

ORGANIZATIONAL PROFILE

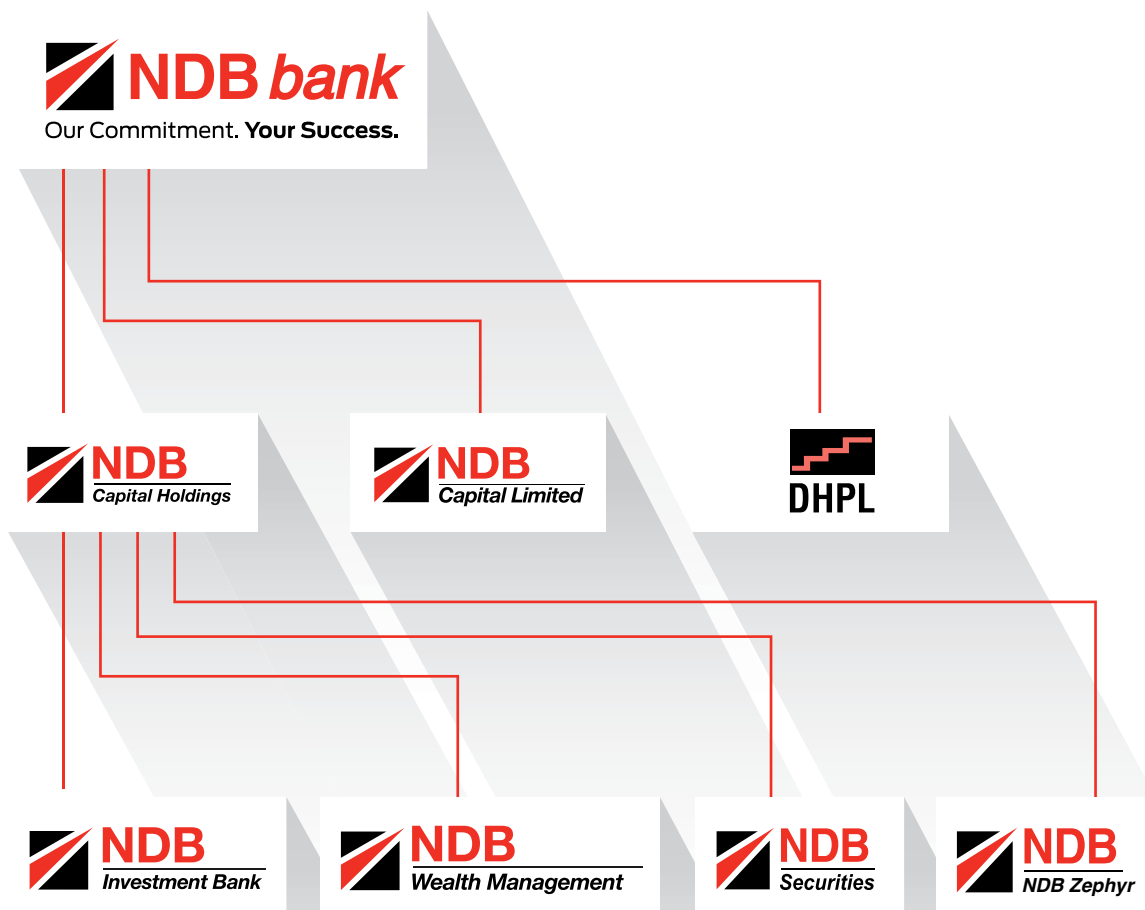
The Bank

Commencing business in 1979 as a state-owned development bank, National Development Bank PLC ('Bank') today operates under the Companies Act No. 07 of 2007, and as a Licensed Commercial Bank it is regulated under the Banking Act No. 30 of 1988, as amended from time to time. The Bank is listed on the Colombo Stock Exchange (stock code: NDB.N0000).

The Bank provides a full spectrum of financial solutions such as retail banking, small and medium enterprise (SME) banking, corporate banking, project and infrastructure financing, investment banking, leasing, housing finance, cash management, correspondent banking, remittance services, margin trading, pawning, treasury and investment services, bancassurance and card operations.

Group Companies

The Bank together with its Group companies are referred to as the 'Group'. The main activities of the Group companies are depicted in the table given on page 21.



Main Activities of the Group Companies

Subsidiary Name	Domicile	Shareholding	Nature of Business
NDB Capital Holdings Ltd.	Sri Lanka	99.9% Bank's holding, Direct	Full service investment banking
NDB Capital Ltd.	Bangladesh	77.8% Bank's holding, Direct	Investment banking
Development Holdings (Pvt) Ltd.	Sri Lanka	58.7% Bank's holding, Direct	Property management
NDB Investment Bank Ltd.	Sri Lanka	99.9% Bank's holding, Indirect	Investment banking
NDB Wealth Management Ltd.	Sri Lanka	99.9% Bank's holding, Indirect	Wealth management
NDB Securities (Pvt) Ltd.	Sri Lanka	99.9% Bank's holding, Indirect	Investment advisory and securities trading
NDB Zephyr Partners Ltd.	Mauritius	60.0% Bank's holding, Indirect	Management of private equity funds
NDB Zephyr Partners Lanka (Private) Ltd.	Sri Lanka	60.0% Bank's holding, Indirect	Management of private equity funds
NDB Venture Investment (Pvt) Ltd. (Under Liquidation)	Sri Lanka	50.0% Bank's holding, Direct	Venture capital
Ayojana Fund (Pvt) Ltd. (Under Liquidation)	Sri Lanka	50.0% Bank's holding, Direct	Venture capital

Markets Served

The Group's significant operations are located within Sri Lanka, with services delivered through locally domiciled entities. The Group is also engaged in fee-based businesses in Bangladesh through NDB Capital Ltd., and private equity in Mauritius through NDB Zephyr Partners Ltd. that was set up in 2014 in partnership with the US-based Zephyr Management LP.

The Bank operates a network of 93 branches (2014: 83) that are categorized into eight Regions. They cover 22 of the 25 administrative districts in the nine provinces of the country, and serve a broad spectrum of clientele ranging from individuals, micro enterprises, SMEs, emerging and large corporates to state-owned enterprises and multinational companies. In addition, the Bank reaches out to its customers through automated distribution systems such as ATMs,

internet banking, a virtual presence in a host of leading social interaction sites, telemarketing, a call centre and a unique 'Feet on the Street' sales force. More details are given under Customer Capital, beginning on page 74.

Scale of Operations

Total operating income of the Group increased by 3% during FY 2015 to LKR 13,291 million. Profit attributable to shareholders for the FY 2015 was LKR 3,542 million. Total assets of the Group grew by 17% to LKR 315 billion during the year, largely driven by enhanced volume growth across all business segments.

The Bank's market capitalization stood at LKR 32,059 million as at 31 December 2015, and ranked 21st (2014: 16th) amongst the 294 listed companies on the Colombo bourse.

By end-2015 the Sri Lankan banking industry comprised 25 licensed commercial banks and 7 licensed specialized banks, with 32 players in total (2014: 34 banks). In terms of market share and ranking within the industry, the Bank accounted for:

- 3.8% share of total assets (2014: 3.9%).
- 4.5% of loans and receivables (2014: 4.7%)
- 3.4% share of customer deposits (2014: 3.3%) and

The Bank's staff strength increased by 12.4% to 1,960 persons by end 2015 to support business growth, with 76% employed in the permanent cadre.