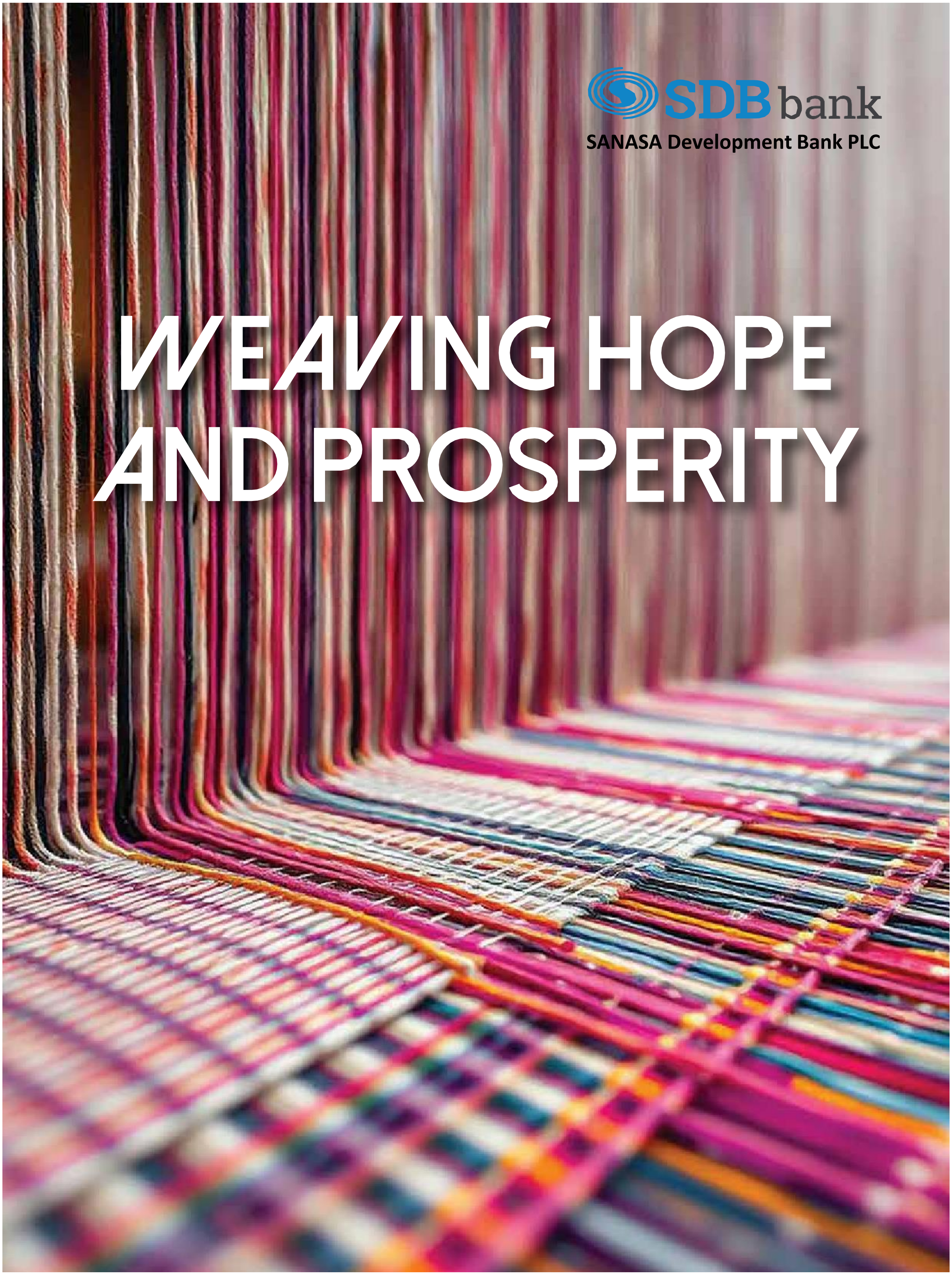
Interim Financial Statements

For the 09 Months Ended 30th September 2025



SDB Bank Continues to Deliver Sustainable Financial Performance in Q3 2025

- Profit after tax hit 254 Mn.
- Advances to customers expanded by Rs. 9.7 Bn on YTD basis.
- Net- fee income increased by 33%
- NPL balance notably decreased.
- Stage 3 loan coverage ratio improved to 52.28%
- Total Capital Ratio maintained at 14.90%
- Liquidity Coverage Ratio maintained at 148.65%

Sustainable Financial Performance in Q3

SDB bank, reflecting the Bank's strategic balance sheet management and effective optimization of yield and funding costs, reported a Profit After Tax (PAT) of Rs. 254 million at the end of Q3 2025. During the period, loan disbursements accelerated, driven by renewed credit demand and the Bank's focused lending strategy, which supported portfolio growth across key sectors. Demonstrating stable performance amid a dynamic financial environment, the Bank continues to drive strategic initiatives and innovative processes to sustain profitability, capitalizing on its core principles and the purpose of existence.

Overhead expenses recorded a measured increase of 6% YoY, primarily reflecting targeted investments in human capital, a key enabler of innovation and service excellence. Impairment charges declined by 11% YoY, supported by substantial collection and remediation efforts, while the Stage 3 loan coverage ratio improved from 47.78% in 2024 to 52.28% in 2025, underscoring the Bank's prudent risk management framework.

Net Fee Income

Net Fee Income saw a significant increase of 33% in Q3 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 the 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 expanded by Rs. 9.7 billion compared to December 2024, reflecting continued credit growth and confidence in the Bank's lending strategy. Notably, the Non-Performing Loan (NPL) balance decreased during the quarter, indicating improved asset quality and effective credit risk management. Despite this growth, the balance sheet contracted marginally by 1%, mainly due to the repayment of short-term borrowings and the appreciation of the Sri Lankan rupee against the U.S. dollar. This outcome underscores the Bank's strategic focus on funding optimization, aimed at reducing exposure to high-cost debt while strengthening its low-cost, stable savings base.

Liquidity Coverage Ratio

The Bank's Liquidity Coverage Ratio (LCR) stood at 148.65% during the quarter, comfortably exceeding regulatory benchmarks and highlighting the Bank's resilient liquidity framework. The level reflects a prudent balance between maintaining strong liquidity buffers and optimizing asset utilization to enhance returns and support credit expansion.

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

Sri Lanka's economy sustained its recovery momentum in Q3 2025, supported by structural reforms, fiscal consolidation, and rising investor confidence. According to the Central Bank of Sri Lanka (CBSL), exports (goods and services) for the first nine months of 2025 (January–September) reached USD 15.5

billion, reflecting strong external resilience and diversification. Macroeconomic conditions have improved, supported by stable exchange rates, moderate inflation, and steady progress in debt restructuring, with an optimistic projection of 3.5% GDP growth for 2025 by the World Bank.
In this favorable backdrop, SDB bank remains well-positioned to capitalize on emerging opportunities, supported by stable market conditions, digital expansion, and sound risk management, reinforcing its role in the nation's ongoing 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 09 months ended 30th September		Change	For the quarter ended 30th September		Change
	2025	2024		2025	2024	
Interest income	12,925,469	16,165,915	-20%	4,346,317	4,856,500	-11%
Interest expenses	(6,683,091)	(9,660,429)	-31%	(2,174,539)	(2,619,155)	-17%
Net interest income	**6,242,378**	**6,505,486**	**-4%**	**2,171,778**	**2,237,345**	**-3%**
Fee and commission income	523,351	402,948	30%	200,327	152,644	31%
Fee and commission expenses	(33,233)	(34,855)	-5%	(9,349)	(11,464)	-18%
Net fee and commission income	**490,118**	**368,093**	**33%**	**190,979**	**141,180**	**35%**
Net gains/(losses) from trading	(553)	33,959	-102%	-	444	-100%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	453,576	319,336	42%	178,249	113,061	58%
Net other operating income	16,698	(41,543)	140%	4,665	(374)	1348%
Total operating income	**7,202,217**	**7,185,331**	**0%**	**2,545,670**	**2,491,656**	**2%**
Impairment for loans and other losses	(619,225)	(695,369)	-11%	(203,151)	(186,009)	9%
Net operating income	**6,582,992**	**6,489,962**	**1%**	**2,342,520**	**2,305,648**	**2%**
Personnel expenses	(3,198,622)	(2,944,518)	9%	(1,074,160)	(1,008,675)	6%
Depreciation and amortization expenses	(497,536)	(443,035)	12%	(168,195)	(165,850)	1%
Other expenses	(1,823,115)	(1,805,646)	1%	(669,777)	(619,927)	8%
Total Admin and Other Operational Expences	**(5,519,273)**	**(5,193,199)**	**6%**	**(1,912,132)**	**(1,794,453)**	**7%**
Operating profit/ (loss) before VAT on financial services & SSCL	**1,063,719**	**1,296,762**	**-18%**	**430,388**	**511,195**	**-16%**
Value Added Tax (VAT) on financial services	(563,848)	(607,526)	-7%	(228,108)	(239,790)	-5%
Social Security Contribution Levy (SSCL)	(76,023)	(77,434)	-2%	(35,886)	(27,749)	29%
Operating profit/(loss) after VAT on financial services and SCCL	**423,848**	**611,802**	**-31%**	**166,394**	**243,656**	**-32%**
Profit/(loss) before tax	**423,848**	**611,802**	**-31%**	**166,394**	**243,656**	**-32%**
Income tax expenses	(170,195)	(207,482)	-18%	(68,862)	(81,792)	-16%
Profit/(loss) for the period	**253,653**	**404,320**	**-37%**	**97,532**	**161,865**	**-40%**
Profit/(loss) attributable to:						
Equity holders of the parent	253,653	404,320	-37%	97,532	161,865	-40%
Non-controlling interests	-	-	-	-	-	-
	253,653	**404,320**	-37%	**97,532**	**161,865**	-40%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	1.55	2.46	-37%	0.59	0.99	-40%
Diluted earnings per ordinary share (Rs.)	1.55	2.46	-37%	0.59	0.99	-40%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the 09 months ended 30th September		Change	For the quarter ended 30th September		Change
	2025	2024		2025	2024	
Profit/(loss) for the period	253,653	404,320	-37%	97,532	161,865	-40%
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	-	-		-	-	
Total comprehensive income/(expenses) for the period	**253,653**	**404,320**	**-37%**	**97,532**	**161,865**	**-40%**
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	253,653	404,320	-37%	97,532	161,865	-40%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**253,653**	**404,320**	**-37%**	**97,532**	**161,865**	**-40%**

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.09.2025	As at 31.12.2024 (Audited)	Change
Assets			
Cash and cash equivalents	1,987,157	2,442,294	-19%
Placements with banks	12,152,191	9,083,958	34%
Financial assets fair value through Profit or Loss	7,672,755	6,739,200	14%
Financial assets at amortised cost			
- loans and receivebles from other customers	103,184,673	95,137,107	8%
- debt and other instruments	12,944,330	26,623,135	-51%
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	975,533	1,115,087	-13%
Right of use assets	1,361,168	780,438	74%
Intangible assets	699,049	747,454	-6%
Deferred tax assets	778,912	778,912	-
Other assets	1,705,183	1,494,056	14%
Total assets	143,675,258	145,155,950	-1%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	105,858,811	106,989,900	-1%
- due to other borrowers	17,005,084	19,075,132	-11%
Retirement benefit obligations	1,153,735	1,041,382	11%
Current tax liabilities	653,923	717,274	-9%
Other liabilities	4,163,551	2,745,762	52%
Total liabilities	128,835,104	130,569,450	-1%
Equity			
Stated capital/assigned capital	11,406,602	11,406,602	-
Statutory reserve fund	361,049	361,049	-
Retained earnings	2,641,897	2,388,243	11%
Other reserves	430,606	430,606	-
Total equity	14,840,154	14,586,500	2%
Total equity and liabilities	143,675,258	145,155,950	-1%
Contingent liabilities and commitments	1,095,036	869,324	26%
Net asset value per share (Rs.)	90.40	88.85	2%
Memorandum information			
Number of employees	1,281	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

04th November 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 30.09.2024							
Balance as at 01.01.2024 (Opening balance)	11,287,765	340,572	2,275,938	(19,052)	333,976	46,657	14,265,857
Total comprehensive income for the period							
Profit/(loss) for the period (net of tax)	-	-	404,320	-		-	404,320
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**-**	**-**	**404,320**	**-**	**-**	**-**	**404,320**
Transfer to statutory reserve fund	-	-	-	-		-	-
Transactions with equity holders, recognized directly in equity							
Dividend to equity holders	-	-	-	-		-	-
Scrip dividend - 2023	118,837	-	(139,808)	-	-	-	(20,971)
Other	-	-	-	-	-	-	-
Total transactions with equity holders	**118,837**	**-**	**(139,808)**	**-**	**-**	**-**	**(20,971)**
Balance as at 30.09.2024 (Closing balance)	**11,406,602**	**340,572**	**2,540,450**	**(19,052)**	**333,976**	**46,657**	**14,649,206**
For the Period ended 30.09.2025							
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)	-		253,653	-		-	253,653
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	**-**	**-**	**253,653**	**-**	**-**	**-**	**253,653**
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 30.09.2025 (Closing balance)	**11,406,602**	**361,049**	**2,641,896**	**(19,052)**	**403,001**	**46,657**	**14,840,153**

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 30.09.2025	01.01.2024 to 31.12.2024 (Audited)
Cash flows from / (used in) operating activities		
Interest received	15,291,165	20,577,268
Fee and commission received	621,440	696,809
Receipts from other operating activities	5,135	2,780
Interest payment	(6,955,209)	(14,406,825)
Cash payment to employees	(2,792,236)	(3,711,041)
Payments to suppliers and other operating activities	(1,374,323)	(2,273,560)
Fee and commission expenses	(33,233)	(46,695)
Operating profit before changes in operating assets	**4,762,739**	**838,738**
(Increase)/decrease in operating assets		
Funds advanced to customers	(11,176,817)	3,068,033
Net (increase)/ decrease in other short term securities	17,633	(1,038,710)
Net (increase)/ decrease in other assets	(1,135,637)	(353,649)
Increase/(decrease) in operating liabilities		
Deposits from customers	(793,495)	994,427
Net increase/ (decrease) in other liabilities	466,245	439,654
Net cash from operating activities before income tax	**(7,859,330)**	**3,948,493**
VAT and SSCL on financial services	(637,137)	(810,714)
Income tax paid	(207,239)	(108,284)
Net cash from operating activities	**(8,703,706)**	**3,029,494**
Cash flows from / (used in) investing activities		
Dividend received	291	291
(Increase)/ Decrease in Non Dealing Securities	-	(151,206)
(Increase)/ decrease in dealing securities	(480,532)	(3,419,780)
(Increase)/ decrease in treasury bonds and other investments	14,560,989	13,242,000
Proceeds from sale of property, plant and equipment	4,190	425
Purchase of property, plant and equipment	(17,933)	(429,588)
Purchase of intangible assets	(34,681)	(165,003)
Net cash from/ (used in) investing activities	**14,032,325**	**9,077,139**
Cash flows from (used in) financing activities		
Repayment of long term borrowing	(6,270,690)	(20,781,744)
Interest paid on subordinated debt	-	(550,368)
Increase/(decrease) in borrowing	4,159,103	9,524,871
Dividend Paid (Withholding Tax)	-	(20,971)
Net cash flow from/ (used in) financing activities	**(2,111,588)**	**(11,828,212)**
Net increase/ (decrease) in cash and cash equivalents	3,217,031	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	**6,661,781**	**3,444,750**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	1,987,157	2,442,294
Repurchase agreement	3,374,624	702,456
Fixed deposits less than 3 months	1,300,000	300,000
	6,661,781	**3,444,750**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th September 2025				
In Rupees Thousands (Rs'000)	**AC**	**FVPL**	**FVOCI**	**Total**
FINANCIAL ASSETS				
Cash and cash equivalents	1,987,157	-	-	1,987,157
Placements with banks	12,152,191	-	-	12,152,191
Financial assets fair value through Profit or Loss	-	7,672,755	-	7,672,755
Financial assets at amortised cost				
- loans and receivebles from other customers	103,184,673	-	-	103,184,673
- debt and other instruments	12,944,330	-	-	12,944,330
Financial assets measured at fair value through other comprehensive income	-	-	208,146	208,146
Total financial assets	130,268,350	7,672,755	208,146	138,149,251

In Rupees Thousands (Rs'000)	AC	FVPL	Total
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors	105,858,811	-	105,858,811
- due to other borrowers	17,005,084	-	17,005,084
Subordinated debt	-	-	-
Total financial liabilities	122,863,895	-	122,863,895

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

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 September 2025.

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

	As at 30th September 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	-	7,672,755	-	7,672,755
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	208,146	208,146
	-	7,672,755	208,146	7,880,901

	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

SANASA DEVELOPMENT BANK PLC
FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

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 September 2025	
	Level	**Carrying value LKR**	**Fair value LKR**
Financial assets			
Cash and cash equivalents	Note*	1,987,157	1,987,157
Placements with banks	Note*	12,152,191	12,152,191
Financial assets at amortised cost			
- Loans and receivables to other customers	2	103,184,673	103,279,426
- Debt and other instruments	Note*	12,944,330	12,944,330
Total financial assets		130,268,350	130,363,103
Financial liabilities			
Due to other customers	2	105,858,811	118,895,526
Other borrowings	2	17,005,084	17,005,084
Total financial liabilities		122,863,895	135,900,610

		As at 31st December 2024 (Audited)	
		Carrying value LKR	**Fair value 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 30.09.2025	As at 31.12.2024 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	9,921,885	7,942,304
Cash margin	5,530,126	7,037,813
Staff loans	1,678,864	1,708,743
Lease rentals receivable	9,397,199	6,819,403
Term loans	-	-
Business loans	1,584,274	1,232,640
SME loans	18,310,253	13,609,806
Co-operative loans	2,652,934	1,450,832
Housing loans	2,403,691	2,306,252
Fixed and floating personal loans	20,395,069	22,097,648
Upahara loans	39,410,416	38,296,792
Other personal loans	543,345	679,484
Total	111,828,056	103,181,716
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	381,276	284,090
Undrawn Credit Lines	713,760	585,234
Total	1,095,036	869,324
Total loans and advances, commitments and contingencies	**112,923,092**	**104,051,040**
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	**112,923,092**	**104,051,040**
Less: Accumulated impairment under stage 1	(1,155,734)	(678,781)
Accumulated impairment under stage 2	(431,949)	(787,537)
Accumulated impairment under stage 3	(7,055,701)	(6,578,292)
Net loans and advances, commitments and contingencies	**104,279,709**	**96,006,431**
Movement of impairment during the period		
Under Stage 1		
Opening balance	678,781	587,669
Charges / (Write back) to income statement	476,953	91,112
Other movements	-	-
Closing balance	1,155,734	678,781
Under Stage 2		
Opening balance	787,537	806,535
Charges / (Write back) to income statement	(355,588)	(18,998)
Other movements	-	-
Closing balance	431,949	787,537
Under Stage 3		
Opening balance	6,578,292	6,216,717
Charges / (Write back) to income statement	496,430	488,879
Write - off during the year	(19,020)	(127,305)
Other movements	-	-
	7,055,701	6,578,292
Total impairment	**8,643,383**	**8,044,610**

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF DEPOSITS

In Rupees Thousands (Rs'000)	Bank	
	As at 30.09.2025	As at 31.12.2024 (Audited)
By product: Rs.		
Savings deposits	23,016,871	20,926,765
Fixed deposits	82,841,940	86,063,135
Total deposits	**105,858,811**	**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 September										
Interest income	8,936,562	10,553,371	1,085,069	701,681	2,033,382	4,042,516	870,455	868,347	12,925,469	16,165,915
Add: Inter-segment interest income	7,781,509	9,860,418	-	-	6,940,702	7,775,165	-	-	14,722,211	17,635,583
Total interest income	**16,718,071**	**20,413,789**	**1,085,069**	**701,681**	**8,974,084**	**11,817,680**	**870,455**	**868,347**	**27,647,680**	**33,801,497**
Interest expenses	(5,104,312)	(7,194,902)	(486,033)	(486,548)	(498,771)	(1,333,868)	(593,976)	(645,111)	(6,683,091)	(9,660,429)
Add: Inter-segment interest expense	(6,940,702)	(7,775,165)	-	-	(7,781,509)	(9,860,418)	-	-	(14,722,211)	(17,635,583)
Net interest income	**4,673,058**	**5,443,722**	**599,037**	**215,133**	**693,803**	**623,394**	**276,480**	**223,236**	**6,242,378**	**6,505,485**
Fee and commission income	481,479	371,860	41,872	31,087	-	-	-	-	523,351	402,948
Fee and commission expenses	(30,343)	(32,647)	(2,889)	(2,208)	-	-	-	-	(33,233)	(34,855)
Net fee and commission income	**451,136**	**269,761**	**38,983**	**28,880**	**-**	**-**	**-**	**-**	**490,118**	**368,093**
Net gains/(losses) from trading	-	-	-	-	(553)	33,959	-	-	(553)	33,959
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	453,576	319,336	-	-	453,576	319,336
Other operating income (net)	16,407	(41,606)	-	-	291	63	-	-	16,698	(41,543)
Total operating income	**5,140,601**	**5,741,330**	**638,020**	**244,013**	**1,147,118**	**976,752**	**276,480**	**223,236**	**7,202,218**	**7,185,331**
Impairment for loans and other losses	(586,485)	(589,884)	(25,672)	(104,402)	(1,431)	1,656	(5,638)	(2,740)	(619,225)	(695,369)
Net operating income	**4,554,116**	**5,151,446**	**612,348**	**139,612**	**1,145,687**	**978,408**	**270,842**	**220,496**	**6,582,992**	**6,489,961**
Depreciation and amortization	(410,472)	(382,630)	(39,085)	(25,875)	(212)	(222)	(47,766)	(34,308)	(497,536)	(443,035)
Segment Result	**4,143,644**	**4,768,816**	**573,263**	**113,737**	**1,145,475**	**978,186**	**223,076**	**186,188**	**6,085,457**	**6,046,927**
Un-allocated expenses									(5,021,737)	(4,750,164)
Value Added Tax (VAT) on financial services									(563,848)	(607,526)
Social Security Contribution Levy									(76,023)	(77,434)
Profit before tax									**423,848**	**611,802**
Tax expenses									(170,195)	(207,482)
Profit for the period									253,653	404,320
Other comprehensive income										
Other comprehensive income for the period net of tax									-	-
Total comprehensive income for the period									**253,653**	**404,320**
As at 30th September										
Segment assets	85,164,860	81,621,066	8,109,399	5,519,537	34,964,578	50,399,957	9,910,414	7,318,333	138,149,251	144,858,893
Un allocated assets	-	-	-	-	-	-	-	-	5,526,008	4,666,014
Total assets	**85,164,860**	**81,621,066**	**8,109,399**	**5,519,537**	**34,964,578**	**50,399,957**	**9,910,414**	**7,318,333**	**143,675,258**	**149,524,907**
Segment liabilities	91,661,192	97,194,403	8,727,980	6,572,668	17,779,557	22,393,957	10,666,375	8,714,674	128,835,104	134,875,702
Total equity	-	-	-	-	-	-	-	-	14,840,154	14,649,205
Total equity & liabilities	**91,661,192**	**97,194,403**	**8,727,980**	**6,572,668**	**17,779,557**	**22,393,957**	**10,666,375**	**8,714,674**	**143,675,258**	**149,524,907**
For the period ended 30th September										
Additions to non-current assets	43,425	444,050	4,135	30,028	-	-	5,053	39,815	52,613	513,892

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

	Bank	
Item	**As at 30.09.2025**	**As at 31.12.2024 (Audited)**
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	13,109	13,060
Core (Tier 1) Capital	13,109	13,060
Total Capital Base	14,428	14,255
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-7.00%, 2024-7.00%)	13.54	15.00
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2025-8.50%, 2024-8.50%)	13.54	15.00
Total Capital Ratio (%) - (Minimum Requirement - 2025-12.50%, 2024-12.50%)	14.90	16.37
Leverage Ratio (Minimum Requirement - 3%)	9.15	9.07
Regulatory Liquidity		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	10,762	27,709
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2025-100%, 2024-100%)	148.65	279.65
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	149.84	173.02
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) to Total loan, Ratio (%)*	5.72	6.93
Impairment (Stage 3) to Stage 3 Loans Ratio (%)*	52.28	47.78
Profitability		
Interest Margin (%)	5.36	5.18
Return on Assets (before Taxes) (%)	0.98	0.96
Return on Equity (%)	2.30	2.84

* Including Undrawn Portion of Credit

Share Information	**30.09.2025**	**31.12.2024**
Last traded price per share (Rs.)	47.20	45.90
Highest price per share for the period (Rs.)	51.10	46.80
Lowest price per share for the period (Rs.)	37.20	29.70

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.09.2025			
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	24,609,306	14.99%
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	Finco Holdings (Private) Limited	4,237,351	2.58%
6	Alliance Finance Company PLC	3,592,187	2.19%
7	Peoples Leasing & Finance PLC/L.P.Hapangama	3,279,555	2.00%
8	Mr. C.F.Furhrer	2,520,196	1.54%
9	Peoples Leasing & Finance PLC	2,320,270	1.41%
10	Mr. D.G. Wijemanna	2,000,000	1.22%
11	Bank of Ceylon A/C Ceybank Unit Trust	1,573,477	0.96%
12	Mr. B.T. De S Weerasooria	1,537,786	0.94%
13	Hatton National Bank PLC/Sarravanan Neelakandan	1,471,083	0.90%
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	SANASA Federation Limited	829,333	0.51%
19	Mr. G. Dangampola	796,725	0.49%
20	Mr. R. Gautam	795,800	0.48%
Sub total		112,923,615	68.79%
Shares held by other shareholders		51,242,879	31.21%
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 30.09.2025

Total number of shares	164,166,494
Number of shares in public holding	135,829,683
Number of public shareholders	39,611
Percentage of public holding	82.74%
Market capitalisation	7,748,658,517
Float adjusted market capitalisation	6,411,161,038
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 30.09.2025

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	

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 There were no material events that occurred after the reporting period requiring disclosure and/or adjustment in the Financial Statements. However, during the month of October, *Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.* divested its shareholding in Sanasa Development Bank PLC. And *Finco Holdings (Private) Limited* purchased these shares and now holds a total of 24,622,810 shares, representing 15% of the issued share capital of the Company. This transaction has already been disclosed through the Colombo Stock Exchange (CSE).

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.