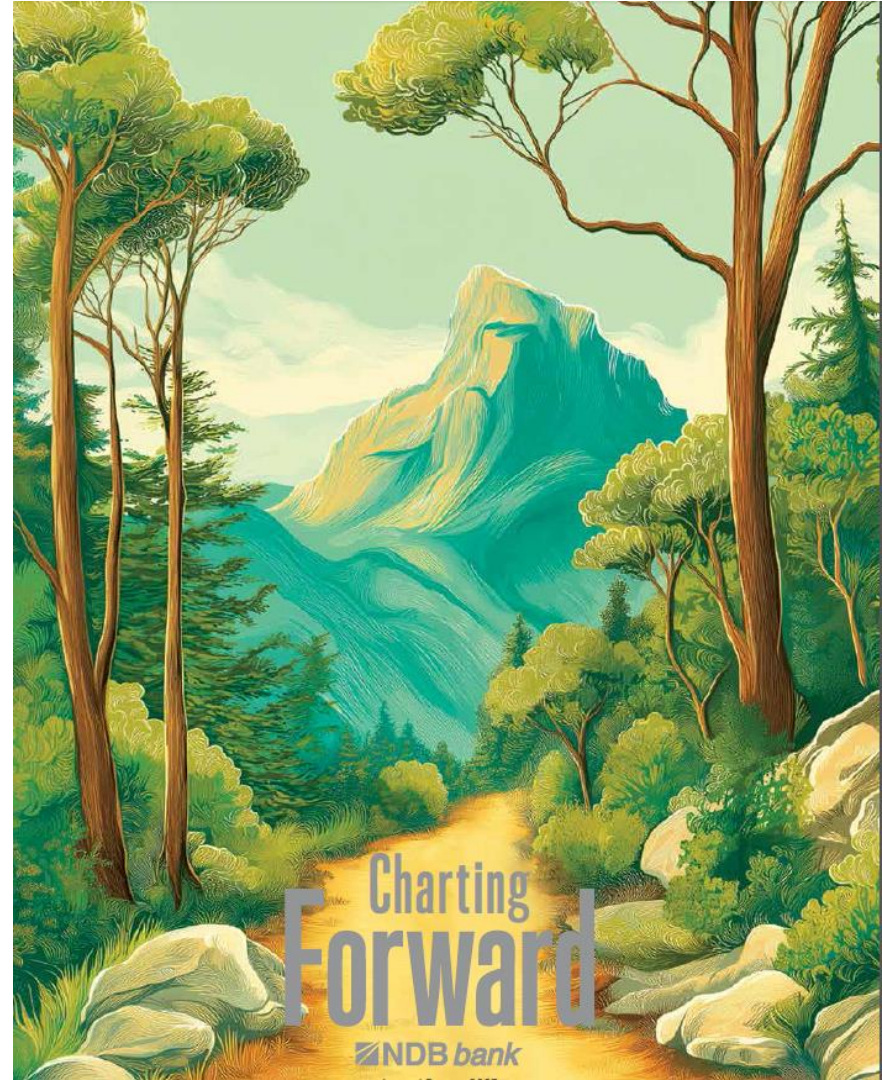


National Development Bank PLC

Financial Results for the Year Ended 31 December 2025

Presentation to Analysts

March 17, 2026
3:30 p.m. (UTC+05:30)
Colombo





PRESENTED BY

Kelum Edirisinghe, Director/ Chief Executive Officer

Q&A PANELISTS

Kelum Edirisinghe, Director/ Chief Executive Officer

K V Vinoj - Deputy Chief Executive Officer

Sanjaya Perera - Senior Vice President - Personal Banking and Customer Experience

Damitha Samaranyake - Vice President - Treasury

Alex Perera - Vice President - Risk/ Chief Risk Officer

Nadika Ranasinghe - Vice President - Strategy & Business Intelligence

Azzam A Ahamat - Vice President – Finance (Moderator)

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- 1 Performance snapshot**
- 2 Income and profitability highlights**
- 3 Balance sheet performance highlights**
- 4 Solvency and key investor ratios**
- 5 Long term strategy and transformation programme**
- 6 Impact analysis - Ongoing geopolitical tensions**
- 7 Q&A**

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The P&L perspective

Rs 11.0 Bn PAT
100.0% YoY growth*

Highest PAT on a
comparable basis*
Driven by core banking
operations

Impairment charges
on loans down by
57.1%
Reflecting results of focus on
improving credit quality

Rs. 25.90 EPS
13.5% ROE

The balance sheet perspective

28.8% growth
in Total Loans

17.6% growth
in Total Assets

11.9% growth
in Total Deposits

All business lines
post robust
growth

Over 25.0% growth
in the SME Book

Liquidity and solvency perspective

Sound solvency and
strong levels of liquidity

+385 bps
Buffer in Tier I CAR of 12.4%

+339 bps
Buffer in Total CAR of 15.9%

257.3%
Rupee LCR

208.5%
All currency LCR

Other qualitative indicators

Euromoney

- **Best Digital Bank for SMEs**
- **#1 Overall Trade Finance Provider in Sri Lanka (Domestic Banks)**

Great Place To Work Certification
For the third time

Staff – 2,864
Branch network - 113

Status quo broadly maintained

Performance snapshot

Impact of special arrangement(s) on loans and deposits

As at the reporting date of 31 December 2025, the Bank's portfolio of loans & advances, and deposits included a total amount of Rs.29.2 Bn (2024 year-end: Rs.19.6 Bn), which had been received from customer(s) under a special arrangement. This amount represents funds held on behalf of customer(s) with a netting arrangement, wherein both lending and deposit positions are maintained concurrently in the same currency (USD).

These arrangements are subject to specific contractual terms that may allow for netting of obligations between the Bank and the customer(s) in the event of certain trigger events.

Where pertinent, financial performance of the twelve months ended 31 December 2025 (FY25) is shown excluding the impact of this special arrangement (s).

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Income and profitability

Rs. Bn – Year ended 31 December	2024	2025	Δ Rs.	Δ %
NII	34.2	35.0	0.7	2.2
Net fee and commission income	7.8	8.1	0.3	3.5
Total operating income	45.5	46.3	0.8	1.7
Impairment charges/ (reversals) on loans and other investments	(10.0)	5.9	15.9	159.3
Net operating income	41.1	40.4	(0.8)	(1.8)
Operating expenses	16.8	19.0	2.2	13.1
Profit before all taxes	24.3	21.4	(3.0)	(12.2)
Total taxes	15.3	10.3	(5.0)	(32.5)
PAT	9.0	11.0	2.0	22.3
Group Profit Attributable to Shareholders (PAS)	9.8	11.9	2.1	21.1

Consistent progress in PAT QoQ (on a standalone basis)

1Q 2025: Rs. 1.9 Bn

2Q 2025: Rs. 2.3 Bn

3Q 2025: Rs. 3.3 Bn

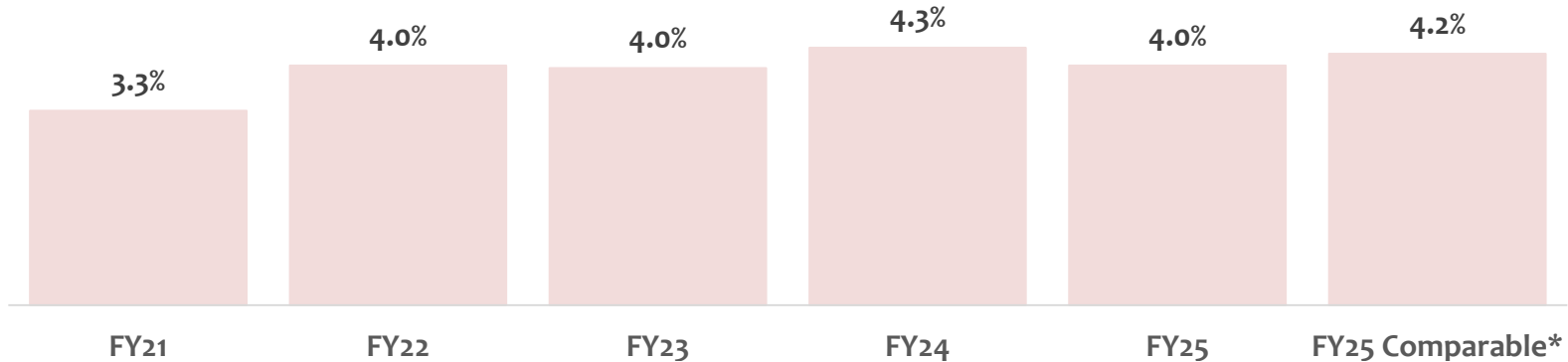
4Q 2025: Rs. 3.5 Bn

NII & NIM

Rs. Bn – Year ended 31 December	2024	2025	Δ Rs.	Δ %
Interest income	88.1	86.7	(1.4)	(1.6)
Interest expenses	53.8	51.7	(2.1)	(4.0)
NII	34.2	35.0	.7	2.2
Percentage of interest bearing assets within total assets (%)	94.7	95.3	-	-

Half-yearly performance	1H2025	2H2025
Interest income	42.3	44.4
Interest expenses	25.4	26.4
NII	17.0	18.0

NIM trajectory: Consistently maintained despite pressures



*Impact of special arrangement(s) on loans and deposits adjusted – refer slide 6 for explanation.
For FY2024 Reported and Comparable NIM – 4.3%

Non-fund based income (NFBI)

Rs. Bn – FY ended 31 December	2024	2025	Δ Rs.	Δ %
Net fee and commission income (NFCI)	7.8	8.1	0.3	3.5
Net gain from trading (NGT)	1.0	1.1	0.01	1.3
Other	2.5	2.2	(0.2)	(9.7)
Total non-fund based income	11.3	11.3	0.04	0.4

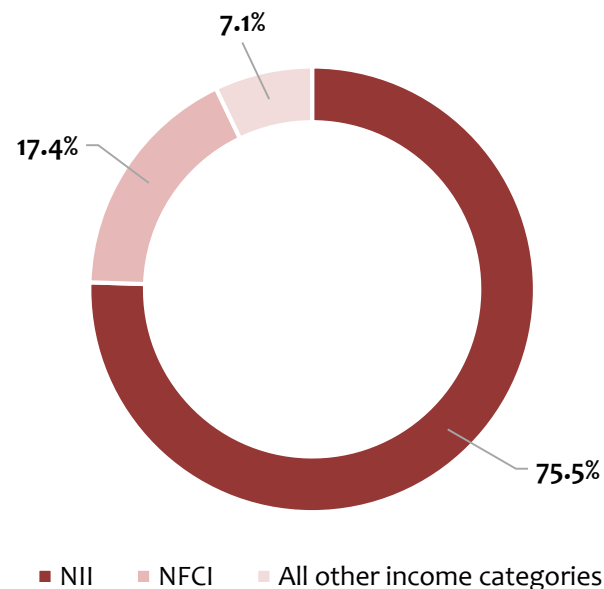
Net fee and commission income - Half-yearly performance

Half-yearly performance	2024	2025	YoY growth
1H	3.4	3.6	8.4%
2H	3.7*	4.4	19.3%

*Adjusted for one-off fee income earned in 2024 2H linked to ISB restructuring.

Consistent growth in net fees stemming from almost all aspects of core business operations

Total operating income composition



Costs

Operating costs

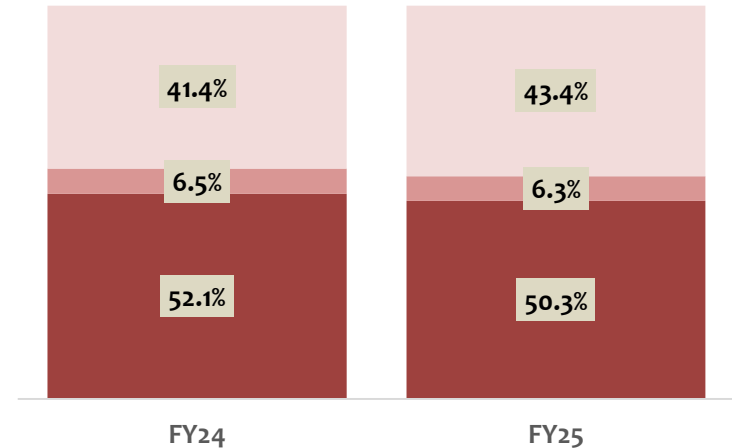
Rs. Bn – FY ended 31 December	2024	2025	Δ Rs.	Δ %
Personnel expenses	8.8	9.6	0.8	9.3
Depreciation and amortisation	1.1	1.2	0.1	9.5
Other expenses	7.0	8.2	1.3	18.5
Total operating expenses	16.8	19.0	2.2	13.1
Cost to income ratio (%)	36.9	41.0	-	4.1 ppts

Impairment charges/ (reversal) on loans and other investments

Rs. Bn - FY ended 31 December	2024	2025	Δ Rs.	Δ %
Impairment on the loan book	13.3	5.7	(7.6)	(57.1)
Impairment on investments and others	(23.3)	0.2	23.5	100.9
Total Impairment charges	(10.0)	5.9	15.9	159.3

Operating cost composition

- Other expenses
- Depreciation and amortisation
- Personnel expenses



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Balance sheet performance - Loans

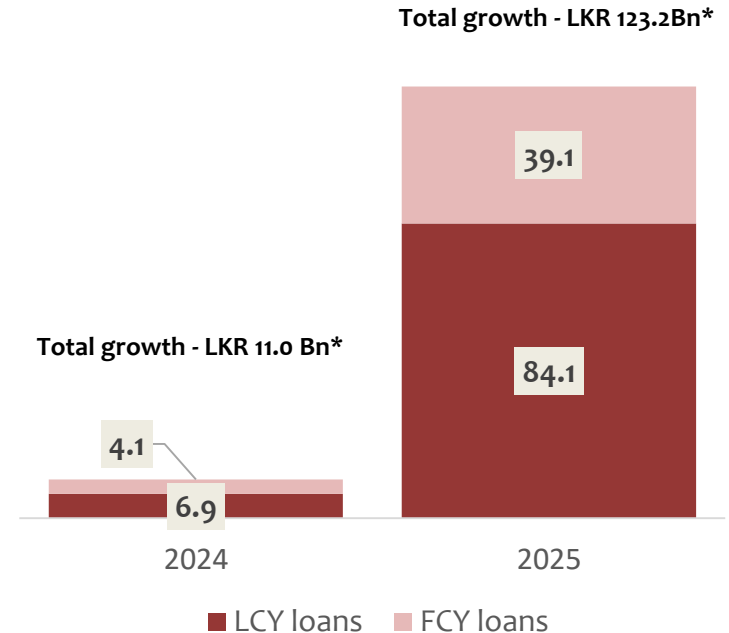
Rs. Bn – As at end	FY24	FY25	Δ Rs.	Δ %
Total assets	795.7	935.8	140.1	17.6
Net loans - Reported	460.7	593.6	132.9	28.8
Net loans – Adjusted*	441.1	564.3	123.2	27.9
Investments	267.2	260.2	(7.0)	(2.6)

Strong loan growth momentum attuned to national economic revival

Lending to the SME sector
Over 25.0% YTD growth
Portfolio exceeding LKR 100.0 Bn

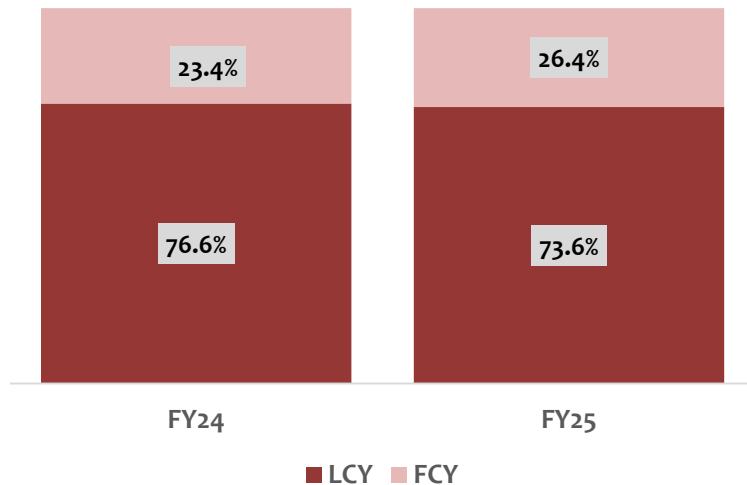
*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

Growth in net loan book (in LKR Bn) - Adjusted*

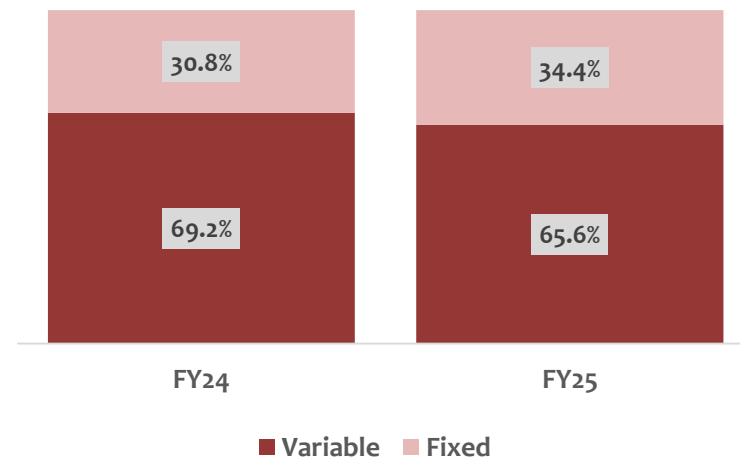


Balance sheet performance – Loans (Cont.)

Currency composition of the loan book



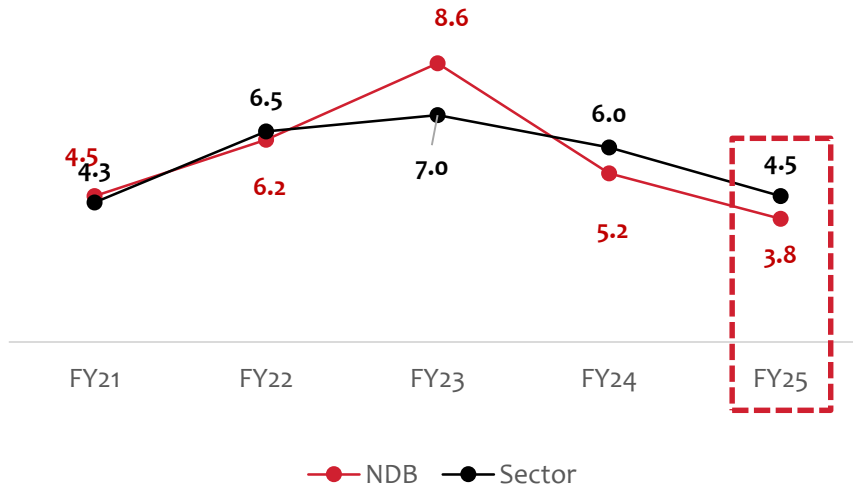
Composition of the loan book – on the basis of pricing



*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

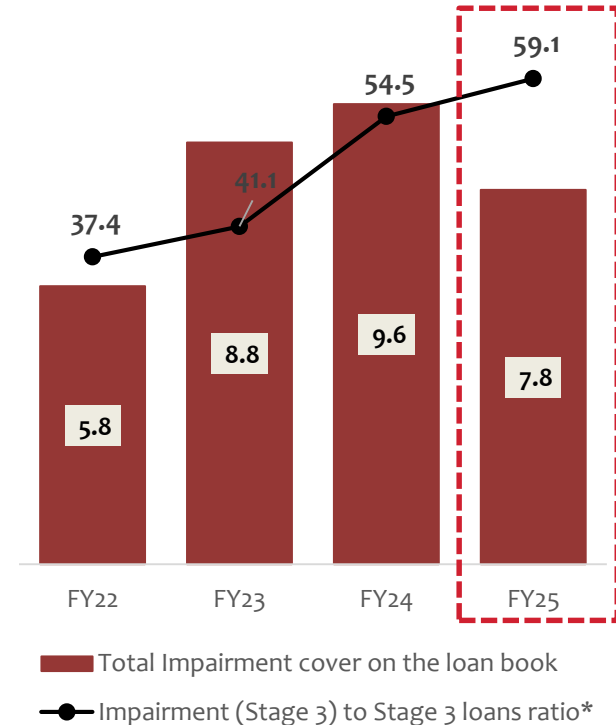
Credit quality

Impaired Loans (Stage 3) Ratio (%)



Reflects concerted efforts deployed in enhancing the quality of loan book

Credit quality movement (%)



*Secondary axis data

Balance sheet performance - Deposits

Currency wise deposits analysis

Reported results

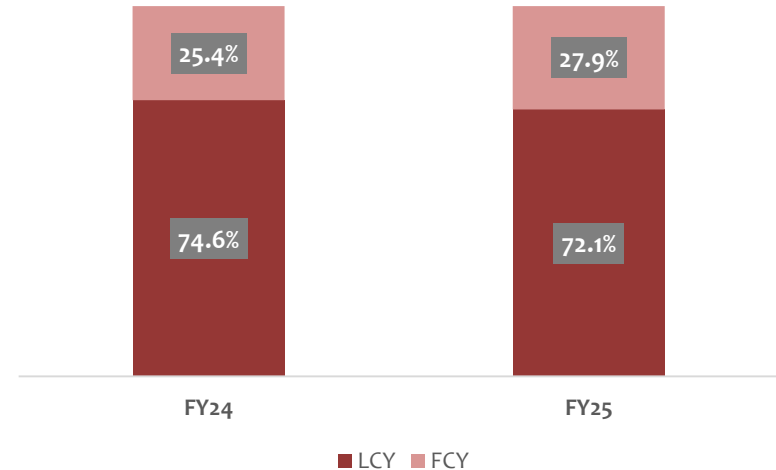
Rs. Bn – As at end	FY24	FY25	YTD growth %
LCY deposits	471.3	509.7	8.2
FCY deposits	160.4	197.4	23.1
Total deposits	631.7	707.2	12.0

Impact of special arrangement(s) adjusted results*

Rs. Bn – As at end	FY24	FY25	YTD growth %
LCY deposits	454.7	490.6	7.9
FCY deposits	157.4	187.3	19.0
Total deposits	612.1	677.9	10.7

*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

Currency composition of the deposit book



Balance sheet performance – Deposits (Cont.)

Product wise deposits analysis

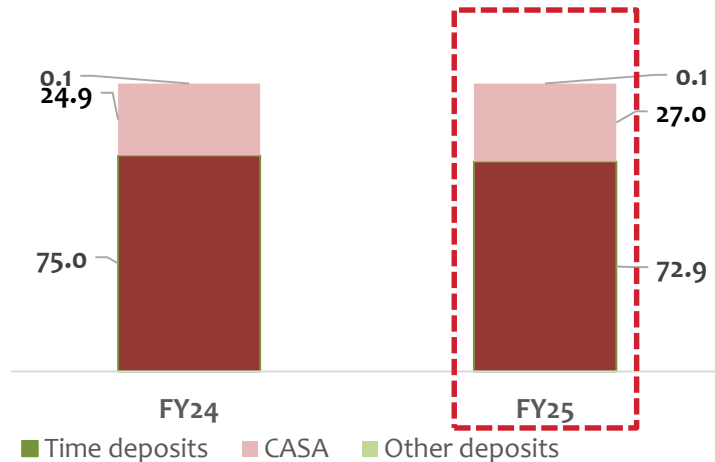
Reported results

Rs. Bn – As at end	FY24	FY25	YTD growth %
CASA total	157.4	191.1	21.5
Time deposits	473.6	515.6	8.9
Other deposits	0.7	0.4	-38.2
Total	631.7	707.2	11.9

Impact of special arrangement(s) adjusted results*

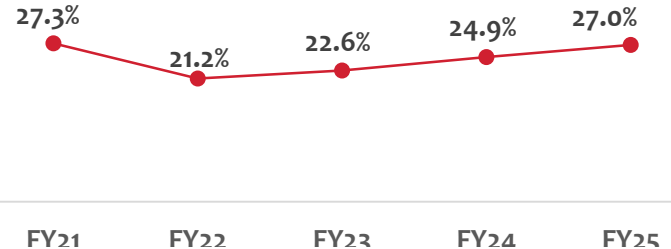
Rs. Bn – As at end	FY24	FY25	Composition %	YTD growth %
CASA total	137.7	161.9	23.9	17.5
Time deposits	473.6	515.6	76.1	8.9
Other deposits	0.7	0.4	0.1	(37.9)
Total	612.1	677.9		10.7

Deposits composition – Reported results (%)



CASA trend

CASA excluding the impact of special arrangement(s) on loans and deposits* FY25: 23.9%, FY24: 22.5%



*Impact of special arrangement(s) on loans and deposits – refer slide 6 for explanation.

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Capital

Rs. Bn – As at end	FY24	FY25	Δ Rs.	Δ %
Common Equity Tier 1 (CET1) capital	62.1	67.7	5.6	9.0
Tier 1 capital	62.1	67.7	5.6	9.0
Total capital	86.7	87.1	.5	0.5
Risk Weighted Assets (RWA)	453.9	548.2	94.3	20.8

Stable capital base with capital adequacy ratios (CAR) well above regulatory minimum requirements

- CET 1 CAR: 12.4% **+535 bps** vs. 7.0%
- Tier 1 CAR: 12.4% **+385bps** over 8.5%
- Total CAR: 15.9% **+339 bps** vs. 12.5%

Liquidity

Regulatory ratios % - As at end	FY24	FY25	Buffer over minimum requirement in ppts
Liquidity Coverage Ratio – Rupee (Minimum Requirement – 100%)	358.1	257.3	157.3
Liquidity Coverage Ratio – All Currency (Minimum Requirement - 100%)	308.3	208.5	108.5
Net stable funding ratio (Minimum Requirement 100%)	152.4	129.7	29.7

Consistently strong liquidity levels maintained over regulatory minimum requirements

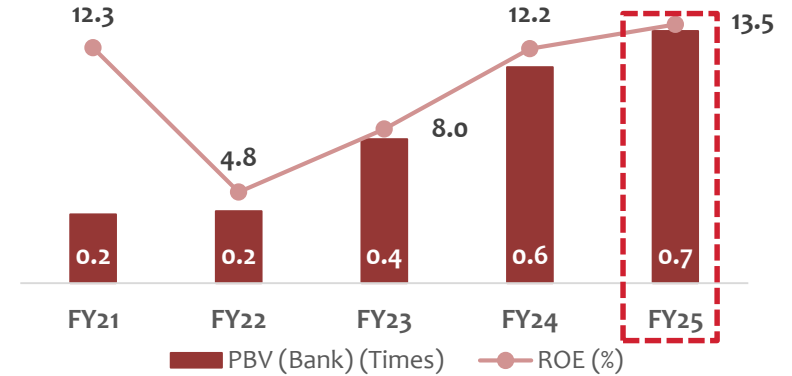
Key investor ratios

Investor ratios	FY24	FY25	Δ
Closing Price per Share - Rs.	113.25	141.25	28.00
EPS - Rs. (Annualised)	21.25	25.90	4.65
ROE (%)	12.21	13.5	1.3ppt
ROA (%) Pre-tax	3.1	2.5	(62)bps
Book Value per Share - Rs.	186.91	201.51	14.59
P/E (times)	5.3	5.5	-
Price to Book Value (PBV) (times)	0.6	0.7	-

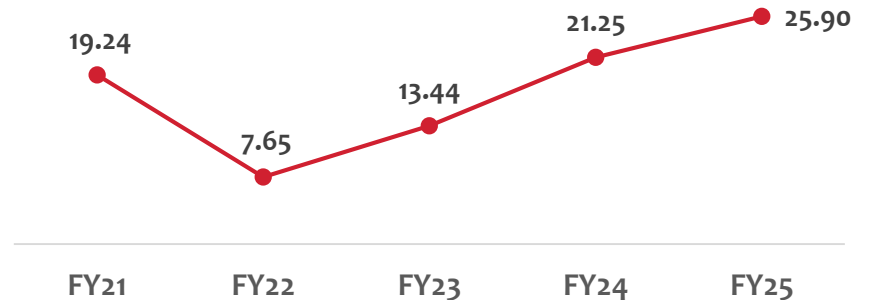
Consistent progress in ROE and ROA (QoQ)

Standalone Quarter – 2025 - %	ROE	Pre-tax ROA
1Q	10.0	1.9
2Q	11.8	2.1
3Q	16.0	2.6
4Q	16.8	3.0

ROE and PBV movement



Annualised EPS (Rs.)



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Update on long-term transformation programme

- As highlighted during the 3Q2025 earnings presentation, NDB Bank -together with The Boston Consulting Group (BCG), had launched its Strategic Roadmap to 2030, marking the start of a comprehensive long-term transformation programme.

Centered on the pillars of **Strengthen, Simplify, and Scale-up**, the strategy is designed to accelerate market share growth, enhance profitability, and deliver a superior customer experience.

- The first two years of the roadmap are focused on strengthening the Bank's core foundation and building greater resilience, key prerequisites that will enable NDB to accelerate growth in the subsequent phases of the programme.

The Bank entered the execution phase of the strategy in 4Q2025 and is happy to share, currently we have been able to progress with the transformation programme as per the plan.



*Market share
Growth*



*Boosting
profitability*



*Superior customer
experience*


Snapshot of select key achievements from the transformation programme

Category	Achievement	Impact	Status
Quick Wins	Customer experience <ul style="list-style-type: none"> Delivered superior customer experience through product innovation, streamlined journeys and customer centric go to market. For e.g., 1 day housing loan IPS, <1-day DML top-up disbursement, upgrading branch experience 	20-25% TAT reduction	Achieved
	Profitability Improvement <ul style="list-style-type: none"> Boosting profitability through enhanced productivity, strengthening credit and driving sustainable RoA-accretive growth. For e.g., Industry best supply chain finance journey design 	15-20% Productivity increase	Achieved
	Collections Efficiency (Retail, SME) <ul style="list-style-type: none"> Building digital first, data-driven collections model to enhance recovery. For e.g., Analytics led digital collections, customer engagement strategy 	4% Flow Rate reduction (8% -> 4%)	Achieved
Key Enablers	Credit strengthening <ul style="list-style-type: none"> Strengthened risk & governance framework through AI powered risk scorecards, next generation credit model set up to ensure disciplined, high-quality growth at lower Stage 	Q3 FY26 Expected Go-live	Expected
	Next gen tech stack <ul style="list-style-type: none"> Enhancing productivity through next gen future-ready digital platforms enabling end-to-end, scalable and efficient customer journey. E.g., Loan origination system, collections system, lead management system 	Q2-Q4 FY26 Expected Go-live	Expected
	Agile operating model <ul style="list-style-type: none"> Customer-centric operating model empowering frontline teams and accelerating execution 	Live	Achieved

Achieved Impact

Expected Go-live

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Impact of the ongoing geopolitical tensions in the Middle East

Oil and freight

- Oil price spikes
- Price-driven oil rationing
- Freight and insurance cost hikes
- Refinery feedstock shortages in Asia/ across the rest of the world
- Fertilizer and other petroleum linked input cost increases

Global inflation and interest rates

- Over \$100 Brent oil price to cut global growth and drive inflation up
- US Fed impact: US Fed expected to cut rates much less in 2026 than originally planned
- Gold Market: Gold prices fell as a stronger dollar and higher bond yields reduced its safe-haven appeal
- Bond Yields: US long-term yields have seen an increase as markets priced in higher inflation risks

Impact of the ongoing geopolitical tensions – NDB position

Solvency and capital

- Strong capital position with healthy buffers adequate to absorb shocks over the next 6 months
- FX depreciation provides a positive translation impact on capital and FCY-denominated assets

FX market conditions and exporter behaviour

- Market shows healthy USD liquidity; importer conversions continue to exceed those of exporters
- Bank to strengthen exporter penetration through competitive pricing

FX reserves and liquidity

- CBSL's USD 7.0 Bn reserves offer strong systemic support during fuel price or USD-strengthening shocks
- Bank FCBU reserves stable with no immediate vulnerabilities

FCY deposit base

- Healthy FCY deposits base
- High rollover rates indicating strong stickiness

LKR interest rate outlook

- Global oil-related shocks typically trigger USD outflows and inflation pressure in South Asian emerging markets
- Sri Lanka's low inflation environment and policy headroom support expectations of stable LKR interest rates

Risk management actions

- Heightened portfolio oversight, closer engagement with clients etc., credit and market-risk spillovers from Middle East tensions



Q&A

Appendix

Gross income dispersion

