

DFCC Bank Delivers Resilient, Purpose-Driven Performance in Q1 2025

- Group Core Business Profit After Tax of LKR 2.9 Bn
- Group Total Capital Adequacy Ratio – 14.656%
- Group Total Assets up by 8% to LKR 765 Bn
- Bank Profit After Tax of LKR 7.8 Bn including the gain on disposal of the 50% stake in Acuity Partners

DFCC Bank showcased a strong and stable performance by delivering resilient financial results in Q1 2025. The Bank reported substantial growth in core areas such as loans and deposits, highlighted by a 5% increase in net interest income alongside an improvement in CASA deposits. The CASA ratio improved to 26.47% as at 31 March 2025, from 24.77% recorded as at 31 December 2024. These achievements reflect DFCC Bank's continued focus on prudent financial management and sustainable growth.

Market lending and deposit interest rates continued their downward trend, in line with the accommodative monetary policy stance. Lower lending rates, combined with signs of economic recovery, contributed to the accelerated growth of credit extended to the private sector by Licensed Commercial Banks (LCBs), a trend expected to continue, encouraging domestic economic activity. Simultaneously, yields on government securities declined further, supported by stronger fiscal performance. In response, DFCC Bank promptly adjusted its lending and deposit rates, ensuring the effective transmission of monetary policy benefits to businesses and individuals.

The Bank enhanced its profitability through a strategic rebalancing of its investment portfolio, placing greater emphasis on high-yield government securities. Additionally, favourable macroeconomic conditions and dedicated recovery efforts led to a notable decrease in impairment provisions, thereby boosting profits.

The Bank sold its 50% stake (75,500,001 ordinary voting shares) in Acuity Partners (Pvt) Ltd and recorded a disposal gain, net of tax, of LKR 5,018 Mn which was recorded as profit from discontinued operation. Due to the application of equity method of accounting and recognised share of profit over the period, the disposal gain, net of tax, recorded in the Group amounted to LKR 166 Mn.

The following commentary relates to the unaudited financial statements for the period ended 31 March 2025, presented in accordance with Sri Lanka Accounting Standard 34 (LKAS 34) on Interim Financial Statements.

Income Statement Analysis

Profitability

DFCC Bank PLC, the largest entity within the Group, recorded a profit before tax (PBT) of LKR 3,912 Mn and a profit after tax (PAT) of LKR 2,768 Mn for the period ended 31 March 2025 from its continuing operations, compared to a PBT of LKR 4,733 Mn and PAT of LKR 3,134 Mn in the previous period. The Bank's Earnings Per Share (EPS) from continuing banking operations was LKR 6.38, while the EPS including the gain on disposal was LKR 17.95.

At the Group level, PBT stood at LKR 4,055 Mn, with PAT at LKR 2,877 Mn from continuing operations for the period ended 31 March 2025, compared to PBT of LKR 4,821 Mn and PAT of LKR 3,191 Mn in 2024.

The Bank's return on equity (ROE) stood at 14.46%, while the return on assets (ROA) before tax was 2.14% for the period ended 31 March 2025, including the gain on disposal recorded under profit for the period from discontinued operation.

Net Interest Income (NII)

Throughout the period, driven by enhanced liquidity in the domestic money market and a more accommodative monetary policy by the Central Bank, the Average Weighted Prime Lending Rate (AWPR) has continued to decline, reaching 8.43% as of 31 March 2025, down from 10.69% as of 31 March 2024. This trend is expected to support the continued transmission of monetary easing.

In line with policy guidance, the Bank witnessed a reduction in yields, facilitating improved financial conditions for businesses and individuals. This contributed to a 7% decline in interest income compared to 2024. The CASA ratio improved to 26.47% as at 31 March 2025 from 24.77% as at 31 December 2024.

NII, the Bank's core earnings driver increased by 5% to LKR 7,409 Mn. The net interest margin declined from 4.18% in December 2024 to 4.10% by March 2025.

Fee and Commission Income

The Bank's proactive strategies contributed to higher remittances, trade-related commissions, and other fee income, driving growth in non-funded business. Expansion in credit card operations also supported this increase.

To facilitate business acquisition and credit card expansion, related fee expenses increased. However, the net effect was positive. Net fee and commission income rose by 24% to LKR 1,434 Mn, up from LKR 1,154 Mn in 2024.

Impairment Charge on Loans and Other Losses

The Stage 3 impaired loan ratio improved from 5.65% (December 2024) to 5.38% (March 2025), driven by recovery efforts, portfolio growth, and write-offs.

Impairment provisions were prudently made, incorporating model calibrations and additional buffers for high-risk sectors. Reflecting macroeconomic recovery and recoveries, impairment charges fell to LKR 1,355 Mn, from LKR 1,585 Mn in the previous period.

Operating Expenses

Operating expenses rose to LKR 4,379 Mn (from LKR 3,619 Mn in Q1 2024), primarily due to inflation and staff benefit adjustments. Nevertheless, cost control measures kept expenditure within manageable levels.

Other Comprehensive Income (OCI)

OCI included fair value changes in equity and fixed-income securities and hedging reserve movements. Hedge accounting helped limit exchange rate volatility. A fair value gain of LKR 570 Mn was recorded on equity securities, primarily due to an increase in the Commercial Bank of Ceylon PLC share price. Treasury securities added a further LKR 618 Mn in gains.

Financial Position Analysis

Assets

Despite challenges in the economy and the banking sector, DFCC Bank's total assets increased by LKR 60.3 Bn, recording a 9% growth from December 2024. In line with the Bank's growth strategy and the prevailing economic conditions, the Bank's net loan portfolio grew by LKR 19 Bn to LKR 414 Bn, reflecting a 5% increase compared to LKR 394 Bn as at 31 December 2024. Moreover, in line with its strategic decision to explore divestment opportunities, the Bank disposed of its 50% ownership of its joint venture investment in Acuity Partners (Pvt) Ltd.

Liabilities

DFCC Bank's total liabilities increased by LKR 54 Bn, marking a 9% increase from December 2024. The Bank's deposit base grew by 8%, rising by LKR 36 Bn to LKR 501 Bn, up from LKR 465 Bn as at 31 December 2024. This resulted in a loan-to-deposit ratio of 92.02% as at 31 March 2025. The CASA ratio stood at 26.47% as at 31 March 2025.

To manage funding costs, the Bank leveraged medium- to long-term concessionary credit lines, which were primarily utilised to expand the lending portfolio and provide much-needed concessionary funding to customers. Considering these term borrowings, the CASA ratio improved to 32.66%, while the loan-to-deposit ratio recorded at 84.27% as at 31 March 2025.

Equity and Compliance with Capital Requirements

DFCC Bank's total equity increased to LKR 6 Bn as at 31 March 2025, supported by favourable movements in the equity and fixed-income security portfolios classified under fair value through other comprehensive income, as well as positive movements in the hedging reserve. This, combined with a recorded profit after tax of LKR 7.8 Bn, further strengthened the Bank's capital position.

Accordingly, the Tier 1 and Total Capital ratios stood at 10.891% and 13.501%, respectively, as at 31 March 2025, compared to 12.402% and 15.759%, respectively, as at 31 December 2024. The Bank's Net Stable Funding Ratio (NSFR) stood at 118.15%, and the Liquidity Coverage Ratio (LCR) – all currency – was 255.07% as at 31 March 2025, compared to 124.60% and 280.26%, respectively, as at 31 December 2024. These ratios remained well above the minimum regulatory requirements.

CEO's Statement

The Group Profit After Tax stood at LKR 3.0 Bn, while the Group Earnings Per Share (EPS) recorded LKR 6.9. Net Interest Income increasing by 5% to LKR 7.4 Bn, despite a softening interest rate environment. These results reflect our disciplined approach to asset growth, cost efficiency, and effective capital deployment. The quarter also benefited from the strategic disposal of our 50% stake in Acuity Partners, which contributed meaningfully to the uplift in earnings and strengthened our capital position for future investments.

Asset quality continued to improve, with the Stage 3 impaired loan ratio declining to 5.38%, supported by proactive recoveries and favourable macroeconomic trends. Impairment provisions reduced by 14% year-on-year, and our CASA ratio rose to 26.47%, strengthening our low-cost funding base. The Bank maintained a Total Capital Ratio of 13.50% and a Liquidity Coverage Ratio of 255.07%, well above regulatory requirements - further demonstrating our financial stability and resilience.

During the quarter, the dual listing of Sri Lanka's first Green Bond on the Luxembourg Green Exchange - following its initial listing on the Colombo Stock Exchange - affirmed our leadership in sustainable finance. The LKR 2.5 Bn issuance supports renewable energy development, particularly solar power, and reinforces our alignment with global ESG standards.

We also continued to enhance customer value through integrated banking propositions tailored to evolving life-stage needs. Our home ownership offering - one of the fastest and most transparent in the market - prioritised speed, clarity, and trust, while our mobility proposition focused on making vehicle ownership more accessible through breakthrough, affordable financing. In the informal lending space, we expanded access through gold-backed solutions designed for flexibility and immediacy. We also strengthened our engagement with Sri Lankans living abroad through a dedicated remittance proposition - delivering secure, convenient, and emotionally meaningful ways for families to stay connected and supported across borders.

As DFCC Bank celebrates its 70th anniversary, we remain steadfast in our mission to deliver financial solutions with purpose - fostering long-term value creation for our customers, communities, and stakeholders, both in Sri Lanka and across the world.

Thimal Perera
Director / Chief Executive Officer

09 May 2025

DFCC Bank PLC
Income Statement

For the three months ended 31 March

	Notes	Bank			Group		
		2025 LKR 000	2024 LKR 000	Change %	2025 LKR 000	2024 LKR 000	Change %
Gross Income		23,074,290	25,047,833	(8)	23,275,215	25,195,509	(8)
Interest income		19,140,845	20,579,542	(7)	19,141,576	20,580,219	(7)
Interest expenses		11,731,633	13,541,975	(13)	11,713,599	13,521,752	(13)
Net interest income		7,409,212	7,037,567	5	7,427,977	7,058,467	5
Fee and commission income		1,913,593	1,437,036	33	1,913,400	1,436,895	33
Fee and commission expenses		479,238	282,716	70	479,238	282,716	70
Net fee and commission income		1,434,355	1,154,320	24	1,434,162	1,154,179	24
Net gains from trading	5	87,149	228,363	(62)	87,149	228,363	(62)
Net gains from derecognition of financial assets							
Fair value through other comprehensive income		683,870	1,880,079	(64)	683,870	1,880,079	(64)
Net other operating income	6	1,248,833	922,813	35	1,449,220	1,069,953	35
Total operating income		10,863,419	11,223,142	(3)	11,082,378	11,391,041	(3)
Impairment charge / (reversal)							
Loans and advances		858,401	847,275	1	858,401	847,275	1
Sri Lanka International Sovereign Bonds and Debentures		95,607	-	100	95,607	-	100
Other financial assets and credit related commitments		400,945	737,273	(46)	400,945	737,273	(46)
Net operating income		9,508,466	9,638,594	(1)	9,727,425	9,806,493	(1)
Operating expenses							
Personnel expenses		2,057,382	1,606,380	28	2,100,451	1,652,746	27
Depreciation and amortisation		326,920	282,172	16	340,033	296,599	15
Other expenses		1,994,498	1,729,987	15	2,014,054	1,748,735	15
Total operating expenses		4,378,800	3,618,539	21	4,454,538	3,698,080	20
Operating profit before taxes on financial services		5,129,666	6,020,055	(15)	5,272,887	6,108,413	(14)
Taxes on financial services		1,217,844	1,287,368	(5)	1,217,844	1,287,368	(5)
Operating profit after taxes on financial services		3,911,822	4,732,687	(17)	4,055,043	4,821,045	(16)
Share of profit /(loss) of associate		-	-	-	206	(115)	279
Profit before income tax		3,911,822	4,732,687	(17)	4,055,249	4,820,930	(16)
Income tax expense		1,143,960	1,598,796	(28)	1,178,364	1,630,224	(28)
Profit for the period from continuing operations		2,767,862	3,133,891	(12)	2,876,885	3,190,706	(10)
Discontinued Operation							
Profit for the period from discontinued operations, net of tax		5,017,595	-	100	165,953	633,679	(74)
Profit for the period		7,785,457	3,133,891	148	3,042,838	3,824,385	(20)
Profit attributable to:							
Equity holders of the Bank		7,785,457	3,133,891	148	2,992,348	3,791,221	(21)
Non-controlling interests		-	-	-	50,490	33,164	52
Profit for the period		7,785,457	3,133,891	148	3,042,838	3,824,385	(20)
Basic/Diluted earnings per ordinary share (LKR)		17.95	7.39	143	6.90	8.94	(23)
Basic/Diluted earnings per ordinary share (LKR)							
- continuing operations		6.38	7.39	(14)	6.52	7.45	(13)

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

For the three months ended 31 March

Profit for the period

Other comprehensive income / (expenses) for the period, net of tax
Items that are or may be reclassified subsequently to income statement

Movement in fair value reserve (FVOCI debt instrument):

Net change in fair value

Reclassified to income statement

Movement in hedging reserve:

Cash flow hedge - effective portion of changes in fair value

Cash flow hedge - reclassified to income statement

Related deferred tax

Total other comprehensive expenses that are or may be reclassified
subsequently to income statement

Items that will not be reclassified to income statement

Equity investments at FVOCI - net change in fair value

Total other comprehensive income on items that will not be
reclassified to income statement

Other comprehensive income/ (expenses) for the period , net of tax
- continuing operations

Discontinued Operation

Other comprehensive expenses for the period, net of tax

- discontinued operations

Total comprehensive income for the period

Total comprehensive income attributable to:

Equity holders of the Bank

Non-controlling interests

Total comprehensive income for the period

	Bank			Group		
	2025	2024	Change	2025	2024	Change
	LKR 000	LKR 000	%	LKR 000	LKR 000	%
Profit for the period	7,785,457	3,133,891	148	3,042,838	3,824,385	(20)
Other comprehensive income / (expenses) for the period, net of tax						
Items that are or may be reclassified subsequently to income statement						
Movement in fair value reserve (FVOCI debt instrument):						
Net change in fair value	618,175	1,473,215	(58)	618,175	1,473,215	(58)
Reclassified to income statement	(683,870)	(1,880,079)	64	(683,870)	(1,880,079)	64
Movement in hedging reserve:						
Cash flow hedge - effective portion of changes in fair value	(342,085)	(5,667,539)	94	(342,085)	(5,667,539)	94
Cash flow hedge - reclassified to income statement	321,875	3,411,875	(91)	321,875	3,411,875	(91)
Related deferred tax	58,298	797,895	(93)	58,298	797,895	(93)
Total other comprehensive expenses that are or may be reclassified						
subsequently to income statement	(27,607)	(1,864,633)	99	(27,607)	(1,864,633)	99
Items that will not be reclassified to income statement						
Equity investments at FVOCI - net change in fair value	570,126	528,986	8	570,126	528,986	8
Total other comprehensive income on items that will not be	570,126	528,986	8	570,126	528,986	8
reclassified to income statement						
Other comprehensive income/ (expenses) for the period , net of tax						
- continuing operations	542,519	(1,335,647)	141	542,519	(1,335,647)	141
Discontinued Operation						
Other comprehensive expenses for the period, net of tax	-	-	-	-	(88,937)	100
- discontinued operations						
Total comprehensive income for the period	8,327,976	1,798,244	363	3,585,357	2,399,801	49
Total comprehensive income attributable to:						
Equity holders of the Bank	8,327,976	1,798,244	363	3,534,867	2,366,637	49
Non-controlling interests	-	-		50,490	33,164	52
Total comprehensive income for the period	8,327,976	1,798,244	363	3,585,357	2,399,801	49

DFCC Bank PLC
Statement of Financial Position

As at	Notes	Bank			Group		
		31.03.2025	31.12.2024	Change	31.03.2025	31.12.2024	Change
		LKR 000	(Audited) LKR 000	%	LKR 000	(Audited) LKR 000	%
Assets							
Cash and cash equivalents		16,188,891	13,504,806	20	16,207,471	13,523,475	20
Balances with Central Bank of Sri Lanka		2,645,175	2,328,346	14	2,645,175	2,328,346	14
Placements with banks		30,916,823	11,229,492	175	30,916,823	11,229,492	175
Derivative financial assets		9,218,675	9,643,442	(4)	9,218,675	9,643,442	(4)
Financial assets measured at fair value through profit or loss		6,895,590	7,416,018	(7)	6,895,590	7,416,018	(7)
Financial assets at amortised cost - Loans and advances to banks		8,308,153	1,500,338	454	8,308,153	1,500,338	454
Financial assets at amortised cost - Loans and advances to customers	7	413,767,440	394,361,480	5	413,767,440	394,361,480	5
Financial assets at amortised cost - Debt and other instruments		109,923,828	105,641,690	4	109,979,475	105,701,871	4
Financial assets measured at fair value through other comprehensive income		145,077,187	138,258,226	5	145,077,187	138,258,226	5
Investments in subsidiaries		237,035	237,035	-	-	-	-
Investment in associate		33,169	33,169	-	38,803	38,597	1
Investment properties		9,879	9,879	-	516,277	490,069	5
Property, plant and equipment		3,821,053	3,872,654	(1)	3,927,198	4,080,706	(4)
Intangible assets and goodwill		2,014,157	2,001,636	1	2,181,389	2,170,201	1
Deferred tax assets		5,639,151	4,893,483	15	5,658,670	4,913,002	15
Current tax assets		-	-	-	1,222	2,010	(39)
Other assets		9,102,556	7,821,132	16	9,352,044	8,060,939	16
Asset held for sale	9	-	755,000	(100)	-	5,480,475	(100)
Total assets		763,798,762	703,507,826	9	764,691,592	709,198,687	8
Liabilities							
Due to banks		11,604,302	7,149,474	62	11,604,302	7,149,474	62
Derivative financial liabilities		160,831	909,188	(82)	160,831	909,188	(82)
Financial liabilities at amortised cost - Due to depositors	10	501,047,840	465,153,180	8	500,165,232	464,359,564	8
Financial liabilities at amortised cost - Due to other borrowers		108,465,188	96,755,632	12	108,465,188	96,755,632	12
Debt securities issued		14,267,350	14,690,723	(3)	14,267,350	14,690,723	(3)
Employee benefits		1,437,314	1,409,232	2	1,460,033	1,450,966	1
Current tax liabilities		3,557,673	3,066,586	16	3,663,329	3,160,100	16
Deferred tax liabilities		-	-	-	39,317	96,804	(59)
Other liabilities and provisions		15,244,497	12,106,760	26	15,781,309	12,545,632	26
Subordinated term debt		17,513,223	18,234,054	(4)	17,513,223	18,234,054	(4)
Total liabilities		673,298,218	619,474,829	9	673,120,114	619,352,137	9
Equity							
Stated capital		15,445,973	14,710,454	5	15,445,973	14,710,454	5
Statutory reserve fund		3,657,968	3,657,968	-	3,657,968	3,657,968	-
Retained earnings		41,177,701	35,834,730	15	43,157,419	42,668,104	1
Other reserves		30,218,902	29,829,845	1	28,813,197	28,363,593	2
Total equity attributable to equity holders of the Bank		90,500,544	84,032,997	8	91,074,557	89,400,119	2
Non-controlling interests		-	-	-	496,921	446,431	11
Total equity		90,500,544	84,032,997	8	91,571,478	89,846,550	2
Total equity and liabilities		763,798,762	703,507,826	9	764,691,592	709,198,687	8
Contingent liabilities and commitments							
		260,353,275	222,538,011	17	260,353,275	222,538,011	17
Net assets value per share, LKR		206.43	194.22	6	207.74	206.63	1

Memorandum Information	Bank		Group	
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
Number of Employees	2,474	2,439	2,559	2,532
Number of Branches (Including Service centres)	139	139		

Statement of Changes in Equity

	Stated capital LKR 000	Statutory reserve fund	Other reserves			Retained earnings LKR 000	Total equity LKR 000
		Reserve fund LKR 000	Fair value reserve LKR 000	Hedging reserve LKR 000	General reserve LKR 000		
Bank							
Balance as at 01 January 2024	13,866,557	3,239,968	7,250,399	1,353,846	13,779,839	28,250,357	67,740,966
Profit for the period	-	-	-	-	-	3,133,891	3,133,891
Other comprehensive income/(expenses), net of tax	-	-	243,318	(1,578,965)	-	-	(1,335,647)
Total comprehensive income/(expenses) for the period	-	-	243,318	(1,578,965)	-	3,133,891	1,798,244
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(36,217)	-	-	36,217	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2023 – Scrip	843,897	-	-	-	-	(843,897)	-
Final dividend for 2023 – Cash	-	-	-	-	-	(1,265,846)	(1,265,846)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	(2,109,743)	(1,265,846)
Balance as at 31 March 2024	14,710,454	3,239,968	7,457,500	(225,119)	13,779,839	29,310,722	68,273,364
Balance as at 01 January 2025	14,710,454	3,657,968	15,385,597	664,409	13,779,839	35,834,730	84,032,997
Profit for the period	-	-	-	-	-	7,785,457	7,785,457
Other comprehensive income /(expenses) , net of tax	-	-	556,666	(14,147)	-	-	542,519
Total comprehensive income/(expenses) for the period	-	-	556,666	(14,147)	-	7,785,457	8,327,976
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(153,462)	-	-	153,462	-
Transactions with equity holders of the Bank, recognised directly in equity							
Final dividend for 2024 – Scrip	735,519	-	-	-	-	(735,519)	-
Final dividend for 2024 – Cash	-	-	-	-	-	(1,860,429)	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	(2,595,948)	(1,860,429)
Balance as at 31 March 2025	15,445,973	3,657,968	15,788,801	650,262	13,779,839	41,177,701	90,500,544

Statement of Changes in Equity

Group	Attributable to the equity holders of the Bank									
	Stated Capital	Statutory reserve fund	Other reserves				Retained earnings	Total	Non- controlling interests	Total equity
		Reserve fund	Fair value reserve	Exchange equalization reserve	Hedging reserve	General reserve				
Balance as at 01 January 2024	13,866,557	3,239,968	5,818,791	561,071	1,071,797	13,779,839	33,645,590	71,983,613	392,159	72,375,772
Profit for the period	-	-	-	-	-	-	3,791,221	3,791,221	33,164	3,824,385
Other comprehensive income / (expenses) , net of tax	-	-	242,605	(88,224)	(1,578,965)	-	-	(1,424,584)	-	(1,424,584)
Total comprehensive income / (expenses) for the period	-	-	242,605	(88,224)	(1,578,965)	-	3,791,221	2,366,637	33,164	2,399,801
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(36,217)	-	-	-	36,217	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Final dividend for 2023 – Scrip	843,897	-	-	-	-	-	(843,897)	-	-	-
Final dividend for 2023 – Cash	-	-	-	-	-	-	(1,265,846)	(1,265,846)	-	(1,265,846)
Total contributions from and distribution to equity holders	843,897	-	-	-	-	-	(2,109,743)	(1,265,846)	-	(1,265,846)
Balance as at 31 March 2024	14,710,454	3,239,968	6,025,179	472,847	(507,168)	13,779,839	35,363,285	73,084,404	425,323	73,509,727
Balance at 01 January 2025										
Balance at 01 January 2025	14,710,454	3,657,968	13,954,598	294,630	334,526	13,779,839	42,668,104	89,400,119	446,431	89,846,550
Profit for the period	-	-	-	-	-	-	2,992,348	2,992,348	50,490	3,042,838
Other comprehensive income / (expenses) , net of tax	-	-	556,666	-	(14,147)	-	-	542,519	-	542,519
Total comprehensive income / (expenses) for the period	-	-	556,666	-	(14,147)	-	2,992,348	3,534,867	50,490	3,585,357
Transfers	-	-	25,294	(294,630)	329,883	-	(60,547)	-	-	-
Transfer of net gains on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(153,462)	-	-	-	153,462	-	-	-
Transactions with equity holders of the Bank, recognized directly in equity										
Final dividend for 2024 – Scrip	735,519	-	-	-	-	-	(735,519)	-	-	-
Final dividend for 2024 – Cash	-	-	-	-	-	-	(1,860,429)	(1,860,429)	-	(1,860,429)
Total contributions from and distribution to equity holders	735,519	-	-	-	-	-	(2,595,948)	(1,860,429)	-	(1,860,429)
Balance as at 31 March 2025	15,445,973	3,657,968	14,383,096	-	650,262	13,779,839	43,157,419	91,074,557	496,921	91,571,478

Statement of Cash Flows

For the three months ended 31 March

	BANK		GROUP	
	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000
Cash flows from operating activities				
Interest receipts	17,297,916	20,846,920	17,315,346	20,845,975
Interest payments	(11,441,693)	(12,877,867)	(11,440,288)	(12,909,892)
Net commission receipts	1,842,969	1,395,693	1,842,969	1,395,693
Net trading income	181,744	15,261	181,744	15,261
Recoveries from loans previously written off	34,720	20,012	34,720	20,012
Receipts from other operating activities	42,929	37,872	253,555	228,325
Payments on other operating activities	(2,183,804)	(1,620,878)	(2,134,465)	(1,577,982)
Cash payments to employees	(1,987,315)	(1,660,302)	(2,093,782)	(1,821,461)
Taxes on financial services	(1,203,611)	(1,360,573)	(1,203,611)	(1,360,573)
Operating Cash flows before changes in operating assets and liabilities	2,583,855	4,796,138	2,756,188	4,835,358
(Increase)/ decrease in operating assets:				
Balances with Central Bank / deposits held for regulatory or monetary control purposes	(316,830)	995,147	(316,830)	995,147
Financial assets at amortised cost - Loans to and receivables from other customers	(26,872,574)	(13,124,354)	(26,872,574)	(13,124,354)
Others	634,437	(5,628,881)	589,126	(5,639,715)
Increase /(decrease) in operating liabilities:				
Financial liabilities at amortised cost - Due to depositors	33,398,098	34,094,612	33,328,198	33,800,118
Others	619,561	553,533	601,237	585,491
Net cash flows from operating activities before income tax	10,046,547	21,686,196	10,085,345	21,452,045
Income tax paid	(2,106,257)	(1,002,189)	(2,130,910)	(1,021,511)
Net cash flows from operating activities	7,940,290	20,684,006	7,954,435	20,430,534
Cash flows from investing activities				
Dividend received from other investments	1,211,908	880,479	1,211,908	895,092
Government Securities- net	(4,805,592)	21,332,442	(4,805,592)	21,332,442
Proceeds from sale and redemption of securities	2,267,402	168,117	2,267,402	168,117
Purchase of financial investments	(4,261,009)	(2,516,687)	(4,261,009)	(2,399,021)
Purchase of property, equipment, intangibles and investment property	(403,785)	(219,657)	(418,019)	(221,451)
Proceeds from sale of disposal of asset held for sale	6,500,000	-	6,500,000	-
Net cash flows from investing activities	508,924	19,644,694	494,690	19,775,179
Cash flows from financing activities				
Redemption of debentures	-	(3,804,760)	-	(3,812,220)
Issue of debentures	-	8,000,000	-	8,000,000
Borrowing, medium and long - term	60,973	314,926	60,973	314,926
Other short term borrowings - net	17,839,308	(50,789,029)	17,839,308	(50,789,029)
Repayment of borrowing, medium and long - term	(2,247,447)	(3,505,827)	(2,247,447)	(3,505,827)
Dividends paid	(1,730,632)	(1,265,846)	(1,730,632)	(1,265,846)
Net Cash flows from / (used in) financing activities	13,922,202	(51,050,536)	13,922,202	(51,057,995)
Net increase / (decrease) in cash and cash equivalents	22,371,416	(10,721,836)	22,371,327	(10,852,282)
Cash and cash equivalents at the beginning of the period	24,734,298	43,556,556	24,752,967	43,689,493
Cash and cash equivalents at the end of the period	47,105,714	32,834,720	47,124,294	32,837,210
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents	16,188,891	12,822,595	16,207,471	12,825,085
Placements with banks	30,916,823	20,012,125	30,916,823	20,012,125
	47,105,714	32,834,720	47,124,294	32,837,210

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

Explanatory Notes

Note 1. Statement of Compliance

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

Note 2. Accounting Policies and Accounting Estimates

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

Note 3. Group Financial Statements

The Group Financial Statements comprise the Bank and its subsidiaries DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited and Synapsys Limited and group interest in associate company National Asset Management Limited and group interest in joint venture Acuity Partners (Pvt) Ltd. Investments in Subsidiaries, joint venture and associate companies are accounted under cost method in Bank's financial statements. Investment in associate and joint venture are accounted under equity method in group's financial statements.

Note 4. Expected Credit Loss calculation

In order to address the impacts of prevailing economic conditions on the lending portfolio, the Bank has made adequate impairment provision as at 31 March 2025 by introducing changes to internal models to cover unseen risk factors including additional provisions made as management overlay for the exposures to risk elevated sectors.

Note 5. Net gains from trading

For the period ended 31 March

Derivative Financial Instruments

	Bank		Group	
	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000
Forward exchange fair value changes from banks and other customers	958,602	(429,185)	958,602	(429,185)
Gains on financial assets fair value through profit or loss - equity securities	31,324	21,889	31,324	21,889
Foreign exchange from Banks and Other Customers	(930,896)	471,891	(930,896)	471,891
Financial assets recognized through profit or loss - measured at fair value				
<i>Government securities</i>				
- Net marked to market (losses)/ gains	(8,331)	1,511	(8,331)	1,511
- Net capital gains	38,660	2,897	38,660	2,897
<i>Equities</i>				
- Net marked to market (losses)/ gains	(197,266)	139,830	(197,266)	139,830
- Net capital gains	143,083	10,853	143,083	10,853
- Dividend income	51,973	8,677	51,973	8,677
	87,149	228,363	87,149	228,363

Note 6. Net Other Operating Income

For the period ended 31 March

Financial assets measured at fair value through other comprehensive income

	Bank		Group	
	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000
Dividend income	1,211,908	871,802	1,211,908	871,802
Premises rental income	-	-	123,666	112,989
Net (loss) / gain on sale of property, plant and equipment	(14,663)	5,054	(14,663)	5,054
Foreign exchange gains/ (losses)	5,264	9,961	7,945	(1,926)
Recovery of loans written-off	34,720	20,012	34,720	20,012
Others	11,604	15,984	85,644	62,022
	1,248,833	922,813	1,449,220	1,069,953

Note 7. Financial Assets at Amortized Cost - Loans to and Receivables from Other Customers

As at	Bank		Group	
	31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Gross loans and receivables (Note 7.1)	461,063,589	440,906,944	461,063,589	440,906,944
Less: Allowance for impairment (Note 7.2)	(47,296,149)	(46,545,464)	(47,296,149)	(46,545,464)
Net loans and receivables	413,767,440	394,361,480	413,767,440	394,361,480

Note 7.1 Loans to and Receivables from Other Customers - By product

As at	Bank		Group	
	31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Overdrafts	58,999,920	57,006,572	58,999,920	57,006,572
Trade finance	44,219,870	41,146,693	44,219,870	41,146,693
Credit cards	7,992,134	7,716,549	7,992,134	7,716,549
Pawning	18,638,395	16,152,388	18,638,395	16,152,388
Staff loans	3,002,920	2,823,269	3,002,920	2,823,269
Term loans	247,308,141	232,516,931	247,308,141	232,516,931
Lease rentals receivable	28,317,202	25,898,216	28,317,202	25,898,216
	408,478,582	383,260,618	408,478,582	383,260,618
By product-Foreign Currency				
Overdrafts	3,461,407	1,513,564	3,461,407	1,513,564
Trade finance	22,651,198	23,595,451	22,651,198	23,595,451
Term loans	26,472,402	32,537,311	26,472,402	32,537,311
	52,585,007	57,646,326	52,585,007	57,646,326
Gross loans and receivables	461,063,589	440,906,944	461,063,589	440,906,944

Note 7.2 Movement in Impairment during the period

	Bank		Group	
	31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Stage 1				
Balance at beginning	3,412,778	3,500,658	3,412,778	3,500,658
Charge / (reversal) to income statement	508,415	(87,880)	508,415	(87,880)
Balance at end	3,921,193	3,412,778	3,921,193	3,412,778
Stage 2				
Balance at beginning	5,930,684	7,235,925	5,930,684	7,235,925
Charge /(reversal) to income statement	719,825	(1,305,241)	719,825	(1,305,241)
Balance at end	6,650,509	5,930,684	6,650,509	5,930,684
Stage 3				
Balance at beginning	37,202,002	35,180,673	37,202,002	35,180,673
(Reversal)/charge to income statement	(589,713)	5,356,941	(589,713)	5,356,941
Other movements	112,158	(3,335,612)	112,158	(3,335,612)
Balance at end	36,724,447	37,202,002	36,724,447	37,202,002
Total Impairment	47,296,149	46,545,464	47,296,149	46,545,464

Note 8 . Analysis of Commitments and Contingencies and Impairment

	As at	Bank		Group	
		31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
		LKR 000	LKR 000	LKR 000	LKR 000
8.1	Gross commitment and contingencies	260,353,275	222,538,011	260,353,275	222,538,011
	Accumulated impairment under stage 1	1,073,243	713,480	1,073,243	713,480
	Accumulated impairment under stage 2	150,112	108,915	150,112	108,915
	Accumulated impairment under stage 3	-	-	-	-
	Net commitments and contingencies	259,129,920	221,715,616	259,129,920	221,715,616
8.2	Product-wise commitments and contingencies				
	Domestic currency				
	Credit related commitments and contingencies				
	Undrawn -Credit facilities	90,133,669	76,471,261	90,133,669	76,471,261
	Acceptances	208,096	1,280	208,096	1,280
	Documentary Letter of credit	671,990	1,063,809	671,990	1,063,809
	Guarantees and other Commitments	19,354,817	19,272,590	19,354,817	19,272,590
		110,368,572	96,808,940	110,368,572	96,808,940
	Other commitments and contingencies				
	Capital commitments	711,690	496,269	711,690	496,269
	Bid Bonds	969,304	932,144	969,304	932,144
		1,680,994	1,428,413	1,680,994	1,428,413
	Sub total	112,049,566	98,237,353	112,049,566	98,237,353
	Foreign currency				
	Credit related commitments and contingencies				
	Undrawn - Credit facilities	15,736,904	13,491,901	15,736,904	13,491,901
	Acceptances	8,774,190	8,533,063	8,774,190	8,533,063
	Documentary Letter of credit	23,062,429	12,756,535	23,062,429	12,756,535
	Guarantees and other Commitments	5,257,211	6,400,111	5,257,211	6,400,111
		52,830,734	41,181,610	52,830,734	41,181,610
	Other commitments and contingencies				
	Forward exchange contracts	95,239,700	82,943,485	95,239,700	82,943,485
	Capital commitments	149,129	164,854	149,129	164,854
	Bid Bonds	84,146	10,709	84,146	10,709
		95,472,975	83,119,048	95,472,975	83,119,048
	Sub total	148,303,709	124,300,658	148,303,709	124,300,658
	Total gross commitments and contingencies	260,353,275	222,538,011	260,353,275	222,538,011
8.3	Bank	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
	Balance as at 1st January 2025	713,480	108,915	-	822,395
	Net charge to profit or loss	359,763	41,197	-	400,960
	Balance as at 31 March 2025	1,073,243	150,112	-	1,223,355
	Group	Stage 01 LKR 000	Stage 02 LKR 000	Stage 03 LKR 000	Total LKR 000
	Balance as at 1st January 2025	713,480	108,915	-	822,395
	Net charge to profit or loss	359,763	41,197	-	400,960
	Balance as at 31 March 2025	1,073,243	150,112	-	1,223,355

Note 9. Asset Held for Sale

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

As at	Bank		Group	
	31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
Investment in Joint Venture (Reclassified)	-	755,000	-	5,480,475
Assets Held for sale	-	755,000	-	5,480,475

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

As at	Bank		Group	
	31.03.2025	31.12.2024 (Audited)	31.03.2025	31.12.2024 (Audited)
	LKR 000	LKR 000	LKR 000	LKR 000
By product-Domestic Currency				
Demand deposits (current accounts)	17,105,700	16,540,563	17,101,939	16,540,462
Savings deposits	84,504,297	68,235,448	84,453,253	68,204,119
Fixed deposits	291,029,985	274,376,213	290,327,987	273,735,027
Other deposits	540,372	341,308	540,372	341,308
Certificate of deposits	-	27,028	-	27,028
	393,180,354	359,520,560	392,423,551	358,847,944
By product- Foreign Currency				
Demand deposits (current accounts)	1,056,625	835,854	1,056,625	835,854
Savings deposits	29,408,874	29,254,476	29,323,563	29,173,159
Fixed deposits	77,401,987	75,542,290	77,361,493	75,502,607
	107,867,486	105,632,620	107,741,681	105,511,620
Total	501,047,840	465,153,180	500,165,232	464,359,564

Note 11. Reclassifications of Financial Instrument

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

The Bank used this option to reclassify long term debt instruments subsequent to the initial recognition. The fair value of the debt portfolio reclassified during year 2022 and remaining as at 31 March 2025 amounted to LKR 7.3 Bn. and cumulative fair value gain thereon amounted to LKR 0.09 Bn. (net of tax LKR 0.07 Bn.).

Note 12. Events after the reporting period

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

Note 13. Disclosures under Listing Rules

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

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

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

13.2 Stated capital

As at	Number of shares	
	31.03.2025	31.12.2024
Number of shares of the Bank	438,404,250	432,658,011

13.3 Market price of a share

Information on shares of the Bank for the quarter ended	31.03.2025	31.12.2024
- Highest price LKR	139.75	115.00
- Lowest price LKR	101.00	76.90
- Market price LKR	106.00	113.75

13.4 Twenty Major Shareholders as at 31.03.2025

	Name of Shareholder/Company	Shareholding	%
1	Hatton National Bank PLC A/C No 1	54,681,654	12.47
2	Bank of Ceylon-No2 A/C (BOC PTF)	45,862,822	10.46
3	Seylan Bank PLC / Phantom Investments (Pvt) Ltd	42,659,140	9.73
4	Mr. M.A.Yaseen	35,853,899	8.17
5	Sri Lanka Insurance Corporation Ltd-Life Fund	33,248,337	7.58
6	Employee's Provident Fund	29,380,416	6.70
7	Commercial Bank of Ceylon PLC/Ambeon Holdings PLC	27,000,000	6.15
8	Melstacorp PLC	26,986,746	6.15
9	Seafeld International Limited	21,360,204	4.87
10	Renuka City Hotels PLC	8,756,674	1.99
11	Ambeon Holdings PLC	6,460,744	1.47
12	Colombo City Holdings PLC	5,167,734	1.17
13	Renuka Hotels PLC	4,911,033	1.12
14	Employees Trust Fund Board	4,808,061	1.09
15	Cargo Boat Development Company PLC	3,320,705	0.75
16	Akbar Brothers Pvt Ltd A/C No 1	3,160,316	0.72
17	Peoples Leasing and Finance PLC/ M.E. Amarasinghe	2,612,176	0.59
18	Sri Lanka Insurance Corporation Ltd- General Fund	2,596,656	0.59
19	Stassen Exports (Pvt) Limited	2,286,858	0.52
20	Sampath Bank PLC/Andaradeniya Estate Private Limited	2,026,562	0.46

13.5 Public Holdings as at 31.03.2025

Public holdings percentage	77.04%
Number of Public shareholders	12,906
Float adjusted market capitalisation	LKR 35,802 million
Applicable option as per CSE Listing Rule 7.13.1 (i) (a)	Option 1

13.6 Directors' Interests in Shares

	No of Shares As at 31.03.2025
J Durairatnam	Nil
Ms L K A H Fernando	Nil
W R H Fernando	Nil
N K G K Nemmawatta	Nil
N H T I Perera	26,820
Ms A L Thambiayah	Nil
N Vasantha Kumar	Nil
H A J de Silva Wijeyeratne	13,407
P A Jayatunga	Nil

Certification

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

Chinthika Amarasekera
Chief Financial Officer

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

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

J. Durairatnam
Chairman

Thimal Perera
Director / Chief Executive Officer

8-May-25

Listed Debentures

Debenture Category	Interest rate	Effective	Coupon	Interest rate of	Balance as at	Market price LKR			Yield	Last
	Frequency	Rate	Rate	Comparative		Highest	Lowest	Last Traded	Last Traded %	Traded Date
		%	%	Government Securities (Gross) p.a.						
					31.03.2025					
					LKR 000					
Fixed Rate										
2018/2025	Annually	13.00	13.00	7.67	4,595,365	N/T	N/T	N/T	N/A	N/A
2019/2026	Annually	13.75	13.75	8.32	1,785,693	N/T	N/T	N/T	N/A	N/A
2019/2029	Annually	13.90	13.90	10.12	4,409,256	N/T	N/T	N/T	N/A	N/A
2020/2025	Annually	9.00	9.00	8.02	4,482,015	N/T	N/T	N/T	N/A	N/A
2020/2027	Annually	9.25	9.25	9.38	212,821	N/T	N/T	N/T	N/A	N/A
2024/2027	Annually	12.00	12.00	9.30	2,634,865	N/T	N/T	N/T	N/A	N/A
2024/2029	Annually	15.25	15.25	10.12	8,166,760	N/T	N/T	N/T	N/A	N/A
2024/2031	Annually	14.75	14.75	10.66	56,262	N/T	N/T	N/T	N/A	N/A

N/T -Not traded

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

Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of allocation as per Prospectus	Amount allocated from Proceeds (A)	% of Total Proceeds	Amount utilized as at 31.03.2025 (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: Whether lent to related party/s etc.)
Financing the establishment, acquisition, expansion, and/or ongoing management of on -shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities	LKR 2,500 Mn (Maximum issuance)	Within 18 months upon allotment of the Bonds	LKR 1,510 Mn	60.4%	LKR 881 Mn	58.3%	Invested in Government Securities
Refinancing existing on-shore ground and rooftop mounted solar photovoltaic (PV) power generation facilities provided such projects were approved for financing by the Bank and were commissioned within a two (2) year 'lookback' period from the date the project was earmarked for funding by the proceeds of the particular Green Bond.		Immediately, upon allotment of bonds	LKR 990 Mn	39.6%	LKR 990 Mn	100.0%	N/A

* Date of allotment of Green Bonds - 24.09.2024

Selected Performance Indicators

Item	Bank		Group	
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier I	50,724,562	52,485,838	56,040,468	57,804,406
Tier 1 Capital	50,724,562	52,485,838	56,040,468	57,804,406
Total Regulatory Capital	62,878,165	66,694,057	68,208,190	72,021,492
Regulatory Capital Ratios %				
Common Equity Tier 1 Capital Ratio (Minimum requirement - 7%)	10.891	12.402	12.042	13.611
Tier 1 Capital Ratio (Minimum requirement - 8.5%)	10.891	12.402	12.042	13.611
Total Capital Ratio (Minimum requirement - 12.5%)	13.501	15.759	14.656	16.958
Basel III Leverage Ratio (Minimum requirement is 3%)	6.48	7.33	7.17	8.03
Regulatory Liquidity Requirement				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement - 100%)	268.69	310.01		
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	255.07	280.26		
Net Stable Funding Ratio (%) (Minimum requirement - 100%)	118.15	124.60		
Asset Quality				
Impaired Loans (Stage 3) to Total Loans Ratio (%)*	5.38	5.65		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	53.48	54.06		
Income & Profitability				
Net Interest margin %	4.10	4.18		
Return on assets (profit before tax) %	2.14	2.01		
Return on equity (profit after tax) %	14.46	10.99		
Cost to Income Ratio (%)	40.44	42.67		
Other Ratios				
Debt to equity ratio (times)	2.02	2.01		
Interest cover (times)	3.04	2.78		
Memorandum Information				
Credit Rating - Fitch	A(lka)	A(lka)		
Number of Employees	2,474	2,439		
Number of Branches (Including Service centres)	139	139		

* Including Undrawn Portion of Credit

Analysis of Financial Instruments By Measurement Basis

	Bank				Group			
	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total	Fair value through profit or loss - mandatory	Fair value through other comprehensive income	Amortised cost	Total
As at 31 March 2025	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Financial Assets								
Cash and cash equivalents	-	-	16,188,891	16,188,891	-	-	16,207,471	16,207,471
Balances with Central Bank of Sri Lanka	-	-	2,645,175	2,645,175	-	-	2,645,175	2,645,175
Placements with banks	-	-	30,916,823	30,916,823	-	-	30,916,823	30,916,823
Derivative financial assets	9,218,675	-	-	9,218,675	9,218,675	-	-	9,218,675
Financial assets measured at fair value through profit or loss	6,895,590	-	-	6,895,590	6,895,590	-	-	6,895,590
Financial assets at amortised cost - Loans and advances to banks	-	-	8,308,153	8,308,153	-	-	8,308,153	8,308,153
Financial assets at amortised cost -Loans and advances to customers	-	-	413,767,440	413,767,440	-	-	413,767,440	413,767,440
Financial assets at amortised cost - Debt and other instruments	-	-	109,923,828	109,923,828	-	-	109,979,475	109,979,475
Financial assets measured at fair value through other comprehensive income	-	145,077,187	-	145,077,187	-	145,077,187	-	145,077,187
Other assets	-	-	6,180,163	6,180,163	-	-	6,304,979	6,304,979
Total financial assets	16,114,265	145,077,187	587,930,473	749,121,925	16,114,265	145,077,187	588,129,516	749,320,968
Financial Liabilities								
Due to banks	-	-	11,604,302	11,604,302	-	-	11,604,302	11,604,302
Derivative financial liabilities	160,831	-	-	160,831	160,831	-	-	160,831
Financial liabilities at amortised cost -Due to depositors	-	-	501,047,840	501,047,840	-	-	500,165,232	500,165,232
Financial liabilities at amortised cost - Due to other borrowers	-	-	108,465,188	108,465,188	-	-	108,465,188	108,465,188
Debt securities issued	-	-	14,267,350	14,267,350	-	-	14,267,350	14,267,350
Other liabilities	-	-	7,715,555	7,715,555	-	-	8,210,350	8,210,350
Subordinated term debt	-	-	17,513,223	17,513,223	-	-	17,513,223	17,513,223
Total financial liabilities	160,831	-	660,613,458	660,774,289	160,831	-	660,225,645	660,386,476

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

Fair Values of Financial Instruments

Financial Instruments Recorded at Fair Value

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

(a) Derivatives

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

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

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

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

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

Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

As at 31 March 2025	Level 1 LKR 000	Level 2 LKR 000	Level 3 LKR 000	Total LKR 000
Financial Assets				
Derivative financial assets				
Forward foreign exchange contracts	-	9,218,675	-	9,218,675
Financial assets measured at fair value through profit or loss				
Government of Sri Lanka Treasury Bills and Bonds	862,349	-	-	862,349
Equity securities - quoted	3,788,686	-	-	3,788,686
Units in unit trusts - unquoted	-	2,244,554	-	2,244,554
Financial assets measured at fair value through other comprehensive income				
Government of Sri Lanka Treasury Bills and Bonds	118,503,962	-	-	118,503,962
US Treasury Bill	1,496,567	-	-	1,496,567
Equity shares- quoted	24,808,456	-	-	24,808,456
Equity shares- unquoted	-	-	268,202	268,202
	149,460,020	11,463,229	268,202	161,191,451
Financial Liabilities				
Derivative financial liabilities				
Forward foreign exchange contracts	-	160,831	-	160,831
	-	160,831	-	160,831

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

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

	As at 31 March 2025		As at 31 December 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	16,188,891	16,188,891	13,504,806	13,504,806
Balances with Central Bank of Sri Lanka	2,645,175	2,645,175	2,328,346	2,328,346
Placements with banks	30,916,823	30,916,823	11,229,492	11,229,492
Financial assets at amortised cost - Loans and advances to banks	8,308,153	8,308,153	1,500,338	1,664,755
Financial assets at amortised cost - Loans and advances to customers	413,767,440	386,315,757	394,361,480	377,802,310
Financial assets at amortised cost - Debt and other instruments	109,923,828	110,554,979	105,641,690	105,839,660
Other financial assets	6,180,163	6,180,163	4,946,528	4,946,528
Financial Liabilities				
Due to banks	11,604,302	11,604,302	7,149,474	7,149,474
Financial liabilities at amortised cost - due to depositors	501,047,840	489,005,270	465,153,180	459,260,928
Financial liabilities at amortised cost - due to other borrowers	108,465,188	108,465,188	96,755,632	96,755,632
Debt securities issued	14,267,350	13,892,810	14,690,723	14,852,236
Other financial liabilities	7,715,555	7,715,555	7,441,320	7,441,320
Subordinated term debt	17,513,223	14,652,149	18,234,054	13,480,708

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

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

Assets for which Fair Value Approximates Carrying Value

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

Fixed Rate Financial Instruments

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

Reconciliation of Level 3 fair values

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

	Equity Securities	
	Bank/Group	
	2025	2024
	LKR 000	LKR 000
Balance at 1 January	237,986	221,419
Purchased during the period		
Gain included in OCI		
– Net change in fair value (unrealised)		16,567
Balance at end of the period	237,986	237,986

Sensitivity analysis

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

	OCI Net of Tax	
	Increase	Decrease
	LKR 000	LKR 000
Equity securities as at 31.03.2025		
Adjusted net assets value (5% movement)	11,899	(11,899)

OPERATING SEGMENTS - GROUP

Information about reportable segments

For the period ended 31 March	Corporate Banking		Retail Banking		Treasury		Other		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Net interest income	562,842	716,509	3,028,482	2,818,350	2,816,038	2,524,156	18,766	20,899	1,001,849	978,553	7,427,977	7,058,467
Net fees and commission income	382,653	283,893	990,581	793,528	(2,314)	(11,360)	(194)	(141)	63,436	88,259	1,434,162	1,154,179
Net gains from trading	50,704	36,166	43,766	28,793	(7,321)	163,404	-	-	-	-	87,149	228,363
Net gains from derecognition of financial assets	-	-	-	-	683,870	1,880,079	-	-	-	-	683,870	1,880,079
Net other operating income	(813)	16,283	(6,028)	18,125	-	26,744	200,386	147,140	1,255,675	861,661	1,449,220	1,069,953
Total operating income	995,386	1,052,851	4,056,801	3,658,796	3,490,273	4,583,023	218,958	167,898	2,320,960	1,928,473	11,082,378	11,391,041
Impairment for loans and other losses	(566,847)	(268,523)	382,942	(161,944)	(112,632)	(737,273)			(1,058,416)	(416,808)	(1,354,953)	(1,584,548)
Net operating income/ Segment Result	428,539	784,328	4,439,743	3,496,852	3,377,641	3,845,750	218,958	167,898	1,262,544	1,511,665	9,727,425	9,806,493
Operating profit after taxes on financial services											4,055,043	4,821,045
Share of profits of associate											206	(115)
Profit for the period from discontinued operation											165,953	633,679
Income tax expense											(1,178,364)	(1,630,224)
Non-controlling interest											50,490	33,164
Net profit for the period, attributable to equity holders of the Bank											2,992,348	3,791,221

As at 31 March	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Segment assets	159,643,687	142,363,157	255,491,429	205,904,454	305,709,753	239,960,084	1,252,019	1,108,709	42,594,703	35,234,557	764,691,592	624,570,961
Segment liabilities	94,785,698	73,617,048	406,169,117	361,912,254	152,010,894	97,864,003	704,503	656,004	19,449,902	17,011,925	673,120,114	551,061,234

For the period ended 31 March	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000	LKR 000
Information on cash flows												
Cash flows from operating activities	-	-	-	-	-	-	-	-	-	-	7,954,435	20,430,534
Cash flows from investing activities	-	-	-	-	-	-	-	-	-	-	494,690	19,775,179
Cash flows from financing activities	-	-	-	-	-	-	-	-	-	-	13,922,202	(51,057,995)
Net cash flows generated during the period	-	-	-	-	-	-	-	-	-	-	22,371,327	(10,852,282)
Capital expenditure:												
Property, plant and equipment	-	-	-	-	-	-	166,123	100,451	-	-	166,123	100,451
Intangible assets	-	-	-	-	-	-	136,439	9,836	-	-	136,439	9,836
Total capital expenditure											302,562	110,287