NDB bank
Our Commitment. **Your Success.**

INTERIM FINANCIAL STATEMENTS

FIRST QUARTER ENDED 31 MARCH 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 three months ended 31 March 2018 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

NDB starts the year on a high note. PBT exceeds LKR 2.7 billion; YoY growth of 40% for Q1 2018.

- **Profit after tax up by 35% to LKR 1.6 billion**
- **NDB Group profit attributable to shareholders up by 56% to LKR 1.15 billion**
- **NDB Group's total assets cross the LKR 400 billion mark**
- **Cost to Income ratio improved to 36%**

National Development Bank PLC (NDB) completed the first quarter ended on 31 March 2018 on a high note with impressive growth in profitability and business volumes. Q1 performance was recorded in the aftermath of a highly successful financial year in 2017, where it was recognized as the Best Bank in Sri Lanka by the prestigious Global Banking and Finance Magazine of USA in 2018 for the excellent performance.

Profitability Analysis

Gross income grew by 20% to LKR 11,943 million, reflecting the enhanced business volumes recorded during Q1 2018, compared to Q1 2017. Net Interest Income (NII) recorded an impressive growth of 44% to LKR 3,351 million. The NII was strengthened by the improvement in Net Interest Margin (NIM) to 3.5% from 3.0% in 2017 and the growth in business volumes. The full suite of Bank's lifestyle CASA products with innovative features, appropriate balance sheet funding, etc., enhanced the NIMs.

Net fee and commission income also grew at a satisfactory 28% to reach LKR 710 million for the quarter. Growth in the loan book, particularly in leasing and credit cards, and the accelerated penetration of the Bank's mobile banking app were instrumental in generating enhanced fee based income. NDB aggressively drove its credit card and digital banking propositions in the market, with attractive promotions in Q1 2018.

Net gains from trading and net gains from financial investments both grew in Q1 2018 over Q1 2017, benefiting from the movement in exchange rates and market interest rates. Accordingly, total operating income reached LKR 5,410 million, a growth of 44% over the comparative period.

Impairment charges for loans and other losses for Q1 2018 was LKR 800 million. Impairment at both individual (LKR 330 million) and collective (LKR 456 million) level increased, leading to the overall increase in impairment over Q1 2017. The increase in the collective impairment charges was primarily due to the portfolio growth and some stresses experienced in the lending portfolio. Similar stresses were also experienced by the industry during the period under review. The Bank also made precautionary provisions for a few selective individually significant facilities on a prudent basis during the quarter. The Bank's prudent risk management strategies and robust recoveries mechanisms are anticipated to reduce the impairment charges during the year.

Operating expenses grew by 12% in Q1 2018 over the comparative period, predominantly from administrative and marketing expenses. The Bank opened 3 new Privilege banking centers (for high net worth customers), established three off-site cash recycle machines and relocated one branch during Q1

2018. The cost to income ratio made an impressive improvement to 35.7%, from 45.5% in 2017, reflecting the enhanced banking revenue generated through these investments and cost management.

Resultantly, operating profit before tax on financial services increased by 40% to reach LKR 2,678 million. Profit after taxes on financial services and income tax was LKR 1,561 million at the Bank level which was an increase of 35% over Q1 2017. Profit attributable to shareholders at the group level was LKR 1,152 million and marks an impressive increase of 56% over Q1 2017.

Balance Sheet Analysis

Total assets of the Bank recorded a moderated growth in Q1 2018, with a 3% growth over the end 2017 Balance Sheet position. Accordingly, the Balance Sheet stood at LKR 395.7 billion, which is a quantum increase of LKR 12.6 billion. Total assets at the Group level exceeded LKR 400 billion.

Loans and receivables to customers grew at the same moderated pace. Loans and receivables stood at LKR 282 billion at end Q1 2018, which is an increase of LKR 8 billion over end December 2017. Loan growth was seen across all the loan products and all business segments of the Bank.

In terms of asset quality, the non-performing loan ratio was 2.46% as at 31 March 2018 and remains below the industry ratio. The NPL ratio is expected to improve over the year, as the stresses experienced during the quarter are expected to reverse during the year, with the effective recovery processes that are in place at the Bank.

On the liability aspect, customer deposits grew by 4% to LKR 284 billion, a quantum increase of LKR 11 billion. With the increase in the deposits base, the loans to deposits ratio further improved to 101% in Q1 2018 from 102% in 2017.

Stated capital of the Bank increased by 37% in Q1 2018 to LKR 3 billion, due to the scrip dividend of LKR 5/- per share paid as a part of the final dividend for 2017, in February 2018.

The Bank's robust branch network, currently standing at 107 and well dispersed across the island, together with the digitally enabled banking services offered by the Bank will provide much impetus to the Balance Sheet growth expected over the year.

Capital adequacy and key investor ratios

The Bank remains well capitalized under the Basel III guidelines in the aftermath of implementing SLFRS 9. The Tier 1 Capital Ratio (Minimum Requirement - 7.875%) was 8.73% at the Bank level and 10.14% at the Group level, whilst the Total Capital Ratio (Minimum Requirement - 11.875%) was 13.35% at the Bank level and 14.44% at the Group level.

With respect to SLFRS 9 (Financial Instruments: Recognition and Measurement) which came in to effect from 01 January 2018, the Bank completed the initial assessment and the total additional impairment provision of the financial statements is expected to be approximately in the range of 35-40%.

Return on equity (Group) was 14.03%, an impressive increase from 11.09% in 2017. The same ratio for the Bank was 16.78%. Bank Earning per share also improved to LKR 27.62 from LKR 24.52 in end 2017. Return on average assets recorded a marginal improvement to 1.26% from 1.21% in 2017.

Comments from the Chief Executive Officer

The Chief Executive Officer of NDB – Mr. Dimantha Seneviratne, commenting on the quarter's performance said the results mark a sound beginning for the year and thanked all the stakeholders of the Bank for the support. He mentioned that the Bank continues to be guided by its mid-term strategy and is meticulously pursuing the targets with the ultimate goal of becoming a systemically important bank by 2020. He also made reference to NDB's latest feat in being recognized as the Best Bank in Sri Lanka for 2018 by the Global Finance Magazine of US and the triple awards received from the Global Banking & finance Magazine of UK for year 2018, for Best SME Bank Sri Lanka, Best Bank for Credit Cards Sri Lanka and Best Retail Banking Product - (Personal Loan Product - Dream Maker Loans) Sri Lanka.

NDB looks forward to yet another fruitful year of sustained valued generated to its shareholders, customers, employees and all other stakeholders.

STATEMENT OF PROFIT OR LOSS

	Bank			Group		
	Quarter ended 31/03/2018 LKR '000	Quarter ended 31/03/2017 LKR '000	**Change %**	**Quarter ended 31/03/2018 LKR '000**	Quarter ended 31/03/2017 LKR '000	**Change %**
Gross Income	**11,943,119**	**9,986,251**	**20**	**11,811,703**	**9,781,677**	**21**
Interest Income	9,884,392	8,555,689	16	9,952,934	8,630,985	15
Interest Expenses	6,533,197	6,221,362	5	6,525,138	6,211,469	5
Net Interest Income	**3,351,195**	**2,334,327**	**44**	**3,427,796**	**2,419,516**	**42**
Net Fee and Commission Income	**709,768**	**554,444**	**28**	926,943	**710,771**	**30**
Net gain/(loss) from trading	355,392	272,681	30	355,392	272,681	30
Net gain/(loss) from financial investments	310,244	106	292,583	423,289	65,420	547
Other operating income	683,322	603,331	13	153,145	101,820	50
Total Operating Income	**5,409,921**	**3,764,889**	44	**5,286,565**	**3,570,208**	**48**
Impairment charges for loans and other losses						
Individual Impairment	330,008	67,818	387	330,008	67,818	387
Collective Impairment	455,509	34,612	1,216	455,509	34,612	1,216
Other provision - charge/(release)	14,560	31,600	(54)	9,198	9,085	1
	800,077	134,030	497	794,715	111,515	613
Net operating income	**4,609,844**	**3,630,859**	**27**	**4,491,850**	**3,458,693**	**30**
Operating Expenses						
Personnel Expenses	1,015,171	917,789	11	1,120,041	1,009,066	11
Depreciation and amortization	105,394	103,108	2	121,918	113,872	7
Other Expenses	811,022	697,483	16	897,535	779,210	15
Total operating expenses	**1,931,587**	**1,718,380**	12	**2,139,494**	**1,902,148**	**12**
Operating Profit Before Tax on Financial Services	**2,678,257**	**1,912,479**	**40**	**2,352,356**	**1,556,545**	**51**
Less: Tax on Financial Services	519,336	393,419	32	519,336	393,419	32
Operating Profit After Tax on Financial Services	2,158,921	1,519,060	42	1,833,020	1,163,126	58
Share of associate companies' profits/(losses)	-	-	-	-	-	-
Profit Before Taxation	**2,158,921**	1,519,060	42	**1,833,020**	1,163,126	58
Less :Taxation	597,627	359,936	66	663,754	413,287	61
Profit for the period	**1,561,294**	1,159,124	35	**1,169,266**	749,839	56
Profit Attributable to:						
Equity Holders of the parent	1,561,294	1,159,124	35	1,152,203	737,516	56
Non Controlling Interests	-	-		17,063	12,323	38
	1,561,294	1,159,124	35	**1,169,266**	749,839	56
Basic Earnings per share (in LKR)	**8.80**	**6.53**	35	**6.49**	**4.16**	56
Diluted Earnings per share (in LKR)	**8.80**	**6.53**	35	**6.49**	**4.16**	56

STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 31/03/2018 LKR '000	Quarter ended 31/03/2017 LKR '000	**Change %**	**Quarter ended 31/03/2018 LKR '000**	**Quarter ended 31/03/2017 LKR '000**	**Change %**
Profit for the period	**1,561,294**	1,159,124	**35**	**1,169,266**	**749,839**	**56**
Other comprehensive income /(expenses) to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of foreign operations	-	-	-	1,821	2,088	(13)
Gains/(losses) from Available for Sale Investments	(618,419)	(157,457)	(293)	(580,817)	(193,150)	(201)
Gains /(losses) on cash flow hedges	(1,925)	266,577	(101)	(1,925)	266,577	(101)
Total Other Comprehensive Income /(expenses)	**(620,344)**	109,120	(668)	**(580,921)**	75,515	(869)
Less : Tax expenses relating to components of other comprehensive Income	394,524	(42,890)	1,020	394,524	(42,890)	1,020
Total Other Comprehensive Income after Tax	**(225,820)**	66,230	(441)	**(186,397)**	32,625	(671)
Total Comprehensive Income for the quarter	**1,335,475**	1,225,354	9	**982,869**	782,464	26
Attributable to:						
Equity holders of the parent	1,335,475	1,225,354	9	965,143	769,557	25
Non Controlling Interests	-	-	-	17,726	12,907	37
	1,335,475	1,225,354	9	**982,869**	782,464	26

NDB bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Period	Previous Period		Current Period	Previous Period	
	As at 31/03/2018	As at 31/12/2017 (Audited)	Change	As at 31/03/2018	As at 31/12/2017 (Audited)	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Assets						
Cash and cash equivalents	4,944,817	5,274,466	(6)	5,013,895	5,343,314	(6)
Balances with the Central Bank of Sri Lanka	15,941,582	15,364,920	4	15,941,582	15,364,920	4
Placements with banks	430,258	840,684	(49)	430,258	840,684	(49)
Derivative Financial Instruments	2,368,808	2,471,706	(4)	2,368,808	2,471,706	(4)
Financial Assets - Held for trading	3,338,124	1,216,439	174	5,157,926	2,659,883	94
Loans and Receivables to banks	13,039	15,478	(16)	13,039	15,478	(16)
Loans and Receivables to other customers	282,033,734	274,013,970	3	282,096,800	274,063,310	3
Financial Investments - Loans and receivables	20,939,425	21,171,508	(1)	22,672,691	23,316,328	(3)
Financial Investments - Available for sale	55,157,824	52,620,584	5	55,308,122	52,975,690	4
Financial Investments - Held to maturity	3,511,088	3,524,051	(0)	4,010,132	4,077,096	(2)
Investments -Held for sale	-	18,526	(100)	-	33,302	(100)
Investments in subsidiary companies	2,091,461	2,106,021	(1)	-	-	-
Investment Property	-	-	-	1,894,848	1,894,848	-
Intangible assets	438,249	384,369	14	456,630	397,053	15
Property, plant & equipment	2,276,004	2,356,679	(3)	2,829,024	2,917,017	(3)
Other assets	2,166,144	1,693,641	28	2,750,822	2,274,809	21
Total assets	**395,650,557**	**383,073,042**	**3**	**400,944,577**	**388,645,438**	**3**
Liabilities						
Due to Banks	19,850,192	20,236,719	(2)	19,850,192	20,236,719	(2)
Derivative Financial Instruments	920,809	936,754	(2)	920,809	936,754	(2)
Due to other Customers	284,159,753	273,369,023	4	283,839,128	273,041,417	4
Debt Securities issued and other borrowed funds	29,430,190	28,107,045	5	29,430,190	28,107,045	5
Current Tax Liabilities	1,881,518	1,578,447	19	1,887,718	1,575,091	20
Deferred Tax	1,083,111	1,371,659	(21)	1,507,578	1,796,492	(16)
Other liabilities	8,657,427	9,326,502	(7)	8,992,220	9,564,889	(6)
Dividends payable	100,582	72,203	39	100,582	72,203	39
Subordinated Term Debts	19,876,052	19,336,855	3	19,876,052	19,336,855	3
Total liabilities	**365,959,634**	**354,335,206**	**3**	**366,404,469**	**354,667,465**	**3**
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	18,953,035	18,585,255	2	22,737,365	22,775,440	(0)
Other Reserves	576,055	801,874	(28)	697,863	886,081	(21)
Total shareholders' equity	**29,690,923**	**28,737,835**	**3**	**33,597,061**	**33,012,227**	**2**
Non Controlling Interests	-	-	-	943,047	965,746	(2)
Total Equity	**29,690,923**	**28,737,835**	**3**	**34,540,108**	**33,977,973**	2
Total liabilities and equity	**395,650,557**	**383,073,042**	**3**	**400,944,577**	**388,645,438**	**3**
Net Book Value Per Share (LKR)	**167.31**	**167.58**	(0)	**189.32**	**192.51**	(2)
Contingent liabilities and commitments	**273,347,377**	**269,160,399**	**2**	**274,052,753**	**269,877,849**	**2**
Memorandum Information						
Number of Employees	2,331	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

10 May 2018

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves				General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
			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 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	-	-	-	-	-	-	-	1,159,124	1,159,124	-	1,159,124
Other Comprehensive Income before Tax	-	-	-	-	(157,457)	266,577	-	-	109,120	-	109,120
Tax on Other Comprehensive Income	-	-	-	-	(42,890)	-	-	-	(42,890)	-	(42,890)
Total Comprehensive Income for the period	-	-	-	-	(200,347)	266,577	-	1,159,124	1,225,354	-	1,225,354
Transactions with equity holders											
Issue of Shares	962,041				-	-		-	962,041	-	962,041
Dividend to equity holders	-	-	-	-	-	-	-	(1,321,484)	(1,321,484)	-	(1,321,484)
Balance as at 31 March 2017	**2,208,520**	**1,246,479**	**853,456**	**13,841**	**(766,087)**	**322,724**	**5,805,707**	**15,926,321**	**25,610,962**	**-**	**25,610,961**
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	-	-	-	-	-	-	-	1,561,294	1,561,294	-	1,561,294
Other Comprehensive Income before Tax	-	-	-	-	(618,419)	(1,925)	-	-	(620,344)	-	(620,344)
Tax on Other Comprehensive Income	-	-		-	394,524	-	-	-	394,524	-	394,524
Total Comprehensive Income for the period	-	-	-	-	(223,895)	(1,925)	-	1,561,294	1,335,475	-	1,335,475
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 31 March 2018	**3,019,648**	**1,336,479**	**1,041,261**	**-**	**(449,091)**	**(16,116)**	**5,805,707**	**18,953,035**	**29,690,923**	**-**	**29,690,923**

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves				General Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
			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
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	-	-	-	-	-	-	-	737,516	737,516	12,324	749,840
Other Comprehensive Income before Tax	-	-	-	-	(193,150)	266,577	-	1,520	74,947	567	75,514
Tax on Other Comprehensive Income	-	-	-	-	(42,890)	-	-	-	(42,890)	-	(42,890)
Total Comprehensive Income for the period	-	-	-	-	(236,040)	266,577	-	739,036	769,573	12,891	782,464
Transactions with equity holders											
Issue of Shares	962,040	-	-	-	-	-	-	-	962,040	-	962,040
Dividend to equity holders	-	-	-	-	-	-	-	(1,321,484)	(1,321,484)	(40,820)	(1,362,304)
Balance as at 31 March 2017	**2,208,519**	**1,246,479**	**969,795**	**13,841**	**(778,627)**	**322,725**	**5,805,707**	**20,558,277**	**30,346,716**	**1,030,804**	**31,395,496**
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	-	-	-	-	-	-	-	1,152,203	1,152,203	17,065	1,169,268
Other Comprehensive Income before Tax	-	-	-	-	(580,817)	(1,925)	-	1,171	(581,571)	651	(580,920)
Tax on Other Comprehensive Income	-	-	-	-	394,524	-	-	-	394,524	-	394,524
Total Comprehensive Income for the period	-	-	-	-	(186,293)	(1,925)	-	1,153,374	965,156	17,716	982,869
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)	(41,005)	(1,234,519)
Balance as at 31 March 2018	**3,019,649**	**1,336,479**	**1,136,654**	**-**	**(422,675)**	**(16,116)**	**5,805,707**	**22,737,365**	**33,597,061**	**943,047**	**34,540,108**

STATEMENT OF CASH FLOW

For the Quarter ended 31 March	BANK 2018 LKR '000	BANK 2017 LKR '000	GROUP 2018 LKR '000	GROUP 2017 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	10,029,682	10,324,084	10,100,316	10,414,378
Fee based income received	721,701	554,444	952,621	722,953
Dividend income received	535,589	503,045	8,401	21,333
Other Operating income received	747,011	371,716	750,545	374,050
Interest paid	(5,949,290)	(5,384,656)	(5,949,321)	(5,386,204)
Personnel costs paid	(987,671)	(885,289)	(1,047,659)	(962,960)
Other expenses paid	(830,400)	(724,118)	(971,806)	(828,367)
Operating Profit before changes in operating assets and liabilities	**4,266,622**	**4,759,227**	**3,843,098**	**4,355,183**
Net increase in loans and receivables to other customers	(8,858,309)	(15,395,173)	(8,858,309)	(15,391,294)
Net Increase in deposits from customers	10,760,228	23,483,840	10,760,228	23,483,840
Net (increase)/decrease in other assets	(356,462)	(242,689)	(299,341)	(917,647)
Net increase/(decrease) in other liabilities	(755,020)	(1,276,220)	(764,237)	(1,195,691)
Net cash inflow/(outflow) from operating activities before taxation	**5,057,059**	**11,328,986**	**4,681,439**	**10,334,391**
Tax on Financial Services paid	(454,545)	(410,130)	(460,437)	(410,130)
Income taxes paid	(188,579)	(162,183)	(198,916)	(172,899)
Net cash provided by/(used in) operating activities	**4,413,935**	**10,756,673**	**4,022,086**	**9,751,362**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(5,086,863)	6,623,942	(4,639,182)	7,586,375
Disposal of subsidiaries/associates	23,400	-	23,400	-
Expenditure on property, plant & equipment	(98,576)	(111,778)	(113,403)	(125,207)
Proceeds from sale of property, plant & equipment	16,289	808	16,341	808
Net cash used in investing activities	**(5,145,750)**	**6,512,972**	**(4,712,843)**	**7,461,976**
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease)/ Increase in other borrowings	922,412	(11,214,855)	922,412	(11,214,855)
Dividends paid to non-controlling interests	-	-	(40,827)	(36,246)
Dividends paid to shareholders of the Bank	(354,010)	(352,425)	(354,010)	(352,425)
Net cash provided by /(used in) financing activities	**568,402**	**(11,567,280)**	**527,575**	**(11,603,526)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(163,413)	5,702,365	(163,183)	5,609,812
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	**21,316,657**	**25,833,342**	**21,385,735**	**25,861,745**
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	4,944,817	4,754,500	5,013,895	4,782,902
Balances with the Central Bank of Sri Lanka	15,941,582	12,338,449	15,941,582	12,338,449
Placements with banks	430,258	8,740,393	430,258	8,740,393
	21,316,657	**25,833,342**	**21,385,735**	**25,861,745**

SEGMENTAL ANALYSIS- GROUP

For the quarter ended 31 March

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	LKR '000	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**
Revenue										
Interest Income	9,884,392	8,555,689	60,483	65,403	-	-	-	-	9,944,875	8,621,092
Net Fee and Commission Income	709,768	554,444	136,799	73,054	40,279	34,613	32,884	32,202	919,731	694,313
Foreign exchange profit	355,392	272,681	-	-	-	-	-	-	355,392	272,681
Net gain/(loss) from financial investments	310,244	106	113,045	65,314	-	-	-	-	423,289	65,420
Other Income	161,838	100,286	(8,693)	1,534	-	-	-	-	153,145	101,820
Total revenue from external customers	11,421,634	9,483,206	301,634	205,304	40,279	34,613	32,884	32,202	11,796,431	9,755,325
Inter-segment Revenue	-	-	237	8,688	15,034	17,663	-	-	15,272	26,352
Total Revenue	11,421,634	9,483,206	301,871	213,993	55,313	52,276	32,884	32,202	11,811,703	9,781,677
Impairment (charge)/reversal for loans & other losses	(785,517)	(102,430)	(9,198)	(9,085)	-	-	-	-	(794,715)	(111,515)
Segment expenses	(8,456,726)	(7,929,846)	(180,336)	(156,277)	(3,916)	(6,541)	(23,655)	(20,951)	(8,664,632)	(8,113,614)
Total segment expenses	(9,242,242)	(8,032,276)	(189,534)	(165,362)	(3,916)	(6,541)	(23,655)	(20,951)	(9,459,347)	(8,225,129)
Segment results	2,179,392	1,450,930	112,338	48,631	51,397	45,735	9,230	11,252	2,352,356	1,556,548
Share of associate companies' profit before taxation	-	-	-	-	-	-	-	-	-	-
Taxation									663,754	413,287
VAT on financial services									519,336	393,422
Profit after taxation									1,169,266	749,839
Other information										
Segment assets	395,648,362	347,370,381	3,118,082	4,375,835	2,091,669	1,880,265	86,464	71,356	400,944,577	353,697,837
Investments -Held for sale	-	-	-	-	-	-	-	33,301	-	33,301
Consolidated total assets									400,944,577	353,731,138
Segment liabilities	365,631,676	321,315,338	269,365	917,443	496,891	69,561	6,536	33,301	366,404,469	322,335,642
Consolidated total liabilities									366,404,469	322,335,642
Segmental Cash flows										
Cash flows from operating activities	4,413,935	9,294,125	(450,783)	295,225	45,005	66,436	13,928	95,576	4,022,086	9,751,362
Cash flows from investing activities	(5,145,750)	6,512,972	435,867	940,039	-	-	(2,960)	22,410	(4,712,843)	7,461,976
Cash flows from financing activities	568,402	(11,567,280)	95	18,491	(40,922)	(45,977)	-	(8,760)	527,575	(11,603,526)

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 MARCH 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	-	-	4,944,817	-	-	-	4,944,817
Balances with the Central Bank of Sri Lanka	-	-	15,941,582	-	-	-	15,941,582
Placements with banks	-	-	430,258	-	-	-	430,258
Derivative Financial Instruments	2,368,808	-	-	-	-	-	2,368,808
Financial Assets - Held for trading	3,338,124	-	-	-	-	-	3,338,124
Loans and Receivables to banks	-	-	13,039	-	-	-	13,039
Loans and Receivables to other customers	-	-	282,033,734	-	-	-	282,033,734
Financial Investments - Loans and receivables	-	-	20,939,425	-	-	-	20,939,425
Financial Investments - Available for sale	-	-	-	55,157,824	-	-	55,157,824
Financial Investments - Held to maturity	-	3,511,088	-	-	-	-	3,511,088
Other Financial Assets	-	-	52,707	-	-	-	52,707
Total Financial Assets	**5,706,932**	**3,511,088**	**324,355,563**	**55,157,824**	**-**	**-**	**388,731,406**
Investments in subsidiary companies	-	-	-	-	2,091,461	-	2,091,461
Intangible assets	-	-	-	-	438,249	-	438,249
Property, plant & equipment	-	-	-	-	2,276,004	-	2,276,004
Other assets	-	-	-	-	2,113,439	-	2,113,437.00
Total assets	**5,706,932**	**3,511,088**	**324,355,563**	**55,157,824**	**6,919,153**	**-**	**395,650,557**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	19,850,192	-	19,850,192
Derivative Financial Instruments	920,809	-	-	920,809
Due to other Customers	-	284,159,753	-	284,159,753
Debt Securities issued and other borrowed funds	-	29,430,190	-	29,430,190
Subordinated Term debts	-	19,876,052	-	19,876,052
Other Financial Liabilities	-	2,284,627	-	2,284,627
Total Financial Liabilities	**920,809**	**355,600,814**	**-**	**356,521,623**
Current Tax Liabilities	-	-	1,881,518	1,881,518
Deferred Tax	-	-	1,083,111	1,083,111
Other liabilities	-	-	6,372,800	6,372,800
Dividends payable	-	-	100,582	100,582
Total liabilities	**920,809**	**355,600,814**	**9,438,011**	**365,959,634**

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 MARCH 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	-	-	5,013,895	-	-	-	5,013,895
Balances with the Central Bank of Sri Lanka	-	-	15,941,582	-	-	-	15,941,582
Placements with banks	-	-	430,258	-	-	-	430,258
Derivative Financial Instruments	2,368,808	-	-	-	-	-	2,368,808
Financial Assets - Held for trading	5,157,926	-	-	-	-	-	5,157,926
Loans and Receivables to banks	-	-	13,039	-	-	-	13,039
Loans and Receivables to other customers	-	-	282,096,800	-	-	-	282,096,800
Financial Investments - Loans and receivables	-	-	22,672,691	-	-	-	22,672,691
Financial Investments - Available for sale	-	-	-	55,308,122	-	-	55,308,122
Financial Investments - Held to maturity	-	4,010,132	-	-	-	-	4,010,132
Other Financial Assets	-	-	52,707	-	-	-	52,707
Total Financial Assets	**7,526,734**	**4,010,132**	**326,220,972**	**55,308,122**	**-**	**-**	**393,065,960**
Investment Property	-	-	-	-	1,894,848	-	1,894,848
Intangible assets	-	-	-	-	456,630	-	456,630
Property, plant & equipment	-	-	-	-	2,829,022	-	2,829,022
Other assets	-	-	-	-	2,698,117	-	2,698,117
Total assets	**7,526,734**	**4,010,132**	**326,220,972**	**55,308,122**	**7,878,617**	**-**	**400,944,577**

LIABILITIES	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	19,850,192	-	19,850,192
Derivative Financial Instruments	920,809	-	-	920,809
Due to other Customers	-	283,839,128	-	283,839,128
Debt Securities issued and other borrowed funds	-	29,430,190	-	29,430,190
Subordinated Term debts	-	19,876,052	-	19,876,052
Other Financial Liabilities	-	2,284,627	-	2,284,627
Total Financial Liabilities	**920,809**	**355,280,189**	**-**	**356,200,997**
Current Tax Liabilities	-	-	1,887,718	1,887,718
Deferred Tax	-	-	1,507,578	1,507,578
Other liabilities	-	-	6,707,596	6,707,596
Dividends payable	-	-	100,582	100,582
Total liabilities	**920,809**	**355,280,189**	**10,203,474**	**366,404,469**

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 31 March 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 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 March 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 .

5.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 quarter ended 31 March 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 35% to 40% 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.

6 .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

7. 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 31/03/2018 LKR '000	As at 31/12/2017 LKR '000	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000
Gross loans and receivables	287,578,822	278,801,068	287,641,887	278,850,408
(Less): Individual impairment	1,859,460	1,556,979	1,859,460	1,556,979
Collective impairment	3,685,628	3,230,119	3,685,627	3,230,119
Net loans and receivables	**282,033,734**	**274,013,970**	**282,096,800**	**274,063,310**

b) Gross Loans and Receivables to Other Customers - By product	Bank		Group	
	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000
By product-Domestic Currency				
Term loans	74,854,785	71,927,856	74,854,784	71,927,856
Medium and short term loans	27,147,475	23,916,021	27,147,475	23,916,021
Overdrafts	45,672,737	43,928,966	45,632,223	43,881,140
Trade Finance	15,458,017	13,779,071	15,458,017	13,779,071
Consumer loans	24,806,336	23,280,986	24,806,336	23,280,986
Lease rentals receivable	16,549,177	15,719,450	16,549,177	15,719,450
Housing loans	10,813,906	10,256,059	10,813,906	10,256,059
Islamic Banking facilities	3,784,748	3,799,762	3,784,748	3,799,762
Credit cards	2,097,101	1,910,923	2,097,101	1,910,923
Staff loans	1,606,935	1,588,628	1,710,516	1,685,794
Hire Purchase	242,987	317,815	242,987	317,815
Pawning	225,279	185,402	225,279	185,402
Sub total	**223,259,485**	**210,610,939**	**223,322,550**	**210,660,278**
By product-Foreign Currency				
Overdrafts	1,925,940	3,046,895	1,925,940	3,046,895
Medium and short term loans	37,498,695	38,566,567	37,498,695	38,566,567
Trade Finance	22,765,271	24,432,290	22,765,271	24,432,290
Islamic Banking facilities	2,129,431	2,144,378	2,129,431	2,144,378
Sub total	**64,319,337**	**68,190,130**	**64,319,337**	**68,190,130**
Total	**287,578,822**	**278,801,069**	**287,641,887**	**278,850,408**

c) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers	Bank		Group	
	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000	As at 31/03/2018 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	330,008	340,330	330,008	340,330
Write-off during the period	(27,527)	(1,812,285)	(27,527)	(1,812,285)
Closing balance	**1,859,460**	**1,556,979**	**1,859,460**	**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	455,509	662,238	455,509	662,238
Write-off during the Period	-	(442,457)	-	(442,457)
Closing balance	**3,685,628**	**3,230,119**	**3,685,628**	**3,230,119**
Total impairment	**5,545,088**	**4,787,098**	**5,545,088**	**4,787,098**

d) Due to Other Customers - By product	Bank		Group	
	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000	As at 31/03/2018 LKR '000	As at 31/12/2017 LKR '000
By product-Domestic Currency				
Demand deposits	18,039,215	17,334,004	18,024,375	17,328,827
Savings deposits	28,146,896	26,369,749	28,145,219	26,365,125
Time deposits	185,527,434	176,174,612	185,225,542	175,856,807
Other deposits	511,739	621,786	511,739	621,786
Sub total	**232,225,284**	**220,500,151**	**231,906,875**	**220,172,545**
By product- Foreign Currency				
Demand deposits	3,272,222	2,587,245	3,270,880	2,587,245
Savings deposits	10,323,524	11,741,888	10,322,650	11,741,888
Time deposits	37,714,613	38,322,573	37,714,613	38,322,573
Other deposits	624,111	217,166	624,111	217,166
Sub total	**51,934,469**	**52,868,872**	**51,932,253**	**52,868,872**
Total	**284,159,753**	**273,369,023**	**283,839,128**	**273,041,417**

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 31/03/2018	As at 31-Dec-17	As at 31/03/2018	As at 31-Dec-17
Regulatory Capital (LKR '000)				
Common Equity Tier 1	25,267,135	24,424,734	30,229,288	29,859,223
Tier 1 Capital	25,267,135	24,424,734	30,229,288	29,859,223
Total Capital	38,631,892	38,304,758	43,042,845	43,189,555
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio *(Minimum Requirement -6.375% (2017 - 5.75%))*	8.73	8.85	10.14	10.49
Tier 1 Capital Ratio *(Minimum Requirement - 7.875% (2017-7.25%))*	8.73	8.85	10.14	10.49
Total Capital Ratio *(Minimum Requirement - 11.875% (2017-11.25%))*	13.35	13.89	14.44	15.18

	As at 31/03/2018	As at 31-Dec-17	As at 31/03/2018	As at 31-Dec-17
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	79,840,018	77,506,348	79,840,018	77,506,348
Statutory Liquid Assets Ratio *(Minimum Requirement -20%)*				
Domestic Banking Unit (%)	22.52	22.13	22.52	22.13
Off-Shore Banking Unit (%)	24.11	24.01	24.11	24.01
Liquidity Coverage Ratio (%) – Rupee *(Minimum Requirement - 90% (2017-80%))*	216.22	214.35	216.22	214.35
Liquidity Coverage Ratio (%) – All Currency *(Minimum Requirement -90% (2017-80%))*	155.99	154.50	155.99	154.50
Asset Quality				
Gross Non-performing Advances Ratio (%)	2.46	1.83	2.46	1.83
Net Non-performing Advances Ratio (%)	1.53	0.94	1.53	0.94
Profitability				
Earnings Per Share (LKR)- (annualised)	27.62	24.52	26.33	19.66
Return on Average Shareholders' Funds (%)	16.78	16.27	14.03	11.09
Return on Average Assets (%)	1.26	1.21	1.18	0.96
Net interest margin (%)	3.49	3.00	3.52	3.04
Debt Security - Related Ratios				
Interest Cover (Times)	1.51	1.41	1.53	1.42
Debt to Equity (Times)	11.90	11.87	10.51	10.32

SHARE INFORMATION

SHARE PRICE

As at	31/03/2018	31/12/2017
Number of shares	177,463,062	171,485,705
Last traded price (LKR)	133.10	136.40
For the quarter ended	**31/03/2018**	**31/12/2017**
Highest price per share (LKR)	141.40	142.00
Lowest price per share (LKR)	131.50	126.90

TOP 20 LARGEST SHARE HOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 31.03.2018

	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	CIC HOLDINGS PLC	2,645,950	1.49
15	ASIRI SURGICAL HOSPITAL PLC	2,499,404	1.41
16	SOFTLOGIC LIFE INSURANCE PLC-A/C 02 (LIFE FUND)	2,320,270	1.31
17	PERPETUAL EQUITIES (PRIVATE) LIMITED	2,289,820	1.29
18	DFCC BANK PLC A/C 1	2,148,651	1.21
19	AKBAR BROTHERS PVT LTD A/C NO 1	1,998,490	1.13
20	RICHARD PIERIS AND CO LTD - ACCOUNT NO. 01	1,942,345	1.09

PUBLIC HOLDING PERCENTAGE

	As at 31/03/2018
Float adjusted Market Capitalization in LKR	21,175,629,029.55
Percentage of shares held by the public	89.65%
Number of public shareholders	8,349
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS INTEREST IN SHARES OF NDB AS AT 31.03.2018

NAME	NO OF SHARES
A W ATUKORALA (CHAIRMAN)	537
A K PATHIRAGE	4,289,781
P L D N SENEVIRATNE	12000
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 31 March 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	Not traded during the quarter			9.40	9.19	8.30	Not traded during the quarter	
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	100.00	99.00	99.00	13.00	12.79	8.30	14.30	14.30
B - Dec 2013/Dec 2018	Listed	Annually	1,529	99.53	99.53	99.53	13.40	12.77	8.30	13.87	13.87
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	100.50	100.50	100.50	14.00	13.26	9.75	13.89	13.89
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 – Q1 2018 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	10 May 2018
Investor Webinar	14 May 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
Financial statements published in selected newspapers in the three languages of Sinhala, Tamil and English	23 May 2018
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	Not hosted for Q1 2018 results

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

Our Commitment. **Your Success.**

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