



Investor Relations

Investor relations consists of a dialogue between the Bank and the financial markets, of information that helps the investment community, make judgements on the Bank's market value vis-a-vis the potential and sustainability of the Organisation. The feedback received from investors and the market also provides valuable insight to the Bank in strategic decision-making.

The Bank's active investor engagement enables the market make sound decisions on their current and probable future shareholdings and investments in other securities.

At SDB Bank, the Annual General Meeting is the primary platform for communicating the Bank's performance while the Annual Report gives detailed, yet succinct information on its activities, use of its different forms of capital and its responsible social capital involvement. In addition, the Bank has one-on-one interactions with significant investors and other publications through the Colombo Stock Exchange.

Through these avenues of contact, the Bank helps investors gain a balanced view of its operating results, financial position (Balance sheet) and its liquidity, through the Cash Flow Statement. Furthermore, these disclosures help investors get a reasonable understanding of the Bank's strategic direction, governance, risk management, and the future business prospects.

It is expected that through sharing these many facets of information, current and potential investors will appreciate the value of the Bank and build and strengthen their relationship with the Bank.

Accountability, transparency, and good governance are at the forefront of the Bank's operations and the emphasis placed on these aspects in our communications with our investors give them the confidence that the operations are being conducted in line with best practices from around the world.

Our investor relations programme is designed to achieve the following:

- A competitive price for the Bank's shares;
- A healthy level of transactions of the Bank's shares on the stock exchange;
- Easier and cheaper access to capital in the future; and
- Reduced volatility in the share price through maintaining a loyal group of investors.

At SDB Bank, we believe that successful investor relations are achieved through regular exchange of information with the market and is therefore integral to our communication strategy.

SDB Bank Securities

Types

- Quoted ordinary shares
- Debentures

Listing details

Ordinary shares

Listed exchange	: Colombo Stock Exchange (CSE) Main Board
Sector	: Banks Finance and Insurance
Quoted date	: 31 May 2012
Code-ISIN	: LK0412N00003
Stock symbol	: SDB.N000

Debentures

Type	Code	ISIN	Par value LKR	Coupon rate (Per annum) %	Credit rating
A	SDB-BD- 31/12/18-C2338-9.6	LK0412D23386	100	9.60	A+(SO)
B	SDB-BD- 31/12/20-C2337-10	LK0412D23394	100	10.00	A+(SO)
C	SDB-BD- 31/12/18-C2340-9.9	LK0412D23402	100	9.90	A-(SO)
D	SDB-BD- 31/12/20-C2339-10.30	LK0412D23378	100	10.30	A-(SO)

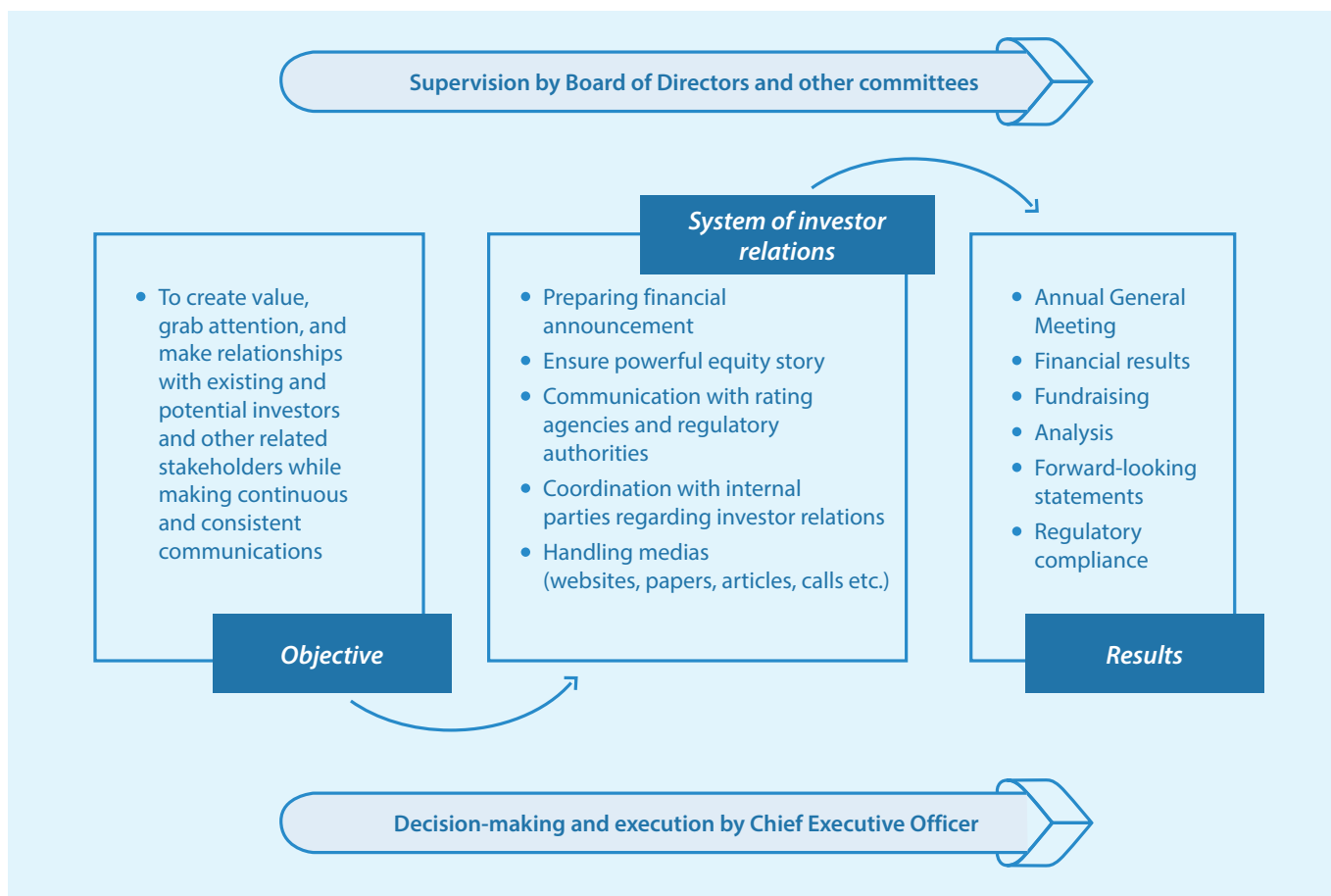
Credit ratings

The Bank has obtained credit ratings from Fitch Ratings Lanka Ltd., and ICRA Lanka Limited. The ratings take into consideration the Bank's performance, asset quality, capitalisation, liquidity and market position among others.

Rating entity	Rating
Fitch Ratings Lanka Ltd.	BB+(Stable)
ICRA Lanka Limited	SL BBB-Stable outlook

Useful links for investors

Information	Link (website)
SDB Bank	www.sdb.lk
Colombo Stock Exchange	www.cse.lk
Fitch Ratings Lanka Ltd.	www.fitchratings.lk
Central Bank of Sri Lanka	www.cbsl.gov.lk



Our Listed Securities

Summary of trading activity

SDB Bank Share Trading	2018	2017	2016	2015	2014
Number of transactions (No.)	4,392	5,981	10,940	26,889	24,450
Number of shares traded (No.)	11,169,042	4,830,202	5,649,252	19,891,297	11,631,552
Value of shares traded (LKR Mn.)	1,199.97	500.47	725.61	2,667.29	1,095.13
Average daily turnover (LKR Mn.)	5.06	2.08	3.02	11.16	4.54

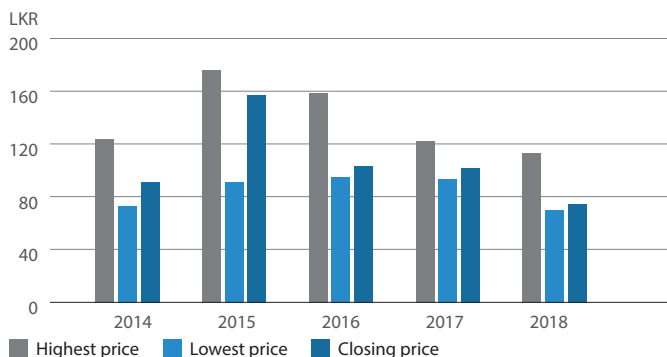
Performance of securities – Bank market capitalisation and share trading details

Bank market capitalisation	2018	2017	2016	2015	2014
SDB Bank market capitalisation (LKR Bn.)	4.22	5.58	4.36	6.32	3.43
Increase/decrease in market capitalisation of SDB Bank (%)	-24	28	-31	84	77
CSE market capitalisation (LKR Bn.)	2,839.44	2,899.29	2,745.00	2,938.00	3,104.90
SDB Bank market capitalisation as a % of CSE market capitalisation (%)	0.15	0.19	0.16	0.22	0.11
Market capitalisation rank of SDB Bank	91	83	96	78	114

Bank share price movement

Bank share price movement	2018	2017	2016	2015	2014
Highest price (LKR)	112.90	122.50	158.80	176.00	124.00
Lowest price (LKR)	70.00	93.80	95.20	91.00	73.50
Price as at 31 December (LKR)	75.00	101.90	103.70	157.10	90.90

SDB Bank share price movement trend

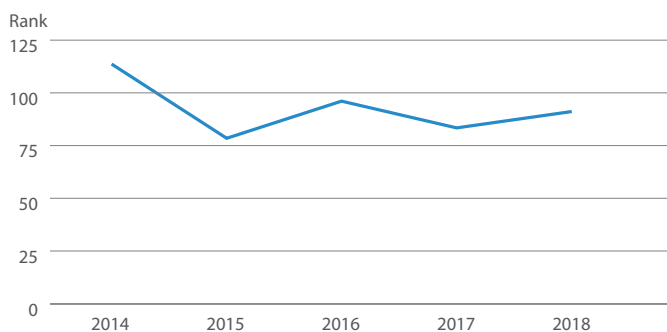


Value creation – CSE market price vs Banking industry

CSE market	2018	2017	2016	2015	2014
Market price-earnings ratio (PER) (Times)	9.65	10.60	12.4	17.98	19.66
Market Price to Book Value (PBV) (Times)	1.18	1.31	1.4	1.99	2.20
Market Dividend Yield (DY) (%)	3.09	3.19	2.8	2.18	2.09

Banking industry	2018	2017	2016	2015	2014
Market Price-Earnings Ratio (PER) (Times)	5.4	6.6	7.0	11.00	13.50
Market Price to Book value (PBV) (Times)	0.9	1.1	1.2	1.40	1.80
Market Dividend Yield (DY) (%)	2.8	2.5	3.3	3.00	2.60

SDB Bank market capitalisation rank



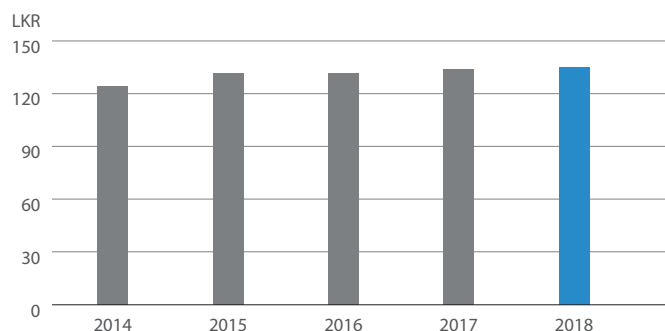
Dividends

A dividend is a distribution of reward, from a portion of the Bank's earnings, and is paid to the ordinary shareholders annually. The amount declared and paid each year varies in relation to the earnings of the Bank. It strikes a balance between a fair return to the shareholders for their investment and the business requirements to maintain the sustainability of the Bank.

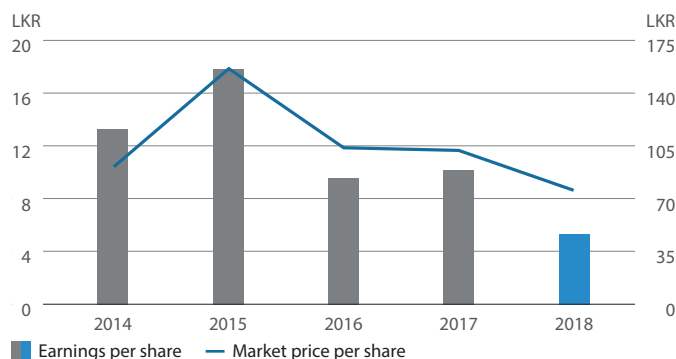
Dividends are decided and managed by the Bank's Board of Directors and they are approved by the shareholders through the exercise of their voting rights.

Year	Profit for the year (LKR Mn.)	Total dividend paid (LKR Mn.)	Dividend per share (LKR)	Dividend payout ratio (%)	Dividend yield (%)
2014	504.45	94.58	10.00	74.86	11.00
2015	720.57	109.16	10.00	55.85	6.37
2016	403.72	131.24	7.50	78.13	7.23
2017	507.82	136.94	6.00	58.94	5.89
2018	356.95	-	-	-	-

Net assets per share



Earnings and market price per share



Shareholders

Analysis of shareholders

Resident/Non-Resident

	31 December 2018				31 December 2017			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Resident shareholders	37,632	99.958	43,693,059	77.596	38,269	99.963	42,545,930	77.67
Non-resident shareholders	16	0.042	12,615,193	22.404	14	0.037	12,232,937	22.33
Total	37,648	100	56,308,252	100	38,283	100	54,778,867	100

Individual/Institutional

	31 December 2018				31 December 2017			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Individual shareholders	34,060	90.47	16,516,455	29.33	34,710	90.67	16,242,578	29.65
Institutional shareholders	3,588	9.53	39,791,797	70.67	3,573	9.33	38,536,289	70.35
Total	37,648	100	56,308,252	100	38,283	100	54,778,867	100

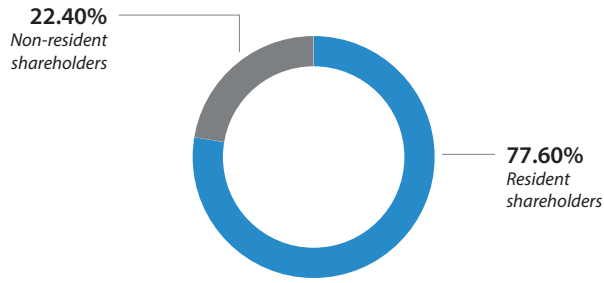
Institutional sub analysis

	31 December 2018				31 December 2017			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
Foreign	4	0.010	12,289,797	21.83	3	0.01	11,942,201	21.80
Local and other institutions	50	0.133	11,847,519	21.04	47	0.12	10,927,204	19.95
Sanasa federation								
Acc 1	1	0.002	720,024	1.27	1	0.01	764,730	1.40
Acc 2			28,439	0.05			27,658	0.05
Sanasa societies	3372	8.957	7,047,079	12.52	3,360	8.77	6,365,985	11.62
Sanasa unions	35	0.093	1,242,645	2.21	34	0.09	1,147,359	2.09
MPCCS	21	0.056	156,595	0.28	21	0.05	152,301	0.28
Trust companies	105	0.279	6,459,699	11.47	107	0.28	7,208,851	13.16
Total	3,588	9.53	39,791,797	70.67	3,573	9.33	38,536,289	70.35

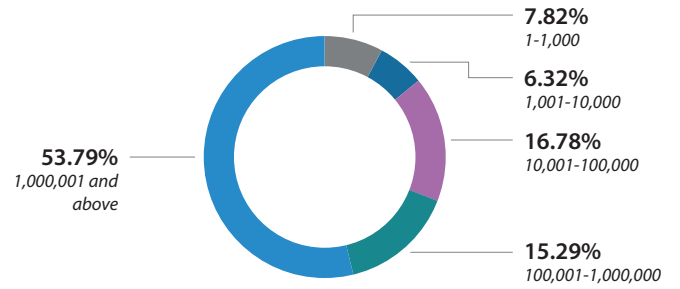
Share ownership composition

	31 December 2018				31 December 2017			
	No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
1-1000	36,003	95.63	4,404,185	7.82	36,659	95.76	4,472,661	8.17
1001-10000	1,286	3.42	3,556,285	6.32	1,282	3.35	3,530,007	6.44
10001-100000	313	0.83	9,447,858	16.78	294	0.77	9,237,897	16.86
100001-1000000	38	0.10	8,607,818	15.29	40	0.10	9,277,569	16.94
1000001 and above	8	0.02	30,292,106	53.79	8	0.02	28,260,733	51.59
	37,648	100	56,308,252	100	38,283	100	54,778,867	100

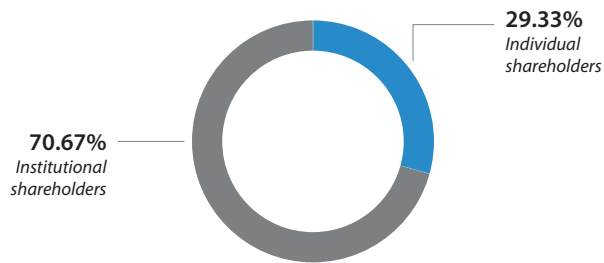
Resident/Non-resident shareholding by number of shares



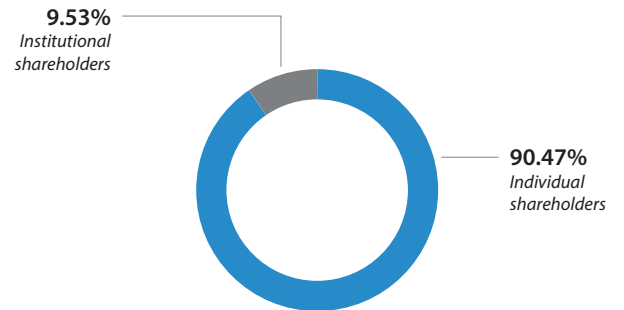
Share ownership by number of shares



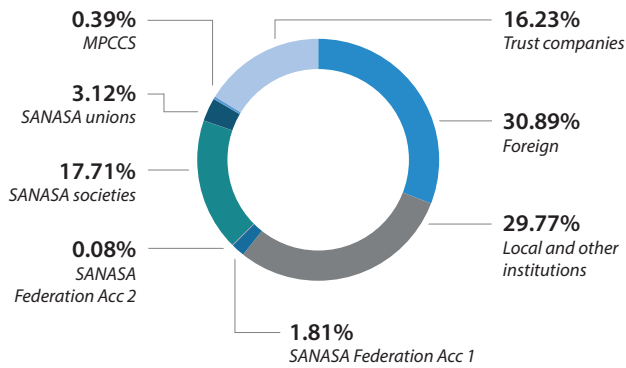
Individual/Institutional shareholding by number of shares



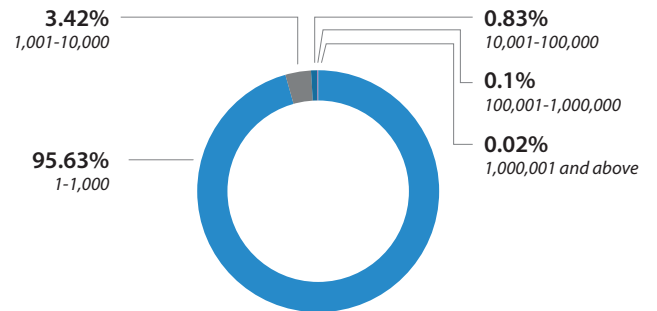
Individual/Institutional shareholding by number of shareholders



Institutional shareholding by number of shares



Share ownership by number of shareholders



Composition of shareholders – Top twenty shareholders

No. Shareholder name	31 December 2018		31 December 2017	
	No. of shares	%	No. of shares	%
1. Seylan Bank PLC/DR Thirugnanasambandar Senthilverl	6,936,510	12.32	6,203,204	11.32
2. Ayenka Holdings (Pvt) Ltd.	6,779,840	12.04	–	–
3. SBI FMO Emerging Asia Financial Sector Fund PTE. LTD.	5,045,636	8.96	4,906,926	8.96
4. CB NY S/A International Finance Corporation	4,991,644	8.86	4,854,419	8.86
5. Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V	2,242,504	3.98	2,180,856	3.98
6. People's Leasing & Finance PLC	2,094,012	3.72	2,036,446	3.72
7. Seemasahitha SANASA Rakshana Samagama (General)	1,162,630	2.06	1,130,669	2.06
8. Kegalle SANASA Shareholders Trust Company Limited	1,039,330	1.85	1,010,758	1.85
9. Seemasahitha SANASA Rakshana Samagama (Life)	910,708	1.62	885,672	1.62
10. Sampath Bank PLC/Dr T Senthilverl	871,885	1.55	835,005	1.52
11. Sanasa Federation Ltd.	720,024	1.28	764,730	1.40
12. Polgahawela Sanasa Societies Union Ltd	387,314	0.69	351,804	0.64
13. Hambantota DTCCS Union Ltd.	384,257	0.68	373,694	0.68
14. Warakapola SANASA Shareholders Trust Company Ltd.	380,249	0.67	511,257	0.93
15. Dr T Senthilverl	373,598	0.66	34,837	0.06
16. Kolonnawa SANASA Shareholders Trust Company Ltd.	257,370	0.46	250,295	0.46
17. Mr D P Pieris	257,067	0.46	343,107	0.63
18. Polgahawela SANASA Shareholders Trust Company Ltd.	238,667	0.42	234,256	0.43
19. Sampath Bank PLC/Mr Arunasalam Sithampalam	224,333	0.40	26,093	0.05
20. Dr S Yaddehige	205,653	0.37	265,466	0.48
Total	35,503,231	63.05	27,199,494	49.65

	31 December 2018		31 December 2017	
	No. of shares	%	No. of shares	%
Total number of shares registered	48,686,639	86.46	46,999,562	85.80
Total number of shares unregistered	7,621,613	13.54	7,779,305	14.20
Total Number of shares issued	56,308,252	100	54,778,867	100
Shares held by Directors	75,243	0.13	73,062	0.13
Shares held by institutions	39,791,797	70.67	38,536,289	70.35
Balance held by public	16,441,212	29.20	16,169,516	29.52
Total Number of shares issued	56,308,252	100	54,778,867	100
Shares held by public	56,231,740	99.86	54,704,570	99.86
Shares held by Directors and related parties	76,512	0.14	74,297	0.14
Total	56,308,252	100	54,778,867	100

Directors' and CEO's shareholding

Name	31 December 2018		31 December 2017	
	No. of Shares	%	No. of Shares	%
Ms S Kiriwandeniya (Chairperson)	5,785	0.0102	5,627	0.010
Mr P Subasinghe (Director)	69,341	0.1231	67,435	0.123
Mr K G Wijerathne (Director)	117	0.0002	–	–
Total	75,243	0.1335	73,062	0.133

Other information for ordinary shareholders

Record of scrip issue

Year	New proportion	Old proportion	No. of shares listed	Date listed
2017	1	22.8533	2,279,147	12 June 2017
2018	-	-	-	-

Record of right issue (2014)

Code	Close price LKR	Highest price LKR	Lowest price LKR	Turnover LKR	No. of shares	Trades
SDB.R0000	15.00	24.00	10.70	31,153,089.00	2,191,458	1,717

Date of allotment	No. of shares provisionally allotted	Consideration per share LKR	Final allotment no. of shares	Amount raised LKR	Proportion	Date issued
18 November 2014	12,587,661	80.00	12,587,661	1,007,012,880.00	1:2	30 December 2014

Utilisation of funds raised through right issue

Objective No.	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilisation as per circular	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilised in LKR	% of utilisation against allocation
1	To increase the Bank's capital base and to finance portfolio growth whilst strengthening the balance sheet.	1,007,012,880	Nine months from the date of allotment	1,007,012,880	100	1,007,012,880	100

Market capitalisation

CSE Market and Banking Industry	2018	2017	2016	2015	2014
CSE market capitalisation (LKR Bn.)	2,839.44	2,899.29	2,745.00	2,938.00	3,104.90
S & P SL20 (31/12)	3,135.18	3,671.72	3,496.44	3,625.69	4,089.14
All share price index (31/12)	6,052.37	6,369.26	6,228.26	6,894.50	7,298.95
Banking, and finance and insurance sector market capitalisation (LKR Bn.)	784.24	769.97	653.86	699.84	753.69

Market share trading

Market share trading	2018	2017	2016	2015	2014
Number of transactions	885,657	981,977	1,056,849	1,506,790	1,982,709
Number of shares traded	6001	8,468	7,196	9,415	16,722
Value of shares traded (LKR Mn.)	200,068.84	220,591.24	176,935.45	253,251.01	340,917.12
Average Daily Turnover (LKR Mn.)	833.62	915.43	737.23	1,059.63	1,414.59

SDB Bank value creation for ordinary shareholders

SDB Bank	2018	2017	2016	2015	2014
Net asset value per share (LKR)	132.28	133.83	131.22	131.62	124.35
Basic earnings per share (LKR)	6.34	9.87	9.60	17.90	13.36
Dividend per share (LKR)	Nil	6.00	7.50	10.00	10.00
Market price per share as at 31 December (LKR)	75.00	101.90	103.70	157.10	90.90
Price-Earnings Ratio (PER) (Times)	11.83	10.32	10.80	8.78	6.80
Price to Book Value (PBV) (Times)	0.57	0.76	0.79	1.19	0.73
Dividend Yield (DY) (%)	–	5.89	7.23	6.37	11.00
Dividend payout (%)	–	58.94	78.13	55.85	74.86
Number of shares (No. Mn.)	56.31	54.78	42.06	40.25	37.76
Number of shareholder	37,648	38,283	39,374	40,283	45,446
Total equity (LKR Mn.)	7,448.73	7,331.16	5,519.28	5,297.35	4,695.97
Stated capital (LKR Mn.)	5,921.54	5,758.69	4,062.96	3,794.09	3,533.55
Debt to equity (Times)	11.83	10.09	10.75	10.12	7.42
Interest cover (Times)	1.08	1.11	1.13	1.34	1.31
Return on equity (%)	4.83	7.90	7.46	14.42	12.49
Earnings growth (%)	(14.41)	22	(43.97)	42.84	103.26
Quick assets ratio (%)	0.65	0.63	0.65	0.55	0.67

Value creation for debenture holders**Basic information of the debentures**

	Type A	Type B	Type C	Type D
Tenure	3 years	5 years	3 years	5 years
Issue date	31.12. 2015	31.12. 2015	31.12. 2015	31.12. 2015
Maturity date	31.12. 2018	31.12. 2020	31.12. 2018	31.12. 2020
Frequency of interest payable	Semi-annual	Semi-annual	Semi-annual	Semi-annual
Market value	Not traded	Not traded	Not traded	Not traded

Other information of the debentures

	2018				2017			
	Balance as at 31 December LKR '000	Coupon rate %	Annual effective rate %	Interest rate comparable Government Securities %	Balance as at 31 December LKR '000	Coupon rate %	Annual effective rate %	Interest rate comparable Government Securities %
Type A	1,674,695	9.60	9.83	11.42	1,672,156	9.60	9.83	9.93
Type B	422,906	10.00	10.25	11.58	422,266	10.00	10.25	10.25
Type C	1,509,819	9.90	10.15	11.42	1,505,823	9.90	10.15	9.93
Type D	591,128	10.30	10.57	11.58	589,567	10.30	10.57	10.25

Utilisation of funds raised through debenture issue

Objective Number	Objective as per prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilisation as per Prospectus	Amount allocated from proceeds in LKR	% of total proceeds	Amounts utilised in LKR	% of utilisation against allocation
1	To raise medium term funds to manage assets and liability mismatch and to minimise the interest rate risk	–	–	–	–	–	100
2	To finance the budgeted lending portfolio (approximately 90% as loans and the balance as leasing) and to minimise the mismatch in funding exposure	4,000,000,000	In the ordinary course business within the next 12 months from the date of allotment	3,600,000,000 for loans and 400,000,000 for leasing	100	4,000,000,000	100