HNB

YOUR PARTNER IN PROGRESS

Interim Financial Statements

For the nine months ended 30th September 2026

FINANCIAL COMMENTARY FOR THE PERIOD ENDED 30TH SEPTEMBER 2026

- Advances exceed Rs 300 Bn YTD growth while deposits increased by over Rs 250 Bn
- Net Interest Income rises 24% YoY, reflecting strong performance
- Asset quality strengthens, with Net Stage 3 ratio at 1.09%
- Liquidity and Capital Strength continue to support Growth

Amid shifting economic dynamics, Hatton National Bank PLC (HNB) recorded a solid financial performance for the nine months ended September 2026. Group Profit After Tax (PAT) reached Rs 33.6 Bn, while the Bank recorded a PAT of Rs 33.0 Bn.

Balance sheet expansion during 9M 2026 was a key contributor to the Bank's performance, with Gross Advances recording a Year-to-Date (YTD) increase of Rs 313.5 Bn, equivalent to 20.7% growth. This was complemented by Deposit growth of Rs 251.7 Bn, a 12.8% YTD. Amid a higher interest rate environment, the Bank preserved a healthy CASA ratio of 32.0%, supporting a well-balanced funding mix.

The Bank recorded a 23.6% YoY increase in Net Interest Income (NII) to Rs 85.5 Bn, while Net Interest margin (NIM) stood at 4.50%. Strong lending momentum drove a 19.7% increase in interest income, which translated into stronger NII growth as interest expenses rose at a comparatively lower rate of 16.6% despite policy-driven rate pressures.

A notable improvement in fee-based income further strengthened the Bank's revenue profile, with Net Fee and Commission income recording a 25.4% YoY increase to Rs 20.6 Bn. Increased card and digital transactions, higher trade finance activity and growth in leasing and other services contributed to the improved performance. Exchange-related income also recorded a notable improvement during the period, reflecting gains from foreign currency position and revaluation movements.

Strong growth across the Bank's income streams translated into a 22.9% YoY increase in Total Operating Income to Rs 112.7 Bn. Total Operating Expenses increased by 13.6%, primarily on account of higher other operating expenses, partly attributable to investments in strategic transformation initiatives. The cost-to-income ratio stood at a well-managed 36.1%.

Strong revenue growth and continued cost discipline drove a 28.8% YoY increase in Pre-impairment Operating Profit to Rs 71.9 Bn, highlighting the quality of the Bank's earnings performance.

Growth in lending portfolio was accompanied by impairment provisioning of Rs 5.3 Bn, during the period, compared to an impairment reversal of Rs 7.5 Bn in the corresponding period of the previous year. The Bank maintained a Net Stage 3 ratio of 1.09% and a Stage 3 Coverage ratio of 73.46%, highlighting the continued focus on managing credit risk and maintaining the quality of its loan portfolio.

The Bank's balance sheet continued to expand, with total assets reaching Rs 2.69 Tn as at September 2026, representing a YTD growth of 12.7%. Gross loans and advances stood at Rs 1.82 Tn, while the Deposit base reached Rs 2.21 Tn. HNB also maintained sound capital and liquidity positions, with a Tier I Capital Adequacy Ratio of 14.26%, a Total Capital Adequacy Ratio of 16.59% and an All Currency Liquidity Coverage Ratio of 165.32%. This provides the Bank with sufficient headroom to support future business growth while remaining comfortably within regulatory requirements.

Rated AA-(lka) by Fitch Ratings Lanka Limited, HNB continued to receive recognition for its performance across key business segments. During the period, the Bank was named "Best Bank for Large Corporates in Sri Lanka 2026" by Euromoney, "Best Bank in Sri Lanka" by The Banker and "Sri Lanka's Strongest Bank" by The Asian Banker. HNB also received The Asian Banker's "Best Retail Bank in Sri Lanka" award for the 16th time, alongside recognition as "Best Retail Bank" and "Best SME Bank" by Global Business Magazine for 2026. The Bank was also named "Sri Lanka's Best Corporate Citizen 2025" by the Ceylon Chamber of Commerce.

INCOME STATEMENT

	Bank			Bank			Group			Group		
	For the 9 months ended 30th September			For the quarter ended 30th September			For the 9 months ended 30th September			For the quarter ended 30th September		
	2026	2025	Increase/ (Decrease)	2026	2025	Increase / (Decrease)	2026	2025	Increase / (Decrease)	2026	2025	Increase / (Decrease)
	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%
Gross income	213,113,145	177,687,436	19.94	73,648,762	60,845,061	21.04	263,277,488	219,075,698	20.18	92,202,572	76,333,973	20.79
Interest income	185,228,489	154,728,538	19.71	67,683,970	53,059,783	27.56	211,810,968	175,447,520	20.73	76,801,160	60,883,756	26.14
Less : Interest expenses	99,727,798	85,533,970	16.59	37,462,613	29,451,406	27.20	108,713,163	92,097,885	18.04	40,440,259	31,745,687	27.39
Net interest income	85,500,691	69,194,568	23.57	30,221,357	23,608,377	28.01	103,097,805	83,349,635	23.69	36,360,901	29,138,069	24.79
Fee and commission income	21,239,334	16,890,390	25.75	7,410,309	6,330,402	17.06	23,034,414	18,448,340	24.86	8,018,525	6,880,575	16.54
Less: Fee and commission expenses	678,826	499,691	35.85	221,924	195,941	13.26	1,483,055	838,073	76.96	511,398	348,577	46.71
Net fee and commission income	20,560,508	16,390,699	25.44	7,188,385	6,134,461	17.18	21,551,359	17,610,267	22.38	7,507,127	6,531,998	14.93
Net interest, fee and commission income	106,061,199	85,585,267	23.92	37,409,742	29,742,838	25.78	124,649,164	100,959,902	23.46	43,868,028	35,670,067	22.98
Net gains / (losses) from trading	(6,834,489)	(453,079)	1,408.45	(8,788,144)	(671,683)	1,208.38	(8,865,831)	863,969	1,126.17	(8,989,707)	(672,075)	1,237.60
Net gains from financial investments at fair value through other comprehensive income	427,028	451,368	(5.39)	-	49,071	(100.00)	436,067	516,800	(15.62)	-	63,904	(100.00)
Net insurance premium income	-	-	-	-	-	-	22,757,272	16,778,532	35.63	8,329,606	6,243,249	33.42
Net other operating income	13,052,783	6,070,219	115.03	7,342,627	2,211,244	232.06	14,104,598	7,020,537	100.90	8,042,988	2,934,564	174.08
Total operating income	112,706,521	91,653,775	22.97	35,964,225	31,331,470	14.79	153,081,270	126,139,740	21.36	51,250,915	44,239,709	15.85
Less: Impairment charge / (reversal) for loans and other losses	5,317,261	(7,459,543)	171.28	1,229,581	(2,336,081)	152.63	6,622,336	(6,937,478)	195.46	1,592,497	(2,094,018)	176.05
Net operating income	107,389,260	99,113,318	8.35	34,734,644	33,667,551	3.17	146,458,934	133,077,218	10.06	49,658,418	46,333,727	7.18
Less : Operating expenses												
Personnel expenses	17,871,302	17,072,199	4.68	6,011,170	5,787,433	3.87	23,450,865	21,765,789	7.74	7,905,211	7,477,632	5.72
Depreciation and amortisation	2,790,158	2,402,796	16.12	981,272	783,915	25.18	3,334,294	3,109,863	7.22	987,565	893,557	10.52
Benefits, claims and underwriting expenditure	-	-	-	-	-	-	22,691,403	17,570,426	29.15	8,261,176	6,330,374	30.50
Other expenses	20,118,670	16,410,253	22.60	7,282,010	6,051,422	20.34	26,918,977	21,403,346	25.77	10,123,859	8,317,866	21.71
Total operating expenses	40,780,130	35,885,248	13.64	14,274,452	12,622,770	13.08	76,395,539	63,849,424	19.65	27,277,811	23,019,429	18.50
Operating profit before taxes on financial services	66,609,130	63,228,070	5.35	20,460,192	21,044,781	(2.78)	70,063,395	69,227,794	1.21	22,380,607	23,314,298	(4.00)
Less : Taxes on financial services	14,317,468	13,600,312	5.27	4,512,628	4,549,539	(0.81)	15,431,570	14,859,844	3.85	4,943,187	5,033,432	(1.79)
Operating profit after taxes on financial services	52,291,662	49,627,758	5.37	15,947,564	16,495,242	(3.32)	54,631,825	54,367,950	0.49	17,437,420	18,280,866	(4.61)
Share of profit of equity accounted investees (net of tax)	-	-	-	-	-	-	381,751	755,747	(49.49)	299,691	360,081	(16.77)
PROFIT BEFORE INCOME TAX	52,291,662	49,627,758	5.37	15,947,564	16,495,242	(3.32)	55,013,576	55,123,697	(0.20)	17,737,111	18,640,947	(4.85)
Less: Income tax expense	19,263,657	18,116,868	6.33	6,062,678	6,170,957	(1.75)	21,458,426	20,398,108	5.20	6,740,709	7,076,504	(4.75)
PROFIT FOR THE PERIOD	33,028,005	31,510,890	4.81	9,884,886	10,324,285	(4.26)	33,555,150	34,725,589	(3.37)	10,996,403	11,564,443	(4.91)
Profit attributable to:												
Equity holders of the Bank	33,028,005	31,510,890	4.81	9,884,886	10,324,285	(4.26)	32,394,572	33,477,445	(3.23)	10,530,889	11,035,980	(4.58)
Non-controlling interests	-	-	-	-	-	-	1,160,578	1,248,144	(7.02)	465,514	528,463	(11.91)
PROFIT FOR THE PERIOD	33,028,005	31,510,890	4.81	9,884,886	10,324,285	(4.26)	33,555,150	34,725,589	(3.37)	10,996,403	11,564,443	(4.91)
Earnings per share												
Basic earnings per ordinary share (Rs)	57.21	54.58	4.81	17.12	17.88	(4.26)	56.11	57.99	(3.23)	18.24	19.12	(4.58)
Diluted earnings per ordinary share (Rs)	57.21	54.58	4.81	17.12	17.88	(4.26)	56.11	57.99	(3.23)	18.24	19.12	(4.58)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Bank			Bank			Group			Group		
	For the 9 months ended 30th September			For the quarter ended 30th September			For the 9 months ended 30th September			For the quarter ended 30th September		
	2026	2025	Increase / (Decrease)	2026	2025	Increase / (Decrease)	2026	2025	Increase / (Decrease)	2026	2025	Increase / (Decrease)
	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%	Rs 000	Rs 000	%
PROFIT FOR THE PERIOD	33,028,005	31,510,890	4.81	9,884,886	10,324,285	(4.26)	33,555,150	34,725,589	(3.37)	10,996,403	11,564,443	(4.91)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods												
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income	(1,790,749)	4,032,322	(144.41)	(698,565)	3,549,233	(119.68)	(1,791,343)	4,034,300	(144.40)	(698,943)	3,549,233	(119.69)
Remeasurement of post-employment benefit obligations	-	-	-	-	-	-	(18,819)	(22,394)	(15.96)	(485)	206	(335.44)
Revaluation gain/(loss) on freehold land and buildings	-	-	-	-	-	-	-	65,817	(100.00)	-	-	-
Share of other comprehensive income of equity accounted investees that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Less: Tax expense relating to items that will not be reclassified to profit or loss including the effect of rate change	-	-	-	-	-	-	5,500	(12,957)	142.45	-	-	-
Total other comprehensive income that will not be reclassified to profit or loss	(1,790,749)	4,032,322	(144.41)	(698,565)	3,549,233	(119.68)	(1,804,662)	4,064,766	(144.40)	(699,428)	3,549,439	(119.71)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods												
Debt instruments at fair value through other comprehensive income :												
Net gains / (losses) on investments in debt instruments measured at fair value through other comprehensive income	(3,521,285)	640,511	(649.76)	(593,498)	(615,420)	(3.56)	(4,544,662)	899,270	(605.37)	(798,860)	(705,308)	13.26
Reclassification of net gains/(losses) on de-recognition of debt instruments at fair value through other comprehensive income to income statement	-	-	-	-	-	-	55,689	(45,469)	222.48	19,353	-	100.00
Net change in expected credit losses of debt securities measured at fair value through other comprehensive income (Net of exchange gain arising from translation)	(967,797)	(262,300)	(268.97)	(715,531)	701	(100.00)	(967,797)	(262,300)	(268.97)	(715,531)	701	(100.00)
Transfer to / (from) life policy holder reserve fund	-	-	-	-	-	-	749,529	(212,452)	452.80	130,431	66,427	96.35
Share of other comprehensive income of equity accounted investees that will be reclassified to profit or loss	-	-	-	-	-	-	120,381	37,773	218.70	36,380	63,541	(42.75)
Foreign Currency Conversion Adjustments	-	-	-	-	-	-	362,860	219,212	65.53	(56,480)	49,598	(213.88)
Less: Tax expense relating to items that will be reclassified to profit or loss including the effect of rate change	1,056,393	(192,146)	649.79	178,049	184,633	(3.57)	1,077,752	(192,971)	658.50	181,794	188,378	(3.50)
Total other comprehensive income that will be reclassified to profit or loss	(3,432,689)	186,065	(1,944.89)	(1,130,980)	(430,086)	(162.97)	(3,146,248)	443,063	(810.11)	(1,202,913)	(336,663)	(257.30)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(5,223,438)	4,218,387	(223.83)	(1,829,545)	3,119,147	(158.66)	(4,950,910)	4,507,829	(209.83)	(1,902,341)	3,212,776	(159.21)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	27,804,567	35,729,277	(22.18)	8,055,341	13,443,432	(40.08)	28,604,240	39,233,418	(27.09)	9,094,062	14,777,219	(38.46)
Total comprehensive income attributable to:												
Equity holders of the Bank	27,804,567	35,729,277	(22.18)	8,055,341	13,443,432	(40.08)	27,234,888	37,825,450	(28.00)	8,676,388	14,193,273	(38.87)
Non-controlling interests	-	-	-	-	-	-	1,369,352	1,407,968	(2.74)	417,674	583,946	(28.47)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	27,804,567	35,729,277	(22.18)	8,055,341	13,443,432	(40.08)	28,604,240	39,233,418	(27.09)	9,094,062	14,777,219	(38.46)

STATEMENT OF FINANCIAL POSITION

	Bank			Group		
	As at 30th September 2026	As at 31st December 2025 (Audited)	Increase / (Decrease)	As at 30th September 2026	As at 31st December 2025 (Audited)	Increase / (Decrease)
	Rs 000	Rs 000	%	Rs 000	Rs 000	%
ASSETS						
Cash and cash equivalents	52,253,424	55,375,004	(5.64)	53,912,094	56,743,380	(4.99)
Placements with banks	7,056,112	27,317,501	(74.17)	18,200,875	42,282,404	(56.95)
Balances with Central Bank of Sri Lanka	36,514,341	37,288,440	(2.08)	36,515,360	37,288,716	(2.07)
Reverse repurchase agreements	-	22,319,688	(100.00)	17,709,464	25,046,586	(29.29)
Derivative financial instruments	1,913,117	1,976,631	(3.21)	1,913,117	1,976,631	(3.21)
Financial assets measured at fair value through profit or loss	373,473	1,237,231	(69.81)	56,076,171	72,322,060	(22.46)
Financial assets measured at amortised cost - loans and advances to customers	1,741,966,090	1,433,237,237	21.54	1,826,830,134	1,505,587,603	21.34
Financial assets measured at amortised cost - debt and other financial instruments	668,223,902	650,618,623	2.71	705,139,582	684,366,194	3.04
Financial assets measured at fair value through other comprehensive income	114,827,451	94,855,469	21.06	137,837,160	115,172,024	19.68
Investment in equity accounted investees	-	-	-	6,952,427	6,382,955	8.92
Investment in subsidiaries	12,008,902	10,785,759	11.34	-	-	-
Investment properties	444,433	448,434	(0.89)	720,902	744,786	(3.21)
Property, plant and equipment	30,924,250	30,506,130	1.37	57,714,765	57,340,062	0.65
Right-of-use assets	8,717,933	8,730,560	(0.14)	3,701,828	2,974,167	24.47
Intangible assets and goodwill	1,656,372	1,718,483	(3.61)	3,653,379	3,645,478	0.22
Deferred tax assets	3,025,447	891,810	239.25	3,288,041	1,340,386	145.31
Other assets	13,857,895	13,305,385	4.15	27,467,716	25,023,466	9.77
Total assets	**2,693,763,142**	**2,390,612,385**	**12.68**	**2,957,633,015**	**2,638,236,898**	**12.11**
LIABILITIES						
Due to banks	23,434,991	11,343,172	106.60	23,434,991	11,343,172	106.60
Derivative financial instruments	3,668,157	300,191	1,121.94	3,668,157	300,191	1,121.94
Securities sold under repurchase agreements	49,710,831	28,197,135	76.30	97,508,949	81,505,432	19.63
Financial liabilities measured at amortised cost - due to depositors	2,213,533,184	1,961,851,197	12.83	2,277,067,596	2,017,732,197	12.85
Financial liabilities measured at amortised cost - other borrowings	16,268,971	15,511,110	4.89	25,353,840	27,213,296	(6.83)
Debt securities issued	10,859,511	10,044,766	8.11	10,763,098	9,986,711	7.77
Current tax liabilities	24,518,924	24,351,386	0.69	26,373,172	26,968,009	(2.21)
Deferred tax liabilities	-	-	-	6,825,313	6,857,168	(0.46)
Insurance provision - life	-	-	-	60,056,493	49,245,402	21.95
Insurance provision - non life	-	-	-	6,428,543	6,788,999	(5.31)
Other provisions	17,043,789	16,987,948	0.33	19,702,156	17,294,532	13.92
Other liabilities	26,320,573	23,525,467	11.88	36,304,804	33,364,371	8.81
Subordinated term debts	19,263,595	28,179,053	(31.64)	26,753,135	32,156,082	(16.80)
Total liabilities	**2,404,622,526**	**2,120,291,425**	**13.41**	**2,620,240,247**	**2,320,755,562**	**12.90**

STATEMENT OF FINANCIAL POSITION

	Bank			Group		
	As at 30th September 2026	As at 31st December 2025	Increase / (Decrease)	As at 30th September 2026	As at 31st December 2025	Increase / (Decrease)
		(Audited)			(Audited)	
	Rs 000	Rs 000	%	Rs 000	Rs 000	%
EQUITY						
Stated capital	45,288,467	42,858,227	5.67	45,288,467	42,858,227	5.67
Statutory reserve fund	14,910,000	14,910,000	-	14,910,000	14,910,000	-
Retained earnings	129,091,217	108,774,720	18.68	144,953,715	125,166,317	15.81
Other reserves	99,850,932	103,778,013	(3.78)	115,046,283	119,850,762	(4.01)
Total shareholders' equity	**289,140,616**	**270,320,960**	**6.96**	**320,198,465**	**302,785,306**	**5.75**
Non-controlling interests	-	-	-	17,194,303	14,696,030	17.00
Total equity	**289,140,616**	**270,320,960**	**6.96**	**337,392,768**	**317,481,336**	**6.27**
Total equity and liabilities	**2,693,763,142**	**2,390,612,385**	**12.68**	**2,957,633,015**	**2,638,236,898**	**12.11**
Contingent liabilities and commitments	1,339,121,586	1,009,361,708	32.67	1,339,121,586	1,009,361,708	32.67
Net assets value per ordinary share (Rs.)	500.83	468.23	6.96	554.63	524.47	5.75
Memorandum Information						
Number of Employees	5,703	5,645				
Number of Customer Centers	258	257				

CERTIFICATION

I certify that the above financial statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and amendments thereto and give a true and fair view of the state of affairs of Hatton National Bank PLC and the Group as at 30th September 2026 and its profit for the period ended 30th September 2026.

-Sgd-
Anuradhi Delage
Chief Financial Officer
12th November 2026

We the undersigned, being the Managing Director/Chief Executive Officer and the Chairman of Hatton National Bank PLC certify jointly that :

(a) the above statements have been prepared in compliance with the formats 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 it's Subsidiary Companies unless indicated as audited

-Sgd-
Damith Pallewatte
Managing Director/Chief Executive Officer
12th November 2026

-Sgd-
Suresh Shah
Chairman
12th November 2026

STATEMENT OF CHANGES IN EQUITY - BANK

	Stated Capital			Other Reserves					
	Voting Shares	Non-Voting Shares	Statutory Reserve	Capital Reserve	Fair value Reserve	Special Reserve	General Reserve	Retained Earnings	Total Equity
For the 9 months ended 30th September 2026	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Balance as at 1st January 2026	35,072,240	7,785,987	14,910,000	17,240,454	14,648,260	10,789,299	61,100,000	108,774,720	270,320,960
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	-	-	33,028,005	33,028,005
Other comprehensive income for the period, net of tax	-	-	-	-	(5,223,438)	-	-	-	(5,223,438)
Total comprehensive income for the period	-	-	-	-	(5,223,438)	-	-	33,028,005	27,804,567
Transactions with equity holders, recognised directly in equity									
Contributions by and distributions to equity holders									
Dividends to equity holders									
Final dividend 2025 - Cash	-	-	-	-	-	-	-	(8,577,318)	(8,577,318)
Final dividend 2025 - Scrip	1,937,866	492,374	-	-	-	-	-	(2,859,106)	(428,866)
Total contributions by and distributions to equity holders	1,937,866	492,374	-	-	-	-	-	(11,436,424)	(9,006,184)
Transfer of /(subsequent settlement of) unclaimed dividends	-	-	-	-	-	-	-	21,273	21,273
Transfers during the period	-	-	-	-	-	1,296,357	-	(1,296,357)	-
Balance as at 30th September 2026	37,010,106	8,278,361	14,910,000	17,240,454	9,424,822	12,085,656	61,100,000	129,091,217	289,140,616

	Stated Capital			Other Reserves					
	Voting Shares	Non-Voting Shares	Statutory Reserve	Capital Reserve	Fair value Reserve	Special Reserve	General Reserve	Retained Earnings	Total Equity
For the 9 months ended 30th September 2025	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Balance as at 1st January 2025	35,072,240	7,785,987	12,610,000	17,240,454	11,805,828	9,548,564	60,100,000	77,316,202	231,479,275
Total comprehensive income for the period									
Net profit for the period	-	-	-	-	-	-	-	31,510,890	31,510,890
Other comprehensive income for the period, net of tax	-	-	-	-	4,218,388	-	-	-	4,218,388
Total comprehensive income for the period	-	-	-	-	4,218,388	-	-	31,510,890	35,729,278
Transactions with equity holders, recognised directly in equity									
Contributions by and distributions to equity holders									
Dividends to equity holders									
Final dividend 2024 - Cash	-	-	-	-	-	-	-	(8,577,318)	(8,577,318)
Total contributions by and distributions to equity holders	-	-	-	-	-	-	-	(8,577,318)	(8,577,318)
Transfer of /(subsequent settlement of) unclaimed dividends	-	-	-	-	-	-	-	13,123	13,123
Transfers during the period	-	-		-	-	853,332	-	(853,332)	
Balance as at 30th September 2025	35,072,240	7,785,987	12,610,000	17,240,454	16,024,216	10,401,896	60,100,000	99,409,565	258,644,358

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital			Other Reserves										
	Voting Shares	Non-Voting Shares	Statutory Reserve	Capital Reserve	General Reserve	Fair value Reserve	Special Reserve	Life Policy Holder Reserve Fund	Restricted Regulatory Reserve	Exchange Equalization Reserve	Retained Earnings	Shareholders' Funds	Non Controlling Interests	Total Equity
For the 9 months ended 30th September 2026	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Balance as at 1st January 2026	35,072,240	7,785,987	14,910,000	32,451,492	61,100,000	14,335,603	10,789,299	340,588	381,156	452,624	125,166,317	302,785,306	14,696,030	317,481,336
Total comprehensive income for the period														
Net profit for the period	-	-	-	-	-	-	-	-	-	-	32,394,572	32,394,572	1,160,578	33,555,150
Other comprehensive income for the period, net of tax	-	-	-	-	-	(5,321,677)	-	-	-	-	161,997	(5,159,680)	208,771	(4,950,910)
Total comprehensive income for the period	-	-	-	-	-	(5,321,677)	-	-	-	-	32,556,569	27,234,892	1,369,349	28,604,242
Transactions with equity holders, recognised directly in equity														
Contributions by and distributions to equity holders														
Effect of change in ownership without changing control in subsidiary	-	-	-	-	-	-	-	-	-	(29,630)	(57,663)	(87,293)	172,300	85,007
Dividends to equity holders														
Final dividend 2025 - Scrip	1,937,866	492,374	-	-	-	-	-	-	-	-	(2,859,106)	(428,866)	-	(428,866)
Final dividend 2025 - Cash	-	-	-	-	-	-	-	-	-	-	(8,577,318)	(8,577,318)	(319,762)	(8,897,080)
Effect of right issue by subsidiary - HNB Finance PLC	-	-	-	-	-	-	-	-	-	-	-	-	1,276,386	1,276,386
Total contributions by and distributions to equity holders	1,937,866	492,374	-	-	-	-	-	-	-	-	(11,494,087)	(9,093,477)	1,128,924	(7,964,553)
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	(749,529)	-	-	-	(749,529)	-	(749,529)
Transfer of / (subsequent settlement of) unclaimed dividends	-	-	-	-	-	-	-	-	-	-	21,273	21,273	-	21,273
Transfers during the period	-	-	-	-	-	-	1,296,357	-	-	-	(1,296,357)	-	-	-
Balance as at 30th September 2026	37,010,106	8,278,361	14,910,000	32,451,492	61,100,000	9,013,926	12,085,656	(408,941)	381,156	422,994	144,953,715	320,198,465	17,194,303	337,392,768

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated Capital			Other Reserves										
	Voting Shares	Non-Voting Shares	Statutory Reserve	Capital Reserve	General Reserve	Fair value Reserve	Special Reserve	Life Policy Holder Reserve Fund	Restricted Regulatory Reserve	Exchange Equalization Reserve	Retained Earnings	Shareholders' Funds	Non Controlling Interests	Total Equity
For the 9 months ended 30th September 2025	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Balance as at 1st January 2025	35,072,240	7,785,986	12,610,000	32,325,287	60,100,000	11,649,447	9,548,564	201,549	381,156	301,767	91,384,909	261,360,907	8,388,566	269,749,473
Recognition of Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	3,130,321	3,130,321
Total comprehensive income for the period														
Net profit for the period	-	-	-	-	-	-	-	-	-	-	33,477,445	33,477,445	1,248,144	34,725,589
Other comprehensive income for the period, net of tax	-	-	-	22,286	-	4,214,355	-	-	-	-	111,364	4,348,005	159,824	4,507,829
Total comprehensive income for the period	-	-	-	22,286	-	4,214,355	-	-	-	-	33,588,809	37,825,450	1,407,968	39,233,418
Transactions with equity holders, recognised directly in equity														
Contributions by and distributions to equity holders														
Dividends to equity holders														
Final dividend 2024 - Cash	-	-	-	-	-	-	-	-	-	-	(8,577,318)	(8,577,318)	(284,934)	(8,862,252)
Rights issue by subsidiary HNB Finance PLC	-	-	-	-	-	-	-	-	-	-	(60,663)	(60,663)	928,381	867,718
Total contributions by and distributions to equity holders	-	-	-	-	-	-	-	-	-	-	(8,637,981)	(8,637,981)	643,447	(7,994,534)
Transfer to life policy holder reserve fund	-	-	-	-	-	-	-	212,452	-	-	-	212,452	-	212,452
Transfer of /(subsequent settlement of) unclaimed dividends	-	-	-	-	-	-	-	-	-	-	13,123	13,123	-	13,123
Transfers during the period	-	-	-	-	-	-	853,332	-	-	-	-	(853,332)	-	-
Balance as at 30th September 2025	35,072,240	7,785,986	12,610,000	32,347,573	60,100,000	15,863,802	10,401,896	414,001	381,156	301,767	116,348,860	289,920,619	13,570,302	304,344,253

STATEMENT OF CASH FLOWS

For the 9 months ended 30th September	Bank 2026 Rs 000	Bank 2025 Rs 000	Group 2026 Rs 000	Group 2025 Rs 000
Cash flows from operating activities				
Interest receipts	174,616,001	150,414,713	200,969,615	167,750,835
Interest payments	(96,571,310)	(89,013,874)	(105,994,071)	(94,757,423)
Net commission receipts	20,612,540	15,913,550	21,603,391	17,507,966
Payments to employees	(18,131,537)	(17,505,835)	(23,670,344)	(22,178,331)
Taxes on financial services	(15,022,770)	(19,657,937)	(15,990,257)	(20,232,358)
Receipts from other operating activities	24,285,483	18,588,114	49,081,221	37,212,001
Payments for other operating activities	(20,774,338)	(16,374,908)	(41,637,962)	(29,750,312)
Operating profit before changes in operating assets and liabilities	69,014,069	42,363,823	84,361,593	55,552,378
(Increase)/decrease in operating assets				
Balances with Central Bank of Sri Lanka	770,261	(10,025,143)	769,518	(10,026,089)
Financial assets measured at amortised cost - loans and advances to customers	(300,055,478)	(258,944,384)	(313,740,830)	(287,484,533)
Reverse repurchase agreements	22,300,000	-	7,426,632	(8,119,976)
Other assets	1,934,158	1,541,540	42,406	(684,218)
	(275,051,059)	(267,427,987)	(305,502,274)	(306,314,816)
Increase/(decrease) in operating liabilities				
Financial liabilities measured at amortised cost - due to depositors	219,468,218	156,013,691	226,720,220	172,575,389
Financial liabilities measured at amortised cost - other borrowings	12,659,289	37,641,189	10,973,443	41,855,668
Securities sold under repurchase agreements	21,511,518	32,207,551	16,001,339	54,257,801
Other liabilities	3,297,954	9,020,906	5,396,156	14,907,493
	256,936,979	234,883,337	259,091,158	283,596,351
Net cash generated from/ (used in)operating activities before income tax	50,899,989	9,819,173	37,950,477	32,833,913
Income tax paid	(20,173,369)	(5,818,049)	(21,999,224)	(7,846,861)
Net cash generated from/(used in) operating activities	30,726,620	4,001,124	15,951,253	24,987,052
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,985,479)	(1,235,597)	(2,115,478)	(1,489,715)
Proceeds from the sale of property, plant and equipment	71,972	218	73,394	942
Net (investments)/proceeds from sale, maturity and purchase of financial investments	(34,796,463)	(34,484,186)	(27,955,017)	(54,754,216)
Net purchase of intangible assets	(405,698)	(335,975)	(560,301)	(476,871)
Acquisition of subsidiary	-	(6,500,000)	-	(3,923,372)
Investment in right issue of subsidiary	(1,223,143)	(513,474)	-	-
Dividends received from investments in subsidiaries	981,123	895,368	-	-
Dividends received from other investments	114,098	320,912	152,660	383,341
Net cash generated from/(used in) investing activities	(37,243,590)	(41,852,734)	(30,404,742)	(60,259,891)
Cash flows from financing activities				
Proceeds from non-controlling interest relating to rights issue of subsidiary	-	-	1,276,386	679,712
Proceeds from the issue of subordinated debt	-	-	11,000,000	-
Proceeds from the debt securities issued	-	-	-	2,250,000
Repayment of subordinated debt/debt securities issued	(8,077,430)	-	(15,695,942)	-
Dividend paid to non controlling interest	-	-	(251,633)	(249,507)
Dividend paid to shareholders of the parent company	(8,500,944)	(8,482,777)	(8,500,944)	(8,482,777)
Net cash generated from/(used in) financing activities	(16,578,374)	(8,482,777)	(12,172,133)	(5,802,572)
Net increase/ (decrease) in cash and cash equivalents	(23,095,344)	(46,334,387)	(26,625,622)	(41,075,411)
Cash and cash equivalents at the beginning of the period	82,707,579	105,261,283	99,041,291	112,769,278
Cash and cash equivalents at the end of the period	59,612,235	58,926,896	72,415,669	71,693,867
Cash and cash equivalents at the end of the period				
Cash and cash equivalents	52,305,965	51,870,961	53,964,636	52,748,799
Placements with banks	7,306,270	7,055,935	18,451,033	18,945,068
	59,612,235	58,926,896	72,415,669	71,693,867

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 30th September 2026	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
Assets				
Cash and cash equivalents	-	52,253,424	-	52,253,424
Placements with banks	-	7,056,112	-	7,056,112
Balances with Central Bank of Sri Lanka	-	36,514,341	-	36,514,341
Derivative financial instruments	1,913,117	-	-	1,913,117
Financial assets measured at fair value through profit or loss	373,473	-	-	373,473
Financial assets measured at amortised cost - loans and advances to customers	-	1,741,966,090	-	1,741,966,090
Financial assets measured at amortised cost - debt and other financial instruments	-	668,223,902	-	668,223,902
Financial assets measured at fair value through other comprehensive income	-	-	114,827,451	114,827,451
Other financial assets	-	651,317	-	651,317
Total financial assets	2,286,590	2,506,665,186	114,827,451	2,623,779,227
Liabilities				
Due to banks	-	23,434,991	-	23,434,991
Derivative financial instruments	3,668,157	-	-	3,668,157
Securities sold under repurchase agreements	-	49,710,831	-	49,710,831
Financial liabilities measured at amortised cost - due to depositors	-	2,213,533,184	-	2,213,533,184
Financial liabilities measured at amortised cost - other borrowings	-	16,268,971	-	16,268,971
Debt securities issued	-	10,859,511	-	10,859,511
Other financial liabilities	-	77,290	-	77,290
Subordinated term debts	-	19,263,595	-	19,263,595
Total financial liabilities	3,668,157	2,333,148,373	-	2,336,816,530

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - BANK

As at 31st December 2025 (Audited)	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
Assets				
Cash and cash equivalents	-	55,375,004	-	55,375,004
Placements with banks	-	27,317,501	-	27,317,501
Balances with Central Bank of Sri Lanka	-	37,288,440	-	37,288,440
Reverse repurchase agreements	-	22,319,688	-	22,319,688
Derivative financial instruments	1,976,631	-	-	1,976,631
Financial assets measured at fair value through profit or loss	1,237,231	-	-	1,237,231
Financial assets measured at amortised cost - loans and advances to customers	-	1,433,237,237	-	1,433,237,237
Financial assets measured at amortised cost - debt and other financial instruments	-	650,618,623	-	650,618,623
Financial assets measured at fair value through other comprehensive income	-	-	94,855,469	94,855,469
Other financial assets	-	634,327	-	634,327
Total financial assets	3,213,862	2,226,790,820	94,855,469	2,324,860,151
Liabilities				
Due to banks	-	11,343,172	-	11,343,172
Derivative financial instruments	300,191	-	-	300,191
Securities sold under repurchase agreements	-	28,197,135	-	28,197,135
Financial liabilities measured at amortised cost - due to depositors	-	1,961,851,197	-	1,961,851,197
Financial liabilities measured at amortised cost - other borrowings	-	15,511,110	-	15,511,110
Debt securities issued	-	10,044,766	-	10,044,766
Other financial liabilities	-	7,629	-	7,629
Subordinated term debts	-	28,179,053	-	28,179,053
Total financial liabilities	300,191	2,055,134,062	-	2,055,434,253

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 30th September 2026	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
Assets				
Cash and cash equivalents	-	53,912,094	-	53,912,094
Placements with banks	-	18,200,875	-	18,200,875
Balances with Central Bank of Sri Lanka	-	36,515,360	-	36,515,360
Reverse repurchase agreements	-	17,709,464	-	17,709,464
Derivative financial instruments	1,913,117	-	-	1,913,117
Financial assets measured at fair value through profit or loss	56,076,171	-	-	56,076,171
Financial assets measured at amortised cost - loans and advances to customers	-	1,826,830,134	-	1,826,830,134
Financial assets measured at amortised cost - debt and other financial instruments	-	705,139,582	-	705,139,582
Financial assets measured at fair value through other comprehensive income	-	-	137,837,160	137,837,160
Other financial assets	-	7,774,076	-	7,774,076
Total financial assets	57,989,288	2,666,081,585	137,837,160	2,861,908,033
Liabilities				
Due to banks	-	23,434,991	-	23,434,991
Derivative financial instruments	3,668,157	-	-	3,668,157
Securities sold under repurchase agreements	-	97,508,949	-	97,508,949
Financial liabilities measured at amortised cost - due to depositors	-	2,277,067,596	-	2,277,067,596
Financial liabilities measured at amortised cost - other borrowings	-	25,353,840	-	25,353,840
Debt securities issued	-	10,763,098	-	10,763,098
Other financial liabilities	-	11,719,428	-	11,719,428
Subordinated term debts	-	26,753,135	-	26,753,135
Total financial liabilities	3,668,157	2,472,601,037	-	2,476,269,194

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS - GROUP

As at 31st December 2025 (Audited)	Fair Value through Profit or Loss	Amortised Cost	Fair Value through Other Comprehensive Income	Total Carrying Amount
	Rs 000	Rs 000	Rs 000	Rs 000
Assets				
Cash and cash equivalents	-	56,743,380	-	56,743,380
Placements with banks	-	42,282,404	-	42,282,404
Balances with Central Bank of Sri Lanka	-	37,288,716	-	37,288,716
Reverse repurchase agreements	-	25,046,586	-	25,046,586
Derivative financial instruments	1,976,631	-	-	1,976,631
Financial assets measured at fair value through profit or loss	72,322,060	-	-	72,322,060
Financial assets measured at amortised cost - loans and advances to customers	-	1,505,587,603	-	1,505,587,603
Financial assets measured at amortised cost - debt and other financial instruments	-	684,366,194	-	684,366,194
Financial assets measured at fair value through other comprehensive income	-	-	115,172,024	115,172,024
Other financial assets	-	7,341,373	-	7,341,373
Total financial assets	74,298,691	2,358,656,256	115,172,024	2,548,126,971
Liabilities				
Due to banks	-	11,343,172	-	11,343,172
Derivative financial instruments	300,191	-	-	300,191
Securities sold under repurchase agreements	-	81,505,432	-	81,505,432
Financial liabilities measured at amortised cost - due to depositors	-	2,017,732,197	-	2,017,732,197
Financial liabilities measured at amortised cost - other borrowings	-	27,213,296	-	27,213,296
Debt securities issued	-	9,986,711	-	9,986,711
Other financial liabilities	-	9,585,626	-	9,585,626
Subordinated term debts	-	32,156,082	-	32,156,082
Total financial liabilities	300,191	2,189,522,516	-	2,189,822,707

EXPLANATORY NOTES

1 There are no changes in accounting policies and methods of computation since the publication of annual accounts for the year 2025.

2 There are no material changes during the period in the composition of assets, liabilities and contingent liabilities and use of funds raised through debentures. All known expenditure items have been provided for.

3 These interim financial statements are presented in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

4 **ECL Assessment and computation**

The Bank reassessed the impairment provisions recognized for individually significant customers during the reporting period to ensure that adequate provisions were maintained in line with the respective risk profiles of these customers. In addition, key parameters used in the assessment of collective impairment were reviewed during the period ended 30th September 2026.

Based on these assessments, the Bank recognized adequate provisions for expected credit losses in the financial statements as at 30th September 2026, ensuring that potential risks within the loan portfolio were appropriately covered. The Bank will continue to monitor developments and make adjustments to impairment provisions, where necessary.

5 Where required, figures on the audited annual financial statements have been reclassified to conform to Central Bank of Sri Lanka publication requirements.

6 **Reporting entity**

The Bank does not have an identifiable parent of its own. Hatton National Bank PLC is the ultimate parent of the Group. The consolidated financial statements of the Bank cover the Bank and its subsidiaries, HNB Life PLC, Sithma Development (Pvt) Ltd, HNB Finance PLC & HNB Investment Bank (Pvt) Ltd.

7 **Utilization of funds raised via capital markets**

7.1 **The funds raised through sustainability bond issue 2025**

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in Rs	Proposed date of Utilisation as Per prospectus	Amount allocated from proceeds in Rs Mn (A)	% of total proceeds	Amounts utilized in Rs Mn (B)	% of utilisation against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1. a	Financing and Refinancing of Green Projects	Upto 60% of the funds raised (Minimum of Rs 1 Bn to be disbursed)	In up to 24 months upon allotment of the Bonds	6,000	60%	4,185	69.75%	The unutilised funds are invested in government securities
1. b	Financing and Refinancing of Social Projects	Upto 40% of the funds raised (Minimum of Rs 1 Bn to be disbursed)	In up to 24 months upon allotment of the Bonds	4,000	40%	599	14.0%	

7.2 The funds raised through debentures previously issued were fully utilized for the objectives mentioned in the respective prospectuses

8 There are no material events that took place after the balance sheet date which require adjustment or disclosure in the financial statements except those disclosed below.

Mr. Sivakrishnarajah Renganathan and Mr. Meemanage Nanda Rajarathna Fernando, Independent/Non-Executive Directors, resigned as directors of Hatton National Bank PLC due to personal reasons. At the Board meeting held on 30th September 2026, the Board of Directors accepted the resignations effective from 1st October 2026.

SEGMENT REPORTING

For the 9 months ended 30th September	Corporate		Retail		SME		Micro		Treasury		Real Estate		Insurance		Investment Banking		NBFI*		Eliminations / Unallocated		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Net interest income	17,125,450	11,063,074	27,192,645	22,341,978	12,341,794	10,243,671	2,292,746	1,861,879	28,131,589	25,162,941	89,880	83,416	6,653,696	5,932,872	1,795,290	2,328,400	8,039,218	5,384,260	(564,505)	(1,052,856)	103,097,805	83,349,635
Foreign exchange income	590,927	444,585	1,333,863	1,048,020	734,350	579,200	58,677	38,083	(1,318,416)	755,947	-	-	-	-	-	-	-	-	3,692,375	1,354,702	5,091,776	4,220,537
Net fee and commission income	6,252,305	4,644,476	9,296,436	7,038,121	4,250,203	3,787,493	767,052	565,951	(61,080)	3,880	-	-	508,268	390,528	308,871	431,134	174,671	780,370	54,634	(31,686)	21,551,359	17,610,267
Other operating income / (loss)	-	-	-	-	-	-	-	-	-	-	1,002,524	856,063	23,327,944	17,625,526	(2,042,471)	1,152,497	1,885,119	1,535,691	(832,787)	(210,476)	23,340,330	20,959,301
Total operating income / (loss)	23,968,682	16,152,135	37,822,944	30,428,119	17,326,347	14,610,364	3,118,474	2,465,913	26,752,093	25,922,768	1,092,404	939,479	30,489,908	23,948,926	61,691	3,912,031	10,099,008	7,700,321	2,349,717	59,684	153,081,270	126,139,740
Impairment charge / (reversal) for loans and other losses	4,036,333	(5,027,706)	492,656	(1,389,888)	1,138,079	(293,712)	417,874	(123,263)	(760,901)	(319,542)	-	-	128	(3,329)	-	-	1,304,947	525,394	(6,779)	(305,432)	6,622,336	(6,937,478)
Net operating income / (loss)	19,932,350	21,179,841	37,330,288	31,818,007	16,188,268	14,904,076	2,700,601	2,589,176	27,512,994	26,242,310	1,092,404	939,479	30,489,780	23,952,255	61,691	3,912,031	8,794,062	7,174,927	2,356,497	365,116	146,458,934	133,077,218
Profit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,631,825	54,367,950
Share of profit of equity accounted investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	381,751	755,747
Less: Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,458,426	20,398,108
Less: Non - controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,160,578	1,248,144
Net Profit for the period attributable to equity holders of the parent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,394,572	33,477,445
As at 30th September	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Segment assets	942,410,763	719,082,187	461,637,774	341,912,980	277,081,498	222,555,059	60,836,054	42,710,808	818,359,550	912,195,553	10,835,057	10,897,794	89,488,808	73,209,325	71,884,925	99,447,544	106,773,509	76,774,668	111,372,650	105,867,072	2,950,680,588	2,604,652,990
Investment in equity accounted investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,952,427	6,510,177	6,952,427	6,510,177
Total assets	942,410,763	719,082,187	461,637,774	341,912,980	277,081,498	222,555,059	60,836,054	42,710,808	818,359,550	912,195,553	10,835,057	10,897,794	89,488,808	73,209,325	71,884,925	99,447,544	106,773,509	76,774,668	118,325,077	112,377,249	2,957,633,015	2,611,163,167
Segment liabilities	462,099,615	355,056,229	1,288,177,191	1,164,899,664	375,790,702	330,302,094	48,155,443	42,561,427	65,462,382	35,405,762	2,641,304	2,596,558	76,261,507	60,515,421	55,287,204	82,359,328	94,008,165	68,515,250	489,749,502	462,441,257	2,957,633,015	2,604,652,990
Total liabilities	462,099,615	355,056,229	1,288,177,191	1,164,899,664	375,790,702	330,302,094	48,155,443	42,561,427	65,462,382	35,405,762	2,641,304	2,596,558	76,261,507	60,515,421	55,287,204	82,359,328	94,008,165	68,515,250	489,749,502	462,441,257	2,957,633,015	2,604,652,990
For the 9 months ended 30th September	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**	**Rs 000**
Information on cash flows																						
Cash flows from operating activities	(62,604,179)	(91,103,715)	72,528,199	71,041,123	18,859,194	(4,946,493)	(2,652,954)	(431,436)	83,993,161	86,188,749	546,503	(1,446,980)	3,146,962	4,118,546	3,270,829	25,651,299	3,321,862	(1,053,018)	(104,458,324)	(63,031,023)	15,951,253	24,987,052
Cash flows from investing activities	-	-	-	-	-	-	-	-	(34,796,463)	(34,484,186)	10,522	(119,692)	(2,513,718)	(3,036,246)	179	(27,894,180)	(7,610,237)	(1,605,367)	14,504,975	6,879,780	(30,404,742)	(60,259,891)
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	(700,000)	(700,000)	(251,633)	(249,507)	61,733	-	4,729,558	3,629,712	(16,011,791)	(8,482,777)	(12,172,133)	(5,802,572)
Net cash flow generated /(used in) during the period	**(62,604,179)**	**(91,103,715)**	**72,528,199**	**71,041,123**	**18,859,194**	**(4,946,493)**	**(2,652,954)**	**(431,436)**	**49,196,698**	**51,704,563**	**(142,975)**	**(2,266,672)**	**381,611**	**832,793**	**3,332,741**	**(2,242,881)**	**441,183**	**971,327**	**(105,965,140)**	**(64,634,020)**	**(26,625,622)**	**(41,075,411)**
Capital expenditure																						
– Property, plant and equipment																					2,115,478	1,489,715
– Intangible assets																					560,301	476,871
Total Capital Expenditure																					**2,675,779**	**1,966,586**

* Business of HNB Finance PLC.

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

	As at	As at	As at	As at
	30.09.2026	31.12.2025	30.09.2026	31.12.2025
	Bank		Group	
BASEL III				
Regulatory Capital				
Common Equity Tier 1. Rs. Mn	226,772	222,010	267,532	271,805
Tier 1 Capital. Rs. Mn	226,772	222,010	267,532	271,805
Total Capital. Rs. Mn	263,716	262,951	304,477	312,449
Regulatory Capital Ratios				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2026 - 8.00%: 2025 - 8.00%)	14.26%	16.85%	15.10%	18.65%
Tier 1 Capital Ratio (Minimum Requirement - 2026 - 9.50%: 2025 - 9.50%)	14.26%	16.85%	15.10%	18.65%
Total Capital Ratio (Minimum Requirement 2026 - 13.50%: 2025 - 13.50%)	16.59%	19.95%	17.18%	21.47%
Leverage Ratio (Minimum Requirement- 3.00%)	6.97%	7.99%	7.49%	8.80%

Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) to Total Loans, Ratio, %*(Net)	1.09%	1.09%
Impaired Loans (Stage 3) to Total Loans Ratio, %*(Gross)	4.12%	4.56%
Impairment (Stage 3) to Stage 3 Loans Ratio, %*	73.46%	75.97%
Profitability (Annualised)		
Interest Margin, %	4.50%	4.26%
Return on Assets (before Tax), %	2.74%	3.20%
Return on Equity, %	15.74%	18.11%
Cost to Income, %	36.13%	37.82%
Regulatory Liquidity		
Liquidity Coverage Ratio (%) - Rupee	184.80%	193.97%
(Minimum Requirement - 2026 - 100%, 2025 - 100%)		
Liquidity Coverage Ratio (%) - All Currency	165.32%	227.75%
(Minimum Requirement - 2026 - 100%, 2025 - 100%)		
Net Stable Funding Ratio(Minimum Requirement - 2026 - 100%, 2025 - 100%)	121.72%	137.89%
Credit Rating	AA-(lka)	AA-(lka)

Including Undrawn Portion of Credit

LISTED DEBENTURE INFORMATION

Quarter ended 30th September	Market Value 2026 Highest Rs.	Market Value 2026 Lowest Rs.	Market Value 2025 Highest Rs.	Market Value 2025 Lowest Rs.	Last traded price 2026 Rs.	Last traded price 2025 Rs.
HNB DEBENTURES 2021						
10 year Fixed Rate (9.50% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T
HNB DEBENTURES 2024						
5 year Fixed Rate (13.00% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T
5 year Fixed Rate (12.60% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T
7 year Fixed Rate (13.25% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T
10 year Fixed Rate (13.50% p.a.)	N/T	N/T	N/T	N/T	N/T	N/T
HNB SUSTAINABALE BOND 2025						
5 years fixed rate (10.25% p.a)	N/T	N/T	N/T	N/T	N/T	N/A
7 years fixed rate (11.00% p.a)	N/T	N/T	N/T	N/T	N/T	N/A

N/T – Not Traded as at 30th September, N/A – Not Applicable as at 30th September

Quarter ended 30th September	Interest Yield as at Last Trade Done 2026 %	2025 %
HNB DEBENTURES 2021		
10 year Fixed Rate (9.50% p.a.)	N/T	N/T
HNB DEBENTURES 2024		
5 year Fixed Rate (13.00% p.a.)	N/T	N/T
5 year Fixed Rate (12.60% p.a.)	N/T	N/T
7 year Fixed Rate (13.25% p.a.)	N/T	N/T
10 year Fixed Rate (13.50% p.a.)	N/T	N/T
HNB SUSTAINABALE BOND 2025		
5 years fixed rate (10.25% p.a)	N/T	N/T
7 years fixed rate (11.00% p.a)	N/T	N/T

N/T – Not Traded as at 30th September, N/A – Not Applicable as at 30th September

RATIOS OF DEBT		
	30.09.2026	**31.12.2025**
Debt Equity Ratio (%)	12.02	16.25
	30.09.2026	**30.09.2025**
Interest Cover (Times)	15.88	17.65
	30.09.2026	**30.09.2025**
Yield of Comparable Govt. Securities for the following HNB Debentures (% p.a.)		
2019 series 7 year maturity	N/A	7.99
2021 series10 year maturity	11.20	9.89
2024 series 5 year maturity	10.56	9.34
2024 series 5 year maturity	10.56	9.34
2024 series 7 year maturity	11.20	9.89
2024 series 10 year maturity	11.70	10.72
2025 series 5 years maturity	11.01	N/A
2025 series 7 years maturity	11.51	N/A

Yield to Maturity of Last Trade Done (% p.a)

Quarter ended 30th September	2026 %	2025 %
HNB DEBENTURES 2021		
10 year Fixed Rate (9.50% p.a.)	N/T	N/T
HNB DEBENTURES 2024		
5 year Fixed Rate (13.00% p.a.)	N/T	N/T
5 year Fixed Rate (12.60% p.a.)	N/T	N/T
7 year Fixed Rate (13.25% p.a.)	N/T	N/T
10 year Fixed Rate (12.50% p.a.)	N/T	N/T
HNB SUSTAINABALE BOND 2025		
5 years fixed rate (10.25% p.a)	N/T	N/T
7 years fixed rate (11.00% p.a)	N/T	N/T

N/T – Not Traded as at 30th September, N/A – Not Applicable as at 30th September

SHARE INFORMATION

As at	30-Sep-26	31-Dec-25
Number of Shares		
Voting	460,218,180	455,968,474
Non-voting	117,103,990	115,852,722
Last Traded Price per share		
Voting	384.00	398.50
Non-voting	327.00	318.75

For the Quarter Ended	30-Sep-26	31-Dec-25
Highest price per share		
Voting	407.00	433.00
Non-voting	340.00	340.00
Lowest price per share		
Voting	377.00	383.50
Non-voting	314.50	295.00

PUBLIC SHAREHOLDING PERCENTAGE

	30-Sep-26	
	Number	%
Number of shareholders representing the public holding (Voting)	16,867	70% approx.
Number of shareholders representing the public holding (Non Voting)	16,710	99% approx.
Compliant under Option 1 - Float Adjusted Market Capitalization	123.71 Bn	

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDING

	Number of shares		Type of Directorship
	30-Sep-26	31-Dec-25	
1. Mr. Suresh Kumar Shah (Appointed as Chairman w.e.f 01st April 2026)	-	-	Independent / Non-Executive
2. Mr. P. G. D. B. Pallewatte (Managing Director / Chief Executive Officer)	-	-	Executive
3. Mr. M.P.D.Cooray	9,593	9,491	Independent / Non-Executive
4. Mr. G. B. R. P. Gunawardana	26,536	26,261	Independent / Non-Executive
5. Dr. T.K.D.A.P Samarasinghe	-	-	Non-Independent / Non-Executive
6. Mr. M. N. R. Fernando	-	-	Independent / Non-Executive
7. Mr. S. Renganathan	-	-	Independent / Non-Executive
8. Ms. Dilani Champika Alagaratnam Goonatilleke	-	-	Independent / Non-Executive
9. Mr. P.D.V.P.K De Almeida	-	N/A	Independent / Non-Executive
10. Mr. Murtaza Ali Jafferjee	253,285	N/A	Independent / Non-Executive
11. Ms. R.M.R. Dhanika Rajapaksa	-	N/A	Independent / Non-Executive
12. Mr. Lahiru Malith Lokuwithana	-	N/A	Non-Independent / Non-Executive
13. Ms. P.Champika Dodanwela	-	N/A	Independent / Non-Executive

20 MAJOR SHAREHOLDERS (VOTING) OF HNB PLC
AS AT 30TH SEPTEMBER 2026

	Name	No. of Shares	% on voting capital
1.	CEYLON STEEL CORPORATION LIMITED	46,020,031	9.99
2.	EMPLOYEE'S PROVIDENT FUND	44,857,582	9.75
3.	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	37,490,667	8.15
4.	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	36,391,882	** 7.91
5.	STASSEN EXPORTS (PVT) LIMITED	31,543,274	** 6.85
6.	MR. Y. S. H. I. SILVA	30,041,371	6.53
7.	SONETTO HOLDINGS LIMITED	22,619,251	4.91
8.	MR. H. H. ABDULHUSEIN	17,000,000	3.69
9.	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	16,524,570	3.59
10.	NATIONAL SAVINGS BANK	13,270,608	2.88
11.	DISTILLERIES COMPANY OF SRI LANKA PLC	10,580,239	**2.30
12.	STANDARD CHARTERED BANK SINGAPORE S/A HL BANK SINGAPORE BRANCH	8,637,884	1.88
13.	MR. Y.S.H.R.S. SILVA	8,145,221	1.77
14.	COMMERCIAL BANK OF CEYLON PLC/ PHANTOM INVESTMENTS (PRIVATE) LIMITED	7,867,396	1.71
15.	COMMERCIAL BANK OF CEYLON PLC/ N.A. MADANAYAKE	5,248,464	1.14
16.	GALLE FACE CAPITAL PARTNERS PLC	5,150,424	1.12
17.	SIMONAS TRUST SERVICE PVT LTD	4,683,980	1.02
18.	MR. N.A. MADANAYAKE	4,169,362	0.91
19.	FIRST CAPITAL HOLDINGS PLC	3,633,552	0.79
20.	SRI LANKA INSURANCE CORPORATION GENERAL LIMITED	3,022,281	0.66

**Pursuant to the provisions of the Banking Act Directions No. 1 of 2007, the total collective voting rights in the Bank, of Milford Exports (Ceylon) Limited, Stassen Exports Limited and Distilleries Company of Sri Lanka (who collectively hold 17.06% of the voting shares of the Bank) are limited to 10% of the total voting rights of the Bank with effect from 15th March 2012 as the voting rights in excess of such percentage is deemed invalid from that date.

20 MAJOR SHAREHOLDERS (NON-VOTING) OF HNB PLC
AS AT 30TH SEPTEMBER 2026

	Name	No. of Shares	% on non voting capital
1.	COMMERCIAL BANK OF CEYLON PLC/ METROCORP (PVT)LTD	9,252,656	7.90
2.	AKBAR BROTHERS PVT LTD	8,159,537	6.97
3.	HNB INVESTMENT BANK (PVT) LTD/ MR. ELAYATHAMBY THAVAGNANASOORIYAM & MR. ELAYATHAMBY THAVAGNANA SUNDR	4,598,080	3.93
4.	COMMERCIAL BANK OF CEYLON PLC/G.A.B.HARISCHANDRA	2,848,116	2.43
5.	COMMERCIAL BANK OF CEYLON PLC/MR. K. R. E. M. D. M. B. JAYASUNDARA	1,805,148	1.54
6.	COMMERCIAL BANK OF CEYLON PLC/G.S.N.PEIRIS	1,713,316	1.46
7.	SABOOR CHATOOR (PVT) LTD	1,446,080	1.23
8.	J.B. COCOSHELL (PVT) LTD	1,355,560	1.16
9.	PEOPLE'S LEASING & FINANCE PLC/MR. I. D. R. PERERA	1,216,701	1.04
10.	EMPLOYEES TRUST FUND BOARD	1,138,367	0.97
11.	MRS. SWYRIE BALENDRA	1,105,451	0.94
12.	MR. KRISHAN NIRAJ JAYASEKARA BALENDRA	1,048,609	0.90
13.	MR.EJAZ CHATOOR	1,046,178	0.89
14.	MR.NIRMAL ANRUDHA MADANAYAKE	1,010,800	0.86
15.	MR. ROGER KEITH MODDER	944,342	0.81
16.	SAMPATH BANK PLC/ ANDARADENIYA ESTATE PRIVATE LIMITED	909,720	0.78
17.	RANAVAV HOLDINGS (PVT) LTD	889,102	0.76
18.	RIL PROPERTY PLC	881,923	0.75
19.	SENKADAGALA FINANCE PLC/ E. THAWAGNASUNDARAM	845,380	0.72
20.	HATTON NATIONAL BANK PLC A/C NO 2 - (EMPLOYEES PROVIDENT FUND)	842,698	0.72

ANALYSIS OF LOANS & ADVANCES AND IMPAIRMENT

As at	Bank 30.09.2026 Rs 000	Bank 31.12.2025 (Audited) Rs 000	Group 30.09.2026 Rs 000	Group 31.12.2025 (Audited) Rs 000
1) Gross loans and advances to customers	1,827,441,709	1,513,959,514	1,919,183,421	1,592,680,455
Less : Accumulated impairment under stage 1	8,858,460	9,267,472	9,587,318	10,049,218
Accumulated impairment under stage 2	7,936,087	7,801,917	8,643,418	8,258,516
Accumulated impairment under stage 3	68,681,073	63,652,888	74,122,552	68,785,118
Net loans and advances to customers	1,741,966,090	1,433,237,237	1,826,830,134	1,505,587,603
Product-wise Gross loans and advances to customers				
By product-Domestic Currency				
Overdrafts	170,291,738	146,346,329	169,932,008	145,994,828
Bills of exchange	299,014	210,388	299,014	210,388
Commercial papers	260,136	260,136	260,136	260,136
Credit Cards	29,970,819	25,873,222	29,970,819	25,873,222
Trust receipts	63,041,406	50,547,750	63,041,406	50,547,750
Packing credit loans	13,449,772	13,615,915	13,449,772	13,615,915
Staff loans	27,011,929	25,181,189	27,467,409	25,474,630
Term loans	836,166,987	701,228,274	866,277,242	731,569,869
Lease rentals receivable	160,177,377	126,158,149	221,713,084	174,595,555
Housing loans	79,825,089	70,335,992	79,825,089	70,335,992
Pawning advances	162,583,960	116,256,970	162,583,960	116,256,970
Sub total	1,543,078,227	1,276,014,314	1,634,819,939	1,354,735,255
By product-Foreign Currency				
Overdrafts	8,247,948	6,192,905	8,247,948	6,192,905
Bills of exchange	1,788,528	1,501,788	1,788,528	1,501,788
Trust receipts	1,954,169	3,982,714	1,954,169	3,982,714
Packing credit loans	29,349,676	25,160,394	29,349,676	25,160,394
Term loans	241,557,214	199,582,059	241,557,214	199,582,059
Lease rentals receivable	51,776	121,037	51,776	121,037
Housing loans	1,414,171	1,404,303	1,414,171	1,404,303
Sub total	284,363,482	237,945,200	284,363,482	237,945,200
Total	1,827,441,709	1,513,959,514	1,919,183,421	1,592,680,455

Movements in stage-wise impairment of loans & advances during the period

	Bank Stage 1 Rs 000	Bank Stage 2 Rs 000	Bank Stage 3 Rs 000	Bank Total Rs 000
Opening balance as at 1st January 2025	9,924,864	8,383,867	77,756,383	96,065,114
Net impairment charge /(reversal) for the period	(514,928)	(1,438,899)	(4,506,799)	(6,460,626)
Write-offs during the period	-	-	(18,404)	(18,404)
Effect of exchange rate fluctuations/Other movements	19,753	31,530	(1,434,789)	(1,383,506)
Closing balance as at 30th September 2025	**9,429,689**	**6,976,498**	**71,796,391**	**88,202,578**
Opening balance as at 1st January 2026	9,267,472	7,801,917	63,652,888	80,722,277
Net impairment charge /(reversal) for the period	(458,719)	127,541	5,736,497	5,405,319
Write-offs during the period	-	-	(893,345)	(893,345)
Effect of exchange rate fluctuations/Other movements	49,707	6,629	185,033	241,369
Closing balance as at 30th September 2026	**8,858,460**	**7,936,087**	**68,681,073**	**85,475,620**

	Group Stage 1 Rs 000	Group Stage 2 Rs 000	Group Stage 3 Rs 000	Group Total Rs 000
Opening balance as at 1st January 2025	10,477,990	8,897,502	83,393,374	102,768,866
Net impairment charge /(reversal) for the period	(297,597)	(1,540,294)	(4,241,110)	(6,079,001)
Write-offs during the period	-	-	(1,211,112)	(1,211,112)
Effect of exchange rate fluctuations/Other movements	19,753	31,530	(1,434,791)	(1,383,508)
Closing balance as at 30th September 2025	**10,200,146**	**7,388,738**	**76,506,361**	**94,095,245**
Opening balance as at 1st January 2026	10,049,218	8,258,516	68,785,118	87,092,852
Net impairment charge /(reversal) for the period	(511,607)	378,273	6,768,687	6,635,353
Write-offs during the period	-	-	(1,616,287)	(1,616,287)
Effect of exchange rate fluctuations/Other movements	49,707	6,629	185,033	241,369
Closing balance as at 30th September 2026	**9,587,318**	**8,643,418**	**74,122,552**	**92,353,287**

ANALYSIS OF COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

	Bank		Group	
As at	**30.09.2026**	**31.12.2025 (Audited)**	**30.09.2026**	**31.12.2025 (Audited)**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
2) Gross commitments and contingencies	**1,339,121,586**	**1,009,361,708**	**1,339,121,586**	**1,009,361,708**
Less : Accumulated impairment under stage 1	1,049,445	1,254,325	1,049,445	1,254,325
Accumulated impairment under stage 2	312,032	110,160	312,032	110,160
Accumulated impairment under stage 3	2,397,649	2,047,184	2,397,649	2,047,184
	1,335,362,460	1,005,950,039	1,335,362,460	1,005,950,039
Product-wise commitments and contingencies				
By Product - Domestic Currency				
Documentary credit	875,380	1,404,074	875,380	1,404,074
Guarantees	101,986,017	71,062,918	101,986,017	71,062,918
Acceptances	201,047	629,072	201,047	629,072
Bills for collection	617,700	1,394,343	617,700	1,394,343
Cheques sent on clearing	6,116,784	7,013,082	6,116,784	7,013,082
Undrawn credit lines - Direct	458,585,341	324,906,889	458,585,341	324,906,889
Undrawn credit lines - Indirect	152,760,786	121,213,122	152,760,786	121,213,122
Sub total	**721,143,055**	**527,623,500**	**721,143,055**	**527,623,500**
By Product - Foreign Currency				
Documentary credit	58,078,749	46,685,453	58,078,749	46,685,453
Guarantees	21,216,503	16,529,226	21,216,503	16,529,226
Acceptances	21,137,033	16,516,774	21,137,033	16,516,774
Bills for collection	39,369,378	39,037,611	39,369,378	39,037,611
Forward exchange contracts				
Forward exchange sales	88,476,505	62,138,808	88,476,505	62,138,808
Forward exchange purchases	265,363,885	189,232,293	265,363,885	189,232,293
Cheques sent on clearing	64,768	47,930	64,768	47,930
Undrawn credit lines - Direct	1,851,256	2,249,289	1,851,256	2,249,289
Undrawn credit lines - Indirect	122,420,454	109,300,824	122,420,454	109,300,824
Sub total	**617,978,531**	**481,738,208**	**617,978,531**	**481,738,208**
Total	**1,339,121,586**	**1,009,361,708**	**1,339,121,586**	**1,009,361,708**

Movements in stage-wise impairment of commitments and contingencies during the period

	Bank / Group			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
Opening balance as at 1st January 2025	1,984,084	106,880	1,872,125	3,963,089
Net impairment charge /(reversal) for the period	(740,698)	205	104,387	(636,106)
Closing balance as at 30th September 2025	**1,243,386**	**107,085**	**1,976,512**	**3,326,983**
Opening balance as at 1st January 2026	1,254,325	110,160	2,047,184	3,411,669
Net impairment charge /(reversal) for the period	(204,880)	201,872	350,465	347,457
Closing balance as at 30th September 2026	**1,049,445**	**312,032**	**2,397,649**	**3,759,126**

ANALYSIS OF DEPOSITS

	Bank		Group	
As at	**30.09.2026**	**31.12.2025 (Audited)**	**30.09.2026**	**31.12.2025 (Audited)**
	Rs 000	**Rs 000**	**Rs 000**	**Rs 000**
3) Due to Customers - By product				
Local Currency Deposits				
Current account deposits	108,229,949	111,338,421	107,915,164	110,425,151
Savings deposits	492,751,604	486,308,809	493,778,915	487,264,933
Time deposits	1,139,872,097	979,064,965	1,203,482,991	1,035,649,970
Certificates of deposit	277,289	274,257	277,289	274,257
Margin deposits	3,027,273	4,026,162	3,027,273	4,026,162
Sub total	1,744,158,212	1,581,012,614	1,808,481,632	1,637,640,473
Foreign Currency Deposits				
Current account deposits	11,186,764	9,053,988	11,186,764	9,053,988
Savings deposits	97,327,366	85,448,431	97,303,445	85,433,691
Time deposits	360,819,156	286,303,400	360,054,069	285,571,281
Margin deposits	41,686	32,764	41,686	32,764
Sub total	469,374,972	380,838,583	468,585,964	380,091,724
Total	2,213,533,184	1,961,851,197	2,277,067,596	2,017,732,197

FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

Fair value Disclosure of Financial Instruments

The Group measures the fair values of financial instruments using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Fair value measurement using unadjusted quoted market price

When available, the fair values of financial instruments are determined using quoted market prices (unadjusted) in active markets for identical instruments. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. Accordingly, the fair values of treasury bills and bonds have been derived using the market yields and market prices published by Central Bank of Sri Lanka while fair value of quoted equity securities and PDI Bonds have been valued using the quoted market prices as at the reporting date

Level 2: Fair value measurement using significant observable inputs

In the absence of an active market for a financial instrument, the fair value is determined using quoted market prices in active markets for similar instruments or quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The spot and forward premiums available as at the reporting date have been used to estimate the fair value of derivative financial instruments while the fair value of unquoted units have been measured using manager's selling prices. The fair values of financial assets and financial liabilities carried at amortised cost have been estimated by comparing the interest rates when they were first recognised with the current market rates of similar instruments.The Bank classified the fair value of USD Step up Bond & PDI Bond under Level 2.

Level 3: Fair value measurement using significant unobservable inputs

Financial instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31st December 2025. The Group has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended 30th September 2026.

FINANCIAL ASSETS & LIABILITIES MEASURED AT FAIR VALUE - FAIR VALUE HIERARCHY

As at 30th September 2026	Bank				Group			
	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000
Financial assets measured at fair value								
Derivative financial instruments	-	1,913,117	-	1,913,117	-	1,913,117	-	1,913,117
Financial assets measured at fair value through profit or loss	373,473	-	-	373,473	56,076,171	-	-	56,076,171
Financial assets measured at fair value through other comprehensive income	100,599,635	14,043,636	184,180	114,827,451	123,604,264	14,043,636	189,260	137,837,160
Total financial assets measured at fair value	100,973,108	15,956,753	184,180	117,114,041	179,680,435	15,956,753	189,260	195,826,448
Financial liabilities measured at fair value								
Derivative financial instruments	-	3,668,157	-	3,668,157	-	3,668,157	-	3,668,157
Total financial liabilities measured at fair value	**-**	**3,668,157**	**-**	**3,668,157**	**-**	**3,668,157**	**-**	**3,668,157**

As at 31st December 2025	Bank				Group			
	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000
Financial assets measured at fair value								
Derivative financial instruments	-	1,976,631	-	1,976,631	-	1,976,631	-	1,976,631
Financial assets measured at fair value through profit or loss	1,237,231	-	-	1,237,231	72,322,060	-	-	72,322,060
Financial assets measured at fair value through other comprehensive income	77,304,693	17,366,596	184,180	94,855,469	97,615,574	17,366,596	189,854	115,172,024
Total financial assets measured at fair value	78,541,924	19,343,227	184,180	98,069,331	169,937,634	19,343,227	189,854	189,470,715
Financial liabilities measured at fair value								
Derivative financial instruments	-	300,191	-	300,191	-	300,191	-	300,191
Total financial liabilities measured at fair value	**-**	**300,191**	**-**	**300,191**	**-**	**300,191**	**-**	**300,191**

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

As at 30th September 2026	Bank					Group				
	Carrying	Fair Value			Total	Carrying	Fair Value			Total
	Value	Level 1	Level 2	Level 3		Value	Level 1	Level 2	Level 3	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Financial Assets										
Financial assets measured at amortised cost										
Loans and advances to customers	1,741,966,090	-	1,724,642,357	-	1,724,642,357	1,826,830,134	-	1,817,194,864	-	1,817,194,864
Debt and other financial instruments	668,223,902	572,768,732	79,547,153	-	652,315,885	705,139,582	586,662,445	102,388,844	-	689,051,289
Total financial assets measured at amortised cost	**2,410,189,992**	**572,768,732**	**1,804,189,510**	**-**	**2,376,958,242**	**2,531,969,716**	**586,662,445**	**1,919,583,708**	**-**	**2,506,246,153**
Financial Liabilities										
Financial liabilities measured at amortised cost										
Due to depositors	2,213,533,184	-	2,235,517,143	-	2,235,517,143	2,277,067,596	-	2,298,704,342	-	2,298,704,342
Other borrowings	16,268,971	-	16,268,971	-	16,268,971	25,353,840	-	25,353,840	-	25,353,840
Debt securities issued	10,859,511	-	10,182,773	-	10,182,773	10,763,098	-	10,086,360	-	10,086,360
Subordinated term debts	19,263,595	-	19,113,782	-	19,113,782	26,753,135	-	26,603,322	-	26,603,322
Total financial liabilities measured at amortised cost	**2,259,925,261**	**-**	**2,281,082,669**	**-**	**2,281,082,669**	**2,339,937,669**	**-**	**2,360,747,864**	**-**	**2,360,747,864**

As at 31st December 2025	Bank					Group				
	Carrying	Fair Value			Total	Carrying	Fair Value			Total
	Value	Level 1	Level 2	Level 3		Value	Level 1	Level 2	Level 3	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Financial Assets										
Financial assets measured at amortised cost										
Loans and advances to customers	1,433,237,237	-	1,467,835,478	-	1,467,835,478	1,505,587,603	-	1,545,848,151	-	1,545,848,151
Debt and other financial instruments	650,618,623	574,184,801	73,792,913	-	647,977,714	684,366,194	591,288,572	93,541,370		684,829,942
Total financial assets measured at amortised cost	**2,083,855,860**	**574,184,801**	**1,541,628,391**	**-**	**2,115,813,192**	**2,189,953,797**	**591,288,572**	**1,639,389,521**	**-**	**2,230,678,093**
Financial Liabilities										
Financial liabilities measured at amortised cost										
Due to depositors	1,961,851,197	-	1,986,523,403	-	1,986,523,403	2,017,732,197	-	2,042,114,922	-	2,042,114,922
Other borrowings	15,511,110	-	15,511,110	-	15,511,110	27,213,296	-	27,213,297	-	27,213,297
Debt securities issued	10,044,766	-	10,038,952	-	10,038,952	9,986,711	-	9,980,897	-	9,980,897
Subordinated term debts	28,179,053	-	30,287,425	-	30,287,425	32,156,082	-	34,264,454	-	34,264,454
Total financial liabilities measured at amortised cost	**2,015,586,126**	**-**	**2,042,360,890**	**-**	**2,042,360,890**	**2,087,088,286**	**-**	**2,113,573,570**	**-**	**2,113,573,570**