



Investing in a tomorrow
where clean energy, empowered women,
and thriving communities are the foundation of Sri Lanka's growth.

NATIONAL DEVELOPMENT BANK PLC



PROSPECTUS

AN INITIAL ISSUE OF UP TO ONE HUNDRED AND TWENTY MILLION (120,000,000) BASEL III COMPLIANT-TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED, REDEEMABLE GSS+ BONDS WITH A NON-VIABILITY CONVERSION OF FIVE – YEAR(2026/2031) AND SEVEN – YEAR (2026/2033) (“BASEL III COMPLIANT GSS+ BONDS”), AT THE PAR VALUE OF SRI LANKA RUPEES ONE HUNDRED (LKR 100/-) EACH TO RAISE SRI LANKA RUPEES TWELVE BILLION (LKR 12,000,000,000/-) WITH AN OPTION TO ISSUE UP TO A FURTHER FORTY MILLION (40,000,000) OF SAID BASEL III COMPLIANT GSS+ BONDS TO RAISE UP TO A FURTHER SRI LANKA RUPEES FOUR BILLION (LKR 4,000,000,000/-), AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE

MAXIMUM ISSUE WILL NOT EXCEED ONE HUNDRED AND SIXTY MILLION (160,000,000) OF SAID BASEL III COMPLIANT GSS+ BONDS OF A VALUE OF NOT EXCEEDING SRI LANKA RUPEES SIXTEEN BILLION (LKR 16,000,000,000/-)

TO BE LISTED ON THE
COLOMBO STOCK EXCHANGE

Rated BBB+ (lka) by Fitch Ratings Lanka Limited

ISSUE OPENS ON

10TH MARCH 2026

ISSUE IS LIMITED TO “QUALIFIED INVESTORS” ONLY AS DEFINED HEREIN

Managers and Placement Agents to the Issue



The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, CSE assumes no responsibility for accuracy of the statements made, opinions expressed, omitted statements or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of Basel III compliant GSS+ Bonds which is decided solely by the Issuer.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Bank since the date of this Prospectus. If any material change in the affairs of the Bank occurs subsequent to the Prospectus date and before the Issue opening, same will be notified by way of a market disclosure/an addendum.

By acquiring any Basel III compliant GSS+ Bond, each Basel III compliant GSS+ Bond Holder irrevocably consents to the Principal Amount of the Basel III compliant GSS+ Bonds and any accrued and unpaid interest thereon being deemed paid in full by the issuance of ordinary voting shares upon occurrence of a Trigger Event and the resulting Non-Viability Conversion required to be effected by the Bank.

Upon a Non-Viability Conversion;

- i. The Trustees shall not be required to take any further directions from holders/beneficial owners of the Basel III compliant GSS+ Bonds under the Trust Deed and
- ii. The Trust Deed shall impose no duties upon the Trustees whatsoever with respect to conversion of the Basel III compliant GSS+ Bonds into ordinary voting shares upon a Trigger Event
- iii. Upon the occurrence of a Trigger Event, each outstanding Basel III compliant GSS+ Bond of this Issue will be converted, on a full and permanent basis

We advise you to read the content of the Prospectus carefully prior to investment.

This investment instrument is riskier than a bank deposit.

These Basel III compliant GSS+ Bonds are complex products and have provision for loss absorption in the form of Non-Viability Conversion as set out in the Prospectus. This means that following the occurrence of a Trigger Event as may be determined by the Central Bank of Sri Lanka, the Bank will convert the GSS+ Bonds into ordinary voting shares. A Qualified Investor will be deemed paid in full the principal plus accrued and unpaid interest due on the Basel III compliant GSS+ Bonds, upon such conversion. The number and value of ordinary voting shares to be received on a Non-Viability Conversion may be worth significantly less than the Par Value of the Basel III compliant GSS+ Bonds and can be variable.

Please refer to the “Risk Factors Section” of the Prospectus for further details.

Each potential Qualified Investor in these Basel III compliant GSS+ Bonds must determine the suitability of investment in light of its own circumstances. In particular, each potential Qualified Investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether the Qualified Investor:

- i. Has sufficient knowledge and experience to make a meaningful evaluation of these Basel III compliant GSS+ Bonds, the merits and risks of investing in the GSS+ Bonds and the information contained or incorporated by reference in this Prospectus;**
- ii. Has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in these Basel III compliant GSS+ Bonds and the impact the Basel III compliant GSS+ Bonds will have on its overall investment portfolio;**
- iii. Has sufficient financial resources and liquidity to bear all of the risks of an investment in these Basel III compliant GSS+ Bonds;**
- iv. Understands thoroughly the terms of these Basel III compliant GSS+ Bonds, including the provisions relating to the Non-Viability Conversion of the Basel III compliant GSS+ Bonds, and is familiar with the behavior of financial markets; and**
- v. Is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

A potential Qualified investor should not invest in these Basel III compliant GSS+ Bonds unless the Qualified Investor has the expertise (either alone or with its financial and other professional advisors) to evaluate how the Basel III compliant GSS+ Bonds will perform under changing conditions, the resulting effects on the value of the Basel III compliant GSS+ Bonds and the impact this investment will have on the potential Qualified Investor’s overall investment portfolio.

This Prospectus is dated 4th March 2026

Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

The Directors of National Development Bank PLC (the Bank or the Issuer) have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Bank have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Bank and making assumptions that are considered to be reasonable at the present point in time in its best judgment.

The Bank accepts responsibility for the information contained in this Prospectus. While the Bank has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the Qualified Investors based on the information contained herein. In making such investment decisions, prospective Qualified Investors are advised to read the Prospectus and rely on their own examination and assessment of the Bank and the terms of the Basel III compliant GSS+ Bonds issued including the risks associated.

Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of Section 40 of the Companies Act No.7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to Section 40(1) of the Companies Act.

- a) The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Bank.
- b) The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Bank.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Company Secretary of the Bank for the inclusion of the name in the Prospectus as Company Secretary to the Bank.
- f) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- g) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- h) The written consent of the Independent External Reviewer to the Issue for the inclusion of their name in the Prospectus as Independent External Reviewer to the Issue.
- i) The written consent of the Managers and Placement Agents to the Issue for the inclusion of their names in the Prospectus as Managers and Placement Agents to the Issue.
- j) The declaration made and subscribed to, by each of the Directors of the Bank herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said Auditors and Reporting Accountants to the Issue and to the Bank, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers and Placement Agents to the Issue, Registrars to the Issue, Lawyers to the Issue, Independent External Reviewer to the Issue, Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident Qualified Investors may be affected by the laws of the jurisdiction of their residence. Such Qualified Investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Representation

The Basel III compliant GSS+ Bonds are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, salesperson, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Bank.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward-looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Bank are classified as Forward-Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Bank operates and its ability to respond to them, the Bank’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Bank.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Bank’s present and future business strategies and the environment in which the Bank will operate in the future.

Given the risk and uncertainties that may cause the Bank’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, Qualified Investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Bank and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” is the lawful currency of Sri Lanka. Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. All numerical figures given under Section 7 of the Prospectus are audited figures unless otherwise stated.

IMPORTANT

All Qualified Investors should indicate in the Application for Basel III compliant GSS+ Bonds, their Central Depository Systems (Private) Limited (CDS) account number.

In the event the name, address or NIC number/passport number/company number of the Qualified Investor mentioned in the Application Form differs from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/ passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Basel III compliant GSS+ Bonds are required to be directly deposited into the CDS. To facilitate compliance with this directive, all Qualified Investors are required to indicate their CDS account number.

In line with this directive, THE BASEL III COMPLIANT GSS+ BONDS ALLOTTED TO A QUALIFIED INVESTOR WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH QUALIFIED INVESTOR, the details of which is indicated in their Application Form. If the CDS account number indicated in the Application Form is found to be inaccurate /incorrect or there is no CDS number indicated, the Application will be rejected, and no allotments will be made. The Bank may require a Qualified Investor to provide such documentation as is reasonably necessary to satisfy itself that the investor is a Qualified Investor.

PLEASE NOTE THAT BASEL III COMPLIANT GSS+ BOND CERTIFICATES WILL NOT BE ISSUED, HOWEVER, PLEASE NOTE THAT UPON THE ALLOTMENT OF BASEL III COMPLIANT GSS+ BONDS UNDER THIS ISSUE, THE ALLOTTED BASEL III COMPLIANT GSS+ BONDS WOULD BE CREDITED TO THE APPLICANT'S CDS ACCOUNT INDICATED IN THE APPLICATION FORM.

Qualified Investors who wish to open a CDS account, may do so through a Trading Participants of the CSE as set out in Annexure III or through any Custodian Bank as set out in Annexure IV of this Prospectus.

ISSUE AT A GLANCE

Issuer	National Development Bank PLC																								
Instrument	BASEL III Compliant - Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) GSS+ Bonds with a Non-Viability Conversion.																								
Listing	The Basel III compliant GSS+ Bonds will be listed on the Colombo Stock Exchange																								
Number of Basel III compliant GSS+ Bonds to be Issued	An initial Issue of up to Hundred and Twenty Million (120,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Basel III compliant GSS+ Bonds with a Non-Viability Conversion, with an option to issue up to a further Forty Million (40,000,000) of said Basel III compliant GSS+ Bonds at the discretion of the Bank in the event of an over subscription of the initial Issue.																								
Amount to be Raised	A sum of up to Sri Lanka Rupees Twelve Billion (LKR 12,000,000,000/-) with an option to issue up to a further Sri Lanka Rupees Four Billion (LKR 4,000,000,000/-) at the discretion of the Bank in the event of an over subscription of the initial Issue.																								
Entity Rating	A (Ika)/ Stable by Fitch Ratings Lanka Limited																								
Issue Rating	BBB+ (Ika) by Fitch Ratings Lanka Limited																								
Trading currency in which the Basel III compliant GSS+ Bonds are to be listed and traded on the CSE	Sri Lanka Rupees																								
Issue Price	Rupees One Hundred (LKR 100/-) per each Basel III compliant GSS+ Bond																								
Par Value	Rupees One Hundred (LKR 100/-) per each Basel III compliant GSS+ Bond																								
Tenor	Type A: 5 Year (2026/2031) Type B: 5 Year (2026/2031) Type C: 7 Year (2026/2033)																								
Interest Rates	<p>Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Basel III compliant GSS+ Bonds with a Non-Viability Conversion, as described below;</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Type of Interest</th> <th>Tenure</th> <th>Interest Rate (per annum)</th> <th>Annual Effective Rate (AER)</th> <th>Interest Payment Frequency</th> </tr> </thead> <tbody> <tr> <td>Type A</td> <td>Fixed Rate</td> <td>5 Years</td> <td>11.50%</td> <td>11.50%</td> <td>Annually</td> </tr> <tr> <td>Type B</td> <td>Fixed Rate</td> <td>5 Years</td> <td>11.04%</td> <td>11.51%</td> <td>Quarterly</td> </tr> <tr> <td>Type C</td> <td>Fixed Rate</td> <td>7 Years</td> <td>11.85%</td> <td>11.85%</td> <td>Annually</td> </tr> </tbody> </table>	Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency	Type A	Fixed Rate	5 Years	11.50%	11.50%	Annually	Type B	Fixed Rate	5 Years	11.04%	11.51%	Quarterly	Type C	Fixed Rate	7 Years	11.85%	11.85%	Annually
Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency																				
Type A	Fixed Rate	5 Years	11.50%	11.50%	Annually																				
Type B	Fixed Rate	5 Years	11.04%	11.51%	Quarterly																				
Type C	Fixed Rate	7 Years	11.85%	11.85%	Annually																				
Minimum Subscription	<p>The minimum subscription requirement applicable for a Qualified Investor applying for Basel III compliant GSS+ Bonds shall be Rupees Ten Thousand (LKR 10,000/-).</p> <p>Provided however, the minimum subscription requirement applicable for an individual Qualified Investor applying for BASEL III Compliant Debt Securities as per Rule 2.1.1.(k) of CSE Listing Rules shall be Rupees Five Million (LKR 5,000,000/-).</p>																								

	Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).
Interest Payment Date(s)	<p>For Type A and C Basel III compliant GSS+ Bonds: The dates on which payments of interest in respect of the Type A and C Basel III compliant GSS+ Bonds shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>For Type B Basel III compliant GSS+ Bonds: The dates on which payments of interest in respect of the Type B Basel III compliant GSS+ Bonds shall fall due, which shall be three (03) months from the Date of Allotment and every three (03) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>
Interest Period	<p>For Type A and C Basel III compliant GSS+ Bonds: The twelve (12) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>For Type B Basel III compliant GSS+ Bonds: The three (03) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
Mode of Payment of Principal Sum and Interest	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Basel III compliant GSS+ Bond Holders subject to the prevalent limitation with regard to SLIPS and RTGS or by cheque marked "Account Payee Only".
Issue Opening Date	10 th March 2026
Date of Allotment	The date on which the Basel III compliant GSS+ Bonds will be allotted by the Bank to Applicants subscribing thereto.

<p>Closure Date of the Subscription List</p>	<p>Subject to the provisions contained below, the subscription list for the Basel III compliant GSS+ Bonds will open at 9.30 a.m. on 10th March 2026 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 27th March 2026.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> - The maximum of One Hundred and Sixty Million (160,000,000) Basel III compliant GSS+ Bonds being fully subscribed; <p>or</p> <ul style="list-style-type: none"> - The Board of Directors of the Bank decides to close the Issue upon the initial issue of One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds becoming fully subscribed. <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further up to Forty Million (40,000,000) Basel III compliant GSS+ Bonds (having subscribed the initial issue of Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds) but subsequently decides to close the subscription list upon part of the further issue of Forty Million (40,000,000) Basel III compliant GSS+ Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Bank decides to close the Basel III compliant GSS+ Bond issue without the full subscription of the initial One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>
<p>Basis of Allotment</p>	<p>In the event of an over subscription, the Board of Directors of the Bank has appointed authorised personnel to decide the basis of allotment of the Basel III compliant GSS+ Bonds in a fair and equitable manner within seven (07) Market days from the closure of the Issue.</p> <p>The authorised personnel appointed by the Board shall reserve the right to allocate up to a maximum of 75% of the Number of Basel III compliant GSS+ Bonds to be allotted under this Prospectus on a preferential basis, to identified institutional investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future as future investors, who are Qualified Investors.</p> <p>Number of Basel III compliant GSS+ Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Basel III compliant GSS+ Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p>

Non-Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Basel III compliant GSS+ Bonds to ordinary voting shares by the Bank without any requirement of approval by the Basel III compliant GSS+ Bond Holders, in compliance with BASEL III requirements.</p> <p>Upon the occurrence of a Trigger Event, the outstanding balance of the Basel III compliant GSS+ Bonds including the total Par Value of the Basel III compliant GSS+ Bonds and the Basel III compliant GSS+ Bond interest accrued and unpaid as at that date will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any Basel III compliant GSS+ Bond Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.</p>
Conversion Price	<p>The price based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting share during the three months (03) period, immediately preceding the date of the Trigger Event.</p>
Volume Weighted Average Price (VWAP)	<p>The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange.</p>
Maturity Date	<p>For Type A: On completion of Five (5) years from the Date of Allotment, or on such earlier date on which the Basel III compliant GSS+ Bonds are redeemed or become payable in terms of the Trust Deed.</p> <p>For Type B: On completion of Five (5) years from the Date of Allotment, or on such earlier date on which the Basel III compliant GSS+ Bonds are redeemed or become payable in terms of the Trust Deed.</p> <p>For Type C: On completion of Seven (7) years from the Date of Allotment, or on such earlier date on which the Basel III compliant GSS+ Bonds are redeemed or become payable in terms of the Trust Deed.</p>
Trigger Event	<p>Means the earlier of a point or event at which the Governing Board of the Central Bank of Sri Lanka in terms of item 10 (iii)(a) of Web Based Return Code 20.2.3.1.1.1 of the Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time) determines:</p> <p>(a) the Bank would become non-viable, without a write-down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions; or</p> <p>(b) to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable in terms of item 10(iii)(b) of the said Directions.</p>

TABLE OF CONTENTS

1	CORPORATE INFORMATION	1
2	RELEVANT PARTIES TO THE ISSUE	2
3	LIST OF ABBREVIATIONS	4
4	GLOSSARY OF TERMS RELATED TO THE ISSUE	5
5	PRINCIPAL FEATURES OF THE BASEL III COMPLIANT GSS+ BONDS	9
5.1	INVITATION TO SUBSCRIBE	9
5.2	SUBSCRIPTION LIST	10
5.3	TYPES OF BASEL III COMPLIANT GSS+ BONDS.....	11
5.4	OBJECTIVES OF THE ISSUE & SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE BASEL III COMPLIANT GSS+ BOND ISSUE	11
5.5	PAYMENT OF INTEREST	26
5.6	APPLICATION OF TAX ON INTEREST PAYMENTS	27
5.7	REDEMPTION OF BASEL III COMPLIANT GSS+ BONDS AND CONSEQUENCE OF A TRIGGER EVENT	27
5.8	PAYMENT METHOD.....	29
5.9	TRUSTEE TO THE ISSUE.....	29
5.10	INDEPENDENT EXTERNAL REVIEWER.....	30
5.11	RATING OF THE BASEL III COMPLIANT GSS+ BOND.....	33
5.12	RIGHTS AND OBLIGATIONS OF THE BASEL III COMPLIANT GSS+ BOND HOLDERS	33
5.13	BENEFITS OF INVESTING IN BASEL III COMPLIANT GSS+ BONDS OFFERED BY THE BANK	34
5.14	RISKS INVOLVED IN INVESTING IN THE BASEL III COMPLIANT GSS+ BONDS.....	34
5.15	TRANSFER OF BASEL III COMPLIANT GSS+ BONDS.....	39
5.16	LISTING	40
5.17	COST OF THE ISSUE	40
5.18	BROKERAGE FEE	41
5.19	UNDERWRITING	41
5.20	INSPECTION OF DOCUMENTS	41
5.21	PROSPECTUS AND APPLICATION FORMS	41
6	PROCEDURE FOR APPLICATION	42
6.1	ELIGIBLE APPLICANTS	42
6.2	HOW TO APPLY.....	42
6.3	NUMBER OF BASEL III COMPLIANT GSS+ BONDS TO BE SUBSCRIBED	46
6.4	MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS	47
6.5	REJECTION OF APPLICATIONS	49
6.6	BANKING OF PAYMENTS	49
6.7	BASIS OF ALLOTMENT OF BASEL III COMPLIANT GSS+ BONDS	50
6.8	REFUNDS	50
6.9	CDS ACCOUNTS AND SECONDARY MARKET TRADING	51
7	THE BANK	52
7.1	OVERVIEW	52
7.2	FINANCIAL YEAR	52
7.3	STATED CAPITAL	52
7.4	MAJOR SHAREHOLDERS AS AT 31 st DECEMBER 2025	53
7.5	DETAILS OF OTHER DEBT SECURITIES IN ISSUE	54
7.6	PARTICULARS OF LONG TERM LOANS AND OTHER BORROWINGS OF THE BANK	55
7.7	CONTINGENT LIABILITIES AND LITIGATION AGAINST THE BANK	56
7.8	LITIGATIONS AGAINST THE BANK.....	57

7.9	KEY FINANCIAL RATIOS.....	57
7.10	DEBT SERVICING DETAILS OF THE BANK	58
7.11	TAXATION	58
7.12	FINANCIAL STATEMENTS & FINANCIAL SUMMARY	58
8	BOARD OF DIRECTORS	59
8.1	DETAILS OF THE DIRECTORS.....	59
8.2	BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	59
9	STATUTORY DECLARATIONS.....	61
9.1	STATUTORY DECLARATION BY THE DIRECTORS	61
9.2	STATUTORY DECLARATION BY THE MANAGERS AND PLACEMENT AGENTS TO THE ISSUE.....	62
10	FINANCIAL INFORMATION	63
10.1	ACCOUNTANTS' REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS	63
	ANNEXURE I - COPY OF THE RATING CERTIFICATE	81
	ANNEXURE II - COPY OF THE WRITTEN REPORT BY THE INDEPENDENT EXTERNAL REVIEWER.....	88
	ANNEXURE III - COLLECTION POINTS	91
	ANNEXURE IV - CUSTODIAN BANKS	96
	ANNEXURE V – FATCA DECLARATION.....	97

1 CORPORATE INFORMATION

Name of the Bank/Issuer	National Development Bank PLC
Legal Status	Established under the National Development Bank of Sri Lanka Act No. 02 of 1979 and incorporated as a company under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 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.
Company Number	PQ 27
Place of Incorporation	Colombo, Sri Lanka
Registered Address	National Development Bank PLC No. 40, Nawam Mawatha Colombo 02 Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262 E-mail: contact@ndbib.com Web: www.ndbbank.com
Company Secretary	Ms. Shehani Ranasinghe (Attorney-at-Law) National Development Bank PLC No. 40, Nawam Mawatha Colombo 02 Tel: +94 11 2 448 448 (Ext: 35013) / Fax: +94 11 2 341 050
Rating Agency	Fitch Ratings Lanka Limited No.15-02, East Tower World Trade Centre Colombo 01 Tel: +94 11 2 541 900 / Fax: +94 11 2 541 903
Auditors	M/s Ernst & Young Chartered Accountants No. 109, Rotunda Towers Galle Road Colombo 03 Tel: +94 11 2 463 500 / Fax: +94 11 2 697 369
Board of Directors	Mr. Sriyan Cooray - Chair, Board of Directors – Non-executive /Independent Mr. Kelum Edirisinghe - Chief Executive Officer – Executive / Non-Independent Mr. Bernard Sinniah - Non-executive /Non-Independent Mr. Sujeewa Mudalige - Non-executive / Independent Mr. Kushan D’Alwis, PC - Non-executive / Independent Ms. Kasturi Chellaraja - Non-executive / Independent Ms. Shweta Pandey - Non-executive / Independent Mr. Hasitha Premaratne - Non-executive / Independent Mr. Sanjaya Mohottala - Non-executive /Non-Independent Mr. Shanil Fernando - Non-executive / Independent

2 RELEVANT PARTIES TO THE ISSUE

Managers and Placement Agents to the Issue	NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Bauddhaloka Mawatha Colombo 04 Tel: + 94 11 2 300 385-90 / Fax: +94 11 2 300 393
Lawyers to the Issue	Legal Department – National Development Bank PLC No.40, Nawam Mawatha Colombo 02 Tel: +94 11 2 448 448 / Fax: +94 11 2 440 196 Ext :34000
Registrars to the Issue	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03, Sri Lanka. Tel: +94 11 2 573 894/ Fax: +94 11 2 573 609
Trustee to the Issue	People’s Bank People’s Tower, No. 374, Dr. Colvin R. de Silva Mawatha, Colombo 2, Sri Lanka. Tel: +94 11 3 740 740
Company Secretary	Ms. Shehani Ranasinghe (Attorney-at-Law) National Development Bank PLC No. 40, Nawam Mawatha Colombo 02 Tel: +94 11 2 448 448 (Ext: 35013) / Fax: +94 11 2 341 050
Rating Agency to the Issue	Fitch Ratings Lanka Limited No.15-02, East Tower World Trade Centre Colombo 01 Tel: +94 11 2 541 900 / Fax: +94 11 2 541 903
Bankers to the Issue	National Development Bank PLC No. 40, Nawam Mawatha Colombo 02 Tel: +94 11 2 448 448 / Fax: +94 11 2 341 049
Auditors and Reporting Accountants to the Issue	M/s Ernst & Young Chartered Accountants No. 109, Rotunda Towers Galle Road Colombo 03 Tel: +94 11 2 463 500 / Fax: +94 11 2 697 369

Independent External Reviewer to the Issue	Deloitte Partners No 100 Braybrooke Place, Colombo 02 Tel: +94 11 7 719 700
---	--

3 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
CBSL	Central Bank of Sri Lanka
CAR	Capital Adequacy Ratio
CDS	Central Depository Systems (Private) Limited
CRIB	Credit Information Bureau of Sri Lanka
CSE	Colombo Stock Exchange
D-SIBs	Domestically Systemically Important Banks
ESG	Environmental, Social and Governance
ESDD	Environmental and Social Due Diligence
ESRM	Environmental and Social Risk Management
GBP	Green Bond Principles
GSS+	Green, Blue, Social, Sustainability and Sustainability Linked
ICMA	International Capital Markets Association
IFC	International Finance Corporation
IFC PS	International Finance Corporation Performance Standard
IIA	Inward Investment Account
IRMC	Integrated Risk Management Committee
KPI	Key Performance Indicator
LKR	Sri Lanka Rupees
LMA	Loan Market Association
NDB/Issuer/Bank/Company	National Development Bank PLC
NIC	National Identity Card
POA	Power of Attorney
RTGS	Real Time Gross Settlement
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Inter Bank Payment System
SLGFT	Sri Lanka Green Finance Taxonomy
SLL	Sustainability Linked Loan
SLLB	Sustainability Linked Loans Financing Bonds
SLLBG	Guidelines for Sustainability Linked Loan Financing Bonds
SLLP	Sustainability Linked Loan Principles
SPT	Sustainability Performance Target
UNSDG	United Nations Sustainable Development Goals
VWAP	Volume Weighted Average Price

4 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant	Any person identified as a Qualified Investor who submits an Application Form under this Prospectus.
Application Form/Application	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Basel III compliant GSS+ Bonds in Issue.
Bank/Issuer	National Development Bank PLC
Basel III	A Global Regulatory Framework for More Resilient Banks and Banking System, issued by the Basel Committee on Banking Supervision of the Bank for International Settlement in December 2010 (Revised in June 2011).
Closure Date	<p>Subject to the provisions contained below, the subscription list for the Basel III compliant GSS+ Bonds will open at 9.30 a.m. on 10th March 2026 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 27th March 2026.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> - The maximum of One Hundred and Sixty Million (160,000,000) Basel III compliant GSS+ Bonds being fully subscribed; <p>or</p> <ul style="list-style-type: none"> - The Board of Directors of the Bank decides to close the Issue upon the initial Issue of One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds becoming fully subscribed. <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further up to Forty Million (40,000,000) Basel III compliant GSS+ Bonds (having subscribed the initial Issue of Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds) but subsequently decides to close the subscription list upon part of the further issue of Forty Million (40,000,000) Basel III compliant GSS+ Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Bank decides to close the Basel III compliant GSS+ Bond Issue without the full subscription of the initial One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>
Conversion Price	The price based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting share during the three months (03) period, immediately preceding the date of the Trigger Event.
Date of Allotment	The date on which the Basel III compliant GSS+ Bonds will be allotted by the Bank to Applicants subscribing thereto.
Date of Redemption	The date on which Redemption of the Basel III compliant GSS+ Bonds will take place as referred to in Section 5.7 of this Prospectus.

Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Basel III compliant GSS+ Bond Holder would need to be recorded as being a Basel III compliant GSS+ Bond Holder on the list of Basel III compliant GSS+ Bond Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any redemption proceeds, in the event a Trigger Event does not occur.
Basel III compliant GSS+ Bonds	Basel III compliant – Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) GSS+ Bond Issue with a Non - Viability Conversion, to be issued pursuant to this Prospectus.
Basel III compliant GSS+ Bond Holder(s)	Any Qualified Investor(s) who is for the time being the holder of the Basel III compliant GSS+ Bonds and includes his/her respective successors in title.
Independent External Reviewer	Means at a minimum, an entity that possesses expertise and experience in: <ul style="list-style-type: none"> • reviewing GSS+ Bonds which is aligned with the principles, guidelines and requirements set out in Rule 2.2.1 (o)(b) of the CSE Listing Rules for which the GSS+ Bond instrument is issued, and, • providing an external review on the alignment of GSS+ Bonds with the International Capital Market Association Principles and Guidelines and where applicable Green Finance Taxonomy or any related Taxonomy issued or that may issue by the Central Bank of Sri Lanka via any of the methods of reviews as set out in Section 2.2.1 (o) (c) of the CSE Listing Rules.
Interest Payment Date(s)	<p>For Type A and C Basel III compliant GSS+ Bonds: The dates on which payments of interest in respect of the Type A and C Basel III compliant GSS+ Bonds shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>For Type B Basel III compliant GSS+ Bonds: The dates on which payments of interest in respect of the Type B Basel III compliant GSS+ Bonds shall fall due, which shall be three (03) months from the Date of Allotment and every three (03) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>
Interest Period	For Type A and C Basel III compliant GSS+ Bonds: The twelve (12) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).

	For Type B Basel III compliant GSS+ Bonds: The three (03) month period from an Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
Issue	The offer of Basel III compliant GSS+ Bonds to Qualified Investors pursuant to this Prospectus.
Issue Price	Rupees One Hundred (LKR 100/-) per each Basel III compliant GSS+ Bond
Market Day	Any day on which trading takes place at the CSE.
Non-Resident(s)	Persons resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka.
Non-Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Basel III compliant GSS+ Bonds to ordinary voting shares by the Bank without any requirement of approval by the Basel III compliant GSS+ Bond Holders in compliance with BASEL III requirements.</p> <p>Upon the occurrence of a Trigger Event, the outstanding balance of the Basel III compliant GSS+ Bonds including the total Par Value of the Basel III compliant GSS+ Bonds and Basel III compliant GSS+ Bond interest accrued and unpaid (if any) as at that date will be permanently converted to ordinary voting shares at the Conversion Price.</p> <p>In the event of any Basel III compliant GSS+ Bond Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.</p>
Par Value	LKR 100/- per each Basel III compliant GSS+ Bond
Principal Sum	The product of the number of Basel III compliant GSS+ Bonds allotted and the Par Value
Prospectus	This prospectus dated 4 th March 2026 issued by National Development Bank PLC
Qualified Investors	<p>(a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).</p> <p>(b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended).</p> <p>(c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.</p> <p>(d) A venture capital fund/ company and private equity company.</p> <p>(e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).</p>

	<p>(f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended)</p> <p>(g) A company licensed by the Insurance Board of Sri Lanka to carry on Insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended)</p> <p>(h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007.</p> <p>(i) An investment trust or investment company</p> <p>(j) A Non-Resident institutional investor</p> <p>(k) An individual with an initial investment amount of LKR 5,000,000/-</p>
Redemption	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Basel III compliant GSS+ Bond to a Basel III compliant GSS+ Bond Holder by the Bank
Registered Address	The address provided by the Basel III compliant GSS+ Bond Holders to the CDS
Subordinated	Means the claims of the Basel III compliant GSS+ Bond Holders shall in the event of winding up of the Bank rank after all the claims of depositors and secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank <i>pari passu</i> with other subordinated bond / debenture Holders and in priority to and over the claims and rights of the Shareholder/s of the Bank <u>unless there has been an issuance of ordinary voting shares to the Basel III compliant GSS+ Bonds Holders upon the occurrence of a Trigger Event in which case a Basel III compliant GSS+ Bond Holder would cease to be a Basel III compliant GSS+ Bond Holder and become a shareholder of the Bank to the extent of such issuance</u>
Tier 2	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Bank
Trigger Event	<p>Means the earlier of a point or event at which the Governing Board of the Central Bank of Sri Lanka in terms of item 10 (iii)(a) of Web Based Return Code 20.2.3.1.1.1 of the Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time) determines:</p> <p>(a) the Bank would become non-viable, without a write-down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions;</p> <p>or</p> <p>(b) to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable in terms of item 10(iii)(b) of the said Directions</p>
Trustee	People's Bank
Trust Deed	Trust Deed executed between the Bank and People's Bank on 11 th February 2026
Unsecured	Repayment of the Principal Sum and payment of interest on the Basel III compliant GSS+ Bonds are not secured by a charge on any assets of the Issuer
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange
Working Day	Any day (other than a Saturday or Sunday or any statutory holiday) on which the banks are open for business in Sri Lanka

5 PRINCIPAL FEATURES OF THE BASEL III COMPLIANT GSS+ BONDS

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of National Development Bank PLC (hereinafter referred to as the “Board”) at the Board Meeting held on 14th November 2025 resolved to raise a sum of Rupees Sixteen Billion (LKR 16,000,000,000/-) by an initial issue of up to One Hundred and Twenty Million (120,000,000,000) Basel III compliant GSS+ Bonds, each with a Par Value of LKR 100/- with the option to raise a further sum of Rupees Four Billion (LKR 4,000,000,000/-) by an issue of a further Forty Million (40,000,000) Basel III compliant GSS+ Bonds, in the event of an over subscription of the initial Issue at the discretion of the Bank.

As such a maximum amount of Rupees Sixteen Billion (LKR 16,000,000,000) would be raised by the issue of a maximum of One Hundred and Sixty Million (160,000,000) Basel III compliant GSS+ Bonds each with the Par Value of LKR 100/-.

The rights of the Basel III compliant GSS+ Bond Holders with respect to payment of the Principal Sum and accrued interest due thereon upon a winding - up of the Bank will rank after all claims of depositors and secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other subordinated debenture holders and in priority to and over the rights of any ordinary and preference shareholders. However, if there has been an issuance of ordinary voting shares to the Basel III compliant GSS+ Bond Holders upon the occurrence of a Trigger Event a Basel III compliant GSS+ Bond Holder would cease to be Basel III compliant GSS+ Bond Holder and would become a shareholder of the Bank to the extent of such issuance and will rank equal and *pari passu* with existing ordinary shareholders.

It is the intention of the Bank to list the Basel III compliant GSS+ Bonds on the Colombo Stock Exchange. The CSE has given its in principle approval for the listing of the Basel III compliant GSS+ Bonds and any ordinary voting shares which would be issued upon the occurrence of a Trigger Event (if any) on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules.

As per Section 2.2.1 (q) of the Listing Rules, only Qualified Investors would be eligible to invest in the said Basel III compliant GSS+ Bonds. Further, as set out in Rule 3.3.5 (ii) (a) (ii) of the CSE Listing Rules, the secondary trading of these Basel III compliant GSS+ Bonds shall also be limited to Qualified Investors. Accordingly, the allotment and the secondary market trading of the Basel III compliant GSS+ Bonds are limited to the Qualified Investors.

In the event the Bank fails to comply with the additional annual and/or quarterly reporting requirements in terms of CSE Listing Rule 7.12.4 (A) (I) (a) and (d) (as applicable), the Bank shall make an Immediate Market Announcement and repeat the same on such non-compliance and the proposed rectification plan to be adopted by the Bank to ensure compliance with the relevant Listing Rule in accordance with CSE Listing Rule 7.12.4. (A) (II).

In the event the Bank fails to rectify the non-compliance within a period of six (6) months from the date of the market announcement referred to above, the Bank shall:

- i. Convene a meeting of the Basel III compliant GSS+ Bond Holders within thirty (30) days from the expiry of the said six (6) months period, notify such Basel III compliant GSS+ Bond Holders of details pertaining to the non-compliance and the remedial action taken in order to ensure compliance and such notification shall include a statement that a failure on the part of the Bank to rectify the non-compliance shall result in the CSE ceasing to recognize such debt securities of the Bank as GSS+ Bonds within a period of two (2) months from the date of the market announcement mentioned in point (iii) below and;

- ii. Seek the approval of the Basel III compliant GSS+ Bonds Holders for the proposed course of action to be taken by the Bank.
- iii. Make an immediate Market Announcement setting out the outcome of the meeting of the Basel III compliant GSS+ Bond Holders immediately following the date of the meeting of the Basel III compliant GSS+ Bond Holders.

In the event CSE ceasing to recognize such debt securities of the Bank as GSS+ Bonds as aforesaid, subject to relevant approvals from CSE and SEC being obtained (if required) such non-recognition may lead the Bank to effect changes to the existing features of the BASEL III compliant GSS+ Bonds along with any other benefits attached thereto.

Further, it should be noted that these BASEL III compliant GSS+ Bonds are subjected to Tier 2 capital rules as per the Banking Act Directions No. 01 of 2016 as opposed to a conventional GSS+ Bond, therefore no dissenting option would be provided to Basel III compliant GSS+ Bond Holders where they could prematurely get their BASEL III compliant GSS+ Bonds redeemed in its entirety. As such Rule 7.12.4 (A) (II) (d) of the CSE listing rules will not be applicable to the Basel III compliant GSS+ Bond Holders.

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Basel III compliant GSS+ Bonds will open at 9.30 a.m. on 10th March 2026 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 27th March 2026.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:

- The maximum of One Hundred and Sixty Million (160,000,000) Basel III compliant GSS+ Bonds being fully subscribed; or
- The Board of Directors of the Bank decides to close the Issue upon the initial issue of One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds becoming fully subscribed;

In the event the Board of Directors of the Bank decides to exercise the option to issue further up to Forty Million (40,000,000) Basel III compliant GSS+ Bonds (having subscribed the initial issue of Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds) but subsequently decides to close the subscription list upon part of the further issue of Forty Million (40,000,000) Basel III compliant GSS+ Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm.

In the event the Board of Directors of the Bank decides to close the Basel III compliant GSS+ Bond Issue without the full subscription of the initial One Hundred and Twenty Million (120,000,000) Basel III compliant GSS+ Bonds, such decision is to be notified to the CSE on the day such decision is made and subscription list will be closed on the following Market Day at 4.30 p.m.

5.3 TYPES OF BASEL III COMPLIANT GSS+ BONDS

The Basel III compliant GSS+ Bond Issue comprises of Basel III compliant GSS+ Bonds of Type A, Type B and Type C that will carry rates of interest as described below:

Basel III compliant GSS+ Bond Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment frequency
Type A	Fixed	5 Years	11.50%	11.50%	Annual
Type B	Fixed	5 Years	11.04%	11.51%	Quarterly
Type C	Fixed	7 Years	11.85%	11.85%	Annual

Each of the Type A, Type B and Type C Basel III compliant GSS+ Bonds shall rank equal and pari passu other than with respect to the Rate of Interest and interest payment frequency.

5.4 OBJECTIVES OF THE ISSUE & SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE BASEL III COMPLIANT GSS+ BOND ISSUE

The Bank proposes to utilise the entirety of the funds raised through this Issue for the purpose of achieving the following objectives;

a. Improve and further strengthen the Capital Adequacy Ratio (CAR) in line with the Basel III guidelines.

Funds raised from the Basel III compliant GSS+ Bond Issue/s will be utilized to improve the Tier 2 capital of the Bank under the Basel III regulations.

NDB's Capital Adequacy Ratio (CAR) under BASEL III

The Bank has complied with the BASEL III minimum capital adequacy requirement as at 31st December 2025 with Tier 1 ratio of 12.35% and Total capital ratio of 15.89% respectively.

The forecasted ratios taking into account the intended proceeds of Basel III compliant GSS+ Bond Issue computed under BASEL III will be as follows.

Components	Bank's Ratios as at 31 st December 2025	Minimum Regulatory Requirement as at 31 st December 2025	Expected (%), subsequent to the Bond Issue as at 31 st December 2025	
			for LKR 12.0 Bn	for LKR 16.0 Bn
Common Equity Tier 1 including Capital Conservation Buffer	12.35%	7.00%	12.35%	12.35%
Total Tier 1 including Capital Conservation Buffer	12.35%	8.50%	12.35%	12.35%
Total Capital Ratio including Capital Conservation Buffer*	15.89%	12.50%	18.08%	18.81%

*Total Regulatory Capital consists of Tier 1 and Tier 2 Capital

The Bank is of the view that the CAR of the Bank should be maintained at a level above the minimum requirement in order to accommodate the projected asset growth.

In the unlikely event of any shortfall of funds to be generated from the proposed Basel III compliant GSS+ Bond Issue, the Bank will adjust the asset growth to maintain the desired level of CAR.

The Bank has obtained the approval from the Central Bank of Sri Lanka to include the BASEL III compliant GSS+ Bond under Tier 2 capital. The approval has been granted via letter dated 06th February 2026 by CBSL subject to the conditions stated herein.

Further, the Bank has obtained the shareholder approval by way of a special resolution on 5th of January 2026 for the issuance of any ordinary voting shares which may be created by the occurrence of a 'Trigger Event'. Further as per the Rule 2.2.1 (p) of the CSE Listing Rules, the Bank has obtained the shareholder approval by way of a special resolution for the issuance of the Basel III compliant GSS+ Bonds.

The entire quantum of funds raised from the Basel III compliant GSS+ Bond Issue will be included under the Tier 2 capital base of the Bank upon the allotment of the Basel III compliant GSS+ Bonds.

b. Support the Bank's balance sheet growth through financing GSS+ Projects

The funds generated through the Bond Issue will also be used to finance or refinance new and/or existing eligible Green (including Blue), Social, Sustainability and Sustainability linked project or loans and any other labels that qualify as per the Sustainable Bond Framework of the Bank (GSS+ Projects) which complies with the Principles and Guidelines issued by the International Capital Market Association, Sustainability Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA) and Sri Lanka Green Finance Taxonomy issued by the CBSL.

It is the understanding of the Bank that the entire quantum of funds will be utilized within a period of 24 months -from the date of allotment of the Basel III compliant GSS+ Bonds. In the interim period, these funds will be invested in its treasury liquidity portfolio. At the discretion, the portfolio may include cash or other short-term and liquid instruments.

The Bank is confident of utilizing the funds generated through the Issue as stated within a period of 24 months.

Any lending to/with related parties will be carried out in compliance with all applicable statutes, direction and regulations. The Bank, as at the date of this Prospectus has not recognized related parties for the lending of the proceeds of the Issue. As such, the Bank will disburse the proceeds of the Issue/s in the ordinary course of business. However, in the event, funds are lent to related parties in future, such lending will be done in accordance with Section 9 of the CSE Listing Rules and Section 47 of the Banking Act.

The Bank recorded a monthly average gross loan disbursement of Rupees Thirteen Billion Six Hundred and Ninety Six Million Eight Hundred and Fifty One Thousand Seventy Seven (LKR 13,696,851,077/-) during the three months ended 31st December 2025 reaching a gross loans value of Rupees Six Hundred and Forty Three Billion Eight Hundred and Sixty Million Ninety Five Thousand (LKR 643,860,095,000/-) as of 31st December 2025. For the twelve months ended 31st December 2025, the Bank recorded a growth of 26.0% in the above mentioned gross loan position from the gross loan position of Rupees Five Hundred and Nine Billion Seven Hundred and Seventy Seven Million and Thirty One Thousand (LKR 509,777,031,000/-) as of the close of financial year on 31st December 2024. With the normalisation of economic activities in the country, the Bank is experiencing a healthy and gradual growth in its loan book.

Furthermore, during the financial year ended 31st December 2024, the Bank recorded an increase in the loan book to Rupees Five Hundred and Nine Billion Seven Hundred and Seventy Seven Million and Thirty One Thousand (LKR 509,777,031,000/-) from Rupees Four Hundred and Ninety Six Billion Sixty Eight Million Three Hundred and Eighty Three Thousand (LKR 496,068,383,000/-) in end 2023, which was a 3.0% increase. The Bank has been maintaining an average compound annual growth rate of 4.5% in its gross loans book over the period 2020 – 2024 period. With the gradual recovery of economic activities and largely reduced interest rates resulting from the easing monetary policy stance of the CBSL, it is the understanding of the Bank that the entire quantum of funds will be utilized within a period of twenty four (24) months from the Date of Allotment of the Basel III compliant GSS+ Bonds.

The objectives of the issue do not amount to a major transaction of the Bank as defined by Section 185 of the Companies Act No. 07 of 2007 (as amended), based on the asset value of the Bank as at 31st December 2025.

The Bank's Sustainable Bond Framework (the Framework) identifies eligible Blue, Green or Social Projects and aligns with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) and Sustainability Linked Loans Financing Bonds (SLLB) published by the International Capital Markets Association (ICMA), and the Sustainability Linked Loan Principles (SLLP) by the Loan Market Association (LMA) thereby ensuring transparency and adherence to best practices in sustainable finance.

The Bank is required to obtain verification in the form of a written report of the Sustainable Bond Framework from the Independent External Reviewer, confirming its alignment with Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) and Sustainability Linked Loans Financing Bonds (SLLB) published by the International Capital Markets Association (ICMA) and the Sustainability Linked Loan Principles (SLLP) by the Loan Market Association (LMA), prior to the Basel III compliant GSS+ Bond Issuance. The Bank has obtained the same.

In addition, the Independent External Reviewer has reviewed that National Development Bank's PLC GSS+ Bond Framework is in compliance with the Sri Lanka Green Finance Taxonomy (SLGFT) (May 2022) by the Central Bank of Sri Lanka via letter dated 3rd February 2026.

1. Principles Issued by the ICMA and LMA with Regard to Basel III compliant GSS+ Bonds

The International Capital Markets Association (ICMA) and Loan Market Association (LMA) has established a set of globally recognized principles and guidelines that promote transparency, integrity, and accountability in the Sustainable Bond Market.

The Bank's Green, Social, Sustainability and Sustainability linked loans financing (GSS+) Bond Framework (the Framework) identifies eligible GSS+ Projects and is aligned with the following principles and guidelines issued by the above international bodies:

Issued by ICMA

- Green Bond Principles – 2025 (“GBP”)
- Social Bond Principles (“SBP”) 2025
- Sustainability Bond Guidelines 2021
- Guidelines for Sustainability Linked Loans Financing Bonds (“SLLBG”) (2024)
- Guidelines for Blue Finance 2022

Issued by LMA

- Sustainability Linked Loan Principles (SLLP)

Basel III compliant GSS+ Bonds that utilize 100% of their proceeds for eligible Green (including Blue), Social, Sustainability and Sustainability linked projects and any other labels that qualify as per the Green, Social, Sustainability and Sustainability linked loans financing (GSS+) Bond Framework of the Bank are considered “Basel III compliant GSS+ Bonds” each adhering to the core components outlined by ICMA and LMA.

These principles and guidelines collectively provide a robust framework to guide issuers, investors, and other stakeholders in structuring, issuing and managing the Basel III compliant GSS+ Bonds under the Issuance. They ensure that the proceeds are allocated to projects that generate measurable environmental and social benefits in alignment with the United Nations Sustainable Development Goals (UNSDGs), while maintaining transparency and consistency with international best practices in the use of proceeds and reporting.

1.1 Use of Proceeds

The proceeds of a Basel III compliant GSS+ Bond must be utilized to finance or refinance eligible Green, Blue Social and Sustainability projects and Sustainability Linked Loans (SLLs) that contribute to clearly defined environmental and /or social objectives. These may include areas such as climate change mitigation and adaptation, natural resource conservation, pollution prevention and control, biodiversity conservation, gender equality and social inclusion etc., in line with the above-mentioned principles and guidelines issued by ICMA and LMA.

1.2 Process for Project Evaluation and Selection

Issuers should clearly communicate the objectives of the Green, Blue, Social, Sustainability projects and Sustainability Linked Loans and how they fit into the eligible categories. Issuers are encouraged to disclose how they manage the risks associated with the relevant project(s).

1.3 Management of Proceeds

The proceeds from the Basel III compliant GSS+ Bond should be tracked and allocated to Eligible Projects through a clear internal process. Transparency is encouraged, and issuers may use external auditors, or other third party to verify the allocation and management of the funds.

1.4 Reporting

The principles recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.

The process, management and reporting outlined below are in accordance with the above principles and its components, ensuring transparency and accountability in the allocation of funds towards these Eligible Projects.

2. Factors Considered or to be Considered in Determining the Eligible Projects

2.1. The project must fall within at least one of the eligible Project categories listed below. The categories to which the proceeds of the Issue may be allocated, as defined in the Bank's GSS+ Bond Framework, include the following:

a. Green, Social, Blue and Sustainable Bonds

Green and Blue Eligible Categories

Eligible Main Category	Eligible Project Criteria
Renewable Energy	<ul style="list-style-type: none"> • Wind, hydro (up to the maximum capacity of 10 MW), biomass, solar energy and marine energy generation. • Dedicated transmission and support infrastructure for wind and solar energy. • Energy distribution, management, control and storage systems for wind and solar energy. <p><i>Note: Use of Proceeds in this category will only encompass the construction of new projects and the acquisition of existing projects.</i></p>
Green Buildings	<ul style="list-style-type: none"> • Green buildings that meet national (LEEDS Gold certified / GREENSL Gold or above offered by the Green Building Council) or internationally recognised standards or certifications for environmental performance, such as: • Commercial buildings (including the tourism sector). • Residential buildings. • Property upgrades
Energy Efficiency	<ul style="list-style-type: none"> • Energy efficiency products, appliances and equipment. • LED and efficient lighting. • Industrial and commercial buildings (including the equipment and machinery)
Clean Transportation	<ul style="list-style-type: none"> • Financing or refinancing: • Electric freight and passenger vehicle investments. • Electrified rail investments. • Low carbon and non-fossil fuel public transport investments, including hybrid vehicles. • Electric vehicles, plus dedicated charging and alternative fuel infrastructure.
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems.
Environmentally Sustainable Management of Living Natural Resources	<ul style="list-style-type: none"> • Environmentally sustainable agriculture (e.g., climate smart agriculture, agroforestry, sustainable agriculture certification projects). • Environmentally sustainable animal husbandry. • Climate-smart farm inputs (e.g., biological crop protection or drip irrigation). • Environmentally sustainable fishery and aquaculture. • Forestry, afforestation or reforestation. • Preservation/restoration of natural landscapes. • Nature- and/or ecofriendly tourism solutions related to the above.
Climate change adaptation	<ul style="list-style-type: none"> • Efforts to make infrastructure more resilient to climate change impacts. • Investments in information support systems such as climate observation and early warning systems.

Eligible Main Category	Eligible Project Criteria
Tourism and recreation	<ul style="list-style-type: none"> • Nature-based freshwater and marine visitor centers, certificates, and/or programs showcasing the environment and biodiversity, and disseminating research and knowledge about rivers, lakes, wetlands, reefs, and other aquatic ecosystems. • Licensed certified sustainable tourism in areas close to a water body and coastal regions with inclusive livelihood elements and business opportunities, such as resorts, hotels, boat operators, sailing schools, and diving centers
Ocean-friendly products, marine biotechnology and chemicals (including circular economy adapted products)	<ul style="list-style-type: none"> • The sustainable collection of excess natural organic (plant) or aquatic and marine origin material (such as Sargassum seaweed) and conversion to new sustainable products or substances with alternative use and value without disrupting local ecosystems • Household products that are made from sustainable raw materials and that can replace existing harmful products or reduce nitrogen and phosphorus loads in the aquatic environment • At least a 20 percent reduction per unit of product or replacement of phosphate-based or nitrogen-based synthetic fertilizers with sustainable alternatives and biodegradable fertilizers and supplements, in areas connected to rivers or coastal water basins. • Alternative low carbon and biodegradable fibers (such as Lyocell) substituting for fossil-based fibers (for example, polyester) in the value chains of the medical, apparel, and other industries. • Biodegradable plant-based plastics and packaging, or compostable plastics and packaging, in locations where compostable facilities are readily available • Use of recycled or reused plastics for manufacturing in a circular economy approach in areas connected to rivers or coastal water basins. • Plastics collection and recycling facilities, substitution of plastic packaging with sustainable and biodegradable materials, and reusing or repurposing of plastics in areas close to a water bod
Transport and shipping	<ul style="list-style-type: none"> • Electric vessels, wind-powered vessels, and other vessels using low-emission hydrogen-based fuels (including fuel cell vessels), associated enabling infrastructure such as charging infrastructure (including both renewable electric shore power and/or renewable offshore charging points) and storage and bunkering infrastructure for low-emission hydrogen-based fuels • Technology-based tracking, monitoring, mapping, and analytical tools and/or alternate routing practices to protect life under the water • Ballast water treatment in vessels to comply with the International Convention for the Control and Management of Ships’ Ballast Water and Sediments (BWM Convention) to avoid the spread of invasive alien species • Non-chemical water treatment equipment and facilities (such as membrane bioreactors and UV radiation) for all blackwater and greywater generated from ports and vessels • Bilge water treatment systems and equipment in shipping vessels • Maritime noise pollution reduction technology, measurement, and equipment in shipping vessels • Vessel recycling and/or repurposing

Eligible Main Category	Eligible Project Criteria
	<ul style="list-style-type: none"> • . Systems, technology, and measurement that facilitate the improvement of oil (fuel) spill prevention, risks safeguard, and recovery facilities • Solid waste and other waste receiver facilities at ports and terminals for the collection and treatment of garbage and waste
Fisheries and aquaculture	<ul style="list-style-type: none"> • Sustainable land-based aquaculture production of high-value niche products, such as crustaceans, sea urchins, ornamental corals, and fish • Sustainable cultivation of bivalves for algae and nutrient removal in eutrophic coastal waters • Sustainable production of algae and other marine micro or macro-organisms to produce food, feed, pharmaceuticals, cosmetics, or other bio-based products through biotechnological applications • Cold chain and storage for small and medium-sized³² fishing in areas with sustainable fishing quotas • Medium to large-scale processing and product development, with an emphasis on pelagic species, such as fish loins, sashimi-grade fish, and bycatch in jurisdictions with enforced sustainable fishing quotas. • Small to medium-scale biorefineries for fish processing byproducts (for example, oil, collagen, amino acid, and mineral production) in jurisdictions with enforced sustainable fishing quotas. • Fisheries that meet, keep, or exceed the Marine Stewardship Council certification³³ standard (MSC) or equivalent. • Aquaculture that meets, keeps, or exceeds the Aquaculture Stewardship Council certification standard (ASC) or equivalent. • Production, trade, or retail of seafood products with the blue Marine Stewardship Council label or Aquaculture Stewardship Council label. • Traceability systems to ensure the sustainability of operations, facilities, and supply chains in the fishing industry. This investment should meet, keep, or exceed the Marine Stewardship Council certification for the chain of custody certification for suppliers of seafood products. • Information systems, technology, and instruments deployed for monitoring, measuring, tracking, and reporting physical and chemical indicators of the water body to achieve sustainable fishery and aquaculture management. This could include systems with drones, autonomous sailing vessels, autonomous underwater vehicles, and ocean buoys, among other technologies. • Fishery Improvement Projects registered with the International Seafood Sustainability Foundation.
Habitat restoration and protection of coastal, marine, and watershed environments	<ul style="list-style-type: none"> • Field identification, extraction, and testing of water body and ocean organisms to expand knowledge of aquatic and marine biodiversity and the protection of these ecosystems • Conservation, improvement, and restoration of freshwater, marine, and coastal ecosystems, preferably using an ecosystem management approach, including supporting innovative governance structures suitable for private and public investments. These systems include, but are not limited to wetlands, coral reefs, mangroves, seagrass meadows, and tidal marshes. Information systems, technology, and instruments deployed for monitoring, measuring, tracking, and reporting physical and chemical indicators of a water body to

Eligible Main Category	Eligible Project Criteria
	<p>achieve water-related ecosystem restoration and disaster resilience. This could include systems with drones, autonomous sailing vessels, autonomous underwater vehicles, and ocean buoys, among other technologies. New restoration techniques, such as artificial reef restoration structures using biodegradable potato starch, mangrove and seagrass planting, and coral reef restoration projects.</p> <ul style="list-style-type: none"> • New technology, such as marine robotics,38 to control invasive species, including but not limited to plankton, crustaceans, and mollusks. • Critical coastal ecosystem-based adaptation activities, including protection, restoration, and sustainable management of coastal blue carbon ecosystems. • Establishment, expansion, and management of Marine Protected Areas (MPAs) and Other Effective Area-Based Conservation Measures (OECMs) for coastal conservation, marine habitat protection, and restoration • Systems, technology, and measurement that facilitate the identification and prevention of illegal marine wildlife/species trade (including corals). • Conservation, improvement, and restoration of natural hydrological and sediment flows. • Offshore wind energy facilities, such as wind farms that do not harm marine ecosystems with additional features such as fishery sanctuaries for juveniles of certain marine species, substantial artificial reef elements, and other measures promoting marine biodiversity.

Social Eligible Categories

Eligible Main Category	Eligible Project Criteria
Affordable basic infrastructure	<ul style="list-style-type: none"> • Clean drinking water • Sewers • Sanitation • Transport (road transportation infrastructure) • Energy • Note: The UOP from this category will be targeted at the general public with heightened emphasis on women entrepreneurs and women led commercial entities as a separate target group
Access to essential services	<ul style="list-style-type: none"> • Health and medical services • Education and vocational training • Healthcare • Financing and financial services (e.g. SME lending) • Note: NDBs SME are definition is guided by the Sri Lanka Ministry of Industry National Policy Framework for Small Medium and Enterprise (SME) Development
Employment Generation and unemployment alleviation	<ul style="list-style-type: none"> • Programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises • Projects designed to promote and develop sustainable tourism products and services (e.g. cultural heritage preservation and interpretation, wildlife

Eligible Main Category	Eligible Project Criteria
	preservation, landscape restoration, and sustainable energy interventions for hospitality establishments).
Food security and sustainable food systems	<ul style="list-style-type: none"> • Physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements (e.g. food supply chain investment in transportation, storage, and packing systems). • Resilient agricultural practices (e.g. climate-resilient agricultural practices such as drip irrigation, intercropping, and mix cropping; the promotion of tolerant breeds in livestock and poultry; projects for improved resiliency of agricultural practices against climate variations) • Reduction of food loss and waste. • Improved productivity of small-scale producers (e.g. improved agro-technologies and out-grower models)

b. Sustainability Linked Loan Financing

Sustainability Linked Loans (SLLs) aims to incentivize the Bank’s borrowers to pursue their sustainability performance objectives. SLLs are forward looking and performance based and follows the Guidelines for Sustainability Linked Loan Financing Bonds (SLLBG) of ICMA.

SLLB’s are a type of bond instrument where the proceeds or an equivalent amount are exclusively applied to finance or refinance, in part or in full a portfolio of new and/or existing SLLs aligned with the SLLP and are aligned with the four components of the SLLBG.

The Bank’s SLLs aim to promote sustainability performance-driven lending and high-quality standards in the sustainable finance markets, as well as to complement the Bank’s loan offering, particularly for,

- Borrower’s in hard-to-abate sectors or decarbonization critical sectors, where transition in corporate operations may be more relevant for delivering impact than financing specific assets;
- Borrowers whose sustainability transition does not rely heavily on investment in fixed assets and for whom the material aspect is their value chain’s sustainability performance; and
- Borrowers who want to improve their sustainability performance in other aspects or sectors material to them

To avoid double counting assets as outlined in the SLLBG, the Sustainability Linked Loans Financing Bonds are not considered Green, Social, Sustainability or Sustainability-Linked Bonds (GSS+ Bonds), but there are similarities. An eligible loan will not be included as an eligible green asset or social asset for the Use of Proceeds issued under the Bank’s Framework.

The SLLs are connected to Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) which are agreed with the borrowers. The Bank’s Business Lines and ESG Management Committee will work together to identify ambitious, credible and material targets that will help improve the borrower’s sustainability performance. Eligible SLLs which are selected for inclusion in the SLL Eligible Portfolio, must have at least one KPI.

The below section outlines the eligibility criteria for an SLLs to be included in the SLL Eligible Portfolio:

- SLLP Alignment: All eligible SLLs should be aligned with the most recent SLLP readily available at the time of the SLL agreement to increase transparency
- KPIs: Eligible SLLs must have at least one KPI. The use of KPIs is at the Bank's discretion and will be based on the UN Sustainability Development Goals among the other applicable framework.
- Forward Looking Assessment: At the time of inclusion, each SLL must have at least one remaining KPI trigger point.
- Compliance with the Bank's Processes and Policies: All eligible SLL's must comply with the Bank's Exclusion List as provided in Annexure 1 of the Bank's GSS+ Bond Framework. Additionally the borrower is expected to demonstrate adequate ESG performance.
- Sector Eligibility: Non eligible sectors are listed in the Bank's Exclusion List

2.2. Use of Proceeds and criteria for borrowers

The Bank to provide funding for eligible projects through its loans and leasing facilities for aforementioned project categories which promote a sustainable economy, adhering to the exclusion criteria under Annexure 1 of the GSS+ Bond Framework

2.3. Contribution to the United Nations Sustainable Development Goals (UNSDGs)

- SDG 1: No Poverty
- SDG 2: Zero Hunger
- SDG 3: Good Health and Well-Being
- SDG 4: Quality Education
- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action
- SDG 14: Life Below Water
- SDG 15: Life on Land

3. Evaluation and Selection of Eligible Projects

a. Green, Social, Blue and Sustainable Bonds

The evaluation and selection of Projects under the Bank's GSS+ Bond Framework are designed to ensure alignment with its strategic objective of promoting a sustainable economy. The process involves several key steps:

- **Governance and Oversight:** Projects financed and/or refinanced through GSS+ Bond proceeds are evaluated and selected in line with the defined Eligibility Criteria. Overall responsibility for GSS+ Bond issuances rests with the Bank’s ESG Management Committee, which has been approved by the Board of Directors and operates under a Board-approved Terms of Reference.

The ESG Management Committee oversees the implementation of the GSS+ Bond Framework, manages any future updates (including expansion of eligible categories), and reports to the ESG Board Sub-Committee. Where project complexity warrants, the Committee may engage independent third-party experts on a best-efforts basis to support the assessment of non-financial and ESG impacts. The Committee comprises senior representatives from Finance, Risk Management, Strategy, Sustainability, and key business lines, with additional members invited as required.
- **Identification of Eligible Projects:** Potential borrowers and projects are identified by NDB’s Business Lines. The evaluation of these projects follows the Bank’s standard loan appraisal process and is aligned with:

 - NDB’s Credit Policy
 - Environmental and Social Risk Management (ESRM) Policy and Manual
 - Applicable national and international environmental and social standards and local laws

Business Lines are responsible for confirming that proposed projects meet the Eligibility Criteria for Use of Proceeds under the GSS+ Bond Framework.

- **Preliminary Assessment and Due Diligence:** Business Lines engage with potential borrowers to obtain preliminary information, including project feasibility reports, sponsor background, and financial statements. Upon receipt of a financing request:

 - The Treasury Department supports facility pricing based on initial screening.
 - An indicative quotation is issued, and upon customer acceptance, the formal evaluation begins.
 - Credit reports from the Credit Information Bureau of Sri Lanka (CRIB) and Flash Reports are generated and reviewed.
- **Environmental and Social Risk Assessment**

 - Project site visits are conducted
 - Environmental and Social Due Diligence (ESDD) is carried out in line with Central Environment Authority requirements
 - A comprehensive credit appraisal report is prepared, incorporating technical, environmental, and social risk assessments.

Projects are classified as High, Medium, or Low Risk based on E&S risk evaluation. Where applicable, compliance with IFC Performance Standards (IFC PS) is assessed. Mitigation and remedial measures are determined in accordance with the ESRM Policy and Manual. Business Lines report quarterly on E&S due diligence outcomes to the Integrated Risk Management Committee (IRMC) through the ESMS Officer.

- **Credit and ESG Review:** The detailed appraisal report is first reviewed by the relevant Approving Authority or Corporate Credit Committee. To confirm eligibility for allocation under GSS+ Bond proceeds, the ESG Management Committee verifies that the project meets the Eligible Criteria for Use of Proceeds.
- **Final Approval and Legal Clearance:** Following ESG confirmation, the amended appraisal report is submitted to the appropriate approving authority (Corporate Credit Committee, CEO, Board Credit Committee, or Board of Directors) for final approval. Legal due diligence and security clearances are conducted in parallel with the approval process.

b. Sustainability Linked Loan Financing

Notwithstanding the procedure listed above, when assessing SLL, additional aspects such as the ambition level of the SPTs, the consistency of the SPTs with the borrower’s overall sustainability objectives or sustainability strategy, the benchmarking of the SPTs and how the borrower intends to reach the SPTs are considered.

SLLs should aim to be ambitious, meaning they should represent a material improvement in the respective KPIs and go beyond “business-as-usual” trajectory.

The governance structure related to SLLs and SLLBs is similar to that applied to Green, Social, Blue and Sustainable Bonds.

The Bank will require the borrowers to report annually on the KPIs and SPTs. In addition, the Bank will require external verification of the KPIs performance and the achievement of the SPTs.

Appropriate monitoring of the performance and the disqualification assessment process for KPIs is a critical component of the Bank’s GSS+ Bond Framework. To this effect the Bank performs an annual performance monitoring of the KPIs. This will involve a review of the progress made towards the KPIs and each is assessed to determine whether it is “on track”, “progressing”, “not progressing” or “missed”. The borrower’s performance KPIs performance is assessed on a trigger date, which will be set annually but can change based on a case by case basis.

A disqualification assessment will be determined whether a loan will remain in the SLL Eligible Portfolio. It evaluates the magnitude of the failure and takes into account when determining the appropriate course of action. The Assessment Thresholds for SLLs are provided in the GSS+ Bond Framework of the Bank.

4. Management of Proceeds

a. Green, Social, Blue and Sustainable Bonds

The Treasury Department of the Bank oversees the management of net proceeds from each GSS+ Bond issued.

- **Management of Unallocated Proceeds:** Any unallocated GSS+ Bond proceeds will be temporarily held or will be invested in its treasury liquidity portfolio. At the discretion, the portfolio may include cash or other short-term and liquid instruments. These temporary investments will comply with NDB’s ESRM Manual Exclusion List and the EDFI Exclusion List.

- **Reallocation of Proceeds:** The Bank applies ongoing oversight through its annual credit review process to ensure financed projects remain eligible under the GSS+ Bond criteria. If a project no longer meets the eligibility requirements, the proceeds are reallocated to another qualifying project to ensure continuous alignment with the bond’s use of proceeds objectives.
- **Sustainability Loan Portfolio Management:** The Bank will maintain a Sustainability Loan Portfolio equal to the total net proceeds of all outstanding GSS+ Bonds. The portfolio will be regularly updated to reflect repayments, refinancings, and new eligible loans, which will be flagged at disbursement through a dedicated GSS+ Bond product category in the Bank’s core banking system.

b. Sustainability Linked Loans Financing Bonds

The net proceeds or an amount equal to the net proceeds of the SLLB will be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by a Bank in an appropriate manner and attested to by the Bank in a formal internal process for eligible SLLs.

As long as the SLLB is outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible SLLs made during that period.

The Bank will also make known to investors the intended types of temporary placement for the balance of unallocated net proceeds, until full allocation is completed, via interim financial statements/ annual reports released to the Colombo Stock Exchange/ other exchange as applicable.

5. Allocation of Proceeds

The net proceeds from the issuance of Basel III compliant GSS+ Bonds will be used for financing new projects and refinancing existing projects that meet the eligibility criteria under the Bank’s GSS+ Bond Framework. The proceeds are expected to be fully allocated within 24 months of issuance, with refinancing limited to finance projects no older than three years, from the date of allotment of Bond proceeds to be a minimum of 10.0% of net proceeds. Remaining proceeds will be utilized for financing new projects with a minimum 50.0% allocation of net proceeds. Management of proceeds will follow the Bank’s internal procedure manuals.

The proceeds of the LKR 16 Billion Basel III compliant GSS+ Bond issuance will be allocated in accordance with the minimum allocation thresholds set out below. These minimum allocations apply for the Category regardless of the purpose being financing or refinancing initiatives.

Category	Minimum Allocation (LKR’ Mn)
Green (Including Blue)	1,000.0
Social (Including Gender)	1,000.0
Sustainability	25.0
Sustainability-Linked	25.0

Please note that, ‘Blue’ Projects are a sub-category of ‘Green’ and ‘Gender’ Projects are a sub-category of ‘Social’. Accordingly, minimum allocations for Green/Blue and Social/Gender Projects are presented on a combined basis.

6. Reporting

a. Green, Social, Blue and Sustainable Bonds

The Bank will publish reports on the utilization of proceeds of the Basel III compliant GSS+ Bonds in accordance with the requirements of the CSE Listing Rules. Accordingly, the Bank will submit to the CSE a report on the utilization of proceeds of the Basel III compliant GSS+ Bonds, based on the tracking undertaken through the Bank's internal processes as disclosed in the Prospectus, signed by two (02) Directors of the Bank, for dissemination to the market.

Such reporting will be made as specified below until the proceeds allocated to the eligible GSS+ Projects are fully utilized:

- i. on a quarterly basis, together with the Bank's quarterly financial statements; and
- ii. within twelve (12) months from the date of issuance of the Bonds and thereafter on an annual basis, together with the Bank's Annual Report

The reports will present the allocation and impact of bond proceeds in the Sustainable Loan Portfolio, both by category and in aggregate for all sustainable bonds. An independent third party will provide limited assurance on the allocation of proceeds annually until full disbursement. Investor communications will include a list and brief description of funded projects and their positive impacts, a summary of environmental and social impacts, information on temporary investments of unallocated proceeds, and the amount or percentage of new financing versus refinancing. Reporting may be aligned with other investor communications, such as the Annual Report, and impact reporting will follow ICMA's Harmonized Framework for Impact Reporting, including recommended metrics and sector-specific guidance. For further details on the impact indicators, related to Impact Reporting, please refer Section 3.1 of the Bank's GSS+ Bond Framework.

b. Sustainability Linked Loans Financing Bonds

The Bank will publish an annual SLLB report in the Bank's Annual Report and will include detailed information where possible on the SLLs to which the SLLB proceeds have been allocated, in particular with respect to:

- the amount of SLLB allocated and/or size of the portfolio of eligible SLLs
 - the sector and geography of the borrowers
 - information on, including achievement of, KPIs/ SPTs in combination with the underlying sector of the borrowers
- information on the year of origination of the eligible SLLs; and information on disqualified SLLs and newly added SLLs.

7. External Review

The Bank has obtained an Independent External Verification in the form of a Pre-Assurance Report to confirm alignment of its GSS+ Bond Framework with the Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, Sustainability Bond Guidelines (SBG) 2021 and Guidelines for Sustainability Linked Loans Financing Bonds (SLLB) 2024 published by the International Capital Markets Association (ICMA), the Sustainability Linked Loan Principles (SLLP) by the Loan Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (2022) issued by the Central Bank of Sri Lanka where applicable, before issuance.

The verifier will provide a Post-Issuance Assurance Report after 12 months, reviewing processes, allocations and impacts. Thereafter, annual allocation and impact reports will be externally reviewed and published abridged form on the Bank’s website and will be submitted to the CSE in due course.

Specific risks relating to objectives of the Basel III compliant GSS+ Bond Issue

The risk of undersubscription of the Basel III compliant GSS+ Bond Issue will be greatly mitigated through appointing experienced Managers to the Issue, pre-marketing and building a pipeline of potential Qualified Investors.

Dependence of proceeds of the Issue to achieve the objectives is marginal, as the Bank in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.

No further shareholder approval will need to be sought in the event the Basel III compliant GSS+ Bond Issue is not fully subscribed.

It is expected that the Basel III compliant GSS+ Bond proceeds will be fully allocated within a period of 24 months from the Date of Allotment. In the event where the funds are not utilized immediately upon the receipt of funds, the Bank intends to invest these funds in its treasury liquidity portfolio. At the discretion, the portfolio may include cash or other short-term and liquid instruments

There is no specific risk factor that may lead to non-achievement of expansion targets pertaining to the Bank’s loans and advances portfolio within the specified timeline via the proceeds of the Issue up to a maximum of LKR 16.0 Bn.

The utilization of the proceeds of the Basel III compliant GSS+ Bond Issue will be disclosed in the Annual Report and the Interim Financial Statements of the Bank in the following format from the Issue Opening Date and until the objectives of the Basel III compliant GSS+ Bond Issue are achieved.

However, in the highly unlikely event of the Bank failing to lend these funds, for the aforementioned objective within the aforementioned time-frame, due to any unforeseen reason, these funds would continue to remain invested in its treasury liquidity portfolio. At the discretion, the portfolio may include cash or other short-term and liquid instruments, until an alternative objective is pursued. The Bank undertakes that in such an unlikely scenario, it will make the necessary market announcements and disclosures (as applicable), as per the relevant CSE Listing Rules.

Basel III compliant GSS+ Bond Issue proceeds utilization as at (dd-mm-yyyy)

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of allocation as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related parties, etc.)
1	To improve the Capital Adequacy Ratio	Maximum issue of LKR 16.0 Bn	Upon the allotment of the Basel III compliant GSS+ Bonds to include the	To be disclosed in the Annual Report and the Interim Financial Statements				

			amount raised via the Basel III compliant GSS+ Bonds under Tier 2 capital base					
2	To Support the Bank's balance sheet growth through financing GSS+ Projects		Over a period of 24 months from the Date of Allotment	To be disclosed in the Annual Report and the Interim Financial Statements				

The proceeds of the LKR 16 Billion Basel III compliant GSS+ Bond issuance will be allocated in accordance with the minimum allocation thresholds set out below. These minimum allocations apply for the Category regardless of the purpose being financing or refinancing initiatives.

Category	Minimum Allocation (LKR'Mn)
Green (Including Blue)	1,000.0
Social (Including Gender)	1,000.0
Sustainability	25.0
Sustainability-Linked	25.0

In the event the funds raised through the Basel III compliant GSS+ Bond Issue are fully utilized by the Bank in terms of the objectives disclosed in the Prospectus between two financial periods, the Bank to disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first as per the above template.

5.5 PAYMENT OF INTEREST

The Basel III compliant GSS+ Bonds will carry fixed rates of interest as described below, payable on the respective Interest Payment Dates:

Basel III compliant GSS+ Bond Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed	5 Years	11.50%	11.50%	Annual
Type B	Fixed	5 Years	11.04%	11.51%	Quarterly
Type C	Fixed	7 Years	11.85%	11.85%	Annual

The interest rate has been determined giving consideration to the National Development Bank PLC's rating as Issuer, the instrument rating, market conditions and features of the instrument, including the "convertible feature".

Interest on the Basel III compliant GSS+ Bonds accruing on a daily basis will be paid annually for Type A and C Basel III compliant GSS+ Bonds and quarterly for Type B Basel III compliant GSS+ Bonds as applicable from the Date of Allotment until the Date of Redemption (Interest Period is inclusive of the Date of Allotment and exclusive of the Date of Redemption) on the outstanding Principal Sum.

The interest due on the Basel III compliant GSS+ Bonds for a particular Interest Period will be calculated based on the actual number of days (irrespective of holidays) in such Interest Period (actual/actual) and will be paid not later than three (03) Working Days from each Interest Payment Date.

In order to accommodate the Basel III compliant GSS+ Bond interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Basel III compliant GSS+ Bond Holders holding Basel III compliant GSS+ Bonds in the CDS as of the Entitlement Date.

Upon the occurrence of the “Trigger Event”, the Bank shall be required and entitled to issue and within twenty (20) days to allot ordinary voting shares of the Bank ranking equal and *pari passu* with the existing ordinary voting shares, to the Basel III compliant GSS+ Bond Holders up to the outstanding balance of such Basel III compliant GSS+ Bonds including the total Par Value of the Basel III compliant GSS+ Bonds and unpaid and accrued Basel III compliant GSS+ Bond interest (if any). As such upon issuance of ordinary voting shares as above, no interest will be accrued on Basel III compliant GSS+ Bonds thereafter, **as the Basel III compliant GSS+ Bonds will cease to exist.**

5.6 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Basel III compliant GSS+ Bonds will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Basel III compliant GSS+ Bond Holders.

5.7 REDEMPTION OF BASEL III COMPLIANT GSS+ BONDS AND CONSEQUENCE OF A TRIGGER EVENT

Redemption of Basel III compliant GSS+ Bonds

Redemption of the Basel III compliant GSS+ Bonds will take place on the respective Date of Redemption as described below in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Basel III compliant GSS+ Bonds will be paid not later than three (03) Working Days from the Date of Redemption.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and interest shall be paid for each calendar day up to the date immediately preceding such Market Day. It should be noted that no interest on interest would be payable for the aforesaid interim period.

These Basel III compliant GSS+ Bonds shall not be redeemed by the Bank prior to maturity for any reason whatsoever except due to the occurrence of an Event of Default contemplated in Clause 10.1 of the Trust Deed. The Basel III compliant GSS+ Bond Holder shall not have any right or option to call for Redemption of the Basel III compliant GSS+ Bonds before the date of maturity of such Basel III compliant GSS+ Bond. However, if a Trigger Event occurs prior to maturity, the Basel III compliant GSS+ Bond will get converted to ordinary voting shares ranking *pari passu* with the existing ordinary voting shares of the Bank.

Trigger Event

A “Trigger Event” is determined by and at the sole discretion of the Governing Board of the Central Bank of Sri Lanka, and is defined in the Banking Act Direction No. 1 of 2016 of Web Based Return Code 20.2.3.1.1.1 (10) (iii) (a & b) as a point/event is the earlier of;

- a) “Decision that a write down, without which the Bank would become non-viable, is necessary, as determined by the Governing Board OR,

b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by Governing Board”.

Conversion Price

Outstanding balance of the Basel III compliant GSS+ Bonds including the total Par Value of the Basel III compliant GSS+ Bonds and accrued unpaid Basel III compliant GSS+ Bond interest (if any), will be converted at an issue price of such ordinary voting shares which will be based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange during the three (03) months period, immediately preceding the date of the Trigger Event.

Averaging out of the VWAP over a period of Three (03) months preceding the Trigger Event as opposed to a shorter window closer to the Trigger Event, is aimed at smoothing out price effects.

If the prevailing three (03) month Volume Weighted Average Share Price (VWAP) at the time of the Trigger Event is low, it would result in a comparatively higher number of ordinary voting shares being issued to the Basel III compliant GSS+ Bond Holders. Alternately, where a higher three (03) month VWAP prevails at the time of the Trigger Event it would result in a comparatively lower number of ordinary voting shares being issued to Basel III compliant GSS+ Bond Holders.

Issuance of ordinary voting shares upon occurrence of a Trigger Event

Based on above conversion mechanism the outstanding balance of the Basel III compliant GSS+ Bonds will get converted to ordinary voting shares. In the event of any Basel III compliant GSS+ Bond Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.

Applicable timelines

Upon the occurrence of the Trigger Event as determined by the Governing Board of the Central Bank of Sri Lanka, the Bank shall be required and entitled to issue and within twenty (20) days to allot ordinary voting shares of the Bank ranking equal and *pari passu* with the existing ordinary voting shares to the Basel III compliant GSS+ Bond Holders as of the Trigger Date, up to the outstanding balance of such Basel III compliant GSS+ Bonds including the total Par Value of the Basel III compliant GSS+ Bonds and unpaid and accrued Basel III compliant GSS+ Bond interest (if any) at an issue price for such ordinary voting shares which will be based on the Conversion Price.

The CDS upload pertaining to ordinary voting shares will be completed within 10 Market Days from the Date of Allotment of such shares. In the event of any Basel III compliant GSS+ Bond Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share within fourteen (14) Market Days from the Date of Allotment of the said ordinary voting shares.

Market Announcements

The Bank on receipt of a Trigger Event notification from the Central Bank of Sri Lanka will immediately make a market announcement of the same and further announce the “Conversion Price” and “dates” (i.e. Trigger Event date, Date of Allotment and CDS upload date) pertaining to such conversion of Basel III compliant GSS+ Bonds to ordinary voting shares.

Compliance with applicable laws and regulations

Issue of any new ordinary voting shares due to occurrence of a Trigger Event, would be carried out in compliance with the applicable laws and regulations of Sri Lanka, including any regulations applicable on 'material interest that a shareholder may hold' in terms of the Banking Act No 30 of 1988 (as amended).

Non-Occurrence of a Trigger Event

The proposed Type A and B Basel III compliant GSS+ Bonds will be redeemed after 5 years, Type C Basel III compliant GSS+ Bonds will be redeemed after 7 years respectively from the Date of Allotment of such Basel III compliant GSS+ Bonds and the Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Basel III compliant GSS+ Bonds will be paid not later than three (03) Working Days from the Date of Redemption, unless otherwise a 'Trigger Event' occurs as detailed above.

5.8 PAYMENT METHOD

Payment of principal and interest will be made after deducting taxes at source, (if applicable) in Sri Lanka Rupees to the registered Basel III compliant GSS+ Bond Holders only as of the Entitlement Date. In the case of joint Basel III compliant GSS+ Bond Holders, the payment of Principal Sum and interest will be made to the one whose name stands first in the register of Basel III compliant GSS+ Bond Holders on the date of payment.

In the event accurate bank account details are provided to the CDS by the Basel III compliant GSS+ Bond Holders, the payment of Principal Sum and interest shall be made to Basel III compliant GSS+ Bond Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the Qualified investor) or SLIPS. RTGS transfers however shall be accommodated only for amounts over and above the maximum value of Rupees Five Million (LKR 5,000,000/-) that can be accommodated via SLIPS transfers.

If the Basel III compliant GSS+ Bond Holder has not provided to the CDS accurate and correct details of his/her/its/their bank account for the payment of Principal Sum and interest, such payment to the Basel III compliant GSS+ Bond Holder will be posted to the address registered with the CDS through registered post to the Basel III compliant GSS+ Bond Holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within three (03) Working Days from the end of each period.

It is the responsibility of the Non-Resident and Foreign Qualified Investors to ensure that their IIA through which they invest for Basel III compliant GSS+ Bonds is recorded correctly against the records in CDS to dispatch their Basel III compliant GSS+ Bond interest payments.

5.9 TRUSTEE TO THE ISSUE

Bank has entered into an agreement with People's Bank who will act as Trustee to the Issue. Basel III compliant GSS+ Bond Holders in their Application Forms for subscription will be required to authorize the Trustee, to act as the agent in entering into such deeds, writings and instruments with the Bank and to act as the Agent and Trustee for the Basel III compliant GSS+ Bond Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Basel III compliant GSS+ Bonds will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be Sri Lanka Rupees Four Hundred thousand (LKR 400,000/-) per annum (payable semi-annually) excluding any taxes and other reimbursable expenses. Trustee/ its directors have no conflict of interest with the Bank.

In the event the Trustee subscribes to the Basel III compliant GSS+ Bond Issue, the Bank will make an immediate announcement to the market giving out information on the number of Basel III compliant GSS+ Bonds acquired by the Trustee.

5.10 INDEPENDENT EXTERNAL REVIEWER

The Bank has appointed Deloitte Partners Sri Lanka as the Independent External Reviewer for the issuance. The Independent External Reviewer has agreed to provide a verification in the form of a written report for National Development Bank PLC's GSS+ Bond Framework, in accordance with the Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, Sustainability Bond Guidelines (SBG) 2021, Guidelines for Blue Finance 2022 and Guidelines for Sustainability-Linked Loans financing Bonds 2024 Published by International Capital Market Association (the "Criteria"). The Independent External Reviewer has no conflict of interest with the Company and remains fully independent until the GSS+ Bonds reach maturity.

Key Personnel involved in the verification report provided by the Independent External Reviewer:

- Chathumin Gunarathne (Partner)
- Sharnila Henry (Partner)
- Senani Liyanage (Quality Review Manager)
- Saviesha Samaraweera (Assistant Manager)

Past Experience of the Independent External Reviewer:

Verification credentials of Deloitte Partners in the Sri Lankan market are as follows:

Name of Client	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
Resus Energy PLC	2025	Green	Green Bond principles 2021 published by ICMA (With June 2022 Appendix)	Renewable Energy
Alliance Finance Company PLC	2025	Social	Social Bond principles, June 2023, published by ICMA	Expanding access to finance for marginalized communities Supporting women-led enterprises Promoting job creation, skills development Community empowerment initiatives
Alliance Finance Company PLC	2025	Green	Green Bond principles 2021 published by ICMA (With June 2022 Appendix)	Renewable energy
Sarvodaya Development Finance PLC	2025	Sustainable	Green Bond principles 2021 published by ICMA (With June 2022 Appendix), Sustainability Bond Guidelines (2021), Social Bond Principles (2023)	Combination of green and social projects

Deloitte Partners Sri Lanka is a member of Deloitte Touche Tohmatsu Limited. Deloitte member firms bring extensive experiences in delivering GSS+ bond verification services. Some of the engagements carried out by the Deloitte member firms are as follows.

Name of Client	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
Belfius Bank SA/NV	2025	Social Bond	International Capital Market Association (ICMA)'s Social Bond Principles ("SBP") 2023 edition.	Access to essential services, Affordable Housing, Socio Economic advancement and empowerment
Severn Trent PLC	2022	Sustainable Bond	ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), and the LMA Green Loan Principles (GLP) and Sustainability Linked Loan Principles (SLLP)	Affordable basic infrastructure, Socioeconomic advancement and empowerment
Fraser Logistics and Commercial Trust	2021	Sustainable Bond	Green Bond Principles ("GBP") 2021, Sustainability Bond Guidelines ("SBG") 2021 and Sustainability Linked Bond Principles ("SLBP") 2020 issued by the International Capital Market Association, and the Green Loan Principles ("GLP") 2021 and Sustainability Linked Loan Principles ("SLLP") 2021 issued by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association	Real estate / Green Buildings
Fraser Centrepont Trust	2021	Sustainable Bond	Green Bond Principles ("GBP") 2021, Sustainability Bond Guidelines ("SBG") 2021 and Sustainability Linked Bond Principles ("SLBP") 2020 issued by the International Capital Market Association, and the Green Loan Principles ("GLP") 2021 and Sustainability Linked Loan Principles ("SLLP") 2021 issued by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association	Real estate / Green buildings
Frasers Property Australia Pty Limited ("FPA") and Frasers Property Industrial Australia Pty Limited ("FPIA")	2021	Sustainable Bond	Green Bond Principles ("GBP") 2021, Sustainability Bond Guidelines ("SBG") 2021 and Sustainability Linked Bond Principles ("SLBP") 2020 issued by the International Capital Market Association, and the Green Loan Principles ("GLP") 2021 and Sustainability Linked Loan Principles ("SLLP") 2021 issued by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association	Real estate / Green

Name of Client	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
KB Financial Group	2020	Social Bond	Social Bond Principles and Sustainability Bond Guidelines, which are international standards enacted by the International Capital Market Association	<ul style="list-style-type: none"> •Basic infrastructure •Basic services • Finance to supply housing to the vulnerable and low-income groups • Finance for housing tenants for the vulnerable and low-income groups • Finance for the low-income class and vulnerable groups •Creating jobs •Supporting SMEs •Supporting startups and ventures •Supporting social enterprises

Key members who have involved in the external verification for National Development Bank PLC are having experiences in delivering external audit and sustainability verification services for listed and multinational companies including non-banking financial institutions.

The pre-issuance verification engagement covered key aspects of the GSS+ Bond Framework, ensuring alignment Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, Sustainability Bond Guidelines (SBG) 2021, Guidelines for Blue Finance 2022 and Guidelines for Sustainability-Linked Loans financing Bonds 2024 Published by International Capital Market Association and its Pre-Issuance Requirements. The scope of pre-issuance verification engagement included information on material aspects of the GSS+ Bond. Framework which formed the basis for the proposed GSS+ bond is based on the Pre-Issuance Requirements set out in the ICMA Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, Sustainability Bond Guidelines (SBG) 2021, Guidelines for Blue Finance 2022 are as listed below:

- Use of Proceeds
- Process for Project Evaluation & Selection
- Management of Proceeds
- Reporting

Framework which formed the basis for the proposed GSS+ bond is based on the Pre-Issuance Requirements set out in the ICMA Guidelines for Sustainability-Linked Loans financing Bonds 2024 are as listed below:

- Use of Proceeds
- Process for sustainability-linked loan evaluation and selection
- Management of Proceeds
- Reporting

5.11 RATING OF THE BASEL III COMPLIANT GSS+ BOND

Fitch Ratings Lanka Limited has assigned a credit rating of 'BBB+ (lka)' to Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Basel III compliant GSS+ Bonds with a Non-Viability Conversion of up to Rupees Sixteen Billion (LKR 16,000,000,000). A copy of the rating certificate is given in Annexure I of this Prospectus.

The Bank's entity rating as issued by Fitch Ratings Lanka Limited is A (lka) as per the rating action commentary dated 8th September 2025.

The Board of Directors will undertake to keep the Trustee of the Basel III compliant GSS+ Bond Issue and CSE informed on any change to the credit rating of the Basel III compliant GSS+ Bonds when any of the Directors are aware of any changes to the ratings.

You may access the guidelines from Fitch Ratings regarding the Global Bank Rating Criteria (which includes the rating methodology applicable to this particular instrument under the approach set out for going-concern instruments via the link given below;

<https://www.fitchratings.com/research/banks/bank-rating-criteria-15-03-2024>

The Bank's entity rating as issued by Fitch Ratings Lanka Limited is A(lka)/ Stable Outlook as per the rating action commentary dated 19th December 2025.

The Bank will undertake to keep the Trustee and the CSE informed and take steps to make an immediate market announcement on any change to the credit rating of BASEL III compliant GSS+ Bonds.

5.12 RIGHTS AND OBLIGATIONS OF THE BASEL III COMPLIANT GSS+ BOND HOLDERS

a) Basel III compliant GSS+ Bond Holders are entitled to the following rights:

- Receive the interest on the Interest Payment Dates at the interest rate set out in Section 5.5 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.7 of this Prospectus.
- Call and attend meetings of Basel III compliant GSS+ Bond Holders as set out in the Trust Deed.
- Receive a copy of the Annual Report within five (05) months from the financial year end at the same time and in the same manner as an ordinary voting shareholder would receive the same.
- The other rights of the holders of these Basel III compliant GSS+ Bonds as set out in the Trust Deed.
- In the event of the Bank winding up, the claims of the Basel III compliant GSS+ Bond Holders will rank after all the claims of the secured and unsecured creditors of the Bank and the preferential claims under any Statutes governing the Bank, but in priority to and over the claims and rights of the shareholders of the Bank, unless there has been an issuance of ordinary voting shares to the Basel III compliant GSS+ Bond Holders upon the occurrence of a Trigger Event in which case a Basel III compliant GSS+ Bond Holder would cease to be a Basel III compliant GSS+ Bond Holder and would become a shareholder of the Bank to the extent of such issuance and will rank equal and pari passu with existing ordinary and preference shareholders.

b) Basel III compliant GSS+ Bond Holders do not have the following rights:

- Attend and vote at meetings of holders of shares.
- Share the profits of the Bank.
- Participate in any surplus in the event of liquidation.
- Calling for Redemption before maturity, subject to the provisions stated in the Trust Deed.
- Convert the Basel III compliant GSS+ Bonds into ordinary shares at their option.

However, in the event the Basel III compliant GSS+ Bond Holders become shareholders of the Bank, due to the occurrence of Trigger Event as described in Section 5.7 above there would be an entitlement to exercise such rights as are exercisable by the shareholders of the Bank.

- c) Each Basel III compliant GSS+ Bond Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Basel III compliant GSS+ Bond Holder shall absolve the Bank from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS. Provided further that the Basel III compliant GSS+ Bond Holder shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Basel III compliant GSS+ Bond Holders.

5.13 BENEFITS OF INVESTING IN BASEL III COMPLIANT GSS+ BONDS OFFERED BY THE BANK

- a) Provides an opportunity to diversify the investment portfolio of the Qualified Investor.
- b) Provides the Qualified Investor with a regular cash inflow of interest payments.
- c) Provides the Qualified Investor with an opportunity to invest in Basel III compliant GSS+ Bonds issued by a leading Bank in Sri Lanka.
- d) Being listed on the CSE, the Basel III compliant GSS+ Bonds will have a secondary market subject to secondary market trading of these Basel III compliant GSS+ Bonds being limited to 'Qualified Investors' as defined in the Prospectus, thus providing the Qualified Investor with an opportunity to exit at the market price prevailing at the time of divestiture subject to market conditions.
- e) The Basel III compliant GSS+ Bonds may be used as collateral to obtain credit facilities from banks and financial institutions with the exception of the issuing Bank.
- f) Investing in Basel III compliant GSS+ Bonds allows investors to align their investments with their values. It enables them to contribute to GSS+ Projects while potentially enhancing their reputation as socially and environmentally responsible investors.

5.14 RISKS INVOLVED IN INVESTING IN THE BASEL III COMPLIANT GSS+ BONDS

Subscribers to the Basel III compliant GSS+ Bonds could be exposed to the following risks.

(a) Interest Rate Risk

Provided all other factors are equal, the market price of the Basel III compliant GSS+ Bonds will generally fluctuate in the opposite direction to the fluctuation in market interest rates. Thus, the interest rate risk could be identified as the reduction in the market price of Basel III compliant GSS+ Bonds resulting from a rise in interest rates.

(b) Reinvestment Risk

Interest on the Basel III compliant GSS+ Bonds are payable annually for Type A and C Basel III compliant GSS+ Bonds and quarterly for Type B Basel III compliant GSS+ Bonds. A Qualified Investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Basel III compliant GSS+ Bond Holders by reinvesting such interest received being higher or lower than the return offered by the Basel III compliant GSS+ Bonds is known as reinvestment risk.

(c) Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

(d) Subordinated Risk

The Basel III compliant GSS+ Bonds will be the Bank's direct Unsecured obligations which, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), will rank equal with the Bank's other subordinated indebtedness and will be Subordinated in right of payment to the claims of the Bank's depositors and other unsubordinated creditors. Therefore, if, prior to the occurrence of a Trigger Event, the Bank becomes insolvent or is wound-up, the assets of the Bank would first be applied to satisfy all rights and claims of holders of senior indebtedness.

If the Bank does not have sufficient assets to settle claims of such senior indebtedness holders in full, the claims of the holders of the Basel III compliant GSS+ Bonds will not be settled and, as a result, the holders will lose the entire amount of their investment in Basel III compliant GSS+ Bonds. The Basel III compliant GSS+ Bonds will share equally in payment with claims under other subordinated indebtedness if the Bank does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, holders should be aware that, upon the occurrence of a Trigger Event, all the Bank's obligations under the Basel III compliant GSS+ Bond shall be deemed paid in full by the issuance of ordinary voting shares upon a Non-Viability Conversion, and each holder will be effectively further Subordinated due to the change in their status following such a conversion from being the holder of a debt instrument ranking ahead of holders of ordinary voting shares to being the holder of ordinary voting shares. As a result, upon Non-Viability Conversion, the holders could lose all or part of their investment in the Basel III compliant GSS+ Bonds irrespective of whether the Bank has sufficient assets available to settle what would have been the claims of the holders of the Basel III compliant GSS+ Bonds or other securities subordinated to the same extent as the Basel III compliant GSS+ Bonds, in proceedings relating to an insolvency or winding-up.

(e) Credit Risk

Credit risk is also referred to as default risk. This is the risk that the issuer of a Basel III compliant GSS+ Bond may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. Fitch Ratings Lanka Limited has assigned a Long-term Rating of BBB+ (lka) to these Basel III compliant GSS+ Bonds and will be periodically reviewing the same.

(f) Liquidity Risk

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Basel III compliant GSS+ Bonds, the Bank has applied for a listing of these Basel III compliant GSS+ Bonds on the CSE and has received in-principle approval for such listing whereby Basel III compliant GSS+ Bonds through the CSE in order to convert the Basel III compliant GSS+ Bonds to cash and exit from the investment. However, transaction price or bid-ask spread will be dependent upon the marketability, demand, supply and other macro factors such as market interest rates. Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

(g) Basel III compliant GSS+ Bond Risk

GBP (2025), SBP (2025), SBG (2021) and SLLBG (2024) issued by ICMA, SLLP issued by LMA and SLGFT issued by the CBSL serve as a key benchmark for assessing the credentials of Basel III compliant GSS+ Bonds.

When issuing a Basel III compliant GSS+ Bond on the CSE, in terms of Rule 2.2.1 (o) c of the CSE Listing Rule, issuers are required to obtain verification in the form of a written report from an external reviewer to confirm that the Basel III compliant GSS+ Bonds meet the said standards. However, there may be challenges in evaluating the actual environmental and social benefits claimed by Basel III compliant GSS+ Bond issuers.

In the event, the external reviewer cannot confirm that the funds have been utilized for intended objectives as per Section 7 of the CSE Listing Rules, the Bank will take necessary action as defined in Section 12 of the Trust Deed.

Further, it should be noted that these Basel III compliant GSS+ Bonds are subjected to Tier 2 capital rules as per the Banking Act Directions No. 01 of 2016 as opposed to a conventional GSS+ Bonds, therefore no dissenting option would be provided to the Basel III compliant Bond Holders where they could prematurely get their Basel III compliant GSS+ Bonds redeemed in its entirety. As such Rule 7.12.4 (A) (II) (d) of the CSE Listing Rules will not be applicable to the Basel III compliant Bond Holders. In the event CSE ceasing to recognize such debt securities of the Bank as GSS+ Bonds as aforesaid, subject to relevant approvals from CSE and SEC being obtained (if required) such non-recognition may lead the Bank to effect changes to the existing features of the BASEL III compliant GSS+ Bonds along with any other benefits attached thereto.

ADDITIONAL RISKS ARISING FROM THE BASEL III COMPLIANT GSS+ BONDS BEING A BASEL III NON VIABILITY CONVERSION INSTRUMENT

Risks arising from Non-Viability Conversion features

(i) Conversion Risk

Upon the occurrence of a Trigger Event the Bank shall convert the Basel III compliant GSS+ Bonds into ordinary voting shares and any accrued but unpaid interest will be added to the Par Value of the Basel III compliant GSS+ Bonds and such accrued but unpaid interest, together with the principal amount of the Basel III compliant GSS+ Bonds will be deemed paid in full by the issuance of ordinary voting shares. Upon conversion the Basel III compliant GSS+ Bond Holders shall have no further rights and the Bank shall have no further obligations to holders of the Basel III compliant GSS+ Bonds under the Trust Deed. Moreover, Non-Viability Conversion upon the occurrence of a Trigger Event is not an event of default under the terms of the Basel III compliant GSS+ Bond or the Trust Deed.

Potential Qualified Investors in Basel III compliant GSS+ Bonds should understand that, if a Trigger Event occurs and Basel III compliant GSS+ Bonds are converted into ordinary voting shares, the Qualified Investors are obliged to accept the ordinary voting shares even if they do not at the time consider such ordinary voting shares to be an appropriate investment for them and despite any change in the financial position of the Bank since the Issue of the Basel III compliant GSS+ Bonds or any disruption to the market for those ordinary voting shares or to capital markets generally.

(ii) The number and value of ordinary voting shares to be received on a Non - Viability Conversion may be worth significantly less than the Par Value of the Basel III compliant GSS+ Bonds and can be variable.

Upon the occurrence of Non-Viability Conversion even though ordinary voting shares of equivalent value would be initially issued at the VWAP, yet there is no certainty of the value of such ordinary voting shares to be received by the holders of the Basel III compliant GSS+ Bonds being maintained at such levels and the value of such ordinary voting shares could eventually be significantly less than the Par Value of the Basel III compliant GSS+ Bonds.

Moreover, there may be an illiquid market, or no market at all, in ordinary voting shares received upon the occurrence of a Non-Viability Trigger Event, and investors may not be able to sell the ordinary voting shares at a price equal to the value of their investment and as a result may suffer significant loss.

(iii) The Basel III compliant GSS+ Bonds are loss-absorption instruments that involve risk and may not be a suitable investment for all investors

The Basel III compliant GSS+ Bonds are loss-absorption financial instruments designed to comply with applicable banking regulations and involve certain risks. Each potential Qualified Investor of the Basel III compliant GSS+ Bonds must determine the suitability (either alone or with the help of a financial advisor) of the investment in light of its circumstances. In particular, each potential Qualified Investor should understand thoroughly the terms of the Basel III compliant GSS+ Bonds, such as the provisions governing the Non-Viability Conversion, including under what circumstances a Trigger Event could occur.

A potential Qualified Investor should not invest in the Basel III compliant GSS+ Bonds unless he/she has the knowledge and expertise (either alone or with the financial advisor) to evaluate how the Basel III compliant GSS+ Bonds will perform under changing conditions, the resulting effects on the likelihood of the Non-Viability Conversion into ordinary voting shares and the value of the Basel III compliant GSS+ Bonds, and the impact this investment will have on the potential Qualified Investor's overall investment portfolio. Prior to making an investment decision, potential Qualified Investor should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

(iv) Uncertainty regarding the Trigger Event

Due to the inherent uncertainty regarding the determination of when a Trigger Event may occur, it will be difficult to predict when, if at all, the Basel III compliant GSS+ Bonds will be converted into ordinary voting shares. In addition, investors in the Basel III compliant GSS+ Bonds are likely not to receive any advance notice of the occurrence of a Non-Viability Trigger Event. As a result of its uncertainty, trading behavior in respect of the Basel III compliant GSS+ Bonds is not necessarily expected to follow trading behavior associated with other types of convertible and exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Basel III compliant GSS+ Bonds and the ordinary voting shares, whether or not such Trigger Event actually occurs. Therefore, in such circumstances, investors may not be able to sell their Basel III compliant GSS+ Bonds easily or at prices that will provide them with a yield comparable to other types of subordinated debentures, including the Bank's other subordinated debt securities. In addition, a Non-Viability Conversion could drive down the price of ordinary voting shares subsequent to the conversion itself arising from the additional shares in issue of the Bank.

(v) Following a Non-Viability Conversion, the Qualified Investor will no longer have rights as a creditor and will only have rights as a holder of ordinary voting shares

Upon a Non-Viability Conversion, the rights, terms and conditions of the Basel III compliant GSS+ Bonds, including with respect to priority and rights on liquidation, will no longer be relevant as all such Basel III compliant GSS+ Bonds will have been converted on a full and permanent basis into ordinary voting shares ranking pari passu with all other outstanding ordinary voting and preference shares. If a Non-Viability Conversion occurs, then the interest of depositors, other creditors of the Bank, and holders of Bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Basel III compliant GSS+ Bonds.

Given the nature of the Non-Viability Trigger Event a Holder of Basel III compliant GSS+ Bonds will become a holder of ordinary voting shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Non-Viability Trigger Event, as holders of ordinary voting shares investors may receive substantially less than they might have received had the Basel III compliant GSS+ Bonds not been converted in to ordinary voting shares.

(vi) An investor's remedies for the Bank's breach of its obligations under the Basel III compliant GSS+ Bonds are limited

Absent an Event of Default (which shall occur if the Bank becomes insolvent or bankrupt, the Bank goes into liquidation either voluntarily or under an order of a court of competent jurisdiction, or the Bank otherwise acknowledges its insolvency), the Trustees and holders of Basel III compliant GSS+ Bonds shall not be entitled to declare the principal amount of the Basel III compliant GSS+ Bonds due and payable under any circumstance. As a result, the Qualified Investor will have no right of acceleration in the event of a non-payment of interest or a failure or breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce any covenant given by the Bank.

(h) Acknowledgement of the CBSL Resolution Powers

The CBSL retains full discretion regarding the determination that a Trigger Event has occurred; as the resolution authority of banks in Sri Lanka, the CBSL has resolution powers through statute.

The Governing Board determines the Trigger Event and effects a conversion after considering the other bail-in alternatives available to the Bank. Further, Banking (Special Provisions) Act No.17 of 2023, Section 108 and 108(11) of the Central Bank of Sri Lanka Act, No. 16 of 2023 and Part VII (A) and Part VIII of the Banking Act No.30 of 1988 (as amended) specify certain events upon which Governing Board can exercise its resolution mechanism.

In view of the above, based on the statutory authority of the Governing Board, CBSL retains full discretion to choose or not to choose to trigger for Non-Viability as has been provided for in the Banking Act Direction No.1 of 2016 on Capital Requirements under BASEL III for Licensed Commercial Banks and Licensed Specialized Banks.

As the CBSL retains full discretion to choose not to trigger Non-Viability Conversion notwithstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstances, the holders of the Basel III compliant GSS+ Bonds may be exposed to losses through the use of other resolution tools under applicable statutes.

(i) Generic Risks

(i) The ability to transfer the Basel III compliant GSS+ Bonds may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Basel III compliant GSS+ Bonds

In Sri Lanka the secondary trading activity in the corporate debt market is limited. The Basel III compliant GSS+ Bonds are a new issue of securities and have no established secondary trading market. Further, the secondary market trading is only limited to Qualified Investors as defined in the Prospectus. There can be no assurance that an active secondary trading market will develop. If the Basel III compliant GSS+ Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Bank.

Even if an active secondary trading market does develop, it may not be liquid and may not continue. Therefore, Qualified Investors may not be able to sell their Basel III compliant GSS+ Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the secondary market for the Basel III compliant GSS+ Bonds is limited, there may be few buyers for the Basel III compliant GSS+ Bonds and this may significantly reduce the relevant market price of the Basel III compliant GSS+ Bonds.

(ii) Credit ratings may not reflect all risks associated with an investment in the Basel III compliant GSS+ Bonds

A credit rating reflects a relative ranking of credit risk and does not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Basel III compliant GSS+ Bonds.

(iii) A Downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Basel III compliant GSS+ Bonds could cause the liquidity or market value of the Basel III compliant GSS+ Bonds to decline

Rating initially assigned to the Basel III compliant GSS+ Bonds may be lowered or withdrawn entirely by the rating agency if, in the rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the Bank's business, so warrant. If the rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Basel III compliant GSS+ Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

(iv) Changes in law, or changes in regulatory classification may affect the rights of holders as well as the market value of the Basel III compliant GSS+ Bonds

The regulatory regime in connection to these instruments is evolving. Changes in law may include change in statutory, tax and regulatory regimes during the life of the Basel III compliant GSS+ Bonds, which may have an adverse effect on the investment in the Basel III compliant GSS+ Bonds.

5.15 TRANSFER OF BASEL III COMPLIANT GSS+ BONDS

The Basel III compliant GSS+ Bonds will be transferable and transmittable in the manner set out in the Trust Deed, which is reproduced below;

- (a) These Basel III compliant GSS+ Bonds shall be freely transferable amongst Qualified Investors and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (b) The Basel III compliant GSS+ Bonds shall be transferable and transmittable through the CDS as long as the Basel III compliant GSS+ Bonds are listed in the CSE. Subject to the provisions contained herein the Bank may register without assuming any liability any transfer of Basel III compliant GSS+ Bonds, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- (c) In the case of death of a Basel III compliant GSS+ Bond Holder;
 - (i) The survivor where the deceased was a joint holder; and
 - (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory the heirs of the deceased where such Basel III compliant GSS+ Bond Holder was the sole or only surviving holder;

shall be the only persons recognized by the Bank as having any title to his/her Basel III compliant GSS+ Bond
- (d) Any person becoming entitled to any Basel III compliant GSS+ Bonds in consequence of bankruptcy or winding up of any Basel III compliant GSS+ Bond Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Bank thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Basel III compliant GSS+ Bond Holder in respect of such Basel III compliant GSS+ Bonds subject to the applicable laws, rules and regulations of the Bank, CDS, CSE and SEC.
- (e) No change of ownership in contravention to these conditions will be recognized by the Bank.

5.16 LISTING

An Application has been made to the CSE for permission to obtain a listing for the Basel III compliant GSS+ Bonds and any shares which may be issued upon the occurrence of a Trigger Event and the CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules. It is the intention of the Bank to list the Basel III compliant GSS+ Bonds in the Colombo Stock Exchange upon the allotment thereof. However, the Basel III compliant GSS+ Bonds will be listed, only if compliant with the CSE Listing Rules, at the time of listing.

The CSE however, assumes no responsibility for the correctness of the statements made, opinions expressed, reports included or omissions and undisclosed information in the Prospectus. If there is any inconsistency between the contents under the Prospectus and the CSE Listing Rules, the CSE Listing Rules will prevail. Admission to the official list is not to be taken as an indication of the merits of the Bank or of its Basel III compliant GSS+ Bonds.

5.17 COST OF THE ISSUE

The Board of Directors estimates that the total cost of the Issue including fees to professionals, printing, advertising and other costs connected with the Issue will be approximately LKR 40.0 Million which would be approximately 0.33% of the amount raised if LKR 12.0 Bn is raised, it will be approximately LKR 50.0 Million which would be approximately 0.31% of the amount raised if LKR 16.0 Bn is raised. Such costs will be financed by the internally generated funds of the Bank.

5.18 BROKERAGE FEE

Brokerage fee of Fifteen Cents (LKR 0.15) per Basel III compliant GSS+ Bond shall be paid in respect of the number of Basel III compliant GSS+ Bonds allotted on Applications bearing the original seal of any Bank operating in Sri Lanka or a trading participants of the CSE or any other party identified by the Bank and/or Managers and Placement Agents as involved in the Issue.

5.19 UNDERWRITING

This Issue is not underwritten.

The offering is not conditional to any minimum amount to be raised through this Issue. In the event of an under subscription, the Bank is confident that any short fall in the funds required to meet the objectives of the Issue can be financed through internally generated funds and other credit facilities that could be obtained by the Bank, at its discretion depending on the situation.

5.20 INSPECTION OF DOCUMENTS

Articles of Association, the Trust Deed, Auditors' Report and Audited Financial Statements for the five (05) financial years ended 31st December 2025 (i.e. the five (05) financial years immediately preceding the date of this Prospectus), and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Bank (if any) would be made available for inspection by the public during normal working hours, four (04) Market Days prior to the date of opening of the subscription list at the registered office of the Bank at National Development Bank, No. 40, Nawam Mawatha, Colombo 02, Sri Lanka until the Date of Redemption of the Basel III compliant GSS+ Bonds.

The Prospectus, Trust Deed and the Articles of Association of the Bank, will be available on the website of CSE, www.cse.lk and the website of the Bank, www.ndbbank.com from four (04) Market Days prior to the date of opening of the subscription list until the date of maturity of the Basel III compliant GSS+ Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Audited financial statements of National Development Bank PLC made up to 31st December 2025, Accountants Report and the five year summary of financial statements will be available on the website of CSE, www.cse.lk and the website of the Bank, www.ndbbank.com.

5.21 PROSPECTUS AND APPLICATION FORMS

Application Forms may be obtained free of charge from the Collection Points listed in Annexure III from at least four (04) Market Days prior to the date of opening of the Subscription List. Soft Copies of the Prospectus and the Application Forms can also be downloaded from the websites of the CSE www.cse.lk and the Bank website www.ndbbank.com.

As part of its broader sustainable initiatives, the Bank aims to reduce the environmental impact of the BASEL III compliant GSS+ Bond issue by minimizing the use of printed material. Therefore, via the letter dated 3rd March 2026 a waiver was requested from the CSE for Listing Rule 2.4 (f), which requires making physical copies of the Prospectus available. Upon careful deliberation of the said request, the CSE granted the waiver. Consequently, only digital copies of the Prospectus and the Application Form will be available to Trading Participants of the Exchange and the public.

6 PROCEDURE FOR APPLICATION

6.1 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Basel III compliant GSS+ Bonds from the following categories of Qualified Investors.

- (a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- (b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- (c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.
- (d) A venture capital fund/ company and private equity company.
- (e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No. 42 of 2011 (as amended).
- (f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended).
- (g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended).
- (h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007.
- (i) An investment trust or investment company.
- (j) A Non-Resident institutional investor.
- (k) An individual with a minimum initial investment amount of LKR 5,000,000/-.

In view of the above, trading of the Basel III compliant GSS+ Bonds on the CSE will also be limited to Qualified Investors.

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts, or non-corporate bodies. Applications will also not be entertained from any financial institution over which the Bank has control.

“Persons resident outside Sri Lanka” will have the same meaning as in the notice published under the Foreign Exchange Act No. 12 of 2017 in Gazette No. 2213/35 dated 3rd February 2021.

When permitting non-residents to invest in the Basel III compliant GSS+ Bonds, the Bank will comply with the relevant Foreign Exchange Regulations including, the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Basel III compliant GSS+ Bonds of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2213/35 dated 3rd February 2021.

6.2 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- (a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies and scanned/digital copies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available from the website of the CSE, www.cse.lk, the website of the Bank, www.ndbbank.com.

The Application Form can also be downloaded from the website of CSE, www.cse.lk, the website of the Bank, www.ndbbank.com and the web site of the Managers and Placement Agents to the Issue, ndbdebenture@ndbib.com, until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of CSE, www.cse.lk, the website of the Bank, www.ndbbank.com until the date of redemption of the Basel III compliant GSS+ Bonds and the web site of the Managers and Placement Agents to the Issue, ndbdebenture@ndbib.com until the Closure Date.

A waiver of Rule 2.4(f) of the CSE Listing Rules, which pertains to the printing of the Prospectus, has been requested through a letter addressed to the CSE dated 3rd March 2026. This request was made in line with the Bank's commitment to environmental sustainability in connection with this Issue. The CSE has decided to grant the waiver via the letter dated 4th March 2026, allowing the Bank to proceed without complying with the standard Prospectus printing requirements set out in the aforementioned rule.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected. The Bank reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investor.

- (b) Applicants should apply for only one type of Basel III compliant GSS+ Bonds (i.e. either Basel III compliant GSS+ Bonds of Type A, B or Type C) under one Application Form.
- (c) In the event an Applicant wishes to apply for more than one type of Basel III compliant GSS+ Bonds, separate Application Forms should be used. Once an Application Form has been submitted for a particular type of Basel III compliant GSS+ Bonds, it will not be possible for an Applicant to switch between the types of Basel III compliant GSS+ Bonds
- (d) More than one Application submitted by an Applicant under the same type of Basel III compliant GSS+ Bonds will not be accepted. If more than one Application Forms are submitted for one type of Basel III compliant GSS+ Bonds from a single Applicant, those would be construed as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.
- (e) If the ownership of the Basel III compliant GSS+ Bonds is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (f) An Applicant of a joint Application will not be eligible to apply for the Basel III compliant GSS+ Bonds through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the first Applicant as identified in the Application Form.

The Bank shall not be bound to register more than three (03) natural persons as joint holders of any Basel III compliant GSS+ Bonds (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

(g) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Basel III compliant GSS+ Bonds and should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustee/board of management.

(h) All Qualified Investors should indicate in the Application for Basel III compliant GSS+ Bonds, their CDS account number.

In the event the name, address or NIC number/passport number/company number of the Qualified Investor mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/company number as per CDS records will prevail and be considered as the name, address or NIC number/passport number / company number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/ company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

(i) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider / Applicant's name" signed by the margin provider, requesting a direct deposit of the Basel III compliant GSS+ Bonds to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can, apply under their own name and such Applications will not be construed as multiple Applications.

(j) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s) which has been executed and submitted for registration in accordance with the Powers of Attorney (Amendment) Act No.28 of 2022. A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. Original of the POA should not be attached.

(k) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure V together with the Application Form. Under the provisions of FATCA, "US Persons" include;

- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.

- A person who spends certain number of days in the U.S. each year
 - U.S. Corporations, estates and trusts
 - Any entity that has a linkage or ownership to U.S. or the U.S. territories
 - Non U.S. entities that have at least one U.S. Person as a “substantial beneficial owner”
- (l) Funds for the investments in Basel III compliant GSS+ Bonds and the payment for Basel III compliant GSS+ Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of “Inward Investment Account” (IIA) (formerly known as Securities Investment Accounts) of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected.

- (m) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Basel III compliant GSS+ Bonds and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Basel III compliant GSS+ Bonds, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope Marked “**NATIONAL DEVELOPMENT BANK PLC – BASEL III COMPLIANT GSS+ BOND ISSUE 2026**” on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue or collection points mentioned in Annexure III of this Prospectus or sent via email to ndbdebenture@ndbib.com .

Applications sent by post or courier or delivered to any collection point set out in Annexure III of this Prospectus should reach the office of the Registrar to the Issue, S S P Corporate Services (Private) Limited, 101, Inner Flower Road, Colombo 03, at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said Collection points prior to the Closure Date or carry a postmark dated prior to the Closure Date.

Applications delivered by hand to the Registrars or sent via email to ndbdebenture@ndbib.com should reach the Registrars before 4.30 p.m. of the Closure Date of the Issue. Applications delivered by hand to the Registrars to the Issue or sent via email to ndbdebenture@ndbib.com after the Closure Date of the Issue will also be rejected.

Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF BASEL III COMPLIANT GSS+ BONDS WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Please note that upon the allotment of Basel III compliant GSS+ Bonds under this Issue, the allotted Basel III compliant GSS+ Bonds would be credited to the Applicant's CDS account so indicated.

Hence, BASEL III COMPLIANT GSS+ BOND CERTIFICATES SHALL NOT BE ISSUED.

6.3 NUMBER OF BASEL III COMPLIANT GSS+ BONDS TO BE SUBSCRIBED

Applicants may invest in the Basel III compliant GSS+ Bonds of either;

- Type A; and/or
- Type B; and/or
- Type C

subject to the minimum subscription under each Type of Basel III compliant GSS+ Bonds as given below.

- The minimum of One Hundred (100) Basel III compliant GSS+ Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) and in multiples of One Hundred (100) Basel III compliant GSS+ Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) thereafter.
- Provided however, the minimum subscription requirement applicable for an individual Investor applying for BASEL III Compliant Debt Securities as per Rule 2.2.1(q) of CSE Listing Rules shall be Sri Lanka Rupees Five Million (LKR 5,000,000/-).
- Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lanka Rupees Ten Thousand (LKR 10,000/-).

An Applicant should apply for only one Type of Bonds under one Application Form.

6.4 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

(a) Payment in full for the total value of Basel III compliant GSS+ Bonds applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka or an Internal Direct Transfer, as the case may be, subject to the following:

(b) Payments for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;

- Bank guarantee issued by a licensed commercial bank; or
- Bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka only

However, **multiple** bank guarantees or bank drafts/cheques will not be acceptable for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are **not** acceptable:

- RTGS
- Internal Direct Transfers

(c) Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;

- Bank guarantee issued by a licensed commercial bank; or
- Bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or
- RTGS / Internal Direct transfer with value on the Issue opening date.

In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be accepted.

For all the Applications Cash and SLIPS/CEFTS transfers will **NOT** be accepted as a mode of payment to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of Basel III compliant GSS+ Bonds within the given timelines.

(d) Cheques or bank drafts should be made payable to **“NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT”** and crossed **“Account Payee Only”** and must be honoured on the first presentation.

(e) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT”** in a manner acceptable to the Bank, and be valid for a minimum of one (01) month from the Issue opening date 10th March 2026.

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (f) In case of RTGS and Internal Direct Transfers (only for application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the transfers should be made to the credit of the following Bank Account with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

Account Name	NATIONAL DEVELOPMENT BANK PLC – DEBENTURE ISSUE ACCOUNT
Account Number	101000793664
Bank	National Development Bank PLC (Bank Code: 7214)
Branch	Nawam Mawatha (Branch Code - 001)

The Applicant should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of Basel III compliant GSS+ Bonds applied for to the credit of the above bank account and should be attached with the Application Form.

It is mandatory to provide the CDS Account Number as the transaction reference for RTGS transfers.

For RTGS transfers/ Internal Direct transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of two decimal five Zero per centum (2.50%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers/ Internal Direct transfers are not realized before the end of the Closure Date. Furthermore, even if such RTGS transfers/ Internal Direct transfers are effected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.

- (g) Payment for the Basel III compliant GSS+ Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.

- (h) In the event that cheques are not realized within one (01) Market Day of deposit, the monies will be refunded and no allotment of Basel III compliant GSS+ Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (i) The amount payable should be calculated by multiplying the number of Basel III compliant GSS+ Bonds applied for by the Par Value Sri Lanka Rupees One Hundred (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/ Internal Direct Transfer, the Application will be rejected.

- (j) All cheques/bank drafts received in respect of the Applications for Basel III compliant GSS+ Bonds will be banked commencing from the Working Day immediately following the Closure Date.
- (k) All bank guarantees received in respect of the Applications for Basel III compliant GSS+ Bonds will be called on the Date of Allotment.

6.5 REJECTION OF APPLICATIONS

Application Forms and the accompanying cheques/bank drafts/bank guarantees RTGS/Internal Direct Transfer, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Bank.

Applications from individuals and Sri Lankans residing outside Sri Lanka who are under the age of eighteen (18) years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.

Any Application Form, which does not state a valid CDS account number, will be rejected.

More than one Application Form submitted under one type of Basel III compliant GSS+ Bonds by an Applicant will not be accepted. If more than one Application Form is submitted under one type of Basel III compliant GSS+ Bonds by a single Applicant, those would be considered as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.

Any Application Form from a non-Qualified Investor will also be rejected.

Any Application Form with more than three (03) natural persons as joint Applicants for any type of Basel III compliant GSS+ Bonds will be rejected.

Applications delivered by hand to the Registrars to the Issue or sent via email to ndbdebenture@ndbib.com after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

Applications delivered to any place mentioned in Annexure III should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closure Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date.

In the event that cheques are not realized within one (01) Market Day of deposit and realized after such date, the monies will be refunded and no allotment of Basel III compliant GSS+ Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event cheques are dishonoured/returned on first presentation, such Applications will be rejected.

6.6 BANKING OF PAYMENTS

All cheques or bank drafts received in respect of Applications will not be banked until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules. Furthermore, Bank guarantees received in respect of Applications will not be called on until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus.

6.7 BASIS OF ALLOTMENT OF BASEL III COMPLIANT GSS+ BONDS

The Basel III compliant GSS+ Bonds offered hereunder shall be allotted only to 'Qualified Investors' as defined in the CSE Listing Rules, on a basis to be determined by the Bank.

In the event of an over subscription, the Board of Directors of the Bank has appointed authorised personnel to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules.

The authorised personnel appointed by the Board however shall reserve the right to allocate up to a maximum of 75% of the number of Basel III compliant GSS+ Bonds to be allotted under this Issue to institutional and or identified investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future.

Number of Basel III compliant GSS+ Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Basel III compliant GSS+ Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).

The Bank reserves the right to reject any Application or to accept any Application in part only, without assigning any reason therefor.

A written confirmation informing successful Applicants of the allotment of Basel III compliant GSS+ Bonds will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

6.8 REFUNDS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
- the Application is accepted only in part.

The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).

If the Applicant has provided accurate and complete details of his/her/its bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment will be sent through RTGS in the event of refunds over Rupees Five Million (LKR 5,000,000/-).

If the Applicant has not provided accurate and correct details of his/her bank account refunds in the Application Form, the Bank will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant. In the case of joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

It is the responsibility of Non-Residents/Foreign Qualified Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website; <https://www.lankapay.net/downloads/bank-branch-directory/>

Refunds on Applications rejected or partly allotted Basel III compliant GSS+ Bonds would be made within Eight (08) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

6.9 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Basel III compliant GSS+ Bonds allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Bank will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Basel III compliant GSS+ Bonds.

Trading of Basel III compliant GSS+ Bonds on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

Further, as per CSE Listing Rule 3.3.5(ii) (a) (ii), the secondary market trading of the Basel III compliant GSS+ Bonds shall be limited to the "Qualified Investors".

7 THE BANK

7.1 OVERVIEW

The Bank was established under an Act of Parliament in 1979 and converted to a Public Limited Liability Company under the Companies Act in 2005 and re-registered under the Companies Act No. 07 of 2007 and also regulated under the Banking Act No. 30 of 1988 as amended from time to time.

The Bank's main business is commercial banking for which the Bank holds a commercial banking license from the Central Bank of Sri Lanka. This license does not have an expiry date.

7.2 FINANCIAL YEAR

The financial year of the Bank commences on 01st January and ends on 31st December.

7.3 STATED CAPITAL

The stated capital of the Bank represents ordinary shares as given below.

	31 st December 2024		31 st December 2025	
	Number of Shares	LKR '000	Number of Shares	LKR '000
Balance as at 01 st January	399,464,362	20,738,231	415,513,426	21,756,865
Shares issued due to scrip dividend	16,049,064	1,018,634	9,415,842	1,061,542
Shares issued due to ESOS Options	-	-	1,960,189	224,151
Closing Balance	415,513,426	21,756,865	426,889,457	23,042,558

Scrip Issue

On 3rd 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 31st December 2024. Accordingly, 9,415,842 ordinary voting shares were listed on 24th March 2025. As a result, the stated capital of the Bank increased to LKR 22.9 Bn as of 31st March 2025 (31st December 2024 - LKR 21.7 Bn).

7.4 MAJOR SHAREHOLDERS AS AT 31st DECEMBER 2025

Twenty (20) largest shareholders of the Bank as at 31st December 2025 are given below:

No	Name	No. 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 A/C NO 1	5,752,412	1.35
16	HNB INVESTMENT BANK (PVT) LTD/MR. ELAYATHAMBY THAVAGNANASOORIYAM & MR. ELAYATHAMBY THAVAGNANA SUNDRAM	5,110,252	1.20
17	ARPICO INSURANCE PLC-SHARE HOLDERS	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
	Balance held by Other Shareholders	101,004,910	23.63
	Total number of shares in issue	426,889,457	100.00

7.5 DETAILS OF OTHER DEBT SECURITIES IN ISSUE

The details of other debt securities issued by National Development Bank PLC as at the date of this Prospectus are given in the table below, all of which are Basel III Compliant Tier 2 Debentures with a Non-Viability Conversion;

Year of Issuance	CSE listing	Ranking	Bond Code	Issue Value LKR '000	Interest Rate p.a.	Tenor	Issue Date	Maturity Date
2021*	Listed	Subordinated	NDB-BD-23/11/26-C2494-11.9	Type A – 7,884,000	11.90% payable semi-annually	60 months	24 Nov 2021	23 Nov 2026
			NDB-BD-23/11/28-C2495-12	Type B – 116,000	12.00% payable semi-annually	84 months	24 Nov 2021	23 Nov 2028
2023*	Listed	Subordinated	NDB/BD/11/12/28-C2514-15	Type A – 3,334,460	15.00% payable annually	60 months	12 Dec 2023	11 Dec 2028
			NDB-BD11/12/28-C2515-14.22	Type B – 1,665,540	14.22% payable quarterly	60 months	12 Dec 2023	11 Dec 2028
2024 – Sep*	Listed	Subordinated	NDB-BD-11/09/29-C2548-13.25	Type A 3,915,060	13.25% payable annually	60 months	12 Sep 2024	11 Sep 2029
			NDB-BD-11/09/29-C2546-12.84	Type B 818,230	12.84% payable semi-annually	60 months	12 Sep 2024	11 Sep 2029
			NDB-BD-11/09/29-C2547-12.64	Type C 266,710	12.64% payable quarterly	60 months	12 Sep 2024	11 Sep 2029
2024 – Dec*	Listed	Subordinated	NDB-BD-01/12/29-C2553-13	Type A 4,534,910	13.00% payable annually	60 months	2 Dec 2024	1 Dec 2029
			NDB-BD-01/12/29-C2554-12.41	Type B 465,090	12.41% payable quarterly	60 months	2 Dec 2024	1 Dec 2029

*Outstanding Basel III compliant Tier 2, Debentures with a Non-Viability Conversion as at the date of this Prospectus

The Bank does not have any outstanding convertible debt securities other than the Basel III compliant Tier 2 Debentures with a Non- Viability Conversion issued in 2021, 2023 and 2024 in September and in December.

The debenture holders of the above stated debentures do not have the following rights;

- Sharing in the profits of the Bank
- Participating in any surplus in the event of liquidation or any special rights

The above-mentioned debenture holders are at any event not barred from being shareholders of the Bank and if they are shareholders, they will enjoy the rights and privileges entitled to shareholders.

In the case of the death of a debenture holder pertaining to above mentioned classes:

- i) the survivor where the deceased was a joint holder; or
- ii) if not the joint holder the heirs of the deceased/administrators/executors shall be the only person/s recognized by the Bank as having any title to his/her debentures. Any person becoming entitled to debentures in consequence of bankruptcy or winding up of any debenture holder, upon producing proper evidence that it/he/she sustains the character in respect of which it/he/she proposes to act or its/his/her title as the Board of Directors of the Bank thinks sufficient may at the discretion of the Board be substituted and accordingly registered as a debenture holder in respect of such debentures subject to the applicable laws and rules and regulations of the Bank and the CSE.

In the event of liquidation or winding up, the claims of the above-mentioned subordinated debenture holders will be ranked after all the claims of the senior debt holders of the Bank and the preferential claims under Section 365 of the Companies Act No.7 of 2007 but in priority to the claims and rights of the Shareholders of the Bank.

7.6 PARTICULARS OF LONG TERM LOANS AND OTHER BORROWINGS OF THE BANK

As at 31st December 2024 and 31st December 2025 the outstanding balances are given in the table below;

	LKR '000
Balance as at 31 st December 2023	77,337,178
New borrowings / (settlements)	(8,904,698)
Balance as at 31 st December 2024	68,432,698

	LKR '000
Balance as at 31 st December 2024	68,432,698
New borrowings / (settlements)	56,972,404
Balance as at 31 st December 2025	125,405,102

Borrowings of the Bank as at 31st December 2024 and 31st December 2025 comprise of the following;

	As at 31 st December 2024 LKR '000	As at 31 st December 2025 LKR'000
Due to banks	4,841,342	12,447,544
Due to other borrowers	22,023,798	19,792,565
Financial liabilities at amortized cost - Due to debt security holders	8,002,850	69,834,390
Debt securities issued	33,564,708	23,330,603
Total	68,432,698	125,405,102

7.7 CONTINGENT LIABILITIES AND LITIGATION AGAINST THE BANK

The details of the contingent liabilities as at 31st December 2024 and 31st December 2025 are given below;

Commitments and Contingencies	As at 31 st December 2024 LKR '000	As at 31 st December 2025 LKR '000
Contingencies		
Guarantees	45,473,438	40,685,126
Performance Bonds	10,787,906	9,265,583
Documentary Credits	9,857,812	16,989,263
Other Contingencies		
- Forward Exchange Contracts	66,839,711	106,183,604
- Acceptances	8,693,367	14,546,821
- Currency Options	-	-
Commitments		
Undrawn commitments	146,640,431	215,328,164
Total	288,292,666	402,998,561
Less: Impairment allowance	1,864,280	2,190,517
Net of impairment	286,428,386	400,808,044

7.8 LITIGATIONS AGAINST THE BANK

In the normal course of its business, the Bank is a party to various types of litigation, including litigation with borrowers who are in default in terms of their facility agreements. As of 31st December 2025, there were 85 cases directly filed against the Bank and there were 39 other cases where the Bank is made a party with no direct implication. Apart from these legal proceedings in the normal course of its business, as at 31st December 2025, the Bank is not a party to any litigation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration proceedings that if decided adversely against the Bank, would have a significant effect upon the Bank's financial position/profitability nor has it been a party to any such proceedings in the recent past.

7.9 KEY FINANCIAL RATIOS

Capital Adequacy Ratio (CAR)

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025
Capital adequacy - Tier 1 Capital Ratio % *	9.18	9.17	10.01	9.34	11.67	13.68	12.35
Minimum Statutory Requirement %*	8.50	8.00	8.00	8.50	8.50	8.50	8.50
Capital adequacy - Total capital ratio % *	13.43	14.32	15.42	13.35	15.90	19.09	15.89
Minimum Statutory Requirement %*	12.50	12.00	12.00	12.50	12.50	12.50	12.50

*Banking Act Directions No. 01 of 2016; Capital Requirements under BASEL III for Licensed Commercial Banks and Licensed Specialised Banks

Interest Cover and Debt to Equity Ratio

	31.12.2022	31.12.2023	31.12.2024	31.12.2025
Debt / Equity Ratio (%) *	11.85	9.88	9.01	9.68
Interest Cover Ratio (Times) **	1.46	1.37	1.64	1.68

* Debt/ Equity Ratio = $\frac{\text{Borrowings of the Bank including customer deposits}}{\text{Shareholder Funds}}$

** Interest Cover Ratio = $\frac{\text{Interest Income}}{\text{Interest Expense}}$

(A deviation from the standard formula (EBIT divided by interest charges) is seen here owing to the fact that bank's main income and expense sources are interest income and interest expense respectively.)

7.10 DEBT SERVICING DETAILS OF THE BANK

	2020	2021	2022	2023	2024	2025
Gross interest due on debentures (LKR '000)	1,004,127	2,396,032	3,348,149	3,330,139	3,507,364	4,113,788
Debenture interest paid on or before due date (LKR '000)	1,004,127	2,396,032	3,348,149	3,330,139	3,507,364	4,113,788
Debenture interest paid after the due date (LKR '000)	-	-	-	-	-	-
Debenture interest not paid as of to date (LKR '000)	-	-	-	-	-	-

7.11 TAXATION

The Bank consistently ensures that it is in compliance with requirements and regulations as stipulated by the Inland Revenue Act, No. 24 of 2017 and amendments thereto and the other prevailing tax regulations of Sri Lanka.

7.12 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

The following financial information is hosted on the Bank's web site, www.ndbbank.com and CSE web site www.cse.lk;

- Audited financial statements of National Development Bank PLC as at 31st December 2025
- Summarized financial statement for the five years ended 31st December 2021 to 31st December 2025 preceding the date of the Application stating the accounting policies adopted by the Bank certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

8 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of National Development Bank PLC as at the date of this Prospectus are given below:

Name of Director	Executive / Non – Executive/ Independent/ Non- Independent*
Mr. Sriyan Cooray	Chair, Board of Directors – Non-executive / Independent
Mr. Kelum Edirisinghe	Chief Executive Officer – Executive / Non-Independent
Mr. Bernard Sinniah	Non-executive / Non- Independent
Mr. Sujeewa Mudalige	Non-executive / Independent
Mr. Kushan D’Alwis, PC	Non-executive /Independent
Ms. Kasturi Chellaraja	Non-executive / Independent
Ms. Shweta Pandey	Non-executive / Independent
Mr. Hasitha Premaratne	Non-executive / Independent
Mr. Sanjaya Mohottala	Non-executive / Non- Independent
Mr. Shanil Fernando	Non-executive / Independent

**in terms of the Banking Act Direction No 05 of 2024 Corporate Governance for Licensed Commercial Banks in Sri Lanka (the “Corporate Governance Directions”)*

8.2 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The primary objective of the Committee is to assess and consider all transactions with related parties of the Bank in line with Direction 6.6 of the Corporate Governance Directions and Section 9.14.3 of the CSE Listing Rules.

The Committee shall have the authority to *inter alia* :-

1. Review (as required in terms of the applicable regulations), evaluate and determine the advisability of any Related Party Transactions that require consideration by the Committee under the Corporate Governance Directions, the CSE Listing Rules and the Related Party Policy and Process Manual of the Bank with a view to avoid conflicts of interest;
2. Review and ensure that the Bank does not engage in Related Party Transactions in a manner that would grant Related Parties “more favourable treatment” than that accorded to other constituents of the Bank carrying on the same business;
3. Determine whether the relevant Related Party Transaction is fair to, and in the best interests of the Bank and its stakeholders; and
4. Recommend to the full Board what action, if any, should be taken by the Board with respect to any Related Party Transaction. In such an instance, approval of the Board of Directors should be obtained prior to entering in to the relevant Related Party Transaction.
5. Recommend to the full Board where necessary that the approval of the shareholders of the Bank be obtained by way of a Special Resolution prior to the concerned transaction being entered into as specified in Section 9.14.6 and 9.14.9 of the CSE Listing Rules.

Composition of the Related Party Transactions Review Committee is as follows;

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Mr. Kushan D'Alwis, PC	Chairman	Non-executive / Independent
Mr. Hasitha Premaratne	Member	Non-executive / Independent
Mr. Sriyan Cooray	Member	Non-executive / Independent
Ms. Shehani Ranasinghe	Secretary of the Committee	Vice President/ Company Secretary

9 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Directors of National Development Bank PLC (Bank) hereby declare and confirm that we have read the provisions of Colombo Stock Exchange (CSE) Listing Rules and of the Companies Act No.7 of 2007 and any amendments thereto relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Bank have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Bank and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

The parties to the Basel III compliant GSS+ Bond Issue including Lawyers, Auditors, Registrars, Company Secretary, Rating Company, Independent External Reviewer and Managers and Placement Agents have submitted declarations to the Bank declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Bank. Nevertheless, NDB Investment Bank Limited, Managers and Placement Agents to the Issue is a fully owned subsidiary of NDB Capital Holdings Limited, which is in turn a 99.89% owned subsidiary of National Development Bank PLC. Further, the Company Secretaries to the said Issue has also submitted declarations to the Bank declaring that they have complied with all regulatory requirements applicable to them.

An application has been made to the CSE for permission to deal in and for a listing of Basel III compliant GSS+ Bonds issued by the Bank and those Basel III compliant GSS+ Bonds which are the subject of this Issue. Such permission will be granted when Basel III compliant GSS+ Bonds are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed, reports included or omissions and undisclosed information in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Bank or of the Basel III compliant GSS+ Bonds issued.

Name of Directors	Designation	Signature
Mr. Sriyan Cooray	Chair, Board of Directors – Non-executive / Independent	Sgd.
Mr. Kelum Edirisinghe	Chief Executive Officer – Executive / Non-Independent	Sgd.
Mr. Bernard Sinniah	Non-executive / Non- Independent	Sgd.
Mr. Sujeewa Mudalige	Non-executive / Independent	Sgd.
Mr. Kushan D’Alwis, PC	Non-executive /Independent	Sgd.
Ms. Kasturi Chellaraja	Non-executive / Independent	Sgd.
Ms. Shweta Pandey	Non-executive / Independent	Sgd.
Mr. Hasitha Premaratne	Non-executive / Independent	Sgd.
Mr. Sanjaya Mohottala	Non-executive / Non- Independent	Sgd.
Mr. Shanil Fernando	Non-executive / Independent	Sgd.

9.2 STATUTORY DECLARATION BY THE MANAGERS AND PLACEMENT AGENTS TO THE ISSUE

We, NDB Investment Bank Limited of No 135, Baudhaloka Mawatha, Colombo 04, who are named in the Prospectus as the Managers and Placement Agents to the Issue hereby declare and confirm that to the best of our knowledge and belief, the Prospectus constitutes full and true disclosure of all material facts about the Issue and National Development Bank PLC whose Basel III compliant GSS+ Bonds are being listed.

Signed by two Directors of NDB Investment Bank Limited, being duly authorised thereto, at Colombo on this 4th March 2026.

Sgd.
Director

Sgd.
Director

10.1 ACCOUNTANTS' REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS



BV/RJ

Board of Directors
National Development Bank PLC
No. 40, Nawam Mawatha
Colombo 02

4 March 2026

**Accountants' Report
National Development Bank PLC**

Dear Sirs/Madam,

Introduction

This report has been prepared for the purpose of the prospectus issued in connection with the proposed issue of up to 160 Million (160,000,000) BASEL III compliant - Tier 2, listed, rated, unsecured, subordinated, redeemable GSS+ Bonds ("Bonds") with a non-viability conversion, at par value of Rs. 100/- each to raise Rs. 16 Billion (LKR 16,000,000,000/-).

We have examined the Financial Statements of the National Development Bank PLC (the "Bank") and the Consolidated Financial Statements of the Bank and its Subsidiaries (the "Group") for the years ended 31 December 2021 to 31 December 2025, and report as follows.

1. Incorporation

Bank

The Bank was incorporated in Sri Lanka on 15 June 2005 as a public limited liability company under the National Development Bank of Sri Lanka Act no 1 of 2005. The Bank was re-registered pursuant to the provisions of The Companies Act No 07 of 2007. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The registered office of the Bank is located at No 40, Nawam Mawatha, Colombo 02. The principal activities of the Bank involve providing financial services encompassing retail banking, small and medium enterprise (SME) banking, corporate banking, project and infrastructure financing, investment banking, leasing, housing finance, cash management, correspondent banking, remittance services, margin trading, pawning, treasury and investment services, bancassurance and card operations.

2. Financial Information

2.1 Five-year Summary of Audited Financial Statements

A summary of Statements of Profit or Loss, Statement of Comprehensive Income, Statements of Financial Position, Statement of Changes in Equity and Statement of Cash Flow of the Bank and a summary of Consolidated Statements of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash

Partners: D.K. Harasinghna FCA FCMA LLB (London), M. Y. A. De Silva FCA, M. G. S. Manasinge FCA, W. R. D. S. P. Fernando FCA FCMA FCCA, B. E. Wimalaratne FCA FCMA, B. N. de Saram ACA FCMA, B. M. Subraman FCA FCMA, M. L. K. H. L. Fonseka FCA, M. P. V. K. N. Satharani FCA, A. A. J. S. Perera FCA ACMA, N. Y. R. L. Fernando ACA, D. N. Gamage ACA ACMA, C. A. Yalagala ACA ACMA, M. P. S. Ranawiratne ACA ACMA LLB (Colombo), B. Visuvanathan ACA ACMA, B. D. P. L. Perera ACA, W. U. M. Manasinge ACA

Practising: T. P. M. Ruberu FCMA FCCA MBA, D. B. Gnanasekera ACA, D. L. B. Karunaratne ACA, W. S. J. De Silva BSc (Hons) - MES (M) - IT, V. Shanthiraj B.Com (Cip)

A member firm of Ernst & Young Global Limited

Flow of the Group for the financial years ended 31 December 2021 to 31 December 2025, based on the audited Financial Statements are set out on annexure of this Accountants' Report.

2.2 Audited Financial Statements for the Year Ended 31 December 2025

Our audit report on the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its Subsidiaries for the year ended 31 December 2025 together with such Financial Statements comprising the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon is available on the websites of CSE, www.cse.lk, where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Audit Reports

We have audited the Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2021 to 31 December 2025. Unmodified audit opinions have been issued for the said financial years by our reports dated 22 February 2022, 21 February 2023, 20 February 2024, 20 February 2025 and 25 February 2026 respectively.

2.4 Accounting Policies

The Financial Statements of the Bank and the Consolidated Financial Statements of the Bank and its subsidiaries for the years ended 31 December 2021 to 31 December 2025 comply with Sri Lanka Accounting Standards.

The accounting policies of the Bank and its Subsidiaries are stated in detail in the audited Financial Statements of National Development Bank PLC for the year ended 31 December 2025.

2.5 Dividends

2.5.1 Bank has paid dividend for the years ended 31 December 2021 to 31 December 2025 as follows.

Year	Dividend Per Share (Rs.)	Dividend Paid (LKR'000)
2021	1.50	348,956
2022*	5.50	1,964,180
2023**	2.50	950,237
2024***	5	1,997,322
2025****	8	3,330,328

* Dividend paid on ordinary shares includes LKR 4.50 paid as scrip dividends in 2022.

** Dividend paid on ordinary shares includes LKR 2.50 paid as scrip dividends in 2023.

*** Dividend paid on ordinary shares includes LKR 3.00 paid as scrip dividends in 2024.

**** Dividend paid on ordinary shares includes LKR 3.00 paid as scrip dividends in 2025.

2.6 Events after Reporting Date

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the Financial Statements other than below;

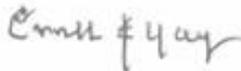
Proposed Issuance of Basel III compliant Tier 2 GSS+ Bonds:

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.

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of National Development Bank PLC for usage in the application for the purpose of issue of up to 160 Million (160,000,000) BASEL III compliant - Tier 2, listed, rated, unsecured, subordinated, redeemable GSS+ Bonds ("Bonds") with a non-viability conversion, at par value of Rs. 100/- each to raise Rs. 16 Billion (LKR 16,000,000,000/-).

Yours faithfully,





P. O. Box 1825
40, Nawam Mawatha,
Colombo - 2, Sri Lanka.

	STATEMENT OF PROFIT OR LOSS	
	Bank	Group
	Year ended 31/12/2021 (Audited) LKR '000	Year ended 31/12/2021 (Audited) LKR '000
Gross Income	82,110,530	64,880,871
Interest Income	52,601,866	52,794,765
Interest Expenses	31,070,738	31,053,868
Net Interest Income	21,531,128	21,740,897
Fee and Commission Income	5,634,797	7,384,560
Less: Fee and commission Expenses	33,260	33,560
Net Fee and Commission Income	5,601,537	7,351,000
Net gain/(loss) from trading	2,096,435	2,096,435
Net gain/(loss) from financial assets at fair value Through Profit or Loss	433,136	560,452
Net gain/(loss) from derecognition of financial assets	181,288	186,048
Other operating income	1,067,094	1,000,185
Total Operating Income	41,667,172	32,936,140
Less: Impairment charges	20,284,062	20,213,085
Net operating income	20,742,510	22,744,611
Operating Expenses		
Personnel Expenses	5,077,002	6,323,751
Depreciation and amortisation	831,943	914,110
Other Expenses	5,755,726	4,272,912
Total operating expenses	10,434,671	11,514,773
Operating Profit Before Tax on Financial Services	10,308,139	11,226,679
Less: Value Added Tax (VAT) on Financial services	2,014,572	2,014,071
Operating Profit After Tax on Financial Services	8,293,567	9,214,008
Share of associate companies' profits/(losses)		
Profit Before Taxation	8,293,567	9,214,008
Less: Income tax expenses	1,930,986	2,131,275
Profit for the year	6,362,581	7,082,733
Profit Attributable to:		
Equity holders of the parent	6,362,581	6,904,266
Non Controlling Interests	-	178,467
	6,362,581	7,082,733
Basic Earnings per share (in LKR)	20.68	22.66
Diluted Earnings per share (in LKR)	20.68	22.66

	STATEMENT OF COMPREHENSIVE INCOME	
	Year ended 31/12/2021 (in LKR '000)	Year ended 31/12/2021 (in LKR '000)
	Profit for the year	6,362,581
Items that will be reclassified to Statement of Profit or loss		
Exchange differences on translation of foreign operations	-	22,916
Net Gain/(losses) on investments in debt instruments measured at fair value through other Comprehensive Income	(2,393,240)	(2,367,024)
Changes in impairment allowance for Expected credit losses	135,371	135,371
Net Gains/(losses) on cash flow hedges	-	-
Less: Tax expense relating to items that will be reclassified to Income Statements	593,038	589,818
A	(1,624,630)	(1,648,717)
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	(49,496)	(49,496)
Revaluation of Freehold Land & Buildings	22,794	54,102
Actuarial gains/(losses) on defined benefit plans	316,961	359,148
Less: Tax expense relating to items that will not be reclassified to Income Statements	(11,674)	(10,755)
B	218,015	254,009
Total Other Comprehensive Income after Tax A + B	(1,306,555)	(1,354,708)
Total Comprehensive Income for the year	5,056,026	5,728,025
Attributable to:		
Equity holders of the parent	5,056,026	5,375,069
Non Controlling Interests	-	352,956
	5,056,026	5,728,025



NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

The Management is responsible for the financial information extracted from the audited financial statements signed for on behalf of the Management of the Bank.

Telephone : 94 11 2448448 Fax : 94 11 2440262 E-mail: contact@ndbbank.com Website : www.ndbbank.com

National Development Bank PLC.

(Company Reg No. PQ27)



P. O. Box 1825
40, Nawam Mawatha,
Colombo - 2, Sri Lanka

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	BANK	Group
	Current Year	Current Year
	As at 31/12/2021 (Audited) LKR '000	As at 31/12/2021 (Audited) LKR '000
Assets		
Cash and cash equivalents	13,411,819	13,765,270
Balances with the Central Bank of Sri Lanka	16,403,362	16,403,362
Placements with banks	8,299,403	8,299,403
Derivative Financial Instruments	1,338,204	1,338,204
Financial assets recognized through profit or loss measured at fair value	2,441,833	4,784,124
Financial assets at amortised cost - loans and receivables to other customers	502,509,458	502,344,786
Financial assets at amortised cost - debt and other instruments	54,262,976	54,262,976
Financial assets measured at fair value through other comprehensive income	89,552,196	89,696,611
Investments in subsidiary companies	1,130,916	-
Investment Property	-	2,528,228
Intangible assets	1,203,940	1,217,111
Property, plant & equipment	3,143,829	3,735,298
Right of Use Assets	1,094,607	1,285,385
Current Tax Assets	-	27,701
Deferred tax Assets	3,417,315	3,443,207
Other assets	4,693,249	5,670,716
Total assets	702,903,107	708,802,382
Liabilities		
Due to Banks	24,770,644	24,821,158
Derivative Financial Instruments	1,048,644	1,048,644
Financial Liabilities at amortised cost - due to depositors	552,039,792	551,256,595
Financial Liabilities at amortised cost		
- due to debt securities holders	1,341,060	1,341,060
- due to other borrowers	25,228,865	25,228,865
Debt securities issued	27,960,731	27,960,731
Retirement benefit obligations	735,666	829,873
Current Tax Liabilities	2,407,243	2,585,975
Deferred Tax Liabilities	-	569,213
Other liabilities	8,346,435	9,001,903
Dividends payable	91,823	91,823
Total liabilities	643,970,902	644,735,840
Equity		
Stated Capital	18,263,609	18,263,609
Statutory Reserve Fund	2,571,479	2,571,479
Retained Earnings	39,134,379	42,730,949
Other Reserves	(1,037,261)	(838,868)
Total shareholders' equity	58,932,206	62,727,169
Non Controlling Interests	-	1,339,373
Total Equity	58,932,206	64,066,542
Total liabilities and equity	702,903,107	708,802,382
Net Book Value Per Share (LKR)	165.02	176.65
Contingent liabilities and commitments	312,072,435	311,978,390



The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.

Telephone : 94 11 2448448. Fax : 94 11 2440262 E-mail: contact@ndbbank.com Website : www.ndbbank.com

National Development Bank PLC. (Company Reg No. PQ27)

STATEMENT OF CHANGES IN EQUITY

To	Other Reserves										Total	Non Controlling Interests	Equity LKR '000
	Stated Capital LKR '000	Statutory Reserve Fund LKR '000	Revaluation Reserve LKR '000	Share Based Payment Reserves LKR '000	Fair Value Reserve	Cash Flow Hedge Reserve LKR '000	General Reserve LKR '000	Retained Earnings LKR '000					
For the year ended 31 December 2020	7,685,134	2,896,479	2,262,453	-	(654,367)	(1,613)	5,895,707	23,689,842	-	-	39,483,836	-	39,483,836
Balance as at 1 January 2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	68,804	-	(135,345)	1,614	-	5,530,476	-	-	5,530,476	-	5,530,476
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	(300,000)	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	(5,895,707)	5,895,707	-	-	-	-	-
Total Dividend for the year 2019 - Cash	-	-	-	-	-	-	(1,108,999)	(1,108,999)	-	-	-	-	-
Balance as at 31 December 2020	8,794,134	2,196,479	1,311,992	-	(648,360)	-	-	(434,761)	-	-	44,781,023	-	44,781,023
For the year ended 31 December 2021	-	-	1,311,992	-	(648,360)	-	-	33,126,579	-	-	44,781,023	-	44,781,023
Balance as at 1 January 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period	-	-	22,794	-	(2,402,647)	-	-	6,362,476	-	-	6,362,476	-	6,362,476
Transfer to statutory reserve fund	-	375,000	-	-	-	-	-	(375,000)	-	-	-	-	-
Transfer from share based payment reserves	-	-	67,409	44,481	-	-	-	-	-	-	44,481	-	44,481
Dividend for the year 2020 - Cash	-	-	-	-	-	-	-	(138,494)	-	-	(138,494)	-	(138,494)
Balance as at 31 December 2021	16,263,609	2,571,479	1,402,196	44,481	(2,483,987)	-	-	39,134,379	-	-	58,932,206	-	58,932,206



NATIONAL DEVELOPMENT BANK PLC
PO 27
P.O. BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

The Management is responsible for the financial information extracted from the audited financial statements given above.

Signed for and on behalf of the Management of the Bank.

bank.com

STATEMENT OF CHANGES IN EQUITY										
A. For the year ended 31 December	Stated Capital LKR '000	Statutory Reserve Fund LKR '000	Other Reserves				Retained Earnings LKR '000	Total LKR '000	Non Controlling Interests LKR '000	Equity LKR '000
			Revaluation Reserve LKR '000	Fair Value Reserve LKR '000	Cash Flow Hedge Reserve LKR '000	General Reserve LKR '000				
Balance as at 1 January 2020	7,685,334	1,896,479	1,397,355	(875,209)	(1,613)	5,805,707	43,383,350	1,355,280	44,200,000	
Total Comprehensive Income for the period	-	-	1,397,355	(875,209)	(1,613)	5,805,707	27,426,697	100,542	5,470,448	
Profit for the period	-	-	90,499	(137,667)	1,613	-	5,116,806	100,542	5,470,448	
Other Comprehensive Income before Tax	-	-	(25,339)	341,838	-	(5,805,707)	(358,774)	2,382	(309,447)	
Tax on Other Comprehensive Income	-	-	85,160	208,171	1,613	-	(3,328)	-	309,447	
Total Comprehensive Income for the period	-	-	65,160	208,171	1,613	4,756,704	333,371	-	309,447	
Transfers with equity holders	-	-	-	-	-	-	5,027,648	102,924	5,130,572	
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	(300,000)	-	-	-	
Final Dividend for the year 2019 - Scrip	1,100,000	-	-	-	-	(5,805,707)	-	-	-	
Final Dividend for the year 2019 - Cash	-	-	-	-	-	(1,108,999)	-	-	-	
Group Adjustments	-	-	-	-	-	(434,761)	(434,761)	(2,382)	(434,761)	
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	(2,382)	(2,382)	
Balance as at 31 December 2020	8,784,333	2,196,479	1,463,115	(621,038)	-	36,143,348	47,976,237	1,227,155	49,203,392	
Balance as at 1 January 2021	8,794,333	2,196,479	1,463,115	(621,038)	-	36,143,348	47,976,237	1,227,155	49,203,392	
Profit for the period	-	-	54,102	(2,416,430)	-	6,904,264	6,904,264	158,467	7,062,731	
Other Comprehensive Income before Tax	-	-	66,614	570,288	-	-	(1,857,699)	3,967	(1,853,092)	
Tax on Other Comprehensive Income	-	-	120,716	(1,846,141)	-	7,301,094	529,064	-	529,064	
Total Comprehensive Income for the period	-	-	187,430	(1,275,853)	-	7,301,094	5,755,699	162,434	5,738,103	
Transfers with equity holders	-	-	-	-	-	-	-	-	-	
Issue of shares	9,469,276	-	-	-	-	-	9,469,276	-	9,469,276	
Transfer from share based payment reserves	-	-	-	-	-	-	-	-	-	
Transfer to statutory reserve fund	-	375,000	-	-	-	-	44,481	-	44,481	
Dividend for the year 2020 - Cash	-	-	-	-	-	(375,000)	-	-	-	
Dividend attributable to non controlling interest	-	-	-	-	-	(338,494)	(338,494)	-	(338,494)	
Balance as at 31 December 2021	18,283,610	2,571,479	1,583,831	44,481	(2,467,180)	42,730,949	62,727,389	1,339,373	64,066,542	

The Management is responsible for the financial information extracted from the audited financial statements given above. Signed for and on behalf of the Management of the Bank.

Website : www.ndbbank.com
(Company Reg No. P0 27)



NATIONAL DEVELOPMENT BANK PLC
P.O. 27
P.O. BOX 1828
40, MAWAM PAWATHA,
COLOMBO 02.



P. O. Box 1825
40, Nawam Mawatha
Colombo - 2, Sri Lanka.

STATEMENT OF CASH FLOW		
	BANK	GROUP
	2021	2021
	LKR '000	LKR '000
For the year ended 31 December		
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	53,092,776	53,119,744
Fee based income received	5,619,088	7,239,763
Dividend income received	279,634	88,036
Other Operating income received	2,859,551	3,340,113
Interest paid	(30,571,312)	(30,587,546)
Personnel costs paid	(5,515,441)	(5,938,969)
Other expenses paid	(3,686,369)	(4,281,674)
Operating Profit before changes in operating assets and liabilities	22,077,927	22,979,467
(Increase)/decrease in operating assets		
Deposits held for regulatory or monetary control purposes	(9,591,263)	(9,591,263)
Financial Assets at amortised cost - loans and receivables to other customers	(85,091,814)	(85,319,264)
Net (increase)/decrease in operating assets	(998,290)	(1,936,083)
(Increase)/decrease in operating liabilities		
Financial liabilities at amortised cost - due to depositors	61,744,822	61,744,822
Financial liabilities at amortised cost - due to debt securities holders	(158,947)	(158,947)
Financial liabilities at amortised cost - due to other borrowers	(6,463,987)	(6,463,987)
Repayment of principal portion of lease liabilities	(417,479)	(478,738)
Net increase/(decrease) in other liabilities	547,569	1,360,858
Net cash generated/(used in) from operating activities before taxation	(18,351,462)	(17,863,135)
Tax on Financial Services paid	(2,220,632)	(2,220,632)
Income taxes paid	(2,821,270)	(3,106,562)
Net cash generated/(used in) from operating activities	(23,393,364)	(23,190,329)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net changes in financial investments	8,510,963	8,476,433
Purchase of intangible assets	(432,197)	(437,758)
Purchase of property, plant & equipment	(610,610)	(669,403)
Proceeds from sale of property, plant & equipment	8,503	16,338
Net cash generated/(used in) from investing activities	7,476,659	7,385,610
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary of shares (as a right issue/private placement)	9,469,276	9,469,276
Repayment of debts securities issued	-	-
Proceeds of debts securities issued	8,000,000	8,000,000
Interest paid on debts securities issued	(2,396,033)	(2,396,033)
Dividends paid to non-controlling interests	-	(49,875)
Dividends paid to shareholders of the Bank	(333,024)	(333,024)
Net cash provided by/(used in) financing activities	14,740,218	14,690,344
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,176,487)	(1,114,375)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	22,890,469	23,181,808
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21,713,982	22,067,433
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	13,411,819	13,765,270
Placements with banks	8,299,403	8,299,403
Cash and cash equivalents at the end of the year (Net)	21,711,222	22,064,673
Add: Impairment allowance	2,760	2,760
Cash and cash equivalents at the end of the year (Gross)	* 21,713,982	22,067,433

The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.



NATIONAL DEVELOPMENT BANK PLC
PQ 27
P.O BOX: 1825
40, NAWAM MAWATHA,
COLOMBO 02.

Telephone : 94 11 2448248 Fax : 94 11 2440252 E-mail: contact@ndbbank.com Website : www.ndbbank.com

National Development Bank PLC.

(Company Reg. No. PQ 27)



P. O. Box 1825
40, Nawam Mawatha,
Colombo - 2, Sri Lanka.

	STATEMENT OF PROFIT OR LOSS					
	Bank			Group		
	Year ended 31/12/2023 (Audited) US\$ '000	Year ended 31/12/2022 (Audited) US\$ '000	Change %	Year ended 31/12/2023 (Audited) US\$ '000	Year ended 31/12/2022 (Audited) US\$ '000	Change %
Gross Income	112,426,203	109,902,470	20	136,872,594	111,551,511	21
Interest Income	109,872,584	97,917,823	22	133,722,813	98,217,818	22
Interest Expenses	87,425,494	47,176,144	31	87,241,261	47,094,543	30
Net Interest Income	21,947,190	50,741,679	4	46,481,552	51,123,275	4
Fee and Commission Income	7,084,201	6,276,096	14	8,084,191	5,438,752	15
Less: Fee and Commission Expenses	7,084	16,029	(100)	7,084	16,029	(100)
Net Fee and Commission Income	7,077,117	6,260,067	14	8,077,107	5,422,723	15
Net gain/(loss) from trading	2,908,719	(142,348)	664	2,595,703	(142,348)	664
Net gain/(loss) from financial assets at fair value through profit or loss	1,795,982	(380,767)	549	1,947,298	(340,388)	672
Net gain/(loss) from designation of financial assets	4,057,548	15,327	26,722	4,008,333	15,027	27,059
Other operating income	(3,019,559)	6,624,944	(141)	(3,777,891)	6,561,266	(142)
Total Operating Income	44,484,486	42,711,285	5	47,173,719	44,447,642	6
Less: Impairment Charges	21,144,038	20,291,460	(10)	21,137,056	20,278,159	(10)
Net operating income	23,340,448	22,419,825	11	26,036,663	24,169,483	11
Operating Expenses						
Personnel Expenses	6,523,224	5,855,078	11	7,379,570	6,277,328	10
Depreciation and amortization	844,928	846,134	(1)	1,054,493	826,214	14
Other Expenses	6,075,875	4,890,836	12	6,849,015	5,296,558	10
Total operating expenses	13,444,027	11,582,048	16	15,283,078	12,400,100	17
Operating Profit Before Tax on Financial Services	10,896,421	10,837,777	0	10,753,585	11,769,383	0
Less: Taxes on Financial services	2,593,489	1,203,982	120	3,299,888	1,203,982	120
Operating Profit After Tax on Financial Services	7,402,932	9,633,795	(23)	7,453,697	10,565,401	(29)
Share of associate companies' profit/(loss)	-	-	-	-	-	-
Profit Before Taxation	7,402,932	9,633,795	(23)	7,453,697	10,565,401	(29)
Less: Income tax expenses	1,875,596	(2,279,021)	126	2,298,426	(1,026,257)	149
Profit for the year	5,527,336	7,354,774	(24)	5,155,271	9,539,144	(46)
Profit attributable to:						
Equity holders of the parent	5,093,327	7,309,045	(31)	5,299,436	9,388,727	(44)
Non-controlling interests	434,009	45,729	89	855,835	150,417	83
Basic Earnings per share (in US\$)	13.48	7.89	71	14.41	7.32	43
Diluted Earnings per share (in US\$)	13.48	7.83	74	14.42	7.32	42

	STATEMENT OF COMPREHENSIVE INCOME					
	Bank			Group		
	Year ended 31/12/2023 (Audited) US\$ '000	Year ended 31/12/2022 (Audited) US\$ '000	Change %	Year ended 31/12/2023 (Audited) US\$ '000	Year ended 31/12/2022 (Audited) US\$ '000	Change %
Profit for the year	5,527,336	7,354,774	(24)	5,155,271	9,539,144	(46)
Items that will be reclassified to Statement of Profit or Loss						
Gain/(loss) from available-for-sale investments	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	(67,402)	280,991	(113)
Net Gain/(loss) on investments in debt instruments measured at fair value through other Comprehensive Income	1,218,008	2,600,000	(54)	5,268,149	2,991,540	120
Changes in impairment allowance for expected credit losses	-	(181,131)	100	-	(181,155)	100
Cash Flow Hedge Reserve Gain/Loss	(3,181,788)	4,385,133	(127)	(3,181,788)	4,385,133	(127)
Less: Tax expense relating to items that will be reclassified to Income Statements	(836,379)	(1,991,091)	49	(826,383)	(1,991,091)	49
Items that will not be reclassified to Statement of Profit or Loss						
Net Gain/(loss) on investments in equity instruments measured at fair value through other Comprehensive Income	495,123	(204,241)	104	535,123	(204,241)	104
Revaluation of Land & Buildings	50,482	200,651	(80)	81,331	126,788	(35)
Actuarial Gain/(loss) on defined benefit plans	(581,391)	98,054	(164)	(600,049)	50,008	(11,141)
Less: Tax expense relating to items that will not be reclassified to Income Statements	71,463	(142,227)	150	87,083	(173,657)	139
Total Other Comprehensive Income after Tax	1,209,295	6,507,823	(11)	5,259,795	4,724,474	(10)
Total Comprehensive Income for the year	6,736,631	13,862,597	(51)	10,415,066	14,263,618	(28)
Attributable to:						
Equity holders of the parent	6,474,329	7,412,566	(10)	9,029,912	7,665,015	(10)
Non-controlling interests	262,302	1,450,031	(82)	1,385,154	6,598,603	(79)
	6,736,631	13,862,597	(51)	10,415,066	14,263,618	(28)

The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.

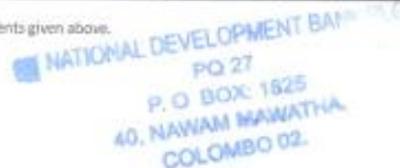


Telephone: 94 11 2446448 Fax: 94 11 2440262 E-mail: contact@ndbbank.com Website: www.ndbbank.com

National Development Bank PLC. (Company Reg No. PQ27)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
	BANK			Group		
	Current Period	Previous Year	Change	Current Period	Previous Year	Change
	As at 31/12/2023 (Audited) LKR '000	As at 31/12/2022 (Audited) LKR '000		As at 31/12/2023 (Audited) LKR '000	As at 31/12/2022 (Audited) LKR '000	
Assets						
Cash and cash equivalents	28,100,515	34,849,521	(19)	28,580,676	35,727,665	(20)
Balances with the Central Bank of Sri Lanka	7,040,421	18,187,547	(61)	7,040,421	18,187,547	(61)
Placements with banks	33,743,602	4,108,989	721	33,743,602	4,108,989	721
Derivative Financial Instruments	3,083,815	7,909,252	(61)	3,083,815	7,909,252	(61)
Financial assets recognized through profit or loss measured at fair value	24,021,340	19,318,483	24	26,040,046	20,788,523	25
Financial assets at amortised cost - loans and receivables to other customers	452,660,461	545,873,027	(17)	452,739,928	545,919,824	(17)
Financial assets at amortised cost - debt and other instruments	125,672,370	135,047,886	(7)	125,672,370	135,047,886	(7)
Financial assets measured at fair value through other comprehensive income	83,805,398	44,685,230	88	84,645,423	45,454,490	86
Investments in subsidiary companies	1,108,772	1,115,794	(1)	-	-	-
Investment Property	-	-	-	3,112,440	2,879,091	8
Intangible assets	1,883,447	1,804,321	4	1,898,270	1,813,213	5
Property, plant & equipment	3,145,117	3,261,362	(4)	3,817,097	3,907,994	(2)
Right of Use Assets	1,145,601	1,170,763	(2)	1,260,055	1,323,368	(5)
Current Tax Assets	-	-	-	43,102	43,488	(1)
Deferred tax Assets	9,548,118	9,004,747	7	9,717,805	9,048,895	7
Other assets	4,844,183	9,425,128	(25)	5,583,827	1,157,871	(1)
Total assets	779,899,160	832,772,250	(6)	786,958,877	839,197,897	(6)
Liabilities						
Due to banks	7,679,195	20,251,657	(62)	7,679,195	20,298,844	(62)
Derivative Financial Instruments	93,361	96,246	(3)	93,361	96,246	(3)
Financial Liabilities at amortised cost - due to depositors	615,643,999	672,334,023	(8)	615,232,470	671,713,337	(8)
Financial Liabilities at amortised cost - due to debt securities holders	15,632,569	130,541	11,875	15,632,569	130,541	11,875
Debt securities issued	24,636,539	32,372,265	(24)	24,636,539	32,372,265	(24)
Retirement benefit obligations	29,388,875	27,979,631	5	29,388,875	27,979,631	5
Current Tax Liabilities	1,299,809	938,007	42	1,438,374	1,019,294	41
Deferred Tax Liabilities	7,265,070	6,470,359	12	7,430,771	6,635,188	11
Other liabilities	-	-	-	921,189	878,280	5
Dividends payable	8,033,112	8,606,663	(7)	8,529,555	9,084,114	(6)
	78,654	99,001	(21)	78,654	99,001	(21)
Total liabilities	709,751,283	769,236,387	(8)	711,062,554	770,301,741	(8)
Equity						
Stated Capital	20,738,231	19,870,665	4	20,738,231	19,870,665	4
Statutory Reserve Fund	3,046,479	2,746,479	11	3,046,479	2,746,479	11
Retained Earnings	41,027,500	37,381,043	10	45,079,167	41,116,154	10
Other Reserves	5,335,667	3,537,676	51	5,607,518	3,771,599	49
Total shareholders' equity	70,147,877	63,535,863	10	74,471,393	67,504,897	10
Non Controlling Interests	-	-	-	1,424,930	1,391,259	2
Total Equity	70,147,877	63,535,863	10	75,896,323	68,896,156	10
Total liabilities and equity	779,899,160	832,772,250	(6)	786,958,877	839,197,897	(6)
Net Book Value Per Share (LKR)	175.60	167.16	5	186.81	177.60	5
Contingent liabilities and commitments	277,965,419	293,609,756	(5)	278,127,046	294,376,907	(6)

The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.



Telephone : 94 11 2448448 Fax : 94 11 2440262 E-mail : contact@ndbbank.com Website : www.ndbbank.com

National Development Bank PLC (Company Reg No. PQ27)

	STATEMENT OF CHANGES IN EQUITY									
	Share Based Payment Reserves	Statutory Reserve Fund	Revaluation Reserve	Share Based Payment Reserves	Other Reserves	Cash Flow Hedge Reserve	Retained Earnings	Total	Non Controlling Interests	Equity
	LR '000	LR '000	LR '000	LR '000	LR '000	LR '000	LR '000	LR '000	LR '000	LR '000
For the Year ended 31 December										
BANK										
Balance as at 01 January 2022	18,263,609	2,571,479	1,402,195	44,479.00	(2,483,938)	-	99,316,282	58,932,206	-	58,932,206
Change relating to surcharge tax	-	-	-	-	-	-	(2,456,803)	(2,456,803)	-	(2,456,803)
Adjusted Balance as at 01 January 2022	18,263,609	2,571,479	1,402,195	44,479.00	(2,483,938)	-	96,877,979	56,475,403	-	56,475,403
Total Comprehensive Income for the year	-	-	-	-	-	-	2,009,045	2,009,045	-	2,009,045
Other Comprehensive Income before Tax	-	-	249,651	-	2,116,635	-	(111,060)	6,038,464	-	6,038,464
Tax on Other Comprehensive Income	-	-	(185,583)	-	(675,432)	-	42,044	(2,138,540)	-	(2,138,540)
Total Comprehensive Income for the Year	-	-	64,070	-	1,441,203	-	2,858,029	7,412,969	-	7,412,969
Transactions with equity holders										
Transfer to statutory reserve fund	-	175,000	-	-	-	-	(175,000)	-	-	-
Final Dividends for year 2021 - Scrip	1,607,056	-	-	-	-	-	(1,607,056)	-	-	-
Final Dividends for year 2021 - Cash	-	-	-	-	-	-	(357,124)	-	-	(357,124)
Reversal of dividends declared in prior years	-	-	-	-	-	-	4,215	-	-	4,215
Balance as at 31 December 2022	19,870,665	2,571,479	1,466,265	44,479	(1,042,735)	3,069,667	97,281,043	(352,000)	-	61,535,863
Balance as at 01 January 2023	18,870,665	2,746,479	1,466,265	44,479	(1,042,735)	3,069,667	97,383,043	-	-	61,535,863
Total Comprehensive Income for the Year	-	-	-	-	-	-	9,370,327	5,370,327	-	5,370,327
Other Comprehensive Income before Tax	-	-	50,483	-	5,574,808	-	(581,395)	1,852,111	-	1,852,111
Tax on Other Comprehensive Income	-	-	(15,145)	-	(4,577,004)	-	87,606	(547,908)	-	(547,908)
Other Comprehensive Income before Tax	-	-	35,338	-	3,996,905	-	4,876,528	6,674,538	-	6,674,538
Transactions with equity holders										
Transfer to statutory reserve fund	-	300,000	-	-	-	-	(300,000)	-	-	-
Issue of Shares - Scrip Dividends	867,256	-	-	-	-	-	(867,256)	-	-	-
Reversal of dividends declared in prior years	-	-	-	-	-	-	20,156	-	-	20,156
Balance as at 31 December 2023	20,738,231	3,046,479	1,501,603	44,479	2,954,170	875,416	41,027,560	(82,673)	-	70,147,078

The Management is responsible for the financial information extracted from the audited financial statements given above.

Signed for and on behalf of the Management of the Bank.

NATIONAL DEVELOPMENT BANK PLC



P.O. Box No. 1825
40, NAWAMI MAWATHA,
COLOMBO 02.

STATEMENT OF CHANGES IN EQUITY

For the Year ended 31 December	Stated Capital		Statutory Reserve Fund		Revaluation Reserve		Share Based Payment Fair Value Reserve		Cash Flow Hedge Reserve		Retained Earnings		Total		Non Controlling Interests		Total Equity		
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
GROUP																			
Balance as at 01 January 2022	18,263,609	2,574,479	1,581,831	44,479	(2,467,181)	-	42,750,952	(2,554,396)	62,727,169	3,335,373	(21,780)	64,065,542	(2,554,396)	61,511,146	3,335,373	(21,780)	64,065,542	61,511,146	
Change relating to surcharge tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjusted Balance as at 01 January 2022	18,263,609	2,574,479	1,581,831	44,479	(2,467,181)	-	42,750,952	(2,554,396)	62,727,169	3,335,373	(21,780)	64,065,542	(2,554,396)	61,511,146	3,335,373	(21,780)	64,065,542	61,511,146	
Total Comprehensive Income for the year																			
Profit for the year	-	-	-	-	-	-	3,028,563	-	3,028,563	3,028,563	-	3,028,563	-	3,028,563	3,028,563	-	3,028,563	3,028,563	
Other Comprehensive Income before Tax	-	-	316,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax on Other Comprehensive Income	-	-	(217,580)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	99,109	-	-	-	3,028,563	-	3,028,563	3,028,563	-	3,028,563	-	3,028,563	3,028,563	-	3,028,563	3,028,563	
Transactions with equity holders																			
Transfer to statutory reserve fund	-	175,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Final Dividends for year 2021 - Scrip	1,607,064	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Final Dividends for year 2021 - Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend attributable to non controller ; Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2022	19,870,665	2,749,479	1,602,940	44,479	(1,025,487)	-	41,116,154	4,215	67,504,892	3,391,259	-	70,896,151	4,215	67,504,892	3,391,259	-	70,896,151	67,504,892	
Balance as at 01 January 2023	19,870,665	2,749,479	1,602,940	44,479	(1,025,487)	-	41,116,154	4,215	67,504,892	3,391,259	-	70,896,151	4,215	67,504,892	3,391,259	-	70,896,151	67,504,892	
Total Comprehensive Income for the year																			
Profit for the year	-	-	92,531	-	-	-	3,759,416	-	3,759,416	3,759,416	-	3,759,416	-	3,759,416	3,759,416	-	3,759,416	3,759,416	
Other Comprehensive Income before Tax	-	-	(27,760)	-	-	-	(661,195)	-	(688,955)	(688,955)	-	(688,955)	-	(688,955)	(688,955)	-	(688,955)	(688,955)	
Tax on Other Comprehensive Income	-	-	1,271,918	-	-	-	94,853	-	1,366,773	1,366,773	-	1,366,773	-	1,366,773	1,366,773	-	1,366,773	1,366,773	
Total Comprehensive Income for the year	-	-	64,771	-	-	-	3,153,044	-	3,153,044	3,153,044	-	3,153,044	-	3,153,044	3,153,044	-	3,153,044	3,153,044	
Transactions with statutory holders																			
Transfer to statutory reserve fund	-	300,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issue of Shares - Scrip Dividends	867,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend attributable to non controller; Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2023	20,738,231	3,049,479	1,797,711	44,479	2,979,910	-	45,079,167	20,156	74,471,393	3,494,830	-	77,966,223	20,156	74,471,393	3,494,830	-	77,966,223	74,471,393	

The Management is responsible for the financial information extracted from the audited financial statements given above. Signed for and on behalf of the Manager as of the bank.



For the Year ended 31 December	BANK		GROUP	
	2023	2022	2023	2022
	LKR '000	LKR '000	LKR '000	LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	115,721,380	92,732,700	116,098,876	92,938,324
Fee based income received	6,724,905	6,350,791	8,097,965	7,715,104
Dividend income received	77,194.00	345,678	15,402	56,010
Other Operating income received	256,105	5,575,291	457,150	5,771,691
Interest paid	(88,033,051)	(51,885,500)	(88,031,617)	(51,895,768)
Personnel costs paid	(6,530,159)	(5,591,768)	(7,272,194)	(6,124,495)
Other expenses paid	(7,082,535)	(4,625,884)	(7,551,205)	(5,003,505)
Operating Profit before changes in operating assets and liabilities	21,171,229	42,901,309	21,814,377	43,449,361
(Increase)/decrease in operating assets				
Deposits held for regulatory or monetary control purposes	11,147,126	(1,784,185)	11,147,126	(1,784,185)
Financial Assets at amortised cost - loans and receivables to other customers	77,234,867	(49,031,658)	77,234,867	(49,266,112)
Net (increase)/decrease in operating assets	4,984,338	(3,667,367)	5,063,435	(2,656,530)
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	(57,694,801)	106,277,952	(57,505,645)	106,460,463
Financial liabilities at amortised cost - due to debt securities holders	15,502,028	(1,210,519)	15,502,028	(1,210,519)
Financial liabilities at amortised cost - due to other borrowers	(15,280,423)	4,699,078	(15,280,423)	4,699,078
Repayment of principal portion of lease liabilities	(435,836)	(420,768)	(511,440)	(485,967)
Net increase/(decrease) in other liabilities	115,767	(2,697,938)	(2,593)	(3,611,245)
Net cash generated/(used in) from operating activities before taxation	56,746,305	95,065,904	57,461,732	95,594,344
Tax on Financial Services paid	(2,689,010)	(1,357,619)	(2,689,010)	(1,357,619)
Income taxes paid	(2,372,153)	(1,582,804)	(2,674,348)	(1,824,899)
Surcharge tax paid	-	(2,456,403)	-	(2,576,177)
Net cash generated/(used in) from operating activities	51,685,142	89,669,078	52,098,374	89,835,649
CASH FLOWS FROM INVESTING ACTIVITIES				
Net changes in financial investments	(24,482,448)	(67,569,863)	(25,191,301)	(67,146,633)
Purchase of intangible assets	(1,925,214)	(830,787)	(1,933,715)	(832,700)
Purchase of property, plant & equipment	(157,644)	(323,417)	(398,262)	(346,237)
Proceeds from sale of property, plant & equipment	5,069	1,714	5,109	1,788
Net cash generated/(used in) from investing activities	(26,760,237)	(68,722,453)	(27,518,169)	(68,323,782)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debts securities issued	(3,637,980)	-	(3,637,980)	-
Proceeds of debts securities issued	5,000,000	-	5,000,000	-
Interest paid on debts securities issued	(3,348,150)	(3,348,149)	(3,348,150)	(3,348,149)
Dividends paid to non-controlling interests	-	-	(53,283)	(60,549)
Dividends paid to shareholders of the Bank	-	(345,731)	-	(345,731)
Net cash provided by/(used in) financing activities	(1,986,130)	(3,693,880)	(2,039,413)	(3,734,429)
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,838,775	17,252,745	22,540,792	17,777,438
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	38,958,510	21,713,982	39,836,654	22,067,413
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	61,897,285	38,966,727	62,377,446	39,844,871
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	28,100,315	34,948,121	28,580,676	35,727,665
Placements with banks	33,743,602	4,108,989	33,743,602	4,108,989
Cash and cash equivalents at the end of the year (Net)	61,844,117	38,958,510	62,324,278	39,836,654
Add: impairment allowance	53,168	8,217	53,168	8,217
Cash and cash equivalents at the end of the year (Gross)	61,897,285	38,966,727	62,377,446	39,844,871



The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.

Telephone : 94 11 2448445 Fax: 94 11 2440282 E-mail: contact@ndb.bank 40, Navam Mawatha, Colombo - 2, Sri Lanka www.ndbbank.com

National Development Bank PLC

(Company Reg. No. P(027))



P. O. Box 1825
40, Navam Mawatha,
Colombo - 2, Sri Lanka

STATEMENT OF PROFIT OR LOSS

	Bank			Group		
	Year ended	Year ended	Change	Year ended	Year ended	Change
	31/12/2025 Audited LKR '000	31/12/2024 Audited LKR '000		31/12/2025 Audited LKR '000	31/12/2024 Audited LKR '000	
Gross Income	96,186,448	95,383,367	(1)	101,915,999	102,209,733	(1)
Interest income	86,676,326	86,009,881	(7)	86,897,556	88,382,878	(2)
Interest expense	11,715,704	12,849,864	(1)	11,625,678	12,798,288	(6)
Net interest income	34,960,622	34,311,967	2	35,333,678	34,433,743	3
Fee and commission income	6,242,963	7,822,528	(5)	10,754,486	9,860,642	9
Less: Fee and commission expense	180,666	26,210	(18)	389,666	26,210	(18)
Net Fee and commission income	6,062,297	7,796,318	(3)	10,364,820	9,834,432	8
Net gain/(loss) from trading	1,054,313	1,041,218	1	1,854,514	1,661,526	1
Net gain/(loss) from financial assets at fair value through profit or loss	(42,898)	(141,274)	(7)	184,899	131,750	(26)
Net gain/(loss) from re-designation of financial assets	-	-	-	-	-	-
- at fair value through profit or loss	113,885	881,748	(87)	391,833	978,343	(78)
- at fair value through OCI	831,495	3,050,329	(55)	329,260	3,069,427	(73)
Other operating income	1,715,742	(1,002,194)	(19)	1,380,985	(1,140,600)	(19)
Total operating income	44,297,898	45,548,326	(2)	49,029,403	48,388,299	2
Less: Impact of the debt restructuring	-	14,349,580	(100)	-	34,343,580	(100)
Less: Impairment charges/(reversals) on loans and other investments	5,914,844	(5,076,845)	(59)	5,914,844	(10,074,600)	(59)
Net operating income	40,183,054	41,341,501	(1)	43,114,559	44,029,219	(1)
Operating expenses						
Personnel expenses	3,365,493	4,751,317	(9)	10,504,739	9,646,375	8
Depreciation and amortization	1,191,967	1,092,584	8	1,282,244	1,167,089	10
Other expenses	3,241,080	6,936,661	(18)	8,038,627	7,424,517	18
Total operating expense	14,906,540	16,790,902	(13)	20,825,610	18,607,893	(13)
Operating profit before tax on financial services	25,382,414	24,942,999	(2)	22,348,949	25,095,429	(11)
Less: Taxes on financial services	5,047,883	5,524,202	(9)	5,047,883	5,524,202	(9)
Operating profit after tax on financial services	20,334,531	19,418,797	(1)	17,301,066	19,167,227	(1)
Share of associate companies' profit/(loss)	-	-	-	-	-	-
Profit before taxation	16,844,734	16,678,780	(1)	17,301,066	19,167,227	(1)
Less: Income tax expense	5,294,894	6,786,569	(40)	5,770,079	10,276,859	(41)
Profit for the year	11,549,840	9,892,211	(2)	11,530,987	8,890,368	(2)
Profit attributable to:						
Equity holders of the parent	11,009,840	9,692,211	(2)	11,004,303	8,794,061	(2)
Non-controlling interests	539,999	199,999	(2)	526,684	1,106,307	(2)
Basic earnings per share (in LKR)	25.90	21.25	(2)	27.83	23.05	(2)
Diluted earnings per share (in LKR)	25.90	21.19	(2)	27.83	22.96	(2)

STATEMENT OF COMPREHENSIVE INCOME

	Bank			Group		
	Year ended	Year ended	Change	Year ended	Year ended	Change
	31/12/2025 Audited LKR '000	31/12/2024 Audited LKR '000		31/12/2025 Audited LKR '000	31/12/2024 Audited LKR '000	
Profit for the year	11,549,840	9,892,211	(2)	11,530,987	8,890,368	(2)
Items that will be reclassified to statement of profit or loss						
Exchange differences on translation of foreign operations	-	-	-	4,712	195,860	(1)
Net gain/(loss) on investments in debt instruments measured at fair value through other comprehensive income	(1,303,000)	(1,382,088)	(6)	(1,450,795)	(1,370,162)	(8)
Changes in impairment allowance for expected credit losses	138,732	-	(100)	138,732	-	(100)
Cash flow hedge income/(loss)	(404,404)	(776,202)	(48)	(404,404)	(776,202)	(48)
Less: Tax expense relating to items that will be reclassified to income statements	386,619	647,488	(10)	525,829	645,524	(10)
Items that will not be reclassified to statement of profit or loss	(1,228,132)	(1,510,802)	(19)	(1,228,132)	(1,556,900)	(19)
Net gain/(loss) on investments in equity instruments measured at fair value through other comprehensive income	726,734	805,099	(10)	726,734	805,099	(10)
Evaluation of Land & Buildings	353,504	51,725	(51)	369,022	96,364	(78)
Actuarial gain/(loss) on defined benefit plans	(405,773)	(88,254)	(15)	(234,946)	(99,177)	(15)
Less: Tax expense relating to items that will not be reclassified to income statements	178,813	(12,429)	(53)	(16,207)	(22,802)	(59)
Total other comprehensive income after tax	(664,751)	(645,757)	(1)	(664,751)	(676,501)	(1)
Total comprehensive income for the year	10,885,089	9,246,454	(2)	10,866,236	8,213,867	(2)
attributable to:						
Equity holders of the parent	10,345,089	8,746,454	(2)	10,340,539	8,128,801	(2)
Non-controlling interests	539,999	499,999	(2)	525,697	1,084,966	(2)
Basic earnings per share (in LKR)	23.50	19.75	(2)	23.50	19.66	(2)
Diluted earnings per share (in LKR)	23.50	19.70	(2)	23.50	19.58	(2)

The Management is responsible for the financial information extracted from the financial statements above.
Signed for and on behalf of the Management of the Bank:



NATIONAL DEVELOPMENT BANK OF SRI LANKA
P.O. BOX 1825
40, NAVAM MAWATHA,
COLOMBO 02
www.ndb.lk

Telephone: 94 11 2448448, Fax: 94 11 2440262

email: contact@ndbbank.com

Website: www.ndbbank.com

National Development Bank PLC.

(Company Reg. No. PQ27)

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	251,152	6,776,131	(96)	3,414,368	9,905,171	(66)
Financial assets at amortised cost - loans and receivables to other customers	593,603,756	460,707,258	29	593,705,305	460,780,610	29
Financial assets at amortised cost - debt and other instruments	181,340,088	166,190,761	9	181,872,394	166,355,792	9
Financial assets measured at fair value through other comprehensive income	78,548,323	94,245,415	(17)	79,110,967	94,659,106	(16)
Investments in subsidiary companies	1,033,037	1,033,037	-	-	-	-
Investment property	-	-	-	3,346,703	3,107,671	8
Intangible assets	1,628,382	1,766,615	(8)	1,692,400	1,814,985	(7)
Property, plant & equipment	4,213,378	3,147,499	34	5,362,749	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	5,421,800	4,158,040	30	5,489,018	4,216,721	30
Other assets	16,259,804	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	631,083,461	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	-	-	-	1,021,595	976,244	5
Other liabilities	11,215,309	10,860,883	3	11,743,708	11,630,328	1
Dividends payable	124,039	81,988	51	124,039	81,988	51
Total liabilities	849,787,928	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	48,176,283	16
Other reserves	8,569,697	8,884,536	(4)	8,922,907	8,188,008	(3)
Total shareholders' equity	86,020,857	77,664,735	11	91,974,128	82,742,635	11
Non controlling interests	-	-	-	1,514,734	1,459,588	4
Total equity	86,020,857	77,664,735	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	402,598,561	288,292,666	40	403,667,032	288,367,118	40

The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for an on behalf of the Management of the Bank.



NATIONAL DEVELOPMENT BANK PLC
PQ 27
P. O BOX: 1625
40, NAWAM MAWATHA,
COLOMBO 02 www.ndbank.com

Telephone : 94 11 2448448 Fax : 94 11 2440262 E-mail : contact@ndbank.com

National Development Bank PLC.

(Company Reg. No. P(327))

STATEMENT OF CHANGES IN EQUITY												
For the year ended 31 December												
Particulars	Stated Capital		Other Reserves				Retained		Total		Non	Total
	LKR '000	US\$ '000	Statutory reserve fund	Revaluation reserve	Share based payment reserves	Fair value reserve	Cash flow hedge reserve	Special reserve	LKR '000	US\$ '000		
BANK												
Balance as at 01 January 2024	20,784,233	3,040,439	-	1,501,603	41,479	2,954,119	835,416	-	41,027,508	70,147,877	-	70,147,877
Total comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	9,930,221	8,030,221	-	9,030,221
Other comprehensive income before tax	-	-	-	51,725	-	(476,990)	(776,201)	-	(86,354)	(1,290,811)	-	(1,290,811)
Tax on other comprehensive income	-	-	-	(15,520)	-	414,627	232,261	-	3,091	3,059	-	635,091
Total comprehensive income for the year	-	-	-	36,205	-	(61,363)	(443,941)	-	8,343,958	6,374,669	-	8,374,669
Transactions with equity holders												
Transfer to statutory reserve fund	-	475,000	-	-	-	-	-	-	(475,000)	-	-	-
Transfer to the special reserve on SLSB step up bond	-	-	-	-	-	-	-	-	(4,014,429)	-	-	-
Adjustment to share based payment reserve	-	-	-	-	103,519	-	-	-	(9,014,429)	-	-	-
Final dividends for year 2023 - Cash	-	-	-	-	-	-	-	-	(798,920)	103,949	-	103,949
Final dividends for year 2023 - Scrip	3,016,634	-	-	-	-	-	-	-	(798,920)	(798,920)	-	(798,920)
Reversal of dividends declared in prior years	-	-	-	-	-	-	-	-	(1,198,303)	(1,198,303)	-	(1,198,303)
Balance as at 31 December 2024	21,796,865	3,521,479	3,521,479	1,537,818	148,428	2,891,806	892,071	4,014,429	43,501,855	77,864,755	-	77,864,755
Balance as at 01 January 2025	21,796,865	3,521,479	3,521,479	1,537,818	148,428	2,891,806	892,071	4,014,429	43,501,855	77,864,755	-	77,864,755
Total Comprehensive Income for the year												
Profit for the year	-	-	-	-	-	-	-	-	11,010,840	11,010,840	-	11,010,840
Other Comprehensive income before tax	-	-	-	316,504	-	(761,339)	(400,404)	-	(87,040)	(956,278)	-	(956,278)
Tax on Other Comprehensive income	-	-	-	(54,952)	-	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	-	-	-	-	-	-	-	-	156,817	-	156,817
Transfer to special reserve on SLSB - Step-up Bonds	-	-	-	-	(87,134)	-	-	-	(87,134)	-	-	-
Adjustment to share based payment reserves	-	-	-	-	-	-	-	-	(225,524)	-	-	-
Transfer to Statutory Reserve Fund	-	592,500	-	-	-	-	-	-	(592,500)	-	-	-
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	-	-	(2,081,458)	(2,081,458)	-	(2,081,458)
Final Dividends for year 2024 - Scrip	1,061,542	-	-	-	-	-	-	-	(1,248,873)	(1,248,873)	-	(1,248,873)
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	4,073,979	1,796,378	6,992	2,561,882	6,992	4,239,953	50,334,823	86,020,857	-	86,020,857

The Management is responsible for the financial information extracted from the audited financial statements given above. Signed for and on behalf of the Management of the Bank.

NATIONAL DEVELOPMENT BANK PLC
 PO 37
 P. O. BOX 1526
 40, NAHARA MAMATHA
 COLOMBO 02



GROUP	Statutory Reserve		Other Reserves		Fair Value Reserve	Cash Flow Hedge Reserve	Special Reserve	Retained	Total	Non	Box Equivalent
	LKR '000	LKR '000	Statutory Reserve Fund	Revaluation Reserve							
Balance as at 01 January 2024	20,718,231	3,040,479	1,747,711	2,079,910	835,438	-	45,079,162	74,471,393	1,404,930	15,866,323	
Total Comprehensive Income for the year	-	-	-	-	-	-	9,794,161	9,794,161	98,174	9,892,335	
Profit for the year	-	-	96,364	(474,483)	(776,202)	-	(1,331,479)	(1,281,780)	(11,558)	(1,299,338)	
Other Comprehensive Income before Tax	-	-	(23,806)	412,633	232,861	-	603,455	603,455	622,452	622,452	
Tax on Other Comprehensive Income	-	-	67,455	(62,000)	(543,141)	-	(6,666,719)	(6,666,719)	80,616	9,215,449	
Total Comprehensive Income for the year	-	-	-	-	-	-	(675,000)	(675,000)	-	-	
Transfer to statutory reserve fund	-	675,000	-	-	-	-	(675,000)	(675,000)	-	-	
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	4,014,439	(4,014,439)	-	-	-	
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 - Trip	1,018,684	-	-	-	-	-	(1,198,399)	(179,715)	-	(179,715)	
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	(51,858)	(51,858)	
Reversal of dividends declared in prior years	-	-	-	-	-	-	17,148	17,148	-	17,148	
Balance as at 31 December 2024	21,736,965	3,521,479	1,815,166	2,917,910	292,075	4,014,439	48,276,283	82,742,635	1,459,588	84,202,223	
Balance as at 01 January 2025	21,756,865	3,541,479	1,815,166	2,917,910	292,075	4,014,439	48,276,283	82,742,635	1,459,588	84,202,223	
Total Comprehensive Income for the year	-	-	-	-	-	-	11,864,755	11,864,755	86,238	11,950,993	
Profit for the year	-	-	365,022	(771,042)	(404,404)	-	(809,898)	(809,898)	(442)	(810,340)	
Other Comprehensive Income before Tax	-	-	(109,500)	446,129	121,321	-	(22,522)	(22,522)	-	(22,522)	
Tax on Other Comprehensive Income	-	-	355,516	(324,823)	(283,083)	-	11,753,153	11,469,673	85,796	11,555,469	
Total Comprehensive Income for the year	-	-	-	-	-	-	11,469,673	11,469,673	85,796	11,555,469	
Transactions with equity holders	-	-	-	-	-	-	-	-	-	-	
Issue of shares	224,151	-	-	-	-	-	-	224,151	-	224,151	
Transfer to statutory reserve fund	-	542,900	-	-	-	-	(542,900)	-	-	-	
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	225,534	(225,534)	-	-	-	
Adjustment to share based payment reserves	-	-	-	-	-	-	(70,811)	(70,811)	31	(70,780)	
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	(2,081,455)	(2,081,455)	-	(2,081,455)	
Final Dividends for year 2024 - Trip	1,061,240	-	-	-	-	-	(1,248,873)	(187,633)	-	(187,633)	
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	(90,693)	(90,693)	
Reversal of dividends declared in prior years	-	-	-	-	-	-	13,000	13,000	-	13,000	
Balance as at 31 December 2025	22,762,558	4,093,979	2,070,682	2,592,997	6,992	4,239,953	55,934,084	91,974,128	1,514,794	93,488,922	

The Management is responsible for the financial information extracted from the audited financial statements given above.

Signed for an on behalf of the Management of the Bank.



NATIONAL DEVELOPMENT BANK PLC
 PQ 27
 P. O. BOX: 1626
 40, MAWAM MAWATHA
 COLOMBO 02.

STATEMENT OF CASH FLOW

For the year ended 31 December	BANK		GROUP	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
Cash flows from operating activities				
Interest received	86,503,883	96,983,587	86,589,992	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	(604,295)	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)	(8,855,426)	(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	1,371,578
Net cash generated/(used in) from operating activities before taxation	25,252,289	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)	(5,723,958)	(7,613,085)	(6,043,944)
Net cash generated/(used in) from operating activities	13,152,056	14,788	13,210,524	875,435
Cash flows from investing activities				
Net changes in financial investments	6,815,031	(21,178,447)	6,752,942	(21,832,024)
Purchase of intangible assets	(150,444,000)	(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 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 debt securities issued	(4,111,788)	(3,507,364)	(4,111,788)	(3,507,364)
Dividends paid to non-controlling interests	-	-	(32,218)	(52,958)
Dividends paid to shareholders of the Bank	(1,745,875)	(697,327)	(1,745,875)	(697,327)
Withholding tax on dividends	(489,790)	(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

The Management is responsible for the financial information extracted from the audited financial statements given above.
Signed for and on behalf of the Management of the Bank.



NATIONAL DEVELOPMENT BANK PLC
P.O. BOX 1826
40, NAWAM MAWATHA,
COLOMBO 02.

ANNEXURE I - COPY OF THE RATING CERTIFICATE

2/26/26, 1:05 PM Fitch Rates National Development Bank's Green, Social and Sustainable Sub Debt Final 'BBB+(Ika)'

CERTIFIED COPY


26/02/2026
Secretary
NATIONAL DEVELOPMENT BANK PLC
P. O. 27
SRI LANKA

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates National Development Bank's Green, Social and Sustainable Sub Debt Final 'BBB+(Ika)'

Tue 17 Feb, 2026 - 9:09 AM ET

Fitch Ratings - Colombo/Singapore - 17 Feb 2026: Fitch Ratings has assigned National Development Bank PLC's (NDB, A(Ika)/Stable) proposed Basel III-compliant subordinated, unsecured, green, social and sustainability/sustainability linked (GSS+) bonds of up to LKR16 billion a final National Long-Term Rating of 'BBB+(Ika)'.
The final rating is the same as the expected rating assigned on 19 December 2025 and follows the receipt of documents conforming to information already received.

KEY RATING DRIVERS

The proposed bonds will mature in five and seven years and will be listed on the Colombo Stock Exchange. The bank plans to use the proceeds to strengthen its Tier 2 capital base and support loan book expansion through financing GSS+ projects.

The proposed bonds will qualify as Basel III-compliant regulatory Tier 2 capital. The bonds include a non-viability clause whereby they will convert to ordinary voting shares subject to the occurrence of a trigger event, as determined by the Governing Board of the Central Bank of Sri Lanka.

Fitch rates the proposed bonds two notches below NDB's National Long-Term Rating anchor. This reflects Fitch's baseline notching for loss severity for this type of debt and our expectations of poor recoveries. There is no additional notching for non-performance risk, as the proposed bonds do not incorporate going-concern loss-absorption features.

NDB's National Long-Term Rating is used as the anchor rating for this instrument, because the rating reflects the bank's standalone financial strength and best indicates the risk of the bank becoming non-viable. Fitch reviewed NDB's ratings with no rating action on 8 September 2025. See our latest rating action commentary, Fitch Upgrades

<https://www.fitchratings.com/research/banks/fitch-rates-national-development-bank-green-social-sustainable-sub-debt-final-bbb-ika-17-02-2026> 1/7

10 Sri Lankan Banks' National Ratings and Affirms Five after Scale Recalibration, published 21 January 2025, for key rating drivers and sensitivities.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of the bank's National Long-Term Rating would lead to a downgrade of the bond rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the bank's National Long-Term Rating would lead to an upgrade of the bond rating.

DATE OF RELEVANT COMMITTEE

08 September 2025

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕	PRIOR ↕
National Development Bank PLC		
subordinated	Natl LT BBB+(lka) New Rating	BBB+(EXP) (lka)

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Jeewanthi Malagala
 Director
 Primary Rating Analyst
 +94 11 7066 605

2/28/26, 1:05 PM

Fitch Rates National Development Bank's Green, Social and Sustainable Sub Debt Final 'BBB+(ka)'

jeewanthi.malagala@fitchratings.com

Fitch Ratings Lanka Ltd.

15-02 East Tower, World Trade Center Echelon Square, Colombo 00100

Tania Gold

Senior Director

Secondary Rating Analyst

+65 6796 7224

tania.gold@fitchratings.com

Heakyu Chang

Senior Director

Committee Chairperson

heakyu.chang@fitchratings.com

MEDIA CONTACTS

Vivian Kam

Hong Kong

+852 2263 9612

vivian.kam@thefitchgroup.com

Leslie Tan

Singapore

+65 6796 7234

leslie.tan@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

National Scale Rating Criteria (pub. 22 Dec 2020)

Bank Rating Criteria (pub. 22 Mar 2025) (including rating assumption sensitivity)

<https://www.fitchratings.com/research/banks/fitch-rates-national-development-bank-green-social-sustainable-sub-debt-final-bbb-ka-17-02-2026>

3/7

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

Potential Conflicts Resulting from Revenue Concentrations

ENDORSEMENT STATUS

National Development Bank PLC

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant

public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any

security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.



Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 771 9700,
+94 11 771 9838
Fax: +94 11 230 7237
www.deloitte.com

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF NATIONAL DEVELOPMENT BANK PLC ON THE INFORMATION CONTAINING IN THE NATIONAL DEVELOPMENT BANK PLC'S GSS+ BOND FRAMEWORK PERTAINING TO THE 2026 GSS+ BOND ISSUANCE.

SCOPE

We have been engaged by National Development Bank PLC (the "Bank") to perform a limited assurance engagement, as defined by Sri Lanka Standard on Assurance Engagements, to report on the GSS+ Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the use-of-proceeds bonds section of the 2026 GSS+ Bond Issuance and to the use of proceeds, process for sustainability-linked loan evaluation and selection, management of proceeds, and reporting of the sustainability linked-loan financing bonds section of the 2026 GSS+ Bond Issuance (the "Subject Matter").

CRITERIA APPLIED BY THE COMPANY

In preparing the National Development Bank PLC GSS+ Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, process for sustainability-linked loan evaluation and selection, management of proceeds, and reporting of the National Development Bank PLC's 2026 GSS+ Bond Issuance, the company applied the Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025, Sustainability Bond Guidelines (SBG) 2021, Guidelines for Blue Finance 2022 and Guidelines for Sustainability-Linked Loans financing Bonds 2024 Published by International Capital Market Association and the Sri Lanka Green Finance Taxonomy Published by the Central Bank of Sri Lanka in 2022 (the "Criteria").

MANAGEMENT'S RESPONSIBILITY

The Bank's management is responsible for selecting the Criteria, and for presenting the National Development Bank PLC GSS+ Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, process for sustainability-linked loan evaluation and selection, management of proceeds, and reporting of the 2026 GSS+ Bond Issuance in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekera FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179



OUR RESPONSIBILITY

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Sri Lanka Standard on Quality Management (SLSQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing National Development Bank PLC GSS+ Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, reporting of the 2026 GSS+ Bond Issuance and related information, and applying other appropriate procedures.



Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process.
- Conducted interviews with key personnel and inspect related documentations to understand and verify the process for collecting, collating, and reporting the Information containing in the Subject Matter.
- Assessment of suitability of Criteria used by the issuer in preparing the GSS+ bond framework.
- Checked whether the content of the 2026 GSS+ Bond Framework aligns with the principles outlined in the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been presented, in all material respects, fairly and in accordance with the Criteria defined.

Deloitte Partners

Chartered Accountants

3 February 2026

ANNEXURE III - COLLECTION POINTS

Copies of the Application Form can be obtained free of charge, upon request from the following collection points.

Issuer National Development Bank PLC No. 40, Nawam Mawatha, Colombo 02 Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262	Managers and Placement Agents to the Issue NDB Investment Bank Limited Level 1, NDB Capital Building No. 135, Baudhaloka Mawatha Colombo 04 Tel: + 94 11 2 300 385-90 Fax: +94 11 2 300 393
Registrars to the Issue S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03, Sri Lanka. Tel: +94 11 2 573 894 Fax: +94 11 2 573 609	Bankers to the Issue National Development Bank PLC No. 40, Nawam Mawatha, Colombo 02 Tel: +94 11 2 448 448 Fax: +94 11 2 341 044, +94 11 2 440 262

Branch Network of National Development Bank PLC

Copies of the Application Form can be obtained free of charge from all branches/customer centers of National Development Bank PLC.

Trading Participants of the CSE

<p>HNB Stockbrokers (Private) Limited</p> <p>No. 53, Dharmapala Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: sales@acuitystockbrokers.com</p>	<p>Asha Securities Limited</p> <p>No.60, 5th Lane, Colombo 03.</p> <p>Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net</p>
<p>Asia Securities (Private) Limited</p> <p>4th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03.</p> <p>Tel: +94 11 7 722 000 Fax: +94 11 258 4864 E-mail: inquiries@asiasecurities.lk</p>	<p>Almas Equities (Private) Limited</p> <p>Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 8.</p> <p>Tel: +94 11 707 1445 51 Fax: +94 11 2 673 908 E-mail: info@almasequities.com</p>
<p>Bartleet Religare Securities (Private) Limited</p> <p>Level “G”, “Bartleet House” 65, Braybrooke Place, Colombo 02.</p> <p>Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com</p>	<p>Capital Trust Securities (Private) Limited</p> <p>42, Mohamed Macan Markar Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 174 174/ +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk</p>
<p>CT Smith Securities (Private) Limited</p> <p>4-14, Majestic City, 10, Station Road, Colombo 04.</p> <p>Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctsmith.lk</p>	<p>First Capital Equities (Pvt) Limited</p> <p>No.2, Deal Place, Colombo 03.</p> <p>Tel: +94 11 2 639 898 / +94 11 2 651 651 Fax: +94 11 2 576 866 / +94 11 2 639 899 E-mail: equity@firstcapital.lk</p>
<p>J B Securities (Private) Limited</p> <p>No. 150, St. Joseph Street, Colombo 14.</p> <p>Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p>	<p>John Keells Stockbrokers (Private) Limited</p> <p>186, Vauxhall Street, Colombo 02.</p> <p>Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p>

<p>Lanka Securities (Private) Limited</p> <p>3rd Floor," M2M Veranda Offices", No34, W.A.D. Ramanayeke Mawatha, Colombo 2.</p> <p>Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com</p>	<p>Nation Lanka Equities (Private) Limited</p> <p>No. 44, Guildford Crescent, Colombo 07.</p> <p>Tel: +94 11 789 8302 Fax: E-mail: info@nlequities.com</p>
<p>NDB Securities (Private) Limited</p> <p>Level 2, NDB Capital Building, No. 135, Baudhaloka Mawatha, Colombo 04.</p> <p>Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p>	<p>SC Securities (Private) Limited</p> <p>5thFloor, No. 26B, Alwis Place, Colombo 03.</p> <p>Tel: +94 11 4 711 000/ / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk</p>
<p>Somerville Stockbrokers (Private) Limited</p> <p>No. 410/95,1/1, Baudhaloka Mawatha, Colombo 7 Tel: +94 112 502 858 / +94 112 502 862 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk</p>	<p>Seylan Bank PLC</p> <p>Level 3, Seylan Towers, 90, Galle Road, Colombo 03.</p> <p>Tel: +94 11 245 6300 Fax: +94 11 245 2215 E-Mail: info@seylan.lk</p>
<p>Softlogic Stockbrokers (Private) Limited</p> <p>Level 16, One Galle Face Tower, Colombo 02.</p> <p>Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 E-mail: info@softlogicstockbrokers.lk</p>	<p>Capital Alliance Securities (Private) Limited</p> <p>Level 5, "Millennium House" 46/58, Navam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk</p>
<p>Senfin Securities Limited</p> <p>4th Floor, No.180, Baudhaloka Mawatha, Colombo 04.</p> <p>Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com</p>	<p>First Guardian Equities (Private) Limited</p> <p>32nd Floor, East Tower, World Trade Centre, Colombo 01.</p> <p>Tel: +94 11 446 4400 Fax: E-mail: info@fge.lk</p>

<p>ACAP Stock Brokers (Private) Limited</p> <p>No. 46/46, 7th Floor, Greenlanka Towers, Nawam Mawatha, Colombo 02.</p> <p>Tel: +94 117 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk</p>	<p>Ambeon Securities (Private) Limited</p> <p>2nd Floor, No. 10, Gothami Road, Colombo 08.</p> <p>Tel: +94 11 5 328 200 / +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>
<p>LOLC Securities (Private) Limited</p> <p>No.481, T.B. Jayah Mawatha, Colombo 10.</p> <p>Tel: +94 11 5 889 889 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com</p>	<p>Richard Pieris Securities (Pvt) Limited</p> <p>No 310, Highlevel Road, Nawinna, Maharagama.</p> <p>Tel: +94 11 4 310 500 Fax: +94 11 2 802 385 E-mail: communication@rpsecurities.com</p>
<p>Enterprise Ceylon Capital (Private) Limited</p> <p>2nd Floor-4B, Liberty Plaza, 250, R. A. De Mel Mawatha, Colombo 3</p> <p>Tel: +94 11 2 445 644/ +94 112 301 861 Fax: - E-mail: info@ecc.lk</p>	<p>Nestor Stock Brokers (Private) Limited</p> <p>No. 428, 2/1, R.A. De Mel Mawatha, Colombo 3.</p> <p>Tel: +94 11 475 8813 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk</p>
<p>ACAP Stock Brokers (Private) Limited</p> <p>No. 46/46, 7th Floor, Greenlanka Towers, Nawam Mawatha, Colombo 02.</p> <p>Tel: +94 117 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk</p>	<p>Ambeon Securities (Private) Limited</p> <p>2nd Floor, No. 10, Gothami Road, Colombo 08.</p> <p>Tel: +94 11 5 328 200 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>
<p>Capital Alliance PLC</p> <p>Level 5, "Millenium House" 46/58, Nawam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-Mail: info@cal.lk</p>	<p>Wealthtrust Securities Limited</p> <p>No. 102/1, Dr. N.M. Perera Mawatha, Colombo 8.</p> <p>Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-Mail: info@wealthtrust.lk</p>

ACS Capital (Private) Limited

No. 44, Guildford Crescent, Colombo 07.

Tel: +94 11 7 898 302

E-Mail: info@acscapital.lk

ANNEXURE IV - CUSTODIAN BANKS

Bank of Ceylon1 (Head Office) 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2 204 064	Citi Bank, N A 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 4 794 733
Commercial Bank of Ceylon PLC Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01 T: +94 11 2 486 000/ +94 11 4 486 000/ +94 11 7 486 000/ +94 11 5 486 000	Deutsche Bank AG 86, Galle Road, Colombo 03 T: +94 11 2 447 062, 2 438 057
Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 77 7 712 406	The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, 2446303
People’s Bank (Head Office) Treasury, 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2 206 782	Standard Chartered Bank 37, York Street, Colombo 01 T: +94 11 2 480 450
Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5 331 458, +94 11 4 730 662	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 4 622 350
Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 4 701 812, +94 11 4 701 819	Union Bank of Colombo PLC 64, Galle Road, Colombo 03 T: +94 11 2 374 205
Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4 313 131	Pan Asia Banking Corporation PLC (Head Office) 450, Galle Road, Colombo 03 T: +94 11 2 565 565
National Development Bank PLC No.40, Nawam Mawatha, Colombo 02 T: +94 (0) 11 2 448 448	DFCC Bank PLC No.73/5, Galle Road, Colombo 03. T: +94 112 442 031

ANNEXURE V – FATCA DECLARATION

Manager
National Development Bank PLC
.....

I/We.....
.....and.....
.....of.....

(address).....holder/s of Passport Number/
NIC Number..... who fall under definition of a US Persons under the provision of the Foreign Account
Tax Compliance Act (“FATCA”) which is a US legislation aimed at preventing tax evasion by US persons through
overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires “US
Persons” to report their financial assets held overseas.

I/We hereby request National Development Bank PLC which is recognized as a Foreign Financial Institutions (FFIs)
in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the
National Development Bank PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United
States of America. I/We further confirm that this request is made by me/us with full knowledge and
understanding of FATCA.

Date:.....

Signature/s of Applicants