

CASH FLOW STATEMENT

Balances with Central Bank

Dues from banks and other financial institutions

Financial Statements For the year ended 31 December, 2012



31-Dec Change 31-Dec S1-Dec Change

2012

SUMMARISED BALANCE SHEET (in Rs. '000)

ASSETS

2012

			BANK					GROUP		
	Year	Year	Change	Quarter	Quarter	Year	Year	Change	Quarter	Quarter
	ended	ended		ended	ended	ended	ended		ended	ended
	31.12.2012	31.12.2011	(%)	31.12.2012	31.12.2011	31.12.2012	31.12.2011	(%)	31.12.2012	31.12.201
NCOME	20,067,786	13,531,130	48	5,259,035	3,807,068	26,179,220	14,698,748	78	11,351,022	4,443,840
Interest income										
Interest income on loans and advances	14,094,891	9,037,823	56	4,035,916	2,680,207	14,097,670	9,040,711	56	4,036,904	2,681,860
Interest income from other interest earning assets	2,831,541	2,299,209	23	791,114	591,786	2,993,508	2,500,415	20	822,770	628,88
	16,926,433	11,337,032	49	4,827,030	3,271,993	17,091,178	11,541,126	48	4,859,675	3,310,747
Interest expenses	7.005.506	1000 640	0.5	0.246.060	4.050.070	7.005.506	(000.540	0.5	0.246.060	4.050.071
Interest expenses on deposits	7,835,596	4,203,619	86	2,316,968	1,258,973	7,835,596	4,203,619	86	2,316,968	1,258,97
Interest expenses on other interest bearing liablities	3,456,393 11,291,989	2,646,342 6,849,961	31 65	907,712	751,406 2,010,380	3,400,661 11,236,257	2,565,695 6,769,314	33 66	899,006 3,215,974	719,550 1,978,524
	11,291,909	0,049,901	05	3,224,680	2,010,360	11,230,257	0,709,314	00	3,215,974	1,970,52
NET INTEREST INCOME	5,634,444	4,487,071	26	1,602,349	1,261,614	5,854,921	4,771,812	23	1,643,700	1,332,22
Non interest income										
Equity income										
Quoted and Non-quoted securities	122,310	(46,452)	363	7,658	(29,370)	6,195,754	(88,544)	7,097	5,954,891	(84,978
Group companies	631,414	274,711	130	0	16,800	-	17,300	(100)	-	16,80
Other income	1,192,398	1,140,737	5	336,530	268,129	1,697,057	2,403,765	(29)	448,639	921,75
Foreign exchange income	1,195,231	825,102	45	87,817	279,516	1,195,231	825,102	45	87,817	279,51
Net other income	3,141,354	2,194,098	43	432,006	535,075	9,088,042	3,157,622	188	6,491,347	1,133,09
NET INCOME	8,775,797	6,681,169	31	2,034,355	1,796,688	14,942,963	7,929,434	88	8,135,048	2,465,317
Less, NON INTEREST EXPENSES										
Personnel costs	2,075,769	1,704,905	22	537,193	525,354	2,276,332	1,976,398	15	597,402	619,15
Staff retirement benefits	63,666	84,389	(25)	31,416	66,393	70,213	91,166	(23)	34,172	69,12
Premises, equipment and establishment expenses	1,140,957	1,020,302	12	285,811	296,270	1,414,997	1,277,999	11	362,492	363,513
Other operating expenses	765,336	671,332	14	192,533	197,560	727,422	623,098	17	186,334	179,245
	4,045,729	3,480,928	16	1,046,953	1,085,577	4,488,965	3,968,662	13	1,180,401	1,231,038
OPERATING PROFIT BEFORE PROVISIONS	4,730,069	3,200,240	48	987,402	711,111	10,453,998	3,960,772	164	6,954,647	1,234,27
Less, Provision for bad and doubtful										
debts and loans written off										
Provisions- General	67,528	(112,414)	160	23,880	(49,911)	67,528	(112,414)	160	23,880	(49,91
Provisions- Specific	86,174	218,148	(60)	34,442	127,105	86,174	218,148	(60)	34,442	127,105
Recoveries/Releases (-)	(59,990)	(432,023)	86	36	(139,170)	(59,990)	(432,023)	86	36	(139,170
necoveries, necesses ()	93,712	(326,289)	129	58,358	(61,976)	93,712	(326,289)	129	58,358	(61,976
OPERATING PROFIT BEFORE PROVISION										
FOR FALL IN VALUE OF										
DEALING & INVESTMENT SECURITIES	4,636,357	3,526,530	31	929,044	773,087	10,360,287	4,287,061	142	6,896,289	1,296,255
Provision / (release) for fall in value of										
investment securities	48,500	165,562	(71)	48,500	562	(6,233)	9,281	-	(6,233)	9,281
OPERATING PROFIT AFTER PROVISION										
FOR FALL IN VALUE OF	/ 507.057	2 260 060	27	000 5 / /	770 505	10.266.500	/ 277 700	1/0	6,000,500	1 206 07
DEALING & INVESTMENT SECURITIES	4,587,857	3,360,968	37	880,544	772,525	10,366,520	4,277,780	142	6,902,522	1,286,974
Share of associate companies'										
profit before taxation	_	_	_	-	_	438,719	330,793	33	266,196	285,087
PROFIT BEFORE TAXES	4,587,857	3,360,968	37	880,544	772,525	10,805,239	4,608,573	134	7,168,718	1,572,060
VAT on financial services	620,000	50/, 060	22	95 106	121 610	620,000	50/, 050	22	95 196	121,619
	620,000	504,960	23	85,186	121,619	620,000	504,960	23	85,186	
PROFIT BEFORE CORPORATE TAXES	3,967,857	2,856,007	39	795,358	650,906	10,185,240	4,103,613	148	7,083,532	1,450,44
Taxation	1,017,332	791,743	28	233,832	157,812	1,232,031	1,111,147	11	259,388	240,29
Deferred taxation	38,000	52,850	(28)	(9,000)	19,810	38,000	51,599	(26)	(9,000)	19,32
	1,055,332	844,593	25	224,832	177,622	1,270,031	1,162,746	9	250,388	259,62
PROFIT AFTER TAXATION	2,912,526	2,011,415	45	570,527	473,284	8,915,308	2,940,866	203	6,833,145	1,190,82
Minority interests		_			_	(77,068)	(235,331)	67	(35,925)	(192,19
*	2,912,526	2,011,415	45	570,527	473,284	8,838,141	2,705,535	227	6,797,220	998,62
PROFIT ATTRIBUTABLE TO SHAREHOLDERS										

ASSETS						
Cash in hand	1,546,788	1,140,934	36	1,546,864	1,140,996	36
Balances with Central Bank	6,074,792	4,614,170	32	6,074,792	4,614,170	32
Dues from Banks and Other Financial Institutions	5,466,107	2,128,254	157	5,620,619	2,251,879	150
	13,087,687	7,883,357	66	13,242,276	8,007,046	65
Investments - Trading Account						
Government Securities	4,121,058	7,790,182	(47)	4,121,058	7,790,182	(47)
Other Securities	-	233,771	(100)	126,574	543,809	(77)
Investments - Held to maturity						
Government Securities	21,920,882	16,144,494	36	21,920,883	16,144,495	36
Other Securities	139,790	375,478	(63)	11,006,363	2,161,022	409
Investments in Associates & Subsidiaries	2,659,704	3,057,439	(13)	33,301	1,796,693	(98)
Total Performing Loans & Advances	-,,	-,,	(/		-,,	(/
Bills of exchange	2,879,943	3,850,423	(25)	2,879,943	3,850,423	(25)
Overdrafts	18,399,453	14,255,070	29	18,399,453	14,255,070	29
Lease rentals receivables	5,903,896	4,582,235	29	5,903,896	4,582,235	29
Other loans and advances	90,471,344	77,319,141	17	90,518,018	78,487,584	15
	117,654,636	100,006,868	18	117,701,310	101,175,312	16
Total Non-Performing Loans & Advances	27.000	55.626	(20)	27.600	55.636	(20)
Bills of exchange Overdrafts	37,620 270,750	55,636 120,887	(32) 124	37,620 270,750	55,636 120,887	(32) 124
uvergrafts Lease rentals receivables	151,610	120,887 83,098	82	270,750 151,610	120,887 83,098	82
Other loans and advances	1,097,533	1,104,496	(1)	1,097,533	1,104,496	(1)
	1,557,513	1,364,117	14	1,557,513	1,364,117	14
Total Loans and Advances	119,212,149	101,370,985	18	119,258,823	102,539,429	16
Interest receivables	1,332,517	1,264,673	5	1,332,517	1,264,673	5
Total Gross Loans & Advances	120,544,666	102,635,658	17	120,591,340	103,804,102	16
Less,						
Interest in suspense	(1,332,517)		5	(1,332,517)	(1,264,673)	5
General loan loss provision	(528,401)	(460,873)	15	(528,401)	(460,873)	15
Specific loan loss provision	(1,025,318)	(1,065,903)	(4)	(1,025,318)	(1,065,903)	(4)
Net Loans & Advances	117,658,430	99,844,209	18	117,705,104	101,012,653	17
Other assets	1,053,241	1,406,667	(25)	1,401,040	1,750,615	(20)
Intangible assets	272,314	278,634	(2)	320,846	318,348	1
Investment properties	-	-	-	1,295,693	1,295,693	-
Fixed assets	856,194	828,754	3	1,219,985	1,185,267	3
TOTAL ASSETS	161,769,301	137,842,985	17	172,393,123	142,005,823	21
LIABILITIES		T 0=0		2000		
Demand Deposits	7,742,146	7,059,107	10	7,742,146	7,059,107	10
Savings Deposits	18,023,160 79,097,407	11,299,306	60 28	18,023,160 79,097,407	11,299,306	60 28
Time Deposits Margin Deposits	79,097,407 143,600	61,577,767 312,007	28 (54)	79,097,407 143,600	61,577,767 312,007	28 (54)
Other Deposits	43,648	61,995	(30)	43,648	61,995	(30)
Total Deposits	105,049,961	80,310,181	31	105,049,961	80,310,181	31
Borrowings from CBSL	884,836	1,069,482	(17)	884,836	1,069,482	(17)
Borrowings from Banks & financial institutions-SL	8,723,620	20,617,511	(58)	8,498,135	19,390,252	(56)
Borrowings from Banks & financial institutions-Abroad	10,412,100	3,853,237	170	10,412,100	3,853,237	170
Securities sold under repurchase agreements	12,348,039	11,242,672	10	12,348,039	11,242,672	10
Subordinated term debt Total Borrowings	2,188,350 34,556,945	2,373,300 39,156,202	(8)	2,188,350 34,331,460	2,373,300 37,928,943	(8)
osas solionings	34,330,943	39,130,202	(12)	34,331,400	31,320,343	(9)
Taxation	559,748	213,536	162	537,091	264,850	103
Deferred Tax	150,108	112,107	34	149,637	111,351	34
Dividends payable	249,201	755,381	(67)	249,201	755,381	(67)
Other liabilities	6,208,937	4,557,005	36	6,322,230	4,736,414	33
TOTAL LIABILITIES	146,774,901	125,104,412	17	146,639,579	124,107,119	18
SHAREHOLDER FUNDS						
Equity Capital & Reserves		4.000				
Stated capital (164,201,902 shares)	1,093,094	1,093,094	-	863,936	863,936	-
Statutory reserve fund Revenue reserves	878,718	878,718	21	878,718 23,185,605	878,718	-
WEACHING LEDGIAG2	13,022,588 14,994,400	10,766,760 12,738,572	18	24,928,260	15,243,374 16,986,029	52 47
Minority Interests		-	-	825,284	912,675	(10)
TOTAL FUNDS EMPLOYED	14,994,400	12,738,572	18	25,753,544	17,898,704	44
TOTAL LIABILITIES AND FUNDS						
EMPLOYED	161,769,301	137,842,985	17	172,393,123	142,005,823	21
CONTINCENCIES	400 000 000	440 500 5	/	100 202	440 500 5	
CONTINGENCIES	109,303,556	112,580,575	(3)	109,303,556	112,580,575	(3)
COMMITMENTS	50,712,264 160,015,820	33,086,804 145,667,380	53 10	50,712,264 160,015,820	33,086,804 145,667,380	53 10
MEMORANDUM INFORMATION	200,010,010	- 15/557/550	10	200,020,020	5/55/ /500	- 10
	4 / / 7	1,357				
Number of employees	1,447	1,557				
Number of employees Number of branches	1,447	60				

For the year ended 31 December	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	16,317,018	11,391,173	16,568,884	11,572,159
Fee based income received	2,387,630	1,156,265	2,538,084	1,680,745
Dividend income received	126,648	311,124	162,855	132,595
Other income received	444,713	980,565	783,599	1,446,844
Interest paid	(9,918,252)	(6,215,430)	(9,917,401)	(6,215,430)
Personnel cost paid	(876,337)	(1,704,905)	(1,031,225)	(1,958,117)
General expenses paid	(2,759,784)	(1,506,478)	(2,948,818)	(1,827,087)
Income taxes paid	(671,119)	(939,576)	(832,895)	(1,075,328)
VAT paid	(643,862)	(578,869)	(643,862)	(578,869)
Net (increase) / decrease in loans and advances	(17,298,517)	(30,164,965)	(17,298,517)	(30,164,965)
Net Increase in Deposits from customers	24,739,780	20,946,521	24,739,782	20,946,521
Net (increase) /decrease in other receivables	333,112	(802,676)	330,474	(723,686)
Net increase /(decrease) in other liabilities	177,125	207,653	71,221	174,920
Net cash provided by / (used in) operating activities	12,358,154	(6,919,599)	12,522,181	(6,589,699)
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in other investments	55,718	45,558	(6,757,598)	(408,461)
Government treasury bills and bonds	(2,064,075)	496,434	(2,064,075)	495,907
Disposal of group companies	884,951	-	7,654,287	0
Net due to/(from) related companies	256	(17,872)	256	(17,872)
Securities sold under repurchase agreements	1,105,367	(931,621)	1,105,367	(833,656)
Proceeds from disposal of fixed assets	22,200	17,959	23,367	18,594
Expenditure on fixed assets	(290,741)	(476,801)	(320,546)	(525,150)
Net cash provided by/(used in) investing	(286,323)	(866,344)	(358,941)	(1,270,639)
activities				
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase/(decrease) in borrowings	(5,704,625)	10,975,708	(5,704,625)	10,975,708
Dividend paid	(1,162,876)	(575,245)	(1,223,385)	(661,174)
Net cash provided by/ (used in) financing activities	(6,867,500)	10,400,463	(6,928,009)	10,314,534
Net increase/(decrease) in cash and cash equivalents	5,204,330	2,614,520	5,235,231	2,454,196
Calculated and and adopted the hadron of the card of	7,000,057	5,000,000	0.007.075	5.550.053
Cash and cash equivalents at the beginning of the period	7,883,357	5,268,838	8,007,046	5,552,850
Cash and cash equivalents at the end of the period	13,087,687	7,883,357	13,242,276	8,007,046

1,546,788

6,074,792

5,466,107

13,087,687

1,140,934

4,614,170

2,128,254

7,883,357

Finance 8	Planning	
We the un	dersigned, being the Chairman and the Chief Executive Officer of National Development Bank PLG. The above statements have been prepared in compliance with the format and definition. Bank of Sri Lanka	33 3
(b)	The information contained in these statements have been extracted from the unaud the Bank, unless indicated as audited. $\label{eq:bank}$	lited financial statements of
(Sgd.) H D S Ama Chairman	rasuriya	(Sgd.) NIR De Mel Chief Executive Officer

Faizan Ozman Chief Financial Officer

 $We hereby certify that the above financial statements are in compliance with the requirements of the Companies Act No.\,07 of 2007.$

(Sgd.) D. Senathirajah Vice President

13 February 2013

STATEMENT OF CHA							
For the year ended 31 December 2012		Statutory	1	Investment			
BANK	Stated Capital Rs. '000	Reserve Fund Rs. '000	General Reserve Rs. '000	Fund Account Rs. '000	Retained Profit Rs. '000	Minority Interests Rs. '000	Total
Balance as at 1 January 2011	1,093,095	878,718	5,805,707	-	3,914,998	-	11,692,518
Restatement of interest income	-	-	-		(85,528)	-	(85,528)
Balance as at 1 January 2011 restated	1,093,095	878,718	5,805,707	-	3,829,470	-	11,606,990
Net profit for the year	-	-	-	-	2,011,415	-	2,011,415
Transfer to Investment Fund Account	-	-	-	386,825	(386,825)	-	-
Dividends paid	-	-	-	-	(879,833)	-	(879,833)
Balance as at 31 December 2011	1,093,095	878,718	5,805,707	386,825	4,574,227	-	12,738,572
Balance as at 1 January 2012	1,093,095	878,718	5,805,707	386,825	4,574,227	-	12,738,572
Net profit for the year	-	-	-	-	2,912,526	-	2,912,526
Transfer to Investment Fund Account	-	-		537,507	(537,507)	-	-
Dividends paid	-	-	-	-	(656,696)	-	(656,696)
Balance as at 31 December 2012	1,093,095	878,718	5,805,707	924,332	6,292,556		14,994,402
Balance as at 1 January 2011	1,093,095	878,718	5,805,707	-	7,589,287	717,083	16,083,890
Balance as at 1 January 2011 Restatement of interest income	-	-	-	-	(85,528)	-	(85,528)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated	1,093,095	878,718 - 878,718	5,805,707 - 5,805,707	-	(85,528) 7,503,759	717,083 - 717,083	(85,528) 15,998,362
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund	-	-	-		(85,528) 7,503,759 126,037	717,083	(85,528) 15,998,362 (103,121)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year	1,093,095	-	-	-	(85,528) 7,503,759	-	(85,528) 15,998,362
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of	1,093,095	-	-	- - - -	(85,528) 7,503,759 126,037 2,705,535	717,083 - 235,331	(85,528) 15,998,362 (103,121) 2,940,866
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate	1,093,095	-	-		(85,528) 7,503,759 126,037 2,705,535 (17,832)	717,083	(85,528) 15,998,362 (103,121) 2,940,866
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account	1,093,095	-	-	- - - - 386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825)	717,083 - 235,331 (1,988)	(85,528) 15,998,362 (103,121) 2,940,866 (19,820)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid	1,093,095 (229,158) - - -	878,718 - - - -	5,805,707 - - -	-	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833)	717,083 - 235,331 (1,988) - (37,751)	(85,528) 15,998,362 (103,121) 2,940,866 (19,820)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate	1,093,095	-	-	386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825)	717,083 - 235,331 (1,988)	(85,528) 15,998,362 (103,121) 2,940,866 (19,820)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid	1,093,095 (229,158) - - -	878,718 - - - -	5,805,707 - - -	-	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833)	717,083 - 235,331 (1,988) - (37,751)	(85,528) 15,998,362 (103,121) 2,940,866 (19,820)
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841	717,083 - 235,331 (1,988) - (37,751) 912,675	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012 Net profit for the year	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841	717,083 - 235,331 (1,988) - (37,751) 912,675	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012 Net profit for the year	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841	717,083 - 235,331 (1,988) - (37,751) 912,675	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012 Net profit for the year Exchange gain from valuation of foreign associates and subsidiaries	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841 9,050,841 8,838,141	717,083 - 235,331 (1,988) - (37,751) 912,675 77,068	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703
Balance as at 1 January 2011 Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012 Net profit for the year Exchange gain from valuation of foreign associates and subsidiaries Transfer to Investment Fund Account	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825 386,825 -	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841 8,838,141 18,824 (537,507)	717,083 - 235,331 (1,988) - (37,751) 912,675 77,068	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703
Restatement of interest income Balance as at 1 January 2011 restated Adjustment on the EFOP Fund Net profit for the year Exchange gain from valuation of foreign associate Transfer to Investment Fund Account Dividends paid Balance as at 31 December 2011 Balance as at 1 January 2012 Net profit for the year Exchange gain from valuation of foreign associates and subsidiaries	1,093,095 (229,158) - - - - - - - - - - - - - - - - - - -	878,718 - - - - - 878,718	5,805,707 - - - - - - 5,805,707	386,825 386,825 -	(85,528) 7,503,759 126,037 2,705,535 (17,832) (386,825) (879,833) 9,050,841 8,838,141 18,824 (537,507)	717,083 - 235,331 (1,988) - (37,751) 912,675 77,068 2,960	(85,528) 15,998,362 (103,121) 2,940,866 (19,820) - (917,584) 17,898,703 17,898,703 8,915,208 21,784

1,546,864

6,074,792

5,620,619

13,242,276

1,140,996

4,614,170

2,251,879

8,007,046

Financial Statements For the year ended 31 December, 2012



For the year ended 31 December 2012	Bankino	Income		nt Banking ster	Property Inve	estment	Insura	ance	Othe	rs	Consolid	dated
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue External income	19,314,062	13,302,871	6,535,295	671,644	123,646	494,613			113,422	125,474	26,086,425	14,594,60
Inter-segment income	19,314,002	13,302,071	30,599	33,585	41,001	41,424			21,195	29,138	92,795	104,14
-												
Total income	19,314,062	13,302,871	6,565,894	705,229	164,647	536,037	-	-	134,617	154,612	26,179,220	14,698,74
Segment expenses	(15,431,429)	(10,004,601)	(307,155)	(409,545)	(61,300)	(41,818)	-	-	(12,815)	34,995	(15,812,700)	(10,420,96
Segment results	3,882,633	3,298,270	6,258,739	295,684	103,346	494,219	-	-	121,802	189,607	10,366,520	4,277,78
Share of associate companies profit before taxation	(14,684)	(125,152)	-	4,177	-	-	453,403	451,768	-	-	438,719	330,79
Taxation											(1,270,031)	(1,162,74
VAT on financial services											(625,000)	(504,96
Profit after taxation											8,915,208	2,940,86
Other information												
Segment assets	158,969,887	134,073,176	801,419	686,188	1,674,281	1,645,729	-	-	10,914,234	3,804,035	172,359,821	140,209,12
Investment in associates	-	-	-	-	-	-	-	1,763,393	33,301	33,301	33,301	1,796,69
Consolidated total assets										1	172,393,112	142,005,82
Segment liabilities	146,549,415	123,877,153	74,857	71,169	36,795	90,714	-	-	(21,488)	68,084	146,639,579	124,107,11
Consolidated total liabilities											146,639,579	124,107,11
Segmental Cash flows												
Cash flows from operating activities	12,358,154	(6,919,599)	(95,356)	49,066	(712)	17,882	-	-	260,095	262,952	12,522,181	(6,589,69
Cash flows from investing activities	(286,323)	(866,344)	196,967	(97,156)	37,493	18,899		-	(307,078)	(326,038)	(358,941)	(1,270,63
Cash flows from financing activities	(6,867,500)	10,400,463	(11,907)	(8,546)	(36,781)	(36,781)		_	(11,821)	(40,602)	(6,928,009)	10,314,53

	31.12.2012	30.09.20
tasic Earnings per share - (Rs.)	17.74	12.25
look value per share (Rs.)	91.32	77.58
leturn on Average Shareholders' Funds (%)	21.00	16.52
leturn on Average Assets (%)	1.94	1.66
ore Capital (Rs m)	13,454	11,037
apital Base (Rs m)	14,955	12,449
apital adequacy - Tier 1 (%)	11.16	10.05
- Tier 1 & 2 (%)	12.41	11.33
sset growth (%)	17.36	31.61
Debt/Equity Ratio (Times)	9.31	9.38
nterest cover (Times)	1.50	1.66
iross Non-performing Advances Ratio (%)	1.31	1.35
let Non-performing Advances Ratio (%)	0.50	0.34
itatutory liquid assets- Rs m	31,971	26,813
statutory liquid assets ratio (%)		
DBU	22.02	22.54
FCBU	24.92	28.49

	Net interest margin (%)	3.76	3.70	
GR	OUP	31.12.2012	31.12.2011	_
	Basic Earnings per share - (Rs.)	53.82	16.48	
	Book value per share (Rs.)	151.81	104.07	
	Return on Average Shareholders' Funds (%)	42.17	16.72	
	Return on Average Assets (%)	5.62	2.16	
	Core Capital (Rs m)	25,295	16,697	
	Capital Base (Rs m)	27,922	18,544	
	Capital adequacy - Tier 1 (%)	18.77	14.39	
	- Tier 1 & 2 (%)	20.72	15.98	
	Asset growth (%)	21.40	30.94	
	Debt/Equity Ratio (Times)	5.74	6.92	
	Interest cover (Times)	1.52	1.70	
	Gross Non-performing Advances Ratio (%)	1.31	1.33	

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.
- These interim financial statements of the Bank and the group have been prepared based on the same accounting policies and methods applied for the year ended 31 December 2011 and comply with Sri Lanka Accounting Standard 34- "Interim Financial Reporting". Previous years figures and phrases have been re- arranged whereever necessary to conform to current year's presentation.
- 4 The Bank is required to prepare its Interim Financial Statements in accordance with LKAS 34 'Interim Financial Reporting'. However, The Institute of Chartered Accountants of Sri Lanka has decided to allow Companies to prepare Interim Financial Statements during the first financial year commencing on or after January 01, 2012 in accordance with the Sri Lanka Accounting Standards existed immediately prior to the said date (SLASs) with disclosures on impact to the Statement of Comprehensive Income for the period and to the Net assets based on SLFRS/LKAS. If determination of that impact is impracticable, the Companies are required to disclose such fact.
- The Bank's 99.6% owned subsidiary Capital Development and Investment Company PLC (CDIC), approved a business plan to position itself as a diversified financial services conglomerate with ultimate exposure to investment banking (both regionally and in Sri Lanka), stock broking, wealth management, private equity investments and insurance sectors. Accordingly, in March 2012, CDIC acquired full ownership of NDBIB and 5% holding in AVIVA NDB Insurance PLC which was directly held by the Bank, which will compliment its existing investments in AVIVA NDB Insurance PLC and NDB AVIVA Wealth Management Ltd. Further in April 2012, the shares of the Bank's fully owned subsidiary NDB Stock Brokers (Private) Limited was also transferred to CDIC in line with this business plan. Following this strategic restructuring of the group's corporate equity holdings,CDIC was relaunched under a new corporate identity named 'NDB Capital Holdings PLC'
- 6 On 27 September 2012, the Bank (NDB) and NDB Capital Holdings PLC entered into a Share Sale and Purchase Agreement with American International Assuarance Company Limited (AIA) of Hongkong to divest the 41.56% shareholding in Aviva NDB Holdings and 5% of Aviva NDB Insurance PLC. Accordingly on 5 December 2012 the divestment of these shares resulted in capital gain of Rs 5.9 billion to the NDB group.
- 7 There have been no other events subsequent to the end of the reporting period that require disclosure.
- 8 Impact to the Financial Statements on the adoption of LKAS 32 and 39

Based on the preliminary estimation impact on work completed by the Bank on LKAS 32 and 39, the following areas have been identified as having significant Financial Statement impact. Such analysis with its estimated impact is made on a best effort basis and is subject to audit. The impact on other SLFRSs / LKASs which is considered to be not significant is not disclosed.

			Bank	
Area	Description	Impact to profit before tax for the year ended 31 December 2012	Impact to Net Assets as at 31 December 2012	Impact to Net Assets as at 31 December 2011
1. Impairment of financial assets				
Loans and advances	Time based CBSL provision will be replaced with collective and specific impairment. All individually significant loans with objective evidences will be individually tested while other loans will be tested collectively for impairment.	Profit before tax increased by Rs. 36 Mn	The provision for impairment increased by Rs. 36 Mn	The provision for impairment increased by Rs. 73 Mn
Measurement of staff loans at fair value	All staff loans are to be recognised initially at fair value. Subsequent recognition should be on EIR. Day 1 difference is treated as pre-paid staff cost and to be amortised.	No significant Impact	No significant Impact	No significant Impact
3. Measurement of investments				
at fair value				
Fair value through P & L	Investment to be classified either as Fair value through profit and loss (FVTPL), and held to maturity (HTM), Measurement should be either at fair value or amortised cost using effective interest rate, based on the classification.	No significant Impact	No significant Impact	No significant Impact
4. Measurement of deposits at	Interest expenses will be recognized on effective interest basis rather than on straight line method.	Profit before tax decreased by Rs. 18 Mn	Deposit portfolio decreased by Rs. 60 Mn	Deposit portfolio decreased by Rs. 78 Mn
Effective Interest Rate				
5. Fair valuation of derivative	All derivatives should be fair valued and brought in to the balance sheet.	No significant Impact	No significant Impact	No significant Impact
assets and liabilities				
6. Other Measurement Adjustment	·	No significant Impact	No significant Impact	No significant Impact
7. Impact on takes based on the above		_	Net Assets decreased bye 81 Mn	Net Assets decreased by 73 Mn

* The above impact is excluding tax adjustments as tax authorities have not issued relevant guidelines on the same.

OP 20 LARGEST REGISTERED SHARE HOLDERS		AS AT 31.12.201
Name	No. of Shares	•
I. BANK OF CEYLON NO. 1 ACCOUNT	16,371,076	9.9
2. EMPLOYEES PROVIDENT FUND	15,810,248	9.6
B. SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	9,388,488	5.7
4. DR. S YADDEHIGE	8,669,000	5.2
S. SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	7,805,426	4.7
5. HSBC INTL NOM LTD-BPSS LUX-ABERDEEN GLOBAL ASIA PACIFIC EQUITY FUND	5,715,450	3.4
7. EMPLOYEES TRUST FUND BOARD	5,303,700	3.2
B. HSBC INT NON LTD-SNFE-NTASIAN + DISCOVERY MASTER FUND	4,686,400	2.8
D. HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND PARTNERS L.P.	4,501,200	2.7
10. HSBC INTL NOM LTD-BPSS LDN-ABERDEEN ASIA PACIFIC FUND	4,294,800	2.6
11. HATTON NATIONAL BANK PLC A/C NO 1	4,282,200	2.6
12. NATIONAL DEVELOPMENT BANK PLC – ESOP	4,133,726	2.5
13. ASIAN ALLIANCE INSURANCE PLC-AC NO 03/LIFE SHARE HOLDERS FUND	3,500,000	2.3
14. MR. A K PATHIRAGE	3,470,000	2.1
15. BNY-CF RUFFER INVESTMENT FUNDS : CF RUFFER PACIFIC FUND	3,000,000	1.8
16. ASIAN ALLIANCE INSURANCE PLC - GENERAL FUND AC 01	2,741,700	1.6
17. ASIRI HOSPITAL HOLDINGS PLC	2,408,136	1.4
18. HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND INVESTORS (BERMUDA) LP	2,045,200	1.2
19. DFCC BANK A/C 1	2,000,000	1.2
20. HSBC INTL NOMINEES LTD-BP2S LONDON-ABERDEEN ASIA SMALLER COMPANIES INVESTMENT TRUST	1,683,000	1.0
OTAL	111,809,750	68.1

DIRECTOR'S HOLDING & CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES OF NATIONAL DEVELOPMENT BANK PLC

Name	No. of Shares as at 31.12.2012
H D S AMARASURIYA	28,150
A K PATHIRAGE	3,470,000
N I R DE MEL (CEO)	7,116
T L F JAYASEKARA	-
K FERNANDO	-
H A SIRIWARDENA	-
D S P WIKRAMANAYAKE	-
G D C EKANAYAKE	-
S RAJAPAKSE	-

SHARE INFORMATION		
	31.12.2012	31.12.2011
Market value per share (Rs.)	137.90	138.10
Highest price per share for the period (Rs.)	151.00	141.00
Lowest price per share for the period (Rs.)	129.00	119.50

SUMMARISED INCOME STATEMENT (in Rs. '000)

		, ,	BANK					GROUP		
	Year	Year	Change	Quarter	Quarter	Year	Year	Change	Quarter	Quarter
	ended	ended	change	ended	ended	ended	ended	change	ended	ended
	31.12.2012	31.12.2011	(%)	31.12.2012	31.12.2011	31.12.2012	31.12.2011	(%)	31.12.2012	31.12.2011
INCOME	20,067,786	13,531,130	48	5,259,035	3,807,068	26,179,220	14,698,748	78	11,351,022	4,443,840
Interest income	7,,	.,,		., ,	.,,	., .,	.,,		7 7-	,,,,,,,,,
Interest income on loans and advances	14,094,891	9,037,823	56	4,035,916	2,680,207	14,097,670	9,040,711	56	4,036,904	2,681,860
Interest income from other interest earning assets	2,831,541	2,299,209	23	791,114	591,786	2,993,508	2,500,415	20	822,770	628,887
	16,926,433	11,337,032	49	4,827,030	3,271,993	17,091,178	11,541,126	48	4,859,675	3,310,747
Interest expenses										
Interest expenses on deposits	7,835,596	4,203,619	86	2,316,968	1,258,973	7,835,596	4,203,619	86	2,316,968	1,258,973
Interest expenses on other interest bearing liablities	3,456,393	2,646,342	31	907,712	751,406	3,400,661	2,565,695	33	899,006	719,550
	11,291,989	6,849,961	65	3,224,680	2,010,380	11,236,257	6,769,314	66	3,215,974	1,978,524
							. ==			
NET INTEREST INCOME	5,634,444	4,487,071	26	1,602,349	1,261,614	5,854,921	4,771,812	23	1,643,700	1,332,224
Non interest income										
Equity income										
Quoted and Non-quoted securities	122,310	(46,452)	363	7,658	(29,370)	6,195,754	(88,544)	7,097	5,954,891	(84,978)
Group companies	631,414	274,711	130	0	16,800	0,193,734	17,300	(100)	3,334,031	16,800
Other income	1,192,398	1,140,737	5	336,530	268,129	1,697,057	2,403,765	(29)	448,639	921,755
Foreign exchange income	1,195,231	825,102	45	87,817	279,516	1,195,231	825,102	45	87,817	279,516
Net other income	3,141,354	2,194,098	43	432,006	535,075	9,088,042	3,157,622	188	6,491,347	1,133,093
	, = . = , 5 ,	, ,,,,,,	.5		,	,,,,,,,,,,	.,,022		.,,	,,055
NET INCOME	8,775,797	6,681,169	31	2,034,355	1,796,688	14,942,963	7,929,434	88	8,135,048	2,465,317
Less, NON INTEREST EXPENSES										
Personnel costs	2,075,769	1,704,905	22	537,193	525,354	2,276,332	1,976,398	15	597,402	619,159
Staff retirement benefits	63,666	84,389	(25)	31,416	66,393	70,213	91,166	(23)	34,172	69,121
Premises, equipment and establishment expenses	1,140,957	1,020,302	12	285,811	296,270	1,414,997	1,277,999	11	362,492	363,513
Other operating expenses	765,336	671,332	14	192,533	197,560	727,422	623,098	17	186,334	179,245
	4,045,729	3,480,928	16	1,046,953	1,085,577	4,488,965	3,968,662	13	1,180,401	1,231,038
OPERATING PROFIT BEFORE PROVISIONS	4,730,069	3,200,240	48	987,402	711,111	10,453,998	3,960,772	164	6,954,647	1,234,278
Less, Provision for bad and doubtful										
debts and loans written off										
Provisions- General	67,528	(112,414)	160	23,880	(49,911)	67,528	(112,414)	160	23,880	(49,911)
Provisions- Specific	86,174	218,148	(60)	34,442	127,105	86,174	218,148	(60)	34,442	127,105
Recoveries/Releases (-)	(59,990)	(432,023)	86	36	(139,170)	(59,990)	(432,023)	86	36	(139,170)
	93,712	(326,289)	129	58,358	(61,976)	93,712	(326,289)	129	58,358	(61,976)
OPERATING PROFIT BEFORE PROVISION										
FOR FALL IN VALUE OF										
DEALING & INVESTMENT SECURITIES	4,636,357	3,526,530	31	929,044	773,087	10,360,287	4,287,061	142	6,896,289	1,296,255
Dravision / (valence) for fall in value of										
Provision / (release) for fall in value of investment securities	48,500	165,562	(71)	48,500	562	(6,233)	9,281	_	(6,233)	9,281
investment securities	40,500	105,502	(/1)	40,300	302	(0,233)	5,201		(0,233)	9,201
OPERATING PROFIT AFTER PROVISION										
FOR FALL IN VALUE OF										
DEALING & INVESTMENT SECURITIES	4,587,857	3,360,968	37	880,544	772,525	10,366,520	4,277,780	142	6,902,522	1,286,974
DENEMIA GINVESTITEM SECONITES	4,501,051	3,300,300	37	000,544	772,323	10,300,320	4,277,700	142	0,302,322	1,200,574
Share of associate companies'										
profit before taxation	_	_	_		_	438,719	330,793	33	266,196	285,087
PROFIT BEFORE TAXES	4,587,857	3,360,968	37	880,544	772,525	10,805,239	4,608,573	134	7,168,718	1,572,060
VAT on financial services	620,000	504,960	23	85,186	121,619	620,000	504,960	23	85,186	121,619
PROFIT BEFORE CORPORATE TAXES	3,967,857	2,856,007	39	795,358	650,906	10,185,240	4,103,613	148	7,083,532	1,450,441
Taxation	1,017,332	791,743	28	233,832	157,812	1,232,031	1,111,147	11	259,388	240,294
Deferred taxation	38,000	52,850	(28)	(9,000)	19,810	38,000	51,599	(26)	(9,000)	19,326
	1,055,332	844,593	25	224,832	177,622	1,270,031	1,162,746	9	250,388	259,620
PROFIT AFTER TAXATION	2,912,526	2,011,415	45	570,527	473,284	8,915,308	2,940,866	203	6,833,145	1,190,821
Minority interests	-	-		-	-	(77,068)	(235,331)	67	(35,925)	(192,196)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	2,912,526	2,011,415	45	570,527	473,284	8,838,141	2,705,535	227	6,797,220	998,625
Earnings Per Share (Rs)	17.74	12.25	45			53.82	16.48	227		

SUMMARISED BALANCE SHEET (in Rs. '000)

		Е	BANK		GRO	UP
	31-Dec	31-Dec	Change	31-Dec	31-Dec	Change
	2012	2011	%	2012	2011	%
ASSETS						
Cash in hand	1,546,788	1,140,934	36	1,546,864	1,140,996	36
Balances with Central Bank	6,074,792	4,614,170	32	6,074,792	4,614,170	32
Dues from Banks and Other Financial Institutions	5,466,107	2,128,254	157	5,620,619	2,251,879	150
	13,087,687	7,883,357	66	13,242,276	8,007,046	65
Investments - Trading Account						
Government Securities	4,121,058	7,790,182	(47)	4,121,058	7,790,182	(47)
Other Securities	-	233,771	(100)	126,574	543,809	(77)
Investments - Held to maturity						
Government Securities	21,920,882	16,144,494	36	21,920,883	16,144,495	36
Other Securities	139,790	375,478	(63)	11,006,363	2,161,022	409
Investments in Associates & Subsidiaries	2,659,704	3,057,439	(13)	33,301	1,796,693	(98)
Total Performing Loans & Advances	2,033,704	3,037,433	(13)	33,301	1,750,055	(30)
Bills of exchange	2,879,943	3,850,423	(25)	2,879,943	3,850,423	(25)
Overdrafts	18,399,453	14,255,070	29	18,399,453	14,255,070	29
Lease rentals receivables	5,903,896	4,582,235	29	5,903,896	4,582,235	29
Other loans and advances	90,471,344	77,319,141	17	90,518,018	78,487,584	15
	117,654,636	100,006,868	18	117,701,310	101,175,312	16
Total Non-Performing Loans & Advances						4
Bills of exchange	37,620	55,636	(32)	37,620	55,636	(32)
Overdrafts Lease rentals receivables	270,750	120,887	124 82	270,750 151,610	120,887	124 82
Dease rentals receivables Other loans and advances	151,610 1,097,533	83,098 1,104,496		1,097,533	83,098 1,104,496	
Outer touris and advances	1,557,513	1,104,496	(1) 14	1,557,513	1,104,496	(1)
Total Loans and Advances	119,212,149	101,370,985	18	119,258,823	102,539,429	16
Interest receivables	1,332,517	1,264,673	5	1,332,517	1,264,673	5
Total Gross Loans & Advances	120,544,666	102,635,658	17	120,591,340	103,804,102	16
Less,				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Interest in suspense	(1,332,517)	(1,264,673)	5	(1,332,517)	(1,264,673)	5
General loan loss provision	(528,401)	(460,873)	15	(528,401)	(460,873)	15
Specific loan loss provision	(1,025,318)	(1,065,903)	(4)	(1,025,318)	(1,065,903)	(4)
Net Loans & Advances	117,658,430	99,844,209	18	117,705,104	101,012,653	17
Other assets	1,053,241	1,406,667	(25)	1,401,040	1,750,615	(20)
Intangible assets	272,314	278,634	(2)	320,846	318,348	1
Investment properties		-	-	1,295,693	1,295,693	-
TOTAL ASSETS	856,194	828,754	3 17	1,219,985	1,185,267	21
TOTAL ASSETS	161,769,301	137,842,985		172,393,123	142,005,823	21
LIABILITIES						
Demand Deposits	7,742,146	7,059,107	10	7,742,146	7,059,107	10
Savings Deposits	18,023,160	11,299,306	60	18,023,160	11,299,306	60
Time Deposits	79,097,407	61,577,767	28	79,097,407	61,577,767	28
Margin Deposits	143,600	312,007	(54)	143,600	312,007	(54)
Other Deposits	43,648	61,995	(30)	43,648	61,995	(30)
Total Deposits	105,049,961	80,310,181	31	105,049,961	80,310,181	31
Power from CDCI	00/026	4.000.400	(47)	00/026	4.050.400	(47)
Borrowings from CBSL	884,836	1,069,482	(17)	884,836	1,069,482	(17)
Borrowings from Banks & financial institutions-SL Borrowings from Banks & financial institutions-Abroad	8,723,620 10,412,100	20,617,511 3,853,237	(58) 170	8,498,135 10,412,100	19,390,252 3,853,237	(56) 170
Securities sold under repurchase agreements	12,348,039	11,242,672	10	12,348,039	11,242,672	10
Subordinated term debt	2,188,350	2,373,300	(8)	2,188,350	2,373,300	(8)
Total Borrowings	34,556,945	39,156,202	(12)	34,331,460	37,928,943	(9)
					26/050	400
Taxation	559,748	213,536	162	537,091	264,850	103
Deferred Tax	150,108	112,107	34	149,637	111,351	34
Deferred Tax Dividends payable	150,108 249,201	112,107 755,381	34 (67)	149,637 249,201	111,351 755,381	34 (67)
Deferred Tax Dividends payable Other liabilities	150,108 249,201 6,208,937	112,107 755,381 4,557,005	34 (67) 36	149,637 249,201 6,322,230	111,351 755,381 4,736,414	34 (67) 33
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES	150,108 249,201	112,107 755,381	34 (67)	149,637 249,201	111,351 755,381	34 (67)
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS	150,108 249,201 6,208,937	112,107 755,381 4,557,005	34 (67) 36	149,637 249,201 6,322,230	111,351 755,381 4,736,414	34 (67) 33
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves	150,108 249,201 6,208,937 146,774,901	112,107 755,381 4,557,005 125,104,412	34 (67) 36	149,637 249,201 6,322,230 146,639,579	111,351 755,381 4,736,414 124,107,119	34 (67) 33
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS	150,108 249,201 6,208,937	112,107 755,381 4,557,005	34 (67) 36 17	149,637 249,201 6,322,230	111,351 755,381 4,736,414	34 (67) 33
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares)	150,108 249,201 6,208,937 146,774,901	112,107 755,381 4,557,005 125,104,412	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936	111,351 755,381 4,736,414 124,107,119 863,936	34 (67) 33
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718	111,351 755,381 4,736,414 124,107,119 863,936 878,718	34 (67) 33 18
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374	34 (67) 33 18
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund Revenue reserves Minority Interests	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605 24,928,260	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374 16,986,029	34 (67) 33 18
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund Revenue reserves Minority Interests TOTAL FUNDS EMPLOYED	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588 14,994,400	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760 12,738,572	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605 24,928,260 825,284	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374 16,986,029 912,675	34 (67) 33 18
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund Revenue reserves	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588 14,994,400	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760 12,738,572	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605 24,928,260 825,284	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374 16,986,029 912,675	34 (67) 33 18 - - 52 47 (10)
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund Revenue reserves Minority Interests TOTAL FUNDS EMPLOYED TOTAL LIABILITIES AND FUNDS EMPLOYED	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588 14,994,400 	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760 12,738,572 - 12,738,572 137,842,985	34 (67) 36 17 - - 21 18 - 18	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605 24,928,260 825,284 25,753,544	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374 16,986,029 912,675 17,898,704	34 (67) 33 18 - - 52 47 (10) 44
Deferred Tax Dividends payable Other liabilities TOTAL LIABILITIES SHAREHOLDER FUNDS Equity Capital & Reserves Stated capital (164,201,902 shares) Statutory reserve fund Revenue reserves Minority Interests TOTAL FUNDS EMPLOYED TOTAL LIABILITIES AND FUNDS	150,108 249,201 6,208,937 146,774,901 1,093,094 878,718 13,022,588 14,994,400	112,107 755,381 4,557,005 125,104,412 1,093,094 878,718 10,766,760 12,738,572	34 (67) 36 17	149,637 249,201 6,322,230 146,639,579 863,936 878,718 23,185,605 24,928,260 825,284 25,753,544	111,351 755,381 4,736,414 124,107,119 863,936 878,718 15,243,374 16,986,029 912,675 17,898,704	34 (67) 33 18

 Number of employees
 1,447
 1,357

 Number of branches
 69
 60

CERTIFICATION

 $We here by certify that the above financial statements are in compliance with the requirements of the Companies Act No.\,07 of 2007.$

(Sgd.)
D. Senathirajah
Vice President
Finance & Planning

(Sgd.)
Faizan Ozman
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 Stilanka
- (b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank, unless indicated as audited.

(Sgd.) H D S Amarasuriya Chairman 13 February 2013 (Sgd.) NIR De Mel Chief Executive Officer

STATEMENT OF CHA	NGES IN	N EQUIT	ГΥ				
For the year ended 31 December 2012 BANK	Stated Capital Rs. '000	Statutory Reserve Fund Rs. '000	General Reserve Rs. '000	Investment Fund Account Rs. '000	Retained Profit Rs. '000	Minority Interests Rs. '000	Total
Balance as at 1 January 2011	1,093,095	878,718	5,805,707	-	3,914,998	-	11,692,518
Restatement of interest income	-	-	-		(85,528)	-	(85,528)
Balance as at 1 January 2011 restated	1,093,095	878,718	5,805,707	-	3,829,470	-	11,606,990
Net profit for the year	-	-	-	-	2,011,415	-	2,011,415
Transfer to Investment Fund Account	-	-	-	386,825	(386,825)	-	-
Dividends paid	-	-	-	-	(879,833)	-	(879,833)
Balance as at 31 December 2011	1,093,095	878,718	5,805,707	386,825	4,574,227	-	12,738,572
Balance as at 1 January 2012	1.093.095	878.718	5.805.707	386.825	4,574,227		12,738,572
Net profit for the year	-	-	5,005,707	500,025	2,912,526		2,912,526
Transfer to Investment Fund Account	_	_	_	537.507	(537,507)	_	-
Dividends paid	_	_	_	-	(656,696)	_	(656,696)
Balance as at 31 December 2012	1,093,095	878,718	5,805,707	924,332	6,292,556		14,994,402
GROUP Balance as at 1 January 2011	1,093,095	878,718	5,805,707	-	7,589,287	717,083	16,083,890
Restatement of interest income	-	-	-		(85,528)	-	(85,528)
Balance as at 1 January 2011 restated	1,093,095	878,718	5,805,707	-	7,503,759	717,083	15,998,362
Adjustment on the EFOP Fund	(229,158)	-	-	-	126,037	-	(103,121)
Net profit for the year	-	-	-	-	2,705,535	235,331	2,940,866
Exchange gain from valuation of foreign associate	_		_	_	(17,832)	(1,988)	(19,820)
Transfer to Investment Fund Account	_	_	_	386,825	(386,825)	-	-
Dividends paid	_	_	_	-	(879,833)	(37,751)	(917,584)
Balance as at 31 December 2011	863,937	878,718	5,805,707	386,825	9,050,841	912,675	17,898,703
	003/337	070,710	3,003,707	300,023	3,030,011	312,073	11/030/103
Balance as at 1 January 2012	863,937	878,718	5,805,707	386,825	9,050,841	912,675	17,898,703
Net profit for the year Exchange gain from valuation of	-	-	-	-	8,838,141	77,068	8,915,208
foreign associates and subsidiaries	-	-	-	-	18,824	2,960	21,784
Transfer to Investment Fund Account	-	-	-	537,507	(537,507)	-	-
Change in holding in group companies				•	, ,	(130,086)	(388,123)
Dividends paid	-	-	-	-	(656,696)	(37,333)	(694,029)
Balance as at 31 December 2012	863,937	878,718	5,805,707	924,332	16,455,565	825,285	25,753,544

CASH FLOW STATEMENT				
		BANK		GROUP
For the year ended 31 December	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	16,317,018	11,391,173	16,568,884	11,572,159
Fee based income received	2,387,630	1,156,265	2,538,084	1,680,745
Dividend income received	126,648	311,124	162,855	132,595
Other income received	444,713	980,565	783,599	1,446,844
Interest paid	(9,918,252)	(6,215,430)	(9,917,401)	(6,215,430)
Personnel cost paid	(876,337)	(1,704,905)	(1,031,225)	(1,958,117)
General expenses paid	(2,759,784)	(1,506,478)	(2,948,818)	(1,827,087)
Income taxes paid	(671,119)	(939,576)	(832,895)	(1,075,328)
VAT paid	(643,862)	(578,869)	(643,862)	(578,869)
Net (increase) / decrease in loans and advances	(17,298,517)	(30,164,965)	(17,298,517)	(30,164,965)
Net Increase in Deposits from customers	24,739,780	20,946,521	24,739,782	20,946,521
Net (increase) / decrease in other receivables	333,112	(802,676)	330,474	(723,686)
Net increase /(decrease) in other liabilities	177,125	207,653	71,221	174,920
Net cash provided by / (used in) operating activities	12,358,154	(6,919,599)	12,522,181	(6,589,699)
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in other investments	55,718	45,558	(6,757,598)	(408,461)
Government treasury bills and bonds	(2,064,075)	496,434	(2,064,075)	495,907
Disposal of group companies	884,951	490,434	7,654,287	495,907
Net due to/(from) related companies	256	(17,872)	256	(17,872)
Securities sold under repurchase agreements	1,105,367	(931,621)	1,105,367	(833,656)
Proceeds from disposal of fixed assets	22,200	17,959	23,367	18,594
Expenditure on fixed assets	(290,741)	(476,801)	(320,546)	(525,150)
Net cash provided by/(used in) investing	(286,323)	(866,344)	(358,941)	(1,270,639)
activities	, ,	, ,		(,
CASH FLOWS FROM FINANCING ACTIVITIES				
Net increase/(decrease) in borrowings	(5,704,625)	10,975,708	(5,704,625)	10,975,708
Dividend paid	(1,162,876)	(575,245)	(1,223,385)	(661,174)
Net cash provided by/(used in) financing activities	(6,867,500)	10,400,463	(6,928,009)	10,314,534
Net increase/(decrease) in cash and cash equivalents	5,204,330	2,614,520	5,235,231	2,454,196
Cash and cash equivalents at the beginning of the period	7,883,357	5,268,838	8,007,046	5,552,850
Cash and cash equivalents at the end of the period	13,087,687	7,883,357	13,242,276	8,007,046
Cash in hand	1,546,788	1,140,934	1,546,864	1,140,996
Balances with Central Bank	6,074,792	4,614,170	6,074,792	4,614,170
Dues from banks and other financial institutions	5,466,107	2,128,254	5,620,619	2,251,879
	13,087,687	7,883,357	13,242,276	8,007,046

For the year ended 31 December 2012	Banking	Income	Investmer Clu	nt Banking ster	Property Inve	estment	Insura	nce	Othe	ers	Consolid	ated
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue External income	19,314,062	13,302,871	6,535,295	671,644	123,646	494,613			113.422	125,474	26,086,425	14,594,601
Externat meonic	13,314,002	13,302,071	0,555,255	071,044	125,040	454,015			115,422	123,474	20,000,423	14,334,001
Inter-segment income	-	-	30,599	33,585	41,001	41,424	-	-	21,195	29,138	92,795	104,147
Total income	19,314,062	13,302,871	6,565,894	705,229	164,647	536,037	-	-	134,617	154,612	26,179,220	14,698,748
Segment expenses	(15,431,429)	(10,004,601)	(307,155)	(409,545)	(61,300)	(41,818)	-	-	(12,815)	34,995	(15,812,700)	(10,420,968)
Segment results	3,882,633	3,298,270	6,258,739	295,684	103,346	494,219	-	-	121,802	189,607	10,366,520	4,277,780
Share of associate companies profit												
before taxation	(14,684)	(125,152)	-	4,177	-	-	453,403	451,768	-	-	438,719	330,793
Taxation											(1,270,031)	(1,162,746)
VAT on financial services											(625,000)	(504,960)
Profit after taxation											8,915,208	2,940,866
Other information												
Segment assets	158,969,887	134,073,176	801,419	686,188	1,674,281	1,645,729	-	-	10,914,234	3,804,035	172,359,821	140,209,128
Investment in associates	-	-	-	-	-	-	-	1,763,393	33,301	33,301	33,301	1,796,694
Consolidated total assets										1	72,393,112	142,005,823
Segment liabilities	146,549,415	123,877,153	74,857	71,169	36,795	90,714	-	-	(21,488)	68,084	146,639,579	124,107,119
Consolidated total liabilities											146,639,579	124,107,119
Segmental Cash flows												
Cash flows from operating activities	12,358,154	(6,919,599)	(95,356)	49,066	(712)	17,882	-	-	260,095	262,952	12,522,181	(6,589,699)
Cash flows from investing activities	(286,323)	(866,344)	196,967	(97,156)	37,493	18,899	-	-	(307,078)	(326,038)	(358,941)	(1,270,639)
Cash flows from financing activities	(6,867,500)	10,400,463	(11,907)	(8,546)	(36,781)	(36,781)	_	_	(11,821)	(40,602)	(6,928,009)	10,314,534

(31.12.201	30.09.2011
Basic Earnings per share - (Rs.)	17.74	12.25
Book value per share (Rs.)	91.32	77.58
Return on Average Shareholders' Funds (%)	21.00	16.52
Return on Average Assets (%)	1.94	1.66
Core Capital (Rs m)	13,454	11,037
Capital Base (Rs m)	14,955	12,449
Capital adequacy - Tier 1 (%)	11.16	10.05
- Tier 1 & 2 (%)	12.41	11.33
Asset growth (%)	17.36	31.61
Debt/Equity Ratio (Times)	9.31	9.38
Interest cover (Times)	1.50	1.66
Gross Non-performing Advances Ratio (%)	1.31	1.35
Net Non-performing Advances Ratio (%)	0.50	0.34
Statutory liquid assets- Rs m	31,971	26,813
Statutory liquid assets ratio (%)		
DBU	22.02	22.54
FCBU	24.92	28.49
	276	2.70
Net interest margin (%)	3.76	3.70
JP	31.12.2012	31.12.2011
Basic Earnings per share - (Rs.)	53.82	16.48
Book value per share (Rs.)	151.81	104.07
Return on Average Shareholders' Funds (%)	42.17	16.72
Return on Average Assets (%)	5.62	2.16
Core Capital (Rs m)	25,295	16,697
Capital Base (Rs m)	27,922	18,544
Capital adequacy - Tier 1 (%)	18.77	14.39
- Tier 1 & 2 (%)	20.72	15.98
sset growth (%)	21.40	30.94
Debt/Equity Ratio (Times)	5.74	6.92
Interest cover (Times)	1.52	1.70
Gross Non-performing Advances Ratio (%)	1.31	1.33
Net Non-performing Advances Ratio (%)	0.50	0.34

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 These interim financial statements of the Bank and the group have been prepared based on the same accounting policies and methods applied for the year ended 31 December 2011 and comply with Sri Lanka Accounting Standard 34- "Interim Financial Reporting". Previous years figures and phrases have been re-arranged whereever necessary to conform to current year's presentation.
- 4 The Bank is required to prepare its Interim Financial Statements in accordance with LKAS 34 'Interim Financial Reporting'. However, The Institute of Chartered Accountants of Sri Lanka has decided to allow Companies to prepare Interim Financial Statements during the first financial year commencing on or after January 01, 2012 in accordance with the Sri Lanka Accounting Standards existed immediately prior to the said date (SLASs) with disclosures on impact to the Statement of Comprehensive Income for the period and to the Net assets based on SLFRS/LKAS. If determination of that impact is impracticable, the Companies are required to disclose such fact.
- The Bank's 99.6% owned subsidiary Capital Development and Investment Company PLC (CDIC), approved a business plan to position itself as a diversified financial services conglomerate with ultimate exposure to investment banking (both regionally and in Sri Lanka), stock broking, wealth management, private equity investments and insurance sectors. Accordingly, in March 2012, CDIC acquired full ownership of NDBIB and 5% holding in AVIVA NDB Insurance PLC which was directly held by the Bank, which will compliment its existing investments in AVIVA NDB Insurance PLC and NDB AVIVA Wealth Management Ltd. Further in April 2012, the shares of the Bank's fully owned subsidiary NDB Stock Brokers (Private) Limited was also transferred to CDIC in line with this business plan. Following this strategic restructuring of the group's corporate equity holdings,CDIC was relaunched under a new corporate identity named 'NDB Capital Holdings PLC'
- 6 On 27 September 2012, the Bank (NDB) and NDB Capital Holdings PLC entererd into a Share Sale and Purchase Agreement with American International Assuarance Company Limited (AIA) of Hongkong to divest the 41.56% shareholding in Aviva NDB Holdings and 5% of Aviva NDB Insurance PLC. Accordingly on 5 December 2012 the divestment of these shares resulted in capital gain of Rs 5.9 billion to the NDB group.
- 7 There have been no other events subsequent to the end of the reporting period that require disclosure.
- 8 Impact to the Financial Statements on the adoption of LKAS 32 and 39
 - Based on the preliminary estimation impact on work completed by the Bank on LKAS 32 and 39, the following areas have been identified as having significant Financial Statement impact. Such analysis with its estimated impact is made on a best effort basis and is subject to audit. The impact on other SLFRSs / LKASs which is considered to be not significant is not disclosed.

No. of Shares % BANK OF CEYLON NO. 1 ACCOUNT 16,371,076 9.97 1. EMPLOYEES PROVIDENT FUND 15,810,248 9.63 SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND 5.72 9.388.488 DR. S YADDEHIGE 8,669,000 5.28 SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND 7,805,426 4.75 HSBC INTL NOM LTD-BPSS LUX-ABERDEEN GLOBAL ASIA PACIFIC EQUITY FUND 5,715,450 3.48 EMPLOYEES TRUST FUND BOARD 5,303,700 3.23 HSBC INT NON LTD-SNFE-NTASIAN + DISCOVERY MASTER FUND 4,686,400 2.85

4,501,200

4,294,800

4,282,200

4,133,726

2,741,700

2,408,136

2,045,200

2,000,000

1,683,000

111,809,750

AS AT 31.12.2012

2.74

2.62

2.61

2.52

2.13

2.11

1.83

1.67

1.47

1.25

1.22

1.02

68.10

 13. ASIAN ALLIANCE INSURANCE PLC-AC NO 03/LIFE SHARE HOLDERS FUND
 3,500,000

 14. MR. A K PATHIRAGE
 3,470,000

 15. BNY-CF RUFFER INVESTMENT FUNDS : CF RUFFER PACIFIC FUND
 3,000,000

16. ASIAN ALLIANCE INSURANCE PLC - GENERAL FUND AC 0117. ASIRI HOSPITAL HOLDINGS PLC

TOP 20 LARGEST REGISTERED SHARE HOLDERS

HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND PARTNERS L.P.

10. HSBC INTL NOM LTD-BPSS LDN-ABERDEEN ASIA PACIFIC FUND

11. HATTON NATIONAL BANK PLC A/C NO 1

Public holding as at 31.12.2012 - 96.12%

12. NATIONAL DEVELOPMENT BANK PLC - ESOP

18. HSBC INTERNATIONAL NOMINEES LIMITED-MSNY-BAY POND INVESTORS (BERMUDA) LP19. DFCC BANK A/C 1

20. HSBC INTL NOMINEES LTD-BP2S LONDON-ABERDEEN ASIA SMALLER COMPANIES INVESTMENT TRUST
TOTAL

DIRECTOR'S HOLDING & CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES OF NATIONAL DEVELOPMENT BANK PLC

Name	No. of Shares as at 31.12.2012
H D S AMARASURIYA	28,150
A K PATHIRAGE	3,470,000
N I R DE MEL (CEO)	7,116
T L F JAYASEKARA	-
K FERNANDO	-
H A SIRIWARDENA	-
D S P WIKRAMANAYAKE	-
G D C EKANAYAKE	-
S RAJAPAKSE	-

SHARE INFORMATION

	31.12.2012	31.12.2011
Market value per share (Rs.)	137.90	138.10
Highest price per share for the period (Rs.)	151.00	141.00
Lowest price per share for the period (Rs.)	129.00	119.50

			Bank	
Area	Description	Impact to profit before tax for the year ended 31 December 2012	Impact to Net Assets as at 31 December 2012	Impact to Net Assets as at 31 December 2011
I. Impairment of financial assets Loans and advances	Time based CBSL provision will be replaced with collective and specific impairment. All individually significant loans with objective evidences will be individually tested while other loans will be tested collectively for impairment.	Profit before tax increased by Rs. 36 Mn	The provision for impairment increased by Rs. 36 Mn	The provision for impairment increased by Rs. 73 Mn
2. Measurement of staff loans at fair value	All staff loans are to be recognised initially at fair value. Subsequent recognition should be on EIR. Day 1 difference is treated as pre-paid staff cost and to be amortised.	No significant Impact	No significant Impact	No significant Impact
3. Measurement of investments at fair value				
Fair value through P & L	Investment to be classified either as Fair value through profit and loss (FVTPL), and held to maturity (HTM), Measurement should be either at fair value or amortised cost using effective interest rate, based on the classification.	No significant Impact	No significant Impact	No significant Impact
4. Measurement of deposits at Effective Interest Rate	Interest expenses will be recognized on effective interest basis rather than on straight line method.	Profit before tax decreased by Rs. 18 Mn	Deposit portfolio decreased by Rs. 60 Mn	Deposit portfolio decreased by Rs. 78 Mn
5. Fair valuation of derivative assets and liabilities	All derivatives should be fair valued and brought in to the balance sheet.	No significant Impact	No significant Impact	No significant Impact
6. Other Measurement Adjustment		No significant Impact	No significant Impact	No significant Impact
7. Impact on takes based on the above			Net Assets decreased bye 81 Mn	Net Assets decreased by 73 Mn
* The above impact is excluding tax adjus	* The above impact is excluding tax adjustments as tax authorities have not issued relevant guidelines on the same.			