

INTERIM FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

National Development Bank PLC

CSE stock code: NDB.N0000 | Bloomberg: NDB SL | Reuters: NDB.CM

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Table of Contents

Performance commentary	2
Financial statements published as per Rule 7.4 of the Listing Rules of the Colombo Stock Exchange	5
Important dates – Q 4 2025 financial results release	20
Corporate information	20

*The financial statements presented herewith are the audited financial statements for the year ended 31 December 2025 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.

NDB reports all-time high earnings. Doubles PAT on a normalised basis.

Highlights

- **Profit after taxes reach an all-time high of LKR 11.0 billion (2024: LKR 9.0 billion). Excluding the one-off impact of the ISB debt-restructure in 2024, which represents close to a two-fold growth on a comparable basis**
- **Net loans and deposits expand by 26.7% and 10.4% respectively on a normalised basis, outperforming industry averages on an all currency basis across both local currency and foreign currency**
- **Credit granted to Small and Medium Scale Enterprises expands by over 25.0% showcasing the Bank's continued commitment to support the country's economic revival**
- **Full year ROE and ROA (pre-tax) improves to 13.5% and 2.5%, respectively, supported by strong momentum in the second half of 2025, where ROE and ROA was at 16.4% and 2.8% respectively for the period**
- **Growth driven primarily by core banking operations**

FINANCIAL PERFORMANCE

National Development Bank PLC (hereinafter 'the Bank') announced its results for the financial year ended December 31, 2025 to the Colombo Stock Exchange recently. Full year results tabled by the Bank showcase a strong growth across all business lines with Net Banking Revenue increasing by a 45.2% on a comparable basis. Like most other peers, the Bank's 2024 financial performance was positively impacted following the successful conclusion of the ISB debt restructure with a one-off impact on interest income, fee income and net impairments amounting to LKR 1.4 billion, LKR 0.7 billion and LKR 9.4 billion, respectively for the said year.

Fund based income

Net interest income (NII), which accounts for close to 75.0% of Bank's total operating income, grew by 6.5% on a normalised basis. Despite pressure on interest-earning assets arising from the lower interest rate environment, the Bank's disciplined margin management helped stabilise Net Interest Margin (NIM) at 4.0% for the year. On a comparable basis, excluding one-off exceptional items, NIM stood at 4.2%, compared to 4.3% for both scenarios in 2024. By the end of the year, the Bank had close to LKR 29.3 billion in Loans and Deposits under a

special arrangement with its customer(s) with a netting-off feature (end 2024: LKR 19.6 billion).

- **Non-fund based income**

Net fee and commission income reached LKR 8.1 billion for the year - representing a growth of 14.3% from LKR 7.1 billion in 2024 excluding ISB restructuring related fees. Key growth drivers for the current year were trade finance, credit and lending, digital banking and credit and debit cards.

- **Credit and operating costs**

Credit costs for the year amounted to LKR 5.7 billion, reflecting a substantial reduction of 57.1% compared to LKR 13.2 billion in 2024, a testament to the Bank's strong credit underwriting practices and focused efforts on collections and recoveries. The Bank's success on account of the latter is best reflected in notably improved stage 2 and 3 loan stock which stood at 7.9% and 10.8% respectively at end 2025 as compared with 16.6% and 14.0% at end 2024. Stage 3 provision coverage also saw further improvement to 59.1% from 54.5% during 2024 showcasing the Bank's prudent management of credit risk.

Operating expenses closed at LKR 19.0 billion for the year, marking a 13.1% YoY increase. This increase was primarily driven by routine staff-related increments and necessary market realignments, along with higher investments in IT infrastructure and business development undertaken during the year.

- **Investor key performance indicators**

Return on average equity (ROE) was 13.5% - improved notably when compared with 12.2% in 2024 on an all-inclusive basis and 7.7% excluding the one-off income reported from the ISB debt restructure. Looking at the second half of 2025 alone, ROE was close to 16.4% indicating strong improvement from the first half of the year. Similarly, the Bank's pre-tax return on average assets was 2.5% for the full year and 2.8% for the second half of 2025 (2024: with and without ISB one-off gains 3.1% and 1.5%, respectively).

Earnings per share was LKR 25.90 for the full year 2025 as compared with LKR 21.25 in 2024 on as is basis and LKR 13.30 excluding the impact of the ISB debt restructure. Group level ROEs and EPS, respectively, were 13.6% (2024: 12.5%) and LKR 27.83 (2024: LKR 23.05). Net asset value per share was LKR 201.51 (2024: LKR 186.91) and compared with a closing share price of LKR 141.25, which posted a 24.7% appreciation since end 2024. Group Net asset value per share was LKR 215.45 (2024: LKR 199.13).

- **FINANCIAL POSITION**

By year-end, the Bank's total deposits increased to LKR 707.2 billion, reflecting an 11.9% growth from LKR 631.7 billion at end-2024. Meanwhile, net loans expanded more strongly to LKR 593.6 billion, marking a 28.8% increase from LKR 460.7 billion in the previous year.

However, excluding transactions of a one-off and special nature, this represented a normalised absolute net growth of 26.7% and 10.4% over end 2024, respectively. The Bank's CASA ratio on a normalised basis stood at 23.9% by year end 2025 having improved from 22.5% at end 2024 in line with the Bank's ongoing efforts to improve its low cost funding from current levels.

▪ **LIQUIDITY AND SOLVENCY**

Liquidity levels also remained strong with the Bank's Liquidity coverage ratios, across both Rupee and All currency, closing at 257.3% and 208.5%, respectively at end 2025 (end 2024: 358.1% and 308.3%) while the Net stable funding ratio was 129.7% (end 2024: 152.4%) - all of which were well above the minimum regulatory requirements of 100.0% and comparing well with industry averages. The Bank's solvency levels as measured by CET1/ Tier I and Total CAR were 12.4% and 15.9%, respectively representing more than adequate buffers over its regulatory minimums (2024: 13.7% and 19.1%).

Commenting on the financial results of the Bank for the financial year 2025, the Bank's Director/Chief Executive Officer, Mr. Kelum Edirisinghe, stated:

We are very pleased with the Bank's performance during the year. This achievement is not the end result of one-off gains but purely the outcome of focused execution in our fundamental banking businesses, disciplined credit growth, prudent risk management, a strong deposit franchise, sustained net interest margins, and the continuing efforts to improve our overall operating efficiencies on a consistent basis. Our core banking operations have performed exceptionally well, despite the pressure stemming from lower interest rates, reinforcing the sustainability and quality of our earnings.

Importantly, this performance also equally reflects the trust our customers place in us and the dedication of our employees who strive to deliver excellence every day. Their commitment has strengthened our franchise and deepened relationships across retail, SME, and corporate banking segments. Amongst others, one of our standout achievements during the year was the strong growth reported in the Small and Medium Enterprise (SME) loan book, which grew by over 25.0% year-on-year, clear evidence of our deep and ongoing commitment to advancing the SME sector, a critical engine of national economic growth. This performance is both a milestone and a reflection of the strength of our foundation and our trajectory, plans and ambitions going forward.

While we celebrate these results, we remain focused on our future. Our 2030 strategy aims to further strengthen our core banking operations, enhance digital capabilities, optimise cost efficiency, and grow responsibly. We are confident that the momentum generated this year positions us for sustained long-term value creation.

I take the opportunity to thank the Chairman and the Board of Directors for their unwavering guidance and strategic foresight, to my senior leadership team for their relentless drive and commitment and to our staff at all levels for their hard work and dedication - if not for which none of this is possible. I wish to also extend my gratitude to all our stakeholders including our Regulators, Customers, and Shareholders for their continued trust and confidence placed in us. Your collaboration and confidence will enable NDB to innovate, grow, and create long lasting value for the benefit of its stakeholders and the nation. We look forward to the future with a great degree of hope and optimism!

STATEMENT OF PROFIT OR LOSS										
	Bank					Group				
	Year ended 31/12/2025 Audited LKR '000	Year ended 31/12/2024 Audited LKR '000	Change %	Quarter ended 31/12/2025 LKR '000	Quarter ended 31/12/2024 LKR '000	Year ended 31/12/2025 Audited LKR '000	Year ended 31/12/2024 Audited LKR '000	Change %	Quarter ended 31/12/2025 LKR '000	Quarter ended 31/12/2024 LKR '000
	Gross income	98,198,448	99,383,382	(1)	25,350,066	25,204,347	101,313,799	102,203,733	(1)	26,293,242
Interest income	86,676,326	88,059,931	(2)	22,266,860	22,032,903	86,857,356	88,282,978	(2)	22,259,400	22,079,428
Interest expenses	51,719,784	53,848,864	(4)	13,259,709	12,210,380	51,623,678	53,789,233	(4)	13,172,491	12,197,479
Net interest income	34,956,542	34,211,067	2	9,007,151	9,822,523	35,233,678	34,493,745	2	9,086,909	9,881,949
Fee and commission income	8,247,983	7,823,528	5	2,384,826	2,740,396	10,754,486	9,843,646	9	3,196,832	3,267,954
Less: Fee and commission expenses	180,666	26,210	589	85,141	12,493	180,666	26,210	589	85,141	12,493
Net Fee and commission income	8,067,317	7,797,318	3	2,299,685	2,727,903	10,573,820	9,817,436	8	3,111,691	3,255,461
Net gain/(loss) from trading	1,054,913	1,041,326	1	246,017	255,380	1,054,913	1,041,326	1	246,017	255,380
Net gain/(loss) from financial assets at fair value through profit or loss	(41,896)	(141,276)	70	690	50,089	184,886	135,793	36	18,845	(573,258)
Net gains/(losses) from de-recognition of financial assets										
- at fair value through profit or loss	113,685	881,748	(87)	731	166,602	201,693	978,163	(79)	19,501	978,163
- at fair value through OCI	931,695	3,050,319	(69)	84,675	7,629	929,760	3,068,427	(70)	82,662	25,737
Other operating income	1,215,742	(1,332,194)	191	366,267	(48,652)	1,330,705	(1,146,600)	216	469,985	156,339
Total operating income	46,297,998	45,508,308	2	12,005,216	12,981,474	49,509,455	48,388,290	2	13,035,610	13,979,771
Less: Impact of the debt restructuring	-	14,343,580	(100)	-	14,343,580	-	14,343,580	100	-	14,343,580
Less :Impairment charges/(reversals) on loans and other investments	5,914,844	(9,976,865)	159	28,549	(21,026,442)	5,914,844	(10,054,600)	159	28,549	(21,090,428)
Net operating income	40,383,154	41,141,593	(2)	11,976,667	19,664,336	43,594,611	44,099,310	(1)	13,007,061	20,726,619
Operating expenses										
Personnel expenses	9,563,485	8,751,357	9	2,153,417	2,460,894	10,504,739	9,605,375	9	2,446,375	2,699,431
Depreciation and amortization	1,193,967	1,090,584	9	343,458	283,049	1,282,293	1,167,989	10	382,875	312,438
Other expenses	8,243,088	6,956,661	18	2,634,464	1,976,680	9,038,627	7,634,517	18	2,920,593	2,147,018
Total operating expenses	19,000,540	16,798,602	13	5,131,339	4,720,623	20,825,659	18,407,881	13	5,749,843	5,158,887
Operating profit before tax on financial services	21,382,614	24,342,991	(12)	6,845,328	14,943,713	22,768,952	25,691,429	(11)	7,257,218	15,567,732
Less: Taxes on financial services	5,047,880	5,524,202	(9)	1,482,923	2,892,587	5,047,880	5,524,202	(9)	1,482,923	2,892,587
Operating profit after tax on financial services	16,334,734	18,818,789	(13)	5,362,405	12,051,126	17,721,072	20,167,227	(12)	5,774,295	12,675,145
Share of associate companies' profits/(losses)	-	-	-	-	-	-	-	-	-	-
Profit before taxation	16,334,734	18,818,789	(13)	5,362,405	12,051,126	17,721,072	20,167,227	(12)	5,774,295	12,675,145
Less : Income tax expenses	5,294,894	9,788,568	(46)	1,830,300	7,557,913	5,770,079	10,274,892	(44)	1,962,159	7,722,285
Profit for the year	11,039,840	9,030,221	22	3,532,105	4,493,213	11,950,993	9,892,335	21	3,812,136	4,952,860
Profit attributable to:										
Equity holders of the parent	11,039,840	9,030,221	22	3,532,105	4,493,213	11,864,755	9,794,161	21	3,761,572	4,876,082
Non controlling interests	-	-	-	-	-	86,238	98,174	(12)	50,564	76,778
	11,039,840	9,030,221	22	3,532,105	4,493,213	11,950,993	9,892,335	21	3,812,136	4,952,860
Basic earnings per share (in LKR)	25.90	21.25	22	8.29	10.57	27.83	23.05	21	8.82	11.48
Diluted earnings per share (in LKR)	25.90	21.19	22	8.29	10.57	27.83	22.98	21	8.82	11.48

STATEMENT OF COMPREHENSIVE INCOME										
	Year ended 31/12/2025 Audited LKR '000	Year ended 31/12/2024 Audited LKR '000	Change %	Quarter ended 31/12/2025 LKR '000	Quarter ended 31/12/2024 LKR '000	Year ended 31/12/2025 Audited LKR '000	Year ended 31/12/2024 Audited LKR '000	Change %	Quarter ended 31/12/2025 LKR '000	Quarter ended 31/12/2024 LKR '000
	Profit for the year	11,039,840	9,030,221	22	3,532,105	4,493,213	11,950,993	9,892,335	21	3,812,136
Items that will be reclassified to statement of profit or loss										
Exchange differences on translation of foreign operations	-	-	-	-	-	6,712	(45,860)	115	3,086	(4,591)
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other comprehensive income	(1,503,053)	(1,382,089)	(9)	(606,653)	1,080,448	(1,492,756)	(1,379,562)	(8)	(602,306)	1,090,609
Changes in Impairment allowance for expected credit losses	138,732	-	100	3,594	-	138,732	-	100	3,594	-
Cash flow hedge reserve-SWAP	(404,404)	(776,202)	48	(26,023)	(259,652)	(404,404)	(776,202)	48	(26,023)	(259,652)
Less :Tax expense relating to items that will be reclassified to income statements	530,615	647,488	(18)	148,181	(246,238)	525,829	645,324	(19)	143,395	(248,402)
A	(1,238,110)	(1,510,803)	18	(480,901)	574,558	(1,225,887)	(1,556,300)	21	(478,254)	577,964
Items that will not be reclassified to statement of profit or loss										
Net Gains/(losses) on investments in equity instruments measured at fair value through other comprehensive income	721,714	905,099	(20)	135,821	809,597	721,714	905,099	(20)	135,821	809,597
Revaluation of Land & Buildings	316,504	51,735	512	316,504	51,735	365,022	96,364	279	365,022	96,364
Actuarial Gains/(losses) on defined benefit plans	(225,772)	(89,354)	(153)	(225,772)	(89,354)	(234,966)	(99,177)	(137)	(234,966)	(99,177)
	-	-	-	-	-	-	-	-	-	-
Less :Tax expense relating to items that will not be reclassified to Income Statements	(78,611)	(12,429)	(532)	(78,611)	(12,429)	(90,407)	(22,872)	(295)	(90,407)	(22,872)
B	733,835	855,051	(14)	147,942	759,549	761,363	879,414	(13)	175,470	783,912
Total other comprehensive Income after Tax	A + B									
	(504,275)	(655,752)	23	(332,959)	1,334,107	(464,524)	(676,886)	31	(302,784)	1,361,876
Total comprehensive income for the year	10,535,565	8,374,469	26	3,199,146	5,827,320	11,486,469	9,215,449	25	3,509,353	6,314,737
attributable to:										
Equity holders of the parent	10,535,565	8,374,469	26	3,199,146	5,827,320	11,400,673	9,128,833	25	3,460,823	6,238,070
Non controlling interests	-	-	-	-	-	85,796	86,616	(1)	48,530	76,667
	10,535,565	8,374,469	26	3,199,146	5,827,320	11,486,469	9,215,449	25	3,509,353	6,314,737

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Year	Previous Year		Current Year	Previous Year	
	As at 31/12/2025 Audited LKR '000	As at 31/12/2024 Audited LKR '000	Change %	As at 31/12/2025 Audited LKR '000	As at 31/12/2024 Audited LKR '000	Change %
Assets						
Cash and cash equivalents	17,566,305	18,037,627	(3)	18,020,298	18,682,376	(4)
Balances with the Central Bank of Sri Lanka	8,225,602	8,053,358	2	8,225,602	8,053,358	2
Placements with banks	24,692,505	22,098,832	12	24,692,505	22,098,832	12
Derivative financial instruments	1,475,777	1,146,236	29	1,475,777	1,146,236	29
Financial assets recognized through profit or loss measured at fair value	253,152	6,776,131	(96)	3,414,968	9,905,171	(66)
Financial assets at amortised cost -loans and receivables to other customers	593,603,756	460,707,258	29	593,705,105	460,780,610	29
Financial assets at amortised cost - debt and other instruments	181,340,088	166,190,761	9	181,822,394	166,355,792	9
Financial assets measured at fair value through other comprehensive income	78,648,323	94,245,415	(17)	79,110,967	94,659,106	(16)
Investments in subsidiary companies	1,031,037	1,031,037	-	-	-	-
Investment property	-	-	-	3,346,703	3,107,671	8
Intangible assets	1,628,982	1,766,615	(8)	1,682,400	1,814,985	(7)
Property, plant & equipment	4,213,378	3,147,459	34	5,162,749	4,070,740	27
Right of use assets	1,448,611	1,260,740	15	1,486,814	1,337,042	11
Current tax assets	-	-	-	32,391	33,727	(4)
Deferred tax Assets	5,421,860	4,158,040	30	5,489,018	4,216,721	30
Other assets	16,259,404	7,066,842	130	16,973,270	7,517,853	126
Total assets	935,808,780	795,686,351	18	944,640,961	803,780,220	18
Liabilities						
Due to banks	12,447,544	4,841,342	157	12,447,544	4,841,342	157
Derivative financial instruments	251,448	344,586	(27)	251,448	344,586	(27)
Financial liabilities at amortised cost -due to depositors	707,167,366	631,682,926	12	706,437,565	631,081,461	12
Financial liabilities at amortised cost						
- due to debt securities holders	69,834,390	8,002,850	773	69,834,390	8,002,850	773
- due to other borrowers	19,792,565	22,023,798	(10)	19,792,565	22,023,798	(10)
Debt securities issued	23,330,603	33,564,708	(30)	23,330,603	33,564,708	(30)
Retirement benefit obligations	1,585,637	1,413,872	12	1,741,645	1,556,937	12
Current tax liabilities	4,038,962	5,204,643	(22)	4,421,027	5,473,755	(19)
Deferred tax liabilities	-	-	-	1,021,505	976,244	5
Other liabilities	11,215,309	10,860,883	3	11,749,708	11,630,328	1
Dividends payable	124,099	81,988	51	124,099	81,988	51
Total liabilities	849,787,923	718,021,596	18	851,152,099	719,577,997	18
Equity						
Stated capital	23,042,558	21,756,865	6	23,042,558	21,756,865	6
Statutory reserve fund	4,073,979	3,521,479	16	4,073,979	3,521,479	16
Retained earnings	50,334,623	43,501,855	16	55,934,684	48,276,283	16
Other reserves	8,569,697	8,884,556	(4)	8,922,907	9,188,008	(3)
Total shareholders' equity	86,020,857	77,664,755	11	91,974,128	82,742,635	11
Non controlling interests	-	-	-	1,514,734	1,459,588	4
Total equity	86,020,857	77,664,755	11	93,488,862	84,202,223	11
Total liabilities and equity	935,808,780	795,686,351	18	944,640,961	803,780,220	18
Net book value per share (LKR)	201.51	186.91	8	215.45	199.13	8
Contingent liabilities and commitments	402,998,561	288,292,666	40	403,667,032	288,367,118	40

Certification:

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

Sgd

Azzam A. Ahamat
Vice President - Finance

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 Sri Lanka.
(b) The information contained in these statements have been extracted from the audited financial statements of the Bank and the Group.

Sgd

Sriyan Cooray
Director/ Chairman

Sgd

Kelum Edirisinghe
Director/ Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY											
For the year ended 31 December	Stated Capital	Statutory reserve fund	Other Reserves					Retained earnings	Total	Non controlling interests	Total equity
			Revaluation reserve	Share based payment reserves	Fair value reserve	Cash flow hedge reserve	Special reserve ISB				
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
BANK											
Balance as at 01 January 2024	20,738,231	3,046,479	1,501,603	44,479	2,954,169	835,416	-	41,027,500	70,147,877	-	70,147,877
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	9,030,221	9,030,221	-	9,030,221
Other comprehensive income before tax	-	-	51,735	-	(476,990)	(776,202)	-	(89,354)	(1,290,811)	-	(1,290,811)
Tax on other comprehensive income	-	-	(15,520)	-	414,627	232,861	-	3,091	635,059	-	635,059
Total comprehensive income for the year	-	-	36,215	-	(62,363)	(543,341)	-	8,943,958	8,374,469	-	8,374,469
Transactions with equity holders											
Transfer to statutory reserve fund	-	475,000	-	-	-	-	-	(475,000)	-	-	-
Transfer to the special reserve on SLISBs step up bonds	-	-	-	-	-	-	4,014,429	(4,014,429)	-	-	-
Adjustment to share based payment reserve	-	-	-	103,949	-	-	-	-	103,949	-	103,949
Final dividends for year 2023 - Cash	-	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final dividends for year 2023 - Scrip	1,018,634	-	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	17,148	17,148	-	17,148
Balance as at 31 December 2024	21,756,865	3,521,479	1,537,818	148,428	2,891,806	292,075	4,014,429	43,501,855	77,664,755	-	77,664,755
Balance as at 01 January 2025	21,756,865	3,521,479	1,537,818	148,428	2,891,806	292,075	4,014,429	43,501,855	77,664,755	-	77,664,755
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	11,039,840	11,039,840	-	11,039,840
Other Comprehensive Income before Tax	-	-	316,504	-	(781,339)	(404,404)	-	(87,040)	(956,279)	-	(956,279)
Tax on Other Comprehensive Income	-	-	(94,952)	-	450,915	121,321	-	(25,280)	452,004	-	452,004
Total comprehensive income for the year	-	-	221,552	-	(330,424)	(283,083)	-	10,927,520	10,535,565	-	10,535,565
Transactions with equity holders											
Issue of Shares	224,151	-	-	(67,334)	-	-	-	-	156,817	-	156,817
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	-	225,524	(225,524)	-	-	-
Adjustment to share based payment reserves	-	-	-	(81,094)	-	-	-	-	(81,094)	-	(81,094)
Transfer to Statutory Reserve Fund	-	552,500	-	-	-	-	-	(552,500)	-	-	-
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	-	(2,081,455)	(2,081,455)	-	(2,081,455)
Final Dividends for year 2024 - Scrip	1,061,542	-	-	-	-	-	-	(1,248,873)	(187,331)	-	(187,331)
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	13,600	13,600	-	13,600
Balance as at 31 December 2025	23,042,558	4,073,979	1,759,370	-	2,561,382	8,992	4,239,953	50,334,623	86,020,857	-	86,020,857

STATEMENT OF CHANGES IN EQUITY											
For the year ended 31 December	Stated Capital	Statutory Reserve Fund	Other Reserves					Retained Earnings	Total	Non Controlling Interests	Total Equity
			Revaluation Reserve	Share Based Payment Reserves	Fair Value Reserve	Cash Flow Hedge Reserve	Special reserve ISB				
GROUP	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	Rs '000	LKR '000	LKR '000
Balance as at 01 January 2024	20,738,231	3,046,479	1,747,711	44,479	2,979,910	835,416	-	45,079,167	74,471,393	1,424,930	75,896,323
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	9,794,161	9,794,161	98,174	9,892,335
Other Comprehensive Income before Tax	-	-	96,364	-	(474,463)	(776,202)	-	(133,479)	(1,287,780)	(11,558)	(1,299,338)
Tax on Other Comprehensive Income	-	-	(28,909)	-	412,463	232,861	-	6,037	622,452	-	622,452
Total Comprehensive Income for the year	-	-	67,455	-	(62,000)	(543,341)	-	9,666,719	9,128,833	86,616	9,215,449
Transactions with equity holders											
Transfer to statutory reserve fund	-	475,000	-	-	-	-	-	(475,000)	-	-	-
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	-	4,014,429	(4,014,429)	-	-	-
Adjustment to share based payment reserves	-	-	-	103,949	-	-	-	-	103,949	-	103,949
Final Dividends for year 2023 : Cash	-	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final Dividends for year 2023 : Scrip	1,018,634	-	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(51,958)	(51,958)
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	17,148	17,148	-	17,148
Balance as at 31 December 2024	21,756,865	3,521,479	1,815,166	148,428	2,917,910	292,075	4,014,429	48,276,283	82,742,635	1,459,588	84,202,223
Balance as at 01 January 2025	21,756,865	3,521,479	1,815,166	148,428	2,917,910	292,075	4,014,429	48,276,283	82,742,635	1,459,588	84,202,223
Total Comprehensive Income for the year											
Profit for the year	-	-	-	-	-	-	-	11,864,755	11,864,755	86,238	11,950,993
Other Comprehensive Income before Tax	-	-	365,022	-	(771,042)	(404,404)	-	(89,080)	(899,504)	(442)	(899,946)
Tax on Other Comprehensive Income	-	-	(109,506)	-	446,129	121,321	-	(22,522)	435,422	-	435,422
Total Comprehensive Income for the year	-	-	255,516	-	(324,913)	(283,083)	-	11,753,153	11,400,673	85,796	11,486,469
Transactions with equity holders											
Issue of Shares	224,151	-	-	(67,334)	-	-	-	-	156,817	-	156,817
Transfer to statutory reserve fund	-	552,500	-	-	-	-	-	(552,500)	-	-	-
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	-	225,524	(225,524)	-	-	-
Adjustment to share based payment reserves	-	-	-	(70,811)	-	-	-	-	(70,811)	11	(70,800)
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	-	(2,081,455)	(2,081,455)	-	(2,081,455)
Final Dividends for year 2024 - Scrip	1,061,542	-	-	-	-	-	-	(1,248,873)	(187,331)	-	(187,331)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(30,661)	(30,661)
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	13,600	13,600	-	13,600
Balance as at 31 December 2025	23,042,558	4,073,979	2,070,682	10,283	2,592,997	8,992	4,239,953	55,934,684	91,974,128	1,514,734	93,488,862

STATEMENT OF CASH FLOW				
For the year ended 31 December	BANK		GROUP	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Cash flows from operating activities				
Interest received	86,503,683	96,983,587	86,589,997	97,137,933
Fee based income received	8,067,317	7,964,434	10,429,871	10,012,372
Dividend income received	158,819	143,837	154,931	128,718
Other Operating income received	3,154,644	(604,395)	3,251,864	(520,369)
Interest paid	(50,469,110)	(60,371,140)	(50,373,178)	(60,311,509)
Personnel costs paid	(9,339,264)	(8,788,433)	(10,136,616)	(9,475,958)
Other expenses paid	(9,306,426)	(7,209,128)	(10,166,585)	(7,959,426)
Operating profit before changes in operating assets and liabilities	28,769,663	28,118,762	29,750,284	29,011,761
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	(172,245)	(1,012,937)	(172,245)	(1,012,937)
Financial Assets at amortised cost -loans and receivables to other customers	(139,223,028)	(30,404,437)	(139,223,028)	(30,404,437)
Net (increase)/decrease in operating assets	(9,580,542)	(990,332)	(9,855,426)	(1,247,252)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	74,701,152	22,321,501	74,572,816	22,131,565
Financial liabilities at amortised cost - due to debt securities holders	61,831,540	(7,629,719)	61,831,540	(7,629,719)
Financial liabilities at amortised cost - due to other borrowers	8,877,695	(1,966,494)	8,877,695	(1,966,494)
Repayment of principal portion of lease liabilities	(604,506)	(536,025)	(687,050)	(611,629)
Net increase/(decrease) in other liabilities	1,652,560	1,261,377	1,556,864	1,971,578
Net cash generated/(used in) from operating activities before taxation	26,252,289	9,161,696	26,651,450	10,242,436
Tax on Financial Services paid	(5,827,841)	(3,323,057)	(5,827,841)	(3,323,057)
Income taxes paid	(7,272,392)	(5,723,858)	(7,613,085)	(6,043,944)
Net cash generated/(used in) from operating activities	13,152,056	114,781	13,210,524	875,435
Cash flows from investing activities				
Net changes in financial investments	6,815,031	(21,178,447)	6,752,942	(21,632,024)
Purchase of Intangible assets	(150,444.00)	(132,480)	(173,833)	(172,283)
Purchase of property, plant & equipment	(1,404,264)	(431,408)	(1,531,671)	(482,147)
Proceeds from sale of property, plant & equipment	12,068	4,146	12,094	4,157
Net cash generated / (used in) from investing activities	5,272,391	(21,738,189)	5,059,532	(22,282,297)
Cash flows from financing activities				
Proceeds from issue of ordinary of shares	163,028	-	163,028	-
Repayment of debt securities issued	(10,090,430)	(5,561,200)	(10,090,430)	(5,561,200)
Proceeds from debt securities issued	-	10,000,000	-	10,000,000
Interest paid on debts securities issued	(4,113,788)	(3,507,364)	(4,113,788)	(3,507,364)
Dividends paid to non-controlling interests	-	-	(32,218)	(51,958)
Dividends paid to shareholders of the Bank	(1,745,875)	(697,327)	(1,745,875)	(697,327)
Withholding tax on dividends	(480,790)	(278,027)	(484,937)	(278,027)
Net cash provided by / (used in) financing activities	(16,267,855)	(43,918)	(16,304,220)	(95,876)
Net increase in cash and cash equivalents	2,156,592	(21,667,326)	1,965,836	(21,502,738)
Cash and cash equivalents at the beginning of the year	40,136,459	61,844,117	40,781,208	62,324,278
Cash and cash equivalents at the end of the year	42,293,051	40,176,791	42,747,044	40,821,540
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	17,566,305	18,037,627	18,020,298	18,682,376
Placements with banks	24,692,505	22,098,832	24,692,505	22,098,832
Cash and cash equivalents at the end of the year (Net)	42,258,810	40,136,459	42,712,803	40,781,208
Add: Impairment allowance	34,241	40,332	34,241	40,332
Cash and cash equivalents at the end of the year (Gross)	42,293,051	40,176,791	42,747,044	40,821,540

SEGMENTAL ANALYSIS- GROUP										
For the year ended 31 December										
	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Revenue										
Interest Income	86,676,326	88,059,931	111,106	163,416	-	-	-	-	86,787,432	88,223,347
Fee and commission income	8,247,983	7,823,528	2,127,885	1,719,514	198,106	152,972	54,875	46,008	10,628,850	9,742,022
Net gain/(loss) from trading	1,054,913	1,041,326	-	-	-	-	-	-	1,054,913	1,041,326
Net gain/(loss) from financial assets at fair value through profit or loss	(41,896)	(141,276)	226,782	277,069	-	-	-	-	184,886	135,793
Net gains/(losses) from derecognition of financial assets - Fair Value through Profit or Loss	113,685	881,748	88,008	96,415	-	-	-	-	201,693	978,163
Net gains/(losses) from derecognition of financial assets - Fair Value Through Other Comprehensive Income	931,695	3,050,319	(1,935)	18,108	-	-	-	-	929,760	3,068,427
Other Operating Income	1,215,742	(1,332,194)	20,790	20	94,173	185,574	-	-	1,330,705	(1,146,600)
Total revenue from external customers	98,198,448	99,383,382	2,572,637	2,274,542	292,279	338,545	54,875	46,008	101,118,239	102,042,477
Inter-segment Revenue	-	-	110,950	84,889	84,610	76,367	-	-	195,560	161,256
Total Revenue	98,198,448	99,383,382	2,683,587	2,359,431	376,888	414,912	54,875	46,008	101,313,799	102,203,733
Impairment (charge) /reversal for										
Impact of debt restructuring	-	14,343,580	-	-	-	-	-	-	-	14,343,580
Loans & other losses	(5,914,844)	(10,054,600)	-	-	-	-	-	-	(5,914,844)	(10,054,600)
Segment expenses	(70,791,032)	(79,178,698)	(1,747,550)	(1,546,077)	(42,348)	(17,934)	(49,070)	(58,574)	(72,630,000)	(80,801,283)
Total segment expenses	(76,705,876)	(74,889,718)	(1,747,550)	(1,546,077)	(42,348)	(17,934)	(49,070)	(58,574)	(78,544,847)	(76,512,304)
Inter-segment expenses	-	-	-	-	-	-	-	-	-	-
Segment results	21,492,572	24,493,664	936,037	813,354	334,541	396,978	5,806	(12,566)	22,768,952	25,691,429
Income tax expenses	-	-	-	-	-	-	-	-	5,770,079	10,274,892
Taxes on financial services	-	-	-	-	-	-	-	-	5,047,880	5,524,202
Profit after taxation									11,950,993	9,892,335
Other information										
Segment assets	935,773,886	795,664,703	4,670,730	4,069,993	4,135,532	3,992,495	60,814	53,027	944,640,961	803,780,220
Consolidated total assets									944,640,961	803,780,220
Segment liabilities	849,050,067	717,412,076	1,051,555	1,186,870	1,021,544	955,151	28,933	23,899	851,152,099	719,577,997
Consolidated total liabilities									851,152,099	719,577,997
Segmental Cash flows										
Cash flows from operating activities	13,152,056	(163,246)	(69,030)	689,876	132,874	65,774	(5,376)	5,004	13,210,524	597,408
Cash flows from investing activities	5,272,391	(21,738,189)	(228,417)	(381,094)	15,558	(163,014)	-	-	5,059,532	(22,282,297)
Cash flows from financing activities	(16,267,855)	234,109	45,630	66,076	(81,995)	(88,710)	-	(29,325)	(16,304,220)	182,151

Notes to the Financial Statements

- 1 The figures are extracted from the audited financial statements of the Bank and the Group.
The financial statements of the Bank and the Group have been prepared based on the accounting policies and methods which is in line with the requirements of Sri Lanka Accounting Standards (SLFRS / LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.
- 2 These Financial Statements also comply with Sri Lanka Accounting Standard (LKAS) 34 - "Interim Financial Reporting" and provided the information as required in terms of Rule 7.4 of the Colombo Stock Exchange and Circular No 05 of 2024 of Central Bank of Sri Lanka.
- 3 **Expected Credit Losses**
The Bank assessed the Expected Credit Losses (ECL) of credit facilities based on two approaches of individual and collective basis. The customers who have been identified as individually significant were assessed under individual basis and they were staged based on the identified indicators of increase in credit risks.
The Expected Credit Losses assessed on collective impairment approach were based on Probability of Default (PD), Loss Given Default (LGD) and the Economic Factor Adjustment (EFA) by applying the recent forecasts and projections. Further, the Bank has accounted for management overlays to mitigate any expected losses by downgrading the staging of facilities included in the identified risk elevated industries where necessary to capture significant increases in credit risk due to stressed economic conditions.
The Bank assessed the potential impact of Cyclone Ditwah on its loan portfolio. Based on this evaluation, the Bank concluded that there was no significant effect on the overall credit quality of its loan portfolio. Accordingly, no impairment provisions were recognized specifically in relation to Cyclone Ditwah through stage movements under the expected credit loss framework.
- 4 From total debt investment portfolio, the Bank has reclassified the Debt portfolio amounting to LKR 37.7 Bn, consisting of Sri Lanka Government Treasury Bonds of LKR 32.6 Bn and Sri Lanka USD Sovereign Bonds of USD 14 Mn held as "Fair Value through Other Comprehensive Income" to "Amortised cost" with effect from 01 April 2022. This reclassification is a one-time event in accordance with the Statement of Alternative Treatment (SoAT) on reclassification of debt portfolio issued by the Institute of Chartered Accountants of Sri Lanka and in line with the requirements of the SLFR 9-Financial Instruments paragraph 5.6.5. Sri Lanka USD Sovereign Bonds has been restructured in December 2024.
If these investments continued to be carried at fair value through other comprehensive income, the fair value of the remaining portfolio as at 31 December 2025 would have amounted to LKR 3.0 Bn and would have resulted in the recognition of fair value gain of LKR 92.6 Mn in other comprehensive income during the period.
- 5 **Dividends**
On 03 March 2025, the Board of Directors approved and declared a final Dividend of LKR 8.00 per share, of which LKR 5.00 was in the form of cash dividend and the balance LKR 3.00 was in the form of scrip dividend for the financial year ended 31 December 2024. Accordingly 9,415,842 ordinary voting shares have been listed as scrip dividends on 24 March 2025. As a result, the stated capital of the Bank increased to LKR 22.9 Bn (31 December 2024 - LKR 21.7 Bn).
- 6 **Proposed Issuance of Basel III compliant Tier 2 GSS+ Bonds**
The Board of Directors, at its meeting held on 14 November 2025, approved the issuance of up to 160 Mn Basel III Compliant – Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable GSS+ Bonds with a Non-Viability Conversion feature, at a par value of Rs. 100 each, to raise a maximum amount of LKR 16 billion by way of an Initial Public Offering. The proposed issue was approved by the shareholders of the Bank at the Extraordinary General Meeting held on January 5, 2026. The proposed issue is subject to obtaining all necessary regulatory approvals and will be listed on the Colombo Stock Exchange upon completion.
- 7 **Special Customer Arrangements within Loans, Advances, and Deposits (Notional Pooling Arrangements)**
As at the reporting date, the Bank's portfolio of loans & advances, and deposits includes a total amount of LKR 29.2 billion (2024 year-end: LKR 19.6 billion), which has been received from customer(s) under a special arrangement. This amount represents funds held on behalf of customer(s) in respect of a potential netting arrangement, wherein both lending and deposit positions are maintained concurrently. 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.
- 8 There were no other events that require adjustment to the Financial Statements or disclosure in the Financial Statements that has occurred subsequent to the date of the Statement of the Financial Position of the Bank and the Group.

Notes to the Financial Statements
09. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 31 DECEMBER 2025

	Bank		Group	
	As at	As at	As at	As at
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	LKR '000	LKR '000	LKR '000	LKR '000
9.1 Product wise Gross Loans and Receivables				
By product-Domestic Currency				
Term loans	102,912,945	100,672,026	102,912,946	100,672,026
Medium and short term loans	97,156,889	84,404,438	97,156,889	84,404,438
Overdrafts	67,358,673	59,944,846	67,358,673	59,944,846
Trade Finance	27,951,976	18,928,605	27,951,976	18,928,605
Consumer loans	60,640,325	46,510,957	60,640,325	46,510,957
Lease rentals receivable and Hire Purchase	25,745,281	22,666,898	25,745,281	22,666,898
Housing loans	17,023,664	16,885,775	17,023,664	16,885,775
Pawning	31,349,833	16,370,797	31,349,833	16,370,797
Islamic Banking facilities	17,021,232	10,003,994	17,021,232	10,003,994
Credit cards	9,650,602	8,670,182	9,650,602	8,670,182
AF Loans	13,533,763	1,916,540	13,533,763	1,916,540
Staff loans	3,745,038	3,292,370	3,846,387	3,365,722
Sub total	474,090,221	390,267,428	474,191,570	390,340,780
By product-Foreign Currency				
Term loans	84,480,506	38,617,146	84,480,506	38,617,146
Overdrafts	13,137,335	7,357,932	13,137,335	7,357,932
Medium and short term loans	20,955,711	26,288,947	20,955,711	26,288,947
Trade Finance	42,211,579	39,341,594	42,211,579	39,341,594
Islamic Banking facilities	8,972,912	7,861,113	8,972,912	7,861,113
Housing loans	11,831	42,870	11,831	42,870
Sub total	169,769,874	119,509,603	169,769,874	119,509,603
Total	643,860,095	509,777,031	643,961,444	509,850,383
9.2 Product wise commitments and contingencies considered for Impairment				
By product- Domestic Currency				
Guarantees	37,577,605	41,450,872	37,552,950	41,046,086
Performance Bonds	8,074,222	8,185,025	8,074,222	8,185,025
Documentary Credits	1,419,964	935,008	1,419,964	935,008
Acceptances	687,933	391,671	687,933	391,671
Undrawn commitments	214,084,971	145,480,202	214,082,339	145,230,202
Sub Total	261,844,695	196,442,776	261,817,408	195,787,990
By product- Foreign Currency				
Guarantees	3,107,521	4,022,566	3,107,521	4,022,566
Performance Bonds	1,191,361	2,602,881	1,191,361	2,602,881
Documentary Credits	15,569,299	8,922,803	15,569,299	8,922,803
Acceptances	13,858,888	8,301,696	13,858,888	8,301,696
Undrawn commitments	1,243,193	1,160,231	1,938,951	1,889,469
Sub Total	34,970,262	25,010,177	35,666,020	25,739,415
Total	296,814,957	221,452,953	297,483,428	221,527,405
Gross loans and advances ,Commitments and Contingencies				
	940,675,052	731,229,984	941,444,872	731,377,788
(Less): Accumulated impairment under stage 1	6,598,034	6,095,524	6,598,034	6,095,524
Accumulated impairment under stage 2	3,814,785	5,394,651	3,814,785	5,394,651
Accumulated impairment under stage 3	42,034,037	39,443,878	42,034,037	39,443,878
Net value of loans and advances, commitments and contingencies	888,228,196	680,295,931	888,998,016	680,443,735

	Bank		Group	
	As at 31/12/2025 LKR '000	As at 31/12/2024 LKR '000	As at 31/12/2025 LKR '000	As at 31/12/2024 LKR '000
9.3 Movement of impairment during the period				
Under stage 1				
Balance at 1 January	6,095,524	4,751,122	6,095,524	4,751,122
Charge/(Write back) to Statement of Profit or Loss	502,510	1,344,402	502,510	1,344,402
Write-off during the period	-	-	-	-
Closing balance	6,598,034	6,095,524	6,598,034	6,095,524
Under stage 2				
Balance at 1 January	5,394,651	6,307,902	5,394,651	6,307,902
Charge/(Write back) to Statement of Profit or Loss	(1,579,866)	(913,251)	(1,579,866)	(913,251)
Write-off during the period	-	-	-	-
Closing balance	3,814,785	5,394,651	3,814,785	5,394,651
Under stage 3				
Balance at 1 January	39,443,878	34,009,586	39,443,878	34,009,586
Charge/(Write back) to Statement of Profit or Loss	6,778,969	12,854,073	6,778,969	12,854,071
Write-off during the period	(4,188,810)	(7,419,779)	(4,188,810)	(7,419,779)
Other movement	-	-	-	-
Closing balance	42,034,037	39,443,878	42,034,037	39,443,878

	Bank		Group	
	As at 31/12/2025 LKR '000	As at 31/12/2024 LKR '000	As at 31/12/2025 LKR '000	As at 31/12/2024 LKR '000
10. ANALYSIS OF DEPOSITS				
Due to Other Customers - By product				
By product-Domestic Currency				
Demand deposits	51,943,704	42,852,398	51,932,071	42,804,180
Savings deposits	92,794,415	81,378,640	92,387,324	81,016,288
Time deposits	363,191,609	346,074,563	362,933,965	345,910,656
Other deposits	1,800,831	997,857	1,800,831	997,857
Sub total	509,730,559	471,303,458	509,054,191	470,728,981
By product- Foreign Currency				
Demand deposits	22,251,460	10,270,852	22,251,438	10,269,393
Savings deposits	22,487,581	22,109,701	22,439,914	22,089,374
Time deposits	152,404,824	127,545,145	152,399,080	127,539,942
Other deposits	292,942	453,770	292,942	453,770
Sub total	197,436,807	160,379,468	197,383,374	160,352,480
Total	707,167,366	631,682,926	706,437,565	631,081,461

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 31/12/2025	As at 31/12/2024	As at 31/12/2025	As at 31/12/2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier 1 Capital	67,686,969	62,094,115	72,431,658	66,298,084
Tier 1 Capital	67,686,969	62,094,115	72,431,658	66,298,084
Total Capital	87,126,666	86,665,636	91,748,726	90,776,819
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	12.35	13.68	12.92	14.24
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	12.35	13.68	12.92	14.24
Total Capital Ratio (Minimum Requirement - 12.5%)	15.89	19.09	16.36	19.50
Basel III Leverage Ratio (Minimum Requirement - 3%)	6.93	7.46	7.35	7.89
Regulatory Liquidity				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement 100%)	257.29	358.12	N/A	N/A
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 100%)	208.54	308.26	N/A	N/A
Net stable Funding Ratio (%) (Minimum Requirement 100%)	129.67	152.43	N/A	N/A
Asset Quality (Quality of the Loan Portfolio)				
Impaired Loans (Stage 3) to Total Loans Ratio (%)	3.75	5.18	3.75	5.18
Impairment (stage 3) to Stage 3 loans Ratio (%)	59.10	54.48	59.10	54.48
Income and Profitability				
Earnings Per Share (LKR)	25.90	21.25	27.83	23.05
Return on Equity (%)	13.49	12.22	13.58	12.46
Return on Average Assets (after Tax %)	1.28	1.15	1.36	1.23
Return on Average Assets (before Tax %)	2.47	3.09	2.60	3.23
Net Interest Margin (%)**	4.04	4.34	4.03	4.34
Cost to Income Ratio (%)	41.04	36.91	42.06	38.04
Debt Security - Related Ratios				
Interest Cover (Times)	1.68	1.64	1.68	1.64
Debt to Equity (Times)	9.68	9.01	9.04	8.45
Memorandum Information				
Credit Rating	A(lka) / Stable Outlook	A(lka) / Stable Outlook	N/A	N/A
Number of Employees	2,864	2,920	N/A	N/A
Number of Branches	113	113	N/A	N/A

** Net Interest Margin excluding special customer arrangements within loans, Advances and Deposits (Notional Pooling) would have been 4.2% (2024 year end 4.5%)

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2025 - BANK (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	17,566,305	-	-	17,566,305
Balances with the Central Bank of Sri Lanka	-	8,225,602	-	-	8,225,602
Placements with banks	-	24,692,505	-	-	24,692,505
Derivative Financial Instruments	1,475,777	-	-	-	1,475,777
Financial assets recognized through profit or loss measured at fair value	253,152	-	-	-	253,152
Financial assets at amortised cost -loans and receivables to other customers	-	593,603,756	-	-	593,603,756
Financial Assets at amortised cost - debt and other instruments	-	181,340,088	-	-	181,340,088
Financial assets measured at fair value through other comprehensive income	-	-	78,648,323	-	78,648,323
Other Financial Assets	-	11,832,959	-	-	11,832,959
Total Financial Assets	1,728,929	837,261,215	78,648,323	-	917,638,467

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	12,447,544	12,447,544
Derivative Financial Instruments	251,448	-	251,448
Financial Liabilities at amortised cost -due to depositors	-	707,167,366	707,167,366
Financial Liabilities at amortised cost			
- due to debt securities holders	-	69,834,390	69,834,390
- due to other borrowers	-	19,792,565	19,792,565
Debt securities issued	-	23,330,603	23,330,603
Other Financial Liabilities	-	3,571,263	3,571,263
Total Financial Liabilities	251,448	836,143,731	836,395,179

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2025 - GROUP (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	18,020,298	-	-	18,020,298
Balances with the Central Bank of Sri Lanka	-	8,225,602	-	-	8,225,602
Placements with banks	-	24,692,505	-	-	24,692,505
Derivative Financial Instruments	1,475,777	-	-	-	1,475,777
Financial assets recognized through profit or loss measured at fair value	3,414,968	-	-	-	3,414,968
Financial assets at amortised cost -loans and receivables to other customers	-	593,705,105	-	-	593,705,105
Financial Assets at amortised cost - debt and other instruments	-	181,822,394	-	-	181,822,394
Financial Assets measured at fair value through Other comprehensive income	-	-	79,110,967	-	79,110,967
Other Financial Assets	-	12,280,825	-	-	12,280,825
Total Financial Assets	4,890,745	838,746,729	79,110,967	-	922,748,441

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	12,447,544	12,447,544
Derivative Financial Instruments	251,448	-	251,448
Financial Liabilities at amortised cost -due to depositors	-	706,437,565	706,437,565
Financial Liabilities at amortised cost			
- due to debt securities holders	-	69,834,390	69,834,390
- due to other borrowers	-	19,792,565	19,792,565
Debt securities issued	-	23,330,603	23,330,603
Other Financial Liabilities	-	3,733,731	3,733,731
Total Financial Liabilities	251,448	835,576,398	835,827,846

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2024 - BANK (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	18,037,627	-	-	18,037,627
Balances with the Central Bank of Sri Lanka	-	8,053,358	-	-	8,053,358
Placements with banks	-	22,098,832	-	-	22,098,832
Derivative Financial Instruments	1,146,236	-	-	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	6,776,131	-	-	-	6,776,131
Financial assets at amortised cost -loans and receivables to other customers	-	460,707,258	-	-	460,707,258
Financial Assets at amortised cost - debt and other instruments	-	166,190,761	-	-	166,190,761
Financial assets measured at fair value through other comprehensive income	-	-	94,245,415	-	94,245,415
Other Financial Assets	-	2,792,724	-	-	2,792,724
Total Financial Assets	7,922,367	677,880,560	94,245,415	-	780,048,342

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	4,841,342	4,841,342
Derivative Financial Instruments	344,586	-	344,586
Financial Liabilities at amortised cost -due to depositors	-	631,682,926	631,682,926
Financial Liabilities at amortised cost			
- due to debt securities holders	-	8,002,850	8,002,850
- due to other borrowers	-	22,023,798	22,023,798
Debt securities issued	-	33,564,708	33,564,708
Other Financial Liabilities	-	2,467,697	2,467,698
Total Financial Liabilities	344,586	702,583,322	702,927,908

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 31 DECEMBER 2024 - GROUP (LKR '000)

	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
ASSETS					
Cash and cash equivalents	-	18,682,376	-	-	18,682,376
Balances with the Central Bank of Sri Lanka	-	8,053,358	-	-	8,053,358
Placements with banks	-	22,098,832	-	-	22,098,832
Derivative Financial Instruments	1,146,236	-	-	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	9,905,171	-	-	-	9,905,171
Financial assets at amortised cost -loans and receivables to other customers	-	460,780,610	-	-	460,780,610
Financial Assets at amortised cost - debt and other instruments	-	166,355,792	-	-	166,355,792
Financial Assets measured at fair value through Other comprehensive income	-	-	94,659,106	-	94,659,106
Other Financial Assets	-	3,067,360	-	-	3,067,360
Total Financial Assets	11,051,407	679,038,328	94,659,106	-	784,748,841

	At fair value through profit or loss	Amortized cost	Total
LIABILITIES			
Due to Banks	-	4,841,342	4,841,342
Derivative Financial Instruments	344,586	-	344,586
Financial Liabilities at amortised cost -due to depositors	-	631,081,461	631,081,461
Financial Liabilities at amortised cost			
- due to debt securities holders	-	8,002,850	8,002,850
- due to other borrowers	-	22,023,798	22,023,798
Debt securities issued	-	33,564,708	33,564,708
Other Financial Liabilities	-	2,905,145	2,905,145
Total Financial Liabilities	344,586	702,419,304	702,763,890

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Values of Financial Instruments are determined according to the following hierarchy as described below:

Level 1 - quoted market price (unadjusted): financial instruments with quoted prices in active markets

Level 2 - valuation techniques using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.

Level 3 - valuation techniques with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

There were no material transfers between levels of fair value hierarchy during the current period of 2025. The Bank did not change the valuation models and assumptions used to measure the fair values of Level 03 financial instruments during the year ended 31 December 2024.

FINANCIAL ASSETS & LIABILITIES MEASURED AT FAIR VALUE - FAIR VALUE HIERARCHY

Bank	2025				2024			
	Fair Value Measurement Using				Fair Value Measurement Using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000
Financial Assets								
Derivative Financial Instruments	-	1,475,777	-	1,475,777	-	1,146,236	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	253,152	-	-	253,152	6,776,131	-	-	6,776,131
Financial assets measured at fair value through other comprehensive income	74,524,810	3,966,144	157,369	78,648,323	89,393,791	5,222,888	167,713	94,245,415
Total Financial Assets	74,777,962	5,441,921	157,369	80,377,252	96,169,922	6,369,124	167,713	102,167,782
Financial Liabilities								
Derivative Financial Instruments	-	251,448	-	251,448	-	344,586	-	344,586
Total Financial Liabilities	-	251,448	-	251,448	-	344,586	-	344,586

Group	2025				2024			
	Fair Value Measurement Using				Fair Value Measurement Using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2025 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000	31/12/2024 LKR '000
Financial Assets								
Derivative Financial Instruments	-	1,475,777	-	1,475,777	-	1,146,236	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	2,973,279	-	441,689	3,414,968	9,353,282	-	464,042	9,905,171
Financial assets measured at fair value through other comprehensive income	74,776,643	4,176,955	157,369	79,110,967	89,856,944	5,381,379	167,713	94,659,106
Total Financial Assets	77,749,922	5,652,732	599,058	84,001,712	99,210,226	5,942,173	631,755	105,710,513
Financial Liabilities								
Derivative Financial Instruments	-	251,448	-	251,448	-	344,586	-	344,586
Total Financial Liabilities	-	251,448	-	251,448	-	344,586	-	344,586

SHARE INFORMATION
SHARE PRICE

As at	31/12/2025	31/12/2024
Number of shares	426,889,457	415,513,426
Last traded price (LKR)	141.25	113.25
For the quarter ended	31/12/2025	31/12/2024
Highest price per share (LKR)	158.00	114.00
Lowest price per share (LKR)	134.00	76.00

TOP 20 REGISTERED SHAREHOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 31.12.2025

	Name	Number of Shares	%
1	STANDARD CHARTERED BANK MAURITIUS S/A NORFUND	42,448,674	9.94
2	EMPLOYEE'S PROVIDENT FUND	40,384,935	9.46
3	BANK OF CEYLON NO. 1 ACCOUNT	33,772,098	7.91
4	RICHARD PIERIS AND CO LTD A/C NO.01	26,362,399	6.18
5	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	25,823,505	6.05
6	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	21,469,210	5.03
7	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	20,923,232	4.90
8	MR. Y.S.H.I. SILVA	17,461,045	4.09
9	EMPLOYEES TRUST FUND BOARD	14,412,776	3.38
10	BNYM RE-TERRA GLOBAL OPPORTUNITY FUND, L.P	13,615,405	3.19
11	DR. S. YADDEHIGE	11,974,368	2.81
12	HATTON NATIONAL BANK PLC A/C NO 1	11,778,400	2.76
13	PERPETUAL TREASURIES LIMITED	10,395,291	2.44
14	SBI VEN HOLDINGS PTE LTD	10,314,556	2.42
15	AKBAR BROTHERS PVT LTD	5,752,412	1.35
16	HNB INVESTMENT BANK (PVT) LTD/ MR. ELAYATHAMBY THAVAGNANASOORIYAM & MR. ELAYATHAMBY THAVAGNANA SUNDRAM	5,110,252	1.20
17	NAMUNUKULA PLANTATIONS PLC	4,039,426	0.95
18	PEOPLE'S LEASING & FINANCE PLC/MR. D. SCHAFFTER	3,429,114	0.80
19	BNYM RE-WORLDWIDE OPPORTUNITY FUND (CAYMAN) LTD	3,403,850	0.80
20	PERPETUAL EQUITIES (PRIVATE) LIMITED	3,013,599	0.71

PUBLIC HOLDING PERCENTAGE

	As at 31/12/2025
Float adjusted Market Capitalization in LKR ('000)	49,299,756
Percentage of shares held by the public	81.76%
Number of public shareholders	15,044
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS' INTEREST IN SHARES OF NDB AS AT 31.12.2025

Name	No. of shares
MR. SRIYAN COORAY	-
MR. BERNARD SINNIHAH	-
MR. SUJEEWA MUDALIGE	-
MR. KUSHAN D'ALWIS, PC	-
MS. KASTURI CHELLARAJA	-
MS. SHWETA PANDEY	-
MR. HASITHA PREMARATNE	-
MR. KELUM EDIRISINGHE	-
MR. SANJAYA MOHOTTALA	-

Rated unsecured subordinated redeemable debentures

INFORMATION ON DEBENTURES- BANK											
Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 31 December 2025 LKR mn	Market Value			Interest Rate		Interest rate of comparable Govt. Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Period end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield To Maturity %
Fixed rate - Debenture December 2024 A- Dec 2024/Dec 2029 B- Dec 2024/Dec 2029	Listed	Annually Quarterly	4,568 468	104.54	104.54	104.54	13.00 12.41	12.30 12.31	10.75	12.44	11.53
Not traded during the quarter											
Fixed rate - Debenture September 2024 A- Sep 2024/Sep 2029 B- Sep 2024/Sep 2029 C- Sep 2024/Sep 2029	Listed	Annually Semi-annually Quarterly	4,057 849 268	Not traded during the quarter			13.25 12.84 12.64	12.52 12.52 12.53	12.98	Not traded during the quarter	
Not traded during the quarter											
Fixed rate - Debenture December 2023 A- Dec 2023/Dec 2028 B - Dec 2023/Dec 2028	Listed	Annually Quarterly	3,355 1,675	100	100	100	15.00 14.22	14.05 14.05	14.52	15.00	14.99
Not traded during the quarter											
Fixed rate - Debenture November 2021 A- Nov 2021/Nov 2026 B- Nov 2021/Nov 2028	Listed	Semi-annually Semi-annually	7,973 118	Not traded during the quarter			11.90 12.00	11.66 11.73	11.14 11.61	Not traded during the quarter	
Not traded during the quarter											
Total Debentures			23,331								

Debentures redeemed within the year ended 31 December 2025

Fixed rate - Debenture September 2020 Sep 2020/ Sep 2025 - Redeemed on 24 September 2025 - Capital amount - LKR. 6.5 Bn	Listed	Annually	Nil	Not traded during the quarter			9.50	9.16	6.57	Not traded during the quarter	
Fixed rate - Debenture December 2013 D - Dec 2013/Dec 2025	Listed	Annually	Nil	Not traded during the quarter			14.00	13.26	12.09	Not traded during the quarter	

Important Dates - 4Q 2025 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	25 February 2026
Investor Webinar	17 March 2026
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	25 February 2026
Edited Transcript and video playback of the Investor webinar released/uploaded to the Bank's website	Within 10 working days from the date of the webinar
Financial statements published in selected newspapers in the three languages of Sinhala, Tamil and English	10 March 2026

Corporate Information

<p>Name National Development Bank PLC</p> <p>Legal Form Established under the National Development Bank of Sri Lanka Act No. 2 of 1979 and incorporated as a company under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007 and also licensed as a Licensed Commercial Bank in terms of the Banking Act No. 30 of 1988 as amended from time to time.</p>	<p>Head Office/Registered Office No. 40, Nawam Mawatha, Colombo 2, Sri Lanka Tel: +94 11 2448448 Fax: +94 11 2305031 SWIFT Code: NDBSLK LX Web Page: www.ndbbank.com E-mail: contact@ndbbank.com VAT Registration No.: 409000266-7000</p> <p>Credit Rating: National long-term ratings: A(lka)/ Stable Outlook Fitch Ratings Lanka Limited</p>
<p>Company Registration No. PQ 27</p> <p>Accounting Year End 31 December</p>	<p>Auditors M/s Ernst & Young, Rotunda Towers, No. 109, Galle Road, Colombo 03</p> <p>Company Secretary: Ms. Shehani Ranasinghe - Vice President</p> <p>Compliance Officer: Ms. Vidisha Jayawardena - Vice President</p>
<p>Board of Directors Mr. Sriyan Cooray - Chair, Board of Directors Mr. Kelum Edirisinghe - Director/Chief Executive Officer Mr. Bernard Sinniah - Director Mr. Sujeewa Mudalige - Director Mr. Kushan D'Alwis, PC - Director Ms. Kasturi Chellaraja - Director Ms. Shweta Pandey - Director Mr. Hasitha Premaratne- Director Mr. Sanjaya Mohottala -Director Mr. Shanil Fernando - Director</p>	<p>Subsidiary Companies NDB Capital Holdings Limited NDB Capital Limited (Bangladesh) Development Holdings (Pvt) Limited NDB Investment Bank Limited NDB Wealth Management Limited NDB Securities (Pvt) Limited NDB Zephyr Partners Limited (Mauritius) NDB Zephyr Partners Lanka (Pvt) Limited Ayojana Fund (Pvt) Limited (Under liquidation)</p>
Investor Relations - Contact Details	
<p>Company Secretarial Unit Ms. Shehani Ranasinghe Vice President - Company Secretary Email: shehani.ranasinghe@ndbbank.com Tel.: +94 11 2448448 Ext: 35013</p>	<p>Investor Relations Team Mr. Azzam A Ahamat Vice President - Finance Email: azzam.ahamat@ndbbank.com investor.relations@ndbbank.com Tel.: +94 11 2448448 Ext: 35301</p>



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