Record performance and strategic expansion: DFCC Bank delivers a landmark 2025



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DFCC Bank delivered a record financial performance for the year ended December 31, 2025, underscoring the strength of its strategy, disciplined execution, and resilient balance sheet. Profit After Tax (PAT) from continuing operations increased by 32 percent to 11,060 million rupees, compared to 8,353 million rupees in 2024. Including the gain from the strategic divestment of its 50 percent stake in Acuity Partners, total reported PAT rose to 16,028 million rupees.

Profit Before Tax (PBT) stood at 15,582 million rupees. Earnings Per Share from continuing operations increased by 30 percent to 25.30 rupees, while Return on Equity improved to 11.55 from 10.99 percent in the previous year, reflecting

sustained earnings momentum and improved shareholder returns. The Bank’s balance sheet recorded strong growth despite ongoing economic challenges.

Total assets expanded by 22 percent to 857 million rupees, while the net loan portfolio grew by 31 percent to 516 billion rupees, aligned with national recovery priorities. The deposit base increased by 21 percent to 565 billion rupees, improving the loan-to-deposit ratio to 99.80 percent. Factoring in concessionary term borrowings, the ratio further improved to 92.85 percent.

The CASA ratio stood at 24.49 percent, strengthening to 29.74 percent when concessionary funding is included. Net Interest Income rose by ten percent to 30,953 million rupees, supported by disciplined margin management and loan book expansion. While Net Interest Margin moderated to 3.96 percent amid competitive pressures and a lower-rate environment, interest expenses were effectively contained. Non-funded income delivered strong growth, with net fee and commission income increasing by 48 percent to 7,313 million rupees, driven by remittances, trade services, and credit card expansion.

Asset quality improved, with the Stage 3 impaired loan ratio declining to 4.55 percent from 5.63 percent a year earlier. Impairment provisions increased by six percent to 4,926 million rupees, reflecting prudent risk buffers, including support extended to customers affected by Cyclone Ditwah.

Capital and liquidity metrics remained well above regulatory thresholds. The Tier 1 Capital Ratio improved to 13.550 percent, while the Total Capital Ratio stood at 15.933 percent. The Net Stable Funding Ratio was 122.64 percent, and the Liquidity Coverage Ratio reached 184.06 percent, reinforcing balance sheet resilience.

A defining strategic milestone was the signing of a binding Business Sale Agreement to acquire Standard Chartered Bank’s Wealth and Retail Banking operations in Sri Lanka. This transaction strengthens DFCC Bank’s retail and wealth franchise, expands its customer base, and accelerates scale across key growth segments. The Bank also successfully issued Sri Lanka’s first listed and rated Blue Bond, raising three billion rupees in a significantly oversubscribed transaction.

This landmark issuance reinforced investor confidence and positioned DFCC Bank at the forefront of sustainable finance. During its 70th anniversary year, the Bank introduced special Fixed Deposit products to reward long-standing customers. Technology upgrades, digital transformation initiatives, and enhanced marketing

investments supported long-term competitiveness, though operating expenses increased to 18,808 million rupees due to these strategic investments.

Beyond financial performance, DFCC Bank strengthened its commitment to Environmental, Social, and Governance (ESG) principles, enhancing climate-related disclosures in line with SLFRS S1 and S2. The Bank was certified as a Great Place to Work, ranked fourth in the AICPA and CIMA Top 20 Employers in Sri Lanka, and named Best Bank in MSME Acceleration at the ICC Emerging Asia Banking Awards 2025. With strong capital, strategic clarity, and sustained stakeholder trust, DFCC Bank enters 2026 well-positioned to deliver disciplined growth, responsible innovation, and long-term value creation.