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

06th November, 2025

Ms. Nilupa Perera,
Chief Regulatory Officer,
Colombo Stock Exchange,
04-01 West Block, World Trade Centre,
Echelon Square,
Colombo 01.

Dear Madam,

SANASA Development Bank PLC ("the Bank")
CORPORATE DISCLOSURE

Pursuant to Section 8.5 of the Listing Rules, we wish to inform you that the Bank published the attached 'Public Announcement' in the newspapers in all three languages in the Sunday editions dated 2nd November 2025 and in the daily editions dated 4th November 2025.

The Company regrets the delay in submitting the required disclosure to the CSE, which occurred due to internal verification processes undertaken

Yours faithfully,

Amila Belpamulla
Company Secretary

PUBLIC ANNOUNCEMENT!

This statement addresses inaccurate and misleading posts circulating on social media that aim to damage SDB bank's reputation and cause undue concern among our loyal customers. While some complaints stem from borrowers affected by interest rate hikes during 2021–2023, it is evident that a small group with vested interests is driving these smear campaigns.

In line with our core principles of empowering and supporting grassroots communities and uplifting small-scale businesses, SDB bank extended loans with fixed monthly installments based on borrowers' repayment capacity. These loans were taken on variable interest rate contracts, and repayment tenors were adjusted due to the unanticipated steep rise in market interest rates as a result of the changes in monetary policy stance to stabilize the economy during the crisis in 2022.

Subsequently, starting in 2023, the Bank granted multiple relief measures, including tailor-made solutions, at a cost of approximately Rs. 1 billion in 2024 alone to address issues arising from tenor extensions. It has also formed a specialized task force to support affected borrowers. While a large number of customers have engaged with the Bank and availed themselves of these relief measures offered, a small group continues to protest and run baseless campaigns of misinformation, refusing to engage with the Bank to resolve their concerns.

SDB bank remains financially strong and stable. As of 30 June 2025, the Bank reported total assets of Rs. 143 billion, Profit After Tax of Rs. 156 million, a Total Capital Adequacy Ratio of 15.26%, and customer deposits of Rs. 107 billion, reflecting operational resilience and the trust of its growing customer base. Supported by a diverse and strong shareholder base, which includes many cooperative societies, SDB bank continues to expand SME financing and inclusive development initiatives. In 2024, the Bank recorded a Profit After Tax of Rs. 410 million.

As part of our broader mission, we have also prioritized rural economic development through our Rural Upliftment Program, which has empowered over 3,000 entrepreneurs across Sri Lanka. By partnering with cooperative societies, divisional secretariats, and institutions such as the Institute for Research and Social Development (IRSD), we have supported MSMEs, community-based tourism, and women-led enterprises. Initiatives like the SDB Vyaapara Prathiba 2025 trade fair, organized by the Bank, have further expanded market access for rural entrepreneurs, reinforcing our role as a catalyst for inclusive national progress. We continue to support Cooperatives, SMEs, Women entrepreneurs, and rural communities both financially and non-financially and this year the Bank has disbursed specialized SME loans totaling approximately Rs. 6 billion while, further supporting SMEs through pawning and leasing facilities.

We strongly urge our valued customers not to be misled by baseless accusations. The Bank maintains a solid capital base, a strong liquidity position, and is in full compliance with all regulatory standards and requirements set by the Central Bank of Sri Lanka. With over 28 years of trusted service and contribution to national development we have consistently safeguarded and will continue to safeguard the interests of our customers and uphold the highest standards of financial integrity.

SDB bank remains strong, resilient, transparent, and customer-centric, and assures our valued customers and stakeholders that we will continue to serve you with strength, integrity, and purpose. We truly value you, your trust & your loyalty.

Thank You!

SDB bank

SANASA Development Bank PLC is a licensed specialised bank, supervised by the Central Bank of Sri Lanka.
Fitch Rating of BB -(lka), Reg. No: PB62PQ

#Whereyouarevalued