

# Interim Financial Statements

## For the Period Ended 31<sup>st</sup> March 2024



ENVISIONING  
**PROGRESS,  
EMPOWERING  
COMMUNITIES**



## **SDB Bank delivers a resilient performance in Q1 2024**

- Profit after tax increased by 163% over the same period in 2023
- Total Capital Ratio maintained at 16.43%
- Liquidity Coverage Ratio maintained at 287.15%

### **Sri Lanka's Economic Trajectory Shows Signs of Improvement**

The Sri Lankan economy showed signs of recovery with 2 quarters of positive GDP growth in the latter part of 2023. We expect this recovery trajectory to continue and strengthen in 2024. SDB Bank mirrored this trend, continuing its resilient performance from 2023 into the first quarter 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 Q1**

SANASA Development Bank PLC's Q1 2024 results showcase sustained improvement compared to FY 2023. Profit After Tax reached Rs. 114 million, fueled by an increase in Net Interest Margin (NIM) to 5.44% in March 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 a increase of 8% compared to Q1 2023.

Overhead expenses have been increased by an 11% year-on-year, primarily driven by higher staff costs. However, this was offset by positive developments. Impairment charges for Q1 2024 dropped by 33% compared to the same period in 2023 as the banks 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 41.49% in 2024.

### **Balance Sheet Optimization and Healthy Liquidity**

SDB Bank's balance sheet contracted slightly by 2% during the period. This was primarily driven by a reduction in the loan portfolio and the repayment of short-term loans coupled with the impact of the rupee appreciation against the USD. Deposits continued to increase, registering a 2% increase for Q1 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 287% further reinforces its financial stability.

### **Outlook:**

Sri Lanka's economic expansion is expected to continue from Q1 2024 onwards. Potential challenges include interest rate volatility near elections and sluggish private sector credit growth due to limited disposable income. Nevertheless, 2024 is still projected to see a modest GDP growth of around 2.2%. 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 quarter ended 31 <sup>st</sup> March		Change
	2024	2023	
Interest income	5,975,902	7,805,865	-23%
Interest expenses	(3,862,735)	(5,924,730)	-35%
<b>Net interest income</b>	<b>2,113,166</b>	<b>1,881,135</b>	<b>12%</b>
Fee and commission income	88,526	68,576	29%
Fee and commission expenses	(12,063)	(7,492)	61%
<b>Net fee and commission income</b>	<b>76,463</b>	<b>61,084</b>	<b>25%</b>
Net gains/(losses) from trading	202	-	100%
Net fair value gains/(losses) on financial assets at fair value through profit or loss	116,604	196,974	-41%
Net other operating income	(44,937)	(35,744)	26%
<b>Total operating income</b>	<b>2,261,498</b>	<b>2,103,449</b>	<b>8%</b>
Impairment for loans and other losses	(283,231)	(419,642)	-33%
<b>Net operating income</b>	<b>1,978,268</b>	<b>1,683,807</b>	<b>17%</b>
Personnel expenses	(902,125)	(771,338)	17%
Depreciation and amortization expenses	(131,005)	(137,285)	-5%
Other expenses	(584,488)	(546,683)	7%
<b>Total Admin and Other Operational Expences</b>	<b>(1,617,617)</b>	<b>(1,455,306)</b>	<b>11%</b>
<b>Operating profit/ (loss) before VAT on financial services &amp; SSCL</b>	<b>360,651</b>	<b>228,501</b>	<b>58%</b>
Value Added Tax (VAT) on financial services	(165,995)	(120,388)	38%
Social Security Contribution Levy (SSCL)	(23,055)	(16,721)	38%
<b>Operating profit/(loss) after VAT on financial services and SCCL</b>	<b>171,601</b>	<b>91,393</b>	<b>88%</b>
<b>Profit/(loss) before tax</b>	<b>171,601</b>	<b>91,393</b>	<b>88%</b>
Income tax expenses	(57,704)	(48,015)	20%
<b>Profit/(loss) for the period</b>	<b>113,897</b>	<b>43,379</b>	<b>163%</b>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent	113,897	43,379	163%
Non-controlling interests	-	-	-
	<b>113,897</b>	<b>43,379</b>	<b>163%</b>
<b>Earnings per share on profit</b>			
Basic earnings per ordinary share (Rs.)	0.71	0.27	163%
Diluted earnings per ordinary share (Rs.)	0.71	0.27	163%

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

In Rupees Thousands (Rs'000)	Bank		
	For the quarter ended 31 <sup>st</sup> March		Change
	2024	2023	
<b>Profit/(loss) for the period</b>	<b>113,897</b>	<b>43,379</b>	<b>163%</b>
<b>Other comprehensive income/(expenses) not to be reclassified to income statement</b>			
Actuarial gains/(losses) on defined benefit plans	-	-	
Deferred tax relating to 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	-	-	
<b>Other comprehensive income/(expenses) for the period net of taxes</b>	<b>-</b>	<b>-</b>	
<b>Total comprehensive income/(expenses) for the period</b>	<b>113,897</b>	<b>43,379</b>	<b>163%</b>
<b>Total comprehensive income/(expenses) attributable to:</b>			
Equity holders of the parent	113,897	43,379	163%
Non-controlling interests	-	-	-
<b>Total comprehensive income/(expenses) for the period</b>	<b>113,897</b>	<b>43,379</b>	<b>163%</b>

**SANASA DEVELOPMENT BANK PLC**  
**STATEMENT OF FINANCIAL POSITION**

In Rupees Thousands (Rs'000)	Bank		
	As at 31.03.2024	As at 31.12.2023 (Audited)	Change
<b>Assets</b>			
Cash and cash equivalents	3,389,206	2,916,329	16%
Placements with banks	13,766,024	15,387,770	-11%
Financial assets fair value through Profit or Loss	3,983,934	2,815,221	42%
Financial assets at amortised cost			
- loans and receivables from other customers	96,787,561	98,868,896	-2%
- debt and other instruments	30,749,875	32,436,341	-5%
Financial assets measured at fair value through other comprehensive income	57,002	56,940	-
Investment in subsidiary	6,163	6,163	-
Property, plant and equipment	899,802	845,329	6%
Right of use assets	728,058	680,305	7%
Intangible assets	752,774	753,566	0%
Deferred tax assets	533,810	533,810	-
Other assets	1,871,423	1,656,730	13%
<b>Total assets</b>	<b>153,525,633</b>	<b>156,957,400</b>	<b>-2%</b>
<b>Liabilities</b>			
Financial liabilities at amortised cost			
- due to depositors	110,344,532	108,118,122	2%
- due to other borrowers	20,660,184	26,593,632	-22%
Subordinated debt	4,290,312	4,460,248	-4%
Retirement benefit obligations	797,501	766,115	4%
Current tax liabilities	420,288	375,862	12%
Other liabilities	2,633,063	2,377,566	11%
<b>Total liabilities</b>	<b>139,145,880</b>	<b>142,691,544</b>	<b>-2%</b>
<b>Equity</b>			
Stated capital/assigned capital	11,287,765	11,287,765	-
Statutory reserve fund	340,572	340,572	-
Retained earnings	2,389,834	2,275,937	5%
Other reserves	361,581	361,581	-
<b>Total equity</b>	<b>14,379,753</b>	<b>14,265,856</b>	<b>1%</b>
<b>Total equity and liabilities</b>	<b>153,525,633</b>	<b>156,957,400</b>	<b>-2%</b>
<b>Contingent liabilities and commitments</b>	<b>887,128</b>	<b>814,262</b>	<b>9%</b>
<b>Net asset value per share (Rs.)</b>	<b>89.48</b>	<b>88.77</b>	<b>1%</b>
<b>Memorandum information</b>			
Number of employees	1,282	1,295	-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**

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

13 May 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		
<b>For the period ended 31.03.2023</b>							
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	-	-	43,379	-	-	-	43,379
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
<b>Total comprehensive income/(expenses) for the period</b>	-	-	<b>43,379</b>	-	-	-	<b>43,379</b>
Transfer to statutory reserve fund	-	-	-	-	-	-	-
<b>Transactions with equity holders, recognized directly in equity</b>	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-	-
<b>Balance as at 31.03.2023 (Closing balance)</b>	<b>11,287,765</b>	<b>317,231</b>	<b>1,810,955</b>	<b>(19,052)</b>	<b>259,037</b>	<b>46,657</b>	<b>13,702,594</b>
<b>For the period ended 31.03.2024</b>							
Balance as at 01.01.2024 (Opening balance)	11,287,765	340,572	2,275,937	(19,052)	333,976	46,657	14,265,856
Total comprehensive income for the period	-	-	113,897	-	-	-	113,897
Profit/(loss) for the period (net of tax)	-	-	-	-	-	-	-
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
<b>Total comprehensive income/(expenses) for the period</b>	-	-	<b>113,897</b>	-	-	-	<b>113,897</b>
Transfer to statutory reserve fund	-	-	-	-	-	-	-
<b>Transactions with equity holders, recognized directly in equity</b>	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	-	-	-	-	-
<b>Balance as at 31.03.2024 (Closing balance)</b>	<b>11,287,765</b>	<b>340,572</b>	<b>2,389,834</b>	<b>(19,052)</b>	<b>333,976</b>	<b>46,657</b>	<b>14,379,753</b>

**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 31.03.2024	01.01.2023 to 31.12.2023 (Audited)
<b>Cash flows from / (used in) operating activities</b>		
Interest received	6,091,806	25,826,400
Fee and commission received	105,844	427,168
Receipts from other operating activities	6,095	173,691
Interest payment	(3,159,892)	(22,106,904)
Cash payment to employees	(814,366)	(2,669,947)
Payments to suppliers and other operating activities	(790,381)	(1,474,004)
Fee and commission expenses	(12,063)	(36,170)
<b>Operating profit before changes in operating assets</b>	<b>1,427,042</b>	<b>140,234</b>
<b>(Increase)/decrease in operating assets</b>		
Funds advanced to customers	1,772,652	13,713,878
Net (increase)/ decrease in other short term securities	(140,404)	(504,780)
Net (increase)/ decrease in other assets	(494,253)	981,719
<b>Increase/(decrease) in operating liabilities</b>		
Deposits from customers	1,547,144	1,297,609
Net increase/ (decrease) in other liabilities	463,380	(738,505)
<b>Net cash from operating activities before income tax</b>	<b>4,575,560</b>	<b>14,890,154</b>
VAT and SSCL on financial services	(220,396)	(529,354)
Income tax paid	(15,565)	(63,626)
<b>Net cash from operating activities</b>	<b>4,339,600</b>	<b>14,297,175</b>
<b>Cash flows from / (used in) investing activities</b>		
Dividend received	63	7,770
(Increase)/ Decrease in Non Dealing Securities	(63)	(1)
(Increase)/ decrease in dealing securities	(1,051,907)	(432,167)
(Increase)/ decrease in treasury bonds and other investments	3,359,770	(9,320,168)
Proceeds from sale of property, plant and equipment	0	107,696
Purchase of property, plant and equipment	(7,501)	(92,141)
Purchase of intangible assets	(13,788)	(124,980)
<b>Net cash from/ (used in) investing activities</b>	<b>2,286,574</b>	<b>(9,853,991)</b>
<b>Cash flows from (used in) financing activities</b>		
Dividend Paid	-	
Repayment of long term borrowing	(6,844,444)	(20,696,429)
Interest paid on subordinated debt	(145,633)	(901,042)
Increase/(decrease) in borrowing	886,780	16,972,270
<b>Net cash flow from/ (used in) financing activities</b>	<b>(6,103,297)</b>	<b>(4,625,201)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>522,877</b>	<b>(182,017)</b>
Cash and cash equivalent at the beginning of the period	3,166,329	3,348,346
<b>Cash and cash equivalents at the end of the period</b>	<b>3,689,206</b>	<b>3,166,329</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	3,389,206	2,916,329
Repurchase agreement	-	-
Fixed deposits less than 3 months	300,000	250,000
	<b>3,689,206</b>	<b>3,166,329</b>

SANASA DEVELOPMENT BANK PLC  
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

<b>Bank - As at 31<sup>st</sup> March 2024</b>				
<b>In Rupees Thousands (Rs'000)</b>	<b>AC</b>	<b>FVPL</b>	<b>FVOCI</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	3,389,206	-	-	3,389,206
Placements with banks	13,766,024	-	-	13,766,024
Financial assets fair value through Profit or Loss	-	3,983,934	-	3,983,934
Financial assets at amortised cost				
- loans and receivables from other customers	96,787,561	-	-	96,787,561
- debt and other instruments	30,749,875	-	-	30,749,875
Financial assets measured at fair value through other comprehensive income	-	-	57,002	57,002
<b>Total financial assets</b>	<b>144,692,666</b>	<b>3,983,934</b>	<b>57,002</b>	<b>148,733,603</b>
<b>In Rupees Thousands (Rs'000)</b>				
	<b>AC</b>	<b>FVPL</b>		<b>Total</b>
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities at amortised cost				
- due to depositors		110,344,532	-	110,344,532
- due to other borrowers		20,660,184	-	20,660,184
Subordinated debt		4,290,312	-	4,290,312
<b>Total financial liabilities</b>		<b>135,295,028</b>	<b>-</b>	<b>135,295,028</b>
<b>Bank - As at 31<sup>st</sup> December 2023 (Audited)</b>				
<b>In Rupees Thousands (Rs'000)</b>	<b>AC</b>	<b>FVPL</b>	<b>FVOCI</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>				
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
<b>Total financial assets</b>	<b>149,609,335</b>	<b>2,815,221</b>	<b>56,940</b>	<b>152,481,496</b>
<b>In Rupees Thousands (Rs'000)</b>				
	<b>AC</b>	<b>FVPL</b>		<b>Total</b>
<b>FINANCIAL LIABILITIES</b>				
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
<b>Total financial liabilities</b>		<b>139,172,002</b>	<b>-</b>	<b>139,172,002</b>

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 31<sup>st</sup> 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 31<sup>st</sup> March 2024.

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

	As at 31 March 2024			Total LKR
	Level 1 LKR	Level 2 LKR	Level 3 LKR	
<b>Financial assets fair value through profit or loss</b>				
Sri Lanka Government securities- Treasury bills and bonds	-	1,243,819	-	1,243,819
Unit trusts	-	2,740,115	-	2,740,115
Quoted Equities	-	-	-	-
<b>Fair Value through other comprehensive income</b>				
Unquoted equity securities	-	-	57,002	57,002
	<u>-</u>	<u>3,983,934</u>	<u>57,002</u>	<u>4,040,936</u>
	As at 31 December 2023 (Audited)			
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Total LKR
<b>Financial assets fair value through profit or loss</b>				
Sri Lanka Government securities- Treasury bonds	-	1,965,510	-	1,965,510
Unit trusts	-	849,711	-	849,711
Quoted Equities	-	-	-	-
<b>Fair Value through other comprehensive income</b>				
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 31 <sup>st</sup> March 2024	
		Carrying value LKR	Fair value LKR
<b>Financial assets</b>			
Cash and cash equivalents	Note*	3,389,206	3,389,206
Placements with banks	Note*	13,766,024	13,766,024
Financial assets at amortised cost			
- Loans and receivables to other customers	2	96,787,561	96,534,070
- Debt and other instruments	Note*	30,749,875	30,749,875
<b>Total financial assets</b>		<b>144,692,666</b>	<b>144,439,176</b>
<b>Financial liabilities</b>			
Due to other customers	2	110,344,532	116,603,855
Other borrowings	2	20,660,184	20,660,184
Subordinated term debts	Note*	4,290,312	4,290,312
<b>Total financial liabilities</b>		<b>135,295,028</b>	<b>141,554,351</b>
		As at 31 <sup>st</sup> December 2023 (Audited)	
		Carrying value LKR	Fair value LKR
<b>Financial assets</b>			
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
<b>Total financial assets</b>		<b>149,609,335</b>	<b>148,989,309</b>
<b>Financial liabilities</b>			
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
<b>Total financial liabilities</b>		<b>139,172,002</b>	<b>143,954,261</b>

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 31.03.2024	As at 31.12.2023 (Audited)
<b>Product-wise gross loans and advances</b>		
<b>By product: LKR</b>		
Pawning	6,735,367	6,945,957
Cash margin	8,310,721	8,593,155
Staff loans	1,891,707	1,941,707
Lease rentals receivable	5,409,095	5,465,990
<i>Term loans</i>		
Business loans	1,452,911	1,490,041
SME loans	12,489,203	13,077,957
Co-operative loans	1,365,500	1,460,981
Housing loans	2,417,987	2,479,572
Fixed and floating personal loans	24,141,799	24,696,068
Upahara loans	39,705,504	39,566,834
Other personal loans	762,220	761,553
<b>Total</b>	<b>104,682,015</b>	<b>106,479,816</b>
<b>Product-wise commitments and contingencies</b>		
<b>By product: LKR</b>		
Guarantees	290,642	264,742
Undrawn Credit Lines	596,486	549,520
<b>Total</b>	<b>887,128</b>	<b>814,262</b>
<b>Total loans and advances, commitments and contingencies</b>	<b>105,569,142</b>	<b>107,294,077</b>
<b>Stage-wise impairment on loans and advances, commitments and contingencies</b>		
<b>Gross loans and advances, commitments and contingencies</b>	<b>105,569,142</b>	<b>107,294,077</b>
Less: Accumulated impairment under stage 1	(625,638)	(587,669)
Accumulated impairment under stage 2	(853,627)	(806,535)
Accumulated impairment under stage 3	(6,415,188)	(6,216,717)
<b>Net loans and advances, commitments and contingencies</b>	<b>97,674,689</b>	<b>99,683,157</b>
<b>Movement of impairment during the period</b>		
<b>Under Stage 1</b>		
Opening balance	587,669	837,536
Charges / (Write back) to income statement	37,969	(249,867)
Other movements	-	-
Closing balance	625,638	587,669
<b>Under Stage 2</b>		
Opening balance	806,535	969,078
Charges / (Write back) to income statement	47,093	(162,544)
Other movements	-	-
Closing balance	853,627	806,535
<b>Under Stage 3</b>		
Opening balance	6,216,717	3,987,699
Charges / (Write back) to income statement	198,471	2,229,018
Write - off during the year	-	-
Other movements	-	-
Closing balance	6,415,188	6,216,717
<b>Total impairment</b>	<b>7,894,454</b>	<b>7,610,920</b>
<b>SANASA DEVELOPMENT BANK PLC</b>		
<b>ANALYSIS OF DEPOSITS</b>		
In Rupees Thousands (Rs'000)	Bank	
	As at 31.03.2024	As at 31.12.2023 (Audited)
<b>By product: Rs.</b>		
Savings deposits	18,431,095	16,904,314
Fixed deposits	91,913,437	91,213,808
<b>Total deposits</b>	<b>110,344,532</b>	<b>108,118,122</b>

**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
<b>For the period ended 31<sup>st</sup> March</b>										
Interest income	3,797,467	5,381,860	222,329	301,783	1,662,627	1,739,757	293,478	382,465	5,975,902	7,805,865
Add: Inter-segment interest income	3,697,155	961,654	-	-	2,869,213	1,391,342	-	-	6,566,369	2,352,996
<b>Total interest income</b>	<b>7,494,622</b>	<b>6,343,514</b>	<b>222,329</b>	<b>301,783</b>	<b>4,531,840</b>	<b>3,131,099</b>	<b>293,478</b>	<b>382,465</b>	<b>12,542,270</b>	<b>10,158,861</b>
Interest expenses	(2,897,218)	(4,017,364)	(160,694)	(275,166)	(578,966)	(1,352,741)	(225,858)	(279,458)	(3,862,735)	(5,924,730)
Add: Inter-segment interest expense	(2,869,213)	(1,391,342)	-	-	(3,697,155)	(961,654)	-	-	(6,566,369)	(2,352,996)
<b>Net interest income</b>	<b>1,728,192</b>	<b>934,808</b>	<b>61,636</b>	<b>26,616</b>	<b>255,718</b>	<b>816,703</b>	<b>67,620</b>	<b>103,007</b>	<b>2,113,166</b>	<b>1,881,135</b>
Fee and commission income	79,013	66,465	9,513	2,111	-	-	-	-	88,526	68,576
Fee and commission expenses	(11,430)	(7,011)	(634)	(480)	-	-	-	-	(12,063)	(7,492)
<b>Net fee and commission income</b>	<b>67,584</b>	<b>59,454</b>	<b>8,879</b>	<b>1,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,463</b>	<b>61,084</b>
Net gains/(losses) from trading	-	-	-	-	202	-	-	-	202	-
Net fair value gains/(losses) from financial assets at fair value through profit or loss	-	-	-	-	116,604	196,974	-	-	116,604	196,974
Other operating income (net)	(45,000)	(35,744)	-	-	63	-	-	-	(44,937)	(35,744)
<b>Total operating income</b>	<b>1,750,776</b>	<b>958,518</b>	<b>70,515</b>	<b>28,247</b>	<b>372,587</b>	<b>1,013,677</b>	<b>67,620</b>	<b>103,007</b>	<b>2,261,498</b>	<b>2,103,449</b>
Impairment for loans and other losses	(313,677)	(331,316)	28,202	(48,832)	303	232	1,942	(39,725)	(283,231)	(419,642)
<b>Net operating income</b>	<b>1,437,099</b>	<b>627,202</b>	<b>98,717</b>	<b>(20,585)</b>	<b>372,890</b>	<b>1,013,908</b>	<b>69,563</b>	<b>63,282</b>	<b>1,978,268</b>	<b>1,683,807</b>
Depreciation and amortization	(115,524)	(120,572)	(6,408)	(8,258)	(67)	(67)	(9,006)	(8,387)	(131,005)	(137,285)
<b>Segment Result</b>	<b>1,321,574</b>	<b>506,631</b>	<b>92,310</b>	<b>(28,844)</b>	<b>372,822</b>	<b>1,013,841</b>	<b>60,557</b>	<b>54,895</b>	<b>1,847,263</b>	<b>1,546,523</b>
Un-allocated expenses									(1,486,612)	(1,318,021)
Value Added Tax (VAT) on financial services									(165,995)	(120,388)
Social Security Contribution Levy									(23,055)	(16,721)
<b>Profit before tax</b>									<b>171,601</b>	<b>91,393</b>
Tax expenses									(57,704)	(48,015)
<b>Profit for the period</b>									<b>113,897</b>	<b>43,379</b>
<b>Other comprehensive income</b>										
Other comprehensive income for the period net of tax									-	-
<b>Total comprehensive income for the period</b>									<b>113,897</b>	<b>43,379</b>
<b>As at 31<sup>st</sup> March</b>										
<b>Segment assets</b>	<b>85,394,138</b>	<b>96,872,549</b>	<b>4,736,367</b>	<b>6,635,215</b>	<b>51,946,042</b>	<b>46,646,326</b>	<b>6,657,056</b>	<b>6,738,704</b>	<b>148,733,603</b>	<b>156,892,794</b>
Un allocated assets	-	-	-	-	-	-	-	-	4,792,030	5,864,368
<b>Total assets</b>	<b>85,394,138</b>	<b>96,872,549</b>	<b>4,736,367</b>	<b>6,635,215</b>	<b>51,946,042</b>	<b>46,646,326</b>	<b>6,657,056</b>	<b>6,738,704</b>	<b>153,525,633</b>	<b>162,757,162</b>
<b>Segment liabilities</b>	<b>100,069,480</b>	<b>99,302,192</b>	<b>5,550,331</b>	<b>6,801,632</b>	<b>25,724,970</b>	<b>36,043,002</b>	<b>7,801,099</b>	<b>6,907,716</b>	<b>139,145,880</b>	<b>149,054,542</b>
Total equity	-	-	-	-	-	-	-	-	14,379,753	13,702,620
<b>Total equity &amp; liabilities</b>	<b>100,069,480</b>	<b>99,302,192</b>	<b>5,550,331</b>	<b>6,801,632</b>	<b>25,724,970</b>	<b>36,043,002</b>	<b>7,801,099</b>	<b>6,907,716</b>	<b>153,525,633</b>	<b>162,757,162</b>
<b>For the period ended 31st March</b>										
Additions to non-current assets	18,783	7,825	1,042	536	-	-	1,464	-	21,289	8,361

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

Item	Bank	
	As at 31.03.2024	As at 31.12.2023 (Audited)
<b>Regulatory Capital Adequacy (LKR in Millions)</b>		
Common Equity Tier 1	12,979	12,978
Core (Tier 1) Capital	12,979	12,978
Total Capital Base	14,284	14,382
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital Ratio (%) - (Minimum Requirement - 2024-7.00%, 2023-7.00%)	14.93	14.85
Tier 1 Capital Ratio (%) - (Minimum Requirement - 2024-8.50%, 2023-8.50%)	14.93	14.85
Total Capital Ratio (%) - (Minimum Requirement - 2024-12.50%, 2023-12.50%)	16.43	16.45
<b>Leverage Ratio (Minimum Requirement - 3%)</b>	8.48	8.29
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR in Millions)	36,992	39,467
Statutory Liquid Asset Ratio (%) - (Minimum Requirement, 20%)	35.72	38.25
Total Stock of High-Quality Liquid Assets (LKR in Millions)	32,490	35,488
Liquidity Coverage Ratio (%) - (Minimum Requirement - 2024-100%, 2023-100%)	287.15	287.06
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	204.68	192.78
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Impaired Loans (Stage 3) Ratio (%)	9.21	9.42
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	41.49	39.70
<b>Profitability</b>		
Interest Margin (%)	5.44	5.37
Return on Assets ( before Taxes ) (%)	0.93	0.49
Return on Equity (%)	3.18	3.34

Share Information	31.03.2024	31.12.2023
Market value per share (Rs.)	32.50	31.50
Highest price per share for the period (Rs.)	33.00	35.70
Lowest price per share for the period (Rs.)	31.00	30.50

**SANASA DEVELOPMENT BANK PLC**  
**SHAREHOLDER INFORMATION**

<b>Twenty Largest Shareholders as at 31.03.2024</b>			
No.	Name of the Shareholder	Number of Shares	Holding (%)
1	LOLC Investment Holdings One (Pvt) Limited	24,104,800	15.00%
2	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	17,609,503	10.96%
3	Belgian Investment Company for Developing Countries SA/NV	16,069,800	10.00%
4	Senthilverl Holdings (Pvt) Ltd	14,496,753	9.02%
5	Ayenka Holdings Private Limited	14,460,956	9.00%
6	Mr.C.F.Fuhrer	4,825,000	3.00%
7	Dr.T.Senthilverl	4,798,223	2.99%
8	SANASA Life Insurance Company PLC	4,715,996	2.93%
9	Alliance Finance Company PLC	3,516,310	2.19%
10	Peoples Leasing & Finance PLC/L.P.Hapangama	3,210,282	2.00%
11	SBI Emerging Asia Financial Sector Fund PTE. LTD	2,885,618	1.80%
12	People's Leasing & Finance PLC	2,271,260	1.41%
13	Bank of Ceylon A/C Ceybank Unit Trust	1,539,241	0.96%
14	Hatton National Bank PLC/Sarravanan Neelakandan	1,440,010	0.90%
15	Kegalle SANASA Shareholders Trust Company Limited	1,260,246	0.78%
16	SANASA General Insurance Company Ltd	1,124,418	0.70%
17	Polgahawela Sanasa Societies Union Ltd	1,014,098	0.63%
18	Nikawaratiya Thrift and Credit Co-operative Society Union Limited	992,849	0.62%
19	Bingiriya Multipurpose Co-operative Society Ltd	970,900	0.60%
20	SANASA Federation Limited	811,816	0.51%
Sub total		122,118,079	76.00%
Shares held by other shareholders		38,580,753	24.00%
<b>Total</b>		<b>160,698,832</b>	<b>100.00%</b>

*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 31.03.2024**

Total number of shares	160,698,832
Number of shares in public holding	118,499,616
Number of public shareholders	38,731
Percentage of public holding	73.74%
Market capitalisation	5,222,712,040
Float adjusted market capitalisation	3,851,237,520
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 31.03.2024**

No.	Name	No. of Shares
1	Ms.Dinithi Ratnayake (Chairperson)	
2	Prof. Sampath Amaratunge	
3	Mr.Chaaminda Kumarasiri	
4	Mr.Prasanna Premaratna	1,500
5	Mr.B.R.A.Bandara	11,000
6	Mr.Thusantha Wijemanna	
7	Mr.S.H.Sarath Nandasiri	
8	Mr.Conrad Dias	
9	Mr.Naveendra Sooriyarachchi	
10	Mr.Romani De Silva	104,650
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 26<sup>th</sup> 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.