

Interim Financial Statements

For the Period Ended 30th June 2020



SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the six months ended		Change	For the quarter ended ended		Change
	30th June			30th June		
	2020	2019		2020	2019	
Interest income	7,745,196	7,351,113	5%	3,815,412	3,741,571	2%
Interest expenses	(4,840,129)	(4,609,158)	5%	(2,381,921)	(2,363,115)	1%
Net interest income	2,905,067	2,741,955	6%	1,433,490	1,378,456	4%
Fee and commission income	141,107	95,935	47%	76,055	38,146	99%
Fee and commission expenses	(3,092)	(2,031)	52%	(1,504)	(932)	61%
Net fee and commission income	138,015	93,903	47%	74,552	37,214	100%
Net gains/(losses) from trading	5,131	991	417%	6,317	431	1366%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	130,610	44,003	197%	53,958	26,957	100%
Net other operating income	7,605	72,429	-90%	3,934	67,863	-94%
Total operating income	3,186,427	2,953,282	8%	1,572,251	1,510,921	4%
Impairment for loans and other losses	(474,735)	(571,463)	-17%	(60,954)	(293,982)	-79%
Net operating income	2,711,692	2,381,819	14%	1,511,297	1,216,939	24%
Personnel expenses	(1,068,110)	(919,509)	16%	(530,779)	(413,048)	29%
Depreciation and amortization expenses	(210,926)	(124,889)	69%	(108,263)	(65,176)	66%
Other expenses	(608,203)	(717,673)	-15%	(321,289)	(394,555)	-19%
Operating profit/ (loss) before VAT and NBT on financial services	824,453	619,749	33%	550,966	344,159	60%
Value Added Tax (VAT) on financial services	(237,838)	(177,427)	34%	(134,794)	(89,956)	50%
Nation Building Tax (NBT) on financial services	-	(25,844)	-100%	-	(13,234)	-100%
Debt repayment levy	-	(103,986)	-100%	-	(53,356)	-100%
Operating profit/(loss) after VAT and NBT on financial services	586,615	312,491	88%	416,172	187,613	122%
Profit/(loss) before tax	586,615	312,491	88%	416,172	187,613	122%
Income tax expenses	(207,405)	(161,135)	29%	(140,960)	(83,970)	68%
Profit/(loss) for the period	379,211	151,357	151%	275,212	103,643	166%
Profit/(loss) attributable to:						
Equity holders of the parent	379,211	151,357	151%	275,212	103,643	166%
Non-controlling interests	-	-	-	-	-	-
	379,211	151,357	151%	275,212	103,643	166%
Earnings per share on profit						
Basic/Diluted earnings per ordinary share (Rs.)	6.73	2.69	151%	4.89	1.84	166%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the six months ended		Change	For the quarter ended ended		Change
	30th June			30th June		
	2020	2019		2020	2019	
Profit/(loss) for the period	379,211	151,357	151%	275,212	103,643	166%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses)on defined benefit plans	(49,945)	(42,000)	19%	(24,973)	(21,000)	19%
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	(49,945)	(42,000)	19%	(24,973)	(21,000)	19%
Total comprehensive income/(expenses) for the period	329,266	109,357	201%	250,239	82,643	203%
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	329,266	109,357	201%	250,239	82,643	203%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	329,266	109,357	201%	250,239	82,643	203%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.06.2020	As at 31.12.2019 (Audited)	Change
Assets			
Cash and cash equivalents	5,079,586	2,429,791	109%
Placements with banks	4,195,263	5,628,095	-25%
Financial assets recognized through profit or loss - measured at fair value	2,957,680	3,527,310	-16%
Financial assets at amortised cost			
- loans and advances	93,119,908	85,823,335	9%
- debt and other instruments	5,662,495	6,998,925	-19%
Financial assets measured at fair value through other comprehensive income	56,939	56,939	0%
Investment in subsidiary	6,163	-	100%
Property, plant and equipment	648,804	645,231	1%
Right of use assets	644,447	651,271	-1%
Investment properties	20,751	21,279	-2%
Intangible assets	446,386	308,445	45%
Deferred tax assets	303,651	232,482	31%
Other assets	1,931,757	1,460,524	32%
Total assets	115,073,830	107,783,624	7%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	81,590,980	72,431,923	13%
- due to other borrowers	17,770,494	20,299,718	-12%
Debt securities issued	1,013,363	1,014,034	0%
Subordinated debt	4,286,166	4,210,566	2%
Retirement benefit obligations	522,816	479,575	9%
Current tax liabilities	310,937	187,070	66%
Other liabilities	1,580,830	1,491,759	6%
Total liabilities	107,075,585	100,114,645	7%
Equity			
Stated capital/assigned capital	5,921,538	5,921,538	0%
Statutory reserve fund	228,282	228,282	0%
Retained earnings	1,820,820	1,491,554	22%
Other reserves	27,605	27,605	0%
Total equity	7,998,245	7,668,979	4%
Total equity and liabilities	115,073,830	107,783,624	7%
Contingent liabilities and commitments	186,024	177,752	5%
Net asset value per share (Rs.)	142	136	4%
Memorandum information			
Number of employees	1,491	1,475	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

Champa Perera
Head of Finance

Sgd

Terrance Kumara
Chief Financial Officer

We, the undersigned, being the Directors and Chief Executive Officer 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

Chaaminda Kumarasiri
Director

Sgd

Prof Sampath Amarathunge
Director

Sgd

Thilak Piyadigama
Chief Executive Officer

05th August 2020
Colombo

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 30.06.2019						
Balance as at 01.01.2019 (Opening balance)	5,921,538	215,611	1,280,762	(15,842)	46,657	7,448,727
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	151,357	-	-	151,357
Other comprehensive income (net of tax)	-	-	(42,000)	-	-	(42,000)
Total comprehensive income/(expenses) for the period	-	-	109,357	-	-	109,357
Transactions with equity holders, recognized directly in equity						
Other	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at 30.06.2019 (Closing balance)	5,921,538	215,611	1,390,119	(15,842)	46,657	7,558,083
For the period ended 30.06.2020						
Balance as at 01.01.2020 (Opening balance)	5,921,538	228,282	1,491,554	(19,052)	46,657	7,668,979
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	379,211	-	-	379,211
Other comprehensive income (net of tax)	-	-	(49,945)	-	-	(49,945)
Total comprehensive income/(expenses) for the period	-	-	329,266	-	-	329,266
Transactions with equity holders, recognized directly in equity						
Other	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at 30.06.2020 (Closing balance)	5,921,538	228,282	1,820,820	(19,052)	46,657	7,998,245

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 consist of fair value adjustment made to unquoted equity investment.

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS

In Rupees Thousands (Rs'000)	Bank	
	01.01.2020 to 30.06.2020	01.01.2019 to 30.06.2019
Cash flows from / (used in) operating activities		
Interest received	5,465,070	7,205,326
Fee and commission received	128,304	87,215
Changes in other operating assets	(444,001)	(318,309)
Interest payment	(5,643,975)	(4,913,000)
Cash payment to employees	(1,171,695)	(934,264)
Changes in other operating liabilities	(478,346)	(643,795)
Fee and commission expenses	(3,092)	(2,031)
VAT and NBT on financial services	(237,838)	(173,147)
Operating profit before changes in operating assets	(2,385,573)	307,995
(Increase)/decrease in operating assets		
Funds advanced to customers	(5,547,328)	(3,042,085)
Other short term securities	487,588	(1,023,969)
Increase/(decrease) in operating liabilities		
Deposits from customers	9,962,903	2,373,450
Net cash from operating activities before income tax	2,517,591	(1,384,609)
Income tax paid	(134,602)	(133,897)
Net cash from operating activities	2,382,989	(1,518,506)
Cash flows from / (used in) investing activities		
(Increase)/ decrease in dealing securities	705,370	(998,680)
(Increase)/ decrease in treasury bonds and other investments	497,215	(4,089)
Proceeds from sale of property, plant and equipment	112	13,659
Purchase of property, plant and equipment	(106,279)	(273,024)
Purchase of intangible assets	(153,653)	-
Net cash flow from acquisition of investment in subsidiary	(6,163)	-
Net cash from/ (used in) investing activities	936,602	(1,262,134)
Cash flows from (used in) financing activities		
Repayment of long term borrowing	(8,937,296)	(8,719,497)
Interest paid on subordinated debt	(211,395)	(67,794)
Increase/(decrease) in borrowing	6,694,395	7,262,447
Funds received/(utilized) during the period	42	-
Net cash flow from/ (used in) financing activities	(2,454,253)	(1,524,844)
Net increase/ (decrease) in cash and cash equivalents	865,337	(4,305,483)
Cash and cash equivalent at the beginning of the period	10,914,679	16,615,902
Cash and cash equivalents at the end of the period	11,780,016	12,310,419
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	5,079,586	1,272,123
Repurchase agreement	3,900,430	2,454,436
Fixed deposits less than 3 months	2,800,000	8,583,860
	11,780,016	12,310,419

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th June 2020

In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	5,079,586	-	-	5,079,586
Placements with banks	4,195,263	-	-	4,195,263
Financial assets recognized through profit or loss - measured at fair value	-	2,957,680	-	2,957,680
Financial assets at amortised cost				
- loans and advances	93,119,908	-	-	93,119,908
- debt and other instruments	5,662,495	-	-	5,662,495
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	108,057,253	2,957,680	56,939	111,071,872

In Rupees Thousands (Rs'000)

	AC	FVPL	Total
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors		81,590,980	81,590,980
- due to other borrowers		17,770,494	17,770,494
Debt securities issued		1,013,363	1,013,363
Subordinated debt		4,286,166	4,286,166
Total financial liabilities		104,661,003	104,661,003

Bank - As at 31st December 2019 (Audited)

In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,429,791	-	-	2,429,791
Placements with banks	5,628,095	-	-	5,628,095
Financial assets recognized through profit or loss - measured at fair value	-	3,527,310	-	3,527,310
Financial assets at amortised cost				
- loans and advances	85,823,335	-	-	85,823,335
- debt and other instruments	6,998,925	-	-	6,998,925
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	100,880,145	3,527,310	56,939	104,464,394

In Rupees Thousands (Rs'000)

	AC	FVPL	Total
FINANCIAL LIABILITIES			
Financial liabilities at amortised cost			
- due to depositors		72,431,923	72,431,923
- due to other borrowers		20,299,718	20,299,718
Debt securities issued		1,014,034	1,014,034
Subordinated debt		4,210,566	4,210,566
Total financial liabilities		97,956,241	97,956,241

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
ANALYSIS OF LOANS AND ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2020	As at 31.12.2019 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	2,012,258	1,712,172
Cash margin	5,086,326	5,443,354
Staff loans	1,339,991	1,280,346
Lease rentals receivable	7,569,201	6,790,318
Term loans		
Business	14,510,924	13,255,022
Cooperative	3,046,705	2,775,251
Housing	3,504,308	3,416,424
Personal	59,420,285	54,047,913
Total	96,489,999	88,720,801
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	186,024	197,237
Total	186,024	197,237
Total loans and advances, commitments and contingencies	96,676,022	88,918,038
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	96,676,022	88,918,038
Less: Accumulated impairment under stage 1	(666,154)	(550,264)
Accumulated impairment under stage 2	(143,268)	(163,954)
Accumulated impairment under stage 3	(2,560,669)	(2,183,248)
Net loans and advances, commitments and contingencies	93,305,932	86,020,572
Movement of impairment during the period		
Under Stage 1		
Opening balance	550,264	318,278
Charges / (Write back) to income statement	115,889	231,986
Other movements	-	-
Closing balance	666,154	550,264
Under Stage 2		
Opening balance	163,954	269,805
Charges / (Write back) to income statement	(20,686)	(105,852)
Other movements	-	-
Closing balance	143,268	163,954
Under Stage 3		
Opening balance	2,183,248	1,387,355
Charges / (Write back) to income statement	377,421	795,893
Write - off during the year	-	-
Other movements	-	-
Closing balance	2,560,669	2,183,248
Total impairment	3,370,091	2,897,466
SANASA DEVELOPMENT BANK PLC		
ANALYSIS OF DEPOSITS		
In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2020	As at 31.12.2019 (Audited)
By product: Rs.		
Savings deposits	18,948,586	15,540,255
Fixed deposits	62,642,394	56,891,668
Total deposits	81,590,980	72,431,923

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank	In Rupees Thousands (Rs'000)									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
For the period ended 30th June										
Interest income	6,497,244	6,055,291	536,436	484,054	568,783	708,173	142,732	103,596	7,745,196	7,351,113
Interest expenses	(3,765,515)	(3,541,294)	(315,484)	(274,447)	(669,435)	(729,709)	(89,695)	(63,707)	(4,840,129)	(4,609,158)
Net interest income	2,731,729	2,513,996	220,952	209,606	(100,652)	(21,537)	53,038	39,889	2,905,067	2,741,955
Fee and commission income	102,616	29,577	38,491	66,358	-	-	-	-	141,107	95,935
Fee and commission expenses	(2,853)	(1,885)	(239)	(146)	-	-	-	-	(3,092)	(2,031)
Net fee and commission income	99,763	27,692	38,252	66,212	-	-	-	-	138,015	93,903
Net gains/(losses) from trading	-	-	-	-	5,131	991	-	-	5,131	991
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	130,610	44,003	-	-	130,610	44,003
Other operating income (net)	7,605	72,429	-	-	-	-	-	-	7,605	72,429
Total operating income	2,839,096	2,614,118	259,204	275,818	35,088	23,458	53,038	39,889	3,186,427	2,953,282
Impairment for loans and other losses	(351,524)	(489,722)	(117,677)	(79,714)	(2,111)	2,329	(3,423)	(4,356)	(474,735)	(571,463)
Net operating income	2,487,572	2,124,395	141,527	196,104	32,978	25,787	49,615	35,533	2,711,692	2,381,819
Depreciation and amortization	(190,387)	(113,951)	(15,951)	(8,831)	(52)	(57)	(4,535)	(2,050)	(210,926)	(124,889)
Segment Result	2,297,185	2,010,444	125,576	187,273	32,925	25,731	45,079	33,483	2,500,766	2,256,930
Un-allocated expenses									(1,676,313)	(1,637,182)
Value Added Tax (VAT) on financial services									(237,838)	(177,427)
Nation Building Tax (NBT) on financial services									-	(25,844)
Debt repayment levy									-	(103,986)
Profit before tax									586,615	312,491
Tax expenses									(207,405)	(161,135)
Profit for the period									379,211	151,357
Other comprehensive income										
Other comprehensive income for the period net of tax									(49,945)	(42,000)
Total comprehensive income for the period									329,266	109,357
As at 30th June										
Segment assets	84,073,409	73,158,426	7,043,868	5,669,719	17,951,964	15,074,821	2,002,631	1,316,107	111,071,872	95,219,074
Un allocated assets	-	-	-	-	-	-	-	-	4,001,958	2,532,464
Total assets	84,073,409	73,158,426	7,043,868	5,669,719	17,951,964	15,074,821	2,002,631	1,316,107	115,073,830	97,751,538
Segment liabilities	81,048,508	69,297,158	6,790,434	5,370,474	17,306,065	14,279,179	1,930,578	1,246,643	107,075,585	90,193,455
Total equity	-	-	-	-	-	-	-	-	7,998,245	7,558,083
Total equity & liabilities	81,048,508	69,297,158	6,790,434	5,370,474	17,306,065	14,279,179	1,930,578	1,246,643	115,073,830	97,751,538
For the period ended 30th June										
Additions to non-current assets	234,680	249,226	19,662	19,315	-	-	5,590	4,484	259,932	273,024

**SANASA DEVELOPMENT BANK PLC
LISTED DEBENTURE INFORMATION**

Types of debentures (Fixed)							In Rupees Thousands (Rs'000)
i) Rated Guaranteed Redeemable Debentures of Rs.100 each - Guaranteed by Sampath Bank PLC. The debentures are quoted on the Colombo Stock Exchange. (Rated (SL)A+ (SO) with a Stable Outlook by ICRA Lanka Limited)							
Type	Interest payable frequency	Issue date	Maturity date	Annual Effective Rate (AER) %	Face value	Interest payable	Balance
B	Semi Annually	31-Dec-15	31-Dec-20	10.25	402,610	20,020	422,630
ii) Rated Guaranteed Redeemable Debentures of Rs.100 each - Guaranteed by Seylan Bank PLC. The debentures are quoted on the Colombo Stock Exchange. (Rated (SL)A- (SO) with a Stable Outlook by ICRA Lanka Limited)							
Type	Interest payable frequency	Issue date	Maturity date	Annual Effective Rate (AER) %	Face value	Interest payable	Balance
D	Semi Annually	31-Dec-15	31-Dec-20	10.57	561,950	28,782	590,732
					964,560	48,803	1,013,363

Utilization of funds raised through debenture issue							
Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in Rs.	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in Rs.	% of total proceeds	Amounts utilized in Rs.	% of total proceeds
1	To raise medium term funds to manage assets and liability mismatch and to minimize the interest rate risk.	-	-	-	-	-	-
2	To finance the budgeted lending portfolio (approximately 90% as loans and the balance as leasing) and to minimize the mismatch in funding exposure.	964,560,000	In the ordinary course of business within the next 12 months from the date of allotment.	868,104,000 for loans and 96,456,000 for leasing	100	964,560,000	100

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

Item	Bank	
	As at 30.06.2020	As at 31.12.2019 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	6,934	7,147
Core (Tier 1) Capital	6,934	7,147
Total Capital Base	10,682	11,209
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2020-6.50%, 2019-7.00%)	8.28	9.43
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2020-8.00%, 2019-8.50%)	8.28	9.43
Total Capital Ratio (%) - (Minimum Requirement - 2020-12.00%, 2019- 12.50%)	12.76	14.80
Leverage Ratio (Minimum Requirement - 3%)	6.02	6.61
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	17,058	14,831
Statutory Liquid Asset Ratio (%) - (Minimum Requirement, 20%)	22.71	21.74
Total Stock of High-Quality Liquid Assets (LKR in Millions)	5,881	5,822
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)	102.12	123.77
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	130.58	130.09
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio (%) (net of interest in suspense)	4.72	4.38
Net Non-performing Advances Ratio (%) (net of interest in suspense and provision)	2.19	1.87
Profitability		
Interest Margin (%)	6.09	5.88
Return on Assets (before Taxes) (%)	1.10	0.57
Return on Equity (%)	9.75	3.35
Share Information	30.06.2020	30.06.2019
Market value per share (Rs.)	60.50	60.00
Highest price per share for the period (Rs.)	62.50	67.90
Lowest price per share for the period (Rs.)	43.80	58.00
Debenture Information	30.06.2020	31.12.2019 (Audited)
Debt to Equity Ratio (Times)	13.09	12.77
Interest Cover (Times)	1.12	1.06
Quick Asset Ratio (Times)	0.63	0.59
Interest Rate for Comparable Government Security (%)		
Type B	6.62	9.72
Type D	6.62	9.72
Interest yield as at date of last trade	N/T	N/T
Yield to maturity of trade done on	N/T	N/T
The market prices during the year (Ex-interest)		
- Highest Price	N/T	N/T
- Lowest Price	N/T	N/T
- Last Trade Price	N/T	N/T

N/T - Not Traded

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.06.2020			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	Ayenka Holdings Private Limited	7,028,043	12.4814%
2	Seylan Bank PLC /Senthilverl Holdings (Pvt) Ltd	6,952,168	12.3466%
3	CB NY S/A International Finance Corporation	4,991,644	8.8649%
4	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	4,627,714	8.2185%
5	SBI Emerging Asia Financial Sector Fund PTE. LTD	2,660,426	4.7248%
6	People's Leasing & Finance PLC	2,094,012	3.7188%
7	Kegalle SANASA Shareholders Trust Company Limited	1,039,330	1.8458%
8	SANASA General Insurance Company Ltd	1,036,669	1.8411%
9	SANASA Life Insurance Company Ltd (LIFE)	910,708	1.6174%
10	Sampath Bank PLC/ Dr. T.Senthilverl	871,885	1.5484%
11	Sanasa Federation Limited	720,024	1.2787%
12	Polgahawela Sanasa Societies Union Ltd	387,314	0.6878%
13	Hambanthota DTCCS Union Ltd	384,257	0.6824%
14	Dr. T.Senthilverl	373,598	0.6635%
15	Mr. D.P. Pieris	257,067	0.4565%
16	Kotikawatta Thrift and Credit Co-operative Society Limited	253,896	0.4509%
17	Polgahawela SANASA Shareholders Trust Company Limited	240,836	0.4277%
18	Sampath Bank PLC/ Mr. Arunasalam Sithampalam	224,333	0.3984%
19	Dr. S. Yaddehige	205,653	0.3652%
20	Mr. W.P.G.H.S. De Silva	193,000	0.3428%
Sub total		35,452,577	62.9616%
Shares held by other shareholders		20,855,675	37.0384%
Total		56,308,252	100.00%

As at 30.06.2020

Total number of shares	56,308,252
Number of shares in public holding	56,084,848
Number of public shareholders	37,555
Percentage of public holding	99.60%

Market capitalisation	3,406,649,246
Float adjusted market capitalisation	3,393,133,304
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

Directors' and CEO's Shareholding as at 30.06.2020

No.	Name of Director/CEO	No. of Shares
1	Mr. L. Abeysekera	-
2	Prof. S. Amaraturunge	-
3	Mr. P. Subasinghe	69,341
4	Mr. S. Lionel Thilakaratne	-
5	Mr. K. G. Wijerathne	117
6	Mr. Chaaminda Kumarasiri	-
7	Mr. Prasanna Premaratna	-
8	Mr. B. R. A Bandara	3,791
9	Ms. Dinithi Ratnayake	-
10	Mr. Thilak Piyadigama (Chief Executive Officer)	150,155

SANASA DEVELOPMENT BANK PLC EXPLANATORY NOTES

- 1 These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited Financial Statements of the Bank unless otherwise indicated as 'Audited'.
- 2 No circumstances have arisen since the Balance Sheet date, which require adjustment to or disclosure in the financial statements.
- 3 There are no changes to the accounting policies and methods of computation of the Financial Statements for the year ended 2019.
- 4 The Bank prepared Interim Financial Statements for the period ended 30th June 2020 based on SLFRS 16. The comparative information for 2019 is reported under LKAS 17 and is not comparable to the information presented for 2020.
- 5 When preparing the financial statements the bank has followed the Guidelines to Licensed Banks on the Adoption of Sri Lanka Accounting Standard - SLFRS 9: Financial Instruments, issued by Central Bank of Sri Lanka.
- 6 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 was the operator of Upay digital solution App prior to purchase of this App by Sanasa Development Bank PLC on 10th June 2019. With this acquisition, Payment Services (Private) Limited has become a fully owned subsidiary of Sanasa Development Bank PLC, with effect from 26th May 2020. Since this investment is immaterial, Bank do not prepare consolidated Financial Statements.

7 Impact due to the COVID – 19

The outbreak and spread of Coronavirus (“COVID 19”) has brought a material adverse impact to business and economic environments in which Banks operate. Taking its potential impact on economy, the government and the Central Bank of Sri Lanka enabled several relief measures for the affected businesses and individuals in the form of debt moratoriums, concessionary interest rates for selected lending products and waiving off certain charges and fees, etc. The Bank has strictly adhered to the guidelines and directions issued by both Government and Central Bank of Sri Lanka (CBSL) when conducting its business operations. However, the implementation of the above measures has negative impact towards the profitability, capital, liquidity and credit quality of the banking industry.

Expected Credit Loss calculation

In accordance with “COVID - 19 Pandemic: Guidance Notes on the Implications on Financial Reporting” issued by the Institute of Chartered Accountants of Sri Lanka, the Bank estimated Expected Credit Loss (ECL) as at June 30, 2020, based on the Probability of Default (PD) and Economic Factor Adjustment (EFA) computed as at December 31, 2019 and Loss Given Default (LGD) has adjusted in March 2020 based on the available information at the time of exercising the professional judgement. The Bank has considered the highest weightage for worst-case scenario when assessing the probability weighted forward looking macro-economic indicators.