

# **Interim Reports**

**JUNE 2015**



**SANASA Development Bank PLC**  
*Leads the Nation*

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30.06.2015**

RS '000

	<b>Bank</b>		
	<b>30.06.2015</b>	<b>31.12.2014</b> <b>Audited</b>	<b>Increase</b>
<b>Assets</b>			
Cash and cash equivalents	1,148,911	661,651	74%
Placements with banks	2,281,968	2,223,162	3%
Other Financial Asset Classified under Loans and receivable	4,081,466	4,164,274	-2%
Loans and receivables to other customers	40,819,533	32,060,498	27%
Financial investments Available-for-sale	19,679	29,734	-34%
Financial investments Held-to-maturity	1,193,957	298,545	300%
Property, plant and equipment	486,992	513,593	-5%
Investment properties	26,031	26,559	-2%
Intangible assets	62,243	77,344	-20%
Other assets	865,579	517,187	67%
<b>Total assets</b>	<b>50,986,359</b>	<b>40,572,547</b>	<b>26%</b>
<b>Liabilities</b>			
Due to other customers	38,099,056	30,249,434	26%
Other borrowings	6,351,688	4,602,233	38%
Current tax liabilities	360,719	113,192	219%
Deferred tax liabilities	58,902	53,514	10%
Other liabilities	1,174,402	858,200	37%
<b>Total liabilities</b>	<b>46,044,767</b>	<b>35,876,573</b>	<b>28%</b>
<b>Equity</b>			
Stated capital/Assigned capital	3,786,355	3,533,545	7%
Statutory reserve fund	118,664	118,664	0%
Retained earnings	989,915	997,107	-1%
Other reserves	46,657	46,657	0%
<b>Total equity</b>	<b>4,941,592</b>	<b>4,695,974</b>	<b>5%</b>
<b>Total equity and liabilities</b>	<b>50,986,359</b>	<b>40,572,547</b>	<b>26%</b>
<b>Contingent liabilities and commitments</b>	<b>133,504</b>	<b>129,507</b>	<b>3%</b>
<b>Net Asset Per Share</b>	<b>123</b>	<b>124</b>	<b>-1%</b>
<b>Memorandum Information</b>			
Number of Employees	1,204	1,004	20%
Number of Branches	83	82	1%

**Certification:**

We, the undersigned, being the Deputy Chairman, 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.

Terrance Kumara  
AGM - Finance

Nimal C. Hapuarachchi  
General Manager / CEO

Lakshman Abeyssekera  
Director

T.Karunasena  
Deputy Chairman

06.08.2015  
Colombo

**SANASA DEVELOPMENT BANK PLC**  
**Statement of Comprehensive Income**  
**For the Period Ended 30.06.2015**

	RS '000			Rs.000		
	For the 06 months ended		Increase	For the quarter ended		Increase
	30.06.2015	30.06.2014		30.06.2015	30.06.2014	
Interest income	3,109,843	2,330,403	33%	1,634,476	1,168,439	40%
Interest expenses	(1,460,955)	(1,258,338)	16%	(800,130)	(615,552)	30%
<b>Net interest income</b>	<b>1,648,888</b>	<b>1,072,065</b>	<b>54%</b>	<b>834,346</b>	<b>552,887</b>	<b>51%</b>
Fee and commission income	128,618	81,632	58%	61,540	37,871	62%
Fee and commission expenses	(1,147)	(1,408)	-19%	(408)	(446)	-9%
<b>Net fee and commission income</b>	<b>127,472</b>	<b>80,225</b>	<b>59%</b>	<b>61,133</b>	<b>37,425</b>	<b>63%</b>
Net gain/(loss) from financial instruments at fair value through profit or loss	674	27,385	-98%	634	13,017	-95%
Other operating income (net)	26,506	25,233	5%	3,329	7,982	-58%
<b>Total operating income</b>	<b>1,803,540</b>	<b>1,204,908</b>	<b>50%</b>	<b>899,442</b>	<b>611,311</b>	<b>47%</b>
<b>Impairment for loans and other losses</b>	<b>113,389</b>	<b>77,847</b>	<b>46%</b>	<b>33,954</b>	<b>(28,453)</b>	<b>219%</b>
Significant impairment	54,825	(21,158)	359%	30,435	(51,539)	159%
Collective impairment	58,564	99,005	-41%	3,519	23,086	-85%
<b>Net operating income</b>	<b>1,690,151</b>	<b>1,127,061</b>	<b>50%</b>	<b>865,488</b>	<b>639,764</b>	<b>35%</b>
Personnel expenses	454,163	346,163	31%	236,756	170,771	39%
Depreciation	73,067	74,381	-2%	35,931	36,965	-3%
Other expenses	388,540	352,282	10%	209,450	186,841	12%
<b>Operating profit/(loss) before value added tax (VAT)</b>	<b>774,381</b>	<b>354,235</b>	<b>119%</b>	<b>383,351</b>	<b>245,187</b>	<b>56%</b>
Value added tax (VAT) on financial services & NBT	(142,576)	(59,759)	139%	(67,319)	(35,727)	88%
<b>Operating profit/(loss) after value added tax (VAT)</b>	<b>631,805</b>	<b>294,476</b>	<b>115%</b>	<b>316,032</b>	<b>209,460</b>	<b>51%</b>
<b>Profit/(loss) before tax</b>	<b>631,805</b>	<b>294,476</b>	<b>115%</b>	<b>316,033</b>	<b>209,460</b>	<b>51%</b>
Tax expenses	(218,002)	(84,046)	159%	(107,682)	(55,990)	92%
<b>Profit/(loss) for the period</b>	<b>413,803</b>	<b>210,430</b>	<b>97%</b>	<b>208,351</b>	<b>153,469</b>	<b>36%</b>
<b>Other Comprehensive Income</b>						
Actuarial gains/(losses) on defined benefit plans	(11,500)	(9,000)	28%	(6,000)	(4,500)	33%
Gains and losses on re-measuring available-for-sale financial assets	-	25,648	-100%	-	16,770	-100%
<b>Other Comprehensive Income for the period net of tax</b>	<b>(11,500)</b>	<b>16,648</b>	<b>-169%</b>	<b>(6,000)</b>	<b>12,270</b>	<b>-149%</b>
<b>Total Comprehensive Income for the period</b>	<b>402,303</b>	<b>227,079</b>	<b>77%</b>	<b>202,351</b>	<b>165,739</b>	<b>22%</b>
Total Comprehensive Income attributable to Owners of parent	402,303	227,079	77%	202,352	165,739	22%
Non-controlling interests						
<b>Total Comprehensive Income for the period</b>	<b>402,303</b>	<b>227,079</b>	<b>77%</b>	<b>202,351</b>	<b>165,739</b>	<b>22%</b>

Basic earnings per ordinary share Rs.

10.95

8.36

5.52

6.10

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 2014

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CASH FLOWS**  
for the Quarter Ended 30.06.2015

RS '000

	BANK	
	01.01.2015 to 30.06.2015	01.01.2014 to 30.06.2014
<b>Cash Flows From / (Used in) Operating Activities</b>		
Interest Received	3,024,734	2,437,765
Fee and Commission Received	114,403	66,113
Receipts from other Operating Activities	40,721	40,525
Interest Payment	(1,252,184)	(1,432,522)
Cash Payment to Employees	(441,708)	(338,513)
Payments to Suppliers and Other Operating Activities	(396,235)	(417,993)
Fee and Commission Expenses	(12,506)	(11,749)
<b>Operating Profit before Changes in Operating Assets</b>	<b>1,077,225</b>	<b>343,626</b>
(Increase)/Decrease in Operating Assets		
Funds Advanced to Customers	(8,913,553)	(1,650,719)
Other Short Term Securities	(26,363)	89,044
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	7,702,684	3,409,805
<b>Net Cash from Operating Activities Before Income Tax</b>	<b>(160,006)</b>	<b>2,191,756</b>
Tax Paid	(30,073)	(41,662)
<b>Net Cash from Operating Activities</b>	<b>(190,079)</b>	<b>2,150,094</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Dividend Received	54	6,886
(Increase)/ Decrease in Non Dealing Securities	299,374	652,883
(Increase)/ Decrease in Dealing Securities	-	2,334
Investment Income	-	-
(Increase)/ Decrease in Treasury Bonds and other Investments	(1,165,349)	(2,128,186)
Proceeds from sale of Property, Plant and Equipment	9,090	5,400
Purchase of Property, Plant and Equipment	(52,636)	(33,188)
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(909,467)</b>	<b>(1,493,871)</b>
<b>Cash Flows from (Used in) Financing Activities</b>		
Dividend Paid	(94,060)	(151,038)
Net Increase/(Decrease) in Borrowing	1,688,312	(373,805)
Funds Received/(Utilized) During the period	(7,445)	(2,531)
<b>Net Cash Flow from/ (used in) Financing Activities</b>	<b>1,586,806</b>	<b>(527,374)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>487,260</b>	<b>128,849</b>
Cash and Cash Equivalent at the beginning of the year	<b>661,651</b>	<b>399,385</b>
Cash and Cash Equivalents at the end of the period	<b>1,148,911</b>	<b>528,233</b>

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Quarter Ended 30.06.2015

Rs '000

Bank	Stated capital / Assigned capital	Reserves				Total equity
	Ordinary voting shares	Statutory Reserve	Investment Fund	Retained earnings	General reserves	
<b>Balance as at 01/01/2014 (Opening balance)</b>	2,526,532	94,417	223,286	489,355	46,657	3,380,246
<b>Total comprehensive income for the period</b>				210,430		210,430
Profit/(loss) for the period				16,649		16,649
Other comprehensive income (net of tax)				227,079		227,079
<b>Total comprehensive income for the period</b>	-	-	-		-	-
<b>Transactions with equity holders, recognised directly in equity</b>						
Application Received						
Share issue/increase of assigned capital						
Transfer to Statutory Reserve fund						
Transfer to Investment Fund						-
Dividends to Equity holders				(176,227)		(176,227)
Other						-
<b>Total transactions with equity holders</b>	-	-	-	(176,227)	-	(176,227)
<b>Balance as at 30/06/2014 (Closing balance)</b>	2,526,532	94,417	223,286	540,206	46,657	3,431,097

<b>Balance as at 01/01/2015 (Opening balance)</b>	3,533,545	118,664	-	997,107	46,657	4,695,974
<b>Total comprehensive income for the period</b>				413,803		413,803
Profit/(loss) for the period				(11,500)		(11,500)
Other comprehensive income (net of tax)				402,303		402,303
<b>Total comprehensive income for the period</b>	-	-	-		-	-
<b>Transactions with equity holders, recognised directly in equity</b>						
Share issue/increase of assigned capital	252,810			(252,810)		-
Transfer to Statutory Reserve fund						-
Transfer to Investment Fund						-
Dividends to equity holders				(124,820)		(124,820)
Other				(31,865)		(31,865)
<b>Total transactions with equity holders</b>	252,810			(409,495)	-	(156,685)
<b>Balance as at 30/06/2015 (Closing balance)</b>	3,786,355	118,664		989,915	46,657	4,941,592

## SANASA Development Bank PLC

## Segment Report

Rs. '000

30<sup>th</sup> June

	Banking		Leasing & HP		Treasury		Pawning		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Interest income	2,501,839	1,609,863	338,597	342,625	205,076	313,050	64,330	64,865	3,109,843	2,330,403
Interest expenses	(1,093,430)	(692,021)	(112,881)	(156,770)	(228,730)	(350,406)	(25,914)	(59,141)	(1,460,955)	(1,258,338)
<b>Net interest income</b>	<b>1,408,409</b>	<b>917,842</b>	<b>225,716</b>	<b>185,855</b>	<b>(23,654)</b>	<b>(37,356)</b>	<b>38,416</b>	<b>5,725</b>	<b>1,648,888</b>	<b>1,072,065</b>
Fee and commission income	119,649	71,394	8,970	10,238	-	-	-	-	128,618	81,632
Fee and commission expenses	(1,147)	(1,408)	-	-	-	-	-	-	(1,147)	(1,408)
<b>Net fee and commission income</b>	<b>118,502</b>	<b>69,986</b>	<b>8,970</b>	<b>10,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,472</b>	<b>80,225</b>
Net gain/loss from financial instruments at fair value through profit or loss	-	-	-	-	674	27,385	-	-	674	27,385
Other operating income (net)	25,208	25,006	-	-	1,298	227	-	-	26,506	25,233
<b>Total operating income</b>	<b>1,552,119</b>	<b>1,012,834</b>	<b>234,686</b>	<b>196,093</b>	<b>(21,681)</b>	<b>(9,743)</b>	<b>38,416</b>	<b>5,725</b>	<b>1,803,540</b>	<b>1,204,908</b>
Impairment for loans and other losses	(118,896)	(17,306)	(6,499)	(76,345)	-	-	12,006	15,804	(113,389)	(77,847)
<b>Net operating income - Segment Result</b>	<b>1,433,223</b>	<b>995,528</b>	<b>228,187</b>	<b>119,748</b>	<b>(21,681)</b>	<b>(9,743)</b>	<b>50,422</b>	<b>21,529</b>	<b>1,690,151</b>	<b>1,127,061</b>
Un-allocated Expenses									(915,770)	(772,826)
Value added tax (VAT) on financial services									(142,576)	(59,759)
<b>Profit before tax</b>									<b>631,805</b>	<b>294,476</b>
Tax expenses									(218,002)	(84,046)
<b>Profit for the year</b>									<b>413,803</b>	<b>210,430</b>
<b>Other Comprehensive Income</b>										
Other Comprehensive Income for the year net of tax									(11,500)	16,648
<b>Total Comprehensive Income for the year</b>									<b>402,303</b>	<b>227,079</b>
<b>Segment Assets</b>	<b>36,221,712</b>	<b>18,991,150</b>	<b>3,739,390</b>	<b>3,327,882</b>	<b>7,577,069</b>	<b>7,438,329</b>	<b>858,432</b>	<b>1,255,421</b>	<b>48,396,603</b>	<b>31,012,781</b>
Un allocated assets	-	-	-	-	-	-	-	-	2,589,756	1,696,666
<b>Total Assets</b>	<b>36,221,712</b>	<b>18,991,150</b>	<b>3,739,390</b>	<b>3,327,882</b>	<b>7,577,069</b>	<b>7,438,329</b>	<b>858,432</b>	<b>1,255,421</b>	<b>50,986,359</b>	<b>32,709,447</b>
<b>Segment Liabilities</b>	<b>34,461,516</b>	<b>17,929,044</b>	<b>3,557,674</b>	<b>3,141,766</b>	<b>7,208,861</b>	<b>7,022,330</b>	<b>816,716</b>	<b>1,185,210</b>	<b>46,044,767</b>	<b>29,278,350</b>
Total Equity	-	-	-	-	-	-	-	-	4,941,592	3,431,097
<b>Total Equity &amp; Liabilities</b>	<b>34,461,516</b>	<b>17,929,044</b>	<b>3,557,674</b>	<b>3,141,766</b>	<b>7,208,861</b>	<b>7,022,330</b>	<b>816,716</b>	<b>1,185,210</b>	<b>50,986,359</b>	<b>32,709,447</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

as at 30.06.2015

Rs' 000

As at 31 <sup>st</sup> December 2014	Fair value through Profit or Loss	HTM	AFS	Amortised cost	Total
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	-	-	-	661,651	661,651
Placements with banks	-	-	-	2,223,162	2,223,162
Other financial assets at fair value through profit or loss	-	-	-	-	-
Financial investments - Available-for-sale	-	-	29,734	-	29,734
Financial investments - Held-to-maturity	-	298,545	-	-	298,545
Loans and receivables to other customers	-	-	-	32,060,498	32,060,498
Other Financial Asset Classified under Loans and receivable	-	-	-	4,164,274	4,164,274
<b>Total financial assets</b>	-	298,545	29,734	39,109,585	39,437,864
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	30,249,434	30,249,434
Other borrowings	-	-	-	4,602,233	4,602,233
<b>Total financial liabilities</b>	-	-	-	34,851,667	34,851,667
<b>As at 30<sup>th</sup> June 2015</b>					
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	-	-	-	1,148,911	1,148,911
Placements with banks	-	-	-	2,281,968	2,281,968
Other financial assets at fair value through profit or loss	-	-	-	-	-
Financial investments - Available-for-sale	-	-	19,679	-	19,679
Financial investments - Held-to-maturity	-	1,193,957	-	-	1,193,957
Loans and receivables to other customers	-	-	-	40,819,533	40,819,533
Other Financial Asset Classified under Loans and receivable	-	-	-	4,081,466	4,081,466
<b>Total financial assets</b>	-	1,193,957	19,679	48,331,879	49,545,514
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	38,099,056	38,099,056
Other borrowings	-	-	-	6,351,688	6,351,688
<b>Total financial liabilities</b>	-	-	-	44,450,744	44,450,744

**SANASA DEVELOPMENT BANK PLC**  
**Selected Performance Indicators**

Item	As at 30.06.2015	As at 31.12.2014 (Audited)
<b>Regulatory Capital Adequacy</b>		
Core Capital ( Tier I Capital ), Rs. Mn	4,534	4,613
Total Capital Base , Rs. Mn	4,717	4,751
Risk Weighted assets, Rs. Mn	36,059	30,988
<b>Core Capital Adequacy Ratio</b> ( As a % of Risk weighted assets - Minimum Requirement - 5% )	<b>12.57%</b>	<b>14.89%</b>
<b>Total Capital Adequacy Ratio</b> ( As a % of Risk weighted assets - Minimum Requirement - 10% )	<b>13.08%</b>	<b>15.33%</b>
<b>Assets Quality ( Quality of Loan Portfolio )</b>		
Gross Non-performing Advances Ratio, ( net of Interest in Suspense )	<b>3.20%</b>	<b>3.76%</b>
Net Non-performing Advances Ratio, ( net of Interest in Suspense & Provisions )	<b>0.46%</b>	<b>1.73%</b>
<b>Profitability</b>		
Interest Margin, %	<b>7.73%</b>	<b>6.97%</b>
Return on Assets ( Before Taxes ), %	<b>2.76%</b>	<b>2.14%</b>
Return on Equity(After Taxes) , %	<b>16.70%</b>	<b>12.01%</b>
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	<b>21.29%</b>	<b>21.61%</b>

Share Information	30.06.2015
Market value per share (Rs.)	145.00
Highest price per share for the period (Rs.)	158.10
Lowest price per share for the period (Rs.)	124.00



**SHAREHOLDERS' INFORMATION**

**Twenty Largest Shareholders as at 30.06.2015**

<b>Name of The Shareholder</b>	<b>Number of Shares</b>	<b>%</b>
Seylan Bank PLC /Thirugnanasambandar Senthilverl	4,406,505	10.95%
People s Leasing & Finance PLC	1,866,047	4.64%
Global Rubber Industries (Pvt) Ltd	1,816,256	4.51%
Dr. T. Senthilverl	1,316,564	3.27%
Dr. S.Yaddehige	1,176,500	2.92%
Seemasahitha Sanasa Rakshana Samagama (General)	1,036,061	2.57%
CB NY S/A International Finance Corporation	959,681	2.38%
Seemasahitha Sanasa Rakshana Samagama (Life)	811,565	2.02%
Kegalle Sanasa Share Holders Trust Company Limited	718,641	1.79%
Etimos Lanka (Pvt) Limited	590,229	1.47%
Sanasa Federation Limited	573,626	1.43%
Warakapola Sanasa Share Holders Trust Company Limited	468,478	1.16%
Gampaha DTCCS Union Ltd	445,074	1.11%
Deutsche Bank AG AS Trustee to Astrue Alpha Fund	419,000	1.04%
Hambanthota DTCCS Union Ltd	342,426	0.85%
Polgahawela Sanasa Share Holders Trust Company Limited	272,447	0.68%
Polgahawela Sanasa Societies Union Ltd	270,000	0.67%
Polpithigama Sanasa Share Holders Trust Company Limited	257,046	0.64%
Kamburupitiya Sanasa Share Holding Trust Company Limited	244,153	0.61%
Kolonnawa Sanasa Share Holders Trust Company Ltd	229,352	0.57%
Sub Total	18,219,651	45.27%
Other shareholder	22,026,974	54.73%
<b>Total</b>	<b>40,246,625</b>	<b>100.00%</b>

**Percentage of public holding as at 30.06.2015** **100.00%**  
 ( Total No. of Shares 40,246,625 )  
**Number of Share Holders** **41,316**

**Directors' Shareholding as at 30.06.2015**

<b>Name of Director</b>	<b>No. of Shares</b>
Ms. M.S. Kiriwadeniya	1,825
Mr. B.R.A.Bandara	2,576
Mr. T.Karunasena	-
Mr. D.P.Kumarage	-
Mr. H.M.G.B.Herath	-
Mr. L.Abeysekere	-
Mr. T.Rajapaksha	-
Mr. W.M.M.D.Ratnayake	-
Mr. J.A.L.G.Jayasinghe	-