

EMPOWERING VILLAGES



Interim Financial Statements For the Six months Ended 30 September 2026



SARVODAYA DEVELOPMENT FINANCE PLC

CONTENTS

CEO's Message	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Interim Financial Statements	
1. Analysis of Financial Instruments by Measurement Basis	6
2. Fair Value Measurement Hierarchy	7
3. Financial Reporting by Segment	8
4. Share Information	9
5. Directors' and Chief Executive Officer's holding in Shares of the Company	9
6. Top 20 Shareholders	9
7. Public Shareholding and Float adjusted Market Capitalisation	10
8. Stated Capital	10
9. Explanatory Notes	10
Corporate Information	14

CEO'S MESSAGE

Dear Stakeholder,

Sarvodaya Development Finance PLC's performance for the first half of the financial year 2026/27 reflects continued progress in building a financially resilient institution rooted in inclusive development. We delivered growth in income, profitability and total assets while remaining focused on our purpose: enabling individuals, entrepreneurs and communities to participate fully in Sri Lanka's economic progress.

For the six months ended 30 September 2026, gross income increased by 39.0% year on year to LKR 3.99 billion, supported by a 46.4% increase in interest income to LKR 3.81 billion. Net interest income grew by 29.1% to LKR 2.10 billion, while total operating income increased by 20.3% to LKR 2.28 billion. Profit before taxation reached LKR 964.92 million, an increase of 24.5%, and profit after tax rose by 22.3% to LKR 416.47 million.

Our balance sheet continued to expand, with total assets reaching LKR 43.96 billion as at 30 September 2026, an increase of 17.6% from 31 March 2026. Loans and receivables increased by 5.8% to LKR 21.81 billion, while lease rentals receivable grew by 4.7% to LKR 9.62 billion. Amounts due to customers increased by 28.9% to LKR 13.67 billion, reinforcing the importance of customer funding within our funding base. Total shareholders' funds rose by 6.0% to LKR 4.69 billion, with net asset value per share increasing to LKR 31.35 from LKR 29.57.

As our business grows, responsible lending and careful risk assessment remain essential. Impairment charges for loans and other losses amounted to LKR 284.36 million for the six-month period, compared with LKR 242.16 million in the corresponding period last year. Our focus remains on balancing portfolio growth with credit quality, supported by close customer engagement and disciplined recovery practices.

Our development finance philosophy continues to guide our strategic direction. For SDF, long-term value lies in connecting financial opportunity with productive enterprise, particularly within rural and agricultural communities. Supporting micro, small and medium-sized businesses, women entrepreneurs and youth remain central to this approach. The relationships we build and our understanding of customers' circumstances are fundamental to delivering finance responsibly.

The opening of our new Kanthale branch reinforces this commitment by bringing our services closer to the communities we seek to support. This expansion provides a stronger local presence from which to serve farmers, entrepreneurs and households, while building the personal relationships that underpin our approach to development finance. Through the branch, we aim to improve access to financial solutions that support livelihoods and enterprise development in the area. Looking ahead, our priorities are to sustain profitable growth, manage funding and operating costs carefully, and safeguard the strength of our balance sheet. Advancing digital capabilities and improving service delivery remain important to making financial services more accessible and responsive. We will pursue these priorities with the same emphasis on accountability, customer relationships and sustainable development that defines our institution.

I thank our Chairman and Board of Directors for their guidance, and our employees for their dedication and commitment. I also extend my appreciation to our customers, depositors, shareholders, funding partners and regulators for their continued support. Guided by the enduring principles of the Sarvodaya Movement, we remain committed to creating lasting value for our stakeholders and the communities we serve.

Sincerely,



Nilantha Jayanetti
Chief Executive Officer

28th October 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the Six months ended			For the Three months ended		
	30th Sept. 2026 Un-audited LKR	30th Sept. 2025 Un-audited LKR	Variance %	30th Sept. 2026 Un-audited LKR	30th Sept. 2025 Un-audited LKR	Variance %
Gross Income	3,991,502,060	2,871,902,244	39.0%	2,075,643,116	1,545,335,181	34.3%
Interest Income	3,806,244,757	2,600,113,841	46.4%	1,991,048,436	1,383,102,710	44.0%
Interest Expenses	(1,711,040,354)	(977,014,471)	75.1%	(930,328,633)	(508,732,270)	82.9%
Net Interest Income	2,095,204,404	1,623,099,370	29.1%	1,060,719,803	874,370,439	21.3%
Net Fee and Commission Income	142,600,123	182,424,992	-21.8%	61,081,594	93,207,388	-34.5%
Other Operating Income	42,657,180	89,363,411	-52.3%	23,513,086	69,025,083	-65.9%
Total Operating Income	2,280,461,707	1,894,887,774	20.3%	1,145,314,483	1,036,602,911	10.5%
Impairment Charges for Loans and Other Losses	(284,359,316)	(242,164,318)	17.4%	(112,749,842)	(122,847,926)	-8.2%
Net Operating Income	1,996,102,391	1,652,723,455	20.8%	1,032,564,641	913,754,984	13.0%
Operating Expenses						
Personnel Expenses	(575,461,497)	(503,318,677)	14.3%	(287,691,522)	(253,672,246)	13.4%
Depreciation of Property, Plant and Equipment	(42,327,183)	(28,890,508)	46.5%	(22,289,693)	(15,485,986)	43.9%
Amortisation of Right of Use Assets	(57,949,995)	(50,345,241)	15.1%	(29,458,277)	(25,204,811)	16.9%
Other Operating Expenses	(355,443,928)	(295,171,665)	20.4%	(190,949,174)	(153,431,264)	24.5%
Operating Profit Before Tax on Financial Services	964,919,787	774,997,364	24.5%	502,175,975	465,960,678	7.8%
Tax on Financial Services	(251,889,067)	(208,929,109)	20.6%	(129,304,652)	(118,369,621)	9.2%
Profit Before Taxation	713,030,721	566,068,255	26.0%	372,871,323	347,591,057	7.3%
Income Tax Expenses	(296,556,280)	(225,614,632)	31.4%	(157,839,983)	(135,232,138)	16.7%
Profit for the Period	416,474,441	340,453,623	22.3%	215,031,340	212,358,919	1.3%
Total Comprehensive Income/(Expenses) for the Period	416,474,441	340,453,623	22.3%	215,031,340	212,358,919	1.3%
Basic/Diluted Earnings Per Share (Annualized)	2.78	2.28		1.44	1.42	

* Calculated based on profit/(loss) for the period

STATEMENT OF FINANCIAL POSITION

As at	30th Sept. 2026 Un-Audited LKR	31st March 2026 Audited LKR	Variance %
Assets			
Cash and Cash Equivalents	1,909,585,785	1,079,054,481	77.0%
Financial Investments	2,403,579,521	1,580,176,849	52.1%
Other Financial Assets	6,749,738,286	3,573,763,278	88.9%
Financial Assets at Amortised Cost - Loans and Receivables	21,806,747,868	20,601,779,525	5.8%
Financial Assets at Amortised Cost - Lease Rentals Receivables	9,620,353,144	9,190,542,856	4.7%
Other Non Financial Assets	378,095,597	389,483,120	-2.9%
Investment Property	246,710,000	246,710,000	0.0%
Property, Plant and Equipment	445,038,858	369,746,347	20.4%
Right-of-use Assets	271,366,518	233,092,294	16.4%
Intangible Assets	1,080,000	1,080,000	0.0%
Deferred Tax Assets	128,651,081	106,240,355	21.1%
Total Assets	43,960,946,656	37,371,669,105	17.6%
Liabilities			
Due to Banks and Other Institutions	22,128,671,334	18,426,799,040	20.1%
Debt Securities Measured at amortised cost	2,194,960,928	2,088,362,362	5.1%
Financial Liabilities at Amortised Cost - Due to Customers	13,671,504,207	10,608,963,615	28.9%
Lease Liability	301,624,492	259,927,363	16.0%
Other Non Financial Liabilities	704,126,756	1,157,189,704	-39.2%
Current Tax Liabilities	163,413,973	316,497,931	-48.4%
Post Employment Benefit Obligation	106,360,893	90,523,406	17.5%
Total Liabilities	39,270,662,583	32,948,263,421	19.2%
Shareholders' Funds			
Stated Capital	2,696,113,032	2,696,113,032	0.0%
Reserves	259,625,219	259,625,219	0.0%
Retained Earnings	1,734,545,822	1,467,667,432	18.2%
Total Shareholders' Funds	4,690,284,073	4,423,405,684	6.0%
Total Liabilities and Shareholders' Funds	43,960,946,656	37,371,669,105	17.6%
Commitments and Contingencies	22,964,879	22,964,879	0.0%
Net Assets Value per Share	31.35	29.57	6.0%

Certification

We certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

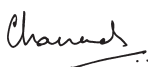


Manori Wannigama
Head of Finance



Nilantha Jayanetti
Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board of Directors by;



Channa de Silva
Chairman



Dhammika Ganegama
Senior Director

28th October 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30th September	Stated Capital LKR	Statutory Reserves LKR	Revaluation Reserves LKR	Retained Earnings LKR	Total Equity LKR
Balances as at 01st April 2025 (Audited)	2,696,113,032	162,103,739	56,514,761	1,029,227,385	3,943,958,917
Comprehensive Income for the Period					
Profit for the Period	-	-	-	340,453,623	340,453,623
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	340,453,623	340,453,623
Transactions with Equity Holders, Recognised					
Directly in Equity					
Transfer to Statutory Reserves Fund	-	-	-	-	-
Final dividend	-	-	-	(186,995,065)	(186,995,065)
Total transaction with equity holders	-	-	-	(186,995,065)	(186,995,065)
Balances as at 30th September 2025 (Un-Audited)	2,696,113,032	162,103,739	56,514,761	1,182,685,943	4,097,417,475
Balances as at 01st April 2026 (Audited)	2,696,113,032	203,110,458	56,514,761	1,467,667,432	4,423,405,683
Comprehensive Income for the Period					
Profit for the Period	-	-	-	416,474,441	416,474,441
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the period	-	-	-	416,474,441	416,474,441
Transactions with Equity Holders, Recognised					
Directly in Equity					
Transfer to Statutory Reserves Fund	-	-	-	-	-
Final dividend	-	-	-	(149,596,051)	(149,596,051)
Total transaction with equity holders	-	-	-	(149,596,051)	(149,596,051)
Balances as at 30th September 2026 (Un-Audited)	2,696,113,032	203,110,458	56,514,761	1,734,545,821	4,690,284,072

STATEMENT OF CASH FLOWS

For the Six Months Ended 30th September

30th Sept. 2026
Un-Audited
LKR

30th Sept. 2025
Un-Audited
LKR

Cash Flows From / (Used in) Operating Activities

Profit Before Income Tax Expense	713,030,721	566,068,255
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Adjustments for

Impairment Charges for Loans and Other Losses	284,359,316	242,164,318
Changing Fair Value of Investment Property	-	-
Loss/(Profit) on Disposal of Property, Plant and Equipment	(1,171,140)	(637,161)
(Profit)/Loss on ROU assets	-	-
Provision for Defined Benefit Plans	24,982,436	17,959,082
Depreciation of Property, Plant and Equipment	42,327,183	28,890,508
Amortisation of Intangible Assets	-	-
Amortisation of Right of Use Assets	57,949,995	50,345,241
Interest Expenses on Debenture	121,715,037	-
Interest Expenses on Lease Creditor	19,054,476	15,937,534
Operating Profit before Working Capital Changes	1,262,248,023	920,727,777

(Increase)/Decrease in Loans and Receivables	(1,407,396,282)	(4,163,412,000)
(Increase)/Decrease in Lease Rentals Receivables	(511,715,870)	(939,684,382)
(Increase)/Decrease in Other Financial Assets	(3,175,975,008)	(1,056,745,842)
(Increase)/Decrease in Other Non Financial Assets	11,387,523	41,132,253
Increase/(Decrease) in Amounts Due to Customers	3,062,540,595	265,353,156
Increase/(Decrease) in Other Non Financial Liabilities	(453,062,947)	(38,932,189)
Cash Generated from/(Used in) Operations	(1,211,973,967)	(4,971,561,228)

Retirement Benefit Liabilities Paid	(9,144,950)	(2,547,076)
Net Collection of LRAB Fund	-	21,900
Income Tax Paid	(472,050,964)	(258,293,538)

Net Cash Flow from/(Used in) Operating Activities	(1,693,169,880)	(5,232,379,942)
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Cash Flows from / (Used in) Investing Activities

Sales of Property, Plant and Equipment	2,869,176	819,433
Acquisition of Property, Plant and Equipment	(119,317,730)	(30,409,545)
Acquisition of Intangible Assets	-	-
Financial Investments	(823,402,671)	(181,834,969)
Net Cash Flows from/(Used in) Investing Activities	(939,851,225)	(211,425,082)

Cash Flows from / (Used in) Financing Activities

Funds Received from Bank and Other Institutional Borrowings	9,582,327,127	7,126,040,160
Repayment of Bank and Other Institutional Borrowings	(5,589,435,734)	(1,400,144,696)
Repayment of Lease Liability	(73,581,567)	(61,412,314)
Dividend Payment	(149,621,848)	(186,995,065)
Proceeds from/(Interest Paid)-Debt Securities Measured at Amortized Cost	(15,116,471)	-
Net Cash Flows from/(Used in) Financing Activities	3,754,571,506	5,477,488,085

Net Increase in Cash and Cash Equivalents	1,121,550,401	33,683,062
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Cash and Cash Equivalents at the beginning of the period	722,384,043	526,086,496
Cash and Cash Equivalents at the end of the period*	1,843,934,444	559,769,558

*Cash and Cash Equivalents at the end of the period

Favorable Cash and Cash Equivalents	1,909,585,785	635,655,953
Unfavorable Cash and Cash Equivalents	(65,651,341)	(75,886,395)
Total Cash and Cash Equivalents at the end of the period	1,843,934,444	559,769,558

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Financial Instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of Significant Accounting Policies describes how each category of Financial Instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table provides a reconciliation between line items in the Statement of Financial Position and categories of Financial Instruments.

Analysis of Financial Instruments by Measurement Basis

	30th Sept. 2026	
	Amortised Cost LKR	Total LKR
Financial Assets		
Cash and Cash Equivalents	1,909,585,785	1,909,585,785
Financial Investments	2,403,579,521	2,403,579,521
Other Financial Assets	6,749,738,286	6,749,738,286
Financial Assets at Amortised Cost - Loans and Receivables	21,806,747,868	21,806,747,868
Financial Assets at Amortised Cost - Lease Rentals Receivables	9,620,353,144	9,620,353,144
Total Financial Assets	42,490,004,603	42,490,004,603
Financial Liabilities		
Due to Banks and Other Institutions	22,128,671,334	22,128,671,334
Debt Securities Measured at amortised cost	2,194,960,928	2,194,960,928
Financial Liabilities at Amortised Cost - Due to Customers	13,671,504,207	13,671,504,207
Lease Liability	301,624,492	301,624,492
Total Financial Liabilities	38,296,760,961	38,296,760,961

	31st March 2026	
	Amortised Cost LKR	Total LKR
Financial Assets		
Cash and Cash Equivalents	1,079,054,482	1,079,054,482
Financial Investments	1,580,176,849	1,580,176,849
Other Financial Assets	3,573,763,278	3,573,763,278
Financial Assets at Amortised Cost - Loans and Receivables	20,601,779,525	20,601,779,525
Financial Assets at Amortised Cost - Lease Rentals Receivables	9,190,542,856	9,190,542,856
Total Financial Assets	36,025,316,991	36,025,316,991
Financial Liabilities		
Due to Banks and Other Institutions	18,426,799,040	18,426,799,040
Debt Securities Measured at amortised cost	2,088,362,362	2,088,362,362
Financial Liabilities at Amortised Cost - Due to Customers	10,608,963,615	10,608,963,615
Lease Liability	259,927,363	259,927,363
Total Financial Liabilities	31,384,052,380	31,384,052,380

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. FAIR VALUE MEASUREMENT HIERARCHY

30th September 2026	Fair Value			
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Non Financial Assets - Investment Property				
Land and building	-	-	246,710,000	246,710,000
	-	-	246,710,000	246,710,000
Non Financial Assets - Property, Plant and Equipment				
Land	-	-	36,100,000	36,100,000
	-	-	36,100,000	36,100,000

31st March 2026	Fair Value			
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Non Financial Assets - Investment Property				
Land and building	-	-	246,710,000	246,710,000
	-	-	246,710,000	246,710,000
Non Financial Assets - Property, Plant and Equipment				
Land	-	-	36,100,000	36,100,000
	-	-	36,100,000	36,100,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. FINANCIAL REPORTING BY SEGMENT

For management purposes, the Company is organised into business units based on its products and services and has three reportable segments, as follows:

Lease

This segment includes Leasing products offered to the customers.

Loan

This segment includes SME, Micro, Personal and Gold loans offered to the customers.

Other Business

This segment includes all other business activities that the Company engaged other than above segments.

The Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Period ended 30th June	Lease		Loan		Other		Total	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest Income	991,863,920	409,874,341	2,556,307,474	764,713,444	258,073,364	42,423,347	3,806,244,757	1,217,011,131
Net Fee and Commission Income	45,565,380	17,400,045	96,826,432	70,208,487	208,311	1,609,071	142,600,123	89,217,604
Other Operating Income	21,423,877	9,518,287	3,159,300	22,100	18,074,003	10,797,942	42,657,180	20,338,328
Gross Income	1,058,853,176	436,792,673	2,656,293,206	834,944,031	276,355,678	54,830,359	3,991,502,060	1,326,567,064
Interest Expenses	(453,899,431)	(154,189,139)	(1,138,675,315)	(294,737,778)	(118,465,608)	(19,355,283)	(1,711,040,354)	(468,282,200)
Total Operating Income	604,953,745	282,603,533	1,517,617,891	540,206,254	157,890,070	35,475,076	2,280,461,707	858,284,863
Credit Loss Expenses	(131,600,473)	(73,054,792)	(152,728,676)	(46,261,600)	(30,167)	-	(284,359,316)	(119,316,392)
Net Operating Income	473,353,272	209,548,741	1,364,889,215	493,944,654	157,859,904	35,475,076	1,996,102,391	738,968,471
Other Expenses	(246,947,678)	(128,870,153)	(619,505,569)	(246,339,676)	(64,452,178)	(16,177,004)	(930,905,425)	(391,386,833)
Depreciation and Amortisation	(26,601,216)	(12,691,520)	(66,733,170)	(24,260,272)	(6,942,792)	(1,593,160)	(100,277,178)	(38,544,952)
Segment Result	199,804,378	67,987,068	678,650,475	223,344,706	86,464,934	17,704,912	964,919,787	309,036,686
Tax on Financial Services							(251,889,067)	(90,559,488)
Income Tax Expenses							(296,556,280)	(90,382,494)
Profit Attributable to Shareholders							416,474,441	128,094,704

As at 30th Sept.	2026 LKR		2025 LKR	
Segment Assets	9,620,353,144	7,350,275,766	21,806,747,868	14,395,188,992
Total Assets	9,620,353,144	7,350,275,766	21,806,747,868	14,395,188,992
Segment Liabilities	8,593,937,824	6,190,779,997	19,480,140,959	12,124,367,971
Total Liabilities	8,593,937,824	6,190,779,997	19,480,140,959	12,124,367,971

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. SHARE INFORMATION

Market prices of ordinary shares recorded during the quarter ended 30th September are as follows:

	LKR (2nd Quarter 2026-27)	LKR (2nd Quarter 2025-26)
Last Traded Price	37.90	31.40
Highest Price	42.00	34.60
Lowest Price	35.90	28.70

5. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES OF THE COMPANY

Shareholder Name	No of Shares	Ownership %
Mr. Channa de Silva - Chairman	323,200	0.216
Mr. Dhammika Ganegama - Senior Director		
<i>Shares held in the following manner</i>		
Mr. Dhammika Ganegama and Ms. N H Ariyaratne	365,000	0.244
Mr. Dhammika Ganegama	72,400	0.048
Mrs. Shehara De Silva - Director	Nil	
Ms. Sashi Schaffter - Director	Nil	-
Mr. Senthil Nandhanan Senthilvel - Director	Nil	-
Mr. C A Canagaretna - Director	Nil	-
Mr. N Buddhipala - Director	Nil	-
Mr. R S Wickramaratne - Director	Nil	-
Mr. S Ranasinghe - Director	Nil	-
Mr. Nilantha Jayanetti- Chief Executive Officer	105,500	0.071

6. TOP 20 SHAREHOLDERS AS AT 30TH SEPTEMBER 2026

	Shareholder Name	No of Shares	Ownership %
1	Sarvodaya Economic Enterprises Development Services (GTE) Ltd	54,000,000	36.10
2	Janashakthi Capital Limited		
	<i>Seylan Bank PLC/Janashakthi Capital Limited</i>	11,365,000	7.60
	<i>Commercial Bank of Ceylon PLC/Janashakthi Capital Limited</i>	4,724,270	3.16
3	Sampath Bank PLC/Senthilvel Holdings (Pvt) Ltd	15,387,705	10.29
4	Gentosha Media Consulting Inc.	13,500,004	9.02
5	Mr. V. Nadarajah	4,532,246	3.03
6	Lanka Jathika Sarvodaya Shramadana Sangamaya	4,335,051	2.90
7	Commercial Bank Of Ceylon Plc/W. Jinadasa	1,423,921	0.95
8	Thalwila Pibidena Sarvodaya Shramadana Society	1,414,000	0.95
9	Mr M.A.H. Esufally & Mrs A.M. Esufally	1,072,200	0.72
10	People's Leasing And Finance Plc/N.N.Dissanayaka	848,156	0.57
11	Commercial Bank Of Ceylon Plc/ Prempra Capital (Pvt) Ltd	830,000	0.55
12	Dialog Finance PLC/R. Arifeen	750,000	0.50
13	Mr. G.H.S. Kumara	627,518	0.42
14	Mr. A.C. Lokuge	600,000	0.40
15	Mr. R. Arifeen	475,000	0.32
16	Mr J.D. Ariyaratne	455,395	0.30
17	Mr W.T.D. Ganegama & Ms N.H. Ariyaratne	365,000	0.24
18	Mr. A.D. Edussuriya	350,000	0.23
19	Sampath Bank PLC/Ginige Channa Ajith de Silva	323,200	0.22
20	Mes. Kuda Arukgoda Sarvodaya Shramadana Society	300,000	0.20
	Total of top 20 shareholders	117,678,666	78.66
	Other Shareholders	31,917,386	21.34
	Total Shareholding	149,596,052	100.00

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. PUBLIC SHAREHOLDING AND FLOAT ADJUSTED MARKET CAPITALISATION

Public shareholding Information pertaining to public shareholding as at 30th September 2026 is as follows:

	Available	Requirement
Public Holding Percentage	42.54%	20%
Number of Public Shareholders	2,995	500
Float Adjusted Market Capitalisation (LKR)	2,412,001,328	Less than Rs 2.5 Bn (Option 5)

- Public Holding percentage as at 30th September 2026 being 42.54% comprising of 2,995 Shareholders.
- The Float adjusted market capitalisation as at 30th September 2026 - LKR 2,412,001,328.40
- The Float adjusted market capitalisation of the Company falls under Option 5 of Rule 7.13.1 (i) (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

8. STATED CAPITAL

	Number of Shares	30th Sept. 2026 LKR	Number of Shares	31st March 2026 LKR
Issued and Fully Paid-Ordinary shares				
At the beginning of the period	149,596,052	2,696,113,032	149,596,052	2,696,113,032
Issued during the period	-	-	-	-
At the end of the period	149,596,052	2,696,113,032	149,596,052	2,696,113,032

9. EXPLANATORY NOTES

- The accounting policies and methods of computation used for the financial statements in the annual report for the year ended 31 March 2026 have been consistently applied without any significant change.
- The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- Transactions with related entities;
The nature of related party transactions in the current period is similar in nature to those reported in the Audited Financial Statements for the year ended 31st March 2026.
- Events occurring after the reporting date
 - The Company obtained approval from CBSL and commenced operations of the Kanthale branch in October 2026.
 - The Company received approval in October 2026 to extend the utilization period of the proceeds of its bond issue from one year to one and a half years.
- The Commitments and Contingencies as at 30 September 2026 was Rs. 22.9 Mn and as at 31st March 2026 was Rs. 22.9 Mn.
- Bond Issue proceeds utilization as at 30.09.2026

No.	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Clarification if not fully utilized including where are the funds invested (e.g. whether lent to related party/s etc.).	"Objective deviation from circular/ Prospectus (Yes/No)"	Objective deviation informed to the market as per Appendix 8A	Details of deviation	Board approval date for the deviation in objective/ confirmation of full utilization of funds by board (board resolution extract to be submitted)
1	To improve the capital Adequacy ratio	Initial issue of LKR 1 Bn and a maximum issue of LKR 2 BN	Upon allotment, following CBSL's final confirmation for Tier 2 recognition of proceeds.	2.0 Bn	100%	1.75Bn	87.50%	According to the CBSL governing board approval received on 03.12.2025	No	N/A	N/A	N/A
2	Green Eligible Financing Projects											
	a) Rooftop solar energy installation financing b) Solar equipment vendor financing c) Purchase of electric vehicle financing d) Low carbon - transportation infrastructure financing projects, such as electric vehicle (EV) charging centres	25% of the Bond Proceeds (Each GBP category will receive at least 30% of the allocated Bond Proceeds for Green Eligible Financing Projects)	12 Months	0.5 Bn	25%	0.163Bn	32.60%	Funds would be invested in cash equivalents, money market or savings (excluding greenhouse gas-intensive activities) at the prevailing rates at the time of investments	No	N/A	N/A	N/A

No.	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Clarification if not fully utilized including where are the funds invested (e.g. whether lent to related party/s etc.).	"Objective deviation from circular/ Prospectus (Yes/No)"	Objective deviation informed to the market as per Appendix 8A	Details of deviation	Board approval date for the deviation in objective/ confirmation of full utilization of funds by board (board resolution extract to be submitted)
3	Social Eligible Financing Projects	75% of the Bond Proceeds (Each SBP category will receive at least 10% of the allocated Bond Proceeds for Social Eligible Financing Projects	12 Months	1.5 Bn	75%	1.5Bn	100%		No	N/A	N/A	N/A
	<p>a) Housing-related purposes include purchasing or constructing a house, buying land for residential construction, completing a partially-built home, or renovating an already constructed house</p> <p>b) Providing SME financing solutions specifically designed to support business startup and enhance the capacity development of existing SMEs owned by or serving underserved and marginalized groups, including youth, persons with disabilities, and low-income communities.</p> <p>c) Providing Financial services specialized for women entrepreneurs and women-led enterprises</p> <p>e) Leasing for agricultural equipment & machinery</p> <p>f) Provide Microfinance loans for loans for village and home-based small businesses and income generative cultivation activities such as tea, cinnamon planting and any other commercial crops for low-income communities</p>											

NOTES TO THE INTERIM FINANCIAL STATEMENTS

INVESTMENT MADE USING UNUTILIZED FUNDS

Detail of investments (Instrument/Counterparty)	Amount invested Rs Bn
Money Market Funds-Union Bank	0.34

SELECTED PERFORMANCE INDICATORS

	Sep-26	Sep-25
Debt/equity ratio (Times)	5.19	5.63
Interest cover (Times)	1.42	1.58
Liquid Asset Ratio (%)	44.82%	18.77%

CORPORATE INFORMATION

NAME OF THE COMPANY

Sarvodaya Development Finance PLC

LEGAL FORM

Public Quoted Company Incorporated in Sri Lanka under the Companies Act No. 7 of 2007.

A Licensed Finance Company under the Finance Business Act No. 42 of 2011.

A registered Finance Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000.

The Company is listed on the main board of the Colombo Stock Exchange on 14th December 2021.

PRINCIPAL ACTIVITIES

The Company provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Savings, Providing Finance Lease, SME Loans, Gold Loans, Personal Loans, Other Credit Facilities, Digital Financial Services and Value-Added Services.

COMPANY REGISTRATION NUMBER

PB 3795 (Before Listing)

PQ 00251293

CENTRAL BANK REGISTRATION NO.

047

TAXPAYER IDENTITY NUMBER (TIN)

134037954

REGISTERED OFFICE & HEAD OFFICE

No. 155A,

Dr. Danister De Silva Mawatha,

Colombo 08,

Sri Lanka.

Telephone No.: 011 5 444 666

E-mail: info@sdf.lk

Website: www.sarvodayafinance.lk

ACCOUNTING YEAR-END

31st March

NO OF BRANCHES

56

CREDIT RATING

Lanka Ratings (SL) BBB- Stable

BOARD OF DIRECTORS

Mr. Channa de Silva - Chairman

Non-Independent/Non-Executive

Mr. Dhammika Ganegama - Senior Director

Independent/Non-Executive

Mr. Amrit CanagaRetna - Director

Independent/Non-Executive

Mr. Senthil Nandhanan Senthilvel - Director

Non-Independent/Non-Executive

Mrs. Shehara De Silva - Director

Independent/Non-Executive

Ms. Ramya Suranjani Wickremaratne - Director

Independent/Non-Executive

Mr. Nandika Buddhipala-Director

Independent/Non-Executive

Ms Sashi A Schaffter - Director

Non-Independent/Non-Executive

Mr. Saliya Jagath Ranasinghe - Director

Non-Independent/Non-Executive

BOARD SUB-COMMITTEES OPERATING

- Board Audit Committee
- Board Integrated Risk Management Committee
- Board Nomination & Governance Committee
- Board Human Resources & Remuneration Committee
- Related Party Transaction Review Committee
- Board Credit Committee
- Board Information Technology and Information Security Committee
- Board Sustainability Committee

COMPANY SECRETARY

Ms. Malmuthuramage Ishani Wasana

EXTERNAL AUDITORS

M/s Deloitte Associates

Chartered Accountants,

No 100, Braybrooke Place

Colombo 02.

LEGAL ADVISERS

M/s Nithya Partners

M/s D. L. & F. De Saram

BANKERS

Hatton National Bank PLC

National Development Bank PLC

Bank of Ceylon

People's Bank

Commercial Bank PLC

DFCC Bank PLC

Pan Asia Banking Corporation PLC

Cargills Bank PLC

Seylan Bank PLC

Sampath Bank PLC

Sanasa Development Bank PLC

Public Bank Berhad - Sri Lanka Operations

Union Bank of Colombo PLC



SARVODAYA DEVELOPMENT FINANCE PLC

No. 155A, Dr. Danister De Silva Mawatha, Colombo 08.

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