PAN ASIA BANK
The Truly Sri Lankan Bank

PAN ASIA BANKING CORPORATION PLC

INTERIM FINANCIAL STATEMENTS

For the nine months ended 30th September 2026

Company Registration No: PQ 48

PRESS RELEASE

PAN ASIA BANK DELIVERS A PAT OF RS. 3.59 BILLION AS TOTAL ASSETS GROW 22% TO NEARLY RS. 375 BILLION IN 9M 2026

Financial Performance

- Net Interest Income - Rs. 10.68 billion (+12%)
- Net Fee and Commission Income - Rs. 2.18 billion (+17%)
- Operating Profit before Taxes on Financial Services - Rs. 6.24 billion (+ 9%)
- Profit after Tax (PAT) – Rs. 3.59 billion (+19)
- Earnings per Share - Rs. 8.12 (+19%)
- Profitability Ratios: NIM-4.16%, ROA (Before Tax) -1.83%, ROE-15.25%

Balance Sheet Growth

- Total Assets increased by Rs. 66.43 billion (+22%) to Rs. 374.45 billion.
- Loans and Advances (net) grew by Rs. 35.40 billion (+17%) to Rs. 243.45 billion.
- Customer Deposits expanded by Rs. 43.85 billion (+19%) to Rs. 274.89 billion.

Credit Quality

- Stage 3 Loans to Total Loans (Gross) ratio improved from 4.62% to 3.67%.
- Stage 3 Loans to Total Loans (Net) ratio improved from 1.73% to 1.44%.
- Stage 3 provision coverage remained strong at 60.87%, reflecting prudent provisioning and credit risk management.

Capital and Liquidity Position

- The Bank remains well capitalised and liquid;
  - CET1 Ratio: 14.34% *(Regulatory Minimum - 7%)*
  - Tier 1 Ratio: 14.34% *(Regulatory Minimum - 8.50%)*
  - Total Capital Ratio: 15.67% *(Regulatory Minimum - 12.50%)*
  - Leverage Ratio: 7.54% *(Regulatory Minimum - 3%)*
  - Liquidity Coverage Ratio (All Currency): 138.98% *(Regulatory minimum- 100%)*
  - Liquidity Coverage Ratio (Rupee): 138.92% *(Regulatory Minimum - 100%)*
  - Net Stable Funding Ratio: 119.14% *(Regulatory Minimum - 100%)*

Financial Performance Summary

Pan Asia Banking Corporation PLC delivered a strong financial performance for the nine months ended 30 September 2026, recording a Profit After Tax of Rs. 3.59 billion, reflecting the strength of its core banking franchise, disciplined execution of its growth strategy, and continued focus on sustainable value creation. The Bank achieved healthy growth across its key business segments while maintaining a prudent approach to risk management and capital preservation.

The Bank's performance was underpinned by broad-based growth in both fund-based and fee-based income streams, supported by expanding customer relationships, increased business volumes, and a diversified revenue base. Continued investments in business development, digital capabilities, and operational enhancements strengthened the Bank's ability to capitalize on growth opportunities while delivering an enhanced customer experience.

The period also witnessed significant progress in strengthening the Bank's balance sheet. Strong growth in assets, loans, and deposits was complemented by improving asset quality, low impairment levels, and capital and liquidity ratios maintained comfortably above regulatory requirements. These achievements reinforce Pan Asia Bank's financial resilience and position the Bank strongly to pursue sustainable growth while delivering long-term value to shareholders and other stakeholders.

Income Performance

For the nine months ended 30 September 2026, Pan Asia Bank reported a commendable 26% year-on-year growth in interest income to Rs. 28.62 billion, driven by continued expansion of its lending portfolio and improved asset yields. This performance reflects the Bank’s strategic emphasis on strengthening its Corporate and Business Banking franchises during the latter part of the previous year, creating a solid platform for sustainable credit growth and enhanced customer engagement.

Interest expense increased by 37% to Rs. 17.94 billion, primarily due to the expansion of the deposit base and borrowings during the period. Consequently, Net Interest Income (NII) increased by 12% to Rs. 10.68 billion. The Bank's Net Interest Margin (NIM) moderated to 4.16% from 4.55% in the corresponding period of 2025, reflecting the combined impact of balance sheet growth, funding cost dynamics and the timing differences in the repricing of assets and liabilities.

Demonstrating the strength of its diversified revenue base, net fee and commission income grew by 17% to Rs. 2.18 billion. The growth was supported by the expansion of the Bank’s lending portfolio, higher transaction volumes across key business segments, increased customer card utilization and continued momentum in trade-related business activities. Trade finance, card-related services and lending-related fees remained key contributors to the Bank’s non-funded income performance.

Meanwhile, net gains from trading and gains from the derecognition of financial assets measured at FVOCI recorded declines of 13% and 74% respectively compared to the corresponding period of the

previous year. This was mainly attributable to the upward movement in Treasury bill and Treasury bond yields during the period, which reduced market valuations of fixed-income securities and consequently lowered mark-to-market and realization gains.

Despite these market-driven challenges, Pan Asia Bank continued to demonstrate the resilience of its business model and earnings capacity, delivering a 7% increase in total operating income to Rs. 12.93 billion. The Bank's performance reflects the effectiveness of its balanced growth strategy, supported by a healthy mix of fund-based and fee-based income streams, while remaining well-positioned to navigate an evolving operating environment and capitalize on future growth opportunities.

Asset Quality and Impairment Expenses

Pan Asia Bank maintained a prudent and forward-looking approach to credit risk management during the nine months ended 30 September 2026, while continuing to strengthen the quality of its loan portfolio. The Bank benefited from improving macroeconomic conditions, favourable movements in forward-looking economic factors incorporated into its Expected Credit Loss (ECL) framework, and the positive impact of strengthened credit underwriting and portfolio monitoring practices implemented over recent years.

As a result, impairment charges remained low during the period despite continued growth in the lending portfolio. The Bank's disciplined credit risk management framework, proactive monitoring of borrower performance, and focused recovery initiatives contributed to an improvement in portfolio quality and a reduction in non-performing exposures.

The impairment outcome for the period was further supported by enhancements to the Bank's credit risk assessment methodologies and refinements to key ECL model parameters, including Probability of Default (PD) and Loss Given Default (LGD) assumptions, implemented following independent model validation reviews. These enhancements strengthened the accuracy and risk sensitivity of the Bank's impairment assessment process while ensuring prudent provisioning levels.

Reflecting these improvements, the Gross Stage 3 Loan Ratio improved to 3.67% from 4.62%, while the Net Stage 3 Loan Ratio improved to 1.44% from 1.73% at end-2025. The reduction in Stage 3 exposures, together with improvements in risk assessment methodologies and a more favourable operating environment, contributed to a lower impairment burden during the period.

The Stage 3 Provision Coverage Ratio stood at 60.87% as at 30 September 2026. The Bank continues to maintain prudent provisioning buffers and a conservative approach to risk management, supporting balance sheet resilience and positioning the Bank to navigate evolving economic conditions while pursuing sustainable growth.

Operational Efficiency

During the nine months ended 30 September 2026, Pan Asia Bank continued to invest strategically in strengthening its technology capabilities, digital infrastructure, and business platforms to support long-term growth and elevate customer experience. As a result, operating expenses increased by 14% compared to the corresponding period of the previous year.

Consequently, the Bank's Cost-to-Income Ratio stood at 51.49%, compared to 48.94% recorded during the preceding period. The increase reflects the Bank's deliberate investments in future-ready capabilities aimed at enhancing operational agility, digital service delivery, and business scalability.

Despite these investments, Pan Asia Bank remained focused on driving operational excellence through process improvements, automation initiatives, and the wider adoption of digital channels. These measures contributed to greater operational efficiency, improved productivity, and enhanced business resilience, enabling the Bank to effectively support growing customer volumes while creating sustainable long-term value for all stakeholders.

Taxation

Taxes and levies on financial services increased by 11% during the period, reflecting the Bank's improved operating profitability and continued business growth. Despite the increase in operating profit, income tax expense declined compared to the corresponding period of the previous year, primarily due to the reversal of excess income tax provisions relating to prior years.

The Bank remains committed to maintaining robust tax governance and compliance standards, supported by prudent tax planning and proactive engagement with regulatory authorities. This disciplined approach continues to reinforce a transparent, sustainable, and well-governed tax position while supporting long-term value creation for stakeholders.

Profitability and Returns

Pan Asia Bank delivered a strong financial performance during the nine months ended 30 September 2026, with Profit After Tax increasing by 19% year-on-year, underscoring the strength of the Bank's core business operations and earnings resilience. The growth was supported by healthy expansion in both fund-based and non-fund-based income streams, reflecting the Bank's ability to capitalize on business opportunities across its key operating segments.

The Bank maintained a healthy Net Interest Margin through prudent balance sheet management, optimized asset-liability positioning, and a stable funding base. This enabled the Bank to sustain strong earnings momentum despite prevailing market challenges and evolving economic conditions.

Key profitability indicators remained robust, with Return on Equity (ROE) and Return on Assets (ROA) reflecting the strength of the Bank's core income generation capabilities, improved asset quality, and disciplined execution of its strategic priorities. Continued focus on operational efficiency, cost discipline, and productivity enhancements further contributed to the Bank's overall financial performance.

Supported by a resilient business model, a diversified revenue base, and a strong capital and funding position, Pan Asia Bank remains well-positioned to sustain its growth trajectory and deliver long-term value to all stakeholders while navigating the evolving macroeconomic landscape.

Other Comprehensive Income

Fair value losses were recorded on government securities classified under FVOCI, mainly Rupee Treasury Bills and Treasury Bonds, due to increases in market interest rates during the period. These are mark-to-market adjustments arising from yield movements and do not impact the Bank's underlying earnings performance.

Balance Sheet Growth

Pan Asia Bank continued its strong growth trajectory during the nine months ended 30 September 2026, with total assets increasing by 22% during the 9 months ended 30th September 2026 to Rs. 374.45 billion, reflecting sustained business momentum and the successful execution of the Bank's growth strategy.

The Bank's gross loans and advances portfolio expanded by 16% to Rs. 251.94 billion, supported by healthy credit demand across the Corporate, SME, and Retail Banking segments. This growth was driven by the Bank's customer-centric approach, targeted sectoral focus, and prudent credit underwriting practices, enabling it to deepen customer relationships while maintaining sound asset quality.

Customer deposits recorded a robust growth of 19% year-on-year to Rs. 274.89 billion as at 30 September 2026, reaffirming the confidence and trust placed in the Bank by its customers. The growth was broad-based across the deposit portfolio, with strong contributions from both term deposits and low-cost CASA balances, further strengthening the Bank's funding franchise and liquidity profile.

The expansion of the balance sheet was complemented by the maintenance of strong liquidity buffers, supported by healthy cash reserves and continued growth in both local and foreign currency deposit bases. These factors reinforced the Bank's funding stability and provided a solid foundation to support future business expansion.

The consistent growth in assets, advances, and deposits highlights the strength of Pan Asia Bank's business model, the resilience of its customer franchise, and its ability to deliver sustainable growth while maintaining a strong balance sheet and prudent risk management framework. The Bank remains well-positioned to capitalize on emerging opportunities and create long-term value for its stakeholders.

Capital and Liquidity

The Bank maintained a strong capital and liquidity position during the period, with all regulatory ratios remaining comfortably above minimum requirements. Capital adequacy remained robust, with a Common Equity Tier 1 (CET1) Ratio and Tier 1 Ratio of 14.34%, and a Total Capital Ratio of 15.67%, providing a solid buffer to support growth while maintaining prudent risk coverage.

Liquidity indicators continued to demonstrate resilience, reflecting effective balance sheet management and a stable funding profile. The Liquidity Coverage Ratio (LCR) stood well above regulatory thresholds,

with the Rupee LCR at 138.92% and the All Currency LCR at 138.98%, while the Net Stable Funding Ratio (NSFR) remained strong at 119.14%.

The Bank's Leverage Ratio of 7.54% further underscores its balance sheet strength, reinforcing overall financial resilience and providing capacity to sustain future expansion in a disciplined manner.

Chairman's and CEO's Statements

Commenting on the Bank's performance for the nine months of 2026, Chairman B. D. A. Perera stated:

"The Bank's performance during the first nine months of 2026 reflects the strength of its governance framework, disciplined strategic direction, and sound financial stewardship. The continued growth of the Bank, with total assets approaching Rs. 375 billion, demonstrates the resilience of our business model and our commitment to creating sustainable value for shareholders."

"The Board is encouraged by the Bank's strong earnings performance, improving asset quality, and robust capital and liquidity positions, which provide a solid foundation for long-term growth and resilience. As custodians of shareholder interests, we remain committed to prudent oversight, responsible capital management, and maintaining the highest standards of governance."

"On behalf of the Board, I thank our shareholders for their continued confidence, our customers for their trust, and our management team and employees for their dedication. We remain confident in the Bank's ability to deliver sustainable growth and attractive long-term returns to shareholders."

Director/CEO Naleen Edirisinghe commented on the Bank's financial performance as follows:

"Pan Asia Bank delivered a strong performance for the nine months ended 30 September 2026, recording a Profit After Tax of Rs. 3.59 billion. This achievement reflects the strength of our core banking franchise, disciplined business execution, and our continued focus on delivering sustainable growth across key business segments."

"The Bank maintained strong business momentum during the period, supported by healthy growth in customer relationships, increased business volumes, and a diversified revenue base. At the same time, we continued to strengthen our risk management framework and improve asset quality, ensuring that growth remains balanced, resilient, and sustainable."

"We remain committed to investing in digital transformation, process optimisation, and customer-centric innovations that enhance efficiency and elevate the banking experience. These investments are creating a stronger platform to support future growth while improving productivity and service delivery across the organisation."

"Looking ahead, our focus remains on sustainable business expansion, prudent risk management, operational excellence, and long-term value creation. Supported by a strong balance sheet, robust

capital position, and dedicated team, we are well positioned to capitalize on emerging opportunities and continue delivering value to our customers, shareholders, and other stakeholders."

Outlook and Strategic Direction

Pan Asia Bank enters the final quarter of 2026 with strong business momentum, supported by healthy balance sheet growth, improving asset quality, and robust capital and liquidity positions. The Bank remains focused on accelerating quality growth across its Corporate, SME, and Retail Banking segments while maintaining disciplined risk management practices and prudent capital stewardship.

The Bank will continue to invest in digital innovation, process automation, data-driven decision-making, and customer experience enhancement initiatives to strengthen operational efficiency, deepen customer relationships, and support long-term business scalability. Supported by a diversified business model, a stable funding base, and resilient financial fundamentals, Pan Asia Bank is well positioned to navigate evolving market conditions, capitalize on emerging opportunities, and deliver sustainable long-term value to shareholders and other stakeholders.

As the Bank approaches the milestone of Rs. 375 billion in total assets, management remains committed to creating lasting value through disciplined execution, customer-centric innovation, and sustainable growth, while further strengthening Pan Asia Bank's position as one of Sri Lanka's most trusted and progressive financial institutions.

In Rupee Thousands

Income Statement

	For the Nine Months ended 30th September		Change %	For the Quarter ended 30th September		Change %
	2 026	2 025		2 026	2 025	
Gross Income	**30,930,271**	**25,225,360**	**23**	**11,074,045**	**8,515,822**	**30**
Interest Income	28,622,394	22,648,199	26	10,414,821	7,640,318	36
Less: Interest Expense	17,938,669	13,123,702	37	6,805,252	4,382,277	55
Net Interest Income	**10,683,725**	**9,524,497**	**12**	**3,609,569**	**3,258,041**	**11**
Fee and Commission Income	2,242,065	1,916,576	17	737,570	736,230	-
Less: Fee and Commission Expense	65,355	62,920	4	20,501	26,157	(22)
Net Fee and Commission Income	**2,176,710**	**1,853,656**	**17**	**717,069**	**710,073**	**1**
Net Gains from Trading	305,276	352,393	(13)	133,722	103,728	29
Net Fair Value Gains/(Losses) from Financial Assets at FVPL	(3,347)	(40,843)	92	1,446	(17,649)	108
Net Gains from Derecognition of Financial Assets at FVOCI	67,207	262,907	(74)	456	8,665	(95)
Net Other Operating Gains/(Losses)	(303,324)	86,128	(452)	(213,970)	44,530	(581)
Total Operating Income	**12,926,247**	**12,038,738**	**7**	**4,248,292**	**4,107,388**	**3**
Less: Impairment Charges/(Reversals)	32,472	497,220	(93)	(367,207)	193,403	(290)
Net Operating Income	**12,893,775**	**11,541,518**	**12**	**4,615,499**	**3,913,985**	**18**
Less: Operating Expenses						
Personnel Expenses	3,132,162	2,787,352	12	1,029,450	978,778	5
Depreciation and Amortisation	499,823	446,773	12	172,647	153,959	12
Other Operating Expenses	3,023,617	2,603,504	16	1,086,659	904,478	20
Total Operating Expenses	**6,655,602**	**5,837,629**	**14**	**2,288,756**	**2,037,215**	**12**
Operating Profit before Taxes on Financial Services	**6,238,173**	**5,703,889**	**9**	**2,326,743**	**1,876,770**	**24**
Less: Taxes and Levies on Financial Services	1,525,647	1,377,336	11	548,411	456,359	20
Profit before Tax	**4,712,526**	**4,326,553**	**9**	**1,778,332**	**1,420,411**	**25**
Less: Income Tax Expense	1,118,324	1,302,136	(14)	686,187	547,905	25
Profit for the Period	**3,594,202**	**3,024,417**	**19**	**1,092,145**	**872,506**	**25**
Earnings Per Share - Basic/Diluted (Rs.)	8.12	6.83	19	2.47	1.97	25

In Rupee Thousands

Statement of Comprehensive Income

	For the Nine Months ended 30th September		Change %	For the Quarter ended 30th September		Change %
	2026	2025		2026	2025	
Profit for the Period	**3,594,202**	**3,024,417**	**19**	**1,092,145**	**872,506**	**25**
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	(779,048)	274,559	(384)	(68,133)	(39,206)	(74)
Reclassification of Gains to Profit or Loss due to Derecognition	(67,207)	(262,907)	74	(456)	(8,665)	95
	(846,255)	**11,652**	**(7,363)**	**(68,589)**	**(47,871)**	**(43)**
Deferred Tax Effect on above	253,877	(3,496)	7,362	20,577	14,361	43
Other Comprehensive Income/(Losses) for the Period	**(592,378)**	**8,156**	**(7,363)**	**(48,012)**	**(33,510)**	**(43)**
Total Comprehensive Income for the Period	**3,001,824**	**3,032,573**	**(1)**	**1,044,133**	**838,996**	**24**

In Rupee Thousands

Statement of Financial Position

	As at 30/09/2026	As at 31/12/2025 (Audited)	Change %
Assets			
Cash and Cash Equivalents	7,263,259	5,273,592	38
Balances with Central Bank of Sri Lanka	13,080,257	11,847,843	10
Placements with Banks	5,788,586	1,049,717	451
Reverse Repurchase Agreements	-	2,531,544	(100)
Derivative Financial Instruments	80,360	158,553	(49)
Financial Assets at Fair Value through Profit or Loss (FVPL)	661,964	2,577,568	(74)
Financial Assets at Amortised Cost			
-Loans and Advances	243,448,873	208,052,059	17
-Debt and Other Instruments	59,197,101	55,056,833	8
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	37,495,891	14,336,711	162
Property, Plant and Equipment	3,316,992	3,356,173	(1)
Right-of-Use Assets	1,594,361	1,488,444	7
Intangible Assets	432,225	391,016	11
Deferred Tax Assets	482,529	212,056	128
Other Assets	1,602,851	1,683,686	(5)
Total Assets	**374,445,249**	**308,015,795**	**22**
Liabilities			
Due to Banks	5,620,437	13,052,683	(57)
Repurchase Agreements	36,455,904	20,241,528	80
Derivative Financial Instruments	181,239	26,685	579
Financial Liabilities at Amortised Cost			
-Due to Depositors	274,887,780	231,039,744	19
-Due to Debt Securities Holders	15,973,415	4,998,322	220
Retirement Benefit Obligations	864,363	762,826	13
Current Tax Liabilities	937,957	1,419,410	(34)
Other Provisions and Accruals	865,109	804,821	7
Other Liabilities	5,709,613	5,279,606	8
Total Liabilities	**341,495,817**	**277,625,625**	**23**
Equity			
Stated Capital	3,614,253	3,614,253	-
Statutory Reserve Fund	1,394,753	1,394,753	-
Special Reserve	752,067	595,771	26
Retained Earnings	26,336,920	23,331,770	13
FVOCI Reserve	(457,524)	134,854	(439)
Revaluation Reserve	1,308,963	1,318,769	(1)
Total Equity	**32,949,432**	**30,390,170**	**8**
Total Equity and Liabilities	**374,445,249**	**308,015,795**	**22**
Commitments and Contingencies	**76,159,786**	**98,210,306**	**(22)**
Net Assets Value Per Share (Rs.)	**74.45**	**68.67**	**8**
Memorandum Information			
Number of Employees	1,650	1,604	
Number of Branches	88	88	

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 30th September 2026 and its profit for the period 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 Unaudited Financial Statements of the Bank unless indicated as 'Audited'.

(Sgd)
B.D.A. Perera
Chairman

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

30th October 2026
Colombo

In Rupee Thousands

Statement of Changes In Equity

	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 01/01/2025	3,614,253	-	1,194,474	595,771	19,954,770	165,129	1,253,381	26,777,778
Comprehensive Income for the Period								
Profit for the Period	-	-	-	-	3,024,417	-	-	3,024,417
Other Comprehensive Income for the Period	-	-	-	-	-	8,156	-	8,156
Total Comprehensive Income for the Period	**-**	**-**	**-**	**-**	**3,024,417**	**8,156**	**-**	**3,032,573**
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders								
Final Dividend for 2024 - Cash	-	-	-	-	(442,561)	-	-	(442,561)
Total Transactions with Equity Holders	**-**	**-**	**-**	**-**	**(442,561)**	**-**	**-**	**(442,561)**
Other Transactions								
Realisation of Revaluation Reserve	-	-	-	-	9,806	-	(9,806)	-
Total Other Transactions	**-**	**-**	**-**	**-**	**9,806**	**-**	**(9,806)**	**-**
Balance as at 30/09/2025	**3,614,253**	**-**	**1,194,474**	**595,771**	**22,546,431**	**173,285**	**1,243,575**	**29,367,789**
Balance as at 01/01/2026	3,614,253	-	1,394,753	595,771	23,331,770	134,854	1,318,769	30,390,170
Comprehensive Income for the Period								
Profit for the Period	-	-	-	-	3,594,202	-	-	3,594,202
Other Comprehensive Losses for the Period	-	-	-	-	-	(592,378)	-	(592,378)
Total Comprehensive Income/(Losses) for the Period	**-**	**-**	**-**	**-**	**3,594,202**	**(592,378)**	**-**	**3,001,824**
Transactions with Equity Holders, Recognised Directly in Equity, Contribution by and Distribution to Equity Holders								
Final Dividend for 2025 - Cash	-	-	-	-	(442,562)	-	-	(442,562)
Total Transactions with Equity Holders	**-**	**-**	**-**	**-**	**(442,562)**	**-**	**-**	**(442,562)**
Other Transactions								
Transfer to Special Reserve	-	-	-	156,296	(156,296)	-	-	-
Realisation of Revaluation Reserve	-	-	-	-	9,806	-	(9,806)	-
Total Other Transactions	**-**	**-**	**-**	**156,296**	**(146,490)**	**-**	**(9,806)**	**-**
Balance as at 30/09/2026	**3,614,253**	**-**	**1,394,753**	**752,067**	**26,336,920**	**(457,524)**	**1,308,963**	**32,949,432**

*** Number of Ordinary Shares (Voting) as at 30th September 2026 - 442,561,629**

In Rupee Thousands

Statement of Cash Flows

	Current Period From 01/01/2026 To 30/09/2026	Previous Period From 01/01/2025 To 30/09/2025
Cash Flows from Operating Activities		
Profit Before Tax	4,712,526	4,326,553
Adjustments for:		
Non-Cash Items included in Profit before Tax	1,284,449	1,082,495
Change in Operating Assets	(59,346,295)	(29,166,792)
Change in Operating Liabilities	51,511,190	30,796,631
Interest Expense on Subordinated Debentures and Other Term Borrowings	820,460	83,842
Interest Expense on Lease Liabilities	126,902	117,016
Gratuity Paid	(36,755)	(39,770)
Income Tax Paid	(1,616,373)	(1,242,197)
Net Cash Flows Generated from/(Used in) Operating Activities	**(2,543,896)**	**5,957,778**
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(135,596)	(277,019)
Proceeds from the Sale of Property, Plant and Equipment	-	74
Aquisition of Intangible Assets	(104,898)	(113,168)
Net Cash Flows Used in Investing Activities	**(240,494)**	**(390,113)**
Cash Flows from Financing Activities		
Proceeds from Term Borrowings	12,015,828	-
Repayment of Term Borrowings	(1,187,500)	(1,576,645)
Repayment of Subordinated Debentures	-	(820,000)
Interest Paid on Subordinated Debentures and Other Term Borrowings	(673,695)	(153,484)
Dividend Paid	(442,562)	(442,561)
Repayment of Principal Portion of Lease Liabilities	(200,428)	(188,605)
Interest Paid on Lease Liabilities	(126,902)	(117,016)
Net Cash Flows Generated from/(Used in) Financing Activities	**9,384,741**	**(3,298,311)**
Net Increase in Cash & Cash Equivalents	**6,600,351**	**2,269,354**
Net Foreign Exchange Difference	127,706	11,798
Cash and Cash Equivalents at the Beginning of the Period	6,325,256	3,414,202
Cash and Cash Equivalents at the End of the Period (Note A)	**13,053,313**	**5,695,354**

In Rupee Thousands

Note A - Cash & Cash Equivalents	As at 30/09/2026	As at 30/09/2025
Cash in Hand	3,598,886	3,590,657
Balances with Local and Foreign Banks	3,665,173	2,104,697
Placements with Banks	5,789,254	-
Cash & Cash Equivalents as per the Statement of Cash Flows	**13,053,313**	**5,695,354**
Less : Placements with Banks	(5,789,254)	-
Allowance for Expected Credit Losses	(800)	(1,974)
Cash & Cash Equivalents as per the Statement of Financial Position	**7,263,259**	**5,693,380**

In Rupee Thousands

Measurement of Financial Instruments

As at 30/09/2026	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	-	-	7,263,259	-	7,263,259
Balances with Central Bank of Sri Lanka	-	-	13,080,257	-	13,080,257
Placements with Banks	-	-	5,788,586	-	5,788,586
Derivative Financial Instruments	-	-	-	80,360	80,360
Financial Assets at Fair Value through Profit or Loss (FVPL)	661,964	-	-	-	661,964
Financial Assets at Amortised Cost-Loans and Advances	-	-	243,448,873	-	243,448,873
Financial Assets at Amortised Cost-Debt and Other Instruments	-	-	59,197,101	-	59,197,101
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)	-	37,495,891	-	-	37,495,891
	661,964	**37,495,891**	**328,778,076**	**80,360**	**367,016,291**
Financial Liabilities					
Due to Banks	-	-	5,620,437	-	5,620,437
Repurchase Agreements	-	-	36,455,904	-	36,455,904
Derivative Financial Instruments	-	-	-	181,239	181,239
Due to Depositors	-	-	274,887,780	-	274,887,780
Due to Debt Securities Holders	-	-	15,973,415	-	15,973,415
Other Liabilities	-	-	1,967,274	-	1,967,274
	-	-	**334,904,810**	**181,239**	**335,086,049**

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**

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 30/09/2026	As at 31/12/2025 (Audited)
Gross Loans and Advances (Note 1.2)	251,939,555	217,123,936
Less: Accumulated Impairment under Stage 1 (Note 1.3)	(1,292,140)	(1,688,770)
Accumulated Impairment under Stage 2 (Note 1.3)	(1,154,629)	(648,216)
Accumulated Impairment under Stage 3 (Note 1.3)	(6,043,913)	(6,734,891)
Net Loans and Advances	**243,448,873**	**208,052,059**

1.2 Loans and Advances - By Product

In Rupee Thousands

	As at 30/09/2026	As at 31/12/2025 (Audited)
Domestic Currency		
Term Loans	145,319,881	129,082,571
Overdraft	24,554,012	21,528,201
Trade Finance	4,431,777	2,351,518
Lease Rentals Receivable	24,885,746	17,974,833
Pawning and Gold Loans	27,131,708	21,155,350
Credit Cards	5,892,963	5,109,038
Others	2,532,777	1,887,102
Sub Total	**234,748,864**	**199,088,613**
Foreign Currency		
Term Loans	15,232,171	16,630,251
Overdraft	-	20,091
Trade Finance	1,958,520	1,384,981
Sub Total	**17,190,691**	**18,035,323**
Total	**251,939,555**	**217,123,936**

1.3 Movement of Impairment During the Period - Loans and Advances

In Rupee Thousands

	As at 30/09/2026	As at 31/12/2025 (Audited)
Under Stage 1		
Opening Balance	1,688,770	1,144,168
Charge/(Reversal) to Income Statement	(396,630)	544,602
Closing Balance	**1,292,140**	**1,688,770**
Under Stage 2		
Opening Balance	648,216	565,977
Charge to Income Statement	506,414	82,239
Closing Balance	**1,154,629**	**648,216**
Under Stage 3		
Opening Balance	6,734,891	8,106,510
Charge/(Reversal) to Income Statement	122,530	(122,226)
Net Write-offs During the Period	(813,508)	(1,249,394)
Closing Balance	**6,043,913**	**6,734,891**
Total Impairment - Closing Balance	**8,490,682**	**9,071,877**

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 30/09/2026	As at 31/12/2025 (Audited)
Gross Commitments and Contingencies	76,159,786	98,210,306
Less: Accumulated Impairment under Stage 1 (Note 3)	(9,457)	(151,869)
Net Commitments and Contingencies	**76,150,329**	**98,058,437**

2.2 Commitments and Contingencies - By Product

	As at 30/09/2026	As at 31/12/2025 (Audited)
Domestic Currency		
Guarantees	9,128,609	5,434,179
Documentary Credit	17,828	15,596
Currency Swaps	15,659,558	30,035,106
Undrawn Credit Commitments	18,205,758	15,173,311
Sub Total	**43,011,753**	**50,658,192**
Foreign Currency		
Guarantees	177,692	230,966
Documentary Credit	5,069,575	5,809,230
Currency Swaps	27,731,908	41,390,300
Undrawn Credit Commitments	168,858	121,618
Sub Total	**33,148,033**	**47,552,114**
Total	**76,159,786**	**98,210,306**

3. Movement of Impairment During the Period - Other Financial Instruments — **In Rupee Thousands**

	Cash & Cash Equivalents	Placements with Banks	Debt & Other Instruments	Documentary Credit	Financial Guarantees	Total
Opening Balance as at 01/01/2025	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**
Opening Balance as at 01/01/2026	1,433	514	69,954	76,652	75,217	**223,770**
Charge/(Reversal) to Income Statement	(633)	154	(56,950)	(73,354)	(69,057)	**(199,840)**
Closing Balance as at 30/09/2026	**800**	**668**	**13,004**	**3,298**	**6,160**	**23,930**

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 30/09/2026	As at 31/12/2025 (Audited)
Domestic Currency		
Demand Deposits	9,134,617	7,855,505
Savings Deposits	36,486,421	33,773,916
Fixed Deposits	186,356,477	151,226,263
Certificate of Deposits	704,250	289,999
Margin Deposits	1,109,019	1,561,082
Sub Total	**233,790,784**	**194,706,765**
Foreign Currency		
Demand Deposits	930,316	934,730
Savings Deposits	5,897,498	4,049,438
Fixed Deposits	34,203,035	31,286,865
Margin Deposits	66,147	61,946
Sub Total	**41,096,996**	**36,332,979**
Total	**274,887,780**	**231,039,744**

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 9 months period 2026.

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 30th September 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets				
Derivative Financial Instruments	-	80,360	-	80,360
Financial Assets at FVPL				
- Sri Lanka Government Rupee Securities - Treasury Bills & Bonds	661,964	-	-	661,964
Financial Assets at FVOCI				
- Sri Lanka Government Rupee Securities - Treasury Bills & Bonds	37,492,139	-	-	37,492,139
- Equities - Unquoted	-	3,752	-	3,752
Total	**38,154,103**	**84,112**	**-**	**38,238,215**
Non-Financial Assets				
Land - Revalued	-	-	1,725,000	1,725,000
Building - Revalued	-	-	661,576	661,576
Total	**-**	**-**	**2,386,576**	**2,386,576**
Financial Liabilities				
Derivative Financial Instruments	-	181,239	-	181,239
Total	**-**	**181,239**	**-**	**181,239**

				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 & 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	**16,910,527**	**162,305**	**-**	**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**

There were no transfers between Level 1, Level 2 and Level 3 during the 9 months period 2026 and the year 2025.

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 value. This assumption is applied for Cash and Cash Equivalents, Balances with Central Bank of Sri Lanka, Placements with Banks and Reverse Repurchase 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 value of non-financial assets and non-financial liabilities.

	As at 30th September 2026					As at 31st December 2025				
	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	7,263,259	-	7,263,259	-	7,263,259	5,273,592	-	5,273,592	-	5,273,592
Balances with Central Bank of Sri Lanka	13,080,257	-	13,080,257	-	13,080,257	11,847,843	-	11,847,843	-	11,847,843
Placements with Banks	5,788,586	-	5,788,586	-	5,788,586	1,049,717	-	1,049,717	-	1,049,717
Reverse Repurchase Agreements	-	-	-	-	-	2,531,544	-	2,531,544	-	2,531,544
Loans and Advances - at Amortised Cost	243,448,873	-	242,481,791	-	242,481,791	208,052,059	-	208,328,645	-	208,328,645
Debt and Other Instruments - at Amortised Cost	59,197,101	49,274,638	9,086,517	-	58,361,155	55,056,833	46,789,805	8,762,954	-	55,552,759
Total Financial Assets	**328,778,076**	**49,274,638**	**277,700,410**	-	**326,975,048**	**283,811,588**	**46,789,805**	**237,794,295**	-	**284,584,100**
Financial Liabilities										
Due to Banks	5,620,437	-	5,620,437	-	5,620,437	13,052,683	-	13,052,683	-	13,052,683
Repurchase Agreements	36,455,904	-	36,455,904	-	36,455,904	20,241,528	-	20,241,528	-	20,241,528
Due to Depositors - at Amortised Cost	274,887,780	-	276,373,195	-	276,373,195	231,039,744	-	233,652,801	-	233,652,801
Due to Debt Securities Holders - at Amortised Cost	15,973,415	-	15,984,915	-	15,984,915	4,998,322	-	4,998,322	-	4,998,322
Other Liabilities	1,967,274	-	1,904,747	-	1,904,747	1,915,635	-	1,918,545	-	1,918,545
Total Financial Liabilities	**334,904,810**	-	**336,339,197**	-	**336,339,197**	**271,247,912**	-	**273,863,879**	-	**273,863,879**

6 Segment Reporting

For the Nine Months ended 30th September	In Rupee Thousands			
	2026			
	Retail & SME Banking	Corporate Banking	Treasury and Investments	Total
Gross Income				
Third Party	20,715,282	3,640,226	6,574,763	30,930,271
Inter-Segment	5,297,596	(1,039,003)	(4,258,593)	-
Total Income	**26,012,878**	**2,601,223**	**2,316,170**	**30,930,271**
Extract of Results				
Interest Income	18,433,645	3,490,211	6,698,538	28,622,394
Less: Interest Expense	13,884,737	1,948,509	2,105,423	17,938,669
Inter - Segment	5,297,596	(1,039,003)	(4,258,593)	-
Net Interest Income	**9,846,504**	**502,699**	**334,522**	**10,683,725**
Fees and Commission Income	2,130,028	112,037	-	2,242,064
Less: Fees and Commission Expenses	38,826	-	26,529	65,354
Net Fee and Commission Income/(Losses)	**2,091,202**	**112,037**	**(26,529)**	**2,176,710**
Net Gains from Trading	-	-	305,276	305,276
Net Fair Value Losses from Financial Assets at FVPL	-	-	(3,347)	(3,347)
Net Gains from Derecognition of Financial Assets at FVOCI	-	-	67,207	67,207
Net Other Operating Gains/(Losses)	151,608	37,979	(492,910)	(303,324)
Total Operating Income	**12,089,314**	**652,715**	**184,220**	**12,926,247**
Less: Impairment Charges/(Reversals)	103,438	(13,537)	(57,429)	32,472
Net Operating Income	**11,985,876**	**666,251**	**241,648**	**12,893,775**
Less: Depreciation and Amortisation Expenses	495,275	778	3,770	499,823
Total Operating Expenses	3,896,055	115,012	157,648	4,168,715
Segment Result	**7,594,546**	**550,461**	**80,230**	**8,225,237**
Less: Un-allocated Expenses				1,987,064
Operating Profit Before Taxes on Financial Services				**6,238,173**
Less: Taxes and Levies on Financial Services				1,525,647
Profit Before Tax				**4,712,526**
Less: Income Tax Expense				1,118,324
Profit for the Year				**3,594,202**
Other Comprehensive Income for the Year				(592,378)
Total Comprehensive Income for the Year				**3,001,824**
Capital Expenditure				
Property, Plant and Equipment	131,897	3,699	-	135,596
Intangible Assets	104,898	-	-	104,898
As at 30th September				
Segment Assets	200,581,833	48,162,780	114,387,638	363,132,251
Unallocated Assets	-	-	-	11,312,998
Total Assets	**200,581,833**	**48,162,780**	**114,387,638**	**374,445,249**
Segment Liabilities	249,555,746	37,735,370	45,827,659	333,118,775
Unallocated Liabilities and Equity	-	-	-	41,326,474
Total Liabilities and Equity	**249,555,746**	**37,735,370**	**45,827,659**	**374,445,249**

6 Segment Reporting

For the Nine Months ended 30th September	In Rupee Thousands			
	2025			
	Retail & SME Banking	Corporate Banking	Treasury and Investments	Total
Gross Income				
Third Party	15,930,546	2,146,770	7,148,044	25,225,360
Inter-Segment	4,479,950	(928,905)	(3,551,045)	-
Total Income	**20,410,496**	**1,217,865**	**3,597,000**	**25,225,360**
Extract of Results				
Interest Income	14,060,061	2,024,552	6,563,586	22,648,199
Less: Interest Expense	10,607,504	747,442	1,768,756	13,123,702
Inter - Segment	4,479,950	(928,905)	(3,551,045)	-
Net Interest Income	**7,932,507**	**348,205**	**1,243,785**	**9,524,497**
Fee and Commission Income	1,817,329	99,242	5	1,916,576
Less: Fees and Commission Expenses	30,302	-	32,618	62,920
Net Fee and Commission Income/(Losses)	**1,787,027**	**99,242**	**(32,613)**	**1,853,656**
Net Gains from Trading	-	-	352,393	352,393
Net Fair Value Losses from Financial Assets at FVPL	-	-	(40,843)	(40,843)
Net Gains from Derecognition of Financial Assets at FVOCI	-	-	262,907	262,907
Net Other Operating Gains	53,157	22,975	9,996	86,128
Total Operating Income	**9,772,690**	**470,422**	**1,795,625**	**12,038,738**
Less: Impairment Charges/(Reversals)	567,831	(58,121)	(12,490)	497,220
Net Operating Income	**9,204,859**	**528,543**	**1,808,115**	**11,541,517**
Less: Depreciation and Amortisation	443,072	435	3,266	446,773
Total Operating Expenses	3,394,258	87,937	136,121	3,618,316
Segment Result	**5,367,529**	**440,172**	**1,668,728**	**7,476,429**
Less: Un-allocated Expenses				1,772,540
Operating Profit before Taxes & Levies on Financial Services				**5,703,889**
Less: Taxes & Levies on Financial Services				1,377,336
Profit before Tax				**4,326,553**
Less: Income Tax Expense				1,302,136
Profit for the Year				**3,024,417**
Other Comprehensive Income for the Year				8,156
Total Comprehensive Income for the Year				**3,032,573**
Capital Expenditure				
Property, Plant and Equipment	276,991	28	-	277,019
Intangible Assets	113,168	-	-	113,168
As at 30th September				
Segment Assets	158,015,364	41,036,414	83,906,108	282,957,886
Unallocated Assets	-	-	-	11,280,779
Total Assets	**158,015,364**	**41,036,414**	**83,906,108**	**294,238,665**
Segment Liabilities	175,490,345	44,156,081	35,832,359	255,478,785
Unallocated Liabilities and Equity	-	-	-	38,759,880
Total Liabilities and Equity	**175,490,345**	**44,156,081**	**35,832,359**	**294,238,665**

Selected Performance Indicators (As per Regulatory Reporting)		
	Bank	
	Current Period As at 30/09/2026	Previous Period As at 31/12/2025
Regulatory Capital Adequacy (LKR '000)		
Common Equity Tier 1 (CET 1) Capital before Adjustments	29,743,840	27,981,343
Common Equity Tier 1 (CET 1) Capital after Adjustments	28,829,086	27,378,270
Total Tier 1 Capital	28,829,086	27,378,270
Total Capital	31,503,948	30,024,080
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	14.34	16.66
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	14.34	16.66
Total Capital Ratio (Minimum Requirement - 12.5%)	15.67	18.27
Leverage Ratio (%)		
Leverage Ratio (%) (Minimum Requirement - 3%)	7.54	8.74
Assets Quality (%)*		
Stage 3 Loans (Impaired Loans) to Total Loans - Gross	3.67	4.62
Stage 3 Loans (Impaired Loans) to Total Loans - Net	1.44	1.73
Stage 3 Loan Impairment to Stage 3 Loans (Stage 3 Provision Cover)	60.87	62.63
Income & Profitability (%)		
Interest Margin, %	4.16	4.55
Return on Assets (Before Tax), %	1.83	2.08
Return on Equity, %	15.25	14.09
Cost to Income Ratio (%)	51.49	48.94
Regulatory Liquidity		
Liquidity Coverage Ratio (%) - (Minimum Requirement, 100%)		
Rupee (%)	138.92	204.90
All Currency (%)	138.98	154.97
Net Stable Funding Ratio (%) - (Minimum Requirement, 100%)	119.14	128.52
Memorandum Information		
Credit Rating (Fitch Ratings)	BBB(lka) Stable Outlook	BBB(lka) Stable Outlook
Number of Employees	1,650	1,604
Number of Branches	88	88

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

EXPLANATORY NOTES

1. 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. These Financial Statements have been extracted from the Unaudited Financial Statements of the Bank unless indicated as 'Audited'.

2. There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements for the year 2025.

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

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

5. The presentation and classification of previous period have been amended for better presentation and to be comparable with those of the current period.

6. **Impact of On-going Geopolitical Conflict in the Middle East**

The on-going armed conflict in the Middle East has contributed to heighten the geopolitical and economic uncertainty globally, including volatility in energy prices, disruptions to trade and logistics and tightening global financial conditions, with indirect implications for the Sri Lankan economy. While the Bank did not experience any significant direct financial impact arising from the conflict, certain indirect effects were observed among customer segments exposed to higher import costs, energy price fluctuations and supply chain disruptions.

The Bank closely monitored these developments and considered their potential impact on credit risk, liquidity and overall financial performance of the Bank. The conditions arising from the conflict existed at the reporting date and, where applicable, the related effects have been recognised in these Financial Statements.

The management has made various estimates and exercised significant judgements where appropriate in these Financial Statements using forward-looking information based on circumstances prevailing as at 30th September 2026, which are inherently subject to uncertainties 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 and fair value measurement.

7. **Events after the Reporting Date**

There are no material events that took place after the Statement of Financial Position date which require adjustment to or disclosures in these Financial Statements other than disclosed below.

7.1 **Issuance of Listed, Rated, Senior, Unsecured, Redeemable Debentures**

The Bank issued 50,000,000 listed, Rated, Senior, Unsecured Redeemable Debentures at a par value of Rs.100 each to raise a sum of Rs. 5,000,000,000/-. Of the total issuance, 17,536,600 of Type A senior debentures, carrying an interest rate of 12.75% per annum, are redeemable after three years (2026/2029), while 32,463,400 of Type B Senior debentures, carrying an interest rate of 13.50% per annum, are redeemable after five years (2026/2031). The debenture issue was oversubscribed on the opening day of subscriptions, 01st October 2026, and the debentures were subsequently allotted on 08th October 2026.

8. **Basel III Compliant Tier 2 Listed, Rated, Unsecured, Subordinated, Redeemable Debentures**

On 28 September 2026, the Board of Directors of Pan Asia Banking Corporation PLC resolved to issue up to 40,000,000 Basel III Compliant Tier 2 Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion Feature, at an issue price of Rs. 100 per debenture, to raise up to Rs. 4.0 billion. The proposed debentures will have a tenor of five (5) years and are intended to qualify as Tier 2 capital of the Bank, subject to obtaining all required regulatory and other approvals.

9. **Ratios**

	30/09/2026	31/12/2025
Debt to Equity (Times)	0.48	0.16
Interest Cover (Times)	6.74	68.13

10. **Market Price of Ordinary Shares**

Market Price Per Share	30/09/2026 (Rs.)		30/09/2025 (Rs.)	
	Voting	Non-Voting	Voting	Non-Voting
Last Traded Price	49.50	-	63.90	-
Highest Price for the Quarter	58.00	-	64.50	-
Lowest Price for the Quarter	49.50	-	44.00	-

Shareholders' Information

Major Shareholders as at 30th September 2026

No	Name	No. of Shares	%
1	K. A. 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	G. I. A. Perera	14,811,270	3.35
7	Department of Samurdhi Development	11,114,376	2.51
8	Seylan Bank PLC/JN Lanka Holdings Company (Pvt) Ltd	9,247,914	2.09
9	National Savings Bank	7,000,000	1.58
10	HNB Investment Bank (Pvt) Ltd/ Elayathamby Thavagnanasooriyam & Elayathamby Thavagnana Sundram	6,737,591	1.52
11	People's Leasing and Finance PLC/M. A. D. S. Madurapperuma	6,711,879	1.52
12	Imminent Technologies (Pvt) Ltd	6,237,697	1.41
13	Sampath Bank PLC/J N Lanka Holdings Company (Pvt) Ltd	4,839,050	1.09
14	Sampath Bank PLC/Andaradeniya Estate (Pvt) Ltd	4,001,095	0.90
15	Assetline Finance PLC/S. K. Wijekoon	3,682,626	0.83
16	Hatton National Bank PLC/JN Lanka Holdings Company (Pvt) Ltd	3,150,000	0.71
17	JN Lanka Holdings Company (Pvt) Ltd	2,979,610	0.67
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	Hatton National Bank PLC/Weththinge Jinadasa	2,249,346	0.51
		328,831,884	**74.30**
	Others	**113,729,745**	**25.70**
	Total	**442,561,629**	**100**

Public holding as at 30th September 2026 was 60.00% in the hands of 12,451 public shareholders.

Float Adjusted Market Capitalisation as at 30th September 2026 was Rs. 13,144,080,381/- and the Bank complies with Option No. 01.

Directors' and Chief Executive Officer's Holding in Shares as at 30th September 2026

No	Name of Director	No. of Shares
1	B. D. A. Perera	-
2	W. M. A. V. Iddawela 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