

INTEGRATED APPROACH TO FINANCIAL REPORTING

Integration pervades all our business endeavours. We have embedded the concepts of integration into the way we think and approach our stakeholders, which has enabled us to better understand the factors that materially affect the Bank's ability to create value over time. Integrated reporting, which is a sensible evolution in corporate reporting of recent times, has enabled concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long-term.

We witnessed many corporates, including ourselves embracing the concept of integrated reporting in their annual reports. The concepts of integrated reporting however were predominantly applied in the areas of qualitative reporting, with an exception to the Financial Reports.

At NDB, we continuously monitor and review the way we present our financial information and seek scope for improvements, which better reflects our story to the stakeholders. Considering the 'connectivity of information' to best tell an organization's value creation story, which is promoted by integrated reporting, NDB contemplated on how the concepts of 'integrated reporting' could be adopted in presenting the Financial Reports of the Bank.

Thinking along this line and based on other industry best practices, we realized that the presentation of Accounting Policies and Notes to the Financial Statements can be presented in a more meaningful manner.

Therefore in 2014, the Bank took a fresh approach through which, each Note to the Financial Statements was duly preceded by the applicable accounting policy. This presentation method provided greater integration of related and relevant information and improved the efficiency in the usage of Financial Statements.

Based on the positive feedback received and the improved connectivity and logical presentation of information which enabled better decision-making, we continued the same integrated approach in our financial reporting in the 2015 Annual Report. We are of the firm belief that this form of presentation enhances clarity, comparability, transparency and sensibility of our reporting.