

# **Interim Report**

**September 2018**



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

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30.09.2018**

**RS '000**

	<b>Bank</b>		
	<b>As at 30.09.2018</b>	<b>As at 31.12.2017</b> <b>Audited</b>	<b>Change</b>
<b>Assets</b>			
Cash and cash equivalents	1,829,056	1,190,390	54%
Placements with banks	8,377,340	6,014,704	39%
Financial assets fair value through profit or loss	2,096,845	4,473,806	-53%
Other financial assets classified under loans and receivable	2,379,375	1,479,950	61%
Loans and receivables to other customers	75,857,382	66,687,416	14%
Financial investments - available-for-sale	63,536	63,536	0%
Financial investments - held-to-maturity	552,521	599,551	-8%
Asset held for sale	-	37,175	-100%
Property, plant and equipment	715,091	726,472	-2%
Investment properties	22,599	23,391	-3%
Intangible assets	4,833	8,148	-41%
Other assets	1,415,193	1,070,175	32%
<b>Total assets</b>	<b>93,313,772</b>	<b>82,374,713</b>	<b>13%</b>
<b>Liabilities</b>			
Due to other customers	65,632,148	59,904,734	10%
Other borrowings	13,673,009	8,827,610	55%
Debt securities issued	4,099,274	4,189,812	-2%
Subordinated debt	1,056,793	1,004,355	5%
Current tax liabilities	61,916	32,153	93%
Deferred tax liabilities	58,000	58,000	0%
Other liabilities	1,281,572	1,026,889	25%
<b>Total liabilities</b>	<b>85,862,712</b>	<b>75,043,553</b>	<b>14%</b>
<b>Equity</b>			
Stated capital/assigned capital	5,921,538	5,758,689	3%
Statutory reserve fund	197,764	197,764	0%
Retained earnings	1,297,554	1,340,504	-3%
Other reserves	34,203	34,203	0%
<b>Total equity</b>	<b>7,451,059</b>	<b>7,331,160</b>	<b>2%</b>
<b>Total equity and liabilities</b>	<b>93,313,772</b>	<b>82,374,713</b>	<b>13%</b>
<b>Contingent liabilities and commitments</b>	<b>178,234</b>	<b>166,260</b>	<b>7%</b>
<b>Net asset value per share (Rs.)</b>	<b>132</b>	<b>134</b>	<b>-1%</b>
<b>Memorandum information</b>			
Number of employees	1,491	1,363	9%
Number of branches	94	91	3%

**Certification:**

We, the undersigned, being the Directors, General Manager/CEO and the Chief Financial 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; and  
( b ) the information contained in these statements have been extracted from the unaudited financial statements of the Bank, unless indicated as audited.

*Sgd*  
Terrance Kumara  
Chief Financial Officer

*Sgd*  
Nimal C. Hapuarachchi  
General Manager/ CEO

*Sgd*  
Lakshman Abeysekera  
Senior Director  
13.11.2018  
Colombo

*Sgd*  
Chaaminda Kumarasiri  
Director

SANASA DEVELOPMENT BANK PLC  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30.09.2018

RS '000

	Bank					
	For the 9 months ended		Change	For the quarter ended		Change
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
Interest income	9,587,990	7,975,657	20%	3,400,111	2,856,197	19%
Interest expenses	(6,163,642)	(5,007,866)	23%	(2,141,001)	(1,850,438)	16%
<b>Net interest income</b>	<b>3,424,348</b>	<b>2,967,792</b>	<b>15%</b>	<b>1,259,109</b>	<b>1,005,759</b>	<b>25%</b>
Fee and commission income	192,589	201,231	-4%	71,881	66,956	7%
Fee and commission expenses	(3,023)	(3,878)	-22%	(1,752)	(1,487)	18%
<b>Net fee and commission income</b>	<b>189,566</b>	<b>197,354</b>	<b>-4%</b>	<b>70,128</b>	<b>65,469</b>	<b>7%</b>
Net gain/(loss) from financial instruments at fair value through profit or loss	245,347	15,357	1498%	48,200	7,736	523%
Other operating income (net)	23,785	29,029	-18%	5,476	7,680	-29%
<b>Total operating income</b>	<b>3,883,046</b>	<b>3,209,531</b>	<b>21%</b>	<b>1,382,914</b>	<b>1,086,644</b>	<b>27%</b>
<b>Impairment for loans and other losses</b>	<b>404,382</b>	<b>219,353</b>	<b>84%</b>	<b>118,216</b>	<b>65,194</b>	<b>81%</b>
Significant impairment	69,697	(12,513)	657%	25,326	7,684	230%
Collective impairment	334,685	231,866	44%	92,890	57,510	62%
<b>Net operating income</b>	<b>3,478,664</b>	<b>2,990,179</b>	<b>16%</b>	<b>1,264,698</b>	<b>1,021,450</b>	<b>24%</b>
Personnel expenses	1,340,302	1,095,396	22%	470,076	364,486	29%
Depreciation	166,925	140,082	19%	57,542	47,440	21%
Other expenses	1,146,680	957,266	20%	433,566	324,116	34%
<b>Operating profit/(loss) before value added tax (VAT)</b>	<b>824,756</b>	<b>797,435</b>	<b>3%</b>	<b>303,514</b>	<b>285,408</b>	<b>6%</b>
Value added tax (VAT) on financial services & NBT	(279,100)	(271,125)	3%	(130,378)	(94,005)	39%
<b>Operating profit/(loss) after value added tax (VAT)</b>	<b>545,655</b>	<b>526,310</b>	<b>4%</b>	<b>173,137</b>	<b>191,403</b>	<b>-10%</b>
<b>Profit/(loss) before tax</b>	<b>545,655</b>	<b>526,310</b>	<b>4%</b>	<b>173,137</b>	<b>191,403</b>	<b>-10%</b>
Tax expenses	(217,932)	(195,192)	12%	(71,984)	(59,760)	20%
<b>Profit/(loss) for the period</b>	<b>327,724</b>	<b>331,117</b>	<b>-1%</b>	<b>101,153</b>	<b>131,643</b>	<b>-23%</b>
<b>Other comprehensive income</b>						
Actuarial gains/(losses) on defined benefit plans	(42,000)	(18,000)	133%	(18,000)	(6,000)	200%
<b>Other comprehensive income for the period net of tax</b>	<b>(42,000)</b>	<b>(18,000)</b>	<b>133%</b>	<b>(18,000)</b>	<b>(6,000)</b>	<b>200%</b>
<b>Total comprehensive income for the period</b>	<b>285,724</b>	<b>313,117</b>	<b>-9%</b>	<b>83,153</b>	<b>125,643</b>	<b>-34%</b>
Total comprehensive income attributable to:						
Owners of parent	285,724	313,117	-9%	83,153	125,643	-34%
Non-controlling interests						
<b>Total comprehensive income for the period</b>	<b>285,724</b>	<b>313,117</b>	<b>-9%</b>	<b>83,153</b>	<b>125,643</b>	<b>-34%</b>

<b>Basic earnings per ordinary share Rs.</b>	<b>5.89</b>	<b>6.80</b>	<b>-13%</b>	<b>1.82</b>	<b>2.70</b>	<b>-33%</b>
<b>Diluted earnings per ordinary share Rs.</b>	<b>5.72</b>	<b>6.62</b>	<b>-14%</b>	<b>1.76</b>	<b>2.63</b>	<b>-33%</b>

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 2017.

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30.09.2018**

RS '000

	Bank	
	01.01.2018 to 30.09.2018	01.01.2017 to 30.09.2017
<b>Cash flows from / (used in) operating activities</b>		
Interest received	9,432,870	7,860,556
Fee and commission received	187,503	177,583
Receipts from other operating activities	(161,298)	173,449
Interest payment	(6,247,602)	(4,652,955)
Cash payment to employees	(1,340,058)	(1,113,396)
Payments to suppliers and other operating activities	(1,118,113)	(1,565,782)
Fee and commission expenses	(3,023)	(3,878)
<b>Operating profit before changes in operating assets</b>	<b>750,280</b>	<b>875,577</b>
(Increase)/decrease in operating assets		
Funds advanced to customers	(9,574,349)	(10,498,034)
Other short term securities	1,797,296	5,710,580
Increase/(decrease) in operating liabilities		
Deposits from customers	5,727,414	11,006,038
<b>Net cash from operating activities before income tax</b>	<b>(1,299,359)</b>	<b>7,094,162</b>
Tax paid	(188,168)	(190,041)
<b>Net cash from operating activities</b>	<b>(1,487,527)</b>	<b>6,904,121</b>
Cash flows from / (used in) investing activities		
Dividend received	270	223
(Increase)/ decrease in non dealing securities	-	(3,091,443)
(Increase)/ decrease in dealing securities	2,622,307	84,691
(Increase)/ decrease in treasury bonds and other investments	47,030	(417,659)
Proceeds from sale of property, plant and equipment	4,047	6,295
Purchase of property, plant and equipment	(118,308)	(169,529)
<b>Net cash from/ (used in) investing activities</b>	<b>2,555,347</b>	<b>(3,587,422)</b>
Cash flows from (used in) financing activities		
Proceeds from issuance/allotment of shares	-	1,461,340
Net Increase/(decrease) in borrowing	4,807,299	663,895
Funds Received/(utilized) during the period	(11,270)	(23,943)
Dividend paid	(165,824)	(159,360)
<b>Net cash flow from/ (used in) financing activities</b>	<b>4,630,205</b>	<b>1,941,931</b>
Net increase/ (decrease) in cash and cash equivalents	5,698,024	5,258,630
Cash and cash equivalent at the beginning of the year	6,586,896	1,044,725
<b>Cash and cash equivalents at the end of the period</b>	<b>12,284,920</b>	<b>6,303,356</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	1,829,056	1,136,811
Repurchase agreement	2,205,864	776,298
Fixed deposits less than 3 months	8,250,000	4,390,247
	<b>12,284,920</b>	<b>6,303,356</b>

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30.09.2018**

<b>Bank</b>						<b>Rs '000</b>
	Stated Capital / Assigned Capital	Reserves				Total Equity
	Ordinary Voting Shares	Statutory Reserve Fund	Retained Earnings	Available For Sale Reserve	General Reserves	
<b>For the Period ended 30.09.2017</b>						
<b>Balance as at 01.01.2017 (Opening balance)</b>	4,062,962	172,373	1,249,742	(12,454)	46,657	5,519,280
<b>Total comprehensive income for the period</b>						
Profit/(loss) for the period	-	-	331,117	-	-	331,117
Other comprehensive income (net of tax)	-	-	(18,000)	-	-	(18,000)
<b>Total comprehensive income for the period</b>	-	-	<b>313,117</b>	-	-	<b>313,117</b>
<b>Transactions with equity holders, recognized directly in equity</b>						
Share issue	1,461,340	-	-	-	-	1,461,340
Cash dividend for 2016	-	-	(131,249)	-	-	(131,249)
Scrip dividend for 2016	234,387	-	(262,499)	-	-	(28,111)
<b>Total transactions with equity holders</b>	<b>1,695,727</b>	-	<b>(393,748)</b>	-	-	<b>1,301,980</b>
<b>Balance as at 30.09.2017 (Closing balance)</b>	<b>5,758,689</b>	<b>172,373</b>	<b>1,169,112</b>	<b>(12,454)</b>	<b>46,657</b>	<b>7,134,377</b>

**For the period ended 30.09.2018**

<b>Balance as at 01.01.2018 (Opening balance)</b>	5,758,689	197,764	1,340,504	(12,454)	46,657	7,331,160
<b>Total comprehensive income for the period</b>						
Profit/(loss) for the period	-	-	327,724	-	-	327,724
Other comprehensive income (net of tax)	-	-	(42,000)	-	-	(42,000)
<b>Total comprehensive income for the period</b>	-	-	<b>285,724</b>	-	-	<b>285,724</b>
<b>Transactions with equity holders, recognized directly in equity</b>						
Cash dividend for 2017	-	-	(136,947)	-	-	(136,947)
Scrip dividend for 2017	162,849	-	(191,726)	-	-	(28,877)
<b>Total transactions with equity holders</b>	<b>162,849</b>	-	<b>(328,673)</b>	-	-	<b>(165,824)</b>
<b>Balance as at 30.09.2018 (Closing balance)</b>	<b>5,921,538</b>	<b>197,764</b>	<b>1,297,554</b>	<b>(12,454)</b>	<b>46,657</b>	<b>7,451,059</b>

**SANASA DEVELOPMENT BANK PLC**  
**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**  
**AS AT 30.09.2018**

<b>Bank</b>					<b>Rs' 000</b>
<b>As at 31<sup>st</sup> December 2017</b>	<b>Fair value through Profit or Loss</b>	<b>HTM</b>	<b>AFS</b>	<b>Amortized cost</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	-	-	-	1,190,390	1,190,390
Placements with banks	-	-	-	6,014,704	6,014,704
Other financial assets at fair value through profit or loss	4,473,805	-	-	-	4,473,805
Financial investments - available-for-sale	-	-	63,536	-	63,536
Financial investments - held-to-maturity	-	599,551	-	-	599,551
Loans and receivables to other customers	-	-	-	66,687,415	66,687,415
Other financial asset classified under loans and receivable	-	-	-	1,479,950	1,479,950
<b>Total financial assets</b>	<b>4,473,805</b>	<b>599,551</b>	<b>63,536</b>	<b>75,372,459</b>	<b>80,509,351</b>
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	59,904,734	59,904,734
Other borrowings	-	-	-	8,827,610	8,827,610
Debt securities issued	-	-	-	4,189,812	4,189,812
Subordinated term debts	-	-	-	1,004,355	1,004,355
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,926,511</b>	<b>73,926,511</b>
<b>As at 30<sup>th</sup> September 2018</b>					
	<b>Fair value through Profit or Loss</b>	<b>HTM</b>	<b>AFS</b>	<b>Amortized cost</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	-	-	-	1,829,056	1,829,056
Placements with banks	-	-	-	8,377,340	8,377,340
Other financial assets at fair value through profit or loss	2,096,845	-	-	-	2,096,845
Financial investments - available-for-sale	-	-	63,536	-	63,536
Financial investments - held-to-maturity	-	552,521	-	-	552,521
Loans and receivables to other customers	-	-	-	75,857,382	75,857,382
Other financial asset classified under loans and receivable	-	-	-	2,379,375	2,379,375
<b>Total financial assets</b>	<b>2,096,845</b>	<b>552,521</b>	<b>63,536</b>	<b>88,443,154</b>	<b>91,156,056</b>
<b>FINANCIAL LIABILITIES</b>					
Due to other customers	-	-	-	65,632,148	65,632,148
Other borrowings	-	-	-	13,673,009	13,673,009
Debt securities issued	-	-	-	4,099,274	4,099,274
Subordinated debt	-	-	-	1,056,793	1,056,793
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,461,224</b>	<b>84,461,224</b>

## SANASA DEVELOPMENT BANK PLC

## SEGMENT REPORTING

FOR THE PERIOD ENDED 30.09.2018

Bank	Rs '000									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>For the period ended 30th September</b>										
Interest income	7,836,350	6,749,157	584,720	523,503	1,043,911	619,931	123,009	83,066	9,587,990	7,975,657
Interest expenses	(4,814,565)	(4,192,091)	(336,777)	(198,482)	(929,415)	(584,914)	(82,885)	(32,378)	(6,163,642)	(5,007,866)
<b>Net interest income</b>	<b>3,021,785</b>	<b>2,557,067</b>	<b>247,944</b>	<b>325,020</b>	<b>114,495</b>	<b>35,017</b>	<b>40,124</b>	<b>50,688</b>	<b>3,424,348</b>	<b>2,967,792</b>
Fee and commission income	168,321	195,427	24,268	5,804	-	-	-	-	192,589	201,231
Fee and commission expenses	(2,826)	(3,878)	(198)	-	-	-	-	-	(3,023)	(3,878)
<b>Net fee and commission income</b>	<b>165,495</b>	<b>191,549</b>	<b>24,071</b>	<b>5,804</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,566</b>	<b>197,354</b>
Net gain/loss from financial instruments at fair value through profit or loss	-	-	-	-	245,347	15,357	-	-	245,347	15,357
Other operating income (net)	23,515	22,511	-	-	270	6,518	-	-	23,785	29,029
<b>Total operating income</b>	<b>3,210,795</b>	<b>2,771,127</b>	<b>272,014</b>	<b>330,825</b>	<b>360,112</b>	<b>56,892</b>	<b>40,124</b>	<b>50,688</b>	<b>3,883,046</b>	<b>3,209,531</b>
Impairment for loans and other losses	(362,847)	(214,705)	(30,529)	5,540	-	-	(11,006)	(10,188)	(404,382)	(219,353)
<b>Net operating income</b>	<b>2,847,948</b>	<b>2,556,422</b>	<b>241,486</b>	<b>336,364</b>	<b>360,112</b>	<b>56,892</b>	<b>29,117</b>	<b>40,500</b>	<b>3,478,664</b>	<b>2,990,179</b>
Depreciation and amortization	(153,467)	(129,078)	(10,735)	(9,377)	(81)	(98)	(2,642)	(1,530)	(166,925)	(140,082)
<b>Segment Result</b>	<b>2,694,481</b>	<b>2,427,345</b>	<b>230,751</b>	<b>326,987</b>	<b>360,032</b>	<b>56,794</b>	<b>26,475</b>	<b>38,971</b>	<b>3,311,738</b>	<b>2,850,097</b>
Un-allocated expenses									(2,486,983)	(2,052,661)
Value added tax (VAT) on financial services									(279,100)	(271,125)
<b>Profit before tax</b>									<b>545,655</b>	<b>526,310</b>
Tax expenses									(217,932)	(195,192)
<b>Profit for the year</b>									<b>327,724</b>	<b>331,117</b>
<b>Other Comprehensive Income</b>										
Other Comprehensive Income for the year net of tax									(42,000)	(18,000)
<b>Total Comprehensive Income for the year</b>									<b>285,724</b>	<b>313,117</b>
<b>As at 30th September</b>										
<b>Segment Assets</b>	<b>69,775,410</b>	<b>58,931,585</b>	<b>4,880,760</b>	<b>4,281,236</b>	<b>13,469,618</b>	<b>12,616,521</b>	<b>1,201,213</b>	<b>698,399</b>	<b>89,327,000</b>	<b>76,527,741</b>
Un allocated assets	-	-	-	-	-	-	-	-	3,986,772	3,003,192
<b>Total Assets</b>	<b>69,775,410</b>	<b>58,931,585</b>	<b>4,880,760</b>	<b>4,281,236</b>	<b>13,469,618</b>	<b>12,616,521</b>	<b>1,201,213</b>	<b>698,399</b>	<b>93,313,772</b>	<b>79,530,933</b>
<b>Segment Liabilities</b>	<b>67,069,374</b>	<b>55,750,292</b>	<b>4,691,474</b>	<b>4,050,123</b>	<b>12,947,238</b>	<b>11,935,446</b>	<b>1,154,627</b>	<b>660,697</b>	<b>85,862,712</b>	<b>72,396,556</b>
Total Equity	-	-	-	-	-	-	-	-	7,451,059	7,134,377
<b>Total Equity &amp; Liabilities</b>	<b>67,069,374</b>	<b>55,750,292</b>	<b>4,691,474</b>	<b>4,050,123</b>	<b>12,947,238</b>	<b>11,935,446</b>	<b>1,154,627</b>	<b>660,697</b>	<b>93,313,772</b>	<b>79,530,933</b>
<b>For the period ended 30th September</b>										
Additions to non-current assets	108,822	156,320	7,612	11,356	-	-	1,873	1,853	118,308	169,529

**SANASA DEVELOPMENT BANK PLC**  
**LISTED DEBENTURE INFORMATION**  
**AS AT 30.09.2018**

**Types of debentures (Fixed)**

**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
A	Semi Annually	31-Dec-15	31-Dec-18	9.83	1,597,390	38,652	1,636,042
B	Semi Annually	31-Dec-15	31-Dec-20	10.25	402,610	10,148	412,758

**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
C	Semi Annually	31-Dec-15	31-Dec-18	10.15	1,438,050	35,884	1,473,934
D	Semi Annually	31-Dec-15	31-Dec-20	10.57	561,950	14,589	576,539
					<b>4,000,000</b>	<b>99,274</b>	<b>4,099,274</b>

**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.	4,000,000,000	In the ordinary course of business within the next 12 months from the date of allotment.	3,600,000,000 for loans and 400,000,000 for leasing	100	4,000,000,000	100



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

Item	Bank	
	As at 30.09.2018	As at 31.12.2017 Audited
<b>Regulatory Capital Adequacy</b>		
<b>Regulatory Capital (Rs. Mn)</b>		
Common Equity Tier 1	7,134	7,294
Tier 1 Capital	7,134	7,294
Total Capital	8,215	8,564
Risk Weighted Assets	66,320	58,718
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)	10.76	12.42
Tier 1 Capital Ratio (Minimum Requirement - 7.875%)	10.76	12.42
Total Capital Ratio (Minimum Requirement - 11.875%)	12.39	14.59
<b>Assets Quality ( Quality of Loan Portfolio )</b>		
Gross Non-performing Advances Ratio, % ( net of Interest in Suspense )	2.59	2.07
Net Non-performing Advances Ratio, % (net of Interest in Suspense & Provisions )	0.24	1.02
<b>Profitability</b>		
Interest Margin, %	5.53	5.57
Return on Assets ( Before Taxes ), %	0.83	1.01
Return on Equity(After Taxes) , %	5.91	7.90
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (Rs.'000)	13,526,330	11,829,936
Statutory Liquid Asset Ratio, % (Minimum Requirement, 20%)	21.32	21.34
Liquidity Coverage Ratio, % (Minimum Requirement - 2018- 90%, 2017 - 80%)	167.66	94.09
<b>Share Information</b>		
	<b>30.09.2018</b>	<b>30.09.2017</b>
Market value per share (Rs.)	71.70	97.00
Highest price per share for the period (Rs.)	93.50	110.00
Lowest price per share for the period (Rs.)	70.10	96.00
<b>Debenture Information</b>		
	<b>30.09.2018</b>	<b>31.12.2017</b>
Debt to Equity Ratio (Times)	11.34	10.08
Interest Cover (Times)	1.09	1.11
Quick Asset Ratio (Times)	0.70	0.63
<b>Interest Rate for Comparable Government Security (%)</b>		
Type A	11.03%	9.93
Type B	11.40%	10.25
Type C	11.03%	9.93
Type D	11.40%	10.25
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**  
**AS AT 30.09.2018**

**Twenty Largest Shareholders as at 30.09.2018**

No.	Name of The Shareholder	Number of Shares	%
1	Seylan Bank PLC /Dr. Thirugnanasambandar Senthilvel	6,918,707	12.2872%
2	Ayenka Holdings Private Limited	6,779,840	12.0406%
3	SBI FMO Emerging Asia Financial Sector Fund PTE. LTD	5,045,636	8.9607%
4	CB NY S/A International Finance Corporation	4,991,644	8.8649%
5	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	2,242,504	3.9825%
6	People's Leasing & Finance PLC	2,094,012	3.7188%
7	Seemasahitha SANASA Rakshana Samagama (General)	1,162,630	2.0648%
8	Kegalle SANASA Share Holders Trust Company Limited	1,039,330	1.8458%
9	Seemasahitha SANASA Rakshana Samagama (Life)	910,708	1.6174%
10	Sampath Bank PLC/ Dr. T.Senthilvel	871,885	1.5484%
11	Sanasa Federation Limited	720,024	1.2787%
12	Dr. T.Senthilvel	393,083	0.6981%
13	Polgahawela Sanasa Societies Union Ltd	387,314	0.6878%
14	Hambanthota DTCCS Union Ltd	384,257	0.6824%
15	Warakapola SANASA Share Holders Trust Company Limited	380,249	0.6753%
16	Kollonnawa SANASA Share Holders Trust Company Limited	257,370	0.4571%
17	Mr. D.P. Pieris	257,067	0.4565%
18	Polgahawela SANASA Share Holders Trust Company Limited	238,667	0.4239%
19	Sampath Bank PLC/ Mr. Arunasalam Sithampalam	226,830	0.4028%
20	Dr. S. Yaddehige	205,653	0.3652%
Sub total		35,507,410	63.06%
Shares held by other shareholders		20,800,842	36.94%
<b>Total</b>		<b>56,308,252</b>	<b>100.00%</b>

**Percentage of public holding as at 30.09.2018**

**99.87%**

( Total No. of Shares 56,308,252 )

**Number of public shareholders**

**37,810**

**Directors' Shareholding as at 30.09.2018**

No.	Name of Director	No. of Shares
1	Ms. M. S. Kiriwandeniya	5,785
2	Mr. L. Abeysekera	-
3	Prof. S. Amaratunge	-
4	Mr. P. Subasinghe	69,341
5	Mr. S. Lionel Thilakarathne	-
6	Mr. Arnoldus de. Vette	-
7	Mr. K. G. Wijerathne	117
8	Mr. Chaaminda Kumarasiri	-
9	Mr. Prasanna Premaratna	-

**SANASA DEVELOPMENT BANK PLC**  
**EXPLANATORY NOTES**

**SLFRS - 9**

The Sri Lanka Accounting Standard – SLFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 01st January 2018. However, CA Sri Lanka has granted the option, via the Statement of Alternative Treatment (SoAT) to prepare the interim financial statements continuing the application of LKAS 39 (Financial Instruments: Recognition and Measurement), with disclosures on impact to the Statement of Comprehensive Income for the period, if SLFRS 9 has been applied. As permitted by the above SoAT, the Bank prepared Interim Financial Statements based on LKAS 39, with disclosure on impact to the Statement of Comprehensive Income and Net Assets.

**Impact on Net Assets and Statement of Comprehensive Income**

With the transition from LKAS 39 incurred loss method to SLFRS 9 expected credit loss method, it is expected 25% - 30% increase in overall impairment provision. The increase in impairment provision under SLFRS 09, had it been effective as at 30th September 2018, would have reduced the Bank's net assets by approximately 2% - 3% and the Total Capital Adequacy ratio by 20 to 35 basis points. The Comprehensive Income for the period would be reduced by 6% to 8%.