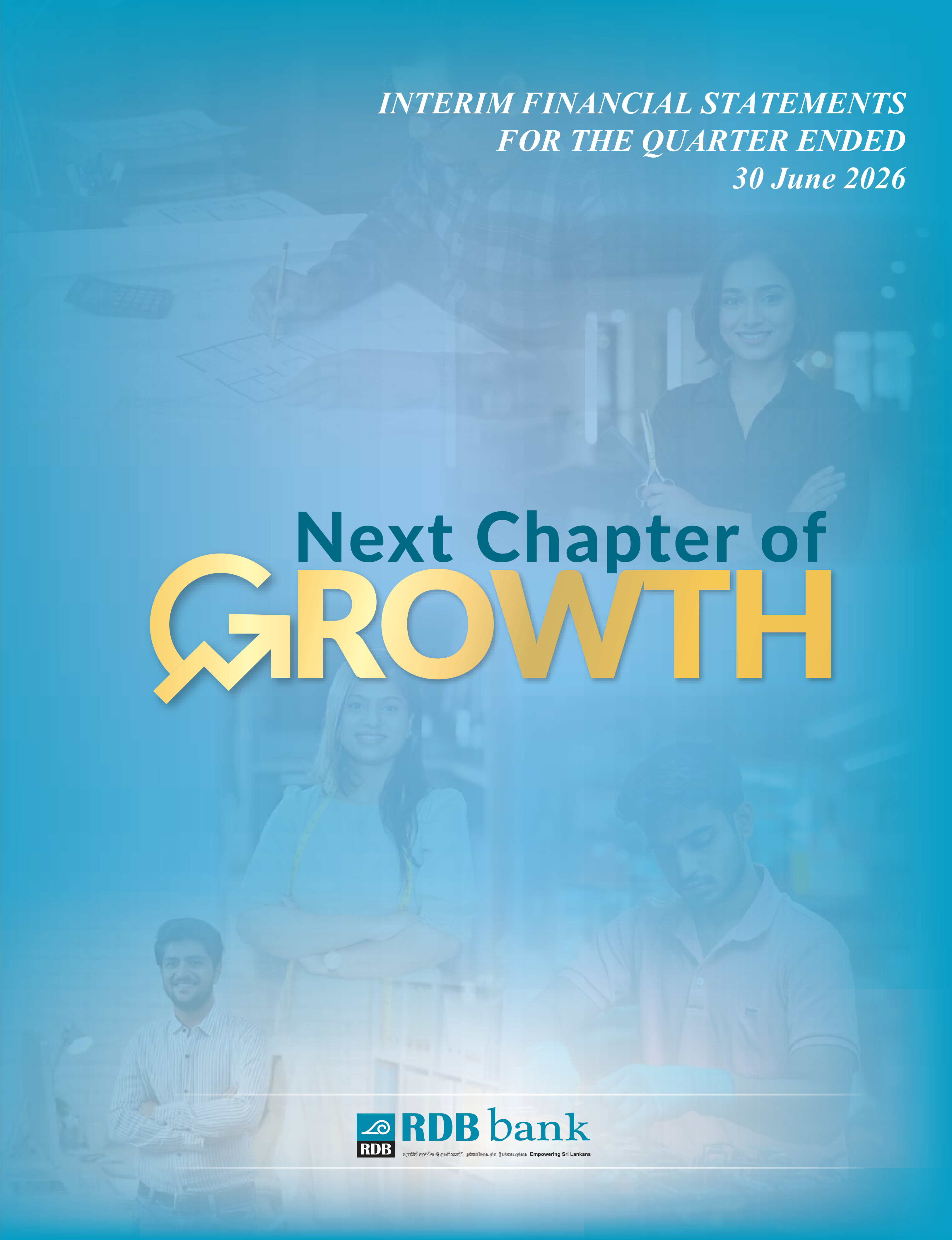

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 June 2026

Next Chapter of GROWTH

RDB bank

Empowering Sri Lankans

PRADESHIYA SANWARDANA BANK

"BBB+" Stable
LRA

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2026

INCOME STATEMENT

In Rupees Thousands	Bank	
	Current Period 30/6/2026 (Unaudited)	Previous Period 30/06/2025 (Unaudited)
Interest income	21,944,487	19,466,080
Interest expenses	(8,926,490)	(8,504,969)
Net interest income	**13,017,997**	**10,961,111**
Fee and commission income	1,850,833	864,895
Fee and commission expenses	(570,171)	(466,449)
Net fee and commission income	**1,280,662**	**398,446**
Net gains/(losses) from trading	-	-
Net fair value gains/(losses) on:		
financial assets at fair value through profit or loss	-	-
financial liabilities at fair value through profit or loss	-	-
Net gains/(losses) on derecognition of financial assets:		
at fair value through profit or loss	-	-
at amortised cost	-	-
at fair value through other comprehensive income	-	-
Net other operating income	35,434	54,383
Total operating income	**14,334,094**	**11,413,940**
Impairment charges	(1,476,975)	(582,641)
Net operating income	**12,857,119**	**10,831,298**
Personnel expenses	(5,793,699)	(5,597,628)
Depreciation and amortization expenses	(417,242)	(353,916)
Other expenses	(1,371,756)	(1,180,591)
Operating profit/(loss) before VAT on financial services & SSCL	**5,274,422**	**3,699,163**
VAT on financial services	(1,522,983)	(1,321,826)
Social Security Contribution Levy	(211,525)	(183,587)
Operating profit/(loss) after VAT on financial services & SSCL	**3,539,914**	**2,193,750**
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	**3,539,914**	**2,193,750**
Income tax expenses	(1,996,257)	(1,141,470)
Profit/(loss) for the Period	**1,543,656**	**1,052,281**
Other Comprehensive Income / (Loss) Net of Taxes	-	-
Total Comprehensive income for the Period	1,543,656	1,052,281
Profit attributable to:		
Equity holders of the parent	**1,543,656**	**1,052,281**
Non-controlling interests	-	-
Earnings per share on profit		
Basic earnings per ordinary share	2.41	1.87
Diluted earnings per ordinary share	-	-

PRADESHIYA SANWARDANA BANK

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH JUNE 2026

In Rupees Thousands	Bank	
	Current Period 30/06/2026 (Unaudited)	Previous Period 30/06/2025 (Unaudited)
Profit/(loss) for the Period	**1,543,656**	**1,052,281**
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	-	-
Net gains/(losses) on cash flow hedges	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	-	-
Share of profits of associates and joint ventures	-	-
Debt instruments at fair value through other comprehensive income	-	-
Others (specify)	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-
Items that will not be reclassified to income statement		
Change in fair value on investments in equity instruments designated at fair value through other comprehensive income	-	-
Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss	-	-
Re-measurement of post-employment benefit obligations	-	-
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Differed Tax impact on retirement benefit obligation	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
Other Comprehensive Income (OCI) for the Period, net of taxes	**-**	**-**
Total comprehensive income for the Period	**1,543,656**	**1,052,281**
Attributable to:		
Equity holders of the parent	**1,543,656**	**1,052,281**
Non-controlling interest	**-**	**-**

PRADESHIYA SANWARDANA BANK

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2026

In Rupees Thousands	Bank	
	Current Period 30/06/2026 (Unaudited)	Previous Year 31/12/2025 (Audited)
Assets		
Cash and cash equivalents	4,992,665	4,869,722
Balances with central banks	-	-
Placements with banks	15,201,273	15,105,878
Derivative financial instruments	-	-
Financial assets recognized through profit or loss	-	-
- measured at fair value	272	313
- designated at fair value	-	-
Financial assets at amortized cost		
- loans and advances	311,550,620	283,613,763
- debt and other instruments	35,581,393	49,091,983
Financial assets measured at fair value through other comprehensive income	153,707	153,435
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	2,817,896	2,759,763
Right of use assets	961,657	1,014,620
Goodwill and intangible assets	42,174	39,527
Differred tax assets	2,524,971	2,524,971
Current tax assets	-	-
Other assets	3,914,792	3,001,772
Total assets	**377,741,421**	**362,175,745**
Liabilities		
Due to banks	34,822,991	34,889,573
Derivative financial instruments	-	-
Financial liabilities recognized through profit or loss		
- measured at fair value	-	-
- designated at fair value	-	-
Financial liabilities at amortized cost		
- due to depositors	297,818,270	283,715,707
- due to debt securities holders	-	-
- due to other borrowers	-	-
Debt securities issued	-	-
Retirement benefit obligations	3,786,010	4,057,861
Current tax liabilities	-	1,787,250
Deferred tax liabilities	-	-
Other liabilities	14,775,054	15,787,628
Due to subsidiaries	-	-
Total liabilities	**351,202,325**	**340,238,019**
Equity		
Stated capital/Assigned capital	11,579,579	8,521,865
Statutory reserve fund	1,070,810	1,070,810
OCI reserve	-	-
Retained earnings	7,363,498	5,819,842
Revaluation Reserve	1,128,170	1,128,170
Other reserves	5,397,039	5,397,039
Total shareholders' equity	**26,539,096**	**21,937,726**
Non-controlling interests	-	-
Total equity	**26,539,096**	**21,937,726**
Total equity and liabilities	**377,741,421**	**362,175,745**
Contingent liabilities and commitments	1,808,185	1,718,692

(Note:Amount stated are net of impairment & Depreciation)

PRADESHIYA SANWARDANA BANK

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30TH JUNE 2026

In Rupees Thousands	Stated capital/Assigned Capital			Reserves						Total	Non Controling interest	Total Equity
	Ordinary Voting Share	Ordinary Non Voting Share	Assigned Capital	Statutory Reserve Fund	OCI Reserve	Reveluation Reserve	Retained Earnings	Special Reserve Fund	General Reserve Fund			
Balance as at 01/01/2026 (Opening balance)	**-**	**-**	**8,521,865**	**1,070,810**	**-**	**1,128,170**	**5,819,842**	**925,200**	**4,471,839**	**21,937,726**	**-**	**21,937,726**
Total comprehensive income for the Period												
Profit/(loss) for the Period (net of tax)	-	-	-	-	-	-	1,543,656		-	1,543,656	-	1,543,656
Other comprehensive income (net of tax)		-	-	-	-	-	-		-	-	-	-
Total comprehensive income for the Period	-	-	-		-	-	**1,543,656**		**-**	**1,543,656**	**-**	**1,543,656**
Transactions with equity holders, recognised directly in equity												
Share issue/increase of assigned capital	-	-	3,057,714	-	-	-	-		-	3,057,714	-	3,057,714
Share options exercised	-	-	-	-		-	-		-	-	-	-
Bonus issue	-	-	-	-	-	-	-		-	-	-	-
Rights issue	-	-	-	-	-	-	-		-	-	-	-
Transfers to reserves during the Period	-	-	-	-	-	-	-		-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-		-	-	-	-
Contribution to the Naional Insurance Trust Fund	-	-	-	-	-	-	-			-		-
Profit transferred to head office	-	-	-	-	-	-	-		-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-		-	-	-	-
Total transactions with equity holders	**-**	**-**	**3,057,714**	**-**	**-**	**-**	**-**		**-**	**3,057,714**	**-**	**3,057,714**
Balance as at 30/06/2026	**-**	**-**	**11,579,579**	**1,070,810**	**-**	**1,128,170**	**7,363,498**	**925,200**	**4,471,839**	**26,539,096**	**-**	**26,539,096**

PRADESHIYA SANWARDANA BANK

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30-06-2026

In Rupees Thousands	Bank	
	Current Period 30/06/2026 (Unaudited)	**Previous Period 30/06/2025 (Unaudited)**
Cash flow from operating activities		
Profit before tax	3,539,914	2,193,750
Adjustment for:		
Non cash items included in profit before tax	1,488,976	1,260,088
Changes in operating assets	(13,607,868)	(5,569,658)
Changes in operating liabilities	13,156,572	21,263,355
Net gain from investment activities	-	-
Share of profits in associates and joint ventures	-	-
Dividend income from subsidiaries and associates	-	-
Net gain/(loss) from financial instruments at fair value through profit or loss	-	-
Others reclassification	-	-
Contribution paid to defined benefit plans	(271,851)	(306,419)
Taxes on financial services	(1,734,508)	(1,505,413)
Tax Paid	(1,996,257)	(1,141,470)
Net cash generated from/(used in) operating activities	**574,977**	**16,194,234**
Cash flows from investing activities		
Purchase of Property, plant and equipment	(121,997)	(130,376)
Net purchase of intangible assets	(3,268)	-
Investment in Debenture	(570,500)	-
Investment in Fixed deposits (more than three months)	3,323,930	(23,234,330)
Proceeds from the sale of property, plant and equipment	1	476
Received Dividend Income	(12)	(11)
Net cash (used in)/from investing activities	**2,628,156**	**(23,364,240)**
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	3,057,714	-
Payment of principal of operating lease	(18,733)	(214,644)
Net proceeds from the other borrowings	195,481	-
Redemption of Debentures	-	-
Interest paid & Repayemt of debentures	-	-
Net cash from financing activities	**3,234,462**	**(214,644)**
Net increase/(decrease) in cash & cash equivalents	6,437,593	(7,384,650)
Cash & cash equivalents at the beginning of the Period	37,517,301	59,677,466
Cash and cash equivalents at the end of the Period	**43,954,894**	**52,292,815**
Reconciliation of Cash & Cash Equivalents		
Cash and cash equivalent	4,992,665	5,684,466
Favorable balances with banks		
Placements with Banks	15,201,273	31,092,356
Fixed deposits less than three months	25,214,837	16,810,731
Unfavorable balances with banks	(1,453,881)	(1,294,739)
	43,954,894	**52,292,815**

PRADESHIYA SANWARDANA BANK

ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

AS AT 30th JUNE 2026

In Rupees Thousands	Bank	
	Current Period 30/06/2026 (Unaudited)	Previous Year 31/12/2025 (Audited)
Product-wise Gross loans & advances		
By product – Domestic currency		
Term loans	176,954,622	166,288,317
Leasing	4,388,886	3,036,109
Pawning	102,779,966	85,026,672
Refinance	21,345,737	23,867,263
Liya Isura	24,408	24,868
Staff Loan	7,961,833	7,554,312
Loans Against Deposits	18,382,688	16,624,695
SME	114,859	117,587
Sub total	**331,952,999**	**302,539,823**
By product – Foreign currency		
Overdrafts	-	-
Term loans	-	-
Guarantees	-	-
Bonds	-	-
Other loans (specify)	-	-
Sub total	-	-
Total	**331,952,999**	**302,539,821**
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	516,743	501,713
Bonds	-	
Undrawn credit lines	1,134,096	1,191,794
Other commitments (specify)	-	
Other contingencies (Bill Purchase)	157,346	84,049
Sub total	**1,808,185**	**1,777,556**
By product – Foreign currency		
Guarantees	-	-
Bonds	-	-
Undrawn credit lines	-	-
Other commitments (specify)	-	-
Other contingencies (specify)	-	-
Sub total	-	-
Total	**1,808,185**	**1,777,556**
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	**333,761,183**	**304,317,377**
Less: Accumulated impairment under stage 1	4,969,799	3,803,359
Accumulated impairment under stage 2	2,640,697	2,166,658
Accumulated impairment under stage 3	11,127,607	11,291,768
Net value of loans and advances, commitments and contingencies	**315,023,080**	**287,055,593**
Movement of impairment during the period		
Under Stage 1		
Charge/(Write back) to income statement	1,166,440	935,467
Write-off during the period	-	-
Other movements	655	(223,975)
Closing balance at 30/06/2026	**4,969,799**	**3,803,359**
Under Stage 2		
Charge/(Write back) to income statement	474,040	(610,604)
Write-off during the period	-	-
Other movements	-	-
Closing balance at 30/06/2026	**2,640,697**	**2,166,658**
Under Stage 3		
Charge/(Write back) to income statement	(164,160)	252,674
Write-off during the period	-	-
Other movements	-	-
Collective Impairment not recognized	-	-
Closing balance at 30/06/2026	**11,127,607**	**11,291,768**
Total impairment under SLFRS 9	**18,738,104**	**17,261,784**

PRADESHIYA SANWARDANA BANK

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS

AS AT 30TH JUNE 2026

a. Bank - Current Period-30/06/2026(Unaudited)

In Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	4,992,665	-	-	**4,992,665**
Balances with central banks	-	-	-	**-**
Placements with banks	15,201,273	-	-	**15,201,273**
Equity Instruments at fair value through profit or loss	-	272	-	**272**
Loans and advances	311,550,620	-	-	**311,550,620**
Debt instruments	35,581,393	-	-	**35,581,393**
Equity instruments	-	-	153,707	**153,707**
Other Assets	2,758,885	-	-	**2,758,885**
Total financial Assets	**370,084,837**	**272**	**153,707**	**370,238,816**

In Rupees Thousands	Amortized Cost	TOTAL
LIABILITIES		
Due to banks	34,822,991	**34,822,991**
Derivative financial instruments	-	**-**
Financial liabilities	-	**-**
- due to depositors	297,818,270	**297,818,270**
- due to debt securities holders	-	**-**
- due to other borrowers	-	**-**
Debt securities issued	-	**-**
Other Liability	6,163,327	**6,163,327**
Total financial liabilities	**338,804,588**	**338,804,588**

b. Bank - Previous Year-31/12/2025 (Audited)

In Rupees Thousands	AC	FVPL	FVOCI	TOTAL
ASSETS				
Cash and cash equivalents	4,869,722	-	-	**4,869,722**
Balances with central banks	-	-	-	-
Placements with banks	15,105,878	-	-	**15,105,878**
Equity Instruments at fair value through profit or loss	-	313	-	**313**
Loans and advances	283,613,763	-	-	**283,613,763**
Debt instruments	49,091,983	-	-	**49,091,983**
Equity instruments	-	-	153,435	**153,435**
Other Assets	2,687,268	-	-	**2,687,268**
Total financial	**355,368,613**	**313**	**153,435**	**355,522,362**

In Rupees Thousands	Amortized Cost	TOTAL
LIABILITIES		
Due to banks	34,889,573	**34,889,573**
Derivative financial instruments	-	**-**
Financial liabilities	-	**-**
- due to depositors	283,715,707	**283,715,707**
- due to debt securities holders	-	**-**
- due to other borrowers	-	**-**
Debt securities issued	-	**-**
Other Liability	9,441,835	**9,441,835**
Total financial liabilities	**328,047,116**	**328,047,116**

PRADESHIYA SANWARDANA BANK

ANALYSIS OF DEPOSITS

AS AT 30TH JUNE 2026

In Rupees Thousands	Bank	
	Current Period 30/06/2026 (Unaudited)	Previous Year 31/12/2025 (Audited)
By product – Domestic currency		
Demand deposits (current accounts)	-	-
Savings deposits	102,219,570	100,036,664
Fixed deposits	195,598,701	183,679,042
Others (Specify)	-	-
Sub total	**297,818,270**	**283,715,706**
By product – Foreign currency		
Demand deposits (current accounts)	-	-
Savings deposits	-	-
Fixed deposits	-	-
Others (Specify)	-	-
Sub total	**-**	**-**
Total	**297,818,270**	**283,715,706**

PRADESHIYA SANWARDANA BANK

SELECTED PERFORMANCE INDICATORS / KEY FINANCIAL DATA

AS AT 30TH JUNE 2026 (Based on Regulatory Reporting)

Item	Current Period 30/06/2026 (Unaudited)	Previous Year 31/12/2025 (Audited)
Regulatory Capital Adequacy (LKR in Thousands)		
Common Equity Tier 1	20,223,773	17,168,706
Tier 1 Capital	20,223,773	17,168,706
Total Regulatory Capital	28,013,265	25,432,616
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) **(Minimum Requirement - 7%)**	11.08%	9.79%
Tier 1 Capital Ratio (%) **(Minimum Requirement - 8.5%)**	11.08%	9.79%
Total Capital Ratio (%) **(Minimum Requirement - 12.5%)**	15.35%	14.50%
BASEL III Leverage Ratio (Minimum Requirement - 3%)	5.33%	4.39%
Regulatory Liquidity Requirement		
Liquidity Coverage Ratio (%) **(Minimum Requirement - 100%)**		
Rupee (%)	134%	207%
All Currency (%)	134%	207%
Net Stable Funding Ratio (%) - (**Minimum Requirement - 100%)**	112%	130%
Assets Quality		
Impaired Loans (Stage 3) to Total Loans Ratio(%) *(Net of stage 3 impairment)	3.41%	4.06%
Impaired Loans (Stage 3) to Total Loans Ratio(%)-*Gross	6.76%	7.80%
Impairement (Stage 3) to Stage 3 Loans, Ratio (%)*	49.61%	47.87%
Income and Profitability		
Cost to Income Ratio	53.20%	62.50%
Net Interest Margin (%)	7.04%	7.06%
Return on Assets (before Tax) (%)	1.91%	1.70%
Return on Equity (%)	12.74%	11.77%
Memorandum Information		
Credit Rating-LRA	*BBB+Stable Out Look*	*BBB+Stable Out Look*
Number of Employees	2,436	2,507
Number of Branches	272	272

CERTIFICATION:

We, the undersigned, being the Chief Financial Officer and Chief Executive Officer of Pradeshiya Sanwardhana Bank 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;

(b) the information contained in these statements have been extracted from the unaudited financial statements of the bank unless indicated as audited.

J.A.D.Wijayabandara
(Sgd.) Chief Financial Officer
Date:25-08-2026

A.B.Tennakoon
(Sgd.)Chief Executive Officer
Date:25-08-2026

ප්‍රාදේශීය සංවර්ධන බැංකුව
பிரதேச அபிவிருத்தி வங்கி
RDB Regional Development Bank

www.rdb.lk