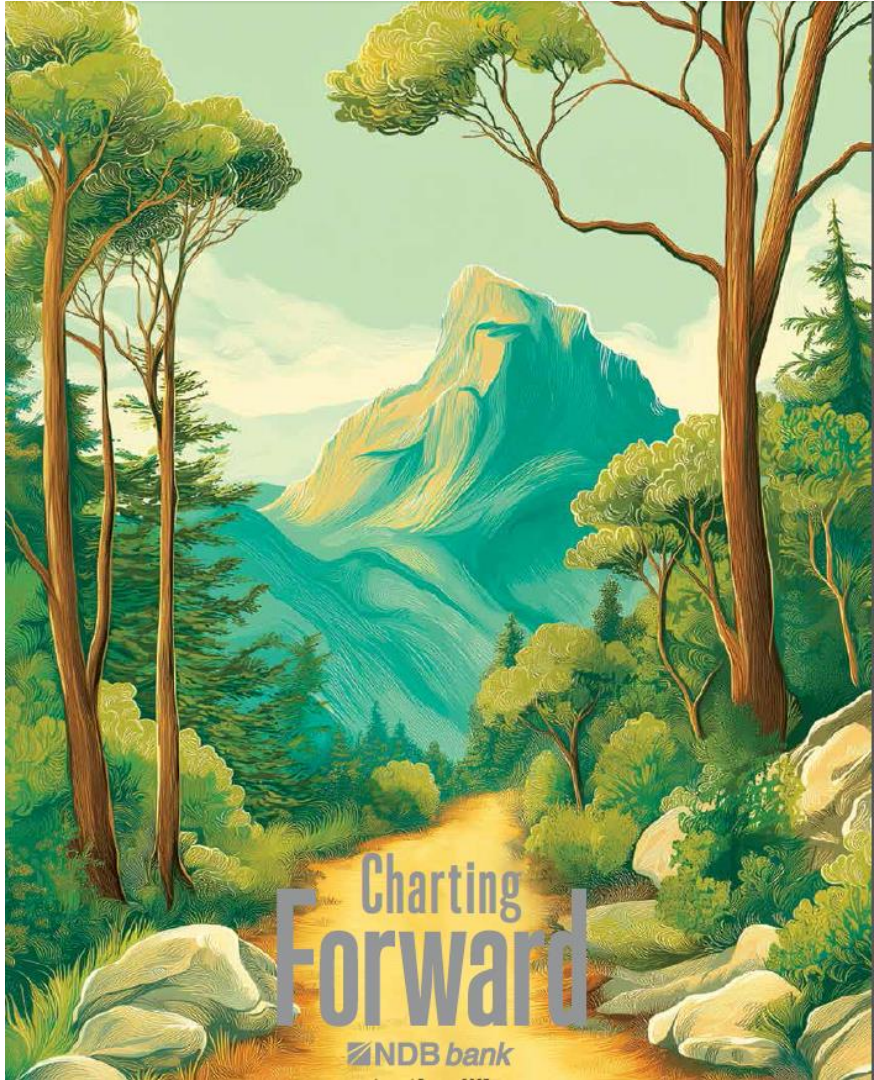
National Development Bank PLC
Financial Results for 9M 2026

Presentation to Analysts

October 27, 2026
3:30 p.m. (UTC+05:30)
Colombo



NDB bank
The future is banking on us

Classification: Public

Corporate Participants

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 Samaranayake - Vice President - Treasury

Alex Perera - Vice President - Risk/ Chief Risk Officer

Azzam A Ahamat - Vice President - Finance (Moderator)

Nadika Ranasinghe - Vice President - Strategy and Business Intelligence

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1. Performance highlights – 9M 2026
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3. Income and profitability analysis
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5. Solvency and key investor ratios
6. Enhanced control environment and operational resilience
7. Update on strategy
8. Q&A

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Performance Highlights – 9M 2026

Final financial impact due to the fraud recognized

- **PAT for 9M 2026 – Rs. 7.7 Bn I 3Q 2026 – Rs. 2.9 Bn**
- Rs. 13.64 Bn final financial impact due to the fraud fully recognized across FY 2024, FY 2025, and 1Q 2026;
- Rs. 2.6 Bn impact in 9M 2026 (restricted to the period Jan – March 2026), resultant **Profit Before All Taxes of Rs. 15.1 Bn**

Income growth

- Gross income growth of 10.6% YoY to Rs. 80.6 Bn
- Net interest income of LKR 25.4 Bn, moderation at -2.2%
- Net fee and commission income growth of 14.1% to LKR 6.6 Bn

Balance sheet expansion

- Total assets, deposits, and net loans amount to Rs. 975.4 Bn, Rs. 717.5 Bn, and Rs. 599.7 Bn, respectively (Growth rates moderated at 5.3%, 1.5% and 1.0% respectively)

Portfolio growth and asset quality

- SME loans increased to Rs. 133.5 Bn (+Rs. 8.9 Bn vs. end-2025)
- Impaired Loans (Stage 3) to Total Loans Ratio (%) – Net improved to 3.0% (2025: 3.8%)

Capital and liquidity strength

- CET1, Tier I, and Total CAR remain above regulatory minimums
- Liquidity ratios remain sound

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Final Financial Impact Due to the Fraud and Reporting Treatment

Impact on the Bank's Financial Reporting

- As further disclosed to the CSE on September 29, 2026, the Bank subsequently received the final forensic report. The said final report confirmed the fraud amount at LKR 13,639,664,684/- compared with LKR 13,579,664,684/- announced in the Corporate Disclosure of June 26, 2026 following the interim report. The incremental amount has been recognized in accordance with the applicable Accounting Standards.
- Impact fully recognized, with prior periods restated including comparatives
- The impact appropriately accounted for in line with prudential requirements and applicable accounting standards
- The distribution of the total assessed loss of Rs. 13.64 Bn is as follows (together with comparative distributions):

Rs. '000	As per the Bank's initial internal estimate as announced via Corporate Disclosure of April 6, 2026 and as recognized in the Bank's three months ended March 31, 2026 interim financial statements	As per Interim forensic report as announced via Corporate Disclosure of June 26, 2026 as recognized in the Bank's six months ended 30 June 2026 interim financial statements	As per final forensic report as announced via Corporate Disclosure of September 29, 2026 as recognized in the Bank's nine months ended September 30, 2026 interim financial statements
Period prior to January 1, 2025	914,505	1,417,665	1,462,665
Financial year ended December 31, 2025	9,617,000	9,617,000	9,617,000
Quarter ended March 31, 2026	2,668,495	2,545,000	2,560,000
Total	**13,200,000**	**13,579,665**	**13,639,665**

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Income and profitability

Rs. Bn – 9 months ended 30 September	Reported - Final financial impact due to the fraud adjusted				Excluding the final financial impact due to the fraud/ BAU			
	2025	2026	Δ Rs.	Δ %	2025	2026	Δ Rs.	Δ %
Gross income	**72.8**	**80.6**	**7.8**	**10.6**	Not impacted by the fraud loss			
NII	25.9	25.4	(0.5)	(2.2)	Not impacted by the fraud loss			
Net fee and commission income	5.8	6.6	0.8	14.1	Not impacted by the fraud loss			
Non-fund based income	2.6	3.7	1.1	42.8	Not impacted by the fraud loss			
Total operating income	**34.3**	**35.6**	**1.3**	**3.9**	Not impacted by the fraud loss			
Impairment charges on loans and other investments	**5.9**	**3.0**	**(2.9)**	**(48.4)**	Not impacted by the fraud loss			
Net operating income	**28.4**	**32.6**	**4.2**	**14.8**	Not impacted by the fraud loss			
Operating expenses	18.3	17.5	(0.8)	(4.5)	13.9	15.0	1.1	7.8
Operating profit before tax on financial services	**10.1**	**15.1**	**5.0**	**50.0**	**14.5**	**17.7**	**3.2**	**21.4**
Taxes on financial services	2.8	3.7	0.9	29.9	3.6	4.1	0.5	14.6
PBT	**7.2**	**11.4**	**4.2**	**57.8**	**11.0**	**13.6**	**2.6**	**23.6**
Income tax expenses	2.1	3.7	1.6	73.1	3.5	4.5	1.0	29.0
PAT	**5.1**	**7.7**	**2.6**	**51.4**	**7.5**	**9.1**	**1.6**	**21.1**

Quarterly profit trajectory - 2026

LKR Bn	1Q26	2Q26	3Q26
PAT - Reported	1.8*	3.0	2.9

*Excluding final financial impact due to the fraud – LKR 3.2 Bn

N.M. - Not meaningful

Casting differences throughout the presentation are due to rounding

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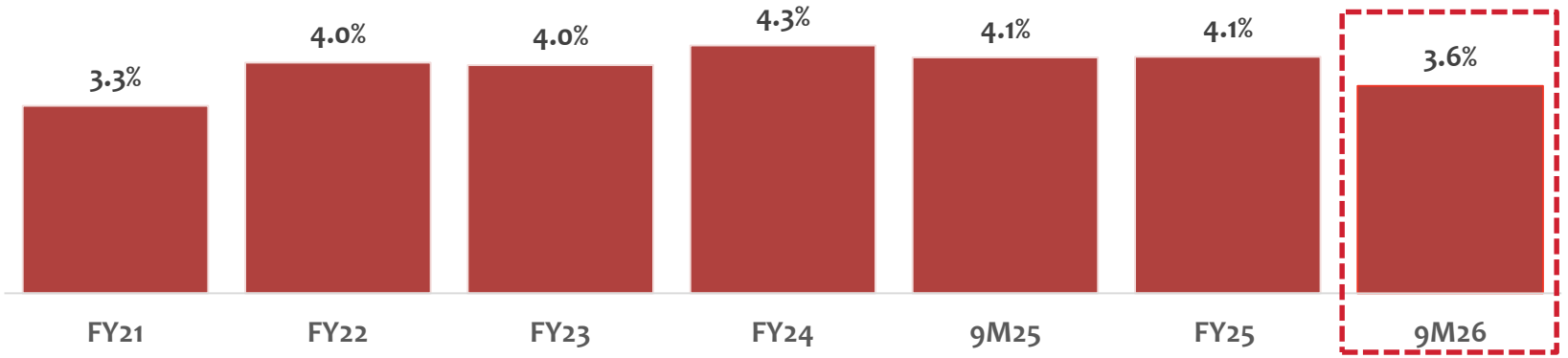
NII & NIM

Rs. Bn – 9 months ended 30 September	2025	2026	Δ Rs.	Δ %
Interest income	64.4	69.9	5.5	8.6
Interest expenses	38.5	44.5	6.0	15.8
NII	**25.9**	**25.4**	(0.5)	(2.2)
Percentage of interest bearing assets within total assets (%)	95.6	94.5		

QoQ performance – Rs. Bn	1Q 26	2Q 26	3Q 26	3Q 25
Interest income	22.7	23.2	24.1	22.1
Interest expenses	13.6	14.8	16.1	13.1
NII	**9.1**	**8.4**	**8.0**	**9.0**

Casting differences throughout the presentation are due to rounding

NIM trajectory



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Non-fund based income (NFBI)

Rs. Bn – 9 months ended 30 September	2025	2026	Δ Rs.	Δ %
Net fee and commission income (NFCI)	5.8	6.6	0.8	14.1
Net gain from trading (NGT)	0.8	0.8	(0.03)	(3.4)
Other	1.8	2.9	1.1	60.0
Total non-fund based income	**8.3**	**10.3**	**2.0**	**23.0**

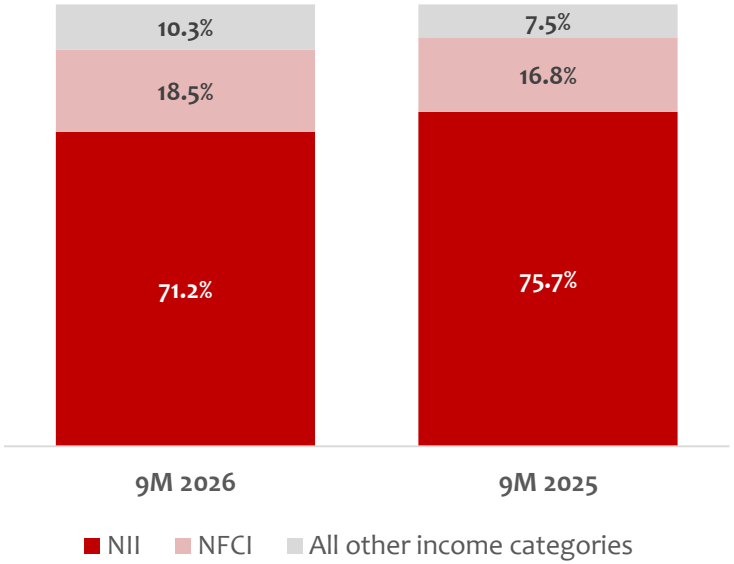
Net fee and commission income (NFCI)

QoQ performance – Rs. Bn	1Q	2Q	3Q
2026	2.2	2.3	2.1
2025	1.8	1.9	2.1
Growth (%)	**24.9**	**20.1**	**0.0**

Growth in net fee and commission income predominantly driven by credit, cards and related services

Casting differences throughout the presentation are due to rounding

Total operating income composition



Operating Expenses

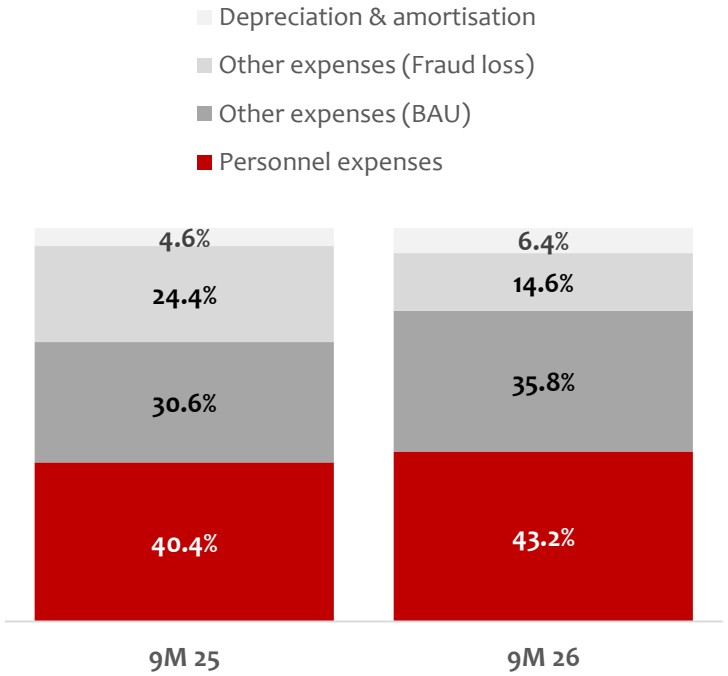
Rs. Bn – 9 months ended 30 September	2025	2026	Δ Rs.	Δ %
Personnel expenses	7.4	7.6	0.2	2.3
Depreciation and amortisation	0.9	1.1	0.2	31.2
Other expenses	10.1	8.8	(1.3)	(12.5)
Total operating expenses*	18.3	17.5	(0.8)	(4.5)
Total operating expenses ***Excluding final financial impact due to the fraud***	**13.9**	**15.0**	**1.1**	**7.8**
Cost to income ratio (%)	53.5	49.1		
Cost to income ratio (%) ***Excluding final financial impact due to the fraud***	**40.4**	**42.0**		

*Expense arising from the fraud loss included in Other expenses

- 9M 2025 - Rs. 4.5 Bn
- 9M 2026 – Rs. 2.6 Bn

Casting differences throughout the presentation are due to rounding

Operating cost composition



Classification: Public

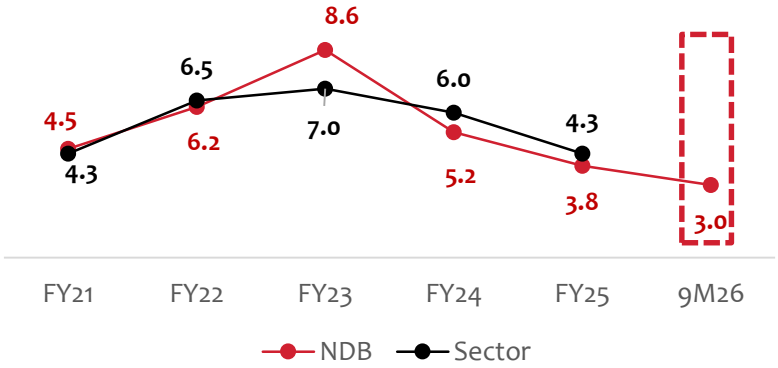
Impairment and credit quality

Impairment charges on loans and other investments

Rs. Bn - 9 months ended 30 September	2025	2026	Δ Rs.	Δ %
Impairment on the loan book	5.7	3.3	(2.4)	(42.3)
Impairment on investments and others	0.2	(0.2)	(0.5)	(197.0)
Total Impairment charges	5.9	3.0	(2.9)	(48.4)

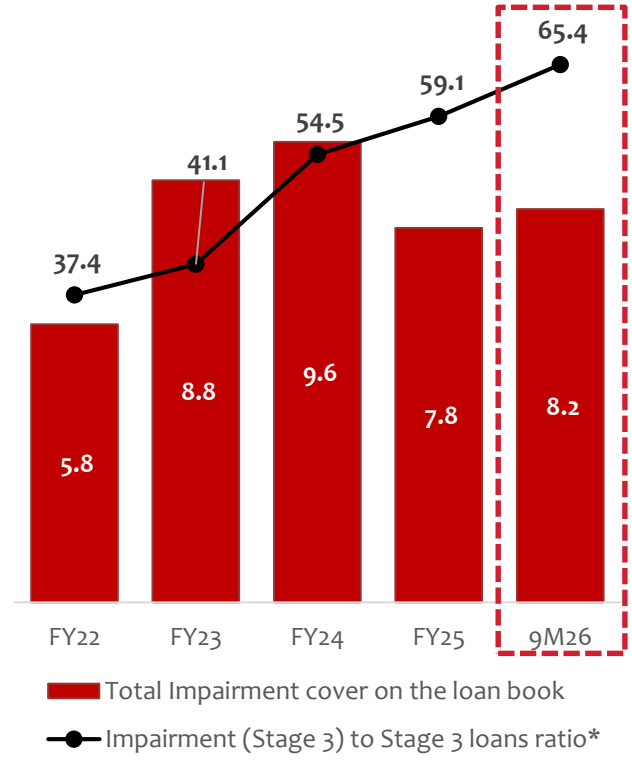
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Impaired loans (Stage 3) to total loans ratio (%) - Net



Reflects continued focus on asset quality management, enhanced credit underwriting standards, closer monitoring of asset quality and stage migration trends, and strengthened recovery efforts

Credit quality movement (%)



*Secondary axis data

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Balance sheet performance

Rs. Bn – As at end	FY25	9M26	Δ Rs.	Δ %
Total assets *	926.1	975.4	49.3	5.3
Net loans	593.6	599.7	6.1	1.0
Investments	260.2	304.0	43.8	16.8

*Financial impact from the fraud adjusted

Loans extended to the SME sector amounts to LKR 133.5 Bn

Casting differences throughout the presentation are due to rounding

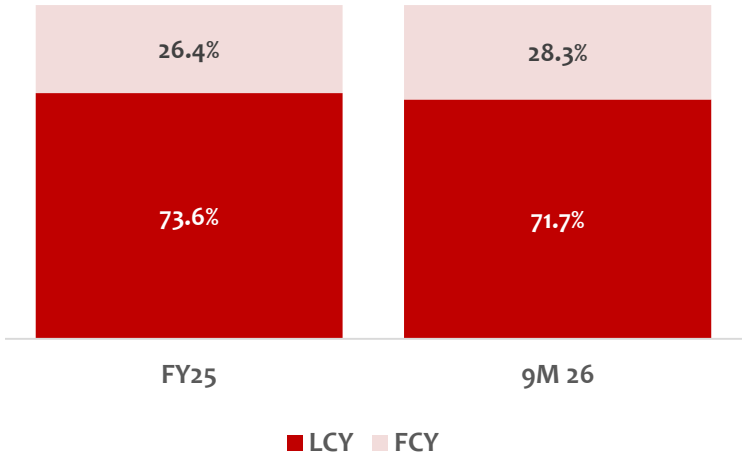
Total assets – Excluding the fraud impact/ BAU

Rs. Bn – As at end	FY25	9M26	Δ Rs.	Δ %
Total assets	935.8	986.5	50.7	5.4

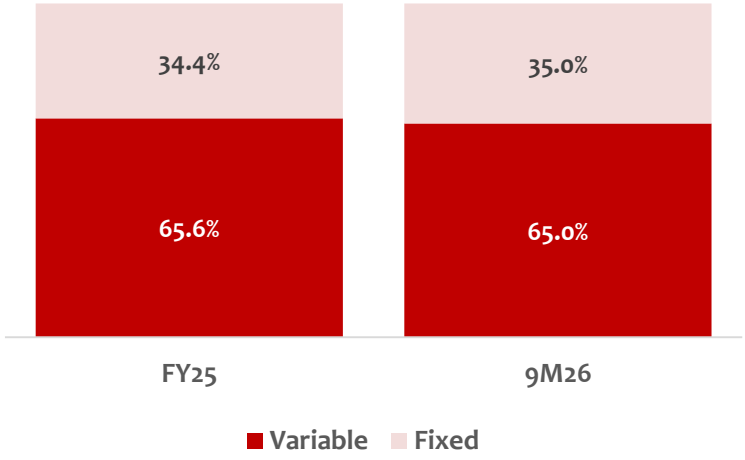
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Balance sheet performance – Loans

Currency composition of the gross loan book



Composition of the loan book – on the basis of pricing



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Balance sheet performance - Deposits

Currency wise deposits analysis

Reported results

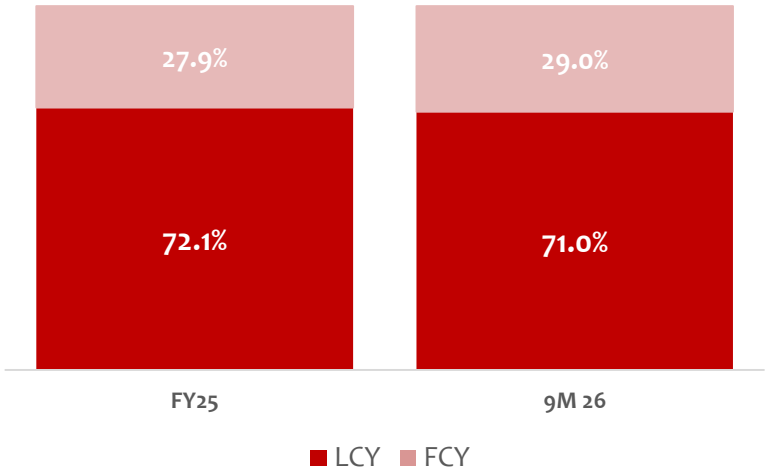
Rs. Bn – As at end	FY25	9M26	YTD growth %
LCY deposits	509.7	509.7	(0.01)
FCY deposits	197.4	207.8	5.3
Total deposits	**707.2**	**717.5**	**1.5**

Excluding Notional Pooling Arrangements NP* of LKR 15.5 Bn

Rs. Bn – As at end	FY25	9M26	YTD growth %
LCY deposits	490.6	**494.2**	**0.7**
FCY deposits	187.3	**207.8**	**11.0**
Total deposits	**677.9**	**702.0**	**3.6**

*NP - Special Customer Arrangements within Loans, Advances, and Deposits (Notional Pooling Arrangements)

Currency composition of the deposit book



Casting differences throughout the presentation are due to rounding

Classification: Public

Balance sheet performance – Deposits (Cont.)

Product wise deposits analysis

Rs. Bn – As at end	FY25	9M26	YTD growth %
CASA total	191.1	161.0	(15.8)
Time deposits	515.6	556.0	7.8
Other deposits	0.4	0.5	7.5
Total	**707.2**	**717.5**	**1.5**

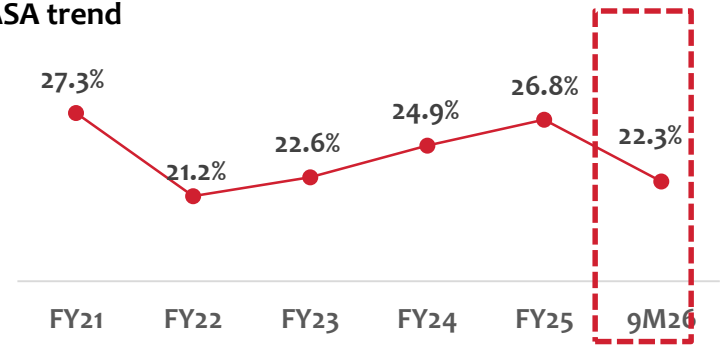
Product wise deposits analysis – Excluding NP* LKR 15.5 Bn

Rs. Bn – As at end	FY25	9M26	YTD growth %
CASA total	161.9	145.5	(10.1)
Time deposits	515.6	556.0	7.8
Other deposits	0.4	0.5	7.5
Total	**677.9**	**702.0**	**3.6**

*NP - Special Customer Arrangements within Loans, Advances, and Deposits (Notional Pooling Arrangements)

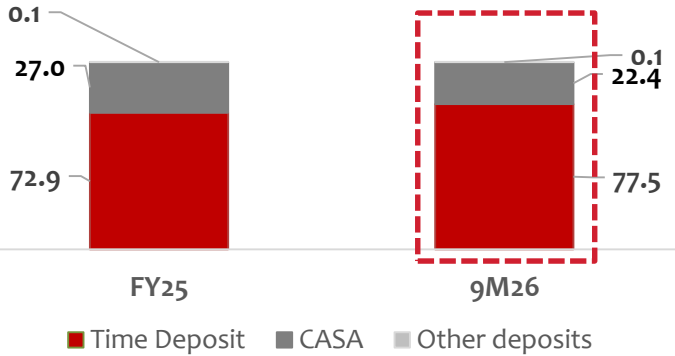
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CASA trend



%	FY24	FY25	9M26
CASA Ratio excluding NP*	22.5	23.9	20.7

Deposits composition – Reported results (%)



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Classification: Public

Capital

Rs. Bn – As at end	Reported - With final financial impact due to the fraud adjusted		Movement (%)
	FY25	9M26	
Common Equity Tier 1 (CET1) capital	61.5	55.1	(10.4)
Tier 1 capital	61.5	55.1	(10.4)
Total capital	81.0	85.9	6.1
Risk Weighted Assets (RWA)	547.0	581.7	6.3

(%) As at end	Reported - With final financial impact due to the fraud adjusted	
	FY25	9M26
CET 1 CAR	11.3	9.5
Tier 1 CAR	11.3	9.5
Total CAR	14.8	14.8

Classification: Public

Liquidity

Regulatory ratios % - As at end	Reported		Minimum regulatory requirement	9M26 buffer over minimum requirement
	FY25	9M26		
Liquidity Coverage Ratio – Rupee	257.3	199.0	100.0	99.0ppt
Liquidity Coverage Ratio – All Currency	208.5	161.8	100.0	61.8ppt
Net stable funding ratio (NSFR)*	131.1	126.8	100.0	26.8ppt

*Adjusted for fraud loss.

Consistently sound liquidity levels maintained over regulatory minimum requirements

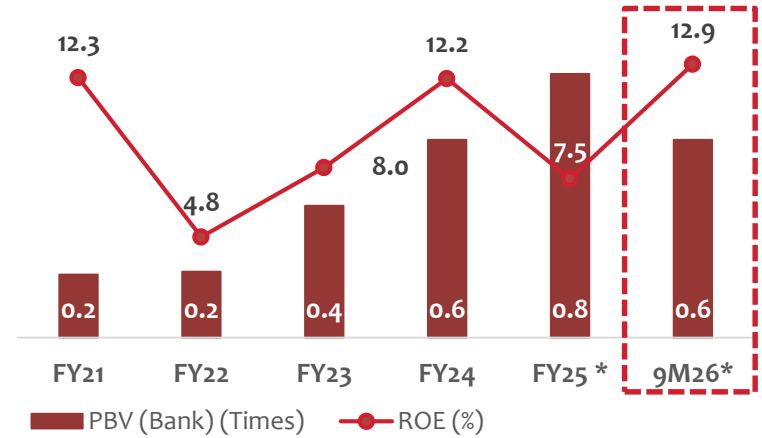
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Key investor ratios

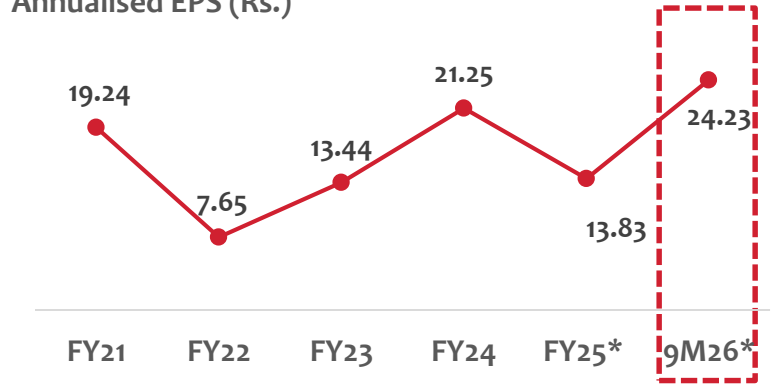
Investor ratios	Reported - Final financial impact due to the fraud adjusted		Excluding the final financial impact due to the fraud (BAU)	
	FY 2025	9M 2026	FY 2025	9M 2026
EPS - Rs. (Annualised)	13.83	24.23	25.90	27.43
ROE (%)	7.5	12.9	13.49	13.46
ROA (%) Pre-tax	1.4	2.2	2.5	2.4
P/E (times)	10.2	4.5	5.5	4.0
Net Book Value per Share - Rs.	187.36	191.48	201.51	208.65
Price to Book Value (PBV) (times)	0.8	0.6	0.7	0.5

Closing price per share for end – 9M26 is Rs. 109.50 (End FY25 : Rs. 141.25)

ROE and PBV movement



Annualised EPS (Rs.)



*Reported with final financial impact due to the fraud adjusted

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Enhanced control environment and operational resilience



~85% of Forensic Audit Review recommendations have been implemented

The remaining 15% relate primarily to enhancement initiatives aimed at further strengthening an already robust control environment, rather than addressing material control gaps

Classification: Public

Update on ongoing investigations

Internal Investigation

- Internal investigations have been completed and disciplinary inquiries are ongoing.
- Implicated employees are being dealt with under the Bank's Consequence Management Framework.

Criminal Investigation

- Criminal investigation is ongoing, with the Bank fully cooperating with law enforcement authorities.
- Six arrests have been made to date, including three Bank employees; four individuals have been released on bail.

Asset Tracing Measures

- Asset tracing efforts are underway, led by the Criminal Investigation Department (CID) and Proceeds of Crime Investigation Division (PCID).
- The Bank is engaging a specialist international firm to trace misappropriated funds and digital assets.
- Too early to assess recovery prospects.

Derivative Action

- A shareholder-filed derivative action against the Bank's Directors and auditors . The Court dismissed the petitioners application, concluding that the threshold requirements of the Companies Act have not been satisfied.

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Steadfast in strategy execution and long-term value creation

In the short-term

- Continue to strengthen liquidity and solvency position while investing in controls, processes, and people to enhance operational resilience.

In the long-term

- Deliver the Bank's 2030 ambitions through stronger operations, underwriting, technology, and customer relationships.
- Shift the portfolio towards higher-yield assets and leverage the branch network for growth.
- Drive growth through digitization and efficiency while maintaining cost discipline.
- Enhance returns through prudent underwriting and stronger recoveries.



Classification: Public

Q&A

Classification: Public