

BASEL III - PILLAR III DISCLOSURES

30 SEPTEMBER 2025

Template 1
Key Regulatory Ratios - Capital and Liquidity

	BANK		GROUP	
	As at 30 Sep 2025	As at 30 June 2025	As at 30 Sep 2025	As at 30 June 2025
Regulatory Capital (LKR '000)				
Common Equity Tier 1 Capital	61,341,726	63,012,546	65,313,101	67,082,197
Tier 1 Capital	61,341,726	63,012,546	65,313,101	67,082,197
Total Capital	81,890,538	84,911,248	85,746,087	88,888,416
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	11.54	12.29	12.03	12.79
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	11.54	12.29	12.03	12.79
Total Capital Ratio (Minimum Requirement - 12.5%)	15.41	16.56	15.79	16.95
Leverage Ratio (Minimum Requirement - 3%)	6.51	6.60	6.87	6.96
Regulatory Liquidity				
Total stock of high quality liquid assets (LKR ' 000) - Rupee	173,238,598	222,515,031	NA	NA
Total stock of high quality liquid assets (LKR ' 000) - All currency	198,463,145	246,980,279	NA	NA
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement -100%)	343.32	330.89	NA	NA
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement - 100%)	226.64	253.80	NA	NA
Net Stable Funding Ratio (%) – (Minimum Requirement - 100%)	136.10	124.46	NA	NA

Template 2
Basel III Computation of Capital Ratios

	Amount (LKR '000)			
	BANK		GROUP	
	As at 30 Sep 2025	As at 30 June 2025	As at 30 Sep 2025	As at 30 June 2025
Common Equity Tier 1 (CET1) Capital after Adjustments	61,341,726	63,012,546	65,313,101	67,082,197
Common Equity Tier 1 (CET1) Capital	71,202,482	71,898,019	75,764,103	76,443,406
Equity Capital (Stated Capital)/Assigned Capital	23,042,558	23,023,437	23,042,558	23,023,437
Reserve Fund	3,521,479	3,521,479	3,521,479	3,521,479
Published Retained Earnings/(Accumulated Retained Losses)	39,219,158	39,360,929	43,757,046	43,888,534
Published Accumulated Other Comprehensive Income (OCI)	1,194,404	1,767,291	1,256,923	1,823,859
General and other Disclosed Reserves	-	-	-	-
Unpublished Current Year's Profit/Loss and Gains reflected in OCI	4,224,883	4,224,883	4,186,097	4,186,097
Ordinary Shares issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to CET1 Capital	9,860,756	8,885,473	10,451,002	9,361,209
Goodwill (net)	-	-	-	-
Intangible Assets (net)	1,597,698	1,630,818	1,656,165	1,678,517
Deferred tax assets (net)	5,495,914	5,088,386	5,561,000	5,150,597
Defined benefit pension fund assets	346,273	346,273	346,273	346,273
Shortfall of the cumulative impairment to specific provisions	-	-	-	-
Reciprocal cross holdings in the capital of banking and other financial institutions	20,639	-	20,639	-
Investments in the capital of banking and financial institutions where the bank does not own more than 10 per cent of the issued ordinary share capital of the entity	2,006,368	1,445,988	2,660,655	1,982,865
Significant investments in the capital of financial institutions where the bank owns more than 10 per cent of the issued ordinary share capital of the entity	187,594	171,051	-	-
Shortfall of capital in financial subsidiaries	206,270	202,957	206,270	202,957
Additional Tier 1 (AT1) Capital after Adjustments	-	-	-	-
Additional Tier 1 (AT1) Capital	-	-	-	-
Total Adjustments to AT1 Capital	-	-	-	-
Tier 2 Capital after Adjustments	20,548,812	21,898,702	20,432,986	21,806,219
Tier 2 Capital	20,548,812	21,898,702	20,548,812	21,898,702
Qualifying Tier 2 Capital Instruments	13,725,922	15,380,443	13,725,922	15,380,443
Revaluation Gains	876,672	876,672	876,672	876,672
Loan Loss Provisions	5,946,218	5,641,587	5,946,218	5,641,587
Instruments issued by Consolidated Banking and Financial Subsidiaries of the Bank and held by Third Parties	-	-	-	-
Total Adjustments to Tier 2	-	-	115,826	92,483
Investment in Own Shares	-	-	-	-
Investments in the capital of financial institutions and where the bank does not own more than 10 per cent of the issued capital carrying voting rights of the issuing entity	-	-	115,826	92,483
CET1 Capital	61,341,726	63,012,546	65,313,101	67,082,197
Total Tier 1 Capital	61,341,726	63,012,546	65,313,101	67,082,197
Total Capital	81,890,538	84,911,248	85,746,087	88,888,416
Total Risk Weighted Assets (RWA)	531,337,400	512,635,438	543,129,931	524,358,466
RWAs for Credit Risk	475,697,476	451,326,990	479,376,637	454,849,269
RWAs for Market Risk	2,825,737	9,382,552	7,792,214	14,603,132
RWAs for Operational Risk	52,814,188	51,925,895	55,961,080	54,906,065
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	11.54	12.29	12.03	12.79
of which: Capital Conservation Buffer (%)	2.50	2.50	2.50	2.50
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	-
Total Tier 1 Capital Ratio (%)	11.54	12.29	12.03	12.79
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	15.41	16.56	15.79	16.95
of which: Capital Conservation Buffer (%)	2.50	2.50	2.50	2.50
of which: Countercyclical Buffer (%)	-	-	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-	-	-

Template 3
Computation of Leverage Ratios

	Amount (LKR '000)			
	BANK		GROUP	
	As at 30 Sep 2025	As at 30 Jun 2025	As at 30 Sep 2025	As at 30 Jun 2025
Tier 1 Capital	61,341,726	63,012,546	65,313,101	67,082,197
Total Exposures	942,739,860	955,413,197	951,213,233	963,871,538
On-Balance Sheet Items (excluding Derivatives and Securities Financing Transactions, but including Collateral)	889,698,686	896,729,888	897,821,726	904,819,709
Derivative Exposures	2,760,345	2,767,716	2,760,345	2,767,716
Securities Financing Transactions Exposures	8,501,084	15,934,103	8,501,084	15,934,103
Other Off-Balance Sheet Exposures	41,779,745	39,981,489	42,130,078	40,350,010
Basel III Leverage Ratio (%) (Tier 1/ Total Exposure)	6.51	6.60	6.87	6.96

Computation of Net Stable Funding Ratios (NSFR)

	Amount (LKR '000)	
	BANK	
	As at 30 Sep 2025	As at 30 Jun 2025
Total Available Stable Funding	588,259,291	581,566,405
Required Stable Funding - On Balance Sheet Assets	429,890,997	465,163,065
Required Stable Funding - Off Balance Sheet Items	2,337,205	2,119,930
Total Required Stable Funding	432,228,202	467,282,995
Net Stable Funding Ratio (%)	136.10	124.46

Template 4
Basel III Computation of Liquidity Coverage Ratio -All Currency

	BANK			
	Amount (LKR'000)			
	As at 30 Sep 2025		As at 30 June 2025	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	202,852,511	198,463,145	251,228,584	246,980,279
Total Adjusted Level 1A Assets	175,066,424	175,066,424	224,967,386	224,967,386
Level 1 Assets	173,590,074	173,590,074	222,906,553	222,906,553
Total Adjusted Level 2A Assets	29,262,437	24,873,071	28,322,031	24,073,726
Level 2A Assets	29,262,437	24,873,071	28,322,031	24,073,726
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	863,080,289	162,296,663	859,034,876	166,131,743
Deposits	456,388,632	37,257,255	453,465,732	37,490,824
Unsecured Wholesale Funding	203,231,002	121,089,686	199,598,394	120,617,821
Secured Funding Transactions	20,057,867	-	23,496,181	-
Undrawn Portion of Committed (Irrevocable) Facilities and Other Contingent Funding Obligations	182,596,956	3,143,889	181,689,026	7,237,553
Additional Requirements	805,833	805,833	785,544	785,544
Total Cash Inflows	126,491,423	74,728,874	118,268,408	68,819,931
Maturing Secured Lending Transactions Backed by Collateral	55,775,712	33,733,574	49,844,946	32,196,963
Committed Facilities	-	-	-	-
Other Inflows by Counterparty which are Maturing within 30 Days	64,211,581	40,984,830	60,406,545	36,450,036
Operational Deposits	6,493,659	-	7,843,984	-
Other Cash Inflows	10,470	10,470	172,933	172,933
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		226.64%		253.80%

Template 5
Main Features of Regulatory Capital Instruments

	CET 1 Capital	Tier 2 Instruments				
Description of the Capital Instrument	Stated Capital	Debenture Issue - December 2013	Debenture Issue - November 2021	Debenture Issue - December 2023	Debenture Issue - September 2024	Debenture Issue - December 2024
Issuer	National Development Bank PLC	National Development Bank PLC	National Development Bank PLC	National Development Bank PLC	National Development Bank PLC	National Development Bank PLC
Unique Identifier (e.g., ISIN or Bloomberg Identifier for Private Placement)	NDB. N0000 ISIN -LK0207N00007	Type D - LK0207D21053	Type A - LK0207D24941 Type B - LK0207D24958	Type A - LK0207D25146 Type B - LKJ0207D25153	Type A - LK0207D25484 Type B - LK0207D25468 Type C - LK0207D25476	Type A - LK0207D25534 Type B - LK0207D25542
Governing Law(s) of the Instrument	Companies Act No. 07 of 2007, Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act	Companies Act No. 07 of 2007, Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act	Companies Act No. 07 of 2007 , Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act	Companies Act No. 07 of 2007 , Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act	Companies Act No. 07 of 2007 , Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act	Companies Act No. 07 of 2007 , Listing rules of the Colombo Stock Exchange , Securities and Exchange Commission of Sri Lanka Act
Original Date of Issuance	Date listed 26-Apr-1993	19-Dec-2013	24-Nov-2021	12-Dec-2023	23-Sep-2024	2-Dec-2024
Par Value of Instrument	NA	LKR 100/-	LKR 100/-	LKR 100/-	LKR 100/-	LKR 100/-
Perpetual or Dated	Perpetual	Dated	Dated	Dated	Dated	Dated
Original Maturity Date, if Applicable	NA	Type D - 19 Dec 2025	Type A - 23 Nov 2026 Type B - 23 Nov 2028	Type A - 11 Dec 2028 Type B - 11 Dec 2028	Type A - 11 Sep 2029 Type B - 11 Sep 2029 Type C - 11 Sep 2029	Type A - 1 Dec 2029 Type B - 1 Dec 2029
Amount Recognised in Regulatory Capital (in LKR '000 as at 30th Sep 2025)	23,042,558	179,522	2,046,400	3,250,000	4,000,000	4,250,000
Accounting Classification (Equity/Liability)	Equity	Liability	Liability	Liability	Liability	Liability
Issuer Call subject to Prior Supervisory Approval						
Optional Call Date, Contingent Call Dates and Redemption Amount (LKR '000)	NA	NA	NA	NA	NA	NA
Subsequent Call Dates, if Applicable	NA	NA	NA	NA	NA	NA
Coupons/Dividends						
Fixed or Floating Dividend/Coupon	Dividend declared as decided by the Board	Fixed coupon	Fixed coupon	Fixed coupon	Fixed coupon	Fixed coupon
Coupon Rate and any Related Index	NA	Type D - 14.0% p.a	Type A - 11.90% p.a Type B - 12.00% p.a	Type A - 15.00% p.a Type B - 14.22% p.a	Type A - 13.25% p.a Type B - 12.84% p.a Type C - 12.64% p.a	Type A - 13.00% p.a Type B - 12.41% p.a
Non-Cumulative or Cumulative	NA	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
Convertible or Non-Convertible						
If Convertible, Conversion Trigger (s)	NA	Non-Convertible	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016	Determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016
If Convertible, Fully or Partially	NA	NA	Fully	Fully	Fully	Fully
If Convertible, Mandatory or Optional	NA	NA	Mandatory	Mandatory	Mandatory	Mandatory
If Convertible, Conversion Rate	NA	NA	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share during the three months (03) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share during the three months (03) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share during the three months (03) period, immediately preceding the date of the Trigger Event.	Based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share during the three months (03) period, immediately preceding the date of the Trigger Event.

Template 7

Credit Risk under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	BANK					
	Amount (LKR'000) as at 30 Sep 2025					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density ⁽ⁱⁱ⁾
Claims on Central Government and Central Bank of Sri Lanka	238,966,911	9,076,800	238,966,911	2,229,972	5,703,571	2.36%
Claims on Public Sector Entities	22,076,861	1,845,826	1,572,758	-	786,379	50.00%
Claims on Banks Exposures	37,054,121	80,501,299	37,054,121	2,661,656	16,003,260	40.29%
Claims on Financial Institutions	41,157,974	9,087,052	40,704,828	230,044	29,486,729	72.03%
Claims on Corporates	266,532,007	217,271,699	209,174,805	26,563,559	221,714,641	94.05%
Retail Claims	216,591,437	33,276,926	187,339,236	12,179,336	142,200,966	71.27%
Claims Secured by Residential Property	16,141,539	820,706	16,141,539	287,024	7,896,925	48.07%
Non-Performing Assets (NPAs) ⁽ⁱ⁾	32,472,356	-	32,472,356	-	35,213,117	108.44%
Higher-risk Categories	615,293	-	615,293	-	1,538,234	250.00%
Cash Items and Other Assets	24,463,573	-	24,463,573	-	15,153,654	61.94%
Total	896,072,072	351,880,309	788,505,420	44,151,591	475,697,476	

Asset Class	GROUP					
	Amount (LKR'000) as at 30 Sep 2025					
	Exposures before Credit Conversion Factor (CCF) and CRM		Exposures post CCF and CRM		RWA and RWA Density (%)	
	On-Balance Sheet Amount	Off-Balance Sheet Amount	On-Balance Sheet Amount	Off-Balance Sheet Amount	RWA	RWA Density ⁽ⁱⁱ⁾
Claims on Central Government and Central Bank of Sri Lanka	239,474,997	9,076,800	239,474,997	2,229,972	5,703,571	2.36%
Claims on Public Sector Entities	22,076,861	1,845,826	1,572,758	-	786,379	50.00%
Claims on Banks Exposures	38,051,966	80,501,299	38,051,966	2,661,656	16,227,820	39.86%
Claims on Financial Institutions	41,157,974	9,087,052	40,704,828	230,044	29,486,729	72.03%
Claims on Corporates	266,253,075	217,247,044	208,895,873	26,538,904	221,411,054	94.04%
Retail Claims	216,591,437	33,276,926	187,339,236	12,179,336	142,200,966	71.27%
Claims Secured by Residential Property	16,141,539	820,706	16,141,539	287,024	7,896,925	48.07%
Non-Performing Assets (NPAs) ⁽ⁱ⁾	32,472,356	-	32,472,356	-	35,213,117	108.44%
Higher-risk Categories	-	749,977	-	374,989	562,483	150.00%
Cash Items and Other Assets	29,197,748	-	29,197,748	-	19,887,593	68.11%
Total	901,417,953	352,605,631	793,851,301	44,501,925	479,376,637	

Note:

- (i) NPAs – As per Banking Act Directions on Classification of loans and advances, income recognition and provisioning.
- (ii) RWA Density – Total RWA/Exposures post CCF and CRM.

Template 9

Market Risk under Standardised Measurement Method

	As at 30 Sep 2025	
	BANK	GROUP
(a) Capital Charge for Interest Rate Risk	223,711	233,693
General Interest Rate Risk	223,711	225,547
(i) Net Long or Short Position	223,711	225,547
(ii) Horizontal Disallowance	-	-
(iii) Vertical Disallowance	-	-
(iv) Options	-	-
Specific Interest Rate Risk	-	8,146
(b) Capital Charge for Equity	-	610,828
(i) General Equity Risk	-	311,413
(ii) Specific Equity Risk	-	299,415
(c) Capital charge for Foreign Exchange & Gold	129,506	129,506
Total Risk Weighted Amount for Market Risk [(a) + (b) + (c)] * CAR	2,825,737	7,792,214

Template 10
Operational Risk under Basic Indicator Approach

As at 30 Sep 2025	BANK				
Business Lines	Gross Income (LKR'000)				
	Capital Charge Factor	Fixed Factor	1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		44,860,424	40,755,893	46,419,153
The Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%				
Commercial Banking	15%				
The Alternative Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	6,601,773				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	52,814,188				
The Standardised Approach					
The Alternative Standardised Approach					

As at 30 Sep 2025	GROUP				
Business Lines	Gross Income (LKR'000)				
	Capital Charge Factor	Fixed Factor	1 st Year	2 nd Year	3 rd Year
The Basic Indicator Approach	15%		46,905,640	43,398,548	49,598,511
The Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%				
Commercial Banking	15%				
The Alternative Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	6,995,135				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	55,961,080				
The Standardised Approach					
The Alternative Standardised Approach					

Template 11
Differences between Accounting and Regulatory Scopes and
Mapping of Financial Statement Categories with Regulatory Risk Categories – Bank Only

As at 30 Sep 2025	Amount (LKR '000)			
	Carrying Values as reported in Published Financial Statements	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets	904,881,578	788,505,420	8,360,630	108,015,528
Cash and cash equivalents	15,680,126	15,680,126	-	-
Balances with Central Banks of Sri Lanka	8,951,070	8,951,070	-	-
Placements with banks	24,478,839	24,478,839	-	-
Derivative financial instruments	785,950	785,950	-	-
Financial assets recognized through profit or loss measured at fair value	1,238,990	-	1,238,990	-
Financial assets at amortised cost -loans and receivables to other customers	585,378,484	487,017,443	-	98,361,041
Financial assets at amortised cost - debt and other instruments	184,110,915	184,110,915	-	-
Financial assets measured at fair value through other comprehensive income	60,878,443	51,729,796	7,121,640	2,027,007
Investments in subsidiary companies	1,031,037	843,443	-	187,594
Intangible assets	1,597,699	-	-	1,597,699
Property, plant and equipment	3,472,304	3,472,304	-	-
Right to Use Assets	1,417,926	1,417,926	-	-
Deferred tax Assets	5,495,914	-	-	5,495,914
Other assets	10,363,881	10,017,608	-	346,273
Liabilities	822,059,860			
Due to banks	7,755,452	-	-	-
Derivative financial instruments	144,591	-	-	-
Financial liabilities at amortised cost -due to depositors	702,936,153	-	-	-
Financial Liabilities at amortised cost - due to debt securities holders	46,115,696	-	-	-
Financial Liabilities at amortised cost - due to other borrowers	20,713,228	-	-	-
Debt securities issued	28,181,723	-	-	-
Current tax liabilities	3,273,433	-	-	-
Employee benefit obligations	1,513,214	-	-	-
Other liabilities	11,302,159	-	-	-
Dividends payable	124,211	-	-	-
Off-Balance Sheet Liabilities	362,421,106	351,066,500		
Guarantees	44,506,155	37,532,129	-	568,350
Performance Bonds	9,241,507	9,052,931	-	188,576
Letters of Credit	24,751,277	24,694,393	-	56,884
Other Contingent Items	11,042,976	11,042,976	-	-
Undrawn Commitments	170,013,486	170,013,486	-	-
Other Commitments	102,865,706	98,730,585	-	-
Shareholders' Equity				
Equity capital (Stated capital)/Assigned capital	23,042,558	-	-	-
of which Amount eligible for CET1	23,042,558	-	-	-
Retained earnings	47,690,137	-	-	-
Accumulated Other comprehensive income	2,877,427	-	-	-
Other reserves	9,211,596	-	-	-
Total Shareholders' Equity	82,821,718			