

# **NATIONAL DEVELOPMENT BANK PLC**

INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015



12 February 2016

STATEMENT OF PROFIT OR LOSS										
	Bank					Group				
	Year ended 31/12/2015 LKR '000	Year ended 31/12/2014 LKR '000	Change %	Quarter ended 31/12/2015 LKR '000	Quarter ended 31/12/2014 LKR '000	Year ended 31/12/2015 LKR '000	Year ended 31/12/2014 LKR '000	Change %	Quarter ended 31/12/2015 LKR '000	Quarter ended 31/12/2014 LKR '000
<b>Gross Income</b>	<b>25,855,312</b>	<b>24,961,945</b>	<b>4</b>	<b>6,674,888</b>	<b>6,176,339</b>	<b>26,915,863</b>	<b>26,204,626</b>	<b>3</b>	<b>7,364,746</b>	<b>6,664,175</b>
Interest Income	21,167,848	20,974,578	1	5,708,406	5,287,162	21,431,932	21,151,976	1	5,788,526	5,323,108
Interest Expenses	13,646,025	13,299,977	3	3,692,640	3,393,228	13,624,555	13,238,571	3	3,686,428	3,371,019
<b>Net Interest Income</b>	<b>7,521,823</b>	<b>7,674,601</b>	<b>(2)</b>	<b>2,015,766</b>	<b>1,893,934</b>	<b>7,807,377</b>	<b>7,913,405</b>	<b>(1)</b>	<b>2,102,096</b>	<b>1,952,089</b>
<b>Net Fee and Commission Income</b>	<b>2,016,260</b>	<b>1,866,242</b>	<b>8</b>	<b>554,593</b>	<b>534,120</b>	<b>3,156,841</b>	<b>2,564,095</b>	<b>23</b>	<b>943,162</b>	<b>757,494</b>
Net gain/(loss) from trading	1,088,464	910,027	20	257,869	210,578	1,088,464	910,027	20	257,869	210,578
Net gain/(loss) from financial investments	262,048	716,507	(63)	76,249	87,209	493,739	1,250,884	(61)	150,782	168,277
Other operating income	1,320,691	494,591	167	77,770	57,270	744,887	327,644	127	224,408	204,717
<b>Total Operating Income</b>	<b>12,209,286</b>	<b>11,661,968</b>	<b>5</b>	<b>2,982,247</b>	<b>2,783,111</b>	<b>13,291,308</b>	<b>12,966,055</b>	<b>3</b>	<b>3,678,318</b>	<b>3,293,156</b>
<b>Impairment charges for loans and other losses</b>										
Individual Impairment	561,163	141,433	297	181,526	(177,666)	561,163	141,433	297	181,526	(177,666)
Collective Impairment	150,670	387,276	(61)	13,138	400,631	150,670	387,276	(61)	13,138	400,631
Other provision	-	37,294	(100)	-	19,464	34,312	-	100	6,523	-
	711,833	566,003	26	194,664	242,429	746,145	528,708	41	201,187	222,964
<b>Net operating income</b>	<b>11,497,453</b>	<b>11,095,965</b>	<b>4</b>	<b>2,787,583</b>	<b>2,540,682</b>	<b>12,545,163</b>	<b>12,437,347</b>	<b>1</b>	<b>3,477,131</b>	<b>3,070,191</b>
<b>Operating Expenses</b>										
Personnel Expenses	3,204,229	2,872,738	12	747,517	642,209	3,633,627	3,172,387	15	924,267	746,894
Depreciation and amortization	370,417	323,590	14	98,328	89,504	421,396	387,975	9	111,760	110,747
Other Expenses	2,474,933	2,112,864	17	698,180	661,341	2,774,857	2,350,253	18	767,126	747,942
<b>Total operating expenses</b>	<b>6,049,578</b>	<b>5,309,192</b>	<b>14</b>	<b>1,544,023</b>	<b>1,393,054</b>	<b>6,829,880</b>	<b>5,910,615</b>	<b>16</b>	<b>1,803,152</b>	<b>1,605,583</b>
<b>Operating Profit Before Tax on Financial Services</b>	<b>5,447,875</b>	<b>5,786,773</b>	<b>(6)</b>	<b>1,243,560</b>	<b>1,147,628</b>	<b>5,715,283</b>	<b>6,526,732</b>	<b>(12)</b>	<b>1,673,979</b>	<b>1,464,609</b>
Tax on Financial Services	(910,442)	(1,029,250)	(12)	(215,373)	(292,303)	(910,442)	(1,029,250)	(12)	(215,373)	(292,303)
<b>Operating Profit After Tax on Financial Services</b>	<b>4,537,433</b>	<b>4,757,523</b>	<b>(5)</b>	<b>1,028,187</b>	<b>855,325</b>	<b>4,804,841</b>	<b>5,497,482</b>	<b>(13)</b>	<b>1,458,605</b>	<b>1,172,306</b>
Share of associate companies' profits/(losses)	-	-	-	-	-	77,818	97,274	(20)	-	-
<b>Profit Before Taxation</b>	<b>4,537,433</b>	<b>4,757,523</b>	<b>(5)</b>	<b>1,028,187</b>	<b>855,325</b>	<b>4,882,659</b>	<b>5,594,756</b>	<b>(13)</b>	<b>1,458,605</b>	<b>1,172,306</b>
Taxation	(1,026,002)	(1,339,459)	(23)	(179,631)	(254,905)	(1,212,564)	(1,348,784)	(10)	(117,209)	(235,332)
<b>Profit for the period</b>	<b>3,511,431</b>	<b>3,418,064</b>	<b>3</b>	<b>848,556</b>	<b>600,420</b>	<b>3,670,095</b>	<b>4,245,972</b>	<b>(14)</b>	<b>1,341,396</b>	<b>936,974</b>
<b>Profit Attributable to:</b>										
Equity Holders of the parent	3,511,431	3,418,064	3	848,556	600,420	3,542,040	4,133,932	(14)	1,254,436	857,662
Non Controlling Interests	-	-	-	-	-	128,055	112,040	14	86,958	79,312
	<b>3,511,431</b>	<b>3,418,064</b>	<b>3</b>	<b>848,556</b>	<b>600,420</b>	<b>3,670,095</b>	<b>4,245,972</b>	<b>(14)</b>	<b>1,341,396</b>	<b>936,974</b>
<b>Basic Earnings per share (in LKR)</b>	<b>21.26</b>	<b>20.72</b>	<b>3</b>	<b>5.14</b>	<b>3.64</b>	<b>21.51</b>	<b>25.14</b>	<b>(14)</b>	<b>7.62</b>	<b>5.68</b>
<b>Diluted Earnings per share (in LKR)</b>	<b>21.26</b>	<b>20.70</b>	<b>3</b>	<b>5.14</b>	<b>3.63</b>	<b>21.51</b>	<b>25.11</b>	<b>(14)</b>	<b>7.62</b>	<b>5.34</b>

STATEMENT OF COMPREHENSIVE INCOME										
	Year ended 31/12/2015 LKR '000	Year ended 31/12/2014 LKR '000	Change %	Quarter ended 31/12/2015 LKR '000	Quarter ended 31/12/2014 LKR '000	Year ended 31/12/2015 LKR '000	Year ended 31/12/2014 LKR '000	Change %	Quarter ended 31/12/2015 LKR '000	Quarter ended 31/12/2014 LKR '000
<b>Profit for the period</b>	<b>3,511,431</b>	<b>3,418,064</b>	<b>3</b>	<b>848,556</b>	<b>600,420</b>	<b>3,670,095</b>	<b>4,245,972</b>	<b>(14)</b>	<b>1,341,396</b>	<b>936,974</b>
<b>Other comprehensive income /(expenses) to be reclassified to profit or loss in subsequent period</b>										
Exchange differences on translation of foreign operations	-	-	-	-	-	16,225	481	3,273	(5,225)	722
Gains from Available for Sale Investments	(391,286)	(35,110)	(1,014)	(230,845)	(115,888)	(380,673)	(21,950)	(1,634)	(227,380)	(109,228)
Gains and losses on cash flow hedges	(287,692)	397,852	(172)	3,251	289,478	(287,692)	397,852	(172)	3,251	289,478
<b>Other comprehensive income /(expenses) not to be reclassified to profit or loss in subsequent period</b>										
Revaluation of Land & Buildings	-	1,084,185	(100)	-	-	95,339	1,084,185	(91)	95,339	-
Actuarial losses on defined benefit plans	94,353	(139,735)	168	94,353	(139,735)	99,431	(139,735)	171	99,431	(139,735)
<b>Total Other Comprehensive Income /(expenses)</b>	<b>(584,625)</b>	<b>1,307,192</b>	<b>(145)</b>	<b>(133,241)</b>	<b>33,855</b>	<b>(457,370)</b>	<b>1,320,833</b>	<b>(135)</b>	<b>(34,584)</b>	<b>41,237</b>
Less : Tax expenses relating to components of other comprehensive Income	71,434	(180,141)	140	30,386	(157,523)	71,434	(180,141)	140	30,386	(157,523)
<b>Total Other Comprehensive Income after Tax</b>	<b>(513,191)</b>	<b>1,127,051</b>	<b>(146)</b>	<b>(102,855)</b>	<b>(123,668)</b>	<b>(385,936)</b>	<b>1,140,692</b>	<b>(134)</b>	<b>(4,198)</b>	<b>(116,286)</b>
<b>Total Comprehensive Income for the period</b>	<b>2,998,240</b>	<b>4,545,115</b>	<b>(34)</b>	<b>745,701</b>	<b>476,752</b>	<b>3,284,159</b>	<b>5,386,664</b>	<b>(39)</b>	<b>1,337,198</b>	<b>820,688</b>
<b>Attributable to:</b>										
Equity holders of the parent	2,998,240	4,545,115	(34)	745,701	476,752	3,150,530	5,274,475	(40)	1,251,127	741,216
Non Controlling Interests	-	-	-	-	-	133,629	112,189	19	86,071	79,472
	<b>2,998,240</b>	<b>4,545,115</b>	<b>(34)</b>	<b>745,701</b>	<b>476,752</b>	<b>3,284,159</b>	<b>5,386,664</b>	<b>(39)</b>	<b>1,337,198</b>	<b>820,688</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	BANK			Group		
	Current Period	Previous Period	Change	Current Period	Previous Period	Change
	As at 31/12/2015 LKR '000	As at 31/12/2014 (Audited) LKR '000		As at 31/12/2015 LKR '000	As at 31/12/2014 (Audited) LKR '000	
<b>Assets</b>						
Cash and cash equivalents	11,821,503	3,104,391	281	11,848,575	3,274,036	262
Balances with Central Bank	6,999,898	6,740,590	4	6,999,898	6,740,590	4
Placements with banks	1,153,619	2,721,891	(58)	1,153,619	2,721,891	(58)
Derivative Financial Instruments	1,903,573	1,903,781	(0)	1,903,573	1,903,781	(0)
Financial Assets - Held for trading	2,985,262	2,785,277	7	5,229,493	6,028,558	(13)
Loans and Receivables to banks	102,632	311,144	(67)	102,632	311,144	(67)
Loans and Receivables to other customers	209,602,069	175,175,203	20	209,665,561	175,235,906	20
Financial Investments - Loans and receivables	35,830,311	38,302,428	(6)	37,368,705	38,683,476	(3)
Financial Investments - Available for sale	28,501,517	17,060,302	67	28,964,820	18,057,852	60
Financial Investments - Held to maturity	4,436,973	8,970,963	(51)	5,660,868	10,167,325	(44)
Investments -Held for sale	18,526	18,525	0	33,302	33,301	0
Investments in subsidiary companies	2,104,117	2,000,290	5	-	-	-
Investment Property	-	-	-	1,672,000	1,545,693	8
Intangible assets	240,234	253,132	(5)	274,746	297,070	(8)
Property, plant & equipment	2,030,003	1,927,496	5	2,454,880	2,252,647	9
Other assets	1,427,368	1,453,733	(2)	2,021,061	1,876,335	8
<b>Total assets</b>	<b>309,157,605</b>	<b>262,729,146</b>	<b>18</b>	<b>315,353,733</b>	<b>269,129,605</b>	<b>17</b>
<b>Liabilities</b>						
Due to Banks	11,620,003	7,029,342	65	11,620,003	7,029,342	65
Derivative Financial Instruments	639,272	663,186	(4)	639,272	663,186	(4)
Due to other Customers	184,933,230	151,823,715	22	184,152,280	151,485,201	22
Debt Securities issued and other borrowed funds	60,527,844	61,955,460	(2)	60,497,844	61,925,802	(2)
Current Tax Liabilities	486,503	826,687	(41)	524,020	806,220	(35)
Deferred Tax	702,378	619,467	13	712,823	609,935	17
Other liabilities	7,913,620	6,372,229	24	8,172,876	6,610,634	24
Dividends payable	60,014	51,429	17	60,014	51,429	17
Subordinated Term Debts	19,573,883	11,149,439	76	19,573,883	11,149,439	76
<b>Total liabilities</b>	<b>286,456,747</b>	<b>240,490,954</b>	<b>19</b>	<b>285,953,016</b>	<b>240,331,186</b>	<b>19</b>
<b>Equity</b>						
Stated Capital (Bank - 165,167,342 shares & Group - 164,674,334 shares)	1,242,772	1,225,162	1	1,162,963	1,145,353	2
Statutory Reserve Fund	1,242,772	1,010,785	23	1,242,772	1,010,785	23
Retained Earnings	19,444,385	18,625,444	4	24,975,975	24,245,824	3
Other Reserves	770,929	1,376,801	(44)	1,000,494	1,473,811	(32)
<b>Total shareholders' equity</b>	<b>22,700,858</b>	<b>22,238,192</b>	<b>2</b>	<b>28,382,204</b>	<b>27,875,773</b>	<b>2</b>
Non Controlling Interests	-	-	-	1,018,513	922,646	10
<b>Total Equity</b>	<b>22,700,858</b>	<b>22,238,192</b>	<b>2</b>	<b>29,400,717</b>	<b>28,798,419</b>	<b>2</b>
<b>Total liabilities and equity</b>	<b>309,157,605</b>	<b>262,729,146</b>	<b>18</b>	<b>315,353,733</b>	<b>269,129,605</b>	<b>17</b>
<b>Net Book Value Per Share (LKR)</b>	<b>137.44</b>	<b>134.70</b>	<b>2</b>	<b>172.35</b>	<b>169.35</b>	<b>2</b>
<b>Contingent liabilities and commitments</b>	<b>237,748,413</b>	<b>231,143,633</b>	<b>3</b>	<b>238,589,573</b>	<b>231,148,862</b>	<b>3</b>
<b>Memorandum Information</b>						
Number of Employees	1,960	1,744				
Number of Branches	93	83				

STATEMENT OF CHANGES IN EQUITY												
for the period ended 31 December 2015	Stated Capital	Reserves								Total	Non Controlling Interests	Total Equity
		Statutory Reserve Fund	General Reserve	Revaluation Reserve	Investment Fund Account	Share Based Payment Reserves	Available For Sale Reserves	Cash Flow Hedge Reserve	Retained Earnings			
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
<b>BANK</b>												
Balance as at 1 January 2014	1,172,904	958,527	5,805,707	-	1,706,751	22,367	106,669	-	9,847,553	19,620,478	-	19,620,478
<b>Total Comprehensive Income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	3,418,064	3,418,064	-	3,418,064
Other Comprehensive Income before Tax	-	-	-	1,084,185	-	-	(35,110)	397,852	(139,735)	1,307,192	-	1,307,192
Tax on Other Comprehensive Income	-	-	-	(230,729)	-	-	33,691	-	16,897	(180,141)	-	(180,141)
<b>Total Comprehensive Income for the year</b>	-	-	-	853,456	-	-	(1,419)	397,852	3,295,226	4,545,115	-	4,545,115
<b>Transactions with equity holders</b>												
Issue of Shares	52,258	-	-	-	-	-	-	-	-	52,258	-	52,258
Transfer from Investment Fund Account	-	-	-	-	(1,706,751)	-	-	-	1,706,751	-	-	-
Fair value of share options	-	-	-	-	-	(2,124)	-	-	-	(2,124)	-	(2,124)
Transfer to statutory reserve fund	-	52,258	-	-	-	-	-	-	(52,258)	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	-	(1,977,535)	(1,977,535)	-	(1,977,535)
Balance as at 31 December 2014	<b>1,225,162</b>	<b>1,010,785</b>	<b>5,805,707</b>	<b>853,456</b>	<b>-</b>	<b>20,243</b>	<b>105,250</b>	<b>397,852</b>	<b>12,819,737</b>	<b>22,238,192</b>	<b>-</b>	<b>22,238,192</b>
Balance as at 1 January 2015	1,225,162	1,010,785	5,805,707	853,456	-	20,243	105,250	397,852	12,819,737	22,238,192	-	22,238,192
Super gain tax	-	-	-	-	-	-	-	-	(732,081)	(732,081)	-	(732,081)
Adjusted Opening Balance as at 1 January 2015	1,225,162	1,010,785	5,805,707	853,456	-	20,243	105,250	397,852	12,087,656	21,506,111	-	21,506,111
<b>Total Comprehensive Income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	3,511,431	3,511,431	-	3,511,431
Other Comprehensive Income before Tax	-	-	-	-	-	-	(391,286)	(287,692)	94,353	(584,625)	-	(584,625)
Tax on Other Comprehensive Income	-	-	-	-	-	-	78,759	-	(7,325)	71,434	-	71,434
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	(312,527)	(287,692)	3,598,459	2,998,240	-	2,998,240
<b>Transactions with equity holders</b>												
Issue of Shares	11,957	-	-	-	-	-	-	-	-	11,957	-	11,957
Transfer from share based payment reserves	5,653	-	-	-	-	(5,653)	-	-	-	-	-	-
Transfer to statutory reserve fund	-	231,987	-	-	-	-	-	-	(231,987)	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	-	(1,815,449)	(1,815,449)	-	(1,815,449)
Balance as at 31 December 2015	<b>1,242,772</b>	<b>1,242,772</b>	<b>5,805,707</b>	<b>853,456</b>	<b>-</b>	<b>14,590</b>	<b>(207,277)</b>	<b>110,160</b>	<b>13,638,678</b>	<b>22,700,857</b>	<b>-</b>	<b>22,700,857</b>

STATEMENT OF CHANGES IN EQUITY												
for the period ended 31 December 2015	Stated Capital	Reserves								Total	Non Controlling Interests	Total Equity
		Statutory Reserve Fund	General Reserve	Revaluation Reserve	Investment Fund Account	Share Based Payment Reserves	Available For Sale Reserves	Cash Flow Hedge Reserve	Retained Earnings			
		LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000			
<b>GROUP</b>												
Balance as at 1 January 2014	943,746	958,527	5,805,707	-	1,706,751	22,367	150,614	-	14,926,094	24,513,806	847,848	25,361,654
<b>Total Comprehensive Income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	4,133,932	4,133,932	112,040	4,245,972
Other Comprehensive Income before Tax	-	-	-	1,084,185	-	-	(21,950)	397,852	(139,403)	1,320,684	149	1,320,833
Tax on Other Comprehensive Income	-	-	-	(230,729)	-	-	33,691	-	16,897	(180,141)	-	(180,141)
<b>Total Comprehensive Income for the year</b>	-	-	-	853,456	-	-	11,741	397,852	4,011,426	5,274,475	112,189	5,386,664
<b>Transactions with equity holders</b>												
Issue of Shares	52,258	-	-	-	-	-	-	-	-	52,258	-	52,258
Transfer to Investment Fund Account	-	-	-	-	(1,706,751)	-	-	-	1,706,751	-	-	-
Adjustment for reversal of ESOP consolidation	229,158	-	-	-	-	-	-	-	(161,059)	68,099	-	68,099
Adjustment to share based payment reserves	(79,809)	-	-	-	-	37,781	-	-	(13,302)	(55,330)	-	(55,330)
Transfer to statutory reserve fund	-	52,258	-	-	-	-	-	-	(52,258)	-	-	-
Dividend to equity holders	-	-	-	-	-	-	-	-	(1,977,535)	(1,977,535)	(37,391)	(2,014,926)
Balance as at 31 December 2014	<b>1,145,353</b>	<b>1,010,785</b>	<b>5,805,707</b>	<b>853,456</b>	<b>-</b>	<b>60,148</b>	<b>162,355</b>	<b>397,852</b>	<b>18,440,117</b>	<b>27,875,773</b>	<b>922,646</b>	<b>28,798,419</b>
Balance as at 1 January 2015	1,145,353	1,010,785	5,805,707	853,456	-	60,148	162,355	397,852	18,440,117	27,875,773	922,646	28,798,419
Super gain tax	-	-	-	-	-	-	-	-	(833,548)	(833,548)	(21,123)	(854,671)
Adjusted Opening Balance as at 1 January 2015	1,145,353	1,010,785	5,805,707	853,456	-	60,148	162,355	397,852	17,606,569	27,042,225	901,523	27,943,748
<b>Total Comprehensive Income for the year</b>												
Profit for the year	-	-	-	-	-	-	-	-	3,542,040	3,542,040	128,055	3,670,094
Other Comprehensive Income before Tax	-	-	-	95,339	-	-	(380,673)	(287,692)	110,084	(462,942)	5,573	(457,369)
Tax on Other Comprehensive Income	-	-	-	-	-	-	78,759	-	(7,325)	71,434	-	71,434
<b>Total Comprehensive Income for the year</b>	-	-	-	95,339	-	-	(301,914)	(287,692)	3,644,798	3,150,531	133,628	3,284,159
<b>Transactions with equity holders</b>												
Issue of Shares	11,957	-	-	-	-	-	-	-	-	11,957	-	11,957
Adjustment due to changes in group companies	-	-	-	-	-	-	-	-	(33,663)	(33,663)	24,645	(9,018)
Transfer from share based payment reserves	5,653	-	-	-	-	(5,653)	-	-	-	-	-	-
Transfer to statutory reserve fund	-	231,987	-	-	-	-	-	-	(231,987)	-	-	-
Adjustment to share based payment reserves	-	-	-	-	-	26,603	-	-	-	26,603	-	26,603
Dividend to equity holders	-	-	-	-	-	-	-	-	(1,815,449)	(1,815,449)	(41,283)	(1,856,732)
Balance as at 31 December 2015	<b>1,162,964</b>	<b>1,242,772</b>	<b>5,805,707</b>	<b>948,795</b>	<b>-</b>	<b>81,098</b>	<b>(139,559)</b>	<b>110,160</b>	<b>19,170,268</b>	<b>28,382,204</b>	<b>1,018,513</b>	<b>29,400,716</b>

<b>STATEMENT OF CASH FLOW</b>				
<b>For the Period ended 31 December</b>	<b>BANK</b>		<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>	<b>LKR '000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest received	20,765,613	20,919,252	21,038,450	21,111,971
Fee based income received	2,016,259	1,856,202	2,765,456	2,319,114
Dividend income received	942,293	339,962	(636)	(13,856)
Other Operating income received	1,700,796	1,671,597	1,870,590	1,671,965
Interest paid	(13,134,957)	(13,195,780)	(13,134,957)	(13,197,274)
Personnel costs paid	(3,162,861)	(2,857,404)	(3,489,937)	(2,857,404)
Other expenses paid	(2,618,529)	(2,267,278)	(2,764,501)	(2,351,710)
<b>Operating Profit before changes in operating assets and liabilities</b>	<b>6,508,614</b>	<b>6,466,552</b>	<b>6,284,465</b>	<b>6,682,805</b>
Net increase in loans and receivable to other customers	(34,473,636)	(38,496,570)	(34,473,636)	(38,496,570)
Net Increase in deposits from customers	32,941,814	22,505,047	32,941,814	22,505,047
Net (increase)/decrease in other assets	(95,262)	(570,535)	(180,371)	(375,769)
Net increase/(decrease) in other liabilities	1,869,099	2,381,956	1,952,150	2,157,575
<b>Net cash inflow/(outflow) from operating activities before taxation</b>	<b>6,750,629</b>	<b>(7,713,550)</b>	<b>6,524,422</b>	<b>(7,526,912)</b>
Tax on Financial Services paid	(1,028,684)	(955,652)	(1,028,684)	(955,652)
Income taxes paid	(1,211,842)	(652,006)	(1,254,368)	(699,930)
Super Gain Tax Paid by the Bank /Group	(732,081)	-	(833,548)	-
Super Gain Tax Paid by non controlling interests	-	-	(21,123)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>3,778,022</b>	<b>(9,321,209)</b>	<b>3,386,699</b>	<b>(9,182,494)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net changes in financial Investments	(5,078,640)	(17,009,180)	(4,813,718)	(16,959,756)
Disposal of subsidiaries/associates	(103,826)	147,068	(103,826)	147,068
Expenditure on property, plant & equipment	(594,790)	(392,997)	(629,514)	(443,312)
Proceeds from sale of property, plant & equipment	15,818	14,765	42,580	14,765
<b>Net cash used in investing activities</b>	<b>(5,761,438)</b>	<b>(17,240,343)</b>	<b>(5,504,478)</b>	<b>(17,241,235)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issue of shares	11,957	52,258	45,032	52,258
Net Proceeds from issue of subordinated debts	8,914,408	-	8,914,408	-
Interest paid on subordinated debts	(1,719,085)	(1,573,625)	(1,719,085)	(1,573,625)
(Decrease)/ Increase in other borrowings	4,048,799	34,403,497	4,048,799	34,403,501
Dividends paid to non-controlling interests	-	-	(41,283)	(25,377)
Dividends paid to shareholders of the Bank	(1,806,863)	(1,966,761)	(1,806,863)	(1,966,755)
<b>Net cash provided by /(used in) financing activities</b>	<b>9,449,216</b>	<b>30,915,369</b>	<b>9,441,008</b>	<b>30,890,002</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,465,800</b>	<b>4,353,817</b>	<b>7,323,229</b>	<b>4,466,274</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>12,431,750</b>	<b>8,077,934</b>	<b>12,601,395</b>	<b>8,135,121</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>19,897,550</b>	<b>12,431,751</b>	<b>19,924,624</b>	<b>12,601,395</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents	11,821,503	3,104,391	11,848,575	3,274,036
Balances with Central Bank	6,999,898	6,740,590	6,999,898	6,740,590
Placements with banks	1,153,619	2,721,891	1,153,619	2,721,891
	<b>19,975,020</b>	<b>12,566,872</b>	<b>20,002,094</b>	<b>12,736,517</b>
Amount due to foreign Banks	77,470	135,122	77,470	135,122
	<b>19,897,550</b>	<b>12,431,750</b>	<b>19,924,624</b>	<b>12,601,395</b>

**SEGMENTAL ANALYSIS- GROUP**

For the period ended 31 December

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2015 LKR '000	2014 LKR '000	2015 LKR '000	2014 LKR '000	2015 LKR '000	2014 LKR '000	2015 LKR '000	2014 LKR '000	2015 LKR '000	2014 LKR '000
<b>Revenue</b>										
Interest Income	21,167,848	20,974,578	242,616	177,398	-	-	-	-	21,410,463	21,151,976
Net Fee and Commission Income	2,016,260	1,866,242	858,034	509,825	124,355	90,080	116,178	-	3,114,827	2,466,147
Foreign exchange profit	1,088,464	910,027	-	-	-	-	-	-	1,088,464	910,027
Net gain/(loss) from financial investments	262,048	716,507	231,691	176,377	-	-	-	-	493,739	892,884
Other Income	425,767	328,197	192,813	195,447	126,307	162,000	-	-	744,887	685,644
<b>Total revenue from external customers</b>	<b>24,960,387</b>	<b>24,795,551</b>	<b>1,525,154</b>	<b>1,059,047</b>	<b>250,662</b>	<b>252,080</b>	<b>116,178</b>	<b>-</b>	<b>26,852,380</b>	<b>26,106,678</b>
Inter-segment Revenue	-	-	14,405	56,130	49,077	41,818	-	-	63,483	97,948
<b>Total Revenue</b>	<b>24,960,387</b>	<b>24,795,551</b>	<b>1,539,559</b>	<b>1,115,177</b>	<b>299,739</b>	<b>293,898</b>	<b>116,178</b>	<b>-</b>	<b>26,915,863</b>	<b>26,204,626</b>
Impairment (charge )/reversal for loans & other losses	(711,833)	(566,003)	(34,312)	-	-	-	-	-	(746,145)	(566,003)
Segment expenses	(19,674,134)	(18,510,469)	(767,152)	(560,674)	(13,147)	(40,748)	-	-	(20,454,433)	(19,111,891)
<b>Total segment expenses</b>	<b>(20,385,967)</b>	<b>(19,076,472)</b>	<b>(801,464)</b>	<b>(560,674)</b>	<b>(13,147)</b>	<b>(40,748)</b>	<b>-</b>	<b>-</b>	<b>(21,200,578)</b>	<b>(19,677,894)</b>
<b>Segment results</b>	<b>4,574,420</b>	<b>5,719,079</b>	<b>738,095</b>	<b>554,503</b>	<b>286,591</b>	<b>253,150</b>	<b>116,178</b>	<b>-</b>	<b>5,715,285</b>	<b>6,526,732</b>
Share of associate companies' profit before taxation	-	-	-	-	-	-	77,818	97,274	77,818	97,274
Taxation									(1,212,564)	(1,348,784)
VAT on financial services									(910,442)	(1,029,250)
<b>Profit after taxation</b>									<b>3,670,098</b>	<b>4,245,972</b>
<b>Other information</b>										
Segment assets	308,629,425	262,689,239	4,800,410	4,796,767	1,821,766	1,610,299	68,830	-	315,320,431	269,096,305
Investments -Held for sale	-	-	-	-	-	-	33,301	33,301	33,301	33,301
<b>Consolidated total assets</b>									<b>315,353,732</b>	<b>269,129,606</b>
Segment liabilities	286,118,044	240,111,008	(182,918)	155,925	11,411	64,257	6,476	-	285,953,013	240,331,190
<b>Consolidated total liabilities</b>									<b>285,953,013</b>	<b>240,331,190</b>
<b>Segmental Cash flows</b>										
Cash flows from operating activities	3,778,022	(9,321,209)	(435,179)	15,158	75,219	123,558	(31,363)	-	3,386,699	(9,182,493)
Cash flows from investing activities	(5,761,438)	(17,240,343)	244,596	6,939	17,760	(7,830)	(5,396)	-	(5,504,478)	(17,241,234)
Cash flows from financing activities	9,449,216	30,915,369	56,027	62,211	(97,310)	(87,578)	33,075	-	9,441,008	30,890,002

**MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2015 - BANK (LKR '000)**

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
<b>ASSETS</b>							
Cash and cash equivalents	-	-	11,821,503	-	-	-	11,821,503
Balances with Central Bank	-	-	6,999,898	-	-	-	6,999,898
Placements with banks	-	-	1,153,619	-	-	-	1,153,619
Derivative Financial Instruments	1,903,573	-	-	-	-	-	1,903,573
Financial Assets - Held for trading	2,985,262	-	-	-	-	-	2,985,262
Loans and Receivables to banks	-	-	102,632	-	-	-	102,632
Loans and Receivables to other customers	-	-	209,602,069	-	-	-	209,602,069
Financial Investments - Loans and receivables	-	-	35,830,311	-	-	-	35,830,311
Financial Investments - Available for sale	-	-	-	28,501,517	-	-	28,501,517
Financial Investments - Held to maturity	-	4,436,973	-	-	-	-	4,436,973
<b>Total Financial Assets</b>	<b>4,888,834</b>	<b>4,436,973</b>	<b>265,510,033</b>	<b>28,501,517</b>	<b>-</b>	<b>-</b>	<b>303,337,355</b>
Investments -Held for sale	-	-	-	-	-	18,526	18,526
Investments in subsidiary companies	-	-	-	-	2,104,117	-	2,104,117
Intangible assets	-	-	-	-	240,234	-	240,234
Property, plant & equipment	-	-	-	-	2,030,003	-	2,030,003
Other assets	-	-	-	-	1,427,369	-	1,427,369
<b>Total assets</b>	<b>4,888,834</b>	<b>4,436,973</b>	<b>265,510,033</b>	<b>28,501,517</b>	<b>5,801,723</b>	<b>18,526</b>	<b>309,157,604</b>

	Held for Trading	Amortized cost	Others	Total
<b>LIABILITIES</b>				
Due to Banks	-	11,620,003	-	11,620,003
Derivative Financial Instruments	639,272	-	-	639,272
Due to other Customers	-	184,933,230	-	184,933,230
Debt Securities issued and other borrowed funds	-	60,527,844	-	60,527,844
Subordinated Term debts	-	19,573,883	-	19,573,883
Other Financial Liabilities	-	2,889,783	-	2,889,783
<b>Total Financial Liabilities</b>	<b>639,272</b>	<b>279,544,743</b>	<b>-</b>	<b>280,184,015</b>
Current Tax Liabilities	-	-	486,503	486,503
Deferred Tax	-	-	702,378	702,378
Other liabilities	-	-	5,023,837	5,023,837
Dividends payable	-	-	60,014	60,014
<b>Total liabilities</b>	<b>639,272</b>	<b>279,544,743</b>	<b>6,272,732</b>	<b>286,456,747</b>

**MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2015 - GROUP (LKR '000)**

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
<b>ASSETS</b>							
Cash and cash equivalents	-	-	11,848,575	-	-	-	11,848,575
Balances with Central Bank	-	-	6,999,898	-	-	-	6,999,898
Placements with banks	-	-	1,153,619	-	-	-	1,153,619
Derivative Financial Instruments	1,903,573	-	-	-	-	-	1,903,573
Financial Assets - Held for trading	5,229,493	-	-	-	-	-	5,229,493
Loans and Receivables to banks	-	-	102,632	-	-	-	102,632
Loans and Receivables to other customers	-	-	209,665,561	-	-	-	209,665,561
Financial Investments - Loans and receivables	-	-	37,368,705	-	-	-	37,368,705
Financial Investments - Available for sale	-	-	-	28,964,820	-	-	28,964,820
Financial Investments - Held to maturity	-	5,660,868	-	-	-	-	5,660,868
<b>Total Financial Assets</b>	<b>7,133,066</b>	<b>5,660,868</b>	<b>267,138,992</b>	<b>28,964,820</b>	<b>-</b>	<b>-</b>	<b>308,897,745</b>
Investments -Held for sale	-	-	-	-	-	33,302	33,302
Investment Property	-	-	-	-	1,672,000	-	1,672,000
Intangible assets	-	-	-	-	274,746	-	274,746
Property, plant & equipment	-	-	-	-	2,454,878	-	2,454,878
Other assets	-	-	-	-	2,021,063	-	2,021,063
<b>Total assets</b>	<b>7,133,066</b>	<b>5,660,868</b>	<b>267,138,992</b>	<b>28,964,820</b>	<b>6,422,687</b>	<b>33,302</b>	<b>315,353,734</b>

	Held for Trading	Amortized cost	Others	Total
<b>LIABILITIES</b>				
Due to Banks	-	11,620,003	-	11,620,003
Derivative Financial Instruments	639,272	-	-	639,272
Due to other Customers	-	184,152,280	-	184,152,280
Debt Securities issued and other borrowed funds	-	60,497,844	-	60,497,844
Subordinated Term debts	-	19,573,883	-	19,573,883
Other Financial Liabilities	-	2,893,671	-	2,893,671
<b>Total Financial Liabilities</b>	<b>639,272</b>	<b>278,737,682</b>	<b>-</b>	<b>279,376,953</b>
Current Tax Liabilities	-	-	524,020	524,020
Deferred Tax	-	-	712,823	712,823
Other liabilities	-	-	5,279,205	5,279,205
Dividends payable	-	-	60,014	60,014
<b>Total liabilities</b>	<b>639,272</b>	<b>278,737,682</b>	<b>6,576,063</b>	<b>285,953,013</b>



**MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2014 - BANK (LKR '000)**

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	3,104,391	-	-	-	3,104,391
Balances with Central Bank	-	-	6,740,590	-	-	-	6,740,590
Placements with banks	-	-	2,721,891	-	-	-	2,721,891
Derivative Financial Instruments	1,903,781	-	-	-	-	-	1,903,781
Financial Assets - Held for trading	2,785,277	-	-	-	-	-	2,785,277
Loans and Receivables to banks	-	-	311,144	-	-	-	311,144
Loans and Receivables to other customers	-	-	175,175,203	-	-	-	175,175,203
Financial Investments - Loans and receivables	-	-	38,302,428	-	-	-	38,302,428
Financial Investments - Available for sale	-	-	-	17,060,302	-	-	17,060,302
Financial Investments - Held to maturity	-	8,970,963	-	-	-	-	8,970,963
Other Financial Assets	-	-	54,450	-	-	-	54,450
<b>Total Financial Assets</b>	<b>4,689,058</b>	<b>8,970,963</b>	<b>226,410,097</b>	<b>17,060,302</b>	<b>-</b>	<b>-</b>	<b>257,130,419</b>
Investments -Held for sale	-	-	-	-	-	18,525	18,525
Investments in subsidiary companies	-	-	-	-	2,000,290	-	2,000,290
Intangible assets	-	-	-	-	253,132	-	253,132
Property, plant & equipment	-	-	-	-	1,927,496	-	1,927,496
Other assets	-	-	-	-	1,399,283	-	1,399,283
<b>Total assets</b>	<b>4,689,058</b>	<b>8,970,963</b>	<b>226,410,097</b>	<b>17,060,302</b>	<b>5,580,200</b>	<b>18,525</b>	<b>262,729,145</b>

**LIABILITIES**

	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	7,029,342	-	7,029,342
Derivative Financial Instruments	663,186	-	-	663,186
Due to other Customers	-	151,823,715	-	151,823,715
Debt Securities issued and other borrowed funds	-	61,955,460	-	61,955,460
Subordinated Term debts	-	11,149,439	-	11,149,439
Other Financial Liabilities	-	2,423,677	-	2,423,677
<b>Total Financial Liabilities</b>	<b>663,186</b>	<b>234,381,633</b>	<b>-</b>	<b>235,044,820</b>
Current Tax Liabilities	-	-	826,687	826,687
Deferred Tax	-	-	619,467	619,467
Other liabilities	-	-	3,948,552	3,948,552
Dividends payable	-	-	51,429	51,429
<b>Total liabilities</b>	<b>663,186</b>	<b>234,381,633</b>	<b>5,446,134</b>	<b>240,490,954</b>

**MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2014 - GROUP (LKR '000)**

ASSETS	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for sale	Total
Cash and cash equivalents	-	-	3,274,036	-	-	-	3,274,036
Balances with Central Bank	-	-	6,740,590	-	-	-	6,740,590
Placements with banks	-	-	2,721,891	-	-	-	2,721,891
Derivative Financial Instruments	1,903,781	-	-	-	-	-	1,903,781
Financial Assets - Held for trading	6,028,558	-	-	-	-	-	6,028,558
Loans and Receivables to banks	-	-	311,144	-	-	-	311,144
Loans and Receivables to other customers	-	-	175,235,906	-	-	-	175,235,906
Financial Investments - Loans and receivables	-	-	38,683,476	-	-	-	38,683,476
Financial Investments - Available for sale	-	-	-	18,057,852	-	-	18,057,852
Financial Investments - Held to maturity	-	10,167,325	-	-	-	-	10,167,325
Other Financial Assets	-	-	54,450	-	-	-	54,450
<b>Total Financial Assets</b>	<b>7,932,339</b>	<b>10,167,325</b>	<b>227,021,493</b>	<b>18,057,852</b>	<b>-</b>	<b>-</b>	<b>263,179,009</b>
Investments -Held for sale	-	-	-	-	-	33,301	33,301
Investment Property	-	-	-	-	1,545,693	-	1,545,693
Intangible assets	-	-	-	-	297,070	-	297,070
Property, plant & equipment	-	-	-	-	2,252,645	-	2,252,645
Other assets	-	-	-	-	1,821,887	-	1,821,887
<b>Total assets</b>	<b>7,932,339</b>	<b>10,167,325</b>	<b>227,021,493</b>	<b>18,057,852</b>	<b>5,917,295</b>	<b>33,301</b>	<b>269,129,605</b>

**LIABILITIES**

	Held for Trading	Amortized cost	Others	Total
Due to Banks	-	7,029,342	-	7,029,342
Derivative Financial Instruments	663,186	-	-	663,186
Due to other Customers	-	151,485,201	-	151,485,201
Debt Securities issued and other borrowed funds	-	61,925,802	-	61,925,802
Subordinated Term debts	-	11,149,439	-	11,149,439
Other Financial Liabilities	-	2,423,677	-	2,423,677
<b>Total Financial Liabilities</b>	<b>663,186</b>	<b>234,013,462</b>	<b>-</b>	<b>234,676,647</b>
Current Tax Liabilities	-	-	806,220	806,220
Deferred Tax	-	-	609,935	609,935
Other liabilities	-	-	4,186,957	4,186,957
Dividends payable	-	-	51,429	51,429
<b>Total liabilities</b>	<b>663,186</b>	<b>234,013,462</b>	<b>5,654,541</b>	<b>240,331,186</b>

## Notes to the Financial Statements

1. The figures are extracted from the unaudited financial statements.
2. The financial statements of the Bank and the Group have been prepared based on the accounting policies and methods applied for the year ended 31 December 2014 except for item 3 given below, and comply with Sri Lanka Accounting Standard 34- "Interim Financial Reporting". Previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.
3. The Bank revised its Revenue recognition criteria for Loans and advances in line with the Sri Lanka Accounting Standard No.18 (LKAS 18) Revenue. Accordingly the Bank would discontinue the recognition of interest income of loan facilities if the arrears position is equal or more than three instalments. The basis was decided upon after a comprehensive review of the risk profile and the assets quality of the Bank's Loans and advances portfolio. The change in the basis was effective from 01 July 2015 and would not result in retrospective adjustments as the amount involved are not material.
4. NDB Capital Holdings PLC entered into a shareholders agreement with NDB Zephyr Partners Ltd on 15 December 2014 to invest LKR 49.61 mn in 60% ordinary shares and 60% redeemable preference shares in NDB Zephyr Partners Ltd, the Management Company based in Mauritius,. Accordingly, the equity investment took place on 2 January 2015.
5. The Bank's 99.89% owned subsidiary, NDB Capital Holdings Limited divested part of its 32% owned investment in Resus Energy PLC on 17 September 2015. Accordingly the investment which was accounted as an Investment in Associates, was reclassified as "Available for Sale" Investments on 30 September 2015. The transaction resulted in a capital gain of LKR 164 mn to the NDB Group.
6. As per the provisions of Part III of the Finance Act, No. 10 of 2015 which was certified on 30 October 2015, the NDB Group was liable for Super Gain tax of Rs. 854.67 Mn. According to the Act, the Super Gain Tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment 2013/2014. The Act supersedes the requirements of the Sri Lanka Accounting Standards, hence the expense of Super Gain Tax was accounted in accordance with the requirements of the said Act as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Super Gain Tax issued by the Institute of Chartered Accountants of Sri Lanka, dated 24 November 2015. Accordingly, the NDB Group accounted for the Super Gain Tax expense as an adjustment to the opening retained earnings as at 01 January 2015 in the Statement of Changes in Equity.
7. There are 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**
**8. ADDITIONAL QUARTERLY DISCLOSURES PRESCRIBED BY CBSL AS PER CIRCULAR (02/17/900/0001/004) DATED 11 OCTOBER 2013**

	Bank		Group	
	Current Period	Previous Period	Current Period	Previous Period
	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000
<b>a) Loans and Receivables to Other Customers</b>				
Gross loans and receivables	215,012,449	180,189,406	215,075,941	180,250,109
(Less): Individual impairment	2,621,344	2,289,590	2,621,344	2,289,590
Collective impairment	2,789,036	2,724,613	2,789,037	2,724,613
<b>Net loans and receivables</b>	<b>209,602,069</b>	<b>175,175,203</b>	<b>209,665,561</b>	<b>175,235,906</b>

	Bank		Group	
	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000
	<b>b) Gross Loans and Receivables to Other Customers - By product</b>			
<b>By product-Domestic Currency</b>				
Term loans	47,867,327	39,723,174	47,866,287	39,723,174
Medium and short term loans	23,975,349	23,919,879	23,975,349	23,919,879
Overdrafts	25,237,884	23,564,342	25,236,535	23,548,400
Trade Finance	10,120,916	9,881,392	10,120,916	9,881,392
Consumer loans	23,565,859	18,934,195	23,565,859	18,934,195
Lease rentals receivable	16,024,542	8,879,288	16,024,542	8,879,288
Hire Purchase	1,667,648	2,733,250	1,667,648	2,733,250
Housing loans	8,308,954	6,403,174	8,308,954	6,403,174
Pawning	208,024	416,594	208,024	416,594
Staff loans	1,235,347	1,052,993	1,301,229	1,129,638
Islamic Banking facilities	1,132,912	173,782	1,132,912	173,782
<b>Sub total</b>	<b>159,344,761</b>	<b>135,682,065</b>	<b>159,408,254</b>	<b>135,742,768</b>
<b>By product-Foreign Currency</b>				
Overdrafts	630,862	711,569	630,862	711,569
Medium and short term loans	32,944,735	19,342,008	32,944,735	19,342,008
Trade Finance	20,920,471	24,296,531	20,920,471	24,296,531
Islamic Banking facilities	1,171,620	157,233	1,171,620	157,233
<b>Sub total</b>	<b>55,667,688</b>	<b>44,507,341</b>	<b>55,667,688</b>	<b>44,507,341</b>
<b>Total</b>	<b>215,012,449</b>	<b>180,189,406</b>	<b>215,075,941</b>	<b>180,250,109</b>

**c) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers**

	Bank		Group	
	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000
	<b>Individual impairment</b>			
Opening balance at 01st January	2,289,588	1,828,065	2,289,588	1,828,065
Charge/(Write back) to Statement of Profit or Loss	561,163	141,432	561,163	141,432
Write-off during the period	(822,335)	-	(822,335)	-
Other movements	592,928	320,093	592,928	320,093
<b>Closing balance</b>	<b>2,621,344</b>	<b>2,289,590</b>	<b>2,621,344</b>	<b>2,289,590</b>
<b>Collective impairment</b>				
Opening balance at 01st January	2,724,616	2,359,407	2,724,616	2,359,407
Charge/(Write back) to Statement of Profit or Loss	150,670	387,276	150,670	387,276
Write-off during the Period	(86,249)	(22,070)	(86,249)	(22,070)
<b>Closing balance</b>	<b>2,789,037</b>	<b>2,724,613</b>	<b>2,789,037</b>	<b>2,724,613</b>
<b>Total impairment</b>	<b>5,410,381</b>	<b>5,014,203</b>	<b>5,410,381</b>	<b>5,014,203</b>

**d) Due to Other Customers - By product**

	Bank		Group	
	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000	As at 31/12/2015 LKR '000	As at 31/12/2014 LKR '000
	<b>By product-Domestic Currency</b>			
Demand deposits	11,770,327	10,073,086	10,989,378	10,035,567
Savings deposits	24,032,428	18,291,268	24,032,428	18,291,268
Time deposits	97,558,574	86,689,126	97,558,574	86,388,131
Other deposits	461,196	210,081	461,196	210,081
<b>Sub total</b>	<b>133,822,524</b>	<b>115,263,561</b>	<b>133,041,575</b>	<b>114,925,047</b>
<b>By product- Foreign Currency</b>				
Demand deposits	4,614,516	2,218,739	4,614,516	2,218,739
Savings deposits	6,950,576	5,765,375	6,950,576	5,765,375
Time deposits	39,459,817	28,477,953	39,459,817	28,477,953
Other deposits	85,797	98,087	85,797	98,087
<b>Sub total</b>	<b>51,110,705</b>	<b>36,560,154</b>	<b>51,110,705</b>	<b>36,560,154</b>
<b>Total</b>	<b>184,933,230</b>	<b>151,823,715</b>	<b>184,152,280</b>	<b>151,485,201</b>

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 31/12/2015	As at 31/12/2014	As at 31/12/2015	As at 31/12/2014
<b>Regulated Capital Adequacy</b>				
Core Capital (Tier 1 Capital) (LKR mn)	20,018	19,888	27,154	26,952
Total Capital Base (LKR mn)	29,614	28,932	37,417	36,611
Core Capital adequacy Ratio -Core Capital as a % of Risk -weighted Assets (Minimum Requirement, 5%)	8.51	10.09	11.07	12.92
Total Capital Adequacy Ratio -Total Capital as a % of (Tier 1 & 2 (%)) Risk -weighted Assets (Minimum Requirement,10% )	12.59	14.68	15.25	17.55
<b>Asset Quality</b>				
Gross Non-performing Advances Ratio (%)	2.43	2.51	2.43	2.51
Net Non-performing Advances Ratio (%)	1.01	1.25	1.01	1.25
<b>Profitability</b>				
Earnings Per Share (LKR)- (annualised )	21.26	20.72	21.51	25.14
Return on Average Shareholders' Funds (%)	15.63	16.33	12.59	15.78
Return on Average Assets (%)	1.23	1.47	1.21	1.74
Net interest margin (%)	2.63	3.31	2.67	3.33
<b>Debt Security - Related Ratios</b>				
Interest Cover (Times)	1.55	1.58	1.57	1.60
Debt to Equity (Times)	12.19	10.43	9.72	8.31
<b>Regulatory Liquidity</b>				
Statutory liquid assets- LKR mn	58,367	54,650	58,367	54,650
Statutory liquid assets ratio (%)				
Domestic Banking Unit	22.24	23.85	22.24	23.85
Foreign Currency Banking Unit	24.91	25.18	24.91	25.18
<b>Certification:</b>				
We hereby certify that the above financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.				
(Sgd.) Dhanan Senathirajah Vice President- Finance & Planning		(Sgd.) Faizan Ozman Group 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.				
(Sgd.) N G Wickremeratne Chairman		(Sgd.) R.Theagarajah Chief Executive Officer		
12 February 2016				

**SHARE INFORMATION**
**SHARE PRICE**

As at	31/12/2015	31/12/2014
Number of shares	165,167,342	165,093,922
Last traded price (LKR)	194.10	250.00
For the quarter ended	31/12/2015	31/12/2014
Highest price per share (LKR)	245.00	266.00
Lowest price per share (LKR)	187.00	233.00

**TOP 20 LARGEST SHARE HOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 31.12.2015**

	NAME	NO OF SHARES	%
1	BANK OF CEYLON NO. 1 ACCOUNT	16,371,076	9.91%
2	EMPLOYEES PROVIDENT FUND	16,010,248	9.69%
3	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	9,388,488	5.68%
4	HSBC INTL NOM LTD-SNFE-NTASIAN DISCOVERY MASTER FU	8,973,856	5.43%
5	DR .S. YADDEHIGE	8,669,000	5.25%
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	7,805,426	4.73%
7	HSBC INTL NOM LTD-BPSS LUX-ABERDEEN GLOBAL ASIA PA	5,715,450	3.46%
8	EMPLOYEES TRUST FUND BOARD	5,592,897	3.39%
9	MR.R.S. CAPTAIN	5,326,985	3.23%
10	BNY-CF RUFFER INVESTMENT FUNDS : CF RUFFER PACIFIC	4,850,000	2.94%
11	HSBC INTL NOM LTD-BP2S LONDON-ABERDEEN ASIA PACIFI	4,294,800	2.60%
12	HATTON NATIONAL BANK PLC A/C NO 1	4,282,200	2.59%
13	HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND	3,464,876	2.10%
14	ASIAN ALLIANCE INSURANCE PLC ACCOUNT NUMBER 03/LIF	3,450,977	2.09%
15	MR.A.K PATHIRAGE	2,970,000	1.80%
16	HSBC INTL NOM LTD-BBH-MATTHEWS EMERGING ASIA FUND	2,515,196	1.52%
17	ASIRI CENTRAL HOSPITALS LIMITED	2,403,447	1.46%
18	ASIAN ALLIANCE INSURANCE PLC-A/C 02 (LIFE FUND)	2,159,746	1.31%
19	DFCC BANK PLC A/C 1	2,000,000	1.21%
20	HSBC INTL NOMINEES LTD-BP2S LONDON-ABERDEEN ASIA S	1,683,000	1.02%

**PUBLIC HOLDING PERCENTAGE**

	As at 31/12/2015
Public holding percentage	90.30%
Number Of Public Shareholders	7,880

**DIRECTORS INTEREST IN SHARES OF NDB AS AT 31.12.2015**

NAME	NO OF SHARES
N G WICKREMERATNE (CHAIRMAN)	-
A K PATHIRAGE	3,993,000*
R THEAGARAJAH (CEO)	126
T L F JAYASEKARA	-
K FERNANDO	-
D S P WIKRAMANAYAKE	-
I SUGATHADASA	-
D M A HARASGAMA	-
D M R PHILLIPS	-
K D W RATNAYAKA	-

\* Includes shares held in slash account

INFORMATION ON DEBENTURES- BANK											
Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 31 December 2015 LKR mn	Market Value			Interest Rate		Interest rate of comparable Govt. Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Quarter end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield To Maturity %
<b>Fixed rate - Debenture June 2015</b>											
A - Jun 2015/Jun 2020	Listed	Annually	7,000	99.00	99.00	99.00	9.40	9.19	8.30	9.70	9.70
B - Jun 2015/Jun 2020	Listed	Payable on date of redemption	1,914	Not traded during the quarter			9.4 annual compounding on the Issue Price of Rs. 63.8136	9.18	8.30	Not traded during the quarter	
<b>Fixed rate - Debenture December 2013</b>											
A - Dec 2013/Dec 2018	Listed	Semi annually	1,243	107.94	104.00	104.00	13.00	12.79	8.30	11.39	11.39
B - Dec 2013/Dec 2018	Listed	Annually	1,529	Not traded during the quarter			13.40	12.77	8.30	Not traded during the quarter	
C - Dec 2013/Dec 2023	Listed	Annually	3,638	Not traded during the quarter			13.90	13.17	9.75	Not traded during the quarter	
D - Dec 2013/Dec 2025	Listed	Annually	3,590	Not traded during the quarter			14.00	13.26	9.75	Not traded during the quarter	
<b>Floating Rate</b>											
2011- 2016 (3 month TB rate (gross)+1% p.a.)	Unlisted	Quarterly	400	-	-	-	7.87	7.82	6.87	-	-
<b>Total Debentures</b>			<b>19,314</b>								

\* Three months Treasury Bill rate before deducting 10% Withholding tax as published by the Central Bank of Sri Lanka has been used.