

## **DFCC Bank Demonstrates Disciplined Performance and Balance Sheet Strength in Q1 2026**

- Group Core Business Profit After Tax of LKR 1.8 Bn
- Group Total Capital Adequacy Ratio of 16.092%
- Group Net Fee and Commission Income up by 34% to LKR 1.9 Bn
- Group Total Assets up by 3% to LKR 885 Bn

DFCC Bank delivered a strong financial performance for the period ended 31 March 2026, underscoring the robustness of its strategy, disciplined execution, and the resilience of its balance sheet. Loan and deposit portfolios recorded sustained growth of 5% and 7%, respectively, compared to 31 December 2025, reflecting calibrated credit expansion and funding optimisation. As a result, total assets increased by 3% to LKR 884 Bn and total liabilities grew by 4% to LKR 777 Bn.

Prudent liquidity management and funding optimisation, together with effective control of funding costs in a moderating interest rate environment, supported the Bank's performance and strengthened long-term value creation for shareholders and customers, resulting in a 12% increase in Net Interest Income to LKR 8 Bn.

Profit After Tax from core business amounted to LKR 1.7 Bn, reflecting the Bank's prudent and forward-looking approach to risk management amid evolving geopolitical and macroeconomic conditions. During the period, the Bank strengthened impairment provisioning through updated model calibrations and management overlays, while adopting selective lending strategies and disciplined cost management measures to support sustainable growth and strengthen resilience against unforeseen external shocks. Consequently, impairment charges increased by LKR 1.8 Bn compared to the corresponding period.

Advancing its strategic priorities to strengthen its retail and wealth franchise, broaden its customer base, and accelerate scale across key growth segments, DFCC Bank achieved a significant milestone with the signing of a binding Business Sale Agreement with Standard Chartered Bank PLC to acquire its Wealth and Retail Banking operations in Sri Lanka. The Bank has now transitioned to the next phase of the transaction, with integration and migration activities currently underway as the Bank progresses towards completion of the transition.

The following commentary relates to the unaudited financial statements for the period ended 31 March 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 2,439 Mn and a Profit After Tax (PAT) of LKR 1,715 Mn from core operations for the period ended 31 March 2026, compared to a PBT of LKR 3,962 Mn and a PAT of LKR 2,818 Mn in the corresponding period.

At Group level, for the period ended 31 March 2026, Profit Before Tax was LKR 2,573 Mn and Profit After Tax was LKR 1,812 Mn, compared to LKR 4,105 Mn and LKR 2,927 Mn, respectively, in 2025. The Bank's Earnings Per Share (EPS) from core banking operations was LKR 3.90 for the period ended 31 March 2026.

The Bank's Return on Assets (ROA) before tax was 0.56%, while Return on Equity (ROE) after tax stood at 4.40% for the period ended 31 March 2026.

The Bank's total tax expense, including Value Added Tax (VAT), Social Security Contribution Levy (SSCL) on financial services, and Income Tax, amounted to LKR 1,706 Mn for the period ended 31 March 2026. Consequently, the Bank's tax expense as a percentage of operating profit stood at 50% for the period.

### **NET INTEREST INCOME**

For the period ended 31 March 2026, interest income and interest expense grew by 15% and 17%, respectively, resulting in a 12% increase in net interest income to LKR 8,323 Mn. This performance reflects disciplined margin management in a lower interest rate environment compared to the prior period, alongside a 16% expansion of the Bank's asset base over the past 12 months. The 31% growth in the loan portfolio further supported performance, driven by effective loan book expansion, funding cost optimisation, and a strategic focus on high-quality asset growth, compared to 31 March 2025.

In addition, the CASA portfolio increased by 6% from 31 December 2025, with the CASA ratio improving to 24.20% as at 31 March 2026, indicating a stronger deposit mix and improved cost efficiency. Net Interest Margin was maintained at 3.88 % in March 2026, compared to 3.96% in December 2025, reflecting competitive pressures and prevailing market dynamics.

### **FEE AND COMMISSION INCOME**

Strategic focus on trade-related commissions and card-based services supported strong growth in fee based income, with the credit card portfolio expansion contributing significantly to overall performance.

While related fee expenses increased in line with customer acquisition and portfolio growth, the net impact remained positive. Net fee and commission income increased by 34% to LKR 1,916 Mn, compared to LKR 1,434 Mn in the corresponding period in 2025.

## **NET (LOSSES)/ GAINS FROM TRADING**

The Bank's reported bottom line for the period was impacted by mark-to-market valuation losses on equity securities, arising from heightened volatility in global financial markets amid ongoing geopolitical developments, including the escalation of the Middle East conflict, which negatively impacted investor sentiment and equity market valuations globally.

Consequently, an unrealised loss of LKR 569 Mn on equity investments was recognised in the income statement. This temporary impact reflects short-term market fluctuations and does not indicate any deterioration in the quality of the Bank's investment portfolio or its long-term strategic positioning.

## **IMPAIRMENT CHARGE ON LOANS AND OTHER LOSSES**

The Stage 3 impaired loan ratio improved to 4.18% as at 31 March 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 customer segments.

The Bank also maintained adequate provisioning in line with the accelerated growth in its lending portfolio. As a result, impairment charges increased to LKR 3,163 Mn for the period ended 31 March 2026, compared to LKR 1,355 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, taking into account prevailing macroeconomic conditions and the potential impact of the geopolitical environment.

## **OPERATING EXPENSES**

Technology and digital transformation remained central to the Bank's strategy, with continued investments in IT infrastructure aimed at enhancing multi-channel service delivery, strengthening information security, and improving operational efficiency. At the same time, increased investment in marketing and promotional initiatives supported brand visibility, deeper customer engagement, and product growth. Together, these initiatives are expected to generate long-term value by reinforcing brand equity, broadening market presence, accelerating customer acquisition, and strengthening DFCC Bank's competitive standing in a dynamic financial environment.

As a result of these strategic investments, operating expenses increased to LKR 5,278 Mn for the period ended 31 March 2026, compared to LKR 4,329 Mn in the corresponding period of 2025. The Bank continues to prioritise cost optimisation to ensure sustainable growth and operational resilience.

## **OTHER COMPREHENSIVE INCOME (OCI)**

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

A fair value gain of LKR 388 Mn was recorded on equity investments outstanding as at 31 March 2026, primarily driven by the increase in the share price of Commercial Bank of Ceylon PLC.

## **FINANCIAL POSITION ANALYSIS**

### **ASSETS**

Total assets increased by LKR 27 Bn, representing a 3% growth since December 2025, mainly attributable to the expansion of the loan portfolio, which rose by LKR 25 Bn to LKR 540 Bn, a 5% increase from LKR 516 Bn as at 31 December 2025. This performance demonstrates the successful delivery of DFCC Bank's strategic growth initiatives, driven by a selective and disciplined lending approach that balances sustainable expansion with asset quality. The renewed confidence amid improving economic conditions reinforces the Bank's role in driving prudent credit expansion and supporting national economic initiatives.

### **LIABILITIES**

The Bank's total liabilities increased by LKR 27 Bn, reflecting a 4% growth from December 2025. The deposit base expanded by 7%, rising by LKR 39 Bn to LKR 604 Bn, up from LKR 565 Bn as at 31 December 2025, resulting in a loan-to-deposit ratio of 97.75%. Additionally, the CASA ratio stood at 24.20% as of 31 March 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 29.60%, while the loan-to-deposit ratio improved to 90.79% as of 31 March 2026.

## **EQUITY AND COMPLIANCE WITH CAPITAL REQUIREMENTS**

As at 31 March 2026, total equity was maintained at LKR 107 Bn supported by a profit after tax of LKR 1.7 Bn and fair value gains across the Bank's securities portfolios.

In alignment with the Bank's growth strategy and the improving economic environment, the net loan portfolio grew by 5%. 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 12.118%, while the Total Capital Ratio stood at 16.046%, supported by the successful GSS+ bond issuance, compared to 13.550% and 15.933%, respectively, as at December 2025.

The Bank's dividend policy is designed to optimise shareholder value while maintaining sufficient capital to support future growth, underpinned by its island-wide presence and continued investments in technology. In line with this policy, a final dividend of LKR 7.50 per share, comprising a cash dividend of LKR 2.50 per share and a scrip dividend of LKR 5.00 per share, was paid during the first quarter of 2026, amounting to a total distribution of LKR 3.3 Bn as at 31 March 2026.

The Bank's Net Stable Funding Ratio (NSFR) stood at 126.54%, and the Liquidity Coverage Ratio (LCR) – all currency – stood at 154.41%, both comfortably exceeding regulatory minimums.

## **CEO's Statement**

DFCC Bank's performance in the first quarter of 2026 reflects a measured and disciplined approach within a steadily evolving operating environment. While profitability moderated during the period, this was primarily driven by a deliberate strengthening of impairment provisioning in response to emerging global and domestic risks, including heightened geopolitical uncertainty. The Group also adopted proactive and prudent measures during the quarter, including management overlays, selective lending strategies, and disciplined cost management, to safeguard long-term stability and strengthen resilience against unforeseen external shocks.

For the period ended 31 March 2026, the Group recorded a Profit After Tax of LKR 1.8 Bn, supported by steady growth in lending and deposits, an improved funding mix, and continued attention to asset quality. These fundamentals continue to position DFCC Bank to navigate uncertainty while remaining aligned with opportunities for sustainable expansion.

During the quarter, the Bank continued to advance key strategic priorities. Following the acquisition agreement signed in 2025 with Standard Chartered Bank PLC for its Wealth and Retail Banking operations in Sri Lanka, integration and migration activities are currently underway as the Bank progresses towards completion. This initiative represents a significant step in strengthening DFCC Bank's retail and affluent banking franchise.

The Bank also reinforced its position in sustainable finance through the successful issuance of a Basel III-compliant, listed, rated GSS+ Bond amounting to LKR 10 Bn, which was oversubscribed. This reflects strong investor confidence and builds on DFCC Bank's broader track record in sustainable capital markets, including earlier initiatives in thematic bond issuance and international market engagement.

At the same time, DFCC Bank's continued focus on improving customer experience and accessibility was recognised at the LankaPay Technovation Awards 2026, where the Bank received a Gold Award for Financial Inclusivity and a Merit Award for Customer Convenience. These recognitions reflect the Bank's ongoing efforts to leverage digital capabilities to simplify banking and expand access for customers.

The Bank's wider institutional strength continues to be reflected through sustained recognition across people, sustainability, and governance. Building on recognitions such as Great Place to Work and its ranking among the AICPA & CIMA Top 20 Employers, DFCC Bank remains committed to strengthening its organisational culture while delivering responsible growth. Initiatives such as Ride for Life, together with ongoing environmental conservation efforts focused on protecting the Sri

Lankan leopard and preserving ecological balance, further reflect the Bank's role beyond financial intermediation, contributing to the well-being of communities and the environment.

On behalf of DFCC Bank, I remain grateful to our customers, regulators, and stakeholders for the trust placed in the institution. This trust continues to guide decision-making, ensuring that growth is pursued with discipline, transparency, and a long-term perspective.

As the year progresses, the Bank remains focused on strengthening its core business, executing its strategic priorities, and maintaining financial resilience. With clear direction, strong fundamentals, and disciplined execution, DFCC Bank remains well positioned to deliver sustained and responsible growth.

Thimal Perera  
Director/Chief Executive Officer

07 May 2026

**DFCC Bank PLC**  
**Income Statement**

For the three months ended 31 March

	Notes	Bank			Group		
		2026 LKR 000	2025 LKR 000	Change %	2026 LKR 000	2025 LKR 000	Change %
<b>Gross Income</b>		<b>26,415,618</b>	23,074,290	14	<b>26,625,465</b>	23,275,215	14
Interest income		22,067,174	19,140,845	15	22,067,909	19,141,576	15
Interest expenses		13,744,054	11,731,633	17	13,726,738	11,713,599	17
<b>Net interest income</b>		<b>8,323,120</b>	7,409,212	12	<b>8,341,171</b>	7,427,977	12
Fee and commission income		2,725,687	1,913,593	42	2,725,494	1,913,400	42
Fee and commission expenses		809,567	479,238	69	809,567	479,238	69
<b>Net fee and commission income</b>		<b>1,916,120</b>	1,434,355	34	<b>1,915,927</b>	1,434,162	34
Net (losses)/ gains from trading	5	(436,423)	87,149	(601)	(436,423)	87,149	(601)
Net gains from derecognition of financial assets							
Fair value through other comprehensive income		678,321	683,870	(1)	678,321	683,870	(1)
Net other operating income	6	1,380,859	1,248,833	11	1,590,164	1,449,220	10
<b>Total operating income</b>		<b>11,861,997</b>	10,863,419	9	<b>12,089,160</b>	11,082,378	9
<b>Impairment charge</b>							
Loans and advances		2,429,045	858,401	183	2,429,045	858,401	183
Sri Lanka International Sovereign Bonds and Debentures		56,441	95,607	(41)	56,441	95,607	(41)
Other financial assets and credit related commitments		677,546	400,945	69	677,546	400,945	69
<b>Net operating income</b>		<b>8,698,965</b>	9,508,466	(9)	<b>8,926,128</b>	9,727,425	(8)
<b>Operating expenses</b>							
Personnel expenses		2,359,766	2,057,382	15	2,406,269	2,100,451	15
Depreciation and amortisation		421,420	326,920	29	434,253	340,033	28
Other expenses		2,496,642	1,944,819	28	2,528,926	1,964,375	29
<b>Total operating expenses</b>		<b>5,277,828</b>	4,329,121	22	<b>5,369,448</b>	4,404,859	22
<b>Operating profit before taxes on financial services</b>		<b>3,421,137</b>	5,179,345	(34)	<b>3,556,680</b>	5,322,566	(33)
Taxes on financial services		982,506	1,217,844	(19)	982,506	1,217,844	(19)
<b>Operating profit after taxes on financial services</b>		<b>2,438,631</b>	3,961,501	(38)	<b>2,574,174</b>	4,104,722	(37)
Share of (loss)/ profit of associate		-	-	-	(1,251)	206	(707)
<b>Profit before income tax</b>		<b>2,438,631</b>	3,961,501	(38)	<b>2,572,923</b>	4,104,928	(37)
Income tax expense		723,723	1,143,960	(37)	760,872	1,178,364	(35)
<b>Profit for the period from continuing operations</b>		<b>1,714,908</b>	2,817,541	(39)	<b>1,812,051</b>	2,926,564	(38)
<b>Discontinued Operation</b>							
Profit for the period from discontinued operations, net of tax		-	4,967,916	(100)	-	116,274	(100)
<b>Profit for the period</b>		<b>1,714,908</b>	7,785,457	(78)	<b>1,812,051</b>	3,042,838	(40)
<b>Profit attributable to:</b>							
Equity holders of the Bank		1,714,908	7,785,457	(78)	1,768,791	2,992,348	(41)
Non-controlling interests		-	-	-	43,260	50,490	(14)
<b>Profit for the period</b>		<b>1,714,908</b>	7,785,457	(78)	<b>1,812,051</b>	3,042,838	(40)
<b>Earnings per share</b>							
Basic/diluted earnings per ordinary share (LKR)		<b>3.90</b>	17.95	(78)	<b>4.02</b>	6.90	(42)
Basic/diluted earnings per ordinary share (LKR) - continuing operations		<b>3.90</b>	6.50	(40)	<b>4.02</b>	6.63	(39)

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

For the three months ended 31 March

	Bank			Group		
	2026 LKR 000	2025 LKR 000	Change %	2026 LKR 000	2025 LKR 000	Change %
Profit for the period	<b>1,714,908</b>	7,785,457	(78)	<b>1,812,051</b>	3,042,838	(40)
<b>Other comprehensive income / (expenses) for the period, net of tax</b>						
<b>Items that are or may be reclassified subsequently to income statement</b>						
Movement in fair value reserve ( FVOCI debt instrument):						
Net change in fair value	<b>(921,308)</b>	618,175	(249)	<b>(921,308)</b>	618,175	(249)
Reclassified to income statement	<b>(678,321)</b>	(683,870)	1	<b>(678,321)</b>	(683,870)	1
Movement in hedging reserve:						
Cash flow hedge - effective portion of changes in fair value	<b>(228,179)</b>	(342,085)	33	<b>(228,179)</b>	(342,085)	33
Cash flow hedge - reclassified to income statement	<b>315,688</b>	321,875	(2)	<b>315,688</b>	321,875	(2)
Related deferred tax	<b>411,230</b>	58,298	605	<b>411,230</b>	58,298	605
<b>Total other comprehensive expenses that are or may be reclassified subsequently to income statement</b>	<b>(1,100,890)</b>	(27,607)	(3,888)	<b>(1,100,890)</b>	(27,607)	(3,888)
<b>Items that will not be reclassified to income statement</b>						
Equity investments at FVOCI - net change in fair value	<b>388,359</b>	570,126	(32)	<b>388,359</b>	570,126	(32)
<b>Total other comprehensive income on items that will not be reclassified to income statement</b>	<b>388,359</b>	570,126	(32)	<b>388,359</b>	570,126	(32)
<b>Other comprehensive ( expenses ) / income for the period , net of tax</b>	<b>(712,531)</b>	542,519	(231)	<b>(712,531)</b>	542,519	(231)
<b>Total comprehensive income for the period</b>	<b>1,002,377</b>	8,327,976	(88)	<b>1,099,520</b>	3,585,357	(69)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Bank	<b>1,002,377</b>	8,327,976	(88)	<b>1,056,260</b>	3,534,867	(70)
Non-controlling interests	-	-		<b>43,260</b>	50,490	(14)
<b>Total comprehensive income for the period</b>	<b>1,002,377</b>	8,327,976	(88)	<b>1,099,520</b>	3,585,357	(69)

**DFCC Bank PLC**  
**Statement of Financial Position**

As at	Bank			Group		
	31.03.2026	31.12.2025 (Audited)	Change	31.03.2026	31.12.2025 (Audited)	Change
Notes	LKR 000	LKR 000	%	LKR 000	LKR 000	%
<b>Assets</b>						
Cash and cash equivalents	18,889,782	22,771,091	(17)	18,949,497	22,804,954	(17)
Balances with Central Bank of Sri Lanka	5,341,762	2,952,879	81	5,341,762	2,952,879	81
Placements with banks	26,505,202	37,442,912	(29)	26,505,202	37,442,912	(29)
Derivative financial assets	8,263,904	8,494,001	(3)	8,263,904	8,494,001	(3)
Financial assets measured at fair value through profit or loss	12,032,075	9,015,005	33	12,032,075	9,015,005	33
Financial assets at amortised cost - Loans and advances to customers	7 535,694,978	510,924,245	5	535,694,978	510,924,245	5
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	8 4,795,290	4,619,866	4	4,795,290	4,619,866	4
Financial assets at amortised cost - Debt and other instruments	119,395,598	114,795,690	4	119,403,058	114,804,987	4
Financial assets measured at fair value through other comprehensive income	123,424,633	124,552,817	(1)	123,424,633	124,552,817	(1)
Investments in subsidiaries	237,035	237,035	-	-	-	-
Investment in associate	33,169	33,169	-	40,626	41,876	(3)
Investment properties	9,879	9,879	-	613,660	598,166	3
Property, plant and equipment	4,404,158	4,508,724	(2)	4,749,455	4,777,359	(1)
Intangible assets and goodwill	2,488,237	2,608,324	(5)	2,663,355	2,785,560	(4)
Deferred tax assets	7,134,044	5,731,675	24	7,144,523	5,745,154	24
Current tax assets	-	-	-	1,151	1,138	1
Other assets	15,133,019	8,449,154	79	15,525,460	8,678,825	79
<b>Total assets</b>	<b>883,782,765</b>	<b>857,146,466</b>	<b>3</b>	<b>885,148,629</b>	<b>858,239,744</b>	<b>3</b>
<b>Liabilities</b>						
Due to banks	5,835,836	12,372,311	(53)	5,835,836	12,372,311	(53)
Derivative financial liabilities	521,313	201,000	159	521,313	201,000	159
Financial liabilities at amortised cost - Due to depositors	10 604,292,760	564,758,931	7	603,427,872	563,905,482	7
Financial liabilities at amortised cost - Due to other borrowers	117,449,024	134,354,757	(13)	117,419,978	134,363,917	(13)
Debt securities issued	10,009,828	12,286,859	(19)	10,009,828	12,286,859	(19)
Retirement benefit obligations	1,242,835	1,182,185	5	1,257,285	1,220,570	3
Current tax liabilities	3,378,296	2,669,112	27	3,449,586	2,757,706	25
Deferred tax liability	-	-	-	53,406	54,628	(2)
Other liabilities and provisions	15,439,126	12,545,239	23	16,180,219	13,018,783	24
Subordinated term debt	18,544,595	9,363,299	98	18,544,595	9,363,299	98
<b>Total liabilities</b>	<b>776,713,613</b>	<b>749,733,693</b>	<b>4</b>	<b>776,699,918</b>	<b>749,544,555</b>	<b>4</b>
<b>Equity</b>						
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	48,737,351	50,291,230	(3)	50,660,935	52,160,931	(3)
Other reserves	36,483,826	37,215,602	(2)	35,319,054	36,050,830	(2)
<b>Total equity attributable to equity holders of the Bank</b>	<b>107,069,152</b>	<b>107,412,773</b>	<b>(0)</b>	<b>107,827,964</b>	<b>108,117,702</b>	<b>(0)</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>620,747</b>	<b>577,487</b>	<b>7</b>
<b>Total equity</b>	<b>107,069,152</b>	<b>107,412,773</b>	<b>(0)</b>	<b>108,448,711</b>	<b>108,695,189</b>	<b>(0)</b>
<b>Total equity and liabilities</b>	<b>883,782,765</b>	<b>857,146,466</b>	<b>3</b>	<b>885,148,629</b>	<b>858,239,744</b>	<b>3</b>
<b>Contingent liabilities and commitments</b>	<b>9 285,426,599</b>	<b>262,236,519</b>	<b>9</b>	<b>285,426,599</b>	<b>262,236,519</b>	<b>9</b>
<b>Net assets value per share (LKR)</b>	<b>237.55</b>	<b>245.01</b>	<b>(3)</b>	<b>239.24</b>	<b>246.62</b>	<b>(3)</b>

Memorandum Information	Bank		Group	
	31.03.2026	31.12.2025	31.03.2026	31.12.2025
Number of Employees	2,567	2,500	2,653	2,578
Number of Branches (Including Service centres)	133	133		

## Statement of Changes in Equity

	Stated capital LKR 000	Statutory reserve	Other reserves			Retained earnings LKR 000	Total equity LKR 000
		fund Reserve fund LKR 000	Fair value reserve LKR 000	Hedging reserve LKR 000	General reserve LKR 000		
<b>Bank</b>							
<b>Balance as at 01 January 2025</b>	<b>14,710,454</b>	<b>3,657,968</b>	<b>15,385,597</b>	<b>664,409</b>	<b>13,779,839</b>	<b>35,834,730</b>	<b>84,032,997</b>
Profit for the period	-	-	-	-	-	7,785,457	7,785,457
Other comprehensive income/ (expenses) , net of tax	-	-	556,666	(14,147)	-	-	542,519
<b>Total comprehensive income/ (expenses) for the period</b>	<b>-</b>	<b>-</b>	<b>556,666</b>	<b>(14,147)</b>	<b>-</b>	<b>7,785,457</b>	<b>8,327,976</b>
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(153,462)	-	-	153,462	-
<b>Transactions with equity holders of the Bank, recognised directly in equity</b>							
Final dividend for 2024 – Scrip	735,519	-	-	-	-	(735,519)	-
Final dividend for 2024 – Cash	-	-	-	-	-	(1,860,429)	(1,860,429)
<b>Total contributions from and distribution to equity holders</b>	<b>735,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,595,948)</b>	<b>(1,860,429)</b>
<b>Balance as at 31 March 2025</b>	<b>15,445,973</b>	<b>3,657,968</b>	<b>15,788,801</b>	<b>650,262</b>	<b>13,779,839</b>	<b>41,177,701</b>	<b>90,500,544</b>
<b>Balance as at 01 January 2026</b>	<b>15,445,973</b>	<b>4,459,968</b>	<b>23,149,281</b>	<b>286,482</b>	<b>13,779,839</b>	<b>50,291,230</b>	<b>107,412,773</b>
Profit for the period	-	-	-	-	-	1,714,908	1,714,908
Other comprehensive (expenses)/ income , net of tax	-	-	(773,787)	61,256	-	-	(712,531)
<b>Total comprehensive (expenses)/ income for the period</b>	<b>-</b>	<b>-</b>	<b>(773,787)</b>	<b>61,256</b>	<b>-</b>	<b>1,714,908</b>	<b>1,002,377</b>
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(19,245)	-	-	19,245	-
<b>Transactions with equity holders of the Bank, recognised directly in equity</b>							
Final dividend for 2025 – Scrip	1,942,034	-	-	-	-	(1,942,034)	-
Final dividend for 2025 – Cash	-	-	-	-	-	(1,345,998)	(1,345,998)
<b>Total contributions from and distribution to equity holders</b>	<b>1,942,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,288,032)</b>	<b>(1,345,998)</b>
<b>Balance as at 31 March 2026</b>	<b>17,388,007</b>	<b>4,459,968</b>	<b>22,356,249</b>	<b>347,738</b>	<b>13,779,839</b>	<b>48,737,351</b>	<b>107,069,152</b>

## Statement of Changes in Equity

Group	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserve fund		Other reserves			Retained earnings	Total	Non- controlling interests	Total equity
		Reserve fund	Fair value reserve	Exchange equalization reserve	Hedging reserve	General reserve				
		LKR 000	LKR 000	LKR 000	LKR 000	LKR 000				
<b>Balance as at 01 January 2025</b>	<b>14,710,454</b>	<b>3,657,968</b>	<b>13,954,598</b>	<b>294,630</b>	<b>334,526</b>	<b>13,779,839</b>	<b>42,668,104</b>	<b>89,400,119</b>	<b>446,431</b>	<b>89,846,550</b>
Profit for the period	-	-	-	-	-	-	2,992,348	2,992,348	50,490	3,042,838
Other comprehensive income / (expenses) , net of tax	-	-	556,666	-	(14,147)	-	-	542,519	-	542,519
<b>Total comprehensive income / (expenses) for the period</b>	<b>-</b>	<b>-</b>	<b>556,666</b>	<b>-</b>	<b>(14,147)</b>	<b>-</b>	<b>2,992,348</b>	<b>3,534,867</b>	<b>50,490</b>	<b>3,585,357</b>
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	-	-	(153,462)	-	-	-	153,462	-	-	-
<b>Transactions with equity holders of the Bank, recognized directly in equity</b>										
Final dividend for 2024 – Scrip	735,519	-	-	-	-	-	(735,519)	-	-	-
Final dividend for 2024 – Cash	-	-	-	-	-	-	(1,860,429)	(1,860,429)	-	(1,860,429)
<b>Total contributions from and distribution to equity holders</b>	<b>735,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,595,948)</b>	<b>(1,860,429)</b>	<b>-</b>	<b>(1,860,429)</b>
<b>Balance as at 31 March 2025</b>	<b>15,445,973</b>	<b>3,657,968</b>	<b>14,383,096</b>	<b>-</b>	<b>650,262</b>	<b>13,779,839</b>	<b>43,157,419</b>	<b>91,074,557</b>	<b>496,921</b>	<b>91,571,478</b>
<b>Balance at 01 January 2026</b>	<b>15,445,973</b>	<b>4,459,968</b>	<b>21,984,509</b>	<b>-</b>	<b>286,482</b>	<b>13,779,839</b>	<b>52,160,931</b>	<b>108,117,702</b>	<b>577,487</b>	<b>108,695,189</b>
Profit for the period	-	-	-	-	-	-	1,768,791	1,768,791	43,260	1,812,051
Other comprehensive (expenses)/ income , net of tax	-	-	(773,787)	-	61,256	-	-	(712,531)	-	(712,531)
<b>Total comprehensive (expenses)/ income for the period</b>	<b>-</b>	<b>-</b>	<b>(773,787)</b>	<b>-</b>	<b>61,256</b>	<b>-</b>	<b>1,768,791</b>	<b>1,056,260</b>	<b>43,260</b>	<b>1,099,520</b>
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(19,245)	-	-	-	19,245	-	-	-
<b>Transactions with equity holders of the Bank, recognized directly in equity</b>										
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)
<b>Total contributions from and distribution to equity holders</b>	<b>1,942,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,288,032)</b>	<b>(1,345,998)</b>	<b>-</b>	<b>(1,345,998)</b>
<b>Balance as at 31 March 2026</b>	<b>17,388,007</b>	<b>4,459,968</b>	<b>21,191,477</b>	<b>-</b>	<b>347,738</b>	<b>13,779,839</b>	<b>50,660,935</b>	<b>107,827,964</b>	<b>620,747</b>	<b>108,448,711</b>

## Statement of Cash Flows

For the period ended 31st March	BANK		GROUP	
	2026	2025	2026	2025
	LKR 000	LKR 000	LKR 000	LKR 000
<b>Cash flows from operating activities</b>				
Interest receipts	19,656,890	17,297,916	19,672,008	17,315,346
Interest payments	(12,740,279)	(11,441,693)	(12,740,229)	(11,440,288)
Net commission receipts	1,987,799	1,842,969	1,987,799	1,842,969
Net trading income	77,744	181,744	77,744	181,744
Receipts from other operating activities	84,292	42,929	288,478	253,555
Payments on other operating activities	(3,996,232)	(2,183,804)	(3,996,346)	(2,134,465)
Cash payments to employees	(2,119,591)	(1,987,315)	(2,351,080)	(2,093,782)
Taxes on financial services	(908,812)	(1,203,611)	(908,812)	(1,203,611)
Operating Cash flows before changes in operating assets and liabilities	2,041,811	2,583,855	2,029,562	2,756,188
<b>(Increase)/ decrease in operating assets:</b>				
Balances with Central Bank / deposits held for regulatory or monetary control purposes	(2,388,883)	(316,830)	(2,388,883)	(316,830)
Financial assets at amortised cost - Loans and advances to customers	(26,153,984)	(26,872,574)	(26,153,984)	(26,872,574)
Others	(5,249,690)	634,437	(5,155,262)	589,126
<b>Increase / (Decrease) in operating liabilities:</b>				
Financial liabilities at amortised cost - Due to depositors	37,380,369	33,398,098	37,380,347	33,328,198
Others	838,976	619,561	881,297	601,237
<b>Net cash flows from operating activities before income tax</b>	<b>6,468,599</b>	<b>10,046,547</b>	<b>6,593,077</b>	<b>10,085,345</b>
Income tax paid	(1,000,000)	(2,106,257)	(1,017,162)	(2,130,910)
<b>Net cash flows from operating activities</b>	<b>5,468,599</b>	<b>7,940,290</b>	<b>5,575,915</b>	<b>7,954,435</b>
<b>Cash flows from investing activities</b>				
Dividend received from other investments	1,025,387	1,211,908	1,025,387	1,211,908
Government Securities- net	(6,102,440)	(4,805,592)	(6,102,440)	(4,805,592)
Proceeds from sale and redemption of securities	3,543,338	2,267,402	3,543,338	2,267,402
Purchase of financial investments	(1,398,393)	(4,261,009)	(1,401,481)	(4,261,009)
Purchase of property , equipment ,intangibles and investment properties	(188,998)	(403,785)	(351,374)	(418,019)
Proceeds from disposal of joint venture	-	6,500,000	-	6,500,000
Proceeds from sale of equipment, investment properties and others	1,241	-	1,241	-
<b>Net cash flows (used in) / from investing activities</b>	<b>(3,119,865)</b>	<b>508,924</b>	<b>(3,285,329)</b>	<b>494,690</b>
<b>Cash flows from financing activities</b>				
Redemption of debentures	(1,784,070)	-	(1,784,070)	-
Issue of debentures	10,000,000	-	10,000,000	-
Borrowing , medium and long - term	2,185,681	60,973	2,185,681	60,973
Other short term borrowings - net	(22,090,677)	17,839,308	(22,006,677)	17,839,308
Repayment of borrowing ,medium and long - term	(4,132,689)	(2,247,447)	(4,132,689)	(2,247,447)
Dividends paid	(1,345,998)	(1,730,632)	(1,345,998)	(1,730,632)
<b>Net Cash flows (used in) / from financing activities</b>	<b>(17,167,753)</b>	<b>13,922,202</b>	<b>(17,083,753)</b>	<b>13,922,202</b>
Net (decrease) / increase in cash and cash equivalents	(14,819,019)	22,371,416	(14,793,167)	22,371,327
Cash and cash equivalents at the beginning of the period	60,214,003	24,734,298	60,247,866	24,752,967
<b>Cash and cash equivalents at the end of the period</b>	<b>45,394,984</b>	<b>47,105,714</b>	<b>45,454,699</b>	<b>47,124,294</b>
<b>Reconciliation of cash and cash equivalents with items reported in the statement of financial position</b>				
Cash and cash equivalents	18,889,782	16,188,891	18,949,497	16,207,471
Placements with banks	26,505,202	30,916,823	26,505,202	30,916,823
	45,394,984	47,105,714	45,454,699	47,124,294

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

## Explanatory Notes

### Note 1. Statement of Compliance

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

### Note 2. Accounting Policies and Accounting Estimates

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

### Note 3. Group Financial Statements

The Group Financial Statements comprise the Bank and its subsidiaries DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited and group interest in associate company National Asset Management Limited. 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. 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 5. Net (losses) / gains from trading

For the period ended 31 March	Bank		Group	
	2026 LKR 000	2025 LKR 000	2026 LKR 000	2025 LKR 000
<b>Derivative Financial Instruments</b>				
Forward exchange fair value changes from banks and other customers	(1,034,802)	958,602	(1,034,802)	958,602
Gains on financial assets fair value through profit or loss - equity securities	31,456	31,324	31,456	31,324
<b>Foreign exchange from Banks and Other Customers</b>	<b>1,020,357</b>	<b>(930,896)</b>	<b>1,020,357</b>	<b>(930,896)</b>
<b>Financial assets recognized through profit or loss - measured at fair value</b>				
<i>Government securities</i>				
- Net marked to market losses	(21,815)	(8,331)	(21,815)	(8,331)
- Net capital (losses)/ gains	(14,203)	38,660	(14,203)	38,660
<i>Equities</i>				
- Net marked to market losses	(568,516)	(197,266)	(568,516)	(197,266)
- Net capital gains	91,947	143,083	91,947	143,083
- Dividend income	59,153	51,973	59,153	51,973
	<b>(436,423)</b>	<b>87,149</b>	<b>(436,423)</b>	<b>87,149</b>

### Note 6. Net Other Operating Income

For the period ended 31 March	Bank		Group	
	2026 LKR 000	2025 LKR 000	2026 LKR 000	2025 LKR 000
<b>Financial assets measured at fair value through other comprehensive income</b>				
Dividend income	1,341,882	1,211,908	1,341,882	1,211,908
Premises rental income	-	-	139,251	123,666
Net losses on sale of property, plant and equipment	(2,382)	(14,663)	(2,382)	(14,663)
Foreign exchange (losses)/ gains	(7,448)	5,264	(5,121)	7,945
Recovery of loans written-off	31,100	34,720	31,100	34,720
Others	17,707	11,604	85,434	85,644
	<b>1,380,859</b>	<b>1,248,833</b>	<b>1,590,164</b>	<b>1,449,220</b>

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

As at	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and advances to customers (Note 7.1)	585,923,647	558,990,709	585,923,647	558,990,709
Less: Allowance for impairment (Note 7.2)	(50,228,669)	(48,066,464)	(50,228,669)	(48,066,464)
<b>Net loans and advances to customers</b>	<b>535,694,978</b>	<b>510,924,245</b>	<b>535,694,978</b>	<b>510,924,245</b>

**Note 7.1 Gross loans and advances to customers - By product**

As at	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
<b>By product-Domestic Currency</b>				
Overdrafts	66,150,884	63,842,754	66,150,884	63,842,754
Trade finance	61,724,507	68,498,285	61,724,507	68,498,285
Credit cards	10,544,429	9,929,497	10,544,429	9,929,497
Pawning and Gold Loan	31,656,446	27,152,004	31,656,446	27,152,004
Staff loans	4,697,517	4,223,112	4,697,517	4,223,112
Term loans	261,274,086	252,817,466	261,274,086	252,817,466
Lease rentals receivable	36,949,989	35,710,221	36,949,989	35,710,221
Housing loans	22,281,220	20,574,966	22,281,220	20,574,966
Securities purchased under resale agreements	500,666	155,038	500,666	155,038
	<b>495,779,744</b>	<b>482,903,343</b>	<b>495,779,744</b>	<b>482,903,343</b>
<b>By product-Foreign Currency</b>				
Overdrafts	3,463,305	2,723,660	3,463,305	2,723,660
Trade finance	33,637,905	26,509,890	33,637,905	26,509,890
Term loans	53,042,693	46,853,816	53,042,693	46,853,816
	<b>90,143,903</b>	<b>76,087,366</b>	<b>90,143,903</b>	<b>76,087,366</b>
<b>Gross loans and advances to customers</b>	<b>585,923,647</b>	<b>558,990,709</b>	<b>585,923,647</b>	<b>558,990,709</b>

**Note 7.2 Movement in Impairment during the period**

	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
<b>Stage 1</b>				
Balance at beginning	3,835,956	3,412,778	3,835,956	3,412,778
Charge to income statement	679,297	423,178	679,297	423,178
Balance at end	<b>4,515,253</b>	<b>3,835,956</b>	<b>4,515,253</b>	<b>3,835,956</b>
<b>Stage 2</b>				
Balance at beginning	3,572,259	5,930,684	3,572,259	5,930,684
Charge/ (reversal) to income statement	1,590,724	(2,358,425)	1,590,724	(2,358,425)
Balance at end	<b>5,162,983</b>	<b>3,572,259</b>	<b>5,162,983</b>	<b>3,572,259</b>
<b>Stage 3</b>				
Balance at beginning	40,658,249	36,516,429	40,658,249	36,516,429
Charge to income statement	159,025	6,726,680	159,025	6,726,680
Other movements	(266,841)	(2,584,860)	(266,841)	(2,584,860)
Balance at end	<b>40,550,433</b>	<b>40,658,249</b>	<b>40,550,433</b>	<b>40,658,249</b>
<b>Total Impairment</b>	<b>50,228,669</b>	<b>48,066,464</b>	<b>50,228,669</b>	<b>48,066,464</b>

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

As at	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and advances to customers (Note 8.1)	4,780,985	4,605,823	4,780,985	4,605,823
Fair value adjustment including impairment	14,305	14,043	14,305	14,043
	<b>4,795,290</b>	<b>4,619,866</b>	<b>4,795,290</b>	<b>4,619,866</b>

**Note 8.1 Gross loans and advances to customers - By product**

As at	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Term loans	4,780,985	4,605,823	4,780,985	4,605,823
<b>Gross loans and advances to customers</b>	<b>4,780,985</b>	<b>4,605,823</b>	<b>4,780,985</b>	<b>4,605,823</b>

**Note 9 . Analysis of Commitments and Contingencies and Impairment**

As at	Bank		Group		
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)	
	LKR 000	LKR 000	LKR 000	LKR 000	
9.1	Gross commitment and contingencies	285,426,599	262,236,519	285,426,599	262,236,519
	Accumulated impairment under stage 1	1,038,991	729,016	1,038,991	729,016
	Accumulated impairment under stage 2	83,111	85,320	83,111	85,320
	Accumulated impairment under stage 3	855,866	486,086	855,866	486,086
	<b>Net commitments and contingencies</b>	<b>283,448,631</b>	<b>260,936,097</b>	<b>283,448,631</b>	<b>260,936,097</b>
9.2	<b>Product-wise commitments and contingencies</b>				
	<b>Domestic currency</b>				
	<b>Credit related commitments and contingencies</b>				
	Undrawn -Credit facilities	119,988,154	103,815,220	119,988,154	103,815,220
	Acceptances	46,453	67,255	46,453	67,255
	Documentary Letter of credit	499,638	883,355	499,638	883,355
	Guarantees and other Commitments	24,719,842	23,587,426	24,719,842	23,587,426
		<b>145,254,087</b>	<b>128,353,256</b>	<b>145,254,087</b>	<b>128,353,256</b>
	<b>Other commitments and contingencies</b>				
	Capital commitments	283,503	9,568	283,503	9,568
	Bid Bonds	1,994,069	30,808	1,994,069	30,808
		<b>2,277,572</b>	<b>40,376</b>	<b>2,277,572</b>	<b>40,376</b>
	<b>Sub total</b>	<b>147,531,659</b>	<b>128,393,632</b>	<b>147,531,659</b>	<b>128,393,632</b>
	<b>Foreign currency</b>				
	<b>Credit related commitments and contingencies</b>				
	Undrawn - Credit facilities	20,133,494	17,331,607	20,133,494	17,331,607
	Acceptances	13,644,743	13,296,462	13,644,743	13,296,462
	Documentary Letter of credit	42,931,737	24,671,112	42,931,737	24,671,112
	Guarantees and other Commitments	4,935,420	6,248,828	4,935,420	6,248,828
		<b>81,645,394</b>	<b>61,548,009</b>	<b>81,645,394</b>	<b>61,548,009</b>
	<b>Other commitments and contingencies</b>				
	Forward exchange contracts	56,104,286	69,229,821	56,104,286	69,229,821
	Capital commitments	135,580	831,313	135,580	831,313
	Bid Bonds	9,680	2,233,744	9,680	2,233,744
		<b>56,249,546</b>	<b>72,294,878</b>	<b>56,249,546</b>	<b>72,294,878</b>
	<b>Sub total</b>	<b>137,894,940</b>	<b>133,842,887</b>	<b>137,894,940</b>	<b>133,842,887</b>
	<b>Total gross commitments and contingencies</b>	<b>285,426,599</b>	<b>262,236,519</b>	<b>285,426,599</b>	<b>262,236,519</b>

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	309,975	(2,209)	369,780	677,546
<b>Balance as at 31 March 2026</b>	<b>1,038,991</b>	<b>83,111</b>	<b>855,866</b>	<b>1,977,968</b>

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	309,975	(2,209)	369,780	677,546
<b>Balance as at 31 March 2026</b>	<b>1,038,991</b>	<b>83,111</b>	<b>855,866</b>	<b>1,977,968</b>

**Note 10. Financial liabilities at amortized cost - Due to depositors**

As at	Bank		Group	
	31.03.2026	31.12.2025 (Audited)	31.03.2026	31.12.2025 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
<b>By product-Domestic Currency</b>				
Demand deposits (current accounts)	19,979,061	18,627,881	19,974,462	18,628,202
Savings deposits	83,662,609	80,519,431	83,628,484	80,460,726
Fixed deposits	357,143,700	324,846,244	356,335,771	324,089,942
Other deposits	2,086,705	1,501,962	2,086,705	1,501,962
	<b>462,872,075</b>	<b>425,495,518</b>	<b>462,025,422</b>	<b>424,680,832</b>
<b>By product- Foreign Currency</b>				
Demand deposits (current accounts)	1,242,870	2,263,055	1,242,870	2,263,055
Savings deposits	39,273,314	35,295,441	39,255,079	35,256,678
Fixed deposits	100,897,803	101,625,995	100,897,803	101,625,995
Other deposits	6,698	78,922	6,698	78,922
	<b>141,420,685</b>	<b>139,263,413</b>	<b>141,402,450</b>	<b>139,224,650</b>
<b>Total</b>	<b>604,292,760</b>	<b>564,758,931</b>	<b>603,427,872</b>	<b>563,905,482</b>

**Note 11. 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 31 March 2026 amounted to LKR 3.95 Bn. and cumulative fair value gain thereon amounted to LKR 0.09 Bn. (net of tax LKR 0.07 Bn.).

**Note 12. Events after the reporting period**

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

**12.1 Proposed Acquisition of the wealth and retail banking business of Standard Chartered Bank of Sri Lanka branch**

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

Following receipt of this regulatory approval, DFCC Bank is proceeding with the next phase of the transaction, including the planned migration and integration activities.

**Note 13. Disclosures under Listing Rules**

**13.1** 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.

**13.2 Stated capital**

As at	Number of shares	
	31.03.2026	31.12.2025
Number of shares of the Bank	<b>450,715,084</b>	438,404,250

**13.3 Market price of a share**

Information on shares of the Bank for the quarter ended	31.03.2026	31.12.2025
- Highest price LKR	163.50	175.00
- Lowest price LKR	125.00	137.00
- Market price LKR	137.75	148.00

### 13.4 Twenty Major Shareholders as at 31.03.2026

	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	Sri Lanka Insurance Corporation Ltd-Life Fund	34,181,983	7.58
6	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,758,187	6.15
7	Melstacorp PLC	27,744,561	6.15
8	Seafeld International Limited	21,960,020	4.87
9	Renuka City Hotels PLC	9,125,939	2.02
10	Ambeon Holdings PLC	5,438,564	1.20
11	Renuka Hotels PLC	5,048,939	1.12
12	Metrocorp (Pvt) Ltd	4,999,156	1.10
13	Employees Trust Fund Board	4,549,907	1.00
14	Hatton National Bank PLC/ Colombo City Holdings PLC	4,215,132	0.93
15	Cargo Boat Development Company PLC	3,413,953	0.75
16	Sampath Bank PLC/Ambeon Holdings PLC	3,084,243	0.68
17	Seylan Bank PLC /Ambeon Holdings PLC (Margin Trading)	3,069,228	0.68
18	Akbar Brothers Pvt Ltd	2,723,725	0.60
19	Sri Lanka Insurance Corporation Ltd- General Fund	2,669,572	0.59
20	Stassen Exports (Pvt) Limited	2,351,075	0.52

### 13.5 Public Holdings as at 31.03.2026

Public holdings percentage	77.04%
Number of Public shareholders	19,140
Float adjusted market capitalisation	LKR 47,831 million
Applicable option as per CSE Listing Rule 7.13.1 (i) (a)	Option 1

### 13.6 Directors' Interests in Shares

	No of Shares As at 31.03.2026
J Durairatnam	Nil
Ms L K A H Fernando	Nil
N K G K Nemmawatta	Nil
N H T I Perera	27,573
Ms A L Thambiyah	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

#### Certification

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

#### Chinthika Amarasekera Chief Financial Officer

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

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

**J. Durairatnam**  
Chairman

**Thimal Perera**  
Director / Chief Executive Officer

7-May-26

## Listed Debentures

Debtenture Category	Interest rate Frequency	Effective Rate %	Coupon Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 31.03.2026 LKR 000	Market price LKR			Yield Last Traded %	Last Traded Date
						Highest	Lowest	Last Traded		
						<b>Fixed Rate</b>				
2019/2029	Annually	13.90	13.90	9.50	4,410,684	N/T	N/T	N/T	N/T	N/T
2020/2027	Annually	9.25	9.25	8.83	212,915	N/T	N/T	N/T	N/T	N/T
2024/2027	Annually	12.00	12.00	8.74	2,651,663	100.99	100.99	100.99	11.15	6-Mar-26
2024/2029	Annually	15.25	15.25	9.46	8,168,629	N/T	N/T	N/T	N/T	N/T
2024/2031	Annually	14.75	14.75	9.97	56,265	N/T	N/T	N/T	N/T	N/T
2025/2028	Annually	9.75	9.75	9.49	135,923	N/T	N/T	N/T	N/T	N/T
2025/2028	Zero Coupon Bond	*9.75	-	9.49	21,555	N/T	N/T	N/T	N/T	N/T
2025/2029	Annually	10.25	10.25	9.77	870,191	N/T	N/T	N/T	N/T	N/T
2025/2029	Zero Coupon Bond	*10.25	-	9.77	188,642	N/T	N/T	N/T	N/T	N/T
2025/2030	Annually	10.50	10.50	9.83	1,645,494	N/T	N/T	N/T	N/T	N/T
2025/2030	Zero Coupon Bond	*10.50	-	9.83	85,675	N/T	N/T	N/T	N/T	N/T
2026/2031	Annually	11.50	11.50	9.97	9,674,992	N/T	N/T	N/T	N/T	N/T
2026/2033	Annually	11.75	11.75	10.55	192,669	N/T	N/T	N/T	N/T	N/T
2026/2036	Annually	12.00	12.00	10.96	239,125	N/T	N/T	N/T	N/T	N/T

N/T -Not traded

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

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

Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (A)	% of Total Proceeds	Amount utilized as at 31.03.2026 (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.)
Financing the establishment, acquisition, expansion, and/or ongoing management of on-shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities	LKR 2,500 Mn (Maximum issuance)	Within 18 months upon allotment of the Bonds	LKR 2,500 Mn	100.0%	LKR 2,500 Mn	100.0%	N/A
Refinancing existing on-shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities provided such projects were approved for financing by the Bank and were commissioned within a two (2) year 'lookback' period from the date the project was earmarked for funding by the proceeds of the particular Green Bond.		Immediately, upon allotment of bonds	Nil	0.0%	Nil	0.0%	N/A

\* Date of allotment of Green Bonds - 24.09.2024

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

Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (A)	% of Total Proceeds	Amount utilized as at 31.03.2026 (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 490 Mn	16.3%	Invested in Government Securities

\* 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 31.03.2026 (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 6,027 Mn	60.3%	Invested in Government Securities

\* Date of allotment of GSS+ Bonds - 13.02.2026

**Selected Performance Indicators**

Item	Bank		Group	
	31.03.2026	31.12.2025	31.03.2026	31.12.2025
<b>Regulatory Capital Adequacy ( LKR '000)</b>				
Common Equity Tier I	<b>63,900,819</b>	68,302,317	<b>64,445,531</b>	68,840,059
Tier 1 Capital	<b>63,900,819</b>	68,302,317	<b>64,445,531</b>	68,840,059
Total Regulatory Capital	<b>84,616,895</b>	80,318,596	<b>85,177,067</b>	80,869,103
<b>Regulatory Capital Ratios %</b>				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	<b>12.118</b>	13.550	<b>12.175</b>	13.610
Tier 1 Capital Ratio (Minimum requirement - 8.5% )	<b>12.118</b>	13.550	<b>12.175</b>	13.610
Total Capital Ratio (Minimum requirement - 12.5%)	<b>16.046</b>	15.933	<b>16.092</b>	15.989
<b>Basel III Leverage Ratio ( Minimum requirement is 3%)</b>	<b>6.60</b>	7.40	<b>6.65</b>	7.46
<b>Regulatory Liquidity Requirement</b>				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	<b>289.79</b>	190.90		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	<b>154.41</b>	184.06		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	<b>126.54</b>	122.64		
<b>Asset Quality</b>				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*	<b>4.18</b>	4.55		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	<b>55.51</b>	55.12		
<b>Income &amp; Profitability</b>				
Net Interest margin %	<b>3.88</b>	3.96		
Return on assets ( profit before tax from continuing operation) %	<b>0.56</b>	2.00		
Return on equity (profit after tax from continuing operation) %	<b>4.40</b>	11.55		
Cost to Income Ratio (%)	<b>49.65</b>	36.42		
<b>Other Ratios</b>				
Debt to equity ratio (times)	<b>1.80</b>	2.00		
Interest cover (times)	<b>1.73</b>	2.72		
<b>Memorandum Information</b>				
Credit Rating - Fitch	<b>A(lka)</b>	A(lka)		
Number of Employees	<b>2,567</b>	2,500		
Number of Branches (Including Service centres)	<b>133</b>	133		

\* Including Undrawn Portion of Credit

## Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 March 2026	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
<b>Financial Assets</b>								
Cash and cash equivalents	-	-	18,889,782	18,889,782	-	-	18,949,497	18,949,497
Balances with Central Bank of Sri Lanka	-	-	5,341,762	5,341,762	-	-	5,341,762	5,341,762
Placements with banks	-	-	26,505,202	26,505,202	-	-	26,505,202	26,505,202
Derivative financial assets	8,263,904	-	-	8,263,904	8,263,904	-	-	8,263,904
Financial assets measured at fair value through profit or loss	12,032,075	-	-	12,032,075	12,032,075	-	-	12,032,075
Financial assets at amortised cost -Loans and advances to customers	-	-	535,694,978	535,694,978	-	-	535,694,978	535,694,978
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	-	4,795,290	-	4,795,290	-	4,795,290	-	4,795,290
Financial assets at amortised cost - Debt and other instruments	-	-	119,395,598	119,395,598	-	-	119,403,058	119,403,058
Financial assets measured at fair value through other comprehensive income	-	123,424,633	-	123,424,633	-	123,424,633	-	123,424,633
Other assets	-	-	11,983,220	11,983,220	-	-	12,211,488	12,211,488
<b>Total financial assets</b>	<b>20,295,979</b>	<b>128,219,923</b>	<b>717,810,542</b>	<b>866,326,444</b>	<b>20,295,979</b>	<b>128,219,923</b>	<b>718,105,985</b>	<b>866,621,887</b>
<b>Financial Liabilities</b>								
Due to banks	-	-	5,835,836	5,835,836	-	-	5,835,836	5,835,836
Derivative financial liabilities	521,313	-	-	521,313	521,313	-	-	521,313
Financial liabilities at amortised cost -Due to depositors	-	-	604,292,760	604,292,760	-	-	603,427,872	603,427,872
Financial liabilities at amortised cost - Due to other borrowers	-	-	117,449,024	117,449,024	-	-	117,419,978	117,419,978
Debt securities issued	-	-	10,009,828	10,009,828	-	-	10,009,828	10,009,828
Other liabilities and provisions	-	-	11,331,398	11,331,398	-	-	11,890,671	11,890,671
Subordinated term debt	-	-	18,544,595	18,544,595	-	-	18,544,595	18,544,595
<b>Total financial liabilities</b>	<b>521,313</b>	<b>-</b>	<b>767,463,441</b>	<b>767,984,754</b>	<b>521,313</b>	<b>-</b>	<b>767,128,780</b>	<b>767,650,093</b>

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2025	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
<b>Financial Assets</b>								
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
<b>Total financial assets</b>	<b>17,509,006</b>	<b>129,172,683</b>	<b>695,085,417</b>	<b>841,767,106</b>	<b>17,509,006</b>	<b>129,172,683</b>	<b>695,303,770</b>	<b>841,985,459</b>
<b>Financial Liabilities</b>								
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
<b>Total financial liabilities</b>	<b>201,000</b>	<b>-</b>	<b>741,434,515</b>	<b>741,635,515</b>	<b>201,000</b>	<b>-</b>	<b>740,900,966</b>	<b>741,101,966</b>

## Fair Values of Financial Instruments

### Financial Instruments Recorded at Fair Value

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

#### (a) Derivatives

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

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

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

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

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

### Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

As at 31 March 2026	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
<b>Financial Assets</b>				
<i>Derivative financial assets</i>				
Forward foreign exchange contracts	-	8,263,904	-	8,263,904
<i>Financial assets measured at fair value through profit or loss</i>				
Government of Sri Lanka Treasury Bills and Bonds	7,243,499	-	-	7,243,499
Equity securities - quoted	4,723,511	-	-	4,723,511
Units in unit trusts - unquoted	-	65,065	-	65,065
<i>Financial assets measured at fair value through other comprehensive income</i>				
Loans and advances to customers	-	4,795,290	-	4,795,290
Government of Sri Lanka Treasury Bills and Bonds	89,392,078	-	-	89,392,078
US Treasury Bill	965,844	-	-	965,844
Debentures	-	1,221,280	-	1,221,280
Equity shares- quoted	31,450,971	-	-	31,450,971
Equity shares- unquoted	-	-	394,460	394,460
	<b>133,775,903</b>	<b>14,345,539</b>	<b>394,460</b>	<b>148,515,902</b>
<b>Financial Liabilities</b>				
<i>Derivative financial liabilities</i>				
Forward foreign exchange contracts	-	521,313	-	521,313
	<b>-</b>	<b>521,313</b>	<b>-</b>	<b>521,313</b>

As at 31 December 2025	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
<b>Financial Assets</b>				
<i>Derivative financial assets</i>				
Forward foreign exchange contracts	-	8,494,001	-	8,494,001
<i>Financial assets measured at fair value through profit or loss</i>				
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
<i>Financial assets measured at fair value through other comprehensive income</i>				
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
	<b>129,117,272</b>	<b>17,232,354</b>	<b>332,063</b>	<b>146,681,689</b>
<b>Financial Liabilities</b>				
<i>Derivative financial liabilities</i>				
Forward foreign exchange contracts	-	201,000	-	201,000
	<b>-</b>	<b>201,000</b>	<b>-</b>	<b>201,000</b>

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

	As at 31 March 2026		As at 31 December 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	18,889,782	18,889,782	22,771,091	22,771,091
Balances with Central Bank of Sri Lanka	5,341,762	5,341,762	2,952,879	2,952,879
Placements with banks	26,505,202	26,505,202	37,442,912	37,442,912
Financial assets at amortised cost - Loans and advances to customers	535,694,978	500,425,534	510,924,245	477,425,470
Financial assets at amortised cost - Debt and other instruments	119,395,598	120,914,167	114,795,690	116,567,539
Other financial assets	11,983,220	11,983,220	6,198,600	6,198,600
<b>Financial Liabilities</b>				
Due to banks	5,835,836	5,835,836	12,372,311	12,372,311
Financial liabilities at amortised cost - due to depositors	604,292,760	603,587,712	564,758,931	566,423,213
Financial liabilities at amortised cost - due to other borrowers	117,449,024	117,449,024	134,354,757	134,354,757
Debt securities issued	10,009,828	10,163,533	12,286,859	12,614,066
Other financial liabilities	11,331,398	11,331,398	8,298,358	8,298,358
Subordinated term debt	18,544,595	19,419,045	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		
<b>Gain included in OCI</b>		
– 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
	LKR 000	LKR 000
<b>Equity securities as at 31.03.2026</b>		
Adjusted net assets value (5% movement)	16,603	(16,603)

**OPERATING SEGMENTS - GROUP**

**Information about reportable segments**

For the period ended 31 March	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	2,594,087	2,485,522	1,403,114	(313,563)	4,944,606	6,180,889	18,051	18,766	(618,687)	(943,637)	<b>8,341,171</b>	<b>7,427,977</b>
Inter-segment net interest income	(1,744,115)	(1,804,971)	2,673,377	3,497,534	(2,731,621)	(3,638,192)	-	-	1,802,359	1,945,629	-	-
<b>Total net interest income</b>	<b>849,972</b>	<b>680,551</b>	<b>4,076,491</b>	<b>3,183,971</b>	<b>2,212,985</b>	<b>2,542,697</b>	<b>18,051</b>	<b>18,766</b>	<b>1,183,672</b>	<b>1,001,992</b>	<b>8,341,171</b>	<b>7,427,977</b>
Net fee and commission income	481,445	382,653	1,414,268	990,581	17,385	(2,314)	(193)	(194)	3,022	63,436	<b>1,915,927</b>	<b>1,434,162</b>
Net gains from trading	40,024	50,704	86,462	43,766	(562,909)	(7,321)	-	-	-	-	<b>(436,423)</b>	<b>87,149</b>
Net gains from derecognition of financial assets	-	-	-	-	678,321	683,870	-	-	-	-	<b>678,321</b>	<b>683,870</b>
Net other operating income	1,779	(813)	(10,220)	(6,028)	14,814	-	209,305	200,386	1,374,486	1,255,675	<b>1,590,164</b>	<b>1,449,220</b>
<b>Total operating income</b>	<b>1,373,220</b>	<b>1,113,095</b>	<b>5,567,001</b>	<b>4,212,290</b>	<b>2,360,596</b>	<b>3,216,932</b>	<b>227,163</b>	<b>218,958</b>	<b>2,561,180</b>	<b>2,321,103</b>	<b>12,089,160</b>	<b>11,082,378</b>
Impairment for loans and other losses	(1,614,591)	(566,847)	(1,046,801)	382,942	(63,196)	(112,632)	-	-	(438,444)	(1,058,416)	<b>(3,163,032)</b>	<b>(1,354,953)</b>
<b>Net operating income/ Segment Result</b>	<b>(241,371)</b>	<b>546,248</b>	<b>4,520,200</b>	<b>4,595,232</b>	<b>2,297,400</b>	<b>3,104,300</b>	<b>227,163</b>	<b>218,958</b>	<b>2,122,736</b>	<b>1,262,687</b>	<b>8,926,128</b>	<b>9,727,425</b>
Operating profit after taxes on financial services											<b>2,574,174</b>	<b>4,104,722</b>
Share of (loss)/ profit of associate											<b>(1,251)</b>	<b>206</b>
Profit for the period from discontinued operations											-	<b>116,274</b>
Income tax expense											<b>(760,872)</b>	<b>(1,178,364)</b>
Non-controlling interest											<b>43,260</b>	<b>50,490</b>
<b>Net profit for the period, attributable to equity holders of the Bank</b>											<b>1,768,791</b>	<b>2,992,348</b>

As at 31 March	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
<b>Segment assets</b>	214,184,911	159,643,687	324,825,718	255,491,429	295,511,926	305,709,753	1,586,802	1,252,019	49,039,273	42,594,703	<b>885,148,629</b>	<b>764,691,592</b>
<b>Segment liabilities</b>	144,288,266	94,785,698	459,910,119	406,169,117	152,331,550	152,010,894	878,983	704,503	19,290,999	19,449,902	<b>776,699,917</b>	<b>673,120,114</b>

For the period ended 31 March	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
<b>Information on cash flows</b>												
Cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	<b>5,575,915</b>	<b>7,954,435</b>
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	<b>(3,285,329)</b>	<b>494,690</b>
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	<b>(17,083,753)</b>	<b>13,922,202</b>
<b>Net cash flows generated during the period</b>	-	-	-	-	-	-	-	-	-	-	<b>(14,793,167)</b>	<b>22,371,327</b>
<b>Capital expenditure:</b>												
Property, plant and equipment	-	-	-	-	-	-	33,102	166,123	-	-	<b>33,102</b>	<b>166,123</b>
Intangible assets	-	-	-	-	-	-	34,511	136,439	-	-	<b>34,511</b>	<b>136,439</b>
<b>Total capital expenditure</b>	-	-	-	-	-	-	<b>67,613</b>	<b>302,562</b>	-	-	<b>67,613</b>	<b>302,562</b>