

Interim Reports

March 2015



SANASA Development Bank PLC

Leads the Nation

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31.03.2015

RS '000

	Bank		
	31.03.2015	31.12.2014 Audited	Increase
Assets			
Cash and cash equivalents	1,013,085	661,651	53%
Placements with banks	1,375,515	2,223,162	-38%
Other Financial Asset Classified under Loans and receivable	2,670,849	4,164,274	-36%
Loans and receivables to other customers	37,690,560	32,060,498	18%
Financial investments Available-for-sale	30,979	29,734	4%
Financial investments Held-to-maturity	2,265,361	298,545	659%
Property, plant and equipment	473,932	513,593	-8%
Investment properties	26,295	26,559	-1%
intangible assets	69,794	77,344	-10%
Other assets	751,187	517,187	45%
Total assets	46,367,556	40,572,547	14%
Liabilities			
Due to other customers	35,167,412	30,249,434	16%
Other borrowings	5,144,346	4,602,233	12%
Current tax liabilities	266,107	113,192	135%
Deferred tax liabilities	54,522	53,514	2%
Other liabilities	871,818	858,200	2%
Total liabilities	41,504,205	35,876,573	16%
Equity			
Stated capital/Assigned capital	3,533,545	3,533,545	0%
Statutory reserve fund	118,664	118,664	0%
Retained earnings	1,164,485	997,107	17%
Other reserves	46,657	46,657	0%
Total equity	4,863,351	4,695,974	4%
Total equity and liabilities	46,367,556	40,572,547	14%
Contingent liabilities and commitments	135,635	129,507	5%
Net Asset Per Share	129	124	4%
Memorandum Information			
Number of Employees	1,022	1,004	2%
Number of Branches	82	82	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.

(sgd)
Nimal C. Hapuarachchi
General Manager / CEO

(sgd)
Terrance Kumara
AGM - Finance

(sgd)
Lakshman Abeysekera
Director

(sgd)
Jayantha Rathnayake
Director

13.05.2015
Colombo

SANASA DEVELOPMENT BANK PLC
Statement of Comprehensive Income
For the Period Ended 31.03.2015

	For the 03 months ended		RS '000
	31.03.2015	31.03.2014	Increase
Interest income	1,475,367	1,161,964	27%
Interest expenses	(660,825)	(642,786)	3%
Net interest income	814,541	519,179	57%
Fee and commission income	67,078	43,761	53%
Fee and commission expenses	(739)	(961)	-23%
Net fee and commission income	66,339	42,799	55%
Net gain/(loss) from financial instruments at fair value through profit or loss	40	14,368	-100%
Other operating income (net)	23,177	17,252	34%
Total operating income	904,097	593,598	52%
Impairment for loans and other losses	79,435	106,301	-25%
Significant impairment	24,390	30,381	-20%
Collective impairment	55,045	75,919	-27%
Net operating income	824,661	487,298	69%
Personnel expenses	217,407	175,392	24%
Depreciation	37,136	37,416	-1%
Other expenses	179,090	165,441	8%
Operating profit/(loss) before value added tax (VAT)	391,029	109,048	259%
Value added tax (VAT) on financial services & NBT	(75,257)	(24,032)	213%
Operating profit/(loss) after value added tax (VAT)	315,772	85,017	271%
Profit/(loss) before tax	315,772	85,017	271%
Tax expenses	(110,320)	(28,056)	293%
Profit/(loss) for the period	205,451	56,961	261%
Other Comprehensive Income			
Actuarial gains/(losses) on defined benefit plans	(5,500)	(4,500)	22%
Gains and losses on re-measuring available-for-sale financial assets	-	8,878	-100%
Other Comprehensive Income for the period net of tax	(5,500)	4,378	-226%
Total Comprehensive Income for the period	199,951	61,340	226%
Total Comprehensive Income attributable to			
Owners of parent	199,951	61,340	226%
Non-controlling interests			
Total Comprehensive Income for the period	199,951	61,340	226%

Basic earnings per ordinary share Rs.

5.44

2.26

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 31.03.2015

RS '000

	BANK	
	01.01.2015 to 31.03.2015	01.01.2014 to 31.03.2014
Cash Flows From / (Used in) Operating Activities		
Interest Received	1,430,280	1,166,100
Fee and Commission Received	60,105	32,819
Receipts from other Operating Activities	30,149	28,002
Interest Payment	(529,326)	(591,763)
Cash Payment to Employees	(210,365)	(172,765)
Payments to Suppliers and Other Operating Activities	(338,243)	(267,449)
Fee and Commission Expenses	(7,767)	(5,529)
Operating Profit before Changes in Operating Assets	434,834	189,415
(Increase)/Decrease in Operating Assets		
Funds Advanced to Customers	(5,740,612)	(1,090,376)
Other Short Term Securities	873,637	(1,094,173)
Increase/(Decrease) in Operating Liabilities		
Deposits from Customers	4,828,402	1,304,307
Net Cash from Operating Activities Before Income Tax	396,261	(690,826)
Tax Paid	(17,003)	-
Net Cash from Operating Activities	379,258	(690,826)
Cash Flows from / (Used in) Investing Activities		
Dividend Received	-	6,850
(Increase)/ Decrease in Non Dealing Securities	299,374	320,515
(Increase)/ Decrease in Dealing Securities	-	2,334
(Increase)/ Decrease in Treasury Bonds and other Investments	(821,644)	140,901
Proceeds from sale of Property, Plant and Equipment	9,090	-
Purchase of Property, Plant and Equipment	(15,221)	(19,258)
Net Cash from/ (used in) Investing Activities	(528,400)	451,342
Cash Flows from (Used in) Financing Activities		
Dividend Paid	-	(3,038)
Net Increase/(Decrease) in Borrowing	500,880	393,722
Funds Received/(Utilized) During the period	(303)	(2,105)
Net Cash Flow from/ (used in) Financing Activities	500,576	388,579
Net Increase/ (Decrease) in Cash and Cash Equivalents	351,434	149,095
Cash and Cash Equivalent at the beginning of the year	661,651	399,385
Cash and Cash Equivalents at the end of the period	1,013,085	548,479

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY
for the Quarter ended 31.03.2015

Rs '000

Bank	Stated capital / Assigned capital	Reserves				Total equity
	Ordinary voting shares	Statutory Reserve	Investment Fund	Retained earnings	General reserves	
Balance as at 01/01/2014 (Opening balance)	2,526,532	94,417	223,286	489,355	46,657	3,380,246
Total comprehensive income for the period				56,961		56,961
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	-	-	-	61,340	-	61,340
Transactions with equity holders, recognised directly in equity						
Application Received						
Share issue/increase of assigned capital						
Transfer to Statutory Reserve fund						
Transfer to Investment Fund						-
Dividends to Equity holders						-
Other						-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at 31/03/2014 (Closing balance)	2,526,532	94,417	223,286	550,695	46,657	3,441,586

Balance as at 01/01/2015 (Opening balance)	3,533,545	118,664	-	997,107	46,657	4,695,974
Total comprehensive income for the period				205,451		205,451
Profit/(loss) for the period				205,451		205,451
Other comprehensive income (net of tax)				(5,500)		(5,500)
Total comprehensive income for the period	-	-	-	199,952	-	199,952
Transactions with equity holders, recognised directly in equity						
Share issue/increase of assigned capital						
Transfer to Statutory Reserve fund						
Transfer to Investment Fund						-
Dividends to equity holders						-
Other				(32,574)		(32,574)
Total transactions with equity holders				(32,574)	-	(32,574)
Balance as at 31/03/2015 (Closing balance)	3,533,545	118,664		1,164,485	46,657	4,863,351

SANASA Development Bank PLC

Segment Report

Rs. '000

31st March

	Banking		Leasing & HP		Treasury		Pawning		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Interest income	1,183,081	807,964	166,747	162,416	89,608	152,641	35,931	38,943	1,475,367	1,161,964
Interest expenses	(493,114)	(394,111)	(57,618)	(70,413)	(95,188)	(144,270)	(14,905)	(33,991)	(660,825)	(642,786)
Net interest income	689,967	413,853	109,129	92,003	(5,579)	8,371	21,025	4,952	814,541	519,179
Fee and commission income	62,696	39,113	4,382	4,648	-	-	-	-	67,078	43,761
Fee and commission expenses	(739)	(961)	-	-	-	-	-	-	(739)	(961)
Net fee and commission income	61,957	38,151	4,382	4,648	-	-	-	-	66,339	42,799
Net gain/loss from financial instruments at fair value through profit or loss	-	-	-	-	40	14,368	-	-	40	14,368
Other operating income (net)	21,932	17,061	-	-	1,244	191	-	-	23,177	17,252
Total operating income	773,857	469,065	113,510	96,651	(4,295)	22,930	21,025	4,952	904,097	593,598
Impairment for loans and other losses	(60,434)	(94,387)	(18,362)	(6,027)	-	-	(639)	(5,887)	(79,435)	(106,301)
Net operating income - Segment Result	713,423	374,678	95,148	90,624	(4,295)	22,930	20,386	(935)	824,661	487,298
Un-allocated Expenses									(433,632)	(378,249)
Value added tax (VAT) on financial services									(75,257)	(24,032)
Profit before tax									315,772	85,017
Tax expenses									(110,320)	(28,056)
Profit for the year									205,451	56,961
Other Comprehensive Income										
Other Comprehensive Income for the year net of tax									(5,500)	4,378
Total Comprehensive Income for the year									199,951	61,340
Segment Assets	32,858,032	18,249,775	3,839,329	3,260,565	6,342,704	6,680,576	993,199	1,574,008	44,033,263	29,764,923
Un allocated assets	-	-	-	-	-	-	-	-	2,334,292	1,762,075
Total Assets	32,858,032	18,249,775	3,839,329	3,260,565	6,342,704	6,680,576	993,199	1,574,008	46,367,556	31,526,999
Segment Liabilities	30,970,825	17,220,017	3,618,816	3,076,585	5,978,409	6,303,619	936,154	1,485,194	41,504,205	28,085,414
Total Equity	-	-	-	-	-	-	-	-	4,863,351	3,441,586
Total Equity & Liabilities	30,970,825	17,220,017	3,618,816	3,076,585	5,978,409	6,303,619	936,154	1,485,194	46,367,556	31,526,999

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

as at 31.03.2015

Rs' 000

As at 31 st December 2014	Fair value through Profit or Loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
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
Total financial assets	-	298,545	29,734	39,109,585	39,437,864
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	30,249,434	30,249,434
Other borrowings	-	-	-	4,602,233	4,602,233
Total financial liabilities	-	-	-	34,851,667	34,851,667

As at 31 st March 2015	Fair value through Profit or Loss	HTM	AFS	Amortised cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	-	-	-	1,013,085	1,013,085
Placements with banks	-	-	-	1,375,515	1,375,515
Other financial assets at fair value through profit or loss	-	-	-	-	-
Financial investments - Available-for-sale	-	-	30,979	-	30,979
Financial investments - Held-to-maturity	-	2,265,361	-	-	2,265,361
Loans and receivables to other customers	-	-	-	37,690,560	37,690,560
Other Financial Asset Classified under Loans and receivable	-	-	-	2,670,849	2,670,849
Total financial assets	-	2,265,361	30,979	42,750,010	45,046,348
FINANCIAL LIABILITIES					
Due to other customers	-	-	-	35,167,412	35,167,412
Other borrowings	-	-	-	5,144,346	5,144,346
Total financial liabilities	-	-	-	40,311,758	40,311,758

SANASA DEVELOPMENT BANK PLC
Selected Performance Indicators

Item	As at 31.03.2015	As at 31.12.2014 (Audited)
Regulatory Capital Adequacy		
Core Capital (Tier I Capital), Rs. Mn	4,621	4,613
Total Capital Base , Rs. Mn	4,787	4,751
Risk Weighted assets, Rs. Mn	34,328	30,988
Core Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 5%)	13.46%	14.89%
Total Capital Adequacy Ratio (As a % of Risk weighted assets - Minimum Requirement - 10%)	13.94%	15.33%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio, (net of Interest in Suspense)	3.48%	3.76%
Net Non-performing Advances Ratio, (net of Interest in Suspense & Provisions)	1.61%	1.73%
Profitability		
Interest Margin, %	7.50%	6.97%
Return on Assets (Before Taxes), %	2.91%	2.14%
Return on Equity(After Taxes) , %	16.73%	12.01%
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	22.49%	21.61%

Share Information	31.03.2015
Market value per share (Rs.)	117.50
Highest price per share for the period (Rs.)	124.80
Lowest price per share for the period (Rs.)	91.00

SHAREHOLDERS' INFORMATION

Twenty Largest Shareholders as at 31.03.2015

Name of The Shareholder	Number of Shares	%
Seylan Bank PLC /Thirugnanasambandar Senthilverl	4,453,047	11.79%
People s Leasing & Finance PLC	1,750,000	4.63%
Dr. T. Senthilverl	1,210,419	3.21%
Seemasahitha Sanasa Rakshana Samagama (General)	1,171,630	3.10%
Dr. S.Yaddehige	1,150,000	3.05%
CB NY S/A International Finance Corporation	900,000	2.38%
Kegalle Sanasa Share Holders Trust Company Limited	831,647	2.20%
Seemasahitha Sanasa Rakshana Samagama (Life)	761,095	2.02%
Etimos Lanka (Pvt) Limited	590,229	1.56%
Sanasa Federation Limited	537,953	1.42%
Warakapola Sanasa Share Holders Trust Company Limited	439,344	1.16%
Deutsche Bank AG AS Trustee to Astrue Alpha Fund	435,768	1.15%
Gampaha DTCCS Union Ltd	417,396	1.11%
Polgahawela Sanasa Share Holders Trust Company Limited	323,504	0.86%
Hambanthota DTCCS Union Ltd	321,131	0.85%
Polgahawela Sanasa Societies Union Ltd	270,750	0.72%
Polpithigama Sanasa Societies Union Ltd	241,061	0.64%
Kamburupitiya Sanasa Share Holders Trust Company Limited	228,970	0.61%
Wennappuwa Sanasa Share Holding Trust Company Limited	223,660	0.59%
Baddegama Sanasa Share Holders Trust Company Ltd	215,867	0.57%
Sub Total	16,473,471	43.62%
Other shareholder	21,289,512	56.38%
Total	37,762,983	100.00%

Percentage of public holding as at 31.03.2015 **99.99%**
 (Total No. of Shares 37,762,983)
Number of Share Holders **42,894**

Directors' Shareholding as at 31.03.2015

Name of Director	No. of Shares
Ms. M.S. Kiriwadeniya	4,838
Mr. J.Rathnayake	1,550
Mr. T.Karunasena	-
Mr. A.D.Walisinghe	-
Mr. D.P.Kumarage	-
Mr. H.M.G.B.Herath	-
Mr. L.Abeysekere	-
Mr. T.Rajapaksha	-
Mr. W.M.M.D.Ratnayake	-