NDB bank
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INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2018

NATIONAL DEVELOPMENT BANK PLC
CSE stock code: NDB.N0000 | Bloomberg: NDB SL | Reuter's: NDB.CM

Best Bank in Sri Lanka 2018

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***The financial statements presented herewith are the unaudited financial statements for the six months ended 30 June 2018 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

NDB bank

STATEMENT OF PROFIT OR LOSS

	Bank					Group				
	Period ended 30/06/2018 LKR '000	Period ended 30/06/2017 LKR '000	**Change %**	**Quarter ended 30/06/2018 LKR '000**	Quarter ended 30/06/2017 LKR '000	**Period ended 30/06/2018 LKR '000**	Period ended 30/06/2017 LKR '000	**Change %**	**Quarter ended 30/06/2018 LKR '000**	Quarter ended 30/06/2017 LKR '000
Gross Income	**23,649,010**	**20,695,753**	**14**	**11,705,892**	**10,709,502**	**23,831,962**	**20,373,744**	**17**	**12,020,259**	**10,592,067**
Interest Income	20,352,262	17,703,188	15	10,467,870	9,147,499	20,483,079	17,851,035	15	10,530,145	9,220,050
Interest Expenses	13,555,732	12,957,571	5	7,022,535	6,736,209	13,540,607	12,939,799	5	7,015,469	6,728,330
Net Interest Income	**6,796,530**	**4,745,617**	**43**	3,445,335	2,411,290	**6,942,472**	**4,911,236**	**41**	3,514,676	2,491,720
Net Fee and Commission Income	**1,446,878**	**1,141,373**	**27**	737,110	586,929	1,873,916	**1,518,072**	**23**	946,973	807,301
Net gain/(loss) from trading	588,212	532,822	10	232,820	260,141	588,212	532,822	10	232,820	260,141
Net gain/(loss) from financial investments	390,944	121,660	221	80,700	121,554	533,611	275,725	94	110,322	210,305
Other operating income	870,714	1,196,710	(27)	187,392	593,379	353,144	196,090	80	199,999	94,270
Total Operating Income	**10,093,278**	**7,738,182**	30	4,683,357	3,973,293	**10,291,355**	**7,433,945**	**38**	5,004,790	3,863,737
Impairment charges for loans and other losses										
Individual Impairment	748,986	338,236	121	418,978	270,418	748,986	338,236	121	418,978	270,418
Collective Impairment	544,198	195,645	178	88,689	161,033	544,198	195,645	178	88,689	161,033
Other provision - charge/(release)	20,718	47,369	(56)	6,158	15,769	21,175	18,254	16	11,977	9,169
	1,313,902	581,250	126	513,825	447,220	1,314,359	552,135	138	519,644	440,620
Net operating income	**8,779,376**	**7,156,932**	**23**	4,169,531	3,526,073	**8,976,996**	**6,881,810**	**30**	4,485,146	3,423,117
Operating Expenses										
Personnel Expenses	2,137,846	1,703,406	26	1,122,674	785,617	2,351,037	1,894,038	24	1,230,996	884,972
Depreciation and amortization	212,204	206,301	3	106,810	103,193	245,224	228,160	7	123,306	114,288
Other Expenses	1,618,147	1,433,328	13	807,125	735,845	1,793,035	1,611,545	11	895,500	832,335
Total operating expenses	**3,968,197**	**3,343,035**	19	2,036,610	1,624,655	**4,389,296**	**3,733,743**	18	2,249,802	1,831,595
Operating Profit Before Tax on Financial Services	**4,811,179**	**3,813,897**	**26**	2,132,922	1,901,418	**4,587,700**	**3,148,067**	46	2,235,344	1,591,522
Less: Tax on Financial Services	959,430	767,715	25	440,094	374,296	959,430	767,715	25	440,094	374,296
				-	-				-	-
Operating Profit After Tax on Financial Services	3,851,749	3,046,182	26	1,692,828	1,527,122	3,628,270	2,380,352	52	1,795,250	1,217,226
Share of associate companies' profits/(losses)	-	-	-	-	-	-	-	-	-	-
Profit Before Taxation	**3,851,749**	3,046,182	26	1,692,828	1,527,122	**3,628,270**	2,380,352	52	1,795,250	1,217,226
Less :Taxation	1,081,918	732,298	48	484,291	372,362	1,172,863	869,400	35	509,109	456,113
Profit for the period	**2,769,831**	2,313,884	20	1,208,537	1,154,760	**2,455,407**	1,510,952	63	1,286,141	761,113
Profit Attributable to:										
Equity Holders of the parent	2,769,831	2,313,884	20	1,208,537	1,154,760	2,421,283	1,485,627	63	1,269,080	748,111
Non Controlling Interests	-	-		-	-	34,124	25,326	35	17,061	13,003
	2,769,831	2,313,884	20	1,208,537	1,154,760	**2,455,407**	1,510,952	63	1,286,141	761,113
Basic Earnings per share (in LKR)	**15.61**	**13.04**	20	6.81	6.51	**13.64**	**8.37**	63	7.15	**4.22**
Diluted Earnings per share (in LKR)	**15.61**	**13.04**	20	6.81	6.51	**13.64**	**8.37**	63	7.15	**4.22**

STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30/06/2018 LKR '000	Period ended 30/06/2017 LKR '000	**Change %**	**Quarter ended 30/06/2018 LKR '000**	Quarter ended 30/06/2017 LKR '000	**Period ended 30/06/2018 LKR '000**	Period ended 30/06/2017 LKR '000	**Change %**	**Quarter ended 30/06/2018 LKR '000**	Quarter ended 30/06/2017 LKR '000
Profit for the period	**2,769,831**	2,313,884	**20**	**1,208,537**	**1,154,760**	**2,455,407**	**1,510,952**	63	**1,286,141**	**761,113**
Other comprehensive income /(expenses) to be reclassified to profit or loss in subsequent periods										
Exchange differences on translation of foreign operations	-	-	-	-	-	6,142	3,781	62	**4,321**	**1,693**
Gains/(losses) from Available for Sale Investments	(628,680)	453,267	(239)	**(10,262)**	**610,724**	(588,168)	437,186	(235)	**(7,351)**	**630,336**
Gains /(losses) on cash flow hedges	35,527	405,599	(91)	**37,452**	**139,022**	35,527	405,599	(91)	**37,452**	**139,022**
				-	-				-	-
				-	-				-	-
Total Other Comprehensive Income /(expenses)	**(593,153)**	858,866	(169)	**27,190**	**749,746**	**(546,499)**	846,566	(165)	**34,422**	**771,051**
Less : Tax expenses relating to components of other comprehensive Income	371,311	(188,527)	297	**(23,213)**	**(145,637)**	371,311	(188,527)	297	**(23,213)**	**(145,637)**
Total Other Comprehensive Income after Tax	**(221,842)**	670,339	(133)	**3,978**	**604,109**	**(175,188)**	658,039	(127)	**11,209**	**625,414**
				-	-				-	-
Total Comprehensive Income for the quarter	**2,547,989**	2,984,223	(15)	**1,212,514**	**1,758,869**	**2,280,219**	2,168,991	5	**1,297,350**	**1,386,527**
Attributable to:										
Equity holders of the parent	2,547,989	2,984,223	(15)	**1,212,514**	**1,758,869**	2,245,701	2,142,410	5	**1,280,558**	**1,372,853**
Non Controlling Interests	-	-	-	**-**	**-**	34,518	26,581	30	**16,792**	**13,674**
	2,547,989	2,984,223	(15)	**1,212,514**	**1,758,869**	**2,280,219**	2,168,991	5	**1,297,350**	**1,386,527**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Period	Previous Period		Current Period	Previous Period	
	As at 30/06/2018	As at 31/12/2017 (Audited)	Change	As at 30/06/2018	As at 31/12/2017 (Audited)	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Assets						
Cash and cash equivalents	5,813,958	5,274,466	10	5,898,303	5,343,314	10
Balances with the Central Bank of Sri Lanka	17,339,148	15,364,920	13	17,339,148	15,364,920	13
Placements with banks	-	840,684	(100)	-	840,684	(100)
Derivative Financial Instruments	1,894,238	2,471,706	(23)	1,894,238	2,471,706	(23)
Financial Assets - Held for trading	3,830,309	1,216,439	215	5,493,074	2,659,883	107
Loans and Receivables to banks	7,423	15,478	(52)	7,423	15,478	(52)
Loans and Receivables to other customers	301,406,897	274,013,970	10	301,473,913	274,063,310	10
Financial Investments - Loans and receivables	20,586,999	21,171,508	(3)	22,653,760	23,316,328	(3)
Financial Investments - Available for sale	55,454,809	52,620,584	5	55,605,100	52,975,690	5
Financial Investments - Held to maturity	3,147,057	3,524,051	(11)	3,569,396	4,077,096	(12)
Investments -Held for sale	-	18,526	(100)	-	33,302	(100)
Investments in subsidiary companies	2,085,303	2,106,021	(1)	-	-	-
Investment Property	-	-	-	1,894,848	1,894,848	-
Intangible assets	363,162	384,369	(6)	379,963	397,053	(4)
Property, plant & equipment	2,412,035	2,356,679	2	2,960,841	2,917,017	2
Other assets	2,324,078	1,693,641	37	2,723,459	2,274,809	20
Total assets	**416,665,416**	**383,073,042**	**9**	**421,893,466**	**388,645,438**	**9**
Liabilities						
Due to Banks	21,474,275	20,236,719	6	21,474,275	20,236,719	6
Derivative Financial Instruments	515,464	936,754	(45)	515,464	936,754	(45)
Due to other Customers	297,177,651	273,369,023	9	296,843,429	273,041,417	9
Debt Securities issued and other borrowed funds	35,270,944	28,107,045	25	35,259,934	28,107,045	25
Current Tax Liabilities	2,125,244	1,578,447	35	2,150,778	1,575,091	37
Deferred Tax	1,163,279	1,371,659	(15)	1,587,558	1,796,492	(12)
Other liabilities	7,599,331	9,326,502	(19)	7,788,779	9,564,889	(19)
Dividends payable	78,925	72,203	9	78,925	72,203	9
Subordinated Term Debts	20,356,867	19,336,855	5	20,356,867	19,336,855	5
Total liabilities	**385,761,979**	**354,335,206**	**9**	**386,056,009**	**354,667,465**	**9**
Equity						
Stated Capital (Bank & Group - 177,463,062 shares)	3,019,647	2,208,520	37	3,019,647	2,208,520	37
Statutory Reserve Fund	1,336,479	1,336,479	-	1,336,479	1,336,479	-
General Reserve	5,805,707	5,805,707	-	5,805,707	5,805,707	-
Retained Earnings	20,161,572	18,585,255	8	24,011,020	22,775,440	5
Other Reserves	580,032	801,874	(28)	704,752	886,081	(20)
Total shareholders' equity	**30,903,437**	**28,737,835**	**8**	**34,877,605**	**33,012,227**	**6**
Non Controlling Interests	-	-	-	959,852	965,746	(1)
Total Equity	**30,903,437**	**28,737,835**	**8**	**35,837,457**	**33,977,973**	**5**
Total liabilities and equity	**416,665,416**	**383,073,042**	**9**	**421,893,466**	**388,645,438**	**9**
Net Book Value Per Share (LKR)	**174.14**	**167.58**	4	**196.53**	**192.51**	2
Contingent liabilities and commitments	**269,048,520**	**269,160,399**	**(0)**	**269,977,969**	**269,877,849**	**0**

Memorandum Information		
Number of Employees	2,381	2,169
Number of Branches	107	107

Certification:

We hereby certify that the above financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd)
Suvendrini Muthukumarana
Assistant Vice President- Finance & Planning

(Sgd)
Lalith T Fernando
Group Chief Financial Officer

We the undersigned, being the Chairman and the Chief Executive Officer of National Development Bank PLC certify jointly that:
(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
(b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank.

(Sgd)
Ananda.W. Atukorala
Director/Chairman

(Sgd)
Dimantha Seneviratne
Director/Chief Executive Officer

26 July 2018

STATEMENT OF CHANGES IN EQUITY

For the Period ended 30 June	Stated Capital	Other Reserves								Non Controlling Interests	Total Equity
		Statutory Reserve Fund	Revaluation Reserve	Share Based Payment Reserves	Available For Sale Reserves	Cash Flow Hedge Reserve	General Reserve	Retained Earnings	Total		
	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	-	-	-	-	-	-	-	2,313,884	2,313,884	-	2,313,884
Other Comprehensive Income before Tax	-	-	-	-	453,267	405,599	-	-	858,866	-	858,866
Tax on Other Comprehensive Income	-	-	-	-	(188,527)	-	-	-	(188,527)	-	(188,527)
Total Comprehensive Income for the period	-	-	-	-	264,740	405,599	-	2,313,884	2,984,223	-	2,984,223
Transactions with equity holders											
Issue of Shares	962,040	-	-	-	-	-	-	-	962,040	-	962,040
Expiry of the ELCP option exercise period	-	-	-	(13,841)	-	-	-	-	(13,841)		(13,841)
Dividend to equity holders	-	-	-	-	-	-	-	(1,319,618)	(1,319,618)	-	(1,319,618)
Balance as at 30 June 2017	**2,208,519**	**1,246,479**	**853,456**	**-**	**(301,000)**	**461,746**	**5,805,707**	**17,082,947**	**27,357,855**	**-**	**27,357,855**
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
Profit for the period	-	-	-	-	-	-	-	2,769,831	2,769,831	-	2,769,831
Other Comprehensive Income before Tax	-	-	-	-	(628,680)	35,527	-	-	(593,153)	-	(593,153)
Tax on Other Comprehensive Income	-	-		-	371,311	-	-	-	371,311	-	371,311
Total Comprehensive Income for the period	-	-	-	-	(257,369)	35,527	-	2,769,831	2,547,989	-	2,547,989
Transactions with equity holders											
Issue of Shares	811,127	-	-	-	-	-	-	-	811,127	-	811,127
Dividend to equity holders	-	-	-	-	-	-	-	(1,193,514)	(1,193,514)	-	(1,193,514)
Balance as at 30 June 2018	**3,019,648**	**1,336,479**	**1,041,261**	**-**	**(482,565)**	**21,336**	**5,805,707**	**20,161,572**	**30,903,436**	**-**	**30,903,437**

STATEMENT OF CHANGES IN EQUITY

For the Period ended 30 June	Stated Capital	Other Reserves							Total	Non Controlling Interests	Total Equity
		Statutory Reserve Fund	Revaluation Reserve	Share Based Payment Reserves	Available For Sale Reserves	Cash Flow Hedge Reserve	General Reserve	Retained Earnings			
	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	-	-	-	-	-	-	-	1,485,627	1,485,627	25,326	1,510,953
Other Comprehensive Income before Tax	-	-	-	-	437,186	405,599	-	2,525	845,310	1,255	846,565
Tax on Other Comprehensive Income	-	-	-	-	(188,527)	-	-	-	(188,527)	-	(188,527)
Total Comprehensive Income for the period	-	-	-	-	248,659	405,599	-	1,488,152	2,142,410	26,581	2,168,991
Transactions with equity holders											
Issue of Shares	962,040	-	-	-	-	-	-	-	962,040	-	962,040
Expiry of the ELCP option exercise period	-	-	-	(13,841)	-	-	-	-	(13,841)		(13,841)
Dividend to equity holders	-	-	-	-	-	-	-	(1,319,614)	(1,319,614)	(41,389)	(1,361,003)
Balance as at 30 June 2017	**2,208,519**	**1,246,479**	**969,795**	**-**	**(293,928)**	**461,747**	**5,805,707**	**21,309,263**	**31,707,582**	**1,061,901**	**32,769,483**
Balance as at 1 January 2018	2,208,521	1,336,479	1,136,654	-	(236,382)	(14,191)	5,805,707	22,775,440	33,012,227	965,746	33,977,973
Profit for the period	-	-	-	-	-	-	-	2,421,283	2,421,283	34,124	2,455,407
Other Comprehensive Income before Tax	-	-	-	-	(588,168)	35,527	-	5,745	(546,896)	397	(546,499)
Tax on Other Comprehensive Income	-	-	-	-	371,311	-	-	-	371,311	-	371,311
Total Comprehensive Income for the period	-	-	-	-	(216,857)	35,527	-	2,427,028	2,245,698	34,521	2,280,219
Transactions with equity holders											
Issue of Shares	811,127	-	-	-	-	-	-	-	811,127	-	811,127
Adjustment due to changes in group companies	-	-	-	-	-	-	-	2,065	2,065	590	2,655
Dividend to equity holders	-	-	-	-	-	-	-	(1,193,514)	(1,193,514)	(41,003)	(1,234,517)
Balance as at 30 June 2018	**3,019,649**	**1,336,479**	**1,136,654**	**-**	**(453,239)**	**21,336**	**5,805,707**	**24,011,019**	**34,877,603**	**959,854**	**35,837,457**

NDB bank

STATEMENT OF CASH FLOW

For the Period ended 30 June	BANK		GROUP	
	2018	2017	2018	2017
	LKR '000	LKR '000	LKR '000	LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	19,008,656	18,552,344	19,175,896	18,719,795
Fee based income received	1,468,572	1,141,373	2,003,778	1,559,301
Dividend income received	536,085	1,066,150	8,897	36,013
Other Operating income received	1,230,291	775,808	1,230,291	793,311
Interest paid	(12,414,684)	(10,993,635)	(12,419,118)	(10,993,635)
Personnel costs paid	(2,065,466)	(1,648,591)	(2,230,322)	(1,761,987)
Other expenses paid	(1,729,589)	(1,468,409)	(1,963,266)	(1,776,366)
Operating Profit before changes in operating assets and liabilities	**6,033,864**	**7,425,040**	**5,806,154**	**6,576,432**
Net increase in loans and receivables to other customers	(27,613,963)	(26,091,987)	(27,613,963)	(26,099,271)
Net Increase in deposits from customers	23,411,151	34,362,641	23,411,151	34,362,641
Net (increase)/decrease in other assets	(507)	(512,648)	74,763	(611,939)
Net increase/(decrease) in other liabilities	(2,235,281)	(1,641,836)	(2,275,768)	(1,669,922)
Net cash inflow/(outflow) from operating activities before taxation	**(404,737)**	**13,541,210**	**(597,663)**	**12,557,941**
Tax on Financial Services paid	(830,639)	(821,122)	(830,639)	(821,122)
Income taxes paid	(372,189)	(346,934)	(396,752)	(380,522)
Net cash provided by/(used in) operating activities	**(1,607,565)**	**12,373,154**	**(1,825,054)**	**11,356,297**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(4,798,113)	(4,640,646)	(4,472,592)	(3,500,744)
Disposal of subsidiaries/associates	23,400	-	23,400	-
Expenditure on property, plant & equipment	(270,679)	(193,083)	(290,891)	(237,027)
Proceeds from sale of property, plant & equipment	23,764	2,203	23,764	2,203
Net cash used in investing activities	**(5,021,628)**	**(4,831,526)**	**(4,716,319)**	**(3,735,568)**
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease)/ Increase in other borrowings	8,677,895	(7,563,600)	8,666,894	(7,563,600)
Dividends paid to non-controlling interests	-	-	(61,321)	(146,459)
Dividends paid to shareholders of the Bank	(375,667)	(354,870)	(375,667)	(354,870)
Net cash provided by /(used in) financing activities	**8,302,228**	**(7,918,470)**	**8,229,906**	**(8,064,929)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,673,036	(376,842)	1,688,533	(444,199)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	21,480,070	20,130,977	21,548,918	20,251,933
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**23,153,106**	**19,754,135**	**23,237,451**	**19,807,734**
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	5,813,958	4,388,070	5,898,303	4,441,669
Balances with the Central Bank of Sri Lanka	17,339,148	13,976,164	17,339,148	13,976,164
Placements with banks	-	1,389,901	-	1,389,901
	23,153,106	**19,754,135**	**23,237,451**	**19,807,734**

SEGMENTAL ANALYSIS- GROUP

For the period ended 30 June

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000	2018 LKR '000	2017 LKR '000
Revenue										
Interest Income	20,352,262	17,703,188	115,692	130,075	-	-	-	-	20,467,954	17,833,263
Net Fee and Commission Income	1,446,878	1,141,373	267,039	218,960	81,166	68,455	66,453	64,689	1,861,537	1,493,477
Foreign exchange profit	588,212	532,822	-	-	-	-	-	-	588,212	532,822
Net gain/(loss) from financial investments	390,944	121,660	142,667	154,065	-	-	-	-	533,611	275,725
Other Income	349,230	192,866	3,914	3,224	-	-	-	-	353,144	196,090
Total revenue from external customers	23,127,526	19,691,909	529,312	506,324	81,167	68,455	66,453	64,689	23,804,458	20,331,377
Inter-segment Revenue	-	-	470	9,029	27,034	33,338	-	-	27,504	42,367
Total Revenue	23,127,526	19,691,909	529,782	515,353	108,201	101,792	66,453	64,689	23,831,962	20,373,744
Impairment (charge)/reversal for loans & other losses	(1,293,184)	(533,881)	(21,175)	(18,254)	-	-	-	-	(1,314,359)	(552,135)
Segment expenses	(17,508,804)	(16,282,831)	(362,027)	(341,961)	(9,280)	(7,093)	(49,793)	(41,657)	(17,929,904)	(16,673,542)
Total segment expenses	(18,801,988)	(16,816,712)	(383,202)	(360,215)	(9,280)	(7,093)	(49,793)	(41,657)	(19,244,263)	(17,225,677)
Segment results	4,325,538	2,875,197	146,580	155,137	98,921	94,699	16,660	23,033	4,587,700	3,148,067
Share of associate companies' profit before taxation	-	-	-	-	-	-	-	-	-	-
Taxation									1,172,863	869,400
VAT on financial services									959,430	767,715
Profit after taxation									2,455,407	1,510,952
Other information										
Segment assets	416,662,730	364,806,492	3,035,412	3,766,621	2,103,984	1,894,149	91,340	88,963	421,893,466	370,556,224
Investments -Held for sale	-	-	-	-	-	-	-	33,301	-	33,301
Consolidated total assets									421,893,466	370,589,525
Segment liabilities	385,411,039	337,561,763	140,399	204,631	498,450	50,557	6,121	3,090	386,056,009	337,820,041
Consolidated total liabilities									386,056,009	337,820,041
Segmental Cash flows										
Cash flows from operating activities	(1,607,565)	12,358,810	(261,966)	(978,964)	62,716	29,412	(18,239)	(52,961)	(1,825,054)	11,356,297
Cash flows from investing activities	(5,021,628)	(4,831,526)	316,747	1,096,181	(28)	-	(11,411)	(223)	(4,716,319)	(3,735,568)
Cash flows from financing activities	8,302,228	(7,918,470)	24,987	(49,150)	(97,309)	(97,309)	-	-	8,229,906	(8,064,929)

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 JUNE 2018 - BANK (LKR '000)

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	5,813,958	-	-	-	5,813,958
Balances with the Central Bank of Sri Lanka	-	-	17,339,148	-	-	-	17,339,148
Placements with banks	-	-	-	-	-	-	-
Derivative Financial Instruments	1,894,238	-	-	-	-	-	1,894,238
Financial Assets - Held for trading	3,830,309	-	-	-	-	-	3,830,309
Loans and Receivables to banks	-	-	7,423	-	-	-	7,423
Loans and Receivables to other customers	-	-	301,406,897	-	-	-	301,406,897
Financial Investments - Loans and receivables	-	-	20,586,999	-	-	-	20,586,999
Financial Investments - Available for sale	-	-	-	55,454,809	-	-	55,454,809
Financial Investments - Held to maturity	-	3,147,057	-	-	-	-	3,147,057
Other Financial Assets	-	-	21,326	-	-	-	21,326
Total Financial Assets	**5,724,547**	**3,147,057**	**345,175,752**	**55,454,809**	**-**	**-**	**409,502,164**
Investments in subsidiary companies	-	-	-	-	2,085,303	-	2,085,303
Intangible assets	-	-	-	-	363,162	-	363,162
Property, plant & equipment	-	-	-	-	2,412,035	-	2,412,035
Other assets	-	-	-	-	2,302,752	-	2,302,752
Total assets	**5,724,547**	**3,147,057**	**345,175,752**	**55,454,809**	**7,163,252**	**-**	**416,665,416**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	21,474,275	-	21,474,275
Derivative Financial Instruments	515,464	-	-	515,464
Due to other Customers	-	297,177,651	-	297,177,651
Debt Securities issued and other borrowed funds	-	35,270,944	-	35,270,944
Subordinated Term debts	-	20,356,867	-	20,356,867
Other Financial Liabilities	-	1,127,258	-	1,127,258
Total Financial Liabilities	**515,464**	**375,406,995**	**-**	**375,922,458**
Current Tax Liabilities	-	-	2,125,244	2,125,244
Deferred Tax	-	-	1,163,279	1,163,279
Other liabilities	-	-	6,472,073	6,472,073
Dividends payable	-	-	78,925	78,925
Total liabilities	**515,464**	**375,406,995**	**9,839,521**	**385,761,979**

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 JUNE 2018 - GROUP (LKR '000)

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	5,898,303	-	-	-	5,898,303
Balances with the Central Bank of Sri Lanka	-	-	17,339,148	-	-	-	17,339,148
Placements with banks	-	-	-	-	-	-	-
Derivative Financial Instruments	1,894,238	-	-	-	-	-	1,894,238
Financial Assets - Held for trading	5,493,074	-	-	-	-	-	5,493,074
Loans and Receivables to banks	-	-	7,423	-	-	-	7,423
Loans and Receivables to other customers	-	-	301,473,913	-	-	-	301,473,913
Financial Investments - Loans and receivables	-	-	22,653,760	-	-	-	22,653,760
Financial Investments - Available for sale	-	-	-	55,605,100	-	-	55,605,100
Financial Investments - Held to maturity	-	3,569,396	-	-	-	-	3,569,396
Other Financial Assets	-	-	21,326	-	-	-	21,326
Total Financial Assets	**7,387,312**	**3,569,396**	**347,393,873**	**55,605,100**	**-**	**-**	**413,955,681**
Investment Property	-	-	-	-	1,894,848	-	1,894,848
Intangible assets	-	-	-	-	379,963	-	379,963
Property, plant & equipment	-	-	-	-	2,960,839	-	2,960,839
Other assets	-	-	-	-	2,702,135	-	2,702,135
Total assets	**7,387,312**	**3,569,396**	**347,393,873**	**55,605,100**	**7,937,785**	**-**	**421,893,466**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	21,474,275	-	21,474,275
Derivative Financial Instruments	515,464	-	-	515,464
Due to other Customers	-	296,843,429	-	296,843,429
Debt Securities issued and other borrowed funds	-	35,259,934	-	35,259,934
Subordinated Term debts	-	20,356,867	-	20,356,867
Other Financial Liabilities	-	1,127,258	-	1,127,258
Total Financial Liabilities	**515,464**	**375,061,763**	**-**	**375,577,226**
Current Tax Liabilities	-	-	2,150,778	2,150,778
Deferred Tax	-	-	1,587,558	1,587,558
Other liabilities	-	-	6,661,524	6,661,524
Dividends payable	-	-	78,925	78,925
Total liabilities	**515,464**	**375,061,763**	**10,478,785**	**386,056,009**

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2017 - BANK (LKR '000)

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	5,274,466	-	-	-	5,274,466
Balances with the Central Bank of Sri Lanka	-	-	15,364,920	-	-	-	15,364,920
Placements with banks	-	-	840,684	-	-	-	840,684
Derivative Financial Instruments	2,471,706	-	-	-	-	-	2,471,706
Financial Assets - Held for trading	1,216,439	-	-	-	-	-	1,216,439
Loans and Receivables to banks	-	-	15,478	-	-	-	15,478
Loans and Receivables to other customers	-	-	274,013,970	-	-	-	274,013,970
Financial Investments - Loans and receivables	-	-	21,171,508	-	-	-	21,171,508
Financial Investments - Available for sale	-	-	-	52,620,584	-	-	52,620,584
Financial Investments - Held to maturity	-	3,524,051	-	-	-	-	3,524,051
Other Financial Assets	-	-	19,565	-	-	-	19,565
Total Financial Assets	**3,688,145**	**3,524,051**	**316,700,591**	**52,620,584**	**-**	**-**	**376,533,371**
Investments -Held for sale	-	-	-	-	-	18,525	18,526
Investments in subsidiary companies	-	-	-	-	2,106,021	-	2,106,021
Intangible assets	-	-	-	-	384,369	-	384,369
Property, plant & equipment	-	-	-	-	2,356,679	-	2,356,679
Other assets	-	-	-	-	1,674,078	-	1,674,078
Total assets	**3,688,145**	**3,524,051**	**316,700,591**	**52,620,584**	**6,521,147**	**18,525**	**383,073,042**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	20,236,719	-	20,236,719
Derivative Financial Instruments	936,754	-	-	936,754
Due to other Customers	-	273,369,023	-	273,369,023
Debt Securities issued and other borrowed funds	-	28,107,045	-	28,107,045
Subordinated Term debts	-	19,336,855	-	19,336,855
Other Financial Liabilities	-	3,053,299	-	3,053,299
Total Financial Liabilities	**936,754**	**344,102,941**	**-**	**345,039,695**
Current Tax Liabilities	-	-	1,578,447	1,578,447
Deferred Tax	-	-	1,371,659	1,371,659
Other liabilities	-	-	6,273,203	6,273,203
Dividends payable	-	-	72,203	72,202
Total liabilities	**936,754**	**344,102,941**	**9,295,512**	**354,335,206**

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2017 - GROUP (LKR '000)

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	5,343,314	-	-	-	5,343,314
Balances with the Central Bank of Sri Lanka	-	-	15,364,920	-	-	-	15,364,920
Placements with banks	-	-	840,684	-	-	-	840,684
Derivative Financial Instruments	2,471,706	-	-	-	-	-	2,471,706
Financial Assets - Held for trading	2,659,883	-	-	-	-	-	2,659,883
Loans and Receivables to banks	-	-	15,478	-	-	-	15,478
Loans and Receivables to other customers	-	-	274,063,310	-	-	-	274,063,310
Financial Investments - Loans and receivables	-	-	23,316,328	-	-	-	23,316,328
Financial Investments - Available for sale	-	-	-	52,975,690	-	-	52,975,690
Financial Investments - Held to maturity	-	4,077,096	-	-	-	-	4,077,096
Other Financial Assets	-	-	446,909	-	-	-	446,909
Total Financial Assets	**5,131,589**	**4,077,096**	**319,390,944**	**52,975,690**	**-**	**-**	**381,575,318**
Investments -Held for sale	-	-	-	-	-	33,301	33,302
Investment Property	-	-	-	-	1,894,848	-	1,894,848
Intangible assets	-	-	-	-	397,053	-	397,053
Property, plant & equipment	-	-	-	-	2,917,017	-	2,917,017
Other assets	-	-	-	-	1,827,900	-	1,827,900
Total assets	**5,131,589**	**4,077,096**	**319,390,944**	**52,975,690**	**7,036,818**	**33,301**	**388,645,438**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	20,236,719	-	20,236,719
Derivative Financial Instruments	936,754	-	-	936,754
Due to other Customers	-	273,041,417	-	273,041,417
Debt Securities issued and other borrowed funds	-	28,107,045	-	28,107,045
Subordinated Term debts	-	19,336,855	-	19,336,855
Other Financial Liabilities	-	3,085,308	-	3,085,308
Total Financial Liabilities	**936,754**	**343,807,344**	**-**	**344,744,097**
Current Tax Liabilities	-	-	1,575,091	1,575,091
Deferred Tax	-	-	1,796,492	1,796,492
Other liabilities	-	-	6,479,584	6,479,584
Dividends payable	-	-	72,203	72,203
Total liabilities	**936,754**	**343,807,344**	**9,923,370**	**354,667,465**

Notes to the Financial Statements

1. The figures are extracted from the unaudited financial statements.

2. The financial statements of the Bank and the Group have been prepared based on the accounting policies and methods applied for the year ended 31 December 2017 and comply with Sri Lanka Accounting Standard 34- "Interim Financial Reporting". Previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

3.On 20 February 2018, the Bank declared a 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 ended 31 December 2017 .Accordingly ,the Stated Capital of the Bank increased to LKR 3,020 million as at 30 June 2018 (LKR 2,209 million as at 31 December 2017) ,as a result of scrip dividends declared for the year ended 31 December 2017.

4.The Board of the Directors of the Bank has resolved to issue up to 59,154,354 shares by way of a right issue subject to the Colombo Stock Exchange approving the issue and listing of shares and obtaining shareholder approval at a General Meeting.

The purposes of the issue are to further strengthen the equity base of the Bank and thereby to improve the Common Equity Tier 1 capital ratio. The proceeds will be used to part finance the growth of the loan portfolio of the Bank.

These shares are to be issued at an issue price of Rs 105/- per ordinary voting share , and the proportion in which shares are to be issued is 01 (one) new ordinary share for every 3 (three) ordinary voting shares held .

5. The Earning Per Share of the Bank and the Group for the comparative year and the quarter have been restated to account the effect of scrip dividends paid for the year 2017 in June 2018 .The reported Earning Per Share in the Annual Report of the year 2017 was LKR 25.38 and LKR 20.35 for the Bank and the Group respectively .

6.The Sri Lanka Accounting Standard - SLFRS 9 Financial Instruments is effective for annual periods beginning on or after 01st January 2018 and will replace LKAS 39 - Financial Instruments: Recognition and Measurement. Accordingly, in reporting the interim results, the Bank is required to apply SLFRS 9 and to be in compliance with the same.

However as per the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements", CA Sri Lanka has granted the option to prepare the interim financial statements continuing the application of LKAS 39 Financial Instruments: Recognition and Measurement. Accordingly, the accounting policies and method of computations adopted for the preparation and presentation of the financial statements for the period ended 30 June 2018, are consistent with LKAS 39 Financial Instruments: Recognition and Measurement.

With respect to the implementation of SLFRS 9, the initial assessments and the gap analysis between the two standards and the policy statements on financial assets and financial liabilities were completed with the approval of the Board in the year 2017.

The Bank has performed a provisional calculation for SLFRS 9 to identify the day 1 impact with the assistance of external consultants and has a fair view of the potential impact of SLFRS 9. Accordingly, the effect on the total estimated additional Impairment provision on the Financial Statements on adoption of SLFRS 9 (Financial Instruments: Classification and Measurement) was approximately in the range of 40% to 50% of the total impairment provision computed as per the LKAS 39 (Financial Instruments: Recognition and Measurement).

Currently the risk modeling methodologies used for impairment computations are being further tested and sharpened by the Bank with the inputs from the external consultant and the management.

Accordingly the Bank will be better placed to provide the required disclosures by end of the year for which all required steps would have been taken.

7 .There are no other events that require adjustment to the Financial Statements or disclosure in the Financial Statements that has occurred subsequent to the date of the Statement of the Financial Position of the Bank and the Group .

Notes to the Financial Statements

8. ADDITIONAL QUARTERLY DISCLOSURES PRESCRIBED BY CBSL AS PER CIRCULAR (02/17/900/0001/004) DATED 11 OCTOBER 2013

a) Loans and Receivables to Other Customers	Bank		Group	
	Current Period	Previous Period	Current Period	Previous Period
	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000
Gross loans and receivables	306,656,540	278,801,068	306,723,555	278,850,408
(Less): Individual impairment	1,475,326	1,556,979	1,475,326	1,556,979
Collective impairment	3,774,318	3,230,119	3,774,316	3,230,119
Net loans and receivables	**301,406,897**	**274,013,970**	**301,473,913**	**274,063,310**

b) Gross Loans and Receivables to Other Customers - By product	Bank		Group	
	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000
By product-Domestic Currency				
Term loans	81,064,913	71,927,856	81,064,912	71,927,856
Medium and short term loans	27,657,969	23,916,021	27,657,969	23,916,021
Overdrafts	46,873,131	43,928,966	46,841,163	43,881,140
Trade Finance	14,676,461	13,779,071	14,676,461	13,779,071
Consumer loans	26,261,412	23,280,986	26,261,412	23,280,986
Lease rentals receivable	17,803,620	15,719,450	17,803,620	15,719,450
Housing loans	11,330,324	10,256,059	11,330,324	10,256,059
Islamic Banking facilities	4,726,817	3,799,762	4,726,817	3,799,762
Credit cards	2,394,693	1,910,923	2,394,693	1,910,923
Staff loans	1,626,316	1,588,628	1,725,300	1,685,794
Hire Purchase	172,049	317,815	172,049	317,815
Pawning	277,470	185,402	277,470	185,402
Sub total	**234,865,175**	**210,610,939**	**234,932,190**	**210,660,278**
By product-Foreign Currency				
Overdrafts	2,741,525	3,046,895	2,741,525	3,046,895
Medium and short term loans	39,832,339	38,566,567	39,832,339	38,566,567
Trade Finance	26,734,994	24,432,290	26,734,994	24,432,290
Islamic Banking facilities	2,482,507	2,144,378	2,482,507	2,144,378
Sub total	**71,791,365**	**68,190,130**	**71,791,365**	**68,190,130**
Total	**306,656,540**	**278,801,069**	**306,723,555**	**278,850,408**

c) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers	Bank		Group	
	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000
Individual impairment				
Opening balance at 01st January	1,556,979	3,028,934	1,556,979	3,028,934
Charge/(Write back) to Statement of Profit or Loss	748,986	340,330	748,986	340,330
Write-off during the period	(830,639)	(1,812,285)	(830,639)	(1,812,285)
Closing balance	**1,475,326**	**1,556,979**	**1,475,326**	**1,556,979**
Collective impairment				
Opening balance at 01st January	3,230,119	3,010,338	3,230,119	3,010,338
Charge/(Write back) to Statement of Profit or Loss	544,198	662,238	544,198	662,238
Write-off during the Period	-	(442,457)	-	(442,457)
Closing balance	**3,774,317**	**3,230,119**	**3,774,317**	**3,230,119**
Total impairment	**5,249,643**	**4,787,098**	**5,249,643**	**4,787,098**

d) Due to Other Customers - By product	Bank		Group	
	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000	As at 30/06/2018 LKR '000	As at 31/12/2017 LKR '000
By product-Domestic Currency				
Demand deposits	17,940,905	17,334,004	17,938,143	17,328,827
Savings deposits	32,167,037	26,369,749	32,104,622	26,365,125
Time deposits	189,325,950	176,174,612	189,057,799	175,856,807
Other deposits	422,729	621,786	422,729	621,786
Sub total	**239,856,621**	**220,500,151**	**239,523,293**	**220,172,545**
By product- Foreign Currency				
Demand deposits	4,360,360	2,587,245	4,360,360	2,587,245
Savings deposits	10,096,495	11,741,888	10,095,601	11,741,888
Time deposits	42,554,266	38,322,573	42,554,266	38,322,573
Other deposits	309,909	217,166	309,909	217,166
Sub total	**57,321,030**	**52,868,872**	**57,320,136**	**52,868,872**
Total	**297,177,651**	**273,369,023**	**296,843,429**	**273,041,417**

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 30/06/2018	As at 31-Dec-17	As at 30/06/2018	As at 31-Dec-17
Regulatory Capital (LKR '000)				
Common Equity Tier 1	25,237,776	24,424,734	30,161,638	29,859,223
Tier 1 Capital	25,237,776	24,424,734	30,161,638	29,859,223
Total Capital	38,103,439	38,304,758	42,480,729	43,189,555
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio *(Minimum Requirement -6.375% (2017 - 5.75%))*	8.48	8.85	9.85	10.49
Tier 1 Capital Ratio *(Minimum Requirement - 7.875% (2017-7.25%))*	8.48	8.85	9.85	10.49
Total Capital Ratio *(Minimum Requirement - 11.875% (2017-11.25%))*	12.80	13.89	13.87	15.18

	As at 30/06/2018	As at 31-Dec-17	As at 30/06/2018	As at 31-Dec-17
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	80,097,092	77,506,348	80,097,092	77,506,348
Statutory Liquid Assets Ratio *(Minimum Requirement -20%)*				
Domestic Banking Unit (%)	21.04	22.13	21.04	22.13
Off-Shore Banking Unit (%)	24.63	24.01	24.63	24.01
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 90% (2017-80%))*	164.82	214.35	164.82	214.35
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement -90% (2017-80%))*	140.80	154.50	140.80	154.50
Asset Quality				
Gross Non-performing Advances Ratio (%)	2.54	1.83	2.54	1.83
Net Non-performing Advances Ratio (%)	1.74	0.94	1.74	0.94
Profitability				
Earnings Per Share (LKR)- (annualised)	28.81	24.52	27.51	19.66
Return on Average Shareholders' Funds (%)	17.15	16.27	14.38	11.09
Return on Average Assets (%)	1.28	1.21	1.20	0.96
Net interest margin (%)	3.43	3.00	3.45	3.04
Debt Security - Related Ratios				
Interest Cover (Times)	1.50	1.41	1.51	1.42
Debt to Equity (Times)	12.11	11.87	10.72	10.32

SHARE INFORMATION

SHARE PRICE

As at	30/06/2018	31/12/2017
Number of shares	177,463,062	171,485,705
Last traded price (LKR)	120.80	136.40
For the quarter ended	**30/06/2018**	**31/12/2017**
Highest price per share (LKR)	138.00	142.00
Lowest price per share (LKR)	120.00	126.90

TOP 20 LARGEST SHARE HOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 30.06.2018

	NAME	NO OF SHARES	%
1	BANK OF CEYLON NO. 1 ACCOUNT	17,587,870	9.91
2	EMPLOYEES PROVIDENT FUND	17,200,223	9.69
3	MR. R. S. CAPTAIN	14,462,780	8.15
4	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	10,086,295	5.68
5	DR. S. YADDEHIGE	9,185,790	5.18
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	8,385,570	4.73
7	PERPETUAL TREASURIES LIMITED	7,898,636	4.45
8	EMPLOYEES TRUST FUND BOARD	6,139,335	3.46
9	SOFTLOGIC LIFE INSURANCE PLC ACCOUNT NUMBER 03/LIFE SHAREHOLDERS FUND	5,397,683	3.04
10	SBI VEN HOLDINGS PTE LTD	5,371,628	3.03
11	BNYMSANV RE-CF RUFFER INVESTMENT FUNDS : CF RUFFER PACIFIC FUND	5,210,479	2.94
12	HATTON NATIONAL BANK PLC A/C NO 1	4,600,477	2.59
13	MR. A. K. PATHIRAGE	3,190,747	1.8
14	RICHARD PIERIS AND CO LTD - ACCOUNT NO. 01	3,171,635	1.79
15	CIC HOLDINGS PLC	2,645,950	1.49
16	ASIRI SURGICAL HOSPITAL PLC	2,499,404	1.41
17	SOFTLOGIC LIFE INSURANCE PLC-A/C 02 (LIFE FUND)	2,320,270	1.31
18	PERPETUAL EQUITIES (PRIVATE) LIMITED	2,289,820	1.29
19	DFCC BANK PLC A/C 1	2,148,651	1.21
20	AKBAR BROTHERS PVT LTD A/C NO 1	1,998,490	1.13

PUBLIC HOLDING PERCENTAGE

	As at 30/06/2018
Float adjusted Market Capitalization in LKR	19,216,608,964.24
Percentage of shares held by the public	89.64%
Number of public shareholders	8,623
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS INTEREST IN SHARES OF NDB AS AT 30.06.2018

NAME	NO OF SHARES
A W ATUKORALA (CHAIRMAN)	537
A K PATHIRAGE	*4,289,781
P L D N SENEVIRATNE	12,000
T L F JAYASEKERA	-
K FERNANDO	-
D S P WIKRAMANAYAKE	-
I SUGATHADASA	-
D M R PHILLIPS	-
K D W RATNAYAKA	-
R SEMASINGHE	-

* Includes shares held in the slash account

INFORMATION ON DEBENTURES- BANK

Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 30 June 2018 LKR mn	Market Value			Interest Rate		Interest rate of comparable Govt. Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Quarter end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield To Maturity %
Fixed rate - Debenture June 2015											
A - Jun 2015/Jun 2020	Listed	Annually	7,000	87.00	87.00	87.00	9.40	9.19	8.30	17.31	17.31
B - Jun 2015/Jun 2020	Listed	Payable on date of redemption	1,914	Not traded during the quarter			9.4 annual compounding on the Issue Price of Rs. 63.8136	9.18	8.30	Not traded during the quarter	
Fixed rate - Debenture December 2013											
A - Dec 2013/Dec 2018	Listed	Semi annually	1,243	98.50	98.50	98.50	13.00	12.79	8.30	15.43	15.43
B - Dec 2013/Dec 2018	Listed	Annually	1,529	Not traded during the quarter			13.40	12.77	8.30	Not traded during the quarter	
C - Dec 2013/Dec 2023	Listed	Annually	3,638	Not traded during the quarter			13.90	13.17	9.75	Not traded during the quarter	
D - Dec 2013/Dec 2025	Listed	Annually	3,590	Not traded during the quarter			14.00	13.26	9.75	Not traded during the quarter	
Total Debentures			**18,914**								

Disclosures regarding the utilization of funds as per the objectives stated in the Debenture Prospectus

Debenture Issue - June 2015

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Strengthen the Tier II Capital Base of the Bank and maintain the Capital Adequacy requirements to facilitate future growth of the lending portfolio of the Bank	10,000,000,000	NA	10,000,000,000	100%	8,914,408,000	100%	-
2	To mobilize/ raise medium term funds to match medium term lending of the Bank	10,000,000,000	NA	10,000,000,000	100%	10,000,000,000	100%	-
3	To minimize the interest rate risk rate risk and manage the gap exposures of the Bank’s assets and liabilities	10,000,000,000	NA	10,000,000,000	100%	10,000,000,000	100%	-

The face value of the debentures issued is LKR 10 billion. Of the total debentures issued, Type B debentures were issued as zero coupon bonds with a face value of LKR 100/- per debenture and an issue price of LKR 63.8136. Hence the total proceeds of the debenture is LKR 8,914 million.

Debenture Issue - December 2013

Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	Strengthen the Tier II Capital Base of the Bank and maintain the Capital Adequacy requirements in line with the Bank's future expansion of operations and the asset base, and facilitate the future expansion of business activities.	10,000,000,000	NA	10,000,000,000	100%	10,000,000,000	100%	-
2	To mobilize/ raise medium term funds to match medium term lending of the Bank	10,000,000,000	NA	10,000,000,000	100%	10,000,000,000	100%	-
3	To minimize the interest rate risk rate risk and manage the gap exposures of the Bank’s assets and liabilities	10,000,000,000	NA	10,000,000,000	100%	10,000,000,000	100%	-

Important Dates - H1 2018 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	26 July 2018
Investor Webinar	30 July 2018
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	Within two working days from the release to the CSE
Edited transcript and playback video of the Investor webinar released/ uploaded to the Bank's website	Within five working days from the date of the Webinar
Investor Forum	31 July 2018
Financial statements published in selected newspapers in the three languages of Sinhala, Tamil and English	11 August 2018

Corporate Information

Name National Development Bank PLC **Legal Form** Established under the National Development Bank of Sri Lanka Act No. 02 of 1979 and incorporated as a Company under the Companies Act No. 17 of 1982 and reregistered under the Companies Act No. 07 of 2007 and also licensed as a Licensed Commercial Bank in terms of the Banking Act No. 30 of 1988 as amended from time to time.	**Head Office/Registered Office** No. 40, Navam Mawatha, Colombo 02 Tel: +94 11 2448448 Fax: +94 11 2341044 SWIFT Code: NDBS LK LX Web Page: www.ndbbank.com E-mail: contact@ndbbank.com VAT Registration No.: 409000266-7000 **Credit Rating:** Long-term National Rating: A+(lka)/ Stable Outlook - Fitch Ratings Lanka Limited
Registration No. PQ 27 **Accounting Year End** 31 December **VAT Registration No.** 409000266-7000	**Auditors** M/s Ernst & Young, 201, De Saram Place, Colombo 10 **Company Secretary**: Mrs. Shehani Ranasinghe **Compliance Officer** Mrs. Manique Kiriella Bandara
Board of Directors A W Atukorala - Chairman A K Pathirage - Director/ Deputy Chairman P L D N Seneviratne - Director/ Chief Executive Officer T L F Jayasekera (Director) D S P Wikramanayake (Director) Mrs. K Fernando - (Director) Mrs. W A I Sugathadasa - (Director) D M R Phillips, PC - (Director) K D W Ratnayaka - (Director) R Semasinghe - (Director)	**Subsidiary Companies** NDB Capital Holdings Ltd. NDB Capital Ltd. (Bangladesh) Development Holding (Pvt) Ltd. NDB Investment Bank Ltd. NDB Wealth Management Ltd. NDB Securities (Pvt) Ltd. NDB Zephyr Partners Ltd. NDB Zephyr Partners Lanka (Pvt) Ltd. NDB Venture Investments (Pvt) Ltd. (Under liquidation) Ayojana Fund (Pvt) Ltd. (Under liquidation)
Investor Relations - Contact Details	
Company Secretarial Unit Mrs. Shehani Ranasinghe Company Secretary/Assistant Vice-President Email: shehani.ranasinghe@ndbbank.com Tel.: +94 (0)11 2448448 Extn: 33000	**Investor Relations Team** Mrs. Suvendrini Muthukumarana Assistant Vice-President - Finance & Planning Email: suvendrini.muthukumarana@ndbbank com investor.relations@ndbbank.com Tel.: +94(0)112448448 Extn: 35301

NDB bank

Our Commitment. **Your Success.**

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