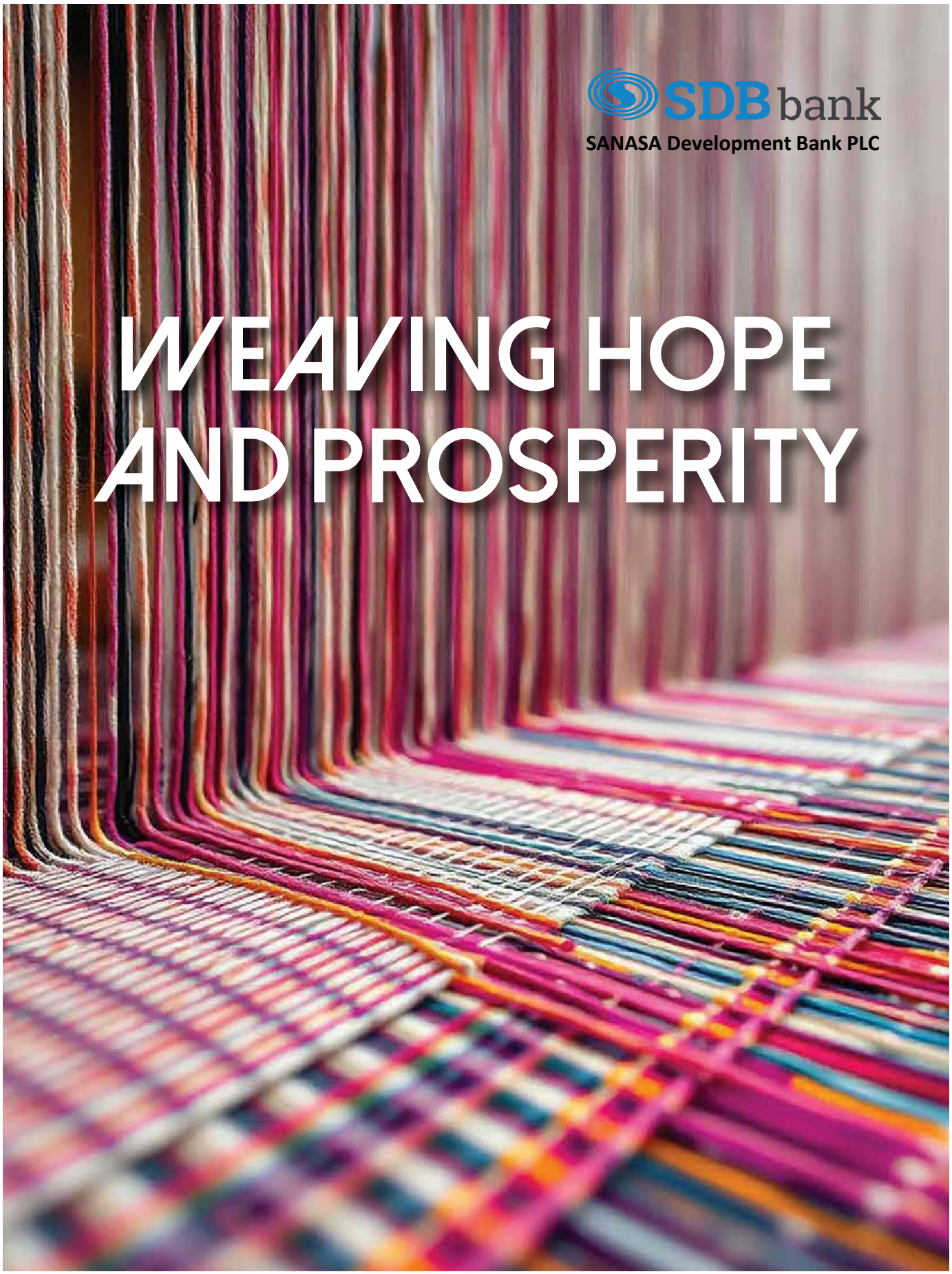
Interim Financial Statements

For the Period Ended 30th June 2025



SDB Bank Delivers Sustainable Financial Performance in 1H 2025

- Profit after tax hit 156 Mn
- Net- fee income increased by 32%
- NIM increases to 5.64%
- Total Capital Ratio maintained at 15.26%
- Liquidity Coverage Ratio maintained at 281.52%

Sustainable Financial Performance in 1H

SDB bank's 1H 2025 Profit After Tax reached Rs 156 million, fueled by an increase in Net Interest Margin (NIM) to 5.64% in June 2025. This improvement reflects Bank's proactive management of both yield and funding costs. Demonstrating agility in a dynamic financial landscape, the Bank continues to leverage strategic initiatives and innovation to sustain profitability and strengthen its position in the sector.

Overhead expenses saw a modest increase of 6% compared to 1H 2024, primarily driven by investments in our talented workforce, which is essential for driving innovation and delivering exceptional services to our customers. Impairment charges for 1H 2025 dropped by 18% compared to the same period in 2024 as the bank's collections and remediation efforts continued to take effect. Additionally, the impairment coverage ratio for Stage 3 loans that fall under the high-risk category improved prudently from 47.78% at year-end 2024 to 49.84% in 2025

Net Fee Income

Net Fee Income saw a significant increase of 32% in 1H 2025 compared to the same period in 2024. This growth was driven by the Bank's strategic focus on expanding its fee-based services and enhancing customer engagement. The increase in Net Fee Income underscores bank's commitment to diversifying its revenue streams and providing value-added services to its customers.

Balance Sheet Optimization and Healthy Liquidity

Loans and advances to customers increased by Rs. 3.9 billion compared to December 2024. However, the Bank’s balance sheet saw a slight contraction of 1% during the period, primarily due to the repayment of short-term borrowings and the positive impact of the rupee's appreciation against the U.S. dollar. This reflects the Bank’s deliberate strategy to optimize its funding structure, reducing reliance on high-cost debt while expanding its low-cost savings base.

Liquidity Coverage Ratio

Reinforcing its prudent financial management, the Bank maintained a strong Liquidity Coverage Ratio (LCR) of 281.52%, underscoring its robust liquidity position and overall financial stability. The bank remains focused on strengthening the financial stability of its customers by providing tailored support and innovative solutions, while continuing to drive grassroots-level economic activity and inclusive growth across its customer base.

Sri Lanka’s Economic Pulse: A Purpose-Driven Recovery

Sri Lanka’s economy in 1H 2025 showed steady recovery, supported by reforms, stronger external resilience, and progress in debt restructuring. The government’s swift response to global trade challenges and focus on export diversification have helped maintain stability and investor confidence.

In this improving environment, SDB Bank is well-placed to grab new growth opportunities. Stable market conditions support lending expansion, digital channel growth, and increased investment inflows. With a strategy centered on innovation, customer-focused solutions, and sound risk management, the bank is

positioned to leverage favorable trends to enhance performance and market presence. SDB Bank's initiatives are designed not only to achieve its business goals but also to contribute to the country's broader economic recovery.

About SDB bank

A future-ready bank, dedicated to offering customer-centric and comprehensive support tailored to each individual's needs, SDB bank is a licensed specialized bank regulated by the Central Bank of Sri Lanka, with a listing on the Main Board of the Colombo Stock Exchange and a Fitch Rating of BB+ (lka). Through the network of 94 branches island-wide, the bank provides a comprehensive range of financial services to its Retail, SME, Co-operative, and Business Banking clients across the country. Environmental, Social, and Governance (ESG) principles are deeply ingrained in SDB bank's ethos, with a steadfast focus on uplifting local communities and businesses through sustainable practices. The bank is particularly committed to promoting women's empowerment, sustainable development of SMEs, and digital inclusion, aiming to propel Sri Lanka to new heights

SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the Period ended 30th June		Change	For the quarter ended 30th June		Change
	2025	2024		2025	2024	
Interest income	8,579,151	11,309,415	-24%	4,272,269	5,333,514	-20%
Interest expenses	(4,508,552)	(7,041,274)	-36%	(2,214,981)	(3,178,539)	-30%
Net interest income	**4,070,599**	**4,268,141**	**-5%**	**2,057,288**	**2,154,975**	**-5%**
Fee and commission income	323,024	250,304	29%	184,129	155,120	19%
Fee and commission expenses	(23,884)	(23,390)	2%	(12,164)	(11,327)	7%
Net fee and commission income	**299,140**	**226,914**	**32%**	**171,965**	**143,793**	**20%**
Net gains/(losses) from trading	(553)	33,515	-102%	-	33,313	-100%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	275,328	206,275	33%	152,134	89,671	70%
Net other operating income	12,033	(41,169)	129%	7,698	10,425	-26%
Total operating income	**4,656,547**	**4,693,675**	**-1%**	**2,389,085**	**2,432,177**	**-2%**
Impairment for loans and other losses	(416,074)	(509,360)	-18%	(220,623)	(226,130)	-2%
Net operating income	**4,240,473**	**4,184,315**	**1%**	**2,168,462**	**2,206,047**	**-2%**
Personnel expenses	(2,124,463)	(1,935,844)	10%	(1,066,900)	(1,033,720)	3%
Depreciation and amortization expenses	(329,341)	(277,185)	19%	(165,909)	(146,180)	13%
Other expenses	(1,153,338)	(1,185,719)	-3%	(595,561)	(601,231)	-1%
Total Admin and Other Operational Expences	**(3,607,141)**	**(3,398,747)**	**6%**	**(1,828,370)**	**(1,781,131)**	**3%**
Operating profit/ (loss) before VAT on financial services & SSCL	**633,332**	**785,568**	**-19%**	**340,092**	**424,916**	**-20%**
Value Added Tax (VAT) on financial services	(335,740)	(367,736)	-9%	(170,405)	(201,741)	-16%
Social Security Contribution Levy (SSCL)	(40,137)	(49,686)	-19%	(15,221)	(26,631)	-43%
Operating profit/(loss) after VAT on financial services and SCCL	**257,456**	**368,147**	**-30%**	**154,466**	**196,545**	**-21%**
Profit/(loss) before tax	**257,456**	**368,147**	**-30%**	**154,466**	**196,545**	**-21%**
Income tax expenses	(101,333)	(125,691)	-19%	(54,415)	(67,987)	-20%
Profit/(loss) for the period	**156,123**	**242,455**	**-36%**	**100,051**	**128,558**	**-22%**
Profit/(loss) attributable to:						
Equity holders of the parent	156,123	242,455	-36%	100,051	128,558	-22%
Non-controlling interests	-	-	-	-	-	-
	156,123	**242,455**	-36%	**100,051**	**128,558**	-22%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	0.95	1.48	-36%	0.61	0.78	-22%
Diluted earnings per ordinary share (Rs.)	0.95	1.48	-36%	0.61	0.78	-22%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the Period ended 30th June		Change	For the quarter ended 30th June		Change
	2025	2024		2025	2024	
Profit/(loss) for the period	156,123	242,455	-36%	100,051	128,558	-22%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses) on defined benefit plans	-	-		-	-	
Deferred tax relating to defined benefit plans	-	-		-	-	
Gains/(Losses) on re-measuring investments in equity instruments designated at fair value through other comprehensive income	-	-		-	-	
Revaluation Surplus on Property, Plant and Equipment	-	-		-	-	
Other comprehensive income/(expenses) for the period net of taxes	**-**	**-**		**-**	**-**	
We, the undersigned, being the Chairperson and Director of the SANASA Development Bank PLC,						
Total comprehensive income/(expenses) for the period	**156,123**	**242,455**	**-36%**	**100,051**	**128,558**	**-22%**
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	156,123	242,455	-36%	100,051	128,558	-22%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**156,123**	**242,455**	**-36%**	**100,051**	**128,558**	**-22%**

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.06.2025	As at 31.12.2024 (Audited)	Change
Assets			
Cash and cash equivalents	2,474,121	2,442,294	1%
Placements with banks	14,899,102	9,083,958	64%
Financial assets fair value through Profit or Loss	8,053,996	6,739,200	20%
Financial assets at amortised cost			
- loans and receivebles from other customers	99,086,590	95,137,107	4%
- debt and other instruments	13,631,256	26,623,135	-49%
Financial assets measured at fair value through other comprehensive income	208,146	208,146	-
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	1,024,587	1,115,087	-8%
Right of use assets	805,115	780,438	3%
Intangible assets	690,405	747,454	-8%
Deferred tax assets	778,912	778,912	-
Other assets	1,682,658	1,494,056	13%
Total assets	143,341,051	145,155,950	-1%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	107,476,364	106,989,900	-
- due to other borrowers	15,678,822	19,075,132	-18%
Retirement benefit obligations	1,105,568	1,041,382	6%
Current tax liabilities	750,797	717,274	5%
Other liabilities	3,586,876	2,745,762	31%
Total liabilities	128,598,428	130,569,450	-2%
Equity			
Stated capital/assigned capital	11,406,602	11,406,602	-
Statutory reserve fund	361,049	361,049	-
Retained earnings	2,544,366	2,388,243	7%
Other reserves	430,606	430,606	-
Total equity	14,742,623	14,586,500	-
Total equity and liabilities	143,341,051	145,155,950	-1%
Contingent liabilities and commitments	992,431	869,325	14%
Net asset value per share (Rs.)	89.80	88.85	1%
Memorandum information			
Number of employees	1,293	1,298	-
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 unaudited financial statements of the Bank, unless indicated as audited.

SGD
Dinithi Ratnayake
Chairperson

SGD
Chaaminda Kumarasiri
Director

07th August 2025
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 30.06.2024							
Balance as at 01.01.2024 (Opening balance)	11,287,765	340,572	2,275,937	(19,052)	333,976	46,657	14,265,856
Total comprehensive income for the period							
Profit/(loss) for the period (net of tax)	-	-	242,455	-		-	242,455
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**-**	**-**	**242,455**	**-**	**-**	**-**	**242,455**
Transfer to statutory reserve fund	-	-	-	-		-	-
Transactions with equity holders, recognized directly in equity							
Dividend to equity holders	-	-	-	-		-	-
Scrip dividend - 2023	118,837	-	(139,809)	-	-	-	(20,972)
Other	-	-	-	-	-	-	-
Total transactions with equity holders	**118,837**	**-**	**(139,809)**	**-**	**-**	**-**	**(20,972)**
Balance as at 30.06.2024 (Closing balance)	**11,406,602**	**340,572**	**2,378,583**	**(19,052)**	**333,976**	**46,657**	**14,487,339**
For the Period ended 30.06.2025							
Balance as at 01.01.2025 (Opening balance)	11,406,602	361,049	2,388,242	(19,052)	403,001	46,657	14,586,500
Total comprehensive income for the period							
Profit/(loss) for the period (net of tax)	-		156,123	-		-	156,123
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**-**	**-**	**156,123**	**-**	**-**	**-**	**156,123**
Transfer to statutory reserve fund	-	-	-	-		-	-
Transactions with equity holders, recognized directly in equity							
Dividend to equity holders	**-**	**-**	-	-	-	**-**	-
Other transactions	-	-	-				-
Total transactions with equity holders	-	-	-	-	-	-	-
Balance as at 30.06.2025 (Closing balance)	**11,406,602**	**361,049**	**2,544,365**	**(19,052)**	**403,001**	**46,657**	**14,742,622**

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.

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS

In Rupees Thousands (Rs'000)	Bank	
	01.01.2025 to 30.06.2025	01.01.2024 to 31.12.2024 (Audited)
Cash flows from / (used in) operating activities		
Interest received	10,327,995	20,577,268
Fee and commission received	394,680	696,809
Receipts from other operating activities	4,497	2,780
Interest payment	(4,972,770)	(14,406,825)
Cash payment to employees	(1,904,217)	(3,711,041)
Payments to suppliers and other operating activities	(906,828)	(2,273,560)
Fee and commission expenses	(23,884)	(46,695)
Operating profit before changes in operating assets	**2,919,473**	**838,738**
(Increase)/decrease in operating assets		
Funds advanced to customers	(6,257,152)	3,068,033
Net (increase)/ decrease in other short term securities	59,961	(1,038,710)
Net (increase)/ decrease in other assets	(418,571)	(353,649)
Increase/(decrease) in operating liabilities		
Deposits from customers	960,466	994,427
Net increase/ (decrease) in other liabilities	494,467	439,654
Net cash from operating activities before income tax	**(2,241,357)**	**3,948,493**
VAT and SSCL on financial services	(382,827)	(810,714)
Income tax paid	(58,352)	(108,284)
Net cash from operating activities	**(2,682,536)**	**3,029,494**
Cash flows from / (used in) investing activities		
Dividend received	-	291
(Increase)/ Decrease in Non Dealing Securities	-	(151,206)
(Increase)/ decrease in dealing securities	(1,040,021)	(3,419,780)
(Increase)/ decrease in treasury bonds and other investments	8,425,893	13,242,000
Proceeds from sale of property, plant and equipment	4,190	425
Purchase of property, plant and equipment	(40,618)	(429,588)
Purchase of intangible assets	-	(165,003)
Net cash from/ (used in) investing activities	**7,349,444**	**9,077,139**
Cash flows from (used in) financing activities		
Repayment of long term borrowing	(5,325,866)	(20,781,744)
Interest paid on subordinated debt	-	(550,368)
Increase/(decrease) in borrowing	1,940,706	9,524,871
Dividend Paid (Withholding Tax)	-	(20,971)
Net cash flow from/ (used in) financing activities	**(3,385,160)**	**(11,828,212)**
Net increase/ (decrease) in cash and cash equivalents	1,281,748	278,421
Cash and cash equivalent at the beginning of the period	3,444,750	3,166,329
Cash and cash equivalents at the end of the period	**4,726,498**	**3,444,750**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	2,474,121	2,442,294
Repurchase agreement	952,377	702,456
Fixed deposits less than 3 months	1,300,000	300,000
	4,726,498	**3,444,750**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th June 2025				
In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**FVOCI**	**Total**
FINANCIAL ASSETS				
Cash and cash equivalents	2,474,121	-	-	2,474,121
Placements with banks	14,899,102	-	-	14,899,102
Financial assets fair value through Profit or Loss	-	8,053,996	-	8,053,996
Financial assets at amortised cost				
- loans and receivebles from other customers	99,086,590	-	-	99,086,590
- debt and other instruments	13,631,256	-	-	13,631,256
Financial assets measured at fair value through other comprehensive income	-	-	208,146	208,146
Total financial assets	130,091,070	8,053,996	208,146	138,353,211

In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**Total**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors	107,476,364	-	107,476,364
- due to other borrowers	15,678,822	-	15,678,822
Subordinated debt	-	-	-
Total financial liabilities	123,155,186	-	123,155,186

Bank - As at 31st December 2024 (Audited)				
In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**FVOCI**	**Total**
FINANCIAL ASSETS				
Cash and cash equivalents	2,442,294	-	-	2,442,294
Placements with banks	9,083,958	-	-	9,083,958
Financial assets fair value through Profit or Loss	-	6,739,200	-	6,739,200
Financial assets at amortised cost				
- loans and receivebles from other customers	95,137,107	-	-	95,137,107
- debt and other instruments	26,623,135	-	-	26,623,135
Financial assets measured at fair value through other comprehensive income	-	-	208,146	208,146
Total financial assets	133,286,494	6,739,200	208,146	140,233,840

In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**Total**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors	106,989,900	-	106,989,900
- due to other borrowers	19,075,132	-	19,075,132
Subordinated debt	-	-	-
Total financial liabilities	126,065,032	-	126,065,032

AC - Amortised Cost
FVPL - Financial assets recognized through Profit or Loss - measured at Fair Value
FVOCI - Financial assets measured at Fair Value through Other Comprehensive Income

SANASA DEVELOPMENT BANK PLC
FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below:

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

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31st December 2024. The Bank has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended 30th June 2025.

Financial Assets & Liabilities Measured at Fair Value - Fair Value Hierarchy - In Rupees Thousands (Rs'000)

	As at 30th June 2025			
	Level 1	Level 2	Level 3	Total
	LKR	LKR	LKR	LKR
Financial assets fair value through profit or loss				
Sri Lanka Government securities- Treasury bills and bonds	-	-	-	-
Unit trusts	-	8,053,996	-	8,053,996
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	208,146	208,146
	-	8,053,996	208,146	8,262,142

	As at 31st December 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
	LKR	LKR	LKR	LKR
Financial assets fair value through profit or loss				
Sri Lanka Government securities- Treasury bonds	-	257,986	-	257,986
Unit trusts	-	6,481,214	-	6,481,214
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	208,146	208,146
	-	6,739,200	208,146	6,947,346

Fair value of financial assets and liabilities not carried at fair value - In Rupees Thousands (Rs'000)

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 30th June 2025	
	Level	Carrying value	Fair value
		LKR	LKR
Financial assets			
Cash and cash equivalents	Note*	2,474,121	2,474,121
Placements with banks	Note*	14,899,102	14,899,102
Financial assets at amortised cost			
- Loans and receivables to other customers	2	99,086,590	99,241,129
- Debt and other instruments	Note*	13,631,256	13,631,256
Total financial assets		130,091,070	130,245,608
Financial liabilities			
Due to other customers	2	107,476,364	119,668,128
Other borrowings	2	15,678,822	15,678,822
Total financial liabilities		123,155,186	135,346,950

		As at 31st December 2024 (Audited)	
		Carrying value	Fair value
		LKR	LKR
Financial assets			
Cash and cash equivalents	Note*	2,442,294	2,442,294
Placements with banks	Note*	9,083,958	9,083,958
Financial assets at amortised cost			
- Loans and receivables to other customers	2	95,137,107	94,266,912
- Debt and other instruments	Note*	26,623,135	26,623,135
Total financial assets		133,286,494	132,416,299
Financial liabilities			
Due to other customers	2	106,989,900	116,429,002
Other borrowings	2	19,075,132	19,075,132
Total financial liabilities		126,065,032	135,504,134

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

For financial assets and financial liabilities that have a short term maturity (less than a year), it is assumed that the carrying amounts approximate to their fair value. This assumption is applied to savings deposits without a specific maturity. Loans and advances to customers with a variable rate also considered to be carried at fair value.

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing interest rates of the Bank.

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF LOANS AND ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2025	As at 31.12.2024 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	9,083,639	7,942,304
Cash margin	6,374,889	7,037,813
Staff loans	1,708,940	1,708,743
Lease rentals receivable	8,147,947	6,819,403
Term loans	-	-
Business loans	1,369,357	1,232,640
SME loans	16,409,412	13,609,806
Co-operative loans	1,696,676	1,450,832
Housing loans	2,271,381	2,306,252
Fixed and floating personal loans	21,059,975	22,097,648
Upahara loans	38,739,610	38,296,792
Other personal loans	668,001	679,484
Total	107,529,827	103,181,716
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	340,279	284,090
Undrawn Credit Lines	652,151	585,234
Total	992,431	869,325
Total loans and advances, commitments and contingencies	**108,522,258**	**104,051,041**
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	**108,522,258**	**104,051,041**
Less: Accumulated impairment under stage 1	(963,007)	(678,781)
Accumulated impairment under stage 2	(489,159)	(787,537)
Accumulated impairment under stage 3	(6,991,070)	(6,578,292)
Net loans and advances, commitments and contingencies	**100,079,021**	**96,006,431**
Movement of impairment during the period		
Under Stage 1		
Opening balance	678,781	587,669
Charges / (Write back) to income statement	284,226	91,112
Other movements	-	-
Closing balance	963,007	678,781
Under Stage 2		
Opening balance	787,537	806,535
Charges / (Write back) to income statement	(298,378)	(18,998)
Other movements	-	-
Closing balance	489,159	787,537
Under Stage 3		
Opening balance	6,578,292	6,216,717
Charges / (Write back) to income statement	428,651	488,879
Write - off during the year	(15,873)	(127,305)
Other movements	-	-
	6,991,070	6,578,292
Total impairment	**8,443,236**	**8,044,610**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF DEPOSITS

In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2025	As at 31.12.2024 (Audited)
By product: Rs.		
Savings deposits	22,302,851	20,926,765
Fixed deposits	85,173,514	86,063,135
Total deposits	**107,476,364**	**106,989,900**

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank									In Rupees Thousands (Rs'000)	
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the period ended 30th June										
Interest income	5,864,741	7,297,112	672,049	445,413	1,479,896	2,959,951	562,466	606,940	8,579,151	11,309,415
Add: Inter-segment interest income	5,229,335	6,914,988	-	-	4,538,037	5,393,014	-	-	9,767,372	12,308,002
Total interest income	**11,094,076**	**14,212,099**	**672,049**	**445,413**	**6,017,933**	**8,352,965**	**562,466**	**606,940**	**18,346,524**	**23,617,417**
Interest expenses	(3,507,814)	(5,276,698)	(280,564)	(315,354)	(338,556)	(1,021,024)	(381,618)	(428,198)	(4,508,552)	(7,041,274)
Add: Inter-segment interest expense	(4,538,037)	(5,393,014)	-	-	(5,229,335)	(6,914,988)	-	-	(9,767,372)	(12,308,002)
Net interest income	**3,048,225**	**3,542,387**	**391,485**	**130,059**	**450,041**	**416,953**	**180,848**	**178,742**	**4,070,599**	**4,268,141**
Fee and commission income	298,602	232,753	24,422	17,551	-	-	-	-	323,024	250,304
Fee and commission expenses	(22,115)	(22,071)	(1,769)	(1,319)	-	-	-	-	(23,884)	(23,390)
Net fee and commission income	**276,487**	**164,166**	**22,653**	**16,232**	**-**	**-**	**-**	**-**	**299,140**	**226,913**
Net gains/(losses) from trading	-	-	-	-	(553)	33,515	-	-	(553)	33,515
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	275,328	206,275	-	-	275,328	206,275
Other operating income (net)	12,033	(41,232)	-	-	-	63	-	-	12,033	(41,169)
Total operating income	**3,336,745**	**3,711,836**	**414,138**	**146,291**	**724,816**	**656,805**	**180,848**	**178,742**	**4,656,547**	**4,693,675**
Impairment for loans and other losses	(340,048)	(485,386)	(66,004)	(22,758)	(1,574)	1,606	(8,448)	(2,823)	(416,074)	(509,360)
Net operating income	**2,996,697**	**3,226,451**	**348,135**	**123,534**	**723,241**	**658,411**	**172,400**	**175,919**	**4,240,473**	**4,184,314**
Depreciation and amortization	(276,915)	(242,832)	(22,148)	(14,512)	(152)	(135)	(30,126)	(19,706)	(329,341)	(277,185)
Segment Result	**2,719,782**	**2,983,619**	**325,986**	**109,021**	**723,089**	**658,277**	**142,274**	**156,213**	**3,911,132**	**3,907,130**
Un-allocated expenses									(3,277,800)	(3,121,563)
Value Added Tax (VAT) on financial services									(335,740)	(367,736)
Social Security Contribution Levy									(40,137)	(49,686)
Profit before tax									**257,456**	**368,146**
Tax expenses									(101,333)	(125,691)
Profit for the period									156,123	242,455
Other comprehensive income										
Other comprehensive income for the period net of tax									-	-
Total comprehensive income for the period									**156,123**	**242,455**
As at 30th June										
Segment assets	83,351,955	82,908,338	6,666,699	4,954,888	39,266,621	51,277,585	9,067,936	6,727,913	138,353,211	145,868,723
Un allocated assets	-	-	-	-	-	-	-	-	4,987,839	4,843,771
Total assets	**83,351,955**	**82,908,338**	**6,666,699**	**4,954,888**	**39,266,621**	**51,277,585**	**9,067,936**	**6,727,913**	**143,341,051**	**150,712,494**
Segment liabilities	94,336,843	98,679,658	7,545,297	5,897,436	16,453,295	23,640,324	10,262,992	8,007,736	128,598,428	136,225,155
Total equity	-	-	-	-	-	-	-	-	14,742,623	14,487,340
Total equity & liabilities	**94,336,843**	**98,679,658**	**7,545,297**	**5,897,436**	**16,453,295**	**23,640,324**	**10,262,992**	**8,007,736**	**143,341,051**	**150,712,494**
For the period ended 30th June										
Additions to non-current assets	34,168	390,440	2,733	23,334	-	-	3,717	31,684	40,618	445,458

SANASA DEVELOPMENT BANK PLC
SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)

Item	Bank	
	As at 30.06.2025	As at 31.12.2024 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	13,117	13,060
Core (Tier 1) Capital	13,117	13,060
Total Capital Base	14,325	14,255
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-7.00%, 2024-7.00%)	13.98	15.00
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-8.50%, 2024-8.50%)	13.98	15.00
Total Capital Ratio (%) - (Minimum Requirement - 2025-12.50%, 2024-12.50%)	15.26	16.37
Leverage Ratio (Minimum Requirement - 3%)	9.18	9.07
Regulatory Liquidity		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	12,167	27,709
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2025-100%, 2024-100%)	281.52	279.65
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	157.19	173.02
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) to Total loan, Ratio (%)*	6.50	6.93
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	49.84	47.78
Profitability		
Interest Margin (%)	5.64	5.18
Return on Assets (before Taxes) (%)	0.88	0.96
Return on Equity (%)	2.13	2.84

* Including Undrawn Portion of Credit

Share Information	30.06.2025	31.12.2024
Last traded price per share (Rs.)	38.80	45.90
Highest price per share for the period (Rs.)	39.70	46.80
Lowest price per share for the period (Rs.)	33.10	29.70

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.06.2025			
No.	**Name of the Shareholder**	**Number of Shares**	**Holding (%)**
1	LOLC Investment Holdings One (Private) Limited	24,624,948	15.00%
2	Senthilverl Holdings (Pvt) Ltd	20,019,450	12.19%
3	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	17,989,491	10.96%
4	Belgian Investment Company For Developing Countries SA/NV	16,416,564	10.00%
5	Mr. C.F. Fuhrer	4,929,116	3.00%
6	Alliance Finance Company PLC	3,592,187	2.19%
7	Peoples Leasing & Finance PLC/L.P.Hapangama	3,279,555	2.00%
8	SBI Ven Holdings Pte Ltd	2,944,311	1.79%
9	Peoples Leasing & Finance PLC	2,320,270	1.41%
10	Bank of Ceylon A/C Ceybank Unit Trust	1,573,477	0.96%
11	Ayenka Holdings (Private) Limited	1,512,366	0.92%
12	Hatton National Bank PLC/Sarravanan Neelakandan	1,471,083	0.90%
13	Nuwara Eliya Property Developers (Pvt) Ltd	1,468,984	0.89%
14	Kegalle SANASA Share Holders Trust Company Limited	1,287,440	0.78%
15	Polgahawela SANASA Societies Union Ltd	1,035,980	0.63%
16	Nikawaratiya Thrift and Credit Co-Operative Society Union Limited	1,014,273	0.62%
17	Bingiriya Multi Purpose Cooperative Society Ltd	991,850	0.60%
18	Mr. G. Dangampola	900,900	0.55%
19	SANASA Federation Limited	829,333	0.51%
20	Hatton National Bank PLC/Mr. Subramaniam Vasudevan	789,162	0.46%
Sub total		108,990,740	66.39%
Shares held by other shareholders		55,175,754	33.61%
Total		**164,166,494**	**100%**

Note -In compliance with the Section 7.6 (iii) of CSE Listing Rules, the bank has disclosed top 20 shareholders after amalgamating several CDS accounts in to one group belonging to the same shareholder in this financial statements.

As at 30.06.2025

Total number of shares	164,166,494
Number of shares in public holding	134,317,317
Number of public shareholders	39,538
Percentage of public holding	81.82%
Market capitalisation	6,369,659,967
Float adjusted market capitalisation	5,211,511,900
Required minimum public holding percentage under option 3 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	7.5%

Directors' Shareholding as at 30.06.2025		
No.	**Name**	**No. of Shares**
1	Ms.Dinithi Ratnayake (Chairperson)	
2	Mr.Chaaminda Kumarasiri	
3	Mr.Prasanna Premaratna	1,532
4	Mr.B.R.A.Bandara	11,237
5	Mr.Thusantha Wijemanna	
6	Mr.S.H.Sarath Nandasiri	
7	Mr.Conrad Dias	
8	Mr.Naveendra Sooriyarachchi	
9	Mr.Romani De Silva	106,907
10	Mr.Chandana Dissanayake	
11	Mr.Kapila Ariyaratna	

SANASA DEVELOPMENT BANK PLC
EXPLANATORY NOTES

1 These Interim Financial Statements have been prepared in accordance with LKAS 34 - "Interim Financial Reporting" and present information required by Listing Rule of 7.4 of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited Financial Statements of the Bank.

2 There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements for the year 2024.

3 There are no material changes in the composition of assets, liabilities and contingent liabilities.

4 Dormant fee income, which was previously classified under Other Income, has been reclassified under Fee & Commission Income in the financial statements to enhance presentation clarity. Accordingly, the comparative figures have also been adjusted.

5 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements.

6 **Investment in Subsidiary**

Investment in Subsidiary includes the investment made by the Bank in Payment Services (Private) Limited, amounting to Rs.6,163,100/-. Payment Services (Private) Limited is a fully-owned subsidiary of the Bank, that was acquired on 26th May 2020. It was engaged in the business of providing online payment solutions on the web and mobile platforms under the brand name "UPay". The subsidiary's assets, liabilities, equity, income, expenses and cash flows does not have a material effect on the consolidated financial statements of the Group. Therefore, the subsidiary has been deemed immaterial and has not been consolidated when preparing and presenting the financial statements of the Group.