



Record Performance and Strategic Expansion: DFCC Bank Delivers a Landmark 2025

- Group Core Business Profit After Tax of LKR 11.2 Bn
- Group Total Capital Adequacy Ratio of 15.989%
- Group Net Fee and Commission Income up by 48% to LKR 7.3 Bn
- Bank Loan Book up by 120 Bn to LKR 516 Bn
- Bank Profit After Tax of LKR 16 Bn including disposal gain from Acuity Partners (Pvt) Ltd

DFCC Bank delivered a record financial performance for the year ended 31 December 2025, reinforcing the strength of its strategy, the discipline of its execution, and the resilience of its balance sheet. Profit After Tax from continuing operations increased by 32%, supported by sustained expansion in the loan portfolio and deposit base, disciplined asset-liability management, and strong cost governance.

Total assets expanded by 22% to LKR 857 Bn, while the loan portfolio grew by 31%, reflecting calibrated credit expansion aligned with national recovery priorities. Funding optimisation and prudent liquidity management continued to underpin performance, reinforcing long-term value creation for shareholders and customers.

During the year, market interest rates stabilised at lower levels, with the Central Bank of Sri Lanka maintaining an accommodative stance for part of the year to support liquidity and credit flows. Despite economic disruptions following Cyclone Ditwah in late 2025, early indicators of recovery emerged, with reconstruction activity expected to support credit demand going forward.

A defining strategic milestone was the signing of a binding Business Sale Agreement with Standard Chartered Bank PLC, to acquire the Wealth and Retail Banking operations of Standard Chartered Bank, Sri Lanka. This transaction strengthens DFCC Bank's retail and wealth franchise, expands its customer base, and accelerates scale across key growth segments.

The Bank also successfully issued Sri Lanka's first listed and rated Blue Bond, an LKR 3 Bn transaction that was significantly oversubscribed. This landmark issuance reflects strong investor confidence and reinforces DFCC Bank's leadership in sustainable and thematic finance.

During its 70th anniversary year, the Bank introduced a suite of special Fixed Deposit products to reward long-standing customers and deepen relationships, underscoring its enduring commitment to service and trust.

Looking ahead, DFCC Bank remains firmly committed to upholding Environmental, Social, and Governance principles. Sustainability is embedded within the Bank's operating model, ensuring that growth remains inclusive, responsible, and aligned with the long-term well-being of communities and stakeholders. The Bank continues to enhance climate- and sustainability-related financial disclosures in line with SLFRS S1 and S2, strengthening transparency and decision-useful reporting for investors and capital providers.

In recognition of its continued impact, DFCC Bank was certified as a Great Place to Work and ranked 4th in the AICPA & CIMA Top 20 Employers in Sri Lanka. It was declared Best Bank in MSME Acceleration at the ICC Emerging Asia Banking Awards 2025. The Bank was also ranked 27th among Sri Lanka's Most Valuable and Strongest Brands by Brand Finance and received recognition at SLIM Digis 2.5 for Best Use of AI Technologies (Merit) and Best SEO/SEM Campaign (Silver).

INCOME STATEMENT ANALYSIS

PROFITABILITY

In 2025, DFCC Bank PLC reported a Profit Before Tax (PBT) of LKR 15,582 Mn and a Profit After Tax (PAT) of LKR 11,060 Mn from continuing operations, representing a 32% increase over the previous year's PAT of LKR 8,353 Mn. Including the gain arising from the disposal of its stake in Acuity Partners (Pvt) Ltd, subsequently renamed HNB Investment Bank (Pvt) Ltd, total Profit After Tax for the year increased to LKR 16,028 Mn.

Earnings Per Share (EPS) from continuing operations rose by 30% to LKR 25.30, while EPS including the disposal gain stood at LKR 36.66, reflecting sustained earnings momentum.

At Group level, for the year ended 31 December 2025, Profit Before Tax was LKR 15,953 Mn and Profit After Tax was LKR 11,231 Mn from continuing operations, compared to LKR 13,820 Mn and LKR 8,554 Mn respectively in 2024. Group EPS from continuing operations rose by 30% rise, increasing to LKR 25.31 in 2025, from LKR 19.51 in the previous year.

The Bank's Return on Assets (ROA) before tax from continuing operation maintained at 2.00%, while Return on Equity (ROE) after tax from continuing operation stood at 11.55% for 2025, compared to 10.99% in 2024.

The Bank's total tax expense, including Value Added Tax (VAT), Social Security Contribution Levy (SSCL) on financial services, and Income Tax, amounted to LKR 10,751 Mn for the year ended 31 December 2025. Consequently, the Bank's tax expense as a percentage of operating profit including the gain on disposal of Acuity stake stood at 41% for the year.

NET INTEREST INCOME

Interest income increased by 6% during the year, while interest expenses were effectively contained, reflecting disciplined margin management in a lower-rate environment. Loan portfolio expansion of 31% supported this performance, with a strategic focus on quality asset growth.

Net Interest Income increased by 10% to LKR 30,953 Mn, driven by effective loan book growth and funding cost optimisation. The CASA portfolio grew by 20%, with the CASA ratio at 24.49% as at 31 December 2025, reflecting a stronger funding mix of deposits and improved cost efficiency.

Net Interest Margin moderated from 4.18% in December 2024 to 3.96% by December 2025, primarily due to competitive pressures and prevailing market dynamics.

FEE AND COMMISSION INCOME

Strategic focus on remittances, trade-related commissions, and card-based services supported strong growth in non-funded income. Credit card portfolio expansion contributed meaningfully to performance.

While related fee expenses increased in line with customer acquisition and portfolio growth, the net impact remained positive. Net fee and commission income increased by 48% to LKR 7,313 Mn, compared to LKR 4,929 Mn in 2024.

IMPAIRMENT CHARGE ON LOANS AND OTHER LOSSES

The Stage 3 impaired loan ratio improved to 4.55% as at 31 December 2025, from 5.63% a year earlier, supported by recoveries and portfolio expansion.

Impairment provisions were prudently calibrated to reflect model updates and risk buffers across higher-risk customer base including customers who affected by Cyclone Ditwah and requesting relief under the temporary debt relief schemes. Consequently, impairment charges increased by 6% to LKR 4,926 Mn, compared to LKR 4,648 Mn in 2024.

OPERATING EXPENSES

Technology and digital transformation remained a strategic priority, with ongoing upgrades to its IT infrastructure aimed at enhancing multi-channel service delivery and operational efficiency. In parallel, the Bank increased its investment in marketing and promotional activities to strengthen brand visibility, deepen customer engagement, and support product growth. These forward-looking initiatives are expected to deliver long-term value by building brand equity, expanding market reach, accelerating customer acquisition, and strengthening DFCC Bank's competitive position in a dynamic financial landscape.

As a result of these strategic investments, operating expenses increased to LKR 18,808 Mn for the year ended 31 December 2025, compared to LKR 16,805 Mn in 2024. The Bank continues to prioritise cost optimisation to ensure sustainable growth and operational resilience.

OTHER COMPREHENSIVE INCOME (OCI)

Changes in the fair value of investments in equity and fixed-income securities (treasury bills and bonds), along with movements in hedging reserves, are recorded through other comprehensive income. The application of hedge accounting minimized the impact of exchange rate fluctuations on the Bank's profitability.

A fair value gain of LKR 9,721 Mn was recorded on equity securities outstanding as of 31 December 2025, primarily driven by the increase in the share price of Commercial Bank of Ceylon PLC. Treasury bill and bond valuations contributed a further gain of LKR 1,059 Mn.

FINANCIAL POSITION ANALYSIS

ASSETS

DFCC Bank delivered strong balance sheet growth despite ongoing economic challenges and sector-specific pressures. Total assets expanded by LKR 153 Bn, a 22% increase since December 2024. The Bank's net loan portfolio also increased by LKR 120 Bn to reach LKR 516 Bn, representing a robust 31% growth from LKR 395 Bn as at 31 December 2024. This performance reflects the successful execution of DFCC Bank's strategic growth priorities and renewed confidence amid improving economic conditions, reinforcing the Bank's vital role in driving credit expansion and supporting national economic recovery.

LIABILITIES

The Bank's total liabilities increased by LKR 130 Bn, reflecting a 21% growth from December 2024. The deposit base expanded by 21%, rising by LKR 100 Bn to LKR 565 Bn, up from LKR 465 Bn as of 31 December 2024, resulting in an improved loan-to-deposit ratio of 99.80%. Additionally, the CASA ratio stood at 24.49% as of 31 December 2025. The Bank effectively contained funding costs by utilizing medium to long-term concessionary credit lines, which supported the expansion of the lending portfolio and provided much-needed concessionary funding to customers. Factoring in these concessionary term borrowings, the CASA ratio further improved to 29.74%, while the loan-to-deposit ratio improved to 92.85% as of 31 December 2025.

EQUITY AND COMPLIANCE WITH CAPITAL REQUIREMENTS

As at 31 December 2025, total equity increased by LKR 23 Bn, supported by a profit after tax of LKR 16.03 Bn and fair value gains across the Bank's securities portfolios.

In alignment with the Bank's growth strategy and the improving economic environment, the net loan portfolio grew by 31%. Leveraging the strengthened equity base, the Bank effectively absorbed the additional capital requirements associated with portfolio growth. The Tier 1 Capital Ratio was

maintained at 13.550%, while the Total Capital Ratio stood at 15.933%, compared to 12.402% and 15.759%, respectively, as at December 2024.

The Bank's Net Stable Funding Ratio (NSFR) stood at 122.64%, and the Liquidity Coverage Ratio (LCR) – all currency – stood at 184.06%, both comfortably exceeding regulatory minimums.

DIVIDEND POLICY

The Bank's dividend policy seeks to maximise shareholder wealth while ensuring adequate capital for expansion, supported by its island-wide presence and investments in technology. Accordingly, the Board of Directors has approved a final dividend of LKR 7.50 per share, comprising LKR 2.50 per share in cash and LKR 5.00 as a scrip dividend for the year ended 31 December 2025, balancing shareholder returns with long-term business plans. Consequently, the dividend payout ratio for the year is 32% of the distributable profit.

CEO'S STATEMENT

DFCC Bank concluded 2025 with record financial performance, strengthened capital, and decisive strategic progress - achievements made possible by the trust placed in us and the discipline with which our teams executed throughout the year.

For the year ended 31 December 2025, the Bank recorded a Profit After Tax of LKR 11,060 Mn from continuing operations, reflecting a 32% increase over the previous year's LKR 8,353 Mn. Including the gain arising from the strategic divestment of our 50% stake in Acuity Partners (Pvt) Ltd, total reported Profit After Tax increased to LKR 16,028 Mn. It is important to clearly distinguish between these figures. The underlying performance of LKR 11,060 Mn reflects the strength of our core banking operations, while the additional gain strengthened our capital base and enhanced strategic flexibility for future growth.

Total assets expanded by 22% to LKR 857 Bn, supported by a 31% increase in the loan portfolio. Our Total Capital Adequacy Ratio stood at 15.933%, and both the Net Stable Funding Ratio and Liquidity Coverage Ratio remained comfortably above regulatory thresholds - reaffirming the resilience of our balance sheet and our prudent approach to risk management.

2025 was also marked by significant strategic milestones. The signing of the binding Business Sale Agreement to acquire the Wealth and Retail Banking operations of Standard Chartered Bank in Sri Lanka represents a transformative step in strengthening our retail and wealth franchise. During the year, we also successfully issued Sri Lanka's first listed and rated Blue Bond - an LKR 3 Bn transaction that was significantly oversubscribed - reinforcing our leadership in sustainable finance and responsible capital mobilisation.

As we commemorated our 70th year of service, our focus remained firmly on relevance and responsibility. Our MSME, retail, and remittance propositions continued to expand financial access, while disciplined cost management and funding optimisation supported stable earnings growth.

Sustainability is not an adjunct to our strategy; it is embedded within our operating model, governance framework, and disclosure practices.

Our commitment extends beyond financial performance. Through our Ride for Life cycling initiative, we continued to raise national awareness on mental health, recognising that economic resilience must be matched by social well-being. Our Leopard conservation campaign further underscored our responsibility toward environmental stewardship and biodiversity protection - reflecting our belief that responsible banking must consider the long-term health of the ecosystems within which we operate.

During the year, the Bank was honoured to receive several recognitions that reflect the strength of our people and our brand. We were certified as a Great Place to Work and ranked 4th in the AICPA & CIMA Top 20 Employers in Sri Lanka. We were also named Best Bank in MSME Acceleration at the ICC Emerging Asia Banking Awards 2025. In addition, DFCC Bank was ranked 27th among Sri Lanka's Most Valuable and Strongest Brands by Brand Finance and received recognition at SLIM Digis 2.5 for Best Use of AI Technologies and Best SEO/SEM Campaign. We view these acknowledgements not as endpoints, but as encouragement to continue raising standards across every dimension of our work.

These outcomes would not have been possible without the confidence of our customers, the commitment and professionalism of our employees, the guidance of our regulators, and the support of our Board, shareholders and investors. We remain deeply grateful for the trust placed in DFCC Bank. It is this trust that obliges us to remain transparent, prudent, and forward-looking in every decision we take.

As we move ahead, our capital is strong, our strategy is clear, and our responsibility remains unchanged. DFCC Bank will continue to pursue disciplined growth, responsible innovation, and sustainable value creation - building on over seven decades of service to Sri Lanka with humility and conviction.

Thimal Perera
Director/ Chief Executive Officer
24 February 2026

DFCC Bank PLC
Income Statement

Notes	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %	31.12.2025 LKR 000	31.12.2024 LKR 000	Change %	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %	31.12.2025 LKR 000	31.12.2024 LKR 000	Change %
Gross Income	96,696,272	89,559,338	8	24,699,914	23,176,511	7	97,281,559	90,156,259	8	24,806,466	23,237,165	7
Interest income	81,344,512	76,907,481	6	21,406,689	19,388,127	10	81,347,355	76,910,407	6	21,407,408	19,377,208	10
Interest expenses	50,391,790	48,786,254	3	13,422,834	12,000,993	12	50,312,768	48,708,495	3	13,401,424	11,982,706	12
Net interest income	30,952,722	28,121,227	10	7,983,855	7,387,134	8	31,034,587	28,201,912	10	8,005,984	7,394,502	8
Fee and commission income	9,561,602	6,334,637	51	2,724,054	1,784,321	53	9,561,077	6,333,848	51	2,723,984	1,784,121	53
Fee and commission expenses	2,248,505	1,405,415	60	692,084	416,552	66	2,248,505	1,405,415	60	692,084	416,552	66
Net fee and commission income	7,313,097	4,929,222	48	2,031,970	1,367,769	49	7,312,572	4,928,433	48	2,031,900	1,367,569	49
Net gains from trading	2,481,139	1,272,879	95	271,896	613,524	(56)	2,481,139	1,272,879	95	271,896	613,524	(56)
Net gains from derecognition of financial assets												
At amortised cost	-	990,917	(100)	-	768,983	(100)	-	990,917	(100)	-	768,983	(100)
Fair value through other comprehensive income	1,687,725	2,877,314	(41)	151,231	494,190	(69)	1,687,725	2,877,314	(41)	151,231	494,190	(69)
Net other operating income	1,621,294	1,176,110	38	146,044	127,366	15	2,204,263	1,770,894	24	251,947	199,139	27
Total operating income	44,055,977	39,367,669	12	10,584,996	10,758,966	(2)	44,720,286	40,042,349	12	10,712,958	10,837,907	(1)
Impairment charge / (reversal)												
Loans and advances	5,046,842	3,963,819	27	1,109,299	387,118	187	5,046,842	3,963,819	27	1,109,299	387,118	187
Sri Lanka International Sovereign Bonds and Debentures	86,986	518,264	(83)	(48,353)	-	(100)	86,986	518,264	(83)	(48,353)	-	(100)
Other financial assets and credit related commitments	(207,545)	166,277	(225)	(501,916)	(442,756)	(13)	(207,545)	166,277	(225)	(501,916)	(442,756)	(13)
Net operating income	39,129,694	34,719,309	13	10,025,966	10,814,604	(7)	39,794,003	35,393,989	12	10,153,928	10,893,545	(7)
Operating expenses												
Personnel expenses	7,949,099	8,328,225	(5)	2,345,152	3,132,138	(25)	8,124,463	8,580,640	(5)	2,389,732	3,213,845	(26)
Depreciation and amortisation	1,472,652	1,216,293	21	409,907	349,093	17	1,522,704	1,290,198	18	415,597	368,219	13
Other expenses	9,385,843	7,260,546	29	2,704,863	1,982,484	36	9,456,213	7,289,290	30	2,741,711	1,990,028	38
Total operating expenses	18,807,594	16,805,064	12	5,459,922	5,463,715	(0)	19,103,380	17,160,128	11	5,547,040	5,572,092	(0)
Operating profit before taxes on financial services	20,322,100	17,914,245	13	4,566,044	5,350,889	(15)	20,690,623	18,233,861	13	4,606,888	5,321,453	(13)
Taxes on financial services	4,740,428	4,415,824	7	1,135,420	1,411,439	(20)	4,740,428	4,415,824	7	1,135,420	1,411,439	(20)
Operating profit after taxes on financial services	15,581,672	13,498,421	15	3,430,624	3,939,450	(13)	15,950,195	13,818,037	15	3,471,468	3,910,014	(11)
Share of profit of associate	-	-	-	-	-	-	3,100	1,536	102	1,612	411	292
Profit before income tax	15,581,672	13,498,421	15	3,430,624	3,939,450	(13)	15,953,295	13,819,573	15	3,473,080	3,910,425	(11)
Income tax expense	4,521,351	5,145,890	(12)	698,685	1,599,777	(56)	4,722,753	5,265,098	(10)	772,897	1,663,742	(54)
Profit for the year from continuing operations	11,060,321	8,352,531	32	2,731,939	2,339,673	17	11,230,542	8,554,475	31	2,700,183	2,246,683	20
Discontinued Operation												
Profit for the year from discontinued operations, net of tax	4,967,916	-	100	-	-	-	300,962	1,377,926	(78)	-	557,307	(100)
Profit for the year	16,028,237	8,352,531	92	2,731,939	2,339,673	17	11,531,504	9,932,401	16	2,700,183	2,803,990	(4)
Profit attributable to:												
Equity holders of the Bank	16,028,237	8,352,531	92	2,731,939	2,339,673	17	11,368,784	9,777,516	16	2,660,468	2,787,364	(5)
Non-controlling interests	-	-	-	-	-	-	162,720	154,885	5	39,715	16,626	139
Profit for the year	16,028,237	8,352,531	92	2,731,939	2,339,673	17	11,531,504	9,932,401	16	2,700,183	2,803,990	(4)
Basic/Diluted earnings per ordinary share (LKR)	36.66	19.40	89	6.25	5.43	15	26.00	22.71	14	6.08	6.47	(6)
Basic/Diluted earnings per ordinary share (LKR) - continuing operations	25.30	19.40	30	6.25	5.43	15	25.31	19.51	30	6.08	5.18	17

DFCC Bank PLC
Statement of Profit or Loss and Other Comprehensive Income

	Bank						Group					
	For the year ended			For the quarter ended			For the year ended			For the quarter ended		
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %	31.12.2025 LKR 000	31.12.2024 LKR 000	Change %	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %	31.12.2025 LKR 000	31.12.2024 LKR 000	Change %
Profit for the year	16,028,237	8,352,531	92	2,731,939	2,339,673	17	11,531,504	9,932,401	16	2,700,183	2,803,990	(4)
Other comprehensive income / (expenses) for the period, net of tax												
Items that are or may be reclassified subsequently to income statement												
Movement in fair value reserve (FVOCI debt instrument):												
Net change in fair value	1,058,783	3,788,971	(72)	(611,308)	2,844,516	(121)	1,058,783	3,788,971	(72)	(611,308)	2,844,516	(121)
Reclassified to income statement	(1,687,725)	(2,877,314)	41	(151,231)	(494,190)	69	(1,687,725)	(2,877,314)	41	(151,231)	(494,190)	69
Movement in hedging reserve:												
Cash flow hedge - effective portion of changes in fair value	(1,718,700)	(6,915,285)	75	(387,473)	(1,945,630)	80	(1,718,700)	(6,915,285)	75	(387,473)	(1,945,630)	80
Cash flow hedge - reclassified to income statement	1,181,813	5,930,375	(80)	145,313	870,750	(83)	1,181,813	5,930,375	(80)	145,313	870,750	(83)
Related deferred tax	401,053	23,265	1,624	271,022	(383,456)	171	401,053	23,265	1,624	271,022	(383,456)	171
Total other comprehensive expenses that are or may be reclassified subsequently to income statement	(764,776)	(49,988)	(1,430)	(733,677)	891,990	(182)	(764,776)	(49,988)	(1,430)	(733,677)	891,990	(182)
Items that will not be reclassified to income statement												
Gains on remeasurement of defined benefit (assets)/liabilities	384,607	198,014	94	384,607	198,014	94	379,126	192,084	97	379,126	192,084	97
Equity investments at FVOCI - net change in fair value	9,721,179	9,119,808	7	1,375,128	7,322,710	(81)	9,721,179	9,119,808	7	1,375,128	7,322,710	(81)
Share of other comprehensive income of equity accounted associate	-	-	-	-	-	-	179	217	(18)	179	217	(18)
Related deferred tax	(133,943)	(69,067)	(94)	(133,943)	(69,067)	(94)	(132,299)	(67,287)	(97)	(132,299)	(67,287)	(97)
Total other comprehensive income on items that will not be reclassified to income statement	9,971,843	9,248,755	8	1,625,792	7,451,657	(78)	9,968,185	9,244,822	8	1,622,134	7,447,724	(78)
Other comprehensive income for the year , net of tax - continuing operations	9,207,067	9,198,767	0	892,115	8,343,647	(89)	9,203,409	9,194,834	0	888,457	8,339,714	(89)
Discontinued Operation												
Other comprehensive expenses for the year, net of tax - discontinued operations	-	-	-	-	-	-	-	(317,386)	100	-	74,670	(100)
Total comprehensive income for the year	25,235,304	17,551,298	44	3,624,054	10,683,320	(66)	20,734,913	18,809,849	10	3,588,640	11,218,374	(68)
Total comprehensive income attributable to:												
Equity holders of the Bank	25,235,304	17,551,298	44	3,624,054	10,683,320	(66)	20,573,112	18,658,077	10	3,549,844	11,204,861	(68)
Non-controlling interests	-	-	-	-	-	-	161,801	151,772	7	38,796	13,513	187
Total comprehensive income for the year	25,235,304	17,551,298	44	3,624,054	10,683,320	(66)	20,734,913	18,809,849	10	3,588,640	11,218,374	(68)

DFCC Bank PLC
Statement of Financial Position

As at	Notes	Bank			Group		
		31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	Change %
Assets							
Cash and cash equivalents		22,771,091	13,504,806	69	22,804,954	13,523,475	69
Balances with Central Bank of Sri Lanka		2,952,879	2,328,346	27	2,952,879	2,328,346	27
Placements with banks		37,442,912	11,229,492	233	37,442,912	11,229,492	233
Derivative financial assets		8,494,001	9,643,442	(12)	8,494,001	9,643,442	(12)
Financial assets measured at fair value through profit or loss		9,015,005	7,416,018	22	9,015,005	7,416,018	22
Financial assets at amortised cost - Loans and advances to banks		-	1,500,338	(100)	-	1,500,338	(100)
Financial assets at amortised cost - Loans and advances to customers	7	510,924,245	395,047,053	29	510,924,245	395,047,053	29
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	8	4,619,866	-	100	4,619,866	-	100
Financial assets at amortised cost - Debt and other instruments		114,795,690	105,641,690	9	114,804,987	105,701,871	9
Financial assets measured at fair value through other comprehensive income		124,552,817	138,258,226	(10)	124,552,817	138,258,226	(10)
Investments in subsidiaries		237,035	237,035	-	-	-	-
Investment in associate		33,169	33,169	-	41,876	38,597	8
Investment properties		9,879	9,879	-	598,166	490,069	22
Property, plant and equipment		4,508,724	3,872,654	16	4,777,359	4,080,706	17
Intangible assets and goodwill		2,608,324	2,001,636	30	2,785,560	2,170,201	28
Deferred tax assets		5,731,675	4,893,483	17	5,745,154	4,913,002	17
Current tax assets		-	-	-	1,138	2,010	(43)
Other assets		8,449,154	7,821,132	8	8,678,825	8,060,939	8
Asset held for sale	10	-	755,000	(100)	-	5,480,475	(100)
Total assets		857,146,466	704,193,399	22	858,239,744	709,884,260	21
Liabilities							
Due to banks		12,372,311	7,149,474	73	12,372,311	7,149,474	73
Derivative financial liabilities		201,000	909,188	(78)	201,000	909,188	(78)
Financial liabilities at amortised cost - Due to depositors	11	564,758,931	465,153,180	21	563,905,482	464,359,564	21
Financial liabilities at amortised cost - Due to other borrowers		134,354,757	96,755,632	39	134,363,917	96,755,632	39
Debt securities issued		12,286,859	14,690,723	(16)	12,286,859	14,690,723	(16)
Employee benefits		1,182,185	1,409,232	(16)	1,220,570	1,450,966	(16)
Current tax liabilities		2,669,112	3,066,586	(13)	2,757,706	3,160,100	(13)
Deferred tax liabilities		-	-	-	54,628	96,804	(44)
Other liabilities and provisions		12,545,239	12,792,333	(2)	13,018,783	13,231,205	(2)
Subordinated term debt		9,363,299	18,234,054	(49)	9,363,299	18,234,054	(49)
Total liabilities		749,733,693	620,160,402	21	749,544,555	620,037,710	21
Equity							
Stated capital		15,445,973	14,710,454	5	15,445,973	14,710,454	5
Statutory reserve fund		4,459,968	3,657,968	22	4,459,968	3,657,968	22
Retained earnings		50,291,230	35,834,730	40	52,160,931	42,668,104	22
Other reserves		37,215,602	29,829,845	25	36,050,830	28,363,593	27
Total equity attributable to equity holders of the Bank		107,412,773	84,032,997	28	108,117,702	89,400,119	21
Non-controlling interests		-	-	-	577,487	446,431	29
Total equity		107,412,773	84,032,997	28	108,695,189	89,846,550	21
Total equity and liabilities		857,146,466	704,193,399	22	858,239,744	709,884,260	21
Contingent liabilities and commitments		262,236,519	222,538,011	18	262,236,519	222,538,011	18
Net assets value per share, LKR		245.01	194.22	26	246.62	206.63	19

Memorandum Information	Bank		Group	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Number of Employees	2,500	2,439	2,578	2,532
Number of Branches (Including Service centres)	133	139		

Statement of Changes in Equity

	Stated capital LKR 000	Statutory reserve fund	Other reserves			Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Fair value reserve LKR 000	Hedging reserve LKR 000	General reserve LKR 000		
Bank (Audited)							
Balance as at 01 January 2024	13,866,557	3,239,968	7,250,399	1,353,846	13,779,839	28,250,357	67,740,966
Profit for the period	-	-	-	-	-	8,352,531	8,352,531
Other comprehensive income, net of tax	-	-	9,759,257	(689,437)	-	128,947	9,198,767
Total comprehensive income for the year	-	-	9,759,257	(689,437)	-	8,481,478	17,551,298
Transfers	-	418,000	-	-	-	(418,000)	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,624,059)	-	-	1,624,059	-
Transactions with equity holders of the Bank, recognised directly in equity							
Forfeiture of unclaimed dividends	-	-	-	-	-	6,579	6,579
Final dividend for 2023 – Scrip	843,897	-	-	-	-	(843,897)	-
Final dividend for 2023 – Cash	-	-	-	-	-	(1,265,846)	(1,265,846)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	(2,103,164)	(1,259,267)
Balance as at 31 December 2024	14,710,454	3,657,968	15,385,597	664,409	13,779,839	35,834,730	84,032,997
Balance as at 01 January 2025	14,710,454	3,657,968	15,385,597	664,409	13,779,839	35,834,730	84,032,997
Profit for the year	-	-	-	-	-	16,028,237	16,028,237
Other comprehensive income /(expenses) , net of tax	-	-	9,315,769	(377,927)	-	269,225	9,207,067
Total comprehensive income/(expenses) for the year	-	-	9,315,769	(377,927)	-	16,297,462	25,235,304
Transfers	-	802,000	-	-	-	(802,000)	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,552,085)	-	-	1,552,085	-
Transactions with equity holders of the Bank, recognised directly in equity							
Forfeiture of unclaimed dividends	-	-	-	-	-	4,901	4,901
Final dividend for 2024 – Scrip	735,519	-	-	-	-	(735,519)	-
Final dividend for 2024 – Cash	-	-	-	-	-	(1,860,429)	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	(2,591,047)	(1,855,528)
Balance as at 31 December 2025	15,445,973	4,459,968	23,149,281	286,482	13,779,839	50,291,230	107,412,773

Statement of Changes in Equity

	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserve fund		Other reserves			Retained earnings	Total	Non- controlling interests	Total equity
		Reserve fund	Fair value reserve	Exchange equalization reserve	Hedging reserve	General reserve				
		LKR 000	LKR 000	LKR 000	LKR 000	LKR 000				
Group (Audited)										
Balance as at 01 January 2024	13,866,557	3,239,968	5,818,791	561,071	1,071,797	13,779,839	33,645,590	71,983,613	392,159	72,375,772
Profit for the year	-	-	-	-	-	-	9,777,516	9,777,516	154,885	9,932,401
Other comprehensive income / (expenses) , net of tax	-	-	9,759,866	(266,441)	(737,271)	-	124,407	8,880,561	(3,113)	8,877,448
Total comprehensive income / (expenses) for the year	-	-	9,759,866	(266,441)	(737,271)	-	9,901,923	18,658,077	151,772	18,809,849
Transfers	-	418,000	-	-	-	-	(418,000)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,624,059)	-	-	-	1,624,059	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Forfeiture of unclaimed dividends	-	-	-	-	-	-	6,579	6,579	-	6,579
Change in holding through joint venture	-	-	-	-	-	-	17,696	17,696	-	17,696
Final dividend for 2023 – Scrip	843,897	-	-	-	-	-	(843,897)	-	-	-
Final dividend for 2023 – Cash	-	-	-	-	-	-	(1,265,846)	(1,265,846)	-	(1,265,846)
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	-	(97,500)	(97,500)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	-	(2,085,468)	(1,241,571)	(97,500)	(1,339,071)
Balance as at 31 December 2024	14,710,454	3,657,968	13,954,598	294,630	334,526	13,779,839	42,668,104	89,400,119	446,431	89,846,550
Balance at 01 January 2025	14,710,454	3,657,968	13,954,598	294,630	334,526	13,779,839	42,668,104	89,400,119	446,431	89,846,550
Profit for the year	-	-	-	-	-	-	11,368,784	11,368,784	162,720	11,531,504
Other comprehensive income / (expenses) , net of tax	-	-	9,315,769	-	(377,927)	-	266,485	9,204,327	(918)	9,203,409
Total comprehensive income / (expenses) for the year	-	-	9,315,769	-	(377,927)	-	11,635,269	20,573,111	161,802	20,734,913
Transfers	-	802,000	25,294	(294,630)	329,883	-	(862,547)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,311,152)	-	-	-	1,311,152	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Forfeiture of unclaimed dividends	-	-	-	-	-	-	4,901	4,901	-	4,901
Change in holding through subsidiary	-	-	-	-	-	-	-	-	70,654	70,654
Final dividend for 2024 – Scrip	735,519	-	-	-	-	-	(735,519)	-	-	-
Final dividend for 2024 – Cash	-	-	-	-	-	-	(1,860,429)	(1,860,429)	-	(1,860,429)
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	-	(101,400)	(101,400)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	-	(2,591,047)	(1,855,528)	(30,746)	(1,886,274)
Balance as at 31 December 2025	15,445,973	4,459,968	21,984,509	-	286,482	13,779,839	52,160,931	108,117,702	577,487	108,695,189

Statement of Cash Flows

For the year ended 31st December	BANK		GROUP	
	2025 (Audited) LKR 000	2024 (Audited) LKR 000	2025 (Audited) LKR 000	2024 (Audited) LKR 000
Cash flows from operating activities				
Interest receipts	72,008,772	72,411,055	72,086,669	72,495,455
Interest payments	(43,689,066)	(45,105,757)	(43,686,526)	(45,099,297)
Net commission receipts	7,643,055	6,234,565	7,643,055	6,234,565
Net trading income	1,899,696	(27,800)	1,899,696	(27,800)
Receipts from other operating activities	389,358	88,324	1,146,064	761,564
Payments on other operating activities	(9,736,296)	(6,942,627)	(9,736,589)	(6,760,446)
Cash payments to employees	(7,342,435)	(7,980,513)	(7,781,209)	(8,391,056)
Taxes on financial services	(4,913,608)	(4,225,077)	(4,913,608)	(4,225,077)
Operating Cash flows before changes in operating assets and liabilities	16,259,476	14,452,170	16,657,552	14,987,908
(Increase)/ decrease in operating assets:				
Balances with Central Bank / deposits held for regulatory or monetary control purposes	(624,533)	(220,570)	(624,533)	(220,570)
Financial assets at amortised cost - Loans and advances to customers	(113,726,338)	(54,272,513)	(113,726,338)	(54,272,513)
Others	7,587,639	4,117,131	7,768,490	4,140,457
Increase / (Decrease) in operating liabilities:				
Financial liabilities at amortised cost - Due to depositors	85,654,337	66,329,274	85,727,196	65,845,284
Others	552,444	(152,012)	469,320	205,902
Net cash flows (used in) / from operating activities before income tax	(4,296,975)	30,253,480	(3,728,313)	30,686,468
Income tax paid	(6,207,611)	(6,034,647)	(6,323,418)	(6,173,051)
Net cash flows (used in) / from operating activities	(10,504,586)	24,218,833	(10,051,731)	24,513,417
Cash flows from investing activities				
Dividends received from investment in subsidiaries and associate	158,427	86,798	-	-
Dividend received from other investments	1,052,301	694,086	1,052,301	694,086
Government Securities- net	12,598,215	(17,900,048)	12,598,215	(17,900,048)
Proceeds from sale and redemption of securities	9,441,009	6,291,710	9,441,009	6,291,710
Purchase of financial investments	(8,056,609)	(16,455,360)	(8,056,609)	(16,456,836)
Purchase of property , equipment ,intangibles and investment properties	(2,844,858)	(1,907,923)	(3,106,773)	(2,023,230)
Proceeds from disposal of joint venture	6,500,000	-	6,500,000	-
Proceeds from sale of equipment, investment properties and others	19,017	10,949	19,017	10,949
Net cash flows from / (used in) investing activities	18,867,502	(29,179,788)	18,447,160	(29,383,369)
Cash flows from financing activities				
Redemption of debentures	(13,404,530)	(3,804,760)	(13,404,530)	(3,804,760)
Issue of debentures	2,852,281	8,000,000	2,852,281	8,000,000
Borrowing , medium and long - term	16,937,647	3,651,136	16,937,647	3,651,136
Other short term borrowings - net	46,598,126	(7,020,806)	46,697,979	(7,020,806)
Repayment of borrowing ,medium and long - term	(24,015,797)	(13,488,861)	(24,015,797)	(13,488,861)
Dividends paid	(1,850,938)	(1,258,022)	(1,968,110)	(1,370,840)
Net Cash flows from / (used in) financing activities	27,116,789	(13,921,313)	27,099,470	(14,034,131)
Net increase / (decrease) in cash and cash equivalents	35,479,705	(18,882,268)	35,494,899	(18,904,083)
Cash and cash equivalents at the beginning of the period	24,734,298	43,616,566	24,752,967	43,657,050
Cash and cash equivalents at the end of the period	60,214,003	24,734,298	60,247,866	24,752,967
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	22,771,091	13,504,806	22,804,954	13,523,475
Placements with banks	37,442,912	11,229,492	37,442,912	11,229,492
	60,214,003	24,734,298	60,247,866	24,752,967

The Statement of Cash Flows of the Bank includes the results of associate, joint venture, and subsidiary companies only to the extent of the cash flows between Bank and respective companies as required by Sri Lanka Accounting Standards.

Explanatory Notes

Note 1. Statement of Compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank have been presented in accordance with the Sri Lanka Accounting Standards 34 (LKAS 34) "Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act, No. 07 of 2007 and the Banking Act No. 30 of 1988 and amendments thereto.

Note 2. Accounting Policies and Accounting Estimates

There were no changes to the accounting policies and method of computation since the publication of the last annual financial statements.

Note 3. Group Financial Statements

The Group Financial Statements comprise the Bank and its subsidiaries DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited and group interest in associate company National Asset Management Limited and group interest in joint venture Acuity Partners (Pvt) Ltd (subsequently renamed as HNB Investment Bank (Pvt) Ltd). Investments in Subsidiaries, joint venture and associate companies are accounted under cost method in Bank's financial statements. Investment in associate and joint venture are accounted under equity method in group's financial statements. The investment in the joint venture, which was reclassified as asset held for sale as of 31 December 2024, has been disposed as at the reporting date.

Note 4. Expected Credit Loss calculation

As at 31st December 2025, the Bank carried out assessment of its Individually Significant Loans (ISL) to evaluate the adequacy of impairment provisions recognised in the Financial Statements. In forecasting recovery cash flows Bank considered multiple methods, collateral realisation and the recovery of rescheduled or contractual cash flows. Additional impairment allowances were recognised for customers with significant credit deterioration. For collective impairment, the Bank updated its Probability of Default (PD) and Loss Given Default (LGD) rates using current-year data to determine impairment provisions as at the reporting date. Key macroeconomic variables were revised based on the latest information published by the Central Bank of Sri Lanka and other relevant sources. An allowance for overlay was also applied to capture potential losses, particularly for customers who obtained relief under the temporary debt relief scheme introduced by the Central Bank of Sri Lanka.

Note 5. Net gains from trading

For the year ended 31 December	Bank		Group	
	2025 (Audited) LKR 000	2024 (Audited) LKR 000	2025 (Audited) LKR 000	2024 (Audited) LKR 000
Derivative Financial Instruments				
Forward exchange fair value changes from banks and other customers	1,459,710	(926,979)	1,459,710	(926,979)
Gains on financial assets fair value through profit or loss - equity securities	191,082	176,492	191,082	176,492
Foreign exchange from Banks and Other Customers	(1,040,069)	788,884	(1,040,069)	788,884
Financial assets recognized through profit or loss - measured at fair value				
<i>Government securities</i>				
- Net marked to market losses	(32,747)	27,007	(32,747)	27,007
- Net capital gains	163,623	22,080	163,623	22,080
<i>Equities</i>				
- Net marked to market gains	(153,711)	1,159,568	(153,711)	1,159,568
- Net capital gains	1,736,073	(49,879)	1,736,073	(49,879)
- Dividend income	157,178	75,706	157,178	75,706
	2,481,139	1,272,879	2,481,139	1,272,879

Note 6. Net Other Operating Income

For the year ended 31 December	Bank		Group	
	2025 (Audited) LKR 000	2024 (Audited) LKR 000	2025 (Audited) LKR 000	2024 (Audited) LKR 000
Financial assets measured at fair value through other comprehensive income				
Dividend income	1,309,324	967,392	1,309,324	967,392
Dividend income from subsidiaries, joint venture and associate	158,427	86,798	-	-
Premises rental income	-	-	512,444	472,154
Net gain on sale of property, plant and equipment	13,155	19,874	13,155	19,874
Foreign exchange gains	15,878	13,723	25,125	(788)
Recovery of loans written-off	77,773	45,317	77,773	45,317
Others	46,737	43,006	266,442	266,945
	1,621,294	1,176,110	2,204,263	1,770,894

Note 7. Financial assets at amortised cost - Loans and advances to customers

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
Gross loans and advances to customers (Note 7.1)	558,990,709	440,906,944	558,990,709	440,906,944
Less: Allowance for impairment (Note 7.2)	(48,066,464)	(45,859,891)	(48,066,464)	(45,859,891)
Net loans and advances to customers	510,924,245	395,047,053	510,924,245	395,047,053

Note 7.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
By product-Domestic Currency				
Overdrafts	63,842,754	57,006,572	63,842,754	57,006,572
Trade finance	68,498,285	41,146,693	68,498,285	41,146,693
Credit cards	9,929,497	7,716,549	9,929,497	7,716,549
Pawning	27,152,004	16,152,388	27,152,004	16,152,388
Staff loans	4,223,112	2,823,269	4,223,112	2,823,269
Term loans	252,817,466	204,616,781	252,817,466	204,616,781
Lease rentals receivable	35,710,221	25,898,216	35,710,221	25,898,216
Housing loans	20,574,966	23,649,187	20,574,966	23,649,187
Securities purchased under resale agreements	155,038	4,250,963	155,038	4,250,963
	482,903,343	383,260,618	482,903,343	383,260,618
By product-Foreign Currency				
Overdrafts	2,723,660	1,513,564	2,723,660	1,513,564
Trade finance	26,509,890	23,595,451	26,509,890	23,595,451
Term loans	46,853,816	32,537,311	46,853,816	32,537,311
	76,087,366	57,646,326	76,087,366	57,646,326
Gross loans and advances to customers	558,990,709	440,906,944	558,990,709	440,906,944

Note 7.2 Movement in Impairment during the year

	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
Stage 1				
Balance at beginning	3,412,778	3,500,658	3,412,778	3,500,658
Charge / (reversal) to income statement	423,178	(87,880)	423,178	(87,880)
Balance at end	3,835,956	3,412,778	3,835,956	3,412,778
Stage 2				
Balance at beginning	5,930,684	7,235,925	5,930,684	7,235,925
Reversal to income statement	(2,358,425)	(1,305,241)	(2,358,425)	(1,305,241)
Balance at end	3,572,259	5,930,684	3,572,259	5,930,684
Stage 3				
Balance at beginning	36,516,429	35,180,673	36,516,429	35,180,673
Charge to income statement	6,726,680	4,671,368	6,726,680	4,671,368
Other movements	(2,584,860)	(3,335,612)	(2,584,860)	(3,335,612)
Balance at end	40,658,249	36,516,429	40,658,249	36,516,429
Total Impairment	48,066,464	45,859,891	48,066,464	45,859,891

Note 8. Financial assets measured at fair value through other comprehensive income- Loans and advances to customers

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
Gross loans and advances to customers (Note 8.1)	4,619,866	-	4,619,866	-
	4,619,866		4,619,866	

Note 8.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
By product-Foreign Currency				
Term loans	4,619,866	-	4,619,866	-
Gross loans and advances to customers	4,619,866	-	4,619,866	-

Note 9 . Analysis of Commitments and Contingencies and Impairment

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
9.1				
Gross commitment and contingencies	262,236,519	222,538,011	262,236,519	222,538,011
Accumulated impairment under stage 1	729,016	713,480	729,016	713,480
Accumulated impairment under stage 2	85,320	108,915	85,320	108,915
Accumulated impairment under stage 3	486,086	685,573	486,086	685,573
Net commitments and contingencies	260,936,097	221,030,043	260,936,097	221,030,043
9.2				
Product-wise commitments and contingencies				
Domestic currency				
Credit related commitments and contingencies				
Undrawn -Credit facilities	103,815,220	76,471,261	103,815,220	76,471,261
Acceptances	67,255	1,280	67,255	1,280
Documentary Letter of credit	883,355	1,063,809	883,355	1,063,809
Guarantees and other Commitments	23,587,426	19,272,590	23,587,426	19,272,590
	128,353,256	96,808,940	128,353,256	96,808,940
Other commitments and contingencies				
Capital commitments	9,568	496,269	9,568	496,269
Bid Bonds	30,808	932,144	30,808	932,144
	40,376	1,428,413	40,376	1,428,413
Sub total	128,393,632	98,237,353	128,393,632	98,237,353
Foreign currency				
Credit related commitments and contingencies				
Undrawn - Credit facilities	17,331,607	13,491,901	17,331,607	13,491,901
Acceptances	13,296,462	8,533,063	13,296,462	8,533,063
Documentary Letter of credit	24,671,112	12,756,535	24,671,112	12,756,535
Guarantees and other Commitments	6,248,828	6,400,111	6,248,828	6,400,111
	61,548,009	41,181,610	61,548,009	41,181,610
Other commitments and contingencies				
Forward exchange contracts	69,229,821	82,943,485	69,229,821	82,943,485
Capital commitments	831,313	164,854	831,313	164,854
Bid Bonds	2,233,744	10,709	2,233,744	10,709
	72,294,878	83,119,048	72,294,878	83,119,048
Sub total	133,842,887	124,300,658	133,842,887	124,300,658
Total gross commitments and contingencies	262,236,519	222,538,011	262,236,519	222,538,011

Bank	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
Balance as at 1st January 2025	713,480	108,915	685,573	1,507,968
Net charge to profit or loss	15,536	(23,595)	(199,487)	(207,546)
Balance as at 31 December 2025	729,016	85,320	486,086	1,300,422

Group	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
Balance as at 1st January 2025	713,480	108,915	685,573	1,507,968
Net charge to profit or loss	15,536	(23,595)	(199,487)	(207,546)
Balance as at 31 December 2025	729,016	85,320	486,086	1,300,422

Note 10. Asset Held for Sale

The investment in joint venture was presented as Assets held for sale in the financial statements as at 31 December 2024 based on the SLFRS 5- “Non-current asset held for sale and discontinued operation”. The Bank sold this investment for a consideration of Rupees Six Billion Five Hundred Million (Rs.6,500,000,000) on 21 January 2025.

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
Investment in Joint Venture (Reclassified)	-	755,000	-	5,480,475
Assets Held for sale	-	755,000	-	5,480,475

Note 11. Financial liabilities at amortized cost - Due to depositors

As at	Bank		Group	
	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000	31.12.2025 (Audited) LKR 000	31.12.2024 (Audited) LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	18,627,881	16,540,563	18,628,202	16,540,462
Savings deposits	80,519,431	68,235,448	80,460,726	68,204,119
Fixed deposits	324,846,244	274,376,213	324,089,942	273,735,027
Other deposits	1,501,962	341,308	1,501,962	341,308
Certificate of deposits	-	27,028	-	27,028
	425,495,518	359,520,560	424,680,832	358,847,944
By product- Foreign Currency				
Demand deposits (current accounts)	2,263,055	835,854	2,263,055	835,854
Savings deposits	35,295,441	29,254,476	35,256,678	29,173,159
Fixed deposits	101,625,995	75,542,290	101,625,995	75,502,607
Other deposits	78,922	-	78,922	-
	139,263,413	105,632,620	139,224,650	105,511,620
Total	564,758,931	465,153,180	563,905,482	464,359,564

Note 12. Reclassifications of Financial Instrument

Reclassifications of Financial Instrument considering the unprecedented changes in the macro-economic conditions, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has decided to issue the "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio". This SoAT will provide a temporary practical expedient to permit the entities to reclassify the debt portfolio measured at Fair Value through Other Comprehensive Income (FVTOCI) to amortised cost.

The Bank used this option to reclassify long term debt instruments subsequent to the initial recognition. The fair value of the debt portfolio reclassified during year 2022 and remaining as at 31 December 2025 amounted to LKR 5.5 Bn. and cumulative fair value gain thereon amounted to LKR 0.1 Bn. (net of tax LKR 0.1 Bn.).

Note 13. Events after the reporting period

There were no material events that took place after the reporting date which require adjustment to or disclosure in the Financial Statements other than below;

13.1 First and final dividend

The Directors have approved the payment of a first and final dividend of LKR 7.50 per share which will consist of LKR 2.50 per share in cash and LKR 5.00 in the form of a scrip dividend, for the financial year ended 31 December 2025. The Board of Directors confirms that the Bank has satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007.

13.2 Issuance of Basel III Compliant GSS+ Bond

The Bank raised LKR 10 Bn on 13 February 2026, through the issuance of One Hundred Million (100,000,000) Basel III compliant, subordinated, listed, rated, unsecured, redeemable GSS+ bonds with a non-viability conversion feature, each at an issue price (par value) LKR 100/- with maturity terms of 5, 7 and 10 years.

13.3 Proposed Acquisition of the wealth and retail banking business of standard chartered bank of sri lanka branch

DFCC Bank PLC has entered into a binding Business Sale Agreement (BSA) with Standard Chartered Bank, United Kingdom, to acquire the wealth and retail banking operations of Standard Chartered Bank Sri Lanka for purchase consideration of LKR 3.7 Bn and has received approval from the Central Bank of Sri Lanka, in terms of Section 12 (1) (c) of the Banking Act No.30 of 1988 (as amended), to proceed with the proposed acquisition.

Following receipt of this regulatory approval, DFCC Bank will proceed with the next phase of the transaction, including the planned migration and integration activities. The transaction is expected to be concluded by 2Q 2026.

Note 14. Disclosures under Listing Rules

14.1 Comparative figures have been re-classified where necessary, to conform to the current period presentation.

During the period, there were no material changes in the composition of assets, liabilities and contingent liabilities. All known expenditure items have been provided for.

There is no management fees or similar expenditure provided for in the Financial Statements.

14.2 Stated capital

As at	Number of shares	
	31.12.2025	31.12.2024
Number of shares of the Bank	438,404,250	432,658,011

14.3 Market price of a share

Information on shares of the Bank for the quarter ended	31.12.2025	31.12.2024
- Highest price LKR	175.00	115.00
- Lowest price LKR	137.00	76.90
- Market price LKR	148.00	113.75

14.4 Twenty Major Shareholders as at 31.12.2025

	Name of Shareholder/Company	Shareholding	%
1	Hatton National Bank PLC A/C No 1	54,681,654	12.47
2	Bank of Ceylon-No2 A/C (BOC PTF)	45,862,822	10.46
3	Seylan Bank PLC / Phantom Investments (Pvt) Ltd	43,800,000	9.99
4	Mr. M.A.Yaseen	38,953,899	8.88
5	Sri Lanka Insurance Corporation Ltd-Life Fund	33,248,337	7.58
6	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,000,000	6.15
7	Melstacorp PLC	26,986,746	6.15
8	Seafeld International Limited	21,360,204	4.87
9	Renuka City Hotels PLC	8,876,674	2.02
10	Ambeon Holdings PLC	5,290,016	1.20
11	Renuka Hotels PLC	4,911,033	1.12
12	Employee's Provident Fund	4,501,427	1.02
13	Employees Trust Fund Board	4,425,631	1.00
14	Hatton National Bank PLC/ Colombo City Holdings PLC	4,100,000	0.93
15	Cargo Boat Development Company PLC	3,320,705	0.75
16	Sampath Bank PLC/Ambeon Holdings PLC	3,000,000	0.68
17	Seylan Bank PLC /Ambeon Holdings PLC (Margin Trading)	2,985,396	0.68
18	Akbar Brothers Pvt Ltd	2,649,330	0.60
19	Sri Lanka Insurance Corporation Ltd- General Fund	2,596,656	0.59
20	Stassen Exports (Pvt) Limited	2,286,858	0.52

14.5 Public Holdings as at 31.12.2025

Public holdings percentage	77.04%
Number of Public shareholders	17,016
Float adjusted market capitalisation	LKR 49,988 million
Applicable option as per CSE Listing Rule 7.13.1 (i) (a)	Option 1

14.6 Directors' Interests in Shares

	No of Shares As at 31.12.2025
J Durairatnam	Nil
Ms L K A H Fernando	Nil
N K G K Nemmawatta	Nil
N H T I Perera	26,820
Ms A L Thambiyah	Nil
N Vasantha Kumar	Nil
H A J de Silva Wijeyeratne	13,407
P A Jayatunga	Nil
W R H Fernando (Relinquished the office as the director with effect from 18 Dec 2025)	Nil
I A Wickramasinghe (Appointed as an independent non-executive director with effect from 1 Feb 2026)	Nil
Ms A K Moonesinghe (Appointed as an independent non-executive director with effect from 5 Feb 2026)	Nil

Certification

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Chinthika Amarasekera Chief Financial Officer

We, the undersigned, being the Chairman, the Chief Executive Officer of DFCC Bank PLC certify that:

- the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
- the information contained in these statements have been extracted from the audited financial statements of the Bank and the Group.

J. Durairatnam
Chairman

Thimal Perera
Director / Chief Executive Officer

24-Feb-26

Listed Debentures

Debtenture Category	Interest rate Frequency	Effective Rate %	Coupon Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 31.12.2025 LKR 000	Market price LKR			Yield Last Traded %	Yield To Maturity %	Last Traded Date
						Highest	Lowest	Last Traded			
Fixed Rate											
2019/2026	Annually	13.75	13.75	7.90	1,969,000	N/T	N/T	N/T	N/T	N/T	N/T
2019/2029	Annually	13.90	13.90	9.32	4,866,115	N/T	N/T	N/T	N/T	N/T	N/T
2020/2027	Annually	9.25	9.25	8.66	208,284	N/T	N/T	N/T	N/T	N/T	N/T
2024/2027	Annually	12.00	12.00	8.75	2,576,336	N/T	N/T	N/T	N/T	N/T	N/T
2024/2029	Annually	15.25	15.25	9.28	9,092,571	100.00	99.84	99.84	15.29	10.58	30-Jan-25
2024/2031	Annually	14.75	14.75	9.93	62,444	N/T	N/T	N/T	N/T	N/T	N/T
2025/2028	Annually	9.75	9.75	9.13	132,760	N/T	N/T	N/T	N/T	N/T	N/T
2025/2028	Zero Coupon Bond	*9.75	-	9.13	21,034	N/T	N/T	N/T	N/T	N/T	N/T
2025/2029	Annually	10.25	10.25	9.59	849,183	N/T	N/T	N/T	N/T	N/T	N/T
2025/2029	Zero Coupon Bond	*10.25	-	9.59	184,056	N/T	N/T	N/T	N/T	N/T	N/T
2025/2030	Annually	10.50	10.50	9.67	1,604,846	N/T	N/T	N/T	N/T	N/T	N/T
2025/2030	Zero Coupon Bond	*10.50	-	9.67	83,529	N/T	N/T	N/T	N/T	N/T	N/T

N/T -Not traded

*Annual Compounding on the Issue Price Payable on the Date of Redemption

Disclosures regarding the utilization of funds as per the objectives stated in the Green Bond Issue Prospectus

Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (A)	% of Total Proceeds	Amount utilized as at 31.12.2025 (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg:Whether lent to related party/s etc.)
Financing the establishment, acquisition, expansion, and/or ongoing management of on -shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities	LKR 2,500 Mn (Maximum issuance)	Within 18 months upon allotment of the Bonds	LKR 2,500 Mn	100.0%	LKR 2,470 Mn	98.8%	Invested in Government Securities
Refinancing existing on-shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities provided such projects were approved for financing by the Bank and were commissioned within a two (2) year 'lookback' period from the date the project was earmarked for funding by the proceeds of the particular Green Bond.		Immediately, upon allotment of bonds	Nil	0.0%	Nil	0.0%	A loan granted for a project included a component that was disbursed prior to the bond issuance and subsequently refinanced upon bond allotment. In addition, amounts were financed after the bond issuance for the same project. The loan was fully settled in December 2025, and the settled exposure was replaced with new eligible projects to ensure that the bond proceeds were fully earmarked and allocated by year end.

* Date of allotment of Green Bonds - 24.09.2024

Disclosures regarding the utilization of funds as per the objectives stated in the Blue Bond Issue Prospectus

Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (A)	% of Total Proceeds	Amount utilized as at 31.12.2025 (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg:Whether lent to related party/s etc.)
Promoting a sustainable blue economy	LKR 3,000 Mn	Over a period of 18 months from the Date of Allotment	LKR 3,000 Mn	100%	-	0%	Invested in Government Securities

* Date of allotment of Blue Bonds - 21.11.2025

Selected Performance Indicators

Item	Bank		Group	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier I	68,302,317	52,485,838	68,840,059	57,804,406
Tier 1 Capital	68,302,317	52,485,838	68,840,059	57,804,406
Total Regulatory Capital	80,318,596	66,693,851	80,869,103	72,021,286
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	13.550	12.402	13.610	13.611
Tier 1 Capital Ratio (Minimum requirement - 8.5%)	13.550	12.402	13.610	13.611
Total Capital Ratio (Minimum requirement - 12.5%)	15.933	15.759	15.989	16.958
Basel III Leverage Ratio (Minimum requirement is 3%)	7.40	7.33	7.46	8.03
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	190.90	310.01		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	184.06	280.26		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	122.64	124.60		
Asset Quality				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*	4.55	5.63		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	55.12	53.23		
Income & Profitability				
Net Interest margin %	3.96	4.18		
Return on assets (profit before tax from continuing operation) %	2.00	2.01		
Return on equity (profit after tax from continuing operation) %	11.55	10.99		
Cost to Income Ratio (%)	36.42	42.67		
Other Ratios				
Debt to equity ratio (times)	2.00	2.01		
Interest cover (times)	2.72	2.78		
Memorandum Information				
Credit Rating - Fitch	A(lka)	A(lka)		
Number of Employees	2,500	2,439		
Number of Branches (Including Service centres)	133	139		

* Including Undrawn Portion of Credit

Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2025	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	22,771,091	22,771,091	-	-	22,804,954	22,804,954
Balances with Central Bank of Sri Lanka	-	-	2,952,879	2,952,879	-	-	2,952,879	2,952,879
Placements with banks	-	-	37,442,912	37,442,912	-	-	37,442,912	37,442,912
Derivative financial assets	8,494,001	-	-	8,494,001	8,494,001	-	-	8,494,001
Financial assets measured at fair value through profit or loss	9,015,005	-	-	9,015,005	9,015,005	-	-	9,015,005
Financial assets at amortised cost - Loans and advances to banks	-	-	-	-	-	-	-	-
Financial assets at amortised cost -Loans and advances to customers	-	-	510,924,245	510,924,245	-	-	510,924,245	510,924,245
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	-	4,619,866	-	4,619,866	-	4,619,866	-	4,619,866
Financial assets at amortised cost - Debt and other instruments	-	-	114,795,690	114,795,690	-	-	114,804,987	114,804,987
Financial assets measured at fair value through other comprehensive income	-	124,552,817	-	124,552,817	-	124,552,817	-	124,552,817
Other assets	-	-	6,198,600	6,198,600	-	-	6,373,793	6,373,793
Total financial assets	17,509,006	129,172,683	695,085,417	841,767,106	17,509,006	129,172,683	695,303,770	841,985,459
Financial Liabilities								
Due to banks	-	-	12,372,311	12,372,311	-	-	12,372,311	12,372,311
Derivative financial liabilities	201,000	-	-	201,000	201,000	-	-	201,000
Financial liabilities at amortised cost -Due to depositors	-	-	564,758,931	564,758,931	-	-	563,905,482	563,905,482
Financial liabilities at amortised cost - Due to other borrowers	-	-	134,354,757	134,354,757	-	-	134,363,917	134,363,917
Debt securities issued	-	-	12,286,859	12,286,859	-	-	12,286,859	12,286,859
Other liabilities	-	-	8,298,358	8,298,358	-	-	8,609,098	8,609,098
Subordinated term debt	-	-	9,363,299	9,363,299	-	-	9,363,299	9,363,299
Total financial liabilities	201,000	-	741,434,515	741,635,515	201,000	-	740,900,966	741,101,966

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2024	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	13,504,806	13,504,806	-	-	13,523,475	13,523,475
Balances with Central Bank of Sri Lanka	-	-	2,328,346	2,328,346	-	-	2,328,346	2,328,346
Placements with banks	-	-	11,229,492	11,229,492	-	-	11,229,492	11,229,492
Derivative financial assets	9,643,442	-	-	9,643,442	9,643,442	-	-	9,643,442
Financial assets measured at fair value through profit or loss	7,416,018	-	-	7,416,018	7,416,018	-	-	7,416,018
Financial assets at amortised cost - Loans and advances to banks	-	-	1,500,338	1,500,338	-	-	1,500,338	1,500,338
Financial assets at amortised cost -Loans and advances to customers	-	-	395,047,053	395,047,053	-	-	395,047,053	395,047,053
Financial assets at amortised cost - Debt and other instruments	-	-	105,641,690	105,641,690	-	-	105,701,871	105,701,871
Financial assets measured at fair value through other comprehensive income	-	138,258,226	-	138,258,226	-	138,258,226	-	138,258,226
Other assets	-	-	4,946,528	4,946,528	-	-	5,135,115	5,135,115
Total financial assets	17,059,460	138,258,226	534,198,253	689,515,939	17,059,460	138,258,226	534,465,690	689,783,376
Financial Liabilities								
Due to banks	-	-	7,149,474	7,149,474	-	-	7,149,474	7,149,474
Derivative financial liabilities	909,188	-	-	909,188	909,188	-	-	909,188
Financial liabilities at amortised cost -Due to depositors	-	-	465,153,180	465,153,180	-	-	464,359,564	464,359,564
Financial liabilities at amortised cost - Due to other borrowers	-	-	96,755,632	96,755,632	-	-	96,755,632	96,755,632
Debt securities issued	-	-	14,690,723	14,690,723	-	-	14,690,723	14,690,723
Other liabilities	-	-	7,441,320	7,441,320	-	-	7,719,982	7,719,982
Subordinated term debt	-	-	18,234,054	18,234,054	-	-	18,234,054	18,234,054
Total financial liabilities	909,188	-	609,424,383	610,333,571	909,188	-	608,909,429	609,818,617

Fair Values of Financial Instruments

Financial Instruments Recorded at Fair Value

The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

(a) Derivatives

Derivative products valued with market-observable inputs are mainly currency swaps and forward foreign exchange contracts. Such valuations incorporate various inputs such as foreign exchange spot and forward rates.

(b) Financial Assets at Fair Value through Other Comprehensive Income

Financial Assets at Fair Value through Other Comprehensive Income are valued using valuation techniques or pricing models primarily consisted of unquoted equities.

(c) Financial Assets at Fair Value through Profit or Loss

Quoted Equities and Sri Lanka Government Securities - are included under Financial Assets at Fair Value through Profit or Loss are valued using market prices.

Determination of Fair Value and Fair Value Hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments and non financial assets and liabilities recorded at fair value by level of fair value hierarchy

As at 31 December 2025	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
Financial Assets				
Derivative financial assets				
Forward foreign exchange contracts	-	8,494,001	-	8,494,001
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	2,821,037	-	-	2,821,037
Equity securities - quoted	3,789,656	-	-	3,789,656
Units in unit trusts - unquoted	-	2,404,312	-	2,404,312
Financial assets measured at fair value through other comprehensive income				
Loans and advances to customers	-	4,619,866	-	4,619,866
Government of Sri Lanka Treasury Bills and Bonds	89,724,485	-	-	89,724,485
US Treasury Bill	1,569,429	-	-	1,569,429
Debentures	-	1,714,175	-	1,714,175
Equity shares- quoted	31,212,665	-	-	31,212,665
Equity shares- unquoted	-	-	332,063	332,063
	129,117,272	17,232,354	332,063	146,681,689
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	201,000	-	201,000
	-	201,000	-	201,000

As at 31st December 2024	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
Financial Assets				
Derivative financial assets				
Forward foreign exchange contracts	-	9,643,442	-	9,643,442
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	1,828,696	-	-	1,828,696
Equity securities - quoted	3,374,092	-	-	3,374,092
Units in unit trusts - unquoted	-	2,213,230	-	2,213,230
Financial assets measured at fair value through other comprehensive income				
Government of Sri Lanka Treasury Bills and Bonds	113,099,228	-	-	113,099,228
US Treasury Bill	595,289	-	-	595,289
Equity shares- quoted	24,293,516	-	-	24,293,516
Equity shares- unquoted	-	-	270,193	270,193
	143,190,821	11,856,672	270,193	155,317,686
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	909,188	-	909,188
	-	909,188	-	909,188

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	As at 31 December 2025		As at 31 December 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	22,771,091	22,771,091	13,504,806	13,504,806
Balances with Central Bank of Sri Lanka	2,952,879	2,952,879	2,328,346	2,328,346
Placements with banks	37,442,912	37,442,912	11,229,492	11,229,492
Financial assets at amortised cost - Loans and advances to banks	-	-	1,500,338	1,664,755
Financial assets at amortised cost - Loans and advances to customers	510,924,245	477,425,470	394,361,480	377,802,310
Financial assets at amortised cost - Debt and other instruments	114,795,690	116,567,539	105,641,690	105,839,660
Other financial assets	6,198,600	6,198,600	4,946,528	4,946,528
Financial Liabilities				
Due to banks	12,372,311	12,372,311	7,149,474	7,149,474
Financial liabilities at amortised cost - due to depositors	564,758,931	566,423,213	465,153,180	459,260,928
Financial liabilities at amortised cost - due to other borrowers	134,354,757	134,354,757	96,755,632	96,755,632
Debt securities issued	12,286,859	12,614,066	14,690,723	14,852,236
Other financial liabilities	8,298,358	8,298,358	7,441,320	7,441,320
Subordinated term debt	9,363,299	10,343,084	18,234,054	13,480,708

Fair Value of Financial Assets and Liabilities not Carried at Fair Value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Financial Statements.

Assets for which Fair Value Approximates Carrying Value

For financial assets and financial liabilities that have a short term maturity, it is assumed that the carrying amounts approximate their fair value. This assumption is applied for Cash and Cash Equivalents, Balances with Central Bank of Sri Lanka, Placements with Banks and Securities Purchased under Re-sale Agreements. This assumption is also applied to demand deposits, savings accounts without a specific maturity, floating rate instruments and fixed rate instruments having maturities within 12 months.

Fixed Rate Financial Instruments

The fair value of fixed rate financial assets and liabilities (other than assets and liabilities with maturities within 12 months) carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Equity Securities	
	Bank/Group	
	2025	2024
	LKR 000	LKR 000
Balance at 1 January	270,193	237,985
Purchased during the period		
Gain included in OCI		
– Net change in fair value (unrealised)	61,870	32,208
Balance at end of the year	332,063	270,193

Sensitivity analysis

For the fair values of equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	OCI Net of Tax	
	Increase	Decrease
	LKR 000	LKR 000
Equity securities as at 31.12.2025		
Adjusted net assets value (5% movement)	16,603	(16,603)

OPERATING SEGMENTS - GROUP

Information about reportable segments

For the period ended 31 December	Corporate Banking		Retail Banking & SME		Treasury		Other		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Net interest income	9,929,517	11,369,984	1,224,229	(4,425,159)	22,677,795	25,293,467	81,865	80,685	(2,878,819)	(4,117,065)	31,034,587	28,201,912
Inter Segment	(6,775,105)	(8,231,119)	13,057,473	15,869,873	(13,850,233)	(15,329,536)	-	-	7,567,865	7,690,782	-	-
Total revenue from external customers	3,154,412	3,138,865	14,281,702	11,444,714	8,827,562	9,963,931	81,865	80,685	4,689,046	3,573,717	31,034,587	28,201,912
Net fee and commission income	1,786,913	1,256,540	5,345,967	2,891,898	83,593	(25,038)	(525)	(788)	96,624	805,821	7,312,572	4,928,433
Net gains from trading	209,539	198,405	372,670	136,838	1,898,888	937,381	-	-	42	255	2,481,139	1,272,879
Net gains from derecognition of financial assets	-	-	-	-	1,687,725	3,868,231	-	-	-	-	1,687,725	3,868,231
Net other operating income	12,626	16,945	(23,727)	40,326	278,532	-	582,969	594,784	1,353,863	1,118,839	2,204,263	1,770,894
Total operating income	5,163,490	4,610,755	19,976,612	14,513,776	12,776,300	14,744,505	664,309	674,681	6,139,575	5,498,632	44,720,286	40,042,349
Impairment for loans and other losses	(3,505,277)	(1,041,117)	(2,573,116)	(1,204,521)	(87,101)	(483,993)	-	-	1,239,211	(1,918,729)	(4,926,283)	(4,648,360)
Net operating income/ Segment Result	1,658,213	3,569,638	17,403,496	13,309,255	12,689,199	14,260,512	664,309	674,681	7,378,786	3,579,903	39,794,003	35,393,989
Operating profit after taxes on financial services											15,950,195	13,818,037
Share of profits of associate											3,100	1,536
Profit for the period from discontinued operations											300,962	1,377,926
Income tax expense											(4,722,753)	(5,265,098)
Non-controlling interest											162,720	154,885
Net profit for the year, attributable to equity holders of the Bank											11,368,784	9,777,516

As at 31 December	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Segment assets	205,606,323	157,101,977	309,802,364	235,442,678	297,459,515	284,347,431	1,311,141	1,134,776	44,060,401	31,857,398	858,239,744	709,884,260
Segment liabilities	131,582,721	77,820,448	433,111,822	388,001,390	168,587,386	137,739,071	655,150	670,928	15,607,475	15,805,873	749,544,555	620,037,710

For the year ended 31 December	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Information on cash flows												
Cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	(10,051,731)	24,521,240
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	18,447,160	(29,383,369)
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	27,099,470	(14,041,954)
Net cash flows generated during the year	-	-	-	-	-	-	-	-	-	-	35,494,899	(18,904,083)
Capital expenditure:												
Property, plant and equipment	-	-	-	-	-	-	1,216,496	995,715	-	-	1,216,496	995,715
Intangible assets	-	-	-	-	-	-	1,136,976	459,874	-	-	1,136,976	459,874
Total capital expenditure	-	-	-	-	-	-	2,353,472	1,455,589	-	-	2,353,472	1,455,589