

ICRA Lanka withdraws ratings on the Guaranteed Debentures of Sanasa Development Bank PLC

March 01, 2019

Instrument*	Rated Amount (LKR Mn)	Rating Action
Guaranteed Redeemable Debentures, type A, guaranteed by Sampath Bank PLC	1,597	[SL]A+(SO) Stable; Withdrawn
Guaranteed Redeemable Debentures, type C, guaranteed by Seylan Bank PLC	1,438	[SL]A-(SO) Stable; Withdrawn
Issuer Rating	NA	[SL]BBB- (Stable); Outstanding
Guaranteed Redeemable Debentures, type B, guaranteed by Sampath Bank PLC	403	[SL]A+(SO) Stable; Outstanding
Guaranteed Redeemable Debentures, type D, guaranteed by Seylan Bank PLC	562	[SL]A-(SO) Stable; Outstanding

Rating action

ICRA Lanka Limited, subsidiary of ICRA Limited, a group company of Moody's Investors Service, has withdrawn the issue rating of [SL]A+(SO) (pronounced SL A Plus Structured Obligation) with stable outlook on the type A, guaranteed redeemable debentures amounting to LKR 1,597 Mn of SANASA Development Bank PLC (SDB or the Bank). ICRA Lanka has also withdrawn the issue rating of [SL]A-(SO) (pronounced SL A Minus Structured Obligation) with stable outlook on the type C, guaranteed redeemable debentures amounting to LKR 1,438 Mn of SDB. The withdrawals are carried out at the request of the Bank, as the same has been fully redeemed and there are no amounts outstanding against the rated instruments.

ICRA Lanka has a [SL]BBB- (stable) issuer rating outstanding on the Bank. Please refer to the detailed rationale dated September 20, 2018.

Company Profile

Established in the year 1997, SANASA Development Bank PLC is a Licensed Specialised Bank. The Bank has a primary listing on the Colombo Stock Exchange. Close to about 32% of the total shareholding is with SANASA affiliated entities as in December 2018, which includes, SANASA Federation, Cooperative Societies, Trusts, Unions and other institutions. The other top shareholders include SBI/FMO and FMO (collectively 13% holding), Dr. Thirugnanasambandar Senthilverl (collectively 14.53%) and Ayenka Holdings (Pvt) Ltd. (12% holding) as at 31 December 2018. SDB has a network of 94 branches and over 1,000 employees.

In CY2017, SDB reported a PAT of LKR 508 Mn on a total asset base of LKR 82.4 Bn. In CY2016, the bank reported a PAT of LKR 404 Mn on a total asset base of LKR 66.0 Bn. The bank's net worth as of Dec-17 stood at LKR 7.3 Bn (LKR 5.5 Bn as of Dec-16). For the nine months ended Sep-18, the bank reported a PAT of LKR 328 Mn (un-audited) on a total asset base of LKR 93.3 Bn.

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