

# Interim Reports

**March 2013**



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

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31.03.2013**

RS '000

	<b>Bank</b>		
	<b>31.03.2013</b>	<b>31.12.2012 Audited</b>	<b>Increase</b>
<b>Assets</b>			
Cash and cash equivalents	333,408	503,541	-34%
Placements with banks	2,542,031	2,070,307	23%
Financial assets fair value through profit or loss	588,763	184,419	219%
Other Financial Asset Classified under Loans and receivable	626,882	470,099	33%
Loans and receivables to other customers	19,998,148	19,712,033	1%
Financial investments Available-for-sale	184,520	171,696	7%
Financial investments Held-to-maturity	498,349	709,365	-30%
Property, plant and equipment	535,348	603,233	-11%
Investment properties	28,407	28,671	-1%
Intangible assets	121,527	127,677	-5%
Other assets	696,573	318,516	119%
<b>Total assets</b>	<b>26,153,954</b>	<b>24,899,556</b>	<b>5%</b>
<b>Liabilities</b>			
Due to other customers	20,039,140	18,947,514	6%
Other borrowings	1,602,015	1,557,329	3%
Current tax liabilities	(56,140)	70,561	-180%
Deferred tax liabilities	26,212	27,713	-5%
Other liabilities	782,003	1,027,303	-24%
<b>Total liabilities</b>	<b>22,393,231</b>	<b>21,630,421</b>	<b>4%</b>
<b>Equity</b>			
Stated capital/Assigned capital	2,526,532	2,526,532	0%
Statutory reserve fund	82,106	82,106	0%
Retained earnings	934,748	443,160	111%
Other reserves	217,337	217,337	0%
Non-controlling interests			
<b>Total equity</b>	<b>3,760,724</b>	<b>3,269,135</b>	<b>15%</b>
<b>Total equity and liabilities</b>	<b>26,153,954</b>	<b>24,899,556</b>	<b>5%</b>
<b>Contingent liabilities and commitments</b>	<b>133,654</b>	<b>143,214</b>	<b>-7%</b>
<b>Net Asset Per Share</b>	<b>149</b>	<b>130</b>	<b>15%</b>
<b>Memorandum Information</b>			
Number of Employees	839	823	2%
Number of Branches	81	81	0%

Certification:

We, the undersigned, being the Deputy Chairman, The Director, General Manager / CEO and the Assistant General Manager - Compliance 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.

(sgd)  
M.T Galgamuwa  
General Manager / CEO

(sgd)  
H.T.P Susantha  
Assistant General Manager - Compliance

(sgd)  
T.Karunasena  
Deputy Chairman  
Colombo.  
14.05.2013

(sgd)  
Dr. R.M.K.Rathnayake  
Director  
Colombo  
14.05.2013

**SANASA DEVELOPMENT BANK PLC**  
**Statement of Comprehensive Income**  
**For the Quarter Ended 31.03.2013**

In Rupees Thousand	Bank		
	31.03.2013	31.03.2012	Increase
Interest income	1,067,837	827,303	29%
Interest expenses	(594,617)	(379,275)	57%
<b>Net interest income</b>	<b>473,220</b>	<b>448,028</b>	<b>6%</b>
Fee and commission income	25,093	23,039	9%
Fee and commission expenses	(2,293)	(3,101)	-26%
<b>Net fee and commission income</b>	<b>22,800</b>	<b>19,939</b>	<b>14%</b>
Net gain/(loss) from financial instruments at fair value through profit or loss	11,585	(19,715)	159%
Other operating income (net)	8,490	5,155	65%
<b>Total operating income</b>	<b>516,095</b>	<b>453,406</b>	<b>14%</b>
<b>Impairment for loans and other losses</b>	<b>(42,776)</b>	<b>(4,591)</b>	<b>832%</b>
Individual impairment	(3,416)	8,582	-140%
Collective impairment	(39,360)	(13,174)	199%
Others			
<b>Net operating income</b>	<b>473,319</b>	<b>448,814</b>	<b>5%</b>
Personnel expenses	119,846	114,621	5%
Depreciation	43,642	48,716	-10%
Other expenses	130,883	142,899	-8%
<b>Operating profit/(loss) before value added tax (VAT)</b>	<b>178,948</b>	<b>142,578</b>	<b>26%</b>
Value added tax (VAT) on financial services	(21,959)	(20,585)	7%
<b>Operating profit/(loss) after value added tax (VAT)</b>	<b>156,988</b>	<b>121,992</b>	<b>29%</b>
<b>Profit/(loss) before tax</b>	<b>156,988</b>	<b>121,992</b>	<b>29%</b>
Tax expenses	(39,876)	(37,240)	7%
<b>Profit/(loss) for the period</b>	<b>117,112</b>	<b>84,752</b>	<b>38%</b>
<b>Other Comprehensive Income</b>			
Actuarial gains/(losses) on defined benefit plans			
Gains and losses on re-measuring available-for-sale financial assets	21,703	(43,405)	150%
<b>Other Comprehensive Income for the period net of tax</b>	<b>21,703</b>	<b>(43,405)</b>	<b>150%</b>
<b>Total Comprehensive Income for the period</b>	<b>138,815</b>	<b>41,347</b>	<b>236%</b>
Total Comprehensive Income to attributable to Owners of parent	138,815	41,347	236%
Non-controlling interests			
<b>Total Comprehensive Income for the period</b>	<b>138,815</b>	<b>41,347</b>	<b>236%</b>

Basic earnings per ordinary share Rs.

18.61

13.47

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CASH FLOWS**  
for the Quarter Ended 31.03.2013

RS '000

	BANK	
	01.01.2013 to 31.03.2013	01.01.2012 to 31.03.2012
<b>Cash Flows From / (Used in) Operating Activities</b>		
Interest Received	982,780	869,234
Fee and Commission Received	33,583	28,194
Interest Payment	(506,343)	(308,047)
Cash Payment to Employees	(117,277)	(112,696)
Payments to Suppliers and Other Operating Activities	(416,228)	(361,594)
Fee and Commission Expenses	(2,293)	(3,101)
<b>Operating Profit before Changes in Operating Assets</b>	<b>(25,778)</b>	<b>111,990</b>
(Increase)/Decrease in Operating Assets		
Funds Advanced to Customers	(274,497)	(1,328,444)
Other Short Term Securities	(453,203)	(121,029)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	1,012,277	910,202
<b>Net Cash from Operating Activities Before Income Tax</b>	<b>258,800</b>	<b>(427,281)</b>
Income Tax Paid	(31,251)	(3,599)
<b>Net Cash from Operating Activities</b>	<b>227,549</b>	<b>(430,880)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Dividend Received	86	72
(Increase)/ Decrease in Non Dealing Securities	(301,291)	325,094
(Increase)/ Decrease in Dealing Securities	(786)	81,853
(Increase)/ Decrease in Treasury Bonds and other Investments	(74,769)	(101,999)
Purchase of Property, Plant and Equipment	(7,174)	(52,762)
<b>Net Cash from/ (used in) Investing Activities</b>	<b>(383,934)</b>	<b>252,258</b>
<b>Cash Flows from (Used in) Financing Activities</b>		
Proceeds from Issuance/Allotment of Shares		99,000
Dividend Paid	(47,452)	(17,435)
Net Increase/(Decrease) in Borrowing	35,761	157,198
Funds Received/(Utilized) During the period	(2,058)	(9,908)
<b>Net Cash Flow from/ (used in) Financing Activities</b>	<b>(13,748)</b>	<b>228,855</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(170,133)</b>	<b>50,233</b>
Cash and Cash Equivalent at the beginning of the year	<b>503,541</b>	<b>419,998</b>
Cash and Cash Equivalents at the end of the period	<b>333,408</b>	<b>470,232</b>

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
for the Quarter ended 31.03.2013

Rs '000

Bank	Stated capital / Assigned capital	Reserves					Total equity
	Ordinary voting shares	Funds Awaiting Allotment	Statutory Reserve	Investment Fund	Retained earnings	General reserves	
<b>Balance as at 01/01/2012(Opening balance)</b>	2,427,532		65,070	74,847	595,292	46,657	3,367,480
<b>Total comprehensive income for the period</b>					84,752		84,752
Profit/(loss) for the period					(43,405)		(43,405)
Other comprehensive income (net of tax)							
<b>Total comprehensive income for the period</b>	<b>2,427,532</b>		<b>65,070</b>	<b>74,847</b>	<b>636,639</b>	<b>46,657</b>	<b>3,408,827</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Application Received							
Share issue/increase of assigned capital				24,950	(24,950)		
Transfer to Statutory Reserve fund							
Transfer to Investment Fund							
Dividends to equity holders							
<b>Total transactions with equity holders</b>				<b>24,950</b>	<b>(24,950)</b>		
<b>Balance as at 31/03/2012 (Closing balance)</b>	<b>2,427,532</b>		<b>65,070</b>	<b>99,797</b>	<b>611,689</b>	<b>46,657</b>	<b>3,408,827</b>
<b>Balance as at 01/01/2013 (Opening balance)</b>	2,526,532		82,106	170,680	443,160	46,657	3,269,135
<b>Total comprehensive income for the period</b>					117,112		117,112
Profit/(loss) for the period					21,703		21,703
Other comprehensive income (net of tax)							
<b>Total comprehensive income for the period</b>	<b>2,526,532</b>		<b>82,106</b>	<b>170,680</b>	<b>581,975</b>	<b>46,657</b>	<b>3,407,950</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Share issue/increase of assigned capital							
Transfer to Statutory Reserve fund							
Transfer to Investment Fund							
Other					352,774		352,774
<b>Total transactions with equity holders</b>					<b>352,774</b>		<b>352,774</b>
<b>Balance as at 31/03/2013 (Closing balance)</b>	<b>2,526,532</b>		<b>82,106</b>	<b>170,680</b>	<b>934,748</b>	<b>46,657</b>	<b>3,760,724</b>

**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**  
as at 31.03.2013

Rs' 000

As at 31 December 2012	Fair value through Profit or loss	HTM	AFS	Amortised cost	Total
<b>FINANCIAL ASSETS</b>					
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
<b>Total financial assets</b>	184,419	709,365	171,696	22,755,980	23,821,459
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	18,947,514	18,947,514
Other borrowings	-	-	-	1,557,329	1,557,329
<b>Total financial liabilities</b>	-	-	-	20,504,843	20,504,843

As at 31 st March 2013	Fair value through Profit or loss	HTM	AFS	Amortised cost	Total
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	-	-	-	333,408	333,408
Placements with banks	-	-	-	2,542,031	2,542,031
Other financial assets at fair value through profit or loss	588,763	-	-	-	588,763
Financial investments - Available-for-sale	-	-	184,520	-	184,520
Financial investments - Held-to-maturity	-	498,349	-	-	498,349
Loans and receivables to other customers	-	-	-	19,998,148	19,998,148
Other Financial Asset Classified under Loans and receivable	-	-	-	626,882	626,882
<b>Total financial assets</b>	588,763	498,349	184,520	23,500,469	24,772,101
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	20,039,140	20,039,140
Other borrowings	-	-	-	1,602,015	1,602,015
<b>Total financial liabilities</b>	-	-	-	21,641,155	21,641,155

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

Item	As at 31.03.2013	As at 31.12.2012 (Audited)
<b>Regulatory Capital Adequacy</b>		
Core Capital ( Tier I Capital ), Rs. Mn	3,069	3,077
Total Capital Base , Rs. Mn	3,111	3,127
Risk Weighted assets, Rs. Mn	20,972	19,133
<b>Core Capital Adequacy Ratio</b> ( As a % of Risk weighted assets - Minimum Requirement - 5% )	<b>14.63%</b>	<b>16.08%</b>
<b>Total Capital Adequacy Ratio</b> ( As a % of Risk weighted assets - Minimum Requirement - 10% )	<b>14.84%</b>	<b>16.35%</b>
<b>Assets Quality ( Quality of Loan Portfolio )</b>		
Gross Non-performing Advances Ratio, ( net of Interest in Suspense )	5.41%	4.60%
Net Non-performing Advances Ratio, ( net of Interest in Suspense & Provisions )	3.66%	2.80%
<b>Profitability</b>		
Interest Margin, %	7.10%	7.98%
Return on Assets ( Before Taxes ), %	2.91%	2.69%
Return on Equity(After Taxes) , %	14.45%	10.47%
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	21.57%	20.27%

Share information	31.03.2013
Market value per share (Rs.)	65.10
Highest price per share for the period (Rs.)	79.90
Lowest price per share for the period (Rs.)	64.10

**SHAREHOLDER'S INFORMATION**

**Twenty largest Shareholders as at 31.03.2013**

<b>Name of The Shareholder</b>	<b>Number of Shares</b>	<b>%</b>
People s Leasing PLC	1,000,000	3.97%
CB NY S/A International Finance Corporation	900,000	3.57%
J.B. COCOSHELL (PVT) LTD	611,003	2.43%
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%
Polgahawela Sanasa Share Holders Trust Company Limited	225,039	0.89%
Wennappuwa Sanasa Share Holders Trust Company Limited	223,660	0.89%
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%
Life Insurance Corporation (Lanka) Limited	150,000	0.60%
Galewela Sanasa Share Holders Trust Company Limited	146,728	0.58%
Kesbewa Sanasa Share Holders Trust Company Limited	135,992	0.54%
Galle Sanasa Share Holders Trust Company Limited	127,600	0.51%
Madampe TCCS Ltd	125,483	0.50%
Chillaw SANASA Share Holding Trust Company Limited	123,516	0.49%
<b>Sub Total</b>	<b>7,147,297</b>	<b>28.39%</b>
Other shareholder	18,028,025	71.61%
<b>Total</b>	<b>25,175,322</b>	<b>100.00%</b>

**Percentage of public holding as at 31.03.2013**

**99.98%**

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

**Directors Shareholding in shares as at 31.03.2013**

<b>Name of Director</b>	<b>No. of Shares</b>
Mrs.M.S.Kiriwandeniya	1,712
Mr.T.Karunasena	3,149
Mr.U.G.Ramawickrama	50
Mr.A.D.Walisinghe	-
Mr.D.P.Kumarage	-
Dr.R.M.K.Ratnayake	-
Mr.Mahinda Vidanapathirana	-
Mr.H.M.G.B.Herath	-