

ABOUT THIS REPORT

Report Structure

This Annual Report 2015 of National Development Bank PLC ('Bank') is an integrated report, similar in format to the one we had adopted in the previous year. As an integrated report, it communicates coherently the relationships and interdependence of the many aspects of our business – such as governance, risk, strategy, performance and prospects – in the context of creating value over time.

In preparing this report we have drawn on concepts, principles and guidance given in the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4 (www.globalreporting.org), The International Integrated Reporting Framework (www.theiirc.org) and the Smart Integrated Reporting Methodology™. The Bank also referred 'A prepare's guide to Integrated Corporate Reporting' issued by The Institute of Chartered Accountants of Sri Lanka, as necessary.

Effective and productive capital allocation of NDB to create value over time for the Bank and its stakeholders is well-explained via the adopted integrated reporting methodology.

Report Boundary and Materiality

The overall boundary of this Annual Report comprises National Development Bank PLC ('Bank') and its group companies (together referred to as the 'Group'). Consistent with the framework adopted in the previous year, key financial aspects are discussed in the context of the Bank as well as the Group, while non-financial aspects are discussed in the context of the Bank.

Compliance

The Bank's Annual Report 2015 covers the 12-month period from 1 January to 31 December 2015 and is consistent with our usual annual reporting cycle for financial and sustainability reporting. The latter is in accordance with the core criteria of GRI G4 guidelines and subject to independent assurance.

There are no significant changes from previous reporting periods in the scope and aspect boundaries. The most recent previous Annual Report, dated 13 February 2015, covered the 12-month period ended 31 December 2014. It is available on our website <http://www.ndbbank.com/>.

There are no restatements of information provided in previous reports. The information contained in this Report, as in the past, is in compliance with all applicable laws, regulations and standards as well as guidelines for voluntary disclosures. Details are given in the Corporate Governance Report (pages 128 to 174), Chief Executive Officer's and the Group Chief Financial Officer's Responsibility Statement (page 209) as well as Independent Assurance Report (page 208) and Independent Auditors' Report (page 296).

Precautionary Principle

The Bank applies a precautionary principle across the Group with regard to social and environmental sustainability. We are aware of the social and environmental impacts of our actions. Before embarking upon new ventures and initiatives we take necessary steps to assess any impacts through adequate risk management processes.

Queries

We welcome your comments or questions on this Report. You may contact Dhanan Senathirajah, Vice-President – Finance & Planning at the Head Office of National Development Bank PLC (page 438).

