



Accelerating Ahead: DFCC Bank Sustains Growth Momentum in Q3-2025

- Group Core Business Profit After Tax of LKR 8.5 Bn
- Group Total Capital Adequacy Ratio of 14.282%
- Group Total Assets up by 20% to LKR 853 Bn
- Bank Profit After Tax of LKR 13.3 Bn including disposal gain from Acuity Partners (Pvt) Ltd

DFCC Bank maintained its robust performance for the period ended 30 September 2025, underscoring its financial resilience and the success of its strategic initiatives. The Bank delivered solid results during this period, with consistent growth across key performance indicators. Loan and deposit volumes expanded meaningfully, while Net Interest Income rose by 11%, reflecting disciplined asset-liability management and robust strategic initiatives. This performance highlights the Bank's ongoing emphasis on credit expansion and funding optimisation, reaffirming its commitment to creating long-term value for both shareholders and customers.

DFCC Bank sustained its focus on balance sheet growth, recording a 26% increase in loans and a 22% increase in deposits - driven by a strategy designed to capitalise on the easing interest rate environment. This growth aligns with DFCC Bank's continued support for national economic recovery through targeted lending. Reflecting broader market dynamics, private sector credit also showed a strong upward trend, fuelled by lower interest rates and a rebound in economic activity. The modest increase in interest income for the period marked a turnaround from earlier periods affected by rate compression, enabled by growth in lending volumes and a stronger CASA base.

In Q3 2025, DFCC Bank also marked a major milestone with the launch of Sri Lanka's first Blue Bond - an LKR 3 Bn initiative to support ocean-positive SMEs and climate adaptation, further reinforcing its leadership in sustainable finance. The Bank also commemorated its 70th anniversary during the quarter by introducing a suite of special Fixed Deposit products to reward loyal customers and deepen relationships.

In recognition of its continued impact, DFCC Bank was officially certified as a Great Place to Work, and was ranked 4th in the AICPA & CIMA Top 20 Employers in Sri Lanka. It was also declared as the Best Bank in MSME Acceleration at the ICC Emerging Asia Banking Awards 2025. Other accolades included recognition among Sri Lanka's Top 30 Most Valuable and Strongest Brands by Brand Finance (ranked 27th), and wins at SLIM Digis 2.5 for Best Use of AI Technologies (Merit) and Best SEO/SEM Campaign (Silver).

This commentary relates to the unaudited financial statements for the period ended 30 September 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 12,151 Mn and a Profit After Tax (PAT) of LKR 8,328 Mn from continuing operations, compared to a PBT of LKR 9,559 Mn and a PAT of LKR 6,013 Mn in the same period last year. The Bank's Earnings Per Share (EPS) from core operations was LKR 19.07, while the EPS including the gain from the disposal of its stake in Acuity Partners (Pvt) Ltd stood at LKR 30.44.

At Group level, PBT was LKR 12,480 Mn and PAT was LKR 8,530 Mn, from continuing operations, compared to LKR 9,909 Mn and LKR 6,308 Mn, respectively, in 2024.

The Bank's Return on Equity (ROE) stood at 15.85%, while Return on Assets (ROA) before tax was 2.71% for the period ended 30 September 2025, inclusive of the disposal gain recorded under profit from discontinued operations.

Net Interest Income

During the period, DFCC Bank recorded a 4% increase in interest income while containing interest expenses, highlighting the Bank's operational resilience and disciplined margin management amid a challenging rate environment. This growth was primarily fuelled by a 26% expansion in the loan portfolio, underscoring DFCC's strategic focus on quality asset growth. Achieved within a subdued interest rate landscape, this performance reflects the Bank's prudent lending practices and effective portfolio management, reinforcing its commitment to sustainable financial performance.

Net Interest Income, the Bank's core earnings driver, increased by 11% to LKR 22,969 Mn, driven by effective loan book expansion and funding cost optimization while maintaining a robust CASA ratio. Driven by a 25% growth in the CASA portfolio compared to the previous period, the CASA ratio increased from 24.77% as of 31 December 2024 to 25.34% as at 30 September 2025, reflecting a stronger deposit mix and improved funding cost efficiency. However, the Net Interest Margin declined from 4.18% in December 2024 to 3.95% by

September 2025, largely due to the Bank's competitive positioning and prevailing market dynamics.

Fee and Commission Income

DFCC Bank's proactive strategies continued to yield strong results, driving higher volumes across remittances, credit-related charges, trade commissions, and other fee-generating activities. Growth in the credit card portfolio further contributed to this momentum.

While fee-related expenses rose in line with customer acquisition and portfolio expansion efforts, the net impact remained firmly positive. Consequently, net fee and commission income surged by 48% year-on-year, reaching LKR 5,281 Mn compared to LKR 3,561 Mn in the corresponding period of 2024. This growth reflects the Bank's focus on scaling non-interest income streams effectively.

Impairment Charge on Loans and Other Losses

The Stage 3 impaired loan ratio improved to 4.82% as at 30 September 2025, from 5.65% as at 31 December 2024, driven by successful recoveries and portfolio growth.

Impairment provisions were prudently made to support this expansion, incorporating model calibrations and additional buffers for high-risk sectors, while taking into account global and local economic trends. Consequently, impairment charges for loans and advances increased by 10%, from LKR 3,577 Mn to LKR 3,938 Mn, compared to the previous period.

Operating Expenses

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

As a result of these strategic investments, operating expenses rose to LKR 13,348 Mn in the period ended 30 September 2025, compared to LKR 11,341 Mn in the corresponding period last year. Despite this increase, the Bank remains firmly committed to strategic cost optimisation across all functions, to ensure sustainable growth and operational resilience.

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 8,346 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 1,670 Mn during the same period.

Financial Position Analysis

Assets

DFCC Bank demonstrated strong balance sheet expansion despite prevailing economic and sector-specific headwinds. Total assets grew by LKR 148 Bn, marking a 21% increase since December 2024. The Bank's net loan portfolio rose by LKR 101 Bn to reach LKR 495 Bn, reflecting a robust 26% growth from LKR 394 Bn as at 31 December 2024.

This performance aligns with DFCC Bank's strategic growth agenda and signals renewed confidence in the improving economic environment, underscoring the Bank's pivotal role in driving credit expansion and supporting national recovery.

Liabilities

DFCC Bank's total liabilities rose by LKR 128 Bn, marking a 21% increase from December 2024. The Bank's deposit base increased by 22%, reaching LKR 568 Bn compared to LKR 465 Bn as at 31 December 2024. The resulting loan-to-deposit ratio stood at 96.09% as at 30 September 2025, while the CASA ratio stood at 25.34%.

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 30.72%, and the adjusted loan-to-deposit ratio stood at 89.82% as at 30 September 2025.

Equity and Capital Compliance

As at 30 September 2025, total equity increased by LKR 20 Bn, supported by a profit after tax of LKR 13.3 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 26%. Leveraging the strengthened equity base, the Bank effectively absorbed the additional capital requirements associated with portfolio growth.

As a result, the Tier 1 Capital Ratio was maintained at 11.806%, while the Total Capital Ratio stood at 14.276%, compared to 12.402% and 15.759%, respectively, as at December 2024. The Bank's Net Stable Funding Ratio (NSFR) stood at 121.93%, and the Liquidity Coverage Ratio (LCR) – all currency - reached 188.69%, both comfortably exceeding regulatory minimums.

CEO's Statement

As Sri Lanka continues its macroeconomic recovery - with interest rates easing, credit demand strengthening, and investor confidence returning, DFCC Bank's performance in the third quarter reflects both resilience and readiness. The Bank recorded a Profit After Tax of LKR 13.3 Bn at Bank level, which included a one-off gain from the strategic divestment of its 50% stake in Acuity Partners (Pvt) Ltd, underpinned by a 26% growth in the loan portfolio and a 22% increase in deposits. Core profitability remained strong, supported by disciplined credit expansion and funding optimisation.

These results are a reflection of deliberate choices and shared purpose. From accelerating home ownership and mobility propositions, to deepening our engagement with Micro and SME sector entrepreneurs and remittance-receiving families, we remained focused on relevance and real impact. Our inclusive finance agenda continued to gain momentum, with DFCC Aloka surpassing 100,000 customers and the rollout of our Islamic Banking proposition further broadening access to ethical and faith-aligned financial services.

This quarter also marked a defining step in our sustainability journey, with the announcement of Sri Lanka's first Blue Bond - an LKR 3 Bn initiative designed to finance ocean-positive SMEs and strengthen climate adaptation. This builds on our earlier leadership in green finance, including the triple green bond listings across Colombo, Luxembourg, and GIFT City in India, further cementing DFCC Bank's role as a catalyst for sustainable capital.

At ground level, our teams continued to bring the Bank's purpose to life through nationwide activations such as the Mega Town Storming campaigns and participation in regional fairs, creating direct engagement and tangible value for communities. These collective efforts reinforce not just our market position, but our character as a purpose-driven institution built on connection and service.

As DFCC Bank celebrates its 70th year, the Bank remains deeply grateful to its customers and stakeholders for their continuing trust, understanding, and confidence. This performance of the period further reflects a powerful balance between financial strength and strategic foresight. Our fundamentals are strong, our purpose is clear, and our direction is focused - to deliver meaningful growth, responsible innovation, and sustained value for Sri Lankans everywhere.

Thimal Perera
Director / Chief Executive Officer
11 November 2025

DFCC Bank PLC
Income Statement

For the nine months ended 30 September	Notes	Bank						Group					
		For the period ended			For the quarter ended			For the period ended			For the quarter ended		
		30.09.2025 LKR 000	30.09.2024 LKR 000	Change %	30.09.2025 LKR 000	30.09.2024 LKR 000	Change %	30.09.2025 LKR 000	30.09.2024 LKR 000	Change %	30.09.2025 LKR 000	30.09.2024 LKR 000	Change %
Gross Income		71,996,358	66,382,827	8	24,779,701	20,532,830	21	72,475,093	66,919,094	8	24,903,553	20,709,432	20
Interest income		59,937,823	57,519,354	4	20,576,717	18,378,739	12	59,939,947	57,533,199	4	20,577,454	18,380,045	12
Interest expenses		36,968,956	36,785,261	0	12,775,283	11,367,979	12	36,911,344	36,725,789	1	12,755,978	11,349,026	12
Net interest income		22,968,867	20,734,093	11	7,801,434	7,010,760	11	23,028,603	20,807,410	11	7,821,476	7,031,019	11
Fee and commission income		6,837,548	4,550,316	50	2,591,559	1,693,494	53	6,837,093	4,549,727	50	2,591,495	1,693,295	53
Fee and commission expenses		1,556,421	988,863	57	559,684	406,318	38	1,556,421	988,863	57	559,684	406,318	38
Net fee and commission income		5,281,127	3,561,453	48	2,031,875	1,287,176	58	5,280,672	3,560,864	48	2,031,811	1,286,977	58
Net gains from trading	5	2,209,243	659,355	235	1,168,381	67,049	1,643	2,209,243	659,355	235	1,168,381	67,049	1,643
Net gains from derecognition of financial assets													
At amortised cost		-	221,934	(100)	-	-	-	-	221,934	(100)	-	-	-
Fair value through other comprehensive income		1,536,494	2,383,124	(36)	288,258	326,580	(12)	1,536,494	2,383,124	(36)	288,258	326,580	(12)
Net other operating income	6	1,475,250	1,048,744	41	154,786	66,968	131	1,952,316	1,571,755	24	277,965	242,463	15
Total operating income		33,470,981	28,608,703	17	11,444,734	8,758,533	31	34,007,328	29,204,442	16	11,587,891	8,954,088	29
Impairment charge / (reversal)													
Loans and advances		3,937,543	3,576,701	10	864,391	1,621,849	(47)	3,937,543	3,576,701	10	864,391	1,621,849	(47)
Sri Lanka International Sovereign Bonds and Debentures		135,339	518,264	(74)	10,965	-	100	135,339	518,264	(74)	10,965	-	100
Other financial assets and credit related commitments		294,371	609,033	(52)	9,523	207,391	(95)	294,371	609,033	(52)	9,523	207,391	(95)
Net operating income		29,103,728	23,904,705	22	10,559,855	6,929,293	52	29,640,075	24,500,444	21	10,703,012	7,124,848	50
Operating expenses													
Personnel expenses		5,603,947	5,196,087	8	2,172,625	1,720,577	26	5,734,731	5,366,795	7	2,217,915	1,780,056	25
Depreciation and amortisation		1,062,745	867,200	23	379,377	297,646	27	1,107,107	921,979	20	395,632	316,626	25
Other expenses		6,680,980	5,278,062	27	2,470,214	1,755,939	41	6,714,502	5,299,262	27	2,485,397	1,765,337	41
Total operating expenses		13,347,672	11,341,349	18	5,022,216	3,774,162	33	13,556,340	11,588,036	17	5,098,944	3,862,019	32
Operating profit before taxes on financial services		15,756,056	12,563,356	25	5,537,639	3,155,131	76	16,083,735	12,912,408	25	5,604,068	3,262,829	72
Taxes on financial services		3,605,008	3,004,385	20	1,296,852	832,692	56	3,605,008	3,004,385	20	1,296,852	832,692	56
Operating profit after taxes on financial services		12,151,048	9,558,971	27	4,240,787	2,322,439	83	12,478,727	9,908,023	26	4,307,216	2,430,137	77
Share of profit of associate		-	-	-	-	-	-	1,488	1,125	32	912	420	117
Profit before income tax		12,151,048	9,558,971	27	4,240,787	2,322,439	83	12,480,215	9,909,148	26	4,308,128	2,430,557	77
Income tax expense		3,822,666	3,546,113	8	1,467,688	963,975	52	3,949,856	3,601,356	10	1,524,415	997,746	53
Profit for the period from continuing operations		8,328,382	6,012,858	39	2,773,099	1,358,464	104	8,530,359	6,307,792	35	2,783,713	1,432,811	94
Discontinued Operation													
Profit for the period from discontinued operations, net of tax		4,967,916	-	100	-	-	-	116,274	820,619	(86)	-	(43,123)	100
Profit for the period		13,296,298	6,012,858	121	2,773,099	1,358,464	104	8,646,633	7,128,411	21	2,783,713	1,389,688	100
Profit attributable to:													
Equity holders of the Bank		13,296,298	6,012,858	121	2,773,099	1,358,464	104	8,523,628	6,990,152	22	2,741,798	1,351,105	103
Non-controlling interests		-	-	-	-	-	-	123,005	138,259	(11)	41,915	38,583	9
Profit for the period		13,296,298	6,012,858	121	2,773,099	1,358,464	104	8,646,633	7,128,411	21	2,783,713	1,389,688	100
Basic/Diluted earnings per ordinary share (LKR)		30.44	13.99	118	6.35	3.16	101	19.51	16.27	20	6.28	3.14	100
Basic/Diluted earnings per ordinary share (LKR)													
- continuing operations		19.07	13.99	36	6.35	3.16	101	19.25	14.36	34	6.28	3.24	94

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

	Bank						Group					
	For the period ended			For the quarter ended			For the period ended			For the quarter ended		
For the nine months ended 30 September	30.09.2025	30.09.2024	Change	30.09.2025	30.09.2024	Change	30.09.2025	30.09.2024	Change	30.09.2025	30.09.2024	Change
	LKR 000	LKR 000	%	LKR 000	LKR 000	%	LKR 000	LKR 000	%	LKR 000	LKR 000	%
Profit for the period	13,296,298	6,012,858	121	2,773,099	1,358,464	104	8,646,633	7,128,411	21	2,783,713	1,389,688	100
Other comprehensive income / (expenses) for the period, net of tax												
Items that are or may be reclassified subsequently to income statement												
Movement in fair value reserve (FVOCI debt instrument):												
Net change in fair value	1,670,091	944,455	77	(410,002)	(677,865)	40	1,670,091	944,455	77	(410,002)	(677,865)	40
Reclassified to income statement	(1,536,494)	(2,383,124)	36	(288,258)	(326,580)	12	(1,536,494)	(2,383,124)	36	(288,258)	(326,580)	12
Movement in hedging reserve:												
Cash flow hedge - effective portion of changes in fair value	(1,331,227)	(4,969,655)	73	(469,614)	850,641	(155)	(1,331,227)	(4,969,655)	73	(469,614)	850,641	(155)
Cash flow hedge - reclassified to income statement	1,036,500	5,059,625	(80)	423,250	1,631,312	(74)	1,036,500	5,059,625	(80)	423,250	1,631,312	(74)
Related deferred tax	130,031	406,721	(68)	250,680	(441,599)	157	130,031	406,721	(68)	250,680	(441,599)	157
Total other comprehensive expenses that are or may be reclassified subsequently to income statement	(31,099)	(941,978)	97	(493,944)	1,035,909	(148)	(31,099)	(941,978)	97	(493,944)	1,035,909	(148)
Items that will not be reclassified to income statement												
Equity investments at FVOCI - net change in fair value	8,346,051	1,797,098	364	5,498,170	(149,222)	3,785	8,346,051	1,797,098	364	5,498,170	(149,222)	3,785
Total other comprehensive income on items that will not be reclassified to income statement	8,346,051	1,797,098	364	5,498,170	(149,222)	3,785	8,346,051	1,797,098	364	5,498,170	(149,222)	3,785
Other comprehensive income/ (expenses) for the period , net of tax - continuing operations	8,314,952	855,120	872	5,004,226	886,687	464	8,314,952	855,120	872	5,004,226	886,687	464
Discontinued Operation												
Other comprehensive expenses for the period, net of tax - discontinued operations	-	-	-	-	-	-	-	(392,056)	100	-	(138,913)	100
Total comprehensive income for the period	21,611,250	6,867,978	215	7,777,325	2,245,151	246	16,961,585	7,591,475	123	7,787,939	2,137,462	264
Total comprehensive income attributable to:												
Equity holders of the Bank	21,611,250	6,867,978	215	7,777,325	2,245,151	246	16,838,580	7,453,216	126	7,746,024	2,098,879	269
Non-controlling interests	-	-	-	-	-	-	123,005	138,259	(11)	41,915	38,583	9
Total comprehensive income for the period	21,611,250	6,867,978	215	7,777,325	2,245,151	246	16,961,585	7,591,475	123	7,787,939	2,137,462	264

DFCC Bank PLC
Statement of Financial Position

As at	Notes	Bank			Group		
		30.09.2025	31.12.2024 (Audited)	Change	30.09.2025	31.12.2024 (Audited)	Change
		LKR 000	LKR 000	%	LKR 000	LKR 000	%
Assets							
Cash and cash equivalents		17,679,415	13,504,806	31	17,692,715	13,523,475	31
Balances with Central Bank of Sri Lanka		5,602,864	2,328,346	141	5,602,864	2,328,346	141
Placements with banks		45,905,491	11,229,492	309	45,905,491	11,229,492	309
Derivative financial assets		8,356,651	9,643,442	(13)	8,356,651	9,643,442	(13)
Financial assets measured at fair value through profit or loss		9,295,430	7,416,018	25	9,295,430	7,416,018	25
Financial assets at amortised cost - Loans and advances to banks		4,001,327	1,500,338	167	4,001,327	1,500,338	167
Financial assets at amortised cost - Loans and advances to customers	7	490,761,994	394,361,480	24	490,761,994	394,361,480	24
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	8	4,558,248	-	100	4,558,248	-	100
Financial assets at amortised cost - Debt and other instruments		113,835,276	105,641,690	8	113,842,736	105,701,871	8
Financial assets measured at fair value through other comprehensive income		130,841,685	138,258,226	(5)	130,841,685	138,258,226	(5)
Investments in subsidiaries		237,035	237,035	-	-	-	-
Investment in associate		33,169	33,169	-	40,085	38,597	4
Investment properties		9,879	9,879	-	591,060	490,069	21
Property, plant and equipment		3,995,904	3,872,654	3	4,242,417	4,080,706	4
Intangible assets and goodwill		2,324,993	2,001,636	16	2,504,346	2,170,201	15
Deferred tax assets		5,636,512	4,893,483	15	5,656,031	4,913,002	15
Current tax assets		-	-	-	1,124	2,010	(44)
Other assets		8,609,751	7,821,132	10	8,708,872	8,060,939	8
Asset held for sale	10	-	755,000	(100)	-	5,480,475	(100)
Total assets		851,685,624	703,507,826	21	852,603,076	709,198,687	20
Liabilities							
Due to banks		8,117,254	7,149,474	14	8,117,254	7,149,474	14
Derivative financial liabilities		71,774	909,188	(92)	71,774	909,188	(92)
Financial liabilities at amortised cost - Due to depositors	11	567,960,445	465,153,180	22	566,997,735	464,359,564	22
Financial liabilities at amortised cost - Due to other borrowers		131,125,598	96,755,632	36	131,110,592	96,755,632	36
Debt securities issued		9,115,158	14,690,723	(38)	9,115,158	14,690,723	(38)
Employee benefits		1,581,366	1,409,232	12	1,592,079	1,450,966	10
Current tax liabilities		3,454,523	3,066,586	13	3,544,308	3,160,100	12
Deferred tax liabilities		-	-	-	36,795	96,804	(62)
Other liabilities and provisions		12,739,052	12,106,760	5	13,262,385	12,545,632	6
Subordinated term debt		13,736,636	18,234,054	(25)	13,736,636	18,234,054	(25)
Total liabilities		747,901,806	619,474,829	21	747,584,716	619,352,137	21
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		46,982,337	35,834,730	31	48,982,494	42,668,104	15
Other reserves		37,697,540	29,829,845	26	36,291,835	28,363,593	28
Total equity attributable to equity holders of the Bank		103,783,818	84,032,997	24	104,378,270	89,400,119	17
Non-controlling interests		-	-	-	640,090	446,431	43
Total equity		103,783,818	84,032,997	24	105,018,360	89,846,550	17
Total equity and liabilities		851,685,624	703,507,826	21	852,603,076	709,198,687	20
Contingent liabilities and commitments							
		263,746,176	222,538,011	19	263,746,176	222,538,011	19
Net assets value per share, LKR							
		236.73	194.22	22	238.09	206.63	15

	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
Memorandum Information				
Number of Employees	2,523	2,439	2,604	2,532
Number of Branches (Including Service centres)	134	139		

Statement of Changes in Equity

	Stated capital LKR 000	Statutory reserve fund	Other reserves			Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Fair value reserve LKR 000	Hedging reserve LKR 000	General reserve LKR 000		
Bank							
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	-	-	-	-	-	6,012,858	6,012,858
Other comprehensive income, net of tax	-	-	792,141	62,979	-	-	855,120
Total comprehensive income for the period	-	-	792,141	62,979	-	6,012,858	6,867,978
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,269,850)	-	-	1,269,850	-
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 September 2024	14,710,454	3,239,968	6,772,690	1,416,825	13,779,839	33,423,322	73,343,098
Balance as at 01 January 2025	14,710,454	3,657,968	15,385,597	664,409	13,779,839	35,834,730	84,032,997
Profit for the period	-	-	-	-	-	13,296,298	13,296,298
Other comprehensive income /(expenses) , net of tax	-	-	8,521,261	(206,309)	-	-	8,314,952
Total comprehensive income/(expenses) for the period	-	-	8,521,261	(206,309)	-	13,296,298	21,611,250
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(447,257)	-	-	447,257	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2024 – Scrip	735,519	-	-	-	-	(735,519)	-
Final dividend for 2024 – Cash	-	-	-	-	-	(1,860,429)	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	(2,595,948)	(1,860,429)
Balance as at 30 September 2025	15,445,973	3,657,968	23,459,601	458,100	13,779,839	46,982,337	103,783,818

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				
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	-	-	-	-	-	-	6,990,152	6,990,152	138,259	7,128,411
Other comprehensive income / (expenses) , net of tax	-	-	788,756	(311,598)	(13,919)	-	(175)	463,064	-	463,064
Total comprehensive income / (expenses) for the period	-	-	788,756	(311,598)	(13,919)	-	6,989,977	7,453,216	138,259	7,591,475
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(1,269,850)	-	-	-	1,269,850	-	-	-
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 September 2024	14,710,454	3,239,968	5,337,697	249,473	1,057,878	13,779,839	39,813,370	78,188,679	530,418	78,719,097
Balance at 01 January 2025										
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	-	-	-	-	-	-	8,523,628	8,523,628	123,005	8,646,633
Other comprehensive income / (expenses) , net of tax	-	-	8,521,261	-	(206,309)	-	-	8,314,952	-	8,314,952
Total comprehensive income / (expenses) for the period	-	-	8,521,261	-	(206,309)	-	8,523,628	16,838,580	123,005	16,961,585
Transfers	-	-	25,294	(294,630)	329,883	-	(60,547)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings										
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(447,257)	-	-	-	447,257	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Change in holding through 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 September 2025	15,445,973	3,657,968	22,053,896	-	458,100	13,779,839	48,982,494	104,378,270	640,090	105,018,360

Statement of Cash Flows

For the nine months ended 30th September

Cash flows from operating activities

	BANK		GROUP	
	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000
Interest receipts	53,791,451	57,641,695	53,895,300	57,710,548
Interest payments	(32,754,887)	(34,943,292)	(32,780,881)	(34,960,230)
Net commission receipts	6,677,922	4,470,848	6,677,922	4,470,848
Net trading income	1,477,838	75,070	1,477,838	75,070
Recoveries from loans previously written off	55,037	20,012	55,037	20,012
Receipts from other operating activities	67,987	41,899	803,849	572,425
Payments on other operating activities	(9,032,975)	(6,116,726)	(8,857,920)	(5,956,945)
Cash payments to employees	(5,468,806)	(5,043,837)	(6,010,387)	(5,449,229)
Taxes on financial services	(3,905,053)	(3,276,634)	(3,905,053)	(3,276,634)
Operating Cash flows before changes in operating assets and liabilities	10,908,514	12,869,035	11,355,705	13,205,865

(Increase)/ decrease in operating assets:

Balances with Central Bank / deposits held for regulatory or monetary control purposes	(3,274,518)	(4,019,783)	(3,274,518)	(4,019,783)
Financial assets at amortised cost - Loans to and receivables from other customers	(102,315,298)	(46,816,843)	(102,315,298)	(46,816,843)
Others	5,917,375	(154,050)	5,873,131	(263,860)

Increase/ (decrease) in operating liabilities:

Financial liabilities at amortised cost - Due to depositors	93,732,450	41,243,673	93,550,283	40,824,040
Others	533,958	1,342,687	761,339	1,568,125
Net cash flows from operating activities before income tax	5,502,481	4,464,719	5,950,642	4,497,544
Income tax paid	(4,807,611)	(4,658,838)	(4,986,513)	(4,728,459)
Net cash flows from/ (used in) operating activities	694,870	(194,119)	964,129	(230,915)

Cash flows from investing activities

Dividends received from investmenet in subsidiaries, joint venture, and associate	68,000	-	-	-
Dividend received from other investments	1,297,760	731,062	1,297,760	731,062
Government Securities- net	11,311,601	(818,689)	11,311,601	(818,689)
Proceeds from sale and redemption of securities	6,674,753	4,311,699	6,674,753	4,331,699
Purchase of financial investments	(7,670,574)	(6,009,313)	(7,670,574)	(6,010,789)
Purchase of property , equipment ,intangibles and investment property	(1,774,672)	(806,956)	(1,981,300)	(808,898)
Proceeds from sale of disposal of joint venture	6,500,000	-	6,500,000	-
Net cash flows from/ (used in) investing activities	16,406,868	(2,592,197)	16,132,240	(2,575,615)

Cash flows from financing activities

Redemption of debentures	(9,086,530)	(3,804,760)	(9,086,530)	(3,804,760)
Issue of debentures	-	8,000,000	-	8,000,000
Borrowing , medium and long - term	11,873,704	1,682,564	11,873,704	1,682,564
Other short term borrowings - net	37,070,398	(1,160,563)	37,070,398	(1,160,563)
Repayment of borrowing ,medium and long - term	(16,378,070)	(10,380,925)	(16,378,070)	(10,380,925)
Dividends paid	(1,730,632)	(1,265,846)	(1,730,632)	(1,265,846)
Net Cash flows from / (used in) financing activities	21,748,870	(6,929,530)	21,748,870	(6,929,530)

Net increase / (decrease) in cash and cash equivalents	38,850,608	(9,715,846)	38,845,239	(9,736,060)
Cash and cash equivalents at the beginning of the period	24,734,298	43,616,566	24,752,967	43,657,050
Cash and cash equivalents at the end of the period	63,584,906	33,900,720	63,598,206	33,920,990
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	17,679,415	12,268,911	17,692,715	12,289,181
Placements with banks	45,905,491	21,631,809	45,905,491	21,631,809
	63,584,906	33,900,720	63,598,206	33,920,990

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

Explanatory Notes

Note 1. Statement of Compliance

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

Note 2. Accounting Policies and Accounting Estimates

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

Note 3. Group Financial Statements

The Group Financial Statements comprise the Bank and its subsidiaries DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited and group interest in associate company National Asset Management Limited and group interest in joint venture Acuity Partners (Pvt) Ltd. 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 September 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 September

Derivative Financial Instruments

	Bank		Group	
	2025 LKR 000	2024 LKR 000	2025 LKR 000	2024 LKR 000
Forward exchange fair value changes from banks and other customers	1,258,716	2,818	1,258,716	2,818
Gains on financial assets fair value through profit or loss - equity securities	147,664	123,651	147,664	123,651

Foreign exchange from Banks and Other Customers	(925,979)	146,600	(925,979)	146,600
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Financial assets recognized through profit or loss - measured at fair value

Government securities

- Net marked to market losses	(14,554)	(4,683)	(14,554)	(4,683)
- Net capital gains	150,371	5,177	150,371	5,177

Equities

- Net marked to market gains	130,660	270,237	130,660	270,237
- Net capital gains	1,327,468	74,576	1,327,468	74,576
- Dividend income	134,897	40,979	134,897	40,979
	2,209,243	659,355	2,209,243	659,355

Note 6. Net Other Operating Income

For the period ended 30 September

Financial assets measured at fair value through other comprehensive income

	Bank		Group	
	2025 LKR 000	2024 LKR 000	2025 LKR 000	2024 LKR 000
Dividend income	1,297,760	963,389	1,297,760	963,389
Premises rental income	-	-	378,363	349,539
Net gain on sale of property, plant and equipment	680	16,801	680	16,801
Foreign exchange gains	17,628	14,167	22,552	2,560
Recovery of loans written-off	55,037	20,012	55,328	20,372
Others	36,145	34,375	197,633	219,094
	1,475,250	1,048,744	1,952,316	1,571,755

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

As at	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
	LKR 000	(Audited) LKR 000	LKR 000	(Audited) LKR 000
Gross loans and advances to customers (Note 7.1)	541,175,960	440,906,944	541,175,960	440,906,944
Less: Allowance for impairment (Note 7.2)	(50,413,966)	(46,545,464)	(50,413,966)	(46,545,464)
Net loans and advances to customers	490,761,994	394,361,480	490,761,994	394,361,480

Note 7.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
	LKR 000	(Audited) LKR 000	LKR 000	(Audited) LKR 000
By product-Domestic Currency				
Overdrafts	62,130,134	57,006,572	62,130,134	57,006,572
Trade finance	57,919,715	41,146,693	57,919,715	41,146,693
Credit cards	9,346,900	7,716,549	9,346,900	7,716,549
Pawning	23,443,668	16,152,388	23,443,668	16,152,388
Staff loans	3,759,987	2,823,269	3,759,987	2,823,269
Term loans	267,295,304	232,516,931	267,295,304	232,516,931
Lease rentals receivable	35,233,833	25,898,216	35,233,833	25,898,216
	459,129,541	383,260,618	459,129,541	383,260,618
By product-Foreign Currency				
Overdrafts	3,494,666	1,513,564	3,494,666	1,513,564
Trade finance	28,078,413	23,595,451	28,078,413	23,595,451
Term loans	50,473,340	32,537,311	50,473,340	32,537,311
	82,046,419	57,646,326	82,046,419	57,646,326
Gross loans and advances to customers	541,175,960	440,906,944	541,175,960	440,906,944

Note 7.2 Movement in Impairment during the period

	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
	LKR 000	(Audited) LKR 000	LKR 000	(Audited) LKR 000
Stage 1				
Balance at beginning	3,412,778	3,500,658	3,412,778	3,500,658
Charge / (reversal) to income statement	799,064	(87,880)	799,064	(87,880)
Balance at end	4,211,842	3,412,778	4,211,842	3,412,778
Stage 2				
Balance at beginning	5,930,684	7,235,925	5,930,684	7,235,925
Reversal to income statement	(1,280,299)	(1,305,241)	(1,280,299)	(1,305,241)
Balance at end	4,650,385	5,930,684	4,650,385	5,930,684
Stage 3				
Balance at beginning	37,202,002	35,180,673	37,202,002	35,180,673
Charge to income statement	4,393,338	5,356,941	4,393,338	5,356,941
Other movements	(43,601)	(3,335,612)	(43,601)	(3,335,612)
Balance at end	41,551,739	37,202,002	41,551,739	37,202,002
Total Impairment	50,413,966	46,545,464	50,413,966	46,545,464

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

As at	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
	LKR 000	(Audited) LKR 000	LKR 000	(Audited) LKR 000
Gross loans and advances to customers (Note 8.1)	4,558,248	-	4,558,248	-

Note 8.1 Gross loans and advances to customers - By product

As at	Bank		Group	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
	LKR 000	(Audited) LKR 000	LKR 000	(Audited) LKR 000
By product-Foreign Currency				
Term loans	4,558,248	-	4,558,248	-
Gross loans and advances to customers	4,558,248	-	4,558,248	-

Note 9 . Analysis of Commitments and Contingencies and Impairment

	As at	Bank		Group	
		30.09.2025	31.12.2024 (Audited)	30.09.2025	31.12.2024 (Audited)
		LKR 000	LKR 000	LKR 000	LKR 000
9.1	Gross commitment and contingencies	263,746,176	222,538,011	263,746,176	222,538,011
	Accumulated impairment under stage 1	936,998	713,480	936,998	713,480
	Accumulated impairment under stage 2	179,768	108,915	179,768	108,915
	Accumulated impairment under stage 3	-	-	-	-
	Net commitments and contingencies	262,629,410	221,715,616	262,629,410	221,715,616
9.2	Product-wise commitments and contingencies				
	Domestic currency				
	Credit related commitments and contingencies				
	Undrawn -Credit facilities	104,103,474	76,471,261	104,103,474	76,471,261
	Acceptances	429,669	1,280	429,669	1,280
	Documentary Letter of credit	694,332	1,063,809	694,332	1,063,809
	Guarantees and other Commitments	21,692,902	19,272,590	21,692,902	19,272,590
		126,920,377	96,808,940	126,920,377	96,808,940
	Other commitments and contingencies				
	Capital commitments	231,417	496,269	231,417	496,269
	Bid Bonds	1,469,103	932,144	1,469,103	932,144
		1,700,520	1,428,413	1,700,520	1,428,413
	Sub total	128,620,897	98,237,353	128,620,897	98,237,353
	Foreign currency				
	Credit related commitments and contingencies				
	Undrawn - Credit facilities	16,153,168	13,491,901	16,153,168	13,491,901
	Acceptances	12,016,501	8,533,063	12,016,501	8,533,063
	Documentary Letter of credit	38,300,811	12,756,535	38,300,811	12,756,535
	Guarantees and other Commitments	9,290,618	6,400,111	9,290,618	6,400,111
		75,761,098	41,181,610	75,761,098	41,181,610
	Other commitments and contingencies				
	Forward exchange contracts	59,182,530	82,943,485	59,182,530	82,943,485
	Capital commitments	79,909	164,854	79,909	164,854
	Bid Bonds	101,742	10,709	101,742	10,709
		59,364,181	83,119,048	59,364,181	83,119,048
	Sub total	135,125,279	124,300,658	135,125,279	124,300,658
	Total gross commitments and contingencies	263,746,176	222,538,011	263,746,176	222,538,011
9.3	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	223,518	70,853	-	294,371
	Balance as at 30 September 2025	936,998	179,768	-	1,116,766
	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	223,518	70,853	-	294,371
	Balance as at 30 September 2025	936,998	179,768	-	1,116,766

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	
	30.09.2025	31.12.2024 (Audited)	30.09.2025	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	
	30.09.2025	31.12.2024 (Audited)	30.09.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	17,952,598	16,540,563	17,953,165	16,540,462
Savings deposits	85,536,615	68,235,448	85,496,002	68,204,119
Fixed deposits	325,673,396	274,376,213	324,778,231	273,735,027
Other deposits	1,823,309	341,308	1,823,309	341,308
Certificate of deposits	-	27,028	-	27,028
	430,985,918	359,520,560	430,050,707	358,847,944
By product- Foreign Currency				
Demand deposits (current accounts)	1,165,508	835,854	1,165,508	835,854
Savings deposits	37,430,835	29,254,476	37,403,336	29,173,159
Fixed deposits	98,361,982	75,542,290	98,361,982	75,502,607
Other deposits	16,202	-	16,202	-
	136,974,527	105,632,620	136,947,028	105,511,620
Total	567,960,445	465,153,180	566,997,735	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 September 2025 amounted to LKR 5.5 Bn. and cumulative fair value loss thereon amounted to LKR 0.05 Bn. (net of tax LKR 0.03 Bn.).

Note 13. Events after the reporting period

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

13.1 Proposed Senior Blue Bond Issue

The Board of Directors of DFCC bank PLC at the meeting held on 30 July 2025 has decided to issue up to Thirty Million (30,000,000) Senior, Listed, Rated, Unsecured, Redeemable Blue Bonds (“Bonds”), subject to obtaining all necessary regulatory and other approvals. The issuance will comprise two categories of Bonds; (i) fixed –rate coupon bonds to be issued at a par value of LKR 100/- with maturities of up to 5 years, and (ii) zero coupon bonds to be issued at a discount to face value, with maturities up to 5 years.

On 7 November 2025, the Colombo Stock Exchange (“CSE”) has approved in principle an Application for listing the captioned debt securities of the Bank. An issue of up to Thirty Million (30,000,000) Listed, Rated, Senior, Unsecured, Redeemable Blue Bonds at the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each to raise up to a maximum of Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-). The subscription list is scheduled to open on 13 November 2025.

13.2 Proposed Basel III Compliant, Subordinated, GSS+ Bond Issue

The Board of Directors of DFCC bank PLC at the meeting held on 30 July 2025 has decided to issue up to One Hundred Million (100,000,000) Basel III compliant, subordinated, listed, rated, unsecured, redeemable GSS+ bonds with a non-viability conversion option, each at an issue price (par value) LKR100/- with a term of up to 10 years (“Bonds”), subject to obtaining all necessary regulatory and other approvals.

The Shareholders of DFCC bank PLC at the Extra Ordinary General Meeting (EGM) held on 30 October 2025 approved the proposed Basel III compliant Bond Issue.

Note 14. Disclosures under Listing Rules**14.1 Comparative figures have been re-classified where necessary, to conform to the current period presentation.**

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

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

14.2 Stated capital

As at	Number of shares	
	30.09.2025	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	30.09.2025	31.12.2024
- Highest price LKR	171.50	115.00
- Lowest price LKR	112.50	76.90
- Market price LKR	163.75	113.75

14.4 Twenty Major Shareholders as at 30.09.2025

	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	36,553,899	8.33
5	Sri Lanka Insurance Corporation Ltd-Life Fund	33,248,337	7.58
6	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,000,000	6.15
7	Melstacorp PLC	26,986,746	6.15
8	Employee's Provident Fund	26,549,225	6.05
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	4,758,061	1.08
15	Cargo Boat Development Company PLC	3,320,705	0.75
16	Sampath Bank PLC/Ambeon Holdings PLC	3,000,000	0.68
17	Akbar Brothers Pvt Ltd A/C No 1	2,649,330	0.60
18	Sri Lanka Insurance Corporation Ltd- General Fund	2,596,656	0.59
19	Stassen Exports (Pvt) Limited	2,286,858	0.52
20	Peoples Leasing and Finance PLC/ M.E. Amarasinghe	2,167,022	0.49

14.5 Public Holdings as at 30.09.2025

Public holdings percentage	77.04%
Number of Public shareholders	13,713
Float adjusted market capitalisation	LKR 55,307 million
Applicable option as per CSE Listing Rule 7.13.1 (i) (a)	Option 1

14.6 Directors' Interests in Shares

	No of Shares As at 30.09.2025
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 Thambiayah	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:

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

J. Durairatnam
Chairman

Thimal Perera
Director / Chief Executive Officer

11-Nov-25

Listed Debentures

Debenture Category	Interest rate	Effective	Coupon	Interest rate of	Balance as at				Yield	Last
	rate	Rate	Rate	Comparative						
	Frequency			Government						
		%	%	Securities						
				(Gross) p.a.	30.09.2025	Market price LKR			Last Traded %	Traded Date
					LKR 000	Highest	Lowest	Last Traded		
Fixed Rate										
2019/2026	Annually	13.75	13.75	7.88	1,905,671	N/T	N/T	N/T	N/A	N/A
2019/2029	Annually	13.90	13.90	9.19	4,708,235	N/T	N/T	N/T	N/A	N/A
2020/2025	Annually	9.00	9.00	7.70	4,681,987	N/T	N/T	N/T	N/A	N/A
2020/2027	Annually	9.25	9.25	8.61	222,554	N/T	N/T	N/T	N/A	N/A
2024/2027	Annually	12.00	12.00	8.64	2,501,251	N/T	N/T	N/T	N/A	N/A
2024/2029	Annually	15.25	15.25	9.19	8,771,791	N/T	N/T	N/T	N/A	N/A
2024/2031	Annually	14.75	14.75	9.95	60,304	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 30.09.2025 (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 1,214 Mn	80.4%	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	
	30.09.2025	31.12.2024	30.09.2025	31.12.2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier I	61,484,308	52,485,838	61,721,369	57,804,406
Tier 1 Capital	61,484,308	52,485,838	61,721,369	57,804,406
Total Regulatory Capital	74,348,723	66,694,057	74,596,282	72,021,492
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	11.806	12.402	11.817	13.611
Tier 1 Capital Ratio (Minimum requirement - 8.5%)	11.806	12.402	11.817	13.611
Total Capital Ratio (Minimum requirement - 12.5%)	14.276	15.759	14.282	16.958
Basel III Leverage Ratio (Minimum requirement is 3%)	7.03	7.33	7.06	8.03
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	221.06	310.01		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	188.69	280.26		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	121.93	124.60		
Asset Quality				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*	4.82	5.65		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	54.89	54.06		
Income & Profitability				
Net Interest margin %	3.95	4.18		
Return on assets (profit before tax) %	2.71	2.01		
Return on equity (profit after tax) %	15.85	10.99		
Cost to Income Ratio (%)	35.10	42.67		
Other Ratios				
Debt to equity ratio (times)	2.03	2.01		
Interest cover (times)	3.23	2.78		
Memorandum Information				
Credit Rating - Fitch	A(lka)	A(lka)		
Number of Employees	2,523	2,439		
Number of Branches (Including Service centres)	134	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 September 2025	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	17,679,415	17,679,415	-	-	17,692,715	17,692,715
Balances with Central Bank of Sri Lanka	-	-	5,602,864	5,602,864	-	-	5,602,864	5,602,864
Placements with banks	-	-	45,905,491	45,905,491	-	-	45,905,491	45,905,491
Derivative financial assets	8,356,651	-	-	8,356,651	8,356,651	-	-	8,356,651
Financial assets measured at fair value through profit or loss	9,295,430	-	-	9,295,430	9,295,430	-	-	9,295,430
Financial assets at amortised cost - Loans and advances to banks	-	-	4,001,327	4,001,327	-	-	4,001,327	4,001,327
Financial assets at amortised cost -Loans and advances to customers	-	-	490,761,994	490,761,994	-	-	490,761,994	490,761,994
Financial assets measured at fair value through other comprehensive income- Loans and advances to customers	-	4,558,248	-	4,558,248	-	4,558,248	-	4,558,248
Financial assets at amortised cost - Debt and other instruments	-	-	113,835,276	113,835,276	-	-	113,842,736	113,842,736
Financial assets measured at fair value through other comprehensive income	-	130,841,685	-	130,841,685	-	130,841,685	-	130,841,685
Other assets	-	-	5,643,721	5,643,721	-	-	5,610,436	5,610,436
Total financial assets	17,652,081	135,399,933	683,430,088	836,482,102	17,652,081	135,399,933	683,417,563	836,469,577
Financial Liabilities								
Due to banks	-	-	8,117,254	8,117,254	-	-	8,117,254	8,117,254
Derivative financial liabilities	71,774	-	-	71,774	71,774	-	-	71,774
Financial liabilities at amortised cost -Due to depositors	-	-	567,960,445	567,960,445	-	-	566,997,735	566,997,735
Financial liabilities at amortised cost - Due to other borrowers	-	-	131,125,598	131,125,598	-	-	131,110,592	131,110,592
Debt securities issued	-	-	9,115,158	9,115,158	-	-	9,115,158	9,115,158
Other liabilities	-	-	8,494,928	8,494,928	-	-	8,975,173	8,975,173
Subordinated term debt	-	-	13,736,636	13,736,636	-	-	13,736,636	13,736,636
Total financial liabilities	71,774	-	738,550,019	738,621,793	71,774	-	738,052,548	738,124,322

	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 September 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	-	8,356,651	-	8,356,651
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	2,948,092	-	-	2,948,092
Equity securities - quoted	3,986,444	-	-	3,986,444
Units in unit trusts - unquoted	-	2,360,894	-	2,360,894
Financial assets measured at fair value through other comprehensive income				
Loans and advances to customers		4,558,248		4,558,248
Government of Sri Lanka Treasury Bills and Bonds	96,796,707	-	-	96,796,707
US Treasury Bill	1,530,593	-	-	1,530,593
Equity shares- quoted	32,231,206	-	-	32,231,206
Equity shares- unquoted	-	-	283,179	283,179
	137,493,042	15,275,793	283,179	153,052,014
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	71,774	-	71,774
	-	71,774	-	71,774

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 September 2025		As at 31 December 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	17,679,415	17,679,415	13,504,806	13,504,806
Balances with Central Bank of Sri Lanka	5,602,864	5,602,864	2,328,346	2,328,346
Placements with banks	45,905,491	45,905,491	11,229,492	11,229,492
Financial assets at amortised cost - Loans and advances to banks	4,001,327	4,001,327	1,500,338	1,664,755
Financial assets at amortised cost - Loans and advances to customers	490,761,994	458,228,106	394,361,480	377,802,310
Financial assets at amortised cost - Debt and other instruments	113,835,276	113,862,689	105,641,690	105,839,660
Other financial assets	5,643,721	5,643,721	4,946,528	4,946,528
Financial Liabilities				
Due to banks	8,117,254	8,117,254	7,149,474	7,149,474
Financial liabilities at amortised cost - due to depositors	567,960,445	564,033,098	465,153,180	459,260,928
Financial liabilities at amortised cost - due to other borrowers	131,125,598	131,125,598	96,755,632	96,755,632
Debt securities issued	9,115,158	9,560,583	14,690,723	14,852,236
Other financial liabilities	8,494,928	8,494,928	7,441,320	7,441,320
Subordinated term debt	13,736,636	12,660,529	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 30.09.2025		
Adjusted net assets value (5% movement)	14,159	(14,159)

OPERATING SEGMENTS - GROUP

Information about reportable segments

For the period ended 30 September	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	2,359,129	2,442,285	10,433,840	8,334,521	6,733,404	6,936,048	59,737	73,317	3,442,493	3,021,239	23,028,603	20,807,410
Net fee and commission income	1,263,338	919,189	3,876,188	2,458,925	63,789	(20,993)	(455)	(588)	77,812	204,331	5,280,672	3,560,864
Net gains from trading	132,258	150,013	219,455	79,893	1,857,530	429,193	-	-	-	256	2,209,243	659,355
Net gains from derecognition of financial assets	-	-	-	-	1,536,494	2,605,058	-	-	-	-	1,536,494	2,605,058
Net other operating income	8,960	16,408	(23,477)	35,455	314,542	-	477,066	523,010	1,175,225	996,882	1,952,316	1,571,755
Total operating income	3,763,685	3,527,895	14,506,006	10,908,794	10,505,759	9,949,306	536,348	595,739	4,695,530	4,222,708	34,007,328	29,204,442
Impairment for loans and other losses	(1,498,350)	(1,992,542)	(429,075)	(1,841,620)	(137,936)	(518,846)	-	-	(2,301,892)	(350,990)	(4,367,253)	(4,703,998)
Net operating income/ Segment Result	2,265,335	1,535,353	14,076,931	9,067,174	10,367,823	9,430,460	536,348	595,739	2,393,638	3,871,718	29,640,075	24,500,444
Operating profit after taxes on financial services											12,478,727	9,908,023
Share of profits of associate											1,488	1,125
Profit for the period from discontinued operations											116,274	820,619
Income tax expense											(3,949,856)	(3,601,356)
Non-controlling interest											123,005	138,259
Net profit for the period, attributable to equity holders of the Bank											8,523,628	6,990,152

As at 30 September	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	201,326,689	157,565,234	293,596,915	225,868,217	320,937,417	264,686,165	1,323,647	1,175,963	35,418,408	31,612,162	852,603,076	680,907,741
Segment liabilities	136,526,718	69,071,770	431,144,082	371,147,717	162,151,414	144,639,407	660,626	593,957	17,101,876	16,735,793	747,584,716	602,188,644

For the period ended 30 September	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	-	-	-	-	-	-	-	-	-	-	964,129	(230,915)
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	16,132,240	(2,575,615)
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	21,748,870	(6,929,530)
Net cash flows generated during the period	-	-	-	-	-	-	-	-	-	-	38,845,239	(9,736,060)
Capital expenditure:												
Property, plant and equipment	-	-	-	-	-	-	746,339	406,051	-	-	746,339	406,051
Intangible assets	-	-	-	-	-	-	703,798	69,217	-	-	703,798	69,217
Total capital expenditure	-	-	-	-	-	-	1,450,137	475,268	-	-	1,450,137	475,268