

National Development Bank PLC

Update

Ratings

National	
Long-Term Rating	A+(lka)
Subordinated debt	A(lka)

Sovereign Risk

Long-Term Foreign-Currency IDR	B+
Long-Term Local-Currency IDR	B+

Outlooks

National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

National Development Bank PLC

	31 Dec 17	31 Dec 16
	12 months	12 months
Total assets (USDbn)	2.5	2.3
Total assets (LKRbn)	388.6	340.7
Total equity (LKRbn)	34.0	31.0
Operating profit (LKRbn)	7.2	5.1
Net income (LKRbn)	3.4	2.8
Operating profit/risk-weighted assets (%)	2.5	2.0
ROA (%)	0.9	0.9
Fitch Core Capital ratio (%)	11.8	12.2
Loans/customer deposits (%)	102.1	114.8
Gross NPL ratio (%)	1.8	2.6

Source: Fitch

Key Rating Drivers

Intrinsic Profile Drives Rating: The National Long-Term Rating of National Development Bank PLC (NDB) reflects its satisfactory asset quality and lower capitalisation relative to better-rated peers. The bank has progressed from being a project finance-focused development bank to a commercial bank offering more diverse products. NDB accounted for 6% of sector assets and had 107 branches at end-2017.

Potential Capital Pressure: NDB's loan expansion rebounded to 19.3% in 2017 (16.1% for the sector) after moderating to 8.7% in 2016. Fitch Ratings expects the bank to sustain the strong increase in loans to expand its franchise. The growth, alongside higher minimum capital requirements under Basel III and the impact of the planned implementation of SLFRS 9, could pressure its capitalisation in the absence of a capital injection.

NDB must maintain a minimum Tier 1 ratio of 8.5% and total capital ratio of 12.5% by 1 January 2019. The Basel III Tier 1 capital ratio of 8.85% for only the bank at end-2017 stood close to the 8.5% minimum. The Basel III Tier 1 capital ratio for the group stood at 10.49% at end-2017. If NDB's assets exceed LKR500 billion, an additional 1.5% capital buffer is required.

Increasing SME and Retail Exposure: NDB is likely to continue focusing on increasing its exposure to the higher-margin SME and retail customer segments (40% at end-2017). This could help correct thin net-interest margins (NIMs) but increasing exposure to these riskier customer segments and loan book seasoning could pressure asset quality if not adequately managed. The bank's reported non-performing loan (NPL) ratio (1.8% at end-2017) has so far remained below that of the sector.

Deposit Base Expanding: NDB's deposits rose 34% in 2017, supporting an increase in customer deposits/total funding to 80% by end-2017 from 68% at end-2016. The bank's deposit franchise still lags behind that of more established peers. NDB's loans/deposits ratio decreased to 102% by end-2017 from 115% at end-2016 but it could remain high since the bank uses medium and long-term funding to support project lending (22% of loans).

Possible Pressure on ROA: Possible increases in credit costs could put pressure on NDB's return on assets (ROA). NDB reported a 36.5% increase in net income in 2017 after successive declines in net income since 2014. ROA remains below that of similarly rated peers because of thinner NIMs and high operating costs.

Challenging Operating Environment: Fitch maintains a negative outlook on the Sri Lankan banking sector as operating conditions are likely to remain challenging through 2018. The operating environment is of high importance to the ratings of banks as it can affect their financial profiles.

Rating Sensitivities

Capital Profile: NDB's National Long-Term Rating could be downgraded if weaknesses in its core capitalisation persist and the bank is unable to sustain its capitalisation at a level that corresponds to its risk profile. A substantial and sustained improvement in NDB's capitalisation could be positive for its ratings.

Related Research

[Fitch: Sri Lankan Banks to Step up Basel III Tier 2 Issuance \(January 2018\)](#)

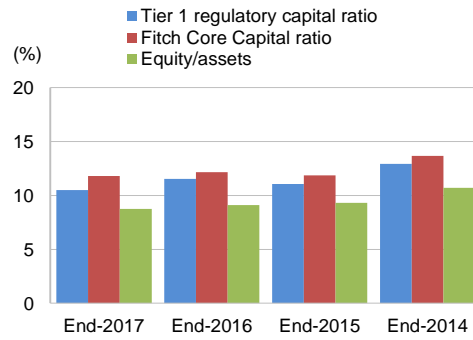
[Fitch Revises DFCC Outlook to Stable; Affirms 9 Sri Lankan Banks \(December 2017\)](#)

Analysts

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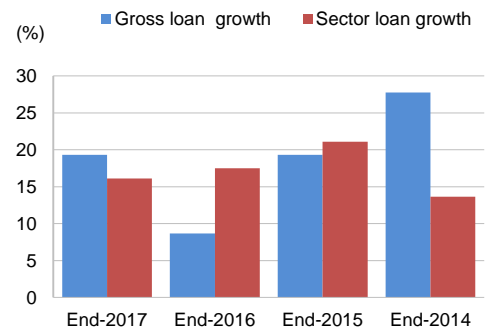
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Capitalisation



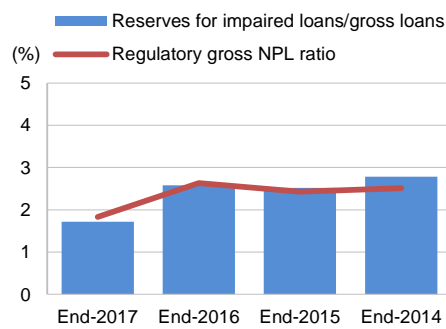
Source: Fitch, NDB

Loan Growth



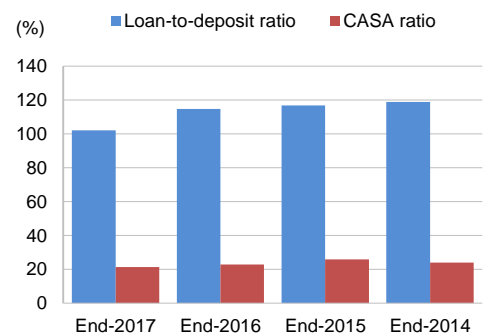
Source: Fitch, NDB

Asset Quality



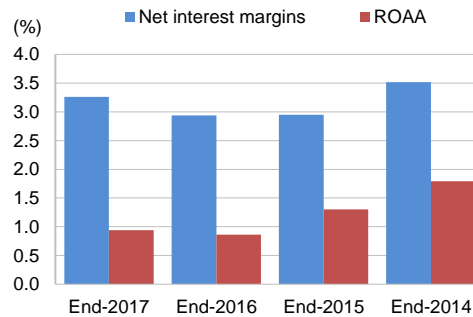
Source: Fitch, NDB

Funding



Source: Fitch, NDB

Profitability



Source: Fitch, NDB

Related Criteria

[Bank Rating Criteria \(March 2018\)](#)

[National Scale Ratings Criteria \(March 2017\)](#)

National Development Bank PLC

	31 Dec 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Year End USDm Audited - Unqualified	Year End LKRbn Audited - Unqualified	As % of Earning Assets	Year End LKRbn Audited - Unqualified	As % of Earning Assets	Year End LKRbn Audited - Unqualified	As % of Earning Assets	Year End LKRbn Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	194.0	29.7	8.19	23.2	7.28	17.2	5.88	16.7	6.57
2. Other Interest Income	50.8	7.8	2.14	5.7	1.80	4.3	1.47	4.4	1.73
3. Dividend Income	0.3	0.0	0.01	0.0	0.00	0.0	0.00	0.0	0.01
4. Gross Interest and Dividend Income	245.1	37.5	10.34	29.0	9.09	21.4	7.35	21.2	8.31
5. Interest Expense on Customer Deposits	127.4	19.5	5.38	12.3	3.87	8.1	2.79	8.7	3.43
6. Other Interest Expense	44.8	6.9	1.89	7.8	2.44	5.5	1.88	4.5	1.77
7. Total Interest Expense	172.3	26.3	7.27	20.1	6.31	13.6	4.67	13.2	5.20
8. Net Interest Income	72.8	11.1	3.07	8.9	2.78	7.8	2.68	7.9	3.11
9. Net Fees and Commissions	22.3	3.4	0.94	3.0	0.96	3.2	1.08	2.6	1.01
10. Net Gains (Losses) on Trading and Derivatives	8.3	1.3	0.35	1.3	0.42	1.4	0.49	1.7	0.65
11. Net Gains (Losses) on Assets and Liabilities at FV	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Gains (Losses) on Other Securities	3.6	0.6	0.15	0.1	0.03	0.2	0.07	0.6	0.23
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	1.9	0.3	0.08	0.3	0.10	0.5	0.18	0.2	0.08
15. Total Non-Interest Operating Income	36.2	5.5	1.53	4.8	1.50	5.3	1.82	5.0	1.97
16. Total Operating Income	109.0	16.7	4.60	13.7	4.29	13.1	4.50	12.9	5.08
17. Personnel Expenses	26.6	4.1	1.12	3.8	1.20	3.6	1.25	3.2	1.25
18. Other Operating Expenses	27.1	4.1	1.14	3.3	1.05	3.2	1.10	2.7	1.08
19. Total Non-Interest Expenses	53.6	8.2	2.26	7.2	2.25	6.8	2.34	5.9	2.32
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	55.3	8.5	2.33	6.5	2.04	6.3	2.15	7.0	2.76
22. Loan Impairment Charge	8.2	1.2	0.34	1.4	0.43	0.7	0.24	0.5	0.21
23. Securities and Other Credit Impairment Charges	0.3	0.0	0.01	0.0	0.01	0.0	0.01	n.a.	-
24. Operating Profit	46.9	7.2	1.98	5.1	1.59	5.5	1.90	6.5	2.56
25. Equity-accounted Profit/ Loss - Non-operating	0.0	0.0	0.00	0.0	0.00	0.1	0.03	0.1	0.04
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	0.2	0.0	0.01	0.0	0.00	0.2	0.06	0.0	0.01
28. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	47.0	7.2	1.98	5.1	1.60	5.8	1.99	6.6	2.60
32. Tax expense	24.6	3.8	1.04	2.3	0.72	2.1	0.73	2.4	0.93
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	22.5	3.4	0.95	2.8	0.88	3.7	1.26	4.2	1.67
35. Change in Value of AFS Investments	2.0	0.3	0.08	(0.4)	(0.13)	(0.3)	(0.10)	0.0	0.00
36. Revaluation of Fixed Assets	1.1	0.2	0.05	0.0	0.01	0.1	0.03	0.9	0.33
37. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.01	0.0	0.00
38. Remaining OCI Gains/(losses)	(1.1)	(0.2)	(0.05)	(0.1)	(0.04)	(0.2)	(0.07)	0.3	0.11
39. Fitch Comprehensive Income	24.4	3.7	1.03	2.3	0.73	3.3	1.13	5.4	2.12
40. Memo: Profit Allocation to Non-controlling Interests	(0.4)	(0.1)	(0.02)	0.1	0.04	0.1	0.04	0.1	0.04
41. Memo: Net Income after Allocation to Non-controlling Interests	22.8	3.5	0.96	2.7	0.84	3.5	1.21	4.1	1.62
42. Memo: Common Dividends Relating to the Period	4.5	0.7	0.19	0.3	0.10	1.8	0.62	1.8	0.71
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = LKR152.8548

USD1 = LKR149.8

USD1 = LKR144.062

USD1 = LKR131.049

National Development Bank PLC

	31 Dec 2017			31 Dec 2016			31 Dec 2015			31 Dec 2014		
	Year End USDm	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	
Assets												
A. Loans												
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Other Loans	1,824.3	278.9	71.75	233.7	68.59	215.1	68.20	180.3	66.98			
6. Less: Reserves for Impaired Loans	31.3	4.8	1.23	6.0	1.77	5.4	1.72	5.0	1.86			
7. Net Loans	1,793.0	274.1	70.52	227.7	66.82	209.7	66.49	175.2	65.11			
8. Gross Loans	1,824.3	278.9	71.75	233.7	68.59	215.1	68.20	180.3	66.98			
9. Memo: Impaired Loans included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
B. Other Earning Assets												
1. Loans and Advances to Banks	5.6	0.9	0.22	0.0	0.01	0.1	0.03	0.3	0.12			
2. Reverse Repos and Securities Borrowing	0.0	0.0	0.00	19.8	5.81	14.5	4.61	24.6	9.13			
3. Derivatives	16.2	2.5	0.64	1.5	0.45	1.9	0.60	1.9	0.71			
4. Trading Securities and at FV through Income	17.4	2.7	0.68	3.7	1.07	5.2	1.66	6.0	2.24			
5. Available for Sale Securities	346.6	53.0	13.63	31.9	9.36	29.0	9.18	18.1	6.71			
6. Held to Maturity Securities	26.7	4.1	1.05	4.9	1.45	5.7	1.80	10.2	3.78			
7. Other Securities	152.5	23.3	6.00	27.4	8.04	24.0	7.61	16.8	6.26			
8. Total Securities	543.2	83.0	21.36	67.9	19.93	63.8	20.25	51.1	18.98			
9. Memo: Government Securities included Above	348.0	53.2	13.69	31.7	9.31	49.8	15.80	38.2	14.20			
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	0.0	0.01	0.0	0.01			
11. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
12. Investments in Property	12.4	1.9	0.49	1.8	0.52	1.7	0.53	1.5	0.57			
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
15. Total Earning Assets	2,370.3	362.3	93.23	318.7	93.55	291.7	92.51	254.7	94.62			
C. Non-Earning Assets												
1. Cash and Due From Banks	135.5	20.7	5.33	17.0	4.98	18.8	5.98	10.0	3.72			
2. Memo: Mandatory Reserves included above	100.5	15.4	3.95	11.8	3.47	7.0	2.22	6.7	2.50			
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Fixed Assets	19.1	2.9	0.75	2.5	0.74	2.5	0.78	2.3	0.84			
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
6. Other Intangibles	2.6	0.4	0.10	0.4	0.11	0.3	0.09	0.3	0.11			
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
9. Discontinued Operations	0.2	0.0	0.01	0.0	0.01	0.0	0.01	0.0	0.01			
10. Other Assets	14.9	2.3	0.59	2.1	0.61	2.0	0.64	1.9	0.70			
11. Total Assets	2,542.6	388.6	100.00	340.7	100.00	315.4	100.00	269.1	100.00			
Liabilities and Equity												
D. Interest-Bearing Liabilities												
1. Total Customer Deposits	1,786.3	273.0	70.25	203.5	59.73	184.2	58.40	151.5	56.29			
2. Deposits from Banks	132.4	20.2	5.21	17.1	5.03	11.6	3.68	7.0	2.61			
3. Repos and Securities Lending	57.0	8.7	2.24	24.5	7.18	26.7	8.46	24.6	9.15			
4. Commercial Paper and Short-term Borrowings	34.7	5.3	1.37	21.5	6.31	3.7	1.16	16.4	6.09			
5. Customer Deposits and Short-term Funding	2,010.5	307.3	79.07	266.6	78.25	226.1	71.70	199.5	74.14			
6. Senior Unsecured Debt	92.1	14.1	3.62	13.2	3.89	30.2	9.56	20.9	7.77			
7. Subordinated Borrowing	126.5	19.3	4.98	19.4	5.71	19.6	6.21	11.1	4.14			
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
10. Total LT Funding	218.6	33.4	8.60	32.7	9.59	49.7	15.77	32.1	11.91			
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
13. Total Funding	2,229.1	340.7	87.67	299.3	87.85	275.8	87.47	231.6	86.05			
14. Derivatives	6.1	0.9	0.24	0.5	0.14	0.6	0.20	0.7	0.25			
15. Total Funding and Derivatives	2,235.2	341.7	87.91	299.8	87.99	276.5	87.67	232.3	86.30			
E. Non-Interest Bearing Liabilities												
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Reserves for Pensions and Other	3.5	0.5	0.14	0.5	0.13	0.3	0.09	0.3	0.11			
4. Current Tax Liabilities	10.3	1.6	0.41	0.9	0.25	0.5	0.17	0.8	0.30			
5. Deferred Tax Liabilities	11.7	1.8	0.46	0.7	0.22	0.7	0.23	0.6	0.23			
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
9. Other Liabilities	59.6	9.1	2.34	7.9	2.31	7.9	2.52	6.4	2.36			
10. Total Liabilities	2,320.3	354.7	91.26	309.7	90.90	286.0	90.68	240.3	89.30			
F. Hybrid Capital												
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
G. Equity												
1. Common Equity	210.2	32.1	8.27	29.5	8.64	27.5	8.71	27.9	10.35			
2. Non-controlling Interest	6.3	1.0	0.25	1.1	0.32	1.0	0.32	0.9	0.34			
3. Securities Revaluation Reserves	(1.5)	(0.2)	(0.06)	(0.5)	(0.16)	(0.1)	(0.04)	0.2	0.06			
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
5. Fixed Asset Revaluations and Other Accumulated OCI	7.3	1.1	0.29	1.0	0.30	1.1	0.34	(0.1)	(0.05)			
6. Total Equity	222.3	34.0	8.74	31.0	9.10	29.4	9.32	28.8	10.70			
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	222.3	34.0	8.74	31.0	9.10	29.4	9.32	28.8	10.70			
8. Total Liabilities and Equity	2,542.6	388.6	100.00	340.7	100.00	315.4	100.00	269.1	100.00			
9. Memo: Fitch Core Capital	219.7	33.6	8.64	30.6	8.99	29.1	9.24	28.5	10.59			

Exchange rate

USD1 = LKR152.8548

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National Development Bank PLC

	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	10.97	9.60	8.09	9.40
2. Interest Income on Loans/ Average Gross Loans	11.57	10.33	8.94	10.49
3. Interest Expense on Customer Deposits/ Average Customer Deposits	8.13	6.37	4.86	6.19
4. Interest Expense/ Average Interest-bearing Liabilities	8.15	6.99	5.55	6.47
5. Net Interest Income/ Average Earning Assets	3.26	2.94	2.95	3.52
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	2.89	2.48	2.68	3.29
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	3.26	2.94	2.95	3.52
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	2.52	2.02	2.26	3.12
2. Non-Interest Expense/ Gross Revenues	49.22	52.39	52.08	45.66
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	15.26	21.90	11.87	7.52
4. Operating Profit/ Average Total Assets	1.96	1.56	1.96	2.74
5. Non-Interest Income/ Gross Revenues	33.18	35.05	40.38	38.73
6. Non-Interest Expense/ Average Total Assets	2.24	2.20	2.41	2.49
7. Pre-impairment Op. Profit/ Average Equity	26.08	21.68	21.39	26.01
8. Pre-impairment Op. Profit/ Average Total Assets	2.31	2.00	2.22	2.96
9. Operating Profit/ Average Equity	22.10	16.93	18.85	24.06
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	10.58	9.38	12.49	15.70
2. Net Income/ Average Total Assets	0.94	0.86	1.30	1.79
3. Fitch Comprehensive Income/ Average Total Equity	11.50	7.72	11.18	19.91
4. Fitch Comprehensive Income/ Average Total Assets	1.02	0.71	1.16	2.26
5. Taxes/ Pre-tax Profit	52.27	44.74	36.65	35.91
6. Net Income/ Risk Weighted Assets	1.21	1.12	1.50	2.03
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	11.80	12.15	11.87	13.66
2. Tangible Common Equity/ Tangible Assets	8.65	9.00	9.24	10.60
3. Equity/ Total Assets	8.74	9.10	9.32	10.70
4. Basel Leverage Ratio	n.a.	n.a.	n.a.	n.a.
5. Common Equity Tier 1 Capital Ratio	10.49	n.a.	n.a.	n.a.
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	10.49	11.55	11.07	12.92
8. Total Capital Ratio	15.18	15.27	15.25	17.55
9. Cash Dividends Paid & Declared/ Net Income	19.99	11.72	49.32	42.78
10. Risk Weighted Assets/ Total Assets	73.21	73.98	77.80	77.51
E. Loan Quality				
1. Reported Gross NPL Ratio	1.83	2.63	2.43	2.51
2. Growth of Gross Loans	19.31	8.67	19.32	27.77
3. Loan Impairment Charges/ Average Gross Loans	0.49	0.61	0.37	0.33
4. Growth of Total Assets	14.06	8.05	17.18	30.13
5. Reserves for Impaired Loans/ Gross Loans	1.72	2.58	2.52	2.78
6. Net Charge-offs/ Average Gross Loans	0.88	0.34	0.46	0.01
F. Funding and Liquidity				
1. Loans/ Customer Deposits	102.13	114.84	116.79	118.99
2. Liquidity Coverage Ratio	214.35	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (excluding derivatives)	80.14	67.99	66.76	65.41
4. Interbank Assets/ Interbank Liabilities	4.23	0.22	0.88	4.42
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	34.16	10.52	21.56	17.05

National Development Bank PLC

	31 Dec 2017			31 Dec 2016			31 Dec 2015			31 Dec 2014		
	Year End USDm	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	Year End LKRbn	As % of Assets	
A. Off-Balance Sheet Items												
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
3. Guarantees	212.1	32.4	8.34	29.7	8.72	26.1	8.26	22.1	8.21	22.1	8.21	
4. Acceptances and documentary credits reported off-balance sheet	130.8	20.0	5.14	15.7	4.62	15.8	5.00	14.7	5.45	14.7	5.45	
5. Committed Credit Lines	753.2	115.1	29.62	111.7	32.80	112.3	35.62	93.9	34.91	93.9	34.91	
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
7. Other Off-Balance Sheet items	669.7	102.4	26.34	78.2	22.94	84.8	26.88	208.2	77.37	208.2	77.37	
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
B. Average Balance Sheet												
1. Average Loans	1,676.8	256.3	65.95	224.8	65.97	192.0	60.88	159.6	59.29	159.6	59.29	
2. Average Earning Assets	2,234.8	341.6	87.89	301.7	88.55	265.1	84.06	225.3	83.72	225.3	83.72	
3. Average Total Assets	2,394.3	366.0	94.17	326.0	95.68	283.2	89.81	237.8	88.36	237.8	88.36	
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Average Interest-Bearing Liabilities	2,113.6	323.1	83.13	267.7	84.44	245.6	77.89	204.7	76.08	204.7	76.08	
6. Average Common equity	200.9	30.7	7.90	28.2	8.27	27.7	8.78	26.0	9.68	26.0	9.68	
7. Average Equity	212.2	32.4	8.35	30.0	8.81	29.4	9.32	27.0	10.05	27.0	10.05	
8. Average Customer Deposits	1,567.6	239.6	61.65	193.6	56.82	167.4	53.07	141.1	52.42	141.1	52.42	
C. Maturities												
Asset Maturities:												
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Liability Maturities:												
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Total Subordinated Debt on Balance Sheet	126.5	19.3	4.98	19.4	5.71	19.6	6.21	11.1	4.14	11.1	4.14	
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
D. Risk Weighted Assets												
1. Risk Weighted Assets	1,861.4	284.5	73.21	252.1	73.98	245.4	77.80	208.6	77.51	208.6	77.51	
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
3. Fitch Core Capital Adjusted Risk Weighted Assets	1,861.4	284.5	73.21	252.1	73.98	245.4	77.80	208.6	77.51	208.6	77.51	
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Fitch Adjusted Risk Weighted Assets	1,861.4	284.5	73.21	252.1	73.98	245.4	77.80	208.6	77.51	208.6	77.51	
E. Fitch Core Capital Reconciliation												
1. Total Equity as reported (including non-controlling interests)	222.3	34.0	8.74	31.0	9.10	29.4	9.32	28.8	10.70	28.8	10.70	
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
5. Other intangibles	2.6	0.4	0.10	0.4	0.11	0.3	0.09	0.3	0.11	0.3	0.11	
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
9. Fund for general banking risks if not already included and readily convertible into equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
10. Fitch Core Capital	219.7	33.6	8.64	30.6	8.99	29.1	9.24	28.5	10.59	28.5	10.59	

Exchange Rate

USD1 = LKR152.8548

USD1 = LKR149.8

USD1 = LKR144.062

USD1 = LKR131.049

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