

Interim Reports

March 2014



SANASA Development Bank PLC

Leads the Nation

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31.03.2014

RS '000

	Bank		
	31.03.2014	31.12.2013 Audited	Increase
Assets			
Cash and cash equivalents	548,479	399,385	37%
Placements with banks	3,744,328	2,530,598	48%
Financial assets fair value through profit or loss	235,964	1,210,673	-81%
Other Financial Asset Classified under Loans and receivable	1,944,281	1,701,091	14%
Loans and receivables to other customers	23,084,348	22,116,645	4%
Financial investments Available-for-sale	172,655	165,699	4%
Financial investments Held-to-maturity	583,348	443,408	32%
Property, plant and equipment	457,226	506,771	-10%
Investment properties	27,351	27,615	-1%
intangible assets	100,193	107,744	-7%
Current tax assets	0	40,081	-100%
Other assets	628,826	482,895	30%
Total assets	31,526,999	29,732,605	6%
Liabilities			
Due to other customers	24,930,770	23,594,768	6%
Other borrowings	2,287,874	1,878,643	22%
Current tax liabilities	126,589	-	
Deferred tax liabilities	46,005	46,005	0%
Other liabilities	694,176	832,943	-17%
Total liabilities	28,085,414	26,352,358	7%
Equity			
Stated capital/Assigned capital	2,526,532	2,526,532	0%
Statutory reserve fund	94,417	94,417	0%
Retained earnings	550,694	489,355	13%
Other reserves	269,943	269,943	0%
Non-controlling interests			
Total equity	3,441,586	3,380,247	2%
Total equity and liabilities	31,526,999	29,732,605	6%
Contingent liabilities and commitments	148,362	144,378	3%
Net Asset Per Share	137	134	2%
Memorandum Information			
Number of Employees	840	856	-2%
Number of Branches	82	82	0%

Certification:

We, the undersigned, being the Directors, General Manager / CEO and the Compliance Officer 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)
Nimal C. Hapuarachchi
General Manager / CEO

(sgd)
S.S.S.Senanayake
Compliance Officer

(sgd)
Lakshman Abeysekera
Director

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

12.05.2014
Colombo

SANASA DEVELOPMENT BANK PLC
Statement of Comprehensive Income
For the Quarter Ended 31.03.2014

	For the 03 months ended		Increase
	31.03.2014 Rs.000	31.03.2013 Rs.000	
Interest income	1,161,964	1,067,837	9%
Interest expenses	(642,786)	(594,617)	8%
Net interest income	519,179	473,220	10%
Fee and commission income	32,821	25,093	31%
Fee and commission expenses	(5,529)	(2,293)	141%
Net fee and commission income	27,292	22,800	20%
Net gain/(loss) from financial instruments at fair value through profit or loss	14,368	11,585	24%
Other operating income (net)	28,191	8,490	232%
Total operating income	589,030	516,096	14%
Impairment for loans and other losses	106,301	42,776	149%
Significant impairment	30,381	3,416	789%
Collective impairment	75,919	39,360	93%
Others			
Net operating income	482,730	473,320	2%
Personnel expenses	175,392	119,846	46%
Depreciation	37,416	43,642	-14%
Other expenses	160,873	130,883	23%
Operating profit/(loss) before value added tax (VAT)	109,048	178,949	-39%
Value added tax (VAT) on financial services	(24,032)	(21,960)	9%
Operating profit/(loss) after value added tax (VAT)	85,017	156,989	-46%
Profit/(loss) before tax	85,017	156,989	-46%
Tax expenses	(28,056)	(39,876)	-30%
Profit/(loss) for the period	56,961	117,112	-51%
Other Comprehensive Income			
Actuarial gains/(losses) on defined benefit plans	(4,500)	-	
Gains and losses on re-measuring available-for-sale financial assets	8,878	21,703	-59%
Other Comprehensive Income for the period net of tax	4,378	21,703	-80%
Total Comprehensive Income for the period	61,340	138,815	-56%
Total Comprehensive Income to attributable to			
Owners of parent	61,340	138,815	-56%
Non-controlling interests			
Total Comprehensive Income for the period	61,340	138,815	-56%

Basic earnings per ordinary share Rs.

2.44

5.51

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 2013

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS
for the Quarter Ended 31.03.2014

RS '000

	BANK	
	01.01.2014 to 31.03.2014	01.01.2013 to 31.03.2013
Cash Flows From / (Used in) Operating Activities		
Interest Received	1,166,100	982,780
Fee and Commission Received	32,819	33,583
Receipts from other Operating Activities	28,002	
Interest Payment	(591,763)	(506,343)
Cash Payment to Employees	(172,765)	(117,277)
Payments to Suppliers and Other Operating Activities	(267,449)	(416,228)
Fee and Commission Expenses	(5,529)	(2,293)
Operating Profit before Changes in Operating Assets	189,415	(25,778)
(Increase)/Decrease in Operating Assets		
Funds Advanced to Customers	(1,090,376)	(274,497)
Other Short Term Securities	(1,094,173)	(453,203)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	1,304,307	1,012,277
Net Cash from Operating Activities Before Income Tax	(690,826)	258,799
Income Tax Paid	-	(31,251)
Net Cash from Operating Activities	(690,826)	227,548
Cash Flows from / (Used in) Investing Activities		
Dividend Received	6,850	86
(Increase)/ Decrease in Non Dealing Securities	320,515	(301,291)
(Increase)/ Decrease in Dealing Securities	2,334	(786)
(Increase)/ Decrease in Treasury Bonds and other Investments	140,901	(74,769)
Purchase of Property, Plant and Equipment	(19,258)	(7,174)
Net Cash from/ (used in) Investing Activities	451,342	(383,934)
Cash Flows from (Used in) Financing Activities		
Dividend Paid	(3,038)	(47,452)
Net Increase/(Decrease) in Borrowing	393,722	35,761
Funds Received/(Utilized) During the period	(2,105)	(2,058)
Net Cash Flow from/ (used in) Financing Activities	388,579	(13,748)
Net Increase/ (Decrease) in Cash and Cash Equivalents	149,095	(170,133)
Cash and Cash Equivalent at the beginning of the year	399,385	503,541
Cash and Cash Equivalents at the end of the period	548,479	333,408

SANASA DEVELOPMENT BANK PLC
Selected Performance Indicators

Item	As at 31.03.2014	As at 31.12.2013 (Audited)
Regulatory Capital Adequacy		
Core Capital (Tier I Capital), Rs. Mn	3,214	3,212
Total Capital Base , Rs. Mn	3,242	3,239
Risk Weighted assets, Rs. Mn	24,976	22,928
Core Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 5%)	12.87%	14.01%
Total Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 10%)	12.98%	14.13%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio, (net of Interest in Suspense)	6.08%	5.08%
Net Non-performing Advances Ratio, (net of Interest in Suspense & Provisions)	3.96%	3.03%
Profitability		
Interest Margin, %	6.59%	6.81%
Return on Assets (Before Taxes), %	1.19%	1.22%
Return on Equity(After Taxes) , %	7.80%	7.42%
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	21.40%	20.39%

Share information	31.03.2014
Market value per share (Rs.)	75.00
Highest price per share for the period (Rs.)	82.00
Lowest price per share for the period (Rs.)	73.50

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY
for the Quarter ended 31.03.2014

Rs '000

Bank	Stated capital / Assigned capital	Reserves				Total equity
	Ordinary voting shares	Statutory Reserve	Investment Fund	Retained earnings	General reserves	
Balance as at 01/01/2013 (Opening balance)	2,526,532	82,106	170,680	433,926	46,657	3,259,901
Total comprehensive income for the period						
Profit/(loss) for the period				117,112		117,112
Other comprehensive income (net of tax)				21,703		21,703
Total comprehensive income for the period	0	0	0	138,815	0	138,815
Transactions with equity holders, recognised directly in equity						
Application Received						
Share issue/increase of assigned capital						0
Transfer to Statutory Reserve fund						0
Transfer to Investment Fund						0
Other				362,007		362,007
Total transactions with equity holders	0	0	0	362,007	0	362,007
Balance as at 31/03/2013 (Closing balance)	2,526,532	82,106	170,680	934,748	46,657	3,760,724

Balance as at 01/01/2014 (Opening balance)	2,526,532	94,417	223,286	489,355	46,657	3,380,246
Total comprehensive income for the period						
Profit/(loss) for the period				56,961		56,961
Other comprehensive income (net of tax)				4,379		4,379
Total comprehensive income for the period	0	0	0	61,340	0	61,340
Transactions with equity holders, recognised directly in equity						
Share issue/increase of assigned capital						
Transfer to Statutory Reserve fund						
Transfer to Investment Fund			0	(0)		0
Dividends to equity holders				-		0
Other				0		0
Total transactions with equity holders			0	(0)	0	0
Balance as at 31/03/2014 (Closing balance)	2,526,532	94,417	223,286	550,694	46,657	3,441,586

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

as at 31.03.2014

Rs' 000

As at 31 December 2013	Fair value through Profit or Loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	-	-	-	399,385	399,385
Placements with banks	-	-	-	2,530,598	2,530,598
Other financial assets at fair value through profit or loss	1,210,673	-	-	-	1,210,673
Financial investments - Available-for-sale	-	-	165,699	-	165,699
Financial investments - Held-to-maturity	-	443,408	-	-	443,408
Loans and receivables to other customers	-	-	-	22,116,645	22,116,645
Other Financial Asset Classified under Loans and receivable	-	-	-	1,701,091	1,701,091
Total financial assets	1,210,673	443,408	165,699	26,747,719	28,567,499
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	23,594,768	23,594,768
Other borrowings	-	-	-	1,878,643	1,878,643
Total financial liabilities	-	-	-	25,473,411	25,473,411

As at 31st March 2014	Fair value through Profit or Loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	-	-	-	548,479	548,479
Placements with banks	-	-	-	3,744,328	3,744,328
Other financial assets at fair value through profit or loss	235,964	-	-	-	235,964
Financial investments - Available-for-sale	-	-	172,655	-	172,655
Financial investments - Held-to-maturity	-	583,348	-	-	583,348
Loans and receivables to other customers	-	-	-	23,084,348	23,084,348
Other Financial Asset Classified under Loans and receivable	-	-	-	1,944,281	1,944,281
Total financial assets	235,964	583,348	172,655	29,321,437	30,313,405
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	24,930,770	24,930,770
Other borrowings	-	-	-	2,287,874	2,287,874
Total financial liabilities	-	-	-	27,218,644	27,218,644

SHAREHOLDER'S INFORMATION

Twenty Largest Shareholders as at 31.03.2014

Name of The Shareholders	Number of Shares	%
People s Leasing PLC	1,000,000	3.97%
CB NY S/A International Finance Corporation	900,000	3.57%
Kegalle Sanasa Share Holders Trust Company Limited	666,102	2.65%
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%
Mr.H.A.Van Starrex	400,205	1.59%
Sanasa Federation Limited	376,338	1.49%
Warakapola Sanasa Share Holders Trust Company Limited	348,094	1.38%
Wennappuwa Sanasa Share Holders Trust Company Limited	223,660	0.89%
Polgahawela Sanasa Share Holders Trust Company Limited	215,039	0.85%
Life Insurance Corporation (Lanka) Ltd	211,500	0.84%
David Peiris Motor Company Ltd	188,988	0.75%
Galewela Sanasa Share Holders 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%
Chilaw Sanasa Share Holders Trust Company Ltd	141,247	0.56%
Baddegama SANASA Share Holding Trust Company Limited	137,575	0.55%
Maharagama Sanasa sharholders trust company ltd	136,137	0.54%
Sub Total	7,322,491	29.09%
Other shareholder	17,852,831	70.91%
Total	25,175,322	100.00%

Percentage of public holding as at 31.03.2014

99.98%

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

Directors Shareholding in shares as at 31.03.2014

Name of Director	No. of Shares
Mrs.M.S.Kiriwandeniya	1,712
Mr.T.Karunasena	3,301
Mr.A.D.Walisinghe	-
Mr.D.P.Kumarage	-
Dr.R.M.K.Ratnayake	-
Mr.H.M.G.B.Herath	-
Mr. Lakshman Abeysekera	-
Mr.Jayantha Rathnayake	-
Mr. Thilak Rajapaksha	-