

Strong Capital, Stronger Purpose: DFCC Bank Reports Solid H1 Growth

- Group Core Business Profit After Tax of LKR 5.7 Bn
- Group Total Capital Adequacy Ratio of 15.009%
- Group Total Assets up by 11% to LKR 788 Bn
- Bank Profit After Tax of LKR 10.5 Bn including disposal gain from Acuity Partners (Pvt) Ltd

DFCC Bank sustained its growth momentum in the first half of 2025, reflecting financial resilience and effective strategic executions. The Bank recorded notable expansion in key areas, including loans and deposits, underscored by an 11% rise in net interest income, supported by a deliberate strategy to drive credit growth and optimise funding costs.

Credit expansion remained a central focus, with the Bank's loan portfolio increasing by 19% during the six-month period. This growth was achieved amidst a softening interest rate environment and reflects DFCC Bank's continued commitment to supporting national economic recovery through targeted lending.

While market interest rates have stabilised at lower levels, the Central Bank of Sri Lanka (CBSL) has signaled potential further reductions, continuing its accommodative monetary policy stance. Private sector credit flows remain robust, with key industries benefiting from improved liquidity. This positive momentum is expected to continue through the remainder of the year.

Although interest income had been under pressure in previous periods due to declining market rates, DFCC Bank recorded a modest increase in interest income during the first half of 2025. This was primarily driven by the scale of lending expansion, alongside a strengthening CASA base. These developments reaffirm the Bank's strategic emphasis on asset growth, its prudent financial management, and its long-term orientation towards sustainable value creation.

DFCC Bank also marked a milestone with the launch of its Islamic Banking proposition - a new growth avenue aligned with the Bank's vision for greater inclusion, diversity, and ethical financial access.

This commentary relates to the unaudited financial statements for the period ended 30 June 2025, 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, recorded a Profit Before Tax (PBT) of LKR 7,910 Mn and a Profit After Tax (PAT) of LKR 5,555 Mn from continuing operations, compared to a PBT of LKR 7,237 Mn and PAT of LKR 4,654 Mn in the same period last year. The Bank's Earnings Per Share (EPS) from core operations was LKR 12.74, while the EPS including the gain from the disposal of the Acuity Partners (Pvt) Ltd stake stood at LKR 24.13.

At Group level, PBT was LKR 8,172 Mn and PAT was LKR 5,747 Mn from continuing operations, compared to LKR 7,479 Mn and LKR 4,875 Mn, respectively, in 2024.

The Bank's Return on Equity (ROE) stood at 14.95%, while Return on Assets (ROA) before tax was 2.37% for the period ended 30 June 2025, inclusive of the disposal gain recorded under profit from discontinued operations.

Net Interest Income

During the six-month period, the Bank achieved a 1% increase in interest income and a 5% reduction in interest expense - underscoring resilience amidst market pressures. Interest income growth was largely driven by an 19% expansion in the loan portfolio, reflecting DFCC Bank's strategic focus on quality asset growth. This was achieved despite a subdued interest rate environment, reinforcing the Bank's disciplined lending and portfolio management.

Interest expense reductions were aided by improvements in the Bank's CASA ratio and prevailing low interest rates. The CASA ratio rose from 24.77% at 31 December 2024 to 26.54% at 30 June 2025, reflecting a stronger deposit mix and improved funding cost efficiency.

Net Interest Income, the Bank's core earnings driver, increased by 11% to LKR 15,167 Mn - highlighting effective loan book expansion and funding cost optimisation. However, the Net Interest Margin declined from 4.18% in December 2024 to 4.10% by June 2025, largely due to the Bank's competitive positioning and prevailing market dynamics.

Fee and Commission Income

The Bank's proactive strategies drove higher volumes across remittances, credit-related charges, trade-related commissions, and other fee income activities. Credit card growth also supported this growth.

To support customer acquisition and card portfolio growth, related fee expenses rose - but the net effect remained positive. Net fee and commission income increased by 43% to LKR 3,249 Mn, compared to LKR 2,274 Mn in the same period of 2024.

Impairment Charge on Loans and Other Losses

The Stage 3 impaired loan ratio improved to 4.62% in June 2025, from 5.65% in December 2024 - driven by successful recoveries and portfolio growth.

Impairment provisions were prudently made, incorporating model calibrations and additional buffers for high-risk sectors by considering global and local economic trends. Consequently, impairment charges for loans and advances rose to LKR 3,073 Mn, from LKR 1,955 Mn in the previous period.

Operating Expenses

Technology and digital transformation remained a key priority. The Bank continued upgrading its IT infrastructure to support enhanced multi-channel service delivery. As a result, operating expenses rose to LKR 8,325 Mn in the first half of year 2025, up from LKR 7,567 Mn in the comparable period.

Despite these investments, the Bank remains focused on strategic cost optimisation across functions.

Other Comprehensive Income (OCI)

OCI included fair value gains from equity and fixed-income securities, alongside movements in hedging reserves. Exchange rate volatility was minimised through hedge accounting practices.

Equity securities posted a fair value gain of LKR 2,848 Mn, primarily due to an increase in the share price of Commercial Bank of Ceylon PLC. Treasury bill and bond yield gains amounted to LKR 2,080 Mn during the same period.

Financial Position Analysis

Assets

Despite economy related and sector based challenges, DFCC Bank's total assets grew by LKR 83.7 Bn - a 12% increase since December 2024. The net loan portfolio expanded by LKR 74 Bn to LKR 469 Bn, reflecting a 19% growth (compared to LKR 394 Bn as at 31 December 2024). This expansion is consistent with the Bank's growth agenda and the improving economic backdrop.

Liabilities

DFCC Bank's total liabilities rose by LKR 72 Bn marking a 12% increase from December 2024. The Bank's deposit base increased by 14% reaching LKR 530 Bn compared to LKR 465 Bn as at 31 December 2024. The resulting loan-to-deposit ratio stood at 97.79% as at 30 June 2025, while the CASA ratio stood at 26.54%.

The Bank continued to leverage medium- to long-term concessionary credit lines for targeted lending expansion and affordable financing. Including these term borrowings, the adjusted

CASA ratio improved to 32.39%, and the adjusted loan-to-deposit ratio stood at 90.00% as at 30 June 2025.

Equity and Capital Compliance

As at 30 June 2025, total equity increased by LKR 12 Bn, supported by a profit after tax of LKR 10.5 Bn and fair value gains across the Bank's securities portfolios.

In alignment with the Bank's growth strategy and the improving economic condition, the net loan portfolio grew by 19%. Leveraging the strengthened equity base, the Bank was able to absorb the additional capital requirements associated with this portfolio growth.

As a result, the Tier 1 Capital Ratio was maintained at 12.479%, and the Total Capital Ratio at 15.004%, compared to 12.402% and 15.759%, respectively, as at December 2024. The Bank's Net Stable Funding Ratio (NSFR) stood at 112.81%, while the Liquidity Coverage Ratio (LCR) – all currency reached 187.47%, both comfortably exceeding regulatory minimums.

CEO's Statement

Amidst a gradually stabilising macroeconomic environment - characterised by easing monetary policy, renewed credit flows, and a return of investor confidence - DFCC Bank delivered a strong performance in the first half of 2025. The Bank recorded a Profit After Tax of LKR 10.5 Bn at Bank level, including a one-off gain from the strategic divestment of its 50% stake in Acuity Partners (Pvt) Ltd, while Group core business PAT reached LKR 5.7 Bn. Total assets rose by 11% to LKR 788 Bn, supported by a 19% expansion in the loan portfolio. Net Interest Income increased by 11%, and the CASA ratio improved to 26.54%. Despite rapidly declining interest rates, interest income recorded a growth, enabled by strategic lending expansion and optimised funding structures.

This performance was driven by a range of purpose-led, customer-centric propositions that continue to deliver long-term value. The Bank's home ownership proposition was enhanced by reducing approval times and streamlining access to housing finance. Its mobility financing offering prioritised accessibility and affordability, enabling greater vehicle ownership across a broader customer base. In the informal and underbanked segments, gold-backed lending solutions provided flexibility and immediacy, while a strengthened remittance proposition offered Sri Lankans abroad a secure, trusted, and emotionally meaningful way to support families at home. Dedicated financial support for senior citizens was also strengthened, addressing evolving needs within this demographic.

Inclusion and empowerment remained central to the Bank's strategy. The launch of its Islamic Banking proposition opened a new avenue for ethical, faith-aligned financial services. The women's banking proposition, DFCC Aloka, surpassed the milestone of 100,000 customers - underscoring the Bank's commitment to gender-focused financial access. Strategic partnerships, such as the collaboration with the Ceylon Chamber of Commerce,

deepened economic understanding among clients, while DFCC Bank also served as a lead arranger in mobilising development finance for Satin Creditcare - expanding financial access to underserved communities.

On the international stage, DFCC Bank became the first foreign corporate to list a green bond on India's NSE IX at GIFT City - completing a historic triple listing across Colombo, Luxembourg, and now India.

Beyond its commercial footprint, the Bank also advanced its commitment to national well-being. The *Ride for Life* bikeathon, conducted in June, took the message of mental health awareness across Sri Lanka - highlighting a continued focus on holistic, human-centered corporate responsibility.

As DFCC Bank commemorates 70 years of service to Sri Lanka in 2025, this performance reflects not only operational resilience, but also clarity of purpose. The Bank remains deeply grateful to its customers and stakeholders for their enduring trust, understanding, and confidence. It is this belief that continues to shape DFCC Bank's journey - one defined by sustainability, innovation, and an unwavering commitment to customer centricity.

Thimal Perera
Director / Chief Executive Officer
6 August 2025

DFCC Bank PLC
Income Statement

For the six months ended 30 June	Notes	Bank						Group					
		For the period ended			For the quarter ended			For the period ended			For the quarter ended		
		30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %
Gross Income		47,216,657	45,849,997	3	24,142,367	20,802,164	16	47,571,540	46,209,662	3	24,296,325	21,014,153	16
Interest income		39,361,106	39,140,615	1	20,220,261	18,561,073	9	39,362,493	39,153,154	1	20,220,917	18,572,935	9
Interest expenses		24,193,673	25,417,282	(5)	12,462,040	11,875,307	5	24,155,366	25,376,763	(5)	12,441,767	11,855,011	5
Net interest income		15,167,433	13,723,333	11	7,758,221	6,685,766	16	15,207,127	13,776,391	10	7,779,150	6,717,924	16
Fee and commission income		4,245,989	2,856,822	49	2,332,396	1,419,786	64	4,245,598	2,856,432	49	2,332,198	1,419,537	64
Fee and commission expenses		996,737	582,545	71	517,499	299,829	73	996,737	582,545	71	517,499	299,829	73
Net fee and commission income		3,249,252	2,274,277	43	1,814,897	1,119,957	62	3,248,861	2,273,887	43	1,814,699	1,119,708	62
Net gains from trading	5	1,040,862	592,306	76	953,713	363,943	162	1,040,862	592,306	76	953,713	363,943	162
Net gains from derecognition of financial assets													
At amortised cost		-	221,934	(100)	-	221,934	(100)	-	221,934	(100)	-	221,934	(100)
Fair value through other comprehensive income		1,248,236	2,056,544	(39)	564,366	176,465	220	1,248,236	2,056,544	(39)	564,366	176,465	220
Net other operating income	6	1,320,464	981,776	34	71,631	58,963	21	1,674,351	1,329,292	26	225,131	259,339	(13)
Total operating income		22,026,247	19,850,170	11	11,162,828	8,627,028	29	22,419,437	20,250,354	11	11,337,059	8,859,313	28
Impairment charge / (reversal)													
Loans and advances		3,073,152	1,954,852	57	2,214,751	1,107,577	100	3,073,152	1,954,852	57	2,214,751	1,107,577	100
Sri Lanka International Sovereign Bonds and Debentures		124,374	518,264	(76)	28,767	518,264	(94)	124,374	518,264	(76)	28,767	518,264	(94)
Other financial assets and credit related commitments		284,848	401,642	(29)	(116,097)	(335,631)	65	284,848	401,642	(29)	(116,097)	(335,631)	65
Net operating income		18,543,873	16,975,412	9	9,035,407	7,336,818	23	18,937,063	17,375,596	9	9,209,638	7,569,103	22
Operating expenses													
Personnel expenses		3,431,322	3,475,510	(1)	1,373,940	1,869,130	(26)	3,516,816	3,586,739	(2)	1,416,365	1,933,993	(27)
Depreciation and amortisation		683,368	569,554	20	356,448	287,382	24	711,475	605,353	18	371,442	308,754	20
Other expenses		4,210,766	3,522,123	20	2,265,947	1,792,136	26	4,229,105	3,533,925	20	2,264,730	1,785,190	27
Total operating expenses		8,325,456	7,567,187	10	3,996,335	3,948,648	1	8,457,396	7,726,017	9	4,052,537	4,027,937	1
Operating profit before taxes on financial services		10,218,417	9,408,225	9	5,039,072	3,388,170	49	10,479,667	9,649,579	9	5,157,101	3,541,166	46
Taxes on financial services		2,308,156	2,171,693	6	1,090,312	884,325	23	2,308,156	2,171,693	6	1,090,312	884,325	23
Operating profit after taxes on financial services		7,910,261	7,236,532	9	3,948,760	2,503,845	58	8,171,511	7,477,886	9	4,066,789	2,656,841	53
Share of profit of associate		-	-	-	-	-	-	576	705	(18)	370	820	(55)
Profit before income tax		7,910,261	7,236,532	9	3,948,760	2,503,845	58	8,172,087	7,478,591	9	4,067,159	2,657,661	53
Income tax expense		2,354,978	2,582,138	(9)	1,211,018	983,342	23	2,425,441	2,603,610	(7)	1,247,077	973,386	28
Profit for the period from continuing operations		5,555,283	4,654,394	19	2,737,742	1,520,503	80	5,746,646	4,874,981	18	2,820,082	1,684,275	67
Discontinued Operation													
Profit for the period from discontinued operations, net of tax		4,967,916	-	100	-	-	-	116,274	863,742	(87)	-	230,063	(100)
Profit for the period		10,523,199	4,654,394	126	2,737,742	1,520,503	80	5,862,920	5,738,723	2	2,820,082	1,914,338	47
Profit attributable to:													
Equity holders of the Bank		10,523,199	4,654,394	126	2,737,742	1,520,503	80	5,781,830	5,639,047	3	2,789,482	1,847,826	51
Non-controlling interests		-	-	-	-	-	-	81,090	99,676	(19)	30,600	66,512	(54)
Profit for the period		10,523,199	4,654,394	126	2,737,742	1,520,503	80	5,862,920	5,738,723	2	2,820,082	1,914,338	47
Basic/Diluted earnings per ordinary share (LKR)		24.13	10.87	122	6.28	3.55	77	13.26	13.17	1	6.40	4.31	48
Basic/Diluted earnings per ordinary share (LKR)													
- continuing operations		12.74	10.87	17	6.28	3.55	77	12.99	11.15	17	6.40	3.78	69

DFCC Bank PLC

Statement of Profit or Loss and Other Comprehensive Income

	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %	30.06.2025 LKR 000	30.06.2024 LKR 000	Change %
For the six months ended 30 June												
Profit for the period	10,523,199	4,654,394	126	2,737,742	1,520,503	80	5,862,920	5,738,723	2	2,820,082	1,914,338	47
Other comprehensive income / (expenses) for the period, net of tax												
Items that are or may be reclassified subsequently to income statement												
Movement in fair value reserve (FVOCI debt instrument):												
Net change in fair value	2,080,093	1,622,320	28	1,461,918	149,105	880	2,080,093	1,622,320	28	1,461,918	149,105	880
Reclassified to income statement	(1,248,236)	(2,056,544)	39	(564,366)	(176,465)	(220)	(1,248,236)	(2,056,544)	39	(564,366)	(176,465)	(220)
Movement in hedging reserve:												
Cash flow hedge - effective portion of changes in fair value	(861,613)	(5,820,296)	85	(519,528)	(152,757)	(240)	(861,613)	(5,820,296)	85	(519,528)	(152,757)	(240)
Cash flow hedge - reclassified to income statement	613,250	3,428,313	(82)	291,375	16,438	1,673	613,250	3,428,313	(82)	291,375	16,438	1,673
Related deferred tax	(120,649)	848,320	(114)	(178,947)	50,425	(455)	(120,649)	848,320	(114)	(178,947)	50,425	(455)
Total other comprehensive expenses that are or may be reclassified subsequently to income statement	462,845	(1,977,887)	123	490,452	(113,254)	533	462,845	(1,977,887)	123	490,452	(113,254)	533
Items that will not be reclassified to income statement												
Equity investments at FVOCI - net change in fair value	2,847,881	1,946,320	46	2,277,755	1,417,334	61	2,847,881	1,946,320	46	2,277,755	1,417,334	61
Total other comprehensive income on items that will not be reclassified to income statement	2,847,881	1,946,320	46	2,277,755	1,417,334	61	2,847,881	1,946,320	46	2,277,755	1,417,334	61
Other comprehensive income/ (expenses) for the period , net of tax - continuing operations	3,310,726	(31,567)	10,588	2,768,207	1,304,080	112	3,310,726	(31,567)	10,588	2,768,207	1,304,080	112
Discontinued Operation												
Other comprehensive expenses for the period, net of tax - discontinued operations	-	-	-	-	-	-	-	(253,143)	100	-	(164,206)	100
Total comprehensive income for the period	13,833,925	4,622,827	199	5,505,949	2,824,583	95	9,173,646	5,454,013	68	5,588,289	3,054,212	83
Total comprehensive income attributable to:												
Equity holders of the Bank	13,833,925	4,622,827	199	5,505,949	2,824,583	95	9,092,556	5,354,337	70	5,557,689	2,987,700	86
Non-controlling interests	-	-	-	-	-	-	81,090	99,676	(19)	30,600	66,512	(54)
Total comprehensive income for the period	13,833,925	4,622,827	199	5,505,949	2,824,583	95	9,173,646	5,454,013	68	5,588,289	3,054,212	83

DFCC Bank PLC
Statement of Financial Position

As at	Bank			Group		
	30.06.2025	31.12.2024 (Audited)	Change	30.06.2025	31.12.2024 (Audited)	Change
Notes	LKR 000	LKR 000	%	LKR 000	LKR 000	%
Assets						
Cash and cash equivalents	16,058,243	13,504,806	19	16,071,664	13,523,475	19
Balances with Central Bank of Sri Lanka	3,511,035	2,328,346	51	3,511,035	2,328,346	51
Placements with banks	14,687,011	11,229,492	31	14,687,011	11,229,492	31
Derivative financial assets	8,853,364	9,643,442	(8)	8,853,364	9,643,442	(8)
Financial assets measured at fair value through profit or loss	8,759,230	7,416,018	18	8,759,230	7,416,018	18
Financial assets at amortised cost - Loans and advances to banks	-	1,500,338	(100)	-	1,500,338	(100)
Financial assets at amortised cost - Loans and advances to customers	7 464,232,031	394,361,480	18	464,232,031	394,361,480	18
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	8 4,460,261	-	100	4,460,261	-	100
Financial assets at amortised cost - Debt and other instruments	114,623,357	105,641,690	9	114,680,418	105,701,871	8
Financial assets measured at fair value through other comprehensive income	130,739,929	138,258,226	(5)	130,739,929	138,258,226	(5)
Investments in subsidiaries	237,035	237,035	-	-	-	-
Investment in associate	33,169	33,169	-	39,173	38,597	1
Investment properties	9,879	9,879	-	569,407	490,069	16
Property, plant and equipment	4,032,388	3,872,654	4	4,255,704	4,080,706	4
Intangible assets and goodwill	2,272,988	2,001,636	14	2,449,132	2,170,201	13
Deferred tax assets	5,355,416	4,893,483	9	5,374,935	4,913,002	9
Current tax assets	-	-	-	1,135	2,010	(44)
Other assets	9,380,949	7,821,132	20	9,517,257	8,060,939	18
Asset held for sale	10 -	755,000	(100)	-	5,480,475	(100)
Total assets	787,246,285	703,507,826	12	788,201,686	709,198,687	11
Liabilities						
Due to banks	3,008,260	7,149,474	(58)	3,008,260	7,149,474	(58)
Derivative financial liabilities	87,747	909,188	(90)	87,747	909,188	(90)
Financial liabilities at amortised cost - Due to depositors	11 529,957,935	465,153,180	14	528,957,053	464,359,564	14
Financial liabilities at amortised cost - Due to other borrowers	118,504,386	96,755,632	22	118,504,386	96,755,632	22
Debt securities issued	9,113,592	14,690,723	(38)	9,113,592	14,690,723	(38)
Employee benefits	1,505,006	1,409,232	7	1,514,819	1,450,966	4
Current tax liabilities	3,661,342	3,066,586	19	3,779,060	3,160,100	20
Deferred tax liabilities	-	-	-	38,400	96,804	(60)
Other liabilities and provisions	12,083,633	12,106,760	(0)	12,650,057	12,545,632	1
Subordinated term debt	13,317,891	18,234,054	(27)	13,317,891	18,234,054	(27)
Total liabilities	691,239,792	619,474,829	12	690,971,265	619,352,137	12
Equity						
Stated capital	15,445,973	14,710,454	5	15,445,973	14,710,454	5
Statutory reserve fund	3,657,968	3,657,968	-	3,657,968	3,657,968	-
Retained earnings	44,054,618	35,834,730	23	46,086,076	42,668,104	8
Other reserves	32,847,934	29,829,845	10	31,442,229	28,363,593	11
Total equity attributable to equity holders of the Bank	96,006,493	84,032,997	14	96,632,246	89,400,119	8
Non-controlling interests	-	-	-	598,175	446,431	34
Total equity	96,006,493	84,032,997	14	97,230,421	89,846,550	8
Total equity and liabilities	787,246,285	703,507,826	12	788,201,686	709,198,687	11
Contingent liabilities and commitments	245,691,655	222,538,011	10	245,691,655	222,538,011	10
Net assets value per share, LKR	218.99	194.22	13	220.42	206.63	7

Memorandum Information	Bank		Group	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Number of Employees	2,512	2,439	2,592	2,532
Number of Branches (Including Service centres)	138	139		

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		
Bank							
Balance as at 01 January 2024	13,866,557	3,239,968	7,250,399	1,353,846	13,779,839	28,250,357	67,740,966
Profit for the period	-	-	-	-	-	4,654,394	4,654,394
Other comprehensive income/(expenses), net of tax	-	-	1,642,821	(1,674,388)	-	-	(31,567)
Total comprehensive income/(expenses) for the period	-	-	1,642,821	(1,674,388)	-	4,654,394	4,622,827
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,257,049)	-	-	1,257,049	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2023 – Scrip	843,897	-	-	-	-	(843,897)	-
Final dividend for 2023 – Cash	-	-	-	-	-	(1,265,846)	(1,265,846)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	(2,109,743)	(1,265,846)
Balance as at 30 June 2024	14,710,454	3,239,968	7,636,171	(320,542)	13,779,839	32,052,057	71,097,947
Balance as at 01 January 2025	14,710,454	3,657,968	15,385,597	664,409	13,779,839	35,834,730	84,032,997
Profit for the period	-	-	-	-	-	10,523,199	10,523,199
Other comprehensive income/(expenses), net of tax	-	-	3,484,580	(173,854)	-	-	3,310,726
Total comprehensive income/(expenses) for the period	-	-	3,484,580	(173,854)	-	10,523,199	13,833,925
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(292,637)	-	-	292,637	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2024 – Scrip	735,519	-	-	-	-	(735,519)	-
Final dividend for 2024 – Cash	-	-	-	-	-	(1,860,429)	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	(2,595,948)	(1,860,429)
Balance as at 30 June 2025	15,445,973	3,657,968	18,577,540	490,555	13,779,839	44,054,618	96,006,493

Statement of Changes in Equity

	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserve fund		Other reserves			Retained earnings	Total	Non- controlling interests	Total equity
		Reserve fund	Fair value reserve	Exchange equalization reserve	Hedging reserve	General reserve				
		LKR 000	LKR 000	LKR 000	LKR 000	LKR 000				
Group										
Balance as at 01 January 2024	13,866,557	3,239,968	5,818,791	561,071	1,071,797	13,779,839	33,645,590	71,983,613	392,159	72,375,772
Profit for the period	-	-	-	-	-	-	5,639,047	5,639,047	99,676	5,738,723
Other comprehensive income / (expenses) , net of tax	-	-	1,640,804	(115,435)	(1,809,904)	-	(175)	(284,710)	-	(284,710)
Total comprehensive income / (expenses) for the period	-	-	1,640,804	(115,435)	(1,809,904)	-	5,638,872	5,354,337	99,676	5,454,013
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,257,049)	-	-	-	1,257,049	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Change in holding through joint venture	-	-	-	-	-	-	17,696	17,696	-	17,696
Final dividend for 2023 – Scrip	843,897	-	-	-	-	-	(843,897)	-	-	-
Final dividend for 2023 – Cash	-	-	-	-	-	-	(1,265,846)	(1,265,846)	-	(1,265,846)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	-	(2,092,047)	(1,248,150)	-	(1,248,150)
Balance as at 30 June 2024	14,710,454	3,239,968	6,202,546	445,636	(738,107)	13,779,839	38,449,464	76,089,800	491,835	76,581,635
Balance at 01 January 2025	14,710,454	3,657,968	13,954,598	294,630	334,526	13,779,839	42,668,104	89,400,119	446,431	89,846,550
Profit for the period	-	-	-	-	-	-	5,781,830	5,781,830	81,090	5,862,920
Other comprehensive income / (expenses) , net of tax	-	-	3,484,580	-	(173,854)	-	-	3,310,726	-	3,310,726
Total comprehensive income / (expenses) for the period	-	-	3,484,580	-	(173,854)	-	5,781,830	9,092,556	81,090	9,173,646
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	-	-	(292,637)	-	-	-	292,637	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Change in holding through subsidiary	-	-	-	-	-	-	-	-	70,654	70,654
Final dividend for 2024 – Scrip	735,519	-	-	-	-	-	(735,519)	-	-	-
Final dividend for 2024 – Cash	-	-	-	-	-	-	(1,860,429)	(1,860,429)	-	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	-	(2,595,948)	(1,860,429)	70,654	(1,789,775)
Balance as at 30 June 2025	15,445,973	3,657,968	17,171,835	-	490,555	13,779,839	46,086,076	96,632,246	598,175	97,230,421

Statement of Cash Flows

For the six months ended 30th June

	BANK		GROUP	
	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000
Cash flows from operating activities				
Interest receipts	38,502,585	39,706,531	38,545,172	39,754,366
Interest payments	(22,920,994)	(28,483,805)	(22,955,285)	(28,495,541)
Net commission receipts	4,164,475	2,806,630	4,164,475	2,806,630
Net trading income	467,881	4,028	467,881	4,028
Recoveries from loans previously written off	29,243	20,012	29,243	20,012
Receipts from other operating activities	117,849	26,662	514,309	410,056
Payments on other operating activities	(6,639,574)	(4,160,337)	(6,506,245)	(4,025,520)
Cash payments to employees	(3,255,803)	(3,419,932)	(3,647,212)	(3,775,834)
Taxes on financial services	(2,626,533)	(2,454,878)	(2,626,533)	(2,454,878)
Operating Cash flows before changes in operating assets and liabilities	7,839,129	4,044,911	7,985,805	4,243,319
(Increase)/ decrease in operating assets:				
Balances with Central Bank / deposits held for regulatory or monetary control purposes	(1,182,690)	(102,666)	(1,182,690)	(102,666)
Financial assets at amortised cost - Loans to and receivables from other customers	(74,641,537)	(16,522,960)	(74,641,537)	(16,522,960)
Others	5,237,346	(1,208,056)	5,375,383	(1,248,948)
(Decrease) / Increase in operating liabilities:				
Financial liabilities at amortised cost - Due to depositors	58,853,502	41,022,677	58,629,853	40,713,152
Others	862,215	396,276	930,028	342,127
Net cash flows from operating activities before income tax	(3,032,035)	27,630,182	(2,903,158)	27,424,024
Income tax paid	(3,106,257)	(3,995,620)	(3,153,478)	(4,024,072)
Net cash flows (used in) / from operating activities	(6,138,292)	23,634,562	(6,056,636)	23,399,952
Cash flows from investing activities				
Dividend received from other investments	1,255,875	672,422	1,255,875	672,422
Government Securities- net	6,486,534	3,994,323	6,486,534	3,994,323
Proceeds from sale and redemption of securities	3,577,676	3,511,077	3,577,676	3,511,077
Purchase of financial investments	(8,914,870)	(3,169,688)	(8,914,870)	(3,052,023)
Purchase of property, equipment, intangibles and investment property	(1,304,886)	(488,930)	(1,391,790)	(490,724)
Proceeds from sale of disposal of joint venture	6,500,000	-	6,500,000	-
Net cash flows from investing activities	7,600,329	4,519,204	7,513,425	4,635,075
Cash flows from financing activities				
Redemption of debentures	(5,000,000)	(3,804,760)	(5,000,000)	(3,812,220)
Issue of debentures	(4,086,530)	8,000,000	(4,086,530)	8,000,000
Borrowing, medium and long - term	11,526,310	1,460,714	11,526,310	1,460,714
Other short term borrowings - net	17,925,595	(33,105,263)	17,925,595	(33,105,263)
Repayment of borrowing, medium and long - term	(14,085,824)	(7,066,437)	(14,085,824)	(7,066,437)
Dividends paid	(1,730,632)	(1,265,846)	(1,730,632)	(1,265,846)
Net Cash flows from / (used in) financing activities	4,548,919	(35,781,593)	4,548,919	(35,789,052)
Net increase / (decrease) in cash and cash equivalents	6,010,956	(7,627,826)	6,005,708	(7,754,025)
Cash and cash equivalents at the beginning of the period	24,734,298	43,556,556	24,752,967	43,697,298
Cash and cash equivalents at the end of the period	30,745,254	35,928,730	30,758,675	35,943,271
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	16,058,243	11,229,356	16,071,664	11,243,897
Placements with banks	14,687,011	24,699,374	14,687,011	24,699,374
	30,745,254	35,928,730	30,758,675	35,943,271

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 and group interest in joint venture Acuity Partners (Pvt) Ltd. Investments in Subsidiaries, joint venture and associate companies are accounted under cost method in Bank's financial statements. Investment in associate and joint venture are accounted under equity method in group's financial statements. The investment in the joint venture, which was reclassified as asset held for sale as of 31 December 2024, has been disposed as at the reporting date.

Note 4. Expected Credit Loss calculation

In order to address the impacts of prevailing economic conditions on the lending portfolio, the Bank has made adequate impairment provision as at 30 June 2025 by introducing changes to internal models to cover unseen risk factors including additional provisions made as management overlay for the exposures to risk elevated sectors.

Note 5. Net gains from trading

For the period ended 30 June	Bank		Group	
	2025 LKR 000	2024 LKR 000	2025 LKR 000	2024 LKR 000
Derivative Financial Instruments				
Forward exchange fair value changes from banks and other customers	1,285,824	(47,168)	1,285,824	(47,168)
Gains on financial assets fair value through profit or loss - equity securities	93,989	77,989	93,989	77,989
Foreign exchange from Banks and Other Customers	(1,169,333)	212,967	(1,169,333)	212,967
Financial assets recognized through profit or loss - measured at fair value				
<i>Government securities</i>				
- Net marked to market gains	29,139	7,346	29,139	7,346
- Net capital gains	102,794	4,856	102,794	4,856
<i>Equities</i>				
- Net marked to market gains	230,543	328,951	230,543	328,951
- Net capital gains/(losses)	365,087	(8,174)	365,087	(8,174)
- Dividend income	102,819	15,539	102,819	15,539
	1,040,862	592,306	1,040,862	592,306

Note 6. Net Other Operating Income

For the period ended 30 June	Bank		Group	
	2025 LKR 000	2024 LKR 000	2025 LKR 000	2024 LKR 000
Financial assets measured at fair value through other comprehensive income				
Dividend income	1,255,875	927,742	1,255,875	927,742
Premises rental income	-	-	250,390	233,296
Net (loss) / gain on sale of property, plant and equipment	(2,446)	5,026	(2,446)	5,026
Foreign exchange gains/ (losses)	13,932	2,334	18,355	(5,549)
Recovery of loans written-off	29,243	20,012	29,442	20,272
Others	23,860	26,662	122,735	148,505
	1,320,464	981,776	1,674,351	1,329,292

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

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and advances to customers (Note 7.1)	513,775,334	440,906,944	513,775,334	440,906,944
Less: Allowance for impairment (Note 7.2)	(49,543,303)	(46,545,464)	(49,543,303)	(46,545,464)
Net loans and advances to customers	464,232,031	394,361,480	464,232,031	394,361,480

Note 7.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Overdrafts	60,878,704	57,006,572	60,878,704	57,006,572
Trade finance	49,509,734	41,146,693	49,509,734	41,146,693
Credit cards	8,405,388	7,716,549	8,405,388	7,716,549
Pawning	21,197,806	16,152,388	21,197,806	16,152,388
Staff loans	3,276,645	2,823,269	3,276,645	2,823,269
Term loans	263,578,110	232,516,931	263,578,110	232,516,931
Lease rentals receivable	31,392,818	25,898,216	31,392,818	25,898,216
	438,239,205	383,260,618	438,239,205	383,260,618
By product-Foreign Currency				
Overdrafts	2,446,257	1,513,564	2,446,257	1,513,564
Trade finance	26,827,462	23,595,451	26,827,462	23,595,451
Term loans	46,262,410	32,537,311	46,262,410	32,537,311
	75,536,129	57,646,326	75,536,129	57,646,326
Gross loans and advances to customers	513,775,334	440,906,944	513,775,334	440,906,944

Note 7.2 Movement in Impairment during the period

	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Stage 1				
Balance at beginning	3,412,778	3,500,658	3,412,778	3,500,658
Charge / (reversal) to income statement	790,520	(87,880)	790,520	(87,880)
Balance at end	4,203,298	3,412,778	4,203,298	3,412,778
Stage 2				
Balance at beginning	5,930,684	7,235,925	5,930,684	7,235,925
Charge / (reversal) to income statement	1,552,485	(1,305,241)	1,552,485	(1,305,241)
Balance at end	7,483,169	5,930,684	7,483,169	5,930,684
Stage 3				
Balance at beginning	37,202,002	35,180,673	37,202,002	35,180,673
Charge to income statement	577,230	5,356,941	577,230	5,356,941
Other movements	77,604	(3,335,612)	77,604	(3,335,612)
Balance at end	37,856,836	37,202,002	37,856,836	37,202,002
Total Impairment	49,543,303	46,545,464	49,543,303	46,545,464

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

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and advances to customers (Note 8.1)	4,460,261	-	4,460,261	-

Note 8.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Foreign Currency				
Term loans	4,460,261	-	4,460,261	-
Gross loans and advances to customers	4,460,261	-	4,460,261	-

Note 9 . Analysis of Commitments and Contingencies and Impairment

As at	Bank		Group		
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)	
	LKR 000	LKR 000	LKR 000	LKR 000	
9.1	Gross commitment and contingencies	245,691,655	222,538,011	245,691,655	222,538,011
	Accumulated impairment under stage 1	940,860	713,480	940,860	713,480
	Accumulated impairment under stage 2	166,383	108,915	166,383	108,915
	Accumulated impairment under stage 3	-	-	-	-
	Net commitments and contingencies	244,584,412	221,715,616	244,584,412	221,715,616
9.2	Product-wise commitments and contingencies				
	Domestic currency				
	Credit related commitments and contingencies				
	Undrawn -Credit facilities	95,759,542	76,471,261	95,759,542	76,471,261
	Acceptances	38,389	1,280	38,389	1,280
	Documentary Letter of credit	683,816	1,063,809	683,816	1,063,809
	Guarantees and other Commitments	19,774,781	19,272,590	19,774,781	19,272,590
		116,256,528	96,808,940	116,256,528	96,808,940
	Other commitments and contingencies				
	Capital commitments	313,911	496,269	313,911	496,269
	Bid Bonds	1,053,370	932,144	1,053,370	932,144
		1,367,281	1,428,413	1,367,281	1,428,413
	Sub total	117,623,809	98,237,353	117,623,809	98,237,353
	Foreign currency				
	Credit related commitments and contingencies				
	Undrawn - Credit facilities	20,100,973	13,491,901	20,100,973	13,491,901
	Acceptances	7,791,921	8,533,063	7,791,921	8,533,063
	Documentary Letter of credit	31,803,961	12,756,535	31,803,961	12,756,535
	Guarantees and other Commitments	8,026,091	6,400,111	8,026,091	6,400,111
		67,722,946	41,181,610	67,722,946	41,181,610
	Other commitments and contingencies				
	Forward exchange contracts	60,103,729	82,943,485	60,103,729	82,943,485
	Capital commitments	157,734	164,854	157,734	164,854
	Bid Bonds	83,437	10,709	83,437	10,709
		60,344,900	83,119,048	60,344,900	83,119,048
	Sub total	128,067,846	124,300,658	128,067,846	124,300,658
	Total gross commitments and contingencies	245,691,655	222,538,011	245,691,655	222,538,011

Bank	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
Balance as at 1st January 2025	713,480	108,915	-	822,395
Net charge to profit or loss	227,380	57,468	-	284,848
Balance as at 30 June 2025	940,860	166,383	-	1,107,243

Group	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
Balance as at 1st January 2025	713,480	108,915	-	822,395
Net charge to profit or loss	227,380	57,468	-	284,848
Balance as at 30 June 2025	940,860	166,383	-	1,107,243

Note 10. Asset Held for Sale

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

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Investment in Joint Venture (Reclassified)	-	755,000	-	5,480,475
Assets Held for sale	-	755,000	-	5,480,475

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

As at	Bank		Group	
	30.06.2025	31.12.2024 (Audited)	30.06.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	20,121,300	16,540,563	20,120,343	16,540,462
Savings deposits	82,010,711	68,235,448	81,867,816	68,204,119
Fixed deposits	305,625,638	274,376,213	304,809,628	273,735,027
Other deposits	1,970,956	341,308	1,970,956	341,308
Certificate of deposits	-	27,028	-	27,028
	409,728,605	359,520,560	408,768,743	358,847,944
By product- Foreign Currency				
Demand deposits (current accounts)	2,395,725	835,854	2,395,725	835,854
Savings deposits	34,156,154	29,254,476	34,115,134	29,173,159
Fixed deposits	83,677,451	75,542,290	83,677,451	75,502,607
	120,229,330	105,632,620	120,188,310	105,511,620
Total	529,957,935	465,153,180	528,957,053	464,359,564

Note 12. Reclassifications of Financial Instrument

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

The Bank used this option to reclassify long term debt instruments subsequent to the initial recognition. The fair value of the debt portfolio reclassified during year 2022 and remaining as at 30 June 2025 amounted to LKR 6.6 Bn. and cumulative fair value gain thereon amounted to LKR 0.2 Bn. (net of tax LKR 0.1 Bn.).

Note 13. Events after the reporting period

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

Note 14. Disclosures under Listing Rules

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

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

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

14.2 Stated capital

As at	Number of shares	
	30.06.2025	31.12.2024
Number of shares of the Bank	438,404,250	432,658,011

14.3 Market price of a share

Information on shares of the Bank for the quarter ended	30.06.2025	31.12.2024
- Highest price LKR	120.00	115.00
- Lowest price LKR	95.00	76.90
- Market price LKR	115.00	113.75

14.4 Twenty Major Shareholders as at 30.06.2025

	Name of Shareholder/Company	Shareholding	%
1	Hatton National Bank PLC A/C No 1	54,681,654	12.47
2	Bank of Ceylon-No2 A/C (BOC PTF)	45,862,822	10.46
3	Seylan Bank PLC / Phantom Investments (Pvt) Ltd	42,659,140	9.73
4	Mr. M.A.Yaseen	35,853,899	8.17
5	Sri Lanka Insurance Corporation Ltd-Life Fund	33,248,337	7.58
6	Employee's Provident Fund	29,380,416	6.70
7	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,000,000	6.15
8	Melstacorp PLC	26,986,746	6.15
9	Seafeld International Limited	21,360,204	4.87
10	Renuka City Hotels PLC	8,876,674	2.02
11	Ambeon Holdings PLC	5,290,016	1.20
12	Colombo City Holdings PLC	5,167,734	1.17
13	Renuka Hotels PLC	4,911,033	1.12
14	Employees Trust Fund Board	4,808,061	1.09
15	Cargo Boat Development Company PLC	3,320,705	0.75
16	Akbar Brothers Pvt Ltd A/C No 1	3,216,902	0.73
17	Sampath Bank PLC/Ambeon Holdings PLC	3,000,000	0.68
18	Sri Lanka Insurance Corporation Ltd- General Fund	2,596,656	0.59
19	Peoples Leasing and Finance PLC/ M.E. Amarasinghe	2,563,425	0.58
20	Stassen Exports (Pvt) Limited	2,286,858	0.52

14.5 Public Holdings as at 30.06.2025

Public holdings percentage	77.04%
Number of Public shareholders	13,474
Float adjusted market capitalisation	LKR 38,842 million
Applicable option as per CSE Listing Rule 7.13.1 (i) (a)	Option 1

14.6 Directors' Interests in Shares

	No of Shares As at 30.06.2025
J Durairatnam	Nil
Ms L K A H Fernando	Nil
W R H Fernando	Nil
N K G K Nemmawatta	Nil
N H T I Perera	26,820
Ms A L Thambiyah	Nil
N Vasantha Kumar	Nil
H A J de Silva Wijeyeratne	13,407
P A Jayatunga	Nil

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

6-Aug-25

Listed Debentures

Debenture Category	Interest rate Frequency	Effective Rate %	Coupon Rate %	Interest rate of Comparative Government Securities (Gross) p.a. %	Balance as at 30.06.2025 LKR 000	Market price LKR			Yield Last Traded %	Last Traded Date
						Highest	Lowest	Last Traded		
						Fixed Rate				
2019/2026	Annually	13.75	13.75	7.81	1,844,464	N/T	N/T	N/T	N/A	N/A
2019/2029	Annually	13.90	13.90	9.26	4,555,607	N/T	N/T	N/T	N/A	N/A
2020/2025	Annually	9.00	9.00	7.66	4,580,364	N/T	N/T	N/T	N/A	N/A
2020/2027	Annually	9.25	9.25	8.51	217,607	N/T	N/T	N/T	N/A	N/A
2024/2027	Annually	12.00	12.00	8.45	2,721,214	N/T	N/T	N/T	N/A	N/A
2024/2029	Annually	15.25	15.25	9.26	8,462,342	N/T	N/T	N/T	N/A	N/A
2024/2031	Annually	14.75	14.75	10.01	57,579	N/T	N/T	N/T	N/A	N/A

N/T -Not traded

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 30.06.2025 (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: Whether lent to related party/s etc.)
Financing the establishment, acquisition, expansion, and/or ongoing management of on -shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities	LKR 2,500 Mn (Maximum issuance)	Within 18 months upon allotment of the Bonds	LKR 1,510 Mn	60.4%	LKR 1,176 Mn	77.9%	Invested in Government Securities
Refinancing existing on-shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities provided such projects were approved for financing by the Bank and were commissioned within a two (2) year 'lookback' period from the date the project was earmarked for funding by the proceeds of the particular Green Bond.		Immediately, upon allotment of bonds	LKR 990 Mn	39.6%	LKR 990 Mn	100.0%	N/A

* Date of allotment of Green Bonds - 24.09.2024

Selected Performance Indicators

Item	Bank		Group	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier I	61,877,635	52,485,838	62,119,177	57,804,406
Tier 1 Capital	61,877,635	52,485,838	62,119,177	57,804,406
Total Regulatory Capital	74,396,662	66,694,057	74,648,316	72,021,492
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	12.479	12.402	12.490	13.611
Tier 1 Capital Ratio (Minimum requirement - 8.5%)	12.479	12.402	12.490	13.611
Total Capital Ratio (Minimum requirement - 12.5%)	15.004	15.759	15.009	16.958
Basel III Leverage Ratio (Minimum requirement is 3%)	7.67	7.33	7.71	8.03
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	242.19	310.01		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	187.47	280.26		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	112.81	124.60		
Asset Quality				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*	4.62	5.65		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	54.81	54.06		
Income & Profitability				
Net Interest margin %	4.10	4.18		
Return on assets (profit before tax) %	2.37	2.01		
Return on equity (profit after tax) %	14.95	10.99		
Cost to Income Ratio (%)	37.32	42.67		
Other Ratios				
Debt to equity ratio (times)	1.87	2.01		
Interest cover (times)	3.12	2.78		
Memorandum Information				
Credit Rating - Fitch	A(lka)	A(lka)		
Number of Employees	2,512	2,439		
Number of Branches (Including Service centres)	138	139		

* Including Undrawn Portion of Credit

Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 30 June 2025	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	16,058,243	16,058,243	-	-	16,071,664	16,071,664
Balances with Central Bank of Sri Lanka	-	-	3,511,035	3,511,035	-	-	3,511,035	3,511,035
Placements with banks	-	-	14,687,011	14,687,011	-	-	14,687,011	14,687,011
Derivative financial assets	8,853,364	-	-	8,853,364	8,853,364	-	-	8,853,364
Financial assets measured at fair value through profit or loss	8,759,230	-	-	8,759,230	8,759,230	-	-	8,759,230
Financial assets at amortised cost -Loans and advances to customers	-	-	464,232,031	464,232,031	-	-	464,232,031	464,232,031
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	-	4,460,261	-	4,460,261	-	4,460,261	-	4,460,261
Financial assets at amortised cost - Debt and other instruments	-	-	114,623,357	114,623,357	-	-	114,680,418	114,680,418
Financial assets measured at fair value through other comprehensive income	-	130,739,929	-	130,739,929	-	130,739,929	-	130,739,929
Other assets	-	-	6,699,058	6,699,058	-	-	6,700,126	6,700,126
Total financial assets	17,612,594	135,200,190	619,810,735	772,623,519	17,612,594	135,200,190	619,882,285	772,695,069
Financial Liabilities								
Due to banks	-	-	3,008,260	3,008,260	-	-	3,008,260	3,008,260
Derivative financial liabilities	87,747	-	-	87,747	87,747	-	-	87,747
Financial liabilities at amortised cost -Due to depositors	-	-	529,957,935	529,957,935	-	-	528,957,053	528,957,053
Financial liabilities at amortised cost - Due to other borrowers	-	-	118,504,386	118,504,386	-	-	118,504,386	118,504,386
Debt securities issued	-	-	9,113,592	9,113,592	-	-	9,113,592	9,113,592
Other liabilities	-	-	8,848,144	8,848,144	-	-	9,377,147	9,377,147
Subordinated term debt	-	-	13,317,891	13,317,891	-	-	13,317,891	13,317,891
Total financial liabilities	87,747	-	682,750,208	682,837,955	87,747	-	682,278,329	682,366,076

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 December 2024	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	13,504,806	13,504,806	-	-	13,523,475	13,523,475
Balances with Central Bank of Sri Lanka	-	-	2,328,346	2,328,346	-	-	2,328,346	2,328,346
Placements with banks	-	-	11,229,492	11,229,492	-	-	11,229,492	11,229,492
Derivative financial assets	9,643,442	-	-	9,643,442	9,643,442	-	-	9,643,442
Financial assets measured at fair value through profit or loss	7,416,018	-	-	7,416,018	7,416,018	-	-	7,416,018
Financial assets at amortised cost - Loans and advances to banks	-	-	1,500,338	1,500,338	-	-	1,500,338	1,500,338
Financial assets at amortised cost -Loans and advances to customers	-	-	394,361,480	394,361,480	-	-	394,361,480	394,361,480
Financial assets at amortised cost - Debt and other instruments	-	-	105,641,690	105,641,690	-	-	105,701,871	105,701,871
Financial assets measured at fair value through other comprehensive income	-	138,258,226	-	138,258,226	-	138,258,226	-	138,258,226
Other assets	-	-	4,946,528	4,946,528	-	-	5,135,115	5,135,115
Total financial assets	17,059,460	138,258,226	533,512,680	688,830,366	17,059,460	138,258,226	533,780,117	689,097,803
Financial Liabilities								
Due to banks	-	-	7,149,474	7,149,474	-	-	7,149,474	7,149,474
Derivative financial liabilities	909,188	-	-	909,188	909,188	-	-	909,188
Financial liabilities at amortised cost -Due to depositors	-	-	465,153,180	465,153,180	-	-	464,359,564	464,359,564
Financial liabilities at amortised cost - Due to other borrowers	-	-	96,755,632	96,755,632	-	-	96,755,632	96,755,632
Debt securities issued	-	-	14,690,723	14,690,723	-	-	14,690,723	14,690,723
Other liabilities	-	-	7,441,320	7,441,320	-	-	7,719,982	7,719,982
Subordinated term debt	-	-	18,234,054	18,234,054	-	-	18,234,054	18,234,054
Total financial liabilities	909,188	-	609,424,383	610,333,571	909,188	-	608,909,429	609,818,617

Fair Values of Financial Instruments

Financial Instruments Recorded at Fair Value

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

(a) Derivatives

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

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

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

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

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

Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

As at 30 June 2025	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
Financial Assets				
Derivative financial assets				
Forward foreign exchange contracts	-	8,853,364	-	8,853,364
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	2,086,391	-	-	2,086,391
Equity securities - quoted	4,365,620	-	-	4,365,620
Units in unit trusts - unquoted	-	2,307,219	-	2,307,219
Financial assets measured at fair value through other comprehensive income				
Loans and advances to customers		4,460,261		4,460,261
Government of Sri Lanka Treasury Bills and Bonds	101,819,467	-	-	101,819,467
US Treasury Bill	1,514,000	-	-	1,514,000
Equity shares- quoted	27,123,282	-	-	27,123,282
Equity shares- unquoted	-	-	283,179	283,179
	136,908,760	15,620,844	283,179	152,812,783
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	87,747	-	87,747
	-	87,747	-	87,747

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

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

	As at 30 June 2025		As at 31 December 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	16,058,243	16,058,243	13,504,806	13,504,806
Balances with Central Bank of Sri Lanka	3,511,035	3,511,035	2,328,346	2,328,346
Placements with banks	14,687,011	14,687,011	11,229,492	11,229,492
Financial assets at amortised cost - Loans and advances to banks	-	-	1,500,338	1,664,755
Financial assets at amortised cost - Loans and advances to customers	464,232,031	432,086,227	394,361,480	377,802,310
Financial assets at amortised cost - Debt and other instruments	114,623,357	114,645,093	105,641,690	105,839,660
Other financial assets	6,699,058	6,699,058	4,946,528	4,946,528
Financial Liabilities				
Due to banks	3,008,260	3,008,260	7,149,474	7,149,474
Financial liabilities at amortised cost - due to depositors	529,957,935	518,843,743	465,153,180	459,260,928
Financial liabilities at amortised cost - due to other borrowers	118,504,386	118,504,386	96,755,632	96,755,632
Debt securities issued	9,113,592	9,611,782	14,690,723	14,852,236
Other financial liabilities	8,848,144	8,848,144	7,441,320	7,441,320
Subordinated term debt	13,317,891	12,071,285	18,234,054	13,480,708

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

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

Assets for which Fair Value Approximates Carrying Value

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

Fixed Rate Financial Instruments

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

Reconciliation of Level 3 fair values

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

	Equity Securities	
	Bank/Group	
	2025	2024
	LKR 000	LKR 000
Balance at 1 January	270,193	237,985
Purchased during the period		
Gain included in OCI		
– Net change in fair value (unrealised)	12,986	32,208
Balance at end of the period	283,179	270,193

Sensitivity analysis

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

	OCI Net of Tax	
	Increase	Decrease
	LKR 000	LKR 000
Equity securities as at 30.06.2025		
Adjusted net assets value (5% movement)	14,159	(14,159)

OPERATING SEGMENTS - GROUP

Information about reportable segments

For the period ended 30 June	Corporate Banking		Retail Banking		Treasury		Other		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Net interest income	1,424,846	1,606,156	6,591,732	5,519,140	5,014,065	4,637,930	39,694	53,059	2,136,790	1,960,106	15,207,127	13,776,391
Net fees and commission income	823,513	570,672	2,289,177	1,499,989	42,755	(17,708)	(391)	(389)	93,807	221,323	3,248,861	2,273,887
Net gains from trading	98,755	92,381	141,421	52,920	800,686	446,750	-	-	-	255	1,040,862	592,306
Net gains from derecognition of financial assets	-	-	-	-	1,248,236	2,278,478	-	-	-	-	1,248,236	2,278,478
Net other operating income	(1,492)	16,408	(12,693)	20,444	-	-	353,887	347,516	1,334,649	944,924	1,674,351	1,329,292
Total operating income	2,345,622	2,285,617	9,009,637	7,092,493	7,105,742	7,345,450	393,190	400,186	3,565,246	3,126,608	22,419,437	20,250,354
Impairment for loans and other losses	(1,231,800)	(1,629,667)	(118,503)	(728,917)	(122,863)	(525,978)	-	-	(2,009,208)	9,804	(3,482,374)	(2,874,758)
Net operating income/ Segment Result	1,113,822	655,950	8,891,134	6,363,576	6,982,879	6,819,472	393,190	400,186	1,556,038	3,136,412	18,937,063	17,375,596
Operating profit after taxes on financial services											8,171,511	7,477,886
Share of profits of associate											576	705
Profit for the period from discontinued operation											116,274	863,742
Income tax expense											(2,425,441)	(2,603,610)
Non-controlling interest											81,090	99,676
Net profit for the period, attributable to equity holders of the Bank											5,781,830	5,639,047

As at 30 June	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Segment assets	193,450,380	142,922,754	273,718,462	209,816,188	285,978,101	257,438,417	1,312,896	1,175,432	33,741,848	30,104,426	788,201,686	641,457,217
Segment liabilities	109,083,743	76,639,113	420,645,779	364,188,081	144,031,876	112,910,158	732,354	647,163	16,477,513	10,491,066	690,971,265	564,875,581

For the period ended 30 June	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Information on cash flows												
Cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	(6,056,636)	23,399,952
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	7,513,425	4,635,075
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	4,548,919	(35,789,052)
Net cash flows generated during the period											6,005,708	(7,754,025)
Capital expenditure:												
Property, plant and equipment	-	-	-	-	-	-	580,178	247,806	-	-	580,178	247,806
Intangible assets	-	-	-	-	-	-	517,111	28,607	-	-	517,111	28,607
Total capital expenditure											1,097,289	276,413