

INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2024

National Development Bank PLC

CSE stock code: NDB.No000 | Bloomberg: NDB SL | Reuter's: NDB.CM

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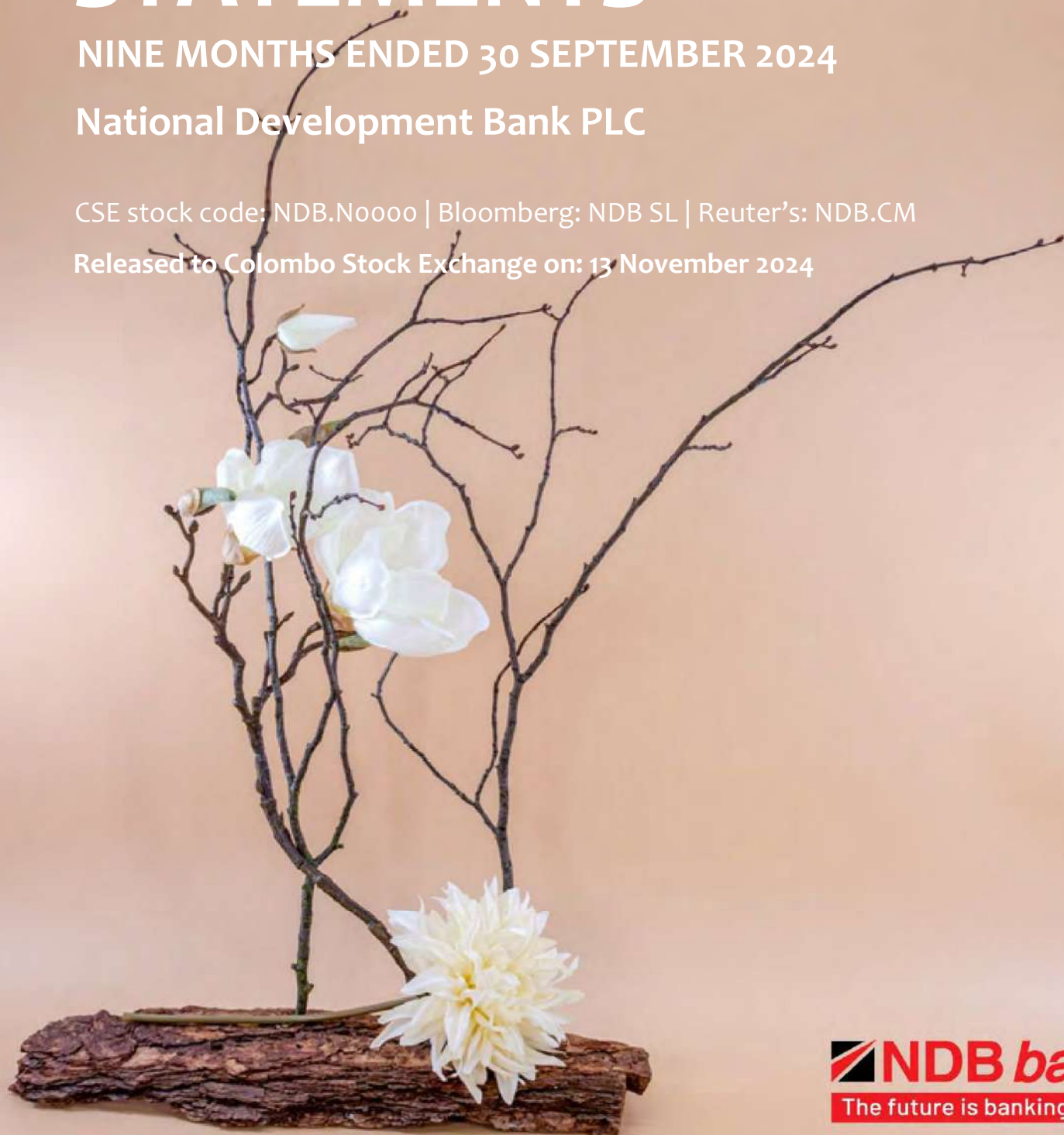


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***The financial statements presented herewith are the unaudited financial statements for the nine months ended 30 September 2024 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

NDB delivers solid profits amidst gradually reviving economic conditions

13 November 2024, Colombo, Sri Lanka

- Net interest margin of 4.21%, consistently above the 4.00% mark
- Strong handle on costs and impairment enabling profits preservation
- Pre-tax profit of Rs. 9.4 Bn at Bank level
- Enhanced Earnings per Share of Rs. 13.69
- Continued moderation in portfolio growth attuned to macro-economic conditions

National Development Bank PLC (NDB) reported resilient performance for the nine months ended 30 September 2024, navigating challenges and optimising emerging opportunities in a reviving economy. NDB's Director/ CEO, Mr. Kelum Edirisinghe commenting on the results released to the Colombo Stock Exchange on 13 November 2024 stated that "we are encouraged by the positive trajectory of Net Interest Margins (NIMs), strong cost discipline and improved credit cost. These are a result of the focus we maintain on our strategy to deliver sustainable returns and enhance shareholder value in a rapidly shifting economic landscape. In line with the Bank's commitment to sustainable growth, we are confident in delivering on our strategic mandate, with strong support from the Board, senior management, and the entire NDB team, reinforcing our contribution to the broader national economic agenda and advancing ESG objectives" he further stated.

Analysis of financial performance

Income and Profitability

NDB recorded a net operating income of Rs. 21.5 Bn for the period under review covering the nine months ended 30 September 2024, a 9% increase over the comparative period of 2023 (YoY). The notable reduction in impairment charges by 21% YoY augured well in maintaining the healthy growth in net operating income against de-growth seen in some key revenue lines. Net interest income remained largely static over the comparative period at Rs. 24.4 Bn, within which both interest income and interest expenses declined, attributable to the tapering interest rate environment in the economy. The timing of the deposits book repricing led to a larger decline in interest rate expenses, benefiting NIM. Driven by the strong strategic focus in this aspect, the Bank posted a NIM of 4.21%, consistently above the 4.00% mark for the third consecutive quarter. Net fee and commission income for the period was Rs. 5.1 Bn which continued to normalise over a relatively high base in 2023 alongside moderate balance sheet expansion, with a YoY decline of 7%.

Impairment charges for the period was Rs. 11.0 Bn, comprising charges on the loan book and investment portfolio. Enhancing loan book quality, another key cog of NDB's mid-term strategy remained well on track, as demonstrated in continually enhancing related ratios. Impaired Loans (Stage 3) Ratio improved by 213 bps to 6.45%, whilst Impairment (Stage 3) to Stage 3 Loans Ratio increased to 49.40% by 829 bps over the end 2023 position. Strengthening asset book quality in turn bolstered the Bank's NIMs in the low interest rate climate. On the investment book, the Bank continued to provide adequate provisions in line with prescribed industry norms.

Strong cost discipline across the organisation, driven by a focused governance mechanism led to discretionary costs increase being curtailed at 8% YoY. Total operating costs, comprising such

discretionary costs, personnel expenses and depreciation and amortisation netted Rs. 12.1 Bn, a YoY increase of 19%. The resultant cost to income ratio was 37.1%

Bank level pre-tax profitability for the year was Rs. 9.4 Bn, a marginal decline of 2% YoY, whilst post-tax profitability was Rs. 4.5 Bn. Profit attributable to shareholders at the NDB Group level was Rs. 4.9 Bn.

Balance Sheet Performance, Liquidity and Capital Adequacy

NDB's strength and stature is demonstrated in its dynamic balance sheet, which stood at Rs. 763.2 Bn as at end September 2024. Gross loans to customers was Rs. 501.1 Bn, whilst customer deposits was Rs. 611.5 Bn as at the end of the period, leading to a loans to deposits ratio of 82%. Deposits composition shifted favourably, despite an overall marginal decline of 1% over the end 2023 position (YTD), wherein CASA deposits grew by 10% enhancing the CASA ratio by 244 bps to 25.04%. Total equity base stood at Rs. 71.7 Bn, demonstrating the dynamism of the funding base.

Regulatory Liquidity Coverage Ratio (Rupee), Liquidity Coverage Ratio (All Currency) and Net Stable Funding Ratio stood well above the regulatory minimum requirement of 100% at 326.87%, 280.39% and 143.77% respectively. Tier I and Total Capital Adequacy ratios by the end of 3Q2024 stood at 11.07% (Group: 11.61%) and 15.70% (Group: 16.10%), above the regulatory minimum levels of 8.5% and 12.5% respectively. On 12 September 2024, the Bank allotted Rs. 5.0 Bn in Tier II capital via Basel III compliant listed, rated, unsecured, subordinated, redeemable debentures post an oversubscribed debenture issue at the Colombo Stock Exchange. The Bank will issue debentures carrying the same features for a further Rs. 5.0 Bn subject to regulatory approvals. The funds raised via both the debenture issuances serve the objectives of improving and further strengthening the capital adequacy ratio in line with the Basel III guidelines and facilitating future expansion of business activities of the Bank.

Investor KPIs and regulatory ratios

Return on Average Equity and annualised Earnings per Share for 3Q2024 were 8.02% (Group: 8.22%) and Rs. 13.69 (Group: Rs. 14.92) respectively. Pre-tax Return on Average Assets was 1.53% (Group: 1.64%) and Net Asset Value per Share was LKR 172.64 (Group: LKR 183.87).

Outlook

As Sri Lanka's political landscape stabilises and the national economic agenda prioritises growth and enhanced living conditions, confidence in the country's investment potential is rising. These developments signal positive momentum for the economy, and NDB stands ready to support this journey. Guided by our strategy, NDB is well-positioned to contribute to national progress and upliftment as a longstanding banking institution committed to empowering communities and driving sustainable growth. Together, the Bank looks forward to building a more prosperous future for all Sri Lankans.

STATEMENT OF PROFIT OR LOSS										
	Bank					Group				
	Period ended 30/09/2024 LKR '000	Period ended 30/09/2023 LKR '000	Change %	Quarter ended 30/09/2024 LKR '000	Quarter ended 30/09/2023 LKR '000	Period ended 30/09/2024 LKR '000	Period ended 30/09/2023 LKR '000	Change %	Quarter ended 30/09/2024 LKR '000	Quarter ended 30/09/2023 LKR '000
Gross Income	74,179,035	102,875,437	(28)	21,750,073	36,155,711	76,013,990	104,277,795	(27)	22,352,209	36,754,293
Interest Income	66,027,028	93,659,093	(30)	20,046,841	30,453,675	66,203,550	94,021,985	(30)	20,091,475	30,559,197
Interest Expenses	41,638,484	69,255,178	(40)	12,154,693	21,078,060	41,591,754	69,188,231	(40)	12,123,189	21,058,317
Net Interest Income	24,388,544	24,403,915	(0)	7,892,148	9,375,615	24,611,796	24,833,755	(1)	7,968,286	9,500,880
Fee and Commission Income	5,083,132	5,431,729	(6)	1,723,328	1,772,940	6,575,692	6,398,321	3	2,233,028	2,149,114
Less: Fee and commission Expenses	13,717	4,271	221	8,382	2,558	13,717	4,271	221	8,382	2,558
Net Fee and Commission Income	5,069,415	5,427,458	(7)	1,714,946	1,770,382	6,561,975	6,394,050	3	2,224,646	2,146,556
Net gain/(loss) from trading	785,946	2,526,522	(69)	215,164	508,192	785,946	2,526,522	(69)	215,164	508,192
Net gain/(loss) from financial assets at fair value Through Profit or Loss	523,781	1,112,530	(53)	17,115	856,189	709,051	1,272,022	(44)	65,251	953,879
Net gains/(losses) from derecognition of financial assets	3,042,690	2,560,536	19	252,498	1,765,462	3,042,690	2,560,536	19	252,498	1,765,462
Other operating income	(1,283,542)	(2,414,973)	47	(504,873)	799,253	(1,302,939)	(2,501,592)	48	(505,207)	818,449
Total Operating Income	32,526,834	33,615,988	(3)	9,586,998	15,075,093	34,408,519	35,085,292	(2)	10,220,638	15,693,419
Less : Impairment Charges	11,049,577	13,925,783	(21)	2,652,286	6,054,987	11,035,828	13,955,104	(21)	2,647,585	6,062,195
Net operating income	21,477,257	19,690,205	9	6,934,712	9,020,106	23,372,691	21,130,188	11	7,573,053	9,631,224
Operating Expenses										
Personnel Expenses	6,594,563	5,070,833	30	2,251,110	1,943,819	7,210,044	5,599,275	29	2,460,132	2,145,464
Depreciation and amortization	807,535	736,459	10	283,991	229,360	855,551	789,448	8	310,358	250,388
Other Expenses	4,675,881	4,335,904	8	1,546,688	1,453,336	5,183,399	4,759,903	9	1,694,915	1,597,268
Total operating expenses	12,077,979	10,143,196	19	4,081,789	3,626,515	13,248,994	11,148,626	19	4,465,405	3,993,120
Operating Profit Before Tax on Financial Services	9,399,278	9,547,009	(2)	2,852,923	5,393,591	10,123,697	9,981,562	1	3,107,648	5,638,104
Less: Taxes on Financial services	2,631,615	2,405,322	9	831,615	1,201,967	2,631,615	2,405,322	9	831,615	1,201,967
Operating Profit After Tax on Financial Services	6,767,663	7,141,687	(5)	2,021,308	4,191,624	7,492,082	7,576,240	(1)	2,276,033	4,436,137
Share of associate companies' profits/(losses)	-	-	-	-	-	-	-	-	-	-
Profit Before Taxation	6,767,663	7,141,687	(5)	2,021,308	4,191,624	7,492,082	7,576,240	(1)	2,276,033	4,436,137
Less : Income tax expenses	2,230,655	1,929,059	16	692,687	1,315,855	2,552,607	2,141,057	19	797,399	1,397,655
Profit for the period	4,537,008	5,212,628	(13)	1,328,621	2,875,769	4,939,475	5,435,183	(9)	1,478,634	3,038,482
Profit Attributable to:										
Equity Holders of the parent	4,537,008	5,212,628	(13)	1,328,621	2,875,769	4,918,079	5,420,896	(9)	1,472,093	3,029,940
Non Controlling Interests	-	-	-	-	-	21,396	14,287	50	6,541	8,542
	4,537,008	5,212,628	(13)	1,328,621	2,875,769	4,939,475	5,435,183	(9)	1,478,634	3,038,482
Basic Earnings per share (in LKR)	10.92	12.55	(13)	3.20	6.92	11.84	13.08	(10)	3.54	7.31
Diluted Earnings per share (in LKR)	10.92	12.55	(13)	3.20	6.92	11.84	13.08	(10)	3.54	7.31

STATEMENT OF COMPREHENSIVE INCOME										
	Period ended 30/09/2024 LKR '000	Period ended 30/09/2023 LKR '000	Change %	Quarter ended 30/09/2024 LKR '000	Quarter ended 30/09/2023 LKR '000	Period ended 30/09/2024 LKR '000	Period ended 30/09/2023 LKR '000	Change %	Quarter ended 30/09/2024 LKR '000	Quarter ended 30/09/2023 LKR '000
Profit for the period	4,537,008	5,212,628	(13)	1,328,621	2,875,769	4,939,475	5,435,183	(9)	1,478,634	3,038,482
Items that will be reclassified to Statement of Profit or loss										
Exchange differences on translation of foreign operations	-	-	-	-	-	(41,269)	(68,977)	40	(9,370)	16,021
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other Comprehensive Income	(2,462,537)	6,786,085	(136)	(542,251)	4,027,613	(2,470,171)	6,855,607	(136)	(578,236)	4,089,275
Cash Flow Hedge Reserve-SWAP	(516,550)	(2,901,543)	82	(21,344)	(2,300,994)	(516,550)	(2,901,543)	82	(21,344)	(2,300,994)
Less : Tax expense relating to items that will be reclassified to Income Statements	893,726	(1,165,363)	177	169,078	(517,986)	893,726	(1,164,713)	177	169,078	(517,336)
Items that will not be reclassified to Statement of Profit or Loss										
Net Gains/(losses) on Investments in equity Instruments measured at fair value through other Comprehensive Income	95,502	496,339	(81)	(66,578)	414,209	95,502	496,339	(81)	(66,578)	414,209
Total Other Comprehensive Income after Tax	(1,989,859)	3,215,518	(162)	(461,095)	1,622,842	(2,038,762)	3,216,713	(163)	(506,450)	1,701,175
Total Comprehensive Income for the period	2,547,149	8,428,146	(70)	867,526	4,498,612	2,900,714	8,651,896	(66)	972,185	4,739,658
Attributable to:										
Equity holders of the parent	2,547,149	8,428,146	(70)	867,526	4,498,612	2,890,765	8,648,998	(67)	968,645	4,728,674
Non Controlling Interests	-	-	-	-	-	9,949	2,898	243	3,540	10,984
	2,547,149	8,428,146	(70)	867,526	4,498,612	2,900,714	8,651,896	(66)	972,185	4,739,658

CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
	BANK			Group		
	Current Period	Previous Year		Current Period	Previous Year	
	As at 30/09/2024	As at 31/12/2023 (Audited)	Change	As at 30/09/2024	As at 31/12/2023 (Audited)	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Assets						
Cash and cash equivalents	36,811,966	28,100,515	31	37,396,434	28,580,676	31
Balances with the Central Bank of Sri Lanka	9,006,093	7,040,421	28	9,006,093	7,040,421	28
Placements with banks	14,468,790	33,743,602	(57)	14,468,790	33,743,602	(57)
Derivative Financial Instruments	1,547,614	3,083,815	(50)	1,547,614	3,083,815	(50)
Financial assets recognized through profit or loss measured at fair value	9,231,627	24,021,340	(62)	11,953,192	26,040,046	(57)
Financial assets at amortised cost -loans and receivables to other customers	453,869,144	452,660,461	0	453,958,503	452,739,928	0
Financial assets at amortised cost - debt and other instruments	149,227,442	125,672,370	19	149,257,898	125,672,370	19
Financial assets measured at fair value through other comprehensive income	65,600,755	83,805,398	(22)	66,279,311	84,645,423	(22)
Investments in subsidiary companies	1,095,024	1,108,772	(1)	-	-	-
Investment Property	-	-	-	3,112,440	3,112,440	-
Intangible assets	1,797,219	1,883,447	(5)	1,817,365	1,898,270	(4)
Property, plant & equipment	3,082,293	3,141,117	(2)	3,762,865	3,817,097	(1)
Right of Use Assets	1,248,969	1,145,601	9	1,346,364	1,260,055	7
Current Tax Assets	-	-	-	41,975	43,102	(3)
Deferred tax Assets	10,897,185	9,648,118	13	10,963,509	9,717,805	13
Other assets	5,320,577	4,844,183	10	5,722,761	5,563,827	3
Total assets	763,204,698	779,899,160	(2)	770,635,114	786,958,877	(2)
Liabilities						
Due to Banks	2,001,973	7,679,195	(74)	2,001,973	7,679,195	(74)
Derivative Financial Instruments	277,839	93,361	198	277,839	93,361	198
Financial Liabilities at amortised cost -due to depositors	611,533,701	615,643,999	(1)	611,062,967	615,232,470	(1)
Financial Liabilities at amortised cost						
- due to debt securities holders	11,605,823	15,632,569	(26)	11,605,823	15,632,569	(26)
- due to other borrowers	21,883,196	24,636,539	(11)	21,883,196	24,636,539	(11)
Debt securities issued	29,201,828	29,388,875	(1)	29,201,828	29,388,875	(1)
Retirement benefit obligations	1,391,703	1,299,909	7	1,538,689	1,439,374	7
Current Tax Liabilities	4,793,170	7,265,070	(34)	5,021,341	7,430,773	(32)
Deferred Tax Liabilities	-	-	-	910,685	921,189	(1)
Other liabilities	8,694,136	8,033,112	8	9,259,523	8,529,555	9
Dividends payable	87,835	78,654	12	87,835	78,654	12
Total liabilities	691,471,204	709,751,283	(3)	692,851,699	711,062,554	(3)
Equity						
Stated Capital	21,756,865	20,738,231	5	21,756,865	20,738,231	5
Statutory Reserve Fund	3,046,479	3,046,479	-	3,046,479	3,046,479	-
Retained Earnings	43,584,342	41,027,500	6	47,987,258	45,079,167	6
Other Reserves	3,345,808	5,335,667	(37)	3,610,023	5,607,516	(36)
Total shareholders' equity	71,733,494	70,147,877	2	76,400,625	74,471,393	3
Non Controlling Interests	-	-	-	1,382,790	1,424,930	(3)
Total Equity	71,733,494	70,147,877	2	77,783,415	75,896,323	2
Total liabilities and equity	763,204,698	779,899,160	(2)	770,635,114	786,958,877	(2)
Net Book Value Per Share (LKR)	172.64	175.60	(2)	183.87	186.43	(1)
Contingent liabilities and commitments	263,296,425	277,965,419	(5)	263,378,960	278,127,046	(5)
Memorandum Information						
Number of Employees	2,962	2,756				
Number of Branches	113	113				
Certification:						
We hereby certify that the above financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.						
(Sgd.)						
Hasitha Athapattu						
Vice President - Finance						
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 and the Group.						
(Sgd.)						
Sriyan Cooray			(Sgd.)			
Director/ Chairman			Kelum Edirisinghe			
			Director/ Chief Executive Officer			
13 November 2024						

STATEMENT OF CHANGES IN EQUITY										
For the period ended 30 September	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
BANK	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 01 January 2023	19,870,665	2,746,479	1,466,265	44,479	(1,042,735)	3,069,667	37,381,043	63,535,863	-	63,535,863
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	5,212,628	5,212,628	-	5,212,628
Other Comprehensive Income before Tax	-	-	-	-	7,282,425	(2,901,543)	-	4,380,882	-	4,380,882
Tax on Other Comprehensive Income	-	-	-	-	(2,035,826)	870,463	-	(1,165,363)	-	(1,165,363)
Total Comprehensive Income for the Period	-	-	-	-	5,246,599	(2,031,080)	5,212,628	8,428,147	-	8,428,147
Transactions with equity holders										
Final Dividends for year 2022 in the form of new shares	867,566	-	-	-	-	-	(950,237)	(82,671)	-	(82,671)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	2,667	2,667	-	2,667
Balance as at 30 September 2023	20,738,231	2,746,479	1,466,265	44,479	4,203,864	1,038,587	41,646,101	71,884,006	-	71,884,005
Balance as at 01 January 2024	20,738,231	3,046,479	1,501,603	44,479	2,954,169	835,416	41,027,500	70,147,877	-	70,147,877
Total Comprehensive Income for the Period										
Profit for the Period	-	-	-	-	-	-	4,537,008	4,537,008	-	4,537,008
Other Comprehensive Income before Tax	-	-	-	-	(2,367,035)	(516,550)	-	(2,883,585)	-	(2,883,585)
Tax on Other Comprehensive Income	-	-	-	-	738,761	154,965	-	893,726	-	893,726
Other Comprehensive Income before Tax	-	-	-	-	(1,628,274)	(361,585)	4,537,008	2,547,149	-	2,547,149
Transactions with equity holders										
Final Dividends for year 2023 - Cash	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final Dividends for year 2023 - Scrip	1,018,634	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	17,155	17,155	-	17,155
Balance as at 30 September 2024	21,756,865	3,046,479	1,501,603	44,479	1,325,895	473,831	43,584,342	71,733,494	-	71,733,494

STATEMENT OF CHANGES IN EQUITY										
For the period ended 30 September	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Retained Earnings	Total	Non Controlling Interests	Total Equity
GROUP	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Balance as at 01 January 2023	19,870,665	2,746,479	1,682,940	44,479	(1,025,487)	3,069,667	41,116,154	67,504,897	1,391,259	68,896,156
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	5,420,896	5,420,896	14,287	5,435,183
Other Comprehensive Income before Tax	-	-	-	-	7,351,946	(2,901,543)	(57,573)	4,392,830	(11,404)	4,381,426
Tax on Other Comprehensive Income	-	-	-	-	(2,035,176)	870,463	-	(1,164,713)	-	(1,164,713)
Total Comprehensive Income for the period	-	-	-	-	5,316,770	(2,031,080)	5,363,323	8,649,013	2,883	8,651,896
Transactions with equity holders										
Final Dividends for year 2022 in the form of new shares	867,566	-	-	-	-	-	(950,237)	(82,671)	-	(82,671)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	(53,177)	(53,177)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	2,667	2,667	-	2,667
Balance as at 30 September 2023	20,738,231	2,746,479	1,682,940	44,479	4,291,283	1,038,587	45,531,906	76,073,906	1,340,965	77,414,869
Balance as at 01 January 2024	20,738,231	3,046,479	1,747,711	44,479	2,979,910	835,416	45,079,167	74,471,393	1,424,930	75,896,323
Total Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	4,918,079	4,918,079	21,396	4,939,475
Other Comprehensive Income before Tax	-	-	-	-	(2,374,669)	(516,550)	(29,822)	(2,921,041)	(11,447)	(2,932,488)
Tax on Other Comprehensive Income	-	-	-	-	738,761	154,965	-	893,726	-	893,726
Total Comprehensive Income for the period	-	-	-	-	(1,635,908)	(361,585)	4,888,257	2,890,764	9,948	2,900,714
Transactions with equity holders										
Final Dividends for year 2023 - Cash	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final Dividends for year 2023 - Scrip	1,018,634	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	(52,088)	(52,088)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	17,155	17,155	-	17,155
Balance as at 30 September 2024	21,756,865	3,046,479	1,747,711	44,479	1,344,002	473,831	47,987,259	76,400,626	1,382,790	77,783,415

STATEMENT OF CASH FLOW				
For the period ended 30 September	BANK		GROUP	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	70,519,436	91,150,104	70,633,995	91,459,809
Fee based income received	5,313,838	5,448,630	6,823,771	6,370,164
Dividend income received	105,854	49,377	155,245	56,820
Other Operating income received	(850,310)	5,528	(784,522)	89,089
Interest paid	(50,199,048)	(69,785,506)	(50,198,823)	(69,784,352)
Personnel costs paid	(6,359,813)	(4,856,083)	(6,914,458)	(5,355,650)
Other expenses paid	(5,172,282)	(4,734,304)	(5,720,314)	(5,237,159)
Operating Profit before changes in operating assets and liabilities	13,357,675	17,277,746	13,994,894	17,598,721
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	(1,965,672)	9,787,666	(1,965,672)	9,787,666
Financial Assets at amortised cost - loans and receivables to other customers	(19,330,057)	60,272,248	(19,330,057)	60,037,795
Net (increase)/decrease in operating assets	555,578	3,496,695	549,158	3,524,534
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	4,947,031	(44,625,734)	5,076,982	(44,270,336)
Financial liabilities at amortised cost - due to debt securities holders	(4,026,746)	13,860,597	(4,026,746)	13,860,597
Financial liabilities at amortised cost - due to other borrowers	(7,273,642)	(16,660,238)	(7,273,642)	(16,660,238)
Repayment of principal portion of lease liabilities	(237,241)	(321,837)	(243,617)	(321,837)
Net increase/(decrease) in other liabilities	776,687	(417,525)	994,711	(426,436)
Net cash generated/(used in) from operating activities before taxation	(13,196,387)	42,669,618	(12,223,989)	43,130,466
Tax on Financial Services paid	(2,347,184)	(2,075,012)	(2,347,184)	(2,075,012)
Income taxes paid	(5,318,626)	(2,231,311)	(5,566,629)	(2,422,260)
Net cash generated/(used in) from operating activities	(20,862,197)	38,363,295	(20,137,802)	38,633,194
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial investments	13,269,885	(10,350,408)	12,700,930	(10,834,038)
Purchase of Intangible assets	(161,256)	(1,790,645)	(161,256)	(1,791,268)
Purchase of property, plant & equipment	(243,283)	(116,798)	(294,427)	(146,837)
Proceeds from sale of property, plant & equipment	3,731	2,613	3,742	2,653
Net cash generated/(used in) from investing activities	12,869,077	(12,255,238)	12,248,989	(12,769,490)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid on debts securities issued	(1,279,534)	(1,859,839)	(1,279,534)	(1,859,839)
Proceeds from debt securities issued	5,000,000	(2,717,275)	5,000,000	(2,717,275)
Repayment of debt securities issued	(5,561,200)	-	(5,561,200)	-
Dividends paid to non-controlling interests	-	-	-	(13,092)
Dividends paid to shareholders of the Bank	(691,480)	-	(691,480)	-
Net cash provided by/(used in) financing activities	(2,532,214)	(4,577,114)	(2,532,214)	(4,590,206)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(10,525,334)	21,530,943	(10,421,027)	21,273,498
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	61,844,117	38,958,510	62,324,278	39,836,654
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	51,318,783	60,489,453	51,903,251	61,110,152
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	36,811,966	37,948,238	37,396,434	38,568,937
Placements with banks	14,468,790	22,528,740	14,468,790	22,528,740
Cash and cash equivalents at the end of the period (Net)	51,280,756	60,476,978	51,865,224	61,097,677
Add : Impairment allowance	38,027	12,475	38,027	12,475
Cash and cash equivalents at the end of the period (Gross)	51,318,783	60,489,453	51,903,251	61,110,152

SEGMENTAL ANALYSIS- GROUP

For the period ended 30 September

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Revenue										
Interest Income	66,027,028	93,659,093	127,465	295,946	2,566	-	-	-	66,157,059	93,955,039
Fee and Commission Income	5,083,132	5,431,729	1,275,682	726,006	114,877	134,090	33,727	49,298	6,507,418	6,341,123
Net gain/(loss) from trading	785,946	2,526,522	-	-	-	-	-	-	785,946	2,526,522
Net gain/(loss) from financial assets at fair value Through										
Profit or Loss	523,781	1,112,530	185,270	159,492	-	-	-	-	709,051	1,272,022
Net gains/(losses) from derecognition of financial assets	3,042,690	2,560,536	-	-	-	-	-	-	3,042,690	2,560,536
Other Operating Income	(1,283,542)	(2,463,455)	(19,397)	(38,137)	-	-	-	-	(1,302,939)	(2,501,592)
Total revenue from external customers	74,179,035	102,826,955	1,569,020	1,143,308	117,443	133,975	33,727	49,298	75,899,224	104,153,535
Inter-segment Revenue	-	-	60,540	42,598	54,226	81,662	-	-	114,766	124,260
Total Revenue	74,179,035	102,826,955	1,629,560	1,185,906	171,668	215,637	33,727	49,298	76,013,990	104,277,795
Impairment (charge)/reversal for										
Loans & other losses	(11,035,828)	(13,925,783)	-	-	-	(29,321)	-	-	(11,035,828)	(13,955,104)
Segment expenses	(53,670,143)	(79,322,391)	(1,113,791)	(896,209)	(30,201)	(24,259)	(40,329)	(98,268)	(54,854,464)	(80,341,127)
Segment results	9,473,064	9,578,781	515,769	289,697	141,467	162,056	(6,602)	(48,970)	10,123,697	9,981,562
Income tax expenses	-	-	-	-	-	-	-	-	2,552,607	2,141,057
Taxes on financial services	-	-	-	-	-	-	-	-	2,631,615	2,405,322
Profit after taxation									4,939,475	5,435,183
Other information										
Segment assets	763,192,196	789,209,558	3,722,215	3,324,356	3,657,658	3,403,928	63,043	108,938	770,635,113	796,046,780
Consolidated total assets									770,635,113	796,046,780
Segment liabilities	690,993,997	716,927,404	841,161	734,276	985,296	945,739	31,245	24,487	692,851,699	718,631,907
Consolidated total liabilities									692,851,699	718,631,907
Segmental Cash flows										
Cash flows from operating activities	(20,862,197)	38,363,295	709,965	223,791	42,632	30,495	(28,202)	15,613	(20,137,802)	38,633,194
Cash flows from investing activities	12,869,077	(12,264,002)	(564,746)	(493,718)	(55,342)	(20,534)	-	-	12,248,989	(12,778,254)
Cash flows from financing activities	(2,532,214)	(4,577,114)	-	19,639	-	-	-	(32,731)	(2,532,214)	(4,590,206)

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 SEPTEMBER 2024 - BANK (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	36,811,966	-	-	36,811,966
Balances with the Central Bank of Sri Lanka	-	9,006,093	-	-	9,006,093
Placements with banks	-	14,468,790	-	-	14,468,790
Derivative Financial Instruments	1,547,614	-	-	-	1,547,614
Financial assets recognized through profit or loss measured at fair value	9,231,627	-	-	-	9,231,627
Financial assets at amortised cost -loans and receivables to other customers	-	453,869,144	-	-	453,869,144
Financial Assets at amortised cost - debt and other instruments	-	149,227,442	-	-	149,227,442
Financial assets measured at fair value through other comprehensive income	-	-	65,600,755	-	65,600,755
Other Financial Assets	-	2,560,233	-	-	2,560,233
Total Financial Assets	10,779,241	665,943,668	65,600,755	-	742,323,664

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	2,001,973	2,001,973
Derivative Financial Instruments	277,839	-	277,839
Financial Liabilities at amortised cost -due to depositors	-	611,533,701	611,533,701
Financial Liabilities at amortised cost			
- due to debt securities holders	-	11,605,823	11,605,823
- due to other borrowers	-	21,883,196	21,883,196
Debt securities issued	-	29,201,828	29,201,828
Other Financial Liabilities	-	3,002,750	3,002,750
Total Financial Liabilities	277,839	679,229,271	679,507,110

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 SEPTEMBER 2024 - GROUP (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	37,396,434	-	-	37,396,434
Balances with the Central Bank of Sri Lanka	-	9,006,093	-	-	9,006,093
Placements with banks	-	14,468,790	-	-	14,468,790
Derivative Financial Instruments	1,547,614	-	-	-	1,547,614
Financial assets recognized through profit or loss measured at fair value	11,953,192	-	-	-	11,953,192
Financial assets at amortised cost -loans and receivables to other customers	-	453,958,503	-	-	453,958,503
Financial Assets at amortised cost - debt and other instruments	-	149,257,898	-	-	149,257,898
Financial Assets measured at fair value through Other comprehensive income	-	-	66,279,311	-	66,279,311
Other Financial Assets	-	3,098,481	-	-	3,098,481
Total Financial Assets	13,500,806	667,186,199	66,279,311	-	746,966,316

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	2,001,973	2,001,973
Derivative Financial Instruments	277,839	-	277,839
Financial Liabilities at amortised cost -due to depositors	-	611,062,967	611,062,967
Financial Liabilities at amortised cost			
- due to debt securities holders	-	11,605,823	11,605,823
- due to other borrowers	-	21,883,196	21,883,196
Debt securities issued	-	29,201,828	29,201,828
Other Financial Liabilities	-	3,252,539	3,252,539
Total Financial Liabilities	277,839	679,008,326	679,286,165

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2023 - BANK (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive	Others	Total
ASSETS					
Cash and cash equivalents	-	28,100,515	-	-	28,100,515
Balances with the Central Bank of Sri Lanka	-	7,040,421	-	-	7,040,421
Placements with banks	-	33,743,602	-	-	33,743,602
Derivative Financial Instruments	3,083,815	-	-	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	24,021,340	-	-	-	24,021,340
Financial assets at amortised cost -loans and receivables to other customers	-	452,660,461	-	-	452,660,461
Financial Assets at amortised cost - debt and other instruments	-	125,672,370	-	-	125,672,370
Financial assets measured at fair value through other comprehensive income	-	-	83,805,398	-	83,805,398
Other Financial Assets	-	1,427,296	-	-	1,427,296
Total Financial Assets	27,105,155	648,644,665	83,805,398	-	759,555,218

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	7,679,195	7,679,195
Derivative Financial Instruments	93,361	-	93,361
Financial Liabilities at amortised cost -due to depositors	-	615,643,999	615,643,999
Financial Liabilities at amortised cost			
- due to debt securities holders	-	15,632,569	15,632,569
- due to other borrowers	-	24,636,539	24,636,539
Debt securities issued	-	29,388,875	29,388,875
Other Financial Liabilities	-	2,391,221	2,391,221
Total Financial Liabilities	93,361	695,372,398	695,465,759

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2023 - GROUP (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	28,580,676	-	-	28,580,676
Balances with the Central Bank of Sri Lanka	-	7,040,421	-	-	7,040,421
Placements with banks	-	33,743,602	-	-	33,743,602
Derivative Financial Instruments	3,083,815	-	-	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	26,040,046	-	-	-	26,040,046
Loans and Receivables to banks	-	-	-	-	-
Financial assets at amortised cost -loans and receivables to other customers	-	452,739,928	-	-	452,739,928
Financial Assets at amortised cost - debt and other instruments	-	125,672,370	-	-	125,672,370
Financial Assets measured at fair value through Other comprehensive income	-	-	84,645,423	-	84,645,423
Other Financial Assets	-	-	-	-	-
Other Financial Assets	-	1,965,544	-	-	1,965,544
Total Financial Assets	29,123,861	649,742,541	84,645,423	-	763,511,825

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	7,679,195	7,679,195
Derivative Financial Instruments	93,361	-	93,361
Financial Liabilities at amortised cost -due to depositors	-	615,232,470	615,232,470
Financial Liabilities at amortised cost			
- due to debt securities holders	-	15,632,569	15,632,569
- due to other borrowers	-	24,636,539	24,636,539
Debt securities issued	-	29,388,875	29,388,875
Other Financial Liabilities	-	2,641,010	2,641,010
Total Financial Liabilities	93,361	695,210,658	695,304,019

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Values of Financial Instruments are determined according to the following hierarchy as described below:

Level 1 - quoted market price (unadjusted): financial instruments with quoted prices in active markets

Level 2 - valuation techniques using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

Level 3 - valuation techniques with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

There were no material transfers between levels of fair value hierarchy during 2024. The Bank did not changed the valuation models and assumptions used to measure the fair values of Level 03 financial instruments during the year ended 31 December 2023.

FINANCIAL ASSETS & LIABILITIES MEASURED AT FAIR VALUE - FAIR VALUE HIERARCHY

Bank	2024				2023			
	Fair Value Measurement Using				Fair Value Measurement Using			
	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	30/09/2024 LKR '000	30/09/2024 LKR '000	30/09/2024 LKR '000	30/09/2024 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000
Financial Assets								
Derivative Financial Instruments	-	1,547,614	-	1,547,614	-	3,083,815	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	9,231,627	-	-	9,231,627	24,021,340	-	-	24,021,340
Financial assets measured at fair value through other comprehensive income	65,594,530	-	6,225	65,600,755	83,799,173	-	6,225	83,805,398
Total Financial Assets	74,826,157	1,547,614	6,225	76,379,996	107,820,513	3,083,815	6,225	110,910,553
Financial Liabilities								
Derivative Financial Instruments	-	277,839	-	277,839	-	93,361	-	93,361
Total Financial Liabilities	-	277,839	-	277,839	-	93,361	-	93,361

Group	2024				2023			
	Fair Value Measurement Using				Fair Value Measurement Using			
	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
	30/09/2024 LKR '000	30/09/2024 LKR '000	30/09/2024 LKR '000	30/09/2024 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000	31/12/2023 LKR '000
Financial Assets								
Derivative Financial Instruments	-	1,547,614	-	1,547,614	-	3,083,815	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	11,401,303	-	551,889	11,953,192	25,212,128	-	827,918	26,040,046
Financial assets measured at fair value through other comprehensive income	66,171,404	101,682	6,225	66,279,311	84,545,321	93,877	6,225	84,645,423
Total Financial Assets	77,572,707	1,649,296	558,114	79,780,117	109,757,449	3,177,692	834,143	113,769,284
Financial Liabilities								
Derivative Financial Instruments	-	277,839	-	277,839	-	93,361	-	93,361
Total Financial Liabilities	-	277,839	-	277,839	-	93,361	-	93,361

Notes to the Financial Statements

- 1 The figures are extracted from the unaudited financial statements of the Bank and the Group.
The financial statements of the Bank and the Group have been prepared based on the accounting policies and methods which is in line with the requirements of Sri Lanka Accounting Standards (SLFRS / LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.
- 2 These Financial Statements also comply with Sri Lanka Accounting Standard (LKAS) 34 - "Interim Financial Reporting" and provided the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 **Expected Credit Losses**
Loans and Receivables
The Bank assessed the Expected Credit Losses (ECL) of credit facilities based on two approaches of individual and collective basis. The customers who have been identified as individually significant were assessed under individual basis and they were staged based on the identified indicators of increase in credit risks.
The Expected Credit Losses assessed on collective impairment approach were based on Probability of Default (PD), Loss Given Default (LGD) and the Economic Factor Adjustment (EFA) by applying the recent forecasts and projections. Further, the Bank has accounted for management overlays to mitigate any expected losses by downgrading the staging of facilities included in the identified risk elevated industries where necessary to capture significant increases in credit risk due to stressed economic conditions.
Other Financial Assets
The Bank has accounted for an impairment provision on the foreign currency denominated government securities, considering the ongoing discussions on restructuring of the foreign currency denominated bonds, between the Government of Sri Lanka and the International Monetary Fund (IMF).
- 4 From total debt investment portfolio, the Bank has reclassified the Debt portfolio amounting to LKR 37.7 Bn, consisting of Sri Lanka Government Treasury Bonds of LKR 32.6 Bn and Sri Lanka USD Sovereign Bonds of USD 14 Mn held as "Fair Value through Other Comprehensive Income" to "Amortised cost" with effect from 01 April 2022. This reclassification is a one-time event in accordance with the Statement of Alternative Treatment (SoAT) on reclassification of debt portfolio issued by the Institute of Chartered Accountants of Sri Lanka and in line with the requirements of the SLFR 9-Financial Instruments paragraph 5.6.5. The cumulative losses from these instruments previously recognised in Other Comprehensive Income has been removed from equity and adjusted against the fair value of the financial asset at the reclassification date. If these investments continued to be carried at fair value through other comprehensive income the fair value of the remaining portfolio as at 30 September 2024 would have amounted to LKR 5.8 Bn and would have resulted in the recognition of fair value loss of LKR 2 Bn in other comprehensive income during the period.
- 5 **Dividends**
On 15 March 2024, the Board of Directors approved and declared a final Dividend of LKR 5.00 per share, of which LKR 2.00 was in the form of cash dividend and the balance LKR 3.00 was in the form of scrip dividend for the financial year ended 31 December 2023. Accordingly 16,049,064 ordinary voting shares have been listed as scrip dividends on 15 April 2024. As a result, the stated capital of the Bank increased to LKR 21.76 Bn (31 December 2023 - LKR 20.74 Bn).
- 6 **Debenture Issue**
The Board of Directors of the Bank at its meeting held on 15 March 2024 and the shareholders of the Bank, at the Extraordinary General Meeting (EGM) held on 09 August 2024 authorized the Board of Directors to issue up to a maximum of LKR 10.0 Bn of Basel III compliant Tier II listed rated unsecured subordinated redeemable Debentures with a non-viability conversion (hereinafter referred to as "Debenture Issue") of Rupees Hundred (Rs.100/-) each, to raise a maximum sum of Rupees Ten Billion (LKR 10,000,000,000/-) through a Debenture issue or a series of Debenture issues within one-year timeframe from the date of Shareholder approval.

This Debenture Issue was opened for investors on September 05, 2024, and the issue was oversubscribed on the same day. The Bank decided to accept only up to Fifty Million (50,000,000) Debentures and not to exercise further issue of Fifty Million (50,000,000) of such Debentures. The allotment and the listing of debentures were concluded on September 12, 2024 and 23 September 23, 2024 respectively.

The Board of Directors of the Bank, by circulation of papers on 10 October 2024, approved the issue of the second tranche of the aforementioned Debenture Issue amounting to LKR 5.0 Bn, to be carried out depending on the appetite, level of liquidity, the market sentiments on the basis of a book building process and subject to the approval of the Colombo Stock Exchange. The said issuance is to be concluded within the twelve (12) months' timeframe approved by the Shareholders at the EGM on 09 August 2024.
- 7 There were 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. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30 SEPTEMBER 2024

8.1 Product wise Gross Loans and Receivables

By product-Domestic Currency

	Bank		Group	
	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000
Term loans	100,657,301	117,506,893	100,657,301	117,506,893
Medium and short term loans	79,219,678	62,250,769	79,219,678	62,250,769
Overdrafts	60,778,852	57,558,487	60,778,852	57,558,487
Trade Finance	20,690,936	19,343,575	20,690,936	19,343,575
Consumer loans	47,684,089	49,429,148	47,684,089	49,429,148
Lease rentals receivable and Hire Purchase	22,192,942	22,021,922	22,192,942	22,021,922
Housing loans	16,911,101	17,746,008	16,911,101	17,746,008
Pawning	15,252,340	12,996,626	15,252,340	12,996,626
Islamic Banking facilities	9,671,570	8,636,477	9,671,570	8,636,477
Credit cards	8,006,506	8,860,732	8,006,506	8,860,732
AF Loans	2,176,274	2,644,898	2,176,274	2,644,898
Staff loans	3,214,988	2,556,618	3,304,347	2,636,085
Sub total	386,456,576	381,552,153	386,545,935	381,631,620

By product-Foreign Currency

Term loans	31,826,300	18,943,251	31,826,300	18,943,251
Overdrafts	10,939,643	9,573,648	10,939,643	9,573,648
Medium and short term loans	27,264,033	41,827,198	27,264,033	41,827,198
Trade Finance	36,907,207	37,917,217	36,907,207	37,917,217
Islamic Banking facilities	7,688,975	6,184,949	7,688,975	6,184,949
Housing loans	48,538	69,968	48,538	69,968
Sub total	114,674,696	114,516,231	114,674,696	114,516,231
Total	501,131,271	496,068,384	501,220,631	496,147,851

8.2 Product wise commitments and contingencies considered for Impairment

By product- Domestic Currency

	Bank		Group	
	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000
Guarantees	36,482,794	33,719,455	36,078,008	33,607,343
Performance Bonds	8,110,090	10,458,016	8,110,090	10,458,016
Documentary Credits	1,509,758	389,683	1,509,758	388,981
Acceptances	409,980	211,343	409,980	211,343
Undrawn commitments	126,524,893	161,390,908	126,274,893	160,859,409
Sub Total	173,037,515	206,169,405	172,382,729	205,525,092

By product- Foreign Currency

Guarantees	5,120,488	9,243,575	5,120,488	9,243,575
Performance Bonds	2,638,361	3,566,902	2,638,361	3,566,902
Documentary Credits	12,193,655	8,893,734	12,193,655	8,893,734
Acceptances	10,765,301	6,302,605	10,765,301	6,302,605
Undrawn commitments	18,950,137	1,181,758	19,687,458	1,987,698

Sub Total	49,667,942	29,188,574	50,405,263	29,994,514
Total	222,705,457	235,357,979	222,787,992	235,519,606

Gross loans and advances ,Commitments and Contingencies

	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000
Gross loans and advances ,Commitments and Contingencies	723,836,728	845,430,865	724,008,623	846,244,643
(Less): Accumulated impairment under stage 1	6,166,230	4,812,665	6,166,230	4,812,665
Accumulated impairment under stage 2	5,430,848	5,542,129	5,430,848	5,542,129
Accumulated impairment under stage 3	37,531,361	24,702,027	37,531,361	24,702,027
Net value of loans and advances, commitments and contingencies	674,708,290	810,374,043	674,880,184	811,187,821

	Bank		Group	
	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000
8.3 Movement of impairment during the period				
Under stage 1				
Balance at 1 January	4,751,122	4,812,665	4,751,122	4,812,665
Charge/(Write back) to Statement of Profit or Loss	1,415,108	(61,544)	1,415,108	(61,544)
Write-off during the period	-	-	-	-
Closing balance	6,166,230	4,751,122	6,166,230	4,751,122
Under stage 2				
Balance at 1 January	6,307,902	5,542,129	6,307,902	5,542,129
Charge/(Write back) to Statement of Profit or Loss	(877,054)	765,772	(877,054)	765,772
Write-off during the period	-	-	-	-
Closing balance	5,430,848	6,307,902	5,430,848	6,307,902
Under stage 3				
Balance at 1 January	34,009,586	24,702,027	34,009,586	24,702,027
Charge/(Write back) to Statement of Profit or Loss	9,149,376	15,255,244	9,149,376	15,255,244
Write-off during the period	(5,627,602)	(5,947,685)	(5,627,602)	(5,947,685)
Other movement	-	-	-	-
Closing balance	37,531,361	34,009,586	37,531,361	34,009,586

	Bank		Group	
	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000	As at 30/09/2024 LKR '000	As at 31/12/2023 LKR '000
9. ANALYSIS OF DEPOSITS				
Due to Other Customers - By product				
By product-Domestic Currency				
Demand deposits	39,536,797	33,683,062	39,524,948	33,678,136
Savings deposits	78,435,460	67,889,640	78,324,216	67,771,214
Time deposits	329,979,256	335,388,665	329,658,607	335,143,112
Other deposits	674,483	1,905,967	674,483	1,905,967
Sub total	448,625,996	438,867,333	448,182,253	438,498,429
By product- Foreign Currency				
Demand deposits	10,593,607	8,391,635	10,593,607	8,391,635
Savings deposits	23,893,062	27,403,358	23,871,076	27,396,399
Time deposits	128,036,688	140,519,125	128,031,683	140,483,459
Other deposits	384,348	462,548	384,348	462,548
Sub total	162,907,706	176,776,665	162,880,714	176,734,041
Total	611,533,701	615,643,999	611,062,967	615,232,470

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 30/09/2024	As at 31/12/2023	As at 30/09/2024	As at 31/12/2023
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier 1 Capital	50,133,483	54,699,450	53,903,395	58,524,995
Tier 1 Capital	50,133,483	54,699,450	53,903,395	58,524,995
Total Capital	71,084,478	74,523,602	74,771,973	78,313,241
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	11.07	11.67	11.61	12.22
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	11.07	11.67	11.61	12.22
Total Capital Ratio (Minimum Requirement - 12.5%)	15.70	15.90	16.10	16.35
Leverage Ratio (Minimum Requirement - 3%)	6.31	6.74	6.72	7.15
Regulatory Liquidity				
Total stock of high quality liquid assets (LKR ' 000) - All currency	223,387,607	223,342,569	223,387,607	223,342,569
Total stock of high quality liquid assets (LKR ' 000) - Rupee	200,154,622	199,940,490	200,154,622	199,940,490
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement 100%)	326.87	309.61	326.87	309.61
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 100%)	280.39	228.58	280.39	228.58
Net stable Funding Ratio (%) (Minimum Requirement 100%)	143.77	142.26	143.77	142.26
Asset Quality (Quality of the Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	6.45	8.58	6.45	8.58
Impairment (stage 3) to Stage 3 loans Ratio (%)	49.40	41.11	49.40	41.11
Profitability				
Earnings Per Share (annualised) (LKR)	13.69	12.92	14.92	13.86
Return on Average Shareholders' Funds (%)	8.02	8.03	8.22	8.11
Return on Average Assets (after Tax (%))	0.74	0.67	0.80	0.71
Return on Average Assets (before Tax (%))	1.53	1.25	1.64	1.34
Net interest margin (%)	4.21	3.96	4.21	3.98
Debt Security - Related Ratios				
Interest Cover (Times)	1.59	1.37	1.59	1.37
Debt to Equity (Times)	9.43	9.88	8.84	9.30

SHARE INFORMATION
SHARE PRICE

As at	30/09/2024	31/12/2023
Number of shares	415,513,426	399,464,362
Last traded price (LKR)	78.30	64.90
For the quarter ended	30/09/2024	31/12/2023
Highest price per share (LKR)	81.00	71.00
Lowest price per share (LKR)	62.00	59.00

TOP 20 REGISTERED SHAREHOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 30.09.2024

	Name	Number of Shares	%
1	STANDARD CHARTERED BANK MAURITIUS S/A NORFUND	41,509,789	9.99
2	EMPLOYEE'S PROVIDENT FUND	39,491,696	9.50
3	BANK OF CEYLON NO. 1 ACCOUNT	33,025,123	7.95
4	RICHARD PIERIS AND CO LTD A/C NO.01	25,779,312	6.20
5	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	25,252,338	6.08
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	20,994,352	5.05
7	SOFTLOGIC LIFE INSURANCE PLC ACCOUNT NUMBER 03/LIFE SHAREHOLDERS FUND	20,151,741	4.85
8	EMPLOYEES TRUST FUND BOARD	14,093,993	3.39
9	BNYM RE-TERRA GLOBAL OPPORTUNITY FUND, L.P	13,314,258	3.20
10	DR. S. YADDEHIGE	11,709,518	2.82
11	HATTON NATIONAL BANK PLC A/C NO 1	11,517,884	2.77
12	PERPETUAL TREASURIES LIMITED	10,165,367	2.45
13	SBI VEN HOLDINGS PTE LTD	10,086,418	2.43
14	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	8,836,939	2.13
15	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 05 (NON-PARTICIPATING FUND)	7,326,771	1.76
16	AKBAR BROTHERS PVT LTD A/C NO 1	5,789,261	1.39
17	FINCO HOLDINGS (PRIVATE) LIMITED	5,214,838	1.26
18	ARPICO INSURANCE PLC-SHARE HOLDERS	3,950,082	0.95
19	DFCC BANK PLC A/C 1	3,774,379	0.91
20	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 04 (PARTICIPATING FUND)	3,531,146	0.85

PUBLIC HOLDING PERCENTAGE

	As at 30/09/2024
Float adjusted Market Capitalization in LKR ('000)	26,554,823
Percentage of shares held by the public	81.62%
Number of public shareholders	11,347
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS' INTEREST IN SHARES OF NDB AS AT 30.09.2024

Name	No. of shares
MR. SRIYAN COORAY	-
MR. BERNARD SINNIHA	-
MR. SUJEEWA MUDALIGE	-
MR. KUSHAN D'ALWIS, PC	-
MS. (FAY) PIYACHATR CHETNAKARNKUL	-
MS. CHANDIMA DILUKSHI	-
MS. KASTURI CHELLARAJA	-
MS. SHWETA PANDEY	-
MR. HASITHA PREMARATNE	-
MR. KELUM EDIRISINGHE	-

Rated unsecured subordinated redeemable debentures

INFORMATION ON DEBENTURES- BANK											
Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 30 September 2024 LKR mn	Market Value			Interest Rate		Interest rate of comparable Govt. Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Period end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield To Maturity %
Fixed rate - Debenture September 2024	Listed	Annually Semi-annually Quarterly	3,932	Not traded during the quarter			13.25	12.51	13.98	Not traded during the quarter	
A- Sep 2024/Sep 2029			822	Not traded during the quarter			12.84	12.50	13.98	Not traded during the quarter	
C- Sep 2024/Sep 2029			268	Not traded during the quarter			12.64	12.52	13.98	Not traded during the quarter	
Fixed rate - Debenture December 2023	Listed Listed	Annually Quarterly	3,724	Not traded during the quarter			15.00	14.05	14.52	Not traded during the quarter	
B - Dec 2023/Dec 2028			1,674	Not traded during the quarter			14.22	14.05	14.52	Not traded during the quarter	
Fixed rate - Debenture November 2021	Listed	Semi-annually Semi-annually	8,200	Not traded during the quarter			11.90	11.66	11.14	Not traded during the quarter	
B- Nov 2021/Nov 2028			121	Not traded during the quarter			12.00	11.73	11.61	Not traded during the quarter	
Fixed rate - Debenture September 2020	Listed	Annually	6,505	Not traded during the quarter			9.50	9.16	6.57	Not traded during the quarter	
Sep 2020/ Sep 2025											
Fixed rate - Debenture December 2013	Listed	Annually	3,957	Not traded during the quarter			14.00	13.26	12.09	Not traded during the quarter	
D - Dec 2013/Dec 2025											
Total Debentures			29,202								

Rated unsecured subordinated redeemable debentures

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

Debenture Issue - September 2024

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	Improve and further strengthen the Capital Adequacy Ratio (CAR) in line with the Basel III guidelines	5,000,000,000	Within 12 months from the date of allotment (i.e. by 12 September 2025)	5,000,000,000	100%	5,000,000,000	100%	-
2	Facilitate future expansion of business activities of the Bank	5,000,000,000	Within 12 months from the date of allotment (i.e. by 12 September 2025)	5,000,000,000	100%	< 5,000,000,000	<100%	Unutilized funds were invested in Government securities at available market rate.

Important Dates - 3Q 2024 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	13 November 2024
Investor Webinar	19 November 2024
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	13 November 2024
Edited Transcript and video playback of the Investor webinar released/ uploaded to the Bank's website	Within ten working days from the date of the webinar
Financial statements published in selected newspapers in the three languages of Sinhala, Tamil and English	26 Nov 2024 and 29 Nov 2024

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 re-registered 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, Nawam Mawatha, Colombo 02 Tel: +94 11 2448448 Fax: +94 11 2341044 SWIFT Code: NDBSLKLX 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	Auditors M/s Ernst & Young, Rotunda Towers, No. 109, Galle Road, Colombo 03 Company Secretary: Ms. Shehani Ranasinghe Compliance Officer: Ms. Vidisha Jayawardena
Board of Directors Mr. Sriyan Cooray - Chair, Board of Directors Mr. Kelum Edirisinghe - Director/Chief Executive Officer Mr. Bernard Sinniah - Director Mr. Sujeewa Mudalige - Director Mr. Kushan D'Alwis, PC - Director Ms.(Fay) Piyachat Chetnakarnkul - Director Ms. Chandima Dilrukshi - Director Ms. Kasturi Chellaraja - Director Ms. Shweta Pandey - Director Mr. Hasitha Premaratne- Director	Subsidiary Companies NDB Capital Holdings Limited NDB Capital Limited (Bangladesh) Development Holding (Private) Limited NDB Investment Bank Limited NDB Wealth Management Limited NDB Securities (Private) Limited NDB Zephyr Partners Limited (Mauritius) NDB Zephyr Partners Lanka (Private) Limited Ayojana Fund (Private) Limited (Under liquidation)
Investor Relations - Contact Details	
Company Secretarial Unit Ms. Shehani Ranasinghe Vice President - Company Secretary Email: shehani.ranasinghe@ndbbank.com Tel.: +94 (0)11 2448448 Ext: 35013	Investor Relations Team Mr. Hasitha Athapattu Vice President - Finance Email: hasitha.athapattu@ndbbank.com investor.relations@ndbbank.com Tel.: +94(0)112448448 Ext: 35301



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