



INITIAL PUBLIC OFFERING

PROSPECTUS

A SHARE OF PROGRESS



ISSUE OPENS ON DECEMBER 14, 2023

ISSUE OF **62.5** MILLION ORDINARY VOTING SHARES AT **LKR 8/-** PER SHARE

TO BE LISTED ON THE MAIN BOARD OF THE COLOMBO STOCK EXCHANGE

Joint Managers to the Issue



PROSPECTUS



PB 4847

**ISSUE OF SIXTY TWO MILLION FIVE HUNDRED THOUSAND
(62,500,000) NEW ORDINARY VOTING SHARES OF
CARGILLS BANK LIMITED
AT LKR 8/- PER SHARE**

TO BE LISTED ON THE MAIN BOARD OF THE COLOMBO STOCK EXCHANGE

ISSUE OPENS ON 14 DECEMBER 2023

**JOINT FINANCIAL ADVISORS AND
MANAGERS TO THE ISSUE**



Commitment. Trust. Continuity

CT CLSA Capital (Private) Limited

No. 4-15, Majestic City,
10, Station Road,
Colombo 04.

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Fax : +94 11 258 0181

www.ctclsa.lk

Note: CT CLSA Capital (Private) Limited is indirectly affiliated to Cargills Bank Limited.



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Level 1, NDB Capital Building,
No. 135, Bauddhaloka Mawatha,
Colombo 04.

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The Prospectus is dated 28 November 2023.

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any such material change occurs, the same will be notified by the Company via a market announcement to the Colombo Stock Exchange (CSE).

If you are in any doubt regarding the contents of this Prospectus or if you require any advice in this regard, you should consult a lawyer, or any other professional advisor.

The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Shares which is decided solely by the Company. In the unlikely instance of any inconsistencies between content herein and the relevant provisions in the CSE Listing Rules the CSE Listing Rules shall prevail.

This Prospectus has been prepared from the information provided by Cargills Bank Limited (“CBL”, “Cargills Bank”, “the Company” or “the Bank”) and its directors and/or from publicly available sources. The Company and its directors, having made all reasonable inquiries and having seen and approved this Prospectus, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of CBL have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that, in their best judgement, are considered to be reasonable at the present point in time.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

No person is authorised to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the Company.

All Applicants (both resident and foreign) should indicate their respective National Identity Card (NIC) Number or Company Registration Number or Passport Number, as the case may be, in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the Securities and Exchange Commission (SEC) made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the Central Depository Systems (Private) Limited (CDS) dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of Shares under this Issue, the allotted Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED**. Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of Issue Closing Date, or which indicates an inaccurate/incorrect CDS account number shall be rejected and no allotment will be made.

You can open a CDS account through any Trading Participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS account through the 'CSE Mobile App'. The CSE Mobile Application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

Registration of the Prospectus

A copy of this Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration. The following documents were also attached to the copy of the Prospectus delivered to the Registrar General of Companies.

- **The Written Consent of the Joint Financial Advisors and Managers to the Issue**

CT CLSA Capital (Pvt) Ltd and NDB Investment Bank Limited, the Joint Financial Advisors and Managers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their names as Joint Financial Advisors and Managers to the Issue.

NDB Investment Bank Limited as Joint Financial Advisors and Managers to the Issue has given and has not before the delivery of a copy of the Prospectus for registration withdrawn the written consent for the inclusion of the Research Report in the form in which it is included in the Prospectus.

- **The Written Consent of the Registrars to the Issue**

The Registrars to their Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of the name as Registrars to the Issue in the Prospectus.

- **The Written Consent of the Auditors and Reporting Accountants to the Company and to the Issue**

The Auditors and Reporting Accountants to the Company and to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and to the Issue and for the inclusion of the Accountants' Report in connection to the Issue in the Prospectus.

- **The Written Consent of the Lawyers to the Issue**

The Lawyers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Lawyers to the Issue in the Prospectus.

- **The Written Consent of the Bankers to the Issue**

The Bankers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Bankers to the Issue in the Prospectus.

- **The Written Consent of the Company Secretary**

The Company Secretary has given and has not before the delivery of a copy of the Prospectus for registration withdrawn her written consent for the inclusion of her name as Company Secretary in the Prospectus.

- **The Declaration by the Directors**

A declaration has been made by each of the Directors of the Company confirming that each of them has read the provisions of the Companies Act No. 7 of 2007 (as amended) relating to the issue of the Prospectus and that those provisions have been complied with.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Foreign investors may be affected by the laws of the jurisdictions of their residence. Such investors are responsible for compliance with the laws relevant to their country of residence and the laws of Sri Lanka, when making their investment.

Representation

No person is authorised to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the Company.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute 'Forward Looking Statements'. These can be identified by the use of forward-looking terms such as 'expect', 'anticipate', 'intend', 'may', 'plan to', 'believe', 'could' and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such forward looking statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements

herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may result in the Company's actual future results, performance or achievements to materially differ from what are expected, expressed or implied by Forward-Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see 'Investment Considerations and Associated Risk Factors' in Section 11 of this Prospectus.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to 'LKR', 'Rupees', and 'Rs.' are references to the lawful currency of Sri Lanka. Reference to 'USD' is with reference to United States Dollars, the lawful currency of the United States of America. Reference to 'EUR' is with reference to the Euro, the lawful currency of 19 of the 27 member states of the European Union.

Certain numerical figures in the Prospectus have been subject to rounding adjustments; accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Presentation of Macroeconomic and Industry Data

Economic and industry data used throughout this Prospectus are derived from various industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Joint Financial Advisors and Managers to the Issue make any representation as to the accuracy of that information.

Investor Relations

The annual and interim financial reports of the Bank are available on www.cargillsbank.com/investor-relations. In Cargills Bank Limited's relentless commitment to transparency and keeping its stakeholders informed, they have made these documents accessible online.

Approval from other Regulators for this IPO

CBL does not require approval from any other regulator for the listing of its shares in the Colombo Stock Exchange and for the issuance of new ordinary voting shares via an offer for subscription apart from Colombo Stock Exchange and Securities and Exchange Commission of Sri Lanka

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ISSUE AT A GLANCE

Company	Cargills Bank Limited
Number of Shares to be Issued	62,500,000 New Ordinary Voting Shares
Share Issue Price	LKR 8/- per Share
Amount to be Raised via Share Issue	LKR 500,000,000/-
Minimum Investment per Application	<p>Minimum investment per Application is 500 Shares (LKR 4,000/-). Applications exceeding the minimum investment should be in multiples of 100 Shares.</p> <p>Minimum investment of 500 Shares will be allotted to each successful Applicant.</p>
Opening of the Subscription List (Issue Opening Date)	14 December 2023
Closure of the Subscription List (Issue Closing Date)	<p>05 January 2024</p> <p>or the day on which the Issue becomes oversubscribed, whichever is earlier</p>
Earliest Issue Closing Date	14 December 2023
Basis of Allotment	The basis of allotment is detailed in Section 6.6 of this Prospectus
CSE Listing	To be listed on the Main Board of the CSE subject to compliance with the CSE Listing Rules and SEC Directives (as applicable)

1. CORPORATE INFORMATION

The Company	Cargills Bank Limited	
Legal Form of the Company	A Limited Liability Company incorporated on 3 November 2011 under the Companies Act No. 7 of 2007 (as amended) and domiciled in Sri Lanka. A Licensed Commercial Bank under the Banking Act No. 30 of 1988 and amendments thereto.	
Company Registration Number	PB 4847	
Registered Office	<p>No. 696, Galle Road, Colombo 03</p> <p>Tel: +94 11 7 640 000 Fax: +94 11 2 055 575</p> <p>E-mail: info@cargillsbank.com Web: https://www.cargillsbank.com</p>	
Board of Directors	Mr. Richard Annesley Ebell	Chairman/ Independent, Non-Executive Director
	Mr. Koliya Bandaralage Senarath Bandara	Managing Director/Chief Executive Officer
	Ms. Marianne Mahilmalar Page	Non-Independent, Non-Executive Director
	Mr. Yudhishtan Kanagasabai	Independent, Non-Executive Director
	Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Independent, Non-Executive Director
	Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director
	Mr. Ravindra Ajantha Jayawardena	Independent, Non-Executive Director
	Ms. Shanti Gnanapragasam	Independent, Non-Executive Director
	Mr. Arjuna Herath	Independent, Non-Executive Director
Company Secretary	<p>Ms. Amendra Roshini de Silva Cargills Bank Limited No. 696, Galle Road, Colombo 03</p> <p>Tel: +94 11 7 640 170 Fax: +94 11 7 640 507</p>	
Auditors to the Company	<p>KPMG (Chartered Accountants) No. 32 A, Sir Mohamed Macan Markar Mawatha, Colombo 03.</p> <p>Tel: +94 11 5 426 426 Fax: +94 11 2 445 872</p>	

2. RELEVANT PARTIES TO THE ISSUE

Joint Financial Advisors and Managers to the Issue	<p>CT CLSA Capital (Private) Limited No. 4-15, Majestic City, 10, Station Road, Colombo 4, Sri Lanka.</p> <p>Tel : +94 11 2 584 843 Fax : +94 11 2 580 181</p> <p>NDB Investment Bank Limited Level 1, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 4, Sri Lanka.</p> <p>Tel : +94 11 2 300 385-90 Fax : +94 11 2 300 393</p>
Lawyers to the Issue	<p>Nithya Partners No 97A, Galle Road, Colombo 03.</p> <p>Tel : +94 11 4 712 625 Fax : +94 11 2 328 817</p>
Auditors and Reporting Accountants to the Issue	<p>KPMG (Chartered Accountants) No. 32 A, Sir Mohamed Macan Markar Mawatha, Colombo 03.</p> <p>Tel : +94 11 5 426 426 Fax : +94 11 2 445 872</p>
Registrars to the Issue	<p>S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03.</p> <p>Tel : +94 11 2 573 894, 2 576 871 Fax : +94 11 2 573 609</p>
Bankers to the Issue	<p>National Development Bank PLC No. 40, Navam Mawatha, Colombo 02.</p> <p>Tel : +94 11 2 448 448 Fax : +94 11 2 441 106</p>

3. ABBREVIATIONS

AC	Audit Committee
ALCO	Asset Liability Committee
ATM	Automated Teller Machines
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
BORM	Business Operational Risk Managers
CAGR	Cumulative Annual Growth Rate
CBL	Cargills Bank Limited
CBSL	Central Bank of Sri Lanka
CC	Credit Committee
CDS	Central Depository Systems
CEFT	Common Electronic Fund Transfer Switch
CEO	Chief Executive Officer
CSE	Colombo Stock Exchange
CSR	Corporate Social Responsibility
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EMV	Europay, Mastercard and Visa
EPF	Employee Provident Fund
EPS	Earnings per share
EUR	Euro
FMCG	Fast Moving Consumer Goods
GoSL	Government of Sri Lanka
HRRC	Human Resource and Remuneration Committee
i.e.	That is
IMF	International Monetary Fund
IPO	Initial Public Offering
IRMC	Integrated Risk Management Committee
IRMD	Internal Risk Management Division
KRI	Key Risk Indicators
LCB	Licensed Commercial Banks
LKR	Sri Lankan Rupee
LSB	Licensed Specialised Banks
MD	Managing Director
Mn	Million

NAV	Net Asset Value
NDBIB	NDB Investment Bank
NGC	Nominations and Governance Committee
NFC	Near-Field Communications
NIC	National Identity Card
ORMC	Operational Risk Management Committee
ORMF	Operational Risk Management Framework
ORU	Operational Risk Unit
PE	Price to Earnings
POA	Power of Attorney
ROA	Return on Assets
ROCE	Return on Capital Equity
ROE	Return on Equity
RPT	Related Party Transactions
RPTRC	Related Party Transactions Review Committee
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Interbank Payment System
SME	Small and Medium Scale Enterprises
SPC	Strategic Planning Committee
TMO	Treasury Middle Office
USD	Unites States Dollar
VWAP	Volume Weighted Average Price

4. GLOSSARY

TERMS RELATED TO THE ISSUE

Applicant/s	An investor who submits an Application Form in terms of this Prospectus
Application Form/ Application	The application form that constitutes part of this Prospectus through which the investors may apply for the New Shares
Articles of Association	Articles of Association of Cargills Bank Limited
Board/ Board of Directors/ Directors	The Board of Directors of Cargills Bank Limited
Cargills Bank / CBL / the Company / the Bank	Cargills Bank Limited
Cargills	Cargills (Ceylon) PLC
Companies Act	Companies Act No. 07 of 2007 (as amended)
CSE Listing Rules/Listing Rules	Listing Rules of the Colombo Stock Exchange as amended from time to time
Foreign Investor	<p>Investors who are:</p> <ul style="list-style-type: none"> a) Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; b) Corporate bodies incorporated or established outside Sri Lanka; c) Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or d) Regional and country funds approved by the SEC; <p>Please refer Section 6.3.7 for further information</p>
GoSL/Government	Government of the Democratic Socialist Republic of Sri Lanka
IPO/ Issue Opening Date, Earliest IPO/ Issue Closing Date or IPO/Issue Closing Date	The dates of the opening and closing of the subscription list as set out in Section 5.9 of this Prospectus
Issue/Share Issue/IPO	Issue of 62,500,000 new Ordinary Voting Shares of the Company to be issued via the IPO at the Share Issue Price in terms of this Prospectus
Joint Application Forms	Application Forms submitted by natural persons not exceeding three
Lawyers to the Issue	Nithya Partners
Local Time	Sri Lanka Time
Joint Managers to the Issue/Joint Financial Advisors and Managers to the Issue/Managers to the Issue	CT CLSA Capital (Private) Limited and NDB Investment Bank Limited
Market Day	Any day on which CSE is open for trading

New Shares	Sixty Two Million and Five Hundred Thousand (62,500,000) New Ordinary Voting Shares to be issued by the Company to the public at the Share Issue Price
Non-Retail Investor Category	Investors who do not fall under the Retail Individual Investor Category and Unit Trust Investor Category
Ordinary Shares/ Issued and Paid-up Ordinary Shares/ Ordinary Voting Shares/ Shares	Ordinary voting shares of the Company, which confer on the holders thereof, with regard to each share: <ul style="list-style-type: none"> (a) the right to one vote on a poll at a meeting of the Company on any resolution; (b) the right to an equal share in dividends paid by the Company; and (c) the right to an equal share in the distribution of the surplus assets of the Company on liquidation.
Prospectus	This Prospectus dated 28 November 2023 issued by the Company in connection with the Share Issue
Public Holding	As set out in the CSE Listing Rules
Registrars to the Issue	S S P Corporate Services (Private) Limited
Retail Individual Investor Category	An individual investor who subscribes for a maximum of Twelve Thousand and Five hundred (12,500) Shares or a value of not more than Rupees Hundred Thousand (LKR 100,000)
SEC Act	Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021
Share Issue Price/Issue Price	The price at which New Shares will be issued to the public as detailed in this Prospectus, i.e. LKR 8/- per Ordinary Voting Share
Stated Capital	The stated capital of CBL
Unit Holder	An individual who has made an investment in units not exceeding the value of LKR 10,000,000/- in a particular Unit Trust Fund that subscribes for New Shares, as per SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01)
Unit Trust Investor Category	Growth and balanced Unit Trusts operated by managing companies licensed under the SEC to operate such Unit Trusts, where such Unit Trusts comprise not less than 500 Unit Holders resident in Sri Lanka who together hold at least 50% of that Unit Trust, as per SEC Directive dated 6 June 2011 (Ref: SEC/Leg/11/06/01)

5. DETAILS OF THE ISSUE

All financial information and figures pertaining to FY23 in this section are based on the Unaudited Financial Statements of CBL for the period ended 31 August 2023

5.1. THE ISSUE

The Issue contemplated herein shall constitute an invitation made to the public to subscribe up to Sixty Two Million Five Hundred Thousand (62,500,000) new Ordinary Voting Shares of Cargills Bank Limited at the Share Issue Price of Sri Lanka Rupees Eight (LKR 8/-) to raise a sum of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) via the Initial Public Offering (IPO).

If fully subscribed, the New Shares will amount to 6.61% of the Ordinary Voting Shares of the Company subsequent to the IPO.

5.2. NATURE OF THE NEW SHARES

From the date of allotment, the new shares shall rank equal and pari passu in all respects with the existing Ordinary Voting Shares and each New Share shall confer on the holder thereof the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company in a liquidation.

5.3. SIZE OF THE ISSUE

The Company intends to raise Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) via the Issue.

5.4. SHARE ISSUE PRICE

The Share Issue Price will be Sri Lanka Rupees Eight (LKR 8/-) per Share. The Board of Directors of CBL is of the opinion that the Share Issue Price is fair and reasonable to the Company and to all existing shareholders of the Company in terms of the Companies Act.

Advice for the determination of the Share Issue Price for the IPO was sought from NDB Investment Bank Limited (NDBIB) in accordance with the Research Report (as disclosed in Annexure A) compiled by NDBIB in line with Rule 3.1.4 (c) of the CSE Listing Rules.

The Net Asset Value per share of the Company (NAV) per the unaudited Interim Financial Statements as at 31 August 2023 is LKR 12.88. The Share Issue Price is 0.62 times the NAV.

A summary of the valuation methods used to determine the Share Issue Price is as follows:

Table 5-1 Summary of valuation

Valuation Method	Value per Share (LKR)	Discount to the Fair Value (%)
Residual Income	9.83	18.59%
Justified P/BV	10.33	22.59%
Trailing P/BV (10-year average)	9.93	19.40%

Source: Research Report (Annexure A)

The Share Issue Price of LKR 8/- per New Share reflects a discount of 20.19% to the average value per share of LKR 10.03/- obtained via the given valuation methods. This IPO discount is provided to investors in order to provide a potential upside on the investment.

The investors should read the quantitative and qualitative factors given in Section 5.5, the risk factors included under Section 11 of this Prospectus and the details of the Company and its financial statements included in this Prospectus.

5.5. QUANTITATIVE AND QUALITATIVE FACTORS PERTAINING TO THE ISSUE

5.5.1. QUANTITATIVE FACTORS

Net Asset Value (NAV) per Share

The Net Asset Value (NAV) per Share of the Company is as follows:

Table 5-2 NAV per Share

As at	Net Assets Value (LKR Mn)	NAV per Share
31 December 2022	9,720.3	11.01
31 August 2023 (Unaudited)	11,378.9	12.88

$$\text{NAV per Share} = \frac{\text{Net Asset Value as at specified date}}{\text{Number of Shares outstanding as at specified date}}$$

- As per the latest audited financial statements 31 December 2022, NAV per share is LKR 11.01
- As per the latest interim financial statements 31 August 2023 (unaudited) is LKR 12.88
- The post-IPO NAV per share amounts to LKR 12.56 based on the NAV as at 31 August 2023 adjusted for IPO proceeds and post IPO number of ordinary shares in issue assuming full subscription of the Issue.
- The Share Issue Price is LKR 8.00.

Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E)

Historical Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E) are given below.

Table 5-3 EPS, ROE & P/E

Year Ended	Basic/Diluted EPS (LKR)*	ROE (%)**	P/E (x)***
31 December 2020	(0.84)	-7.38%	N/A
31 December 2021	(0.31)	-2.91%	N/A
31 December 2022	0.55	5.12%	14.55
Average	(0.20)	-1.72%	N/A
Eight Months Ended 31 August 2023 (as per unaudited Interim Financials, Not Annualised)	0.41	3.46%	19.35
Eight Months Ended 31 August 2023 (as per unaudited Interim Financials, Annualised)****	0.62	5.15%	12.90

Source: CBL Audited and Interim Financial Statements

*Earnings per share (LKR) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$

**ROE = Net Profit After Tax Attributable to equity shareholders / Average Net Asset during the year / period attributable to equity shareholders

***P/E ratio is calculated based on the Share Issue Price of LKR 8/-.

****Annualised EPS is calculated based on the number of shares outstanding as of the date of the prospectus (pre-IPO shares)

P/E Ratio

- Based on Basic and Diluted EPS of LKR 0.62 (annualised) for the eight months ended 31 August 2023 (unaudited), the P/E is 12.90 (annualised earnings).
- Based on the financial year ended 31 December 2022 Basic and Diluted EPS of LKR 0.55 , the P/E is 14.55 times.
- Based on the three-year adjusted average (FY20 – FY22) Basic and Diluted EPS of LKR (0.20), the P/E is Not Meaningful.
- The Industry Average P/E based on the selected peer group is 6.82 times.
- P/E range of selected industry peers is given below (please refer Research Report in Annexure A for list of selected peers):

Particulars	Name of the Peer Entity	P/E (x)*
Lowest	Nations Trust Bank PLC	3.18
Highest	Union Bank of Colombo PLC	20.48
	Industry Average	6.82

Source: Based on Audited Financial Statements of the aforesaid companies for the year ended 31st December 2022 and Interim Financial Statements for the period ended 30 June 2023 and 2022 published on the CSE Website

Sector Classification: Banks

*Market capitalization is as at 21 September 2023 and earnings are on a trailing twelve-month basis as at the last published quarter on 21 September 2023.

Comparison of Accounting Ratios of Banking Sector Entities

Table 5-4 Comparison of key ratios among Banking Sector Entities

Peer Entity	NAV per Share (LKR)	EPS (LKR)	P/E (x)*	ROE (%)
Commercial Bank PLC	156.68	17.39	5.06	7.49%
Hatton National Bank PLC	346.02	33.90	4.97	10.26%
Sampath Bank PLC	120.29	12.22	5.54	12.10%
DFCC Bank PLC	147.48	14.26	6.02	10.88%
National Development Bank PLC	178.60	9.20	7.32	7.02%
Nations Trust Bank PLC	167.33	33.31	3.18	25.10%
Union Bank of Colombo PLC	17.66	0.54	20.48	3.11%
Seylan Bank PLC	95.93	9.13	5.41	9.22%
Pan Asia Banking Corporation PLC	48.68	5.86	3.39	8.90%

Source: Based on Audited Financial Statements of the aforesaid companies for the year ended 31 December 2022 and Interim Financial Statements for the period ended 30 June 2023 and 2022 published on the CSE Website

Sector Classification: Banks

**Market capitalization is as at 21 September 2023 and earnings are on a trailing twelve-month basis as at the last published quarter on 21 September 2023.*

Please refer Annexure A – Research report for further information regarding industry-related details and financial highlights of Cargills Bank Limited.

5.5.2. QUALITATIVE FACTORS

In order to arrive at the Share Issue Price, the following qualitative factors were considered:

- **The legacy and trust placed by customers in the “Cargills” brand**

Cargills (Ceylon) PLC, a promoter of Cargills Bank Limited, is a household name in Sri Lanka with a history of almost 180 years. With its operations spanning retail, food & beverage, manufacturing and distribution, restaurants and property development, the group works with a diverse stakeholder base; directly purchasing from over 20,000 farmers and 1,000 suppliers; supplying over 67,000 grocery stores with Cargills FMCG products through a network of over 400 distributors; and serving over 1.6 million loyalty customers with a group employee strength of over 11,000 staff members.

The Bank is uniquely positioned to leverage these relationships and offer financial solutions that combine the synergies of this broad ecosystem to provide win-win solutions for the Bank and its customers. Access to the ecosystem has enabled growth of the Bank’s customer base across agriculture, retail, SME and corporate business units.

- **CBL’s unique service delivery channels provide an angle of differentiation**

In addition to the 24 branches currently in operation, retail clientele can avail themselves of banking services such as opening bank accounts through 29 Cargills Bank MINI locations located within selected Cargills Food City outlets. Through this strategy, CBL has now established touchpoints in high traffic locations allowing CBL to build a portfolio in the locality at a lower cost than a standard brick-and-mortar model.

Including agency banking locations at Cargills Retail outlets (Cargills Cash), the Bank has over 500 touchpoints through which CBL's clients could undertake day-to-day banking activities such as withdrawals, deposits, local and foreign remittance collection and bill payments.

These channels are complemented by the Bank's Digital Onboarding platform – which allows a customer to start a relationship with Cargills Bank from anywhere in the country, and a Mobile Branch Vehicle – through which CBL can provide banking services at remote locations. CBL has approval to operate the Mobile Branch vehicle in the Central, North Central and Northern provinces of the country.

- **Envisaged technology augmentations to provide a smoother customer experience and increase operational efficiency**

CBL intends to revamp its digital offerings to provide customers with a state-of-the-art digital banking experience through its mobile banking and agency banking channels. The Bank plans to release a stand-alone mobile application for agency banking within the next few months, while a fresh version of its Mobile App with improved UI/UX and functionality is expected to be released in mid-FY24.

In line with these technology upgrades, CBL plans to upgrade its core banking system to the latest technology, improving efficiency and versatility.

- **CBL transitioning to a growth stage**

CBL turned around in FY22 following three consecutive years of operational losses, recording a profit before income tax of LKR 206 Mn. The management is led by the Managing Director who is a distinguished personality in the Sri Lankan Banking space. Under the oversight and strategic direction of the Board of Directors, the Bank plans to execute growth strategies to capture opportunities and grow its business over the next few years to continue its performance trajectory, while remaining agile to face future challenges.

5.6. OBJECTIVES OF THE IPO

The Bank intends to raise a sum of Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-) through the issuance of up to Sixty-Two Million Five Hundred Thousand (62,500,000) new Ordinary Voting Shares.

The objective of this issue is to enhance the capital base of the Bank with the intention of complying with the minimum capital requirement as set forth in the Banking Act Directions No. 05 of 2017. As per this directive, issued by the CBSL regarding the enhancement of minimum capital requirements for banks, locally incorporated licensed commercial banks are mandated to maintain a minimum capital of LKR 20 Bn by 31 December 2023. The Monetary Board has granted an extension to Cargills Bank until 31 December 2025 to meet the minimum capital requirement stipulated by the CBSL. This extension is contingent on the Bank listing its shares on the CSE by 31 December 2023.

Currently, CBL's capital for the calculation of minimum capital requirement stands at LKR 11,353,056,302 as at 31 August 2023. After the capital raising, CBL's capital base will increase to LKR 11,853,056,302. This share issuance represents phase 1 of the Bank's capital augmentation plan. Additional equity capital raisings will be carried out in the future to meet the required minimum capital subject to compliance with the relevant Listing Rules.

Table 5-5 Minimum Capital Requirement

The Minimum Capital Requirement as per the Banking Act Directions No. 05 of 2017 issued by the Central Bank of Sri Lanka, as amended	Bank's Minimum Capital Requirement should be not less than LKR 20 Bn																		
The timeline to achieve the Minimum Capital Requirements	In terms of the Banking Act Directions No 05 of 2017 on Enhancement of Minimum Capital Requirement of Banks, CBL was required to meet the minimum capital requirement by 31 December 2023. The Monetary Board has however granted an extension till 31 December 2025, on the basis that the Bank lists its shares on the Colombo Stock Exchange by 31 December 2023.																		
The level of compliance by the Company at present	<p>As at 31 December 2022 (Audited), the Bank's capital base for the purpose of the minimum capital requirement was LKR 11,353,056,302 as detailed below,</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: right;">LKR</th> </tr> </thead> <tbody> <tr> <td style="width: 5%;">i.</td> <td style="width: 85%;">Stated Capital</td> <td style="text-align: right;">11,394,421,441</td> </tr> <tr> <td>ii.</td> <td>Reserve Fund</td> <td style="text-align: right;">56,774,000</td> </tr> <tr> <td>iii.</td> <td>Retained Profit *</td> <td style="text-align: right;">(1,598,139,139)</td> </tr> <tr> <td>iv.</td> <td>Qualifying Additional Tier I capital instruments</td> <td style="text-align: right;">1,500,000,000</td> </tr> <tr> <td colspan="2">Capital base for the purpose of minimum capital requirement</td> <td style="text-align: right;">11,353,056,302</td> </tr> </tbody> </table>			LKR	i.	Stated Capital	11,394,421,441	ii.	Reserve Fund	56,774,000	iii.	Retained Profit *	(1,598,139,139)	iv.	Qualifying Additional Tier I capital instruments	1,500,000,000	Capital base for the purpose of minimum capital requirement		11,353,056,302
		LKR																	
i.	Stated Capital	11,394,421,441																	
ii.	Reserve Fund	56,774,000																	
iii.	Retained Profit *	(1,598,139,139)																	
iv.	Qualifying Additional Tier I capital instruments	1,500,000,000																	
Capital base for the purpose of minimum capital requirement		11,353,056,302																	
The level of compliance by the Bank after the IPO	<p>Following the IPO (based on audited figures as at 31 December 2022), the Bank's capital base is expected to be at LKR 11,853,056,302 as detailed below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: right;">LKR</th> </tr> </thead> <tbody> <tr> <td style="width: 5%;">i.</td> <td style="width: 85%;">Stated Capital</td> <td style="text-align: right;">11,894,421,441</td> </tr> <tr> <td>ii.</td> <td>Reserve Fund</td> <td style="text-align: right;">56,774,000</td> </tr> <tr> <td>iii.</td> <td>Retained Profit *</td> <td style="text-align: right;">(1,598,139,139)</td> </tr> <tr> <td>iv.</td> <td>Qualifying Additional Tier I capital instruments</td> <td style="text-align: right;">1,500,000,000</td> </tr> <tr> <td colspan="2">Capital base for the purpose of minimum capital requirement</td> <td style="text-align: right;">11,853,056,302</td> </tr> </tbody> </table>			LKR	i.	Stated Capital	11,894,421,441	ii.	Reserve Fund	56,774,000	iii.	Retained Profit *	(1,598,139,139)	iv.	Qualifying Additional Tier I capital instruments	1,500,000,000	Capital base for the purpose of minimum capital requirement		11,853,056,302
		LKR																	
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iii.	Retained Profit *	(1,598,139,139)																	
iv.	Qualifying Additional Tier I capital instruments	1,500,000,000																	
Capital base for the purpose of minimum capital requirement		11,853,056,302																	

* As of 31 August 2023, the retained profit/(loss) improved to LKR (1,233,033,061). This improvement is attributable to the addition of profit after tax of LKR 365,105,589 earned during the eight month period ended 31 August 2023. These changes have not been reflected in the aforementioned computation of capital base, since inclusion of net profit earned during the period in the minimum capital computation is permitted only with a certification from the External Auditors.

The objective of the IPO does not amount to a Major Transaction in terms of Section 185 of the Companies Act No. 07 of 2007.

5.6.1. UTILIZATION OF THE PROCEED OF THE PROPOSED INITIAL PUBLIC OFFERING

Details of the utilization of proceeds	Amount (LKR)
i. To utilize for lending purposes	500,000,000
Total	500,000,000

The average monthly loan portfolio disbursements made by CBL for the last three months from July to September 2023 amounts to LKR 742 Mn.

The sum of LKR 500,000,000 referred to in item (i) above will be utilized for its lending business. It is expected that the proceeds raised will be utilized within three months. If the entirety of IPO proceeds is not utilized in this period for lending purposes, such funds will be invested in other instruments such as treasuries and similar investments generating return equivalent to the prevailing overnight REPO rate until such time they are used for lending.

The proposed objectives, once implemented, would extend an opportunity for the shareholders of the Bank to be part of the growth of CBL and benefit from equity returns in the future through improvement in the expected profitability of the Bank.

The Bank, as at the date of this Prospectus, has not recognized related parties for the lending of the proceeds from the fundraising and as such, the Bank will disburse the proceeds to non-related borrowers in the ordinary course of business. In the event the Bank decides to disburse part of the proceeds of this issue to any related party, such disbursements would be carried out in compliance with Section 9 of the CSE Listing Rules and the respective CBSL guidelines. Requisite clearance from the Related Party Transactions Review Committee will be obtained before executing such transactions.

5.7. SPECIFIC RISKS ASSOCIATED WITH THE OBJECTIVES OF THE ISSUE

5.7.1. RISK OF NOT BEING ABLE TO MEET THE MINIMUM CAPITAL REQUIREMENT

Meeting the minimum capital target of LKR 20 Bn by 31 December 2025, stands as a pivotal objective for the Bank. A shortfall in achieving this milestone could expose the Bank to regulatory measures by the Central Bank of Sri Lanka as per the powers vested with CBSL in the Banking Act.

Until the Bank meets the minimum capital requirement of LKR 20 Bn, CBL has been directed by CBSL to maintain its Total Tier 1 Capital Ratio 250 basis points above the minimum requirement of 8.5%. As at 30 June 2023, Total Tier 1 Capital ratio of the Bank stood at 21.33%, well above the regulatory requirement.

This IPO represents Phase 1 of the Bank's comprehensive capital augmentation plan aimed at achieving the aforementioned target. The Bank is committed to raise the remaining required capital and meet its obligations to CBSL. The confidence in achieving this obligation is bolstered by Sri Lanka's trajectory of recovery from a severe economic crisis¹, indicating a more conducive environment for raising capital in the future.

5.7.2. RISK OF NOT BEING ABLE TO LIST THE BANK ON THE CSE WITHIN THE STIPULATED TIMELINE

A critical obligation for the Bank involves listing of its shares on the Colombo Stock Exchange by 31 December 2023. Failure to achieve this milestone would result in the Bank being non-compliant with CBSL's minimum capital requirement with effect from that date. In such a situation, CBSL has directed the Bank to comply with the minimum capital requirement of LKR 20 Bn by 31 December 2024.

¹ Source <https://www.ft.lk/front-page/Sri-Lanka-can-be-on-path-to-recovery-by-2024-IMF-official/44-747979> (accessed on 30 October 2023)

Furthermore, CBSL has informed the Bank that approval for new branches and agency banking locations would be considered once the Bank has complied with the requirement to list on the CSE.

CBL has kept CBSL updated on the progress of the listing and does not foresee any deviations from the timeline to list its share in the Colombo Stock Exchange. In the event a deviation is foreseen, CBL will take appropriate measures to inform CBSL accordingly.

5.7.3. RISK OF NOT BEING ABLE TO INVEST THE FUNDS RAISED IN THE STIPULATED OBJECTIVE

CBL does not intend to deviate from the objective mentioned above when utilizing the proceeds raised through the Issue. However, if CBL cannot proceed with the said objective due to reasons not attributable to the Bank, the Bank will evaluate the next best alternative for investing such funds without undue delay. It will then make a market announcement and obtain the necessary approvals from relevant parties, including shareholders, before utilizing such funds in the intended course of action.

Should the proceeds raised via the Issue be used for any purpose other than the one stated above, or if there is any deviation from the stipulated timeframe or allocated amount for the objective, the Company will make an immediate market disclosure through the CSE. Such disclosures will also be included in the Interim Financial Statements and the Annual Report as appropriate. Moreover, the Company will take steps to obtain any necessary approvals from relevant parties, including shareholders, at that point and provide further necessary disclosures.

Potential impacts on the Bank's business operations and future plans, including the objectives of the IPO due to the current economic situation in Sri Lanka, are detailed further in Sections 11 of this Prospectus.

The Company will disclose information about the utilization of proceeds from the Issue in the Annual Report and Interim Financial Statements. This will continue from the date in which share has been allotted to the prospective IPO shareholders until the objective is met and the funds are fully utilized, following the template referred to below:

Table 5-6 Continuous Disclosure on Utilization of Proceeds of the Issue

Objective No.	Objective as per Prospectus	Amount Allocated as per Prospectus (LKR)	Proposed Date of Utilisation as per Prospectus	Amount Allocated upon the receipt of Proceeds (LKR) (A)	As a % of Total Proceeds	Amount Utilised in the Objective (LKR) (B)	% of Utilisation against Allocation (B/A)	Clarification if not Fully Utilised including where the funds are invested (e.g., whether lent to related party/s, etc)

In the event the proceeds raised through the Issue have been fully utilised by the Bank for any objective as disclosed in the Prospectus between two financial periods, the Bank would disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first, subsequent to the utilisation in its entirety as per the above template.

5.8. LISTING AND COMPLIANCE WITH THE SEC ACT AND LISTING RULES

The Issue contemplated herein constitutes an issue of Sixty-Two Million Five Hundred Thousand (62,500,000) new Ordinary Voting Shares at the Share Issue Price of LKR 8/- per Share to raise a total sum of up to Sri Lanka Rupees Five Hundred Million (LKR 500,000,000/-).

If the total issue is fully subscribed, the new shares will amount to 6.61% of the ordinary shares of the Company subsequent to the IPO.

An application has been made and approved in principle by the CSE for a listing of 945,642,858 ordinary voting shares being the entirety of the issued shares of the Company subsequent to the IPO.

However, the CSE has reserved the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

Furthermore, CBL has obtained the requisite approval from CSE for the public offer of the new shares. The Company will lodge a copy of the Prospectus with the SEC in terms of section 82 of the SEC Act.

CBL has already complied with Rule 2.1.2 (A) (i) (a), (b) and (d) of the CSE Listing Rules for a Main Board listing.

It is expected that the Company will meet the minimum number of public shareholders requirement set out in Rule 2.1.2 (A) (i) (c) via the IPO pursuant to which the listing of the entire ordinary shares of the Company will take place on the Main Board of the CSE.

However, in the event that CBL is unable to meet the requirements of Rule 2.1.2 (A) (i) (c) of the CSE Listing Rules as mentioned above, upon closure of the Issue, the Company would alternatively opt for a listing on the Diri Savi Board of the CSE, since CBL is in compliance with the minimum public shareholders requirement set out in Rule 2.1.2 (A) (ii) (c) of the CSE Listing Rules.

It should be noted that the aforesaid public holding requirements would be calculated by considering all shares that are freely tradable on the date of listing. The details of shares subject to lock-in are mentioned in Section 9.5 of the Prospectus.

5.9. OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list for the New Shares will open at 9.00 a.m. on 14 December 2023 and shall, subject to the occurrence of the events in the following paragraph, remain open for fourteen (14) Market Days (including the date of opening) until closure at 4.30 p.m. 05 January 2024.

However, in the event of an oversubscription, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE. Accordingly, the Earliest Issue Closing Date shall be the Issue Opening Date (i.e. 14 December 2023).

The Board of CBL reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE.

Applications may be made forthwith in the manner set out in Section 6 of this Prospectus.

5.10. COST OF THE ISSUE

The total costs associated with the Issue are estimated to be approximately LKR 31,682,021 translating to c. 6.34% of the Issue value. These include all direct costs and expenses associated with the Issue, inclusive of but not limited to the initial listing fees to the CSE, management/advisory fees payable to the Joint Managers to the Issue, brokerage commission, fees for the registrar function, fees for bankers, legal, consultancy and accountancy fees, advertising and promotional costs and printing costs. The costs borne by CBL will be recovered from the internally generated funds of the Company.

5.11. BROKERAGE

Brokerage at the rate of zero decimal five per centum (0.5%) of the value of new shares will be paid in respect of the number of new shares allotted on Applications delivered physically bearing the original seal of Bankers to the Issue, a Trading Participants of the CSE or Managers to the Issue involved in the marketing of the Issue.

5.12. MINIMUM SUBSCRIPTION AND UNDERWRITING

The Issue is not conditional upon any minimum subscription amount being raised through this IPO. The Company has not entered into any underwriting arrangement with regard to the Issue.

In the event the Issue is undersubscribed, the subscribers shall be allotted the new shares they have applied for in full, and the funds raised shall be utilized to meet the objective of the issue set out in Section 5.6 herein.

5.13. INSPECTION OF DOCUMENTS

Articles of Association, Auditors' Report and Audited Financial Statements for the financial year ended 31 December 2022, Accountants Report and Summary Financial Statements for the five (5) financial years immediately preceding the date of this Prospectus, Interim Financial Statements for the Eight (8) month period ended 31 August 2023, material contracts and Management Agreements (if any), and the Research Report prepared by NDBIB would be made available for inspection by the public during normal working hours at the registered office of the Company, at No. 696, Galle Road, Colombo 03 from the date hereof, until the subscription list is closed or up to 14 market days, whichever is later as per Rule 3.1.19 (a) of the CSE Listing Rules.

The Prospectus, Application Form and Articles of Association of the Company will be available on the website of the CSE, www.cse.lk, on the website of the Company and, on the website of the Managers to the Issue www.ndbib.com and www.ctclsa.lk, from the date hereof for a period of not less than fourteen (14) Market Days as stipulated in Rule 3.1.19 (b) of the CSE Listing Rules.

The research report justifying the Share Issue Price will be available on the website of the CSE, www.cse.lk, on the Company website, www.cargillsbank.com/ipo, and on the website of the Joint Managers to the Issue www.ndbib.com and www.ctclsa.lk, from the date hereof, for a period of not less than two (2) months as stipulated in Rule 3.1.19 (c) of the CSE Listing Rules.

6. PROCEDURE FOR APPLICATION

6.1. ELIGIBLE APPLICANTS

Applications are invited from the following categories of investors, **having a valid CDS account in the CDS:**

- i. Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- ii. Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; or
- iii. Companies, corporations or institutions incorporated or established within Sri Lanka; or
- iv. Corporate bodies incorporated or established outside Sri Lanka; or
- v. Approved unit trusts licensed by the SEC; or
- vi. Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka (in this case, Applications should be in the name of the Trustee/Board of Management); or
- vii. Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- viii. Global, regional and country funds approved by the SEC.

Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.**

Applications submitted by investors mentioned in (ii), (iv), (vii) and (viii) should be in accordance with the provisions of Foreign Exchange Act No.12 of 2017 and any regulations and/or directions issued thereunder.

Applications submitted under the Unit Trust Investor Category should conform to the criteria defined by the SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- i. Retail Individual Investor Category
- ii. Unit Trust Investor Category
- iii. Non-Retail Investor Category

Please refer “Glossary of Terms Related to the Issue” for the definitions of the aforementioned categories.

6.2. THE PROCEDURE FOR APPLICATION

6.2.1. HOW TO APPLY

Availability of Prospectus and Application Form

Applicants applying for new shares should submit their Applications in the manner set out below as applicable to you.

i. Via Physical Delivery

The Prospectus and Application Form will be made available free of charge from the collection points listed in Annexure B. The Prospectus and the Application Form can also be downloaded from **www.cse.lk** , **<https://www.cargillsbank.com/ipo/>**, on the websites of the Managers to

the Issue www.ctcls.lk and www.ndbib.com. **Please refer Section 6.2.8 for submission of Application Forms.** Investors must download the Application Form, print and submit same together with relevant supporting documents via physical delivery.

Applicants must apply for the New Shares through the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

ii. Via CSE Mobile App

Applicants who register with the CSE Mobile App should follow the instructions set out in the said Mobile App and submit their Application as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who are resident in or outside Sri Lanka and are above 18 years of age and, foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas) only.

The Mobile App, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 6.1 subsections iii, iv, v, vi and viii to apply. Therefore, such Applicants may send their Applications physically as disclosed above.

iii. CDS Web Portal

The Applicant can use the online Application Web Portal accessible via <https://ipo.cse.lk/> or www.cds.lk or <https://www.linkedin.com/company/cds-srilanka>. Only resident and non-resident individual Applicants who have a valid CDS account at the time of application can apply via the CDS Web Portal.

This option is not permitted for Applicants applying via POA, Margin Trading, Joint Applicants, foreign citizens, corporate bodies and Unit Trusts.

The Applicant must comply with the instructions stated on the Web Portal when submitting the online Application.

Any Application submitted without a valid CDS account will be rejected.

Users must first register for the Web Portal and read the instructions given on the Web Portal carefully and click on “Apply Now” option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user logs-in to the Web Portal the Application can be completed and submitted via the CDS Web Portal.

iv. CDS eConnect

Institutional users (CDS Account types of Local Customer & Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect.

Registered eConnect Institutional users (Applicant categories iii, iv, v, vi, viii mentioned in Section 6.1 Eligible Applicants), have an option for “eIPOs” within their eConnect facility, through which they are enabled to select the relevant IPO and apply.

APPLICANTS SHOULD APPLY ONLY THROUGH ONE INVESTOR CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT EITHER UNDER THE SAME CATEGORY OR UNDER DIFFERENT CATEGORIES WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.

Retail Individual and Non-Retail Investor Category

Applicants falling under the **Retail Individual and Non-Retail Investor Categories** should apply for the Shares through the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus (please refer Section 6.2.1 above for methods of obtaining the Prospectus and Application Form).

Exact size copies of the Application Form will also be permissible under the Retail Individual and Non-Retail Investor Categories. The completed Application Forms should be submitted to the Registrars to the Issue in accordance with Section 6.2.8 of the Prospectus.

Local and Foreign individual Investor/s who apply for a maximum of Twelve Thousand and Five Hundred (12,500) new shares value of not more than Rupees Hundred Thousand (LKR 100,000) will be categorized as Retail Individual Investors for share allotment purposes.

All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number (as applicable) is stated in the relevant cages of the Application Form.

Unit Trust Investor Category

Applicants applying under the **Unit Trust Investor Category** must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the Joint Managers and Financial Advisors to the Offer, CT CLSA Capital (Private) Limited, No. 4-15, Majestic City, 10, Station Road, Colombo 04 and NDB Investment Bank Limited, Level 1, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04.

The completed Application Forms should be submitted to the **Joint Managers and Financial Advisors to the Offer** who will forward the same to the Registrars to the Offer in accordance with Section 6.2.8

Only one Application should be made by an Applicant under the **Unit Trust Category**.

Applications submitted under the Unit Trust Investor Category should submit a confirmation by the trustee that such Unit Trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01).

Joint Applications

An Applicant of a Joint Application, applying through another Application Form, is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation or reason.

Please note that Applicant information such as full name, address, NIC number/Passport Number and residency will be downloaded from the database of CDS, based on the CDS account number indicated

in the Application Form. Such information shall take precedence over the information provided in the Application Form.

The CDS account number stated on the application you submit should be registered under your name. Kindly contact your stockbroker if you are in doubt about the CDS account number. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants (both resident and foreign) should indicate their respective NIC number or Company Registration Number or Passport Number as the case may be in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the SEC made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of New Shares under this Issue, the allotted New Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED**.

Any Application which does not carry a valid CDS account number or indicates a CDS account number which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any Trading participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS account through the CSE Mobile App. The CSE mobile application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

PLEASE NOTE THAT AN ALLOTMENT OF NEW SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the shares need to be deposited to his/her 'locked' balance in the CDS account, the said shares would be deposited to Applicant's 'trading' balance in the CDS account.

Operation of a 'locked' balance in the CDS

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorized sale by a broker.

At the request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

6.2.2. NUMBER OF SHARES APPLIED

Application should be made for a minimum of Five Hundred (500) Shares for a value of Sri Lanka Rupees Four Thousand (LKR 4,000/-) and in multiples of One Hundred (100) Shares thereafter. The maximum number of Shares that can be applied through one Application under the IPO would be limited to Sixty Two Million Five Hundred Thousand (62,500,000) Shares, i.e. the total number of Shares issued under the IPO. Any Applications for over and above Sixty Two Million Five Hundred Thousand (62,500,000) Shares would be either capped at the maximum of Sixty Two Million Five Hundred Thousand (62,500,000) Shares or rejected at the outset at the discretion of the Board of Directors.

Applications made for less than Five Hundred (500) Shares or for a number which is not in multiples of One Hundred (100) Shares thereafter, will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but will be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. **The cheque or bank draft or bank guarantee or RTGS/CEFT/SLIPS transfer or payment via the payment gateway provided through the CDS Web Portal/CSE Mobile App should be issued/carried out to the exact the number of New Shares applied for multiplied by the Share Issue Price.** Any Application not conforming to the above requirement will be rejected and the Application monies will be returned as aforementioned.

Please refer Section 6.3 for details with respect to the Mode of Remittance.

6.2.3. IDENTIFICATION INFORMATION

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, Passport, or Company Registration Number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the Passport for purposes of identification only if they do not have a NIC Number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

Table 6-1 Investor Identification Required

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	X			
Sri Lanka Citizens with no NIC Number*		X		
Foreign Citizens**		X		
Corporate Entities***			X	X

* In the case of Sri Lankan citizens, the Passport Number will be accepted only when the NIC Number is not available. The CDS account must be for the same Passport Number.

** Foreign citizens must state the Passport Number in the space provided in the Application Form.

*** In case of a corporate entity, the Company Registration Number must be provided. The common seal or rubber stamp should be affixed, and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

A valid CDS account number must be stated in the Application Form. All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number is stated in the relevant cages of the Application Form. All information about the Applicant (i.e., name, address, nationality and NIC or Passport Number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS account number is not indicated in the Application Form, or the number indicated in the Application Form is found to be inaccurate/incorrect, or the account number indicated is not opened at the Issue Closing Date, such Application will be rejected, and no allotments of Shares will be made.

6.2.4. KEY RESPONSIBILITY OF A FOREIGN INVESTOR

Foreign Investors may be affected by the laws of the jurisdiction of their residence. If Foreign Investors wish to apply for the New Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

6.2.5. MARGIN TRADING

Applicants who wish to apply through their margin trading account should submit the Applications in the name of the 'margin provider/Applicant's name' signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The New Shares shall be uploaded to the CDS account indicated in the Application Form.

The NIC, Passport, or Company Registration Number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the Passport for purposes of identification, only if they do not have a NIC Number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details regarding multiple Applications are available under Section 6.2.1.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by Applicants through a margin trading facility.

6.2.6. APPLICATIONS MADE UNDER POWER OF ATTORNEY

In the case of Applications made under POA, a copy of the said POA, **certified by a notary public** to be a true copy of the original, should be submitted to the Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by a POA.

6.2.7. JOINT APPLICATIONS

If the ownership is desired in the name of one applicant, such applicant should make the application for an **individual CDS account**. In the case of Joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three (3) Applicants. Joint Applicants should note that there should not be a combination of residents of Sri Lanka and non-residents. An Applicant of a Joint Application shall not apply through a separate Application Form either individually or jointly.

Please note that the CSE Mobile App, CDS Web Portal and CDS eConnect do not facilitate an Application by Joint Applicants.

6.2.8. SUBMISSION OF APPLICATIONS

a) Applicants Applying via CSE Mobile App or CDS Web Portal

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (Payment Gateway or CEFT or SLIPS or RTGS) for the full amount payable on Application Form shall be forwarded online as referred to Section 6.2.1.

b) Applicants Applying via Physical Delivery

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (cheque or bank draft or bank guarantee or RTGS transfers (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-), for the full amount payable on Application Form may be forwarded by way of delivery (by hand or post) enclosed in a sealed envelope marked '**Cargills Bank Limited – IPO**' on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

S S P Corporate Services (Private) Limited

101, Inner Flower Road,
Colombo 03

Applications may also be handed over to the Bank and designated branches of the Bank, Managers to the Issue, Bankers to the Issue and its designated branches and, Trading Participants of the CSE, as set out in Annexure B **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

In the case of Applications dispatched by post, such Applications should reach the Registrars to the Issue **not later than 4.30 p.m. Local Time on the Market Day immediately following the Issue Closing Date.**

Any Applications received after the above deadlines shall be rejected even if the courier or post mark is dated prior to the Issue Closing Date.

6.3. PAYMENT OF APPLICATION MONIES

6.3.1. CHEQUES OR BANK DRAFTS – RESIDENT SRI LANKAN INVESTORS

Cheque or Bank Drafts payments as a mode of payment are only applicable for Applicants Applying **via Physical Delivery**

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed '**Account Payee Only**' and made payable to "**CARGILLS BANK LIMITED IPO PHYSICAL**".

Cheques or bank drafts accompanying Application Forms made for less than Five Hundred (500) Shares, i.e. for a value less than Sri Lanka Rupees Four Thousand (LKR 4,000/-) and in multiples of One Hundred (100) Shares thereafter (as mentioned in Section 6.2.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant or, in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realized within Two (2) Market Days from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application cheques. No allocation of New Shares will be made to such Applicants.

Cheques must be honoured on the first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

6.3.2. BANK GUARANTEES – RESIDENT SRI LANKAN INVESTORS

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.3.6 will be accepted.

Bank guarantees will be presented to the respective banks only after the New Shares have been allotted by the Bank or the registrar to the issue.

Bank Guarantees as a mode of payment are only applicable for Applicants Applying **via Physical Delivery**

Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of "**CARGILLS BANK LIMITED IPO PHYSICAL**" in a manner acceptable to the Company and payable on demand.

Please note that the original bank guarantee should be lodged with the Registrars to the Issue together along with the Application Form prior to 4.30 p.m. local time on the Issue Closing Date, in order to claim funds in respect of such Applications made via bank guarantees.

Bank guarantees should be valid for a minimum of One (1) month from the Issue Opening Date (i.e. 14 December 2023).

Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue.

It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

6.3.3. CEFT/SLIPS TRANSFERS - RESIDENT SRI LANKAN INVESTORS

In case of CEFT/SLIPS transfers (only for Application made via the CSE Mobile App and CDS Web portal) such transfers should be made to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900), on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for CEFT/SLIPS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** and the fund transfer confirmation should be submitted with the Application Form.

IMPORTANT - When CEFT, SLIPS transfers are made, ensure to enter the CDS account number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference / Remark / Comment’ field to identify the payments. If the payment cannot be identified Application may get rejected.

6.3.4. RTGS TRANSFERS -RESIDENT SRI LANKAN INVESTORS

In case of RTGS transfers, such transfers should be made to the credit of the following accounts for applications submitted via;

1. **Physical applications** (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)) should be made to the credit of **“CARGILLS BANK LIMITED IPO PHYSICAL”** bearing the account number 111000111143 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)
2. **CSE Mobile App or CDS Web Portal** (only for Application valued above and inclusive of Sri Lanka Rupees Five million (LKR 5,000,000/-)) should be made to the credit of **“CARGILLS BANK LIMITED IPO ONLINE”** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)

on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for RTGS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant’s bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **“CARGILLS BANK LIMITED IPO PHYSICAL”** for physical application and **“CARGILLS BANK LIMITED IPO ONLINE”** for application submitted CSE Mobile App or CDS Web Portal. The fund transfer confirmation should be submitted with the Application Form.

IMPORTANT - When RTGS transfers are made, ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/ Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

6.3.5. PAYMENT OPTIONS FOR CSE MOBILE APP OR CDS WEB PORTAL APPLICANTS

CSE Mobile App and CDS Web Portal is now integrated with the HelaPay Payment App.

Only the LOCAL INDIVIDUAL applicants, with applied share values less or equal to LKR 49,900 will be able to use the HelaPay app after completing the applications on the said eIPO platform. If the applicant has already made a payment to the IPO account prior to starting the application process, such applicants should not select the 'HelaPay' option.

Customer charges of LKR 100.00 charged by 'HelaPay' will apply for such payment and to be borne by the applicants.

Please note that the applicants who wish to use the integrated HelaPay Payment App platform through the CSE Mobile App or CDS Web portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via CSE Mobile App.

6.3.6. AMOUNT PAYABLE AND OTHER PAYMENT CONDITIONS

The amount payable should be calculated by multiplying the number of New Shares applied for under a particular category by the Share Issue Price of Sri Lanka Rupees Eight (LKR 8/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via RTGS/CEFT/SLIPS transfer such Applications will be rejected.

CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (5,000,000/-) imposed by the CBSL.

Payments for Applications via the payment gateway available on CSE Mobile App and CDS Web Portal is subject to a maximum value limit of Sri Lanka Rupees Fifty Thousand (LKR 50,000/-). i.e. Maximum Application value of LKR 49,000/- and convenience fee of LKR 100/-.

In the case of cheques, bank drafts, RTGS/CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or RTGS/CEFT/SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for New Shares of accompanied by two or more cheques or bank drafts or RTGS/CEFT/SLIPS transfers or bank guarantees will be rejected at the outset.

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred million (LKR 100,000,000/-) will be permitted to submit multiple Bank guarantees issued by Licensed Commercial Banks in Sri Lanka, multiple bank drafts/cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any licensed commercial bank operating in Sri Lanka, each of which should be for values on the date of opening of the Offer.

Cash will not be accepted. Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.

6.3.7. FOREIGN CURRENCY REMITTANCES

This section is applicable to:

- Citizens of Sri Lanka who are above 18 years of age and resident overseas.
- Corporate bodies incorporated or established outside Sri Lanka.
- Regional or country funds approved by the SEC.
- Foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

A foreign investor may invest through an IIA (previously known as a Securities Investment Account/SIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA are presented below:

- A Foreign Investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market.
- The intermediary may open an IIA, on the investor's behalf.
- In conjunction with the IIA, an account with the CDS must be opened in case the investor does not already possess a valid CDS account.
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.

- **Applicants Applying via CSE Mobile App, CDS Web Portal or CDS eConnect**

- o Payment for New Shares should be made through a RTGS/CEFT/SLIPS transfer against the funds arranged through the IIA and made payable to **"CARGILLS BANK LIMITED IPO ONLINE"** bearing the account number 111000111151 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) prior to 4.30 p.m. local time on the Issue Closing Date. Kindly note that the foreign individual Applicants are **NOT** eligible to use the payment gateway option. Therefore, they must ensure to initiate the transfers prior to making the Application using an accepted mode of payment.

IMPORTANT - When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

- **Applicants Applying via Physical Delivery**

- o Payment for New Shares should be made through a cheque or bank draft, or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka or through a RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-) against the funds arranged through the IIA and made payable to **"CARGILLS BANK LIMITED IPO PHYSICAL"** bearing the account number 111000111143 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) prior to 4.30 p.m. local time on the Issue Closing Date.

Cheques or bank drafts or bank guarantees or RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)) transfers should be endorsed by the issuing custodian bank to the effect that arrangements have been made to facilitate such payment to be made against funds available in the individual's IIA. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Any refund payments to Foreign Investors are made in terms of Section 6.7 of this Prospectus.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Head of the Department of Foreign Exchange of the CBSL.

6.3.8. RESTRICTIONS APPLICABLE TO FOREIGN CITIZENS RESIDENT IN SRI LANKA

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. **Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form. In case of an online Application, the certified copy of the citizenship certificate should be uploaded under the relevant field.**

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts, or bank guarantees or RTGS/CEFT/SLIPS transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka or payment gateway in the CDS Web Portal but may do so via an IIA account as detailed in Section 6.3.7 above. **Applications made by foreign citizens not in accordance with the foregoing shall be rejected.**

6.4. REJECTION OF APPLICATIONS

- i. Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in this Prospectus will be rejected at the absolute discretion of the Company.
- ii. Any Application Form which does not provide the NIC, Passport (where NIC is not available) or Company Registration Number as the case may be, will be rejected.
- iii. Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- iv. Applications delivered by hand or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date will also be rejected even if they carry a postmark date earlier than the Issue Closing Date.
- v. Applications made for less than Five Hundred (500) New Shares or for a number which is not in multiples of One Hundred (100) New Shares thereafter, will be rejected.
- vi. An Application which does not carry a CDS account number or indicates a number of a CDS account which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS account number shall be rejected and no allotment of New Shares will be made.
- vii. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- viii. Applicants should apply only through one investor category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or under different categories will be construed as multiple Applications and will be rejected.
- ix. The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 6.2.1.
- x. Payment for Applications of New Shares accompanying two or more cheques and bank drafts or bank guarantees or RTGS/CEFT/SLIPS transfers as mentioned in Section 6.3.6 will be rejected at the outset in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-)

- xi. Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- xii. Physical applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-) or by way of CEFT or SLIPS will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation and reason.

6.5. BANKING OF PAYMENTS

All cheques and bank drafts received in respect of Applications will not be banked until the Market Day following the Issue Closing Date in terms of the CSE Listing Rules.

6.6. BASIS OF ALLOTMENT

The basis of allotment of shares be as per the manner prescribed in the CSE Listing Rule 2.1.1 (g) (I) (ii), since the size of the offering is less than LKR 3 billion. The basis of allotment will be as follows:

Table 6-2 Basis of Allotment of New Shares to Various Categories of Applicants

Investor Category	Percentage of Issue (%)
Unit Trusts Investors*	10%
Retail Individual Investors	40%
Non-Retail Investors	50%
Total	100%

* Unit Trust Investors should be growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500 unit holders resident in Sri Lanka who together hold at least 50% of that fund as per the SEC Directive dated March 10, 2011 (Ref: SEC/LEG/11/06/01).

Applications submitted under the Unit Trust Investor Category should be accompanied by a confirmation by the trustee that such unit trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01) and CSE Listing Rules, 2.1.1(g)(ii)(b).

Local and Foreign Investor/s who apply for shares of value not more than LKR 100,000/- will be deemed as Retail Individual Investors for share allotment purposes.

Investors who do not fall under the Retail Individual Investor Category and Unit Trusts Investor Category stated above will be deemed as Non-Retail investors for share allotment purposes.

In determining the basis of allotment within the Retail Individual Investor Category, investors who subscribe for a smaller number of shares shall be given priority.

The investor categories have been selected to ensure the broadest possible spread of shareholders while treating all Applicants in a fair manner as may be decided by the Board at its discretion.

In the event of an undersubscription in the Unit Trust Investor Category, the Retail Individual Investor Category shall be given first priority in allotment of the undersubscribed New Shares.

In the event of an undersubscription in the Retail Individual Investor Category, the Unit Trust Investor Category shall be given first priority in allotment of the undersubscribed New Shares.

In the event of an undersubscription in the Non-Retail Investor Category, Retail Individual Investor Category will be given first priority followed by Unit Trust Investor Category in the allotment of the undersubscribed New Shares.

In the event of an oversubscription in any one or more of the categories mentioned above, the basis of allotment will be decided by the Board of Directors in a fair and equitable manner.

The Board of Directors will endeavour to decide and announce to the CSE the basis of allotment as soon as practicable so as to ensure compliance with the Listing Rules. Upon the allotment being decided, an announcement will be made to the CSE.

The successful Applicants will be informed of their allotment within 10 Market Days from the Issue Closing Date.

6.7. REFUNDING/RETURNING OF FUNDS ON PARTIALLY ACCEPTED/ REJECTED APPLICATIONS

Where an Application is accepted only in part or rejected in its entirety, the balance/entirety of the monies received on an Application as the case may be, will be refunded. Such refunds will be made on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules. As required by Rule 2.4(I) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted AWPLR published during the immediately preceding week by the CBSL or any other authority (in the event the CBSL ceases to publish the AWPLR) plus five percent (5%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

It is the responsibility of Foreign Investors to ensure that their IIA details are accurately provided under 'Refund Payment Instructions' on the Application Form to forward the refund to the IIA through which the Application was made.

With regard to applications which have been fully rejected due to any of the reasons specified in this Section 6, neither the Company nor the Registrars to the Issue nor CDS shall be liable for any delay on the refund of monies to the Applicant if the Applicant has paid the Application monies through RTGS/CEFT/SLIPS and has not indicated his NIC Number or the CDS account number as the payment reference.

Refund via Sri Lanka Inter-bank Payment Systems (SLIPS)

The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL with effect from 29 October 2010, as per Operating Instruction Circular No. 11/2010 dated 25 October 2010.

In the event of refunds over Rupees Five million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the Application, refunds will be made via RTGS.

In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the bank

together with the Registrars to the Issue or CDS will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the bank or the Registrars to the Issue or CDS accountable for such delays.

Refunds Via Crossed Cheque

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.

6.8. SUCCESSFUL APPLICANTS AND CDS LODGMENT

The New Shares allotted will be directly uploaded to the respective CDS accounts given in the Application Forms before the expiry of Twelve (12) Market Days from the Issue Closing Date as per the CSE Listing Rules.

Upon completion of crediting the respective CDS accounts, a written confirmation will be sent to the shareholder within Two (2) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Applicant in their respective Applications.

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Refer Section 9.5 for the definition of 'locked'.

New Shares shall not be transferable by the shareholders during the period between the date of allotment of the New Shares and up to the date of listing (excluding the date of listing) of the Ordinary Shares on the CSE. Further, the Company shall not allot any Shares (other than the allotment of New Shares) or transfer existing Shares during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

Upon the Ordinary Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 9.5 of this Prospectus, which will be locked-in to be in compliant with CSE Listing Rules 2.1.1(d).

6.9. DECLARATION TO THE CSE AND SECONDARY MARKET TRADING

The Company will submit to the CSE a declaration on the Market Day ("Declaration") immediately following the day on which the Applicants' CDS accounts are credited with the new shares. Trading of the ordinary shares on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7. BUSINESS OPERATIONS OF CARGILLS BANK LIMITED

7.1. OVERVIEW OF THE COMPANY

Cargills Bank Limited is a licensed commercial bank (LCB) incorporated in Sri Lanka on 3 November 2011 as “Cargills Agriculture and Commercial Bank Limited” and changed its name to “Cargills Bank Limited” in January 2014. The Bank gained approval as a Licensed Commercial Bank under the Banking Act No. 30 of 1988 on 21 January 2014, and commenced business operations on 30 June 2014, as the 25th Commercial Bank in Sri Lanka², at the time.

The origins of the Bank trace back to late 2009 when, understanding the need of the country, the Promoters of the Bank, the Cargills Group— “Cargills” a preeminent conglomerate renowned in the retail and FMCG sectors—began to invest in building infrastructure to support the agriculture and dairy farming communities. Noticing the difficulties faced by these communities in accessing finance, the Promoters sought a banking license under the banner of Cargills Agriculture & Commercial Bank with the intention of serving these communities and promoting financial inclusivity across the country.

Cargills Bank’s operations comprise Retail Banking, Card & Acquiring operations, Agriculture & Micro Finance, SME Banking, Corporate Banking, International Trade and Treasury Operations. The Bank currently operates a network of 24 branches located in 14 districts of Sri Lanka and provides an extensive array of products and services, including savings and current accounts, investment planners, credit and debit card offerings, consumer loans, support for agriculture and micro-financing, SME and business banking solutions, trade facilities, treasury operations, inward remittances, and an array of user-friendly and adaptable digital banking services. The Bank’s branch network is complemented by 29 Cargills Bank MINI locations, which are located within selected Cargills Food City outlets, in which a bank officer is placed to serve customers, taking the total customer-facing touchpoints to 53 locations.

Drawing from the rich legacy of the Cargills group, the Bank has leveraged the promoters’ presence and understanding of the Sri Lankan consumer to set up channels and a portfolio of financial products and services that promote convenience, savings and the development of entrepreneurs around the country. A cornerstone of the Bank is the agency banking operation with Cargills Retail, through which customers of the Bank can deposit, withdraw, transfer funds, and make payments to collection accounts at 478³ Cargills Retail outlets around the country. The agency banking model tied to a supermarket chain is unique within the domestic banking space and provides Cargills Bank with a distinct point of differentiation.

Cargills Bank’s vision aligns with that of its promoters. Committed to upliftment of the entire Sri Lankan community, it endeavours to provide financial solutions for all, in line with its vision to be the most inclusive bank harnessing the spirit of progress in every Sri Lankan. Its growing network of customer touchpoints, digital platforms, commitment to customer service, and focus on ethical business practices further support its aspirations to be a preferred banking partner of choice.

Despite its successes in growing the asset base of the Bank and strategic positioning, Cargills Bank has faced significant challenges, reflective of the broader socio-economic environment of Sri Lanka. The 2019 Easter attacks deeply affected businesses and consumer confidence alike. The subsequent COVID-19 pandemic further exacerbated the economic downturn, with businesses facing operational constraints, reduced consumer spending, and changing consumer trends. Moreover, the economic crisis of 2022 placed additional financial pressures on institutions, demanding adept strategies to

² Source: Annual Report 2014 - Central Bank of Sri Lanka, section 8.2

³ Cargills (Ceylon) PLC operates 523 Cargills Retail outlets across Sri Lanka. Cargills Bank Limited has obtained a license from CBSL for agency banking at Cargills Retail outlets and has approval to operate agency banking in 478 of these outlets.

maintain liquidity and portfolio quality. Through these testing times, Cargills Bank has shown resilience and adaptability, re-aligning its focus and operations to meet the evolving needs of its customers. The Bank's proactive approach to these challenges exemplifies its commitment to the community and its vision for a prosperous Sri Lanka.



*Note - Cargills Bank Limited commenced business operations on 30 June 2014

Vision: “To be the most inclusive bank harnessing the spirit of progress in every Sri Lankan.”

At the heart of Cargills Bank is a vision deeply rooted in inclusivity and progress. CBL aspires to support the development of the nation, recognizing the diverse aspirations, needs, and potentials that drive the nation forward. CBL's vision impels a commitment to action, and strongly supports this aspiration.

Mission:

Direct Engagement for Every Customer

To directly engage every customer at their convenience by a unique and far-reaching network, through efficient and innovative technology.

Empowering Entrepreneurs

To facilitate and empower small and medium scale entrepreneurs, enhance industry standards through a highly motivated team of innovative bankers.

Value Creation for Investors

To create sustainable value for investors through sound financial performance embedded in transparency and accountability.

7.2. DRIVEN BY THE SPIRIT OF INNOVATION – THE EVOLUTION OF CARGILLS

The Promoters of Cargills Bank – CT Holdings PLC (CTH) and Cargills (Ceylon) PLC (Cargills) – are diversified conglomerates listed in the Colombo Stock Exchange, with interests in retailing, food & beverage manufacturing and distribution, restaurants, cinema entertainment, property development and financial services.

The Cargills business model was built step by step, transforming a traditional retailer into one of the country's largest food companies through innovation, persistence, and a philosophy of community development enshrined in the principles of its Mission Statement,

- Reducing the cost of living
- Enhancing youth skills
- Bridging regional disparities

Tracing its roots back to 1844, the transformation of Cargills into the entity of today began in 1983 with the establishment of the first Cargills Food City supermarket outlet. Cargills pioneered the development and expansion of supermarket retailing beyond urban localities in Sri Lanka, leading it to become the market leader in the retail supermarket space by turnover⁴ and footprint with over 500 outlets across all 25 districts of the country. Always responsive to consumer needs, Cargills pivoted its supermarket channel to facilitate deliveries across the country during the lockdowns on account of the COVID-19 pandemic, leading to the establishment of its e-commerce delivery channel, Cargills Online.

Cargills ventured into food manufacturing in 1993 with the acquisition of a meat processing facility and thereafter made several acquisitions and investment in the sector to expand its operations into dairy products, fruit-based beverages, condiments & sauces, confectionaries, convenience food, etc. Focusing on innovation and value addition, Cargills has built strong brands in many of these categories and counts among its businesses national brands such as “Magic”, “Kotmale”, “Kist”, “Goldi”, “Sam’s” and “Finest”.

The Group entered the Restaurants business in 1996 through the introduction of the KFC franchise to Sri Lanka, and had a vision to develop the standards of the local poultry industry. Meanwhile, seeing potential with the growth of the tourism sector in Sri Lanka, the TGI Friday’s franchise was also introduced to Sri Lanka through Cargills. In total Cargills operates 64 restaurants as at 30 September 2023, across all provinces of the country (and 17 of 25 districts). Key success drivers for the KFC business included initiatives such as localizing the KFC menu and promoting the local sourcing of raw materials; during FY23, over 90% of the raw material were sourced locally.

The growth of the group’s operations enabled it set up its own collection infrastructure, directly purchasing fruits, vegetables and milk from farmers. During the year 2022/23 the purchase of these items generated a direct income of LKR 15.8 Bn⁵ to the local farming community. In addition to sourcing produce from farmers, Cargills also directly engages with the farming community to support the adoption of new agriculture and dairy practices designed to improve yields, reduce material inputs and other costs and mitigate the impact of climate change.

Noticing the difficulties faced by farmer communities in accessing finance, the Promoters embarked on seeking a banking license in 2009 with the intention of serving these communities and promoting financial inclusivity across the country. Similarly, potential synergies with the Promoter’s retail chain provided opportunities for a unique business model to be established for a diverse stakeholder group. Thus, Cargills applied for a banking license in 2011 under the banner of Cargills Agriculture &

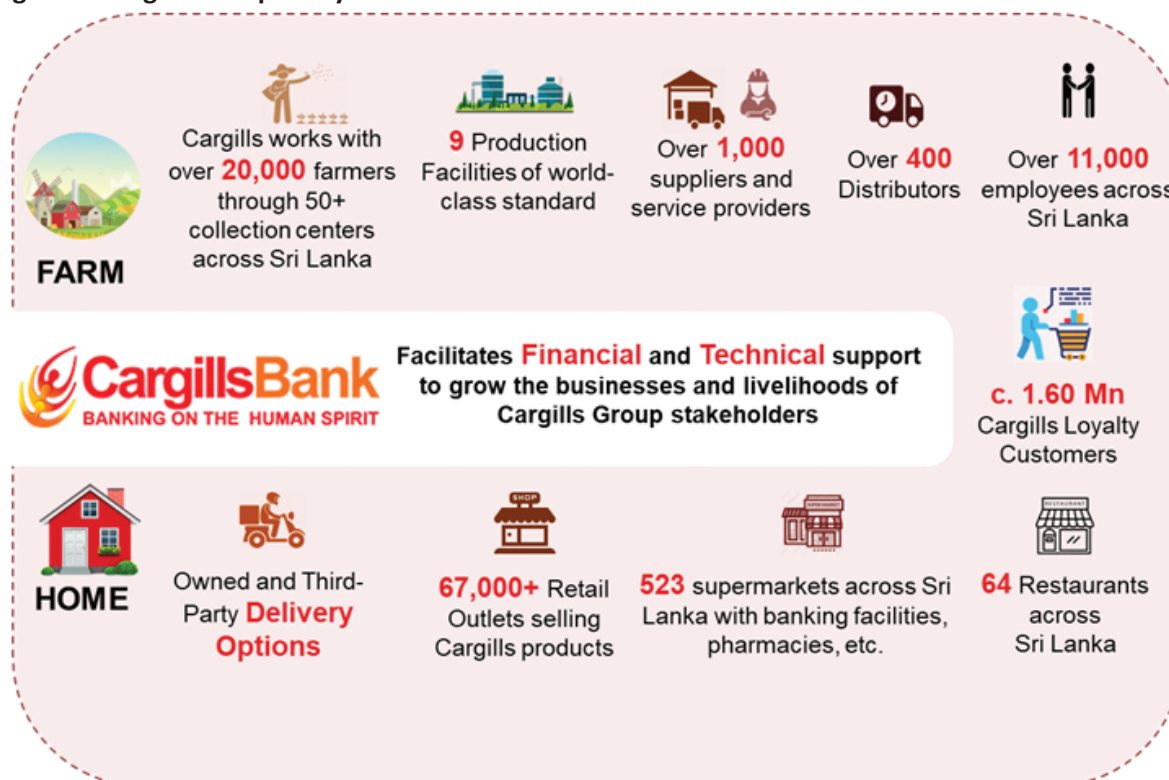
4 Source: Annual reports 2022/23 of Cargills Ceylon PLC, Ceylon Cold Stores PLC, Richard Pieris and Company PLC and Annual report 2022 of Ministry of Finance

5 Source : Annual Report 2022-23, Cargills (Ceylon) PLC

Commercial Bank, and having received approval in January 2014, Cargills Bank commenced operations in June 2014.

In establishing itself as a leading food company serving the needs of Sri Lankans across the country, Cargills has brought together a diverse ecosystem of stakeholders consisting of 20,000 plus farmers, over 1,000 suppliers, close to 67,000 grocery stores selling Cargills FMCG products, over 400 distributors, 1.6 Million loyalty customers, and over 11,000 group employees. Cargills engages these stakeholders through a network of 523 retail stores, 2 dark stores, 9 food processing facilities, two franchises with 64 restaurants, 5 mini-malls and a supply chain network of over 50 locations across the country.

Figure 1: Cargills Group Ecosystem



EMPOWERING RURAL COMMUNITIES THROUGH FINANCIAL INCLUSION, SUSTAINABLE AGRICULTURE, AND SME DEVELOPMENT INITIATIVES

The Bank is committed to the promoters' mission of entrepreneur development and transforming rural communities, complementing the ideals of Cargills through the provision of financial services and development financing at a micro level. CBL believes the development of rural regions as essential to the future of our nation, and works towards broadening financial inclusion to eliminate disparities in banking accessibility. The Bank's commitment also extends to promoting exemplary business practices and nurturing the spirit of rural entrepreneurship.



Rural and Entrepreneurial Development

The Bank has set up a dedicated Agriculture and Microfinance vertical with the intention of enabling financial inclusion and rural upliftment (mainly to help smallholder farmers in rural areas to develop their livelihood). The Bank acts as a Participating Financial Institution, offering low interest loan schemes for agriculture and MSME development.



Agriculture and Dairy Modernization

The Bank has provided funds for Agriculture and Dairy modernization and development initiatives to over 5,000 farmers across the country. The Bank also provides guidance and training programmes in banking and financial management to promote financial literacy and understanding to make their businesses sustainable.



Cargills Village to Home

Cargills Group provides holistic assistance and guidance to the Micro & SME entrepreneurs in the country through the 'Cargills Village to Home' programme. Participants benefit from the exposure to a wider marketplace as well as training and advice on business operations such as product development, production, packaging and quality standards and financial management.

7.3. JOURNEY OF THE BANK

2011

- Applied to the CBSL for a Commercial Banking license

2014

- Commenced operations
- Joined Lanka Pay Common ATM Switch
- Opened 3 new Branches in Colombo

2015

- Expanded the branch network to 11 Branches

2016

- Joined CEFT-Real-time Fund Transferring
- Launched Internet & Mobile Banking for both Retail & Corporate

2017

- Launched Agency Banking with Cargills Retail to facilitate deposits and withdrawals at supermarket counters
- Expanded Branch Network to 17 Branches

2018

- Joined RippleNet to facilitate cross-border inward remittances to Sri Lanka
- Launched Cargills Bank Credit Cards

2019

- Obtained PCIDSS Certification for the Cards operation
- Launched Internet Payment Gateway operations

2020

- Connected LankaQR payments at all Cargills retail outlets
- Launched Cargills Village to Home programme

2021



- Launched Cargills Bank MINI Service Points
- Launched Non-Face - to - Face Onboarding of Customers



2022

- Launched the Mobile Branch vehicle to serve rural underbanked areas
- Joined Lanka Remit Mobile Application (which processes remittances from overseas using Debit/ Credit card)

7.4. PRODUCT AND PORTFOLIO OF CBL

With a vision to be the most inclusive bank in Sri Lanka, Cargills Bank offers its customers a full range of products and services including savings accounts, investment planner accounts, credit & debit cards, consumer loans, agriculture and micro financing, SME & Business Banking solutions and trade facilities.

Segment	Product Focus	Products and Services
Retail Banking	Serving individual customers with tailored financial solutions.	<p>Savings & Deposits: A wide variety of savings accounts, current accounts, fixed deposits and investment planner accounts.</p> <p>Loans: Customized credit solutions.</p> <p>Digital Services: Online and mobile banking platforms, enabling utility payments and remittances seamlessly.</p> <p>Examples of tailor-made solutions</p> <p><u>Cargills Cash</u></p>  <p>Customers can deposit and withdraw cash from their Cargills Bank account at Cargills Retail outlets across the country. Other features include purchasing goods using the mobile banking app, and conducting domestic fund remittances where the recipient can withdraw cash from Cargills Retail outlets.</p> <p><u>Abhimani Women's Savings Account</u></p>  <p>The "Abhimani" Women's Savings Account is a Savings Account with special features designed to encourage women to invest and grow their funds with Cargills Bank. With the highest interest rate in the market and unique benefits offered by being an account holder, the product has been designed specifically to cater to the requirements of women and develop a strong customer- bank relationship.</p>

Segment	Product Focus	Products and Services
		<p><u>Podihitiyo Children’s Savings Account</u></p>  <p>Podihitiyo is a Children’s Savings Account for parents to save for their children’s future, offering the best tiered interest rates on minor savings accounts in the market. Children up to the age of 16 years old can open a Podihitiyo Children’s Savings account.</p> <p><u>Diriya Investment Planner</u></p>  <p>Diriya, is an investment plan account designed to set aside a fixed amount of savings every month to achieve a target amount at the end of an agreed period, which will help the customer to secure future needs and provide confidence to face life on a firm financial foundation.</p>
Agri and Micro Banking	Strengthening agricultural businesses and micro-enterprises with specialized financial products	The Bank provides focused value chain financing, Agriculture and Dairy Financing, and Micro Finance lending products to uplift the sector, and is a participating financial institution with schemes such as the National Agri Development Program (NaDep), Domestic Agriculture Development (DAD), Smallholder Agribusiness Partnership Program (SAPP) and the Saubagya loan scheme to offering concessionary financing facilities.
SME Banking	Empowering and supporting Small and Medium Scale Enterprises with financial solutions to develop their businesses, positioning Cargills Bank to be preferred financial partner	The Bank provides tailored financing solutions focused on SMEs, ranging from working capital financing, short-term loans, and term loan financing to project financing, cash collection services, advisory services, and corporate internet banking solutions.
Corporate Banking	Catering to larger corporate entities with a diverse array of financial services	The Bank provides financing Solutions from working capital financing and term loan financing to project financing as well as comprehensive trade, cash collection services, treasury and investment facilities, and digital banking services.

Segment	Product Focus	Products and Services
Card Centre	Credit and Debit Card Issuing & Merchant Acquiring business	Issuance of Mastercard and Visa Debit and Credit Cards. Merchant acquiring business, efficiently facilitating secure payment transactions through point-of-sales terminals and an internet payment gateway.

7.5. SERVICE DISTRIBUTION CHANNELS

Cargills Bank seamlessly combines traditional and modern banking methods. Customers can access 24/7 digital banking services for utmost convenience. The Bank's partnership with Cargills Retail allows for customers to undertake banking transactions at 478 Cargills Retail outlets spread throughout the island. The Cargills Cash service provides free cash deposits and withdrawals at these locations, facilitates domestic fund transfers and more. The Bank operates 24 stand-alone branches for those preferring conventional banking, while also operating 29 Cargills Bank MINI locations in Cargills Food City outlets which facilitate customer onboarding and support from these locations. The Bank also provides a digital onboarding service to allow customers to open Savings Accounts from anywhere in the country. This integrated approach ensures widespread accessibility across urban and rural areas.

Channel	Service Capabilities
Cargills Bank Branches	<ul style="list-style-type: none"> Offers fully fledged banking solutions to Retail, SME and Corporate clients. 24 branches located in 8 Provinces/14 Districts
Cargills Bank Mini	<ul style="list-style-type: none"> Services available at 29 Cargills Food City outlets, each with a dedicated bank officer on-site, to facilitate onboarding new customers, support existing customers, and facilitate customers to link up to branches for other banking services.
Digital Onboarding	<ul style="list-style-type: none"> Customer onboarding through the Cargills Bank website without having to visit a branch or MINI location.
Agency Banking with Cargills Retail	<ul style="list-style-type: none"> Allowing real-time deposits and withdrawals at 478 Cargills Retail outlets spread throughout the island.
ATMs	<ul style="list-style-type: none"> In addition to CBL's own network, customers can withdraw cash from over 4,000 ATMs connected to the Common ATM Switch located island-wide for transactions as the Bank is connected to the LankaPay Network.
Digital Banking	<ul style="list-style-type: none"> The Bank offers Internet Banking services for Retail and Corporate customers and a Mobile Banking App for Retail customers. The platforms allow customers to conveniently manage their finances, make payments, and more.
Mobile Branch	<ul style="list-style-type: none"> In line with the Bank's mission to promote financial inclusivity and facilitate deposit and withdrawal transactions, the mobile branch serves the agriculture and dairy sectors in the Central, North Central, and Northern Provinces.
Customer Care Centre	<ul style="list-style-type: none"> A 24/7 Call Centre is available in all three languages to support our customers, Cargills Retail cashiers, and stakeholders in the agricultural sector

7.6. THE BANK IS BACKED BY A DIVERSE SHAREHOLDER BASE



The promoters of the Bank are Cargills (Ceylon) PLC and CT Holdings PLC, listed corporates in the Colombo Stock Exchange, with interests in Retailing, FMCG, Restaurants, Entertainment, Property Development and Financial Services.

Cargills (Ceylon) PLC, a Sri Lankan corporate established in 1844 is built on a strong foundation of values and ethics. Cargills operates a far-reaching ecosystem that covers a diverse range of business verticals including Retail, FMCG, Distribution and Quick Service Restaurants (QSR). This provides a substantial opportunity for the Bank to establish a loyal customer base by leveraging the brand strength of its promoters.

Other major shareholders of the Bank include Employees Provident Fund (EPF), MJF Foundation Investments (Pvt) Ltd, Softlogic Holdings PLC, Multitex Investment Limited, MAS Capital (Pvt) Ltd, Rosewood (Pvt) Ltd, Phoenix Ventures Ltd and AIA Holdings Lanka (Pvt) Ltd.

7.7. FUTURE STRATEGIES

Driving growth from a position of stability

Having stabilized its operation within a challenging economic environment, Cargills Bank is embarking upon a growth-oriented business plan aimed at expanding its asset base.

The Bank aspires to develop a sustainable and profitable customer base. To achieve this, the Bank seeks to continue broadening its customer base through a combination of ecosystem opportunities, value-added products and services, and targeted customer acquisition. By leveraging its network of consumer touchpoints and stakeholder engagement within the Cargills ecosystem, Cargills Bank aims to develop its presence in the market and build lasting customer relationships. The Bank's hub-and-spoke expansion strategy leverages the established infrastructure and footfall at Cargills Retail locations by setting up MINI locations to complement branch expansion and grow the retail customer base. Meanwhile, opportunities with farmers, distributors, suppliers and other service providers offers Cargills Bank the ability to develop its customer base in the Agriculture, SME and Corporate spaces.

Another aspect of this growth-oriented plan is the development of innovative financial products and services. The Bank plans to upgrade key customer platforms such as agency banking and digital banking to provide an interactive, customer-centric experience. CBL also periodically evaluates its product offerings to ensure they are inclusive and meet a wide range of financial needs, remaining responsive to market demands.

Having established a strong product suite, the Bank's promotional strategies and campaigns will aim to capture market attention, leading to higher customer engagement. These efforts will be focused on raising the Bank's visibility and increasing its brand presence in the financial landscape.

Pursuing ecosystem growth opportunities

Cargills has an extensive network of consumer touchpoints throughout the country, including 523 retail outlets, 64 restaurants and almost 67,000 general trade stores, and interacts with an extensive network of stakeholders on a regular basis including 1.6 million Cargills loyalty customers, 1,000 suppliers, and 20,000 farmers.

This ecosystem presents Cargills Bank with growth opportunities across various business sectors, enabling it to deliver financial services through multiple touchpoints affiliated with the Cargills brand. The ecosystem provides direct access to the farming community, supporting Cargills Bank's vision of contributing to rural community development and financial inclusivity.

The Bank has tailored its offerings to leverage the Cargills ecosystem. These include retail customer offerings, agency banking, value chain financing, distributor financing, supplier financing and agriculture and dairy financing on a cash-flow basis.

The hub-and-spoke model, also known as Cargills Bank MINI, enables the Bank to extend its reach to new territories through a low-cost operating model. The channel provides selected banking services at Cargills Retail locations, and has enabled the Bank to offer financial services to customers in areas where branches are not readily available. The Bank is committed to further expansion of this format. This expansion will be subject to obtaining requisite approval from the Central Bank of Sri Lanka (CBSL).

Digital solutions upgrade to facilitate a customer centric approach

Cargills Bank places emphasis on its digital offering to enhance accessibility and convenience in banking services. This is pivotal in the Bank's efforts to broaden its market share.

CBL has made noteworthy progress in its digital journey with the introduction of Mobile Banking, Internet Banking, Cargills Cash, and digital onboarding and will develop its digital capabilities to improve the user interface (UI), experience (UX), and functionality. This will enable a more customer-centric mobile banking experience.

7.8. ASSUMPTIONS ON FUTURE DIRECTION OF CARGILLS BANK LIMITED

CBL assumes local and global macro-economic conditions will continue to improve and be favourable in the medium to long term. A growing economy provides opportunities for expanding the Bank's customer base and increasing the demand for financial services.

CBL also assumes that the regulatory environment in Sri Lanka will remain conducive and supportive of its expansion plans, with an enabling regulatory framework for banking.

The success of the Bank's digital expansion assumes continued stability and technological advancements in the mobile telecom and digital banking landscapes. This includes improvements in security, connectivity, and digital infrastructure, which are essential for a fulfilling digital banking experience.

The Bank's growth strategies are built on the expectation that the Bank will thrive within the dynamic banking industry through its competitive edge, the unique access to the Cargills ecosystem and its varied product and service offerings. The Bank is expected to anticipate and respond to changing consumer behaviour and preferences, so that its products and services align with changing needs and preferences and ensure relevance in an evolving landscape.

CBL also anticipates access to a skilled and adaptable workforce, with the ability to attract, develop, and retain talent across various domains, including banking, technology, and customer service.

8. CORPORATE STRUCTURE

8.1. THE BOARD OF DIRECTORS OF CBL

The Board of Directors of CBL endeavours to provide leadership through effective formulation of strategies, policies and procedures to realise the objectives of the Company. The Board assumes ultimate responsibility for corporate governance within the Company. As at the date of this Prospectus, the Board comprises nine (9) Directors of whom one (1) is an Executive Director and the remaining eight (8) are Non-Executive Directors, six (6) of whom are Independent. Board members are established professionals in their respective fields, collectively providing the diversity and balance of skills for effective stewardship.

Table 8-1: The Board of Directors of CBL

Name	Designation
Mr. Richard Annesley Ebell	Chairman, Independent, Non-Executive Director
Mr. Koliya Bandaralage Senarath Bandara	Managing Director / Chief Executive Officer, Non-Independent
Ms. Marianne Mahilmalar Page	Non-Independent, Non-Executive Director
Mr. Yudhishtan Kanagasabai	Independent, Non-Executive Director
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Independent, Non-Executive Director
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director
Mr. Ravindra Ajantha Jayawardena	Independent, Non-Executive Director
Ms. Shanti Gnanapragasam	Independent, Non-Executive Director
Mr. Arjuna Herath	Independent, Non-Executive Director

8.2. PROFILES OF THE BOARD OF DIRECTORS



Mr. Richard Annesley Ebell – Chairman, Independent, Non-Executive Director

Mr. Richard Ebell was employed at Hayleys PLC for 32 years, leaving as finance director in 2009, and at Loadstar Pvt Ltd (now part of the Michelin Group) as chief financial officer for 2 years thereafter, gaining varied experience throughout those engagements.

He has served as an Independent Non – Executive Director on the boards of several listed and regulated entities, and as Chairman of their board audit committees and a member of other board committees, over the last 14 years. He is currently on the board of HNB Assurance PLC.

He joined the Board of Cargills Bank in mid- 2015 and has served on multiple committees of the Bank since then. He was a senior independent director prior to his appointment as chairman on 21 January 2023.

Mr. Ebell is a fellow of the Institute of Chartered Accountants, Sri Lanka, and a fellow of the Chartered Institute of Management Accountants, UK, and holds a diploma in marketing from the Chartered Institute of Marketing, UK.



Mr. Koliya Bandaralage Senarath Bandara - Managing Director / CEO, Non-Independent

Mr. Senarath Bandara is a banking professional with a distinguished career spanning over 30 years at the Bank of Ceylon (BOC) and retired as its General Manager/Chief Executive Officer. He joined Cargills Bank Ltd as MD/CEO in October 2020.

He has served on several Boards of subsidiaries and associate companies of BOC, and on the Boards of the Credit Information Bureau, Lanka Clear Pvt Ltd, Lanka Financial Services Bureau Ltd and the Regional Development Bank.

He has also served as a member of the governing body of the Institute of Bankers of Sri Lanka, as Chairman of the Asia-Pacific Rural Agriculture Credit Association (APRACA) - a regional association operating out of Bangkok, Thailand, and as Vice Chairman of the Sri Lanka Bankers Association. He was a past President of the Association of Professional Bankers of Sri Lanka.

Mr. Bandara has a BSc from the University of Kelaniya and a MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He has a Postgraduate Executive Diploma in Bank Management from the Institute of Bankers, Sri Lanka, and completed an Advanced Management Program at the Harvard Business School, USA. He is a Fellow of the Institute of Bankers, Sri Lanka.



Ms. Marianne Mahilmalar Page - Non-Independent, Non-Executive Director

Ms. Marianne Page is a pioneer in promoting Sri Lanka as an investment destination to foreign institutional investors since the early 1990's.

While based in Hongkong, she held senior positions at Global Financial Institutions such as Credit Lyonnais, Smith New Court and Lehman Brothers. Ms. Page has had a longstanding involvement in Asian Financial Markets and has developed a strong network of relationships with leading foreign institutional fund managers.

She is currently based in Singapore and continues to be at the forefront of showcasing Sri Lankan corporates to foreign institutional fund managers. Ms. Page is a consultant to the CT CLSA Group of Companies, which she was instrumental in establishing in 1992.

She is a Fellow of the Chartered Institute of Management Accountants, UK.



Mr. Yudhishtan Kanagasabai - Independent, Non-Executive Director

Mr. Yudy Kanagasabai counts over 35 years of experience at PwC, in Sri Lanka and the Maldives, and in Singapore, before he retired as the Senior Partner of PwC, Sri Lanka and the Maldives, on 31 March 2017.

He has served on several committees of the Institute of Chartered Accountants of Sri Lanka. He currently serves as a Director and Chairman of the Board Audit Committee and Related Party Transaction Committee of Ceylon Tobacco Company PLC, and as a Director and Chairman of the Board Audit Committees of Millennium IT ESP (Pvt) Limited, Eswaran Brothers Export (Private) Limited and Ambeon Capital PLC. He also serves as a Director of MainGate (Private) Limited.

He continues to serve as a director and member of the Board Audit Committee of Colombo City Holdings PLC and a Director of Taprobane Capital Plus (Pvt) Limited and Peoples Leasing and Finance Company PLC.

Mr. Kanagasabai was a Director and Chairman of the Audit Committee of Union Bank of Colombo PLC from August 2016 to 31 December 2018, served as the Chairman of Dankotuwa Porcelain PLC and has served on the Boards of Cargills Ceylon PLC and Cargills Retail (Pvt) Ltd. He also served as a Commissioner of the Insurance Regulatory Commission of Sri Lanka from February 2018 to November 2019.

He is a Fellow of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).



Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera - Independent, Non-Executive Director

Mr. Buwaneka Perera is a veteran Professional Banker with 41 years of experience in the Financial Sector in Sri Lanka and is an established leader in Corporate Banking, with vast exposure in the field of Investment and Merchant Banking. He served as a Director of NDB Investment Bank Ltd and as Acting Chief Executive Officer of National Development Bank (NDB) PLC and possesses experience of 14 years as the Head of Corporate Banking at NDB in the capacity of Senior Vice President.

He also held varied positions at Deutsche Bank, Sampath Bank PLC and Banque Indosuez.

He serves on the Board of Sierra Cables PLC and holds the position of CEO/ Secretary General of the Ceylon Chamber of Commerce.

Mr. Perera has a BSc (Hon) in Financial Services from the University of Manchester, UK and is a Passed Finalist of the Chartered Institute of Management Accountants, UK. He has a Post Graduate Diploma in Bank Financial Management, University of Sri Jayawardenapura, and is an Associate of the Chartered Institute of Bankers, UK, and an Associate Member of the Institute of Certified Management Accountants, Sri Lanka.



Mr. Hiran Asoka Pieris - Non-Independent, Non-Executive Director

Mr. Asoka Pieris has wide and varied experience in the fields of finance, marketing and manufacturing both in Sri Lanka and overseas.

He is currently on the board of directors of Cargills (Ceylon) PLC and is the managing director of Cargills Retail (Private) Limited. He was previously CEO of the Singer Group of Companies and CFO of Singer Asia based in Hong Kong; he was also a director of the group's Public Companies in Sri Lanka and Bangladesh. Mr. Pieris has held board positions in several other companies and has been a director of Hatton National Bank PLC and chairman of its Audit Committee.

He is an Associate member of the Institute of Chartered Accountants of Sri Lanka, a fellow of the Chartered Institute of Management Accountants, UK, and a Certified Global Management Accountant.



Mr. Ravindra Ajantha Jayawardena - Independent, Non-Executive Director

Mr. Ravi Jayawardena has expertise in the areas of Human Resources, Marketing Management, Development of New Markets and General Management, in his present capacity as Group CEO of Maliban Biscuits (Private) Limited. He was previously the Coca Cola Sri Lanka Country Head of Sales, and prior to that served at Unilever Sri Lanka Ltd in various capacities in Customer Marketing, Brand Management and Modern Trade.

Mr. Jayawardena holds a Master of Business Administration degree from the Post Graduate Institute of Management, University of Sri Jayawardenapura, and a Diploma in Marketing from the Chartered Institute of Marketing, UK.



Ms. Shanti Gnanapragasam – Independent, Non-Executive Director

Ms. Shanti Gnanapragasam has over 40 years of extensive experience in the Banking industry, specializing in the fields of Credit, Risk Management, Banking Operations, Treasury, and Asset & Liability Management. She served as Vice President Group Risk Management/ Chief Risk Officer of National Development Bank PLC (NDB) at the time of her retirement in 2022. She had also served as Vice President Shared Services/ Operations & Trade Finance and as Vice President Credit/ Chief Credit Officer at NDB. Prior to that she had held the positions of Chief Risk Officer, and as Head of Treasury & Markets of Hatton National Bank PLC.

Ms. Gnanapragasam had also functioned as Group Treasurer of Hayleys PLC, Deputy Head of Treasury at People’s Bank Colombo and Director – Treasury, Country Treasurer & Local Head of Financial Markets Services at American Express Bank Ltd Colombo.

She has a First-Class Bachelor of Science Degree in Zoology from the University of Madras, South India, and is a Fellow of the Chartered Institute of Management Accountants, UK, and a Chartered Global Management Accountant. Ms. Gnanapragasam also holds ACI Foreign Exchange Dealer Certification (from The Financial Markets Association Paris).



Mr. Arjuna Herath – Independent, Non-Executive Director

Mr. Arjuna Herath retired as the Senior Partner and Head of Consulting for Sri Lanka and Maldives at Ernst & Young (EY) and brings with him a wealth of experience across a wide range of sectors. He has served as a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board and as a Commissioner of the Securities and Exchange Commission of Sri Lanka. Mr. Herath also served as a member of the Company Law Advisory Commission. Currently he is a member of the Board of Directors of the Colombo Stock Exchange and serves as a member of the Board of Directors of several private sector companies.

Mr. Herath is a distinguished senior Chartered Accountant and is a past president of The Institute of Chartered Accountants of Sri Lanka. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and is a Chartered Global Management Accountant. He holds a Bachelor of Science degree from the University of Colombo, MBA from the University of Strathclyde in the United Kingdom and a Master of Arts in Financial Economics from the University of Colombo.

8.3. OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

Table 8-2 Other Directorships held by the Directors of CBL

Name	Other Directorships Held
Mr. Richard Annesley Ebell	<ul style="list-style-type: none">• HNB Assurance PLC - Director
Mr. Koliya Bandaralage Senarath Bandara	
Ms. Marianne Mahilmalar Page	<ul style="list-style-type: none">• Asiabox Consultancy Services Pte Ltd (Singapore) - Managing Director
Mr. Yudhishtan Kanagasabai	<ul style="list-style-type: none">• Millennium IT ESP (Pvt) Limited - Director• Eswaran Brothers Exports (Pvt) Ltd - Director• Taprobane Capital Plus (Pvt) Ltd - Director• MainGate (Pvt) Ltd - Director• Ceylon Tobacco Company PLC - Director• Ambeon Capital PLC - Director• Colombo City Holdings PLC - Director• Peoples Leasing and Finance Company PLC - Director
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	<ul style="list-style-type: none">• Sierra Cables PLC - Director
Mr. Hiran Asoka Pieris	<ul style="list-style-type: none">• Cargills (Ceylon) PLC - Director• Cargills Retail (Pvt) Ltd - Managing Director
Mr. Ravindra Ajantha Jayawardena	<ul style="list-style-type: none">• Postgraduate Institute of Management - Director
Ms. Shanti Gnanapragasam	<ul style="list-style-type: none">• Vision Fund Lanka (Pvt) Ltd - Director
Mr. Arjuna Herath	<ul style="list-style-type: none">• Durdans Medical and Surgical Hospital (Pvt) Ltd – Director• Central Depository Systems (Pvt) Limited – Director• Colombo Stock Exchange – Director• Synapsys Ltd – Director• Senkadagala Finance PLC – Director

8.4. DIRECTORS' INTEREST IN SHARES

None of the Directors of CBL has any interest in the shares of the Company at the date of this Prospectus.

8.5. SALE AND PURCHASE OF CBL SHARES BY DIRECTORS

There have been no share transactions made by Directors of CBL during the year immediately preceding the date of the Prospectus.

8.6. DIRECTORS' INTERESTS IN ASSETS

None of the Directors of CBL has any interest in any assets acquired, disposed or leased by the Company during the two years preceding the date of this Prospectus and will have no interest in any assets proposed to be acquired, disposed or leased at least in the two years succeeding the IPO.

8.7. DIRECTORS' INTERESTS IN CONTRACTS

No Directors of CBL have a material interest in any contracts or arrangements relating to the business of the Company that are in force at the date of the submission of the Initial Listing Application.

8.8. STATEMENT – BOARD OF DIRECTORS

No Director or any person nominated to become a Director of the Company has been subject to:

- A petition under any bankruptcy laws filed against him / her or any partnership in which he/she was a partner or any corporation of which he/ she was an executive officer; or
- Conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification from serving as a director.

8.9. CORPORATE GOVERNANCE PRACTICES

The Board of Directors of CBL believes that Corporate Governance is a sine qua non for long-term sustainability, enhancing the value of the Company for stakeholders through ethical business practices and high standards of conduct. The Board has primary responsibility for managing the affairs of CBL in a fair and transparent manner. It ensures that best practices in Corporate Governance are strictly complied with. The Board is aware of its responsibility to appropriately disclose timely and accurate information regarding the Company's financial performance.

The Board being responsible for the Company's Corporate Governance, maintains oversight of management's commitment to the long-term interests of its stakeholders. CBL believes that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance and achieves this through the careful selection and continuation of a well-balanced and diversified Board.

Considering best practices in Corporate Governance, the Board has delegated certain responsibilities to the following sub-committees of the Board. The Committees deal with relevant issues according to their Terms of References and make appropriate reports and recommendations to the Board.

- Audit Committee
- Related Party Transactions Review Committee
- Human Resources and Remuneration Committee
- Nominations and Governance Committee
- Integrated Risk Management Committee
- Credit Committee
- Strategic Planning Committee

8.9.1. AUDIT COMMITTEE (AC)

The AC is responsible for overseeing the preparation, presentation and adequacy of disclosure in the financial statements of the Company in accordance with Sri Lanka Accounting Standards, the Companies Act, and relevant regulatory requirements. The AC also ensures that a strong internal control environment is maintained through an effective internal audit process. The AC has oversight of the Internal Audit function. It is also responsible for making recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, for recommending their remuneration and for assessing their independence and performance in the role they perform.

The AC comprises four (4) Independent, Non-Executive Directors. The Chairman of the Committee is a qualified senior finance professional who possesses a recognised accounting qualification and is a member of a recognised professional accounting body.

Name of Director	Designation
Mr. Arjuna Herath	Chairperson Independent, Non-Executive Director
Mr. Richard Annesley Ebell	Independent, Non-Executive Director
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Independent, Non-Executive Director
Mr. Yudhishtan Kanagasabai	Independent, Non-Executive Director

8.9.2. RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTRC)

The RPTRC is responsible for overseeing the process for identifying all related parties promptly, capturing and monitoring RPTs and ensuring RPTs are not undertaken on more favourable terms than are available to non-related parties under similar circumstances. The RPTRC reviews non- recurrent RPTs before they are undertaken and refers RPTs for Board consideration where it considers that they require Board approval.

The RPTRC comprises three (3) Independent, Non-Executive Directors.

Name of Director	Designation
Mr. Yudhishtan Kanagasabai	Chairperson Independent, Non-Executive Director
Mr. Richard Annesley Ebell	Independent, Non-Executive Director
Ms. Shanti Gnanapragasam	Independent, Non-Executive Director

8.9.3. HUMAN RESOURCE AND REMUNERATION COMMITTEE (HRRC)

The HRRC operates within the terms of reference approved by the Board of Directors, recommending to the Board the remuneration payable to the Chief Executive Officer of the Company and assisting the Board to ensure that the remuneration policies and actions of the Company align with its objectives. The HRRC also supports the Board on other significant HR-related functions.

The HRRC comprises five (5) Non-Executive Directors, of whom four (4) are Independent Directors.

Name of Director	Designation
Ms. Shanti Gnanapragasam	Chairperson Independent, Non-Executive Director
Mr. Richard Annesley Ebell	Independent, Non-Executive Director
Mr. Ravindra Ajantha Jayawardena	Independent, Non-Executive Director
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director
Mr. Arjuna Herath	Independent, Non-Executive Director

The Committee is responsible for the maintenance of the Remuneration Policy of the Bank. It also ensures that appropriate Remuneration structures are in place and ensures that the best talent is acquired and retained.

Emoluments paid in the form of salaries, bonuses, fees, post-employment benefits, allowances and/or profit-sharing payments to the Directors of CBL during the FY2022 amounted to LKR 81.5 million.

8.9.4. NOMINATIONS AND GOVERNANCE COMMITTEE (NGC)

The NGC has an enlarged scope with Governance being included in its remit and replaces the Board Nomination Committee. The NGC is responsible for establishing and implementing procedures to identify and recommend to the Board the appointment of new Directors and new Key Management Personnel, and to consider and make recommendations to the Board for continuation in office of existing directors, setting criteria such as qualifications, experience and key attributes required. It will also evaluate and recommend to the Board, Corporate Governance practices that should apply and exercise general oversight with respect to the governance of the Bank.

The NGC comprises four (4) Non-Executive Directors, of whom three (3) are Independent Directors.

Name of Director	Designation
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Chairperson Independent, Non-Executive Director
Mr. Richard Annesley Ebell	Independent, Non-Executive Director
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director
Mr. Arjuna Herath	Independent, Non-Executive Director

8.9.5. INTEGRATED RISK MANAGEMENT COMMITTEE (IRMC)

In accordance with the Terms of Reference set by the Board, the primary role of the IRMC is oversight of the Bank's governance of enterprise-wide risks, the risk management framework, and relevant policies, procedures and work practices.

The composition of the committee is as follows:

Name of Director	Designation
Mr. Yudhishtan Kanagasabai	Chairperson Independent, Non-Executive Director
Mr. Richard Annesley Ebell	Independent, Non-Executive Director
Ms. Shanti Gnanapragasam	Independent, Non-Executive Director
Mr. Arjuna Herath	Independent, Non-Executive Director
Mr. Koliya Bandaralage Senarath Bandara	Managing Director / Chief Executive Officer, Non-Independent
Mr. Prabhu Mathavan	Chief Operating Officer (Non - Board member)
Mr. Chandradasa Amarasinghe	Deputy General Manager - Retail and Business Banking (Non - Board member)
Mr. Wimal Karunaarachchi	Head of Risk (Non - Board member)
Mr. Gayantha Wijekoon	Head of Compliance (Non - Board member)

8.9.6. CREDIT COMMITTEE (CC)

The CC oversees the Company's credit and lending strategies to meet its overall objectives. The CC oversees credit direction, credit policy, credit risk and lending procedures of CBL, whilst monitoring the quality and performance of the Company's credit portfolio and making appropriate recommendations.

The CC comprises four (4) Non- Executive Directors, of whom two (2) are Independent Directors:

Name of Director	Designation
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Chairperson Independent, Non-Executive Director
Ms. Shanti Gnanapragasam	Independent, Non-Executive Director
Ms. Marianne Mahilmalar Page	Non-Independent, Non-Executive Director
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director

8.9.7. STRATEGIC PLANNING COMMITTEE (SPC)

The SPC assists the Board to fulfil its responsibility in developing and monitoring execution of an effective strategy that is appropriate for profitability, growth and long-term sustainability.

The composition of the SPC is as follows:

Name	Designation
Mr. Richard Annesley Ebell	Chairperson Independent, Non-Executive Director
Mr. Koliya Bandaralage Senarath Bandara	Managing Director / Chief Executive Officer, Non-Independent
Ms. Marianne Mahilmalar Page	Non-Independent, Non-Executive Director
Mr. Yudhishtan Kanagasabai	Independent, Non-Executive Director
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Independent, Non-Executive Director
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director
Mr. Ravindra Ajantha Jayawardena	Independent, Non-Executive Director
Ms. Shanti Gnanapragasam	Independent Non-Executive Director
Mr. Arjuna Herath	Independent, Non-Executive Director

8.10. KEY MANAGEMENT AND CORPORATE MANAGEMENT TEAM OF CBL

The Corporate Management team is vital in ensuring the Company's continued growth and success. The team consists of well qualified individuals, whose experience and dedication supports achievement of what is required of them and delivers quality service to the Bank's customers.

Table 8-3 Senior Management and Corporate Management team of CBL Group

Name	Qualification	Experience
<p>Koliya Bandaralage Senarath Bandara Managing Director/CEO</p>	<p>BSc from the University of Kelaniya, MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Postgraduate Diploma in Bank Management - Institute of Bankers of Sri Lanka and completion of an Advanced Management Program at the Harvard Business School, USA.</p> <p>Fellow of the Institute of Bankers of Sri Lanka.</p>	<p>Banking professional with a career spanning over 30 years at Bank of Ceylon, retiring as its General Manager/Chief Executive Officer. Joined Cargills Bank as MD/CEO in October 2020.</p> <p>Served as a Director of several subsidiary and associate companies of the Bank of Ceylon, and of Lanka Clear (Pvt) Ltd, Credit Information Bureau, and Lanka Financial Services Bureau Ltd. Also served as a member of the Governing Board of the Institute of Bankers of Sri Lanka and a Member of the Council of Wayamba University of Sri Lanka.</p>
<p>Prabaharan Subramaniam Mathavan Chief Operating Officer</p>	<p>Associate Member of the Chartered Institute of Management Accountants (UK) and the Institute of Chartered Accountants of Sri Lanka. He also holds a bachelor's degree in commerce.</p>	<p>Counts 30 years of experience in the field of finance, auditing and taxation across several industries, including being a director at the Bank for the maximum stipulated period of nine years. Previously served on the Boards of Cargills (Ceylon) PLC, Kotmale Holdings PLC and Lanka Clear (Pvt) LTD.</p>
<p>Amendra Roshini de Silva Company Secretary</p>	<p>Attorney at Law and holds a Diploma in Compliance from the International Compliance Association.</p>	<p>Counts over 25 years of experience in the Banking Industry. She has previously functioned as a Legal Officer at National Development Bank of Sri Lanka and as Manager-Legal (Corporate) at Hatton National Bank PLC. Thereafter, she headed the Compliance Function at National Development Bank PLC.</p>

Name	Qualification	Experience
Talaal Ahmed Maruzook Chief Strategy Officer	Associate Member of the Chartered Institute of Management Accountants (UK) and a Chartered Global Management Accountant.	<p>He counts over 15 years of experience in the fields of Equity Research, Corporate Finance, Investor Relations, Planning and Strategy.</p> <p>Prior to joining the Cargills Group in 2012, Talaal led the Research Team at CT CLSA Securities (Pvt) Ltd. He has experience across a wide array of sectors, including Retail and Consumer Goods, Manufacturing, Banking and Finance, Agriculture and Telecoms.</p>
Chandrasa Amarasinghe DGM - Retail and Business Banking	BSc and MSc from the University of Sri Jayawardenapura. Associate Member of the Institute of Bankers of Sri Lanka (AIB)	Career banker with over 30 years of experience in Development Banking, Branch Banking, Retail Banking, Corporate and Offshore Banking. He served the Bank of Ceylon in the capacity of Deputy General Manager overlooking Retail Credit and Sales and Channel Management immediately before joining Cargills Bank.
Solangaarachchige Dona Priyangi Sajeewanie Solangaarachchi AGM - Legal	Attorney-at-Law and holds a Bachelor's Degree in Arts from the University of Colombo	Possesses over 23 years of experience in the field of Law with expertise in laws relating to banking, commerce, food retailing, food services, manufacturing, and conveyancing.
Ranjith Lasantha Mahendrarajah AGM - Retail and SME Business	MBA from Cardiff Metropolitan University (UK) Specialized in Finance	Possesses more than 20 years of experience with a proven track record in Wholesale Banking, Trade Services, Corporate Banking, Retail & SME Credit, Leasing and Branch Banking.
Ajit Christopher Allirajah AGM - Trade Operations	Intermediate Banking Diploma from the Institute of Bankers of Sri Lanka.	Commenced his career with ANZ Grindlays Bank in 1989 and then moved to Standard Chartered Bank in 2001. He counts over 34 years of banking experience having worked for international and local banks, acquiring an in-depth knowledge in banking. During his banking career he has held a variety of management positions in Trade, Risk, Audit, Operations and Credit Cards.

Name	Qualification	Experience
<p>Mandadige Indika Fernando AGM – IT</p>	<p>MSc in Information Management from Curtin University- Australia.</p>	<p>Possesses over 31 years of experience in Information Technology. Joined Cargills Bank Limited in 2015 having worked previously with National Development Bank for 13 years. Commenced his Banking career in 2000 with ABN Amro Bank. His prior experience in Saudi Aramco (American Oil Company) and National Lotteries Board accounted for 8 years of his total IT exposure. Member of the Banks CIO Forum (BCIOF) and committee member of the National Payment Council.</p>
<p>Rajini Prabhakaran AGM - Credit Administration and Treasury Back Office Operations</p>	<p>Associate Member of the Institute of Bankers (AIB Sri Lanka). ACI operations certificate from the ACI – The Financial Market Association.</p>	<p>Counts over 30 years of experience in Retail Banking, Treasury, International Operations, Project Management and Implementation of Systems and Controls with Hatton National Bank PLC and UFJ Bank Toronto Canada.</p> <p>She was Chief Manager Treasury Operations at Hatton National Bank prior to joining Cargills Bank.</p>
<p>Kankanige Alias Kulatungage Charmani Krishanthi Kulatunga Head of Human Resources</p>	<p>BSc in Management - University of Sri Jayawardenapura, National Diploma in Training & Development - Sri Lanka Institute of Training & Development</p>	<p>Counts over 18 years of experience in Human Resources Management. She has gained extensive experience across a broad scope of HR Operations, Talent Development, Employee engagement and Industrial / Employee relations.</p> <p>She has served in the Apparel Manufacturing, Information Technology, Telecommunication and Banking industries.</p>

Name	Qualification	Experience
Weerakoon Mudiyansele Gayantha Chandika Wijekoon Head of Compliance	Certified Anti-Money Laundering Specialist (CAMS)	He commenced his banking career with Standard Chartered Bank, Sri Lanka and later served overseas for 16 years. Having been employed in global banks including Emirates NBD (largest bank in the Middle East in terms of assets) and HSBC, he has performed in various capacities pertaining to Compliance. In his last position prior to joining Cargills Bank, he managed Financial Crime Compliance /Financial Crime Threat Mitigation functions for the MENAT (Middle East, North Africa and Turkey) region of HSBC.
Gajanayaka Pathirage Nirosha Dilhani Head of Finance	Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a B.Sc. Accounting (Special) Degree from the University of Sri Jayewardenepura and an MBA in Finance from the University of Colombo.	Counts over 19 years of extensive experience in Financial Reporting, Auditing and Taxation including 10 years at two banks: Commercial Bank of Ceylon PLC and National Development Bank PLC. Prior to joining Cargills Bank, she worked as the Director Finance at the Securities and Exchange Commission of Sri Lanka.
Kusala Manjula Karunaratne Head of Internal Audit	Associate Member of the Chartered Institute of Management Accountants (CIMA-UK), Associate Member of the Institute of Bankers of Sri Lanka (IBSL), Chartered Global Management Accountant (CGMA), MBA in Finance (First Class) from the University of Cardiff Metropolitan (UK), Diploma in Information System Auditing from the Institute of Chartered Accountants of Sri Lanka, Certificate in Treasury operation from the CBSL.	Counts over 22 years of experience and overall exposure in Banking and Finance, both locally and internationally. He served as the Finance Manager of Mauritius Commercial Bank-Maldives prior to joining the bank. His expertise further expands into the areas of IS Auditing and Forensic Investigations.

Name	Qualification	Experience
<p>Wimal Lasantha Karunaarachchi Head of Risk Management</p>	<p>MSc. in Applied Finance from the University of Sri Jayewardenepura and MBA from Chartered Financial Analysts of India. He also holds a Diploma in Banking & Finance, and a Post Graduate Diploma in Treasury & Risk Management from the IBSL.</p>	<p>Career Banker with over 18 years of progressive experience. Having served several banks in different capacities he has gained specific exposure in Integrated Risk Management & Governance, Retail Banking and Corporate/SME Credit. Prior to joining Cargills Bank, he served the Merchant Bank of Sri Lanka as the Chief Risk Officer, managing the total Risk Management function of the Bank and its subsidiaries.</p>
<p>Chinthaka Jayanath Head of Treasury</p>	<p>MBA (University of Wales) from International College of Business and Technology, ACI Dealing Certificate (ACI-FMA (France)), Diploma in Treasury and Risk Management from Institute of Bankers of Sri Lanka, Diploma in Credit Management from Institute of Bankers of Sri Lanka, Diploma in Applied Banking & Finance from Institute of Bankers of Sri Lanka, Certificate in Trade Finance & Foreign Exchange from Central Bank of Sri Lanka</p>	<p>Counts over 27 years of total Banking experience, including several years of general banking experience and 17 years Treasury Front Office experience. He possesses extensive experience and knowledge in all Treasury related functions and systems.</p> <p>Prior to joining Cargills Bank, he served as senior manager - treasury front office at Seylan Bank PLC.</p>
<p>Chamila Abeysooriya Head of Recoveries</p>	<p>MBA from the Edith Cowan University, Western Australia. Certified Management Accountant (CMA) Australia Finalist. LLB undergraduate from the University of London.</p>	<p>A professional banker having been in the industry for 20+ years. She has extensive experience in Collections and Recoveries and has been instrumental in creating the Strategic Collections & Recoveries Department for Cargills Bank Limited. Previously instrumental in building Collections & Recovery teams at other Private Commercial Banks. Prior to joining Cargills Bank, she has worked at HSBC Sri Lanka, Nations Trust Bank PLC and Pan Asia Bank PLC.</p>

Name	Qualification	Experience
Dushyanthan Somasundaram Head of Business Development	Member of Sri Lanka Institute of Marketing (PCM), MSc. in Marketing at Asia e University – Malaysia and an MBA at Asia e University – Malaysia.	Experienced Sales Professional with demonstrated performance in the banking industry for 16 years, with 13 years of managerial experience. Starting his career at Nations Trust Bank PLC, he then moved to Cargills Bank Limited. He possesses exposure in Business Relationship Management, Team Management, Sales and Marketing, Business Strategy, Product Development and Retail Banking.
Samantha Pagoda Head of Business Banking	MBA (Merit) from the University of Wolverhampton-UK, Postgraduate Diploma in Banking communication, SME Credit Skill Assessment Certification from Omega Inc. USA, Certificate in Executive Management Development from PIM - University of Sri Jayawardenapura, Diploma in Organizational Behaviour & Human Resource Management from American College, Associate Member of the Institute of Bankers of Sri Lanka (AIB).	Counting over 23 years of Banking experience having started his banking career at Hatton National Bank. He possesses experience, specifically in the fields of Personal Financial Services, Micro, SME & Corporate Credit, Recoveries, Branch & Regional Banking, Business Development, Human Resources & Administration.
Kaushi Fernando Head of Cards Services	MBA from the University of Bedfordshire, Diploma from the Association of Business Executives [ABE] and Diploma in Finance Management from the London Business School.	Over 18 years of extensive experience in Card Payments, Credit Card Finance/Operations and Customer Service in the Banking & Financial sector. She commenced her career at Nations Trust Bank in 2005 and was employed at the American Express Cards Centre prior to joining Cargills Bank.

Name	Qualification	Experience
Dharshana Jayasuriya Head of Digital	MSc from the University of Science & Technology, Trondheim, Norway and MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Executive Diplomas from the Indian Institute of Technology and the Indian School of Business.	Experienced IT professional with a distinguished career spanning over 30 years at both local and internationally reputed companies. He has served as Chief Information Officer/Head of IT of leading telecommunication companies, Airtel Lanka and Celltel Lanka for 17 years. He has extensive experience in the IT domain, Information Security & Governance pertaining to Telecoms, software development and the banking industry. He has also played key roles in global software companies overseas.

8.11. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of CBL has not been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer; or
- A conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

9. CAPITAL STRUCTURE

As at the date of this Prospectus, the stated capital of the Company is Sri Lanka Rupees Eleven Billion Three Hundred Ninety Four Million Four Hundred Twenty One Thousand Four Hundred Forty One (11,394,421,441) constituting monies received by the Company by the issue of Eight Hundred Eighty Three Million One Hundred Forty Two Thousand Eight Hundred Fifty Eight (883,142,858) fully paid Ordinary Voting Shares.

9.1. AN OVERVIEW OF THE STATED CAPITAL

An overview of the stated capital of the Company at (i) 31 December 2020, 31 December 2021, 31 December 2022 and 31 August 2023 and (ii) subsequent to the IPO assuming full subscription of the Issue, is set forth below in Table 9.1.

Table 9-1 Overview of Stated Capital

	As of 31 December 2020	As of 31 December 2021	As of 31 December 2022	As of 31 August 2023	Subsequent to the IPO
Stated Capital (LKR)	11,394,421,441	11,394,421,441	11,394,421,441	11,394,421,441	11,894,421,441
Number of Ordinary Shares in Issue	883,142,858	883,142,858	883,142,858	883,142,858	945,642,858

9.2. DETAILS OF TRANSFER OF SHARES

There were no shares which had been acquired by way of transfer during the period of twelve (12) months immediately preceding the date on which the Initial Listing Application was submitted to the CSE.

9.3. DETAILS OF REPURCHASE AND REDEMPTION OF SHARES BY THE COMPANY

The Company has not carried out any share re-purchase under sections 63, 64, 93 or 100 of the Companies Act, any redemption of shares under sections 66 to 69 of the Companies Act or any stated capital reduction exercises under section 59 of the Companies Act, in the two (2) years preceding the date of this Prospectus.

9.4. SHAREHOLDING STRUCTURE OF THE COMPANY

Tabulated below is the shareholding structure of the Company as of the date of submission of the Initial Listing Application to the CSE and the status of their shareholding subsequent to the IPO assuming (i) full subscription of the IPO and (ii) these shareholders not subscribing to any New Shares issued under the IPO.

Table 9-2 Shareholders of the Company

Name of the Shareholder	Prior to IPO		Subsequent to IPO	
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
Cargills (Ceylon) PLC*	350,696,905	39.71%	350,696,905	37.09%
CT Holdings PLC*	223,345,953	25.29%	223,345,953	23.62%
Central Bank of Sri Lanka – on behalf of EPF	44,000,000	4.98%	44,000,000	4.65%
Mulitex Investment Limited	30,800,000	3.49%	30,800,000	3.26%
MJF Foundation Investments (Pvt) Ltd	28,000,000	3.17%	28,000,000	2.96%
Softlogic Life Insurance PLC	26,600,000	3.01%	26,600,000	2.81%
MAS Amaliya (Private) Limited	22,000,000	2.49%	22,000,000	2.33%
Rosewood (Pvt) Ltd	16,000,000	1.81%	16,000,000	1.69%
Phoenix Ventures Limited	13,200,000	1.49%	13,200,000	1.40%
Aindri Holdings Pte Ltd	11,000,000	1.25%	11,000,000	1.16%
A I A Holdings Lanka (Pvt) Ltd	11,000,000	1.25%	11,000,000	1.16%
Softlogic Holdings PLC	10,000,000	1.13%	10,000,000	1.06%
Gardiya Lokuge Harris Premaratne	9,089,000	1.03%	9,089,000	0.96%
Merrill Joseph Fernando	7,800,000	0.88%	7,800,000	0.82%
Softlogic Capital PLC	7,400,000	0.84%	7,400,000	0.78%
GF Capital Global Limited	6,100,000	0.69%	6,100,000	0.65%
Periyasamipillai Barathakumar	4,400,000	0.50%	4,400,000	0.47%
Periyasamipillai Muruganandhan	4,400,000	0.50%	4,400,000	0.47%
Periyasamipillai Anandarajah	4,400,000	0.50%	4,400,000	0.47%
Periyasamipillai Devaraj	4,400,000	0.50%	4,400,000	0.47%
Periyasamipillai Barathanickam	4,400,000	0.50%	4,400,000	0.47%
Ishara Chinthaka Nanayakkara	4,400,000	0.50%	4,400,000	0.47%
Lalan Rubber Holdings (Pvt) Ltd	4,400,000	0.50%	4,400,000	0.47%
Other shareholders	35,311,000	4.00%	35,311,000	3.73%
IPO shareholders			62,500,000	6.61%
Total	883,142,858		945,642,858	

*As per CBSL Directive dated 12th April 2016, 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.

The Central Bank of Sri Lanka (CBSL) has issued a directive to Cargills (Ceylon) PLC and CT Holdings PLC, stipulating that their combined ownership stake in Cargills Bank Limited should be reduced to 40% by 31 December 2022. Cargills (Ceylon) PLC has written to CBSL on 25 May 2023 requesting an extension to comply with the aforesaid direction on the shareholding and CBSL have replied on 5 July 2023, that the decision on this matter would be communicated in due course.

9.5. DETAILS PERTAINING TO THE LOCKED-IN SHARES – PRE AND POST IPO

Details pertaining to the locked-in Shares constituting the public and non-public holding are given in Tables 9.4 and 9.5 below.

Table 9-3 Lock-in of Pre IPO-Shares

Category of Shareholder	of Locked-in Shares	Lock-in Period	Total Number of Shares	Number of Shares as a Percentage of Total Number of Shares in Issue (Pre IPO)
Non-Public (shares not acquired by way of a transfer / allotment in the last twelve months)	Locked-in	6 months from date of listing	575,242,858	65.14%
Public	Not Locked-In	Not Applicable	307,900,000	34.86%
Total			883,142,858	100.00%

Note: The terms ‘Non-Public Shareholders’ and ‘Public Shareholders’ shall have the same meaning as set out in Rule 2.1.1 of the CSE Listing Rules.

Table 9-4 Shares Locked-in – Post IPO

Category of Shareholders (Post-Listing)	of Locked-in Shares/ Not-Locked in Shares	Months After Which the Shares will be Available for Trading	Number of Shares	Number of Shares as a Percentage of Total Number of Shares in Issue (Post-IPO)
Non-Public (shares not acquired by way of a transfer / allotment in the last twelve months)	Locked-in	6 months from date of listing	575,242,858	60.83%
Pre-IPO Public Shares	Not Locked-In	Not Applicable	307,900,000	32.56%
Public and Non-public (IPO Shares)	Not Locked-in	Not Applicable	62,500,000	6.61%
Total			945,642,858	100.00%

Note: The terms ‘Non-Public Shareholders’ and ‘Public Shareholders’ shall have the same meaning as set out in Rule 2.1.1 of the CSE Listing Rules.

Post IPO public holding (number of Post IPO shares held by the ‘public’ as a percentage of the total Post IPO number of shares), on the assumption that the parties who subscribe to the IPO shall be public shareholders (as per the ‘public’ definition provided in the CSE listing rules) is 39.17% representing a float adjusted market capitalization of LKR 2,963,200,000 at the Share Issue Price.

The Pre-IPO public shareholders are represented by 261 shareholders.

The Company confirms that the information furnished herewith shall remain unchanged until the date of listing.

Shares listed on the CSE shall be freely transferable and registration of the transfer of such listed shares shall not be subject to any restriction, save and except to the disclosure above and to the extent required for compliance with statutory requirements.

9.6. DETAILS OF CONVERTIBLE DEBT SECURITIES

CBL issued Fifteen Million (15,000,000) Basel III Additional Tier 1 Compliant Rated Unlisted Unsecured Subordinated Perpetual Convertible Debentures with a conversion at the option of the debenture holder and Non-Viability Conversion upon the occurrence of a trigger event at the par value of Sri Lankan Rupees One Hundred (LKR 100/-). This instrument was issued in compliance with Companies Act No. 07 of 2007 (as amended) and Banking Act Direction No 1 of 2016 (as amended). CBSL approval was obtained to include the instrument as additional Tier 1 Capital.

Issuer	Cargills Bank Limited
Debenture Holder	Cargills (Ceylon) PLC
Amount recognised in regulatory capital. (In LKR as at 31 December 2022)	1,500,000,000
Original date of issuance	15 th December 2021
Coupon rate and any related index (%)	<p>The weighted average twelve-month net treasury bill rate + 2.00% p.a. subject to a floor rate of 9.50% p.a.</p> <p>The Weighted Average Twelve-month Net Treasury Bill Rate will be based on the simple average of the weighted average twelve month net treasury bill rate as published by the CBSL on its website for the four (4) treasury bill auctions immediately preceding 31 December of each year.</p> <p>Interest on the Debentures will be paid annually as applicable from the Date of Allotment. The interest payments will be made only out of the distributable items. i.e., any interest payments will be made only if the Bank has distributable profits for the relevant Interest Period.</p>
Tenure	Perpetual
Issue Rating	Not Available
Optional Conversion	The Debentures may be convertible to ordinary voting shares ranking equal and pari passu with the existing ordinary voting shares to the holders of the debenture at their option (subject to any maximum shareholding limitations which may be applicable in terms of regulations or directives of the Central Bank of Sri Lanka) at any time during the conversion period

Non-Viability Conversion	In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, debentures will be converted to ordinary voting shares ranking equal and pari passu with the existing ordinary voting share of the Bank without any requirement of approval by the Debenture Holders, in compliance with Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time).
Conversion Rate At Conversion For Optional Conversion	<p>If the ordinary voting shares of the Bank are listed on the CSE on the Conversion Date Volume weighted average price (VWAP) of an ordinary voting share of CBL as published by the Colombo Stock Exchange during the three (3) months period, immediately preceding the date of conversion subject to a floor price of 0.8 times the book value per share of CBL (BVPS) as per the latest audited financial statements available as at the conversion date.</p> <p>If the ordinary voting shares of the Bank are not listed on the CSE on the Conversion Date The BVPS as per the latest audited financial statements available as at the conversion date</p> <p>Each Conversion should be for a minimum of LKR 25,000,000/- and the maximum number of times the Optional Conversion can be exercised would be three (3).</p>
Conversion Rate at Conversion Due to Trigger Event	<p>If the ordinary voting shares of the Bank are listed on the CSE on the date of the occurrence of the Trigger Event Volume weighted average price (VWAP) of an ordinary voting share of CBL as published by the Colombo Stock Exchange during the three (3) months period, immediately preceding the date of the trigger event date.</p> <p>If the ordinary voting shares of the Bank are not listed on the CSE on the date of the occurrence of the Trigger Event The BVPS as per the latest audited financial statements available as at the date of the Trigger Event.</p>
Shareholder Approval for Debenture Issue and Conversion to Ordinary Shares	The Bank has obtained the approval of shareholders by way of a special resolution passed at the extraordinary general meeting held on 26th November 2021 for the proposed issue of ordinary voting shares which arises pursuant to the conversion of the Debentures at the time a Trigger Event occurs and in the event where Debenture Holders exercise the Optional Conversion, As such, no further shareholder approval will need to be sought to issue the relevant number of shares at the time a Trigger Event occurs or in the event Debenture Holders exercise the Optional Conversion.

Upon the potential conversion of debentures to ordinary shares, there is a possibility of dilution for existing shareholders as the total number of shares would increase. However, conversion of debentures to ordinary voting shares will eliminate interest costs associated with the debentures, potentially enhancing the Bank's future profitability. Conversion of the debentures into ordinary voting shares is subject to the regulations, guidelines, directives of CBSL.

CBL will obtain a board resolution to submit an additional listing application to the CSE, to list the shares arising from a conversion of the debentures into ordinary voting shares. CSE's approval in principle for the listing of the ordinary voting shares arising from the conversion will be obtained prior to the listing of the ordinary voting shares of CBL contemplated by this Prospectus. The ordinary voting shares to be listed due to a trigger event will not be locked-in as the conversion price would be the volume weighted average price (VWAP) of an ordinary voting share of CBL as published by the Colombo Stock Exchange during the three (3) months period immediately preceding the date of the trigger event date.

9.7. DETAILS OF SHARES SOLD PRIVATELY IN CONJUNCTION WITH THE ISSUE

No shares are being offered privately in conjunction with this Issue.

9.8. DETAILS OF TAKE-OVER OFFERS

There have been no take-over offers by third parties in respect of the Company's shares and no take-over offers were made by the Company in respect of shares of a third party during the past two (02) years, preceding the date of this Prospectus.

10. OTHER INFORMATION

10.1. RELATIONSHIP WITH KEY CUSTOMERS AND SUPPLIERS OF CBL GROUP

There is no material dependency on key depositors, customers, borrowers or suppliers in the overall business operations of the Company.

10.2. DIVIDEND POLICY

Subject to the provisions of the Companies Act and the Articles of Association of CBL, the actual amount and timing of dividend payments on the Ordinary Voting Shares of the Company will be recommended and approved by the Board of Directors of the Company and the Shareholders of the Company in terms of the Articles of Association. The dividend policy of the Company will be based on a number of factors, including but not limited to the minimum capital requirements stipulated by the CBSL from time to time, and the Company's earnings, cash flow position, future investments and funding needs, the maintenance of a sound and efficient capital structure, and any other factors which the Board of Directors of the Company may deem relevant.

In accordance with CBSL Directive No. 05 of 2017 dated 26 October 2017 (as amended), CBL cannot declare dividends until it has met the minimum capital requirement of LKR 20 Bn.

The Company has not paid any dividends during the three financial years immediately preceding the issuance of the Prospectus.

10.3. WORKING CAPITAL

The Board is of the opinion that the working capital is sufficient for the purpose of carrying out day-to-day operations of the CBL.

10.4. LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

There are no legal, arbitration or mediation proceedings against the Company which have or may have in the recent past affected the financial position or profitability of the Company in any material respects.

There are no contingent liabilities including guarantees that would affect the current and future profits of the Company in any material respects.

There are no penalties imposed by any regulatory or state authority against the Company.

There are three cases numbered 1600/23/SPL and 3339/23/L in the District Court of Mount Lavinia and a further case CHC 194/23 in the Commercial High Court wherein action has been filed by a borrower making claims and obtaining enjoining orders with regard to two properties in Mount Lavinia and Kandy which have been mortgaged to CBL. The value of these three cases is LKR 553,000,000. CBL is confident that the Bank's title to the properties would be finally upheld by Court.

10.5. MANAGEMENT AGREEMENTS AND OTHER CONTRACTS

There are no management agreements presently in force or currently being considered by CBL.

10.6. MATERIAL CONTRACTS

There are no material contracts entered into by the Company other than those contracts entered into in the ordinary course of business.

10.7. DETAILS OF COMMISSIONS PAID

No commission has been paid in the two years preceding the IPO or is payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares of the Company including for the Basel III Additional Tier 1 Compliant Rated Unlisted Unsecured Subordinated Perpetual Convertible Debentures disclosed in the Section 9.6 of this Prospectus.

10.8. DETAILS OF BENEFITS PAID TO PROMOTERS

No benefit has been paid in the two years preceding the IPO and there is no benefit intended to be paid or given to any promoter of the Company.

10.9. DETAILS OF TRANSACTIONS RELATING TO PROPERTY

There were no transactions relating to the property within the two years preceding the IPO in which any vendor of the property to the Company or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the Company had any interest, direct or indirect.

10.10. CORPORATE TAXATION

The Corporate Income Tax rates under Inland Revenue Act No. 24 of 2017 (as amended), Value Added Tax (VAT) rates in accordance with the provisions of the Value Added Tax Act No. 14 of 2002 (as amended) and Social Security Contribution Levy as per the Social Security Contribution Levy Act No. 25 of 2022 applicable to CBL as at 31 December 2022 are disclosed below:

Tax Rates Applicable for the Company as at 31 December 2022

Corporate Income Tax Rate	30.0%
Value Added Tax Rate	15.0%
Value Added Tax Rate on Financial Services	18.0%
Social Security Contribution Tax Rate	2.5%

10.11. DETAILS OF LICENCES

The Monetary Board of CBSL has issued the Company a license on 21 January 2014 under the Banking Act No. 30 of 1988 (as amended) to operate as a licensed commercial bank. CBL has paid the annual license fee for the year 2023 on 03 January 2023.

10.12. OTHER DISCLOSURES

CT CLSA Capital (Pvt) Ltd, one of the joint managers to the issue, has an indirect affiliation with CT Holdings PLC. This affiliation is established through the ownership structure where CT Holdings PLC holds a 25.81% stake in CT CLSA Holdings (Pvt) Ltd, which, in turn, owns 100% of CT CLSA Capital (Pvt) Ltd. CT Holdings PLC as of the date of this prospectus holds a 25.29% stake in Cargills Bank Limited.

Further, Mr. Zakir Mohamedally who is the Director and Chief Executive Officer of CT CLSA Capital (Pvt) Ltd and Director and Group Chief Operating Officer of CT CLSA Holdings (Pvt) Ltd holds 50,000 shares of Cargills Bank Limited (0.01% pre-IPO stake).

11. INVESTMENT CONSIDERATION AND ASSOCIATED RISKS

Prior to investing in New Shares, prospective investors should pay particular attention to the fact that the Company and to a large extent its business activities are subject to several risks which may be within or beyond the control of the Company.

It is recommended that potential investors review the entire Prospectus in detail and pay particular attention to the following risks in connection with investment. If any of the considerations and uncertainties given below develop into actual events, the Company's business operations and future financial performance could be materially and adversely affected, which can impact the value of Ordinary Shares of the Company.

11.1. RISKS RELATING TO MACRO ENVIRONMENTAL FACTORS

11.1.1. GOVERNMENT POLICY AND REGULATIONS

The regulatory and supervisory framework for Licensed Commercial Banks (LCBs) is primarily outlined in the Banking Act No. 30 of 1988 (as amended) and the Central Bank of Sri Lanka Act No. 16 of 2023. The responsibility for regulating and supervising banks licensed by the Central Bank of Sri Lanka lies with the Bank Supervision Department of the CBSL. This department operates in accordance with the internationally recognized standards for bank supervision established by the Basel Committee for Banking Supervision.

Any significant regulatory changes implemented by the CBSL have a direct impact on the functioning and performance of banking institutions. However, the stringent oversight conducted by regulators helps to mitigate the risk of insolvency and misconduct within the banking sector. This rigorous monitoring process instils confidence in investors and deposit holders by providing a sense of security.

Under the system of continuous supervision or surveillance, the financial health of LCBs and Licensed Specialized Banks (LSBs) are closely monitored through periodic information submitted by the banks regarding their operations.

11.1.2. MACRO-ECONOMIC RISK PERTAINING TO THE BANKING SECTOR

The performance of the banking sector is closely linked to the overall macroeconomic climate and the trajectory of the country's economy. The fiscal and monetary policies, business confidence, and disposable income levels play crucial roles in influencing the sector.

Amidst deteriorating macroeconomic conditions and depleted reserves, the Government of Sri Lanka (GoSL) and CBSL announced a pre-emptive default on its foreign debt in April 2022, and set forth the implementation of various macroeconomic measures and tightening of monetary and fiscal policies to address inflationary pressures, dwindling foreign currency reserves, and low tax revenues.

The combination of high inflation and changes in tax policies significantly reduced consumers' disposable income levels. Moreover, the country faced severe shortages of essential commodities such as fuel, gas, and medical supplies due to the lack of foreign currency reserves. As a result, the economy of Sri Lanka contracted by an estimated 7.8% in 2022, and a further contraction of 3.8% is expected in 2023, according to data from the World Bank⁶.

During this period of economic contraction and reduced spending power, the banking sector encountered various limitations in the financial markets. These included increased operational costs, default risks, and the ongoing moratorium given to customers affected by the economic downturn. The

6 Source: World Bank, Sri Lanka Development Update, April and October 2023

sector faced difficulties in maintaining capital adequacy and liquidity ratios above regulatory minimum levels amidst a significant decline in capital buffers caused by adverse macroeconomic conditions.

However, there have been recent signs of improvement in the economy. The GoSL reached a Staff Level Agreement with the International Monetary Fund (IMF) in September 2022⁷ and obtained financial assurances from bilateral creditors, including China, which is the largest bilateral creditor to Sri Lanka. Inflation has started to slow down significantly since September 2022, and the Sri Lankan Rupee has appreciated against the US Dollar.

Despite these significant challenges, the banking sector is resilient. Recent macroeconomic developments, such as the exclusion of banks' treasury investments from the domestic debt optimization and the expected further reduction in market interest rates are expected to assist the recovery of the sector and also facilitate economic growth, which bodes well for the sector.

11.2. RISKS RELATING TO BUSINESS OPERATIONS

11.2.1. STRATEGIC RISK

Strategic risk arises from challenges in implementing appropriate business plans, strategies, and resource allocation, as well as the inability to adapt to changes and achieve set targets in the business environment.

To effectively manage strategic risk, Cargills Bank has established a strong framework overseen by the Board of Directors and supported by senior management. The Bank has implemented robust measures for strategic risk mitigation and monitoring, including the use of Key Risk Indicators (KRIs). These KRIs allow for continuous assessment and monitoring of performance in relation to strategic goals.

Cargills Bank also conducts industry and competitor benchmarking to ensure alignment with industry performance and target the achievement of strategic objectives. Through these strategic risk management practices, Cargills Bank aims to proactively identify and address any challenges that may arise in implementing its business plans and strategies, ensuring the Bank's ability to adapt to changes and achieve its set targets in the dynamic banking environment.

11.2.2. CREDIT RISK

Credit risk refers to the potential loss arising from a borrower or a counterparty failing to meet obligations in accordance with agreed terms. To manage this risk, CBL established policies and a comprehensive framework that outlines the principles governing client selection, due diligence, risk tolerance, portfolio monitoring and management, facility review, and recovery procedures.

The Bank's credit risk management strategy revolves around setting acceptable credit standards for borrowers and counterparties, as well as proactively identifying emerging risks that could potentially impact the business activities of clients well in advance. To achieve this, the credit risk management team develops risk assessment and monitoring tools used in credit origination and portfolio management, including stressed credit analysis. Additionally, the team closely monitors the utilization of working capital facilities and remains vigilant regarding changes in economic or other conditions that could lead to a deterioration of credit risk.

CBL has established clear guidelines for the credit approval structure, with delegated authority at various levels in the approval process. For credit facilities that exceed a certain threshold, independent evaluation is conducted by risk officers attached to the Risk Management Division. Their comments and evaluations are taken into consideration when making decisions on such facilities.

⁷ Source: <https://www.imf.org/en/News/Articles/2022/09/01/pr22295-imf-reaches-staff-level-agreement-on-extended-fund-facility-arrangement-with-sri-lanka> (accessed on 05th September 2023)

To assess the creditworthiness of its obligors across different segments (SME, Retail, Credit Cards, Micro, and Agri facilities and Business Banking), the Bank's Internal Risk Management Division (IRMD) employs internally developed risk scoring models. These models consider both quantitative and qualitative factors and undergo an annual independent validation in compliance with regulatory requirements. The Bank has also implemented a centralized risk rating system, facilitated by a workflow-based system, to store the risk ratings of all customers across the organization.

The Bank's Credit Administration Division is responsible for ensuring efficient post-sanction processes and credit disbursements in line with the Bank's guidelines and regulatory frameworks. The Credit Administration Division Manual is regularly reviewed to foster a risk management culture and drive improvements in these processes.

The responsibility for recovering delinquent loans and non-performing advances lies with the Business Unit and the Recovery Unit. Initially, credit officers and respective managers follow up on advance recovery, and if loans become non-performing, they are transferred to the Recovery Unit. This unit handles the recovery process until matters are resolved, while closely monitoring the value of the collateral held. Effective coordination with the Credit Risk Management Unit ensures follow-up and facilitates the transfer of valuable insights and lessons learned. Unrecovered advances are eventually transferred to the Legal Department for initiation of legal action as a last resort. At Cargills Bank, individual business units are held accountable for credit risk performance, and any concerning trends are addressed at all levels of the organization.

11.2.3. OPERATIONAL RISK

Operational risk arises from the possibility of incurring losses due to inadequate or failed internal processes, people, and systems, or from external events such as natural disasters, social or political events. The Bank proactively addresses operational challenges arising from socio-economic events. It assesses vulnerabilities, establishes controls, and safeguards to mitigate risks, even in worst-case scenarios.

The Operational Risk Management Unit manages operational risk and is accountable for the design, implementation, and maintenance of an effective Operational Risk Management Framework (ORMF). This framework enables the Bank to assess its operational risk profile, identify risk themes and concentrations, and define risk mitigation measures and priorities.

Operational risk exposure varies based on factors such as the Bank's size, sophistication, level of automation, and the nature and complexity of its activities. The Operational Risk Unit (ORU) provides operational risk-related reporting formats, including Key Risk Indicators, Risk Registers, and Loss reporting. It conducts site risk reviews of departments and branches and reports significant findings to relevant committees.

To efficiently manage operational risk, the Bank employs various operational risk management techniques. The Risk Control Self-Assessment process involves assessing operational risks across products and processes, enabling the identification of management issues. Findings from this process are reported in the Risk Register. The Risk Register serves as the main repository for key risks, controls, and actions to mitigate identified risk events. It plays a vital role in the Bank's risk management plan, facilitating issue tracking and problem resolution and helps identify control gaps that may hinder achieving business or process objectives, and it monitors management actions to address these gaps.

Key Risk Indicators enhance risk monitoring and mitigation, enabling timely risk reporting. These indicators measure the riskiness of activities, allowing for monitoring of the Bank's control culture and business environment.

CBL's operational Loss and Event Reporting follows Basel Committee guidelines which involve continuous data collection on operational losses and events, facilitating timely actions based on key observations, systematic risk analyses, and root cause analysis by responsible departments.

Business Operational Risk Managers (BORM) serve as links between the Operational Risk Unit and respective departments, embedding the operational risk management framework within their areas. They ensure the effective implementation of operating policies and procedures.

The Operational Risk Management Committee (ORMC) oversees critical aspects of the Bank's operations, providing a link between departments and management. It conducts risk assessments, requests information, and proposes best practices to mitigate risks. Internal Audit validates the effectiveness of the Bank's operational risk management framework periodically.

The Bank also has an Operational Risk Unit which is an independent unit that monitors and executes the Business Continuity Plan and Disaster Recovery Plan to ensure minimal disruption to critical operations.

11.2.4. MARKET RISK

Market risk refers to the potential loss arising from changes in the fair value of financial instruments due to fluctuations in market variables. Risk factors include interest rates, foreign exchange rates and other market benchmarks.

The Bank has established a framework for market risk management, encompassing limits, Key Risk Indicators and risk management tools. Additionally, the Bank conducts stress testing and sensitivity analysis to assess its performance in different stress conditions. To ensure effective management of market risks, the Treasury Middle Office (TMO) and Market Risk Management functions are responsible for ongoing monitoring and mitigation efforts. The TMO oversees the asset and liability positions, operating under the supervision of the Asset and Liability Committee (ALCO).

11.2.5. LIQUIDITY RISK

Liquidity risk refers to the Bank's inability to meet on-or-off balance sheet contractual and contingent financial obligations as they fall due, without incurring unacceptable losses when they fall due.

Liquidity risk is monitored through both a stock approach, which measures liquidity stored on the balance sheet using key ratios, and a flow approach, which assesses contractual and behavioural liquidity mismatches through maturity analyses.

The ALCO plays a crucial role in monitoring the Bank's liquidity position and maturity gaps of assets and liabilities by reviewing liquidity reports and ratios generated by the Finance, Treasury, and Risk Management Divisions. The Board Integrated Risk Management Committee (BIRMC), and ALCO consistently evaluate the soundness of liquidity indicators to ensure that they remain within prescribed parameters. The Bank has implemented the minimum liquidity standards set by Basel III.

11.2.6. INFORMATION TECHNOLOGY RISK

Information technology risk arises from the use, ownership, and operation of IT within an organization. To address these risks, Cargills Bank has implemented a three-tier governance architecture, including a dedicated information security unit. This unit actively manages and responds to threats by engaging with IT operations. The Bank has invested in industry-standard preventive and detective technologies, including a Security Operations Centre (SOC).

In alignment with the technology risk resilience framework of the CBSL, an information security risk unit has been established under the Risk Management Department. Both the information security and information security risk units report to the BIRMC through the Information Security Council (ISC).

Furthermore, the introduction of a new privacy law in Sri Lanka in 2022 has added another dimension to the banking industry, increasing the regulatory and legal landscape. In response to this evolving environment, Cargills Bank has embraced digital transformation to meet these challenges and ensure compliance. The Bank has implemented measures to monitor threats faced by customers within their relationship with Cargills Bank, going beyond perimeter monitoring. Additionally, the Bank actively promotes security literacy among customers and agents to foster awareness and best practices.

11.2.7. COMPLIANCE RISK

Compliance risk refers to the potential for the Bank to face legal or regulatory sanctions, significant financial loss, or damage to its reputation due to non-compliance with laws, regulations, rules, standards set by regulatory bodies, codes of conduct, and internal policies and procedures that apply to its business activities.

The Bank has established a dedicated compliance function responsible for evaluating the Bank's compliance with relevant laws, regulations, regulatory guidelines, internal controls, and approved policies across all areas of its operations. The compliance function is carried out by a Compliance Officer who is chosen from Key Management Personnel. The Compliance Officer reports to the Board Integrated Risk Management Committee on a regular basis, providing updates on the Bank's compliance efforts.

11.3. RISKS RELATING TO INVESTMENT IN SHARES

11.3.1. INABILITY TO PROVIDE CONTINUOUS DIVIDENDS

The ability of the Company to make dividend payments to its shareholders will be based on a number of factors including the sufficiency of capital as per the CBSL requirements and distributable reserves, availability of cash reserves, business growth prospects, compliance with financing covenants, etc. Dividend payments are not assured and the Board of Directors may decide, in its absolute discretion, not to pay dividends. Further, any substantial dividend payment can significantly impact the capital requirements of the Company, restrict the Company's cash reserves and may adversely affect liquidity to support its lending operations and the ability to fund capital expenditures as well as make interest and principal repayments on its customer deposits and funding obligations.

11.3.2. PRICE VOLATILITY OF SHARES ON THE SECONDARY MARKET

Once the Shares of the Company are listed, secondary market prices of the Company's Shares may be volatile due to a range of factors including temporary spikes in demand for or supply of such Shares, the Company's financial performance, investor sentiment, general economic and political conditions or fluctuations in the aggregate market. Due to these price volatilities, potential investors depending on their risk appetite may be required to hold the Shares on a long-term basis in order to optimize returns and not be for short-term investment. Further, the market price of the Shares may not reflect the underlying value of the Company due to price volatilities.

12. STATUTORY DECLARATIONS

12.1. DECLARATION BY THE DIRECTORS

We, the undersigned, being Directors of Cargills Bank Limited, a company incorporated in the Democratic Socialist Republic of Sri Lanka bearing Company Registration No. PB 4847, having its registered office at No. 696 Galle Road, Colombo 03, hereby declare and confirm that we have read the provisions of the Companies Act No.7 of 2007 relating to the issue of the Prospectus and provisions listed therein have been complied with.

This Prospectus has been seen and approved by us and we individually and collectively accept full responsibility for the accuracy of the information given and confirm that the provisions of the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 and any subsequent amendments made have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered reasonable at the present point in time and according to our best judgments. This declaration is made subject to the amendments required by CSE Circular No 4/2023 issued on 11 September 2023 which is being expeditiously adopted.

We further declare that the profit forecasts have been included in this Prospectus after due and careful enquiry of the information available to the Company and assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

Name of Director	Designation	Signature
Mr. Richard Annesley Ebell	Chairman, Independent, Non-Executive Director	Sgd
Mr. Koliya Bandaralage Senarath Bandara	Managing Director/CEO, Non-Independent	Sgd
Ms. Marianne Mahilmalar Page	Non-Independent, Non-Executive Director	Sgd
Mr. Yudhishtan Kanagasabai	Independent, Non-Executive Director	Sgd
Mr. Pitipana Erawwalage Anuruddha Buwanekabahu Perera	Independent, Non-Executive Director	Sgd
Mr. Hiran Asoka Pieris	Non-Independent, Non-Executive Director	Sgd
Mr. Ravindra Ajantha Jayawardena	Independent, Non-Executive Director	Sgd
Ms. Shanti Gnanapragasam	Independent, Non-Executive Director	Sgd
Mr. Arjuna Herath	Independent, Non-Executive Director	Sgd

12.2. DECLARATION BY THE COMPANY

We, Cargills Bank Limited, having our Registered Office at No. 696, Galle Road, Colombo 03 hereby declare that to the best of our knowledge and belief that this Prospectus constitutes full and fair disclosure of all material facts about the Issue and the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all the Ordinary Voting Shares issued by the Company and those Ordinary Voting Shares, which are the subject of this Issue. Such permission will be granted when the Ordinary Voting Shares are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the shares issued.

The Seal of Cargills Bank Limited affixed at Colombo on 28 November 2023 in the presence of two Directors

Sgd
Director

Sgd
Director

12.3. DECLARATION BY THE JOINT FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

12.3.1. CT CLSA CAPITAL (PRIVATE) LIMITED

We, CT CLSA Capital (Private) Limited of No 4-15, Majestic City, 10 Station Road, Colombo 04 hereby declare and confirm to the best of our knowledge and belief that this Prospectus constitutes full and fair disclosure of all material facts about the Issue and the Company and we have satisfied ourselves that the profit forecasts had been stated by the Directors after due and careful inquiry.

The Seal of CT CLSA Capital (Private) Limited affixed at Colombo on 28 November 2023 in the presence of two Directors.

Sgd
Director

Sgd
Director

12.3.2. NDB INVESTMENT BANK LIMITED

We, NDB Investment Bank Limited of Level 1, NDB Capital Building, 135, Bauddhaloka Mawatha, Colombo 04 hereby declare and confirm to the best of our knowledge and belief this Prospectus constitutes full and fair disclosure of all material facts about the Issue and the Company and we have satisfied ourselves that the profit forecasts had been stated by the Directors after due and careful inquiry.

The Common Seal of NDB Investment Bank Limited affixed at Colombo on 28 November 2023 in the presence of two directors.

Sgd
Director

Sgd
Director

ANNEXURE A - RESEARCH REPORT PUBLISHED TO
ASCERTAIN THE VALUE OF ORDINARY VOTING SHARES OF
CARGILLS BANK LIMITED



CARGILLS BANK LIMITED

Research Report

Joint Financial Advisors and Managers to the Initial Public Offering



November 28, 2023

The preparers of the Research Report possess the requisite expertise to prepare reports of this nature involving a company in the Banks Sector that is to be listed on the Colombo Stock Exchange

November 28, 2023

Board of Directors,
Cargills Bank Limited,
No. 696, Galle Road,
Colombo 3.

Dear Sirs,

Research Report on Valuation of Cargills Bank Limited (“CBL”)

We, NDB Investment Bank Limited (hereinafter referred to as “NDBIB”), in the capacity of Joint Financial Advisors and Managers to the Initial Public Offering (IPO) of CBL (along with CT CLSA Capital Limited), wish to submit the enclosed Research Report in accordance with Section 3.1.4. c (ii) of the Listing Rules of the Colombo Stock Exchange (“CSE”) and the respective Guidance Note issued by the CSE pertaining to the preparation of the Research Report. NDBIB has prepared the Research Report as a part of its scope agreed between CBL and CT CLSA Capital (Pvt) Ltd, in terms of the engagement letter executed between the parties.

NDBIB has carried out a detailed analysis of the business operations of CBL to arrive at the fair value of CBL’s shares based on three valuation methodologies and the results have been summarised below.

Valuation Method	Equity Value (LKR Mn)	Per Share Value (LKR)	Premium/ (Discount) to the Issue Price of LKR 8/- per Share
Residual Income	8,678.16	9.83	18.59%
Justified P/BV	9,127.13	10.33	22.59%
Trailing P/BV (10-year Average)	8,765.28	9.93	19.40%
Weighted Average Valuation	8,856.86	10.03	20.19%

We are of the view that CBL shares would have a fair value of LKR 10.03 per share as at August 31, 2023, given the Company’s business fundamentals and the industry dynamics in the Banking Sector, based on the Residual Income, Justified P/BV and the Trailing P/BV (10-year Average) methodologies employed, as depicted in the table above. Whilst the Residual Income methodology factors in CBL’s future business plans and growth potential, the P/BV methodologies considers the relative premium/discount that would be offered by the investors on the net asset value of the Bank. For the purpose of arriving at a valuation for the IPO, a pure asset-based valuation methodology (i.e. assets less liabilities) has not been considered as it does not reflect a value relative to its peers in light of the current market environment, nor captures the business fundamentals and the growth potential of the Bank.

Considering the need to offer an upside to potential investors and the healthy marketability of shares, we recommend an offer price of **LKR 8 per share**. The detailed Research Report is enclosed herewith for your reference.

Thank you.
Yours faithfully,

NDB INVESTMENT BANK LIMITED

Sgd.
Darshan Perera
Chief Executive Officer

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LIST OF ABBREVIATIONS

ALCO	Asset and Liability Committee
AT1	Additional Tier 1
AWDR	Average Weighted Deposit Rate
AWFDR	Average Weighted Fixed Deposit Rate
AWPLR	Average Weighted Prime Lending Rate
AWPR	Average Weighted Prime Rate
Bn	Billion
bps	Basis Points
BVPS	Book Value Per Share
c.	Circa
CASA	Current and Savings Account
CBL	Cargills Bank Limited
CBSL	Central Bank of Sri Lanka
CEO	Chief Executive Officer
cf	Compare
CIT	Corporate Income Tax
CSE / COSE	Colombo Stock Exchange
DBU	Domestic Banking Unit
DDO	Domestic Debt Optimization
EFF	Extended Fund Facility
FY	Financial Year (in the context of Cargills Bank Limited, this refers to the period from January 1st to December 31st)
GDP	Gross Domestic Product
GoSL	Government of Sri Lanka
IMF	International Monetary Fund
IPO	Initial Public Offering
ISB	International Sovereign Bond
KRI	Key Risk Indicators
LCB	Licensed Commercial Bank
LKR	Sri Lanka Rupees
LSB	Licensed Specialised Bank
M&A	Mergers and Acquisitions
MBA	Master of Business Administration
Mn	Million
N/A	Not Available
NAV	Net Asset Value
NDBIB	NDB Investment Bank Limited
NII	Net Interest Income
NIM	Net Interest Margin
NPL	Non-Performing Loan
OCI	Other Comprehensive Income

ORMF	Operational Risk Management Framework
P/BV	Price to Book Value
PPE	Property, Plant and Equipment
RI	Residual Income
ROE	Return on Equity
SDFR	Standing Deposit Facility Rate
SLAR	Statutory Liquid Asset Ratio
SLFR	Standing Lending Facility Rate
SME	Small and Medium-sized Enterprises
SME	Small and Medium Enterprises
TMO	Treasury Middle Office
VAT	Value Added Tax
YOY	Year-on-Year
YTD	Year-to-Date

1 AN OVERVIEW OF THE BANK

Cargills Bank Limited (“Cargills Bank”, “CBL”, the “Bank”) was incorporated in Sri Lanka on November 3, 2011 as “Cargills Agriculture and Commercial Bank Limited”, and changed its name to “Cargills Bank Limited” in January 2014. The Bank gained approval as a Licensed Commercial Bank under the Banking Act No. 30 of 1988 on January 21, 2014, and commenced commercial banking operations on June 30, 2014, as the 25th Commercial Bank in Sri Lanka, at the time.

The Bank currently operates a network of 24 branches throughout Sri Lanka across 14 Districts, with its headquarters situated in Colombo 03. CBL provides an extensive array of services, including savings and current accounts, investment planners, credit and debit card offerings, consumer loans, support for agriculture and micro-financing, SME and business banking solutions, trade facilities, treasury operations, inward remittances and an array of user-friendly and adaptable digital banking services. These digital services ensure continuous access and convenience for customers (including the ability to transact and digitally onboard), ensuring that their financial needs are met efficiently.

The Bank utilizes a “Hub and Spoke” model as a cost-effective strategy to expand its presence and attract retail customers. Under this model, a single branch (Hub) extends its operations through several Cargills Bank MINI locations stationed in Cargills Food City outlets, that are capable of carrying out banking functions such as account opening and customer support, among others, thus enabling the branch to seize business opportunities beyond its own geographical territory. The Bank operates 29 such MINI locations, taking the total consumer facing touchpoints of the Bank to over 50 locations.

CBL engages in Agency banking via over 475 Cargills Retail outlets (Cargills Food City, Cargills Express and Cargills FoodHall). Through this agency banking arrangement, the Bank’s retail customers are able to deposit and withdraw funds from their account and make domestic fund remittances and payments through the Cargills Retail network. Furthermore, the service is used to provide collection management services for Corporate and SME Banking customers. The agency banking model tied to a supermarket chain is unique within the domestic banking space and provides Cargills Bank with a distinct point of differentiation.

Furthermore, CBL is uniquely positioned to leverage on the integrated value chain of the Cargills Group, connecting stakeholders from Farm to Home to drive local community development and enhance financial inclusivity. The Bank collaborates with and services diverse stakeholders within the Cargills ecosystem, which makes up a captive and sticky client pool for the Bank.

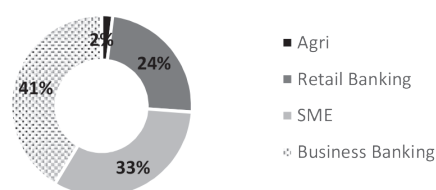
Cargills Bank is driven by a compelling vision to become Sri Lanka’s most inclusive bank, powered by digital innovation to deliver state-of-the-art banking solutions. The Bank has a supported financial rating of A (lka) with a negative outlook from Fitch Ratings Lanka ¹.

The Asset Value and the Equity Value of the Bank as of August 31, 2023, stood at LKR 64.0 Bn and LKR 11.4 Bn, respectively. This IPO is the initial step towards augmenting the Bank’s capital base to LKR 20.0 Bn as per the CBSL guidelines.

Figure 1-1 - A snapshot of the Bank



Figure 1-2 - Segmental gross loan composition - August 2023



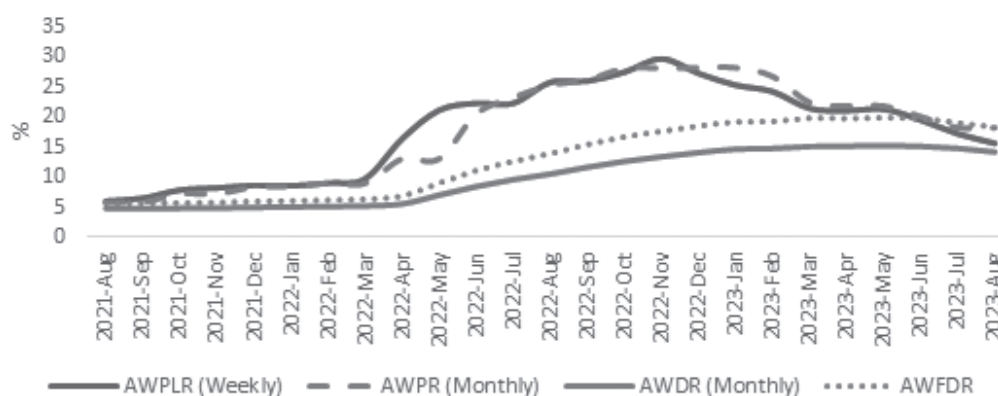
2 AN OVERVIEW OF THE BANKING SECTOR

The Banking Sector of Sri Lanka comprises of 24 Licensed Commercial Banks (LCBs) and 6 Licensed Specialized Banks (LSBs)². Despite the manifold challenges faced by the sector during 2022 including the decline of credit quality, acute pressure on liquidity, low level of profitability, and deteriorating capital levels, the banking sector remained stable, holding 61.9% of the financial assets in the financial system and adequately meeting capital requirements (*as per the CBSL Annual Report 2022*).

In order to tackle the rampant inflationary climate, the CBSL in April 2022, increased the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) by 700 bps to 13.5% and 14.5% respectively and thereafter by a further 100 bps each in July 2022, tightening the money supply, which resulted in high market rates in the Banking Sector and led to the improvement in sectoral Interest Income in 2022. However, a drop in asset quality (*increase in Stage 3 Loans %*) and a rise in impairment was witnessed in 2022, owing to the undesirable economic state of market participants. However, the monetary policy measures taken by the CBSL in 2022 and H1 2023 led to the stabilization of the currency and reduction in headline inflation as per the Colombo Consumer Price Index (CCPI) to 1.3% in September 2023 compared to 69.8% in September 2022.

Despite subsequent de-escalations in policy rates - *to cautiously ease monetary conditions*, and moral suasion by the CBSL, the premia between market lending and deposit rates remained notably high - *as evidenced by the wide gap between the AWPLR and AWDR depicted in Figure 2-1*, leading to financial institutions and banks recording high Net Interest Income (NII) in 2022 and H1 2023. In August 2023, the CBSL issued an order stipulating maximum interest rates on LKR denominated lending products to curb this phenomenon.

Figure 2-1 - Commercial Bank Lending and Deposit Rates (per cent per annum)



Source: CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> on September 10, 2023)

The domestic banking system was exempted from the restructuring of its Treasury Bills and Bonds portfolio in the Domestic Debt Optimization programme (DDO) which concluded in September 2023 owing to the systemic importance of the sector, prioritizing financial system stability, the extraordinary support provided by the sector for customers facing difficulties in the economic environment, and higher provisioning already absorbed by banks due to stressed assets and the overhang of the International Sovereign Bonds (ISBs) restructuring, among other reasons. Banks with high ISB exposures have already taken measures to account for a possible notional haircut on the ISBs, and therefore, a further adverse impact on the stability of the banking sector owing to the upcoming restructuring of ISBs will likely be minimal. Cargills Bank does not have exposure to ISBs.

On the broader macro front, the securing of the USD 3.0 Bn IMF Extended Fund Facility (EFF) is expected to ease macroeconomic pressures as it would be used for budgetary support and to further progressive

economic policies and reforms. On fiscal reforms, the Government of Sri Lanka (GoSL) eliminated the differential Corporate Income Tax (CIT) structure by imposing a 30% CIT for most businesses - *including banks*, effective October 01, 2022. The VAT on Financial Services applicable for banks was also raised to 18% in March 2022.

Sections 2.1 to 2.5 provide a commentary on how the banking sector fared in relation to various dimensions, as reported by the CBSL in the 2022 Annual Report.

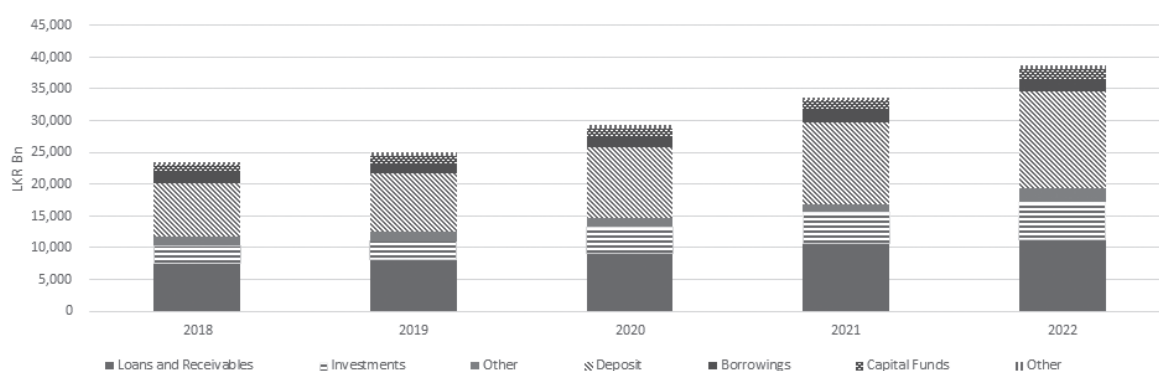
2.1 ASSETS AND LIABILITIES OF THE BANKING SECTOR

Despite a challenging year, a 15.4% growth in the asset base of the banking sector was witnessed during 2022, as the asset base reached LKR 19.0 trillion in value.

In 2022, the banking industry’s total borrowings shrank by LKR 300.4 billion, or by 13.8% as a result of the contraction in borrowing in foreign currencies of 55.2%, indicating the effect of downgrades to sovereign ratings, while borrowing in Sri Lanka Rupees fell by LKR 171.5 billion, or 11.52%, in 2022³.

The main source of funding for the banking sector were deposits (78.8% of total liabilities). The increase in deposits occurred mainly due to the increase in term deposits, which increased from 61% to 67.9% within the year. Due to the same, the average sector Current and Savings Account (CASA) ratio has decreased from 38% to 31.2% during the year.

Figure 2-2 - Composition of Assets and Liabilities of the Banking Sector



Source: CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> on September 10, 2023)

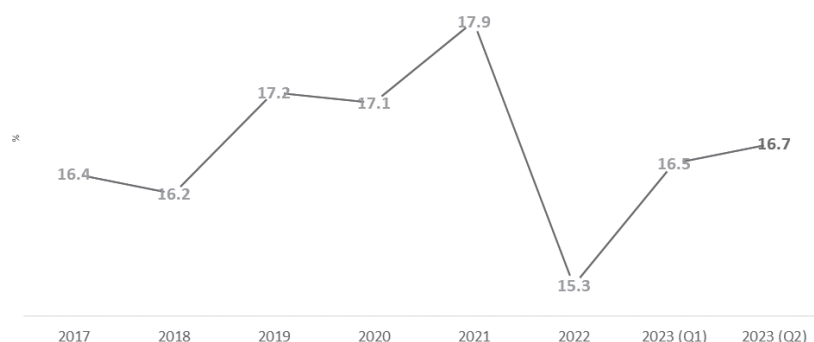
2.2 CAPITAL LEVELS

Due to the banks being encouraged to raise high quality capital to absorb the potential losses arising from the problematic macroeconomic situation in the country, banks increased Tier 1 Capital through the retention of profits, increase in reserves, and issuance of new shares during 2021 as well as in 2022⁴.

The Total Capital Adequacy Ratio and the Tier 1 Capital Ratio increased in 2023 and remained above the regulatory thresholds, despite the provision to drawdown a further 250 bps from the Capital Conservation Buffer⁵.

⁵ CBSL Press Release (25.05.2022) (Accessed via https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20220525_cbsl_implements_extraordinary_measures_to_support_banking_sector_e.pdf on November 10, 2023)

Figure 2-3 – Total Capital Adequacy Ratios of the Banking Industry



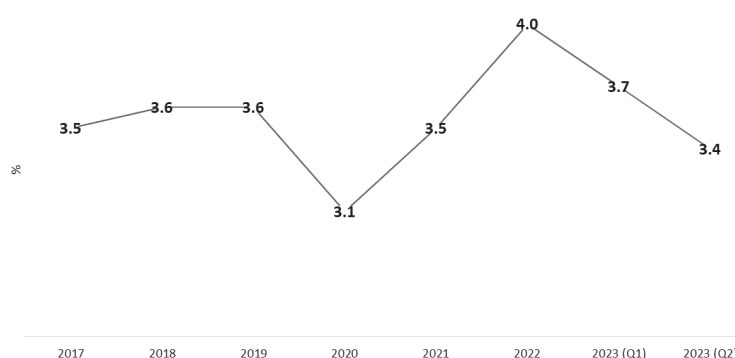
Sources: CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> and https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2022/en/12_Chapter_08.pdf on September 10, 2023)

2.3 PROFITABILITY

The NII of the sector increased by 37.8% during 2022, on the back of a 74.7% increase in Interest Income, due to the relatively high interest rate phenomenon prevalent during the year. As a result, the sector Net Interest Margin (NIM) also increased to 4.0% as at the end of 2022 compared to 3.4% during 2021. Furthermore, non-interest income increased by Rs.124.1 billion mainly due to higher fee and commission income. However, impairment for loans and other losses increased by c. LKR 299 Bn in the year. As a result, the profit after tax of the sector decreased by 12.7% in 2022 compared to 2021.⁶

The interest income of the banking sector was subjected to an increase owing to the re-pricing of the lending portfolio in line with market rate movements and the increase in investment portfolio at relatively high rates. Interest rates remained on an increasing trend till early June 2023 in line with CBSL’s tightening monetary policy and increased policy rates, while the policy rates dropped in June and July 2023 by 450 bps⁷. NIM in 2023 is expected to be lower than 2022 due to the trend in reducing market rates. Given the decreased business volumes in a setting of negative GDP growth, fee and commission income also continued to be under pressure.

Figure 2-4 - Net Interest Margins of the Banking Industry



Source: CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> on September 10, 2023)

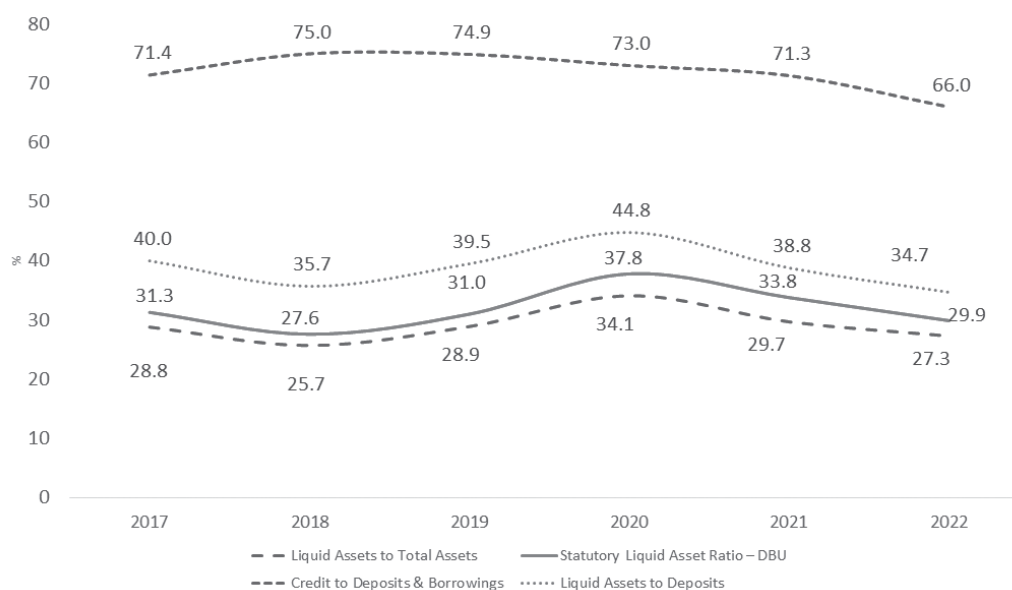
⁶ CBSL Annual Reports - 2021,2022 (Accessed via <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports> on September 11, 2023)

⁷ CBSL (Accessed via https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20231005_Monetary_Policy_Review_No_7_2023_e_U53s8.pdf on September 11, 2023)

2.4 LIQUIDITY

The Statutory Liquid Assets Ratio (SLAR) for Domestic Banking Units (DBU) of the banking sector for 2022 reduced to 29.9% due to domestic banks heavily relying on standing facilities provided by CBSL. Furthermore, a slight decrease in the Credit to Deposits and Borrowings Ratio was witnessed due to lower credit growth in 2022 along with the decline of Liquid Assets to Total Assets and Liquid Assets to Deposits ratios. In the first quarter of 2023, the Liquid Assets to Total Assets ratio has increased to 30.6% which is a slight increase compared to 2022.⁸

Figure 2-5 - Liquidity Ratios of the Banking Sector



Source: CBSL Annual Report, 2022 (Accessed via https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2022/en/12_Chapter_08.pdf on September 12, 2023)

2.5 ASSET QUALITY

Despite the freezing of the classification of credit facilities as non-performing under moratoria, Non-Performing Loans (NPLs), as indicated by Stage 3 Loans (including undrawn amounts), increased up to LKR 1.3 trillion in 2022, reflecting a year-on-year growth of 53.6%. The surge in NPLs in 2022 was primarily attributed to the economic downturn, wherein borrowers faced financial hardships, leading to a higher incidence of loan defaults.⁹

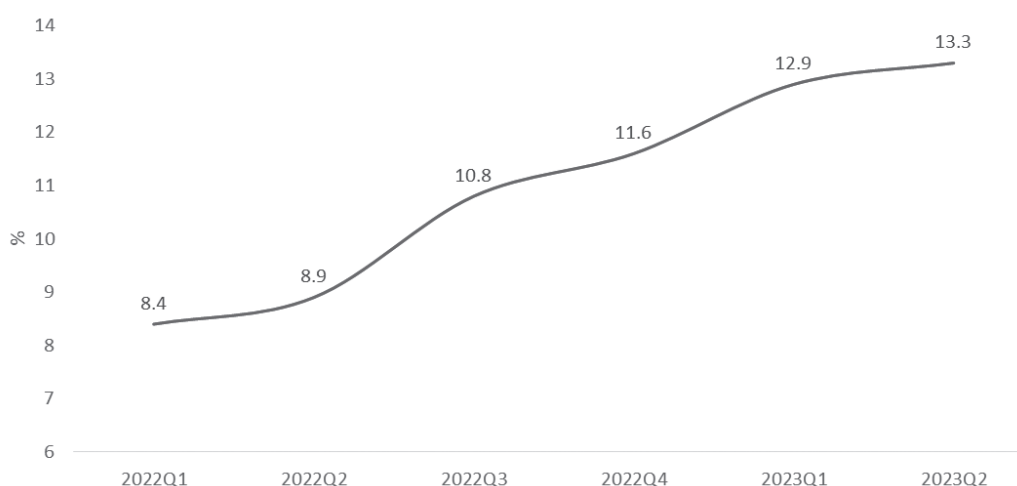
Consequently, the NPL ratio, represented by Stage 3 Loans as a proportion of total loans (including undrawn amounts), rose from 8.4% in the first quarter of 2022 to 13.3% by the second quarter of 2023. This increase was a result of the higher growth in Stage 3 Loans and a slower expansion in overall credit.¹⁰

⁸ CBSL Annual Reports - 2022 (Accessed via <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports> on September 11, 2023)

⁹ CBSL Annual Reports - 2021, 2022 (Accessed via <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-reports> on September 11, 2023)

¹⁰ CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> on September 10, 2023)

Figure 2-6 - Non-Performing Loan Ratio of the Banking Sector



Source: CBSL, 2023 (Accessed via <https://www.cbsl.gov.lk/en/statistics/statistical-tables/financial-sector> on September 10, 2023)

2.6 FUTURE OUTLOOK OF THE BANKING SECTOR

In August 2023, the CBSL issued an Order calling for the reduction of policy interest rates including pawning interest rates to be brought down to 18%, pre-arranged temporary overdrafts to be brought down to 23% and interest on credit card advances to be brought down to 28%¹¹. Further, the CBSL stated that Banks should reduce their weighted average lending rate by 250 bps by end-October 2023 and a further 100 bps by end-December 2023. In line with the same, the Net Interest Margin (NIM) of banks can be expected to gradually shrink over time as the sector will be subject to the sticky repricing of its lending portfolio. However, an increase in credit growth will be likely, due to the affordability of lending products. As a result, an overall increase in the loan books of banks may materialize, along with an uptick in business volumes which will propel net fee and commission income in the sector. The asset quality of banks can also be expected to improve with the economy recovering from the crisis over the medium run with the inflow of healthy credit flowing into the banks, although such an impact may be reflected in sector NPLs with a lag. The liquidity risk of banks is also expected to reduce due to the drop in the number of early withdrawals and loan defaults due to the improvement in economic conditions.

2.7 CBL WITH RELATION TO THE PEERS

CBL was the latest entrant in the LCB field, commencing operations in 2014, and as such, is smaller compared to its listed peers in terms of size. Given its smaller size, its future strategies, its level of capitalization and the improving industry dynamics, the Bank is poised to grow faster compared to the peers in general.

Presented below is a table which depicts the relative position and performance of the Bank, with respect to the peers.

¹¹ CBSL, 2023 (Accessed via https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/laws/cdg/bsd_act_order_1_of_2023_e.pdf on September 10, 2023)

Table 2-1: Position and performance of the peers

	Net Customer Loans - LKR Mns	Total Assets - LKR Mns	Total Deposits - LKR Mns	Total Equity - LKR Mns	ROE (%)	Net Interest Income/ Avg Assets (%)**	Cost-to- Income (%)	Total Capital Ratio (%)	Stage 3 Loans as a % of Gross Loans
Latest									
Industry* Average	500,626	970,920	751,748	93,834	11.07%	5.52%	47.27%	16.49%	N/A
CBL (as of August 2023)	36,234	63,981	45,998	11,379	5.19%**	6.30%**	55.03%	21.80%	16.43%
Latest Fiscal Year (FY22)									
Industry* Average	536,744	945,153	742,620	89,441	9.06%	5.31%	39.13%	15.15%	10.66%
CBL (as of December 2022)	35,960	53,753	37,803	9,720	5.12%	5.85%	55.35%	22.85%	15.11%

Source: <https://www.capitaliq.com/> (access only available to registered users) [Accessed on November 10, 2023]

*For this exercise, the Industry includes the peers used for the valuation of CBL (Refer the list of peers in the Annexures of the Research Report. Latest peer information is as of the latest published quarterly financials of the peers available as of November 10, 2023.

3 SOURCES OF INFORMATION

In deriving at the valuation, the following sources were referred to:

- i. Unaudited 8 Month Interim Statements of CBL as at August 31, 2023
- ii. Audited Financial Statements of CBL for the Financial Years ended December 31, 2020, 2021 and 2022
- iii. Budgets and internal forecasts provided by the Management of CBL
- iv. Information on S&P Capital IQ Platform
- v. Trading related information available on the Colombo Stock Exchange
- vi. Other publicly available information

NDBIB is of the view that the information sources listed above were adequate to carry out the equity valuation of Cargills Bank Limited in a fair and reasonable basis to the best of their knowledge. Furthermore, it should be noted that NDBIB has not carried out an independent verification of the information provided by the Company. In addition, no information has come to the attention of NDBIB to believe that the facts and data set forth in the Report are incorrect.

4 FINANCIAL FORECASTS AND ASSUMPTIONS

The financial statements of CBL were forecasted based on the audited financial statements of the Company for the year ended December 31, 2022, and the Interim Accounts for the eight months ended August 31, 2023. Management expectations, current trends in the Banking and Financial Sector and the overall macro-economic outlook were considered when forecasting the Bank's performance.

Given the capital augmentation plan which is in place to reach an equity capital of LKR 20.0 Bn by December 31, 2025, as stipulated by the CBSL, a 9-year forecast period ending in FY31 was considered to capture normalised residual income for valuation purposes.

NDBIB has established that the assumptions used for forecasts given in this report are reasonable and fair to the best of our knowledge.

4.1 GROSS LOAN PORTFOLIO AND LOAN ASSET QUALITY

CBL adopted a conservative strategy where the Bank targeted a higher quality in assets at the expense of rapid loan book growth, to address the prevailing market conditions and associated credit risk. As such, the Bank's Gross loan book contracted at a rate of 7.9% to reach a value of LKR 40.2 Bn in FY2022 (cf. LKR 43.7 Bn in FY2021) mainly on the back of the Bank's decision to strengthen its evaluation framework to accommodate credit requests of new and existing customers amidst the challenging macroeconomic conditions that prevailed during the year.

While this temporary strategy has led to a marginal drop in total asset base in the short run (LKR 55.8 Bn in FY2021 vs LKR 53.8 Bn in FY2022), it is expected to bolster asset quality with minimal new non-performing loans in the Bank's portfolio going forward.

Table 4-1 - Product-wise gross loans

in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Overdrafts	6,970	5,858	6,766	8,627	10,780	13,383	16,729	20,911	25,512	30,614	36,125
Term Loans	14,833	17,994	20,707	26,481	33,286	41,430	51,788	64,735	78,976	94,771	111,830
Money Market Loans	8,919	4,405	4,952	6,262	7,698	9,478	11,848	14,810	18,068	21,682	25,584
Trade Finance	3,201	2,945	3,428	4,342	5,355	6,602	8,252	10,316	12,585	15,102	17,820
Credit Cards	1,580	1,554	2,000	2,512	3,177	4,080	5,100	6,375	7,777	9,332	11,012
Personal Loans	4,228	3,489	3,847	5,018	6,556	8,342	10,428	13,035	15,903	19,083	22,518
Other Product Lines	3,952	4,004	4,696	6,144	7,975	10,218	12,772	15,965	19,477	23,373	27,580
Total Gross Loans	43,682	40,250	46,396	59,386	74,827	93,534	116,917	146,146	178,298	213,958	252,470
YOY Growth Rate	37.65%	-7.86%	15.27%	28.00%	26.00%	25.00%	25.00%	25.00%	22.00%	20.00%	18.00%

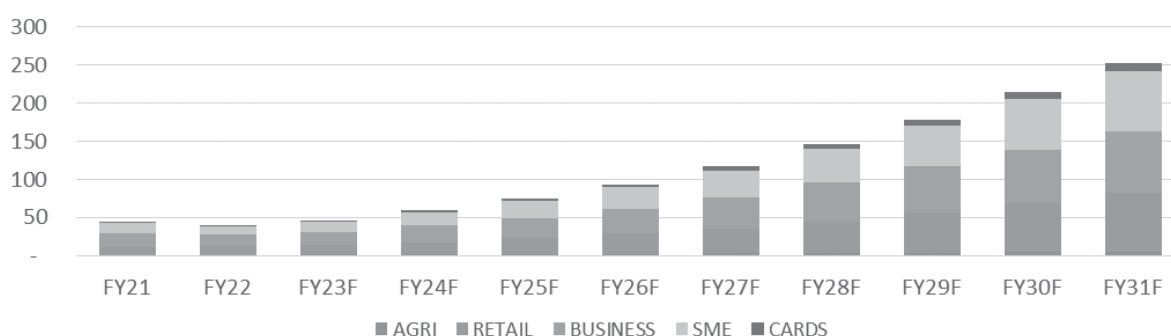
The Bank was able to marginally grow its gross loan portfolio during the 8 Month period ended August 31, 2023 to LKR 41.0 Bn from LKR 40.3 Bn despite the continued macroeconomic challenges amidst low economic growth, uncertainty surrounding the Domestic Debt Optimization process and measures to meet the targets relating to the Extended Fund Facility program of the IMF.

A revival of Sri Lanka's economic activity, driven by the corrective economic measures taken by the GoSL and the CBSL, including the downward adjustment of CBSL's policy interest rates, is expected to lead to a significant increase in net disbursements of CBL in FY2023 and in subsequent years. Furthermore, the reduced interest rate environment is expected to continue into the foreseeable future, thereby enabling the Bank to sustain its growth in loan book. Given the smaller loan base that CBL has at present compared to the wider peer-set (morefully outlined in Section 2-1) and given that the Bank has historically achieved such growth numbers in the past (*i.e. at a five-year CAGR of 26.36% from FY2016 to FY2021*) compared to the peers (*i.e. at a five-year CAGR of 12.14% from FY2016 to FY2021*), the Bank is projected to achieve the rates mentioned in Table 4-1. In addition, the capital infusion from the

IPO and the expected equity raisings in line with the capital augmentation plan, will further strengthen the balance sheet of CBL, and will reduce the Bank's reliance on borrowings and client deposits in the short term, thereby allowing the Bank to be more aggressive with its gross disbursements as seen by the projected growth of the gross loan book from FY2024 onwards.

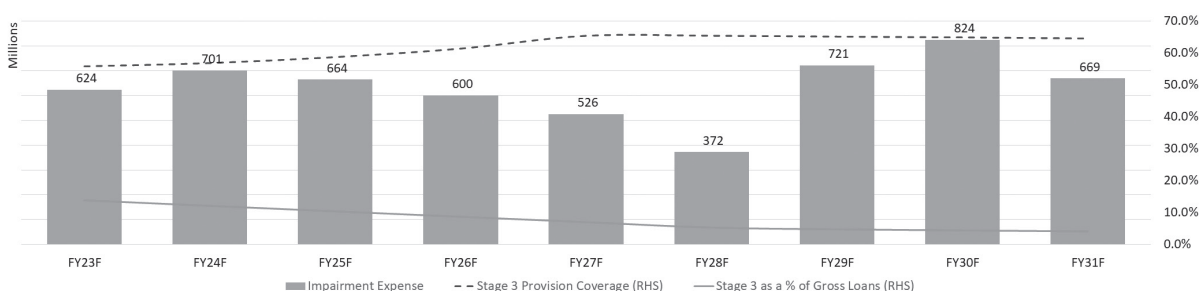
In terms of the segmental breakup of the loan book, the Bank expects to rely on tested corporate clients in the coming months until the generic economic conditions ease, and thereafter pursue opportunities to improve on its Retail and SME base. CBL's proposed strategy of increasing its branches to 50 (from 24 currently) and MINI locations at high traffic Cargills Food City outlets to 120 (from 29 currently) by 2028, coupled with facilitation of deposits and withdrawals at Cargills Retail locations islandwide is expected to create customer stickiness and drive the Bank's portfolio growth. As such, the proportional contribution to the Retail (including cards) and SME segments are expected to reach c. 66% of the loan book by FY31 from the 61% which prevailed in FY22.

Figure 4-1 - Segmental gross loan composition in LKR Bn



Stage 3 Loans as a percentage of total loans which prevailed at 16.4% in August 2023 is expected to reduce to 13.9% by FY23 as a result of the expectation of several reversals and the inflow of quality assets in the coming months. The asset quality ratios are higher than the industry norm due to legacy NPAs pertaining to several business clients, which CBL is expected to recover over time. Further, the ratio is set to reach industry norms within the forecast period to settle at mid-single digits by FY31. Parallely, the stage 3 provision coverage ratio is expected to increase as the Bank will focus on improving its buffers during profit-making years going forward. These asset quality improvement targets and requisite initiatives are expected to result in the impairment values stated in Figure 4-2.

Figure 4-2 – Asset Quality Ratios and Impairment Projections



4.2 INTEREST INCOME

Despite a reduction in the value of the net loan book in FY 2022 (i.e. LKR 36.0 Bn) by 11.19%, compared to FY 2021 (i.e. LKR 40.5 Bn), interest income on the loan book grew rapidly to reach a value of LKR 8.0 Bn at an interest yield of 15.3% (cf. LKR 4.1 Bn of Interest Income at an Interest yield of 8.4% in FY2021) as a result of the substantial change in the interest rate regime, with lending rates increasing in line with the policy rate hikes stipulated by the CBSL. During the 8-month period ended August 31, 2023,

CBL recorded a robust interest income of LKR 7.8 Bn amidst high lending rates and the high yielding investments in its portfolio. Easing of lending rates has taken place, specially towards the end of the period under review.

Table 4-2 – Interest Income breakdown

in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Overdrafts	547	907	879	885	1,094	1,359	1,683	1,993	2,433	2,893	3,383
Term Loans	1,164	2,787	3,156	3,357	4,263	5,393	6,776	8,221	10,161	12,221	14,416
Money Market Loans	680	682	443	533	640	777	949	1,097	1,329	1,570	1,823
Trade Finance	251	456	507	542	678	846	1,060	1,286	1,584	1,897	2,234
Credit Cards	124	241	258	273	337	430	541	642	784	932	1,090
Personal Loans	331	540	513	517	668	861	1,082	1,286	1,571	1,868	2,183
Other Product Lines	330	620	889	988	1,282	1,663	2,109	2,569	3,159	3,782	4,453
Interest Income from Customers	3,428	6,234	6,644	7,095	8,963	11,330	14,200	17,095	21,021	25,164	29,583
Other Interest Income	672	1,768	3,621	3,408	3,447	3,825	4,401	5,157	6,266	7,609	9,157
Total Interest Income	4,100	8,002	10,265	10,504	12,411	15,155	18,601	22,251	27,287	32,773	38,740

A dip in effective interest rate was factored in the forecast in FY23 when calculating interest income from customers (by way of reducing the YTD effective interest rates) to account for the Order issued by the CBSL in August 2023. Interest for subsequent years was calculated on the forecasted average gross loan less Stage 3 Loans (which reflects the performing loan portfolio of the Bank on an average basis – *for more insight on the Stage 3 Loans as a percentage of gross loan ratios going forward, kindly refer Table 5-1*), and the interest rates were adjusted downwards from FY24 onwards to reflect the prevailing and expected interest rate environment, which is expected to accommodate the projected loan book growth. Other interest income is set to dip in FY24, as a result of the drop in yields associated with interest bearing treasury bonds and investments recognised under Financial Assets recognised at amortized cost (Treasury Bonds held till maturity and debentures), Financial Assets recognised at fair value through OCI (interest component of Treasury Bonds available for sale); however this income stream is set to organically grow in-line with the growth in the investment portfolio thereon.

The effective interest rates for the loan products (applicable at an average gross loans less stage 3 loans basis) and yields on the investment portfolio are provided below.

Table 4-3 - Effective Interest Rates of the loan and investment portfolio

in LKR Mn	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Overdrafts	15.70%	12.80%	12.40%	12.20%	11.95%	11.15%	10.95%	10.75%	10.55%
Term Loans	19.75%	16.85%	16.45%	16.25%	16.00%	15.20%	15.00%	14.80%	14.60%
Money Market Loans	10.20%	10.20%	9.80%	9.60%	9.35%	8.55%	8.35%	8.15%	7.95%
Trade Finance	19.55%	16.65%	16.25%	16.05%	15.80%	15.00%	14.80%	14.60%	14.40%
Credit Cards	16.30%	13.40%	13.00%	12.80%	12.55%	11.75%	11.55%	11.35%	11.15%
Personal Loans	16.15%	13.25%	12.85%	12.65%	12.40%	11.60%	11.40%	11.20%	11.00%
Other Product Lines	23.40%	20.50%	20.10%	19.90%	19.65%	18.85%	18.65%	18.45%	18.25%
Average yield on loan products	17.92%	15.40%	15.03%	14.86%	14.63%	13.84%	13.64%	13.45%	13.25%
Other Investments (including FA at fair value through OCI)	22.06%	15.87%	13.71%	12.44%	12.02%	11.86%	11.98%	12.00%	12.00%
Financial assets at amortized costs - Debt and other Instruments	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%	23.00%
Average yield on investments	22.14%	16.07%	13.80%	12.44%	12.02%	11.86%	11.98%	12.00%	12.00%

4.3 FUNDING

A degrowth of 5.9% in the Bank's deposit book was seen in FY22 mainly on the back of customers opting to cash out on their deposits prematurely in exchange for high yielding Government Securities in the market. During the year, additional bank borrowings or capital infusions were not required to sustain the disbursements in light of the contracted loan book as per the strategy adopted by CBL.

Table 4-4 - Funding book breakdown

in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Current Deposits and Margin Deposits	1,861	2,071	2,657	3,417	4,337	5,509	6,961	8,793	10,824	12,984	15,205
Savings Deposits	9,609	5,946	8,119	11,062	14,796	19,732	26,097	34,409	44,080	55,067	67,308
Time Deposits and CODs	28,713	29,786	38,196	49,202	62,406	79,077	99,556	125,175	153,315	184,688	218,751
Total Deposits	40,182	37,803	48,971	63,681	81,539	104,319	132,613	168,377	208,220	252,739	301,264
Effective Growth Rate	25.58%	-5.92%	29.54%	30.04%	28.04%	27.94%	27.12%	26.97%	23.66%	21.38%	19.20%
Effective Loan to Deposit ratio	100.77%	95.13%	84.76%	84.48%	84.10%	83.09%	82.60%	82.20%	81.57%	80.99%	80.51%
CASA ratio	28.54%	21.21%	22.00%	22.74%	23.47%	24.20%	24.93%	25.66%	26.37%	26.93%	27.39%
Other Interest Bearing Liabilities	4,896	4,203	5,125	2,663	5,708	5,767	5,839	5,930	6,032	6,146	6,270

Total customer deposits which amounted to LKR 46.0 Bn on August 31, 2023 and reach LKR 49.0 Bn in FY2023 (cf. LKR 37.8 Bn in FY2022) on the back of the deposit mobilization programme of CBL coupled with rapidly decreasing interest rates of government securities. During FY23, the Bank is expected to fund its substantial net disbursements mainly with the growth in customer deposits followed by limited increase in bank and other borrowings.

The significant increase in customer deposits and bank borrowings required to fund the Bank's growth in loan book through the remainder of the forecast window is expected to be achieved via CBL's deposit mobilisation through the branch network, Cargills Bank MINI network in Cargills Food City Outlets, sales team and digital channels. CBL currently provides cash deposit and withdrawal services free of charge from over 475 Cargills Retail outlets island wide through the Cargills Cash service. Total customer deposits are expected to reach LKR 168.4 Bn by 2028 whilst maintaining a CASA ratio of over 25%, allowing CBL to fund its loan growth aspirations in the medium run.

In line with the capital augmentation plan which is in place to meet the CBSL stipulated capital requirement, the Bank expects to raise capital via issuance of Additional Tier 1 Bonds amounting to a minimum of LKR 1.5 Bn in FY2025. The funds raised herein will also be deployed for portfolio expansion and growth initiatives of the Bank.

4.4 INTEREST EXPENSE

Interest expense increased significantly during the year (LKR 4.8 Bn in FY2022 vs LKR 2.3 Bn in FY2021) primarily due to the drastic change in the interest rate climate. This substantial increase in interest expense was recorded despite a reduction in value of the deposit book and other borrowings during the year concerned.

However, Net Interest Income grew by c. 74% in FY22 due to the margin expansion of the portfolio resulting from delayed repricing during the year.

Table 4-5 - Interest expenses breakdown

in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Savings Deposits	337	566	544	480	621	829	1,100	1,452	1,884	2,380	2,937
Time Deposits and CODs	1,742	3,704	4,906	4,807	5,580	7,074	8,932	11,237	13,924	16,900	20,172
Interest Expense on Deposits	2,078	4,269	5,450	5,286	6,201	7,903	10,032	12,689	15,808	19,280	23,109
Interest Expenses on Other Liabilities	181	529	833	504	534	732	735	739	744	749	755
Total Interest Expenses	2,260	4,798	6,284	5,790	6,735	8,635	10,767	13,428	16,552	20,029	23,864

Interest Rates

Savings Deposits	3.95%	7.27%	7.74%	5.00%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
Time Deposits and CODs	6.74%	12.66%	14.43%	11.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Average Yield on Deposits	5.34%	9.97%	13.29%	9.92%	9.02%	8.98%	8.94%	8.90%	8.86%	8.82%	8.79%
Average Yield on Other Liabilities	4.23%	11.62%	17.87%	12.93%	12.76%	12.76%	12.67%	12.56%	12.44%	12.31%	12.17%

Interest expense for FY23 was primarily based on the Year-to-Date figures for the period ended August 31, 2023 as well as the existing borrowing rates. Interest Rates from FY24 onwards are assumed to vary with the estimated weighted average prime lending rates (AWPLR), hence both deposit items are expected to reflect the normal levels by FY24. While the Bank is expected to leverage all channels to drive deposit mobilisation, CBL anticipates continuing to provide competitive interest rates to draw in sufficient deposits to meet its substantial long term funding requirements, and plans to focus on maintaining acceptable net interest margins to realize net income growth expectations.

4.5 OTHER INCOME

Other income consists of net fee and commission income, net gains from trading, net gains from derecognition of financial assets and net other operating income. All other income items except for net fee and commission income are expected to grow on an YOY basis from FY24 onwards.

Net fee and commission income is forecasted to decrease marginally by 4.3% in FY23 owing to the YOY reduction in trade income amidst improved forex availability in the market and the normalization of fee structures in FY23 compared to the previous year.

Table 4 6 - Net fee and commission income and other income breakdown

in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Loans and advances	58	42	51	65	82	103	129	161	196	235	278
Debit and Credit cards (Net)	222	277	284	451	569	726	918	1,147	1,557	1,882	2,238
Trade and remittances	170	504	375	450	540	648	778	933	1,120	1,344	1,612
Deposits	12	13	20	19	24	31	40	51	62	76	90
Other financial services (Net)	30	27	95	114	137	164	197	236	284	340	408
Total Net Fee and Commission Income	492	862	825	1,100	1,352	1,672	2,061	2,528	3,219	3,877	4,627
Effective Growth Rate	97.85%	75.25%	-4.29%	33.22%	22.99%	23.63%	23.26%	22.67%	27.31%	20.46%	19.33%
Other Income	127	214	389	68	74	83	94	107	124	145	171
Non-Interest Income to NII	33.64%	33.59%	30.49%	24.76%	25.14%	26.92%	27.50%	29.87%	31.14%	31.56%	32.25%

Credit and Debit Card related income was forecasted based on the Gross Loan Portfolio Value of Cards. Trade and remittances related income and Other financial services related income, which includes income from Guarantees and Cargills Cash related net income, among others, were forecasted on a YOY basis from FY24 onwards based on Management expectations.

4.6 OPERATING EXPENSES

Operating expenses mainly comprise of personnel expenses which made up c. 40% of total operating expenses in FY21 and FY22. Growth in personnel expenses corresponds to the expansion plans CBL has envisaged in terms of new Branch and MINI location openings, with necessary staff additions and changes in staff composition over the forecast period taken into account based on discussions with the Management.

Table 4-7 - Expansion plan of CBL and Operating Expenses breakdown

	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Number of new Branches			4	4	4	5	5	5	3	3	3
Number of new MINI locations			22	15	15	15	15	15	12	12	12
Total number of employees		598	635	680	725	775	825	875	910	945	980
Total personnel costs	843	915	1,104	1,256	1,389	1,530	1,702	1,977	2,262	2,583	2,947
Depreciation and amortization (LKR Mn)	420	437	443	404	435	488	439	489	544	544	530
Other operating expenses (LKR Mn)	774	1,017	1,565	1,754	1,951	2,171	2,419	2,708	3,020	3,366	3,749
Total Other Operating Expenses (LKR Mn)	2,036	2,369	3,111	3,413	3,775	4,189	4,560	5,174	5,826	6,494	7,227

A growth in other operating expenses of c. 54% YOY in FY23 was projected owing to the escalated base of operating expenses (e.g. - utilities, travelling, maintenance costs) in light of heightened inflation and volatile exchange rates.

4.7 TAXATION

CBL is subject to Income Tax of 30% on taxable profits. Furthermore, Value Added Tax (VAT) on financial services has been expensed at 18% of Total Value Addition (i.e. the sum of Profit Before Tax, Personnel Expenses and other adjustments).

4.8 LIQUIDITY POSITION OF THE BANK

CBL maintained its liquid assets (Cash, Treasury Bill and Bond holdings, and balances with other banks, among other items) at adequate levels, recording consolidated Liquid Asset ratios of 26.52% and 27.00% for FY21 and FY22, respectively (which was comfortably above the statutory minimum requirement of 20%). A negative change in cash and cash equivalents of c. LKR 563 Mn was witnessed in FY22 owing to the negative movement in cash flows from investing activities (of c. LKR 530 Mn) as a result of investments in intangible assets, PPE and debentures during the year, and the negative change in cash flows from financing activities (of c. LKR 372 Mn) due to the net negative change in securities sold under repurchase agreements during FY22. It should be noted that, CBL is expected to maintain liquid assets at adequate levels going forward. (Refer Table 5-1 for more insight)

4.9 CAPITAL AUGMENTATION PLAN AND DIVIDEND POLICY

CBL expects to reach a capital base of LKR 20.0 Bn by December 31, 2025, by way of raising funds in the following manner.

Table 4-8 - Capital augmentation plan

in LKR Mn	FY24F	FY25F
Through equity raisings	1,500	1,500
Through the issue of AT1 bonds	0	1,500

No dividends were declared during FY21 and FY22 given CBL's capital requirement of reaching a capital base of LKR 20.0 Bn by FY25. A dividend payout of 30.0% is assumed from FY26 onwards, upon the building of a capital base of LKR 20.0 Bn by FY25 and upon the recording of profits thereon.

5 KEY FINANCIAL RATIOS AND METRICS

Table 5-1 - Key Financial Ratios

%	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Profitability											
Interest Yield <i>(Interest Income / average Interest-bearing Assets*)</i>	8.35	15.33	17.82	14.67	13.87	13.48	13.33	12.84	12.78	12.65	12.50
Interest Cost <i>(Interest Expenses / average Interest-bearing Liabilities*)</i>	5.60	11.02	13.08	9.61	8.86	8.89	8.77	8.67	8.59	8.52	8.47
Net Interest Margin <i>(NII / average Assets*)</i>	3.60	5.85	6.54	6.25	6.03	5.55	5.40	4.92	4.88	4.79	4.69
Cost to Income Ratio <i>(excluding Provision*)</i>	82.83	55.35	59.88	58.05	53.15	50.62	45.65	45.16	41.38	38.73	36.73
Return on Assets <i>(PAT / average Assets*)</i>	-0.54	0.89	0.93	1.03	1.33	1.44	1.68	1.56	1.62	1.71	1.83
Return on Equity <i>(PAT / average Equity*)</i>	-2.99	5.12	5.22	5.86	7.96	9.58	12.77	13.35	15.40	17.46	19.62
Asset Quality											
Stage 3 as a Percentage of Gross Loans	11.98	15.11	13.85	12.12	10.39	8.70	7.01	5.32	4.77	4.43	4.12
Stage 3 Impairment as a % of Stage 3 Loans	46.30	51.47	55.82	56.83	58.70	61.37	65.38	65.40	65.12	64.88	64.53
Capital Adequacy & Solvency											
Core Capital Ratio <i>(regulatory min. 8.5%)</i>	22.75	22.32	18.91	18.70	18.81	17.03	14.98	13.28	13.14	12.51	12.22
Total Capital Ratio <i>(regulatory min. 12.5%)</i>	23.47	22.85	19.91	19.70	19.81	18.03	15.86	14.24	14.09	13.37	12.99
Liquidity Ratio**	26.52	27.00	35.20	33.61	33.31	31.50	29.75	28.07	27.70	27.67	27.88

*The denominator employed for the resultant ratios for FY21, FY22 and FY23F onwards are based on average annual balances. As such, the FY21 and FY22 ratios presented above may differ from those presented elsewhere due to differences in the base.

**FY21 and FY22 ratio reflects the Statutory Liquid Asset Ratio (on a Consolidated basis)

6 VALUATION METHODOLOGY

The Residual Income, Justified Price to Book Value and a 10-year Justified Price to Book Value based Methods were used for the valuation of CBL's shares.

The Residual Income method was employed since it captures the business plans and the immediate growth prospects of the Bank due to the use of an explicit forecast horizon. The Justified P/BV approach was followed due to the consideration of underlying business fundamentals (*i.e.* – *Return on Equity / growth / Cost of equity*) on a sustainable basis, in the valuation of the Company. The availability of listed peers in the sector enabled NDBIB to use the peer-based methodologies. As such, the Relative P/BV was considered as it factors in market dynamics into the valuation of the Company (*The Relative P/BV approach reflects the premium/discount that would be paid on the net asset value of a company*). For the purpose of arriving at a valuation for the IPO, a pure asset-based valuation methodology (*i.e.* assets less liabilities) has not been considered as it does not reflect a value relative to its peers in light of the current market environment, nor captures the business fundamentals and the growth potential of the Bank.

6.1 RESIDUAL INCOME (RI) METHODOLOGY

The Residual Income Valuation holds that the value attributable to equity holders is the summation of the Opening Book Value of Equity and the Present Value of its Residual Income in future years.

- Residual Income for a given year is reflective of the excess profit generated by a business, above and beyond the return demanded by its equity providers
- Thus, the Residual Income for a given year is arrived at after deducting an Equity Charge (a product of opening book value and Cost of Equity) from Net Profit, and all such future Residual Income are discounted at the Cost of Equity in arriving at its cumulative Present Value

$$\text{Equity Value of the Company} = \left[\sum_{t=1}^{\infty} \frac{NI_t - (BV_t * r_t)}{(1 + r_t)} \right] + BV_0$$

BV_0 – Current Net Asset Value ($t=0$)
 BV_t – Opening Net Asset Value in period t
 NI_t – Net Income in period t
 r_t – Cost of Equity in period t
 t – Time Period

A nine-year time horizon was chosen for valuation purposes in order to capture a decent time horizon appreciate the effects of the capital augmentation plan which is set to increase the Bank's core capital to LKR 20.0 Bn by the end of FY25.

6.2 JUSTIFIED PRICE TO BOOK VALUE (JUSTIFIED P/BV) METHOD

This approach relies on determining a Justified Price-to-Book Value (Justified P/BV) ratio, which considers both the Company fundamentals and its potential for sustainable growth. The Bank's Net Asset Value (NAV) is multiplied by the Justified P/BV ratio to arrive at the value of the Bank.

$$\text{Justified P/BV} = (\text{ROE} - g) / (r - g)$$

ROE = Expected Return on Equity (Long Term Return on Equity)

g = Sustainable Growth Rate

r = Required rate of return on equity (Cost of Equity)

$$\text{Equity value of the company} = \text{BVPS} * \text{Justified P/BV multiple}$$

BVPS = Net asset Value per Share as at August 31, 2023

6.3 TRAILING PRICE TO BOOK VALUE (TRAILING P/BV) METHOD

Price to Book Value ratio is calculated as;

$$P/BV = \frac{\text{Market value of an ordinary share}}{\text{Net Asset Value per share}}$$

The above ratio is used to determine the premium or discount that investors pay on the book value of a share of an entity. In arriving at the market value of the company, the book value of shares as of the valuation date is multiplied by an appropriate PBV ratio, as outlined below:

$$\text{Share price} = \text{BVPS} * \text{PBV multiple}$$

Where:

BVPS = Net asset Value per Share as at August 31, 2023

BVPS = Average PBV of Peer Sample

7 VALUATION RESULTS

The Residual Income, Justified Price to Book Value and a 10-year Justified Price to Book Value based Methods were used for the valuation of CBL's shares.

The assumptions used to arrive at the equity value of CBL as per the methodologies given in Section 6.0 are detailed in this section.

7.1 RESIDUAL INCOME (RI) VALUATION METHOD

The relevant resultants from the forecast were used as the inputs in RI method, whilst employing the following RI valuation specific assumptions.

Table 7-1 - RI valuation assumptions

RI Valuation Assumption	September 2023 to December 2023	FY24F	FY25 to FY31	Terminal Period
Risk-free Rate	13.0%†	12.0%	11.0%‡	11.0%
Risk Premium*	6.0%	6.0%	6.0%	6.0%
Cost of Equity	19.0%	18.0%	17.0%	17.0%
Persistence Factor				0.80

†Based on the secondary market yield of a 10-year Treasury Bond as of August 31, 2023 | Source: CBSL Economic Data Library as at September 01, 2023

‡Based on the 10-year average yield of 10-year Treasury Bonds in the Secondary Market (from 2012 to 2021) | Source: CBSL Economic Data Library as at September 01, 2023

*A risk premium of 6% was deemed reasonable for the RI valuation of CBL in considering factors such as the length of the explicit forecast period and uncertainty associated thereof, and the general risk premium garnered by LCBs in comparison to the Market Premium

A three-stage Cost of Equity was used to reflect the expected decline of yields on government securities and its subsequent normalization.

Table 7 2 - RI calculation†

in LKR Mn	September 2023 to December 2023	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Opening Book Value for the period	11,378.9	12,061.9	14,335.7	17,086.9	18,272.1	19,981.4	21,939.6	24,439.9	27,621.9
Net Profit (Values from FY24 found in Table 8-1)	203.0	773.8	1,251.2	1,693.2	2,441.8	2,797.4	3,571.9	4,545.7	5,819.5
Equity Charge	(720.7)	(2,171.2)	(2,437.1)	(2,904.8)	(3,106.3)	(3,396.8)	(3,729.7)	(4,154.8)	(4,695.7)
Residual Income	(517.6)	(1,397.4)	(1,185.9)	(1,211.5)	(664.5)	(599.4)	(157.8)	390.9	1,123.8
Discount factor	0.94	0.85	0.72	0.62	0.53	0.45	0.39	0.33	0.89
Terminal factor									2.70

†Apportioned for the first period | Rolling factors were used to capture the staggered nature of Cost of Equity | FY31 discount factor was adjusted to incorporate the terminal factor

Table 7-3 - RI valuation resultants

in LKR Mn	
PV of Residual Income Streams	(2,700.8)
Book Value - August 31, 2023	11,378.9
Equity Value of Cargills Bank (in LKR Mn)	8,678.2
Implied P/BV (x)	0.76
Value per share (LKR)	9.83

7.2 JUSTIFIED PRICE TO BOOK VALUE METHOD (JUSTIFIED P/BV)

A common peer-set was considered for the purpose of the Justified P/BV and the Trailing P/BV approaches. The peer-set includes all Licensed Banks listed in the CSE with the exception of SANASA Development Bank - *since it is a Licensed Specialized Bank*, and Amana Bank PLC - *since it operates based on a different business model than that of CBL*.

The following assumptions were used in arriving at the Justified P/BV approach.

Table 7-4 - Justified P/BV assumptions and rationale

Assumption	Metric	Rationale
Long-run ROE (ROE)	14.23%	The 8-year average ROE from 2011 to 2018 of the peer-set was considered as a reflective long-run ROE for the Bank, in the absence of a suitable historical ROE for the Bank for reference. The period ranging from 2019 to 2022 was excluded from consideration owing to various macro-economic disruptions which prevailed and impacted the banking sector. As per the forecast, CBL experiences a similar average ROE from FY26 to FY31, after it emerges from its capital augmentation time horizon. <i>(Refer Annexures for the ROEs of the peer-set in the corresponding period.)</i>
Growth Rate (g)	3.00%	Based on GDP growth - CBSL's 2025 GDP growth projection of 3.3%
Long-run Cost of Equity (Ke)	17.00%	Based on an average of 10 year secondary market rate (from 2012 to 2021) of 11% and a risk premium of 6% (based on the expectations of NDBIB)
Justified P/BV	0.80	Derivation from the following formula - $(ROE - g) / (Ke - g)$

The resultant valuation results are as follows.

Table 7-5 - Justified P/BV valuation resultants

Justified P/BV	0.80
Book Value - August 31, 2023 (LKR Mn)	11,378.9
Equity Value of Cargills Bank (in LKR Mn)	9,127.1
Value per share (LKR)	10.33

7.3 TRAILING PRICE TO BOOK VALUE (TRAILING P/BV) BASED VALUATION

For this methodology, as the trailing multiple, the ten-year average Price-to-Book Value multiples from 2014 to 2023 of the peer-set as at March 31st of each year (on a non-weighted basis) was considered, rather than utilizing a trailing multiple on an 'as at date' due to the present volatility in bank multiples.

The 10-year horizon is a fairly reasonable and unbiased timeframe since it potentially captures many credit and bank cycles due to its lengthy duration, and depicts a balanced picture of how bank stocks were priced during periods of noteworthy credit growth and during the past few years, where the banking sector faced unprecedented challenges. Furthermore, since multiples are factors beyond the control of the companies and banks in general, and since pricing maybe agnostic to true performance of the subject concerned (as opposed to other profitability indices), the use of such a metric over a long was deemed necessary and relevant for this exercise. (Refer Annexures for the P/BVs of the peer-set in the corresponding period.)

The Market Based Valuation set out herein of the company, is dependent upon the relative size of the peer entities identified in the Annexures of the Research Report.

Accordingly, the resultant valuation results are as follows.

Table 7-6 - Trailing P/BV valuation resultants

Average 10-year Trailing P/BV	0.77
Book Value - August 31, 2023 (LKR Mn)	11,378.9
Equity Value of Cargills Bank (in LKR Mn)	8,765.3
Value per share (LKR)	9.93

7.4 VALUATION SUMMARY

Table 7-7: Valuation overview

Valuation Method	Equity Value (LKR Mn)	Per Share Value (LKR)	Premium/ (Discount) to the Issue Price of LKR 8/- per Share
Residual Income	8,678.16	9.83	18.59%
Justified P/BV	9,127.13	10.33	22.59%
Trailing P/BV (10-year Average)	8,765.28	9.93	19.40%
Blended Average Valuation	8,856.86	10.03	20.19%

Accordingly, NDBIB is of the view that the fair value of CBL's share is LKR 10.03, based on the valuation methodologies adopted. Given the necessity to provide an upside to the investors, NDBIB recommends an Offer Price of LKR 8.00, which translates to a discount of 20.19% to the valuation.

7.5 SENSITIVITY ANALYSIS

The following table outlines the impact on the average value per share, upon a change in the long-term Cost of Equity (which affects the resultants of the RI and Justified P/BV valuation approaches) and the Return on Equity % (which affects the Justified P/BV valuation approach, since it is a key input in the valuation equation, as outlined in Section 6.2).

Table 7-8 - Sensitivity Analysis - Long-run Cost of Equity and ROE

	ROE - %					
	12.23%	13.23%	14.23%	15.23%	16.23%	
Long-run cost of equity	15.0%	10.55	10.91	11.27	11.63	11.99
	16.0%	9.95	10.28	10.61	10.94	11.27
	17.0%	9.42	9.72	10.03	10.34	10.64
	18.0%	8.94	9.22	9.51	9.79	10.08
	19.0%	8.50	8.77	9.04	9.31	9.58

8 FORECAST STATEMENTS OF FINANCIAL PERFORMANCE

8.1 FORECAST STATEMENTS OF PROFIT AND LOSS FOR CBL

Table 8-1 - Forecast Statements of Profit and Loss

All in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Gross Income*	4,994	9,489	11,945	12,257	14,571	17,765	21,829	26,221	32,056	38,518	45,590
Interest Income	4,100	8,002	10,265	10,504	12,411	15,155	18,601	22,251	27,287	32,773	38,740
Interest Expenses	(2,260)	(4,798)	(6,284)	(5,790)	(6,735)	(8,635)	(10,767)	(13,428)	(16,552)	(20,029)	(23,864)
Net Interest Income	1,840	3,204	3,982	4,714	5,675	6,520	7,834	8,823	10,735	12,744	14,875
Net Fee and Commission	492	862	825	1,100	1,352	1,672	2,061	2,528	3,219	3,877	4,627
Net Gain/Loss from Trading and Financial Instruments	(20)	22	379	58	64	73	84	97	114	135	161
Other Operating Income (Net)	146	192	10	10	10	10	10	10	10	10	10
Total Operating Income	2,459	4,281	5,196	5,881	7,102	8,275	9,988	11,459	14,077	16,766	19,673
Impairment for Loans and Other Losses	(685)	(1,463)	(624)	(701)	(664)	(600)	(526)	(372)	(721)	(824)	(669)
Net Operating Income	1,774	2,817	4,572	5,180	6,438	7,675	9,463	11,086	13,356	15,942	19,004
Personnel Expenses	(843)	(915)	(1,104)	(1,256)	(1,389)	(1,530)	(1,702)	(1,977)	(2,262)	(2,583)	(2,947)
Depreciation and Amortization Expenses	(420)	(437)	(443)	(404)	(435)	(488)	(439)	(489)	(544)	(544)	(530)
Other Expenses	(774)	(1,017)	(1,565)	(1,754)	(1,951)	(2,171)	(2,419)	(2,708)	(3,020)	(3,366)	(3,749)
Operating Profits Before Tax on Financial Services**	(263)	448	1,461	1,767	2,663	3,486	4,903	5,912	7,530	9,449	11,778
Value Added Tax on Financial Services, DRL & NBT	(106)	(241)	(399)	(461)	(591)	(750)	(994)	(1,192)	(1,480)	(1,818)	(2,225)
Profit Before Tax	(369)	206	1,062	1,305	2,072	2,735	3,908	4,720	6,051	7,631	9,553
Income Tax	92	281	(493)	(531)	(821)	(1,042)	(1,466)	(1,923)	(2,479)	(3,085)	(3,733)
Profit After Tax**	(277)	488	568	774	1,251	1,693	2,442	2,797	3,572	4,546	5,820

*Increase in Gross Income in FY22 by c. 90% was attributable to the hike in the interest rates and increases in other income.

**Operating Profit/(loss) before taxes on financial services grew by c. 271% as a result of heightened NII's and Net Fee and Commission Income, even in the midst of increased impairment charges | A tax reversal of c. LKR 281 enabled the bank to record a Profit After Tax figure of c. LKR 488 Mn.

8.2 FORECAST STATEMENTS OF FINANCIAL POSITION FOR CBL

Table 8-2 - Forecast Statements of Financial Position

All in LKR Mn	FY21	FY22	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
Assets											
Cash and Cash Equivalents	1,215	1,232	1,525	1,754	2,017	2,320	2,668	3,068	3,528	4,057	4,666
Placements with Bank / Balances at CBSL / Other Investments	1,169	1,312	8,460	6,831	9,271	9,466	10,574	11,860	13,674	16,348	19,929
Financial Assets: FVPL	0	0	0	0	0	0	0	0	0	0	0
Financial Assets: FVOCI	10,784	10,253	12,243	15,920	20,385	26,080	31,827	38,727	47,891	58,130	69,291
Financial Assets at Amortised Cost											
Loans and Advances to Customers	40,491	35,960	41,507	53,796	68,570	86,680	109,543	138,405	169,843	204,686	242,537
Debt and Other instruments	16	1,997	745	461	0	0	0	0	0	0	0
Property Plant and Equipment	518	475	585	745	737	681	653	1,105	1,301	1,496	1,692
Intangible Assets	259	335	494	382	931	651	693	806	566	326	100
Other Assets	1,316	2,188	2,534	2,968	3,355	3,806	4,263	4,584	5,011	5,503	6,068
Total Assets	55,767	53,753	68,092	82,859	105,266	129,684	160,220	198,555	241,814	290,546	344,283
Liabilities											
Due to other Customers	40,182	37,803	48,971	63,681	81,539	104,319	132,613	168,377	208,220	252,739	301,264
Due to Banks	926	514	125	163	208	267	339	430	532	646	770
Due to Other Borrowers	3,970	3,689	5,000	2,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Other Liabilities	1,364	2,027	1,934	2,179	2,432	2,827	3,287	3,808	4,622	5,540	6,553
Total Liabilities	46,442	44,033	56,030	68,523	88,180	111,412	140,238	176,615	217,374	262,924	312,587
Total Equity	9,325	9,720	12,062	14,336	17,087	18,272	19,981	21,940	24,440	27,622	31,696
Total Equity and Liabilities	55,767	53,753	68,092	82,859	105,266	129,684	160,220	198,555	241,814	290,546	344,283

9 RISKS

This section highlights some of the risks that could be faced by the Bank which in turn could affect its performance and share price and the mitigants in place by the Company. Kindly refer Section 11 of the Prospectus for more detailed information on several risk factors highlighted below.

Government Policy and Regulatory Risk

Given the systemic importance of the Banking Sector in Sri Lanka, the Licensed Commercial Banks in Sri Lanka are subject to strict regulatory oversight and are a major tool for the driving of Government Policy on the Monetary Policy front. The Bank operates in accordance with the Banking Act and the Monetary Law Act, and is supervised by the Bank Supervision Department of the CBSL.

It should be noted that any significant regulatory changes/orders/determinations/directions stipulated by the CBSL have a direct impact on the functioning, performance and the future outlook of CBL and banking institutions in general. *The Monetary Law Act Order No. 01 of 2023 issued on August 25, 2023 - Maximum Interest Rates on Rupee Denominated products, issued in order to further lower market interest rates, for example, is expected to lead to the reduction of interest rates of Rupee Denominated products of Licensed Banks.*

Any directions and guidelines issued by the CBSL which is first received by the Compliance Officer of the Bank is taken up by the respective sub-committees impacted by the development (*e.g. - The ALCO for any interest rate-specific directions*). The decisions taken at the committee level is then routed to the respective business units for execution. Depending on the level of severity, the concerns are directed to the Board for oversight.

Debt Restructuring Related Risk

The licensed banks were exempted in the Domestic Debt Optimization programme approved by the Parliament on July 1, 2023, due to their systemic importance to the economy. Given that many LCBs claim to have sufficiently provided for their ISB exposures as per their internal estimates as stated in their Annual Reports, impact on LCBs upon the eventual restructuring of ISBs will be significant in the event the said restructuring is more detrimental than envisaged. CBL is not expected to experience a direct impact of such a scenario, given the absence of ISB exposure in its portfolio.

However, CBL and other LCBs will be exposed to possible changes in the banking sector upon a possible prolongation of the debt restructuring programme and a delay or stall in the IMF programme as a result.

Success of the Capital Augmentation Plan of CBL

CBL is required, under the direction of the CBSL, to augment its Capital Base to LKR 20.0 Bn (as of August 31, 2023 – LKR 12.9 Bn – Equity of LKR 11.4Bn and an AT1 Bond of LKR 1.5 Bn). The Bank intends to reach this target through accumulated profits of future years along with equity raising and the issue of an AT1 Bond.

The sentiment on the banking sector is set to improve upon the clearance of the debt restructuring programme and the continuation of the IMF programme, which will aid CBL in achieving its budgeted targets and in sourcing the funds necessary to reach the target capital. However, bottlenecks pertaining to future fundraisers may adversely affect the success of the Capital Augmentation Plan and impact the operations of the Bank. However, the Bank maintains healthy capital adequacy levels regardless of the raisings.

Market Risk

Market risk arises from changes in interest rates and other market variables that have an adverse effect on the earnings and capital of CBL. The Bank is exposed to market risk, given the linkages of

market rates (particularly interest rates and exchange rates) to CBL's product offerings on both the assets and liabilities end. The failure to keep track and adapt to the movement in these variables may create unfavourable differentials in returns and affect the value and earnings potential of CBL.

The Bank adopts a comprehensive framework to mitigate and manage market risks, by employing limits, KRIs (Key Risk Indicators) and other risk management tools. It also performs stress testing, sensitivity analysis and other scenario analysis based on interest rate and foreign exchange rate on a routine basis in order to foresee and prepare for possible market conditions. The Treasury Middle Office (TMO) oversees the asset and liability positions under the supervision of the ALCO (Asset and Liability Committee).

Strategic Risk

Strategic risk stems from the inability to execute suitable business plans and strategies, inefficient allocation of resources, inability to adapt to changing circumstances, and falling short of established business targets within the corporate landscape.

The Board of Directors' overseeing function and senior management's supervisory role are fundamental components of the Bank's strategic risk management initiative. CBL has established strong measures for mitigating and overseeing strategic risk, by way of incorporating the use of Key Risk Indicators (KRIs) for continuous evaluation and alignment of performance with strategic objectives. It also conducts industry and competitor comparisons to ensure that it meets its strategic goals in line with industry performance.

By implementing these strategic risk management practices, CBL strives to proactively detect and tackle potential obstacles that might hinder the execution of its business plans and strategies.

Credit Risk

Credit risk arises due to the possibility of borrowers having subpar credit quality in terms of repayment or outright payment defaults. The failure to adeptly manage credit risk would cause a drop in asset quality of the Bank's loan portfolio, cause asset-liability mismatches and negatively impact the returns and value of CBL.

CBL has established policies and a comprehensive framework to manage this risk and address the aspects ranging from client selection, client due diligence, risk tolerance, portfolio management, facility assessment, and recovery procedures. The credit risk management policy integrates the Internal Risk Management Division - in assessing creditworthiness and client scoring, Credit Administration Division - in ensuring efficient post-sanction processes and credit disbursements, respective Business Units and Recovery Unit - in recovering the loans, and the Legal Department.

Operational Risk

Operational risk is defined as the potential for financial loss, resulting from inadequate or malfunctioning internal processes, personnel, systems and events which can impact the entity's operational efficiency and business continuity. It encompasses vulnerabilities, implements controls, and establishes safeguards to mitigate risks, even under worst-case scenarios. Operational bottlenecks and inefficiencies may lead to heightened costs, leading to the erosion of the value of the firm.

CBL's Operational Risk Management Unit is responsible for overseeing operational risk and developing, implementing, and sustaining a robust Operational Risk Management Framework (ORMF). This framework empowers the Bank to evaluate its operational risk profile, recognize patterns of risk, pinpoint areas of concentrated risk, and establish strategies and priorities for risk mitigation.

10 NDBIB TEAM

Darshan Perera – Director/CEO, NDB Investment Bank Limited

Darshan is credited as being a dynamic team player, highly skilled in all aspects of financial and investment markets with over 30 years of experience in the Banking and Finance Sector. He has to his credit, led teams that have successfully managed a large number of IPOs, M&As, and debt raisings and in doing so, introduced to the country new products and achieved record breaking results. Darshan is renowned in the industry as a corporate advisory specialist, specialising in areas of business due diligence, fund raising and restructuring. Darshan has also been instrumental in leading NDBIB to win numerous international and local awards for consecutive years.

Prior to joining NDBIB, Darshan held senior management positions in a number of large organisations and banking institutions, including serving as an Assistant Vice President at Vanik Incorporation. Darshan's career is enriched with a myriad of different academic disciplines. He holds a B.Sc. in Physical Science and an MBA from the University of Colombo. He is an Associate Member of the Institute of Bankers, Sri Lanka and of the Chartered Institute of Marketing, UK. He also holds the Chartered Institute of Management Accountants qualification.

Saminda Weerasinghe, CFA – Chief Corporate Advisory Officer, NDB Investment Bank Limited

Saminda has 20 years of experience in Corporate Finance, Transaction Advisory, Private Equity Structuring etc. He commenced his career at Ernst & Young Sri Lanka, where he was instrumental in multiple advisory and capital raisings for start-ups, M&A and restructuring of distressed companies for multiple clients in Sri Lanka and Maldives, he also had a brief stint at Ernst & Young Singapore, during his period with the company, and subsequently moved to Acuity Partners (Pvt) Ltd. Thereafter, he moved to Asia Capital PLC where he served as Chief Strategy Officer and spearheaded capital raising for several projects.

He held directorships at New Anthoney's Farms (Pvt) Ltd (a market leader in poultry production in Sri Lanka), Davora Capital (Pvt) Ltd (a privately held investment company, that has investment into Hydro Power, Tea Production and Ceramic bath-ware production) Acquest (Pvt) Ltd (the premiere real-estate brokerage company in Sri Lanka) and Kasper Global (Pvt) Ltd (A tech start-up in Sri Lanka), where he contributed to the operations and strategic growth of these entities whilst gaining a vast experience in multiple business sectors.

Sujani Perera – Vice President - Corporate Advisory

Sujani has over fifteen years of investment banking experience at NDBIB. Since joining NDBIB, Sujani has engaged in a diverse range of capital market transactions including IPOs, M&As, rights issues, private placements, corporate restructurings, loan syndications, structured debt facilities and de-listings for leading corporates spread across an array of industries, some of which have been milestone transactions for the Company and the country. Sujani is responsible for sourcing and advising clients with regard to capital market transactions, both in listed and unlisted space.

Sujani holds a B.Sc. (Hons) in Finance from the University of Sri Jayewardenepura, a Master of Financial Economics (Merit) from the University of Colombo and an LLB (Honours) from the University of London. Sujani is also an Associate Member of Chartered Institute of Management Accountants, UK (ACMA).

Rukshan Aponso, CFA – Vice President – Corporate Advisory

Rukshan joined the NDB Group in 2013 and has since been actively involved in transactions carried out by NDBIB in a range of sectors including financial services; hotels and properties; manufacturing; power and energy; and healthcare.

Rukshan specialises in financial modelling, valuation, structuring, M&As and equity raising and counts over 13 years of experience. Rukshan holds a B.Sc. in Mathematics and Economics from the University of London. He is also a CFA Charterholder. Prior to joining NDBIB, he worked as an Associate Consultant in the Corporate Finance and Strategy Division of PricewaterhouseCoopers.

Sulakshana Hettiarachchi, CFA – Associate Vice President

Sulakshana joined NDBIB in 2021 and has engaged in a range of corporate advisory transactions including business valuations and M&As. Prior to joining NDBIB he was employed as a Credit Analyst at Moody's Analytics Knowledge Services (now Acuity Knowledge Partners) for 2 years.

Sulakshana holds a B.Sc. (Hons) in Finance from the University of Sri Jayewardenepura and is a CFA Charterholder. Sulakshana is also a final level candidate of Institute of Chartered Accountants of Sri Lanka (ICASL).

Vindula Perera – Senior Management Associate

Vindula joined NDBIB as an Intern in 2021, and has since been involved in a wide array of Corporate Advisory transactions, including IPOs, Valuations and M&As.

Vindula is a graduate in Finance with a First-class (Special) degree from the University of Sri Jayewardenepura. He also holds a BSc (Hons) in Applied Accounting from Oxford Brookes University and is an Affiliate of the Association of Chartered Certified Accountants, UK (ACCA).

11 DISCLAIMER

The information, forecasts, analyses, assumptions and opinions contained herein have been compiled or arrived at solely based on information provided to NDBIB by CBL. Such information has not been independently verified and no guarantee, representation or warranty, expressed or implied is made as to its accuracy, completeness or correctness. Nothing contained in this Research Report is, or shall be relied upon as, a promise or representation by NDBIB. All such information is subject to change without notice and such changes could be due to unforeseen circumstances. This Research Report is for information purposes only and does not purport to be a complete description of the subject matter presented herein.

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Accordingly, NDBIB shall not be liable for any loss or damage howsoever arising as a result of any person acting or refrain from acting in reliance on any information, forecast analysis and opinion contained herein.

The recipients of this Research Report and/or Investors are expected to carry out their own independent evaluations taking into consideration macro-economic variables and other relevant conditions.

The valuation presented herein is valid for a period of three months (03) from the date of issuance of the final Prospectus, however, subject to there being no material changes to the parameters impacting operations of CBL.

12 ANNEXURES

Table 12-1 - Average ROEs of the peer-set

Bank	Average ROEs for the period [from FY11 to FY18]
Commercial Bank of Ceylon PLC (COSE:COMB.N0000)	18.20%
National Development Bank PLC (COSE:NDB.N0000)	16.29%
DFCC Bank PLC (COSE:DFCC.N0000)	8.91%
Sampath Bank PLC (COSE:SAMP.N0000)	18.11%
Hatton National Bank PLC (COSE:HNB.N0000)	16.09%
Seylan Bank PLC (COSE:SEYB.N0000)	11.24%
Nations Trust Bank PLC (COSE:NTB.N0000)	18.66%
Pan Asia Banking Corporation PLC (COSE:PABC.N0000)	16.08%
Union Bank of Colombo PLC (COSE:UBC.N0000)	3.79%
Average ROE of the peer-set	14.23%

Source: <https://www.capitaliq.com/> (access only available to registered users) [Accessed on September 10, 2023]

Table 12-2 - Average 10-year P/BV multiples of the peer-set

Bank	10 Year Average PBV [from FY14 to FY23]
Union Bank of Colombo PLC (COSE:UBC.N0000) - P/BV	0.87
Commercial Bank of Ceylon PLC (COSE:COMB.N0000) - P/BV	1.09
DFCC Bank PLC (COSE:DFCC.N0000) - P/BV	0.60
Hatton National Bank PLC (COSE:HNB.N0000) - P/BV	0.76
Sampath Bank PLC (COSE:SAMP.N0000) - P/BV	0.75
Nations Trust Bank PLC (COSE:NTB.N0000) - P/BV	0.87
Seylan Bank PLC (COSE:SEYB.N0000) - P/BV	0.63
National Development Bank PLC (COSE:NDB.N0000) - P/BV	0.70
Pan Asia Banking Corporation PLC (COSE:PABC.N0000) - P/BV	0.67
10-year Average	0.77x

Source: <https://www.capitaliq.com/> (access only available to registered users) [Accessed on September 10, 2023]

Table 12-3 - Average P/BV multiples of the peer-set over the years

As of	10 Year Average PBV
31-Mar-14	1.16
31-Mar-15	1.43
31-Mar-16	1.08
31-Mar-17	0.93
29-Mar-18	0.85
29-Mar-19	0.64
20-Mar-20	0.40
31-Mar-21	0.48
31-Mar-22	0.36
31-Mar-23	0.38
Average	0.77

Source: <https://www.capitaliq.com/> (access only available to registered users) [Accessed on September 10, 2023]

ANNEXURE B - COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

JOINT FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

CT CLSA Capital (Pvt) Ltd

4-15, Majestic City,
10, Station Road,
Colombo 04

Tel : +94 11 258 4843
Fax : +94 11 258 0181
www.ctclsa.lk

NDB Investment Bank Limited

Level 1, NDB Capital Building
No. 135, Bauddhaloka Mawatha,
Colombo 04

Tel: +94 11 2 00 385-90
Fax: +94 11 2 300 393
www.ndbib.com

COMPANY

Cargills Bank Limited

No. 696, Galle Road,
Colombo 03
Tel - +94 11 7 640 000
Fax - +94 11 2 055 575

REGISTRARS TO THE ISSUE

S S P Corporate Services (Private) Limited

101, Inner Flower Road,
Colombo 3, Sri Lanka

Tel: +94 11 2 573 894, 2 576 871
Fax: +94 11 2 573 609

Trading Participants of the Colombo Stock Exchange

NDB Securities (Private) Ltd.

Level 2, NDB Capital Building, No. 135,
Buddhaloka Mawatha, Colombo 4.
Tel: +94 11 2 131 000
Fax: +94 11 2 314 181
E-mail: mail@ndbs.lk

Somerville Stockbrokers (Pvt) Ltd.

No. 1A, Park Way, Park Road, Colombo 5.
Tel: +94 11 2 502 852 / +94 11 2 502 854 /
+94 11 2 502 858 / +94 11 2 502 862
Fax: +94 11 2 502 852
E-mail: contact@somerville.lk

Assetline Securities (Pvt) Ltd.

(Inactivated Operations)
No.120, 120A, Pannipitiya Road, Battaramulla.
Tel: +94 11 4 700 100
Fax: +94 11 4 700 101, +94 11 4 700 112
E-mail: info@assetline.lk

John Keells Stock Brokers (Pvt) Ltd.

No. 186, Vauxhall Street, Colombo 2.
Tel: +94 11 2 306 250
Fax: +94 11 2 342 068
E-mail: jkstock@keells.com

Asha Securities Limited

No.60, 5th Lane, Colombo 3.
Tel: +94 11 2 429 100
Fax: +94 11 2 429 199
E-mail: asl@ashasecurities.net

Acuity Stockbrokers (Pvt) Ltd.

No. 53, Dharmapala Mawatha, Colombo 3.
Tel: +94 11 2 206 206
Fax: +94 11 2 206 298 / 9
E-mail: sales@acuitystockbrokers.com

J B Securities (Pvt) Ltd.

No. 150, St. Joseph Street, Colombo 14.
Tel: +94 11 2 490 900
Fax: +94 11 2 430 070
E-mail: jbs@jb.lk

Lanka Securities (Pvt) Ltd

No. 228/1, Galle Road, Colombo 4.
Tel: +94 11 4 706 757 / +94 11 2 554 942
Fax: +94 11 4 706 767
E-mail: info@lankasec.com

Asia Securities (Pvt) Ltd.

4th Floor, Lee Hedges Tower,
No. 349, Galle Road, Colombo 3
Tel: +94 11 7 722 000
Fax: +94 11 258 4864
E-mail: inquiries@asiasecurities.lk

Capital Trust Securities (Pvt) Ltd.

No, 42, Mohamed Macan Markar Mawatha,
Colombo 3.
Tel: +94 11 2 174 174 / +94 11 2 174 175
Fax: +94 11 2 174 173
E-mail: inquiries@capitaltrust.lk

S C Securities (Pvt) Ltd.

5th Floor, No. 26B, Alwis Place, Colombo 3.
Tel: +94 11 4 711 000 / +94 11 4 711 001
Fax: +94 11 2 394 405
E-mail: itdivision@sampathsecurities.lk

CT CLSA Securities (Pvt) Ltd.

4-14, Majestic City, 10, Station Road, Colombo-4.
Tel: +94 11 2 552 290 - 4
Fax: +94 11 2 552 289
E-mail: info@ctclsa.lk

First Capital Equities (Pvt) Ltd.

No. 2, Deal Place, Colombo 3.
Tel: +94 11 2 639 898
Fax: +94 11 5 736 264
E-Mail: equity@firstcapital.lk

Bartleet Religare Securities (Pvt) Ltd.

Level "G", "Bartleet House", No. 65, Braybrooke
Place, Colombo 2.
Tel: +94 11 5 220 200
Fax: +94 11 2 434 985
E-mail: info@bartleetstock.com

Nation Lanka Equities (Pvt) Ltd.

No.44, Guildford Crescent, Colombo 07.
Tel: +94 11 7898302
Fax: +94 11 2673355
E-mail: info@nlequities.com

LOLC Securities Limited

No. 481, T.B. Jayah Mawatha, Colombo 10.
Tel: +94 11 588 9889
Fax: +94 11 266 2883
E-Mail: info@lolcsecurities.com

Capital Alliance Securities (Pvt) Ltd.

Level 5, "Millennium House", 46/58 Navam
Mawatha,
Colombo 2.
Tel: +94 11 2 317 777
Fax: +94 11 2 3177 88
E-mail: info@cal.lk

SMB Securities (Pvt) Ltd.

No. 02, Gower Street, Colombo 5.
Tel: +94 11 4 388 138
Fax: +94 11 2670294
E-mail: info@smbsecurities.lk

First Guardian Equities (Pvt) Ltd.

32nd Floor, East Tower, World Trade Centre,
Colombo 1.
Tel: +94 11 5 884 400 (Hunting)
Fax: +94 11 5 884 401
E-mail: info@fge.lk

Taprobane Securities (Pvt) Ltd.

2nd Floor, No. 10, Gothami Road, Colombo 08.
Tel: +94 11 5 328 200, +94 11 5 328 100
Fax: +94 11 5 328 177
E-mail: info@taprobane.lk

Candor Equities Ltd.

Level 8, South Wing, Millennium House, 46/58
Navam Mawatha, Colombo 02.
Tel: +94 11 2 359 100
Fax: +94 11 2 305 522
E-mail: info.cel@candorh.com

Softlogic Stockbrokers (Pvt) Ltd

Level 16, One Galle Face Tower, Colombo 02.
Tel: +94 11 7 277 000
Fax: +94 11 7 277 099
Email: ssb.inquiry@softlogic.lk

Enterprise Ceylon Capital (Private) Limited.

No.73/1, Dharmapala Mawatha, Colombo 7
Tel: +94 11 244 5644, 11 230 1861/2
E-mail: info@ecc.lk

TKS Securities (Pvt) Ltd. (Inactivated Operations)

4th Floor, No. 245, Dharmapala Mawatha,
Colombo 7.
Tel: +94 11 7 857 799
Fax: +94 11 7 857 857
E-mail: info@tks.lk

Richard Pieris Securities (Pvt) Ltd.

No.310, High Level Road, Nawinna, Maharagama
Tel: +94 11 431 0500
Fax: +94 11 280 2385
Email: communication@rpsecurities.com

Navara Securities (Pvt) Ltd

No. 12B Gregory's Road, Colombo 7.
Tel: +94 11 2 358 700 / 20
Fax: +94 11 5 005 551
Email: info@navarasecurities.lk

Cargills Bank Limited - Branch Network

Branch Name	Telephone No.	Address
Corporate Branch	0117640601 - 608	No. 696, Galle Road, Colombo 03
Maitland Crescent Branch	0117514555 -557	No. 34, Maitland Crescent, Colombo 07
Old Moor Street Branch	0117514550 - 551	No. 326, Old Moor Street, Colombo 12
Matara Branch	0417500133 - 137	No. 60/2, Anagarika Dharmapala Mawatha, Matara
Maharagama Branch	0117865300-302	No. 75, Dehiwala Road, Maharagama
Vavuniya Branch	0247506330 - 335	No. 65, First Cross Street, Vavuniya
Thanamalvila Branch	0477235150 - 152	Gunawardene Building, Main Street, Thanamalwila
Kurunegala Branch	0377880800 - 805	No. 72, Colombo Road, Kurunegala
Jaffna City Center	0217521562 - 563	No.420, Hospital Road, Jaffna.
Chunnakam Branch	0217521500 - 503	No.91, KKS Road, Chunnakkam
Galle Branch	0917877240 - 242	No.10/8, Wakwella Road, Galle
Nuwaraeliya Branch	0527572000 - 002	No. 90, Kandy Road, Nuwara Eliya
Kandy Branch	0817572000 - 001	No 3, Dalada Veediya, Kandy
Peradeniya Branch	0817572050 - 051	No 645, William Gopallawa Mawatha, Kandy
Ratnapura Branch	0457623100 - 102	Municipal Commercial Complex, Old Bus Stand Site, Nagarasaba Pedesa, Ratnapura
Chilaw Branch	0327750100 -104	No. 98, Colombo Road, Chilaw
Wattala Branch	0117506100 - 102	No. 315, Negombo Road, Wattala
Kaduruwela Branch	0277550100 - 102	No. 896, Nidahas Swarna Jayanthi Mawatha, Kaduruwela
Rajagiriya Branch	0117634465 - 468	No. 395, Sri Jayawardhanapura Mawatha, Welikada, Rajagiriya
Fort Branch	0117690700 - 706	No. 40, York Street, Colombo
Nawalapitiya Branch	0547267400 - 404	No. 88, Gampola Road, Nawalapitiya
Negombo Branch	0317489500 - 501	No.293A, Main Street, Negombo
Anuradhapura Branch	0257989001 - 004	No.249B, Rex Building, Anuradhapura
Bandarawela Branch	0577534246 - 249	No 07, Welimada Road, Bandarawela

NDB Bank PLC - Branch Network

Branch Name	Telephone No.	Address
Akkaraipattu	067 7448000/1	No. 487, Main Street, Akkaraipattu
Akuressa	041 7448000/1	No. 21, Main Street, Akuressa
Aluthgama	0347448010/1	No. 267, Galle Road, Aluthgama
Ambalangoda	0917448000/1	No. 333, Galle Road, Ambalangoda
Ambalantota	047 7448000/1	No. 127, Main Street, Ambalantota
Ampara	063 7448000/1	No 75, D S Sennanayake Street, Ampara
Anuradhapura	025 7448000/1	522/C, Maithreepala Senanayake Mawatha, New Town, Anuradhapura
Athurugiriya	011 7448060/1	70/15A, Borella Road, Athurugiriya

Branch Name	Telephone No.	Address
Awissawella	036 7448000/1	No. 93, Ratnapura Road, Awissawella
Badulla	055 7448000/1	242, Lower Street, Badulla
Balangoda	0457448000/1	No 24 A, Barns Ratwatte Mawatha, Balangoda
Bandarawela	057 7448000/1	No. 317, Main Street, Bandarawela
Battaramulla	011 7448090/1	No 245, Main Street, Battaramulla.
Batticaloa	065 7448000/1	No 16, Liyods Avenue, Batticaloa.
Boralessgamuwa	0117448063/4	No 39, Kesbawa Road, Boralessgamuwa
Borella	0117 448078/9	No: 31/5, Dr. N M Perera Mawatha, Borella
Chavakachcheri	0217448013/4	No. 1,3,5, Kandy Road, Chavakachcheri
Chenkalady	065 7448003/4	Trincomalee Road, Chenkalady.
Chilaw	032 7448000/1	50-52, Skyline Building, Colombo Road, Chilaw
Chunnakam	021 7448018/9	No: 30, K.K.S. road, Chunnakam
Colombo 7	011 7448004/5	103A, Dharmapala Mawatha, Colombo 7
Dambulla	066 7448000/1	No: 42, Kurunegala road, Dambulla
Digana	081 7448003/4	No 59/6, Gonawala Road, Digana.
Eheliyagoda	036 7448003/4	No: 302, Main Street, Ehaliyagoda.
Elpitiya	091 7448003/4	No. 23, Ambalangoda Road, Elpitiya
Embilipitiya	047 7448003/4	No. 67, Pallegama, Embilipitiya
Fort	011 7448111/2	No. 39, Canal Row, Colombo 01.
Galle	091 7448006/7	1/A, Abeysekara Building, Wakwella Road, Galle
Gampaha	033 7448000/1	03, Yakkala Road, Gampaha
Gampola	081 7448000/1	No 11 B & 11 C, Nawalapitiya Road, Gampola
Giriulla	037 7558010/1	No 86, Negombo Road, Giriulla.
Hambanthota	047 7448006/7	No 34, Wilmot Street, Hambantota
Hanwella	036 7448006/7	No 130/C, Pahala Hanwella, Hanwella.
Havelock Town	0117 448006/7	117, Havelock Road, Colombo 05
Hendala	011 7448094/3	No 46A Hendala Road, Hendala
Hikkaduwa	091 7448009/10	No 245, Galle Road, Hikkaduwa.
Hingurakgoda	027 7558010/1	No 10, Airport Road, Hingurakgoda
Homagama	011 7448045/6	64A, High Level Road, Homagama
Horana	034 7448013/5	135, Panadura Road, Horana
Ja - Ela	011 7448075/6	No.121, Colombo Road, Ja-Ela
Jaffna	021 7448011/24	No 62/6, Stanley Road, Jaffna
Kadawatha	011 7448036/7	147, Kandy Road, Kadawatha
Kaduruwela	027 7558003/4	No 25, Batticaloa Road, Polonnaruwa
Kaduwela	011 7448081/2	No: 501/2, Awissawella Road, Kaduwela
Kahawatte	045 7448003/4	No 149, Main Street, Kahawatte
Kalmunai	067 7448003/4	No: 165, Batticaloa Road, Kalmunai
Kalutara	034 7448016/7	290, Galle Road, Kalutara South
Kandana	011 7448039/40	No.677, Negombo Road, Kandana
Kandy	081 7448015/6	No 133, Kotugodella Veediya, Kandy

Branch Name	Telephone No.	Address
Kandy City Centre	081 7448006/7	L 1 - 3, Level 1, Kandy City Center, No. 05, Dalada weediya, Kandy
Katana	031 7448000/1	No.05, Koongashandiya, Katana
Katugastota	081 7448009/10	No 111, Kurunegala Road, Katugastota
Katunayake	011 7448096/7	No 745, Baseline Road, Aweriwatta, Katunayaka
Kegalle	035 7448003/4	261/1, Kandy Road, Kegalle
Kekirawa	0257448003/4	No 61, Opposite Government Hospital, Main Street, Kekirawa
Kiribathgoda	011 7448033/4	No. 540, New Hunupitiya Road, Dalugama, Kelaniya
Kochchikade	031 7448003/4	No 96, Chilaw Road, Kochchikade.
Kohuwela	0117 448051/2	No. 143, S De S Jayasinghe Mawatha, Nugegoda.
Kollupitiya	011 7448018/9	No.321, Galle Road, Colombo 3
Kotahena	0117 448030/1	295, George R De Silva Mawatha, Co -13
Kottawa	011 7448099/100	365/1 A, High Level Road, Kottawa
Kuliyapitiya	037 7558003/4	No 133, Main Street, Kuliyapitiya
Kurunegala	037 7558006/7	6, Rajapihilla Mawatha, Kurunegala
Maharagama	011 7448015/6	108 A, Highlevel Road, Maharagama
Mahawewa	032 7448003/4	Chilaw Road, Mahawewa.
Mahiyanganaya	055 7448003/4	No: 02, New Town, Mahiyanganaya
Malabe	0117448049/8	760, New Kandy Road, Malabe
Manipay	021 7448021/2	No.260, Manipay Road, Manipay
Marine Drive	011 7448102/3	42, Sagara Road, Marine Drive, Colombo 4
Matale	066 7448003/4	No. 144, Main Street , Matale
Matara	041 7448003/4	60, Uyanwatte Rd, Matara
Mathugama	034 7448022/3	No. 98, Agalawatta Road, Mathugama
Minuwangoda	011 7448084/5	No. 49, Negombo Road, Minuwangoda
Monaragala	055 7448006/7	No. 29, Pothuwil Road, Monaragala
Moratuwa	011 7448021/2	255, Galle Road, Idama, Moratuwa
Mount Lavinia	011 7448024/5	No 431/433, Galle Road, Mount Lavinia
Narahenpita	011 7448105/6	92, Kirula Road, Narahenpita, Colombo 5.
Narammala	037 7558013/4	No 144, Kurunegala Road, Narammala
Nattandiya	032 7448006/7	No 82, Marawila Road, Nattandiya.
Nawalapitiya	054 7448000/1	No 70B, Gampola Road, Nawalapitiya
Nawam Mawatha	011 7448000/1	No 40, Nawam Mw, Colombo 02
Negombo	031 7448006/7	No. 121, St.Joseph Street, Negombo
Nelliady	021 7448012/27	109, Jaffna Road, Nelliady
Nikaweratiya	037 7558016/7	No:65, Puttalam Road, Nikaweratiya
Nittambuwa	033 7448003/4	No 496, Kandy Road, Nittambuwa
Nugegoda	011 7448009/10	152, Nawala Rd, Nugegoda
Nuwara Eliya	052 7448000/1	No 50/1, New Bazaar Street, Nuwara Eliya
Old Moor Street	011 7448108/9	No. 311, Old Moor Street, Colombo 12

Branch Name	Telephone No.	Address
Panadura	038 7448000/1	No. 319, Galle Road, Panadura
Pelawatte	011 7448027/8	301, Pannipitiya Road, Battaramulla
Pettah	011 7448072/3	No, 137,133/1, Main Street, Colombo 11
Pilimathalawa	081 7448012/3	No: 240, Colombo Road. Pilimathalawa
Piliyandala	011 7448057/8	No 120, Horana Road, Piliyandala.
Pitakotte	011 7448114/5	No 322B, Kotte Road, Pitakotte
Private Wealth Centre	011 7448087/8	No 135, Rainbow Business Centre, Bauddhaloka Mawatha, Colombo 04
Puttalam	032 7448009/10	104, Kurunegala Road, Puttalam
Rajagiriya	011 7448012/3	505, Sri Jayawardenapura Ethul Kotte, Kotte
Ratmalana	011 7448066/7	No 151, Galle Road, Ratmalana
Ratnapura	045 7448006/7	No 211, Main Street, Rathnapura
Shangri-la	011 7448117/8	One Galle Face Mall, Premises no L 1 - 77, No 1 A, Colombo 02.
Tangalle	047 7448009/10	No 90A, Matara Road, Tangalle.
Thambuttegama	025 7448006/7	No 255A, Main Street, Thambuttegama
Thirunelveli	021 7448016/17	No, M102, Palaly Road, Jaffna
Tissamaharama	047 7448012/3	No. 133 E, New Town, Tissamaharama
Trincomalee	026 7448000/1	No 91& 93, North Coast Road, Trincomalee
Uragasmanhandiya	091 7448012/3	No 131, Main Street, Uragasmanhandiya
Vavuniya	024 7448000/1	188, 190, 192 & 190/1, Kandy Road, Vavuniya.
Warakapola	035 7448000/1	No. 96 & 98, Main Street, Warakapola
Wariyapola	037 7558019/20	Navinna Building, Puttlam Road, Wariyapola
Wattala	011 7448042/3	378A, Negombo Road, Wattala
Wellawatte	011 7448120/1	302, Galle Road, Colombo 6
Wennappuwa	031 7448009/10	No 204, Chilaw Road, Wennappuwa
Yakkala	033 7448006/7	65/5 B, Kandy Road, Yakkala

ANNEXURE C - CUSTODIAN BANKS

Bank of Ceylon
Head Office
11th Floor, 04, Bank of Ceylon Mawatha,
Colombo 01.
Tel: +94 112 204 064

The Hongkong and Shanghai Banking
Corporation Limited
24, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 11 2 325 435, +94 11 2 446 591,
+94 11 2 446 303

Citi Bank, N A
65 C, Dharmapala Mawatha,
P. O. Box 888, Colombo 07.
Tel: +94 114 794 728

People's Bank
Head Office - Treasury, 5th Floor, 75, Sir
Chittampalam
A. Gardiner Mawatha, Colombo 02.
Tel: +94 11 2 206 782

Commercial Bank of Ceylon PLC
Commercial House
21, Bristol Street, P.O. Box 853, Colombo 01.
Tel: +94 11 2 445 010-15

Public Bank Berhad
340, R A De Mel Mawatha, Colombo 03.
Tel: +94 11 2 576 289, +94 11 7 290 200-7

Deutsche Bank AG
86, Galle Road, P.O. Box 314, Colombo 03.
Tel: +94 11 2 447 062 / 011 2 438 057

Standard Chartered Bank
37, York Street, P. O. Box 112, Colombo 01.
Tel: +94 112 480 450

Hatton National Bank PLC
HNB Towers, 479, T. B. Jayah Mawatha,
Colombo 10.
Tel: +94 112 661 762

Sampath Bank PLC
110, Sir James Peiris Mawatha, Colombo 02.
Tel: +94 115 331 458, +94 114 730 662

Union Bank of Colombo PLC
64, Galle Road, Colombo 03.
Tel: +94 112 374 205

State Bank of India
16, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 114 622 350

Nations Trust Bank PLC
256, Sri Ramanathan Mawatha, Colombo 15
Tel: +94 114 313 131

Seylan Bank PLC
Level 8, Ceylinco Seylan Towers,
90, Galle Road, Colombo 03.
Tel: +94 11 4 701 812, 011 4 701 819

Pan Asia Banking Corporation PLC
Head Office
450, Galle Road, Colombo 03.
Tel: +94 11 2 565 565