

INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 MARCH 2024

National Development Bank PLC

CSE stock code: NDB.N0000 | Bloomberg: NDB SL | Reuter's: NDB.CM

Released to the Colombo Stock Exchange on: 14 May 2024



 **NDB bank**

The future is banking on us

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***The financial statements presented herewith are the unaudited financial statements for the quarter ended 31 March 2024 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

Press release on quarter financial statements – Q1 2024

National Development Bank PLC

Strong strategic alignment enables resilient performance for NDB in Q1 2024

14 May 2024, Colombo, Sri Lanka

National Development Bank PLC, Sri Lanka's fourth largest listed bank commenced the financial year on a positive note, with resilient performance for the first quarter of the year ended 31 March 2024. NDB's Director/ Chief Executive Officer Mr. Kelum Edirisinghe commented that the Bank continued to face challenges on relatively low credit demand due to subdued economic activity. Strong alignment to our strategic blueprint built on three core focus areas viz. optimizing cost of funds, enhancing fee based income through transaction banking and enhancing portfolio quality enabled us to withstand the challenges and deliver consistent value to our shareholders. We remain committed to driving bottom line growth and enhancing shareholder value through customer-centric, innovative and sustainable banking practices, he reiterated.

Analysis of financial performance

Profitability

NDB recorded a pre-tax profitability of Rs. 1.8 Bn for the three months ended 31 March 2024 (period under review), an impressive increase of 31% over the same period in 2023 (YoY). Total operating income for the period was Rs. 10.1 Bn a YoY increase of 8%, driven by net interest income of Rs. 8.1 Bn, net fee and commission income of Rs. 1.8 Bn and other income of Rs. 208 Mn. The twin impact of a descaled loan book, re-priced down in tandem with declining anchor interest rates as a part of the relaxing monetary policy of Central Bank of Sri Lanka led to a YoY reduction in net interest income. The Bank's concerted efforts in managing cost of funds led to an improvement in the net interest margin to 4.23% from 3.96% in 2023 thereby easing out the pressure from reduced interest income. Other non-fund based income posted a notable increase of 118% mainly driven by income categories of net gains from financial assets at fair value through profit or loss and net gains from derecognition of financial assets. With the appreciation of the Sri Lankan Rupee, Bank's foreign exchange reserves of the FCBU book recorded a revaluation loss amounting to Rs. 1.3 Bn, accounted for under the Other Income category.

Impairment charges for the quarter netted Rs. 4.4 Bn, a decrease of 9% compared to the same quarter in 2023. Impairment (Stage 3) to Stage 3 loans Ratio improved to 44.74% from 41.11% in financial year 2023, reflecting further build-up of impairment to absorb potential losses in Stage 03 category, as a part of our prudent credit risk management efforts. Impaired Loans (Stage 3) Ratio was 8.27% a marginal movement from 8.58% in financial year 2023. NDB continued to maintain provisions on investments in foreign currency bonds, for the expected International Sovereign Bond (ISB) restructuring to be announced by the Government of Sri Lanka during the year.

Total operating costs for the quarter was Rs. 3.9 Bn, within which the increase in other expenses category comprising administration, marketing, etc. susceptible to general price level increases

was contained at 11% - a direct outcome of strong cost discipline maintained across the Bank. The Bank's capital and discretionary expenses of certain expenses classes above a set threshold continued to be governed by a Board subcommittee in ensuring the effectiveness of such expenses on overall performance of the Bank.

Balance Sheet Performance, Liquidity and Capital Adequacy

NDB's total assets stood at Rs. 757 Bn as at end 31 March 2024, a 3% de-growth compared to the total asset base as of 31 December 2023 (YTD). Total assets behaved in close congruence to overall market direction, where negative growth continued but at a slower pace. Gross loans to customers also decelerated at a slower pace, at 2% YTD and closed in at Rs. 486 Bn. Customer deposits stood at Rs. 614 Bn, with a marginal decline of 0.2%. Within total deposits rupee deposits grew by 4%, whilst foreign currency denominated deposits declined by 12% attributable to the appreciation in exchange rate, which if excluded would have led to a growth. Total assets at the Group level stood at LKR 765 Bn.

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 336.22%, 282.80% and 152.15% respectively. The Statutory Liquid Assets Ratio of 41.67% was also well above the regulatory minimum requirement of 20%, which is on a continually increasing trend. Tier I and Total Capital Adequacy ratios by the end of Q1 2024 stood at 11.93% (Group: 12.49%) and 16.02% (Group: 16.48%), ahead of the regulatory minimum levels of 8.5% and 12.5% respectively. Prudent measures adopted in balance sheet management enabled the Bank to maintain sound liquidity and capital adequacy. In April 2024, NDB announced its plans to raise Tier II capital via Basel III compliant listed, rated, unsecured, subordinated, redeemable debentures within a one year time frame commencing from the date on which the Bank will obtain shareholder approval for the issuance of such debentures (comprising multiple issuances), of up to Rs. 10 Bn, which will further strengthening its capital position.

Investor KPIs and Dividends

Return on average equity and Earnings per share for Q1 2024 were 4.51% (Group: 4.88 %) and Rs. 7.92 (Group: Rs. 9.11) respectively. Pre-tax Return on Average Assets was 1.03% (Group: 1.13%) and Net asset value per share was LKR 175.69 (Group: LKR 186.86).

Outlook

As the economy continues on the recovery mode, the Bank remains well poised in catering to emerging financial and advisory needs of the country and its people. The clearly articulated three-pronged strategy spanning the mid-term with adaptability to evolving socio, political and economic landscapes will guide the Bank towards shareholder wealth maximization and value creation.

STATEMENT OF PROFIT OR LOSS						
	Bank			Group		
	Quarter ended 31/03/2024 LKR '000	Quarter ended 31/03/2023 LKR '000	Change %	Quarter ended 31/03/2024 LKR '000	Quarter ended 31/03/2023 LKR '000	Change %
Gross Income	26,074,357	33,534,090	(22)	26,656,755	33,955,345	(21)
Interest Income	24,065,621	32,773,592	(27)	24,121,581	32,900,803	(27)
Interest Expenses	15,989,592	24,228,886	(34)	15,973,540	24,205,631	(34)
Net Interest Income	8,076,029	8,544,706	(5)	8,148,041	8,695,172	(6)
Fee and Commission Income	1,800,322	1,938,108	(7)	2,255,172	2,222,849	1
Less: Fee and commission Expenses	3,357	1,357	147	3,357	1,357	147
Net Fee and Commission Income	1,796,965	1,936,751	(7)	2,251,815	2,221,492	1
Net gain/(loss) from trading	316,921	905,208	(65)	316,921	905,208	(65)
Net gain/(loss) from financial assets at fair value Through Profit or Loss	379,925	115,048	230	438,882	144,469	204
Net gains/(losses) from derecognition of financial assets	710,403	44,510	1,496	710,403	44,510	1,496
Other operating income	(1,198,835)	(2,241,019)	47	(1,186,204)	(2,261,137)	48
Total Operating Income	10,081,408	9,305,204	8	10,679,858	9,749,713	10
Less : Impairment Charges	4,356,479	4,810,712	(9)	4,356,479	4,830,496	(10)
Net operating income	5,724,929	4,494,492	27	6,323,379	4,919,217	29
Operating Expenses						
Personnel Expenses	2,077,836	1,453,672	43	2,263,120	1,610,267	41
Depreciation and amortization	258,290	242,063	7	274,871	259,285	6
Other Expenses	1,559,686	1,399,123	11	1,736,110	1,548,552	12
Total operating expenses	3,895,812	3,094,858	26	4,274,101	3,418,104	25
Operating Profit Before Tax on Financial Services	1,829,117	1,399,634	31	2,049,278	1,501,113	37
Less: Taxes on Financial services	645,518	478,498	35	645,518	478,498	35
Operating Profit After Tax on Financial Services	1,183,599	921,136	28	1,403,760	1,022,615	37
Share of associate companies' profits/(losses)	-	-	-	-	-	-
Profit Before Taxation	1,183,599	921,136	28	1,403,760	1,022,615	37
Less : Income tax expenses	463,997	115,841	301	560,774	177,778	215
Profit for the quarter	719,602	805,295	(11)	842,986	844,837	(0)
Profit Attributable to:						
Equity Holders of the parent	719,602	805,295	(11)	837,651	854,076	(2)
Non Controlling Interests	-	-	-	5,335	(9,239)	158
	719,602	805,295	(11)	842,986	844,837	(0)
Basic Earnings per share (in LKR)	1.80	2.12	(15)	2.10	2.25	(7)
Diluted Earnings per share (in LKR)	1.80	2.12	(15)	2.10	2.25	(7)

STATEMENT OF COMPREHENSIVE INCOME						
	Quarter ended 31/03/2024 LKR '000	Quarter ended 31/03/2023 LKR '000	Change %	Quarter ended 31/03/2024 LKR '000	Quarter ended 31/03/2023 LKR '000	Change %
Profit for the quarter	719,602	805,295	(11)	842,986	844,837	(0)
Items that will be reclassified to Statement of Profit or loss						
Exchange differences on translation of foreign operations	-	-	-	(24,041)	(58,182)	59
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other Comprehensive Income	711,413	1,354,157	(47)	750,508	1,366,585	(45)
Cash Flow Hedge Reserve-SWAP	(407,777)	75,454	(640)	(407,777)	75,454	(640)
Less :Tax expense relating to items that will be reclassified to Income Statements	(91,091)	(428,883)	79	(91,091)	(428,883)	79
A	212,545	1,000,727	(79)	227,599	954,973	(76)
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	80,253	40,709	97	80,253	40,709	97
B	80,253	40,709	97	80,253	40,709	97
Total Other Comprehensive Income after Tax	A + B	1,041,436	(72)	307,852	995,682	(69)
Total Comprehensive Income for the quarter	1,012,400	1,846,731	(45)	1,150,839	1,840,519	(37)
Attributable to:						
Equity holders of the parent	1,012,400	1,846,731	(45)	1,149,812	1,859,072	(38)
Non Controlling Interests	-	-	-	1,027	(18,553)	106
	1,012,400	1,846,731	(45)	1,150,839	1,840,519	(37)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
	BANK			Group		
	Current Period	Previous Year		Current Period	Previous Year	
	As at 31/03/2024	As at 31/12/2023 (Audited)	Change	As at 31/03/2024	As at 31/12/2023 (Audited)	Change
	LKR '000	LKR '000	%	LKR '000	LKR '000	%
Assets						
Cash and cash equivalents	13,099,774	28,100,515	(53)	13,877,262	28,580,676	(51)
Balances with the Central Bank of Sri Lanka	8,107,012	7,040,421	15	8,107,012	7,040,421	15
Placements with banks	24,680,629	33,743,602	(27)	24,680,629	33,743,602	(27)
Derivative Financial Instruments	1,916,395	3,083,815	(38)	1,916,395	3,083,815	(38)
Financial assets recognized through profit or loss measured at fair value	22,184,166	24,021,340	(8)	24,197,441	26,040,046	(7)
Financial assets at amortised cost -loans and receivables to other customers	439,638,046	452,660,461	(3)	439,727,116	452,739,928	(3)
Financial assets at amortised cost - debt and other instruments	135,222,849	125,672,370	8	135,301,794	125,672,370	8
Financial assets measured at fair value through other comprehensive income	90,843,240	83,805,398	8	91,636,106	84,645,423	8
Investments in subsidiary companies	1,108,772	1,108,772	-	-	-	-
Investment Property	-	-	-	3,708,265	3,112,440	19
Intangible assets	1,911,686	1,883,447	1	1,933,291	1,898,270	2
Property, plant & equipment	3,086,485	3,141,117	(2)	3,171,530	3,817,097	(17)
Right of Use Assets	1,179,992	1,145,601	3	1,300,355	1,260,055	3
Current Tax Assets	-	-	-	45,728	43,102	6
Deferred tax Assets	10,161,812	9,648,118	5	10,229,916	9,717,805	5
Other assets	4,230,240	4,844,183	(13)	4,746,491	5,563,827	(15)
Total assets	757,371,098	779,899,160	(3)	764,579,331	786,958,877	(3)
Liabilities						
Due to Banks	230,677	7,679,195	(97)	230,677	7,679,195	(97)
Derivative Financial Instruments	845,782	93,361	806	845,782	93,361	806
Financial Liabilities at amortised cost -due to depositors	614,395,787	615,643,999	(0)	613,940,806	615,232,470	(0)
Financial Liabilities at amortised cost						
- due to debt securities holders	2,783,579	15,632,569	(82)	2,783,579	15,632,569	(82)
- due to other borrowers	22,921,467	24,636,539	(7)	22,921,467	24,636,539	(7)
Debt securities issued	30,214,289	29,388,875	3	30,214,289	29,388,875	3
Retirement benefit obligations	1,284,181	1,299,909	(1)	1,428,552	1,439,374	(1)
Current Tax Liabilities	7,718,044	7,265,070	6	7,907,558	7,430,773	6
Deferred Tax Liabilities	-	-	-	924,239	921,189	0
Other liabilities	6,016,417	8,033,112	(25)	6,534,622	8,529,555	(23)
Dividends payable	779,286	78,654	891	779,286	78,654	891
Total liabilities	687,189,509	709,751,283	(3)	688,510,857	711,062,554	(3)
Equity						
Stated Capital	20,738,231	20,738,231	-	20,738,231	20,738,231	-
Statutory Reserve Fund	3,046,479	3,046,479	-	3,046,479	3,046,479	-
Retained Earnings	39,749,779	41,027,500	(3)	43,899,765	45,079,167	(3)
Other Reserves	6,647,100	5,335,667	25	6,958,042	5,607,516	24
Total shareholders' equity	70,181,589	70,147,877	0	74,642,517	74,471,393	0
Non Controlling Interests	-	-	-	1,425,957	1,424,930	0
Total Equity	70,181,589	70,147,877	0	76,068,474	75,896,323	0
Total liabilities and equity	757,371,098	779,899,160	(3)	764,579,331	786,958,877	(3)
Net Book Value Per Share (LKR)	175.69	175.60	0	186.86	186.43	0
Contingent liabilities and commitments	267,207,407	277,965,419	(4)	267,304,324	278,127,046	(4)
Memorandum Information						
Number of Employees	2,875	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 Director/ Chairman			(Sgd.) Kelum Edirisinghe Director/ Chief Executive Officer			
14 May 2024						

STATEMENT OF CHANGES IN EQUITY											
For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves						Total	Non Controlling Interests	Total Equity
			Pending Share Allotment Reserve	Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Retained Earnings			
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
BANK											
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 quarter											
Profit for the quarter	-	-	-	-	-	-	-	805,295	805,295	-	805,295
Other Comprehensive Income before Tax	-	-	-	-	-	1,394,866	75,454	-	1,470,320	-	1,470,320
Tax on Other Comprehensive Income	-	-	-	-	-	(406,247)	(22,636)	-	(428,883)	-	(428,883)
Total Comprehensive Income for the Quarter	-	-	-	-	-	988,619	52,818	805,295	1,846,732	-	1,846,732
Transactions with equity holders											
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	2,667	2,667	-	2,667
Balance as at 31 March 2023	19,870,665	2,746,479	-	1,466,265	44,479	(54,116)	3,122,485	38,189,005	65,385,262	-	65,385,262
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 Quarter											
Profit for the Quarter	-	-	-	-	-	-	-	719,602	719,602	-	719,602
Other Comprehensive Income before Tax	-	-	-	-	-	791,666	(407,777)	-	383,889	-	383,889
Tax on Other Comprehensive Income	-	-	-	-	-	(213,422)	122,332	-	(91,091)	-	(91,091)
Other Comprehensive Income before Tax	-	-	-	-	-	578,244	(285,445)	719,602	1,012,400	-	1,012,400
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)
Balance as at 31 March 2024	20,738,231	3,046,479	1,018,634	1,501,603	44,479	3,532,413	549,971	39,749,780	70,181,589	-	70,181,589

STATEMENT OF CHANGES IN EQUITY											
For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves						Total	Non Controlling Interests	Total Equity
			Pending Share Allotment Reserve	Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Retained Earnings			
GROUP	LKR '000	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 quarter											
Profit for the quarter	-	-	-	-	-	-	-	854,076	854,076	(9,239)	844,837
Other Comprehensive Income before Tax	-	-	-	-	-	1,407,294	75,454	(48,857)	1,433,891	(9,327)	1,424,564
Tax on Other Comprehensive Income	-	-	-	-	-	(406,247)	(22,636)	-	(428,883)	-	(428,883)
Total Comprehensive Income for the quarter	-	-	-	-	-	1,001,047	52,818	805,219	1,859,084	(18,566)	1,840,518
Transactions with equity holders											
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	2,667	2,667	-	2,667
Balance as at 31 March 2023	19,870,665	2,746,479	-	1,682,940	44,479	(24,440)	3,122,485	41,924,040	69,366,648	1,372,693	70,739,341
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 quarter											
Profit for the quarter	-	-	-	-	-	-	-	837,651	837,651	5,335	842,986
Other Comprehensive Income before Tax	-	-	-	-	-	830,761	(407,777)	(19,731)	403,253	(4,308)	398,945
Tax on Other Comprehensive Income	-	-	-	-	-	(213,424)	122,332	-	(91,092)	-	(91,092)
Total Comprehensive Income for the quarter	-	-	-	-	-	617,337	(285,445)	817,920	1,149,812	1,027	1,150,839
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)
Balance as at 31 March 2024	20,738,231	3,046,479	1,018,634	1,747,711	44,479	3,597,247	549,971	43,899,765	74,642,517	1,425,957	76,068,474

STATEMENT OF CASH FLOW

For the quarter ended 31 March	BANK		GROUP	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	30,658,712	27,977,896	30,702,304	28,083,901
Fee based income received	1,869,741	1,940,445	2,320,985	2,202,591
Dividend income received	-	-	1,747	29,892
Other Operating income received	(957,119)	(1,382,872)	(925,191)	(1,347,692)
Interest paid	(17,655,358)	(25,119,850)	(17,655,295)	(25,119,375)
Personnel costs paid	(2,025,003)	(1,390,422)	(2,196,239)	(1,541,791)
Other expenses paid	(1,877,669)	(1,710,022)	(2,121,260)	(1,813,882)
Operating Profit before changes in operating assets and liabilities	10,013,304	315,175	10,127,051	493,644
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	(1,066,591)	2,899,910	(1,066,591)	2,899,910
Financial Assets at amortised cost -loans and receivables to other customers	5,307,250	47,253,494	5,307,250	47,019,041
Net (increase)/decrease in operating assets	1,383,125	2,235,017	1,257,563	2,336,590
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	1,293,194	(43,588,957)	1,438,898	(43,292,657)
Financial liabilities at amortised cost - due to debt securities holders	(12,848,990)	5,172,725	(12,848,990)	5,172,725
Financial liabilities at amortised cost - due to other borrowers	(9,155,418)	(12,816,969)	(9,155,418)	(12,816,969)
Repayment of principal portion of lease liabilities	(120,848)	(420,768)	(127,279)	(425,276)
Net increase/(decrease) in other liabilities	(1,395,468)	(568,457)	(1,076,566)	(678,643)
Net cash generated/(used in) from operating activities before taxation	(6,590,442)	481,170	(6,144,082)	708,365
Tax on Financial Services paid	(537,690)	(318,868)	(537,690)	(318,868)
Income taxes paid	(615,807)	(47,663)	(688,456)	(92,115)
Net cash generated/(used in) from operating activities	(7,743,939)	114,639	(7,370,228)	297,382
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(16,105,178)	(7,278,301)	(16,155,267)	(7,725,912)
Purchase of Intangible assets	(104,799)	(828,626)	(112,607)	(828,626)
Purchase of property, plant & equipment	(56,073)	(593,550)	(74,560)	(597,959)
Proceeds from sale of property, plant & equipment	3,074	1,745	3,074	1,745
Net cash generated /(used in) from investing activities	(16,262,976)	(8,698,732)	(16,339,360)	(9,150,752)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debts securities issued	-	(685,602)	-	(685,602)
Interest paid on debts securities issued	(58,398)	-	(58,398)	-
Dividends paid to shareholders of the Bank	-	(51)	-	(51)
Net cash provided by /(used in) financing activities	(58,398)	(685,653)	(58,398)	(685,653)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(24,065,313)	(9,269,746)	(23,767,986)	(9,539,023)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	61,844,117	38,958,510	62,324,278	39,836,654
CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	37,778,804	29,688,764	38,556,292	30,297,631
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	13,099,774	29,029,394	13,877,262	29,638,261
Placements with banks	24,680,629	655,698	24,680,629	655,698
Cash and cash equivalents at the end of the quarter (Net)	37,780,403	29,685,092	38,557,891	30,293,959
Add : Impairment allowance	(1,599)	3,672	(1,599)	3,672
Cash and cash equivalents at the end of the quarter (Gross)	37,778,804	29,688,764	38,556,292	30,297,631

SEGMENTAL ANALYSIS- GROUP										
For the quarter ended 31 March										
	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000	2024 LKR '000	2023 LKR '000
Revenue										
Interest Income	24,065,621	32,773,592	40,146	103,956	-	-	-	-	24,105,767	32,877,548
Fee and Commission Income	1,800,322	1,936,751	391,139	206,634	34,867	44,633	8,385	14,704	2,234,713	2,202,722
Net gain/(loss) from trading	316,921	905,208	-	-	-	-	-	-	316,921	905,208
Net gain/(loss) from financial assets at fair value Through										
Profit or Loss	379,925	115,048	58,957	29,421	-	-	-	-	438,882	144,469
Net gains/(losses) from derecognition of financial assets	710,403	44,510	-	-	-	-	-	-	710,403	44,510
Other Operating Income	(1,198,835)	(2,241,019)	12,631	(20,118)	-	-	-	-	(1,186,204)	(2,261,137)
Total revenue from external customers	26,074,357	33,534,090	502,873	319,892	34,867	44,518	8,385	14,704	26,620,482	33,913,205
Inter-segment Revenue	-	-	17,228	11,255	19,045	30,885	-	-	36,273	42,140
Total Revenue	26,074,357	33,534,090	520,101	331,148	53,912	75,403	8,385	14,704	26,656,755	33,955,345
Impairment (charge)/reversal for										
Loans & other losses	(4,356,479)	(4,810,712)	-	-	-	(19,785)	-	-	(4,356,479)	(4,830,496)
Segment expenses	(19,859,403)	(27,287,182)	(369,746)	(271,886)	(5,153)	(4,967)	(16,695)	(59,698)	(20,250,998)	(27,623,734)
Total segment expenses	(24,215,882)	(32,097,894)	(369,746)	(271,886)	(5,153)	(24,752)	(16,695)	(59,698)	(24,607,477)	(32,454,231)
Segment results	1,858,475	1,436,196	150,354	59,261	48,759	50,651	(8,309)	(44,994)	2,049,278	1,501,113
Income tax expenses	-	-	-	-	-	-	-	-	560,774	177,778
Taxes on financial services	-	-	-	-	-	-	-	-	645,518	478,498
Profit after taxation									842,986	844,837
Other information										
Segment assets	757,314,998	781,845,141	3,547,303	3,111,649	3,619,481	3,345,212	97,549	145,800	764,579,331	788,447,801
Consolidated total assets									764,579,331	788,447,801
Segment liabilities	686,708,903	716,002,464	873,459	810,941	897,995	870,178	30,500	24,879	688,510,857	717,708,461
Consolidated total liabilities									688,510,857	717,708,461
Segmental Cash flows										
Cash flows from operating activities	(7,743,939)	114,639	419,021	92,069	(21,302)	38,553	(24,008)	52,121	(7,370,228)	297,382
Cash flows from investing activities	(16,262,976)	(8,698,732)	(70,911)	(450,236)	(5,473)	(1,784)	-	-	(16,339,360)	(9,150,752)
Cash flows from financing activities	(58,398)	(685,653)	-	-	-	-	-	-	(58,398)	(685,653)

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 MARCH 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	-	13,099,774	-	-	13,099,774
Balances with the Central Bank of Sri Lanka	-	8,107,012	-	-	8,107,012
Placements with banks	-	24,680,629	-	-	24,680,629
Derivative Financial Instruments	1,916,395	-	-	-	1,916,395
Financial assets recognized through profit or loss measured at fair value	22,184,166	-	-	-	22,184,166
Financial assets at amortised cost -loans and receivables to other customers	-	439,638,046	-	-	439,638,046
Financial Assets at amortised cost - debt and other instruments	-	135,222,849	-	-	135,222,849
Financial assets measured at fair value through other comprehensive income	-	-	90,843,240	-	90,843,240
Other Financial Assets	-	1,340,593	-	-	1,340,593
Total Financial Assets	24,100,561	622,088,903	90,843,240	-	737,032,704
LIABILITIES					
Due to Banks	-		230,677		230,677
Derivative Financial Instruments	845,782		-		845,782
Financial Liabilities at amortised cost -due to depositors	-		614,395,787		614,395,787
Financial Liabilities at amortised cost					
- due to debt securities holders	-		2,783,579		2,783,579
- due to other borrowers	-		22,921,467		22,921,467
Debt securities issued	-		30,214,289		30,214,289
Other Financial Liabilities	-		1,976,424		1,976,424
Total Financial Liabilities	845,782		672,522,223		673,368,005
MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 MARCH 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	-	13,877,262	-	-	13,877,262
Balances with the Central Bank of Sri Lanka	-	8,107,012	-	-	8,107,012
Placements with banks	-	24,680,629	-	-	24,680,629
Derivative Financial Instruments	1,916,395	-	-	-	1,916,395
Financial assets recognized through profit or loss measured at fair value	24,197,441	-	-	-	24,197,441
Financial assets at amortised cost -loans and receivables to other customers	-	439,727,116	-	-	439,727,116
Financial Assets at amortised cost - debt and other instruments	-	135,301,794	-	-	135,301,794
Financial Assets measured at fair value through Other comprehensive income	-	-	91,636,106	-	91,636,106
Other Financial Assets	-	1,878,841	-	-	1,878,841
Total Financial Assets	26,113,836	623,572,654	91,636,106	-	741,322,596
LIABILITIES					
Due to Banks	-		230,677		230,677
Derivative Financial Instruments	845,782		-		845,782
Financial Liabilities at amortised cost -due to depositors	-		613,940,806		613,940,806
Financial Liabilities at amortised cost					
- due to debt securities holders	-		2,783,579		2,783,579
- due to other borrowers	-		22,921,467		22,921,467
Debt securities issued	-		30,214,289		30,214,289
Other Financial Liabilities	-		2,226,213		2,226,213
Total Financial Liabilities	845,782		672,317,031		673,162,813

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 income	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
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
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 assets	-	-	-	3,598,285	3,598,285
Total assets	29,123,861	649,742,541	84,645,423	22,143,895	785,655,720
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
Dividends payable	-			-	78,654
Total liabilities	93,361			695,210,658	711,062,555

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 change 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
	31/03/2024 LKR '000	31/03/2024 LKR '000	31/03/2024 LKR '000	31/03/2024 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	-	1,916,395	-	1,916,395	-	3,083,815	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	22,184,166	-	-	22,184,166	24,021,340	-	-	24,021,340
Financial assets measured at fair value through other comprehensive income	90,837,015	-	6,225	90,843,240	83,799,173	-	6,225	83,805,398
Total Financial Assets	113,021,181	1,916,395	6,225	114,943,801	107,820,513	3,083,815	6,225	110,910,553
Financial Liabilities								
Derivative Financial Instruments	-	845,782	-	845,782	-	93,361	-	93,361
Total Financial Liabilities	-	845,782	-	845,782	-	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
	31/03/2024 LKR '000	31/03/2024 LKR '000	31/03/2024 LKR '000	31/03/2024 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	-	1,916,395	-	1,916,395	-	3,083,815	-	3,083,815
Financial assets recognized through profit or loss measured at fair value	23,369,523	-	827,918	24,197,441	25,212,128	-	827,918	26,040,046
Financial assets measured at fair value through other comprehensive income	91,536,004	93,877	6,225	91,636,106	84,545,321	93,877	6,225	84,645,423
Total Financial Assets	114,905,527	2,010,272	834,143	117,749,942	109,757,449	3,177,692	834,143	113,769,284
Financial Liabilities								
Derivative Financial Instruments	-	845,782	-	845,782	-	93,361	-	93,361
Total Financial Liabilities	-	845,782	-	845,782	-	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 31 March 2024 would have amounted to LKR 6.1 Bn and would have resulted in the recognition of fair value loss of LKR 2.1 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). Shares to be listed in lieu of Scrip Dividends, has been credited to Pending Share Allotment Reserve until the listing date.
- 6 **Proposed Debenture Issue**
The Board of Directors of the Bank at its meeting held on 15 March 2024 approved that the Bank issues up to a maximum of One Hundred Million (100,000,000) Basel III Compliant – Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non- Viability Conversion (hereinafter referred to as "Debentures") of Rupees Hundred (Rs.100/-) each, to raise a maximum sum of Rupees Ten Billion (LKR 10,000,000,000/-) as follows;
 - The Debentures will be offered to "Qualified Investors" as defined under the Listing Rules of the CSE;
 - The 100,000,000 Debentures will be issued in multiple issuances, the timing of which is within one year time frame from the date of shareholder approval for the issuance of the Debentures, subject to the approval of the Colombo Stock Exchange and will be decided by the Board of Directors of the Bank based on the requirements of the Bank and the prevailing market conditions ;
 - The size, tenure/maturity period (minimum five years), coupon rate/s, frequency of coupon/s, etc., as determined by the Board as per the requirements of the Bank, will be notified prior to the opening of such multiple issuances planned.
The aforesaid multiple issues will be carried out subject to necessary regulatory approvals therefor and the Bank proposes to have these Basel III Compliant Debentures quoted on the Colombo Stock Exchange.
- 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 31 MARCH 2024

	Bank		Group	
	As at 31/03/2024 LKR '000	As at 31/12/2023 LKR '000	As at 31/03/2024 LKR '000	As at 31/12/2023 LKR '000
8.1 Product wise Gross Loans and Receivables				
By product-Domestic Currency				
Term loans	105,017,445	117,506,893	105,017,445	117,506,893
Medium and short term loans	68,696,405	62,250,769	68,696,405	62,250,769
Overdrafts	60,232,094	57,558,487	60,232,094	57,558,487
Trade Finance	17,123,297	19,343,575	17,123,297	19,343,575
Consumer loans	48,908,479	49,429,148	48,908,479	49,429,148
Lease rentals receivable and Hire Purchase	21,828,889	22,021,922	21,828,889	22,021,922
Housing loans	17,187,773	17,746,008	17,187,773	17,746,008
Pawning	13,690,202	12,996,626	13,690,202	12,996,626
Islamic Banking facilities	8,371,621	8,636,477	8,371,621	8,636,477
Credit cards	8,142,094	8,860,732	8,142,094	8,860,732
AF Loans	2,594,169	2,644,898	2,594,169	2,644,898
Staff loans	2,780,943	2,556,618	2,870,013	2,636,085
Sub total	374,573,411	381,552,153	374,662,481	381,631,620
By product-Foreign Currency				
Term loans	26,690,293	18,943,251	26,690,293	18,943,251
Overdrafts	7,537,775	9,573,648	7,537,775	9,573,648
Medium and short term loans	28,387,127	41,827,198	28,387,127	41,827,198
Trade Finance	41,902,697	37,917,217	41,902,697	37,917,217
Islamic Banking facilities	6,453,257	6,184,949	6,453,257	6,184,949
Housing loans	59,681	69,968	59,681	69,968
Sub total	111,030,831	114,516,231	111,030,831	114,516,231
Total	485,604,242	496,068,384	485,693,312	496,147,851
8.2 Product wise commitments and contingencies considered for Impairment				
By product- Domestic Currency				
Guarantees	28,341,077	33,719,455	28,241,077	33,607,343
Performance Bonds	9,572,417	10,458,016	9,572,417	10,458,016
Documentary Credits	427,561	389,683	426,910	388,981
Acceptances	325,995	211,343	325,995	211,343
Undrawn commitments	135,759,443	161,390,908	135,209,526	161,665,349
Sub Total	174,426,494	206,169,405	173,775,926	206,331,032
By product- Foreign Currency				
Guarantees	12,475,683	9,243,575	12,475,683	9,243,575
Performance Bonds	2,920,758	3,566,902	2,920,758	3,566,902
Documentary Credits	9,435,608	8,893,734	9,435,608	8,893,734
Acceptances	7,730,810	6,302,605	7,730,810	6,302,605
Undrawn commitments	934,207	1,181,758	1,681,692	1,181,758
Sub Total	33,497,065	29,188,574	34,244,550	29,188,574
Total	207,923,559	235,357,979	208,020,476	235,519,606
Gross loans and advances ,Commitments and Contingencies	693,527,801	845,430,865	693,713,788	846,244,643
(Less): Accumulated impairment under stage 1	5,045,939	4,812,665	5,045,939	4,812,665
Accumulated impairment under stage 2	5,565,908	5,542,129	5,565,908	5,542,129
Accumulated impairment under stage 3	36,781,837	24,702,027	36,781,837	24,702,027
Net value of loans and advances, commitments and contingencies	646,134,116	810,374,043	646,320,103	811,187,821

	Bank		Group	
	As at 31/03/2024 LKR '000	As at 31/12/2023 LKR '000	As at 31/03/2024 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	294,818	(61,544)	294,818	(61,544)
Write-off during the period	-	-	-	-
Closing balance	5,045,939	4,751,122	5,045,939	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	(741,993)	765,772	(741,993)	765,772
Write-off during the period	-	-	-	-
Closing balance	5,565,908	6,307,902	5,565,908	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	3,554,059	15,255,244	3,554,059	15,255,244
Write-off during the period	(781,808)	(5,947,685)	(781,808)	(5,947,685)
Other movement	-	-	-	-
Closing balance	36,781,837	34,009,586	36,781,837	34,009,586

9. ANALYSIS OF DEPOSITS	Bank		Group	
	As at 31/03/2024 LKR '000	As at 31/12/2023 LKR '000	As at 31/03/2024 LKR '000	As at 31/12/2023 LKR '000
Due to Other Customers - By product				
By product-Domestic Currency				
Demand deposits	35,248,722	33,683,062	35,242,125	33,678,136
Savings deposits	73,040,416	67,889,640	72,956,878	67,771,214
Time deposits	349,052,901	335,388,665	348,750,861	335,143,112
Other deposits	639,963	1,905,967	639,963	1,905,967
Sub total	457,982,002	438,867,333	457,589,827	438,498,429
By product- Foreign Currency				
Demand deposits	9,083,716	8,391,635	9,083,716	8,391,635
Savings deposits	23,078,116	27,403,358	23,023,208	27,396,399
Time deposits	123,962,374	140,519,125	123,954,475	140,483,459
Other deposits	289,580	462,548	289,580	462,548
Sub total	156,413,786	176,776,665	156,350,979	176,734,041
Total	614,395,787	615,643,999	613,940,806	615,232,470

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 31/03/2024	As at 31/12/2023	As at 31/03/2024	As at 31/12/2023
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier 1 Capital	52,777,547	54,699,450	56,571,415	58,524,995
Tier 1 Capital	52,777,547	54,699,450	56,571,415	58,524,995
Total Capital	70,861,938	74,523,602	74,618,159	78,313,241
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	11.93	11.67	12.49	12.22
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	11.93	11.67	12.49	12.22
Total Capital Ratio (Minimum Requirement - 12.5%)	16.02	15.90	16.48	16.35
Leverage Ratio (Minimum Requirement - 3%)	6.72	6.74	7.14	7.15
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	286,505,082	270,066,127	286,505,082	270,066,127
Statutory Liquid Assets Ratio - Bank (%) (Minimum Requirement -20%)	41.67	39.02	41.67	39.02
Total stock of high quality liquid assets (LKR ' 000) - All currency	252,715,483	223,342,569	252,715,483	223,342,569
Total stock of high quality liquid assets (LKR ' 000) - Rupee	227,947,610	199,940,490	227,947,610	199,940,490
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement 100%)	336.22	309.61	336.22	309.61
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 100%)	282.80	228.58	282.80	228.58
Net stable Funding Ratio (%) (Minimum Requirement 100%)	152.15	142.26	152.15	142.26
Asset Quality (Quality of the Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	8.27	8.58	8.27	8.58
Impairment (stage 3) to Stage 3 loans Ratio (%)	44.74	41.11	44.74	41.11
Profitability				
Earnings Per Share (annualised) (LKR)	7.92	13.44	9.11	14.42
Return on Average Shareholders' Funds (%)	4.51	8.03	4.88	8.11
Return on Average Assets (after Tax (%))	0.41	0.67	0.47	0.71
Return on Average Assets (before Tax (%))	1.03	1.25	1.13	1.34
Net interest margin (%)	4.23	3.96	4.22	3.98
Debt Security - Related Ratios				
Interest Cover (Times)	1.51	1.37	1.51	1.37
Debt to Equity (Times)	9.55	9.88	8.98	9.30

SHARE INFORMATION

SHARE PRICE

As at	31/03/2024	31/12/2023
Number of shares	399,464,362	399,464,362
Last traded price (LKR)	68.00	64.90
For the quarter ended	31/03/2024	31/12/2023
Highest price per share (LKR)	68.70	71.00
Lowest price per share (LKR)	59.80	59.00

TOP 20 REGISTERED SHAREHOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 31.03.2024

	Name	Number of Shares	%
1	STANDARD CHARTERED BANK MAURITIUS S/A NORFUND	39,906,488	9.99
2	EMPLOYEE'S PROVIDENT FUND	37,966,343	9.50
3	BANK OF CEYLON NO. 1 ACCOUNT	31,749,539	7.95
4	RICHARD PIERIS AND CO LTD A/C NO.01	24,783,596	6.20
5	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	24,276,976	6.08
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	20,183,453	5.05
7	SOFTLOGIC LIFE INSURANCE PLC ACCOUNT NUMBER 03/LIFE SHAREHOLDERS FUND	19,373,387	4.85
8	EMPLOYEES TRUST FUND BOARD	13,549,618	3.39
9	BNYM RE-TERRA GLOBAL OPPORTUNITY FUND, L.P	12,800,000	3.20
10	DR. S. YADDEHIGE	11,257,242	2.82
11	HATTON NATIONAL BANK PLC A/C NO 1	11,073,010	2.77
12	PERPETUAL TREASURIES LIMITED	9,772,734	2.45
13	SBI VEN HOLDINGS PTE LTD	9,696,834	2.43
14	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	8,369,676	2.10
15	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 05 (NON-PARTICIPATING FUND)	7,043,777	1.76
16	ASIRI SURGICAL HOSPITAL PLC	5,663,666	1.42
17	AKBAR BROTHERS PVT LTD A/C NO 1	5,565,653	1.39
18	ARPICO INSURANCE PLC-SHARE HOLDERS	3,797,512	0.95
19	DFCC BANK PLC A/C 1	3,628,595	0.91
20	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 04 (PARTICIPATING FUND)	3,394,757	0.85

PUBLIC HOLDING PERCENTAGE

	As at 31/03/2024
Float adjusted Market Capitalization in LKR ('000)	22,122,017
Percentage of shares held by the public	81.44%
Number of public shareholders	11,464
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS' INTEREST IN SHARES OF NDB AS AT 31.03.2024

Name	No. of shares
MR. SRIYAN COORAY	-
MR. BERNARD SINNIH	-
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 31 March 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 December 2023											
A- Dec 2023/Dec 2028	Listed	Annually	3,471	Not traded during the quarter			15.00	14.05	14.52	Not traded during the quarter	
B - Dec 2023/Dec 2028	Listed	Quarterly	1,674	Not traded during the quarter			14.22	14.05	14.52	Not traded during the quarter	
Fixed rate - Debenture November 2021											
A- Nov 2021/Nov 2026	Listed	Semi-annually	8,195	Not traded during the quarter			11.90	11.66	11.14	Not traded during the quarter	
B- Nov 2021/Nov 2028		Semi-annually	121	Not traded during the quarter			12.00	11.73	11.61	Not traded during the quarter	
Fixed rate - Debenture September 2020											
Sep 2020/ Sep 2025	Listed	Annually	6,804	Not traded during the quarter			9.50	9.16	6.57	Not traded during the quarter	
Fixed rate - Debenture March 2019 *											
A - Mar 2019/Mar 2024	Listed	Semi-annually	1,327	Not traded during the quarter			13.50	13.16	11.04	Not traded during the quarter	
B - Mar 2019/Mar 2024	Listed	Annually	4,918	Not traded during the quarter			13.95	13.15	11.04	Not traded during the quarter	
Fixed rate - Debenture December 2013											
D - Dec 2013/Dec 2025	Listed	Annually	3,704	Not traded during the quarter			14.00	13.26	12.09	Not traded during the quarter	
Total Debentures			30,214								

*The redemption date for Type A & B of the Debentures Issued in 2019 carrying a total cost of Rs 6,245 Mn were on 30 March 2024, and as such date not being a Market Day, the redemption was done on the immediate succeeding Market Day as per the provisions in section 4.2 of the Trust Deed which was 01 April 2024.

Rated unsecured subordinated redeemable debentures

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

Debenture Issue - December 2023

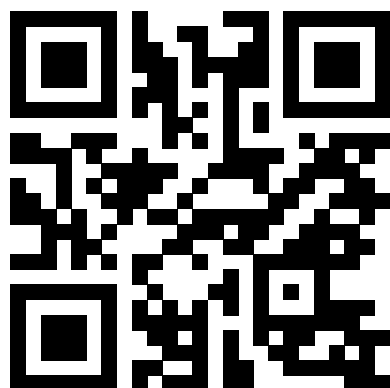
Objective number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized 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 December 2024)	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 December 2024)	5,000,000,000	100%	< 5,000,000,000	<100%	Unutilized funds were invested in Government securities at available market rate.

Important Dates - Q1 2024 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	14 May 2024
Investor Webinar	21 May 2024
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	14 May 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	22 May 2024 and 29 May 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: Mr. Chandima Kannangara
Board of Directors Mr. Sriyan Cooray - Chairman 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 Company Secretary/ Vice President 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



The future is banking on us

National Development Bank PLC, PQ 27
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