

**MARKET DISCIPLINE  
MINIMUM DISCLOSURE REQUIREMENTS  
UNDER PILLAR III 4Q 2024  
CARGILLS BANK PLC**

### 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	31-Dec-2024	31-Dec-2023
<b>Regulatory Capital (Rs. '000)</b>		
Common Equity Tier 1	11,430,314	10,910,720
Tier 1 Capital	12,930,314	12,410,720
Total Capital	13,386,966	12,693,941
<b>Regulatory Capital Ratios (%)*</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement – 2024: 7 & 2023: 7)	19.16	19.89
Tier 1 Capital Ratio (Minimum Requirement – 2024: 8.5 & 2023: 8.5)	21.68	22.63
Total Capital Ratio (Minimum Requirement – 2024: 12.5 & 2023: 12.5)	22.44	23.15
Leverage Ratio (Minimum Requirement - 2024: 3 & 2023: 3)	13.00	14.67
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (Rs. '000)**	N/A	19,717,993
<b>Statutory Liquid Ratio (Minimum Requirement – 20%)</b>		
Domestic Banking Unit (%)**	N/A	39.45
Off-Shore Banking Unit (%)**	N/A	90.65
Statutory Liquid Assets Ratio - Bank (%)**	N/A	39.82
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement – 2024: 100 & 2023: 100)	459.23	359.50
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement – 2024: 100 & 2023: 100)	313.34	289.04
Net Stable Funding Ratio (Minimum Requirement: 2024: 100 & 2023: 100)	136.28	122.82

\* 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 by end 2025

\*\* 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-Dec-2024	31-Dec-2023
	Rs. '000	Rs. '000
<b>Common Equity Tier 1 (CET1) Capital after Adjustment</b>	<b>11,430,314</b>	<b>10,910,720</b>
<b>Common Equity Tier 1 (CET1) Capital</b>	<b>12,155,605</b>	<b>11,478,255</b>
Equity Capital (Stated Capital)/Assigned Capital	11,894,421	11,894,421
Reserve Fund	111,315	78,775
Published Retained Earnings/(Accumulated Retained Losses)	(575,548)	(1,176,968)
Published Accumulated Other Comprehensive Income (OCI)	725,418	682,027
General and other Disclosed Reserves	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	-	-
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
<b>Total Adjustments to CET1 Capital</b>	<b>725,291</b>	<b>567,535</b>
Goodwill (net)	-	-
Intangible Assets (net)	202,059	283,445
Others (specify) – Deferred tax asset	523,232	284,090
<b>Additional Tier 1 (AT1) Capital after Adjustments</b>	<b>-</b>	<b>1,500,000</b>
<b>Additional Tier 1 (AT1) Capital</b>	<b>1,500,000</b>	<b>1,500,000</b>
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	-	-
<b>Total Adjustments to AT1 Capital</b>	<b>-</b>	<b>-</b>
Investment in Own Shares	-	-
Others (Specify)	-	-
<b>Tier 2 Capital after Adjustments</b>	<b>456,652</b>	<b>283,221</b>
<b>Tier 2 Capital</b>	<b>456,652</b>	<b>283,221</b>
Qualifying Tier 2 Capital Instruments	-	-
Revaluation Gains	-	-
Loan Loss Provisions	456,652	283,221
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-
<b>Total Adjustments to Tier 2</b>	<b>-</b>	<b>-</b>
Investment in Own Shares	-	-
Others (Specify)	-	-
<b>CET1 Capital</b>	<b>12,155,605</b>	<b>11,478,255</b>
<b>Total Tier 1 Capital</b>	<b>12,930,314</b>	<b>12,410,720</b>
<b>Total Capital</b>	<b>13,386,966</b>	<b>12,693,941</b>

	31-Dec-2024	31-Dec-2023
	Rs. '000	Rs. '000
<b>Total Risk Weighted Assets (RWA)</b>		
RWAs for Credit Risk	53,784,232	47,226,113
RWAs for Market Risk	440	2,972,977
RWAs for Operational Risk	5,858,807	4,645,715
<b>CET1 Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>19.16</b>	<b>19.89</b>
Of which: Capital Conservation Buffer (%)	2.50	2.50
Of which: Countercyclical Buffer (%)	-	-
Of which: Capital Surcharge on D-SIBs (%)	-	-
<b>Total Tier 1 Capital Ratio</b>	<b>21.68</b>	<b>22.63</b>
<b>Total Capital Ratio (Including Capital Conservation Buffer, Countercyclical Capital Buffer &amp; Surcharge on D-SIBs) (%)</b>	<b>22.44</b>	<b>23.15</b>
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-Dec-2024	31-Dec-2023
	Rs. '000	Rs. '000
<b>Tier 1 Capital</b>	11,430,314	10,910,720
<b>Total Exposures</b>	87,912,467	74,380,070
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	79,527,109	69,168,754
Derivative Exposure	-	-
Securities Financing Transaction Exposure	-	-
Other Off-Balance Sheet Exposure	8,385,358	5,211,317
<b>Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)</b>	13.00	14.67

TEMPLATE 04

4.1 Basel III Computation of Liquidity Coverage Ratio (Rupee)

Item	31-Dec-2024		31-Dec-2023	
	Rs. '000		Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High Quality Liquid Assets (HQLA)</b>	26,285,715	26,285,715	19,139,573	19,139,573
<b>Total Adjusted Level 1 Assets</b>	26,275,860	26,275,860	19,025,831	19,025,831
<b>Level 1 Assets</b>	26,285,715	26,285,715	19,139,573	19,139,573
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
<b>Level 2 Assets</b>	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	-	-	-	-
<b>Level 2B Assets</b>	-	-	-	-
<b>Total Cash Outflows</b>	69,546,942	13,671,955	60,295,311	12,976,806
Deposits	39,266,400	3,926,640	32,702,620	3,270,262
Unsecured Wholesale Funding	14,498,985	9,359,229	12,709,369	9,131,745
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	15,781,557	386,086	14,883,323	574,798
Additional Requirements	-	-	-	-
<b>Total Cash Inflows</b>	12,202,593	7,948,049	11,730,268	7,652,825
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	12,202,593	7,948,049	11,730,268	7,652,825
Operational Deposits	-	-	-	-
Other Cash Inflows	-	-	-	-
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		459		359.5

**TEMPLATE 04**
**4.2 Basel III Computation of Liquidity Coverage Ratio (All Currency)**

Item	31-Dec-2024		31-Dec-2023	
	Rs. '000		Rs. '000	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
<b>Total Stock of High Quality Liquid Assets (HQLA)</b>	26,310,841	26,310,841	19,149,507	19,149,507
<b>Total Adjusted Level 1 Assets</b>	26,300,986	26,300,986	19,035,765	19,035,765
<b>Level 1 Assets</b>	26,310,841	26,310,841	19,149,507	19,149,507
<b>Total Adjusted Level 2A Assets</b>	-	-	-	-
<b>Level 2 Assets</b>	-	-	-	-
<b>Total Adjusted Level 2B Assets</b>	-	-	-	-
<b>Level 2B Assets</b>	-	-	-	-
<b>Total Cash Outflows</b>	78,369,270	16,579,289	66,089,010	14,571,662
Deposits	41,022,249	4,102,225	35,034,242	3,503,424
Unsecured Wholesale Funding	18,324,868	11,946,210	14,473,384	10,414,423
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	19,022,153	530,854	16,581,384	653,815
Additional Requirements	-	-	-	-
<b>Total Cash Inflows</b>	13,383,201	8,182,264	12,812,323	7,946,491
Maturing Secured Lending Transactions Backed by Collateral	-	-	-	-
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	12,628,748	8,182,264	12,238,232	7,946,491
Operational Deposits	754,452.75	-	574,091	-
Other Cash Inflows	-	-	-	-
<b>Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100</b>		313.34		289.04

**TEMPLATE 04**
**4.3 Net Stable Funding Ratio (NSFR)**

Item	31-Dec-2024	31-Dec-2023
	Rs. '000	Rs. '000
Total available stable funding (ASF)	52,614,906	44,295,242
Total required stable funding (RSF)	38,607,969	36,064,555
Required stable funding – On balance sheet assets	38,237,786	35,708,546
Required stable funding – Off balance sheet items	370,183	356,009
NSFR (Minimum Requirement – 2024: 100 & 2023: 100)	136.28	122.82

**TEMPALTE 05****Main Features of Regulatory Capital Instruments**

<b>Description of the Capital Instrument</b>	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
<b>Issuer Call subject to Prior Supervisory Approval</b>	
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
<b>Coupons/Dividends</b>	
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
<b>Convertible or Non-Convertible</b>	Convertible
If Convertible, Conversion Trigger (s)	*
If Convertible, Fully or Partially	*
If Convertible, Mandatory or Optional	*
If Convertible, Conversion Rate	*

\* 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.

**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 December 2024 (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	26,260,474	-	26,260,474	-	-	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	787,849	-	787,849	-	188,219	23.89%
Claims on Financial Institutions	5,298,826	50,284	5,298,826	50,284	4,486,232	83.87%
Claims on Corporates	20,653,765	15,074,590	20,653,765	5,340,723	25,154,863	96.77%
Retail Claims	14,140,001	4,100,697	14,140,001	2,928,315	14,497,853	84.94%
Claims Secured by Residential Property	1,294,479	-	1,341,035	44,691	1,339,170	96.64%
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)	5,241,875	-	5,195,319	21,345	5,866,794	112.46%
High-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	3,178,370	-	3,178,370	-	2,251,102	70.83%
<b>Total</b>	<b>76,855,638</b>	<b>19,225,571</b>	<b>76,855,638</b>	<b>8,385,358</b>	<b>53,784,232</b>	<b>63.10%</b>

**TEMPLATE 08**
**Credit Risk under Standardised Approach: Exposures by Asset Classes and Risk Weights**

	Amount as at 31 December 2024 (Post CCF and CRM) (Rs. '000)							
<b>Risk Weight</b>								
<b>Asset Classes</b>	<b>0%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>&gt;150%</b>	<b>Total Credit Exposure Amount</b>
Claims on Central Government and CBSL	26,260,474	-	-	-	-	-	-	26,260,474
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	-	764,272	-	-	-	23,577	-	787,849
Claims on Financial Institutions	-	19,536	1,694,498	-	3,635,076	-	-	5,349,110
Claims on Corporates	-	769,146	999,830	-	23,674,298	551,214	-	25,994,488
Retail Claims	-	-	-	10,281,851	6,786,465	-	-	17,068,315
Claims Secured by Residential Property	-	-	-	-	1,339,170	-	-	1,339,170
Claims Secured by Commercial Real Estate	-	-	-	-	-	-	-	-
Non-Performing Assets (NPAs)	-	-	35,566	-	3,984,941	1,242,713	-	5,263,220
High-risk Categories	-	-	-	-	-	-	-	-
Cash Items and Other Assets	927,268	-	-	-	2,251,102	-	-	3,178,370
<b>Total</b>	<b>27,187,742</b>	<b>1,552,954</b>	<b>2,729,894</b>	<b>10,281,851</b>	<b>41,671,051</b>	<b>1,817,504</b>	<b>-</b>	<b>85,240,995</b>

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

Item	RWA Amount
	Rs. '000
	As at 31 December 2024
<b>(a) RWA for Interest Rate Risk</b>	440
General Interest Rate Risk	
i. Net Long or Short Position	0
ii. Horizontal Disallowance	-
iii. Vertical Disallowance	-
iv. Options	-
Specific Interest Rate Risk	-
<b>(b) RWA for Equity</b>	-
i. General Equity Risk	-
ii. Specific Equity Risk	-
<b>(c) RWA for Foreign Exchange &amp; Gold</b>	55
<b>Capital Charge for Market Risk [(a) + (b) + (c) ] * CAR</b>	55

**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 December 2024 (Rs. '000)		
			1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year
Basic Indicator Approach	15%		5,491,237	4,875,094	4,280,687
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	732,351				
The Standardised Approach	-				
The Alternative Standardised Approach	-				
Risk Weighted Amount for Operational Risk (Rs. '000)					
The Basic Indicator Approach	5,858,807				
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 December 2024 (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
<b>Assets</b>					
Cash and Cash Equivalents	1,707,834	1,707,834	1,707,834		
Balances with Central Banks	764,150	764,150	764,150		
Placements with Banks	-	-	-		
Derivative Financial Instruments	-	-		-	
Financial Assets Designated at Fair Value through Profit or Loss	2,324,912	2,324,912	2,324,912		
Loans and Receivables to Banks	-	-			
Loans and Receivables to Other Customers	46,103,638	46,103,638	46,103,638		8,582,287
Financial Investments - Available-For-Sale	22,400,969	22,400,969	22,400,969	22,400,969	
Financial Investments - Held-To-Maturity	3,273,817	3,273,817	3,273,817	-	
Investments in Subsidiaries	-	-			
Investments in Associates and Joint Ventures	-	-			
Property, Plant and Equipment	843,022	843,022	843,022		
Investment Properties	-	-			
Goodwill and Intangible Assets	211,912	211,912			211,912
Deferred Tax Assets	523,233	523,233			523,233
Other Assets	1,398,054	1,927,146	1,927,146		
<b>Liabilities</b>					
Due to Banks	1,818,285	140,349			
Derivative Financial Instruments	-	-			
Other Financial Liabilities Held-For-Trading	-	-			
Financial Liabilities Designated at Fair Value Through Profit or Loss	-	-			
Due to Other Customers	59,640,997	59,640,999			
Other Borrowings	3,011,001	4,688,937			
Debt Securities Issued	-	-			
Current Tax Liabilities	-	-			
Deferred Tax Liabilities	-	-			
Other Provisions	151,655	151,655			
Other Liabilities	3,462,828	3,462,828			
Due to Subsidiaries	-	-			
Subordinated Term Debts	-	-			
<b>Off-Balance Sheet Liabilities</b>					
Guarantees	7,288,252	7,288,252	7,288,252		
Performance Bonds	-	-			
Letters of Credit	2,777,631	2,777,631	2,777,631		
Other Contingent Items	64,498	64,498	64,498		
Undrawn Loan Commitments	6,645,797	6,645,797	6,645,797		
Other Commitments	112,910	112,910			
<b>Shareholders' Equity</b>					
Equity Capital (Stated Capital)/Assigned Capital)	11,894,421	13,394,421			
of which Amount Eligible for CET1	11,894,421	11,894,421			
of which Amount Eligible for AT1	-	1,500,000			
Retained Earnings	(580,426)	(580,426)			
Accumulated Other Comprehensive Income	742,326	742,326			
Other Reserves	111,315	111,315			
Total Shareholders' Equity	12,167,636	13,667,635			

\* The difference is due to the BASEL III Additional Tier 1 Compliant Unlisted Unsecured Subordinated Perpetual Convertible Debentures issued in December 2021 (Refer Template 05)