

OUR REACH TO INVESTORS

As was discussed in the Stakeholder Analysis section, investors are one of our prime stakeholder groups. The confidence, our investors have placed on us has been a key ingredient in our formula for success. At NDB, we are dedicated to maintaining a sound and regular dialogue with our investors.

As such, we conduct a series of investor relationship activities all year round. All investor activities are carried out based on the principles of quality of disclosures, transparency, and fairness. Furthermore, we do not engage in selective disclosures in any instance and we maintain our relations with investors on a consistent basis irrespective of variations in financial performance. We also maintain an open-door policy regarding investor engagements where we are easily accessible to them.

Investor meetings are always attended by the Chief Executive Officer (CEO) and the Group Chief Financial Officer of the Bank, facilitating the connectivity with the top management of the Bank.

RECOGNITION FOR NDB INVESTOR RELATIONS

NDB was selected as the Gold Award winner at the CFA Sri Lanka Capital Market Awards 2016. This accolade recognizes listed companies carrying out best practices in investor relations. NDB was the Silver Award winner in 2015 and the Bronze Award winner 2014 at the same event.

The gradual progression of NDB in this coveted award reflects the efforts we have made in ensuring best in class engagement with our valued investors.

INVESTOR RELATIONS AT NDB

Investor relations team – established under the Group CFO, with an ultimate reporting line to the CEO

Objective of Investor Relations – to maintain a best in class relationship with existing and potential, local and international investors and other relevant stakeholders to leverage their contribution to the Bank's thriving momentum in the industry.

Stakeholder groups/Scope of investor relations

- Current shareholders
- Prospective investors
- Regulators [Colombo Stock Exchange (CSE), Securities and Exchange Commission (SEC), Central Bank of Sri Lanka (CBSL), and any other regulatory body as required]
- Stock market and investment analysts
- Fund Managers
- Rating agencies
- Development Financing Institutions (DFIs)
- Media
- Any other relevant party

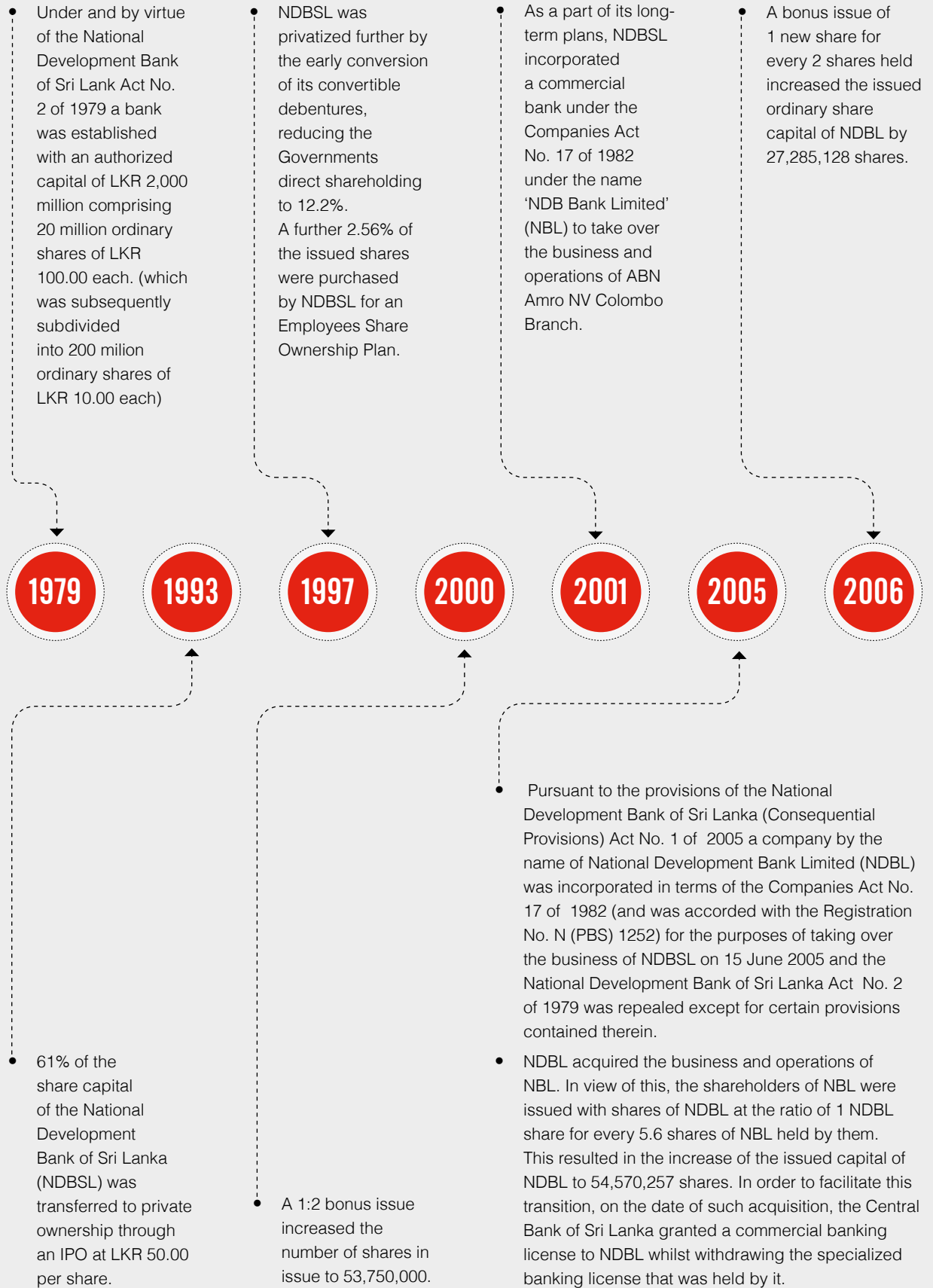
Perceived benefits of best in class investor relations

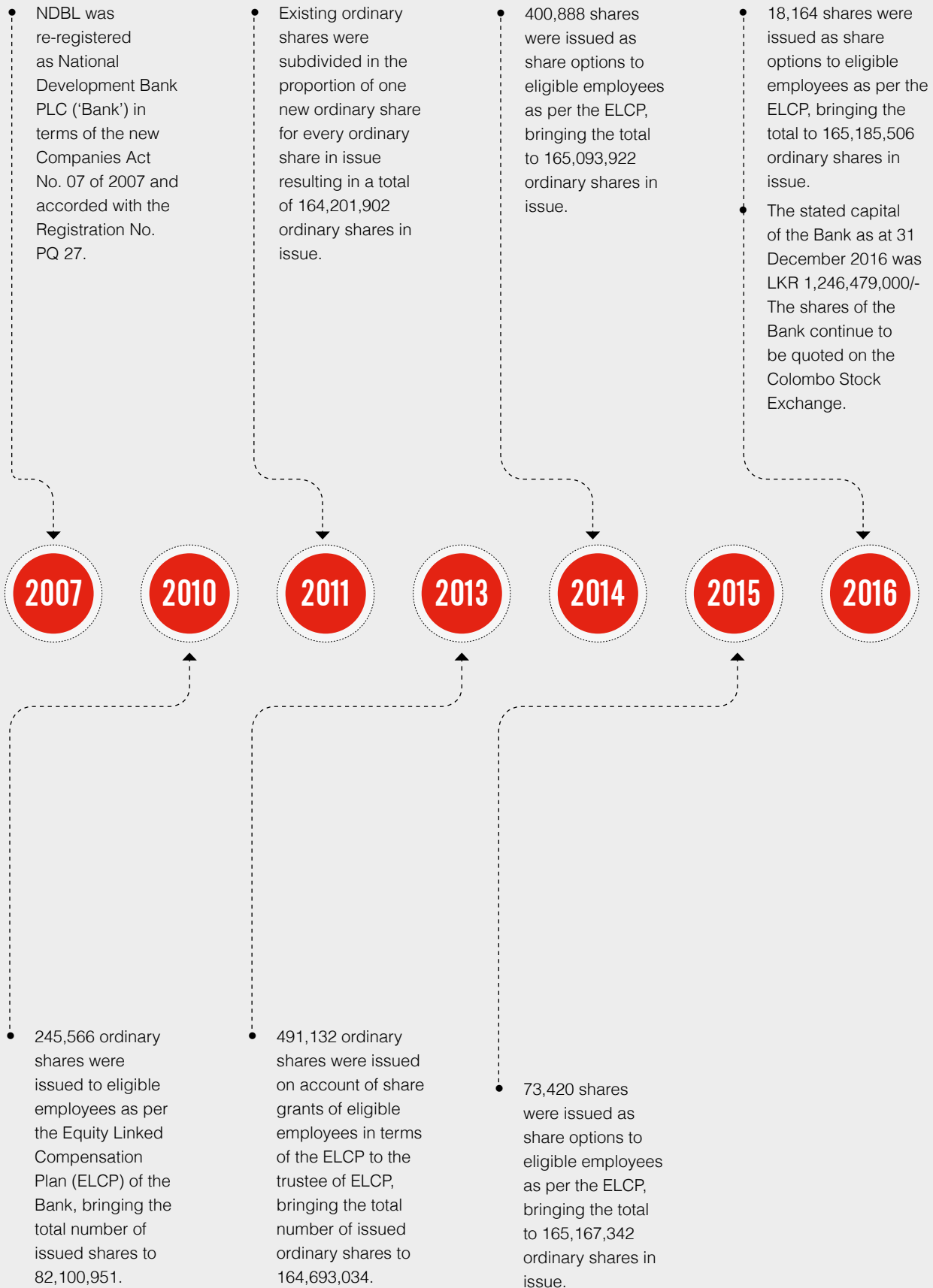
- Help deliver a fair valuation of the Bank's equity
- Reduce funding cost
- Save valuable management time
- Provide a resilient and well-informed shareholder base with enhanced investment decision-making capabilities

Investor relations activities

- Annual General Meeting
- One-to-one investor meetings
- Financial Statements released to the CSE
- Press releases
- Investor presentations
- Investor transcripts
- Email notifications
- Local and foreign investor fora
- Online investor webinars
- Earnings calls
- Road shows
- Investor relations web page within the Bank's corporate website

Evolution of NDB's Ownership and Share Base – 1979 – 2016





Securities in Issue - NDB

- Ordinary shares
- Debentures
 - Listed rated unsecured subordinated redeemable debentures issued in December 2013
 - Listed rated unsecured subordinated redeemable debentures issued in June 2015

ORDINARY SHARES

1. Features of Ordinary Shares

Security type	Quoted ordinary shares
Listed exchange	Colombo Stock Exchange (CSE) – Main Board
Featured stock indices	All Share Price Index (ASPI), S&P SL20 Index Bank, Finance and Insurance Index (BFI)
CSE stock symbol	NDB.N0000
ISIN	LK0207N0007
Bloomberg newswire code	NDB SL
Reuters newswire code	NDB.CM

2. Analysis of Equity Market Performance and NDB Share Performance – 2016

2.1 Performance of Global Equity Markets

2016 was a comparatively better year than 2015 for the main global equity markets, amidst the significant events that occurred changing the global political, social and economic landscape. Britain's referendum to leave the EU and Donald Trump's presidential election victory were two main political surprises that shook the investment markets. On the monetary policy front, the US Federal Reserve's decision to raise rates after 12 months in December 2016 was received with mixed sentiments by the capital markets. The MSCI World index recorded a gain of 4.5% for 2016 recovering from the shocks of the major events that took place. The main global equity markets performed well recording gains in several key indices such as S&P 500-USA (+9.5%),

FTSE 100-UK (+14.4%) and S&P ASX 200-Australia (+7.0%). Meanwhile, the Shanghai Shenzhen CSI 300 index-China recorded a loss of 12.31%.

2.2 Performance of the Colombo Stock Exchange

During 2016, the All Share Price Index (ASPI) dropped 9.7% whilst S&P SL20 index also declined by 3.6%. The equity market activity remained subdued throughout the year recording an average daily turnover of LKR 737 million (LKR 1,060 million in 2015). A significant drop in ASPI as well as S&P SL20 was witnessed in the first quarter of 2016 due to tax proposals taking a toll on investor confidence coupled with the fed rate hike initiated almost after a decade in December 2015. A short-lived upward trajectory in indices was witnessed in the month of April with the confirmation of the IMF Extended Fund Facility (IMF EFF) to Sri Lanka. Although a net foreign outflow of LKR 6.3 billion was recorded for the first half of 2016, renewed interest from foreign investors was observed in the backdrop of the

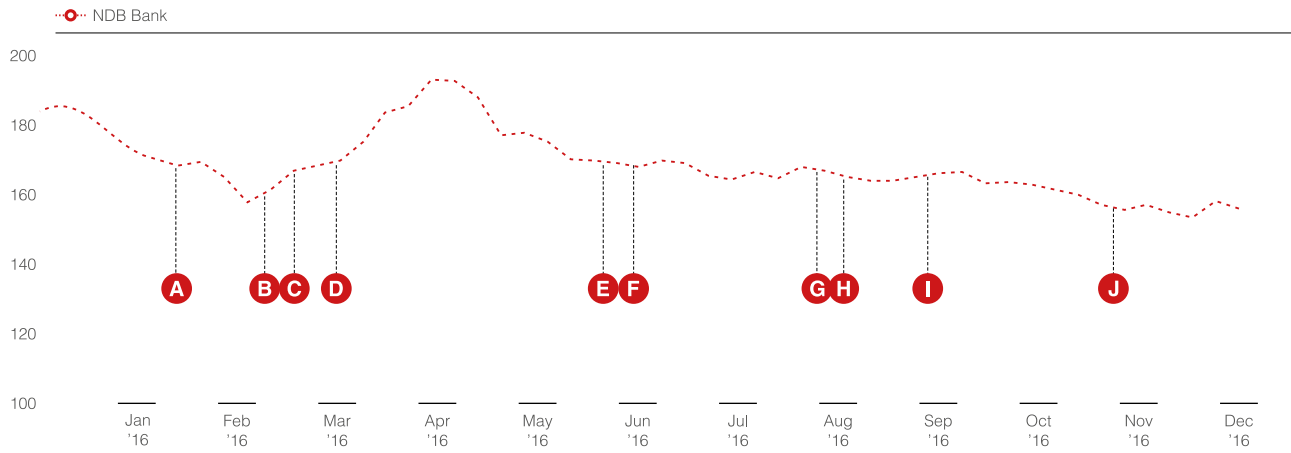
receipt of IMF EFF that led to net foreign inflow of LKR 6.7 billion in the second half of 2016.

2.3 Performance of the NDB Share

The NDB share price declined by 19.6% to close at LKR 156.00 by end of 2016. During the year, the share reached a high of LKR 199.90 (in May 2016) and a low of LKR 150.00 (in November 2016). The NDB share performance was mainly impacted from the Fitch Rating downgrade from AA-(lka) to A+(lka) and the resignation of the CEO coupled with fiscal tightening measures which adversely affected the counters across the Board especially, the banking sector.

NDB Share Price Movement Over the Year

LKR



A	12 February 2016	Final dividend announcement (FY 2015) LKR 4.00 per share.
B	1 March 2016	Approval of the Employee Share Option Scheme (ESOS) by the BOD.
C	4 March 2016	Announcement of an Extraordinary General Meeting (EGM) to be held on 30 March 2016 for the purpose of approving the ESOS 2016.
D	30 March 2016	The EGM was held and resolutions regarding the establishment of the ESOS and the issuance of shares mentioned on 1 March 2016 were adopted by shareholders as special resolutions.
E	24 June 2016	Fitch Ratings downgraded NDB's National Long Term Rating to 'A+(lka)' from 'AA-(lka)'.
F	27 June 2016	Announcement of an EGM to be held on 27 July 2016 to amend the Articles of Association of NDB.
G	26 August 2016	Announcement of the retirement of N G Wickremaratne from the office of Chairman and Non-Executive Director of NDB. Appointment of A W Atukorala as an Independent Non-Executive director and Chairman of NDB subject to receiving approval from CBSL. Announcement of resignation of R Theagarajah from the office of Director/Chief Executive Officer.
H	31 August 2016	Approval of the appointment of A W Atukorala as Chairman of the Board of Directors of NDB by the CBSL.
I	27 September 2016	Appointment of N S Welikala as an Independent Non-Executive director of NDB subject to receiving the approval of the CBSL.
J	24 November 2016	Appointment of P L D N Senevirathne as Chief Executive Officer.

3. Analysis of Ordinary Shareholders as at 31 December 2016 as per Rule 7.6 (x) of the Listing Rules of the CSE

3.1 Distribution of Shareholders

Shareholding Range	As at 31 December 2016				As at 31 December 2015			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
1 – 1,000	5,362	66.64	1,734,576	1.05	5,245	66.30	1,728,113	1.04
1,001 – 10,000	2,219	27.58	7,068,295	4.28	2,236	28.27	7,110,788	4.31
10,001 – 100,000	382	4.75	10,588,434	6.41	346	4.37	9,317,220	5.65
100,001 – 1,000,000	58	0.72	16,400,419	9.93	56	0.71	18,440,324	11.16
Over 1,000,000	25	0.31	129,393,782	78.33	28	0.35	128,570,897	77.84
Total	8,046	100.00	165,185,506	100.00	7,911	100.00	165,167,342	100.00

3.2 Resident/Non-Resident Shareholding

Shareholding	As at 31 December 2016				As at 31 December 2015			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Resident	7,912	98.33	137,992,077	83.54	7,759	98.08	114,170,880	69.12
Non-Resident	134	1.67	27,193,429	16.46	152	1.92	50,996,462	30.88
Total	8,046	100.00	165,185,506	100.00	7,911	100.00	165,167,342	100.00

3.3 Individual/Institutional Shareholding

Shareholding	As at 31 December 2016				As at 31 December 2015			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Individual	7,600	94.46	44,772,715	27.10	7,479	94.54	37,048,619	22.40
Institutional	446	5.54	120,412,791	72.90	432	5.46	128,118,723	77.60
Total	8,046	100.00	165,185,506	100.00	7,911	100.00	165,167,342	100.00

4. Twenty Largest Registered Shareholders of the Bank as at 31 December 2016 as per Rule No. 7.6 (iii) of the Listing Rules of the Colombo Stock Exchange

2016			2015		
Name	No. of Shares	%	Name	No. of Shares	%
1 Bank of Ceylon No. 1 Account	16,371,076	9.91	Bank of Ceylon No. 1 Account	16,371,076	9.91
2 Employees' Provident Fund	16,010,248	9.69	Employees' Provident Fund	16,010,248	9.69
3 R S Captain	13,476,049	8.16	Sri Lanka Insurance Corporation Ltd. – General Fund	9,388,488	5.68
4 Sri Lanka Insurance Corporation Ltd. – General Fund	9,388,488	5.68	HSBC International Nominees Ltd. – SNFE – NTAsian Discovery Master Fund	8,973,856	5.43
5 Dr. S Yaddehige	8,550,285	5.18	Dr. S Yaddehige	8,669,000	5.25
6 Sri Lanka Insurance Corporation Ltd. – Life Fund	7,805,426	4.73	Sri Lanka Insurance Corporation Ltd. – Life Fund	7,805,426	4.73
7 Perpetual Treasuries Ltd.	7,352,180	4.45	HSBC International Nominees Ltd. – BPSS LUX – Aberdeen Global Asia Pacific Equity Fund	5,715,450	3.46
8 Employees Trust Fund Board	5,714,594	3.46	Employees' Trust Fund Board	5,592,897	3.39
9 Softlogic Life Insurance PLC Account Number 03/Life Shareholders Fund	5,024,252	3.04	R S Captain	5,326,985	3.23
10 SBI Ven Holdings Pte Ltd.	5,000,000	3.03	BNY-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	4,850,000	2.94
11 BNYMSANY Re-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	4,850,000	2.94	HSBC International Nominees Ltd. – BP2S London – Aberdeen Asia Pacific Equity Fund	4,294,800	2.60
12 Hatton National Bank PLC A/C No 1	4,282,200	2.59	Hatton National Bank PLC – A/C No. 1	4,282,200	2.59
13 HSBC International Nominees Ltd.-BBH-Matthews Emerging Asia Fund	3,374,293	2.04	HSBC International Nominees Ltd. – MSNY-Bay Pond Partners L.P.	3,464,876	2.10
14 A K Pathirage	2,970,000	1.80	Asian Alliance Insurance PLC – A/C No.03 (Life Shareholders' Fund)	3,450,977	2.09
15 Perpetual Equities (Pvt) Ltd.	2,839,526	1.72	A K Pathirage	2,970,000	1.80
16 CIC Holdings PLC	2,462,894	1.49	HSBC International Nominees Ltd. – BBH-Matthews Emerging Asia Fund	2,515,196	1.52
17 Asiri Central Hospitals Ltd.	2,403,447	1.45	Asiri Central Hospitals Ltd.	2,403,447	1.46
18 Softlogic Life Insurance PLC-A/C 02 (Life Fund)	2,159,746	1.31	Asian Alliance Insurance PLC – A/C No.02 (Life Fund)	2,159,746	1.31
19 DFCC Bank PLC A/C 1	2,000,000	1.21	DFCC Bank PLC A/C No.01	2,000,000	1.21
20 HSBC International Nominees Ltd.-BP2S London-Aberdeen Asia Smaller Companies Investment Trust	1,683,000	1.02	HSBC International Nominees Ltd. – BP2S London-Aberdeen Asia Smaller Companies Investment Trust	1,683,000	1.02
Total	123,717,704	74.90		117,927,668	71.40

5. Public Shareholding

	2016	2015
Percentage of the shares held by the public	88.89%	90.30%
Number of public shareholders	8,014	7,881

6. Directors' Interest in Shares of the Bank

	As at 31 December 2016	As at 31 December 2015
	No. of Shares	No. of Shares
A W Atukorala	500	N/A
A K Pathirage	3,993,000*	3,993,000*
T L F Jayasekera	Nil	Nil
Mrs. K Fernando	Nil	Nil
D S P Wikramanayake	Nil	Nil
Mrs. W A I Sugathadasa	Nil	Nil
Mrs. D M A Harasgama	Nil	Nil
D M R Phillips	Nil	Nil
K D W Ratnayaka	Nil	Nil
N S Welikala	Nil	N/A
P L D N Seneviratne (appointed w.e.f. 01/01/2017)	N/A	N/A

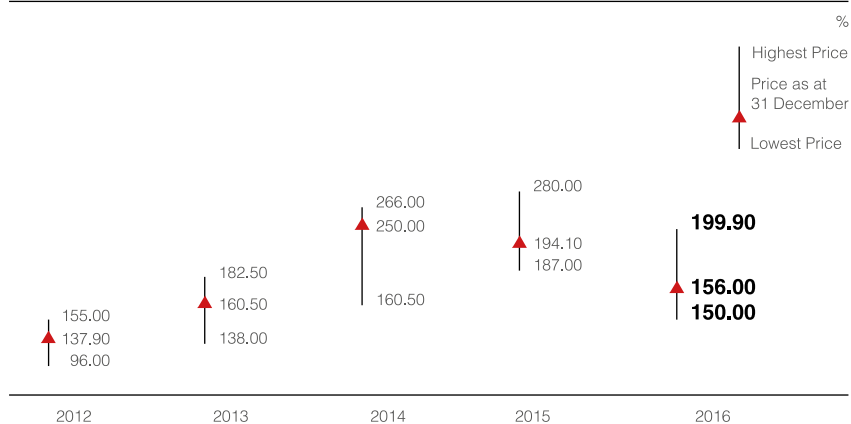
* Includes shares held in the slash account.

7. Information on Share Trading

7.1 Share Price Movement Trend Over the Past Five Years

Year	2016	2015	2014	2013	2012
Highest price	199.9	280	266	182.50	155
Date/s highest price was recorded	03.05.2016	23.07.2015 22.05.2015	03.10.2014	10.05.2013	26.09.2012
Lowest price	150.00	187.00	160.50	138.00	96.00
Date/s lowest price was recorded	24.11.2016	28.12.2015	02.01.2014	02.01.2013	05.06.2012
Price as at 31 December	156.00	194.10	250.00	160.50	137.90
Total number of shares in issue	165,185,506	165,167,342	165,093,922	164,693,034	164,201,902

Share Price Movement Trend Over the Past Five Years



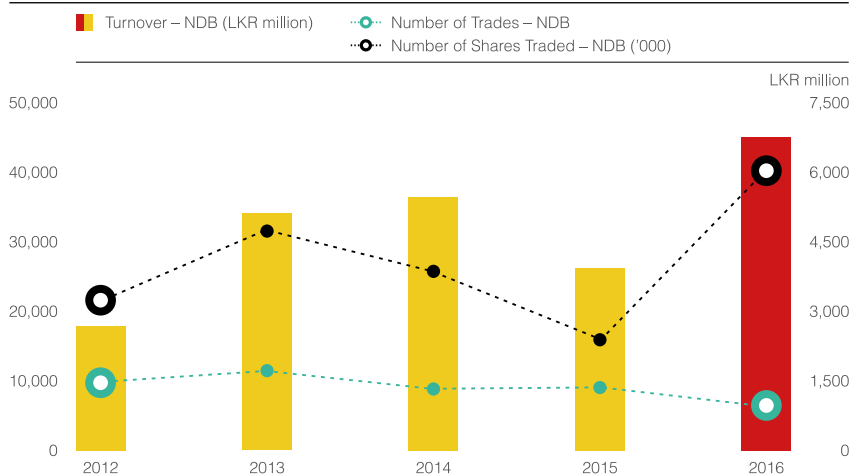
7.1.1 Share Price Movement Over the Year

2016	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Highest price	195.00	174.00	170.00	193.00	199.90	176.50	170.00	174.00	168.00	168.90	164.00	165.00
Lowest price	165.20	164.60	150.00	170.00	175.00	168.00	164.00	163.90	163.20	161.00	150.00	152.00
Price as at month end	170.00	164.60	168.80	193.00	176.00	169.20	164.30	164.60	166.10	161.00	153.10	156.00

7.2 Share Trading Details

Year	2016	Q4	Q3	Q2	Q1	2015	2014	2013	2012
Number of trades – NDB	6,356	322	2,471	1,645	1,918	9,040	8,917	11,406	9,854
Percentage of total market trades	0.60%	0.74%	0.71%	0.55%	0.81%	0.60%	0.45%	0.80%	0.53%
Number of shares traded ('000) – NDB	40,295	201	24,483	11,323	4,288	15,964	25,872	31,631	21,406
Percentage of total shares traded in the market	0.56%	0.05%	1.07%	0.70%	0.20%	0.17%	0.15%	0.22%	0.22%
Turnover – NDB (LKR million)	6,760	32	4,052	1,961	715	3,918	5,452	5,112	2,676
Average daily turnover – NDB	28	1	66	33	12	16	23	21	11
Percentage of total market turnover	3.82%	0.14%	8.44%	4.61%	1.59%	0.60%	1.60%	2.55%	1.25%

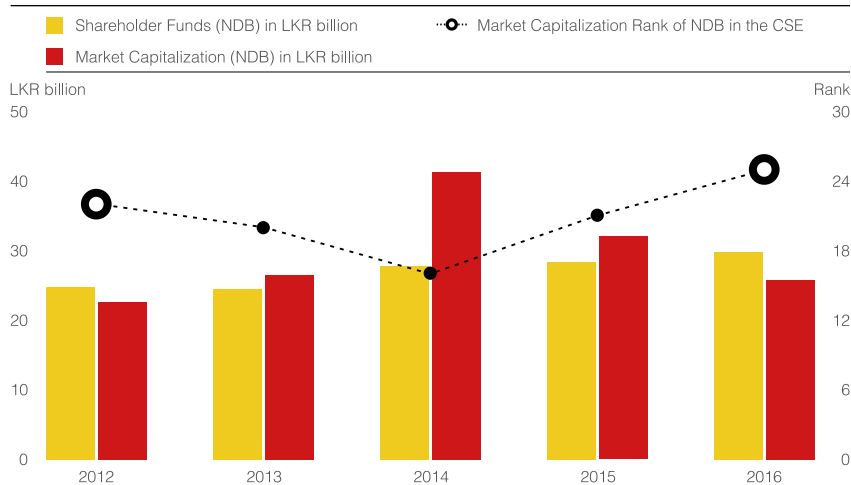
Share Trading Details



7.3 Shareholder Funds and Market Capitalization

Year	2016	2015	2014	2013	2012
Shareholder funds (NDB) in LKR million	29,937	28,382	27,876	24,514	24,883
Percentage increase/decrease in shareholder funds over the prior year	5%	2%	14%	-1%	47%
Market capitalization (NDB) in LKR million	25,769	32,059	41,273	26,433	22,643
Percentage increase/decrease in NDB market capitalization over the prior year	-20%	-22%	56%	17%	0%
Market capitalization (CSE) in LKR million	2,745,406	2,937,998	3,104,864	2,459,897	2,167,581
Percentage increase/decrease in CSE market capitalization over the prior year	-6.56%	-5.37%	26.22%	13.49%	-2.09%
NDB's market capitalizaion as a percentage of CSE market capitalization	0.94%	1.09%	1.33%	1.07%	1.04%
Market capitalization rank of NDB in the CSE	25	21	16	20	22
Market capitalization (BFI sector within CSE) in LKR million	653,858	699,844	753,695	512,792	490,561
NDB's market capitalizaion as a percentage of BFI sector capitalization	3.94%	4.58%	5.48%	5.15%	4.62%
Beta value of NDB share against ASPI	1.36	1.37	1.11	0.82	1.17
Beta value of NDB share against S&P SL20	0.92	1.54	1.10	0.63	1.28

Shareholder Funds and Market Capitalization



NDB Group's shareholder's funds increased by 5% in 2016 and reached LKR 29,937 million. Within shareholder funds, capital and retained earnings increased by 7% and 8% respectively. Other reserves recorded a decline of 50% over 2015 due to Available-for-sale revenues recording losses due to mark to mark valuation, which are deemed to be temporary in a rising interest rate environment.

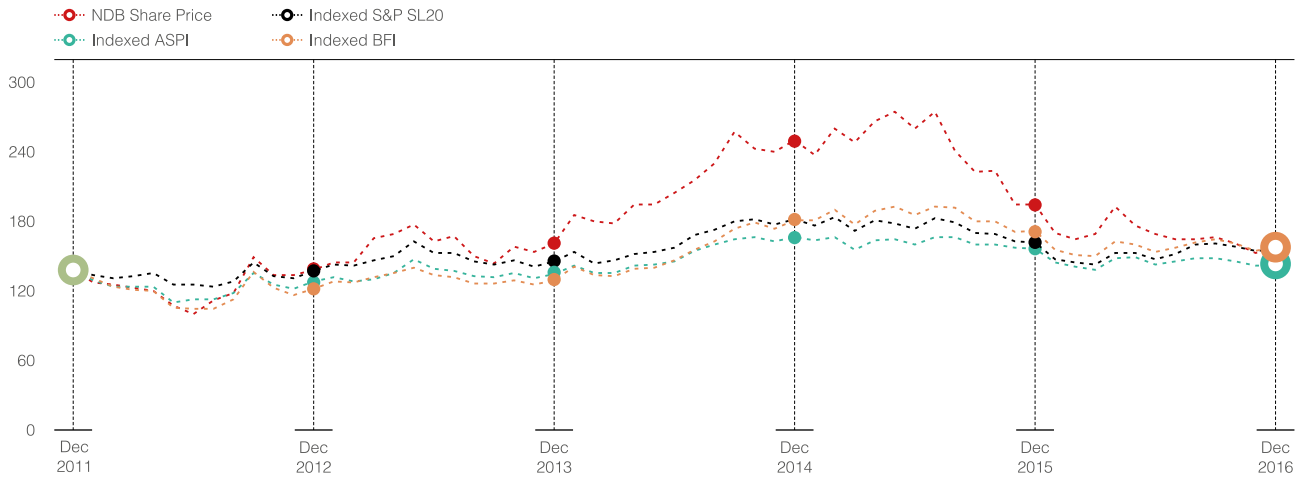
On a five-year compound annual growth rate spanning end 2011 to end 2016, the shareholder funds have grown at a rate of 12%.

NDB's market capitalization dropped by 20% and stood at LKR 25,769 million by end 2016, the primary reason for the drop being, the movement of the closing share price of LKR 156.00 in 2016 from LKR 194.10 in 2015.

7.4 NDB Share Performance in Comparison to Selected Indices

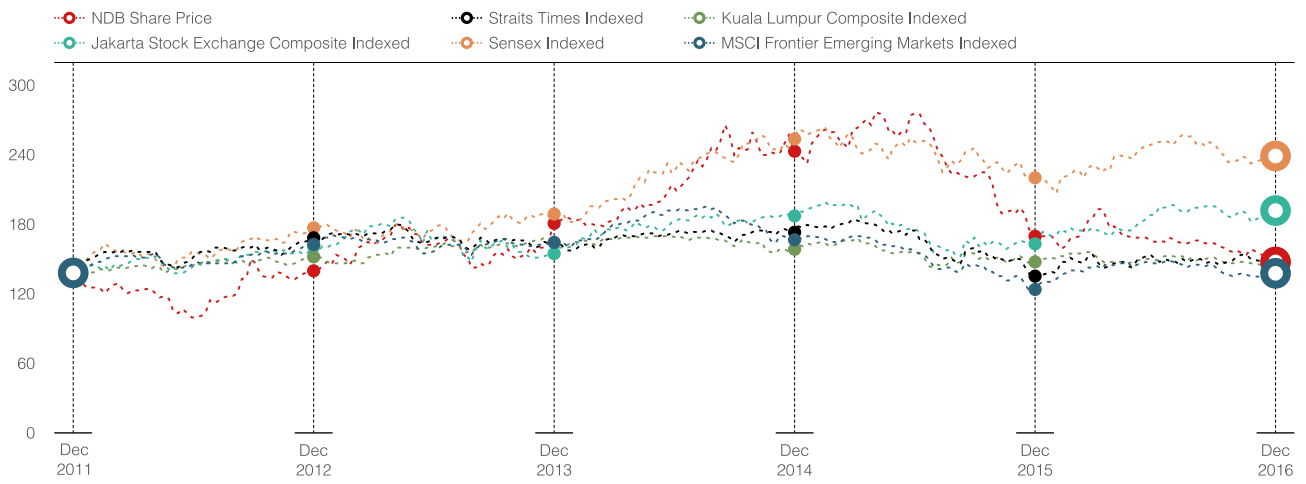
NDB Share Performance in Comparison to Local Indices Featured in the CSI

Index/LKR



NDB Share Performance in Comparison to Key Regional Indices

Index/LKR



8. Key Shareholder Return Indicators – NDB Group

Discussion of Each Key Ratio with Graphical Analysis

Year	2016	2015	2014	2013	2012
Return on equity (%)	9.23	12.59	15.78	10.7	42.35
Gross dividends paid during the year (LKR million)	654	1,815	1,987	3,222	657
Dividend per share (DPS) (LKR)	8.00	11.00	11.00	10.00	15.00
Dividend yield (%)	5.13	5.67	4.40	6.23	10.88
Dividend payout ratio (%)	49.11	51.00	43.90	62.37	79.00
Earnings per share (EPS) (LKR)	16.29	21.51	25.14	16.48	55.31
Total shareholder return ratio (TSR) (%)	-17.57	-17.96	63.23	30.89	2.75
Price earnings ratio (PE ratio) (Times)	9.58	9.02	9.94	9.74	2.49
Net asset value per share (LKR)	181.23	172.35	169.35	148.85	151.54
Price to book value (Times)	0.86	1.13	1.48	1.08	0.91

Return on Equity and Earnings per Share

The Bank's return on average shareholders' funds (ROE) for the year ended 31 December 2016 was 13.36%. The same measures for the NDB Group were 9.23%. The earnings per share (EPS) of the Bank and the Group were LKR 19.19 and LKR 16.29 respectively.

The reduction in the ROE as well as the EPS over the prior year was due to the reduction in profit attributable to shareholders, which was discussed in length under the Financial Review in pages 42 to 50.

Dividends Policy of the Bank

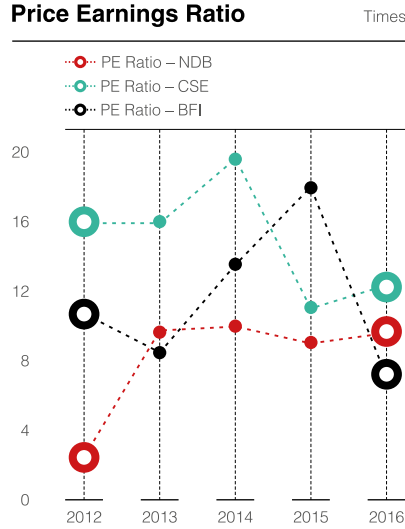
The Bank's dividends are governed by a Board approved dividend policy. The policy sets four key conditions in ensuring adequate returns to our shareholders, capital adequacy and sufficient liquidity when declaring dividends to shareholders.

Ratio	Policy Guidelines
Dividend payout ratio	>35%
Capital adequacy	>12%
Open loan position	<40%
Liquidity	>20%

Dividends for the Year

The Bank declared a final and total dividend of LKR 8.00 comprising a cash dividend of LKR 2.00 and a scrip dividend of LKR 6.00 per share for 2016. The dividend declared well met the internally set policy guidelines as was mentioned above.

Price Earnings Ratio



Total Shareholder Returns

Total shareholder returns (TSR) for the year was a negative 17.57%. The reduction of the share price and lower dividends per share compared to 2015 were the primary causes of the reduced TSR.

Price Earnings Ratio

The price earnings ratio (PE ratio) of 9.58 (times) compared with PE ratios of 12.37 (times) and 7.04 (times) of the CSE and the banking, finance and insurance sector of the CSE.

Price to Book Value

The price to book value (PBV) was 0.86 times (2015: 1.13 times). The reduction in the share price and the increase in the book value per share compared to 2015 led to the lesser than 1 PBV ratio.

Net Assets Value Per Share

This indicator improved from LKR 172.35 in 2015 to LKR 181.23 by end 2016, predominantly due to the 5% increase in the shareholder funds combined with a marginal increase in the share base of the Bank.

9. Employee Share Ownership Schemes

9.1 Employee Share Option Scheme (ESOS) and Equity Linked Compensation Plan (ELCP)

The Bank obtained approval of the shareholders at an Extraordinary General Meeting held in March 2016, to enable the management staff in the rank of Senior Manager and above of the Bank and the respective Chief Executive Officers of NDB Capital Holdings Ltd., NDB Wealth Management Ltd., NDB Investment Bank Ltd. and NDB Securities (Private) Limited to take part in the voting ordinary share capital of the Bank, subject to certain limits, terms and conditions, thereby forming an Equity Linked Compensation Plan 2016 (ESOS 2016).

Accordingly, under the ESOS 2016, the Bank will offer Share Options relating to voting shares to the eligible employees up to a maximum of 5% of the total number of shares issued by the Bank. The Scheme shall commence in the year 2017 and would be issued during a period of five years. In each year, the Share Options will be limited to 1.25% of the total number of shares then issued by the Bank.

The ELCP previously approved by the shareholders at an Extraordinary General Meeting held in April 2010 (ELCP – 2010), to enable the management staff in the rank of

Assistant Vice-President and above of the Bank to take part in the voting ordinary share capital of the Bank, was concluded in 2014.

However, as per the ELCP 2010, the eligible members of the staff can exercise share options until 2017, and accordingly eligible staff members have exercised share options amounting to 18,164 shares during the year ended 31 December 2016.

The said issue of 18,164 shares resulted in the increase of the stated capital of the Bank from LKR 1,243 million to LKR 1,246 million as at 31 December 2016. The number of shares in issue increased from 165,167,342 to 165,185,506 as at 31 December 2016.

Additionally, the shares issued under Award 4 of the aforementioned ELCP Share Grant component and the balance un-allocated shares remaining from the issue of shares under Award 1 of the ELCP Share Grant component, were transferred to the respective eligible employees during the year 2016, subsequent to the completion of the vesting period and subsequent to obtaining the approval of the Securities and Exchange Commission of Sri Lanka (SEC) for such private transfers. Accordingly, a total number of 573,018 shares were transferred to eligible employees, thus effectively concluding the Share Grant component of the ELCP approved in the year 2010.

More details on the share options and share grants schemes are given on Note 43 on pages 352 and 353 to the Financial Statements.

DEBENTURES

10. NDB has Two Debentures in Issue as follows:

- i Listed rated unsecured subordinated redeemable debentures – June 2015
- ii Listed rated unsecured subordinated redeemable debentures – December 2013

10.1 Rated Unsecured Subordinated Redeemable Debentures – June 2015

10.1 (A) Key Features of the Debentures

Types of Debentures	Debenture Code	ISIN	Issue Price LKR	Par Value LKR	Interest Rate Per Annum %	Interest Payment Frequency	Annual Effective Rate Per Annum	Date of Allotment	Redemption (From the Date of Allotment)	Interest Payment Dates
Type A	NDB-BD-20.24.06-C2309-9.4	LK0207D23091	100	100	9.40	Annually	9.40%	24.06.2015	60 months (5 years)	31 December
Type B	NDB-BD-20.24.06-C2308-0	LK0207D23083	63.8136	100	9.40	Annual compounding on the Issue Price payable on the Date of Redemption	9.40%	24.06.2015	60 months (5 years)	At the time of redemption

10.1 (B) Trading Details for the Year Ended 31 December 2016

Type of Debenture	CSE Listing	Interest Payable Frequency	Balance as at 31 December 2016 LKR million	Market Value				Interest Rate		Interest Rate of Comparable Security %	Other Ratios as at Last Trade	
				Highest LKR	Lowest LKR	Quarter End LKR	Coupon Rate %	Effective Annual Yield %	Interest Yield %		Yield To Maturity %	
Fixed Rate												
A – June 2015/ June 2020	Listed	Annually	7,000	Not traded during the year			9.40	9.19	8.30	Not traded during the year		
B – June 2015/ June 2020	Listed	Payable on date of redemption	1,914	Not traded during the year			9.4 annual compounding on the Issue Price of Rs. 63.8136	9.18	8.30	Not traded during the year		
Total Debentures			8,914									

10.2 Rated Unsecured Subordinated Redeemable Debentures – December 2013

10.2 (A) Key Features of the Debentures

Types of Debentures	Debenture Code	ISIN	Issue Price LKR	Par Value LKR	Interest Rate Per Annum %	Interest Payment Frequency	Annual Effective Rate Per Annum %	Date of allotment	Redemption (From the Date of Allotment)	Interest Payment Dates
Type A	NDB/BC/19/12/ 18A13	LK0207D20998	100	100	13.00	Semi-Annually	13.42	19.12.2013	60 months (5 years)	30 June & 31 December
Type B	NDB/BC/19/12/ 18B13.4	LK0207D21012	100	100	13.40	Annually	13.40	19.12.2013	60 months (5 years)	31 December
Type C	NDB/BC/19/12/ 23C13.9	LK0207D21038	100	100	13.90	Annually	13.90	19.12.2013	120 months (10 years)	31 December
Type D	NDB/BC/19/12/ 25D14	LK0207D21053	100	100	14.00	Annually	14.00	19.12.2013	144 months (12 years)	31 December

10.2 (B) Trading Details for the Year Ended 31 December 2016

Type of Debenture	CSE Listing	Interest Payable Frequency	Balance as at 31 December 2016 LKR Million	Market Value			Interest Rate		Interest Rate of Comparable Security %	Other Ratios as at Last Trade		
				Highest LKR	Lowest LKR	Quarter End LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield to Maturity %	
Fixed rate												
A – Dec. 2013/Dec. 2018	Listed	Semi annually	1,243	100.10	99.00	99.00	13.00	12.79	8.30	13.60	13.60	
B – Dec. 2013/Dec. 2018	Listed	Annually	1,529	98.50	98.50	98.50	13.40	12.77	8.30	14.15	14.15	
C – Dec. 2013 Dec. 2023	Listed	Annually	3,638	Not traded during the year			13.90	13.17	9.75	Not traded during the year		
D – Dec. 2013/Dec. 2025	Listed	Annually	3,590	100.36	100.36	100.36	14.00	13.26	9.75	13.93	13.93	
Total Debentures			10,000									

11. Information on debentures of the Bank (As per Rule No. 7.6 x (i) of the Listing Rules of the Colombo Stock Exchange (Bank))

	2016	2015
Debt Equity Ratio (%)	12.11	12.19
Interest Cover (Times)	1.42	1.55
Liquidity Assets Ratio (%) – Domestic Banking Unit	21.50	22.24
Liquidity Assets Ratio (%) – Foreign Currency Banking Unit	22.93	24.91

12. Directors' Interests in listed Debentures as at 31 December 2016

Name	Debenture June 2016		Debenture December 2015	
	As at 31 December 2016 No. of Debentures	As at 31 December 2015 No. of Debentures	As at 31 December 2016 No. of Debentures	As at 31 December 2015 No. of Debentures
A W Atukorala	None	N/A**	None	N/A**
A K Pathirage	None	None	None	None
T L F Jayasekera	None	None	None	None
Mrs. K Fernando	None	None	None	None
D S P Wikramanayake	None	None	None	None
Mrs. W A I Sugathadasa	None	None	None	None
Mrs. D M A Harasgama	None	None	None	None
D M R Phillips	None	None	None	None
K D W Ratnayaka	None	None	None	None
N S Welikala	None	N/A**	None	N/A**
P L D N Seneviratne	N/A**	N/A**	N/A**	N/A**

** Not Directors as at 31 December 2015/16

CREDIT RATINGS OF NDB

13. NDB's Credit Ratings

NDB at present engages the services of Fitch Ratings Lanka Ltd. for local credit ratings and the Bank's ratings are as follows:

Revised in June 2016 and affirmed in January 2017

National long-term rating : A+(lka);
Stable outlook

Basel compliant subordinated term debt: A(lka)

Rating history – June 2015

National long-term rating : AA-(lka);
Stable outlook

Subordinated term debt: A+(lka)

14. Full Rating Reports

Please refer our Investor Relations web page within the NDB corporate website on <http://www.ndbbank.com/> to read the full rating reports.

OTHER INFORMATION

15. Financial Statements in USD

15.1 Statement of Profit or Loss

For the year ended 31 December	BANK			GROUP		
	2016	2015	Change	2016	2015	Change
	USD '000	USD '000	%	USD '000	USD '000	%
Gross income	226,689	189,161	20	230,062	196,921	17
Interest income	194,925	154,868	26	197,257	156,800	26
Less: Interest expenses	137,116	99,837	37	136,904	99,680	37
Net interest income	57,809	55,031	5	60,353	57,120	6
Fee and commission income	15,347	14,751	4	20,748	23,096	(10)
Net gains/(losses) from trading	6,689	7,963	(16)	6,689	7,963	(16)
Net gains/(losses) from financial investments	1,440	1,917	(25)	3,002	3,612	(17)
Other operating income	8,288	9,662	(14)	2,366	5,450	(57)
Total operating income	89,573	89,324	0	93,158	97,241	(4)
Less: Impairment for loans and receivables other losses	9,311	5,208	79	9,703	5,459	78
Net operating income	80,262	84,116	(5)	83,455	91,782	(9)
Less: Operating Expenses						
Personnel expenses	23,393	23,443	(0)	25,832	26,584	(3)
Other expenses	20,531	20,817	(1)	22,929	23,384	(2)
Total operating expenses	43,924	44,260	(1)	48,761	49,968	(2)
Operating profit before tax on financial services	36,338	39,856	(9)	34,694	41,814	(17)
Less: Tax on financial services	7,138	6,661	7	7,138	6,661	7
Operating profit after tax on financial services	29,200	33,195	(12)	27,556	35,153	(22)
Share of associate companies' profits/(losses)	–	–	–	–	569	(100)
Profit before taxation	29,200	33,195	(12)	27,556	35,722	(23)
Less: Taxation	7,606	7,506	1	8,382	8,871	(6)
Profit for the year	21,594	25,689	(16)	19,174	26,851	(29)
Profit attributable to equity holders of the parent	21,594	25,689	(16)	18,330	25,914	(29)
Non Controlling Interests	–	–	–	844	937	(10)
	21,594	25,689	(16)	19,174	26,851	(29)
Earnings Per Share on Profit						
Basic Earnings per share (in LKR)	0.13	0.16	(9)	0.11	0.16	(31)
Diluted Earnings per share (in LKR)	0.13	0.16	(9)	0.11	0.16	(31)

15.2 Statement of Comprehensive Income

As at 31 December	BANK			GROUP		
	2016 USD '000	2015 USD '000	Change %	2016 USD '000	2015 USD '000	Change %
Profit for the year	21,594	25,689	(16)	19,174	26,851	(29)
Other comprehensive income/(expenses)						
Other comprehensive income/(expenses) to be reclassified to profit or loss in subsequent period						
Exchange differences on translation of foreign operations	–	–	–	51	119	(57)
Gains/(losses) from available-for-sale Investments	(2,535)	(2,863)	11	(2,972)	(2,785)	(7)
Deferred tax effect on fair value adjustment of available-for-sale investment	94	576	(84)	227	576	(61)
Net gains/(losses) on available-for-sale investments	(2,441)	(2,287)	(7)	(2,745)	(2,209)	(24)
Gains /(losses) on cash flow hedges	(368)	(2,105)	83	(368)	(2,105)	83
Other comprehensive income/(expenses) not to be reclassified to profit or loss in subsequent period						
Revaluation of owner occupied portion of freehold buildings	–	–	–	143	698	(80)
Actuarial gains/(losses) on defined benefit plans	(498)	690	(172)	(542)	727	(175)
Deferred tax effect on actuarial gains/(losses)	72	(54)	233	79	(54)	246
Net actuarial gains/(losses) on defined benefit plans	(426)	636	(167)	(463)	673	(169)
Total other comprehensive income for the year, net of taxes	(3,235)	(3,756)	14	(3,382)	(2,824)	(20)
Total Comprehensive Income for the year	18,359	21,933	(16)	15,792	24,027	(34)
Attributable to:						
Equity holders of the parent	18,359	21,933	(16)	14,931	23,049	(35)
Non-Controlling Interests	–	–	–	861	978	(12)
	18,359	21,933	(16)	15,792	24,027	(34)

15.3 Statement of Financial Position

As at 31 December	BANK			GROUP		
	2016	2015	Change	2016	2015	Change
	USD '000	USD '000	%	USD '000	USD '000	%
Assets						
Cash and cash equivalents	33,501	82,094	(59)	34,308	82,282	(58)
Balances with the Central Bank of Sri Lanka	78,874	48,610	62	78,874	48,610	62
Placements with banks	22,011	8,011	175	22,011	8,011	175
Derivative financial instruments	10,311	13,219	(22)	10,311	13,219	(22)
Financial Assets – held-for-trading	5,559	20,731	(73)	24,443	36,316	(33)
Loans and Receivables to banks	247	713	(65)	247	713	(65)
Loans and Receivables to other customers	1,519,625	1,455,570	4	1,519,893	1,456,011	4
Financial investments – loans and receivables	280,324	248,822	13	293,035	259,505	13
Financial investments – available-for-sale	210,281	197,927	6	212,946	201,145	6
Financial investments – held-to-maturity	27,621	30,812	(10)	33,018	39,312	(16)
Investments – held-for-sale	124	129	(4)	222	231	(4)
Investments in subsidiary companies	14,124	14,612	(3)	–	–	–
Investments in associate companies	–	–	–	–	–	–
Investment property	–	–	–	11,856	11,611	2
Intangible assets	2,457	1,668	47	2,568	1,908	35
Property, plant & equipment	13,876	14,097	(2)	16,878	17,048	(1)
Other assets	14,341	9,912	45	13,968	14,034	(0)
Total assets	2,233,276	2,146,927	4	2,274,578	2,189,956	4
Liabilities						
Due to banks	114,319	80,694	42	114,319	80,694	42
Derivative financial instruments	3,169	4,439	(29)	3,169	4,439	(29)
Due to other customers	1,360,925	1,284,259	6	1,358,584	1,278,835	6
Debt Securities issued and other borrowed funds	395,416	420,332	(6)	395,416	420,124	(6)
Tax liabilities	5,645	3,378	67	5,691	3,639	56
Deferred tax liabilities	5,286	4,878	8	4,972	4,950	0
Employee benefit liabilities	2,211	1,756	26	2,635	2,064	28
Other liabilities	51,302	53,617	(4)	52,944	55,110	(4)
Subordinated term debts	129,816	135,930	(4)	129,816	135,930	(4)
Total liabilities	2,068,089	1,989,283	4	2,067,546	1,985,785	4
Equity						
Capital	8,321	8,630	(4)	8,321	8,076	3
Statutory reserve fund	8,321	8,630	(4)	8,321	8,630	(4)
Retained earnings	146,157	135,030	8	179,883	173,444	4
Other reserves	2,388	5,354	(55)	3,319	6,948	(52)
Total equity to equity holders of the Bank	165,187	157,644	5	199,844	197,098	1
Non-controlling interests	–	–	–	7,188	7,073	2
Total equity	165,187	157,644	5	207,032	204,171	1
Total liabilities and total equity	2,233,276	2,146,927	4	2,274,578	2,189,956	4
Commitments and contingencies	1,563,558	1,651,031	(5)	1,569,629	1,656,872	(5)

16. Interim Financial Performance

16.1 Statement of Profit or Loss

BANK LKR '000	2016				2015			
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Net Interest Income	2,243,419	2,204,438	2,060,538	1,978,917	2,015,765	1,843,930	1,741,914	1,920,215
Other operating income	1,568,275	881,682	809,701	1,403,833	966,482	1,141,910	868,296	1,710,776
Total Operating Income	3,811,694	3,086,120	2,870,239	3,382,750	2,982,247	2,985,840	2,610,210	3,630,991
Less: Impairment for loans receivables and other losses	384,229	153,456	292,076	537,193	194,664	318,872	261,799	(63,502)
Net operating income	3,427,465	2,932,664	2,578,163	2,845,557	2,787,583	2,666,968	2,348,411	3,694,493
Less: Operating expenses	1,624,721	1,640,550	1,616,026	1,567,547	1,544,024	1,556,793	1,543,338	1,405,424
Profit Before Taxation	1,802,744	1,292,114	962,137	1,278,010	1,243,559	1,110,175	805,073	2,289,069
Less: Taxation	646,443	553,179	484,412	480,699	395,004	450,310	359,636	731,494
Profit for the period	1,156,301	738,935	477,725	797,311	848,555	659,865	445,437	1,557,575
Profit Attributable to:								
Equity Holders of the parent	1,156,301	738,935	477,725	797,311	848,555	659,865	445,437	1,557,575
Non-Controlling Interests	–	–	–	–	–	–	–	–
	1,156,301	738,935	477,725	797,311	848,555	659,865	445,437	1,557,575
Basic Earnings per share (in LKR)	7.00	4.47	2.89	4.83	5.14	4.00	2.70	9.43
Effective Tax rate (%)	35.86	42.81	50.35	37.61	31.76	40.56	44.67	31.96

GROUP LKR '000	2016				2015			
	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1
Net Interest Income	2,328,677	2,297,787	2,169,853	2,064,449	2,102,096	1,902,158	1,819,330	1,983,792
Other operating income	1,368,243	1,159,120	1,006,897	1,282,041	1,576,221	1,574,655	1,175,198	1,157,857
Total Operating Income	3,696,920	3,456,907	3,176,750	3,346,490	3,678,317	3,476,813	2,994,528	3,141,649
Less: Impairment for loans receivables and other losses	374,700	171,008	332,943	545,923	201,187	327,339	281,121	(63,502)
Net operating income	3,322,220	3,285,899	2,843,807	2,800,567	3,477,130	3,149,474	2,713,407	3,205,151
Less: Operating expenses	1,831,290	1,826,287	1,778,713	1,722,663	1,803,152	1,746,450	1,718,962	1,561,316
Profit from Operations	1,490,930	1,459,612	1,065,094	1,077,904	1,673,978	1,403,024	994,445	1,643,835
Share of associate companies' profit/(losses)	–	–	–	–	–	14,898	15,957	46,963
Profit Before Taxation	1,490,930	1,459,612	1,065,094	1,077,904	1,673,978	1,417,922	1,010,402	1,690,798
Less: Taxation	699,300	561,999	509,539	507,748	332,582	562,332	426,887	801,204
Profit for the period	791,630	897,613	555,555	570,156	1,341,396	855,590	583,515	889,594
Profit Attributable to:								
Equity Holders of the parent	726,070	881,977	535,433	547,528	1,254,438	843,797	574,531	869,275
Non-Controlling Interests	65,560	15,636	20,122	22,628	86,958	11,792	8,985	20,319
	791,630	897,613	555,555	570,156	1,341,396	855,589	583,516	889,595
Basic Earnings per share (in LKR)	4.40	5.34	3.24	3.33	7.62	5.13	3.49	5.28
Effective Tax rate (%)	46.90	38.50	47.84	47.11	19.87	39.66	42.25	47.39

16.2 Statement of Financial Position

BANK LKR '000	As at 31/12/2016	As at 30/9/2016	As at 30/6/2016	As at 31/3/2016	As at 31/12/2015	As at 30/9/2015	As at 30/6/2015	As at 31/3/2015
Cash and cash equivalents	20,130,977	26,723,081	19,647,159	23,008,322	19,975,020	17,543,429	22,411,605	23,582,507
Net Loans and Advances	227,676,876	222,241,637	220,464,118	215,736,673	209,704,701	192,527,763	181,435,628	175,633,823
Investments	80,597,222	72,632,950	67,942,445	66,224,434	73,876,706	62,113,872	61,414,034	58,134,409
Other Assets	6,139,657	5,720,208	6,277,980	7,318,040	5,601,178	6,384,483	5,667,489	6,822,165
Total	334,544,732	327,317,876	314,331,702	312,287,469	309,157,605	278,569,547	270,928,756	264,172,904
Customer Deposits	203,866,547	193,642,483	190,837,894	196,903,356	184,933,230	169,341,944	170,094,950	162,760,544
Borrowings	95,804,708	101,803,282	93,116,971	84,862,163	91,721,730	75,767,555	69,648,348	70,632,546
Other Liabilities	10,128,428	7,404,401	7,192,736	8,136,007	9,801,788	9,616,638	7,575,200	7,604,820
Shareholders' Funds	24,745,049	24,467,710	23,184,101	22,385,943	22,700,857	23,843,410	23,610,258	23,174,994
Total	334,544,732	327,317,876	314,331,702	312,287,469	309,157,605	278,569,547	270,928,756	264,172,904
Net Asset Value	149.80	137.44	140.24	135.54	137.44	144.36	142.95	140.37

GROUP LKR '000	As at 31/12/2016	As at 30/9/2016	As at 30/6/2016	As at 31/3/2016	As at 31/12/2015	As at 30/9/2015	As at 30/6/2015	As at 31/3/2015
Cash and cash equivalents	20,251,928	26,851,379	19,651,235	23,200,708	20,002,092	17,719,697	22,603,704	23,791,534
Net Loans and Advances	227,716,971	222,268,482	220,490,633	215,737,783	209,768,193	192,528,547	181,469,407	175,659,497
Investments	84,436,802	76,359,458	71,976,538	70,162,269	77,257,188	66,234,659	64,452,825	61,380,473
Other Assets	8,326,066	8,715,345	8,757,470	9,850,891	8,326,260	8,227,970	8,315,231	9,164,418
Total	340,731,767	334,194,664	320,875,876	318,951,651	315,353,733	284,710,873	276,841,167	269,995,922
Customer Deposits	203,515,828	193,348,373	190,447,984	196,510,148	184,152,280	169,039,614	169,721,436	162,427,534
Borrowings	95,804,708	101,803,282	93,116,971	84,903,033	91,691,730	75,737,556	69,618,348	70,602,547
Other Liabilities	10,397,934	7,931,796	7,629,975	8,698,974	10,109,006	9,877,556	7,889,172	7,912,640
Shareholders' Funds	29,936,588	30,083,207	28,659,549	27,796,707	28,382,204	29,113,108	28,684,521	28,098,021
Non-Controlling Interests	1,076,709	1,028,006	1,021,397	1,042,789	1,018,513	943,039	927,690	955,180
Total	340,731,767	334,194,664	320,875,876	318,951,651	315,353,733	284,710,873	276,841,167	269,995,922
Net Asset Value	181.23	172.45	173.40	168.80	172.35	176.79	174.19	170.70

17. Ten Years at a Glance (Group Performance)

17.1 Statement of Profit or Loss

LKR million	2006	2007	2008	2009	2010	2011	2012	2013	2014	2,015	2016
Income											
Net Interest Income	2,853	3,522	3,787	4,233	4,163	4,910	5,896	7,012	7,913	7,807	8,861
Other Income	2,133	1,474	1,662	2,560	2,785	3,012	9,042	4,537	5,053	5,484	4,816
Total Operating Income	4,986	4,996	5,449	6,793	6,948	7,922	14,938	11,549	12,966	13,291	13,677
Less: Impairment for loans and receivables and other losses	13	65	116	373	(172)	(88)	51	1,261	529	746	1,425
Net Operating Income	4,973	4,932	5,333	6,420	7,120	8,010	14,887	10,288	12,437	12,545	12,252
Less Operating Expenses											
Personnel Expenses	830	949	1,151	1,300	1,567	2,118	2,333	2,660	3,172	3,634	3,793
Other Expenses	929	1,104	1,237	1,370	1,496	1,863	2,163	2,904	2,738	3,196	3,366
Total Operating Expenses	1,759	2,053	2,388	2,670	3,063	3,981	4,496	5,564	5,910	6,830	7,159
Operating Profit Before Share of Associate Companies, Profit Before Tax	3,213	2,879	2,945	3,750	4,056	4,030	10,391	4,724	6,527	5,715	5,094
Share of Associate Company's Profit/(Losses)	214	179	172	526	295	331	439	49	97	78	–
Profit Before Taxation	3,427	3,058	3,117	4,276	4,351	4,361	10,830	4,773	6,624	5,793	5,094
Less: Taxation	1,220	1,421	1,409	2,154	2,175	1,597	1,898	2,061	2,378	2,123	2,279
Profit for the Year	2,207	1,637	1,708	2,122	2,176	2,764	8,932	2,712	4,246	3,670	2,815
Non controlling Interest	(176)	(115)	(103)	(37)	(73)	(235)	(78)	(70)	(112)	(128)	(124)
Profit Attributable to equity holders of the parent	2,031	1,522	1,605	2,085	2,103	2,529	8,854	2,642	4,134	3,542	2,691

17.2 Group – Statement of Financial Position

LKR million	2006	2007	2008	2009	2010	2011	2012	2013	2014	2,015	2016
Assets											
Liquid assets	6,042	7,748	5,883	8,243	5,586	7,651	13,269	8,139	12,737	20,002	20,252
Investments	12,170	14,701	18,509	32,128	20,021	27,359	32,499	55,614	72,971	77,257	84,437
Loans and Receivables	42,418	49,818	54,589	54,107	78,452	102,019	124,311	137,523	175,547	209,768	227,717
Investments in Associate Companies	1,179	1,210	1,393	1,724	1,763	1,797	33	77	–	–	–
Property, Plant & Equipment	691	804	781	806	918	1,504	1,541	1,473	2,550	2,730	2,913
Investment Property	1,200	1,200	1,200	1,200	1,200	1,296	1,296	1,384	1,546	1,672	1,776
Other Assets	1,277	662	925	1,075	691	962	1,154	2,608	3,780	3,925	3,637
Goodwill	–	–	–	4	4	–	–	–	–	–	–
Total Assets	64,977	76,143	83,281	99,287	108,635	142,588	174,103	206,818	269,130	315,354	340,732
Liabilities											
Borrowings	29,204	34,147	34,993	29,561	28,631	38,973	36,630	47,344	80,768	92,331	96,279
Deposits with customers	21,161	25,624	31,091	49,948	60,533	82,094	107,394	129,423	151,485	184,152	203,516
Taxation	640	522	352	560	633	397	713	625	1,416	1,237	1,597
Other Liabilities	2,091	2,750	3,614	4,334	2,826	3,286	3,657	4,062	6,662	8,233	8,326
Total Liabilities	53,096	63,043	70,050	84,403	92,623	124,750	148,394	181,454	240,331	285,953	309,718
Shareholders' Funds											
Capital	1,033	1,033	1,033	1,033	864	864	864	944	1,145	1,163	1,246
Statutory Reserve Fund	819	819	819	819	879	879	879	959	1,011	1,243	1,246
Other Reserves	–	–	–	–	–	387	924	1,880	1,474	1,000	497
Retained Earnings	8,715	9,833	10,811	12,345	13,552	14,796	2,221	20,733	24,246	24,976	26,947
Total equity attributable to equity holders of the Bank	10,567	11,685	12,663	14,197	15,295	16,926	24,883	24,516	27,876	28,382	29,936
Minority non-controlling Interest	1,314	1,415	568	687	717	913	826	848	923	1,019	1,077
Total Equity	11,881	13,100	13,231	14,884	16,012	17,839	25,709	25,364	28,799	29,401	31,013
Total Liabilities & Equity	64,977	76,143	83,281	99,287	108,635	142,588	174,103	206,818	269,130	315,354	340,732

17.3 Share Information

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2,015	2016
Share Information											
Market price per share (LKR)	201.00	170.00	86.00	206.00	174.50	138.10	138.10	161.50	250.00	194.10	156.00
Basic Earnings per share (LKR)	12.40	9.30	9.80	12.75	12.81	15.79	55.31	16.48	25.14	21.51	16.29
Interim Dividends per share (LKR)	–	–	–	–	4.00	3.50	5.00	5.00	7.00	7.00	–
Final Dividends per share (LKR)	4.00	6.00	6.75	8.00	4.50	4.00	10.00	5.00	4.00	4.00	8.00
Total Dividends per share (LKR)	4.00	6.00	6.75	8.00	8.50	7.50	15.00	10.00	11.00	11.00	8.00
Dividend cover (Times)	6.20	3.72	3.27	3.77	2.19	2.05	3.69	1.65	2.29	1.93	2.40
Price earnings ratio (Times)	8.10	9.14	4.39	8.08	13.63	8.97	2.56	9.74	9.94	9.02	9.58
Book value per share (LKR)	64.54	71.38	77.35	86.72	93.15	103.08	151.54	148.85	169.35	172.35	181.23

18. Compliance Report in Terms of Section 7.6 – Contents of the Annual Report in Terms of the Listing Rules of the Colombo Stock Exchange

Tabulated below, is how we complied with the Contents of the Annual Report, as specified in Section 7.6 of the Listing Rules issued by the Colombo Stock Exchange. The table provides the disclosure requirements of Section 7.6, the compliance level of the Bank and where you will find the respective disclosures within this Annual Report.

Rule No.	Disclosure Requirement	Cross Reference/within the Report (page/s)
7.6 (i)	Names of persons, who during the financial year, were Directors of the Entity	192 to 203
7.6 (ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	296
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	134
7.6 (iv)	The Public Holding percentage	135
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of the financial year	135
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	151 to 185
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	257
7.6 (viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Note 32 to 34 on pages 333 to 339
7.6 (ix)	Number of shares representing the Entity's stated capital	Note 43 on page 352
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings in the following categories – No. of Holders/Holdings/Total Holdings%- 1-1000 shares/1,001-10,000 shares/10,001-100,000 shares/100,001-1,000,000 shares/ Over 1,000,000 shares)	133 and 134
7.6 (xi)	Ratios and Market Price Information Equity: Dividend per share, Dividend payout, Net asset value per share, Market value per share (highest and lowest values recorded during the financial year and value as at the end of financial year) Debt: Interest rate of comparable Government Security, debt/equity ratio, Interest cover, quick assets ratio, market prices and yield during the year (ex-interest) – Highest Price/Lowest Price/Last traded price Any changes in the credit rating (for the entity or any other instruments issued by the entity), if applicable	128 to 142 128 to 142 142
7.6 (xii)	Significant changes in the Entity's or its subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value	Note 32 to 34 on pages 333 to 339
7.6 (xiii)	Details of the funds raised either through a public issue, Rights Issue or private placement: A statement as to the manner in which the proceeds of such issue has been utilized. If any shares or debentures have been issued, the number, class and consideration received, and the reason for the issue, and Any material change in the use of funds raised through an issue of Securities	254 254 254
7.6 (xiv)	Employee share option scheme details Employee share purchase schemes	Note 43 to pages 352 and 353 N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Rules	The Bank is exempted from section 7.10 of the CSE Listing Rules thus N/A
7.6 (xvi)	Related party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower	N/A

19. Shareholder Enquiries and Communications

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Assistant Vice-President –

Finance and Planning

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Company Secretarial Division

Mrs. Shehani Ranasinghe

Company Secretary

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