SDB bank
No.12, Edmonton Road, Kirulapone, Colombo 06, Sri Lanka.
Tel: 0112 832 500 | Fax: 0112 514 258 Email: info@sdb.lk

26th March 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
4-01, West Block
World Trade Centre
Echelon Square
Colombo 1

Dear Madam,

Sanasa Development Bank PLC

Errata to the Audited interim financial statements for the quarter ended 31 December 2025

Further to the interim audited financial statements of Sanasa Development Bank PLC uploaded on 27 February 2026, we hereby submit an amended Statement of Comprehensive Income for the twelve months ended 31 December 2025. The revision arises from an **audit adjustment** relating to deferred tax on the revaluation surplus of Property, Plant and Equipment.

This adjustment does not affect the **previously reported profit after tax (PAT) for the period**. However, it results in changes to the figures presented in the 31 December 2025 column of the Statement of Comprehensive Income, the Statement of Financial Position, and the Statement of Changes in Equity which is not material. The figures are summarized below.

Description	Published on 27.02.2026	Revised with Deffered Tax Adj
Profit/(loss) for the period	**404,918.55**	**404,918.55**
<u>Other comprehensive income</u>		
Actuarial gains/(losses) on defined benefit plans	(106,466.59)	(106,466.59)
Deferred tax relating to defined benefit plans	31,939.98	31,939.98
Loss arising on re-measuring investments in equity instruments designed at fair value through other comprehensive income	(11,448.15)	(11,448.15)
Revaluation Surplus on Property, Plant and Equipment	28,375.00	28,375.00
Deferred tax relating to Revaluation Gain		(129,412.76)
Other comprehensive income for the period net of tax	**(57,599.76)**	**(187,012.52)**
Total comprehensive income for the period	**347,318.78**	**217,906.02**

The revised pages of the interim accounts for the period ended 31 December 2025 are attached herewith.

Yours faithfully,

Sanjeeva Jayasinghe
Head of Finance

Kapila Ariyaratne
Executive Director/CEO

Amila Belpamulla
Company Secretary

SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the Year ended 31st December		Change	For the quarter ended 31st December		Change
	2025 (Audited)	2024 (Audited)		2025 (Audited)	2024 (Audited)	
Interest income	17,098,539	20,005,052	-15%	4,173,071	3,839,138	9%
Interest expenses	(8,865,858)	(12,184,588)	-27%	(2,182,766)	(2,524,158)	-14%
Net interest income	**8,232,682**	**7,820,464**	**5%**	**1,990,304**	**1,314,979**	**51%**
Fee and commission income	716,349	631,017	14%	192,998	215,586	-10%
Fee and commission expenses	(41,620)	(46,695)	-11%	(8,388)	(11,840)	-29%
Net fee and commission income	**674,729**	**584,322**	**15%**	**184,610**	**203,746**	**-9%**
Net gains/(losses) from trading	(553)	60,117	-101%	-	26,158	-100%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	559,066	444,082	26%	105,490	124,746	-15%
Net other operating income	30,522	(77,687)	139%	13,824	(23,660)	158%
Total operating income	**9,496,446**	**8,831,298**	**8%**	**2,294,228**	**1,645,967**	**39%**
Impairment for loans and other losses	(719,190)	(558,950)	29%	(99,965)	136,419	-173%
Net operating income	**8,777,256**	**8,272,348**	**6%**	**2,194,263**	**1,782,387**	**23%**
Personnel expenses	(4,168,996)	(3,964,778)	5%	(970,374)	(1,020,260)	-5%
Depreciation and amortization expenses	(702,203)	(610,921)	15%	(204,667)	(167,887)	22%
Other expenses	(2,291,815)	(2,245,722)	2%	(468,700)	(440,076)	7%
Total Admin and Other Operational Expences	**(7,163,013)**	**(6,821,422)**	**5%**	**(1,643,740)**	**(1,628,223)**	**1%**
Operating profit/ (loss) before VAT on financial services & SSCL	**1,614,243**	**1,450,927**	**11%**	**550,523**	**154,164**	**257%**
Value Added Tax (VAT) on financial services	(714,793)	(668,193)	7%	(150,946)	(60,667)	149%
Social Security Contribution Levy (SSCL)	(99,277)	(98,471)	1%	(23,254)	(21,037)	11%
Operating profit/(loss) after VAT on financial services and SCCL	**800,173**	**684,263**	**17%**	**376,323**	**72,461**	**419%**
Profit/(loss) before tax	**800,173**	**684,263**	**17%**	**376,323**	**72,461**	**419%**
Income tax expenses	(395,254)	(274,729)	44%	(225,059)	(67,247)	235%
Profit/(loss) for the period	**404,919**	**409,534**	**-1%**	**151,264**	**5,214**	**2801%**
Profit/(loss) attributable to:						
Equity holders of the parent	404,919	409,534	-1%	151,264	5,214	2801%
Non-controlling interests	-	-	-	-	-	-
	404,919	**409,534**	-1%	**151,264**	**5,214**	2801%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	2.47	2.49	-1%	0.92	0.03	2971%
Diluted earnings per ordinary share (Rs.)	2.47	2.49	-1%	0.92	0.03	2971%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the Year ended 31st December		Change	For the quarter ended 31st December		Change
	2025 (Audited)	2024 (Audited)		2025 (Audited)	2024 (Audited)	
Profit/(loss) for the period	404,919	409,534	-1%	151,264	5,214	2801%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses) on defined benefit plans	(106,467)	(195,633)	46%	(106,467)	(195,633)	46%
Deferred tax relating to defined benefit plans	31,940	58,690	-46%	31,940	58,690	-46%
Gains/(Losses) on re-measuring investments in equity instruments designated at fair value through other comprehensive income	(11,448)	-	100%	(11,448)	-	100%
Revaluation Surplus on Property, Plant and Equipment	28,375	69,025	-59%	28,375	69,025	-59%
Deferred tax relating to Revaluation Surplus on PPE	(129,413)	-	100%	(129,413)	-	100%
Other comprehensive income/(expenses) for the period net of taxes	**(187,013)**	**(67,918)**		**(187,013)**	**(67,918)**	
Total comprehensive income/(expenses) for the period	**217,906**	**341,616**	**-36%**	**(35,748)**	**(62,704)**	**43%**
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	217,906	341,616	-36%	(35,748)	(62,704)	43%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**217,906**	**341,616**	**-36%**	**(35,748)**	**(62,704)**	**43%**

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 31.12.2025 (Audited)	As at 31.12.2024 (Audited)	Change
Assets			
Cash and cash equivalents	7,104,306	2,442,294	191%
Placements with banks	7,801,227	9,083,958	-14%
Financial assets fair value through Profit or Loss	-	6,739,200	-100%
Financial assets at amortised cost			
- loans and receivebles from other customers	109,840,876	95,137,107	15%
- debt and other instruments	16,605,323	26,623,135	-38%
Financial assets measured at fair value through other comprehensive income	196,698	208,146	-6%
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	970,551	1,115,087	-13%
Right of use assets	1,358,411	780,438	74%
Intangible assets	659,061	747,454	-12%
Deferred tax assets	756,172	778,912	-3%
Other assets	1,659,310	1,494,056	11%
Total assets	146,958,097	145,155,950	1%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	105,680,974	106,989,900	-1%
- due to other borrowers	20,616,321	19,075,132	8%
Retirement benefit obligations	1,286,496	1,041,382	24%
Current tax liabilities	892,809	717,274	24%
Other liabilities	3,677,090	2,745,762	34%
Total liabilities	132,153,690	130,569,450	1%
Equity			
Stated capital/assigned capital	11,406,602	11,406,602	-
Statutory reserve fund	381,295	361,049	6%
Retained earnings	2,698,389	2,388,243	13%
Other reserves	318,120	430,606	-26%
Total equity	14,804,406	14,586,500	1%
Total equity and liabilities	146,958,097	145,155,950	1%
Contingent liabilities and commitments	1,032,893	869,325	19%
Net asset value per share (Rs.)	90.18	88.85	1%
Memorandum information			
Number of employees	1,263	1,298	-3%
Number of branches	94	94	-

Certification:

We certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

SGD
Sanjeeva Jayasinghe
Head of Finance

SGD
Kapila Ariyaratne
Executive Director / CEO

We, the undersigned, being the Chairperson and Director of the SANASA Development Bank PLC, jointly certify that :-

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

SGD
Dinithi Ratnayake
Chairperson

SGD
Chaaminda Kumarasiri
Director

27th February 2026
Colombo

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY

In Rupees Thousands (Rs'000)	Bank						
	Stated capital / Assigned capital	Reserves					Total equity
				Other reserves			
	Ordinary voting shares	Statutory reserve fund	Retained earnings	OCI reserve	Revaluation reserve	General reserves	
For the Period ended 31.12.2024							
Balance as at 01.01.2024 (Opening balance)	11,287,765	340,572	2,275,936	(19,052)	333,976	46,657	14,265,855
Total comprehensive income for the period							
Profit/(loss) for the period (net of tax)	-	-	409,534	-		-	409,534
Other comprehensive income (net of tax)	-	-	(136,943)	-	-	-	(136,943)
Total comprehensive income/(expenses) for the period	-	-	272,591	-	-	-	272,590
Transfer to statutory reserve fund	-	20,477	(20,477)	-		-	-
Transactions with equity holders, recognized directly in equity							
Rights issue	-						-
Dividend to equity holders							
Dividend to equity holders	-	-	-	-		-	-
Scrip dividend - 2023	118,837	-	(139,808)	-	-	-	(20,971)
Other	-	-	-	-	-	-	-
Total transactions with equity holders	118,837	20,477	(160,285)	-	-	-	(20,971)
Balance as at 31.12.2024 (Closing balance)	11,406,602	361,049	2,388,243	(19,052)	333,976	46,657	14,517,475
For the Period ended 31.12.2025							
Balance as at 01.01.2025 (Opening balance)	11,406,602	361,049	2,388,243	(19,052)	403,001	46,657	14,586,500
Total comprehensive income for the period							
Profit/(loss) for the period (net of tax)	-	-	404,919	-	-	-	404,919
Other comprehensive income (net of tax)	-	-	(106,467)	(11,448.15)	28,375	-	(89,540)
Deferred Tax on Other Comprehensive Income			31,940	-	(129,413)	-	
Total comprehensive income/(expenses) for the period	-	-	330,392	(11,448)	(101,038)	-	315,379
Transfer to statutory reserve fund	-	20,246	(20,246)	-	-	-	-
Transactions with equity holders, recognized directly in equity							
Dividend to equity holders	-	-	-	-	-	-	-
Other transactions	-	-	-				-
Total transactions with equity holders	-	20,246	(20,246)	-	-	-	-
Balance as at 31.12.2025 (Closing balance)	11,406,602	381,295	2,698,389	(30,500)	301,963	46,657	14,901,879

Statutory Reserve Fund

Every Licensed Specialised Bank has to make a Provision not less than 5% out of profit after tax to the Statutory Reserve Fund. Such provision should be made annually as stipulated by the Banking Act No. 30 of 1988 as amended by Banking (Amendment) Act No. 24 of 2024 until the said Reserve Fund is equal to 50% of the Equity Capital of the Bank. Thereafter, the Bank has to make a provision not less than 2% out of profit after tax to the Statutory Reserve Fund until the said Fund is equal to the Equity Capital of the Bank.

General Reserve

The General Reserve is created after provisioning for a Statutory Reserve Fund and Interim Dividend payments for the respective shareholders, this reserve will be used by the Bank for the future capitalisation purposes of the Bank.

Fair value through OCI / Available For Sale Reserve / Revaluation Reserve

These reserves consist of fair value adjustments relevant to investment portfolios and land and buiding.