

This is our fourth integrated Annual Report, in helping you realize more of us, with greater clarity.

We intend this report to be a lucid communication of what we have achieved, where we stand in the industry and the road ahead. We intend to inform all our stakeholders on whatever aspects of our value creation process that most interest them.

REPORT STRUCTURE

In this Annual Report 2016 of National Development Bank PLC ('Bank'), we are continuing on the path we embarked on in 2013, that of integrated reporting.

In preparing this report, we drew mainly on the concepts, principles and guidelines enunciated in the following sources.

- Global Reporting Initiative Sustainability Reporting Guidelines – GRI Standards (www.globalreporting.org)
- International Integrated Reporting Framework (www.theiirc.org)
- Smart Integrated Reporting Methodology™

In addition, we also referenced 'A Preparer's Guide to Integrated Corporate Reporting', issued by the Institute of Chartered Accountants of Sri Lanka.

REPORT BOUNDARY

The overall boundary of this report comprises of National Development Bank PLC ('Bank') and its group companies, (collectively referred to as the 'Group'). Key financial aspects are discussed in the context of the Bank as well as the Group, while non-financial aspects are discussed in the context of the Bank.

COMPLIANCE

The Bank's Annual Report 2016 covers the 12 month period from 1 January to 31 December 2016 and is consistent with our usual annual reporting cycle for financial and sustainability reporting. The latter is in accordance with the core criteria of GRI Standards and is subject to independent assurance.

There are no significant changes in the organization type, structure, ownership or supply chain. The most recent previous Annual Report, dated 12 February 2016, covered the 12 month period ended 31 December 2015. It is available on our website <http://www.ndbbank.com/>.

There are no restatements of information provided in previous reports. The information contained in this Report, as in the past, is in compliance with all applicable laws, regulations and standards as well as guidelines for voluntary disclosures. Details are given in the Corporate Governance Report (pages 212 to 248), Chief Executive Officer's and the Group Chief Financial Officer's Responsibility Statement (page 278) as well as in the Independent Assurance Report (page 279) and Independent Auditors' Report (page 284).

QUERIES

We welcome your comments or questions on this Report. You may contact Faizan Ozman, the Group Chief Financial Officer of National Development Bank PLC (page 422).