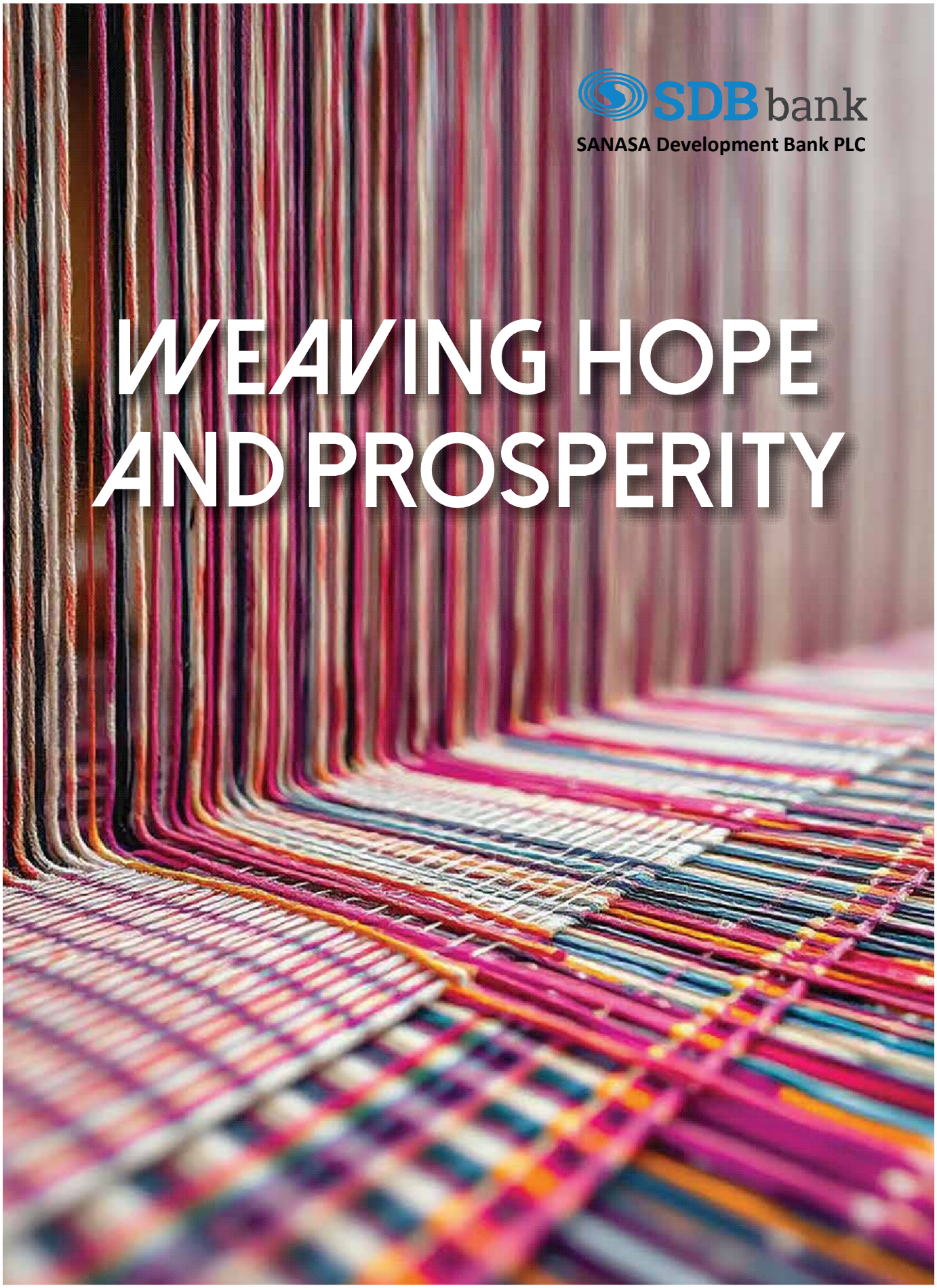
Interim Financial Statements

For the year ended 31st December 2025



SDB Bank Continues to Deliver Sustainable Financial Performance in 2025

- Profit before tax hit Rs.1,614 Mn.
- Profit after tax hit Rs. 405 Mn.
- Advances to customers expanded by Rs. 14.7 Bn on YTD basis.
- Net-Fee income increased by 15%
- Stage 3 loan coverage ratio improved to 52.61% from 47.78%
- Total Capital Ratio maintained at 15.25%
- Liquidity Coverage Ratio maintained at 151.86%

Sustainable Financial Performance in Year 2025

SDB Bank delivered a strengthened financial performance in 2025, showcasing the Bank's capacity to transform disciplined financial governance into long-lasting, meaningful growth. The Bank delivered a strong operating performance in 2025, recording a Profit Before Tax of Rs. 1,614 Mn, an 11% increase from the previous year, reflecting enhanced operational efficiency and strategic financial management. Profit After Tax stood at Rs. 405 Mn, reaffirming the Bank's ability to maintain solid profitability while navigating a dynamic economic landscape, as customer advances expanded by Rs. 14.7 Bn, reaching the portfolio to Rs. 109.8 Bn. reflecting renewed confidence across the Bank's agriculture, SME, cooperative, and retail segments. Strengthening its credit safeguards, the Bank improved its Stage 3 coverage ratio to 52.61% from 47.78%, a significant uplift that demonstrates sharper credit discipline and a proactive recovery and rehabilitation strategy reinforcing SDB Bank's ability to absorb risk while sustaining forward-focused growth strategies. This outcome supported the Bank's strategic focus on strengthening its stable, low-cost savings base and enhancing overall funding efficiency supporting a more resilient and sustainable growth

Building on its mission-driven legacy, SDB Bank continues to integrate financial strength with community-oriented impact, ensuring that its progress remains both sustainable and transformative. By aligning operational excellence with its development-focused mandate, the Bank maintains forward momentum and positions itself as a catalyst for inclusive and resilient national development.

Net Fee Income

Net Fee Income grew by 15% in 2025, reflecting the Bank's success in strengthening its fee-based revenue streams and deepening customer engagement. This uplift highlights SDB Bank's strategic commitment to broadening its revenue mix through enhanced service offerings, digital adoption, and value added solutions-positioning the Bank to deliver more sustainable, client-centric growth in the years ahead.

Balance Sheet Optimization and Healthy Liquidity

The Bank's balance sheet expanded by Rs. 1.9 billion in 2025, reflecting sustained credit growth and continued confidence in its lending strategy. At the same time, the Non-Performing Loan (NPL) ratio declined to 8.85% from 11.11%, indicating improved asset quality and effective credit risk management.

Sustainability Commitments

In 2025, SDB Bank continued to integrate sustainability into its core business strategy. The Bank strengthened its support for green lending, community-focused capacity building, and environmentally responsible banking practices. Efforts included expanding access to finance in underserved communities, promoting responsible credit behavior, and empowering women-led enterprises through targeted financial inclusion programs.

Rural Upliftment and Community Development

Staying true to its cooperative heritage, SDB Bank continued to support rural livelihoods through targeted financial solutions and advisory support. Special emphasis was placed on cooperative societies, rural SMEs, Agri-value chains, and micro-entrepreneurs — enabling them to access affordable financing and development-focused financial literacy programs.

These efforts contributed to improving income stability and economic resilience at the community level, reinforcing SDB Bank's role as a catalyst of inclusive development.

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 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%
Other comprehensive income/(expenses) for the period net of taxes	**(57,600)**	**(67,918)**		**(57,600)**	**(67,918)**	
Total comprehensive income/(expenses) for the period	**347,319**	**341,616**	**2%**	**93,665**	**(62,704)**	**249%**
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	347,319	341,616	2%	93,665	(62,704)	249%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**347,319**	**341,616**	**2%**	**93,665**	**(62,704)**	**249%**

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	885,585	778,912	14%
Other assets	1,659,310	1,494,056	11%
Total assets	147,087,510	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	447,533	430,606	4%
Total equity	14,933,819	14,586,500	2%
Total equity and liabilities	147,087,510	145,155,950	1%
Contingent liabilities and commitments	1,032,893	869,325	19%
Net asset value per share (Rs.)	90.97	88.85	2%
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)	-	69,025	-	(67,918)
Total comprehensive income/(expenses) for the period	**-**	**-**	**272,591**	**-**	**69,025**	**-**	**341,615**
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)**	**403,001**	**46,657**	**14,586,500**
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)	-	-	(74,527)	(11,448)	28,375	-	(57,600)
Total comprehensive income/(expenses) for the period	**-**	**-**	**330,392**	**(11,448)**	**28,375**	**-**	**347,319**
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)**	**431,376**	**46,657**	**14,933,819**

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 31.12.2025 (Audited)	01.01.2024 to 31.12.2024 (Audited)
Cash flows from / (used in) operating activities		
Interest received	19,694,746	20,577,268
Fee and commission received	848,429	696,809
Receipts from other operating activities	5,934	2,780
Interest payment	(8,567,284)	(14,406,825)
Cash payment to employees	(3,816,520)	(3,711,041)
Payments to suppliers and other operating activities	(2,142,685)	(2,273,560)
Fee and commission expenses	(41,620)	(46,695)
Operating profit before changes in operating assets	**5,981,000**	**838,738**
(Increase)/decrease in operating assets		
Funds advanced to customers	(18,176,883)	3,068,033
Net (increase)/ decrease in other short term securities	871,597	(1,038,710)
Net (increase)/ decrease in other assets	(1,138,773)	(353,649)
Increase/(decrease) in operating liabilities		
Deposits from customers	(1,574,200)	994,427
Net increase/ (decrease) in other liabilities	431,535	439,654
Net cash from operating activities before income tax	**(13,605,725)**	**3,948,493**
VAT and SSCL on financial services	(848,909)	(810,714)
Income tax paid	(253,325)	(108,284)
Net cash from operating activities	**(14,707,959)**	**3,029,494**
Cash flows from / (used in) investing activities		
Dividend received	476	291
(Increase)/ Decrease in Non Dealing Securities	-	(151,206)
(Increase)/ decrease in dealing securities	7,297,713	(3,419,780)
(Increase)/ decrease in treasury bonds and other investments	10,003,383	13,242,000
Proceeds from sale of property, plant and equipment	4,835	425
Purchase of property, plant and equipment	(91,136)	(429,588)
Purchase of intangible assets	(94,124)	(165,003)
Net cash from/ (used in) investing activities	**17,121,147**	**9,077,139**
Cash flows from (used in) financing activities		
Repayment of long term borrowing	(9,551,482)	(20,781,744)
Interest paid on subordinated debt	-	(550,368)
Increase/(decrease) in borrowing	11,097,850	9,524,871
Dividend Paid (Withholding Tax)	-	(20,971)
Net cash flow from/ (used in) financing activities	**1,546,368**	**(11,828,212)**
Net increase/ (decrease) in cash and cash equivalents	3,959,556	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	**7,404,306**	**3,444,750**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	7,104,306	2,442,294
Repurchase agreement	-	702,456
Fixed deposits less than 3 months	300,000	300,000
	7,404,306	**3,444,750**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 31st December 2025 (Audited)				
In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**FVOCI**	**Total**
FINANCIAL ASSETS				
Cash and cash equivalents	7,104,306	-	-	7,104,306
Placements with banks	7,801,227	-	-	7,801,227
Financial assets fair value through Profit or Loss	-	-	-	-
Financial assets at amortised cost				
- loans and receivebles from other customers	109,840,876	-	-	109,840,876
- debt and other instruments	16,605,323	-	-	16,605,323
Financial assets measured at fair value through other comprehensive income	-	-	196,698	196,698
Total financial assets	141,351,731	-	196,698	141,548,429

In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**Total**
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors	105,680,974	-	105,680,974
- due to other borrowers	20,616,321	-	20,616,321
Subordinated debt	-	-	-
Total financial liabilities	126,297,295	-	126,297,295

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 31st December 2025.

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

	As at 31st December 2025 (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 bills and bonds	-	-	-	-
Unit trusts	-	-	-	-
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	196,698	196,698
	-	-	196,698	196,698

	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 31st December 2025 (Audited)	
	Level	Carrying value	Fair value
		LKR	LKR
Financial assets			
Cash and cash equivalents	Note*	7,104,306	7,104,306
Placements with banks	Note*	7,801,227	7,801,227
Financial assets at amortised cost			
- Loans and receivables to other customers	2	109,840,876	108,023,575
- Debt and other instruments	Note*	16,605,323	16,605,323
Total financial assets		141,351,731	139,534,431
Financial liabilities			
Due to other customers	2	105,680,974	118,472,363
Other borrowings	2	20,616,321	20,616,321
Total financial liabilities		126,297,295	139,088,684

		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 31.12.2025 (Audited)	As at 31.12.2024 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	11,298,992	7,942,304
Cash margin	6,220,305	7,037,813
Staff loans	1,670,503	1,708,743
Lease rentals receivable	10,538,365	6,819,403
Term loans	-	-
Business loans	1,708,010	1,232,640
SME loans	21,883,380	13,609,806
Co-operative loans	2,952,610	1,450,832
Housing loans	2,509,197	2,306,252
Fixed and floating personal loans	19,725,096	22,097,648
Upahara loans	39,496,299	38,296,792
Other personal loans	562,152	679,484
Total	118,564,908	103,181,716
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	389,540	284,090
Undrawn Credit Lines	643,353	585,234
Total	1,032,893	869,325
Total loans and advances, commitments and contingencies	**119,597,801**	**104,051,041**
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	**119,597,801**	**104,051,041**
Less: Accumulated impairment under stage 1	(1,018,577)	(678,781)
Accumulated impairment under stage 2	(608,890)	(787,537)
Accumulated impairment under stage 3	(7,096,565)	(6,578,292)
Net loans and advances, commitments and contingencies	**110,873,769**	**96,006,431**
Movement of impairment during the period		
Under Stage 1		
Opening balance	678,781	587,669
Charges / (Write back) to income statement	339,796	91,112
Other movements	-	-
Closing balance	1,018,577	678,781
Under Stage 2		
Opening balance	787,537	806,535
Charges / (Write back) to income statement	(178,646)	(18,998)
Other movements	-	-
Closing balance	608,890	787,537
Under Stage 3		
Opening balance	6,578,292	6,216,717
Charges / (Write back) to income statement	556,975	488,879
Write - off during the year	(38,702)	(127,305)
Other movements	-	-
	7,096,565	6,578,292
Total impairment	**8,724,033**	**8,044,610**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF DEPOSITS

In Rupees Thousands (Rs'000)	Bank	
	As at 31.12.2025 (Audited)	As at 31.12.2024 (Audited)
By product: Rs.		
Savings deposits	22,008,225	20,926,765
Fixed deposits	83,672,749	86,063,135
Total deposits	**105,680,974**	**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 year ended 31st December										
Interest income	11,820,331	12,668,940	1,520,911	985,224	2,533,483	5,210,018	1,223,814	1,140,869	17,098,539	20,005,052
Add: Inter-segment interest income	10,289,113	12,718,214	-	-	9,545,156	10,157,293	-	-	19,834,269	22,875,507
Total interest income	**22,109,445**	**25,387,154**	**1,520,911**	**985,224**	**12,078,639**	**15,367,311**	**1,223,814**	**1,140,869**	**36,932,809**	**42,880,558**
Interest expenses	(6,640,746)	(8,988,886)	(688,050)	(671,227)	(697,474)	(1,646,831)	(839,588)	(877,643)	(8,865,858)	(12,184,588)
Add: Inter-segment interest expense	(9,545,156)	(10,157,293)	-	-	(10,289,113)	(12,718,214)	-	-	(19,834,269)	(22,875,507)
Net interest income	**5,923,543**	**6,240,976**	**832,861**	**313,997**	**1,092,051**	**1,002,266**	**384,226**	**263,225**	**8,232,682**	**7,820,464**
Fee and commission income	660,409	588,662	55,941	42,355	-	-	-	-	716,349	631,017
Fee and commission expenses	(37,713)	(43,450)	(3,907)	(3,245)	-	-	-	-	(41,620)	(46,695)
Net fee and commission income	**622,696**	**545,212**	**52,033**	**39,110**	**-**	**-**	**-**	**-**	**674,729**	**584,322**
Net gains/(losses) from trading	-	-	-	-	(553)	60,117	-	-	(553)	60,117
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	559,066	444,082	-	-	559,066	444,082
Other operating income (net)	30,046	(77,978)	-	-	476	291	-	-	30,522	(77,687)
Total operating income	**6,576,285**	**6,708,210**	**884,894**	**353,107**	**1,651,041**	**1,506,755**	**384,226**	**263,225**	**9,496,446**	**8,831,298**
Impairment for loans and other losses	(743,695)	(489,985)	29,112	(74,125)	(1,064)	2,044	(3,542)	3,116	(719,190)	(558,950)
Net operating income	**5,832,590**	**6,218,225**	**914,006**	**278,983**	**1,649,976**	**1,508,799**	**380,684**	**266,341**	**8,777,256**	**8,272,348**
Depreciation and amortization	(570,657)	(520,867)	(59,126)	(38,895)	(272)	(304)	(72,148)	(50,856)	(702,203)	(610,921)
Segment Result	**5,261,933**	**5,697,358**	**854,880**	**240,088**	**1,649,705**	**1,508,495**	**308,536**	**215,486**	**8,075,054**	**7,661,427**
Un-allocated expenses									(6,460,811)	(6,210,500)
Value Added Tax (VAT) on financial services									(714,793)	(668,193)
Social Security Contribution Levy									(99,277)	(98,471)
Profit before tax									**800,173**	**684,263**
Tax expenses									(395,254)	(274,729)
Profit for the period									404,919	409,534
Other comprehensive income										
Other comprehensive income for the period net of tax									(57,600)	(67,918)
Total comprehensive income for the period									**347,319**	**341,616**
As at 31st December										
Segment assets	89,298,612	81,153,575	9,252,256	6,059,982	31,707,553	45,096,733	11,290,008	7,923,550	141,548,429	140,233,840
Un allocated assets	-	-	-	-	-	-	-	-	5,539,081	4,666,014
Total assets	**89,298,612**	**81,153,575**	**9,252,256**	**6,059,982**	**31,707,553**	**45,096,733**	**11,290,008**	**7,923,550**	**147,087,510**	**144,899,854**
Segment liabilities	90,048,197	94,445,917	9,329,921	7,052,561	21,390,794	19,849,605	11,384,778	9,221,367	132,153,690	130,569,450
Total equity	-	-	-	-	-	-	-	-	14,933,819	14,649,205
Total equity & liabilities	**90,048,197**	**94,445,917**	**9,329,921**	**7,052,561**	**21,390,794**	**19,849,605**	**11,384,778**	**9,221,367**	**147,087,510**	**145,218,654**
For the year ended 31st December										
Additions to non-current assets	150,613	507,196	15,605	37,874	-	-	19,042	49,521	185,260	594,591

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

Item	Bank	
	As at 31.12.2025 (Audited)	As at 31.12.2024 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	13,400	13,060
Core (Tier 1) Capital	13,400	13,060
Total Capital Base	14,383	14,255
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-7.00%, 2024-7.00%)	14.21	15.00
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-8.50%, 2024-8.50%)	14.21	15.00
Total Capital Ratio (%) - (Minimum Requirement - 2025-12.50%, 2024-12.50%)	15.25	16.37
Leverage Ratio (Minimum Requirement - 3%)	9.14	9.07
Regulatory Liquidity		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	16,671	27,709
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2025-100%, 2024-100%)	151.86	279.65
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	144.82	173.02
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) to Total loan, Ratio (%)*	5.36	6.93
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	52.61	47.78
Profitability		
Interest Margin (%)	5.37	5.18
Return on Assets (before Taxes) (%)	1.10	0.96
Return on Equity (%)	2.74	2.84

* Including Undrawn Portion of Credit

Share Information	31.12.2025	31.12.2024
Last traded price per share (Rs.)	58.10	45.90
Highest price per share for the period (Rs.)	69.40	46.80
Lowest price per share for the period (Rs.)	47.00	29.70

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 31.12.2025			
No.	**Name of the Shareholder**	**Number of Shares**	**Holding (%)**
1	Senthilverl Holdings (Pvt) Ltd	24,624,974	15.00%
2	LOLC Investment Holdings One (Private) Limited	24,624,948	15.00%
3	Finco Holdings (Private) Limited	24,622,810	15.00%
4	Belgian Investment Company For Developing Countries SA/NV	16,416,564	10.00%
5	Mr. D.G. Wijemanna	7,000,000	4.26%
6	Alliance Finance Company PLC	3,592,187	2.19%
7	Peoples Leasing & Finance PLC/L.P.Hapangama	3,406,664	2.08%
8	Peoples Leasing & Finance PLC	2,320,270	1.41%
9	Bank of Ceylon A/C Ceybank Unit Trust	1,573,477	0.96%
10	Peoples Leasing & Finance PLC/Mr. A.M.Induruwage	1,500,000	0.91%
11	Hatton National Bank PLC/Sarravanan Neelakandan	1,471,083	0.90%
12	Kegalle SANASA Share Holders Trust Company Limited	1,287,440	0.78%
13	Polgahawela SANASA Societies Union Ltd	1,035,980	0.63%
14	Nikawaratiya Thrift and Credit Co-Operative Society Union Limited	1,014,273	0.62%
15	Hettigoda City (Pvt) Ltd	1,000,036	0.61%
16	Bingiriya Multi Purpose Cooperative Society Ltd	991,850	0.60%
17	SANASA Federation Limited	829,333	0.51%
18	Mr. R. Gautam	800,500	0.49%
19	DFCC Bnak PLC/N.G.N.Maduranga	662,403	0.40%
20	Commercial Bank of Ceylon PLC/W.Jinadasa	600,000	0.37%
Sub total		119,374,792	72.72%
Shares held by other shareholders		44,791,702	27.28%
Total		**164,166,494**	**100.00%**

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 31.12.2025

Total number of shares	164,166,494
Number of shares in public holding	135,829,683
Number of public shareholders	39,263
Percentage of public holding	82.74%
Market capitalisation	9,538,073,301
Float adjusted market capitalisation	7,891,704,582
Required minimum public holding percentage under option 2 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	5.0%

Directors' Shareholding as at 31.12.2025		
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.Romani De Silva	106,907
9	Mr.Chandana Dissanayake	
10	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 The Bank's impairment assessment incorporated all relevant internal and external factors, including updated macroeconomic conditions, credit behaviour, recovery prospects and adjustments to key model parameters. These elements were reviewed to ensure Expected Credit Losses (ECL) reflected the risk environment as at 31 December 2025.
In addition, the Bank evaluated the potential implications of Cyclone Ditwah on customers in affected regions. Any observed weakening in credit profiles, delays in cash flows or increased uncertainty arising from the event were factored into both individual and collective impairment assessments. The Bank considers the resulting provisions prudent and appropriate.

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.