DFCC Bank Advances Core Business Growth and Expands Banking Franchise in Q3 2026

- Group Core Business Profit After Tax of LKR 7.6 Bn
- Group Total Capital Adequacy Ratio of 14.110%
- Group Net Fee and Commission Income up by 23% to LKR 6.5 Bn
- Group Total Assets up by 13% to LKR 966 Bn

DFCC Bank recorded continued growth across its core banking businesses during the nine months ended 30 September 2026, supported by expanding lending and deposit portfolios, stronger income generation and improving asset quality. The Bank's loan portfolio grew by 18% to LKR 610 Bn, while customer deposits increased by 23% to LKR 694 Bn compared with 31 December 2025. Total assets expanded by 13% to LKR 965 Bn. Net Interest Income increased by 8% to LKR 24.8 Bn, while Net Fee and Commission Income grew by 23% to LKR 6.5 Bn compared with the corresponding period of 2025.

Growth across these core banking businesses contributed to a Group Profit After Tax of LKR 7.6 Bn for the nine-month period. Although this was 12% below the corresponding period of 2025, the Bank recorded an 18% expansion in its loan portfolio, 23% growth in deposits and a 31% increase in CASA balances compared with December 2025, while the net Stage 3 impaired loan ratio improved to 3.44% from 4.55%. These results demonstrate the continued expansion of the Bank's franchise, with a clear focus on converting greater scale and stronger income streams into sustainable profitability.

A major strategic milestone during the third quarter was the completion of DFCC Bank's acquisition of Standard Chartered Bank PLC's Wealth and Retail Banking business in Sri Lanka. The transaction broadened the Bank's customer base and strengthened its retail banking, cards, deposits and wealth management capabilities. The Bank remains focused on maintaining service continuity, building customer confidence and realising the opportunities created by its enlarged franchise.

The Bank maintained a prudent approach to credit risk, strengthening impairment provisions through refinements to its credit risk models and specific management overlays in response to prevailing economic and geopolitical uncertainties. Impairment charges increased by 10% compared with the corresponding period of 2025. Operating expenses also reflected investments in technology, customer service and the expanded workforce following the acquisition. These measures support the Bank's commitment to sound risk management and disciplined, sustainable growth.

Alongside its expanded franchise, DFCC Bank continued to improve accessibility and customer experience. During the quarter, the Bank introduced an ATM and Cash Recycler Machine experience offering transactions in eight languages at Bandaranaike International Airport and selected tourism destinations. It also continued to develop customer propositions across cards, housing finance, pensioner banking and women's entrepreneurship, including DFCC Aloka, while strengthening transaction banking and trade-related services.

The Bank's progress was also reflected in external recognition across customer service, transaction banking, people development and financial performance. These achievements, together with its expanded capabilities, reinforce DFCC Bank's focus on deepening customer relationships, maintaining financial discipline and translating business growth into long-term value for customers, employees and shareholders.

This commentary relates to the unaudited financial statements for the period ended 30 September 2026, presented in accordance with Sri Lanka Accounting Standard 34 (LKAS 34) on Interim Financial Statements.

INCOME STATEMENT ANALYSIS

PROFITABILITY

DFCC Bank PLC, the largest entity within the Group, reported a Profit Before Tax (PBT) of LKR 8,736 Mn and a Profit After Tax (PAT) of LKR 7,323 Mn from core operations for the period ended 30 September 2026, compared to a PBT of LKR 12,151 Mn and a PAT of LKR 8,328 Mn in the corresponding period of 2025.

At Group level, for the period ended 30 September 2026, PBT was LKR 9,130 Mn and PAT was LKR 7,567 Mn, compared to LKR 12,480 Mn and LKR 8,530 Mn, respectively, in 2025. The Bank’s Earnings Per Share (EPS) from core banking operations was LKR 16.38 for the period ended 30 September 2026.

The Bank’s Return on Assets (ROA) before tax was 1.20%, while Return on Equity (ROE) after tax stood at 8.68% for the period ended 30 September 2026.

The Bank’s total tax expense, including Value Added Tax (VAT) on financial services, Social Security Contribution Levy (SSCL) on financial services, and Income Tax, amounted to LKR 4,727 Mn for the period ended 30 September 2026. Consequently, the Bank’s tax expense as a percentage of operating profit stood at 39% for the period.

NET INTEREST INCOME

The Bank maintained its revised deposit and lending rates during the period in line with prevailing market conditions and the Central Bank of Sri Lanka's Overnight Policy Rate. Consequently, Net Interest Income increased by 8% to LKR 24,770 Mn, supported by disciplined margin management, effective balance sheet optimisation, and continued growth in earning assets. The Bank's asset base expanded by 13% over the past twelve months, while the loan portfolio recorded 23% growth compared with 30 September 2025, reflecting a strategic focus on quality asset expansion and sustainable business growth.

The Bank also strengthened its funding profile, with the CASA portfolio increasing by 31% compared to 31 December 2025, resulting in the CASA ratio improving to 26.15% as at 30 September 2026. The higher contribution from CASA deposits supported funding cost optimisation and contributed positively to Net Interest Income. Despite a competitive interest rate environment and prevailing market dynamics, the Bank maintained a healthy Net Interest Margin of 3.64%, underscoring the effectiveness of its prudent funding, pricing, and balance sheet management strategies.

FEE AND COMMISSION INCOME

Strategic focus on trade-related commissions and card-based services continued to drive strong growth in fee-based income, further enhanced by the successful integration of the SCB retail banking portfolio, which expanded the Bank's credit card customer base and transaction volumes. The growth in card-based activity and trade-related services contributed significantly to the overall increase in fee income during the period.

While fee-related expenses increased in line with customer acquisition, portfolio expansion, and higher transaction volumes, the overall impact remained positive. Consequently, Net Fee and Commission Income increased by 23% to LKR 6,508 Mn, compared to LKR 5,281 Mn in the corresponding period of 2025.

IMPAIRMENT CHARGE ON LOANS AND OTHER LOSSES

The net Stage 3 impaired loan ratio improved to 3.44% as at 30 September 2026, from 4.55% as at 31 December 2025, supported by recoveries and portfolio expansion.

In response to current and potential future impacts of global and domestic economic conditions on the Bank’s lending portfolio, management strengthened impairment provisioning during the period. This was achieved through enhancements to internal expected credit loss models to capture risk factors not fully observable in the current volatile geopolitical and economic environment, including the recognition of additional provisions as management overlays for exposures to higher-risk sectors and specific customer segments, making additional provision for specific large group exposures.

The Bank also maintained adequate provisioning in line with the accelerated growth in its lending portfolio. As a result, impairment charges increased to LKR 4,807 Mn for the period ended 30 September 2026, compared to LKR 4,367 Mn recorded in the corresponding period of 2025. These provisions have been established to safeguard the Bank's financial strength and reflect a more conservative assessment of potential credit risks, considering prevailing macroeconomic conditions and the potential impact of the geopolitical environment.

OPERATING EXPENSES

Technology and digital transformation remained key strategic priorities for the Bank during the period, supported by continued investments in IT infrastructure aimed at enhancing digital capabilities, strengthening information security, improving operational efficiency, and delivering a seamless customer experience across multiple channels. The Bank also increased its investment in marketing and business development initiatives to strengthen brand visibility, deepen customer engagement, and support growth across key business segments. These investments are expected to generate long-term value by reinforcing the Bank's market position, expanding its customer franchise, and enhancing its competitive advantage in an evolving financial services landscape.

Operating expenses were further impacted by higher card-related costs associated with increased transaction volumes and the expansion of card operations following the integration of the SCB retail banking portfolio. In addition, personnel expenses increased due to annual salary revisions, performance-based incentive payments, and the absorption of employees as part of the acquisition, reflecting the Bank's commitment to supporting growth while attracting, retaining, and rewarding talent.

As a result of these strategic growth initiatives and personnel-related costs, total operating expenses for the period ended 30 September 2026 increased to LKR 16,906 Mn from LKR 13,348 Mn in the corresponding period of 2025. Notwithstanding these investments, the Bank remains focused on maintaining prudent cost discipline and driving operational efficiencies to support sustainable growth, profitability, and long-term shareholder value.

FINANCIAL POSITION ANALYSIS

ASSETS

Total assets increased by LKR 107 Bn, representing a 13% growth compared to 31 December 2025, primarily driven by the expansion of the Bank's loan portfolio and the successful acquisition of the Wealth and Retail Banking Business of SCB. The loan book grew by LKR 94 Bn to LKR 610 Bn from LKR 516 Bn as at 31 December 2025, reflecting an 18% increase during the period.

This performance highlights the successful execution of DFCC Bank's strategic growth initiatives, combining strong organic business expansion with the benefits of the portfolio acquisition, while maintaining a disciplined lending approach focused on asset quality and sustainable growth. The continued recovery in economic activity and improving business confidence further supported credit demand, reinforcing the Bank's role in facilitating prudent credit expansion and contributing to national economic development.

LIABILITIES

The Bank's total liabilities increased by LKR 105 Bn, reflecting a 14% growth from December 2025. The deposit base expanded by 23%, rising by LKR 129 Bn to LKR 694 Bn, up from LKR 565 Bn as at 31 December 2025, resulting in a loan-to-deposit ratio of 95.51%. Additionally, the CASA ratio stood at 26.15% as at 30 September 2026.

The Bank effectively contained funding costs by utilising medium- to long-term concessionary credit lines, which supported the expansion of the lending portfolio and provided concessionary funding to customers. Factoring in these term borrowings, the CASA ratio further improved to 29.95%, while the loan-to-deposit ratio improved to 90.56% as at 30 September 2026.

EQUITY AND COMPLIANCE WITH CAPITAL REQUIREMENTS

As at 30 September 2026, total equity was LKR 110 Bn, supported by a profit after tax of LKR 7.3 Bn and movements across the Bank's securities portfolios.

In alignment with the Bank's growth strategy and the improving economic environment, the loan portfolio grew by 18%. 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 10.437%, while the Total Capital Ratio stood at 14.017%, compared to 13.550% and 15.933%, respectively, as at 31 December 2025.

The Bank's Net Stable Funding Ratio (NSFR) stood at 129.88%, and the Liquidity Coverage Ratio (LCR) – all currency – stood at 169.46%, both comfortably exceeding regulatory minimums.

CEO's Statement

DFCC Bank continued to grow its core businesses during the nine months ended 30 September 2026. Loans increased by 18% to LKR 610 Bn and deposits by 23% to LKR 694 Bn from 31 December 2025. Total assets grew by 13% to LKR 965 Bn. Net Interest Income rose by 8% to LKR 24.8 Bn and Net Fee and Commission Income by 23% to LKR 6.5 Bn against the corresponding period of 2025. Group Profit After Tax was LKR 7.6 Bn, 12% lower year on year. The net Stage 3 impaired loan ratio improved to 3.44% from 4.55% at year-end.

We strengthened impairment provisions through credit risk model refinements and management overlays, while continuing to invest in people, technology and operating capacity. Capital and liquidity remained above regulatory requirements. Our focus is to convert greater scale and stronger customer relationships into sustainable earnings, with disciplined judgement on risk and costs.

The acquisition of Standard Chartered Bank's Wealth and Retail Banking business brought approximately 50,000 customer accounts and around 260 colleagues into DFCC Bank, expanding our network and strengthening our retail and wealth capabilities. Completion was an important milestone; the real test is whether customers continue to feel well served and our new colleagues feel that they belong and can contribute. We are working to preserve trusted customer relationships and build one stronger team. Our Great Place to Work certification and recognition among Sri Lanka's Top 10 Mom-Inclusive Workplaces set a standard we must make real in everyday experience. I thank everyone who has helped bring the businesses together.

In July, DFCC Bank introduced Sri Lanka's first ATM and Cash Recycler Machine experience offering transactions in eight languages at Bandaranaike International Airport and selected tourism destinations. It reflects our belief that banking technology should adapt to customers. We also continued to develop propositions for migrant workers through Rataviru, pensioners through DFCC Garusaru, and women and entrepreneurs through DFCC Aloka.

We strengthened transaction banking and international trade, and were named Sri Lanka's Best Cash Management Bank for 2026 by The Asian Banker. Our Master Trade Loan Agreement with the Export-Import Bank of India further supports trade between the two countries. In September, we hosted the 49th ADFIAP Annual Meetings in Colombo, bringing regional development finance leaders from twenty countries together to discuss investment, climate finance, digital transformation, SME development and social inclusion.

Recognition during the period included two country awards at the ICC Emerging Asia Banking Awards, two Silver and one Bronze award at SLIM DIGIS 2.6, and ADFIAP awards for our Above and Beyond service culture transformation and the APark SME project. We value this recognition, while remaining focused on the work and results behind it.

We will convert our increased scale into stronger relationships, better customer experiences and sustainable performance, while managing credit quality, capital, liquidity and costs with care. I thank our customers, colleagues, shareholders, regulators and partners for their continued trust and support. We move forward with broader capabilities and a responsibility to deepen our contribution to Sri Lanka.

Thimal Perera
Director / Chief Executive Officer
13 November 2026

DFCC Bank PLC
Income Statement

For the nine months ended 30 September	Notes	Bank						Group					
		For the period ended			For the quarter ended			For the period ended			For the quarter ended		
		30.09.2026	30.09.2025	Change	**30.09.2026**	30.09.2025	Change	**30.09.2026**	30.09.2025	Change	**30.09.2026**	30.09.2025	Change
		LKR 000	LKR 000	%	**LKR 000**	LKR 000	%	**LKR 000**	LKR 000	%	**LKR 000**	LKR 000	%
Gross Income		**80,660,211**	71,996,358	12	**27,613,220**	24,779,701	11	**81,211,840**	72,475,093	12	**27,742,667**	24,903,553	11
Interest income		**69,283,738**	59,937,823	16	**24,846,663**	20,576,717	21	**69,286,982**	59,939,947	16	**24,847,828**	20,577,454	21
Interest expenses		**44,513,819**	36,968,956	20	**16,208,635**	12,775,283	27	**44,452,829**	36,911,344	20	**16,184,350**	12,755,978	27
Net interest income		**24,769,919**	22,968,867	8	**8,638,028**	7,801,434	11	**24,834,153**	23,028,603	8	**8,663,478**	7,821,476	11
Fee and commission income		**8,891,551**	6,837,548	30	**3,161,563**	2,591,559	22	**8,891,332**	6,837,093	30	**3,161,601**	2,591,495	22
Fee and commission expenses		**2,383,164**	1,556,421	53	**840,270**	559,684	50	**2,383,164**	1,556,421	53	**840,270**	559,684	50
Net fee and commission income		**6,508,387**	5,281,127	23	**2,321,293**	2,031,875	14	**6,508,168**	5,280,672	23	**2,321,331**	2,031,811	14
Net gains from trading	6	**57,832**	2,209,243	(97)	**(590,751)**	1,168,381	(151)	**57,832**	2,209,243	(97)	**(590,751)**	1,168,381	(151)
Net gains from derecognition of financial assets													
Fair value through other comprehensive income		**758,706**	1,536,494	(51)	**(76,531)**	288,258	(127)	**758,706**	1,536,494	(51)	**(76,531)**	288,258	(127)
Net other operating income	7	**1,668,384**	1,475,250	13	**272,276**	154,786	76	**2,216,988**	1,952,316	14	**400,520**	277,965	44
Total operating income		**33,763,228**	33,470,981	1	**10,564,315**	11,444,734	(8)	**34,375,847**	34,007,328	1	**10,718,047**	11,587,891	(8)
Impairment charges for loans and other losses		**4,806,818**	4,367,253	10	**176,618**	884,879	(80)	**4,806,818**	4,367,253	10	**176,618**	884,879	(80)
Net operating income		**28,956,410**	29,103,728	(1)	**10,387,697**	10,559,855	(2)	**29,569,029**	29,640,075	(0)	**10,541,429**	10,703,012	(2)
Operating expenses													
Personnel expenses		**7,588,957**	5,603,947	35	**2,668,989**	2,172,625	23	**7,747,725**	5,734,731	35	**2,738,516**	2,217,915	23
Depreciation and amortisation		**1,333,387**	1,062,745	25	**458,216**	379,377	21	**1,377,270**	1,107,107	24	**473,796**	395,632	20
Other expenses		**7,983,581**	6,680,980	19	**2,810,063**	2,470,214	14	**8,001,823**	6,714,502	19	**2,806,627**	2,485,397	13
Total operating expenses		**16,905,925**	13,347,672	27	**5,937,268**	5,022,216	18	**17,126,818**	13,556,340	26	**6,018,939**	5,098,944	18
Operating profit before taxes on financial services		**12,050,485**	15,756,056	(24)	**4,450,429**	5,537,639	(20)	**12,442,211**	16,083,735	(23)	**4,522,490**	5,604,068	(19)
Taxes on financial services		**3,314,384**	3,605,008	(8)	**1,193,830**	1,296,852	(8)	**3,314,384**	3,605,008	(8)	**1,193,830**	1,296,852	(8)
Operating profit after taxes on financial services		**8,736,101**	12,151,048	(28)	**3,256,599**	4,240,787	(23)	**9,127,827**	12,478,727	(27)	**3,328,660**	4,307,216	(23)
Share of profit of associate		-	-	-	-	-	-	**2,304**	1,488	55	**537**	912	(41)
Profit before income tax		**8,736,101**	12,151,048	(28)	**3,256,599**	4,240,787	(23)	**9,130,131**	12,480,215	(27)	**3,329,197**	4,308,128	(23)
Income tax expense		**1,412,659**	3,822,666	(63)	**(163,145)**	1,467,688	(111)	**1,563,243**	3,949,856	(60)	**(98,720)**	1,524,415	(106)
Profit for the period from continuing operations		**7,323,442**	8,328,382	(12)	**3,419,744**	2,773,099	23	**7,566,888**	8,530,359	(11)	**3,427,917**	2,783,713	23
Discontinued Operation													
Profit for the period from discontinued operations, net of tax		**-**	4,967,916	(100)	**-**	-	-	**-**	116,274	(100)	**-**	-	-
Profit for the period		**7,323,442**	13,296,298	(45)	**3,419,744**	2,773,099	23	**7,566,888**	8,646,633	(12)	**3,427,917**	2,783,713	23
Profit attributable to:													
Equity holders of the Bank		**7,323,442**	13,296,298	(45)	**3,419,744**	2,773,099	23	**7,425,125**	8,523,628	(13)	**3,375,593**	2,741,798	23
Non-controlling interests		-	-	-	-	-	-	**141,763**	123,005	15	**52,324**	41,915	25
Profit for the period		**7,323,442**	13,296,298	(45)	**3,419,744**	2,773,099	23	**7,566,888**	8,646,633	(12)	**3,427,917**	2,783,713	23
Earnings per share													
Basic/diluted earnings per ordinary share (LKR)		**16.38**	**30.44**	(46)	**7.65**	6.35	20	**16.60**	**19.51**	(15)	**7.55**	6.28	20
Basic/diluted earnings per ordinary share (LKR) - continuing operations		**16.38**	**19.07**	(14)	**7.65**	6.35	20	**16.60**	**19.25**	(14)	**7.55**	6.28	20

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

	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
For the nine months ended 30 September	**30.09.2026**	30.09.2025	Change	**30.09.2026**	30.09.2025	Change	**30.09.2026**	30.09.2025	Change	**30.09.2026**	30.09.2025	Change
	LKR 000	LKR 000	%	**LKR 000**	LKR 000	%	**LKR 000**	LKR 000	%	**LKR 000**	LKR 000	%
Profit for the period	**7,323,442**	13,296,298	(45)	**3,419,744**	2,773,099	23	**7,566,888**	8,646,633	(12)	**3,427,917**	2,783,713	23
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	**(3,326,326)**	1,670,091	(299)	**(655,783)**	(410,002)	(60)	**(3,326,326)**	1,670,091	(299)	**(655,783)**	(410,002)	(60)
Reclassified to income statement	**(758,706)**	(1,536,494)	51	**76,531**	(288,258)	127	**(758,706)**	(1,536,494)	51	**76,531**	(288,258)	127
Movement in hedging reserve:												
Cash flow hedge - effective portion of changes in fair value	**(1,336,978)**	(1,331,227)	(0)	**(1,266,511)**	(469,614)	(170)	**(1,336,978)**	(1,331,227)	(0)	**(1,266,511)**	(469,614)	(170)
Cash flow hedge - reclassified to income statement	**976,438**	1,036,500	(6)	**1,115,000**	423,250	163	**976,438**	1,036,500	(6)	**1,115,000**	423,250	163
Related deferred tax	**1,291,595**	130,031	893	**189,835**	250,680	(24)	**1,291,595**	130,031	893	**189,835**	250,680	(24)
Total other comprehensive expenses that are or may be reclassified subsequently to income statement	**(3,153,977)**	(31,099)	(10,042)	**(540,928)**	(493,944)	(10)	**(3,153,977)**	(31,099)	(10,042)	**(540,928)**	(493,944)	(10)
Items that will not be reclassified to income statement												
Equity investments at FVOCI - net change in fair value	**119,651**	8,346,051	(99)	**(1,024,729)**	5,498,170	(119)	**119,651**	8,346,051	(99)	**(1,024,729)**	5,498,170	(119)
Total other comprehensive income/(expenses) on items that will not be reclassified to income statement	**119,651**	8,346,051	(99)	**(1,024,729)**	5,498,170	(119)	**119,409**	8,346,051	(99)	**(1,024,971)**	5,498,170	(119)
Other comprehensive (expenses) / income for the period , net of tax	**(3,034,326)**	8,314,952	(136)	**(1,565,657)**	5,004,226	(131)	**(3,034,568)**	8,314,952	(136)	**(1,565,899)**	5,004,226	(131)
Total comprehensive income for the period	**4,289,116**	21,611,250	(80)	**1,854,087**	7,777,325	(76)	**4,532,320**	16,961,585	(73)	**1,862,018**	7,787,939	(76)
Total comprehensive income attributable to:												
Equity holders of the Bank	**4,289,116**	21,611,250	(80)	**1,854,087**	7,777,325	(76)	**4,390,557**	16,838,580	(74)	**1,809,694**	7,746,024	(77)
Non-controlling interests	**-**	-	-	**-**	-	-	**141,763**	123,005	15	**52,324**	41,915	25
Total comprehensive income for the period	**4,289,116**	21,611,250	(80)	**1,854,087**	7,777,325	(76)	**4,532,320**	16,961,585	(73)	**1,862,018**	7,787,939	(76)

DFCC Bank PLC

Statement of Financial Position

As at	Notes	Bank 30.09.2026 LKR 000	Bank 31.12.2025 (Audited) LKR 000	Bank Change %	Group 30.09.2026 LKR 000	Group 31.12.2025 (Audited) LKR 000	Group Change %
Assets							
Cash and cash equivalents		**21,035,710**	22,771,091	(8)	**21,066,423**	22,804,954	(8)
Balances with Central Bank of Sri Lanka		**9,693,584**	2,952,879	228	**9,693,584**	2,952,879	228
Placements with banks		**27,386,883**	37,442,912	(27)	**27,386,883**	37,442,912	(27)
Derivative financial assets		**7,366,205**	8,494,001	(13)	**7,366,205**	8,494,001	(13)
Financial assets measured at fair value through profit or loss		**5,874,189**	9,015,005	(35)	**5,874,189**	9,015,005	(35)
Financial assets at amortised cost - Loans and advances to banks		**14,021,834**	-	100	**14,021,834**	-	100
Financial assets at amortised cost - Loans and advances to customers	8	**604,486,964**	510,924,245	18	**604,486,964**	510,924,245	18
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	9	**5,019,370**	4,619,866	9	**5,019,370**	4,619,866	9
Financial assets at amortised cost - Debt and other instruments		**124,231,048**	114,795,690	8	**124,238,508**	114,804,987	8
Financial assets measured at fair value through other comprehensive income		**112,203,835**	124,552,817	(10)	**112,203,834**	124,552,817	(10)
Investments in subsidiaries		**237,035**	237,035	-	**-**	-	-
Investment in associate		**33,169**	33,169	-	**44,180**	41,876	6
Investment properties		**9,879**	9,879	-	**936,284**	598,166	57
Property, plant and equipment		**4,887,133**	4,508,724	8	**5,289,442**	4,777,359	11
Intangible assets and goodwill		**7,228,267**	2,608,324	177	**7,419,775**	2,785,560	166
Deferred tax assets		**7,462,750**	5,731,675	30	**7,467,512**	5,745,154	30
Current tax assets		**-**	-	-	**-**	1,138	(100)
Other assets		**13,468,241**	8,449,154	59	**13,802,218**	8,678,825	59
Total assets		**964,646,096**	857,146,466	13	**966,317,205**	858,239,744	13
Liabilities							
Due to banks		**4,575,660**	12,372,311	(63)	**4,575,660**	12,372,311	(63)
Derivative financial liabilities		**1,076,883**	201,000	436	**1,076,883**	201,000	436
Financial liabilities at amortised cost - Due to depositors	11	**693,769,142**	564,758,931	23	**692,696,462**	563,905,482	23
Financial liabilities at amortised cost - Due to other borrowers		**94,679,914**	134,354,757	(30)	**94,679,914**	134,363,917	(30)
Debt securities issued		**10,319,794**	12,286,859	(16)	**10,319,794**	12,286,859	(16)
Retirement benefit obligations		**1,431,794**	1,182,185	21	**1,444,286**	1,220,570	18
Current tax liabilities		**1,078,547**	2,669,112	(60)	**1,146,413**	2,757,706	(58)
Deferred tax liability		**-**	-	-	**53,910**	54,628	(1)
Other liabilities and provisions		**15,114,320**	12,545,239	20	**16,303,521**	13,018,783	25
Subordinated term debt		**32,244,151**	9,363,299	244	**32,244,151**	9,363,299	244
Total liabilities		**854,290,205**	749,733,693	14	**854,540,994**	749,544,555	14
Equity							
Stated capital		**17,388,007**	15,445,973	13	**17,388,007**	15,445,973	13
Statutory reserve fund		**4,459,968**	4,459,968	-	**4,459,968**	4,459,968	-
Retained earnings		**54,263,151**	50,291,230	8	**56,234,293**	52,160,931	8
Other reserves		**34,244,765**	37,215,602	(8)	**33,079,993**	36,050,830	(8)
Total equity attributable to equity holders of the Bank		**110,355,891**	107,412,773	3	**111,162,261**	108,117,702	3
Non-controlling interests		-	-		**613,950**	577,487	6
Total equity		**110,355,891**	107,412,773	3	**111,776,211**	108,695,189	3
Total equity and liabilities		**964,646,096**	857,146,466	13	**966,317,205**	858,239,744	13
Contingent liabilities and commitments	10	**303,796,421**	262,236,519	16	**303,796,421**	262,236,519	16
Net assets value per share (LKR)		**244.85**	245.01	(0)	**246.64**	246.62	0

	Bank 30.09.2026	Bank 31.12.2025	Group 30.09.2026	Group 31.12.2025
Memorandum Information				
Number of Employees	**2,891**	2,500	**2,984**	2,578
Number of Branches (Including Service centres)	**136**	133		

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							
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 period	-	-	-	-	-	13,296,298	13,296,298
Other comprehensive income/ (expenses) , net of tax	-	-	8,521,261	(206,309)	-	-	8,314,952
Total comprehensive income/ (expenses) for the period	**-**	**-**	**8,521,261**	**(206,309)**	**-**	**13,296,298**	**21,611,250**
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(447,257)	-	-	447,257	-
Transactions with equity holders of the Bank, recognised directly in equity							
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**	-	-	-	-	**(2,595,948)**	**(1,860,429)**
Balance as at 30 September 2025	**15,445,973**	**3,657,968**	**23,459,601**	**458,100**	**13,779,839**	**46,982,337**	**103,783,818**
Balance as at 01 January 2026	**15,445,973**	**4,459,968**	**23,149,281**	**286,482**	**13,779,839**	**50,291,230**	**107,412,773**
Profit for the period	-	-	-	-	-	7,323,442	7,323,442
Other comprehensive expenses , net of tax	-	-	(2,781,948)	(252,378)	-	-	(3,034,326)
Total comprehensive (expenses)/ income for the period	**-**	**-**	**(2,781,948)**	**(252,378)**	**-**	**7,323,442**	**4,289,116**
Transfers	-	-	-	-	237,258	(237,258)	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(173,769)	-	-	173,769	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2025 – Scrip	1,942,034	-	-	-	-	(1,942,034)	-
Final dividend for 2025 – Cash	-	-	-	-	-	(1,345,998)	(1,345,998)
Total contributions from and distribution to equity holders	**1,942,034**	-	-	-	-	**(3,288,032)**	**(1,345,998)**
Balance as at 30 September 2026	**17,388,007**	**4,459,968**	**20,193,564**	**34,104**	**14,017,097**	**54,263,151**	**110,355,891**

Statement of Changes in Equity

	Attributable to the equity holders of the Bank									
		Statutory reserve fund	Other reserves							
	Stated Capital	Reserve fund	Fair value reserve	Exchange equalization reserve	Hedging reserve	General reserve	Retained earnings	Total	Non- controlling interests	Total equity
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Group										
Balance as 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 period	-	-	-	-	-	-	8,523,628	8,523,628	123,005	8,646,633
Other comprehensive income / (expenses) , net of tax	-	-	8,521,261	-	(206,309)	-	-	8,314,952	-	8,314,952
Total comprehensive income / (expenses) for the period	**-**	**-**	**8,521,261**	**-**	**(206,309)**	**-**	**8,523,628**	**16,838,580**	**123,005**	**16,961,585**
Transfers	-	-	25,294	(294,630)	329,883	-	(60,547)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(447,257)	-	-	-	447,257	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Change in holding through joint venture	-	-	-	-	-	-	-	-	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)
Total contributions from and distribution to equity holders	**735,519**	**-**	**-**	**-**	**-**	**-**	**(2,595,948)**	**(1,860,429)**	**70,654**	**(1,789,775)**
Balance as at 30 September 2025	**15,445,973**	**3,657,968**	**22,053,896**	**-**	**458,100**	**13,779,839**	**48,982,494**	**104,378,270**	**640,090**	**105,018,360**
Balance at 01 January 2026	**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**
Profit for the period	-	-	-	-	-	-	7,425,125	7,425,125	141,763	7,566,888
Other comprehensive expenses , net of tax	-	-	(2,781,948)	-	(252,378)	-	(242)	(3,034,568)	-	(3,034,568)
Total comprehensive (expenses)/ income for the period	**-**	**-**	**(2,781,948)**	**-**	**(252,378)**	**-**	**7,424,883**	**4,390,557**	**141,763**	**4,532,320**
Transfers	-	-	-	-	-	237,258	(237,258)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(173,769)	-	-	-	173,769	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Final dividend for 2025 – Scrip	1,942,034	-	-	-	-	-	(1,942,034)	-	-	-
Final dividend for 2025 – Cash	-	-	-	-	-	-	(1,345,998)	(1,345,998)	-	(1,345,998)
Dividend distributed to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	-	(105,300)	(105,300)
Total contributions from and distribution to equity holders	**1,942,034**	**-**	**-**	**-**	**-**	**-**	**(3,288,032)**	**(1,345,998)**	**(105,300)**	**(1,451,298)**
Balance as at 30 September 2026	**17,388,007**	**4,459,968**	**19,028,792**	**-**	**34,104**	**14,017,097**	**56,234,293**	**111,162,261**	**613,950**	**111,776,211**

Statement of Cash Flows

For the nine months ended 30th September	BANK		GROUP	
	2026	2025	**2026**	2025
	LKR 000	LKR 000	**LKR 000**	LKR 000
Cash flows from operating activities				
Interest receipts	**67,973,829**	53,791,451	**67,974,684**	53,895,300
Interest payments	**(37,366,908)**	(32,754,887)	**(37,366,908)**	(32,780,881)
Net commission receipts	**6,235,754**	6,677,922	**6,235,754**	6,677,922
Net trading income	**293,484**	1,477,838	**293,484**	1,477,838
Receipts from other operating activities	**320,312**	123,024	**940,874**	858,886
Payments on other operating activities	**(9,610,063)**	(9,032,975)	**(9,610,063)**	(8,857,920)
Cash payments to employees	**(7,293,166)**	(5,468,806)	**(7,998,420)**	(6,010,387)
Taxes on financial services	**(3,186,258)**	(3,905,053)	**(3,186,258)**	(3,905,053)
Operating Cash flows before changes in operating assets and liabilities	**17,366,984**	10,908,514	**17,283,147**	11,355,705
(Increase)/ decrease in operating assets:				
Balances with Central Bank / deposits held for regulatory or monetary control purposes	**(6,740,706)**	(3,274,518)	**(6,740,706)**	(3,274,518)
Financial assets at amortised cost - Loans and advances to customers	**(110,672,255)**	(102,315,298)	**(110,672,255)**	(102,315,298)
Others	**(616,861)**	5,917,375	**(178,569)**	5,873,131
Increase / (Decrease) in operating liabilities:				
Financial liabilities at amortised cost - Due to depositors	**121,563,493**	93,732,450	**121,563,493**	93,550,283
Others	**167,902**	533,958	**395,541**	761,339
Net cash flows from operating activities before income tax	**21,068,557**	5,502,481	**21,650,651**	5,950,642
Income tax paid	**(3,423,947)**	(4,807,611)	**(3,479,818)**	(4,986,513)
Net cash flows from operating activities	**17,644,610**	694,870	**18,170,833**	964,129
Cash flows from investing activities				
Dividends received from investmenet in subsidiaries, joint venture, and associate	**93,742**	68,000	**-**	-
Dividend received from other investments	**1,068,515**	1,297,760	**1,068,515**	1,297,760
Government Securities- net	**798,691**	11,311,601	**798,691**	11,311,601
Proceeds from sale and redemption of securities	**7,686,244**	6,674,753	**7,686,244**	6,674,753
Purchase of financial investments	**(3,808,349)**	(7,670,574)	**(3,808,349)**	(7,670,574)
Purchase of property ,equipment ,intangibles and investment property	**(6,077,844)**	(1,774,672)	**(6,582,908)**	(1,981,300)
Proceeds from sale of equipments, disposal of joint venture	**-**	6,500,000	**-**	6,500,000
Proceeds from sale of equipments, investment properties and others	**53,199**	-	**53,199**	-
Net cash flows (used in) / from investing activities	**(185,802)**	16,406,868	**(784,608)**	16,132,240
Cash flows from financing activities				
Redemption of debentures	**(1,784,070)**	(9,086,530)	**(1,784,070)**	(9,086,530)
Issue of debentures	**22,500,000**	-	**22,500,000**	-
Borrowing , medium and long - term	**4,024,448**	11,873,704	**4,024,448**	11,873,704
Other short term borrowings - net	**(42,455,492)**	37,070,398	**(42,373,792)**	37,070,398
Repayment of borrowing ,medium and long - term	**(10,189,106)**	(16,378,070)	**(10,201,373)**	(16,378,070)
Dividends paid	**(1,345,998)**	(1,730,632)	**(1,345,998)**	(1,730,632)
Net Cash flows (used in) / from financing activities	**(29,250,218)**	21,748,870	**(29,180,785)**	21,748,870
Net (decrease) / increase in cash and cash equivalents	**(11,791,410)**	38,850,608	**(11,794,560)**	38,845,239
Cash and cash equivalents at the beginning of the period	**60,214,003**	24,734,298	**60,247,866**	24,752,967
Cash and cash equivalents at the end of the period	**48,422,593**	63,584,906	**48,453,306**	63,598,206
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	**21,035,710**	17,679,415	**21,066,423**	17,692,715
Placements with banks	**27,386,883**	45,905,491	**27,386,883**	45,905,491
	48,422,593	63,584,906	**48,453,306**	63,598,206

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. Investments in Subsidiaries and associate companies are accounted under cost method in Bank's financial statements. Investment in associate is accounted under equity method in group's financial statements.

Note 4. Quarterly Update on Sustainability-related Financial Disclosures

With effect from January 01, 2025, the Bank adopted the SLFRS Sustainability Disclosure Standards, comprising SLFRS S1, General Requirements for Disclosure of Sustainability-related Financial Information, and SLFRS S2 Climate-related Disclosures.

The Bank's initial Sustainability-related Financial Disclosures, presented in the Annual Report 2025, were prepared applying the transition reliefs permitted under SLFRS S1 and SLFRS S2 for first annual reporting period. The Bank identified and disclosed its climate-related risks and opportunities (CRROs) in accordance with the requirements of SLFRS S2.

As part of the ongoing review process, management reassessed the climate-related risks and opportunities disclosed in the Annual Report 2025, considering developments during the period ended 30 September 2026. Based on this reassessment, no material changes were identified that would require an update to the climate-related financial disclosures previously reported for the year ended 31 December 2025

Note 5. Expected Credit Loss calculation

In response to the current and potential future impacts of global and domestic economic conditions on the Bank's lending portfolio, management strengthened impairment provisioning during the period. This was underpinned by enhancements to internal expected credit loss models designed to better capture risk factors not fully observable in the prevailing volatile geopolitical and economic environment, including the application of management overlays to recognize additional provisions for exposures to higher-risk sectors and customer segments.

Note 6. Net gains from trading

	Bank		Group	
For the period ended 30 September	**2026**	2025	**2026**	2025
	LKR 000	LKR 000	**LKR 000**	LKR 000
Derivative Financial Instruments				
Forward exchange fair value changes from banks and other customers	**(750,332)**	1,258,716	**(750,332)**	1,258,716
Gains on financial assets fair value through profit or loss - equity securities	**36,892**	147,664	**36,892**	147,664
Foreign exchange from Banks and Other Customers	**1,037,496**	(925,979)	**1,037,496**	(925,979)
Financial assets recognized through profit or loss - measured at fair value				
Government securities				
- Net marked to market gains	**6,947**	(14,554)	**6,947**	(14,554)
- Net capital (losses)/ gains	**(76,745)**	150,371	**(76,745)**	150,371
Equities				
- Net marked to market (losses)/gains	**(704,397)**	130,660	**(704,397)**	130,660
- Net capital gains	**370,229**	1,327,468	**370,229**	1,327,468
- Dividend income	**137,742**	134,897	**137,742**	134,897
	57,832	2,209,243	**57,832**	2,209,243

Note 7. Net Other Operating Income

	Bank		Group	
For the period ended 30 September	**2026**	2025	**2026**	2025
	LKR 000	LKR 000	**LKR 000**	LKR 000
Financial assets measured at fair value through other comprehensive income				
Dividend income	**1,396,003**	1,297,760	**1,396,003**	1,297,760
Dividend income from subsidiaries, joint venture and associate	**93,742**	68,000	**-**	-
Premises rental income	**-**	-	**433,421**	378,363
Net losses on sale of property, plant and equipment	**64,715**	680	**64,715**	680
Foreign exchange (losses)/ gains	**(26,282)**	17,628	**(19,437)**	22,552
Recovery of loans written-off	**94,382**	55,037	**94,382**	55,328
Others	**45,824**	36,145	**247,904**	197,633
	1,668,384	1,475,250	**2,216,988**	1,952,316

Note 8. Financial assets at amortised cost - Loans and advances to customers

As at	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
	LKR 000	LKR 000	**LKR 000**	LKR 000
Gross loans and advances to customers (Note 8.1)	**657,592,293**	558,990,709	**657,592,293**	558,990,709
Less: Allowance for impairment (Note 8.2)	**(53,105,329)**	(48,066,464)	**(53,105,329)**	(48,066,464)
Net loans and advances to customers	**604,486,964**	510,924,245	**604,486,964**	510,924,245

Note 8.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
	LKR 000	LKR 000	**LKR 000**	LKR 000
By product-Domestic Currency				
Overdrafts	**70,498,816**	63,842,754	**70,498,816**	63,842,754
Trade finance	**81,375,678**	68,498,285	**81,375,678**	68,498,285
Credit cards	**19,168,532**	9,929,497	**19,168,532**	9,929,497
Pawning and Gold Loan	**38,222,713**	27,152,004	**38,222,713**	27,152,004
Staff loans	**5,857,383**	4,223,112	**5,857,383**	4,223,112
Term loans	**286,322,038**	252,817,466	**286,322,038**	252,817,466
Lease rentals receivable	**38,085,258**	35,710,221	**38,085,258**	35,710,221
Housing loans	**28,275,694**	20,574,966	**28,275,694**	20,574,966
Securities purchased under resale agreements	**1,431,051**	155,038	**1,431,051**	155,038
	569,237,163	482,903,343	**569,237,163**	482,903,343
By product-Foreign Currency				
Overdrafts	**3,232,155**	2,723,660	**3,232,155**	2,723,660
Trade finance	**35,430,445**	26,509,890	**35,430,445**	26,509,890
Term loans	**49,692,530**	46,853,816	**49,692,530**	46,853,816
	88,355,130	76,087,366	**88,355,130**	76,087,366
Gross loans and advances to customers	**657,592,293**	558,990,709	**657,592,293**	558,990,709

Note 8.2 Movement in Impairment during the period

	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
	LKR 000	LKR 000	**LKR 000**	LKR 000
Stage 1				
Balance at beginning	**3,835,956**	3,412,778	**3,835,956**	3,412,778
(Reversal)/ charge to income statement	**(151,199)**	423,178	**(151,199)**	423,178
Balance at end	**3,684,757**	3,835,956	**3,684,757**	3,835,956
Stage 2				
Balance at beginning	**3,572,259**	5,930,684	**3,572,259**	5,930,684
Charge/ (reversal) to income statement	**994,698**	(2,358,425)	**994,698**	(2,358,425)
Balance at end	**4,566,957**	3,572,259	**4,566,957**	3,572,259
Stage 3				
Balance at beginning	**40,658,249**	36,516,429	**40,658,249**	36,516,429
Charge to income statement	**3,957,489**	6,726,680	**3,957,489**	6,726,680
Other movements	**237,877**	(2,584,860)	**237,877**	(2,584,860)
Balance at end	**44,853,615**	40,658,249	**44,853,615**	40,658,249
Total Impairment	**53,105,329**	48,066,464	**53,105,329**	48,066,464

Note 9. Financial assets measured at fair value through other comprehensive income- Loans and advances to customers

As at	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
	LKR 000	LKR 000	**LKR 000**	LKR 000
Gross loans and advances to customers (Note 9.1)	**5,014,541**	4,605,823	**5,014,541**	4,605,823
Fair value adjustment including impairment	**4,828**	14,043	**4,828**	14,043
	5,019,370	4,619,866	**5,019,370**	4,619,866

Note 9.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
By product-Foreign Currency	**LKR 000**	LKR 000	**LKR 000**	LKR 000
Term loans	**5,014,541**	4,605,823	**5,014,541**	4,605,823
Gross loans and advances to customers	**5,014,541**	4,605,823	**5,014,541**	4,605,823

Note 10 . Analysis of Commitments and Contingencies and Impairment

	As at	Bank		Group	
		30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
		LKR 000	LKR 000	**LKR 000**	LKR 000
10.1	Gross commitment and contingencies	303,796,421	262,236,519	303,796,421	262,236,519
	Accumulated impairment under stage 1	875,860	729,016	875,860	729,016
	Accumulated impairment under stage 2	104,358	85,320	104,358	85,320
	Accumulated impairment under stage 3	292,532	486,086	292,532	486,086
	Net commitments and contingencies	**302,523,671**	**260,936,097**	**302,523,671**	**260,936,097**
10.2	**Product-wise commitments and contingencies**				
	Domestic currency				
	Credit related commitments and contingencies				
	Undrawn -Credit facilities	132,789,869	103,815,220	132,789,869	103,815,220
	Acceptances	6,512	67,255	6,512	67,255
	Documentary Letter of credit	65,520	883,355	65,520	883,355
	Guarantees and other Commitments	33,856,325	23,587,426	33,856,325	23,587,426
		166,718,226	**128,353,256**	**166,718,226**	**128,353,256**
	Other commitments and contingencies				
	Capital commitments	408,687	9,568	408,687	9,568
	Bid Bonds	2,813,352	30,808	2,813,352	30,808
		3,222,039	**40,376**	**3,222,039**	**40,376**
	Sub total	**169,940,265**	**128,393,632**	**169,940,265**	**128,393,632**
	Foreign currency				
	Credit related commitments and contingencies				
	Undrawn - Credit facilities	15,558,504	17,331,607	15,558,504	17,331,607
	Acceptances	14,876,625	13,296,462	14,876,625	13,296,462
	Documentary Letter of credit	33,791,790	24,671,112	33,791,790	24,671,112
	Guarantees and other Commitments	5,872,134	6,248,828	5,872,134	6,248,828
		70,099,053	**61,548,009**	**70,099,053**	**61,548,009**
	Other commitments and contingencies				
	Forward exchange contracts	63,500,978	69,229,821	63,500,978	69,229,821
	Capital commitments	256,125	831,313	256,125	831,313
	Bid Bonds	-	2,233,744	-	2,233,744
		63,757,103	**72,294,878**	**63,757,103**	**72,294,878**
	Sub total	**133,856,156**	**133,842,887**	**133,856,156**	**133,842,887**
	Total gross commitments and contingencies	**303,796,421**	**262,236,519**	**303,796,421**	**262,236,519**

10.3

Bank	**Stage 01** **LKR 000**	**Stage 02** LKR 000	**Stage 03** **LKR 000**	**Total** LKR 000
Balance as at 1st January 2026	729,016	85,320	486,086	1,300,422
Net charge to profit or loss	146,844	19,038	(193,554)	(27,672)
Balance as at 30 September 2026	**875,860**	**104,358**	**292,532**	**1,272,750**

Group	**Stage 01** **LKR 000**	**Stage 02** LKR 000	**Stage 03** **LKR 000**	**Total** LKR 000
Balance as at 1st January 2026	729,016	85,320	486,086	1,300,422
Net charge to profit or loss	146,844	19,038	(193,554)	(27,672)
Balance as at 30 September 2026	**875,860**	**104,358**	**292,532**	**1,272,750**

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

As at	Bank		Group	
	30.09.2026	31.12.2025 (Audited)	**30.09.2026**	31.12.2025 (Audited)
	LKR 000	LKR 000	**LKR 000**	LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	**23,043,767**	18,627,881	**23,136,845**	18,628,202
Savings deposits	**102,709,504**	80,519,431	**102,277,770**	80,460,726
Fixed deposits	**402,897,725**	324,846,244	**402,195,531**	324,089,942
Other deposits	**1,278,195**	1,501,962	**1,278,195**	1,501,962
	529,929,191	425,495,518	**528,888,341**	424,680,832
By product- Foreign Currency				
Demand deposits (current accounts)	**3,302,237**	2,263,055	**3,302,237**	2,263,055
Savings deposits	**51,083,137**	35,295,441	**51,051,307**	35,256,678
Fixed deposits	**109,451,055**	101,625,995	**109,451,055**	101,625,995
Other deposits	**3,522**	78,922	**3,522**	78,922
	163,839,951	139,263,413	**163,808,121**	139,224,650
Total	**693,769,142**	564,758,931	**692,696,462**	563,905,482

Note 12. Reclassification of Financial Instruments

Reclassification of Financial Instruments 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 30 September 2026 amounted to LKR 3.76 Bn. and cumulative fair value loss thereon amounted to LKR 0.01 Bn. (net of tax LKR 0.01 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.

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	
	30.09.2026	31.12.2025
Number of shares of the Bank	**450,715,084**	438,404,250

14.3 Market price of a share

Information on shares of the Bank for the quarter ended	**30.09.2026**	31.12.2025
- Highest price LKR	**135.00**	175.00
- Lowest price LKR	**122.75**	137.00
- Market price LKR	**123.50**	148.00

14.4 Twenty Major Shareholders as at 30.09.2026

	Name of Shareholder/Company	Shareholding	%
1	Hatton National Bank PLC A/C No 1	56,217,170	12.47
2	Bank of Ceylon-No2 A/C (BOC PTF)	47,150,696	10.46
3	Seylan Bank PLC / Phantom Investments (Pvt) Ltd	45,029,948	9.99
4	Mr. M.A.Yaseen	40,047,763	8.88
5	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,758,187	6.15
6	Melstacorp PLC	27,744,561	6.15
7	Seafeld International Limited	21,960,020	4.87
8	Sri Lanka Insurance Corporation Life Ltd Participating Portfolio A/C 01	15,862,330	3.51
9	Sri Lanka Insurance Corporation Ltd - Life Fund	15,249,195	3.38
10	Renuka City Hotels PLC	9,125,939	2.02
11	Ambeon Holdings PLC	5,438,564	1.20
12	Renuka Hotels PLC	5,048,939	1.12
13	Metrocorp (Pvt) Ltd	4,999,156	1.10
14	Employees Trust Fund Board	4,549,907	1.00
15	Hatton National Bank PLC/ Colombo City Holdings PLC	4,215,132	0.93
16	Cargo Boat Development Company PLC	3,413,953	0.75
17	Sampath Bank PLC/Ambeon Holdings PLC	3,084,243	0.68
18	Sri Lanka Insurance Corporation Life Ltd Other Liability Portfolio A/C 04	3,070,458	0.68
19	Seylan Bank PLC /Ambeon Holdings PLC (Margin Trading)	3,069,228	0.68
20	Akbar Brothers Pvt Ltd	2,774,269	0.61

14.5 Public Holdings as at 30.09.2026

Public holdings percentage	77.04%
Number of Public shareholders	19,686
Float adjusted market capitalisation	LKR 42,883 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 30.09.2026
J Durairatnam	Nil
Ms L K A H Fernando (Retired with effect from 31 Oct 2026)	Nil
N K G K Nemmawatta	Nil
N H T I Perera	27,573
Ms A L Thambiayah	Nil
N Vasantha Kumar	Nil
H A J de Silva Wijeyeratne	13,783
P A Jayatunga	Nil
I A Wickramasinghe	Nil
Ms A K Moonesinghe	Nil
S J M Marcelline	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:

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.

(b) the information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

J. Durairatnam
Chairman

Thimal Perera
Director / Chief Executive Officer

12-Nov-26

SLFRS 3 – Business Combinations Disclosure

(a) Acquisition Overview

On 1 August 2026, the Group acquired the Wealth and Retail Banking Business of Standard Chartered Bank Sri Lanka Branch ("SCB Sri Lanka"), comprising retail loans, customer deposits, transferred employees, and branch lease rights. The acquired assets and activities meet the definition of a business under SLFRS 3. Effective control transferred on 1 August 2026 ,and accordingly, the acquisition has been accounted for as a business combination in the interim financial statements as at 30 September 2026. This transaction was previously disclosed in the financial statements for the six months ended 30 June 2026 as a non-adjusting event after the reporting date, as the acquisition had not yet occurred and the related accounting had not commenced at that time.

(b) Purchase Price Allocation

The accounting for the acquisition remains provisional. The Group is currently identifying and valuing separately identifiable intangible assets acquired through the transaction. Pending completion of this exercise, the excess of the consideration transferred over the provisional fair value of identifiable net assets acquired has been recognised as provisional goodwill.
In accordance with SLFRS 3, the Group has a measurement period of up to 12 months from the acquisition date (up to 31 July 2027) to finalize the purchase price allocation. No measurement period adjustments were recorded during the current reporting period. Pending completion of this exercise, the excess of the consideration transferred over the provisional fair value of identifiable net assets acquired has been recognised provisionally as goodwill. The amount recognised as provisional goodwill may be adjusted during the measurement period after the valuation of identifiable intangible assets and related deferred tax liabilities is finalised.

(c) Nature of the Acquisition
The acquired business primarily comprises the loan portfolio (including credit cards), deposits, the organised workforce and associated lease rights, which together constitute a 'business' as defined under SLFRS 3.

(d) Consideration Transferred

Description	**LKR '000**
Cash consideration (inclusive of taxes)	4,423,487

The acquisition was funded through internally generated funds. The transaction did not include contingent, deferred, or equity consideration.

(e) Measurement Period
In accordance with SLFRS 3 para 45, the Group has a measurement period of up to twelve months from the acquisition date (i.e., up to 31 July 2027) within which to finalise the accounting for the business combination. Any adjustments to the provisional amounts recognised in the following tables, that are identified during this period will be recognised retrospectively against the fair value of the identifiable assets and liabilities (with a corresponding adjustment to goodwill) as if the accounting had been completed at the acquisition date, in accordance with SLFRS 3 para 45 - 49. The Group expects to complete the purchase price allocation within the measurement period.

As this is the first reporting period following the acquisition date, no measurement period adjustments have been recognized during the current period.

(f) Identifiable Assets Acquired and Liabilities Assumed
The table below sets out the provisional fair values of the identifiable assets acquired and liabilities assumed, recognised in accordance with SLFRS 3 and measured under SLFRS 13, as at the acquisition date.

Assets	**Provisional Fair Value LKR'000**
Cash and cash equivalents	19,472,636
Loans and advances to customers	
Credit Cards	7,078,186
Loans and Overdrafts to customers	15,621,211
Property, plant and equipment	2,942
Refundable Deposit and Advances	17,771
Total identifiable assets acquired (excluding intangible assets)	**42,192,746**
Liabilities	
Due to depositors including Abandoned Property	42,155,037
Customer Loyalty points liability	32,991
Staff related liabilities	94,866
Other Liabilities	15,325
Total Identifiable Liabilities Assumed	**42,298,219**
Net identifiable liabilities assumed (excluding intangible assets)	(105,473)

(g) Reconciliation to Consideration Transferred
The provisional goodwill arising on the acquisition being the consideration transferred plus the provisional net identifiable liabilities assumed (excluding intangible assets), summarised below has not been allocated between identifiable intangible assets and goodwill as at the date of these interim financial statements

Consideration transferred (LKR'000)	4,423,487
Add : Net identifiable liabilities assumed (excluding intangible assets) (LKR'000) - Note (f)	105,473
Provisional amount attributable to goodwill and identifiable intangible assets (LKR'000)	**4,528,961**

This amount has been recognised provisionally as goodwill pending completion of the valuation of identifiable intangible assets. The allocation between identifiable intangible assets and goodwill will be finalised within the measurement period in accordance with SLFRS 3. Management is currently in the process of identification and valuing the related intangible assets, including the estimation of future cashflows and discount rates. The provisional amounts disclosed in Note (f) above, and the items listed above, may change, potentially materially, as the Group completes the valuation of the intangible assets and the associated purchase price allocation.

Listed Debentures

	Interest rate Frequency	Effective Rate	Coupon Rate	Interest rate of Comparative Government Securities (Gross) p.a.	Balance as at					
		%	%	%	30.09.2026	Market price LKR			Yield	Last
					LKR 000	Highest	Lowest	Last Traded	Last Traded %	Traded Date
Debenture Category										
Fixed Rate										
2019/2029	Annually	13.90	13.90	10.57	4,709,760	N/T	N/T	N/T	N/T	N/T
2020/2027	Annually	9.25	9.25	9.87	222,653	N/T	N/T	N/T	N/T	N/T
2024/2027	Annually	12.00	12.00	9.86	2,511,043	N/T	N/T	N/T	N/T	N/T
2024/2029	Annually	15.25	15.25	10.53	8,773,797	104.04	104.04	104.04	14.10	1-Sep-26
2024/2031	Annually	14.75	14.75	11.29	60,307	N/T	N/T	N/T	N/T	N/T
2025/2028	Annually	9.75	9.75	10.46	142,538	N/T	N/T	N/T	N/T	N/T
2025/2028	Zero Coupon Bond	*9.75	-	10.46	22,617	N/T	N/T	N/T	N/T	N/T
2025/2029	Annually	10.25	10.25	10.81	914,372	N/T	N/T	N/T	N/T	N/T
2025/2029	Zero Coupon Bond	*10.25	-	10.81	198,251	N/T	N/T	N/T	N/T	N/T
2025/2030	Annually	10.50	10.50	11.15	1,731,063	N/T	N/T	N/T	N/T	N/T
2025/2030	Zero Coupon Bond	*10.50	-	11.15	90,151	N/T	N/T	N/T	N/T	N/T
2026/2031	Annually	13.00	13.00	11.38	12,506,400	N/T	N/T	N/T	N/T	N/T
2026/2031	Annually	11.50	11.50	11.29	10,223,641	N/T	N/T	N/T	N/T	N/T
2026/2033	Annually	11.75	11.75	11.70	203,913	N/T	N/T	N/T	N/T	N/T
2026/2036	Annually	12.00	12.00	12.07	253,440	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 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 30.09.2026 (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	Within 18 months upon allotment of the Bonds	LKR 3,000 Mn	100.0%	LKR 3,000 Mn	100.0%	N/A

** Date of allotment of Blue Bonds - 21.11.2025*

Disclosures regarding the utilization of funds as per the objectives stated in the GSS+ 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 30.09.2026 (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.)
Improve the Tier 2 Capital Adequacy Ratio (CAR)	LKR 10,000 Mn	Immediately	LKR 10,000 Mn	100.0%	LKR 10,000 Mn	100.0%	N/A
Support the Bank's Balance Sheet Growth Through Financing and/or Refinancing GSS+ Projects		Within 18 months upon allotment of the Bonds	LKR 10,000 Mn	100.0%	LKR 5,696 Mn	57.0%	Invested in Government Securities

** Date of allotment of GSS+ Bonds - 13.02.2026*

Disclosures regarding the utilization of funds as per the objectives stated in the Debenture 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 30.09.2026 (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.)
Strengthen the Tier 2 Capital Base of the Bank as per Basel III Requirements	LKR 12,500 Mn	Immediately upon obtaining CBSL approval	LKR 12,500 Mn	100.0%	LKR 12,500 Mn	100.0%	N/A
To Support the Bank's Balance Sheet Growth by growing the loans and advances portfolio and/or investing in Sri Lanka Government Securities		Over a period of 18 months from the Date of Allotment					

** Date of allotment of debenture - 21.09.2026*

Selected Performance Indicators

Item	Bank		Group	
	30.09.2026	31.12.2025	**30.09.2026**	31.12.2025
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier I	**60,685,239**	68,302,317	**61,215,480**	68,840,059
Tier 1 Capital	**60,685,239**	68,302,317	**61,215,480**	68,840,059
Total Regulatory Capital	**81,501,329**	80,318,596	**82,032,602**	80,869,103
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	**10.437**	13.550	**10.529**	13.610
Tier 1 Capital Ratio (Minimum requirement - 8.5%)	**10.437**	13.550	**10.529**	13.610
Total Capital Ratio (Minimum requirement - 12.5%)	**14.017**	15.933	**14.110**	15.989
Basel III Leverage Ratio (Minimum requirement is 3%)	**5.82**	7.40	**5.87**	7.46
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	**204.27**	190.90		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	**169.46**	184.06		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	**129.88**	122.64		
Asset Quality				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*- Net	**3.44**	4.55		
Impaired Loans (Stage 3) to Total Loans Ratio (%)*- Gross	**8.45**	10.08		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	**59.24**	55.12		
Income & Profitability				
Net Interest margin %	**3.64**	3.96		
Return on assets (profit before tax from continuing operation) %	**1.20**	2.00		
Return on equity (profit after tax from continuing operation) %	**8.68**	11.55		
Cost to Income Ratio (%)	**50.87**	36.42		
Other Ratios				
Debt to equity ratio (times)	**1.57**	2.00		
Interest cover (times)	**2.23**	2.72		
Memorandum Information				
Credit Rating - Fitch	**A(lka)**	A(lka)		
Number of Employees	**2,891**	2,500		
Number of Branches (Including Service centres)	**136**	133		

* Including Undrawn Portion of Credit

Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
As at 30 September 2026	**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**
	LKR 000	**LKR 000**	**LKR 000**	**LKR 000**	**LKR 000**	**LKR 000**	**LKR 000**	**LKR 000**
Financial Assets								
Cash and cash equivalents	-	-	21,035,710	21,035,710	-	-	21,066,423	21,066,423
Balances with Central Bank of Sri Lanka	-	-	9,693,584	9,693,584	-	-	9,693,584	9,693,584
Placements with banks	-	-	27,386,883	27,386,883	-	-	27,386,883	27,386,883
Derivative financial assets	7,366,205	-	-	7,366,205	7,366,205	-	-	7,366,205
Financial assets measured at fair value through profit or loss	5,874,189	-	-	5,874,189	5,874,189	-	-	5,874,189
Financial assets at amortised cost -Loans and advances to customers	-	-	604,486,964	604,486,964	-	-	604,486,964	604,486,964
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	-	5,019,370	-	5,019,370	-	5,019,370	-	5,019,370
Financial assets at amortised cost - Debt and other instruments	-	-	124,231,048	124,231,048	-	-	124,238,508	124,238,508
Financial assets measured at fair value through other comprehensive income	-	112,203,835	-	112,203,835	-	112,203,834	-	112,203,834
Other assets	-	-	8,951,253	8,951,253	-	-	9,122,889	9,122,889
Total financial assets	13,240,394	117,223,205	809,807,276	940,270,875	13,240,394	117,223,204	810,017,085	940,480,683
Financial Liabilities								
Due to banks	-	-	4,575,660	4,575,660	-	-	4,575,660	4,575,660
Derivative financial liabilities	1,076,883	-	-	1,076,883	1,076,883	-	-	1,076,883
Financial liabilities at amortised cost -Due to depositors	-	-	693,769,142	693,769,142	-	-	692,696,462	692,696,462
Financial liabilities at amortised cost - Due to other borrowers	-	-	94,679,914	94,679,914	-	-	94,679,914	94,679,914
Debt securities issued	-	-	10,319,794	10,319,794	-	-	10,319,794	10,319,794
Other liabilities and provisions	-	-	12,251,587	12,251,587	-	-	13,268,795	13,268,795
Subordinated term debt	-	-	32,244,151	32,244,151	-	-	32,244,151	32,244,151
Total financial liabilities	1,076,883	-	847,840,248	848,917,131	1,076,883	-	847,784,776	848,861,659

As at 31 December 2025	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
	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 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 and provisions	-	-	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

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 30 September 2026	**Level 1 LKR 000**	**Level 2 LKR 000**	**Level 3 LKR 000**	**Total LKR 000**
Financial Assets				
Derivative financial assets				
Forward foreign exchange contracts	-	7,366,205	-	7,366,205
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	2,670,995	-	-	2,670,995
Equity securities - quoted	3,132,693	-	-	3,132,693
Units in unit trusts - unquoted	-	70,502	-	70,502
Financial assets measured at fair value through other comprehensive income				
Loans and advances to customers	-	5,019,370	-	5,019,370
Government of Sri Lanka Treasury Bills and Bonds	78,355,886	-	-	78,355,886
US Treasury Bill	1,009,364	-	-	1,009,364
Debentures	-	1,505,342	-	1,505,342
Equity shares- quoted	31,001,179	-	-	31,001,179
Equity shares- unquoted	-	-	332,064	332,064
	116,170,117	**13,961,419**	**332,064**	**130,463,600**
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	1,076,883	-	1,076,883
	-	**1,076,883**	**-**	**1,076,883**

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 Bond	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**

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 30 September 2026		As at 31 December 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**21,035,710**	**21,035,710**	22,771,091	22,771,091
Balances with Central Bank of Sri Lanka	**9,693,584**	**9,693,584**	2,952,879	2,952,879
Placements with banks	**27,386,883**	**27,386,883**	37,442,912	37,442,912
Financial assets at amortised cost - Loans and advances to banks	**14,021,834**	**14,021,834**	-	-
Financial assets at amortised cost - Loans and advances to customers	**604,486,964**	**555,355,820**	510,924,245	477,425,470
Financial assets at amortised cost - Debt and other instruments	**124,231,048**	**124,139,831**	114,795,690	116,567,539
Other financial assets	**8,951,253**	**8,951,253**	6,198,600	6,198,600
Financial Liabilities				
Due to banks	**4,575,660**	**4,575,660**	12,372,311	12,372,311
Financial liabilities at amortised cost - due to depositors	**693,769,142**	**692,246,835**	564,758,931	566,423,213
Financial liabilities at amortised cost - due to other borrowers	**94,679,914**	**94,679,914**	134,354,757	134,354,757
Debt securities issued	**10,319,794**	**10,289,161**	12,286,859	12,614,066
Other financial liabilities	**12,251,587**	**12,251,587**	8,298,358	8,298,358
Subordinated term debt	**32,244,151**	**32,237,884**	9,363,299	10,343,084

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	
	2026	**2025**
	LKR 000	**LKR 000**
Balance at 1 January	332,063	270,193
Purchased during the period		
Gain included in OCI		
– Net change in fair value (unrealised)	-	61,870
Balance at end of the period	332,063	332,063

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**
Equity securities as at 30.09.2026	**LKR 000**	**LKR 000**
Adjusted net assets value (5% movement)	16,603	(16,603)

OPERATING SEGMENTS - GROUP

Information about reportable segments

For the period ended 30 September	Corporate Banking		Retail Banking & SME		Treasury		Other		Unallocated		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	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 - external customers	7,686,241	7,537,720	4,230,427	230,078	14,874,472	17,443,505	64,234	59,737	(2,021,221)	(2,242,437)	**24,834,153**	**23,028,603**
Inter-segment net interest income	(5,571,209)	(5,178,591)	9,195,047	10,203,762	(9,535,716)	(10,710,101)	-	-	5,911,878	5,684,930	-	-
Total net interest income	**2,115,032**	**2,359,129**	**13,425,474**	**10,433,840**	**5,338,756**	**6,733,404**	**64,234**	**59,737**	**3,890,657**	**3,442,493**	24,834,153	23,028,603
Net fee and commission income	1,516,050	1,263,338	4,697,002	3,876,188	63,665	63,789	(219)	(455)	231,670	77,812	**6,508,168**	**5,280,672**
Net gains from trading	213,886	132,258	324,537	219,455	(480,591)	1,857,530	-	-	-	-	**57,832**	**2,209,243**
Net gains from derecognition of financial assets	-	-	-	-	758,706	1,536,494	-	-	-	-	**758,706**	**1,536,494**
Net other operating income	6,981	8,960	70,214	(23,477)	160,146	314,542	548,604	477,066	1,431,043	1,175,225	**2,216,988**	**1,952,316**
Total operating income	**3,851,949**	**3,763,685**	**18,517,227**	**14,506,006**	**5,840,682**	**10,505,759**	**612,619**	**536,348**	**5,553,370**	**4,695,530**	34,375,847	34,007,328
Impairment for loans and other losses	(4,145,288)	(1,498,350)	(1,622,554)	(429,075)	(5,089)	(137,936)	-	-	966,113	(2,301,892)	**(4,806,818)**	**(4,367,253)**
Net operating income/ Segment Result	**(293,339)**	**2,265,335**	**16,894,673**	**14,076,931**	**5,835,593**	**10,367,823**	**612,619**	**536,348**	**6,519,483**	**2,393,638**	29,569,029	29,640,075
Operating profit after taxes on financial services											**9,127,827**	**12,478,727**
Share of profit of associate											**2,304**	**1,488**
Profit for the period from discontinued operations											**-**	**116,274**
Income tax expense											**(1,563,243)**	**(3,949,856)**
Non-controlling interest											**141,763**	**123,005**
Net profit for the period, attributable to equity holders of the Bank											**7,425,125**	**8,523,628**

As at 30 September	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	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	234,859,669	201,326,689	371,581,896	293,596,915	288,238,435	320,937,417	1,889,644	1,323,647	69,747,561	35,418,408	**966,317,205**	**852,603,075**
Segment liabilities	159,415,834	136,526,718	534,233,815	431,144,082	142,896,402	162,151,414	1,312,335	660,626	16,682,608	17,101,876	**854,540,994**	**747,584,716**

For the period ended 30 September	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Information on cash flows	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	**18,170,833**	**964,129**
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	**(784,608)**	**16,132,240**
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	**(29,180,785)**	**21,748,870**
Net cash flows generated during the period	-		-		-	-	-	-	-	-	**(11,794,560)**	**38,845,239**
Capital expenditure:												
Property, plant and equipment	-	-	-	-	-	-	508,606	746,339	-	-	**508,606**	**746,339**
Intangible assets	-	-	-	-	-	-	564,086	703,798	-	-	**564,086**	**703,798**
Total capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**1,072,692**	**1,450,137**	**-**	**-**	**1,072,692**	**1,450,137**