

Interim Financial Statements

For the Period Ended 30th September 2021



SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the Nine months ended 30th September		Change	For the quarter ended 30th September		Change
	2021	2020		2021	2020	
Interest income	10,912,534	11,528,312	-5%	3,638,431	3,783,117	-4%
Interest expenses	(6,030,725)	(7,211,362)	-16%	(1,925,598)	(2,371,233)	-19%
Net interest income	4,881,809	4,316,950	13%	1,712,834	1,411,883	21%
Fee and commission income	312,700	275,728	13%	96,964	134,621	-28%
Fee and commission expenses	(8,034)	(9,950)	-19%	(1,761)	(6,857)	-74%
Net fee and commission income	304,665	265,779	15%	95,203	127,764	-25%
Net gains/(losses) from trading	2,756	5,437	-49%	2,050	307	568%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	176,409	189,413	-7%	50,787	58,803	-14%
Net other operating income	47,937	36,780	30%	31,918	29,175	9%
Total operating income	5,413,576	4,814,359	12%	1,892,791	1,627,932	16%
Impairment for loans and other losses	(454,926)	(361,626)	26%	(95,555)	113,109	184%
Net operating income	4,958,650	4,452,733	11%	1,797,236	1,741,041	3%
Personnel expenses	(1,879,494)	(1,711,242)	10%	(627,227)	(643,133)	-2%
Depreciation and amortization expenses	(332,041)	(320,098)	4%	(107,324)	(109,172)	-2%
Other expenses	(1,269,163)	(976,349)	30%	(497,085)	(368,145)	35%
Operating profit/ (loss) before VAT on financial services	1,477,952	1,445,044	2%	565,601	620,591	-9%
Value Added Tax (VAT) on financial services	(410,762)	(393,836)	4%	(144,290)	(155,998)	-8%
Operating profit/(loss) after VAT on financial services	1,067,190	1,051,208	2%	421,311	464,593	-9%
Profit/(loss) before tax	1,067,190	1,051,208	2%	421,311	464,593	-9%
Income tax expenses	(317,129)	(375,821)	-16%	(173,450)	(168,416)	3%
Profit/(loss) for the period	750,061	675,387	11%	247,861	296,177	-16%
Profit/(loss) attributable to:						
Equity holders of the parent	750,061	675,387	11%	247,861	296,177	-16%
Non-controlling interests	-	-	-	-	-	-
	750,061	675,387	11%	247,861	296,177	-16%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	7.45	11.77	-37%	2.46	5.16	-52%
Diluted earnings per ordinary share (Rs.)	7.45	11.77	-37%	2.46	5.16	-52%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the Nine months ended 30th September		Change	For the quarter ended 30th September		Change
	2021	2020		2021	2020	
Profit/(loss) for the period	750,061	675,387	11%	247,861	296,177	-16%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses) on defined benefit plans	-	(94,912)	-100%	-	(44,967)	-100%
Deferred tax relating to defined benefit plans	-	22,779	-100%	-	22,779	-100%
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	-	(72,133)	-100%	-	(22,188)	-100%
Total comprehensive income/(expenses) for the period	750,061	603,254	24%	247,861	273,989	-10%
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	750,061	603,254	24%	247,861	273,989	-10%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	750,061	603,254	24%	247,861	273,989	-10%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.09.2021	As at 31.12.2020 (Audited)	Change
Assets			
Cash and cash equivalents	7,004,555	9,640,916	-27%
Placements with banks	13,465,752	2,823,628	377%
Financial assets recognized through profit or loss - measured at fair value	4,729,551	4,600,458	3%
Financial assets at amortised cost			
- loans and advances	109,904,599	102,662,269	7%
- debt and other instruments	8,903,593	5,244,005	70%
Financial assets measured at fair value through other comprehensive income	56,939	56,939	-
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	880,826	661,695	33%
Right of use assets	592,464	689,646	-14%
Investment properties	19,431	20,223	-4%
Intangible assets	357,474	395,123	-10%
Deferred tax assets	276,027	231,673	19%
Other assets	2,732,191	2,026,987	35%
Total assets	148,929,565	129,059,724	15%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	96,302,271	93,271,727	3%
- due to other borrowers	32,869,730	18,090,500	82%
Debt securities issued	-	1,013,899	-100%
Subordinated debt	3,784,913	4,052,630	-7%
Retirement benefit obligations	625,472	571,382	9%
Current tax liabilities	272,606	274,215	-1%
Other liabilities	1,054,401	1,869,195	-44%
Total liabilities	134,909,393	119,143,548	13%
Equity			
Stated capital/assigned capital	11,287,765	7,727,941	46%
Statutory reserve fund	270,009	270,009	-
Retained earnings	2,434,792	1,890,621	29%
Other reserves	27,605	27,605	-
Total equity	14,020,172	9,916,176	41%
Total equity and liabilities	148,929,565	129,059,724	15%
Contingent liabilities and commitments	199,468	194,554	3%
Net asset value per share (Rs.)	87	108	-19%
Memorandum information			
Number of employees	1,440	1,486	-3%
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 Chairman, Director and Deputy 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
Lakshman Abeysekera
Chairman
12 November 2021
Colombo

Sgd
Chaaminda Kumarasiri
Director

Sgd
Niranjan Thangarajah
Deputy Chief Executive Officer

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY

In Rupees Thousands (Rs'000)	Bank					Total equity
	Stated capital / Assigned capital	Reserves				
		Ordinary voting shares	Statutory reserve fund	Retained earnings	Other reserves	
OCI reserve	General reserves					
For the period ended 30.09.2020						
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)	-	-	675,387	-	-	675,387
Other comprehensive income (net of tax)	-	-	(72,133)	-	-	(72,133)
Total comprehensive income/(expenses) for the period	-	-	603,254	-	-	603,254
Transfer to statutory reserve fund	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity						
Dividend to equity holders						
Scrip dividend - 2019	280,136	-	(280,136)	-	-	-
Cash dividend - 2019	-	-	(114,022)	-	-	(114,022)
Other	-	-	-	-	-	-
Total transactions with equity holders	280,136	-	(394,158)	-	-	(114,022)
Balance as at 30.09.2020 (Closing balance)	6,201,674	228,282	1,700,650	(19,052)	46,657	8,158,211
For the period ended 30.09.2021						
Balance as at 01.01.2021 (Opening balance)	7,727,941	270,009	1,890,621	(19,052)	46,657	9,916,176
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	750,061	-	-	750,061
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	-	-	750,061	-	-	750,061
Transfer to statutory reserve fund	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity						
Share issue	3,559,824	-	-	-	-	3,559,824
Dividend to equity holders						
Cash dividend - 2020	-	-	(206,046)	-	-	(206,046)
Other transaction	-	-	157	-	-	157
Total transactions with equity holders	3,559,824	-	(205,889)	-	-	3,353,935
Balance as at 30.09.2021 (Closing balance)	11,287,765	270,009	2,434,792	(19,052)	46,657	14,020,172

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 consisted of fair value adjustment made to unquoted equity investment.

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS

In Rupees Thousands (Rs'000)	Bank	
	01.01.2021 to 30.09.2021	01.01.2020 to 30.09.2020
Cash flows from / (used in) operating activities		
Interest received	10,714,327	10,408,844
Fee and commission received	318,371	252,223
Receipts from other operating activities and changes in other assets	(693,315)	(385,040)
Interest payment	(6,494,540)	(7,610,157)
Cash payment to employees	(2,037,387)	(1,787,913)
Payments on other operating activities and changes in other liabilities	(1,718,018)	(541,575)
Fee and commission expenses	(8,034)	(9,950)
VAT on financial services	(410,762)	(393,836)
Operating profit before changes in operating assets	(329,359)	(67,402)
(Increase)/decrease in operating assets		
Funds advanced to customers	(7,652,891)	(12,136,023)
Other short term securities	(377,667)	794,833
Increase/(decrease) in operating liabilities		
Deposits from customers	3,488,081	17,231,287
Net cash from operating activities before income tax	(4,871,837)	5,822,695
Income tax paid	(347,002)	(353,754)
Net cash from operating activities	(5,218,839)	5,468,940
Cash flows from / (used in) investing activities		
Dividend received	7,691	320
(Increase)/ decrease in dealing securities	50,072	(434,860)
(Increase)/ decrease in treasury bonds and other investments	(12,611,525)	(45,853)
Proceeds from sale of property, plant and equipment	524	128
Purchase of property, plant and equipment	(392,562)	(192,261)
Purchase of intangible assets	(16,917)	(153,653)
Net cash flow from acquisition of investment in subsidiary	-	(6,163)
Net cash from/ (used in) investing activities	(12,962,715)	(832,341)
Cash flows from (used in) financing activities		
Proceeds from issuance/allotment of shares	3,559,824	-
Dividend paid	(206,046)	(114,022)
Repayment of long term borrowing	(54,812,763)	(13,210,828)
Interest paid on subordinated debt	(231,285)	(269,396)
Increase/(decrease) in borrowing	68,547,941	11,497,274
Funds Received/(utilized) During the period	42	42
Net cash flow from/ (used in) financing activities	16,857,713	(2,096,930)
Net increase/ (decrease) in cash and cash equivalents	(1,323,842)	2,539,670
Cash and cash equivalent at the beginning of the period	12,525,900	10,914,679
Cash and cash equivalents at the end of the period	11,202,058	13,454,348
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	7,004,555	7,854,558
Repurchase agreement	502,271	3,748,620
Fixed deposits less than 3 months	3,695,233	1,851,170
	11,202,058	13,454,348

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th September 2021				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	7,004,555	-	-	7,004,555
Placements with banks	13,465,752	-	-	13,465,752
Financial assets recognized through profit or loss - measured at fair value	-	4,729,551	-	4,729,551
Financial assets at amortised cost				
- loans and advances	109,904,599	-	-	109,904,599
- debt and other instruments	8,903,593	-	-	8,903,593
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	139,278,499	4,729,551	56,939	144,064,988
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		96,302,271	-	96,302,271
- due to other borrowers		32,869,730	-	32,869,730
Subordinated debt		3,784,913	-	3,784,913
Total financial liabilities		132,956,915	-	132,956,915
Bank - As at 31st December 2020 (Audited)				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	9,640,916	-	-	9,640,916
Placements with banks	2,823,628	-	-	2,823,628
Financial assets recognized through profit or loss - measured at fair value	-	4,600,458	-	4,600,458
Financial assets at amortised cost				
- loans and advances	102,662,269	-	-	102,662,269
- debt and other instruments	5,244,005	-	-	5,244,005
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	120,370,818	4,600,458	56,939	125,028,215
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		93,271,727	-	93,271,727
- due to other borrowers		18,090,500	-	18,090,500
Debt securities issued		1,013,899	-	1,013,899
Subordinated debt		4,052,630	-	4,052,630
Total financial liabilities		116,428,756	-	116,428,756

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
FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

There are no material changes in the fair value of financial assets categorised under Level 3 compared to the values reported as at 31st December 2020. The Bank has not changed the valuation models and assumptions used to measure the fair values of Level 3 financial instruments during the period ended 30th September 2021.

Financial Assets & Liabilities Measured at Fair Value - Fair Value Hierarchy - In Rupees Thousands (Rs'000)

	As at 30 September 2021			Total LKR
	Level 1 LKR	Level 2 LKR	Level 3 LKR	
Financial assets fair value through profit or loss				
Sri Lanka Government securities- Treasury bills and bonds	-	203,639	-	203,639
Unit trusts	-	4,514,770	-	4,514,770
Quoted Equities	11,141	-	-	11,141
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	56,939	56,939
	11,141	4,718,410	56,939	4,786,489
	As at 31 December 2020 (Audited)			Total LKR
	Level 1 LKR	Level 2 LKR	Level 3 LKR	
Financial assets fair value through profit or loss				
Sri Lanka Government securities- Treasury bonds	-	7,629	-	7,629
Unit trusts	-	4,586,196	-	4,586,196
Quoted Equities	6,633	-	-	6,633
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	56,939	56,939
	6,633	4,593,825	56,939	4,657,396

SANASA DEVELOPMENT BANK PLC
FAIR VALUE DISCLOSURE OF FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities not carried at fair value - In Rupees Thousands (Rs'000)

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	Level	As at 30 September 2021	
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	7,004,555	7,004,555
Placements with banks	Note*	13,465,752	13,465,752
Financial assets at amortised cost			
- Loans and receivables to other customers	2	109,904,599	112,367,831
- Debt and other instruments	Note*	8,903,593	8,903,593
Total financial assets		139,278,499	141,741,730
Financial liabilities			
Due to other customers	2	96,302,271	96,938,393
Other borrowings	2	32,869,730	33,030,536
Debt securities issued	Note*	-	-
Subordinated term debts	Note*	3,784,913	3,784,913
Total financial liabilities		132,956,915	133,753,841
As at 31 December 2020 (Audited)			
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	9,640,916	9,640,916
Placements with banks	Note*	2,823,628	2,823,628
Financial assets at amortised cost			
- Loans and receivables to other customers	2	102,662,269	105,094,237
- Debt and other instruments	Note*	5,244,005	5,244,005
Total financial assets		120,370,818	122,802,787
Financial liabilities			
Due to other customers	2	93,271,727	87,925,864
Other borrowings	2	18,090,500	19,001,914
Debt securities issued	Note*	1,013,899	1,013,899
Subordinated term debts	Note*	4,052,630	4,052,630
Total financial liabilities		116,428,756	111,994,307

Note*

Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the Financial Statements:

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity (less than a year), it is assumed that the carrying amounts approximate their fair value. This assumption is applied for Cash and Cash equivalents, placements with Banks and debt and other instruments. This assumption is also applied to demand deposits and savings accounts without a specific maturity and maturities within 12 months.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing interest rates of the Bank.

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF LOANS AND ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands (Rs'000)	Bank	
	As at 30.09.2021	As at 31.12.2020 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	2,998,663	2,391,839
Cash margin	5,026,431	4,803,642
Staff loans	1,742,955	1,371,062
Lease rentals receivable	10,114,670	9,232,112
<i>Term loans</i>		
Business loans	2,832,286	2,370,290
SME loans	15,534,293	14,775,622
Co-operative loans	3,026,362	3,456,890
Housing loans	3,326,095	3,459,463
Fixed and floating personal loans	28,235,670	27,716,930
Upahara loans	26,591,574	24,418,811
Other personal loans	14,242,048	11,978,622
Total	113,671,046	105,975,283
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	199,468	194,554
Total	199,468	194,554
Total loans and advances, commitments and contingencies	113,870,514	106,169,837
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	113,870,514	106,169,837
Less: Accumulated impairment under stage 1	(823,536)	(662,090)
Accumulated impairment under stage 2	(224,837)	(154,079)
Accumulated impairment under stage 3	(2,718,074)	(2,496,846)
Net loans and advances, commitments and contingencies	110,104,067	102,856,822
Movement of impairment during the period		
Under Stage 1		
Opening balance	662,090	550,264
Charges / (Write back) to income statement	161,446	111,825
Other movements	-	-
Closing balance	823,536	662,090
Under Stage 2		
Opening balance	154,079	163,954
Charges / (Write back) to income statement	70,759	(9,875)
Other movements	-	-
Closing balance	224,837	154,079
Under Stage 3		
Opening balance	2,496,846	2,183,248
Charges / (Write back) to income statement	221,228	313,598
Write - off during the year	-	-
Other movements	-	-
Closing balance	2,718,074	2,496,846
Total impairment	3,766,447	3,313,015

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF DEPOSITS

In Rupees Thousands (Rs'000)	Bank	
	As at 30.09.2021	As at 31.12.2020 (Audited)
By product: Rs.		
Savings deposits	23,210,995	21,159,867
Fixed deposits	73,091,276	72,111,860
Total deposits	96,302,271	93,271,727

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank	In Rupees Thousands (Rs'000)									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2021	2020*	2021	2020	2021	2020*	2021	2020	2021	2020*
For the period ended 30th September										
Interest income	8,702,863	9,666,809	1,291,030	874,237	712,130	772,263	206,511	215,003	10,912,534	11,528,312
Add: Inter-segment interest income	659,022	773,552	-	-	2,207,138	1,921,256	-	-	2,866,159	2,694,808
Total interest income	9,361,885	10,440,361	1,291,030	874,237	2,919,268	2,693,519	206,511	215,003	13,778,693	14,223,120
Interest expenses	(3,989,353)	(4,541,496)	(384,345)	(519,211)	(1,534,482)	(2,012,893)	(122,545)	(137,762)	(6,030,725)	(7,211,362)
Add: Inter-segment interest expense	(2,207,138)	(1,921,256)	-	-	(659,022)	(773,552)	-	-	(2,866,159)	(2,694,808)
Net interest income	3,165,394	3,977,610	906,685	355,026	725,764	(92,926)	83,965	77,241	4,881,809	4,316,950
Fee and commission income	298,219	263,495	14,480	12,233	-	-	-	-	312,700	275,728
Fee and commission expenses	(7,328)	(9,118)	(706)	(832)	-	-	-	-	(8,034)	(9,950)
Net fee and commission income	290,891	254,378	13,774	11,401	-	-	-	-	304,665	265,779
Net gains/(losses) from trading	-	-	-	-	2,756	5,437	-	-	2,756	5,437
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	176,409	189,413	-	-	176,409	189,413
Other operating income (net)	40,246	36,460	-	-	7,691	320	-	-	47,937	36,780
Total operating income	3,496,530	4,268,447	920,459	366,427	912,621	102,244	83,965	77,241	5,413,576	4,814,359
Impairment for loans and other losses	(234,051)	(211,635)	(219,334)	(141,083)	(1,494)	(6,684)	(48)	(2,224)	(454,926)	(361,626)
Net operating income	3,262,479	4,056,813	701,126	225,344	911,127	95,559	83,917	75,017	4,958,650	4,452,733
Depreciation and amortization	(294,441)	(286,868)	(28,367)	(26,180)	(187)	(103)	(9,045)	(6,946)	(332,041)	(320,098)
Segment Result	2,968,038	3,769,944	672,759	199,164	910,940	95,456	74,873	68,070	4,626,609	4,132,635
Un-allocated expenses									(3,148,657)	(2,687,591)
Value Added Tax (VAT) on financial services									(410,762)	(393,836)
Profit before tax									1,067,190	1,051,208
Tax expenses									(317,129)	(375,821)
Profit for the period									750,061	675,387
Other comprehensive income										
Other comprehensive income for the period net of tax									-	(72,133)
Total comprehensive income for the period									750,061	603,254
As at 30th September										
Segment assets	97,514,348	88,442,269	9,394,793	8,071,467	34,160,389	21,061,458	2,995,458	2,141,599	144,064,988	119,716,793
Un allocated assets	-	-	-	-	-	-	-	-	4,864,577	3,919,066
Total assets	97,514,348	88,442,269	9,394,793	8,071,467	34,160,389	21,061,458	2,995,458	2,141,599	148,929,565	123,635,859
Segment liabilities	91,317,132	85,310,547	8,797,737	7,785,658	31,989,433	20,315,677	2,805,091	2,065,766	134,909,393	115,477,647
Total equity	-	-	-	-	-	-	-	-	14,020,172	8,158,211
Total equity & liabilities	91,317,132	85,310,547	8,797,737	7,785,658	31,989,433	20,315,677	2,805,091	2,065,766	148,929,565	123,635,859
For the period ended 30th September										
Additions to non-current assets	363,315	310,103	35,003	28,301	-	-	11,160	7,509	409,478	345,913

* Inter segment interest income and interest expense have been adjusted to net interest income in Treasury and Banking segments for the period ended 30th September 2021 and comparative figure in this Financial Statements is amended.

SANASA DEVELOPMENT BANK PLC
INFORMATION OF RIGHTS ISSUE AND SECONDARY PUBLIC OFFER OF ORDINARY VOTING SHARES

Rights Issue December 2020

Rights Issue/Secondary Public Offer	Date of allotment	No. of shares provisionally allotted	Consideration per share (LKR)	Final allotment	Amount raised	Proportion	Date issued/listed
				no. of shares	LKR		
Rights Issue	30 November 2020	30,525,344	50.00	30,525,344	1,526,267,200	1:2	04 December 2020

Utilization of funds raised through Rights issue in December 2020

Objective No.	Objective as per Circular	Amount allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilized in LKR	% utilization against allocation
1	To further strengthen the equity base of the Bank and thereby improve the Capital Adequacy	1,526,267,200	-	1,526,267,200	100	1,526,267,200	100
2	To part finance the growth in the loan portfolio of the Bank	1,526,267,200	Before the end of Second Quarter of Financial Year 2021	1,526,267,200	100	1,526,267,200	100

Secondary Public Offer (SPO) of Ordinary Shares in August 2021

Rights Issue/Secondary Public Offer	Consideration per share (LKR)	Final allotment (No. of shares)	Amount raised (LKR)	Date listed
SPO	51.50	69,122,800	3,559,824,200	25 August 2021

Utilization of funds raised through Secondary Public Offer (SPO) of Ordinary Shares in August 2021

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilized in LKR	% utilization against allocation
1	Further strengthen the Equity Base of the Bank and thereby improve Tier I Capital Adequacy requirements stipulated under Basel III guidelines of the Central Bank of Sri Lanka (CBSL).	4,532,000,000	Upon the allotment of new shares	3,559,824,200	100	3,559,824,200	100
2	Part finance the growth in the loan portfolio of the Bank.	4,532,000,000	Before the end of FY 2022 based on the anticipated demand for credit.	3,559,824,200	100	3,559,824,200	100

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

Item	Bank	
	As at 30.09.2021	As at 31.12.2020 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	12,852	9,295
Core (Tier 1) Capital	12,852	9,295
Total Capital Base	15,696	12,634
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2021-6.50%, 2020-6.50%)	12.41	9.85
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2021-8.00%, 2020-8.00%)	12.41	9.85
Total Capital Ratio (%) - (Minimum Requirement - 2021-12.00%, 2020- 12.00%)	15.15	13.38
Leverage Ratio (Minimum Requirement - 3%)	8.62	7.17
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	21,781	18,886
Statutory Liquid Asset Ratio (%) - (Minimum Requirement, 20%)	22.76	21.57
Total Stock of High-Quality Liquid Assets (LKR in Millions)	9,855	6,796
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2021-90%, 2020-90%)	182.86	125.21
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	130.82	127.33
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio (%) (net of interest in suspense)	4.78	4.54
Net Non-performing Advances Ratio (%) (net of interest in suspense and provision)	1.76	1.79
Impaired Loans (Stage 3) Ratio (%)	4.60	4.05
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	34.19	36.79
Profitability		
Interest Margin (%)	5.34	5.89
Return on Assets (before Taxes) (%)	1.02	1.19
Return on Equity (%)	8.36	9.51

Share Information	30.09.2021	30.09.2020
Market value per share (Rs.)	50.90	56.10
Highest price per share for the period (Rs.)	56.00	65.00
Lowest price per share for the period (Rs.)	49.80	50.70

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.09.2021			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	Iconic Property Twenty Three (Private) Limited	24,104,800	15.0000%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	17,609,503	10.9581%
3	Ayenka Holdings Private Limited	17,604,953	10.9552%
4	Belgian Investment Company for Developing Countries SA/NV	16,069,800	9.9999%
5	Seylan Bank PLC/Senthilverl Holdings (Pvt) Ltd	9,801,032	6.0990%
6	CB NY S/A International Finance Corporation	5,414,163	3.3691%
7	SANASA Life Insurance Company Ltd	4,628,426	2.8802%
8	Alliance Finance Company PLC	3,516,310	2.1881%
9	SBI Emerging Asia Financial Sector Fund PTE. LTD	2,885,618	1.7957%
10	Peoples Leasing & Finance PLC/L.P.Hapangama	2,627,722	1.6352%
11	People's Leasing & Finance PLC	2,271,260	1.4134%
12	Dr. T.Senthilverl	1,710,926	1.0647%
13	Bank of Ceylon A/C Ceybank Unit Trust	1,539,241	0.9578%
14	Phoenix Ventures Private Limited	1,509,200	0.9391%
15	Kegalle SANASA Shareholders Trust Company Limited	1,260,246	0.7842%
16	SANASA General Insurance Company Ltd	1,124,418	0.6997%
17	Polgahawela Sanasa Societies Union Ltd	1,014,098	0.6311%
18	Nikawaratiya Thrift and Credit Co-operative Society Union Limited	992,849	0.6178%
19	Bingiriya Multi Purpose Co-operative Society Ltd	970,900	0.6042%
20	DFCC Bank PLC/ J. N Lanka Holdings Company (Pvt) Ltd.	959,788	0.5973%
Sub total		117,615,253	73.1898%
Shares held by other shareholders		43,083,579	26.8102%
Total		160,698,832	100.0000%

Note -In compliance with the Section 7.6 (iii) of CSE Listing Rules, the bank has disclosed top 20 shareholders after amalgamating several CDS accounts in to one group belonging to the same shareholder in this financial statements.

As at 30.09.2021

Total number of shares	160,698,832
Number of shares in public holding	142,508,130
Number of public shareholders	39,016
Percentage of public holding	88.68%
Market capitalisation	8,179,570,549
Float adjusted market capitalisation	7,253,663,817
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 Chief Executive Officer's Shareholding as at 30.09.2021

No.	Name	No. of Shares
1	Mr. L. Abeysekera (Chairman)	-
2	Prof. S. Amaratunge	-
3	Mr. P. Subasinghe	112,815
4	Mr. S. Lionel Thilakarathne	-
5	Mr. Chaaminda Kumarasiri	-
6	Mr. Prasanna Premaratna	1,500
7	Mr. B.R.A. Bandara	11,000
8	Ms. Dinithi Ratnayake	-
9	Mr.J.A.L.G. Jayasinghe	2,038
10	Mr.Thusantha Wijemanna	-
11	Mr.S. H. Sarath Nandasiri	-
12	Mr. Thilak Piyadigama (Chief Executive Officer)	458,396

1 These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rule of 7.4 of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited Financial Statements of the Bank unless otherwise indicated as 'Audited'.

2 There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements for the year 2020 other than stated below:

After experiencing and evaluating the useful lives of the existing computer and digital equipment and the Bank's replacement cycle, the Bank changed its estimated useful lives of computer and Digital Equipment to 5 years with effect from June 2021 in line with *LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the change in this estimate has recognized prospectively. As per LKAS 8, Prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events and conditions from the date of the change in estimate.

3 There are no material changes in the composition of assets, liabilities, contingent liabilities and use of funds raised through issue of shares and debentures other than stated below:

Bank raised Rs. 3,559,824,200/- through Secondary Public Offer (SPO) of Ordinary Shares on 25th August 2021 and utilization of the funds is disclosed under the Rights Issue and Secondary Public Offer information. The funds raised through Secondary Public Offer were utilized for the objectives mentioned in the Prospectus.

Bank raised Rs. 1,526,267,200/- through Rights Issue on 4th December 2020 and utilization of the funds is disclosed under the Rights Issue information. The funds raised through rights issue were fully utilized for the objectives mentioned in the circular.

The debenture value presented as at 31st December 2020 was matured and fully paid off on 3rd January 2021. The total payment amount was Rs. 1,013,899,072/-.

4 The presentation and classification of previous period have been amended for better presentation and to be comparable with those of the current period.

5 No material events have been taken place subsequent to the reporting period that require disclosures or/ and adjustment in the Financial Statements.

6 Impact due to the COVID – 19

Pursuant to onset of the third wave of the pandemic in Sri Lanka, the Central Bank introduced a new moratorium scheme vide circular "No. 05 of 2021" to support the individuals and businesses affected by same and this was further extended vide circular "No. 08 of 2021". In addition, the moratoriums given to passenger transportation and tourism sectors were further extended. Among other concessions, this also included discontinuation of certain fees charged by banks during the moratorium period. The reliefs provided under the aforesaid moratorium schemes have negative impacts on the earnings and cash flows/liquidity positions of the Bank. However, the management is of the view that such negative impacts would not pose any additional stress on the Bank's ability to maintain its regulatory capital margins, which is currently well above the regulatory requirements. The Bank has increased its liquidity buffers on a prudent basis and maintains a strong excess liquidity position.

For the purpose of impairment calculations, the Bank continued to consider customers operating in risk elevated industries, which are identified as industries with a significant increase in credit risk, based on the independent assessments of the respective customers.

7 Investment in Subsidiary

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 is a fully-owned subsidiary of the Bank, that was acquired on 26th May 2020. It was engaged in the business of providing online payment solutions on the web and mobile platforms under the brand name "Upay". The subsidiary's assets, liabilities, equity, income, expenses and cash flows does not have a material effect on the consolidated financial statements of the Group. Therefore, the subsidiary has been deemed immaterial and has not been consolidated when preparing and presenting the financial statements of the Group.

8 Computation of Income Tax and Deferred Tax

The Bank accounted for current tax and deferred tax as at 30th September 2021 in accordance with the guideline issued by CA Sri Lanka on the "Application of Tax Rates in Measurement of Current Tax and Deferred Tax in LKAS 12" dated 23rd April 2021.

9 New Circulars issued by the Central Bank on the Classification, Recognition and Measurement of Financial Assets

The Central Bank issued two new circulars on Classification, Recognition and Measurement of Credit Facilities (Circular No.13 of 2021) and Classification, Recognition and Measurement of Financial Assets other than Credit Facilities (Circular No.14 of 2021) in Licensed Banks which shall be effective from 1 January 2022. However, the Central Bank has requested the Banks to publish, Impaired Loans (Stage 3) Ratio (%) and Impairment (Stage 3) to Stage 3 Loans Ratio (%) in terms of the Circular No. 02 of 2019 effective from 30 September 2021, which have been disclosed in these financial statements under Selected Performance Indicators.