

Interim Reports

June 2013



SANASA Development Bank PLC
Leads the Nation

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30.06.2013

RS '000

	Bank		
	30.06.2013	31.12.2012 Audited	Increase
Assets			
Cash and cash equivalents	307,931	503,541	-39%
Placements with banks	3,388,388	2,070,307	64%
Financial assets fair value through profit or loss	872,868	184,419	373%
Other Financial Asset Classified under Loans and receivable	927,067	470,099	97%
Loans and receivables to other customers	20,280,003	19,712,033	3%
Financial investments Available-for-sale	178,993	171,696	4%
Financial investments Held-to-maturity	513,506	709,365	-28%
Property, plant and equipment	499,856	603,233	-17%
Investment properties	28,407	28,671	-1%
Intangible assets	121,527	127,677	-5%
Other assets	611,363	318,516	92%
Total assets	27,729,908	24,899,556	11%
Liabilities			
Due to other customers	21,509,247	18,947,514	14%
Other borrowings	1,888,360	1,557,329	21%
Current tax liabilities	139,952	70,561	98%
Deferred tax liabilities	27,713	27,713	0%
Other liabilities	768,980	1,027,303	-25%
Total liabilities	24,334,252	21,630,421	13%
Equity			
Stated capital/Assigned capital	2,526,532	2,526,532	0%
Statutory reserve fund	82,106	82,106	0%
Retained earnings	547,624	443,160	24%
Other reserves	239,393	217,337	10%
Non-controlling interests			
Total equity	3,395,656	3,269,135	4%
Total equity and liabilities	27,729,908	24,899,556	11%
Contingent liabilities and commitments	133,942	143,214	-6%
Net Asset Per Share	135	130	4%
Memorandum Information			
Number of Employees	886	823	8%
Number of Branches	81	81	0%

Certification:

We, the undersigned, being the ,Directors ,General Manager / CEO and the Assistant General Manager - Finance of the SANASA Development Bank PLC, certify jointly 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.

M.T Galgamuwa
General Manager / CEO

H.T.P Susantha
Assistant General Manager - Finance

Lakshman Abeysekara
Director
Colombo.
14.08.2013

Dr. R.M.K.Rathnayake
Director
Colombo
14.08.2013

SANASA DEVELOPMENT BANK PLC
Statement of Comprehensive Income
For the Quarter Ended 30.06.2013

	RS '000					
	For the 6 months ended			For the quarter ended		
	30.06.2013 Rs.000	30.06.2012 Rs.000	Increase	30.06.2013 Rs.000	30.06.2012 Rs.000	Increase
Interest income	2,174,646	1,724,330	26%	1,106,810	897,028	23%
Interest expenses	(1,255,514)	(842,627)	49%	(660,897)	(463,352)	43%
Net interest income	919,132	881,704	4%	445,912	433,676	3%
Fee and commission income	55,622	45,088	23%	30,529	22,048	38%
Fee and commission expenses	(5,358)	(6,277)	-15%	(3,065)	(3,176)	-3%
Net fee and commission income	50,264	38,811	30%	27,463	18,872	46%
Net gain/(loss) from financial instruments at fair value through profit or loss	24,048	(31,827)	176%	12,463	(12,112)	203%
Other operating income (net)	26,015	11,372	129%	17,525	6,218	182%
Total operating income	1,019,459	900,060	13%	503,365	446,654	13%
Impairment for loans and other losses	64,603	10,873	494%	107,379	15,464	594%
Individual impairment	(9,101)	(19,606)	-54%	(5,686)	(28,189)	-80%
Collective impairment	73,704	30,479	142%	113,065	43,653	159%
Others						
Net operating income	954,856	889,187	7%	395,986	431,190	-8%
Personnel expenses	247,514	225,249	10%	127,667	110,628	15%
Depreciation	85,756	97,085	-12%	42,114	48,369	-13%
Other expenses	289,772	303,322	-4%	158,889	160,422	-1%
Operating profit/(loss) before value added tax (VAT)	331,815	263,531	26%	67,316	111,771	-40%
Value added tax (VAT) on financial services	(44,659)	(41,418)	8%	(22,700)	(20,833)	9%
Operating profit/(loss) after value added tax (VAT)	287,156	222,113	29%	44,616	90,938	-51%
Profit/(loss) before tax	287,156	222,113	29%	130,167	100,121	30%
Tax expenses	(89,415)	(75,952)	18%	(49,539)	(38,712)	28%
Profit/(loss) for the period	197,741	146,162	35%	80,629	61,409	31%
Other Comprehensive Income						
Actuarial gains/(losses) on defined benefit plans	(3,000)	-		(3,000)	-	
Gains and losses on re-measuring available-for-sale financial assets	14,797	(42,419)	135%	(6,905)	986	800%
Other Comprehensive Income for the period net of tax	11,797	(42,419)	128%	(9,905)	986	1104%
Total Comprehensive Income for the period	209,538	103,743	102%	70,723	62,396	13%
Total Comprehensive Income to attributable to Owners of parent	209,538	103,743	102%	70,723	62,396	13%
Non-controlling interests						
Total Comprehensive Income for the period	209,538	103,743	102%	70,723	62,396	13%

Basic earnings per ordinary share Rs.

15.71

11.61

No circumstances have arisen since the Balance Sheet date, which require adjustment to or disclosure in the financial statements.

There are no changes to the accounting policies and methods of computation of the Annual Report for the year ended 2012

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY
for the Quarter ended 30.06.2013

Rs '000

Bank	Stated capital / Assigned capital	Reserves				Total equity
	Ordinary voting shares	Statutory Reserve	Investment Fund	Retained earnings	General reserves	
Balance as at 01/01/2012(Opening balance)	2,427,532	65,070	74,847	595,292	46,657	3,209,399
Total comprehensive income for the period				146,162		146,162
Profit/(loss) for the period				146,162		146,162
Other comprehensive income (net of tax)				(42,419)		(42,419)
Total comprehensive income for the period	-	-	-	103,743	-	103,743
Transactions with equity holders, recognised directly in equity						
Application Received						
Share issue/increase of assigned capital	99,000					
Transfer to Statutory Reserve fund						
Transfer to Investment Fund						
Dividends to equity holders						
Total transactions with equity holders	99,000	-	-	-	-	99,000
Balance as at 30/06/2012 (Closing balance)	2,526,532	65,070	74,847	699,035	46,657	3,412,141
Balance as at 01/01/2013 (Opening balance)	2,526,532	82,106	170,680	443,160	46,657	3,269,135
Total comprehensive income for the period				197,741		197,741
Profit/(loss) for the period				197,741		197,741
Other comprehensive income (net of tax)				11,797		11,797
Total comprehensive income for the year	-	-	-	209,538	-	209,538
Transactions with equity holders, recognised directly in equity						
Share issue/increase of assigned capital						
Transfer to Statutory Reserve fund						
Transfer to Investment Fund			22,057	(22,057)		0
Dividends to equity holders				(125,877)		(125,877)
Other				42,860		42,860
Total transactions with equity holders	-	-	22,057	(105,074)	-	(83,017)
Balance as at 30/06/2013 (Closing balance)	2,526,532	82,106	192,736	547,624	46,657	3,395,656

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS
for the Quarter Ended 30.06.2013

RS '000

	BANK	
	01.01.2013 to 30.06.2013	01.01.2012 to 30.06.2012
Cash Flows From / (Used in) Operating Activities		
Interest Received	1,998,393	1,636,711
Fee and Commission Received	55,622	23,183
Receipts from other Operating Activities	25,105	32,666
Interest Payment	(1,178,529)	(765,589)
Cash Payment to Employees	(228,813)	(220,561)
Payments to Suppliers and Other Operating Activities	(681,163)	(441,825)
Fee and Commission Expenses	(5,358)	(6,277)
Operating Profit before Changes in Operating Assets	(14,743)	258,308
(Increase)/Decrease in Operating Assets		
Funds Advanced to Customers	(575,408)	(1,927,936)
Other Short Term Securities	(1,260,149)	(374,159)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	2,480,946	2,251,851
Net Cash from Operating Activities Before Income Tax	630,645	208,064
Income Tax Paid	(48,334)	(84,442)
Net Cash from Operating Activities	582,311	123,622
Cash Flows from / (Used in) Investing Activities		
Dividend Received	910	611
(Increase)/ Decrease in Non Dealing Securities	(802,824)	335,094
(Increase)/ Decrease in Dealing Securities	5,191	125,418
(Increase)/ Decrease in Treasury Bonds and other Investments	(123,543)	(355,790)
Proceeds from sale of Property, Plant and Equipment	0	0
Purchase of Property, Plant and Equipment	71,675	(83,180)
Net Cash from/ (used in) Investing Activities	(848,591)	22,153
Cash Flows from (Used in) Financing Activities		
Proceeds from Issuance/Allotment of Shares	0	99,000
Dividend Paid	(260,548)	(103,770)
Net Increase/(Decrease) in Borrowing	334,833	(19,693)
Funds Received/(Utilized) During the period	(3,616)	(9,908)
Net Cash Flow from/ (used in) Financing Activities	70,669	(34,371)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(195,611)	111,404
Cash and Cash Equivalent at the beginning of the year	503,541	419,998
Cash and Cash Equivalents at the end of the period	307,931	531,402

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

as at 30.06.2013

Rs' 000

As at 31 December 2012	Fair value through Profit or loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	-	-	-	503,541	503,541
Placements with banks	-	-	-	2,070,307	2,070,307
Other financial assets at fair value through profit or loss	184,419	-	-	-	184,419
Financial investments - Available-for-sale	-	-	171,696	-	171,696
Financial investments - Held-to-maturity	-	709,365	-	-	709,365
Loans and receivables to other customers	-	-	-	19,712,033	19,712,033
Other Financial Asset Classified under Loans and receivable	-	-	-	470,099	470,099
Total financial assets	184,419	709,365	171,696	22,755,980	23,821,459
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	18,947,514	18,947,514
Other borrowings	-	-	-	1,557,329	1,557,329
Total financial liabilities	-	-	-	20,504,843	20,504,843

As at 30 th June 2013	Fair value through Profit or loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	-	-	-	307,931	307,931
Placements with banks	-	-	-	3,388,388	3,388,388
Other financial assets at fair value through profit or loss	872,868	-	-	-	872,868
Financial investments - Available-for-sale	-	-	178,993	-	178,993
Financial investments - Held-to-maturity	-	513,506	-	-	513,506
Loans and receivables to other customers	-	-	-	20,280,003	20,280,003
Other Financial Asset Classified under Loans and receivable	-	-	-	927,067	927,067
Total financial assets	872,868	513,506	178,993	24,903,390	26,468,757
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	21,509,247	21,509,247
Other borrowings	-	-	-	1,888,360	1,888,360
Total financial liabilities	-	-	-	23,397,607	23,397,607

SANASA DEVELOPMENT BANK PLC
Selected Performance Indicators

Item	As at 30.06.2013	As at 31.12.2012 (Audited)
Regulatory Capital Adequacy		
Core Capital (Tier I Capital), Rs. Mn	2,973	3,077
Total Capital Base , Rs. Mn	3,047	3,127
Risk Weighted assets, Rs. Mn	21,876	19,133
Core Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 5%)	13.59%	16.08%
Total Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 10%)	13.93%	16.35%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio, (net of Interest in Suspense)	6.28%	4.60%
Net Non-performing Advances Ratio, (net of Interest in Suspense & Provisions)	4.41%	2.80%
Profitability		
Interest Margin, %	6.67%	7.98%
Return on Assets (Before Taxes), %	2.61%	2.69%
Return on Equity(After Taxes) , %	12.27%	10.47%
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	21.57%	20.27%

Share information	30.06.2013
Market value per share (Rs.)	71.10
Highest price per share for the period (Rs.)	87.70
Lowest price per share for the period (Rs.)	64.10

SHAREHOLDER'S INFORMATION

Twenty largest Shareholders as at 30.06.2013

Name of The Shareholder	Number of Shares	%
People s Leasing PLC	1,000,000	3.97%
CB NY S/A International Finance Corporation	900,000	3.57%
ETIMOS Lanka (Pvt) Limited	590,229	2.34%
Seemasahitha Sanasa Rakshana Samagama (General)	587,828	2.33%
Seemasahitha Sanasa Rakshana Samagama (Life)	507,397	2.02%
Kegalle Sanasa Share Holders Trust Company Limited	491,423	1.95%
Sanasa Federation Ltd	376,338	1.49%
Warakapola Sanasa Share Holders Trust Company Limited	313,939	1.25%
Life Insurance Corporation (Lanka) Ltd	300,000	1.19%
Polgahawela Sanasa Share Holders Trust Company Limited	225,039	0.89%
Wennappuwa Sanasa Share Holders Trust Company Limited	223,660	0.89%
Galewala Sanasa share hilders trust company ltd	181,030	0.72%
Polpithigama Sanasa Share Holders Trust Company Limited	172,256	0.68%
Kamburupitiya Sanasa Share Holders Trust Company Limited	171,470	0.68%
Gampaha DTCCS Union Ltd	167,396	0.66%
Mr. D.F.G.Dalpethado	154,033	0.61%
Chillaw SANASA Share Holding Trust Company Limited	137,426	0.55%
Mr.H.A.Van Starrex	136,212	0.54%
Maharagama Sanasa sharholders trust company ltd	136,137	0.54%
Kesbewa Sana Share holders trust company ltd	135,992	0.54%
Sub Total	6,907,805	27.44%
Other shareholder	18,267,517	72.56%
Total	25,175,322	100.00%

Percentage of public holding as at 30.06.2013

99.98%

(Total No. of Shares 25, 175,322)

Directors Shareholding in shares as at 30.06.2013

Name of Director	No. of Shares
Mrs.M.S.Kiriwadeniya	1,712
Mr.T.Karunasena	3,300
Mr.A.D.Walisinghe	-
Mr.D.P.Kumarage	-
Dr.R.M.K.Ratnayake	-
Mr.H.M.G.B.Herath	-
Mr. Lakshman Abeysekara	-
Mr.Jayantha Rathnayake	-
Mr. Thilak Rajapaksha	-