MARKET DISCIPLINE
MINIMUM DISCLOSURE REQUIREMENTS
UNDER PILLAR III
1Q 2021
CARGILLS BANK LTD

Template 01

Key Regulatory Ratios – Capital and Liquidity

Item	31-Mar-21	31-Dec-20
Regulatory Capital (LKR ’000)		
Common Equity Tier 1	8,634,285	8,842,828
Tier 1 Capital	8,634,285	8,842,828
Total Capital	8,874,242	9,082,785
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio *(Minimum Requirement – Q1'2021: 6.5 and 2020: 6.5)*	20.60	20.72
Tier 1 Capital Ratio *(Minimum Requirement – Q1'2021: 8 and 2020: 8)*	20.60	20.72
Total Capital Ratio *(Minimum Requirement – Q1'2021: 12 and 2020: 12)*	21.17	21.28
Leverage Ratio (*Minimum Requirement - 3)*	17.54	16.71
Regulatory Liquidity		
Statutory Liquid Assets (LKR ‘000)	10,902,002	11,597,058
Statutory Liquid Ratio (*Minimum Requirement – 20)*		
Domestic Banking Unit (%)	30.38	33.63
Off-Shore Banking Unit (%)	90.71	83.49
Liquidity Coverage Ratio (%) – Rupee (*Minimum Requirement –Q1 2021:90 & 2020:90)*	151	133
Liquidity Coverage Ratio (%) – All Currency (*Minimum Requirement – Q1 2021:90 & 2020:90)*	126.6	119.2

Template 02

Basel III Computation of Capital Ratios

Item	Amount (LKR '000)	
	31-Mar-21	31-Dec-20
Common Equity Tier 1 (CET1) Capital after Adjustment	**8,634,285**	**8,842,828**
Common Equity Tier 1 (CET1) Capital	**9,490,559**	**9,699,103**
Equity Capital (Stated Capital)/ Assigned Capital	11,394,421	11,394,421
Reserve Fund	32,386	32,386
Published Retained Earnings/ (Accumulated Retained Losses)	(1,772,667)	(1,772,667)
Published Accumulated Other Comprehensive Income (OCI)	44,963	44,963
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	(208,544)	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
Total Adjustments to CET1 Capital	856,274	856,275
Goodwill (net)	-	-
Intangible Assets (net)	357,739	357,739
Others (specify) – *Deferred tax asset*	498,535	498,536
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Additional Tier 1 (AT1) Capital	-	-
Qualifying Additional Tier 1 Capital Instruments	-	-
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	239,957	239,957
Tier 2 Capital	239,957	239,957
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	239,957	239,957
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	**9,490,559**	**9,699,103**
Total Tier 1 Capital	**8,634,285**	**8,842,828**
Total Capital	**8,874,242**	**9,082,785**

	31-Mar-21	31-Dec-20
Total Risk Weighted Assets (RWA)		
RWAs for Credit Risk	37,164,106	36,840,127
RWAs for Market Risk	1,851,187	2,985,642
RWAs for Operational Risk	2,896,410	2,861,975
CET1 Capital Ratio (Including Capital Conservative Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	20.60	20.72
Of which: Capital Conservative Buffer (%)	2.00	2.00
Of which: Countercyclical Buffer (%)	-	-
Of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio	20.60	20.72
Total Capital Ratio (Including Capital Conservative Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	21.17	21.28
Of which: Capital Conservative Buffer (%)	2.00	2.00
Of which: Countercyclical Buffer (%)	-	-
Of which: Capital Surcharge on D-SIBs (%)	-	-

Template 03

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	31-Mar-21	**31-Dec-20**
Tier 1 Capital	8,634,285	8,786,571
Total Exposures	49,225,461	52,597,693
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	46,149,032	45,653,683
Derivative Exposure	-	-
Securities Financing Transaction Exposure	-	-
Other Off-Balance Sheet Exposure	3,076,429	6,944,010
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	17.54	16.71

Template 04

Basel III Computation of Liquidity Coverage Ratio (Rupee)

Item	Amount (LKR '000)			
	31-Mar-21		31-Dec-20	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	9,706,381	9,706,381	10,473,075	10,473,075
Total Adjusted Level 1 Assets	9,775,275	9,775,275	10,605,814	10,605,814
Level 1 Assets	9,706,381	9,706,381	10,473,075	10,473,075
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	48,457,678	10,790,661	43,950,091	9,546,329
Deposits	21,555,175	2,155,518	19,968,299	1,996,830
Unsecured Wholesale Funding	10,495,775	7,858,105	10,329,607	7,111,197
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	16,406,728	777,038	13,652,185	438,301
Additional Requirements	-	-	-	-
Total Cash Inflows	6,278,915	4,362,195	3,128,429	1,680,123
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	6,278,915	4,362,195	3,128,429	1,680,123
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		151		133

Template 04

Basel III Computation of Liquidity Coverage Ratio (All Currency)

Item	Amount (LKR '000)			
	31-Mar-21		31-Dec-20	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High Quality Liquid Assets (HQLA)	9,725,381	9,725,381	10,490,835	10,490,835
Total Adjusted Level 1 Assets	9,794,275	9,794,275	10,623,574	10,623,574
Level 1 Assets	9,725,381	9,725,381	10,490,835	10,490,835
Total Adjusted Level 2A Assets	-	-	-	-
Level 2 Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	53,440,436	12,113,985	48,812,318	10,816,319
Deposits	22,611,676	2,261,168	21,576,964	2,157,696
Unsecured Wholesale Funding	11,981,211	8,966,817	11,816,058	8,145,045
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	18,847,549	886,000	15,419,297	513,578
Additional Requirements	-	-	-	-
Total Cash Inflows	6,391,361	4,432,171	3,798,854	2,015,335
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	6,391,361	4,432,171	3,798,854	2,015,335
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		126.6		119.2

Template 07

Credit Risk under Standardised Approach –

Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR '000) as at 31 MAR 2021					
	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	10,465,106	-	10,465,106	-	0	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	416,457	815,674	416,457	16,313	216,303	49.98%
Claims on Financial Institutions	3,780,902	-	3,780,902	-	2,419,505	63.99%
Claims on Corporates	10,315,069	12,707,836	10,315,069	4,454,134	14,728,666	99.73%
Retail Claims	13,898,194	3,895,999	13,898,194	-	13,898,194	100.00%
Claims Secured by Residential Property	1,111,173	-	1,111,173	367,808	1,450,621	98.08%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	2,837,515	-	2,837,515	129,907	3,426,609	115.47%
High-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	1,632,859	-	1,632,859	-	1,024,208	62.72%
Total	**44,457,275**	**17,419,510**	**44,457,275**	**4,968,162**	**37,164,106**	**75.19%**

Template 09

Market Risk under Standardised Measurement Method

Item	**RWA Amount**
	(LKR' 000)
	As at 31 Mar 2021
(a) RWA for Interest Rate Risk	1,851,187
General Interest Rate Risk	
i. Net Long or Short Position	161,091
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	61,051
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	222,142

Template 10

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

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income		
			1st Year	2nd Year	3rd Year
Basic Indicator Approach	15%		1,985,878	2,492,333	2,473,172
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 (LKR’ 000)					
The Basic Indicator Approach	347,569				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk Weighted Amount for Operational Risk (LKR ‘000)					
The Basic Indicator Approach	2,896,410				
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 (LKR '000) as at 31 Mar 2021				
	a	**b**	**c**	**d**	**e**
	Carrying Values as Reported in Published Financial Statements	**Values under Scope of Regulatory Reporting**	**Credit Risk Framework**	**Market Risk Framework**	**Capital Requirements or Subject to Deduction from Capital**
Assets					
Cash and Cash Equivalents	1,025,108	608,652	608,652		
Balances with Central Banks	514,029	514,029	514,029		
Placements with Banks	255,032	671,490	671,490		
Derivative Financial	1,077	1,077		1,077	
Financial Assets Designated at Fair Value through Profit or Loss	1,619,343	1,619,343	1,619,343		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	31,793,206	31,793,206	31,793,206		15,535,741
Financial Investments - Available-For-Sale	9,951,077	9,951,077	9,951,077	9,951,077	
Financial Investments - Held-To-Maturity	41,422	41,422	41,422	-	
Investments in Subsidiaries	-	-			
Investments in Associates and Joint Ventures	-	-			
Property, Plant and Equipment	606,721	606,721	606,721		
Investment Properties	-	-			
Goodwill and Intangible Assets	334,037	334,037			
Deferred Tax Assets	447,844	447,844			
Other Assets	417,487	417,485	417,485		
Liabilities					
Due to Banks	1,445,412	**1,445,412**			
Derivative Financial	1,429	1,429			
Other Financial Liabilities Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	33,321,943	**33,321,943**			
Other Borrowings	1,480,468	**1,480,466**			
Debt Securities Issued	-	-			
Current Tax Liabilities	-	-			
Deferred Tax Liabilities	-	-			
Other Provisions	68,612	68,612			
Other Liabilities	1,162,761	1,162,761			
Due to Subsidiaries	-	-			
Subordinated Term Debts	-	-			
Off-Balance Sheet Liabilities					
Guarantees	6,893,402	6,893,402	6,893,402		
Performance Bonds	-	-			
Letters of Credit	2,021,909	2,021,909	2,021,909		
Other Contingent Items	1,162,006	1,162,006	1,162,006		
Undrawn Loan Commitments	7,688,525	7,688,525	7,688,525		
Other Commitments	57,002	57,002			
Shareholders' Equity					
Equity Capital (Stated Capital)/Assigned Capital	11,394,421	11,394,421			
of which Amount Eligible for CET1	11,394,421	11,394,421			
of which Amount Eligible for AT1	11,394,421	11,394,421			
Retained Earnings	(1,940,352)	(1,940,352)			
Accumulated Other Comprehensive Income	39,303	39,303			
Other Reserves	32,386	32,386			
Total Shareholders' Equity	9,525,758	9,525,758			