

Interim Financial Statements

For the Period Ended 30th June 2024



ENVISIONING
**PROGRESS,
EMPOWERING
COMMUNITIES**



SDB Bank delivers a resilient performance in Q2 2024

- Profit after tax increased by 62% over the same period in 2023
- Total Capital Ratio maintained at 16.53%
- Liquidity Coverage Ratio maintained at 306.77%

Sri Lanka's Economic Reform Program Yielding Commendable Outcomes

The Sri Lankan economic recovery continues with real GDP posting three consecutive quarters of expansion, and growth accelerating to 5.3% YoY in the first quarter of 2024. Inflation remains contained below the Central Bank of Sri Lanka's (CBSL) 5% target and domestic borrowing rates have declined. SDB Bank mirrored this trend, continuing its resilient performance from 2023 into the first half of 2024. With the interest and inflationary volatility abating in 2023, the bank is poised to support the economic recovery of the country leveraging on the strong adaptability the bank has demonstrated thus far.

Strong Financial Performance in Q2

SANASA Development Bank PLC's Q2 2024 results showcase sustained improvement compared to FY 2023. Profit After Tax reached Rs. 242 Mn, fueled by an increase in Net Interest Margin (NIM) to 5.55% in June 2024. This improvement reflects SDB Bank's proactive management of both yield and funding costs. Operating income remained relatively stable despite volatile interest rates and rising inflation, registering an increase of 8% compared to Q2 2023.

Overhead expenses have been increased by 14% YoY, primarily driven by higher staff costs. However, this was offset by positive developments. Impairment charges for Q2 2024 dropped by 36% compared to the same period in 2023 as the bank's collections and remediation efforts continued to take effect. Additionally, the impairment coverage ratio for Stage 3 loans (loans with a high risk of default) was prudently improved from 39.70% at year-end 2023 to 44.57% in 2024.

Balance Sheet Optimization and Healthy Liquidity

SDB Bank's balance sheet contracted by 4% during the period. This was primarily driven by a reduction in the loan portfolio and the repayment of borrowings. Deposits continued to increase, registering a 1.2% increase for Q2 2024, this increase includes a significant contribution from low cost savings deposits. This reflects the bank's strategy of changing its funding mix by increasing its low cost savings base and settling high-cost borrowings. The bank's healthy liquidity ratio (LCR) of 306% further reinforces its financial stability.

Outlook:

Sri Lanka's economic expansion is expected to continue from Q2 2024 onwards. Potential challenges include interest rate volatility near elections and sluggish private sector credit growth due to limited disposable income. In this environment, SDB Bank will focus on close collaboration with key sectors driving the real economy. This collaborative approach ensures that the foundation of Sri Lanka's economic growth remains strong and continues to have access to essential financial services.

SANASA DEVELOPMENT BANK PLC
INCOME STATEMENT

In Rupees Thousands (Rs'000)	Bank					
	For the period ended 30 th June		Change	For the quarter ended 30 th June		Change
	2024	2023		2024	2023	
Interest income	11,309,415	15,663,591	-28%	5,333,514	7,857,726	-32%
Interest expenses	(7,041,274)	(11,801,766)	-40%	(3,178,539)	(5,877,036)	-46%
Net interest income	4,268,141	3,861,825	11%	2,154,975	1,980,690	9%
Fee and commission income	203,788	168,829	21%	115,261	100,253	15%
Fee and commission expenses	(23,390)	(16,020)	46%	(11,326)	(8,529)	33%
Net fee and commission income	180,398	152,809	18%	103,935	91,724	13%
Net gains/(losses) from trading	33,515	1,258	2564%	33,313	1,258	2548%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	206,275	345,826	-40%	89,671	148,852	-40%
Net other operating income	5,346	(26,530)	120%	50,283	9,214	446%
Total operating income	4,693,675	4,335,188	8%	2,432,177	2,231,738	9%
Impairment for loans and other losses	(509,360)	(801,230)	-36%	(226,130)	(381,588)	-41%
Net operating income	4,184,315	3,533,958	18%	2,206,047	1,850,150	19%
Personnel expenses	(1,935,844)	(1,554,850)	25%	(1,033,720)	(783,512)	32%
Depreciation and amortization expenses	(277,185)	(280,034)	-1%	(146,180)	(142,750)	2%
Other expenses	(1,185,719)	(1,144,419)	4%	(601,231)	(597,736)	1%
Total Admin and Other Operational Expenses	(3,398,748)	(2,979,303)	14%	(1,781,131)	(1,523,998)	17%
Operating profit/ (loss) before VAT on financial services & SSCL	785,567	554,655	42%	424,916	326,152	30%
Value Added Tax (VAT) on financial services	(367,735)	(277,299)	33%	(201,741)	(156,911)	29%
Social Security Contribution Levy (SSCL)	(49,686)	(38,514)	29%	(26,631)	(21,793)	22%
Operating profit/(loss) after VAT on financial services and SSCL	368,146	238,842	54%	196,544	147,448	33%
Profit/(loss) before tax	368,146	238,842	54%	196,544	147,448	33%
Income tax expenses	(125,691)	(88,745)	42%	(67,986)	(40,730)	67%
Profit/(loss) for the period	242,455	150,097	62%	128,558	106,718	20%
Profit/(loss) attributable to:						
Equity holders of the parent	242,455	150,097	62%	128,558	106,718	20%
Non-controlling interests	-	-	-	-	-	-
	242,455	150,097	62%	128,558	106,718	20%
Earnings per share on profit						
Basic earnings per ordinary share (Rs.)	1.48	0.91	62%	0.78	0.65	20%
Diluted earnings per ordinary share (Rs.)	1.48	0.91	62%	0.78	0.65	20%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF COMPREHENSIVE INCOME

In Rupees Thousands (Rs'000)	Bank					
	For the period ended 30 th June		Change	For the quarter ended 30 th June		Change
	2024	2023		2024	2023	
Profit/(loss) for the period	242,455	150,097	62%	128,558	106,718	20%
Other comprehensive income/(expenses) not to be reclassified to income statement						
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-
Gains/(Losses) on re-measuring investments in equity instruments designated at fair value through other	-	-	-	-	-	-
Revaluation Surplus on Property, Plant and Equipment	-	-	-	-	-	-
	-	-	-	-	-	-
Other comprehensive income/(expenses) for the period net of taxes						
Total comprehensive income/(expenses) for the period	242,455	150,097	62%	128,558	106,718	20%
Total comprehensive income/(expenses) attributable to:						
Equity holders of the parent	242,455	150,097	62%	128,558	106,718	20%
	242,455	150,097	62%	128,558	106,718	20%

SANASA DEVELOPMENT BANK PLC
STATEMENT OF FINANCIAL POSITION

In Rupees Thousands (Rs'000)	Bank		
	As at 30.06.2024	As at 31.12.2023 (Audited)	Change
Assets			
Cash and cash equivalents	2,383,404	2,916,329	-18%
Placements with banks	13,481,146	15,387,770	-12%
Financial assets fair value through Profit or Loss	7,667,571	2,815,221	172%
Financial assets at amortised cost			
- loans and receivables from other customers	94,591,138	98,868,896	-4%
- debt and other instruments	27,537,317	32,436,341	-15%
Financial assets measured at fair value through other comprehensive income	208,146	56,940	266%
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	1,118,053	845,329	32%
Right of use assets	756,391	680,305	11%
Intangible assets	763,044	753,566	1%
Deferred tax assets	533,810	533,810	-
Other assets	1,666,310	1,656,730	1%
Total assets	150,712,493	156,957,400	-4%
Liabilities			
Financial liabilities at amortised cost			
- due to depositors	109,413,980	108,118,122	1%
- due to other borrowers	20,333,547	26,593,632	-24%
Subordinated debt	2,532,304	4,460,248	-43%
Retirement benefit obligations	824,956	766,115	8%
Current tax liabilities	476,879	375,862	27%
Other liabilities	2,643,488	2,377,565	11%
Total liabilities	136,225,154	142,691,544	-5%
Equity			
Stated capital/assigned capital	11,406,602	11,287,765	1%
Statutory reserve fund	340,572	340,572	-
Retained earnings	2,378,584	2,275,938	5%
Other reserves	361,581	361,581	-
Total equity	14,487,339	14,265,856	2%
Total equity and liabilities	150,712,493	156,957,400	-4%
Contingent liabilities and commitments	771,532	814,262	-5%
Net asset value per share (Rs.)	88.25	88.77	-1%
Memorandum information			
Number of employees	1,269	1,295	-2%
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

Sanjeeva Jayasinghe
Head of Finance

We, the undersigned, being the Directors 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

Dinithi Ratnayake
Chairperson

SGD

Chaaminda Kumarasiri
Director

SGD

Shanka Abeywardene
Acting Chief Executive Officer

12 August 2024
Colombo

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	Revaluation reserve				General reserves		
For the period ended 30.06.2023							
Balance as at 01.01.2023 (Opening balance)	11,287,765	317,231	1,767,577	(19,052)	259,037	46,657	13,659,215
Total comprehensive income for the period			150,097	-	-	-	150,097
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	-	-	150,097	-	-	-	150,097
Transfer to statutory reserve fund	-	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity							
Other	-	-	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-	-	-
Balance as at 30.06.2023 (Closing balance)	11,287,765	317,231	1,917,674	(19,052)	259,037	46,657	13,809,313
For the period ended 30.06.2024							
Balance as at 01.01.2024 (Opening balance)	11,287,765	340,572	2,275,938	(19,052)	333,976	46,657	14,265,856
Total comprehensive income for the period			242,455	-	-	-	242,455
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the period	-	-	242,455	-	-	-	242,455
Transfer to statutory reserve fund	-	-	-	-	-	-	-
Transactions with equity holders, recognized directly in equity							
Dividend to equity holders							
Scrip dividend - 2023	118,837	-	(139,809)	-	-	-	(20,972)
Other transactions	-	-	-	-	-	-	-
Total transactions with equity holders	118,837	-	(139,809)	-	-	-	(20,972)
Balance as at 30.06.2024 (Closing balance)	11,406,602	340,572	2,378,584	(19,052)	333,976	46,657	14,487,339

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 / Revaluation Reserve

These reserves consist of fair value adjustments relevant to investment portfolios and land and building.

SANASA DEVELOPMENT BANK PLC
STATEMENT OF CASH FLOWS

In Rupees Thousands (Rs'000)	Bank	
	01.01.2024 to 30.06.2024	01.01.2023 to 31.12.2023 (Audited)
Cash flows from / (used in) operating activities		
Interest received	11,571,843	25,826,400
Fee and commission received	233,428	427,168
Receipts from other operating activities	47,734	173,691
Interest payment	(9,690,244)	(22,106,904)
Cash payment to employees	(1,643,220)	(2,669,947)
Payments to suppliers and other operating activities	(1,191,572)	(1,474,004)
Fee and commission expenses	(23,390)	(36,170)
Operating profit before changes in operating assets	(695,421)	140,234
(Increase)/decrease in operating assets		
Funds advanced to customers	3,475,743	13,713,878
Net (increase)/ decrease in other short term securities	(447,062)	(504,780)
Net (increase)/ decrease in other assets	(271,686)	981,719
Increase/(decrease) in operating liabilities		
Deposits from customers	3,928,971	1,297,609
Net increase/ (decrease) in other liabilities	(28,933)	(738,505)
Net cash from operating activities before income tax	5,961,612	14,890,155
VAT and SSCL on financial services	(315,642)	(529,354)
Income tax paid	(17,927)	(63,626)
Net cash from operating activities	5,628,043	14,297,175
Cash flows from / (used in) investing activities		
Dividend received	63	7,770
(Increase)/ Decrease in Non Dealing Securities	(151,206)	(1)
(Increase)/ decrease in dealing securities	(4,612,560)	(432,167)
(Increase)/ decrease in treasury bonds and other investments	9,268,522	(9,320,168)
Proceeds from sale of property, plant and equipment	39	107,696
Purchase of property, plant and equipment	(354,187)	(92,141)
Purchase of intangible assets	(91,271)	(124,980)
Net cash from/ (used in) investing activities	4,059,400	(9,853,991)
Cash flows from (used in) financing activities		
Dividend Paid	-	
Repayment of long term borrowing	(11,048,402)	(20,696,429)
Interest paid on subordinated debt	(330,839)	(901,042)
Increase/(decrease) in borrowing	3,249,273	16,972,270
Net cash flow from/ (used in) financing activities	(8,129,968)	(4,625,201)
Net increase/ (decrease) in cash and cash equivalents	1,557,475	(182,017)
Cash and cash equivalent at the beginning of the period	3,166,329	3,348,346
Cash and cash equivalents at the end of the period	4,723,804	3,166,329
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	2,383,404	2,916,329
Repurchase agreement	2,040,400	-
Fixed deposits less than 3 months	300,000	250,000
	4,723,804	3,166,329

SANASA DEVELOPMENT BANK PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Bank - As at 30th June 2024				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,383,404	-	-	2,383,404
Placements with banks	13,481,146	-	-	13,481,146
Financial assets fair value through Profit or Loss	-	7,667,571	-	7,667,571
Financial assets at amortised cost				
- loans and receivables from other customers	94,591,138	-	-	94,591,138
- debt and other instruments	27,537,317	-	-	27,537,317
Financial assets measured at fair value through other comprehensive income	-	-	208,146	208,146
Total financial assets	137,993,006	7,667,571	208,146	145,868,723
In Rupees Thousands (Rs'000)				
	AC	FVPL		Total
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		109,413,980	-	109,413,980
- due to other borrowers		20,333,547	-	20,333,547
Subordinated debt		2,532,304	-	2,532,304
Total financial liabilities		132,279,831	-	132,279,831
Bank - As at 31st December 2023 (Audited)				
In Rupees Thousands (Rs'000)	AC	FVPL	FVOCI	Total
FINANCIAL ASSETS				
Cash and cash equivalents	2,916,329	-	-	2,916,329
Placements with banks	15,387,770	-	-	15,387,770
Financial assets fair value through Profit or Loss	-	2,815,221	-	2,815,221
Financial assets at amortised cost				
- loans and receivables from other customers	98,868,896	-	-	98,868,896
- debt and other instruments	32,436,341	-	-	32,436,341
Financial assets measured at fair value through other comprehensive income	-	-	56,940	56,940
Total financial assets	149,609,335	2,815,221	56,940	152,481,496
In Rupees Thousands (Rs'000)				
	AC	FVPL		Total
FINANCIAL LIABILITIES				
Financial liabilities at amortised cost				
- due to depositors		108,118,122	-	108,118,122
- due to other borrowers		26,593,632	-	26,593,632
Subordinated debt		4,460,248	-	4,460,248
Total financial liabilities		139,172,002	-	139,172,002

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 2023. 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 June 2024.

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

	As at 30 June 2024			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	-	1,689,178	-	1,689,178
Unit trusts	-	5,978,394	-	5,978,394
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	208,146	208,146
	<u>-</u>	<u>7,667,571</u>	<u>208,146</u>	<u>7,875,717</u>
	As at 31 December 2023 (Audited)			
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
Financial assets fair value through profit or loss				
Sri Lanka Government securities- Treasury bonds	-	1,965,510	-	1,965,510
Unit trusts	-	849,711	-	849,711
Quoted Equities	-	-	-	-
Fair Value through other comprehensive income				
Unquoted equity securities	-	-	56,940	56,940
	<u>-</u>	<u>2,815,221</u>	<u>56,940</u>	<u>2,872,161</u>

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 th June 2024	
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	2,383,404	2,383,404
Placements with banks	Note*	13,481,146	13,481,146
Financial assets at amortised cost			
- Loans and receivables to other customers	2	94,591,138	94,239,244
- Debt and other instruments	Note*	27,537,317	27,537,317
Total financial assets		<u>137,993,006</u>	<u>137,641,112</u>
Financial liabilities			
Due to other customers	2	109,413,980	110,595,624
Other borrowings	2	20,333,547	20,333,547
Subordinated term debts	Note*	2,532,304	2,532,304
Total financial liabilities		<u>132,279,831</u>	<u>133,461,475</u>
		As at 31 st December 2023 (Audited)	
		Carrying value LKR	Fair value LKR
Financial assets			
Cash and cash equivalents	Note*	2,916,329	2,916,329
Placements with banks	Note*	15,387,770	15,387,770
Financial assets at amortised cost			
- Loans and receivables to other customers	2	98,868,896	98,248,870
- Debt and other instruments	Note*	32,436,341	32,436,341
Total financial assets		<u>149,609,335</u>	<u>148,989,309</u>
Financial liabilities			
Due to other customers	2	108,118,122	112,900,381
Other borrowings	2	26,593,632	26,593,632
Subordinated term debts	Note*	4,460,248	4,460,248
Total financial liabilities		<u>139,172,002</u>	<u>143,954,261</u>

Note*

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

For financial assets and financial liabilities that have a short term maturity (less than a year), it is assumed that the carrying amounts approximate to their fair value. This assumption is applied to savings deposits without a specific maturity. Loans and advances to customers with a variable rate also considered to be carried at fair value.

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 30.06.2024	As at 31.12.2023 (Audited)
Product-wise gross loans and advances		
By product: LKR		
Pawning	6,812,891	6,945,957
Cash margin	7,264,683	8,593,155
Staff loans	1,835,721	1,941,707
Lease rentals receivable	5,673,696	5,465,990
<i>Term loans</i>	-	
Business loans	1,340,371	1,490,041
SME loans	12,264,830	13,077,957
Co-operative loans	1,323,079	1,460,981
Housing loans	2,334,958	2,479,572
Fixed and floating personal loans	23,490,082	24,696,068
Upahara loans	39,614,420	39,566,834
Other personal loans	758,294	761,553
Total	102,713,025	106,479,816
Product-wise commitments and contingencies		
By product: LKR		
Guarantees	300,373	264,742
Undrawn Credit Lines	471,160	549,520
Total	771,532	814,262
Total loans and advances, commitments and contingencies	103,484,557	107,294,077
Stage-wise impairment on loans and advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	103,484,557	107,294,077
Less: Accumulated impairment under stage 1	(813,484)	(587,669)
Accumulated impairment under stage 2	(721,996)	(806,535)
Accumulated impairment under stage 3	(6,586,407)	(6,216,717)
Net loans and advances, commitments and contingencies	95,362,671	99,683,157
Movement of impairment during the period		
Under Stage 1		
Opening balance	587,669	837,536
Charges / (Write back) to income statement	225,815	(249,867)
Other movements	-	-
Closing balance	813,484	587,669
Under Stage 2		
Opening balance	806,535	969,078
Charges / (Write back) to income statement	(84,539)	(162,544)
Other movements	-	-
Closing balance	721,996	806,535
Under Stage 3		
Opening balance	6,216,717	3,987,699
Charges / (Write back) to income statement	369,690	2,229,018
Write - off during the year	-	-
Other movements	-	-
	6,586,407	6,216,717
Total impairment	8,121,887	7,610,920
SANASA DEVELOPMENT BANK PLC		
ANALYSIS OF DEPOSITS		
In Rupees Thousands (Rs'000)	Bank	
	As at 30.06.2024	As at 31.12.2023 (Audited)
By product: Rs.		
Savings deposits	19,627,973	16,904,314
Fixed deposits	89,786,007	91,213,808
Total deposits	109,413,980	108,118,122

SANASA DEVELOPMENT BANK PLC
SEGMENT REPORTING

Bank	In Rupees Thousands (Rs'000)									
	Banking		Leasing & HP		Treasury		Pawning		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the period ended 30th June										
Interest income	7,297,112	10,600,491	445,413	546,998	2,959,951	3,712,156	606,940	803,946	11,309,415	15,663,591
Add: Inter-segment interest income	6,914,988	2,096,977	-	-	5,393,014	2,446,731	-	-	12,308,002	4,543,708
Total interest income	14,212,099	12,697,468	445,413	546,998	8,352,965	6,158,887	606,940	803,946	23,617,417	20,207,299
Interest expenses	(5,276,698)	(8,154,341)	(315,354)	(517,243)	(1,021,024)	(2,526,956)	(428,198)	(603,226)	(7,041,274)	(11,801,766)
Add: Inter-segment interest expense	(5,393,014)	(2,446,731)	-	-	(6,914,988)	(2,096,977)	-	-	(12,308,002)	(4,543,708)
Net interest income	3,542,387	2,096,396	130,059	29,755	416,953	1,534,954	178,742	200,720	4,268,141	3,861,825
Fee and commission income	186,237	164,385	17,551	4,444	-	-	-	-	203,788	168,829
Fee and commission expenses	(22,071)	(15,065)	(1,319)	(956)	-	-	-	-	(23,390)	(16,020)
Net fee and commission income	164,166	149,320	16,232	3,489	-	-	-	-	180,397	152,809
Net gains/(losses) from trading	-	-	-	-	33,515	1,258	-	-	33,515	1,258
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	206,275	345,826	-	-	206,275	345,826
Other operating income (net)	5,284	(26,530)	-	-	63	-	-	-	5,346	(26,530)
Total operating income	3,711,836	2,219,186	146,291	33,244	656,805	1,882,037	178,742	200,720	4,693,675	4,335,187
Impairment for loans and other losses	(485,386)	(771,531)	(22,758)	(29,189)	1,606	(3,865)	(2,823)	3,356	(509,360)	(801,230)
Net operating income	3,226,451	1,447,656	123,534	4,054	658,411	1,878,172	175,919	204,075	4,184,314	3,533,958
Depreciation and amortization	(242,832)	(246,086)	(14,512)	(15,610)	(135)	(135)	(19,706)	(18,204)	(277,185)	(280,034)
Segment Result	2,983,619	1,201,570	109,021	(11,555)	658,277	1,878,038	156,213	185,871	3,907,130	3,253,923
Un-allocated expenses									(3,121,563)	(2,699,269)
Value Added Tax (VAT) on financial services									(367,735)	(277,299)
Social Security Contribution Levy									(49,686)	(38,514)
Profit before tax									368,146	238,841
Tax expenses									(125,691)	(88,745)
Profit for the period									242,455	150,097
Other comprehensive income										
Other comprehensive income for the period net of tax									-	-
Total comprehensive income for the period									242,455	150,097
As at 30th June										
Segment assets	82,908,338	92,181,376	4,954,888	5,847,217	51,277,585	47,332,956	6,727,913	6,819,217	145,868,723	152,180,766
Un allocated assets	-	-	-	-	-	-	-	-	4,843,771	6,048,527
Total assets	82,908,338	92,181,376	4,954,888	5,847,217	51,277,585	47,332,956	6,727,913	6,819,217	150,712,494	158,229,293
Segment liabilities	98,679,658	98,165,753	5,897,436	6,226,816	23,640,324	32,765,496	8,007,736	7,261,918	136,225,155	144,419,982
Total equity	-	-	-	-	-	-	-	-	14,487,339	13,809,311
Total equity & liabilities	98,679,658	98,165,753	5,897,436	6,226,816	23,640,324	32,765,496	8,007,736	7,261,918	150,712,494	158,229,293
For the period ended 30th June										
Additions to non-current assets	390,440	125,924	23,334	7,988	-	-	31,684	9,315	445,458	143,226

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

Item	Bank	
	As at 30.06.2024	As at 31.12.2023 (Audited)
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	12,969	12,978
Core (Tier 1) Capital	12,969	12,978
Total Capital Base	14,264	14,382
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2024-7.00%, 2023-7.00%)	15.03	14.85
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2024-8.50%, 2023-8.50%)	15.03	14.85
Total Capital Ratio (%) - (Minimum Requirement - 2024-12.50%, 2023-12.50%)	16.53	16.45
Leverage Ratio (Minimum Requirement - 3%)	8.64	8.29
Regulatory Liquidity		
Total Stock of High-Quality Liquid Assets (LKR in Millions)	28,779	35,488
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2024-100%, 2023-100%)	306.77	287.06
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	183.98	192.78
Assets Quality (Quality of Loan Portfolio)		
Impaired Loans (Stage 3) Ratio (%)	8.52%	9.42
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	44.57%	39.70
Profitability		
Interest Margin (%)	5.55%	5.37
Return on Assets (before Taxes) (%)	1.02%	0.49
Return on Equity (%)	3.37%	3.34

Share Information	30.06.2024	31.12.2023
Market value per share (Rs.)	31.00	31.50
Highest price per share for the period (Rs.)	36.20	35.70
Lowest price per share for the period (Rs.)	30.90	30.50

SANASA DEVELOPMENT BANK PLC
SHAREHOLDER INFORMATION

Twenty Largest Shareholders as at 30.06.2024			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	LOLC INVESTMENT HOLDINGS ONE (PRIVATE) LIMITED	24,624,948	15.00%
2	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.	17,989,491	10.96%
3	BELGIAN INVESTMENT COMPANY FOR DEVELOPING COUNTRIES SA/NV	16,416,564	10.00%
4	SENTHILVERL HOLDINGS (PVT) LTD	15,934,634	9.71%
5	AYENKA HOLDINGS (PRIVATE) LIMITED	13,773,002	8.39%
6	MR. C.F. FUHRER	4,929,116	3.00%
7	DR. T. SENTHILVERL	4,901,761	2.99%
8	SANASA LIFE INSURANCE COMPANY PLC	4,817,760	2.93%
9	ALLIANCE FINANCE COMPANY PLC	3,592,187	2.19%
10	PEOPLES LEASING & FINANCE PLC/L.P.HAPANGAMA	3,279,555	2.00%
11	SBI VEN HOLDINGS PTE LTD	2,944,311	1.79%
12	PEOPLES LEASING & FINANCE PLC	2,320,270	1.41%
13	BANK OF CEYLON A/C CEYBANK UNIT TRUST	1,573,477	0.96%
14	HATTON NATIONAL BANK PLC/SARRAVANAN NEELAKANDAN	1,471,083	0.90%
15	KEGALLE SANASA SHARE HOLDERS TRUST COMPANY LIMITED	1,287,440	0.78%
16	SANASA GENERAL INSURANCE COMPANY LTD	1,148,681	0.70%
17	POLGAHAWELA SANASA SOCIETIES UNION LTD	1,035,980	0.63%
18	NIKAWARATIYA THRIFT AND CREDIT CO-OPERATIVE SOCIETY UNION LIMITED	1,014,273	0.62%
19	BINGIRIYA MULTI PURPOSE COOPERATIVE SOCIETY LTD	991,850	0.60%
20	SANASA FEDERATION LIMITED	829,333	0.51%
Sub total		124,875,716	76.07%
Shares held by other shareholders		39,290,778	23.93%
Total		164,166,494	100.00%

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 30.06.2024

Total number of shares	164,166,494
Number of shares in public holding	122,056,681
Number of public shareholders	38,710
Percentage of public holding	74.35%
Market capitalisation	5,089,161,314
Float adjusted market capitalisation	3,783,757,111
Required minimum public holding percentage under option 4 of rule 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange	10%

Directors' Shareholding as at 30.06.2024

No.	Name	No. of Shares
1	Ms.Dimithi Ratnayake (Chairperson)	
2	Prof. Sampath Amaratunge	
3	Mr.Chaaminda Kumarasiri	
4	Mr.Prasanna Premaratna	1,532
5	Mr.B.R.A.Bandara	11,237
6	Mr.Thusantha Wijemanna	
7	Mr.S.H.Sarath Nandasiri	
8	Mr.Conrad Dias	
9	Mr.Naveendra Sooriyarachchi	
10	Mr.Romani De Silva	106,907
11	Mr.Chandana Dissanayake	
12	Dr.Mahesha Ranasoma	

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.

2 There are no significant changes in accounting policies and methods of computation since the publication of Audited Financial Statements for the year 2023.

3 There are no material changes in the composition of assets, liabilities and contingent liabilities.

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

5 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" and currently "UPay" operations are handled by a separate division of the Bank. 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.