

**MARKET DISCIPLINE
MINIMUM DISCLOSURE REQUIREMENTS
UNDER PILLAR III**

FOR THE QUARTER ENDED 31 MARCH 2026



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 1 July 2017.

TEMPLATE 01

Key Regulatory Ratios - Capital and Liquidity

Item	31-Mar-2026	31-Dec-2025
Regulatory Capital (Rs. '000)		
Common Equity Tier 1	13,646,674	11,206,383
Tier 1 Capital	15,146,674	12,706,383
Total Capital	15,648,831	13,208,540
Regulatory Capital Ratios (%)*		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2026: 7 & 2025: 7)	16.58	14.52
Tier 1 Capital Ratio (Minimum Requirement - 2026: 8.5 & 2025: 8.5)	18.40	16.46
Total Capital Ratio (Minimum Requirement - 2026: 12.5 & 2025: 12.5)	19.01	17.12
Leverage Ratio (Minimum Requirement - 2026: 3 & 2025: 3)	14.05	12.70
Regulatory Liquidity		
Statutory Liquid Assets (Rs. '000)**	N/A	N/A
Total Stock of High Quality Liquid Assets (Rs. '000)	20,498,147	17,025,869
Liquidity Coverage Ratio (%) - Rupee (Minimum Requirement - 2026: 100 & 2025: 100)	212.26	145.45
Liquidity Coverage Ratio (%) - All Currency (Minimum Requirement - 2026: 100 & 2025: 100)	192.19	163.90
Net Stable Funding Ratio (Minimum Requirement - 2026: 100 & 2025: 100)	128.51	129.64

* 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 Template 05.

** 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	31-Mar-2026 Rs. '000	31-Dec-2025 Rs. '000
Common Equity Tier 1 (CET1) Capital after Adjustment	13,646,674	11,206,383
Common Equity Tier 1 (CET1) Capital	14,548,224	12,107,934
Equity Capital (Stated Capital)/Assigned Capital	14,395,121	11,894,421
Reserve Fund	138,392	138,392
Published Retained Earnings/(Accumulated Retained Losses)	(65,955)	(65,955)
Published Accumulated Other Comprehensive Income (OCI)	141,076	141,076
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(60,409)	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	901,550	901,550
Goodwill (net)	-	-
Intangible Assets (net)	218,214	218,214
Others (specify) – Deferred tax asset	683,337	683,337
Additional Tier 1 (AT1) Capital after Adjustments	1,500,000	1,500,000
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	502,157	502,157
Tier 2 Capital	502,157	502,157
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	502,157	502,157
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	14,548,224	12,107,934
Total Tier 1 Capital	15,146,674	12,706,383
Total Capital	15,648,831	13,208,540

	31-Mar-2026 Rs. '000	31-Dec-2025 Rs. '000
Total Risk Weighted Assets (RWA)		
RWAs for Credit Risk	76,058,319	70,931,950
RWAs for Market Risk	10,162	13,871
RWAs for Operational Risk	6,263,067	6,227,587
CET1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	16.58	14.52
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	18.40	16.46
Total Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	19.01	17.12
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	31-Mar-2026 Rs. '000	31-Dec-2025 Rs. '000
Tier 1 Capital	15,146,674	12,706,383
Total Exposures	107,816,642	100,082,118
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	96,106,819	90,520,277
Derivative Exposure	-	-
Securities Financing Transaction Exposure	501,184	300,144
Other Off-Balance Sheet Exposure	11,208,639	9,261,698
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	14.05	12.70

TEMPLATE 04

4.1 Basel III Computation of Liquidity Coverage Ratio (Rupee)

Item	31-Mar-2026 Rs. '000		31-Dec-2025 Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	20,460,430	20,460,430	16,994,186	16,994,186
Total Adjusted Level 1 Assets	20,532,996	20,532,996	17,299,474	17,299,474
Level 1 Assets	20,460,430	20,460,430	16,994,186	16,994,186
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	84,626,637	19,486,675	78,460,310	16,997,876
Deposits	39,850,481	3,985,048	40,010,913	4,001,091
Unsecured Wholesale Funding	22,619,656	14,703,616	19,477,175	12,341,299
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	22,156,500	798,011	18,972,221	655,486
Additional Requirements	-	-	-	-
Total Cash Inflows	17,376,084	9,847,517	10,566,902	5,314,378
Maturing Secured Lending Transactions Backed by Collateral	501,873.97	-	300,503	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	16,874,210	9,847,517	10,266,399	5,314,378
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		212.26		145.45

TEMPLATE 04

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

Item	31-Mar-2026 Rs. '000		31-Dec-2025 Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	20,498,147	20,498,147	17,025,869	17,025,869
Total Adjusted Level 1 Assets	20,570,713	20,570,713	17,331,158	17,331,158
Level 1 Assets	20,498,147	20,498,147	17,025,869	17,025,869
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	91,474,932	21,842,022	84,824,171	19,133,766
Deposits	42,058,257	4,205,826	42,223,312	4,222,331
Unsecured Wholesale Funding	25,146,199	16,747,836	21,860,007	14,183,560
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	24,270,476	888,360	20,740,852	727,874
Additional Requirements	-	-	-	-
Total Cash Inflows	20,014,340	11,176,380	17,393,638	8,745,717
Maturing Secured Lending Transactions Backed by Collateral	501,873.97	-	300,503	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	18,920,200	11,176,380	14,731,803	8,745,717
Operational Deposits	592,265.99	-	2,361,332	-
Other Cash Inflows	-	-	-	-
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		192.19		163.90

TEMPLATE 04

4.3 Net Stable Funding Ratio (NSFR)

Item	31-Mar-2026 Rs. '000	31-Dec-2025 Rs. '000
Total available stable funding (ASF)	65,134,663	60,717,407
Total required stable funding (RSF)	50,686,028	46,834,732
Required stable funding – On balance sheet assets	50,247,564	46,436,965
Required stable funding – Off balance sheet items	438,465	397,767
NSFR (Minimum Requirement – 2026: 100 & 2025: 100)	128.51	129.64

TEMPALTE 05

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Stated Capital (Note 02)	BASEL III Additional Tier 1 Compliant Unlisted Unsecured Subordinated Perpetual Convertible Debentures
Issuer	Cargills Bank PLC	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	Companies Act No. 07 of 2007, Banking Act No. 30 of 1988 and other applicable laws and regulations
Original Date of Issuance	9-Jan-2024	15-Dec-2021
Par Value of Instrument	N/A	LKR 100/-
Perpetual or Dated	Perpetual	Perpetual
Original Maturity Date, if Applicable	N/A	N/A
Amount Recognised in Regulatory Capital (in Rs. '000 as at the Reporting Date)	14,395,121	1,500,000
Accounting Classification (Equity/Liability)	Equity	Liability
Issuer Call subject to Prior Supervisory Approval		
Optional Call Date, Contingent Call Dates and Redemption Amount (Rs. '000)	N/A	Note 01
Subsequent Call Dates, if Applicable	N/A	1 May to 31 May of each year from 2028 to 2031
Coupons/Dividends		
Fixed or Floating Dividend/Coupon	N/A	Floating
Coupon Rate and any Related Index	N/A	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	N/A	Cumulative
Convertible or Non-Convertible		
If Convertible, Conversion Trigger (s)	N/A	Note 01
If Convertible, Fully or Partially	N/A	Note 01
If Convertible, Mandatory or Optional	N/A	Note 01
If Convertible, Conversion Rate	N/A	Note 01

Note 01

The debenture may be convertible 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.

Note 02

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. 2.5Bn 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.

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.

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. 20.0Bn	15%

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 31 March 2026 (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	22,682,943	-	22,682,943	-	-	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	743,055	-	743,055	-	168,815	22.72%
Claims on Financial Institutions	8,306,546	-	8,306,546	-	7,484,330	90.10%
Claims on Corporates	30,457,200	18,108,794	30,457,200	8,109,962	38,491,279	99.80%
Retail Claims	18,271,517	6,546,241	18,271,517	2,363,222	17,298,438	83.83%
Claims Secured by Residential Property	1,850,653	-	1,893,175	45,884	1,897,037	97.83%
Claims Secured by Commercial Real Estate	-	-	-	500	499.92	1.00
Non-Performing Assets (NPAs)	5,477,768	-	5,435,245	689,071	8,128,720	132.73%
High-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	4,233,760	-	4,233,760	-	2,589,201	61.16%
Total	92,023,441	24,655,034	92,023,441	11,208,639	76,058,319	73.68%

TEMPLATE 08

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

Risk Weight	Amount as at 31 March 2026 (Post CCF and CRM) (Rs. '000)							Total Credit Exposure Amount
	0%	20%	50%	75%	100%	150%	>150%	
Asset Classes								
Claims on Central Government and CBSL	22,682,943	-	-	-	-	-	-	22,682,943
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	-	727,513	-	-	-	15,541	-	743,055
Claims on Financial Institutions	-	-	2,344,578	-	5,261,821	700,146	-	8,306,546
Claims on Corporates	-	-	151,767	-	38,415,395	-	-	38,567,162
Retail Claims	272,003	539,111	-	10,100,747	9,722,878	-	-	20,634,739
Claims Secured by Residential Property	-	-	-	-	1,896,537	-	-	1,896,537
Claims Secured by Commercial Real Estate	-	-	-	-	500	-	-	500
Non-Performing Assets (NPAs)	-	-	42,523	-	2,158,030	3,966,286	-	6,166,839
High-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	1,644,559	-	-	-	2,589,201	-	-	4,233,760
Total	24,599,505	1,266,624	2,538,868	10,100,747	60,044,361	4,681,974	-	103,232,080

TEMPLATE 09**Market Risk under Standardised Measurement Method**

Item	RWA Amount
	Rs. '000
	As at 31 March 2026
(a) RWA for Interest Rate Risk	10,162
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	1,270
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	1,270

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 31 March 2026 (Rs. '000)		
			1 st Year	2 nd Year	3 rd Year
Basic Indicator Approach	15%		4,974,504	5,820,311	4,862,853
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	782,883				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk Weighted Amount for Operational Risk (Rs. '000)					
The Basic Indicator Approach	6,263,067				
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 31 March 2026 (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	2,388,312	2,388,312	2,388,312		
Balances with Central Banks	1,290,707	1,290,707	1,290,707		
Placements with Banks	1,736,357	1,736,357	1,736,357		
Derivative Financial Instruments	-	-		-	
Financial Assets Designated at Fair Value through Profit or Loss	100,000	100,000	100,000		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	66,957,514	66,957,514	66,957,514		12,121,572
Financial Investments - Available-For-Sale	16,516,190	16,516,190	16,516,190	16,516,190	
Financial Investments - Held-To-Maturity	4,518,774	4,518,774	4,518,774		
Investments in Subsidiaries	-	-			
Investments in Associates and Joint Ventures	-	-			
Property, Plant and Equipment	1,060,193	1,060,193	1,060,193		
Investment Properties	-	-			
Goodwill and Intangible Assets	208,310	208,310			208,310
Deferred Tax Assets	703,005	703,005			703,005
Other Assets	1,529,007	1,529,008	1,529,008		
Liabilities					
Due to Banks	7,638,447	7,638,448			
Derivative Financial Instruments	-	-			
Other Financial Liabilities Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	69,420,296	69,420,296			
Other Borrowings	1,538,072	1,538,072			
Debt Securities Issued	-	-			
Current Tax Liabilities	-	-			
Deferred Tax Liabilities	-	-			
Other Provisions	-	-			
Other Liabilities	4,270,741	4,270,741			
Due to Subsidiaries	-	-			
Subordinated Term Debts	-	-			
Off-Balance Sheet Liabilities					
Guarantees	9,108,272	9,108,272	9,108,272		
Performance Bonds	-	-			
Letters of Credit	1,612,137	1,612,137	1,612,137		
Other Contingent Items	128,358	128,358	128,358		
Undrawn Loan Commitments	13,426,681	13,426,681	13,426,681		
Other Commitments	379,586	379,586			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital)	14,395,121	14,395,121			
of which Amount Eligible for CET1	14,395,121	14,395,121			
of which Amount Eligible for AT1	-	-			
Retained Earnings	13,511	13,511			
Accumulated Other Comprehensive Income	94,972	94,972			
Other Reserves	138,392	138,392			
Total Shareholders' Equity	14,641,996	14,641,996			