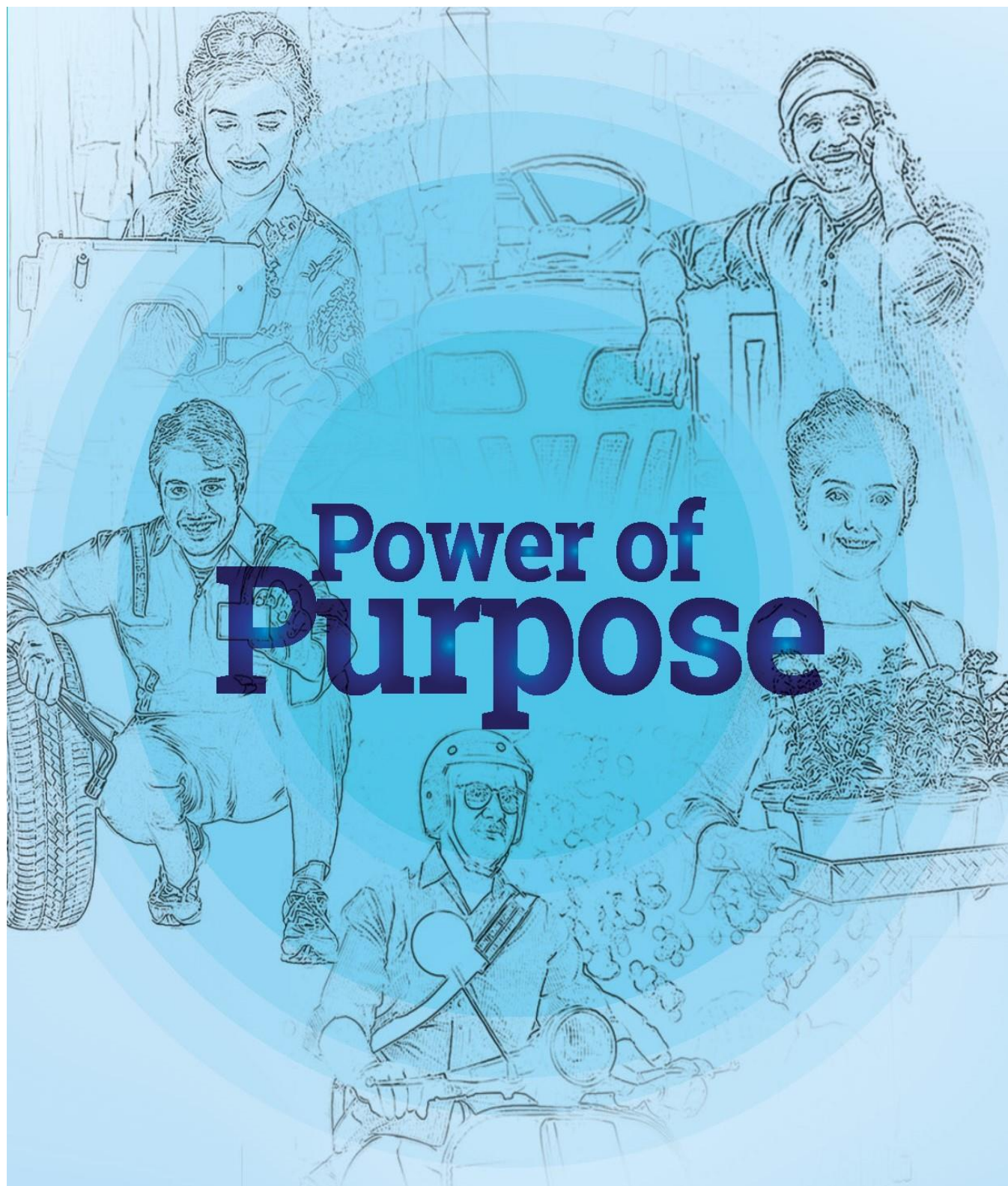


Interim Financial Statements

For the Period Ended June 2022



SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the period ended 30th June		Change	For the quarter ended 30th June		Change
	2022	2021		2022	2021	
Interest income	9,054,781	7,274,102	24%	4,926,922	3,589,335	37%
Interest expenses	(5,611,795)	(4,105,127)	37%	(3,452,273)	(2,048,565)	69%
Net interest income	3,442,986	3,168,975	9%	1,474,650	1,540,769	-4%
Fee and commission income	163,282	215,735	-24%	49,457	78,805	-37%
Fee and commission expenses	(13,154)	(6,273)	110%	(6,053)	(1,907)	217%
Net fee and commission income	150,128	209,462	-28%	43,404	76,898	-44%
Net gains/(losses) from trading	(3,304)	707	-567%	(241)	707	-134%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	27,960	125,622	-78%	33,235	75,069	-56%
Net other operating income	179,833	16,019	1023%	72,955	3,950	1747%
Total operating income	3,797,604	3,520,785	8%	1,624,003	1,697,393	-4%
Impairment for loans and other losses	(1,038,702)	(359,371)	189%	(555,120)	(203,259)	173%
Net operating income	2,758,902	3,161,414	-13%	1,068,883	1,494,133	-28%
Personnel expenses	(1,405,262)	(1,252,268)	12%	(699,134)	(595,445)	17%
Depreciation and amortization expenses	(217,617)	(224,717)	-3%	(91,278)	(100,352)	-9%
Other expenses	(817,231)	(772,078)	6%	(453,051)	(370,558)	22%
Operating profit/ (loss) before VAT on financial services	318,792	912,351	-65%	(174,580)	427,778	-141%
Value Added Tax (VAT) on financial services	(176,893)	(266,473)	-34%	(1,098)	(124,149)	-99%
Operating profit/(loss) after VAT on financial services	141,899	645,879	-78%	(175,678)	303,629	-158%
Profit/(loss) before tax	141,899	645,879	-78%	(175,678)	303,629	-158%
Income tax expenses	(63,660)	(143,679)	-56%	73,173	(103,464)	-171%
Profit/(loss) for the period	78,239	502,199	-84%	(102,505)	200,166	-151%
Profit/(loss) attributable to:						
Equity holders of the parent	78,239	502,199	-84%	(102,505)	200,166	-151%
Non-controlling interests	-	-	-	-	-	-
	78,239	502,199	-84%	(102,505)	200,166	-151%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	0.49	5.48	-91%	(0.64)	2.19	-129%
Diluted earnings per ordinary share (Rs.)	0.49	5.48	-91%	(0.64)	2.19	-129%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the period ended 30th June		Change	For the quarter ended 30th June		Change
	2022	2021		2022	2021	
Profit/(loss) for the period	78,239	502,199	-84%	(102,505)	200,166	-151%
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	-	-	-	-	-	-
Other comprehensive income/(expenses) for the period net of taxes	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	78,239	502,199	-84%	(102,505)	200,166	-151%
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	78,239	502,199	-84%	(102,505)	200,166	-151%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	78,239	502,199	-84%	(102,505)	200,166	-151%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.06.2022	As at 31.12.2021 (Audited)	Change
Assets			
Cash and cash equivalents	3,642,002	3,117,485	17%
Placements with banks	21,863,430	15,108,410	45%
Financial assets fair value through Profit or Loss	1,537,464	727,787	111%
Financial assets at amortised cost			
- loans and receivables from other customers	111,563,132	111,891,256	0%
- debt and other instruments	15,520,313	12,031,302	29%
Financial assets measured at fair value through other comprehensive income	56,939	56,939	-
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	953,326	952,104	0%
Right of use assets	554,647	565,477	-2%
Investment properties	19,695	19,167	3%
Intangible assets	461,726	338,933	36%
Deferred tax assets	357,606	299,448	19%
Other assets	3,233,950	2,704,446	20%
Total assets	159,770,393	147,818,916	8%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	97,596,019	93,902,939	3.9%
- due to other borrowers	41,691,232	33,569,838	24%
Subordinated debt	5,092,800	3,752,578	36%
Retirement benefit obligations	609,392	571,665	7%
Current tax liabilities	546,241	293,250	86%
Other liabilities	789,435	1,598,949	-51%
Total liabilities	146,325,119	133,689,220	9%
Equity			
Stated capital/assigned capital	11,287,765	11,287,765	-
Statutory reserve fund	314,173	314,173	-
Retained earnings	1,815,730	2,500,153	-27%
Other reserves	27,605	27,605	-
Total equity	13,445,274	14,129,697	-5%
Total equity and liabilities	159,770,393	147,818,916	8%
Contingent liabilities and commitments	211,078	203,139	4%
Net asset value per share (Rs.)	84	88	-5%
Memorandum information			
Number of employees	1,415	1,433	-1%
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

Niranjan Thangarajah
Acting Chief Executive Officer

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
12 August 2022
Colombo

Sgd

Chaaminda Kumarasiri
Director

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY

Bank						
In Rupees Thousands (Rs'000)	Stated capital / Assigned capital	Reserves				Total equity
		Ordinary voting shares	Statutory reserve fund	Retained earnings	Other reserves	
	OCI reserve				General reserves	
For the period ended 30.06.2021						
Balance as at 01.01.2021 (Opening balance)	7,727,941	270,009	1,890,621	(19,052)	46,657	9,916,176
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	502,199	-	-	502,199
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	-	-	502,199	-	-	502,199
Transfer to statutory reserve fund	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity						
Rights issue	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-
Cash dividend - 2020	-	-	(206,046)	-	-	(206,046)
Other	-	-	157	-	-	157
Total transactions with equity holders	-	-	(205,889)	-	-	(205,889)
Balance as at 30.06.2021 (Closing balance)	7,727,941	270,009	2,186,931	(19,052)	46,657	10,212,487
For the period ended 30.06.2022						
Balance as at 01.01.2022 (Opening balance)	11,287,765	314,173	2,500,153	(19,052)	46,657	14,129,697
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	78,239	-	-	78,239
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	-	-	78,239	-	-	78,239
Transfer to statutory reserve fund	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity						
Share issue	-	-	-	-	-	-
Dividend to equity holders						
Cash dividend - 2021	-	-	(241,048)	-	-	(241,048)
Other transactions - Surcharge Tax	-	-	(521,613)			(521,613)
Total transactions with equity holders	-	-	(762,661)	-	-	(762,661)
Balance as at 30.06.2022 (Closing balance)	11,287,765	314,173	1,815,730	(19,052)	46,657	13,445,274

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. 33 of 1995 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

The available for sale reserve is consisted of fair value adjustment made to unquoted equity investment.

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS

In Rupees Thousands (Rs'000)	Bank	
	01.01.2022 to 30.06.2022	01.01.2021 to 30.06.2021
Cash flows from / (used in) operating activities		
Interest received	9,190,132	7,418,439
Fee and commission received	171,024	210,145
Receipts from other operating activities*	9,053	8,328
Interest payment	(5,529,169)	(4,722,350)
Cash payment to employees	(1,335,840)	(1,446,447)
Payments to suppliers and other operating activities**	(781,892)	(733,151)
Fee and commission expenses	(13,154)	(6,273)
Operating profit before changes in operating assets	1,710,153	728,691
(Increase)/decrease in operating assets		
Funds advanced to customers	(955,545)	(6,545,385)
Net (increase)/ decrease in other short term securities	(953)	(50,317)
Net (increase)/ decrease in other assets*	(465,239)	(541,549)
Increase/(decrease) in operating liabilities		
Deposits from customers	3,783,015	6,279,865
Net increase/ (decrease) in other liabilities**	(529,009)	(94,684)
Net cash from operating activities before income tax	3,542,421	(223,378)
VAT on financial services paid ***	(240,762)	(266,473)
Income tax paid	(503,791)	(168,471)
Net cash from operating activities	2,797,867	(658,322)
Cash flows from / (used in) investing activities		
Dividend received	346	7,691
(Increase)/ decrease in dealing securities	(785,021)	414,210
(Increase)/ decrease in treasury bonds and other investments	(8,905,294)	(5,183,309)
Proceeds from sale of property, plant and equipment	165	94
Purchase of property, plant and equipment	(101,959)	(327,564)
Purchase of intangible assets	(189,219)	(16,917)
Net cash from/ (used in) investing activities	(9,980,982)	(5,105,793)
Cash flows from (used in) financing activities		
Proceeds from Issuance/Allotment of Shares	-	-
Dividend Paid	(241,048)	(206,046)
Proceeds from Issuance/Allotment of Shares	-	-
Repayment of long term borrowing	(17,416,098)	(26,705,153)
Interest paid on subordinated debt	(195,587)	(168,850)
Increase/(decrease) in borrowing	26,898,186	29,584,617
Funds received/(utilized) during the period	-	42
Funds received/(utilized) during the period	-	-
Net cash flow from/ (used in) financing activities	9,045,452	2,504,610
Net increase/ (decrease) in cash and cash equivalents	1,862,337	(3,259,505)
Cash and cash equivalent at the beginning of the period	7,312,915	12,525,900
Cash and cash equivalents at the end of the period	9,175,252	9,266,395
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	3,642,002	6,162,781
Repurchase agreement	780,850	803,614
Fixed deposits less than 3 months	4,752,400	2,300,000
	9,175,252	9,266,395

*Changes in other assets classified under receipts from other operating activities has been reclassified to net (increase)/ decrease in other assets and comparative figure in these Financial Statements is amended.

**Changes in other liabilities classified under payments on other operating activities has been reclassified to net increase/ (decrease) in other liabilities and comparative figure in these Financial Statements is amended.

*** VAT on FS paid presented under cash flows from operating activities has been reclassified and presented under tax paid and comparative figure in these Financial Statements is amended.

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th June 2022				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	3,642,002	-	-	3,642,002
Placements with banks	21,863,430	-	-	21,863,430
Financial assets fair value through Profit or Loss	-	1,537,464	-	1,537,464
Financial assets at amortised cost				
- loans and receivables from other customers	111,563,132	-	-	111,563,132
- debt and other instruments	15,520,313	-	-	15,520,313
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	152,588,877	1,537,464	56,939	154,183,280
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		97,596,019	-	97,596,019
- due to other borrowers		41,691,232	-	41,691,232
Subordinated debt		5,092,800	-	5,092,800
Total financial liabilities		144,380,051	-	144,380,051
Bank - As at 31st December 2021 (Audited)				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	3,117,485	-	-	3,117,485
Placements with banks	15,108,410	-	-	15,108,410
Financial assets recognized through profit or loss - measured at fair value	-	727,787	-	727,787
Financial assets at amortised cost				
- loans and advances	111,891,256	-	-	111,891,256
- debt and other instruments	12,031,302	-	-	12,031,302
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	142,148,453	727,787	56,939	142,933,178
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		93,902,939	-	93,902,939
- due to other borrowers		33,569,838	-	33,569,838
Subordinated debt		3,752,578	-	3,752,578
Total financial liabilities		131,225,356	-	131,225,356

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 2021. The Bank has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended 30th June 2022.

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

	As at 30th June 2022			
	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	-	1,537,464	-	1,537,464
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	56,939	56,939
	<u>-</u>	<u>1,537,464</u>	<u>56,939</u>	<u>1,594,403</u>
	As at 31 December 2021 (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	-	199,369	-	199,369
Unit trusts	-	511,472	-	511,472
Quoted Equities	16,946	-	-	16,946
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	56,939	56,939
	<u>16,946</u>	<u>710,841</u>	<u>56,939</u>	<u>784,725</u>

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.

	Level	As at 30th June 2022	
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	3,642,002	3,642,002
Placements with banks	Note*	21,863,430	21,863,430
Financial assets at amortised cost			
- Loans and receivables to other customers	2	111,563,132	111,417,634
- Debt and other instruments	Note*	15,520,313	15,520,313
Total financial assets		<u>152,588,877</u>	<u>152,443,378</u>
Financial liabilities			
Due to other customers	2	97,596,019	97,363,903
Other borrowings	2	41,691,232	41,779,817
Subordinated term debts	Note*	5,092,800	5,092,800
Total financial liabilities		<u>144,380,051</u>	<u>144,236,519</u>
		As at 31st December 2021 (Audited)	
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	3,117,485	3,117,485
Placements with banks	Note*	15,108,410	15,108,410
Financial assets at amortised cost			
- Loans and receivables to other customers	2	111,891,256	111,957,861
- Debt and other instruments	Note*	12,031,302	12,031,302
Total financial assets		<u>142,148,453</u>	<u>142,215,059</u>
Financial liabilities			
Due to other customers	2	93,902,939	94,665,950
Other borrowings	2	33,569,838	33,717,033
Subordinated term debts	Note*	3,752,578	3,752,578
Total financial liabilities		<u>131,225,356</u>	<u>132,135,561</u>

Note*

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

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

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

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

In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2022	As at 31.12.2021 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	3,720,824	3,016,066
Cash margin	8,705,614	5,463,782
Staff loans	2,169,883	1,849,080
Lease rentals receivable	9,740,964	10,337,717
<i>Term loans</i>		
Business loans	3,456,139	3,106,067
SME loans	15,911,350	16,176,787
Co-operative loans	2,515,929	2,921,501
Housing loans	2,970,078	3,240,516
Fixed and floating personal loans	27,607,047	28,570,581
Upahara loans	38,776,142	40,175,189
Other personal loans	924,641	929,695
Total	116,498,611	115,786,982
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	211,078	203,139
Total	211,078	203,139
Total loans and advances, commitments and contingencies	116,709,689	115,990,122
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	116,709,689	115,990,122
Less: Accumulated impairment under stage 1	(569,536)	(684,544)
Accumulated impairment under stage 2	(934,368)	(468,754)
Accumulated impairment under stage 3	(3,431,575)	(2,742,429)
Net loans and advances, commitments and contingencies	111,774,211	112,094,395
Movement of impairment during the period		
Under Stage 1		
Opening balance	684,544	662,090
Charges / (Write back) to income statement	(115,008)	22,454
Other movements	-	-
Closing balance	569,536	684,544
Under Stage 2		
Opening balance	468,754	154,079
Charges / (Write back) to income statement	465,614	314,675
Other movements	-	-
Closing balance	934,368	468,754
Under Stage 3		
Opening balance	2,742,429	2,496,846
Charges / (Write back) to income statement	689,146	309,690
Write - off during the year	-	(64,107)
Other movements	-	-
Closing balance	3,431,575	2,742,429
Total impairment	4,935,479	3,895,727

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF DEPOSITS

In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2022	As at 31.12.2021 (Audited)
By product: Rs.		
Savings deposits	17,336,677	22,338,016
Fixed deposits	80,259,342	71,564,923
Total deposits	97,596,019	93,902,939

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank	In Rupees Thousands (Rs'000)									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
For the period ended 30th June										
Interest income	6,572,952	5,800,427	806,718	915,722	1,504,019	423,675	171,092	134,278	9,054,781	7,274,102
Add: Inter-segment interest income	506,585	459,302	-	-	1,934,680	1,485,955	-	-	2,441,265	1,945,256
Total interest income	7,079,538	6,259,729	806,718	915,722	3,438,699	1,909,630	171,092	134,278	11,496,046	9,219,358
Interest expenses	(3,088,781)	(2,765,923)	(279,209)	(256,946)	(2,127,217)	(999,315)	(116,588)	(82,944)	(5,611,795)	(4,105,127)
Add: Inter-segment interest expense	(1,934,680)	(1,485,955)	-	-	(506,585)	(459,302)	-	-	(2,441,265)	(1,945,256)
Net interest income	2,056,077	2,007,852	527,509	658,776	804,897	451,014	54,504	51,334	3,442,986	3,168,975
Fee and commission income	155,037	206,570	8,245	9,165	-	-	-	-	163,282	215,735
Fee and commission expenses	(12,064)	(5,740)	(1,090)	(533)	-	-	-	-	(13,154)	(6,273)
Net fee and commission income	142,973	200,831	7,155	8,631	-	-	-	-	150,128	209,462
Net gains/(losses) from trading	-	-	-	-	(3,304)	707	-	-	(3,304)	707
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	27,960	125,622	-	-	27,960	125,622
Other operating income (net)	179,487	8,328	-	-	346	7,691	-	-	179,833	16,019
Total operating income	2,378,537	2,217,010	534,663	667,407	829,899	585,034	54,504	51,334	3,797,604	3,520,785
Impairment for loans and other losses	(1,019,934)	(184,713)	(18,853)	(174,399)	1,050	(494)	(965)	234	(1,038,702)	(359,371)
Net operating income	1,358,604	2,032,297	515,810	493,008	830,949	584,541	53,539	51,568	2,758,902	3,161,414
Depreciation and amortization	(192,848)	(200,013)	(17,429)	(18,581)	(97)	(125)	(7,242)	(5,998)	(217,617)	(224,717)
Segment Result	1,165,755	1,832,284	498,381	474,428	830,852	584,416	46,297	45,570	2,541,285	2,936,697
Un-allocated expenses									(2,222,493)	(2,024,346)
Value Added Tax (VAT) on financial services									(176,893)	(266,473)
Profit before tax									141,899	645,879
Tax expenses									(63,660)	(143,679)
Profit for the period									78,239	502,199
Other comprehensive income										
Other comprehensive income for the period net of tax									-	-
Total comprehensive income for the period									78,239	502,199
As at 30th June										
Segment assets	99,414,932	96,718,077	8,433,762	8,984,833	42,620,147	24,052,184	3,714,438	2,900,357	154,183,280	132,655,450
Un allocated assets	-	-	-	-	-	-	-	-	5,587,113	4,769,072
Total assets	99,414,932	96,718,077	8,433,762	8,984,833	42,620,147	24,052,184	3,714,438	2,900,357	159,770,393	137,424,523
Segment liabilities	86,711,034	92,749,325	7,836,762	8,616,147	48,520,985	23,065,221	3,256,339	2,781,343	146,325,119	127,212,036
Total equity	-	-	-	-	-	-	-	-	13,445,274	10,212,486
Total equity & liabilities	86,711,034	92,749,325	7,836,762	8,616,147	48,520,985	23,065,221	3,256,339	2,781,343	159,770,393	137,424,523
For the period ended 30th June										
Additions to non-current assets	259,315	306,781	22,120	28,499	-	-	9,742	9,200	291,178	344,480

SANASA DEVELOPMENT BANK PLC
INFORMATION OF RIGHTS ISSUE AND SECONDARY PUBLIC OFFER OF ORDINARY VOTING SHARES

Rights Issue December 2020

Rights Issue/Secondary Public Offer	Date of allotment	No. of shares provisionally allotted	Consideration per share (LKR)	Final allotment (No. of shares)	Amount raised (LKR)	Proportion	Date issued/listed
				no. of shares			
					LKR		
Rights Issue	30 November 2020	30,525,344	50.00	30,525,344	1,526,267,200	1.2	04 December 2020

Utilization of funds raised through Rights issue in December 2020

Objective No.	Objective as per Circular	Amount allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilized in LKR	% utilization against allocation
1	To further strengthen the equity base of the Bank and thereby improve the Capital Adequacy	1,526,267,200	-	1,526,267,200	100	1,526,267,200	100
2	To part finance the growth in the loan portfolio of the Bank	1,526,267,200	Before the end of Second Quarter of Financial Year 2021	1,526,267,200	100	1,526,267,200	100

Secondary Public Offer (SPO) of Ordinary Shares in August 2021

Rights Issue/Secondary Public Offer	Consideration per share (LKR)	Final allotment (No. of shares)	Amount raised (LKR)	Date listed
SPO	51.50	69,122,800	3,559,824,200	25 August 2021

Utilization of funds raised through Secondary Public Offer (SPO) of Ordinary Shares in August 2021

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilized in LKR	% utilization against allocation
1	Further strengthen the Equity Base of the Bank and thereby improve Tier I Capital Adequacy requirements stipulated under Basel III guidelines of the Central Bank of Sri Lanka (CBSL).	4,532,000,000	Upon the allotment of new shares	3,559,824,200	100	3,559,824,200	100
2	Part finance the growth in the loan portfolio of the Bank.	4,532,000,000	Before the end of FY 2022 based on the anticipated demand for credit.	3,559,824,200	100	3,559,824,200	100

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

Item	Bank	
	As at 30.06.2022	As at 31.12.2021 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	12,346	13,491
Core (Tier 1) Capital	12,346	13,491
Total Capital Base	14,929	16,174
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2022-6.50%, 2021-6.50%)	13.42	13.16
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2022-8.00%, 2021-8.00%)	13.42	13.16
Total Capital Ratio (%) - (Minimum Requirement - 2022-12.00%, 2021- 12.00%)	16.23	15.78
Leverage Ratio (Minimum Requirement - 3%)	7.76	9.11
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	24,667	20,695
Statutory Liquid Asset Ratio (%) - (Minimum Requirement, 20%)	26.90	22.37
Total Stock of High-Quality Liquid Assets (LKR in Millions)	15,268	12,783
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2022-100%, 2021-90%)	178.47	134.82
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	213.48	137.61
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) Ratio (%)	4.24	4.13
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	37.03	36.98
Profitability		
Interest Margin (%)	4.86	5.47
Return on Assets (before Taxes) (%)	0.18	0.96
Return on Equity (%)	1.12	7.35

Share Information	30.06.2022	30.06.2021
Market value per share (Rs.)	20.60	50.30
Highest price per share for the period (Rs.)	21.50	58.00
Lowest price per share for the period (Rs.)	20.40	50.00

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.06.2022			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	Iconic Property Twenty Three (Private) Limited	24,104,800	15.00%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	17,609,503	10.96%
3	Ayenka Holdings Private Limited	17,604,953	10.96%
4	Belgian Investment Company for Developing Countries SA/NV	16,069,800	10.00%
5	Senthilverl Holdings (Pvt) Ltd	15,303,765	9.52%
6	SANASA Life Insurance Company Ltd	4,715,121	2.88%
7	Dr. T.Senthilverl	3,581,984	2.23%
8	Alliance Finance Company PLC	3,516,310	2.19%
9	SBI Emerging Asia Financial Sector Fund PTE. LTD	2,885,618	1.80%
10	Peoples Leasing & Finance PLC/L.P.Hapangama	2,627,722	1.64%
11	People's Leasing & Finance PLC	2,271,260	1.41%
12	Bank of Ceylon A/C Ceybank Unit Trust	1,539,241	0.96%
13	Sarvanan Neelakandan	1,442,060	0.90%
14	Kegalle SANASA Shareholders Trust Company Limited	1,260,246	0.78%
15	SANASA General Insurance Company Ltd	1,124,418	0.70%
16	Polgahawela Sanasa Societies Union Ltd	1,014,098	0.63%
17	Nikawaratiya Thrift and Credit Co-operative Society Union Limited	992,849	0.62%
18	Bingiriya Multi Purpose Co-operative Society Ltd	970,900	0.60%
19	DFCC Bank PLC/ J. N Lanka Holdings Company (Pvt) Ltd.	959,788	0.60%
20	Sanasa Ferderation Limited	811,816	0.51%
Sub total		120,406,252	73.80%
Shares held by other shareholders		40,292,580	26.20%
Total		160,698,832	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 30.06.2022

Total number of shares	160,698,832
Number of shares in public holding	99,939,039
Number of public shareholders	39,001
Percentage of public holding	62.19%
Market capitalisation	3,310,395,939
Float adjusted market capitalisation	2,058,744,203
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

Directors' Shareholding as at 30.06.2022

No.	Name	No. of Shares
1	Ms.Dinithi Ratnayake (Chairperson)	-
2	Prof.S.Amaratunge	-
3	Mr.P.Subasinghe	112,815
4	Mr.Chaaminda Kumarasiri	-
5	Mr.Prasanna Premaratna	1,500
6	Mr.B.R.A.Bandara	11,000
7	Mr.Thusantha Wijemanna	-
8	Mr.S.H.Sarath Nandasiri	-
9	Mr.Conrad Dias	-
10	Mr.Naveendra Sooriyarachchi	-
11	Mr.Romani De Silva	104,650
12	Mr.S.Senthi Aathavan	-

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 unless stated as Audited.

2 There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements for the year 2021.

3 There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through issue of shares other than stated below:

Bank raised Rs. 3,559,824,200/- through Secondary Public Offer (SPO) of Ordinary Shares on 25th August 2021 and utilization of the funds is disclosed under the Rights Issue and Secondary Public Offer information. The funds raised through Secondary Public Offer were utilized for the objectives mentioned in the Prospectus.

Bank raised Rs. 1,526,267,200/- through Rights Issue on 4th December 2020 and utilization of the funds is disclosed under the Rights Issue information. The funds raised through rights issue were fully utilized for the objectives mentioned in the circular.

4 The presentation and classification of previous period have been amended for better presentation and to be comparable with those of the current period.

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

6 Impact due to the COVID – 19

The outbreak of COVID-19 has caused disruption to business and economic activities, and uncertainty in the global and local economy. Subsequent to the outbreak of COVID-19 in Sri Lanka, the Bank has strictly adhered to the guidelines and directions issued by both the government and the Central Bank of Sri Lanka (CBSL) when conducting its business operations. Further, the Bank has provided relief for the affected businesses and individuals in line with the directions issued by the CBSL in addition to its own relief schemes. These relief measures include deferment of repayment terms of credit facilities, offering concessionary rates of interest on eligible loan products (debt moratorium) and waiving off certain fees and charges. The Bank continuously monitors the impact of the pandemic and takes necessary action to manage its impact on the operations and performance of the Bank.

ECL Assessment and computation

The Bank reassessed the Probabilities of Default (PD), Loss given Default used in collective impairment assessment as at June 2022. Stage assessment was carried out after stress testing to address potential significant increase in credit risk (SICR) based on the conditions which prevailed prior to granting of moratoriums unless specific information were available indicating subsequent increase in credit risk. The Bank continued to make additional provisions for impairment of Loans and Advances, outside the Expected Credit Loss model in these financial statements, by using stress testing techniques to address the potential implications due to COVID 19 and resultant moratorium schemes. Substantial management overlays were recognised in respect of exposures to specific industries where an elevated level of risk was identified and the exposures which have been enjoying moratoriums for an extended period of time. Bank has made adequate provisions for expected credit losses in the financial statements as at 30th June 2022 to ensure that the potential impact to its loan portfolio is adequately covered.

7 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.

8 Surcharge Tax

The Government of Sri Lanka in its Budget for 2022 proposed a one-time tax, referred to as a Surcharge Tax, at the rate of 25% to be imposed on companies that have earned a taxable income in excess of LKR Rs. 2,000 million for the year of assessment 2020/2021. The tax was imposed by the Surcharge Tax Act No. 14 of 2022 which was passed by the Parliament of Sri Lanka on April 7, 2022. The Bank paid the 1st installment out of two equal installments amounting to Rs. 260.8 Mn. on April 20, 2022, and second installment amounting Rs.260.8 Mn. paid on 20th July 2022.