423
Unsecured Wholesale Funding	16,727,804	9,487,533	15,993,305	9,929,488
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	19,363,561	806,509	17,270,516	743,319
Additional Requirements	-	-	-	-
Total Cash Inflows	10,854,256	6,007,761	10,382,420	5,747,759
Maturing Secured Lending Transactions Backed by Collateral	300,143.84	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	10,554,113	6,007,761	10,382,420	5,747,759
Operational Deposits	-	-	-	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		195.57		174.93

TEMPLATE 04

4.2 Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	30-Sep-2025		30-Jun-2025	
	Rs. '000		Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	15,966,032	15,966,032	15,204,375	15,204,375
Total Adjusted Level 1 Assets	16,299,273	16,299,273	15,724,355	15,724,355
Level 1 Assets	15,966,032	15,966,032	15,204,375	15,204,375
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	82,103,437	17,014,165	76,997,529	16,819,000
Deposits	40,775,070	4,077,507	39,170,101	3,917,010
Unsecured Wholesale Funding	19,926,981	12,042,781	18,805,317	12,088,744
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	21,401,386	893,878	19,022,111	813,246
Additional Requirements	-	-	-	-
Total Cash Inflows	12,871,692	7,029,017	11,251,938	5,855,424
Maturing Secured Lending Transactions Backed by Collateral	300,143.84	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	12,117,798	7,029,017	10,568,593	5,855,424
Operational Deposits	453,750.66	-	683,345	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		159.90		138.68

TEMPLATE 04

4.3 Net Stable Funding Ratio (NSFR)

Item	30-Sep-2025	30-Jun-2025
	Rs. '000	Rs. '000
Total available stable funding (ASF)	58,754,364	56,167,527
Total required stable funding (RSF)	46,980,338	43,979,788
Required stable funding – On balance sheet assets	46,525,022	43,628,640
Required stable funding – Off balance sheet items	455,315	351,148
NSFR (Minimum Requirement – 2025: 100 & 2024: 100)	125.06	127.71

TEMPALTE 05
Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	BASEL III Additional Tier 1 Compliant Unlisted Unsecured Subordinated Perpetual Convertible Debentures
Issuer	Cargills Bank PLC
Governing Law(s) of the Instrument	Companies Act No. 07 of 2007, Banking Act No. 30 of 1988 and other applicable laws and regulations
Original Date of Issuance	15 December 2021
Par Value of Instrument	LKR 100/-
Perpetual or Dated	Perpetual
Original Maturity Date, if Applicable	N/A
Amount Recognised in Regulatory Capital (in Rs. ‘000 as at the Reporting Date)	1,500,000
Accounting Classification (Equity/Liability)	Liability
Issuer Call subject to Prior Supervisory Approval	
Optional Call Date, Contingent Call Dates and Redemption Amount (Rs. '000)	*
Subsequent Call Dates, if Applicable	1 May to 31 May of each year from 2028 to 2031
Coupons/Dividends	
Fixed or Floating Dividend/Coupon	Floating
Coupon Rate and any Related Index	Weighted average twelve-month Net Treasury Bill rate + 2.00% p.a with the floor rate of 9.5% p.a.
Non-Cumulative or Cumulative	Cumulative
Convertible or Non-Convertible	Convertible
If Convertible, Conversion Trigger (s)	*
If Convertible, Fully or Partially	*
If Convertible, Mandatory or Optional	*
If Convertible, Conversion Rate	*

* The debenture may be covertible by the debenture holder (subject to satisfaction of regulatory requirements), at any time during the conversion periods after a minimum of 05 years from the date of issue or a non viability conversion arising from an occurrence of a trigger event at a par value of LKR 100 per debenture.

TEMPLATE 06

Summary Discussion on Adequacy/Meeting Current and Future Capital Requirements

The Bank has set up an internal threshold on minimum CARs and ensures that appropriate measures are employed to maintain the CARs above the said threshold when preparing the budget. The Bank has a well established monitoring mechanism to periodically ensure the level of achievement against the predetermined targets and corrective action is taken for any deviations.

Methods of improving the CARs are being evaluated on an ongoing basis and in extreme situations, the Bank will deliberate on strategically curtailing the expansion of risk weighted assets. Prior to taking such decisions, the Bank will assess the impact on the internally developed thresholds of minimum CARs resulting from the short-term asset expansion plans. The Bank takes every endeavour to ensure maintaining the internal CAR thresholds.

Further, in December 2021, The Bank issued Fifteen Million (15,000,000) Basel III Additional Tier 1 Compliant Unlisted Unsecured Subordinated Perpetual Convertible Debentures with a conversion option to raise Rs. 1.5 Bn to meet the regulatory minimum capital requirement.

TEMPLATE 07
Credit Risk under Standardised Approach –
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount as at 30 September 2025 (Rs. '000)					
	Exposure before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA & RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density
Claims on Central Government and CBSL	22,269,854	-	22,269,854	-	-	0.00%
Claims on Foreign Sovereigns and Their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	603,439	-	603,439	3,083	138,226	22.79%
Claims on Financial Institutions	5,840,147	-	5,840,147	-	5,403,237	92.52%
Claims on Corporates	29,516,269	16,625,572	29,516,269	7,474,497	36,917,327	99.80%
Retail Claims	14,614,003	5,275,683	14,614,003	1,968,947	14,548,106	87.73%
Claims Secured by Residential Property	1,747,246	-	1,809,394	48,552	1,795,799	96.66%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	5,822,762	-	5,760,615	448,357	7,928,453	127.69%
High-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	3,759,954	-	3,759,954	-	2,496,656	66.40%
Total	**84,173,675**	**21,901,255**	**84,173,675**	**9,943,436**	**69,227,805**	**73.55%**

TEMPLATE 08

Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights

	Amount as at 30 September 2025 (Post CCF and CRM) (Rs. '000)							
Risk Weight / Asset Classes	0%	20%	50%	75%	100%	150%	>150%	Total Credit Exposure Amount
Claims on Central Government and CBSL	22,269,854	-	-	-	-	-	-	**22,269,854**
Claims on Foreign Sovereigns and Their Central Banks	-	-	-		-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-	-	-
Claims on Banks Exposures	-	593,506	-	-	-	13,017	-	**606,522**
Claims on Financial Institutions	-	-	873,821	-	4,966,326	-	-	**5,840,147**
Claims on Corporates	-	-	146,877	-	36,843,888	-	-	**36,990,766**
Retail Claims	-	-	-	8,139,374	8,443,576	-	-	**16,582,950**
Claims Secured by Residential Property	-	-	-	-	1,795,799	-	-	**1,795,799**
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)	-	-	61,088	-	2,834,274	3,375,757		**6,271,119**
High-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,263,298	-	-	-	2,496,656	-	-	**3,759,954**
Total	**23,533,152**	**593,506**	**1,081,786**	**8,139,374**	**57,380,519**	**3,388,774**	-	**94,117,111**

TEMPLATE 09
Market Risk under Standardised Measurement Method

Item	RWA Amount Rs. '000 As at 30 September 2025
(a) RWA for Interest Rate Risk	5,688
General Interest Rate Risk	
i. Net Long or Short Position	0
ii. Horizontal Disallowance	-
iii. Vertical Disallowance	-
iv. Options	-
Specific Interest Rate Risk	-
(b) RWA for Equity	-
i. General Equity Risk	-
ii. Specific Equity Risk	-
(c) RWA for Foreign Exchange & Gold	711
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	711

TEMPLATE 10

Operational Risk under Basic Indicator Approach/ The Standardised Approach/ The Alternative Standardised Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income as at 30 September 2025 (Rs. '000)		
			1st Year	2nd Year	3rd Year
Basic Indicator Approach	15%		5,489,065	5,042,614	4,847,938
The Standardised Approach			-	-	-
Corporate Finance	18%		-	-	-
Trading and Sales	18%		-	-	-
Payment and Settlement	18%		-	-	-
Agency Services	15%		-	-	-
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%		-	-	-
Commercial Banking	15%		-	-	-
The Alternative Standardised Approach			-	-	-
Corporate Finance	18%		-	-	-
Trading and Sales	18%		-	-	-
Payment and Settlement	18%		-	-	-
Agency Services	15%		-	-	-
Asset Management	12%		-	-	-
Retail Brokerage	12%		-	-	-
Retail Banking	12%	0.035	-	-	-
Commercial Banking	15%	0.035	-	-	-
Capital Charge for Operational Risk (Rs. '000)					
The Basic Indicator Approach	768,981				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk Weighted Amount for Operational Risk (Rs. '000)					
The Basic Indicator Approach	6,151,847				
The Standardised Approach	-				
The Alternative Standardised Approach	-				

TEMPLATE 11

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories - Bank Only

Item	Amount as at 30 September 2025 (Rs. '000)				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Capital Requirements or Subject to Deduction from Capital
Assets					
Cash and Cash Equivalents	1,866,738	1,866,738	1,866,738		
Balances with Central Banks	770,109	770,109	770,109		
Placements with Banks	730,145	730,145	730,145		
Derivative Financial Instruments	4	4		4	
Financial Assets Designated at Fair Value through Profit or Loss	-	-	-		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	60,718,924	60,718,924	60,718,924		10,696,027
Financial Investments - Available-For-Sale	16,499,716	16,499,716	16,499,716	16,499,716	
Financial Investments - Held-To-Maturity	4,440,570	4,440,570	4,440,570		
Investments in Subsidiaries	-	-			
Investments in Associates and Joint Ventures	-	-			
Property, Plant and Equipment	846,930	846,930	846,930		
Investment Properties	-	-			
Goodwill and Intangible Assets	166,689	166,689			166,689
Deferred Tax Assets	789,847	789,847			789,847
Other Assets	1,649,726	1,649,726	1,649,726		
Liabilities					
Due to Banks	4,431,638	4,431,638			
Derivative Financial Instruments	11	11			
Other Financial Liabilities Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	62,472,541	62,472,541			
Other Borrowings	6,124,720	6,124,720			
Debt Securities Issued	-	-			
Current Tax Liabilities	-	-			
Deferred Tax Liabilities	-	-			
Other Provisions	163,169	163,169			
Other Liabilities	3,320,355	3,320,355			
Due to Subsidiaries	-	-			
Subordinated Term Debts	-	-			
Off-Balance Sheet Liabilities					
Guarantees	7,470,338	7,470,338	7,470,338		
Performance Bonds	-	-			
Letters of Credit	1,448,828	1,448,828	1,448,828		
Other Contingent Items	232,063	232,063	232,063		
Undrawn Loan Commitments	12,432,911	12,432,911	12,432,911		
Other Commitments	317,116	317,116			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital)	11,894,421	11,894,421			
of which Amount Eligible for CET1	11,894,421	11,894,421			
of which Amount Eligible for AT1	-	-			
Retained Earnings	(262,145)	(262,145)			
Accumulated Other Comprehensive Income	223,373	223,373			
Other Reserves	111,315	111,315			
Total Shareholders' Equity	11,966,964	11,966,964			