

Pushing the Pace in a Resurgent Sri Lanka

INTERIM FINANCIAL REPORT
MARCH 2015

OUR VISION

To be a World-Class Sri Lankan Bank

OUR MISSION

To be dominant in the financial services sector, creating superior long-term shareholder value and contributing to economic development in Sri Lanka by exploiting regional opportunities and delivering innovative solutions, with 'best-in industry' service excellence, through an inspired team.

OUR VALUES

Integrity, Care, Passion, Teamwork & Service
guide us in our vision to be a world-class
Sri Lankan Bank.

INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED

31th MARCH 2015

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CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Stakeholders

National Development Bank PLC (the Bank) concluded the first quarter of 2015, posting a Profit After tax (PAT) of LKR 1,558 million. The PAT translates to a 30% growth compared to the first quarter of 2014, alluding, promising performance for the year ahead, and affirming the "Best Bank in Sri Lanka" status conferred on NDB by the prestigious Global Finance Magazine of USA.

The Bank's Total Operating Income before impairment charges for loans & other losses and operating expenses grew by 18% year-on-year (YoY) to LKR 3,631 million in the first quarter of 2015. This commendable growth was supported by a Net Interest Income (NII) growth of 7% and Net Fee and Commission Income growth of 8% over the first quarter of 2014.

The Bank's net gains from its total investment portfolio declined by 49%, a rupee equivalent of LKR 284 million as compared to the prior year, primarily due to the higher marked to market profit realized from the portfolio in the first quarter of 2014.

Other Operating Income increased by LKR 673 million over the prior period, which was predominantly due to the increased Group dividends of LKR 569 million received during the period. However, at a Group level, Total Operating Income recorded a marginal decline of 3% which was due to the reduction in net gains from the Group's total investment portfolio.

Impairment charges for loans and other losses was a release of LKR 64 million for the current quarter as compared to a charge of LKR 28 million for the corresponding quarter of 2014. This was a direct outcome of the improved asset quality of the Bank despite a static loans and advances portfolio, compared to the prior year. The resultant Non Performing Loan (NPL) ratio of the Bank was 2.49% and compares with an NPL ratio of 2.51% at the end of 2014. This is one of the lowest NPL ratios of the industry and reflects the sound risk management practices embedded within the Bank's loan origination, disbursement, recovery and monitoring processes.

The NDB Group strengthened its strategic cost management initiatives during the first quarter of 2015 as cost optimization remains a key strategic priority of the Bank. The NDB Group recorded only a 9% increase in its Total Operating Expenses, whilst expanding its network by three new branches. The Cost to Income Ratio (CIR) was 39% for the quarter and is one of the lowest CIRs in the industry.

Total Assets of the Group reached LKR 270 billion at the end of the first quarter in 2015. The Bank's Loans and receivables to customers were LKR 175 billion. Loans and receivables to customers recorded only a marginal increase over the portfolio at 31 December 2014. However, Loans and receivables recorded a YoY growth of 21% as compared with March 2014. Customer deposits of the Bank grew by 7% from 31 December 2014, to reach LKR 163 billion. The YoY change of the customer deposits was 20%.

The NDB Group continues to focus on the effective utilization of its assets base, and recorded a Return on Assets (ROA) of 1.29% for the concluded quarter.

The total capital base of the Bank as at 31 March 2015 was LKR 29,406 million, whilst the same at the Group level was LKR 36,648 million. Core capital and Total capital adequacy ratios of the Bank were 10.11% and 14.86%, whilst the same ratios for the Group were 12.70% and 17.56%. The capital adequacy ratios of the Bank and the Group have always remained well above the minimum regulatory requirements and the capital base has amply facilitated the ambitious growth of the Bank and the Group.

The Group Earnings Per Share (EPS) for the first quarter was LKR 21.12 and Return on Shareholders' Funds (ROE) was 12.42%. These shareholder returns indicators are expected to improve with planned aggressive business expansions which will improve the profitability of the Bank and the Group.

The share price of the Bank closed at LKR 248/- on 31 March 2015 with a market capitalization of LKR 41 billion. The Group Price Earning (PE) Ratio was 12(times).

NDB commenced the year on a high note with the Bank being awarded the 'Best Bank Award for Sri Lanka under Worlds Best Emerging Markets Banks in Asia-Pacific - 2015' of the prestigious Global Finance magazine of USA. The award speaks volumes on the significant blueprint NDB has established in the Sri Lankan banking landscape, especially with regard to growth in assets, profitability, strategic relationships, customer service, competitive pricing and innovative products.

The opening of three new branches during the first three months of the year affirms this stance of the Bank. The Bank is driven by a target to expand its branch network to 100 branches in 2015. Whilst expanding its reach, the Bank is committed to disseminating inclusive and responsible financial services penetrating all segments of the Sri Lankan society, empowering them to make valuable contribution towards the overall national development.

NDB is strategically focused and robustly aligned for a stellar performance in 2015. The Bank and the Group have set ambitious growth targets for the year ahead and are energetically pursuing the achievement of same to gain significant and systemically important market share in the Sri Lankan banking and financial services sector. In the meantime, the Bank is open to growth opportunities arising in the industry, and NDB's appetite for inorganic growth remains strong as ever before.

Rajendra Theagarajah
Director/Chief Executive Officer

14 May 2015

INCOME STATEMENT

	BANK			GROUP		
	Quarter ended 31/03/2015 LKR '000	Quarter ended 31/03/2014 LKR '000	Change %	Quarter ended 31/03/2015 LKR '000	Quarter ended 31/03/2014 LKR '000	Change %
Gross Income	6,823,837	6,332,103	8	6,319,541	6,470,393	(2)
Interest Income	5,113,061	5,042,713	1	5,161,684	5,103,938	1
Interest Expenses	3,192,848	3,246,882	(2)	3,177,893	3,240,979	(2)
Net Interest Income	1,920,215	1,795,831	7	1,983,792	1,862,959	6
Net Fee and Commission Income	455,211	422,807	8	674,711	601,531	12
Net gain/(loss) from trading	207,802	284,930	(27)	207,802	284,930	(27)
Net gain/(loss) from financial investments	89,052	295,767	(70)	106,134	442,707	(76)
Other operating income	958,711	285,886	235	169,210	37,287	354
Total Operating Income	3,630,989	3,085,221	18	3,141,649	3,229,414	(3)
Impairment charges for loans and other losses						
Individual Impairment	119,590	92,157	30	119,590	92,157	30
Collective Impairment	(183,092)	33,427	(648)	(183,092)	33,427	(648)
Investment in Subsidiary /Associates	-	(97,092)	(100)	-	-	-
	(63,502)	28,492	(323)	(63,502)	125,584	(151)
Net operating income	3,694,491	3,056,729	21	3,205,151	3,103,830	3
Operating Expenses						
Personnel Expenses	788,521	694,649	14	864,090	752,937	15
Depreciation and amortization	88,525	75,531	17	99,620	85,787	16
Other Expenses	528,377	538,216	(2)	597,606	594,430	1
Total operating expenses	1,405,424	1,308,396	7	1,561,316	1,433,154	9
Operating Profit Before Tax on Financial Services	2,289,067	1,748,333	31	1,643,835	1,670,676	(2)
Tax on Financial Services	(328,000)	(229,000)	43	(328,000)	(229,000)	43
Operating Profit After Tax on Financial Services	1,961,068	1,519,333	29	1,315,836	1,441,676	(9)
Share of associate companies' profits/(losses)	-	-	-	46,963	97,274	(52)
Profit Before Taxation	1,961,068	1,519,333	29	1,362,799	1,538,950	(11)
Taxation	(403,494)	(320,500)	26	(473,204)	(334,080)	42
Profit for the Period	1,557,573	1,198,833	30	889,595	1,204,870	(26)
Profit Attributable to:						
Equity Holders of the parent	1,557,573	1,198,833	30	869,275	1,190,887	(27)
Non Controlling Interests	-	-	-	20,319	13,983	45
	1,557,573	1,198,833	30	889,595	1,204,870	(26)
Basic Earnings per share (in LKR)	9.43	7.28	30	5.28	7.42	(29)
Diluted Earnings per share (in LKR)	9.42	7.27	30	5.27	7.41	(29)

STATEMENT OF COMPREHENSIVE INCOME

	BANK			GROUP		
	Quarter ended	Quarter ended	Change %	Quarter ended	Quarter ended	Change %
	31/03/2015	31/03/2014		31/03/2015	31/03/2014	
	LKR '000	LKR '000		LKR '000	LKR '000	
Profit for the period	1,557,573	1,198,833	30	889,595	1,204,870	(26)
Other comprehensive income/(expenses) to be reclassified to profit or loss in subsequent period						
Exchange differences on translation of foreign operations	-	-	-	456	(301)	252
Gains from Available for Sale Investments	(313,955)	(144,750)	117	(313,506)	(143,750)	118
Gains and losses on cash flow hedges	265,264	-	100	265,264	-	100
Total Other Comprehensive Income/(expenses)	(48,691)	(144,750)	(66)	(47,786)	(144,051)	(67)
Less : Tax expenses relating to components of other comprehensive Income	88,297	40,530	118	88,297	40,530	118
Total Other Comprehensive Income after Tax	39,606	(104,220)	(138)	40,511	(103,521)	(139)
Total Comprehensive Income for the period	1,597,179	1,094,613	46	930,105	1,101,349	(16)
Attributable to:						
Equity holders of the parent	1,597,179	1,094,613	46	909,685	1,087,390	(16)
Non Controlling Interests	-	-	-	20,421	13,959	(46)
	1,597,179	1,094,613	46	930,105	1,101,349	(16)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	Current Period	Previous Period	Change	Current Period	Previous Period	Change
	As at 31/03/2015 LKR. '000	As at 31/12/2014 (Audited) LKR. '000		As at 31/03/2015 LKR. '000	As at 31/12/2014 (Audited) LKR. '000	
Assets						
Cash and cash equivalents	5,602,693	3,104,391	80	5,811,720	3,274,036	78
Balances with Central Bank	6,615,366	6,740,590	(2)	6,615,366	6,740,590	(2)
Placements with banks	11,364,448	2,721,891	318	11,364,448	2,721,891	318
Derivative Financial Instruments	2,038,488	1,903,781	7	2,038,488	1,903,781	7
Financial Assets - Held for trading	3,172,011	2,785,277	14	6,414,019	6,028,558	6
Loans and Receivables to banks	227,603	311,144	(27)	227,603	311,144	(27)
Loans and Receivables to other customers	175,406,220	175,175,203	0	175,431,894	175,235,906	0
Financial Investments - Loans and receivables	19,009,326	38,302,428	(50)	19,550,708	38,683,476	(49)
Financial Investments - Available for sale	27,539,088	17,060,302	61	27,803,088	18,057,852	54
Financial Investments - Held to maturity	6,341,221	8,970,963	(29)	7,579,358	10,167,325	(25)
Investment -Held for sale	18,525	18,525	-	33,301	33,301	(0)
Investments in subsidiary companies	2,054,238	2,000,290	3	-	-	-
Investments in associate companies	-	-	-	776,353	-	100
Investment Property	-	-	-	1,545,693	1,545,693	-
Intangible assets	233,076	253,132	(8)	276,675	297,070	(7)
Property, plant & equipment	1,919,306	1,927,496	(0)	2,233,336	2,252,647	(1)
Other assets	2,631,293	1,453,733	81	2,293,873	1,876,335	22
Total assets	264,172,904	262,729,146	1	269,995,922	269,129,605	0
Liabilities						
Due to Banks	13,484,842	7,029,342	92	13,484,842	7,029,342	92
Derivative Financial Instruments	594,280	663,186	(10)	594,280	663,186	(10)
Due to other Customers	162,760,544	151,823,715	7	162,427,534	151,485,201	7
Debt Securities issued and other borrowed funds	45,840,248	61,955,460	(26)	45,810,249	61,925,802	(26)
Current Tax Liabilities	833,416	826,687	1	801,879	806,220	(1)
Deferred Tax	741,873	619,467	20	733,624	609,935	20
Other liabilities	5,381,794	6,372,229	(16)	5,729,401	6,610,634	(13)
Dividends payable	53,458	51,429	4	53,458	51,429	4
Subordinated Term debts	11,307,455	11,149,439	1	11,307,455	11,149,439	1
Total liabilities	240,997,910	240,490,954	0	240,942,721	240,331,186	0
Equity						
Stated Capital (Bank - 165,093,922 shares & Group - 164,600,914 shares)	1,227,789	1,225,162	0	1,147,980	1,145,353	0
Statutory Reserve Fund	1,010,785	1,010,785	(0)	1,010,785	1,010,785	(0)
Retained Earnings	19,522,641	18,625,444	5	24,448,920	24,245,824	1
Other Reserves	1,141,780	1,376,801	3	1,490,336	1,473,811	1
Total shareholders' equity	23,174,994	22,238,192	4	28,098,021	27,875,773	1
Non Controlling Interests	-	-	-	955,180	922,646	4
Total Equity	23,174,994	22,238,192	4	29,053,201	28,798,419	1
Total liabilities and equity	264,172,904	262,729,146	1	269,995,922	269,129,605	0
Net Book Value Per Share (LKR)	140.37	134.70	4	170.70	169.35	1
Contingent liabilities and commitments	235,096,094	231,143,633	2	235,096,094	231,148,862	2
Memorandum Information						
Number of Employees	1,783	1,744				
Number of Branches	87	83				

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March

	Stated Capital LKR '000	Reserves								Total LKR '000	Non-Controlling Interests LKR '000	Total Equity LKR '000
		Statutory Reserve Fund LKR '000	General Reserve LKR '000	Revaluation Reserve LKR '000	Investment Fund Account LKR '000	Share based Payment Reserve LKR '000	Available for Sale Reserves LKR '000	Cash flow Hedge Reserve LKR '000	Retained Earnings LKR '000			
BANK												
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
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-	-	-	-	1,198,832	1,198,832	-	1,198,832
Other Comprehensive Income net of Tax	-	-	-	-	-	-	(104,220)	-	-	(104,220)	-	(104,220)
Total Comprehensive Income for the period	-	-	-	-	-	-	(104,220)	-	1,198,832	1,094,612	-	1,094,612
Transactions with equity holders												
Issue of Shares	20,446	-	-	-	-	-	-	-	-	20,446	-	20,446
Transfer to Investment Fund Account	-	-	-	-	75,296	-	-	-	(75,296)	-	-	-
Fair value of share options	-	-	-	-	-	(7,185)	-	-	-	(7,185)	-	(7,185)
Dividend to equity holders	-	-	-	-	-	-	-	-	(824,245)	(824,245)	-	(824,245)
Balance as at 31 March 2014	1,193,350	958,527	5,805,707	-	1,782,047	15,182	2,449	-	10,146,844	19,904,106	-	19,904,106
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
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-	-	-	-	1,557,573	1,557,573	-	1,557,573
Other Comprehensive Income before Tax	-	-	-	-	-	-	(313,955)	265,264	-	(48,692)	-	(48,692)
Tax on Other Comprehensive Income	-	-	-	-	-	-	88,297	-	-	88,297	-	88,297
Total Comprehensive Income for the period	-	-	-	-	-	-	(225,658)	265,264	1,557,573	1,597,178	-	1,597,178
Transactions with equity holders												
Transfer from share based payment reserves	2,627	-	-	-	-	(2,627)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(660,376)	(660,376)	-	(660,376)
Balance as at 31 March 2015	1,227,789	1,010,785	5,805,707	853,456	-	17,616	(120,408)	663,116	13,716,935	23,174,994	-	23,174,994
GROUP												
Balance as at 1 January 2014	943,746	958,527	5,805,707	-	1,706,751	22,367	150,614	-	14,926,095	24,513,807	847,846	25,361,653
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-	-	-	-	1,190,885	1,190,885	13,983	1,204,868
Other Comprehensive Income net of Tax	-	-	-	-	-	-	(103,220)	-	(276)	(103,496)	(25)	(103,521)
Total Comprehensive Income for the period	-	-	-	-	-	22,367	(103,220)	-	1,190,609	1,087,389	13,958	1,101,347
Transactions with equity holders												
Issue of Shares	20,446	-	-	-	-	-	-	-	-	20,446	-	20,446
Transfer to Investment Fund Account	-	-	-	-	75,296	-	-	-	(75,296)	-	-	-
Adjustment to share based payment reserves	(79,809)	-	-	-	-	12,767	-	-	-	(67,042)	-	(67,042)
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(824,245)	(824,245)	(1,074)	(825,319)
Balance as at 31 March 2014	884,383	958,527	5,805,707	-	1,782,047	35,134	47,394	-	15,217,163	24,797,397	860,730	25,591,085
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
Total Comprehensive Income for the period												
Profit for the period	-	-	-	-	-	-	-	-	869,275	869,275	20,319	889,595
Other Comprehensive Income before Tax	-	-	-	-	-	-	(313,506)	265,264	355	(47,888)	101	(47,786)
Tax on Other Comprehensive Income	-	-	-	-	-	-	88,297	-	-	88,297	-	88,297
Total Comprehensive Income for the period	-	-	-	-	-	-	(225,209)	265,264	869,630	909,685	20,421	930,105
Transactions with equity holders												
Adjustment due to changes in group companies	-	-	-	-	-	-	-	-	(33,711)	(33,711)	16,817	(16,894)
Transfer from share based payment reserves	2,627	-	-	-	-	(2,627)	-	-	-	-	-	-
Adjustment to share based payment reserves	-	-	-	-	-	6,651	-	-	-	6,651	-	6,651
Dividend paid	-	-	-	-	-	-	-	-	(660,376)	(660,376)	(4,704)	(665,080)
Balance as at 31 March 2015	1,147,980	1,010,785	5,805,707	853,456	-	64,171	(62,854)	663,116	18,615,661	28,098,022	955,179	29,053,201

STATEMENT OF CASH FLOW

For the period ended 31 March

	BANK		GROUP	
	2015 LKR '000	2014 LKR '000	2015 LKR '000	2014 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	5,529,012	5,113,183	5,597,686	5,479,474
Fee based income received	402,910	422,807	603,741	422,807
Dividend income received	34,546	275,766	51,784	-
Other income received	405,096	340,611	489,352	336,137
Interest paid	(3,241,992)	(3,549,494)	(3,243,485)	(3,549,494)
Personnel costs paid	(121,647)	(697,597)	(166,740)	(697,597)
General expenses paid	(1,095,385)	(543,144)	(1,124,544)	(543,144)
Operating Profit before changes in operating assets and liabilities	1,912,541	1,362,133	2,207,794	1,448,182
Net increase in loans and advances	(151,047)	(8,076,858)	(151,047)	(8,076,858)
Net Increase in deposits from customers	11,006,808	5,452,314	11,006,808	5,452,314
Net (increase)/decrease in other receivables	(154,389)	574,227	(307,845)	587,819
Net increase/(decrease) in other liabilities	(1,167,339)	(137,539)	(1,055,665)	(79,577)
Net cash inflow/(outflow) from operating activities before taxation	11,446,574	(825,723)	11,700,046	(668,120)
Financial Services VAT paid	(347,051)	(294,220)	(347,051)	(294,220)
Income taxes paid	(186,062)	(68,726)	(195,790)	(82,091)
Net cash provided by/(used in) operating activities	10,913,461	(1,188,670)	11,157,205	(1,044,431)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial investments	10,419,784	1,476,303	10,170,035	1,677,642
Disposal of subsidiaries/associates	(53,947)	-	(30,189)	-
Expenditure on property, plant & equipment	(82,784)	(42,337)	(79,251)	(78,333)
Proceeds from sale of property, plant & equipment	-	8,248	4,050	8,248
Net cash used in investing activities	10,283,053	1,442,215	10,064,645	1,607,557
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of shares	-	20,447	-	20,447
(Decrease)/ Increase in other borrowings	(9,431,140)	731,108	(9,431,140)	731,108
Dividends paid to non controlling interests	-	-	-	(263,872)
Dividends paid to shareholders of the parent Company	(658,347)	(809,182)	(644,301)	(809,182)
Net cash provided by/(used in) financing activities	(10,089,487)	(57,627)	(10,075,441)	(321,499)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,107,026	195,918	11,146,409	241,627
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,431,750	8,080,826	12,601,395	8,138,013
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23,538,776	8,276,744	23,747,804	8,379,640
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	5,602,693	1,487,415	5,811,720	1,590,311
Balances with Central Bank	6,615,366	5,852,292	6,615,366	5,852,292
Placements with banks	11,364,448	1,021,421	11,364,448	1,021,421
23,582,507	8,361,128	23,791,535	8,464,024	
Amount due to foreign Banks	43,731	84,384	43,731	84,384
23,538,776	8,276,744	23,747,804	8,379,640	

SEGMENTAL ANALYSIS - GROUP

For the period ended 31 March	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2014 LKR '000	2014 LKR '000	2014 LKR '000	2014 LKR '000	2014 KR '000	2014 KR '000	2014 LKR '000	2014 LKR '000	2014 LKR '000	2014 LKR '000
Revenue										
Interest Income	5,113,061	5,054,175	48,623	61,225	-	-	-	-	5,161,684	5,115,400
Net Fee & commission income	455,211	422,807	153,336	154,055	22,349	24,699	33,591	-	664,487	601,561
Foreign exchange profit	207,802	284,930	-	-	-	-	-	-	207,802	284,930
Other Income	204,172	415,589	58,483	37,287	-	-	-	-	262,654	452,876
Total revenue from external customers	5,980,246	6,177,501	260,441	252,567	22,349	24,699	33,591	-	6,296,627	6,454,737
Inter-segment Revenue	-	-	12,690	2,934	10,224	12,692	-	-	22,914	15,626
Total Revenue	5,980,246	6,177,501	273,131	255,501	32,573	37,391	33,591	-	6,319,541	6,470,393
Impairment charge / (reversal) for loans & other losses	(63,502)	28,492	-	-	-	-	-	-	(63,502)	28,492
Segment expenses	(4,456,312)	(4,703,452)	(149,757)	(109,805)	(6,134)	(14,953)	-	-	(4,612,204)	(4,828,210)
Total segment expenses	(4,519,814)	(4,674,960)	(149,757)	(109,805)	(6,134)	(14,953)	-	-	(4,675,706)	(4,799,718)
Segment results	1,460,432	1,502,541	123,374	145,696	26,439	22,438	33,591	-	1,643,835	1,670,675
Share of associate companies' profit before taxation	-	-	-	-	-	-	46,963	97,274	46,963	97,274
Taxation	-	-	-	-	-	-	-	-	-	-
VAT on financial services	-	-	-	-	-	-	-	-	(473,204)	(334,080)
Profit after taxation	-	-	-	-	-	-	-	-	(328,000)	(229,000)
Other information									889,594	1,204,869
Segment assets	264,139,647	207,313,012	3,333,582	4,109,687	1,606,869	1,455,871	106,171	-	269,186,268	212,878,570
Investment in associates	-	-	-	-	-	-	776,353	140,526	776,353	140,526
Investment - Held for sale	-	-	-	-	-	-	33,301	33,301	33,301	33,301
Consolidated total assets	-	-	-	-	-	-	-	-	269,995,922	213,052,397
Segment liabilities										
Consolidated total liabilities	239,753,578	187,194,559	1,084,711	218,463	51,414	48,287	53,017	-	240,942,721	187,461,309
Segmental Cash flows										
Cash flows from operating activities	10,913,461	(1,188,670)	209,775	(309,949)	24,097	96,879	9,873	357,312	11,157,205	(1,044,428)
Cash flows from investing activities	10,283,053	1,442,215	(283,020)	355,579	(19,618)	(60,097)	84,230	(45,758)	10,064,645	1,691,939
Cash flows from financing activities	(10,089,487)	(57,627)	14,046	(60,087)	-	(36,779)	-	(167,006)	(10,075,441)	(321,499)

MEASUREMENT OF FINANCIAL INSTRUMENTS

AS AT 31 MARCH 2015 - BANK

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for Sale	Total
ASSETS							
Cash and cash equivalents	-	-	5,602,693	-	-	-	5,602,693
Balances with Central Bank	-	-	6,615,366	-	-	-	6,615,366
Placements with banks	-	-	11,364,448	-	-	-	11,364,448
Derivative Financial Instruments	2,038,488	-	-	-	-	-	2,038,488
Financial Assets - Held for trading	3,172,011	-	-	-	-	-	3,172,011
Loans and Receivables to banks	-	-	227,603	-	-	-	227,603
Loans and Receivables to other customers	-	-	175,406,220	-	-	-	175,406,220
Financial Investments - Loans and receivables	-	-	19,009,326	-	-	-	19,009,326
Financial Investments - Available for sale	-	-	-	27,539,088	-	-	27,539,088
Financial Investments - Held to maturity	-	6,341,221	-	-	-	-	6,341,221
Total Financial Assets	5,210,498	6,341,221	218,225,658	27,539,088	-	-	257,316,465
Investment - Held for sale	-	-	-	-	-	18,525	18,525
Investments in subsidiary companies	-	-	-	-	2,054,238	-	2,054,238
Intangible assets	-	-	-	-	233,076	-	233,076
Property, plant & equipment	-	-	-	-	1,919,306	-	1,919,306
Other assets	-	-	-	-	2,631,294	-	2,631,294
Total assets	5,210,498	6,341,221	218,225,658	27,539,088	6,837,914	18,525	264,172,904

LIABILITIES	Held for Trading	Amortised Cost	Others	Total
Due to Banks	-	13,484,842	-	13,484,842
Derivative Financial Instruments	594,280	-	-	594,280
Due to other Customers	-	162,760,544	-	162,760,544
Debt Securities issued and other borrowed funds	-	45,840,248	-	45,840,248
Subordinated Term debts	-	11,307,455	-	11,307,455
Total Financial Liabilities	594,280	233,393,089	-	233,987,370
Current Tax Liabilities	-	-	833,416	833,416
Deferred Tax	-	-	741,873	741,873
Other liabilities	-	-	5,381,794	5,381,794
Dividends payable	-	-	53,458	53,458
Total liabilities	594,280	233,393,089	7,010,540	240,997,910

MEASUREMENT OF FINANCIAL INSTRUMENTS

AS AT 31 DECEMBER 2014 - BANK

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for Sale	Total
ASSETS							
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
Total Financial Assets	4,689,058	8,970,963	226,410,097	17,060,302	-	-	257,130,420
Investment -Held for sale	-	-	-	-	-	18,525	18,525
Investments in subsidiary companies	-	-	-	-	2,000,290	-	2,000,290
Investments in associate companies	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	253,132	-	253,132
Property, plant & equipment	-	-	-	-	1,927,496	-	1,927,496
Other assets	-	-	-	-	1,399,283	-	1,399,283
Total assets	4,689,058	8,970,963	226,410,097	17,060,302	5,580,200	18,525	262,729,146
LIABILITIES				Held for Trading	Amortised 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
Total Financial Liabilities				663,186	234,381,633	-	235,044,820
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
Total liabilities				663,186	234,381,633	5,446,134	240,490,954

MEASUREMENT OF FINANCIAL INSTRUMENTS

AS AT 31 MARCH 2015 - GROUP

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for Sale	Total
ASSETS							
Cash and cash equivalents	-	-	5,811,720	-	-	-	5,811,720
Balances with Central Bank	-	-	6,615,366	-	-	-	6,615,366
Placements with banks	-	-	11,364,448	-	-	-	11,364,448
Derivative Financial Instruments	2,038,488	-	-	-	-	-	2,038,488
Financial Assets - Held for trading	6,414,019	-	-	-	-	-	6,414,019
Loans and Receivables to banks	-	-	227,603	-	-	-	227,603
Loans and Receivables to other customers	-	-	175,431,894	-	-	-	175,431,894
Financial Investments - Loans and receivables	-	-	19,550,708	-	-	-	19,550,708
Financial Investments - Available for sale	-	-	-	27,803,088	-	-	27,803,088
Financial Investments - Held to maturity	-	7,579,358	-	-	-	-	7,579,358
Total Financial Assets	8,452,507	7,579,358	219,001,740	27,803,088	-	-	262,836,691
Investment - Held for sale	-	-	-	-	-	33,301	33,301
Investments in associate companies	-	-	-	-	776,353	-	776,353
Investment Property	-	-	-	-	1,545,693	-	1,545,693
Intangible assets	-	-	-	-	276,675	-	276,675
Property, plant & equipment	-	-	-	-	2,233,334	-	2,233,334
Other assets	-	-	-	-	2,293,875	-	2,293,875
Total assets	8,452,507	7,579,358	219,001,740	27,803,088	7,125,930	33,301	269,995,922
LIABILITIES							
	Held for Trading	Amortised Cost	Others	Total			
Due to Banks	-	13,484,842	-	13,484,842			
Derivative Financial Instruments	594,280	-	-	594,280			
Due to other Customers	-	162,427,534	-	162,427,534			
Debt Securities issued and other borrowed funds	-	45,810,249	-	45,810,249			
Subordinated Term debts	-	11,307,455	-	11,307,455			
Total Financial Liabilities	594,280	233,030,081	-	233,624,360			
Current Tax Liabilities	-	-	801,879	801,879			
Deferred Tax	-	-	733,624	733,624			
Other liabilities	-	-	5,729,401	5,729,401			
Dividends payable	-	-	53,458	53,458			
Total liabilities	594,280	233,030,081	4,894,683	240,942,721			

MEASUREMENT OF FINANCIAL INSTRUMENTS

AS AT 31 DECEMBER 2014 - GROUP

	Held for Trading	Held to Maturity	Loans and Receivables	Available for Sale	Others	Held for Sale	Total
ASSETS							
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
Total Financial Assets	7,932,339	10,167,325	227,021,493	18,057,852	-	-	263,179,009
Investment - 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
Total assets	7,932,339	10,167,325	227,021,493	18,057,852	5,917,295	33,301	269,129,605

	Held for Trading	Amortised Cost	Others	Total
LIABILITIES				
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
Total Financial Liabilities	663,186	234,013,462	-	234,676,647
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
Total liabilities	663,186	234,013,462	5,654,541	240,331,186

NOTES TO THE FINANCIAL STATEMENTS

1. The figures are extracted from unaudited financial statements.
2. The accounting policies and methods of computation are consistent with those followed during the previous financial year.
3. 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 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 current year's presentation.
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, which manages Sri Lanka's largest country dedicated private equity fund. Accordingly, the equity investment took place on 2 January 2015.
5. As per the Finance Bill dated 31 March 2015, an additional one-off tax of 25% has been imposed on the profits of all subsidiaries and the holding company of such group companies, which have earned in excess of LKR 2,000 Mn for the year of assessment 2013/2014. The estimated tax liability, for the NDB Group on its Group taxable income amounts to LKR 846mn.
6. The Boards of Directors of DFCC Bank PLC (DFCC) and National Development Bank PLC (NDB) announced that DFCC, DFCC Vardhana Bank PLC (DVB) and NDB have jointly agreed to terminate the Memorandum Of Understanding entered into by and amongst the said parties on the 24 March 2014 (MOU), relating to the intended amalgamation of DFCC, DVB and NDB, with effect from 11 May 2015.
7. Except for note 5 and 6 above, there have been 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 Group.

Share Information	31/03/2015	31/12/2014
Number of shares	165,093,922	165,093,922
Last traded price (LKR)	248.00	250.00
For the quarter ended	31/03/2015	31/12/2014
Highest price per share (LKR)	248.50	266.00
Lowest price per share (LKR)	245.00	233.00

ADDITIONAL QUARTERLY DISCLOSURES

	BANK		GROUP	
a) Loans and Receivables to Other Customers	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000
Gross loans and receivables	180,246,076	180,189,406	180,271,749	180,250,109
(Less): Individual impairment	2,298,331	2,289,590	2,298,331	2,289,590
Collective impairment	2,541,524	2,724,613	2,541,524	2,724,613
Net loans and receivables	175,406,220	175,175,203	175,431,894	175,235,906
	BANK		GROUP	
b) Gross Loans and Receivables to other customers - by product	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000
By product-Domestic Currency				
Term loans	39,850,609	39,723,174	39,816,102	39,723,696
Medium and short term loans	23,480,223	23,919,879	23,480,223	23,919,879
Overdrafts	23,619,988	23,564,342	23,603,524	23,547,878
Trade Finance	9,833,437	9,881,392	9,833,437	9,881,392
Consumer loans	19,773,075	18,934,195	19,773,075	18,934,195
Lease rentals receivable	10,488,397	8,879,288	10,488,397	8,879,288
Hire Purchase	2,524,488	2,733,250	2,524,488	2,733,250
Housing loans	6,614,051	6,403,174	6,614,051	6,403,174
Pawning	312,250	416,594	312,250	416,594
Staff loans	1,076,961	1,052,993	1,153,606	1,129,638
Islamic Banking facilities	291,961	173,782	291,961	173,782
Sub total	137,865,440	135,682,065	137,891,114	135,742,768
By product-Foreign Currency				
Overdrafts	819,059	711,569	819,059	711,569
Medium and short term loans	19,432,134	19,342,008	19,432,134	19,342,008
Trade Finance	21,280,681	24,296,531	21,280,681	24,296,531
Islamic Banking facilities	848,762	157,233	848,762	157,233
Sub total	42,380,635	44,507,341	42,380,635	44,507,341
Total	180,246,076	180,189,406	180,271,749	180,250,109
	BANK		GROUP	
c) Movements in individual and collective impairment during the period for loans and Receivables to Other Customers	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000
Individual impairment				
Opening balance at 01st January	2,289,588	1,828,065	2,289,588	1,828,065
Charge/(Write back) to Income Statement	119,590	141,432	119,590	141,432
Write-off during the period	(279,562)	-	(279,562)	-
Other movements	168,716	320,093	168,716	320,093
Closing balance	2,298,332	2,289,590	2,298,332	2,289,590
Collective impairment				
Opening balance at 01st January	2,724,616	2,359,407	2,724,616	2,359,407
Charge/(Write back) to Income Statement	(183,092)	387,276	(183,092)	387,276
Write-off during the Period	-	(22,070)	-	(22,070)
Closing balance	2,541,524	2,724,613	2,541,524	2,724,613
Total impairment	4,839,856	5,014,203	4,839,856	5,014,203
	BANK		GROUP	
d) Due to Other Customers - By product	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000	Current Period As at 31/03/2015 LKR '000	Previous Period As at 31/12/2014 LKR '000
By product-Domestic Currency				
Demand deposits	10,257,573	10,073,086	12,302,934	10,035,567
Savings deposits	18,740,695	18,291,268	18,740,695	18,291,268
Fixed deposits	88,766,501	86,689,126	86,388,131	86,388,131
Other deposits	139,744	210,081	139,744	210,081
Sub total	117,904,514	115,263,561	117,571,505	114,925,047
By product- Foreign Currency				
Demand deposits	2,112,986	2,218,739	2,112,986	2,218,739
Savings deposits	5,057,183	5,765,375	5,057,183	5,765,375
Fixed deposits	37,600,284	28,477,953	37,600,284	28,477,953
Other deposits	85,576	98,087	85,576	98,087
Sub total	44,856,030	36,560,154	44,856,030	36,560,154
Total	162,760,544	151,823,715	162,427,534	151,485,201

SELECTED PERFORMANCE INDICATORS

	BANK		GROUP	
	As at 31/03/2015	As at 31/12/2014	As at 31/03/2015	As at 31/12/2014
Regulated Capital Adequacy				
Core Capital (Tier 1 Capital) (LKR mn)	20,011	19,888	26,520	26,952
Total Capital Base (LKR mn)	29,406	28,932	36,648	36,611
Core Capital adequacy Ratio -Core Capital as a % of Risk -weighted Assets (Minimum Requirement, 5%)	10.11	10.09	12.70	12.92
Total Capital Adequacy Ratio -Total Capital as a % of (Tier 1 & 2 (%))				
Risk -weighted Assets (Minimum Requirement,10%)	14.86	14.68	17.56	17.55
Asset Quality				
Gross Non-performing Advances Ratio (%)	2.49	2.51	2.49	2.51
Net Non-performing Advances Ratio (%)	1.15	1.25	1.15	1.25
Profitability				
Earnings Per Share (LKR)- (annualised)	23.47	20.72	21.12	25.14
Return on Average Shareholders' Funds (%)	17.07	16.33	12.42	15.78
Return on Average Assets (%)	1.47	1.47	1.29	1.74
Net interest margin (%)	2.92	3.31	2.94	3.33
Debt Security - Related Ratios				
Interest Cover (Times)	1.60	1.58	1.62	1.60
Debt to Equity (Times)	10.07	10.43	8.29	8.31
Regulatory Liquidity				
Statutory liquid assets- LKR mn	55,940	56,650	55,940	56,650
Statutory liquid assets ratio (%)				
Domestic Banking Unit	23.68	23.85	23.68	23.85
Foreign Currency Banking Unit	26.67	25.18	26.67	25.18

CERTIFICATION

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 unaudited financial statements of the Bank.

(Sgd.)

N. G. Wickremeratne

Chairman

14th May 2015

(Sgd.)

R. Theagarajah

Chief Executive Officer

SHARE INFORMATION

TOP 20 LARGEST REGISTERED SHAREHOLDERS

As at 31st March, 2015

	Name	No. of Shares	%
1	BANK OF CEYLON NO. 1 ACCOUNT	16,371,076	9.92
2	EMPLOYEES PROVIDENT FUND	16,010,248	9.70
3	SRI LANKA INSURANCE CORPORATION LIMITED - GENERAL FUND	9,388,488	5.69
4	HSBC INTL NOM LTD - SNFE-NTASIAN DISCOVERY MASTER FUND	8,973,856	5.44
5	DR. S YADDEHIGE	8,669,000	5.25
6	SRI LANKA INSURANCE CORPORATION LIMITED - LIFE FUND	7,805,426	4.73
7	HSBC INTL NOM LTD-BPSS LUX-ABERDEEN GLOBAL ASIA PACIFIC EQUITY FUND	5,715,450	3.46
8	EMPLOYEES TRUST FUND BOARD	5,303,700	3.21
9	BNY-CF RUFFER INVESTMENT FUNDS: CF RUFFER PACIFIC FUND	4,850,000	2.94
10	HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND PARTNERS L.P.	4,501,200	2.73
11	HSBC INTL NOM 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
13	ASIAN ALLIANCE INSURANCE PLC ACCOUNT NUMBER 03/ LIFE SHAREHOLDERS FUND	3,450,977	2.09
14	MR. A K PATHIRAGE	2,970,000	1.80
15	ASIAN ALLIANCE INSURANCE PLC - GENERAL FUND ACCOUNT NUMBER 01	2,540,977	1.54
16	HSBC INTL NOM LTD-BBH-MATTHEWS EMERGING ASIA FUND	2,515,196	1.52
17	ASIRI HOSPITAL HOLDINGS PLC	2,411,583	1.46
18	MR. R S CAPTAIN	2,210,356	1.34
19	ASIAN ALLIANCE INSURANCE PLC - A/C 02 (LIFE FUND)	2,159,746	1.31
20	HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND INVESTORS (BERMUDA) LP	2,045,200	1.24

PUBLIC HOLDING	AS AT 31.03.2015
Public Holding Percentage	90.26%
Number Of Public Shareholders	7,564

DIRECTOR'S INTEREST IN SHARES OF NDB

As at 31st March, 2015

NAME	NO. OF SHARES
A K PATHIRAGE	3,993,000*
R THEAGARAJAH (CEO)	126
T L F JAYASEKARA	-
K FERNANDO	-
D S P WIKRAMANAYAKE	-
I SUGATHADASA	-

* Includes shares held in slash account

INFORMATION ON DEBENTURES - BANK

Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 31 March 2015 LKR mn	Market Value		Interest Rate		Interest rate of comparable Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Quarter end LKR	Coupon Rate %		Interest Yield %	Yield to Maturity %
Fixed rate										
A - Dec 2013/Dec 2018	Listed	Semi-annually	1,243	112.00	110.00	112.00	13.00	8.13	9.13	9.13
B - Dec 2013/Dec 2018	Listed	Annually	1,529	Not traded during the quarter			13.40	8.13	Not traded during the quarter	
C - Dec 2013/Dec 2023	Listed	Annually	3,638	117.05	117.05	117.05	13.90	9.38	10.78	10.78
D - Dec 2013/Dec 2025	Listed	Annually	3,590	Not traded during the quarter			14.00	9.75	Not traded during the quarter	
Floating Rate										
2011- 2016 (3 month TB rate (gross)+1% p.a.)	Unlisted	Quarterly	400	-	-	-	7.80	7.80	-	-
Total Debentures			10,400							

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

FINANCIAL STATEMENT IN USD - STATEMENT OF PROFIT OR LOSS

	BANK			GROUP		
	2015 US\$ '000	2014 US\$ '000	% Change	2015 US\$ '000	2014 US\$ '000	% Change
For the period ended 31 March						
Gross Income	51,276	48,436	6	47,487	49,494	(4)
Interest Income	38,421	38,573	(0)	38,786	9,042	(1)
Interest Expenses	23,992	24,836	(3)	23,880	24,791	(4)
Net Interest Income	14,429	13,737	5	14,907	14,250	5
Fee and commission income	3,421	3,234	6	5,070	4,601	10
Net trading gains / (losses)	1,561	2,180	(28)	1,561	2,180	(28)
Net gain/(loss) from financial investments	669	2,262	(70)	798	3,386	(76)
Other operating income	7,204	2,187	229	1,271	285	346
Total operating income	27,284	23,599	16	23,606	24,702	(4)
Impairment charges/(Reversal) for loans and other losses	(477)	218	(319)	(477)	961	(150)
Net operating income	27,761	23,381	19	24,083	23,741	1
LESS: OPERATING EXPENSES						
Personnel Expenses	5,925	5,314	12	6,493	5,759	13
Other expenses	4,636	4,695	(1)	5,239	5,203	1
Total operating expenses	10,561	10,008	6	11,732	10,963	7
OPERATING PROFIT BEFORE TAX OF FINANCIAL SERVICES	17,201	13,372	29	12,351	12,779	(3)
Tax on Financial Services	(2,465)	(1,752)	41	(2,465)	(1,752)	41
OPERATING PROFIT AFTER TAX ON FINANCIAL SERVICES	14,736	11,620	27	9,887	11,027	(10)
Share of associate companies' profits / (Losses)	-	-	-	353	744	(53)
PROFIT BEFORE TAXATION	14,736	11,620	27	10,239	11,771	(13)
Taxation	(3,032)	(2,452)	24	(3,556)	(2,555)	39
PROFIT FOR THE PERIOD	11,704	9,169	28	6,684	9,215	(27)
PROFIT ATTRIBUTABLE TO						
Equity Holders of the parent	11,704	9,169	28	6,528	9,109	(28)
Non Controlling Interests	-	-	-	155	107	45
	11,704	9,169	28	6,684	9,215	(27)
Statement of Comprehensive Income						
	BANK			GROUP		
	2015 US\$ '000	2014 US\$ '000	% Change	2015 US\$ '000	2014 US\$ '000	% Change
Profit for the Period	11,704	9,169	28	6,684	9,215	(27)
Other comprehensive income /(expenses) to be reclassified to profit or loss in subsequent periods						
Exchange gain from valuation of a Foreign operation	-	-	-	3	(2)	252
Gains and losses on Available For Sale Investments	(2,359)	(1,107)	113	(2,356)	(1,100)	114
Gains and losses on cash flow hedges	1,993	-	100	1,993	-	100
Total Other Comprehensive Income /(expenses)	(366)	(1,107)	(67)	(359)	(1,102)	(67)
Less: Tax expenses relating to components of other comprehensive income	663	310	114	663	310	114
Total other comprehensive income after tax	298	(797)	(137)	304	(792)	(138)
	-	-	-	-	-	-
Total Comprehensive Income for the period	12,002	8,370	43	6,988	8,424	(17)
Attributable to :						
Equity holders of the parent	12,002	8,370	43	6,835	8,317	(18)
Non Controlling Interests	-	-	-	153	107	44
	12,002	8,370	43	6,988	8,424	(17)

FINANCIAL STATEMENT IN USD - STATEMENT OF FINANCIAL POSITION

As at 31 March 2015	BANK			GROUP		
	2015	2014	%	2015	2014	%
	31/03/2015 US\$ '000	31/12/2014 US\$ '000	Change	31/12/2014 US\$ '000	31/03/2015 US\$ '000	Change
ASSETS						
Cash and Cash equivalents	42,046	23,536	79	43,640	24,822	76
Balances with Central Bank	49,646	51,104	(3)	49,646	51,104	(3)
Placements with banks	85,287	20,636	313	85,287	20,636	313
Derivative Financial Instruments	15,298	14,434	6	15,298	14,434	6
Other Financial Assets Held for trading	23,805	21,117	13	48,135	45,706	5
Loans and Receivables to banks	1,708	2,359	(28)	1,708	2,359	(28)
Loans and Receivables to other customers	1,316,369	1,328,091	(1)	1,316,562	1,328,551	(1)
Financial Investments - Loans and receivables	142,659	290,390	(51)	146,722	293,279	(50)
Financial Investments - Available For Sale	206,672	129,343	60	208,654	136,906	52
Financial Investments - Held to Maturity	47,589	68,013	(30)	56,881	77,084	(26)
Investments - Held for sale	139	140	100	250	252	100
Investments in subsidiary companies	15,416	15,165	2	-	-	-
Investments in associate companies	-	-	-	5,826	-	-
Investment Property	-	-	-	11,600	11,719	(1)
Intangible Assets	1,749	1,919	(9)	2,076	2,252	(8)
property, plant & equipment	14,404	14,613	(1)	16,760	17,078	(2)
Other assets	19,747	11,021	79	17,215	14,225	21
Total assets	1,982,536	1,991,881	(0)	2,026,261	2,040,406	(1)
LIABILITIES						
Due to Banks	101,200	53,293	90	101,200	53,293	90
Derivative Financial Instruments	4,460	5,028	(11)	4,460	5,028	(11)
Due to Other Customers	1,221,467	1,151,052	6	1,218,993	1,148,485	6
Debt Securities issued and other borrowed funds	344,017	469,715	(27)	343,792	469,491	(27)
Tax liabilities	6,255	6,268	(0)	6,018	6,112	(2)
Deferred Tax	5,568	4,696	19	5,506	4,624	19
Provision	40,389	1,873	2,057	42,997	2,199	1,855
Other liabilities	401	46,828	(99)	401	48,309	(99)
Subordinated Term debts	84,859	84,529	0	84,859	84,529	0
Total liabilities	1,808,615	1,823,282	(1)	1,808,225	1,822,071	(1)
Equity						
Stated Capital	9,214	9,289	(1)	8,615	8,683	(1)
Statutory reserve fund	7,586	7,663	(1)	7,586	7,663	(1)
Retained Earnings	146,511	141,209	4	183,482	183,820	(0)
Other reserves	10,610	10,438	2	11,185	11,174	0
Total equity to equity owners of the Bank	173,921	168,599	4	210,867	211,340	(2)
Non Controlling Interest	-	-	7,168	6,995	2	
Total Equity	173,921	168,599	3	218,035	218,335	(0)
Total liabilities and Equity	1,982,536	1,991,881	(0)	2,026,261	2,040,406	(1)
Commitments and contingencies	1,764,323	1,752,416	1	1,764,323	1,752,416	1

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. N.G. Wickremaratne (Chairman)

Mr. Ashok Pathirage (Deputy Chairman)

Mr. Rajendra Theagarajah (Director/Chief Executive Officer)

Mr. Trevine Jayasekara (Director)

Mr. Sarath Wikramanayake (Director)

Mrs. Kimarli Fernando (Director)

Mrs. Indrani Sugathadasa (Director)

Mrs. Anula Harasgama (Director)

Mr. Dinal Phillips (Director)

COMPLIANCE OFFICER

Manique Kiriella Bandara

SUBSIDIARY COMPANIES

NDB Capital Holdings PLC

Development Holdings (Pvt) Ltd.

NDB Securities (Pvt) Ltd.

NDB Investment Bank Ltd.

NDB Capital Ltd. (Bangladesh)

NDB Industrial Estates (Pvt) Ltd. (Under Liquidation)

INVESTOR RELATIONS – CONTACT DETAILS

investor.relations@ndbbank.com

CORPORATE INFORMATION

NAME OF THE COMPANY

National Development Bank PLC (The Bank was registered under The Companies Act No. 17 of 1982 and subsequently re-registered under the Companies Act No. 07 of 2007 on 04 July 2007).

LEGAL FORM

Incorporated in Sri Lanka under the Companies Act No. 7 of 2007 and also regulated under the Banking Act No. 30 of 1988 as amended from time to time.

HEAD OFFICE/REGISTERED OFFICE

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SWIFT Code: NDB S LK LX

Web Page: www.ndbbank.com

E-Mail: contact@ndbbank.com

VAT Registration No.: 40932000266 - 7000

Credit Rating: AA-(Ika) Fitch Rating

COMPANY REGISTRATION NUMBER

PQ 27

AUDITORS

Messrs Ernst & Young

201, De Saram Place, Colombo 10

LAWYERS

Legal Department – National Development Bank PLC

COMPANY SECRETARY

Ms. Shehani Ranasinghe

Attorney-at-Law

The first part of the paper discusses the importance of understanding the local context in which a project is implemented. This involves a thorough analysis of the social, cultural, and economic factors that may influence the success or failure of the intervention. The second part of the paper describes the methodology used in the study, including the selection of participants, the data collection methods, and the analysis techniques. The third part of the paper presents the results of the study, which show that the intervention had a positive impact on the target population. The final part of the paper discusses the implications of the findings for future research and practice.

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