

INTERIM FINANCIAL STATEMENTS

QUARTER ENDED 31 MARCH 2023

National Development Bank PLC

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

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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 2023 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

NDB posts strong first quarter performance, amidst continuing challenges

12 May 2023, Colombo, Sri Lanka

- Post-tax profitability of LKR 805 Mn, impressively up by 33%
- Net operating income of LKR 4.5 Bn, up by 24% post absorbing impairment of LKR 4.8 Bn
- Balance sheet re-sizing and exchange rate appreciation leading to total assets of LKR 781 Bn
- Sound capital and liquidity positions maintained

National Development Bank PLC posted satisfactory results for the first quarter of 2023, as it continued strong strategic realignment in response to the external challenges that continue to affect the banking sector. Commenting on NDB's performance, Director/ CEO Mr. Dimantha Seneviratne stated that prudent balance sheet management, diversified revenue focus and cost optimization ensured that the Bank generated sound returns to its shareholders. We are cautiously optimistic of the economy's recovery, particularly as the banking sector remains vulnerable with cascading effects of the economic crisis exerting pressure on sector capital adequacy. In such a scenario we are striving to strike a delicate balance between ensuring the quality of our balance sheet and supporting our customers as they gradually converge on a path of recovery, he further commented.

Analysis of financial performance

Profitability

NDB recorded a post-tax profit of LKR 805 Mn for the first quarter ended 31 March 2023, a healthy growth of 33% over the same period in 2022. As demonstrated over the years, NDB's core banking operations posted resilient performance with gross income growing by 75% to LKR 33.5 Bn in the period under review. All income categories grew impressively, with the only exception in other operating income. Net interest income grew by 38% to LKR 8.5 Bn, driven by interest income of LKR 32.8 Bn and interest expenses of LKR 24.2 Bn, which were higher by 113% and 165% over the comparative period respectively. The Bank effectively deployed the funds raised via deposits in interest efficient products whilst maintaining adequate liquidity, resulting in a net interest margin (NIM) of 4.01%. Net fee and commission income was LKR 1.9 Bn an improvement of 13% over the comparative period driven mainly by trade activities, digital transactions and credit card transactions. Other operating income had a LKR 2.2 Bn revaluation loss on account of the rupee appreciation on the Bank's foreign currency reserves.

Impairment charges continued to weigh down profits with a charge of LKR 4.8 Bn reported for the quarter. Impairment provisions for loans reflected macroeconomic impact on loan book quality, predominantly stemming from reduced debt serviceability of customers across all segments, exacerbated by high inflation and negative GDP growth. The Impairment cover (Stage 3) to Stage 3 Loans Ratio was 37.60% (2022: 37.44%) whilst the Impaired Loans (Stage 3) Ratio was 7.30% (2022: 6.24%) by end March 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.

NDB continued its cost disciplines well in to 2023, and reported total operating expenses of LKR 3.1 Bn for the first quarter. The year on year increase in costs was stemmed at 16% amidst high inflation and taxes. This was ably supported by the Bank's digital drive in customer solutions as well as process automations, with 85% of the Bank's total transactions driven via digital platforms. The cost to income ratio reported was 33%. The resultant pretax operating profit was LKR 1.4 Bn up by 45%.

Balance Sheet Performance, Liquidity and Capital Adequacy

In tandem with the industry-wide asset de-growth, NDB also posted a 6% drop in its asset base to LKR 782 Bn compared to the end 2022 position. Gross loans to customers decelerated by 7% to LKR 536 Bn, whilst customer deposits closed in at LKR 629 Bn with a 6% deceleration. Total assets at the Group level stood at LKR 788 Bn.

Regulatory Liquidity Coverage Ratio (Rupee), Liquidity Coverage Ratio (All Currency) and Net stable Funding Ratio stood well above the regulatory minimum requirement of 90% at 301.03%, 237.92% and 131.95% respectively. The Consolidated Statutory Liquid Assets Ratio of 27.76% was also well above the regulatory minimum requirement of 20%.

Tier I and Total Capital Adequacy ratios by the end of Q1 2023 stood at 10.08% (Group: 10.62%) and 13.99% (Group: 14.46%), ahead of the regulatory minimum levels of 8.5% and 12.5% respectively. The Bank's prudent balance sheet repurposing in response to rising impairments and exchange depreciation driven balance sheet inflation, enabled the Bank to preserve capital adequacy and remain stable. NDB has also announced its plans to raise Tier II capital via Basel III compliant listed, rated, unsecured, subordinated, redeemable debentures within a one year time frame ending 30 March 2024, of up to LKR 10 Bn, in further strengthening its capital position.

Investor KPIs and Dividends

Return on average equity and Earnings per share for Q1 2023 were 5.07% (Group: 5.06 %) and LKR 8.59 (Group: LKR 9.11) respectively. Pre-tax Return on Average Assets was 0.70% (Group: 0.75%) and Net asset value per share was LKR 172.02 (Group: LKR 182.50), with both ratios having enhanced over the ratios for the financial year 2022. On 19 April 2023, Board of Directors of NDB approved and declared final scrip dividend of LKR 2.50 per share for the financial year ended 31 December 2022, resulting in 19,369,640 ordinary voting shares being listed as scrip dividends on 08th May 2023 in the Colombo Stock Exchange.

Outlook

Gratifyingly, the macroeconomic conditions in the country are gradually improving. Confidence and certainty have also enhanced to considerable extents with the finalization of the Extended Fund Facility arrangement by the International Monetary Fund. The outlook for the industry remains more on moderated or curtailed growth as capital constraints affect all banks alike. Following suit, NDB will continue a cautious balance sheet management approach whilst optimizing on internal profitability amidst the envisaged challenges, to preserve and enhance Tier I capital in the short to medium term.

STATEMENT OF PROFIT OR LOSS						
	Bank			Group		
	Quarter ended 31/03/2023 LKR '000	Quarter ended 31/03/2022 LKR '000	Change %	Quarter ended 31/03/2023 LKR '000	Quarter ended 31/03/2022 LKR '000	Change %
Gross Income	33,534,090	19,162,059	75	33,955,345	19,467,050	74
Interest Income	32,773,592	15,366,019	113	32,900,803	15,399,404	114
Interest Expenses	24,228,886	9,159,368	165	24,205,631	9,154,818	164
Net Interest Income	8,544,706	6,206,651	38	8,695,172	6,244,586	39
Net Fee and Commission Income	1,936,751	1,716,893	13	2,221,492	2,123,554	5
Net gain/(loss) from trading	905,208	(1,122,619)	181	905,208	(1,122,619)	181
Net gain/(loss) from financial assets at fair value Through Profit or Loss	115,048	(288,184)	140	144,469	(384,851)	138
Net gains/(losses) from derecognition of financial assets	44,510	(9,505)	568	44,510	(12,772)	448
Other operating income	(2,241,019)	3,492,437	(164)	(2,261,137)	3,457,316	(165)
Total Operating Income	9,305,204	9,995,673	(7)	9,749,713	10,305,215	(5)
Less : Impairment Charges	4,810,712	6,367,402	(24)	4,830,496	6,366,516	(24)
Net operating income	4,494,492	3,628,271	24	4,919,217	3,938,699	25
Operating Expenses						
Personnel Expenses	1,453,672	1,339,754	9	1,610,267	1,482,110	9
Depreciation and amortization	242,063	192,960	25	259,285	213,312	22
Other Expenses	1,399,123	1,133,242	23	1,548,552	1,235,451	25
Total operating expenses	3,094,858	2,665,957	16	3,418,104	2,930,873	17
Operating Profit Before Tax on Financial Services	1,399,634	962,315	45	1,501,113	1,007,826	49
Less: Taxes on Financial services	478,498	293,292	63	478,498	293,292	63
Operating Profit After Tax on Financial Services	921,136	669,022	38	1,022,615	714,534	43
Share of associate companies' profits/(losses)	-	-	-	-	-	-
Profit Before Taxation	921,136	669,022	38	1,022,615	714,534	43
Less : Income tax expenses	115,841	63,624	82	177,778	158,836	12
Profit for the quarter	805,295	605,398	33	844,837	555,698	52
Profit Attributable to:						
Equity Holders of the parent	805,295	605,398	33	854,076	539,321	58
Non Controlling Interests	-	-	-	(9,239)	16,378	(156)
	805,295	605,398	33	844,837	555,699	52
Basic Earnings per share (in LKR)	2.12	1.70	25	2.25	1.51	49
Diluted Earnings per share (in LKR)	2.12	1.70	25	2.25	1.51	49

STATEMENT OF COMPREHENSIVE INCOME						
	Quarter ended 31/03/2023	Quarter ended 31/03/2022	Change %	Quarter ended 31/03/2023	Quarter ended 31/03/2022	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Profit for the quarter	805,295	605,398	33	844,837	555,699	52
Items that will be reclassified to Statement of Profit or loss						
Exchange differences on translation of foreign operations	-	-	-	(58,182)	179,671	(132)
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other Comprehensive Income	1,354,157	(1,912,050)	171	1,366,585	(1,931,025)	171
Changes in Impairment allowance for Expected credit losses	-	100,288	(100)	-	100,288	(100)
Cash Flow Hedge Reserve-SWAP	75,454	-	100	75,454	-	100
Less :Tax expense relating to items that will be reclassified to Income Statements	(428,883)	(105,887)	(305)	(428,883)	(105,887)	(305)
A	1,000,727	(1,917,648)	152	954,973	(1,756,953)	154
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	40,709	(285,906)	114	40,709	(285,906)	114
B	40,709	(285,906)	114	40,709	(285,906)	114
Total Other Comprehensive Income after Tax	1,041,436	(2,203,555)	147	995,682	(2,042,859)	149
Total Comprehensive Income for the quarter	1,846,731	(1,598,156)	216	1,840,519	(1,487,160)	224
Attributable to:						
Equity holders of the parent	1,846,731	(1,598,156)	216	1,859,072	(1,536,985)	221
Non Controlling Interests	-	-	-	(18,553)	49,825	(137)
	1,846,731	(1,598,156)	216	1,840,519	(1,487,160)	224

CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
	BANK			Group		
	Current Period	Previous Year		Current Period	Previous Year	
	As at 31/03/2023 LKR '000	As at 31/12/2022 (Audited) LKR '000	Change %	As at 31/03/2023 LKR '000	As at 31/12/2022 (Audited) LKR '000	Change %
Assets						
Cash and cash equivalents	29,029,394	34,849,521	(17)	29,638,261	35,727,665	(17)
Balances with the Central Bank of Sri Lanka	15,287,637	18,187,547	(16)	15,287,637	18,187,547	(16)
Placements with banks	655,698	4,108,989	(84)	655,698	4,108,989	(84)
Derivative Financial Instruments	7,067,537	7,909,252	(11)	7,067,537	7,909,252	(11)
Financial assets recognized through profit or loss measured at fair value	18,947,494	19,318,483	(2)	20,640,460	20,788,523	(1)
Financial assets at amortised cost -loans and receivables to other customers	496,658,580	545,873,027	(9)	496,721,284	545,919,824	(9)
Financial assets at amortised cost - debt and other instruments	126,583,156	135,047,886	(6)	126,583,156	135,047,886	(6)
Financial assets measured at fair value through other comprehensive income	64,747,707	44,685,230	45	65,614,264	45,454,490	44
Investments in subsidiary companies	1,115,794	1,115,794	-	-	-	-
Investment Property	-	-	-	2,879,091	2,879,091	-
Intangible assets	1,965,716	1,804,321	9	1,975,178	1,813,213	9
Property, plant & equipment	3,188,136	3,261,362	(2)	3,831,458	3,907,994	(2)
Right of Use Assets	1,211,880	1,170,763	4	1,354,947	1,323,368	2
Current Tax Assets	-	-	-	42,563	43,488	(2)
Deferred tax Assets	8,984,206	9,004,747	(0)	9,029,672	9,048,896	(0)
Other assets	6,431,687	6,435,328	(0)	7,126,595	7,037,671	1
Total assets	781,874,622	832,772,250	(6)	788,447,801	839,197,897	(6)
Liabilities						
Due to Banks	7,755,103	20,251,657	(62)	7,796,035	20,298,844	(62)
Derivative Financial Instruments	359,485	96,246	274	359,485	96,246	274
Financial Liabilities at amortised cost -due to depositors	628,744,373	672,314,023	(6)	628,257,477	671,713,337	(6)
Financial Liabilities at amortised cost						
- due to debt securities holders	5,303,266	130,541	3,963	5,303,266	130,541	3,963
- due to other borrowers	30,336,141	32,372,265	(6)	30,336,141	32,372,265	(6)
Debt securities issued	28,118,775	27,979,631	0	28,118,775	27,979,631	0
Retirement benefit obligations	922,762	916,007	1	1,028,038	1,019,294	1
Current Tax Liabilities	6,946,873	6,470,353	7	7,103,619	6,635,188	7
Deferred Tax Liabilities	-	-	-	861,362	873,280	(1)
Other liabilities	7,906,299	8,606,663	(8)	8,447,980	9,084,114	(7)
Dividends payable	96,283	99,001	(3)	96,283	99,001	(3)
Total liabilities	716,489,360	769,236,387	(7)	717,708,461	770,301,741	(7)
Equity						
Stated Capital	19,870,665	19,870,665	-	19,870,665	19,870,665	-
Statutory Reserve Fund	2,746,479	2,746,479	-	2,746,479	2,746,479	-
Retained Earnings	38,189,005	37,381,043	2	41,953,868	41,145,983	2
Other Reserves	4,579,113	3,537,676	29	4,795,636	3,741,771	28
Total shareholders' equity	65,385,262	63,535,863	3	69,366,648	67,504,898	3
Non Controlling Interests	-	-	-	1,372,692	1,391,258	(1)
Total Equity	65,385,262	63,535,863	3	70,739,340	68,896,156	3
Total liabilities and equity	781,874,622	832,772,250	(6)	788,447,801	839,197,897	(6)
Net Book Value Per Share (LKR)	172.02	167.16	3	182.50	177.60	3
Contingent liabilities and commitments	308,381,790	293,609,756	5	309,148,741	294,376,706	5
Memorandum Information						
Number of Employees	2,782	2,929				
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.)						
Suvendrini Muthukumarana						
Vice President/ Chief Financial Officer						
We, the undersigned, being the Chairman and the Chief Executive Officer of National Development Bank PLC certify jointly that:						
(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.						
(b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group.						
(Sgd.)						
Sriyan Cooray			(Sgd.)			
Director/ Chairman			Dimantha Seneviratne			
			Director/ Chief Executive Officer			
12 May 2023						

STATEMENT OF CHANGES IN EQUITY										
For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves					Total	Non Controlling Interests	Total Equity
			Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Retained Earnings			
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 2022	18,263,609	2,571,479	1,402,195	44,479	(2,483,938)	-	39,134,382	58,932,206	-	58,932,206
Total Comprehensive Income for the quarter										
Profit for the quarter	-	-	-	-	-	-	605,398	605,398	-	605,398
Other Comprehensive Income before Tax	-	-	-	-	(2,197,957)	-	100,288	(2,097,668)	-	(2,097,668)
Tax on Other Comprehensive Income	-	-	-	-	(105,887)	-	-	(105,887)	-	(105,887)
Total Comprehensive Income for the quarter	-	-	-	-	(2,303,844)	-	705,687	(1,598,156.78)	-	(1,598,157)
Transactions with equity holders										
First and Final Dividends for year 2021	-	-	-	-	-	-	(1,959,965)	(1,959,965)	-	(1,959,965)
Balance as at 31 March 2022	18,263,609	2,571,479	1,402,195	44,479	(4,787,782)	-	37,880,104	55,374,084	-	55,374,084
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 period	-	-	-	-	-	-	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)
Other Comprehensive Income before Tax	-	-	-	-	988,619	52,818	805,295	1,846,732	-	1,846,732
Transactions with equity holders										
Reversal of dividends declared in prior years	-	-	-	-	-	-	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

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 31 March	Stated Capital	Statutory Reserve Fund	Other Reserves					Total	Non Controlling Interests	Total Equity
			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
Balance as at 1 January 2022	18,263,609	2,571,479	1,583,831	44,479	(2,467,181)	-	42,730,952	62,727,169	1,339,373	64,066,542
Total Comprehensive Income for the quarter										
Profit for the quarter	-	-	-	-	-	-	539,321	539,321	16,378.00	555,699
Other Comprehensive Income before Tax	-	-	-	-	(2,216,931)	-	246,515	(1,970,416)	33,443	(1,936,973)
Tax on Other Comprehensive Income	-	-	-	-	(105,887)	-	-	(105,887)	-	(105,887)
Total Comprehensive Income for the quarter	-	-	-	-	(2,322,818)	-	785,836	(1,536,982)	49,821	(1,487,160)
Transactions with equity holders										
First and Final Dividends for year 2021	-	-	-	-	-	-	(1,959,965)	(1,959,965)	-	(1,959,965)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	(440)	(440)
Balance as at 31 March 2022	18,263,610	2,571,479	1,583,831	44,479	(4,789,999)	-	41,556,823	59,230,222	1,388,754	60,618,976
Balance as at 01 January 2023	19,870,665	2,746,479	1,682,941	44,479	(1,055,316)	3,069,667	41,145,983	67,504,898	1,391,258	68,896,156
Profit for the quarter										
Other Comprehensive Income before Tax	-	-	-	-	-	-	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	1,859,083	(18,566)	1,840,519
Transactions with equity holders										
Reversal of dividends declared in prior years	-	-	-	-	-	-	2,667	2,667	-	2,667
Balance as at 31 March 2023	19,870,665	2,746,479	1,682,941	44,479	(54,269)	3,122,485	41,953,869	69,366,648	1,372,692	70,739,340

STATEMENT OF CASH FLOW

For the quarter ended 31 March	BANK		GROUP	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	27,977,896	16,876,359	28,083,901	16,893,215
Fee based income received	1,940,445	1,719,115	2,202,591	2,107,406
Dividend income received	-	149,882	29,892	161,868
Other Operating income received	(1,382,872)	2,148,543	(1,347,692)	2,308,859
Interest paid	(25,119,850)	(7,506,427)	(25,119,375)	(7,514,550)
Personnel costs paid	(1,390,422)	(1,298,442)	(1,541,791)	(1,381,669)
Other expenses paid	(1,710,022)	(893,933)	(1,813,882)	(1,147,222)
Operating Profit before changes in operating assets and liabilities	315,175	11,195,096	493,644	11,427,907
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	2,899,910	2,195,793	2,899,910	2,195,793
Financial Assets at amortised cost -loans and receivables to other customers	47,253,494	(58,117,013)	47,019,041	(58,117,013)
Net (increase)/decrease in operating assets	2,235,017	(9,281,963)	2,336,590	(8,602,469)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	(43,588,957)	46,137,263	(43,292,657)	45,793,250
Financial liabilities at amortised cost - due to debt securities holders	5,172,725	262,672	5,172,725	262,672
Financial liabilities at amortised cost - due to other borrowers	(12,816,969)	4,214,215	(12,816,969)	4,214,215
Repayment of principal portion of lease liabilities	(420,768)	(96,795)	(425,276)	(96,795)
Net increase/(decrease) in other liabilities	(568,457)	10,916,060	(678,643)	10,342,044
Net cash generated/(used in) from operating activities before taxation	481,170	7,425,327	708,365	7,419,604
Tax on Financial Services paid	(318,868)	(499,253)	(318,868)	(499,253)
Income taxes paid	(47,663)	(669,125)	(92,115)	(740,744)
Net cash generated/(used in) from operating activities	114,639	6,256,950	297,382	6,179,607
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial Investments	(7,278,301)	(5,970,589)	(7,725,912)	(5,710,078)
Purchase of Intangible assets	(828,626)	(28,770)	(828,626)	(28,770)
Purchase of property, plant & equipment	(593,550)	(59,733)	(597,959)	(79,242)
Proceeds from sale of property, plant & equipment	1,745	-	1,745	5
Net cash generated /(used in) from investing activities	(8,698,732)	(6,059,092)	(9,150,752)	(5,818,084)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid on debts securities issued	(685,602)	(685,602)	(685,602)	(685,602)
Dividends paid to shareholders of the Bank	(51)	-	(51)	-
Net cash provided by /(used in) financing activities	(685,653)	(685,602)	(685,653)	(685,602)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(9,269,746)	(487,744)	(9,539,023)	(324,079)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	38,958,510	21,711,222	39,836,654	22,064,673
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	29,688,764	21,223,478	30,297,631	21,740,594
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	29,029,394	12,970,808	29,638,261	13,487,923
Placements with banks	655,698	8,251,588	655,698	8,251,588
Cash and cash equivalents at the end of the period (Net)	29,685,092	21,222,395.52	30,293,959	21,739,511
Add : Impairment allowance	3,672	1,083	3,672	1,083
Cash and cash equivalents at the end of the period(Gross)	29,688,764	21,223,478	30,297,631	21,740,594

SEGMENTAL ANALYSIS- GROUP

For the quarter ended 31 March

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
Revenue										
Interest Income	32,773,592	15,366,019	103,956	28,835	-	-	-	-	32,877,548	15,394,854
Fee and Commission Income	1,936,751	1,723,911	206,634	318,366	44,633	50,688	14,704	18,161	2,202,722	2,111,125
Net gain/(loss) from trading	905,208	(1,122,619)	-	-	-	-	-	-	905,208	(1,122,619)
Net gain/(loss) from financial assets at fair value Through	115,048	(284,917)	29,421	(99,934)	-	-	-	-	144,469	(384,851)
Net gains/(losses) from derecognition of financial assets	44,510	(12,772)	-	-	-	-	-	-	44,510	(12,772)
Other Operating Income	(2,241,019)	3,342,555	(20,118)	114,761	-	-	-	-	(2,261,137)	3,457,316
Total revenue from external customers	33,534,090	19,012,177	319,892	362,028	44,518	50,573	14,704	18,161	33,913,205	19,442,939
Inter-segment Revenue	-	-	11,255	7,751	30,885	16,360	-	-	42,140	24,111
Total Revenue	33,534,090	19,012,177	331,148	369,779	75,403	66,933	14,704	18,161	33,955,345	19,467,050
Impairment (charge)/reversal for Loans & other losses	(4,810,712)	(6,366,516)	-	-	(19,785)	-	-	-	(4,830,496)	(6,366,516)
Segment expenses	(27,287,182)	(11,814,486)	(271,886)	(257,331)	(4,967)	(2,014)	(59,698)	(18,878)	(27,623,734)	(12,092,708)
Total segment expenses	(32,097,894)	(18,181,002)	(271,886)	(257,331)	(24,752)	(2,014)	(59,698)	(18,878)	(32,454,231)	(18,459,225)
Segment results	1,436,196	831,175	59,261	112,448	50,651	64,919	(44,994)	(717)	1,501,113	1,007,826
Income tax expenses	-	-	-	-	-	-	-	-	177,778	158,836
Taxes on financial services	-	-	-	-	-	-	-	-	478,498	293,292
Profit after taxation									844,837	555,698
Other information										
Segment assets	781,845,141	764,432,710	3,111,649	2,917,111	3,345,212	3,078,343	145,800	147,531	788,447,801	770,575,695
Consolidated total assets									788,447,801	770,575,695
Segment liabilities	716,002,464	708,347,105	810,941	967,788	870,178	624,269	24,879	17,553	717,708,461	709,956,718
Consolidated total liabilities									717,708,461	709,956,718
Segmental Cash flows										
Cash flows from operating activities	114,639	6,256,950	92,069	(165,713)	38,553	65,405	52,121	22,966	297,382	6,179,607
Cash flows from investing activities	(8,698,732)	(6,744,694)	(450,236)	255,246	(1,784)	(14,239)	-	-	(9,150,752)	(6,503,686)
Cash flows from financing activities	(685,653)	-	-	-	-	-	-	-	(685,653)	-

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

ASSETS	At fair value through	At amortised	At fair value through Other	Others	Total
	profit or loss	cost	comprehensive income		
Cash and cash equivalents	-	29,029,394	-	-	29,029,394
Balances with the Central Bank of Sri Lanka	-	15,287,637	-	-	15,287,637
Placements with banks	-	655,698	-	-	655,698
Derivative Financial Instruments	7,067,537	-	-	-	7,067,537
Financial assets recognized through profit or loss measured at fair value	18,947,494	-	-	-	18,947,494
Financial assets at amortised cost -loans and receivables to other customers	-	496,658,580	-	-	496,658,580
Financial Assets at amortised cost - debt and other instruments	-	126,583,156	-	-	126,583,156
Financial assets measured at fair value through Other comprehensive income	-	-	64,747,707	-	64,747,707
Other Financial Assets	-	2,115,590	-	-	2,115,590
Total Financial Assets	26,015,031	670,330,055	64,747,707	-	761,092,793

LIABILITIES	At fair value through	Amortized cost	Total
	profit or loss		
Due to Banks	-	7,755,103	7,755,103
Derivative Financial Instruments	359,485	-	359,485
Financial Liabilities at amortised cost -due to depositors	-	628,744,373	628,744,373
Financial Liabilities at amortised cost			
- due to debt securities holders	-	5,303,266	5,303,266
- due to other borrowers	-	30,336,141	30,336,141
Debt securities issued	-	28,118,775	28,118,775
Other Financial Liabilities	-	2,260,345	2,260,345
Total Financial Liabilities	359,485	702,518,003	702,877,488

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

ASSETS	At fair value through	At amortised	At fair value through Other	Others	Total
	profit or loss	cost	comprehensive income		
Cash and cash equivalents	-	29,638,261	-	-	29,638,261
Balances with the Central Bank of Sri Lanka	-	15,287,637	-	-	15,287,637
Placements with banks	-	655,698	-	-	655,698
Derivative Financial Instruments	7,067,537	-	-	-	7,067,537
Financial assets recognized through profit or loss measured at fair value	20,640,460	-	-	-	20,640,460
Financial assets at amortised cost -loans and receivables to other customers	-	496,721,284	-	-	496,721,284
Financial Assets at amortised cost - debt and other instruments	-	126,583,156	-	-	126,583,156
Financial Assets measured at fair value through Other comprehensive income	-	-	65,614,264	-	65,614,264
Other Financial Assets	-	2,577,325	-	-	2,577,325
Total Financial Assets	27,707,997	671,463,361	65,614,264	-	764,785,622

LIABILITIES	At fair value through	Amortized cost	Total
	profit or loss		
Due to Banks	-	7,796,035	7,796,035
Derivative Financial Instruments	359,485	-	359,485
Financial Liabilities at amortised cost -due to depositors	-	628,257,477	628,257,477
Financial Liabilities at amortised cost			
- due to debt securities holders	-	5,303,266	5,303,266
- due to other borrowers	-	30,336,141	30,336,141
Debt securities issued	-	28,118,775	28,118,775
Other Financial Liabilities	-	2,576,099	2,576,099
Total Financial Liabilities	359,485	702,387,793	702,747,278

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2022 - BANK (LKR '000)

ASSETS	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
Cash and cash equivalents	-	34,849,521	-	-	34,849,521
Balances with the Central Bank of Sri Lanka	-	18,187,547	-	-	18,187,547
Placements with banks	-	4,108,989	-	-	4,108,989
Derivative Financial Instruments	7,909,252	-	-	-	7,909,252
Financial Assets measured at fair value through profit or loss	19,318,483	-	-	-	19,318,483
Financial Assets at amortised cost -loans and advances	-	545,873,027	-	-	545,873,027
Financial Assets at amortised cost - debt instruments	-	135,047,886	-	-	135,047,886
Financial assets measured at fair value through other comprehensive income	-	-	44,685,230	-	44,685,230
Other Financial Assets	-	1,963,077	-	-	1,963,077
Total Financial Assets	27,227,735	740,030,047	44,685,230	-	811,943,012

LIABILITIES	At fair value through profit or loss	Amortized cost	Total
Due to Banks	-	20,251,657	20,251,657
Derivative Financial Instruments	96,246	-	96,246
Financial Liabilities at amortised cost -due to depositors	-	672,314,023	672,314,023
Financial Liabilities at amortised cost	-	-	-
- due to debt securities holders	-	130,541	130,541
- due to other borrowers	-	32,372,265	32,372,265
Debt securities issued	-	27,979,631	27,979,631
Other Financial Liabilities	-	2,957,821	2,957,821
Total Financial Liabilities	96,246	756,005,938	756,102,184

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2022 - GROUP (LKR '000)

ASSETS	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
Cash and cash equivalents	-	35,727,665	-	-	35,727,665
Balances with the Central Bank of Sri Lanka	-	18,187,547	-	-	18,187,547
Placements with banks	-	4,108,989	-	-	4,108,989
Derivative Financial Instruments	7,909,252	-	-	-	7,909,252
Financial assets recognized through profit or loss measured at fair value	20,788,523	-	-	-	20,788,523
Financial assets at amortised cost -loans and receivables to other customers	-	545,919,824	-	-	545,919,824
Financial Assets at amortised cost - debt and other instruments	-	135,047,886	-	-	135,047,886
Financial Assets measured at fair value through Other comprehensive income	-	-	45,454,490.00	-	45,454,490
Other Financial Assets	-	2,424,812	-	-	2,424,812
Total Financial Assets	28,697,775	741,416,723	45,454,490	-	815,568,988

LIABILITIES	At fair value through profit or loss	Amortized cost	Total
Due to Banks	-	20,298,844	20,298,844
Derivative Financial Instruments	96,246	-	96,246
Financial Liabilities at amortised cost -due to depositors	-	671,713,337	671,713,337
Financial Liabilities at amortised cost	-	-	-
- due to debt securities holders	-	130,541	130,541
- due to other borrowers	-	32,372,265	32,372,265
Debt securities issued	-	27,979,631	27,979,631
Other Financial Liabilities	-	3,273,575	3,273,575
Total Financial Liabilities	96,246	755,768,193	755,864,439

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 2023. 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 2022.

Bank	2023				2022			
	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
	31/03/2023 LKR '000	31/03/2023 LKR '000	31/03/2023 LKR '000	31/03/2023 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000
Financial Assets								
Derivative Financial Instruments	-	7,067,537	-	7,067,537	-	7,909,252	-	7,909,252
Financial assets recognized through profit or loss measured at fair value	18,947,494	-	-	18,947,494	19,318,483	-	-	19,318,483
Financial assets measured at fair value through other comprehensive income	64,741,483	-	6,224	64,747,707	44,679,006	-	6,224	44,685,230
Total Financial Assets	83,688,977	7,067,537	6,224	90,762,738	63,997,489	7,909,252	6,224	71,912,965
Financial Liabilities								
Derivative Financial Instruments	-	359,485	-	359,485	-	96,246	-	96,246
Total Financial Liabilities	-	359,485	-	359,485	-	96,246	-	96,246

Group	2023				2022			
	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
	31/03/2023 LKR '000	31/03/2023 LKR '000	31/03/2023 LKR '000	31/03/2023 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000	31/12/2022 LKR '000
Financial Assets								
Derivative Financial Instruments	-	7,067,537	-	7,067,537	-	7,909,252	-	7,909,252
Financial assets recognized through profit or loss measured at fair value	19,764,592	-	875,868	20,640,460	19,912,655	-	875,868	20,788,523
Financial assets measured at fair value through other comprehensive income	65,135,415	472,625	6,224	65,614,264	44,975,641	472,625	6,224	45,454,490
Total Financial Assets	84,900,007	7,540,162	882,092	93,322,261	64,888,296	8,381,877	882,092	74,152,265
Financial Liabilities								
Derivative Financial Instruments	-	359,485	-	359,485	-	96,246	-	96,246
Total Financial Liabilities	-	359,485	-	359,485	-	96,246	-	96,246

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 published by the Central Bank of Sri Lanka as of 31 March 2023. Further, the Bank has accounted for management overlays to mitigate any expected losses by moving the staging of facilities included in the identified risk elevated industries to a higher stage 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 Dividends**
- On 19 April 2023, the Board of Directors approved and declared a final scrip Dividend of LKR 2.50 per share for the financial year ended 31 December 2022 . Accordingly 19,369,640 ordinary voting shares have been listed as scrip dividends on 08th May 2023. As a result, the stated capital of the Bank as at March 2023 amounting to LKR 19.87 will increased to LKR 20.74 Bn (31 December 2022 - LKR 19.87 Bn).
- 5 Proposed Debenture Issue**
- The Board of Directors of the Bank at its meeting held on 24 January 2023 approved and Shareholders approved at the Extra Ordinary General Meeting held on 30 March 2023, 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.
- 6** 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
7. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31 MARCH 2023
7.1 Product wise Gross Loans and Receivables
By product-Domestic Currency

	Bank		Group	
	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000
Term loans	132,999,999	137,442,612	132,999,999	137,442,612
Medium and short term loans	62,179,352	70,108,323	62,179,352	70,108,323
Overdrafts	70,116,809	81,725,795	70,116,809	81,725,797
Trade Finance	17,234,624	21,845,659	17,234,624	21,845,659
Consumer loans	53,627,626	55,359,969	53,627,626	55,359,969
Lease rentals receivable and Hire Purchase	21,782,116	23,510,550	21,782,116	23,510,550
Housing loans	18,808,079	19,115,607	18,808,079	19,115,607
Islamic Banking facilities	8,796,666	10,228,740	8,796,666	10,228,740
Credit cards	8,435,960	8,329,859	8,435,960	8,329,859
AF Loans	3,186,713	3,453,044	3,186,713	3,453,044
Staff loans	2,292,229	2,341,756	2,354,933	2,388,581
Pawning	12,211,214	11,864,851	12,211,214	11,864,851
Sub total	411,671,388	445,326,764	411,734,091	445,373,591
By product-Foreign Currency				
Term loans	19,955,325	19,826,358	19,955,325	19,826,358
Overdrafts	7,161,427	9,642,280	7,161,427	9,642,280
Medium and short term loans	53,218,042	61,981,258	53,218,042	61,981,258
Trade Finance	36,365,469	36,436,665	36,365,469	36,436,665
Islamic Banking facilities	7,138,107	6,243,251	7,138,107	6,243,251
Housing loans	88,040	104,388	88,040	104,388
Sub total	123,926,411	134,234,200	123,926,411	134,234,200
Total	535,597,798	579,560,964	535,660,502	579,607,791

7.2 Product wise commitments and contingencies considered for Impairment
By product- Domestic Currency

	Bank		Group	
	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000
Guarantees	36,850,996	34,757,932	36,705,045	34,611,981
Performance Bonds	13,163,176	13,688,432	13,163,176	13,688,432
Documentary Credits	312,396	203,745	312,396	203,745
Acceptances	48,042	-	48,042	-
Undrawn commitments	186,881,473	177,198,954	187,794,374	178,111,856
Sub Total	237,256,082	225,849,063	238,023,033	226,616,014
By product- Foreign Currency				
Guarantees	9,132,649	12,628,713	9,132,649	12,628,713
Performance Bonds	11,241,668	12,121,661	11,241,668	12,121,661
Documentary Credits	5,512,511	7,541,377	5,512,511	7,541,377
Acceptances	7,131,499	6,388,781	7,131,499	6,388,781
Undrawn commitments	1,414,742	1,340,307	1,414,742	1,340,307
Sub Total	34,433,069	40,020,838	34,433,069	40,020,838
Total	271,689,151	265,869,901	272,456,102	266,636,852

Gross loans and advances , Commitments and Contingencies

	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000
	807,286,949	845,430,865	808,116,604	846,244,643
(Less): Accumulated impairment under stage 1	6,857,354	4,812,665	6,857,354	4,812,665
Accumulated impairment under stage 2	6,519,897	5,542,129	6,519,897	5,542,129
Accumulated impairment under stage 3	27,468,764	24,702,027	27,468,764	24,702,027
Net value of loans and advances, commitments and contingencies	766,440,934	810,374,043	767,270,588	811,187,821

	Bank		Group	
	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000
7.3 Movement of impairment during the period				
Under stage 1				
Balance at 1 January	4,812,665	4,831,892	4,812,665	4,831,892
Charge/(Write back) to Statement of Profit or Loss	2,044,689	(19,227)	2,044,689	(19,227)
Write-off during the period	-	-	-	-
Closing balance	6,857,354	4,812,665	6,857,354	4,812,665
Under stage 2				
Balance at 1 January	5,542,129	4,327,481	5,542,129	4,327,481
Charge/(Write back) to Statement of Profit or Loss	977,768	1,214,649	977,768	1,214,649
Write-off during the period	-	-	-	-
Closing balance	6,519,897	5,542,129	6,519,897	5,542,129
Under stage 3				
Balance at 1 January	24,702,027	14,472,212	24,702,027	14,472,212
Charge/(Write back) to Statement of Profit or Loss	3,207,395	10,650,330	3,207,395	10,650,330
Write-off during the period	(440,658)	(578,490)	(440,658)	(578,490)
Other movement	-	157,976	-	157,976
Closing balance	27,468,764	24,702,027	27,468,764	24,702,027

	Bank		Group	
	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000	As at 31/03/2023 LKR '000	As at 31/12/2022 LKR '000
8. ANALYSIS OF DEPOSITS				
Due to Other Customers - By product				
By product-Domestic Currency				
Demand deposits	29,963,899	31,435,221	29,946,865	31,421,898
Savings deposits	59,704,340	63,027,142	59,608,427	63,006,056
Time deposits	365,438,356	374,560,470	365,102,536	374,223,346
Other deposits	1,029,228	1,037,523	1,029,228	1,037,523
Sub total	456,135,823	470,060,356	455,687,056	469,688,823
By product- Foreign Currency				
Demand deposits	6,767,404	9,889,126	6,767,404	9,889,126
Savings deposits	26,575,756	37,354,910	26,568,546	37,347,113
Time deposits	139,026,749	154,670,088	138,995,831	154,448,732
Other deposits	238,640	339,543	238,640	339,543
Sub total	172,608,550	202,253,667	172,570,421	202,024,514
Total	628,744,373	672,314,023	628,257,477	671,713,337

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 31/03/2023	As at 31/12/2022	As at 31/03/2023	As at 31/12/2022
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier 1 Capital	50,002,442	49,187,072	53,690,563	52,968,361
Tier 1 Capital	50,002,442	49,187,072	53,690,563	52,968,361
Total Capital	69,395,495	70,341,919	73,060,574	74,119,273
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	10.08	9.34	10.62	9.87
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	10.08	9.34	10.62	9.87
Total Capital Ratio (Minimum Requirement - 12.5%)	13.99	13.35	14.46	13.81
Leverage Ratio (Minimum Requirement - 3%)	6.05	5.56	6.44	5.94
Regulatory Liquidity				
Statutory Liquid Assets (LKR'000)	210,771,786	205,530,328	210,771,786	205,530,328
Statutory Liquid Assets Ratio - Bank (%) (Minimum Requirement -20%)	27.76	27.24	27.76	27.24
Total stock of high quality liquid assets (LKR ' 000) - All currency	174,423,533	159,365,882	174,423,533	159,365,882
Total stock of high quality liquid assets (LKR ' 000) - Rupee	155,695,391	140,737,325	155,695,391	140,737,325
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement 2023- 100% , 2022 - 90%)	301.03	297.08	301.03	297.08
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 2023 -100%, 2022 - 90%)	237.92	232.68	237.92	232.68
Net stable Funding Ratio (%) (Minimum Requirement 2023 - 100% , 2022 - 90%)	131.95	130.87	131.95	130.87
Asset Quality (Quality of the Loan Portfolio)				
Impaired Loans (Stage 3) Ratio (%)	7.30	6.24	7.30	6.24
Impairment (stage 3) to Stage 3 loans Ratio (%)	37.60	37.44	37.60	37.44
Profitability				
Earnings Per Share (annualised) (LKR)	8.59	7.65	9.11	7.92
Return on Average Shareholders' Funds (%)	5.07	4.75	5.06	4.62
Return on Average Assets (after Tax (%))	0.40	0.38	0.43	0.39
Return on Average Assets (before Tax (%))	0.70	0.26	0.75	0.34
Net interest margin (%)	4.01	4.00	4.05	4.02
Debt Security - Related Ratios				
Interest Cover (Times)	1.35	1.46	1.36	1.46
Debt to Equity (Times)	10.71	11.85	10.09	11.15

SHARE INFORMATION
SHARE PRICE

As at	31/03/2023	31/12/2022
Number of shares	380,094,722	380,094,722
Last traded price (LKR)	44.90	32.00
For the quarter ended	31/03/2023	31/12/2022
Highest price per share (LKR)	55.50	43.00
Lowest price per share (LKR)	31.40	31.30

TOP 20 REGISTERED SHAREHOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 31.03.2023

	Name	Number of Shares	%
1	STANDARD CHARTERED BANK MAURITIUS S/A NORFUND	37,971,462	9.99
2	EMPLOYEE'S PROVIDENT FUND	36,125,392	9.50
3	BANK OF CEYLON NO. 1 ACCOUNT	30,210,035	7.95
4	RICHARD PIERIS AND CO LTD A/C NO.01	23,545,358	6.20
5	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	23,099,809	6.08
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	19,204,777	5.05
7	SOFTLOGIC LIFE INSURANCE PLC ACCOUNT NUMBER 03/LIFE SHAREHOLDERS FUND	15,066,780	3.96
8	EMPLOYEES TRUST FUND BOARD	12,892,611	3.39
9	DR. S. YADDEHIGE	10,814,195	2.85
10	HATTON NATIONAL BANK PLC A/C NO 1	10,536,091	2.77
11	PERPETUAL TREASURIES LIMITED	9,298,864	2.45
12	SBI VEN HOLDINGS PTE LTD	9,226,644	2.43
13	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	7,963,839	2.10
14	PEOPLE'S LEASING & FINANCE PLC/MR. D. SCHAFFTER	6,596,635	1.74
15	AKBAR BROTHERS PVT LTD A/C NO 1	5,795,780	1.53
16	MR. A.K. PATHIRAGE	5,480,626	1.44
17	ASIRI SURGICAL HOSPITAL PLC	5,389,041	1.42
18	PHOENIX VENTURES PRIVATE LIMITED	4,951,153	1.30
19	DEUTSCHE BANK AG AS TRUSTEE TO ASSETLINE INCOME PLUS GROWTH FUND	4,677,031	1.23
20	ARPICO INSURANCE PLC-SHARE HOLDERS	3,613,375	0.95

Note: Out of the 380,094,722 shares in issue, 36,507 shares amounting to 0.0096% held by one shareholder is not registered in the shareholder register of NDB/held in suspense pending registration.

PUBLIC HOLDING PERCENTAGE

	As at 31/03/2023
Float adjusted Market Capitalization in LKR	12,309,888,302
Percentage of shares held by the public	72.13%
Number of public shareholders	11,424
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS' INTEREST IN SHARES OF NDB AS AT 31.03.2023

Name	No. of shares
MR. SRIYAN COORAY	-
MR. DIMANTHA SENEVIRATNE	75,375
MR. BERNARD SINNIH	-
MR. SUJEEWA MUDALIGE	-
MR. KUSHAN D'ALWIS, PC	-
MS. (FAY) PIYACHATR CHETNAKARNKUL	-
MS. CHANDIMA DILRUKSHI	-
MS. KASTURI WILSON	-

Rated unsecured subordinated redeemable debentures

INFORMATION ON DEBENTURES- BANK											
Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 31 Mar 2023 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 November 2021 A - Nov 2021/Nov 2026 B - Nov 2021/Nov 2028	Listed	Semi-annually	8,187	Not traded during the quarter			11.90	11.66	11.14	Not traded during the quarter	
		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	6,798	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 B - Mar 2019/Mar 2024	Listed	Semi-annually	1,242	Not traded during the quarter			13.50	13.17	11.04	Not traded during the quarter	
	Listed	Annually	4,315	Not traded during the quarter			13.95	13.1	11.04	Not traded during the quarter	
Fixed rate - Debenture December 2013 C - Dec 2013/Dec 2023 D - Dec 2013/Dec 2025	Listed	Annually	3,754	Not traded during the quarter			13.90	13.17	11.80	Not traded during the quarter	
	Listed	Annually	3,702	Not traded during the quarter			14.00	13.26	12.09	Not traded during the quarter	
Total Debentures			28,119								

Important Dates - Q1 2023 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	12 May 2023
Investor Webinar	23 May 2023
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	12 May 2023
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	25 May 2023 & 31 May 2023

Corporate Information

<p>Name National Development Bank PLC</p> <p>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.</p>	<p>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</p> <p>Credit Rating: Long-term National Rating: A-(lka) Fitch Ratings Lanka Limited</p>
<p>Registration No. PQ 27</p> <p>Accounting Year End 31 December</p>	<p>Auditors M/s Ernst & Young, 201, De Saram Place, Colombo 10</p> <p>Company Secretary: Ms. Shehani Ranasinghe</p> <p>Compliance Officer: Mr. Chandima Kannangara</p>
<p>Board of Directors Mr.Sriyan Cooray - Chairman Mr.Dimantha Seneviratne - Director/Chief Executive Office Mr. Bernard Sinniah - Director Mr.Sujeewa Mudalige - Director Mr.Hiran Perera - Director (Resigned 14.02.2023) Mr.Kushan D'Alwis, PC - Director Ms.(Fay) Piyachatr Chetnakarnkul - Director Ms.Chandima Dilrukshi - Director Ms.Kasturi Wilson - Director Ms.Shweta Aprameya (Effective 28.04.2023)</p>	<p>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)</p>
Investor Relations - Contact Details	
<p>Company Secretarial Unit Ms. Shehani Ranasinghe Company Secretary/ Vice President Email: shehani.ranasinghe@ndbbank.com Tel.: +94 (0)11 2448448 Ext: 35013</p>	<p>Investor Relations Team Ms. Suvendrini Muthukumarana Chief Financial Officer Email: suvendrini.muthukumarana@ndbbank.com investor.relations@ndbbank.com Tel.: +94(0)112448448 Ext: 35301</p>



The future is banking on us

National Development Bank PLC, PQ 27
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