FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE

2026

FITCH RATING AA- (LKA)

INCOME STATEMENT

FOR THE PERIOD ENDED 30TH JUNE

	BANK 2026 (Rs. '000) (Unaudited)	BANK 2025 (Rs. '000) (Unaudited)	BANK Change %	GROUP 2026 (Rs. '000) (Unaudited)	GROUP 2025 (Rs. '000) (Unaudited)	GROUP Change %
Gross Income	**205,537,962**	**188,981,491**	**8.8**	**235,575,979**	**206,597,759**	**14.0**
Interest income	191,256,054	176,450,917	8.4	218,842,144	192,716,839	13.6
Interest expenses	(108,884,052)	(107,156,975)	1.6	(121,821,796)	(113,774,086)	7.1
Net Interest Income	**82,372,002**	**69,293,942**	**18.9**	**97,020,348**	**78,942,753**	**22.9**
Fee and commission income	10,328,288	8,921,202	15.8	11,425,203	9,762,473	17.0
Fee and commission expenses	(1,438,358)	(932,122)	54.3	(1,438,358)	(932,122)	54.3
Net Fee and Commission Income	**8,889,930**	**7,989,080**	**11.3**	**9,986,845**	**8,830,351**	**13.1**
Net gain / (loss) from trading	2,125,197	1,904,135	11.6	2,199,811	1,960,462	12.2
Other operating income (net)	1,828,423	1,705,237	7.2	3,108,821	2,157,985	44.1
Total Operating Income	**95,215,552**	**80,892,394**	**17.7**	**112,315,825**	**91,891,551**	**22.2**
Impairment Charge	(15,293,238)	(10,353,960)	47.7	(16,205,241)	(9,877,279)	64.1
Loans & advances to Customers	(15,150,587)	(10,731,190)		(16,119,378)	(10,254,509)	
Other Financial Assets	(142,641)	52,191		(142,641)	52,191	
Others	(10)	325,039		56,778	325,039	
Net Operating Income	**79,922,314**	**70,538,434**	**13.3**	**96,110,584**	**82,014,272**	**17.2**
Personnel Expenses	(20,860,146)	(18,739,142)	11.3	(26,187,476)	(22,685,319)	15.4
Depreciation and Amortisation	(2,529,221)	(2,794,599)	(9.5)	(2,849,745)	(3,104,474)	(8.2)
Other Expenses	(13,460,191)	(11,948,244)	12.7	(17,359,252)	(14,918,129)	16.4
Operating Profit Before Taxes on Financial Services	**43,072,756**	**37,056,449**	**16.2**	**49,714,111**	**41,306,350**	**20.4**
Taxes on financial services	(10,433,879)	(9,067,349)	15.1	(12,358,753)	(10,337,776)	19.5
Profit Before Tax	**32,638,877**	**27,989,100**	**16.6**	**37,355,358**	**30,968,574**	**20.6**
Income Tax Expenses	(12,100,714)	(9,771,034)	23.8	(14,801,081)	(11,360,053)	30.3
Profit for the period	**20,538,163**	**18,218,066**	**12.7**	**22,554,277**	**19,608,521**	**15.0**
Profit Attributable to :						
Equity Holders of the Bank	20,538,163	18,218,066	12.7	21,676,803	18,860,877	14.9
Non-Controlling Interests	-	-		877,474	747,644	17.4
	20,538,163	**18,218,066**	**12.7**	**22,554,277**	**19,608,521**	**15.0**
Earnings Per Share on Profit						
Basic Earnings per Ordinary Share [Rs.]	20,538	18,218	12.7	21,677	18,861	14.9
Diluted Earnings per Ordinary Share [Rs.]	84	75	12.7	89	77	14.9

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2026 (Rs. '000) (Unaudited)	**2025 (Rs. '000) (Unaudited)**	**2026 (Rs. '000) (Unaudited)**	**2025 (Rs. '000) (Unaudited)**
Profit for the period	**20,538,163**	**18,218,066**	**22,554,277**	**19,608,521**
Other comprehensive income that will not be reclassified to the income statement				
Net Gains/(Losses) on equity instruments at fair value through OCI	713,011	443,007	774,304	579,652
Net Actuarial Gains/(Losses) on Defined Benefit Plans	-	-	(64,913)	(182,872)
Deferred Tax Effect on Defined Benefit Plans	-	-	19,804	54,862
Other comprehensive income that will be reclassified to the income statement				
Net Gains/(Losses)[including change in ECL] on debt instruments at fair value through OCI	(514)	(9,561)	(514)	(9,561)
Deferred Tax Effect on OCI items	-	-	12,926	(41,459)
Net Gains/(Losses) on translating the financial statements of foreign operation	-	-	141,129	(110,171)
Other Comprehensive Income for the period, Net of Taxes	712,497	433,446	882,736	290,451
Total Comprehensive Income for the period	**21,250,660**	18,651,512	**23,437,013**	**19,898,972**
Attributable to :				
Equity Holders of the Bank	21,250,660	18,651,512	22,465,924	19,229,004
Non-Controlling Interests	-	-	971,089	669,968
	21,250,660	**18,651,512**	**23,437,013**	**19,898,972**

STATEMENT OF FINANCIAL POSITION

AS AT

	BANK			GROUP		
	30.06.2026 (Rs.'000) (Unaudited)	31.12.2025 (Rs. '000) (Audited)	Change %	30.06.2026 (Rs.'000) (Unaudited)	31.12.2025 (Rs. '000) (Audited)	Change %
Assets						
Cash and Cash Equivalents	91,238,758	109,138,690	(16.4)	94,621,606	110,598,346	(14.4)
Balances with Central Bank of Sri Lanka	37,452,068	38,417,296	(2.5)	37,452,068	38,417,296	(2.5)
Placements with Banks	132,447,701	85,166,913	55.5	137,941,512	89,852,936	53.5
Derivative Financial Instruments	4,705,907	4,524,930	4.0	4,705,907	4,524,930	4.0
Financial Assets - At Fair Value through Profit or Loss	289,396,572	307,296,907	(5.8)	291,519,473	308,444,628	(5.5)
Financial Assets - At Amortised Cost						
Loans and advances to Banks	7,001,485	83,506,019	(91.6)	24,033,942	89,185,034	(73.1)
Loans and advances to Other Customers	1,899,352,591	1,730,671,216	9.7	2,204,740,354	2,000,085,410	10.2
Debt instruments measured at amortised cost	1,171,613,041	1,230,298,162	(4.8)	1,186,063,196	1,242,598,653	(4.5)
Financial Assets - At Fair Value through other Comprehensive income [OCI]						
Equity instruments at fair value through OCI	4,127,844	3,431,075	20.3	4,220,067	3,704,427	13.9
Debt instruments at fair value through OCI	4,183,589	7,081,782	(40.9)	4,183,589	8,051,542	(48.0)
Investments in Subsidiaries	7,139,255	6,153,102	16.0	-	-	-
Property, Plant, Equipment and Right of use assets	59,728,276	60,687,299	(1.6)	73,662,652	74,045,961	(0.5)
Intangible Assets and Goodwill	1,655,727	1,842,560	(10.1)	1,882,998	2,090,486	(9.9)
Other Assets	43,492,623	40,188,540	8.2	40,770,969	38,634,783	5.5
Total Assets	**3,753,535,437**	**3,708,404,491**	1.2	**4,105,798,333**	**4,010,234,432**	2.4
Liabilities						
Due to Banks	14,912,302	25,969,385	(42.6)	113,863,437	96,287,432	18.3
Derivative Financial Instruments	220,754	93,407	136.3	220,754	93,407	136.3
Due to Other Customers	3,164,950,388	3,229,886,179	(2.0)	3,335,562,519	3,380,319,917	(1.3)
Other Borrowings	172,279,547	100,014,574	72.3	172,173,547	99,787,574	72.5
Current Tax Liabilities	12,638,947	9,845,693	28.4	15,436,065	11,372,189	35.7
Net Deferred Tax Liabilities	6,905,266	6,787,488	1.7	9,411,093	9,581,574	(1.8)
Other Liabilities	72,586,447	76,217,192	(4.8)	91,762,619	97,169,725	(5.6)
Subordinated Term Debts	68,753,516	40,552,963	69.5	73,926,868	45,508,349	62.4
Total Liabilities	**3,513,247,167**	**3,489,366,881**	0.7	**3,812,356,902**	**3,740,120,167**	1.9
Equity						
Stated Capital/Assigned Capital	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Statutory Reserve Fund	12,201,998	12,201,998	-	12,201,998	12,201,998	-
Other Reserves	72,341,277	70,674,271	2.4	76,171,976	74,394,779	2.4
Retained Earnings	143,542,997	123,959,343	15.8	175,846,601	155,157,874	13.3
Total Shareholders' Equity	**240,288,270**	**219,037,610**	9.7	**276,422,573**	**253,956,649**	8.8
Non-Controlling Interests	-	-		17,018,858	16,157,616	5.3
Total Equity	**240,288,270**	**219,037,610**	9.7	**293,441,431**	**270,114,265**	8.6
Total Equity and Liabilities	**3,753,535,437**	**3,708,404,491**	1.2	**4,105,798,333**	**4,010,234,432**	2.4
Contingent Liabilities and Commitments	**263,330,550**	**248,762,020**	5.9	**294,416,548**	**277,222,334**	6.2
Number of Employees	8,052	8,122		12,500	12,489	
Number of Branches	746	746		918	917	

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30TH JUNE

BANK

	Stated capital/Assigned capital		Reserves						Total
	Ordinary Shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)	Special Reserve-Debt Restructuring (Rs.'000)	Retained Earnings (Rs.'000)	(Rs.'000)
Balance as at 1st January 2025	**49,998**	**12,152,000**	**11,828,689**	**29,395,684**	**14,141,373**	**783,754**	**24,660,447**	**88,985,599**	**181,997,544**
Total Comprehensive Income for the year									
Profit for the year	-	-	-	-	-	-	-	40,229,514	40,229,514
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	(2,265,199)	-	1,109,396	-	1,516,355	360,552
Total Comprehensive Income/(Expense)	-	-	-	(2,265,199)	-	1,109,396	-	41,745,869	40,590,066
Transactions with equity holders, recognised directly in equity									
Transfer to Reserves during the Year	-	-	373,309	-	-	-	2,849,082	(3,222,390)	-
Transfer on disposal of FVOCI shares	-	-	-	-	-	(265)	-	265	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	(3,550,000)	(3,550,000)
Total Transactions with Equity Holders	-	-	373,309	-	-	(265)	2,849,082	(6,772,125)	(3,550,000)
Balance as at 31st December 2025	**49,998**	**12,152,000**	**12,201,998**	**27,130,485**	**14,141,373**	**1,892,885**	**27,509,529**	**123,959,343**	**219,037,610**
Balance as at 1st January 2026	**49,998**	**12,152,000**	**12,201,998**	**27,130,485**	**14,141,373**	**1,892,885**	**27,509,529**	**123,959,343**	**219,037,610**
Total Comprehensive Income for the period									
Profit for the period	-	-	-	-	-	-	-	20,538,163	20,538,163
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	-	712,497	-	-	712,497
Total Comprehensive Income/(Expense)	-	-	-	-	-	712,497	-	20,538,163	21,250,660
Transactions with Equity Holders, Recognised Directly in Equity									
Transfer to Reserves during the period	-	-	-	-	-	-	960,240	(960,240)	-
Transfer on disposal of FVOCI shares	-	-	-	-	-	(5,731)	-	5,731	-
Total Transactions with Equity Holders	-	-	-	-	-	(5,731)	960,240	(954,509)	-
Balance as at 30th June 2026	**49,998**	**12,152,000**	**12,201,998**	**27,130,485**	**14,141,373**	**2,599,651**	**28,469,768**	**143,542,997**	**240,288,270**

STATEMENT OF CHANGES IN EQUITY

GROUP

	Stated capital/ Assigned capital		Reserves						Total	Non controlling interest	Total equity
	Ordinary shares (Rs.'000)	Assigned capital (Rs.'000)	Statutory Reserve Fund (Rs.'000)	Revaluation Reserve (Rs.'000)	Other Reserves (Rs.'000)	Financial assets at FVOCI Reserve (Rs.'000)	Special Reserve - Debt Restructuring (Rs.'000)	Retained earnings (Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Balance as at 1st January 2025	**49,998**	**12,152,000**	**11,828,689**	**32,342,943**	**14,643,478**	**760,341**	**24,660,447**	**118,455,452**	**214,893,348**	**15,058,441**	**229,951,789**
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	41,974,128	41,974,128	1,509,581	43,483,709
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	(2,053,946)	(52,546)	1,245,246	-	1,500,419	639,173	23,162	662,335
Total Comprehensive Income/(Expense)	-	-	-	**(2,053,946)**	**(52,546)**	**1,245,246**	**-**	**43,474,547**	**42,613,301**	**1,532,743**	**44,146,044**
Transactions with equity holders, recognised directly in equity											
Transfer to Reserves during the Year	-	-	373,309	-	-	-	2,849,082	(3,222,390)	-	-	-
Transfer on disposal of FVOCI shares	-	-	-	-	-	(265)	-	265	-	-	-
Special levy to Treasury/ Dividend	-	-	-	-	-	-	-	(3,550,000)	(3,550,000)	-	(3,550,000)
Dividends Paid	-	-	-	-	-	-	-	-	-	(433,568)	(433,568)
Total Transactions with Equity Holders	-	-	373,309	-	-	(265)	2,849,082	(6,772,125)	(3,550,000)	(433,568)	(3,983,568)
Balance as at 31st December 2025	**49,998**	**12,152,000**	**12,201,998**	**30,288,998**	**14,590,932**	**2,005,322**	**27,509,529**	**155,157,874**	**253,956,649**	**16,157,616**	**270,114,265**
Balance as at 1st January 2026	**49,998**	**12,152,000**	**12,201,998**	**30,288,998**	**14,590,932**	**2,005,322**	**27,509,529**	**155,157,874**	**253,956,649**	**16,157,616**	**270,114,265**
Total Comprehensive Income for the period											
Profit for the period	-	-	-	-	-	-	-	21,676,803	21,676,803	877,474	22,554,277
Other comprehensive income/(Expense) [Net of Taxes]	-	-	-	-	54,527	768,161	-	(33,567)	789,121	93,615	882,736
Total Comprehensive Income/(Expense)	-	-	-	-	54,527	768,161	-	21,643,236	22,465,924	971,089	23,437,013
Transactions with Equity Holders, Recognised Directly in Equity											
Transfer to Reserves during the period	-	-	-	-	-	-	960,240	(960,240)	-	-	-
Transfer on disposal of FVOCI shares	-	-	-	-	-	(5,731)	-	5,731	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	(109,847)	(109,847)
Total Transactions with Equity Holders	-	-	-	-	-	(5,731)	960,240	(954,509)	-	(109,847)	(109,847)
Balance as at 30th June 2026	**49,998**	**12,152,000**	**12,201,998**	**30,288,998**	**14,645,459**	**2,767,752**	**28,469,768**	**175,846,601**	**276,422,573**	**17,018,858**	**293,441,431**

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30TH JUNE

	BANK		GROUP	
	2026 (Rs. '000) (Unaudited)	**2025 (Rs. '000) (Unaudited)**	**2026 (Rs. '000) (Unaudited)**	**2025 (Rs. '000) (Unaudited)**
Cash flows from operating activities				
Profit before tax	**32,638,877**	**27,989,100**	**37,355,358**	**30,968,574**
Adjustment for				
Non-cash items included in profits before tax	19,028,237	14,833,896	21,316,236	14,759,819
Changes in operating assets	(137,782,076)	84,410,592	(185,423,979)	43,300,008
Changes in operating liabilities	(6,050,484)	254,380,351	41,214,265	301,339,675
Dividend income from subsidiaries and others	(80,840)	(1,192,777)	(105,172)	(63,910)
Interest expense on subordinated debt	3,541,812	3,540,051	3,759,928	3,756,212
Contribution paid to defined benefit plans/Gratuity	1,251,448	1,108,150	1,251,448	1,302,136
Tax paid	(9,189,682)	(12,114,175)	(10,874,956)	(12,708,791)
Net Cash from (used in) Operating Activities	(96,642,708)	372,955,188	(91,506,872)	382,653,723
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,213,353)	(2,599,448)	(2,086,443)	(3,397,921)
Proceeds from the sale of property, plant and equipment	5,034	1,153	12,344	8,322
Purchase of financial investments	58,322,562	(333,074,720)	56,172,898	(331,906,617)
Net purchase of intangible assets	(170,012)	(150,732)	(172,505)	(196,928)
Dividends received from investment in subsidiaries and Others	80,840	1,192,777	105,172	63,910
Net Cash from (used in) Investing Activities	57,025,071	(334,630,970)	54,031,466	(335,429,234)
Cash Flows from Financing Activities				
Proceed received from subordinated debt	25,000,000	-	25,000,000	-
Interest paid on subordinated debt	(341,259)	(412,300)	(341,398)	(412,528)
Repayment of Lease Liabilities	(1,009,610)	(1,179,505)	(1,042,033)	(1,496,845)
Interest paid on Lease Liabilities	(381,426)	-	(458,056)	-
Dividend paid to non controlling interest	-	-	(109,847)	(377,016)
Dividend/Levy paid to holders of other equity instruments	(1,550,000)	-	(1,550,000)	-
Net Cash from (used in) Financial Activities	21,717,705	(1,591,805)	21,498,667	(2,286,389)
Net Increase/(Decrease) in Cash & Cash Equivalents	(17,899,932)	36,732,413	(15,976,740)	44,938,100
Cash and cash equivalents at the beginning of the period	109,138,690	71,694,016	110,598,346	72,398,306
Cash and cash equivalents at the end of the period	**91,238,758**	**108,426,429**	**94,621,606**	**117,336,406**

ANALYSIS OF LOANS & ADVANCES TO OTHER CUSTOMERS

	BANK		GROUP	
	30.06.2026 (Rs.'000) (Unaudited)	31.12.2025 (Rs.'000) (Audited)	30.06.2026 (Rs.'000) (Unaudited)	31.12.2025 (Rs.'000) (Audited)
Loans and advances to Other Customers				
Gross Loans and advances	**2,072,042,368**	**1,887,812,912**	**2,384,176,624**	**2,164,892,085**
Less :				
Allowance for Expected Credit Losses	**(172,689,777)**	**(157,141,696)**	(179,436,270)	**(164,806,675)**
Stage 1	(8,578,605)	(8,756,123)	(9,997,946)	(10,089,494)
Stage 2	(4,339,774)	(4,657,650)	(5,493,483)	(5,539,534)
Stage 3	(159,771,398)	(143,727,923)	(163,944,841)	(149,177,647)
Net Loans and advances	**1,899,352,591**	**1,730,671,216**	**2,204,740,354**	**2,000,085,410**
Product-wise Gross loans & advances				
By product – Domestic currency				
Overdrafts	144,994,001	121,949,097	144,213,014	120,996,630
Term loans	985,743,580	912,255,486	1,142,414,652	1,046,644,729
Lease rentals receivable	-	-	124,868,731	113,962,663
Credit cards	12,291,238	10,804,968	12,291,238	10,804,968
Pawning	443,819,738	386,372,466	443,819,738	386,372,466
Trade Finance	119,218,169	100,050,089	119,218,169	100,050,089
Others	29,291,810	28,144,551	46,910,857	45,116,075
Sub Total	**1,735,358,537**	**1,559,576,657**	**2,033,736,400**	**1,823,947,620**
By product – Foreign currency				
Overdrafts	7,359,665	8,829,930	7,359,665	8,829,930
Term loans	298,294,180	282,390,285	312,050,573	295,098,495
Trade Finance	31,029,987	37,016,040	31,029,987	37,016,040
Sub Total	**336,683,831**	**328,236,255**	**350,440,224**	**340,944,465**
Grand Total	**2,072,042,368**	**1,887,812,912**	**2,384,176,624**	**2,164,892,085**

Movement in Allowance for Expected Credit loss during the period

BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2026	**8,756,123**	**4,657,650**	**143,727,923**	**157,141,696**
Net Charge/(Reversal) for the period	(177,518)	(317,876)	15,645,981	15,150,587
Exchange rate variance on foreign currency impairment	-	-	397,494	397,494
Closing balance as at 30th June 2026	**8,578,605**	**4,339,774**	**159,771,398**	**172,689,777**

BANK	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2025	**15,406,686**	**5,119,482**	**128,688,652**	**149,214,820**
Net Charge/(Reversal) for the year	1,997,136	(461,832)	14,768,288	16,303,592
Amounts written off	(8,647,699)	-	-	(8,647,699)
Exchange rate variance on foreign currency impairment	-	-	270,983	270,983
Closing balance as at 31st December 2025	**8,756,123**	**4,657,650**	**143,727,923**	**157,141,696**

GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2026	**10,089,494**	**5,539,534**	**149,177,647**	**164,806,675**
Net Charge/(Reversal) for the period	(91,548)	(46,051)	16,256,977	16,119,378
Amounts written off	-	-	(1,887,277)	(1,887,277)
Exchange rate variance on foreign currency impairment	-	-	397,494	397,494
Closing balance as at 30th June 2026	**9,997,946**	**5,493,483**	**163,944,841**	**179,436,270**

GROUP	Stage 1	Stage 2	Stage 3	Total
Opening balance as at 1 st January 2025	**16,238,027**	**5,463,608**	**137,369,505**	**159,071,140**
Net Charge/(Reversal) for the year	2,499,166	75,926	13,928,874	16,503,966
Amounts written off	(8,647,699)	-	(2,391,715)	(11,039,414)
Exchange rate variance on foreign currency impairment	-	-	270,983	270,983
Closing balance as at 31st December 2025	**10,089,494**	**5,539,534**	**149,177,647**	**164,806,675**

ANALYSIS OF DEPOSITS

	BANK		GROUP	
	30.06.2026 (Rs.'000) (Unaudited)	**31.12.2025 (Rs. '000) (Audited)**	**30.06.2026 (Rs.'000) (Unaudited)**	**31.12.2025 (Rs. '000) (Audited)**
By product – Domestic currency				
Demand deposits (current accounts)	97,728,050	120,883,044	95,343,003	119,484,264
Savings deposits	967,843,248	954,676,147	976,163,144	962,638,050
Fixed deposits	1,666,252,857	1,767,415,461	1,829,530,288	1,909,878,012
Others	4,885,469	3,250,187	6,285,320	4,658,251
Sub total	**2,736,709,624**	**2,846,224,839**	**2,907,321,755**	**2,996,658,577**
By product – Foreign currency				
Demand deposits (current accounts)	1,676,156	2,175,964	1,676,156	2,175,964
Savings deposits	44,732,029	38,485,176	44,732,029	38,485,176
Fixed deposits	381,797,540	342,967,907	381,797,540	342,967,907
Others	35,039	32,293	35,039	32,293
Sub total	**428,240,764**	**383,661,340**	**428,240,764**	**383,661,340**
Grand Total	**3,164,950,388**	**3,229,886,179**	**3,335,562,519**	**3,380,319,917**

ANALYSIS OF CONTINGENT LIABILITIES AND COMMITMENTS

	BANK		GROUP	
	30.06.2026 (Rs.'000) (Unaudited)	**31.12.2025 (Rs.'000) (Audited)**	**30.06.2026 (Rs.'000) (Unaudited)**	**31.12.2025 (Rs.'000) (Audited)**
By product – Domestic currency				
Acceptances	1,854,002	1,237,842	1,854,002	1,237,842
Documentary Credit	4,932,840	4,816,794	4,932,840	4,816,794
Guarantees	64,222,351	61,946,206	64,284,876	62,020,213
Forward Exchange Contracts	4,874,975	8,034,568	4,874,975	8,034,568
Undrawn overdrafts & loans	116,436,280	113,186,166	147,459,753	141,572,473
Sub total	192,320,448	189,221,576	223,406,446	217,681,890
By product – Foreign currency				
Acceptances	5,124,025	8,750,489	5,124,025	8,750,489
Documentary Credit	38,372,023	29,440,800	38,372,023	29,440,800
Guarantees	690,359	185,050	690,359	185,050
Forward Exchange Contracts	21,059,070	18,182,438	21,059,070	18,182,438
Undrawn overdrafts & loans	5,902,006	3,100,343	5,902,006	3,100,343
Sub total	71,147,483	59,659,120	71,147,483	59,659,120
Grand Total	263,467,931	248,880,696	294,553,929	277,341,010
Less: Allowance for Expected Credit Loss	(137,381)	(118,676)	(137,381)	(118,676)
Net Contingent Liabilities and Commitments	263,330,550	248,762,020	294,416,548	277,222,334

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 30TH JUNE 2026

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	91,238,758	91,238,758
Balances with Central Banks	-	-	37,452,068	37,452,068
Placements with Banks	-	-	132,447,701	132,447,701
Derivative Financial Instruments	4,705,907	-	-	4,705,907
Financial Assets - At Fair Value through Profit or Loss	289,396,572	-	-	289,396,572
Loans and Advances to banks	-	-	7,001,485	7,001,485
Loans and Advances to other customers	-	-	1,899,352,591	1,899,352,591
Debt instruments measured at amortised cost	-	-	1,171,613,041	1,171,613,041
Equity instruments at fair value through OCI	-	4,127,844	-	4,127,844
Debt instruments at fair value through OCI	-	4,183,589	-	4,183,589
Total financial assets	**294,102,479**	**8,311,433**	**3,339,105,644**	**3,641,519,556**
LIABILITIES				
Due to banks	-	-	14,912,302	14,912,302
Derivative Financial Instruments	220,754	-	-	220,754
Due to other customers	-	-	3,164,950,388	3,164,950,388
Other Borrowings	-	-	172,279,547	172,279,547
Subordinated term debts	-	-	68,753,516	68,753,516
Total financial liabilities	**220,754**	**-**	**3,420,895,753**	**3,421,116,507**

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

BANK AS AT 31ST DECEMBER 2025

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	109,138,690	109,138,690
Balances with Central Banks	-	-	38,417,296	38,417,296
Placements with Banks	-	-	85,166,913	85,166,913
Derivative Financial Instruments	4,524,930	-	-	4,524,930
Financial Assets - At Fair Value through Profit or Loss	307,296,907	-	-	307,296,907
Loans and Advances to banks	-	-	83,506,019	83,506,019
Loans and Advances to other customers	-	-	1,730,671,216	1,730,671,216
Debt instruments measured at amortised cost	-	-	1,230,298,162	1,230,298,162
Equity instruments at fair value through OCI	-	3,431,075	-	3,431,075
Debt instruments at fair value through OCI	-	7,081,782	-	7,081,782
Total financial assets	**311,821,837**	**10,512,857**	**3,277,198,296**	**3,599,532,990**
LIABILITIES				
Due to banks	-	-	25,969,385	25,969,385
Derivative Financial Instruments	93,407	-	-	93,407
Due to other customers	-	-	3,229,886,179	3,229,886,179
Other Borrowings	-	-	100,014,574	100,014,574
Subordinated term debts	-	-	40,552,963	40,552,963
Total financial liabilities	**93,407**	**-**	**3,396,423,101**	**3,396,516,508**

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 30TH JUNE 2026

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	94,621,606	94,621,606
Balances with Central Banks	-	-	37,452,068	37,452,068
Placements with Banks	-	-	137,941,512	137,941,512
Derivative Financial Instruments	4,705,907	-	-	4,705,907
Financial Assets - At Fair Value through Profit or Loss	291,519,473	-	-	291,519,473
Loans and Advances to banks	-	-	24,033,942	24,033,942
Loans and Advances to other customers	-	-	2,204,740,354	2,204,740,354
Debt instruments measured at amortised cost	-	-	1,186,063,196	1,186,063,196
Equity instruments at fair value through OCI	-	4,220,067	-	4,220,067
Debt instruments at fair value through OCI	-	4,183,589	-	4,183,589
Total financial assets	**296,225,380**	**8,403,656**	**3,684,852,678**	**3,989,481,714**
LIABILITIES				
Due to banks	-	-	113,863,437	113,863,437
Derivative Financial Instruments	220,754	-	-	220,754
Due to other customers	-	-	3,335,562,519	3,335,562,519
Other Borrowings	-	-	172,173,547	172,173,547
Subordinated term debts	-	-	73,926,868	73,926,868
Total financial liabilities	**220,754**	**-**	**3,695,526,371**	**3,695,747,125**

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

GROUP AS AT 31ST DECEMBER 2025

	Fair Value Through P&L (Rs.'000)	Fair Value Through OCI (Rs.'000)	Amortised Cost (Rs.'000)	Total (Rs.'000)
ASSETS				
Cash and cash equivalents	-	-	110,598,346	110,598,346
Balances with Central Banks	-	-	38,417,296	38,417,296
Placements with Banks	-	-	89,852,936	89,852,936
Derivative Financial Instruments	4,524,930	-	-	4,524,930
Financial Assets - At Fair Value through Profit or Loss	308,444,628	-	-	308,444,628
Loans and Advances to banks	-	-	89,185,034	89,185,034
Loans and Advances to other customers	-	-	2,000,085,410	2,000,085,410
Debt instruments measured at amortised cost	-	-	1,242,598,653	1,242,598,653
Equity instruments at fair value through OCI	-	3,704,427	-	3,704,427
Debt instruments at fair value through OCI	-	8,051,542	-	8,051,542
Total financial assets	**312,969,558**	**11,755,969**	**3,570,737,675**	**3,895,463,202**
LIABILITIES				
Due to banks	-	-	96,287,432	96,287,432
Derivative Financial Instruments	93,407	-	-	93,407
Due to other customers	-	-	3,380,319,917	3,380,319,917
Other Borrowings	-	-	99,787,574	99,787,574
Subordinated term debts	-	-	45,508,349	45,508,349
Total financial liabilities	**93,407**	**-**	**3,621,903,272**	**3,621,996,679**

SELECTED PERFORMANCE INDICATORS (Based on Regulatory Reporting)

	BANK		GROUP	
	As at 30.06.2026 (Unaudited)	**As at 31.12.2025 (Audited)**	**As at 30.06.2026 (Unaudited)**	**As at 31.12.2025 (Audited)**
Regulatory Capital Adequacy				
Common Equity Tier 1 Capital [Rs. 000]	170,275,328	149,649,766	216,024,914	195,009,563
Core (Tier 1) Capital [Rs. 000]	175,275,328	154,649,766	221,024,914	200,009,563
Total Capital Base [Rs. 000]	251,649,748	209,165,741	309,395,529	256,299,852
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital (%) (Min. requirement - 8.0%)	12.31	11.79	12.82	12.78
Tier 1 Capital Ratio (%) (Min. requirement - 9.5%)	12.67	12.18	13.12	13.10
Total Capital Ratio (%) (Min. requirement - 13.5%)	18.19	16.48	18.36	16.79
Basel III Leverage Ratio (Min. requirement - 3%)	4.40	4.10	5.03	4.90
Total Stock of High Quality Liquid Assets [Rs.000]	1,306,115,819	1,467,524,635	-	-
Liquidity Coverage Ratio - Rupee	255.89	263.32	-	-
Liquidity Coverage Ratio - All Currency	212.32	218.54	-	-
Net Stable Funding Ratio (Min. requirement - 100%)	154.19	162.40	-	-
Asset Quality (Quality of Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%) (Net)	6.69	7.66	6.13	6.90
Impaired Loans (Stage 3) Ratio (%) (Gross)	13.99	14.84	12.69	13.45
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	52.17	48.39	51.65	48.69
Income and Profitability				
Net Interest Margin, %	4.42	4.06	4.78	4.40
Return on Assets (Before Tax), %	1.75	1.84	1.84	1.90
Return on Equity (After Tax) , %	17.89	20.06	16.01	17.39
Cost to Income Ratio %	38.70	40.05	41.31	43.08
Memorandum Information				
Credit Rating	AA-	AA-	-	-
Number of Employees	8,052	8,122	12,500	12,489
Number of Branches	746	746	918	917

EXPLANATORY NOTES

1. These Financial Statements for the period ended June 30, 2026, includes "The Bank" referring to People`s Bank, as the Parent entity and "The Group" referring to the consolidation of the Bank and its subsidiaries, People`s Leasing & Finance PLC and People`s Travels (Private) Limited, with effective ownership of 75.0% and 99.0% respectively.

2. There have been no changes in the accounting policies and methods of computation since the publication of its Annual Financial Statements for the year ended December 31, 2025.

3. The Bank and the Group closely monitor all developments from a macro-economic perspective for purposes of assessing Expected Credit Losses (ECLs). These estimates reasonably takes into consideration many factors including, amongst other, behavioral patterns of DPDs and macro variables such as inflation, exchange rates, interest rates, unemployment rates and GDP growth forecasts.

   At June 30, 2026 - the Bank and the Group reassessed the Probabilities of Default (PD), Loss Given Defaults (LGD) and Economic Factor Adjustment (EFA) used in its assessment of Expected Credit Losses (ECL) under collective impairment. All Individually Significant Loan (ISL) customers were evaluated for any objective evidence(s) using reasonable and supportable information available as at the date of the evaluation, and provisions have been made in accordance there with as at June 30, 2026.

4. All known expenses have been charged to these financial statements.

5. Other than those above given, or as already considered in these Financial Statements, no known circumstances have arisen since June 30, 2026- which would require adjustments to, or disclosure in these interim financial statements.

CERTIFICATION

These Financial Statements give a true and fair view of the state of affairs of the Bank and its Subsidiaries as at June 30, 2026 and the profit for the period then ended.

(Sgd.)
Nilmini Premalal
Deputy General Manager - Finance

We the undersigned being the Chairman, Director and Chief Executive Officer/General Manager of the Bank jointly certify that;

(a) the above statements have been prepared in compliance with the formats and definitions prescribed by the Central Bank of Sri Lanka; and

(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.

(Sgd.)
Narada Fernando
Chairman

(Sgd.)
Sanjaya Bandara
Director

(Sgd.)
Clive Fonseka
Chief Executive Officer/General Manager

21st August 2026
Colombo.