Building a better working world

Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

AdeS/PATR/UP

Board of Directors
National Development Bank PLC
No. 40, Nawam Mawatha
Colombo 02

16 July 2020

Accountants' Report
National Development Bank PLC

Dear Sirs/Mesdames

Introduction

This report has been prepared for the purpose of the prospectus issued in connection with the Issue of Fifty Million (50,000,000) Basel III Compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion aggregating to a value of up to Rupees Five Thousand Million (LKR 5,000,000,000/-) of National Development Bank PLC each with the option to issue a further Fifteen Million (15,000,000) of the said Debentures in the event of an oversubscription.

We have examined the Financial Statements of the National Development Bank PLC (the "Bank") and the Consolidated Financial Statements of the Bank and its Subsidiaries (the "Group") for the years ended 31 December 2015 to 31 December 2019, and report as follows.

1. Incorporation

Bank

The Bank was incorporated in Sri Lanka on 15 June 2005 as a public limited liability company under the National Development Bank of Sri Lanka Act no 1 of 2005. The Bank was re-registered pursuant to the provisions of The Companies Act No 07 of 2007. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The registered office of the Bank is located at No 40, Nawam Mawatha, Colombo 02. The principal activities of the Bank involve providing financial services encompassing retail banking, small and medium enterprise (SME) banking, corporate banking, project and infrastructure financing, investment banking, leasing, housing finance, cash management, correspondent banking, remittance services, margin trading, pawning, treasury and investment services, bancassurance and card operations.

2. Financial Information

2.1 Five-year Summary of Audited Financial Statements

A summary of Statements of Profit or Loss and Statements of Financial Position of the Bank and a summary of Consolidated Profit or Loss and Consolidated Financial Position of the Group for the financial years ended 31 December 2015 to 31 December 2019, based on the audited Financial Statements are set out on annexure of this Accountants' Report.

2.2 Audited Financial Statements for the Year Ended 31 December 2019

Our audit report on the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its Subsidiaries for the year ended 31 December 2019 together with such Financial Statements comprising the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon is available on the websites of CSE, www.cse.lk, where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Audit Reports

We have audited the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2015 to 31 December 2019. Unmodified audit opinions have been issued for the said financial years by our reports dated 12 February 2016, 21 February 2017 ,20 February 2018,18 February 2019 and 18 February 2020 respectively.

2.4 Accounting Policies

The Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2015 to 31 December 2019 comply with Sri Lanka Accounting Standards.

The accounting policies of the Bank and its Subsidiaries are stated in detail in the audited Financial Statements of National Development Bank PLC for the year ended 31 December 2019.

2.5 Dividends

2.5.1 Bank has paid dividend for the years ended 31 December 2015 to 31 December 2018 as follows.

Year	Dividend Per Share (Rs.)	Dividend Paid (LKR'000)
2015	11	1,816,547
2016	8	660,669
2017*	9	1,664,455
2018**	8	1,200,400

* Dividend paid on ordinary shares includes LKR 5.00 paid as scrip dividends in 2017.
** Dividend paid on ordinary shares includes LKR 6.50 paid as scrip dividends in 2018

2.5.2 Dividend details for the year ended 2019 is described in the section 2.6 of this report.

ERNST & YOUNG
Chartered Accountants
COLOMBO

2.6 Events after Reporting Date

On 18 February 2020, the Bank declared a first and final dividend of LKR 7.00 per share comprising of a cash dividend of LKR 2.00 per share and a scrip dividend of LKR 5.00 per share, for the financial year 2019 (2018- A first and final dividend of LKR 8.00 per share comprising of a cash divided of LKR 1.50 per share and a scrip dividend of LKR 6.50 per share).

As per the Notice dated 18 February 2020 published by the Department of Inland Revenue, the above dividend payment is not subject to withholding tax.

Accordingly, the stated capital of the Bank will increase to LKR 8,794 Mn, as a result of the scrip dividends declared for the year ended 31 December 2019.

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of National Development Bank PLC for usage in the application for the purpose of Issue of Fifty Million (50,000,000) Basel III Compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion aggregating to a value of up to Rupees Five Thousand Million (LKR 5,000,000,000/-) of National Development Bank PLC each with the option to issue a further Fifteen Million (15,000,000) of the said Debentures in the event of an oversubscription.

Yours faithfully,

NDB bank

STATEMENT OF PROFIT OR LOSS

	Bank			Group		
	year ended 31/12/2016 LKR '000	year ended 31/12/2015 LKR '000	Change %	year ended 31/12/2016 LKR '000	year ended 31/12/2015 LKR '000	Change %
Gross Income	33,281,736	25,855,311	29	33,776,905	26,915,863	25
Interest Income	28,618,247	21,167,848	35	28,960,606	21,431,932	35
Interest Expenses	20,130,935	13,646,025	48	20,099,837	13,624,555	48
Net Interest Income	8,487,312	7,521,823	13	8,860,769	7,807,377	13
Net Fee and Commission Income	2,253,226	2,016,260	12	3,046,132	3,156,841	(4)
Net gain/(loss) from trading	982,123	1,088,464	(10)	982,123	1,088,464	(10)
Net gain/(loss) from financial investments	211,370	262,048	(19)	440,748	493,739	(11)
Other operating income	1,216,770	1,320,691	(8)	347,296	744,887	(53)
Total Operating Income	13,150,801	12,209,286	8	13,677,068	13,291,308	3
Less: Impairment for loans and receivables and other losses	1,366,953	711,833	92	1,424,573	746,145	91
Net operating income	11,783,848	11,497,453	2	12,252,495	12,545,163	(2)
Operating Expenses						
Personnel Expenses	3,434,550	3,204,228	7	3,792,590	3,633,627	4
Other Expenses	3,014,294	2,845,350	6	3,366,359	3,196,253	5
Total operating expenses	6,448,844	6,049,578	7	7,158,949	6,829,880	5
Operating Profit Before Tax on Financial Services	5,335,004	5,447,875	(2)	5,093,546	5,715,283	(11)
Less: Tax on Financial Services	1,048,000	910,442	15	1,048,000	910,442	15
Operating Profit After Tax on Financial Services	4,287,004	4,537,433	(6)	4,045,546	4,804,841	(16)
Share of associate companies' profits/(losses)	-	-	-	-	77,818	(100)
Profit Before Taxation	4,287,004	4,537,433	(6)	4,045,546	4,882,659	(17)
Less :Taxation	1,116,733	1,026,002	9	1,230,587	1,212,564	1
Profit for the year	3,170,271	3,511,431	(10)	2,814,959	3,670,095	(23)
Profit Attributable to:						
Equity Holders of the parent	3,170,271	3,511,431	(10)	2,691,014	3,542,040	(24)
Non Controlling Interests	-	-	-	123,945	128,055	(3)
	3,170,271	3,511,431	(10)	2,814,959	3,670,095	(23)
Basic Earnings per share (in LKR)	19.19	21.26	(10)	16.29	21.51	(24)
Diluted Earnings per share (in LKR)	19.19	21.26	(10)	16.29	21.51	(24)

STATEMENT OF COMPREHENSIVE INCOME

	year ended 31/12/2016 LKR '000	year ended 31/12/2015 LKR '000	Change %	year ended 31/12/2016 LKR '000	year ended 31/12/2015 LKR '000	Change %
Profit for the year	3,170,271	3,511,431	(10)	2,814,959	3,670,095	(23)
Other comprehensive income /(expenses) to be reclassified to profit or loss in subsequent period						
Exchange differences on translation of foreign operations	-	-	-	7,537	16,225	(54)
Gains/(losses) from Available for Sale Investments	(372,240)	(391,286)	5	(436,305)	(380,673)	(15)
Deffered tax effect on fair value adjustment of available for sale investments	13,776	78,759	(83)	33,277	78,759	(58)
Net gains/(losses) on available for sale investments	(358,464)	(312,527)	(15)	(403,028)	(301,914)	(33)
Gains /(losses) on cash flow hedges	(54,012)	(287,692)	81	(54,012)	(287,692)	81
Other comprehensive income /(expenses) not to be reclassified to profit or loss in subsequent period						
Revaluation of owner occupied portion of freehold buildings	-	-	-	21,000	95,339	(78)
Actuarial Gains/(losses) on defined benefit plans	(73,151)	94,353	(178)	(79,530)	99,431	(180)
Deffered tax effect on acturial gains/(losses)	10,544	(7,325)	244	11,529	(7,325)	257
Net acturial gains/(losses) on defined benefit plans	(62,607)	87,028	(172)	(68,001)	92,106	(174)
Total Other Comprehensive Income for the year, net of taxes	(475,083)	(513,191)	7	(496,504)	(385,936)	(29)
Total Comprehensive Income for the year	2,695,188	2,998,240	(10)	2,318,455	3,284,159	(29)
Attributable to:						
Equity holders of the parent	2,695,188	2,998,240	(10)	2,192,078	3,150,531	(30)
Non Controlling Interests	-	-	-	126,377	133,628	(5)
	2,695,188	2,998,240	(10)	2,318,455	3,284,159	(29)

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

ERNST & YOUNG
Chartered Accountants
COLOMBO

NDB bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Period As at 31/12/2016 LKR '000	Previous Period As at 31/12/2015 (Audited) LKR '000	Change %	Current Period As at 31/12/2016 LKR '000	Previous Period As at 31/12/2015 (Audited) LKR '000	Change %
Assets						
Cash and cash equivalents	5,018,438	11,821,503	(58)	5,139,389	11,848,575	(57)
Balances with the Central Bank of Sri Lanka	11,815,277	6,999,898	69	11,815,277	6,999,898	69
Placements with banks	3,297,262	1,153,619	186	3,297,262	1,153,619	186
Derivative Financial Instruments	1,544,621	1,903,573	(19)	1,544,621	1,903,573	(19)
Financial Assets - Held for trading	832,694	2,985,262	(72)	3,661,530	5,229,493	(30)
Loans and Receivables to banks	37,032	102,632	(64)	37,032	102,632	(64)
Loans and Receivables to other customers	227,639,844	209,602,069	9	227,679,939	209,665,561	9
Financial Investments - Loans and receivables	41,992,533	35,830,311	17	43,896,593	37,368,705	17
Financial Investments - Available for sale	31,500,020	28,501,518	11	31,899,259	28,964,820	10
Financial Investments - Held to maturity	4,137,601	4,436,973	(7)	4,946,120	5,660,868	(13)
Investments -Held for sale	18,526	18,526	0	33,302	33,302	0
Investments in subsidiary companies	2,115,850	2,104,117	1	-	-	-
Investment Property	-	-	-	1,776,000	1,672,000	6
Intangible assets	368,083	240,234	53	384,742	274,746	40
Property, plant & equipment	2,078,570	2,030,005	2	2,528,258	2,454,883	3
Other assets	2,148,384	1,427,365	51	2,092,444	2,021,058	4
Total assets	**334,544,735**	**309,157,605**	**8**	**340,731,768**	**315,353,733**	**8**
Liabilities						
Due to Banks	17,124,944	11,620,003	47	17,124,944	11,620,003	47
Derivative Financial Instruments	474,770	639,272	(26)	474,770	639,272	(26)
Due to other Customers	203,866,547	184,933,230	10	203,515,828	184,152,280	11
Debt Securities issued and other borrowed funds	59,233,264	60,527,844	(2)	59,233,264	60,497,844	(2)
Tax Liabilities	845,660	486,503	74	852,454	524,020	63
Deferred Tax liabilities	791,791	702,378	13	744,880	712,823	4
Employee Benefit liabilities	331,211	252,825	31	394,666	297,152	33
Other liabilities	7,684,997	7,720,809	-	7,931,165	7,935,739	-
Subordinated Term Debts	19,446,501	19,573,883	(1)	19,446,501	19,573,883	(1)
Total liabilities	**309,799,685**	**286,456,747**	**8**	**309,718,472**	**285,953,016**	**8**
Equity						
Stated Capital (Bank & Group - 165,185,506 shares)	1,246,479	1,242,772	-	1,246,479	1,162,963	7
Statutory Reserve Fund	1,246,479	1,242,772	-	1,246,479	1,242,772	-
Retained Earnings	21,894,388	19,444,385	13	26,946,432	24,975,975	8
Other Reserves	357,704	770,929	(54)	497,197	1,000,494	(50)
Total shareholders' equity	**24,745,050**	**22,700,858**	**9**	**29,936,587**	**28,382,204**	**5**
Non Controlling Interests	-	-	-	1,076,709	1,018,513	6
Total Equity	**24,745,050**	**22,700,858**	**9**	**31,013,296**	**29,400,717**	**5**
Total liabilities and equity	**334,544,735**	**309,157,605**	**8**	**340,731,768**	**315,353,733**	**8**
Net Book Value Per Share (LKR)	**149.80**	**137.44**	9	**181.23**	**172.35**	5
Contingent liabilities and commitments	**234,221,049**	**237,748,413**	**(1)**	**235,130,473**	**238,589,573**	**(1)**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG Chartered Accountants COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2016	Stated Capital	Reserves						Retained Earnings	Total	Non Controlling Interests	Total Equity
		Statutory Reserve Fund	General Reserve	Revaluation Reserve	Share Based Payment Reserves	Available For Sale Reserves	Cash Flow Hedge Reserve				
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
BANK											
Balance as at 1 January 2015	1,225,162	1,010,785	5,805,707	853,456	20,243	105,250	397,852	12,819,737	22,238,192	-	22,238,192
Super gain tax	-	-	-	-	-	-	-	(732,081)	(732,081)	-	(732,081)
Adjusted Opening Balance as at 1 January 2015	1,225,162	1,010,785	5,805,707	853,456	20,243	105,250	397,852	12,087,656	21,506,111		21,506,111
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	3,511,431	3,511,431	-	3,511,431
Other Comprehensive Income before Tax	-	-	-	-	-	(391,286)	(287,692)	94,353	(584,625)	-	(584,625)
Tax on Other Comprehensive Income	-	-	-	-	-	78,759	-	(7,325)	71,434	-	71,434
Total Comprehensive Income for the year	-	-	-	-	-	(312,527)	(287,692)	3,598,459	2,998,240	-	2,998,240
Transactions with equity holders											
Issue of Shares	17,610	-	-	-	(5,653)	-	-	-	11,957	-	11,957
Transfer from share based payment reserves	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve fund	-	231,987	-	-	-	-	-	(231,987)	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	(1,815,450)	(1,815,450)	-	(1,815,450)
Balance as at 31 December 2015	**1,242,772**	**1,242,772**	**5,805,707**	**853,456**	**14,590**	**(207,277)**	**110,160**	**13,638,678**	**22,700,858**	-	**22,700,858**
Balance as at 1 January 2016	1,242,772	1,242,772	5,805,707	853,456	14,590	(207,277)	110,160	13,638,678	22,700,858	-	22,700,858
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	3,170,271	3,170,271	-	3,170,271
Other Comprehensive Income before Tax	-	-	-	-	-	(372,240)	(54,012)	(73,151)	(499,403)	-	(499,403)
Tax on Other Comprehensive Income	-	-	-	-	-	13,776	-	10,544	24,320	-	24,320
Total Comprehensive Income for the year	-	-	-	-	-	(358,464)	(54,012)	3,107,664	2,695,188	-	2,695,188
Transactions with equity holders											
Issue of Shares	3,707	-	-	-	-	-	-	-	2,958	-	2,958
Transfer to statutory reserve fund	-	3,707	-	-	-	-	-	(3,707)	-	-	-
Transfer from share based payment reserves	-	-	-	-	(749)	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	(653,954)	(653,954)	-	(653,954)
Balance as at 31 December 2016	**1,246,479**	**1,246,479**	**5,805,707**	**853,456**	**13,841**	**(565,741)**	**56,148**	**16,088,681**	**24,745,050**	-	**24,745,050**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2016	Stated Capital	Reserves: Statutory Reserve Fund	Reserves: General Reserve	Reserves: Revaluation Reserve	Reserves: Share Based Payment Reserves	Reserves: Available For Sale Reserves	Reserves: Cash Flow Hedge Reserve	Reserves: Retained Earnings	Total	Non Controlling Interests	Total Equity
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
GROUP											
Balance as at 1 January 2015	1,145,353	1,010,785	5,805,707	853,456	60,148	162,355	397,852	18,440,117	27,875,773	922,646	28,798,419
Super gain tax	-	-	-	-	-	-	-	(833,548)	(833,548)	(21,123)	(854,671)
Adjusted Opening Balance as at 1 January 2015	1,145,353	1,010,785	5,805,707	853,456	60,148	162,355	397,852	17,606,569	27,042,225	901,523	27,943,748
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	3,542,040	3,542,040	128,055	3,670,095
Other Comprehensive Income before Tax	-	-	-	95,339	-	(380,673)	(287,692)	110,083	(462,943)	5,573	(457,370)
Tax on Other Comprehensive Income	-	-	-	-	-	78,759	-	(7,325)	71,434	-	71,434
Total Comprehensive Income for the year	-	-	-	95,339	-	(301,914)	(287,692)	3,644,798	3,150,531	133,628	3,284,159
Transactions with equity holders											
Issue of Shares	17,610	-	-	-	-	-	-	-	11,957	-	11,957
Adjustment due to changes in group companies	-	-	-	-	-	-	-	(33,662)	(33,662)	24,645	(9,017)
Adjustment to share based payment reserves	-	-	-	-	26,603	-	-	-	26,603	-	26,603
Transfer to statutory reserve fund	-	231,987	-	-	-	-	-	(231,987)	-	-	-
Transfer from share based payment reserves	-	-	-	-	(5,653)	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	(1,815,450)	(1,815,450)	(41,283)	(1,856,733)
Balance as at 31 December 2015	1,162,963	1,242,772	5,805,707	948,795	81,098	(139,559)	110,160	19,170,268	28,382,204	1,018,513	29,400,717
Balance as at 1 January 2016	1,162,963	1,242,772	5,805,707	948,795	81,098	(139,559)	110,160	19,170,268	28,382,204	1,018,513	29,400,717
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	2,691,014	2,691,014	123,945	2,814,959
Other Comprehensive Income before Tax	-	-	-	21,000	-	(436,305)	(54,012)	(74,425)	(543,742)	2,432	(541,310)
Tax on Other Comprehensive Income	-	-	-	-	-	33,277	-	11,529	44,806	-	44,806
Total Comprehensive Income for the year				21,000		(403,028)	(54,012)	2,628,118	2,192,078	126,377	2,318,455
Transactions with equity holders											
Issue of shares	3,707	-	-	-	-	-	-	-	2,958	-	2,958
Adjustment due to changes in group companies	-	-	-	-	-	-	-		-	(17,976)	(17,976)
Transfer from share based payment reserves	-	-	-	-	(749)	-	-	-	-	-	-
Transfer to statutory reserve fund	-	3,707	-	-	-	-	-	(3,707)	-	-	-
Adjustment to share based payment reserves	79,809	-	-	-	(66,508)	-	-	-	13,301	-	13,301
Dividend to equity holders	-	-	-	-	-	-	-	(653,954)	(653,954)	(50,205)	(704,159)
Balance as at 31 December 2016	1,246,479	1,246,479	5,805,707	969,795	13,841	(542,587)	56,148	21,140,725	29,936,587	1,076,709	31,013,296

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
...ered
...ntants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PO 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CASH FLOW

For the year ended 31 December	BANK		GROUP	
	2016	2015	2016	2015
	LKR '000	LKR '000	LKR '000	LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	26,492,391	20,765,613	26,770,059	21,038,450
Fee based income received	2,253,226	2,016,259	3,273,243	2,765,456
Dividend income received	481,457	942,293	81,208	(636)
Other Operating income received	1,370,942	1,700,796	1,377,172	1,870,590
Interest paid	(19,700,090)	(13,134,957)	(19,705,603)	(13,134,957)
Personnel costs paid	(3,387,278)	(3,162,861)	(3,488,904)	(3,280,182)
Other expenses paid	(2,574,442)	(2,415,887)	(3,121,736)	(2,519,663)
Operating Profit before changes in operating assets and liabilities	**4,936,207**	**6,711,256**	**5,185,439**	**6,739,058**
Net increase in loans and receivables to other customers	(17,564,396)	(34,473,636)	(17,568,625)	(34,473,636)
Net Increase in deposits from customers	18,271,867	32,941,814	18,271,867	32,941,814
Net (increase)/decrease in other assets	130,036	(95,262)	174,537	(179,272)
Net increase/(decrease) in other liabilities	(297,687)	1,587,663	(319,036)	1,640,173
Net cash inflow/(outflow) from operating activities before taxation	**5,476,026**	**6,671,835**	**5,744,182**	**6,668,137**
Tax on Financial Services paid	(985,188)	(1,005,492)	(985,188)	(1,005,492)
Income taxes paid	(643,843)	(1,211,841)	(732,167)	(1,254,368)
Super Gain Tax Paid by the Bank /Group	-	(732,081)	-	(833,548)
Super Gain Tax Paid by non controlling interests	-	-	-	(21,123)
Net cash provided by/(used in) operating activities	**3,846,995**	**3,722,421**	**4,026,827**	**3,553,606**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(6,741,637)	(5,078,640)	(6,740,813)	(5,078,362)
Disposal of subsidiaries/associates	-	(103,826)	-	(53,947)
Expenditure on property, plant & equipment	(612,468)	(594,790)	(654,471)	(637,259)
Proceeds from sale of property, plant & equipment	10,556	15,817	11,759	42,580
Net cash used in investing activities	**(7,343,549)**	**(5,761,439)**	**(7,383,525)**	**(5,726,988)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares	2,958	11,957	2,958	45,031
Net Proceeds from issue of subordinated debts	-	8,914,408	-	8,914,408
Interest paid on subordinated debts	(2,032,761)	(1,719,085)	(2,032,761)	(1,719,085)
(Decrease)/ Increase in other borrowings	6,363,234	4,164,980	6,363,234	4,164,980
Dividends paid to non-controlling interests	-	-	(45,977)	(41,283)
Dividends paid to shareholders of the Bank	(664,029)	(1,806,863)	(664,029)	(1,806,863)
Net cash provided by /(used in) financing activities	**3,669,402**	**9,565,397**	**3,623,425**	**9,557,188**
NET INCREASE IN CASH AND CASH EQUIVALENTS	172,848	7,526,379	266,727	7,383,806
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19,958,129	12,431,750	19,985,201	12,601,395
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**20,130,977**	**19,958,129**	**20,251,928**	**19,985,201**
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	5,018,438	11,821,503	5,139,389	11,848,575
Balances with the Central Bank of Sri Lanka	11,815,277	6,999,898	11,815,277	6,999,898
Placements with banks	3,297,262	1,153,619	3,297,262	1,153,619
	20,130,977	**19,975,020**	**20,251,928**	**20,002,092**
Amount due to foreign Banks	-	(16,891)	-	(16,891)
	20,130,977	**19,958,129**	**20,251,928**	**19,985,201**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG Chartered Accountants COLOMBO

NATIONAL DEVELOPMENT BANK PLC
P. O. BOX. 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF PROFIT OR LOSS

	Bank			Group		
	Year ended 31/12/2018 LKR '000	Year ended 31/12/2017 Audited LKR '000	Change %	Year ended 31/12/2018 LKR '000	Year ended 31/12/2017 Audited LKR '000	Change %
Gross Income	51,103,421	42,520,594	20	52,071,241	43,017,759	21
Interest Income	44,354,296	37,118,699	19	44,621,712	37,421,114	19
Interest Expenses	29,549,656	26,368,585	12	29,517,983	26,334,787	12
Net Interest Income	14,804,640	10,750,114	38	15,103,729	11,086,327	36
Net Fee and Commission Income	3,136,329	2,520,532	24	3,947,738	3,416,002	16
Net gain/(loss) from trading	1,218,338	1,063,944	15	1,218,338	1,063,944	15
Net gain/(loss) from financial investments at fair value Through Profit or Loss	(6,712)	8,935	(175)	56,194	97,155	(42)
Net gains/(losses) from derecognition of financial assets	383,565	513,710	(25)	449,880	572,400	(21)
Other operating income	2,017,605	1,294,774	56	1,777,379	447,144	297
Total Operating Income	21,553,765	16,152,009	33	22,553,258	16,682,972	35
Less: Impairment for loans and receivables and other losses	3,581,009	1,258,554	185	3,764,858	1,290,297	192
Net operating income	17,972,756	14,893,455	21	18,788,400	15,392,675	22
Operating Expenses						
Personnel Expenses	4,443,795	3,611,339	23	4,898,398	4,024,851	22
Depreciation and amortization	442,169	423,248	4	508,895	477,699	7
Other Expenses	3,592,763	3,311,448	8	3,959,287	3,698,385	7
Total operating expenses	8,478,727	7,346,035	15	9,366,580	8,200,935	14
Operating Profit Before VAT & NBT & DRL on Financial Services	9,494,029	7,547,420	26	9,421,820	7,191,740	31
Less: Tax on financial services	2,173,521	1,547,450	40	2,173,521	1,547,450	40
Operating Profit After Tax on Financial Services	7,320,508	5,999,970	22	7,248,299	5,644,290	28
Share of associate companies' profits/(losses)	-	-	-	-	-	-
Profit Before Taxation	7,320,508	5,999,970	22	7,248,299	5,644,290	28
Less :Taxation	1,772,116	1,648,341	8	1,972,312	2,211,987	(11)
Profit for the year	5,548,392	4,351,629	28	5,275,987	3,432,303	54
Profit Attributable to:						
Equity Holders of the parent	5,548,392	4,351,629	28	5,136,168	3,489,752	47
Non Controlling Interests	-	-		139,819	(57,449)	343
	5,548,392	4,351,629	28	5,275,987	3,432,303	54
Basic Earnings per share (in LKR)	28.44	24.52	16	26.33	19.66	34
Diluted Earnings per share (in LKR)	28.44	24.52	16	26.33	19.66	34

	Year ended 31/12/2018 LKR '000	Year ended 31/12/2017 LKR '000	Change %	Year ended 31/12/2018 LKR '000	Year ended 31/12/2017 LKR '000	Change %
Profit for the year	5,548,392	4,351,629	28	5,275,987	3,432,303	54
Items that will be reclassified to Income Statement						
Gains/(losses) from Available for Sale Investments	-	648,763		-	604,471	-
Exchange differences on translation of foreign operations	-	-	-	58,443	(371)	15,853
Net Gains/(losses) on Investments in debt Instruments at fair value through other Comprehensive Income						
Net change in fair value during the year	(1,210,600)	-	(100)	(1,198,934)	-	(100)
Changes in Impairment allowance for Expected credit losses	16,308	-	100	98,275	-	100
Net Gains /(losses) on cash flow hedges	115,502	(70,339)	264	115,502	(70,339)	264
Less :Tax expense relating to items that will be reclassified to Income Statements	562,442	(308,218)	282	554,595	(298,266)	286
	(516,348)	270,206	(291)	(372,119)	235,495	(258)
Items that will not be reclassified to Income Statement						
Net Gains/(losses) on Investments in equity Instruments	(148,875)	-	(100)	(148,875)	-	(100)
Revaluation of Land & Buildings	-	361,948	(100)	30,186	378,100	(92)
Actuarial Gains/(losses) on defined benefit plans	76,492	(99,429)	177	74,874	(99,021)	176
Less :Tax expense relating to items that will not be reclassified to Income Statements	2,308	(3,037)	176	2,308	(2,902)	180
B	(70,075)	85,339	(182)	(41,507)	64,939	(164)
Total Other Comprehensive Income after Tax (A + B)	(586,423)	355,545	(265)	(413,626)	300,431	(238)
Total Comprehensive Income for the year	4,961,969	4,707,174	5	4,862,361	3,732,734	30
Attributable to:						
Equity holders of the parent	4,961,969	4,707,174	5	4,709,202	3,790,029	24
Non Controlling Interests	-	-	-	153,159	(57,295)	367
	4,961,969	4,707,174	5	4,862,361	3,732,734	30

The Management is responsible for the financial information extracted from the audited Financial Statements given above.

Signed for and on behalf of the Management of the Bank

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

ERNST & YOUNG
Chartered Accountants
COLOMBO

NDB bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Period	Previous Period		Current Period	Previous Period	
	As at 31/12/2018	As at 31/12/2017 (Audited)	Change	As at 31/12/2018	As at 31/12/2017 (Audited)	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Assets						
Cash and cash equivalents	6,537,579	5,274,466	24	7,071,438	5,343,314	32
Balances with the Central Bank of Sri Lanka	15,546,386	15,364,920	1	15,546,386	15,364,920	1
Placements with banks	15,237,306	840,684	1,712	15,237,306	840,684	1,712
Derivative Financial Instruments	3,937,847	2,471,706	59	3,937,847	2,471,706	59
Financial Assets measured at fair value through profit or loss	1,947,242	1,216,439	60	4,052,409	2,659,883	60
Financial Assets at amortised cost -loans and receivables to other customers	344,203,289	274,029,448	26	344,276,363	274,078,788	26
Financial Assets at amortised cost - debt instruments	24,070,365	-	100	24,175,346	-	100
Financial Investments - Loans and receivables	-	21,171,508	(100)	-	23,316,328	(100)
Financial Assets measured at fair value through Other comprehensive income	52,908,306	-	100	54,487,227	-	100
Financial Investments - Available for sale	-	52,620,584	(100)	-	52,975,690	(100)
Financial Investments - Held to maturity	-	3,524,051	(100)	-	4,077,096	(100)
Investments -Held for sale	-	18,526	(100)	-	33,302	(100)
Investments in subsidiary companies	2,166,714	2,106,021	3	-	-	-
Investment Property	-	-		2,110,661	1,894,848	11
Intangible assets	379,896	384,369	(1)	396,742	397,053	(0)
Property, plant & equipment	2,569,873	2,356,679	9	3,144,359	2,917,017	8
Deferred tax Assets	1,059,485	-	100	1,059,485	-	100
Other assets	2,347,642	1,693,641	39	2,932,641	2,274,809	29
Total assets	472,911,930	383,073,042	23	478,428,210	388,645,438	23
Liabilities						
Due to Banks	15,047,481	20,236,719	(26)	15,047,481	20,236,719	(26)
Derivative Financial Instruments	2,906,572	936,754	210	2,906,572	936,754	210
Financial Liabilities at amortised cost -due to depositors	347,511,223	273,369,023	27	347,169,564	273,041,417	27
Financial Liabilities at amortised cost						
- due to debt securities holders	6,394,211	8,719,243	(27)	6,382,024	8,719,243	(27)
- due to other borrowers	37,040,987	19,387,802	91	37,040,987	19,387,802	91
Debt securities issued	16,811,808	19,336,855	(13)	16,811,808	19,336,855	(13)
Retirement benefit obligations	408,308	363,138	12	501,531	460,080	9
Current Tax Liabilities	3,077,151	1,578,447	95	3,147,224	1,575,091	100
Deferred Tax Liabilities	-	1,371,659	(100)	471,281	1,796,492	(74)
Other liabilities	8,716,147	9,035,567	(4)	8,838,250	9,177,012	(4)
Total liabilities	437,913,888	354,335,207	24	438,316,722	354,667,465	24
Equity						
Stated Capital (Bank & Group - 210,317,117 shares)	6,469,323	2,208,520	193	6,469,323	2,208,520	193
Statutory Reserve Fund	1,636,479	1,336,479	22	1,636,479	1,336,479	22
Retained Earnings	26,771,897	24,390,962	10	30,668,089	28,581,147	7
Other Reserves	120,343	801,874	(85)	238,555	886,081	(73)
Total shareholders' equity	34,998,042	28,737,835	22	39,012,446	33,012,227	18
Non Controlling Interests	-	-	-	1,099,042	965,746	14
Total Equity	34,998,042	28,737,835	22	40,111,488	33,977,973	18
Total liabilities and equity	472,911,930	383,073,042	23	478,428,210	388,645,438	23
Net Book Value Per Share (LKR)	166.41	167.58	(1)	185.49	192.51	(4)
Contingent liabilities and commitments	288,882,867	269,160,399	7	289,758,239	269,877,849	7

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Stated Capital	Statutory Reserve Fund	Other Reserves: Revaluation Reserve	Other Reserves: Share Based Payment Reserves	Other Reserves: Available for Sale	Other Reserves: Fair Value Reserve	Cash Flow Hedge Reserve	General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
BANK												
Balance as at 1 January 2017	1,246,479	1,246,479	853,456	13,841	(565,741)	-	56,148	5,805,707	16,088,681	24,745,050	-	24,745,050
Profit for the period	-	-	-	-	-	-	-	-	4,351,629	4,351,629	-	4,351,629
Other Comprehensive Income before Tax	-	-	361,948	-	648,763	-	(70,339)	-	(99,429)	840,943	-	840,943
Tax on Other Comprehensive Income	-	-	(174,143)	-	(308,218)	-	-	-	(3,037)	(485,398)	-	(485,398)
Total Comprehensive Income for the period	-	-	187,805	-	340,545	-	(70,339)	-	4,249,163	4,707,173	-	4,707,174
Transactions with equity holders												
Transfer to statutory reserve fund	-	90,000	-	-	-	-	-	-	(90,000)	-		-
Expiry of the ELCP option exercise period	-	-	-	(13,841)	-	-	-	-	-	(13,841)		(13,841)
Final Dividend for year 2016 -Scrip	962,041	-	-	-	-	-	-	-	(991,113)	(29,072)	-	(29,072)
Final Dividend for year 2016 - Cash	-	-	-	-	-	-	-	-	(328,505)	(328,505)		(328,505)
Interim Dividend for year 2017 - Cash	-	-	-	-	-	-	-	-	(342,971)	(342,971)		(342,971)
Balance as at 31 December 2017	**2,208,520**	**1,336,479**	**1,041,261**	-	**(225,196)**	-	**(14,191)**	**5,805,707**	**18,585,255**	**28,737,834**	-	**28,737,835**
Balance as at 1 January 2018	2,208,520	1,336,479	1,041,261	-	(225,196)	-	(14,191)	5,805,707	18,585,255	28,737,835	-	28,737,835
Transitional adjustment on the implementation of SLFRS 9	-	-	-	-	225,196	(225,196)	-	-	(2,457,013)	(2,457,013)	-	(2,457,013)
Defferred tax on Transitional adjustments	-	-	-	-	-		-	-	687,964	687,964	-	687,964
Restated Balance as at 1 January 2018 under SLFRS 9	2,208,520	1,336,479	1,041,261	-	-	(225,196)	(14,191)	5,805,707	16,816,206	26,968,785	-	26,968,786
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-		-	-	5,548,392	5,548,392	-	5,548,392
Other Comprehensive Income before Tax	-	-	-	-	-	(1,359,475)	115,502	-	92,800	(1,151,173)	-	(1,151,173)
Tax on Other Comprehensive Income	-	-	-	-	-	562,442	-	-	2,308	564,750	-	564,750
Total Comprehensive Income for the period	-	-	-	-	-	(797,033)	115,502	-	5,643,500	4,961,968	-	4,961,969
Transactions with equity holders												
Issue of Shares	3,449,676	-	-	-	-	-	-	-	-	3,449,676	-	3,449,676
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	-	(300,000)	-	-	-
Final Dividend for year 2017- Scrip	811,127	-	-	-	-	-	-	-	(857,429)	(46,302)	-	(46,302)
Final Dividend for year 2017- Cash	-	-	-	-	-	-	-	-	(336,087)	(336,087)	-	(336,087)
Balance as at 31 December 2018	**6,469,323**	**1,636,479**	**1,041,261**	-	-	**(1,022,229)**	**101,311**	**5,805,707**	**20,966,190**	**34,998,041**	-	**34,998,042**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Stated Capital	Statutory Reserve Fund	Other Reserves: Revaluation Reserve	Other Reserves: Share Based Payment Reserves	Other Reserves: Available for Sale	Other Reserves: Fair Value Reserve	Cash Flow Hedge Reserve	General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
GROUP												
Balance as at 1 January 2017	1,246,479	1,246,479	969,795	13,841	(542,587)	-	56,148	5,805,707	21,140,725	29,936,587	1,076,709	31,013,296
Profit for the period	-	-	-	-	-	-	-	-	3,489,752	3,489,752	(57,449)	3,432,303
Other Comprehensive Income before Tax	-	-	378,100	-	604,471	-	(70,339)	-	(99,546)	812,686	154	812,840
Tax on Other Comprehensive Income	-	-	(211,241)	-	(298,266)	-	-	-	(2,902)	(512,409)	-	(512,409)
Total Comprehensive Income for the period	-	-	166,859	-	306,205	-	(70,339)	-	3,387,304	3,790,029	(57,295)	3,732,734
Transactions with equity holders										-		
Transfer to statutory reserve fund	-	90,000	-	-	-	-	-	-	(90,000)	-	-	-
Expiry of the ELCP option exercise period	-	-	-	(13,841)	-	-	-	-	-	(13,841)	-	(13,841)
Final Dividend for year 2016 -Scrip	962,041	-	-	-	-	-	-	-	(991,113)	(29,072)	(53,668)	(82,740)
Final Dividend for year 2016 - Cash	-	-	-	-	-	-	-	-	(328,505)	(328,505)	-	(328,505)
Interim Dividend for year 2017 - Cash	-	-	-	-	-	-	-	-	(342,971)	(342,971)	-	(342,971)
Balance as at 31 December 2017	**2,208,520**	**1,336,479**	**1,136,654**	-	**(236,382)**	-	**(14,191)**	**5,805,707**	**22,775,440**	**33,012,227**	**965,746**	**33,977,973**
Balance as at 1 January 2018	2,208,520	1,336,479	1,136,654	-	(236,382)	-	(14,191)	5,805,707	22,775,440	33,012,227	965,746	33,977,973
Transitional adjustment on the implementation of SLFRS 9	-	-	-	-	236,382	(236,382)	-	-	(2,456,276)	(2,456,276)	2	(2,456,274)
Defferred tax on Transitional adjustments	-	-	-	-	-		-	-	688,663	688,663	-	688,663
Restated Balance as at 1 January 2018 under SLFRS 9	2,208,520	1,336,479	1,136,654	-	-	(236,382)	(14,191)	5,805,707	21,007,827	31,244,614	965,748	32,210,362
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-	-	-	-	5,136,168	5,136,168	139,819	5,275,987
Other Comprehensive Income before Tax	-	-	30,186	-	-	(1,347,809)	115,502	-	218,252	(983,869)	13,340	(970,529)
Tax on Other Comprehensive Income	-	-	-	-	-	554,595	-	-	2,308	556,903	-	556,903
Total Comprehensive Income for the period	-	-	30,186	-	-	(793,214)	115,502	-	5,356,728	4,709,202	153,159	4,862,361
Transactions with equity holders												
Issue of Shares	3,449,676	-	-	-	-	-	-	-	-	3,449,676	-	3,449,676
Adjustment due to changes in group companies	-	-	-	-	-	-	-	-	(8,657)	(8,657)	30,660	22,003
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	-	(300,000)	-	-	-
Final Dividend for year 2017- Scrip	811,127	-	-	-	-	-	-	-	(857,429)	(46,302)		(46,302)
Final Dividend for year 2017- Cash	-	-	-	-	-	-	-	-	(336,087)	(336,087)	(50,525)	(386,612)
Balance as at 31 December 2018	6,469,323	1,636,479	1,166,840	-	-	(1,029,596)	101,311	5,805,707	24,862,382	39,012,446	1,099,042	40,111,489

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CASH FLOW

For the year ended 31 December	BANK 2018 LKR '000	BANK 2017 LKR '000	GROUP 2018 LKR '000	GROUP 2017 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	40,951,417	37,419,186	41,252,618	37,731,389
Fee based income received	3,165,779	2,520,532	4,068,512	3,260,952
Dividend income received	568,518	1,098,879	123,146	119,119
Other Operating income received	2,943,489	1,606,826	2,943,489	1,626,502
Interest paid	(28,022,485)	(24,292,670)	(28,031,190)	(24,300,757)
Personnel costs paid	(4,348,634)	(3,519,150)	(4,691,092)	(3,747,676)
Other expenses paid	(3,404,759)	(2,825,077)	(3,821,127)	(3,235,552)
Operating Profit before changes in operating assets and liabilities	**11,853,325**	**12,008,526**	**11,844,356**	**11,453,977**
(Increase)/decrease in operating assets				
Deposits held for regulatory or monitory control purpose	(181,466)	(3,549,643)	(181,466)	(3,549,643)
Financial Assets at amortised cost -loans and receivables to other customers	(73,574,161)	(47,719,008)	(73,574,161)	(47,727,740)
Net (increase)/decrease in operating assets	(1,557,659)	(328,380)	(1,516,458)	(364,477)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	72,511,339	66,892,475	72,511,339	66,892,475
Financial liabilities at amortised cost - due to debt securities holders	(3,132,870)	(16,569,615)	(3,132,870)	(16,569,615)
Financial liabilities at amortised cost - due to other borrowers	(2,491,485)	(1,794,077)	(2,487,007)	(1,794,077)
Net increase/(decrease) in other liabilities	1,244,708	1,784,698	1,157,400	1,787,769
Net cash generated from operating activities before taxation	**4,671,731**	**10,724,976**	**4,621,133**	**10,128,669**
Tax on Financial Services paid	(1,893,940)	(1,631,150)	(1,893,940)	(1,631,150)
Income taxes paid	(1,451,843)	(821,084)	(1,531,746)	(994,077)
Net cash provided by/(used in) operating activities	**1,325,948**	**8,272,742**	**1,195,447**	**7,503,442**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(1,002,720)	545,200	(358,785)	1,509,406
Net cash flow from liquidation of associate company	23,400	-	23,400	-
Purchase of Intangible assets	(218,304)	(295,216)	(231,436)	(118,798)
Purchase of property, plant & equipment	(724,174)	(292,794)	(763,420)	(617,678)
Proceeds from sale of property, plant & equipment	40,690	21,027	40,690	22,224
Net cash (used in) from investing activities	**(1,881,108)**	**(21,783)**	**(1,289,551)**	**795,154**
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares	3,449,676	-	3,499,677	-
Repayment of subordinated debts	(2,771,590)	(326,700)	(2,771,590)	(326,700)
Interest paid on subordinated debts	(2,032,758)	(2,061,507)	(2,032,758)	(2,061,507)
Repayment of Institutional borrowings	(6,922,794)	(26,459,112)	(6,922,794)	(26,459,112)
Proceeds from Institutional borrowings	24,822,518	19,045,016	24,822,518	19,045,016
(Decrease)/ Increase in other borrowings	-	-	(0)	-
Dividends paid to non-controlling interests	-	-	(46,046)	(99,740)
Dividends paid to shareholders of the Bank	(330,157)	(649,206)	(330,157)	(649,206)
Net cash provided by /(used in) financing activities	**16,214,895**	**(10,451,509)**	**16,218,850**	**(10,551,249)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,659,735	(2,200,550)	16,124,746	(2,252,653)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6,115,150	8,315,700	6,183,998	8,436,651
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**21,774,885**	**6,115,150**	**22,308,744**	**6,183,998**
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	6,537,579	5,274,466	7,071,438	5,343,314
Dues from banks and other financial institutions	15,237,306	840,684	15,237,306	840,684
	21,774,885	**6,115,150**	**22,308,744**	**6,183,998**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02

NDB bank

STATEMENT OF PROFIT OR LOSS

	Bank			Group		
	Period ended 31/12/2019 LKR '000	Period ended 31/12/2018 (Audited) LKR '000	Change %	Period ended 31/12/2019 LKR '000	Period ended 31/12/2018 (Audited) LKR '000	Change %
Gross Income	59,113,537	51,103,421	16	60,237,165	52,071,241	16
Interest Income	53,174,791	44,354,296	20	53,401,614	44,621,712	20
Interest Expenses	35,467,033	29,549,656	20	35,430,833	29,517,983	20
Net Interest Income	17,707,758	14,804,640	20	17,970,781	15,103,729	19
Net Fee and Commission Income	3,909,229	3,136,329	25	4,868,944	3,947,738	23
Net gain/(loss) from trading	990,160	1,218,338	(19)	990,160	1,218,338	(19)
Net gains/(losses) from financial investments at fair value through profit or loss	23,437	(21,843)	207	79,072	107,378	(26)
Net gains/(losses) from derecognition of financial assets measured at fair value through other comrehensive income	686,461	398,696	72	686,461	398,696	72
Net gains/(losses) from derecognition of financial assets measured at amorised cost	9,086	-	100	9,086	-	100
Other operating income	320,373	2,017,605	(84)	201,828	1,777,379	(89)
Total Operating Income	23,646,504	21,553,765	10	24,806,332	22,553,258	10
Less : Impairment charges	4,157,781	3,581,009	16	4,405,476	3,764,858	17
Net operating income	19,488,723	17,972,756	8	20,400,856	18,788,400	9
Operating Expenses						
Personnel Expenses	4,957,146	4,443,795	12	5,459,822	4,898,398	11
Depreciation and amortization	761,019	442,169	72	883,323	508,895	74
Other Expenses	3,716,314	3,592,763	3	4,065,345	3,959,287	3
Total operating expenses	9,434,479	8,478,727	11	10,408,490	9,366,580	11
Operating Profit Before VAT, NBT & DRL on Financial Services	10,054,244	9,494,029	6	9,992,366	9,421,820	6
Less: Tax on financial services	3,071,440	2,173,521	41	3,071,440	2,173,521	41
Operating Profit After Tax on Financial Services	6,982,804	7,320,508	(5)	6,920,926	7,248,299	(5)
Share of associate companies' profits/(losses)	-	-	-	-	-	-
Profit Before Taxation	6,982,804	7,320,508	(5)	6,920,926	7,248,299	(5)
Less : Income tax expenses	1,871,204	1,772,116	6	2,035,915	1,972,312	3
Profit for the period	5,111,600	5,548,392	(8)	4,885,011	5,275,987	(7)
Profit Attributable to:						
Equity Holders of the parent	5,111,600	5,548,392	(8)	4,775,932	5,136,168	(7)
Non Controlling Interests	-	-		109,079	139,819	(22)
	5,111,600	5,548,392	(8)	4,885,011	5,275,987	(7)
Basic Earnings per share (in LKR)	21.97	28.44	(23)	20.53	26.33	(22)
Diluted Earnings per share (in LKR)	21.97	28.44	(23)	20.53	26.33	(22)

STATEMENT OF COMPREHENSIVE INCOME

	Period ended 31/12/2019 LKR '000	Period ended 31/12/2018 (Audited) LKR '000	Change %	Period ended 31/12/2019 LKR '000	Period ended 31/12/2018 (Audited) LKR '000	Change %
Profit for the period	5,111,600	5,548,392	(8)	4,885,011	5,275,987	(7)
Items that will be reclassified to Income Statement						
Exchange differences on translation of foreign operations	-	-	-	(7,052)	58,443	(112)
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other Comprehensive Income	1,227,304	(1,210,600)	201	1,219,194	(1,198,934)	202
Changes in Impairment allowance for Expected credit losses	33,469	16,308	105	264,848	98,275	169
Net Gains /(losses) on cash flow hedges	(102,924)	115,502	(189)	(102,924)	115,502	(189)
Less :Tax expense relating to items that will be reclassified to Income Statements	(668,675)	562,442	(219)	(619,856)	554,595	(212)
A	489,174	(516,348)	195	754,210	(372,119)	303
Items that will not be reclassified to Income Statement						
Net Gains/(losses) on Investments in equity Instruments measured at fair value through other Comprehensive Income	(376,829)	(148,875)	(153)	(376,829)	(148,875)	(153)
Revaluation of Land & Buildings	307,211	-	100	320,991	30,186	963
Deffered tax effect on revaluation gains/(Losses)	(86,019)	-	(100)	(89,876)	-	(100)
Net gains/(losses) on revaluation of freehold land and buildings	221,192	-	100	231,115	30,186	691
Actuarial losses on defined benefit plans	(287,717)	76,492	(476)	(307,371)	74,874	(511)
Less :Tax expense relating to items that will not be reclassified to Income Statements	38,096	2,308	1,551	48,561	2,308	1,670
B	(405,258)	(70,075)	(478)	(404,524)	(41,507)	(875)
Total Other Comprehensive Income after Tax A + B	83,916	(586,423)	114	349,686	(413,626)	185
Total Comprehensive Income for the period	5,195,516	4,961,969	5	5,234,697	4,862,361	8
Attributable to:						
Equity holders of the parent	5,195,516	4,961,969	5	5,125,737	4,709,202	9
Non Controlling Interests	-	-	-	108,960	153,159	(29)
	5,195,516	4,961,969	5	5,234,697	4,862,361	8

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank NATIONAL DEVELOPMENT BANK PLC

ERNST & YOUNG Chartered Accountants COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Period	Previous Period		Current Period	Previous Period	
	As at 31/12/2019 LKR '000	As at 31/12/2018 (Audited) LKR '000	Change %	As at 31/12/2019 LKR '000	As at 31/12/2018 (Audited) LKR '000	Change %
Assets						
Cash and cash equivalents	5,703,468	6,537,579	(13)	6,081,359	7,071,438	(14)
Balances with the Central Bank of Sri Lanka	13,886,575	15,546,386	(11)	13,886,575	15,546,386	(11)
Placements with banks	6,291,047	15,237,306	(59)	6,291,047	15,237,306	(59)
Derivative Financial Instruments	1,596,359	3,937,847	(59)	1,596,359	3,937,847	(59)
Financial assets recognized through profit or loss measured at fair value	932,253	1,947,242	(52)	3,488,735	4,052,409	(14)
Financial assets at amortised cost -loans and receivables to other customers	396,648,811	344,203,289	15	396,672,022	344,276,363	15
Financial assets at amortised cost - debt and other instruments	27,485,885	24,070,365	14	27,485,885	24,175,346	14
Financial assets measured at fair value through other comprehensive income	67,018,254	52,908,306	27	68,430,331	54,487,227	26
Investments in subsidiary companies	2,144,774	2,166,714	(1)	-	-	-
Investment Property	-	-	-	2,272,881	2,110,661	8
Intangible assets	687,785	379,896	81	700,908	396,742	77
Property, plant & equipment	3,012,213	2,569,873	17	3,565,166	3,144,359	13
Right to Used Assets	960,849	-	100	1,229,414	-	100
Current Tax Assets	-	-	-	23,396	27,842	(16)
Deferred tax Assets	599,215	1,059,485	(43)	647,444	1,100,736	(41)
Other assets	2,626,940	2,347,642	12	3,228,104	2,932,641	10
Total assets	**529,594,428**	**472,911,930**	**12**	**535,599,626**	**478,497,303**	**12**
Liabilities						
Due to Banks	18,380,356	15,047,481	22	18,380,356	15,047,481	22
Derivative Financial Instruments	728,873	2,906,572	(75)	728,873	2,906,572	(75)
Financial Liabilities at amortised cost -due to depositors	405,048,024	347,511,223	17	404,667,529	347,169,564	17
Financial Liabilities at amortised cost						
- due to debt securities holders	1,398,068	6,394,211	(78)	1,398,068	6,382,024	(78)
- due to other borrowers	29,342,027	37,040,987	(21)	29,342,027	37,040,987	(21)
Debt securities issued	23,108,734	16,811,808	37	23,108,734	16,811,808	37
Retirement benefit obligations	583,933	408,308	43	718,983	501,531	43
Current Tax Liabilities	2,247,997	3,077,151	(27)	2,342,373	3,175,066	(26)
Deferred Tax Liabilities	-	-	-	566,983	512,532	11
Other liabilities	9,272,580	8,716,147	6	9,807,070	8,838,250	11
Total liabilities	**490,110,592**	**437,913,888**	**12**	**491,060,996**	**438,385,815**	**12**
Equity						
Stated Capital	7,685,334	6,469,323	19	7,685,334	6,469,323	19
Statutory Reserve Fund	1,896,479	1,636,479	16	1,896,479	1,636,479	16
Retained Earnings	29,495,550	26,771,897	10	33,230,404	30,668,089	8
Other Reserves	406,473	120,343	238	571,133	238,555	139
Total shareholders' equity	**39,483,836**	**34,998,042**	**13**	**43,383,350**	**39,012,446**	**11**
Non Controlling Interests	-	-	-	1,155,280	1,099,042	5
Total Equity	**39,483,836**	**34,998,042**	**13**	**44,538,630**	**40,111,488**	**11**
Total liabilities and equity	**529,594,428**	**472,911,930**	**12**	**535,599,626**	**478,497,303**	**12**
Net Book Value Per Share (LKR)	**178.02**	**166.41**	7	**195.60**	**185.49**	5
Contingent liabilities and commitments	**293,145,821**	**288,882,867**		**293,267,959**	**289,758,239**	

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
P. O. B... 1825
40, NAWA... MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Stated Capital	Statutory Reserve Fund	Other Reserves				General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
			Revaluation Reserve	Available for Sale	Fair Value Reserve	Cash Flow Hedge Reserve					
	LKR '000	LKR '000	LKR '000	LKR '000		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
BANK											
Balance as at 1 January 2018	2,208,520	1,336,479	1,041,261	(225,196)	-	(14,191)	5,805,707	18,585,255	28,737,835	-	28,737,835
Transitional Impact on the adoption of SLFRS 9	-	-	-	225,196	(225,196)	-	-	(2,457,013)	(2,457,013)		(2,457,013)
Deffered tax on transitional adjustments	-	-	-	-	-	-	-	687,964	687,964		687,964
Restated opening balance under SLFRS 9	2,208,520	1,336,479	1,041,261	-	(225,196)	(14,191)	5,805,707	16,816,206	26,968,786		26,968,786
Total Comprehensive Income for the Year											
Profit for the period	-	-	-	-	-	-	-	5,548,392	5,548,392	-	5,548,392
Other Comprehensive Income before Tax	-	-	-	-	(1,359,475)	115,502	-	92,800	(1,151,173)	-	(1,151,173)
Tax on Other Comprehensive Income	-	-	-	-	562,442	-	-	2,308	564,750	-	564,750
Total Comprehensive Income for the year	-	-	-	-	(797,033)	115,502	-	5,643,500	4,961,969	-	4,961,969
Transactions with equity holders											
Issue of Shares	3,449,676	-	-	-	-	-	-	-	3,449,676	-	3,449,676
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	(300,000)	-	-	-
Final Dividend for year 2017 -Scrip	811,127	-	-	-	-	-	-	(857,429)	(46,302)	-	(46,302)
Final Dividend for year 2017 - Cash	-	-	-	-	-	-	-	(336,087)	(336,087)	-	(336,087)
Balance as at 31 December 2018	6,469,323	1,636,479	1,041,261	-	(1,022,229)	101,311	5,805,707	20,966,190	34,998,042	-	34,998,040
Balance as at 1 January 2019	6,469,323	1,636,479	1,041,261	-	(1,022,229)	101,311	5,805,707	20,966,190	34,998,042	-	34,998,042
Transitional Impact on the adoption of SLFRS 16	-	-	-			-	-	(259,925)	(259,925)	-	(259,925)
Restated Balance as at 1 January 2019 under SLFRS 16	6,469,323	1,636,479	1,041,261	-	(1,022,229)	101,311	5,805,707	20,706,265	34,738,117	-	34,738,117
Total Comprehensive Income for the Year											
Profit for the period	-	-	-	-		-	-	5,111,600	5,111,600	-	5,111,600
Other Comprehensive Income before Tax	-	-	307,211	-	850,475	(102,924)	-	(254,248)	800,514	-	800,514
Tax on Other Comprehensive Income	-	-	(86,019)	-	(682,613)	-	-	52,034	(716,598)	-	(716,598)
Total Comprehensive Income for the year	-	-	221,192	-	167,862	(102,924)	-	4,909,386	5,195,516	-	5,195,516
Transactions with equity holders											
Transfer to statutory reserve fund	-	260,000	-	-	-	-	-	(260,000)	-	-	-
Final Dividend for year 2018- Scrip	1,216,011	-	-	-	-	-	-	(1,367,061)	(151,050)	-	(151,050)
Final Dividend for year 2018- Cash	-	-	-	-	-	-	-	(298,747)	(298,747)	-	(298,747)
Balance as at 31 December 2019	7,685,334	1,896,479	1,262,453	-	(854,367)	(1,613)	5,805,707	23,689,843	39,483,836	-	39,483,836

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG Chartered Accountants COLOMBO

NATIONAL DEVELOPMENT BANK PLC
P. O. [illegible] 1825
40, NAWAM MAWATHA,
COLOMBO 02.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December	Stated Capital	Statutory Reserve Fund	Other Reserves				General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
			Revaluation Reserve	Available for Sale	Fair Value Reserve	Cash Flow Hedge Reserve					
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
GROUP											
Balance as at 1 January 2018	2,208,520	1,336,479	1,136,654	(236,382)	-	(14,191)	5,805,707	22,775,440	33,012,227	965,746	33,977,973
Transitional Impact on the adoption of SLFRS 9				236,382	(236,382)			(2,456,276)	(2,456,276)	2	(2,456,274)
Deffered tax on transitional adjustments								688,663	688,663	-	688,663
Restated opening balance under SLFRS 9	2,208,520	1,336,479	1,136,654	-	(236,382)	(14,191)	5,805,707	21,007,827	31,244,614	965,748	32,210,362
Total Comprehensive Income for the Year											
Profit for the period	-	-	-	-	-	-	-	5,136,168	5,136,168	139,819	5,275,987
Other Comprehensive Income before Tax	-	-	30,186	-	(1,347,809)	115,502	-	218,252	(983,869)	13,340	(970,529)
Tax on Other Comprehensive Income	-	-	-	-	554,595	-	-	2,308	556,903	-	556,903
Total Comprehensive Income for the year	-	-	30,186	-	(793,214)	115,502	-	5,356,728	4,709,202	153,159	4,862,361
Transactions with equity holders											
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	(300,000)	-	-	-
Issue of Shares	3,449,676	-	-	-	-	-	-	-	3,449,676	-	3,449,676
Final Dividend for year 2017 -Scrip	811,127	-	-	-	-	-	-	(857,429)	(46,302)	-	(46,302)
Final Dividend for year 2017 - Cash	-	-	-	-	-	-	-	(336,087)	(336,087)	-	(336,087)
Adjustment due to changes in group companies	-	-	-	-	-	-	-	(8,657)	(8,657)	30,660	22,003
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(50,525)	(50,525)
Balance as at 31 December 2018	**6,469,323**	**1,636,479**	**1,166,840**	**-**	**(1,029,596)**	**101,311**	**5,805,707**	**24,862,382**	**39,012,446**	**1,099,042**	**40,111,488**
Balance as at 1 January 2019	6,469,323	1,636,479	1,166,840	-	(1,029,596)	101,311	5,805,707	24,862,382	39,012,446	1,099,042	40,111,488
Transitional impact on the adoption of SLFRS 16	-	-	-	-	-	-	-	(305,036)	(305,036)	(37)	(305,073)
Restated Balance as at 1 January 2019 under SLFRS 16	6,469,323	1,636,479	1,166,840	-	-	101,311	5,805,707	24,557,346	38,707,410	1,099,005	39,806,415
Total Comprehensive Income for the Year											
Profit for the period	-	-	-	-	-	-	-	4,775,932	4,775,932	109,079	4,885,011
Other Comprehensive Income before Tax	-	-	320,991	-	842,365	(102,924)	-	(49,456)	1,010,976	(119)	1,010,857
Tax on Other Comprehensive Income	-	-	(89,876)	-	(637,978)	-	-	66,683	(661,171)	-	(661,171)
Total Comprehensive Income for the year	-	-	231,115	-	204,387	(102,924)	-	4,793,159	5,125,737	108,960	5,234,697
Transactions with equity holders											
Transfer to statutory reserve fund	-	260,000	-	-	-	-	-	(260,000)	-	-	-
Final Dividend for year 2018- Scrip	1,216,011	-	-	-	-	-	-	(1,367,061)	(151,050)	-	(151,050)
Final Dividend for year 2018- Cash	-	-	-	-	-	-	-	(298,747)	(298,747)	-	(298,747)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(52,685)	(52,685)
Balance as at 31 December 2019	**7,685,334**	**1,896,479**	**1,397,955**	**-**	**(825,209)**	**(1,613)**	**5,805,707**	**27,424,697**	**43,383,350**	**1,155,280**	**44,538,630**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

ERNST & YOUNG
Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
P. O. BOX 1825
40, NAWAM MAWATHA,
COLOMBO 02.

NDB bank

STATEMENT OF CASH FLOW

For the period ended 31 December	BANK 2019 LKR '000	BANK 2018 LKR '000	GROUP 2019 LKR '000	GROUP 2018 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	48,177,253	40,951,417	48,357,057	41,252,618
Fee based income received	3,927,886	3,165,779	4,716,160	4,068,512
Dividend income received	419,938	568,518	76,462	123,146
Other Operating income received	1,562,829	2,943,489	1,569,068	2,943,489
Interest paid	(32,959,532)	(28,022,485)	(32,965,191)	(28,031,190)
Personnel costs paid	(4,867,086)	(4,348,634)	(5,226,060)	(4,691,092)
Other expenses paid	(4,223,990)	(3,404,759)	(4,568,110)	(3,821,127)
Operating Profit before changes in operating assets and liabilities	**12,037,298**	**11,853,325**	**11,959,387**	**11,844,356**
(Increase)/decrease in operating assets				
Deposits held for regulatory or monitory control purposes	1,659,812	(181,466)	1,659,812	(181,466)
Financial Assets at amortised cost -loans and receivables to other customers	(50,965,915)	(73,574,161)	(50,966,827)	(73,574,161)
Net (increase)/decrease in operating assets	898,225	(1,557,659)	848,053	(1,516,458)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	55,691,828	72,511,339	55,691,828	72,511,339
Financial liabilities at amortised cost - due to debt securities holders	(5,613,250)	(3,132,870)	(5,613,250)	(3,132,870)
Financial liabilities at amortised cost - due to other borrowers	7,967,348	(2,491,485)	7,967,348	(2,487,007)
Net increase/(decrease) in other liabilities	(1,944,029)	1,244,708	(1,924,306)	1,157,400
Net cash generated from operating activities before taxation	**19,731,317**	4,671,731	**19,622,045**	**4,621,133**
Tax on Financial Services paid	(1,906,763)	(1,893,940)	(1,932,033)	(1,893,940)
Income taxes paid	(2,956,685)	(1,451,843)	(3,017,136)	(1,531,746)
Net cash provided by/(used in) operating activities	**14,867,869**	**1,325,948**	**14,672,876**	**1,195,447**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(16,792,449)	(1,002,720)	(16,657,444)	(358,785)
Net cash flow from liquidation of associates company	-	23,400	-	23,400
Purchase of Intangible assets	(477,826)	(218,304)	(479,066)	(231,436)
Purchase of property, plant & equipment	(650,538)	(724,174)	(698,430)	(763,420)
Proceeds from sale of property, plant & equipment	994	40,690	3,050	40,690
Net cash (used in) from investing activities	**(17,919,819)**	**(1,881,108)**	**(17,831,892)**	**(1,289,551)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of ordinary of shares (as a right issue)	-	3,449,676	-	3,499,677
Repayment of debts securities issued	-	(2,771,590)	-	(2,771,590)
Interest paid on debts securities issued	(1,750,930)	(2,032,758)	(1,750,930)	(2,032,758)
Repayment of Institutional borrowings	(11,653,165)	(6,922,794)	(11,653,165)	(6,922,794)
Proceeds from Institutional borrowings	1,760,967	24,822,518	1,760,967	24,822,518
Proceeds from debt securities issued	5,561,200	-	5,561,200	-
Repayments of principle portion of lease liabilities	(344,416)	-	(344,416)	-
Dividends paid to non-controlling interests	-	-	(48,902)	(46,046)
Dividends paid to shareholders of the Bank	(302,077)	(330,157)	(302,077)	(330,157)
Net cash provided by /(used in) financing activities	**(6,728,421)**	16,214,895	**(6,777,323)**	**16,218,850**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,780,370)	15,659,735	(9,936,338)	16,124,746
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	21,774,885	6,115,150	22,308,744	6,183,998
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	11,994,515	**21,774,885**	12,372,406	**22,308,744**
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	5,703,468	6,537,579	6,081,359	7,071,438
Placements with banks	6,291,047	15,237,306	6,291,047	15,237,306
	11,994,515	**21,774,885**	12,372,406	**22,308,744**

The Management is responsible for the financial information extracted from the audited Financial Statements given above.
Signed for and on behalf of the Management of the Bank

Chartered Accountants
COLOMBO

NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.