PAN ASIA BANK
The Truly Sri Lankan Bank

PAN ASIA BANKING CORPORATION PLC

INTERIM FINANCIAL STATEMENTS

For the year ended 31 December 2025

Company Registration No: PQ 48

Pan Asia Banking Corporation PLC | No. 450, Galle Road, Colombo 03, Sri Lanka | www.pabcbank.com

Press release

Pan Asia Bank overall asset base reaches Rs. 300 Bn with a PAT of Rs.4 Bn

Financial Performance – As Reported

- Net Interest Income: Rs. 12.75 billion (+5%)
- Net Fee & Commission Income: Rs. 2.52 billion (+37%)
- Operating Profit (before taxes on financial services): Rs. 7.65 billion
- Profit Before Tax: Rs. 5.82 billion
- Profit After Tax: Rs. 4.01 billion
- Earnings Per Share: Rs. 9.05
- Profitability Ratios: NIM 4.55%, ROA- Before Tax 2.08%, ROE 14.09%

Underlying Financial Performance Highlights - Normalized for prior-year extraordinary gain

The Bank's reported profitability metrics for 2025 show a slight decline due to the absence of the prior year's one-off sovereign-debt gain; however, underlying results clearly highlight the Bank's strong core operating performance.

- Underlying Operating Profit before taxes on financial services: Rs. 7.65 billion vs. Rs. 5.28 billion in 2024 (+45%)
- Underlying Profit Before Tax (PBT): Rs. 5.82 billion vs. Rs. 3.84 billion underlying in 2024 (+52%)
- Underlying Profit After Tax (PAT): Rs. 4.01 billion vs. Rs. 2.96 billion in 2024 (+35%)
- Underlying EPS: Rs. 9.05 vs. Rs. 6.70 in 2024 (+35%)
- Underlying ROE: 14.09% vs.12.40% in 2024 (+169 bps)
- Underlying ROA (Before Tax) : 2.08% vs. 1.56% in 2024 (+52 bps)

These underlying metrics affirm that 2025 delivered the strongest core profitability in the Bank's 30-year history, after adjusting for prior-year non-recurring impacts.

Balance Sheet Growth

- Total Assets: Rs. 308.02 billion (+17%)
- Gross Loan Book: Rs. 217.12 billion (+35%)
- Customer Deposits: Rs. 231.04 billion (+21%)

Operational Efficiency

- Cost-to-Income Ratio: Improved from 52.68% to 48.94%

Credit Quality

- Stage 3 Loans to Total Loans: Improved from 3.10% to 1.73%
- Stage 3 Provision Cover: Improved from 60.10% to 62.63%

Capital and Liquidity Position

- CET1 Ratio: 16.66% *(Regulatory minimum: 7%)*
- Tier 1 Ratio: 16.66% *(Regulatory minimum: 8.50%)*
- Total Capital Ratio: 18.27% *(Regulatory minimum: 12.50%)*
- Leverage Ratio: 8.74% *(Regulatory minimum: 3%)*
- Liquidity Coverage Ratio (All Currency): 154.97% *(Regulatory minimum: 100%)*
- Liquidity Coverage Ratio (Rupee): 204.90% *(Regulatory minimum: 100%)*
- Net Stable Funding Ratio: 128.52% *(Regulatory minimum: 100%)*

Financial Performance Summary

Pan Asia Banking Corporation PLC reported a strong full-year financial performance for 2025, reaffirming its resilience and strategic agility amid a gradually recovering yet challenging macroeconomic environment. The Bank recorded a Profit After Tax (PAT) of Rs. 4.01 billion and an Earnings Per Share (EPS) of Rs. 9.05, reflecting disciplined portfolio management, a strengthened core earnings base, and a continued commitment to sustainable profitability. The Bank's total operating income reached Rs. 16.00 billion, supported by stable net interest generation and an expansion in non-interest revenue.

Once the one-off, non-recurring sovereign debt–related gain recognised in 2024 is excluded, the Bank's underlying performance reflects strong operational momentum. Underlying PAT increased by 35% to Rs. 4.01 billion from Rs. 2.96 billion, while underlying PBT rose by 52%. Underlying EPS improved by 35% to Rs. 9.05 compared with Rs. 6.70 in the previous year. The Bank also reported stronger underlying returns, with ROE and ROA increasing by 169 bps and 52 bps, respectively marking its strongest core operating performance

Income Performance

Sri Lanka's interest-rate environment eased through much of 2025 as the Central Bank lowered policy rates, creating a more accommodative setting for borrowers. Lending benchmarks like the AWPLR declined during the first half of the year, touched their lowest point in the third quarter, and then stabilised. Despite loan growth exceeding 35%, the Bank recorded only a slight dip in gross interest income due to the overall fall in market rates. A stronger deposit mix—driven by CASA growth—and the repayment of higher-cost borrowings helped reduce interest expenses by 4%, even as deposits expanded significantly.

The Bank also continued shifting its lending focus toward corporate and business clients with stronger credit profiles and reliable fee-based income. While this strategy enhanced earnings stability, it lowered average yields because corporate and foreign-currency lending typically carry slimmer margins than retail loans. Combined with declining returns on government securities, these factors moderated overall asset yields and NIM. Still, the Bank preserved Net Interest Income through disciplined funding management, timely liability repricing, and reduced reliance on expensive funding sources—maintaining resilience in a softer rate environment.

The Bank delivered strong growth in non-interest income, with net fee and commission income rising by 37%, supported by heightened lending activity, increased trade-related income, and substantial growth in remittance flows. Fee expansion remained broad-based, with trade finance, card-related services, and remittance products all contributing meaningfully. This growth reflects the Bank's success in leveraging revived economic activity across corporate, SME, and retail segments, while further strengthening the diversification of its revenue streams.

Net gains from trading experienced a year-on-year decline due to lower capital gains on unit trusts and Sri Lanka Government Securities classified under FVPL. However, this was partly offset by a Rs. 278.63 million gain from the derecognition of financial assets at FVOCI and reduced mark-to-market losses on government securities. These factors collectively supported a stronger overall non-interest income performance despite subdued trading conditions in the market.

Asset Quality and Impairment Expenses

Credit loss expenses in 2025 reflected a return to normalised provisioning after the extraordinary impairment reversal in 2024 linked to the sovereign debt restructuring. The Bank recognised Rs. 520.81 million in additional Expected Credit Loss provisions, driven by strong loan growth, updated macroeconomic assumptions and refinements to impairment models. These provisions also incorporated climate-related stresses from Cyclone Ditwah, including borrower vulnerability, collateral deterioration and higher sector-specific repayment risks. Despite these pressures, strengthened recoveries and improved early-warning systems supported greater stability in impairment trends.

Stage-wise movements demonstrated disciplined risk management, with Stage 1 impairment charges rising to Rs. 572.95 million due to portfolio expansion and forward-looking risks, and Stage 2 charges at Rs. 70.10 million reflecting moderate borrower stress. A Stage 3 impairment reversal of Rs. 122.23 million resulted from improved borrower performance and enhanced recoveries. Management overlays and post-model adjustments—around 8% of total provisions—were applied to capture risks not fully reflected in the models, maintaining a robust and responsive ECL framework.

The Bank also sustained strong asset quality, maintaining an industry-leading Stage 3 loan ratio of 1.73% at year-end, underscoring sound underwriting standards and proactive portfolio monitoring. Even amid repayment pressures linked to climate-related disruptions, the Bank adjusted recovery strategies to safeguard asset-quality outcomes and support affected clients.

Further strengthening resilience, the Stage 3 Provision Coverage Ratio improved to 62.63%, supported by prudent provisioning across sectors showing early signs of stress. Additional forward-looking provisions were incorporated to reflect potential long-tail climate-related credit risks. Collectively, disciplined provisioning, stronger recoveries and consistently high asset-quality metrics highlight a resilient credit risk framework that positions the Bank well to manage future uncertainties while sustaining long-term portfolio strength.

Operational Efficiency

Operational efficiency continued to strengthen in 2025, with the Bank's Cost to Income Ratio improving to 48.94%, compared with 52.68% in the previous year. This improvement was driven by strong income growth and disciplined expense management, allowing the Bank to enhance productivity while maintaining prudent cost controls.

Despite ongoing investments in branch expansion, technology upgrades, and staff development, overall cost growth remained well contained. Continued process optimisation, increased adoption of digital channels, and greater automation enabled the Bank to manage higher business volumes more efficiently, contributing to improved profitability and stronger operating leverage.

Taxation

Taxes and levies on financial services recorded a slight decline during 2025, reflecting the modest easing in operating profits across the year. This movement aligns with broader operational trends and demonstrates the Bank's disciplined approach to managing its tax exposure within a dynamic regulatory environment.

Income tax expense decreased by 4%, consistent with the movement in Profit Before Tax. This reduction underscores the Bank's continued focus on effective tax planning, strong compliance standards, and proactive management of regulatory obligations, contributing to a stable and transparent financial position.

Profitability and Returns

The Bank delivered a strong financial performance in 2025, with a Net Interest Margin (NIM) of 4.55%, reflecting effective balance sheet management and stable funding operations. The Bank also achieved a Return on Equity of 14.09%, supported by sustained core earnings and cost-efficiency initiatives that strengthened operating performance.

Return on Assets Before Tax (ROA BT) reached 2.08%, underscoring solid earning capacity and prudent risk practices. Improved asset quality, consistent income generation, and disciplined execution contributed to this outcome, reinforcing the Bank's commitment to profitable growth and long-term value creation for stakeholders.

Balance Sheet Growth

The Bank's financial position strengthened notably in 2025, with total assets rising 17% to Rs. 308.02 billion—its largest balance-sheet expansion to date. Loan growth was exceptional, increasing 35% to Rs. 217.12 billion, supported by heightened credit demand across SME, Corporate and Retail segments, and underpinned by disciplined underwriting and targeted sector strategies. Customer deposits grew 21% to Rs. 231.04 billion, reflecting strong mobilisation of both term and CASA balances and deepening customer confidence in the Bank's franchise.

This broad-based expansion was complemented by strengthened liquidity buffers, higher balances with the Central Bank, and steady growth in foreign-currency deposits, ensuring funding stability while supporting rapid asset growth. The combined momentum across assets, loans and deposits positions the Bank to sustain earnings growth and reinforces its competitiveness and financial resilience.

Capital and Liquidity

Capital and liquidity positions remained strong throughout the year. The Bank maintained capital ratios well above regulatory thresholds, with a CET1 and Tier 1 Ratio of 16.66% and a Total Capital Ratio of 18.27%. Liquidity indicators remained comfortably above minimum requirements, with a Rupee Liquidity Coverage Ratio of 204.90%, All-Currency LCR of 154.97%, and a Net Stable Funding Ratio of 128.52%, reflecting strong liquidity management and a stable funding profile. The leverage ratio improved to 8.74%, further strengthening the Bank's overall resilience.

Reflecting on the Bank's 30-year milestone and its strengthened fundamentals, Chairman Aravinda Perera noted: *"2025 was a landmark year for Pan Asia Bank, marked by our strongest underlying performance to date and a meaningful strengthening of the Bank's financial foundation. As we celebrate three decades of progress, the priorities of the Board remain clear—ensuring disciplined governance, safeguarding resilience, and guiding the institution toward sustainable, long-term value creation. The trust placed in us by customers and investors has enabled the Bank to navigate a rapidly evolving operating environment with confidence, and we are committed to ensuring that the strategic momentum achieved in 2025 translates into durable returns and continued support for Sri Lanka's broader economic advancement."*

Sharing his thoughts on the Bank's milestone achievements in 2025, Director/CEO Naleen Edirisinghe noted: *"2025 marked a transformative year for Pan Asia Bank, with the Bank delivering the strongest balance-sheet expansion in its 30-year history. Total assets grew by 17 percent to Rs. 308 billion, reflecting the Bank's enhanced scale, competitiveness, and growing relevance in the financial sector. Our loan portfolio expanded by 35 percent to Rs. 217.12 billion—our highest annual credit growth to date—driven by disciplined lending, focused business development, and a strengthened risk-return framework. Customer deposits exceeded Rs. 231.04 billion, representing a robust 21 percent increase and demonstrating the deep trust and confidence placed in us by our customers."*

"This exceptional growth across assets, loans, and deposits is a clear indication of the Bank's strengthened franchise and its ability to generate sustainable, high-quality expansion. The balanced growth across SME, Retail, and Corporate segments enhances portfolio diversification and reinforces earnings stability. At the same time, a

further strengthening of our funding base and liquidity profile ensures that this expansion remains well supported and prudently managed."

"The momentum achieved in 2025 strengthens our capacity to deliver long-term value. We have significantly scaled our earning-asset base, improved capital efficiency, and deepened customer engagement—laying the groundwork for continued improvement in profitability and returns. As we move forward, our focus remains firmly on responsible growth, maintaining asset-quality leadership, optimising margins, and accelerating digital and analytics-enabled transformation. Pan Asia Bank enters its next phase with the confidence, resilience, and strategic clarity required to convert scale into sustained value for all stakeholders."

As Pan Asia Bank steps into its fourth decade, the institution remains firmly focused on building a stronger, more resilient, and future-ready franchise. Guided by a clear strategic vision, strengthened financial foundations, and an unwavering commitment to responsible banking, the Bank will continue to empower individuals, businesses, and communities across Sri Lanka. With its proven track record of performance, innovation, and prudent stewardship, Pan Asia Bank is poised to drive meaningful progress and deliver enduring value for all stakeholders in the years ahead**.**

In Rupee Thousands

Income Statement

	For the Year ended 31st December		Change	For the Quarter ended 31st December		Change
	2025 (Audited)	2024 (Audited)	%	2025	2024	%
Interest Income	30,703,436	30,781,725	(0)	8,055,237	7,685,730	5
Less: Interest Expense	17,955,564	18,645,983	(4)	4,831,862	4,344,876	11
Net Interest Income	**12,747,872**	**12,135,742**	**5**	**3,223,375**	**3,340,854**	**(4)**
Fee and Commission Income	2,608,013	1,906,725	37	691,437	512,666	35
Less: Fee and Commission Expenses	92,168	69,579	32	29,248	18,233	60
Net Fee and Commission Income	**2,515,845**	**1,837,146**	**37**	**662,189**	**494,433**	**34**
Net Gains from Trading	508,386	753,368	(33)	155,993	177,944	(12)
Net Fair Value Gains/(Losses) from Financial Assets at FVPL	(51,774)	(70,282)	26	(10,931)	52,914	(121)
Net Gains from Derecognition of Financial Assets at FVOCI	278,634	23,609	1,080	15,727	21,832	(28)
Net Other Operating Losses	(1,341)	(863,181)	100	(87,469)	(269,319)	68
Total Operating Income	**15,997,622**	**13,816,402**	**16**	**3,958,884**	**3,818,656**	**4**
Less: Net Losses on Derecognition of Sri Lanka International Sovereign Bonds	-	3,700,366	(100)	-	3,700,366	(100)
Impairment Charges/(Reversals)	520,807	(5,061,213)	110	23,587	(5,440,761)	100
Net Operating Income	**15,476,815**	**15,177,249**	**2**	**3,935,297**	**5,559,052**	**(29)**
Less: Operating Expenses						
Personnel Expenses	3,633,022	3,507,771	4	845,670	976,700	(13)
Depreciation and Amortisation Expenses	631,239	540,209	17	184,466	136,871	35
Other Operating Expenses	3,565,268	3,231,028	10	961,764	913,699	5
Total Operating Expenses	**7,829,529**	**7,279,008**	**8**	**1,991,900**	**2,027,271**	**(2)**
Operating Profit before Taxes on Financial Services	**7,647,286**	**7,898,241**	**(3)**	**1,943,397**	**3,531,781**	**(45)**
Less: Taxes and Levies on Financial Services	1,826,999	1,870,732	(2)	449,663	727,626	(38)
Profit before Tax	**5,820,287**	**6,027,509**	**(3)**	**1,493,734**	**2,804,155**	**(47)**
Less: Income Tax Expense	1,814,709	1,892,793	(4)	512,573	886,074	(42)
Profit for the Period	**4,005,578**	**4,134,716**	**(3)**	**981,161**	**1,918,080**	**(49)**
Earnings Per Share - Basic/Diluted (Rs.)	9.05	9.34	(3)	2.22	4.33	(49)

In Rupee Thousands

Statement of Comprehensive Income

	For the Year ended 31st December		Change	For the Quarter ended 31st December		Change
	2025 (Audited)	2024 (Audited)	%	2025	2024	%
Profit for the Period	**4,005,578**	**4,134,716**	**(3)**	**981,161**	**1,918,080**	**(49)**
Other Comprehensive Income for the Period						
Other Comprehensive Income to be Reclassified to Profit or Loss						
Debt Instruments at FVOCI						
Net Fair Value Gains/(Losses) arising on Remeasurement	235,384	259,508	(9)	(39,175)	261,159	(115)
Reclassification of Gains to Profit or Loss due to Derecognition	(278,634)	(23,609)	(1,080)	(15,727)	(21,832)	28
	(43,250)	**235,899**	**(118)**	**(54,903)**	**239,327**	**(123)**
Deferred Tax Effect on above	12,975	(70,770)	118	16,471	(71,798)	123
	(30,275)	**165,129**	**(118)**	**(38,432)**	**167,529**	**(123)**
Other Comprehensive Income Not to be Reclassified to Profit or Loss						
Revaluation Surplus on Property, Plant and Equipment	112,088	93,122	20	112,088	93,122	20
Deferred Tax Effect on above	(33,626)	(27,937)	(20)	(33,626)	(27,937)	(20)
	78,462	**65,185**	**20**	**78,462**	**65,185**	**20**
Actuarial Gains/(Losses) on Defined Benefit Plan	1,698	(106,088)	102	1,698	(106,088)	102
Deferred Tax Effect on above	(509)	31,826	(102)	(509)	31,826	(102)
	1,189	**(74,262)**	**102**	**1,189**	**(74,262)**	**102**
Other Comprehensive Income for the Period	**49,376**	**156,052**	**(68)**	**41,219**	**158,452**	**(74)**
Total Comprehensive Income for the Period	**4,054,954**	**4,290,768**	**(5)**	**1,022,380**	**2,076,532**	**(51)**

In Rupee Thousands

Statement of Financial Position

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)	Change %
Assets			
Cash and Cash Equivalents	5,273,592	3,413,701	54
Balances with Central Bank of Sri Lanka	11,847,843	5,499,181	115
Placements with Banks	1,049,717	-	100
Reverse Repurchase Agreements	2,531,544	1,001,140	153
Derivative Financial Instruments	158,553	79,869	99
Financial Assets at Fair Value through Profit or Loss (FVPL)	2,577,568	13,107,697	(80)
Financial Assets at Amortised Cost			
-Loans and Advances	208,052,059	151,069,047	38
-Debt and Other Instruments	55,056,833	63,348,832	(13)
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	14,336,711	19,347,634	(26)
Property, Plant and Equipment	3,356,173	2,926,217	15
Right-of-Use Assets	1,488,444	1,409,786	6
Intangible Assets	391,016	328,682	19
Deferred Tax Assets	212,056	27,357	675
Other Assets	1,683,686	1,303,869	29
Total Assets	**308,015,795**	**262,863,012**	**17**
Liabilities			
Due to Banks	13,052,683	8,893,612	47
Repurchase Agreements	20,241,528	25,345,992	(20)
Derivative Financial Instruments	26,685	58,248	(54)
Financial Liabilities at Amortised Cost			
-Due to Depositors	231,039,744	191,293,162	21
-Due to Debt Securities Holders	4,998,322	1,592,971	214
Subordinated Debentures	-	872,839	(100)
Retirement Benefit Obligations	762,826	682,806	12
Current Tax Liabilities	1,419,410	1,156,336	23
Other Provisions and Accruals	804,821	1,033,202	(22)
Other Liabilities	5,279,606	5,156,066	2
Total Liabilities	**277,625,625**	**236,085,234**	**18**
Equity			
Stated Capital	3,614,253	3,614,253	-
Statutory Reserve Fund	1,394,753	1,194,474	17
Special Reserve	595,771	595,771	-
Retained Earnings	23,331,770	19,954,770	17
FVOCI Reserve	134,854	165,129	(18)
Revaluation Reserve	1,318,769	1,253,381	5
Total Equity	**30,390,170**	**26,777,778**	**13**
Total Equity and Liabilities	**308,015,795**	**262,863,012**	**17**
Commitments and Contingencies	**98,210,306**	**57,054,510**	**72**
Net Asset Value Per Share (Rs.)	**68.67**	**60.51**	**13**
Memorandum Information			
Number of Employees	1,604	1,567	
Number of Branches	88	85	

CERTIFICATION:

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007 and give a true and fair view of the state of affairs of the Pan Asia Banking Corporation PLC as at 31st December 2025 and its profit for the year then ended.

(Sgd)
M.D.J.S. Fernando
Chief Financial Officer

We, the undersigned, being the Chairman and Director/Chief Executive Officer of Pan Asia Banking Corporation PLC, certify jointly that;

(a) the above Financial 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 Financial Statements have been extracted from the Audited Financial Statements of the Bank.

(Sgd)
M.Y.A. Perera
Chairman

(Sgd)
E.M.N. Edirisinghe
Director/Chief Executive Officer

16th February 2026
Colombo

In Rupee Thousands

Statement of Changes In Equity (Audited)

	Stated Capital*		Reserves					Total
	Ordinary Voting Shares	Ordinary Non-Voting Shares	Statutory Reserve Fund	Special Reserve	Retained Earnings	FVOCI Reserve	Revaluation Reserve	
Balance as at 01/01/2024	3,614,253	-	987,738	-	16,794,390	-	1,201,270	22,597,651
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	-	4,134,716	-	-	4,134,716
Other Comprehensive Income for the Year	-	-	-	-	(74,262)	165,129	65,185	156,052
	-	**-**	**-**	**-**	**4,060,454**	**165,129**	**65,185**	**4,290,768**
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders	-	-	-	-	-	-	-	-
Final Dividend for 2023 - Cash	-	-	-	-	(110,641)	-	-	(110,641)
	-	**-**	**-**	**-**	**(110,641)**	**-**	**-**	**(110,641)**
Other Transactions								
Transfer to Statutory Reserve Fund	-	-	206,736	-	(206,736)	-	-	-
Realisation of Revaluation Reserve	-	-	-	-	13,074	-	(13,074)	-
Transfer to Special Reserve Fund	-	-	-	595,771	(595,771)	-	-	-
	-	**-**	**206,736**	**595,771**	**(789,433)**	**-**	**(13,074)**	**-**
Balance as at 31/12/2024	**3,614,253**	**-**	**1,194,474**	**595,771**	**19,954,770**	**165,129**	**1,253,381**	**26,777,778**
Balance as at 01/01/2025	3,614,253	-	1,194,474	595,771	19,954,770	165,129	1,253,381	26,777,778
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	-	4,005,578	-	-	4,005,578
Other Comprehensive Income for the Year	-	-	-	-	1,189	(30,275)	78,462	49,376
	-	**-**	**-**		**4,006,767**	**(30,275)**	**78,462**	**4,054,954**
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders	-	-	-	-	-	-	-	-
Final Dividend for 2024 - Cash	-	-	-	-	(442,562)	-	-	(442,562)
	-	**-**	**-**	**-**	**(442,562)**	**-**	**-**	**(442,562)**
Other Transctions								
Transfer to Statutory Reserve Fund	-	-	200,279	-	(200,279)	-	-	-
Realisation of Revaluation Reserve	-	-	-	-	13,074	-	(13,074)	-
	-	**-**	**200,279**	**-**	**(187,205)**	**-**	**(13,074)**	**-**
Balance as at 31/12/2025	**3,614,253**	**-**	**1,394,753**	**595,771**	**23,331,770**	**134,854**	**1,318,769**	**30,390,170**

* Number of Ordinary Shares (Voting) as at 31st December 2025 - 442,561,629

In Rupee Thousands

Statement of Cash Flows

	Current Year From 01/01/2025 To 31/12/2025 (Audited)	Previous Year From 01/01/2024 To 31/12/2024 (Audited)
Cash Flows from Operating Activities		
Profit before Tax	5,820,287	6,027,509
Adjustments for:		
Non-Cash Items included in Profit before Tax	1,304,842	(4,387,687)
Change in Operating Assets	(42,446,475)	(29,204,407)
Change in Operating Liabilities	38,892,860	38,057,763
Interest Expense on Subordinated Debentures and Other Term Borrowings	86,702	839,502
Interest Expense on Lease Liabilities	156,777	137,514
Gratuity Paid	(63,904)	(61,238)
Income Tax Paid	(1,757,494)	(1,312,229)
Net Cash Flows Generated from Operating Activities	**1,993,595**	**10,096,728**
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(514,000)	(196,418)
Proceeds from Sale of Property, Plant and Equipment	74	47
Acquisition of Intangible Assets	(168,562)	(68,783)
Net Cash Flows Used in Investing Activities	**(682,488)**	**(265,154)**
Cash Flows from Financing Activities		
Proceeds from Term Borrowings	5,000,000	-
Repayment of Subordinated Debentures	(820,000)	-
Repayment of Term Borrowings	(1,576,675)	(11,212,083)
Interest & Fees Paid on Subordinated Debentures and Other Term Borrowings	(158,024)	(941,785)
Dividend Paid	(442,562)	(110,641)
Repayment of Principal Portion of Lease Liabilities	(246,015)	(255,738)
Interest Paid on Lease Liabilities	(156,777)	(137,514)
Net Cash Flows Generated from/(Used in) Financing Activities	**1,599,947**	**(12,657,760)**
Net Increase/(Decrease) in Cash & Cash Equivalents	**2,911,054**	**(2,826,186)**
Cash and Cash Equivalents at the Beginning of the Year	3,414,202	6,240,388
Cash and Cash Equivalents at the End of the Year (Note A)	**6,325,256**	**3,414,202**

In Rupee Thousands

Note A - Cash & Cash Equivalents	**As at 31/12/2025**	**As at 31/12/2024**
Cash in Hand	3,464,686	3,109,946
Balances with Local and Foreign Banks	1,810,339	304,256
Placements with Banks	1,050,231	-
Cash & Cash Equivalents as per the Statement of Cash Flows	**6,325,256**	**3,414,202**
Less : Allowance for Expected Credit Losses	(1,948)	(501)
Cash & Cash Equivalents as per the Statement of Financial Position	**6,323,308**	**3,413,702**

In Rupee Thousands

Measurement of Financial Instruments

As at 31/12/2025 (Audited)	Financial Assets at FVPL	Financial Assets at FVOCI	Financial Assets and Liabilities at Amortised Cost	Derivative Financial Instruments at Fair Value	Total
Financial Assets					
Cash and Cash Equivalents	-	-	5,273,592	-	5,273,592
Balances with Central Bank of Sri Lanka	-	-	11,847,843	-	11,847,843
Placements with Banks	-	-	1,049,717	-	1,049,717
Reverse Repurchase Agreements	-	-	2,531,544	-	2,531,544
Derivative Financial Instruments	-	-	-	158,553	158,553
Financial Assets at Fair Value through Profit or Loss (FVPL)	2,577,568	-	-	-	2,577,568
Financial Assets at Amortised Cost - Loans and Advances	-	-	208,052,059	-	208,052,059
Financial Assets at Amortised Cost - Debt and Other Instruments	-	-	55,056,833	-	55,056,833
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	-	14,336,711	-	-	14,336,711
	2,577,568	**14,336,711**	**283,811,587**	**158,553**	**300,884,420**
Financial Liabilities					
Due to Banks	-	-	13,052,683	-	13,052,683
Repurchase Agreements	-	-	20,241,528	-	20,241,528
Derivative Financial Instruments	-	-	-	26,685	26,685
Due to Depositors	-	-	231,039,744	-	231,039,744
Due to Debt Securities Holders	-	-	4,998,322	-	4,998,322
Other Liabilities	-	-	1,915,635	-	1,915,635
	-	**-**	**271,247,912**	**26,685**	**271,274,597**

In Rupee Thousands

Measurement of Financial Instruments

As at 31/12/2024 (Audited)	Financial Assets at FVPL	Financial Assets at FVOCI	Financial Assets and Liabilities at Amortised Cost	Derivative Financial Instruments at Fair Value	Total
Financial Assets					
Cash and Cash Equivalents	-	-	3,413,701	-	3,413,701
Balances with Central Bank of Sri Lanka	-	-	5,499,181	-	5,499,181
Reverse Repurchase Agreements	-	-	1,001,140	-	1,001,140
Derivative Financial Instruments	-	-	-	79,869	79,869
Financial Assets at Fair Value through Profit or Loss (FVPL)	13,107,697	-	-	-	13,107,697
Financial Assets at Amortised Cost - Loans and Advances	-	-	151,069,047	-	151,069,047
Financial Assets at Amortised Cost - Debt and Other Instruments	-	-	63,348,832	-	63,348,832
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	-	19,347,634	-	-	19,347,634
	13,107,697	**19,347,634**	**224,331,900**	**79,869**	**256,867,101**
Financial Liabilities					
Due to Banks	-	-	8,893,612	-	8,893,612
Repurchase Agreements	-	-	25,345,992	-	25,345,992
Derivative Financial Instruments	-	-	-	58,248	58,248
Due to Depositors	-	-	191,293,162	-	191,293,162
Due to Debt Securities Holders	-	-	1,592,971	-	1,592,971
Subordinated Debentures	-	-	872,839	-	872,839
Other Liabilities	-	-	1,719,278	-	1,719,278
	-	**-**	**229,717,854**	**58,248**	**229,776,102**

Notes to the Financial Statements

1. Analysis of Loans and Advances and Impairment

1.1 Stage Wise Impairment on Loans and Advances

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Gross Loans and Advances (Note 1.2)	217,123,936	160,885,702
Less: Accumulated Impairment under Stage 1 (Note 1.3)	(1,688,770)	(1,144,168)
Accumulated Impairment under Stage 2 (Note 1.3)	(648,216)	(565,977)
Accumulated Impairment under Stage 3 (Note 1.3)	(6,734,891)	(8,106,510)
Net Loans and Advances	**208,052,059**	**151,069,047**

1.2 Loans and Advances - By Product

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Domestic Currency		
Term Loans	129,082,571	103,733,249
Overdraft	21,528,201	15,490,520
Trade Finance	2,351,518	852,883
Lease Rentals Receivable	17,974,833	11,386,967
Pawning and Gold Loans	21,155,350	14,739,176
Credit Cards	5,109,038	4,774,041
Others	1,887,102	1,600,150
Sub Total	**199,088,613**	**152,576,986**
Foreign Currency		
Term Loans	16,630,251	7,134,719
Overdraft	20,091	175,866
Trade Finance	1,384,981	998,131
Sub Total	**18,035,323**	**8,308,716**
Total	**217,123,936**	**160,885,702**

1.3 Movement of Impairment During the Year - Loans and Advances

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Under Stage 1		
Opening Balance as at 1st January	1,144,168	981,329
Charge/(Reversal) to Income Statement	544,602	162,839
Closing Balance as at 31st December	**1,688,770**	**1,144,168**
Under Stage 2		
Opening Balance as at 1st January	565,977	1,672,898
Charge/(Reversal) to Income Statement	82,239	(1,106,921)
Closing Balance as at 31st December	**648,216**	**565,977**
Under Stage 3		
Opening Balance as at 1st January	8,106,510	5,935,417
Charge/(Reversal) to Income Statement	(122,226)	2,183,493
Net Write-off During the Year	(1,249,394)	(12,400)
Closing Balance as at 31st December	**6,734,891**	**8,106,510**
Total Impairment - Closing Balance as at 31st December	**9,071,877**	**9,816,655**

Notes to the Financial Statements

2. Analysis of Commitments and Contingencies

2.1 Stage Wise Impairment on Commitments and Contingencies

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Gross Commitments and Contingencies	98,210,306	57,054,510
Less: Accumulated Impairment under Stage 1 (Note 3)	(151,869)	(125,010)
	98,058,437	**56,929,500**

2.2 Commitments and Contingencies - By Product

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Domestic Currency		
Guarantees	5,434,179	4,986,332
Documentary Credit	15,596	47,139
Currency Swaps	30,035,106	15,929,562
Undrawn Credit Commitments	15,173,311	12,818,575
Sub Total	**50,658,192**	**33,781,608**
Foreign Currency		
Guarantees	230,966	153,886
Documentary Credit	5,809,230	2,412,204
Currency Swaps	41,390,300	20,333,283
Undrawn Credit Commitments	121,618	373,529
Sub Total	**47,552,114**	**23,272,902**
Total	**98,210,306**	**57,054,510**

3. Movement of Impairment During the Year - Other Financial Instruments

In Rupee Thousands

	Cash & Cash Equivalents	Placements with Banks	Debt & Other Instruments	Documentary Credit	Financial Guarantees	Total
Opening Balance as at 01/01/2024	2,235	-	6,396,629	29,716	79,623	**6,508,203**
Charge/(Reversal) to Income Statement	(1,734)	-	(6,314,562)	14,142	1,529	**(6,300,625)**
Closing Balance as at 31/12/2024 (Audited)	**501**	**-**	**82,067**	**43,858**	**81,152**	**207,578**
Opening Balance as at 01/01/2025	501	-	82,067	43,858	81,152	**207,578**
Charge/(Reversal) to Income Statement	932	514	(12,113)	32,794	(5,935)	**16,192**
Closing Balance as at 31/12/2025 (Audited)	**1,433**	**514**	**69,954**	**76,652**	**75,217**	**223,770**

3.1 Impairment provisions on 'Debt and Other Instruments' include provisions made on foreign currency denominated debt instruments of the Government of Sri Lanka.

4. Analysis of Deposits - By Product

In Rupee Thousands

	As at 31/12/2025 (Audited)	As at 31/12/2024 (Audited)
Domestic Currency		
Demand Deposits	7,855,505	7,929,179
Savings Deposits	33,773,916	28,771,574
Fixed Deposits	151,226,263	132,816,223
Certificates of Deposits	289,999	699,043
Margin Deposits	1,561,082	200,119
Sub Total	**194,706,765**	**170,416,138**
Foreign Currency		
Demand Deposits	934,730	572,904
Savings Deposits	4,049,438	3,577,667
Fixed Deposits	31,286,865	16,642,791
Margin Deposits	61,946	83,662
Sub Total	**36,332,979**	**20,877,024**
Total	**231,039,744**	**191,293,162**

5. Fair Value of Financial Instruments

5.1 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. The most frequently applied valuation techniques include forward exchange spot and forward premiums.

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

FVOCI financial assets primarily consist of unquoted equity securities and government securities. Government securities are valued using the published yield curves while unquoted equity securities are valued using prices of similar assets in quoted market prices in the active markets as at the reporting date.

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

FVPL financial assets measured at fair value are the government securities and units trust securities. Sri Lanka government securities are valued using yield curves published by the Central Bank of Sri Lanka. The Bank uses net asset values of units as at the reporting date as the market value of units.

(d) Property, Plant & Equipment

Freehold land and buildings are carried at revalued amount, being their fair value at the revaluation date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

5.2 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.

Also, the Bank has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments/assets during the year 2025. Further, there are no material changes in the fair value of financial assets categorised under Level 3, compared to the values reported as at 31st December 2024.

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.

				In Rupee Thousands
As at 31st December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	158,553	-	158,553
Financial Assets at FVPL				
- Sri Lanka Government Rupee Securities - Treasury Bills and Bonds	2,577,568	-	-	2,577,568
Financial Assets at FVOCI				
- Sri Lanka Government Rupee Securities - Treasury Bills and Bonds	14,332,959	-	-	14,332,959
- Equities - Unquoted	-	3,752	-	3,752
Total	**16,910,526**	**162,306**	**-**	**17,072,832**
Non-Financial Assets				
Land - Revalued	-	-	1,725,000	1,725,000
Building - Revalued	-	-	686,000	686,000
Total	**-**	**-**	**2,411,000**	**2,411,000**
Financial Liabilities				
Derivative Financial Instruments	-	26,685	-	26,685
Total	**-**	**26,685**	**-**	**26,685**

				In Rupee Thousands
As at 31st December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	79,869	-	79,869
Financial Assets at FVPL				
- Sri Lanka Government Rupee Securities - Treasury Bills and Bonds	13,107,697	-	-	13,107,697
Financial Assets at FVOCI				
- Sri Lanka Government Rupee Securities - Treasury Bills and Bonds	19,343,882	-	-	19,343,882
- Equities - Unquoted	-	3,752	-	3,752
Total	**32,451,579**	**83,621**	**-**	**32,535,200**
Non-Financial Assets				
Land - Revalued	-	-	1,665,000	1,665,000
Building - Revalued	-	-	664,000	664,000
Total	**-**	**-**	**2,329,000**	**2,329,000**
Financial Liabilities				
Derivative Financial Instruments	-	58,248	-	58,248
Total	**-**	**58,248**	**-**	**58,248**

There were no transfers between Level 1, Level 2 and Level 3 during the year 2025 and 2024.

5.3 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 value approximates their fair values. This assumption is applied for Cash and Cash Equivalents, Balances with Central Bank of Sri Lanka, Placements with Banks and Reverse Repurchased Agreements. This assumption is also applied to Call Money Borrowings, Balances with Foreign Banks, Repurchase Agreements, Demand Deposits, Margin Deposits, Savings Accounts without a specific maturity, floating rate instruments and fixed rate instrumemts 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.

Set out below is a comparison, by class, of the carrying value and fair value 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.

In Rupee Thousands

As at 31st December	2025					2024				
	Carrying Value	Fair Value				Carrying Value	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial Assets										
Cash and Cash Equivalents	5,273,592	-	5,273,592	-	5,273,592	3,413,701	-	3,413,701	-	3,413,701
Balances with Central Bank of Sri Lanka	11,847,843	-	11,847,843	-	11,847,843	5,499,181	-	5,499,181	-	5,499,181
Placements with Banks	1,049,717	-	1,049,717	-	1,049,717	-	-	-	-	-
Reverse Repurchase Agreements	2,531,544	-	2,531,544	-	2,531,544	1,001,140	-	1,001,140	-	1,001,140
Loans and Advances - at Amortised Cost	208,052,059	-	208,328,645	-	208,328,645	151,069,047	-	151,313,288	-	151,313,288
Debt and Other Instruments - at Amortised Cost	55,056,833	46,789,805	8,762,954	-	55,552,759	63,348,832	55,473,667	8,993,370	-	64,467,037
	283,811,588	**46,789,805**	**237,794,295**	**-**	**284,584,100**	**224,331,901**	**55,473,667**	**170,220,680**	**-**	**225,694,347**
Financial Liabilities										
Due to Banks	13,052,683	-	13,052,683	-	13,052,683	8,893,612	-	8,893,612	-	8,893,612
Repurchase Agreements	20,241,528	-	20,241,528	-	20,241,528	25,345,992	-	25,345,992	-	25,345,992
Due to Depositors - at Amortised Cost	231,039,744	-	233,652,801	-	233,652,801	191,293,162	-	195,009,495	-	195,009,495
Due to Debt Securities Holders - at Amortised Cost	4,998,322	-	4,998,322	-	4,998,322	1,592,971	-	1,592,971	-	1,592,971
Subordinated Debentures	-	-	-	-	-	872,839	-	872,839	-	872,839
Other Liabilities	1,915,635	-	1,918,545	-	1,918,545	1,719,278	-	1,738,523	-	1,738,523
	271,247,912	**-**	**273,863,879**	**-**	**273,863,879**	**229,717,854**	**-**	**233,453,432**	**-**	**233,453,432**

6 **Segment Reporting**

For the Year ended 31st December	Retail & SME Banking	Corporate Banking	Treasury	Total
				In Rupee Thousands
	2025			
Gross Income				
Third Party	21,743,124	3,204,551	9,097,679	34,045,354
Inter-Segment	6,001,099	(1,347,413)	(4,653,686)	-
Total Income	**27,744,223**	**1,857,138**	**4,443,992**	**34,045,354**
Extract of Results				
Interest Income	19,164,386	3,035,583	8,503,467	30,703,436
Less: Interest Expense	14,479,523	1,207,693	2,268,348	17,955,564
Inter - Segment	6,001,099	(1,347,413)	(4,653,686)	-
Net Interest Income	**10,685,962**	**480,478**	**1,581,434**	**12,747,872**
Fees and Commission Income	2,481,094	127,711	(792)	2,608,013
Less: Fees and Commission Expenses	46,205	-	45,963	92,168
Net Fee and Commission Income	**2,434,889**	**127,711**	**(46,755)**	**2,515,845**
Net Gains from Trading	-	-	508,386	508,386
Net Fair Value Losses from Financial Assets at FVPL	-	-	(51,774)	(51,774)
Net Gains from Derecognition of Financial Assets at FVOCI	-	-	278,634	278,634
Net Other Operating Gains/(Losses)	97,644	41,258	(140,243)	(1,341)
Total Operating Income	**13,218,497**	**649,447**	**2,129,682**	**15,997,621**
Less: Impairment Charges/(Reversals)	(555,745)	24,271	10,667	(520,807)
Net Operating Income	**12,662,752**	**673,718**	**2,140,349**	**15,476,814**
Less: Depreciation and Amortisation Expenses	626,013	588	4,638	631,239
Less: Total Operating Expenses	4,758,602	114,009	182,828	5,055,439
Segment Result	**7,278,137**	**559,121**	**1,952,883**	**9,790,136**
Less: Un-allocated Expenses				2,142,851
Operating Profit before Taxes on Financial Services				**7,647,285**
Less: Taxes and Levies on Financial Services				1,826,999
Profit before Tax				**5,820,287**
Less: Income Tax Expense				1,814,709
Profit for the Year				**4,005,578**
Other Comprehensive Income for the Year				**49,376**
Total Comprehensive Income for the Year				**4,054,954**
Capital Expenditure				
Property, Plant and Equipment	513,972	28	-	514,000
Intangible Assets	163,138	-	5,424	168,562
As at 31st December				
Segment Assets	167,919,959	45,315,560	87,315,656	300,551,175
Unallocated Assets	-	-	-	7,464,620
Total Assets	**167,919,959**	**45,315,560**	**87,315,656**	**308,015,795**
Segment Liabilities	212,084,339	26,487,873	30,786,748	269,358,960
Unallocated Liabilities and Equity	-	-	-	38,656,835
Total Liabilities and Equity	**212,084,339**	**26,487,873**	**30,786,748**	**308,015,795**

6 Segment Reporting

For the Year ended 31st December	Retail & SME Banking	Corporate Banking	Treasury	Total
				In Rupee Thousands
	2024			
Gross Income				
Third Party	19,993,661	2,229,868	6,608,069	28,831,598
Inter-Segment	6,711,606	(758,053)	(5,953,553)	-
Total Income	**26,705,267**	**1,471,815**	**654,516**	**28,831,598**
Extract of Results				
Interest Income	18,220,877	2,191,544	10,369,304	30,781,725
Less: Interest Expense	15,433,804	979,381	2,232,798	18,645,983
Inter - Segment	6,711,606	(758,053)	(5,953,553)	-
Net Interest Income	**9,498,679**	**454,110**	**2,182,954**	**12,135,742**
Fees and Commission Income	1,801,525	105,200	-	1,906,725
Less: Fees and Commission Expenses	24,292	32	45,255	69,579
Net Fee and Commission Income	**1,777,233**	**105,168**	**(45,255)**	**1,837,146**
Net Gains from Trading	-	-	753,368	753,368
Net Fair Value Losses from Financial Assets at FVPL	-	-	(70,282)	(70,282)
Net Gains from Derecognition of Financial Assets at FVOCI	-	-	23,609	23,609
Net Other Operating Losses	(28,740)	(66,876)	(767,565)	(863,181)
Total Operating Income	**11,247,172**	**492,402**	**2,076,830**	**13,816,402**
Less: Net Losses on Derecognition of Sri Lanka International Sovereign Bonds	-	-	3,700,366	3,700,366
Less: Impairment Charges/(Reversals)	660,619	594,464	(6,316,296)	(5,061,213)
Net Operating Income/(Losses)	**10,586,554**	**(102,062)**	**4,692,760**	**15,177,249**
Less: Depreciation and Amortisation Expenses	535,909	201	4,099	540,209
Less: Total Operating Expenses	4,202,994	98,954	143,348	4,445,296
Segment Result	**5,847,650**	**(201,217)**	**4,545,313**	**10,191,743**
Less: Un-allocated Expenses				2,293,502
Operating Profit before Taxes on Financial Services				**7,898,241**
Less: Taxes and Levies on Financial Services				1,870,732
Profit before Tax				**6,027,509**
Less: Income Tax Expense				1,892,793
Profit for the Year				**4,134,716**
Other Comprehensive Income for the Year				156,052
Total Comprehensive Income for the Year				**4,290,768**
Capital Expenditure				
Property, Plant and Equipment	196,405	13	-	196,418
Intangible Assets	68,783	-	-	68,783
As at 31st December				
Segment Assets	130,736,419	24,950,026	97,232,462	252,918,907
Unallocated Assets	-	-	-	9,944,105
Total Assets	**130,736,419**	**24,950,026**	**97,232,462**	**262,863,012**
Segment Liabilities	165,886,705	28,094,857	34,075,262	228,056,824
Unallocated Liabilities and Equity	-	-	-	34,806,188
Total Liabilities and Equity	**165,886,705**	**28,094,857**	**34,075,262**	**262,863,012**

Selected Performance Indicators (As per Regulatory Reporting)		
	Bank	
	Current Year As at 31/12/2025	Previous Year As at 31/12/2024
Regulatory Capital Adequacy (LKR '000)		
Common Equity Tier I (CET I) Capital before Adjustments	27,981,343	24,435,528
Common Equity Tier I (CET I) Capital after Adjustments	27,378,270	24,079,489
Total Tier 1 Capital	27,378,270	24,079,489
Total Capital	30,024,080	26,348,045
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	16.66%	19.17%
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	16.66%	19.17%
Total Capital Ratio (Minimum Requirement - 12.5%)	18.27%	20.98%
Leverage Ratio (%)		
Leverage Ratio (%) (Minimum Requirement - 3%)	8.74%	8.18%
Asset Quality (%)		
Stage 3 Loans (Impaired Loans) to Total Loans*	1.73%	3.10%
Stage 3 Loan Impairment to Stage 3 Loans (Stage 3 Provision Cover)*	62.63%	60.10%
Income & Profitability (%)		
Interest Margin, %	4.55%	4.93%
Return on Assets (Before Tax), %	2.08%	2.45%
Return on Equity, %	14.09%	17.30%
Cost to Income Ratio (%)	48.94%	52.68%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)		
Rupee (%)	204.90%	264.10%
All Currency (%)	154.97%	344.37%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	128.52%	153.44%
Memorandum Information		
Credit Rating (Fitch Ratings)	BBB(lka) Stable Outlook	BBB-(lka) Stable Outlook
Number of Employees	1,604	1,567
Number of Branches	88	85

* Impaired loans (Stage 3) and total loans shall include total outstanding amount of on-balance sheet credit facilities and their respective undrawn amounts.

EXPLANATORY NOTES

1. The figures are extracted from the Annual Audited Financial Statements of the Bank for the year ended 31st December 2025. External Auditors of the Bank, M/s Ernst & Young carried out an audit for the year ended 31st December 2025 and expressed an unqualified opinion on the Financial Statements of the Bank for the year ended 31st December 2025. Where required, figures on the Annual Audited Financial Statements have been reclassified to conform to the Central Bank of Sri Lanka publication requirements.

2. These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rule 7.4 of the Colombo Stock Exchange.

3. There are no significant changes in accounting policies and methods of computation since the publication of Annual Audited Financial Statements of the Bank for the year 2024.

4. There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through issue of shares and debentures.

5. All known expenses have been provided for in these Financial Statements.

6. The presentation and classification of previous year figures have been amended for better presentation and to be comparable with those of the current year.

7. **Impact of Recent Cyclonic and Flood Disasters**

A severe tropical cyclone, 'Ditwah', affected Sri Lanka during late November to early December 2025, bringing exceptionally heavy rainfall that resulted in widespread flooding and landslides. The event caused extensive damage to public and private infrastructure across the country, particularly in the highland districts of Kandy, Badulla, Nuwara Eliya and surrounding areas. The cyclone disrupted economic activity across multiple sectors, including transportation, utilities, tourism and agriculture, exacerbating pressure and uncertainty in the domestic economy, which was still recovering from the recent economic crisis. It also adversely affected Sri Lanka's economic outlook for 2026, with projected GDP growth slowing due to reduced productive capacity, supply chain disruptions, lower consumer confidence and increased reconstruction and rehabilitation costs.

The Bank experienced limited but notable direct financial impacts arising from climate related physical risks associated with the cyclonic and flood events, together with indirect impacts on customers and counterparties operating in affected regions and industries. In response, the Bank implemented its business continuity measures and assessed the operational, financial and risk management implications arising from these events. The conditions resulting from the cyclonic and flood events existed as at the reporting date and, where applicable, the related financial effects have been recognised in these Financial Statements. In line with Central Bank of Sri Lanka Circular No. 04 of 2025, the Bank extended relief measures to affected individuals and businesses, including moratoriums and restructuring facilities, subject to eligibility criteria, and the impact of such measures has been reflected in the measurement of financial assets where material.

The management has made various estimates and exercised significant judgements where appropriate in these Financial Statements on forecasts of climate related changes/risks and the impact of cyclone 'Ditwah' and related floods, which reflect expectations and assumptions at the year-end about future events that the Board of Directors believes are reasonable in the circumstances. These judgements are based on information available as of 31 December 2025. The underlying assumptions are also subject to uncertainties which are often outside the control of the Bank. Accordingly, the actual results are likely to be different from those forecasts since anticipated events frequently do not occur as expected and the effect of those differences may significantly impact accounting estimates included in these Financial Statements. The estimates and underlying assumptions are reviewed on an on-going basis and revisions to estimates are recognised prospectively. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement and assessment of recoverable amounts of non-financial assets.

8. **Events after the Reporting Date**

There are no material events that took place after the Statement of Financial Position date which require adjustement to or disclosures in these Financial Statements except for the following:

8.1 Dividends Declared

The Board of Directors has declared a first and final cash dividend of Rs. 1 per share for the financial year ended 31st December 2025 subject to the approval of the shareholders at the Annual General Meeting to be held on 31st March 2026.

8.2 Regulatory Update on Primary Dealer Appointment

Subsequent to the reporting date, the Governing Board of the Central Bank of Sri Lanka, by letter dated 27th January 2026, informed the Bank of the cancellation of its appointment to function as a Primary Dealer, with effect from 23rd October 2025. The Bank's Primary Dealer activities had been suspended since 15th August 2017 and were not operational during the reporting period. Accordingly, the Primary Dealer business does not constitute a core business activity of the Bank.

The cancellation of the Primary Dealer appointment does not affect the Bank's operations as a Licensed Commercial Bank under the Banking Act, nor does it have an impact on the Bank's customers, financial position, liquidity, capital adequacy, or future business strategy. The Bank continues to conduct its permitted activities, including trading in the secondary government securities market, in accordance with applicable laws and regulations.

9. **Ratios**

	31/12/2025
Debt to Equity (Times)	0.16
Interest Cover (Times)	68.13
Dividend Per Share (Rs.)	1.00

10. **Market Price of Ordinary Shares**

Market Price Per Share	31/12/2025 (Rs.)		31/12/2024 (Rs.)	
	Voting	Non-Voting	Voting	Non-Voting
Last Traded Price	59.90	-	35.00	-
Highest Price for the Quarter	71.40	-	35.40	-
Lowest Price for the Quarter	55.10	-	21.60	-

Shareholders' Information

Major Shareholders as at 31st December 2025

No	Name	No. of Shares	%
1	K. D. D. Perera	132,724,230	29.99
2	Bansei Securities Co., Ltd.	44,256,164	10.00
3	K. D. H. Perera	23,305,998	5.27
4	P. J. Tay	21,917,994	4.95
5	K. D. A. Perera	19,200,000	4.34
6	Department of Samurdhi Development	11,114,376	2.51
7	National Savings Bank	7,000,000	1.58
8	HNB Investment Bank (Private) Limited/ Mr. Elayathamby Thavagnanasooriyam & Mr. Elayathamby Thavagnana Sundram	6,737,591	1.52
9	Imminent Technologies Private Limited	6,237,697	1.41
10	Sampath Bank PLC/ J. N. Lanka Holdings Company (Private) Limited	4,639,050	1.05
11	Seylan Bank PLC/ Jn Lanka Holdings Company (Private) Limited	4,563,234	1.03
12	Sampath Bank PLCc/ Andaradeniya Estate Private Limited	4,001,095	0.91
13	Assetline Finance Limited/ E.Thawagnasundaram	3,977,316	0.90
14	Assetline Finance Limited/ S.K.Wijekoon	3,682,626	0.83
15	Hatton National Bank PLC/Jn Lanka Holdings Company (Private) Limited	3,000,000	0.68
16	G. B. D. Thilakaratne	2,611,517	0.59
17	Sampath Bank PLC/ Gerard Shamil Niranjan Peiris & Indrani Roshani Peiris	2,400,000	0.54
18	Commercial Bank Of Ceylon PLC/ W. Jinadasa	2,378,000	0.54
19	Sri Lanka Insurance Corporation General Limited	2,287,044	0.52
20	Senkadagala Finance PLC/ E. Thawagnasundaram	2,278,306	0.51
		308,312,238	**69.67**
	Others	**134,249,391**	**30.33**
	Total	**442,561,629**	**100.00**

Public holding as at 31st December 2025 was 60.01% in the hands of 11,523 public shareholders.

Float Adjusted Market Capitalisation as at 31st December 2025 was Rs.15,908,315,890/- and the Bank complies with Option No. 01.

Directors' and Chief Executive Officer's Holding in Shares as at 31st December 2025

No	Name of Director	No. of Shares
1	M. Y. A. Perera	-
2	B. D. A. Perera	-
3	S. A. Walgama	-
4	A. A. K. Amarasinghe	-
5	K. A. M. K. Ranasinghe	-
6	M. D. D. D. Perera	-
7	A. Goonesekere	-
8	E. M. N. Edirisinghe	1,950