

Interim Financial Statements

For the Period Ended 30th September 2020



SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the nine months ended		Change	For the quarter ended		Change
	30th September			ended		
	2020	2019		30th September		
	2020	2019		2020	2019	
Interest income	11,528,312	11,151,366	3%	3,783,117	3,800,252	0%
Interest expenses	(7,211,362)	(6,985,113)	3%	(2,371,233)	(2,375,955)	0%
Net interest income	4,316,950	4,166,252	4%	1,411,883	1,424,298	-1%
Fee and commission income	275,728	171,400	61%	134,621	75,465	78%
Fee and commission expenses	(9,950)	(4,216)	136%	(6,857)	(2,185)	214%
Net fee and commission income	265,779	167,184	59%	127,764	73,280	74%
Net gains/(losses) from trading	5,437	1,338	307%	307	346	-11%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	189,413	71,851	164%	58,803	27,848	111%
Net other operating income	36,780	74,038	-50%	29,175	1,609	1713%
Total operating income	4,814,359	4,480,663	7%	1,627,932	1,527,380	7%
Impairment for loans and other losses	(361,626)	(1,063,639)	-66%	113,109	(492,176)	-123%
Net operating income	4,452,733	3,417,024	30%	1,741,041	1,035,205	68%
Personnel expenses	(1,711,242)	(1,450,074)	18%	(643,133)	(530,565)	21%
Depreciation and amortization expenses	(320,098)	(190,090)	68%	(109,172)	(65,201)	67%
Other expenses	(976,349)	(1,119,285)	-13%	(368,145)	(401,612)	-8%
Operating profit/ (loss) before VAT, NBT and DRL on financial services	1,445,044	657,575	120%	620,591	37,827	1541%
Value Added Tax (VAT) on financial services	(393,836)	(247,160)	59%	(155,998)	(69,733)	124%
Nation Building Tax (NBT) on financial services	-	(36,586)	-100%	-	(10,742)	-100%
Debt repayment levy (DRL)	-	(144,244)	-100%	-	(40,258)	-100%
Operating profit/(loss) after VAT, NBT and DRL on financial services	1,051,208	229,585	358%	464,593	(82,907)	660%
Profit/(loss) before tax	1,051,208	229,585	358%	464,593	(82,907)	660%
Income tax expenses	(375,821)	(133,316)	182%	(168,416)	27,819	705%
Profit/(loss) for the period	675,387	96,269	602%	296,177	(55,088)	638%
Profit/(loss) attributable to:						
Equity holders of the parent	675,387	96,269	602%	296,177	(55,088)	638%
Non-controlling interests	-	-	-	-	-	-
	675,387	96,269	602%	296,177	(55,088)	638%
Earnings per share on profit						
Basic/Diluted earnings per ordinary share (Rs.)	11.77	1.71	589%	5.16	(0.98)	628%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the nine months ended		Change	For the quarter ended		Change
	30th September			ended		
	2020	2019		30th September	2019	
Profit/(loss) for the period	675,387	96,269	602%	296,177	(55,088)	638%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses)on defined benefit plans	(94,912)	(63,000)	51%	(44,967)	(21,000)	114%
Deferred tax relating to defined benefit plans	22,779	17,640	29%	22,779	17,640	29%
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)	(45,360)	59%	(22,188)	(3,360)	560%
Total comprehensive income/(expenses) for the period	603,254	50,909	1085%	273,989	(58,448)	569%
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	603,254	50,909	1085%	273,989	(58,448)	569%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	603,254	50,909	1085%	273,989	(58,448)	569%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.09.2020	As at 31.12.2019 (Audited)	Change
Assets			
Cash and cash equivalents	7,854,558	2,429,791	223%
Placements with banks	3,405,392	5,628,095	-39%
Financial assets recognized through profit or loss - measured at fair value	4,157,020	3,527,310	18%
Financial assets at amortised cost			
- loans and advances	98,655,335	85,823,335	15%
- debt and other instruments	5,587,549	6,998,925	-20%
Financial assets measured at fair value through other comprehensive income	56,939	56,939	-
Investment in subsidiary	6,163	-	100%
Property, plant and equipment	683,713	645,231	6%
Right of use assets	603,335	651,271	-7%
Investment properties	20,487	21,279	-4%
Intangible assets	428,910	308,445	39%
Deferred tax assets	222,994	232,482	-4%
Other assets	1,953,465	1,460,524	34%
Total assets	123,635,859	107,783,624	15%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	89,264,415	72,431,923	23%
- due to other borrowers	18,208,393	20,299,718	-10%
Debt securities issued	989,230	1,014,034	-2%
Subordinated debt	4,343,745	4,210,566	3%
Retirement benefit obligations	556,655	479,575	16%
Current tax liabilities	156,727	187,070	-16%
Other liabilities	1,958,483	1,491,759	31%
Total liabilities	115,477,647	100,114,645	15%
Equity			
Stated capital/assigned capital	6,201,674	5,921,538	5%
Statutory reserve fund	228,282	228,282	-
Retained earnings	1,700,650	1,491,554	14%
Other reserves	27,605	27,605	-
Total equity	8,158,211	7,668,979	6%
Total equity and liabilities	123,635,859	107,783,624	15%
Contingent liabilities and commitments	191,707	177,752	8%
Net asset value per share (Rs.)	134	136	-2%
Memorandum information			
Number of employees	1,489	1,475	1%
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, Directors and 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

Sgd
Chaaminda Kumarasiri
Director

Sgd
Thilak Piyadigama
Chief Executive Officer

16 October 2020
Colombo

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CHANGES IN EQUITY

Bank						
In Rupees Thousands (Rs'000)	Stated capital / Assigned capital	Reserves				Total equity
		Ordinary voting shares	Statutory reserve fund	Retained earnings	Other reserves	
	OCI reserve				General reserves	
For the period ended 30.09.2019						
Balance as at 01.01.2019 (Opening balance)	5,921,538	215,611	1,280,762	(15,842)	46,657	7,448,727
Total comprehensive income for the period						
Profit/(loss) for the period (net of tax)	-	-	96,269	-	-	96,269
Other comprehensive income (net of tax)	-	-	(45,360)	-	-	(45,360)
Total comprehensive income/(expenses) for the period	-	-	50,909	-	-	50,909
Transactions with equity holders, recognized directly in equity						
Other	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-
Balance as at 30.09.2019 (Closing balance)	5,921,538	215,611	1,331,671	(15,842)	46,657	7,499,636
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
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)
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

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	
	01.01.2020 to 30.09.2020	01.01.2019 to 30.09.2019
Cash flows from / (used in) operating activities		
Interest received	10,408,844	11,129,769
Fee and commission received	252,223	157,088
Changes in other operating assets	(385,040)	(288,579)
Interest payment	(7,610,157)	(7,319,686)
Cash payment to employees	(1,787,913)	(1,358,090)
Changes in other operating liabilities	(541,575)	(1,269,332)
Fee and commission expenses	(9,950)	(4,216)
VAT and NBT on financial services	(393,836)	(282,687)
Operating profit before changes in operating assets	(67,402)	764,267
(Increase)/decrease in operating assets		
Funds advanced to customers	(12,136,023)	(6,895,972)
Other short term securities	794,833	74,997
Increase/(decrease) in operating liabilities		
Deposits from customers	17,231,287	3,123,895
Net cash from operating activities before income tax	5,822,695	(2,932,813)
Income tax paid	(353,754)	(255,079)
Net cash from operating activities	5,468,940	(3,187,892)
Cash flows from / (used in) investing activities		
Dividend received	320	241
(Increase)/ decrease in dealing securities	(434,860)	(2,622,334)
(Increase)/ decrease in treasury bonds and other investments	(45,853)	(691,888)
Proceeds from sale of property, plant and equipment	128	11,937
Purchase of property, plant and equipment	(192,261)	(323,903)
Purchase of intangible assets	(153,653)	-
Net cash flow from acquisition of investment in subsidiary	(6,163)	-
Net cash from/ (used in) investing activities	(832,341)	(3,625,947)
Cash flows from (used in) financing activities		
Repayment of long term borrowing	(13,210,828)	(12,763,124)
Interest paid on subordinated debt	(269,396)	(67,794)
Increase/(decrease) in borrowing	11,497,274	14,433,539
Dividend paid	(114,022)	-
Funds received/(utilized) during the period	42	-
Net cash flow from/ (used in) financing activities	(2,096,930)	1,602,621
Net increase/ (decrease) in cash and cash equivalents	2,539,670	(5,211,218)
Cash and cash equivalent at the beginning of the period	10,914,679	16,615,902
Cash and cash equivalents at the end of the period	13,454,348	11,404,685
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	7,854,558	2,061,697
Repurchase agreement	3,748,620	3,900,212
Fixed deposits less than 3 months	1,851,170	5,442,776
	13,454,348	11,404,685

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th September 2020				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	7,854,558	-	-	7,854,558
Placements with banks	3,405,392	-	-	3,405,392
Financial assets recognized through profit or loss - measured at fair value	-	4,157,020	-	4,157,020
Financial assets at amortised cost				
- loans and advances	98,655,335	-	-	98,655,335
- debt and other instruments	5,587,549	-	-	5,587,549
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	115,502,834	4,157,020	56,939	119,716,793
In Rupees Thousands (Rs'000)	AC	FVPL	Total	
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		89,264,415	-	89,264,415
- due to other borrowers		18,208,393	-	18,208,393
Debt securities issued		989,230	-	989,230
Subordinated debt		4,343,745	-	4,343,745
Total financial liabilities		112,805,783	-	112,805,783
Bank - As at 31st December 2019 (Audited)				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,429,791	-	-	2,429,791
Placements with banks	5,628,095	-	-	5,628,095
Financial assets recognized through profit or loss - measured at fair value	-	3,527,310	-	3,527,310
Financial assets at amortised cost				
- loans and advances	85,823,335	-	-	85,823,335
- debt and other instruments	6,998,925	-	-	6,998,925
Financial assets measured at fair value through other comprehensive income	-	-	56,939	56,939
Total financial assets	100,880,145	3,527,310	56,939	104,464,394
In Rupees Thousands (Rs'000)	AC	FVPL	Total	
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		72,431,923	-	72,431,923
- due to other borrowers		20,299,718	-	20,299,718
Debt securities issued		1,014,034	-	1,014,034
Subordinated debt		4,210,566	-	4,210,566
Total financial liabilities		97,956,241	-	97,956,241

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
ANALYSIS OF LOANS AND ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

In Rupees Thousands (Rs'000)	Bank	
	As at 30.09.2020	As at 31.12.2019 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	2,150,027	1,712,172
Cash margin	4,885,953	5,443,354
Staff loans	1,350,955	1,280,346
Lease rentals receivable	8,560,562	6,790,318
<i>Term loans *</i>		
Business loans	2,382,371	13,255,022
SME loans	14,240,386	-
Co-operative loans	3,295,273	2,775,251
Housing loans	3,483,265	3,416,424
Fixed and floating personal loans	28,929,478	-
Upahara loans	22,045,039	-
Other personal loans	10,584,433	54,047,913
Total	101,907,743	88,720,801
<i>* Refer Explanatory Note</i>		
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	191,707	197,237
Total	191,707	197,237
Total loans and advances, commitments and contingencies	102,099,450	88,918,038
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	102,099,450	88,918,038
Less: Accumulated impairment under stage 1	(597,457)	(550,264)
Accumulated impairment under stage 2	(194,669)	(163,954)
Accumulated impairment under stage 3	(2,460,282)	(2,183,248)
Net loans and advances, commitments and contingencies	98,847,042	86,020,572
Movement of impairment during the period		
Under Stage 1		
Opening balance	550,264	318,278
Charges / (Write back) to income statement	47,192	231,986
Other movements	-	-
Closing balance	597,457	550,264
Under Stage 2		
Opening balance	163,954	269,805
Charges / (Write back) to income statement	30,715	(105,852)
Other movements	-	-
Closing balance	194,669	163,954
Under Stage 3		
Opening balance	2,183,248	1,387,355
Charges / (Write back) to income statement	277,035	795,893
Write - off during the year	-	-
Other movements	-	-
Closing balance	2,460,282	2,183,248
Total impairment	3,252,408	2,897,466
SANASA DEVELOPMENT BANK PLC		
ANALYSIS OF DEPOSITS		
In Rupees Thousands (Rs'000)	Bank	
	As at 30.09.2020	As at 31.12.2019 (Audited)
By product: Rs.		
Savings deposits	19,970,832	15,540,255
Fixed deposits	69,293,584	56,891,668
Total deposits	89,264,415	72,431,923

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank	In Rupees Thousands (Rs'000)									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
For the period ended 30th September										
Interest income	9,666,809	9,220,962	874,237	773,112	772,263	991,520	215,003	165,771	11,528,312	11,151,366
Interest expenses	(5,689,199)	(5,340,667)	(519,211)	(448,517)	(865,190)	(1,088,496)	(137,762)	(107,433)	(7,211,362)	(6,985,113)
Net interest income	3,977,610	3,880,295	355,026	324,595	(92,926)	(96,976)	77,241	58,338	4,316,950	4,166,252
Fee and commission income	263,495	149,196	12,233	22,204	-	-	-	-	275,728	171,400
Fee and commission expenses	(9,118)	(3,890)	(832)	(327)	-	-	-	-	(9,950)	(4,216)
Net fee and commission income	254,378	145,306	11,401	21,877	-	-	-	-	265,779	167,184
Net gains/(losses) from trading	-	-	-	-	5,437	1,338	-	-	5,437	1,338
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	189,413	71,851	-	-	189,413	71,851
Other operating income (net)	36,460	73,798	-	-	320	241	-	-	36,780	74,038
Total operating income	4,268,447	4,099,399	366,427	346,472	102,244	(23,547)	77,241	58,338	4,814,359	4,480,663
Impairment for loans and other losses	(211,635)	(904,219)	(141,083)	(161,542)	(6,684)	4,352	(2,224)	(2,231)	(361,626)	(1,063,639)
Net operating income	4,056,813	3,195,181	225,344	184,931	95,559	(19,195)	75,017	56,107	4,452,733	3,417,024
Depreciation and amortization	(286,868)	(172,091)	(26,180)	(14,452)	(103)	(85)	(6,946)	(3,462)	(320,098)	(190,090)
Segment Result	3,769,944	3,023,090	199,164	170,478	95,456	(19,280)	68,070	52,646	4,132,635	3,226,934
Un-allocated expenses									(2,687,591)	(2,569,359)
Value Added Tax (VAT) on financial services									(393,836)	(247,160)
Nation Building Tax (NBT) on financial services									-	(36,586)
Debt repayment levy (DRL)									-	(144,244)
Profit before tax									1,051,208	229,585
Tax expenses									(375,821)	(133,316)
Profit for the period									675,387	96,269
Other comprehensive income										
Other comprehensive income for the period net of tax									(72,133)	(45,360)
Total comprehensive income for the period									603,254	50,909
As at 30th September										
Segment assets	88,442,269	75,607,500	8,071,467	6,349,632	21,061,458	15,409,769	2,141,599	1,520,925	119,716,793	98,887,827
Un allocated assets	-	-	-	-	-	-	-	-	3,919,066	2,602,970
Total assets	88,442,269	75,607,500	8,071,467	6,349,632	21,061,458	15,409,769	2,141,599	1,520,925	123,635,859	101,490,796
Segment liabilities	85,310,547	71,863,615	7,785,658	6,035,215	20,315,677	14,646,718	2,065,766	1,445,612	115,477,647	93,991,161
Total equity	-	-	-	-	-	-	-	-	8,158,211	7,499,636
Total equity & liabilities	85,310,547	71,863,615	7,785,658	6,035,215	20,315,677	14,646,718	2,065,766	1,445,612	123,635,859	101,490,796
For the period ended 30th September										
Additions to non-current assets	310,103	293,364	28,301	24,637	-	-	7,509	5,901	345,913	323,903

SANASA DEVELOPMENT BANK PLC
LISTED DEBENTURE INFORMATION

Types of debentures (Fixed)							In Rupees Thousands (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
B	Semi Annually	31-Dec-15	31-Dec-20	10.25	402,610	10,120	412,730
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
D	Semi Annually	31-Dec-15	31-Dec-20	10.57	561,950	14,549	576,499
					964,560	24,670	989,230

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.	964,560,000	In the ordinary course of business within the next 12 months from the date of allotment.	868,104,000 for loans and 96,456,000 for leasing	100	964,560,000	100

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

Item	Bank	
	As at 30.09.2020	As at 31.12.2019 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	7,316	7,147
Core (Tier 1) Capital	7,316	7,147
Total Capital Base	10,810	11,209
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2020-6.50%, 2019-7.00%)	8.15	9.43
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2020-8.00%, 2019-8.50%)	8.15	9.43
Total Capital Ratio (%) - (Minimum Requirement - 2020-12.00%, 2019- 12.50%)	12.04	14.80
Leverage Ratio (Minimum Requirement - 3%)	5.89	6.61
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	17,687	14,831
Statutory Liquid Asset Ratio (%) - (Minimum Requirement, 20%)	21.71	21.74
Total Stock of High-Quality Liquid Assets (LKR in Millions)	5,706	5,822
Liquidity Coverage Ratio (%) - (Minimum Requirement - 100%)	105.87	123.77
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	128.13	130.09
Assets Quality (Quality of Loan Portfolio)		
Gross Non-performing Advances Ratio (%) (net of interest in suspense)	4.53	4.38
Net Non-performing Advances Ratio (%) (net of interest in suspense and provision)	1.78	1.87
Profitability		
Interest Margin (%)	5.79	5.88
Return on Assets (before Taxes) (%)	1.25	0.57
Return on Equity (%)	11.50	3.35
Share Information	30.09.2020	30.09.2019
Market value per share (Rs.)	56.10	61.10
Highest price per share for the period (Rs.)	65.00	74.00
Lowest price per share for the period (Rs.)	50.70	59.50
Debenture Information	30.09.2020	31.12.2019 (Audited)
Debt to Equity Ratio (Times)	13.83	12.77
Interest Cover (Times)	1.57	1.06
Quick Asset Ratio (Times)	0.50	0.59
Interest Rate for Comparable Government Security (%)		
Type B	6.69	9.72
Type D	6.69	9.72
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

Twenty Largest Shareholders as at 30.09.2020			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	Ayenka Holdings Private Limited	7,622,933	12.4862%
2	Seylan Bank PLC /Senthilverl Holdings (Pvt) Ltd	5,792,194	9.4875%
3	CB NY S/A International Finance Corporation	5,414,163	8.8683%
4	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	5,019,428	8.2217%
5	SBI Emerging Asia Financial Sector Fund PTE. LTD	2,885,618	4.7266%
6	People's Leasing & Finance PLC	2,271,260	3.7203%
7	Kegalle SANASA Shareholders Trust Company Limited	1,127,304	1.8465%
8	SANASA General Insurance Company Ltd	1,124,418	1.8418%
9	SANASA Life Insurance Company Ltd (LIFE)	987,795	1.6180%
10	Sampath Bank PLC/ Dr. T.Senthilverl	945,685	1.5490%
11	Sanasa Federation Limited	780,970	1.2792%
12	Polgahawela Sanasa Societies Union Ltd	420,098	0.6881%
13	Hambanthota DTCCS Union Ltd	416,782	0.6827%
14	Merchant Bank of Sri Lanka & Finance PLC/ Mr. S.M.D.N.P. Banda	300,000	0.4914%
15	Mr. D.P. Pieris	278,826	0.4567%
16	Kotikawatta Thrift and Credit Co-operative Society Limited	275,387	0.4511%
17	Mr. P.N.G.D Silva	262,142	0.4294%
18	Polgahawela SANASA Shareholders Trust Company Limited	261,221	0.4279%
19	Sampath Bank PLC/ Mr. Arunasalam Sithampalam	243,321	0.3986%
20	Dr. S. Yaddehige	223,060	0.3654%
Sub total		36,652,605	60.0364%
Shares held by other shareholders		24,398,083	39.9636%
Total		61,050,688	100.00%

As at 30.09.2020

Total number of shares	61,050,688
Number of shares in public holding	53,185,444
Number of public shareholders	38,249
Percentage of public holding	87.12%

Market capitalisation	3,424,943,597
Float adjusted market capitalisation	2,983,703,408
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 30.09.2020

No.	Name	No. of Shares
1	Mr. L. Abeysekera (Chairman)	-
2	Prof. S. Amaratunge	-
3	Mr. P. Subasinghe	75,210
4	Mr. S. Lionel Thilakarathne	-
5	Mr. K.G. Wijerathne	126
6	Mr. Chaaminda Kumarasiri	-
7	Mr. Prasanna Premaratna	-
8	Mr. B.R.A. Bandara	4,111
9	Ms. Dinithi Ratnayake	-
10	Mr. J.A.L.G. Jayasinghe	-
11	Mr. Thilak Piyadigama (Chief Executive Officer)	162,864

- 1 These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited Financial Statements of the Bank unless otherwise indicated as 'Audited'.
- 2 No circumstances have arisen since the Balance Sheet date, which require adjustment to or disclosure in the financial statements.
- 3 There are no changes to the accounting policies and methods of computation of the Financial Statements for the year ended 2019 unless explained in the explanatory notes.
- 4 The Bank prepared Interim Financial Statements for the period ended 30th September 2020 based on SLFRS 16. The comparative information for 2019 is reported under LKAS 17 and is not comparable to the information presented for 2020.
- 5 When preparing the financial statements the bank has followed the Guidelines to Licensed Banks on the Adoption of Sri Lanka Accounting Standard - SLFRS 9: Financial Instruments, issued by Central Bank of Sri Lanka.
- 6 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 was the operator of Upay digital solution App prior to purchase of this App by Sanasa Development Bank PLC on 10th June 2019. With this acquisition, Payment Services (Private) Limited has become a fully owned subsidiary of Sanasa Development Bank PLC, with effect from 26th May 2020. Since this investment is immaterial, Bank do not prepare consolidated Financial Statements.
- 7 **Impact due to the COVID – 19**
The outbreak and spread of Coronavirus ("COVID 19") has brought a material adverse impact to business and economic environments in which Banks operate. Taking its potential impact on economy, the government and the Central Bank of Sri Lanka enabled several relief measures for the affected businesses and individuals in the form of debt moratoriums, concessionary interest rates for selected lending products and waiving off certain charges and fees, etc. The Bank has strictly adhered to the guidelines and directions issued by both Government and Central Bank of Sri Lanka (CBSL) when conducting its business operations. However, the implementation of the above measures has negative impact towards the profitability, capital, liquidity and credit quality of the banking industry.
- 8 **Expected credit loss model validation**
The Bank estimated Expected Credit Loss (ECL) as at September 30, 2020, based on the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) computed as at September 30, 2020, after validating the impairment model.

Based on the impairment model revalidation, product segmentation has been re-organized after evaluating the credit risk characteristics of loan facilities. Also, Loss Given Default (LGD) and Economic Factor Adjustment (EFA) has validated as at 30th September 2020. Analysis of loans and advances, commitments, contingencies and impairment to these financial Statements has disclosed the product segmentation as at 30th September 2020, after validating the impairment model.